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HOUSE OF REPRESENTATIVES—*Friday, April 9, 1976*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

There is one God and Father of all, who is above all. And through all and in all.—Ephesians 4: 6.

Almighty and Eternal God, we pause in the midst of demanding duties and pressing problems to open our hearts unto Thee that the light of Thy spirit may shine upon our pathway and illumine the way to righteousness and to peace.

Keep our minds clear, our hearts clean, and our spirits courageous as we face the tasks of this day. Lead us and all men to that realm where good will shall reign, truth shall rule, and freedom shall be the lot of all.

Before this altar of prayer we dedicate ourselves anew to Thee and we pledge our loyalty to our Nation and to the well-being of people everywhere. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 491. Joint resolution to extend support under the joint resolution providing for Allen J. Ellender fellowships to disadvantaged secondary school students, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2444. An act to provide for the orderly transition to the new October 1 to September 30 fiscal year; and

S. 2445. An act to provide permanent changes in laws necessary because of the October–September fiscal year.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 75. An act to study certain lands in the Sierra National Forest, Calif., for possible inclusion in the National Wilderness Preservation System; and

S. 2853. An act to amend the Food Stamp Act of 1964 to insure a proper level of accountability on the part of food stamp vendors.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT ON BILL MAKING FURTHER SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1976

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making further supplemental appropriations for the fiscal year ending June 30, 1976, and for the transitional period ending September 30, 1976, and for other purposes.

Mr. McEWEN reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORTS ON HOUSE RESOLUTIONS 1032 AND 1129

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file privileged reports on House Resolutions 1032 and 1129, disapproving deferral of certain budget authority.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY IN THE MARKUP OF H.R. 9560 AND H.R. 12972

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have permission to sit today in the markup of H.R. 9560 and H.R. 12972.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman tell us whether these are just hearings or whether they are markup sessions?

Mr. JOHNSON of California. If the gentleman will yield, this is a markup session.

Mr. ROUSSELOT. Mr. Speaker, I object.

Mr. JOHNSON of California. If the gentleman will yield further, we have been in markup and we have just one more matter of concern.

Mr. ROUSSELOT. I object, Mr. Speaker.

The SPEAKER. Objection is heard.

COMMUNITY DEVELOPMENT NEED FOR WYOMING

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. First of all, Mr. Speaker, I would like to ask my good friend, the gentleman from California (Mr. Rousselot), what is the reason the gentleman is making his objection?

Mr. ROUSSELOT. If the gentleman will yield, I will be happy to respond. We are making up on the House floor important authorizations for our military, and I think it is something that requires the time and careful consideration of each Member. I have heard many Members say that they find it very difficult to pay attention to such important legislation as H.R. 12438 and at the same time be involved in markup sessions in their individual committees.

It is impossible to give proper attention to both important responsibilities.

Mr. RONCALIO. Mr. Speaker, I have a profound respect for the gentleman from California (Mr. Rousselot) and I know he shares my concern about our ever-present need to be in three or four places at one time.

Mr. ROUSSELOT. One cannot perform both functions by shuttling back and forth.

Mr. RONCALIO. Nevertheless, in view of the importance of the items before our subcommittee, I would hope the gentleman would give some thought to withdrawing his objection.

Mr. ROUSSELOT. If the gentleman will yield, maybe we can finish up the authorization bill first and then have the committees meet later in the afternoon.

COMMUNITY DEVELOPMENT NEED FOR WYOMING

Mr. RONCALIO. Mr. Speaker, today I am introducing a bill to amend title I of the Housing and Community Development Act of 1974 to revise the allocation formula for assistance under such title, and to provide increased authorizations to carry out programs under such title.

The 1974 act earmarks 80 percent of community development bloc grant funds for metropolitan areas, and 20 percent for nonmetropolitan areas. This current system of allocations based on SMSA's—standard metropolitan statistical areas—and non-SMSA's discriminates against nonmetropolitan areas and States having a substantial portion of their population living in such areas.

My State of Wyoming is experiencing rapid growth related to intensive energy development, and many communities have doubled, even tripled in size. Yet, no area is considered metropolitan. Due to the influx of people, State and local governments cannot meet the needs of every program; however, planning programs to insure a healthy development of communities in the State are drastically needed, but not provided.

I hope early passage of this bill will remedy this situation.

REQUEST FOR PERMISSION FOR SUBCOMMITTEES OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO MEET TODAY DURING 5-MINUTE RULE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that the subcommittees of the Committee on Merchant Marine and Fisheries be permitted to meet today during the 5-minute rule.

This would allow them to commence markup, but they would not accomplish any final markup. This relates to very important agriculture bills that must be reported out under the rules of the House by May 15, 1976.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, let me ask this:

This will actually be a markup session?

Mr. LEGGETT. Mr. Speaker, if the gentleman will yield, we will be studying the matters. There will be no final action.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, in the name of consistency, I object.

The SPEAKER. Objection is heard.

PERMISSION FOR SUBCOMMITTEE ON MANPOWER, COMPENSATION, AND HEALTH AND SAFETY OF COMMITTEE ON EDUCATION AND LABOR TO MEET TODAY NOTWITHSTANDING CONSIDERATION OF H.R. 12438

Mr. DOMINICK V. DANIELS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Manpower, Compensation, and Health and Safety of the Committee on Education and Labor be permitted to meet today in order to take testimony on H.R. 50, the Full Employment and Balanced Growth Act of 1976, notwithstanding the consideration of H.R. 12438, the defense authorization bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, does the gentleman assure us that there will be absolutely no markup?

Mr. DOMINICK V. DANIELS. Mr. Speaker, the gentleman has my assurance of that. As a matter of fact, we have scheduled 3 more days of hearings next week.

Mr. ROUSSELOT. I appreciate that. So there will be no markup session today? We have that assurance?

Mr. DOMINICK V. DANIELS. Positively.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CALL OF THE HOUSE

Mr. LAGOMARSINO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BRADEMAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 183]

Ambro
Andrews, N.C.
Ashley
AuCoin
Baldus
Barrett
Bell
Bingham
Bonker
Breckinridge
Brooks
Burke, Mass.
Carter
Cederberg
Clay
Collins, Ill.
Conlan
Conyers
de la Garza
Dellums
Dent
Diggs
Dingell
Dodd
du Pont
Eckhardt
Edwards, Calif.
Esch
Eshleman
Flowers
Flynt
Ford, Mich.
Fraser
Giaimo
Gude
Harsha
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Heinz
Henderson
Hinshaw
Holland
Holtzman
Howard
Hungate
Jacobs
Jarman
Johnson, Pa.
Jones, Okla.
Karth
Kemp
Litton
McCloskey
McKinney
Macdonald
Madden
Matsunaga
Melcher
Metcalfe
Michel
Mikva
Mills
Mink
Mitchell, Md.
Montgomery
Mosher
Nedzi
Nix
Nolan
O'Brien
O'Hara
O'Neill
Pepper
Peyser
Quillen
Reuss
Rhodes
Richmond
Roberts
Roncalio
Rostenkowski
Ruppe
St Germain
Santini
Sarbanes
Scheuer
Seiberling
Shuster
Simon
Sisk
Skubitz
Spellman
Staggers
Stanton,
James V.
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Sullivan
Symington
Talcott
Teague
Thornton
Traxler
Udall
Ullman
Vander Jagt
White
Wilson, Texas.
Young, Alaska
Young, Ga.
Young, Texas

The SPEAKER. On this rollcall 319 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR SUBCOMMITTEE ON FISHERIES AND WILDLIFE CONSERVATION AND THE ENVIRONMENT AND SUBCOMMITTEE ON OCEANOGRAPHY OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE TODAY

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Fisheries and Wildlife Conservation and the Environment and the Subcommittee on Oceanography of the Committee on Merchant Marine and Fisheries be allowed to take testimony this morning on the subject of aquaculture during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I will not object, can the gentleman from California assure me that there will be no markup legislation during the session?

Mr. LEGGETT. No markups will be made, I can assure the gentleman.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PROVIDING ADDITIONAL COPIES OF HOUSING REPORT

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 927 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 927

Resolved, That there shall be reprinted for the use of the Committee on Government Operations two thousand five hundred copies of report entitled "Housing for the Elderly: The Federal Response".

With the following committee amendment:

Page 1, lines 2 and 3, delete "two thousand five hundred" and insert in lieu thereof "one thousand".

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING AS HOUSE DOCUMENT THE REPORT OF NINTH CONGRESSIONAL DELEGATION TO THE PEOPLE'S REPUBLIC OF CHINA

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 1026 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1026

Resolved, That there be printed as a House document the Report of the Ninth Congressional Delegation to the People's Republic of China.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF "COURT PROCEEDINGS AND ACTIONS OF VITAL INTEREST TO THE CONGRESS, FINAL REPORT FOR THE 93D CONGRESS, DECEMBER 1974"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 305 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 305

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for the use of the Joint Committee on Congressional Operations, five hundred additional copies of the committee print entitled, "Court Proceedings and Actions of Vital Interest to the Congress, Final Report for the 93d Congress, December 1974".

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING AS HOUSE DOCUMENT "OUR FLAG" AND PROVIDING FOR ADDITIONAL COPIES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 536 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 536

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document, with illustrations, a revised edition of the House document "Our Flag"; and that two hundred and seventy-two thousand five hundred additional copies be printed, of which two hundred and twenty-one thousand shall be for the use of the House of Representatives and fifty-one thousand five hundred shall be for the use of the Senate.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING AS HOUSE DOCUMENT OF THE CONSTITUTION AND DECLARATION OF INDEPENDENCE

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 537 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 537

Resolved by the House of Representatives (the Senate concurring), That the Constitution of the United States, as amended to July 1, 1971, together with the Declaration of Independence, be printed as a House document, with an index, in such form and style as may be directed by the Joint Committee on Printing, and that there be printed two hundred and seventy-two thousand five hundred additional copies of such document, of which two hundred and twenty-one thousand shall be for the use of the House of Representatives and fifty-one thousand five hundred shall be for the use of the Senate.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the concurrent resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING AS HOUSE DOCUMENT U.S. CONSTITUTION (POCKET-SIZE EDITION)

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 538 and ask for its immediate consideration.

H. CON. RES. 538

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document the Constitution of the United States (pocket-size edition), as amended through July 5, 1971, and that there be printed two hundred and seventy-two thousand five hundred additional copies of such document, of which two hundred and twenty-one thousand shall be for the use of the House of Representatives and fifty-one thousand five hundred shall be for the use of the Senate.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the concurrent resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING AS HOUSE DOCUMENT CONSTITUTION OF THE UNITED STATES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 539 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 539

Resolved by the House of Representatives (the Senate concurring), That there is authorized to be printed as a House document the Constitution of the United States, as amended with analytical index and ancillaries regarding proposed amendments, prepared by Representative Peter W. Rodino, Junior, of New Jersey, to be bound with a paperback cover of the style and design used in printing House Document Numbered 93–215 of the Ninety-third Congress, and that two hundred and forty-six thousand additional copies be printed, of which twenty-five thousand shall be for the use of the House Committee on the Judiciary and the balance prorated to the Members of the House of Representatives.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the concurrent resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid no the table.

PRINTING AS HOUSE DOCUMENT "HOW OUR LAWS ARE MADE"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 540 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 540

Resolved by the House of Representatives (the Senate concurring), That the brochure entitled "How Our Laws Are Made", as set out in House Document Numbered 93–377 of the Ninety-third Congress, be printed as a House document, with a suitable paperback cover of a style, design, and color, to be selected by the chairman of the Committee on the Judiciary of the House of Representatives, with recommendations, and with a foreword by the Honorable Peter W. Rodino, Junior; and that there be printed two hundred and forty-six thousand additional copies, of which twenty-five thousand shall be for the use of the Committee on the Judiciary and the balance prorated to the Members of the House of Representatives.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the concurrent resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING AS SENATE DOCUMENT THE REPORT OF PROCEEDINGS OF 47TH BIENNIAL MEETING OF CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 84 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 84

Resolved by the Senate (the House of Representatives concurring), That the report of the proceedings of the forty-seventh biennial meeting of the Convention of American Instructors of the Deaf, held in Greensboro, North Carolina, from June 22, 1975, through June 27, 1975, be printed with illustrations as a Senate document.

Four thousand additional copies of such document shall be printed for the use of the Joint Committee on Printing.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate concurrent resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

DEFENSE AUTHORIZATION

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training of student loads, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. Price).

The motion was agreed to.

The SPEAKER. The Chair requests the gentleman from Indiana (Mr. Brademas) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12438, with Mr. Brademas (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore (Mr. Brademas). When the Committee rose on Thursday, April 8, 1976, title I of the bill was considered as having been read for amendment.

Are there any further amendments to title I?

AMENDMENT OFFERED BY MR. EMERY

Mr. EMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Emery: Page 2, line 19, strike out "$7,378,300,000." and insert in lieu thereof the following: "$7,967,300,000, of which $1,179,000,000 shall be used for procurement of 8 FFG–7 Frigates."

Mr. EMERY. Mr. Chairman, this amendment is somewhat unique among those that have been offered during consideration of this bill. Rather than offering an amendment to cut back programs, I am offering an amendment to restore the FFG–7 patrol frigate program to the full complement of eight ships, as was recommended by the Navy, the Defense Department, and the administration.

Mr. Chairman, what is a patrol frigate? A patrol frigate is a medium-sized defensive vessel, designed to protect convoys, shipping lanes, lines of communication, and it is specifically designed and fitted out for that purpose. It has antisubmarine warfare capability, antiaircraft warfare capability. It has sonar capability for seeking out and destroying foreign enemy submarines. It also carries the LAMPS helicopter.

Mr. Chairman, why do we need it?

A few days ago, I had the opportunity to attend a briefing by the Department of the Navy relative to the fighting increase in Soviet naval capability. It was an eye opener.

Traditionally the Soviet Navy has been a defensive navy. It has been designed to carry out military operations primarily in the vicinity of the Soviet Union itself and in the vicinity of her allies. But during recent years, the Soviet Union has expanded its naval capability to an extent that should cause grave concern by every Member of Congress. They have increased their submarine capability. And for the first time they have developed systems that are capable of intercepting American convoys, vital to our own defense and vital to supplying our allies, many thousands of miles away from the Soviet Union itself.

Mr. Chairman, the patrol frigate is designed to intercept and neutralize that growing capability.

This amendment will restore some $589 million for the procurement of four FFG–7 patrol frigates that were removed from the President's request by the Armed Services Committee.

I feel that this is a very important program. It is essential to the Navy. The Secretary of Defense supports the program, the Secretary of the Navy supports the program, and the administration supports the program. Many Members of Congress with whom I have spoken in the last 2 weeks feel that this is vital to a strong, able U.S. Navy, especially in light of the growing threat from the Soviet Union.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman for yielding.

I would like to associate myself with the remarks of the gentleman from Maine (Mr. Emery) in support of this amendment. I think that all the evidence we have seen recently is that we have a great need for an increased conventional naval capacity in light of the increased Russian naval capacity. To do less will encourage Soviet mischief and lead to dangerous confrontation. We can't afford to become second best on the high seas. World peace and national defense require this.

I commend the gentleman for his amendment, and I urge its adoption.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, I understand that the distinguished minority leader has in fact discussed the amendment offered by the gentleman from Maine (Mr. Emery) with Secretary Rumsfeld within the past few days, and that the amendment now before the Committee does have the support of the Secretary of Defense.

Mr. EMERY. Mr. Chairman, I thank the gentleman for his comments.

AMENDMENT OFFERED BY MR. CARR AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. EMERY

Mr. CARR. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Carr as a substitute for the amendment offered by Mr. Emery: Page 2, line 19, after "Navy," delete "$7,378,300,000" and insert in its place: "$6,788,300,000 of which none shall be spent for procurement of FFG–7 class frigates".

Mr. CARR. Mr. Chairman, I want to lay the groundwork here for this amendment that is before the House.

The purpose of my amendment is to take the number of ships from eight, which is the number that the Emery amendment provides, to zero. The reason I do this is to lay the full range of options before the House so we can make a selection and work our will. We have the option of taking no FFG–7's or taking four FFG–7's, as is provided in the report of the Committee on Armed Services, or we can accept the Emery amendment to increase the number of FFG–7's to eight, which is the number that the administration requested.

The reason I have offered this amendment is to focus our attention in this debate on the question of whether we are going to have a large number of cheap ships with limited capabilities or whether we are going to have a smaller number of more sophisticated vessels.

My particular gripe, with the FFG–7 is, No. 1, the cost, No. 2, its limited capability, and, No. 3, the fact that our NATO allies are better suited to serve the low end of the high-low mix.

The FFG–7 class of frigate is the Navy's first experiment with a designed-to-cost shipbuilding program. The original designed-cost goal was $45 million. In unescalated 1973 dollars this goal has now increased to $56.5 million, which represents a 25-percent increase. The development estimate in fiscal year 1973 for a total of 50 ships was about $3,230 million. That adds up to a $64 million unit cost.

These costs have continually risen, and we are put now to buying a rather more expensive cheap ship with limited capability. One of the problems with this ship is that it is a single-shaft or single-propeller ship. Its seakeeping ability, from the evidence before the Subcommittee on Seapower, is poor.

It does have a helicopter capability, but the capability is limited because the seakeeping ability is so very poor. They cannot launch or recover a helicopter on this ship when it is in high-sea states; or if they were to launch or recover a helicopter in high-sea states on this ship, they would have to expend more money to fix that problem.

A minority of us on the Subcommittee on Seapower think that we ought to go for a larger number of relatively high-quality ships in a middle-size range.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Chairman, I am concerned with both the Emery amendment and the subcommittee amendment. We discussed in committee at some length the need to have more ships, and it would seem to me that the FFG–7 class would give us the option of providing the low end of the mix for escort purposes.

In the committee report, on page 33, the committee says this:

> They also lack firepower, sensors and redundancy of systems necessary to operate in a high threat area.

Does the FFG–7 always have to operate in a high threat area? Is there not a function for this ship some place?

I am wondering whether we should go along with the gentleman's amendment and cut them all out or whether we should remain with the committee's position of keeping just four.

Mr. CARR. The problem here with the committee's position, as the gentleman from New York (Mr. Downey) knows, is that either this ship is a good idea, in which case we ought to be supporting the Emery amendment, or this ship is a bad idea.

The CHAIRMAN pro tempore (Mr. Bergland). The time of the gentleman from Michigan (Mr. Carr) has expired.

(By unanimous consent, Mr. Carr was allowed to proceed for 1 additional minute.)

Mr. CARR. Mr. Chairman, the purpose of my amendment is to get us to the position of either supporting the Emery amendment and getting either of these ships, if that is the Committee's will, or to support a zero figure.

I think it unwise that we have said to the world and to the American public and to the Navy that one can be half pregnant.

Either this ship is a good idea and we ought to buy all of them or it is a bad ship and we should not buy any.

Mr. WHITEHURST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have two sides on this now, one Member who wants to add four ships and one Member who wants to cut them all out.

I really think the best compromise is the position that the committee has already taken. If the committee had not already addressed the best interests of the Navy by adding $202 billion in program value to the President's request, and if the four ships which the Emery amendment would add were more capable warships, I think I would and many of my colleagues would be willing to support his amendment.

That not being the case, Mr. Chairman, I cannot support the amendment, and I oppose it for several reasons.

The first reason is that dollar for dollar, pound for pound, the FFG–7 provides less seapower for the United States than any other warship in the program.

The committee could see a need for a few of these small, relatively ineffective ships for escort duty, but I think we also have to look at the future.

The DOD systems analysts forced the FFG on the Navy. The Navy was told to build a ship that will fit within a dollar figure, when they should have been told to build a ship to perform its mission.

In complying with DOD wishes, the Navy has developed a relatively weak, small, space and weight constrained ship with no potential for future modernization or growth.

If those plans materialized, more than half of the surface fleet of the 1980's would consist of these ships and the slightly more able but older *Knox*-class frigates.

The committee believes that a class of 14 FFG–7's is probably large enough, but we are going to continue to look at the program from the standpoint of military cost effectiveness.

In addition, Mr. Chairman, the addition of $589 million would mean an overall increase of $1.7 billion to the shipbuilding request and an overall $1.3 billion request over the authorization request.

We have the report on the bill. The gentleman from New York (Mr. Downey) has made some reference to it. This ship has general appeal in Europe; as a matter of fact, it was originally called the PF. The Germans, for example, were interested in it, but I think the "buy" that we have earmarked in this bill is sufficient.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. WHITEHURST. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I thank the gentleman for yielding.

I would like to inform the Members of the House that what the committee reduced the number of FFG–7's from eight to four and in replacement thereof added in four DD–963's.

I just pose the question to the Members of the House: If we defeat my amendment offered as a substitute, and if we do then adopt the Emery amendment, are we not then in the position of having undone half of what the Subcommittee on Seapower has done and we are then locked into, as I understand the parliamentary situation, to not only eight FFG–7's, but an additional four DD–963's that were originally intended to be a replacement before they were cut out?

Mr. WHITEHURST. I think we need an intelligent approach to this matter and I think that is what the committee has projected.

I ask for the defeat of both amendments.

Mr. LEGGETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the issue before us, as we take up the Navy's shipbuilding budget, is not whether to build more new ships. I think all of us agree that the Navy needs more ships. The fundamental question is what kind of ships should we be building and how many of the various types and sizes of ships should we—and can we afford to—buy for the Navy.

Perhaps no part of the fleet better illustrates this issue than escort-type ships, which the Navy now calls surface combatants. For years we have known the Navy faces a problem of bloc obsolescence as its World War II vintage surface combatants reach the end of their service lives. The Navy has said it needs a minimum of 240 of these ships, but the inventory has sunk well below that number. By the end of this fiscal year we will have only about 165 escort types in the active fleet, plus 30 in the reserves.

It has been clear for over 10 years that we must build large numbers of escort ships if we are to maintain a force of sufficient size. In the mid 1960's, we were told that large programs for a new ASW ship, the DX, and a guided missile destroyer, the DXG, would fill this growing gap, along with a limited number of nuclear escorts. But the DD–963—as the DX was designated—was cut from an originally planned 75 ships to 40, and then to 30, primarily because of cost increases as the ship grew in size and capability. And of course the DXG was never approved by a nuclear-oriented Congress. Thus, a large part of the gap remained, and it was concentrated in air defense-capable, missile-equipped escorts. We were building large numbers of ASW capable ships with the DD–963 as well as the earlier DE–1052 programs, but except for a small number of costly nuclear frigates, we weren't building missile escorts.

It was to fill this need that the patrol frigate program, now designated the FFG–7 guidede missile frigate, was started in 1970. Its aim was to design and build a missile-equipped surface combatant which we could afford to buy in sufficient numbers to replace retiring World War II destroyers. I emphasize this point because I think it is crucial to the debate about the FFG–7. This ship is not meant to replace cruisers. It is intended to replace destroyers.

Furthermore, the FFG–7 was never intended to do everything. On the contrary, it was designed to complement the rest of the escort force and perform certain missions. For example, it was not designed to conduct shore bombardments or to escort carriers, which are primary missions of the DD–963. The role of the FFG–7 is to provide protection to convoys, underway replenishment groups, and amphibious forces. It is expected to operate with other escorts which have good ASW but limited air defense capabilities. Thus, the emphasis with the FFG–7 is on providing a good, quick-reaction air defense system, oriented toward opposing antiship cruise missiles, so as to fill this gap in our convoy defenses.

Mr. Chairman, the criticism made by my committee is that this ship is lacking in size and capability and is excessively costly for what we are getting. I think a careful review of the evidence will show that this is a bum rap.

In addition to the effective air defense system not carried by most other escorts, the FFG–7 will also have the Harpoon missile and a 3-inch gun for surface. And it will have sonars, torpedoes, and LAMPS helicopters to provide a reasonable ASW capability.

The cost of the FFG–7 have obviously gone up, but so have those of all ships. I can assure you that comparing the costs of FFG–7's with those of new DD–963's was an eye opener for me. First of all the bulk of the cost increases are due to inflation. If we look at the adjusted design-to-cost goal of $55 million in fiscal year 1973 dollars, we find that the current estimate is $78 million in fiscal year 1973 dollars. That is certainly an increase to be concerned about, but the bulk of the increase, almost $100 million per ship is attributable to inflation, not underestimation. I grant you, moreover, that FFG-7's at $143 million in fiscal year 1977 do look expensive compared to the 30 DD-963's we are now building at an average cost of around $123 million each. But the Navy tells me the comparable cost to buy DD-963's in fiscal year 1977 is $270 million, even more than was added to the request by the committee. Now there is some inflation.

And please note that this doesn't even buy the guided missile system that is on the FFG-7. The Navy says that four DD-963's with this system would cost an average of over $300 million. So we should all expect that, if we buy the four DD-963's added by the committee at a cost of $940 million, the Navy will be back later with a bill for about $140 million more if they are ASW-oriented ships, and close to $300 million if they are given an FFG missile system.

My conclusion, in short, is that the DD-963 cannot be a replacement for the FFG-7. Even if the latter is as bad as they say, we simply cannot look to the DD-963 as the alternative. It was not designed to perform the role envisioned for the FFG-7, and more DD-963s would simply be too expensive to buy in the numbers needed.

I do not say this to rule out buying more DD-963's. We may want to buy more ASW oriented ships. And we may need air defense ships of that size and type. That is what the DDG-47, which the committee also rejected, would have been.

But let us face one inescapable fact. If we want large numbers of escorts to build the force level up to something like the number the Navy recommends, we have no viable alternative to the FFG-7. My conclusion is that, instead of junking this program, we should support it and push the Navy to build a capable escort without the gold plating which so often drives ship costs to astronomical levels. Whether we buy four or eight ships this year may not be crucial, but let us give this program a chance unless we are prepared to come up with a real alternative to it.

The CHAIRMAN. The time of the gentleman from California (Mr. Leggett) has expired.

(On request of Mr. Whitehurst, and by unanimous consent, Mr. Leggett was allowed to proceed for 1 additional minute.)

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, what did the gentleman say was the current cost of the DD-963?

Mr. LEGGETT. $123 million is the current cost.

Mr. WHITEHURST. I thought I heard a higher figure than that.

Mr. LEGGETT. No; if we build more, the contracting cost approaches $240 million without changing the design at all. If we change the design and put in the capability that is in the PF, then we have it at $275 million or $300 million per copy. These are figures I just got 2 or 3 days ago from the Navy Department.

Mr. WHITEHURST. $300 million?

Mr. LEGGETT. Yes, because it is a far larger unit with greater personnel costs.

Mr. WHITEHURST. Did the Shah of Iran ever buy the DD-963?

Mr. LEGGETT. I believe he did.

Mr. WHITEHURST. Was not that a higher figure, because the capability that is built in both ships is greater in the DD-963's that we are acquiring for own Navy?

Mr. LEGGETT. I am not privy to that information.

Mr. WHITEHURST. I think that is the truth.

Mr. BOB WILSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the motion to strike the remaining four FFG ships.

One of the main difficulties that the naval shipbuilding program has encountered has been the "boom or bust" way in which naval ships have been acquired over the past. Every time that we start a line of shipbuilding and then abruptly turn it off, we hurt the entire shipbuilding program.

Mr. Chairman, in the case of the FFG program, this was initially planned for a buy of 50 ships. The lead ship contract has been let and the lead ship is under construction in one yard. Recently, the Navy let out four bids for the nine other ships already authorized by Congress. Three shipyards were awarded contracts: Bath, Todd-Seattle, and Todd-San Pedro.

Because of the difficulties which were being experienced in the program, the committee decided that at this time we would only slow down the program, but would not terminate it completely. This would allow the committee to examine the situation next year in case that should prove to be desirable.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, is it not true that the original request from the Navy was for eight ships, and not four?

Mr. BOB WILSON. Yes; the administration originally requested eight, and not four and the Sea Power Subcommittee cut it to four.

Mr. EMERY. What was the reason the Navy was interested in having a full complement of eight ships?

Mr. BOB WILSON. They wanted more ships. This is part of the high-low mix; so they came up with a program for 50 of them and built it up to 8 a year for several years.

Mr. EMERY. Is it not true that the Committee on Armed Services is becoming more and more concerned about the Soviet Union building their defense farther and farther from the furthest limit?

Mr. BOB WILSON. We are concerned about the total number of ships. As the chairman of the subcommittee, Mr. Bennett said, we are only buying about 20 ships this year, when we need about 35 per year to catch up.

Mr. EMERY. I thank the gentleman.

Mr. COHEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute amendment.

Mr. Chairman, the gentleman from Michigan (Mr. Carr) seems to be inconsistent. On the one hand, he feels that we should not go to a large number of cheap ships, and then he complains about the cost of the FFG-7 program. I would simply like to point out that it is the Nation's strategy to control the seas so that we can use our power to project our military power, support our allies, and supply the needs of our economy.

I take this opportunity to read into the Record a letter from the Secretary of the Navy, Mr. J. William Middendorf II, to Senator Jackson, dated March 31, 1976. The Secretary states:

> In a major nonnuclear conflict in Europe or Northeast Asia, it is essential that the United States keep open the sea lines of communication to both regions, as well as to other continents and areas.
>
> We are confident that the FFG-7 class will perform vital and effective service in the protection of mercantile convoys, amphibious forces and logistic support groups.

Further, he states:

> The performance of this antiair missile system has exceeded our expectations and will provide a most effective antimissile umbrella to protect our convoys in the open ocean.

He concludes:

> . . . no other new ship type can be provided to fill this vital need within a similar time at even a near-equivalent cost.

Mr. Chairman, for those reasons I would ask that we reject the substitute amendment offered by the gentleman from Michigan (Mr. Carr) and support the amendment offered by the gentleman from Maine (Mr. Emery).

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from California.

Mr. ANDERSON of California. Mr. Chairman, I thank the gentleman from Maine for yielding—and I wish to associate myself with his remarks.

Mr. Chairman, I rise in support of this amendment to restore four FFG-7 patrol frigates to the fiscal year 1977 military procurement bill.

The addition of these four ships would restore the Navy's original request for eight guided missile patrol frigates.

Mr. Chairman, the committee's substitution of four DD-963 class destroyers funded at $940 million was incorrect because the DD-963 is an antisubmarine warfare—ASW—capable ship only, and does not carry an area air defense missile system. Thus, it cannot compare to the FFG as an antiaircraft warfare weapon. Further, the Navy has stated it does not need more antisubmarine warfare capability, but must address the cruise missile threat with a quick reaction antiaircraft warfare weapon such as that designed into the FFG. Each FFG can carry up to 40 standard missiles for the air threat or any combination of standard missile and Harpoon.

Finally, regarding FFG performance versus the DD–963 class destroyers. I understand that the Australian Government considered dozens of ships designs, including the DD–963, as well as recent Canadian, Dutch, and British designs, before selecting the FFG as the best balanced design overall, providing the most capability for the dollar.

Mr. Chairman, I believe the Navy's original request for eight ships is a sound one. It is an excellent ship, one that will increase jobs in the shipbuilding industry, thus stimulating our economy. I urge my colleagues to cast an "aye" vote for the Emery amendment.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, is the gentleman concerned about the fact that we have a Budget Committee and have a budget, and the chairman of the Budget Committee has already come before us and indicated that we are already going over the bugdet? Is the gentlemen at all concerned about this?

Mr. COHEN. I believe this was in the original request, I would say to the gentleman. Furthermore, not only is the Congress concerned about the budget, but certainly the administration is, and they emphatically support this program.

Recently, I spoke to the Deputy Secretary of Defense, Mr. Clements, and he reaffirmed to me that they want this program with a complement of eight ships.

Mr. BEDELL. I am not arguing about what the administration wants. Does the gentleman believe that we should give consideration to what the Budget Committee has recommended, or does he think we can afford these things and come up with these figures time after time after time?

Mr. COHEN. I would suggest that the administration is as much concerned about the budget as is the Congress. The administration is strongly in support of this measure.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I would state that the Budget Committee has not yet made a recommendation. There has been a myth going around here today and yesterday, but they do not even have a report printed as yet. This House has not considered the budget request as yet. I think talk about what the Budget Committee is doing or is going to do is completely out of order at this time.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I think we ought to get the Budget Committee back into focus. We have passed out a budget target resolution, but this pending bill does not spend any money. The budget resolution only limits appropriations and automatic spending. It is true that maybe parts of this bill in the general provisions may indirectly or directly accomplish expenditures of money, but in the procurement provisions now considered, we are not spending any money; so we are not in confrontation with the Budget Committee in any respect with the pending FFG–7 amendment because the Budget Committee did not address itself to specific weapons systems.

The Members will find that out, of course, when we argue the budget resolution on the floor the 26th of this month.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to tell the Members very briefly the position of the committee. The committee wanted to emphasize in this year's program the need to get on more promptly with a significant number of major ships such as an aircraft carrier, attack submarines and so on. In order to do this and to be as fiscally sound as we could, we attempted to see if there were some place we could postpone or eliminate some of the ships we previously thought we were going to buy this year.

The purpose of my stating this before the Members at this moment is simply to oppose the Carr amendment and to explain to the Members the position of the Subcommittee on Seapower in attempting to bring fiscal reality into a program. Since we did feel we should get ahead with the very expensive type of ships, we minimized this year at least some of the cheaper ships. In all fairness, the Subcommittee on Seapower knows that eventually we are going to have to build more cheaper and less useful ships, and I would guess that in some of the years ahead we are going to have more of those cheaper-type ships than we have today.

We did not add any major ships which the Navy did not ask for but merely provided some a bit easier. The only reason we have this before us here today is because we struck those four to get the money to get the major-type ships.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Michigan (Mr. CARR).

Mr. CARR. I thank the gentleman for yielding.

I would like to make some legislative history with the chairman here.

Was I not correct in stating that before the Subcommittee on Seapower the decision to go from eight to four on the frigates was complemented by the decision to go from zero to four on the 963-class ships?

Mr. BENNETT. It was not in my mind. It may have ben in the gentleman's mind. The gentleman is a good and able member of the committee.

One might want to interject this: Why the add on of 963?

I will tell the Members why I favored them. The Federal Government, in the Pascagoula area, decided it would go to the multiple production or chain production of ships, and we gave tremendous programs there in which hundreds of million of dollars were involved.

As a result of that, we have a tremendous facility down in Mississippi which can build other types of ships, expensive, small, or otherwise. And this was something we wanted to do; and it was recommended by Secretary McNamara, the idea of producing good, solid multiple-type production for a long time. And that is the real reason why I myself favored the 963 additions because I wanted to keep that line open, because I want to see if they cannot do something with the 963, something even better there. That was the reason I had. I do not know the reason of the rest of the committee had. The gentleman may have a different point of view.

Mr. CARR. I thank the gentleman.

Mr. PRICE. Mr. Chairman, I rise in opposition to both the substitute amendment and the Emery amendment.

Mr. Chairman, it is true that the Department of Defense requested eight of these small ships. The committee studied this matter very thoroughly and came to a considered decision, based on what they believed to be a most pressing need of the Navy, from the point of view of new ships.

There was considerable sentiment in the committee to cut all eight of these types of ships from the bill, on a cost effectiveness and military capability basis. So even the four that are in the bill represent a compromise. But the committee could see some necessity for a mix, so far as the Navy's needs in ships.

The Emery amendment would strike out the balance which the committee carefully built into this bill. It does that by substituting four small escorts for a badly needed fleet. They were not just picked out by the committee. They knew the needs the Navy had, and they fitted this request into trying to fill those needs.

Then they also considered filling the need for a badly needed submarine tender and a just as badly needed destroyer tender. Those were carefully thought out decisions on the part of the committee, and I think the House would do well to follow the recommendations of the Subcommittee on Seapower and the full committee.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the substitute amendment and in support of the Emery amendment.

Two years ago, the Congress approved a Defense plan which included a fleet of 50 ocean escorts, called guided-missile frigates, known as the FFG–7 class. Now we are being asked to drop these ships from our program. I believe this is a disastrous mistake and I have a multitude of reasons for thinking so.

The FFG–7 ship has been developed after one of the most exhaustive test-and-evaluation programs in the history of the Navy, with 4 years of extensive input by Bath Ironworks, Todd Shipyards Corp., and the best brains of the U.S. Navy.

It is a ship our country needs and a ship the Navy wants.

The U.S. forward strategy for control

of the seas is not a capricious one; it has been painstakingly and thoughtfully evolved. The Navy does not need more antisubmarine warfare ships or ASW's. The Navy does need antiaircraft warfare ships or AAW's, and that is the specific function of the FFG–7.

In recent years the Soviet has built up an interdiction force of great strength and a substantially larger fleet, with vastly improved weaponry. We are truly outgunned by the Soviet navy today. The FFG–7 has been specifically configured to meet the developing multidimensional threat of Soviet interdictional forces.

Further, the FFG–7 has been designed to achieve the best possible individual capability in a ship which we can afford to build in the numbers we need.

Mr. Chairman, at this point I want to include a letter received by Senator Henry M. Jackson from the Secretary of the Navy, dated March 31, 1976; in that letter he answered a question asked by Senator Jackson in regard to this procurement. The letter follows:

Department of the Navy,
Washington, D.C., March 31, 1976.

Hon. Henry M. Jackson,
U.S. Senate,
Washington, D.C.

Dear Senator Jackson: As you know, the Navy has requested 8 Guided Missile Frigates (FFG–7 class) at a cost of $1179.5M in FY 77 and an additional 8 ships in FY 78. My purpose in writing is to call to your attention a number of factors which, in my view, are relevant to your consideration of the merits of this important portion of the Navy's shipbuilding program.

The U.S. forward strategy requires us to be able to control the sea so that we can use it to project our power, to support our allies, and to supply the needs of our economy. The Soviets, understanding this, have challenged our control of the sea first by building a large interdiction force of submarines and later by adding a growing, modern surface and air fleet. Besides their quantitative or numerical threat, there is the additional threat brought by the qualitative improvements in Soviet weaponry—particularly in anti-ship missiles which can be launched from air, surface or submarine platforms. In the face of this growing challenge, our surface combatant force has declined from 304 to 165 ships in the last 8 years. In a major non-nuclear conflict in Europe or Northeast Asia, it is essential that the United States keep open the sea lines of communication to both regions, as well as to other continents and areas.

The FFG–7 class has been designed to achieve the best possible individual capability in a ship which we can afford to build in the numbers we need. It has been specifically configured to meet the developing multi-dimensional threat of Soviet interdiction forces. We are confident that the FG–7 class will perform vital and effective service in the protection of mercantile convoys, amphibious forces and logistic support groups.

With these missions in mind, the FFG–7 carries a quick reaction area air defense system which is not available in other comparable surface combatants. The performance of this anti-air missile system has exceeded our expectations and will provide a most effective anti-missile umbrella to protect our convoys in the open ocean. Against the submarine threat, we have combined long range passive sonar, short range active sonar, ship's torpedoes, and two LAMPS helicopters which together will provide a detection, localization, and attack capability. An anti-surface capability is provided by the HARPOON surface to surface missile and the rapid fire 76mm gun. With regard to hull and equipment, after extensive model basin testing of the hull design and land based propulsion system evaluation, we expect the FFG–7 class to prove an excellent seakeeper and a reliable ship fully capable of accomplishing her intended mission.

With the recent contract award for the first nine production run FFG–7s, we have defined the industrial base required to build these ships in quantity. Congressional support to build a significant number of these badly needed ships should stimulate more industry interest and price competition. In the FFG–7 class, we believe that the Navy will have sound ships properly configured for their mission. Specifically, they will bring to our sea control forces an area air defense capability which is not possessed by other ships assigned to escort convoys. Moreover, no other new ship type can be provided to fill this vital need within a similar time at even a near-equivalent cost.

I strongly urge you to support the FFG–7 program thereby assisting the Navy in acquiring these ships in the numbers we need.

Sincerely,

J. William Middendorf II,
Secretary of the Navy.

Mr. Chairman, several of my colleagues who quoted from this letter have pointed to specific factors contained in this letter.

Mr. Chairman, referring to the latter portion of the letter, we know this specifically from Operation Steel Pike, which once was in operation. Our merchant marine was integrated into a strike force, and one of the glaring defects was the lack of an antiaircraft missile vessel of high-speed capability.

I urge that we support this program. It is a program for balance in our naval forces. It is a program that we adopted 2 years ago. It is a program that indicates that if we are going to be constantly changing Navy programs or other Defense programs, because we have input from the OMB, we will see that bottom line of cost effectiveness will always be thrown at the Congress, and the question is balanced military ships.

We know the problems of our Navy in the areas of balance with our principal competitor, the Soviet Union.

Mr. Chairman, I urge the rejection of the Carr substitute and the adoption of the Emery amendment.

The CHAIRMAN pro tempore (Mr. Wright). The question is on the amendment offered by the gentleman from Michigan (Mr. Carr) as a substitute for the amendment offered by the gentleman from Maine (Mr. Emery).

The amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Maine (Mr. Emery).

The question was taken, and the Chairman pro tempore, being in doubt, the Committee divided, and there were—ayes 37, noes 56.

Mr. SYMMS. Mr. Chairman, I demand a recorded voted.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN pro tempore. Are there further amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Sec. 201. Funds are hereby authorized to be appropriated during the fiscal year 1977 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,271,295,000;

For the Navy (including the Marine Corps), $3,608,048,000;

For the Air Force, $3,747,200,000; and

For the Defense Agencies, $682,000,000, of which $30,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

Sec. 202. There is hereby authorized to be appropriated to the Department of Defense, Director of Defense Research and Engineering, during fiscal year 1977 for use as an Emergency Fund for Research, Development, Test, and Evaluation, $49,000,000 to be used only for the following purposes: $15,000,000 for the Development of a common, all weather air-to-air missile to replace the AIM–7 series Sparrow missile, for use on both Air Force and Navy aircraft; $8,000,000 for the research, development, test, and evaluation required in support of the United States ship Belknap; $11,000,000 for the research, development, test, and evaluation required to install the Aegis weapon control system aboard the United States ship Longbeach; $15,000,000 to continue the research, development, test, and evaluation of the F–401 engine or other viable alternative to repower the F–14 aircraft in the earliest possible timeframe.

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIKES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to discuss the precision location strike system, the abbreviated form for which is PLSS. The House committee cut $10 million from this program. It was budgeted at $30 million. The amount carried in the bill is $20 million. This action was taken, not because of lack of support for the program, but because the committee was not satisfied with the progress and planning of certain elements of the program. There is an obvious need to insure that this system is developed to its full potential as rapidly as possible. This program originated out of our experiences in Southeast Asia where a relatively unsophisticated surface-to-air missile system, the SA–2, shot down a considerable number of our aircraft. That missile system was first fielded nearly two decades ago. Since then our potential adversaries have fielded many more sophisticated and deadly air defense systems. Their lethality was dramatically demonstrated in the most recent Middle East crisis, where new precision weapons nearly cost the Israelis a war.

The PLSS is aimed at insuring that we field a modern tactical system to counter the projected surface air defense threats expected in Europe in the 1980's. This system will have new capability to pinpoint radar-directed missile and antiaircraft artillery systems in seconds. It also provides precision all-weather weapon guidance to kill these or other targets using large warhead, hard kill weapons. The Air Force has over 3 years of test and evaluation experience with a prototype of this system. It underwent a successful operational evaluation in Europe last summer.

This experience and many related developments and studies under this and other programs have paved the way for the full-scale developments to be started in fiscal year 1977. We can be sure the Russians are doing as well as we in this field, possibly better. We should allow the Air Force to proceed to a cost effective development of this system as quickly as possible. I am asking that the distinguished chairman of the committee agree that the proposed reduction is without prejudice. This will permit the Air Force to ask for a reprograming if it can be properly justified.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Illinois.

Mr. PRICE. Mr. Chairman, as I understand the request of the gentleman from Florida, it is that if the Air Force feels that they are justified in seeking funds for this, that the committee would then consider a reprograming in accordance with established guidelines. I think I can assure the gentleman from Florida that we certainly would reconsider it without prejudice.

Mr. SIKES. Mr. Chairman, I would direct the same question to the minority member, the gentleman from California (Mr. Bob Wilson).

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I must say that we on this side would have no objection to that, and we would be glad to take the lead of the chairman.

Mr. SIKES. Mr. Chairman, I would inquire of the distinguished gentleman from California (Mr. Leggett) if the gentleman would agree with what has been stated.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I am pleased to see the agreement that the gentleman from Florida (Mr. Sikes), has reached with the majority and minority sides on this matter. This is a matter of research and development that represents a rather formidable breakthrough in precision locating and striking in all weather, various radar sites from an invulnerable position.

I think we ought to keep this option open. It has not been completely and fully explained to our subcommittee and that is the reason we took $10 million. We are not asking to put the funds back in today but hopefully we have saved that option through the floor agreement that has taken place today.

PRECISION LOCATION STRIKE SYSTEM

I want to speak in support of the Air Force's precision location strike system—PLSS—program. This program is aimed at correcting critical deficiencies in our ability to locate and destroy tactical targets, day or night, and in adverse weather. Its genesis came from lessons learned in Southeast Asia and from observing the recent Middle East conflicts where sophisticated enemy air defenses exacted a terrible toll of aircraft. Enemy air defenses in the 1980's will be even more deadly through use of modern radar directed surface-to-air missiles and antiaircraft artillery combined with improved mobility and firepower. These threats will be difficult to counter using only existing systems such as jammers and antiradiation missiles. Improved emitter location and strike capabilities using hard kill weapons are also required to effectively counter these enemy surface-to-air defenses.

The PLSS is being developed to cope with the projected European-Middle East environment. It will detect, identify, and very accurately locate enemy air defense radars from standoff ranges. It also provides precision all-weather guidance to strike those radars with low-cost standoff weapons, and kill them even though the radars have ceased emitting. This overcomes a major disadvantage of existing defense suppression systems which work optimally only against active, emitting radars.

The PLSS location and strike functions are performed in near real time—seconds to a few minutes. In addition to defense suppression, the system can precisely guide weapons in all weather to strike nonemitters like bridges and airfields. It will thus support many tactical operations such as close air support, interdiction, and counterair. The standoff, hard kill capability is unique and particularly important because it reduces the need to penetrate enemy defenses. This system will save men, aircraft and equipment by significantly reducing attrition of our air forces.

The budget request for fiscal 1977 is $30 million. The committee recommended $20 million and termination of the emitter locating effort. The committee stated that the Air Force has alternatives such as the F-4G Wild Weasel to search out and destroy hostile radars. The proposed reduction and recommended termination of the emitter locating effort will have a severe adverse effect on this program.

The program was recently restructured to meet the concerns expressed by Congress last year. Competitive contracts were awarded last month to define several system alternatives to present at the DSARC next April. These contracts are aimed at reducing life cycle costs and system complexity. The committee proposal essentially preempts the DSARC by prematurely limiting the development options to one—a system without emitter location. This would deny the Air Force badly needed improvements in its all-weather defense suppression capabilities. We should let OSD select an appropriate option for PLSS through the rigorous DSARC process—that is properly their role.

In the last year, several intensive studies have been conducted to reaffirm the requirement for this system, and to examine its expected cost effectiveness. Two were conducted by independent agencies, by the staffs of the National Security Council and the Institute for Defense Analyses. Both support the need for this capability, and the NSC study recommended accelerated acquisition. Several Air Force studies support the requirement and expected high cost effectiveness. In addition, the four-star commanders of TAC and USAFE have reaffirmed their support and have urged expedited development.

The Air Force believes that a combined force of PLSS and Wild Weasel, operating as a coordinated team, are required for defense suppression. Both are essential to insure that current and projected enemy air defenses can be located and destroyed under all weather conditions. Their capabilities are complementary and synergistic, not duplicative. The Air Force needs additional standoff capability, and the PLSS program will provide it.

Mr. SIKES. Mr. Chairman, the distinguished gentleman from California has restated the objective of my inquiry and I appreciate his contribution.

COMMITTEE AMENDMENT

The CHAIRMAN. The clerk will report the first committee amendment to title II.

The Clerk read as follows:

Committee amendment: On page 3, line 21, strike "$3,747,200,000" and insert in lieu thereof "$3,749,200,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the last committee amendment to title II.

The Clerk read as follows:

Committee amendment: On page 3, line 22, strike "$682,000,000" and insert in lieu thereof, "$682,300,000".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. DOWNEY OF NEW YORK

Mr. DOWNEY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Downey of New York: Page 4, line 10, insert the following:

"Sec. 203. (a) No funds authorized to be appropriated by this Act shall be used for flight testing of a Maneuvering Re-Entry Vehicle if the impact point of such test is less than 100 miles from the nearest land.

"(b) Subsection (a) of this section shall not apply to any test if the impact point of such test is less than 50 miles from Kwajalein Atoll."

Mr. DOWNEY of New York. Mr. Chairman, let me first begin by explaining what my amendment does. It simply prohibits the flight testing of high accuracy nuclear warheads in the atmosphere. It gives an opportunity to negotiate with the Soviet Union while we are technologically ahead in this area of a flight test ban treaty.

The reason we do want to prohibit flight testing and the reason for this is that it is the only way to move toward a treaty. Once the MARV is successfully flight tested in the atmosphere there is no way to verify deployment. In order to be able to negotiate a treating testing has got to be stopped in the flight test stage if we seek to get any meaningful agreement.

What will this high accuracy do? First of all, between now and the 1980's, probably in the late 1980's, we will have the ability with our land-based missiles to strike hard targets.

Mr. Chairman, what this amendment attempts to do is preclude us and the Soviets from putting this high accuracy on submarine launched ballistic missiles, because, I have to emphasize, this is a uniquely provocative system. The capability of this weapons system, if it is on a submarine, will be to strike simultaneously hard targets and air bases. This gives the attacking side the ability to almost launch a first strike. It leaves the side with this weapon one step away from a first strike, whether this be the United States or the Soviet Union, from launching a crippling first strike. The only safe leg of the triad would be our or their submarines. If we develop this, the Soviets will have to take notice and if the Soviets develop it, we will have to take notice and the notice we will have to take is a very dangerous one. We presently deter the U.S.S.R. with our triad and they deter us with MARV. If one side or the other assumes that the attacker has the ability to destroy his or her society on a first strike, they will have to react in a completely different way. First of all, it increases the opportunity for accidental nuclear war. There is not time for a "Dr. Strangelove" or "Fail-Safe" scenario of an American President getting on the hot line and discussing with the Soviet leaders what the signals on the radar screens mean. The time from a submarine launch to vaporization of a hard missile launch base is between 5 and 7 minutes, not very much time. If one side should develop MARV, say we develop it first, what would the Soviet reaction be? It would probably be to build their own MARV, although that would not be the country, they would have to develop land mobile missiles. It would be a very expensive proposition for them, and to the United States if the Soviets developed it. The Pentagon estimates that it will cost between $30 and $40 billion, even before cost overruns, for a land-based mobile system to protect the hard missile silos.

So the time to act is now. This amendment concedes absolutely nothing to the Soviet Union. We are 3 or 4 years away from flight testing this technology. We are technologically ahead of the Soviet Union, both in missile reliability, missile accuracy, and missile lethality, so we do not concede them anything. What we do, and I believe we are approaching the time we have to do this, is prohibit an immensely dangerous escalation of the arms race. We will be preventing the ability of one side or the other to launch a preemptory first strike against the other side.

Let me say that when we discuss nuclear war and discuss weapons systems of this type, they do not lend themselves to simple football analogies of who is first and who is not first. The simple fact is we are first. When we talk about nuclear war and the development of this sort of nuclear capability, what we are talking about is the end of civilization on this planet, nothing less. The people who talk about the ability to wage limited nuclear war which this development makes so much more practical, I think are insane, nothing short of insane. If we or the Soviets develop MARV, this will bring to this planet the possibility, the prospect of accidental nuclear war.

Simply stated, the person who develops this first will finish last.

Mr. Chairman, I urge the Committee to support the amendment.

Mr. DELLUMS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore (Mr. WRIGHT). The Chair will count. Eighty-nine Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. WRIGHT). One hundred Members have appeared.

The Chair has observed the presence on the floor of numerous Members who have not electronically recorded their presence.

A quorum of the Committee of the Whole is present. Pursuant to the provisions of clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. WHITEHURST. Mr. Chairman, I rise in opposition to the amendment.

I believe that several points need to be made. First of all, MARV does not mean a first-strike capability. The gentleman from New York (Mr. DOWNEY) is making a point that if we proceed with this testing, somehow this is going to betray a first-strike capability on the part of the United States.

The Soviets in the 1980's will have a first-strike capability against our Minuteman on the basis of what they already have, because by that time they will improve their accuracy.

Mr. Chairman, I wish to ask the gentleman from New York (Mr. DOWNEY) if he is acquainted with the phrase, "colaunch."

Mr. DOWNEY of New York. Mr. Chairman, if the gentleman will yield, that is where the Soviet Union launches its missiles out of its silos in such a way that they can reload their silos.

Mr. WHITEHURST. Mr. Chairman, I thank the gentleman. Then the gentleman does know something about this.

What they have done is this: If they have not violated the letter of SALT I, they have violated the spirit of SALT I. SALT I clearly put restraints on the size of silos. So they have conformed to that; what they have done, however, is to increase the size of their missiles, and they have been able to do this because colaunch enables them to push that missile up to the very top of the surface and launch it from there. If they were going to launch from within the silo, with the various devices needed to expel the gases, that would make the size of that missile smaller and thus less powerful.

So they have done this thing. They have done this because they felt they could stay within the letter of SALT I, but, of course, in creating a larger missile they have certainly violated the spirit of that agreement.

Finally, the Soviets have already tested MARV. So if this is the case, any unilateral action on our part in no way protects us from what they might do in the future.

Mr. Chairman, I urge my colleagues to vote down this amendment. I regard it as extremely dangerous.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. WHITEHURST. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I would like to ask the gentleman this question:

Would the gentleman tell the members of the committee, in his opinion what has the track record been with the Soviets in the past on the theory of rough comparability between their force and ours? In other words, could we say we are only building 1,000 missiles and perhaps they will build no more than that?

Mr. WHITEHURST. Of course, the gentleman knows as well as I what the answer to that question is. They have been under no constraint on the basis of what we have done.

Mr. HILLIS. Would it be logical to assume then that if we do not go ahead with this new technology, based on the track record of the Soviets, this would in no way deter the Soviets from any further action?

Mr. WHITEHURST. No, that would be no deterrent. They have already begun testing MARV.

Mr. HILLIS. Mr. Chairman, I know the gentleman from Virginia (Mr. WHITEHURST) is a student of history, and I am sure he recalls that in the aerial combat in World War II the British used one type of tactic relating to night bombing and the Americans on the other hand used precision daylight bombing.

The results, of course, were entire city destruction versus specific target destruction. What were the civilian casualties related to that type of action?

Mr. WHITEHURST. Of course, they were very, very severe. The classic example is that Dresden where more people were killed than by the atomic bomb that was dropped on Hiroshima.

Mr. HILLIS. Would it not, then, be reasonable to assume that if we go to greater accuracy, it would permit us to go for specific industrial targets or centers and leave the civilian population centers alone?

Mr. WHITEHURST. That is so.

Mr. HILLIS. Mr. Chairman, I thank the gentleman.

Mr. LEGGETT. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, if I understand the amendment offered by my colleague, the gentleman from New York (Mr. DOWNEY), it is a little bit different, but it has generally the same thrust, as I understand it, as the amendment which I offered last year.

Mr. Chairman, I ask this question of the gentleman from New York (Mr.

DOWNEY). As I understand it, the Downey amendment, in fact, does not call for any dollar reduction in research on the MARV warhead; is that correct?

Mr. DOWNEY of New York. If the gentleman will yield, that is correct; it does not.

Mr. LEGGETT. Therefore, the amendment does not reduce any of the dollars in this bill. Does the amendment reduce any of the basic research on maneuvering reentry vehicles other than the actual flight testing of the maneuvering reentry vehicles with the limitations that are expressed in the gentleman's amendment?

Mr. DOWNEY of New York. No, it does not.

Mr. LEGGETT. And is it not a fact that the gentlemen in their colloquy on the other side of the aisle a few moments ago were discussing what the track record was between the United States and the Soviet Union, and they were talking about various kinds of rough comparability? Is it not a fact that using the basic Pentagon formula, comparing the kill capability of the Soviet Union versus the kill capability of the United States today and the basic accuracy equation that we are familiar with, indicates that today the United States is substantially ahead of the Soviet Union?

Mr. DOWNEY of New York. It is. If I could just embellish upon what the gentleman is driving at, there was some discussion here before about the Soviet Union and what they are doing with their SS-18, SS-17, and SS-16.

As the gentleman from Virginia (Mr. WHITEHURST) realizes, it must have been back in 1966 or so that the Soviet Union began to develop these missiles. It takes them time to develop them and eventually to deploy them. At that time the Soviet Union did not have a very formidable bomber force, they still do not. They were having problems with submarine reliability, so they placed heavy emphasis, as a wise strategic planner would do, on the technology they were most capable of handling, missiles. As a matter of fact, as the gentleman has pointed out, they have made some very formidable strides in land-based missile development. Their SS-18, SS-17 and SS-16, in terms of megatonnage, would deliver more megatonnage.

What the gentleman does not point out is the relevancy of a number of things to this argument. What we are talking about is offensive systems, and the limiting of the usage of such systems. The Soviet Union does not possess a missile that is as accurate or as reliable as the Minuteman III which we possess. We have 550 of them, and this is unclassified information.

The gentleman mentioned the Soviet MARV. The Soviet Union does not have a MARV like our terminal MARV. They are a good 5 years behind the United States in this sort of missile technology.

As the gentleman well knows, the Soviet MARV and what it was tested for is a classified item.

Mr. LEGGETT. Is it not a fact that the gentleman's amendment really does not limit our terminal MARV except in a limited respect? It allows the MARV 500 program to move very substantially ahead, but it will have the effect of keeping the option open to negotiate a SALT agreement on the terminal MARV, and if we can negotiate an agreement like that, the net effect would be to save the U.S. Government $40 billion, as opposed to expending on the order of $10 to $20 billion, as we did on the anti-ballistic-missile system before we finally negotiated the detente on that particular system; is that not correct?

Mr. DOWNEY of New York. That is correct.

Mr. Chairman, I thank the gentleman for his contribution and the contribution he made this last year in paving the way for this very important discussion.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is my understanding the amendment offered by our colleague from New York (Mr. DOWNEY) prohibits testing of MARV warheads over land, thus preventing the test of a terminally guided and high accuracy missile warhead. Such action, I think, would be a serious mistake. The terminal MARV presents the best opportunity for the United States to quickly reverse the postexchange throw-weight differential that now favors the Soviet Union and will grow worse over the next few years.

Such a situation is strategically unstable and literally invites Soviet coercive actions, since in this situation they would possess a nuclear war-fighting and war-winning capability.

Now it is alleged that if we agree not to test the MARV that the Soviets will not develop one and that high-accuracy MARV's can be precluded by a SALT agreement. But, it is my understanding that it is very difficult to verify a terminal MARV test, especially when actions are taken by the side performing the test to block out any surveillance by the other side. I would like to point out that the Soviets, according to the DOD, have taken such actions already with their MIRV testing. So, I am not sure that we would want to place our security in the hands of the good faith of the Soviet Union.

The attached chart illustrates just how effective the deployment of a terminaly guided MARV warhead on the Trident submarine missiles can be in reversing the remaining force throw-weight differential after a counterforce exchange between the United States and Soviet Union. We presently have a substantial lead in this technology; to let this kind of advantage slip away would be foolish and could permanently doom our chances of reversing the Soviet strategic advantage.

In summary, our colleague Mr. DOWNEY is saying that if we do not deploy or test high-accuracy MARV's, then neither will the Soviet Union. Now this logic has been used before. Back in the 1960's Defense Secretary McNamara and others believed that if we reduced our strategic forces then the Soviets would be satisfied with parity. But, look at the situation today, when we slowed down the Soviet Union went all out to gain clear cut superiority. Therefore, I am opposed to any ban on MARV testing or to any amendment that will prevent the United States from exploiting our technological advantages. The only way to insure the survival of the United States as a free Nation is to deny our enemies a nuclear war-fighting/war-winning capability; this is also the best way to avoid war altogether and high-accuracy MARV along with the Trident submarine, B-1 bomber, and advanced ICBM will give us this capability and security.

Mr. LLOYD of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am in opposition to the amendment mainly because this calls for a conclusion and there are estimates in the world as the capabilities of the Soviet Union in this area, just as I am sure the Soviets are making their best estimates and guesses with regard to our capability. I am equally certain that we are as much in doubt as to their capabilities as they are with regard to ours.

The facts are that the Soviets have been testing and that is a known fact and they have been doing this as recently as a few months ago.

Another fact is that there is no guarantee that we are able to perceive the tests that they are doing for the simple reason that it is possible for the Soviets to test without the knowledge of the United States as a result of the normal time schedules of satellites.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. LLOYD of California. Not at this time. I will yield later.

As a result I think there is a very strong element of doubt and this begs another question. Let us assume that what has been said here today is absolutely accurate and that we are indeed a quantum step ahead of the Soviet Union. As of this moment is there a person in this room who will guarantee in the area of technology that it is not possible that the Soviet Union, or, for that matter, anyone else, able to take a major leap forward in this MARV technology? And the answer is emphatically "Yes." If we proved nothing else in the "man-in-space" race, we proved conclusively that a nation dedicated to this kind of a situation can indeed move forward with an alacrity that is almost incomprehensible, and the United States did it. We were definitely behind in the area of mass launch capability in our vehicles and we were able in a very short period of time to amass the hardware to throw a man up to the Moon.

Interestingly enough in this case—and maybe at this point people can say that we are not in trouble—the Soviets have not been able to match the United States.

The fact remains a nation, in this case the United States, was able to do it. It would be then, in my opinion, illogical to assume that a nation as capable as Russia, would be unable to accomplish the same thing. I think indeed they can.

We are talking about the Terminal MARV system, and, of course, we are saying that they really do not have this kind of accuracy, and yet I believe firmly that they will have that kind of accuracy. I think in the existing weapons systems of the world that the Soviet Union has moved steadily ahead, and if we slow down, I think, in the final analysis, the question is: Do we really believe that the Russians are going to slow down? I think the answer is an emphatic "No."

Now I yield to my colleague, the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY of New York. Mr. Chairman, I thank the gentleman for yielding.

Could the gentleman tell us how many Soviet MIRV's have been tested off submarines?

Mr. LLOYD of California. Is the gentleman asking how many MARV's have been tested off submarines? It is a rhetorical question. I am not going to get into the specifics of the philosophy of defense. Go ahead.

Mr. DOWNEY of New York. The gentleman made a number of misstatements concerning the Soviet tests. I want to clarify them.

Mr. LLOYD of California. What mistakes did I make?

Mr. DOWNEY of New York. If the gentleman would allow me, I would be happy to explain.

Mr. LLOYD of California. I yield to the gentleman from New York.

Mr. DOWNEY of New York. The Soviets have not tested the terminal MARV, nor are they likely to test the terminal MARV.

Mr. LLOYD of California. I hate to interrupt the gentleman, but the gentleman does not really know that.

Mr. DOWNEY of New York. It is difficult to respond to the gentleman from California if he keeps interrupting. We have verifiable means of doing that.

Mr. LLOYD of California. The reason it is difficult to respond is that the gentleman from New York does not know that. How does the gentleman know that?

The CHAIRMAN pro tempore (Mr. WRIGHT). The time of the gentleman from California (Mr. LLOYD) has expired.

(At the request of Mr. DOWNEY of New York, and by unanimous consent, Mr. LLOYD of California was allowed to proceed for an additional 2 minutes.)

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield further?

Mr. LLOYD of California. I yield to the gentleman from New York.

Mr. DOWNEY of New York. The gentleman heard about the SALT talks? There are national means of verification, technical means of verification. This country has the ability, as does the Soviet Union, to determine whether or not the Soviet Union or the United States is testing a high accuracy nuclear warhead in the atmosphere. That is a fact. If the gentleman cares to dispute that, the gentleman can ask the CIA or the DIA. They will inform the gentleman as to our ability to verify the testing of a MARV over land.

Mr. LLOYD of California. I do not accept that. I do not think there is 100 percent assurance and I have talked to the DIA and the CIA.

The briefings the gentlemen has have been given to me also and the answer is that there is no 100 percent assurance and that is exactly what we are dealing with.

Mr. DOWNEY of New York. I would then assume from the logic of the gentleman's argument that we could never have the SALT Agreement I, II or III, because we can never tell what the Soviet Union is doing. Is that what the gentleman is suggesting?

Mr. LLOYD of California. I think we can.

Mr. DOWNEY of New York. But the gentleman says that we will never know?

Mr. LLOYD of California. But the gentleman's argument is lessened by uncompromising statements.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. LLOYD of California. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Chairman, the gentleman in the well has made a good point. If we look back in history, we can see that just before SALT we had three times as many ICBM's as the Russians. We bought the argument that says let us wait until they catch up with us. We did this, and by the time of SALT they had more ICBM's than we did. We were locked in at 1,054. They were locked in at about 1,600.

It is insane logic that every time we have a small lead, we must let the enemies of this country catch up and then pass us.

Mr. LLOYD of California. Mr. Chairman, I agree with the gentleman. Let us make sure as to where we are. Vis-a-vis the Russians.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I am reluctant to rise in opposition to the amendment of my good friend, the gentleman from New York (Mr. DOWNEY), who has become a very valuable and a very knowledgeable member of the committee, and has exhibited a great deal of conscientiousness in acquiring and understanding the various problems of weapons systems that come before our committee.

But I think in this particular case, the gentleman really is wrong. I think it would be dangerous for us to go down the path that the gentleman suggests we ought to go.

Mr. Chairman, let me make three specific points in response to the arguments that the gentleman from New York (Mr. DOWNEY) has made.

First of all, I think the gentleman has made a mistake in suggesting that there is any genuine distinction between offensive and defensive long-range ballistic missiles, particularly in respect to their application.

Obviously, in this field the best defense is a strong offense; and our ability to deter a nuclear attack has resulted primarily from our ability to build convincing and invulnerable offensive weapons. Moreover, this attention to a first strike really is irrelevant, because both the Soviets and ourselves have substantial submarine-launched ballistic missile forces, and no matter who undertakes what kind of first strike, the other side is still going to have a substantial submarine force to reply with a damaging second strike.

No. 2: This idea of increased accuracy really has nothing to do with a first strike, because of the situation I have just referred to. The important thing about increased accuracy is that, as everybody today is aware, the Soviet Union has far more missile throw weight than we have. Of course, they have not developed their MIRV as fully as we have, but they are in the process; and on the basis of the throw weight they have, they will be able, once they develop the MIRV, to be far more damaging in their nuclear force than we can be.

Now, the only way that we can make up for our shortcomings in throw weight—and we are so far behind in that race that if we started tomorrow to try to build up our throw weight we would still be a long way from catching up—the only way to make up for that lack of throw weight is by accuracy. If we put a weapon right on the target, that is going to be a lot more effective than putting it a half mile away or a mile away or two miles away. A more accurate weapon does not need to be quite so powerful as a less accurate one. This is the essential reason for trying to improve our accuracy, so as to make up for what is a very grave deficiency in our nuclear force.

On top of that, the Soviets have been conducting a program of hardening their own missile sites; so it is even more important that we place any weapons that we intend to fire, or which we hope to use to deter their action, right on the target.

Third and finally, let us talk about this question of whether we should or should not test. Well, we have already got too many loopholes in the various agreements that we have already made with the Soviet Union. SALT I is one good example. We accepted that agreement, although a number of people, including the Senator from Washington (Senator JACKSON), pointed out that there were a lot of loopholes in it. Today, we know more clearly what those loopholes are. We know the ambiguities, and we hope that in any future agreement we can close them. The gentleman from New York (Mr. DOWNEY) has talked about our national means of verification. That is all well and good, but those means are not perfect. When we signed the SALT I agreement we had no idea whatever that the Soviets had a SS-19, and yet 6 months after that agreement was signed, the Soviets deployed the SS-19. Our national means of verification still have a lot of deficiencies.

The trouble with this kind of arrangement, an agreement not to test, is that we just cannot, in spite of all that the gentleman from New York has said, we simply cannot verify with any assurance whether the Russians are testing a MARV system. The delicacy of the course changes in the final phase of reentry which a MARV makes, are simply too small to detect. I do not care what the gentleman from New York has said; that is the fact. Therefore, we simply cannot trust our security to that kind of an agreement, which we have no real means of verification. The MARV technology is one area where we have a clear lead over the Soviets. Let us not give up this lead unilaterally, and based on an inadequate and imperfect verification system.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, my colleages of the House, unlike the gentleman from New York (Mr. STRATTON) who just preceded me, I have absolutely no reluctance to oppose the amendment proposed by the gentleman from New York (Mr. DOWNEY), and I have no reluctance to oppose his amendment because once again he is wrong, dead wrong; he is completely wrong. Now, we do not know what the Soviets have. Mr. DOWNEY does not know and nobody in America, including the President of the United States, knows with total assurance what the Russians have.

The reason we do not know is that the Russians have a closed society. Ours is open.

That which we do believe they have is information that has been gained with the expenditures of dollars which has produced this American technology. It is by utilizing our technology that we do know, to some extent, what they have. We tell them everything. They tell us nothing.

Last year we heard the same arguments we are hearing again this year, and they went this way:

Last year: We do not need to build a new airplane. We do not need to test a new weapon, nor do we need to improve those that we already have. We do not need to do anything whatever to even improve those weapons we already have in our arsenal for the defense of this Nation. We are ahead now, why do more? How blind can we be.

This year the advocates of a weakened military have not changed a bit. It is the same old line: Do not build that B–1. We do not need a new airplane. Forget it. Do not build a new carrier. Strike that $350 million that the committee suggested we provide for long leadtime items because we do not need another carrier.

That means we do not need a bomber, and that means we do not need a carrier-launched airplane.

And, further than that, let us not even modify to improve the planes we already have. We do not want to build anything new. We do not want to improve anything we have. Just let it waste away.

The gentleman from New York (Mr. DOWNEY) stood here yesterday and advanced the argument that the B–1 was no good because in 1990 the Soviets were going to have an AWAC system that we could produce now that would destroy its capability and it, the B–1, would be ineffective in 1990. But then the gentleman, saying that the B–1 would not be able to penetrate those AWAC defenses which the Soviets would have in 1990, makes the argument that we can patch up old B–52's and penetrate their air defenses now.

And then today the gentleman comes along and says:

> Let us not even test the MARV. Let us just delay that, too.

What are we doing? How senseless can we be?

The gentleman says that we should not even test something that he himself says will be required when he alleges the B–1 will be ineffective, or says it will be ineffective—I do not think it will—in 1990. He does not want a weapon to cope with what they might have in 1990.

Here are the arguments. They are just a little bit foolish and illogical, in my opinion. We do not even want to go for accuracy now. This is the same as saying we don't mind a launch if there is no hit. We do not even want to be able to engage in definitive bombing, even counterattacks after we have been first attacked. And this Nation is on record, even though I disagree, as having said that we are not going to engage in a first attack. We would not even have counterattack capability if you pursue the philosophy of this amendment.

That is the same as saying in our own lives that we do not want to clean up nuclear weapons, we like dirty bombs. The Soviets do. Our weapons are clean, the Soviets are not. Saying that we do not want an accurate weapon, is much the same as saying we do not want a clean weapon.

Do we want a defense? Do we want anything for tomorrow? Do we want to sit here and wait until we have a closed society?

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY of New York. Mr. Chairman, I can appreciate the gentleman's feeling that we can discuss this as though we were charging San Juan Hill. But we cannot do this. The gentleman's statement is erroneous and misleading. I do not see the relevance in discussing B–1, AWAC's and the like. What the gentleman from New York (Mr. STRATTON) properly raised was the possible elimination of United States and U.S.S.R. strategic deterence. That is what we are talking about. Right now we have mutually assured destruction. If we do not adopt this amendment we will destroy deterrence. I am talking about the MARV, whether we have it or the Soviets have it.

Mr. WAGGONNER. Let me take the time back right there.

I do not care whether the Soviets have it or not. I say we need it, and that is the basis of our argument, our need for it.

Mr. Chairman, we ought to vote this amendment down.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, listening to the statements made by some of the Members, including the gentleman who preceded me in the well, one would get the impression that our national security is terrible today because the opponents of new and unnecessary weapons systems have been consistently successful over the years in this Chamber in blocking them.

I have been engaged in this effort in a small way for going on 12 years and we have never been successful. We have not succeeded in stopping a single one—though we came close on the ABM which the Pentagon itself later abandoned.

With all the victories the Armed Services Committee has had, you might suppose that our security situation would be excellent. But the reverse appears to be the case, according to the statements of those who consistently support the Pentagon's demands. We are told that the Soviets are moving ahead of us all the time and that our security situation is perilous.

Is it not about time we tried a different approach, an approach that would say we are going to emphasize stopping the arms race? Is it not about time that, although we might be taking a risk here and there, we emphasize the possibility that we might stop the arms race from moving ahead into a whole new generation of weapons? That is what this MARV business is all about—moving into a whole new generation of weapons that, as the gentleman from California (Mr. LEGGETT) told us, is going to cost us $40 or $50 or $60 billion before we get through.

Mr. Chairman, I want to compliment the gentleman from New York for offering his amendment. The gentleman has made a real study of this situation. I testified before his committee a year ago to the same effect.

I hope we will give ourselves a chance to arrive at an agreement that will prevent this move into a whole new era of the arms race. We missed that chance in the case of MIRV. We could have stopped testing and we could have arrived at an agreement which might have prevented the development of MIRV a few years ago if we had had a little guts and if we had had a little willingness to try to save humanity from this endless arms race that goes from stage to stage.

But, no, every time such a question comes up we decide we cannot take a chance and that we have got to go ahead with every new technological development that perfects our nuclear weaponry. We know our move is going to be met by the other side; we know each time they are going to catch up with us eventually.

If we go ahead with MARV, what will they do? They will come along with their technology and catch up with us.

So let us for God's sake stop this whole new stage of the arms race that goes on and on. Here is our chance to do it. Let us vote for the amendment offered by the gentleman from New York (Mr. DOWNEY).

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I will ask the gentleman this question: Is it not a fact that if we do not accept this amendment, although we will surge ahead a little bit and get this high-accuracy MARV before the Soviets, it is going to cost us $40 million to do it? And then is it not a fact that the Soviets perhaps 3 or 4 or 5 years later, with their big silos and their big warhead capability, can come right back in with high-accuracy MARV's and overtake us. Is it not a fact we will be in the same contest for superiority with the Soviets 10 or 15 years from now, unless we keep our options open for a MARV SALT agreement at this time?

Mr. BINGHAM. The gentleman is correct.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Chairman, I thank the gentleman for his comments.

Let me just say once again that we are not negotiating here from a position of weakness. We are conceding nothing to the Soviet Union.

All this amendment says is that we will try to negotiate a flight-test ban. We are at least 3 or 4 years away from flight testing high-accuracy MARV's ourselves. The Soviets are even further away from that because they do not have the same technological capabilities we have with respect to these types of weapons systems.

The time for negotiations is now. If the Soviets need a bargaining chip, they can certainly take a look at the budget of the Committee on Armed Services and see that we are developing MARV but they will know that we are in good faith coming to them and saying, "Look, before we deploy this system, we would like to work out a test ban treaty."

We worked out a nuclear test ban treaty for warheads in the atmosphere, and there is no reason we cannot come up with a test ban treaty that would preclude the testing of high accuracy warheads and prevent a quantum jump in the nuclear arms race.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to make one statement without giving specific answers to the points raised in much of the debate that has taken place on this amendment.

We are talking about entering into conferences and negotiations with the Soviets in order to establish ground rules to bring about worldwide disarmament. We have been trying to do that for a long time. Our experience has proved that the only way we have been able to make our point is to first build the weapons system that we have in mind and then show the capability that we have. And then we have had some success in the conferences which followed.

We have to take positive action in dealing with the Soviets.

I think this amendment would be a departure from that idea.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I associate myself with the remarks of the chairman of the full committee. I wholeheartedly agree with him.

I would characterize the whole debate that we have had as some wishful thinking that the Soviets will do just as some would like to believe.

Mr. PRICE. The Soviets have gone a long way in making treaty agreements. It has always been after we have taken the lead. We have to have the systems to give up. We have to give up something to make these treaties stand up, and they so far have not been compelled to give up anything.

I think that SALT is not a new idea. None of these treaty organizations are new ideas. They started almost within a half dozen years after the end of World War II. There have been successful treaty negotiations that have gone through since that time, and I think it is only because we are a powerful Nation. We do have the capability of enforcing any agreement that we make, and I think that we have been respected more for our strength than for just supinely accepting suggestions or agreements from other countries.

Mr. Chairman, I urge that the committee reject this amendment.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, Thoreau, at the start of his book, "Walden," said, "Things are in the saddle and ride mankind."

If anything would be characteristic of the age in which we live, I suppose it would be that weapons are in the saddle and ride mankind and, indeed, are threatening to destroy mankind.

I think that a majority of those on both sides of this debate sincerely desire to find a way to end this threat to the very life of the human race. By that I mean the nuclear threat. The disagreement is over how do we do it.

Mr. Chairman, I think we are indebted to the gentleman from New York (Mr. DOWNEY) for presenting this amendment, which we all know is not going to carry, but it forces us to think about whether we are foreclosing the options that we may have to get out of this terrible, frightening, catastrophic danger that we are in.

As a matter of fact, Mr. Chairman, following upon what the distinguished chairman said, let us go back to the first agreement that we had with the Soviet Union in the nuclear field, the 1963 test ban treaty. That treaty was not just made possible by the fact that we had weapons and the Soviets had weapons which were dangerous and the testing was threatening the health of all mankind.

It was also made possible because this Government took a risk: Our President declared unilaterally a moratorium for 1 year and challenged the Soviet Union to negotiate a treaty.

I might add that both the Joint Chiefs of Staff in this country and the Chiefs of Staff of the Soviet Union, we now know, opposed that treaty because each said it was against the national interest. All of them were wrong.

Since then we have had other treaties. None of them have given us 100 percent assurance, even though, as everyone who is concerned with this question knows, we have fantastic technological means of checking on compliance with these treaties. We have seen photographs taken from satellites so accurate that, as one person said, we can take a photograph from 90 miles up and see a Russian soldier on the ground and tell whether he is wearing a hat or not. So it is not as though we have no means of verifying these things.

But frankly, no course is without risks. But the risks in seeking to control the spiralling weapons race are as nothing to the risks of letting it escalate out of control. The next President, whoever he may be, is going to have to face up to the desperate urgency of bringing an end to the nuclear weapons race, of negotiating a freeze on strategic weapons developments and eventually a reduction in the enormous stockpiles of nuclear weapons so that mankind can get out from under the shadow of this terror that makes a mockery of our talk of a better world.

And, of course, the weapons race is also affecting our economy. Twenty-five percent of all the world's scientists are engaged in military research and development and yet we have a half billion people starving in this world or on the verge of starvation. In the last 30 years this country has spent on military programs alone $1.6 trillion, which is equivalent to 63 percent of all of the reproducible goods in the entire United States, everything except the minerals in the ground or the vegetation growing on the ground. The amount that we have spent on military things is equal to 63 percent of that. We could have wiped out poverty and elevated everyone to a high standard of living if we had not spent this money. I am not saying that we did not have to spend much of it; obviously we did. But we are going to have to come to some better way of solving the problem of security in this world or the world is going to be engulfed in a holocaust, if not a nuclear one, then one in which the people of the less developed portions of the world are going to rebel against this obscenity to humanity, this fantastic amount of money that is being poured into wasteful military projects that both threaten and downgrade the whole human race.

I commend the gentleman from New York (Mr. DOWNEY) for forcing us to face that issue.

Let me add that MARV, the sea launched cruise missiles and the B-1 bomber are all examples of weapons systems that should be deferred until the next administration can take a new look at this whole thing. As the votes on this bill demonstrate the Congress is not capable of making that kind of a decision. It certainly does not have the ability to negotiate arms agreements. Only the administration has that. But the Congress certainly should provide some direction to the Executive and some sense of priorities.

Mr. KEMP. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. I will not take the full 5 minutes.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. DOWNEY) to prohibit the authorization of funds for the flight testing of the manueverable reentry vehicles.

I think it is important for our colleagues to know that the author of this amendment, the gentleman from New York, has gone on record as being against two-thirds of our Triad of forces deterrent—the means by which the United States has maintained strategic stability for the past 16 years. There is a sound rationale for maintaining this Triad intact. At this point, the gentleman from New York has not defined how he proposes to maintain strategic deterrence in the face of the various program terminations and prescriptions he has urged upon the Congress. His amendment should be placed in this context—and soundly defeated.

As in previous years when the defense authorization bill is before the House for consideration, my office has been inundated with "Dear Colleague" letters explaining the need to amend the bill in specific ways. The majority of the proposed amendments are oriented toward reducing, delaying or otherwise impeding weapon programs that can have very critical implications for U.S. defense preparedness in the next decade and beyond.

I am deeply concerned over the tactics that have been employed this year, and in previous years, to generate support for such amendments. Members of this body should be able to articulate where they stand on defense preparedness in general. They ought to be able to inform this body how their proposed amendments to impede weapons programs will impact upon our overall defense preparedness. And most important of all, they ought to be able to state for the record what weapons programs they do support and will support in future years, if adoption of their amendments today mean that we will enter future years more dependent than ever before upon congressional commitment to certain weapon programs.

If, in fact, some of those who offer amendments to delay or impede certain weapons programs do so with the ultimate goal of killing the program, they should have the candor to say so. For clearly, they are not debating the real issue of whether or not we need the program to insure national security, nor are they addressing the strengths and weaknesses of the program itself.

Some Members of Congress have opposed nearly every new weapon system or military program that has been considered within the past 10 years. Their votes, collectively over this time period, can only add up to a defense position of unilateral disarmament. Surely, if this is a position they would promote within the Congress as the favored alternative to the defense authorization and appropriation bills which are considered every year, they ought to be willing to stand up and say so. Then, I submit, we could discuss the real defense issues, and we could put amendments advocating termination or delay in weapons programs in the proper perspective.

To illustrate my point, I offer a few, of many examples. It was argued by some Members of Congress that deployment of the Safeguard missile defense system ought to be defeated, because the Site Defense system, which was then in research and development, would be a more cost-effective option. Later, however, when Safeguard had been dropped, and it was appropriate to consider development of Site Defense, these same individuals opposed Site Defense. Similarly, the B–1 bomber has come under fire by these individuals, not on the basis that we do not want or need the defense capability it would provide, but on the basis that the stand-off platform with cruise missiles could perform comparably, at far less cost. Yet, these same individuals are now introducing legislation and supporting resolutions to halt the development and testing of the long range cruise missile.

Countless other defense programs have been targeted for these same tactics: programs are played off against one another on the basis that some offer better cost-effective options than others; yet ultimately, the past arguments are disavowed and all the programs come under attack.

In correspondence I have submitted for the record recently, my colleague from New York was critical of my advocacy of continuing Minuteman III production. His reasoning: The Congress should know that upgrading the Minuteman III with the Mark 12A was a far better option. His conclusion: "Actually, I see little purpose in either (the Minuteman III or the Mark 12A)." His letter to me and to the rest of this body was a masterpiece of the tactics I am talking about. Yet, the effort to discuss the Minuteman III was labeled a "Truth in Defense" debate.

Yesterday, an amendment was offered to delay funding for the B–1 bomber. It was interesting to me that every Member of the House who signed a letter in support of the amendment, save one, had voted last year to delete funding for initial procurement of the bomber. The reasons offered for the amendment this year were not, however, that the plane should be eliminated, but rather that it has failed to meet certain performance specifications.

The House had the good sense to vote down the amendment. Had the amendment passed, the overall costs to the B–1 bomber program would have escalated sharply due to influences that would result from loss of personnel, stop and start of ongoing work, discontinuities in subcontracting, et cetera. These additional costs mandated by the amendment would no doubt have been used next year by some of the very persons who offered the amendment in the first place, as a good reason for opposing procurement of the plane.

Mr. Speaker, I am pleased the amendment to slow down the B–1 was defeated yesterday, and I urge prompt defeat today of the amendment to slow down our MARV testing.

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, in response to the statement made by the gentleman from New York (Mr. KEMP) let me just say that whenever one makes an ad hominem argument he simply reveals the weakness of his position.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman yielding me this time.

Mr. Chairman, I do not consider it an ad hominem argument to point out for the House the premises and the thought process of the author of this amendment. It is on record, it is clear, it is part of the debate of the gentleman when he took me on earlier this session because I happened to suggest that the preproduction line of the Minute Man III should continue in lieu of a SALT II agreement. But it is not a question of only that, it is a question of deterring nuclear weapons use, and those of us who believe we ought to continue these weapons programs do so because we believe we should only negotiate from a position of strength, not unilateral weakness. That is the only way in which I presented my argument and I remember the words of Prime Minister Rabin who addressed this House several weeks ago and said, "military weakness is no precondition for successful negotiations."

Mr. DOWNEY of New York. Mr. Chairman, would the gentleman yield?

Mr. WEAVER. I yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Chairman, it would seem to me that one of the more important things we do in this Congress is the authorization and appropriation of billions of dollars for defense. We therefore should have clarity on the issues we discuss.

We should at least be able to address honestly and on the particulars the issues that we are talking about. The gentleman raises the issues of the Minuteman 3 preproduction line. This has almost nothing to do with the amendment we are talking about. It has nothing to do whatsoever with the question we are addressing here, whether or not we want to have a quantum increase in missile accuracy that would undermine deterrence of the United States and deterrence of the Soviet Union. That is what we are talking about. We are not talking about anything else.

It was a shame when I asked the gentleman to debate Minuteman III on the floor that he was not there to hold up his side.

Mr. WEAVER. Mr. Chairman, I want to say that I listened closely and carefully to the statement of the chairman of the committee and I know and recognize how deeply sincere and how deeply felt is his desire to stop the arms race. I was much impressed, Mr. Chairman, much impressed. I thank the chairman.

The Soviets are paranoid. They demonstrate this paranoia by embarking on their military buildup. Their military policy is a threat to the United States and to the world. I think we all agree on that. No Member of this Congress desires or consciously attempts to weaken the security of this Nation.

I have this statement to make. After deep review last year and this year of

MARV I am convinced that MARV does weaken the security of this Nation and threaten its peoples. It makes nuclear warfare much more likely. It makes the devastation and killing of our people much more likely if not inevitable.

If the Russians test MARV, of course we must test MARV. If they want to end the world, then we must do our part to make sure that we are not the first to go.

But Mr. Chairman, we do lose a bargaining chip if we test MARV. We have got the bargaining chip now, but once we test it, and that is what this amendment is all about, once we test MARV we will have lost that bargaining chip because the Soviets will not know whether we have deployed it or not.

MARV and the military arms race is the most important single issue before this Congress. We must not commence this new generation of weapons in the military arms race. I say now is our opportunity to vote for sanity, to stop a missile system that we do not need, that is not essential to our defense, but that does make nuclear holocaust more likely.

Mr. MAGUIRE. Mr. Chairman, the matter we are discussing right now is one of the most crucial we will consider in the defense authorization budget.

We are deciding whether or not to take a step which could seriously weaken our mutual deterrence system, the core of our balance of power. Mutual deterrence is based upon the capability of both the United States and the Soviet Union to respond with overwhelming force if attacked—a second-strike capability for land based missiles, manned bombers, and submarine-launched missiles. Due to the increased accuracy of the terminal MARV, existing land-based systems would be compromised as guarantees of a second-strike capability. A second strike capability would not be entirely eliminated because submarines would remain relatively invulnerable, due to their mobility and the difficulty of detection. But if—as seems possible—we achieve a break-through in submarine tracking technology, then the development of MARV could mean the end of the credible nuclear deterrent which has been the strategic basis of our national security.

The deployment of MARV could then reduce us to a war of nerves, with both the United States and the Soviet Union fearing that the other might take advantage of the new first-strike capability to launch a preemptive attack. There could be no better atmosphere in which to encourage the outbreak of nuclear war.

Advocates of testing the terminal MARV point out that we are not talking about deploying the MARV at this time—we are only planning tests. But the problem is that, once tested, there is no way to monitor or detect the actual deployment. The Soviet Union would have no way of being certain about whether, or to what extent, we were deploying the MARV, and vice versa. And the result would certainly be intense pressure within both our Government and theirs to put major efforts into development and deployment. Granted, the estimate is that we have a 5-year lead-period over the Soviet Union.

But what advantage does a 5-year lead-period give us if, 5 years down the road, we face long range instability? The advantage of the 5-year lead time is, as the gentleman from California (Mr. LEGGETT) has pointed out, that it affords an opportunity for verifiable agreements to limit unnecessary, wasteful, and destabilizing aspects of the strategic arms race at this critical point.

The only reasonable expectation we can have if we test the MARV now is that we are creating the incentives for still greater expenditures for new and more sophisticated weapons in a desperate effort to recreate the stability which will be lost if the MARV is deployed. Certainly we will then hear arguments for a new, more sophisticated, more mobile, and better protected generation of land-based missiles to counteract MARV, and the arms spiral will move ever upward with the unnecessary expenditure of yet more tens of billions of dollars.

The gentleman from New York (Mr. BINGHAM) explained very well the tragedy of the MIRV scenario, which we are recreating with the testing of MARV. With MIRV we had a 5-year developmental lead time as we do now with MARV. We were ahead in other systems, which is true now. We did not need to test, as we do not now. But we did test, and the Soviets felt threatened and also tested. We both since have developed elaborate improvements in our ICBM capabilities at enormous cost, in order to reach a new plateau of mutual deterrence. We are about to repeat that scenario with MARV—with all the costs to our security and our economy that that implies. And we are foolhardy to do it because it reduces, it does not enhance, our national security.

We have a great opportunity right now to use our advantage in MARV technology as a lever in arms negotiations with the Soviet Union. Once we have tested the MARV, that opportunity is gone. Our Government then will have lost a major vehicle for bargaining long-term mutual restraints with the Soviet Union—restraints which could be fully verified by us.

The results will be costly. The results will be destabilizing. The cost of maintaining our present land-based missile capability to the year 2000 will be $8.9 billion in 1976 dollars. But to replace that strength, which is what we would have to do once we tested MARV, would cost this Nation more than 40 billion of 1976 dollars, plus the added cost of the MARV system itself. These expenditures would create yet another unnecessary overload upon our national budget with serious repercussions for the economy and human needs. It would effect major losses in consumption, in production of nonresidential and residential structures, in development on nondefense capital equipment, and in all the other goods and services vital to a genuinely productive economy. The money will simply be mopped up—by a system we have a chance right now to make unnecessary.

Mr. Chairman, this amendment is essential if we are going to protect and preserve the defense posture which we constructed in this country over a number of years, and upon which our strategic policies are based. It is essential if we are to achieve meaningful arms control agreements which will enhance our security. It is essential if we are to avoid unduly burdening our already strained economy and if we are to serve our true national priorities.

I would urge the House to adopt this amendment today because so much is at stake.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. DOWNEY).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. DOWNEY of New York. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 95, noes 267, not voting 71, as follows:

[Roll No. 184]

AYES—95

Abzug
Addabbo
Ambro
Anderson, Calif.
Aspin
Badillo
Baldus
Bedell
Bergland
Bingham
Blouin
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burton, Phillip
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
Dellums
Dodd
Downey, N.Y.
Drinan
Eckhardt
Edgar
Eilberg
Fascell
Fenwick
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Green
Hannaford
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Heckler, Mass.
Helstoski
Holtzman
Jordan
Kastenmeier
Keys
Koch
LaFalce
Leggett
Lehman
McHugh
McKinney
Maguire
Matsunaga
Mazzoli
Meyner
Mezvinsky
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mottl
Nowak
Oberstar
Ottinger
Pattison, N.Y.
Pritchard
Rangel
Reuss
Riegle
Rodino
Rosenthal
Roybal
Ryan
Scheuer
Schroeder
Seiberling
Solarz
Stark
Stokes
Studds
Thompson
Tsongas
Udall
Vander Veen
Vanik
Waxman
Weaver
Wirth
Yates

NOES—267

Abdnor
Adams
Alexander
Allen
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Bafalis
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bevill
Biaggi
Biester
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley

Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hébert
Hefner
Hicks
Hightower
Hillis
Holt
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
Madigan
Mahon
Mann
Martin
Mathis
Meeds
Michel
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
O'Hara
O'Neill
Patten, N.J.
Patterson, Calif.
Paul
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Railsback
Randall
Regula
Rinaldo
Risenhoover
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Roush
Rousselot
Runnels
Russo
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Spence
Stanton, J. William
Steed
Steiger, Wis.
Stratton
Sullivan
Symms
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Treen
Ullman
Van Deerlin
Vigorito
Waggonner
Walsh
Wampler
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wolff
Wright
Wydler
Wylie
Yatron
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—71

Ashley
AuCoin
Barrett
Bell
Brooks
Burke, Mass.
Burton, John
Carter
Cederberg
Conlan
de la Garza
Dent
Diggs
du Pont
Edwards, Calif.
Eshleman
Flowers
Flynt
Hayes, Ind.
Hays, Ohio
Heinz
Henderson
Hinshaw
Holland
Howard
Hungate
Jacobs
Johnson, Pa.
Jones, Okla.
Karth
Macdonald
Madden
Melcher
Metcalfe
Mikva
Mills
Mosher
Nedzi
Nix
Nolan
Obey
O'Brien
Passman
Pepper
Peyser
Quillen
Rees
Rhodes
Richmond
Roberts
Rostenkowski
Ruppe
St Germain
Sarbanes
Smith, Iowa
Staggers
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Talcott
Teague
Thornton
Vander Jagt
White
Wilson, Tex.
Young, Alaska
Young, Ga.
Young, Tex.

The Clerk announced the following pairs:

Mr. Jacobs for, with Mr. Dent against.

Mr. Richmond for, with Mr. Flynt against.

Mr. John Burton for, with Mr. Brooks against.

Mr. Melcher for, with Mr. Staggers against.

Mr. Edwards of California for, with Mr. Teague against.

Mr. Mikva for, with Mr. White against.

Mr. Metcalfe for, with Mr. St Germain against.

Mr. Mosher for, with Mr. Hungate against.

Mr. Rees for, with Mr. de la Garza against.

Mr. Nix for, with Mr. Burke of Massachusetts against.

Mr. Diggs for, with Mr. Rostenkowski against.

Mr. Barrett for, with Mr. Pepper against.

Ms. JORDAN changed her vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. RICHMOND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I came into the House Chamber about 5 seconds too late and was unable to vote "aye" on the amendment offered by the gentleman from New York (Mr. Downey).

PERSONAL EXPLANATION

(By unanimous consent, Mr. Gilman was allowed to speak out of order.)

Mr. GILMAN. Mr. Chairman, on April 8, 1976, I attended the United Nations Conference on the Law of the Sea at the United Nations in New York, causing me to miss a quorum call and one vote on an amendment pertaining to H.R. 12438, the Defense authorization of appropriations for fiscal year 1977. Had I been present, I would have voted "no" on the Seiberling amendment deferring funds for the B–1 bomber.

Mr. Chairman, I ask unanimous consent that these remarks be placed following rollcall No. 181.

The CHAIRMAN. Is the objection to the request of the gentleman from New York?

There was no objection.

Ms. ABZUG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regret the fact that my colleagues rejected the amendment offered by the gentleman from New York (Mr. Downey) to limit the testing of MARV. He made a very reasonable proposal which deserved the approval of this House. We need to be certain that we are not going to be responsible for accelerating the nuclear arms race as we did when we had the opportunity to limit MIRV testing and did not take action.

I had intended to offer an amendment today concerning another weapons development which I consider to be of a serious nature. This weapon—the sea launched cruise missile—is an issue which most of the Members of this House have not had an opportunity to address themselves to as yet. For this reason, I feel it would be more useful to raise the issue without proposing any amendment.

My amendment would have asked for a moratorium on the development of the strategic long-range sea launched cruise missile by prohibiting flight testing beyond 600 kilometers unless the President certified to Congress that a new SALT agreement had been reached which did not contain any provision limiting the sea launched cruise missile.

I know that, outside of the members of the Committee on Armed Services and a few other Members of this House, most members have not had an opportunity to deal with this question or even to discuss it. I would like to take a few of the very precious moments of this debate in order that we may have a discussion about this issue. I feel I would be remiss if I did not bring this matter to the attention of the House because the development of this weapons system could critically disturb the SALT agreements to date and the SALT agreements in the future.

The cruise missile is a small, highly accurate missile which will fly through the atmosphere like a jet. This missile achieves its precision accuracy through sophisticated terrain-guidance computers. The Navy's version of the cruise missile can be launched from under or on the ocean surface. The first test of this missile was held in February.

This strategic sea-launched cruise missile could create insurmountable obstacles toward achieving future arms limitation agreements, because, once deployed, these missiles would be virtually unverifiable. They can be launched from a torpedo tube on an attack submarine as well as from missile launchers on surface ships. Consequently, every single ship and submarine in the U.S. Navy could become a launcher of strategic nuclear weapons.

There is no question that this would thwart the basic SALT verification principle which has been to limit arms by restricting the number of launchers.

Mr. Chairman, I am really quite concerned that if this strategic sea-launched cruise missile were not somehow included under the numerical SALT ceilings for strategic vehicles, any numerical limit on ballistic missiles which has or will be concluded would be meaningless.

For example, what would be the point of our having limits of 2,400 ballistic missiles while leaving open the possibility of deploying 10 thousand of these relatively cheap cruise missiles which can carry nuclear warheads over comparable ranges? Try to imagine how this would destabilize the strategic balance. These are the serious and disturbing consequences of the strategic SLCM. Do the military advantages outweigh them? The sea launched cruise missile is only marginally useful as a weapons systems even when examined independently of the arms negotiation question. We have submarine-launched missiles with a range of 2,500 nautical miles. Why do we need the SLCM which has a range of only 1,500 nautical miles?

Why is a moratorium on testing both necessary and realistic?

The United States has a commanding lead in the development of cruise missile technology—up to 10 years, according to Deputy Defense Secretary Clements—that we could easily afford to delay completion of the test program in order to give the arms negotiators a chance to reach an agreement. It would not involve any risk of letting the Soviets advance beyond us.

Secretary of Defense Rumsfeld said in his posture statement:

> There is no evidence as yet that the Soviets possess the technology to pursue over the near term a strategic cruise missile development (p. 56).

But the main question before us is that, unless we take decisive action now before tests are completed and production begins, we will never get this nuclear genie back into its bottle. Neither side would know how many SLCM's had deployed. Any arms agreement could become meaningless. When we failed to control MIRV's before production, nuclear weapons later multiplied by seven or eight times. If the same tragedy occurs with the SLCM, the strategic arsenal would probably double. It is clear to me that there is much to gain and nothing to lose by a 1-year testing moratorium.

Mr. Chairman, I believe that now is the time to make the crucial decision on the strategic Sea Launched Cruise Missile. The SLCM was once considered to be a SALT bargaining chip. Now it threatens to become the SALT roadblock.

Congress should make an informed decision—and I have been discussing it with the chairman of the Committee on Armed Services—before the missile testing program ends and procurement begins. As I understand it—I am not a member of this committee—we are now in the area only of research and development. Procurement is not scheduled to take place until at least 1980.

Therefore, I want to ask the chairman of this committee, what does he consider the impact of the sea launched cruise missile will be upon SALT negotiations and agreements?

The CHAIRMAN pro tempore. The time of the gentlewoman from New York (Ms. ABZUG) has expired.

(On request of Mr. WAGGONNER and by unanimous consent, Ms. ABZUG was allowed to proceed for 2 additional minutes.)

Ms. ABZUG. I wonder whether the chairman could indicate what he feels the impact of the development of this sealaunch cruise missile will be upon a pending SALT agreement. I would appreciate his views as to whether a moratorium on testing at this time, until the President makes a certification that a new SALT agreement has been reached, would, in his opinion, affect this particular weapons program.

Mr. PRICE. If the gentlewoman will yield, the gentlewoman will recall that during the debate on the last amendment I did virtually mention that very subject when I talked about the position that we were usually in when we enter into these negotiations, these different talks.

I think that if we were in a position in which we, on a unilateral basis agree not to pursue cruise missile development, we would be at a very serious disadvantage with the Soviets.

For over 13 years now the Soviets have equipped their ships with tactical cruise missiles. They are not strategic cruise missiles, but they can be modified and adapted as cruise missiles. We are not in that position. We are far behind the Soviet Union at the present time.

I think that the gentlewoman from New York (Ms. ABZUG) brings up a very important point, and I am glad she did take the floor on this subject.

Ms. ABZUG. However, is it not true, Mr. Chairman, that the cruise missiles the gentleman refers to are not strategic cruise missiles, but tactical ones? As I said, I am not talking about that because that is all the Soviet Union has. In the initial strategic arms negotiation of SALT I the United States made a brief effort to limit the number of short-range Soviet cruise missiles, but it did not press the issue because we considered them marginal.

Mr. PRICE. If the gentlewoman will yield further, the answer to the gentlewoman's question is that the technology is almost the same, whether it is tactical or strategic.

The CHAIRMAN pro tempore. The time of the gentlewoman from New York (Ms. ABZUG) has expired.

(On request of Mr. SEIBERLING and by unanimous consent, Ms. ABZUG was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to ask the gentlewoman from New York (Ms. ABZUG) and the chairman this question: I am told by people such as Dr. Kosta Tsipis, who is one of the arms control experts at MIT, and some of the other people in the arms control community that the Soviets sea launch cruise missile is a tactical missile, and it is an old missile, and that to convert it or to create a sea launch strategic cruise missile would require a completely new testing program.

To convert it or create a sea launched strategic cruise missile would require a completely new testing program and we can detect it by national means of detection whether they are testing a new cruise missile. But the problem is with reference to the sea launched cruise missile which has been tested and perfected, and from that point on—and Dr. Ikle confirmed this to me as recently as last week—there is presently no known method by national means of detection of determining how many cruise missiles are deployed or where they are. And that is the problem.

I would like to ask the chairman, the gentleman from Illinois (Mr. PRICE) if the gentleman does not agree that that is the problem?

Mr. PRICE. Mr. Chairman, if the gentleman will yield, I could not say I agree because the gentleman has made several statements, part of which I know are not correct assumptions, or which would not be accurate assumptions. The gentleman did not mention the tactical cruise missiles. As I stated earlier, they can be rather simply converted giving the Russians an advantage over us in terms of their ability to convert them to strategic cruise missiles. They are working on the guidance systems and are already capable of making the conversions.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am now reading from a statement by Dr. Kosta Tsipis, who is recognized as one of the leading experts on cruise missiles in this country and who is located at the MIT Center for International Study. He says:

> We already have such a cruise missile, the short-range Harpoon. (What about the very long range of Soviet naval cruise missiles?) Soviet missiles are very inaccurate beyond the range of ship-based sensors. They compensate by fitting them with nuclear warheads, which would work because aircraft carriers are such soft targets.

So the point is that if they were going to test a missile that has strategic range then they would have to test an entirely new missile and that is detectable by our sensing capabilities.

The same is true of our testing of a cruise missile, and the problem is—and this I touched upon in my earlier remarks—that if we go ahead and complete a test of a 2,000-mile sea-launched cruise missile, then we are adding a fourth leg to our triad, we will have a quartet of strategic weapons, and yet it will not add appreciably to our strategic deterrent. On the contrary, it will immensely complicate the possibility of future strategic arms limitations talks. The head of the Arms Control and Disarmament Agency told me less than a week ago that there is no known way to detect the implacement or the manufacture of strategic sea launched cruise missiles. So if we go beyond the point of no return in our testing, then we will have created a monster that we do not know how to control.

So the proposed amendment by the gentlewoman from New York (Ms. ABZUG) which the gentlewoman is not going to offer, because we do not want it to be defeated while negotiations are in effect, would simply say that we defer testing of strategic range sea launched cruise missiles until the President either certifies an agreement has been reached, or that no such agreement appears possible.

Ms. ABZUG. If the gentleman will yield, that is correct.

Mr. SEIBERLING. I think it is a very reasonable approach. She is not going to offer the amendment, but we are having this discussion because of the seriousness of this problem and the importance of moving ahead and trying to reach an agreement before it is too late.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, the gentleman referred to the Director of the Arms Control Agency. I know from personal conversations I have had with the Director that he strongly supports the development and testing of the cruise missile. I am sure the gentleman would not want to leave an impression to the contrary.

Mr. SEIBERLING. I do not know what his position is on that but I do know he admits there is no known way of verifying the amount of cruise missiles that will be produced because I asked him what he thought about an amendment of the type authorized by the gentlewoman from New York. He said that they are working on ways of detecting SLCM's, but there are none at the moment. That jibes with what I have been told by everyone else in this field.

I also talked with the State Department about this and their position is that they prefer not to have an amendment offered in the Congress on it because they are seriously negotiating this matter right now and they are afraid to complicate it, particularly as it would be if an amendment were offered and it would be defeated.

So we are just trying to have a discussion to educate other Members who may not have been familiar with it. But it is another example of the urgency of moving ahead with an arms freeze on development of some of these nuclear weapons while it is still possible to keep them from getting out of control.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, is it not true we may find ourselves in a position where agreements already reached as to 2,400 launchers can be violated because we, I think, have been contending, if I understood the debate at least in the committee, that these cruise missiles do not come under the limitation of 2,400?

Mr. SEIBERLING. They do not come under the SALT limitations. The military are talking about 20,000 strategic cruise missiles with ranges of up to 2,000 miles yet the sea-launched cruise missiles, would actually put us at a disadvantage vis-a-vis the Soviet Union because most of our major cities are closer to the coasts than theirs are. There are various other disadvantages also.

The CHAIRMAN. There being no further amendments to this title, the Clerk will read.

The Clerk read as follows:

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year beginning October 1, 1976, and ending September 30, 1977, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 790,000;
(2) The Navy, 549,904;
(3) The Marine Corps, 196,000;
(4) The Air Force, 571,000.

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 4, line 23, strike "549,904" and insert in lieu thereof "544,904".

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELLUMS: On page 4, after line 25, add the following language:

"SEC. 302. The Department of Defense is authorized an end strength for active duty personnel as follows: For the fiscal period beginning October 1, 1976 and ending September 30, 1977; 2,059,904. Within this authorized figure of 2,059,904 for active duty personnel of the Armed Forces, no more than 383,000 military personnel may be assigned to active duty on land outside the United States and its possessions and territories during this fiscal period."

Mr. DELLUMS. Mr. Chairman, I journey to the well this afternoon for what is rapidly becoming my annual exercise in futility. This is my fourth year as a member of the Armed Services Committee. In 1973 I offered an overseas troop reduction amendment worldwide of a little over 200,000. In 1974 I offered an amendment reducing approximately 125,000 troops worldwide. In 1975 I offered an amendment cutting 70,000 and restricted to the western Pacific.

Today I come to the well to offer to reduce our land-based forces by 47,000 troops and leaving with the Pentagon itself the decision with respect to where those troops shall be withdrawn.

Some Members may argue that we should not reduce troops from NATO at this point. I believe that we can do that, but certainly a reduction of 47,000 land-based troops can be accomplished anywhere in the world.

Mr. Chairman, I have worked diligently to prepare a detailed statement for the evaluation and consideration of the committee in the debate today. Hopefully, it will be a new argument; but prior to reading my prepared statement, I would like to briefly summarize what I shall attempt to say.

Mr. Chairman, in the past we have come in the well and argued for troop reduction primarily around the priority question; that is, that the parameters established by the Committee on Armed Services dictate what other committees in the House shall be able to do, or not to do; or, stated another way, if we perceive the military budget as sacrosanct, then many of our social reforms that have gone begging—lacking attention during the Vietnam era—would never be addressed.

We tried reducing our overseas troops on the basis of being an efficiency measure, as a cost-saving reform; but many of my colleagues on both sides of the aisle tend to be more moderate, more conservative, in their views of foreign policy and their approach to the military budget, and have responded by saying, "We are reluctant to take action on cost-saving measures that have such profound foreign policy repercussions."

I accept that argument and what I will attempt to do in my presentation is to say that, while I believe we can justify a reduction of 47,000 land-based troops on the basis of cost reform, I would much prefer to address my colleagues about the consideration of pointing us in a new foreign policy direction.

The Pentagon, by their own figures, and using constant dollars, have projected that if we continue to function within the present framework of our foreign policy, using present assumptions and carrying through with present commitments and maintaining the status quo, that in the year 1980 we will be spending approximately $150 billion. In 1985, using the Pentagon's cost projections, we will be spending $200 billion a year just to maintain the status quo.

So my argument will be a simple argument. Do we desire to spend $200 billion in the year 1985? Can and will the American people, using the Pentagon's figures, support such an extravagant budget? If not, then it seems to me that this is the year that we ought to make at least a modest effort toward directing ourselves in a new foreign policy direction.

It is my contention, and I will assert it in my presentation, that given our present commitment of attempting to play the role of police officer to the world, even this $100 billion budget is not sufficient. We cannot even effectively play the role that we rhetorically state that we wish to play in the world, even given our present dollars; so, if we are not willing to commit that massive amount of money in the next 9 or 10 years, then it seems to me this is the moment to radically change our foreign policy.

With that summary, I would now like to make my presentation.

The CHAIRMAN pro tempore (Mr. ROUSH). The time of the gentleman from California (Mr. DELLUMS) has expired.

(At the request of Mr. CARR, and by unanimous consent, Mr. DELLUMS was allowed to proceed for an additional 5 minutes.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to my distinguished colleague, the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr. Chairman, the gentleman is easily one of the most eloquent spokespeople in the Congress for the gentleman's point of view. I rise in support of the gentleman's amendment. It makes sense. If we are ever to make economies in our military posture without compromising our Nation's defenses we must keep the pressure on Pentagon officials to lean out unnecessary manpower. Manpower now exceeds 50 percent of total military expenditures. As we have increased our technological capability we have not taken full advantage of the corresponding manpower economies that are offered us. I also want to state Mr. Chairman and Members of the House, that I would favor a corresponding rise in Reserve strength to preserve our quantitative potential.

I thank the gentleman for yielding.

Mr. DELLUMS. Mr. Chairman, we can look two ways at this amendment.

Mr. Chairman, one is simply as an adjustment within the prevailing conceptions of a proper foreign policy framework. Given that perspective I stress that we can accomplish the present aims of the Pentagon both with much less money and few foreign entanglements. I think a very strong case can be made again this year for a troop-cut amendment on these grounds alone. The obvious and long-documented inefficiencies in our troop structures overseas, the uselessness of strict military aid to countries like South Korea, and the lack of readiness tolerated in our NATO troops and elsewhere should convince us that major money-saving reforms could and can be effected.

But many here in Congress feel reluctant to make moves with so many foreign-policy repercussions just to save money. Perhaps these people are right. In any case, I feel that this amendment—or one like it—should not be viewed as a simple reform measure, but instead, as the first step toward a new conception of basic foreign policy aims.

I strongly believe that a new understanding of this Nation's role in the world is necessary and in fact inevitable within the next decade. Both the intractabilities of the world situation and the costs of carrying out our now-accepted aims are increasing at a tremendous rate. Even if we stick to status quo positions, choices must soon be made.

Congress has the responsibility to play a role in making those choices. And this troop-cut amendment should be seen as a positive move toward imposing the necessary new framework; overseas troops are the central indication of our own view of our world commitment; therefore it is the most effective lever for bringing about change.

For me, the coming choice is clear. I advocate making that choice in a specific way, but even more I advocate clarity and awareness in understanding what the choice is, and how congressional actions affect the making of that choice. And the basic nature of that choice relates to a match between our world commitments and the percentage of national resources we are prepared to sacrifice to these ambitions.

I will not say that playing the role of world policeman is impossible. We can do it, if we are willing to pay the price. Part of that price is the indefinite postponement of social reform by the Federal Government. But if the American people, with their eyes open, make that choice, then we must defer to it.

What would be unacceptable on the part of Congress is to fuzz the hard necessities forcing a choice. We must not ignore that the price of maintaining just our present commitments is going up drastically, and we have only seen the beginning of that rise. If the United States continues to spend for defense at its present level, the defense budget will reach $200 billion by 1985. If we try both to maintain our commitments and to keep the cost of the budget within reasonable grounds, we will only end up earning contempt because we assuredly will fail to accomplish either objective. Therefore with this amendment I believe Congress today is presented with a choice that it will have to make sooner or later: either pay the high price necessary to live up to our present commitments, or make only such commitments as we are willing to live up to.

Congress is already making this kind of choice in a negative way. It has refused to give the necessary support to the adventurist moves of the administration. I think the administration has a point when it says that this fighting within ourselves makes us look bad. The response, I believe, is to make only such commitments as we are willing to honor. And this, it should be clear, requires positive intervention and definition of goals by Congress: otherwise we will continue to merely veto the actions of the administration, leading to ineffectiveness and confusion.

Some of you may say that for Congress to mandate and force a change on the administration will be equivalent to retreat. If that is the word you wish to use for a more realistic assessment of our interests and capabilities, so be it. But please grant me that retreat can mean very different things. Last month Thailand kicked our troops out. Whatever the final results there, this humiliation could have been avoided either by showing the ruthless will to power that would have cowed the Thia Government, or we could have left by ourselves by our own choice and not, as former Secretary Schlesinger used to say, "under the pressure of events beyond our control." In other words, we must ask the administration to present us with a defense budget that will do what it sets out to do. But the President and the Secretary of State do not wish to do that: They prefer to assure us that we can maintain—Pax Americana—at no extra cost. When Mr. Schlesinger showed a disposition to present the choice in starker and more rational terms, they got rid of him. Yes, I disagree with the former Secretary about where we ought to go, but I do agree with him that it is impossible to stand still.

The pressure of events will force us either forward to a new national self-conception or backward to a garrison state.

Perhaps it is impolite to call attention to inconsistencies of a man running for President, but Mr. Ford's contradictions on the subject of the military budget show the underlying confusion of the whole present approach. When talking to the Congress, Ford relies on the shopworn alarmism of Pentagon rhetoric:

> We are falling behind the Russians. We are becoming a "second-rate" power. Our vital interests are in jeopardy.

But when some Republicans take him seriously and listen to a candidate who says that our defenses have been neglected, Ford turns around and says—with closer appropriation to reality—that "we are still much stronger than the Soviets," that "our economic and technological base is infinitely more secure than theirs," and so on. Evidently he is hoping that my colleagues will not have read news reports of his campaign speeches when they vote on this military authorization bill.

Let us look at some figures to get some idea of the order of magnitude of the sacrifices we will have to ask of the American people. By the Pentagon's own estimates it will be at least $200 billion by 1985. And this figure alone does not give an adequate idea of the real cost. In the first place, as energy costs and the costs of other technological resources go up, the share taken by the Pentagon is going to press harder and harder the consumer. To take one very important example, our valuable but limited national resource of innovative technical talent—our main weapon in the battle against inflation and for productivity increases—will seem more and more of an unearned privilege for the Pentagon to soak up as it has in the past. And the Pentagon estimates relate to the cost of our foreign policy in a world much like today, but I believe it is clear that the international environment is going to deteriorate in terms of predictability, order, and general ability for one country to get its way. The cost of attaining any coherent goal in world politics is going to go way up. We will therefore see more and more of a squeeze between rising costs and more difficult tasks. It is the job of statesmanship to foresee this squeeze and take appropriate measures ahead of time.

But perhaps the central issue is not one of the money we spend on the budget year in and year out. The real central issue is: For what and for whom are we willing to kill for and to die for? Let us take the case of South Korea. No one seriously maintains that the 40,000 or so troops we have there provide necessary military backup to the South Koreans, who have one of the most effective and experienced armies in the world. If the troops are there for military reason, they are a complete waste: Either we should double or triple that commitment, or we should begin taking them home. But we are then told they are not there for strictly military reasons: They are there to guarantee American involvement in the case of an invasion; they are a deterrent. Fine, but a deterrent must be credible: We must really be willing to go to war, to undertake another Vietnam or Korea, in case of an invasion.

Our leaders should not talk about deterrent and détente as a way out of the basic reality, which is: We must be ready at any time to go to war and sacrifice our blood and tax dollars for President Park. Otherwise, we just make ourselves ridiculous. In the same way, we must really be willing to invade Cuba if they do not do Kissinger's bidding. If not, our expensive preparedness is a joke.

I do not expect this amendment will pass this year. Once again, it is no doubt the "wrong time" to offer it. But I want the record to show that in 1967 Congress was presented with the real choice that later on it will simply have to make. Congress has tried to evade it for too long. President Johnson tried to tell us we could have guns and butter: he forgot to add inflation and social disruption, for they are also part of the cost. Secretary Kissinger wants us to prevent any more Angolas: that is certainly possible, but it is not compatible with preventing any more Vietnams. There are costs to any course of action, but the greatest costs of all are associated with simply continuing the old routine, keeping the budget more or less in line, and hoping the world will take our increasingly hollow rhetoric seriously. This is the administration line. I ask Congress not to fly from reality, and not to mislead the people. There is no such thing as a free commitment.

Mr. RANDALL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I come to the well to oppose the gentleman from California (Mr. DELLUMS) with some measure of fear and trepidation. The author of the last amendment is a Presidential candidate, or at least was proposed by a well-organized group to be a candidate. I might add that his judgment was good as to that invitation, if my understanding is correct, in that he at least to date has resisted the temptation to accept that overture.

Mr. Chairman, the author has a lot of good things going for him. I think the gentleman and myself have had an understanding for many years. We have had this adversary position again and again over the last 6, 7, or 8 years as each time he proposes bringing back the troops from overseas. I have had the occasion to know that the man's word is good. He told us that he was going to offer this amendment. He offered exactly what he said he would. I admire a man of his word.

Our good friend, the gentleman from California (Mr. DELLUMS), however, in his long determination to reduce forces overseas, has shown some improvement. I cannot recite the figures exactly. When he started out several years ago, he proposed to bring back half of all overseas forces. That was his first proposal. The next amendment, in 1974, I believe, was 322,000. And then down to 100,000 the next time around. And then the fourth time around it was 70,000. And now he proposes a reduction down all the way to 47,000.

Mr. Chairman, the gentleman is certainly and surely improving. Each year he becomes a little more moderate.

Let me say in the remaining time that I have that even a reduction of 47,000 is wrong. We may take some computation to figure out how this reduction comes out to 47,000, because the amendment simply says that we are not going to have any more than 383,000 overseas. In any event, if you figure carefully you will see it is all translated into 47,000 back from overseas. The gentleman from California (Mr. DELLUMS) is saying to us and urging this Committee this afternoon to agree that we have 47,000 too many U.S. troops deployed around the world.

In the gentleman's own remarks in chief he hinted at about what I am planning to say when he said:

> I do not know whether we are going to win this amendment. There are going to be those who say this is the wrong thing.

Mr. Chairman, I say affirmatively and with strong emphasis that this is the wrong kind of amendment. It is wrongly proposed, because it does not pinpoint any specific reductions from any one place. If we want some brought back from NATO, we should say so; if we want some brought back from Korea or from Okinawa, we should say so. But this is improperly worded, improperly spelled out. Moreover it is the wrong time to make this proposal.

Why is this so? As we suggested, the amendment takes a meat-ax approach. It says that there are not going to be any more than 383,000, and that somebody someplace in Government is going to have to decide where those troops will be reduced.

Well, last January the chairman of the full committee constituted some of us to be a Special Subcommittee on the Pacific. We were out there in the Pacific for about 2 or 3 weeks. I want to address myself, therefore, first to what is going to happen in the Pacific if this amendment should prevail, and then we will discuss the damage to NATO in a few minutes.

We went to Japan. We talked to the Japanese and then we went on down to Indonesia and Australia and New Zealand and came back for an over review with Admiral Gayler in the Philippines, and then back to Hawaii. Everywhere we went they spoke of the new Pacific doctrine outlined by President Ford in December of 1975.

But for a moment let us review some recently past happenings in the Pacific. Immediately after the fall of South Vietnam, who was it that paid an immediate visit to mainland China? Who was the very first one? It was Kim Il-Song, the President of North Korea. He went over there and tried to importune the People's Republic of China to lend him some assistance to invade South Korea.

Fortunately, mainland China saw that this attempt at a second invasion was not the right course. They were pragmatic about it, perhaps due to our much improved relationship with China, but it was essentially China's own pragmatism, because they realized there was a lot more at stake than just to give some help to Kim Il-Song.

The CHAIRMAN pro tempore. The time of the gentleman from Missouri (Mr. RANDALL) has expired.

(By unanimous consent, Mr. RANDALL was allowed to proceed for 5 additional minutes.)

Mr. RANDALL. To continue, Mr. Chairman, the Chinese were pragmatic because they saw that what was going on in the Korean Peninsula was an effort in the foreseeable future toward a strengthening South Korea.

So much for that. The pivotal state today in the Pacific is Japan. Japan has always traditionally been concerned about this Korean Peninsula. They have sometimes described it as "a dagger at our heart." Certainly the Japanese are watching our involvement in the Pacific. Japan, because of its flexibility and independence, is far too important for us to even consider the removal of any troops from South Korea.

The gentleman from California (Mr. DELLUMS) a moment ago made some comment about the troops in Korea and the situation of the South Koreans themselves. What he omitted or neglected to say was that the South Koreans are now embarked upon a 5-year program of improving their own forces. That perhaps addresses itself to the fact of why this is such a strong reason it is the wrong time to offer this amendment. That is so because with just a little help the South Koreans may be able to improve themselves in the next year.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I will yield later to the gentleman from California (Mr. DELLUMS). The gentleman had a total of 13 minutes, and I am only on my second 5 minutes.

Mr. Chairman, we went down and talked to President Suharto of Indonesia, and he said, "Please assure us that you are not going to pull out of Korea." He does not want us to even pull out of Clark Field. He knew there had been a vacuum created in the Pacific as a result of our leaving Indochina. He said, "Please assure us you will not withdraw from the Pacific."

If we have any friends in that area, if we want to call it the Southeast Pacific looking at it from that direction, or Southeast Asia looking at it from the other direction, it is Indonesia, the island empire of Indonesia.

Reference was made a moment ago to the Philippines or, first, to Thailand. We all know the story of Thailand. No further comment is necessary. However, as to the Philippines what was predicted would be true has come true, that everything the President of the Philippines was saying was for home consumption.

He says, "No, no, we do not want you to leave." He is correct—we are not going to leave Clark Field—it is an important base. Nor are we going to leave Subic Bay, two of the most important outposts in the Pacific.

Therefore, Mr. Chairman, it would be the most ill-advised thing we could do today if we were to withdraw any of our troops.

We know what President Ford said. He came back from his China trip and said that the Pacific basin, under the Ford doctrine, is just as important to us as any other area of the world. We can no longer neglect the Pacific. We have an important window on the Pacific, and he says that it is almost as important to us as NATO.

Mr. Chairman, I want to address myself very briefly to the situation over on the other side of the world. It is going to be a little difficult to do it in the few minutes I have. I want to say just a few words about that matter and the NATO objectives. We were privileged and had the great honor to serve as chairman of the NATO Subcommittee for a number of years.

One of the objectives of NATO, as stated, is that it is a deterrent. It is a matter of being a deterrent against the Warsaw Pact, to deny the enemy's military objectives and to terminate the conflict as quickly as possible at the lowest level of violence consistent with NATO objectives.

We all know all the facts as to our presence in NATO. What we are doing in NATO is not for anyone over there. It is really all for ourselves.

There have been changes in attitudes over the years by many Members in the matter of deployment of our forces overseas. But one of the most significant developments—and I see that the gentleman is on the floor here now—one of the rare developments in this recurring process to bring troops from overseas appeared in the release of a "Dear Colleague" letter that we received the other day.

I will read portions of it:

> In the past I have supported our efforts to reduce overseas troop strength and other conventional forces. I have changed my view over the past year because of my concern about our increasing reliance on tactical nuclear weapons.

Mr. Chairman, that letter was authorized by the distinguished gentleman from New York (Mr. OTTINGER), who is on the floor now. I know he is going to speak on this amendment. The fact that he said he has changed his mind should cause us to conjure up the quote from that proverb or old cliche, which goes like this: "The light in the window ever burns in the hope that the sinner 'ere returns."

Here is a gentleman who headed the new class of 1975 freshmen who now says it is wrong to bring back our troops from NATO. That ought to be a most persuasive argument for all of our newest Members. It has been my recent observation that each day the freshmen are around, then each day they become more like the other Members who have been here for several years.

The gentleman from New York knows the importance of NATO. I am sure he is going to address himself to it in just a few minutes. What he has said, in effect, is that he does not want any fewer troops in NATO if we are going to have adequate conventional forces.

The CHAIRMAN pro tempore. The time of the gentleman from Missouri (Mr. RANDALL) has expired.

(By unanimous consent, Mr. RANDALL was allowed to proceed for 2 additional minutes.)

Mr. RANDALL. To continue, Mr. Chairman, the gentleman from New York (Mr. OTTINGER) says that he does not want to resort to the use of strategic nuclear weapons. He does not even want to have to use tactical nuclear weapons in the NATO area. He says:

> Let us keep our conventional forces strong, strong enough to stop them in their tracks when and if the Warsaw Pact should make a move.

The gentleman makes a most effective argument. I compliment the gentleman from New York (Mr. OTTINGER) for his good work. I guess one of the best arguments against this amendment to cut overseas troop strength is the fact that one strong opponent is the leader of the new class coming in in 1975. He has changed his views—his friends in the freshman class would do well to change these.

The time is past when we can find any more fat to cut out—we are now cutting muscle. There is simply no way to achieve any further economies by better management. We have gone through with squeezing out the waste. We have reduced unnecessary headquarters. We are down as far as we can go. We have created a better ratio between fighting troops and service troops. The next reduction is going to affect our capability. If we reduce our capability it would be most unwise.

The amendment does not specify whether the reduction will be in the Pacific basin or in our most important NATO commitment.

Mr. Chairman, and Members of the Committee I plead with you to defeat this amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

I have one question. The amendment calls for the reduction of 47,000 troops. Presently in South Korea there are 42,500 of our troops providing combat support for almost 600,000 South Koreans, some of whom were involved in the Vietnam war. I ask the gentleman how he can justify why we cannot pull some troops out of there.

Mr. RANDALL. The answer to that is that there may be no justification but I would be glad to debate the merits of a reduction in Korea alone. The only reason that would not be productive is because the gentlemen's amendment does not apply to Korea alone—but leaves it to someone or some group in the Pentagon to pick and choose withdrawals—anywhere they wish at their pleasure.

The gentleman has submitted no specifications in his amendment. If the gentleman wishes to limit the amendment to Korea, the gentleman is privileged to do so. And then I will be glad to respond with reason why we should not withdraw our forces from South Korea.

Mr. Chairman, at this point, I yield to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, I appreciate the gentleman yielding to me.

Mr. Chairman, this happens to be the last year that the gentleman from Missouri (Mr. RANDALL) will serve in the House of Representatives, after a very long and distinguished service there. Those Members who have had the privilege of serving on the Committee on Armed Services with the gentleman from Missouri are going to miss the gentleman, and especially his fighting spirit. We can appreciate all the more the gentleman's long service in view of the splendid and effective statement the gentleman has just made this afternoon.

I compliment the gentleman from Missouri on his statement and I support the gentleman in his opposition to the amendment.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I, too, would also like to add to what the gentleman from Virginia said about the gentleman from Missouri (Mr. RANDALL). The gentleman from Missouri has been an outstanding Member, a fighter and one of our most dedicated members on the Committee on Armed Services.

Mr. Chairman, the gentleman from Missouri (Mr. RANDALL) mentioned the "Dear Colleague" that was sent by the gentleman from New York (Mr. OTTINGER) so I would like at this time to yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding me this time.

As the gentleman from Missouri (Mr. RANDALL) said, I did send the "Dear Colleague" letter to each of the Members indicating that I had changed my position.

Mr. Chairman, the letter is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 8, 1976.

DEAR COLLEAGUE: In the past I have supported efforts to reduce our overseas troop strength and other conventional forces. I have changed my view over the past year because of my concern about our increasing reliance on tactical nuclear weapons and the grave danger this reliance poses to triggering all-out nuclear war and the destruction of modern society. The only way we can put ourselves in a position to negotiate reduced reliance on nuclear weapons is by having an adequate conventional force deterrent.

Even without an agreement to foreswear us of tactical nuclear weapons, adequate conventional forces permit us to respond to military action without resort to nuclear weapons—conventional forces permit a higher nuclear threshold.

Our stated objectives, should deterrence fail in the NATO/Warsaw Pact theatre, are "to deny the enemy's military objectives and terminate the conflict quickly, at the lowest level of violence consistent with NATO's objectives" and "to maintain the political and territorial integrity of its member nations"; a reduction in our conventional forces compels an even greater reliance on the use of nuclear weapons. These objectives are best met with conventional forces.

I don't believe that "limited nuclear war" is feasible. Once either the United States or the Soviet Union uses a nuclear weapon against the other escalation is certain to occur.

In recent months the United States has proposed the withdrawal of 1,000 nuclear weapons from Europe in exchange for a Soviet reduction of one tank army (1,700 tanks & 65,000 men) in the MBFR negotiations. It is unlikely that our NATO allies will accede to further reductions in our nuclear forces, which they see as irrevocably tying U.S. strategic forces to their defense, unless we can assure that with them we will have a credible conventional deterrent and an adequate conventional defense.

Given this, I believe we must do what is necessary to increase the conventional capabilities of the NATO alliance. This could entail the redeployment of our forces, the integration of the various national support, command, control and communications systems, restructuring our forces for a short, intensive conflict (rather than the WW II scenario for which we are now prepared), standardization of equipment, and, if necessary, an increase in our forces. Certainly, a decrease in our forces will not encourage the Europeans to continue in MBFR or give them greater reason to rely on our support as an ally or, most importantly, help persuade them to reduce their dependence on a tactical nuclear deterrent.

In conclusion, I urge that you oppose any amendment to H.R. 12438 which contemplates the reduction of our military presence in Europe.

Sincerely,

RICHARD L. OTTINGER,
Member of Congress.

I have always supported the position taken by the gentleman from California (Mr. DELLUMS) in the past on troop reduction. The gentleman from California is a very dear friend of mine and someone for whom I have just the very highest respect.

I think that, overall, our military budget is swollen. I think it has many things in it that do not deserve our support. But I have had occasion over the past few months to look at one of the key factors in our military situation. It involves what I consider to be a really frightening dependence on tactical nuclear weapons. I have seen that we have these tactical nuclear weapons all over the world, and our design to use them has caused us to get into the situation where we virtually have to use them because we are so outnumbered and under strength in conventional forces in certain areas of the world—so much so that we would have no choice but to resort to those tactical nuclear weapons in the event of hostilities.

I think this is perhaps the most dangerous situation to which this entire country and the world are exposed. We should never have put ourselves in that kind of a situation.

The fact of the matter is that the present strategy is based on an idea that somehow or other we can depend on using these tactical nuclear weapons in situations calling for a limited war. However, I cannot imagine our using tactical nuclear weapon systems in the European theater, overcoming the fire break that we have established over the years against the use of nuclear weapons at all, deciding to go through with the tactical nuclear weapons—realizing that Russia, whom we know has tactical nuclear weapons and strategic nuclear weapons capabilities could retaliate in kind, I cannot imagine our being able to limit the use of tactical nuclear weapons. I cannot imagine that whoever is on the losing end of a nuclear exchange will not decide to resort to larger nuclear weapons, and that this would lead to an escalation that would spell destruction of the entire civilization of the world.

I think we ought to negotiate with the other nuclear powers, as rapidly as we can banning tactical and strategic nuclear weapons the same as we have banned poison gas and bacteriological warfare weapons—get them out of the way altogether—as being suicidal to use.

The only way we can come to that situation is to have adequate conventional forces with which to be able to deal with any situation that occurs.

The people in Europe at the present time are lulled into a false sense of security because of the presence of our nuclear forces. They are faced with a huge buildup of Russian conventional forces that I feel is a real and grave danger. Yet, if the nuclear deterrent to Russian conventional attack were to fail, should we have to use our nuclear forces, it would mean the obliteration of Europe. It is enormously in their as well as our interests that NATO have adequate conventional forces to deal with this situation.

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Chairman, I think this important point should be made. The Nunn amendment has caused the reduction of support troops in Europe. It should be clearly understood that any further reduction of troops in Europe would be combat and not support troops.

The gentleman also raised the question of Korea. History has a habit of repeating itself. As I recall we pulled our troops out of Korea in 1950 and then our Secretary of State declared that area outside our defense perimeter. The enemy troops moved down from the north and the result was war and a loss of 50,000 American lives.

I raise this question: How many times must we repeat a mistake before we learn our lesson?

Mr. Chairman, before we consider why we maintain military forces in Europe, it is well to get out of the way the reasons sometimes advanced which are inaccurate. We are not in Europe because it provides real estate to quarter troops. Nor are we there primarily to protect Europeans. The United States maintains military units in Europe because it is the first line of defense against aggression by Russia and her Warsaw Pact allies. A free Europe is vital to the national interests of the United States.

In the early years of the NATO alliance, and in fact through the early 1960's, our nuclear monopoly provided a protective umbrella for areas deemed vital to our defense. With the development of Russia's intercontinental nuclear force, it became obvious that nuclear reaction to conventional attack would result in nuclear retaliation and the likelihood of civilization's annihilation. We, along with our allies, began therefore to develop a "mix" of forces, prepared to respond to various potential levels of attack by aggressor forces.

If the recommendations of our committee are approved, we believe a level of forces sufficient to meet the need will result. It is probably easy to believe—as some would have you—that our Nation is carrying a disproportionate share of the NATO burden. It is true that this burden is heavy, but the nations of Europe provide the bulk of the ready forces in place in Europe: 90 percent of the ground forces, 80 percent of the naval forces, and 75 percent of the air forces. Further, while the NATO countries started from a lower base, allied defense spending in real terms, that is after accounting for inflation, has increased about 11 percent over the last 5 years, while our defense spending—again, in real terms—has decreased 19 percent in the same period. The point we make is that the burden-sharing by NATO partners is improving.

In terms of manpower, our strengths have shrunk dramatically since the 1946 level of 403,000 to an anticipated 311,900 by the end of fiscal year 1977—a reduction of more than 20 percent. When European forces are added, the total rises to a fiscal year 1976 level of 913,300.

On the other side of the Iron Curtain, Warsaw Pact forces in the center of Europe total 950,000. If the U.S.S.R. reinforces its frontline units from its existing western military districts before attacking NATO, total forces which could be brought into battle against NATO in the center region alone would exceed 1.3 million in 86 divisions, with some 23,000 tanks and about 4,000 tactical aircraft in combat units.

Those who seek ways to reduce our defense costs have put forth—altogether too convincingly—a couple of arguments which have surface appeal, but will not stand up under examination. The first one we have already disposed of: That we are carrying too much of the burden is not borne out by the statistics. A second recommendation is that we bring all our forces back to the continental United States, and respond to attack from home base. When the cost of building new military facilities or modernizing and upgrading existing ones is considered, the cost equals or exceeds the present arrangements. An additional cost which must be taken into account is the transport equipment which will be required. We simply do not have the sea or airlift capability to move personnel and equipment to Europe in a timely fashion.

This would leave us with no options, should war start in Europe. Our only recourse would be nuclear or thermonuclear weapons. And this is not really an option, for we have already renounced first use of such armaments.

Three weeks ago, in seeking a method for comparing United States and U.S.S.R. spending, we measured both nations' efforts against gross national product. Russia's GNP is less than ours, it is obvious. Therefore spending more percentagewise does not necessarily mean spending more dollarwise. This is more a measure of dedication and commitment than of results. And it cannot be denied that for every unit of money spent, the Communist nations receive a greater return, since our military forces are better paid and better cared for than any other nation's on Earth. It is a price we have chosen to pay; now we must face the consequence.

And the consequence is that we must expect to pay in dollars for something so precious it cannot have a price put on it—our freedom.

The argument is put forth that, because we are no longer engaged as combatants in Vietnam, there is no reason for us to have personnel stationed in the western Pacific. Such statements ignore the fact that this is not why we were there in the first place, and omits an examination of the causes for our Asian commitments.

There have been American military forces stationed at permanent Asian bases obtained by treaty or trusteeship since the beginning of this century. Locations and numbers have fluctuated over the years, but since 1968 we have steadily reduced forces, and are the only power in the area which has done so. Compared with the pre-Vietnam year of 1964—the last peacetime environment—we will have at midyear roughly 40 percent fewer forces in Asia, and some 30 percent less than fiscal year 1973. As a proportion of total defense manpower, ashore and afloat in Asia we have about 155,000, or less than 7 percent of the 2.1 million men and women in uniform. This amounts to slightly over 5 percent of the Army, 10 percent of the Navy, and 6 percent of the Air Force. The remaining 90 to 95 percent are stationed primarily in the United States and Europe.

The bulk of our forces are positioned in two countries: Japan and Korea, and in both instances for excellent reasons. There are four great powers—the United States, U.S.S.R., Communist China, and Japan—which play substantial roles in the area. One of these, Japan, relies upon us almost entirely for security and is in fact prohibited from building its military capability beyond certain limits. Given the shifting realities of the past three decades, I am not certain this is as it should be, or is in our own best interest as a nation. The most likely trouble spot in Asia, though, is Korea.

Major wars—the Russo-Japanese War—1902–05—the Sino-Japanese War—1936–45—which overlapped World War II, and the Korean war—1950–53—have been fought at least in part for control over the Korean peninsula and the critical strait connecting the Sea of Japan and the East China Sea. Our physical presence, although not our sole interest, is the result of the latter hostility. Also as a result of the Korean War, two strongly opposed nations face each other at the 38th parallel. Should we walk away, it would risk renewed hostilities in Korea, major adjustment in our relations with Japan, and a tip in the world power balance. We are not there, however, simply to keep the two sides from fighting.

In the past generation, the threat to our own security from that quarter has changed in nature, but has not abated. Then, the potential adversary was a Communist monolith, Russia and Red China, jointly poised to the north of the peninsula, and possessing the manpower and equipment to sweep down and across, ultimately engulfing Micronesia and Australia.

In succeeding years, there have been changes. The split between the Russian and Chinese Communists has lessened tensions to a degree, but has not removed it. If nothing else, it has strengthened the hand of North Korea, which can now play one nation against the other. The development of Russia's "white water" fleet, now heavily deployed in the Pacific and Indian Oceans adds a new threatening element. There is in essence no single Communist menace; rather, there are a whole new number of components, any combination of which poses a threat.

Opponents of our having troops in Korea have taken up—literally—a fallback position. They argue that if we cannot justify moving troops out of Korea, then we should move the bulk of our manpower, the 2d Infantry Division, from its present position just south of the demilitarized zone to a point 30 miles to the south, in the vicinity of Seoul. This makes no sense. Generally speaking, the North Korean forces are deployed in an offensive posture, while the South Korean and U.S. forces are deployed defensively. In this regard, nothing in the statements or the actions of North Korea's Kim Il Sung gives cause for comfort. Three times in the recent past, he has broadcast his intentions—by infiltrating 5,000 North Koreans into South Korea, by digging tunnels under the demilitarized zone, and by dispatching 75 North Korean terrorists to the south in an attempt to kill the President of South Korea. To pull our troops back would require the expenditure of an additional half-billion dollars. There are no realistic training areas to the south as there are in the north, and to acquire such real estate as would be needed would require the displacement of Korean nationals from valuable and vital real estate.

The reason offered for this withdrawal is that it would reduce the possibility of an "automatic involvement." This is strange, given the fact that we have been there over 20 years without getting automatically involved, but it does invite an analogy. It compares with firing the guards because the bank has never been robbed. Whoever heard of a bank being robbed when the police were standing in the door?

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(On request of Mr. DELLUMS, and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

With respect again to the argument of my distinguished colleague, the gentleman from New York, we are in disagreement on the assertion of the major argument. I would like to make a few points.

First of all, I think any of us on this floor with any degree of sophistication knows our NATO structure at this point is beginning to crumble at least around the edges. There are three reasons for that. First, the NATO countries at least as of this date have not been able to come together and agree on a strategy vis-a-vis the Soviet Union. Second, we still have serious budgetary problems where we find the European nations have not paid their freight and we are stretched out as far as our resources in this country. If we cost out the entire cost of the strategic and tactical weapons supplied by this country into that area, we find it is $65 billion that the American taxpayers are paying with all the backup resources including strategic weaponry geared toward Europe. That is $65 billion.

I would like to make two other quick points. I believe we do not need 7,000 nuclear weapons in Europe.

But the question I would like to ask the gentleman from New York is this. Given the fact that the present ratio is roughly 4 to 1 on the side of the Warsaw Pact, is the gentleman willing to commit a massive increase in conventional forces in Europe to the tune of maybe 600,000 troops or 700,000? They have roughly 850,000 or 900,000, and I do not have the specific figure.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I think the best way to treat this is to go to the Russians and say: "We will contemplate that kind of conventional buildup unless you agree to reduce your conventional forces in Europe." Certainly, it would be far better to reach conventional parity by a scaling-down process than spending huge amounts for an American buildup. I would say that nuclear reliance in Europe poses a real mutual threat. I would try to get support for a mutual withdrawal of both nuclear and conventional forces.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(On request of Mr. OTTINGER, and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. Mr. Chairman, if the gentleman will yield further, the Russians have demonstrated their willingness to use their troops in the not-to-distant past in the central European theater. I do not think we can take that lightly.

I say let us go to the Russians and say that we think tactical weapons are suicidal and we want to negotiate a mutual reduction in tactical weapons and that we will increase our conventional forces unless they bring theirs down. If they do not bring theirs down, I would far rather make an investment to incease our conventional forces to where they can meet any threat of Russian conventional forces in Europe than I would continue our reliance on nuclear weapons, especially to the point where we would have to respond nuclear to any large-scale conventional hostilities.

There are many serious problems with our tactical nuclear weapons in Europe besides overreliance. There are real questions about command and control. There are real questions about the security of these weapons from sabotage. There are grave dangers of these weapons being stolen by terrorist forces. There are dangers of the weapons being seized by unstable countries in which the weapons presently are situated. There are other dangers from proliferation of nuclear weapons from which weapons can be made.

I think this whole nuclear horror picture we have painted for ourselves is something we have to get out of, and one of the key elements of doing that is seeing to it that we have adequate conventional forces to meet any Soviet conventional threat.

Mr. BADILLO. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment, first of all to indicate to the gentleman from Missouri that there are many of us who have not changed our minds over the years in terms insisting that we evaluate the cost of our defense budget.

I want to say to my colleague, the gentleman from New York (Mr. OTTINGER), that what the amendment is addressed to is the question of costs, because the fact is that the troops we have now are really totally inadequate to prevent the use of tactical weapons. May I use the example of Korea, because I was in Korea this past summer, and General Stilwell, who is our commanding general there, pointed out that our 42,000 troops were stationed right in the center between North Korea and South Korea, that there is no possibility that those troops could possibly stem an advance from the north; that, in effect, they are being held as hostage in order to insure that if there is an attack, our troops will be caught in the middle.

In answer to my question about what would happen in the event of an attack, how would he pull the troops out, his exact words were that he would pull them out by helicopter. Now, nobody in his right mind would try to pull out troops by a helicopter in this day of advanced technology; so it is clear that having 42,000 troops in Korea does not prevent the use of tactical weapons and the reduction of those troops is not going to advance the use of tactical weapons, either.

What we are talking about in this amendment, and the other amendments that have been brought by my colleagues on the minority in the Committee on Armed Services, is the question of reducing costs. For this I want to commend them, because this is what we must begin to talk about.

I just want to talk about an example of the thing that concerns me as someone who is a member of the Committee on Armed Services. We get innumerable reports from the GAO, most of them are marked "secret"; but I will just read from one marked "unclassified" regarding the Trident program. It says:

> There will be an increase next year of $1,025 million in submarine procurement costs, $602.8 million of which is due to the Department of Defense decision for a 3-year stretch-out of the submarine procurement program.

We do not get any facts, to justify such an increase. When we do get facts they are labeled "secret," so we cannot discuss them. The truth is that we have a closed society here, because we cannot, those of us who are not members of the committee, cannot begin to examine why these costs are so huge and unreasonable.

Therefore, I am grateful to the members of the committee that have been making this kind of challenge to the Defense budget. That is one of the reasons I support the amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. BADILLO. I yield to my colleague, the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, as the gentleman knows, I share the gentleman's concern about excessive cost in the military. I think investing in a B-1 bomber instead of the much cheaper modernization of the B-52 is wrong. New nuclear battleships and aircraft carriers are multibillion dollar boondoggles. The snow job that has been given the American public by the Pentagon and the administration to justify outrageous and wasteful defense spending increases is inexcusable. It is because of these misplaced priorities and swollen military budgets that I have been voting against the Defense authorizations and appropriations ever since the Vietnam war and will do so again today.

No place is that misplaced priority more dramatic in terms than in the huge reliance we have placed on first use of tactical nuclear weapons as our principal defense reliance. That policy, more than any other, could bring an end of ourselves, of all people. I do not see any way of getting out of that, except by building an adequate conventional force.

I agree with the gentleman about Korea. The South Koreans we have trained to the point of being virtually self-sufficient. We should get all of our nuclear weapons out of there and phase out our troops, leaving behind an adequately-trained South Korean force to defend itself.

In the European theater I think we have a much different situation, one in which, in order to have the confidence of our allies and to be able to negotiate a mutually balanced troop reduction, we are going to have to increase our conventional forces to be in a position to reduce or eliminate our reliance on nuclear weapons.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from California.

Over the past several years, there has been a great deal of concern over the deployment of U.S. troops overseas. This concern is valid because the decision to commit our troops outside of the Nation's borders is somewhat contrary to the democratic nature of this country and as such, should be continually reevaluated to insure this action remains essential to our national interests.

The committee pursued the rationale for these deployments in depth again this year. In addition to a series of hearings before the full committee in which a number of individuals and private organizations presented their views on these deployments, the Military Personnel Subcommittee, held a day of hearings on Pacific deployments, and one on Atlantic deployments with departmental witnesses.

The evidence presented was convincing as to the continuing necessity for these deployments, at least to this Member and to a great majority of the subcommittee.

I think it is important initially for all of the Members to understand that these deployments have not been in a static state in recent years. In Europe since 1964—the last peacetime year prior to the Vietnam conflict, U.S. Forces have been reduced by almost 91,000 personnel. In the Pacific, over the same span of years, deployed manpower has been reduced by 95,000 and the number of major installations in Japan alone, has been reduced from 62 to 28.

Another point that should be considered is that the troop structure which has been deployed is in existence not simply to function in this deployed area, it is a necessary part of our entire force structure. In other words, even if these troops were brought back, they would still be required for existing national requirements and so would not be disbanded. We need, for instance, 16 Army divisions, whether 5 are in Europe or not. Therefore, no money will be saved by bringing troops home. And, in fact, it would certainly end up costing more money since new facilities in the United States would have to be built, and also more mobility assets such as strategic aircraft and shipping would have to be procured to provide the capability to get troops quickly to the areas in which we now have them deployed when it is necessary in the national interest.

The deployment of these troops can not be divorced from history. We have military forces in certain areas today and if they are withdrawn the vacuum would necessarily cause instability in the region. The Members will recall that the United States removed its troops from Korea prior to 1950 and the Korean war, which followed, was the result.

This idea of instability is a portion of another argument, and the strongest rationale for these deployments. The United States has major deployments of troops in Europe to clearly evidence our commitment to Western Europe and the North Atlantic Treaty Organization. As former Secretary of Defense James Schlesinger said recently, U.S. troops in Western Europe are the "political glue" which keeps the Alliance together.

Our troops in the Pacific support our major ally, Japan, as well as South Korea, and protect our critical national interests which are intertwined with the Japanese. A reduction of troops in Korea, in addition to the invitation it would present to the North Koreans—certainly the most war-oriented nation in the world today—would send shockwaves through Japan and force a restructuring of the relationship.

Much has been said about major reductions in Korea, but this is simply not realistic in the near future. In 1958, the U.S. withdrew a division from South Korea leaving the current composition of one combat division with supporting elements, and three tactical fighter squadrons which are sorely needed. Major reductions in the present makeup of this force would curtail its combat capability significantly. These forces are needed to effectively counter the North Korean forces, which I remind you simply would need to move less than 30 miles during a conflict to take Seoul, in order to claim victory.

Careful examination of these deployments convincingly established their continuing necessity and punctures the myth that any money could be saved by terminating them.

I urge you to join me in defeating this amendment.

Ms. ABZUG. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think that the gentleman is to be commended for bringing up this amendment. His suggestion is quite modest. Many of us in this Chamber agree that there are American troops being stationed in various parts of the world which do not play any significant military role. This modest amendment is a good way to begin dealing with this problem.

I am as concerned as the gentleman from New York (Mr. OTTINGER) with the question of nuclear disarmament by negotiated bilateral agreement. But I think it is naive to suggest that the way to achieve such an agreement is by maintaining large conventional forces, or indeed by increasing them, as the gentleman suggests.

I have stood for many years against the nuclear arms race—I think everybody knows that—and I have watched its spiraling development with horror. But it would be naive—given the current complex intermixture of conventional and nuclear forces—to suggest that we should not decrease our conventional forces but rather increase them.

I think the gentleman's suggestions in terms of both nuclear disarmament and troop reduction are incorrect. There is no valid reason to suggest that we could accomplish significant disarmament by the means he suggests. There is always going to be this confrontative situation, whether conventional or nuclear, until we begin to reevaluate and reassess some of the assumptions that underlie our whole military policy, which has brought us the largest military budget in peacetime or wartime. If we continue to resist reduction in conventional forces and nuclear development we are either going to spend ourselves out of existence or blow ourselves out of existence.

It seems to me that the Members who talk here about wanting to protect us and strengthen this country should realize that we are actually weakening the country instead. In fact, the constant acceleration of weapons development programs and the refusal to make a reduction in conventional forces—which have no utility for our defense or for the defense of any nation, except as a provocation to the other side—shows that we are by the same token weakening our condition internally.

The defense of this Nation certainly requires our having sufficient weapons and sufficient forces. But it does not require us to weaken ourselves to the extent that we rob the people of this country of their own tax dollars, which they need for their own "defense"—domestic programs neglected, unemployment and blight.

I cannot help but say at this point, in 1976, when we are reflecting in 200 years of history, that now is the time to reduce our conventional forces. They play no meaningful role in so many places of the world except to serve as a provocation. We have resisted any efforts at slowing the nuclear arms race, even to the extent of the testing issue. It seems to me that this amendment is the place where we can at least suggest that our minds are not closed and we are not going to allow the military program of this country to devour us, if not destroy us.

I would urge the Members of this House to vote in favor of this amendment, which shows an understanding that we should not go on wasting resources in ways not necessary for our defense.

Mr. HILLIS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment. I will not take my full 5 minutes, but in response to the position we have heard, one only has to pick up the press in this country on just about any day of the week, and one can find an evidence of the real world in which we live concerning the tremendous conventional arms buildup by the Soviet Union.

Mr. Chairman, I have here the tonight's edition of the Washington Star, which contains a very interesting article under the heading, "Soviet Bloc Beefs Up Conventional Arms," which reads as follows:

SOVIET BLOC BEEFS UP CONVENTIONAL ARMS

LONDON.—The Soviet Union and its East European satellites will put into service this year a wide range of new weapons in a buildup of conventional armaments, according to a British Defense Ministry memorandum prepared for Parliament.

The weapons include more than 200 new-generation intercontinental ballistic missiles (ICBMS); 1,000 combat aircraft; 700 helicopters; 3,000 tanks; 4,000 armored personnel carriers; up to 10 nuclear submarines, of which six will each carry 12 to 16 ballistic missiles of 4,800-mile range; and several major surface ships, including a 40,000-ton aircraft carrier, it said.

The 14-page British memorandum contains some information already available in such reference books as Jane's All the World's Aircraft and Jane's Fighting Ships.

The document suggested there are between 30 and 40 aircraft factories in the Soviet Union, producing a total of between 900 and 1,000 combat aircraft and about 700 helicopters annually.

It also said production of liquid propellant long-range ICBMS probably reached 400 a year in the late 1960s.

These systems—SS9 and SS11—are being replaced by the SS18, SS17 and SS19, the document said.

Production of these missiles will increase over the next few years, and may reach 200 a year until full deployment is achieved, it said.

It is estimated there are about 750 short, medium and intermediate range ballistic missiles (IRBMs) in service. A new IRBM with a solid propellant, also is being developed.

Soviet tank production has averaged 3,000 a year, enabling "the Soviet Union to maintain a force of some 40,000 main battle tanks," the document said.

It also said a new tank, the T72, with improved fire power and mobility over the existing T62, is believed to have entered production.

The CHAIRMAN pro tempore (Mr. BRADEMAS). The question is on the amendment offered by the gentleman from California (Mr. DELLUMS).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. DELLUMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 88, noes 275, not voting 70, as follows:

[Roll No. 185]

AYES—88

Abzug
Addabbo
Anderson, Calif.
Aspin
Badillo
Bedell
Bingham
Blouin
Brodhead
Brown, Calif.
Burke, Calif.
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Coughlin
Dellums
Drinan
Early
Eckhardt
Esch
Ford, Tenn.
Forsythe
Fraser
Frenzel
Giaimo
Goodling
Green
Hannaford
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Helstoski
Holtzman
Johnson, Colo.
Jordan
Kastenmeier
Keys
Krebs
Leggett
Lehman
Lundine
McCloskey
McCormack
McKinney
Maguire
Mezvinsky
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Moakley
Moffett
Moss
Mottl
Nolan
Oberstar
Pattison, N.Y.
Pickle
Pressler
Pritchard
Rangel
Reuss
Richmond
Riegle
Risenhoover
Rodino
Rosenthal
Roush
Roybal
Ryan
Schneebeli
Schroeder
Seiberling
Stark
Stokes
Studds
Thompson
Van Deerlin
Vanik
Weaver
Whalen

NOES—275

Abdnor
Alexander
Allen
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Corman
Cornell
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Fountain
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Harsha
Hébert
Heckler, Mass.
Hefner
Hicks
Hightower
Hillis
Holt
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Meyner
Michel
Milford
Mills
Minish
Mink
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson Calif.
Paul
Perkins
Pettis
Pike
Poage
Preyer
Price
Quie
Railsback
Randall
Regula
Rinaldo
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rousselot
Runnels
Russo
Santini
Sarasin
Satterfield
Scheuer
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spence
Stanton, J. William
Steed
Steiger, Wis.
Stratton
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Treen
Tsongas
Ullman
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—70

Adams
Ashley
AuCoin
Barrett
Bell
Brooks
Burke, Mass.
Burton, John
Carter
Cederberg
Conlan
de la Garza
Dent
du Pont
Edwards, Calif.
Eshleman
Flowers
Flynt
Hansen
Hayes, Ind.
Hays, Ohio
Heinz
Henderson
Hinshaw
Holland
Howard
Hungate
Jacobs
Johnson, Pa.
Jones, Okla.
Karth
McClory
Macdonald
Madden
Madigan
Melcher
Metcalfe
Mikva
Mosher
Nedzi
Nix
Pepper
Peyser
Quillen
Rees
Rhodes
Roberts
Rostenkowski
Ruppe
St Germain
Sarbanes
Smith, Iowa
Spellman
Staggers
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symms
Talcott
Teague
Thornton
Udall
Vander Jagt
White
Wilson, Tex.
Young, Alaska
Young, Ga.
Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. John Burton for, with Mr. Dent against.

Mr. Holland for, with Mr. Brooks against.

Mr. Mikva for, with Mr. Flynt against.

Mr. Melcher for, with Mrs. Spellman against.

Mr. Metcalfe for, with Mr. St Germain against.

Mr. Edwards of California for, with Mr. White against.

Mr. Rees for, with Mr. Staggers against.

Mr. Jacobs for, with Mr. Burke of Massachusetts against.

Mr. Nix for, with Mr. Hungate against.

Mr. Young of Georgia for, with Mr. Pepper against.

Mr. Steelman for, with Mr. Teague against.

Mr. LANDRUM changed his vote from "aye" to "no."

Mr. MILLER of California and Mr. ECKHARDT changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year beginning October 1, 1976, and ending September 30, 1977, the Selected Reserve of each Reserve component of the Armed Forces shall be programmed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 390,000;

(2) The Army Reserve, 215,700;

(3) The Naval Reserve, 102,000;

(4) The Marine Corps Reserve, 33,500;

(5) The Air National Guard of the United States, 93,300;

(6) The Air Force Reserve, 52,000;

(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, while I did not vote for the amendment offered by the gentleman from California (Mr. DELLUMS) I think the gentleman rendered a service to us in pointing to the fact that it is unnatural for a nation to have so many troops on foreign territory in peacetime. It is unnatural for us to be engaged in the financing of armament so far beyond what is needed to defend our own shores and borders. So I think he rendered a service.

This bill responds to our concern about the question:

What will be the U.S. response to the dramatic worldwide growth of Soviet military power and influence?

One answer is to be found in this bill—namely, more funds for national defense. Clearly this is necessary in light of both the well documented trend in Soviet military spending and the decline of our own defense budget in real terms over the last several years. While our personnel and support costs have risen substantially, budgets for important strategic systems have—contrary to the understanding of many—actually been declining. Increased U.S. defense preparations, though, can at best be only a partial answer to a very large problem.

Another answer is provided by the Department of State: negotiate with the Russians to ease tensions—MBFR, SALT, Helsinki, and the Sonnenfeldt doctrine. Obviously, though, there is a problem if an adversary perceives that we are negotiating from a position of weakness, rather than of strength. There is a problem also if an adversary uses negotiations not to reduce tensions, but to enhance his own position. At best, this too is an adequate response.

Still another response was to be found in House Joint Resolution 606, the Atlantic Convention resolution. To me, this was the most promising response of all to the fact of growing Soviet power worldwide. It proposed a convention where prestigious delegates from NATO nations would try to formulate new ways to achieve greater NATO unity in dealing with the growth of Soviet power. Some saw it as a replacement to NATO which it clearly was not. Others purported to see it as unnecessary in light of NATO's existence, ignoring the Alliance's inability to deal adequately with many critical internal problems as well as external policy questions and forgetting that entrenched bureaucracies sometimes fail to find the will to reform themselves.

This resolution proposed only $200,000 for the expenses of the convention, a miniscule amount compared to what is in this bill. It proposed no concessions whatever to the Soviets in order to try to buy their friendship. To the contrary, it proposed only greater free-world solidarity—that is, strength—against Soviet expansion.

The Atlantic Convention Resolution of course was opposed by very vocal organizations—the Liberty Lobby, the John Birch Society, and the Veterans of Foreign Wars. Sadly, these organizations suffered on this point at least from poor vision. They could not see that the Atlantic Convention might open the way to far greater security for the liberty and sovereignty of the American people than could possibly be found either in more U.S. weapons or more Soviet deals. Interestingly enough, the men charged with the defense of the Atlantic Community—the three most recent SACEURS—perceived this important point and supported House Joint Resolution 606 accordingly.

Because of the onslaught of protest from the organizations just mentioned, Members scattered from the Atlantic Convention Resolution like dry leaves before a March wind. The resolution was defeated just a few days ago 194 to 165.

As I have listened to the debate on this procurement bill, I have noted the number of Members who are eager to pour out billions for new U.S. armor but who voted not to spend $200,000 on a convention that might weld security against Soviet advance far greater than an armada of superbombers and supercarriers.

Perhaps what is most needed in this procurement bill is the procurement of better eyeglasses for the leadership of the Liberty Lobby, the John Birch Society, and the Veterans of Foreign Wars so they can see beyond their noses in problems relating to the Soviet threat, and thus leave more of the Members of this Chamber free at last to vote their own convictions.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the fiscal year beginning October 1, 1976, and ending September 30, 1977, the Department of Defense is authorized an end strength for civilian personnel of 1,040,981.

(b) The end strength for civilian personnel prescribed in subsection (a) of this section shall be apportioned among the Department of the Army, the Department of the Navy, including the Marine Corps, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of enactment of this Act on the manner in which the allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense or from a department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section but such additional number may not exceed one-half of 1 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN pro tempore (Mr. Brademas). Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENTS OFFERED BY MR. MATSUNAGA

Mr. MATSUNAGA. Mr. Chairman, I offer two amendments and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Matsunaga: Page 6, line 12, strike out "1,040,981" and insert "763,733".

Page 7, line 7, immediately after "excluding" insert the following: "civilian personnel engaged in industrially funded activities, and excluding".

Mr. MATSUNAGA. Mr. Chairman, the amendments which I offer would exclude from the computation of the Department of Defense civilian manpower ceilings for fiscal year 1977, approximately 277,000 civilian DOD workers who are employed by industrially funded activities. The ceiling would be readjusted downward accordingly to 763,733 workers from the 1,040,981 worker limitation presently provided in the bill. My amendment is identical to the amendment offered during floor consideration of the fiscal year 1976 Defense Authorization Act by the gentleman from Indiana (Mr. Hayes), and which was passed by voice vote by this House. Unfortunately, the Senate rejected a similar amendment, and the provision was deleted in conference.

Industrially funded activities are those activities, located at about 90 military installations in 26 States, which employ civilian workers to supply services or products to the Department of Defense, although the activities themselves receive no direct Federal appropriations. Instead, the services or products of an industrially funded activity are "purchased" by a Federal agency which does receive direct appropriations.

However sound the general concept of ceilings on civilian manpower may be, when applied to industrially funded activities it has proven to be a major hindrance, clearly against the best interests of the U.S. defense effort. In addition, the ceilings have encouraged unsound managerial practices at industrially funded activities which defeat the cost-effectiveness goal, which the creation of such activities sought to accomplish. An example of the former is the 10 to 15 percent of the U.S. fleet which is in constant need of overhaul and repair, a situation directly attributed by naval shipyard commanders, whose installations are industrially funded activities, to the limitations placed on the number of workers they can employ, even though adequate funding is available. An example of the latter is the widespread practice in industrially funded activities of hiring a sufficient number of employees to meet the workload, and then firing, the day before the end of the fiscal year, a sufficient number to bring the employment level down to the prescribed limit.

Practices such as these have led the General Accounting Office to criticize the imposition of a ceiling on industrially funded activities in several reports.

It is important to note that adoption of my amendment will not require any additional appropriations. The employment at these installations will merely be given the flexibility to adjust to the workload. However, because the employment level is ultimately dependent on the level of appropriations, with or without the ceiling, Congress will not, through adoption of my amendment, be relinquishing its control over the number of civilians employed by the Department of Defense. It will, though, be contributing to sound managerial practices and the enhancement of the ability of our military installations to provide fully sufficient services in support of our Armed Forces.

I therefore urge my colleagues in the House to repeat their action of last year and vote in favor of my amendment.

Mr. HILLIS. Mr. Chairman, I rise in opposition to the amendments.

First of all, I think that the reasons given for the amendment, while they appeal to many, actually will not solve the problem which the amendment strives to reach.

The current civilian ceiling has maximum coverage and, in general, the broader a ceiling, the easier it is to manage. If a certain activity needs manpower presently, the DOD can currently search the whole range of activities for available spaces. The industrial fund exclusion would significantly limit that flexibility.

The second reason that I oppose this amendment is that the industrial fund concept is not uniformly applied among the services. For example, the Army industrial fund includes supply activities; the Navy and Air Force do not. The Navy includes real property maintenance; the Army and the Air Force do not. From the viewpoint of Congress, if an exclusion were enacted, there would be a rush in the services to move more of their activities to an industrial fund concept, since there is no uniform guideline for its use, to avoid the congressional control.

The third reason, and I think the most valid of all three, is that the exemption from a statutory ceiling would not free industrially funded activities from employment constraints. The Committee on Appropriations regularly reviews major industrially funded activities, recommend employment levels, and adjust funding accordingly. Such specific actions are far more constraining than the current broad statutory ceiling. This is the case specifically in the naval shipyards recently where the Appropriations Committees have placed subceilings on civilian personnel in naval shipyards to control employment levels. These subceilings have been the source of recent problems on hiring experienced by the shipyards.

Mr. DOWNEY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is with some reluctance that I rise in opposition to the amendment. I think it is something we need to discuss in terms of the limit that we already place on civilian employees in the Department of Defense. Industrially funded organizations comprise about 30 percent of all civilian employees within the Department of Defense. If we are to eliminate the exemption, as the amendment suggests, we would then be taking the cap off this particular range of civilian employees and we would lose congressional control over a number of employees within these areas.

The Army, Navy, and Air Force are very clever. They would maneuver civilian employees that they wanted to in and out of industrial funds if we allowed them to. That is what this amendment would do, so if we want to retain civilian control over industrial funding plus maintaining the lid on Civilian Defense Department employees, the vote would be to reject the amendment.

Mr. PRICE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment.

As the Members realize, this same amendment was accepted by the Committee last year during floor action. I agreed with accepting this amendment. At that time, the Department of Defense had taken no clear position on the issue and since I am no supporter of ceiling controls on civilian personnel in general, this amendment did not seem inappropriate.

Today the situation is somewhat different. The Subcommittee on Military Personnel had an opportunity to receive some testimony on this issue. The Department of Defense has taken a clear position against such an exclusion because it would severely restrict their management flexibility in the authorization control of civilian personnel.

I am aware that it is the Navy which favors this exclusion since 50 percent of their employees are employed in industrially funded activities. This is not the case in the Army and the Air Force. They use a much lesser percentage of their civilian personnel in industrial funds and so would suffer as much as the Navy would benefit from the exclusion. The Army and the Air Force oppose the exclusion for that reason and the overall manpower managers for the Department of Defense also oppose this exclusion because of the effect on their flexibility in managing defense manpower.

The Members of the House should recognize that while these industrially funded activities are efficient organizations that function in a similar manner to private enterprises, there is no consistency as to what type of activity is industrially funded. For example, supply centers in the Marine Corps are industrially funded, while these same organizations are not industrially funded in the Navy. Because of this lack of consistency in the utilization of this concept, I can foresee that if this exclusion is enacted, there will be a rush among the Services to make their activities industrially funded to get out from under this congressional control.

I think we should all understand that the real impetus for this amendment comes from personnel problems which have been encountered in recent years in the naval shipyards. I am sympathetic to this problem; however, this exclusion does not address the critical issue in these shipyard problems. It is not the authorization ceiling which has constrained the hiring of personnel in the shipyards. It is certain subceilings on hiring specifically in the shipyards which have been imposed by the Appropriations Committee. The committee record reflects this fact clearly in testimony given by the Navy Comptroller. Therefore, this effort, while worthwhile, is directed against the wrong target.

Finally, to put the effect of this amendment in perspective, if this exclusion were approved, nearly one-third of the 1 million Department of Defense civilian employees would be excluded from the congressional control. If this large a segment of civilian manpower is removed from the congressional authorization, the entire authorization control itself should be removed because it would be largely ineffective under these circumstances.

Mr. Chairman, I am sympathetic to the cause from which this amendment springs, but it is misdirected and would lead to management inflexibility which would not be beneficial to the Department of Defense.

This amendment should be rejected.

Mrs. MINK. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, in 1968 across-the-board personnel ceilings were imposed by the Congress. Prior to that and since then we have had agency by agency ceilings. In some instances it is a sound method of controlling expenditures. Specifically where personnel costs are directly budgeted it is a valid instrument of control.

The military services have adopted so called industrially funded activities. These funds are revolving funds managed by the activity. For instance if the Pearl Harbor naval shipyard wanted work, it would bid for it and a contract would be negotiated with that function of the Navy in need of a ship overhaul, a repair job, other maintenance work. The dollar amount allowed the Navy by appropriations would control what the Navy could afford to pay for this work. Specific performance of this contract, "won" by the shipyard is in many cases in competition with private enterprise. The contract usually has a strigent man-days limitation. Thus to meet these requirements, the shipyard should not be hampered by a personnel ceiling. The private shipyard is not so limited. The cost of the contract is the only constraint that should be operative.

With personnel ceilings, management is forced to use all kinds of undesirable management practices to keep to ceilings like hiring temporaries or using excessive amounts of overtime, et cetera.

Industrially funded activities function like businesses in the DOD. They receive their revenues from other governmental customers who are the custodians of the appropriated funds. They exist by contract arrangements with dollar ceilings job by job. A buyer/seller arrangement exists. When the seller of services like a shipyard wins the contract and has too few people to do the work, it affects its efficiently. It just does not make sense for the Congress to compel a business not to employ the people it needs to do the job which is the objective sought and for which a dollar limit is already imposed to safeguard the taxpayers.

For example because of these manpower ceilings any shipyard and the public work center is required to operate on a fixed number of employees unrelated to the volume of work contracted. So if the work load requires more employees only temporaries can be hired and then dismissed at the end of this fiscal year.

Or, they would have to hire an inordinate number of personnel on an overtime basis. So, it seems to me that when we are interested in specific performance and a contract by an industrial activity is exactly that, a specific performance and time limitation for specific dollars, then this is a unique situation which requires separate treatment.

Mr. BOB WILSON. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I just want to rise in support of the amendment offered by our two colleagues from Hawaii. I believe the Navy when they tell us that they can manage their costs in shipyards and in Naval Air Repair Facilities and other industrial-funded programs without the ceilings. I think it would be cost effective if we could put your amendment through, and I urge a favorable vote.

Mrs. MINK. I thank the gentleman for his contribution. If I may just conclude my statement, I would say that this is an extremely crucial item in my district. When an industrially funded activity competes for business, it is just like a private enterprise operation. It receives revenues from another Government agency in which that Government agency becomes its customer and that agency is responsible for the management of congressionally appropriated funds.

So it seems to me that this is a unique area. Some 270,000 employees are affected in 26 States, in over 100 functions throughout the country. It seems to me they do not belong in the ceiling. I would hope the House would go along with this amendment, as they did last year, and allow it to take effect so that the Navy, the Air Force and the Army having this unique kind of activity can be relieved from this ceiling restriction.

Mr. LEGGETT. Mr. Chairman, I rise in support of the amendments offered by my distinguished colleague, the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. Chairman, the concept of manpower ceilings is not ipso facto a bad idea; unfortunately, it is antithetical to good personnel management practices in industrially funded situations. When we place a manager in charge of a facility in which the workload is not constant, we at least should give him the flexibility to manage his assets to get the work done on schedule. This is not possible if there is a ceiling on the number of people he can use.

In the case of a shipyard, the workload will necessarily vary greatly from month to month. This leaves a manager two options.

He can hire enough people for peak requirements, thus necessitating the maintenance of unneeded manpower on the payroll at off-peak times, or he can hire enough people only for an average workload and face huge overtime costs, scheduling problems, and delays at peak times. Neither alternative is particularly desirable from anyone's point of view.

Under the amendment on the floor, a manager would have a third option—that is, to hire and maintain a skilled baseline workforce which could be expanded at peak times to meet workload demands. This is the commonsense way to meet the problem; unfortunately, it is prohibited by current law mandating an inflexible ceiling which might be below the baseline.

I regret that the Senate was unable to concur with our point of view on this matter last year. Perhaps the fact that we agreed so quickly after so little debate gave Senators the impression that the matter had not been fully explored. I hope that our adoption of the same amendment for the second year will convince them to consider our viewpoint a little more carefully. For these reasons, I certainly urge my colleagues to vote in favor of the amendment.

Mr. TREEN. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, the Committee on Armed Services and the Congress have attempted to exercise responsible oversight over civilian manpower in the Defense Department. In so doing, it has been our goal to avoid unnecessarily restricting the management flexibility of the Department of Defense. This is important because real efficiencies of any magnitude in defense manpower will only come from responsible management actions internally generated. The Congress can provide direction and impetus, but the management implementation has to come from within.

This amendment to exclude civilian personnel of industrial funds from the authorization is a step in the wrong direction. If one-third of all civilian personnel are excluded from the ceiling, the effect of this amendment, Defense managers will be restricted to the point of being inefficient in managing civilian personnel. Currently, if additional manpower is needed for a high priority task, the entire range of activities can be searched to provide additional spaces. With this exclusion, one-third of these personnel will be arbitrarily fenced off and management flexibility severely curtailed. For this reason, the manpower managers in the Defense Department do not support this exclusion.

It is also clear that the Navy will be the primary beneficiary of this amendment. More than 50 percent of its civilian personnel are in industrially funded activities. This is not the case in the Army and the Air Force where less than 20 percent of their civilian personnel are in industrially funded activities. If this exclusion is passed, it will be the civilian personnel in the Army and the Air Force who will suffer as much as the civilians in the Navy will benefit since they will bear the brunt of congressionally imposed personnel reductions.

We all desire to see continued efforts in the efficient management of that most expensive commodity—manpower. Let us not hinder that effort for no good reason by passing this amendment.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Wisconsin (Mr. Aspin).

Mr. ASPIN. Mr. Chairman, thank the gentleman for yielding.

Mr. Chairman, I agree entirely with the comments of the gentleman from Louisiana (Mr. Treen).

I think if we have these manpower ceilings, we have to have them cover everything.

Mr. Chairman, last year by a voice vote we did pass the amendment offered by the gentleman from Indiana (Mr. Hayes). That was a mistake. We should not have done it last year; we should not do it this year.

I entirely agree with the gentleman from Louisiana. I hope we vote down this amendment.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Hawaii (Mr. Matsunaga).

The amendments were rejected.

Mr. MARTIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will assure my colleagues that I will not speak beyond 2 minutes.

Mr. Chairman, I come to the well for the purpose of sharing with the Members a very timely response to a recent postal patron questionnaire. Having completed the tabulation of 20,280 responses, which will be presented in its entirety to the Congress on Monday, I wish at this point to share with the Members the responses to one question that is relevant to this bill.

On this questionnaire the question was asked: "Do you think $20 billion—5 percent of the $394 billion Federal budget—is too much to spend on military weapons and supplies?" The response was 23 percent yes, 72 percent no, and 5 percent with no answer.

Mr. Chairman, only 1 out of 4 felt that 5 percent of the Federal budget was too much to spend on military weapons and supplies, thus directly focusing on the subject matter covered by this bill.

This does not mean that my constituents approve of every defense proposal. To the contrary, in 2 earlier years, by margins of 41 to 35 and 50 to 37, they favored cutting even defense spending. I say, "even defense spending," because in comparison nearly 3 to 1 favored cuts in the much more rapidly rising social spending programs.

This specific question found, however, that only 1 out of 4 would cut military hardware.

I believe, Mr. Chairman, that this is a useful insight that may well reflect contemporary thinking all over the United States. My own constituents, while anxious to reduce the escalating cost of Government, do not believe the budget proposal in this authorization bill is too much for our necessary weapons and military supplies.

The CHAIRMAN pro tempore (Mr. Brademas). Are there further amendment to title V?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VI—MILITARY TRAINING STUDENT LOADS

Sec. 601. For the fiscal year beginning October 1, 1976, and ending September 30, 1977, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 81,429;

(2) The Navy, 66,914;

(3) The Marine Corps, 25,501;

(4) The Air Force, 49,610;

(5) The Army National Guard of the United States, 12,804;

(6) The Army Reserve, 7,023;

(7) The Naval Reserve, 1,257;

(8) The Marine Corps Reserve, 3,562;

(9) The Air National Guard of the United States, 2,232; and

(10) The Air Force Reserve, 1,107.

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN pro tempore. Are there amendments to title VI?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VII—GENERAL PROVISIONS

Sec. 701. Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this or any other Act shall be used for the purpose of paying any contract claim, request for equitable adjustment to contract terms, request for relief under Public Law 85–804, or other similar request which exceeds $100,000, unless (1) the senior company official in charge at the plant or location involved has certified at the time of submission of such contract claim, request for equitable adjustment to contract terms, request for relief under Public Law 85–804, or other similar request, that the claim and supporting data are accurate, complete, and current; or (2) in the case of any outstanding claim, request for equitable adjustment to contract terms, request for relief under Public Law 85–804, or other similar request in excess of $100,000 which was formally submitted without such certification prior to the date this Act becomes law, either (a) such senior official submits such a certificate within 120 days after this Act becomes law; or (b) a contracting officer's decision has been rendered prior to the date this Act becomes law, in which case this Act shall constitute no bar to any payment.

Sec. 702. All requests for appropriations subsequent to fiscal year 1977 under the Department of Defense Operation and Maintenance title shall include amounts sufficient to cover the anticipated total program cost, including expected escalation in labor, material, and other expenditures, in both the private and public sectors, for the period concerned.

Sec. 703. Notwithstanding any other provision of law, the Department of the Navy is hereby authorized for a period not to exceed 5 years from the date this Act becomes law, to procure legal services from attorneys in private practice at rates no higher than those prevailing in their communities, to aid in the disposition of contract claims, requests for equitable adjustments to contract terms, relief under Public Law 85–804, contract disputes or other contract-related matters. Selection of attorneys for such legal services shall be based on the professional qualifications necessary for the satisfactory performance of the services required, rather than on competitive bidding procedures.

Sec. 704. Subsequent to any decision on any case or proceeding by the Armed Services Board of Contract Appeals, the Department of Defense, its departments and agencies shall have the identical rights to appeal such decisions to the courts of the United States as are accorded to any other party in any case or proceeding before such Board.

Sec. 705. After September 30, 1976, all contracts for the development or procurement of major weapons systems entered into by the military departments shall include a deferred ordering clause permitting the procuring authority to purchase technical data packages, and computer software when required, in the course of contract performance or for purposes of reprocurement of major weapons systems or subsystems from competitive sources. Exceptions to the inclusion of the deferred ordering clause may be made by the procuring authority in appropriate cases but only after giving due notice to the Committees on Armed Services and Appropriations of the House and Senate and a full explanation of the reasons for the exception.

Sec. 706. The Secretary of Defense shall notify the Congress in a timely manner prior to taking any action in furtherance of a final plan to terminate, alter, modify, or consolidate in a substantial way the major training programs or major training missions of any service or defense activity.

Sec 707. Section 2031(a) of title 10, United States Code, is amended by striking the figure "1,200" at the end of the second sentence and substituting therefor the figure "2,000"; and by striking the period at the end of the third sentence and substituting therefor a comma and adding the following: "except that more than one unit may be assigned to military institutes.".

Sec. 708. It is the sense of the Congress that the present method of providing financial support for commissary stores operated by agencies of the Department of Defense through appropriations of funds to meet the payroll costs of their civilian and military employees is a rational and appropriate way of assuring to personnel of the armed services the convenience and economic benefit which such stores were established and are intended to provide. Any move to eliminate this support, and to request instead (either on an immediate or gradual basis) that the full costs of the payrolls involved be borne by the commissary patrons themselves, is neither justified nor desirable.

Sec. 709. (a) Effective December 31, 1979, section 138 of title 10, United States Code, is amended to read as follows:

"§ 138. Secretary of Defense: Annual authorization of appropriations for military functions administered by the Department of Defense

"No funds may be appropriated for any fiscal year or obligated or expended, beginning with fiscal year 1978, for military functions, administered by the Department of Defense unless funds have been specifically authorized by law."

(b) Notwithstanding the foregoing amendment, the requirements of subsection 138(a) of title 10, United States Code, shall remain in effect until September 30, 1977.

(c) The table of sections at the beginning of chapter 4 of title 10, United States Code, is amended by deleting the item for section 138 and substituting in lieu thereof the following:

"138. Secretary of Defense: Annual authorization of appropriations for military functions administered by the Department of Defense".

Sec. 710. (a) Section 2 of the Federal Civil Defense Act of 1950 (50 U.S.C., App. 2251 et seq.) is further amended by adding at the end thereof the following sentence: "Without in any way modifying the provisions of this Act which require that assistance provided under this Act be furnished basically for civil defense purposes, as herein defined, it is the intent of Congress that the needs of the States and their political subdivisions in preparing for other than enemy-caused disasters be taken into account in providing the Federal assistance herein authorized".

(b) Section 408 of the Federal Civil Defense Act, as amended (50 U.S.C., App. 2260) is amended by striking the period at the end of the first sentence and inserting the following: ", and, for programs of the Defense Civil Preparedness Agency such amounts as may be specified for each fiscal year in an Act as required by section 138 of title 10, United States Code, which provides annual authorizations of appropriations for the Armed Forces, or an equivalent Act.".

(c) The second proviso of subsection 201 (e) of the Federal Civil Defense Act, as amended (50 U.S.C. 2281(e)) is deleted.

(d) The words "that until June 30, 1976" in the fourth proviso of subsection 201(h) of the Federal Civil Defense Act, as amended (50 U.S.C. 2281(h)) are deleted.

(e) Subsection 205(h) of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. 2286(h)), is deleted.

This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1977".

This Act may be cited as the "Department of Defense Authorization Act, 1977".

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois.

COMMITTEE AMENDMENT

The CHAIRMAN pro tempore. The Clerk will report the committe amendment.

The Clerk read as follows:

Committee amendment: On page 14, after line 8, add the following new section:

"Sec. 711. It is the sense of the Congress that the Secretary of the Navy shall not take any action with respect to closing, disestablishing, or terminating any Naval Reserve Training Center or Facility which was in active use on March 1, 1976 until the authorization and appropriation legislation establishing the average strength of the Selected Reserve in the Naval Reserve in fiscal year 1977 has been enacted into law."

The committee amendment was agreed to.

Mr. BRINKLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as the author of a bill which would amplify the role of civil defense to cover its logical missions, natural or manmade disaster, I rise in support of the Armed Services Committee's first-step version in that direction.

During my service as Civil Defense Subcommittee chairman, seeds were planted toward making civil defense more complete, more responsive and cost-effective, and with incentives for States and local governments to be involved on a practical and realistic basis.

It is notable that many States, my own State of Georgia included, have adopted laws establishing the dual-mission role for civil defense, while the Federal Government has supported this role, even though never changing the 1950 Civil Defense Act in this respect. Now, with the administration and OMB seeking to reduce Civil Defense funding, it is incumbent that we take appropriate steps to assure not only that funding is maintained, but that the dual-purpose role be fully supported by statute.

I compliment our colleague, Bob Leggett, and his subcommittee for their desire to see civil defense adequately funded and assured a wider mission.

I compliment Georgia's civil defense authorities for their guidance and counsel in developing this set of specific amendments which I have introduced; and I compliment the 40 cosponsors of this bill who share with me a feeling of concern that the 1950 act should be specifically amended on an item-by-item basis to establish by law, for the first time, and assure the dual-purpose role for civil defense.

Where do we go from here? I have considered offering my bill as an amendment to the authorization bill, but no hearings have been held. It is more complete in my opinion; and so if I may ask one question of Mr. Leggett—will your subcommittee hold hearings on my bill, and when?

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I would like to say that the gentleman's bill, H.R. 12899, is a measure that has been brought to the attention of our subcommittee. We did not have time to consider it in the current fiscal year, but certainly the subject matter is important, the issue of whether or not we have 50 percent or 75 percent matching programs in the States. That is clearly a matter that ought to be reviewed at a later date.

If I am around to chair the subcommittee in its consideration of this subject, certainly I would be prepared to hear that.

Second, we have accomplished the objective the gentleman sought to be accomplished in his provision for dual use of funds with respect to both natural or God-made catastrophes and man-made catatrophes. As the gentleman knows, in section 710(b) we have provided for an annual authoriation review of civil defense. I hope this subject will not get lost for 10 or 15 years. I am sure that with the gentleman's bill on file, this will give us added impetus to review the matter.

Mr. BRINKLEY. Mr. Chairman, I point out to the gentleman that the authority we suggest here is for $110 million.

Mr. LEGGETT. And we have suggested a budgeted program of 50-percent increase, and that amounts to $110 million.

Mr. BRINKLEY. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'Neill: Page 9, between lines 22 and 23, insert the following:

"Sec. 702. None of the funds authorized to be appropriated by this Act may be used in any manner to effect, or in connection with, any reduction in the operations at any military installation or facility within the United States, if such reduction exceeds by more than 50 percent the level of operations existing on March 15, 1976, at such installation or facility, unless the Secretary of the military department concerned notified the Congress, on or before March 15, 1973, of his decision to implement such reduction."

Redesignate the succeeding sections of title VII accordingly.

Mr. O'NEILL. Mr. Chairman, in recent years the following bases have been closed in Massachusetts: Springfield Armory, Watertown Arsenal, Boston Naval Shipyard, Chelsea Naval Hospital, Westover Air Base, and Otis Air Force Base.

My amendment has no effect on that whatsoever. That has gone by.

Mr. Chairman, I ask the Members, do they have any realization of the economic impact when they close a base in any Member's area? This year they have closed 30 bases.

Secretary Hoffman said to the New England delegation recently—

> In our consolidation we only intend to have bases in this country of over 50,000 acres.

If any Member has an installation at home, whether it is Army or Air Force, and it is not 50,000 acres, then it is in the plans to be closed.

Mr. Chairman, the amendment which I offer would give local communities adequate notice to prepare for major reductions in military facilities. We all know the economic stimulus that a base provides in a locale. It helps economically; make no mistake about it. The economic depression caused by a sudden base reduction often takes years and years to overcome.

I went through a fight in this Congress for 2 years trying to retain the Boston Naval Shipyard. It was closed back in 1973. I will always believe in my heart that it was closed for political reasons because everybody had told me that in no way could the closing of the Boston Naval Shipyard be justified. However, they came to us and said, "There is going to be a saving of $20 million." In April of 1973 the Department of Defense announced the closure of the Boston Naval Shipyard.

This bill does not affect it in any way. They told us that they were going to save $20 million.

Here is what happened: At the time the Massachusetts congressional delegation requested that the total economic impact be considered; it was not. Now we have the result.

The cost borne by the Federal Government to save that $20 million alone, is now over $25 million. That is what it has cost the Government.

Here are some of the costs:

Unemployment benefits to the workers laid off, $11 million.

Retraining grants to workers, $3 million.

Department of Commerce Economic Development Administration, pending applications, $10 million.

Re-use planning, $1 million.

Department of Housing and Urban Development for planning, $160,000.

New England Regional Commission, $100,000.

Mr. Chairman, to realize a saving of $20 million, it cost the Federal Government to date—and we have not finished yet—$26 million. That is not considering the economic impact of laying off 6,500 people. I am just talking about what it has cost the Government in unemployment compensation and things of that nature.

Two years ago we had appointed a Commission to report to the President and to the Congress, the Defense Manpower Commission.

This Commission will issue its report to Congress on April 19 of this year, a week from now. This is what it says in the report:

> **Time should be allowed for the economic adjustment of employees and communities. Closure of bases or major activities should be announced at least 3 years in advance.**

That is what my amendment does.

I think it is ridiculous for us to walk in and close a base without making any impact study, without the community knowing what is being done.

We have closed 30 bases. I think this is wrong. There is a terrific impact on those areas. Sometimes areas such as those never recover.

I do not know what is going to happen down in Waltham, Mass., where the local community has built a new high school and then they closed Otis Air Base.

My legislation is designed for the future. I believe we should adopt the amendment. The amendment says that none of the funds authorized to be appropriated in this act shall take effect unless a Congressman is notified when an installation in his district is going to be closed.

Mr. ICHORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and Members of the Committee, reluctantly I rise as a Member of the Committee in opposition to the amendment offered by my distinguished majority floor leader, the gentleman from Massachusetts (Mr. O'NEILL) but I feel that out of a sense of responsibility I must do so.

I am sure that every Member of the Congress who has gone through the experience of having a military base closed in his district does have some sympathy for our distinguished majority floor leader. I think at the same time they also realize, as I realize, it is going to make us appear ridiculous to adopt such an amendment.

We cannot tie the hands of the Commander in Chief of the Armed Forces of the United States. This amendment would require the operation of our defense forces not for the primary purpose of defending the United States, but for the economic concerns of local, self-serving interests.

I might state to the gentleman from Massachusetts, our distinguished majority floor leader, that I have been concerned, as chairman of the subcommittee on military construction about the many instances of declarations of excess lands, and the disposing of these lands. In fact, I think we have been operating kind of a local revenue sharing program through the Committee on Armed Services excessing them over to local units of government and then at the same time we have been buying additional tracts of land. We are moving to get on top of that situation, but I would state to the gentleman from Massachusetts that defense needs do change and we cannot have our cake and eat it, too. We cannot continue to reduce defense expenditures in terms of constant dollars as we have done in recent years and expect that there not be some base closures. Again I say that the Congress must not let consideration of local, self-serving interests become involved in the detailed management of the Defense Department. This is what the amendment offered by the distinguished gentleman from Massachusetts (Mr. O'NEILL) would compel.

Now I will be happy to yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Chairman, may I say to the gentleman there is no base in my area that is now being closed. I am talking from the economic experience that my district recently went through. It is my understanding, after having attended a meeting of the New England caucus, with Secretary of Defense, Rumsfeld, that they intend to close down bases, and that this only requires notification in the cases where operations are to be reduced by 50 percent or more. They said there was to be a consolidation program. It is not for me to decide if they should consolidate. All I say is this. It is only fair that an area be given notification of an intended closing. I think that is only fair.

This would establish a policy of notification.

Mr. ICHORD. I would state to the gentleman from Massachusetts, and let me answer the question, that I do not read the amendment in that way. This operates at the present time. It says: "unless the Secretary of the military department concerned notified the Congress, on or before March 15, 1973, of his decision to implement such reduction." Your amendment would prohibit any closing or transfer during fiscal year 1977. It would freeze the status quo.

The gentleman from Massachusetts is not taking the course of requiring notification. If he wants to suggest language that would require submission of an impact statement and notification, fine, but he is not doing that in this amendment.

Mr. O'NEILL. I am not doing that because it would not be germane. I am sure the Committee would object and close the door if I offered such a nongermane amendment.

There will be some recommendations about closings. The recommendations will be for the closure of bases. This amendment requires that major reductions in activity be announced at least 3 years in advance. I think this is only fair.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 1 additional minute.)

Mr. ICHORD. Mr. Chairman, in reply to the gentleman from Massachusetts I would state that the committee would be very sympathetic in looking into the concerns of the gentleman if he will offer such a measure requiring a submission of an impact statement and notification. I think that the committee would give that very close attention. But this approach is in my opinion absolutely ridiculous as well as unconstitutional and ineffective.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(On request of Mr. O'NEILL, and by unanimous consent, Mr. ICHORD was allowed to proceed for 1 additional minute.)

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Chairman, we have before the Rules Committee at the present time a counterpart of this piece of legislation that is being held up. Why is it not being acted upon?

Because the gentleman from Texas (Mr. YOUNG) is home at the present time. He is there trying to preserve an installation in his particular area. I think that in every case where a base is to be closed the Members should have an economic impact statement.

Mr. ICHORD. But again the gentleman's amendment does not address that situation.

Mr. GILMAN. Mr. Speaker, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. GILMAN. Mr. Chairman, I am pleased to join with my distinguished colleague, the gentleman from Massachusetts, in support of this proposed amendment to H.R. 12438. The severe economic impact caused by the sudden closing of any base in any part of the Nation is a problem that deserves consideration by the entire House. This legislation is long overdue so that we may properly study the procdures for closing military bases.

Recently, in New York State, the Defense Department proposed the closing of Griffin Air Base in Rome N.Y., which would have entailed a loss of 8,000 jobs and which caused the consternation of the New York congressional delegation. After a great deal of debate and prolonged congressional attention under the leadership of the distinguished gentleman from New York (Mr. MITCHELL) the administration finally decided to avoid the closing of the Rome base.

At the present time there are many of us in this body who are concerned about bases being closed throughout the

Nation. I have one in my own area—the Stewart Air Base annex of the U.S. Military Academy at Newburg, N.Y. While Stewart involves only 150 employees, that is a very important and critical number of employees at a time when there is an extreme unemployment situation in that region.

If we can impose on public works projects the necessity for filing an environmental impact statement and, at the same time, require an extensive hearing process, then certainly, in the case of a base closing, we should consider requiring an economic impact statement and hearings on the impact of the base closings. This amendment can help avoid the traumatic effects of such closings. Clearly, more lead time is required for our communities.

While I regret that the gentleman did not lower the limits set forth in his proposal to take care of some of our smaller bases, I do urge my colleagues to support this measure.

Mr. ZEFERETTI. Mr. Chairman, I rise to speak on behalf of the amendment offered by my distinguished colleague from Massachusetts. Regrettably, in recent years, there has been a move to either close, transfer, or realine a number of military installations in the Northeast. The State of New York and particularly the city of New York has been drastically affected. The economic and social impacts of these moves have been almost catastrophic to many communities. New York City, which has suffered so drastically as a result of a financial crisis, and suffering from unprecedented levels of unemployment, cannot and must not be forced to withstand further adversity.

Over the past few years we have been forced to sit back and accept Army and Navy Department decisions affecting bases throughout the Northeast. This list has been long and massive, a string of base closings and realinements that have caused a severe imbalance in the number and size of defense facilities left in this area as opposed to other sections of our country. The net effect of this has neither been fair nor in the national interest.

Yet the Defense Department justifies these reorganizations in the name of economy—streamlining operations and to reduce unnecessary support overhead.

To me, these claims offered by the defense people are fallacious and not borne by facts. For example, the cost of moving an installation is enormous. Closing an installation in effect, wastes the physical facilities that are left deserted by such a giant undertaking. And what about the human costs involved? Those that seem to be ignored.

Most significantly, the moving of an installation uproots families because many of the personnel who would be forced to relocate are long-time area residents, with strong roots in the community. Many, if not most, are homeowners, and to sever their ties would present not only economic hardship for them and their families, but would adversely affect the stability of the community as well. And, if an employee choses not to relocate, on the other hand, he faces the prospect of losing his job and adding to the unemployment pool, making it even more difficult for States to reduce welfare and unemployment costs. Everybody loses—banks, merchants, business communities, and the citizens who live in the surrounding neighborhoods.

In the last 2 weeks, the Army and Navy have announced various relocations to outside the New York area—two naval offices, six upstate Naval Reserve Centers, an Air Force base and an Army installation. These moves were designed as part of a multimillion-dollar military cutback. Fort Hamilton, the only military installation left in metropolitan New York, is a landmark of historical significance. It is the unique distinction of being a working military post, an integral part of the Borough of Brooklyn.

The Navy Resale System Office is the headquarters of the Navy Resale System. This system consists of over 700 resale activities and is a large multinational business employing 32,000 civilians worldwide. It mails out over 1,601,000 pieces of mail and maintains an annual payroll of $12 million. The loss of just Fort Hamilton along with the Navy Resale Systems Office would cripple services to thousands of military personnel and eliminate 1,400 civilian jobs.

It seems to me, Mr. Chairman, that these decisions whether to move a defense installation or shut it down should be made with emphasis on the human element and the impact on the local economy. Given the severe unemployment and in New York State and the rest of New England, the Federal Government should not be intensifying our economic problems with these poorly conceived decisions. Are we to continue to sit still, allowing the fate of so many of our citizens to be decided by a small number of high-ranking Defense officials? I say no, we should begin by acting now.

Mr. DRINAN. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I rise in strong support of the amendment which the distinguished majority leader has proposed. This amendment is really the implementation of the National Environmental Policy Act, which was originally passed by the Congress in 1969.

Under the National Environmental Policy Act, Federal agencies such as the Department of Defense must prepare an environmental impact statement when they take "major action significantly affecting the quality of the human environment." Whenever a major defense installation is closed or severely reduced in force, as is contemplated by this amendment, an environmental impact statement is called for which must carefully outline the effects of the action.

This is what the NEPA Act is supposed to have accomplished, Mr. Chairman, but it does not always work as intended. What the gentleman from Massachusetts is saying in offering this amendment is that when Members of Congress and their constituencies are adversely affected by a cutback, we should have every opportunity to provide input into this decision. However, the time for this vital input is all too often too short for an effective case to be made. Consequently, this amendment would provide 3 years in which everyone adversely affected by such a cutback would have time to make all available information known to the Pentagon.

NEPA is the "magna carta" of communities adversely affected by base closure and severe reductions in force. From that standpoint, I want to commend the gentleman from Kentucky, (Mr. BRECKINRIDGE), for bringing a case under NEPA into the Federal courts. A major defense installation was threatened with closure in the gentleman's district and by his legal action, he was able to obtain an injunction against the immediate phasing out of the Lexington Army Depot. This relief was obtained through the enforcement of the provisions of the National Environmental Policy Act.

The current provisions of the NEPA Act sustained the gentleman from Kentucky's position with regard to the Lexington Depot. Yet if we had on the books what the distinguished majority leader has proposed, and which I hope becomes law, the gentleman would not have had to go to court to protect his constituents.

When an environmental impact statement is done under NEPA, the DOD must demonstrate two major findings: First, it must prove that the option that they are following is the least objectionable of all the alternatives available. Second, the action must take into account environmental and socioeconomic factors bearing on the disruption of human lives. This means that an envoronmental impact statement must include such things as the amount of unemployment compensation which will be required if a base is closed, the rise in the number of food stamps issued, the decline in Federal taxes as a result of less earned income in the area in question, and many other items. All too often in the past, Mr. Chairman, these items have not been given sufficient weight in the statements that the Army, the Navy, or the Air Force have been issuing.

It has just been announced that Fort Devens, which is located in my congressional district, is a candidate for a major reduction in force amounting to a de facto closure. This action has been proposed, and yet by the Secretary of the Army's own admission, no socioeconomic information was considered. It is true that this data need not be submitted until the formal NEPA review, but by the fact that the Pentagon has already released a preliminary decision, we can clearly see the direction in which they would like to go. The NEPA review then becomes only a justification for the final action that is taken by the Department of Defense.

What the majority leader is proposing here is totally consistent with what we are doing in other legislation. Namely, we insert a hold harmless clause into H.R. 12438. We then say to a community when we are phasing out an installation that "you must phase this out over a 2- or 3-year period." In that way, the citizens involved undertand their situation and can make efforts to change the decision or can adequately prepare for the realinements or closures which follow.

Aside from giving citizens an opportunity to prepare meaningfully for such an action, the amendment's 3-year extension would have important informational benefits. It is very difficult to get information within the very narrow time that NEPA presently allows. In the case of Pentagon actions, the Defense Department often states that the material is classified. This may necessitate court action to obtain the data, which is, of course, very time consuming. In other cases, conflicting judgments and disputed evidence between different agencies within the executive branch have caused vital information to be withheld.

The public and we in the Congress are entitled to all information which bears upon these closures or reductions in force. The Freedom of Information Act guarantees us this data. But given the exemptions under the FOIA, it is very difficult to obtain important documents. Thus, this amendment is needed to allow Members of Congress to protect adequately their affected constituents.

For all these reasons, Mr. Chairman, I commend the majority leader for offering his amendment and making the recommendation that in the basic law being passed today, we should include the following: "Time should be allowed for the economic adjustment of employees in communities and that major activities and closure of bases should be announced at least 3 years in advance." In this way we could avoid the major catastrophe which befalls a community when a large military installation is closed or severely reduced in force.

Mr. Chairman, I urge an aye vote on the O'Neill vote as presented.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment, but I have a question. I am heartily in favor of the 3-year notice when an installation is to be closed down; but I am puzzled, because what we are saying in the language of the amendment is that no funds shall be used to close or diminish any base up to 50 percent, unless notice was given 3 years and 1 month ago. Could we not say that without 3 years notification, no base shall be closed? Would not that solve it?

Mr. O'NEILL. The recommendation of the Manpower Committee, as I read to the committee, says that a period of 3 years notification should be given to a locality. It is my understanding that the bill is drawn in such a way that only my amendment, as drafted would be in order and still implement this recommendation. Actually, my amendment will save the 30 bases that the Army has indicated are going to be closed in the future.

So, for that reason, this would be held harmless legislation for a period of a year, until legislation comes from the committee.

Mrs. FENWICK. Why do we not just say what we mean, which is to require 3 years notice to the Congress?

Mr. O'NEILL. Well, I think we are playing on words there. The gentlewoman can be assured that this serves the purpose while still meeting the rules.

Mr. O'BRIEN. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, with due respect to the majority leader and in full knowledge of the fact that the 3d day after I was sworn into the 93d Congress as a freshman, the Department of Defense notified me that my one installation was cut and I would lose 3,000 jobs over a period of time, I still believe that this particular section proposed by the majority leader is too restrictive, and I oppose it.

Mr. TSONGAS. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I think we ought to put this issue in some perspective. We are not talking about stopping the closing of bases in the long term. What we are talking about is very simple: study and notice.

Let me give the Members an example of something that went right in Massachusetts. In November 1974, the Department of Defense announced that Hanscom Air Force Base was going to be transferred, and it involved Rome, N.Y., and Albuquerque. They had not done the study previous to the time that they announced it.

We called upon the Secretary of the Air Force—Mr. McLucas at that time—to have a blue ribbon committee look into the issue. They said that it does not make any sense. As a result of that, the facility in Hanscom stayed, the facility in Rome stayed, the facility in Albuquerque stayed.

What that blue ribbon committee said, in effect, to the Secretary was that the decision of November 1974, was neither good for the Air Force nor was it good for the country, and it was reversed. That is what this amendment is all about. If, indeed, the study suggests that the base should be closed, then so be it. At least, the community will have passed to have the transitional studies so that it can recover from the closing.

Let me just add a word to those Members who are not from New England. This amendment actually serves New England less than any other part of the country for the very simple reason that we do not have that much more to lose. Everything that has been up there for the most part has been taken out. It is the other areas in the future that at least have the threat of being subjected to the same kind of dislocation we have suffered for the last 7 years. Whether this goes through or not is going to be of lesser impact on New England, but of major impact on the country.

We are saying to the other Members, "We know what it is like, we know what the dislocation is like." This is a method for other areas, a chance to avoid those dislocations, so actually it is ironic that it is more in the interests of other Members than it is of New England to see that this amendment goes through.

Mr. Chairman, I ask that the amendment be overwhelmingly adopted.

Mr. CARNEY. Mr. Chairman, will the gentleman yield?

Mr. TSONGAS. I yield to the gentleman from Ohio.

Mr. CARNEY. Mr. Chairman, I commend the gentleman on his statement.

Mr. Chairman, I want to associate myself with those who favor this amendment.

As one Member who has no military bases in his district, I have seen what happens in private industry when plants leave without due notice.

Mr. Chairman, I have legislation pending before this Congress which provides that private industry, which has been in the area for a long time, before moving out would have to give proper notice.

I think it is sound, sensible management.

I have no military bases in my area. But I do not think any major installation, private business, or Government, should move out of an area without due regard to the factors involved and without proper notice. It is the only proper, humane thing to do.

Mr. Chairman, I commend the majority leader, the gentleman from Massachusetts (Mr. O'NEILL) for offering this amendment. I say we have to pass it.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words, and I rise in oposition to the amendment.

Mr. Chairman, let me say that I am very sympathetic with the gentleman from Massachusetts (Mr. O'NEILL). I agree with what he is trying to do. If by some legerdemain here the date had not been made, where this is not permissible, but this absolutely prohibits any closure, because we have a date set 3 years ago. There is no way one can give notice now 3 years ago, and that is what this amendment would do.

Next to my home county there is an Air Force base which the DOD announced its closure. It is in Dallas County. It is estimated that one-third of the entire economy of this county hinges around Craig Air Force Base. There is no telling what the ripple effect would be. Perhaps as much as one-half of all the economy hinges around this Air Force base. They have announced its closure.

If this would require an impact study, and then we pass on what the study shows, the Congress would have a say-so, fine, I applaud that. And if the majority leader would propose to do this through our committee, I would do everything to accelerate passage of it and vote for it. But this particular amendment we are discussing is an impossibility. It says if you do not give notice 3 years ago, there will be no base closures.

Mr. Chairman, to my friends on that side of the aisle who have been screaming, hollering, and shouting about economy, in cutting defense expenditures, but this is not the way to do it.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Chairman, I almost thought the gentleman was on my side for a minute, but there is always more than one way of skinning a cat. All I am trying to do is to hold the status quo. The truth is, there is no base in my district. I know what happened economically to my area. What this would do is hold the status quo for 1 year, give the Members an opportunity to look over the recommendation coming from the Defense Manpower Commission, and save the 30 bases that the Army says they want to close.

Mr. DICKINSON. Mr. Chairman, I applaud the intent for it, but I think it is the wrong method and I am opposed to it.

AMENDMENT OFFERED BY MR. STRATTON AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. O'NEILL

Mr. STRATTON. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Stratton as a substitute for the amendment offered by Mr. O'Neill: Page 9, between lines 22 and 23, insert the following:

"Sec. 702. It is the sense of Congress that in the case of any reduction or operation at any military installation or facility within the United States having a population of 200 employees at work if such reduction exceeds more than 50 percent, the Secretary of the military department concerned shall notify the Congress no less than six months prior to the anticipated date of the proposed closure."

Mr. STRATTON. Mr. Chairman, I am very sympathetic with what the majority leader, the distinguished gentleman from Massachusetts (Mr. O'Neill) is trying to do. I have had a couple of bases shot out from under me, too, my own district, and I know the economic impact and I know the frustration of trying to deal with closures of this kind. I think that certainly this body ought to take some sort of action and that, in effect, is what the gentleman from Massachusetts (Mr. O'Neill) has said his amendment will do, freeze everything for a year and give us an opportunity to act in the meantime.

Mr. Chairman, what the gentleman from Massachusetts is really trying to do, I believe, is to establish some kind of procedure in which the Department of Defense will have to notify the Congress in advance of these closures so that we will have an opportunity to take some appropriate action.

We have a precedent actually for dealing with the matter in this particular way. The bases that I have had closed in my district have been shot out from under me, as were the Boston Navy Yard and the Brooklyn Navy Yard, without any prior notification. We were just told that they were going to be closed.

However, last year the Secretary of the Army and the Secretary of the Air Force both undertook closure programs; but they notified the Members in advance, giving them about 6, 7, or 8 months advance time. In the case of Army Secretary "Bo" Callaway, he invited Members of Congress and the departmental personnel affected to meet with him and demonstrate the impact of the closures in their particular areas. As a result of those meetings we succeeded in retaining the Watervliet Arsenal in my district and the Griffin Air Force Base in Rome, located in the district of the gentleman from New York (Mr. Mitchell).

So I think what we should do would be to institutionalize this procedure, and that is precisely what my amendment does.

I might also point out to Members that we have a precedent in this bill. We just adopted a committee amendment, adding section 711, which provides that "it is the sense of Congress" that the Defense Department shall not close down any Naval Reserve installations at a time when we still have not made a final decision on the size of the Naval Reserve. So my substitute amendment, I think, would do the job that the gentleman from Massachusetts (Mr. O'Neill) wants done. And it would not get us into some of the constitutional problems that could be involved. If we adopt this substitute and agree to it overwhelmingly, we would certainly be giving a message to the Pentagon.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Chairman, may I just say this: It was in April of 1973 that the Defense Department announced the closure of the naval base and the Boston Shipyard in Boston, and it is now April of 1976. At that time they said it was going to mean a savings of some $20 million. The cost of the closure has now reached $25 million, and it is still rising. They now have 6,000 or 7,000 employees to deal with, and they would have to perform the task, according to the gentleman, in the period of 6 months.

I would suggest the appropriate time would be perhaps 2 or 3 years, because I have seen what happened with regard to the Boston Navy Yard. In that case 3 years have already come and gone and they have not even completed it yet.

Mr. STRATTON. Mr. Chairman, I am not saying that we could define the full impact, but in 6 months it would certainly be possible to make a presentation to the Defense Department to explain the economic impact of some of these closings. That is what happened in the case of the Watervliet Arsenal. When they realized what the real impact of that closing would be, they decided to change their minds.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Chairman, if I understand the Stratton amendment, it really is totally different from the O'Neill amendment. The amendment says, "It is the sense of Congress," and so on, and the O'Neill amendment says, "None of the funds authorized in this act * * *."

The amendment offered by the gentleman from Massachusetts (Mr. O'Neill) is really a part of the basic law. The substitute offered by the gentleman from New York (Mr. Stratton), as I understand it, is merely a sense of Congress amendment.

Mr. STRATTON. Mr. Chairman, I am not a legal scholar, as is the gentleman from Massachusetts (Mr. Drinan), but my understanding is that there is some question about the legality or constitutionality of a provision of this kind. That is the reason the Committee on Armed Services used the wording that "It is the sense of Congress," with respect to the closing of Naval Reserve installations.

But I think the Pentagon got the message before, and I am sure that if we agree to this substitute amendment, they will get the message on this one, too.

Mr. DRINAN. Mr. Chairman, if I may point this out, the message is very, very unclear, in my judgment, because it does not state when the 6 months starts.

Mr. STRATTON. Mr. Chairman, I have drafted my substitute amendment in the last few minutes, of course. It may not be precise. But if they intend to close a base on the 1st of July, under my substitute they should notify the Congress by the 1st of January. That gives everybody 6 months.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the O'Neill amendment.

Mr. Chairman, I hope that we defeat the Stratton amendment. It really does nothing at all. It merely says that we have 6 months' time to argue with the Defense Department about whether the installation should be closed.

The gentleman from New York keeps mentioning the Watervliet Arsenal. I am very pleased that he was able to keep open the Watervliet Arsenal. However, if we look at a map, we will find that most of the installations that are in existence today are in existence because of the power of some member of the Committee on Armed Services in this House or in the Senate or the House and Senate appropriations subcommittees handling the military budgets.

I am sure that that is one of the reasons the Watervliet Arsenal was kept open. I compliment the gentleman from New York (Mr. Stratton), and it is a feather in his cap. Unfortunately, a lot of us are not on the Committee on Armed Services.

Mr. Chairman, I disagree with the majority leader when he says it is political because Bob McNamara and his whiz kids under the Democratic administration came in and closed the Springfield Armory where the Garand and the Springfield rifles were made, where they were invented. There was not a better place in the United States for the production of the Springfield rifle.

Mr. Chairman, we had accountants; we had economists; we argued until we were blue in the face. We made out an excellent case against closing the Springfield Armory, and yet McNarama saw fit to close it.

Therefore, if we look at the map, some of these congressional districts are going to sink. They are absolutely going to sink by their own weight because they have so many installations, Army installations, Air Force installations, and Navy installations, in their district. It is high time that we stopped playing that kind of game.

A lot of us believe in a strong defense in this Nation. A lot of us support the Defense appropriations bills and the authorization bills here in the Congress, and we deserve the same weight as the members of that committee in the House and Senate and the appropriations subcommittee.

Mr. Chairman, let us take Fort Devens. There has been a lot of discussion about Fort Devens. I understand the people are going to go down to Pensacola, Fla., to the chairman of the Subcommittee on Military Construction of the Committee on Appropriations. This is wrong. Let the Defense Department and let the Army come in and prove beyond a reasonable doubt that there is going to be a saving by transferring Fort Devens down to one of these southern bases. If they could do that, then I will go along with it. However, they just come in and said they were going to close it for economic reasons. They said that we could save money, but they do not show us how they are going to save money.

The other thing is that if they are going to cut the Army to 4,000 personnel by closing Fort Devens, they have my vote.

I asked the Secretary that question:

> Are you going to cut the Army by 4,000?

He said:

> Oh, no, we are going to have savings. We are going to move it down to northern Florida, but we are not going to cut but a handful of people out of the Army.

Mr. Chairman, there is no way that they could come up here before any congressional committee and do that. They did it in the case of the gentleman from Maryland (Mr. BAUMAN) and that of my good friend, the gentlewoman from Maryland (Mrs. HOLT). They have done it to all of us. We get a shafting unless we are in that power position of the Committee on Armed Services, both in the authorization and on the appropriation.

Mr. Chairman, it is high time that we stopped that logrolling here in the House. This is a good time to stop it.

I would like to go further than this amendment does. This amendment merely gives them 3 years to recover from the impact of taking one of those bases out and giving it to one of their "honey boys."

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I simply want to point out that it was recently announced that there would be an 83 percent reduction in military positions at Loring Air Force Base in Maine.

When I asked for justification for it, they did not provide any. This will be devastating upon the economy of the northern part of Maine.

Mr. Chairman, in the military construction bill we are being asked to authorize $3.3 billion in construction projects, including another $440 million for a new engineering development facility. Apparently, we have the competence to pass judgment when we build bases.

Why are we any less competent to judge whether we should close these facilities, as the Army, Air Force, and Department of Defense proposes?

The CHAIRMAN pro tempore. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Mr. Chairman, as to the particular substitute that is before us, the gentleman from New York (Mr. STRATTON) pointed out that he just wrote this amendment. Let us contrast that to the O'Neill amendment, which is a recommendation of the Defense Manpower Commission.

I would suggest that if we are going to do the logical thing we should provide for a 3 year study and not follow something written on a piece of paper 5 minutes before it was introduced.

Mr. CONTE. If they want to save money, they could cut out a lot of these 4-star Generals who are breaking their necks trying to take care of certain people up here.

Mr. Chairman, there is not one member in this chamber whose district has not received an adverse economic impact from either a military base closure or a major reduction in a military facility. The amendment which is now before us is most necessary because it requires that the adverse impact on a local community be a consideration in all proposed military base closures or reductions in operations.

All too often, drastic changes in military base operations are made in total disregard for the effects on the local communities where it is located. To my knowledge there has never been a study on the economic and social impact caused by a drastic reduction or closure of a military facility before the action takes place. The most illustrative example is the closing of the Boston Navy Yard. In 1973 the Navy estimated it would save $20 million by relocating all 737 personnel and its ship repair operations to other facilities. History has shown that the closing of the Boston Navy Yard resulted in a $25 million plus cost to the Federal Treasury in the form of unemployment benefits to laid off civilian employees, Department of Labor retraining grants, Department of Commerce "reuse planning" funds, Department of Housing and Urban Development planning funds and a host of other incidental costs to the Federal Treasury.

Accordingly, the result of the Navy saving, what actually amounted to $18.8 million in closing the Boston Navy Yard, in the long run cost the Federal Treasury $25 million plus—a net loss of over $26.2 million. This is also coupled with the fact that unemployment in the area was significantly increased at a time when the unemployment situation was in its most critical state.

It is clear that this realignment by the Navy had a net negative result on the local community and the Federal Treasury. While the Navy might have realized a saving, the enormous additional cost borne by the total Federal budget was never factored in. This is the specific problem this amendment is designed to counter.

The defense manpower commission was established in the Defense Authorization Act for fiscal year 1974. That commission will make a report to Congress and the President on April 19, 1976. One of the portions of that report that is relevant to this matter deserves our atention:

> Time should be allowed for the economic adjustment of employees and communities. Closure of bases, or major activities, should be announced at least 3 years in advance.

Fellow Members, this is specifically what the pending amendment is intended to do. Provide enough time for economic adjustment of employees and communities. Further, this time allowance is most essential in order to consider all the adverse financial effects on the Federal budget. My colleagues, this is not an amendment to resurrect the Boston Navy Yard—it is lost. However, it is not too late to insure against the potential adverse economic impact to the Federal budget and your own district as a result of closures or reductions in your States.

Specifically on this language, I should like to point out that the hands of the military are not unnecessarily tied. It goes into effect when a reduction in operations of 50 percent or more is contemplated. Accordingly, this would insure that the more drastic military facility changes would be thoroughly investigated before action is taken. This would prevent a move strictly based upon "false savings" as in the Boston Navy Yard situation.

Fellow Members, I urge you to adopt this amendment so that the local community in your districts and the stability of the Federal budget will not be sidestepped under the illusion of a military "false saving."

Thank you, Mr. Chairman.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words and rise in support of the O'Neill amendment.

I would ask the chairman of the committee, does the Committee on Armed Services receive advance notice on the closure of a base; and if the committee receives notice or when the committee receives notice what does the committee do with it?

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Illinois.

Mr. PRICE. Exactly the same time as is given to other Members of the Congress.

Mr. FASCELL. So unless a Member of the Congress introduces legislation and tries to get a hearing before the subcommittee, or if the chairman of the subcommittee or if the chairman of the full committee is generous enough to state that he would be willing to undertake a hearing on a bill of a Member of the Congress on a base matter, where there are serious differences of opinion involved then there is no other way to get heard on the issue.

Mr. PRICE. Of course we would entertain any objections a Member might have.

Mr. FASCELL. I understand that.

Mr. PRICE. We would try to work out something.

Mr. FASCELL. I am not trying to embarrass the chairman or to embarrass the committee.

Mr. PRICE. We do try to cooperate with the Members.

Mr. FASCELL. I understand that you would be cooperative and have indeed been cooperative. I also know that the distinguished gentleman from Missouri (Mr. Ichord) has been very cooperative and encouraging to me personally. I know that that gentleman's subcommittee has already held a hearing on a bill that has been submitted before the subcommittee.

The only point I am making, Mr. Chairman, is that the Committee on Armed Services does not have an institutionalized process by which each one of these closings is examined. That is all I am saying.

In other words, what the gentleman is telling us is that the 104 pending Army and Navy actions on bases has not been examined in any way by the Committee on Armed Services, and further that the Committee on Armed Services does not get a notice any quicker than an individual Member; and that the committee has had no hearings except for the one hearing by the subcommittee on the question of the Guam base.

So the full committee has not considered any factors. They have not considered the strategic or other military factors; they have not considered the economic basis for the proposals advanced by the military; and they have not considered any adverse economic impact to the communities affected.

So by taking no action, and without any examination by the committee, the committee brings out a bill which gives rubber stamp approval to all base actions, whatever they are and whatever their effect. I find that to be a very deafening vacuum.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Illinois.

Mr. PRICE. Mr. Chairman, the substitute that the gentleman from New York (Mr. Stratton) submitted deals with that and would help in that regard, but I am sure the chairman of the Military Construction Subcommittee can tell the gentleman the manner in which his committee does operate so as to be of assistance to other Members of Congress.

Mr. FASCELL. Let me address myself to that substitute. I admire the gentleman from New York. He is very skillful on his feet and he has done a great job with that substitute. It says: "It is the sense of the Congress that * * *" And I understand what he is trying to do. He is trying to preserve the position of the committee and the Pentagon. I find no fault with that. It just does not solve the problem.

The CHAIRMAN pro tempore. The time of the gentleman from Florida has expired.

(On request of Mr. Ichord, and by unanimous consent, Mr. Fascell was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the Military Affairs Committee did hold hearings.

The subcommittee, if the gentleman will yield further, has given the gentleman from Guam a hearing on the reduction of the operation of the Navy yard or shipyard.

Mr. FASCELL. I think that is great.

Mr. ICHORD. And that can be done for other Members too. But I would ask the gentleman from Florida, who is a good lawyer: Does the gentleman really think that this language would hold up constitutionally and would it effect anything?

Mr. FASCELL. I have not examined the constitutionality of it.

Mr. ICHORD. The gentleman should have.

Mr. FASCELL. But I doubt that the constitutional prerogative of the Chief Executive as Commander in Chief of the Armed Forces has any to do with real estate and buildings.

Mr. ICHORD. This I would state to the gentleman from Florida, this would stop all closings during the year 1977, during the 1977 period.

Let me ask the gentleman from Florida a further question. Some of these bases are not being transferred. I know the gentleman from Florida has a problem in that respect. The reason for the missions to be stopped or closed out should be considered. How much additional money should we add to this defense bill of the O'Neill amendment is passed?

Mr. FASCELL. If the gentleman wants an answer to that question, I would ask what mission has been closed down? I am not being argumentative on this. I am being factual.

Most of us have no idea what the primary missions of the bases or units on the bases are because that is not available to us and if we try to get it we cannot get a straight answer.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, I think the gentleman does make a good point, but we do need to work out some institutional procedure.

But if the amendment offered by the gentleman from New York is adopted we will be permitted to work out these institutional procedures.

Mr. FASCELL. I am for the committee first, OK.? But this is not a committee fault or problem right now, and that is the reason the amendment comes in the form it does.

The CHAIRMAN pro tempore. The time of the gentleman from Florida has expired.

(On request of Mr. Hughes, and by unanimous consent, Mr. Fascell was allowed to proceed for 1 additional minute.)

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman, if the gentleman will stand with me when I get shot.

Mr. HUGHES. Mr. Chairman, I will be brief.

Obviously the question of whether this Congress has the authority to maintain the status quo should be beyond question. We should have authority to maintain the status quo. That is all the O'Neill amendment does.

I rise in strong support of the amendment offered by the gentleman from Massachusetts (Mr. O'Neill) and I rise in opposition to the amendment offered by the gentleman from New York (Mr. Stratton).

Mr. STRATTON. Mr. Chairman, I ask unanimous consent to amend my amendment in the light of the wisdom that has been expressed in the last few minutes.

Mr. Chairman, I ask unanimous consent to strike out the words "it is the sense of the Congress" and to substitute "9 months" for "6 months".

I think that makes the amendment very clear then that we are emphatic on this point and it will be mandatory.

The CHAIRMAN pro tempore. The Clerk will report the amendment as proposed to be modified by the gentleman from New York.

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN pro tempore. The Clerk first will report the amendment as proposed to be modified by the gentleman from New York.

Mr. CONTE. Mr. Chairman, there was an objection.

The CHAIRMAN pro tempore. (Mr. Brademas). The Clerk will now read the amendment of the gentleman from New York (Mr. Stratton), as the gentleman proposes to amend it by the gentleman's unanimous consent request and the Chair will then put the question on the unanimous-consent request.

PARLIAMENTARY INQUIRY

Mr. STRATTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STRATTON. Mr. Chairman, I do not think the Clerk understands what my amendment is as amended. Just strike out the words, "it is the sense of Congress that" and begin with the words "in the case of" and then substitute "nine" for "six" on the third line from the bottom.

The CHAIRMAN. The Clerk will now read the amendment as it would be if it were modified by the unanimous-consent request of the gentleman from New York (Mr. Stratton).

The Clerk read as follows:

AMENDMENT OFFERED BY MR. STRATTON AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. O'NEILL

Page 9, between lines 22 and 23, insert the following:

Section 702. in the case of any reduction in operations at any military installation or facility within the United States, having a population of 200 employees or more, if such reduction exceeds more than 50 percent, the Secretary of the military department concerned shall notify the Congress no less than 9 months prior to the anticipated date of the proposed closure.

The CHAIRMAN pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from New York (Mr. STRATTON) to modify his substitute?

Mr. CONTE. Mr. Chairman, I object.

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. McEWEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know many of us are more concerned about losing airplane connections than losing bases.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. STRATTON) and in strong support of the amendment offered by the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. Chairman, no matter how this comes out today, or where we go on this point on this bill, I want to say some of my friends who are truly concerned about the military that they had better take heed to what is going on and carry the message to our friends in the military. They are reaping, in the demonstration that we have seen and heard on this floor today, the feelings of frustration of whole sections of this country that have just been used as "patsies" for stripping off military personnel and bases.

Those of us in the Northeast, Mr. Chairman, are particularly sensitive about it.

Mr. Chairman, I again thank the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL) who was one of 81 Members of the House who joined with this Member in writing to the Secretary of the Army a year ago about our concern in the Northeast.

Mr. Chairman, if it were a matter of a change in weaponry, and we all know about it, I can show anyone the Atlas silos in my district that are just holes in the ground; we know about changes in weapons systems and base realinements that this may require; but all too often at bases, as in the case of Fort Devens, if I understand the argument, what they propose to do at Fort Devens is for an economic saving, without any consideration of the economic havoc that they are going to heap upon the people that work there as a part of that military installation in that community.

All I can say, Mr. Chairman, I hope the amendment of the distinguished majority leader prevails. The gentleman from Massachusetts (Mr. O'NEILL) has pointed out that this can use some perfection; but it is a good device at the moment to say no to these hasty base closures, or as they are now euphemistically called, realinements.

I am sure the distinguished majority leader will have help in perfecting some more permanent legislation on this basis; but I say to the gentleman from Massachusetts (Mr. O'NEILL), that the gentleman's amendment does the job for now and I hope that it prevails.

The CHAIRMAN pro tempore. (Mr. BRADEMAS). The question is on the amendment offered by the gentleman from New York (Mr. STRATTON) as a substitute for the amendment offered by the gentleman from Massachusetts (Mr. O'NEILL).

The amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. O'NEILL).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 57; noes 67.

RECORDED VOTE

Mr. HUGHES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 152, noes 202, not voting 79, as follows:

[Roll No. 186]

AYES—152

Abdnor
Addabbo
Allen
Ambro
Anderson, Calif.
Andrews, N. Dak.
Badillo
Baucus
Bauman
Beard, R.I.
Biaggi
Biester
Bingham
Blanchard
Boland
Bolling
Brademas
Brodhead
Brown, Calif.
Burgener
Burke, Calif.
Burleson, Tex.
Burton, Phillip
Carney
Chisholm
Clay
Cohen
Collins, Ill.
Conte
D'Amours
Daniels, N.J.
Danielson
Delaney
Dellums
Diggs
Dodd
Downey, N.Y.
Drinan
Early
Edgar
Eilberg
Emery
English
Evans, Colo.
Fascell
Fish
Fisher
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Gaydos
Giaimo
Gilman
Gonzalez
Green
Gude
Hall
Hanley
Hannaford
Harrington
Harris
Hawkins
Heckler, Mass.
Helstoski
Hightower
Holt
Holtzman
Horton
Howe
Hughes
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Kazen
Keys
Koch
Krebs
Lloyd, Tenn.
Long, Md.
McDade
McEwen
McFall
McHugh
McKinney
Maguire
Mazzoli
Meyner
Mezvinsky
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Morgan
Moss
Mottl
Murtha
Nowak
Oberstar
Obey
O'Hara
O'Neill
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pickle
Pike
Pressler
Railsback
Randall
Rangel
Rees
Richmond
Riegle
Rinaldo
Rodino
Roe
Roncalio
Rooney
Rosenthal
Roybal
Russo
Ryan
Santini
Scheuer
Schroeder
Sebelius
Sisk
Slack
Stokes
Studds
Symington
Thompson
Tsongas
Vanik
Walsh
Waxman
Weaver
Whalen
Wolff
Wright
Yates
Yatron
Zeferetti

NOES—202

Abzug
Adams
Alexander
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
Bafalis
Baldus
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Blouin
Boggs
Bonker
Bowen
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burlison, Mo.
Butler
Byron
Carr
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Conable
Conyers
Corman
Cornell
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Erlenborn
Evans, Ind.
Fary
Fenwick
Findley
Flood
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gibbons
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Harkin
Harsha
Hébert
Hechler, W. Va.
Hefner
Hicks
Hillis
Hungate
Hutchinson
Hyde
Ichord
Jarman
Kasten
Kastenmeier
Kelly
Kemp
Ketchum
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
Lott
Lujan
McCloskey
McCollister
McCormack
McDonald
McKay
Madigan
Mahon
Mann
Martin
Mathis
Meeds
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nolan
O'Brien
Ottinger
Passman
Paul
Perkins
Pettis
Poage
Preyer
Price
Pritchard
Quie
Regula
Reuss
Robinson
Rogers
Rose
Roush
Rousselot
Runnels
Sarasin
Satterfield
Schneebeli
Schulze
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Skubitz
Smith, Nebr.
Snyder
Solarz
Spence
Stanton, J. William
Stark
Steed
Steiger, Wis.
Stratton
Sullivan
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Ullman
Van Deerlin
Vander Veen
Vigorito
Waggonner
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wydler
Wylie
Young, Fla.
Zablocki

NOT VOTING—79

Ashley
AuCoin
Barrett
Bell
Breaux
Brooks
Burke, Mass.
Burton, John
Carter
Cederberg
Collins, Tex.
Conlan
Cotter
de la Garza
Dent
du Pont
Edwards, Calif.
Esch
Eshleman
Evins, Tenn.
Flowers
Flynt
Hamilton
Hansen
Hayes, Ind.
Hays, Ohio
Heinz
Henderson
Hinshaw
Holland
Howard
Hubbard
Jacobs
Johnson, Pa.
Jones, Okla.
Karth
Kindness
Lundine
McClory
Macdonald
Madden
Matsunaga
Melcher
Metcalfe
Mikva
Mosher
Nedzi
Nix
Pepper
Peyser
Quillen
Rhodes
Risenhoover
Roberts
Rostenkowski
Ruppe
St Germain
Sarbanes
Seiberling
Smith, Iowa
Spellman
Staggers
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symms
Talcott
Teague
Thornton
Traxler
Udall
Vander Jagt
White
Wilson, Tex.
Young, Alaska
Young, Ga.
Young, Tex.

The Clerk announced the following pairs:

Mr. Hamilton for, with Mr. Brooks against.

Mr. John Burton for, with Mr. Staggers against.

Mr. Burke of Massachusetts for, with Mr. Flynt against.

Mr. Edwards of California for, with Mr. Dent against.

Mr. Jacobs for, with Mr. de la Garza against.

Mr. Macdonald of Massachusetts for, with Mr. White against.

Mr. Matsunaga for, with Mr. Breaux against.

Mr. St Germain for, with Mr. Pepper against.

Mr. Cotter for, with Mr. Risenhoover against.

Mr. Nix for, with Mr. Melcher against.

Mr. Young of Georgia for, with Mr. Teague against.

Mrs. BOGGS and Mr. HECHLER of West Virginia changed their vote from "aye" to "no."

Mr. BURGENER changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, these have been a discouraging 2 days, as this House has considered the $33.4 billion military weapons bill for fiscal year 1977. These are the funds which purchase our military forces' ships, airplanes, rockets and guns, and this bill will unfortunately insure that more and more of those weapons will be gold-plated. Some of them may actually detract from our security in the long run, and some of them will be so expensive that we will have to keep shrinking the number of men we can afford to hire to use the incredibly expensive weapons we are arming them with. In fact, this bill authorizes almost $700 million more for weapons procurement and R. & D. that even President Ford had wanted, and represents a 22 percent increase in the cost of our weapons procurement.

A majority of the Members of this Congress are clearly reacting to the legitimate concern we all share about the increasing military capabilities of our potential adversaries—the Soviet Union and China. Many also fear our own relative strength is declining, and that Angola demonstrates a new Soviet adventurism which must be countered by our own show of strength. There seems to be a widespread determination in the House to brandish our determination by increasing our military expenditures.

This is an unfortunate reaction, and I am afraid it is an emotional one which is not based on careful, rational analysis of the facts. Our persistent and perceptive colleague from Wisconsin, Mr. Aspin, has painstakingly explored much of the material offered up as evidence of our worsening strategic position. He concluded, and I fully concur, that the United States is, in fact, a strong military power and in no danger of being overwhelmed by Soviet might. Although there are increases in Soviet forces which are a source of concern, such as the steady expansion of their blue-water navy and the increasing power and number of their ICBM's, there is no reason to conclude that the Soviets' are 10 feet tall. In fact, in almost every area of weaponry, the superior quality of U.S. equipment more than offsets any Soviet advantage in numbers.

Nonetheless, a majority of my colleagues have been convinced that now is not the time to show any sign of uncertainty. Instead, they feel we must go beyond the Pentagon's own requests and authorize in this bill a 30-percent increase in funds for our strategic forces. Important amendments to postpone the commitment of funds to fantastically expensive weapons systems have been defeated. Mr. Seiberling's thoughtful and well-reasoned amendment to defer the approval of $960.5 million to build the first three production models of the new B–1 bomber was defeated. This amendment would have allowed a new Congress and the next President to decide whether to go ahead with this $20 billion, 244 airplane program only after the Air Force had completed the full test and evaluation of the B–1.

That program cannot be completed until November 1976, and as of today the B–1 only has about 150 hours of flight time. A production decision now is unwise and unnecessary, especially since our current strategic bomber, the B–52, can continue to perform its mission well into the 1990's. In fact we are in serious danger of repeating an earlier disastrous mistake in our manned bomber program. In the 1950's we built 30 test models of the B–58 over several years before deciding in fiscal year 1959 to go ahead and produce 500. In fact, only 85 production models were produced, because President Kennedy in 1961 terminated the program.

I was also dismayed by the defeat of our colleague from Washington Mr. Hick's amendment to escrow $350 million in the bill for long-leadtime funding of a new nuclear aircraft carrier which the Navy did not ask for. The Armed Services Committee, with the support of the House, wants to commit us to yet another *Nimitz*-class aircraft carrier with the eventual hope of replacing all of our eight *Forrestal*-class carriers with $4-billion-a-copy floating targets. At these prices we will never be able to afford the 600-ship Navy the committee feels we need. Instead, we will have 12 impressive but increasingly vulnerable carriers which will each need $17.5 billion to keep afloat over their useful lifetimes. As a Member of Congress from a deteriorating, anguished, and ignored Northeastern metropolis, with massive needs for public investment, I am staggered by these costs for weapons platforms of highly dubious value.

Mr. Chairman, the House also defeated Mr. Downey's amendment to prohibit overland testing of terminal guidance, high-accuracy MARV nuclear warheads, but I have already argued that case earlier in today's debate. I do feel compelled to underline the serious danger which MARV testing poses to our own security. If we test MARV, the Soviets must assume we have deployed it and will seek to develop and deploy a MARV of their own, thereby accelerating the race to develop all sorts of exotic new strategic weapon technologies.

The failure of all these important attempts to improve the fiscal year 1977 weapons procurement and R. & D. bill force me to oppose its passage. This is not a vote for unilateral disarmament. I support a strong, lean military force for the United States which will have the power to deter any aggressor. But just as President Ford maintains he will veto any weapons bill which is too low by his standards, I must vote against any bill which exceeds our real defense needs as I see them.

Mr. PRICE. Mr. Chairman, I ask unanimous consent that all debate on the remainder of the bill, title VII and all amendments thereto, close in 10 minutes.

The CHAIRMAN pro tempore (Mr Brademas). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from California (Mr. Dellums).

AMENDMENT OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dellums: Delete lines 18 through 24 of page 11 and insert the following:

Sec. 707. (a) Chapter 102 of title 10, United States Code, is repealed.

(b) The analysis of part III of subtitle A of such title 10 is amended by striking out the following:

"102. Junior Reserve Officers' Training Corps -------------------------- 2031."

Mr. DELLUMS. Mr. Chairman, this amendment results because of the inclusion in this bill of a section which will serve no purpose other than waste our defense budget. I refer to section 707 which permits the number of authorized Junior Reserve Officers' Training Corps program units to increase by two-thirds, from 1,200 to 2,000. Even though the Defense Department, in a letter to Congress, said that the program is of "low priority." I repeat, "low priority."

For my colleagues unfamiliar with this $25 million-a-year boondoggle, the Junior ROTC program is strictly a high school-level indoctrination course to entice prospective entrants for the military.

The Defense Department estimates that the cost of the Junior ROTC program, at its presently authorized level of 1,200 units, will rise by $1 million in fiscal year 1977 to $25 million. But, if section 707 is approved in its present form, Junior ROTC funding will increase to well over $40 million in the coming fiscal year, and this does not include the estimated $2,000 per unit per year that each secondary school maintaining a Junior ROTC program must pay for salaries, drilling, storage and class space, maintenance, an armory, a firing range, bond for Government property, and clerical and administrative staff.

Most fundamentally, Junior ROTC is a misguided approach for dealing with those goals which the Defense Department has stated it is attempting to achieve through the program.

If the goal is to strengthen character and promote self-discipline, I would suggest that these are qualities which can and should be taught through our schools. Furthermore, the uniformed services are not the proper medium for such instruction in schools.

If the goal is to promote an understanding of the requirements of national security and provide prerecruitment counseling, I would suggest that there are easier, cheaper ways to achieve these goals than through spending $40 million a year on the wide-ranging, largely unfocused Junior ROTC program.

We should not argue here whether we are committed or not to the concept of military recruitment at the high school level. All we need to understand here is the expenditure by DOD of $40 million on this program is wasteful, misplaced, unnecessary and unjustifiable.

Nevertheless, if you feel that this program makes economic sense, let me refer to a recommendation this January by the Defense Department in response to legislation similar to section 707 introduced by my colleague from Florida (Mr. YOUNG). That bill would have eliminated any ceiling on the number of Junior ROTC units and the practical effect of Section 707 would be the same as requiring no ceiling. DOD General Counsel Richard Wiley said in that letter:

> The removal of the limitation on the number of Junior Reserve Officers' Training Corps units would result in escalation of units to a number which would drastically increase the funding requirement for the program. Such a program is inconsistent with the current and anticipated climate of fiscal constraint.

DOD's letter opposing enactment of this legislation went further, noting that the "competiton associated with obtaining and maintaining a viable unit is an important quality factor in this program" and stating that any alteration in unit limitation would "remove an essential quality control mechanism from the program."

Finally, and perhaps most persuasively, the DOD letter of opposition stated—

> Due to fiscal restraints, any additional Junior ROTC manpower costs would probably come at the expense of another training or education program. From a Department of Defense standpoint, Junior ROTC must be a low-priority program.

This should be a very powerful argument for this amendment. None of us should be saddled with the responsibility of taking funds away from legitimate, service-related training or education programs, simply to plow over an additional $16 million into a program whose benefits are unclear and whose use as a prerecruitment device is highly cost-ineffective.

Section 707 should be seen by all concerned that our defense dollars be spent in the most efficient manner as a waste of tax dollars. It is an ineffective prerecruitment device, it will divert funds from other DOD training and education programs, it will probably reduce the level of Junior ROTC quality and, if passed, will require those secondary schools maintaining Junior ROTC units to themselves expend $40 million each year. For our already financially strapped school districts, this additional cost could well force them to drop the Junior ROTC program altogether.

I have distributed copies of fact and cost sheets on the Junior ROTC program based on information provided by the Defense Department under the assumption that the 1,200 authorized unit figure is retained for the upcoming fiscal year. If these numbers are not enough to warrant the elimination of Junior ROTC, consider that this program will increase by 66 percent should this section pass in its present form.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, I rise to strongly oppose the motion to do away with the Junior Reserve Officer Training Corps program.

At the present time there are a total of 119,000 of our young men and women participating in Junior ROTC across the country through association with some 1,200 units. Included are 49 military institutes, such as Culver Military Academy, which are really military honor secondary schools where Junior ROTC is a significant element in the curriculum. There is a sizable backlog of applications for Junior ROTC units in all of the services.

The dialog accompanying the amendment offered by the gentleman from California would lead one to suspect that Junior ROTC programs are forced upon secondary school systems around the country and that our young men and women are being led into a program involving the military against their respective wills. Nothing could be farther from the truth. The programs are completely voluntary, with applications being submitted to the service of choice. As I indicated earlier, there is a substantial backlog of applications for units in all of the services and in most cases there is a lengthy waiting period for acceptance.

The entire program has proved to be popular and attractive, so much so that the House Armed Services Committee amended the original fiscal year 1977 authorization bill to increase the number of Junior ROTC units from 1,200 to 2,000. That provision is contained in section 707 under General Provisions of H.R. 12438, the measure under consideration today.

In sum, Mr. Chairman, this program attracts 192,000 students, is distributed throughout 650 units in the Army, 275 units in the Navy, of which 52 are Marine Corps units, and 275 units in the Air Force. The total cost of the program runs in the vicinity of $25 million per year and there is a long waiting list of applications for new units. Finally, the entire program is voluntary from top to bottom.

This is hardly the kind of evidence which should prompt a move to abolish the program, and I strongly urge my colleagues to defeat the amendment that would attempt to do so.

Mr HÉBERT. Mr. Chairman, this is the first time I have been in the Congress that I have failed to take the floor to speak on a procurement bill. I did not intend to take the floor this time but to leave the entire matter in the hands of the very distinguished gentleman from Illinois and my very dear friend (MELVIN PRICE) who has demonstrated again today that he is a great chairman of the Armed Services Committee.

I rise now in my last appearance with the committee to congratulate the gentleman from Illinois.

At the same time I also take the opportunity to respond to the gentleman from California in his effort to follow in the footsteps of Robert Strange McNamara to destroy the Junior ROTC program in this country. As the Members will recall Mr. McNamara in 1963 attempted to destroy the Junior ROTC program in our high schools, when we had only 250 programs. Instead I raised the program to 1,200 high schools. This year the clamor has been so great to raise the number that we have raised it to 2,000 high schools in the country.

This has been one of the most productive programs that has ever come upon the scene of our American life. It is the opportunity to teach our youngsters what authority is, and to teach them respect for authority and discipline, and give them a complete knowledge that one cannot give orders unless one can take orders.

When I leave this Congress at the end of the year, as Members know I am leaving, I hope if I will be remembered for anything it will be for my sponsorship of the Junior ROTC program.

I ask the Members to vote down this disastrous unnecessary amendment offered by the gentleman from California.

The CHAIRMAN pro tempore. All time for debate has expired.

The question is on the amendment offered by the gentleman from California (Mr. DELLUMS).

The question was taken; and on a division (demanded by Mr. DELLUMS) there were—ayes 34, noes 164.

So the amendment was rejected.

Mr. KEMP. Mr. Chairman, I rise in support of the military authorization bill before us today and congratulate Mr. WILSON of California and Mr. PRICE of Illinois and the members of the committee for their outstanding leadership and hard work.

If our Nation is to retain the ability to deter aggression in the face of the continuing Soviet military buildup, it is imperative that we realistically assess the growing counter-force asymmetry between the United States, and the Soviet Union.

Secretary Rumsfeld has testified before the Appropriations Subcommittee on Defense, of which I am a member, that—

> "The trends of the past five to ten years are adverse with respect to the military balances." Andrei Gromyko, Foreign Minister of the Soviet Union, interpreting these same trends stated last September that the forces of international communism now have a "visibly increased preponderance" and may be in a position "to lay down the direction of international politics."

Soviet advances in ICBM accuracy are closing on our qualitative lead. Once the Soviets combine their overwhelming throw weight advantage with a system of guidance and accuracy comparable to ours, a definite counterforce asymmetry will exist that may subject us to nuclear blackmail. As a result of Soviet and American decisions made in the past, that asymmetry wil exist by the early 1980s regardless of SALT.

This authorization bill does address the adverse trends in the military balance which have been authoritatively documented in many recent studies, and the bill does reflect, I think, the willingness of the American people to make the commitment necessary to insure that the freedoms we have held dear for over 200 years will not be compromised by foreign military power.

It is very important, in addressing the merits of this bill, to put the U.S. defense budget in perspective. Since 1964, the defense budget has fallen drastically as both a percentage of the Federal budget, and as a percentage of the gross national product until today it is 5.7 percent of our $1.6 trillion gross product.

During this same period Soviet defense spending has been steadily increasing in real terms, and is continuing to increase regardless of SALT talks. As Secretary Rumsfeld testified, "the momentum of this buildup shows no sign of slackening." This steadily mounting military spending has produced:

First, an increase of 1,600 Soviet ICBM's.

Second, an increase of 700 Soviet sea-launched ballistic missiles.

Third, an increase of 2,000 Soviet strategic warheads and bombs.

Fourth, the development of four new ICBM's, two of which are currently being deployed with MIRV's.

Fifth, the production of a new generation of ballistic missile submarines.

Sixth, the development of mobile ballistic missiles.

Seventh, large MIRV's with high-yield warheads.

Eighth, a 1 million man increase in Soviet military personnel with added tanks, artillery, and armored personnel carriers.

Ninth, an increase of 2,000 tactical aircraft and more sophisticated fighter/attack aircraft.

Tenth, an increase of 800 in Soviet naval ship construction.

Eleventh, an extensive program of civil defense against nuclear weapons.

Twelfth, a large and growing military production base.

During this period of tremendous and rapid buildup in Soviet strategic forces, our own strategic force level remained essentially constant. Our relative inactivity has been predicated on the following arguments:

First, allowing the Soviet Union to catch up and achieve strategic parity would put them at ease and take the pressure off the arms race, and

Second, once a certain force level is achieved by both sides, mutual destruction is assured and further increases are strategically meaningless and economically wasteful.

These arguments do not seem to carry any weight in the Soviet Union.

For example, it is not possible to understand in terms of parity the fact that, in addition to the four large and advanced ICBM systems that are presently entering the Soviet inventory, the Soviets are pushing ahead with the development of newer and better strategic ballistic missiles—perhaps as many as 10. The military production base necessary for the production and deployment of this new family of missiles is also known to be large and growing. Even if we take the sanguine view of the explosive growth of Soviet ICBM development and attribute it to the inertia of the Soviet bureaucratic process, the fact remains that the U.S.S.R. is rapidly acquiring a very credible first-strike capability.

Neither does the Soviet Union accept our idea that mutual destruction would be the only outcome of nuclear war, nor does the Soviet Government encourage this idea among its people or armed services. In fact, the official Soviet position denounces as "bourgeois pacifism" the view that both sides would be destroyed in a nuclear war, and that there can be no victor in nuclear war. The Soviet government is very critical of anyone who thinks that no defense against nuclear weapons is possible. The fact that the Soviets have developed a cold launch technique for ICBMs that allows the missile silos to be reloaded contrasts our idea that once the button is pushed it is all over for both sides. Whereas the Soviets prefer to win without war, they clearly state that nuclear war is a permissible and valid instrument of policy.

This is not to say that the Soviets seek nuclear war, but that they are psychologically conditioned to the concept and are willing to take advantage of a superior ability to wage it and our fear of it. This conditioning is reflected in an extensive civil defense program which stresses that adequate measures can greatly reduce the destructive potential of nuclear weapons and in Soviet military strategy which speaks openly of surprise nuclear attack. Soviet force structure reflects the blitzkrieg strategy of Soviet military doctrine in which it is stated that "the path for the advance of the troops will be cleared by nuclear weapons," as does the capability of Soviet forces to operate in radiological, chemical, and bacterial environments.

Soviet thinking does not mirror our emphasis on the deterrent characteristic of nuclear weapons or our faith that mutual destruction is assured by existing force levels. I do not believe our defense posture and SALT adequately take into account Soviet attitudes and behavior.

It is a matter of great concern to me that at a time when the Soviets are making a major effort to develop up to ten new ICBM systems, we are relying on reciprocal arms control accords to maintain our strategic posture. The Secretary of Defense and Joint Chiefs have all testified that the fiscal year 1977 defense budget is based on the assumption that the current strategic arms limitation talks will be successful.

The weakness inherent in our position is obvious, and it is partly a result of the psychology of détente which works against the will of the American people to support adequate defense budgets because of the tendency of people to see détente as all that is necessary for security. These psychological effects do not operate in the Soviet Union where détente is explained as a forced change in U.S. policy as a result of Soviet military power. As Marshall Grechko puts it, the Soviet Union does not rely on the peace aspirations of the Americans but on Soviet military might and clout in international power politics.

I believe our perception of the Soviet threat as well as our approach to national security is deficient for not taking into account that Soviet thinking and values do not mirror our own. Whether or not our forces will turn out to be second to none will depend on how realistic we are about the Soviet threat and nuclear war. Braggadocio and détente psychology will not produce an American frame of mind capable of taking seriously this Soviet statement:

> The Party reached the conclusion that the Armed Forces and the country as a whole must prepare for a war in which nuclear weapons will be widely used; which will represent a decisive, classic collision of two opposing social systems; and which will be distinguished by unprecedented violence, dynamic force, and high maneuverability of combat operations.

Just as we seriously underestimated the Soviet Union's ability to acquire MIRV capability, General Brown, Chairman of the Joint Chiefs of Staff, testified before the Appropriations Defense Subcommittee this year that—

> It now appears that we underestimated the scope and the intensity of the Soviet (ICBM) program since both missiles (the SS-17 and the SS-19) have been deployed.

In addition to the SS-18 which "is capable of destroying any known fixed target." In the light of our inability to successfully estimate the scope and intensity of the Soviet ICBM development and deployment, I am concerned about our estimate of our ability to inflict assured destruction in response to a Soviet first strike. There was more evidence of the Soviet ICBM program than there is evidence that the Soviets are committed to a deterrence concept of nuclear weapons.

Not since the war preparations of Nazi Germany under Hitler in the 1930's has a major nation at peace devoted such a high percentage of its resources to the production of weapons and to the buildup of the related scientific, technical, and industrial base for military production. The real question is why?

The authorization bill before us today will not, as the House Armed Services Committee has stated, cure all of the ills of our deterrent posture. It is, however, a strong step in the direction we need to be headed.

In conclusion, I would like to add my support of the committee's endorsement of continued Minuteman III production. The committee has emphasized that the administration's decision to close down the only strategic missile production line in the free world was "shortsighted in the extreme." While I regret that the committee did not actually include funding for the Minuteman III in this authorization bill, I believe that there is now widespread support both within the Congress and within the administration for supplemental funding. I am hopeful that a formal funding request will be forthcoming from the administration in the immediate future, and that the Congress will act promptly upon the request. For it would be an unwise and costly mistake for the United States to be left without the capability to produce Minuteman III, before the replacement for the Minuteman III is fully operational.

Mr. OBERSTAR. Mr. Chairman, during the course of House consideration of the military procurement bill, the gentleman from California (Mr. DELLUMS) will offer an amendment to reduce the U.S. overseas active duty level by 47,000 persons.

I intend to support the gentleman's motion.

Last year I opposed a similar motion on grounds that coming so soon after Vietnam, the time was not right; that it would send the wrong signal to both our allies and our adversaries; that it might very well be interpreted as a retreat from U.S. international commitments.

The situation today is vastly different

from that of a year ago. No longer is there any need to be overly cautious about the psychological effect of reduction in U.S. overseas troops. Indeed, there is good reason to take that step now as evidence of U.S. commitment to reduction of world military tensions and of our serious desire to bring about a successful outcome in the SALT negotiations.

The gentleman from California is making a modest proposal—he suggests slightly more than a 10-percent reduction from the present 454,000 military personnel stationed in foreign countries. It is a reasonable step; it will win the U.S. international good will; it is fully consonant with our overall foreign policy objectives of reducing international tensions; and it will help alleviate our balance-of-payments problems to the tune of some $700 million a year.

Mr. HUGHES. Mr. Chairman, I am in strong agreement with the intent of the amendment offered by my friend and colleague from Massachusetts, Mr. O'NEILL.

I would like to say that there appears to be some kind of military facilities wind tunnel pointed at the State of New Jersey these days. Nearly every military installation in our State has fought or is fighting attempts at closure or transfer of key elements to new locations down South or out West.

As a delegation, we have had to band together in the interest of self-defense to fend off these moves.

Interestingly, we have been successful in our attempts thus far because of a lack of thought and cost justification given to the prospective closings or transfers prior to the announcements.

That is why my colleague's amendment ils so much on point. What Mr. O'NEILL is asking is that we hold in status quo military base realignments from one section of the country to another until Congress can review existing procedures and justifications.

My own experience convinces me that too often the military it putting the cart before the horse on these moves. First, they announce the move. Then they do the cost justification.

A delay of a year on major moves as anticipated by this amendment will give the Congress time to review the decisions which affect the lives of so many people and the economics on whole areas. I commend the majority leader on his responsive amendment.

Mr. DAN DANIELS. Mr. Chairman, I include the following study concerning the B-1 bomber for the information of the Members:

BROOKINGS B-1 STUDY—WHAT'S RIGHT WITH IT?

Study says:

"Uniquely, strategic bombers and strategic bombardment continue to play a major role in the contemporary American military posture."

BROOKINGS B-1 STUDY—WHAT'S WRONG WITH IT?

Based on simplistic and erroneous assumptions:

Only cities need be attacked and this is wrong.

No serious threats to B-52 forces and this is wrong.

Study overstates cruise missile technology and performance—and understates cruise missile weight by nearly 100%.

Study assumes weapon type only significant difference in bombers.

Ignores differences in speed, altitude, and radar signature.

Study overstates Soviet interceptor capability against bombers.

But study does not allow mobile SAMs against cruise missiles (Soviets have today).

Study dismissed electronic countermeasures on bombers as ineffective.

But study credits subsonic cruise armed decoys (SCAD) with ECM (and SCAD program has been cancelled).

Study fails to suppress SAMs with short range attack missile (SRAM).

And study wastes about 600 weapons in the B-1 force.

Overstates B-1 force cost but underestimates cost of alternatives.

Study burdens B-1 with too many SRAM, extra bases, unnecessary new tankers and SCAD.

Study did not include full cost to maintain airborne alert standoff cruise missile force.

Charges U.S. strategic control and surveillance costs to bombers.

Study fails to recognize ICBMs and SLBMs also need that support.

The facts are:

Brookings study systematically misleads the Nation.

B-1 is the most cost effective weapon system against the 1980s threat . . . supported by GAO assessment.

Cruise missiles alone cannot do the B-1 job.

The B-1 is essential to U.S. national security.

Provides flexible response capability.

Bombers carry over half of U.S. strategic megatonnage and throw weight.

Complements land based and sea based ballistic missile forces.

Mrs. MINK. Mr. Chairman, I rise in strong support of the majority leader's amendment to H.R. 12438 which provides for a 1-year stay on all military base closures which have been heretofore announced by the Defense Department. I believe that it is basically fair to require the Defense Department to give communities that are going to suffer large economic consequences from base closures a minimum of 3 years notice so that plans can be made on a local basis to absorb the employment losses in these communities.

The O'Neill amendment will simply hold in abeyance all base closure announcements which have been issued since early March of this year. As some Members may be aware, a number of base closures and disestablishments have affected installations in my district in Hawaii. Pending study now and likely to be approved is the matter of disestablishment of Headquarters, Pacific Air Forces—PACAF—at Hickam Air Force Base. It seems to me such a large decision requires not only advance public notification to the community, but advance notification to the Congress in order that it may study and review the national security consequences of such a decision as well as giving the local communities an opportunity to tool up to the economic dislocations which will be caused from such a major decision.

I urge the House to support the majority leader's amendment. I believe that it is basically fair, particularly at a time when we are suffering such high rates of unemployment and spending billions in creating jobs in order to provide for the economic and employment needs of our citizens. It makes no sense that an agency of the Government is not put under more stringent rules and requirements as is proposed by the O'Neill amendment. I hope that the amendment will be agreed to.

Mr. SCHEUER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts (Mr. O'NEILL). This amendment would allow local communities adequate notice to prepare for a military base closure or major reduction in a military facility.

According to the Department of Defense, from 1969 to 1974, there have been 2,764 actions concerning U.S. military bases—ranging from closing base totally, to simply transferring some of its personnel elsewhere. DOD adds that in the same 6-year time period there has been a reduction of 80 major military installations.

Of particular concern is the impact of such actions on the declining regions of our Nation—the Northeast and Midwest industrial corridors.

Before one analyzes potential effects of military base closings one should realize that there already is a tremendous disparity in the current allocation of the Federal paycheck. In 1973, according to the Department of Commerce, military and civilian paychecks made up 10 percent of the total payroll dollars of our 15 fastest growing States: Arizona, Florida, Colorado, Alaska, Idaho, Mississippi, Utah, Arkansas, Virginia, Hawaii, South Carolina, North Carolina, Tennessee, and New Mexico.

During that same time period, in the five States which are declining the fastest—New York, Massachusetts, Connecticut, Ohio, and Illinois—the Federal military and civilian paychecks only accounted for 2.5 percent of the total payroll dollars of those States. The Federal payroll stimulus is going where it is needed the least—to the fastest growing States—and not to where it is needed the most—to the most rapidly declining States.

Compounding this 4 to 1 discrimination against our declining States is an equally unfair allocation of military construction dollars. Fiscal year 1976 Department of Defense military construction authorizations included $102 million for the Northeast and Midwest corridors with a population of 85.5 million people. The same bill included $800 million for the Southern States with a population of only 54.1 million—a pattern of discrimination of 12.6 to 1.

Aside from the immediate employment payoffs of such a biased construction allocation, we know that for every dollar spent on military construction in a State, the multiplier effect results in an increase of the payroll of that State by $2.50.

Thus, from a basepoint of the current 4 to 1 disparity in the Federal military and civilian payrolls, we compound the differential—

First, by the immediate employment payoffs of the military construction;

Second, by the multiplier effects of the construction; and

Third, by the further disparity in the Federal payroll—through the military and civilian personnel who will be employed in the new military facilities, so unfairly distributed—till the memory of man runneth not.

As we are all aware, the economic stimulus a military base or facility provides to a community is great. It is an unfortunate economic fact that the hardship caused by a sudden base closure is equally great.

As my colleague from Massachusetts (Mr. O'NEILL) pointed out, the economic depression in a local community caused by a sudden base closure may take many years to overcome—assuming that it can ever be compensated for.

This amendment would simply delay closings to insure that proper economic studies are taken first and primarily to save the Federal Government money. Second, Mr. Speaker, the 3-year delay would also give the local community time to prepare for the closure, if the economic studies indicate that it would be beneficial for the Federal Government.

We cannot allow the experience of the Boston Naval Yard closing to be duplicated across the country. As my colleague from Massachusetts Mr. O'NEILL documented, the quantifiable cost to the Federal Government of the closure was $25 million. But this cost does not include increased welfare payments, food stamp benefits, and increases in other federally funded social services as a result of the economic depression which the closure inflicted on Boston.

This amendment would both eliminate the promulgation of false claims of savings by the Department of Defense and impose some rationality on the otherwise chaotic process of military base closings.

I urge all my colleagues to support the amendment.

PREFERENTIAL MOTION OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. HARKIN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause of H.R. 12438 be stricken.

The CHAIRMAN pro tempore (Mr. BRADEMAS). The gentleman's motion is not debatable, in that all time has expired.

The question is on the preferential motion offered by the gentleman from Iowa (Mr. HARKIN).

The preferential motion was rejected.

The CHAIRMAN pro tempore (Mr. BRADEMAS). Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. BRADEMAS) Chairman pro tempore of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, pursuant to House Resolution 1134, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. PRICE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 298, noes 52, not voting 83, as follows:

[Roll No. 187]

AYES—298

Abdnor
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Bafalis
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bergland
Biaggi
Biester
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hammerschmidt
Hanley
Hannaford
Harris
Harsha
Hawkins
Hébert
Heckler, Mass.
Hefner
Hicks
Hightower
Hillis
Holt
Horton
Howe
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Michel
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
O'Brien
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Paul
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Randall
Regula
Riegle
Rinaldo
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Roush
Rousselot
Runnels
Russo
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Wis.
Stratton
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NOES—52

Abzug
Anderson, Calif.
Aspin
Badillo
Baldus
Bedell
Bingham
Blouin
Brodhead
Burke, Calif.
Burton, Phillip
Chisholm
Clay
Conyers
Cornell
Dellums
Drinan
Early
Forsythe
Fraser
Harkin
Harrington
Hechler, W. Va.
Helstoski
Holtzman
Kastenmeier
Koch
McHugh
Maguire
Meyner
Mezvinsky
Miller, Calif.
Mitchell, Md.
Moffett
Nolan
Oberstar
Obey
Ottinger
Pattison, N.Y.
Rangel
Rees
Reuss
Richmond
Rosenthal
Roybal
Ryan
Solarz
Stark
Studds
Thompson
Vanik
Weaver

NOT VOTING—83

Armstrong
Ashley
AuCoin
Barrett
Bell
Bevill
Breaux
Brooks
Burke, Mass.
Burton, John
Carter
Cederberg
Collins, Tex.
Conlan
Cotter
de la Garza
Dent
du Pont
Edwards, Calif.
Esch
Eshleman
Evins, Tenn.
Flowers
Flynt
Frenzel
Hamilton
Hansen
Hayes, Ind.
Hays, Ohio
Heinz
Henderson
Hinshaw
Holland
Howard
Hubbard
Jacobs
Johnson, Pa.
Jones, Okla.
Karth
Lundine
McClory
Macdonald
Madden
Matsunaga
Melcher
Metcalfe
Mikva
Mosher
Nedzi
Nix
Pepper
Peyser
Poage
Quillen
Railsback
Rhodes
Risenhoover
Roberts
Rostenkowski
Ruppe
St Germain
Seiberling
Smith, Iowa
Spellman
Staggers
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Stokes
Stuckey
Symms
Talcott
Teague
Thornton
Traxler
Udall
Vander Jagt
White
Wilson, Tex.
Young, Alaska
Young, Ga.
Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. John Burton against.

Mr. Burke of Massachusetts for, with Mr. AuCoin against.

Mr. Flynt for, with Mr. Lundine against.

Mr. Brooks for, with Mr. Stokes against.

Mr. Teague for, with Mr. Edwards of California against.

Mr. Jones of Oklahoma for, with Mr. Mikva against.

Mr. Jacobs for, with Mr. Mosher against.

Until further notice:

Mr. Rostenkowski with Mr. Armstrong.

Mrs. Spellman with Mr. Heinz.

Mr. Traxler with Mr. Ruppe.

Mr. St Germain with Mr. Young of Alaska.

Mr. de la Garza with Mr. Peyser.

Mr. Hamilton with Mr. Barrett.

Mr. Nix with Mr. Bell.

Mr. Matsunaga with Mr. Johnson of Pennsylvania.

Mr. Breaux with Mr. Madden.

Mr. Ashley with Mr. Symms.

Mr. Risenhoover with Mr. Talcott.

Mr. Staggers with Mr. Steelman.

Mr. James V. Stanton with Mr. Carter.

Mr. Pepper with Mr. Cederberg.

Mr. White with Mr. McClory.

Mr. Young of Georgia with Mr. Quillen.

Mr. Macdonald of Massachusetts with Mr. Rhodes.

Mr. Cotter with Mr. Hansen.

Mr. Evins of Tennessee with Mr. Frenzel.

Mr. Flowers with Mr. Eshleman.

Mr. Hays of Ohio with Mr. Metcalfe.

Mr. Howard with Mr. Vander Jagt.

Mr. Udall with Mr. Steiger of Arizona.

Mr. Melcher with Mr. Nedzi.

Mr. Hayes of Indiana with Mr. Railsback.

Mr. Bevill with Mr. Esch.

Mr. Henderson with Mr. Hubbard.

Mr. Roberts with Mr. Conlan.

Mr. Karth with Mr. Young of Texas.

Mr. Charles Wilson of Texas with Mr. Stephens.

Mr. Smith of Iowa with Mr. Thornton.

Mr. Holland with Mr. Seiberling.

Mr. Collins of Texas with Mr. Stuckey.

Mr. HECHLER of West Virginia changed his vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ruddy, one of his secretaries.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

FURTHER REPORT ON PROGRESS OF CYPRUS NEGOTIATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-446)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Pursuant to Public Law 94-104, I am submitting a further report on the progress of Cyprus negotiations and the efforts this Administration is making to help find a lasting solution to the problems of the island. In two previous reports, I detailed the Administration's major effort to encourage the resumption of negotiations between the Greek Cypriot and Turkish Cypriot communities. My most recent report, submitted in February, indicated that the two sides had agreed to resume the intercommunal negotiating process later that month. That round of talks did, in fact, take place.

The Greek Cypriot negotiator and his Turkish Cypriot counterpart met in Vienna February 17-21, 1976, under the aegis of UN Secretary General Waldheim. The meetings concluded with agreement by the two sides to exchange proposals on the key substantive Cyprus issues—including control of territory—within 6 weeks. Moreover, the parties agreed to meet again in Vienna following the exchange of written proposals for the purpose, according to a joint announcement made on February 21, of establishing a common basis before the proposals are submitted to mixed committees which will function in Cyprus during recesses in the Vienna-level talks.

The commitment of both sides to introduce negotiating proposals on the key territorial and constitutional issues must be viewed as a significant advance. Until the recent Vienna meeting, the two sides had never been able to agree on a procedural formula which would allow the exchange of their respective positions on these key issues of the Cyprus problem. That obstacle has now been overcome.

At the recent Vienna talks, the Greek Cypriot and Turkish Cypriot negotiators also agreed to resume talks in Nicosia on humanitarian considerations. To date, six meetings have been held which have dealt with the problem of missing persons, among other issues, and the situation of the Greek Cypriots living in the Turkish sector. There is evidence that these talks are producing concrete results. For example, according to a United Nations communique issued at the conclusion of the March 27 Nicosia meeting, nine schools will be reopened in the Turkish sector on the island to provide for the educational needs of the Greek Cypriot population that has chosen to remain in that area.

The United States continues to remain alert to any opportunity to assist the negotiating process more directly. During the recent visit to Washington of Turkish Foreign Minister Caglayangil, I emphasized the need for both sides to negotiate in good faith so that progress on the Cyprus problem can be realized as expeditiously as possible. Secretary of State Kissinger also addressed the Cyprus question in his discussions with the Foreign Minister. It was clear from our conversations that Foreign Minister Caglayangil believes these negotiations should be sustained so that the entire spectrum of issues can be considered.

In sum, we are encouraged that the negotiating process has been resumed and that a procedure has been developed whereby the critical issues can finally be subjected to serious negotiations. An important threshold has been crossed. Equally encouraging is the impetus that has been created to work out the humanitarian problems. Now we must all work to maintain and increase momentum. We are ourselves again reviewing the situation to see what more can be done to complement the efforts of UN Secretary General Waldheim and the parties, now that the stage has been reached where proposals are being exchanged. We will give serious consideration to any initiative or action—consonant with the wishes of those involved—which would provide greater impetus to the process that is now underway. In the weeks ahead, we will be in touch with the parties to explore such possibilities.

For the moment, we urge that the two sides engage in realistic and statesmanlike discussions on the major issues such as territory. For our part, we shall continue to devote our energies and resources to finding a just solution to the problems of Cyprus.

GERALD R. FORD.

THE WHITE HOUSE, *April 9, 1976.*

LEGISLATIVE PROGRAM

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, I ask for this time in order to inquire of the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), concerning the program for the week of April 12, 1976.

Mr. O'NEILL. Mr. Speaker, will the gentleman from Illinois (Mr. ANDERSON), the chairman of the Republican Policy Committee, and the acting minority leader be kind enough to yield.

Mr. ANDERSON of Illinois. I yield to the majority leader.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of April 12, 1976, is as follows:

On Monday, District day, we have two bills, H.R. 12132, District of Columbia medical and dental manpower, and H.R. 10826, unlawful use of rented motor vehicles.

Then we will consider S. 3056, Guatemala relief and rehabilitation conference report.

Next will be House Resolution 1129, disapproving proposed food and nutrition deferrals by the President.

Following that will be House Resolution 1032, disapproving proposed Soil Conservation Service deferral by the President.

Lastly on Monday we will have H.R. 7988, heart, lung, and blood research conference report.

On Tuesday and Wednesday we will have the following:

At 11 a.m. on Tuesday there will be Jefferson Day ceremonies. Therefore, the House will meet at 11 in the morning on that day.

Following that we will take up a resolution on disapproval of President's proposal on residual fuel oil decontrol.

Then we will have H.R. 12725, tax free

rollovers of retirement plan distributions, by unanimous consent;

H.R. 13069, loan authorizations for Virgin Island unemployment fund, by unanimous consent;

S. 2662, international security assistance, conference report;

H.R. 8235, Federal-aid to highways, conference report;

S. 644, Consumer Product Safety Act, conference report;

H.R. 12987, Comprehensive Employment and Training Act 3-month extension, subject to a rule being granted;

H.R. 12838, arts, humanities and cultural affairs, subject to a rule being granted;

H.R. 12704, Environmental Protection Agency authorization, subject to a rule being granted; and the second supplemental appropriations, fiscal year 1976.

Conference reports may be brought up at any time. Any further program will be announced later.

Mr. Speaker, the House will recess for Easter from the close of business on Wednesday, April 14, 1976, until noon on Monday, April 26, 1976. We will adjourn by 3 o'clock on Wednesday, April 14, so that certain Members of Congress may be at home for their religious festivities.

PERMISSION FOR SUBCOMMITTEE ON COURTS, CIVIL LIBERTIES, AND THE ADMINISTRATION OF JUSTICE OF COMMITTEE ON THE JUDICIARY TO SIT DURING THE 5-MINUTE RULE ON WEDNESDAY, APRIL 14, 1976

Mr. O'NEILL. Mr. Speaker, I understand that it has already been agreed on both sides of the aisle that the gentleman from Wisconsin (Mr. KASTENMEIER), chairman of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice of the Committee on the Judiciary, wishes that subcommittee to sit during the 5-minute rule on Wednesday next because of a schedule that he has announced and because certain attorneys general are coming to Washington from quite a distance.

Therefore, Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin (Mr. KASTENMEIER) and the subcommittee referred to be given permission to hold hearings during the 5-minute rule on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT TO MONDAY, APRIL 12, 1976

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING ON TUESDAY, APRIL 13, 1976

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, April 12, 1976, it adjourn to meet at 11 o'clock on Tuesday, April 13, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, APRIL 14, 1976

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, April 13, 1976, it adjourn to meet at 10 o'clock a.m. on Wednesday, April 14, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR THE COMMITTEE ON THE JUDICIARY TO FILE REPORTS ON H.R. 365 AND H.R. 366

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file reports on H.R. 365 and H.R. 366.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

JOBS CREATION AND THE PROSPECTS FOR PROSPERITY: THE CONTRAST BETWEEN 1776 AND 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, the American economy has been on the wrong road in recent years. It has been on the road of inflationary stimulation of consumption—at the expense of the productivity base which generates new jobs and noninflationary wage increases.

Now, the American economy is at a major policy crossroads. The road we choose will govern how well—or how poorly—the country recovers from the recession. It will govern our ability to meet social goals. It will even govern the stability of our institutions and rights.

At no time since the Depression and the debates on full employment which followed the Second World War has our country addressed itself this visibly to a primary choice of economic policy. It is indeed a fundamental choice—one between two basic alternatives.

What are those alternatives? Enough jobs, or not enough jobs. Enough jobs on one hand to rehire those now unemployed and to hire those coming into the work force each year. Or not enough jobs to rehire the unemployed and to hire new workers. No matter how else it may be expressed, this question of jobs is the central feature of the debate now going on in the economic councils and Congress in Washington.

I can think of very few things more important than jobs. Jobs are the underpinning of our economic stability and, beyond that, of the system itself. But, to me, it borders on being ludicrous that there even has to be a national debate underway on how to create and sustain jobs. History is so very clear in this regard—the history of both material and social progress and that of freedom, as well—that it would seem to be beyond debate. It would certainly seem to be beyond debate if, in this bicentennial period, we understood accurately the events of 1776.

1776: THE DECLARATION OF INDEPENDENCE, "THE WEALTH OF NATIONS," AND THE STEAM ENGINE

Three things of monumental importance happened in 1776. It was no coincidence that 1776 was the year of our Declaration of Independence—the greatest single statement of political freedom and guarantor together with the Bill of Rights of personal freedom; the year of Adam Smith's "The Wealth of Nations"—the greatest single statement of economic freedom and means of assuring economic growth; and, the year of James Watt's first successful use of the steam engine, the benchmark from which most measure the true beginning of the industrial age and our unparalleled material progress. Those three events were not accidental, nor were they unrelated. They were related through specific, prevailing attitudes concerning the essential, concomitant nature of political and economic freedom and of political and economic progress.

We can too easily overlook what the leaders of that period were telling their fellow citizens—and us as the heirs of the same traditions. These events were reflections of the general will, of a consensus of views strongly held.

The Declaration of Independence certainly broke new ground by fostering the first break of a colony away from a mother country in modern history, but its declarations both of grievances against the State and of the means of best protecting freedom were little more than codifications, no matter how bold to put them into print, of prevailing intellectual and popular opinion.

Adam Smith may have broken new ground—he certainly is regarded as the principal founder of the free market school—but his conclusions were quite obviously based on an accurate reading of prior economic history.

And, while James Watt may have been the inventor—and therefore the first—his invention was in response to: First, a widespread recognition that quantum jumps in material progress would come only through devising means of power other than humans and draft animals; and second, to an awareness on his part that our rights are inalienable—that profit and could be manufactured through investing enough front-end capital.

They told us as much themselves.

Jefferson said:

> Agriculture, manufacture, commerce and navigation—the four pillars of our prosperity—are the most thriving when left most free to individual enterprise.

And he knew quite well the restraints on growth caused by excessive taxation and regulation when he said:

> It is in the natural course of events that liberty recedes when government grows.

Jefferson summed it up most dramatically when he said, in the Declaration, that his creativity would be rewarded by they are indivisible—that an infringement on one is an infringement on all. Liberty is important as an economic resource too; as a matter of fact, it can be considered a factor of production.

Benjamin Franklin reflected these sentiments in an expression that we all use but seldom appreciate: "A penny saved is a penny earned." Now, how is a penny saved an earned one? By becoming the savings, the investment money from which additional income can be produced, can be earned.

And Adam Smith put it in economic terms understandable to all of us. As he put it:

> Every man, as soon as he does not violate the laws of justice, is left perfectly free to pursue his own interests in his own way, and to bring both his industry and his capital into competition with those of any other man or order of men.

The concept he propounded complemented both James Watt's plans to harness energy and the truths of the Declaration. He proposed to energize economic society by developing the potential of individual initiative of free men. He propounded the idea that in society the sum total of individual economic initiatives of free men far exceeds any potential which would arise from the guidance of a selected few—selected by the King then or elected by the people today.

This is what the American Revolution was mostly about—protecting the means—our rights—through which political, social, and economic progress of the individual could be best assured—most typically against the restraints of government. This was taken so much for granted that there was not even any debate on freedom of enterprise. No one proposed that the Government assume the responsibility of assuring economic progress, of providing jobs. There was the broadest possible agreement on this point, and the consensus provided the base for unparalleled growth.

1776 AND 1976: THE DIFFERENCE IN LIVING STANDARDS

Look at the difference between 1776 and 1976. Compare the living standard today with then. Men and women were working 12 to 18 hours a day and 6 or more days a week. Child labor was the norm; as a matter of fact, children had to work for families to survive. Horses and oxen were plowing the fields and pulling wagons and carts. Electrical power consisted of Benjamin Franklin pondering over the effects of his kite in a storm. The internal combustion engine was a hundred years away from even being invented. Machines were in their infancy. Sail and flowing water were the means of waterborne commerce. There was no running water in homes. In summary, it was a hard life by today's standards even for the wealthiest.

We know what we have today by contrast. Prosperity has reached a level never known in the world's history. Worker's real wages have reached a level unprecedented in any economy. We produce in 1 hour the wheat it took them 1 week to produce. We travel in 5 hours the distance across America it took them 2 full seasons to travel. Instead of a campaign to open the Appalachians, we have walked on the Moon. Of all the figures one can recite, the most revealing is this: One-half of all the goods produced in the past 10,000 years, from the beginning of man's quantifiable economic history in 8,000 B.C., have been produced in the United States in the past 200 years.

We had the material resources, our vast quantities of natural resources. We had human resources, the never-ending flow of immigrants that came to America because of its vision and its living standards. And, we had sufficient capital—money for the investment essential to assure continued growth in jobs and productivity. And, this is what distinguished us from all the rest—our use of capital.

THERE ARE TWO WAYS TO GUARANTEE PRODUCTIVITY AND PROSPERITY

There are two ways to guarantee the productivity and prosperity essential to guaranteeing more jobs. On one hand, the workers can work longer and harder. On the other, we can have more and better tools—equipment and facilities.

The means through which we have more and better tools is capital—the funds with which to build plants and buy and replace equipment. It is capital and its system—capitalism—which have helped more than any other factor to improve our living standard. Without that capital, the American worker would not produce more and better things per hour of work than the serfs of feudal days. He would not earn more, and, like them, would live on the thin line of existence.

We do not need to return to the medieval period to prove this point. We have more recent examples. Two in particular are West Germany and Great Britain during the post-war period.

In 1948 American economic experts, including Walter Heller, went to West Germany to investigate their conditions and to make recommendations on fiscal, economic policy. What did they recommend? They insisted the only way out for Germany was to adopt inflation. They said that Germany had an "excessive concern for price stability," and that "a rate of interest high enough to stimulate any large volume of personal savings would seriously curtail investment." In other words, the U.S. experts called upon Germany to adopt all the Keynesian principles. Economics Minister and subsequent Chancellor, Ludwig Erhard, would have nothing to do with the recommendations. He even threatened to resign if these views were forced upon him. The Americans backed away.

We all know what did happen. The German Government insisted upon the opposite course—upon the maintenance of a sound currency, a balanced budget, the elimination of price controls, incentives to business and individuals to save and invest, and encouragement to private enterprise. The rest is history. West Germany went on to become the most prosperous nation in Europe, one of the success stories of modern history, and the last to even be affected by the present recession. All of this is in stark contrast to what the British did after the war.

They did not need an American commission of economic experts to tell them what to do wrong. They did it themselves. They adopted the policies which West Germany rejected. They spent much more than they took in, and the currency and the economy foundered. Inflation—the inevitable product of consistently spending more than you take in—was the result, and the response was another bad one: wage and price controls, but mostly price controls. Nationalization took one industry after the other, and productivity dropped to among the lowest rates in the world. Britain today is on the verge of complete collapse—of bankruptcy.

I do not think it takes a Ph. D. in economics for all of us to know that we have not done too well since we adopted the policies of Lord Keynes either—the spend our way to prosperity approach. We have had boom and bust cycles which get more severe each time. Inflation reached 13 percent. Both the Federal budget and the Federal deficit have doubled in the 5 years in which I have been in the Congress. The Federal budget for fiscal year 1977 will be at least $111 billion greater than the budget of 2 years ago. The average amount of taxes the Federal Government will collect from a family of four this year is $7,000—quite a jump over the $308 it collected from a family of four in 1940.

Of course, all that money is needed to sustain the bureaucracy, a bureaucracy which has grown 462 percent since 1930 when the total population of the country was growing but 71 percent. This is the bureaucracy which last year saw one agency, the Interstate Commerce Commission, making a total of 580,000 decisions affecting what private industry could do. This is the bureaucracy which last year published over 12,500 pages of new rules and regulations which, of course, was in addition to the 232 new laws passed by the Congress. Of course, maybe the bureaucracy was just trying to keep up with the Congress. The last Congress considered 26,000 bills and 772 of them became law. But let me return to the central point.

All of this lawmaking and all of this Government spending does not create jobs. If it did, the spending would have produced an increase in jobs, no matter on what ratio. We know what the fact is. As spending by Government went up, the rate at which new jobs materialized went down. It was not the only reason jobs went down, but all of the reasons relate to the way in which Government impedes the private sector's capacity to assure jobs.

Excessive spending requires a financing of the deficit, and that part of the deficit which is not monetized through the Federal Reserve is paid for from capital which would be used otherwise at lower rates of interest by corporations, home buyers, individuals—in short, by the private sector. This is what we call the crowding out of capital.

THE BIAS IN OUR TAX LAWS AGAINST INVESTMENT AND PRIVATE SECTOR JOBS CREATION

Our tax laws are heavily biased against investment, against production. They are skewed heavily in favor of present consumption. Look at allowable deductions under the Internal Revenue Code. For example, as a general rule deductions are allowable for interest to finance consumption but not for the initial savings or the return to savings. We can deduct many State and local taxes imposed on our consumption, but we cannot deduct what we put into a new investment or saving—money we put into a bank or savings and loan account, or into a life insurance policy or an annuity. If we invest it in machinery, we are allowed to depreciate it usually only on very unrealistic schedules, some ranging as high as 50 years. What a marked contrast with Sweden—which we view as the most socialist of the free countries of Europe—which allows a 1-year writeoff of investments in plant and machinery; they allow you to treat such expenditures as ordinary costs of business.

The bias in our tax laws is even more apparent when you compare them to the other industrial nations of the free world. Out of nine countries, our rate of taxation on consumption is eighth. But out of those same nine countries, our rate of taxation on wealth—from which wealth must come most of that margin which either gives us the capital growth edge we need to assure progress or not—our rank is first. We tax wealth more heavily than any other.

The consequences should be a surprise to no one. Our average private investment as a percent of gross national product is seventh; so is our average annual growth in productivity, therefore. So was our output per man-hour and the growth rate of the real gross national product. If that does not tell one the correlation between investment and economic growth, I do not know what could.

Yet for whatever reason there are far too many in Washington whose main task it is to go in the wrong direction. The House has passed a so-called Tax Reform Act which will do more to tighten the stranglehold on capital formation; it shifts the balance even further toward consumption. The House has just passed a $6.2 billion public service jobs program, as well as a $6.1 billion public works program, both of which, of course, will ultimately transfer jobs from the private to the public sectors, generating greater, not less, dependence on Government. But these measures are viewed by their proponents as short term. What they have in mind for the long term is even more distressing.

A CONGRESSIONAL RESURGENCE OF "MORE OF THE SAME" WILL NOT SOLVE OUR PROBLEMS

We have one bill being considered—the so-called Full Employment and Balanced Growth Act of 1976—which would give a statutory right to a job to every American. If you could not find a job in the private sector, Government would be obligated to give you a job. You and I know what that would mean. It would take all the pressure off union wage demands, because the loss of a job through either a strike or employee cutbacks because of higher per man wages would be cushioned by this Government guarantee. But, once that started to happen, the Government could step in with demands for wage controls as a means of controlling wage-push inflation. In addition, we have the obvious problem of how to finance such a program, and we know it would have to be financed through more deficit spending, the kind which produces more inflation. We would be on a spiral downward, insofar as jobs are concerned. And, before you dismiss this legislation as unlikely to be passed, keep in mind that it has been embraced by nearly every candidate for President in the Democratic Party and is authored by a Senator who could become President given the right—or wrong depending on perspective—set of circumstances, Senator HUBERT HUMPHREY.

We have another bill under consideration which would mandate central economic planning. After all, its proponents argue, can we assure jobs without controlling the economic conditions which can otherwise cause an increase in private sector unemployment? Thus, all the forces of the marketplace—that invisible hand to which Adam Smith referred—would be subject to control by the bureaucracy in Washington, a bureaucary whose performance record seems to be overlooked in assessing its ability to do this task any better. And, as you and I know, market forces cannot really be ever controlled enough to satisfy the central planners. Not, at least, in a free society. This bill has nearly the same sponsorship as the prior one.

Both could be law within the next 2 years, unless we do something today to better inform the American people—and through them, their Congressmen—about how jobs are and are not created and sustained. It is no easy task.

ECONOMIC FACTS VERSUS ECONOMIC MYTHS: THE BASIS FOR PUBLIC OPINION

The difference between public opinion in this area and the reality is striking. People believe the average manufacturer's after-tax profits on sales are 33 percent. In reality, they are 5.2 percent. The people believe the average auto company's sales profit to be 39 percent. The reality is 1.9 percent. They believe the oil companies make a 61-percent profit on sales, when in reality they are 7.2 percent. Of crucial importance when talking to the labor force about the size and role of profits, we must work to dispell their belief that an after-tax dollar is split about 75 percent for profit and 25 percent for the employees. We must show them the reality—that employees receive 89.6 percent, not 25 percent.

Few ways of illustrating the role of wages and salaries are more dramatic than looking at the distribution of national income; 76 percent of that income goes to wages and salaries. Corporate profits—before taxes—are 8 percent, but they are 4.1 percent after taxes. Total interest paid is only 7 percent of national income.

I have seen thrown around time and time again the figure that 5 percent of Americans own 83 percent of American business from which they supposedly receive dividend payments equal to the total earnings of Americans in the bottom 40 percent of income distribution. What are the facts? The bottom 40 percent receives a share of personal income that is more than six times greater than total dividend payments. In 1975, dividend payments totaled $32.8 billion compared to transfer payments—social security, medicare, welfare, Government pension and unemployment payments—of $175 billion. Taxable dividends paid to individuals were only $18.7 billion—which is equal to the amount paid in veterans benefits and is about one-fourth the amount of social security payments.

We are told by some tax reformers that if we simply taxed the profits of corporations more heavily, that we would not have this huge national debt and the inflation it may—they say "may" but I must say "does"—produce. What are the facts? On an annual year basis in 1975 the Federal budget deficit was $73.4 billion. Yet corporate retained earnings totaled only $22.3 billion, and total corporate dividends paid totaled $32.8 billion. Added together, we have total corporate after tax earnings. But that is only $55.1 billion, some $18.3 billion less than the Federal deficit. This means that even if corporate earnings were taxed 100 percent—in other words, we confiscate the entire dividend income stream of shareholders plus the profits retained by corporations—we would still be $18.3 billion in the red. And, of course, we would have eliminated economic incentive altogether and much of the source for economic growth as well.

All of this misinformation did not occur overnight—nor did it occur by accident. Those who advocate the policies which have led Britain—and New York City—down the path to near financial ruin have been active in our economic—and political—thinking for the past 50 years. We know what they advocate, and we certainly know what the consequences have been. What they are doing now is a logical consequence of the earlier Keynesian policies—those which ran inflation up to 13 percent and which maintain it today at an average of 6 percent. Now, there tact is to get rid of the 8-percent unemployment which that inflation produced—all, however, without acknowledging that it was their policies which produced it.

Our task now becomes more obvious.

A STRATEGY FOR FREEDOM

It is time Government and business level with everybody about the arithmetic of our national economy and of your respective businesses. Even if our audience does not always agree with us, it will at least give our customers and our employees a chance to sort out fact from fiction and thus be able to figure out for themselves whether the prices we are paying are reasonable and whether the wages we are paying are fair.

It is time to get back onto the road to both expanded personal freedom and more assured prosperity, a road from which we took a decisive detour toward central planning and jobs through government policy some decades ago.

But the task is greater than merely informing—no matter how accurately. The task involves the setting forth—over the heads of the misinformed and directly to the people as consumers and producers—of a strategy for freedom, a strategy for long-term prosperity, a strategy for assuring enough jobs not just for today but for tomorrow.

There is a strategy for freedom.

We can elect a Congress committed to the principles of a market economy and a restraint on Government. If we are to undo what prior Congresses—and this Congress—have done, it has to be through getting regulations off our backs and tax collectors out of our pockets. Only changing the law can do that in our society.

We need a rigid reexamination of every Federal program on the books, using a zero-base budget device through which every agency and program must rejustify itself on a scheduled basis or go out of operation.

We need to deregulate through a top-to-bottom reform of our regulatory agencies and laws.

We need a constitutional prohibition against deficit financing and a fixed statutory or constitutional limit on the percentage of income which can be taken by Government.

We need a requirement that every bill introduced indicate how much it would cost the taxpayer—in terms of taxes and inflation.

We need a statutory limit on the allowable percentage increase in the money stock.

We need to add the teaching of free enterprise economics to the curriculum of every school in America.

We need major tax reform to encourage savings and investment, and this is a crucial plank in this platform. I introduced last March a tax reform bill which would accelerate the formation and accumulation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy. It has 107 cosponsors in the House and Senate today, and it is called the Jobs Creation Act. It is illustrative of the type of specific strategy to which I refer.

The Jobs Creation Act would provide tax credits for increases in qualified savings and investments—in commercial or mutual savings banks, savings and loans, building and loans, credit unions, life insurance or mutual companies, and in qualified bonds and common stock of domestic corporations. It would reduce the corporate normal and surtax rates. It would increase the corporate surtax exemption. It would increase the investment tax credit. And it would do about 12 other important things too. But most importantly, it would constitute a major shift toward rewarding investment and savings—the means of assuring jobs—by removing the code's existing biases against jobs creation. It would help everyone, from individuals, to farmers, to small businesses, to corporations, not because that is the political way to get a bill passed, but rather because accelerated capital formation must have that broad of an economic base.

I can think of very few pieces of legislation which can be better used to make the point that here is where the answer to real, sustained jobs growth lies, not with government-guaranteed jobs or central planning.

We need to spread the base of capitalism to the workers more effectively than we have in the past, and tax reform measures such as the Jobs Creation Act make that possible without confiscating anyone's wealth and redistributing it. The Jobs Creation Act simply assures us there will be a steady growth in total wealth, and everyone would benefit.

And, last of all, we need a strong national defense, one second to none, and we need a manifest will to use it in the interest of peace. No amount of economic progress is going to do us any good here, if we are not here as a free people to benefit from it.

HOW GOVERNMENT CAN REALLY ASSURE FULL EMPLOYMENT

So, when people ask me if Government can assure full employment, I tell them, "Absolutely." It can do so by winding down the bureaucracy, by reducing taxes on the productive sector of the economy, by stopping its spending of people's money irresponsibly, by regulatory reform, by stopping its crowding out of investment capital, by ending the double taxation of dividends, by ending its arrogant "Uncle Sam knows best" attitude, and by a conscious attempt to start telling people the truth about business and profits, labor and wages.

The events which historians will someday associate with 1976 are of no less importance than those we identify with 1776. In 1776 the question was whether a band of relatively united men and colonies for whom they spoke could forge a successful union.

In 1976 the question is whether we know the lessons of 1776 well enough to heed them and to preserve and nurture our strengths into renewed success. And I speak, in particular, about the relationship between individuals and government.

The question which seems paramount in my mind during this Bicentennial period is just that: "Which shall be the dominant influence in shaping the Nation over its next 200 years: individuals voluntarily associated through mutual, self-balancing interests on one hand or centralized Government planning, law, and regulation on the other?"

Whether it is 1776 or 1976 or 2176, the task of preserving individual freedom should be subordinate to no priorities of Government which may usurp them.

It is time to get back onto the road to prosperity through freedom.

NEW YORK CITY FORGETS ITS PROMISES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. KELLY) is recognized for 15 minutes.

Mr. KELLY. Mr. Speaker, through a letter dated April 2 I have formally asked the gentleman from Wisconsin (Mr. REUSS), chairman of the Committee on Banking, Currency and Housing, to direct a committee investigation into New York City's current fiscal practices in connection with the Federal loan program enacted last year.

This was done because New York officials promised us austerity when they came here, hat in hand, and walked away with commitments for $2.3 billion for their bailout.

Now they appear on the verge of breaking that promise, and may have broken it last week in negotiating $50 million more in cost-of-living benefits for their unionized transit workers.

Their timing was poor. Word of this settlement came on the day Mayor Beame was to testify before a Senate committee on the city's plan for fiscal management.

And the prepared text of his testimony was in hand here when the word came. Mayor Beame, with the negotiation in the background, was going to tell the Senate no wage increases were in store for city workers; that, in fact, some fringe benefits might be cut back.

To me it means the New York City politicians are continuing their same game of financial distortion to deceive the people of New York and the taxpayers of America, who are lending their money.

This illustrates why they are in trouble. There is no political leadership. What leadership there is has no guts. They are more interested in buying the big union vote in the next election than in working for what is in the best interest of the people. They want to go on living beyond the city's means, and they want to do it at the expense of the rest of the Nation.

The power brokers there are controlled by the big unions. The settlement was accompanied by talk of increased efficiency in the transit system. If transit workers are capable of efficiencies sufficient to gain $50 million more, those savings should be passed on to the people who pay the bills, not crammed into already overstuffed union pockets. The savings should go toward having the city bail itself out rather than to placing additional burdens on the taxpayers of New York and the Nation.

Let us talk some about efficiency. The New York Times has given us some information about the growing efficiency of the system.

The Times reports the subway system carries 400 million fewer riders than it did 10 years ago and that 10 percent more employees are needed to transport them; that wages for transit workers have risen 129 percent during that time while the cost of living has gone up 77 percent; that total labor costs are up 180 percent.

If that is what they mean by increased efficiency, the taxpayers of New York and the Nation cannot take much more of it.

But the truly disturbing thing about the settlement is what it is likely to mean; it means the promise of austerity will not be kept.

The transit union is only the first in line. New York officials are almost certain other unionized municipal employees will join the new pay line the transit workers pioneered. Some estimates hold a round of raises will cost $200 million to $400 million, based on what has been done.

I invite my colleagues who are made uneasy by these developments to join me in asking Chairman Reuss to investigate fully the city's practices.

Mr. Speaker, I include at this point in my remarks the text of my letter to Chairman Reuss and an article from the New York Times detailing the transit settlement:

House of Representatives,
Washington, D.C., April 2, 1976.

Hon. Henry Reuss,
Chairman, House Committee on Banking, Currency and Housing, Rayburn Building, Washington, D.C.

Dear Mr. Chairman: In light of the Banking Committee's active role last year in obtaining federal financial assistance for New York City, it is of the utmost importance that the Committee exercise its oversight function—and its responsibility to the taxpayer—by monitoring new developments in the New York situation.

Several matters for serious concern have today come to light with regard to New York City's conduct of its fiscal affairs under commitments precipitated by the New York City Seasonal Financing Act of 1975 and it appears that the officials of the City are no longer acting in good faith with the federal government.

Accordingly, I am hereby requesting that you institute a Committee investigation of the City's fiscal practices in connection with the federal loan program.

This morning, before the Senate Banking Committee, Mayor Abraham Beame discussed with some optimism the City's ability to pay its debts to the Federal Government. His testimony, as prepared for release, also specifically stated that the financial plan developed to put the City's finances in order "offers nothing in the way of a wage increase cver the next two years" for public employees.

At the very same time, we are informed through the pages of the New York Times that a report to the State's Emergency Financial Control Board reveals "that the City's effort to overcome fiscal chaos is seriously slipping" and that "the City would fall short by 28 to 61 percent of the $92 million it hoped to have in cash in the fiscal year." Also reported are details on the $50 million cost of living increases the City has negotiated for transit workers who were threatening to strike.

Obviously, something is wrong when the ranking City official tells us on the one hand that no raises will occur, while on the other hand raises are being promised.

Mr. Chairman, if New York City is not keeping its promises of austerity, let us find out now. If they want to continue living beyond their means and want to do it at the expense of the rest of the Nation, let us find out now. If the City is going to come back to our Committee to ask for another bailout, let us find out now.

Sincerely,

Richard Kelly,
Member of Congress.

[From the New York Times, Apr. 2, 1976]

Pact on Transit Pegs All Raises To Cost of Living—No Other Increase Is Given in Averting Strike—Beame Voices Reservations

(By Lee Dembart)

A paralyzing transit strike was narrowly averted early yesterday morning at a cost that city officials feared they could not match for other public employees within the limits of the city's already shaky financial plan.

Mayor Beame, who has been closeted with his advisers during a night of emotional discussions on what to do, appeared before the glare of television lights shortly before 5 A.M. and took pains to put distance between himself and the settlement.

The two-year accord calls for no wage increase for the 34,000 transit workers. Instead, there is a cost-of-living adjustment tied in principle to unspecified productivity savings.

David L. Yunich, chairman of the Transit Authority, promised that "this contract will not trigger a fare increase in the foreseeable future," and Mr. Beame reiterated yesterday afternoon that Mr. Yunich had guaranteed that there would be no fare increase this year.

WARNING VOICED

As the negotiations teetered on the verge of a strike in the early morning hours at the Americana Hotel, the Mayor's aides were warning him that a similar agreement for city workers would cost between $200 million and $400 million, none of which the city has budgeted.

"The specific elements of this agreement, if applied to city agencies, would exceed the city's financial plan submitted to the Emergency Financial Control Board," Mr. Beame told the news conference at which the settlement was announced.

The Control Board, which is overseeing the city's efforts to restore itself to solvency, must approve the contract between the Transit Authority and the Transport Workers Union, and there was some indication yesterday that it, too, was fearful of the impact on the city unions, whose contracts expire June 30.

"A similar increase for city employees would do violence to the financial plan," said Stephen Berger, chief administrator of the Control Board. "It would involve restructuring that would be most difficult, and it would certainly add to the deficit."

But there was also reason to believe that the city unions might not demand the same contract that the transit workers won.

While the unions were officially saying "no comment" yesterday, a senior official of District Council 37 of the American Federation of State, County and Municipal Employees said:

"We know that it's going to have an influence, but it's not a fixed formula that has to be applied. There are different circumstances."

Under the terms agreed to by the T.W.U., the transit workers will receive a cost-of-living adjustment of 1 cent an hour for each increase of 0.3 point in the local Consumer Price Index.

This formula is a 25 percent increase of 0.4 point.

This formula is a 25 percent increase over the one in the expired contract, which gave them 1 cent an hour for each increase of 0.4 points.

The first cost-of-living raise will be paid on July 1, based on the increase in the index from December 1975 to May 1976. Another cost-of-living raise will be paid on Dec. 1 based on the increase from June through November. The same dates will apply in the second year of the contract.

6 PERCENT INCREASE FORESEEN

Economists forecast that the cost of living will increase 6 percent a year in each of the next two years. But the index stood last December at 172.7, and a 6 percent increase would mean an increase of 10.36 points.

Based on the formula, an increase of 10.36 points would mean a pay raise of 34 cents an hour for the transit workers, who currently earn an average of $6.96 an hour for their 40-hour week.

The Transit Authority says that each pay increase of 1 cent an hour costs it $1,127,000 a year, and 34 cents an hour would therefore cost it $38.3 million for a full year.

Based on a projected increase of 6 percent in the Consumer Price index in each of the next two years, the total cost to the Transit Authority would be between $57 million and $58 million.

But the Transit Authority insisted throughout the negotiations that it had no money to pay any increases, and the city and state told it that they had no money, either.

Early; on, the authority decided that the money for pay raises would have to be generated from productivity savings within the budget, but it could not agree with the union on where those savings would be made.

COMMITTEE PLANNED

As a result, the agreement calls for the creation of a "joint steering committee to study the efficiency and utilization of personnel, plant and equipment, and to make recommendations and arrive at an agreement to eliminate inefficiency, unnecessary costs and underutilization resulting from any cause whatsoever."

Mr. Yunich, who looked tired but in better shape than some of the other negotiators and mediators, said yesterday morning that "the Transit Authority and the unions accept the principle that increases in the cost-of-living adjustment shall be generated from internal cost reductions."

But Matthew Guinan, the president of the union, said the raises would be paid independently of any productivity savings, and Mr. Yunich did not contradict him.

Yesterday afternoon, John F. O'Donnell, the union's counsel, buttressed the union's argument by citing the wording of the agreement, which said that "the potential cost of the cost-of-living allowance embodied in the agreement shall have to be met through internal savings, although not contingent on such savings."

Mr. O'Donnell noted again, as the union has repeatedly done during the negotiations, that the T.W.U. had participated in the work of the present productivity committee and that substantial savings had been achieved as a result.

The terms of the contract were agreed to by the Mr. Yunich and Mr. Guinan during secret negotiations at the New York Hilton hotel Tuesday night, and, according to one close participant, "the negotiations yesterday were between Beame and Yunich."

Mr. Yunich, who was said to be choked with emotion during one conversation Wednesday night with the Mayor, insisted that he could not agree to the contract if Mr. Beame was going to attack it and that the Mayor had to be at least neutral.

The Mayor was apparently convinced to go along with it by the argument that if the transit workers were to strike they certainly would not settle more cheaply.

In addition, according to persons in the Mayor's suite, there was some feeling that the Mayor would rather take a strike by Victor Gotbaumn's municipal employees in July than by Mr. Guinan's transit workers yesterday.

VAN ARSDALE CALLED IN

For its part, the union clearly felt that it had done the best it could under the circumstances, but it brought Harry Van Arsdale, president of the New York City Central Labor Council, into its negotiating committee meeting at 4 A.M. to help sell the pact.

The polite applause from inside the meeting room—in contrast to the thunderous ovations of past years—proved that the union leaders were probably right in having brought him in.

"This is a fair and reasonable contract," Mr. Guinan told the news conference that followed the meeting. "With or without a strike this is the best we could do."

HEARING OF SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW OF COMMITTEE ON THE JUDICIARY ON APRIL 14, 1976

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, the Subcommittee on Monopolies and Commercial Law of the Committee on the Judiciary, of which I am chairman, announces that it will hold a hearing on managerial decisionmaking and petroleum joint ventures in committee room 2141 of the Rayburn Building on Wednesday, April 14, 1976, at 9:30 a.m.

FAIR PLAY FOR THE VETERAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. MEYNER) is recognized for 5 minutes.

Mrs. MEYNER. Mr. Speaker, during the Korean war, I served with the Red Cross on the battlefront and came to know the exacting hardships that many men in the Armed Forces have endured during wartime.

For these contributions to insure our national security, veterans deserve the very best care that this country can provide. That is why I have cosponsored a bill, H.R. 11748, which would remove the present 10-year limitation within which programs of education for veterans must be completed. Many veterans are either unwilling or unable to resume their educations immediately after discharge from the Armed Forces. They should be allowed to receive those benefits free of time restrictions.

Now the 10-year limitation imposed in 1966 threatens to halt the educational progress of the individual who needed time to raise a family or to support dependents or to establish career objectives. H.R. 11748 would give the fullest possible educational opportunity to veterans. We owe them no less.

My record on veterans benefits is clear. On June 6, 1975, I voted for the Veterans and Survivors Pension Act which would liberalize many benefit provisions of the current law; I opposed a bill to abolish GI educational benefits; and I supported and cosponsored H.R. 7717, a bill to insure that social security increases are "passed through" and do not result in commensurate reductions in veterans benefits.

The economic condition of the Government and the Nation necessitates careful fiscal restraint. And, there are many areas in which Federal funding can be cut. Benefits for veterans is not one of them.

SOLAR ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. BAUCUS) is recognized for 10 minutes.

Mr. BAUCUS. Mr. Speaker, it is nearly impossible to argue against the proposition that solar power theoretically provides an attractive alternative source of energy. The advantages of the use of solar energy are easily recognized and cited. The power of the Sun's rays is virtually inexhaustible and available at nearly every point on Earth. To the extent that solar energy is utilized, the need for other sources of fuel is diminished. Solar energy is one of the cleanest sources of power known to man. Of course, use of the rays of the Sun is not contingent on the whims of any foreign government. In short, solar energy appears to be the ideal energy source—provided that the technology exists to efficiently exploit it.

The potential advantages of solar power are particularly pronounced when applied to the heating and cooling of homes. About 25 percent of our total energy consumption arises from heating, cooling, and hot water heating. According to a General Electric study for the National Science Foundation:

> Of the 60 million buildings to be constructed in the United States . . . approximately 40 million were found to be viable cost-effective candidates for solar systems . . . If all these buildings were so equipped, the yearly equivalent electric power savings would be approximately 1,500 billion kilowatt hours . . . by the end of the century—equivalent to the total electric generating capacity of the United States in 1970.

Thus there is great potential in the use of solar power to heat and cool homes. However, several questions separate potential from reality.

First, is the technology available to permit increasing installation of solar power in private homes and other buildings? The answer is "Yes." Certainly, the solar power industry is small, yet it is growing. A recent list of solar equipment manufacturers by Dr. E. A. Farber of the Solar Energy and Energy Conservation Laboratory at the University of Florida contained the names of 75 manufacturers in 20 States. If a homeowner wanted to solarize his home, he would certainly have many sources of supply for the needed equipment.

The next question is, to put it bluntly, Is a solar power system for a home worth it? Providing solar powered heating and/or cooling involves a much higher initial cost than conventional systems, so a homeowner would not find a solar system desirable unless it resulted in long-term operating savings. In fact, solar power does pay for itself over a 5- to 15-year period. At hearings before the House Subcommittee on Housing and Community Development last fall, Sheldon H. Butt of the Solar Energy Industries Association presented figures which demonstrated that—

> In the typical cases presented, savings pay-out time ranges from 5 to 9 years when solar installation replaces electric energy; 7 to 12 years when fuel oil is replaced; and 12 to 15 years when still low cost natural gas is replaced.

It is obvious that a homeowner stands to gain by installing solar heating and/or cooling in his home.

Solar energy is a power source which homeowners can exploit today. Unfortunately, there are barriers to the more widespread incorporation of solar energy in residential dwellings. I believe that these barriers necessitate Federal involvement to counteract their force and to encourage proliferation of solar energy systems.

The high initial cost of a solar power system for the home deters many individuals who might otherwise invest in one. From a Federal point of view, HUD and VA mortgage programs do not make provisions for this higher initial cost. Thus, homeowners who may wish to solarize their existing or planned homes cannot apply the advantages of Federal loan and insurance programs to the higher cost of solar systems.

Why doesn't the Federal Government take account of potential desire by some of the people affected by its housing programs to solarize their homes? Certainly, the Government is studying the potentials of solar energy in the home. Under the Public Law 93–409 program, the Government will have solar heating equipment and systems standards ready in 3 years, and similar standards for solar heating and cooling will be ready in 5 years. Unfortunately, while homeowners wait for the standards to be prepared, precious irreplaceable fossil fuels are being burned by those who might otherwise have placed solar systems in their homes, had Government funding been available. Without doubt, the Federal Government should not require solar systems in new homes until the study standards have been formulated; nor should the Government actively encourage homeowners to adopt solar heating and cooling while it cannot provide final standards for solar systems. However, interim standards are available. The Government sould not ignore the reasonable desires of some homeowners to place solar systems in their new or existing homes by refusing to recognize the higher initial cost of such systems in its housing programs.

Because I feel that use of solar energy should not be discouraged by Federal omissions, I am today introducing the Solar Energy for Homes Act of 1976. The bill increases limits on all Federal housing loan and insurance programs to allow for the increased initial costs of solar heating and cooling systems. The bill does not require solar systems for homes affected by any of the programs, but simply includes the added cost of such systems in current programs for the benefit of those who wish to take advantage of solar power.

If adopted, this bill could actually complement the Federal study program by providing for additional homes with operational solar systems which Federal researchers could include in their research. It will allow those borrowers who wish to include solar systems in their homes with the same Federal benefits as borrowers who choose conventional heating and cooling systems. The bill will spur growth in the solar power industry, which in turn should lower the cost of solar systems. Most importantly, the bill will represent a solid step toward energy independence and environmental improvement.

The technology to heat and cool houses with solar power is available and economically feasible today. The Government should not discourage those who wish to take advantage of it by excluding them from Federal loan and insurance programs.

There are a few homeowners throughout the Nation, including my State of Montana, who are now enjoying the benefits of solar power—low cost fuel bills—some say as low as $10 a year—and clean heat and cooling. But these people are just a few pioneers. They are not entrepreneurs. With few exceptions, they are incurring the costs of providing solar energy out of their own pockets—not from lending institutions. My hope is that, once the obstacles to financing the capital costs for solarizing homes are removed, this new energy form will be widely implemented. My bill seeks to do just that.

I include a copy of my bill following this speech:

H.R. 13143

A bill to provide Federal assistance under certain housing programs for more dwelling units which are heated or cooled by solar energy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the administrator of any Federal program which is established by title II or III of the National Housing Act or title V of the Housing Act of 1949 shall increase by not more than 10 per centum any amount which represents a limitation on the amount of a loan that may be made on a single- or multi-family dwelling unit or a limitation on the amount of the principal obligation of a mortgage on such unit which may be insured or purchased under any such program, if such increase represents the increase in the cost of the dwelling unit which may be attributed to the unit's being heated or cooled by solar energy.

STATUS OF THE PUBLIC LAW 480 RICE EXPORT PROGRAM AS OF APRIL 8, 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

Mr. ALEXANDER. Mr. Speaker, last week I began a weekly series of reports on the progress the Administration is making toward reaching the objective established last year for exporting U.S. rice under Public Law 480 (Food for Peace) programs. These programs are of vital interest to rice producers and merchants because of the major role they have played in the marketing of the rice grown in this Nation.

Congress appropriated sufficient funds, based on administration budget estimates, to finance the export of 850,000 metric tons of rice which has been stated as the administration's objective for the 1975–76 marketing year. Since that time rice prices have dropped and it is now estimated that the funds appropriated would be sufficient to export one million tons of U.S. rice under the Public Law 480 program during the current marketing year. In view of this, the current marketing year Public Law 480 rice export objective should be increased to one million tons and all the funds should be committed as rapidly as possible.

It should be noted that on December 31, 1975, the Department of Agriculture advised the House Committee on International Affairs and the Senate Committee on Foreign Relations of the countries with which negotiations were expected to take place in order to meet the marketing year objective. Even so, as late as March 9 formal negotiations still had not been begun on sale of 45 percent of the rice.

In addition, more than eight months have elapsed and only 28.9 percent of the 850,000 ton objective has actually been sold during this marketing year.

The chart below gives the status of each of the current marketing year Public Law 480 rice export agreements for which formal Interagency Staff Committee allocations have been approved:

STATUS OF PUBLIC LAW 480 RICE PROGRAM

1975–76 MARKETING YEAR, CURRENT THROUGH APR. 8, 1976

[In thousands of metric tons]

	Bangladesh	South Korea	Portugal	Zaire	Guinea	India	Indonesia	Syria	Total
Allocations approved by interagency staff committee:									
Date							Apr. 1, 1976		
Amount							100		100
Negotiations initiated:									
Date		Mar. 4, 1975				Mar. 22, 1976		Mar. 10 and 18, 1976	
Amount		[1] 52			10	200		50	312
Agreements signed:									
Date	Mar. 30, 1976								
Amount	50								50
Purchase authorizations issued:									
Date			Mar. 26, 1976	Apr. 5, 1976					
Amount			145	27					72
Invitations for bid issued:									
Date		Apr. 8, 1976							
Amount		[1] 52							52
Programs completed:									
Amount	170	[1] 60							230
Total	220	[1] 164	[1] 45	27	10	200	100	50	816

[1] Both South Korea and Portugal normally buy brown rice. These figures are the milled equivalent based on the USDA formula of 90-percent extraction from brown rice. The rice industry uses an 85-percent extraction formula.

CITIZEN ANTICRIME PATROL ASSISTANCE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, I am today reintroducing the Citizen Anticrime Patrol Assistance Act, a bill I introduced in both the 92d and 93d Congresses. It is long past time, Mr. Speaker, that we should take positive action to help the responsible citizen who is willing to donate his time and effort to fight crime. The crime rate in this country has risen an astronomical 27 percent during the last 2 years. There are many citizens who want to fight crime; they are willing to volunteer, organize into community groups, and patrol their neighborhoods to assist local police. But they cannot afford the startup costs of those programs and thus their organizations never get off the ground.

The Citizen Anticrime Patrol Assistance Act would provide help directly from the Federal Government, by way of the Law Enforcement Assistance Administration, to citizen anticrime groups, bypassing the massive State and local bureaucracy administering the Federal block grants, and thus guaranteeing the availability of funds for citizen anticrime groups which otherwise could not function.

Since 1968, the Federal Government has felt that the best way to help States fight the crime problem was through block grants. There are no restrictions on how States should apply that money, except that it should be toward law enforcement. When the States became pressed by the tight economy, they applied their Federal grants to basic law enforcement necessities, instead of innovative programs like citizen anticrime organizations.

My legislation would amend the Safe Streets Act of 1968 to provide funds specifically to encourage and assist responsible citizen groups who wish to perform, or are performing, anticrime patrol services in their community. The bill authorizes $15 million for fiscal year 1977, $17.5 million for fiscal year 1978, and $20 million for fiscal year 1979 for that purpose.

The bill sets limits on the programs to be funded. It requires that the citizen groups coordinate their activities with local law enforcement authorities, that they demonstrate community support, and that they adopt a specific plan to protect the civil liberties of the community. Federal grants under the program would be used to pay the startup costs of the programs; the costs of necessary training and equipment. No funds however, may be used to pay for any firearms, chemical agents, or other weapons, or to buy, rent, or maintain motor vehicles. These provisions would insure that such groups would not acquire the characteristics of vigilante groups, as some were feared.

Since I introduced this bill in 1971, I have heard from many citizens anticrime groups located around the country and they have indicated their enthusiastic support for this kind of legislation. While their costs generally are small, they support their programs out of their own pockets, and many citizens who would like to participate find it difficult to do so because of the cost. They report that small amounts of Federal assistance, of the type proposed by my bill, would do a great deal to stimulate citizen involvement in organized anticrime programs.

I recently had the pleasure of riding in an anticrime patrol radio car as it made its rounds protecting a neighborhood in my district. I was impressed by the number of people on the streets after dark. Among those people were a large number of watchers who checked in with the radio car. A great variety of people were involved in the program—school-age children, working men and women, housewives, and retirees. They were all concerned with the safety of their community and determined to help do something themselves to improve it.

A great many Members of the House, I am sure, are aware of the need for greater citizen participation in crime prevention and detection, and of the existence of citizen anticrime organizations and operations in their own congressional districts. These groups, Mr. Speaker, are not vigilantes. They are law-abiding citizens who want to help the police combat crime. They are the eyes and ears of a local police force which cannot be everywhere. It is important for the Federal Government, which claims to be concerned about the increase in crime, to offer financial assistance to citizens who are willing to donate their time and effort to fight crime. The Citizen Anticrime Patrol Assistance Act provides a focus for such action. It proposes a workable program to encourage and assist citizen anticrime efforts.

A summary of the principal provisions of bill follows:

Section 2 makes findings regarding the need to provide Federal funds directly to local community anticrime organization; notes that community anticrime organizations have been successful in combating crime, and that police departments welcome their assistance.

Section 3 amends Title I of the Omnibus Crime Control and Safe Streets Act of 1968 by inserting a new part G, "Grants to Residents' Organizations," which includes the following sections:

Section 551—The purpose of this bill is to encourage and assist, through a program of direct grants, local residents anticrime organizations.

Section 552—To be eligible for a grant, the citizen organizations must have a plan and meet certain criteria.

Section 553—One or more of the following services must be provided by the anticrime organization to receive a grant:

1) Roving or stationary anticrime patrols.

2) Escort services.

3) Rapid warning and reporting of criminal or suspicious activities to law enforcement officials.

Section 554—Grants may be used to cover costs of training and equipment provided that no funds be spent for firearms, chemical agents, or any other weapons, or the purchase, lease, rental, or maintenance of any motor vehicle.

Section 555—Authorizes $15,000,000 for FY 1977, $17,500,000 for FY 1978, and $20,000,000 for FY 1979.

The text of the bill follows:

H.R. 13144

A Bill to provide Federal citizen anticrime patrol assistance grants to residents' organizations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Citizen Anticrime Patrol Assistance Act".

SEC. 2. The Congress finds that—

(1) public safety and security can best be achieved through cooperation between the general public and local law enforcement officials;

(2) citizens of many communities have demonstrated the ability of citizens responsibly and effectively to organize, plan, and act to help protect their neighborhoods against crime in conjunction with law enforcement officials;

(3) law enforcement officers throughout the Nation welcome organized participation of citizens in combating crime; and

(4) the regular presence of responsible citizens on the streets, in buildings, and in unprotected areas of communities where crime lurks, to watch for and report any sign of criminal or suspicious activity can help to resolve and deter crimes.

Therefore, it is the purpose of this Act to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 (as amended) to provide a program of financial grants to residents' organizations which shall utilize such grants to help prevent crime.

SEC. 3. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by—

(1) redesignating part G, part H, and part I as part H, part I, and part J, respectively; and

(2) inserting after part F the following new part:

"PART G—GRANTS TO RESIDENTS' ORGANIZATIONS

"PURPOSE

"SEC. 551. It is the purpose of this part to encourage and assist through a program of direct grants to local residents' organizations, efforts by citizens through such organizations regularly to patrol and otherwise watch over local facilities and human activities vulnerable to crime, and to report criminal or suspicious activities to the proper law enforcement authorities and thereby to help deter or resolve crimes.

"ALLOTMENTS TO RESIDENTS' ORGANIZATIONS

"SEC. 552. The Administration shall make grants to residents' organizations which have established a plan as required under section 553 of this part and which have—

"(1) demonstrated a need for assistance, taking into account such factors as

"(A) the extent and impact upon their community of crime,

"(B) the financial need of such residents' organizations, and

"(C) the expense and difficulty of carrying out the plan for services;

"(2) establishing the degree to which the plan to be assisted is likely to effect a decrease in crime in the community;

"(3) undertaken to coordinate its activities with the activities of similar organizations in surrounding communities;

"(4) establish the degree to which the plan enjoys the support of the members of the community;

"(5) undertaken consultations with local law enforcement authorities in the development of the plan to assure full coordination between the organization and such authorities in the implementation of the plan; and

"(6) established that the plan provides for protection of the civil and constitutional rights of all members of the community.

"PLAN FOR CRIME WATCH AND REPORTING SERVICES

"SEC. 553. (a) In order to qualify for the grants authorized by section 552 of this part, residents' organizations must submit to the Administration in writing a plan to provide one or more of the following services:

"(1) Roving or stationary anticrime patrols.

"(2) Escorts for persons leaving or returning to their places of residence, particularly during nondaylight hours.

"(3) Rapid warning and reporting of criminal or suspicious activities to law enforcement authorities and, where appropriate, to other residents.

"(b) The plan required by subsection (a) shall set forth a program for educating, equipping, and training the members of such organization.

"GRANT CONDITIONS

"SEC. 554. (a) A Federal grant authorized under this part may, subject to the provisions of subsection (b), provide for up to 100 per centum of the total cost of the execution of the plan required by section 553.

"(b) A Federal grant authorized under this part may be used to pay the costs of stipends to, and necessary training and equipment of, residents' organization members actively engaged in implementing a plan: *Provided, however,* That no funds under this part shall be used for the purchase, lease, rental, maintenance, or use of any firearm, chemical agent, or other weapon, or the purchase, lease, rental, or maintenance of any motor vehicle.

"AUTHORIZATION

"SEC. 555. There is authorized to be appropriated to carry out the provisions of this part, in addition to such sums as are otherwise authorized to be appropriated for the purposes of this title, the sum of $15,000,000 for fiscal year 1977, $17,500,000 for fiscal year 1978, and $20,000,000 for fiscal year 1979."

DEFINITIONS

SEC. 4. Section 601 of the Omnibus Crime Control and Safe Streets Act of 1968 (as amended) is amended by adding at the end thereof the following new subsection:

"(p) 'Residents' organization' means any organization of persons in which the primary criterion for active membership and participation is current residence in a clearly defined local neighborhood, housing complex, or community, and which is organized for the purpose of general service to the community."

LETTER TO COL. RONALD M. OBACH, CHAIRMAN OF THE ARMED SERVICES PROCUREMENT COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, today, Congressman JAMES H. SCHEUER and I with 62 of our colleagues sent a letter to Col. Ronald M. Obach, chairman of the Armed Services Procurement Committee, which letter I am appending to this statement.

The letter is self-explanatory. Section 3 of the Export Administration Act explicitly prohibits U.S. firms from participating in boycotts of countries that are friendly to the United States. The President recently, by Executive order, sought to end the even more invidious boycott participation of American firms, who in their attempts to gain Arab business were ending their connections, with other Americans who are Jewish or with firms having Jewish principals. But that Presidential Executive order does not impact upon those practices involving American firms boycotting Israel. And there are no adequate punitive sanctions in the current law to enforce the public policy expressed in section 3 of the Export Administration Act. There should be, and Congressman JAMES H. SCHEUER and I have introduced appropriate legislation to deal with that matter. However, pending adoption of such legislation to, we ought not to reward American companies participating in the Arab economic boycott against Israel by awarding them Government contracts.

I hope that Colonel Obach will use his good offices to amend the current procurement regulations so as to effectuate in his domain at least the carrying out of the public policy expressed in section 3 of the Export Administration Act.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 9, 1976.

Col. RONALD M. OBACH,
Chairman, ASPR Committee, OSAD (INL) PR. Room 3D 776, Pentagon, Washington, D.C.

DEAR SIR: It has come to our attention that federal procurement funds have been paid to companies violating the policy set forth in Section 3 of the Export Administration Act which declares it to be the policy of the United States "to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States." As members of the Congress of the United States, which has primary responsibility under the Constitution for the expenditure of federal funds, we cannot tolerate the award of government contracts and the payment of federal procurement funds to companies that choose to violate the policy stated in Section 3 of the Export Administration Act, especially when the award of government contracts and the payment of such funds would directly promote the violation of that policy.

Any United States company that agrees to honor trade conditions which have the effect of furthering or supporting restrictive trade practices or boycotts against countries friendly to the United States is in direct violation of important and express policies of the United States. Government contractors are the recipients of important government benefits and have a special obligation not to violate the stated policies of this Nation. The federal procurement statutes expressly recognize that obligation, and require that government contracts be awarded only to contractors who are "responsible." 10 U.S.C. § 2305. The participation of a United States government contractor, even passively, in efforts by foreign nationals to effect boycotts against other foreign countries friendly to the United States is, in our view, a clear misuse of the privileges and benefits conferred upon government contractors. Such a contractor cannot be considered "responsible," as that term is used in the procurement statutes.

The award of contracts to such companies is also a clear abdication of government responsibility. The federal procurement statutes explicitly require that government contract awards be made only if it is determined that they are "most advantageous to the United States" and "in the public interest." 10 U.S.C. § 2305. Those required determinations cannot be made with regard to contracts awarded to companies which deliberately violate the national policy against the boycott of friendly nations.

This government is committed by the Export Administration Act "to oppose" efforts by foreign nationals to effect boycotts against other foreign countries friendly to the United States, and "to encourage" domestic companies "to refuse to take any action" which has the effect of furthering such boycotts. By awarding government contracts and paying federal procurement funds to a contractor who has chosen to violate the National policy against boycotts of friendly nations, the government would fail to meet its express obligation of encouraging compliance with that important National policy. More importantly, by providing federal funding and assistance to such a contractor, the government would directly encourage and support the violation of that policy. This it may not do.

Accordingly, we request that the procurement regulations be amended immediately in the manner set out below to assure that United States government expenditures shall not be used in violation of the clearly stated statutory policies of this Nation.

Additional provisions to the Armed Services Procurement Regulations:

§ 1-116 Compliance With the Export Administration Act.

(a) The Export Administration Act of 1969, 50 U.S.C. App. § 2402(5), declares that: "It is the policy of the United States (A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (B) to encourage and request domestic concerns . . . to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States."

(b) To implement this policy of the United States, the clause in 7-103.30 shall be included in (i) all invitations for bids (ii) all requests for proposals, and (iii) all contracts (including contracts resulting from unsolicited proposals).

§ 7-103.30 Certification of Compliance With Export Administration Act.

In accordance with 1-116,, the following clause shall be included in all invitations for bids, requests for proposals, and contracts:

The contractor hereby certifies that it, and all of its affiliates and subsidiaries, shall refuse to comply with any request or demand to take any action, including the furnishing of information or the making of agreements, in connection with any business activities of such companies, which has the effect of furthering or supporting restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States or against any United States person, company, or organization. For breach or violation of this certification this contract may be cancelled, terminated or suspended in whole or in part without liability to the Government, and the contractor may be declared ineligible for further Government contracts.

The above provisions can be promulgated by your committee and are required to clarify this Government's existing responsibility under the procurement statutes to assure that federal procurement funds are not used to support violations of express statutory policies of the United States.

Sincerely,

Edward I. Koch, James H. Scheuer, Bella S. Abzug, Joseph P. Addabbo, Glenn M. Anderson, Herman Badillo, Jonathan B. Bingham, James J. Blanchard, William M. Brodhead, Yvonne Brathwaite Burke, Phillip Burton, Charles J. Carney.

Shirley Chisholm, James C. Corman, Christopher J. Dodd, Thomas J. Downey, Robert F. Drinan, Don Edwards, Joshua Eilberg, James J. Florio, Donald M. Fraser, Benjamin A. Gilman, Gilbert Gude, James M. Hanley, Michael Harrington.

H. John Heinz III, Elizabeth Holtzman, James J. Howard, William L. Hungate, William Lehman, Norman F. Lent.

Elliot H. Levitas, Clarence D. Long, Mathew F. McHugh, Torbert Macdonald, Edward Mezvinsky, Abner J. Mikva.

George Miller, Patsy T. Mink, Joe Moakley, Stephen L. Neal, Robert N. C. Nix, James L. Oberstar, Richard L. Ottinger, Edward W. Pattison, Claude Pepper, Charles B. Rangel, Frederick W. Richmond, Donald W. Riegle, Jr., Matthew J. Rinaldo, Robert A. Roe.

Benjamin S. Rosenthal, Edward R. Roybal, Paul S. Sarbanes, Paul Simon, Stephen J. Solarz, Gladys Noon Spellman, James V. Stanton, Fortney H. (Pete) Stark, Morris K. Udall, Henry A. Waxman, Charles Wilson, Lester L. Wolff, Sidney R. Yates.

MEMORIAL TRIBUTE TO DR. HORACE MAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. BURKE), is recognized for 5 minutes.

Mrs. BURKE of California. Mr. Speaker, the clergy, Christian leaders and workers in Los Angeles as well as in other cities were saddened this week by the death of Dr. Horace Nelson Mays, the first black executive director of the Los Angeles Council of Churches, a post in which he served since 1968.

A native of Muskegon, Mich., Dr. Mays received his bachelor of arts degree from San Diego State College and his bachelor of divinity degree from Eastern Baptist Theological Seminary in Philadelphia, Pa. He pursued advanced studies in the Graduate School of Religion at the University of Southern California and received his doctorate in religious education from Eastern Baptist Theological Seminary in 1950.

Dr. Mays' work with the National Baptist Convention USA, Inc., and its Sunday School and BTU Congress, which he served as dean for many years, made him a national leader. He was dean of the congress for many years and still served as an assistant dean at the time of his death.

Dr. Mays was a member of the National Baptist Convention Sunday School Publishing Board's editorial staff and contributed many articles to religious journals. He also wrote the leaders' guide to a 4-year program for the congress.

Prior to his service as director of the Los Angeles Council of Churches, Dr. Mays served as State director of Christian Education for the Western Baptist State Convention from 1942–64, in cooperation with the Los Angeles Baptist City Mission Society and the American Baptist Home Mission Society.

Dr. Mays was dedicated to the service of his church and community. He was a member of 25 boards and commisisons, including the board of directors of the National Council of Churches, the Inter-Faith Council of Churches, the Inter-Religious Council of Southern California. and the National Association of Ecumenical Staff. Dr. Mays also served as Treasurer of the Ecumenical Center for Black Church Studies.

Dr. Mays is survived by his widow, Mrs. Ella K. Mays, president of the National Association of Media Women; a son, Ronald N. Mays; a daughter, Mrs. Khadijak Rali; a son-in-law, Esa Ali; his father, William Mays of ElCajon; four sisters, three brothers, and two grandchildren.

Dr. Mays was also a member of the University of Southern California and the Eastern Baptist Seminary Alumni Association.

A RARE TV INTERVIEW WITH SOLZHENITSYN AND WHEN CONGRESS SHOULD INVITE HIM TO ADDRESS A JOINT SESSION

(Mr. KEMP asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KEMP. Mr. Speaker, on July 8 of last year, I asked that Alexandr Solzhenitsyn be invited to address a joint session of Congress. I asked that this voice of courage be accorded such a singular recognition of his contributions to freedom. And, I was joined in this request by colleagues in both Houses and from both political parties.

The time was apparently not right. Détente was in vogue guiding our foreign policy and particularly our relations with the Soviet Union. There was a real question as to whether the climate of opinion was sufficiently conditioned to hear this man's message without misreading it or pursuing a wrong course of action based upon it. He was not invited, unfortunately.

Much has happened since July 8th.

The mood has been set since mid-winter for some perceptible swing away from almost blind adherence to détente. Examples are manyfold. The primary successes of a Senate colleague in both Massachusetts and New York—where détente was made an issue—show this. The movement within the administration away from accommodation with the Soviets shows this. Mrs. Margaret Thatcher, the leader of the British Conservative Party, has brought effective opposition to bear against the Labor Government's foreign policy and its rapprochement with the Soviet Union.

And now—with a force not equalled since Garibaldi rallied the British nation into support of Italian unity during the last century—Alexandr Solzhenitsyn has himself made a appearance and appeal of the first magnitude. They were in the form of a nationally televised interview on the British Broadcasting Corp. last month, on March 1.

Solzhenitsyn spoke of what the spirit of détente had meant for his friends in the Soviet Union—the strengthening of the oppressive hand of the state against them. He spoke of the Soviet Union's two main growth industries—military offense and subversion. And he spoke of what it means to the West unless our course is reversed—a loss of our own freedom.

It was of this interview that the critics of the Times of London, Mr. Bernard Levin, said:

> So what can we do with Solzhenitsyn? Well, if I may conclude with a modest proposal, I suggest that the West, when he has provoked it a little further, should, possibly under the auspices of the United Nations General Assembly, formally condemn him to death and execute him either by obliging him to drink hemlock or by crucifixion. After all, the two most noted figures in history who respectively experienced those fates we condemned, whatever the ideological niceties involved, principally because they told us their own societies truths that made those societies uncomfortable, and since our own society is even more averse to discomfort than those were, it seems only fitting that the man who is, with the necessary changes in points of detail, doing much the same thing to us should suffer a like fate.
>
> Meanwhile, at any rate, I can look at the hand that shook the hand of the man who shook the world, and, if he will allow me to say to him: "Alexander Isayevitch, do not despair just yet. We understand."

And, it was of this interview that perhaps one of the most profound social commentators of this century, Malcolm Muggeridge, said:

> If you encased the earth in concrete, there would still be a crack in that concrete, and through that crack something would grow. That's Solzhenitsyn.

Mr. Speaker, those are powerful words about a most powerful voice speaking to us through personal experiences and from a unique perspective.

Mr. Speaker, the opportunity to address a joint session is not loosely accorded to anyone. It is reserved for Presidents, for visiting heads of state, for those who have made noble achievements to the cause of freedom.

We know from our own national experience that the attainment and preservation of freedom are difficult tasks. This was at the core of the American Revolution and is at the center of today's struggles to preserve the rights guaranteed to us by our heritage, our Declaration of Independence, our Constitution, and our system of laws. At a time when too many have grown complacent about the threats of freedom, Solzhenitsyn reminds us of the grave realities of oppression in other lands and of the threats those realities pose to our own freedoms.

Freedom is a human value for which the aspirations of mankind should transcend borders, race, color, origin, and heritage. The laurels of freedom were never intended to be worn on the brows of those of our heritage alone. How arrogant it would be for those who now enjoy freedom to acquiesce in the enslavement of half the world's people.

Yet, my request today—this renewal of my request of July 8—is no strident cry of anticommunism. It is, and I hope it will be taken to be, a reasoned and dispassionate expression that the ties of brotherhood should bind us together into common cause in behalf of freedom.

I ask the Speaker and the majority leader in this House and the Vice President, President pro tempore, and majority leader in the Senate, to give thoughtful consideration, as I am sure they will, to this request.

The full text of Solzhenitsyn's interview on BBC, as carried with commentary with Mr. Levin and Mr. Muggeridge on William F. Buckley, Jr.'s "Firing Line," follows:

Mr. Buckley. On the first of March in Great Britain the BBC ran an interview of Aleksandr Solzhenitsyn conducted by Mr. Michael Charlton of the BBC staff. As happens only once in a decade or so, it was one of those broadcasts that stopped people cold. It was a blow at the solar plexus of the kind that first numbs and then revives and then conceivably transfigures; and when one could not in the ensuing days distinguish the political predispositions of the critics by what they said, for a moment—a brief moment, perhaps—all trivial differences were put aside as beneath consideration. England had not heard the like of such a performance, one critic said, since Garibaldi united the British Isles in support of Italian unity. Solzhenitsyn's theme is both grander and more painful. Reaching for an appropriate response by the West, the critic of the *Times*, Mr. Bernard Levin, wrote these bitter words: "So what can we do with Solzhenitsyn? Well, if I may conclude with a modest proposal, I suggest that the West, when he has provoked it a little further, should, possibly under the auspices of the United Nations General Assembly, formally condemn him to death and execute him either by obliging him to drink hemlock or by crucifixion. After all, the two most noted figures in history who respectively experienced those fates we condemned, whatever the ideological niceties involved, principally because they told their own societies truths that made those societies uncomfortable, and since our own society is even more avers to discomfort than those were, it seems only fitting that the man who is, *mutatis mutandis*, doing much the same thing to us should suffer a like fate. Meanwhile," he concluded, "at any rate, I can look at the hand that shook the hand of the man who shook the world, and, if he will allow me to say to him: 'Aleksandr Isayevitch, do not despair just yet. We understand.'."

We shall proceed to show the full interview, uncut. In the remaining few minutes we shall have comments on it from Mr. Levin and from Mr. Malcolm Muggeridge, well known on this program as everywhere else, who, I guess it is accurate to say, was the first critic in the Western world to hail the unique mission of Aleksandr Solzhenitsyn.

Mr. Charlton. Aleksandr Isaech, when Mr. Brezhnev and the Politburo took the decision to exile you abroad rather than send you once more to a concentration camp, they must have believed that you would do less damage to the Communist state outside the Soviet Union than inside it; so I wonder if you believe that time will prove that judgment to be correct.

Mr. Solzhenitsyn. In the way you put that question there is a certain false assumption. If one puts the question in this way we assume that the Politburo is all-powerful and independent in the decisions it makes; that it was free to decide one way or another. I must say that at the time of my exile the situation was very unusual. I wrote about this some time ago. In the autumn of 1973 the support of Western public opinion for Sakharov and myself, in our head-on confrontation as I have called it, was so powerful, so unyielding; support such as the West had not demonstrated for a long time; such firmness, such steadfastness that the Soviet Politburo simply took fright. It did not have complete freedom of choice either to keep me in prison or to exile me. They simply took fright at this anger, this storm of indignation in the West and were forced to give way. This was a forced concession. For that reason I think that now, even if they regret it—and I imagine they do regret it—we must remember that they, in effect, had no choice. That was a rare moment when the West demonstrated unprecedented firmness and forced them to retreat.

Mr. Charlton. On the other hand, they would be right, wouldn't they? If you felt that your warnings or your beliefs fell upon deaf ears in the West, you would then cease to be relevant, and that presumably is what they hope.

Mr. Solzhenitsyn. Yes. If one looks at it from this point of view, you are right. My warnings, the warnings of others, Sakharov's very grave warning directly from the Soviet Union—these warnings go unheeded. Most of them fall, as it were, on the ears of the deaf, people who do not want to hear them. Once I used to hope that experience of life could be handed on from nation to nation and from one person to another. But now I am beginning to have doubts about this. Perhaps everyone is fated to live through every experience himself in order to understand.

Mr. Charlton. Well, you are in a unique position to watch now a debate in both East and West which to a large extent has been inspired or has been focused by your own experiences and your writings. How important is the experience of the Russian people for the West?

Mr. Solzhenitsyn. In actual fact our Russian experience—When I use the word "Russian" I always differentiate it from the word "Soviet." I have in mind here ever pre-Soviet experience, pre-revolutionary experience. In actual fact our Russian experience is vitally important for the West, because by some chance of history we have trodden the path the West is taking 70 or 80 years before the West. And now it is with a rather strange sensation that we look at what is happening to you when many social phenomena are repeating what happened in Russia before its collapse. Our experience of life is of vital importance to the West, but I am not convinced that you are capable of assimilating it without having gone through it right to the end yourselves.

Mr. Charlton. Give me an example of what you mean by the Russian experience being repeated in the West.

Mr. Solzhenitsyn. You know, one could quote here many examples—for example, a certain retreat by the older generation, yielding their intellectual leadership to the younger generation. It is against the natural order of things for those who are youngest with the least experience of life to have the greatest influence in directing the life of society. One can say then that this is what forms the spirit of the age, this current of public opinion when people in authority, well-known professors, scientists are reluctant to enter into an argument even when they hold a different opinion. It is considered embarrassing to put forward one's counter-arguments lest one become involved. And so there is a certain abdication of responsibility which is typical here where there is complete freedom. Let us take the press—writers, journalists—who enjoy great freedom. And incidentally, Russia enjoyed great freedom. The West has a completely false view of Russia before the revolution. Whilst enjoying such great freedom, the journalists and writers lose their sense of responsibility before history, before their own people. Then there is now this universal adulation of revolutionaries; the more so, the more extreme they are. Similarly, before the revolution, we had in Russia if not a cult of terror in society then a fierce defense of the terrorists. People in good positions—intellectuals, professors, liberals—spent a great deal of effort, anger and indignation in defending terrorists. And then the paralysis of governmental power. I could give you many more analogies.

Mr. Charlton. Well, as you say though, it is this West which has made it possible for people like you to survive—and you acknowledge that. But how would you say that your two years in the West now, in view of what you've just said, has reshaped you views? You are obviously more pessimistic now than you were when you came here.

Mr. Solzhenitsyn. I must say that in relation to the West my generation—I am not going to speak only about myself personally; and when I say "my generation," I have in mind people who shared my fate—that is to say, the soldiers of the Second World War and then the prisoners. This was, after all, the common fate of so many. As I was saying, my generation went through several stages. In the Fifties, after the end of the war, we literally worshipped the West. We looked upon the West as being the sun of freedom, a fortress of the spirit, our hope, our ally. We all thought that it would be difficult to liberate ourselves but that the West would help us to rise from slavery. Gradually, in the course of decades and years, this faith began to waver and to fade. We received information about the West only with difficulty, but we even learned to listen through the fiercest jamming to, for example, your BBC. We realized with bewilderment that the West was not showing that firmness and that interest in freedom in our country as well. It was as if the West were separating its freedom from our fate, and before I was exiled I had already strong doubts whether it was realistic to look to the West for help. It is precisely on this that my opinions differ from those of Sakharov. Sakharov considers that help from the West is of decisive importance for our liberation, while I believe that we can obtain freedom only by relying upon ourselves and that one can place practically no hopes on the West. And when I came here my doubts unfortunately increased very rapidly. But the point is, of course, that during these two years the West itself has gone through a good deal. During these two years the West has become much weaker in relation to the East. The West has made so many concessions that now a repetition of the angry campaign which got me out of prison is practically impossible. I would say that the campaign to get Sakharov to Stockholm was almost as strong, but, however, it didn't help because the West itself has become weak over this period. Its position has become weaker. Moscow now takes infinitely less note of the West.

Mr. Charlton. Can I suggest that perhaps one of the difficulties in your own case is this—And you've become a controversial figure in the West. You are no longer the quiet tourist in the West. You are in some respects an impassioned critic. And I think that people in the West who criticize you—and of course not all do—believe that you are asking for a return to something in Russia which is plainly impossible: a return to a patriarchal kind of Russia, a return to orthodoxy. Are those criticisms that you accept?

Mr. Solzhenitsyn. You know, that is one of the consequences of the weak sense of responsibility of the press. The press does not feel responsibility for its judgments; it makes judgments and sticks on labels with the greatest of ease. Mediocre journalists simply make headlines of their conclusions which suddenly become the general opinion throughout the West. You have just enumerated several propositions, and practically all of them are not true. Firstly, I am not a critic of the West. I repeat that for nearly all our lives we worshipped the West. Note the word "worshipped." We did not admire it; we worshipped it. I am not a critic of the West. I am a critic of the weakness of the West. I am a critic of a fact which we can't comprehend: how one can lose one's spiritual strength, one's willpower, and, possessing freedom, not to value it, not to be willing to make sacrifices for it.

A second label, just as common, was pinned on me: that I wanted to return to a patriarchal way of life. Well, as I see it, apart from the half-witted, no normal person could ever propose a return to the past because it's clear to any normal person that one can only move forward. That means that choice lies only between those movements which go forward and not backward. It is quite easy to imagine that some journalist writing mostly about women's fashions thought up this headline, and so the story gets around that I am calling for a patriarchal way of life.

I'll just cite one more example. Take the word "nationalist." It has become almost meaningless, and it's used constantly; everyone flings it around. But what is a nationalist? If someone suggests that his country should have a large army, should conquer the countries which surround it, should go on expanding its empire, that sort of person is a nationalist. But if, on the contrary, I suggest that my country should free all the peoples it has conquered, should disband the army, should stop all aggressive actions, who am I? A nationalist. If you love England, what are you? A nationalist. And when are you not a nationalist? When you hate England, then you are not a nationalist.

Mr. Charlton. Well, you make very eloquently the point that you're not going back in the sense of a return to the old Russian imperialism, but I'm not sure how you go forward as you claim you would. What is the way out of this world of tensions and oppression in the Soviet Union that you so eloquently describe? If the West cannot help, what is the way forward for the Russian people? What will happen?

Mr. Solzhenitsyn. You have just used the expression "for us," by which you mean the Soviet Union. Do I understand you correctly? You know, two years ago and three years ago this question was topical; that is to say, it was possible to believe that we inhabitants of the Soviet Union could sit down and consider our future. The Soviet leadership was experiencing so many difficulties, so many failures that it had to seek some way out, and indeed I thought that the way out was to seek the path of evolution, certainly not the revolutionary path, not an explosion. And this time, this is where Sakharov and I agree—an evolutionary, smooth path which would offer a way out of this terrible system. However, today all these suggested solutions have lost their practical value. Over the last two years terrible things have happened. The West has given up not only four, five, or six countries; the West has given up all its world positions. The West has given everything away so impetuously, has done so much to strengthen the tyranny of our country that today all these questions are no longer relevant in the Soviet Union. Opposition has remained, but I have already said many times that our movement of opposition and spiritual revival, like any spiritual process, is a slow process. But your capitulations, like all political processes, move very quickly. The speed of your capitulations has so rapidly overtaken the pace of our moral regeneration that at the moment the Soviet Union can only move along one path: the flourishing of totalitarianism. And it would be more appropriate if it were not you asking me which way Russia, or rather the Soviet Union—let us not get the two mixed—will go, but if I were to ask you which way the West is going. Because at the moment the question is not how the Soviet Union will find a way out of totalitarianism, but how the West will be able to avoid the same fate. How will the West be able to withstand the unprecedented forces of totalitarianism? That is the problem.

Mr. CHARLTON. Why, though, do you think that people in the West have begun to feel uneasy with you? And it brings me to ask, in view of what you've just said, to this question of spiritual regeneration, moral regeneration. What is the central point for which you stand? After this enormously varied experience that you've had—you've been a teacher, a decorated war hero, an officer in the Soviet Army; you've been a cancer patient; you've been a political prisoner in concentration camps—what is the central point, in all that you say, that you stand for?

Mr. SOLZHENITSYN. Maybe if one is to speak of my life experience, then I would say that my outlook on life has been formed largely in concentration camps—that part of my life which is reflected in *The Gulag Archipelago*. I don't know whether, as you put it, Western listeners would find my words embarrassing. It's difficult for me to judge this kind of reaction, but I'll put it like this: Those people who have lived in the most terrible conditions, on the frontier between life and death, be it people from the West or from the East, they all understand that between good and evil there is an irreconcilable contradiction, that it is not one and the same thing—good or evil—that one cannot build one's life without regard to this distinction. I am surprised that pragmatic philosophy consistently scorns moral considerations; and nowadays in the Western press we read a candid declaration of the principles that moral considerations have nothing to do with politics. They do not apply and should not, so to speak, be applied. I would remind you that in 1939 England thought differently. If moral considerations were not applicable to politics, then it would have been quite incomprehensible why on earth England went to war with Hitler's Germany. Pragmatically, you could have got out of the situation, but England chose the moral course and experienced and demonstrated to the world perhaps the most brilliant and heroic period in its history. But today we have forgotten this. Today the English political leaders state quite frankly that they not only recognize *any* power over *any* territory regardless of its moral character, but they even hasten to recognize it, even try to be the first to do so. Somewhere, in some place, freedom has been lost in Laos, China, or Angola. Tyrants, bandits, puppets have come to power, and pragmatic philosophy says: That doesn't matter; we *have* to recognize them. And what is more, one should not consider that the great principles of freedom finish at your own frontiers, that as long as you have freedom, let the rest have pragmatism. No! Freedom is indivisible and one has to take a moral attitude toward it. Perhaps this is one of the main points of disagreement.

Mr. CHARLTON. You mentioned *The Gulag Archipelago*, your famous document of life in Stalin's prison camps. Those books are so full of an overwhelming anger and bitterness. Is the aim of them simply the destruction of the communist ideology, the destruction of at least its myths, or are they meant to be something else than that? Do you want to go beyond that?

Mr. SOLZHENITSYN. A work of art always consists of many parts; it has many facets; it has many sides, and that means many aims. The artist cannot set himself political aims, the aims of changing a political regime. It may come out as a by-product of it, but to fight against untruth and falsehood or to fight against myths, to fight against an ideology which is hostile to mankind, to fight for our memory, for our memory of what things were like, *that* is the task of the artist. A people which no longer remembers has lost its history and its soul. Yes, the main thing is to recreate. When I sit down to write this book, my only task is to recreate everything as it happened. That's my main aim. And naturally many deductions follow. If today the three voluems of *Gulag Archipelago* were widely published in the Soviet Union and were freely available to all, then in a very short space of time no communist ideology would be left. For people who would have read all this and understood it would simply have no more room in their minds for communist ideology.

Mr. CHARLTON. In one of your most recent books—the portrait you paint of Lenin in Burich—many people, I think, have noted perhaps a similarity between the two of you. The portrait you paint of a powerful character—Lenin—powerless to influence events inside Russia, as it was. Cut off, isolated, impatient. That does sound rather like you: a powerful figure, living in the same city today in the West, perhaps powerless to intervene, cut off from your friends in the Soviet Union. Would you, like Lenin, be surprised, as he was, at a profound change in the Soviet Union taking place in your lifetime?

Mr. SOLZHENITSYN. You know, I have been working on the image of Lenin for 40 years. From the moment when I conceived this series of books I thought of Lenin as one of the central characters, if not the central character. And I gathered every grain of information that I could, every detail, and my only aim was to recreate him alive as he was.

Mr. CHARLTON. But in attacking Lenin, of course, you attack the legitimacy of the whole Soviet government, of the Bolsheviks themselves. So I just ask you whether you feel perhaps yourself that you, in turn—as he did once for revolution—will become a focus for this moral, spiritual regeneration inside the Soviet Union. I mean, are you saying that there will be this kind of spiritual revival which will in time overthrow the communist system?

Mr. SOLZHENITSYN. I don't attack Lenin. I describe him as he is and what he is worth. So much incense has been kindled around him in your country as well. He has been raised to such summits. I show in reality how he was often shortsighted, how he treated his allies, collaborators, how weak were his ties with his own country. I don't attack him but this ideology. To this ideology I am of course hostile, and the spiritual renaissance of our country lies in our liberation from this deadening, killing ideology.

Mr. CHARLTON. I'm trying to paint or say: Is it valid to suggest a strong comparison between yourself and Lenin? There was he, waiting in Zurich; can't do anything about the internal situation; is quite surprised when the change comes. He, the great revolutionary. Would you be surprised if the change came?

Mr. SOLZHENITSYN. He was surprised because of his shortsightedness. You can see from my book that because of the narrowness of his party view he had lost sight of the simplest facts; he didn't know that the war was about to start; he was taken unawares by the World War and in the same way by the revolution. Two years ago I didn't expect any explosion in the Soviet Union. I expected a slow process and it was already taking place. Today, yes, I would be surprised, but I wouldn't be surprised at something else. I wouldn't be surprised at the sudden and imminent fall of the West. I would like to make myself clear. The situation at the moment is such that the Soviet Union's economy is on such a war footing that even if it were the unanimous opinion of all the members of the Politburo not to start a war, this would no longer be in their power. To avoid this would require an agonizing change from a monstrous war economy to a normal peace economy. The situation now is such that one must think not of what might happen unexpectedly in the Soviet Union, because in the Soviet Union nothing will happen unexpectedly. One must think of what might happen unexpectedly in the West. The West is on the verge of a collapse created by its own hands. This quite naturally makes the question one for you and not for us.

Mr. CHARLTON. And you say this from the moral standpoint of a devout Christian, I know, and truth for you is more important than consequences. But you are asking people to say that in the nuclear age, because the sword that hangs over everybody's heads is the electronic threat of the nuclear weapons. And I think this is one of the problems that you face when you're criticized now as being an enemy of détente. What alternatives are there to treating with the devil, as you would say, if the purpose of that is to avoid nuclear catastrophe?

Mr. SOLZHENITSYN. You know, there was a time at the beginning of the Fifties when this nuclear threat hung over the world, but the attitude of the West was like granite and the West did not yield. Today this nuclear threat still hangs over both sides, but the West has chosen the wrong path of making concessions. Nuclear war is not even necessary to the Soviet Union. You can be taken simply with bare hands. Why on earth, then, should one have nuclear war? If you have raised your hands and are giving in, why have nuclear war? They take you simply like that, without nuclear war.

The most important aspect of détente today is that there is no ideological détente. You Western people, you simply can't grasp the power of Soviet propaganda. Today you remain British imperialists who wish to strangle the whole earth. All this is hidden beneath the thin crust of détente. To remove this crust will take only one morning, one single morning. *You* can't be turned away from détente so simply. To turn you away from your present position one would need a year or two. But in the Soviet Union one morning, one command is enough. Newspapers come out with the news that the British imperialists have become so brazen that the situation has become intolerable. And nothing that is being said against you every day will contradict this. And détente? There is no détente; it's just gone. One can't raise the question of détente without ideological détente. If you are hated and hounded throughout the press in every single lecture, what sort of détente is that? You are shown up as villains who can be tolerated, well, maybe for one more day. That is not détente.

As for the spirit of Helsinki, may I ask a question in my turn? How do you explain that, for instance, over the last few months there has been hardly any news coming out of the Soviet Union of the continuing persecution of dissidents? If you will forgive me, I'll answer this myself. The journalists have bowed to the spirit of Helsinki. I know for a fact that Western journalists in Moscow who have been given the right of freer movement, in return for this and because of the spirit of Helsinki, no longer accept information about new persecutions of dissidents in the Soviet Union. What does the spirit of Helsinki and the spirit of détente mean for us within the Soviet Union? The strengthening of totalitarianism. What seems to you to be a milder atmosphere, a milder climate, is for us the strengthening of totalitarianism.

Here, for instance, I would like to give you a few fresh examples which you will not have heard about over the radio or read in the papers. May I? Someone went to visit Sakharov; he went home by train and was killed on the way. No, it wasn't you; *he* was killed. It was a Soviet citizen. Someone knocks at the door of Nikolai Kryukov; they have come to fix the gas. He opens the door. They beat him up nearly to death in his own house because he has defended dissidents and signed protests. All this happens in a flat. But on a street at five o'clock in the afternoon, on Lenin Prospect—Lenin!—Malva Landa is seized and dragged into a car. She screamed, "Citizens! I'm being kidnapped!" Hundreds of people heard, passed by; they were afraid because anybody can be seized like that. Under the very eyes of passersby they shoved her into a car and took her to prison. That's the situation. That's the spirit of Helsinki and détente for us. And so it goes on. In Odessa, Vyacheslav Grunov has been arrested, possessing illicit literature, and put into a lunatic asylum. They've released Plyushch but continue to lock up others. There you have détente and the spirit of Helsinki.

Mr. Charlton. Aleksandr Isaech, it's a very powerful feeling in the West throughout the Fifties and Sixties and perhaps now—in fact, a great British philosopher, Bertrand Russel, gave his support to the view—"Better red than dead." But are you saying that this policy of detente was formulated by the Soviet government expressly for the purpose of preventing internal liberalization in the Soviet Union? In other words, the Soviet Union was falling behind economically. In order to catch up it had to import American and West German technology; otherwise it would have to scrap the whole system. And so it can only catch up by importing its technology from abroad and clamping down internally.

Mr. Solzhenitsyn. Here—forgive me—there're several questions. Yes, it is the import of technology which is saving the Soviet Union. That's true. But I return to that terrible statement of Bertrand Russell. I don't understand at all why Bertrand Russell said, "Better red than dead." Why did he not say it would be better to be *brown* than dead? There's no difference. All my life and the life of my generation, the life of those who share my views, we all have one standpoint: better to be dead than a scoundrel. In this horrible expression of Bertrand Russel, there is an absence of all moral criteria. Looked at from a short distance, these words allow one to maneuver and to continue to enjoy life; but from a long-term point of view it will undoubtedly destroy those people who think like that. It is a terrible thought. I thank you for quoting this as a striking example.

Mr. Charlton. But you are asking as an alternative for a return to something like the cold war tensions; and most people, of course, welcome detente as a respite from that, a break, something different. But would you agree that the alternatives that you pose are likely to be a return to something like the tensions of the Stalin-Khrushchev period?

Mr. Solzhenitsyn. I would like to emphasize: You think that this is a respite, but this is an imaginary respite; it's a respite before destruction. As for us, we have no respite at all. We are being strangled even more, with greater determination. You recall the tension of the Fifties, but despite that tension you conceded nothing. But today you don't have to be a strategist to understand why Angola is being taken. What for? This is one of the most recent positions from which to wage most successfully world war: a wonderful position in the Atlantic. The Soviet armed forces have already overtaken the West in many respects, and in other respects they are on the point of overtaking. The navy? Britain used to have a navy. Now it is the Soviet Union that has the navy, control of the seas, bases. You may call this detente if you like, but after Angola I just can't understand how one's tongue can utter this word. Your defense minister has said that after Helsinki the Soviet Union is passing the test. I don't know how many countries are still to be taken. Maybe the Soviet tanks have to come to London for your defense minister to say, at last, that the Soviet Union has finally passed the test. Or will it still be sitting the exam? I think there is no such thing as detente. Detente is necessary, but detente with you are conducting detente have a stone in your hands. But your partners with whom you are conducting detente have a stone in their hands, and it is so heavy that it could kill you with one single blow. Detente becomes self-deception; that's what it's all about.

Mr. Charlton. Can I ask you finally, as a great Russian patriot, what view you take of your own future?

Mr. Solzhenitsyn. My own fuutre is closely linked with the fate of my country. I work and have always worked only for it. Our history has been concealed from us, entirely distorted. I am trying to reconstruct this history primarily for my own country; maybe it will also be useful for the West. My future depends on what will happen to my country. But quite apart from this, the Moscow leaders have of course particular feelings toward me so that my own destiny may be decided before that of my country. It is of course possible they may try to get rid of me completely before the fate of my country changes for the better; I sometimes get news of that sort. When I came here I counted on returning very soon because the Soviet Union then was much weaker and the West was much stronger. But over these two years mutual relationships have changed greatly in favor of the Soviet Union.

Mr. Charlton. Mr. Solzhenitsyn, thank you.

Mr. Buckley. Mr. Muggeridge, how do you account for the impact of this program in Great Britain if it is in fact the case, as Mr. Solzhenitsyn alleges, that the West is in such moral disorder?

Mr. Muggeridge. Its impact is due to the fact that it is absolutely true. You see, what Solzhenitsyn has said is in an entirely different level from the comments that go on about our world on television, by politicians. It's in terms of truth. It's in terms of good and evil. It's in terms ultimately of the Christian faith. Now, I think myself that the fact that these words, so infinitely refreshing and uplifting and *hopeful*, should come not from the West, where we're always talking about freedom, but from the most enslaved society that's ever existed on earth and from a man who, let us never forget, had he wished to make only very trifling concessions could have lived in that country as one of its most favored and honored citizens but who chose for the sake of truth and for the sake of loyalty to the people with whom he'd been in those prisons—wrongly, by the way, referred to as Stalin's camps because they still exist; they're not Stalin's camps, they're Soviet camps—chose to jeopardize his life, his work, everything, and to give us in the West a last chance by telling us what the world situation is *really* about, which is *not* energy, *not* inflation, *not* who is going to be chosen to be the candidates in America, *not* who gets into power, but good and evil.

Mr. Buckley. Mr. Levin, did you find that message hopeful as Mr. Muggeridge did? And what is it about it that is hopeful?

Mr. Levin. This is a curious paradox. I did find that the thing I took away from it very strongly is exactly that feeling of—I can only use the word—exhilaration. And yet the message, after all, he is giving us is that the West is in a terrible plight, weak because she is morally weak, could be crushed in a moment. This is what he's saying from beginning to end, and yet one comes away not in despair but in hope. And I think that as far as I can see the reason for that is not that he is telling us something we didn't know already—there were no revelations in that interview, after all—but that he has touched in us a chord that was ready for such a man.

You see, the most extraordinary thing about Solzhenitsyn is that I do not know when the last time in the world's history it was that a single man, with no power—he was not a king, a dictator, a general—but the moral force of his own will and beliefs and character compelled the world to listen to him. And I believe that in the countries like Britain we were ready to listen to him. I cannot myself believe that the feeling I got very strongly wherever I've been since the BBC showed that interview, people I've talked to all say the same thing: that they were hypnotized by him and the message he was telling them. And the message is, as Malcolm says, that there is a difference between good and evil and that it is an important difference to remember not merely when you are dealing directly with questions of morality but when you are dealing with questions of international politics. And I think we believe that. We have known it, and he has at last touched the spring that has released it and forth has come the spring, gushing.

In contradistinction to a lot of the tittering, mincing comment that has been publicly made about Solzhenitsyn, I think one of the things that has gone wrong with this country is that too much of the public comment has been of the kind that dismisses a man like Solzhenitsyn because it is incapable of taking the measure of him, and that therefore a lot of what you might call private comment is unwilling, or at any rate unable, to formulate these feelings. And that is why the effect of a man like this is so great: because he comes, in effect, to tell us what we already know and to strengthen that belief in us.

Mr. Buckley. Well, Mr. Muggeridge, in the light of Mr. Levin's analysis, are we entitled to say that if this exposure to Solzhenitsyn proves to be resonant, then indeed we can judge the situation as hopeful; but that if it becomes simply another transitory, emotional experience quickly excreted along with the rest of the day's detritus, he will actually have proved that the situation is beyond remedy?

Mr. Muggeridge. I don't think anything could alter its hopefulness because I think the fact that it still is possible for a man to come on television and speak truth and have this tremendous impact—and it's going to be the same impact in America that it's been here—is itself the reminder of the eternal hope that whatever happens—I mean, our civilization comes to an end as civilizations do; our decadence and corruption brings it down. But still the fact remains that words such as Solzhenitsyn spoke, an approach to our situation such as he has presented, has this impact, wins this response. And you will find exactly the same response. He is the greatest man now alive in the world. It's rather sad to think that the President of the United States, who receives a great many people, didn't think it worthwhile, when he was there, to receive him—something that will be in history books in a way.

Also, I think you will find that somehow or other it affects even your presidential election, because he presents the issues as they really are. I'd like to say one thing to American viewers of this program which will bear out what he's been saying: that after they've watched it and listened to it, let them go and get hold of Dostoevsky's novel called *The Devils* or *The Possessed*—both names are used. There's a very good, new translation by Magarshack. And they will see in that novel exactly what he means: that this experience that the world's going through—in which Russia's played so considerable a part—began long before the Russian Revolution. The same issues were there, and he speaks the same language that Dostoevsky speaks in that novel.

Mr. Buckley. Even granting that as the historical background, Mr. Levin, would you say that there is a, if you like, peacock correspondence between the two years during which Mr. Solzhenitsyn has been at liberty and those two years that he singles out as the great acceleration in the decline of the West?

Mr. Levin. Yes. It's an irony that that is indeed what's happened. I think the decline would have gone on whether he had been in the West or not, of course. That in itself has not anything to do with it. But in that sense he's absolutely right: It has gone on. There are signs now, clearly—at least I think I detect signs—that many people are feeling that the acceleration has gone too far and too fast and actually do want to do something about it. I think it is one of the hopeful threads in the run up to the American presidential campaign that the real meaning of detente seems to be under examination as it has not been since the absurdly hopeful days that have preceded this period.

Mr. Buckley. As a pragmatic or as a moral matter?

Mr. Levin. Well, Solzhenitsyn would disagree here, obviously. I say it doesn't matter provided the reexamination of detente takes place. I don't care whether it's done on a moral or a pragmatic basis provided it's done.

Mr. Buckley. Because they will come to the same conclusion, you mean? Because they will come to the same conclusion?

Mr. Levin. It would come to the same conclusion. The conclusion is what I'm interested in. I don't share Solzhenitsyn's or Malcolm's Christian faith, but I see the—I mean, the fact that this is what gives Solzhenitsyn not merely his strengths but the whole tenor of his argument, and the whole basis of his view of the world is based obviously in his Christian faith. I don't share that myself, but that's neither here nor there. What I'm saying is that whether it is because we realize, as he says, that you cannot divorce morality from politics or whether it is because we look at the balance of power and get alarmed by it, provided we do something about it I shall be content.

Mr. Muggeridge. Bill, one more point of hope, which is the biggest point of all: This regime, of which after all Solzhenitsyn is a product—he was born into the Soviet regime—has set itself to fashion a type of human being who would fall in with their standards, their arrangements. Now, the world sees that man and listens to that man and realizes that that idea of what they call in their rather hollow way "social engineering" has been a total failure and fiasco; that this is what you can't do. Whether you try to do it *their* way by means of what's called propaganda or *our* way by means of genetics and so on, you can't do it.

Mr. Buckley. Well, is he a mutation? Or is he touched by grace?

Mr. Muggeridge. Grace. And this is the most extraordinary thing of all, which is the one question I would still have liked to put to him.

Mr. Levin. Yes. But—he is, undoubtedly. But I would like to say this: That although undoubtedly Solzhenitsyn is a man lit from within by grace, there are others—Sakharov is the obvious example—who are not; who take it simply from what you might call moral pragmatism. As far as I know Sakharov has no religious faith, and yet here is the man who demonstrates, just as Solzhenitsyn, that you cannot—whatever you do and however long you do it—extinguish the spark of freedom in human beings. Both of them demonstrate this, and they demonstrate it, the philosopher and artist on the one hand and the scientist on the other. I think those two colossi rightly dominate the world and should continue to do so.

Mr. Buckley. We have only a few seconds, but if in fact you project the technology of totalitarianism along the same graph it has followed during the past century, mightn't it be predictable that even 10, 15 years from now such a phenomenon as Solzhenitsyn could not be permitted to exist?

Mr. Muggeridge. I don't agree. I think that the fact that it can exist now is the proof that that technology can never wholly conquer man. And I love the image that if you—I don't know where I read it. But if you encased the earth in concrete there would still be a crack in that concrete, and through that crack something would grow. That's Solzhenitsyn.

Mr. Buckley. Thank you, Mr. Muggeridge. Thank you very much, Mr. Levin.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Young of Alaska (at the request of Mr. Devine), for today, on account of official business.

Mr. St Germain (at the request of Mr. O'Neill), for today, on account of dental surgery.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Moore) and to revise and extend their remarks and include extraneous matter:)

Mr. Kemp, for 30 minutes, today.

Mr. Kelly, for 15 minutes, today.

Mr. Martin, for 20 minutes, on Monday, April 12.

(The following Members (at the request of Mr. Nowak) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Rodino, for 5 minutes, today.

Mrs. Meyner, for 5 minutes, today.

Mr. Baucus, for 10 minutes, today.

Mr. Alexander, for 10 minutes, today.

Mr. Bingham, for 10 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Scheuer, for 5 minutes, today.

Mrs. Burke of California, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Kemp notwithstanding an estimated cost of $1,280 and exceeding two pages of the Congressional Record, to revise and extend his remarks.

Mr. Maguire, to revise and extend his remarks on the MARV amendment, prior to the vote on the Downey of New York amendment in the Committee of the Whole today.

Mr. Dan Daniel and Mr. Hillis to include extraneous matter during the debate under the 5-minute rule in the Committee of the Whole today.

(The following Members (at the request of Mr. Moore) and to include extraneous matter:)

Mr. Symms in two instances.

Mr. Anderson of Illinois in two instances.

Mr. Horton.

Mr. Wiggins.

Mr. Crane.

Mr. Walsh.

Mr. Wydler.

Mr. McCollister.

Mr. Martin.

Mr. McCloskey.

Mr. Whalen.

Mr. Findley in two instances.

Mr. Frey.

Mr. Kemp.

(The following Members (at the request of Mr. Nowak) and to include extraneous matter:)

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Florio.

Mr. Edgar.

Mr. Carney.

Mrs. Mink.

Mr. Macdonald of Massachusetts.

Mr. O'Hara.

Mr. Miller of California.

Mr. Baldus.

Mr. Evins of Tennessee.

Mr. Rees in two instances.

Mr. Gaydos in two instances.

Mr. Simon.

Mr. Maguire.

Mr. Rangel.

Mr. Dominick V. Daniels.

Mr. Mineta.

Mrs. Burke of California in two instances.

Mrs. Schroeder.

Ms. Abzug in two instances.

Mr. Roe.

Mr. Eilberg.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 75. An act to study certain lands in the Sierra National Forest, Calif., for possible inclusion in the National Wilderness Preservation System; to the Committee on Interior and Insular Affairs.

S. 2853. An act to amend the Food Stamp Act of 1964 to insure a proper level of accountability on the part of food stamp vendors; to the Committee on Agriculture.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 1941. An act to amend the act of August 24, 1966, as amended, to increase the protection afforded animals in transit and to assure humane treatment of certain animals, and for other purposes; and

S.J. Res. 101. A joint resolution to authorize the President to issue a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week".

ADJOURNMENT

Mr. NOWAK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until Monday, April 12, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speakers table and referred as follows:

2999. A letter from the Secretary of the Treasury, transmitting a special report of the National Advisory Council on International Monetary and Financial Policies on the proposed amendment of the Articles of Agreement of the International Monetary Fund and on the proposed increase in quotas in the International Monetary Fund (H. Doc. No. 94–447); to the Committee on Banking, Currency and Housing and ordered to be printed.

3000. A letter from the Secretary of Labor, transmitting a report on the 1976 summer youth jobs programs, pursuant to section 705(c) of the Comprehensive Employment and Training Act of 1973, as amended; to the Committee on Education and Labor.

3001. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a proposed new system of records for the Department's overseas dependent schoolteachers retroactive pay project, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3002. A letter from the Assistant Secretary of Health, Education, and Welfare for Administration and Management, transmitting proposed alterations in a system of records for epidemiologic studies of special disease problems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3003. A letter from the Deputy Assistant Secretary of the Interior, transmitting financial statements of the Colorado River storage project and participating projects for the year ended June 30, 1975, pursuant to section 6 of the Colorado River Storage Project Act of 1956 (70 Stat. 109); to the Committee on Interior and Insular Affairs.

3004. A letter from the Secretary of Transportation, transmitting a report on the highway safety needs study, pursuant to section 225 of Public Law 93–87; to the Committee on Public Works and Transportation.

3005. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend section 25 of the Deepwater Port Act of 1974 by providing a permanent authorization of appropriations; jointly, to the Committees on Public Works and Transportation, and Merchant Marine and Fisheries.

Received From the Comptroller General

3006. A letter from the Acting Comptroller General of the United States, transmitting his review of the deferrals of budget authority and the revised deferral contained in the message from the President dated March 18, 1976 (H. Doc. No. 94–410), pursuant to subsections 1014(b) and (c) of Public Law 93–344 (H. Doc. No. 94–448); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERKINS: Committee on Education and Labor. H.R. 12838. A bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes; with amendment (Rept. No. 94–1024). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 12207. A bill to amend the Rural Electrification Act of 1936, as amended, to correct unintended inequities in the interest rate criteria for borrowers from the Rural Electrification Administration, and to make other technical amendments; with amendment (Rept. No. 94–1025). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 13172. A bill making supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94–1027). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. House Resolution 1032. Resolution disapproving the deferral of certain budget authority (D76–95) relating to the Department of Agriculture, Soil Conservation Service, which is proposed by the President in his message of January 23, 1976, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 94–1028). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. House Resolution 1129. Resolution disapproving the deferral of budget authority relating to special supplemental food program (WIC) (deferral D76–105) which is proposed by the President in his message of March 18, 1976, transmitted under section 1013) of the Impoundment Control Act of 1974 (Rept. No. 94–1029). Referred to the Committee of the Whole House on the State of the Union.

Mr. ADAMS: Committee on the Budget. House Concurrent Resolution 611. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1977, and revising the congressional budget for the transition quarter beginning July 1, 1976. (Rept. No. 94–1030). Referred to the Committee of the Whole House on the State of the Union.

Mr. SARBANES: Committee on the Judiciary. H.R. 365. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain firefighters who die in the performance of duty; with amendment (Rept. No. 94–1031). Referred to the Committee of the Whole House on the State of the Union.

Mr. SARBANES: Committee on the Judiciary. H.R. 366. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty; with amendment (Rept No. 94–1032). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 2525. A bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes; with amendment, and referred to the Committees on Interstate and Foreign Commerce, and Ways and Means for a period ending not later than May 12, 1976, for current consideration of such provisions of the bill as fall within the jurisdictions of those committees under rule X, clause 1(l) and clause 1 (v) respectively (Rept. No. 94–1026, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR (for himself, Mr. Andrews of North Dakota, Mr. Burke of Florida, Mr. Conte, Mr. Hightower, Mr. Jenrette, Mr. Oberstar, Mr. Simon, and Mr. Won Pat):

H.R. 13142. A bill to amend title 39, United States Code, to provide that the nature of services provided by any post office facility may not be changed without the approval of a majority of the patrons of the facility, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BAUCUS:

H.R. 13143. A bill to provide Federal assistance under certain housing programs for more dwelling units which are heated or cooled by solar energy; to the Committee on Banking, Currency and Housing.

By Mr. BINGHAM:

H.R. 13144. A bill to provide Federal citizen anticrime patrol assistance grants to residents' organizations; to the Committee on the Judiciary.

By Mr. DRINAN:

H.R. 13145. A bill to amend title II of the Social Security Act to provide that the remarriage of a widow, widower, or parent shall not terminate his or her entitlement to widow's, widower's, or parent's insurance benefits or reduce the amount thereof; to the Committee on Ways and Means.

By Mr. GUDE (for himself, Mr. Cohen, Mr. Conte, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Frenzel, Mr. Grassley, Mr. Hughes, Mr. Jones of North Carolina, Mr. McHugh, Mr. Mann, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. Mollohan, Mr. Moorhead of Pennsylvania, Mr. Ottinger, Mr. Pattison of New York, Mr. Regula, Mr. Rodino, Mr. Roybal, Mr. Scheuer, Mr. Seiberling, Mr. Charles Wilson of Texas):

H.R. 13146. A bill to amend the Higher Education Act of 1965 to require the Commissioner of Education to make payments of interest for eligible students within 30 days of receipt of a proper voucher, and for other purposes; to the Committee on Education and Labor.

By Mr. GUDE (for himself, Mr. Charles H. Wilson of California, and Mr. Won Pat):

H.R. 13147. A bill to amend the Higher Education Act of 1965 to require the Commissioner of Education to make payments of interest for eligible students within 30 days of receipt of a proper voucher, and for other purposes; to the Committee on Education and Labor.

By Mr. HECHLER of West Virginia:

H.R. 13148. A bill to amend the Internal Revenue Code of 1954, as amended; to the Committee on Ways and Means.

By Mr. JENRETTE (for himself, Mr. Brodhead, Mr. Fithian, Mr. Drinan, Mr. Davis, Mr. Kindness, Mr. Early, Mr. Burgener, Mr. Brinkley, Mr. Lott, Mr. Hungate, Mr. Dominick V. Daniels, Mr. Ottinger, Mr. Mann, Mr. Fuqua, Mr. McEwen, Mr. Harrington, Mr. Baldus, Mr. Thone, Mr. Andrews of North Dakota, Mr. Hechler of West Virginia, Mr. Lloyd of California, Mr. Murphy of New York, Mr. Bevill, and Mr. Hightower):

H.R. 13149. A bill to amend title 39, United States Code, to require the U.S. Postal Service to make certain considerations prior to the closing of third- and fourth-class post offices; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON of Pennsylvania:

H.R. 13150. A bill to increase from 10 to 15 years the period during which veterans and certain wives and widows of veterans are eligible for educational assistance; to the Committee on Veterans' Affairs.

By Mr. KOCH (for himself and Mr. Scheuer):

H.R. 13151. A bill to amend the Export Administration Act of 1969 to strengthen the antiboycott provisions of such act, to amend the Securities Exchange Act of 1934 to enhance investor disclosure provisions of that act, and for other purposes; jointly to the Committees on International Relations and Interstate and Foreign Commerce.

By Mr. MOAKLEY:

H.R. 13152. A bill to direct the Administrator of Veterans' Affairs to conduct a scientific study to determine the relationship between amputations and cardiovascular disorders; to the Committee on Veterans' Affairs.

By Mr. MOAKLEY

H.R. 13153. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MOAKLEY:

H.R. 13154. A bill to amend title 38, United States Code, to extend the period of time during which seriously disabled veterans may be afforded vocational rehabilitation training; to the Committee on Veterans' Affairs.

By Mr. OTTINGER:

H.R. 13155. A bill to amend the Impoundment Control Act of 1974 to provide that either House of Congress may be resolution disapprove any rescission or reservation of funds proposed by the President, without waiting for the expiration of the 45-day period prescribed (for disapproval by congressional inaction) by present law, and to make other changes to clarify and increase the effectiveness of the impoundment control program under such act; to the Committee on Rules.

By Mr. PRICE (by request):

H.R. 13156. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. RODINO (for himself, Mr. Hungate, Ms. Holtzman, Mr. Russo, Mr. Mezvinsky, Mr. Eilberg, Mr. Flowers, Mr. Danielson, Mr. Drinan, Mr. Badillo, Mr. Mazzoli, Mr. Pattison of New York, Mr. Dodd, Mr. Hughes, and Mr. Fish):

H.R. 13157. A bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

By Mr. RODINO (for himself, Mr. Walsh, Mr. Lehman, Mr. Carney, Mr. Gonzalez, Mr. Blanchard, Mr. Mikva, Mrs. Mink, Mr. Matsunaga, Mr. Fraser, Mr. Nolan, Mr. Oberstar, Mr. Bergland, and Mr. Tsongas):

H.R. 13158. A bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

By Mr. RONCALIO:

H.R. 13159. A bill to amend title I of the Housing and Community Development Act of 1974 to revise the allocation formula for assistance under such title, and to provide increased authorizations to carry out programs under such title; to the Committee on Banking, Currency and Housing.

By Mr. TAYLOR of North Carolina (for himself, Mr. Johnson of California, Mr. Kastenmeier, Mr. Kazen, Mr. Stephens, Mr. Bingham, Mr. de Lugo, Mr. Byron, Mr. Meeds, Mr. Sebelius, Mr. Skubitz, Mr. Don H. Clausen, Mr. Ruppe, Mr. Bauman, Mr. Lagomarsino, Mr. Evans of Colorado, Mr. Udall, Mrs. Pettis, Mr. Lujan, and Mr. Talcott):

H.R. 13160. A bill to designate certain lands within units of the national park system as wilderness; to revise the boundaries of certain of those units; to the Committee on Interior and Insular Affairs.

By Mr. TAYLOR of North Carolina (for himself, Mr. Hicks, Mr. Nolan, Mr. Fithian, Mr. Mollohan, Mr. Neal, Mr. Howard, Mr. Henderson, Mr. Symington, Mr. Hyde, Mr. Edwards of Alabama, and Mr. Duncan of Tennessee):

H.R. 13161. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WHALEN (for himself, Mr. Ashley, Mr. Edgar, Mr. Edwards of California, Mr. Mineta, Mr. Mottl, Mr. Ottinger, Mr. Patterson of California, Mr. Seiberling, Mr. Stark, and Mr. Weaver):

H.R. 13162. A bill to provide that States may elect to use area triggers for purposes of emergency unemployment compensation benefits; to the Committee on Ways and Means.

By Mr. BRINKLEY (for himself, Mr. Robinson, Mr. Frenzel and Mr. Kastenmeier):

H.R. 13163. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

By Mr. BROWN of Ohio:

H.R. 13164. A bill to authorize the Secretary of the Interior to establish and operate a National Museum of Afro-American History and Culture at or near Wilberforce, Ohio; to the Committee on Interior and Insular Affairs.

By Mr. ECKHARDT:

H.R. 13165. A bill to amend the Emergency Petroleum Allocation Act of 1973 to prohibit the President from exempting crude oil, residual oil, or any refined petroleum product from the provisions of the regulation under such act; to the Committee on Interstate and Foreign Commerce.

By Mrs. FENWICK (for herself, Mr. Rogers, Mr. Aspin, Mr. Bell, Mr. Hyde, Mr. J. William Stanton, Mr. Burgener, Mr. Kemp, Mr. Pepper, Mr. Yatron, Mr. Wydler, Ms. Chisholm, Mr. Macdonald of Massachusetts, Mr. McDonald of Georgia, Mr. McHugh, Mrs. Holt, Mr. Murphy of New York, Mr. Lagomarsino, and Mr. Archer):

H.R. 13166. A bill to establish a Commission on Security and Cooperation in Europe; to the Committee on International Relations.

By Mr. HUGHES (for himself, Mrs. Pettis, and Mr. Corman):

H.R. 13167. A bill to amend the Tariff Schedules of the United States to provide duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled within the United States if duty was paid on such replacement engine during a previous importation; to the Committee on Ways and Means.

By Mr. JONES of Tennessee (for himself, Mrs. Lloyd of Tennessee, and Mr. Ford of Tennessee):

H.R. 13168. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL:

H.R. 13169. A bill to amend title 38 of the United States Code in order to waive the payment of premiums for U.S. Government life insurance by certain persons who have attained age 70; to the Committee on Veterans' Affairs.

By Mr. MAHON:

H.R. 13172. A bill making supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

By Mr. ROGERS (for himself, Mr. Bedell, Mr. Brown of California, Mr. Burke of Florida, Mr. Downey of New York, Mr. Green, Mr. Hefner, Mr. Howe, Mr. Lehman, Mr. Mann, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. Moorhead of Pennsylvania, Mr. Murphy of New York, Mr. Ottinger, Mr. Patterson of California, Mr. Pepper, Mr. Rees, Mr. Rodino, Mr. Rosenthal, Mr. Santini, Mr. Snyder, Mr. Vander Veen, Mr. Walsh, and Mr. Won Pat):

H.J. Res. 918. Joint resolution authorizing and requesting the President to issue a proclamation designating the first week in May of each year as Clean Air Week; to the Committee on Post Office and Civil Service.

By Mr. ROYBAL (for himself, Mr. Bonker, Mr. Brademas, Mr. Brown of California, Mrs. Chisholm, Ms. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dent, Mr. Edgar, Mr. Edwards of California, Mr. Emery, Mr. English, Mr. Ford of Michigan, Mr. Harkin, Mr. Hays of Ohio, Mr. Helstoski, Mr. Howe, Mr. Hubbard, Mr. Ichord, Ms. Jordan, Mr. Litton, Mr. Long of Maryland, Mr. McHugh, and Mr. Maguire):

H.J. Res. 919. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Day; to the Committee on Post Office and Civil Service.

By Mr. ROYBAL (for himself, Mrs. Mink, Mr. Nix, Mr. Nowak, Mr. Ottinger, Mr. Pattison of New York, Mr. Peyser, Mr. Railsback, Mr. Rangel, Mr. Rees, Mr. Richmond, Mr. Rodino, Mr. Russo, Mr. Scheuer, Mr. Stokes, Mr. Vigorito, Mr. Walsh, Mr. Waxman, Mr. Charles H. Wilson of California, Mr. Wirth, and Mr. Won Pat):

H.J. Res. 920. Joint Resolution authorizing the President to proclaim September 8 of each year as National Cancer Day; to the Committee on Post Office and Civil Service.

By Mr. LEVITAS:

H. Con. Res. 610. Concurrent resolution expressing the sense of the Congress with respect to sales of defense articles and services to Egypt; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

354. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to enactment of a Sugar Act; to the Committee on Agriculture.

355. Also, memorial of the Legislature of the State of Idaho, relative to back country airports and landing facilities; to the Committee on Interior and Insular Affairs.

356. Also, memorial of the Legislature of

the State of Kentucky, requesting that Congress propose an amendment to the Constitution of the United States requiring that the Federal budget be balanced; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAN DANIEL:

H.R. 13170. A bill for the relief of Dr. Mario Y. Dimacali; to the Committee on the Judiciary.

By Mr. REES:

H.R. 13171. A bill for the relief of Martina Navratilova; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 12384

By Mr. COHEN:

Page 40, after line 24, insert the following new section:

SEC. 612. No military installation or facility may be closed during fiscal year 1977, and no reduction in force for which an environmental impact statement must be filed under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) may take place at any military installation or facility during fiscal year 1977, unless (1) the Committees on Armed Services of the Senate and the House of Representatives have been notified of such proposed closing or reduction, together with the reasons for such closing or reduction and the estimated fiscal, economic, budgetary, and military effects of such closing or reduction, and (2) 60 days of continuous session of Congress have expired following the date on which such notice is transmitted to such Committees and the Congress has not adopted, within such 60-day period, a concurrent resolution disapproving such closing or reduction. For purposes of this section, the continuity of a session of Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period.

Page 40, line 1, redesignate section 612 as section 613.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTION INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of April 8, 1976, page 9987:

HOME BILLS

H.R. 12680. March 22, 1976. Science and Technology. Directs the Administrator of the Energy Research and Development Administration to establish an energy conservation research, development, and demonstration project designed to increase energy use efficiency in industrial, commercial, residential, agricultural, and governmental sectors.

Establishes procedures for the development of energy efficient equipment and processes in accordance with criteria set by the Administrator.

H.R. 12681. March 22, 1976. Ways and Means. Amends the Internal Revenue Code to increase the amount of the exemption from industrial development bond treatment for qualified small issues.

H.R. 12682. March 22, 1976. Judiciary. Makes it a Federal crime to kill certain officers or employees of the Department of the Interior.

H.R. 12683. March 22, 1976. Education and Labor. Exempts, from the Farm Labor Contractor Registration Act of 1963, contractors of workers engaged in custom cutting or combine operations in connection with the harvesting of grains and contractors of workers engaged in the shearing of sheep.

H.R. 12684. March 22, 1976. Judiciary. Amends the Federal Rules of Evidence to prohibit, in cases of alleged rape or assault with intent to commit rape, the introduction of evidence of the victim's sexual conduct or reputation. Makes such prohibition inapplicable to evidence of the victim's prior sexual conduct with the alleged assailant.

H.R. 12685. March 22, 1976. Judiciary. Amends the Federal Rules of Evidence to prohibit, in cases of alleged rape or assault with intent to commit rape, the introduction of evidence of the victim's prior sexual conduct or reputation. Makes such prohibition inapplicable to evidence of the victim's prior sexual conduct with the alleged assailant.

H.R. 12686. March 22, 1976. International Relations. Limits United States contributions to the United Nations to an amount bearing the same ratio to the total budget of the United Nations and its affiliated agencies as the vote of the United States in the United Nations General Assembly bears to the total number of member states in the United Nations General Assembly.

H.R. 12687. March 22, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 12688. March 22, 1976. Judiciary. Specifies, under the Robinson-Patman Act, that price discrimination shall be deemed to include the failure to impose price differentials between purchasers in different functional classes.

H.R. 12689. March 22, 1976. Science and Technology. Authorizes the Administrator to offer financial assistance for the establishment of State energy research, development, and demonstration institutes. Authorizes financial assistance for specified energy research projects of such institutes.

Directs the Administrator to establish a plan, subject to Congressional review, for the establishment of a Cooperative Energy Conservation Extension Services.

H.R. 12690. March 22, 1976. Education and Labor. Directs the Secretary of State to make funds available to institutions of higher learning to be used for stipends for students participating in international internships.

H.R. 12691. March 22, 1976. Armed Services. Makes it unlawful for any individual or entity to solicit or enroll any member of the armed forces in any labor organization or for any member of the armed forces to join, or encourage others to join, any labor organization. Sets forth penalties for violations of this Act.

H.R. 12692. March 22, 1976. Judiciary. Extends the Federal Tort Claims Act to members of the Army National Guard and Air National Guard when engaged in training or duty under Federal law.

H.R. 12693. March 22, 1976. Agriculture. Amends the Forest and Rangeland Renewable Resources Planning Act of 1974 to direct the Secretary of Agriculture to include in the Renewable Resource Program, national program recommendations which take into account specified policy objectives.

Requires the Secretary to provide for public participation in the formulation and review of proposed land management plans and to promulgate regulations for their development and revision.

Revises provisions relative to the sale of timber found on National Forest Service lands.

H.R. 12694. March 22, 1976. Education and Labor. Authorizes the creation of a Special Opportunities Industrialization Centers job training and job creation program in order to provide jobs to unemployed Americans.

Directs the Secretary of Labor to enter into contracts with Opportunities Industrialization Centers to provide comprehensive employment services for unemployed persons in depressed urban and rural areas.

Sets forth conditions governing the provision of Federal financial assistance and authorizes appropriations to fund the program for the next four fiscal years.

H.R. 12695. March 22, 1976. Education and Labor. Authorizes the creation of a Special Opportunities Industrialization Centers job training and job creation program in order to provide jobs to unemployed Americans.

Directs the Secretary of Labor to enter into contracts with Opportunities Industrialization Centers to provide comprehensive employment services for unemployed persons in depressed urban and rural areas.

Sets forth conditions governing the provision of Federal financial assistance and authorizes appropriations to fund the program for the next four fiscal years.

H.R. 12696. March 22, 1976. Judiciary. Imposes penalties for willful or malicious injury, destruction, or interference with communication lines, stations, or systems used, controlled, or licensed by the United States.

H.R. 12697. March 22, 1976. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to prohibit the issuance of solid waste management regulations with respect to the sale or distribution of beverage containers at Federal facilities.

H.R. 12698. March 22, 1976. Banking, Currency and Housing. Amends the National Housing Act to authorize expenditures by the Secretary of Housing and Urban Development for repair of major structural defects which create a serious danger to the life and safety of inhabitants of certain family dwellings covered by any mortgage insured by the Federal Housing Administration.

H.R. 12699. March 22, 1976. Veterans' Affairs. Changes the authority of the Administrator of Veterans' Affairs with regard to expenditures to correct structural defects in dwellings securing loans guaranteed or insured by the Administrator.

H.R. 12700. March 22, 1976. Veterans' Affairs. Changes the authority of the Administrator of Veterans' Affairs with regard to expenditures to correct structural defects in dwellings securing loans guaranteed or insured by the Administrator.

H.R. 12701. March 22, 1976. Post Office and Civil Service. Extends to 120 days the period before any general election involving a Member of or Member-elect to Congress within which such Member or Member-elect is prohibited from sending mass mailings as franked mail.

H.R. 12702. March 22, 1976. Agriculture. Directs the Secretary of Agriculture to make loans available to agricultural producers who suffer losses as a result of having their agricultural commodities or livestock quarantined or condemned because such commodities or livestock have been found to contain toxic chemicals dangerous to the public health.

H.R. 12703. March 22, 1976. House Administration. Amends the Internal Revenue Code to authorize and establish procedures for publicly financing general election campaigns of candidates for election to Congress. Establish the Congressional General Election Payment Account, out of which qualified candidates shall be paid funds to match the amounts such candidate has raised through private contributions.

H.R. 12704. March 22, 1976. Science and Technology. Authorizes appropriations to the

Environmental Protection Agency for fiscal year 1977 for environmental research, development, and demonstration programs. Imposes limitations on the transfer of funds from one area of research to another without Congressional consent.

Directs the Administrator of the Environmental Protection Agency to prepare a comprehensive five-year plan for environmental research, development, and demonstration.

H.R. 12705. March 22, 1976. Armed Services. Directs the Secretary of the Air Force to transfer a certain individual to active status in the United States Air Force Reserves, at a certain rank and specified assignments, for the period of time necessary to qualify such individual for retirement pay for non-regular service.

H.R. 12706. March 22, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12707. March 22, 1976. Judiciary. Declares a certain individual the natural-born alien son of a certain United States citizen.

H.R. 12708. March 22, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States arising from the relocation of the individual, his family, and household goods from Los Angeles to Carmel, California, as a result of his transfer as an employee of the Department of the Army.

H.R. 12709. March 22, 1976. Judiciary. Directs the Secretary of Defense to reinstate a certain individual to a certain position at a specified grade or a position within the Department of the Air Force at the same pay and grade and in the same occupational field.

H.R. 12710. March 23, 1976. Education and Labor. Amends the Farm Labor Contractor Registration Act of 1963 to exempt from the registration requirements of such Act, persons, employing fewer than ten individuals, who engage in contracting solely for the purpose of providing combine machine operating crews for the harvesting of grain or individuals for the shearing of sheep.

H.R. 12711. March 23, 1976. Veterans' Affairs. Provides that if any cost-of-living increase is made in old-age and survivors insurance benefits payable under title II of the Social Security Act after December 31, 1975, or if any general benefit increase is made under such Act after such date, the Administrator of Veterans' Affairs shall increase specified benefit payments to veterans by the same percentage.

Provides that recipients of veterans' pension and compensation shall not have the amount of such pension or compensation reduced because of increases in monthly social security benefits or railroad retirement benefits.

H.R. 12712. March 23, 1976. Interstate and Foreign Commerce. Prohibits distributors and refiners of petroleum products from canceling franchises without cause and without prior notice.

H.R. 12713. March 23, 1976. Interior and Insular Affairs. Establishes the Frederick Law Olmsted Home and Office in Brookline, Mass., as a national historic site.

H.R. 12714. March 23, 1976. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer to take a personal exemption for a dependent who is a handicapped individual participating in a sheltered workshop.

H.R. 12715. March 23, 1976. Public Works and Transportation. Authorizes the Secretary of Transportation to enter into a contractual arrangement to pay the principal and interest on bonds and other obligations issued by a State under a plan for completion of the Interstate System in such State which has been approved by the Secretary under this act.

H.R. 12716. March 23, 1976. Public Works and Transportation. Amends the Federal Water Pollution Control Act to establish procedures for the certification by the Administrator of the Environmental Protection Agency of State areawide management plans for areas not previously designated as having serious water quality problems.

H.R. 12717. March 23, 1976. Veterans' Affairs. Allows an eligible veteran who is pursuing a program of education at the close of the 10-year delimiting period to continue to receive educational assistance in specified circumstances.

H.R. 12718. March 23, 1976. Small Business. Amends the Small Business Act to allow the Small Business Administration to provide disaster loans to small businesses in areas which the Administrator declares to have been struck by impacted disasters.

H.R. 12719.—March 23, 1976. Ways and Means. Amends the Social Security Act to extend from February 1, 1976, to October 1, 1976, the period during which payment may be made for specified child day care services as described in the Act, without regard to new staffing requirements imposed by the Act.

H.R. 12720.—March 23, 1976. Ways and Means. Amends the Internal Revenue Code to treat gain or loss from any closing transaction as a gain or loss from the sale or exchange of a capital asset held for not more than six months.

Defines the term "closing transaction" to mean the purchase of a put or call in stock or securities, or commodities, to terminate the taxpayer's obligation under an existing put or call in substantially identical stock or securities.

H.R. 12721.—March 23, 1976. Judiciary. Amends the Gun Control Act of 1968 to require certain minimum prison sentences for any individual who uses or carries a firearm during the commission of any felony for which such individual may be prosecuted in a Federal court.

H.R. 12722.—March 23, 1976. Ways and Means. Amends the Tariff Schedules of the United States to redefine "mixed animal feeds" and "mixed-feed ingredients" (1) to include soybeans and soybean products as well as grains, and (2) to exclude such grain and soybean products when mixed with milk, milk products, or milk derivatives.

H.R. 12723.—March 23, 1976. Agriculture. Amends the Agricultural Act of 1949 to establish a loan level for the 1975, 1976, and 1977 crops of corn, cotton, wheat, and soybeans. Prohibits the Commodity Credit Corporation from selling such commodities at a price less than 150 percent of the current national loan rate for the commodity involved with specified adjustments. Limits the sale of such commodities owned or controlled by the Corporation to the net quantities by which estimated domestic consumption and exports exceed estimated production and imports.

H.R. 12724.—March 23, 1976. Merchant Marine and Fisheries. Provides that no waiver of specified navigation laws set forth in the Merchant Marine Act, 1920, shall be effective unless notice of such waiver is published in the Federal Register and opportunity is given for comment and to request a public hearing thereon.

H.R. 12725. March 23, 1976. Ways and Means. Authorizes the balance to the credit of an employee who is a beneficiary of an exempt trust or annuity, under the Internal Revenue Code, to be paid out within one taxable year to the employee. on account of a termination of the employee benefit plan, without inclusion in the gross income of such employee if such benefit payment is transferred to an individual retirement annuity, account, or bond within 60 days.

H.R. 12726. March 23, 1976. Judiciary; Ways and Means. Redefines "firearm" under the Omnibus Crime Control and Safe Streets Act of 1968 and "any other weapon" under the National Firearms Act to include certain electric weapons for purposes of regulation of the sale, manufacture, importation, transportation and taxation of such weapons.

H.R. 12727. March 23, 1976. Ways and Means. Permits unemployment insurance funds, under the Internal Revenue Code, to be used for making payments to employers of otherwise unemployed individuals under State plans requiring that the employee pay such individual wages comparable to the amount paid to other individuals doing the same work.

H.R. 12728. March 23, 1976. House Administration. Amends the Internal Revenue Code to authorize and establish procedures for publicly financing general election campaigns of candidates for election to Congress. Establishes the Congressional Election Payment Account, out of which qualified candidates shall be paid funds to match the amounts such candidate has raised through private contributions.

H.R. 12729. March 23, 1976. Government Operations. Amends the Budgeting and Accounting Act of 1921 to give the Comptroller General access to any books, documents, papers, or records of any Federal agency.

H.R. 12730. March 23, 1976. Ways and Means. Amends the Social Security Act to authorize payment under the Medicare program for specified services performed by chiropractors, including X-rays, and physical examination, and related routine laboratory tests.

HOUSE JOINT RESOLUTIONS

H.J. Res. 881. March 22, 1976. Post Office and Civil Service. Designates the fourth Monday in March of each year as "National Agriculture Day".

H.J. Res. 882. March 22, 1976. Post Office and Civil Service. Designates the fourth Monday in March of each year as "National Agriculture Day".

H.J. Res. 883. March 22, 1976. Post Office and Civil Service. Designates the week beginning April 4, 1976, as "National Drafting Week".

H.J. Res. 884. March 23, 1976. Judiciary. Proposes a constitutional amendment which provides that the House of Representatives shall be composed of Members chosen for a term of four years by the people of the several States.

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 590. March 18, 1976. International Relations. Directs the President to express the request of the United States Government of the Union of Soviet Socialist Republics provide Valentyn Moroz with the opportunity to accept the invitation of Harvard University to join the Harvard Ukrainian Research Institute for the 1976–77 academic year.

H. Con. Res. 591. March 18, 1976. International Relations. Directs the President to express the request of the United States Government than the Government of the Union of Soviet Socialist Republics provide Valentyn Moroz with the opportunity to accept the invitation of Harvard University to join the Harvard Ukrainian Research Institute for the 1976–77 academic year.

H. Con. Res. 592. March 18, House Administration. Provides for the printing for the use of the Joint Committee on Atomic Energy of copies of the committee print entitled "Review of National Breeder Reactor Program", a report by the Committee's Ad Hoc Subcommittee to review the Liquid Metal Fast Breeder Reactor Program.

H. Con. Res. 593. March 18, 1976. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States and their political subdivisions.

HOUSE RESOLUTIONS

H. Res. 1100. March 22, 1976. House Administration. Provides that the report of the Select Committee on Intelligence entitled "Report of the Investigations of the United States Intelligence Agencies and Activities" shall be printed and distributed as a House document.

H. Res. 1101. March 22, 1976. Rules. Creates a House Select Committee on the Fiscal Problems of Cities which shall identify the nature and cause of problems afflicting large cities which face severe fiscal imbalance.

H. Res. 1102. March 22, 1976. House Administration. Provides that no Member of the House of Representatives shall expend or draw funds against the stationery allowance except by presentation of a receipt of purchase of stationery, or office supplies. Requires that any unexpended portion of the stationery allowance of a Member of the House of Representatives shall be returned to the contingent fund of the House at the close of each Congress.

H. Res. 1103. March 24, 1976. Sets forth the rule for the consideration of H.R. 12567.

H. Res. 1104. March 24, 1976. Sets forth the rule for the consideration of H.R. 12566.

SENATE—*Friday, April 9, 1976*

The Senate met at 9 a.m. and was called to order by Hon. JESSE HELMS, a Senator from the State of North Carolina.

PRAYER

The Reverend Dr. C. Ralston Smith, supply pastor, the Geneva Presbyterian Church, Potomac, Md., offered the following prayer:

Almighty God, Father of all mercies, Judge of all men; we come again before Your throne of grace with offerings of thanksgivings and burdens of petition. We are keenly aware of our dependence upon You for this life as it is portioned out to us breath by breath. We know that all which follows for good or evil in our daily habits and deeds requires Your faithful continuance of these gifts moment by moment, and for this faithfulness we are now consciously grateful. Make us ever mindful of Your intention that this basic ingredient of life is to be used for Your glory and the good of our fellows.

Now we bring before You the membership of this company, Senators and staff. We rejoice in their opportunities for special service in this place, and at the same time we sense their oneness with us as persons having the same limitations and trials which are part of our humanity. As we approach this special season which will remind us again of historic deliverances from bondage and death, may each one of us find that moral liberty and spiritual security which were so dearly purchased by Moses and the Suffering Saviour. Deliver us from mouthing niceties lest we fall under the ancient judgment:

This people—with their lips do honour me, do honour me, but (they) have removed their heart far from me.—Isaiah 29: 13.

So grant us sincerity and humility, dear Lord, that our lives shall redound to Your praise. In Jesus' name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 9, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JESSE HELMS, a Senator from the State of North Carolina, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HELMS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceeding of Thursday, April 8, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Armed Services, the Committee on Public Works, the Committee on Labor and Public Welfare, the Committee on the Judiciary, the Committee on Commerce, and the Select Committee To Study Governmental Operations With Respect to Intelligence Activities be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DIVISION OF ASSETS BETWEEN THE TWENTYNINE PALMS BAND AND THE CABAZON BAND OF MISSION INDIANS, CALIFORNIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Order No. 706, H.R. 1465.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1465) to provide for the division of assets between the Twentynine Palms Band and the Cabazon Band of Mission Indians, California, including certain funds in the United States Treasury, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The ACTING PRESIDENT pro tempore. Does the distinguished assistant minority leader seek recognition?

Mr. GRIFFIN. No, Mr. President.

PRIVILEGE OF THE FLOOR—HOUSE JOINT RESOLUTION 890

Mr. BAYH. Mr. President, I ask unanimous consent that Mary Jane Checchi of my staff be granted privilege of the floor during all debate and votes on House Joint Resolution 890, the Emergency Supplemental Appropriations.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 1977

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, which the clerk will state.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 109) setting forth the congressional budget for the United States Government for the fiscal year 1977 (and revising the congressional budget for the transition quarter beginning July 1, 1976).

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from California (Mr. CRANSTON).

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, the Senator from Kansas will vote against the amendment offered by the Senator from California. The Senator from Kansas supports the targets for the veterans function of the budget as reported by the Budget Committee.

The budget targets recommended by the Budget Committee represent a continuation of current policy. The budget authority target, $20 billion—is exactly the current policy and the outlay target, $19.3 billion—is less than current policy, $19.7 billion—by the amount of $400 million of housing revolving loan fund asset sales. This is merely a financial transaction, which in no way decreases funds available for services and benefits for veterans.

I would stress that the current policy budget authority and outlays take full account of the increasing number of veterans entitled to benefits and of the increased cost of providing those benefits. Both targets are higher than corresponding dollar amounts for fiscal year 1976—by $1.2 billion in budget authority and by $800 million in outlays.

The committee's recommended targets provide for a full cost of living adjustment for compensation and pensions and for education and training benefits. This amounts to some $1.5 billion.

The ACTING PRESIDENT pro tempore. If the Senator will allow the Chair to take care of a perfunctory matter, who yields time to the distinguished Senator from Kansas? The time is under control.

Mr. BELLMON. I yield the Senator such time as he may require.

Mr. DOLE. The committee's recommended target restores these funds and some other savings that probably could not be realized in adding $2.3 billion in budget authority and $2.1 billion in outlays to the President's budget request.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DOLE. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the pending amendment.

Mr. CRANSTON. Mr. President, before doing that, may I propound a unanimous-consent request?

Mr. MANSFIELD. I will withhold it.

Mr. CRANSTON. Mr. President, as the author of this amendment, I had hoped to delay the yeas and nays so that I might modify the amendment before the vote if I chose to do so. Any modification would be to reduce the figures of the increase in the veterans category.

I ask unanimous consent that I may have permission to modify the amendment in that sole respect before the vote despite the unanimous consent; in other words, a downward movement of the numbers in the veterans category.

Mr. MANSFIELD. With that proviso, so the Chair will rule.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The Senator from Kansas may proceed.

Mr. DOLE. Mr. President, the Senator from California would provide an additional $0.8 billion in budget authority and $0.8 billion in outlays. The initiatives contemplated by this proposal are not precluded by retaining the committee's recommended targets. I am convinced that improving the quality of health and medical care to veterans is not solely a matter of additional hundreds of millions of dollars being allocated to that end. Just as in other areas of the Government, such improvements can be accomplished by means of improved efficiency and more effective use of funds. We all are seriously concerned that those who have served their country should be treated fairly. But this does not mean that the veterans' programs should be immune from budget discipline.

Alternatively, if the initiatives mentioned by the Senator from California are sufficiently high priority, it is possible for the Veterans' and Appropriations Committees—and Congress—to arrive at an alternative allocation of current policy budget resources. Perhaps the Budget Committee would be more convinced of the urgency of the need for more funds if our colleagues show a willingness to allocate more money to health care, training, and administration and somewhat less to other benefits.

Mr. President, if the Budget Committee accepted suggestions of all the authorizing committees the total budget would be over $440 billion.

I might suggest that $300 million of the proposal of the distinguished Senator from California is for hospital care and related items; $200 million of this is in anticipation of the omnibus medical care bill pending before the Committee on Veterans' Affairs. It has not been enacted to this date.

As a related matter, funding for hospital care has increased 43 percent since 1974, assuming current policy, or an average of 14 percent per year.

The staff/patient ratio of VA hospitals has increased from 1.57 in 1974 to an estimated 1.74 in 1977.

No doubt about it, Congress has been generous to veterans, and I have supported this, but funding cannot be open-ended.

If problems remain, perhaps it is a matter of effective use of funds, administration, rather than lack of funds.

Two hundred million dollars of Senator CRANSTON's proposal is for pension reform, which would bring long-run savings.

If pension reform is made effective January 1, 1977, rather than October 1, 1976, then about $150 million would be saved by avoiding a double benefit adjustment for the period January–September 1976, for those who opt for the new pension program.

Three hundred million dollars of the proposal of the Senator from California is for a catchup cost-of-living increase for readjustment benefits.

Based on more recent inflation projections by the Congressional Budget Office, the cost-of-living allowance in current policy numbers is $200 million more than needed.

The accelerated collection of overpayments for education benefits would save another $100 million.

Mr. President, I suggest that we have an obligation to America's veterans. I believe we have met that obligation and will continue to meet that obligation, but we also have an obligation to veterans as well as all other American taxpayers to bring some sanity and some responsibility to our fiscal affairs.

As the Senator from Kansas indicated at the outset, the recommendation of the Committee on the Budget provides for a full cost-of-living adjustment, for compensation of pensions, and for educational and training benefits, and this amounts to $1.5 billion.

It is not a matter of Congress turning its back on those who served our country. It is a matter of Congress being responsible and of assistance in the long run to those who served our country, their dependents, and those who may follow them in this great country.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Who yields time?

On whose time does the Senator suggest the absence of a quorum?

Mr. DOLE. I suggest that it be equally divided.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on the concurrent resolution now pending before the Senate be limited to 12 hours, that the time on any amendment thereto, debatable motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, that final passage of the resolution occur no later than 5 p.m. on Monday next, and that the agreement be in the usual form as to the division and control of time.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, reserving the right to object, I inquire whether Senator KENNEDY has been consulted in regard to this? He has a major amendment. I wish to protect his rights under his amendment.

Mr. ROBERT C. BYRD. The managers of the resolution may yield time from their time on the resolution to any Senator on any amendment, debatable motion, or appeal.

Mr. CRANSTON. With the specific understanding that there will be adequate time for Senator KENNEDY's amendment——

Mr. MUSKIE. Mr. President, if I could modify that understanding. Under the law the time on an amendment is limited to 2 hours. I would not want to expand on this.

Mr. CRANSTON. Not more than 2 hours.

Mr. MUSKIE. Not more than 2 hours.

Mr. CRANSTON. But up to that amount.

Mr. MUSKIE. Up to that amount. I think we could yield time on the resolution.

Mr. CRANSTON. Fine. Then I have no objection.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, as I understand it, the proposal is that the measure not be voted upon today, but it would be voted upon not later than 5 o'clock on Monday.

Mr. ROBERT C. BYRD. The proposal

is that the vote occur not later than 5 o'clock on Monday, but that would allow the final vote to occur at any time prior to that.

Mr. HARRY F. BYRD, JR. The proposal is to reduce the 50 hours to 12 hours?

Mr. ROBERT C. BYRD. To 12 hours.

Mr. HARRY F. BYRD, JR. Mr. President, this is one of the most important bills, I suppose, that will come before Congress. It involves $412 billion in outlays and a great deal more than that in authorizations. I wonder whether we should attempt to take so little time. I do not like to object to a motion such as this.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MUSKIE. I say to the Senator from Virginia that I would agree that we should take as much time as the Senate wants to take. We have tried to identify the potential amendments that may be coming along. There were very few yesterday. There are only two at the desk. We do not have very specific information as to others that may be offered.

My objective is not to cut short the debating time to a more restrictive point than the Senate might desire, but to reflect what the Senate's desires may be. So far as I am concerned, if the Senate wants more than 12 hours, the Senate should have more than 12 hours. This is simply an attempt to begin to set some outside time limits. If the 12 hours proves to be restrictive, we can expand on it. As a starter, I think this is reasonable—5 o'clock on Monday. It gives us considerable time. If we want to go into Tuesday, we can always do it.

I think that setting a time limitation has some utility in focusing the Senate's attention on the fact that we are dealing with serious business and that they should get here and get down to it and dispose of it with as much time as they desire, up to the 50-hour limit, if that is what the desire is.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. GRIFFIN. Personally, I would not object to this—I think it is perfectly reasonable and fair—but there is at least one Senator on this side of the aisle whom we promised we would consult about any time agreement. We have not been able to consult him as yet. I understand that he is on his way to the Chamber. I wonder whether the request can be held up for a few moments.

Mr. ROBERT C. BYRD. Mr. President, I withhold the request.

The ACTING PRESIDENT pro tempore. Who yields time? If no one yields time, the time will be charged against both sides.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask that the time not be charged against either side.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, will the distinguished Senator yield me 10 seconds?

Mr. MUSKIE. Yes.

Mr. THURMOND. I ask unanimous consent that Mr. John Napier, of the staff of the Committee on Veterans' Affairs, be allowed the privileges of the floor during discussion and vote on this resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, may I ask the distinguished Senator from California if he is ready to proceed?

Mr. CRANSTON. Surely.

Mr. MUSKIE. I have only 7 minutes left; the Senator has 17.

Mr. CRANSTON. I am sure I do not have 17.

I ask the Chair how much time I have.

The ACTING PRESIDENT pro tempore. There are 2 and 12 minutes remaining, respectively, for the Senator from Maine and the Senator from California.

Mr. MUSKIE. I reserve my 2 minutes.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CRANSON. Mr. President, I ask unanimous consent that Guy McMichael, of the staff of Committee on Veterans' Affairs, may have the privileges of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I made my basic remarks last night, and I do not intend to go over all that ground again this morning.

I want to stress a few things particularly. We are not saying that we should not be applying pressure for savings in Function 700 programs. We agree with the Budget Committee that there should be savings. It is just a question of what is a fair amount for us to try to save. By our figures, the Budget Committee is asking us to produce savings of $1.1 billion from needed programs. That is what the charts we put in the RECORD last night illustrates.

Our own amendment would cause us to produce $300 million.

It is a question of degree, not philosophy. We all want to keep spending, including veterans program spending, under reasonable control.

But we feel, very honestly and very strongly, that we cannot find $1.1 billion without seriously eroding or eliminating major programs. It is as simple as that. By and large, it comes down to the pension reform proposal, which, by any estimate, has substantial short-term costs before the longer-term savings can be achieved. Based on our work, the Veterans' Affairs Committee believes that the time for pension reform is now, this year. I believe that, the Senate believes that. Apparently, the Budget Committee also believes that.

It is a question of timing, really. This is the wrong year to be squeezing the veterans function the way the Budget Committee proposes. We have some very delicate reform proposals pending, both pension and the GI bill, which require additional costs now to yield longer-term savings down the road. In another year, with these initiatives behind us, we could probably live with a current policy figure. This is just the wrong year to try that.

We feel we must proceed with pension reform, GI bill reform, and some health care improvement initiatives for fiscal year 1977 and provide equitable cost-of-living increases for disability compensation and educational benefits.

We are asking only for a target which will make it possible—possible not easy—to accommodate those initiatives.

As to cost-of-living increases for compensation and GI bill benefits, the Budget Committee and its chairman put forth a figure which is called current policy. It is very difficult to reconcile the figures they use with true cost-of-living parity. The only conclusion I can reach is that current policy is less than cost-of-living increases. I do not think that is fair. We are not telling social security beneficiaries they can not receive true cost-of-living increases indexed to the Consumer Price Index. All we have proposed for service-connected disabled veterans is the same treatment for their compensation payments. And that is all we have proposed for young veterans going to school under the GI bill.

I want to stress, Mr. President, that it does not take any great wizardry to compute what is a cost-of-living increase from September 1, 1974, to October 1, 1976. That is the applicable period for the GI bill. As footnote 2 of the table I inserted in the RECORD last night explains, from September 1, 1974—the date of the last GI bill increase—to January 1, 1975, the CPI rose by 10.72 percent. Using the conservative economic assumptions in the President's budget to project forward for the first 9 months of 1976 to October 1—at a 5.9-percent annual inflation rate—we add 4.42 percent and reach a total increase of 15.14 percent. That is pretty simple mathematics, and it yields the $738.8 million figure shown on that table.

I talked last night about some health care needs in VA hospitals. The chairman will remember the state of VA hospitals in 1970 when we focused national attention on them. They were in a pretty sorry state. We have made major strides since then. But now we may be starting to fall behind again.

I do not think we can permit that to happen. We have come too far to let medical care for veterans slide downhill again.

Right now, in this fiscal year, the VA medical system is absorbing some very heavy increased workloads which were not budgeted for in fiscal year 1976. And they are nowhere included in the President's fiscal 1977 request. I am talking about 1 million more outpatient visits—up about 10 percent over the estimates—and 64,000 inpatient visits—up about 5 percent from the estimates. We are trying hard to get caseloads under control, but we are not going to be able to cut them back. And these demands are there in the system, now and are unfunded. They will remain unfunded if this amendment is not adopted. That means there is too few staff, supplies, and equipment.

There is only so long that a medical care system can absorb these sorts of substantial workload increases without adversely affecting the quality of care provided. I believe it is totally unreasonable for us to expect the VA medical program to continue to absorb these increases for an additional 15 months. That is what we are talking about.

During budget committee markup, the distinguished Senator from Washington (Mr. MAGNUSON), who used to chair the VA appropriations subcommittee, discussed with me that great need for a realistic hospital construction program to renovate some pretty old and outmoded VA hospitals. Indeed, we have some. I told him that, although the request construction authority was down for fiscal year 1977, it was something we could live with for a year. So we are not asking for an increase, which is quite justified there.

We are willing to exercise self-restraint, that is the point I am making. We are not asking for anything nearly approximating what we really need in VA health care.

What we ask for is a fair figure, a reasonable target. Give us that and we shall exercise all of our ability to stay within it or even to come below it. But do not send us back to try to live within an unrealistic, unfair target that can be met only by eliminating critical programs and benefits which the Congress has already supported or, on any realistic estimate, will want to support.

I am delighted to yield to the distinguished Senator from South Carolina, who is a cosponsor of this amendment, and whose support means much to it. I yield him 3 minutes.

Mr. THURMOND. Mr. President, I rise in support of the amendment of the able and distinguished Senator from California. It is probably not very often that he and I are together on very many matters, but I feel that his amendment is just, it is right, and it is fair to the veterans of this Nation.

I will be very brief. I support the amendment to the first concurrent resolution on the budget to increase the target for function 700, veterans benefits and services.

It is my understanding that the amendment will increase the committee's targets from $19.3 billion as set by the Budget Committee to $20.1 billion in outlays, and from $20 billion as set by the Budget Committee to $20.8 billion in budget authority. I believe this is necessary if we are to meet our commitments for pension reform, cost-of-living increases, and other improvements in veterans' services.

Mr. President, the budget process requires all of us to make some hard decisions to curb unnecessary spending. I hope the Senate will act in a responsible manner. I am confident that fat can be cut out of the budget in a number of social welfare programs.

In two areas, however, defense and veterans' matters, I hope we will give most careful attention to meeting our commitments.

To paraphrase Air Marshal Sir John Slessor, the most valuable social welfare service a nation can perform is to keep its people alive and free. Without freedom, other social services are meaningless.

If we are to heed Sir John Slessor's advice, I submit that we will vote for adequate levels of spending in defense and veterans matters. A strong defense rests on good military hardware and technology on the one hand, and superior manpower on the other. It is the veterans who have kept our country free. A strong defense is essential to keep it free.

I hope we will continue to keep our historical commitment to both and, therefore, urge my colleagues to join in supporting the increase in the veterans' function.

Mr. HOLLINGS. Mr. President, will the distinguished Senator yield for a question, the Senator from South Carolina?

Mr. THURMOND. Mr. President, I would be pleased to yield to my distinguished colleague.

Mr. HOLLINGS. I ask my senior colleague, is he not fully aware of what we have done already at the Budget Committee level which is to raise the Appropriations Committee some $1.8 billion, and the President's request $2.1 billion already which is being responsible, as he indicated? Does the Senator understand those figures?

Mr. THURMOND. Mr. President, that may be true. But from the investigation I have made, I am confident this additional money is needed if we are going to meet our commitments to the veterans, which I feel we should meet.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. Each side has 2 minutes remaining. Who yields time?

Mr. MUSKIE. Mr. President, I yield 1 minute to the Senator from South Carolina.

Mr. HOLLINGS. I would just say to my distinguished colleague from South Carolina—and he has invited me next week to a lunch to balance the budget, where we are going to receive 200,000 signatures, according to his information, from our constituents in South Carolina in order to get a balanced budget—here I have been working months and months now and have come out on the side of the veterans some $2.3 billion more than the administration has requested, and $1.8 billion more than the Senate Appropriations Committee, and $1.1 billion more than the House, and we want to start this morning now with busting the budget with another $800 million.

Mr. THURMOND. Mr. President, I think I have answered the question.

If we are going to meet our commitments for pension reform, cost-of-living increases, and other improvements in veterans' services, such as homes and the other things that should be done, it is going to take this money.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Who yields time.

Mr. CRANSTON. I yield an additional minute to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I feel very strongly about veterans. If it were not for the veterans, we would not have a country. If it were not for people who wore the uniform and fought for this country, we would not have our freedom. I say we should not be stingy with them. We have got ways where we can cut in various social welfare matters. Why, this food stamp program reform yesterday is almost a farce. It is going out and you make great reductions in food stamps. If you are going to do what is justice in this country, I think we have got to remember the men who have fought to save this country, and I think we have got to understand that if we are going to keep it free we have got to keep it strong.

Therefore, I am strong for doing what is right and no more than right by the veterans, and I am in favor of keeping this country strong militarily.

The ACTING PRESIDENT pro tempore. All the time of the proponents of the amendment has expired.

Who yields time?

Mr. HOLLINGS. Mr. President, will the distinguished chairman yield 1 minute on the bill?

Mr. MUSKIE. Yes, I yield 1 minute.

I yield 2 minutes to the distinguished majority leader.

Mr. HOLLINGS. On the matter of veterans I want to express the same sentiment in support of the veterans. The distinguished Senator from Kansas (Mr. DOLE), a distinguished veteran, supports this figure. We took the President's request, we added some $300 million on there for pension cost-of-living increases, as was approved by the Appropriations Committee, and in doing exactly as the Senator says, increased it almost $1 billion for cost-of-living increases, and readjustment benefits; $900 million to take care of the veterans. Then we defied the President's savings proposal of another $1 billion. That is how we got over $2 billion; so we have done as the Senator says. But the Senator comes now and just says, "Well, I like the veterans and I do not like the food stamps, and let us start off the budget process by busting the budget some $800 million."

Mr. MUSKIE. Mr. President, I yield 2 minutes to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I wonder how many veterans are on food stamps at the present time. I think that is an unfair allusion and, may I say, I think I can speak as a veteran having been a seaman second class in the Navy, a private in the Army, and a private first class in the Marine Corps, and I bow to no one in my desire to benefit the veterans who served in all our wars, some of them worthwhile and some of them tragic, but they served, and they are entitled to every consideration.

The distinguished Senator from South Carolina (Mr. THURMOND) has indicated that we "face hard decisions." You bet your life we face hard decisions because here the Budget Committee, which has been doing a superb job up to this time, is advocating in this package before us $2 billion more than the President's budget, $1.1 billion more than the House's budget, and $1.7 billion more than the appropriation budget.

I think if we are going to make a success out of the Budget Committee we had better start right now and continue to back it up all day.

I do not intend to vote for any amendment no matter how meritorious or how nice it is or how politically palatable it may be during the course of the debate on the legislation before us. I intend to support fully what the Budget Committee has recommended because if we do not then I think we might as well abolish it, do away with it, and go back to our old ways. This is one way to put the Senate on notice that it means what it says and in meaning it it will do what it says.

I would point out that in the budget resolution before us there is on page 76 a reference to veterans' benefits and services. I will only read one short paragraph, and I quote:

> The Committee considered the fact that Congress is considering legislation both for needed reforms and long-term savings in pension and readjustment benefit programs. It is the Committee's view that funding for such initiatives can be accommodated within current policy totals.

I hope this amendment is defeated. I intend to vote against every amendment offered today. I intend, as far as I am concerned, to try to make the Budget Committee work.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. GRIFFIN. Mr. President, will the Senator yield briefly?

The ACTING PRESIDENT pro tempore. All time has expired on the amendment.

Mr. MUSKIE. I yield a minute to the distinguished Senator from Michigan on the resolution.

Mr. GRIFFIN. Mr. President, I am authorized by the distinguished minority leader to indicate that he and I fully share the view of the distinguished majority leader that it is the position of the joint leadership to oppose the pending amendment by the Senator from California.

It seems to me that this is really an acid test as to whether or not the Senate will demonstrate to the country and to ourselves whether the senatorial rhetoric about budget responsibility is just that—only rhetoric—or whether we are really serious and are going to be responsible in terms of passing on budget policy questions.

This is a tough vote. No one in this body is against veterans. This Senator, like others, is a member of veterans' organizations and personally knows the importance and value of the veterans' benefits.

But this amendment ought to be defeated and I hope the Senate will rise to the occasion.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 2 minutes on the resolution?

Mr. MUSKIE. I yield 2 minutes to the Senator.

Mr. ROBERT C. BYRD. Mr. President, I have been in the House and Senate of the United States for going on 24 years.

During that time, I have voted for every piece of legislation on the statute books that benefits veterans and their families, and I am proud of that record. I also had a good deal to do with the writing of the Budget Reform Act by virtue of my being chairman of the Senate Rules Subcommittee.

We put a lot of time on the Budget Reform Act and I said, at the time, that if the act were made to work it would depend upon the will and determination of the Congress to make it work, and that if it worked it would be the most important piece of legislation enacted during my years of service in the Congress of the United States.

So I stand with the majority leader, the minority leader, the Republican whip, and the manager of this resolution, in opposing this amendment.

In spite of the politically appealing nature of the amendment by the able Senator from California—and my record will show that I have always supported improved medical services for veterans—we have got to stand behind the manager of this resolution if we intend to make the Budget Reform Act work. If we are going to make it work, we are going to do it today and on the motion by the Senator from Maine to table the amendment.

We either hold the line on the budget or we go through the ceiling, and this vote will test the will of the Senate as to whether it meant business when we voted for budget reform and fiscal responsibility in passing the Budget Reform Act.

TIME LIMITATION AGREEMENT—S. CON. RES 109

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on the resolution be limited to 20 hours, that a final vote occur on agreeing to the resolution at no later than 5 p.m. on Monday next.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask that the distinguished chairman yield me 1 minute since there have been statements.

Mr. MUSKIE. I will, of course, but let me say to the Senator from California that the Senator from Alabama had asked for 2 minutes and I agreed.

Will the Senator wait?

Mr. CRANSTON. I will wait.

Mr. ALLEN. I will wait.

Mr. MUSKIE. Either position is fine.

Mr. CRANSTON. I will wait.

Mr. ALLEN. I thank the distinguished chairman of the Budget Committee.

Mr. President, I must say that I was extremely pleased to hear the majority leader make this very fine speech in favor of holding the line and in favor of fiscal responsibility.

I was delighted to hear the assistant majority leader (Mr. ROBERT C. BYRD) make a fine statement in favor of holding the line.

I always like to follow the leadership of the majority leader when I possibly can, and I am very happy to be able to give my support to the leadership position on this resolution.

I think there is some hope for fiscal responsibility with the leadership taking this position.

I certainly commend the chairman of the Budget Committee and the leadership for adopting this position.

I want to vote for this amendment myself, I want to see these additional funds made available for our veterans. But I shall not vote for the amendment, because I believe we must hold the line in this area, and in other areas of the budget.

Mr. MUSKIE. I am happy to yield 2 minutes to the Senator from California.

Mr. CRANSTON. I thank the chairman for his courtesy in yielding to me.

Mr. President, let me say that I intend to vote for other amendments for compensating cuts that would result in a situation where the net deficit is not increased if this amendment is adopted.

We are talking here about a matter of priorities in spending and, certainly, the Senate as a whole has the right and the obligation to consider what priorities should be high, what should be low, and what adjustments should be made, in what the Budget Committee recommends to us.

The fact that the Budget Committee has suggested certain figures does not make them sacrosanct.

I would like to quote what the chairman, Mr. MUSKIE, said in his opening statement. He said:

> I expect some of them may be amended—referring to the figures in the budget resolution.

He said:

> That is fine with me. This budget resolution is not holy writ, it is simply a reference point to help the Senate express its will.

The Senate, in respect to the work of all committees, takes into consideration that work and decides whether or not it wishes to make any revisions in the work of the committee.

The net effect of the amendment that Senator THURMOND, Senator HARTKE, Senator RANDOLPH, myself, and others, have offered is not to increase the deficit by $800 million, which is the gross figure we are proposing. The net effect would be more like $500 million.

Out of that we would make an investment in pension reform that would yield vast benefits in the future. We would also give fair, accurately calculated cost-of-living increases to veterans in their pensions and GI bill rates and disability compensation, and we would be insuring that they have decent medical care consistent with rising workloads.

Mr. President, I ask unanimous consent that Senator STONE be added as a cosponsor of this amendment.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered

Mr. MUSKIE. Mr. President, I am going to move to table this amendment for a very specific reason.

As the Senator knows from our discussion last night, I insist that the Budget Committee has not taken a negative position on the programs that are the basis for the Senator's amendment.

As the majority leader has pointed out, the veterans' programs, in the view of the committee, can be accompanied, in some fashion, under the numbers provided in the budget resolution. I am going to move to table this amendment so that the vote will not be interpreted as a vote on the merits of the proposal.

Mr. YOUNG. Will the Senator withhold that motion?

Mr. MUSKIE. The majority leader has been asking for a vote.

I yield 2 minutes to the distinguished Senator from North Dakota.

Mr. YOUNG. If I wanted to destroy the effect of the Budget Committee, I would vote for this amendment.

In many respects, the Senate Budget Committee has been doing a good job in some respects though it gets in the hair of some of us on the Appropriations Committee. If we voted for all the amendments to upset the work the distinguished Senator from Maine and his committee has been doing, that would be the best way to destroy the effectiveness of his committee.

I want to give him a chance. I think he has been doing a good job so far.

So I will support the Senator's committee and vote against all amendments.

Mr. MUSKIE. I thank my good friend from North Dakota.

Mr. MOSS. Will the chairman yield?

Mr. MUSKIE. Yes.

Mr. MOSS. This is an important matter as has been indicated by a number of my colleagues.

I think all of us are concerned about adequate compensation and support for veterans. I have always counted myself as a staunch supporter of veterans programs.

This matter came up and was carefully considered in the Budget Committee sessions. I point out that the Budget Committee recommended the budget at current policy levels. It should be made clear this does not represent any cut. The amendment has been offered to increase budget authority and outlays in the veterans budget function by $800 million in fiscal 1977. It would increase the deficit by $600 million, the difference of $200 million is assumed to be reflows through the economy resulting from the increased expenditures. The primary reason the Budget Committee was organized and, this is written into law by this Congress, was to get the budget under control and not be on an uncontrollable spending spiral.

In the resolution before us, the Budget Committee recommended $20 billion for budget authority and $19.3 billion for outlays for 1977. This amendment will raise those figures by $800 million in each case to a total of $20.8 billion budget authority and $20.1 billion in outlays. As I said in my statement on the floor yesterday, this concurrent resolution proposed by the Budget Committee—

Represents a cut of over $30 billion from the spending proposals the Budget Committee received from all of the authorizing committees of the Senate.

And is nearly $9 billion below what would be spent by merely extending through 1977 the same policies and laws contemplated last year in adopting the fiscal 1976 second concurrent budget resolution last December.

In order to do this, the committee cut below current policy levels in some functions. But in the veterans function we did better. We recommended a budget at current policy levels.

Incidentally, I think it would be helpful to compare the committee's recommendation with current policy and with the levels proposed by the President, the Senate Appropriations Committee and the House Budget Committee. Mr. President, I ask unanimous consent that the following table reflecting such a comparison be entered in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Budget outlays, fiscal year 1977

(Billions of dollars)

Function 700: Veterans benefits and services:	
Current policy	$19.7
Presidential budget	17.2
Senate Appropriations Committee	17.5
House Budget Committee	18.2
Senate Budget Committee	*19.3

*Includes reduction of $0.4 billion for technical adjustment for housing revolving loan fund asset sales not previously anticipated in current policy estimate shown; with this adjustment, SBC mark is identical to curent policy.

Mr. MOSS. Mr. President, this table shows that the Senate Budget Committee recommendation is: $2.1 billion higher than the President's; $1.1 billion higher than the House Budget Committee's; and, $1.7 billion higher than the Senate Appropriations Committee.

Although veterans compensation, pension, and readjustment benefit levels are not indexed for price increases, current policy includes estimated increases related to the consumer price index for each of these programs. Inflation adjustments have also been made in current policy estimates for other existing veterans programs. The committee did this, despite the fact that it is not required by law. As a result of these actions, there is in the resolution about $300 million from these economic adjustments and another $100 million from action the administration is taking to recoup overpayments VA has made. In other words, a total of $400 million would be available for use in pension reform, or whatever purpose the Veterans Committee recommends and the Congress enacts.

The Budget Committee, of course, does not deal in line items. I believe that is right. As my statement before the Senate yesterday indicated, the ultimate responsibility for determining the program mix within the budget functional areas—such as this one—is vested in the authorizing and Appropriations Committees.

I am in agreement with the stated purpose of this amendment. But I understand that it is far from certain that the House will agree to pension reform, I certainly hope they do.

I have already indicated that the Budget Committee's recommendation includes about $400 million in this function, which is available for pension reform, if that is the will of the Congress. And I believe that, therefore, there is now plenty of flexibility within this area which makes this amendment unnecessary. Should this not be the case, as the year wears on, we can still make the adjustments required, if necessary, in the second concurrent resolution in September. Thus, in voting to table the amendment, I am not voting against supporting the veterans. I believe the veterans function is an important one. I believe that the veterans themselves are even more important. I believe the Nation owes a great debt to our veterans. I have consistently supported veterans programs. As a veteran myself, I have both an awareness of, and a special appreciation for, the veterans.

In voting to table the amendment: I am indicating my support of the veterans programs and my belief that they can be accommodated within the functional total recommended by this committee; and, I am voting against adding further to the deficit. Increasing our Federal deficit tends to feed inflation and to erode the value of our dollar. Thus, to some degree, raising the deficit is especially detrimental to those who rely on fixed pensions or income. If we are to move toward a balanced budget, which I believe is a necessity, we must maintain the pressure for increased fiscal responsibility.

Mr. BELLMON. Will the Senator yield for a unanimous-consent request?

Mr. MUSKIE. Yes.

Mr. BELLMON. Mr. President, I ask unanimous consent that Gorden Gilman of the staff of Senator Fannin be granted privilege of the floor during the debate on this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I ask unanimous consent that Tom Connaughton, John Rector, and Howard Paster of my staff, and Lyle Morris of Senator Glenn's staff, be granted privilege of the floor during all debate and votes on Senate Concurrent Resolution 109.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that John I. Brooks of my staff be granted privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, will the Senator yield for 1 minute?

Mr. MUSKIE. I yield.

Mr. HELMS. Mr. President, I wish there were some way that I could support, in good conscience and consistency, the Cranston-Thurmond amendment. It is an appealing amendment. Moreover, it is addressed to a segment of our population for whom all of us have the deepest gratitude—the veterans who have fought our wars and defended our Nation.

But I sincerely believe, Mr. President, that if a referendum could be taken among the veterans themselves, they would say: "Don't approve this proposal, or any other proposal that will further damage the economic stability of America." Our veterans know, Mr. President, perhaps better than most, the the reckless deficit spending approved and encouraged by Congress. They know that the Federal debt is now in excess of

$600 billion. They know that we cannot expect to have a safe America, unless it is a nation of strength and economic stability. That, Mr. President, is what these veterans fought for.

I also suspect, Mr. President, that our veterans will be looking carefully at every Senator's consistency, or the lack of it, in moving the Federal Government back toward a balanced budget. I suspect many will be mindful of the vote yesterday in this Chamber, when the Senate approved the Dole-McGovern amendment in the nature of a substitute, as amended, relating to food stamps—a budget-busting decision that will increase the already bloated cost of the existing food stamp program by an estimated half billion dollars.

In doing so, Mr. President, the Senate overrode its own Budget Act. It pushed aside the majority opinion of the Senate Committee on Agriculture and Forestry.

Therefore, Mr. President, as we proceed to vote on a motion to table the Cranston-Thurmond amendment, I feel that it would be appropriate to have printed in the Record the rollcall vote of yesterday on the Dole-McGovern food stamp amendment in the nature of a substitute. A yea vote on Dole-McGovern was a vote to "bust the budget," as the distinguished Senator from Alabama (Mr. Allen) has described it. A nay vote on Dole-McGovern was a vote against budget-busting.

I ask unanimous consent that the rollcall (No. 137) be printed in the Record at the conclusion of my remarks.

There being no objection, the rollcall vote was ordered to be printed in the Record, as follows:

[Rollcall Vote No. 137 Leg.]

YEAS—49

Abourezk, Bayh, Biden, Brooke, Bumpers, Burdick, Cannon, Case, Chiles, Clark, Cranston, Dole, Durkin, Ribicoff, Schweiker, Hugh Scott, Stafford.

Eagleton, Ford, Glenn, Philip A. Hart, Haskell, Hatfield, Hathaway, Hollings, Huddleston, Humphrey, Javits, Kennedy, Leahy, Stevenson, Stone, Taft, Talmadge.

Magnuson, Mansfield, Mathias, McGee, McGovern, Moss, Muskie, Nelson, Packwood, Pearson, Pell, Percy, Randolph, Weicker, Williams.

NAYS—30

Allen, Baker, Bartlett, Beall, Bentsen, Harry F. Byrd, Jr., Robert C. Byrd, Domenici, Eastland, Fannin.

Fong, Garn, Goldwater, Griffin, Hansen, Helms, Johnston, Laxalt, Long, McClure, Morgan.

Nunn, Proxmire, Roth, William L. Scott, Sparkman, Stennis, Thurmond, Tower, Young.

NOT VOTING—21

Bellmon, Brock, Buckley, Church, Culver, Curtis, Gravel, Gary Hart, Hartke, Hruska, Inouye, Jackson, McClellan, McIntyre, Metcalf, Mondale, Montoya, Pastore, Stevens, Symington, Tunney.

Mr. MUSKIE. Mr. President, I move to table this amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the Cranston amendment.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Colorado (Mr. Gary Hart), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Indiana (Mr. Hartke), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Arkansas (Mr. McClellan), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), the Senator from Rhode Island (Mr. Pastore), the Senator from Alabama (Mr. Sparkman), the Senator from Georgia (Mr. Talmadge), and the Senator from California (Mr. Tunney), are necessarily absent.

I further announce that the Senator from Iowa (Mr. Culver), and the Senator from New Hampshire (Mr. Durkin), are absent on official business.

I also announce that the Senator from Wyoming (Mr. McGee) is absent due to illness in family.

I further announce that, if present and voting, the Senator from Indiana (Mr. Hartke), the Senator from Minnesota (Mr. Humphrey), and the Senator from Rhode Island (Mr. Pastore) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Hawaii (Mr. Fong), the Senator from Nebraska (Mr. Hruska), the Senator from Maryland (Mr. Mathias), the Senator from Vermont (Mr. Stafford), the Senator from Alaska (Mr. Stevens), and the Senator from Texas (Mr. Tower), are necessarily absent.

The result was announced—yeas 52, nays 22, as follows:

[Rollcall Vote No. 140 Leg.]

YEAS—52

Allen
Baker
Bartlett
Beall
Bellmon
Biden
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Javits
Laxalt
Long
Magnuson
Mansfield
McClure
McIntyre
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Percy
Proxmire
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stennis
Stevenson
Symington
Young

NAYS—22

Abourezk
Bayh
Brooke
Bumpers
Burdick
Chiles
Clark
Cranston
Jackson
Kennedy
Leahy
McGovern
Metcalf
Morgan
Pell
Randolph
Ribicoff
Stone
Taft
Thurmond
Weicker
Williams

NOT VOTING—26

Bentsen
Brock
Church
Culver
Durkin
Fong
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Hruska
Humphrey
Inouye
Johnston
Mathias
McClellan
McGee
Mondale
Montoya
Pastore
Sparkman
Stafford
Stevens
Talmadge
Tower
Tunney

So the motion to lay on the table Mr. Cranston's amendment (No. 1585) was agreed to.

Mr. CANNON. Mr. President, will the Senator yield me 30 seconds?

Mr. MUSKIE. I yield.

Mr. CANNON. Mr. President, I ask unanimous consent that Aubrey Sarvis of my staff be granted privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, yesterday, we began debate on Senate Concurrent Resolution 109, the first concurrent resolution for fiscal year 1977. I join 12 other members of the Budget Committee in supporting this resolution and in reporting it to the floor as we begin the budget process for fiscal year 1977. The Budget Committee is now 1 year old, and I believe it has been judged successful by any measure of accomplishment. A major reason for this success is the distinguished chairman of the Senate Budget Committee, my colleague, Senator Muskie. Our success is based in great part on his leadership and guidance which have proven so instrumental in our efforts to date.

I am also most pleased with the conscientious, professional, dedicated manner in which the committee members and staff have met their individual responsibilities. Much hard work and many difficult choices lie behind the resolution and the committee report now before the Senate.

No Senator on the committee is in full agreement with every recommendation. This surely is not surprising. Some wanted more spending in one area, others wanted less. Some wanted a larger total budget, some a smaller deficit. This resolution represents their best efforts of the committee and it deserves the support of the full Senate.

Thirteen members of the committee, representing a wide range of political, economic, and ideological persuasions—voted to accept this report. The resolution recommends spending almost $12 billion less than would have been spent if there had been no change in current policy for fiscal year 1977. The total is $17 billion more in spending than the President's budget although there are many ways in which the comparison is misleading. For example, the President's budget did not include $1 billion for the Postal Service subsidy; it similarly shows $2 billion more in Outer Continental Shelf receipts than we believe is feasible.

The congressional budget process is in its infancy. Some say that last year, we had a trial run, but by all measures, the results of Congress dedication to budget control were more successful than most people believed possible. The current strong and sustained recovery in the Nation's economy is irrevocable testimony to that fact.

This year, Congress is committed by law to set targets for 17 specific budget categories, in addition to overall totals for spending, revenues, the deficit, and the public debt. Once set, these figures serve as guidelines and targets throughout the summer. Fixed ceilings are set as part of the second concurrent resolution, yet votes on the first concurrent resolution will have an important impact on Federal Government priorities for fiscal year 1977. It is appropriate and necessary that each Senator be fully aware of the impact of these figures.

The overall totals contained in the report represent the committee's view of the appropriate fiscal policy for the Nation in the 1977 fiscal year. Since the initiation of our study and deliverations on the budget late last year and early this year, the economy has performed much better than even the most optimistic forecasters believed. The unemployment rate in March is at the level that many thought likely only at the end of this year. Total employment is at an alltime high. The inflation rate has moderated. Further substantial improvements in the economy may realistically be enhanced by wise action by Congress on this budget resolution.

It is expected that the fiscal year 1976 deficit will reach $75 billion. Our fiscal year 1977 projection is for a deficit of $50 billion. We believe that our total spending accommodates the urgent needs of the economy and the downward movement in deficit helps insure that inflation will not again accelerate, thus allowing a continued broadly based, vigorous increase in production and employment. To pursue inflationary policies, however appealing in the short run, would leave the country in a situation akin to that of a few years ago when we had both high inflation and high unemployment. The present budget is based on the view that the continued moderation of inflation and continued building of confidence in the private sector are necessary conditions for a continued vigorous economic recovery.

Accepting the $25 billion decline in the deficit will provide further evidence of the determination of Congress to move toward a balanced budget. Congress must provide the leadership needed to curb what is interpreted as a national appetite for public services. The time is approaching when with full employment we must initiate only programs which taxpayers are willing to pay for. The report, with its recommended $25 billion reduction in the deficit, gives explicit recognition to this desire to bring national demands for the services of government in line with taxpayers' willingness to pay for them.

National priorities are dealt with in the report, specifically, four items of pressing national importance can be singled out. The first is national defense. As much as we would like to spend the dollars elsewhere in the budget, the mounting evidence of an increased Soviet arms buildup, coupled with the stagnation of the SALT talks, is sound reason for the increased spending on defense. The House Budget Committee and the President are in general agreement with the Senate Budget Committee as to the importance of a strong national defense program in the forthcoming fiscal year.

Energy research, conservation and development is another priority clearly singled out. The committee's view of the importance of energy and the environment is reflected in its recommendation that such expenditure be 13 percent greater than suggested by the President.

Much has been made of the social security question. The committee addressed itself to this question in several ways. The trust fund will have no difficulty financing benefits even though payments are in excess or receipts for the rest of the decade. The committee felt it would be unwise to raise social security taxes while the Nation is still in the recovery stage, especially since there is no pressing reason to do so.

The American people know that the integrity of the trust fund does not depend principally upon the amount of paper, Treasury securities, or ledger entries in the fund. Rather, they are increasingly aware of the fact that the taxing power of the Government is the basis for their justifiable belief in social security.

A long-term social security budget reform that is recommended in this resolution is "decoupling." While this has no immediate budget impact, the long-term saving is enormous.

The fourth place in which national priorities are clearly evident is in the area of jobs. The report envisions maintaining public service jobs at the current policy level, about 325,000. In addition, the committee includes $1 billion for countercyclical revenue sharing, the bulk of which will go for jobs.

Mr. President, there is need for a brief explanation as to the differences with the House budget resolution. The House Budget Committee did not include provision for countercyclical revenue sharing. Consequently, their outlays for the community and regional development function, 450, are $1.4 billion lower than the Senate's. The House's spending for function 500—education, training, employment, and social services—is $1.6 billion higher. Thus, both the Senate and the House appear to be in virtual agreement as to the jobs level desired, both resolutions support substantially more public jobs than called for in the President's budget.

This budget resolution is the product of long hours of hearings and debate. The high level of discourse is testimony to the Senate's intense interest in budget reform. It also reflects the fine work of the staff of the committee and the Congressional Budget Office in providing the necessary analyses, briefings, summaries, alternatives, and documentation that is so vital to informed debate and decision-making.

The Congressional Budget Office has worked hard throughout this effort to provide valuable input. While this was the second year for most of us on the committee, it was the first time CBO had been involved in a first concurrent resolution. We appreciate their effort and assistance, and look forward to even greater help in the years ahead.

Again, I compliment and commend our chairman, Senator Muskie, for the firm, fair, strong leadership he has provided as chairman of the Senate Budget Committee. He has toiled tirelessly and worked patiently with committee members and staff to bring together divergent views and to assist all in assimilating the enormous quantity of information upon which the budget decision rests.

The budget that is recommended in the report is one which the committee, by a vote of 13 to 2, believes will best enable the Nation to achieve its immediate objective of sustained economic recovery in the next fiscal year, and at the same time move closer to attaining long-term national goals. I urge its approval.

AMENDMENT NO. 1584

Mr. LONG. Mr. President, I call up amendment No. 1584 which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. Long) proposes amendment No. 1584.

The amendment is as follows:

In clause (2) of section 1, strike out "$454,900,000,000" and insert in lieu thereof "$453,500,000,000";

In clause (7)(A) of section 2, strike out "$7,400,000,000" and insert in lieu thereof "$6,400,000,000";

In clause (7)(B) of section 2, strike out "$7,600,000,000" and insert in lieu thereof "$6,600,000,000";

In clause (9)(A) of section 2, strike out "$40,400,000,000" and insert in lieu thereof "$40,700,000,000";

In clause (9)(B) of section 2, strike out "$37,600,000,000" and insert in lieu thereof "$39,000,000,000";

In clause (10)(A) of section 2, strike out "$163,700,000,000" and insert in lieu thereof "$163,000,000,000"; and

In clause (10)(B) of section 2, strike out "$150,100,000,000" and insert in lieu thereof "$139,700,000,000".

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. Senators will please clear the aisle. Staff members will be seated. Conversations that take place will please take place in the cloakroom or in the lobby. We will not proceed until the aisles are clear.

The staff will please remove themselves to the cloakroom or out in the lobby.

The Senator may proceed.

Mr. MUSKIE. Mr. President, at the request of Senator Javits, I ask unanimous consent that Chuck Warren of his staff be accorded privileges of the floor during consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask unanimous consent that Michael Stern and Joseph Humphreys, of the staff of the Committee on Finance, be permitted on the floor during discussion and vote on amendments of the pending resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, this amendment is offered in recognition of what to me is a simple fact of life. We on the Committee on Finance told the Committee on the Budget that we thought we could save some money in some aspects of social security, public welfare, medicare, and medicaid, but they should not expect a net savings because while we would tighten up in some areas affecting programs for the sick or for the poor, in other areas Senators would have amendments that would cost us more money.

The Committee on the Budget considered what we presented to them, and they came up with the conclusion that we could pass a resolution to reduce social welfare expenditures by $2 billion. For example, they assumed we could reduce social security spending by $300 million and we could reduce aid to families with dependent children by $300 million.

Mr. President, history has shown that when a courageous man, such as the Senator from West Virginia (Mr. ROBERT C. BYRD), worked to take people off the welfare rolls who did not belong there in the District of Columbia, the only way he could put that over was to pay more money to those deserving people who remained on the rolls.

He could not have done what he did if it had been just a net cut for the poor when he put it into effect, and neither can we.

This recommendation of the Committee on the Budget assumes that we can reduce medicare by $1.1 billion. We might find a way where we could save some money in medicare, but as soon as we do, if we hope to pass the legislation, we are going to need something in there to do something extra for beneficiaries. Otherwise, we cannot pass it.

Then the Budget Committee assumes that we can reduce medicaid, which is medical care for the poor, by $300 million.

Mr. President, I do not think there are a dozen Senators in the Senate who will vote for a resolution that will do that by itself.

If we are held to this, we will have to ask those on the Committee on the Budget who think it can be done to introduce legislation—I am not going to introduce it—and send it to us, and then we will report this measure without recommendation and see what they can do with it out here in the Chamber.

Mr. MUSKIE. Mr. President, will the Senator yield at this point?

Mr. LONG. I yield.

Mr. MUSKIE. I know there has been a lot of discussion in the Senate for a year and a half concerning the effect that the Committee on the Budget is having upon the jurisdiction of other committees. The discussion has been that we should stick to our own business and let other committees do theirs.

And once again, the sum and substance of the Senator's argument is that we should not indicate overall targets with respect to Government spending unless we are prepared to come up with the details in the form of specific legislation. On the other hand, however, if we did offer specific recommendations that would be none of our business.

Mr. LONG. I am not saying that.

Mr. MUSKIE. That is the thrust of what the Senator was saying. The Senator just said, as I understood him, that if we want to achieve savings in these areas it is up to the Budget Committee to introduce legislation, which the Senator knows is not our jurisdiction, and bring it to the Senate floor. That is what the Senator has just said. If we were to follow the Senator's advice, then we would be grabbing a piece of the jurisdiction of the Senator's committee and, if we were to try to do that, I can imagine what the Senator's attitude in the Senate Chamber would be.

Mr. LONG. Mr. President, any Member in the Senate can introduce legislation to do this.

Mr. MUSKIE. The Senator suggested that the Committee on the Budget do it.

Mr. LONG. All I am saying, Mr. President, to the Senator from Maine is that any one of 100 Senators can introduce an amendment to cut social security benefits, aid to the poor, aid to the sick, and aid to the disabled, and thus save $2 billion by so doing. Any Senator can do that.

I do not think anyone ought to ask me to do that because I could not conscientiously vote for it, support it, or ask anyone else to vote for it. If I cannot vote for it, I do not think I ought to be introducing it and asking someone else to vote for it.

Mr. MUSKIE. Mr. President, will the Senator yield again?

Mr. LONG. I yield.

Mr. MUSKIE. In other words, the Senator would like to have the Committee on Finance exempted from those provisions of the Budget Act, which give the Committee on the Budget the responsibility for recommending to committees of the Senate proposals for cutting expenditures?

Mr. LONG. I do not see why there is any disagreement between us. This budget resolution should be something that the Senator thinks Congress will be able to accomplish. If he does not think they will, he should not be recommending it, no matter how he personally feels or how I personally feel about it.

Mr. MUSKIE. Mr. President, will the Senator yield on that?

Mr. LONG. I yield.

Mr. MUSKIE. Will the Senator tell me how any Senator, including such an experienced and able Senator as the Senator from Louisiana——

Mr. LONG. The Senator may leave that out, and get down to the issue.

Mr. MUSKIE. How can any Senator take upon himself to presume that he can guarantee one way or another what is going to happen legislatively in this Congress during this legislative session?

The Senator may have that kind of crystal ball, but I do not. It is not the responsibility of the Budget Committee to bring to the Senate a report in which we guarantee what will happen legislatively. Rather, it is our function to establish priorities, within the limits of the resolution available to us, in which we make recommendations to the Senate that we try to achieve and—I repeat—try. The Senator does not seem to want to try.

Mr. LONG. Mr. President, the Senator is not understanding me, and I think that, if we discuss it a little, he will understand me.

What we should be doing in the budget resolution is bringing in some realistic estimates of something that we think we can do, and we should not be voting for something we do not think we can do.

For example, if the Senator brought in a resolution that said that, in order to have a balanced budget, we should eliminate all public welfare, I can tell him now that that cannot be done. He could not get 20 Senators to vote for that.

Mr. MUSKIE. The Budget Committee has not recommended that.

Mr. LONG. That is right. But the Budget Committee made some assumptions which are equally incapable of being accomplished.

The Finance Committee did anticipate, and we so communicated to the Budget Committee, that we could make some cuts in these social welfare programs; but we also anticipated that there would be some increases.

I would be willing to assume, for the sake of argument, that we could cut $2 billion in these programs. But if we did, the cut would be accompanied by an equal amount of increased spending; so that it would work out to a cut and increase which balance one another. That is pretty much what we recommended, and that is about the best I could anticipate will happen. However, instead of that, we see the Budget Committee telling us that we can cut social welfare and social security programs, programs for the sick and the poor, by $2 billion, without any corresponding increase to offset it. In effect, the Budget Committee assumes the Senate will be willing to swallow a bitter dose of epsom salts mixed with castor oil, without any sweetener to help the medicine down and get the bad taste out of the Senate's mouth. It cannot be done.

I do not have the kind of leadership—and I do not think anybody else here has—to pass a bill to cut $2 billion in social security, aid to families with dependent children, medicaid, and medicare. In my judgment, that cannot be done. I would be doing less than my duty if I did not stand here and tell the Senate that I think that is impractical, that it cannot be done.

If somebody wants to do it, I will cooperate to the extent that I am willing to vote, as a member of the Committee on Finance, to report the measure out, without recommendation; and anybody who wants to have it passed should see if he can have it passed. I do not think I could vote for it. Since I could not vote it, I could not recommend it to anybody; and I do not think I should be asked to assume the burden, on the floor of the Senate, of trying to pass something that does not make sense to me, because I do not think it is fair. It would be a misplacement of priorities, and I could not vote for it.

That is why we are considering this resolution. Should these reductions be in it? I do not think so. The way I read this, in order to cushion this cut on the poor, the Budget Committee proposes to use this money to finance some other programs.

For example, here is an increase of $1 billion for an extension of unemployment insurance benefits beyond 39 weeks. Here is an estimate of another billion dollars for countercyclical revenue sharing. I would like to have countercyclical revenue sharing, but I do not want to have it at the expense of the sick, the poor, the disabled, the needy, the old people on social security. I would suggest, as I suggest in this amendment, to save $2 billion of the proposed decreases by not having the billion dollar increase for unemployment benefits and the billion dollars for countercyclical revenue sharing. By saving these amounts, we would not have to cut social welfare benefits by $2 billion.

By doing it the way my amendment suggests, we would have the same total outlays and deficit that the budget resolution recommends; and in doing so, we would wind up with something that I think everybody could live with and something that could be made to work.

Mr. CURTIS. Will the Senator yield?

Mr. LONG. I yield to the Senator from Nebraska for a unanimous-consent request.

Mr. CURTIS. Mr. President, I ask unanimous consent that Don Moorehead, minority counsel of the Committee on Finance, be permitted the privilege of the floor during the consideration of this measure and all amendments and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, as far as I am concerned, I would be happy to have this additional unemployment compensation money. I would be happy to have countercyclical revenue sharing, if we could get together on a formula. But I do not think we could afford that $2 billion at the expense of taking it out of the social welfare programs. If we try to take $2 billion from the social welfare programs, in my judgment, there will be a compelling reaction on Senators that, having taken something away from the poor in one respect, they will want to give them something back equally as good in another respect.

Mr. MUSKIE. Mr. President, I want the record to be clear that the budget reductions are not intended to hurt beneficiaries of welfare programs, but rather to recommend that program efficiencies could be realined. As a matter of fact, if the Senator is interested, I voted against the $1.1 billion in connection with the medicare and medicaid savings that the committee has mandated, because I thought that the reduction might be too high. There certainly is no connection between the committee recommendation for health spending and their countercyclical recommendation.

The committee was concerned with the spiraling cost of these medical programs because they are the most highly inflationary costs in our entire economy. The entire Congress, I believe is concerned with limiting spending in these presently uncontrollable programs. The difficulty is to find a way to do it.

When the chairman of the Committee on Finance says there is no way to control spending, it becomes a little frustrating.

There is no connection between the hoped for reductions and the decreases any more than there is a connection between these proposed savings and what we voted for the defense function, or any more than there is a connection between these proposed savings and the fact that we have to pay $40.4 billion interest on the Federal debt, or that we proposed the dollars for any function. We took each function on its merits. We did not say, "Let's cut here in order to get here."

I just want that to be clear. The Senator, of course, has the privilege and the prerogative of linking countercyclical revenue sharing to reductions in welfare and health spending. I do not challenge that. I just want it to be clear that the committee made its decisions based upon the evidence presented and the economic situation in the Nation today, and in fiscal year 1977.

Mr. LONG. Mr. President, Senator TALMADGE, a member of our committee, has introduced a bill to improve the administration of medicare and medicaid. It will take about 2 years for that bill to realize any substantial savings. For the life of me, I do not know how we could begin to save anything like $2 billion in the upcoming fiscal year, if one just looks at the political aspects—quite apart from the desperate need of these poor and sick people.

I want to work with the Budget Committee in achieving that which can be done. I believe that forthrightness and honor require me to tell the distinguished chairman and the members of the Budget Committee, when they make these assumptions in their budget resolution, that in effect they are assigning us a chore that I do not think can be done. That being the case, if we want to retain the same overall outlay figure, the only thing I can see would be to cut back on some of the new spending recommended. Otherwise, we will have a budget resolution, and we will not be able to do what it says.

I would just like to know what Senator is going to vote for a $2 billion cut in social security, medical care for the poor, medical care for the disabled, medical care for the aged, and aid to families with dependent children?

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LONG. Is the Senator going to vote for it? I yield.

Mr. MUSKIE. I could pose that kind of challenge to every committee chairman in the Senate. I could pose that kind of challenge to every Senator who has an interest in a particular series of programs.

What the Senator is saying, very plainly, is that there is no way to save any money in these programs without hurting the beneficiaries rather than making the programs more efficient. I do not believe that. I simply do not believe it. I must say, if I had been chairman of the Senator's committee for as long as he has been, with the background and knowledge he has, I would not come to the floor at this point and say there is no way, none that is conceivable, of saving a penny in this function. I would not do it.

Only after I had tried, and had not succeeded, would I then come to the Senate and say, "Look, the Committee on the Budget set a target, Congress endorsed it. In good faith, the Finance Committee went to the drawing boards and did our best. We could not do it, and I am reporting that to the Senate."

These are tentative targets we are talking about. They are not final. Those final spending and revenue targets are not set until September. Our job as a budget committee is to give the Senate some goals, not only on what to spend, but on what to save.

The Senator states that he wants the Senate to give it up right now, there is not a thing we can do.

Well, if we were to do that with respect to every function, we might just as well abolish the budget process.

We are not as knoweldgeable in specific areas as the Senator is. We do not pretend to be. He is a bright man, and I respect his judgment. I understand that what we have recommended to be done is going to be very difficult to do. However, it is always possible to come to us later and say, it is impossible.

Mr. LONG. Well, Mr. President, I have brought social security bills here to this floor. If it were not for the Senator from Louisiana, we would have at least twice as many people on public welfare now as we have there. Do Senators not recall that great bill H.R. 1 they sent to us a few years ago to double the number of people on welfare? This Senator fought against doubling the welfare rolls. We would have quadrupled the rolls by now if it had not been for the Senator from Louisiana fighting that proposal to put people on the rolls who do not belong there.

But I have also had to manage other bills. I have seen the House add about $3 billion on top of the President's recommendation, and watched the Finance Committee add another $3 billion on top of the President's recommendations and watched the Senate add another $3 billion on top of the President's recommendation. That is the kind of thing the budget process is supposed to prevent.

It is my opinion that in the area of medical care, we ought to be spending more rather than less. We ought to be spending about $1.5 billion more for catastrophic health protection for poor souls who are in that hospital for more than 60 days without any prospect of being out anytime soon. This resolution, of course, precludes that for this year, and I am not complaining about that. But this big cutback in medicare, medicaid, social security, and welfare is something that the Senate will not vote for and I think it is not wise to go tell the people of this country that we are going to make that reduction when, in my judgment, the Senate will not vote for it. The only way we could carry something like that would be if we had an equal amount of additional benefits that we were going to provide to these same poor people, these same aged people, these same sick people that the Committee on the Budget assumes we can cut $2 billion from.

Mr. MUSKIE. Will the Senator yield again?

Mr. LONG. Yes, I yield.

Mr. MUSKIE. Let me make something very clear. We have not directed the Senator or anybody else to cut social security benefits. We suggested that there are reforms possible, on the basis of enough evidence to give credibility to that suggestion, that we would like explored. We have not dictated a reduction or cut in social security benefits.

Mr. LONG. Well, I hope that before this debate is over, the Senator can yield me back some time, because he has made some very worthwhile statements on my time. I might need some of his time back before the debate is over with.

Mr. MUSKIE. There is a lot of time on the bill. I shall be happy to yield some back.

Will the Senator yield to me for a unanimous-consent request?

The PRESIDING OFFICER. The Chair will say that this has come out of the time of the Senator from Maine, 3 minutes.

Mr. MUSKIE. I ask unanimous-consent permission for Donald Nichols and Alvin From, members of my staff, to have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Michael Joy have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Will the Senator yield for a unanimous-consent request?

Mr. MUSKIE. Yes.

Mr. TAFT. I ask unanimous consent that Mr. Steve Entin of my staff have privileges of the floor during debate and vote on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Let me make it clear, Mr. President, that I am offering this amendment for a simple reason. The Senate can do what it wants to do about it, but I say that if we are going to limit ourselves to the figure the Budget Committee has recommended, we cannot add new programs if we are going to finance those new costs, even in part, by a $2 billion reduction in social welfare spending, because I do not think we can persuade the Senate to vote for that. It seems to me totally unrealistic to assume we can do so.

I do not know why we should argue about whether the Senator from Louisiana should try to do something he thinks is unrealistic because it is something he does not think the Senate is going to do. My thought about this budget procedure is that we are supposed to advise with one another and agree on spending ceilings that we think are realistic, that we think we can live with, that we think can be made to prevail.

Mr. MUSKIE. Will the Senator yield again, on my time?

Mr. LONG. Yes.

Mr. MUSKIE. I really think that sometimes the record is more useful if we have interruptions in the course of discussion.

Other Senate committees are required by the Budget Act to report to us by March 15, as the Senator knows. The total of their recommendations for outlays was $439.9 billion. We have recommended outlays of $412.6 billion. That is a difference of $27 million. If we were to exercise no judgment of our own as to where savings or cuts ought to be made, if we relied wholly upon the authorizing committees, the recommended deficit, instead of being $50 billion, would be $77 billion. But we take it that we have a responsibility to make some judgment about where reductions can be made within the broad range of budget priorities.

We are not as knowledgeable, obviously, as the authorizing committees, or as the Senator from Louisiana in his particular jurisdiction, but, nevertheless, we have to make decisions on economic priorities. So that a cut of $27 million represents our best judgment as to what can reasonably be done and still keep the economy moving on the road to recovery and it does not coincide with what the authorizing committees recommended to us. The Senator's is not the only committee that is faced with that problem of trying to live with what we recommend.

Mr. LONG. Well, Mr. President, this amendment that I am recommending relates to programs within the jurisdiction of the Committee on Finance. It seems to me that countercyclical revenue sharing ought to be a Finance Committee measure. The extension of unemployment insurance benefits is a Finance Committee measure. From my point of view, if we have to live with the Budget Committee's total outlay figure—and I am assuming that we ought to try to so do that, and the amendment proposes to live with the total outlay figure of the Committee on the Budget—then it would seem to me that we ought to say that, as between these two, it is more desirable to hold the social security and social welfare programs to the existing law spending level than it is to add these two new programs for the extension of unemployment insurance beyond 39 weeks and countercyclical revenue sharing. If the Senator can find some other way to work those new expenditures in, by cutting somewhere else, I would be happy to see him do it.

Mr. MUSKIE. Will the Senator yield on that?

Mr. LONG. Yes.

Mr. MUSKIE. Why is countercyclical in here? Is it in here because it is in the second concurrent resolution for this year, so it is a positive congressional mandate.

Second, it was in the jobs bill which the President vetoed and which the House overwhelmingly overrode and where we failed by only 3 votes to override.

Third, the Senator and I and other Senators have been working on a revival of that bill, including countercyclical, so we regarded that as a very clearly stated congressional mandate, and included it in this one because if you eliminate it from the 1977 budget there is no point in continuing further with the effort to put together a jobs bill that Congress can approve.

The next point I would make is there is one other area, a very real growth in this budget above current levels, and that is the defense appropriations. That represents real growth of over $9 billion in budget authority, $2.9 billion in outlays.

Now, that would more than offset what the Senator proposes to save. So there are many other places. Everybody has got his favorite functional area, and we just have not found it possible in the Budget Committee to make recommendations made in such a manner. I mean, if you were to do that, you would be tied up in those markup sessions. I mean everybody would be fighting for his own priority, and you would be there for the next 2 years, as the Senator knows.

So what we have done is to take each function on its merits, debate it thoroughly, come up with our own best judgment as to where savings can be realized and what the real needs are, and come up with a total. However, the majority shifts from time to time, as the Senator knows.

Mr. LONG. Mr. President, let me make it clear that so far as this Senator is concerned, I have no pride of authorship in this matter. I am offering this amendment only because I deem it my duty to inform the Senate that this cut of $2 billion in the social welfare programs, in my judgment, cannot be done.

Mr. MUSKIE. Mr. President, will the Senator yield again?

Mr. LONG. I predict that if you succeed in saving the $2 billion, there will be amendments which cost $2 billion, maybe more than that. I tried many times to try to persuade the Senate not to be so ambitious in its desires to expand social welfare programs.

There are many Senators around here who have been here very long who can search their own conscience about the situations where I have begged them not to vote for free eyeglasses and begged them not to vote for free dentures and things of that sort because I thought the budget could not take it—and then watched them all proceed to vote for the benefits not withstanding my entreaties. I was not aganst the old people having these benefits, but the budget would not take it and, being on the Finance Committee, I knew something about that problem.

The Senator has that same kind of problem as chairman of the Budget Committee, and I do not envy him that, I commiserate with him. I have been through all that, and I understand the problem. But I deem it my duty to inform the Senate that I do not think this is something we can do. I do not think we can make it work. I do not think we can prevail in this $2 billion cut in medicare, medicaid, aid to families with dependent children, and social security. If we save that much I think it will be spent in some other benefits for the same category of people. I feel it my duty to offer this amendment and to make clear that this part of this resolution I feel will be unsuccessful, and I do not think I ought to be saying it could be done if I do not think it can.

Mr. MUSKIE. Mr. President, will the Senator yield again?

Mr. LONG. Yes, I yield.

Mr. MUSKIE. I think a point needs to be made that was made with respect to the earlier amendment and it needs to be made on the Senator's amendment.

Now, the programs the Senator is addressing with his amendment fall into two functions: Income security and health. Each of those functions covers a number of programs other than those that the Senator's amendment touches.

The budget resolution does not zero in on particular programs. All it does is set overall numbers, and although the legislative history may indicate the areas where the committee thinks that ought to be productively explored, we do not mandate even the $1.4 billion in reductions in the medicare-medicaid programs. We just say in these functions what the totals are for budget authority and outlays. How it is to be divided depends on more than one committee. The health function is the Senator's committee. There is also the Labor, Public Welfare Committee.

Mr. LONG. And the Appropriations Committee.

Mr. MUSKIE. Yes, Appropriations, and a number of other committees. But in terms of functions, let me give the Senator some numbers. In the income security number this budget resolution is $3.6 billion over the President; it is $900 million over the House.

With respect to health, this budget is $2.1 billion over the President and $1.2 billion over the House in budget authority, and about $700 million under the House in outlays. What we are mandating is that the appropriate committees try to live under these ceilings. We do not say with respect to particular programs what the amount should be, and I think that ought to be kept in mind as we debate the amendment.

Mr. LONG. In the statement I made yesterday, I pointed out that if these cuts are to be made, they would probably be made along the line of the President's recommendations. I said:

> The President's proposals involve such things as cutting off social security benefits for orphans completing their education, requiring aged and disabled persons to pay more for medical expenses under medicare, or limiting how much doctors or hospitals can be reimbursed for their medicare costs. Now, it may be that the Finance Committee can find ways to improve these programs and to eliminate unnecessary costs over the long run, but I do not believe it is possible to cut out $2 billion in program costs in the coming fiscal year without enacting measures which primarily take benefits away from needy people or which indiscriminately cut payments to doctors or hospitals, and I do not think that Congress wants to or will enact such measures.

Mr. MUSKIE. All I am saying to the Senator is that we do not mandate how the savings should be made. Our function is to take the 17 functions of the budget and establish overall ceilings and to ask committees which are involved in those functions to try to live under them, using their judgment and their discretion as to how that might be done or to report back if it cannot be done.

Mr. PACKWOOD. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes.

Mr. PACKWOOD. I want to congratulate the Senator from Maine and the Senator from Oklahoma in making this budget process work. If it is going to work, we are going to have to exercise some judgment and some discretion, and that is a little bit of what is causing the frustration of the other committees. They have a feeling of usurpation, that somehow the Budget Committee is mandating, telling them what to do.

Is what you are saying to Chairman LONG now that we do not necessarily have to make these $2 billion savings in the particular areas that he has indicated? If we take $2 billion out of social security instead of partly out of medicare and medicaid, that is fine?

Mr. MUSKIE. That is fine.

Mr. PACKWOOD. Would this also be true, because it is slightly related, on page 6 of the committee report where you make reference to the $2 billion in the tax expenditures that you hope the Finance Committee will pick up this fiscal year—do I take that to mean it is not necessarily a mandate that we close $2 billion worth of loopholes, but that we could just as well raise the income tax or the corporate income tax $2 billion? You are just talking about $2 billion additional revenue, and the reference to tax expenditures does not necessarily mean so-called loopholes.

Mr. MUSKIE. That is right. The only mandatory number with respect to revenues is the revenue total that we have included.

We have, however, indicated in the report, as we are required, our view as to whether any revenue should be generated by tax reform. We have done that, so our view is in the report, but it is not mandated.

Mr. PACKWOOD. If the Finance Committee's judgment at the end of 2 weeks of hearings and markups, they found it impossible to close $2 billion of loopholes, and they chose to fit within the mandate of the Budget Committee by simply reducing the tax reductions from $17 billion to $15 billion and pick up $2 billion that way?

Mr. MUSKIE. That is right.

What we ask is a recommended level of Federal revenues of $362.4 billion in revenues, and we arrived at that number by assuming $2 billion possible additional revenues on tax expenditures. By the time the committe acts, the revenue picture changes. We may come up with $362.4 billion in some other fashion.

Mr. PACKWOOD. I think the point Senator LONG makes is valid to this extent: If where we had to save $2 billion was in cutting social security benefits, I am not convinced that has to be done, but if that is what has to be done, I do not think the Senate will do it, and I believe it would be illusory to assume that we can get the $2 billion that way.

But so long as the Finance Committee is left with the total discretion of where to pick up this money or reduce the tax reduction by $2 billion or whatever is necessary to get the $362.4 billion total the process is working the way it should work.

Mr. MUSKIE. There is another thing in what the Senator said, and the Senator from Louisiana also said: He said, "I do not think the Senate will do it." If we make a prejudgment on that assumption again we are never going to get anywhere.

Before the vote this morning what would have been the judgment of most Members of the Senate as to what the vote in the Senate would be on a program involving veterans' benefits?

Mr. PACKWOOD. Normally it would pass.

Mr. MUSKIE. It would normally pass. Now, this morning, they did not. I hope that that action is properly interpreted by everybody concerned, including veterans.

But the fact is that as we begin to look at these decisions in the context of the overall past patterns of voting, it is not inevitable as to what the new pattern will be.

Mr. PACKWOOD. Because this process is so new I think it is working so well so far, but I want to lay the groundwork so we all understand as we get to September and pass the final resolution what it is we are committing ourselves to.

We are not, in the adoption of this resolution today, committing ourselves necessarily to a $2 billion cut in medicaid, medicare, social security. Not necessarily.

Mr. MUSKIE. That is right.

Mr. PACKWOOD. We are not necessarily committing ourselves to a $2 billion closing of tax loopholes—necessarily.

Mr. MUSKIE. That is right.

Mr. PACKWOOD. What we are initially committing ourselves to are revenues of $362.4 billion and maybe next September that figure will be $360 billion, maybe $365 billion. Who knows?

Then we are saying to the Finance Committee, "The collective judgment of the Senate is $362 billion. It is up to you, gentlemen, to determine how we go to that figure."

Mr. MUSKIE. Yes. We, of course, would like to have the Finance Committee look at the Budget Committee report to get whatever insight it chooses to take from the Budget Committee's recommendations and the basis for the Budget Committee's judgment.

But in the last analysis, it is the Finance Committee's judgment, and I think the Senators and the Senate subsequently.

Mr. LONG. Let me make this clear. The President in his budget recommends a cutback in medical care for the aged and the poor of $900 million through limitations on reimbursement rates, and a $1.9 billion increase in the amount these old people are going to have to pay for the medical care they are now getting. With the $500 million of increased expenditures related to the catastrophic feature of the President's proposal, he proposed a net savings of $2.3 billion.

I have been on TV telling my people: "Don't worry about these proposals; we are not going to make you pay an extra $1.9 billion. Don't worry about it, Congress is not going to make you pay that to get what you are getting now. Congress would not do something like that."

The Budget Committee seems to believe we can go half way. They do not assume that we achieve medicare savings of $2.3 billion. They assume we can save $1.1 billion.

I do not believe we can persuade a majority of the Senate to vote for a $1.1 billion cut. In that respect, I think it is impractical.

The same thing is true about the $300 million savings in medicaid. I do not think it can be done.

That is why it would seem to me it is my duty to tell the Senate that I do not think it can be done.

If we want to live within that budget figure the Budget Committee has recommended, I think we better take out some of these new spending programs. Otherwise I do not see how these cuts can be achieved.

That is why I make this suggestion in my amendment. The Senate can do what it wants to do. I have done my duty when I informed the Senate that I do not think the Budget Committee's assumptions can be worked out that way.

That being the case, I think they ought to be less ambitious in their new spending programs. Counter cyclical revenue sharing is a great program, it sounds good, but I do not see how we can afford it if we are going to have to finance it by cutting the social welfare programs.

Mr. STONE. Will the Senator yield?

Mr. LONG. Yes.

Mr. STONE. Would the Senator feel when the crunch comes later on in upholding the chairman of the Budget Committee when he calls his points of order on trying to keep the lid on the budget, would the Senator feel that the Senate, as an institution, would be more likely to support the Senator from Maine if the individual Senators have some feeling of participation on the floor and in participating with the making of the budget resolution, apart from simply voting up or down on the committee recommendations?

Mr. LONG. I hope so. But we know there is enough confusion about what this budget process means. It is all new to us.

There is enough confusion about that Senators may find themselves trapped in a situation where they are deemed to have participated in something and committed themselves to something and then find out it is something they do not want to do.

If that is the case, I know Senators will find a way of getting out of that trap. How, I do not know. But I have been in them before and we always did find some way of getting back out of them.

But when we see a trap that we are going to have difficulty getting out of, the wisest thing is not get in there to begin with.

Mr. STONE. Does the Senator not also feel that although the Budget Committee may have adopted the very best way for them to proceed in terms of making budget ceilings on functions without regard to comparing them to other functions, that may have been the proper and best and most expeditious way for them to proceed as a committee, but, nevertheless, is it not just as logical and is it not just as feasible and is it not just as fair for Members of the Senate on the floor to analyze the priorities and the total and absolute amount set as between these functions and to decide that perhaps they want a little more defense funds here, perhaps they want a little less, compared to something else, and not simply as to itself; is that not just as logical?

Mr. LONG. That is the way I look at it.

We on the Finance Committee do have jurisdiction to report out a resolution that would cut social security, cut welfare, cut medical care, and increase unemployment benefits and increase revenue sharing.

If we did, I know what would happen. Somebody would offer an amendment to take out this cut on the health care, this cut in social security, or somebody would offer somebody to give the old people back something in return for what is being taken away, and by the time we got through we would not succeed in saving $2 billion.

Mr. STONE. Would the Senator relate his earlier statement about tax reform to the same feeling about spending cuts? Do not take that money from me, take it from the fellow behind the tree.

Mr. LONG. That is about how it tends to work out.

I will do all I can to cooperate with the Budget Committee. I am trying to do so right now. I feel it would be less than good faith cooperation if I sat and watched this budget resolution pass and then proceed to vote against cuts in social security, medical care and welfare, without having made it clear that it did not seem to me that is something that could or should be done. I would not be acting in good faith with the chairman of the Budget Committee and his Members to go along with this resolution and then at a later date come in and say that I could not vote to take that care away from the sick and disabled.

That is why I think it is my duty and the duty of the Senate to look at this.

Senators may feel that they have voted for a budget resolution and are committed to voting for the cuts later. But they may not vote for the cuts later. I think we ought to try to look at what we are doing and try to stay out of what, in my judgment, would be a very unfortunate situation.

Mr. DOMENICI. Will the Senator yield?

Mr. MUSKIE. Mr. President, I shall yield in just a moment. I want to make two brief comments and then I shall yield to my good friend from New Mexico.

First, with respect to the Senator from Florida and the questions he addressed to the Senator from Louisiana.

Of course, I have been around the Senate long enough to accept long since the majority leader's philosophy that every Senator is free to do what his conscience tells him he has to do, and I do not quarrel with that.

But I will make an observation that if we do that without any regard whatsoever for the consequences in terms of what we are trying to do overall as an institution, then we will get back to the situation we had before the budget process.

If the Senator will examine the rollcall votes that we took in the Budget Committee, he will find a lot of votes that I cast that I will not try to implement in this Chamber.

Mr. STONE. If the Senator will yield, is this not one of them?

Mr. MUSKIE. This is one of them.

I am conscious of the fact that down the road there is flexibility in this process, but that we have to make a start. The starting point ought to be as solid as we can make it.

That is not to say that we do not recognize that there may be some amendments adopted at this time. The Budget Act makes room for that. What I am saying is that it is our job as a committee to make the strongest case we can in the budget resolution and to try to stimulate the Senate to adopt the same sense of self-discipline that we have found ourselves forced to assume.

I did not find it any easier than anybody else to vote as I did on the last amendment. I am certainly not going to find it easy to oppose the distinguished Senator from Louisiana.

Mr. STONE. Will the Senator yield for a very brief observation?

Mr. MUSKIE. I yield.

Mr. STONE. Is the Senator from Louisiana doing in the Chamber what the Senator from Maine did initially in the committee? There is a moment in which each Senator tries to condition himself to the ultimate result, but then, with the discipline to the budget-making process, having made his attempt, then he supports the final product.

Mr. PACKWOOD. Will the Senator yield?

Mr. MUSKIE. I yield.

Mr. PACKWOOD. I ask the Senator——

Mr. MUSKIE. I will yield to the Senator from New Mexico first.

Mr. DOMENICI. Will the Senator from Oregon take much time?

Mr. PACKWOOD. I have a unanimous-consent request for an aide to be granted the privilege of the floor.

Mr. DOMENICI. I yield to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Bob Jerome, of my staff, be granted the privilege of the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Might I ask the Senator from New Mexico, who can answer this question as well as anybody, without in any way compromising the budget process, does not the amendment of the Senator from Louisiana pose to the Senate the substantive question that we prefer to not make cuts or even think about cuts in the areas of AFDC and in the area of medicaid and medicare? If, in our minds, that occupies the higher priority than the possibilities of countercyclical revenue sharing or unemployment, then this would be an appropriate time and we should vote for his amendment.

Mr. DOMENICI. I might say to my good friend from Oregon that is one way to put it. On the other hand, I would hope that the Senator would listen to an explanation of what we had in mind in terms of this particular function, the health function, by setting the targets that we did.

We had a much broader concern in mind than that which has been addressed this morning. I might say to my distinguished friend from Oregon, and my good friend from Florida who has been talking about this issue, that I do not believe the Budget Committee had in mind anything like the distinguished Senator from Louisiana is talking about. He leaves the impression that we want to take away health care from those who need it in our country—the poor and the old who are presently covered by major plans.

I believe our concern is this: We feel there is much more delivery of medical care needed in this country than in those two areas. We can predict for the Senator that we must begin to cut back the percentage increase—and I will tell the Senator some percentages in a moment—in growth of cost of these two programs. There are those who think there is at the end of this tunnel some other health care programs for those not covered, be it major or catastrophic, be it Senator Long's national health insurance program, President Ford's or perhaps the Senator's. If the Senator is looking at that and fails to recognize the percentage cost increases in these two programs and does not recognize that we must attempt to put some new order into those, it would not be proper.

We are not saying take away from the poor and the old some medical attention, but we are saying that a 20.2 percent increase in that cost in 1 year is intolerable.

We are not saying to cut people out from under it. We are giving them a little urge on the Finance Committee and the Subcommittee on Health to understand that they are not going to increase the scope of coverage for anyone in this country when this budget increase is 4, 5, or 6 percent a year.

I keep stressing costs because I do not think we should equate costs to beneficiaries. And I also refer to medical costs going up 15, 18, 19, and 20 percent per year.

What we did, and I will give the percentages which answer the question can we do it or not, is this, and these are the facts:

The growth in expenditure outlays in medicare would be 22 percent under current policy. It would be a 22-percent increase.

For those who think that the Budget Committee is recommending cutting something, they must understand that we are coming in at about a 15.8-percent increase in that one single program.

We are suggesting to those who have control over medical delivery programs in this country that it is high time we find a way to give the kind of coverage we had in our goals without the costs going up 22 percent in 1 year.

Mr. PACKWOOD. Now we are getting down to the point, and I am sure that is exactly what the Senator from Maine said.

The Senator is saying the Budget Committee took a positive look at these programs and made the decision they are increasing too fast, they are costing to much, there ought to be a slowdown.

Mr. DOMENICI. Indeed. But I am not saying that we are trying to hamstring the Senator within this function as to where to effect some constraints on the excessive cost spiral. We are not putting any finger on that.

Mr. PACKWOOD. I understand that. The Senator is not saying we have to make these exact cuts of $300 million or $1.1 billion, but it is a substantive judgment that this function is growing too fast. The Senator from Louisiana, whether he thinks it is growing too fast or not, is saying that in his judgment, as far as the next fiscal year is concerned, he would rather cut back on the unemployment, if that is where we are going to cut, and not have the countercyclical programs rather than having these health functions cut.

Mr. DOMENICI. Let me say to the Senator, if he will look at countercyclical and the unemployment compensation that he is going to put a lid on, they are both triggered programs. By triggered, I mean that they are tied to unemployment indicators in the economy.

That means that if things go as well as projected, both will disappear. So we need not be looking to 1980 and ask what will they be, for they will not be. They are gone. They are part of our antirecessionary effort on the part of this Senate, passed once in a bill, sent to the President, and vetoed.

But if the Senator does not listen to the Budget Committee's concern about the growth in medicare and medicaid costs, I say again to my distinguished friend that he must, as all Senators, look at the 1980 costs of those programs, which is our responsibility.

If we do not look at costs and tell the Senators what those two will be under current services extended, then we are not doing the job we should for the Senator and for the American people.

Mr. MUSKIE. Will the Senator yield on another point related to the question of the Senator from Oregon?

Mr. DOMENICI. I yield.

Mr. MUSKIE. I said earlier that all we do is set functional totals. The effort of Senator Long's amendment looked at from another perspective is this: He would eliminate the $600 million in cost savings that we would like to achieve in income security. That is the income security Function 600. So he would add $600 million. But then his amendment would subtract $1 billion from that function in order to eliminate an extension of unemployment compensation.

If the Senator is willing to assume that it is going to be easier or any easier for the Senate to turn down an extension of unemployment compensation than it is to achieve what Senator Long described, I think he is unrealistic. If the Senate does not go along with the recommendation to drop an extension of unemployment compensation, then Function 600 is going to be squeezed $400 million more than the Budget Committee recommendation squeezes it.

Then you are really going to be back trying to find the cost savings that the Budget Committee is talking about.

Mr. PACKWOOD. The Senator from Maine says, "Do you think it is going to be any easier to vote against unemployment compensation if we are still in the recession than to vote against medicare?"

Mr. MUSKIE. I remind the Senator that I did not set the standard. The Senator from Louisiana set the standard.

Mr. PACKWOOD. Yes. I do not know which one is easier to vote against. Neither prospect is easy. But as a matter of fact, right now, this is not the time to decide which is the one to vote against, if we are going to vote against one or the other. The point the Senator from New Mexico raises is a valid point; we are not looking at just this year. He is saying that in five years this category will be up 38 percent, 48 percent, or 50 percent, if we do not start now to limit the increases.

Mr. DOMENICI. And I might say to my good friend, we do not have any new beneficiaries in this total, either.

Mr. PACKWOOD. No; the Senator is talking about current policy. But I think that is the difference which the Senator from Louisiana is raising. I think the point is valid; but if the Senate wants to say this year we would rather not have any countercyclical funds, and therefore not face the problem of having to have any economy in—what is the number of these functions?

Mr. MUSKIE. 600, and 550.

Mr. PACKWOOD. If we would rather think about not making the economies in this program, that is a decision the Senate can make without doing violence to the budget process.

Mr. DOMENICI. I do not argue that. I think as long as the Senator says it as he is, without facing the issue of this ever-growing force, that is a decision we are making. If we do not want to face that issue, but put out countercyclical revenue sharing and put out the extra money the budget would provide, I think that is exactly the issue, as I see it.

Mr. LONG. Mr. President, will the Senator yield to me for one moment about that?

Mr. DOMENICI. I yield.

Mr. LONG. The Senator is talking about his concern about these increases. I do not know anyone with any suggestions for immediate savings other than the President. The President recommended that the old people be required to pay a coinsurance in addition what they are already paying for medicare, a coinsurance charge above their deduction of 10 percent.

They are complaining about the cost of medicare now. The President also recommended raising the deduction from $60 to $77, and then fixing the law so that the deductible would be raised automatically thereafter.

I do not think these are things Senators want to vote for. I think it is irresponsible to talk about holding the cost down if we are talking about raising the prices people have to pay. The President wants to save $900 million by putting a limitation on the reimbursement rate. These hospitals are complaining to high heaven they are not being adequately reimbursed now.

We might be able to do some of what the President recommends. But all I am saying is, as sure as we make these old people pay all this extra money, we are going to find it expedient, and I think statesmanlike, to do something to make it up to these old people for some of that which we are taking away from them.

It has been my experience in 28 years in this body that Congress is not going to do that to these old people without giving them something back, and I think it is impractical to think of it in any other terms. And much as I would like to see us have a countercyclical revenue sharing program, I think we had better not get into that new program for the time being, rather than make these old people pay for these health benefits to which they would otherwise be entitled.

Mr. CRANSTON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. DOMENICI. I yield to the Senator from California.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Martin Jensen, Franklin Zweig, and Mark Schneider be granted the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Bert Carp and George Merrill of the Budget Committee staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I just want, for the record, to discuss a few more facts, and then I shall yield to my distinguished committee chairman.

Under the President's budget, so there will be no misunderstanding with reference to what we did, the President's budget in this category would have been at $35.5 billion. The Senate Budget Committee figure is $2.1 billion more than that; it is $37.6 billion. If we had been following current policy, we would have been at $38.8 billion.

That means if everything that was in place at present were to be carried out as it is, with no changes or reductions, we would have been at $38.8 billion. We are at $37.6 billion.

I just want to conclude by making this remark: If we do not find a way, as Congress, to do something about the spiraling costs of medical care, which I think was the intention of the Budget Committee that we encourage some national and even new and innovative effort in that regard, and if we equate the proposed reform there with a dollar-for-dollar saving by getting rid of a triggered program like countercyclical revenue sharing or unemployment compensation, then it seems to me we have just put a serious kink in any future constraints under this budget, and in the future we will be confronted with utterly billions of dollars that we do not now plan on in the years hence, and that we are not going to be able to get anywhere close to the balanced budget that we all want so much in the next few years.

Mr. President, I yield the floor.

Mr. MUSKIE. Mr. President, I understand that the Presiding officer (Mr. HOLLINGS) wanted to get involved in the discussion. I would be glad to substitute with him for that purpose. I am anxious to have some other voices than my own raised in this debate.

(Mr. BELLMON assumed the chair as Presiding Officer at this point.)

Mr. MUSKIE. If I might have the attention of the Senator from Louisiana, I would like to make it clear for the record and for my own understanding what the various components of the amendment are. I am going to put a table in the record to indicate it.

What the Senator proposes is to add $1.4 billion to function 550 to cover the medicare and medicaid savings that the Budget Committee has anticipated of $1.1 billion and $.3 billion, and then he proposes to add $600 million to income security, function 600, to offset the savings on social security and AFDC that the committee had anticipated, for a total increase of $2 billion?

Mr. LONG. That is right.

Mr. MUSKIE. Offsetting that, the Senator would take $1 billion in function 450 to offset countercyclical revenue sharing, and $1 billion in income security, function 600, to eliminate an extension of unemployment compensation?

Mr. LONG. Beyond 39 weeks.

Mr. MUSKIE. Beyond 39 weeks. If that is accurate, I ask unanimous consent to put that table in the RECORD.

Mr. LONG. That is correct, and it would work out to a zero change in the overall ceiling.

Mr. MUSKIE. That is right.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Dollars in billions]

	Budget authority	Outlays
Health (550)		
Medicare +1.1	+0.3	+1.4
Medicaid +0.3		
Income Security (600)-Social Security, AFDC	+0.3	+0.6
Total increase	+0.6	+2.0
Community and Regional Development (450)-Countercyclical revenue sharing	−1.0	−1.0
Income Security (600)-Extension of Unemployment Compensation	−1.0	−1.0
Total decrease	−2.0	−2.0
Net change	−1.4	0

Mr. HOLLINGS. Mr. President, I thank the distinguished chairman and our distinguished ranking Republican member, the Senator from Oklahoma (Mr. BELLMON) for momentarily taking the presiding position so I could make a few comments because, listening to the debate, as my friend from New Mexico (Mr. DOMENICI) was pointing out, we did not go after this one willy-nilly.

When the distinguished chairman of the Committee on Finance says that we cannot do these things, on the contrary, we find them well studied out, well contemplated, and fairly well along in the course of events for this particular legislative year.

For example, on social security, rather than having it, as Senator Domenici was pointing out, eliminating every one, we were looking at the Congressional Budget Office report and reading there when we debated in the Chamber. We said what is contemplated here are prospective reductions, not reductions in benefit levels to current beneficiaries nor limiting or capping the cost of living increases.

These reductions would include, first, requiring a test for financial dependence as a condition for benefits to spouses and survivors.

So, with our women's lib movement, of which I am a supporter, I do not wish to harshly say: "You live by the sword, you die by the sword." But are we going to have true equality? We say here now we are going to impose a dependency test in the one instance, for women, for example, and then we are going to do away with that minimum benefit of $105 a month, which is a minimum benefit really as a welfare provision under social security.

We can have a majority vote on that in the Chamber at any time, and the Congressional Budget Office studied it out and it was well within the contemplation over on the House side.

Mr. President, I think the distinguished chairman would want to remember this. I mean the chairman of the Budget Committee, as well as the chairman of the Committee on Finance. When we drew up our amounts we of course, corresponded, communicated, and worked with the Committee on Finance. The distinguished chairman of the Committee on Finance, on aid to families with dependent children, on the next item, that he has here $.3 billion, he wrote——

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLINGS. I will not yield now. I wish to make one sentence without jambalaya. I know exactly how my distinguished colleague makes a debate and no one can follow it, and these things are not easy to follow. I do not profess any particular expertise other than the actual record. Reading that RECORD on March 4 to Senator MUSKIE and the Committee on the Budget, this is exactly what the Committee on Finance told us.

> Income security. The committee estimate for new legislation under the income security category represents a net figure of both savings and additional benefits in the programs of aid for families with dependent children and supplemental security income for the aged, blind, and disabled.

That did not give a figure, but when the staff of our Committee on the Budget checked with the Committee on Finance they said rather than $.3 billion or $300 million that they would estimate $.6 billion, double that amount. They came in the Chamber now and say: "Look, it can't be done. It is just impossible. It is made out of wholecloth. Someone dreamed it up. Where did the staff get this? You just don't get no votes."

We got that, nonetheless from the author of this particular amendment.

With respect to the next item, $1.1 billion, under medicare, of course, that, too, requires legislation, but it limits the hospital reimbursement to a 7-percent inflationary increase. It is still inflation. But throughout we are simply trying to say no one is cut off from whatever it is, but rather than 10 or 12, let us limit that to 7 percent, which is not unreasonable. It can be agreed to in this Chamber. We were trying to pick out the reasonably easy items on which to agree.

We realized that, feeling our way and just establishing the Committee on the Budget and its credibility, we would have to use restraints.

We cannot take a Finance Committee, and a distinguished chairman, particularly, and have us, who do not have the experience that he has had over the 20-some years here, with all the witnesses that he has heard and all the expertise that he has on his staff, say: "Oh, Senate Finance Committee, you just do it our way."

That would make an impossible situation here within the budget process.

We were trying to lean over on the side of reasonableness with respect to having this one enacted, and we just chose that 7-percent inflationary figure, which is not a tough one. The same thing is true with respect to doctors—limit them to 4 percent. That came out in several of the studies.

Now, as to medicaid, of course, that was for the States themselves. They have no less than six investigations going on as to States operations with respect to medicaid, and they said that the States themselves—on quality control, on many of the studies around—could easily save, and they have all kinds of figures out within the consideration of our committee, but we took the $300 million one there.

So they were well-conceived ones.

We got to the unemployment compensation benefits, over on the other side of the ledger. Unemployment compensation benefits expire in March of next year. Those benefits, incidentally, should be perhaps under the Committee on Finance but right now are under the Committee on Labor and Public Welfare. We are going to extend those benefits. The people are unemployed. If we only get to a 7.1 percent unemployment rate at the end of this year, which is a pretty optimistic projection, then by March when this is expiring in January and February, we are not simply going to leave them without benefits and just give them welfare payments, put them on food stamps, and all. It is one of these uncontrollables. And we will pass that legislation.

Rather than being impossible to pass, we extended those unemployment benefits to $1 billion there.

Then with countercyclical revenue, I could not believe my ears. They said: "Where did you get that?"

We got that from none the less than the distinguished mayor of New Orleans, Moon Landry. I never heard a more eloquent presentation of the plight the cities find themselves in than in the colloquy we had with the distinguished mayor of New Orleans. Federal programs time after time after time again exacerbated the problems and the dilemma of the inner city of America.

And I had been in the initial debate on countercyclicals. It is something rather nebulous and hard to get your hand on, with far too much money and everything else. The first proposal was at a $70 billion rate, that the cities said, and they made a record as to how they could use these funds, how it would help them out, and how it would not expire. I have seen those mayors, as the distinguished chairman of the Committee on Finance has, and those Governors. They are going to get revenue sharing and they were equally strong with this particular program.

Mind you me, a good majority has voted for this, which was even in a sense overridden on the House side. It missed by one vote. We are talking about a majority vote. And they come here now and say: "Look, fellows, you just cannot do these things, you cannot do them."

I say, "We cannot do without them."

That is how this particular program is. Each one of these items is that way. This is very cleverly drawn. What you do is you take the Committee on Finance items on the left-hand side of the page and you just increase those, and just leave the Committee on Finance out of this particular budget procedure. Those things that are not within the Committee on Finance—there are two of them, one of them is with the Committee on Labor and Public Welfare, and the other one is the countercyclical program that would be with the Committee on Government Operations—and with those committees, then by gosh, we will have those decreases. Let them handle those cuts, and they can get by.

I simply state that we tried our very level best to be minimal with respect to any kind of requirements of budget restrictions as they might be characterized on the Committee on Finance.

That is a tough one. I know, as the Senator from Louisiana pointed out, every time one thinks he is going to reform and he brings legislation out, everyone puts their little special interests on there, and they turn into a Christmas tree instead of reform. It comes out deformed instead of really increasing the revenues and eliminating loopholes. The loopholes are increased.

We look at the budget. We look at this budget. I think this is a good thing for my friend from North Carolina and I, because he generally looked fiscally at outlays the same way we looked at revenue spending over on this side. We find, as it says in the Bicentennial celebration—it took 186 years to get to that $180 billion. In 1963, 9 short years later, it took those years to get to the second $100 billion budget. That shows how it has been spiraling upwards. In only 3 years, really, about 3½, to get to the $300 billion budget in 1971, and now the Senator and I, regardless of all the constitutional amendment proposals and everything else, he and I are fighting at the $400 billion level.

When I came to the Senate in 1966 or 1967, I voted for a $158 billion budget. Incidentally, Lyndon Johnson balanced it in the year he left office, in 1969. No-one wants to remember that. We increased revenues and cut spending some $5 billion in order to get that balanced budget, 1968–69. But we have $400 billion here with an increase over the last 9 years, let us say, of 146 percent.

And we look over here at tax spending. They call them tax expenditures. How many more loopholes have we added? When have we increased taxes in the United States? The States have done so. The municipalities have been forced to do so. But at the Federal level, we have gone from $38 billion in tax expenditures in 1967 to $101 billion—the exact size of the defense budget.

We have all those loopholes in there and an increase of 167 percent.

We look at the broad picture. With reference to the adjustments that have been packaged singularly by the amendment of the Senator from Louisiana, Heaven knows, every one of those is within the ballpark and is what we ought to do. Maybe we will not.

However, in the adoption of this budget, we have been reasonable. We have taken more than a restraint-type of approach to those functions coming within the prerogative of the Committee on Finance.

We have to face up to it. We cannot go to Defense every year and say, "Cut it," which we have done 5 years in a row, when we cut almost $5 billion. I have been part of it: $5 billion, $5 billion, and $5 billion—until now we are in trouble with the Soviet Union. Over here, on the other side, life is good and life is great, and let us have more loopholes, loopholes, loopholes.

The Senator has come along within the adjustments that the President has put into the works, that Congress has put into the works; that the Finance Committee has put into the works. There has been correspondence, and he comes to the floor of the Senate and says that it cannot be done; it will not happen. I think we should give it a try. I believe we have to defeat this amendment and give it a try. The Senator and I agree that we cannot tell, but I believe we should work toward it. That is why I asked that the Senator yield.

I will be glad to yield for a question or yield the floor.

Mr. LONG. The point that it seems to me the Senator is overlooking is this: In the letter to which he has referred, I pointed out that this net figure included both savings and additional benefits. I have tried to exercise restraint in managing these social welfare bills, but it will be very difficult to defeat some of these benefit amendments, and I do not think they can be defeated.

For example, an amendment can be offered, as it has been offered many times, simply to raise the earnings limitations under social security, so that beneficiaries can keep more of what they earn by dint of hard work. I have resisted amendments such as that on occasion and then have been beaten by about 90 to 10. I do not think anyone is going to have much more successs than that. They may have a little more success, but I cannot picture them getting a majority when they come out with a social security bill that would only cut benefits, as the Senator would like to do.

I do not think it is realistic to anticipate that the Senate will reject an amendment to increase benefits of the kind for which it has voted repeatedly by votes exceeding 90 percent. I have observed amendments such as Mr. HARTKE's amendment to help the blind under the social security programs. Watching the Senate vote for that type of amendment, I do not think it is likely that anyone would introduce a bill to undertake to pick up about $300 million by cutting down on some social security benefit without being confronted with an amendment that historically has mustered a vote of 95 percent of the Senators. I do not kow how the Senator is going to defeat that kind of amendment.

Mr. MUSKIE. The Senator has told us how difficult it is to save $2 billion.

Mr. LONG. In this social welfare area.

Mr. MUSKIE. Yet the Senator, in his amendment, has proposed a way to save half of it in extended unemployment compensation. That is in the same function as social security.

This is not a line item resolution. What the Senator's amendment proposes is a reduction in the income security function of $400 million below the budget resolution target.

If we leave the Budget Committee's figures as they are, one of the options available to the Senate is to come back and announce that he is going to discontinue extended unemployment compensation and save $1 billion of the $2 billion that way. We are not telling the Senator that he cannot do that. We do not tell him that at all.

If we adopt the Senator's proposal to cut the income security function by $400 million, that is not a mandate to eliminate the extended unemployment compensation, because this is not a line item piece of legislation. The Senator will have cut income security by $400 million and will find himself in a greater squeeze in that function if the Senate happens to disagree with his idea of unemployment compensation. He will be in a greater squeeze than if he accepts the Budget Committees number for income security.

What I am trying to say to the Senator—and I suppose it has to be repeated over and over because it is hard to divorce the details from the overall budget totals—and that is that this is not a line item question, and the range of options available within each function for spending or reducing spending are as broad as that available to him on revenues. The Senator and I have talked about that.

The Budget Committee says, "Yes, we would like to have $2 billion in savings in revenues." The Senator says that is impossible. The Senator and I have agreed that if he comes in with $362 billion in revenues, he will have met the revenue target. How he does it is his job and his responsibility.

What I am saying to the Senator is that if he wants to achieve savings in the income security function, one way of doing it is his way; that is a way available to him. He does not have to do it here. He can save the $1 billion in extended unemployment compensation benefits by recommending that to the Senate, down the road. The Senate might not agree with him, and I might be pessimistic about that, just as he is pessimistic about the other options he has discussed. I do not see why that should be the problem.

The other $1 billion in savings scattered through the health function does not necessarily have to be achieved with medicare and medicaid. It can be achieved in other health programs. We do not mandate it. But I will say this about medicare: There is a great deal of concern in my State about the abuses of medicare, not by beneficiaries but by vendors—doctors, drug stores, and what not. The Special Committee on Aging has held hearings in which these kinds of abuses have been highlighted. So there is a need for reform. It seems to me that it should be possible to develop some interim controls, getting at those kinds of problems.

So there is a range of savings that can be achieved—eliminating unemployment compensation extension, if that is the Senator's preference, or saving on some of these medicaid abuses, or even without being able to save anything on medicaid and concentrating solely on medicare.

These are all options that I would think the chairman of the Committee on Finance would have open to him.

Then he could come here and report the net result. If the net result is a need to change that overall functional total, so be it. The Senate can then consider it and make it.

What I am saying here is in the essence of the budget process as I understand it. That may not disabuse the Senator from offering his amendment. I am just trying to make the legislative history that underlines the range of options available to the Senator, to the Finance Committee, and to the Senate, down the road.

Mr. LONG. I thank the Senator for his statement, but I want to make it clear that in my judgment, some of what is involved here is sort of like what happens when the preacher says, "Anyone who knows any reason why this should not happen had better speak now or forever hold his peace." If you do not want something happening here, you had better speak up.

Mr. MUSKIE. That is a good way to put it.

Mr. LONG. Because otherwise, the girl is going to be married to the other guy.

Mr. MUSKIE. And other unfortunate consequences.

Mr. LONG. It would seem to me that, as much as I would like to see more unemployment insurance for people, if I had to choose between extending unemployment benefits and passing a law to make old people pay a great deal more for their medical care. I guess I would just prefer not to extend unemployment benefits.

It is my understanding that if these Budget Committee figures are accepted the way they stand now, the amount that is here for health will be $1.4 billion lower than what the Committee on Finance has thought can be achieved.

Mr. MUSKIE. Let me make clear again on that point that the health function is over two-thirds medicare and medicaid with only about one-third other programs that are not in the jurisdiction of the Committee on Finance. So the savings that the Budget Committee anticipated in the health function cannot be met without some savings, but specific savings will not be mandated.

Now, if they cannot be achieved up to the amount of that the Committee on the Budget would like to see achieved, then it seems to me the committees, all committees involved—the Committee on Appropriations as well as the Committee on Finance——

Mr. LONG. I would be willing to settle with the Senator right now on this. We could come to terms and agree at this moment if we can agree that that $1.4 billion is going to be saved by some other committee. I would be happy to agree to that right this very minute.

Mr. MUSKIE. That would make us a line item committee.

Mr. LONG. But if we could have an understanding as between the committees that the Committee on Appropriations and the Committee on Labor and Public Welfare are going to save that $1.4 billion, and if they could save that net without increases to offset it, as far as this Senator is concerned, I would be happy just to modify my amendment to take out the change in the health figure. But I think I have to inform the Senator that if we expect to save this money in this area, if we can save some of it, there will undoubtedly be an amendment to provide some additional benefits somewhere else and, by the time we get through with Senate action, the savings will be gone.

Mr. MUSKIE. The process the Senator is suggesting takes place after the first concurrent resolution is adopted and before the second concurrent resolution. The committee staffs work together as legislation moves through the Congress. We try to be constantly alert to, and understanding of the problems and the difficulties that the budget process can pose for the Senators and their committees. We cannot do this in advance.

If we were to try to negotiate an agreement with every committee as to how the first concurrent resolution is to be implemented before we bring it to the floor, we would be reporting the first concurrent resolution on Christmas Eve. And the Senator knows what happens on Christmas Eve, because he has managed Finance Committee bills on Christmas Eve, and I do not want that kind of thing to happen.

What I am saying is that this is a kind of give-and-take process that proceeds from here on. I do not know of any way to say it any better than I have.

I do not know of any better way to present the arguments than I have. I think I have tried to indicate the flexibility of this process and the price of these targets. I think, really, that the Senator's objective of producing reasonable and realistic legislation can be accommodated. I would not try to predict specifically, but I think it can be accommodated, given the range of options that we have been talking about here this morning.

Mr. LONG. I believe, Mr. President, that the record fairly well presents our difference of opinion at this point. It seems to me that, as between assuming $2 billion of reductions from the projected cost of the existing programs, which will require changes in the law, it would be far more practical simply not to pass a new spending program and not to extend unemployment benefits.

I should like to vote for the increases, but if the way that we would finance them would be by the reductions that we have discussed here, then it seems to this Senator that, faced with a hard choice, it would be better to postpone our plans in the area of increase and extension of programs rather than to cut back on the projected cost of those we presently have.

Mr. MUSKIE. I repeat, that option is available under the committee resolution without any change.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. I yield to the distinguished Senator from Nebraska.

Mr. CURTIS. I thank the Senator.

How much time do I have, Mr. President?

Mr. LONG. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator from Louisiana has 28 minutes remaining.

Mr. LONG. I yield 10 minutes to the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, I am convinced that when the people of the country supported the movement for budget reform in Congress and backed the proposal that was then before this body and the House of Representatives, they thought they were backing a proposal to balance the budget. There was no discussion that we might be engaged in an exercise of a manageable deficit. I believe that that is where our problems start.

Mr. President, regardless of the resolution that is brought in here by the Committee on the Budget, the assumption will be made by the Senate and the country that the Senate has mandated the Committee on Finance to bring in a net increase in revenue by reducing tax expenditures $2 billion.

The country and the Senate will also assume that the decision to grant a 5-percent pay raise to all Government employees is made. That provision will go to the floor having been blessed by the Committee on the Budget.

The debate then will not center around should we, at a time of a $76 billion deficit, have a pay raise? The debate will center on, shall it be what the Senate spoke on the day they ratified this resolution, 5 percent, or a higher figure if they can get it?

Also, I am disappointed in this resolution, that it sets a situation up where the Senate and the country will assume that we will not increase social security taxes. There is a statement in here, "additional financing fiscal 1977 for social security unemployment trust fund." They anticipated there would be none.

Now, Mr. President, I happen to believe that if I am to be honest, I must support an increase in social security tax. The reserves have gotten down to practically nothing, just a few months. This year, we are going to pay out more than we take in. We are in trouble for many reasons.

One of the reasons is that in 1972, the House of Representatives sent us an increase in social security benefits of 5 percent and some change in the tax structure for it.

And the Presidential bee hit over in the House of Representatives, and an announcement was made that they could have a 20-percent increase in social security without changing the tax structure, and that became law.

The junior Senator from Nebraska did not vote for it, although I was up for reelection and I took some punishment for it. But I do not believe we can be fair to the old people of the country and not maintain the social security fund.

The reserve is disappearing. Long ago it was way less than a year and, as I say, we are going to pay out more than we take in.

Yet the Committee on the Budget has made a decision the practical effect of which is that, if it is adopted, it is a mandate to the Finance Committee not to attempt to do anything about the social security fund.

Why should the Finance Committee hold a hearing, call in actuaries and see if they cannot work out something that will maintain the Social Security Fund if the Senate is going to mandate us today not to increase the tax?

I support my chairman as a procedural matter. I do so for different reasons.

If these proposed cuts in existing programs are presented—and I hope they will be—I will vote for the cuts. I will not vote to cut something in title II of the Social Security Act because that is contractual in its nature with the people involved.

But on the subject of medicare, we can talk all around the fringes we want to. There are some hard issues that we must face there. Now they are not faced by talking about inflation and saying to a hospital, "You cannot raise your cost more than x percent."

These hospitals are having a terrific struggle. But here is the issue that we ought to meet. We are paying medicare benefits, hospital and doctor benefits, to everybody over 65 years of age regardless of their wealth or income. How are we paying it? Out of the payroll tax of the workers of the country.

There are many of these aged without funds or without very much in the way of funds, and they should have their medicare. But why on Earth with social security taxes going that high should the rank and file of the workers and the self-employed be taxed to provide free hospital and free medical benefits to everybody just because they have got a birth certificate that says they are 65 years of age even though they may well be able to pay their own bills?

If the Budget Committee wants to do something constructive about social legislation why do they not face that issue? Why do they talk about the percentage of inflation which, after all, means how much of an artificial cap are you going to put on the hospitals and say, "Here, we have not the courage to revise the medicare program, but to save our face we will say to you you must absorb the additional costs."

If you were running a hospital, your wages went up, your utilities went up, and all the other expenses went up, and then you are told by the Federal Government that your reimbursement cannot be raised to meet these things, what would you do? Is it any wonder that people in all walks of life are losing confidence in their Government in Washington?

So I want the distinguished Budget Committee to realize that while I object to what is going on here I do so for different reasons from my distinguished chairman of the Finance Committee.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CURTIS. Mr. President, I ask for about 5 minutes more, if I may.

Mr. LONG. I yield the Senator 5 minutes.

Mr. CURTIS. Mr. President, as the ranking minority member of the Committee on Finance, I feel compelled to comment on the Budget Committee's recommended level of Federal revenues for fiscal year 1977.

The Budget Committee has recommended that the level of Federal revenues for fiscal year 1977 be $364.2 billion. This represents a decrease of $15.3 billion from what would be collected if the tax laws in effect of January 1, 1976 remain unchanged. This $15.3 billion was derived by taking the amount necessary to extend the expiring tax reductions—which is $17.3 billion—and combining that with a $2 billion increase resulting from other tax legislation. The effect of this recommendation is that, if the prior tax reductions are to be extended, other tax legislation must produce a net increase in Federal revenues of at least $2 billion. In my view, this decision of the Budget Committee is both unrealistic and unwise.

The Committee on Finance is now conducting extensive hearings with respect to tax revision in general and H.R. 10612—the House tax revision bill—in particular. By the time the committee has completed these hearings, testimony will have been received from more than 300 individuals and organizations. The committee will start developing a tax revision bill later this month and seek Senate action upon it this year. However, even if a tax revision bill is enacted this year and signed by the President, I believe that it is unrealistic to assume that any tax increases included in such legislation would in fact produce a $2 billion net increase in revenues during fiscal year 1977.

As a matter of policy, the Congress has generally—and I believe wisely—been reluctant to increase taxes on a retroactive basis. H.R. 10612 was passed by the House in late 1975 and the tax increase provisions of that bill were generally effective as of January 1976. Even if the Senate should accept these tax increase provisions of the House bill, but apply them on a prospective basis starting January 1977, the legislation would not increase revenues for fiscal year 1977 by $1.2 billion—net—as the House estimated. Rather, revenues for fiscal year 1977 would be decreased by $156 million.

I personally am not prepared to vote for many of the tax increase proposals passed by the House or recommended by others. Testimony received by the Finance Committee indicates that many of these provisions will, in fact, reduce revenues in the long run by reducing investment and employment. That may be "reform" to some, but it is not "reform" to me. However, debate on the merits of these proposals can and should be saved for another day, when the Senate debates tax revision. Our limited purpose today is to debate the budget.

The important point that must be made here in this budget debate is that, when the Senate considers these tax revision proposals, it will in all likelihood impose any tax increases on a prospective basis. Even if taxes are increased by the $2 billion recommended by the Budget Committee, it is most unlikely that such an increase can or should be realized during the 1977 fiscal year. For these reasons, I find the Budget Committee's recommendation to be unrealistic.

It is significant to point out that the Budget Committee itself recognized the very point I am making here. In its report, at page 8, the Budget Committee states that "revenue gains from a termination of or reduction in tax expenditures may be much smaller in the year of enactment than they will be when they become fully effective." I find this statement difficult to square with the recommended $2 billion target for fiscal year 1977.

I also believe that the Budget Committee's $2 billion target is unwise as well as unrealistic. Let us assume for the moment that the Senate does find a way to increase revenues by $2 billion in fiscal year 1977 through new tax legislation. It is entirely possible—and I believe it is likely—that the Senate, when it considers tax revision—will conclude that there are other inequities in the tax code which must be corrected even at the cost of reducing revenues. For example, many Senators have introduced bills recommending amendments to the estate tax to preserve small businesses and family farms. During the Finance Committee's hearings, we have received testimony about other tax inequities which should be corrected. I believe, and I think the Senate believes, that a tax which is unjust, or unjustly applied, should be repealed or modified. Nevertheless, proposals which may reduce revenues are overlooked in the Budget Committee's resolution.

Those of us who sit on the tax writing committees know full well that tax reform can mean revenue reductions as well as revenue increases. For example, the House tax revision bill would raise more than $2.7 billion for calendar year 1977, but it would also reduce revenues by more than $1.9 billion for that year. Despite this fact, and despite the past history of Senate action on tax bills, the Budget Committee has only looked at the revenue increase side of the equation.

Mr. President, I believe the Budget Committee's action is both unrealistic and unwise. Nevertheless, I shall not at this time offer an amendment to the budget resolution. I did, however, believe it necessary to point out to my colleagues that we may in this resolution be budgeting for matters that the Senate may not be prepared to vote for later in the year.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. I have not yielded the floor.

Mr. President, only yesterday the charge was led by the Budget Committee to set aside their own Budget Act in order to balloon the food stamp bill.

I am thoroughly convinced that the bill that was passed yesterday by the Senate, if it became law, would increase food stamp expenditures by nearly a billion dollars at a time when the country knows that the present $6 billion program ought to be reduced.

I do not think there is any question but that we could take care of every hungry and undernourished person in the United States and do it for $4 billion.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CURTIS. Yet I was disappointed to see what the Budget Committee did about that yesterday.

There were five members of the Budget Committee who, of course, did not join.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TAFT. Mr. President, I ask unanimous consent that Don Zimmerman, Larry Greenberg, and Robert Hunter, of the Labor Committee staff, be granted privilege of the floor, and that Tom Block of my staff be granted privilege of the floor during the debate and voting on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. LONG. Mr. President, if other Senators are not here to offer amendments, I suggest we yield back our time.

Mr. CURTIS. I believe the Senator from Alabama——

Mr. ALLEN. When the time is yielded back.

Mr. LONG. If that is the case, Mr. President, I am prepared to yield back the remainder of my time.

Mr. CURTIS. That is all right.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MUSKIE. Mr. President, I would just like to use about a minute on the resolution simply to emphasize the nature of the issue that is involved.

The Senator has told us that the $2 billion in savings scattered between two functions—the health function, function 550, and the income security function, function 600—cannot be achieved, that the $2 billion that they add up to is more than he can see as being within reach.

Yet in his amendment, he proposes a way to achieve half of those savings, and that is to eliminate an extension of unemployment compensation benefits. That would have saved a billion dollars. That option is available to the committee. It does not have to be exercised here and now and today. It can be exercised by the committee.

If the Senator and the committee choose to exercise that option, then between the two functions they need to find another $1 billion in savings.

What the Budget Committee is saying, that it is so important to hold down health costs that an effort ought to be made to achieve savings.

If the total $1 billion in additional savings cannot be achieved, the committee certainly has the option of reporting back to the Senate, but it does not have to reach the conclusion now that there is no possibility beyond eliminating an extension of unemployment benefits of achieving any more savings.

The Budget Committee respectfully disagrees with that.

Because of the doubts Senator Long has on the score of these savings, then he would have the Senate make specific decisions eliminating the countercyclical program, which is part of congressional policy today, which was part of a vetoed bill which the Congress came within three votes in the Senate of overriding, established policy, desperately needed, and he asks us to make a specific decision to eliminate that program because of his doubts about his ability to achieve all the savings that the Budget Committee would like to see achieved in the other two functions.

I think on the basis of that case, Mr. President, the Senate has every right to sustain the Budget Committee and the Budget Committee's numbers in these functions.

I yield back the remainder of my time, if I have any, which I doubt.

The PRESIDING OFFICER. All time is yielded back.

Mr. ALLEN. Mr. President, I have an amendment at the desk and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. ALLEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 2, strike "$453,500,000,000" and insert "$452,900,000,000".

On page 1 strike lines 7 through 10.

On page 2, lines 2 and 3, strike "$163,000,000,000" and insert "$162,700,000,000".

On page 2, lines 5 and 6, strike "$139,700,000,000" and insert "$139,100,000,000".

Mr. ALLEN. Mr. President, I will explain the amendment.

Mr. President, I ask unanimous consent that the time limit for the discussion of this amendment be set at 30 minutes, divided equally between myself and the manager of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I ask unanimous consent to have printed in the Record a fact sheet on that amendment.

There being no objection, the fact sheet was ordered to be printed in the Record, as follows:

ALLEN AMENDMENT TO LONG AMENDMENT TO BUDGET RESOLUTION

The Senate Budget Committee report indicates that they assumed the following reduction and increases in the dollar amounts in their recommended first budget resolution:

Reductions

	Billion
Social security	−$0.3
Aid to families with dependent children	−0.3
Medicare	−1.1
Medicaid	−0.3
Total	−2.0

(Material in brackets deleted from Long Amendment)

[*Increases*

	Billion
Extension of unemployment benefits beyond 39 weeks	+$1.0
Countercyclical revenue sharing	+1.0
Total	+2.0]

The Long Amendment to the budget resolution would delete both the $2.0 billion in reductions and also the $2.0 billion in increases. It would thus not change either the expenditure total or the deficit figure in the Budget Committee recommendation.

The Allen Amendment keeps reductions, eliminates increases, and reduces the budget by $2 billion.

Mr. ALLEN. Mr. President, I have listened with a great deal of interest to the discussion of Senator Long's amendment. Senators will find on their desks a fact sheet as to the amendment.

The fact sheet shows what the Budget Committee has done. That is, it has effected reductions of $2 billion in a certain program, but instead of the budget receiving the benefit of those reductions, $2 billion was added to two programs.

So we see the two columns on the page.

Senator Long argues that these reductions, the $2 billion reduction in these programs, should be restored and that to offset that restoration the increases of $2 billion proposed by the Budget Committee should be eliminated.

Therefore, as he correctly argues, there should be no effect on the budget.

Each of these gentlemen is an eminent authority on finance, and I give great weight to any contention they might make. I believe in this particular case each of these gentlemen is 50 percent right. I will agree 50 percent of the way with each of their contentions.

I believe that Senator Muskie and the Budget Committee are right in recommending reductions of $2 billion.

I believe that they are wrong, Senator Muskie and the Budget Committee, in recommending increases in these two programs for which they recommend increases.

I believe Senator Long is correct in recommending the decrease of the $2 billion in the programs in which he is recommending $2 billion reductions.

I believe he is wrong in asking for the restoration of the $2 billion that the Budget Committee has cut.

So I am accepting half of each proposal, that is, agreeing to the reductions of $2 billion that Senator Muskie and the Budget Committee are recommending, but agreeing with Senator Long on the other half of the proposal that the $2 billion increase in the unemployment benefits and the countercyclical revenue sharing should be decreased.

So if we take the best part of each proposal we will end up with a $2 billion savings in the budget, and we will have as authority for both steps an eminent financial authority. We will have Senator Muskie and the entire Budget Committee, which we all have great confidence in. We are accepting their view that $2 billion can be cut from the programs where they are suggesting a $2 billion cut. What could be more authoritative than the Budget Committee? So we are following the Budget Committee on that proposal.

(Mr. HARRY F. BYRD, JR. assumed the Chair at this point.)

Mr. ALLEN. Then, Mr. President, as to our effort on the decrease in the unemployment and countercyclical revenue sharing, who do we have for authority there? Not the Senator from Alabama. I am just following the lead and the suggestion of the eminent chairman of the Finance Committee, through whom I believe these measures pass. If the distinguished Senator from Louisiana, the chairman of the Finance Committee, says we can decrease these programs by $2 billion, we are anchoring our action, under my amendment, to the opinion and recommendation of the distinguished Senator from Louisiana, the chairman of the Finance Committee.

We hate to disagree with our friends here in the Chamber. We hear Senator Long making a fine argument and we say, "He must be right," and then we hear Senator Muskie make a very fine argument and we say, "My, he must be right."

So not to disagree with either of them, take the best of both. In that way we will save the budget $2 billion. If anyone calls us to task for that action and asks, "Why did you cut $2 billion off these programs?"

"Senator Muskie and the Budget Committee recommended it."

"Why, then, did you decrease the other programs by $2 billion, the extension of unemployment beyond 39 weeks and the countercyclical revenue sharing?"

"We did that on the recommendation of the distinguished Senator from Louisiana, the chairman of the Finance Committee."

Mr. President, it is quite obvious that both of these distinguished Senators in this particular case are half right, and that is not too bad a percentage. Each of them are half right and all we have to do is adopt the best of the two proposals. That is what the amendment offered by the Senator from Alabama would do.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

If the standing rule is that Senators are half right, I wonder how that would affect the amendment of the distinguished Senator from Alabama. We could get the whole business whittled down to no amendments at all.

I appreciate the Senator's amendment, and the fact that it reflects his understanding of the debate that has taken place in the last hour and a half and his own personal decision about how that debate ought to be resolved. That is in the nature of this process and I believe it is very helpful.

I cannot support the Senator's amendment. His proposal to eliminate the extension of unemployment benefits beyond 39 weeks, and his proposal to eliminate the countercyclical revenue-sharing provisions which are reflected in this budget.

First of all, with respect to the first, the extension of unemployment compensation benefits beyond 39 weeks, it is a fact, of course, that the Budget Committee assumed that extension. It also appears to be a fact that the chairman of the Finance Committee, which has jurisdiction over it, would prefer to eliminate that extension rather than some of the other programs that we discussed this morning.

My own position is that although it is assumed by the Budget Committee resolution, it is not a decision that needs to be taken by the Senate as a whole today; that we really ought to watch the economy as it develops; that we ought to watch what happens to the unemployment rate as the economy develops this year, and not make that decision finally until later on in the year, after the Senator from Louisiana has had a chance to consider it in the Finance Committee, after he has had a chance to consider it as one option in achieving the cost savings that the Budget Committee would like to see.

So I think it is premature, as I said in connection with Senator Long's amendment, premature to make that final decision now.

The effect of the amendment of the Senator from Alabama would be, if we were to approve it, for the Senate to put itself on record now against an extension of unemployment benefits, whatever happens to the economy or the rate of unemployment, the rest of this legislative year. I just do not think that would be a responsible thing to do, and I say that without any denigration of the motives of the Senator from Alabama.

Second, with respect to countercyclical revenue sharing, this is a policy that is included in the second concurrent resolution for this year. It is a policy that has been tested in both Houses by favorable votes. It is a policy that has been tested in the attempted override of a Presidential veto.

It is going to be one of the elements, I take it, of an effort to revive that vetoed bill, sometime next week, conceivably, or later, here in the Senate. So I think it is premature at this point to make a final decision on countercyclical revenue sharing, and the effect of the Senator's amendment would be to put us in that position.

Beyond the time limits of the amendment, I, of course, want to reaffirm my own commitment personally to both of these concepts. I think that when we have unemployment of 7 million Americans, we ought to have in place policies other than food stamps and welfare as a means of providing for their day-to-day needs; and the private sector is not providing those opportunities now.

The economy is improving, but all of the projections indicate that we are going to have high unemployment throughout this year, next year, and possibly the following year, and that we ought not to assume that there will be no need for these kinds of programs at that time.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MUSKIE. I yield myself another 5 minutes.

There has been some disillusionment about unemployment compensation, notwithstanding the fact that ever since the program was put into place in the thirties, as a result of the Great Depression, we have recognized it as one of the great economic stabilizers that has saved us from violent swings in the economy for the 30 years since.

Indeed, I think it has cushioned the present recession. I think we would be in a much deeper recession but for that unemployment compensation program. In the present budget, I think it represents about $16.6 billion, given current economic assumptions about unemployment. I think we ought not to abandon or reduce the benefits of a program that has stood us in such good stead, helping to stabilize the economy for more than 30 years. I think it is well tested.

It is interesting that this President, who is reluctant to do anything else about unemployment, is willing to lean heavily on this program as a way of moderating the effects of unemployment on those who are unfortunate enough to be out of work.

Countercyclical revenue sharing is a new idea which, in a very short time, has generated a lot of interest—the kind of countercyclical response which turns on when unemployment goes up and turns off when unemployment goes down. Many of those who evaluate the potential for Government programs to deal with recessions are struck by the innovative possibilities of this one. I have been committed to it for a year. A year ago, may I say to the Senator from Alabama, I could not get the Budget Committee to allocate a nickel for this program, but simply to express some interest in the principle. Before the year was over, we were able to get the House of Representatives to go along with it on an experimental basis. We finally got to this point, and I am just not willing to abandon an issue that I have ridden so hard for the last year. That is my personal viewpoint and feeling.

I think we have clarified the issue. I have discussed it, and the Senator from Alabama has taken some time on it.

Mr. LONG. Mr. President, I would like some time.

Mr. MUSKIE. I yield whatever time I have left to the Senator from Louisiana.

Mr. LONG. Mr. President, I could not vote for the Allen amendment. I would be compelled to vote against my amendment if it were amended as suggested by the Senator from Alabama (Mr. ALLEN).

I frankly would be happy to vote for the extension of unemployment benefits or for countercyclical revenue sharing, if we could do it within the budget figures which Congress wishes to agree upon. If we cannot do that, then that presents a very difficult matter, and makes for a hard choice in the other direction.

The Senator from Maine has demonstrated how $600 million of the problem with which we on the Finance Committee would be confronted could be handled, with regard to the social security item and the aid to families with dependent children; but he has not shown us how we could handle the $1.4 billion with regard to medical care.

If we did it the way the President would recommend, for example, we could require that the aged and disabled pay 10 percent of their hospital bill in addition to what they are paying now, up to a ceiling. That would increase the amount they pay by $1.4 billion, and I do not think the Senate would like to vote for that.

Someone might find some other ways that we might save something on medicaid and medicare, but if we do, I personally feel that in this area we will not want to do less to provide health care for the poor, for the sick, for the disabled, or for other Americans. If anything, we ought to try to do something more, particularly for those people who are being destroyed by catastrophic illnesses.

Therefore, I cannot support the suggestion that we should have an overall cutback of $1.4 billion on what we would provide for medical care for the aged, the disabled, and the poor of this country.

The PRESIDING OFFICER. The time on the amendment has expired.

Mr. MUSKIE. If all time on the amendment has expired, I can yield the Senator some time on the bill.

Mr. LONG. One minute.

Mr. MUSKIE. I yield the Senator 1 minute on the bill.

Mr. LONG. I would simply think we would wind up with a difficult situation, as I have indicated before, in a trap from which we would have to find some way to extricate ourselves; and my hard experience in this body has been that in that situation it is best not to get in the trap to begin with.

Mr. MUSKIE. Mr. President, I would move to table the Long amendment and the amendment of the Senator from Alabama, but I would like the yeas and nays on that motion. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MUSKIE. On the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Does Senator ALLEN have more time?

Mr. MUSKIE. Does the Senator from Alabama have some time remaining?

The PRESIDING OFFICER. Yes. A quorum call is in progress.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Alabama has 7 minutes.

Mr. ALLEN. Mr. President, I yield myself 2 minutes.

I realize that the distinguished Senator from Maine is going to move to table the amendment of the Senator from Louisiana, which would carry with it the amendment of the Senator from Alabama.

The thought that I am expressing in this amendment is that if Senator MUSKIE and the Budget Committee say that the programs listed in this sheet can be cut back by $2 billion, and the distinguished Senator from Louisiana says that the extension of unemployment benefits beyond 39 weeks and countercyclical revenue sharing can be cut back by $2 billion, if we would take the best parts of the two proposals and agree with Senator MUSKIE on his reduction and agree with Senator LONG on his reduction, then we would save $2 billion for the public and for the taxpayers of the country.

I recognize that in all likelihood the Long amendment will be tabled, and that would carry with it the amendment of the Senator from Alabama. Still, I wanted to offer the amendment as an alternate route to the mere offset of increases and reductions proposed by the Senator from Louisiana.

His proposal would effect no reduction at all. It would be swapping one program for another program or the money from one program for the money for another program.

My amendment would accept the reductions proposed by Senator MUSKIE and the Committee on the Budget and would also accept the reductions proposed by Senator LONG in his amendment.

I yield back the remainder of my time.

Mr. MUSKIE. Mr. President, I yield briefly on the time of the resolution for a unanimous-consent request.

Mr. BIDEN. Mr. President, I ask unanimous consent that Bert Carp of Senator MONDALE's staff be granted privilege of the floor during debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, will the Senator yield 30 seconds to me?

Mr. MUSKIE. I yield.

Mr. LONG. Mr. President, I ask unanimous consent that Mr. Larry Woodworth of the staff of the joint committee be granted privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. MUSKIE. I yield.

Mr. BELLMON. Mr. President, I ask unanimous consent that Richard Vodra of Senator Schweiker's staff be granted privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I move to table the Long amendment, and the Allen amendment with it, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Maine to table the amendment.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. Mr. President, on this vote I have a pair with the Senator from Georgia (Mr. Talmadge). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "aye." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Texas (Mr. Bentsen), the Senator from Idaho (Mr. Church), the Senator from Colorado (Mr. Hart), the Senator from Indiana (Mr. Hartke), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Arkansas (Mr. McClellan), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), the Senator from Alabama (Mr. Sparkman), the Senator from Illinois (Mr. Stevenson), the Senator from Georgia (Mr. Talmadge), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from New Hampshire (Mr. Durkin) and the Senator from Iowa (Mr. Culver) are absent on official business.

I also announce that the Senator from Wyoming (Mr. McGee) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Illinois (Mr. Stevenson) and the Senator from Minnesota (Mr. Humphrey) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Hawaii (Mr. Fong), the Senator from Michigan (Mr. Griffin), the Senator from Nebraska (Mr. Hruska), the Senator from Alaska (Mr. Stevens), and the Senator from Texas (Mr. Tower) are necessarily absent.

The result was announced—yeas 49, nays 26, as follows:

[Rollcall Vote No. 141 Leg.]

YEAS—49

Baker
Beall
Bellmon
Biden
Brooke
Buckley
Bumpers
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Domenici
Eagleton
Ford
Glenn
Goldwater
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Jackson
Javits
Kennedy
Leahy
Magnuson
Mathias
McGovern
McIntyre
Morgan
Moss
Muskie
Nunn
Pastore
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Stafford
Symington
Taft
Weicker
Williams
Young

NAYS—26

Allen
Bartlett
Bayh
Burdick
Byrd, Harry F., Jr.
Curtis
Dole
Eastland
Fannin
Garn
Gravel
Hansen
Helms
Laxalt
Long
McClure
Metcalf
Nelson
Packwood
Proxmire
Randolph
Roth
Scott, William L.
Stennis
Stone
Thurmond

PRESENT AND GIVING A LIVE PAIR AS PREVIOUSLY RECORDED—1

Mansfield, for.

NOT VOTING—24

Abourezk
Bentsen
Brock
Church
Culver
Durkin
Fong
Griffin
Hart, Gary
Hartke
Hruska
Humphrey
Inouye
Johnston
McClellan
McGee
Mondale
Montoya
Sparkman
Stevens
Stevenson
Talmadge
Tower
Tunney

So, the motion to table Mr. Long's amendment (No. 1584) was agreed to.

Mr. LONG. Mr. President, although I do not plan to offer an amendment dealing with the problem, there is one aspect in which I believe the revenue figures presented by the Budget Committee are based on an unfortunate assumption and I believe this needs to be understood by the Senate.

The Budget Committee recommends a revenue target for the fiscal year 1977 of $362.4 billion. The committee has used revenue under existing law of $377.7 billion, which means that they make an allowance for a revenue reduction on a net basis of $15.3 billion. The simple extension of the tax reductions that the Congress has provided through June 30 of this year through fiscal year 1977 will mean a tax reduction of $17.3 billion. What the Budget Committee has in mind is this tax reduction of $17.3 billion, but they would offset $2 billion of this with tax increases elsewhere. This is the way they bring the total down to $15.3 billion.

That was a mistake. We should not be asked to come up with $2 billion of tax increases effective in the fiscal year 1977. It would, of course, be possible to come up with a lesser reduction than the $17.3 billion, but this would mean a tax increase for people beginning the 1st of July of this year. Frankly, I just cannot imagine the Senate or the House adopting legislation which would result in a tax increase at this time. So that leaves us with the necessity of finding $2 billion of additional revenue somewhere which will be collected in the fiscal year 1977.

The House version of the major tax revision which we are currently working on in the Finance Committee generally had its effective dates applicable as of January 1976. The House version of the bill, given this effective date, would have raised $2.76 billion in tax increases in the fiscal year 1977 while losing $1.52 billion in tax decreases. This means that given the House effective dates, the bill would have resulted in a net revenue gain, apart from the general tax reduction, of $1.24 billion. This is slightly over three-quarters of a billion dollars below the total the Budget Committee is asking us to raise in fiscal year 1977. Yet I find hardly anyone—even those who believe in the House revisions—who believe that we should maintain those January 1976 effective dates. This is just too far back to impose retroactive increases. If the House bill provisions are retained but effective dates are delayed 1 year, the bill would result in tax increases of $354 million in the fiscal year 1977 and decreases of $510 million. Please note that instead of being a revenue gain this is a revenue loss of $156 million.

We have enough differences as it is among the Members in trying to determine what are appropriate tax revision measures. Asking us to apply them retroactively, I think, goes too far, and I believe the Senate, when you are actually considering them, will think it goes too far.

The report of the Budget Committee recognizes this problem when on page 8 of its committee report in the last paragraph it states:

> Because the termination of the tax expenditure program may involve the choice of an effective date at some time in the future or may be phased out over a number of years, revenue gains from a termination of or reduction in tax expenditures may be much smaller in the year of enactment than they will be when they become fully effective.

It seems to me that this material in the Budget Committee's own report recognizes that they are asking the Finance Committee and, in the last analysis, the Senate, to do something which is exceedingly difficult to do; namely to raise $2 billion and have this impact on revenues in the fiscal year 1977. I do not question the fact that it would be possible to have this revenue impact over the longer run, but I do think it is unrealistic to expect a $2 billion tax increase in the fiscal year 1977. It is most unfortunate that our Budget Committee, because of problems they have in trying to make ends meet, came out with what I think is clearly an unrealistic set of assumptions as to what we can do in the fiscal year 1977. I am just as anxious as anyone to see the budget process work, but I believe the best way to make it work is to be realistic in our assumptions rather than try and kid ourselves that we can raise money when in practice I just do not believe the Senate will be able to do it.

The Senate has a capacity to correct mistakes once it becomes clear that the decision was, in fact, in error. That is the problem with what the Budget Committee has done thus far. There are many ways that the Senate can correct the mistake in the future, and I shall endeavor to show how that can be done at the appropriate time.

(Mr. TAFT obtained the floor.)

Mr. TAFT. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER (Mr. Burdick). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. Taft) proposes an amendment:

On page 3, line 9, strike out "$18,000,000,000" and insert "$18,300,000,000".

On page 3, line 10, strike out "$15,600,000,000" and insert "$15,700,000,000".

On page 1, line 7, strike out "$412,600,000,000" and insert "$412,700,000,000".

On page 1, line 9, strike out "$454,900,000,000" and insert "$455,200,000,000".

On page 2, line 3, strike out "$50,200,000,000" and insert $50,300,000,000".

On page 2, line 9, strike out "$711,500,000,000" and insert "$711,600,000,000".

On page 2, line 11, strike out "$65,300,000,000" and insert "$65,400,000,000".

Mr. CHILES. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. TAFT. Mr. President, I yield to the Senator, without losing my right to the floor.

Mr. CHILES. Mr. President, I ask unanimous consent that Mr. Rick Farrel, of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I ask unanimous consent that two members of my staff, Leonard Bickwit and David Hofmeister, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that Mike Adams, of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Bill Seale, of my staff, have the privilege of the floor during the debate on this measure and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that Bill Coates of my staff be allowed privileges of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I ask unanimous consent that George Travers of the staff of the Committee on Armed Services be permitted privileges of the floor during debate and discussion on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that time on this amendment be limited to 1 hour, equally divided between the Senator from Ohio and myself.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. MUSKIE. Would the Senator like the yeas and nays?

Mr. TAFT. I do not know yet.

Mr. President, my amendment increases the authorization by $300 million and the outlays for energy by $100 million.

This amendment is aimed at language on page 34 of the committee report. On page 34 the committee states:

> The committee's energy recommendation would permit completion of current improvements to uranium enrichment plants now operated by the Federal Government but would not support additional enrichment capacity.

Today the Government operates three enrichment plants at Oak Ridge, Tenn.; Portsmouth, Ohio; and Paducah, Ky. Enriched uranium is used to fuel conventional nuclear reactors. The crisis that we face is that even with the completion of the improvements that are permitted under this bill the output of the existing facilities has been fully obligated since 1974. We face a very real possibility that by the mid-1980's, nuclear powerplants will be ready to go into operation but there will be no enriched uranium to fuel the plants.

The Joint Committee on Atomic Energy requested budget authority and outlay authority from the Budget Committee for the construction of increased enrichment capacity.

The administration, while supporting the construction of additional capacity through private financing, agrees that there is an urgent need to start construction of a new facility.

I have been told by ERDA officials that if the Congress decides to go ahead with the so-called hedge plan of adding on to an existing facility rather than approving its proposal for commercialization of the enrichment process, then they will request procurement funds. In fact, the administration has already taken steps toward the construction of an add-on facility. ERDA has already solicited bids for an architectural and engineer plan of the new facility. We would be making a serious mistake if we stopped the program at this critical point.

It is not an easy decision to pose any amendment to the budget resolution that calls for the expenditure of additional funds; however, I do not believe there can be a higher priority than measures that assure our Nation of adequate energy supplies.

There can be little doubt that in this election year jobs will be a top issue. However, if jobs are going to be available, then we must have the necessary energy to run American industry.

Dr. Seamans, in testimony before the Joint Committee, testified that the next increment of enrichment capacity must be ready by 1984. The construction time of this complex facility requires that we start now.

Some time after the Easter recess, the Joint Atomic Energy Committee expects to report the nuclear fuel assurance bill, which deals with this question. At that time, the Senate will debate what the best way to go is in the construction of the enlarged capacity; but all agree that we must move and move now.

It is my strong belief that when the Joint Committee and the full Senate and House consider this issue, we will choose to add on to one of the additional plants. As many of my colleagues know, the administration has a proposal to have the Government guarantee financing of a privately constructed plant. While this proposal may have merit, and will be debated by the Senate, I believe that the Senate will decide to build an add-on facility at the present time and continue looking into the many and complex questions posed by the administration proposal. The end result is that we must be prepared to move ahead with the construction of a new enrichment facility.

If the time deadlines that we face are going to be met, then the procurement of long leadtime items must begin in fiscal year 1977. I believe that in past votes, most recently the overwhelming vote on Price-Anderson renewal, the Senate demonstrated its support of nuclear energy. We cannot allow a situation to develop where plants are built and ready to provide our Nation with needed energy and there is no enriched uranium to fuel the plants.

The demand for enriched uranium will be large enough so that we will need not only an additional Government add-on facility but new commercial plants that will probably use centrifuge technology which is now in the research stage. The questions posed by commercialization of the enrichment process will take a long time to iron out. I believe that eventually they will be finalized and we will see uranium enriched by private enterprise; however, as Dr. Seamans has stated, we do not have the luxury of time in preparing for the coming-on-line of the next supply of enriched uranium.

In summary, I believe that it is essential to our energy program that we move ahead with additional uranium enrichment capacity and it is my hope that the Senate will adopt my amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Portsmouth Times of January 17, 1976.

There being no objection, the editorial was ordered printed in the RECORD, as follows:

THE FACTS ABOUT U.S. ATOMIC ENERGY EXPANSION

During the last several months, The Times has attempted to report all facets of the discussion as to the desirability of expanding the Goodyear Atomic gaseous diffusion plant in Pike County, as against construction of a totally new facility in another area of the United States, as proposed by the federal government.

The advantages of expansion rather than new construction are so obvious that it is difficult to understand why there is any consideration given by the federal government to construction of a new plant at this time.

This country is faced with an energy shortage of mammoth proportion. At the same time, an ever-growing need for money for industrial expansion and a very probable shortage of money in the private sector is projected.

We have been living with an insidious inflation for a number of years. Petroleum products have caused much of this inflation. It is essential that energy to replace inflation-causing petroleum products from OPEC countries be produced at the lowest possible cost, and as quickly as possible.

That energy can be produced at the lowest cost and with the least delay, right here in the Portsmouth area, by expanding the Goodyear atomic plant.

We have compiled a list of reasons why the A-plant in Pike County should be expanded. Those reasons are listed blow. For the next 10 days we plan to examine them one by one and to expand on them on Page One of The Times. Watch this space on Page One each day for more information why A-plant expansion is more realistic than construction of a new facility in another area.

1. The add-on facility can be completed in approximately three and half years, as opposed to a projected seven years for new plant construction in another area.

2. Cost: Approximately $2.1 billion for expansion here as compared with $5 billion for a new plant and facilities elsewhere.

3. Land for the add-on facility already owned by the government adjacent to the existing plant.

4. Engineering and design plans for the add-on facility are available

5. Massive amounts of electric power already are available in this area.

6. A more than adequate supply of water which requires minimum processing is readily available.

7. The Portsmouth Community already is acclimated to the existence of a nuclear fuel plant.

8. Trained personnel and a training program are available in the existing plant.

9. Extensive operational experience with the gaseous diffusion process already is available within the present staff and work force at Goodyear Atomic.

10. Three technical education schools and four vocational schools are located in immediate proximity to the plant, to train personnel in mechanical maintenance and operational aspects of a gaseous diffusion plant.

11. All Portsmouth area building trades unions have pledged no unauthorized work stoppages in the process of constructing the add-on facility.

12. State, local, and municipal governments, as well as chambers of commerce and labor unions in the area have pledged full support for the add-on facility.

13. The General Accounting Office of the United States government, the agency in the best position to take an objective view of all proposals for increasing production of nuclear fuel, is adamantly opposed to construction of a new facility. The General Accounting Office has testified that the administration's plan is phony and that the add-on plant should be built in the Portsmouth area.

14. There is an abundant supply of skilled and unskilled labor in this area, to build the plant, and to operate the plant. Unemployment in this area is in excess of 15 percent.

The Times urges every reader to clip this editorial, and the follow-up editorials during the next 10 days.

We suggest that every resident of this community write to friends and relatives living in other states to ask their support and the support of their congressional representatives in preventing what may be another sellout to the energy interests in this country and foreign countries under the guise of private ownership.

Private ownership in this case calls for a government guarantee of the money invested and a guarantee of a 15 percent profit on the investment. Private ownership in this case means that tax payers will take all the risk, but private investors will reap all the profit.

The Portsmouth Area Chamber of Commerce is reproducing copies of this editorial which individuals can pick up to send along with letters. These copies will be available at all Portsmouth area financial institutions on Wednesday, Jan. 21, and thereafter.

Write to every friend and relative living in another state. Ask that friend or relative to write to his congressman and senator.

The efforts of every person in this area are needed to help bring the A-plant add-on to this area.

Mr. GLENN. Will the Senator yield?

Mr. TAFT. I shall be glad to yield to the junior Senator from Ohio 5 minutes.

Mr. GLENN. Five minutes should be sufficient, I hope.

Mr. President, there is another aspect of this whole problem that my senior colleague from Ohio did not dwell on. Senator TAFT is concentrating more on the domestic side of this whole problem, and I would prefer to address the international implications of horizontal proliferation.

There can be no doubt that an extremely dangerous situation has been created by the export throughout the world of nuclear fuel production facilities which, if not properly safeguarded, can be used in the manufacture of nuclear weapons. A much preferable alternative to this development is the export of non-weapons-grade enriched uranium on a reliable basis to countries seeking continued nuclear fuel supplies. This alternative has been effectively promoted by the United States, which presently refuses to export nuclear fuel production facilities but as a matter of policy seeks to be considered a reliable supplier of nuclear fuel.

A projected shortage of enrichment capacity in the United States, however, threatens the effectiveness of this policy in the future by inhibiting the reliability of U.S. fuel exports, encouraging foreign demand for fuel facilities, and thereby increasing significantly the risks of nuclear proliferation. The projected shortage may have already contributed to the desire of countries such as Brazil to purchase their own fuel production facilities so as to insure that their reactors will have adequate fuel supplies. Unless the shortage is averted, the tendency toward fuel facility acquisition is likely to increase.

We have heard considerable testimony in some of the committees on various proposals for expanding U.S. enrichment capacity. In my view, the evidence is already clearly at hand to proceed with the "hedge plan," which Senator TAFT has discussed, as the best of these alternatives. Here is a list of reasons why I feel the "hedge plan" should be expedited as soon as possible and why I believe that another bill, S. 2035, which has been proposed as an alternative to that plan, should be rejected or substantially modified:

First. The ERDA staff informs me that the Uranium Enrichment Associates proposal for a much larger facility that would be put in Alabama, perhaps, at a later time which has been considered in conjunction with S. 2035, will cost $3.5 billion in 1976 dollars, while the "hedge plan" will cost $2.5 billion. The earlier GAO report on these two alternatives stated that the cost would be $2.7 billion for UEA and $2.1 billion for the hedge plan.

Second. The GAO report concluded that "there is greater potential for slippage in the UEA schedule for bringing additional capacity on-line," although UEA disputes this conclusion.

Third. I am somewhat uncomfortable with the $8 billion in guarantees if we go the alternate route, with UEA. I question whether the American Government should take the risks for a combination of private and foreign government enterprise when we can obtain the same end result quicker, faster, cheaper, from all indications, with this proposal for the hedge plan that Senator TAFT has expressed his support for.

Fourth. I am particularly concerned about a letter from Robert Seamans, ERDA's Administrator, to James Lynn, Director of OMB, written on April 1, 1975 and quoted on page 16 of this committee's hearings on S. 2035. That letter states:

> In light of these objectives, my continuing support for private entry in the uranium enrichment market, and the deliberations we have conducted, I have concluded that the UEA plan should be rejected, and that an alternative, more promising approach to providing a competitive uranium enrichment capacity should be adopted.

On point No. 5, Mr. President, I think we want to keep as much of the nuclear fuel cycle under American direct governmental control during this time, while we are making additional technical advances.

For these, as well as other, reasons, Mr. President, I support the proposal made by my senior colleague from Ohio.

I see the distinguished Senator from Rhode Island, Senator PASTORE, who probably has taken more testimony in regard to these proposals than any other Member of the Senate. I do not know whether he plans to speak or not.

I might add one thing before we run out of time: a measure of the output of the plants in the nuclear field is termed separative work units——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. GLENN. Might I have an additional 1 minute, Mr. President?

Mr. TAFT. I yield an additional minute to the Senator.

Mr. GLENN. It looks as though we can have this additional "hedge plan" plant operating and with sufficient productivity to give us the nuclear fuel we need up to 1985. This step would provide America with all the flexibility that is needed in international relations by being a reliable supplier. This step is that proposed by my senior colleague from Ohio.

So I stand behind him on this, and I wish to support it fully and I would hope that our colleague from Rhode Island would address his expertise and experience in this field, which is probably beyond that of any other Member of the Senate.

I would be glad to yield.

Mr. TAFT. I would be glad to yield to the Senator from Rhode Island.

Mr. PASTORE. Now, Mr. President, the two Senators from Ohio have already talked—and that is where the plant is. But I want it clearly understood this afternoon that there is no parochialism involved in this matter. This is a matter of grave importance to the Nation and, naturally, to our international relations with other countries of the world.

The way the story goes, our enrichment capacity today is fully committed. Foreign utilities, at least in one instance, I know, have had to buy uranium in the United States, it goes over to Great Britain, and then to the Russians who do the enrichment, then they send it to West Germany where it goes into a reactor. That is the hole we have actually fallen into.

Now, Mr. President, I am waiting to hear from the distinguished chairman of the Budget Committee as to where this actually puts us because the Joint Committee on Atomic Energy is very anxious that we involve ourselves in the "hedge plan," and if later on we must go into this UEA, that is to be decided, too. I do not want anything happening here this afternoon that precludes us from the option to the "hedge plan," and that is the reason why I am going to sit down at this moment and wait for the chairman of the Budget Committee to explain the situation and to let us understand exactly where we stand.

I understand from a very informal talk with Mr. Muskie that the decision of the Budget Committee was to leave the option open so that when we get to the authorization and we authorize this money and it is referred to the Budget Committee that we at that time will not have precluded ourselves from insisting upon the authorization.

Mr. TAFT. I thank the distinguished chairman for his comments.

I just point out that the thing that gives me great concern in language in the committee report which says, "but would not support additional enrichment capacity" which certainly, I think, is a very, very wrong conclusion to have drawn.

I would be glad to yield to the distinguished Senator from Tennessee, another member of the Joint Committee.

Mr. BAKER. Mr. President, I share with the distinguished Senator from Rhode Island his concern that this "hedge plan" not be precluded. I feel this way not only because he is absolutely right on the matter, but also in light of the fact that one of the other plants is located in my home State of Tennessee. Now I want no one to misunderstand my dedication to having as much of this facility in my home State as I can, but above all we are simply trying to do the right thing for the good of the Nation.

The point of the matter is that we are not here involved nor should we be involved in a debate on the desirability of going forward with the additional enrichment of uranium capacity. We will have to debate that some other day. We will have to debate in the Senate the so-called "privatizing" of the industry versus government operation of a facility, but that is not what we are faced with here. The amendment of the distinguished Senator from Ohio is simply to provide in this budget resolution appropriate funding authority for the "hedge plan."

As he correctly pointed out in his statement, and as the distinguished junior Senator from Ohio pointed out in his, there are extraordinary reasons why America needs to stay in the vanguard of the separative industry.

We dare not turn it over to others, either to other nations or to a consortia of private corporations or individuals simply because we lose our string on that kite if we cannot supply the fuel.

But we are not debating that either today. What we are debating is the simple, straightforward question on whether or not we provide in this budget resolution for the implementation of the "hedge plan." The "hedge plan" has been recommended by the administration. I suppose there are probably disagreements within the administration, particularly within ERDA and maybe OMB, on what level of funding there ought to be. But no one that I know of seriously challenges the necessity for going forward with some sort of "hedge plan."

As evidence of that fact, Mr. President, is the fact that the budget for 1976 already had $25 million for the "hedge plan" in it, and $41 million will be included for the 1976 and transition quarter, so we are already talking about $66 million recommended for this particular proposal, and which would be included in the amount that is proposed to be added to the budget resolution by the distinguished Senators from Ohio.

I have a hunch that the administration is going to propose in its submission, which the Joint Committee will take up next week, additional money for the hedge plan, maybe upward of $200 million, maybe as much as $230 million or $240 million, to go forward with it. This is not a prejudgment by the administration on a federally owned hedge plan plant, probably located in Portsmouth, Ohio, but rather is a recognition of the reality that in consideration of the exigencies of time, in consideration of the importance of America keeping a leadership position in fuel enrichment and fabrication, and in keeping with the great difficulty we have in trying to control the export and proliferation of the opportunity to create weapons grade material we must act before long.

I think the proposal by the distinguished Senators from Ohio is appropriate for that purpose and, as much as I am reluctant to add to the recommendations of the Budget Committee in any respect, I feel this is a program that has already been launched, and it is mere realism to go forward by adding that amount to the resolution.

Therefore, I will support, albeit reluctantly for the proposal by the distinguished Senators from Ohio.

Mr. BARTLETT. Mr. President, will the Senator yield for a unanimous consent request?

Mr. TAFT. I would be glad to yield for that purpose.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Mark Isaac of my staff be afforded the privilege of the floor during the consideration and vote on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, let me begin my response to the distinguished Senators from Ohio and my good friend, the distinguished Senator from Rhode Island by putting in perspective what we are now talking about. We are now talking about function 300. All the resolution recommends is the overall figure for function 300.

There is no mandate with respect to its content. The content of that function moneywise will be decided by other committees. It will not be decided by the Senate here this afternoon. So what we are talking about is the overall functional totals.

Now, with respect to those, the committee's number for the function 300 total is $8 billion in budget authority over the President's budget. We are $7 billion in budget authority over current policy, $7 billion over present policy in this function.

Now, with respect to the energy portion of this function, if you were to take the Budget Committee's energy assumptions, which are not binding, those assumptions are $1.1 billion in budget authority over the President's requests for energy, and $800 million in outlays over the President's requests. And, may I point out to the Senate, that the President's requests for energy funds are up sharply over last year over his own requests of last year. So that these overall recommended targets, Mr. President, represent a significant and substantial escalation in funding for energy programs.

Now, having said that, let me address myself to the particular concern of the Senator from Ohio and several others of my colleagues, including Senator Pastore, Senator Baker, and Senator Glenn.

(At this point, Mr. Bumpers assumed the chair.)

Mr. MUSKIE. Spending for uranium enrichment falls into function 300. The Budget Committee's target for the function overall is $18 billion in budget authority and $15.6 billion in outlays.

In reaching this target, the committee assumed a funding level for energy programs of $5.1 billion in budget authority and $4.2 billion in outlays.

May I remind the Senate that those numbers are not binding on the Senate in any way. The $5.1 billion and the $4.2 billion are asumptions as the committee put together the overall totals.

Mr. PASTORE. Will the Senator yield?

Mr. MUSKIE. I yield.

Mr. PASTORE. I can understand the argument. I can understand the rationale of my distinguished colleague from Maine in citing the overall figures and the fact that within those overall figures there can be certain changes or transferring of moneys from one side or the other within the $18 billion of which he speaks.

But the thing that bothers me is what was said in the committee report.

We see here the committee energy recommendation would permit competition of current improvements to uranium enrichment plants now operated by the Federal Government.

That is fine. But it goes on: but would not support additional enrichment capacity.

Now they are making a judgment of policy.

Mr. MUSKIE. May I explain that?

Mr. PASTORE. I hope we can have this explained so that would not be a preclusion from our authorizing the money and then bringing the matter up at some other time.

Mr. MUSKIE. I have tried to make this explanation for three successive amendments. Perhaps I cannot do it any more effectively now than I did earlier.

We are not a line item committee.

Mr. PASTORE. I realize that.

Mr. MUSKIE. We do not put together budgets from zero base which accounts for every dollar in a function.

In the first place, that is not our responsibility. In the second place, the authorizing and appropriations committees are in a better position to make those policy judgments.

But we cannot very well form judgments in overall totals without taking some account of what goes into the functions.

We are not given with some divine insight that tells us without looking at the components that this is what we ought to spend overall.

Every member of the Budget Committee has a rationale for those numbers that he supports and those are discussed in debate. We have got to talk about something.

In the committee there was a feeling, so far as the Budget Committee is concerned, that we ought to indicate a clear support for expansion of existing uranium-enrichment plants, but leave undecided, so far as the Budget Committee is concerned, the question of adding new ones.

That is our rationale. Why is it our rationale? Because with the President's proposal for off-budget funding of energy programs—and that would involve, I guess, some $8 billion—with his recommendation for off-budget funding and with this on-budget alternative of on-budget funding for a specific enrichment proposal we, as a budget committee, were not in a position to resolve that issue at this time without the background that the authorizing committees have.

So we did not try to resolve that issue. We understand that the authorizing committees will have to do that, in due course, we will get the benefit of their advice. When we do, we can evaluate the budgetary impact of whatever it is they propose to us.

But, in the meantime, so far as we were concerned, we could see the need clearly for continuing the expansion of the existing uranium enrichment plants, but as far as we were concerned, we would prefer to reserve our judgment on new plants until we have the subsequent advice of the authorizing committees.

The second point I would like to make is that the overall numbers we have approved make assumptions about other ways to spend energy dollars.

Those assumptions are not binding upon the authorizing and appropriation committees. They are simply our notion of what would make up a commitment of the kind represented by the overall numbers.

So we do think about how much money, what we have for energy conservation, for example, or how much money should we provide for other programs. But we do not line item.

But as an order of magnitude, we think we have given sufficient attention to the detail so that the overall numbers are sensible and that they leave enough flexibility to the authorizing committees to make it possible for them to move.

The energy field is a very difficult area for anybody to define with precision. We have not been able to define it with much success in the Congress for 2 years and the Budget Committee does not hold itself out as being sufficiently expert to do that. But we think that within the parameters that we are in a position to discuss, we have given something that is workable.

If it is not, after they have worked on it, they can come back to the Senate and tell us.

Mr. PASTORE. All right. That is fine. But that is not what this says and that is the reason I have been a little apprehensive.

Had the report said the committee's energy recommendation would permit completion of current improvements to uranium enrichment plants now operated by the Federal Government, but would not include additional enrichment capacity, the door is left open. But when they say "would not support," not support something is a matter of policy. That is the thing.

Maybe I am playing on words, but I read support to constitute the predicate for policy, and if they are not going to support it, they are establishing policy.

If it said "not include" that would mean we have to shuffle around to see if we can find the money.

Do I make myself clear on that?

Mr. MUSKIE. The Senator has made himself clearer than I have made myself.

Mr. PASTORE. I am glad to hear that.

Mr. MUSKIE. All right. What I say, and I hope the Senator will listen——

Mr. PASTORE. I have listened.

Mr. MUSKIE. Let me put it another way.

I have made very clear on three amendments, and I suggest to the Senator that he read the RECORD—let me finish.

Mr. PASTORE. Yes, sure.

Mr. MUSKIE. Let me finish.

That there is nothing in this report, the green document, that is mandatory in any way whatever, but rhetoric.

Mr. PASTORE. All right, I understand.

Mr. MUSKIE. Not mandatory in any way whatever, but rhetoric, including the language which the Senator just read.

Mr. PASTORE. All right, I understand that. There is nothing mandatory. But why does it say it? Why does it say that they will not support additional enrichment capacity? Why do they say it?

Mr. MUSKIE. We did not say——

Mr. PASTORE. Yes. That is the word used; you said they would not "support."

Mr. MUSKIE. We could have given a book with 143 blank pages, if that would have suited the purpose more. What this book represents is the Budget Committee's rationale for these overall numbers. The overall numbers are binding. The rationale is not.

But if they want the benefit of the Budget Committee's thinking, we are trying to present it, but it is not binding.

I could not enforce a word in this green document except to the extent it repeats the overall numbers. There is no way I can do it. The law says that.

Mr. PASTORE. I realize that.

Mr. MUSKIE. The law says all we can enforce are the overall numbers.

Mr. PASTORE. I realize that. We are on all fours.

Mr. MUSKIE. Then I do not understand——

Mr. PASTORE. That is right.

I want an assurance on the fact here this afternoon that as a matter of policy it is not the recommendation of the Committee of the Budget to be against additional capacity.

That is all I want, that assurance. If I get that assurance, I will sit down.

Mr. MUSKIE. The individual members of the Budget Committee will vote their own convictions on that kind of issue and I cannot speak for them.

Mr. PASTORE. But the Senator speaks for the committee now.

Mr. MUSKIE. This is function 300. Let me state how the process will work.

We adopt these overall numbers which are $18 billion in budget authority and $15.6 billion in outlays. So legislation will come to the floor to take up those dollars.

Let us assume that the very first bill has a line item in it for a uranium enrichment plant and it provides $237 million in budget authority. There has not been another penny spent in function 300. That bill comes to the floor, a line item, just this item, $237 million. Since it does not breach the overall target, the Budget Committee would say to the Senator and the Senate, this comes within the resolution.

Mr. PASTORE. I understand that, but I hope the Senator would understand our position, too. For 3 whole weeks I have sat in the Joint Committee listening to witness after witness after witness where they all agree that there should be an additional capacity? But it is a question of should it be public or should it be private. We have not made the determination yet. All I am begging on this floor this afternoon is that no other committee that has not heard even one witness stand up and say, as a matter of policy we cannot support additional capacity. That is all I want to clear up.

I know it is not mandatory. I know the final decision will be that of the Senate. But I want to clear the record that the Budget Committee did not, as a matter of policy, preclude, at any time, adding capacity to our own facilities. That is all I want.

Mr. MUSKIE. May I add to what I said the fact that as far as I know, and my recollection is pretty good on these things, for the last year we have never, in advising the Senate on the impact of the budget resolutions or on pending legislation, tried to enforce anything in the rationale of the committee in the report. We never have because we do not regard it as binding. It is first come, first served, in a sense.

If we had already used up, say, $17.9 billion in budget authority in this function, and that uranium plant came along asking for $237 million, we would have to say this would go over the target. But we would not make the argument on the policy basis that the Senator suggests.

Mr. GLENN. Will the Senator yield for a question?

Mr. MUSKIE. First let me finish what I was saying.

I appreciate the fact that the Senator has raised the issue in his typically direct fashion because maybe, finally, I have made the point more clearly that I seem to have failed to have made thus far.

Mr. GLENN. What concerns me is this: I fully agree with Senator MUSKIE in trying to hold the line on the budget which he has been doing all this past year. I have checked innumerable times to make certain we were not getting over the Budget Committee's figures. I have voted on some very difficult issues on that basis. However, we are up against a very vital problem here.

This past year I have conducted hearings on nuclear exports and proliferation in the Government Operations Committee, just as Senator PASTORE has run the JCAE. This is a very complex and vital area. What concerns me is the procedure in which we go along and say, "It is flexible within the limits which have been set so far." I agree on that statement, but it seems to me that if we do not include uranium enrichment in this total that it puts up one very big, major roadblock for ever getting it included in the future.

Once this procedure is set, once we have the concurrent resolution in place, then, as I am sure the Senator will agree, it becomes very difficult once it is locked in place. People just like myself and the Senator are usually locked in on the concurrent budget. We would not want to break those figures and I would hate to propose it at that time.

It seems to me if there is ever to be a time when this budget process is to be more malleable and adjustable to the realities of international policy and real requirements, now is the time to make that adjustment. That is what concerns me. If we do not do it now, later on it becomes increasingly difficult to make an adjustment to support this very vital nuclear decision the "hedge plan".

Where should we adjust this? We either adjust it now or else we can come back and make a much bigger debate later on, perhaps, after all the authorizations are in, to break a concurrent resolution. Is this later time an easier point, or is it here and now that for this very vital decision must be made? I seek the counsel of the Senator. What does he advise?

Mr. MUSKIE. I would advise what the Budget Committee has advised. Let me put it another way, if I may. If we wanted to add up the numbers that would account for what we know we are doing now and report a resolution on that basis, and then say, "If you want to do something new, you have to decide how much more," that would be easy. Then the sky would be the limit on new programs.

Obviously, that will not work. So the Budget Committee has to assert some kind of responsibility with respect to forming judgments about new programs.

If we were to take the comfortable way to do that. We could just simply report $436.9 billion because that is what the authorizing committees recommended to us. Everybody would be comfortable with that, because that would fit every committee's notion of additional programs that ought to be approved. But that will not work, and I am not trying to imply that is what the Senator wants.

So we have to take some course in between, and we think we have. We think that in every function we have not tried to coopt the decisions that should be made by the authorizing or Appropriations Committees. What we have tried to put in place is a total level of fund that gives flexibility. If that is not enough flexibility—and it is conceivable, how is anyone to determine in advance what will be enough? If it is not enough, then the process itself is flexible enough to permit the Senate to change the numbers.

Mr. GLENN. That is my question. Where is the best spot to change it? I thought it was now, while the budget is still flexible.

Mr. MUSKIE. We have had how many votes today? Those votes will give the Senator some idea how easy or difficult to change it here.

Mr. GLENN. It is impossible at this point. My point is it will become more impossible later once people accept the concurrent resolution.

Mr. MUSKIE. I do not believe that. What that assumes is that it is easier to sell something in the blind than it is under the full exposure of knowledge. We discussed this energy function a long time because it is a big, big problem, and I do not think we have begun to lay down the policy lines that will need to be put in place before we are through. So what we said to ourselves, and that is not adequately reflected in this committee print, is let us try to put in place the things that we are reasonably sure about, but then let us leave it to the authorizing committees to evaluate the President's off budget proposal, evaluate alternatives to that, and come back to the Senate, including the Budget Committee.

We have left as open a door with respect to that in this function as we have in any function.

So once the authorizing committees, with all the background that they have, come to the Senate and say to us, "This is what we think we need to do and it is going to take this much more than you have put in place," that is a case that can be made. It can be made credibly and I think it will have Senate support. In some other fields they might have problems, but I do not think they will have problem, in the energy field.

Mr. DOMENICI. Will the Senator yield?

Mr. MUSKIE. Yes.

Mr. DOMENICI. I thank the distinguished chairman for yielding.

Let me say I compliment the Senators from Ohio (Mr. TAFT and Mr. GLENN) for raising the subject, and the Senator from Rhode Island (Mr. PASTORE) for the discussion.

I think we have a tendency sometimes to lose the significance of various ingredients that make up American policy. I am on the Budget Committee and I voted for the limits here. I certainly did not vote for them with any notion, as explained by our distinguished chairman, that we were in any way passing judgment as a committee on the concept as to whether or not the United States of America, No. 1, needed to substantially increase its uranium capacity.

We were not passing judgment that we do not support such a thing. Second, we were in no way indicating—and if this language meant that, I think it should be construed as exploratory language——

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. PASTORE. The word "support" is an unfortunate word to use.

Mr. DOMENICI. I concur wholeheartedly that it is an unfortunate word. It carries the connotation that we mean money support rather than in concept, and perhaps that it is not included. It might have been better not to use it.

Perhaps parochially, but obviously, being from New Mexico, I am very much interested in this issue. We are the richest known source of uranium in the Nation. We are interested in making the supply go even further. So I would hope that no one construes by the words "do not support" that the committee means we would not do this. We in no way maintained that, and I think our distinguished ranking Republican member will support me on that proposition.

I thank the Senators for raising the issue, but I hope we will not have a vote on this concept as to whether we need to add it here as a $300 million item, because I think it does not fit in with the concept of this budget.

This does not mean we are going to turn down the kind of program on which the Senator from Rhode Island has spent so much time when he finally comes to grips with it and sends it to the floor of the Senate.

Mr. TAFT. Mr. President, I yield 3 minutes to the Senator from Tennessee (Mr. BAKER).

Mr. BAKER. Mr. President, I think this colloquy has been useful and helpful to the Senate, and useful to all of us in understanding not only the import and intent of this part of the report language and the proposal made by the Senators from Ohio, but really, in a way, demonstrating the flexibility and value of the Budget Committee and the budgetary process. After all, we are still cutting and fitting; we are learning how this whole system operates. But I am assured by this colloquy, and I want to say again, so that the distinguished chairman from Maine and the ranking Republican member of the Budget Committee will understand, that I am reassured by this colloquy to the effect that nothing contained in the resolution or the report language in any way impedes the decision that can be made later by the committee, or by the Senate, about that "hedge-plan" facility at Portsmouth, Ohio.

That is my understanding. If this is not correct, and I need to be straightened out if it is not, it remains my understanding that there is nothing in this concurrent resolution or the report that attempts to pass judgment on the "hedge-plan" issue, and that both Houses of Congress and the administration still have full freedom in attempting to establish that policy.

Am I correct in that judgment?

Mr. MUSKIE. I had only one ear on what the Senator was saying.

Mr. BAKER. Let me rephrase it. Once again, I think the bare import of the colloquy would reassure me that it has not been the intent of the Budget Committee to say anything in the resolution or in the report language which in any way circumscribes the Joint Committee on Atomic Energy or the Congress on the desirability of building a hedge plant at Portsmouth, Ohio, or in any way going ahead with a new uranium enrichment facility, or a new Government policy on uranium enrichment.

Mr. MUSKIE. The simplest answer to that is "the Senator is correct." The report simply attempts to put forth the assumption, used by the committee in formulating its recommended targets.

Mr. BAKER. I thank the Senator. Does the Senator from Oklahoma have a similar view?

Mr. BELLMON. Mr. President, the Senator from Oklahoma shares that view. We had no intent to foreclose the prerogatives of the Joint Committee on Atomic Energy.

Mr. BAKER. I thank my friends. May I say I fully support the initiative and the effort of the Senators from Ohio (Mr. TAFT and Mr. GLENN). I join in the view that what they are attempting to accomplish is not necessarily precluded by this resolution or the report language.

Mr. TAFT. I thank the Senator. While he is still here, I think one point that has not been covered that ought to be covered relates to what the overall cost of this program is, and what the benefit might be from a budgetary point of view.

As I understand it, there is a very sizable profit projected from the current three existing plants plus the add-on plant, if the add-on plant is fully authorized, in the eighties and nineties.

Mr. BAKER. Mr. President, if the Senator will yield, I should have mentioned that this is not what I call a dead drain expenditure. If the plant is built, and if we go ahead with the current complex of three authorized plants, it is estimated that in the 1980's these plants will start returning a profit to the Federal Treasury. My figures are that in the 1980 to 1990 decade, the Government will realize a profit of about $16 billion.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. TAFT. I am glad to yield to the Senator from Rhode Island.

Mr. PASTORE. The price per swu now is $53 a unit. Legislation is pending to make it $76 per swu, which is a very modest increase, but if it is raised to $76 a swu, in 10 years they will have accumulated enough money to build the additional plant at a cost of $2.5 billion several times over.

If they go to private industry, it will cost $3.5 billion, almost a billion dollars more. That is what we have to wrestle with in the committee. The difficulty with the present and previous administrations has been the reluctance to put money in the project. We make money on it, but the point is, they hate to see that money in the budget, so they evolved the principle of saying "Let us give them a big Government guarantee, because that way we do not have to show the money in the budget."

That is what this is all about. That is why we do not want anyone who has not heard the witnesses and heard the problem from its very roots to come along and say, "This is out, we will not support it."

I am glad we have clarified the matter this afternoon. I congratulate the chairman of the Budget Committee, the two Senators from Ohio, my friend from Tennessee, my friend from New Mexico, and every Member of the U.S. Senate; I congratulate them all for understanding the problem today.

I hope the amendment will be withdrawn.

Mr. TAFT. Mr. President, I feel that we have at this point pretty much arrived at a consensus either to avoid the necessity of discussing this amendment or of putting the matter to a vote on the Senate floor. It is my understanding, as stated by the Senator from Tennessee, that the committee has an open mind on the subject, and if this matter is pushed forward it will be given attention by the Budget Committee. I am a little disturbed that the present situation would seem to leave us in competition with funds for water treatment plants, and I hope we will not get into a donnybrook in a competitive way when the joint committee acts and brings forth its legislation. But I do believe, for the present time, at least, we have clarified the situation. I appreciate the contributions of all Senators who have spoken on the matter, and if no Senators wish time at this point, I am ready to withdraw——

Mr. GLENN. Mr. President, will the Senator yield for a moment?

Mr. TAFT. I am happy to yield to my colleague.

Mr. GLENN. It is my understanding, from what the Senator from Maine (Mr. MUSKIE) has said that this clarification language would not rule out consideration of this matter, as the original language in the report might indicate.

Mr. MUSKIE. The Senator is correct, and I apologize for the inaccuracy of the language in the report.

Mr. GLENN. I thank the Senator.

Mr. TAFT. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Amendment is withdrawn. The concurrent resolution is open to further amendment.

Mr. RANDOLPH. Mr. President, I call to the attention of my colleagues an aspect of this first budget resolution for fiscal year 1977 which deserves careful evaluation. My concern is addressed to functional category "300" for natural resources, environment, and energy. The objective in this category is to provide, and I quote from the committee's report on Senate Concurrent Resolution 109, to "provide for Federal energy funds to programs of research, development, and demonstration . . ."

The Budget Committee, however, in marking up the budget resolution apparently did not assume funding for the synthetic fuels commercialization program proposed by the Congress and the administration. The Budget Committee chose not to do so although it had received a request from the Interior Committee for the inclusion of funds to support a $6 billion synthetic fuels loan guarantee program.

In deciding not to assume funds for this program, the Budget Committee specifically noted in its report that, because of certain off-budget issues, it did not wish to prejudice future consideration of this and other energy proposals that have off-budget considerations. The committee report states:

> The Committee also received from the Interior Committee a recommendation for a $6.0 billion synthetic fuels program which the President apparently would carry off-budget except for a $1.5 billion implementing fund if EIA is not enacted.
>
> By not including any funds in the First Concurrent Resolution for the President's off-budget proposals, the Committee does not preclude any action on the specific proposals if they are brought to the Senate floor. Both the off-budget issue and the specific program proposals themselves could then be reviewed in light of the First Concurrent Resolution and any available additional information. If significant on-budget expenditures were deemed appropriate by the Congress, an adjustment could be made by the Second Concurrent Resolution.

Mr. President, the record indicates that this synthetic fuels program was endorsed in February 1975, by the Congressional Program on Economic Recovery and Energy Sufficiency. Legislation providing for Federal loan guarantees was approved by the Senate on July 31, 1975, by a vote of 42 to 2. Subsequently, on December 17, 1975, the Senate again approved this program by a vote of 80 to 10 on the conference report on H.R. 3474.

This provision was not approved by the House of Representatives, but the Committee on Science and Technology has subsequenlty been considering comparable legislation. It is expected that the Congress will act favorably on legislation to authorize this important energy program.

Mr. President, I ask the distinguished Senator from Maine (Mr. MUSKIE), who is managing this measure, whether the exclusion of this program from this resolution can be considered to reflect a decision by the Senate Budget Committee not to authorize funds in fiscal year 1977 for a synthetic fuels loan guarantee program. We anticipate that a synthetic fuels loan guarantee program will come before the Senate in a matter of weeks. This is a critical program in our national effort to foster greater energy self-sufficiency. Funds for the proposed synthetic fuels commercial demonstration program have been requested in the supplemental budget request of the administration for fiscal year 1976. There has been a request by the Interior Committee for fiscal year 1977. Should we fail to include funds in this budget resolution and the second budget resolution for fiscal year 1977, the effect on this omission will be to delay for 2 years this program, compared to the administration's estimate schedule of need.

Would the Senator comment?

Mr. MUSKIE. Mr. President, let me respond to the distinguished Senator by first pointing out that the Budget Committee does not authorize funds for any program. Our responsibility is to recommend to the Senate a total level of expenditures, both budget authority and outlays, and to allocate that total level among 17 functional categories. This is what we have done in Senate Concurrent Resolution 109.

In reaching these functional categories the Budget Committee necessarily made assumptions as to what programs the categories contained, although individual members of the committee may have made different assumptions.

As constructed by the Budget Committee during the markup, the natural resources, environment, and energy target of $18 billion in budget authority and $15.6 billion in outlays would be hard-pressed to accommodate funding for synthetic fuels as an on-budget program, if the programs assumed by the committee are to receive funds as well. A $6 billion loan guarantee program for synthetic fuels could require $1.5 billion in budget authority—although there would be no outlays in fiscal year 1977 or in future years unless there were loan defaults. This $1.5 billion would be difficult to allocate in its entirety in fiscal year 1977 under the assumptions made by the Budget Committee. This is particularly true because the committee, in response to an interest in synthetic fuels, rejected a motion to assume an additional $1.5 billion for fiscal year 1977 in budget authority for synthetic fuels in function 300. The committee did so, I believe, not because of any feeling against the need for a synthetic fuels program, but because of a deep concern in holding down the budget target in a function where our recommendation is $8.3 billion above the President's budget request.

But, I want to emphasize that the Budget Committee is not responsible for the actual authorizing or funding of programs within a functional category. We have only assumed program levels in order to reach the functional target. Establishing actual spending levels within these targets is the job of the authorizing and appropriations committees. They are the vehicle for the specific allocation of funds once the Senate has adopted the budget resolution.

It is my understanding that the synthetic fuels program, if enacted, would be established within the Energy Research and Development Administration and would be transferred to the off-budget Energy Independence Authority if the legislation establishing this authority itself passes the Congress.

The resolution itself does not assume funds for the Energy Independence Authority or other off-budget proposals such as the Nuclear Fuel Assurance Act. But in not assuming such funds, the committee does not preclude any action on the specific proposals if they are brought to the Senate floor. Both the off and on budget issue and the substance of the proposals could be reviewed at that time. If significant on-budget amounts such as those required to support synthetic fuels were deemed appropriate by the Congress, an adjustment could be made in the second budget resolution for fiscal year 1977 in the fall.

The Budget Reform Act specifically directs the Budget Committees to review the status of off-budget agencies such as the Energy Independence Authority. Our study has begun and we will be reporting to the Senate when the analysis is completed.

Let me add, however, my own personal belief that off-budget status, which may well have a legitimate role, ought not to be utilized merely to circumvent the congressional budgetary control intended by passage of the Budget Reform Act. I would be alarmed by any trend that appeared to me contrary to the intent of this act.

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an amendment as follows: On page 3. line 20. strike out the numeral—

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI's amendment is as follows:

On page 3, line 20, strike "$7,600,000,000" and insert in lieu thereof "$7,800,000,000", and on page 3, line 24, strike "$21,400,000,000" and insert in lieu thereof "$21,200,000,000".

ORDER TO CONSIDER HOUSE JOINT RESOLUTION 890

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the disposition of the amendment by Mr. DOMENICI, the Senator temporarily lay aside the pending budget resolution and proceed to the consideration of House Joint Resolution 890, a resolution which makes emergency supplemental appropriations for preventive health services, and that the budget resolution remain in a temporarily laid aside status until the disposition of House Joint Resolution 890, if that is disposed of, today or until the close of business today, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 1977

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 109) setting forth the congressional budget for the U.S. Government for the fiscal year 1977 (and revising the congressional budget for the transition quarter beginning July 1, 1976).

Mr. DOMENICI. Mr. President, I offer this amendment not only in my own behalf but on behalf of the distinguished chairman of the Committee on Public Works (Mr. RANDOLPH) and our ranking member, the distinguished Senator from Tennessee (Mr. BAKER).

The amendment is in the hands of Chairman MUSKIE and our ranking Member, Senator BELLMON.

I shall talk about it only for a moment and make sure that it is understood. What I am proposing here might very well be construed to be a technical amendment. I think one might consider it that. What I am really doing, in the final analysis, is to take $200 million in outlays from function 500 and move it to function 450; thus, there is no change in the total budget outlays of the resolution.

Public works antirecessionary jobs programs are contained in both function 450 and 500. Function 500 contains the title X program or, as it is commonly called, the job opportunities program. Public works employment programs under title I of the Economic Development Act fall under function 450. The amendment to transfer $200 million from function 500 to function 450 would more appropriately distribute funds between the public works jobs programs contained in the two functions.

What I am saying here—and I hope the leaders of the Budget Committee will accept this—is simply that technically we left too much money in function 500 for what was actually needed for the accomplishment of title X of public works—the jobs opportunities program. We left $500 million in function 500. As a matter of fact, it is estimated that somewhere closer to $300 million is all that will be needed for that program. This amount of $300 million would remain in function 500; thus title X would be funded to the extent that everyone thinks would be necessary for 1977. On the other hand, that $200 million that is in there more appropriately belongs with the balance of the public works jobs program in function 450.

If we do this, if we put it in 450, then we have given the Senate the flexibility to provide countercyclical revenue sharing, and antirecessionary public works under function 450. Next week the Senate will consider S. 3201, the Public Works Employment Act of 1976. A shift of $200 million to function 450 provides flexibility to provide outlay authority for public works employment programs recommended and contained in that bill.

My amendment would move $200 million in to cover that expected bill, of course within a very broad function.

There may be flexibility, if it is the will of the Senate and the House of Representatives that public works bill thus could be funded.

So I do not think I am changing either priorities. I am not changing anything in the aggregate. I am simply being more realistic as to where that $500 million, that was part of title X expectations, really ought to be; $200 million of it ought to be in the other function, thus adding flexibility to the remainder of public works.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield to my distinguished friend from Tennessee.

Mr. BAKER. Mr. President, I am pleased to join the distinguished Senator from New Mexico in sponsoring this amendment, together with the chairman of the full committee. I think it is important that this amendment be considered and I hope accepted by the Budget Committee. As the Senator from New Mexico pointed out, it does not change the total budget outlay figures of the resolution. It simply changes the allocation of funds between two functions in order to conform to the proposals that are contained in S. 3201, which was reported by the Committee on Public Works and is on the calendar of the Senate now. I understand S. 3201 will come up shortly after we return from recess.

So, Mr. President, I hope the committee will accept this amendment to move $200 million from function 500 to function 450.

Mr. DOMENICI. May I say to my distinguished friend from Tennessee and others who are interested in it what might happen to these functions later. I do not intend to offer this amendment to preclude any other Senators from offering amendments with reference to functions 450 or 500. This is not a way to get around anyone who wishes to bring to the Senate the idea that there ought to be more in public works or that there ought to be more in the jobs portion of function 500. I bring it because I think it is technically more accurate and provides the kind of flexibility that we really intended as we looked at functions 450 and 500 together.

Mr. MUSKIE. I think the Senator is correct. It is on the same assumption that I have agreed to support the Senator's amendment, and I understand the distinguished Senator from Oklahoma has also agreed. It is a technical amendment. It is a shift of jobs money from one function to another. It does not add to them, and approving this amendment does not foreclose any other amendment or any other initiative to strike at the same problem. As a matter of fact, the rules are such that we could not do that anyway. So, there is complete freedom for any other Senator to also approach this problem by offering amendments to these functions.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. MUSKIE. With those assumptions of mine, I am certainly willing to accept the amendment. May I add another note. It does not add or subtract a penny from the spending levels.

I yield.

Mr. BAKER. Let me correct one thing I said a moment ago that I learned was in error. I understand now from the majority leadership that the jobs bill, S. 3201, is going to come up immediately after this resolution and not after the recess as I indicated before.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield to the distinguished Senator from West Virginia who is really the initiator of this amendment and proposal, and I compliment him on it.

Mr. RANDOLPH. I am appreciative of that.

Mr. President, the able Senator from Maine who with the Senator from Oklahoma brings the budget resolutions to this Chamber are very cognizant of the need which is embodied in the amendment offered by the Senator from New Mexico (Mr. DOMENICI) and joined in by the diligent Senator from Tennessee who is the ranking minority member of the Public Works Committee (Mr. BAKER) and myself.

I only underscore the fact, which has already been mentioned, that this is not an increase in outlays, but it is a transfer of funds provided in the education, training, and employment function for the job opportunities program, to the community and regional function, for the programs of the Public Works Employment Act (S. 3201). The $200 million, I would say to our colleagues, will provide the sufficient flexibility in fiscal year 1977 outlays which is needed in the public works job bill.

I take this occasion, not to use more time; but to zero in on the value of accelerated public works to the economic strength of the United States, especially in a time of substantial unemployment.

Members will recall that in 1962 the Congress passed an accelerated public works bill which became law. Seventy-seven hundred projects were carried forward to fruition under that act all over America, benefiting communities and other areas with needed projects of lasting benefit. The 1962 act provided employment for workers who could not otherwise find work.

The amendment offered here is a recognition of the fact that these public works job programs, are vital and helpful to the country. They are not just expenditures of money, but investments in the future, as well as addressing the problems of unemployment currently facing this Nation.

Mr. DOMENICI. Mr. President, the Public Works Employment Act of 1976 (S. 3201) which is currently on the Senate Calendar contains authorizations of $2 billion for public works employment and $375 million for the Jobs Opportunities programs (title X), and $125 million for the business development loan program of EDA. The Congressional Budget Office estimates that outlays under these programs for fiscal year 1977 would be $235 million, $143 million, and $50 million, respectively.

Mr. President, function 500 of the burget resolution contains $500 million in outlay authority for the jobs opportunities program which would exceed the estimated fiscal year 1977 outlays under the program by about $200 million, including carryover authority from fiscal year 1976.

On the other hand, the Budget Committee inadvertently, I believe, stuck the item "Public Works" under function 450. The program as recommended by the Public Works Committee in S. 3201 would entail budget outlays of aproximately $200 million under "Public works/countercyclical assistance" in function 450. I, therefore, offer an amendment which does not increase the total budget outlays of the resolution but merely transfers $200 million from function 500—education, training, employment, and social services—to function 450—community and regional development.

Mr. President, this amendment would provide ample outlay authority during fiscal year 1977 for the jobs opportunities program under function 500 and also provide the necessary outlay authority for the public works employment program under function 450 both as recommended in S. 3201, the Public Works Employment Act of 1976. I reiterate that I would not change the total budget outlay figures of the resolution.

Mr. President, I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, I shall make just a few short remarks regarding the Budget Committee's recommendations concerning funding constraints in function 750—law enforcement and justice.

Last March 15, the Senate Committee on Appropriations submitted its views on the first concurrent resolution on the budget for fiscal year 1977 to the Budget Committee. Those views were as follows:

> The fiscal year 1977 President's budget proposes over $100 million worth of reductions in the law enforcement assistance program, including reductions in the law enforcement education program, the juvenile justice and delinquency prevention program, and the State block grant program. The budget also proposes reductions in the staff and training programs of the Federal Bureau of Investigation and cutbacks in the Legal Services Corporation. Inasmuch as most of these proposals have already been considered and rejected by the Congress during the processing of the fiscal year 1976 budget, it is unlikely that the Congress would change its position and agree to these proposals during the processing of the fiscal 1977 budget. A more realistic view is that the Congress will add about $150 million to the 1977 budget request to restore the proposed cuts and provide for some small increases in selected law enforcement programs such as the Legal Services Corporation.

Mr. President, I am very chagrined to find that the Budget Committee has disagreed with the recommendations of the Appropriations Committee regarding the need for improved law enforcement and instead has chosen to agree with the President's proposed reductions in our law enforcement agencies—even though most of those reductions were rejected out of hand by both Houses of Congress last year.

Mr. President, I am aware that the Budget Committee had several votes on this matter and so the decision to disagree with the Appropriations Committee and agree with the administration on cutbacks in law enforcement presumably was a considered judgment. I ask unanimous consent that those recorded Budget Committee votes be printed in the RECORD at this point.

There being no objection, the votes were ordered to be printed in the RECORD, as follows:

BUDGET COMMITTEE ROLLCALL VOTES, APRIL 1, 1976

(24) Cranston amendment to set function 750 (law enforcement and justice) totals $3.5 billion in budget authority and $3.6 billion in outlays. Rejected: 10 nays—3 yeas.

Yeas:

Magnuson, Moss, Cranston.

Nays:

Muskie, Hollings, Chiles, Biden, Nunn, Bellmon, Dole, Beall, Buckley, Domenici.

(25) Cranston amendment to set function 750 (law enforcement and justice) totals at $3.4 billion in budget authority and $3.5 billion in outlays. Rejected: 8 nays—5 yeas.

Yeas:

Muskie, Magnuson, Moss, Cranston, Beall.

Nays:

Hollings, Chiles, Biden, Nunn, Bellmon, Dole, Buckley, Domenici.

(26) Bellmon motion to accept the President's budget figures for function 750 (law enforcement and justice) of $3.3 billion in budget authority and $3.4 billion in outlays. Accepted by voice vote.

Mr. PASTORE. I would like to point out for the Members in some detail the effect of some of these cutbacks that have been recommended by the administration and the Senate Budget Committee.

LAW ENFORCEMENT EDUCATION PROGRAM

First, as the Members probably know, based on the mail they have been receiving from their constituents, the administration again this year is proposing to phase out the very effective and successful law enforcement education program. This year's proposal is similar to the 45-percent reduction proposed by the administration last year but rejected by the Congress—except that this year the proposal is to wipe the program out completely. For the benefit of the Members, I ask unanimous consent that a table be included in the RECORD at this point which shows the State-by-State distribution of law enforcement education program funds for fiscal year 1975, the latest year for which data is available. If the views of the administration and Senate Budget Committee recommending a $40 million reduction are allowed to prevail during the processing of the 1977 budget, then this program will be effectively terminated in fiscal year 1977 and the various States will lose law enforcement education program funds in the approximate amounts equal to those in the table.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF LAW ENFORCEMENT EDUCATION PROGRAM FUNDS, FISCAL YEAR 1975

State	Number of institutions	Amount
Alabama	28	$721,797
Alaska	2	54,946
Arizona	14	481,295
Arkansas	10	68,901
California	93	4,451,026
Colorado	15	353,040
Connecticut	13	594,455
Delaware	6	222,156
District of Columbia	5	758,917
Florida	41	2,114,445
Georgia	30	897,845
Hawaii	6	253,010
Idaho	4	97,212
Illinois	57	1,944,837
Indiana	15	809,320
Iowa	22	488,283
Kansas	19	400,487
Kentucky	13	664,387
Louisiana	12	534,994
Maine	6	162,850
Maryland	21	1,054,631
Massachusetts	29	1,582,734
Michigan	42	2,214,083
Minnesota	25	523,913
Mississippi	13	274,436
Missouri	25	1,034,536
Montana	7	142,804
Nebraska	7	300,962
Nevada	5	188,094
New Hampshire	3	168,140
New Jersey	27	1,618,101
New Mexico	7	271,605
New York	75	5,122,668
North Carolina	24	728,449
North Dakota	6	61,502
Ohio	32	1,733,611
Oklahoma	25	632,589
Oregon	19	767,127
Pennsylvania	36	2,303,579
Puerto Rico	4	274,400
Rhode Island	4	112,240
South Carolina	14	421,915
South Dakota	5	156,042
Tennessee	17	526,941
Texas	81	2,657,915
Utah	4	199,855
Vermont	6	122,110
Virginia	31	589,957
Virgin Islands	1	15,700
Washington	34	1,194,015
West Virginia	6	131,010
Wisconsin	22	699,992
Wyoming	5	35,391
Total	1,073	[1] 43,935,250

[1] Includes funds from prior year appropriations.

JUVENILE JUSTICE AND DELINQUENCY PROGRAM

Mr. PASTORE. Next I would like to call attention to the innovative program authorized by the Juvenile Justice and Delinquency Prevention Act. This program is directed toward reducing the high crime rate among the Nation's youth. Over 50 percent of the serious crimes in this country are committed by youths 19 years of age or younger. This program is strongly supported by the Comptroller General, Elmer Staats. In testimony before the Senate Judiciary Committee, Mr. Staats reported findings of a General Accounting Office investigation:

> . . . that any effective Federal strategy to reduce crime should include funding of the Juvenile Justice Act.

Moreover, the applications for the use of the funds far exceed available resources so that only a limited number of high quality projects will be able to be funded with the $40 million provided by the Congress in fiscal year 1976. Despite this, the Budget Committee and administration are proposing a 75-percent reduction in funding for this program. I ask unanimous consent that a State-by-State table be placed in the RECORD at this point showing the adverse funding consequences that would result from the recommendations of the Budget Committee in this area.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

DISTRIBUTION OF JUVENILE JUSTICE FORMULA FUNDS AT THE $40,000,000 FISCAL YEAR 1976 AND THE $10,000,000 FISCAL YEAR 1977 LEVELS

State	Fiscal year— 1976	Fiscal year— 1977	Difference
Alabama	$366,000	$113,208	−$252,792
Alaska	200,000	113,208	−86,792
Arizona	200,000	113,208	−86,792
Arkansas	200,000	113,208	−86,792
California	1,966,000	113,208	−1,852,792
Colorado	229,000	113,208	−115,792
Connecticut	303,000	113,208	−189,792
Delaware	200,000	113,208	−86,792
Florida	625,000	113,208	−511,792
Georgia	487,000	113,208	−373,792
Hawaii	200,000	113,208	−86,792
Idaho	200,000	113,208	−86,792
Illinois	1,125,000	113,208	−1,011,792
Indiana	545,000	113,208	−431,792
Iowa	289,000	113,208	−175,792
Kansas	221,000	113,208	−107,792
Kentucky	330,000	113,208	−216,792
Louisiana	411,000	113,208	−297,792
Maine	200,000	113,208	−86,792
Maryland	409,000	113,208	−295,792
Massachusetts	556,000	113,208	−442,792
Michigan	963,000	113,208	−849,792
Minnesota	409,000	113,208	−295,792
Mississippi	250,000	113,208	−136,792
Missouri	460,000	113,208	−346,792
Montana	200,000	113,208	−86,792
Nebraska	200,000	113,208	−86,792
Nevada	200,000	113,208	−86,792
New Hampshire	200,000	113,208	−86,792
New Jersey	707,000	113,208	−593,792
New Mexico	200,000	113,208	−86,792
New York	1,731,000	113,208	−1,617,792
North Carolina	521,000	113,208	−407,792
North Dakota	200,000	113,208	−86,792
Ohio	1,108,000	113,208	−994,792
Oklahoma	248,000	113,208	−134,792
Oregon	207,000	113,208	−93,792
Pennsylvania	1,140,000	113,208	−1,026,792
Rhode Island	200,000	113,208	−86,792
South Carolina	283,000	113,208	−169,792
South Dakota	200,000	113,208	−86,792
Tennessee	393,000	113,208	−279,792
Texas	1,185,000	113,208	1,071,792
Utah	200,000	113,208	−86,792
Vermont	200,000	113,208	−86,792
Virginia	471,000	113,208	−357,792
Washington	344,000	113,208	−230,792
West Virginia	200,000	113,208	−86,792
Wisconsin	469,000	113,208	−355,792
Wyoming	200,000	113,208	−86,792
American Samoa	50,000	28,296	−21,704
District of Columbia	200,000	113,208	−86,792
Guam	50,000	28,296	−21,704
Puerto Rico	349,000	113,208	−235,792
Virgin Islands	50,000	28,296	−21,704
Trust territory	50,000	28,296	−21,704
Total	23,300,000	6,000,000	−17,300,000

LEAA FORMULA GRANTS

Mr. PASTORE. Next, Mr. President, I should like to point out that the Budget Committee's recommendations provide for a severe cutback in the various formula grants for improving State and local law enforcement activities that are funded under the LEAA. I ask unanimous consent at this point that a State-by-State table be placed in the RECORD showing amounts provided by the Congress in 1976 for LEAA formula grants, the amounts that would be available for fiscal year 1977 under the recommendations of the Budget Committee and the

administration and the amounts each State will lose if those recommendations are allowed to prevail. This is in addition to the 37-percent proposed cutback in the LEAA discretionary project grant program.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ALLOCATION OF PT. B, PT C BLOCK AND PT. E BLOCK COMBINED—BY STATE

[In thousands of dollars]

State	Fiscal year— 1976 appropriation	Fiscal year— 1977 President's budget	Reduction
Alabama	8, 564	7, 454	1, 119
Alaska	978	892	80
Arizona	5, 090	4, 582	508
Arkansas	5, 000	4, 396	604
California	48, 918	42, 560	6, 358
Colorado	6, 021	5, 303	718
Connecticut	7, 466	6, 462	1, 004
Delaware	1, 551	1, 371	180
Florida	18, 471	16, 634	1, 837
Georgia	11, 566	10, 096	1, 470
Hawaii	2, 185	1, 933	252
Idaho	2, 031	1, 816	215
Illinois	26, 564	22, 845	3, 719
Indiana	12, 712	10, 980	1, 732
Iowa	6, 954	5, 998	956
Kansas	5, 541	4, 799	742
Kentucky	8, 050	7, 006	1, 044
Louisiana	9, 036	7, 833	1, 203
Maine	2, 651	2, 329	322
Maryland	9, 811	8, 497	1, 314
Massachusetts	13, 880	11, 966	1, 914
Michigan	21, 575	18, 699	2, 876
Minnesota	9, 376	8, 124	1, 252
Mississippi	5, 666	4, 935	731
Missouri	11, 447	9, 884	1, 563
Montana	1, 922	1, 695	227
Nebraska	3, 817	3, 327	490
Nevada	1, 500	1, 365	135
New Hampshire	2, 073	1, 840	233
New Jersey	17, 480	15, 057	2, 423
New Mexico	2, 792	2, 471	321
New York	43, 167	36, 929	6, 238
North Carolina	12, 707	11, 107	1, 600
North Dakota	1, 697	1, 491	206
Ohio	25, 542	22, 000	3, 539
Oklahoma	6, 496	5, 640	856
Oregon	5, 435	4, 775	660
Pennsylvania	28, 181	24, 226	3, 995
Rhode Island	2, 482	2, 103	379
South Carolina	6, 626	5, 831	795
South Dakota	1, 809	1, 582	227
Tennessee	9, 860	8, 619	1, 241
Texas	28, 103	24, 584	3, 519
Utah	2, 913	2, 592	321
Vermont	1, 300	1, 150	150
Virginia	11, 627	10, 163	1, 464
Washington	8, 293	7, 289	1, 004
West Virginia	4, 418	3, 819	599
Wisconsin	10, 908	9, 466	1, 442
Wyoming	1, 032	935	97
American Samoa	271	256	15
District of Columbia	1, 932	1, 664	268
Guam	419	403	16
Puerto Rico	6, 873	6, 188	685
Virgin Islands	372	369	3
Trust Territory			
Total	513, 151	446, 333	66, 818

IMMIGRATION AND NATURALIZATION SERVICE

Mr. PASTORE. Mr. President, with regard to the Immigration and Naturalization Service, I believe the Members are well aware of the fact there has been a lot of criticism that there are tens of thousands of illegal aliens that are holding jobs that rightly should be held by our own unemployed citizens. I would like to point out that the 1977 President's budget and the recommendations of the Budget Committee both provide for a reduction of 133 positions in the area of inspection operations. This is the activity that insures that individuals seeking to enter the United States are eligible to do so and those found ineligible are excluded from entry. The administration's budget request and the Budget Committee's recommendations also provide a reduction of 127 positions in the investigation program. This is the activity that works to locate illegal aliens within the United States and performs investigations under the administration and enforcement of the immigration and naturalization laws. Very frankly, Mr. President, the Immigration and Naturalization Service came to us last year and made a strong case for these positions. Now, both the administration and the Budget Committee are telling us these positions are not needed. I find this hard to accept—if not incredible.

FEDERAL BUREAU OF INVESTIGATION

With regard to the Federal Bureau of Investigation, the recommendations by the administration and the Senate Budget Committee provide for reductions of over $25 million below last year's level. The effect of such cuts would be to reduce FBI personnel by over 250 positions, and force States and localities to pay 50 percent of the costs of training local law enforcement officials at the FBI Academy at Quantico, Va.

Heretofore, this training has been provided on a cost-free basis.

Mr. President, I believe that our Nation's law enforcement officers should be afforded the best training possible if we are to overcome the spiraling crime rate. The FBI has played a vital role in upgrading the professionalism of State and local law enforcement through its training programs. This training function dates back to 1935.

Congress has for some time recognized the need for increased training of State and local law enforcement officers. Responding to that need, the Congress included a provision in the Omnibus Crime Control and Safe Streets Act of 1968 which authorized the FBI to greatly expand its training activities. For example, 1,000 local law enforcement officers now attend the FBI National Academy each year instead of 200 who were trained prior to the opening of the new FBI Academy. Also, since 1968, the number of hours of instruction provided by the FBI at the local and regional level has more than doubled.

Since the passage of the Omnibus Act, funds have been appropriated annually to permit the FBI to pay the total cost of training at the FBI Academy including travel, housing, food, laundry, drycleaning, instruction and instructional materials. Prior to passage of the Act it was necessary for State and local attendees to defray their own transportation costs and living expenses in Washington, D.C.

Mr. President, I am certainly concerned about any proposal which would diminish the progress which has been made in professionalizing the Nation's law enforcement effort—a proposal in which I fear the Senate Budget Committee as acquiesced.

I ask unanimous consent that a State-by-State table be placed in the RECORD showing the effect of this proposed reduction.

Federal Bureau of Investigation amount of training reduction by State

[In thousands of dollars]

State:	*State & local training reduction*
Alabama	$180
Alaska	29
Arizona	106
Arkansas	86
California	774
Colorado	95
Connecticut	111
Delaware	28
District of Columbia	300
Florida	540
Georgia	236
Hawaii	40
Idaho	64
Illinois	284
Indiana	125
Iowa	72
Kansas	67
Kentucky	98
Louisiana	119
Maine	45
Maryland	126
Massachusetts	126
Michigan	187
Minnesota	82
Mississippi	110
Missouri	226
Montana	51
Nebraska	56
Nevada	67
New Hampshire	42
New Jersey	319
New Mexico	86
New York	460
North Carolina	91
North Dakota	35
Ohio	300
Oklahoma	111
Oregon	92
Pennsylvania	241
Rhode Island	33
South Carolina	132
South Dakota	29
Tennessee	165
Texas	490
Utah	83
Vermont	28
Virginia	243
Washington	181
West Virginia	24
Wisconsin	186
Wyoming	30
Puerto Rico	20
Virgin Islands	21
Total	7, 872

Mr. PASTORE. Mr. President, in addition, the Budget Committee has agreed with the administration's proposal that administratively uncontrollable overtime—that is, overtime associated with unexpected, unpredictable, and uncontrollable situations—be reduced by 25 percent. This can only have an adverse effect on the FBI, the Drug Enforcement Agency, and other Federal law enforcement agencies.

LEGAL SERVICES CORPORATION

Finally, Mr. President this brings us to the matter of the Legal Services Corporation. This Corporation has been established by Congress to provide financial support to programs that offer legal assistance in noncriminal proceedings to low-income persons.

Last year the administration requested $71.5 million and the Congress provided $88 million. This year the administration is recommending only $80 million;

a reduction of $8 million below last year and $60 million below what the Corporation has indicated it needs. Unfortunately, here again the Budget Committee has agreed with the administration's proposed cutbacks.

CONCLUSION

Mr. President, despite the reservations I have enumerated, I plan to vote for the first concurrent resolution, inasmuch as I agree with many of the recommendations and I am supportive of the concept of the Congress making an overall examination of the anticipated Federal income, Federal expenditures and so forth. However, I do have serious reservations about the Budget Committee's recommendations in the area of law enforcement and justice at a time when crime is up 9 percent over last year—and I wanted the Members to be aware of my reservations and the reasons for those reservations. I also want to put the Members on notice that I plan to look into these issues carefully when the matter comes before the State, Justice, Commerce, Judiciary Appropriations Subcommittee which I chair. Our subcommittee plans to scrutinize the budgets and closely interrogate the witnesses and if we find that the restoration of the cutbacks proposed by the Budget Committee and the administration are justified, I fully intend to recommend that the necessary additional funds be included in the 1977 State, Justice, Commerce, Judiciary appropriations bill.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Nebraska (Mr. HRUSKA).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. HRUSKA

As Ranking Minority member of the State, Justice, Commerce, Judiciary and Related Agencies Appropriations Subcommittee, I want to associate myself with the remarks made by my distinguished Chairman, the Honorable John O. Pastore, in opposing the First Concurrent Resolution on the Budget—Fiscal Year 1977—S. Con. Res. 109.

With respect to law enforcement and justice, the recommended amounts proposed by the Budget Committee will represent a 37 percent reduction in discretionary funds for LEAA. Last year the Department of Justice suffered a $100 million reduction, the bulk of which was taken out of the LEAA budget. If the level recommended for LEAA by this budget resolution is approved, we will be inflicting even deeper cuts into the federal government's efforts to assist states and localities in the reduction of crime and delinquency.

This huge reduction comes at a time when the crime rate across the United States remains high while the courts and jails are overcrowded and overworked. One wonders whether the victims of crime would approve the reductions proposed in this Resolution. I want to here and now advise my colleagues that the recommendation of this Resolution will force the termination of the law enforcement education program which has been so successful in training our law enforcement officers.

Furthermore, many Senators as well as many citizens have been concerned with the juvenile delinquency problem, and they should be aware that the proposals of the Budget Committee will force a 75 percent reduction in the appropriations of those sums we wanted to apply to this new program to combat the crime rate caused by under-aged citizens.

Finally, S. Con. Res. 109 will require those already hard pressed and financially troubled local units of government to finance and assume a much greater burden of the cost of training local law enforcement officers. When local law enforcement officers are denied Federal assistance to improve their training and education, we shall all suffer—each and every one of us.

Once again, Mr. President, I want to associate myself with the remarks of Chairman Pastore in opposing the recommended reductions for law enforcement and justice.

PETER LISAGOR RECEIVES AWARD

Mr. MANSFIELD. Mr. President, one of the truly great reporters of our time, Peter Lisagor of the Chicago Daily News, has once again achieved one of the highest prizes in journalism; that is the 1976 William Allen White Foundation's award for journalistic merit.

In addition, in 1974, he was awarded the George Foster Peabody Broadcasting Award as well as the Marshall Field Award. Peter Lisagor has been chief of the Chicago Daily News Bureau in Washington for more than a decade and a half. He is a writer of talent and depth. He speaks with wit and humor, and he is a truly great reporter of the events of our times.

An engaging personality, a man of intelligence and candor, a reporter without cant, all these things Peter Lisagor is and because of what he is, he has the highest respect and the greatest admiration among the Members of the Senate and, I am sure, of the Congress as a whole.

To Peter Lisagor on achieving this outstanding award, congratulations and best wishes and may these be only the beginning of achieving still greater things and may he continue being the outstanding reporter and great journalist that he is.

We are all proud of Pete.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS, 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of House Joint Resolution 890, which will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 890) making emergency supplemental appropriations for preventive health services for the fiscal year ending June 30, 1976, and for other purposes.

The Senate proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. Mr. President, is the pending order of business the consideration of House Joint Resolution 890, the emergency supplemental appropriation?

The PRESIDING OFFICER. The Senator is correct.

Mr. MAGNUSON. Mr. President, first, I should like to present the usual request. I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be considered as original text for the purpose of further amendments, and that no points of order be considered as waived.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 1, line 3, strike "sum is" and insert "sums are";

On page 1, beginning with line 6, insert the following:

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

COMPREHENSIVE MANPOWER ASSISTANCE

For an additional amount for "Comprehensive manpower assistance", $528,420,000, to remain available until September 30, 1976.

TEMPORARY EMPLOYMENT ASSISTANCE

For expenses necessary to carry out activities authorized by Title II of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 841–851), $1,200,000,000, to remain available until January 31, 1977.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out Title IX of the Older Americans Act, as amended, $55,900,000, to remain available until June 30, 1977.

On page 3, beginning with line 1, insert the following:

RELATED AGENCY

COMMUNITY SERVICE ADMINISTRATION

COMMUNITY SERVICE PROGRAM

For an additional amount for "Community services program", $23,000,000, to remain available until September 30, 1976.

Mr. BUMPERS. Mr. President, will the Senator yield for a unanimous consent request?

Mr. MAGNUSON. I yield.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Richard Arnold and Eugene Kinlow, of my staff, have the privilege of the floor during the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, first, I should like to discuss the fact—and I am sure the Senator from Massachusetts will agree to this—that one of the basic reasons for this emergency supplemental bill was the proposal by the administration in the House-passed version of the bill containing $135 million requested for a nationwide flu inoculation program.

Our committee, both the subcommittee and the full committee, agreed to the amount requested. This request is causing a great deal of controversy in lots of places, and I understand that. There has been a great deal said about it in the scientific community and here in Congress.

To be honest with ourselves, Mr. President, no one knows for sure whether the so-called swine flu will be a real threat. It took several million lives when it became an epidemic back in 1918. If the scientific community and the President, and even our committee, in their judgment are wrong, of course, we might have wasted some scarce Federal dollars that could have been used in other areas. However, the committee has encouraged preventive health efforts. We think there have not been enough. If the program is needed, then the funds in the bill will save lives, prevent a great deal of human suffering, and save billions of dollars in medical costs. So I am going to suggest that we discuss this item in the emergency supplemental appropriations first. There are some other amendments that we added which will come later.

I yield to the Senator from Arkansas, who wants to ask some questions about this and express his opinions about it.

Mr. BUMPERS. Mr. President, I thank the distinguished Senator from Washington, chairman of the Subcommittee on Appropriations which brings this bill to us. I should like, if the chairman would permit me, to make a few remarks regarding this whole program.

I have been concerned about this whole approach to the swine flu threat, if indeed it is a threat. I have seen some notable editorials, particularly in the New York Times, that have voiced reservations about the haste of appropriating $135 million for swine flu prevention. Certainly, I am not one to quarrel with the President, and I suppose that when that threat or alleged threat hangs over our head, we have no choice but to appropriate this money, and I intend to vote for it.

I did note that yesterday, two of the top immunologists in the United States questioned very strongly the propriety of our appropriating such a tremendous amount of money with no more hard factual statistics and data than were available to Congress.

Mr. President, I have introduced two amendments to this joint resolution regarding the prevention of childhood diseases and asking for an additional appropriation for that purpose. I have just agreed with the distinguished Senator from Washington (Mr. MAGNUSON) to withhold those amendments until a second supplemental appropriation comes through the Senate, perhaps within the next 2 weeks. There is, right now, a bill at the desk which has passed both Houses and, presumably, will be going to conference, which authorizes $30 million for the prevention of childhood diseases and also for rodent control.

There is no breakdown of the $30 million, so there is no way of knowing how much will be allocated for the prevention of childhood diseases and how much will be allocated to rodent control.

I appreciate the Senator's allowing me to make these comments, because I consider the number of children in this country susceptible to preventable childhood diseases as one of the great disgraces of modern society. Right now, there are 15.5 million children in this country susceptible to polio, which we all thought had been stamped out; 9 million children who have not even been immunized against DPT, 15.8 million for measles, 13.9 for rubella—the German measles—26.4 million children susceptible to mumps.

Mr. President, I think that most people do not understand the dramatics or the significance of what we are talking about, and I would like to illustrate.

In 1964, before rubella vaccine was perfected, an outbreak of German measles, or rubella, as it is called in this country, hit 300,000 people. As a result of that, 30,000 handicapped children were born, because when a child comes home from school with rubella and infects or communicates that disease to his pregnant mother, if she gets rubella during the first 3 months of pregnancy, it is an ironclad medical certainty that our new child will be handicapped.

There are 250,000 adults and children in mental institutions across this country—State hospitals and children's colonies. It is estimated that between 5 and 9 percent of all those people are there because of rubella.

Each one of those people, in today's dollars, will cost the States and the Federal Government, directly and through loss of productivity, $900,000. If we just assume that 7 percent of those people are there because of rubella, then $17,500 people are institutionalized today as a direct result of rubella. If we convert that to $900,000 each, that is costing this country $15.75 billion in direct outlays. Yet we could, with a massive effort, stamp out every one of these childhood diseases.

My amendments, Mr. President, addressed only the problems of the under-5 children, because the people who are interested in swine flu say that they are not going to give that vaccine to children under 5. Some pediatricians in this country have voiced doubts about the advisability of giving both the swine flu vaccine and these other vaccines to children simultaneously. So I figured that it would take about $14 million, if we gave the States 25 cents for each immunization, it would cost about $14 million to immunize 50 percent of all the children under 5 who are susceptible to these childhood diseases.

I today offered another amendment, incidentally, which would have doubled that amount to immunize all of them. This bill (S. 1466) that has already passed the House and Senate, which carries the authorization, has a maximum amount of $30 million in it, and I assume that when we get to the second supplemental, that second supplemental for this purpose would be subject to a point of order if we exceeded the authority which was about to come through.

Mr. President, when I was Governor of my State—and I must inject my wife's name here, with the Chair's permission and indulgence—in the last 2 years of my term, she spent her whole time on a massive immunization project in my State. We had the highest percentage of susceptible children of any State in the country. In 1973 and 1974, through a project called "Every Child by '74," we got together the State health department, the National Guard, the Agriculture Cooperative Extension Service, the Arkansas League for Nursing, the Arkansas Medical Society, and 10,000 volunteers who were recruited, and we immunized, on two successive week ends, 300,000 children. There is now in place a project called "Every Child in '76." It is a Bicentennial-sponsored project. It is the only health-related project that is endorsed by the American Revolution Bicentennial Administration. It is endorsed by the PTA, HEW, just about everybody who has seen it.

All this project does, Mr. President, is recruit existing agencies at the Federal and State level. And incidentally, the National Governors Conference has endorsed it and supports it. All that it does is to bring together the existing Federal and State agencies who have the responsibility for preventive medicine and coordinate their efforts, together with literally hundreds of thousands of volunteers, to lead people by the hand into the clinics and into the private physicians' offices to be immunized.

I can think of no greater purpose, no greater effort, in this Bicentennial Year of 1976 than for this Nation to engage in a massive effort to eliminate all of the pain, the suffering, the financial cost, and the despair that go with rubella.

Mr. President, according to the Center for Disease Control's morbidity and mortality tables, we have had twice as many cases of ordinary measles in the first 10 weeks of this year as in the first 10 weeks of last year; we have had about the same number of cases of rubella. But let me convert some figures for you from what we have had so far, 2,576 cases of rubella reported in this country in the first 10 weeks of 1976.

If 1 percent of those cases results in a handicapped child at a cost of $1 million, you are talking about just the first 10 weeks of this year producing 276 retarded children or handicapped children at a cost to society of $276 million, and the Center for Disease Control predicts that this year and next, the 10th year since we have had the last epidemic, we are going to have a serious outbreak of rubella and measles in this country.

I might point out that in Arkansas two counties which were not so well covered as they should have been have had outbreaks of rubella this year.

Prince Georges County right here in the vicinity has already had a significant number of cases of rubella reported in the first 10 weeks, and we are talking about reported cases. You can multiply that by two or three times to cover the children who are at home, who are in sheltered workshops, or even those in school who are less profoundly retarded.

Mr. President, I state again it is a national disgrace to stand on the floor of the Senate and report to my colleagues and to the American people these staggering, disgraceful statistics.

I have agreed with the floor manager, the distinguished Senator, not to present these amendments, with the understanding that they will be offered, and with his acceptance, when the second supplemental appropriation comes through in a couple of weeks from now.

I thank the Senator for allowing me to say those things.

Mr. MAGNUSON. Mr. President, no

one has been more alert to this problem than the Senator from Washington and the Senator from Massachusetts. We have talked about the field of preventive medicine overall for some years. As a Institute for Infectious Diseases, is a matter of fact, the institute itself, the comparatively new institute in NIH, that we established not over 4 or 5 years ago, and we have been hammering away to try to get more into this field—as well as the Center for Disease Control in Atlanta.

We made a little start on rubella 2 years ago, and I thoroughly agree with the Senator from Arkansas that this should be done. I think there is nothing that we can spend our money for with greater results.

My own wife has done a lot of this work in the State of Washington, and the Senator from Indiana's wife has done a great deal. All of them, as a matter of fact, the women are much more concerned about this than some of the rest of us. But we are concerned.

But this is an emergency appropriation bill. Number one, there is a legislative question involved about the authorization.

Now, as the Senator from Arkansas pointed out, it is now on the desk of the Senate. There will be a conference, I think, and the conference should not take too long.

We will have a second supplemental. The House is working on it—well, the Health Promotion and Disease Control Act of 1976 passed both the House and the Senate and is now pending, and we will probably have the second supplemental before the Easter recess from the House.

We have to wait to mark it up, so when I talk about 2½ weeks, at the most, we will address ourselves to this situation and then by that time we will have the authorization.

The swine flu matter was authorized under the emergency provisions of the Public Health Service Act. This is how they justified it on when the President sent it up. So I think we have laid a good foundation.

I know of no opposition to this. I think the Senator and I in a previous conversation discussed the matter of whether it should be more than $14 million. I was thinking in terms of $50 million, but I understand the authorization will probably limit us now to $30 million. I do not know of any problem I think this is something that should be done.

This is one thing we have to consider. It is nice, I would like to give vaccine to everyone. When they go down for the swine vaccine, the mother takes her children and she might say to herself, "Why don't I get them vaccinated for diphtheria or rubella or polio?"

We have only covered about 70 percent of the kids in this country on polio where we know we have a known vaccine, there is no argument about that. There are no if's and's or but's. But the doctors do tell me, and the scientists tell me, that sometimes you cannot mix these vaccines at the same time. One may neutralize the other, and they do not know exactly yet; but we know that we have a rubella vaccine, we know we have a diphtheria vaccine, and we certainly have a polio vaccine. So we will be more sympathetic on this matter when we get the second supplemental.

But I am awfully glad the Senator from Arkansas, and the Senator from Indiana—who probably wants to say something, too—are making a contribution here on the floor to this action.

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. Yes.

Mr. BUMPERS. Is this bill in its present form identical with the House-passed bill or are there committee amendments to it.

Mr. MAGNUSON. Well, we have committee amendments on this bill, but they deal with another subject. They deal with public service jobs and summer youth employment. But in that particular case the reason why we put this in this bill was that the House has it in their second supplemental. But because public service employment will expire in many cases on May 1, the House has tentatively agreed with us that they will take it out of their second supplemental and agree to what we put in this Emergency Supplemental because the urgency is there. The House Appropriations Committee sent word this morning that they could accept the Senate version of these particular other amendments.

The public service jobs, if we are going to agree to them in the Senate, cannot wait any longer than the 1st of May, 2 weeks; in fact, 12,000 people have already been layed off due to lack of funds. For summer employment, they have got to get started the 1st of May, too, to gear up before the school year is over; so that is why they are in this bill. Otherwise there are no other amendments.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. BROOKE. I think it is fair to point out to the Senator from Arkansas that these items are in the House second supplemental.

Mr. MAGNUSON. Yes; all right.

Mr. BROOKE. And what we are doing is taking them out of the second supplemental and putting them in an urgent supplemental because it is so urgent. We have the swine flu vaccine, plus the summer youth jobs, the public service jobs and jobs for the elderly in here.

Mr. BUMPERS. Let me say to the Senator I certainly have no objection to that. If the Senator will pardon a second reference to my tenure as governor, we never got our summer youth employment money until the summer was over. So if you can get it to the States earlier this year, I would be grateful.

Mr. BROOKE. That is exactly why we pulled it out of the second supplemental and put it in this urgent supplemental.

Mr. MAGNUSON. Then another thing for the urgency of this particular vaccine is we have got to start making it right now. There are only four companies—that is our testimony—that know just exactly how to do it, and they have agreed that when the contracts are let to these four companies—there may be two more that might be involved there—that they will make it without profit, just for cost, and most medical societies are now in the process of spreading the word that they will do it for free. They get the vaccine for free, and we are trying to get the cooperation of nurses.

But the two are a little different when you give it. We know what we can do on what the Senator from Arkansas is talking about, we know that. They are proven vaccines. They do not have to be rushed to be manufactured. We have got a supply, and I want to get it done when we get back on the supplemental.

The Senator from Indiana.

Mr. BAYH. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Is it necessary for us to call up an amendment to have an opportunity to discuss this?

Mr. MAGNUSON. No; the Senator may discuss it right now.

Mr. BAYH. No.

The PRESIDING OFFICER. There is no time limit.

(At this point, Mr. THURMOND assumed the chair.)

Mr. BAYH. Mr. President, I appreciate the distinguished subcommittee chairman recognizing——

Mr. BROOKE. Will the Senator yield? Is the Senator going to offer an amendment at this time?

Mr. BAYH. No, I am not. I am going to continue the colloquy initiated by the distinguished Senator from Arkansas, participated in by the Senator from Massachusetts and the Senator from Washington.

I want to associate myself with the remarks that have been made by my colleagues relative to the need to expand the immunization program.

I have an amendment which is presently at the desk, to Senate Joint Resolution 890, which would add $35 million for immunization against childhood diseases to the measure which is now pending.

As the Senator from Massachusetts and the Senator from Washington know, I suggested to the committee that they should accept such an amendment when it was at the subcommittee stage.

As a matter of courtesy, I waived the presentation of that amendment, feeling that perhaps the full committee itself might be a better forum to present that amendment in.

Yesterday it appeared that perhaps the best alternative would be to present it here on the floor.

As the Senator from Washington knows, in subcommittee and full committee I expressed my strong feelings about this. I still do. I think the Senator from Arkansas' point is well taken. I frankly feel we should do more than the first amendment provides for, and a bit more than the second amendment. But I do not want to be a dog in the manger.

Is it true that the House is willing to accept this emergency appropriations bill as it is now, with the amendments added by the Committee, without going to conference? And that if we were to add an amendment such as the one I have written, it might impede the conference?

Mr. MAGNUSON. I think that is true. I think if we add this when there is some doubt about the authorization yet, that they would probably insist they drop it until it was authorized.

Mr. BAYH. I am not convinced about lack of authorization. I think the Senator from Arkansas made an exceptionally compelling case and I do not want to repeat all those facts.

Mr. MAGNUSON. But the Senator asked me about what the House is thinking.

Mr. BAYH. Right.

Mr. MAGNUSON. This will give the House a chance to have some doubt about an authorization.

Mr. BAYH. Frankly, I think we have as good an authorization for $35 million more in immunization for childhood disease programs which have been proven successful, as for the $135 million for a program that has not been tried before.

Mr. MAGNUSON. But we know that is authorized.

Mr. BAYH. Yes.

The thing that concerns me——

Mr. MAGNUSON. If the Senator from Indiana will yield a minute, he asked for advice about the House.

I have been dealing with House conferees for a long time and they want this bill the way they have it with the amendments that they had anyway in the second supplemental. I think if there is any question about it, they could raise the question of authorization until the conference report is in, that they would stand firm.

That is just the way, I will say to the Senator from Indiana, that they operate over there.

Mr. BROOKE. Will the chairman yield at this point?

I agree with the chairman. I think he has adequately stated what the House position is and is very apt to be.

But I think the case that has been made by the distinguished Senator from Arkansas and which was made very well, very persuasively, by the distinguished Senator from Indiana (Mr. BAYH), both before the subcommittee and the full committee before we brought it to the floor, is a case with which the distinguished chairman from Washington (Mr. MAGNUSON) and I, and I think most members, would agree. We would have a better chance of passage if we had this before the second supplemental which, as the chairman has said, we will get to in very short order.

What we are hoping to do with this bill is to go along with the administration and approve this vaccination program quickly. And because of the urgency associated with our unemployment problem, we also want to approve the public service and summer jobs money. As the distinguished Senator from Arkansas pointed out, when he was a governor he generally did not get that summer employment money until too late. We want to avoid that situation this year.

We are being told by the House that it would accept the $135 million flu funds plus the money we put in for summer jobs and public service jobs.

Mr. MAGNUSON. If no amendments are added.

Mr. BROOKE. If no amendments are added.

I think the Senator from Indiana—and he has said so both before the subcommittee and full committee even though he very strongly favors this position, which we favor as well—does not want to jeopardize this legislation by tacking on to it an amendment which the House would not accept.

Mr. BAYH. That is exactly what I am prepared to say.

But I want to mention that, I think the Senator from Arkansas, in his usual manner, has been very modest in describing what he and Mrs. Bumpers achieved in the State of Arkansas.

I ask unanimous consent to put into the RECORD two charts showing the number of children who were innoculated in the various categories in Arkansas under that immunization program. The Arkansas example could be followed by every State if every State government had that kind of initiative, and if we provide Federal assistance.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARKANSAS DEPARTMENT OF HEALTH, BUREAU OF MEDICAL CARE SERVICES, DIVISION OF COMMUNICABLE DISEASES

Age group	Immunizations administered in public clinics from Jan. 1 through Dec. 31, 1973						Immunizations administered in public clinics from Jan. 1, through Dec. 31, 1974					
	Opv	Dtp	Td	Measles	Rubella	Total	Opv	Dtp	Td	Measles	Rubella	Total
Under 1	38,902	47,575	26	306	307	87,116	45,482	50,111				95,593
1 to 4	58,977	44,975	326	29,073	30,011	163,362	50,935	43,223	86	30,674	30,924	155,842
5 to 9	62,553	13,073	29,173	18,917	23,667	147,383	39,809	11,342	15,879	7,739	8,902	83,671
10 to 14	39,763		24,616	6,748	6,592	77,719	17,491		10,258	1,355	1,384	30,488
Total	200,195	105,623	54,141	55,044	60,577	475,580	153,717	104,676	26,223	39,768	41,210	365,594

ESTIMATED NUMBER AND PERCENTAGE OF SUSCEPTIBLES AS OF JANUARY EACH YEAR

Age group	1973		1974		1975	
	Number	Percent	Number	Percent	Number	Percent
Diphtheria, Tetanus, and Pertussis:						
0 to 4	67,130	42.2	38,440	24.2	22,125	13.9
5 to 9	41,440	22.2	18,780	10.1	6,745	3.6
10 to 14	31,100	15.9	16,010	8.2	12,810	6.5
Poliomyelitis:						
0 to 4	79,990	50.3	43,835	27.6	31,915	0.1
5 to 9	47,990	25.7	11,110	5.9	6,380	3.4
10 to 14	42,950	21.9	16,300	8.3	9,350	4.8
Measles:						
0 to 4	48,370	30.4	42,490	26.7	35,290	22.2
5 to 9	29,890	16.0	19,480	10.4	15,654	8.4
10 to 14	37,280	19.0	20,535	10.5	19,149	9.8
Rubella:						
0 to 4	50,920	32.0	40,410	25.4	33,235	20.9
5 to 9	44,830	24.0	21,140	11.3	17,315	9.3
10 to 11 [1]	23,540	40.7	6,950	12.0	6,565	11.4

[1] Rubella vaccine is not offered to children over 12 in public immunization clinics.

Mr. BAYH. I would also like to have printed in the RECORD an article in the Washington Post of April 8 which describes an outbreak of measles in the Mount Vernon-Franconia area of Fairfax County. This illustrates the need for continued immunization.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEASLES OUTBREAK HITS VA.

(By Bill McAllister)

An outbreak of measles is occurring in the Mount Vernon and Franconia areas of Fairfax County, health officials said yesterday, with 110 cases confirmed and 30 more suspected.

Health officials began vaccinating school children at several schools in mid-March after 50 cases were reported.

Since then, more cases have steadily been reported and one 12-year-old boy has developed encephalitis, the most serious possible side effect of the disease, according to Dr. John Einarson, assistant Fairfax health director.

The cases appear to be concentrated in two sections of the county, although a few cases have also been reported in Alexandria and the Woodbridge section of Prince William County.

County health officials have sent notices to Fairfax County schoolchildren advising them to check their immunization records. Many children apparently received vaccinations that were ineffective or failed to receive required booster shots, Einarson said.

In all of 1975, Fairfax County recorded only four measles cases. "Normally we wouldn't expect any cases," Einarson said.

A vaccine against the disease was developed about 10 years ago, but many children received their initial immunization at 9 months of age and studies have since indicated the vaccine may be ineffective on children under 9-years old, he said.

Mr. BAYH. If we do not head off outbreaks of this nature, we may face an emergency situation for this and other serious diseases.

The Senator from Arkansas and his wife are to be praised and congratulated. He was overly modest in describing the role he played, and which his wife continues to play in this important effort.

We have a responsibility to alert the country to what is happening to childhood immunization programs.

We are now prepared to accept $135 million for a swine flu immunization program.

We have potential epidemics of other diseases also. Look at the situation for other diseases: 37 percent of the population is not completely immunized against polio. We have the medical technology to stop polio. Yet 37 percent of the population are unprotected against polio.

The rate of nonimmunization for other diseases is also rising. For diphtheria, whooping cough, and tetanus, 26 percent of the population now lack immunization. Thirty-seven percent have not been immunized for measles.

The Senator from Arkansas very dramatically described what happens with rubella. Yet 40 percent of the people of this country are not immunized against it.

We have two colleagues on the floor, the distinguished Senator from Massachusetts and the distinguished Senator from New York, who have played leading roles in the area of health authorization. They, are now trying to do something about the immunization problem in the area of authorization.

What concerns me is that when we appropriate some money in the second supplemental bill, or the annual bill, it will have to go to the White House. Right now the President who wants $135 million to help fight a possible flu epidemic. We are going to give him the funds. But we have not been asked by that same President for funds to fight possible epidemics of whooping cough, measles, rubella, and polio.

I want to state that I am willing to back away from this amendment although personally I would like for us to utilize the President's acceptance of $135 million to fight flu, to get another $35 million to fight childhood diseases. I am prepared to back away, but I want to alert the Senate to the fact that we may be confronted with Presidential opposition if we appropriate funds for childhood immunization at a later time. To me, the potential of damage and danger to human life is as serious right now for other diseases as it is for flu. No money has been requested for them. I believe we should do something about it.

I thank the Senator from Washington who, along with the Senator from Massachusetts, has been expressing similar concern in the committee. I am glad to be a member of the committee and I will continue to work with them on this problem. We will get the money in the second supplemental, but we should be prepared for opposition from other quarters.

Mr. MAGNUSON. We always have opposition from downtown on these health matters. I would be willing to wager that if we put in the amount of money that the Senator from Indiana and the Senator from Arkansas want, and if the President vetoes it on account of that, the Senate would vote to override him. I do not believe he will veto. He cannot do anything about that, once he has suggested this.

Mr. BAYH. If the Senator will permit me—I have sat with him in committee and he has given me the privilege, on occasion, to chair the subcommittee when he has been called to duty elsewhere.

The Senator from Massachusetts has been fighting in the authorization area for these innovative programs. They are both familiar with the problem. Time after time we are confronted with this kind of opposition.

Whenever we seek to appropriate money for national health insurance, biomedical research, or cancer—the kind of cancer that confronted the family of the Senator from Massachusetts, mine, and that of the Senator from Washington, it is inflationary. But when they want to build a new missile or bomber, that is not inflationary. I will not get involved in that debate right now, but I think we should get tough on this.

Mr. MAGNUSON. I would like to have seen us go even further than vaccine, when we come to a discussion of this.

As the Senators probably know, I authored and helped establish the first cancer institute in 1938. It was the first bill I authored in the Congress. At that time four out of five people who had cancer died. Now we have it down to two and a half in five. We have made some progress. I would like to see it made mandatory, somehow, or at least for free if they cannot afford it, along with vaccines, that women take a Pap test. We would get it down to below two.

These are some of the things that we can work on in preventive medicine.

Mr. BAYH. Will the Senator permit me to interrupt one more time? The Senator mentioned Pap test. A Pap test is a test for cervical cancer which, if given regularly to women, has a chance of detecting that disease at a stage when there is a 90-percent chance of cure. That was not available when my mother contracted cancer when I was age 12 and we lost her.

Some time ago, I asked HEW to change the regulations so that the older women of this country could deduct the cost of a Pap test from medicare. I got back the word, "No, Senator, we cannot do that because that is preventive."

In other words, the health policy of this country says we can spend $10,000 for operations, chemotherapy, radiation and maybe then lose the patient—but we cannot spend $10 or $25 to help a women save her life. That is ridiculous.

Mr. MAGNUSON. We will get at that.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record a statement by Mr. Gary Hart.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR GARY HART

I am very pleased to join with Senator Bayh, Senator Bumpers and others in the effort to ensure the immunization of children against the "conquered" childhood diseases, namely polio, measles, rubella, mumps, diphtheria, pertussis and tetanus. Dozens of children are dying in the United States each year from these diseases which they never should have contracted. Scores more are left brain-damaged, blinded, deafened, and disabled. In addition, many adults, young and old, also die unnecessarily from these diseases for which effective prevention is readily at hand.

Because safe, effective vaccines now exist for these diseases, a widespread fantasy prevails that they are diseases of the past. But epidemiologists warn that serious outbreaks and epidemics are happening, that immunization levels are dangerously low throughout the U.S., and that more severe and more sweeping epidemics of some diseases threaten, as the number of unprotected persons increases. But vaccines simply won't work if they're left in the bottle.

The iron lung and the once-familiar sight of children wearing leg braces have almost become hazy, bad memories to most Americans since polio vaccines were developed by Drs. Jonas Salk and Albert Sabin between 1955 and the early 1960s. When live oral polio vaccine first became available, almost 90 percent of the nation's youngsters between one and four years old were promptly given the protection of three or more doses. Yet, by 1973, concern had so lapsed that 40 percent of the children in this age group—a total of over six million—were being left unprotected, with the percentages of unvaccinated children far higher in certain areas. Dr. C. Henry Kempe from the University of Colorado Medical School has predicted that paralytic polio will reappear in the U.S. unless this trend toward insufficient vaccination is reversed. Fortunately, paralytic polio has remained relatively quiescent for the past several years. But experts believe that an epidemic flashpoint could be reached in many locations at any time.

As if to give warning, polio struck in a "pocket epidemic" late in 1972 at the Daycroft School in Greenwich, Connecticut. This Christian Science-oriented private school of 129 students first reported a sick student with suspected polio early in October. By mid-month, 11 youngsters between seven and 17 years old had contracted polio. Experts believe that many other similar outbreaks may occur, and are most likely to happen in populations where the disease is rare and little or no immunity develops.

Before live measles virus vaccines were introduced in 1963, the measles toll in the U.S. had become an annually repeated story. There were some four million cases every year leading to about 4,000 cases of measles encephalitis and some 400 to 500 measles-associated deaths. In the wake of the disease scores of children were left mentally retarded, deaf, and with visual defects. Yet Americans traditionally viewed measles as a common and relatively harmless event of childhood.

During the first three years after the measles vaccine became available, 15 million people were immunized and the number of cases dropped by 50 percent.

In addition to the savings in human lives and suffering, what have been the other benefits of measles vaccinations? Immunologists can actually measure the economic impact of prevention programs for given diseases—a decisive factor when costs of mass vaccinations must be justified and public funds are limited. Thus, despite the intermittent lapses in federal support during the first decade, measles control programs have been of tremendous benefit both in human and economic terms. Dr. John Witte, Director of the Center for Disease Control (CDC), calculates that dollar savings to the nation achieved through measles immunization alone, during the 1963 to 1973 decade, amounted to $1.3 billion. By any standard the vaccine was a good investment.

Yet even today, measles remains a huge problem. While betwen 85 percent to 90 percent of the nation's children will have received measles vaccination by age five or six, most of those between ages one to four, who are at highest risk, remain unprotected. In 1973, 40 percent of this age group had no measles immunization, despite the fact that half of measles deaths occur in children under two years old. Case fatality rates in measles have change little from prevaccine days; one death for every 1,000 reported cases.

Scientists tell us that while the incidence of measles fluctuates directly with immunization levels, rubella is different and perhaps more insidious. Epidemics of rubella, if unchecked, occur every six to nine years in the U.S. The 1964–1965 epidemic resulted in more than 20,000 cases of congenital rubella syndrome and an estimated 30,000 spontaneous abortions.

Rubella vaccine was introduced in 1969, and physicians and health workers went into swift action to immunize as many children as possible and reduce transmission rates before the cyclic return of the disease. The effort paid off: The expected rubella epidemic of the early 1970s never happened. However, epidemiologists warn of the need for continued efforts to maintain high levels of protection against future epidemics.

Although mumps protection is urged by the American Academy of Pediatrics, the CDC, and other medical bodies, it cannot legally be used in the free, federally funded immunization clinics because the public law at present specifies which vaccines are to be made available—and the list doesn't include mumps. While private practitioners increasingly use the triple shot for measles, mumps, and rubella, only measles-rubella vaccine is given in public health clinics.

At the present time, two thirds of U.S. preschool children are not immunized against mumps, though according to physicians, the disease carries risk of postinfectious meningitis or encephalitis with involvement of the nervous system, gonads, pancreas, and other organs. Regional studies indicate that about a third of mumps cases are in children less than five years old, and another 50 percent of cases occur in the five-through-nine age group.

Routine immunization of infants with diphtheria and tetanus toxids and pertussis vaccine (DTP) is established practice in the U.S.: For 25 years, immunizing against these diseases has markedly cut both the number of cases and deaths. But protection levels are slipping. Dr. Whitte reports that in 1973, about a quarter of preschool children were without adequate DTP protection. That year brought a total of 228 reported cases of diphtheria, 101 cases of tetanus, and 1,759 cases of whooping cough.

According to the medical scientists, pertussis immunization is particularly important for infants because the disease shows its highest attack rate, most severe complications, and highest mortality in infants and very young children. About three quarters of whooping cough deaths typically occur among children under a year old. And in the opinion of some medical scientists, the rate of mental retardation is increased among the young pertussis survivors.

Diphtheria, preventable now for over 50 years, hits hardest at very young children and at those over 50 years old. Further, the occurence rate of diphtheria, which dropped steadily after the 1920's, has been on the rise since 1965. Mortality rates also have risen since that year.

Epidemiologists reviewing the 1970 outbreaks of diphtheria in California, Arizona, and Texas concluded that in order to prevent epidemics, 70% to 90% of a population must be vaccinated. But nationwide, 27.4 percent of our one-to-four year olds were not adequately immunized against diphtheria in 1973, CDC reports. This is the lowest protection level in 11 years.

The same children who are not protected from diphtheria and pertussis are also left unprotected from tetanus, a disease with a case-fatality ratio of between 60 percent and 70 percent. And here again, the one to four year olds are at highest risk.

All of these diseases are preventable. However, prevention requires immunization. And although most parents are aware that children need vaccinations when they start going to school, many parents think that obtaining this protection when the child is five or six years old is soon enough.

This is simply not true, and it may even be a dangerous assumption. The fact is that children need vaccination protection most of all from babyhood until they're four years old. Often these contagious diseases are more serious in infants, with more chance of complications and greater risk of death. As I have indicated, fully half of the fatal cases of measles are in children less than two years old. And almost three quarters of whooping cough deaths are in children less than one year old.

Let me summarize very briefly. The immunization program proposed by H.J. Res. 890 will provide adults with protection against the prospect of one potentially serious disease—influenza—at an estimated cost of $135 million. This will probably be money well spent.

However, for a fraction of that amount, we can take advantage of the access and publicity surrounding the vaccination program to provide our children with protection against the certainty of a host of life-threatening diseases: Polio, Measles, Rubella, Mumps, Diphtheria, Tetanus, and Pertussis. This will definitely be money well spent.

These are diseases that simply should not happen. Each poses serious risks to a child's life. They are risks that no child today should be forced to face.

Mr. JAVITS. Will the Senator yield for a unanimous-consent request?

Mr. MAGNUSON. Yes.

Mr. JAVITS. Mr. President, I ask unanimous consent that Donald Zimmerman and Larry Greenberg, of the Labor Committee staff, be granted the privilege of the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Will the Senator yield for a unanimous-consent request?

Mr. MAGNUSON. I yield.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. Horowitz, Mr. Silverstein, and Mr. Fox be permitted access to the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Now, Mr. President, the other part of the bill includes, as I mentioned, urgently needed funds for public service jobs, jobs for our youth and elderly citizens. We did get some money in for the older Americans. This all relates to jobs. The bill has $1.2 billion to continue the current level of public service jobs through January 1977, so a lot of people will not be laid off.

There is $528 million which will provide 888,000 summer youth jobs. Again, it is at the same enrollment level of last year.

There is $56 million to provide 15,000 jobs for the elderly until June 1977.

Then there is $23 million for the summer youth recreation programs. There is a small percentage of that involved in transportation.

I hope the Senate will agree to these amounts, so that we can go to conference immediately and get this bill down to the President without delay. So that there is no misunderstanding, we are not turning this bill into a "Christmas tree." Eighty-five percent of this money was requested by the President. In fact, we are 15 percent below the President's request. If there is any question about the urgency of these items just look at the hard facts: Over 12,000 public service jobs enrollees have already been laid off; a total of 115,000 will lose their jobs by June 15, 1976, unless we take action now.

We still have more than 7 million jobless people in this country. I would like to see them all get jobs in the private sector, but there just are not that many jobs available. At the same time, there is a critical need for more public service personnel in such occupations as firefighters, police, nurses, corrections officers, and community workers. It does not make sense, as the President proposes, to lay these people off and rob them of the dignity and self-respect of being productive, taxpaying citizens and to push many of them onto welfare.

JOBS FOR THE ELDERLY

Of equal urgency is the jobs-for-the-elderly program. We are not about to accept the President's proposal and let 15,000 of our senior citizens be laid off. What good is it to extend human life if we cannot provide for the quality of life?

SUMMER YOUTH JOBS

More than 2 million disadvantaged youths are expected to be without jobs this summer; the rate of teenage unemployment remains above 19 percent. We all know the consequences of high youth unemployment and idleness during the summer months, turning young people to drugs and crime. The President has belatedly recognized this by finally sending a message to Congress asking for funds for summer youth jobs. We have recommended emergency appropriations so that local project sponsors can begin gearing up before the end of the current school year. Let us not repeat the mistakes of previous years, when funds came so late that it was virtually impossible to provide meaningful jobs for these youths. For many, this programs provides the first job they have ever held; we do not want to turn them off with make-work, dead-end jobs. We want to encourage these youths to stay in school and complete the education that is so necessary to break out of the poverty cycle.

YOUTH RECREATION PROGRAMS

The committee provision of $23 million for youth recreation programs will allow millions of people access to organized sports activities during the summer months. The $6 million national youth sports program will, in addition, provide medical examinations, career guidance, and drug abuse education.

Mr. President, we must not delay enactment of this bill. Every day that passes throws more than thousand people out of work—10,000 a week. A quarter of a million jobs are at stake if we accept the administration's plan to abolish this program. Yes, the economy is getting better, but with millions projected to be without jobs for some time to come, abolishing public service employment will only put more people into unemployment lines and on the welfare rolls.

I urge my colleagues to vote for immediate passage of this emergency supplemental appropriations bill.

Mr. JAVITS. Mr. President, will the chairman yield?

Mr. MAGNUSON. Yes.

Mr. JAVITS. Mr. President, I would like to tell the chairman of the subcommittee and Senator BROOKE how much is appreciated their very fine and constructive action on summer jobs, especially as it comes early. The Senators both know the struggle I have waged in the years to get this money out early. It is coming out much better now than in some years, and I congratulate them for it. I appreciate what they are doing under the present financial stringencies.

I did want to raise a legal question about this $1.2 billion for title II of CETA. The committee purports to give certain directions to the Secretary. With all respect, I believe there is no legal basis for those directions. It is appropriate to give such directions if the law covers it, but in this case the law does not.

This is no fault of Senator MAGNUSON, Senator BROOKE, or of the committee. Their intentions are good and honorable. But it results from the fact that everything that is authorized under title VI has been used up. Therefore, we urgently need a new authorization. In view of the efforts of the administration to phase out public service jobs almost entirely, they are not going to be very enthusiastic about a new authorization unless it is absolutely essential to serve essential purposes.

Again, with all respect, because the chairman knows how much I admire and love him, if these directions of the committee were carried out notwithstanding the law, it would result in discouraging the expansion of the necessary authorization for title VI.

If the Senator will follow me, because it is an important point, the committee says, on page 2 in the second paragraph of its description of what it is doing:

> The committee recognizes that not all title VI prime sponsor areas qualify for funding under the title II program because their local unemployment rates are below 6.5 percent. Therefore, the committee authorizes the Secretary to utilize in non-title II areas discretionary funds available to him in this supplemental appropriation in order to prevent the imminent layoff of these program participants.

The difficulty is that the Secretary, in my legal judgment, has no such latitude because section 202(b) of Public Law 93-203, which is the applicable law, says as to the Secretary of Labor:

> The remainder—(that is, 20 percent of the funds available)—may be distributed by the Secretary in his discretion without taking into account the severity of unemployment within such areas.

Such areas are defined in subsection (a) to be areas of substantial unemployment. Areas of substantial unemployment are defined in section 204(c) to be those with 6.5 percent or higher unemployment.

Therefore I cannot see how, by committee direction, the law can be changed. It relates only to the areas which have 6.5 percent unemployment, even though, Mr. President, it is discretionary. It is discretionary solely within those areas of substantial unemployment.

Mr. BROOKE and Mr. MAGNUSON addressed the Chair.

Mr. JAVITS. I would like to lay both problems before the committee.

Mr. MAGNUSON. May I say——

Mr. JAVITS. All right; I will stop now.

Mr. MAGNUSON. The Senator brings up a situation now, the first we discussed——

Mr. JAVITS. Yes.

Mr. MAGNUSON. But what we are trying to say is, give the Secretary sufficient flexibility that he can do this, and that is all we can do.

Mr. JAVITS. I do not think the committee can give the Secretary a power he cannot have under the law.

Mr. MAGNUSON. Well, I do not know who is going to object to it.

Mr. BROOKE. We were told by the Labor Department that this could be done, No. 1. But I think the point we ought to make to the distinguished Senator from New York, and I know he is concerned, is that under title VI, as I understand it, we could vote jobs when there was 4.5 percent and above unemployment.

Mr. JAVITS. That is correct.

Mr. BROOKE. 4.5 percent and above.

Mr. JAVITS. Right.

Mr. BROOKE. And under title II we would be limited to 6.5 percent unemployment and above.

Mr. JAVITS. That is correct.

Mr. BROOKE. That wipes out a large area that would not be funded. So what we tried to do was take title VI and put it under title II, in order to take care of the situation.

Mr. JAVITS. I can understand——

Mr. BROOKE. Which I would think the Senator from New York would be in favor of.

Mr. JAVITS. I can understand the committee's perfectly good faith, but the difficulty is that that resulted in putting title VI permanently on the shelf, and any department can very well, in the absence of title VI, refuse to disburse the discretionary funds, on the ground that title II authority is not adequate.

The same argument, incidentally, is true as to the 30-day unemployment requirement. There again, the law controls and holds you to title II substantial areas of unemployment.

There is no way of amending what has been said in the report, so what I would like to do is make this additional legislative history: that since this is not lawful and cannot be done, that the committee then will say—and here are the two Senators who can say it—that as soon as title VI authority comes along, the money from this emergency supplemental appropriation which is to be used, as you advise the Secretary, can then be used under title VI.

Mr. BROOKE. That would be perfectly all right, because I was just going to say that one of the problems is that we have not had the authorization, and this will pressure them to get on with the authorization. We would be grateful if the authorizing committees would come forth with the authorization, in which case we would not have the dilemma we have now.

Mr. JAVITS. That is correct. That is the necessary addition to this statement, and once it is made we are all in order.

Mr. MAGNUSON. Mr. President, if the Senator will yield, the Solicitor's Office of the Labor Department has indicated that the directions we provide in the Senate report are legal and sufficient for the Labor Department to carry out our direction.

If there is going to be any problem in the future, I would suggest that my good friend, who is always good at these things, have his own committee amend the bill, if that is what is wrong.

Mr. JAVITS. Mr. President, we will do our part. What I am asking the Senator's committee to do now is to make it clear that their direction means that, when a title VI authorization comes along, he may use these funds respecting title VI.

Mr. MAGNUSON. That is all right.

Mr. BROOKE. I think the colloquy here on the floor will clarify that.

Mr. MAGNUSON. Mr. President, I yield the floor.

Mr. BROOKE. Mr. President, the pending supplemental appropriations bill contains a number of items which are urgent in nature.

The bill provides the $135 million requested by the President—and approved by the House of Representatives—for a nationwide influenza immunization program.

It also provides an additional $1.8 billion for public employment, jobs for the elderly, and summer employment for our younger people. These, too, are urgent matters, as I shall explain in a moment.

The $135 million for flu vaccinations arises from an outbreak of swine influenza among military recruits at Fort Dix, N.J., in February. The particular strain of swine flu, we are told, has not been prevalent in the United States among humans for 50 years.

We also are advised that it is related to the swine flu virus which was implicated as the cause of the 1918-19 pandemic. That outbreak caused 548,000 deaths in this country alone.

And, according to the testimony at our recent hearing on this subject, virtually the total population of the country is vulnerable to infection from swine influenza next fall and winter.

Under the circumstances, HEW's health professionals, along with a number of outside experts, prescribe a nationwide immunization program. This type of mass immunization program would dwarf in scope the massive attack on polio that began in the 1950's.

The President has listened to the health professionals and based upon their advice has asked for the $135 million for the flu innoculation program. We received the same advice from HEW's health professionals in our recent hearing. I believe we cannot ignore it—we cannot take a chance with the health of our people. We must go forward with this program.

At the same time, it is important to stress that this is an entirely voluntary program. No one will be forced to get a flu shot. Those who do get the shots will, as I understand it, be forewarned about possible reactions or side effects.

Of the $135 million to be provided, $100 million is for purchase of the necessary flu vaccine; $26 million is for helping State and local governments develop and operate community immunization programs.

At this point I would like to say that the distinguished chairman of the committee, Mr. MAGNUSON, has pointed out, and I think very well, that this will be the nucleus for immunization programs for other diseases that have been discussed on the floor, such as rubella and polio; $3,200,000 is for control and regulation of the vaccine by the Food and Drug Administration; and $4 million is for additional flu research by the National Institutes of Health. There also will be $1.8 million available for administrative and technical costs.

We are advised that time is a critical factor in this antiflu effort. Work on developing and perfecting the vaccine must start promptly, and the States and communities must begin their own organizational efforts. Thus, this has been characterized as an urgent—or emergency—supplemental.

But, unemployment in this Nation also remains an urgent—or emergency—matter. Our jobless rate is down, but it is down only to 7.5 percent, with an estimated 7 million people out of work. We believe, in fact, that more than this number are jobless but simply have become discouraged and have given up looking for work.

Thus, the unemployment picture, while improving somewhat, requires our continuing attention. Further, prime sponsors, including cities in Massachusetts and elsewhere, are running out of public service jobs money, with layoffs possible or actually taking place.

In Massachusetts a number of prime sponsors are experiencing considerable difficulty. The Department of Labor advises that the balance of State Massachusetts prime sponsor could lose some 4,987 people from its rolls by the end of June as matters presently stand.

The city of Boston, with some 40,000 unemployed, exhausted its regular title II public service jobs money last December. It has 1,143 people enrolled in an emergency jobs program but can maintain this level only through June 30, according to the Labor Department.

The Cambridge Consortium, another prime sponsor, may expect "substantial layoffs" to begin by June 15 under present funding conditions, the Department adds.

Nationally, we are advised that in April alone some 1,000 public employment enrollees will be laid off every working day of the month, because of the lack of sufficient funds.

The number of potential layoffs runs into the tens of thousands and it must be of deep concern to us all. We do not want the jobless rate to reverse its course and start climbing again. We know what this means to the economy and the country and most particularly to the people involved. The destructive effects of additional unemployment must be avoided.

Consequently, our committee provided $1.2 billion for public employment. This is $400 million more than the House subcommittee level in the second supplemental appropriations bill. I believe the House was moving in the right direction, but its recommendation would provide funding only through October of this year. This does not go far enough in my view, and that is why I was glad to propose the amendment the subcommittee accepted to provide funding through January 1977.

In addition, we provide $528.4 million for summer employment for youth. Here again, I felt the House did not go far enough, and I moved to raise the figure from the House level of $499.8 million to $525 million. When our committee later learned that the administration was planning to submit a budget request of $528.4 million, we amended our figure to coincide with the level the President seeks.

Our new level will provide some 888,000 9-week jobs for disadvantaged youth ages 14 to 21 this summer. But the summer is not that far off and we must act now if there is to be sufficient time available for developing an effective program.

Our committee also has provided $55.9 million, the same level as the House, for some 15,000 jobs for elderly workers. This vital program provides part-time job opportunities for persons 55 years of age and older. The President's budget proposes to abolish this program effective this June 30.

Our committee also has provided $17 million for summer youth recreation and transportation and $6 million for the national youth sports program.

I believe we have developed a bill that responds not only to the President's plea on flu vaccinations, but also to the urgent needs of our Nation's unemployed. I hope the Senate will give the pending measure prompt approval.

I commend the distinguished chairman, Mr. MAGNUSON, and his very able assistant, Mr. Dirks.

I certainly commend the ranking minority member of our committee, the Senator from North Dakota (Mr. YOUNG) the very able minority counsel, Mr. Bonner, and our very able assistant on Labor-HEW, Mr. Kaganowich.

This is important urgent legislation that cannot be delayed, and we are hopeful that we can complete action on it very shortly, go to conference at the beginning of next week, and have this legislation on the desk of the President prior to the Easter recess; and we hope the President will sign it into law.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, House Joint Resolution 890 came to the Senate as a very brief piece of legislation. House Joint Resolution 890, as it came to the Senate from the House of Representatives, provided for appropriation of $135,064,000 for a comprehensive nationwide influenza immunization program.

This would be a volunteer program, that is, each individual would decide for himself or herself whether or not he or she wished to make use of the vaccine. I can support that $135 million program.

The bill before the Senate, however, goes way beyond and is entirely different from the joint resolution sent to the Senate by the House of Representatives.

The total amount of the legislation before the Senate today is $1,942,384,000.

In other words, the Senate committee took a piece of legislation calling for an appropriation of $135 million and now has presented to the Senate legislation with appropriations totaling $1,942,384,000. The flu vaccine part of the total bill represents only 7 percent of the total dollars involved. Yes, only 7 percent.

I would like to support the vaccine program of $135 million, but in order to do that one would need to vote for legislation carrying an appropriation of $1,942,384,000.

The legislation provides $528,420,000 in additional money for comprehensive manpower assistance. I will point out that the committee report states there is presently available for this program $2,388,400,000. Yet the pending legislation would increase that amount which is now available by an additional $528,420,000.

To take another area, for public service jobs there is presently available for this program, according to the committee report, $1,625 million. The legislation before the Senate today, as reported by the committee, would add an additional $1,200 million to the $1,625 million already available for the public service jobs.

So, Mr. President, considering the total package, the Senator from Virginia finds that the figures are so high that he would find it very difficult to support this House Joint Resolution 890 as presented to the Senate by the committee.

I say again, I have no problem with the $135 million for flu vaccine, but the total of $1,924,384,000 is far too much, in my judgment, especially considering the fact that the budget deficit for the current year will exceed $75 billion.

Mr. MAGNUSON. Mr. President, the total of $1.9 billion recommended by the subcommittee is $336 million below the President's budget requests for these items.

The President's budget requests are below the Congress fiscal 1976 budget ceilings.

All we are doing is taking budget request items, for which the House Appropriations Committee agreed to in the second supplemental, and move them up into this emergency supplemental. This is in the interest of program efficiency and effectiveness; it would cost more if we delay consideration of the President's requests and the House second supplemental allowances for these programs.

The specific amounts approved by the committee are: $1,200 million to continue the current level of 310,000 public service jobs through January 1977. The President's budget requested $1,700 million; $528,420,000 to provide 888,000 summer youth jobs, the same enrollment level as last year. This matches the President's budget request; $55,900,000 to provide 15,000 jobs for the elderly, through June 1977. The President proposed to establish this program; $23,000,000 for summer youth recreation and transportation programs, including $6 million for the national youth sports program. Last year, Congress provided $20 million for these programs.

For the record, here are more specific details of our committee's actions:

PUBLIC SERVICE JOBS

The committee recommended $1,200 million to extend 310,000 current enrollees in both the title II and title VI public service jobs programs authorized under the Comprehensive Employment and Training Act. The President's budget proposed phasing down this program to only 50,000 jobs by September 1977.

Job opportunities include a wide variety of work, such as firefighters, electricians, corrections officers, community workers, licensed practical nurses, patrolmen, and lab technicians.

SUMMER YOUTH JOBS

The committee recommended $525 million to provide last summer's level of approximately 882,000 job opportunities for disadvantaged youth. Jobs include such work as teacher's aides, library assistants, and hospital aides, as well as work in park and recreation agencies.

JOBS FOR THE ELDERLY

The committee voted $55,900,000 to expand the community service employment for older Americans program authorized under title IX of the Older Americans Act from 12,400 to 15,000 jobs. The President's budget proposes to abolish this program, effective June 30, 1976.

SUMMER YOUTH RECREATION AND SPORTS PROGRAMS

The committee recommended $23 million composed of: $17 million for the summer youth recreation and transportation program and $6 million for the national youth sports program. The President's budget proposed to abolish both of these programs.

These programs rely heavily on volunteers, as well as providing job opportunities such as recreation aides and playground monitors for enrollees in the public service jobs program.

The national youth sports program provides disadvantaged youths between the ages of 10 and 18 living in concentrated areas of poverty an opportunity to receive and participate in sports instruction and competition.

The summer youth recreation program provides cultural, educational, and sports activities during the summer months for economically disadvantaged children between the ages of 8 and 13. Approximately $1,700,000 of the $17 million recommended was included for transportation support services.

Mr. KENNEDY. Mr. President, I send an amendment, in behalf of myself and the Senator from New York (Mr. Javits), to the desk.

The PRESIDING OFFICER (Mr. Curtis). The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Massachusetts (Mr. Kennedy) for himself and Mr. Javits proposes an amendment.
>
> At the appropriate place add the following:
>
> PRECLINICAL AND CLINICAL TESTING
>
> For monitoring and assuring the adequacy, reliability, and quality of preclinical and clinical testing of drugs, food additives, and devices under the provisions of the Federal Food, Drug and Cosmetic Act, $25,280,000 shall remain available until expended.

Mr. Kennedy. Mr. President, I understand the Senator from Ohio wishes to have a colloquy with the Senator from Washington. On the understanding it shall be brief, I am delighted to yield.

Mr. TAFT. Mr. President, with regard to the matter that has been discussed by the Senator from Washington and also the Senator from Massachusetts, particularly relating to the $1,200,000,000 in connection with CETA funds, I simply desire to have assurance as to the intent of the Senate on this matter.

I shall ask this question to the distinguished chairman. Is it the intent of the Senate that these funds may be used to reimburse cities that have run out of public service jobs money and borrowed from other sources in order to avoid layoffs?

Mr. MAGNUSON. The report, as the Senator from Ohio read, it clearly states that it is our intent that the public service job funds be used to continue all current enrollees, in other words, keep them as they are and thus avoid layoffs. The Labor Department should be gearing up to spend these funds, rather than forcing layoffs, and that is our intent. The language of the report is very strong.

Mr. TAFT. I thank the Senator very much for his explanation of that matter. It clears it up entirely.

I thank the distinguished Senator from Massachusetts for yielding.

Mr. KENNEDY. Mr. President, the amendment which Senator Javits and I are offering today is to provide the Food and Drug Administration with the necessary resources to monitor and assure the adequacy, reliability, and quality of preclinical and clinical testing of drugs, food additives, and devices under the authority of the Federal Food, Drug, and Cosmetic Act. These tests are the scientific basis upon which FDA makes judgments as to whether to approve drugs and other articles for the use of the American People. Mr. President there is a serious problem with respect to the lack of adequate resources for the Food and Drug Administration to fulfill, what I consider to be, the most basic, fundamental and important responsibility of that agency.

I wish to point out, to the Members of the Senate, that we are about to consider appropriating $135 million for the flu vaccine. Quite frankly, there is a very serious question as to whether this particular influenza really will strike at the American people. However, we cannot afford to take that chance with respect to protecting the health of the American people. Therefore, in order to insure against such a risk, Congress and the President are about to authorize and appropriate $135 million for that particular purpose.

I have very serious reservations as to whether this program actually will be able to be implemented on time and whether the vaccines will be adequately prepared. I wonder whether we will be able to develop the kinds of procedures to make sure that the drug companies are going to do this as a public service to the American people rather than as a profitmaking venture.

We have heard extensive testimony before our Health Subcommittee from various health spokesmen, from various States, which raises serious questions as to whether this program will be able to be adequately implemented. I will support this program, but with some very serious and grave reservations in terms of whether we are going to be able to see this program substantially realized.

On the other hand, Mr. President, the amendment which the Senator from New York and I are proposing is something which is as basic and fundamental to the protection of the American people as any health measure we could possibly enact.

Every person who read the newspapers this morning or who watched the television last evening knows that one of the most important drug companies in this Nation is about to be subject to grand jury investigation. The Food and Drug Administration has strongly urged this action after an intensive investigation. The Food and Drug Administration is sending their full investigation to the Justice Department, asking the Justice Department to take appropriate action.

The Commissioner of the FDA told us, in testimony before the Health Subcommittee, that he cannot give assurances to the American people that the situation at the G. D. Searle Co. is not the same in drug company after drug company all across this country. Dr. Schmidt is very concerned. The individual to whom we, the Congress, have given the mandate to assure the safety of the American people and to require the integrity of scientific data, is powerless to do so. He is powerless because he lacks the capacity to do it without the resources. We must give him the resources to do it. We must not fail in this duty, as representatives of the American people.

The Commissioner of the Food and Drug Administration said today that he does not have these resources. He cannot assure that the scientific data on which he must base public health decisions is accurate without these resources. He lacks the capacity to do it, unless we give him $25.28 million for an additional 761 positions. Dr. Schmidt requested this amount before our Health Subcommittee yesterday. This was the amount which he sent to the Department of HEW. The Department of HEW has received a recommendation from the President's Office of Management and Budget that this figure be cut to $20.5 million. The difference between $25.28 million and $20.5 million is the amount needed by the Food and Drug Administration to inspect the drug testing facilities and procedures of every drug research company in this country, as well as the drug companies themselves. Without that, they are going to have to be selective as to which companies they are going to so inspect.

Mr. President, this is a brief record of what is happening in the drug industry. This morning, before our Health Subcommittee, we heard Mr. Train testify. He is the Administrator of the Environmental Protection Agency. EPA also has important responsibilities in protecting the health of the American people. They insure that pesticides, insecticides, and fungicides which are used on our Nation's food crops are safe for the American people.

Mr. President, this morning Mr. Train revealed that he has the same problem of lack of scientific integrity of the testing which he has jurisdiction over.

In addition to Mr. Train we had 15 agents of the Environmental Protection Agency before our subcommittee. They appeared under protective subpenas. I wish every Member of this body could have heard their testimony. It absolutely parallels the situation in the Food and Drug Administration. In the last 6 weeks, under the direction of Mr. Train, investigators of EPA took a random sample from more than 104 pesticides and insecticides which are believed may be cancer causing agents. They reviewed the studies on 24 of them. According to the sworn testimony of the No. 1 investigator of EPA, 23 out of 24 selected at random had incomplete scientific studies. He said that the scientific information was lacking, that there were serious distortions and misrepresentations.

As a result of this, Mr. Train said that he could not give assurances to the American people about the safety and the efficacy of the insecticides and pesticides that were being used now all over the length and breadth of this Nation.

Mr. President, this issue is so much more important, in terms of protecting the health of the American people, than, with all due respect, the dangers of the flu.

The amendment that the Senator from New York and I are offering would do a very simple and fundamental thing. It would provide the Food and Drug Administration with the necessary resources to permit the kind of monitoring of scientific research which is so essential and necessary. Not only the Commissioner of the Food and Drug Administration believes this is essential, but also, the Director of EPA feels it is imperative. The GAO has pointed out the same problem in its investigation of the Food and Drug Administration. I do not believe we can wait another day for this action.

Mr. President, I am very hopeful that this amendment will be accepted on the floor and when we go to conference with the House the President will give this particular request the strong support that he has given to swine flu.

Mr. President, I would be glad to go into further detail about the upsetting revelations on how scientific data is distorted and made to support conclusions which are not based on scientific fact. I would be pleased to discuss, in detail, the inadequacies of the current system and the other relevant aspects of our hearings. However, I see my colleague and cosponsor, the distinguished Senator from New York, in the chamber, and I shall withhold further comment at this time to allow Mr. JAVITS to speak.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. KENNEDY. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I shall not detain the Senate long. Senator KENNEDY has very clearly outlined the situation. I should just like to read an exchange in a colloquy between the Commissioner of the Food and Drug Administration and Senator KENNEDY.

He asked him yesterday, and I sat in on the hearing:

> Well, how important do you feel, Mr. Commissioner—how important, given the background of what you said this morning on the laboratories and what your studies have shown—how important an investment is that, do you feel, in terms of the public's funds?

That is, the amendment we are pressing now.

> Dr. SCHMIDT. I believe that it is essential that this kind of program be carried out, and be carried out as soon as possible. We do a lot of very expensive things in this country that are at the leading edge of research and of science, and what we are talking about here is the foundation of science and scientific knowledge.
>
> I think it is important to have a very sound foundation of costs. Compared to what we are investing in other areas, to my way of thinking, this is very small and well worth the information that we receive.

Mr. President, aside from that very basic foundation that I have just read, the important point here is that we are seeking to lock doors which are ruinously opened and simply because of the rather infinitesimal aspect of personnel, which appalls Senator KENNEDY and myself. That cattle must die, families must be ruined—and they are marvelous about it, unbelievable Americans, farm families from the Middle West—just because we have not enough people to do the job. When we compared their losses to what we were denying them in terms of this lack of personnel, it was really shocking, and really, just unanswerable.

So, Mr. President, knowing full well, and I certainly do—I have been here a long time and understand—the problems which my colleagues have in respect of this appropriation bill, we felt that, it being so much right now in the very active phase of this work, it was very important that some help be given to the personnel side to this agency. Notwithstanding the disabilities which are involved in terms of the practical legislative configuration, the Senate always has shown that it knows a right way to do right, and this is such an occasion. Hence, Senator KENNEDY and I have joined in pressing for this amendment.

Mr. BROOKE. Mr. President, I would like to address myself to the amendment which has been introduced by my distinguished senior colleague from Massachusetts (Mr. KENNEDY).

If I might have Mr. KENNEDY's attention, Mr. President, I would just like to say to my colleague I am most sympathetic with the purposes that he intends by the introduction of his amendment. I am sure we do need assistance for FDA, particularly at this time.

I am sure that the distinguished chairman, the Senator from Washington (Mr. MAGNUSON), will agree that we need assistance in FDA.

But, Mr. President, we are here concerned with an urgent supplemental bill. We sat yesterday in the full committee, we sat the day before in the subcommittee, and at no time did we have any suggestion that this particular amendment would be offered on the floor.

Mr. President, the second supplemental will be taken up very shortly. At that time we have the assurance of Mr. MAGNUSON, the chairman of the subcommittee, and now the acting chairman of the full committee, we have the assurance of the distinguished Senator from North Dakota (Mr. YOUNG), the ranking member of the full committee, that they will give full consideration—and also Senator MCGEE of Wyoming, who is the chairman of the subcommittee, who has given us his asurance that they will take this matter up and give it expeditious attention.

All in all, what I want to do is to assure my colleague that we are prepared to do everything to see that what he has proposed will be given expeditious treatment, and we are hopeful that in the second supplemental, which will be coming very shortly, that that will be done.

Now, once we begin to open up this floodgate which, I am sure, the Senator from Massachusetts does not want to do, we risk the danger of having this urgent supplemental not accepted by the House of Representatives. They practically said that to us, that they are just not going to accept anything else on that.

We are hoping we can take this urgent supplemental without even a conference if we restrict it to what we already have and what they have already agreed to, and they will not accept this FDA addition to this urgent supplemental bill.

At one time we thought that a point of order would lie. No one wants to raise a point of order, and I can understand that my colleague can correct his language so that he can get within that restriction and a point of order will not lie. We do not want to have to take this on a motion to table. We would like to give assurance to the distinguished senior Senator from Massachusetts that we collectively will do everything we can——

Mr. KENNEDY. Mr. President, will my good friend yield?

Mr. BROOKE. Yes.

Mr. KENNEDY. I also could raise a parlimentary point. You realize that the authorizing legislation for the flu vaccine is still pending in our health subcommittee.

Mr. BROOKE. I am sure the Senator does not because there are 5,000 or more jobs in Massachusetts alone that are going to be affected adversely if this legislation is not passed.

Mr. KENNEDY. Yes. I am talking about the swine flu, and we are also talking about millions of people's lives.

Mr. BROOKE. Yes, of course.

Mr. KENNEDY. I agree about the point of accommodation you raise, however, my good friend, that works both ways.

Mr. BROOKE. Of course, it works both ways. But I want to assure the Senator, who has fought time after time for summer youth jobs, not selfishly only for our State of Massachusetts but for all over the country. He also knows there is a great need to preserve these public service jobs. That is the urgency for putting this onto this flu vaccine bill.

We do not want to clutter this up so that we will lose it. That is all I am saying to the Senator from Massachusetts. We are not trying to give him the brushoff. We intend to give these items every consideration. We have gotten that from Senator McGee; the Senator has got it now from the chairman of the full committee, the subcommittee, and the ranking member of the full committee and the ranking member of the subcommittee.

I do not know what other assurance we can give to the distinguished Senator from Massachusetts. I can assure him that he has got some allies in this cause, and they will give proper and expeditious attention to this just as soon as they possibly can.

I would hope he would seriously consider, upon those assurances which now are a part of the record, withholding his amendment, and let us go forward.

I ask the same thing of my distinguished colleague from New York because he has fought for jobs, summer youth jobs, and he knows what we are talking about. We do not want to have to go to conference. We would really like to take this legislation next week, as I said, on Monday, and just get with the House and say, "This is it," and send it right down to the President, have him sign it hopefully on Tuesday or Wednesday.

As it is now constituted we have received some assurances from the House of Representatives that they apparently will accept the bill as reported.

Tack this onto it and we do not know where we go. I am sure that neither my colleague from Massachusetts nor my colleague from New York wants to be a party to holding back these jobs, as important as the amendment they offer on the floor today is. That is the case, in brief.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BROOKE. Yes, I would be very pleased to yield.

Mr. JAVITS. Do I understand correctly that the ranking minority member and the chairman gave assurances to my colleague from Arkansas and my colleague from Indiana that their particular amendment would be dealt with affirmatively in the second supplemental? That is a lot different from holding hearings.

Mr. BROOKE. No, I do not think we said it would be dealt with affirmatively. We said it would be given consideration in the second supplemental. I do not believe the chairman gave any assurance that what was offered by the Senator from Indiana or the Senator from Arkansas would be accepted in the committee. I do not think he could. I certainly could not. We do not know what the committee is going to do, but we said we would take it up.

Mr. JAVITS. I was not on the floor.

Mr. BROOKE. No; we said we would take it up and give it expeditious attention. Nobody made any promise to accept it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. YOUNG. So far as the Senator from North Dakota is concerned, I will give favorable consideration to the amendment in the second supplemental. I understand the administration will support at least $16 million, and I think they will probably accept more.

Mr. BROOKE. The Senator has many friends, including the administration.

Mr. JAVITS. The administration is what is worrying me because, after all, this deficiency has been building. As a matter of fact, we in our committee have been concerned about giving additional responsibility to the FDA, although it might be absolutely essential, as we have already demonstrated, because we knew they could not carry it. It made us question it. We just went through, the other day, a conference on medical devices, successfully, and we are worried about it because we are giving them authority. It is very essential. It is all these devices, you know, including pacemakers and all of these delicate instruments.

But, we do not know. They say they have got personnel to handle it. We are convinced they have not. Hence, the problem here.

Mr. BROOKE. Will the Senator yield?

Mr. JAVITS. Yes.

Mr. BROOKE. I think that what has been uncovered by my distinguished senior colleague as far as the drug companies are concerned, unquestionably is going to necessitate additional personnel at FDA. I think there is no question about that.

But I do not think we cannot do that in the urgent supplemental, is all I am saying. All I am asking of both my colleagues, if we leave this question, we will take it up in the second supplemental. That cannot be given as an assurance that it will be accepted, after all, but the Senator has a lot of friends, I think he can count heads.

Mr. KENNEDY. Will the Senator give an assurance of his personal support?

Mr. BROOKE. Yes; I can give that.

Mr. MAGNUSON. I want to add this for the Record for the Senator from New York and the Senator from Massachusetts.

Of course, technically, this comes under the jurisdiction of the Agriculture Committee. I talked to Senator McGee and he is ready to recommend certain amounts to the full committee, in the upcoming supplemental.

If we cannot get this done without a conference—without a conference—today is Friday, the House would not have a conference on this thing. The Senator from Massachusetts and all of us here who have served in the House know there will not be many of them around Monday and Tuesday to have a conference. They pack their bags long before we do when we have a recess. I do not blame them. But we would then have to go all through the recess, and we are talking about 2 or 3 weeks.

In the meantime, I am worried, like our colleague from Massachusetts, the public service jobs are going to run out on May 1.

Mr. BROOKE. Will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. BROOKE. I want to give my colleagues further assurance that the House reported today the second supplemental. We are not far from the second supplemental. As soon as we get back, we will be ready.

Mr. KENNEDY. I am interested in getting the chairman's and the Senator's personal assurance. I would also like our good friend, the Senator from North Dakota's personal assurance.

I know the Senator cannot be expected to give the assurance of the committee. However, I think that a personal assurance would be the most meaningful assurance we could get. I think if we could get those assurances, they would be very helpful.

Mr. BROOKE. The Senator has my assurance.

Mr. MAGNUSON. The Senator has my assurance.

Another thing, there will be some kind of budget request by that time.

So we have got something to work on, whatever it is.

I will give my assurance. I will try to add to it, that is what I will do.

Mr. BROOKE. The Senator is picking up a lot of chips on the floor today.

Mr. KENNEDY. Mr. President, I want to express my appreciation to the Senator from Washington and my colleague from Massachusetts on this issue. I am sure they understand the gravity and the importance of it.

I am very hopeful that we will have a budget recommendation from the White House on this in the next several days and, obviously, that would be advantageous in expediting it.

I think with the personal assurances of the three most influential figures on the committee, I am willing, with the understanding of my colleagues, to withdraw the amendment.

The PRESIDING OFFICER. (Mr. Curtis). The amendment is withdrawn.

(The following colloquy, which occurred during the consideration of Mr. Kennedy's amendment, is printed at this point in the Record by unanimous consent.)

Mr. HATFIELD. Mr. President, in fiscal 1976, six States only, out of the 50 States, got 70 percent of discretionary funds alloted by the Secretary of Labor under titles II and VI of the Comprehensive Employment and Training Act. There were 28 other States who received these funds which totaled $272 million. Oregon got zero, despite having an 11.7-percent unemployment rate.

The same 20 percent discretionary formula exists in the present bill that we are considering. House Joint Resolution 890 includes $1.2 billion for CETA title II. As my colleagues are aware, the 20-percent discretionary funds were authorized under section 202(b) of the CETA Act of 1973.

Mr. President, in February of this year, the unemployment rate in Oregon was 11.1 percent. I should like to quote from a section of two letters written by the

Governor of our State explaining the problem which exist under the discretionary formula. The first one was dated July 15, 1975, addressed to the Honorable John T. Dunlop, Secretary of Labor. In that letter, the Governor, Mr. Straub, stated:

> The most distressing part is the lack of recognition of facts in the distribution of these discretionary moneys. Oregon's unemployment rate of 11.7% exceeds the State of Washington's rate of 9.3%. Our gross number of unemployed (119,284)—with only 50% of Washington's population—is 85% of Washington's gross unemployment of 140,912.
>
> Even worse is the comparison of the Oregon Balance of State's unemployment rate of 14% which exceeds the Balance of Washington's rate of 10.5%. The gross number of unemployed in the Balance of Oregon of 40,927 is nearly as high as the Balance of Washington's 44,292.
>
> Oregon's unemployment is 38% of Region Ten's total unemployment while Washington's is 45%. In spite of these figures, Washington state received 56.5% of the total CETA Title II, VI and discretionary allocations, while Oregon received only 28.5%.
>
> Most of your discretionary allocation formula was based upon the April, 1975, enrollment levels. The Balance of Oregon's April, 1975, CETA II and VI enrollment level totals 67% of the Balance of Washington's This indicates that Balance of Oregon should have received approximately 67% of the amount of CETA money allocated to the Balance of Washington. However, your announced allocations gave the Balance of Oregon only 59% of the amount allocated to the Balance of Washington.

Now, I think that Washington, referred to in this particular letter from the Governor, should not be focused upon unduly. It was not the only State that received such funds in disproportionate share when viewed against Oregon's unemployment situation. But, it being a neighboring State, the Governor is using the State of Washington purely as an illustration.

The second letter which I should like to quote is again from the Governor, to the President of the United States, dated July 24, 1975. The Governor states:

> The Statement by the Department of Labor that Oregon's new CETA allocation increased by nearly 50% over the previous year is misleading. In fact, all CETA II and VI allocations increased nationwide by approximately 59%. While allocations to all prime sponsors in Oregon increased by approximately 50%, the Balance of State Prime Sponsor (Administered by the Governor) increased less than 6%
>
> The DOL's "long-standing federal practice known as hold harmless which smooths ups and downs in government distribution formulae" tends to allocate funds in heavy proportion to past allocations rather than new program requirements. This severely penalizes states like Oregon whoes unemployment remains high, and rewards states whose unemployment is decreasing proportionate to the nation. This formula does not recognize the performance of states like Oregon that made extraordinary efforts to increase its Title II and VI CETA jobs.

Now, Mr. President, Senator Packwood, my colleague from Oregon, and I have for the past year been deeply concerned about the allocation of discretionary moneys under CETA. We believed that one of the ways to correct this situation would be to submit an amendment at this time to the pending legislation. This amendment, which Senator Packwood and I have cosponsored would provide that the discretionary allowance under title II of CETA would be reduced from 20 to 10 percent. I appreciate the problem that the managers of the bill have in trying to get this bill through both the House and the Senate. Therefore, in an effort to cooperate with the leadership and managers of the bill, I should like to ask them if they would comment on how we might solve this particular inequity as it relates to the existing formula used by the Department of Labor in the allocation of these discretionary funds.

Mr. MAGNUSON. I say to the Senator from Oregon that the best way to do it would be to have the legislative committee change the formula if it is discriminatory, and I think that the Senator has made an awfully good case on what is happening in his own State about this. About all I can say is, of course, 20 percent of the discretionary funds are needed to keep enrollees under title VI of the public service jobs from being laid off. The special Senate report on the language clarifies why the 20 percent of discretionary funds seems to be needed. I am sure that I would encourage the Secretary of Labor or the legislative committee, or both, to examine into this and see if they cannot do something about the change of allocation.

Mr. BROOKE. Will the Senator yield?

Mr. MAGNUSON. Yes, I yield.

Mr. BROOKE. I am most sympathetic with my distinguished colleague from Oregon.

Mr. MAGNUSON. I think he has made a good case.

Mr. BROOKE. I think he has made a very persuasive case and good record on it. I do not think, however, that the Committee on Appropriations can give him the relief that he so sorely needs. We have on the floor at this time the distinguished ranking member of the Labor-Public Welfare Committee, Mr. Javits of New York. We have the distinguished Senator from Massachusetts (Mr. Kennedy) who is also a member of that authorizing committee. I think they are the ones who can address the question of legislation correcting any inequity that exists in the existing formula.

I would hope that Senator Javits would respond to the Senator from Oregon as to what that committee could do insofar as giving the State of Oregon, and other States that have suffered as well, some relief.

Mr. HATFIELD. I thank the Senator from Washington and the Senator from Massachusetts.

I would only say that here again we are not asking for any special consideration. I expect however that the Department of Labor could provide the legislative committee with specific data and specific evidence of the inequities that do exist in the dispersal of discretionary funds.

If the managers of the bill would join with me in urging the Department of Labor to attend to this particular matter, and to provide the proper committee with such data, this would certainly suffice for the present. With such guarantees I would not choose to pursue an amendment at this time. But I would be very happy to hear——

Mr. BROOKE. Speaking for the minority, Mr. President, if the Senator will yield, I would certainly join with the manager for the majority, and I would urge that upon the committee, which is the Committee on Labor and Public Welfare.

Mr. JAVITS. I am confident we would give consideration to these facts.

I would like to tell the Senator we straightened out a little while ago, while the Senator was not on the floor, the fact that the law would control what the committee is trying to control in this recital on page 2 of this report.

It is my judgment that the law simply did not permit this transfer even if the committee authorized the Secretary to make it. But we agreed that the legislative history should now show that these authorizations or really suggestions by the committee, by the Appropriations Committee, would be considered in the light of an addition of authorizing amounts to title VI, and that will come along very shortly now, and within that context we certainly would be very pleased to consider the state of facts laid before us by the Senator from Oregon.

Mr. HATFIELD. I am very grateful to the Senator from New York for these assurances.

Based upon such assurances and the record here today, Mr. President, Senator Packwood and I will not offer our amendment. We will seek redress through the thorough study of the discretionary formula that has been discussed in the colloquy.

I thank the Senators.

Mr. MAGNUSON. We will cooperate in every way we can, and I do think the Senator has made a very good case.

Mr. HATFIELD. I thank the Senator.

(This concludes the printing at this point in the Record of colloquy which occurred earlier today.)

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BROOKE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Hatfield). Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I take this time to focus attention on language in the report on page 4, which reads as follows:

> Although there is presently no authorizing legislation to permit distribution of this vaccine to State and local health agencies free of charge, the Senate has agreed with the House in providing this language. In addition, the committee explicitly directs that the various governmental units shall be free from liability in terms of the vaccine. The drug producers should remain responsible for the vaccine, its quality, and any

adverse reactions directly attributable to the vaccine.

Mr. President, as a lawyer, I am concerned about the effect of that last clause. It seems to me that the report goes rather far in seeking to establish liability.

What concerns me is that we are asking a limited number of major drug companies to undertake a crash program, and this kind of language may well make it difficult or impossible to get them to undertake that responsibility.

I can understand the expectation that the drug producers would be responsible for producing the vaccine in accordance with Government specifications, for including proper instructions with the shipments, and so forth. But then suppose a local physician administers that vaccine, which is properly manufactured, to a person who has an allergic reaction and dies?

I do not think we should be saying here in the report that the drug company is going to be responsible. I do not know whether that is what it means, but if it is, I do not think a drug company is going to rush out and undertake this responsibility.

May I ask the manager of the bill whether it is anticipated that there would be a contract negotiated between the Government and the drug companies that are going to produce the vaccine?

Mr. MAGNUSON. Yes. That is the testimony of the Government witnesses.

Mr. GRIFFIN. Would the matter of liability be a matter within the scope of the contract?

Mr. MAGNUSON. They did testify that they would consider in the contract the question of liability. This was the Assistant Secretary of Health. If it implies what the Senator from Michigan suggests it does—and the House has no language to this effect at all—we would just drop it in the conference report.

Mr. GRIFFIN. In other words, it is not intended that the Senate would impose the meaning as indicated in that language?

Mr. MAGNUSON. No.

Mr. BROOKE. Will the Senator yield?

Mr. GRIFFIN. I yield to the Senator from Massachusetts.

Mr. BROOKE. I believe the Senator raises a very important question. I understand exactly what he is trying to do. I believe he is performing a service by doing it, frankly, not just for the drug producers but, as he said, some drug producers may not even take the contracts or we may not get the vaccine if they have to be held to the language. However, it is not the intent of the committee or of this legislation to change existing law, No. 1.

No. 2, the language says the drug producers "should" remain responsible for the vaccine. It does not say "shall." It just indicates what the suggestion of the Senate committee was, and no more than that. It is certainly not mandatory language, as the Senator can very well see.

I believe the important part is that it does not change the law; we will get an opinion from the Assistant Secretary for Health after he looks at this, and if there is any necessity it will be dropped. We certainly do not intend to change the existing law, so far as the contract between the Federal Government and these pharmaceutical companies is concerned.

Mr. CURTIS. Will the Senator yield for another question?

Mr. GRIFFIN. Yes.

Mr. CURTIS. I am disturbed about the language also.

Conceivably, we could have a situation where there was no flaw in the manufacture; that it was produced and packaged and everything without fault or blemish. But what happens after it leaves the manufacturer's hands, who it was prescribed for, the manner of prescription, and so on?

Is it the intention of the committee by this language to add to the scope of the liability of a drug manufacturer for a drug produced in accordance with law, in accordance with the formula and without fault where injury arises because of the use of the drug?

Mr. BROOKE. My answer to the distinguished Senator from Nebraska is that it is not the intent of the committee. I might further add that the old law that will prevail will be the law in the contract that would be entered into between the Federal Government and the pharmaceutical company that produced it. That would be controlling.

Mr. CURTIS. It could also be said that it was not the intent of the committee to in any way enlarge the scope of possible action against a drug manufacturer over what the law was before this act passed?

Mr. BROOKE. It is not.

Mr. GRIFFIN. I certainly appreciate the response of the distinguished Senator from Massachusetts. I think it is important. Obviously, we can change the law if we want to, but we should not do it in a committee report on an appropriations bill.

Mr. BROOKE. And we do not want to change the law.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BROOKE. I will advise the Senator from Michigan that it is not the intent to change the law.

Mr. GRIFFIN. I appreciate that answer. I understand there was a time when the former Senator from Delaware, Mr. Williams, was so upset with a report that he actually moved to have a report withdrawn and reissued with certain language deleted. I will not do that. It should be apparent, I believe, that when Senators vote for a bill they do not necessarily adopt or endorse the language that staff happens to put into a committee report. I think it is well that that should be said, and that this does not have the effect or force of law. I hope the legislative history here today will make that clear.

Mr. BROOKE. I want to thank the Senator from Michigan. I want to say he has well stated the law and the rules of the Senate. I believe the colloquy will certainly clearly indicate what the intent of the Senate is.

Mr. MAGNUSON. Mr. President, the Senator from Wisconsin is here and he has not only a short amendment but I understand a very, very brief statement to present.

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. President, this amendment would provide liquidating cash for the Environmental Protection Agency construction grant program. This is entitlement money. The money has already been contracted for.

The PRESIDING OFFICER. Will the Senator suspend until the amendment has been stated?

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an amendment:

On page 1, after line 5, insert the following:

TITLE I: INDEPENDENT AGENCIES—ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For an additional amount for liquidation of obligations incurred pursuant to authority contained in Section 203 of the Federal Water Pollution Control Act, as amended, $300,000,000, to remain available until expended.

TITLE II

Mr. PROXMIRE. Mr. President, the purpose of this amendment is straightforward, simple and essential if the waste treatment construction grant program is to continue to proceed on schedule over the next few months.

The program is running out of operating cash. They need money to get them through June 30. In fact, they will run out of money to pay obligations already incurred by next week unless we act quickly. The administration submitted this request on March 8 but it has not as yet been approved by the Congress.

Let me make it clear what this amendment would not do. It would not give the Environmental Protection Agency new authority to enter into contracts with localities for the construction of waste treatment facilities. They already have that authority under the Federal Water Pollution Control Act Amendments of 1972. In fact, they intend to obligate $6 billion made available through that legislation in fiscal year 1977.

Furthermore, it would not increase the total outlays originally estimated for the Environmental Protection Agency in fiscal 1976. I have received a letter from EPA Administrator Train confirming this fact.

Let me explain why this is so, EPA will be spending $300 million less than originally anticipated to liquidate obligations incurred with budget authority provided under pre-1972 construction grants legislation. This offsets the corresponding increase in outlays under the 1972 act, which would be provided for by this legislation.

In fact, EPA initially requested $400 million from OMB but a cut of $100 million was made so that outlays would be offset by outlay savings under the pre-1972 programs.

What this amendment would do is to give the EPA $300 million in liquidating cash necessary to honor obligations already made. Last year we talked about the need for getting the funds authorized by the 1972 act into the hands of communities across the Nation so that jobs could be created. Well, the EPA has been more effective at getting these projects going than originally estimated. That is why they are short of operating cash. That is why we in all conscience must act now to provide them with $300 million.

The administration has made it clear that it wants this amendment added to the vaccine bill we are considering today. Obviously, the money must be provided. If we wait we are simply forcing communities to absorb the carrying costs of bills that the Government has an obligation to pay.

Mr. President, this amendment has been discussed with the distinguished manager of the bill and the ranking Republican Member. It was requested by the administration. As far as I know, there is no objection to the amendment, and I hope we can act on it promptly.

I move the adoption of the amendment.

Mr. MAGNUSON. Mr. President, the Senator from Wisconsin is correct. We have a letter from the agency itself, in which the administration says it believes it would be appropriate to adopt this request. It says:

> The Office of Management and Budget concurs with the contents of this letter and supports EPA's request for expedited action on this important matter.

We have made some informal soundings with the House of Representatives, and they say they would accept this amendment on this bill.

I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., April 9, 1976.

Hon. WILLIAM PROXMIRE,
Chairman, Subcommittee on HUD and Independent Agencies, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, on March 8, 1976, the President requested $300 million supplemental appropriation for the liquidation of contract authority under EPA's Waste Treatment Construction Grant Program. I understand there has been some question about the priority attached to this request in terms of timing.

The Administration wishes to have this supplemental enacted as soon as possible. Without these funds, EPA will have insufficient liquidation authority to pay bills to communities for construction in progress. This lack of authority would place an undue burden on communities that have moved ahead to build treatment plants to reduce water pollution.

The Administration believes that it would be appropriate to attach this request to the bill which appropriates the funds to carry out the President's program to innoculate Americans against the swine influenza strain.

I have sent an identical letter to Senator Brooke regarding this subject.

The Office of Management and Budget concurs with the contents of this letter and supports EPA's request for expedited action on this important matter.

Sincerely yours,

RUSSELL E. TRAIN.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BROOKE. Mr. President, I certainly agree with the chairman. The administration wants this amendment, the House has indicated it will accept it, and it will have no interference at all with the package of appropriations we wish to have accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, at this point and in order to facilitate the study of the committee recommendations by Members of the Senate, their staffs, and others, I ask unanimous consent to have printed in the RECORD a table and narrative explanation that shows in detail the progress of this joint resolution up to date.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EMERGENCY SUPPLEMENTAL APPROPRIATIONS BILL

	1975 appropriation	1976 appropriation to date	1976 supplemental budget request	House appropriations recommendation (2d supplemental)	Senate subcommittee recommendation (emergency supplemental)
Labor Department:					
Comprehensive manpower					
Comprehensive manpower assistance (summer youth jobs)	$456,350,000		$528,420,000	$499,800,000	$528,420,000
Number of jobs	(860,000)		(888,000)	(860,000)	(888,000)
Temporary employment assistance (Public service jobs)	$1,275,000,000	$2,025,000,000	$1,700,000,000	$800,000,000	$1,200,000,000
Number of jobs	(310,000)	(310,000)	[1] 50,000	([2] 310,000)	([3] 310,000)
Community service employment for older Americans	$12,000,000	$30,000,000		$55,900,000	$55,900,000
Number of jobs	(12,400)	(12,400)		([1] 12,400)	([4] 15,000)
Center for Disease Control: Preventive Health Services			$135,064,000	$135,064,000	$135,064,000
Community services administration:					
Summer youth recreation and transportation	$17,000,000			$17,000,000	$17,000,000
National youth sports program	$3,000,000			$6,000,000	$6,000,000
Total	$1,763,350,000	$2,055,000,000	$2,363,484,000	$1,513,764,000	$1,942,384,000

[1] Phasedown to by October 1977.
[2] Jobs to October 1976.
[3] Jobs to January 1977.
[4] Jobs to June 1977.

Mr. MUSKIE. Mr. President, I wish to speak to the budgetary implications of the emergency supplemental before us. Let me say, at the outset, that the $1.9 billion in additional fiscal year 1976 budget authority and $0.3 billion in fiscal year 1976 outlays requested in this supplemental do not exceed targets set in our second concurrent resolution for fiscal year 1976.

The supplemental includes funding for public service jobs; summer youth employment and recreation programs, older Americans employment and the necessary amounts for swine flu preventive medical services.

It has been anticipated for some time that the funds for the various jobs and summer youth programs would be appropriated. The continuation of these programs is necessary if we are to sustain a strong economic recovery.

The additional amount appropriated for preventive health services represents the amount necessary to fund medical services to combat what could otherwise become a dangerous flu epidemic. No one could have anticipated the swine flu and the necessity for combating it during the consideration of the first and second concurrent resolutions last year, but the relatively small amount of $135 million is essential, and I support it. It will not break the budget ceilings at this time.

Since only $300 million of the amount will outlay in fiscal year 1976, with the remaining $1.6 billion spending out in the transition quarter and fiscal year 1977, the amounts included in the appropriation resolution neither violate our fiscal year 1976 second budget resolution ceiling nor our current assumptions for fiscal year 1977 spending contained in the first resolution now being debated.

Mr. WEICKER. Mr. President, I commend two of our distinguished colleagues for their enormous effort on behalf of hundreds of municipalities across this country, including those in my own State of Connecticut. The potential termination of the Comprehensive Employment and Training Act, due to insufficient funds, is a problem of national significance and local catastrophy. Already hard-pressed cities and towns will be forced to lay off hundreds of thousands of employees without quick action. Faced with this calamity, the distinquished chairman and ranking minority member of the Appropriations Subcommittee on Labor-HEW, Senators MAGNUSON and BROOKE, acted with the compassion and resolve that is in the finest tradition of this body.

As a Senator who understands the plight of the municipalities of his State, I applaud the efforts of these distinguished Senators in amending the swine flu immunization emergency supplemental appropriation to add $1.2 billion to CETA to continue it through January 31, 1977. The speed with which the full committee dealt with this important measure is a tribute to its members. This Senator speaks for the citizens of his State when he expresses his sincere appreciation for their exemplary efforts.

The situation of two of the largest cities in my State, Bridgeport and Hartford, tell the story of hundreds of other municipalities throughout our Nation. Bridgeport has 500 employed under CETA in jobs that range from housing authority police, to parks employees, to staffing the senior citizens center. The last payday for Bridgeport's CETA employees will be April 16, and will cover the pay period ending today. Here is what CETA has meant to Bridgeport: 73 participants are employed at the Dinan Center for the elderly; when the CETA employees leave, in all probability, so will the center's State certification. Thirteen participants are employed in the school system. Add to that, two score housing police, as well as other participants throughout the city.

The city of Hartford provides another example of a municipality which has benefitted by the CETA public service jobs program. The Hartford Comprehensive Manpower Program, CETA's prime sponsor in Greater Hartford has allocated over 140 job slots to nonprofit agencies. These jobs have meant bread, butter, and self-respect to the previously unemployed and disadvantaged who have filled them.

Bridgeport and Hartford are but two examples of municipalities which benefit by the CETA public service jobs program. Their employees are hundreds among the scores of thousands throughout the Nation who have been given hopes and skills because of it.

More than 250,000 Americans are employed by this program. The urgency of the measure the Senate debates today is apparent from the fact that over 12,000 layoffs have already occurred, due to lack of funds. Were we to allow this legislation to follow the normal route, by June 15 of this year, 150,000 public service employees will be out of work.

For that reason, it is imperative that the Senate approve the $1.2 billion emergency supplemental appropriation for CETA, which is attached to House Joint Resolution 890, the swine flu immunization supplemental. I remind my colleagues that the $1.2 billion, while being considerably above the House approved level, is half a billion dollars less than the supplemental estimate.

In conclusion, Mr. President, the last thing that cities like Hartford, Conn., need in times like these is 140 fewer people to aid in solving that city's problems. The last thing Bridgeport, Conn., with its 12-percent unemployment needs, is 500 more without jobs. The last thing this Nation needs is a lapse in this important program when it is attempting to speed an uneasy recovery.

Mr. RIBICOFF. Mr. President, I rise not only in support of this vital appropriations measure but to also commend and thank the Appropriations Committee—and particularly the very able chairman of the Labor-HEW Subcommittee (Mr. MAGNUSON)—for the inclusion of additional funds for programs being conducted under the Comprehensive Employment and Training Act, CETA.

These supplemental moneys—totaling $1.2 billion—will enable many CETA public service jobs programs throughout the country, and especially in the New England area, to continue operating without needless and harmful interruption. The additional funds are urgently needed as an error on the part of the U.S. Department of Labor allowed New England municipalities to overhire employees under CETA, a mistake which has resulted in considerable difficulties throughout the region.

Because of this situation, the city of Bridgeport, is faced with the necessity of laying off over 500 employees within the next week. These layoffs will seriously affect many of the vital public services provided by the city of Bridgeport, such as 41 housing police, assistance to a nursing home for the elderly in which 73 public service participants are involved, and parks and public works programs. Bridgeport Mayor John Mandanici informs me, for example, that his city's sewage treatment plants and incinerator are heavily dependent on public service program participants.

It would be especially ill-considered to permit these layoffs to occur during these times of continued high levels of unemployment and the inability of many municipalities throughout the Nation to provide essential services. Bridgeport, for example, has endured unemployment at levels as high as 14 percent. Connecticut is presently staggering under a 10.1-percent unemployment rate and the addition of almost 500 more persons to the jobless rolls would simply exacerbate this desperate situation. By passing the measure before us, we will be taking an affirmative step to help reduce unemployment, not only now and in the State of Connecticut, but in other locations in the country throughout the year as well. I urge, therefore, that we approve this legislation without delay and go on record as supporting efforts to work toward the eradication of joblessness in the country.

Mr. HUDDLESTON. Mr. President, I am pleased to support House Joint Resolution 890 with its provisions for various employment programs. The unemployment picture, though improving nationally, remains much too high, and now is not the time to terminate or release those who hold public service jobs.

It is also important to remember that while the unemployment picture is slowly improving as a whole, there are parts of the country where that is not the case.

In my own State of Kentucky, for example, unemployment rose during the month of February—the last month for which we have figures—to 8.1 percent, an increase of 0.4 percent over the previous month. According to State officials, the figures for March which will soon be available are expected to show a further increase in the State's unemployment.

This means some 113,000 Kentuckians were out of work during February, and approximately 1,400 of the newly unemployed persons are people just entering the labor force who canot find work. For those 113,000 persons, the administration's announcements about how everything is getting better are a cruel hoax.

That is why this emergency resolution is so important. It addresses those Government programs specifically designed to provide jobs for the unemployed. And those programs will have to be terminated or seriously cut back unless we provide the additional funding that is contained in this resolution.

Failure to act will mean that in many localities across the Nation in the next few weeks persons needing employment would be forced from public service jobs. This is not the time for that to be done.

Accordingly, this resolution will provide $1.2 billion to continue to January 1977 some 310,000 public service jobs throughout the Nation. As the end of that period approaches, we can review the economic and unemployment situation and determine whether there is a need for extension. But, we now still need such a program. For my own State, this resolution may extend as many as 1,580 jobs.

It is also, I believe, important to note the language in the report relating to eligibility. Title II and VI employment programs vary to some extent and there will be obvious questions regarding the procedures under which this additional funding is to operate. I believe, consequently, that it is important to note the following report language:

> The Committee recognizes that not all title VI prime sponsor areas qualify for funding under the title II program because their local unemployment rates are below 6.5 percent. Therefore, the Committee authorizes the Secretary to utilize in nontitle II areas discretionary funds available to him in this supplemental appropriation in order to prevent the imminent layoff of these program participants. The Committee also notes that certain participants under the title VI program do not qualify for employment under the title II program because their length of unemployment before entering the program was less than 30 days as required under title II. In order to continue the employment of these participants, the Committee authorizes the Secretary to waive that criteria for the purpose of transferring current participants from a title VI program to a title II program.

The resolution also seeks to assist two groups which often do not receive the consideration they deserve, but for whom idleness can be just as depressing as for other segments of our population—older Americans and our young people.

The resolution provides $55.9 million in funds for community services for older Americans. This would allow continuation of such successful programs as Green Thumb, which operates in many States.

The $528 million in funding for summer youth employment would provide 9-week job opportunities for economically disadvantaged youth between the ages of 14 and 21. More than 15,000 jobs should be provided in my State of Kentucky.

In addition, funds are provided for the national youth sports program, which gives disadvantaged youth of 10 to 18 years opportunities to participate in sports programs and receive health and nutrition services. The summer youth recreation and transportation program, which provides sports and educational opportunities for children between the ages of 8 and 13, is also included in this resolution.

The benefits of the national youth sports program were, I believe, well described in a letter I received recently from a person who works with the program and from which I would like to quote:

> The National Youth Sport Program (NYSP) has established a seven year record of generating state, local and private support equal to the Federal appropriation. The participating colleges contribute all facilities, plus some staff and equipment; the National Collegiate Athletic Association absorbs major administrative and supervisory costs; and private enterprise and state and local governments give cash and services. Thus, the local impact of the federal dollars is doubled.
>
> . . . The NYSP is a highly structured program of sports skills instruction and competition. It utilizes the finest facilities and the best coaches available. The young people who enroll are given medical exams, with follow-up treatment, and daily meals. There is an enrichment component which stresses education, jobs and careers. Some 40 percent of the enrollees are girls.
>
> The NYSP also provides jobs, most of them for residents of the target area. For this reason, and for other reasons already cited, it is imperative that the program be continued at this time.

Mr. President, I urge Senate passage of this resolution.

Mr. BUCKLEY. Mr. President, my vote on House Joint Resolution 890 represents a vote against the large CETA appropriation and not a vote against the flu vaccine. Unfortunately I was not offered the opportunity to vote in favor of the latter. I am advised that the Senator from Idaho (Mr. McClure) and others had to make the same hard choice. It does suggest we should revise our procedures so as to make rational voting possible.

PUBLIC SERVICE JOBS

Mr. KENNEDY. Mr. President, I concur in the views earlier expressed by Senator Javits and am pleased that an accord on this important point has been reached with the Appropriations Committee.

I am pleased that the Appropriations Committee has moved in this bill to respond to the critical layoff situation involved in the public service jobs program authorized under the Comprehensive Employment and Training Act. Massive layoffs have already begun because so many prime sponsors have exhausted their available funds. Massachusetts was one of the first as you recall. This appropriation is the first step to alleviating this problem promptly. Since the appropriation for public service jobs at the present time must be limited for use in areas of substantial employment under title II of the Comprehensive Employment and Training Act, and funds allocated under the Secretary of Labor's discretionary authority under title II must only be used within such areas of substantial unemployment, Congress must act quickly to extend the authorization for title VI through the transition quarter. As agreed the emergency funds appropriated today may then be used for title VI purposes as well.

Once we have put in place the additional funding and the necessary temporary extension of title VI, Congress will than have time to consider further amendments to the Comprehensive Employment and Training Act such as are being considered by the Senate Labor and Public Welfare Committee. I again express my appreciation to Senators Magnuson, Brooke, and Javits for their clarification of this matter and I am confident that the Department of Labor, in implementing this appropriation, will carefully adhere to it.

Clearly, we need far more in the way of additional public service jobs to significantly reduce the level of unemployment in the Nation. This committee has responded in the past and I have no doubt that it will continue to do so.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make the necessary technical and clerical corrections in the engrossment of the Senate amendments to House Joint Resolution 890.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, if there are no further amendments, I call for third reading.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. GOLDWATER (when his name was called). Mr. President, on this vote I have a pair with the Senator from Connecticut (Mr. Weicker). If he were present and voting, he would vote "Yea." If I were at liberty to vote, I would "Nay." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Texas (Mr. Bentsen), the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Clark), the Senator from Colorado (Mr. Hart), the Senator from Indiana (Mr. Hartke), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Arkansas (Mr. McClellan), the Senator from New Hampshire (Mr. McIntyre), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), the Senator from North Carolina (Mr. Morgan), the Senator from Alabama (Mr. Sparkman), the Senator from Georgia (Mr. Talmadge), the Senator from California (Mr. Tunney), the Senator from Nevada (Mr. Cannon), the Senator from Missouri (Mr. Eagleton), the Senator from Ohio (Mr. Glenn), the Senator from Vermont (Mr. Leahy), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I also announce that the Senator from Iowa (Mr. Culver) and the Senator from New Hampshire (Mr. Durkin) are absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. Clark) and the Senator from Minnesota (Mr. Humphrey) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Tennessee (Mr. Brock), the Senator from Hawaii (Mr. Fong), the Senator from Nebraska (Mr. Hruska), the Senator from Alaska (Mr. Stevens), the Senator from Texas (Mr. Tower), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The result was announced—yeas 61, nays 7, as follows:

[Rollcall Vote No. 142 Leg.]

YEAS—61

Allen
Bartlett
Bayh
Beall
Bellmon
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Cranston
Curtis
Dole
Domenici
Fannin
Ford
Garn
Gravel
Griffin
Hansen
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevenson
Stone
Symington
Taft
Thurmond
Williams
Young

NAYS—7

Buckley
Byrd, Harry F., Jr.
Eastland
Helms
Laxalt
McClure
Scott, William L.

PRESENT AND GIVING A LIVE PAIR AS PREVIOUSLY RECORDED—1

Goldwater, against.

NOT VOTING—31

Abourezk
Baker
Bentsen
Brock
Cannon
Church
Clark
Culver
Durkin
Eagleton
Fong
Glenn
Hart, Gary
Hartke
Hruska
Humphrey
Inouye
Johnston
Leahy
McClellan
McIntyre
Mondale
Montoya
Morgan
Sparkman
Stennis
Stevens
Talmadge
Tower
Tunney
Weicker

So the joint resolution (H.J. Res. 890) was passed.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

> Joint resolution making emergency supplemental appropriations for public employment programs, summer youth programs, and preventive health services for the fiscal year ending June 30, 1976, and for other purposes.

The PRESIDING OFFICER. The Senate will be in order. Senators will please clear the well. Senators will please take their seats.

Mr. MAGNUSON. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives on the disagreeing votes thereon, and that the

Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. MAGNUSON, Mr. STENNIS, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. MONTOYA, Mr. HOLLINGS, Mr. EAGLETON, Mr. BAYH, Mr. CHILES, Mr. MCCLELLAN, Mr. YOUNG, Mr. BROOKE, Mr. CASE, Mr. FONG, Mr. STEVENS, Mr. MATHIAS, Mr. SCHWEIKER, and Mr. HRUSKA conferees on the part of the Senate.

TREATMENT OF BLINDNESS

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a release from HEW which indicates some successful and startling research in connection with the treatment involving powerful beams of light to reduce the risk of blindness in people who have severe eye disease caused by diabetes. It is a great step forward.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HEW NEWS RELEASE

New evidence from a nationwide study shows that treatment with powerful beams of light can substantially reduce the risk of blindness for some people with severe eye disease caused by diabetes. This finding, announced today by Carl Kupfer, M.D., Director of HEW's National Eye Institute [1] (NEI), has potential importance for the more than 300,000 Americans whose sight is threatened by diabetic retinopathy, a leading cause of blindness in the U.S.

The evidence comes from cumulative analysis of data collected for more than two years in the NEI-funded Diabetic Retinopathy Study (DRS), the largest multi-center clinical trial in the history of eye research. The DRS is evaluating the safety and effectiveness of two forms of photocoagulation treatment for diabetic retinopathy—the green argon laser and the white xenon arc light beams—in reducing the risk of severe visual loss from this disease. Over 1,720 patients and 16 U.S. medical centers are participating in the 10-year investigation, supported by NEI contracts totaling over $1 million a year. (See attached list.)

Today's is the first announcement of results from the DRS. According to the physicians and statisticians monitoring the Study, there is now clear evidence that treatment reduces the risk of blindness when diabetic retinopathy has reached a moderately severe stage as defined by specific changes within the eye.[2]

In particular, the Study to date has shown that photocoagulation reduces by more than half the risk of blindness in eyes with extensive new blood vessels on or near the optic disc, the place where the optic nerve meets the retina. Information obtained in the Study also indicates that treatment can reduce the risk of blindness for eyes which have hemorrhage in the vitreous fluid *and* either early new vessels on or near the optic disc, or extensive new vessels away from the optic disc.

Because of uncertainty concerning the value of photocoagulation when the DRS began, only one eye of each Study patient was treated. However, because there is now firm evidence that treatment is effective in reducing the risk of blindness in the above groups of eyes, and that this beneficial effect is not likely to be reversed, DRS investigators are now recommending that photocoagulation be considered for initially untreated eyes in these groups.

It should be noted that after two years of follow-up the great majority of eyes in the Study, whether treated or untreated, did not go blind. But, the percentage which did go blind was signficantly greater among untreated eyes (16.3%) than among treated eyes (6.4%).

A large number of DRS patients have untreated eyes in which retinopathy is less severe and for which treatment is not now being recommended. These eyes will continue to be followed closely. Treatment will be considered for these eyes if they later reach a stage of retinopathy for which current or future evidence indicates that photocoagulation may be beneficial.

For this reason, and in order to allow long-term evaluation of photocoagulation treatment, Matthew D. Davis, M.D., emphasized that continued follow-up of all DRS patients is essential. Dr. Davis is Chairman of the DRS Executive Committee and of the Department of Ophthalmology at the University of Wisconsin Medical School in Madison.

Certain drawbacks of photocoagulation have also been found. In some Study patients, moderate impairment of visual acuity (sharpness of vision) and narrowing of the visual field (peripheral vision) occurred in the treated eyes.

Follow-up thus far shows that the loss in sharp, central vision has been temporary in some patients but has persisted in others. However, DRS physicians believe that these harmful effects of photocoagulation in eyes with moderately severe retinopathy are outweighed by the reduced risk of blindness afforded by treatment at this stage.

All DRS patients have been informed of these findings and are being reexamined to determine the desirability of photocoagulation treatment for their initially untreated eyes. Patients have been asked to remain in the Study in order that follow-up may continue.

A paper presenting the data and other scientific and ethical considerations underlying today's announcement will be published in the April 1976 issue of the American Journal of Ophthalmology. An advance copy of this paper has been sent to the more than 10,000 practicing ophthalmologists in the U.S. and the nearly 3,000 physician members of the American Diabetes Association.

As further results are obtained, they will be made known to all DRS patients. They will also be published in medical journals in order that physicians throughout the world can use the information for the benefit of their patients and will be conveyed to the general news media for wide public dissemination.

BACKGROUND

Diabetic retinopathy, associated with long-standing diabetes, follows a progressive and variable course. In many people with the disease, new abnormal blood vessels form on the surface of the retina, protrude into the vitreous fluid which fills the center of the eye, and bleed. Although the blood may clear from the eye on its own, it often remains, causing severe loss of vision. Scar tissue may also form and then contract, resulting in detachment of the retina and blindness.

Photocoagulation employs finely focused beams of intense light to create a number of minute burns on the retina. The treatment is used to destroy or inhibit the growth of the abnormal retinal blood vessels in hope of preventing bleeding and subsequent visual loss. The photocoagulation light beam must be accurately aimed and therefore cannot be used when severe hemorrhage in the vitreous fluid obscures the areas of the retina to be treated.

When the DRS began in 1971, the risks and benefits of photocoagulation had not been adequately assessed, although this treatment had been in use for more than a decade. It was therefore considered best to limit treatment in the DRS to only one eye, giving each patient the best chance of maintaining sight in at least one eye. If treatment were found to be beneficial, each patient would have a chance to be helped; if it were found to be harfmul, no patient would be exposed to this risk in both eyes.

Only patients with both eyes medically eligible for treatment were enrolled in the DRS, and the eye to be treated was chosen randomly. A random process was also used to choose the type of treatment, either argon laser or xenon arc photocoagulation. Random selection of both the eye to be treated and the type of treatment helped assure that the treated and untreated groups of eyes would be comparable and that any differences that might be detected between the two groups could be ascribed to the effects of treatment.

DIABETIC RETINOPATHY STUDY

Participating Centers and Principal Investigators

Johns Hopkins Hospital, Wilmer Ophthalmological Institute, Baltimore, Md., Arnall Platz, M.D.

Joslin Clinic, Boston, Mass., Lloyd M. Aiello, M.D.

University of Wisconsin, Madison, Wis., Frank L. Myers, M.D.

University of Miami, Bascom Palmer Eye Institute, Miami, Fla., Edward W. D. Norton, M.D.

University of Minnesota, Minneapolis, Minn., John E. Harris, Ph. D., M.D.

Massachusetts Eye and Ear Infirmary, Boston, Mass., J. Wallace McMeel, M.D.

University of Illinois, Chicago, Ill., Morton F. Goldberg, M.D.

UCLA Center for Health Sciences, Jules Stein Eye Institute, Los Angeles, Calif., Bradley R. Straatsma, M.D.

Albany Medical College, Albany, N.Y., W. A. J. van Heuven, M.D.

University of Iowa, Iowa City, Iowa, Robert C. Watzke, M.D.

Wills Eye Hospital, Philadedphia, Pa., William Tasman, M.D.

University of Utah, Salt Lake City, Utah, F. Tempel Riekhof, M.D.

University of Puerto Rico, San Juan, Puerto Rico, Jose Berrocal, M.D.

Wayne State University, Detroit, Mich., Raymond Margherio, M.D.

University of Washington, Seattle, Wash., Edward B. McLean, M.D.

Coordinating Center

University of Maryland, Baltimore, Md., Genell Knatterud, Ph. D.

Fundus Photograph Reading Center

University of Wisconsin, Madison, Wis., Matthew D. Davis, M.D.

CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 1977

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 109) setting forth the congressional budget for the U.S. Government for the fiscal year 1977 (and revising the congressional budget for the transition quarter beginning July 1, 1976).

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

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[1] The NEI is a component of the National Institutes of Health, one of the six agencies of HEW's Public Health Service.

[2] In the DRS, blindness or "severe visual loss" is considered to have occurred if visual acuity in a given eye is less than 5/200 at two or more consecutively completed four-month follow-up visits.

Mr. MUSKIE. I yield to the distinguished assistant majority leader.

Mr. ROBERT C. BYRD. Mr. President, I have a proposal which I believe has been cleared on both sides of the aisle and has been cleared with the authors of the proposed amendments and which, if agreed to, would mean that there would be no more rollcall votes today.

I ask unanimous consent that on Monday, at 1 p.m., the Senate resume the consideration of the now pending business; that Mr. BAYH be recognized at that time to speak on one of his two amendments; that there be a time limitation on his amendment, on which he would begin talking at 1 p.m., of ½ hour; that at the expiration of the half hour, or if time is yielded back on that amendment, Mr. BUCKLEY then be recognized on his amendment; that there be a time limitation thereon of 1 hour; that upon the expiration of the time on the Buckley amendment, or on the yielding back of time, Mr. BAYH be recognized to call up his second amendment, on which there be not to exceed 1 hour; that Mr. HUDDLESTON then be recognized to call up his amendment, on which there be a time limitation of not to exceed 30 minutes, following which Mr. KENNEDY be recognized to call up his amendment, on which there be a time limitation of not to exceed 30 minutes; that the votes in relation to those amendments then occur in sequence, which would conform with the order in which the amendments are called up, and that the votes take place back to back.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. GOLDWATER. I had understood that the Senator from Indiana intended to offer an amendment referring to the B-1. He has told me that he will not, and I will rest on his word. I believe the amendment he is going to offer, the one requiring 30 minutes, is a cut across the board on the military budget.

Mr. BAYH. Mr. President, if the Senator will yield, the 30-minute amendment would add $100 million to the justice and crime programs, with specific emphasis on juvenile justice. The defense amendment, which is the hour amendment, I assume, would cut about $500 million in expenses this year of the $2.5 billion contract authorization in subsequent years. There is no reference in that amendment to the B-1 bomber or any other specific program.

Mr. GOLDWATER. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, the Senator from Virginia would like to have 30 minutes sometime during Monday afternoon.

Mr. ROBERT C. BYRD. If the Senator stated "Monday afternoon," he means Monday afternoon. Thirty minutes today would not satisfy him?

Mr. HARRY F. BYRD, JR. The Senator from Virginia probably will take 30 minutes today, but he would like to have 30 minutes on Monday.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MANSFIELD. Would the Senator from Virginia be averse to taking some of that time during the morning hour? We cannot start on the amendments, under the new procedure, until 1 o'clock, and we are up against the time factor, as the Senator well understands.

Mr. HARRY F. BYRD, JR. Yes, I will be glad to do that.

Mr. ROBERT C. BYRD. Mr. President, with the assurance that the Senator will have that half hour, may the Chair put the question?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. GRIFFIN. I wonder if we might obtain consent that following the first vote, which will be 15 minutes, the other votes that follow in sequence would be 10 minutes.

Mr. ROBERT C. BYRD. Yes.

Mr. President, will the Chair put that question?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators for this very happy and congenial ending.

ORDERS FOR RECOGNITION ON MONDAY OF SENATOR HARRY F. BYRD, JR. AND SENATOR MANSFIELD AND FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. BARTLETT has been recognized on Monday, under the previous order, Mr. HARRY F. BYRD, Jr., be recognized for not to exceed 15 minutes; that Mr. MANSFIELD then be recognized for not to exceed 15 minutes; and that there then be a period for the transaction of routine morning business, not to extend beyond 1 p.m, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That will assure the Senator has 30 minutes.

Mr. HARRY F. BYRD JR. I should like to have 15 minutes of that in the afternoon, after the debate has taken place on some of these amendments.

Mr. ROBERT C. BYRD. I am sure that the manager of the resolution—he will speak for himself—can yield time on the resolution.

Mr. MUSKIE. I can yield time on the resolution. I think I can take less than the time allotted to me on some of the amendments, so that I can yield.

Mr. HARRY F. BYRD, JR. I do not like to take the time of the Senator from Maine.

Mr. MUSKIE. If the Senator has been in the Chamber today, he knows that I made the same speech at least four times today; and if Members will read the RECORD, they can apply it to Monday's amendments.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session, for not to exceed 1 minute, to consider the nomination of Mr. M. R. Bradley.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

FARM CREDIT ADMINISTRATION

The second assistant legislative clerk read the nomination of M. R. Bradley, of Indiana, to be a member of the Federal Farm Credit Board.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I request that the President of the United States be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed for 1 minute without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL EMPLOY THE OLDER WORKER WEEK

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 35.

The legislative clerk laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 35) to provide for the designation of the second full calendar week in March 1976 as "National Employ the Older Week," as follows:

Strike out all after the resolving clause, and insert:

That the President is authorized and requested to issue a proclamation designating the week beginning March 13, 1977, as "National Employ the Older Worker Week", and calling upon employer and employee organizations officially concerned with employment, and upon all the people of the United States to observe such week with appropriate ceremonies, activities, and programs designed to promote employment opportunities for older workers.

Amend the title so as to read: "Joint resolution to provide for the designation of the week beginning March 13, 1977, as 'National Employ the Older Worker Week'."

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

U.S. INFORMATION AGENCY AUTHORIZATIONS, 1976

Mr. MANSFIELD. I ask unanimous consent that the Senate turn to consideration of Calendar No. 709, H.R. 15598.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 15598) to authorize appropriations for the United States Information Agency for fiscal year 1976 and for the period July 1, 1976, through September 30, 1976.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. I move to reconsider the vote by which the bill was passed.

Mr. BELLMON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INDIAN CLAIMS COMMISSION AUTHORIZATIONS, 1977

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to consideration of Calendar No. 705, S. 2981, that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2981) to authorize appropriations for the Indian Claims Commission for fiscal year 1977.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That there is authorized to be appropriated to carry out the provisions of the Indian Claims Commission Act (25 U.S.C. 70), during fiscal year 1977, not to exceed $1,650,000.

SEC. 2. Section 23 of the Act entitled "An Act to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes", approved August 13, 1946 (60 Stat. 1049, 1055), as amended (86 Stat. 115; 25 U.S.C. 70v), is hereby amended by striking said section and inserting in lieu thereof the following:

"DISSOLUTION OF THE COMMISSION AND DISPOSITION OF PENDING CLAIMS

"SEC. 23. The existence of the Commission shall terminate at the end of fiscal year 1980 on September 30, 1980, or at such earlier time as the Commission shall have made its final report to the Congress on all claims filed with it. Upon its dissolution the records and files of the Commission in all cases in which a final determination has been entered shall be directed to the Archivist of the United States. When the Commission shall be of the opinion that any case pending before it can be handled more expeditiously by the United States Court of Claims, the Commission shall certify such case to the Court of Claims. The Court of Claims may thereupon, in its discretion, permit the transfer of the case, and jurisdiction is hereby conferred upon the Court of Claims to adjudicate all such cases under the provisions of section 2 of the Indian Claims Commission Act: *Provided*, That section 2 of said Act shall not apply to any case filed originally in the Court of Claims under section 1505 of title 28, United States Code. Upon dissolution of the Commission all pending cases including those on appeal shall be transferred to the Court of Claims for adjudication on the same basis as those permitted to be transferred by this section.".

SEC. 3. Section 27 of such Act of August 13, 1946, as amended (25 U.S.C. 70v–1), is amended by adding the following:

"SEC. 27. (c) No trial or hearing shall be conducted nor shall any proceeding be initiated before the Commission in any phase of a claim on or after December 31, 1979: *Provided, however*, That the provisions of this subsection shall not apply to hearings or proceedings relating to a compromise settlement of a claim.".

SEC. 4. Section 28 of such Act of August 13, 1946, as amended (25 U.S.C. 70v–2), is amended by striking said section and inserting in lieu thereof the following:

"STATUS REPORTS TO CONGRESS

"SEC. 28. The Commission shall, on the first day of each session of Congress and six months thereafter, submit to the Committees on Interior and Insular Affairs of the Senate and House of Representatives, a report showing the progress made and the work remaining to be completed by the Commission, as well as the status of each remaining case, along with a projected date for its completion.".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill was read a third time.

Mr. McCLURE. Mr. President, I have one or two comments I want to make.

Before the Senate today is a bill authorizing $1,650,000 for fiscal year 1977 to carry out the work of the Indian Claims Commission. As amended in committee this bill also extends the life of the Commission—an action to which I am opposed.

In 1946, Congress authorized the creation of the Indian Claims Commission to allow a settlement of long standing Indian claims—claims that had been voiced for decades. The original act required all claims to be filed within 5 years of passage, with the life of the Commission to expire in April of 1957.

Then in 1956 Public Law 84–767 extended the Commission's life 5 more years to April 10, 1965. In April of 1967 Public Law 90–9 yet again extended the Commission's life for 5 years to April 10, 1972. Then in 1972, the Congress passed legislation (H.R. 10390), which gave the Commission 5 more years but provided for the dissolution of this bureaucracy on April 10, 1977, at which time the remaining dockets before the Commission would be transferred to the U.S. Court of Claims.

Thus, Mr. President, on four separate occasions over the last 20 years, Congress has been asked to extend the life of the Indian Claims Commission. Now, language contained in S. 2981 calls for yet an additional 3 years for the Commission. The last time the Commission was given continued life, we were all promised that this extension would be the last one and that after over 30 years a Commission which was intended to exist only a third of that time would be dissolved.

Now here we are again, with the Claims Commission asserting that with just a few more years they will be able to complete adjudication of all but a minor portion of the remaining cases. These kinds of assurances have been given time and time again yet we are being asked for another 3 years. Promises can be made and not kept only for so long. There has to be a finality to this action.

I say this not because I in any way want to minimize the justice of the claims of the Indian tribes who presented claims. They are entitled to justice, but it is the very Indian tribes we are attempting to help who will be hurt the most by the failure to come to a conclusion on these cases.

The long delays in resolving claims before the Commission arise in part from the complexity of the claims themselves but other factors must be examined. The most obvious is the Claims Commission's inherent self-interest in perpetuating itself. It is the nature of a bureaucracy to fight for its survival and perhaps procrastinate in order to keep breathing.

The fair and speedy adjudication of these claims is what is important and I question the Commission's track record. There has been a total of 615 docketed claims before the Commission; 446 of these dockets have been disposed of up to December 1975. After almost 30 years of existence 110 dockets remaining pending. Unless Congress takes the painful step of ending the Commission as is provided under current law we can almost guarantee that 3 years from now the Commission will be pleading for just one more extension.

Congress acquiesced to this pleading when it passed Public Law 92–265, but it said "no more" and provided for the end of the Commission. Now we are asked to reverse that decision and extend again. The best way to protect the remaining claims is to transfer them to the U.S. Court of Claims as Congress provided. For those who are afraid that the Court of Claims will not get the job done either, then alternatives should be explored. Perhaps the pending claims could be transferred to the appropriate Federal district court where the claimants would be closer to the court thus providing for less tribal expense and time than is taken adjudicating these claims here in Washington.

The Indian Claims are our concern, not the perpetuation of a bureaucracy that has not met the test of getting the job done. I seriously question whether Congress would really be helping the Indian claimants by extending the life of this bureaucracy.

Mr. President, I have said this because I have a very strong objection to the action which is being taken. I am not going to ask for a rollcall vote, but I want to underscore, by my presence here and my statement, an objection to the continuation of this Claims Commission, who have sought to and have succeeded in making a way of life out of what was intended to be a temporary commission.

In spite of the continued assurances given to Congress intermittently as this Commission has been extended from time to time, they continue to say, "Just give us one more extension and we will wrap it up."

I want my remarks to be in the context of a full understanding that I want the rights of the Indian claimants to be protected.

But one of the things that is most evident in the proceedings is that the Claims Commission, in the failure to come to grips with the claims, is causing a substantial injustice to the claimants because of the length of time it is taking to complete the action, and I think it is time for us to call a halt to it in justice to the Indians who are involved, and in justice to the taxpayers of this country who have to finance the operation of the Claims Commission.

So I want my objection to be recorded at this time in this way, although I will not ask for a roll call on the bill.

The **PRESIDING OFFICER**. The queston is, Shall the bill, as amended, pass? (Putting the question.)

The bill (S. 2981) as amended, was passed.

The title was amended so as to read:

A bill to authorize appropriations for the Indian Claims Commission for fiscal year 1977, and for other purposes.

Mr. **HARRY F. BYRD, JR.** Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **MANSFIELD**. Mr. President, will the Senator from Virginia yield briefly to the distinguished Senator from Indiana?

Mr. **HARRY F. BYRD, JR.** Yes, I yield.

CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 1977

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 109) setting forth the congressional budget for the U.S. Government for the fiscal year 1977, and revising the congressional budget for the transition quarter beginning July 1, 1976.

AMENDMENT NO. 1588

Mr. **BAYH**. Mr. President, in an effort to expedite the process here, I ask unanimous consent that my amendment be called up, the amendment dealing with the Juvenile Justice Act.

The **PRESIDING OFFICER**. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana (Mr. BAYH) proposes an amendment.

The amendment is as follows:

On page 1, line 7, strike out "$412,600,000,000" and insert in lieu thereof "$412,700,000,000."

On page 1, line 9, strike out "$454,900,000,000" and insert in lieu thereof "$455,000,000,000".

On page 2, line 3, strike out "$50,200,000,000" and insert in lieu thereof "$50,300,000,000".

On page 4, line 10, strike out "$3,300,000,000" and insert in lieu thereof "$3,400,000,000".

On page 4, line 11, strike out "$3,400,000,000" and insert in lieu thereof "$3,500,000,000".

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the time on the amendment by Mr. BAYH not begin running until Monday.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BAYH**. Mr. President, this is not the first occasion on which I have found it necessary to emphasize the folly of the Nixon-Ford administrations' unwavering opposition to adequate funding for crime prevention initiatives. For more than 5 years as chairman of the Subcommittee to Investigate Juvenile Delinquency, I have stressed these concerns, but more importantly the failure of the Federal Government, in spite of double-digit crime rates, to properly respond to juvenile crime and to make the prevention of delinquency a Federal priority.

The Juvenile Justice and Delinquency Prevention Act (P.L. 93–415) is the product of this effort. It was developed and supported by bipartisan groups of dedicated citizens throughout the country and was sent to the President by strong bipartisan majorities, including an 88 to 1 vote in this body. This measure was designed specifically to prevent young people from entering our failing juvenile justice system and to assist communities in developing more sensible and economic approaches for youngsters already in the juvenile justice system. Its cornerstone is the acknowledgment of the vital role private nonprofit organizations must play in the fight against crime. Involvement of the millions of citizens represented by such groups will help assure that we avoid the wasteful duplication inherent in past Federal crime policy.

Despite stiff administration opposition to this congressional crime prevention program, $25 million was obtained in the fiscal year 1975 supplemental. The act authorized $125 million for fiscal year 1976; the President requested zero funding; the Senate appropriated $75 million; and the Congress approved $40 million. In January President Ford proposed to defer $15 million from fiscal year 1976 to fiscal year 1977 and requested a paltry $10 million of the $150 million authorized for fiscal year 1977, or a $30 million reduction over fiscal year 1976. On March 4, 1976, the House, on a voice vote, rejected the Ford deferral by approving a resolution offered by Mr. SLACK, the chairman of the State, Justice, Commerce, and Judiciary Appropriation Subcommittee.

Unfortunately the first concurrent resolution on the budget—fiscal year 1977, Senate Concurrent Resolution 109—rejects the recommendations of both the Judiciary Committee and the Appropriation Committee for adequate funding of the Juvenile Justice Act and adopts instead the Ford requests for the law enforcement and justice function (750) of $3.3 billion budget authority and $3.4 billion for outlays.

By an 8-to-5 vote the Budget Committee acted in effect to limit funding to $10 million or 25 percent of the current level of services which effectively kills this new program. We must not let this record stand.

I am deeply disturbed that the Ford budget emasculating this important, albeit modest, crime prevention program has preliminarily, and hopefully unwittingly, been incorporated in Senate Concurrent Resolution 109.

To prevent the demise of the Juvenile Justice Act I am offering an amendment to increase the law enforcement and justice function by $100 million. I urge my colleagues to consider favorably this amendment and reiterate the most salient conclusion of GAO's Elmer Staats that since juveniles account for almost half the arrests for serious crimes in the nation, adequate funding of the Juvenile Justice and Delinquency Prevention Act of 1974 would be essential in any strategy to reduce the Nation's crime.

I ask unanimous consent that a list of organizations endorsing the Juvenile Justice and Delinquency Prevention Act of 1974 be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS ENDORSING THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974 (P.L. 93–415)

American Federation of State, County and Municipal Employees.
American Institute of Family Relations.
American Legion, National Executive Committee.
American Parents Committee.
American Psychological Association.
B'nai B'rith Women.
Children's Defense Fund.
Child Study Association of America.
Chinese Development Council.
Christian Prison Ministries.
Emergency Task Force on Juvenile Delinquency Prevention.
John Howard Association.
Juvenile Protective Association.
National Alliance on Shaping Safer Cities.
National Association of Counties.
National Association of Social Workers.

National Association of State Juvenile Delinquency Program Administrators.

National Collaboration for Youth: Boys' Clubs of America, Boy Scouts of America, Camp Fire Girls, Inc., Future Homemakers of America, Girls' Clubs, Girl Scouts of U.S.A., National Federation of Settlements and Neighborhood Centers, Red Cross Youth Service Programs, 4-H Clubs, Federal Executive Service, National Jewish Welfare Board, National Board of YWCAs, and National Council of YMCAs.

National Commission on the Observance of International Women's Year Committee on Child Development, Audrey Rowe Colom, Chairperson Committee, Jill Ruckelshaus, Presiding Officer of Commission.

National Conference of Criminal Justice Planning Administrators.

National Conference of State Legislatures.

National Council on Crime and Delinquency.

National Council of Jewish Women.

National Council of Juvenile Court Judges.

National Council of Organizations of Children and Youth.

National Federation of State Youth Service Bureau Associations.

National Governors Conference.

National Information Center on Volunteers in Courts.

National League of Cities.

National Legal Aid and Defender Association.

National Network of Runaway and Youth Services.

National Urban Coalition.

National Youth Alternatives Project.

Public Affairs Committee, National Association for Mental Health, Inc.

Robert F. Kennedy Action Corps.

U.S. Conference of Mayors.

Mr. HARRY F. BYRD, JR. Mr. President, the pending resolution, Senate Concurrent Resolution 109, says the appropriate level of budget outlays for fiscal year 1977 is $412 billion. It says the appropriate level of Federal revenues is $362 billion, and its says the amount of deficit in the budget, which is appropriate in light of economic conditions and all other relevant factors, is $50 billion. I am using round figures in each of these cases.

So, Mr. President, the resolution the Senate is considering calls for a deficit in fiscal year 1977 of $50 billion. In my judgment, that deficit is greatly underestimated. The expenditures will be greater than as shown in the concurrent resolution, and the revenues, in my judgment, will not equal the figures shown in the resolution.

Mr. President, the suggested $50 billion deficit for fiscal year 1977 comes on top of a $76 billion deficit for fiscal year 1976.

When one considers the total budget on a unified basis for the 20-year period 1958 through 1977, one finds that in only 2 of those 20 years has the U.S. Government had a balanced budget. There was a small surplus on a unified basis in 1960, and there was a small surplus on a unified basis in 1969. So in the past 18 of the past 20 years there has been a deficit in the Federal budget.

The alarming aspect is that the deficits have accelerated in recent years. If we leave the unified budget and go to the Federal funds budget we find an even more serious situation.

As the Senate well knows, the unified budget is the budget which includes both the Federal funds budget, which is the general operation of Government and the general revenues, on the one hand, and the trust funds, on the other. Now, the trust funds can be used only for specific purposes. So it is really more important to take the Federal funds budget in considering the Government's financial situation than it is the unified budget.

If one takes the Federal funds budget for the past 20 years, one finds there has been a surplus, there has been a balanced budget, in only 1 year during that 20-year period, 1958 through 1977. There was a balanced budget in 1960. During all the other years, the other 19 years, there have been deficits, and there again the alarming aspect is that the deficits have accelerated.

Just recently the Under Secretary of the Treasury testified before the Senate Finance Committee that the national debt, subject to the debt limitation, will reach $621 billion on June 30, 1976.

The concurrent resolution, which is the pending Senate business, sets the appropriate level of the public debt at the end of 1977 fiscal year at $711 billion.

What that means, is that during the 15-month period beginning July 1, 1976, and ending September 30, 1977, the deficit which will be added to the national debt will equal $90 billion in that 15-month period.

I want to repeat that again because it is, in my view, an alarming figure.

The national debt will be increased by $90 billion during the 15-month period beginning July 1, 1976 and ending September 30, 1977.

I know that many in the Congress say there is no need to worry about the deficit. All one needs to do is to add it to the debt.

Well, there are several aspects to that. One is that the higher the debt, the higher the interest charges. In the new budget which the Congress is working on now, the interest charges in that budget will exceed $40 billion.

That means that $40 billion will be taken out of the pockets of the working people of our Nation through taxes and used to pay the interest on the debt. No services will be obtained for this. It will just be used to pay the interest.

I realize that my views are in a minority among my colleagues in the Congress, but I think the Congress has been going in the wrong direction in handling of Government funds for a long time.

I think it has been even more foolhardy and more irresponsible in handling of public funds in the last few years than even it had been previously.

Let us consider that during the short period of 7 years, fiscal 1971 through fiscal 1977, 45 percent of the Nation's national debt will have been created. Yes, 45 percent of the entire debt of this Nation, which the concurrent resolution puts at $711 billion at the end of fiscal 1977, will have been created in the short span of 7 years.

The other 55 percent was created over a period of nearly 200 years, during which time our country fought the war between the States, the Spanish-American War, World War I, World War II, the Korean war and most of the war in Vietnam.

In my judgment, our Nation faces an alarming financial situation.

(At this point, Mr. BAYH assumed the chair.)

Mr. HARRY F. BYRD, JR. I think the No. 1 problem facing our country today is the need for the Federal Government to put its financial house in order. I submit that Senate Concurrent Resolution 109 does not do this. As a matter of fact, it gives Congressional sanction to continued huge and unjustified deficits in the Federal budget.

Statements have been made, "Oh, we will get back on a sound basis, we are heading toward a balanced budget."

The facts do not justify any assertion such as that. We are not getting back on a sound basis. We are getting a more and more unsound basis.

During this 1 year, during this current fiscal year, the Nation will have a deficit of $76 billion—by far the greatest deficit of any year in the history of our Nation, much greater even than the deficit during the 4 wartime years of World War II, when our country was fighting a war on two fronts, a war in Europe and a war in the Pacific.

Mr. President, this morning I left the Senate for a short period of time and drove to Fairfax County to George Mason University, a fine State university in Fairfax County. I spoke there in regard to George Mason. I presented to the university a newspaper dated November 17, 1787. November 17, 1787—a newspaper dating back almost 200 years.

It was given to me to present to the university by an anonymous member of the Board of Visitors, one of the finest and one of the most patriotic men I have ever known.

I would like to be able to put his name today in the RECORD, but he asked that his gift be anonymous, so I will, of course, respect his wishes.

But this newspaper contained a resolution, a resolution which was offered in the Virginia Legislature by George Mason nearly 200 years ago. It is very difficult to read, as one can imagine with a newspaper being that old. Also, it was printed in old English type.

But George Mason spoke of the ruinous effects of printing-press money and what it would do to the people if a government ran wild with the printing presses.

As a matter of fact, George Mason had been prompted to return to politics from a pleasant retirement by what he believed was an orgy of inflation in Virginia.

In his resolution, which was adopted by the Virginia Legislature, George Mason said this about inflation:

> It would be ruinous to trade and commerce, highly injurious to the good people of this Commonwealth, destroying public and private credit and all faith between men and man, it would increase and aggravate the very evil it is intended to remedy.

Today, the printing presses are running wild. The Government is printing more and more money and continually debasing the American dollar.

We know of the sad plight of New York City, how that city was greatly mismanaged, and how the politicians gave in to the demands of all the pressure groups. Finally the day of recokoning came and New York City was no longer able to sell bonds to operate its government.

So instead of cutting its expenses, instead of putting its financial house in order, instead of beginning to manage its affairs properly, it came to the Federal Government and demanded to be bailed out.

This Congress, as it does with most pressure groups, succumbed to those demands and the taxpayers throughout our Nation bailed out the city of New York from its financial difficulties.

As bad as the financial difficulties of New York City are, I submit they are no worse than those of the Federal Government. The only difference is that the Federal Government has printing presses and can continue to print more money. But in doing that, it depreciates the value of the currency of the hard-working men and women of our Nation.

It was against this that George Mason warned so many years ago.

To get back to the pending resolution, Senate Concurrent Resolution 109 states that the appropriate level of budget outlays for fiscal 1977 is $412 billion, and the appropriate deficit is $50 billion. I think that is going in the wrong direction, to demand of the Congress such a high deficit as this resolution provides for.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD five tables which I have prepared. One shows the receipts, outlays and surpluses or deficits in the unified budget for the 20-year period 1958–77; another the deficits in Federal funds and interest on the national debt for the 20-year period; another U.S. gold holdings, total reserve assets and liquid liabilities to foreigners at stated periods; another table giving the receipts, outlays and deficits or surpluses in trust funds for the fiscal year 1975 through 1977, and the analysis of Federal receipts and expenditures for the fiscal year 1969 to 1977. I ask unanimous consent that these be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

UNIFIED BUDGET RECEIPTS, OUTLAYS AND SURPLUS OR DEFICIT FOR FISCAL YEARS 1958–77, INCLUSIVE

[In billions of dollars]

Prepared by Senator Harry F. Byrd, Jr., of Virginia

Fiscal year	Receipts	Outlays	Surplus (+) or deficit (−)
1958	79.6	82.6	−3.0
1959	79.2	92.1	−12.9
1960	92.5	92.2	+.3
1961	94.4	97.8	−3.4
1962	99.7	106.8	−7.1
1963	106.6	111.3	−4.7
1964	112.7	118.6	−5.9
1965	116.8	118.4	−1.6
1966	130.8	124.6	−3.8
1967	149.5	158.2	−8.7
1968	153.7	178.8	−25.1
1969	186.8	184.6	+3.2
1970	193.8	196.6	−2.8
1971	188.4	211.4	−23.0
1972	208.6	231.9	−23.3
1973	232.2	246.5	−14.3
1974	264.9	268.4	−3.5
1975	281.0	324.6	−43.6
1976[1]	297.5	373.5	−76.0
Transition quarter[1]	81.9	98.0	−16.1
1977[1]	351.2	394.2	−43.0

[1] U.S. Treasury Department estimates.

Source: Office of Management and Budget and Department of the Treasury, March 1976.

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1958–77, INCLUSIVE

[Billions of dollars]

Prepared by U.S. Senator Harry F. Byrd, Jr., of Virginia

Year	Receipts	Outla'/s	Surplus (+) or deficit	Debt interest
1958	66.6	69.7	−3.1	7.8
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+.8	9.5
1961	75.2	79.3	−4.1	9.3
1962	79.7	86.6	−6.9	9.5
1963	86.3	90.1	−6.5	10.3
1964	87.2	95.8	−8.6	11.0
1965	90.9	94.8	−3.9	11.8
1966	101.4	106.5	−5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	−5.5	17.7
1970	143.2	156.3	−13.1	20.0
1971	133.7	163.7	−30.0	21.6
1972	148.8	178.0	−29.2	22.5
1973	161.4	186.4	−25.0	24.2
1974	181.2	198.7	−17.5	29.3
1975	187.5	238.5	−51.0	32.7
1976[1]	198.4	276.9	−78.5	37.7
Tran quarter[1]	54.8	69.8	−15.0	10.4
1977[1]	230.8	286.2	−55.4	45.0
20-yr total	2,535.7	2,948.8	398.8	380.5

[1] U.S. Treasury estimates.

Source: Office of Management and Budget and U.S. Department of the Treasury, March 1976.

U.S. GOLD HOLDINGS, TOTAL RESERVE ASSETS AND LIQUID LIABILITIES TO FOREIGNERS

[Selected periods in billions of dollars]

Prepared by U.S. Senator Harry F. Byrd, Jr., of Virginia

	Gold holdings	Total assets	Liquid liabilities
End of World War II	20.1	20.1	6.9
Dec. 31, 1959	22.8	24.8	19.4
Dec. 31, 1970	10.7	14.5	47.0
Dec. 31, 1973	11.7	14.4	92.6
Dec. 31, 1974	11.6	15.9	119.1
Dec. 31, 1975	11.6	16.2	125.4

Source: U.S. Treasury Department, March, 1976.

RECEIPTS, OUTLAYS AND SURPLUSES OR DEFICITS IN TRUST FUNDS, FISCAL YEARS 1975–77

[Billions of dollars]

Prepared by U.S. Senator Harry F. Byrd, Jr., of Virginia

RECEIPTS, OUTLAYS AND SURPLUSES OR DEFICITS IN TRUST FUNDS, FISCAL YEARS 1975–77

[Billions of dollars]

Prepared by U.S. Senator Harry F. Byrd, Jr., of Virginia

	1975			1976			Transition quarter			1977		
	Receipts	Outlays	Surplus (+) or deficit (−)	Receipts	Outlays	Surplus (+) or deficit (−)	Receipts	Outlays	Surplus (+) or deficit (−)	Receipts	Outlays	Surplus (+) or deficit (−)
Social security	66.7	64.7	+2.0	70.8	73.8	−3.0	18.9	19.9	−1.0	[1] 84.8	84.0	[1] +.8
Health insurance	16.9	14.8	+2.1	18.6	17.4	+1.2	5.0	4.6	+.4	23.0	19.6	+3.4
Revenue sharing	6.2	6.1	+.1	6.4	6.3	+.1	1.6	1.6	0	6.5	6.5	0
Unemployment	8.2	13.2	−5.0	16.7	18.5	−1.8	3.4	3.7	−.3	[2] 16.9	16.5	[2] +.4
Federal employees retirement	11.5	7.1	+4.4	13.0	8.5	+4.5	2.1	2.3	−.2	15.9	10.1	+5.8
Highways	6.8	4.8	+2.0	6.3	6.6	−.3	1.9	1.9	0	7.1	6.9	+.2
Other	9.5	7.7	+1.8	12.4	10.5	+1.9	2.8	2.8	0	13.9	12.0	+1.9
Total	125.8	118.4	+7.4	144.2	141.6	+2.6	35.7	36.8	−1.1	168.1	155.6	+12.5

[1] Assumes enactment of tax increase of $3,300,000,000 proposed by the administration.

[2] Assumes enactment of tax and wage base increases netting $2,100,000,000 proposed by the administration.

Source: Office of Management and Budget.

ANALYSIS OF FEDERAL RECEIPTS AND EXPENDITURES, FISCAL YEARS 1969–77

Prepared by Senator Harry F. Byrd, Jr., of Virginia, March 1976

	1969	1970	1971	1972	1973	1974	1975	1976[1]	Transition quarter[1]	1977[1]
RECEIPTS IN BILLIONS										
Individual income taxes	$87	$90	$86	$95	$103	$119	$122	$131	$40	$154
Corporate income taxes	37	33	27	32	36	39	41	40	8	50
Subtotal income taxes	124	123	113	126	136	158	163	171	48	204
Excise taxes (excluding highway)	11	11	10	11	10	10	9	10	3	10
Estate and gift	3	4	4	5	5	5	5	5	1	9

ANALYSIS OF FEDERAL RECEIPTS AND EXPENDITURES, FISCAL YEARS 1969-77—Continued

Prepared by Senator Harry F. Byrd, Jr., of Virginia, March 1976

	1969	1970	1971	1972	1973	1974	1975	1976 [1]	Transition quarter [1]	1977
Customs	2	2	3	3	3	3	4	4	1	4
Miscellaneous	3	3	4	4	4	5	7	8	2	7
Total Federal fund receipts	143	143	134	149	161	181	188	198	55	231
Trust funds (social security and highway, less interfund transactions)	44	51	54	60	71	84	93	99	27	120
Total	188	194	188	209	232	265	281	297	82	351
EXPENDITURES IN BILLIONS										
Federal funds	149	156	164	178	186	199	239	277	70	286
Trust funds (less interfund transactions)	36	40	48	54	61	70	86	96	28	108
Total	185	196	212	232	247	269	325	373	98	394
Unified budget surplus (+) or deficit (−)	+3	−2	−24	−23	−15	−4	−44	−76	−16	−43
Federal funds deficit	−6	−13	−30	−29	−25	−18	−51	−79	−15	−55

[1] Estimated figures.

Mr. TAFT. Mr. President, I should like to say a few words about the Budget Committee report on the first concurrent resolution.

I realize the difficulties of arriving at a consensus on budget levels and priorities that the committee faced in preparing this resolution. Nonetheless, I do hope that future reports will be available a bit earlier before the resolution is actually called up. Furthermore, in the tables concerned with major program elements, which are numbered table 2 in each section of the report, it would be useful, insofar as the committee has actually stated a subfuncton total in its recommendations, if these would appear next to the current policy numbers instead of merely in the body of the text. This is already done for the functions, and I feel that, insofar as possible, it should be done for the subfunctions as well.

The section of the report on page 4 dealing with inflation control contains a theoretical error which can be extremely misleading. The committee "does not recommend reductions in postal subsidies or operating subsidies to mass transit because the reductions would lead to higher price levels." This section was enlarged upon at some length in the Budget Committee staff briefing, and it is quite incorrect.

It is impossible for subsidies to lower the rate of inflation. If a subsidy has been paid for by increased taxes, than whatever element of the price index has been held down by the subsidy, the fact that taxes are also in the Consumer Price Index certainly undoes any positive effect on the index, and certainly does not lower the real rate of inflation which the index is designed to measure. If the subsidy is financed through the sale of Government bonds, that is, by an increase in the deficit, one of two things can occur. Either the Federal Reserve steps in to buy the bonds, which increases the monetary base, which will lead to an increase in the money supply and an increase in prices in general, or the bonds have to be sold to the general public.

The public will absorb a greater quantity of bonds only at a higher interest rate, so that interest rates must rise. Since interest rates appear in the Consumer Price Index, that index is forced up. Furthermore, since future taxes will be higher to pay the increased interest on the larger Government debt, the Consumer Price Index will be higher than otherwise in future years. Thus, a subsidy cannot destroy inflation, it can merely shift it, either to another set of goods, to interest rates, or to future years.

This can be best illustrated by carrying the argument to its logical conclusion. Since food is a necessity, and a major part of the Consumer Price Index, why should we not increase the budget by $200 billion, and use the money to grant a 100-percent subsidy on all food products? The price of food would certainly fall to zero, but this would not do a thing to lower the rate of inflation. Consumers would be able to use all of their incomes for spending on products other than food, and since the supply of these products would not have been increased by this maneuver, the additional spending on these products would merely drive their prices up. We would have the same total spending, and the same total quantity of goods, and the same price index as before. While there might be a small trade-off of a bit less inflation this year, accompanied by higher taxes to pay the interest on the debt next year and thereafter, nonetheless the public would be quite aware that nothing had been gained, except, perhaps, a bit of weight as people began eating up our food stocks faster than normal.

The only argument that can be made for the continuation of these subsidies is that the recipients of the subsidies deserve them for some reason. The subsidies have nothing to do with controlling inflation. We must be very careful not to confuse the Consumer Price Index with the rate of inflation. This would be like confusing the thermometer with the fever.

In its eagerness to promote the adoption of this resolution, the committee staff also mentioned something called "inflationary tax increases." This was in reference to the proposed increase in the social security payroll tax. It is true that such a tax increase would not be a good idea at this time. A time of high unemployment is no time in which to raise taxes on the utilization of labor. Nor do I favor raising taxes in general this early in a recovery. However, the argument that tax increases are inflationary because they appear in the Consumer Price Index is ridiculous. Tax increases are deflationary. The committee staff took great pains to explain the need for a deficit with illustrations from an extremely naive Keyserlingian model. In any such model, a tax increase is deflationary to the tune of several times its own size, because of multiplyer effects. While a tax increase would appear with its own weight in the Consumer Price Index, it would lower spending by several times its own size, helping to reduce the Consumer Price Index. There are many reasons to oppose a tax increase at this time. But inflation is not one of them.

I hope that in the future, committee reports and briefings will stick a bit closer to accurate economic analysis, and that theories will not be turned upside down in an attempt to win broader support.

OCEAN POLICY AND TAX REFORM

Mr. HOLLINGS. Mr. President, I am pleased to report that efforts by the Committee on Commerce and the National Ocean Policy Study are closely coordinated with the Senate Budget Committee and this resolution. A number of important legislative initiatives are considered herein, as noted in my remarks below. They include:

First. H.R. 200, establishing a 200-mile economic resource zone and management efforts related thereto, has passed the Senate and House and is in conference at this writing. Included in the bill are provisions establishing a national fishery management program, an international fisheries negotiation program, providing for enforcement of the act, and other requirements for implementing the zone.

Second. S. 586, providing for energy facility siting planning in the coastal zone, passed the Senate in 1975. House action is anticipated early in 1976. This legislation provides for grants, loans and loan guarantees to plan for and ameliorate the adverse impacts of energy facilities in or affecting the Nation's coastal zone, as well as assistnce for rapid turnaround research related to energy facilities, improved planning generally, and for public access to beaches.

Third. Ocean and Coastal Resources Act of 1976. This proposed legislation would establish a high-level policy and planning mechanism within the National Oceanic and Atmospheric Administratration for the purpose of dealing with all aspects of ocean and coastal resources, scientific research and technological developments. In addition, the bill would establish an Ocean and Coastal Advisory Service and would reauthorize and strengthen the national sea-grant program, which expires in 1976.

Fourth. Marine Protection, Research and Sanctuaries Act. This legislation originally enacted in 1972, requires reexamination and reauthorization in 1976, specifically with regard to regulations and enforcement by the Environmental Protection Agency and the U.S. Army Corps of Engineers, and research by EPA, the corps, and the National Oceanic and Atmospheric Administration.

Fifth. Oil spill liability and compensation. S. 2162, S. 1754, and S. 2666 addressing this issue will be dealt with jointly by the committee and the Committees on Interior and Public Works. The legislation would create strict liability for vessel owners and operators and other offshore facilities for damages and cleanup costs resulting from discharges of oil into the marine environment.

Sixth, Liquefied natural gas facilities siting. Draft legislation providing for guidelines and procedures for siting of LNG facilities, similar in scope to the Deepwater Port Act of 1975, is under examination by the Committee. Hearings may be conducted in 1976.

Seventh. Earthquake research and prediction. Hearings on legislation to authorize the National Science Foundation and the U.S. Geological Survey to increase national capability to understand and predict earthquakes have been conducted. The committee has examined this issue for nearly 3 years. The legislation may be ordered reported in 1976.

Eighth. Government organization for ocean programs. The staff of the National Ocean Policy Study, at the request of the chairman, has had under investigation for 2 years the structure of Federal agencies with regard to carrying out the Federal ocean program. A report on this is scheduled for release in 1976, to be followed by hearings and possible legislation.

Furthermore, Mr. President, I am pleased that this resolution contains funds for a number of important initiatives in the ocean and coastal zone as recommended by the Senate's National Ocean Policy Study and the Committee on Commerce. These issues are:

First. Ocean energy. The President's budget for ERDA would be increased to permit outlays of an additional $273 million in fiscal year 1977 for solar resource development, including ocean thermal energy conversion; environmental studies; and conservation.

Second. Ocean and coastal resources. The President's budget for the National Oceanic and Atmospheric Administration, Department of Commerce, would be increased to permit outlays of an additional $209,270,000 for coastal zone management and energy facility impact assessments and grants; implementation of the 200-mile economic resource zone; environmental energy and resource research; and for ocean and coastal policy planning and research coordination, including Sea Grant.

STRENGTHENING ERDA'S OCEAN ENERGY PROGRAM

With the U.S. Geological Survey having lowered its estimates of U.S. petroleum resources and because of the escalating economic and environmental costs of coal and nuclear power, it is felt that development of renewable energy sources should be expanded as fast as Federal management capability allows. Therefore, within ERDA's solar program, we recommend:

First. Efforts to harness the solar energy in the oceans; that is, water temperature differences, marine biomass production, waves, tides, and ocean wind systems should be consolidated into one subprogram designated "Ocean Energy";

Second. Greater priority should be given to these efforts in light of recent feasibility studies; and

Third. Management of ocean energy should be conducted in a more mission-oriented way, focused on successful commercialization or abandonment, than has been the case in the past.

Consolidation would bring together ocean energy technologies which raise similar technical and legal problems and which can be combined in a single operation, thereby enhancing overall economies.

In addition, expediting a "go/no go" decision on a demonstration for ocean thermal energy conversion requires funding for initiating construction of a land-based facility.

In the environmental area, we noted little or no real increase in the President's total budget for Federal programs. We felt it important that this underemphasis be rectified, particularly with regard to ERDA.

A very high portion of all U.S. energy activity takes place along the coasts. Much basis research needs to be done on the transport, conversion, and effects of energy-related pollutants in order to minimize future environmental and human degradation in coastal areas. ERDA has a new mandate for environmental research on non-nuclear energy production and consumption. ERDA's budget request lists many important areas for research. Between them, ERDA and the National Oceanic and Atmospheric Administration have considerable expertise for carrying out or managing such research. Because of these considerations, we feel ERDA's environmental program should receive a substantial funding increase.

Neglected in ERDA's program is research on the socioeconomic effects of carrying out large energy demonstrations. We think some of the increased environmental funding should be devoted to joint, cooperative studies with the National Oceanic and Atmospheric Administration's Office of Coastal Zone Management on the impacts of such demonstrations and subsequent commercial activities on socioeconomic and environmental conditions and developing the appropriate Federal policy.

On another matter, conservation, the President's budget is heavily skewed towards energy production, as opposed to conservation. Much higher prices for energy have presented many opportunities for developing and implementing new technologies that are both more energy efficient and more economic. In addition, the development of new energy-conserving technologies could significantly reduce the amount of energy-related pollution in coastal areas.

We feel that 2 percent of ERDA's budget is insufficient for conservation and recommend funding in this area equal to what ERDA originally requested from OMB.

Because of environmental side benefits, we also feel there should be communication and cooperative between those designing ERDA's conservation program and those both in and outside of ERDA who are concerned with the Nation's environment.

ERDA SOLAR, ENVIRONMENTAL, AND CONSERVATION PROGRAMS

ERDA Program	President budget estimate	Recommended added outlays
A. Solar resource development (of which)	$160,000,000	$70,000,000
Ocean thermal energy conservation	7,000,000	13,000,000
B. Environmental research and safety (of which)	198,000,000	52,000,000
Environmental studies	47,000,000	18,000,000
C. Conservation	120,000,000	120,000,000
Total		273,000,000

INCREASING NOAA'S CAPABILITY TO UNDERTAKE OCEAN/COASTAL PROGRAMS

It is authorized that $9,567,000 be added to the President's budget to allow NOAA to carry out additional programs in the following categories: Fish and Wildlife Coordination Act, development, rearing and stocking; shoreline erosion investigation; development of resources under the Fish and Wildlife Coordination Act; enforcement of foreign fishing in U.S. waters; endangered species research; commercial fisheries R. & D.; research under the Marine Mammal Protection Act. In addition, it is recommended that an amount equal to the limit of authorized funds, an added $367,000, be made available for ocean dumping research.

The committee also recommended additional funds totaling $4.6 million for the current Coastal Zone Management program, and an added $150,000,000 to implement S. 586, the Coastal Zone Management Act amendments which has passed both the Senate and House and is in conference at this time.

It is also recommended that $25,000,000 be made available to NOAA beyond the President's budget to implement H.R. 200, the legislation establishing a 200-nautical mile economic resource zone. Additional funds will also be needed by the U.S. Coast Guard, Department of Transportation, as noted below.

The committee recommends an additional $14,736,000 above the President's budget estimate for NOAA sea grant program to carry out the mandate of the original act as well as new responsibilities which will be assigned NOAA by new authorization legislation, the proposed Ocean and Coastal Resources Act of 1976, mandating improved planning, coordination, and management of ocean and coastal research and programs.

INCREASING NOAA'S CAPABILITY TO SUPPORT ERDA IN AREAS OF NOAA EXPERTISE

We recommend that $5 million be added to NOAA's budget for "Operations, Research, Facilities" in order that NOAA be able to carry out or manage contract work for ERDA in the following areas:

First. Solar resource assessment;

Second. Ocean thermal energy conversion and development of other technologies for harnessing solar energy in the oceans; for exempt, marine biomass production, waves, tides, and ocean wind systems; and

Third. Environmental studies of the transport, conversion and efforts of pollutants in the marine and atmospheric environments.

There are all areas in which NOAA has relevant expertise, personnel, and facilities and/or a related legislative mandate.

Information sought in letters by myself and investigations conducted by the NOPS staff have revealed an interest at ERDA and NOAA in using NOAA capability to help carry out ERDA missions in new nonnuclear areas. Several million dollars will be transferred from ERDA to NOAA this fiscal year to carry out such work. However, NOAA support of ERDA is severely constrained by NOAA's lack of personnel and funding for those personnel and some of their research.

We intend to seek relief of the personnel constraint from the Senate Appropriations Committee to raise the administration's limitations on personnel, where doing so would avoid waste or duplication of existing expertise and facilities where adequate management of Federal programs is threatened.

	President budget estimated	Recommended added outlays
NOAA budget recommendations:		
Miscellaneous ocean and coastal living resource research and development	$23,664,000	$9,567,000
Ocean dumping	5,633,000	367,000
Coastal zone management (Public Law 92–583)	23,408,000	4,600,000
Coastal Zone Management Act Amendments (S. 586)	0	150,000,000
200 mil. economic resource zone implementation	0	25,000,000
Sea Grant Act	23,239,000	14,736,000
Ocean energy	0	5,000,000
Total NOAA		209,270,000
DOT budget recommendations:		
U.S. Coast Guard, 200 mi. economic resource zone enforcement and surveillance (ships and facilities)	0	109,000,000

I believe the Budget Committee deserves very high marks for their actions in controlling Government expenditures. However, until this year, we have not effectively dealt with the question of tax expenditures. The Budget Reform Act, under which we operate, directs Congress to deal with both tax expenditures and direct Government expenditures, and properly so if we are to achieve effective control of Federal spending. Earlier this year, the House Budget Committee approved a target increase in tax revenues of $2 billion and the Senate Budget Committee has now adopted a similar target.

It is only right that we allocate such a target to the area of tax expenditures. From a 1971 figure of $51.7 billion tax expenditures have escalated to an estimated $105 billion for fiscal year 1977, and it is projected that lost revenues will increase to $150 billion by 1981. In late 1975, the House passed H.R. 10612 which would raise through tax reform at least $1.2 billion in fiscal year 1977 and when one reviews the magnitude of tax loopholes which still remain, it is very easy to see how the Congress could easily raise $2 billion in this fiscal year through tax reform. For example, while the House restricted the availability of DISC for a budget gain of $0.4 billion, the elimination of this unjustified subsidy program would raise an additional billion dollars. Reforms to the minimum tax, going somewhat further than the House, would raise $0.5 billion. Reenactment of Senator HARTKE's foreign oil tax credit amendment, which the Senate passed in March 1975, would raise an additional $1.4 billion. Enactment of Senator HARTKE's tax deferral amendment which also passed the House last March would raise an additional $1.4 billion. So here we have, in addition to the House passed $1.4 billion, $3.5 billion in possible tax savings which either follow the same approach as the House bill, as in the case of the minimum tax and DISC, or which have already passed the Senate, as in the tax credit and deferral amendments.

Tax expenditure reform is an essential part of the budget process and I am pleased that we will this year begin to get a handle on this spending. I urge the Senate Finance Committee to accept the challenge of this $2 billion target and report a tax reform bill to the floor this year which hits the mark.

Mr. MUSKIE. Mr. President, I ask unanimous consent that I may include in the RECORD a statement by the distinguished Senator from South Dakota (Mr. ABOUREZK) on the pending resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR ABOUREZK—THE SECOND BUDGET RESOLUTION

A year ago, when our Committee brought its very first budget resolution to the floor, I indicated that I was supporting it despite some real reservations about its size and shape. This year, I find that my reservations are so great that I cannot, in good conscience, support the resolution reported out by our Committee. I cannot because it seems to me to come very close to mocking the hopes of those of us who saw the new Congressional budget process as a means for restoring to Congress its independent role in spending decisions. The resolution before us is more a white flag of surrender to the President than a declaration of Congressional independence.

The reservations I expressed last year stemmed from my feeling that the Committee had "missed the opportunity to move more decisively on a reordering of national priorities." In my opinion, the failure this year is greater. Even more than last year, we have accepted the President's budget and the President's priorities. While I ended my remarks last year by expressing the hope that this year things would be better, the fact is that they have turned out worse.

If we compare the President's budget recommendations for fiscal year 1976 with the Congressional Budget Resolution enacted last fall, we find that—in the fourteen major functions, leaving aside interest, allowances, and undistributed offsetting receipts—Congress endorsed increases totaling $21.2 billion in eleven functions and decreases totaling $3.2 billion in two functions.

This year we are recommending $4 billion less in upward shifts in only nine functions. More significantly, we are recommending a cut in only one function and by a marginal $200 million in outlays. In my view, that comes uncomfortably close to being a rubber stamp.

In the case of military spending, I do not think there can be any other term for what we are recommending. This resolution accepts with almost no change the President's numbers. It accepts without challenge the Pentagon's rhetoric that "the Russians are coming" and their contention that we have to "turn around" the trends in U.S. defense spending. In the process of rubber-stamping the Pentagon's request, we are endorsing real growth of more than $2 billion in outlays and more than $7 billion in obligational authority—unnecessary increases in military spending at a time when the rest of the budget is being forced to absorb massive cuts to offset those increases.

What is the justification for these increases in military spending? If one looks at the major program elements in the Defense Department's budget, we are endorsing a 20 per cent increase—in addition to inflation—in spending for strategic forces. This is at a time when, as Senator Cranston pointed out to the Committee, our advantage over the Russians in numbers of nuclear warheads is up to 5,400 from the 3,200 lead we held ten years ago. This is at a time when, as Senator Kennedy told the Committee, "we can already lift several inches of topsoil off the entire Soviet Union." How much overkill do we need?

The resolution we have reported endorses real growth in spending for general purpose forces of nearly 13 per cent over this year. What is the justification for that rise at a time when we are recognizing that we neither can nor should be the world's policeman and busybody—interfering in every international affair whether it touches our national interest or not? What is the justification when we should be reducing our troop deployments in Southeast Asia and elsewhere as well?

In adopting this resolution, we will be endorsing a 14 per cent increase—again, beyond adjustment for inflation—in spending for sealift and airlift. Is this so that we can be more ready to get involved in new Vietnams? I don't believe that is what the American people want.

What is the justification? The Pentagon says it is because the Russians have been spending more on defense than we have in recent years. In the first place, the Administration itself has conceded that "dollar comparisons of U.S. and U.S.S.R. military forces have no relevance to comparative effectiveness." In the third place, intelligence analysts estimate that almost half of the Russian increase in military spending is either a reaction to their confrontation with China or their fear of dissent and loss of internal control at home and in their European satellites. Our spending decisions on defense should be based on our needs—not their needs. But this resolution accepts the Administration's word for what our needs are, ignoring completely the documentary evidence before our Committee that the President's recommendations include $2.7 billion in defense spending that he himself had certified was not necessary this year and may very well include an additional $3.0 billion in "cut insurance . . . as a cushion for Congressional action."

How much faith can we place in the Pentagon's assessment of its needs in a political year when the President is being challenged from the right? How much confidence should we have when the continuing argument for this defense budget is that it "is time to turn the trend around"? The fact is that we "turned the trend around" last year. Again, looking at spending for the major program elements in the DoD budget, fiscal 1976 levels of obligational authority represented 4.6 per cent of real growth—an increase beyond that required to keep pace with inflation—over the prior year. We are now being asked to add an additional layer of 7 per cent more of real growth next year. That is the frosting we are proposing to give to the military brass while the rest of the country has to eat inflation.

While, as must be clear by now, my greatest dissatisfaction is with the defense rubber-stamped by this resolution, I am also far from agreement with other aspects of it. The economic impact may prove risky in the extreme. If the substantial restraint reflected in this resolution results in choking off economic recovery, we will be reaping more and larger deficits rather than the surplus we all want to move toward as rapidly as is really feasible.

But, again, my real unhappiness stems from the failure of Congress to exercise its own priorities judgment in the face of the misguided priorities endorsed by the Ford Administration. In health spending, for example, I fear that we—like the President—are endorsing cuts which will prove to be illusory; that our attempt to make the federal budget look good will result in heavier burdens on those needing medical care as the system merely shifts to them the costs which the federal programs refuse to cover. I am very doubtful that a fixed limit on the charges which medicare and medicaid will cover is an effective way to control inflation in health care. Past experience suggests that more fundamental reforms are required.

Similarly, I suspect that the supposed savings in income security will frequently prove illusory and that the upshot of our spending target here will not mean reform but retrenchment in the food stamp program; not savings but sufferings in the public assistance programs. The same is all too likely to be true in veterans' programs where, although our recommended spending level is substantially above the President's, it is still insufficient to keep up with inflation.

Finally, with unemployment continuing at substantial levels and with the economy as a whole still losing income and product through idle resources, I believe we should have challenged the President's priorities more in terms of public works and other job-creation programs. There is much to do in this country in terms of resource conservation, environmental protection, improved transportation facilities, and more adequate housing. Far better to put people to work doing those jobs and to invest in both their future and our own than to accept chronic unemployment and the high costs of welfare that go with it.

Perhaps when and as recovery in the economy is achieved, and the spectre of substantial immediate deficits no longer mesmerizes the Congress, the new budget process will find room for a real priorities debate. In the meanwhile, this year's resolution strikes me as a step in the wrong direction and I cannot give it my support.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUDDLESTON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business with statements limited therein to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. HELMS) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE PROGRESS OF CYPRUS NEGOTIATIONS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HELMS) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

Pursuant to Public Law 94–104, I am submitting a further report on the progress of Cyprus negotiations and the efforts this Administration is making to help find a lasting solution to the problems of the island. In two previous reports, I detailed the Administration's major effort to encourage the resumption of negotiations between the Greek Cypriot and Turkish Cypriot communities. My most recent report, submitted in February, indicated that the two sides had agreed to resume the intercommunal negotiating process later that month. That round of talks did, in fact, take place.

The Greek Cypriot negotiator and his Turkish Cypriot counterpart met in Vienna February 17–21, 1976, under the aegis of UN Secretary General Waldheim. The meetings concluded with agreement by the two sides to exchange proposals on the key substantive Cyprus issues—including control of territory—within six weeks. Moreover, the parties agreed to meet again in Vienna following the exchange of written proposals for the purpose, according to a joint announcement made on February 21, of establishing a common basis before the proposals are submitted to mixed committees which will function in Cyprus during recesses in the Vienna-level talks.

The commitment of both sides to introduce negotiating proposals on the key territorial and constitutional issues must be viewed as a significant advance. Until the recent Vienna meeting, the two sides had never been able to agree on a procedural formula which would allow the exchange of their respective positions on these key issues of the Cyprus problem. That obstacle has now been overcome.

At the recent Vienna talks, the Greek Cypriot and Turkish Cypriot negotiators also agreed to resume talks in Nicosia on humanitarian considerations. To date, six meetings have been held which have dealt with the problem of missing persons, among other issues, and the situation of the Greek Cypriots living in the Turkish sector. There is evidence that these talks are producing concrete results. For example, according to a United Nations communique issued at the conclusion of the March 27 Nicosia meeting, nine schools will be reopened in the Turkish sector on the island to provide for the educational needs of the Greek Cypriot population that has chosen to remain in that area.

The United States continues to remain alert to any opportunity to assist the negotiating process more directly. During the recent visit to Washington of Turkish Foreign Minister Caglayangil, I emphasized the need for both sides to negotiate in good faith so that progress on the Cyprus problem can be realized as expeditiously as possible. Secretary of State Kissinger also addressed the Cyprus question in his discussions with the Foreign Minister. It was clear from our conversations that Foreign Minister Caglayangil believes these negotiations should be sustained so that the entire spectrum of issues can be considered.

In sum, we are encouraged that the negotiating process has been resumed and that a procedure has been developed whereby the critical issues can finally be subjected to serious negotiations. An important threshold has been crossed. Equally encouraging is the impetus that has been created to work out the humanitarian problems. Now we must all work to maintain and increase momentum. We are ourselves again reviewing the situation to see what more can be done to complement the efforts of UN Secretary General Waldheim and the parties, now that the stage has been reached where proposals are being exchanged. We will give serious consideration to any initiative or action—consonant with the wishes of those involved—which would provide greater impetus to the process that is now underway. In the weeks ahead, we will be in touch with the parties to explore such possibilities.

For the moment, we urge that the two sides engage in realistic and statesmanlike discussions on the major issues such as territory. For our part, we shall continue to devote our energies and resources to finding a just solution to the problems of Cyprus.

GERALD R. FORD.

THE WHITE HOUSE, *April 9, 1976.*

MESSAGES FROM THE HOUSE

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 10:45 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

S. 1941. An act to amend the act of August 24, 1966, as amended, to increase the protection afforded animals in transit and to assure humane treatment of certain animals, and for other purposes.

S.J. Res. 101. A joint resolution to authorize the President to issue a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

The enrolled bill and joint resolution were subsequently signed by the President pro tempore (Mr. EASTLAND).

At 1:18 p.m., a message from the House of Representatives delivered by Mr. Backney, one of its reading clerks, announced that the House has agreed to Senate Concurrent Resolution 84, a concurrent resolution authorizing the printing of the report of the proceedings of the 47th biennial meeting of the Convention of American Instructors of the Deaf as a Senate document without amendment.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, April 9, 1976, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 101) to authorize the President to issue a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, with an amendment:

H.R. 7108. An act to authorize appropriations for environmental research, development, and demonstration (Rept. No. 94-744).

By Mr. McCLURE, from the Committee on Interior and Insular Affairs, with amendments and an amendment to the title:

S. 2511. A bill to authorize the Secretary of Agriculture to convey certain lands in the State of Idaho (Rept. No. 94-745).

By Mr. MANSFIELD (for Mr. SPARKMAN), from the Committee on Foreign Relations, with amendments:

S. 1907. A bill to provide for the participation of the United States in the Financial Support Fund (Rept. No. 94-746). Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with an amendment:

S. 3055. A bill to provide for U.S. standards and a national inspection system for grain, and for other purposes, together with minority views (Rept. No. 94-747).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. BEALL, from the Committee on Commerce:

Philip Allison Hogue, of Virginia, to be a member of the National Transportation Safety Board.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER TO MAKE CORRECTIONS—SENATE RESOLUTION 428

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of Senate Resolution 428, disapproving regulations proposed by the Administrator of General Services under section 104 of the Presidential Recordings and Materials Preservation Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CORRECTIONS IN ENGROSSMENT OF S. 3136

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized in the engrossment of S. 3136 to make the following correction: that the language proposed to be inserted by the amendment of the Senator from Florida (Mr. CHILES) on page 7, between lines 20 and 21 of the Dole substitute, be stricken, and that lines 21 through 24 of the Dole substitute be restored. This meets with the approval of Mr. CHILES.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JACKSON (for himself and Mr MAGNUSON):

S. 3283. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. CANNON:

S. 3284. A bill relating to fees charged for the grazing of livestock on certain Federal lands. Referred to the Committee on Interior and Insular Affairs.

By Mr. SCHWEIKER:

S. 3285. A bill to amend the Occupational Safety and Health Act of 1970 to provide notification procedures for potentially hazardous substances, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. PASTORE (for himself and Mr. BAKER):

S. 3286. A bill to amend the Atomic Energy Act of 1954, as amended, to provide for the approval of sites for production and utilization facilities, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 3287. A bill to establish National Historic Trails as a new category of trails within the National Trails System, to include the Iditarod Trail, Alaska, in the National Trails System as a National Historic Trail, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 3283. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Wash., and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, on behalf of myself and the senior Senator from the State of Washington (Mr. MAGNUSON) I introduce for appropriate reference a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit extension, of the Bureau of Reclamation's Chief Joseph Dam project in northcentral Washington State.

Mr. President, this measure provides for the replacement of an existing irrigation distribution system serving over 9,000 acres in the Oroville-Tonasket Irrigation District in Washington State. Past attempts to modernize or rehabilitate portions of the system have been successful. However, the investment in modernization already completed is threatened by the continuing decay of the older sections of the system. Parts of the existing distribution system date back 40 years or more and are of wooden construction. There is a chronic water loss estimated at 40 percent and maintenance costs are high. Thousands of acres of productive apple orchards served by the Oroville-Tonasket Irrigation District are the backbone of the region's economy. If the system should fail during a critical time in the irrigation season, the effect on the economy would be disastrous.

Construction of the facilities necessary to provide a reliable water supply is beyond the capability of the district alone, so they have sought the aid of the Federal Government.

Pursuant to Public Law 89-561, the Bureau of Reclamation has prepared a feasibility investigation of the proposed Oroville-Tonasket unit extension. The report is presently being reviewed by interested Federal agencies and copies have been furnished the House and Senate Interior and Insular Affairs Committees. The report points out that in addition to the vtial assistance that would be provided to the area's agriculture, substantial benefits would accrue from fishery enhancement and water conservation. The economic analysis of the proposed project as contained in the Bureau's report reveals a benefit to cost ratio of almost 2 to 1. Certainly one of the best project proposals to come before the Interior Committee in this Congress.

As chairman of the commitee it is my intent to request that public hearings be held before the committee as soon as possible and that agency review of the legislation commence immediately.

Mr. President, I ask that the text of the measure be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for purposes of supplying water to approximately ten thousand acres of land and for enhancement of the fish resource of the Similkameen, Okanogan, and Columbia Rivers and the Pacific Ocean, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal works of the Oroville-Tonasket unit extension (hereinafter referred to as the project) shall consist of pumping plants, distribution systems; necessary works incidental to the rehabilitation or enlargement of portions of the existing irrigation system to be incorporated in the project; drainage works; and measures necessary to provide fish passage and propagation in the Similkameen River. Irrigation works constructed and rehabilitated by the United States under the Act of October 9, 1962 (76 Stat. 761) and which are not required as a part of the project shall be dismantled and removed with funds appropriated hereunder and title to the lands and right-of-way thereto which were conveyed to the United States shall be reconveyed to the Oroville-Tonasket Irrigation District. All other irrigation works which are a part of the Oroville-Tonasket Irrigation District's existing system and which are not required as a part of the project or that do not have potential as rearing areas for fish shall be dismantled and removed with funds appropriated hereunder.

SEC. 2. The Secretary is authorized to terminate the contract of December 26, 1964, between the United States and the Oroville-Tonasket Irrigation District and to execute new contracts for the payment of project costs, including the then unpaid obligation under the December 26, 1964, contract. Such contracts shall be entered into pursuant to section 9 of the Act of August 4, 1939 (53 Stat. 1187). The term of such contract shall be fifty years, exclusive of any development period authorized by law. The contracts for irrigation water may provide for the assessment of an "account charge" for each identifiable ownership receiving water from the project. Such charge, together with the acreage or acre-foot charge, shall not exceed the repayment capacity of commercial family-size farm enterprises as determined on the basis of studies by the Secretary. Project construction costs covered by contracts entered into pursuant to section 9(d) of the Act of August 4, 1939, as determined by the Secretary, and which are beyond the ability of the irrigators to repay shall be charged to and returned to the reclamation fund in accordance with the provisions of section 2 of the Act of June 14, 1966 (80 Stat. 200), as amended by section 6 of the Act of September 7, 1966 (80 Stat. 707).

SEC. 3. Power and energy required for irrigation water pumping for the project, including existing irrigation works retained as a part of the project, shall be made available by the Secretary from the Federal Columbia River power system at charges determined by him.

SEC. 4. The provision of lands, facilities, and any project modifications which furnish fish and wildlife benefits in connection with the project shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213) as amended. All costs allocated to the anadromous fish species shall be nonreimbursable.

SEC. 5. For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949 (63 Stat. 1051; 7 U.S.C. 1421), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (62 Stat. 1251; 7 U.S.C. 1301), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 6. The interest rate used for purposes of computing interest during construction and, where appropriate, interest on the unpaid balance of the reimbursable obligations assumed by non-Federal entities shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption from fifteen years from the date of issue.

SEC. 7. There is hereby authorized to be appropriated for construction of the works and measures authorized by this Act the sum of $35,740,000 (January 1975 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indices. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of the project.

By Mr. CANNON:

S. 3284. A bill relating to fees charged for the grazing of livestock on certain Federal lands. Referred to the Committee on Interior and Insular Affairs.

Mr. CANNON. Mr. President, beef is one commodity most Americans have been able to afford with some degree of reasonableness, but that may not be so in the near future. Today, the livestock producer, primarily those who run ranches in the Western States, are faced with a serious economic hardship.

The Bureau of Land Management on March 1 increased the cost of fees charged for grazing livestock on public lands from $1 to $1.51 per animal unit month, more than a 50-percent increase. The increase—to those not familiar with the hardships and complexities of raising cattle and then trying to make a profit in the up-and-down beef market—may not seem so large, but to a rancher it can mean the difference in making a profit at all. In fact, the BLM even admits the increase will force some 80 or more small family sized ranches out of business in my home State of Nevada alone. The BLM contends the public is getting shortchanged on its return on public lands, and this most recent increase is expected to bring in some $4 million in additional revenues a year. Furthermore, the grazing fees will continue to increase under the BLM's current approach. But we all know the consumers in the long run will be paying for these increases out of their own pockets. It makes me wonder if the consumers—the American citizens—will be happy to see this increase, which is supposed to be for their benefit.

My main concern right now is the ranching operations that are being hit with this increase. It seems to me that it might be wise to further study this serious situation before the price of beef is affected and a large number of ranching operations are shut down.

I, therefore, am introducing a bill to require the Secretaries of Interior and Agriculture to determine the economic impact of any further increases in grazing fees and to provide the Congress an opportunity to take action within 60 days to disapprove such increases, if warranted. I believe it is apparent from the recent hardships caused by the March 1 increase that an economic impact evaluation of this serious situation be made.

By Mr. SCHWEIKER:

S. 3285. A bill to amend the Occupational Safety and Health Act of 1970 to provide notification procedures for potentially hazardous substances, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. SCHWEIKER. Mr. President, I send to the desk a bill entitled the Advance Warning of Potential Occupational Hazards Act, to establish an early warning system for employees who may be exposed to potentially hazardous substances in the workplace, and request that it be appropriately referred.

As documented by recent articles in the Philadelphia Inquirer, conservative estimates based on industry data show that over 115,000 American workers die each year from occupational diseases, and other research indicates 1 in 4 Americans suffer from occupational disease. As in the recent Kepone case in Hopewell, Va., or the BCME case at the Rohm & Haas plant in Pennsylvania, workers are being exposed every day to substances which Government scientists, and perhaps even the workers' employers, know may be dangerous or fatal—but the workers are not told.

The Inquirer series makes it tragically clear that passage of the Occupational Safety and Health Act—while certainly a step in the right direction—has not had any major impact on the invisible chemical killers in the workplace. At existing manpower levels, it would take OSHA inspectors 100 years to visit every workplace—once. And too often, OSHA inspectors focus on the obvious, visible, occupational dangers, regulating safety railings and toilet seat shapes, while dangerous industrial substances go right on killing 315 American workers daily.

At present, there are delays of years between the time a substance is first identified by the National Institute for Occupational Safety and Health as dangerous and the time a final Occupational Safety and Health Administration standard regulating the substance is promulgated. And only when the OSHA standard is set are exposures more strictly regulated, and signs warning of carcinogenic and other serious health hazards relating to the substance required.

Moreover, OSHA has been painfully slow in establishing standards for the control of carcinogenic and other occupational health hazards. While 37 suggested exposure standards, or criteria documents, for dangerous substances have been submitted to OSHA by NIOSH since 1972. OSHA has established final standards for only two of these substances. OSHA has only set self-initiated standards of exposure and worker warning for 16 out of the over 1,200 substances considered by the National Cancer Institute to be potentially cancer-causing. Exposures to some other substances are regulated under "threshold limit value" standards suggested to OSHA at its inception by the major industrial hygienist association, but these levels are generally quite high and wholly inadequate given current knowledge of these chemical hazards.

NIOSH itself has a huge backlog of substances pending the setting of suggested exposure limits. Over 500 chemicals are on a priority list awaiting the preparation of criteria documents for submission to OSHA, and some chemicals which NIOSH has identified as dangerous have not yet even made that priority list.

Mr. President, S. 3149, the Toxic Substances Control Act, passed by the Senate on March 26, 1976, will be a major step toward solving this problem. Unfortunately, I believe this bill leaves a gap between the jurisdictions of the two regulatory agencies, the Environmental Protection Agency and the Occupational Safety and Health Administration, which may have fatal consequences for American workers. S. 3149 establishes a process whereby EPA can yield to OSHA in the setting of workplace exposure standards for dangerous substances. Indeed, the EPA Administrator, in his comments on S. 3149's predecessor bill, S. 776, indicated a desire to make such provisions more explicit in order to insure minimal overlap of jurisdictions between himself and the Secretary of Labor. Thus, under S. 3149, while EPA will presumably assume the primary burden of regulating new chemicals seeking to enter the market, OSHA will apparently retain the major responsibility for regulating already existing chemicals used primarily in the workplace. And, as a consequence, millions of workers will continue to be unaware they are being exposed to substances which NIOSH has already identified as dangerous.

My bill today will amend Section 13 of the Occupational Safety and Health Act of 1970 to require the Secretary of Labor, upon notification by NIOSH, to warn employers as to possible hazards of death or serious injury posed by substances manufactured or used in the employer's workplace. This warning will be required as soon as NIOSH makes any determination of possible serious danger—it will not require formal standard-setting and it will not be delayed by the complex administrative procedures presently involved with OSHA standards.

This legislation will require employers to then post warning notices in those work areas where employees may be reasonably expected to be exposed to these substances.

In short, my bill insures that the workers will know about all serious workplace risks as soon as Government scientists do, without waiting until the full extent of the risk, or the allowable exposure, is scientifically determined. This will give workers and employers the opportunity, and the incentive, to exercise all possible precautions, at the earliest possible moment.

Mr. President, I ask unanimous consent that the text of my bill, and the articles from the Philadelphia Inquirer, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3285

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Advance Warning of Potential Occupational Hazards Act".

SEC. 2. The Occupational Safety and Health Act of 1970 is amended by inserting after section 13 the following new section:

"NOTIFICATION PROCEDURES FOR POTENTIAL HAZARDS

"SEC. 13A. (a) Whenever the National Institute for Occupational Safety and Health initially determines that any substance may be a potential occupational hazard which may cause death or serious injury, the National Institute shall immediately notify the Secretary of such determination together with such pertinent information as the Institute deems necessary.

"(b) Upon the receipt of the notice filed by the National Institute of Occupational Safety and Health under subsection (a) of this section, the Secretary shall immediately—

"(1) publish the notice together with information specified by the National Institute in the Federal Register, and

"(2) furnish written notice to all employers manufacturing or using the substance which is the subject of the notice together with appropriate information to be posted pursuant to subsection (c) of this section.

"(c) Each employer manufacturing or using a substance which is subject to the provisions of this section shall, within 30 days after notice of the potentially hazardous substance is published in the Federal Register as required by subsection (b) of this section, prominently post the notice and such other information as the Secretary shall by regulation prescribe, at each place where the substance is manufactured or used by that employer so as to give maximum notification to the employees of that employer of the potentially hazardous substance.".

WHY 115,000 WORKERS WILL DIE THIS YEAR

(By Susan Q. Stranahan)

As the year 1970 drew to a close, President Richard M. Nixon signed into law a sweeping piece of legislation designed to put an end to injury and death in the American workplace.

The legislation created a new government agency, the Occupational Safety and Health Administration (OSHA), with a mandate to protect 63 million workers. It was hailed by Congress as "a bill of rights for American workers" and by the President as "an example of the American system at its best."

Now, five years later, it is clear that is was neither.

Some 315 American workers still die every day from disease or injury caused by their jobs.

They die at the rate of a dozen an hour, every hour of the day, every day of the year.

Nearly 600,000 of them—almost 1 percent of the nation's work force—have been killed by their jobs in the years since the legislation became law.

An additional 115,000 will be killed by their jobs this year.

Millions of others will survive gruesome accidents and bouts with debilitating disease. Still others will be exposed to conditions which may eventually cause cancer, heart attacks, deafness or lung disease.

There is every reason to believe that the carnage will increase—and increase drastically—in the next few years.

And there is no reason to believe that OSHA—as it is presently funded and staffed—will do anything about the mounting toll.

So far, OSHA is a promise that has not been kept.

"The American system at its best" did nothing for a 53-year-old crane operator who sat every day in a fume-filled cab above furnaces of molten steel. He used to boast that he had never been sick during the 29 years he worked in a western Pennsylvania steel plant. Last year, he died of stomach cancer.

Medical authorities are unable to ascribe a cause to the crane operator's cancer. But his co-workers are convinced that the fumes killed him. Six others in the same 158-man operation with him also have contracted cancer within the last several years, they say.

The "landmark" legislation has done little for a welder, who has worked since 1966 in the holds of ships at the Philadelphia Navy Yard and whose eardrums are now damaged beyond repair. "If the Lord blew His trumpet right beside me, I couldn't hear it," he says.

The goal of making the workplace "safer and more pleasant" has not been met for a Philadelphia butcher with a peculiar disease known as "meatwrapper's asthma," caused by the fumes given off when plastic wrap and labels are sealed around meat packages.

There was no such thing as a workplace "free from recognized hazards" for a Colorado miner who suffers from the oldest occupational disease known to man, silicosis. Despite the fact that the disease, which makes breathing difficult, has been known since the beginning of recorded history, 1.2 million American workers daily are exposed to conditions that caused his case of silicosis.

Like the crane operator and the welder and the butcher and the miner, more than 63 million American men and women are dependent on the federal government and its laws regulating occupational safety, to ensure that their lives and their health are not jeopardized by their work.

They have placed their well-being in the hands of a government that has:

Chosen to regulate the shape of toilet seats and the height of toilet-stall partitions while ignoring early reports that a chemical was killing workers in a Philadelphia plant.

Empowered health and safety inspectors to enter the workplace and cite employers for unsafe conditions, but appointed only 1,200 inspectors to oversee the nation's five million workplaces. That is more than 4,000 work sites per inspector. It would take the current crop of inspectors 100 years to visit every workplace.

Agreed to let workers have ice in their drinking water, but refused to enact an asbestos-control standard that would immediately protect workers from lung cancer.

Gotten the power to set limits on the amount of hazardous substances that can permeate the workplace, but has regulated only 16 out of an estimated 1,200 substances considered by the National Cancer Institute as potentially cancer-causing.

Decided that a National Football League coach who sidelined a player to avoid injury before a game did not have to report it to the federal government as a lost workday, while standards to control worker exposure to cancer-causing chemicals were allowed to become snarled in red tape.

Obtained the authority to bring an end to death and disease in the workplace, but so severely underfunded and understaffed OSHA that, in 1973, when 1,500 federal sky marshals guarded the nation's airplanes, from hijackers, only 500 OSHA inspectors actually toured the nation's workplaces. One unsuccessful hijacking occurred that year. More than 100,000 workers died.

The federal government has forsaken the American worker.

"We are involved in a national lottery every day—do we live or don't we?" says Anthony Mazzocchi, an official of the Oil, Chemical and Atomic Workers International Union and an active campaigner for increased health and safety regulations.

The odds of a worker's number coming up in that lottery are high.

On Nov. 1, 1973, it was Andrew "Whitey" Moran, a pipe insulator at the Sun Oil Co refinery in Marcus Hook. Moran, 60, died of mesothelioma, a rare form of lung cancer caused by his long exposure to asbestos.

Tomorrow, it could be a research chemist, a paint mixer, a textile worker, a steel worker, a printer or one of Whitey Moran's co-workers at Sun.

"It's getting kind of hard to look at the pictures from our Christmas parties," says Jack Prendergast, who worked with Moran. "So many of the guys are gone."

Recently Prendergast, Sam Hutchinson and Arlie (Boots) Butler, members of Local 8-901 of the Oil, Chemical and Atomic Workers Union at the Sun refinery, sat down with a list of 59 of their fellow insulators who belonged to the local in 1954 or joined it since then.

Beside 36 of the names was the ominous record of that man's fate: seven dead of cancer; six dead of heart attacks; 14 retired with disabilities, including five with cancer; and nine men working with physical problems including previous heart attacks.

The three men recall most vividly 1968, the year when five of their coworkers died suddenly.

DEATH LOTTERY

"It got so that the boilermakers began a lottery on which one of us was going to go next," says Butler.

The situation at Sun is far from unique in the American workplace. On the contrary, in many factories, mills and plants, it is the rule.

Despite the heavy losses in human life that occur daily in the workplace, the federal government this year has budgeted $116 million for the Occupational Safety and Health Administration, compared with $148 million to support commissaries on U.S. military bases.

The fiscal 1976 budget request for occupational safety and health research is $34 million, compared with a budget request of $45 million from the U.S. Army for advertising.

And there are indications that future budget requests may be pared even more by the Ford Administration, which has expressed dissatisfaction with OSHA. Ford's recent Economic Report to Congress accused OSHA of forcing business and industry to spend up to $4 billion to comply with regulations that have had an "insubstantial impact" on worker safety and health.

President Ford seemed dismayed at costs incurred by industry in attempting to comply with OSHA rules. The General Accounting Office (GAO) in a report requested by the Senate Subcommittee on Labor and released in September, 1974, was more concerned about costs incurred by workers whose safety is overseen by OSHA.

Among the GAO criticisms was the fact that OSHA does not even know how many people suffer from occupational disease, death and injury in this country each year.

A survey conducted last year by the University of Washington reported that one in four Americans currently suffers an occupational disease. The report also disclosed that only one of the 10 workers with an occupational disease had been included in either OSHA statistics or in the state's workmen's compensation records.

RATE MAY BE HIGHER

Therefore, according to the survey, the rate of occupational disease in this country may far surpass anything yet measured.

OSHA responded to the GAO survey 14 months after it had been released, with a plan to improve on its statistics.

That plan: Read newspaper accounts of on-the-job deaths and injuries.

"If OSHA is working, there should be a tremendous increase in reported occupational disease," says Daniel H. Krivit, counsel of the House labor subcommittee that drafted much of the OSHA legislation.

"But that puts OSHA on the horns of a dilemma. If they accurately report the statistics, opponents will say, 'You're doing a horrible job.' "

Although OSHA was legislatively empowered to conduct vigorous enforcement programs, the agency has been rendered impotent by a lack of funding, manpower and commitment to the goals that were originally outlined for it.

As a result, OSHA has occupied itself writing safety rules, such as those regulating the shape of toilet seats and the height of toilet stall partitions, rather than confronting the much more complex—and serious—issue of occupational disease.

In a recent speech to the powerful Manufacturing Chemists Association—which has long opposed regulating chemicals in the workplace—Morton Corn, assistant secretary of labor for occupational safety and health, promised that in the future OSHA would seek out "the more subtle, invisible hazards of the workplace."

In the past, according to Corn, less than 10 percent of OSHA inspections have concerned health hazards, while the remaining 90 percent have been geared to detecting safety violations.

The National Institute for Occupational Safety and Health (NIOSH)—the federal agency responsible under the Occupational Safety and Health Act for researching job-related health hazards—was also given a task but denied the necessary tools.

BUDGET CUT

Its fiscal 1976 budget request of $43 million was cut to $32 million by the Office of Management and Budget. The bulk of the cuts involved research programs on occupationally caused cancers.

Its request for an additional 113 staff members was cut to 13.

As a result, the fate of the American worker remains in the hands of industry.

And even though OSHA was enacted on the premise that industry had failed to police itself, a major thrust of OSHA is voluntary compliance. In fact, voluntary compliance is the first of the act's 13 methods to achieve "safe and healthful working conditions."

Federal officials say they firmly believe that industry will clean its own house.

That rationale has been used to explain a lack of funding and enforcement staff. It has also been used to blunt the effectiveness of OSHA as a regulatory agency.

The study of OSHA by the GAO revealed that 98.7 percent of the violations cited by inspectors—including many that resulted in worker deaths—were categorized "non-serious," a classification that carries with it a maximum fine of $1,000.

The average fine actually levied was $25.87, according to a survey by the Health Research Group, a Washington, D.C., public-interest organization.

Some OSHA inspectors interviewed by the GAO said they wanted to avoid raising the ire of employers with fines and hoped instead that low fines would encourage industry to comply voluntarily.

Almost no effort has been expended by the government to find out just what the "recognized hazards . . . likely to cause death or serious physical harm," referred to in the "duties" section of the Occupational Safety and Health Act, actually are.

Instead, industry assurances that everything is just fine in the workplace have been accepted, despite some alarming signs that it isn't just fine at all.

"We operate in this country on the Dead Body Theory," says a young Washington health researcher. "Something in the workplace is safe until the corpses start piling up."

Occupational disease, which health researchers predict will reach epidemic proportions in the next decade or two, has been ignored. The government has busied itself issuing minor safety regulations—some of which are so absurd they are comical—but has failed to confront the far more serious health problem.

TRACING PROBLEMS

Those health problems could be something as inconsequential as a runny nose, or it could be something as terrible as a cancer that eats away at a worker's vital organs or fouls his blood.

Those health problems could be extremely difficult to trace to a work environment—such as an increased rate of stillbirths among women married to operating-room personnel exposed to high levels of anesthetics, or a higher rate of miscarriages among wives of vinyl chloride workers due to sperm-cell damage in their husbands.

Or it could be as obvious as the health problem that afflicts a 50-year-old Philadelphia meatcutter.

He appears to be in good health as he sits in his neat home in Overbrook. But that is because it is a weekend and he has been away from his job for a while. If it were a workday, his wife says, he would look quite different.

"If you could just see him when he gets home," says his wife. "He coughs and has such a time breathing he can hardly talk. His back hurts from coughing so much and he has to sit down and rest. It's a couple of hours before he comes out of it and he's my husband again."

The meatcutter, who has worked as a butcher for a major Philadelphia supermarket chain for more than 25 years, suffers from a reaction known in the meatcutting trade, where it is a recognized problem, as "meatwrapper's asthma."

About a decade ago, when stores began wrapping meat in polyvinyl chloride—cutting it on a hot wire and sealing it on a hot pad—some workers in the meat rooms began coughing heavily and encountering breathing problems. The cause: fumes given off by the hot polyvinyl chloride.

In his case, however, the same symptoms are touched off by adhesive in a particular brand of meat labels, also applied with heat. Recently, when a different brand of labels was inadvertently sent to his meat department, the meatcutter's symptoms disappeared entirely, only to return when the old labels were used again.

Despite his asthma, the meatcutter says he will continue to work at his job, piling up the few more years he needs to qualify for a pension and retire.

"You have to hang on, he says.

In many cases, the worker doesn't even connect his illness with his job. He may not know that the unidentified substances he comes in contact with every day are slowly poisoning his system.

Thomas Hills died 5½ years before OSHA was signed into law. Hills, who died of lung cancer at age 53, had worked for 21 years as a chemical mixer for the Rohm & Haas Co. of Philadelphia.

He never knew what chemicals he worked with or their possible contribution to his illness and death. Only recently did his family learn that he worked with bis-chloromethyl ether, considered the most potent cancer-causing substance known to man.

BLOODSHOT EYES

"I always thought my father's eyes were bloodshot when he came home from work because he was tired," recalls his daughter, Mrs. Kathleen Watts. "But it wasn't. It was those chemicals."

Hills served as a pallbearer for five of his co-workers and closest friends at Rohm & Haas. His was the sixth funeral. The seventh and last member of the group of men who had worked and relaxed together died in 1974, also of lung cancer.

But even the worker who knows he is risking his life may be so afraid of losing his job that he doesn't question his employer about hazards in his work environment.

For that reason, the names of the Philadelphia meatcutter and the welder at the Philadelphia Navy Yard have not been used. They are real workers. But they are workers frightened that they will be fired or harassed into quiting if they speak out about the hazards of their jobs.

One of the cruelest ironies of their current situations is that both men know if they were fired they would never be hired anywhere else; who would hire a worker with a physical disability such as deafness or asthma?

The name of the crane operator at the western Pennslyvania steel plant who died of stomach cancer has not been used because his widow tearfully requested anonymity, frightened that—somehow—his pension would be ended by his former employer if the company knew she had discussed his death.

The workers of America remain guinea pigs for industry.

Every day, millions of them are subjected to massive doses of chemicals the effect of which nobody knows because they have not been tested.

All too often, according to Dr. Samuel S. Epstein, who teaches occupational medicine at Case Western Reserve University medical school in Cleveland, it is only through "human experimentation" that these effects are observed.

HUMAN EXPERIMENTS

"In the absence of 'pre-testing,' the worker . . . is unwittingly used as an involuntary test subject," says Epstein. "These human experiments are unnecessary and amoral."

The insulators at the Sun refinery—Sam Hutchinson, Jack Prendergast and Boots Butler—believe they are doing some testing right now with the insulation they use every day at the refinery.

According to a Sun spokesman, several types of insulation are used: calcium silicate with glass fibers, a granular, rock-like substance known as pearlite, inorganic fibers such as nylon or rayon and a plastic binder to hold the other substances together.

In addition, Sun says, fiberglass tape that has been specially treated so that no fibers are released is sometimes used.

"We don't know what the effect of these might be on our health," says Prendergast.

"When we used to cut the old stuff, the particles were bigger and they fell to the floor," says Hutchinson. "With the stuff we're using now, the particles are tiny and they just float in the air. We're breathing that."

"Until something starts to show up," says Butler, "they'll say it's not harmful."

A spokesman for Sun, who says that all employes are warned of the hazards of asbestos, agrees with Prendergast that the insulation materials currently used at the refinery may turn out to be "the asbestos of the future."

"We don't know what they're going to turn out to be later on," says the spokesman. "We're not using any thing now that we know is harmful. We caution people that breathing any dust or any particulate materials is an abnormal situation and therefore they ought to use protection.

"If some of these materials later on prove to be hazardous, at least we have done all that we can do now to have them protect themselves."

That old nemesis of the Sun insulators, asbestos—a substance so hazardous that insurance companies discontinued selling life insurance to asbestos workers at regular rates in 1918—was unregulated by the federal government until July 1972.

Even then, the Occupational Safety and Health Administration gave industry until July 1, 1976, to comply with the standard—a delay that infuriated and alarmed doctors, scientists and labor unions.

They claimed that 34,000 workers would continue to endanger their health and risk their lives until the new standard went into effect.

Vinyl chloride—known to scientists to be hazardous since 1950—was unregulated by OSHA until April, 1974—four months after the producer of the substance disclosed that three workers had died of a rare liver cancer.

Vinyl chloride and asbestos are the two most notorious occupational killers that this nation has encountered.

It is a certainty that there will be many more. America's headlong rush into an age of plastics and chemicals—with little concern for the consequences—is certain to take an even heavier toll than it already has.

"We are soon going to find out ourselves in the midst of a 'cancer week' crisis," says Tony Mazzocchi, one of the most active unionists in the cause of occupational safety and health. "The synthetic age carries with it a time bomb—a time bomb which manifests itself as cancer."

Indeed, many of the deaths due to occupational disease—particularly cancers—are caused by exposure that occurred 20 or 25 years ago. The long latency period of cancer, plus the post-World War II boom in synthetic chemicals used in the workplace, could produce a major health crisis soon.

Many of the insulation workers at the Sun refinery are reaching their 20th and 25th years of seniority. They are well aware that this employment benchmark pushes them into the period when cancer may show up during their annual physicals.

"I guess we're all about coming to that time," says Hutchinson.

Although he and his co-workers refer lightly to the passage of time since they were first exposed to asbestos, their banter carriers an underlying tone of uncertainty.

At Sun, and at thousands of other workplaces, the time bomb is ticking.

HOW LIFE-SAVING LEGISLATION SITS IN CONGRESS

(By Susan Q. Stranahan)

The nation's largest cancer research laboratory is the American workplace.

The guinea pig is the American worker.

As a result of repeated exposures to the countless substances used daily in industry, workers have unwittingly aided scientists in identifying chemicals as a major source of human cancer.

In the American workplace today, there is no requirement that a substance be proven safe before it is put to widespread use. Rather, it first must be proven guilty—with the evidence usually being human deaths—before it is subject to control.

Each day, every day, 315 American workers die because of their jobs. For many, the cause of death is the chemicals they were exposed to. Thousands of other workers are sickened and injured daily by the chemicals used in countless manufacturing and production processes.

Millions of working men and women in this country serve as early-warning devices that a chemical substance is hazardous.

When they become sick or die, then studies—using rats, mice, guinea pigs and monkeys—are begun.

The purpose of these studies: to confirm that the substance is hazardous, that rats as well as men will die.

For five years, legislation that would put an end to this problem has languished in Congress. Now, a toxic substances control bill is awaiting a vote by the full Senate. A House version of the bill—weaker than that in the Senate—has been approved by a subcommittee of the House Interstate and Foreign Commerce Committee.

If both bills are passed in their respective houses of Congress, differences will be worked out in a conference committee—the point where a toxic substance control bill died in 1974.

No one knows how many workers have died from exposure to deadly chemicals during those five years, but it seems certain the number is in the thousands. Why the delay in enacting the legislation? There are several reasons:

A change of priorities in Washington. Controlling inflation has replaced cleaning up the environment as a major goal. Both Congress and the White House are more concerned with the effect on the economy of regulating hazardous substances than they are with the effect on human life of exposure to toxic chemicals.

An unresolved difference of opinion between the House and Senate on the strength of the proposed legislation. The Senate version requires testing of all new chemical substances before they are used in the workplace. The House version requires testing of those chemicals "likely to pose substantial danger to health or the environment."

The chemical industry's massive lobbying campaign. Industry has claimed that strict regulation is unnecessary and would be like "killing a fly with a sledgehammer." A new strategy of the lobbyists is to stress the economic impact of regulations—a tactic that apparently is dissuading some senators who previously supported the measure.

A lack of widespread public awareness of the legislation. Until recently, the bill did not have even the active backing of labor unions and environmentalists, the major sources for arousing public interest. As a result, lobbyists against the measure have had no competition.

In the meantime, there is the worker.

He processes the paints in your house and dies of lung cancer, caused by chromate pigments.

He manufactures the pesticides for your garden and dies of lymph cancer, caused by inorganic arsenic.

He refines the gasoline for your car and dies of leukemia, caused by benzene.

The men and women who produce your clothing, your dog's flea collar, the food you eat for breakfast and the table it is served on, the tires on your car and the hair coloring you used last week are exposed daily to toxic substances.

Because the average consumer comes in contact with only small amounts of these substances may never suffer any adverse effects.

Society has an insatiable appetite for convenience items such as plastic and sythetics. To feed that appetite, industry produces as many as 250,000 new chemical mixtures each year, 500 to 700 of which become marketable products.

When the products are tested by industry, they are, more often than not, tested for consumer appeal, not for their short- or long-term effects on man or the environment.

The labors of the American worker have paid off well. The sale of chemicals and related products last year reached almost $90 billion, according to an industry survey. Chemicals are a business upon which much of the national economy depends.

The disquieting pricetag of industry's success and society's convenience is the statistic that the United States has the highest cancer rate of any nation in the world.

This year, 365,000 persons will die of cancer, according to the National Cancer Institute. An estimated 665,000 new cancer cases will be reported. These statistics include only cancers likely to cause death. Skin cancer—the most common form of cancer—is not counted because of its low mortality rate.

Scientists estimate that about 80 percent of these one million cancers per year are caused by hazardous substances in the environment, including chemicals and cigaret smoke. Although cigaret smoking is a better-known cause of cancer, chemicals far surpass it as a source of cancer, according to the National Cancer Institute.

The American worker has contributed substantially to the collection of these statistics.

"Almost everything we know now about occupational cancer comes from counting dead bodies," says Dr. J. William Lloyd, an official of the National Institute for Occupational Safety and Health.

Last fall, when the National Cancer Institute released the results of a 20-year survey of more than five million cancer deaths in the United States, it showed a consistent pattern. Where there is densely concentrated industry, there is cancer, in numbers exceeding those reported in all other areas.

A variety of cancers, including those of the lung, liver and bladder, showed up in large amounts along the East Coast, from Washington to Boston, where much of the chemical industry is concerned.

Salem County, N.J., where 25 percent of the males work in chemical plants, has the highest bladder cancer rate in the nation.

Manuel Pollock is one of those Salem County workers with bladder cancer.

Pollock, who worked at the sprawling DuPont Co.'s Chambers Works in Deepwater for 39 years before he retired in January 1975, helped DuPont produce beta-naphthylamine, a dyestuff that killed its first worker in 1884, according to federal health officials.

Pollock also helped DuPont produce benzidrine, a dyestuff no longer produced by any industrialized nation except the United States because of its cancer-causing properties.

Both beta-naphthylamine and benzidine are regulated by the federal government now, and DuPont no longer manufactures them.

But the federal regulation came only after many workers had died and others, like Pollock, discovered they had contracted an occupational disease: cancer.

What alarms scientists the most about the National Cancer Institute survey is the future trend the statistics indicate.

Most cancers take many years to develop. Workers with occupational cancer today probably were exposed as long as 20 to 25 years ago.

Therefore, the tremendous increase in the use of chemicals in this country, which has occurred in the past three decades, means that the National Cancer Institute findings may only be "the tip of an iceberg," according to some experts.

Manuel Pollock's case of bladder cancer is just one of 300 which have been reported among the Chambers Works' 7,000 employes. Pollock believes the next 10 years will produce more cases of his type of cancer and possibly other types.

Although DuPont is no longer producing the substances which apparently caused Pollock's cancer, it continues to produce at the Chambers Works at least three chemicals that have caused tumors in laboratory animals.

The substances are alpha-naphthylamine, an additive to herbicides; MOCA, a trade name for a synthetic rubber-curing agent, and hexamethylphosphoric triamide (HMPA), a solvent.

DuPont has argued that MOCA, alpha-naphthylamine and HMPA, while harmful to animals, are not harmful to humans. And DuPont may be right. But it may be wrong. Only the ticking of the clock will tell.

Manual Pollock was diagnosed as having bladder tumors eight or nine years ago. Two decades and more prior to that, he had often stripped to the waist to keep cool while mixing the dusty chemicals which produced beta-naphthylamine, benzidine and other substances.

Thomas Hills, who died in 1965 at age 53, is one of the statistics in the National Cancer Institute mortality survey. He, like Manuel Pollock, had mixed chemicals for years for his employer, the Rohm & Haas Co. of Philadelphia, without any awareness that he might be exposing himself to cancer.

In 1948, Hills began working with a new substance, bis-chloromethyl ether (BCME). Twenty-five years later, BCME would be identified by scientists as the most potent cancer-causing substance ever produced. Before exposure to BCME was regulated, Hills and 51 other Rohm & Haas workers would die of cancer.

One of Hills' daughters remembers vividly the changes in her father after he began working with BCME. For a little girl who loved to curl up beside her father in his easy chair, there was a noticeable change—a strange "fishy" smell that even a shower could not erase.

The closely knit Hills family, who lived across the street from the massive Rohm & Haas plant, became alarmed when Hills was sent to Temple University for a chest X-ray as part of an employe medical testing project.

Mrs. Caroline Hall, Hills' daughter, recalls what happened:

"Temple called him back and told him there had been a mistake on his X-ray—that a technician had gotten a thumbprint on the film. They asked him to go back down there for another X-ray.

"He went and they called him back. It wasn't a thumbprint on the X-ray. It was a spot on his lungs as big as a thumb."

Within a year, Thomas Hills was dead of cancer.

The same year Thomas Hills died, Rohm & Haas contracted with a Virginia laboratory to test whether several chemical substances, including BCME, caused cancer in animals.

It was not until 1973 that the federal government—acting under the Occupational Safety and Health Act of 1970—stepped in to regulate worker exposure to BCME.

For five years, the legislation that would control the use of toxic substances has been shuffled around Washington.

J. Clarence Davies 3d, who helped draft the original bill in 1972, while on the liberal-leaning staff of the Nixon Administration's Council on Environmental Quality, says the White House hoped to use the legislation to gain the political support of environmentalists.

"The Administration wanted to make a big splash," says Davies. "We knew damn well it wouldn't last. We figured we've just got to make the most of this as fast as we can before we get our legs cut out from under us."

The Council on Environmental Quality drafted a strong bill, which was weakened somewhat before it was sent to Capitol Hill by the removal of its requirements for pre-use testing of chemicals.

Once the bill was on Capitol Hill, interest in it waned, just as the administration's commitment to a strong environmental program faded.

Over the years, the Legislation's supporters have been few: some congressmen and, more recently, a handful of labor unions and environmentalists.

The bill's opponents are numerous and well-organized. Their influence is widely based, for chemicals are vital to thousands of manufacturing operations. The job of the lobbyists has been eased by a Congress which is increasingly wary of regulatory legislation and its effects on the economy.

And when the chemical industry talks economics, it does not talk in terms of a few million dollars; it talks of upsetting the whole U.S. balance of trade.

When Dr. C. Boyd Shaffer, representing the Manufacturing Chemists Association, testified last March during hearings before the Senate subcommittee on the environment on toxic substances control, he stressed that exact point.

"Our association is concerned particularly that excessive cost in complying with new regulations in the U.S. will impair the chemical industry's competitive position in world markets at a time when its contribution is needed desperately to maintain the economic strength of the nation."

The Environmental Protection Agency (EPA) estimates the cost of compliance at between $80 and $140 million a year. As much as 20 percent of that cost could be offset by the introduction of new, substitute products to replace chemicals regulated under the bill, according to the EPA.

The chemical industry claims that complying with the Senate version of the bill would cost $1.3 billion a year. A survey conducted by Dow Chemical Co. places the cost at $2 billion.

Industry has used cost figures as formidable weapons in the past.

In 1974, when the federal government stepped in to regulate exposure to vinyl chloride—which by then had killed several workers—the plastics industry announced that the regulations would force industry to shut down, throwing two million people out of work and causing a loss of production and sales as high as $65 to $90 billion.

Less than two years later, with the regulations in effect, the predictions have proven false. Instead of an industry-wide shutdown, there are four new vinyl chloride producers.

The cost to industry to comply with the new vinyl chloride regulations, according to one private survey, has been about $300 million.

The toxic substances control bill would give government control of what chemicals enter the workplace and the marketplace—a decision which, with few exceptions, has been left entirely in the hands of industry.

In the past, industry has always done such testing, usually keeping the results secret for competitive reasons. Even when the tests have shown a chemical to be hazardous, chemical producers have not always been candid.

In the instance of vinyl chloride, which in 30 years has grown from a fireproofing product in fighter planes to a $65-billion-a-year way of life, the chemical industry kept secret for almost a year the results of industry-funded research which showed that vinyl chloride caused cancer.

The research findings were not made public until after the deaths of several vinyl chloride workers from cancer.

When Boyd Shaffer of the Manufacturing Chemists Association testified last March, he stressed self-monitoring again.

"At this point, we think it appropriate to emphasize that the chemical industry has a long history of toxicity testing in either its own laboratories or those of independent contractors, and has continued to exert leadership in the fields of testing and hazard assessment."

The president of Hohm & Haas described industry's testing methods somewhat differently. Vincent L. Gregory Jr. recalled for the Senate subcommitee on the environment how at one time a substance was determined to be hazardous:

"(In) the chemical industry, I would say generally up until about the middle 1950s and so forth, the method of safety for worker health was really one of smell and taste and, you know, if it made you cry and so forth, this type of gross exposure and acute toxicity. And the emphasis was on this, if this didn't hurt you, and if you didn't fall over, and so forth, (it was safe)."

The versions of the bill awaiting a vote by the Senate requires that industry conduct a variety of specified tests on any new chemical substances and report to the EPA these results. In addition, the EPA will be permitted to order testing of substances already produced that could pose a risk to human health.

In the past, toxic substances control bills approved by the House have been considerably weaker than those coming out of the Senate. In this session of Congress, however, a bill similar to the Senate version in its testing provisions awaits action by the Interstate and Foreign Commerce Committee.

Supporters of strong toxic substance controls fear that when the House version comes up for a vote—possibly within a month—efforts to weaken it will be made by representatives such as John Y. McCollister, a Nebraska Republican who formerly headed his family's petroleum and lubricant company.

McCollister sponsored his own bill. Endorsed by the White House, it provided that only those substances which are identified by the EPA as suspected hazards would be screened.

Critics claim that if the current bill is revised along the lines of McCollister's legislation, a substance such as vinyl chloride—which, until workers began dying, was considered "safe" because it's chemical make-up was innocent-looking—would slip through without pre-testing.

The chemists' association has lobbied for the weakest versions of the legislation supporting pre-market testing of only those substances "likely to pose substantial danger to health or the environment," the inclusion of detailed economic impact studies before and regulation is established and strict protection of testing data to protect trade secrets.

The lobbying has been, in the words of one congressional aide, "phenomenal."

"There have been letters flying in here from every mom-and-pop chemical company in the country," he says.

Industry fears the enactment of a bill similar to the Food, Drug and Cosmetic Act, which regulates food labeling, additives, containers, drugs and cosmetics.

"We don't think this is an FDA situation," says William M. Stover, vice president for governmental affairs of the Manufacturing Chemists Association. "That would be killing a fly with a sledge hammer. If you want to stop air pollution, you don't put a screwcap on all the chimneys."

Industry has argued that there presently are enough federal laws in existence to accomplish the goals of toxic substances control.

They cite environmental laws such as the Clean Air Act and the Water Pollution Control Act. They also point to the Occupational Safety and Health Act (OSHA) as protection against hazards.

"The problems of industrial use of chemicals are being met with the specific tools which Congress has already provided," industry official Norman Phaneuf testified last summer before a House subcommittee.

He cited OSHA as the prime safeguard against industry abuse.

However, with the exception of food and drug laws and a similar pesticides control act, no existing federal law screens new substances before humans are exposed. OSHA has no provisions for screening new substances for potential hazards.

As a result, the federal government is forced to respond to crises such as the vinyl chloride deaths after they occur.

"The only way to remove ourselves from our current reactive posture is through passage of a strong Toxic Substances Control Act," Russell W. Peterson, chairman of the Council on Environmental Quality, told a group of scientists in Washington in 1974.

Supporters of the pre-market testing elements of the bill also point out that if a substance is shown to be hazardous before it goes into mass production, it can be removed from the market without widespread economic impact.

"Once a substance is on the market, a whole industry develops around it," says Jacqueline Warren, a lawyer for the Environmental Defense Fund, which, after four years of legal proceedings, obtained a ban on the cancer-causing pesticides aldrin and dieldrin, used by farmers since the 1940s.

"There is no question of shutting down a whole industry once production has begun, so you have to regulate. What we should be able to do is prevent its growth through early regulation."

The attitude toward toxic substances control has changed considerably since 1970, when environmental issues were popular and the economy was stronger.

"We were still riding the high crest of the environmental wave," recalls a former Council on Environmental Quality staff member, J. Clarence Davies. Now, he adds, economic issues "rank high" and industry has "dug in its heels."

The first roadblocks encountered for the legislation in 1970 came from the Commerce Department, which has remained an opponent of the bill ever since.

One of the leading critics of the legislation in the early days was James T. Lynn, then general counsel of the Commerce Department. Lynn currently is head of the Office of Management and Budget and still vigorously opposes the bill.

"If the Congress does pass it, there's always the possibility that the President will veto it because of economic considerations," says Davies.

The 1970 version of the bill drafted by the Council on Environmental Quality included a provision for premarket testing. That provision was eliminated by the White House on the ground that it would inhibit innovation in industry.

The provision was promptly restored to the bill when it arrived at the Senate.

The Senate version has remained essentially unchanged ever since. In the House, however, things have been quite different.

From the very first, toxic substances control legislation has been "an orphan child, with no one to look after it," according to a congressional staff member.

A number of things have occurred recently that may affect the bill's fate in this Congress.

One of the most significant is the growing strength of labor-environmentalist lobby for the bill, countering industry's long-time lobbying activities against it.

"Labor is a sleeping giant in this thing," says a Senate subcommittee staff member, Michael Brownlee. "They have always supported this legislation but there is a difference between suporting legislation and working for it."

What motivated labor interest has been disclosures of cancer deaths among vinyl chloride and asbestos workers, according to Sheldon Samuels of the AFL–CIO's Industrial Union Department.

"We've really been shook by both," he says.

Environmental groups also have taken a new look at the legislation, also due to a growing concern over hazardous substances in the environment.

"They've done a turn-around," says Samuels. "They have realized they've got more than the birds, the bees and Yosemite to worry about."

But, just as interest in the bill and support for it outside Congress is growing, the Senate's commitment to strong legislation appears to be weakening. Industry lobbyists, apparently sensing the changing mood, have stepped up their efforts there.

"There has never been any problem with the Senate in the past," says Brownlee. "The legislation has always zinged through. This year, they (the lobbyists) are having an effect. It's not pat here anymore."

The change of attitude is not only the result of lobbying efforts. The passage of two years since the Senate approved the legislation has brought with it some new considerations.

"Those were pre-embargo days, pre-inflation, before the glitter was off the environmental movement," says Brownlee. "It's a difficult time to impose a regulatory program."

This may be the toxic substances control bill's last chance for passage, according to Brownlee.

"If we don't reach agreement in this Congress, it will be hard to get attention on it again."

Supporters of the legislation are counting on increased public pressure to win over uncommitted congressional votes.

Time is working in their favor. With the passage of months come new reports of new hazardous substances striking down workers.

Most recently, over 30 employees of a now-defunct subcontractor of Allied Chemical Co. in Hopewell, Va., and members of their families have come down with body tremors and blurred vision as a result of exposure to kepone, a chemical that causes liver cancer in laboratory animals.

Allied is one of the major chemical producers to take an active role in opposing strong toxic substances control legislation. Another is DuPont.

DuPont has worked long and hard to prevent enactment of strict controls on new chemicals. Yet, workers at the company's Chambers Works in Salem County—where many of the most hazardous substances were and still are produced—know nothing about the legislation.

In fact, there is little sentiment among the plant's workers for the need to strengthen laws concerning exposure to hazardous chemicals.

Most workers, according to Leslie R. Morris, president of the 4,300-member independent union at the Chambers Works, are confident that the company would not expose them to hazardous substances.

"We believe in the sincerity of this company in leveling with us," says Morris.

[From the Philadelphia Inquirer, Mar. 16, 1976]

HOW MAJOR SAFETY HAZARDS GO IGNORED, MINOR ONES GET ACTION

(By Susan Q. Stranahan)

When the Occupational Safety and Health Administration (OSHA) was created by the federal government in 1970, it was charged with assuring "safe and healthful working conditions for working men and women."

Fanning out over the country, OSHA inspectors sought out dangers in the workplace. Their goal: In a country where 315 men and women die every day from disease or injury incurred on the job, protect workers from carnage in the workplace.

They found Ralph Harrison's Nehi machine and cited him for violating a federal law.

"I sure was surprised," recalls Harrison, executive vice president of the J. E. Chilton Co. Inc., of Nashville, a custom woodworking plant. "We thought we had a safe place to work here."

Apparently, the federal government didn't think so. It did concede that all of the company's manufacturing and woodworking facilities were safe. But in addition to citing the company for an improperly grounded Nehi soda machine, OSHA also uncovered an unsafe coffee pot on the premises, not to mention a hot plate and refrigerator.

Chilton was fined $198.

Ralph Harrison promptly fixed the soda machine and coffee pot and hot plate and refrigerator, and then appealed the citation because he did not want the company listed on the records as an unsafe place to work. OSHA responded by reducing the fine to $159.

The story of Ralph Harrison's Nehi machine is not unique. OSHA inspectors have also:

Fined a Bowling Green, Ky., lumber company $100 for failing to post a sign explaining the benefits of OSHA coverage to employes. (The fine was later reduced to $1.)

Fined a Los Angeles electrical contracting company $600 for not grounding a truck which touched a high voltage power line, killing a worker. (The fine was later reduced to $300.)

Fined an Atlanta, Ga., construction company $800 for failing to cover a hole in the roof of a new gymnasium, causing a worker to fall to his death. (The fine was later increased to $900.)

Meantime, workers at a western Pennsylvania steel plant became concerned over a major outbreak of cancer among their colleagues and asked for an OSHA inspector to check the level of fumes in the air they breathed for eight hours a day at the mill's melting operation.

(Although United Steelworkers of America officials at the plant believe cancer among their members is occupationally caused, they are afraid to be identified for fear that their preliminary efforts at collecting data on the deaths will be thwarted by the company.)

"Things in there (the melting operation) have gotten much worse since the company put $14 million worth of air-pollution equipment to meet the state's clear-air laws," says a union official who represents the 4,250 men at the plant.

"Ever since that pollution equipment went on, things inside the plant are four or five times worse."

The OSHA inspector arrived at the plant on a cold, dry day—the kind of day when the ventilation system works best, according to the union officer. The inspector judged the air quality safe, but the employees were unsatisfied.

"If he had come on a rainy day, or a humid day, he wouldn't have said it was safe. No way," says the union official.

FRUSTRATED WORKERS

Throughout the nation's five million workplaces, the stories about OSHA are the same: employers with good safety records disgruntled at petty fines, and workers who face deadly hazards daily frustrated by the agency created to help them.

A seven-month investigation by The Inquirer into the working conditions faced daily by 63 million American workers reveals that their well-being—guaranteed by the Occupational Safety and Health Act—has been traded off for politics and profits.

As a result, 100,000 workers die each year from occupational diseases and 15,000 others die from job-related accidents. And that is as counted by industry. No one—not even OSHA—knows the real numbers. There are indications that they could be double or triple that.

One of the deaths not included in OSHA's occupational disease statistics is that of a crane operator who worked for 29 years in that western Pennsylvania steel mill, where fumes often made seeing—as well as breathing—difficult.

Most of the time, he operated his crane high above furnaces where specialty steels—for golf clubs and rockets—were made.

FUMES SUSPECTED

The crane operators (both his wife and his union requested anonymity) died last year of stomach cancer. His coworkers are convinced that his death was due to the fumes he was exposed to daily at his job.

His employer does not think so. Therefore, his death—and many others like it—is not considered by OSHA as job-related.

In contrast to the death toll is OSHA's performance as an enforcement agency:

OSHA's budget request for fiscal year 1976 is $116 million. In contrast, the military has asked for $97 million just to advertise its recruiting programs.

OSHA admits it is unable to determine the extent of occupational diseases and injuries in this country, let alone what impact the agency has had in its five-year existence.

By OSHA's own figures, an average of eight days elapse between the time OSHA inspector uncover a hazardous situation in the workplace and the employer is cited for the violation.

When an employe locates a safety hazard in the workplace, it takes an average of nine days for an OSHA inspector to respond. It takes an average of 10 days for the inspector to investigate a health-hazard complaint. OSHA considers this a "significant" reduction from the 1974 average of 13 days for a safety hazard and 17 days for a health hazard.

Employers are routinely given 30 days to correct the violation, although abatement periods of up to two years have often been granted. In the future, according to OSHA, any abatement periods over two years must be approved by national OSHA officials.

In September 1974, the General Accounting Office (GAO) at the request of the Senate subcommittee on labor issued a lengthy and critical survey of OSHA's performance, claiming among other things that the agency's enforcement was erratic and ineffectual.

The GAO also reported that almost 99 percent of all citations issued by OSHA inspectors in one year, fiscal 1973, were categorized "non-serious."

Even when OSHA inspectors investigated a fatal accident during the same year, only 17 percent of the resulting violations were categorized "serious."

A "serious" offense, meaning that the probability of death or serious physical harm exists, carries with it a maximum penalty of $10,000. A "non-serious" offense carries a maximum fine of $1,000.

SMALL PENALTIES

But OSHA inspectors have hardly been levying the maximum penalties.

The average OSHA fine is $25.87, according to a recent survey of the agency conducted by the Health Research Group, a Washington-based public-interest organization.

There are 1,211 OSHA inspectors responsible for overseeing the nation's five million workplaces. At that level of manpower, it would take OSHA 100 years to visit every business and industry in the United States.

When an OSHA inspector does arrive, he brings with him a book of regulations hundreds of pages thick and a lot of latitude in interpreting those regulations. Therein lies another problem.

Some OSHA inspectors act as policemen. Others act as counselors. It all depends on who they are, and just as important, on where they are.

According to the GAO survey, inspectors at the Atlanta regional OSHA office were told by their supervisor to emphasize correcting violations rather than fining employers. Inspectors at the Portland, Ore., office were told, by contrast, that companies will not comply with OSHA rules unless the laws are strictly enforced and fines are levied.

The freedom to interpret the rules means that what is a "serious" offense in one part of the country is considered "non-serious" in another.

Some of that disparity is caused by OSHA inspectors who choose to not follow through with all the work that accompanies a "serious" violation, according to the GAO report.

INSTRUCTORS HESITANT

"Interviews with inspectors have revealed a tendency to classify citations as non-serious volations which could have been otherwise cited as serious. The inspectors indicate . . . this is done because of the extensive amount of time and effort it takes to document a serious citation.

"They (the inspectors) have exhibited such hesitation in the belief that a serious citation with a large penalty would most likely be litigated, and cause additional drain on their time."

OSHA responded to that GAO criticism by clarifying its position on the matter:

"Only the mere possibility of an accident occurring must be present if there is substantial possibility that the resulting injury would be serious if the accident were in fact to occur.

"There is evidence," the OSHA response continued seriously, "that some field staff have not fully understood this point."

The GAO survey showed that only 0.3 percent of more than 100,000 violations cited by OSHA in the region including Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin were "serious" in nature. Yet in the region including Alaska, Idaho, Oregon and Washington, "serious" violations equaled 3.5 percent of the citations.

Not surprisingly, the Pacific Northwest has been one of the most vocal regions of the country in its opposition to OSHA.

What then, has gone wrong with OSHA, the reform bill designed to guarantee the American worker that his job will not sicken, injure or kill him?

Although drafted with the health and safety of workers as its goal, OSHA was enacted as a political issue and has remained tangled in politics ever since.

The Nixon and Ford administration have purposely underfunded OSHA to make it a toothless tiger. Congress has failed to demand that the agency assume the authority it was provided.

OSHA has been used to woo the votes of the American worker while at the same time it has been used to buy the gratitude of industry.

When Richard Nixon signed OSHA into law on Dec. 29, 1970, he told the nation that the bill "attains the goal we all wanted to achieve."

The mood that prevailed that day in Washington quickly faded. It became apparent to proponents of a strong occupational safety and health program that the administration of OSHA was going to be anything but aggressive.

Nixon recognized the political attraction of an occupational safety and health bill as early as 1968, when he was forging his "Silent Majority" coalition. Taking the issue from an uninterested Congress, he parleyed it into a major platform plank that drew support from many American workers.

The election won and OSHA enacted, the While House was then faced with a law that had parts of industry frightened.

POLITICAL USES

But the Nixon administration quickly calmed their fears and even turned OSHA into a political asset.

On June 14, 1972—three days before five men were arrested inside the Democratic National Committee headquarters at Watergate—the assistant secretary of labor in charge of OSHA, George C. Guenther, drafted a memo about the role OSHA could play in the coming presidential election.

Guenther, a former Reading, Pa., hosiery executive, outlined a plan to win over industry votes and, presumably, campaign contributions. The memo recommended that OSHA:

Avoid implementing any controversial standards that would upset industry.

Accept applicants for OSHA jobs who were recommended by the Republican National Committee and the Committee to Re-elect the President.

Offer special assistance, including additional financial grants, to safety and health officials in the 11 states considered crucial to the reelection effort.

The so-called "Guenther responsiveness memo" concluded by noting: "While I have discussed . . . the great potential of OSHA as a sales point for fund raising and general support by employers, I do not believe the potential of this appeal is fully recognized.

"Your suggestions as to how to promote the advantages of four more years of properly managed OSHA for use in the campaign would be appreciated."

WATERGATE CONNECTION

The memo by Guenther, who served until recently as a senior vice president of the Insurance Co. of North America in Philadelphia after being fired as OSHA chief in January 1973, was made public during the Watergate investigation.

Although there is some question as to whether the "responsiveness memo" was ever put into effect, OSHA activity in the period between June, when the memo was written, and the November election includes the following:

July 7: The controversial standard setting limits on asbestos is issued by OSHA six months after it had been received from government researchers. Despite warnings from scientists that the standard in existence at the time posed an immediate death threat to thousands, OSHA gives industry four years to comply.

July 28: OSHA revises its ice water standard, permitting ice to be included in drinking water provided employes.

October 2: OSHA revises its standard pertaining to the height of toilet stall partitions, no longer requiring that they be at least six feet high.

October 13: OSHA revises its standard pertaining to the shape of toilet seats in the workplace. After requiring all employers to install horseshoe-shaped seats, OSHA changes its mind and drops the requirement that they have to be changed.

GUARANTEED TERROR

The encroachment of government into the area of occupational health and safety has always been an issue guaranteed to mobilize industry.

The first sweeping occupational safety and health bill was drafted in 1967 by the Johnson Administration, which had become concerned over increasing reports of disease and injury on the job.

The bill gave the federal government the right to enter the workplace—now considered the major strength of OSHA—and shut down operations deemed hazardous.

Although the bill would undergo major revisions before its passage in 1970, it was the first indication to industry that the federal government was moving in on its exclusive preserve.

Industry did not yield easily.

In April 1968, Nation's Business, the magazine of the 4.75-million-member U.S. Chamber of Commerce, published an article entitled "Life or Death for Your Business!"

The article opened with a vignette designed to strike terror into the heart of every businessman in the nation:

"Imagine yourself sitting in your office a few months from today. A young man barges in. You recognize him as a man you once refused to hire. He had no education and no potential talent you could use. His main experience consisted of cashing welfare checks.

SUDDEN POWER

"But he shows you he's now a representative of the federal government—an 'inspector' with the Department of Labor.

"And he threatens to padlock your gates and have you fined $1,000 a day if you don't do as he says."

If industry's voice got a little shrill, it was due to a fear that the few voluntary standards that industry had set for itself might be abolished in favor of stricter ones.

As it turned out, that was a foolish worry. With few exceptions, industry-set standards were adopted by OSHA and remain in effect today.

An administration policy already in effect when the Guenther responsiveness memo was written, and one with a much greater potential to weaken OSHA, is the requirement for an economic impact statement to accompany any new health and safety standard issued by OSHA.

The statements would apply to all regulations ". . . which could be expected to . . . impose significant costs on, or negative benefits to, non-federal sectors . . .," according to George P. Shultz, director of the Office of Management and Budget and former secretary of labor.

In other words, the costs to industry are taken into consideration before any new regulation is considered.

A legal challenge to the economic impact statements, filed by the AFL–CIO on the ground that the Occupational Safety and Health Act had no such provisions in it, was rejected by a federal appeals court in April 1974.

ESCAPE CLAUSE

Critics of economic impact statements claim that they are merely a means of letting industry off the hook.

A good example is the standard regulating noise in the workplace.

Currently, the maximum level of noise allowed in the workplace over an eight-hour period is 90 decibels—the amount of noise made by a jackhammer.

Approximately 16 million Americans work in jobs which are noisy enough to seriously impair their hearing, according to federal surveys.

But hearing loss is not the only hazard of noise. Scientific studies have also attributed heart disease, gastrointestinal disorders and allergies to noisy jobs.

There is a welder at the Philadelphia Navy Yard who has worked for ten years inside ship holds where the noise levels are far in excess of 90 decibels. As a result, he cannot hear as well as he used to.

He also complains of the effects on his nerves of a normal working day:

"When a man comes home from that job, his wife should have the greatest and beautifulest smile for her man because he just left hell."

Labor and environmental groups have been lobbying OSHA for several years to lower the noise standard to 85 decibels—the standard set by the Environmental Protection Agency for non-worksites.

Industry, in response, prepared a financial analysis of such a reduction, placing the cost of $30 billion.

FORD'S OPPOSITION

Although an OSHA-sponsored survey estimated the cost at 15 percent of that—$4.6 billion—President Ford, in a speech to the U.S. Chamber of Commerce last year, relied on industry's estimates when he asked: ". . . Is it worth as much as $30 billion a year of consumer's dollars to reduce the level of noise exposure by approximately five decibels?"

A reduction of five decibels would cut the noise level by more than half.

The noise standard remains at 90 decibels—a level that could result in hearing losses among 20 percent of the workers exposed to that amount of noise.

Dr. Samuel S. Epstein, an occupational health expert from Cleveland, recalls a luncheon conversation with a corporate executive concerning the demands for lower noise levels.

"I don't know why you are pushing this," Epstein recalls the executive saying. "The only thing it will mean is that 20 years from now the worker won't be able to enjoy Vivaldi as much as you or I."

In addition to economic impact statements, OSHA standards now must also include inflationary impact statements. OSHA estimates that approximately half of the 24 standards currently under consideration will require such statements—thereby delaying even longer enactment of new regulations.

ECONOMIC PROBLEM

"The problem we face is that business can measure in dollars and cents what each standard will cost them," says Daniel H. Krivit, former counsel to the House Select Labor Committee, which wrote much of the OSHA legislation.

"But how the hell does the worker go in and match (that with) pain and suffering? How does he measure a loss of hearing? How does he put that in monetary figures? There's no way."

The administration is not the only branch of the federal government to devise systems to weaken OSHA. Congress also is trying.

Congress did not give the 1970 OSHA legislation much more than a once-over glance when it was first proposed. That is due in part to the fact that everybody thought being for health and safety—like being for motherhood—was a good idea.

So, nobody really bothered to examine the act that gave the federal government broad new powers.

"The Occupational Safety and Health bill was so far reaching and so sophisticated I wouldn't say there were six members of Congress who read that bill from cover to cover," says Krivit, currently counsel to the House committee on manpower, compensation, health and safety.

"That bill was a sleeper."

CHANGES EVIDENT

Things have changed considerably today.

There are a number of opponents of OSHA in Congress. Among the most outspoken are Idaho Rep. Stephen D. Symms, California Rep. John H. Rousselot, Tennessee Rep. Robin Beard and Illinois Rep. Paul Findley.

The opponents are so vocal that supporters of OSHA have been afraid to introduce even minor amendments to the bill for fear that opposition forces will unite and repeal the entire legislation.

A new recruit to the ranks of OSHA opponents is President Ford, who recently criticized OSHA, along with the Environmental Protection Agency and the Food and Drug Administration, as interfering with business while having an "insubstantial impact" in the areas they are expected to oversee.

"The first time around, the opponents of OSHA dropped the ball," says Krivit. "This time, they wouldn't. If that bill came back up for a vote now, it wouldn't pass."

How a Miner Lost His Health

(By Susan Q. Stranahan)

Twelve years ago, hardrock miner Loyd Fairchild of Leadville, Colo., was told by the company doctor that he had silicosis, the oldest occupational disease known to man.

At the time of the diagnosis, Fairchild—then age 35—was working as a "hang-up man," handling explosives inside the mine, a highly skilled, good-paying job. He had worked in the mine for about 12 years. It was the only job he knew.

Today he is a crane swamper—"a sort of picky job" as a crane operator's helper, he explains.

His employer, the Climax Molybdenum Co., gave Fairchild two options that have faced countless other miners with silicosis: transfer to an above-ground job or quit.

In Leadville, says one ex-resident, "you either work for the mine or you leave Leadville." Fairchild went above ground.

Loyd Fairchild, 20th century worker, has the same occupational disease that struck down ancient Egyptians building the Pyramids and may have even afflicted cavemen scratching the earth for flint.

Today, according to the federal government, 1.2 million workers in this country are exposed daily to conditions that cause silicosis. No statistics are maintained on how many workers die of the disease—or even how many persons contract silicosis.

Some of those with the disease are miners like Fairchild; others work in foundries and in the manufacture of stone, clay, and glass products.

Despite its long existence and massive number of potential targets, silicosis has not been eradicated.

It could be that nobody has made a concerted effort to get rid of silicosis, a sort of slow paralysis of the lungs caused by long-term-exposure to silica dust.

It could be that other things—like higher profits and higher wages—are more important to companies and unions.

"Safety is like motherhood and apple pie," says Climax public relations manager Nelson Fugate. "Everybody is for it, but the question is, How much safety is really necessary?"

Part of the problem is the nature of silicosis itself.

It is not a readily diagnosed disease and frequently is mistaken for something else.

"The big problem is interpreting the X-ray," says Dr. Harvey W. Phelps, a chest specialist from Pueblo, Colo., who has examined thousands of coal and hardrock miners. Unless a doctor knows that a man has been exposed to silica, the X-ray is difficult to read, according to Dr. Phelps.

DISABLING DISEASE

"The miners at Climax get silicosis—pure and simple. And it is terribly disabling," he says.

Everybody talks about doing something about silicosis—and indeed, some improvements have been made in mining techniques, including those used at Climax, which is generally considered safer than most mines.

But in actual fact, the disease rates top priority only for miners like Loyd Fairchild.

The situation that exists in Leadville illustrates a number of problems that confront unions, workers and companies throughout the United States.

The Worker:

Should he risk his life to continue his job?

Should he admit he is ill and risk losing his livelihood from this job and others—since few employers will hire a sick man?

Should he set in motion the long and often fruitless process of workmen's compensation?

The Union:

Should health and safety issues be negotiated at the bargaining table, or demanded as a moral and legal right?

Should the union allow a highly skilled worker to be transferred to a lower-paying job to protect his health?

Should a union take an active, independent role in determining the healthfulness of the workplace, or rely on company assurances that it is safe?

The Company:

Should it admit that hazardous conditions exist in the workplace, perhaps making itself liable for legal claims?

Should it relinquish control over health and safety matters to unions and regulatory agencies?

Should it make available to the worker all the health records compiled during company-sponsored medical exams?

All of these issues have come up at the Climax mine. Some have been resolved. Others have not.

INHALED PARTICLES

Silicosis occurs when crystallized silica particles are inhaled and retained in the lungs, causing scar tissue to form. The inelastic scars force the lungs to work harder to provide an adequate air supply. They also block the transfer of oxygen to the blood.

It is a progressive disease, which may move quickly or slowly, depending on additional exposure to silica dust.

There is no cure.

The disease's first outward signs are shortness of breath and coughing. The first internal sign is a shadow on the lungs, determined by X-rays.

Loyd Fairchild did cough a little at first, but that is not unusual for a cigaret smoker. And if he occasionally was a little short of breath, that wasn't unusual either, for he was overweight and lived in Leadville, the "Cloud City'"—elevation 10,152 feet—where a brisk walk can leave even a physically fit person winded.

His medical check-ups by the company doctor every several years revealed nothing.

"Every time, they told me I was good, good," recalls Fairchild.

CASUAL REMARK

And then came a casual remark by a supervisor.

"Some guy told me I couldn't go back on the (mine) grounds. He had a letter on his desk saying that I couldn't go back in. The next day I went to the (company) hospital. There was a letter there from a doctor in Denver (who had seen Fairchild's X-rays) who said that the last several years this guy has been getting worse and worse.

"But all those years they told me I was doin' good, doin' good."

Although Fairchild was transferred to a menial job by the company, Climax continued to pay him his former hourly wage as a hang-up man—something the workers and the union admit is unusual. Most transfers mean a substantial pay cut because skills vital inside the mine rarely are in demand outside.

"I was one of the lucky ones," says Fairchild. "They told me when I came out if I kept my mouth shut I could keep my same rate of pay."

But when word leaked out to other miners, they raised "a lot of hell." Many of them, according to Fairchild, were angry because they too had been transferred but had been required to take substantial pay cuts.

"I took it for 10 years and then it got too tough."

Last year—in part due to the pressures from other union members and in part because he wanted to work only on the day shift—Fairchild took a $200-a-month cut in pay.

Officials at the Climax mine—a subsidiary of AMAX, Inc., an international mining and smelting conglomerate with sales of over $1 billion last year—admit that dust in the mining operation "is the number one problem."

In response, the company says it has installed new ventilation and dust-reduction equipment "at the most adverse areas of the mine."

Members of the Climax safety and health department willingly discuss the company's first aid training, the mine rescue team, monthly safety meetings, installation of roll-over bars on heavy equipment and noise-abatement efforts.

But when questions about silica dust levels in the mine and the incidence of silicosis among workers are raised, Climax safety director Fred Fowler grows irritated and tells a reporter: "I thought you were here to talk about health and safety programs."

Referring to the union's requests for a safer working environment, safety engineer Thomas M. Leonard says: "They push for and want more—maybe it's out of a lack of education."

Officials of the Oil, Chemical and Atomic Workers International Union (OCAW), which represents the Leadville miners, advised local union leaders not to discuss the Climax mine situation at length with a reporter.

A union international vice president in Denver told The Inquirer that OCAW would prefer handling health and safety matters over the bargaining table.

AVOID ANTAGONISM

Above all, the OCAW official said, the union wants to avoid being "antagonistic" about this issue.

Leadville and mining have always been synonymous. The city's 110-odd years of history have been brilliantly colored by various mining operations and the wild assortment of characters and events that accompany such boom-or-bust enterprises.

The city of 4,300 people once boasted a population of as many as 60,000 (nobody really bothered to take an actual count; they were too busy looking for silver).

The Climax mine, so named because it straddles the peak of an old railroad grade over the 11,318-foot-high Continental Divide, produces 35 percent of the world's share of molybdenum, extracted from silica-bearing rock. Demand for the ore currently is high, and production at the mine continues seven days a week, 24 hours a day.

Representing 1,800 of the 2,570 employes of the Climax mine is OCAW Local 2-24410. The union is about equally divided among long-time miners, young men with college degrees (there are two men with Ph.D.'s working as miners) and Spanish-Americans. All are lured to the Climax mine by paychecks of over $10,000 a year—a good living in this section of Colorado.

The Leadville local is a strong union, according to its president, Howard D. McCoy. Members live in 16 counties and many commute to work from Denver, 90 miles away, or Salida, Colo., 75 miles away.

LONG FIGHT

McCoy, whose Oklahoma drawl persists after 18 years at the Climax mine, has wrestled for a long time with the problems of silicosis among the membership.

Nobody, not even McCoy, is willing to make an estimate on how many workers at the Climax mine have silicosis. A safety engineer at the mine estimates less than 1 percent of the 2,500 employes have it. A union official thinks the rate is probably higher but won't fix a percentage.

No one is sure, either, of the number of deaths from silicosis among miners. Most often, silicosis is listed as a contributing cause of death.

Death certificates filed at the Lake County Courthouse in Leadville attest to the rugged lives of hardrock miners. Fatalities on the job include instances of decapitation from a gas explosion, a skull fracture from a 200-foot fall, and heart failure after the worker was buried in a snowslide. Deaths due to alcoholism and suicide are not uncommon.

However, it is the problems of the living that concern Howard McCoy—and one of the most pressing is what to do about the transfer of workers with silicosis.

"It's our position that if a man has to be moved from a dusty area, he should maintain his rate of pay at that time," says McCoy.

But in most cases the company does not accept that position, he says.

The union is thus put in the untenable position of insisting that a member transfer to another job to protect his health—and thereby taking a pay cut—or staying in the hazardous job and ultimately becoming seriously ill.

McCoy changes the subject when that topic is raised.

"The company is reluctant to even use the word silicosis," says McCoy, sitting in his second-floor office at the Leadville Labor Center.

"They are real helpful if there's a change in a man's lung. They'll move him right out (of the mine). But they won't tell you why. They'll just tell you there's a change in your lung pattern."

"They'll say it's emphysema—that's their favorite word for silicosis."

Thirteen miles north, on Colorado Route 91, which at shift change resembles an urban thoroughfare at rush hour, Climax mine officials unintentionally confirm McCoy's assessment of the problem.

"There are people here with a runny nose and a hacking cough," says safety director Fred Fowler. "Most of these people are chronic smokers and they'd like to blame it on the dust."

When asked how many miners have silicosis, Climax public relations manager Nelson Fugate says: "The big problem is emphysema."

Regardless of whether it is emphysema or silicosis, the company transfers workers out of dusty surroundings when the first sign of trouble appears on a chest X-ray, part of the physical given miners by Climax every two or three years.

CONSERVATIVE POLICY

Asked about the policy, Fowler says Climax adheres to it because "we're so damn conservative."

"(It's) for a moral principle," adds safety engineer Tom Leonard.

Likely, however, it is also to avoid liability in future claims under workmen's compensation laws.

Colorado law provides that if a worker has been exposed to silica within the past 10 years and develops silicosis, the employer is liable. Therefore, once the slightest change in a chest X-ray is noted, a miner is moved to a cleaner environment in hopes that the condition will not worsen.

Today the chances of a miner being compensated for a case of silicosis are "lousy," according to one expert. And it may take four or five years.

In a cruel irony of this nation's workmen's compensation laws, a man who files a disability claim for an occupational disease, in effect, precludes himself from ever working at his trade again.

No one—mine operator, plant manager or factory owner—wants to hire a sick man.

Most workers first learn that they have silicosis from a company doctor such as the one who informed Loyd Fairchild that he had the disease.

"I don't even recall that doctor's name," says Fairchild. "Climax changes doctors just like we change (ore) cars. He was real nice about it, though."

Although the company doctor showed Fairchild the letter from the Denver specialist employed by Climax confirming the diagnosis of silicosis, the letter was returned to Fairchild's medical file at the mine.

"They won't give you nothing like that," says Fairchild about the letter.

If a miner is skeptical about the diagnosis he receives from the Climax physician, it is probably due to the fact that many Climax workers question the doctor's loyalties.

"He's hired to protect the company," says McCoy.

Even the local hospital in Leadville was founded with the assistance of Climax, according to Fugate.

But times have changed and so have attitudes of the miners toward the conditions in which they work.

In an unusual move for a union to take, the Leadville OCAW local last year negotiated as part of its contract with Climax the right to enter the mine and take air samples. The local wanted to learn for itself the effects of daily exposure to silica and molybdenum.

That touched off a controversy with the company that is not over yet and is, in part, responsible for the union's unwillingness to discuss the silicosis problem.

The OCAW testing project was not the first such survey in the mine. In the late 1950s the U.S. Public Health Service and the Bureau of Mines conducted a major evaluation of silica dust hazards in 50 mines, including Climax.

But this time, the miners will know what the results of the survey are.

Although the federal study found that Climax miners had silicosis, none of the miners was informed. In exchange for being allowed into the mines, the two federal agencies had guaranteed secrecy to participating companies.

MAY BE BLOCKED

The results of the union survey have not yet been compiled and the union is concerned that Climax officials will attempt to block publication of the data.

If the new sampling project does find high levels of hazardous dust in the mine, it will come as little surprise.

The U.S. Bureau of Mines has measured high dust levels during annual inspections for many years.

The state of Colorado, one of only six in the nation with its own mine safety inspection program, also has found high levels of dust.

Unlike the five million workplaces in the United States, mines—including coal, metal and nonmetallic mines—do not fall under the control of the Occupational Safety and Health Administration (OSHA) of the Department of Labor. Instead, they are overseen by the Bureau of Mines, part of the Department of the Interior, which, critics say, is reluctant to do anything that would cripple more production at a time of heightened energy needs.

Officials at Climax are happy with that arrangement and worry about increasing talk in Congress of putting all mines under the control of the Labor Department and a newly created Federal Mines Health and Safety Administration.

"People back East don't understand mining," says Climax safety director Fred Fowler. Tom Leonard mining is and always has been a high-risk occupation, not readily adaptable to something like OSHA, with its numerous regulations.

"You can't control the environment (in a mine) as you can in a manufacturing operation," says Leonard. "Mining equipment is bigger and the margin for error is smaller. You are working with equipment that is always at war with rock,"

VIOLENT ACCIDENTS

Various accident reports from Climax on file with Bureau of Mine's Mine Enforcement and Safety Administration (MESA) detail gruesome, violent accidents: a miner killed July 24 when the upraised bed of a piece of mining equipment collapsed and crushed him; a miner killed in October 1973 when he fell into an unprotected pit full of scalding water; a miner who died in March 1974 from brain damage after being too close to a blasting site.

Federal law requires that Mine Enforcement and Safety Administration MESA inspectors visit mines in their jurisdiction once a year. According to Climax officials, the inspectors usually give them one or two days' notice of their arrival.

The report of a safety inspection made over a period of several days last spring by two federal inspectors and a state inspector, cites Climax for 95 violations of federal regulations. Among the violations listed were an excessive amount of silica dust in certain portions of the mining operation.

The federal mine safety and health bill, or OCAW's air sampling project, or more company mine safety lectures are not going to have much effect on men like Loyd Fairchild who must deal daily with a disease they got because of their jobs.

When Fairchild—fresh out of the Army and looking for work—started his career at Climax in 1952, he never thought about the danger of contracting silicosis.

His father, who had moved to Leadville from Louisiana, worked in the mines, as did many of his friends. Although his father was a miner for 19 years without contracting silicosis, some of Fairchild's friends were not as lucky.

GRIM OUTLOOK

"Part of them's dead that had it," says Fairchild.

Few miners ever think they will be stricken with silicosis when they start working.

"We figure there should be no more hazard working in the mine than working in this building," says OCAW local president Howard McCoy, sitting at his desk at the union office. "But once you work here, you know it's not so.

"Silicosis: it's the slow process of murder."

THE WORKERS DIE—THE QUESTION IS: WHO CARES?

(By Susan Q. Stranahan)

In the battle to stay alive, the American worker has few allies.

Management is far more impressed with the profit-loss figures from its accounting department than it is with death-injury statistics from its production department.

Unions are far more concerned about winning higher wages and benefits for their members than they are about making sure the worker is alive when it is time to collect.

Doctors are far more interested in studying tropical diseases than they are in learning about the diseases that afflict the men and women who come to see them every day.

And the federal government is far more willing to treat the problem of worker safety and health with bandaids than it is to confront a carnage that takes a heavier death toll in one year than the Vietnam War did in 12½ years.

For the maimed, the ill and the dying in the American workforce, the answer to the question, "Who cares?," is, so far: no one.

Nothing is more illustrative of this than the failure of Congress to regulate toxic substances.

There are an estimated 44,000 chemical substances which are known to cause an adverse physical reaction in man. Approximately 2,000 of these chemicals are considered by the National Institute for Occupational Safety and Health to be hazardous enough to merit some sort of control.

But only 16 of the substances currently are regulated by the federal government. All 16 of them killed before they were controlled.

As The Inquirer pointed out last Monday, legislation to control the use of toxic chemicals—those that cause adverse reactions—in the workplace was first introduced in Congress in 1971, a full five years ago. It has been reintroduced in the two succeeding Congresses. It still is not law.

Toxic substances control legislation was introduced in Congress just two months after legislators created the Occupational Safety and Health Administration (OSHA), which requires every employer to furnish a workplace "free from recognized hazards that are causing or are likely to cause death or serious physical harm to his employes."

Despite its lofty goals, OSHA has failed.

Six years after the act became law, American workers are dying at the rate of 315 a day. Each year, 100,000 workers die of occupational diseases and 15,000 more die from on-the-job accidents.

One major contributing factor to this toll is the use of untested and unregulated chemicals in thousands of workplaces.

Toxic substances legislation, if adequately funded and enforced, would do what OSHA cannot do—prevent a dangerous substance from entering the workplace.

Although OSHA has the power to halt exposure to a hazardous chemical or process once it is in use, it cannot act before the fact—a restriction that means humans must first face the risk of disease or injury before the government can step in.

Just as millions of Americans work at jobs that daily require them to risk their health and well-being, scores of lobbyists work at trying to insure that a bill like the toxic substances control act is not passed by Congress.

Industry's efforts to weaken the legislation have only recently been protested by a lobby of labor unions and environmentalists.

The labor-environmental coalition points to the 500 to 700 new chemical substances that enter the workplace each year—with no independent testing for possible hazards. These chemicals are developed for purposes that range from intensifying the color of paint to getting a shirt whiter in the laundry.

HISTORIC DISINTEREST

The battle to make the workplace safer has been made all the more difficult for the American worker due to the historic lack of interest in the medical-scientific community.

"Occupational medicine is like a young woman being molested in a New York subway. No one wants to get involved," says Dr. Joseph K. Wagoner, director of the division of field studies and clinical investigations for the National Institute for Occupational Safety and Health—the research arm of OSHA.

A lack of trained personnel has always plagued occupational health experts. An additional 8,000 physicians are required in the field to meet current needs, according to one medical estimate.

For decades, industry, has dominated—to the point of controlling—what little scientific research has been done on substances and practices in the workplace.

If the research projects weren't being conducted by industry-sponsored laboratories, most were being conducted in medical schools heavily endowed by industry.

It was in the words of union official, Anthony Mazzocchi of the Oil, Chemical and Atomic Workers Union, "corporate-medical incest."

"Medical schools are corporate dominated," he says. "And doctors are a product of their training."

"The bulk of research has been from within industry," says Dr. Samuel S. Epstein, an occupational health expert of Case Western Reserve medical school in Cleveland, who agrees with the critical assessment of his profession.

DATA SUPRESSED

"As, a result, data have been supressed, distorted or perverted".

This lack of interest in occupational medicine has forced those who specialize in it to seek work where they can find it. Most often, that is with industry.

Company doctors have always been viewed with a jaundiced eye by workers, who are convinced that the doctor's first loyalty rests with the company and not the worker-patient.

"Health care on the job is nearly a contradiction in terms at the present time," Leonard Woodcock, president of the United Automobile, Aerospace and Agricultural Implement Workers of America International Union (UAW), recently told a conference of public health workers.

"The general state of affairs is dismal. Medical departments tend to be more concerned with malingerers than with eradicating occupational disease, because this is what they are paid to do and rewarded for.

"Injuries are treated with the main purpose of patching people up to send them back on the shop floor as quickly as possible rather than to cure, care for and rehabilitate them.

"Company medical and industrial hygiene staff work with a basic conflict of interest. They are paid by the company to protect the company."

NOT TRAINED

Whether or not their paychecks or research grants are signed by industry, few doctors are specifically attuned to occupational disease. More than likely, they have been taught more about tropical disease in medical school than about job-related ailments.

"Those doctors probably will never see a case of malaria," says Mazzocchi. "Yet how many working men and women will they treat?"

But the lack of doctors, the disinterest of Congress and the obstinance of industry is not the only reason this nation has an abysmal occupational safety and health record. Even the workers themselves don't always embrace the issue with much fervor.

In 1973, when insulation workers at the Sun Oil Co. refinery in Marcus Hook were considering issues for contract negotiations, local union leaders—in an effort to arouse support for better health and safety programs—drew up a list of members who had died of cancer and heart attacks.

That list contained the names of 59 insulators who belonged to the local in 1954 or who had joined it since then. Beside each name was an ominous record of each man's fate: seven dead of cancer; six dead of heart attacks; 14 retired with disabilities, including five with cancer, and nine men working with physical problems, including previous heart attacks.

NOT MOVED

Arlie "Boots" Butler, one of the men whose names was on the list, remembers the meeting of the union when the issue was raised.

"The executive board (of the union) wasn't moved," he recalls dryly. "I guess it didn't affect them directly."

"I think another thing that they all figured: we have been exposed to so much for so long that maybe it"s too late to be concerned."

With one notable exception, unions have failed to rally their members to demand healthier working conditions. That exception is the United Mine Workers of America, whose members are afflicted with "Black Lung" disease.

Their lobbying efforts resulted in enactment of the Coal Mine Health and Safety Act of 1969 The act's goal is the eradication of Black Lung.

So many hazards confront workers of unions like the Oil Chemical and Atomic Workers, that Mazzocchi says his union may invent a disease known as "Rainbow Lung" to get similar protection.

That leaves industry, which always has viewed occupational health and safety as nobody else's business anyway. Taking care of the worker is something an employer can point to with pride—like giving him a turkey at Thanksgiving.

SCOFFS AT CLAIMS

Industry has always scoffed at claims of occupational disease. It's just not good sense to admit that a man's job makes him sick. Or dead.

In defense of its failure to own up to occupational health problems, industry frequently has adopted a fatherly attitude toward employes while opposing any intervention by the federal government or labor.

"Management is definitely on the defensive on health issues," says an international union official in Colorado. "They are so used to having total responsibility for health and safety. They have a paternalistic attitude that it's their total responsibility. It's one more area of power that is being eroded by unions and government.

Reflecting this attitude is an editorial that appeared in America's Textile Reporter, a publication of the textile industry, whose workers have long been plagued by a disease known as "Byssinosis," or "Brown Lung," caused by inhaling cotton dust fibers.

"We are particularly intrigued by the term 'Byssinosis,' a thing thought up by venal doctors who attended last year's ILO (International Labor Office) meetings in Africa where inferior races are bound to be afflicted by new diseases more superior people defeated years ago.

"As a matter of fact, we referred to the 'Cotton Fever' earlier, when we pointed out that a good chaw of B.L. dark would take care of it, or some snuff."

The editorial was published in July, 1969.

HOW MUCH SAFETY

"Safety is like motherhood and apple pie," says an official at a Colorado mine. "Everyone is for it, but the question is, How much safety is necessary?"

That is an attitude shared by the federal government. When OSHA was enacted, it made no attempt to come up with maximum levels of exposure by workers to dangerous substances used by industry. Rather, it merely adopted standards already set by the American Conference of Governmental Industrial Hygienists (ACGIH) which, despite its title is unconnected with the government. Rather, it is made up of 1,500 industrial hygienists employed by industry, educational institutions and the government.

Since its founding in 1938, the ACGIH

has recommended maximum levels of exposure to various substances used by industry, beyond which a worker's health would be impaired. These are known as Threshold Limit Values (TLVs).

Each TLV is established through a complicated mathematical formula that takes into consideration the length of the working day, experimental data based on animal and human exposure studies and "industrial experience," according to ACGIH.

Many of the TLVs grew out of studies undertaken by industry itself, or by research organizations funded by—and responsible to—chemical, oil, steel or manufacturing companies where the substances in question were vital parts of their daily operations.

STANDARDS FLEXIBLE

Until the TLVs were adopted en masse by OSHA in 1971, they were voluntary. Even though they are now part of federal law, the standards are flexible enough for industry to live with easily.

Generally, they set quite high levels of exposure.

They also establish "time weighted averages," meaning that a worker can be exposed to extremely high levels of a hazardous substance during the working day if the level of exposure is dropped proportionately lower during the remainder of the day to average out to the TLV.

There is no provision in the TLVs to regularly monitor the air to determine if the maximum level is being exceeded, or to test workers for ill effects caused by exposure.

Anthony Mazzocchi, who is the legislative director for the Oil, Chemical and Atomic Workers Union and worked with chemicals in a Long Island factory before becoming a union official, grows angry when he talks about the lack of strong occupational safety and health programs in this country.

"It's safer on the darkest street in any city in the United States than it is in the average factory in America," he says.

"What the workers of America are doing today is subsidizing industry with years of their lives."

Those are strong words. But there is episode after episode in the annals of American industry to back them up.

Perhaps, none is more graphic than the story of vinyl chloride, which killed and killed and killed again, while industry, unions and the federal government all sat on their hands.

Vinyl chloride, and its byproduct polyvinyl chloride, are everywhere. More than five billion pounds are produced annually in the United States.

The substances are used in the paint in your home, the pipes which bring you your water, in your furniture, the packages containing your food, the toys your children play with and the floors you walk on. They are used in the shoes on your feet, the imitation-leather jacket you wear and even the false teeth in your mouth.

Although the hazards of vinyl chloride were known for years, the substance was not controlled until workers died and thousands more had been exposed to the deadly chemical.

The standard was enacted despite enormous resistance from the chemical industry—which had known for a year before the deaths were disclosed that even low exposures to the substance caused cancer.

How then, did a situation like the vinyl chloride crisis occur?

Vinyl chloride is made from chlorine and petrochemical feedstocks, often as part of the regular oil refining process. Polyvinyl chloride is produced when the chemical structure of vinyl chloride—a sweet smelling gas—is altered (polymerized) with pressure and heat and changes from a gas to a white, powder resin.

For years, scientists believed vinyl chloride was harmless. It was even used as an anesthetic at one time.

As American industry and the consuming public rushed into the "plastic age," a few isolated voices were calling for caution.

In 1949, Russian scientists discovered that 18 of 75 polyvinyl chloride workers they examined had a hepatitis-like liver condition. Other European studies in the next decade reported skin lesions and circulatory disorders among polyvinyl chloride workers.

OFTEN IGNORED

In 1974, the Manufacturing Chemists Association, an industry group made up such giants as Dow, DuPont, Allied, Monsanto and Union Carbide, recommended that exposure levels be set at 500 parts of vinyl chloride per one million parts of air. It was a voluntary standard, and it was often ignored.

Then, in 1961, the Dow Chemical Co., which had become one of the major producers of polyvinyl chloride, made a startling discovery. Laboratory animals exposed to 100 parts per million of vinyl chloride had developed liver damage. Dow began reducing worker exposure in its plants to 50 parts per million.

However, the Dow study, like the previous Russian and European findings, caused barely a ripple in the sea of plastics covering the nation. Instead, the booming chemical industry relied on the results of a study, conducted by Yale University, claiming that 500 parts per million was a safe level.

In 1967, a new danger signal was observed. Polyvinyl chloride workers—particularly those assigned to scrape out the polymerization vats—were developing acroosteolysis, a rare bone disease which causes the fingertips to degenerate.

The Manufacturing Chemists Association commissioned the University of Michigan to study this phenomenon. After three years, university scientists recommended that the industry lower its exposure levels to 50 parts per million.

NOTHING DONE

Again, the recommendation was only that. No one enforced it; no one even regularly measured the concentrations in the air. (Workers learned that they could smell vinyl chloride only when it reached a concentration of 2,000 parts per million.)

With the creation of the Occupational Safety and Health Administration (OSHA) in 1970, the federal government finally had the tools with which to protect the workers from hazards like massive doses of vinyl chloride.

But acceding to the prevailing belief that vinyl chloride was harmless—despite various scientific warnings—OSHA merely adopted as its standard 500 parts per million—the standard proposed in 1954 by the industry's own Manufacturing Chemists Association.

In Europe, where the plastics industry had experienced a growth as spectacular as that in America, a consortium of major producers in 1969 commissioned a study of the effects of vinyl chloride by an Italian, Dr. Pier Luigi Viola.

In 1970, Viola discovered that rats exposed to 30,000 parts per million of vinyl chloride several hours a day over 12 months had developed tumors. American producers were informed of the findings by Viola.

The European consortium launched a new series of studies to be conducted by Dr. Cesare Maltoni of Bologna, Italy. Industry groups in the U.S. discussed similar studies here. None was begun, however.

In March 1972, almost two years after Viola's discovery, the Manufacturing Chemists Association agreed to financially back Maltoni's project in Italy.

In the fall of that year, Maltoni made a startling discovery: tumors had developed in rats exposed to 250 parts per million of vinyl chloride—half the existing U.S. standard.

Even more foreboding was the observation in a test animal of the first instance of liver cancer—always fatal in humans—as a result of vinyl chloride exposure.

In December of that year, the Manufacturing Chemists Association agreed with the European vinyl chloride producers, co-sponsors of Maltoni's research, to keep all findings confidential "to minimize unwarranted speculation."

IN THE DARK

The federal government, empowered under the Occupational Safety and Health Act to "assure safe and healthful working conditions for working men and women," was kept in the dark.

It was not until January 1974—when the first deaths of vinyl chloride workers were reported—that the whole story became known.

There are two versions of events that transpired during the summer of 1973; that of the Manufacturing Chemists Association and that of officials of the National Institute for Occupational Safety and Health (NIOSH), the research arm of OSHA.

On July 17, the chemists' association, representatives of the European chemical companies and NIOSH officials met at the request of the industry group for a briefing on current European vinyl chloride studies.

Later, in testimony before a U.S. Senate subcommittee investigating the vinyl chloride hazard, NIOSH director Dr. Marcus Key claimed the chemical industry was less than candid about its research at the meeting.

Although they described Viola's research—which by this time had faded in significance due to Maltoni's findings—and Maltoni's research on tumors, the crucial discovery of liver cancer was not disclosed.

FIRST DEATHS

Not until six months later—when the proof of Maltoni's research on test animals was borne out by the first human cancer deaths—did NIOSH learn what the chemists' association had known for a year.

The chemical industry participants in the July, 1973 meeting claim NIOSH was not given the data on liver cancer because NIOSH didn't specifically ask for it.

Industry's failure to inform federal authorities about the hazard prompted a heated exchange between California Sen. John V. Tunney, who chaired the subcommittee, and Dr. Theodore R. Torkelson, a Dow Chemical Co. toxicologist representing the chemical industry at the hearings.

When asked by Tunney why it had taken from January to July, 1974 to arrange the meeting with NIOSH, Torkelson explained:

"Well, we wanted to verify it (the liver cancer discovery) by laboratory experiments. We wanted to have the right people in NIOSH present. We wanted to have the representatives of the European companies present. It was finally worked out in July."

Tunney continued: "I can understand certainly the desire to confirm data, particularly when it is new data. But when it relates to something as serious as liver cancer and the potential threat to American workers, I can't understand why that wouldn't be given to NIOSH officials who are responsible for trying to protect the health and welfare of American workers."

Torkelson answered: "It wasn't a matter of not wanting their participation. The appropriate studies were already underway in view of the outcome. We needed the results of these studies to interpret the information we had."

Tunney: "Again, I am speaking as a layman without any background in science, but I can assure you if I were a worker in a vinyl chloride plant, it would have made a difference to me."

MORTALITY STUDY

In December, 1973, a Louisville, Ky., surgeon who also was the plant physician at B. F. Goodrich's polyvinyl chloride plant, took special note of the death of an employe of rare liver cancer. Recalling that another employe had died two years earlier of the same thing, he set in motion a morality study of the plant's workers.

By January, the results were in. Three workers had died of the disease since September, 1971. (To date, at least eight workers at the Louisville plant have contracted liver cancer.)

On January 22, B. F. Goodrich officials notified NIOSH of the deaths. A day later the findings were made public. OSHA found itself in the midst of its first crisis.

Within two months, NIOSH—forced to divert its tiny staff from other projects to handle the emergency—forwarded to OSHA a recommended maximum exposure standard for vinyl chloride of 50 parts per million, one-tenth the prevailing standard.

The impact of the B. F. Goodrich deaths had been tempered somewhat by the fact that the dead workers had been engaged in a process that involved only a few employes. Because of this, it was hoped that the thousands of workers who fabricated polyvinyl chloride products would not be involved.

The respite was brief.

MORE DEATHS

Within a matter of weeks, German officials reported six suspicious cases of liver disease in a plant that made polyvinyl chloride floor tiles. Connecticut health officials documented the liver cancer deaths of two persons, one who had handled only finished polyvinyl chloride products, the other an accountant

The effects on the consumer are still unknown.

In April, OSHA announced an emergency temporary standard of 50 parts per million to be reduced by Jan. 1, 1975, to one part per million, or in essence, "no detectable level."

As OSHA was wrestling with the crisis, the plastics industry began a concerted effort to prevent control on what had become a $3-billion-a-year operation.

A survey paid for by the plastics industry predicted that the new standard would cost two million jobs and a loss of production and sales as high at $90 billion. It was hinted the entire industry might be forced to close down.

Spurred on by public outcry, plus pressure from labor and environmentalists, OSHA stuck to the one part per million standard. The industry went to court, claiming the standard was not technically feasible.

An appeals court upheld the standard, saying: "They (the industry) simply need more faith in their own technological potentialities."

The standard went into effect on April 1, 1974.

STANDARD UPHELD

Unsatisfied, industry carried its appeal to the U.S. Supreme Court. Last May, the court refused to hear the case, leaving the standard in force.

The new law is now on the books to be enforced by OSHA.

The vinyl chloride industry, despite its dire predictions, says it is now complying with the OSHA regulations. Instead of widespread layoffs and plant closings, the industry is expanding, with four new vinyl chloride producers in operation.

And despite the claims of multi-billion-dollar expenditures, the cost to industry to meet OSHA regulations, according to one private survey, was $300 million.

By the end of 1974, the grim statistics were compiled: 32 cases of vinyl chloride-related cancer had been discovered and 16 people had died. Countless others were exposed and are potential victims. For the dead, the dying and those who wait in fear, the changes came too late.

For the American worker, too often the changes come too late.

By Mr. PASTORE (for himself and Mr. BAKER):

S. 3286. A bill to amend the Atomic Energy Act of 1954, as amended, to provide for the approval of sites for production and utilization facilities, and for other purposes. Referred to the Joint Committee on Atomic Energy.

Mr. PASTORE. Mr. President, today I am introducing a bill to improve the efficiency and effectiveness of the licensing process for nuclear facilities. I am pleased to note that Senator BAKER, the distinguished ranking minority Senate member of the Joint Committee on Atomic Energy, joins with me in introducing this bill.

The administration has submitted proposed legislation to the Congress which would reduce the time now required to license nuclear facilities by giving the Nuclear Regulatory Commission authority to issue early approvals for proposed sites for nuclear facilities including nuclear powerplants. That proposal was introduced by request as S. 1717 and H.R. 7002 and was referred to the Joint Committee on Atomic Energy. The Joint Committee held extensive hearings on this and other proposals for nuclear facility licensing reform in 1974 and again in 1975. The bill which I am introducing today is completely responsive to the administration's request and gives the Commission the licensing authority needed to get the job done. That sought-after goal would be achieved while preserving and further strengthening the fundamental objectives of the licensing system for commercial nuclear facilities established in the Atomic Energy Act of 1954, as amended.

I. OBJECTIVES OF THE BILL

The bill has the following objectives: First, to enhance earlier and more effective public participation in the licensing process for nuclear facilities; two, to enhance public confidence in and understanding of the licensing process; third, to enable the Commission to make the most effective use of its resources and to perform its licensing responsibilities as efficiently as possible; fourth, to reduce the burden of the licensing process on the public and on the participants in individual proceedings by minimizing unnecessary and costly duplication and delay in the procedures for licensing these facilities; and fifth, to reduce the long lead-time—approximately 10 years—required for the licensing of nuclear facilities under existing law by 3 or 4 years, thereby insuring that utilities which in the future will be required to construct additional electric powerplants within shorter time periods will not be foreclosed from building a nuclear facility where that is the best alternative.

The bill accomplishes the foregoing without impairing in any way the quality or thoroughness of the Commission's regulatory responsibility under existing law with respect to protection of the public health and safety, the common defense and security and the environment; and without any adverse effect on the opportunity for proper public participation in the licensing process or reduction in the public and open conduct of the licensing process administered by the independent Nuclear Regulatory Commission.

II. NEED FOR THE LEGISLATION

The principal problem addressed by the bill is the need to reduce the long leadtime—presently 10 years—required to bring a nuclear reactor through the planning, licensing, construction, and testing stages to commercial operation. It is now apparent that the Commission under the aggressive leadership of its former Chairman, William A. Anders, has accomplished about as much as can be accomplised in reducing the leadtime under the licensing authority which is now available under the Atomic Energy Act of 1954, as amended. The major obstacle to further reduction is that existing law only gives the NRC the authority to issue a construction permit after a utility has filed a formal application to build a specific plant on a specific site. Thus, under the existing licensing system, essentially all regulatory reviews and approvals must be deferred to a point at which any substantial construction delay could be adverse to a utility's planned reliance on the additional capacity from the plant under construction. Further reduction in the leadtime, without any sacrifice in the quality of the resolution of the paramount issues of safety, common defense and security, and environmental protection, can only be achieved by adding licensing authority which provides for early and timely decisions on approvals of facility sites. By authorizing the early review and approval of reactor sites and designs, the bill permits much of this time-consuming environmental and safety review work to be done well before a utility decides to apply for a permit to construct a plant.

If a utility decides to go ahead with an approved reactor design at an approved site, it should be able to obtain the necessary licensing authority to do so and have the plant constructed and operating in 6 or 7 years. New licensing authority which would result in leadtime reduction is needed now to avoid electrical supply shortages which may not materialize until the early or middle part of the next decade. Since 1974, many nuclear generating plants have been canceled or deferred due in large part to financial pressures on the utilities. As the demand for electricity continues to grow, these utilities will be forced to bring new powerplants on-line to meet the demand in less than the 10 years now required for a nuclear plant. Unless something is done to reduce the leadtime for nuclear plants, those utilities will be forced to choose additional fossil-fueled generating units even if nuclear were the preferred choice. The practical effect of this will be to foreclose the nuclear option and to increase this country's reliance on imported petroleum to generate its electricity.

The additional licensing authority contained in the bill, which provides for the early resolution of the major issues involved in site selection, construction, and operation of nuclear facilities does not prejudice anyone whose interest might be affected by the licensing of a nuclear facility. Indeed, the extensive hearing record which the Joint Committee has produced on this subject supports without any known exception the benefits from the standpoint of all interests, of a licensing system which permits early consideration of issues relating to the siting and design of nuclear facilities. Such a system would allow early focus on site suitability, an area in which public interest and participation is likely to be the most significant and effective.

That hearing record also demonstrates conclusively that delays in the construction of nuclear powerplants add, because of interest and inflation costs alone, many millions of dollars a month to the cost of the plant for each month's delay in plant completion and operation. In addition, the cost to a utility of replacement power, assuming that it is available, can now run as high as around $600,000 daily. These costs should be minimized by the procedural improvements in the licensing system provided for in this bill.

There are additional reasons why the reduction of the leadtime is clearly in the national interest. In 1975 alone, nuclear power provided nearly 9 percent of all the electricity generated in the United States. This contribution, according to utility announcements, represented a savings of 1,000,000 barrels of oil a day. A 1,000-megawatt electrical nuclear plant should, on the average replace the need for 10 million barrels of oil annually. Moreover, utilities using nuclear power to generate electricity assert that it resulted in cost savings of over $2 billion in 1975.

There are now approximately 178 nuclear powerplants—in addition to the 58 now licensed to operate—which are planned or under construction. By the middle of the next decade, if all of these plants are on the line to generate electricity, they should, over their lifetime, save the equivalent of 70 billion barrels worth of petroleum generating capacity. This is about seven times the Alaskan North Slope reserves. Even at the present price of oil per barrel, the cost of such an oil replacement, again assuming its availability, would be approximately $27 billion annually.

The availability of these nuclear plants would reduce our dependency on oil imports, which have increased substantially since the oil embargo in 1973 to the point where these are in excess of domestic production. Moreover, their availability would result in the conservation of petroleum, the supply of which is finite and which has a multiplicity of essential uses other than to produce steam to generate electricity.

The Nuclear Regulatory Commission, which is responsible for the regulation of commercial nuclear facilities, testified emphatically before the Joint Committee that legislation is needed now, and that without it the prospects for further reduction in the leadtime are indeed dim. The President urges the enactment of legislation to streamline the licensing procedures for the construction of new plants so that greater use can be made of nuclear energy in order to achieve energy independence and maintain a strong economy.

But these costs and the long lead-time for nuclear facilities cannot be reduced at the expense of the quality of regulatory review. Safety has and must continue to be the paramount consideration in the Commission's regulation of commercial nuclear facilities. The need, therefore, is for legislation which will reduce the lead-time for nuclear plants but which will preserve the integrity of the present licensing process.

III. SUMMARY OF LICENSING CHANGES

The bill seeks to accomplish the objectives set forth above by two principal means: first, section 101 of the bill adds a new section 192 to the Atomic Energy Act which reaffirms, emphasizes, supplements and strengthens the objectives which the Joint Committee has stressed from the beginning of the commercial nuclear power program must be the foundation for a regulatory system which is both sound and acceptable to the public.

Second, the bill in section 103 modifies existing law by giving the Commission needed authority to restructure the process by which it approves the sites and designs for nuclear facilities. In addition to these two principal features, the bill makes other changes in the licensing process which should further the objectives set forth above.

POLICY GUIDANCE

The new section 192 emphasizes that the Commission must continue to the greatest extent feasible to candidly and expeditiously disclose information concerning radiation risks to the public. Direction is also provided for expediting Commission licensing proceedings by improving the effectiveness and efficiency of required licensing hearings.

The section emphasizes the value of obtaining finality in the Commission's licensing determinations and thereby avoiding the need for needless retrial of already resolved issues. The importance of early Commission and public involvement in a utility's site planning process is emphasized. The section also calls for increased effort by the Commission in certain areas in order to achieve greater efficiency and effectiveness in the licensing process. One such area is the need for improved coordination at the Federal level with other agencies which are involved in aspects of the licensing of nuclear facilities other than radiological health and safety.

Another area in which increased effort on the part of the Commission is needed is better coordination with States in which nuclear facilities are to be constructed in order to avoid unanticipated and undesirable duplication of regulatory programs, in fields other than radiological safety, with the goal of reducing unnecessary delay and uncertainty in obtaining the necessary approvals for nuclear powerplants.

Such improved coordination is essential if the early site approval concept is to be an effective vehicle so that Federal and State agencies can cooperate with the Commission in its licensing responsibilities by providing timely decisions on nonradiological environmental issues for which they and not the Commission have the principal responsibility. The Federal-State coordination role is an important and challenging one which will require the most careful study by the Commission. Accordingly, section 102 of the bill calls for a study to be made on the subject by the Commission.

ADDITIONAL LICENSING AUTHORITY

Section 103 of the bill adds a new section 193 to the Atomic Energy Act of 1954, as amended, which grants additional licensing authority to the Commission. The essence of this additional authority is that the Commission could upon application by a utility or other interested person, including a State, approve sites for nuclear facilities in advance of the filing of any application to construct such a facility. The licensing authority to approve sites is the additional authority needed by the Commission in order to provide early and timely decisions on site selection. The Commission already has the authority to approve the designs of nuclear facilities. The combination of these two authorities—early and separate site and design approvals—could shorten the leadtime for a nuclear facility from the present 10 years to approximately 6 to 7 years if a utility decides to construct a nuclear power reactor of a previously approved design on a previously approved site.

Section 193 also provides that if a decision is made by a utility to apply for a permit to construct a facility of an approved design on an approved site, a public hearing would be required if the person requesting the hearing demonstrates to the satisfaction of the Commission under procedures published by the Commission that there is some substantial unresolved issue regarding the licensing of the facility.

Section 193 also authorizes the Commission to issue an interim license to operate a nuclear facility or an interim amendment to an operating license in those circumstances in which a hearing is pending regarding the final license to operate the facility, provided that the interim licensing requirements prescribed therein are met. Under present law the Commission lacks that authority and that deficiency has in fact on some occasions resulted in a nuclear facility being withheld from operation solely to await the completion of the hearing and decision on the final license. This procedural deficiency could result in prolonged operational delays for a completed nuclear plant. For that reason the deficiency should be eliminated. As a practical matter, however, it is unlikely that the authority would have to be used frequently in view of the emphasis which is being placed on early and timely decisions in the licensing process.

OTHER CHANGES

Section 201 of the bill amends subsection 182b of the Atomic Energy Act of 1954, as amended, to permit the Advisory Committee on Reactor Safeguards to determine which applications for nuclear facilities it wishes to review. Under the present law that committee must review each application. In view of the fact that some of the applications are almost identical to applications which have already been reviewed by the Advisory Committee, the Advisory Committee has asked for and strongly supports this change. Indeed, the Advisory Committee has informed the Joint Committee that this change would enable the Advisory Committee to carry out its responsibility more effectively by enabling the committee to focus on those issues which it believes are the most important.

The remainder of title II and title III of the bill simply provides for conforming changes to be made in the Atomic Energy Act of 1954, as amended, and involves no substantive change.

Mr. BAKER. Mr. President, I am pleased to join my distinguished colleague, the chairman of the Joint Committee on Atomic Energy, in sponsoring this legislation to improve the licensing process for nuclear facilities. In addition to providing the Nuclear Regulatory Commission with the authority it needs to improve the efficiency of the licensing process, the bill recognizes the need for continued public confidence in a sound regulatory program. Careful attention has been given to maintaining the necessary quality and thoroughness in the Commission's safety and environmental reviews of nuclear facilities, to preserving the openness of the licensing process, and to providing the public a fair opportunity to participate effectively in the proceedings to license nuclear facilities.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 3287. A bill to establish National Historic Trails as a new category of trails within the National Trails System, to include the Iditarod Trail, Alaska, in the National Trails System as a National Historic Trail, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. GRAVEL. Mr. President, in this Bicentennial year, all Americans are learning and relearning, affirming and reaffirming the lessons and inspirations of the history of the United States. It has and will continue to be a salutary enterprise for us to look back so that we may look forward.

In this spirit I should like to share with you and my colleagues something of the history of a feature of Alaskan life and lore called the Iditarod Trail, and to propose its inclusion into the national system of trails. Moreover, I propose that now is an appropriate time for us to amend the National Trails System Act (P.L. 90-543) to include historic trails as well as scenic and recreational ones.

Much of the history of this Nation was etched by the great overland trails—the Oregon Trail, Lewis and Clark Trail, the Santa Fe, and in Alaska the trails known collectively as the Gold Rush Trails. The Iditarod River with the town of Seward on Resurrection Bay to the south, and northwestward to Nome on the Bering Sea. Altogether, according to the Bureau of Outdoor Recreation, the Iditarod Trail, as proposed, covers 1,600 miles, and is in fact a network in itself.

Part of the network is known to have been used in 1974 by the English explorer Vancouver, who reported that a portage route he traveled had earlier been used by Russian fur traders and for several hundred years before that by Alaskan Natives.

The demand for long distance trails into the interior of Alaska began with the gold rush. Word spread during the early part of this century that gold had been found in the Iditarod river area. Some 2,500 people stampeded into the area which prompted work to begin on a Seward to Nome trail which could link the Iditarod fields with these two ports.

As the gold seekers and others poured into the interior, way stations were built every 15 to 30 miles apart—one day's hike or mush apart. One of these still standing is a poolroom, saloon, and roadhouse at Knik which was once the largest community on Cook Inlet. The surviving structure is listed in the National Register of Historical Places and serves as a museum featuring a "Dog Musher's Hall of Fame." Other such historical places along the trail include Hope Historic District which shows evidence of gold mining activity dating from the 1880's, the Old St. Nicholas Russian Orthodox Church at Eklutna dating to the mid-1880's and serving as a missionary center, and the Anvil Creek site in Nome where the great gold rush began when the first large placer strike was made. There are prehistoric areas along the trail too. The Iyateyet site, on Cape Denbigh Peninsula, Norton Sound, shows evidence of coastal occupation dating back to 6000 B.C., providing strong evidence that the first people in the Americas came south from Alaska.

Today, the history that the trail represents, for both Native American and the European settlers of the new land, comes together and is symbolized by an annual Iditarod Trail dogsled race. Dog mushing in Alaska is, in fact, thought to date back thousands of years. It was my privilege to take part in that ancient tradition by sponsoring the winner of the first Iditarod race, Issac Okleasik. The Iditarod course now covers, 1,049 miles from Anchorage to Nome. This year's winning musher, Jerry Riley, made it in 18 days, 22 hrs., 58 minutes, and 17 seconds.

Clearly, Mr. President, the Iditarod Trail is a major scenic, recreational, and especially an historic asset to the nation. It is little wonder, given its manifold significance, the Bureau of Outdoor Recreation report on the trail has concluded that "the entire Seward-Nome route, including appropriate branch, alternate, and Iditarod Sled Dog Race routes and related sites should be designated as a National Historic Trail within the National Trail System."

This would have been cheered by the late Senator Earnest Gruening, my predecessor in the Senate from Alaska. Senator Gruening saw to it that "the Gold Rush Trails" were included in the National Trails System Act. As he put it in the Senate floor debate in 1968:

> I am particularly pleased to see the inclusion in the bill of an amendment I proposed to Secretary of Interior Stewart Udall which specifically outlines a request for further study of Alaskan gold rush trails for future development of a nationwide trail system.
>
> During the Interior Committee hearings on S. 827, in March 1967, I expressed my concern that although I was an enthusiastic supporter of the bill I felt that the omission of Alaskan gold rush trails was a grave error.
>
> The Alaskan gold rush trails relate to a very important event not merely in the history of Alaska, but in the history of the United States, as well. It was the very last gold rush, and there will never be another like it. It was a chapter in the great westward march of the American people in of greater freedom and greater opportunity. The trails, incidentally, pass through some of the most beautiful scenery on the North American Continent.

Thus it is an honor to Senator Gruening that the Iditarod Trail should be added to the national system, as well as to honor those ancients 8,000 years ago who peopled the continent, and those courageous gold rushers a century ago.

The Bureau of Outdoor Recreation's finding that certain of our Nation's trails would not qualify for protection under a scenic or recreational designation points up the need for a new category to provide for national recognition of America's significant historic routes. Senator Gruening argued successfully 9 years ago that it would be "a most grievous omission" to leave the Alaska Gold Rush Trails out of the national legislation. I should like to argue today that it is altogether appropriate to amend the National Trails System Act to include a National Historic Trails category, covering such resources as the Iditarod. We would be irresponsible to our heritage, and present and future generations if we do not commemorate and preserve the great migration and transportation routes, with their remaining historic structures and artifacts, that are such an integral part of our Nation's story.

Therefore, Mr. President, I propose that the act be amended to accomplish this, and that the Iditarod Trail be the first designated under a new historic trails category. The category should require that proposed trails, to qualify for designation as a National Historic Trail, meet all three of the following criteria:

First. It must be a trail established by historic use and historically significant as a result of that use. The trail need not exist as a trail at present to qualify, but its location must be known sufficiently to permit evaluation of public recreation potentials.

Second. It must be of national significance with respect, to any of several broad facets of American history such as trade and commerce, migration and settlement, or military campaigns. To qualify as nationally significant, historic use of the trail must have had a far-reaching effect on broad patterns of American culture. Trails significant in the history of native Americans—Indians, Aleuts, and Eskimos—may be included.

Third. It must have significant potential for public recreational use based on historic interpretation and appreciation. The potential for such use generally is greatest along cross-country segments developed as historic trails, and at historic sites associated with the trail. The presence of recreation potential not related to historic appreciation is not sufficient justification for designation under this category.

The Iditarod Trail fully meets these criteria, Mr. President, and so I send to the desk on behalf of myself, and my colleague from Alaska, Senator Stevens, a bill amending Public Law 90-543, to include the category "National Historic Trails," and to include the designation of the Iditarod Trail under that category.

Mr. President, I ask unanimous consent to have my bill printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3287

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended as follows:

(a) In section 2(b) delete "and scenic" and insert, "scenic and historic".

(b) In section 3 redesignate subsection "(c)" as "(d)", and insert prior thereto a new subsection (c) as follows:

"(c) National Historic Trails, established as provided in section 5 of this Act, and designated in accordance with the criteria in section 7 of this Act, which will be extended trails that follow as closely as possible the original trails or routes of national historical significance. Although designation of such trails or routes shall be continuous, an established or developed trail may not be continuous.".

(c) In the new section 3(d) delete "or national scenic" and insert ", national scenic, or national historic".

(d) In the heading of section 5 "SCENIC" insert "AND NATIONAL HISTORIC"; in the first sentence of section 5(a) after "scenic" insert "and national historic"; and in section 5(b) after "national scenic" wherever it appears insert "or national historic".

(e) In section 6 delete in the first sentence "or national scenic" and insert ", national scenic, or national historic"; and in the second sentence delete "or scenic" and insert ", scenic, or historic".

(f) In section 7 in the first sentence of subsection (a) after "Scenic" insert "and National Historic"; in subsection (b) and in the first sentence of subsection (c) after "scenic" wherever it appears insert "or national historic"; in the penultimate sentence of subsection (c) delete "and scenic" and insert ", scenic, and historic"; in subsection (d) delete "or scenic" and insert ", scenic, or historic"; in subsection (e) after "scenic" wherever it appears insert "or historic"; in the first sentence of subsection (h) delete "or scenic" and insert ", scenic, or historic"; in the second sentence of subsection (h) after "scenic" insert "or historic"; and in the first sentence of subsection (i) delete "or scenic" and insert ", scenic, or historic".

(g) Section 7 of such Act is further amended by adding at the end thereof the following new subsection:

"(j) To qualify for designation as a National Historic Trail, a trail must meet all three of the following criteria:

(1) It must be a trail established by historic use and historically significant as a result of that use. The trail need not exist as a trail at present to qualify, but its location must be known sufficiently to permit evaluation of public recreation potentials.

(2) It must be of national significance with respect to any of several broad facets of American history such as trade and commerce, migration and settlement, or military campaigns. To qualify as nationally significant, historic use of the trail must have had a far-reaching effect on broad patterns of American culture. Trials significant in the history of native Americans (Indians, Aleuts, and Eskimos) may be included.

(3) It must have significant potential for public recreational use based on historic interpretation and appreciation. The potential for such use generally is greatest along cross-country segments developed as historic trails, and at historic sites associated with the trail. The presence of recreation potential not related to historic appreciation is not sufficient justification for designation under this category."

(h) In Section 8 (a) at the end of the first sentence insert the following sentence: "The Secretary is also directed to encourage States to consider, in their comprehensive statewide historic preservation plans and proposals for financial assistance for State, local, and private projects submitted pursuant to the Act of October 15, 1966 (80 Stat. 915), as amended, needs and opportunities for establishing historic trails.".

Sec. 2(a) The Iditarod Trail, Alaska, a trail of approximately 1600 miles extending from Seward to Nome, Alaska, following the route(s) as generally depicted on the map identified as "Proposed Iditarod Trail, Number ——, dated ——" is hereby designated a national historical trail within the National Trails System. The Iditarod National Historic Trail shall be administered by the Secretary of the Interior.

(b) Within 3 years from the date of this Act an inventory and evaluation of all sites, structures, and other properties located along or immediately adjacent to the designated route possessing historical, architectural, archeological or cultural value shall be conducted by the administering agency in consultation with concerned public and private land owners or managers. This inventory and evaluation shall, among other things, identify properties eligible for inclusion in the National Register of Historic Places and formulate plans for the protection and preservation of significant historical and archeological properties.

(c) There is authorized to be appropriated $150,000 for the purpose of acquiring lands or interests in lands, signing, conducting an inventory and evaluation of historical and acheological sites, and other actions necessary to implement this Act.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 3254

At the request of Mr. Griffin, the Senator from New York (Mr. Javits) was added as a cosponsor of S. 3254, a bill to amend the act to encourage domestic travel in order to authorize the Secretary of Commerce to provide certain assistance to projects carrying out the purposes of such act.

S. 2925

At the request of Mr. Muskie, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of S. 2925, the Government Economy and Spending Reform Act of 1976.

S. 3077

At the request of Mr. Allen, the Senator from Georgia (Mr. Talmadge) was added as a cosponsor of S. 3077, a bill to amend title 26 of the United States Code to limit the discretionary equity power of courts of the United States in the formulation of certain remedies.

S. 3094

At the request of Mr. Pearson, the Senator from Pennsylvania (Mr. Hugh Scott) and the Senator from Tennessee (Mr. Brock) were added as cosponsors of S. 3094, a bill to provide financial assistance to encourage small-business concerns to implement energy conservation measures.

S. 3254

At the request of Mr. Robert C. Byrd, the Senator from Wyoming (Mr. Hansen) was added as a cosponsor of S. 3254, a bill to amend the act to encourage domestic travel in order to authorize the Secretary of Comerce to provide certain assistance to projects carrying out the purpose of such act.

SENATE JOINT RESOLUTION 30

At the request of Mr. Helms, the Senator from Washington (Mr. Jackson), the Senator from Oklahoma (Mr. Bartlett), the Senator from Florida (Mr. Stone), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), and the Senator from Massachusetts (Mr. Brooke) were added as cosponsors of Senate Joint Resolution 30, a joint resolution authorizing the President to proclaim September 8 of each year as "National Cancer Day."

SENATE RESOLUTION 413

At the request of Mr. Ribicoff, the Senator from Nebraska (Mr. Hruska) was added as a cosponsor of Senate Resolution 413, a resolution regarding freedom of the press at the Olympic Games.

SENATE RESOLUTION 430—SUBMISSION OF A RESOLUTION RELATING MEASURES OR ACTION DIRECTED AGAINST THE GOVERNMENT OF CUBA

(Referred to the Committee on Foreign Relations.)

Mr. McGEE submitted the following resolution:

S. Res. 430

Resolved, It is the sense of the Senate that any measures or actions directed against the Government of Cuba be pursuant to decisions rendered by the Organ of Consultation in accordance with the terms of the Inter-American Treaty of Reciprocal Assistance.

Mr. McGEE. Mr. President, the Inter-American Treaty of Reciprocal Assistance, often referred to as the Rio Treaty, constitutes the cornerstone of collective security for the Western Hemisphere.

Since its entry into force in 1948, the Rio Treaty has served—and served well—the peace and security interests of the American Republics. And as Secretary Kissinger recently stated during his trip to Latin America:

> As we increasingly dedicate ourselves to human betterment, we cannot neglect the reality that no nation can hope to advance if it is not secure. Our collective security is the bedrock of our relations.

The Secretary's reminder is an appropriate one indeed, because despite the lapse of almost 30 years, 21 nations continue to regard the Rio Treaty as the firmest expression of "their will to cooperate permanently in the fulfillment of the principles and purposes of a policy of peace."

Mr. President, all of us need to keep our Rio Treaty commitments in mind at this particular time when Cuban military forces are stationed abroad and the administration has confirmed that it is reviewing possible military options against the island of Cuba.

These developments require immediate consideration at the highest levels of the inter-American system. It may be that Cuba's decision to use its armed forces overseas and to intervene militarily in the affairs of other nations can be viewed as a potential threat to the peace and security of the hemisphere. However, if there is to be a response to this activity of Cuba, it must be a collective response, the kind of response which the Rio Treaty is designed to provide.

No nation in this hempishere can be permitted to take unilateral military action against another. This is the fundamental principle underlying the collective security arrangements adopted by the nations of this hemisphere. It must be observed by each and every one of them.

Mr. President, to underscore the importance of this issue, I am today submitting a sense of the Senate resolution stating that "any measures or actions directed against the government of Cuba be pursuant to decisions rendered by the Organ of Consultation in accordance with the terms of the Inter-American treaty of Reciprocal Assistance."

The purpose of this resolution is very straightforward; it places the Senate on record as reaffirming its strong support for the principle of collective security within this hemisphere. Now is the time to reaffirm our commitment to this principle.

AMENDMENTS SUBMITTED FOR PRINTING

CLEAN AIR AMENDMENTS OF 1976—S. 3219

AMENDMENT NO. 1586

(Ordered to be printed and to lie on the table.)

Mr. BAKER (for himself, Mr. Buckley and Mr. Stafford) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 3219) to amend the Clean Air Act, as amended.

Mr. BAKER. Mr. President, I send to the desk an amendment to S. 3219, the Clean Air Amendments of 1976, and ask that it be printed. This amendment, on which I am pleased to be joined by two of my colleagues, Mr. Buckley and Mr. Stafford, is designed to assure fair competition in the auto-parts aftermarket industry, to assure that independent manufacturers, dealers, and service stations are freed of any anticompetitive dangers in this law. This is an amendment that I believe I can fairly characterize as placing the interests of the consumer first. It will continue the existence of an adequate warranty against failure in the emissions system of automobiles, while assuring that the consumer can obtain the best deal going on auto repair work, without infringing the warranty.

I would also like to point out that the provision now in the Senate bill includes a study by the Federal Trade Commission. This study will examine whether any aspects of the warranty provision contained in the law might have any aspects of the warranty provision contained in the law might have any effects that the Congress should address.

As our amendment is described in some detail in the individual views that are included with Senate Report 94–717, I do not intend to go into a lengthy explanation at this time. I would add one comment of explanation. Some question has been raised over the meaning of the term "design life" in the amendment. "Design life" means the length of time that is the designated replacement interval in the maintenance instructions that must be issued under the terms of section 207(c)(3).

I ask unanimous consent that our views be printed in the Record.

There being no objection, the views were ordered to be printed in the Record, as follows:

Individual Views of Senators Baker, Buckley, and Stafford

One of the more controversial issues that has arisen with this bill involves the relationship between the automotive warranty requirements in present law and the need to assure fair and free competition in the servicing of automobiles.

Reasonable pressure must be kept on the automobile industry to assure the cars which consumers buy actually meet the clean-air standards when sold, and then continue to meet those standards. But we are equally firm in recognizing the need to prevent any anticompetitive effects resulting in the auto servicing business.

To balance those forces, the Committee has included five specific provisions in this bill: Sections 25, 27, 28, 29, and 39. We support those sections. The full description of these provisions in the report states accurately the problem and the major improvements provided by this bill. But to protect further the right of the consumer to have repair work done wherever he chooses, we shall also offer an amendment that we believe perfects the intent of the Act.

This amendment is necessary because of the strong conviction remaining among some representatives of the independent auto parts and service industry that the Clean Air warranty could drive business into the shops of the car dealers. That is not the intent of the Committee. That will not be the effect of this bill.

The first part of our amendment is a substitute for the provisions of section 27, which requires prepayment for any device "principally" for pollution control that costs $75 or more; we require that such prepayment extend only to items such as the catalytic muffler and that the price be based on a percentage of the car's sale price, rather than a fixed dollar amount.

The second part of our amendment makes clear that it is the car owner's responsibility to maintain his car properly. It makes explicit what is now implicit in the law. It will be the responsibility of the owner to have this maintenance done on parts that have a design life less than the 50,000 mile "useful life" of the car, such as spark plugs or motor oil. We reiterate that maintenance work may be done wherever the owner wishes, without jeopardizing the owner's rights under the warranty.

An illustration may prove helpful: Spark plugs, which may have a listed design life of 12,500 miles, may need to be replaced on a particular car at 14,000 miles. It has been argued, incorrectly we believe, that the warranty requires the car owner to return to his dealer to have those spark plugs replaced. It is the intent of present law—and it is spelled out in our amendment—that the owner carries the responsibility for this work, which can be done anywhere the owner wishes. If the owner does not make those needed replacements, and that failure is the reason the car fails an air-standards test, then that is evidence of improper maintenance, voiding the warranty. Thus, our amendment should encourage wise and proper maintenance of cars.

An alternative approach suggested by others would reduce the warranty term to 18,000 miles. We believe that would be unwise. It would enable the automotive industry to relax its quality control to the point that cars in use become far heavier sources of pollution. It would increase the burden on the consumer to have cars brought back into compliance at the consumer's expense.

Under an 18,000-mile warranty, the consumer could be hit with costly repairs if the consumer must bring his car into compliance with the standards after 18,000 miles. By assuring that the responsibility rests on the manufacturer for 50,000 miles, the law encourages the auto industry to maintain its quality control at a high level, while giving the consumer a reasonable right against the manufacturer.

Mr. BAKER. I also ask unanimous consent that that portion of the committee report describing the "aftermarket" provisions already in the bill, together with the text of our amendment, be printed in the Record.

There being no objection, the excerpt and amendment were ordered to be printed in the Record, as follows:

[Analysis From Report No. 94–717]

Aftermarket Provisions

SUMMARIES

MAINTENANCE INSTRUCTIONS (SEC. 25)

This section amends sections 203 and 207 of existing law. The manufacturer is required to furnish to the ultimate purchaser of a new motor vehicle written instructions for the proper maintenance and use of the vehicle which conform to the regulations which the Administrator shall promulgate.

Such instructions shall not include any condition on the use of any component of service identified by brand, trade or corporate name. Nor shall the instructions distinguish in any way between service performed by an agent of the manufacturer and service performed by independent automotive repair facilities. This prohibition may be waived by the Administrator if the manufacturer satisfies the Administrator that such component or service is essential for the proper functioning of the vehicle and the Administrator finds that such a waiver is in the public interest.

The manufacturer must also affix a label to each such vehicle indicating that it conforms with applicable emission standards. The label shall contain such other information as the Administrator shall prescribe by regulation.

MOTOR VEHICLE PART CERTIFICATION (SEC. 28)

This section amends section 207 of existing law. The Administrator of the Environmental Protection Agency must promulgate regulations implementing a program to certify that motor vehicle parts made by other than an auto manufacturer will meet the performance standards of the original equipment installed by the manufacturer.

No warranty shall be invalid on the basis of the use of any such certified part.

AFTERMARKET COMPONENTS (SEC. 29)

This section amends section 203(a)(4) of existing law. The manufacturer may not condition the warranty of an emission control system upon the use of any component, system or service of such manufacturer unless the Administrator finds under section 207(c)(3) that such specific component or service is essential to the proper functioning of the vehicle.

REPLACEMENT COST (SEC. 27)

This section amends section 207(a)(1) of existing law. The cost of any light duty motor vehicle part or component for emission control which is scheduled for replacement during the useful life of the vehicle and which has a retail price greater than $75, shall be included in the original purchase price of the vehicle and provided without cost to the ultimate purchaser when it is replaced.

WARRANTY STUDY (SEC. 39)

A study of the impact on competition of any warranty required pursuant to the Clean Air Act shall be made by the Bureau of Competition of the Federal Trade Commission, in consultation with the Bureau of Consumer Affairs, the Environmental Protection Agency, and the Department of Justice. Such study shall include analyses of any measures taken by the Environmental Protection Agency to prevent or diminish potential impacts of warranty requirements on competition, and of the potential competitive impact of a warranty applicable over the actual useful life of a vehicle. Such study shall also include public hearings.

DISCUSSION OF AFTERMARKET PROVISIONS

The Committee has taken action to insure that no anticompetitive effect will occur as a result of emission control warranties under the Act.

These actions include:

(1) requiring all owner's manuals to contain instructions that maintenance does not have to be performed by the dealer or with the manufacturer's own parts;

(2) making illegal any warranty provision that attempts to tie coverage to the use of the dealers service and parts;

(3) establishment of a program which will enable aftermarket parts manufacturers to certify that their parts perform as well as the auto manufacturers' (the two manufacturers have no role in approving such certification); and

(4) A Federal Trade Commission study of any anticompetitive effect that might still exist.

The Clean Air Amendments of 1970 required that the manufacturers of motor vehicles warrant those vehicles in two ways. The section 207(a) warranty required that the car be "free from defects in materials and workmanship" and designed to meet the standard. The second warranty, section 107(b), required the manufacturer to warrant the performance of the "emission control device or system" for all new cars, after an in-use test was available that "is reasonably capable of being correlated with tests" conducted in certifying the car prior to production.

The latter warranty—the "performance" warranty—was included to assure that new cars not only complied with the emission control standards for which the buyer had paid, but were calibrated and subjected to the adequate quality controls necessary to assure that the car would meet the specified emission standards during the car's "useful life" of 50,000 miles. The industry can reasonably be expected to so design its emissions systems and provide the requisite quality control only to the extent that it is legally exposed under a warranty. In support of this view, the Environmental Protection Agency has stated that "strong warranty provisions are essential if the clean air goals of the Act are to be achieved."

At present, no Federal regulations exist to implement the section 207(b) warranty because no short, in-use test is available. But the existence of the warranty requirement creates a healthy situation in that the industry may face this warranty in the future and thus must design systems that are durable and effective.

The EPA has begun drafting regulations in anticipation of the development of such a test. Concern was expressed that the "defects" or the "performance" warranty would produce an anticompetitive effect. The Environmental Protection Agency has commented that "the aftermarket has demonstrated no present loss of business resulting from the Act," and that any anticompetitive problem is entirely prospective. Nevertheless, the Committee has included several sections in the bill to foreclose this possibility.

In commenting on the potential effects of the section 207(b) warranty, the Federal Trade Commission advised the Environmental Protection Agency of its concern that the warranty provisions might prove "anticompetitive," if they unfairly tie the car-owner to the new-car dealer. The FTC recommended two actions to prevent this; both have been adopted in the bill, along with other provisions to foreclose any anticompetitive effects.

The manufacturer is prohibited from voiding any 207(b) performance warranty on the basis that a replacement part was not made or installed by the manufacturer or its representative. The independent manufacturer of parts is authorized to certify to the customer that the part will not "result in a failure of the vehicle or engine to comply with emission standards." The Administrator is given one year to establish regulations for such self-certification procedures. Any part built and sold prior to the effective date of such procedures is assumed to have been certified.

Implementation of these amendments will enable a consumer to discharge the proper maintenance obligation under section 207 by making a reasonable effort to obtain proper maintenance, as in the use of a certified part, without having to counter a charge by the vehicle manufacturer that the non-original equipment part caused the emissions failure. The threat of such conflict might otherwise induce owners to avoid non-original parts in favor of original equipment parts, which are frequently more expensive.

This amendment will help any aftermarket part manufacturer who elects to certify to avoid any significant anticompetitive effect of the warranties under section 207. The manufacturer is also required to provide written instructions to the buyer on the level of proper maintenance needed to maintain the warranty, based on EPA regulations for proper maintenance.

The manufacturer is prohibited from imposing any condition that the car owner use any component or service, identified by brand name or furnished by a franchised dealer, unless that component or service is provided at no further cost to the owner. There is one exception to this requirement. If the manufacturer can demonstrate to the Administrator that such a captive part or service is essential to the car's operation, and if EPA finds that the exception is in the public interest, including a consideration of its impact on competition, then the Administrator may grant an exception. The Committee intends that the manufacturer will have a significant burden in making such a showing and would expect the Administrator to consult with Congress before making such an exception.

This amendment, in conjunction with the part certification provisions, clarifies that the burden on the consumer to seek proper maintenance to protect his section 207 warranty coverage is not to be unnecessarily increased by suggesting that maintenance must be sought in particular parts or service establishments. This amendment will also provide the manufacturer with an incentive to develop approaches to necessary maintenance which are not dependent on highly specialized training or restrictive part specifications which would not be in the public interest. The manufacturer must continue the practice presently required by the statute of labeling a vehicle or engine as covered by a certificate of conformity and containing such other information relating to control of motor vehicle emissions as the Administrator shall prescribe by regulation.

The manufacturer is prohibited from communicating in any way to the car owner that the warranty is conditioned on the use of parts or service provided by the manufacturer or his dealers. Anyone violating this provision is subject to a civil penalty of up to $10,000 per car, under the terms of section 203(a)(4).

It is noted that section 111(d) of the Magnuson-Moss Act (P.L. 93–637) prohibits such dealer tie-ins, and the Federal Trade Commission has been examining warranties carefully to prevent even the most subtle tie-ins.

The bill also addresses problems that could arise if a manufacturer certifies a car as requiring a replacement prior to the 50,000 miles of any part or device "principally for emissions control." When the vehicle industry uses parts related solely to emissions control, it can and should build them to avoid periodic replacement. But in those rare instances when that is not feasible, the cost should be included as an initial part of the price of the vehicle, not added later. This is intended to affect only major parts which are a part of the vehicle solely for emission control purposes, such as the catalytic muffler, air pump, or thermal reactor. It does not extend to spark plugs or any part of the system necessary for the basic operation of the vehicle. And this requirement only extends to parts that cost at least $75, including installation. The replacement cost provision does not apply to heavy duty vehicles.

The Committee is aware that there is potential for manufacturers to charge for such replacements, which are then never installed. The Administrator should discourage such a replacement plan, and must closely monitor the replacement outlays versus the sums paid by consumers under this provision.

A related problem involves the legal handling of any warranty on parts that affect emissions, but are not installed primarily for emissions control, such as spark plugs. The manufacturer is expected to warrant those items for their specified design life, such as 12,500 miles. If the maintenance instructions call for replacement of spark plugs at 12,500 miles, and the emission system fails to meet the standard at 5,000 miles, because of spark plug failure, the manufacturer would be required to replace the spark plugs at no charge to the customer in order to return the car to compliance. Failure of the spark plugs to work is conclusive evidence that the car was not "free from defects," as required by the 207(a) warranty.

But what happens if the spark plugs fail after 14,000 miles? The Committee agrees with EPA's interpretation as it applies to general parts: "failures occurring in a component after the expiration of the normal replacement interval for that component are not covered by the . . . warranty. Such components should be replaced by the car owner at approximately the specified interval." Failure to do such routine maintenance at any service establishment of the car owner's choosing, and at his or her expense, violates the requirement for proper maintenance, and thus voids the warranty.

The warranties to date have imposed no significant cost on the public, while providing an effective safeguard that the cars sold will actually meet the standard. The Bureau of Labor Statistics has reported that the existence of the Clean Air Act warranties have added $1 to the cost of a new car.

Experience in California, Illinois and elsewhere with inspection and maintenance programs indicates that the great majority of cars which fail the emissions test only require a tuneup or other minor adjustments, at a cost of less than $30. Since this involves components that receive routine maintenance they would not be covered by this warranty in any case and the owner would be free to get this work done wherever he wishes.

Example: Arizona

Percent of vehicles tested which fail	33
Percent of failures correctable with minor adjustments	84
Percent possible warranty	5.3

Occasionally a significant part of the emission control system like the air pump or the catalyst, does fail and the performance warranty is needed to protect the consumer who has paid for a car which is "certified" to meet emission standards for 50,000 miles.

Yet it is argued that the mere existence of the performance warranty, even with the new protections provided by the Committee bill, creates a "psychological" impediment to the car owner's use of independent dealers. There is no evidence to this effect. Manufacturers routinely include instructions to the owner on the 50,000-mile warranty in the owners instruction book. One such warranty states:

"If other than new genuine (manufacturer's name withheld) parts are used for required maintenance service replacements or for the repair of components affecting emission control, the owner should assure himself that such parts are warranted by their manufacturer to be equivalent to genuine (name withheld) parts in performance and durability."

That or similar language has been included in new car booklets for five years, without damaging impact on the aftermarket industry. The provisions of this bill would protect the car owner further, as the warranty directives from the manufacturers to the owner would have to indicate affirmatively that the owner may use whatever parts and service the owner wishes, without hampering the warranty.

But as added protection against any possible problems from the warranty, the Committee included a requirement that the Federal Trade Commission study the "impact on competition" of the Clean Air Act warranties, taking into account the objectives of the Act.

The FTC will be expected to hold hearings, and analyze the measures taken by the Environmental Protection Agency to prevent any potential adverse impact on competition from the warranty, including the effects of these amendments. The study will be conducted by the FTC's Bureau of Competition, in consultation with its Bureau of Consumer Affairs and the Environmental Protection Agency, and the Department of Justice. The study will also examine the impact of any extension in the warranty to cover the vehicle's actual useful life.

The results of the study are to be submitted to the Congress within 18 months after enactment.

AMENDMENT No. 1586

On page 70, strike lines 13 through line 25, and insert in lieu thereof the following:

"SEC. 27. Section 207(a)(1) of the Clean Air Act is amended by adding the following new sentences at the end thereof: 'The cost of any part, device, or component of any light-duty vehicle that is designed for emission control and which in the instructions issued pursuant to subsection (c)(3) of this section is scheduled for replacement during the useful life of the vehicle in order to maintain compliance with regulations under section 202 of this Act, the failure of which shall not interfere with the normal performance of the vehicle, and the expected retail price of which, including installation costs, is greater than 2 per centum of the suggested retail price of such vehicle, shall be borne or reimburse at the time of replacement by the vehicle manufacturer and shall be provided without cost to the ultimate purchaser, subsequent purchaser, or dealer. The term "designed for emission control" as used herein means a catalytic converter, thermal reactor, or other component installed on or in a vehicle for the sole or primary purpose of reducing emissions. It is not intended to include those vehicle components which were in general use prior to model year 1968 and the primary function of which is not related to emission control.' ".

On page 73, after line 5, insert the following new section, and renumber the succeeding sections accordingly:

"SEC. 30. Section 207 of the Clean Air Act is amended by adding the following new subsection:

" '(g) For the purposes of this section, the owner of any motor vehicle or motor vehicle engine warranted under this section is responsible in the proper maintenance of such vehicle or engine to replace and to maintain, at his expense at any service establishment or facility of his choosing, such items as spark plugs, points, condensers, and any other part, item, or device related to emission control (but not designed for emission control under the terms of the last three sentences of Section 207(a)(1)) that has a design life of less than the useful life of such vehicle or engine, unless such part, item, or device is covered by any warranty not mandated by this Act or unless such part fails prior to its design life.' ".

Mr. STAFFORD. Mr. President, I am pleased to cosponsor this amendment. It is a provision that I believe will save consumers money, as it will assure full and fair competition in the automotive afterparts business. By protecting the rights of the consumer to buy parts and obtain service anywhere he or she wants to, including work that is done by the car owner himself, this amendment guards against monopolization in the aftermarket parts industry. And as further protection, the bill as reported requires a Federal Trade Commission study of the industry and the effects of the clean air warranty.

As importantly, our amendment also protects against any erosion in the national effort to assure that cars coming off the production line are low in pollution and remain low in pollution.

As one who believes deeply in the twin goals of clean air and effective competition in the marketplace, I believe that the committee bill and this amendment together provide the balance to achieve those goals.

I urge that my colleagues study this amendment and support it when it is called up during the Senate debate on S. 3219.

MILITARY CONSTRUCTION AUTHORIZATIONS—S. 2967

AMENDMENT NO. 1587

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. WILLIAMS (for himself and Mr. CASE) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2967) to authorize certain construction at military installations, and for other purposes.

AIRSHIP MUSEUM AMENDMENT

Mr. WILLIAMS. Mr. President, today I join my distinguished colleague from New Jersey (Mr. CASE), in submitting an amendment to the Military Construction Act, which would authorize the Secretary of the Navy to transfer certain lands to the Naval Air Station, Lakehurst, N.J., as a site for an airship museum.

Three years ago, a small group of New Jersey residents associated themselves into a partnership known as the Airship Association. The Airship Association, a nonprofit corporation formed by Vice Adm. Charles E. Rosenthal, U.S. Navy, retired, plans to create a museum to house displays and serve as a repository of airship information. In the past the Airship Association has been borrowing facilities at the Lakehurst station for the storage of part of its collection.

The Department of the Navy has no objection to this plan to designate 13 acres of excess land at the Lakehurst station to the Airship Association as a site for an airship museum. However, this site cannot be acquired unless legislation is enacted authorizing conveyance of the selected location without cost. Therefore, I introduced with my colleague from New Jersey (Mr. CASE) S. 2366, to provide the Secretary of the Navy with the authority to transfer the property. I am pleased to note that the House Armed Services Committee has approved this legislation by including it in section 608 of H.R. 11833, the military construction authorization bill for fiscal year 1977. I believe similar action by the Senate is appropraite, and I am submitting the same amendment to the Senate military construction bill, S. 2967.

The era of airships represents a rich and romantic period in aviation history, and the Lakehurst Naval Air Station has had a prominent role in this history. Hangar No. 1 of the Lakehurst station was designated a national shrine in 1971 when the air station, one of the three oldest in America, celebrated its 50th year of active service. The Lakehurst Naval Air Station has been the operating base for the Navy's airship operation since 1921 until its mission was recently changed due to the cessation of the airship program. It is also the site of the explosion of the *Hindenburg* on May 6, 1937, as the famous German vessel was making one of its transatlantic trips.

Mr. President, in view of its history, the Lakehurst Naval Air Station is a most suitable location for the airship museum. I eagerly look forward to seeing the memory of those Americans, who contributed so much to airship history, become a part of our American heritage. I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1587

On page 37, between lines 13 and 14, insert the following:

SEC. 608. (a) The Secretary of the Navy is authorized to convey, without consideration, to the Airship Association, a non-profit organization incorporated under the laws of the State of New Jersey, all right, title, and interest of the United States in and to a portion of the lands comprising the Naval Air Station, Lakehurst, New Jersey, described in subsection (b), for use by such association as a permanent site for an airship museum.

(b) The land authorized to be conveyed by subsection (a) is a certain parcel of land containing 13.52 acres, more or less, situated in Ocean County, New Jersey, being a part of the Naval Air Station, Lakehurst, New Jersey, and more particularly described as follows:

Beginning at a point on the westerly side of Ocean County Route No. 547,205.40′ northerly from the intersection of the center line of new road and the westerly side of Route #547 thence (1) N 10°–14′–19″ E, 770.25′ along the westerly edge of road to a point thence (2) N 66°35′41″ W, 724.55′ to a point thence (3) S 25°–24′–19″ W, 750′ to a point thence (4) S 66°–35′–41″ E, 900′ to the point and place of beginning.

(c) The conveyance authorized by subsection (a) shall be subject to the following conditions:

(1) that the lands so conveyed shall be used for the purpose of constructing and operating an airship museum which shall collect, preserve, and display to the public materials, memorabilia, and items of historical significance and interest relative to the development and use of the airship, and for purposes incidental thereto;

(2) that all right, title, and interest in and to such lands, and any improvements constructed thereon, shall revert to the United States, which shall have an immediate right of entry thereon, if the construction of the airship museum is not undertaken within five years from the date of such conveyance, or if the lands conveyed shall cease to be used for the purposes specified in paragraph (1);

(3) that the Airship Association comply with such other terms and conditions as the Secretary of the Navy, or his designee, shall determine necessary to protect the interests of the United States; and

(4) that all expenses for surveys and the preparation and execution of legal documents necessary or appropriate to carry out the provisions of this section shall be borne by the Airship Association.

On page 37, line 14, strike out "Sec. 608" and insert in lieu thereof "Sec. 609".

CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 1977—SENATE CONCURRENT RESOLUTION 109

AMENDMENT NO. 1588

(Ordered to be printed.)

Mr. BAYH proposed an amendment to the concurrent resolution (S. Con. Res. 109) setting forth the congressional budget for the U.S. Government for the fiscal year 1977 (and revising the congressional budget for the transition quarter beginning July 1, 1976).

AMENDMENT NO. 1589

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY submitted an amendment (in the nature of a substitute) intended to be proposed by him to the concurrent resolution (S. Con. Res. 109), supra.

AMENDMENT NO. 1590

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 109), supra.

AMENDMENT NO. 1591

(Ordered to be printed and to lie on the table.)

Mr. HUDDLESTON submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 109), supra.

AMENDMENT NO. 1592

(Ordered to be printed and to lie on the table.)

Mr. BAYH submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 109), supra.

Mr. BAYH. Mr. President, I am at this time submitting an amendment to Senate Concurrent Resolution 109, the Budget Resolution. This amendment would reduce budget authority for the defense function in fiscal year 1977 by $2.6 billion and reduce outlays by $500 million.

I ask unanimous consent that the amendment and a letter I sent to my colleagues regarding this be printed in the Record.

There being no objection, the amendment and letter were ordered to be printed in the Record, as follows:

Amendment No. 1592

On page 1, line 7, strike out "$412,600,000,000" and insert in lieu thereof "$412,100,000,000".

On page 1, line 9, strike out "$454,900,000,000" and insert in lieu thereof "$452,300,000,000".

On page 2, line 22, strike out "$113,000,000" and insert in lieu thereof "$110,400,000".

On page 2, line 24, strike out "$100,900,000,000" and insert in lieu thereof "$100,400,000".

On page 2, line 3, strike out "$50,200,000,000" and insert in lieu thereof "$49,700,000,000".

Washington, D.C.,
April 9, 1976.

Dear Colleague: As you know the Senate Budget Committee has reported S. Con. Res. 109, the First Concurrent Resolution on the Budget which is now the pending business in the Senate. I intend to offer an amendment to that resolution which would reduce totals in fiscal year 1977 for the defense function by $2.6 billion in budget authority and $500 million in outlays.

In recent months, there has been much discussion about increased Soviet military expenditures. Misleading figures and comparisons have created a sense of near panic and a loud cry for drastically increased expenditures by the United States. I believe this atmosphere is reflected in the Budget Committee's acceptance of the Administration's defense budget with little question and only very minor cuts.

The fact is that the United States has not fallen to second place as a military power. As President Ford has repeatedly assured us, we remain the strongest nation in the world.

There is no need for panic. On the contrary, the times call for cool and calculated judgment. While we all desire more effective defense capabilities, we must recognize that in the defense area as well as in domestic social areas, the answer is not simply to throw money at a problem.

My amendment would serve to give notice that the Senate intends to look critically at defense expenditures as the legislative process continues in the months to come. At the same time, it is not restrictive and allows for real growth. Specifically, it provides for an increase of $9.9 billion in budget authority from fiscal year 1976 levels. Even with my amendment, the Pentagon budget would be $1 billion above the current policy budget. It calls for a reduction in outlays of $500 million but leaves the outlay total still $7.5 billion higher than that of fiscal year 1976.

In reducing the President's budget request, I have not aimed at any specific line item, though the amendment is directed primarily at procurement and research and development where we are obligating ourselves to tens of billions of dollars in expenditures in the years to come. I am confident that by insisting on increased efficiency in our military programs and by properly ordering priorities within the defense budget, this reduction can be accomplished easily without jeopardizing security.

The reductions I advocate are not large. They are deliberately tailored to meet the belief of many members that increases in the defense budget are necessary. This amendment would, however, give a clear indication that the Senate has not abdicated its responsibilities for setting proper levels of defense spending.

Recently an internal memorandum from OMB was revealed showing the defense budget was padded by $3 billion in "cut insurance . . . as a cushion for Congressional action." Certainly, Congress must at least eliminate that cushion. My amendment, coupled with cuts made by the Budget Committee would do so. I hope you will join in support of the amendment when it comes to the floor.

If you have any questions or would like to cosponsor this amendment, your staff may contact Tom Connaughton at X48301.

Sincerely,

Birch Bayh.

AMENDMENT NO. 1593

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself, Mr. Randolph, Mr. Williams, Mr. Javits, Mr. Cranston, and Mr. Bayh) submitted an amendment intended to be proposed by them, jointly, to the concurrent resolution (S. Con. Res. 109), supra.

Mr. KENNEDY. Mr. President, a bipartisan group of Senators, including Senators Randolph, Williams, Javits, Cranston, and Bayh, is recommending an increase to the budget resolution to bring the resolution as reported by the committee more closely in keeping with current policy and current needs in the areas of jobs, health, aging programs and urban and rural development. As you are aware, the level of total outlays suggested by the budget resolution is $11.6 billion lower than current policy and is consistent with a growth rate of only 6 percent. The growth rate is lower than the 7 percent recommended by the Joint Economic Committee and the 7 to 8 percent rate urged by a variety of economists, including former chairman of the Council of Economic Advisers. A higher than 6 percent rate is crucial if we are to reduce the level of unemployment significantly and asssure economic recovery. The deficit which currently exists would be removed if we merely had the level of employment of 3 years ago.

It also should be noted that the deficit proposed in the budget resolution is some $26 billion less than a year ago.

The comprehensive amendment we are proposing would increase outlays in the areas cited by $3.2 billion. However, the Senate Budget Committee has estimated that the impact of the more than 300,000 new jobs and the stimulative impact of the programs would mean reduced outlays for food stamps, welfare, and unemployment insurance. This would offset the increase in outlays by at least $700 million. Increased tax revenues of at least $700 million also would result. Therefore, according to the Senate Budget Committee, this would substantially reduce the impact of our amendment on the deficit. Thus, the deficit still would be $24.2 billion below last year.

We believe the increased targets are fully justified and would be more realistic as indicators of likely future actions by the Congress than tne present figures. It also is, however, an important adjustment aimed at particularly vital programs.

This reflects the recommendation of the Senate Agriculture Committee, and is required for both sanitation and environmental reasons. In addition, both rural and urban programs of the Community Services Administration would be increased by $100 million to prevent a near one-third reduction from last year's funding which they would endure if the target suggested in the resolution were later adhered to.

These programs are essential to provide needed jobs to our citizens, to maintain adequate health care for our poor and our elderly, to meet urgent rural and urban community needs and to provide basic jobs and nutrition services to our elderly.

I ask unanimous consent that a fact-sheet on the amendment be printed in the RECORD.

There being no objection, the fact-sheet was ordered to be printed in the RECORD, as follows:

KENNEDY-RANDOLPH-WILLIAMS-JAVITS-CRANSTON-BAYH AMENDMENT

This amendment increases funding for jobs, health (Medicare-Medicaid), aging programs, rural water and sewer grants, and urban and rural community development. By funding some 300,000 new jobs, and 15,000 new part-time community service jobs for older workers, there will be a substantial reduction in expenditures for unemployment insurance and welfare and increased tax revenues as well.

The increases are all under the levels recommended by the authorizing committees. We believe these programs reflect important priorities and can be funded to insure sufficient stimulus in the budget to permit economic recovery.

IMPACT OF THE PROPOSED AMENDMENT

	Budget resolution	Amendment	Total
Public service jobs	300,000	300,000	600,000
Older workers jobs	12,300	15,000	27,300
Nutrition for Elderly (meals per day)	330,000	95,000	395,000
Public service jobs	$2.2 b	$2.2 b	$4.4 b
Older workers jobs	42.0 m	50.0 m	92.0 m
Nutrition for elderly	187.0 m	50.0 m	237.0 m
Rural water and sewer	100.0 m	100.0 m	200.0 m
CSA/urban and rural community development	300.0 m	100.0 m	400.0 m
Medicare-medicaid	[1] 1.4 b	700.0 m	700.0 m
Offset:			
Tax revenue increase	362.4 b	700.0 m	363.1 b
Income security, decrease (unemployment insurance, welfare)	140.1 b	[1] 700.0 m	139.4 b

	Fiscal year 1977—			
	Current policy	Budget resolution	Amendment	Fiscal year 1977 total
Overall outlays	$424.2 b	$412.6 b	$2.5 b	$415.1 b
Deficit	76.1 b	50.2 b	1.8 b	52.0 b

[1] Cut.

ADDITIONAL STATEMENTS

A PRACTICAL VISITORS GUIDE TO WASHINGTON

Mr. MUSKIE. Mr. President, the March issue of Changing Times carries what I think is a very useful practical guide to visiting Washington during the Bicentennial.

The Bicentennial will attract a record number of tourists this year. To assist our colleagues in guiding constituents who will visit Washington for the first time this year, I ask unanimous consent that the Changing Times article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SO YOU'RE COMING TO BICENTENNIAL WASHINGTON

(A practical guide to what's going on, where to stay, how to get around)

Two hundred years ago there was no such city as Washington, or even a District of Columbia. Today this metropolitan area of 3,000,000 is more than just the nation's capital. It is every American's city, a living symbol of our country's history and aspirations and, naturally enough, a prime point of bicentennial interest.

Because so many readers are planning bicentennial pilgrimages to Washington and because Washington is *Changing Times'* home base, we offer here some suggestions to make your visit easier and more rewarding—not necessarily where to find familiar sights or national shrines but practical pointers of the sort you can get only from friends who live where you hope to visit.

First, be assured that every part of Washington is making special plans for you. The Smithsonian Institution, the world's greatest complex of museums, has 23 separate bicentennial projects. These include "A Nation of Nations," the Smithsonian's largest exhibit ever, at the National Museum of History and Technology; "Our Changing Land" at the National Museum of Natural History; "1876—A Centennial Exhibition," a Victorian extravaganza at the Arts and Industries Building; the opening, on July 4, of the $40,000,000 National Air and Space Museum, its biggest museum yet. And out on the Mall the Smithsonian's and National Park Service's Festival of American Folklife, from June 16 to Labor Day, will feature 5,000 participants in what promises to be an unmatched celebration of folk song, dance and crafts.

There will be a sound-and-light exposition, "Our Capitol: Freedom Speaks," on the steps of the Capitol every night, weather permitting. Across the lawn, the Library of Congress features a major exhibit on the theme "To Set a Country Free." Still another sound-and-light show will be given at Mount Vernon.

Museums are everywhere in Washington, and virtually all will have bicentennial offerings. These include the National, National Portrait, Hishhorn, Corcoran, Freer and Renwick art galleries, the Folger Shakespeare Library, the Museum of African Art, the B'nai B'rith Museum featuring "The Jew in Revolutionary America" and the museum of the Daughters of the American Revolution, housing one of the finest and least-known collections in the city.

There also will be such new developments as Constitution Gardens, a beautiful park and rest area on the north side of the Lincoln Memorial Reflecting Pool, the National Visitor Center at Union Station (scheduled to open in July, even though it won't be fully complete) and the Visitor Orientation Facility, a 300-seat theater at the Washington Monument. The National Zoo, one of the places in Washington that are truly fun to visit, is being completely renovated. Moreover, the zoo's director, Dr. Theodore Reed, has predicted that the celebrated Chinese pandas will produce an offspring this year.

A key point to recognize: You can't see everything in one visit, not even if you spend all summer. So plan your time carefully and save something for future visits.

WHEN TO COME

Spring undoubtedly is Washington's finest season. The weather is mild and the Japanese cherry trees, azaleas and dogwoods are in bloom. April (particularly the first two weeks) traditionally bring the heaviest tourist influx. Get ready for crowds any time of year, but don't come in April without confirmed reservations. This year the same holds true for summer: The weather may be hot and humid, but the capital will be overflowing with tourists. And July 4 promises to be a record-breaker.

Autumn is a choice time, often overlooked. October weather is usually dry and mild. You'll find less waiting in line, more personal attention, a wider selection of accommodations, ideal weather for touring historic and natural areas in nearby Virginia and Maryland. Winter isn't bad, either. Crowds are lightest then, temperatures rarely go below freezing, and much of the sight-seeing is indoors anyway.

BEFORE YOU COME

Write to your congressman about your trip. He'll send useful literature. Give plenty of notice and ask him to get you on the early morning VIP White House tour that lets you proceed without standing in line. If you want to watch Congress in action, stop by your congressman's office soon after you arrive because it's the only place to get the gallery pass you'll need. His staff members may also be able to furnish suggestions on seeing the city, telephone for appointments at executive agencies if you have business and want to avoid the bureaucratic runaround, and tell you about congressional committee hearings open to the public.

Write to the Washington Area Convention and Visitors Bureau, 1129 20th St., N.W., Box 1976, Washington, D.C. 20036, and ask for Tourist Information Booklet and Bicentennial Calendar (issued quarterly). Make the bureau an early stop, too (9 a.m. to 5 p.m., Monday through Friday); its counselors will help you get oriented and answer your questions. Another key stop should be the Bicentennial Information Center in the Great Hall of the Department of Commerce, which the National Park Service will operate throughout the year.

Do a little reading in advance (see the box on page 28 for recommendations). It will pay to learn when particular places are open. Most government offices operate Monday through Friday only, from 8:30 or 9 a.m. to 4:30 or 5 p.m., but there are exceptions. The White House is open to visitors only from 10 a.m. to noon, Tuesday through Friday, Saturday until 2 p.m. The popular Bureau of Engraving and Printing tours are conducted three-and-a-half hours in the morning and one-and-a-half hours in the afternoon. A few places—Library of Congress, National Archives, Smithsonian, Lincoln Memorial and Jefferson Memorial—are open both days and evenings, particularly in spring and summer.

Get a good map of the Washington area before you come and circle the places you intend to visit. AAA maps and most oil company maps of Washington are good. One of the best is the D.C. Department of Highways map; to get it, write to MAPS, Rm. 519, Presidential Bldg., 415 Twelfth St., N.W., Washington, D.C. 20004, and enclose an 8-by-10 inch envelope with 26 cents postage.

WHERE TO STAY

One strategy is to stay as close as possible to the downtown sight-seeing territory, which generally speaking, means the Capitol-to-Lincoln Memorial axis. Another idea is to stay out in the suburbs, where you can retreat to a motel swimming pool after a foot-wearying day. Or stay even farther away, near one of the towns shown in the map on page 27.

In-town motels are numerous, including units of the Howard Johnson, Holiday Inn and Quality Inn systems. Close-in or in the suburbs, be sure to have reservations and prepare to pay bicentennial-stimulated rates. If possible, you should plan to come on weekends, when business and convention trade is lightest.

Several of Washington's best and more expensive hotel addresses are within four blocks of the White House: Hay-Adams, Sheraton-Carlton and Statler-Hilton: the older Mayflower is nearby. Others in this class are the Madison, Embassy Row, Loews L'Enfant Plaza and Watergate, all newer. Convenient and comfortable are the Washington, Jefferson and DuPont Plaza. The 900-room Hyatt Regency, at the foot of Capitol Hill, opens this spring. Moderate-priced downtown hotels include the Pick-Lee, Park Central and Burlington. Two small, quiet inns are the Tabard and Gralyn.

Three Marriott motor hotels occupy prime locations on the Virginia side of the Potomac River, a stone's throw from Washington. They offer attractive plans for families and couples, including free shuttle service to the Tourmobile on the Mall. Another alternative is the Guest Quarters hotel, with one location near the Watergate in Washington and another in nearby Alexandria. Units here consist of a bedroom with two double beds, living room with dining space and equipped kitchen; there is also a swimming pool available.

Still other possibilities are presented by Holiday Hosts (Box 1108, Langley Park, Md. 20787), which coordinates lodgings in 100 private homes and apartments in the District, suburban Maryland and Virginia. All units are inspected before being listed, and prices are modest: $10 single, $15 double, plus $5 for each child over 16, $3 for those under 16, usually including continental breakfast. Some hosts offer babysitting, too, for a fee.

The Convention and Visitors Bureau's Official Bicentennial Housing Information Service will provide information by phone on room availability and rates but won't make reservations. Unfortunately, the number (202 737–6666) is not toll-free.

Public campgrounds within reach of Washington are at Greenbelt and Catoctin, Md., and Prince William Forest, Va., all operated by the National Park Service, and at Burke Lake, Va. Write to the Washington Area Convention and Visitors Bureau (address on page 25) for its camping leaflet.

HOW TO GET AROUND

Forget about driving. Downtown traffic is confusing and difficult for the visitor at any time, impossible during rush hours. In fact, don't come downtown before 9:30 a.m. if you can help it, and get out before 4:15 p.m. To make things easier, a fringe-parking shuttle-bus service is being operated from the huge parking lots at Robert F. Kennedy Memorial Stadium, on the east side of Washington, and at the Pentagon, west of the city in Virginia. You can purchase one-day tickets ($1 per adult, 50 cents for children under 12) to cover round-trip bus service to several stops along the Mall and the National Visitor Center and transfers to regular D.C. buses. Beefed-up Metrobus service along key routes from the suburbs to the Mall is planned, too, so visitors can leave their cars in motel parking lots or at some of the big suburban shopping centers.

If you take the shuttle bus, the fare also applies to Tourmobile tickets (normal fare is $2.50, $1.25 for children under 12), an open-bus service sponsored by the National Park Service that offers an ideal orientation to the monumental heart of Washington. You can get on and off all you like at 12 stops, including Lincoln Memorial, Jefferson Memorial, Washington Monument, White House, Smithsonian buildings, Bureau of Engraving and Printing, National Gallery of Art, the Capitol, the Kennedy Center and Arlington Visitor's Center. There also is a separate Tourmobile tour from the Arlington Visitor's Center to Arlington Cemetery; your best bet is to get a combination ticket ($3.50; children under 12, $1.75, without discount) for both trips.

If time is limited and you want a good once-over-lightly, Gray Line features a time-tested half-day guided bus tour for $11.75 (children $6) and an all-day trip for $25.25 (children, $13). Gray Line will pick you up at your hotel and return you to it. So will Carey Limousine of Washington, which furnishes licensed tour guides in Cadillacs for $15 per hour (with a three-hour minimum) for up to seven people, or $14 per hour in sedans (with a two-hour minimum) for as many as five.

You can hire a taxicab by the hour, too, for a negotiable fee, usually about $5.50. The driver is not supposed to provide a lecture, but there is nothing to prevent you from asking questions.

Washington's 9,000 cab drivers as a rule are courteous and honest. You can find a cab almost anytime, except during rush hours or when it rains or when you're in a hurry. Fares are based on a zone system rather than on a meter charge. Don't hesitate to ask about fares when you get into a cab.

On the Potomac River, the Wilson Line operates three new 103-foot catamarans from the Washington waterfront down the river to Mount Vernon, with historical narration on the way and fast-food service available. The whole trip takes four hours, including time ashore to tour Mount Vernon. Potomac Boat Tours runs a shorter trip, about 50 minutes, from the Lincoln Memorial dock. A recent addition to the scene is the *Dandy,* a well-operated luncheon and dinner boat running from Alexandria up the Potomac as far as the Kennedy Center.

For bicyclists a dozen bikeways cover more than 50 miles through the parks of Washington on both sides of the Potomac (all the way down to Mount Vernon on the Virginia side) and on the scenic Chesapeake and Ohio Canal Towpath. Ten-speeds are for rent at four National Capital Park installations. One is at Thompson's Boat Center just above the Kennedy Center, with plenty of parking space available. Another is at the Washington Sailing Marina south of National Airport (where you can rent a sailboat, too).

You can get a free ride aboard a double-decker London bus that shuttles between the Smithsonian's Museum of History and Technology and the National Portrait Gallery. If you come to town late enough in the spring, you may even get a chance to ride the first five-mile section of Washington's new subway system.

EATING AND SITTING

Plan your lunch and rest stops for each day's itinerary. Try to eat someplace interesting and to rest where you can still absorb some aspect of the Washington scene—Lafayette Park across from the White House, perhaps, or Farragut Square, DuPont Circle or the Capitol grounds. At the White House and Washington Monument, there are two of the best improvements of the year. Instead of standing in line for hours, you now pick up a ticket giving an assigned visiting time. For the White House tour, you then may wait in bleachers on the Ellipse, where entertainment is provided. At the monument, you can visit the new Visitor Orientation Facility while waiting.

Sidewalk cafes have become a Washington institution in recent years. One popular spot is Bassin's, at Fourteenth and E streets, N.W. A number of others are on Pennsylvania Avenue between the White House and Washington Circle. Most are reasonably priced, as are the two Sholl's cafeterias, the YWCA cafeteria, Hot Shoppes, Blackie's House of Beef and the fifth-floor lunchroom at the Hecht Co. department store (three blocks from the National Gallery of Art). The Washington Hotel Roof, overlooking the White House, makes a pleasant luncheon stop. Moderate-priced favorites near the Capitol are A&K (Greek-American) and Mike Palm's. You can rub shoulders with federal workers and sometimes spot a high official pushing his own tray at cafeterias in the Supreme Court, Commerce, Justice and State departments, and congressional office buildings. The National Gallery of Art, which for years has had a popular (and overcrowded) cafeteria, is opening a new cafeteria this summer. Fast-food facilities on the Mall are at the Museum of History and Technology and Constitution Gardens. For stand-up eating, there are plenty of curbside vendors serving hot dogs and like fare; one stand, at Connecticut Avenue and K Street, N.W., offers quiche lorraine and onion soup. The National Zoo this year is opening a new air-conditioned restaurant as well as an outdoor pavilion specializing in knockwurst and draft beer and an ice-creamery called The Scoop.

For sight-seeing sitting down, take in a session, if you can, of the Supreme Court, the House or Senate, or a congressional committee. These are not often as exciting as you'd like, but they do show how the government does its work. Check "Activities in Congress" daily in the Washington Post and "Tomorrow in Washington" in the Washington Star. Or stop at the Public Citizen Visitors Center, a Ralph Nader operation, at 1200 Fifteenth St., N.W. (659–9053), where the slogan is "Don't just look at Washington—look into it!" and the specialty is tips on public hearings dealing with consumer, environmental, civil rights, aviation and other public issues.

ENTERTAINMENT AND EVENINGS

Washington has no shortage of entertainment and cultural activity. The Kennedy Center for the Performing Arts is a showplace in two senses, with free guided tours and a free bicentennial exhibit as well as concerts, films, opera and theater. The Arena Stage, near Washington's waterfront, ranks as one of the country's foremost regional theaters. Ford's Theater, where Lincoln was shot, has been restored to its original appearance and offers top-flight theater, too (with discount tickets for families, senior citizens and students). In summer big-name performers appear at Wolf Trap Farm, the first national park for the performing arts in suburban Vienna, Va.

From June 14 through Labor Day, a free musical review called "Great America" will be given nightly, except Monday, at the Sylvan Theater on the grounds of the Washington Monument. For other events, consult "Carousel" in the *Washington Post* every Friday, "Calendar" in the *Washington Star* each Sunday and "Where and When" each month in *Washingtonian* magazine.

Save at least one evening to join the crowds browsing in the colorful Georgetown quarter, where you'll find a variety of restaurants and shops on M Street and Wisconsin Avenue, and many notable discotheques and late-evening pubs like Clyde's and the East India Club.

BICENTENNIAL BUYS

Try to leave Washington with worthwhile mementos rather than tourist rubbish. You can do it best by buying in the museum shops—National Archives for matted prints of old Navy ships, facsimiles of the Constitution, Declaration of Independence and Bill of Rights; National Gallery of Art for reproductions of famous paintings; Library of Congress for recordings of Robert Frost, T. S. Eliot and other famous poets reading their own poetry, some of the finest folk song recordings and turn-of-the-century posters; Interior Department for Indian crafts; Philatelic Division at the Postal Service for choice copies of all recent stamps at face value; National Geographic Society for books on the Capitol and White House; the bookstore at the Commerçe Department for government books and maps; Museum of African Art for fabrics, jewelry, beadwork and sculpture; National Zoo for ceramic animals, panda puzzles and stuffed toys; Mount Vernon for boxwood plants and flower seeds from George Washington's own garden.

ONLY THE BEGINNING

There is so much else to see and do. If you have the connections, try to get invited to lunch at one of Washington's best-known clubs, such as the metropolitan, Cosmos, National Press, Army & Navy and Capitol Hill (the Republican stronghold). Visit the Woodrow Wilson House, left just as the late President knew it, and Dumbarton Oaks, one of the most enchanting places in Washington, with landscaped gardens surrounding museums of pre-Columbian and Byzantine art. Go see Turkey Run Farm, McLean, Va., where a costumed family performs typical colonial farm chores from hand plowing to spinning and weaving.

Get out of Washington to explore the surroundings. Across the Potomac River, Virginia maintains its own George Washington Bicentennial Center at Alexandria, the well-preserved and restored historic seaport. You could spend a full day to advantage seeing Alexandria's shops, restaurants, shrines and the unique Torpedo Factory Art Center. And beyond it lie Fredericksburg, Richmond, Williamsburg and Charlottesville, which are all notable bicentennial destinations.

Great sights are everywhere, waiting to be perceived. It's one thing, for example, to be part of the horde streaming through the Capitol. But take time to see the Capitol not only as a seat of legislature but as a mammoth museum of history and art, where you will find paintings by Stuart, Peale, Sully, Bierstadt and Seth Eastman, and sculpture by Daniel Chester French, Saint-Gaudens, Jo Davidson and Gutzon Borglum. Absorb these words and you will find a deeper appreciation of the setting and its meaning.

IS IT SAFE?

This question is often asked, a bit less frequently now than formerly. It is a fair question, too, just as it is a fair question when you contemplate visiting New York or San Francisco or St. Louis or any great city unfamiliar to you.

And the answer is, "Yes, it is safe if . . ."

It is possible to get your pocket picked in Washington, or to be mugged or have a purse snatched or a car stolen.

But, as elsewhere, such things are unlikely to happen to you if you stay normally alert and don't do dumb things. That is, if you don't leave valuables in unlocked hotel rooms, don't leave an unwatched car unlocked, don't wander at night into dark neighborhoods you know nothing about, don't allow total strangers to "befriend" you, don't go on the prowl for diversions you wouldn't patronize in your own hometown.

If you just do the ordinary, rewarding things that thousands upon thousands of people come to Washington to do every single year—things like seeing the sights, visiting the historic places, exploring the galleries and museums, enjoying the exhibits and cultural events, refreshing your sense of what it means to be an American—in all likelihood you will be as safe as you are at home.

Take those precautions and you will go home enriched in memories and ennobled in the knowledge that all you have seen belongs in part to you, as your share in the story that this bicentennial celebrates.

INSIDE CASTRO'S CUBAN "PARADISE"

Mr. GARN. Mr. President, in the controversy over Cuban intervention in Africa, there has been a wide range of criticism of the Cuban action. But one aspect of this adventure has not been addressed, so far as I have seen. That aspect is the effect on the Cuban population of maintaining a fighting force overseas. The United States effort in Vietnam imposed serious strains on our economy, because of the failure of President Johnson to ask for the necessary level of support. Fidel Castro does not need to ask; he just orders, and the garrison state responds. Still, the U.S. economy is a strong one, with great staying power. The Cuban economy is fragile, and the strain of this exercise must be enormous, in terms of its effect on the average Cuban.

Luckily, a young correspondent for the Scripps League newspapers has given us a description of the impact of the Angolan operation on ordinary people in Cuba. He reports, on the basis of letters from those still living there, the shortages and queues that have resulted, as a dictator robs his people to finance his overseas adventures.

Mr. President, I ask unanimous consent that the article by Mr. Lee Roderick be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INSIDE CASTRO'S CUBAN "PARADISE"

(By Lee Roderick)

WASHINGTON.—Fidel Castro has had 17 years in which to turn Cuba into the "proletarian paradise" he promised to create on the Caribbean island. What's life really like today in that Russian puppet state?

Listen to the words of a nurse in Havana, a wife and mother of two, writing in a letter dated Feb. 8. Her letter was smuggled out of Cuba by a diplomat and received by a distinguished former professor at the University of Havana, now living in Washington. He in turn shared a translation of it with this writer:

"I got up at 4:45 a.m. sharp. It is Sunday and I hurry up to join the queue of the bread. It seems endless but after six o'clock I finally got half a loaf of bread. . . .

"The market had received some supplies today. I got six pounds of rice, the ration for the month for the whole family; one cake of soap for the bathroom and another one for washing, to last one month; with seven ounces of detergent for 30 days, plus four pounds of sugar and one pound of lard. The report is that there will be a further rationing of sugar, and only one and one-half ounces of coffee every 15 days, and half a pound of lard during the same period, beginning in March.

"Why? Simply because they need to send food to the Cubans in Angola, and whatever will go to Angola will be less for the people here. I am entitled to retire and asked for retirement, but this has been refused because they need nurses for the Angolan war.

"Nobody expects anything better. But there is not a single protest because we are under a brutal repression, such a brutal one that nobody can imagine what it is. And these people talk about liberation of Angola, equality and absolute freedom!"

Or listen to this analysis in a letter dated Feb. 13 from a lawyer in Havana. Again it was smuggled out of Cuba, which has rigid censorship, and received by the former professor:

" . . . There are those who believe that the new Cuban youth accept communism. Perhaps one or two will accept it because of pressure or 'incentives' like sending them to Russia for their studies, but they are very few and I can tell you, positively, that communism has not taken hold of the Cubans of the present generation and that they listen to what they learn at home from their parents and relatives. . . .

"These youngsters are forcibly sent to work and to attend classes in the backwoods, sleeping in the 'tobacco curing houses' or the huts, without hygienic facilities, with foul food and putrid water. Most become sick. It is said that they have been successfully indoctrinated, but no matter the propaganda.

"They were able to compare their sufferings with what they had left at home and down there in their hearts they rejected communism. They realized that they were being exploited, but they could not revolt against regimented oppression, and in silence they opposed everything."

Other evidences of the systematic brutalization and privation wrought by Castro on his people are abundant.

Virtually all freedoms are a dead letter in Cuba. The authoritative, New York-based research organization Freedom House, for example, ranks all of the world's countries on the basis of the political and civil rights granted their citizens. Countries are divided into seven categories, ranging from No. 1—"most free" to No. 7—"last free". Not surprisingly, Cuba falls into category 7 in both political and civil rights. The U.S.S.R. falls into category 7 in political rights granted its citizens and category 6 in civil rights.

Incredibly, there are those in this country today—notably liberal U.S. Senators and their fellow wishful thinkers—who are now pleading Castro's case for normalized relations with the United States. Their embarrassment over Angola, which still is the unwitting host to as many as 15,000 Cuban troops, has muted their siren song somewhat. Even after the Russian-equipped expeditionary force was sent from Cuba to Africa, however, the influential Washington Post voiced the sentiments of Castro's American friends.

Typically putting the blame for the Cuba/Africa imbroglio on President Ford rather than the Cuban dictator, the Post, in an editorial, lamented that it "will take American diplomats, if they can proceed at all, many months to work out of the corner in which the President has painted the country's Cuba policy. In practice this means the postponement of a long overdue mutual accommodation to 1977 or beyond. Is Angola really worth it?"

The real question is: Is freedom worth it? Ask the Havana nurse who will be getting up at 4:45 a.m. Sunday in search of enough food to feed her family, while Fidel Castro lavishes his nation's substance on revolution.

CYPRUS: CONTINUING TRAGEDY

Mr. KENNEDY. Mr. President, although the human and political tragedy of Cyprus has been crowded off the pages of our newspapers by newer problems in other parts of the globe, the crisis continues for the people of Cyprus.

The island nation remains divided and occupied militarily—and tens of thousands of refugees remain homeless.

But the larger tragedy of Cyprus can most graphically be seen at the local level, among the people and villages torn apart by the invasion. This view was effectively reported recently in an article in The Times of London, by a professor of social anthropology at the London School of Economics.

Mr. President, to remind us again of the continuing tragedy of Cyprus, and to better understand what it means for the Cypriot people, I ask unanimous consent that The Times article, "The Tragedy of a Village Called Argaki," by Peter Loizos, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From The (London) Times, Feb. 17, 1976]

The Tragedy of a Village Called Argaki

(By Peter Lozios)

Refugees are as old as war, and yesterday's refugees get pushed out of the newspapers by today's. They have become a standard image of modernity, to which we can react as to stereotypes, for the desperate people streaming away from the fighting with their hand baggage, or the apathetic crowds in camps, look very much the same anywhere.

The very word "refugee" is a lable for displaced innocents, but it tends to suggest acts of God, natural disasters, not acts of men. Yet, however much a war is the result of some chance factors it is still in the last resort a result also of intentions, decisions, people and policies, to keep this fact in perspective needs a sharper focus on the real human beings and their problems behind the word.

Argaki village was until the summer of 1974 a prosperous community of nearly 1,500 Greek Cypriots and 50 Turkish Cypriots, who had lived side by side without violence since 1916. The Greeks fled when Turkish aircraft started to bomb the village, but a few old people stayed behind.

Six young villagers were killed in warfare, and others maimed and disfigured. One old woman, mother of the village priest, was shot dead through the door of her house by Turkish troops, and her husband is still missing, presumed dead. One old woman died of unknown causes while under house arrest. At least three old people were known to be victims of sexual assault. In such a family-centered community one death puts at least five households into mourning, so at least 10 per cent of the village households suffered losses.

Material losses are also easy to establish. Greek families left behind 350 houses, average value at least £4,000 for this is the prosperous citrus belt. They left behind 1,500 acres of prime irrigated land and trees, at £500 per acre. Adding the tractors, trucks, power tools and household goods brings the total to more than £2m. There are things harder to estimate—like the trousseau lacework which women handworked for years, and the family photographs which can sometimes be smuggled across the lines—at a price.

The social and psychological losses are, of course, qualitative. The loss of self-respect felt by farmers and craftsmen made idle, who have now in many cases sat unemployed for 18 months, waiting to go back. Men frequently said to me, "You saw how I worked before, and you know I was never an idler. Where can I go now, a farmer without land? Will they take me in Australia?"

It is easy to say that "realism" of "get-up-and-go" should make them strike out for something new (the American refugee experts in Nicosia could be heard to utter such thoughts) but these men can practically see their villages from the United Nations guard posts, and the Morphou region has constantly been bandied about by spokesmen on both sides as a "possibly" negotiable area, so they can be forgiven for waiting until there is a definite political answer. Few have decided that there is no real hope of going back, and even if the situation becomes perfectly plain to the Greek leaders, they will not as politicians rush to tell the refugees that there is no hope of return.

Self-respect was put to other tests. In the first months after the invasion, the villagers usually lived crowded in the few available rooms with close relatives. Twenty people in a small room was not uncommon in the mountain villages, since space was so very short, and it seemed possible they would go home any day. But the crowding, even with nearest and dearest, produced strains and friction: "No one got through it without quarrelling, and those who say they didn't are lying" a father of three children, told me, pointing out that rows often started over very small things, like imagined favouritism at meals.

After the crowding came a new diaspora, with new losses; the villages started to look for better houses, more space, jobs. Men struck out for the construction projects in the Arab oil lands, for contract work in Bulgaria, for anything in the Commonwealth countries, anywhere that self-respect could be salvaged in a pay packet. Like so much labour migration, this meant leaving wives, children and parents behind. But not "behind" in a supportive traditional village; rather, behind in improvized, dislocated circumstances where the pains of separation are sharper, a double deprivation for all concerned.

The pull of jobs and houses in the Greek part of Cyprus has made kinship solidarity a bit of a luxury. Where, before the war, women could rely on sisters, in-laws, neighbours and friends, to provide companionship in work, they are now often too far away to visit. Men tended to work more by themselves but they always met after work in the coffee houses which served each village. As refugees, the men too are often many expensive miles away from those whose counsels they once sought. "Only a refugee understands what it's like to be a refugee", they say.

The young of Argaki have been marrying each other more than ever since the war, but this is not an optimistic gesture. Before, they sweated and saved for many years, and married late with land, a trade, a house. Now, these economic expectations are gone, so they marry very young, with nothing.

Obviously the Argaki villagers are not privy to the inner secrets of statesmen. They work with a simple logic which is sometimes very far out: "The planes which bombed the village were British, because they came from the British base," said a farmer, pointing towards Akrotiri. Many others told of the two blond "British" pilots whose corpses are thought to be still guarded in some government refrigerator. But sometimes they are nearer the mark: "Can a NATO member invade another country without telling the Americans and the British? Britain as a guarantor power should have restrained the Turks." Easy to say that they don't understand what is at stake; but they are the ones who pay the highest price, for they are the conscripts of modern politics.

They are not of course entirely innocent—they cheered and voted for their leaders, they grumbled about Turks and imperialism; but their punishment seems excessive.

Being too small and weak and "badly informed" can happen to whole countries as well as to their peasantries. "The Cypriots were well . . . unreliable . . .", said an American. He would not say what his job was in Nicosia, but it was United States government work. "They kept turning to the Russians for help. And did they get it? What you guys don't understand is that it's another league. . . . " That is, the Big League, where superpowers avoid nuclear war but can when it suits them to turn a Nelsonian blind eye on the limited wars of their client-states. And the Little League, which is everyone else.

It is an accident of geography which has placed Argaki village 40 miles from Turkey: but the strategic courtship of Turkey by both Russia and America is not an accident of history, nor is the ruthlessness of the superpowers to small states. The people of Argaki, like other war refugees, are victims of people and policies.

ALISTAIR BUCHAN

Mr. MATHIAS. Mr. President, one of the differences between private life in a settled community and almost any form of public life—diplomacy, journalism, politics, and other aberrations—is the way we meet and keep friends. Private people can make friends in childhood who often remain as the daily companions of old age. But those who lead more hectic lives have to develop a different kind of friendship, different ways of communicating directly and openly with people who, although they move in and out of our lives physically, actually become a permanent and lasting part of life for us. This requires a special reaching out, a quality of giving and receiving, a desire to exchange thoughts and feelings and experiences in order to distill a chance meeting into a genuine and continuing friendship. Alistair Buchan made this process easy.

While his friends will remember this quality, his admirers, who did not know him, will remember his devotion to reality, to fact. As a journalist, at the Institute for Strategic Studies, and as a teacher he constantly sought to keep the record straight and to make the world stick to the record. I believe that Alistair Buchan, as an observer of the causes of conflict among nations, knew the danger of fantasy, the persistence of myth, and the insidious power of legend. The only effective weapon against all these in fact—the unvarnished truth whether palatable or otherwise. The resolution of differences within the Atlantic community, the composition of controversies with the Soviet Union, the abatement of nuclear danger, and the deceleration of the arms race—all these compelling goals require that we face reality. Alistair Buchan knew this and he tried to persuade us to do so by making it easier for us through his own work. This is a very great contribution and a lesson and example worth remembering a long time.

FALLS CHURCH HIGH SCHOOL BAND AT THE ST. PETERSBURG FESTIVAL OF STATES CELEBRATION

Mr. HARRY F. BYRD, JR. Mr. President, from March 29 to April 10, 1976, the Bicentennial Festival of States is being held in St. Petersburg, Fla.

Appearing at that event as the only band representing Virginia is the Falls Church High School "Jaguar" Band.

This fine musical organization of over 200 student members is directed by Mr. James M. Stegner. It has distinguished itself at contests and competitions over the last 5 years. The principal of Falls Church High School is Dr. James R. Wilson.

It is especially noteworthy that the band members combined their free-time energies with their musical talents to make this trip possible. No Federal or State funds are subsidizing this trip. Rather, it has been underwritten by the generosity of the community and the industry of the band members.

Gov. Mills E. Godwin, Jr., has declared the Falls Church High School Band to be the official representative of the Commonwealth of Virginia at the St. Petersburg Festival of States Celebration and his "personal ambassadors of good will from the citizens of Virginia to the people of Florida."

I join Governor Godwin in his salute to the members and friends of the Falls Church High School "Jaguar" Band and to the faculty and families of the Falls Church High School community. I ask unanimous consent that the Certificate of Recognition from Governor Godwin and the supporting documents, resolutions, and proclamations be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Certificate of Recognition

By virtue of the authority vested by the Constitution in the Governor of the Commonwealth of Virginia, there is hereby officially recognized:

The Falls Church High School Band of Falls Church, Virginia, which has been selected as one of the outstanding musical units in our State and has accepted an invitation to represent the State of Virginia at the Festival of States to be held in St. Petersburg, Florida, from March 29 to April 10, 1976.

The Falls Church High School Band has long been a symbol of superior performance in marching and music and has gained for the State of Virginia the reputation of developing in its young people a bountiful image of our State's future through youth of high moral character and fibre.

As Governor of the State of Virginia, I do hereby declare the Falls Church High School Band to be the official representative of Virginia for the Festival of States Celebration in St. Petersburg, and my personal ambassadors of good will from the citizens of Virginia to the people of Florida.

Mills E. Godwin, Jr.,
Governor.

Commonwealth of Virginia,
Office of the Governor,
Richmond, December 18, 1975.

Mr. James Stegner,
Falls Church, Va.

Dear Mr. Stegner: I am pleased to comply with the request from the St. Petersburg Festival of States to designate Falls Church High School Band as the official representative of Virginia at the Festival of States celebration by issuing the enclosed certificate of recognition.

I understand that the travel money is being raised by the students themselves through various fund-raising projects, and I congratulate them for their enthusiastic efforts to represent their state in this fine celebration.

With warm best wishes for the success of your endeavors, I am

Sincerely,

Mills E. Godwin, Jr.

Resolution

Whereas, Fairfax County has come to enjoy the tradition of excellent now firmly established by the Public Schools' music programs; and

Whereas, adding to that tradition, the Falls Church High School "Jaguar" Band is one of 18 bands from throughout the nation selected to perform at the "Fabulous Bicentennial Festival of States" to be held in St. Petersburg, Florida in April; and

Whereas, the "Jaguar" Band will be the sole representative of the Commonwealth of Virginia at the event; and

Whereas, Governor Mills E. Goodwin, in his Certificate of Recognition, declared that the Band "has long been a symbol of superior performance in marching and music and has gained for the State of Virginia the reputation of developing in its young people a bountiful image of our State's future through youth of high moral character and fibre;" and

Whereas, the Band, under the direction of James M. Stegner since 1971, and consisting of 144 playing musicians, 16 Swiss flags, four majorettes and one drug major, is now in the process of seeking out and obtaining financial and spiritual support for its trip to the Bicentennial Festival; now

Therefore be it resolved that the Fairfax County Board of Supervisors does, on this the ninth day of February, 1976, hereby resolve to commend the "Jaguar" Band for the distinct honor which it has brought to Fairfax County and to the Commonwealth; and

Be it further resolved that the Board of Supervisors does urge all County citizens to support proudly and enthusiastically the "Jaguar" projects designed to ensure successful participation in the Bicentennial Festival.

[Fairfax County School Board]

Resolution of Commendation for the Falls Church High School "Jaguar" Band

Whereas, the Falls Church High School "Jaguar" Band has been selected by the Hon. Mills E. Godwin, Jr., Governor of the Commonwealth of Virginia, to represent the Old Dominion at the Bicentennial Festival of States to be held in St. Peterburg, Florida, from March 29 to April 10, 1976; and

Whereas, the Falls Church High School "Jaguar" Band will also participate in a parade and give a concert at Disney World on April 8, 1976; and

Whereas, over the years this band has been rated as one of the top 20 high school bands in the United States, as evidenced by the many awards and honors it has received in various competitions, festivals, parades, and invitational performance; and

Whereas, the Falls Church High School community has worked diligently to encourage and support this band through the efforts of many patrons personally and by special fund-raising activities, including the provision of travel costs for the band's appearance in Florida;

Therefore be it resolved by the Fairfax County Board that its highest commendation be given to the members of the Falls Church High School "Jaguar" Band and to its conductor, James M. Stegner, for the honor brought to Fairfax County by their selection to represent the Commonwealth of Virginia in the Festival of States celebration in St. Petersburg, Florida, and for their superior musical achievements in other events, and to the Falls Church High School parents and community for their outstanding efforts and generous support which have made the successes of this band possible.

Fairfax County Public Schools,
Fairfax, Va., February 10, 1976.

Dr. James R. Wilson,
Principal, Falls Church High School, Falls Church, Va.

Dear Jim: It gives me great pleasure to commend again the Falls Church High School Jaguar Band. This time it is for being selected to represent the State of Virginia at the Bicentennial Festival of States to be held in St. Petersburg, Florida, April 6–10. Congratulations!

The numerous honors this band has received speak well of the splendid musicianship the students, now under the direction of James M. Stegner, have attained and maintained over the years. I am proud not only of the accolades awarded for their outstanding performances, but also of the excellent spirit of loyalty and sportsmanship demonstrated by them. This type of accomplishment gives credence to the celebration of our national bicentennial and we are pleased indeed that one of our high schools has won the honor to represent the Old Dominion in St. Petersburg.

Best wishes to all of you.

Sincerely,

S. John Davis,
Division Superintendent.

Proclamation

Whereas, the Falls Church High School "Jaguar" Band is one of 18 bands from throughout the Nation selected to perform at the "Fabulous Bicentennial Festival of States" to be held in St. Petersburg, Florida in April; and

Whereas, the "Jaguar" Band will be the sole representative of the Commonwealth of Virginia at the event; and

Whereas, Governor Mills E. Godwin, in his Certificate of Recognition, declared that the Band "has long been a symbol of superior performance in marching and music and has gained for the State of Virginia the reputation of developing in its young people a bountiful image of our State's future through youth of his moral character and fibre;" and

Whereas, the Band, under the direction of James M. Stegner since 1971, and consisting of 144 playing musicians, 16 Swiss Flags, four majorettes and one drum major, is now in the process of seeking out and obtaining financial and spiritual support for its trip to the Bicentennial Festival.

Therefore, I, Harold L. Miller, Mayor of the City of Falls Church, Virginia, do hereby commend the "Jaguar" Band for the distinct honor which it has brought to the Commonwealth, and urge all citizens to support proudly and enthusiastically the "Jaguar" projects designed to ensure successful participation in the Bicentennial Festival.

THE RUSSIANS ARE COMING

Mr. GOLDWATER. Mr. President, there appears in the April issue of Government Executive a very interesting editorial which I think should be read and understood by all Members of Congress. It should be particularly read by those of our colleagues who have been so piously tearing apart the large multinational corporations in this country who, in the engagement of selling their products to foreign countries, have had to do what has been done for centuries, make a payoff or, as we say in Spanish, a "mordida" or a bite. They should be interested in this editorial because if they push their customary practice far enough, we can well begin to see our large corporations closing up and then I want to see what these Members of Congress have to say about unemployment of tens of thousands of people. But that is beside the point. What the editorial points out is the rather naive and unknowledgeable approach that many of our candidates for President are now using as they try to entice votes by promising more job, promises which entailed practices that were started in the days of Franklin Roosevelt and never produced a worthwhile job in all of those years and never will.

I ask unanimous consent that the editorial entitled, "The Russians Are Coming," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE RUSSIANS ARE COMING

(Editorial by C. W. Borkhund)

One thing that always fascinates us, especially in an election year, is how many people we have around in high places with big mouths, closed minds and a lot of misinformation. And what surprises us almost as much is how large an amount of unchallenged mileage they are granted in the Press by even the "stars" of our journalistic craft.

Best of the lot lately—if you consider it not a serious matter but entertainment—have been all these guys running for the Presidential nomination. George Bernard Shaw at his best never wrote as funny a sarcasm as they can deliver in 30 minutes of machine-gunned paragraphs.

Morris Udall says, on nationwide TV, that what this country needs to create more jobs is, in addition to Federal funding, a bust-up "of these big corporations" and "getting after these utilities" that are slapping consumers with those "unfair" high prices.

And not one reporter asked him how returning to a 150 year-old land of "Mom and Pop" stores, wiping out industry's ability to make the capital investment necessary for economic growth is going to produce jobs. They don't even ask him what evidence he has that the "corporate giants" sit around all day, plotting ways to make their customers mad at them.

George Wallace says, on nationwide TV, that one way to create more jobs is to bust up "these multinationals that are exporting work overseas." And not one reporter asks him what he's going to do for those more-than-eight million U.S. workers who have jobs because of that multinational trade network.

Jimmy Carter says, on nationwide TV, that there is cuttable "fat" in the Defense budget and one obvious place is that "excess supply of admirals (Carter is an ex-Navy man), more than we had in World War II." And not one reporter lets him off that nitpick (which can be explained but is hardly worth it) to ask how he rationalizes that argument against a drop in Defense military payroll from 3.5 million persons in 1968 to 2.1 today.

More importantly, no reporter asks him how comfortable he would feel with a further Defense reduction when the Russians alone already have more than twice as many people in military uniform as the U.S. And three times as many tanks. And twice the armored personnel carriers. And three times as much artillery and heavy mortars. And twice as many cruise missile and attack submarines. And more and newer surface combat ships.

And 1,000 more tactical aircraft. And a major part of that larger force equipped with nuclear weapons. And the ground forces equipped to fight and survive in a tactical nuclear, radiological or bacteriological war.

Back in 1950, the CIA sent a report to Washington which said, in sum, North Korean military forces were massed in sufficient numbers and readiness that they had *the capability* to jump on the attack at any time. So, then-Secretary of State Dean Acheson, in a public speech, said our western line of defense in the Far East stopped at Japan. And North Korea attacked.

The Pentagon has pointed out to Congress that Russia has been outspending the U.S. (this year by some $30 billion or about 25%) in military weapons development and procurement for at least the last half dozen years. The CIA has said the same, though using a lower percentage.

Not all the dumbness is being displayed by Presidential candidates. A Senator went on nationwide TV and derisively contended "this fright talk that 'The Russians are coming' comes up every year at budget time just like the flowers in Spring."

Nobody asked him, and he didn't volunteer, just how much more they have been spending. What he did offer up was that one "good place" to cut Defense spending further was to eliminate the B-1 bomber and buy, instead, a kind of Maginot line of flying missile-launch platforms around the Russian periphery—a perennial nuclear sentry which undoubtedly would cause Ivan no heartburn at all.

Similarly, Russian spending on research and development in Defense has been outstripping the U.S. level for years. "Their curve (upward)," says Dr. Malcom Currie, "clearly crossed ours several years back." They are "taking some revolutionary directions in their science and technology," he points out.

That relentless effort of more than a decade, he points out, "has already transformed Soviet global strategy." Moreover, "There's a myth that the Soviet Union consists of a lot of potato farmers who don't have technology and it's been a very comforting thought" some still cling to in this country "that we have what's known as technological superiority, so-called quality in the face of quantity."

"Well," he snaps, "the situation just isn't like that." In short, they are daily demonstrating they have the technological capability to do anything they want to do badly enough—and most of what they seem to want to do is military. (In 1975, the U.S. had 19 civilian spacecraft launches to the Soviets' 27; 9 military launches to the Russians' 62.)

Indeed, what Russia's own leaders tell their country are more informative to the U.S. than what some of our politicians tell us about them. And you can buy English translations in just about any book store.

Item: their definition of detente is that it's "working" to the extent it provides them greater opportunities to expand the communist hegemony throughout the world. And what is making the U.S. "knuckle under" to their version, they tell themselves, is that the U.S. is aware privately of Russia's "clear and growing" military superiority.

Item: like something right out of Adam Smith, the way to continue that expansion of "the good life" is through continued investment in science, technology and the development of heavy, i.e. mostly military, industry—even if it means continued creature-comfort sacrifice, they tell their people.

Item: the reason the U.S. "caved in" in Angola, they say, and the root cause of Congressional investigations into U.S. multinational industry's "payoffs overseas" is not what the, mainly, Senators say out loud it is, i.e. an effort to uncover crookedness. Rather, it is an effort to back away from Soviet pressure in a politically face-saving way.

Whether all that rationalizing is valid or not, about us, is not the point. What is, is that they appear to believe it.

But what grinds on this writer more than anything else about that is the U.S. reaction. Even the Pentagon, publicly, seems less concerned about airing the facts of that frightening threat than they are about who their employees are accepting free lunches from or out shooting ducks with.

THE ENERGY CRISIS REVISITED

Mr. STEVENSON. Mr. President, it is almost 3 years since the oil embargo. And by almost any test, our energy lifeline is in greater peril today.

We are more dependent on imported oil. Stockpiles, while authorized, are yet to be created. We have no agreements with producing nations for assured supply. Domestic oil and natural gas production, despite massive price increases, is declining. Efforts to develop alternative energy sources have moved forward slowly. Energy conservation is still more a slogan than a program. And most disturbing of all, only 28 percent of the population, according to a recent poll, believe that the energy crisis is a serious problem.

Our leaders have failed to explain the energy crisis on the one hand—and to cope with it on the other.

I want to mention certain of the more imminent dimensions of the energy crisis, leaving aside others, including the hazards and potentials of nuclear energy.

The energy crisis, in spite of all the headlines it has inspired, is still a phrase in search of meaning. And until it has a meaning, U.S. policy will lack objectives, and citizens will lack conviction.

As I see it, the energy crisis consists of at least three interlocking crises: a crisis of energy prices; a crisis of supply; and, finally, a crisis of national security.

I want to diagnose it—and then suggest a few cures.

A DIAGNOSIS OF THE "ENERGY CRISIS"

THE CRISIS OF PRICE

By no coincidence the quadrupling of oil prices in 1973 was followed by the worst inflation in this century and the worst recession since the Great Depression. Demand fell—but prices continued to rise. Employment fell—but wages rose at higher rates. The inflation of 1973 and 1974 was caused by energy prices more than by anything else; and that inflation, in a turnabout of all the old rules of economic behavior, caused the recession that followed.

The rising price of energy—touched off by the rising price of oil—rippled out through the economy to drive up the cost of every product and service. The plight of cities, industries, and farms, crises in themselves, can be traced in large part to the spiraling cost of energy. Energy-induced inflation may have cost consumers $150 billion in purchasing power during 1974 and 1975, not all of it recaptured by the American economy. That reduced purchasing power guaranteed a recession.

In spite of that sobering experience with energy inflation, our Government has never really quantified the effects of energy prices in the economy.

A careful analysis of the effects of energy prices on economic behavior should be a high priority for the Nation—and for world consumers and producers at their conference on international economic cooperation. Until we understand this phenomenon we should be cautious about increasing energy prices to higher levels—and that goes for foreign producers as well. With a better understanding of the economic consequences—and, therefore, the political consequences—energy producers abroad could become more cautious about additional price increases. They admit as much in private—and more readily than does our own Government.

To deregulate domestic natural gas would produce more gas. It could also set back our economic recovery. With deregulation the pentup demand for natural gas in the 45 consuming States would be added to that in the producing States, and the price of new natural gas in interstate commerce would rise from a maximum of 52 cents to more than $3 per thousand cubic feet. That is a quantum jump greater than the oil price increases already experienced. And natural gas accounts for one-third of the Nation's energy consumption.

Higher prices can help produce more energy. Higher prices can help reduce consumption. But how much higher? Beyond a point, higher prices are counterproductive. Beyond a point, higher prices reduce consumption by reducing the levels of industrial and agricultural activity without materially increasing energy production. The objective of pricing ought to be to hold prices to the breaking point and below the cartel price.

The choice is not regulation or deregulation, but U.S. regulation of natural gas prices or cartel regulation. We could establish an automatic gas ceiling price at the Btu equivalent of the average price of domestic oil. That is the price the industry itself says will maximize natural gas production, and that is a price that would protect the economy. But that is not a choice we are, at present, offered.

Natural gas pricing with price certainty for producers at home and an example for producers abroad is one of the murkier, more complex and imminent of all the demands upon our government for caution and action—and I mean in this session of the Congress. The executive and legislative branches of the Federal Government, both maligned or misunderstood, have acted wisely to protect the economy from OPEC pricing of oil; they should do so for natural gas—now.

THE CRISIS OF SUPPLY

Another major component of the immediate and long-term energy crisis is supply, and energy conservation is one of the most promising and neglected means of solving the supply problem.

We are wasting upwards of 25 percent of the energy used to heat and cool our buildings and run our factories. A dollar invested in conservation saves twice as much energy as a dollar invested in production can produce. But major investments in conservation are not being made; the public does not understand the savings potential, and sufficient incentives to invest in energy savings are not being offered.

Lipservice has been devoted to energy conservation—and little leadership. If we are to solve our energy problems, the American people — who have proven themselves capable of great achievements when given great goals—need a clear agenda for energy conservation.

The conservation agenda requires labeling and mandatory standards, both efforts underway, and an investment of as much as $200 billion over the next decade to realize the full potential savings from energy conservation.

It will also require a government action supported in private by many, but in public by few: an increase in the price of gasoline at the pump.

This is a conservation measure that—unlike most energy price increases—could be imposed without threatening the economy. Gradual gasoline tax increases for noncommercial uses, keyed to improvements in automobile energy efficiency, would produce few hardships.

A rising gasoline tax would encourage conservation where the demand is elastic but increasing. Gasoline now requires over 40 percent of all U.S. oil consumption. And for each cent the gas tax is increased, the government could receive about a billion dollars with which to help defray the costs of national security, including the costs associated with a sound national energy policy.

THE NATIONAL SECURITY CRISIS

Foreign oil can be interdicted at its source—and also in transit. Thirty-six percent of the world's oil, 60 percent of Europe's, must pass through the Straits of Hormuz at the mouth of the Persian Gulf. That passage could be closed, I am told, by the mysterious sinking of one or two tankers.

The transportation of oil and gas can be interdicted at its source, at the mouth of the Persian Gulf, the Red Sea, around the periphery of Africa, in the Eastern Mediterranean, in the North Sea, indeed at any point in the world where oil is either produced or transported. The present Egyptian Government is weak; it could be superseded by another government which might return Egypt and the Suez Canal to the Russian orbit. The Soviet Union is acquiring the power to interdict transportation of the world's oil supplies.

It is not to rattle the saber, nor to sound the alarms of the cold war that I mention such facts—but only because they are facts. The Russians are taking over, or at least contesting, a power that once was ours. They are altogether capable of learning the lesson taught by the OPEC producers: That the control of oil, whether in transit, in place, or in production, means power. I do not suggest that the Soviet Union has any present intention of actually interdicting oil supplies. The point is that for half a millennium Russia has successfully sought power—and it has not in recent history been indifferent to the Middle East. Power flows from many sources, and one is oil.

The continued impasse in the Middle East conflict benefits no one, except the most immoderate elements on all sides and—ominously—the Soviet Union.

Without a major initiative for peace from outside the Middle East, and there is none now, war and another embargo are only a matter of time. The conflicting parties themselves are not moving toward a settlement—and where deep antagonisms fester, there is no equilibrium: The situation either improves—or it gets worse.

The energy crisis demands as its highest imperative, an American peace initiative in the Middle East. The elements of that initiative are not for this meeting, but suffice it to say they exist. And a nation with sufficient will and wisdom, indeed a nation with its own survival at heart, would undertake that initiative without delay.

SOLUTIONS—NEITHER LEFT NOR RIGHT

Confronted by the knotty complexities of the energy crisis, the political left responds with proposals for oil company divestiture. But the advocates of divestiture offer no assurance that putting smaller economic units in charge of producing and refining energy products can accumulate the necessary capital with which to assure adequate supply at reasonable prices. They can offer no assurance that smaller, more numerous producing and refining units would sell energy at a price other than the price established by the cartel. Smaller units of production may be in a weaker position from which to bargain with foreign producers for supplies at reasonable prices.

The political right, on the other hand, offers us 19th century laissez faire, embodied in clichés about free enterprise, free markets, and the efficiency of private industry.

In an ideal world we might accept those clichés uncritically. But in this world, unregulated domestic energy prices rise and fall with the prices of the OPEC cartel. In this world, producers curtail supplies of energy at home and abroad to increase prices.

And in this world, energy is not a luxury but as essential to our way of life as air and water are to our bodies.

In the face of these realities, we must have policies—and institutions—that guard the public interest from the airily imprecise solutions of the left—and the unworkable notions of the right.

One alternative to orthodoxies of right and left is a quasi-government oil and gas company to produce fossil fuels from the public domain; it would produce substantial revenues for the benefit of the public; it would help maintain our strategic reserves.

Of equal importance, this new enterprise could assert the authority of the United States in negotiations with the governments of foreign producers for the purchase of oil. Less arbitrarily than by price controls or divestiture, it could in time help assure reasonable prices, an uninterrupted supply of foreign oil and free enterprise in the U.S. energy industry.

PROJECT INTERDEPENDENCE

Even with optimistic assumptions, the Federal Energy Administration projects a dependence on foreign sources of oil for almost 7 million barrels per day in 1985—about 500,000 more per day than the United States is currently importing. That is a fact, as well as a necessity, that we must face. Even if we do all that we can at home, we will still be dependent on foreign oil sources for between 30 and 40 percent of our consumption in 1985.

Given that fact, an assured supply at a tolerable price from all sources ought to be the objective of our policy: not an arbitrary—and illusory—dream of total energy independence. Dependence on sensitive foreign sources can be reduced by diversifying foreign sources of oil, as well as by increasing and conserving domestic supplies. We must protect ourselves against economic blackmail by putting into place the standby rationing and conservation authorities and the strategic reserve system already authorized by Congress.

The development of alternative domestic sources of energy must proceed with dispatch and a careful attention to domestic priorities—but even with an all out domestic effort, the United States will be left with that 30 to 40 percent import dependency. It must be made manageable. Project independence, however it may appeal to our chauvinistic sentiments, is ultimately a prescription for greater dependence on Middle East sources; it is in effect a "drain America first" syndrome.

I suggest, instead, something more realistic: A project interdependence—undergirded by an aggressive U.S. role in planning and developing worldwide energy production and distribution.

A little noted report of the U.S. Geological Survey concludes that over 50 percent of the oil remaining to be discovered in the world lies within the non-communist, non-OPEC nations of the Third World. Still more remains to be discovered and produced in Canada. Africa and Latin America have almost twice the potential resource base as the United States, yet remain almost totally unexplored: While we have drilled over 2.2 million exploratory and developmental wells in the United States, there have only been 95,000 wells drilled in all of Latin America and 25,000 in all of Africa.

These are numbers we dare not ignore. They spell out an opportunity for the United States, all the industrial democracies, all energy consumers and many potential energy producers.

The nations of the Third World are nationalistic, fearful of penetration by foreign governments and multinational companies. They also need U.S. technology and capital.

OPEC, for all its professed generosity, will not be eager to turn large parts of Africa and Latin America into major oil producing regions. The major multinationals, however powerful, are incapable by themselves of overcoming the resistance they encounter in many parts of the Third World.

The United States, armed with a national oil and gas corporation, the Exim Bank, and other agencies to help deliver technology and capital, could exchange, in cooperation with the multinational oil companies, its resources for assured foreign oil supplies and prices.

Increased world supplies could stabilize world prices and benefit all the world's consumers, including those least able to absorb OPEC's high prices.

Some will argue that such an effort might result in major new discoveries and that the discoverers would then become instant members of OPEC. That is a possibility. But for purchasers from OPEC members like Argentina, Brazil, or Chad to become OPEC sellers would strengthen the economies of those nations, dilute Arab dominance of OPEC, and diversify the world's supply of oil.

The United States could become a living part of the world community, producing energy and food and other elements of world stability and national independence. It would be a role more difficult, but far more hopeful than that of arms merchant.

As it is now, we leave the question of where to drill for oil and under what circumstances to a few major oil companies. If one company suspects Mozambique's continental shelf is rich in oil, but is incapable of putting together the kind of package that would interest Mozambique, it keeps its suspicions to itself. The host country itself is often left out of its own exploration. The United States, participating in a vigorous project interdependence, could diversify foreign sources of oil and break the Middle East and Russian stranglehold over world oil supplies.

CAPITAL

Another overriding requirement, already mentioned, is capital.

The Federal Government must play a role in assuring capital for essential energy projects. The private markets are by themselves incapable of producing the required capital and directing it, when needed, to the most urgent projects.

A transportation system for arctic gas is one example.

It is in our national interest to help develop a transportation system for Alaskan gas that will also help Canada transport its supplies of Arctic oil and gas. Such a system could take pressure off Canadian oil and gas supplies, and if not increase, at least prolong, Canadian exports of both to the United States.

The President has suggested a procedure for reaching an Alaskan gas pipeline decision which could lead to a jointly planned system for the transportation of gas, and perhaps later, of oil, to both countries, depending on the extent of discoveries in the Beaufort Sea and elsewhere in the North. Congressional hearings on his basically sound proposal for expediting the decision-making process in cooperation with the Canadians are underway.

But the cost of constructing a transportation system for transmitting Alaska gas to the United States would probably exceed $10 billion. That is more than the private markets can be expected to make available.

Let me cite another example, never to be neglected by a Senator from Illinois: Coal. Coal is our lowest cost form of energy, but coal production is not increasing. Industrial boilers should be switched to coal. But industrial consumers need capital to acquire the facilities for bringing their operations into compliance with air quality standards. Coal can be converted to clean-burning gas, but one commercial plant for the gasification of coal can cost $500 million.

Where coal is burned as coal, sulfur can be removed from stack gases with a fluidized bed boiler. Scrubbing technologies can be put in place to permit the burning of coal for industrial uses, including the generation of electricity. But the job will require capital—again more capital than is available in private markets.

In fact, every major forward move in the development of energy supplies demands large infusions of capital: pipelines, hopper cars, facilities for the conservation of energy, increased production with new technologies, for the utilization of solid wastes and more. Such projects may not assure high enough returns to interest private investors. So once again the Government must be prepared to act, or permit the Nation to suffer the consequences of the energy crisis.

The machinery for financing environmentally sound energy development at home and abroad is inadequate.

Vice President ROCKEFELLER—who knows a thing or two about capital—deserves our congratulations. For he has led the Government toward acknowledging its essential role in assuring capital. His proposed $100 billion energy independence authority is a model well worth examining. And it will be examined—in hearings scheduled next week in the Senate Banking Committee. In some form, such an authority could assure that capital finds its way to the most urgently needed projects. It could prepare an annual investment plan in cooperation with energy policy agencies, especially FEA and ERDA, thus helping to establish a consensus on investment priorities.

The process would make provision for consultation with EPA, State governments, Congress, industry, environmental groups, and private citizens. It could be safeguarded to diminish fears of unnecessary expenditure for the benefit of private industry.

Many variations are possible, including an energy development bank which could act as a depository for public funds, making them available for the financing of this most urgent public need.

CONCLUSION

So here, in summary, are a few proposals for an energy policy suited to the immediate realities of this world:

We must protect the economy from arbitrary and excessive energy price increases;

We must recognize our interest in diversifying foreign oil supplies while we build new bridges to the developing nations;

We must embark upon a massive domestic energy program, focusing on conservation, coal, and determined development of new technologies;

In all of these we must recognize the essential role of the Federal Government. We must provide it with the tools it needs, including a U.S. oil corporation and an energy development bank.

Though the public is skeptical; though our leadership at almost every level failed to foresee the energy crisis, or to face it resolutely once it swept over us—the system is beginning to stir itself. More has been done than meets the eye.

Let us be aware of the dangers; aware of the enormity of the job; aware that the consequences of anything we do could be serious—aware also that, as George Bernard Shaw once put it, "Nothing is worth doing unless the consequences may be serious."

CAPITOL HILL FORUM

Mr. MATHIAS. Mr. President, April 12 is the first anniversary of the publication of the Capital Hill Forum, a newspaper that provides information and analysis of some of the issues that are under consideration in the Senate and the House. Under the editorship of Paula Ehrlich, the Capitol Hill Forum has proven to be a responsible addition to Washington journalism. As the newspaper observes its first anniversary, I am sure that my colleagues join with me in extending best wishes to its staff for many more good years of service to the congressional community.

NEW YORK COURT PUTS BROADCASTING UNDER FREE PRESS UMBRELLA

Mr. PROXMIRE. Mr. President, the Appellate Division of the New York Supreme Court has ruled in a prior restraint case:

> Television broadcasting falls under the umbrella of protection afforded the press for it too . . . is engaged in the dissemination of information of public concern.

An appeal to New York's highest court, the court of appeals, is said to be likely.

Unfortunately, the Appellate Division stayed its ruling for 5 days to permit the further appeal, which, to the layman, has the same effect as that sought by the plaintiffs—keeping a videotape off the air.

Nevertheless, the split decision does add one more argument for the position that there is essentially no difference in the purpose of the graphic press and the electronic press.

The Congress, the Federal Communications Commission, the executive and the judiciary all have held the position that broadcast and print journalism are different—because one uses paper and ink and one uses the electromagnetic spectrum to disseminate the news.

Until that argument is addressed head-on, the myth about the "scarcity" of spectrum space will persist.

The New York case involved a videotaped report made for WABC-TV about conditions in St. Michael's Home, a State-licensed institution for the care and treatment of dependent and neglected children. The TV crew went to the home on March 9. On March 11, the supreme court denied a motion by St. Michael's to enjoin WABC-TV from broadcasting the tape. The Appellate Division upheld that decision on April 5, but did stay the broadcast for another 5 days.

In fact, there has been prior restraint, something the majority in the Appellate Division says should not be.

In that respect, the case is similar to the U.S. Supreme Court decision in the Pentagon Papers case. That was a hollow victory for the free press, for it has given license to attack in the courts the right of the press to protect citizens from their Government.

In a series of statements in the Senate, I have been trying to show that the lessening of the free press rights of broadcasters must be ended so as to protect the freedoms granted all citizens under the Bill of Rights.

But it is becoming more clear, what with the increase in gag rules on the press in open trials guaranteed by the sixth amendment and with the attacks on publication of public records, that we need a national debate on the first amendment.

Liberty is at stake.

Mr. Justice Potter Stewart in an address at Yale on November 2, 1974, made one of the clearest statements ever on the meaning of a free press and he equated the graphic and electronic press.

Most of the other freedoms granted in the Bill of Rights, Mr. Justice Stewart said, protect specific rights and specific liberties of individuals.

He said:

> In contrast, the Free Press Clause extends protection to an institution. The publishing business is, in short, the only organized private business that is given explicit constitutional protection.

Mr. Justice Stewart went on to point out that the primary purpose of the constitutional guarantee of a free press is "to create a fourth institution outside the Government as an additional check on the three official branches."

That is a fundamental proposition that is given little heed today either by critics of the press or by the Government—all three branches of the Government.

We must not ignore that primary purpose of a free press. For a free press is distinct from free speech. Mr. Justice Stewart makes the distinction clear in his Yale speech, which was printed in the RECORD for November 19, 1974.

If we think the first amendment guarantee of a free press is no longer useful in our third century of existence, then we should amend the Constitution.

We—the three branches of Government—have no constitutional right to change it in any other way.

But the free press right is being changed.

To ignore that without debating the central question is irresponsible.

I introduced on January 15, 1975, a bill—the First Amendment Clarification Act—to provoke just such a debate.

There has been no debate on the fundamental question.

Talk still goes on, articles still are printed, court cases still begin on the content of broadcasting; whether further controls ought to be imposed.

But the constitutional question inherent in regulated content seems to be skirted continuously.

If that continues, we effectively will amend the Constitution without going through the mechanics dictated by the Constitution.

We may not suffer the loss of our liberty but our children and grandchildren might—and probably will.

I do not ask for agreement with my position.

I ask that the meaning of a free press—as envisioned by the Constitution—be debated.

Mr. President, I ask unanimous consent that the Appellate Division opinion and the concurring and dissenting opinions be printed in the RECORD.

There being no objection, the opinions were ordered to be printed in the RECORD, as follows:

[In the Supreme Court, Appellate Division, First Department, March 1976, 2231–N]

APPEAL FROM AN ORDER OF THE SUPREME COURT, NEW YORK COUNTY

Sister Della Mae Quinn, individually and as Executive Director of St. Michael's Home, Inc., and on behalf of John Doe, John Roe and Mary Poe, Plaintiffs-Appellants, against John Johnson, Donald Dunphy, individually and as employees of the American Broadcasting Company, Defendants-Respondents.

Apeal from an order of the Supreme Court, New York County (Stecher, J.), entered March 11, 1976, denying plaintiffs' motion for a preliminary injunction and vacating a temporary restraining order.

Gerald E. Bodell of counsel (Frederick J. Magovern and Leonard F. Manning with him on the brief; Bodell and Magovern, P. C., attorneys) for plaintiffs-appellants.

Philip R. Forlenza of counsel (Allen P. Rosiny with him on the brief; Hawkins, Delafield & Wood, attorneys) for defendants-respondents.

L. Kevin Sheridan of counsel (Allen F. London and Judith A. Levitt with him on the brief; W. Bernard Richland, Corporation Counsel) for Commissioner of the New York City Department of Social Services as Amicus Curiae.

No. 2231—Sister Della Mae Quinn, et al. v. John Johnson, et al. Stevens, P.J.:

This is an appeal from an order entered March 11, 1976, in the Supreme Court, New York County, (Stecher, J.), which denied plaintiffs-appellants' (appellants) motion for a preliminary injunction enjoining defendants-respondents (respondents) from broadcasting or disseminating information concerning appellants or St. Michael's Home, Inc. The main thrust of the appeal seeks reversal of the order insofar as it permits respondents to televise a certain videotape taken at St. Michael's on March 9, 1976.

On March 9, 1976, respondent John Johnson (Johnson) and a WABC–TV camera crew went to St. Michael's in the afternoon and, according to respondents, viewed the premises and filmed two guards at the premises. Later Johnson and the crew returned to St. Michael's accompanied by one Thomas F. Quinn, a child care counselor then employed by St. Michael's, and Catherine Bertucci, a counselor, whose employment had terminated the day before. The visits were prompted by earlier interviews and information which respondents assert indicated a deteriorating situation at St. Michael's, a state licensed institution for the care and treatment of dependent and neglected children.

In an affidavit by Quinn, he states that on the second visit to St. Michael's he and Bertucci led Johnson and the crew to the girls' dormitory where Quinn opened the door and directed them to the second floor. While in the dormitory, some of the children were filmed and questioned which could fairly be described as leading or suggestive were directed to the children with respect to drugs, assults, etc., to which the children responded. The film, as edited, which counsel assured the court is that which is proposed to be shown, was viewed by this court.

The question before this court is whether under the circumstances here present, a preliminary injunction or temporary restraining order should issue pursuant to CPLR 6301.

There is no doubt that this court has the power to issue such an injunction unless provisions of the Constitutions (United States Constitution, Amendments 1, 14; New York State Constitution, Art. 1, § 8) or decisional law prohibit such action. (See, Social Welfare Law, §§ 136, 372, 391). The enumerated references to the Constitution deal with freedom of speech and of the press as applicable to the federal and to state governments. Essentially, there are declared rights and prescribed limitations.

Blackstone notes in his Commentaries, the following:

"The liberty of the press is indeed essential to the nature of a free state; but this consists in laying no *previous* restraints upon publications, and not in freedom from censure for criminal matter when published. Every freeman has an undoubted right to lay what sentiments he pleases before the public: to forbid this, is to destroy the freedom of the press: but if he publishes what is improper, mischievous or illegal, he must take the consequence of his own temerity. To subject the press to the restrictive power of a licenser, as was formerly done, both before and since the Revolution, is to subject all freedom of sentiment to the prejudices of one man, and make him the arbitrary and infallible judge of all controverted points in learning, religion and government. But to punish (as the law does at present) any dangerous or offensive writings, which, when published, shall on a fair and impartial trial be adjudged of a pernicious tendency, is necessary for the preservation of peace and good order, of government and religion, the only solid foundations of civil liberty. Thus, the will of individuals is still left free; the abuse only of that free will is the object of legal punishment. Neither is any restraint hereby laid upon freedom of thought or inquiry: liberty of private sentiment is still left; the disseminating or making public, of bad sentiments, destructive of the ends of society, is the crime which society corrects." 4 Blackstone Commentaries, pp. 151–152 (1791).

The First Amendment forbids Congress to make any law abridging the freedom of speech or of the press, the main purpose being to prevent previous restraint upon publications. While the Fourteenth Amendment has been construed to prohibit state action with respect to certain guaranteed freedoms, the State of New York has emphatically declared the right of citizens to "freely speak, write and publish his sentiments on all subjects, being responsible for the abuse of that right; and no law shall be passed to *restrain* or abridge the liberty of speech or of the press." (emphasis added) (N.Y. Const. Art. 1, § 8). "Freedom of speech in its essence involves no previous restraint upon utterance or publication. It does not confer immunity, for abuse of the right will subject the offender to legal punishment." (*Lewis* v. *American Federation of Television and Radio Artists,* 34 N.Y 2d 265, 272). While the protection of freedom of the press is not absolute, the burden of demonstrating a condition which warrants a prior restraint is indeed a heavy one. Television broadcasting falls under the umbrella of protection afforded the press for it too in matters such as the subject under review, is engaged in the dissemination of information of public concern.

We recognize that there are here competing interests, competing rights and values. The children at this home are minors and wards of the State. The intrusion was upon private property without authorization from those in charge of St. Michael's. Additionally, since the children interviewed were minors it is questionable that they could or did validly consent to the intrusion upon their privacy. If abuse be demonstrated, the respondents doubtless will be called to account.

After viewing the videotape we are not persuaded that its sole or even its chief object is to provide information which could lead to a correction of the conditions it claims exist. However, nothing appears on the videotape which, in our opinion, warrants a prior restraint upon its exhibition. The appellants have not met the heavy burden of showing a justification for the imposition of a prior restraint (cf. *Organization for a Better Austin* v. *Keefe,* 402 U.S. 415, 419; *Miami Herald Publishing Co.* v. *Tormillo,* 418 U.S. 241; *Southeastern Promotions Ltd.* v. *Conrad,* 420 U.S. 546).

Commonwealth v. *Wiseman,* 356 Mass. 251, 249 N. E. 2d 610, cited in the dissenting opinion, may be distinguished. In that case the Commonwealth of Massachusetts was a party to the litigation, and the suit was to enjoin all showings of film taken at a correctional institution to which could be committed defective delinquents and insane persons charged with crime. The Supreme Court enjoined showing of the film and required the filmmakers to deliver film to the Attorney General for destruction. The plaintiffs appealed because the final decree did not impose a constructive trust upon receipts for past showings of the film. The Supreme Judicial Court of Massachusetts is modifying the decree noted that defendants in negotiating for permission to film the inmates had "represented in writing that only pictures of inmates legally competent to sign releases' would be used and that the 'question of competency would . . . be determined by the Superintendent and his staff.'" (p. 615) This condition was found to have been breached and there was found also as a result to have been an invasion of the privacy of inmates who were unable to give consent. Defendants were found to have violated the permission given and to have failed to comply with valid conditions. The court did not reach or consider the basic constitutional question of prior restraint.

The order appealed from its affirmed without costs. However, a stay of the order appealed from shall continue for five days after service upon appellants of notice of the entry of the order of this court determining the appeal (CPLR 5519(e)).

Markewich, J. concurs; Kupferman and Birns, JJ. concur in separate opinions; Capozzoli, J. dissents in part in an opinion.

2231—Sister Della Mae Quinn, etc. v. John Johnson, etc.

Kupferman, J. concurring (dissenting as to the further stay).

After viewing the proposed broadcast tape, I conclude that this is investigative reporting done with restraint and high purpose. No injunction was warranted under any view of the First Amendment. The stay and any restraint should be vacated immediately.

No. 2231—Sister **Della Mae Quinn**, etc. v. John Johnson, etc.

Birns, J. (Concurring):

Whether the "news" episode under review is a good example of "investigative reporting" or demonstrative of "restraint" or "high purpose" is irrelevant.

A good motive rarely will excuse an action forbidden by law, and then only under narrowly circumscribed emergency conditions (Penal Law, § 35.05). Here, appellants made some showing that the news or information to be broadcast through television was procured unlawfully by trespass (Penal Law, §§ 140.05, 140.10, 140.15) and that the respondents intruded upon the privacy of infants, wards of the court. However, such activity, we agree, does not warrant the imposition of an order restraining a news broadcast based upon said episode. Under existing case law no prior restraint on such broadcast would be warranted, certainly in the circumstances of this case (cf., *New York Times Co. v. United States,* 403 U.S. 713; see also ***Rights in Conflict:*** *Report of the Twentieth Century Fund Task Force on Justice, Publicity, and the First Amendment,* New York, 1976).

Further, an intrusion into an area of protected privacy is insufficient to bar the dissemination of news (*Organization for a Better Austin v. Keefe,* 402 U.S. 415). A prior restraint on expression comes into court, with a "heavy presumption against its constitutional validity" (*Carroll v. Princess Anne,* 393 U.S. 175; *Bantam Books, Inc. v. Sullivan,* 372 U.S. 58, 70), and those who seek a prior restraint carry a "heavy burden of showing justification for the imposition of such restraint" (*Organization for a Better Austin,* supra, 419). This burden has not been met in this case despite the provisions of our Social Services Law, sections 136, 372, 391.

Re: No. 2231-N—Sister Della Mae Quinn, etc., et al., v. John Johnson, et al. Capozzoli, J. (Dissenting in part):

After viewing the film involved in this litigation, I am in accord with the majority that, although it was obtained as a result of a trespass, it is, nevertheless, protected by the First Amendment and can be exhibited. (*New York Times* v. *United States,* 403 U.S. 713 [Pentagon Papers]). This, however, does not dispose of the question presented concerning the rights of these children, who are wards of the State, to be protected by the State from exploitation by the respondents, or anyone else. The film, in the main, is protected by the Constitution, as it clearly involves freedom of the press and the public's right to know. But this Constitutional protection does not extend to that portion of the film which shows the children being questioned in their rooms, by the use of pointed and leading questions, concerning rapes, assaults, pregnancies of teen agers and the use of drugs and alcohol. Respondents certainly can publish the questions and the answers obtained, but they should not be permitted to disclose the identities of the children or put them on public exhibition on television.

As I understand the position of the appellants, according to page 18 of the brief submitted, it is only exhibition of those people and taped dialogues which they seek to restrain. In support of this position the appellants point to the fact that these children have been placed in the Home as a result of procedures found in the Social Welfare Law of the State of New York. They are represented as suffering from a wide range of problems from mental retardation to psychological disturbances. They are wards of the State and the State stands in the position of parens patriae, as substitute parents. Therefore the State must discharge its duty of proper supervision and protection for them. What parent would allow his child, under the circumstances disclosed in this case, to be exhibited on public television? Can a parent be so insensitive as to disregard the possible emotional and future harm that might come to these children if exhibition is allowed?

This case, in my opinion, is similar to *Commonwealth* v. *Wiseman,* —— Mass. ——, 249 N. E. 2d 610, where the Court would not permit the showing of a film depicting identifiable persons, who were inmates of a State Institution, as it would have resulted in their humiliation and exploitation. That Court held that it was the duty and responsibility of the State to protect such individuals, stating in part as follows:—

"The film shows many inmates in situations which would be degrading to a person of normal mentality and sensitivity. * * * These inmates are sufficiently clearly exhibited * * * to enable acquaintances to

> identify them. * * * There is a collective, indecent intrusion into the most private aspects of the lives of these unfortunate persons in the Commonwealth's custody.
>
> * * * * *
>
> "We, think in any event, that [the] * * * massive, unrestrained invasion of the intimate lives of these State patients may be prevented by properly framed injunctive relief. The Commonwealth has standing and a duty to protect reasonably, and in a manner consistent with other public interests, the inmates from any invasions of their privacy substantially greater than those inevitably arising from the very fact of confinement. (Citing case.)" (P. 615.)

The attempt of the respondents to distinguish that case from the case at Bar, because it also presented a contractual issue, is unimpressive. The language of the Court makes clear that it was not talking of contractual rights, but of the human rights of the inmates.

Whatever may be the rights of the respondents, as against the appellants, that relationship does not control the obligations which are owed by the State to these children, which the State should enforce.

Therefore, I dissent in part from that portion of the majority's determination which refuses to restrain the respondents from showing the children at the time they were questioned by the representatives of the respondents in the children's rooms and I would restrain same.

RESEARCH LIBRARIES

Mr. BEALL. Mr. President, I am particularly pleased during National Library Week to sponsor the Major Research Libraries Assistance Act of 1976. This measure, which I introduced on April 5 as S. 3244, was adopted the following day by the Labor and Public Welfare Committee as an amendment to S. 2657, the Education Amendments of 1976.

My research libraries proposal, modeled after a recommendation of the Carnegie Council on Policy Studies in Higher Education, has wide support in the education community. The American Library Association, the Association of Research Libraries, the American Association of University Professors, the American Council on Education, and the National Board on Graduate Education are among groups that have endorsed the Carnegie recommendation.

The research libraries amendment adds a new part C to title II of the Higher Education Act, designed to strengthen research library resources. It authorizes the Commissioner of Education to make grants to public or private nonprofit institutions whose library collections make an indispensable contribution to higher education and research, are broadly based and recognized as having national or international significance for scholarly research, and are of a unique nature, not widely held, and of such significance that fairly substantial demands are made upon the institution by outside researchers and scholars.

My research library amendment is a modest one, authorizing grants for the purchase of library materials. The fiscal year 1977 authorization of $10 million would be increased to $15 million for fiscal year 1978, and $20 million for each of the following 3 fiscal years. It will certainly not solve all of the problems major research libraries are facing today, but it does represent, in my view, a reasonable approach at this time.

Excerpts from a 1975 Carnegie Council report "The Federal Role in Postsecondary Education, Unfinished Business, 1975–1980," San Francisco, Jossey-Bass state well the need for this new program:

> Research and graduate education of high quality require access to large research libraries. Financial stringency and exceptionally rapid increases in costs of library materials have resulted in sharp cutbacks in the funds available to many leading university libraries in recent years in terms of constant dollars. This has led to cutbacks in purchases, discontinuation of periodical subscriptions, and, in some cases, in cutting back on the number of hours libraries are open.
>
> The case for some degree of federal government support of large research libraries is precisely parallel to the case for federal government support of research and graduate education. States cannot capture all the benefits from their support of large research libraries, and this may help to explain why public university libraries have been particularly hard hit by cuts in state appropriations in terms of constant dollars in recent years.

Research libraries come in different shapes and forms, which my proposal recognizes. Not only academic libraries, but also public libraries and State libraries may qualify for assistance under the Major Research Library Assistance Act of 1976, provided that they serve as major research libraries. For example, researchers often rely upon large center city public libraries as a source of invaluable reference and research material. Sometimes it is only the center city public library that has the specialized materials a researcher may need, and yet, many of our greatest urban public libraries today are suffering most acutely from declining tax bases and shrinking budgets. Major research collections developed over many years are being allowed to deteriorate because of cuts in library acquisition budgets.

Libraries in all parts of the country will benefit from this amendment, which requires regional and institutional balance in the distribution of grant awards. This insures that no one part of the country and no single institution will receive a disproportionate share of the funds, and that a regional balance will be achieved in the allocation of funds so that Americans in all States will benefit from the improved research capability of major research libraries.

In conclusion, Mr. President, on the occasion of this 19th annual observance of National Library Week, I would like to pay special tribute to libraries of all types in my own State of Maryland and throughout the Nation. Most of them unsung from day to day as national and local attention focuses instead on more dramatic events, our country's libraries are indeed a proud heritage, and together they provide millions of Americans every day with access to vitally needed information. My hat is off to the thousands of elementary and secondary school library-media centers that serve students and teachers in every State, to the public library systems serving millions of Americans from preschoolers to senior citizens, and to the libraries of all our Nation's many and diverse institutions of postsecondary education. Libraries of all types deserve the support of all our citizens and special recognition in this our Nation's Bicentennial Year.

Mr. President, I pay special tribute to Eileen Cooke, the capable and hardworking director of the American Library Association, for her assistance with respect to S. 3244.

Mr. President, I ask unanimous consent that the text of S. 3244 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3244

A bill to amend the Higher Education Act of 1965 to assist major research libraries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Major Research Library Assistance Act of 1976".

Sec. 2. Section 231 of the Higher Education Act of 1965 (20 U.S.C. 1041) is amended to read as follows:

"Part C—Strengthening Research Library Resources

"Sec. 231. The Congress hereby finds and declares that—

"(a) education, scholarship, and research are of great significance for the scientific, economic, and cultural development of the Nation, and that steady advances in the social and natural sciences are essential to solve the problems of a complex society;

"(b) the Nation's major research libraries are an essential element in a very substantial amount of undergraduate education, and are even more essential to the advanced and professional education and research upon which the Nation depends; and

"(c) the expansion in the scope of educational and research programs and the rapid increase in the worldwide production of recorded knowledge have placed unprecedented demands upon major research libraries, requiring programs and services that transcend the capabilities of cooperative action and are beyond the financial competence of individual or collective library budgets.

"Sec. 232. (a) (1) It is the purpose of this part to promote research and education of high quality throughout the Nation by assisting major research libraries.

"(2) To achieve the purpose of this part, the Commissioner shall carry out a program of assistance by providing grants for library resources to institutions of higher education, independent research libraries, State and public libraries, that serve as major research libraries.

"(b) For the purpose of carrying out this part, there are authorized to be appropriated $10,000,000 for the fiscal year 1977, $15,000,000 for fiscal year 1978, and $20,000,000 for each of the succeeding fiscal years ending prior to October 1, 1982.

"Sec. 233. (a) For the purposes of this part, the term 'major research library' means a public or private nonprofit institution qualified users and which—

"(1) make an indispensable contribution to higher education and research;

"(2) are broadly based, recognized as having national or international significance for scholarly research; and

"(3) are of a unique nature, not widely held and of such significance that fairly substantial demands are made upon the institution by outside researchers and scholars.

"(b) Institutions receiving grants under this part shall be ineligible to also receive part A basic grants authorized by section 202.

"Sec. 234. The Commissioner shall establish criteria designed to achieve a reasonable regional balance in the allocation of funds under this part.

"Sec. 235. No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity.

"Sec. 236. Each institution which receives a grant under this part shall periodically inform the State library agency and the State agency (if any) concerned with the educational activities of all institutions of higher education in the State in which such institution is located, of its activities under this part.".

Sec. 3. Section 232 of the Higher Education Act of 1965 (20 U.S.C. 1042) is redesignated as section 237.

DEPENDENCE ON FOREIGN OIL

Mr. TAFT. Mr. President, I call to the attention of our colleagues an article in the New York Times of April 5, entitled "United States Depends More Than Ever on Imported Oil."

This dangerous trend will only accelerate as our rapid economic recovery continues. The article quotes the opinion of the Chase Manhattan Bank that our increased dependence would be even worse were it not for the fact that "energy use in 1976 will be slightly below 1973, despite a somewhat higher level of economic activity." This greater efficiency in the use of energy is "a natural response to much higher energy prices."

I am firmly convinced that this natural market response would have worked as well, or better, without the disastrous energy policy and conservation act of 1975. Furthermore, we would not simultaneously have discouraged domestic exploration for oil and gas.

The Times concludes:

> "Congress is unlikely to develop a comprehensive alternative energy policy" to replace the need for energy independence. "The Democratic majority tried in 1975 and found the job too complex and politically delicate. Now the legislators have settled back to dealing with energy piecemeal."

The Times is wrong. We are not dealing with the energy problem at all.

I ask unanimous consent that the Times article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

United States Depends More Than Ever on Imported Oil

(By Edward Cowan)

Washington.—In January, Government figures show, Arab countries supplied just over two barrels of every five barrels of crude oil—nearly 41 percent—imported into the United States. In September 1973, the month before the start of an Arab states embargo on oil shipments to the United States, the Arab shore of American crude oil imports was 31 percent.

The January, 1976, ratio may exaggerate the trend, but there is no mistaking it. Two years after the five-month embargo forcibly introduced Americans to the idea of "energy independence," the United States is more dependent than ever on foreign oil. According to the Chase Manhattan Bank, imports provided 39.1 percent of all supplies in November-January, as against 37 percent a year earlier.

In the simplest terms, the reasons are clear. The American appetite for energy is growing as the economy grows, albeit at a slower rate than before the embargo, evidently because prices are higher and more people are more aware of energy conservation. Before and after the embargo, the United States has been unable to match growth of domestic energy supplies to growth of consumption. Production of natural gas and crude oil have been falling for several years. Expansion of coal and nuclear power has been slowed by uncertainty about the growth in future demand for electricity; by environmental issues; by greatly increased capital costs, and by spreading concern about nuclear safety.

So, as consumption rises, the country imports oil. Imports now stand at more than six million barrels a day of crude and refined products; they have never been that high and they are rising. Although almost all oil-exporting states have unused production capacity, the country that has the greatest potential to expand output to meet growing demand now is Saudi Arabia. In ten years, there may be major new non-Arab sources of oil—China, for one—but for the next half decade at least Saudi Arabia, Iraq and possibly quasi-Arab Iran will be the chief sources for additional world oil supplies.

The inevitable questions of those who stopped paying attention to energy developments when the lines of cars at filling stations disappeared two years ago are, "What's going on? Didn't we learn anything? Are we setting ourselves up for another embargo?" One answer might be, "It could be worse." The Federal Energy Administration calculates that in the four weeks through March 12, demand for all petroleum products averaged 17.66 million barrels a day. That was up 3.4 percent from demand for the same period a year ago, when the recession was just turning around, but only 0.2 percent higher than in 1973.

In other words, the country is using energy more efficiently. The Chase Manhattan Bank's latest oil letter anticipate that "energy use in 1976 will be slightly below 1973, despite a somewhat higher level of economic activity." Calling greater efficiency "a natural response to much higher energy prices," the bank estimates that response is saving the country one million barrels of oil a day, or roughly $4 billion a year in oil imports. The Federal energy agency's recently published "National Energy Outlook," estimates that because of the five-fold increase in energy prices in 1973–75, the annual growth rate for energy consumption in the next 10 years will be 2.8 percent, down appreciably from the pre-1973 rate of 3.6 percent.

But in the short term, the country's need for imported oil is growing. Whether it should be allowed to do so over the longer term is a question that underlies several discrete energy issues. The energy agency's report maintains that policy actions can determine whether 1985 imports drop to 1.7 million barrels a day or climb to more than 11 million barrels. Key decisions will involve continuation of price controls on oil and natural gas. The Administration contends controls suck in imports by encouraging consumption and holding back domestic production. Also at issue are the rate of offshore leasing, development of shale under Government-guaranteed loans, expansion of coal production, and acceleration of Federal efforts to solve current nuclear power fuel recycling and waste dispostal problems, including construction of a breeder reactor.

With imports at 1.7 million barrels a day, and all of those barrels coming from Venezuela, the United States would be "invulnerable" to foreign pressure, the document notes. The statement is a tacit prediction that Venezuela would not dare cut off the United States. The question that the agency's report doesn't examine, and that the Administration hasn't examined publicly in the two years since the embargo, is whether even an import level of six million barrels a day—the probable mean in 1985—is worth what it would cost.

The price would come in Federal spending and project underwriting, in environmental damage to Western shale and coal regions, in increased air pollution, in the risks of widespread use of plutonium as a reactor fuel, and in higher energy prices and profits to pay for the tremendous investments in offshore drilling, railroad coal cars and shale oil recovery.

Indeed, some experts argue that importing oil is the cheapest way to meet energy needs of the next 10 years. Their argument is based on this scenario: By 1985, oil imports will have climbed 10 million barrels a day. There will be no new embargo, and only small price mark-ups by the 13-nation Organization of Petroleum Exporting Countries that will probably be in line with inflation generally, and perhaps a bit less. Offshore drilling in the Atlantic may well prove disappointing, and nuclear power will continue to lose ground to coal-fired power. And despite so-called advanced recovery techniques in old fields, domestic oil production will never reverse the downward trend that began in 1971.

If that scenario is the correct one, there will be in 1985 some loud "I-told-you-so's" from the Administration's 1976 critics. But no politician is willing now to stake his personal, and his party's reputation, on predictions that there will be no Arab oil embargo if there is not another war in which America helps Israel, or that the oil producers cartel will make only modest and gradual price increases, no matter how much the United States imports.

Some politicians do say publicly that by accelerating conventional energy development, the Government is likely to succeed only in spending a lot of money without making an important difference in 1985 oil imports or national security. Indeed, the "national energy outlook" acknowledges that demand growth and imports are likely to turn up after 1985. What no one is willing to argue is that the United States should forget about shale and plutonium and turning coal into synthetic gas, take its chances with imported oil for the next 15 or 20 years and meanwhile focus its efforts on developing the promising but uncertain energy sources of the next century—sunshine, nuclear fusion, the heat of the oceans and the earth.

The risks of such a course are incalculable. For that reason, no future President is likely to renounce "energy independence," although its meaning already has been modified by the President now in office and may well be again. For that reason, Congress is unlikely to develop a comprehensive alternative energy policy. The Democratic majority tried in 1975 and found the job too complex and politically delicate. Now the legislators have settled back to dealing with energy piecemeal. In view of the disparate interests of their constituents, perhaps nothing more could have been expected.

FILM FOCUS ON HOME HEALTH

Mr. WILLIAMS. Mr. President, Congress has given increasing attention to in-home health and related services as one means of reducing our current overdependence upon costly institutional care.

As a member of the Senate Committee on Aging and as its former chairman, I have been particularly concerned about the special importance of home health care to older Americans.

So many of our seniors have more than one ailment, and yet they can manage at home with just the right amount and kind of help from others.

The visiting nurse or homemaker can make the difference between semi-independence in familiar living quarters or the uprooting of a person for placement in a hospital or nursing home.

Impressive as the value of home health services may be, great efforts must still be made if present and potential demand is to be met. What is needed is a change in medicare policies to encourage, rather than discourage, in-home services. What further is needed is greater public and professional awareness of the need to establish agencies where they do exist and encourage their development where they do not.

I was pleased, therefore, when Peter M. Shields, executive director of the Union County, N.J., Office on Aging informed me recently of a community-based effort to inform the public of the fine work done by visiting nurses in 15 Union County communities.

A 3-year-old program in that county is now providing services to 5,000 people; it is conducted in cooperation with the county office on aging, the Elizabeth Housing Authority, and the Visiting Nurse and Health Services of Elizabeth. To spread the word about the Union County program, the New Jersey Nurses Association has produced a film which will, I am sure, be helpful to persons in other communities where home health services are needed.

An article in the March 9 New York Times describes the film and the home health program. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FILM DEPICTS HOME CARE FOR THE ELDERLY

(By Joan Cook)

ELIZABETH.—A film demonstrating how visiting nurses help the elderly to maintain their health and avoid costly institutional care has been produced for the New Jersey Nurses Association.

The 27½-minute movie focuses on the Elizabeth-based Visiting Nurse and Health Services, which provides care for approximately 600 residents of Farley Towers, Kennedy Arms and Ford-Leonard Towers here.

The group's innovative three-year-old program includes individual counseling in the health office of each apartment building at no charge to residents, following visits and referrals to physicians and clinics. The purpose of the film is to instruct nurses in other counties and states on how the program operates in the hope that it will spread.

The program, conducted in cooperation with the Union County Office on Aging and the Elizabeth Housing Authority, is one of several kinds of specialized care provided by the Visiting Nurse and Health Services, which also furnishes 40,000 home visits to 5,000 people in 15 Union County communities each year.

"It's a wonderful program, it's done a great deal for all of us in the building," said Muriel Craig, president of the Kennedy Arms Tenants Association.

Mrs. Craig, a 76-year-old widow, said that the association's 175 members almost always found something to complain about at monthly meetings but never about the nurses.

"They keep our spirits up and encourage everyone to take an interest in themselves and in the world around them," she said.

PERIODIC CHECKS MADE

Periodic checks are made for high blood pressure, diabetes, and sight and hearing difficulties. Special meetings are arranged for discussions of such subjects as arthritis, nutrition and glaucoma.

"Sometimes we'll get together and talk about whatever comes to mind, what someone's doctor said or what another person read about acupuncture and things like that," Mrs. Craig said. "The hour goes by so quickly, you wish it could be longer."

"When I first went to Kennedy Arms, I had to go out and do a lot of walking around; the tenants didn't come to me,' said Anne Stephens, the community health specialist in charge. "Now they do. They come and bring their friends."

The program is open to the elderly in neighboring communities, many of whom come to the project for lunch and stay for the health program.

"We try to get everyone busy and active because we feel they feel better if they are independent," Miss Stephens said.

"It may merely be a matter of cutting red tape. A woman came to me recently who had gone to a nearby hospital to volunteer as an aid to the blind. Her husband had lost his sight before he died, and she felt that she could help others as she had helped him. Instead, the hospital wanted to put her to work as a cashier. With one phone call, I was able to straighten the whole thing out."

Mis Stephen's staff comprises Jo Cluba, a nursing assistant; Dr. Pilar Tan, a medical consultant; Donna D'Amato, a registered nurse who serves as nutrition consultant and conducts "eat-ins" to dramatize ways to eat well and still stick to a proper diet; and Ellen Garstadt, a registered nurse who is a mental health consultant.

The idea of having nurses keep regular hours on the premises one or two days a week originated with Rosemary Cuccaro, executive director of the visiting nurse and health service, according to Miss Stephens.

"She felt that seeing people only when they asked for help really wasn't meeting their overall health needs," Miss Stephens said.

"Each apartment building is autonomous; the three are all in Elizabeth, but they aren't even close to one another. Each has its own tenant advisory committee to insure that tenants have regular access to the program."

The film has been produced and is being distributed by Al Peterson, president of Cinema 65 Inc. of New York, with a grant from Schering Laboratories, a division of the Schering-Plough Corporation, a pharmaceutical house.

AMBASSADORIAL APPOINTMENTS

Mr. MATHIAS. Mr. President, on March 29 I offered an amendment to the State Department authorization bill which will guarantee that 75 percent of all Ambassadors will be appointed from the professional Foreign Service and which limits to 25 percent the number of noncareer ambassadorial appointments the President may make. I am gratified that the Senate adopted this amendment as part of the State Department authorization bill now pending before the House International Relations Committee. I hope the House committee will share my conviction that this amendment provides for a reform that is both important and overdue, and I hope that they will retain it in the final version of the bill.

There have been several previous attempts in the Senate to put a limit on noncareer ambassadorial appointments. I proposed an earlier version of this amendment, asking that a limit of 20 percent be placed on noncareer appointments, which passed the Senate on October 2, 1974, but which did not survive conference at that level. This was followed on January 17, 1975, by my bill, S. 202, and by a Foreign Relations Committee proposal of February 18, 1975, both designed to reduce the number of political appointments in U.S. ambassadorial ranks. These, too, were considered by committee, but not adopted.

Earlier, in November 1973, in the wake of a particularly flagrant bartering of an ambassadorial post, Senator J. William Fulbright, then chairman of the Senate Foreign Relations Committee, drew up criteria which he thought might introduce some professionalism into procedures for confirming Ambassadors. Among these was a recommendation that a percentage limit be set on noncareer ambassadorial appointments.

At that time Thomas D. Boyatt, then chairman of the American Foreign Service Association, said, in commenting on the proposal:

> With very few exceptions this country has not been well served by those ambassadors whose sole and primary qualification for that office has been their level of contribution to the party in power . . ."

Senator Fulbright's guidelines also died in committee.

It seems to me particularly important in a Presidential election year, when prominent citizens are being solicited for money and support, that we make it unmistakably clear that U.S. ambassadorships cannot be promised, peddled, or purchased.

Reform of the campaign finance laws has virtually eliminated the possibility of ambassadorships being purchased outright for large sums of money as has been common in the past.

But just placing limitations on the size of political contributions does not insure that political influence and personal fortune will not play a disproportionate role in the determination of who will fill the critical position of U.S. Ambassador.

In fact, as recently as January 22, 1976, the number of career and noncareer ambassadors serving in Europe was exactly even—11 career to 11 noncareer, 7 vacancies. Since political appointees generally prefer comfortable European assignments these statistics are perhaps more revealing than the less dramatic worldwide statistic which is that, at the present time, 28 percent of all U.S. Ambassadors are noncareer.

Surprising as it may seem, the present 50-percent figure for noncareer ambassadors in Europe is an improvement over the recent past. During the first Nixon administration, 77 percent of the U.S. Ambassadors serving in Europe were political appointees. Since World War II, the lowest the figure for noncareer Ambassadors in Europe has ever been was

44 percent during the Eisenhower administration.

The world we live in today is far too complex and too fraught with danger to permit us the dubious luxury of placing any American Embassy abroad—no matter how small or seemingly insignificant—in the hands of an Ambassador who is not qualified. The governing criterion for appointment of all U.S. Ambassadors—whether career on noncareer—must be merit.

By adopting the Mathias amendment to the State Department authorization bill, Congress will be taking a crucial step toward insuring that the men and women selected to serve as U.S. Ambassadors abroad will be the best and most experienced people available to serve their country. It will provide greater scope for career foreign service officers to reach the top of the very demanding profession to which they have dedicated their lives.

It would also be my hope that this amendment and the wider latitude it would provide for career ambassadorial appointments will encourage the President to broaden his ambassadorial selection process and to draw more heavily from the ranks of foreign affairs agencies other than the State Department. Specifically, I would like to see more ambassadorial positions being filled by people from the U.S. Information Agency and USAID. Regrettably, these agencies now have little more than token representation at the top despite the fact that their people are performing outstanding service throughout the world.

By allowing 25 percent of ambassadorial appointments to remain noncareer, my amendment gives the President the option of choosing a significant number of Ambassadors from Americans in private life, but, by highlighting the importance of qualifications and training, it suggests to the President that noncareer appointees should meet the same high standards as officers of the career service.

There is no doubt that this country has benefited enormously from the talents of many of its noncareer ambassadors. Consider only the unparalleled contributions of Benjamin Franklin, John Adams, and John Jay, who presided over the birth of our foreign policy, or, to be more up to date, think how indebted this Nation is to the diplomatic talents of Averell Harriman, David Bruce, and John Sherman Cooper.

No one would wish to deprive the Nation of service such as this. But our country also has suffered at the hands of Ambassadors whose sole qualification for the job was a political contribution. It is embarrassing to recall that not too long ago the Senate confirmed as Ambassador a man who did not even know the name of the prime minister of the country to which he had been appointed.

My amendment seeks to end this sort of abuse of the diplomatic service and to promote merit selection of both career and noncareer Ambassadors. It seeks to insure that those best versed in the art of diplomacy are put in the position to practice that art. I sincerely hope that at last this amendment will become law.

THE NEED TO ANALYZE THE IMPACT OF FEDERAL BORROWING ON FINANCIAL MARKETS

Mr. PEARSON. Mr. President, an article that appeared in the April 6, 1976, edition of the Wall Street Journal entitled "Crowding Out, Revisited," serves to emphasize the important impact of Federal fiscal policies on the availability of capital for private investment. I continue to be concerned by the fact that we do not pay sufficient attention to the possibility that Government borrowing to cover huge deficits forces private borrowers out of the credit market. If this is the case, and there is a body of evidence suggesting just that, the resultant reductions in capital investment offset, or possibly even reverse, the presumed stimulative effects of deficit spending.

Earlier in the 94th Congress, I introduced S. 1735, a bill to require both the administration and Congress to provide estimates regarding the potential impact of budget deficits and Government borrowing on financed markets. My bill would create a permanent mechanism requiring Congress and the executive branch to address on a continuing basis the impact of Federal deficits on the economy.

Total capital need in the decade of the 1970's is estimated at $1.5 trillion. Government expenditures will either reinforce or frustrate the ability of the private sector to raise the money it needs to sustain and generate economic activity. It is for this reason that we must have a clear understanding of what the projected impact of the financing of the Federal deficit will be.

Mr. President, I ask unanimous consent that the Wall Street Journal article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CROWDING OUT, REVISITED

Last spring these columns conducted an extensive discussion of "crowding out"—the possibility that government borrowing to cover huge deficits would force private borrowers out of the credit markets, reducing capital investment and offsetting or even reversing the supposedly stimulative effects of deficit spending. Readers who remember the discussion may wonder how matters turned out.

The short story is that the economy ended up on the less painful horn of the dilemma. With the Federal Reserve so far pursuing the relatively tight monetary policy our series of editorials urged, we have not so far had a quick renewal of double-digit inflation and an aborted recovery. But anyone who thinks this is a basis for dismissing the crowding out argument ought to notice that as a percentage of GNP private investment fell to the lowest point since the Great Depression.

The long story is more complicated and, we would admit, more equivocal. But with a bit of patience, it can be instructive.

The crowding out argument is based on the observation that borrowing must be financed by savings, and that government borrowing to cover deficits competes with private borrowing to finance capital investment. With huge deficits impending last spring, we compiled a few forecasts on savings and borrowing, and found that since they did not add up to a balanced equation something had to give. The 1974 numbers, our "predictions" of last spring for 1975 and the actual 1975 preliminary results are given below:

INVESTMENT AND DEFICITS

[Percent of GNP]

Year	Investment	Deficit	Total
1975p	12.2	4.2	16.4
1974	15.1	.3	15.4
1973	16.9	−.5	16.4
1972	16.1	.3	16.4
1971	15.0	1.7	16.7
1970	14.3	1.0	15.3
1961	14.2	.8	15.0
1958	13.8	2.6	16.6
1954	14.4	1.9	16.3
1949	13.7	1.3	15.0

Note: Gross domestic private investment and Government sector deficit as a percentage of gross national product in recent years and in postwar recession years.

The comparison of the "predictions" with the actual results shows how the equation was ultimately balanced (except for statistical error). The results include two surprises. The first is that instead of the inflow of petrodollars most forecasters expected, there was a sizable net outflow of investment funds. The second surprise was the strength of business savings—profits plus depreciation allowances—in the face of the recession. This was largely the result of the slowing rate of inflation and the large inventory liquidation. Less of business cash flow was soaked up replacing inventories at ever higher prices, leaving more savings for actual investment.

Personal savings rose from our initial estimates, but not enough to come close to closing the "gap" in the original equation. Some Keynesian economists had predicted that the deficit would stimulate the economy and increase savings enough to finance the deficit. This did not happen.

Finally, investment did fall substantially below the predicted level. There is no conclusive mathematical way to determine whether this represents the crowding out we predicted, whether it is a natural result of the severity of the recession, as some of our critics contended, or perhaps some of both.

Those who have dismissed crowding out point out that interest rates fell during 1975. But the interest rates that fell are nominal rates, and the interest rates that influence investment are real rates, exclusive of inflationary premiums. With the Fed's reasonably tight monetary policy, the astronomical inflation premiums of 1974 were squeezed out. But surely the huge federal borrowing kept the real rate higher than it otherwise would have been.

While the chicken-and-egg question may never be entirely answered, a look at what went on in the credit markets during 1975 does suggest some crowding out, particularly of housing investment. Interest rates remained higher than in any previous recession. The housing industry hit rock bottom, and, the corporate bond markets remained closed to all but top-rated borrowers.

As Salomon Brothers put it in its yearly flow-of-funds analysis, credit demands fell during 1975, and would have fallen further without the Treasury borrowing. But, "This is *not* to say that the huge Treasury requirements were wholly satisfied out of a shortfall in private credit demands. The levels of interest rates that prevailed intermittently throughout the year suggest that the Treasury's financing had supplanted some interest sensitive private credit demands, and thus to some significant extent offset the intended stimulative effect on economic activity."

In short, crowding out did occur, at least to some degree, even in 1975, at the depth of the deepest recession since World War II.

In fact, a look at past recessions and other recent years is instructive. The total of investment plus deficit, (or to look at the other side of the equation, total savings) is a remarkably constant percentage of GNP. The division of this between investment and deficit varies, either because the deficit "crowds out" investment or "fills in" a natural fall in investment.

SAVINGS AND INVESTMENT

[In billions of dollars]

	Investment	Deficit equity	Business savings	Personnel savings	Foreign investment
1974	212.2	3.6 215.8	141.6 218.4	+74.0	+2.8
1975??	205	70 275	150 240	+80	+10.0
1975-p	183.3	63.5 246.8	174.8 251.4	+89.6	−13.0

Note: Savings and investment equation for 1974, the estimate for 1975 propounded as irreconcilable in these columns last spring, and actual preliminary results for 1975. Data source: "The Economic Report to the President," 1976, table B–18.

What cannot be denied is that in 1975 gross private domestic investment was 12.2% of GNP, the lowest rate in the post-war period. Most of the fall, admittedly, came in inventories and housing. Neither of these is irrelevant to future economic growth but they are not as essential as fixed non-residential investment, that is, factories and machines. This amounted to 9.9% of GNP, not a post-war low, but below the 10.4% average for the past decade. Fixed investment was far below the 12% a Department of Commerce study concludes is needed to meet the legally established anti-pollution and energy independence goals and still provide full employment in 1980.

It is all very well for the Keynesians to tell us that the way to make up the shortfall in investment is to stimulate the economy and return to full employment rapidly. But how? Not by their standard prescription of a bigger deficit, if the above numbers have any meaning. Assuming for the moment that deficits can stimulate to begin with, the numbers suggest they can stimulate only to the extent they fill in a naturally occurring fall in investment. Otherwise they not only fail to stimulate, but detract from investment and future growth.

From the evidence that some crowding out did occur even in 1975, we can conclude that those limits were exceeded by that year's federal deficit of about $70 billion. With recovery under way in 1976, the deficit will remain in the $60 billion range. The recovery has been faster than expected so far, but its continued health will depend on a pickup in the lagging sectors, namely housing, inventory accumulation and capital investment.

Even if there is something to Keynesian stimulation to begin with, we are surely out of the range in which additional doses will do much good even in the short run. The worry, rather, is what the present doses are likely to do to investment and growth over the next five or ten years. Lord Keynes notwithstanding, the long run is something most of us will live to see.

SOVIET ACTIVISTS SUPPORT FREEDOM OF EMIGRATION LEGISLATION

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by 57 leading human rights activists inside the Soviet Union. Their support for our legislative initiative in the Freedom of Emigration Amendment to the 1974 Trade Act remains firm and consistent.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MESSAGE OF GRATITUDE FOR LINKING TRADE AND EMIGRATION SENT TO UNITED STATES CONGRESS

In a statement to the United States Congress, fifty-seven leading Soviet Jews have expressed gratitude for the linkage of trade and emigration and have credited Congress' action with the emigration of tens of thousands of Jews from the Soviet Union. The statement, dated February 12, 1976, was presented to the press in Moscow and received by the Washington Committee for Soviet Jewry. It reads as follows:

"To the Congress of the United States:

"We want you to know how much we appreciate the assistance you have provided to us. As a result of this assistance, emigration became possible for many Jews.

"Lately, we have been hearing critical comments regarding the establishment of a linkage between the trade treaty and emigration. According to these comments, the linkage is not useful and, on the contrary, is counterproductive. We do not intend to become involved in your internal affairs. It is quite possible that many people in the U.S. believe that this linkage was not useful to the U.S. However, reports have reached us that some people consider that it was harmful for us also.

"This is far removed from the reality of the situation. It is very difficult to change our condition by one specific action. But we think that specific actions by the Congress of the U.S. connected with foreign trade forced the Soviet government to suspend its sinister plan to smother Jewish emigration using a tax on education, and in this way helped the emigration of tens of thousands of Jews. At the same time, it seems to us that statements by some leading representatives of the American administration that support of Soviet Jews by the American Congress would lead to the worsening of their situation, were among the most important factors that made the Soviet leadership confident that it can, with impunity, continue repression and blackmail intended to smother emigration.

"We believe that an opportunity for further improvement in the issue of emigration is connected not with declarations and statements of sympathy but with specific actions such as the U.S. Foreign Trade Act. We hope that the support which the Congress provides to the cause of the struggle and realization of the right of free emigration will continue and strengthen."

Signed:

MOSCOW

A. Lerner
V. Rubin
V. Slepak
A. Sharansky
D. Beilina
I. Beilin
M. Azbel
V. Brailovsky
M. Mikulinsky
M. Shepelev
O. Kornilova
I. Nudel
V. Schakhnovsky
L. Ulanovsky
L. Gendin
Z. Tesker
L. Tsypin
I. Essas
V. Prestin
P. Abramovich
M. Chait

N. Meyman
D. Samoilovich
L. Shabashov
A. Rakhlenko
Y. Baras
F. Kandel
S. Lipovsky
N. Tolchinsky
A. Polishuk
A. Koltunov
M. Novikov
Yu. Kosharovsky
V. Fain
E. Sirotenko
E. Smordinskaya
I. Begun
R. Feldman
Yu. Gelfand
A. Druk
V. Lazaris

LENINGRAD

G. Yoffe
G. Sokiriansky

TOILISI

I. Goldstein
G. Goldstein

ODESSA

L. Lenchik
B. Bronfman

KISHINEV

M. Abramovich
Yu. Shekhtman

MINSK

L. Ovsischer
Y. Davidovich

VILNIUS

V. Rayz
P. Adamsky

KIEV

V. Kislik

VINNITSA

M. Mager

TALLIN

B. Gurfel

RIGA

V. Kaminsky

CELEBRATION COMMEMORATING THE 100TH ANNIVERSARY OF DR. ALBERT RIDGELEY

Mr. BROOKE. Mr. President, I am pleased to note the recent celebration commemorating the 100th anniversary of the birth of Albert Ridgeley. Dr. Ridgeley's life of distinguished service to his alma mater, Howard University, where he taught anatomy for a number of years; his distinguished service to his country as one of the first black medical officers in the U.S. Army during World War I; and his deep and abiding love for young citizens of his community stand as an exemplary model during this Bicentennial Year. Dr. Ridgeley's life attests to the possibilities for participation at all levels of American society by all peoples. His ability as a teacher inspired generations of doctors to give higher and more competent service to the communities which desperately needed their attention.

Today, proud generations of his decendants honor him, cherish his memory, and recall with great fondness his depth of commitment, his dignity, his devotion to his work, and his warmth and generosity of spirit. This black America's contribution, not only to his community but also to his country, should serve to remind us that the contributions of individual black citizens deserve in this, and every year, wider recognition and emphasis.

I was privileged to know Dr. Ridgeley, and I have high esteem and respect for his family.

Mr. President, I ask unanimous consent to have printed in the RECORD a celebration commemorating the 100th anniversary of the birth of Dr. Ridgeley.

There being no objection, the celebration was ordered to be printed in the RECORD, as follows:

A CELEBRATION COMMEMORATING THE 100TH ANNIVERSARY OF THE BIRTH OF ALBERT RIDGELEY (1876–1939)

This Celebration was initially planned as a simple family observance of the 100th anniversary of the birth of Dr. Albert Ridgeley. Because 1976 is the Bicentennial of this country's birth, and because the contributions of individual Black Americans deserve wider recognition and emphasis, the family decided to share the occasion with others who might wish to participate.

The seven daughters of Dr. and Mrs. Albert

Ridgeley are sponsoring the Celebration with two purposes in mind. One is to provide an opportunity for members of the family, friends, and some of Dr. Ridgeley's former students to gather and view selected pictures, documents, and mementoes relating to Dr. Ridgeley's life, career, and family. The other purpose is to encourage voluntary, tax-deductible gifts to the Howard University College of Medicine in commemoration of the contributions made by Dr. Ridgeley.

To Howard University, as an associate professor of anatomy for over a quarter of a century;

To the Washington, D.C. community, as a physician and as a medical inspector in the public schools; and

To the nation as a medical officer in the National Guard and the U.S. Army, including overseas service in World War I.

We wish to express our gratitude to Dr. Marion Mann, Dean of the College of Medicine, and Dr. Lee V. Leak, Head of the Department of Anatomy, for making the facilities of the College available for this Celebration, and to the members of their staffs for their valuable assistance in preparing the exhibits.

We are indebted to the Afro-American Bicentennial Corporation for the use of their skills and equipment in the preparation of photographic exhibits and printed materials.

Finally, we wish to thank our many relatives and friends who so graciously agreed to contribute in many ways toward the success of this Celebration.

ALBERT RIDGELEY, M.D., 1876–1939: A BIOGRAPHICAL SKETCH

Shortly after the Civil War, French Jackson and his wife, Jane, moved from Amissville, Virginia to Alexandria, Virginia, where he worked as a shoemaker on Princess Street near Pitt. One of their daughters, Nettie, married Henry Ridgeley. They were the parents of Albert Ridgeley, born in Alexandria on February 22, 1876, and Edward A. Ridgeley, born July 2, 1878.

Education

After attending elementary school in Alexandria, Albert Ridgeley continued his education in Washington, D.C., where he graduated from high school in 1892 and from normal school in 1893. His diplomas from those schools refer to them as "Washington High School, 7th and 8th Divisions," and "Washington Normal School, 7th and 8th Divisions." The high school graduating class consisted of 8 male and 46 female students.

During those years the high school was located in the Miner building at 17th and Church Streets until June, 1891. In September of that year, the school moved into the M Street building, on M Street, N.W., between First Street and New Jersey Avenue. In 1916, the school moved into the new Dunbar building.

Beginning in 1888, military instruction was given to boys in the high schools. But it was not until 1892 that the high school cadets made their first public appearance, when they gave an exhibition drill at the Metropolitan Baptist Church, to raise funds for the purchase of equipment and to provide a purse for the instructor, Captain Arthur Brooks. Only one cadet company existed at that time; it was commanded by Captain Albert Ridgeley. The cadets wore borrowed uniforms and carried wooden guns. The cadet corps was formally organized in November, 1892, when the federal government began lending arms and equipment to colleges and high schools.

Following his graduation from normal school in 1893, Albert Ridgeley was employed as a teacher in the public schools of the District of Columbia. He taught in an elementary school in the Brightwood section of the city. At the same time, he attended evening classes at Howard University's Medical School, from which he received his M.D. degree in 1900. He resigned from the school system the day after his graduation from medical school.

Medical career

In the years immediately following his graduation from Howard, Dr. Ridgeley began the practice of medicine in Washington, D.C. He was also a member of the faculty of the Freedmen's Hospital Training School for Nurses, and he served as a demonstrator of anatomy at the Howard Medical School.

The year 1907 was an important milestone in his life. In July of that year he became an Associate Professor at the Medical College. In a letter to his fiancee, Miss Grace Pleasants, he noted that the appointment would result in "not very much salary, but a very big honor." Another letter to his fiancee, dated October 15, 1907, said, "Congratulations are in order, as I was this morning appointed a Medical Inspector in the schools here as a result of the examination held a month ago." On October 30, 1907, he and Miss Pleasants were married in Montreal, Canada.

Except for the period when he was in military service during World War I, Dr. Ridgeley taught anatomy to every graduate of Howard University Medical College over a span of thirty-odd years. At the time of his retirement from the University in 1934, he recalled that for most of the years of his service, until a technician was appointed and trained, he had sole responsibility for the embalming and preserving of all anatomic material—a task which frequently required work on Sundays and holidays and during vacations.

He also noted that during the transition from evening to day classes, members of the faculty had to conduct two sets of daily classes. During a period when there was no professor of anatomy, Dr. Ridgeley and Dr. Charles I. West jointly carried on the work until a suitable successor was appointed.

In 1942, Dr. Ridgeley's widow donated his books to the Library of the School of Medicine. In acknowledging the gift, the Medical Librarian, Josephine Morton, had this to say about Dr. Ridgeley:

"His name is frequently mentioned in connection with his ability as a teacher, and for the fine contribution that he made in the development of our Department of Anatomy. . . . Dr. Ridgeley was himself not only inspired, but he possessed that rare quality of being able to pass that inspiration on to those with whom he came in contact."

When Dr. Ridgeley began to work as a medical inspector in the public schools, the work consisted primarily of controlling contagion—that is, excluding children with contagious diseases. Subsequently, clinical examination of kindergarten and first grade pupils were introduced. In the 1920's, examinations were extended to students in higher grades. Still later, the medical inspectors were examining all employees of the Board of Education and all applicants for appointment and retirement, in addition to the school children. Salaries increased from $400.00 per year in the early years of the century to $1,800.00 by 1937, the year in which Dr. Ridgeley retired from the public schools.

In addition to his duties as a teacher and medical inspector, Dr. Ridgeley engaged in private practice until his retirement in the 1930's. He was a member of the Medico-Chirurgical Society of the District of Columbia, and was one of the 12 members who signed the Society's second certification of incorporation on March 1, 1917. He was also an active participant in the convention of the National Medical Association held in Washington, D.C. in August, 1922.

Military career

Dr. Ridgeley joined the First Separate Battalion of the District of Columbia National Guard in about 1904. He was commissioned as a First Lieutenant in the Medical Corps in 1909, and as a Captain in 1915. He saw active service on the Mexican border at Naco, Arizona, in the summer of 1916. At that time, the Medical Corps consisted of 5 officers and 21 men.

In World War I, when the National Guard was called into federal service, the First Separate Battalion was made part of the 372nd Infantry. The unit sailed for France in March, 1918 and remained there for almost a year. During that period, the 372nd was made part of the 333rd French Division and participated in the Meuse-Argonne offensive. It was later sent to Metz, where it served with the 14th French Army until the end of the war.

In 1937, Dr. Ridgeley was retired from the National Guard with the rank of Major. When he died in September, 1939, he was given a full ceremonial military funeral with burial in Arlington National Cemetery.

Family

On October 30, 1907, Dr. Albert Ridgeley was married to Miss Grace Pleasants, the daughter of James H. Pleasants of Washington and Mrs. Laura Stamps Wilson of Montreal, Canada.

Today (February 1976) there are 45 living descendants of Dr. and Mrs. Ridgeley: 7 daughters, 13 grandchildren, and 25 great-grandchildren. Their names are listed on the following pages.

Five of the daughters attended Howard University, and four (Elaine, Gheretein, Mazie, and Charlotte) are graduates.

Two grandsons are also Howard graduates (Joseph Charles Drew and Michael Anthony Proctor). One grandson (Michael Proctor) is a graduate of Howard University College of Medicine.

DESCENDANTS OF ALBERT AND GRACE RIDGELEY

Elaine Ridgeley (*Mrs. Larz A. Grymes*)

Child

Albert Ridgeley Grymes.

Grandchildren

Lisa Elaine Grymes, Christian Ridgeley Grymes, Daniel Larz Grymes.

Grace Ridgeley (*Mrs. Joseph L. Drew*)

Children

Richard Albert Drew (d).
Joseph Charles Drew (Jay).

Grandchildren

Sharon Grace Drew (Shari), Cathleen Rosetta Drew (Cathy).

Child

Eric Ridgeley Drew.

Grandchildren

Erin Renee Drew, Lynne Michelle Drew, Patrice Lorraine Drew, Eric Michael Drew, Graciella Cecilia Drew.

Gheretein Ridgeley (*Mrs. Dwight H. Wilson*)

Child

Dwight H. Wilson II.

Helen Mazie Ridgeley (*Mrs. Louie Chaffin*)

Charlotte Ridgeley (*Mrs. Burton W. Lewis*)

Child

John R. Pinkett III.

Albert Ridgeley (*Mrs. M. A. Lockhart*)

Margaret Ridgeley (*Mrs. Maurice Welsh*)

Child

Maurice Ridgeley Welsh.

Grandchildren

Gary Ridgeley Welsh, Toni Michelle Welsh, David Allan Welsh.

Child

*Michael Anthony Proctor.

Grandchildren

Michael Anthony Proctor, Jr., Mark Alexis Proctor, Matthew Alexander Proctor, Martin Austin Proctor.

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*Adopted and reared by other members of family.

Child

*Anita Charlotte Chaffin Brown.

Grandchildren

Shane Dominick Brown, Vicki Ridgeley Brown.

Children

Bertram Young Welsh.
Janet Welsh Wood.

Grandchildren

Cathy Renee Wood, Monica Valerie Wood.

Child

Judy Welsh Isreal.

Grandchildren

Taryn Monique Isreal, Noel Alexander Isreal.

Child

Elise Linda Welsh Hackey.

Grandchildren

Annette O'Shea Hackey, Stephenie Marie Hackey.

Child

Nanci Marie Welsh.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it troubles me that so much consideration has been given to the objection that the Constitution prevents ratification of the Genocide Convention because genocide is a "domestic" matter. There is nothing in our Constitution that prohibits us from accepting a treaty which has been accepted by 82 other nations of the world.

Genocide is without a doubt a matter of international concern, and is, therefore, a proper subject of the treaty-making power. The wholesale destruction of a racial, religious, or national group in one country has an effect on members of such a group in other countries, stimulates demands for intervention, and inevitably upsets international relations. The nations which have ratified the Convention certainly consider genocide a matter to be handled by an international, not a domestic, procedure.

The United States has shown that it agrees with the view that the protection of human rights is a matter of international concern by ratifying many treaties designed to insure the basic rights of all persons. These treaties include the Slavery Convention of 1926, the Supplementary Convention of Refgees, and most recently the Women's Rights Treaty. As former Supreme Court Justice and U.N. Ambassador Arthur Goldberg said:

> The constitutional arguments against the Convention are indeed . . . anachronistic and without foundation in law.

Mr. President, we will do our Nation and the entire world a great service by ratifying the Genocide Convention as soon as possible.

PROLIFERATION OF AGENCIES, BUREAUS AND COMMISSIONS SUGGESTS IT IS TIME FOR A NEW HOOVER COMMISSION

Mr. PEARSON. Mr. President, despite enormous changes in our society and the growing dimensions of governmental responsibility, there has been no comprehensive public study of the executive branch in 20 years—not since the second Hoover Commission. During these two decades, hundreds of new programs, many executive agencies, bureaus and major commissions have been established, creating new layers of duplication and an uncoordinated bureaucracy.

I invite the Senate's attention once again to one of the few proven methods of coping with this topsy-like growth of the Federal bureaucracy. I refer specifically to the highly successful Hoover Commissions of the 1940's and 1950's. The success of these commissions—both of which were congressionally created, bipartisan and highly visible—stands in stark contrast to the various advisory committees, councils and task forces on executive reorganization, which have been created solely by Executive order.

At the beginning of the 94th Congress, I introduced legislation (S. 61) to establish a new commission on the operation of the executive branch of the Government. My bill closely parallels the laws which created the earlier Hoover Commissions. It is similar to proposals which I have offered in the past and which have received widespread support.

The Congressional Research Service of the Library of Congress has prepared a listing of agencies, bureaus and major commissions established, terminated or experiencing a name change or reassignment of functions to a new or other agency since 1955, the date of the last Hoover Commission. Every effort has been made in this report to insure the inclusiveness of the listings, although it should be borne in mind that some subjective judgments were necessary in compiling the list. This report includes over 300 separate agencies, bureaus and major commissions. They include the following:

1955—Federal Home Loan Bank Board, The Commission on Government Security, District of Columbia Auditorium Commission, International Cooperation Administration (State), Office of Aging (HEW), Civil Defense Coordinating Board, Boston National Historic Sites Commission, President's Committee on Employment of the Physically Handicapped, Advisory Committee on Federal Public Works, President's Committee on Government Employment Policy, President's Special Committee on Disarmament Problems.

1956—President's Council on Youth Fitness, President's Committee on Scientists and Engineers, President's Committee on Education Beyond the High School, President's Board of Consultants on Foreign Intelligence Activities, President's Advisory Commission on Presidential Office Space, Federal Farm Loan Board, Cabinet Committee on Small Business, Bureau of Sport Fisheries and Wildlife (Interior).

1957—Distinguished Civilian Service Awards Board, Commission on Civil Rights, President's Committee on Fund-Raising Within the Federal Service, Airways Modernization Board, Development Loan Fund.

1958—Career Executive Board, Commission on International Rules of Judicial Procedure, National Aeronautics and Space Administration (NASA), National Aeronautics and Space Council, National Cultural Center, Office of Civil and Defense Mobilization, Office of Mineral Exploration (Interior), Civil Aeronautics Board, Outdoor Recreation Resources Review Commission.

1959—Bureau of Commercial Fisheries (Interior), Cabinet Committee on Price Stability for Economic Growth, Committee on Government Activities Affecting Prices and Costs, Committee for Rural Development Program, Federal Radiation Council, Defense Electric Power Administration, Public Buildings Service, Oil Import Administration (Interior).

1960—Great Lakes Pilotage Administration (Commerce), National Capital Transportation Agency, U.S. Science Exhibit—Century 21 Exposition (Commerce), Defense Communications Agency (Defense), Office of Coal Research (Interior), President's Committee on Migratory Labor (Labor).

1961—Office or Rural Areas Development (Agriculture), President's Advisory Committee on Labor-Management Policy, Peace Corps, President's Committee on Equal Employment Opportunity, Area Redevelopment Administration (Commerce), President's Committee on Juvenile Delinquency and Youth Crime, Missile Site Labor Commission, Agricultural Stabilization and Conservation Service (Agriculture), United States Travel Service (Commerce), Caribbean Organization, Utilization and Disposal Service (GSA), Bureau of International Business Operations and Bureau of International Programs (Commerce), Federal Maritime Commission, National Review Board for the Center for Cultural and Technical Interchange Between East and West (State), Office of Alien Property (Justice), Board of Foreign Scholarships, Interagency Council on International Educational and Cultural Affairs (State), U.S. Advisory Commission on International Educational and Cultural Affairs, United States Arms Control and Disarmament Agency, Delaware River Basin Commission, Woodrow Wilson Memorial Commission, Transportation and Communications Service (GSA), Agency for International Development (State), Defense Supply Agency (Defense), President's Commission on the Status of Women.

1962—Bureau of Family Services (HEW), President's Committee on the Implementation of the Federal Employee-Management Relations Programs, Director of Telecommunications Management (OEP), Armed Services Board of Contract Appeals (Defense), President's Council of Aging, Office of Science and Technology, Office of Technical Services (Commerce), Office of Minerals and Solid Fuels (Interior), President's Committee on Equal Opportunity in Housing.

1963—President's Council on Physical Fitness, Office of the Special Representative for Trade Negotiations, President's Advisory Commission on Narcotic and Drug Abuse, Trade Expansion Act Advisory Committee, Vocational Rehabilitation Administration (HEW), Welfare Administration (HEW), Bureau of International Commerce (Commerce), Office of Field Services (Commerce), Office of Foreign Commercial Services (Commerce), Manpower Administration (Labor), Bureau of Outdoor Recreation (Interior), Naval Material Support Establishment, International Agricultural Development Service, Labor Management Services Administration (Labor), Interagency Committee on International Athletics, Rural Development Committee, Citizens Advisory Council on the Status of Women, Interdepartmental Committee on the Status of Women, Commission to Report Upon the Assassination of President John F. Kennedy.

1964—Administrative Conference of the United States, Community Relations Service (Justice), Job Corps (Labor), Office of Economic Opportunity, Office of Water Resources Research (Interior), Urban Mass Transportation Administration (DOT), Urban Transportation Administration (HUD), Service Corps of Retired Executives (SCORE) (Action), Consumer Advisory Council, President's Committee on Consumer Interests, United States-Puerto Rico Commission on the Status of Puerto Rico, Committee for the Preservation of the White House, Federal Reconstruction and Development Planning Commission for Alaska, President's Committee on Manpower, Commission on Presidential Scholars, Maritime Advisory Committee, Community Relations Service (Commerce), National Commission on Technology, Automation, and Economic Progress, Public Land Law Review Commission, National Council on the Arts, Atlantic-Pacific Interoceanic Canal Study Commission, Federal Field Committee for Development Planning in Alaska, President's Review Committee for Development Planning in Alaska, President's Commission on White House Fellowships, Lewis and Clark Trail Commission.

1965—Bureau of Drug Abuse Control (FDA), Appalachian Regional Commission, Federal Library Committee, National Foundation on the Arts and the Humanities, Consumer and Marketing Service (Agriculture), President's Council on Equal Opportunity, Rural Community Development Service (Agriculture), Temporary Commission on Pennsylvania Avenue, Defense Contract Audit Agency (Defense), Equal Employment Opportunity Commission, Environmental Science Services Administration (Commerce), Water Resources Council, Joint Commission on the Coinage, Regional Action Planning Commissions, Economic Development Administration (Commerce), Department of Housing and Urban Development (HUD), Office of Federal Contract Compliance (Labor), Administration on Aging, Federal Water Quality Administration (Interior), Office of State Technical Services (Commerce).

1966—Federal Railroad Administration (DOT), Food for Peace Program (State), National Council on Marine Resources and Engineering Development, National Highway Safety Agency (Commerce), National Traffic Safety Agency (Commerce), National Transportation Safety Board (DOT), Office of Regional Economic Development (Commerce), National Advisory Council on International Monetary and Financial Policies, Citizens' Advisory Committee on Recreation and Natural Beauty, President's Council on Recreation and Natural Beauty, President's Committee on Mental Retardation, Property Management and Disposal Service (GSA), Department of Transportation (DOT), Federal Highway Administration, National Advisory Council on the Education of Disadvantaged Children, Volunteers in Service to America (VISTA), United States-Mexico Commission for Border Development and Friendship.

1967—Alaska Power Administration (Interior), Federal Aviation Administration (DOT), President's Council on Youth Opportunity, Packers and Stockyards Administration (Agriculture), Interagency Committee on Mexican-American Affairs, Social and Rehabilitation Service (HEW), National Park Foundation (Interior), Federal Judicial Center (Judicial), Federal Advisory Council on Regional Economic Development.

1968—Active Corps of Executives (ACE) (Action), Office of Foreign Direct Investments (Commerce), National Council on Indian Opportunity, National Visitor Facilities Advisory Commission, Health Services and Mental Health Administration, Judicial Panel on Multidistrict Litigation (Judicial), Law Enforcement Assistance Administration (Justice), National Water Commission, Office of Emergency Preparedness.

1969—Council on Environmental Quality, President's Commission on Personnel Interchange, Council for Urban Affairs, Office of Intergovernmental Relations, Office of Minority Business Enterprise (Commerce), United States Training and Employment Service (Labor), President's Foreign Intelligence Advisory Board, Export Marketing Service (Agriculture), President's Advisory Council on Executive Organization, United States Marshals Service (Justice), Citizens' Advisory Committee on Environmental Quality, Environmental Quality Council, Food and Nutrition Service (Agriculture), President's Committee on Employment of the Handicapped, Foster Grandparent Program (HEW), Federal Labor Relations Council, Federal Service Impasses Panel, Foreign Economic Development Service, Commission on Government Procurement, Cabinet Committee on Opportunities for Spanish-Speaking People, Inter-American Foundation, Interim Compliance Panel, Overseas Private Investment Corporation.

1970—National Railroad Passenger Corporation (Amtrak), National Highway Traffic Safety Administration, Occupational Safety and Health Review Commission, President's Advisory Commission on Management Improvement, Consolidated Federal Law Enforcement Training Center, National Credit Union Administration, Office of Hearings and Appeals (Interior), National Industrial Pollution Control Council Staff (Commerce), National Advisory Council on Extension and Continuing Education, National Advisory Council on Vocational Education, National Commission on Libraries and Information Science, Office of Telecommunications Policy, Office of Marine Affairs (Interior), Postal Rate Commission, Occupational Safety and Health Administration (Labor), Advisory Council on Historic Preservation, Export Administration Review Board, Domestic Council, Office of Management and Budget, United States Postal Service, National Technical Information Service (Commerce), Interdepartment Radio Advisory Committee, Bureau of Domestic Commerce (Commerce), Office of Telecommunications (Commerce), Johnny Horizon Program Office (Interior), National Oceanic and Atmospheric Administration (Commerce), Environmental Protection Agency, Susquehanna River Basin Commission, National Advisory Committee on Occupational Safety and Health (Labor).

1971—Public Employment Program (Labor), Temporary Emergency Court of Appeals (Judicial), Office of Import Programs (Commerce), Office of Textiles (Commerce), Office of Consumer Affairs, Construction Industry Stabilization Committee, Employment Standards Administration (Labor), Special Action Office for Drug Abuse Prevention, University Year for Action (UYA) (Action), Action, Defense Nuclear Agency (Defense), Retired Senior Volunteer Program (RSVP) (Action), Federal Safety Advisory Council (Labor), Office of Saline Water (Interior), Economic Stabilization Program (Cost of Living Council), Defense Security Assistance Agency (Defense), Committee on the Health Services Industry, Committee on Interest and Dividends, Committee on State and Local Government Cooperation, Pay Board, Price Commission, Council on International Economic Policy (EOP), Office of Assistant Commissioner (Stabilization) Internal Revenue Service, Rent Advisory Board, Farm Credit Administration.

1972—Defense Investigative Service (Defense), Defense Mapping Agency (Defense), Social and Economic Statistics Administration (Commerce), Office of Drug Abuse Law Enforcement, Interagency Classification Review Committee, Federal Fire Council, Defense Advances Research Projects Agency (Defense), Animal and Plant Health Inspection Service (Agriculture), Defense Civil Preparedness Agency (Defense), Education Division (HEW), Automated Data and Telecommunications Service (GSA), Bureau of Alcohol, Tobacco and Firearms (Treasury), Consumer Product Safety Commission, Domestic and International Business Administration (Commerce).

1973—National Institute of Law Enforcement and Criminal Justice, American Revolution Bicentennial Administration, Federal Property Council, Drug Enforcement Administration, Mining Enforcement and Safety Administration, Economic Stabilization Program, Office of Consumer Affairs, Bureau of Narcotics and Dangerous Drugs, Commission on Government Procurement, Council on Economic Policy, Energy Policy Office, Office of Drug Abuse Law Enforcement, National Aeronautics and Space Council, National Water Commission, Office of Energy Preparedness, Office of Energy Conservation (Interior), Office of Energy Data and Analysis (Interior), President's Advisory Commission on Labor-Management Policy, President's Science Advisory Committee, Subversive Activities Control Board, Office of Territorial Affairs (Interior), Office of Science and Technology.

1974—Federal Energy Administration, National Institute of Aging, Legal Services Corporation, Council on Wage and Price Stability, Pension Benefit Guaranty Corporation, Energy Research and Development Administration, Energy Resources Council, Nuclear Regulatory Commission, Federal Election Commission, Commodity Futures Trading Commission, National Fire Prevention and Control Administration, Economic Policy Board, Atomic Energy Commission, Cost of Living Council, Federal Energy Office, Energy Policy Office, Office of Foreign Direct Investments, Commission on Federal Paperwork, National Commission on Electronic Funds Transfers, National Commission on New Technological Uses of Copyrighted Works, National Study Commission on Records and Documents of Federal Officials.

1975—Ocean Mining Administration (Interior), Office of Economic Opportunity, National Transportation Safety Board, Joint Commission on the Coinage, Presidential Clemency Board, Commission on the Organization of the Government for the Conduct of Foreign Policy, United States International Tariff Commission, Federal Metal and Non-Metallic Mine Safety Board of Review.

Mr. President, the mere listing of these agencies, bureaus and major commissions established over the last 20 years helps to demonstrate the need for a new Hoover Commission, such as I have proposed in S. 61.

During the past 12 months, significant new support has been given for this type of legislation. The American Bar Association, the American Assembly, and the National Academy of Public Administration have all voiced support for a Hoover-type commission to study the Federal Government. And while there are some differences of detail, we are all focusing on the same problem: The delivery of governmental services to the people in a more effective, efficient, and economical manner.

Mr. President, the Bicentennial era provides a unique opportunity to reassess our system of government and make recommendations for improvement. Opinion polls consistently show public confidence in the operation of government to be at an alltime low. But despite these misgivings, the American people are still confident that their Government, as structured by the Founding Fathers, can be well run.

It is my hope that the Senate will move expeditiously with this proposal. The times demand action that can make Government more responsive, more open and more efficient.

SELECT COMMITTEE TO STUDY THE SENATE COMMITTEE SYSTEM

Mr. METCALF. Mr. President, in accordance with the provisions of Senate Resolution 109, as a senior member designated to serve on the select committee to study the Senate committee system, on April 7, I called an organizational meeting of the majority in order to elect a chairman of the committee.

Other select committee members present were: Senator Nelson, Senator Stevenson, Senator Bentsen, Senator Chiles. Senator Nunn was unable to attend.

Senator Bentsen moved the nomination of Senator Stevenson as chairman, seconded by Senator Nelson. Senator Stevenson was elected by acclamation.

After a preliminary discussion, it was agreed that the chairman, in consultation with the cochairman who was selected by the Minority, should attempt, prior to the recess, to establish rules of procedures; set up a program for staff personnel and give us an agenda and priorities for study.

ALCOHOL ABUSE

Mr. LAXALT. Mr. President, S. 3184, which passed the Senate on March 29, is similar to most legislation in that it is neither all good or all bad. Particularly those sections of the bill which strengthen the Federal commitment to research into the causes and cures of alcohol abuse are most commendable. The National Institute on Alcohol Abuse and Alcoholism is doing a remarkable job on a very limited budget, and I strongly support an ongoing, thorough research program in alcohol abuse.

However, the Under Secretary of the Department of Health, Education, and Welfare makes some very cogent arguments in expressing the Department's opposition to this bill. In an effort to have all views presented, I ask unanimous consent that the following letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Secretary of Health,
Education, and Welfare,
Washington, D.C., April 2, 1976.

Hon. Hugh Scott,
Minority Leader,
U.S. Senate,
Washington, D.C.

Dear Senator Scott: We would like to take this opportunity to offer our views on S. 3184, a bill "To amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, and for other purposes."

In summary, the Department is strongly opposed to this bill because it continues a narrow categorical health program which does not permit the flexibility necessary to meet State and local health needs. Instead we urge your support of S. 3137, the Administration's Financial Assistance for Health Care Act, introduced in the Senate on March 15, 1976. This proposal provides for the continuation of alcoholism prevention, treatment and rehabilitation services presently authorized under P.L. 91–616, the "Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970."

The major provisions of S. 3184 would extend the formula and project grant programs for three years, through FY 1979, at increasd authorization levels, and authorize appropriations for a broad program of research.

The Administration supports the objective of alcohol abuse prevention, treatment, and rehabilitation. During the past five years awareness of the nature and magnitude of the alcohol abuse problem appears to have increased, innovative treatment and prevention programs have been developed, and State and local capacity to deal with this serious health problem has been increased. Having made these significant strides towards overcoming the problem of alcohol abuse and alcoholism, we believe that it is time to transfer the basic responsibility for dealing with this problem to the State and local level, in the context of the overall health care system, through the Financial Assistance for Health Care Program.

Under our proposal, funds for use in the field of health would be distributed to the States according to a formula to be based on the poverty population in the State, per capita income, and the State's tax effort. No State or local matching would be required and every State would receive each year at least the amount it received for FY 1976.

In addition to the 90 percent of block grant funds devoted to personal health care services, including those concerned with alcoholism, a minimum of five percent of the funds would be earmarked for community and environmental health, specifically for community-based mental health services, including alcoholism and drug abuse, and for community health protection, such as disease control, environmental health, food inspection, and health education. Further, States would be required to fund direct Federal alcoholism and other grantees at a minimum of 80 percent of their FY 1976 grant level in FY 1977, 50 percent in FY 1978 and 25 percent in FY 1979.

I want to stress that the Administration is offering a realistic alternative to the proliferation of isolated, narrow categorical health care programs that we have seen in recent years—programs that are gradually becoming more costly to administer at the expense of the services they are designed to provide—programs that are frequently inappropriate for some local needs and inadequate for others. Therefore, I urge you to support the proposed Financial Assistance for Health Care Act, S. 3137, and oppose the extension of P.L. 91–616 as contained in S. 3184.

Notwithstanding my basic disagreement with the conceptual approach of P.L. 91–616 and S. 3184, I must point out that the proposed total annual authorization levels are excessive, especially the $615 million authorized over three years for the formula and project grants. In addition, the nearly $110 million authorized for research under sections 503 and 504 are unnecessary in view of the existing health research authorities under various sections of the Public Health Service Act, primarily sections 301 and 303.

We would further point out that the special grants for implementation of the Uniform Alcoholism Intoxication and Treatment Act were designed as incentives for States to pass the Act. Clearly, the fact that a significant number of States have passed it obviates the need to increase the minimum formula grant for this purpose.

If the Financial Assistance for Health Care Program is not enacted, I strongly recommend a total authorization level of about $79 million for alcoholism prevention, treatment, and rehabilitation programs, and deletion of the new special authorizations for research. This is consistent with the President's 1977 budget request (which also proposes to transfer $12 million of existing alcoholism funding to the Indian Health Service) and adequate to meet existing Federal commitments to these programs.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

(S) Marjorie Lynch,
Under Secretary.

MAREMONT CORP. AND THE M–60 MACHINEGUN

Mr. MUSKIE. Mr. President, the Secretary of the Army recently announced his decision to procure the Belgain-produced armor machinegun for use on the U.S. Army's M–60 tanks. The decision was extremely disturbing to me and to other Members in Congress familiar with the procurement because of concerns that the competing machinegun, the M–60E2 produced by Maremont Corp. in Saco, Maine, was more cost effective and would have better served our national security interests than the Belgian weapon. The Maremont weapon exceeds the Army's self-defined requirements for an armor machinegun and costs little more than half what the Army will have to pay for the foreign gun. The Maremont weapon also clearly exceeds the Belgian gun on several factors including the durability, ease of maintenance, and proper rate of fire.

The Army reports that its decision was based on a cost effect analysis but a study conducted by the General Accounting Office at my request concluded that the Army's cost benefit analysis did not provide sufficient basis for a decision.

I remain convinced that had fair consideration been given to the domestic weapon it would have prevailed in the Army's procurement competition and will continue to insist that the Army conduct a fair review of both weapons before awarding a contract. Senator Hathaway and I have requested the Senate Armed Services Committee to investigate this procurement and a similar request has been made of the House Armed Services Committee by Congressmen Cohen and Emery.

The Maine Legislature has expressed its official concern with the decision by the Army in a resolution outlining the economic impact on Maine and the added costs to the U.S. taxpayer. On behalf of Senator Hathaway and myself, I ask unanimous consent that this resolution be printed in the Record following Mr. Hathaway's remarks.

Mr. HATHAWAY. Mr. President, I am pleased to join Senator Muskie in requesting unanimous consent that the joint resolution adopted by the Maine State Legislature on March 31, 1976, be inserted into the Record in its entirety.

The Army's announced decision to purchase the Belgian-manufactured Mag58 rather than the Maremont M60E2 raises fundamental questions regarding the integrity of our weapons procurement system.

We have therefore asked the Senate Armed Services Committee to conduct a complete investigation regarding the facts and circumstances which led to the Army's decision, including the relationship between this procurement and the Belgian Government's agreement to purchase the U.S. manufactured F–16 aircraft.

We are hopeful that such an investigation shall bring the true facts to light and thereby give our colleagues the information they require to proceed on this matter.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Joint Resolution

Concerning the decision of the United States Department of Defense to award the contract for the manufacture of the M-60 machine gun to a Belgian firm instead of to the Maremont Corporation of Saco, Maine

Whereas, the largest single employer in York County is the Maremont Corporation of Saco, Maine; and

Whereas, the continued employment of the workers of Maremont is a grave concern to the State of Maine at a time when the state unemployment rate is 10%; and

Whereas, the Department of Defense has now officially declared that a contract to manufacture the M-60 machine gun will not be awarded to the Saco firm but instead will be awarded to a Belgian firm; and

Whereas, the taxpayers of the United States will pay $14,700,000 more to the Belgians for this contract than they would have paid to the Maremont Corporation; and

Whereas, 18,000 Maine citizens have signed petitions protesting the possible loss of the Maremont contract, which protests have been personally delivered to President Gerald Ford; now, therefore, be it

Resolved: That we, the Members of the 107th Legislature in Special Session assembled, do hereby express our consternation and dismay at the decision of the Department of Defense to award the M-60 machine gun contract to a Belgian firm instead of to the Maremont Corporation; and be it further

Resolved: That we urge and request the members of the Maine Congressional Delegation to convey our sentiments to the President and to the Department of Defense and to use every possible means to bring the Department of Defense to a reconsideration of its ill-advised action; and be it further

Resolved: That duly attested copies of this Resolution be immediately transmitted to those Congressional Delegates with our thanks for their prompt attention to this important matter.

THE QUALITY OF LIFE IN AMERICA

Mr. MATHIAS. Mr. President, I will speak under the rubric of "We The People 1976," to the question we the people are asking more and more urgently every day: "What has happened to the quality of life in America?"

The idea that there is and should be such a thing as "quality" to life is not new in America, although the phrase itself may be. It is as old as those remarkable twin concepts of the Founding Fathers: the "General Welfare" and the "Pursuit of Happiness." It is part and parcel of their very original concept of democracy and should be understood within our historical context.

This year, as we mark America's 200th birthday, we have cause to celebrate. We should celebrate, if for no other reason, than that Democracy has survived in America for 200 years and thus has become the oldest continuous form of government on Earth. But birthdays—especially decade and century ones—have a salutary way of prompting stocktaking as well as merrymaking. Who ever managed to turn 40 without at least a passing thought to falling hair or thickening waist? More often than not a 40th birthday stimulates thoughts about life and how it has measured up to expectations, about how many things have been done and how many left undone.

Such stocktaking is as good and necessary for nations, as it is for men. So, as we celebrate America's 200th birthday, let us take stock of our Nation and the quality of its life. Let us examine where we have been and where we are now and, most importantly, let us decide where we want to go.

Our Founding Fathers did something quite extraordinary when they propagated the notion that government was in business to "promote the general welfare" and to secure to the people "unalienable rights" which included a right to pursue happiness. Furthermore, said they, governments that failed to serve the people and promote their happiness and well-being could and should be dissolved. What this meant, in simplest terms, was that, for the first time in history, the worth of a government was to be measured by the extent to which its actions enhanced man's well-being.

When our Founding Fathers launched this noble experiment in self-government, they gambled on the quality of the people themselves, on their civic-mindedness. That quality was virtually unknown and untested.

Alexander Hamilton made no bones about his views. "The people," he said, "is a great beast." Even George Washington looked with a jaundiced eye on the "commotions and temper in the numerous bodies of the States." In a letter to his friend Henry Lee, written in October 1786, he confided his concern:

> I am lost in amazement when I behold what intrigue, the interested views of desperate characters, ignorance and jealousy of the minor part, are capable of effecting, as a scourge on the major part of our fellow citizens of the union: for it is hardly to be supposed that the great body of people, though they will not act, can be so shortsighted or enveloped in darkness, as not to see rays of a distant sun through all this mist of intoxication and folly.

A year later the "commotions" had calmed down and the Constitution had been adopted. Two years later it was ratified. The "rays of the distant Sun" were becoming perceptible—the great experiment was on its way.

Americans quickly cottoned to the idea that life should be good, and they set to with a will to make it so. If they did not always perform nobly, they performed energetically, resourcefully, and well. New lands were settled, new technologies invented, and new institutions, political parties among them, were devised in response to new needs. A bright, shiny, strident, self-confident nation emerged. Europe's tired, poor, huddled masses, yearning to be free, flocked to this America. We, the people, believed in ourselves and in our ability to shape the future.

A chicken in every pot; a car in every garage; turn the rascals out; he governs best who governs least—these were not just slogans. They were articles of faith. The people—tracking mud through Andrew Jackson's White House parlor—were in charge, they believed. There was upward mobility and forward momentum.

Of course, there were signs here and there that the brave new world abuilding was not abuilding equally for everyone. But who had time to read them?

Teddy Roosevelt was one of the few who did.

"We have plenty of sins * * * to war against," he reminded the Nation in his annual message to Congress in 1904:

> We can do more for the general uplifting of humanity by striving with heart and soul to put a stop to civil corruption, to brutal lawlessness and violent race prejudice here at home than by passing resolutions about wrongdoing elsewhere."

Obviously, not everyone's quality of life was improving.

But, it was not until the Depression, with its peak 16 million people out of work, that America looked reality in the face: the blessings of the American dream were very unequally bestowed. Some people never ate chicken at all.

When you are hungry, talk about the quality of life is meaningless. An empty stomach has no ears.

Franklin Roosevelt, like his cousin before him, was quick to grasp the problem. In his 1944 state of the Union message, he acknowledged that:

> As our Nation has grown in size and stature—as our industrial economy has expanded—(our political rights) have proved inadequate to assure us equality in the pursuit of happiness.

Looking forward to a bright postwar America, Roosevelt declared:

> We cannot be content, no matter how high the general standard of living may be, if some fraction of our people—whether it be one-third or one-fifth of one-tenth—is ill-fed, ill-clothed, and insecure.

He urged the country forward to "new goals of human happiness and well-being" to be equally shared "regardless of station, race, or creed." He announced an economic bill of rights which included:

The right to a useful and remunerative job;

The right to earn enough to provide adequate food and clothing and recreation;

The right of every family to a decent home;

The right to adequate medical care and the opportunity to achieve and enjoy good health;

The right to adequate protection from the economic fears of old age, sickness, accident, and unemployment; and

The right to a good education.

Over the past several years social scientists have explored various ways to measure the quality of life. One method identifies the few most basic physiological needs that must be met if life is to have even minimally tolerable quality. The 1976 list of the elements essential to minimum quality of life dovetails with this 1944 Economic Bill of Rights except in one respect. Now, any such list, must include the right to freedom from bodily harm, the right to protection and to a living environment that is safe and stable.

America emerged from World War II the most powerful Nation on Earth—the most powerful Nation the world had ever known. American industry could supply the world. American farms could feed it and the American people could look forward to an era of unprecedented prosperity and progress.

To some Americans the promise of the postwar era meant nothing more than upgrading the American dream to include two cars in every garage and a television set in every house. To others—to black Americans—it marked the beginning of an epic struggle to attain basic civil rights, to participate fully and freely in American life and to partake of the blessings of that life so long denied them. In the wake of the black civil rights movement, and to some degree certainly inspired by it, there has come a succession of nonviolent people's revolts: The youth revolution, the antiwar movement, the consumer protection movement, and, most recently, the women's liberation movement. The achievements of these groups, both in improving the quality of life and in showing what people power can do, have been impressive.

If we look back to the America of 25 years ago, we see a country that was segregated; an America where racial discrimination was the rule and not the exception; where women were relegated to an inferior role; where the elderly had little economic security, and where there were vast inequities in the quality and availability of health care and education.

Clearly, the quality of life has improved since then. Wider availability of better health care has lowered the infant mortality rate and raised life expectancy—almost 80 percent of the Nation's children now graduate from high school as compared with less than 60 percent in 1950—enrollment in institutes of higher learning has more than doubled in the past 20 years—the median income has jumped from $5,500 to $10,500 in the same period, and, whereas, almost one-third of the Nation was living in substandard housing in 1950 that figure has dropped to 7.5 percent by 1970.

The statistics are impressive but statistics can also be misleading. In human affairs it is better to trust what your eyes tell you and we certainly cannot rejoice in what we see as we look at America in this Bicentennial Year.

We have the highest standard of living in the world and the most appalling rate of crime. The streets of our cities are unsafe by day as well as by night. Since 1950 our violent crime rate has more than trebled.

We have the technology to send men to the Moon in droves and our urban transit systems cannot get people to work on time.

We have built some of the most magnificent cities in the world and people are falling all over each other to get out of them. To make it worse—our cities are going broke.

We have, in the past 20 years, produced a car for every person in this country only to discover that this particular aspect of the American dream is pure poison. Thousands of Americans pollute the air daily driving their cars to work, while our scientists warn that the majority of the 365,000 cases of cancer reported in America last year were traceable to environmental sources.

We are the mightiest industrial nation the world has ever known and yet 8 million of our people cannot find work.

We are graduating children from school who cannot read or write well enough to fill out the simple employment application forms.

We are running out of water and of fossil fuels.

We are, in short, fouling our own nest and squandering our human and natural resources.

The problems our Nation faces today are at least as serious as those faced by our Founding Fathers. If we are to surmount them, we must possess a unity of purpose and courageousness of action at least as great as that which they possessed.

Our prospects are not entirely bleak. The Club of Rome project on the predicament of man finds hope in the fact that:

> Man possesses, for a small moment in history, the most powerful combination of knowledge, tools and resources the world has ever known. He has all that is physically necessary to create a totally new form of human society.

What is missing is long-term goals to set a course by and the human will to achieve them.

In today's America the question of human will is a troubling one. Increasing numbers of people believe that our social and political systems no longer reflect their views or respond to their needs. Political apathy is visible at the polls: in the last congressional election, 1974, barely a third of the eligible voters made the effort, while voter turnout for Presidential elections is little more than 50 percent.

Here is how one of my constituents voices his disenchantment:

> The bureaucracy runs everything and no one seems able to stop it—not the Congress or the President or anyone. I don't think I can do anything about it either. I'm not a revolutionary but it sure doesn't seem the system is working very well.

In this Nation—which staked its future on the people's civic mindedness—the individual now feels helpless and impotent in the presence of big business and big government. The largest institutions that have grown up around modern technology seem immovable and unapproachable. They lack human dimension. They intimidate him. As for the many complex and interrelated social problems crying for solutions, man is cowed by them too. Where can beginnings be made—how can he even get a handle on the problem? Gone is his bouyant belief that his destiny was in his own hands. Instead, he feels sullenly at odds with his government and unable to influence the events which affect his life.

The situation is bad, but not irretrievable. I believe the drift toward alienation can be reversed. I have a gut feeling that thousands of people, at all levels of our society, are ready, and more than ready, to make a massive commitment of their faith and their energies to the future. A sense of purpose is one of the elements crucial to the quality of life. It is lacking now in most of our lives.

I will venture out on the limb even further. I think the American people have grown apathetic while waiting for their so-called leaders to catch on to the fact that the time is long overdue to move in new directions, to espouse glorious causes and to find new methods for achieving them.

In a letter written to Thomas Jefferson some years after the revolution, John Adams observed:

> By the time the revolution occurred a revolution had already taken place in the minds of the people.

I believe this to be true today. The people are already revolutionized.

What is needed now is a goal to fire the imagination and galvanize their energies, and the leadership to spark them forward.

I have no doubt as to what this goal should be. America is an urban nation. Our rural days are far behind us. At last census, close to three-quarters of all Americans live in cities. What better national goal could we set ourselves than the total revitalization of our cities? How better could we improve the quality of life for all the people of this Nation than by transforming our decaying cities into vibrant, wholesome, safe and humane environments where the human spirit can prosper.

I do not for one minute minimize the problems on the road to this goal. Federal, State, and local governments have for years been preoccupied with the problem of the cities. Nonetheless, New York is tottering on the brink of bankruptcy and other cities are not far behind.

There has been talk from time to time of a new Marshall plan for the cities in the theory that national problems require national solutions. But, I think we have dabbled with national solutions long enough. Solutions imposed from the top just do not seem to work. The patchwork quilt of Federal programs directed to the cities over the years have proved hopelessly inadequate, although billions have been spent. There is no reason to believe that more would somehow be better.

It is important to remember that, although our cities have common problems, their problems are not identical, nor are they susceptible to identical solutions. Every city dweller wants to live free from fear, and crime is certainly a national problem. But a nationally devised anticrime program is not likely to suit the needs of both New York and Santa Fe. In the past, the cities have looked to the Federal Government for solutions not because the Federal Government was wiser than they were but because it was richer. The results have not been edifying.

It seems to me that the time has come to try a completely opposite approach. We have tried working from the top down. Now let us try working from the bottom up.

I propose that we let the people who actually live and work in each of our cities dream their own dreams and build their own models of the city where they would like to bring up their children. Government's role—both local and Federal—would be to encourage citizen initiative, to provide administrative infrastructure and to some extent to provide funding.

But I do not believe that government should provide all the funding or that it should play midwife to our urban rebirth. That role should be reserved to the people themselves, with a massive assist from the private sector of our economy.

My proposal is this: that every business organization, every labor union, every professional group which is involved in any way in the life of the city, contribute not only a certain percentage of its earnings to help finance urban revitalization but make it possible for each of its employees to donate his ideas, his labor and his talent, on a regular basis, to the work of rebuilding the city.

Does this sound new-fangled and utopian? It should not. The idea derives from the Middle Ages practice of tithing in which people contribute 10 percent of their annual crop or income to the work of the church. But, my proposal calls for more than just a financial contribution from the private sector. It calls for the contribution of talent and work as well. This aspect of the proposal also is not new. It derives from a time-honored tradition of the American frontier—houseraising—when everyone pools their talents to get a job done quickly. This week it is your turn, next week mine. Pretty soon the town is built and many hands have made light work. Already some of our law firms have programs of this sort where members of the firm donate a proportion of their time to work for the good of the public—pro bono publico—the firm defrays the cost. There is no reason why all professions and businesses could not do the same thing. Each employee would be given 1 day in 10 to go out to help with the rebirth of his city.

The great merit to this approach, it seems to me, is that it is people-oriented not project-oriented. It would give people an opportunity, once again, to shape their future and to feel that somewhere in their life there was meaning.

Abraham Lincoln wisely observed that:

> Government should do for the people only what the people cannot do for themselves either as individuals or through the various associations that they form to serve one or another non-political purpose.

Over the past 200 years, if we have proved anything, we have proved that the civic-mindedness of the American people is worth building on. We must now find a forward-looking leadership to catalyze the public spirit.

"Where there is no vision, the people perish." (PROVERBS).

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 noon on Monday. After the two leaders or their designees have been recognized under the standing order, Mr. BARTLETT will be recognized for not to exceed 15 minutes, Mr. HARRY F. BYRD, JR., will be recognized for not to exceed 15 minutes, and Mr. MANSFIELD will be recognized for not to exceed 15 minutes. There will then be a period for the transaction of routine morning business not to exceed the hour of 1 p.m. with statements limited therein to 5 minutes each.

At the hour of 1 p.m., the Senate will resume consideration of the unfinished business and the question at that time will be on the adoption of the amendment by Mr. BAYH, amendment No. 1588, on which there is a time limitation of 30 minutes.

Upon the expiration or the yielding back of the time, the Buckley amendment will be called up, on which there is a time limitation of 1 hour, and then the second Bayh amendment will be called up on which there is a time limitation of 1 hour, to be followed by the amendment by Mr. HUDDLESTON on which there is a time limitation of 30 minutes, to be followed by the amendment by Mr. KENNEDY, on which there is a time limitation of 30 minutes.

The votes on the various amendments, if they are rollcall votes, and undoubtedly they will all be rollcall votes, will occur consecutively and sequentially in conformity with the order in which the respective amendments are called up. The time on the first rollcall vote will be 15 minutes, and the time on the remaining back-to-back votes will be 10 minutes on each rollcall.

The vote on agreeing to the resolution will occur at no later than 5 p.m. on Monday.

So, with respect to rollcall votes on amendments and motions in relation to S. Con. Res. 109, there will be at least six rollcall votes on Monday.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HARRY F. BYRD, JR. Will there be any time left for the Senator from Virginia to have 15 minutes in the afternoon?

Mr. ROBERT C. BYRD. Yes; Mr. MUSKIE has given that assurance, that the Senator from Virginia (Mr. BYRD) will be allotted at least 15 minutes from Mr. MUSKIE's time on the resolution.

Mr. HARRY F. BYRD, JR. In adding up the time which is allowed, it adds up to 3½ hours, not counting the rollcalls.

Mr. ROBERT C. BYRD. Three and a half hours, yes, beginning at 1 p.m.

Mr. HARRY F. BYRD, JR. And there are only 4 hours between 1 and 5.

Mr. ROBERT C. BYRD. Three and a half hours would bring us up to 4:30. The vote on agreeing to the resolution is not required until 5 p.m. It can come earlier but it does not have to come earlier than 5 o'clock. So the Senator would be assured of that 15 minutes. Mr. MUSKIE has indicated that he will not take his time on some of the amendments. I feel quite sure there will be ample time for the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the distinguished majority whip.

ADJOURNMENT

Mr. ROBERT C. BYRD, JR. Mr. President, if there be no further business to come before the Senate, I move in accordance with the previous order that the Senate stand in adjournment until the hour of 12 o'clock noon on Monday next.

The motion was agreed to; and at 5:19 p.m., the Senate adjourned until Monday, April 12, 1976, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 9, 1976:

IN THE NAVY

Vice Adm. William D. Houser, U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

IN THE NAVY

The following named Naval Reserve Officers for temporary promotion to the grade of captain in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Adams, Donald T.
Adoff, Charles S.
Albert, Charles E., Jr.
Albin, Harold C., Jr.
Albrecht, Eugene W.
Alecxih, Peter C.
Alexander, Thomas W.
Ammons, Phillips A., Jr.
Anagnostos, George
Anders, Isaac W.
Andersen, Charles W.
Anthuis, John W., Jr.
Aster, George H.
Baecht, Warren E.
Baker, David E.
Baker, Joseph W.
Baldridge, Paul E., Jr.
Baldry, George K.
Ballow, Robert E.
Bannister, William W.
Barham, Charles D., Jr.
Barling, Stephen D., Jr.
Barnes, John B.
Bartholomew, Ronald L.
Bartz, William A.
Bausback, Richard F.
Bazer, Alvan T.
Beal, Norman T.
Beemer, William F.
Bendel, John E.
Berchielli, Gian L.
Biache, Andrew, Jr.
Billingsley, William M.
Bitowft, Robert J.
Bolton, William L.
Bowman, Donald E.
Brainerd, Donald L.
Brazzatti, Joseph, Jr.
Briggs, Franklin H.
Brown, Douglas W.
Brown, Stuart J
Bryant, Charles F.
Burns, Robert L.
Bush, Phillip B., II
Byerley, John D.
Cade, John W.
Canon, Robert W.
Carpenter, Willis V.
Childress, Carlisle H.
Christopher, James W.
Cichowitz, Edward A., Jr
Clark, Lee H.
Cleary, William A., Jr.
Clegg, Ambrose A., Jr.
Clinkscales, Hulan F.
Cobb, Glenn G.
Collins, Alan W.
Comerford, Gregory A.
Cooper, Robert L.
Cosgrove, Joseph P
Coughlin, Joseph E., Jr.
Cowan, Robert C.
Cox, Gordon L.
Craigie, James B.
Crandall, Keith C.
Crawford, Francis, Jr.
Croll, Richard L.
Crowley, Barrett K.
Crull, William L., III
Czesak, Paul J
Dackert, Gerald G.
Daggett, Steven B.
Danneels, William W.
Darby, Ronald
Davis, Benton V., Jr.
Davis, Donald A.
Davis, Richard D.
Dean, Robert M., III
Debona, Gerald J.
Demars, Sylvester A.
Denton, Robert, Jr
Denton, Terry J.
Desamper, Ernesto J., Jr.
Desjardins, Charles F.
Devito, Vincent N.
Dimond, Michael F.
Dolan, Richard M.
Dolan, Robert F.
Dubuc, Carroll E.
Dunne, Francis R.
Ebe, Hubert J
Eberdt, Jesse S., Jr.
Eberly, William G.
Eck, Richard C.
Eichelberg, Alvin W.
Endicott, Anthony L.
Erhardt, Richard O.
Eskew, John B.
Faulwetter, William C.
Fedarko, William
Fee, James W.
Ferguson, Robert L.
Ferris, Edward G.
Flaker, James R.
Flowers, Jimmy R.
Foard, Thomas R.
Foley, Maurice E.
Forbes, Malcolm H.
Fox, Francis H.
Franke, Arnold G.
Franz, Harold C.
Friend, Thomas P.
Frye, Richard H.
Fuller, Gary M.
Fuller, John G. C.
Funk, William H.
Fusco, Anthony T.

Gamber, Marlan E.
Gardner, Geoffrey L. D.
Gardner, Walter G.
Gensel, Richard L.
Giannonatti, Curtis A.
Giblett, David R.
Gilbert, Robert N., Jr.
Glahn, Gerald L.
Goertz, Donald D.
Granger, Allan E.
Grant, Robert S.
Green, Paul A.
Greene, Charles R., Jr.
Gregory, James W. P., Jr.
Gudmunds, Steinthor J.
Guhl, Max J.
Hain, William H.
Haller, Albert J.
Hallett, Howard R., Jr.
Hammes, Peter L.
Hampton, Clyde R.
Hannon, Edward R., II
Hansen, Donald H.
Harkins, Richard E.
Harper, Norman W.
Harrison, Horace
Haynes, John B.
Haynie, Fred H., Jr.
Hebb, Ralph K.
Heidt, Arthur J., Jr.
Heintzman, John S.
Holyfield, George W.
Hope, John C., Jr.
Howell, Eugene D.
Hoyt, Peter L.
Hubert, John F.
Hunter, Charles T., Jr.
Hurt, Marc A.
Hushaw, Walter D.
Iacona, Michael A.
James, Frederic, Jr.
Jarrett, Elmo D.
Jennings, John M.
Jepson, William B.
Johnson, Richard W.
Johnston, Gregory R.
Johnstone, Denver T., Jr.
Jones, Roger F.
Jordan, Stephen W.
Joynt, Thomas R.
Karabell, Irving, M.
Kastner, William J.
Keigler, George A.
Kelley, William C., Jr.
Kerley, Ralph C., III
Kerr, Norman J.
Kerrigan, Paul R.
Kish, John T.
Kittelberger, Howard E.
Kloves, Thomas R.
Knapp, Blair A.
Knuth, Donald F.
Kozischen, Albert J.
Krochalis, Edward J.
Kuhn, Frank S.
Kulesza, Eugene A.
Kurek, Raymond H.
Kuthy, Eugene W.
Larkin, Will M.
Laroux, Harold
Lasher, David L., III
League, Joseph J.
Lee, Benjamin H. K.
Legg, William L.
Lerohl, Howard C.
Levan, Walter N.
Lewandowski, Melvin A.
Lines, Jack H.
Linscott, Roger H.
Livas, Basil L.
Lopez, Victor C.
Lord, Frank E.
Lord, Frank J.
Louis, Ronald A.
Love, Don K.
Love, John E.
Lund, David D.
Lundin, Carl D.
Lyall, Ronald N.
Mach, George R.
MacPherson, John
Maher, John H.
Male, Edwin K., Jr.
Maloney, John J., Jr.
Mansfield, James D.
Maple, William R.
Marr, William R.
Matchett, Don W.
Mathews, Robert S.
Matthes, Walter L., Jr.
Matthews, Billy C.
McCurdy, William E., Jr.
McDaniel, Peter W.
McEachern, Edward M., Jr.
McGlinchey, Alexander H.
McGowan, John P.
McHugh, Donald E.
McIntosh, Charles D.
McKee, Roger C.
McNallen, James B.
McNichols, Lynn P.
Mehrhoff, William R.
Miles, Richard N.
Miller, George L.
Montag, Richard V.
Moran, William T.
Moreland, James E.
Morris, John P.
Morris, Julius E.
Morrison, Dexter C.
Mueller, Donald C.
Muise, Robert F.
Murphy, James R., Jr.
Murphy, James F.
Murray, Thomas H., Jr
Myhre, John S., Jr.
Nelson, Dean C.
Nelson, Joe L.
Nelson, Sanford H.
Neuman, Edwin C.
Neupert, John A.
Newlan, Bruce M.
Newpher, James A., Jr.
Nixon, Walter B.
Nusinson, Louis
Odden, Conrad R.
Oden, Richard W.
O'Donnell, Richard C.
Oehrle, William C.
Oette, Paul H.
Ogara, William R.
Olds, Hugh W., Jr.
O'Leary, Richard D.
O'Toole, James B.
Owen, David A.
Pacala, Theodore
Painchaud, Noel C.
Pankratz, Walter L.
Parker, Ralph L.
Parnell, Thomas A.
Patterson, Peter V.
Pearson, Conrad F.
Pearson, Herbert C.
Pence, Dallas T.
Pender, Robert M.
Penniman, Russell S., III
Philips, Ronald W.
Pierce, Harold P.
Piersee, Charles R
Pintar, James R.
Piotter, Glen W.
Pollack, Lawrence P.
Ponder, Edward A.
Powers, Thomas E.
Price, Alan H.
Prosser, Joe C.
Pruitt, Willie B.
Ragsdale, William L.
Rattan, James E.
Reed, Sullivan W.
Reem, Glen M., II
Regis, Gerald J.
Reich, Richard J.
Reich, Richard L.
Reierson, Paul D.
Renick, Charles M.
Renter, Herbert F.
Rhodes, Willard C.
Rice, Emory C.
Richards, John R.
Ricker, Huntley N.
Rinard, Tommie F.
Robbins, William R.
Roberts, William R.
Robertson, Reece A.
Robinson, Irwin E.
Robson, Harry E.
Rogers, Richard
Rossi, Louis A.
Russell, Harold J., Jr.
Salter, Ernest H., Jr.
Sanders, William A.
Sauer, Gerald L.
Scharges, Horace F.
Schickler, Edward R.
Schoen, Robert M., Jr.
Schroeder, Gilbert A.
Schumacher, Charles T.
Schwartz, Stanley P.
Schwarz, Paul P.
Seaton, James H.
Selna, Leland R., Jr.
Sequeira, Frank E.
Sharts, Clay M.
Small, Douglas E.
Smart, Addison D.
Smith, Hugh M.
Smith, Jimmy C.
Smith, Neale S.
Smith, Walter S.
Sniffin, Willard F.
Snyder, Bruce E.
Soutar, Alister M.
Speth, Harry F., Jr.
Staehle, John H.
Standley, Arthur W., Jr.
Stanly, Bernard J.
Stauffer, Dale E.
Stegner, Donald L.
Stephenson, Edward V.
Stewart, Edward W.
Stoddard, Theodore L.
Suchoza, Bernard P.
Sumpf, Edward C., Jr.
Talbot, Edward B.
Thode, Thomas A.
Thomas, Phillip A.
Thompson, John H.
Titus, Robert W.
Trautwein, Robert T.
Tremain, Robert L.
Tulloch, Donald C., Jr.
Vandegriff, John H.
VanNorden, Gerald J.
Venn, Robert W.
Voegel, George H.
Wagenbach, Ronald J.
Walrod, David J.
Wanbaugh, Peter M.
Ward, Arthur D.
Warren, Frank B.
Watson, John
Weathers, Terry M.
Weaver, Gordon F.
Wegher, Arnold C.
Weigand, Robert E.
Wells, Alfred D.
Wells, Jack D.
Wernicke, Rodney K.
West, Joe E.
White, Harold O.
Wibby, John H., Jr.
Wild, Philip A.
Williams, David L.
Willis, Edmund P.
Wills, Allen D.
Winslow, David K.
Wise, Carlton H.
Wood, Hal D.
Wood, Leon G., Jr.
Woodworth, Ellery B.
Worrall, Luther F.
Wright, James N.
Yim, Herbert C.
Zaitzeff, Lawrence P.
Zuniga, Guillermo.

MEDICAL CORPS

Allen, William C.
Anderson, Charles C.
Bailey, Robert J.
Baird, Robert M.
Bates, Thomas R.
Benoit, Frederick L., III
Benoit, Richard P.
Bernard, Richard M.
Blum, John A.
Canete, Danelo R.
Cashion, Ernest L.
Childers, David O.
Clarke, Francis M., Jr.
Crawford, Edward P.
Dadmun, Stewart E.
Davis, David B., II
Davis, Gerald L.
Deen, James H.
Dougherty, Norris R.
Ducommun, Dale J.
Ertl, William
Fletcher, Donald F., Jr.
Gainer, James V., Jr.
Gibbs, Benjamin F., Jr.
Grozier, Michael L.
Hamilton, Robert C.
Hill, George J.
Hopwood, Herbert G., Jr.
Hunsaker, Darrell H.
Huseby, Helmer W. S.
Jackson, James K.
Jones, Cyril D.
Jorgensen, Morton C., Jr.
Joyce, Thomas H., III
MacVaugh, Horace, III
Meyer, Melvin E.
Moore, William E.
Nelson, James N.
Paxton, George S.
Ragsdale, Julian L.
Ramlo, John H.
Scott, Augustus B.
Silver, Lawrence
Smith, James W.
Smith, Martin J.
Smith, Ronald W.
Smith, Raphael F.
Tolmie, John D.
Trapp, Donald C.
Ungersma, John A.
Vescovo, Paul C., Jr.
Wargovich, Raymond M.
Woodruff, James J.

SUPPLY CORPS

Backus, John L.
Beumer, Delbert H.
Bisbano, Anthony, Jr.
Blumberg, Herbert K.
Churchill, John A.
Clark, Alan F.
Coyle, Anthony L.
Cuomo, Ralph J.
Farrell, Thomas J.
Grimes, Fred M.
Huebschman, Robert B.
Johnson, James B., Jr.
Joseph, Mark R.
Kurtz, Robert J.
Lilly, Thomas G.
MacMullen, Clark
Malamut, Lewis
Mjelde, Carroll V.
Osborn, Robert H.
Owens, James K., Jr.
Ponzeline, Dante C.
Scolpino, Frank J., Jr.
Stangelo, Donald G.
Tormey Edward N., Jr.
Vaughan, Francis
Wickman, Robert E.

CHAPLAIN CORPS

Edwards, Hubbard S., Jr.
Engdahl, Carl M.
Filmyer, Barnard G.
Harwell, Lacy R.
Kelly, Patrick J.
Lind, Harold E.
Shulman, Nisson E.
Simon, Matthew H.
Stenberg, Vernon E.

CIVIL ENGINEER CORPS

Allen, William B.
Block, Norman G.
Farrell, William G.
Fisher, Jack G.
Franck, Ernest P.
Loigman, Harold
Morekas, Sam
Silk, Robert A.
Smart, David O., IV.
Smith, Charles R.
Watkins, Jack, Jr.

JUDGE ADVOCATE GENERAL'S CORPS

Allen, Richard F.
Barnett, Robert G.
Busse, Norman W.
Corcoran, John E., Jr.
Fanseen, James F.
Kellogg, John S.
McMahon, Thomas J.
Moore, Stephen A.
Morgan, Howard W., Jr.
Nichols, Roger J.
Ogozalek, John F., Jr.
Phillips, Kenneth J.
Preston, Edwin S., Jr.
Sweeney, Joseph C.
Zinman, Robert M.

DENTAL CORPS

Barden, Ralph B.
Berschig, Ronald E.
Boeke, Peter R.
Brooks, Paul C., Jr.
Buckley, Ambrose W., Jr.
Calderone, James J.
Campbell, Homer R., Jr.
Dyer, Ted E.
Gentry, Jesse T.
Grimm, Oliver G.
Hatzeson, Thomas A.
Hazard, James A.
Hudson, Frank J.
Klein, Robert N.
Mahler, Harold E. J.
Porter, Myron R.
Reed, Darwin M.
Shulman, Jeremy
Shupala, Robert J.
Streeter, Elwood J.
Toylas, James P.

MEDICAL SERVICE CORPS

Becker, Bruce C.
Hansen, Peter C.
Hargrave, Charles W.
Laubach, Robert H.

NURSE CORPS

Georgi, Stella R.
Hoyem, Marry K.
May, Dorothy M.
O'Brien, Ann B.
Young, Jacqueline T. E.

The following named Naval Reserve Officers for temporary promotion to the grade of commander in the staff corps, as indicated, subject to qualification therefor as provided by law:

MEDICAL CORPS

Banda, Francisco B.
Benson, Daniel R.
Berman, Samuel I.
Blood, Joseph B., Jr.
Burrow, Rex L., Jr.
Burvant, Michael U.
Capps, James A., Jr.
Clement, Gordon S.
Cord, Richard H.
Drake, Clayton F., Jr.
Eisenman, Lawrence S.
Fowler, Glenn W.
Fuerstner, Ronald C.
Gilcrest, Harry R.
Giuntol, Robert L.
Hagele, Herbert C., Jr.
Harrison, Ronald A.
Hess, George W., Jr.
Hoffman, John A.
Karo, James J.
Kenefick, Thomas P.
Kronzer, William W.
Leatherman, Edward H.
Levine, Michael J.
MacDonald, Vance D.
Martin, Alfred J., Jr.
McCarthy, Leo J.
Miercort, Roger D.
Parent, Joseph A., Jr.
Pfeifer, James F.
Puls, Jerry L.
Redding, Marshall S.
Ringer, James H., Jr.
Rousseau, David V.
Schulman, Norman H.
Sherman, Jerrold M.
Sorensen, Vale H.
Stetz, Joseph A., Jr.
Sullivan, Timothy J.
Tachovsky, Thomas J.
Thornton, James J., III
Wachtel, Thomas L.
Wand, Oscar
Weissfisch, George
Wieting, William F.
Wilcox, Martin W.
Williams, Ackerman C., Jr.
Wolfsen, James L.

SUPPLY CORPS

Austin, Sheldon C., Jr.
Bain, William D.
Bartsch, Lynn P.
Basler, Richard A.
Bernstein, Robert S.
Bird, Jon A.

Blue, William A.
Bohensky, Donald F.
Budill, Edward J., Jr.
Burlingame, Robert E.
Chapman, Bruce T.
Copeland, Stuart W.
Costa, Dominic P.
Delsell, William W.
Fee, Brian B.
Fitzsimmons, Ted R.
Flynn, Phillip W.
Fry, Vance H.
Gamble, Carl T.
Gauthier, Robert R.
Gough, Richard J.
Hablitzel, Charles E.
Herndon, David L.
Hillman, Tatnall L.
Horton, William E.
Keane, Francis W.
Kopp, James E.
Lavisky, Joseph S., Jr.
Limberty, William G.
Mahoney, David L.
McCormack, Terrence S.
Modell, Robert L.
Moore, Douglas M., Jr.
Mynatt, William A.
O'Hare, Arthur J.
Osmon, Robert E.
Parsons, Stanley S.
Partridge, Stevens H., Jr.
Plein, Leonard A.
Ray, Harold L., Jr.
Schumacher, Jon R.
Six, Thomas J.
Smith, Norman B.
Sturhahn, David P.
White, Brents R.
Wolf, Carl G.

CHAPLAIN CORPS

Bollesen, Melius E.
Carroll, Richard F.
Conn, George M., Jr.
Crofton, Walter M., Jr.
Current, Robert J.
Dunning, David
Goldburg, Jay B.
Griffith, John D.
Harrel, Francis L.
Hensley, Basil A.
Keim, Walter R.
Kieffer, Kenneth F.
Loeffler, Henry K.
McCloskey, George P.
McMahon, Charles W., Jr.
Prescott, Roger K.
Reagan, Charles H., Jr.
Rosenberger, Beryl G.
Schofield, Calvin O., Jr.
Shaner, Donald W.
Shuart, Esler L.
Spiers, Kerry E.
Spittler, Russell P., Jr.
Stone, Daniel G.
Tea, Clark A., Jr.

CIVIL ENGINEER CORPS

Barclay, Robert A.
Blanchar, James H.
Brabston, William N.
Bradley, Clyde E.
Brewster, William L.
Buckelew, Richard L.
Burhans, Robert A., Jr.
Burks, Lawrence H.
Chiogioji, Melvin H.
Comuzzi, Donald R.
Delagarza, Felipe T.
Denham, Charles R.
Dixon, Philip G.
Frenkel, Robert L.
Heine, William A., III
Henry, William G., Jr.
Hepburn, Raymond G.
Killingsworth, Joel E.
Leamond, Harold J.
Lind, James L.
Lynch, Philip H.
Maddox, Robert G.
McEvoy, Robert W.
Moore, Douglas W.
Murphy, James L.
Orange, Edward N.
Papez, James S.
Priest, John E.
Smith, Gerald
Smith, Orville A.
Smith, Raymond C.
Snead, James D., Jr.
Stratbucker, Gerald L.
Terrell, David S.
Tisdale, James L.
Vaitas, Vilimantas S.
Wacker, Arthur M.
Wilson, Thomas M.
Winkel, Philip J.
Wolfram, Carl B.
Wong, Richard

JUDGE ADVOCATE GENERAL'S CORPS

Agger, James H.
Bayley, Christopher T.
Bonner, Walter J.
Danahey, James P.
Drowota, Francis F., III
Grant, Stuart L.
Hougland, Charles A.
Karnes, Robert E.
Lunney, James R.
O'Brien, Keith G.
Rousseau, Conrad E., Jr.
Thompson, Elliott D.
Wollenberg, William L., Jr.
Anderson, Robert L.
Bell, Irving
Butler, Donald R.
Darby, Joseph J.
Frommelt, Roger H.
Grossbaum, John J.
Hungate, Joseph W.
Knippa, Larry D.
Mordy, Paul F.
Riley, James
Stubbeman, David G.
VanNuys, Francis B.
Yock, Robert J.

DENTAL CORPS

Baziotes, Nicholas P.
Boon, Enice T., Jr.
Brecht, Jon H.
Caldwell, Clifton O., Jr.
Cimino, Samuel P.
Drennan, Ronald L.
Gomez, Edward
Kilpatrick, Richard L.
Lindsay, Joseph L., III
Ludwigsen, Lawrence R.
Mailander, Gary D.
McAnear, Jon T.
McCallum, William C.
Moutos, Minelaos G.
Pebbles, Harold A., Jr.
Perkins, Martin C.
Prohaska, Gerald F.
Purucker, Kenneth R.
Reynolds, Donald R.
Bernick, Sheldon M.
Bradbury, David R.
Cahan, John M.
Chaconas, Spiro J.
Dollard, John R.
Duncan, James M.
Howell, Gerald L.

Kislan, Thomas A.
Luckam, Thomas G.
Lund. Warner E., Jr.
Masters, David B.
McCallum, Walter E.
Mincey, David L.
Otis, Donald R.
Perdigon, Gustave J., III
Pickett, Charles E.
Pudwill, Myron L.
Raper, Hal S., Jr.
Roller, George S.
Schubert, Frederick W., Jr.
Sheller, Donald F.
Shirley, Robert L.
Silverman, Melvin
Smith, Charles L., Jr.
Smith, Edgar L.
Stark, Lawrence W.
Sternberg, Neil V.
Szatkiewicz, Richard J.
Thomson, Gordon W.
Voldeng, Karl E., Jr.
Vraney, Robert E.
Williams, Leonard J.
Williams, Pryor A., Jr.
Young, Guy E.

MEDICAL SERVICE CORPS

Basdekian, Edward A.
Davis, Linda J.
Earle, Alvin M.
Haynes, Jack R.
Horrigan, David J., Jr.
Maschmeyer, Elwood P.
Scott, Kenneth T.

NURSE CORPS

Armstrong, Margaret E.
Bahry, Vera J.
Haubenreich, Catherine, R.
Jones, Margaret E.
Komnenich, Pauline
Kowalski, Maxine L.
Lapi, Lillie
Ryan, Dorothy A.

The following named women Naval Reserve Officers for permanent promotion to the grade of captain in the line, subject to qualification therefor as provided by law:

Davis, Elizabeth A.
Gray, Anna E.

The following named women Naval Reserve Officers for permanent promotion to the grade of commander in the line, subject to qualification therefor as provided by law:

Anderson, Harriet L.
Carney, Marilyn L.
Fischer, Judith
Hartik, Lorraine M.
Hawkins, Annette V.
Schuepbach, Dorothe H.

Commander Genevieve L. Jones, Supply Corps, United States Naval Reserve, for permanent promotion to the grade of captain in the Supply Corps, subject to qualification therefor as provided by law.

In the Navy

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Jean M. Cackowski
Michael S. Curry
Martin P. Kauchak
Richard J. Kennedy
Michael E. Livingston
Mark M. Piotrowski
Keith J. Schneider
Wayne D. Slaughter
Francis R. Stearns
Robert G. Struth, Jr.

The following-named (Naval Reserve officers) to be appointed permanent lieutenants in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

John P. Anderson
Gael M. Delany
William J. DiZinno
Thomas W. Faull
Timothy P. Fitzharris
Raymond B. Hadley
Vernon P. Harrison
Dowell O. Hartsfield
Robertson D. Loar
Mark J. Mailander
Edward C. Marshall
Gregory G. Nelson
George A. Rounsaville
Terrence L. Watto
Carl C. Weaver
Lawrence W. Weeda Jr.
Michael J. Whitehouse

The following-named (Naval Reserve officers) to be appointed permanent lieutenants and temporary lieutenant commanders in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Hugh E. Murray III
Randall M. Stempel

The following-named (Naval Reserve officers) to be appointed permanent captains in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Wayne O. Buck
Norman V. Cooley, Jr.

The following-named (Naval Reserve officers) to be appointed permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lawrence S. Berman
Preston L. Judson
Chuck W. Lee
Warren M. Zeitlin

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Robert F. Granatir
Carl L. Unsicker
Herbert S. Dodge

William A. O'Neil (civilian college graduate) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subjpect to the qualifications therefore as provided by law.

Robert E. Rutledge (civilian college graduate) to be appointed a permanent commander in the line in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

Lt. Steven G. Detsch, DC USN, to be appointed a permanent lieutenant and a temporary lieutenant commander in the Dental Corps of the U.S. Navy, to correct grades, subject to the qualifications therefor as provided by law.

The following-named Navy enlisted candidates to be appointed chief warrant officers, W–2, in the U.S. Navy, for temporary service, in the classification indicated, subject to the qualifications therefor as provided by law:

Electronics Technician (Surface)

William J. Burd
David L. Carter
George S. Litchfield
Tony Talerico

ENGINEERING TECHNICIAN (SURFACE)

Norman T. Amdel
Paul D. Benton

NUCLEAR POWER TECHNICIAN (SUBMARINE)

James L. Day

ORDNANCE TECHNICIAN (SUBMARINE)

Lon H. Watson

LCDR James D. Coullahan, MC, USNR to be appointed a temporary lieutenant commander in the Medical Corps of the U.S. Navy, to correct grade, subject to the qualifications therefor as provided by law.

The following-named (U.S. Navy officers) to be appointed permanent lieutenants in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Christopher P. DePoix
Thomas J. Harries
Michael J. Sise
Michael P. Vincent

In the Marine Corps

The following-named temporary disability retired officer for reappointment to the grade of lieutenant colonel in the Marine Corps, subject to the qualifications therefor as provided by law:

Starek, Robert H.

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Bann, Peter L.
Barnes, Bruce L.
Bohlmann, Stephen P.
Bozarth, Miles S.
Capatosto, Pamela F.
Dalton, Timothy P.
Dunmore, David B.
Gerdes, Rodney J.
Hess, Dennis L.
Keenan, Peter J.
Klau, Gordon
Kosewicz, Joseph W.
Marsh, Kevin B.
McCabe, Michael L.
Melink, John M.
Mickler, Jim B.
Pajares, Jerome M.
Raetz, Curtis G.
Ratajczak, John Q.
Woodcock, Michael A.
Wukman, Alexander S.

IN THE COAST GUARD

The following-named lieutenant commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of commander:

Leonard P. Brooks
Harry Y. M. Char
Warren J. Shadko
Charles W. Scheck
Elliot R. Lese
Benjamin A. Geerds
Jon F. Engstrom
Joseph Miralles
Robert L. Foot
Ira J. Hall
Joseph F. Baroco
Joseph P. Manfreda
James A. Rowins
Jackson McLaughlin
Stephen J. Baumrind
Ronald G. Grimmer
Lawrence J. Toole
George H. McEachern
William B. Christy
Edward C. Rubatino
Walter E. Hanahan, Jr.
Robert J. Cheney, Jr.
William R. Allen
Richard R. Kuhn
Ronald P. Hunter
Edwin J. Roland, Jr.

CONFIRMATION

Executive nomination confirmed by the Senate April 9, 1976:

FARM CREDIT ADMINISTRATION

M. R. Bradley, of Indiana, to be a member of the Federal Farm Credit Board, Farm Credit Administration, for a term expiring March 3, 1982.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

CONGRESSMAN RHODES RECEIVES HUMANITARIAN AWARD

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. MICHEL. Mr. Speaker, I have recently learned that our distinguished and modest minority leader received a very prestigious award and I am happy to bring it to the attention of the House.

JOHN RHODES was given the Humanitarian Award by the Arizona Friends of the National Jewish Hospital and Research Center in Denver. The citation says that the award was given because of his, "great compassion and concern for mankind's birthright to breathe," and the fact that he "has helped and given great hope to the sick of all ages, races, and creeds."

I want to offer my congratulations to JOHN. I think all of us, as his friends, know how richly he deserves such recognition for his tireless efforts on behalf of good causes such as the National Jewish Hospital and Research Center.

Mr. Speaker, I include the newstory on the award which appeared in the Arizona Republic at this point in the RECORD:

[From the Arizona Republic]

RHODES HONORED AS HUMANITARIAN

Rep. John Rhodes, R-Ariz., was honored Saturday night for his humanitarian contributions to Arizona residents and his longtime support of a Denver respiratory hospital.

Rhodes was given the Humanitarian Award by the Arizona Friends of the National Jewish Hospital and Research Center in Denver.

Dinner Chairman Samuel Shapiro credited Rhodes with "distinguished service to Phoenix and Arizona" and "dedicated affiliation and concern for the National Jewish Hospital.

More than 500 persons at a dinner in the Hyatt Regency ballroom stood and applauded as Rhodes accepted the bronze-and-wood plaque.

"I am greatly honored to be part of this worthy effort," Rhodes said. "All of you who have supported this fine institution are humanitarians . . . this award I receive really belongs to you."

The admission price of $150 a couple generated $43,175 for the hospital, said former Phoenix Mayor John Driggs, who managed financing for the dinner.

The hospital cares for persons with hard-to-treat respiratory ailments regardless of their ability to pay.

Main speaker at the dinner was Dr. Lois Breen, chest consultant for the eastern district of the Maricopa County Health Department. She warned that tuberculosis in the county was up 16 per cent last year and caused six deaths.

"Tuberculosis is still around and it can happen to any of us," she said.

Dr. Breen said it was more exciting in the past to treat tuberculosis because drug therapy would cure most victims. "You could give a person a drug and kiss 'em off for two years," she said.

But now, she said, treatment is more complicated and cures harder to come by because remaining tuberculosis patients have metabolisms that resist drug therapy or have exotic forms of the disease.

SUMMARY OF H.R. 13111

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. McCOLLISTER. Mr. Speaker, yesterday, I introduced H.R. 13111, the Sales Representative Protection Act. I believe this bill is vitallv important to independent salesmen throughout the country. The following is a brief summary of the contents of H.R. 13111:

SUMMARY

Section 1. Title.

Section 2. Statement of finaings and purpose.

Section 3. Definitions: "Sales Representative" is defined to include only marketers of merchandise who use sales representatives. This will exclude providers of services such as insurance companies and companies of sales representatives.

"Sales Representative" is defined to mean only "independent contractors" (as distinct from "employees") who solicit for a principal's merchandise.

"Good cause" includes "dishonesty, fraud, other criminal activity, material breach of the contract, failure to put forth a good faith effort to sell the product, and gross negligence."

TITLE I—INDEMNIFICATION

Section 101. Provides that a principal who terminates a sales representative without good cause from an account which was opened by the sales representative or which he increased the sales by 50 per cent or more and which he serviced for a least eighteen months shall pay the sales representative an indemnification.

(a) (3) If the principal discontinues selling to the account, termination does not fall under the act.

(b) If a sales representative is terminated "for the primary purpose of preventing (him) from becoming entitled to an indemnification" he becomes eligible, providing he has worked for the principal for at least a year.

(c) (2) (A) If the principal reduces the size of a sales representative's territory and that reduces his commissions by 25 per cent or more in the following year, he becomes eligible for a reduced amount of indemnity or can consider himself "terminated" and pursue full indemnification. (c) (2) (A) (ii) except that if the reduced sales are the result of strike or natural disaster or war, the principal shall not be liable.

(c) (2) (B) If the principal reduces the sales representative's rate of commission by 25 per cent or more in a year, he can consider himself "terminate" or seek partial indemnification.

Section 102. The amount of the indemnity is computed by multiplying the higher of either the sales representatives average monthly commissions over the year prior to termination or the three years prior to termination by the total number of months he serviced the account by ten per cent. An example of the computation would be as follows: The sales representative serviced a particular account for four years and earned an average commission of $12,000 a year. If he were unfairly terminated, he would be entitled to—$1,000 (his average monthly commission X 48 (months he serviced the account) X 10%. His indemnity would total $4,800.

(a) (2) In no case would the indemnity exceed his average annual commission.

(a) (2) (B) If the sales rep recovers under section 102(B), his subsequent recovery under 102(a) will be reduced by that amount.

(b) The reduced indemnity which can be claimed by a sales representative who has his territory reduced or his commission rate reduced and who wishes to continue to represent his principal is computed in the same fashion, but reduced by the percentage by which his total commissions from the account or his rate of commission is reduced.

Section 103. Provides that a sales representative is entitled to a settlement from his principal within thirty days of termination (or else he can seek relief from the courts under the Act) and provides a payment mechanism which will reduce any cash flow problems for smaller businesses liable for the indemnity.

TITLE II—CONTRACTS BETWEEN SALES REPRESENTATIVES AND PRINCIPALS

Section 201. Provides that all contracts deal with certain areas of contractual concern, but does not specify that the contract be written nor provide penalties if the two parties to the contract do not formally agree on any area. In such a case, the courts will examine the course of dealing to determine the contract terms. The areas to be covered include: rate of commission, provisions for cash advances, amount of required termination notice, description of territory, existence and procedure if arbitration is involved, ownership of samples, notice period for principal to accept or reject order, arrangements for payment of commission on orders transmitted prior to termination, procedures for sales representative to verify principal's dealings with his account and whether the sales representative can handle other lines. In all cases, the two parties can determine whatever terms they wish in the contract.

Section 202. The principal has several duties towards his sales representatives. They include: acknowledgement of receipt of an order, making relevant invoices and credit memorandums available for inspection by sales representative, and provision of a monthly statement of commissions due.

TITLE III MISCELLANEOUS

Section 301. Action can be brought in any Federal District court or in state courts in the sales representatives home district. Action must commence within five years of termination. Courts may award attorneys fees to sales representatives if they bring a successful action.

Section 302. No contract can waive protections of this Act. Nothing in this Act, however, governs the terms of a private settlement subsequent to termination.

Section 303. The sales representative's right to pursue other suits against his principal is protected.

Section 304. The Act becomes effective 90 days after enactment.

A TRIBUTE TO ONE OF THE GREATEST OF THE "GREAT DISSENTERS", JUSTICE WILLIAM O. DOUGLAS

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. YATES. Mr. Speaker, there have been several members of the U.S. Supreme Court, over the years, who may well have merited the title of "the Great Dissenter" who in defiance of popular opinion and the majority opinion of the Court, may have felt required, consistently, to state the case for the just yet unpopular position, and who, in the end, were acclaimed by posterity as harbingers of reason and the right.

The names of Oliver Wendell Holmes and Louis D. Brandeis come quickly to mind, as does that of the first John Marshall Harlan. The dissents of Harlan in the interest of the 14th amendment were equaled, perhaps, by those of Hugo Black in the interest of the first amendment.

Yet, for all their wisdom, their sense of justice, knowledge of the law, independence of intellect, and moral integrity, none of these giants of the Supreme Bench can be said to have surpassed in ability and humanity the performance of Justice William O. Douglas, recently retired.

The belief of Justice Douglas in the rights of the individual under law was the main driving force in all his endeavors as a member of the Court. On this basis more than any other he dissented from the overall opinion of his colleagues. Yet—as has been so frequently observed—more of his dissents were later written into law than those of any other justice in Supreme Court history.

Throughout the full course of his honored career Justice Douglas was ever in the forefront of the fight for basic civil rights and civil liberties. In the same manner as that of his colleague of many years, Justice Black, he regarded the guarantee of free speech as basic to our national integrity. Moreover, his ability to recognize and understand the diverse economic and social forces affecting the times in which he served, and to reconcile them in the light of our Constitution, rendered him of major significance to the 20th century itself.

In looking back upon the so-called Warren Court of the 1950's and 1960's, historians will be required to recognize William O. Douglas as the mainstay of the liberal majority which transformed American jurisprudence from a close alliance with the status quo and privilege to the dramatic agent of constitutional principles in action. Among the legacies he was largely responsible for leaving behind were the expansion of the rights of criminal defendants, reapportionment of legislative districts, and the end of legal racial discrimination. These were the direct result of agreement and assent, of course—but the groundwork, laid previously by the determined Justice Douglas, inuluded masses of dissent—repeated protest against the most brutal of injustice, the kind sanctified by law.

Of all our "Great Dissenters"—and may they appear to lead the way so long as injustice continues on this Earth—one of the greatest certainly, was the magnificent, courageous, and remarkable Justice William O. Douglas.

Long may his memory prevail.

REPRESSION OF THE TRADE UNIONS AND UNIVERSITIES IN URUGUAY

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. KOCH. Mr. Speaker, I have been inserting into the CONGRESSIONAL RECORD a series of reports from Amnesty International concerning the situation in Uruguay. The trade unions and the universities have been the most outspoken opponents of the military dictatorship and consequently have suffered the harshest measures of repression. The report concerning the present position of these two groups follows:

THE POSITION OF TRADE UNIONS AND ACADEMIC INSTITUTIONS

Students and trade unionists have been among the principal victims of repression in Uruguay. Of the estimated 5,000 political prisoners, most would fall into these two categories.

(A) *Trade Union Movement*—

Since the dissolution of Parliament and the banning of the main trade union body, the *Convencion Nacional de Trabajadores* (CNT) at the end of June 1973, the number and intensity of violations of human rights have steadily increased. The leaders of the CNT, to which about 90% of the Uruguayan workers belong, have been living underground since 1973, when warrants were issued for their arrest.

Thereafter, persons arrested for trade union activities were usually taken to *El Cilindro* (a sports stadium prison in Montevideo), where, on the whole, they were not maltreated, the morale was high, and there were much more liberal visiting regulations than in other places of detention, such as the military barracks, where maltreatment is routine. The trade unionists were in general held in preventive detention, without charges, for a period ranging from a few days or weeks to a few months.

However, more recently, some trade unionists have been charged with offenses under the Law of National Security. This may be indirectly linked to their being TU militants, but more directly with their support for certain political parties or groups, all banned at the end of 1973, when Parliament was dissolved. A more worrying feature as regards trade unionists is the fact that they have now started to be taken to military barracks, in many of which it seems that all suspects brought there undergo torture as a matter of routine. This is accompanied by the common feature of no notification to the families or lawyers of the reasons for arrest and place of detention.

There were large-scale arrests throughout the country before May 1, 1975, which were apparently to prevent major organized actions as part of Worker's Day celebrations. These are excerpts from the testimony of one of the arrested workers:

"I was taken to the 9th Cavalry Regiment in Montevideo City. I was held there for several days. I lost notion of time. They were very hard on me, beating me on the head, stomach, legs and all about the body. I passed out several times . . . Another form of torture was to make me stand on a slippery floor stretching my legs apart until I felt I was going to burst, and then kicking me to make me fall. This they did 40 to 50 times. My feet were mangled for days. Afterwards, the 'submarine' (near suffocation by submersion in water). Then I was taken to the San Jose military unit. There the treatment was even more brutal . . . They threatened me with applying the 'law of escape' (execution). The climax came one night when they subjected me to a combined torture of submarine and electric shock with cables in different parts of the body, the marks of which lasted for weeks. There were 6 or 7 torturers . . ."

Since March 1974, all trade union activities have been prohibited. Strikes are not tolerated. Even elections of new boards have been paralysed and workers meetings on trade union matters (salaries, etc.) have been banned; in the few cases where such meetings have taken place, participants have been arrested, and many are still in detention, without trial. Although the CNT has been totally restricted from any attempt to maintain political opposition to the regime, trade union activities per se are perceived by the government as a threat. Due to the increasing gap between prices and salaries, the workers' discontent continues to be shown on many occasions, and such expressions are also severely repressed.

Trade union premises have been taken over by the authorities, and in the outstanding case of the Building Workers' Trade Union, "their headquarters were transformed by the authorities into a torture chamber."

"A special fund was created in Uruguay for the building of houses with a 2% deduction from the wages of all workers in Uruguay . . . The houses were never built, the funds being used to pay the wages of the army and police." (Source: Labor-World Confederation of Labor, Sept. 75).

(B) Universities—

The National University of Uruguay remained firmly in opposition to the present government, in which the military have the effective power, although the civilian elected President, Juan Maria Bordaberry, remains in office.

The Government felt that there might be a "silent majority" within the University that supported the Government but had not made its feelings known, and they ordered a compulsory and secret election of University authorities. The groups corresponding to the Frente Amplio (a "broad front" party comprising several groups of the left) and other groups from left to right of center in opposition to the ruling party won an overwhelming victory in September 1973.

During the summer and autumn, the University organized public lectures analysing the socio-economic and legal situation of Uruguay, which has been steadily and seriously deteriorating, and tried to present solutions to this major national crisis. The newly elected University authorities were due to take office on October 29, 1973. On October 27th, a bomb exploded in the Faculty of Engineering and killed a student, Marcos Caridad Jordan. There are contradictory versions as to his role there. The Uruguayan authorities claim that he was making the bomb. One of his teachers, the ex-Rector of the University, said that he found it hard to believe that Jordan was anything other than a serious student. As a consequence of Jordan's death, the Rector of the University, the Deans of all Faculties (and, instead of two Deans who happened to be out of the country that weekend, the Interim Dean and an Ex-Dean) were all arrested, as were some other members of staff and students. The Rector and Deans were held for nearly two months and questioned about their responsibility for the "Marxist infiltration" in the University and its having become a "center of subversion." Most of them are now released, but their cases have not been closed.

Large scale expulsion of University staff took place; the depuracion was formalized by a decree which obliged all staff to swear an oath against "Marxism" and in defense of the present regime.

The Uruguayan University Students Federation (FEUU) has been severely harassed; its leading cadres have been arrested (including their Secretary General) or are in exile.

(C) International Support—

Many international trade union organizations (such as the World Confederation of Labor and the International Confederation of Free Trade Unions) and student organizations—of both the East and the West—have strongly protested the repression of their fellow members in Uruguay, and it may be relevant to quote from an official report of the Committee on Uruguay of the International Organization of Labor:

"As regards the dissolution of the National Workers' Convention, the Committee drew the Government's attention to the importance it attached to the principle that workers' organizations should not be subjected to suspension or dissolution by administrative authority, and that likewise dissolution by the executive branch of the government did not ensure that right of defense which normal judicial procedure alone could guarantee. The Governing Body likewise asked the Government's observations on the alleged ban on the activities of the Glass Workers Federation and the National Union of Building and Allied Trade Workers, and on the measures taken against various teachers' organizations . . .

"In considering the case at its session in November 1974, the Committee expressed its concern at the numerous and grave accusations brought against the Government of infringement of trade union rights and regretted that the Government had left many of those accusations unanswered. It recalled that it had, in the past, emphasized that the purpose of the whole procedure was to promote respect for trade union rights in law and in fact, while protecting governments against unreasonable accusations . . .

"As regards the arrest and detention of trade unionists, the Committee once more drew the Governments attention to the principle evoked by the Committee when the case was being considered in February 1974, namely the importance of prompt and fair trial by an independent and impartial judiciary in all cases, including cases in which trade unionists are charged with political or criminal offenses which the Government considers have no relation to their trade union functions . . .

"The Committee likewise emphasized, as it had done on various occasions in the past, that the detention by the authorities of trade unionists concerning whom no grounds for conviction are subsequently found is liable to involve restrictions of trade union rights." (Source: ILO Document GB/195/12/20, paragraphs 156, 162, 163 and 164, February/March 1975)

The importance of international solidarity has been continuously stressed by the CNT. A vivid example is an international appeal launched by the CNT on March 18, 1975, calling for support from worker to worker.

(D) Prisoners—As mentioned above, from the approximately 5,000 political prisoners in Uruguay, it can be unmistakably estimated that *a large majority are workers and students, not only their leaders but also the rank-and-file membership*. In many cases we have concrete allegations of the use of torture, and the numerous examples we have indicate that its systematic application has become normal procedure in nearly all cases of political prisoners.

Among Uruguayan prisoners adopted or under investigation by AI, are members of a wide variety of trade unions. A few examples are listed, with names of detained members:

Meat industry workers: Ariel Alsin, Odiles Amiral, Beltran Camilo, Ruben Omar Hernandez, Ismael Larrosa, Valentin Llorca, Helvecio Machin, Rolando Morales, Walter Moreira, Eduardo Perez, Rolando Rossi, Rodolfo Sposito.

Dockworkers: Juan Gomez, Humberto Rodriquez, Juan Laino (union officials), Daniel Albacete, Frederis Britos.

Health workers/nurses: Juan Jose Aguirrezabal, Carlos Alfonso, Teresa Buscaglia de Lando, Sonia Guarmier.

Bank employees: Waldemar Caceres, Fernando Castro Carlos Ignacio Fassano Martens, Silvio Osorio.

School teachers: Carlos Raul Astellano del Rio, Nibya Elda Betancourt Rogh, Winston Nelson Marra, Milte Radiccioni, Maria Elena Viera de Aguirre, Ricardo Tarcisio Vilaro Sanguinetti, Victor Cayota (Chairman of the Secondary School Teachers Association), Luis Guidotti Luscher. (University professors from different faculties have been detained, but in particular a large number of the Faculty of Engineering have been arrested. Detained staff members of the Faculty include: Pedro de Aurrecoechea Pettinari, Augusto Bessouat, Luis Eduardo Casamayon del Pino, Jose Luis Genta Varela, Martin Hector Ponce de Leon Carrau, Julio Ricaldoni, Daniel Moretti Betancourt.)

Students: Maria Isabel Alvarez Seroni, Rafael Tabare Amen Pazos, Carlos Maria Anido Labadie, Carlos Ballestrazzi, Maria Amalia Brum Etchegaray, Medardo Castro, Jose Enrique Colombo Correa, Judith Josefina Colomo Rapp, Jose Pedro Dabesies Massone, Juan Alberto Aorcena Real de Azua, Jorge Roland Roland, Miguel Volinsky Schwarz, Horacio Bazzano.

Many other detained workers belonged to shoe factories, telephone and transport unions, the civil service, glass factories, newspaper-vendors, locksmiths, farmers, soap workers, textile workers, railwaymen, biscuit factories, metalworkers, building workers, dockers, and physicians and dentists—including Dr. Francisco Walter Pucci, Chairman of the Latin American Association of Odontologists.

BUILDING BRIDGES

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. FORSYTHE. Mr. Speaker, recently my constituents returned my annual survey, in order to inform me of their views on the current issues. In the area of priorities one concern appeared far ahead of any other—the size and cost of Government. This, they indicated, was a problem deserving of immediate attention by Congress. I could not agree more.

Our Founding Fathers drew up what they felt to be an ideal form of government, designed not to control but to protect and serve the people. As the Preamble to our Constitution directs, the objective of this Government should be to "promote the general welfare."

Yet today, our Government has produced a bureaucracy that is so complex, and so bound by regulation and redtape, that the very purpose of its organization in the first place is forgotten.

This situation is unfair and unnecessary for our Nation's taxpayers. The need for regulatory reform transcends all partisan or provincial boundaries. We all need to work together now to streamline our Government.

The following article from the Asbury Park, N.J. Press of March 27 offers an excellent illustration of this problem. Too often the benefits of protective governmental regulation flow away from and not toward the people. Not until the bureaucracy can serve as a bridge instead of a blockade between people and Government, can our Federal agencies be said to be truly responsive to our needs:

STATE TAKES DIM VIEW OF BICENTENNIAL BRIDGE

(By W. Ray Ollwerther)

TOMS RIVER.—Complaining about red tape and long bureaucratic delays, Dover Township officials decided to build a bridge across the Toms River without the required state or federal permits.

They got caught.

It was only a temporary foot-bridge, built for a Bicentennial re-enactment of a 1782 British attack on the village of Toms River.

It didn't interfere with boat traffic, and it didn't cause any apparent environmental damage.

But on March 19, the same day it took township employees three hours to put the bridge in place, inspectors from the Department of Environmental Protection noticed something fishy along the water's edge.

Yesterday, the township received a letter from the department accusing local officials of "a willful violation" of state law in proceeding without a permit.

James B. Johnson, state supervisor of the riparian section, "invited" the township to explain why it should not either remove the bridge or be fined for "construction prior to obtaining the necessary permits."

While conceding the township did not follow required procedures, Mayor Robert Brune says local officials didn't flout the law.

"We took a reasonable and logical view to cut through the red tape of governmental bureaucracy," Brune said. "For the amount of good it did in educational value and community spirit, I still think it was a good idea."

Adds L. Manuel Hirshblond, township clerk-administrator: "A re-enactment like this happens only once every 200 years. We've been battling paperwork with various agencies for months, and we had to get the bridge up.

"We hoped no one would come around and make an inspection and quickly—it's unbelievable," Hirshblond said.

In addition to the state violation, the township didn't file for a permit from the Coast Guard.

The maximum penalty for an illegal structure on a navigable waterway is a fine up to $2,500 and a year in jail.

But it appears that benign neglect by regulatory agencies will let the township off the hook.

A spokesman for the Coast Guard said the agency has more important things to worry about.

Donald Graham, director of the state Division of Marine Resources, said a lack of communication with the township led to the state's complaint. He said it would go no further.

And besides, says Hirshblond, the offending bridge will be taken down on Monday.

The township does plan to build a permanent foot-bridge at the same site later this year, but local officials plan to be somewhat more cautious.

"We'll wait till we get the proper permits," Hirshblond said.

TOXIC SUBSTANCES CONTROLS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. ZEFERETTI. Mr. Speaker, the House will soon be debating a crucially important piece of environmental protection legislation in the form of the Toxic Substances Control Act, already overwhelmingly approved by the other body. This legislation is intended to protect the public from chemicals that could cause cancer, birth defects and other health hazards. Observers predict a difficult struggle in the House over the bill, which directly addresses the problem of chemical pollution in the United States.

Every few months we are dismayed to confront another instance of chemicals loose in our environment and causing serious health hazards. Among those revealed so far have been mercury, kepone, PCB's and vinyl chloride. What the instances described here show is that these increasingly sophisticated chemical compounds are being utilized commercially without being fully tested as to how they affect people. Full testing to determine side effects on human beings and their environment is essential, and the bill in question would go a long way toward guaranteeing just that. This legislation would require laboratory testing more complete than that chemical companies presently carry out.

If passed, the bill would require a producer to notify the Environmental Protection Agency 90 days before commencing manufacture of a new chemical, so that the agency could require testing of substances it deemed potentially dangerous. It would remedy the present piecemeal regulation of chemicals, many of which now escape Federal scrutiny. Presently, only pesticides, drugs, and food additives undergo federally mandated testing before being sold commercially.

It is estimated that there are some 30,000 chemicals in use today, with another 1,000 coming into the market annually. As a result, we have been and will continue to be confronted with revelations that one or another of these new substances is hazardous and could very well be contaminating us in any number of ways. For example, PCB's have been revealed as potential menaces, as well as other substances in our drinking water. Therefore, the Toxic Substances Control Act is now more necessary than ever, especially with the slow progress in treating cancer, that results from exposure to deadly chemicals.

This legislation is to prevent people from being used as unsuspecting guinea pigs. Chemical combinations know no physical boundaries, and little is known about many of them. Yet, there are no laws under which we may ban their use today. Fluorocarbons may affect the ozone layer, contributing to skin cancer, and we cannot ban them either.

The Toxic Substances Control Act, which I have cosponsored from the start, is designed to get at the heart of our chemical contamination problem via pretesting and stiffer regulation of production, marketing, use or disposal of hazardous chemicals. It is my fervent hope that the House will complement the Senate's action and vote to approve a strong version of the measure for the public's safety. It is a long past due action on our part.

PRESS REPORTS SAY FORMER PHILIPPINE PRESIDENT WAS REFUSED POLITICAL ASYLUM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. SOLARZ. Mr. Speaker, last week I was deeply disturbed by reports that appeared in the press that the former President of the Philippines, Mr. Diosdado Macapagal, was turned away from the American Embassy in Manila when he showed up to request asylum in the United States. I was concerned that these accounts had overtones of the unfortunate case involving Simas Kudirka, the Latvian sailor who sought asylum from the United States in November 1970 when be boarded a U.S. Coast Guard ship, only to be turned back a few hours later to Soviet personnel.

However, I made immediate inquiries to the State Department and eventually spoke to the American Ambassador to the United States who happened to be in Washington the same day that the press reports appeared. Ambassador Sullivan assured me that the United States had received assurances from the Philippine Government that former President Macapagal was not about to be arrested and that in fact he was free to leave the country at any time. Mr. Sullivan further informed me that Mr. Macapagal would be permitted to come to the United States if he applied for permission.

When I spoke to Ambassador Sullivan, I requested a written confirmation of the assurances given to the former President and I am taking the liberty of inserting these assurances in the Record.

I am delighted to know that Mr. Macapagal is free to leave the Philippines at any time. I trust that, in the event he does decide to emigrate to the United States, our Government will make every effort to expedite his application, so that Mr. Macapagal can come to this country as soon as possible.

The letter follows:

Department of State,
Washington, D.C., April 5, 1976.

Hon. Stephen J. Solarz,
House of Representatives.

Dear Mr. Solarz: Ambassador Sullivan has told me of your telephone conversation with him regarding the Department's response to the recent request for political asylum by Mr. Diosdado Macapagal, former President of the Philippines.

Mr. Macapagal arrived unexpectedly at the Embassy Residence in Manila at about 11:00 a.m. on April 1. Ambassador Sullivan was in Washington at the time, but Mrs. Sullivan was at home. Mr. Macapagal told her that he feared he was in danger of imminent arrest and requested political asylum, a request he repeated to our Charge d'Affaires, Mr. Lee T. Stull, when the latter arrived at the Residence, having been summoned by Mrs. Sullivan. After talking with Mr. Macapagal, Mr. Stull reported the circumstances to the Department of State and requested instructions.

From Mr. Stull's reports, it was apparent that neither Mr. Macapagal's life nor the safety of his person was in jeopardy. Thus, the granting of temporary refuge, which may be authorized in such circumstances, was not called for.

Since it is the policy of the United States Government not to grant asylum to citizens of another country within the territorial jurisdiction of their own government and since temporary refuge did no appear necessary in this case, it was decided that Mr. Macapagal's request for asylum should be denied and that he should be asked to leave the Residence, with the assurance that if he wished to go to the United States and if the Philippine Government would permit him to depart, we would do everything possible to admit him to the United States in accordance with our normal procedures. Mr. Stull was instructed to so inform Mr. Macapagal. He was also instructed to inform the Philippine Government of Mr. Macapagal's request and our denial of it. Meanwhile, a spokesman for Mr. Macapagal, apparently acting on the latter's instructions, issued a statement to the press announcing that Mr. Macapagal had sought asylum at the American Embassy.

When Mr. Stull, acting under the instructions he had received, discussed the situation with officials of the Philippine Government, he was informed that there was no warrant out for Mr. Macapagal's arrest and that Mr. Macapagal could leave the Philippines any time he wished to do so.

After being informed of the United States Government's position and of the assurances given by the Philippine Government, Mr. Macapagal voluntarily departed the Residence some 13 hours after his arrival. He was not molested upon departure and, as far as we know, remains at liberty. We are confident that the assurances given by the Philippine Government will be honored. We do not anticipate that Mr. Macapagal will seek to leave the Philippines in the immediate future. However, should he apply for admission to the United States through the normal channels, his application would receive every consideration.

I have tried not to encumber this letter with quotations of regulations. For your information, however, I am enclosing copies of those sections of the Foreign Service Manual which deal with asylum and the granting of refuge. Of particular pertinence to this case are sections 227 through 228.3.

Sincerely yours,

Robert J. McCloskey,
Assistant Secretary for Congressional Relations.

THE RIGHT TO FOOD

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. GRASSLEY. Mr. Speaker, in September, Representative Fraser introduced House Concurrent Resolution 393, which resolves that "every person in the country and throughout the world has the right to food—the right to a nutritionally adequate diet." Mr. Fraser is to be commended for his thoughtfulness in the introduction of this resolution and, in particular, for his recognition within the resolution's context that any American assistance aimed at improving the diets of the poor throughout the world should focus on self-help development.

House Concurrent Resolution 393 deserves the consideration of each and every Member of Congress as a vehicle forcing dialog on a subject that cries for discussion and resolution. Two points should be kept in mind, however. First, the United States alone cannot feasibly try to feed all the world's undernourished. In addition, those nations which are suffering from widescale hunger must not adopt policies which discourage the full production of food. With respect to this latter point, I want to note the findings of two groups of researchers, acting independently. Researchers at the Iowa State University and with the GAO both found that many developing nations have policies which actually discourage the full and efficient production of food.

Each Member of the House should keep in mind that food in this Nation accounts for a smaller proportion of earned income than in any other country. In addition, last year alone, we exported well over $20 billion in agricultural production that could not be consumed at home. The reason for this abundance is clear. In America, the farm sector operates freely, without direct commands being issued by the Federal Government to each individual farmer. Unfortunately, I believe there are many well-meaning legislators who, for a variety of reasons, believe that the Federal Government must increase its control over the decisionmaking processes of the individual farmer. This would be disastrous to our Nation and the entire world. In addition, it would be disastrous to the achievement of those goals set forth in the right-to-food resolution. I recommend that any Representative who looks with skepticism upon these statements review the editorial below, reprinted from today's edition of the Wall Street Journal:

The Right to Food

Twenty-seven national religious leaders recently drafted a thoughful appeal to Congress that is bound to stimulate widespread public discussion. The interfaith religious leaders said that until recently hunger was unavoidable for much of the human family, but now that we have the means to overcome hunger it is no longer acceptable. Every man, woman and child on earth has the right to a nutritionally adequate diet, they said, since the food to sustain life is a fundamental right that derives from the right to life itself.

The authors of this declaration do not seek villains or pretend that there are easy answers, which distinguishes their effort from some other notable statements issued in the name of religion. They explicitly point out that two resolutions currently before Congress, declaring that everyone has a right to food and that such a right is to be recognized as a cornerstone of U.S. foreign policy, "does not commit our nation to massive food handouts." Rather, they say, the resolutions "recognize the responsibility we have, in cooperation with other nations, of enabling hungry people to produce more food and to work their way out of hunger."

The religious leaders' concern is readily understandable: Famine and food shortages have plagued mankind since the beginning of time, yet finally mankind has the means to overcome hunger—provided that governments do not interfere. (Russian expert Adam B. Ulam notes in a recent issue of the New Republic that four to five million Soviet citizens starved in 1932–33 while the Stalinist government exported 1½ million tons of grain to obtain foreign currency for industrialization.) That's why we share the underlying suggestion in the clergymen's declaration that food and nutrition cannot be divorced from such considerations as population, economics and politics.

The religious leaders caution that "substantial gains against hunger will not be quick or easy or cheap," and that they "will require exceptional efforts on the part of rich and poor nations alike." But it seems to us that foremost among those "exceptional efforts" is recognition that the problem of food shortages is rooted to a large extent in government policies, particularly in efforts to impose rigid controls on agriculture.

This is true in many nations but it is particularly true of Communist and socialist states, which continue to blame harvest failures on the weather and on everything other than the effects of state planning. It is no accident, and only partly the fault of bad weather, that Russia was the world's leading agriculture exporter before World War I, yet twice in recent years was required to purchase vast amounts of grain from the U.S.—whose agricultural methods it routinely criticizes as unscientific and wasteful.

Some influential Americans also describe U.S. agricultural methods as unscientific and wasteful, and their solution for modernizing is to impose ever wider controls. Regrettably, they have yet to make the connection between America's bountiful harvests and the fact that U.S. farmers enjoy considerable freedom. The proper solution is not to wrap them in a straitjacket of regulations and controls, but to encourage other nations to follow the U.S. example.

This means that Washington should redouble its efforts to share U.S. technical and scientific knowhow with interested nations. It means we should do everything we reasonably can to ameliorate hunger and prevent starvation anywhere in the world. But it also means that we owe it to the underdeveloped world, as well as to home grown critics, to reiterate again and again that most countries have it within their power to stave off famine by merely liberating farms and farmers from the shackles of government master plans.

FEDERAL PAPERWORK LOAD IS BECOMING A CRUSHING BURDEN ON PRIVATE COLLEGES

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. AuCOIN. Mr. Speaker, I would like to share with you and with the other distinguished Members of this body a letter I recently received from the executive director of the Oregon Independent Colleges Association. The contents of this letter have been read and approved by 20 private colleges throughout the Pacific Northwest.

In this letter, Dr. James Sullivan points out the crushing burden that is being placed on our private institutions of higher education by an overwhelming burden of new laws and regulations, each requiring a major commitment of faculty and staff time and each costing a substantial commitment which must be taken from resources that would otherwise be committed to the institution's educational program.

Mr. Speaker, much of this paperwork relates to legislation that is directed to good causes. But if in our efforts to do good we strangle small private colleges so they can no longer continue to exist, we are depriving all Americans of an important national resource.

Our small independent colleges have traditionally led the way in providing quality education with minimal cost to the taxpaying public. It would be tragic if we permitted the demise of these institutions in the name of reform and better government.

Mr. Speaker, I submit this letter for the Record:

Oregon Independent Colleges Association,
March 19, 1976.

Representative Les AuCoin,
House Office Building,
Washington, D.C.

Dear Les: We need your help.

In the past few years we have been overwhelmed by federal regulations and federal requirements for paperwork on a wide range of programs. It is not that we object to the goals; in almost every instance we agree with those social purposes. It does us no good, it does no one any good, however, for the federal government to overwhelm us with a burden of conflicting and oppressive regulations and demands for paperwork; most of which do absolutely nothing to advance the ends to which they are directed.

In the United States today there are approximatley 1,485 independent colleges. Of that number 1,300 have enrollments of less than 2,500 and as a result have extremely small staffs. Every additional demand for federal paperwork means we must either hire more personnel or shift some of our academic faculty into at least part time administrative and paperwork duties.

A further problem is cost. Student tuition and fees pay approximately 65 percent of the costs at independent colleges. For every additional dollar we must spend on required federal paperwork, we must pass on approximately 65¢ to our students. This is a financial imposition that our students and/or their parents can little afford. It has a further complicating factor in that it further widens the tuition gap between independent institutions and those of the tax subsidized public institutions. Any further widening of this tuition gap could have a serious adverse impact on the ability of our institutions to survive.

We have written to President Ford and urged that he take executive action within his administration to improve this situation. Anything you can do to advance our case at the White House would be appreciated.

We have written to the Commission on Federal Paperwork asking that they make the federal requirements of paperwork on higher education a priority item in their studies. Any assistance you can give us in this regard would also be appreciated.

Most especially, however, we look to you for whatever assistance you can be in the legislative arena to try to put some control, some realistic imprint on federal regulations and federal requirements for paperwork. Anything you can do in this area will be deeply appreciated by all of us.

Best regards,

JIM SULLIVAN,
Executive Director.

(This letter has been read and concurred in by the college and university presidents named on the accompanying list).

Dr. Dallin H. Oaks, Brigham Young University, Provo, Utah.

Dr. Francis J. Kerins, Carroll College, Helena, Mont.

Rev. Anthony M. Brown, College of Great Falls, Great Falls, Mont.

Dr. William C. Cassell, College of Idaho, Caldwell, Idaho.

Dr. J. P. Sanders, Columbia Christian College, Portland, Ore.

Dr. E. P. Weber, Concordia College, Portland, Ore

Dr. David C. Le Shana, George Fox College, Newberg, Ore.

Dr. C. Neal Davis, Judson Baptist College, Portland, Ore.

Dr. John R. Howard, Lewis and Clark College, Portland, Ore.

Dr. Charles U. Walker, Linfield College, McMinnville, Ore.

Sister Veronica Ann Baxter, Marylhurst Education Center, Marylhurst, Ore.

Rev. Elden F. Curtiss, Mt. Angel Seminary, St. Benedict, Ore.

Mr. Warren A. Wolf, Museum Art School, Portland, Ore.

Dr. Barton A. Dowdy, Northwest Christian College, Eugene, Ore.

Dr. D. V. Hurst, Northwest College, Kirkland, Wash.

Dr. James V. Miller, Pacific University, Forest Grove, Ore.

Dr. Paul E. Bragdon, Reed College, Portland, Ore.

Dr. Bruce T. Alton, Rocky Mountain College, Billings, Mont.

Dr. David L. McKenna, Seattle Pacific College, Seattle, Wash.

Rev. Paul E. Waldschmidt, University of Portland, Portland, Ore.

Dr. Philip M. Phipps, University of Puget Sound, Tacoma, Washington.

Dr. E. Joe Gilliam, Warner Pacific College, Portland, Ore.

Dr. W. Thomas Younger, Western Baptist Bible Col., Salem, Ore.

Dr. Manford A. Shaw, Westminster College, Salt Lake City, Utah.

Dr. Edward B. Lindaman, Whitworth College, Spokane, Wash.

Dr. Robert P. Lisensky, Willamette University, Salem, Ore.

THE VICTIMS OF CRIME

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. HUNGATE. Mr. Speaker, as the Judiciary Committee has been considering the problem of crime victims, the enclosed editorial may be of interest in referring to the ways in which some States and other nations would meet these problems:

[From the Kansas City Star]

THE VICTIMS OF CRIME

Several state legislatures are in the midst of debating the issue of aid for victims of crime. Some lawmakers are hesitant to launch programs for fear of creating a new layer of bureaucracy, excessive costs and vulnerability to fraud. Some light could be shed on the practicability of assistance for victims of crimes by looking at the experience in the State of Washington.

In the first 20 months about $900,000 has been paid to 1300 victims who have proved their losses to Washington officials. Benefits have been given to about 65 per cent of the applicants. Medical bills were paid in about 80 per cent of the cases; the rest were awarded on death, permanent or partial disability claims.

A bill developed in the Kentucky General Assembly calls for compensation for crime victims by the criminal who inflicted bodily injury or property damage. In Wisconsin reimbursement would be tied to workmen's compensation. Supporters of aiding crime victims in Texas are attempting to link the assistance with restitution by the offender.

Assistance for crime victims originated outside this country. Great Britain has had a program for years. Yet relatively few states have accepted the concept in the United States, even though the welfare of victims of poverty has been a prominent public issue. Moreover the public has been keenly aware of the apprehension, conviction and incarceration of the criminal. The victim remains virtually unnoticed—and unaided.

WAYNE STARK

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. TEAGUE. Mr. Speaker, on Saturday, April 3, the Memorial Student Center of Texas A. & M. University held their annual awards banquet. On that evening, Mr. Wayne Stark, director of the Memorial Student Center, was honored by the students.

It has been my pleasure to have known Wayne Stark for 30 years and I have seen at firsthand the effect he has had on the lives of the students who have passed through Texas A. & M. University and who have participated in the student center activities. He is truly a leader of young people and has been a most influential force on the campus during his tenure.

Under leave to extend my remarks in the RECORD, I wish to include the remarks of a student leader honoring Wayne Stark:

WAYNE STARK RECOGNITION—MSC AWARDS BANQUET

Ladies and gentlemen, tonight we have been privileged to witness the culmination of MSC careers which, for some of these Seniors, span their full four years at Texas A. & M. They have served their University and themselves well.

The program of the MSC Council & Directorate is now 25 years old, and, as a part of this banquet, we celebrate its birthday, with love for what it has done and is doing for those who serve.

There is emotion in the air tonight. You can feel it and see it in the eyes of those seniors who have walked forward to receive awards for distinguished services rendered and must now face the reality that their active student service at the MSC has ended.

You can see it in the eyes of those who now step forward, in but a few moments, to take the place of these seniors and carry the happy burden of presenting this program to the student body of Texas A & M in the school year 1976–77.

If you look closely among those faces that you probably have not seen before tonight, you will find emotion in the eyes of those of us who have returned to the campus to celebrate the Silver Anniversary of the MSC program. Each of us is looking back and remembering the moments when we were privileged to joyfully labor in the MSC program. Those of us who have departed the campus now look back, remembering not the hours of hard work, but the fun of working on a program in which we truly believe.

We now recognize, after pursuing careers, the true value of the program, and how much, as individuals, we gained from our participation in the MSC program. It changed our lives as it is changing yours.

College education is far more than books. It requires not only technical knowledge in a chosen career field, but an understanding of how to relate to your fellow human being in a complex society where each of us comes from a different background and possesses somewhat dissimilar hopes and dreams. It requires an opportunity to learn to lead, first by following and then by leading, with careful guidance and direction to allow individuals to learn from their mistakes.

I think I can speak for all of us who have returned for the Silver Anniversary when I say that the largest single contribution to our college education and our leadership development outside the classroom, was our participation in the program of the Memorial Student Center Council and Directorate. The benefits and advantages of participation in that program to each of us in the many diversified career fields which we have selected would be impossible to detail. We who return to this campus have come tonight to honor the person who has made all of these benefits possible for each of us over so many years. In reality, it is his birthday that we celebrate, for he has orchestrated the program which is the MSC.

He is a very special and unique person. Filled with compassion and patience and with a heart as big as the whole out-of-doors. His eyes saw no difference in color, long before the law ever got around to recognizing that "all men are created equal". He never cared whether we came from a farm, small town or a large city. It did not matter to him whether we knew which fork to use with the salad, or not to clap between movements during a symphony performance or never to chew gum in public. These were but a few of the many things we would learn under his guidance. You might say that this person has civilized a generation of Aggies.

Raw as we may have been, he saw only young people who desired to be leaders and needed training and an opportunity to serve. He listens well. Whether the problem be personal or directed toward the program. His main concern has always been the future development of each individual and, in that regard, he has always been a teacher of the first magnitude. Many are the hours which he has spent with students in his office, sharing letters and experiences from those who went before in the program. Always attempting, by these examples, to make us try a little harder.

For all of these years, he has sought to open the eyes and experiences of the students who have paraded before him in service to the MSC by the hundreds. Whether it be the Experiment in International Living—or the leadership trip—or the travel committee—or literature—or any of his other "pet projects", this person has always sought to widen the horizens of those around him. He has sent scores of students to Harvard Business School and opened seemingly closed doors of law schools and professional schools for hundreds of others. Knowing this person is like tasting the forbidden fruit—we are never the same after the experience, for the memory of this person haunts us always pushing us to taste new experiences and to excel.

Under his guidance and direction, the MSC program has expanded from a small, centralized program to the broad, all-inclusive program which is now made available to all the students at Texas A & M. The new MSC Complex physically demonstrates the massive growth of the MSC program under his guidance, from the days of the tiny Student Programs Office which most of us called home in years past.

This man suffers from no problems of ego, for he always seeks to place those around him in the seat of prominence, while he observes and applauds our successes and helps us to learn from our failures. He refuses to allow any person to accept mediocrity in themselves. He demands our best and the people whose lives he has changed are the living testimonials to his life's work. There are no buildings which bear his name, but each of us here tonight carries a little piece of him wherever we go.

He has received little real recognition from the University for his efforts, which, in private industry, would have made him a person of great wealth and fame. He is a very special person, for he has a place in his heart for each individual in this room and a very special dream for each individual in this room tonight. The person we honor is and has been the creator of the MSC program, Mr. J. Wayne Stark.

EXCISE TAXES

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. ESCH. Mr. Speaker, on April 6, I accompanied Senator ROBERT P. GRIFFIN to the tax revision hearings being held by the Senate Finance Committee. The Senator urged repeal of the 10-percent Federal excise tax on new medium and heavy duty trucks, trailers, and intercity buses as well as the repeal of the 8-percent tax on truck and bus parts and accessories.

I concurred with Senator GRIFFIN's testimony and am hopeful that the Senate will take affirmative action to repeal these discriminatory and burdensome excise taxes. By doing so, it will stimulate employment and create job opportunities in the truck manufacturing and related industries.

At the Senate Finance Committee hearing on April 6, documentation in support of truck excise tax repeal was given by Peter Griskivich, director of the Motor Truck Manufacturers Division of the Motor Vehicle Manufacturers Association of the United States, Inc. I commend this statement to you and ask that it be incorporated as part of my remarks.

I feel certain that my colleagues will agree with me that repeal of these archaic and discriminatory excise taxes will serve to stimulate truck manufacturing and its related industries, encourage employment, provide relief to the consumer, and end a discriminatory, burdensome tax.

Following Senate action, and when the tax reform measure is in conference, I urge my colleagues to accede to the action of the Senate and repeal these discriminatory truck, trailer, and parts taxes.

The testimony follows:

TESTIMONY OF PETER GRISKIVICH

Mr. Chairman and Members of the Committee. I am Peter Griskivich, Director of the Motor Truck Manufacturers Division of the Motor Vehicle Manufacturers Association of the United States, Inc. (MVMA). We appreciate the opportunity to present testimony on tax reform issues. MVMA represents nine of the major motor vehicle manufacturers who account for more than 99% of the automobiles, trucks, and buses made in the United States, including 98% of the trucks produced.

I am appearing today to urge that the Committee reaffirm its previous support for the repeal of the 10% Federal excise tax on new medium and heavy duty trucks, truck trailers, intercity buses [under 26 USC 4061 (a)(1)] and the 8% tax on truck and bus parts and accessories [26 USC 4061(b)]. This proposal is contained in S. 974 introduced by Senators Robert Griffin and Philip Hart and S. 2495 sponsored by Senator Hartke of this Committee.

It is our belief that the repeal of these taxes is entirely in the public interest and in harmony with the goals of stimulating the economy and controlling inflation. Repeal of these excise taxes will furthermore remove a long-standing tax inequity and help to offset the rapidly rising material and manufacturing costs. By so doing, it will additionally serve to protect and bolster employment in the commercial vehicle and related supplier industries at a time when such action is particularly needed.

THE NEED FOR GREATER TAX EQUITY

These taxes represent some of the last vestiges of a form of taxation which has its origins in either "temporary" or "emergency" measures adopted during wartime or the Depression. Their purpose was largely to discourage production or make adjustments in the national economy. The vast majority of products subject to these taxes, some dating back to World War I, have since been exempted. Such things, for example, as motorcycles, automobile parts, air conditioners, business machines, refrigerators, freezers, refuse collection truck assemblies, radios, TVs, phonographs, local urban mass transit buses, electric appliances of all kinds, furs, luggage, and jewelry were exempted five to ten years ago.

In 1956, at the time that the truck and parts taxes were earmarked for the Highway Trust Fund to finance the Interstate System, most if not all the products cited above were still subject to excise taxes. Since 1956, however, they have been substantially wiped from the tax books. As a consequence, the Federal excise tax system has become progressively more selective in the types of products subject to it—and thus, increasingly more discriminatory.

In 1971, for instance, Congress exempted passenger automobiles and that portion of the tax which applies to new trucks of up to 10,000 lbs. GVW, leaving medium and heavy-duty trucks, trailers, and intercity buses alone burdened with this tax and the 8% tax on truck and bus parts and accessories. No similar taxes are levied on the manufacture of competing forms of surface transportation—e.g., trains, river barges, sea freighters or pipelines.

The major purpose of these hearings is to enable this Committee to report out a comprehensive tax *reform* bill. The inclusion in this legislation of the proposals we are urging would be completely consistent with your enlightened actions in 1965 and 1971 when you repealed all of the temporary excise taxes mentioned before. Now is an appropriate time for the committee, and the Congress, to continue and complete this reform effort by repealing these discriminatory taxes which serve as an unfair yoke around the neck of the truck, trailer, bus and parts manufacturing industries.

DECLINING SALES AND DECLINING TAX REVENUES

During the past two calendar years, trucks in the over 10,000 lb. class experienced a 40% decline in retail sales from 495,768 units in 1973 to 298,105 units in 1975. This is double the rate of sales decline of non-taxed trucks (0–10,000 lbs. GVW) which in the same 2-year period dropped 19% from 2,152,490 units in 1973 to 2,052,952 units in 1975. This downward trend has continued through the first two months of this year which saw retail sales of these taxed vehicles at 43,607 units as compared to 72,339 units in January-February of 1973.

We hope this trend reverses itself. Nevertheless, it underscores the fact that when there are fewer sales there are fewer tax revenues collected.

For example, based on last year's sales decline, truck, bus and trailer excise tax collections for FY 1976 are estimated in the proposed FY 1977 Federal Budget to drop to $375 million. This would be a decline of $226 million from FY 1975 Highway Trust Fund receipts of $601 million. Again, however, we hope truck sales recover to a far greater degree than these estimates indicate.

Furthermore, a decline in the sales of the vehicles means not only a decline in excise tax collections, but also a loss of Federal, state, and local revenues from other sources including corporate and employee income taxes. This is coupled with an increasing demand for government services in the way of unemployment compensation and welfare payments.

The president of White Motor Corporation, John E. Sheehan, testified a few weeks ago before the House Commerce Committee's Subcommittee on Consumer Protection and Finance. He reported that White's truck sales dropped from $840 million in 1974 to $528 million in 1975. As a result, White experienced a net operating loss of $41 million in 1975 from the steep downturn in truck sales. As an example of what this has meant to the company, Mr. Sheehan indicated that 1,270 employees currently were on layoff last month at the company's Cleveland plant. Some of those employees include men and women with as much as 13 years seniority.

The major reverses experienced in the past two years in commercial vehicle markets have taken a severe toll in the truck manufacturing industry. One other manufacturer has permanently closed one of its facilities. Another manufacturer has decided to withdraw from the heavy truck market. Still another manufacturer has gone into bankruptcy. White has been forced to seek a merger partner in order to overcome its financial difficulties.

THE RISING COST OF GOVERNMENT REGULATIONS

The sales decline of taxable commercial vehicles has been compounded by sharply increased costs. One manufacturer, International Harvester, has estimated that a heavy duty class truck which sold for $22,000 in 1971, rose in cost to over $33,000 in 1975—a 50 percent increase. This $11,000 price increase reflects the cost of $2,500 to meet Federal regulations, $3,000 for product improvement and $5,530 due to inflation. Of the $2,500 increase in the factory sales price due to Federally mandated standards, approximately $1,650 is attributed to the (FMVSS 121) antilock air brake standard in the stringent form as originally proposed.

In the testimony referred to earlier, the president of the White Motor Corporation told the House Commerce Subcommittee that the impact of this Standard had been, "catastrophic." It has both served to artificially stimulate and then deeply depress the truck manufacturing industry. The air brake system standard originally was to become effective on trailers in January of 1975, and with respect to trucks and buses on March 1, 1975. Since these initial effective dates, the standard has been amended significantly in its performance requirements.

Furthermore, a number of exceptions and exemptions have been granted from full application of the standards on various grounds. The entire matter of the standard setting has been in the courts for a number of months thus further confusing the situation.

The uncertainty produced massive truck orders in mid-1974 as buyers sought to obtain trucks without the expensive device which consists of a computer, certain associated hardware, and a much heavier front axle and front wheel brakes. With the onslaught of the recession later in 1974, many of these orders were cancelled. The impact of this reversal is still being felt. The prolonged uncertainty over FMVSS 121 in the Federal government and in the courts has created continuing difficulties for the truck manufacturing industry.

The next round of Federal regulations in the aggregate promise to add substantial additional costs. For example, the Environmental Protection Agency estimates that the cost of noise control equipment necessary to reach the proposed 80 decibel level standard would add approximately 2–11.5% to the average price of a truck, depending on the type of unit. The cost of more stringent heavy-duty vehicle emissions standards currently being considered by the Congress is likely to add several hundred more dollars per vehicle.

Because the additional government-required equipment adds substantially to the total wholesale price of the truck (which is the basis for calculating the excise tax due), the buyer is penalized by having to pay substantially higher taxes. He is caught in a squeeze between the right hand and the left hand of the Federal government. On the one hand, the buyer is having to pay the basic cost of the equipment mandated by the regulations, only to find that each time the basic cost goes up, the tax collector's hand is digging deeper into his pocket.

EFFECTS ON CONSUMER PRICES

The vital importance of truck transportation to the economic well being of business and individual consumers is well known. For example, the American Trucking Association estimates that 80.7% of all meat, 84.3% of all beverages and 82.3% of all clothing is delivered by trucks. Overall, motor trucks accounted for nearly 80% of all freight revenues in 1973, according to the Transportation Association of America. Therefore, one cost element in almost all goods and services purchased by the consuming public is the cost of transportation via trucks.

Obviously, then, it follows that any increase in the manufacturers' price of new trucks and any increase in costs to the trucker will be reflected in the price the consuming public must pay for the goods it purchases. Therefore, the repeal of these excise taxes will help ease the inflationary burdens imposed on consumers by serving to lower or at least stabilize transportation costs.

The rising cost of labor and materials has contributed greatly to the manufacturers' costs. Dealer's selling costs have risen substantially.

And all of these costs are ultimately passed on in final consumer prices.

The truck operator has, as a consequence of the nation's energy problems, experienced increased fuel costs. There is every indication these costs will continue to rise, and result in further increased prices in consumer products.

TRUCK AND BUS PARTS AND ACCESSORIES TAX

The Excise Tax Reduction Act of 1965 exempted passenger automobile parts from the 8% excise tax, but it remains on truck parts and accessories including parts for trucks under 10,000 lbs. GVW even though such light duty trucks themselves are exempted from the 10% tax in 1971. This tax yields relatively little as a percentage of Highway Trust Fund revenues (2.3% in FY 1975), and is cumbersome and expensive to administer. Because this tax is assessed on the initial factory price of the part, its effect is increased as it is passed along through the usual three to five step distribution system, thus, repeal of the tax could result in savings to the consumer.

The truck parts tax in some cases presents competitive problems for manufacturers who produce both tax-exempt passenger cars and light trucks, and taxable heavy trucks. These problems arise because of the difficulties of distinguishing between taxable truck parts and tax-exempt parts.

TRUCKS AND TAX REVENUES

Motor trucks provide substantial revenues from a variety of Federal and state tax sources. Latest available data* indicate that in calendar 1974 trucks comprised 17.7% of total motor vehicle registrations, traveled approximately 20% of the total vehicle-miles, and contributed over 37.7%, or $7.1 billion, of the combined Federal and state highway-user tax revenues collected.

At the Federal level, $2.5 billion or 43% of the Highway Trust Fund was generated by trucks. Of this percentage, only about 11% was collected through the new truck and parts excise taxes. The remaining portion, or approximately 32% of total Fund revenues, were derived from fuel, vehicle use and tire excise taxes paid by truck owners and operators.*

At the state level, trucks accounted for $4.6 billion in revenues, or about 35.3% of the total collected.*

The Motor Vehicle Manufacturers Association has long been on record as a supporter of the user charge concept for paying for road building and maintenance expenditures. In the hearings last summer on the Federal-Aid Highway legislation before the House Public Works Committee, W. D. Eberle, MVMA president, testified concerning our support for repeal of the new truck, trailer, bus and parts and accessories taxes. At that time he indicated that if the resulting revenue loss to the Trust Fund was needed for highway system construction, it should be made up by adjusting highway user charges.

The excise tax, we believe, because it is not a user charge tends to discriminate against a specialized segment of our transportation system. We believe that in the true spirit of the user charge concept, the costs of construction and maintenance for the highway system should be spread among the users of the system in the broadest possible way.

THE LEGISLATIVE SITUATION

Mr. Chairman, as you know under present law, unless the Highway Trust Fund is extended, the 10% excise tax on trucks, truck-trailers, intercity buses, chassis, etc., is scheduled to drop to 5% on October 1, 1977, with revenues then reverting to the general treasury. The 8% parts and accessories tax would likewise drop to 5%. The Federal-Aid Highway Bills (H.R. 8235 and S. 2711) now pending final approval would extend these and all other excises devoted to the Highway Trust Fund, at their present rates, through September 30, 1979.

Last year, the Senate adopted the recommendation of this Committee during consideration of H.R. 2166, the Tax Reduction Act of 1975, to repeal the 10% truck, trailer and bus tax and the 8% parts tax. Unfortunately, this provision was dropped by the conferees.

The Committee has before it for consideration during markup on the omnibus tax bill, the House-passed Energy Conservation legislation H.R. 6860.; Section 221 of this bill contains language repealing the excise tax on intercity buses.

We urge the Committee and the Senate to include repeal of the 10% excise tax on new trucks and truck trailers and the 8% tax on the parts and accessories for these vehicles, as well.

Mr. Chairman, it had been anticipated that the 94th Congress would fully address the question of the future course of the Federal Highway Program and of the nation's overall transportation policy. Such an examination would have provided an appropriate opportunity to review the equity of the present financing system, particularly with regard to the new truck and parts taxes. Unfortunately, such a comprehensive reassessment has been deferred until the 95th Congress. However, the trucking industry is in need of action now, not two years from now. While it would be logical that the question of repeal of these taxes be considered in the broader context of overall transportation policies, we believe this tax reform issue should not be delayed further.

Nevertheless, MVMA continues to believe that the whole question of Federal transportation policy needs to be thoroughly examined and resolved at the earliest possible date. In this regard, we have urged a broadly-based review of the many facets of this problem. Such a review must, of course, include the question of how future Federal transportation programs should be equitably financed.

We are not advocating that the trucking industry should pay anything less than its fair share of the costs for using the Federally-aided highway system. What we do urge, however, is that the discriminatory excise tax, which is not levied on any other mode of surface transportation, no longer be imposed on truck buyers. The point we want to make very clearly is that all users of the highway system should be providing their fair share of the funds needed, rather than through a tax that acts as an economic disincentive.

We submit, therefore, that the repeal of the excises would serve to stimulate truck manufacturing and its related industries, encourage employment, provide relief to the consumer, and end a discriminatory, burdensome tax.

SLIPPING TOWARD PROTECTIONISM

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. FRENZEL. Mr. Speaker, recently the Washington Post carried an editorial by Hobart Rowen entitled "Slipping Toward Trade Protectionism." It pictures a worldwide situation where protectionist pressures are beginning to make themselves widely felt.

Rowen cites the recent International Trade Commission decision on specialty steels as a good example of U.S. protectionism and the shoe decision of the U.S. ITC as another less obvious example. I concur.

Our trading partners are no less susceptible to protectionist influences than we are. The Common Market has recently instituted a protectionist policy concerning U.S. exports of soybeans.

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* Source: American Trucking Associations.

Our announced goal in the GATT negotiations in Geneva is freer and expanded trade between all nations. I believe the United States ought to be taking a more vigorous world leadership position against protectionism.

The article follows:

SLIPPING TOWARD TRADE PROTECTIONISM

(By Hobart Rowen)

Once again, the United States and its major trading partners may be slipping into a cycle of trade protectionism. Such an unhappy trend would have many consequences, including high prices for consumers in the industrial world.

Equally important, if protectionism wins out, it will be a setback to Third World countries that have painfully been trying to get a foothold in export markets for manufactured goods.

Under the 1974 Trade Act making it easier to get "escape clause" relief from foreign competition, the International Trade Commission (successor to the Tariff Commission) recently decided in favor of petitions from the specialty steel and footwear industries.

The steel decision represented the fruit of a high pressure campaign by the industry and the union (hardly distinguishable on this issue), aided by some arm-twisting by Sen. Abe Ribicoff (D-Conn.). ITC Vice Chairman Daniel Minchew, however, insists that the commission "didn't respond" to outside lobbying, and reached its conclusions on a "totally independent basis."

In any event, the ITC majority recommended restrictive specialty steel quotas for five years, on a country by country basis—an appallingly bad decision. Even under the liberalized rules of the 1974 act, a complaining industry is supposed to show that imports into the U.S. are a "substantial" cause of its problems.

Yet, as Brookings economist Fred Bergsten points out, the ITC itself cited data showing that imports of specialty steel (1970 through 1974) were constant as a share of U.S. consumption. The declines in U.S. production in early 1975 were caused by the deep recession, not by imports.

But President Ford chose a different remedy, as he is allowed by law to do. He said, first, that he would try to negotiate a voluntary understanding with major foreign sellers to cut their sales to the U.S. Failing that, he would impose unilateral quotas on June 14. A happy steel industry here responded at once with higher prices.

The story doesn't end there: President Ford also told his top trade negotiator, Frederick Dent, to see if he could set up a broad agreement on all types of steel that would dam the flood of imports the U.S. industry has been complaining about for years.

This would be nothing less than an international cartel. One can guess that the American, European, and Japanese steel makers would love to get together under the umbrella of a negotiated agreement that would divvy up world markets, along the lines of the textile agreement drawn up five years ago by Dent, then in private industry.

In testimony presented last October 31 to the ITC by Bergsten on behalf of Consumers Union, there was a clear warning that the U.S. industry's petition to the ITC was merely "one component of a major, widely orchestrated effort by the (world's) steel industries . . . to effectively cartelize the world market." Ford and Dent are now making that dire warning a reality.

A rich countries' cartel, which allocates markets according to historic patterns, would effectively cut off the growth of new steelmakers like the Koreans. Their U.S. market share rose from 1/10th of 1 per cent in 1969 to 5.4 per cent in 1974.

Third World countries have set themselves a goal of producing 25 per cent of the world's manufactured goods by the end of the century, including 30 to 35 per cent of steel products. Looking at protectionist trends, one doubts that the big producing nations will let the poor ones reach those levels.

The shoe decision is somewhat less outrageous. The U.S. shoe industry is sick, in the sense that foreign competition has cut steadily into the market here for almost twenty years, much to the benefit of American consumers. The remedy plainly should be assistance to the companies and their employees in moving into other work—not in keeping foreign shoes out, oı raising prices by the 35 per cent tariff recommended by 3 out of 6 ITC commissioners.

The big danger is that the steel case may set a precedent: If an industry with a case as weak as steel's can get escape clause relief, others will flock to the ITC.

The times seem ripe for a revival of a protectionist mood. For one thing, inflation is waning. That's good news, to be sure. But officials who for the past few years have been hesitant to resort to protectionist barriers may now worry a little less about the price-boosting effect of a quota here or there.

Moreover, there are other forces at work in the world as a result of exchange rate fluctuations that could result in a round of competitive depreciation. Some European nations may be playing a dangerous game by cheapening their currencies. And Japan is preventing the yen from rising to its true value, so as to protect its own trade surplus.

The U.S. should be asking what has happened to the friendly consultation and free trade spirit so recently trumpeted at Rambouillet and Jamaica. But President Ford will have a little ground for complaints about currency manipulation if he pursues a cartel solution for steel.

THE ASTONISHING COST OF THAT 1-PERCENT ADD-ON IN FEDERAL PENSIONS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. FINDLEY. Mr. Speaker, our former colleague, Hastings Keith, has made an in-depth study of the inequities of the Federal pension system. In the following article published in the Washington Star, he examines the extraordinary cost of the 1-percent add-in to Federal pensions. Mr. Keith has no personal ax to grind. As a former Member of Congress now receiving a pension, he has been one of many beneficiaries of the add-on. Yet he feels it is an unfair burden on taxpayers. Under present Federal pension laws, retirement payments increased by $11.2 million in just 6 years because of the 1-percent add-on.

Several bills have been introduced simply to repeal the add-on so that future pension increases will not be supplemented with an extra 1 percent. I have drafted a bill to repeal the 1-percent add-on from the pension escalator and to suspend the escalator itself on each pension until future cost-of-living increases offset fully expenditures which have been required by the add-on in the past. The savings which would result from this latter approach would amount to $4.4 billion for civil service pensions alone. When military pensions are added in, the savings would be nearly doubled.

Following is Mr. Keith's article:

[From the Washington Star, Mar. 21, 1976]

THE ASTONISHING COST OF THAT 1-PERCENT ADD-ON IN FEDERAL PENSIONS

(By Hastings Keith)

On March 1, the pensions of millions of federal retirees moved up again. This increase, mandated by the Congress in 1969, was intended to allow the retiree's pension to keep pace with increases in the Consumer Price Index—but the fact is that since its enactment in 1969 it has overcompensated federal retirees by almost $1 billion.

The "1 per cent add-on," or "kicker," as it is sometimes called, was intended to compensate for the time-lag that occurs between the actual cost-of-living increase and the effective date of the adjustment.

So the amendment adds 1 per cent to the cost of living formula each time an increase takes place. The problem arises—and the overcompensation occurs—because Congress did not anticipate the frequency of the adjustments, and apparently did not realize that the 1 per cent become a permanent part of the pension, compounding the benefits.

The nature and extent of the overcompensation is so mind-boggling that neither the federal retiree nor the public nor Congress seems to grasp its significance.

Inasmuch as my own pension as a retired congressman with 20 years of federal service is quite typical of that of the upper-level Civil Service and military retiree, here are its significant features:

The pension has jumped in three years from $1,560 a month to $2,200 a month—and $200 of this $2,200 represents the 1 per cent add-ons. Thus the pension has outpaced the cost-of-living increase.

If the cost of living goes up at a 6 per cent rate per year, my pension in 15 years (at the end of my life expectancy) will be $6,000 per month and $1,000 of this will be above the cost-of-living increase.

At a 6 per cent annual rate of inflation, will have received—solely as the result of the 1 per cent add-on—a total of about $80,000 above the cost-of-living increase during my life expectancy.

(I should mention that I am also receiving an additional $581 monthly pension as a retired Army Reservist, and that my active duty time counts toward both the Civil Service and the Reserve pension. Both pensions have the cost-of-living increase, and both have the 1 per cent add-on.)

My pensions, of course, are much more generous than the pension of the average career civil servant—and I agree that some who retired years ago still are behind the inflationary spiral. Nevertheless, even the average federal retiree fares much better than the average individual in the private sector with 30 years of service.

In 1971, the average career civil servant received a pension of $350 a month. Three years later the starting pension was $700 a month. The benefits above the cost of living during the course of the lifetime of the average retiree of 1976 will be at least $40,000 at 6% inflation.

The average military retiree receives a much larger pension than the average civil servant. Military personnel retire earlier, live longer, and accordingly, their benefits above the cost of living are much greater, particularly in the latter years of their retirement.

The average career enlisted man will get a pension on retirement at about age 40 of approximately $500 a month. Over his lifetime—even without any cost-of-living adjustment—he would receive a pension totaling about $180,000. With 6 per cent annual inflation, his pension, by reason of the compounding of the 1 per cent add-on, will have reached $3,700 per month at the end of his life expectancy. This is $1,000 per month more than it would be if there were no add-on.

The lifetime cost to the taxpayer of all these add-ons will run into many billions of dollars:

The 1 per cent add-on that went into effect this month will cost $140 million in its first year (the total annual cost of this month's 5.4 per cent cost-of-living adjustment is approximately $750 million). Over the years, the total additional future cost of this month's 1 per cent add-on—solely for the present retirees and their surviving spouses—will be at least $4 billion—all of it above the cost of living.

Even if there are no additional add-ons, the add-ons of previous years will eventually cost us at least $20 billion—all of it above the cost of living.

If new add-ons are not eliminated, the future cost for this feature alone will, at 6 per cent annual inflation, total at least $80 billion—all of it above the cost of living.

Finally, if the add-on feature is continued and the 750,000 *additional* retirees forecast during the next five-year period get their projected increases, the total cost of this "kicker" could exceed the $150 billion cost of the Vietnam war.

These costs are so great that they feed the fires of the very inflation with which they were intended to cope. Beyond the fiscal aspect of the cost-of-living increases, there are social and economic implications that were not generally recognized or understood by Congress when it wrote the retirement legislation. Because the dollar costs of the add-on are fairly well known—and haven't prompted much congressional or administration response—the public should ponder some of the other effects:

The private sector will have to work longer than it now does to support long retirement periods of public retirees.

Interest rates throughout our economy will be driven up as the government goes further into the market to fund deficits.

Other services and programs will have to be curtailed.

Earlier retirements will become more and more attractive. This means billions of dollars in replacement salaries.

The immediate responsibility for correcting this condition lies with both the executive branch and with Congress. Each has given lip service to the question of repeal of the 1 per cent add-on.

The President in his recently submitted budget indicated his belief that this 1 per cent add-on should be eliminated. No details have been forthcoming.

Several members of Congress have spoken out on the subject, and Rep. David Henderson, chairman of the House Civil Service and Post Office Committee, has filed a bill calling for the repeal of the add-on feature. But as yet no leadership has been exerted and no hearings held.

Two recent developments indicate that "institutionalization" of inflation is a decided possibility.

One is the recent suit by the federal judges who argue that their pay must be increased to make up for inflation; their logic would make a case for tying all government salaries to the Consumer Price Index.

The other is a bill, filed recently by Rep. John H. Dent, calling for tying the minimum wage to the CPI. Dent's bill even includes a 1 per cent add-on feature.

If these—or similar suits and/or legislation—are successful, the end result would be a change in the character—and, of course, the competence—of our free enterprise system. The final destination would be a controlled economy, one without much future for either democracy or capitalism.

Another alternative—perhaps just as bad—is the continued trend toward legislating programs for everyone, ending with the socialism of Britain. Perhaps the forecast of George Orwell's *1984* is on schedule.

COMMUNIST USE OF INFLATION, UNEMPLOYMENT, AND ANTI-MILITARY PROPAGANDA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. ASHBROOK. Mr. Speaker, Sunday, April 4, the Washington Star, reported on a march and rally that took place at the U.S. Capitol. In addition to the news article, there was a large picture of the group on the first page of the second section of the newspaper.

To get the flavor of the article, I would like to quote a few of the paragraphs.

> Ray East of Silver Spring walked out of the District Building yesterday just as the high-stepping Banneker Junior High School Marching Band was strutting by, and he joined the parade.
>
> It was only fitting. The band was leading a march from the Ellipse to the Capitol sponsored by the National Coalition to Fight Inflation and Unemployment, and East had been laid off Friday from his research job at the National Association of Minority Contractors. . . .
>
> About 1,000 people ended up on the Capitol's West Front to hear speeches by labor leaders and politicians . . . exhort Congress and the Ford administration to support job programs and full employment.

From these paragraphs and the rest of the article in the Washington Star and a similar one in the Washington Post, the reader would get the opinion that the march was simply against unemployment and for more jobs. But the background of the "National Coalition to Fight Inflation and Unemployment" tells a slightly different story.

The background of this "Coalition" is Communist red. The Communist Party, U.S.A., in an issue of its theoretical journal Political Affairs stated:

> The Communist Party has played an important part . . . in the launching of the National Coalition to Fight Inflation and Unemployment.

Among the sponsors of the march and rally that took place are Angela Davis who is a member of the National Committee of the Communist Party, James Steel who is a leader of the youth movement of the Communist Party—the Young Workers Liberation League, and Anne Braden who is an identified Communist and heads another front group.

The Communist tinge to this so-called "National Coalition to Fight Inflation and Unemployment" is obvious. This is another effort on the part of the Communist Party to use justified concerns of many people to further the Communist Party's own totalitarian goals.

The Washington Star could have fulfilled its responsibilities to its readers if it reported what the "National Coalition To Fight Inflation and Unemployment" really was rather than the sympathetic shallow story that was written.

ANTI-DEFENSE LOBBY SUPPLANTS ANTI-WAR EFFORT

We are also being besieged, Mr. Speaker, by the strident claims of the liberal left that we must cut our defense. The same leftists argue that the Federal Government, already about $75 billion out of kelter in red ink financing, should tilt even more in that direction with billions for makeshift Government jobs, day care centers, expanded benefits, guaranteed incomes, national health insurance—the list could go on and on. Always the same theme: Spend more on socialistic programs and cut defense.

The Members of this body are being lobbied by an amalgam of organizational groups opposed to defense spending. They range from the liberal chic clergy to the Communists. The old antiwar movement has now merged into an antimilitary crusade which clearly works to make the United States second best. The Coalition To Stop Funding the War—CSFW—has become the Coalition for a New Foreign Policy—CNFP—and they currently are lobbying against the B–1 bomber and other military research and development. Both the CSFW and CNFP have been at the forefront of those who apologize or lie about the Soviet Union. They trace directly to the Communist Party U.S.A., and their efforts are clearly in support of and on behalf of communism rather than Americanism. They claim to work for peace but it would be peace on Communist terms, not those of the free world.

The news media does a woefully inadequate job of sorting out the truth. Time after time, these organizations are presented in virtually patriotic terms. The American Legion, VFW and the real Americans are not considered by the liberal press, only these misfits and anti-Americans. We have had a decade of this propaganda. Who can forget the SDS'ers, the Jerry Rubins, the radical campus rioters and the glorification they received in the press? Now in a more subtle way, the media is glorifying those leftists and Communists who claim to be fighting unemployment and inflation as well as working for peace.

Now that the liberals in Congress have killed the Internal Security Committee, these groups operate with little or no concern about identification as Communist fronts. The American people should not be fooled, even if the Congress is.

STUDENTS RESPOND TO FOOD WASTE CHALLENGE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. EDWARDS of California. Mr. Speaker, today many groups and communities around the country are honoring National Food Day, but I am proud to tell my colleagues about a group of students at Mattos Elementary School in Fremont, Calif., who have worked to make the objectives of Food Day a part of their daily lives.

Last spring Philip J. Holmes, their principal, expressed his concern about the amount of food being wasted in the school cafeteria. He suggested that a survey be undertaken to find out how much food was being wasted and to determine the reasons why.

The fifth and sixth graders in Lance H. Miller's class responded to this challenge and volunteered to conduct the survey. Students were assigned each day to monitor the cafeteria waste containers. Running tallies were kept of the types of food served and the amounts of each food that went to waste. Over 8 weeks—2 weeks last spring and 6 weeks last fall—this survey was conducted.

In addition, a list was compiled of favorite foods and meetings were held with the school's food service office. The food service staff made arrangements to have favorite main dishes, such as spaghetti, pizza, hot dogs, and tacos, served on a regular basis. They found out that on those days less food was wasted, although the waste of fruits and vegetables remained about the same.

The results of this survey were made available to local officials who represent these students, and I am proud to share my copy with my fellow colleagues.

In so doing I would like to pay special tribute to the energetic volunteers in Mr. Miller's class for their interest and effort. In conducting and distributing their food survey these students have performed a valuable service for the other students and teachers of Mattos Elementary School, as well as for their friends and families. They have showed us how to honor National Food Day every day of the year by being aware of what we eat and what we waste.

They are to be congratulated, as are Mr. Holmes and Mr. Miller for encouraging and assisting them in their efforts.

The results of the survey follow:

Fremont, Calif.

Mr. Don Edwards,
Congressman, House of Representatives,
Washington, D.C.

Dear Congressman Edwards: Our 5th and 6th grade class here at Mattos School in Fremont for several weeks in the past year has conducted a survey of food wasted in our cafeteria.

First we have been tallying up all the foods that have wasted by writing the menu down and when somebody dumps something we tally it. Then we go to our office and see the total number of people who have eaten. After that we take the report back to the class and explain what was wasted. Here is an example:

Date: 10-2-75; served: prim. 44; upper 75=119.

1. Spaghetti (wasted prim.) 6; (wasted upper) 1½=7½.
2. French bread (wasted prim.) 5; (wasted upper) 2=7.
3. Carrot sticks (wasted prim.) 16; (wasted upper) 26=42.
4. Apple quarters (wasted prim.) 26; (wasted upper) 32=58.
5. Fudgie (wasted prim.) 2; (wasted upper) 10=12.
6. Milk (wasted prim.) 5; (wasted upper) 1=6.

Total: 132½.

Our project has been on the radio, on TV channel 2 (Oakland-S.F.) on the 10:00 news, and our project has been on the front page of the Sunday *Argus* (Fremont, Newark, CA.). Our project has also won $75.00 from the Tri City Ecology Club (Fremont, Newark, Union City, Calif.).

Our cafeteria serves the federally-funded Type A lunch. We are concerned that there is so much waste in this program. We tried to call the attention of students at school and the community to the waste. Our district Food Services department has agreed to having our 5 most popular main dishes on the same weekday for a month. This resulted in less waste of the main dish at least. Representatives from Food Service have also talked to our class. Our class recently made posters to place around the school to encourage good habits in nutrition. In our own class we have a Clean Plate Club.

Here is a sheet with all the percentages of the food wasted in our cafeteria:

Hot dog, 7%.
Spaghetti, 13%.
Apple sauce, 35%.
Brownie, 4%.
Burrito, 1½%.
French fries, 7%.
Milk, 17%.
Melon, 48%.
Pizza, 4%.
Taco, 3%.
Hamburgers, 21%.
Chili beans, 44%.
Tomatoes, 53%.
Orange slush, 11%.
Green beans, 42%.
Potatoes, 48%.
Celery, 21%.
Oranges, 24%.
Apples, 49%.
Pickle, 30%.
Cookie, 2%.
Sunshine bread, 28%.
Cantaloup, 21%.
Carrot, 30%.
Salad, 46%.
Apple crisp, 54%.
Peach dessert, 83%.
Strawberry shortcake, 35%.
Turkey, 10%.
Gelatin, 31%.
Pudding, 46%.
Ice cream, 7%.
Honeydew cup, 41%.
Beef and gravy, 14%.
Cake, 17%.

Most people don't get away with this waste at home. Here they only eat the foods they like. The District Office people who have come to our class talked to us about how they try to serve us foods that we like and are good for us, but that are only 40c.

So Congressman Edwards we are writing to you to show what we have been doing to stop waste. We hope that you can start some action and give us foods that are good for us, that we like and that are only 40c. Maybe our government has some ideas to help us. We do feel the present federal program is very wasteful, especially in this time of hunger in many countries.

Thank you.

Sincerely,

Mr. Millers 5th and 6th grade class.

GOVERNOR'S BICENTENNIAL YOUTH CONGRESS

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1976

Mr. GINN. Mr. Speaker, in February of this year the Governor of Georgia sponsored a Youth Congress in recognition of the Bicentennial celebration. I had the great pleasure of participating in this Youth Congress which was attended by high school students from throughout the State of Georgia. It was a wonderful experience for me, and I would like to share with my colleagues the Declaration for the Future which was drafted by these young people.

My colleagues, like myself, would not necessarily endorse all of the conclusions drawn by this assembly of fine young people. I believe, however, that these young citizens have done an excellent job in their task, and I believe their report is a unique reflection of the kind of thinking, concern, and love of country and their fellow man demonstrated by the young people of our Nation.

I applaud them for their work, and include their report in the Record at this point:

Declaration for the Future by the Governor's Bicentennial Youth Congress

PREAMBLE

We, the future leaders of the United States of America, in order to reaffirm the freedom and equality of all people, to preserve and perfect this union, to further the peacemaking and peace-keeping qualities of this nation, to protect the welfare of the people of this republic, to ensure the continuance of its own self-betterment, do establish this Declaration of our aims and goals for the future.

Concerning Agriculture—

Whereas, the farmers of the United States of America are being excessively regulated by governmental agencies, making it difficult for them to produce, and acknowledging that there is an imbalance between the appropriate agricultural and environmental regulatory agencies, and that these regulations and imbalances reduce the farmers' initiative to work. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that there should be more recognition and representation of the American farmer in government and that the appropriate environmental agencies should work together with the appropriate agricultural agencies to reach a common perspective.

Whereas, the American farmer has no assurance that the prices offered by a buyer will adequately surpass his expenditures in order to create enough profit to support his family and himself. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that governmental restraints should not be imposed on farmers so as to interfere with their needs.

Whereas, there are many countries in the world today that do not have the capacity to produce enough food for their population and we, the people of the United States of America have the capacity to feed ourselves and still have a surplus. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the United States of America should continue to export surplus to other nations, provided that it does not adversely affect the economy of the United States, and should increasingly direct its attention towards advising and teaching other countries to produce sufficient food to support their populations.

Whereas, the population continues to grow and the availability of land for agricultural development continues to decrease, and the need for more agricultural products continues to increase at a rate proportionate to population growth. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that it is necessary for government and farmers to work together through a national advisory board with industry, business and farm representation, to develop a land use plan where land is used effectively to support farming, residential and industrial uses proportionately, and that due consideration be given to ocean farming research.

Concerning Education—

Whereas, budget priority for funding in education has decreased, and therefore student achievement has dropped markedly in the past few years, and since there is a direct correlation between educational achievement and monetary expenditure per student Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that state revenues be raised through increased sales tax on certain luxury items as needed for the sole purpose of upgrading education.

Whereas, standardized test scores of basic educational skills have dropped in recent years, and scholastic course content has failed to meet contemporary individual Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that more emphasis be placed on the basic educational skills, that funds be made available to enable instructors to update their curriculum, and that funding of adequate programs be provided to fit individual needs.

Whereas, many students in high school level classes have failed to learn basic reading skills and these students then place a burden on students who can work at a faster rate. No, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that students be required to meet basic reading requirements to enter and graduate from high school and that remedial courses be provided for those individuals who do not meet the requirements.

Whereas, educators and students have little control in the decision-making process in educational areas such as curriculum, and these persons are the ones most competent to make these decisions on the basis of their experiences and are the ones most affected by these decisions. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that educators and students be given full representation in the educational decision making process.

Whereas, students enter careers which require academic training or vocational training, and both types of careers are vital to American society. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that academic and vocational training be developed in proportion to the interests of the students within each school system.

Whereas, there exist many public school systems which operate independently and inefficiently within the same county, and this has caused increased expenditures and a waste of resources. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that public school systems merge in cases where a more efficient and rewarding operation would result.

Concerning Health—

Whereas, there is a lack of preventive health education in our schools today. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that preventive health practices should be taught in elementary schools by qualified teachers and re-emphasized in the secondary schools and through the mass media, and that a complete physical examination should be required before a student enters the public school system for the first time and once every three years thereafter.

Whereas, the rising number of malpractice law suits and the rising cost of malpractice insurance have become a problem to the medical profession and to the general public. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that a board of physicians and private citizens be formed as a subcommittee of the American Medical Association and the American Dental Association on local, state, and national levels, to check the quality of service and the abuse of health procedures by practitioners of the medical profession.

Whereas, the consumer is not aware of many possible harmful effects of some products available on the economic market. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the Federal Government place as a high priority providing corroborating evidence of research results of products before they are available to the consumer.

Whereas, there has been much controversy over the "right to die" or euthanasia and we feel that an individual should have the right to make such a decision. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that Living Wills be made legally binding on relatives and that this decision be available to the public.

Concerning the Economy—

Whereas, the economy of the United States of America is stimulated by free enterprise and the government's role in stimulating the economy is ever-increasing. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that there is an urgent need to reassess our system of governmental control over the free enterprise system.

Whereas, there is much waste in government spending and our national debt is increasing each year. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that we set priorities to eliminate unnecessary spending through zero-based budgeting.

Whereas, there are many idle workers in this nation, and these workers are an excessive financial burden on our welfare system. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that a work program be implemented to act as an incentive and an alternative to welfare.

Whereas, the world is moving closer to total economic interdependence, and the United States has a large balance of payment deficit as a result of foreign trade, and United States dollars have been extensively used in international trade agreements, all resulting in an acute need for a uniform international monetary unit and system. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the United States advocate the increased usage of Special Drawing Rights as a replacement of national currencies in international trade agreements.

Concerning Energy and Environment—

Whereas, we are presently faced with rapid expansion and development which is depleting our present sources of energy, and, in an unrestricted form, is proving detrimental to the environment. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the government of the United States of America further promote the education of the general public with regard to energy usage and place restrictions on the development of energy sources which are detrimental to the environment.

Whereas, there is a definite lack of international knowledge concerning the environment and there is no effective agency for environmental research and the global monitoring of oceans and atmosphere. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the government of the United States of America urge the United Nations to establish an agency to provide research and promote the international exchange of environmental knowledge.

Whereas, there is a disregard for the environment by the producers of energy, and the existing agencies in control of the regulation of these power sources are inadequate in their enforcing abilities. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the government of the United States of America provide these agencies with the necessary authority to strictly enforce existing regulations and to design a system for funding research in clean energy fields.

Whereas, the American people are becoming more and more dependent on throw-away products and containers. Now, Therefore, Be it Declared By The Governor's Bicentennial Youth Congress that the Congress of the United States pass legislation encouraging the use of recyclable materials to reduce the impact on the environment.

Concerning Foreign Relations—

Whereas, the United States of America was founded on a high moral basis and public opinion favors détente as an alternative to nuclear or other belligerent actions, and Communism is not a monolith meaning that the world will not fall to a single totalitarian bloc. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the United States of America take a stronger stand on détente, supporting our position as necessary.

Whereas, all nations are economically interdependent and the need for survival dictates the continuance and expansion of such interdependence, and the United States of America should set an example for other countries in the contribution of foreign aid. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the United States of America sustain its present foreign aid program, having as its goal the eventual economic independence of the recipient country and the consequential promotion of trade with the United States of America.

Whereas, the United Nations and other multilateral bodies were founded as instruments of world unity and the world must concern itself and diverse global community, the goal of all nations being a more durable peace. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the United States of America continue its participation in multilateral organizations, and strive to change the direction of such bodies from purposes of propaganda to more specific issues of concern to all nations.

Whereas, the proliferation of nuclear weapons will eventually increase the number of nuclear powers, and the United States of America is a democracy and the leader of the free world, and as a democracy, is founded upon the ideals of the realization of other forms of governments and lifestyles. Now, Therefore, Be It Declared By the Governor's Bicentennial Youth Congress that in the face of nuclear confrontation, the United States of America must be prepared to defend its morals and ideals.

Concerning Intergovernmental Relations—

Whereas, many local programs are initiated without thorough investigation of public need or public approval, resulting in grant-in-aid funds which go to the support of such programs being continually wasted, and local government is more readily able than the federal government to recognize the needs of the community. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the government of the United States should put more emphasis on block grants than on categorical grants in order to reduce any needless waste of funds.

Whereas, many local and state interest groups come into conflict over the preservation and protection of our natural resources and the constituency of the state is greater than that of the local community. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that a commission concerning the protection of our natural resources, composed of elected officials from the combined congressional districts, be established by the state for the purpose of negotiating such issues in the best interests of the state and local public.

Whereas, many employees work within the city limits and reside in the unincorporated areas, and the residents of these unincorporated areas oppose annexation into the city, causing a tax burden to the residents of the city, and many residents of these unincorporated areas reap the benefits of the city. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that a payroll withholding tax be levied against unincorporated residents working within the city and annexation without referendum be unconstitutional.

Concerning Transportation—

Whereas, there exists a need for automobile traffic, construction of existing Interstate highways is not completed, and existing roads and facilities are not used to the fullest extent. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that the government of the United States and the individual state governments undertake the immediate completion of the Interstate system in the United States and that bikeways be developed in connection with road projects in populous urban areas.

Whereas, safety procedures need to be improved near railroad crossings, and the Amtrak railway system is not operating to its fullest, and government subsidies for our rail system are conducive to bankruptcy. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that light actuators be set up at railroad crossings to protect human lives, that the users of Amtrak and other passenger trains bear the costs of those rail systems, and that officials of these trains be more responsible for the safety of their passengers such that the government can take a less active role.

Whereas, complete government control of the airlines of the United States is not feasible and recognizing that smaller communities lack sufficient airline service. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress, that the government of the United States encourage development of a unique short-haul aircraft for intercity shuttle service by initiating partial deregulation, tax incentives, and limited subsidies to provide adequate capital for implementation of commuter services between America's smaller communities.

Concerning Cultural Preservation—

Whereas, it has been determined that the preservation of the Fine Arts is vital to cultural awareness and that cultural awareness is necessary to the preservation of man's system of values and knowledge. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress, that the United States develop a comprehensive program of Fine Arts expressed through education beginning at the earliest level of education.

Whereas, culture is a way of life and an appreciation of culture is necessary to enrich the spirit and humanity of man, and recognizing that there has been a separation between culture and progress. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress, that people be made vitally aware of culture as encompassing all areas of life through an educational system that provides a sense of cultural awareness.

Whereas, a program of historical preservation is an aid to society and that people and the educational system have not been taking advantage of this educational outlet. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that historical sites and events be recognized and emphasized in the home and in the school to illustrate ideas and goals necessary to society today and the formulation of the future.

Whereas, there is a mixture of cultures in the United States as seen through different ethnic groups and a lack of understanding has caused racial prejudice, and recognizing that the United States cannot work together as a nation of one people without the understanding of what each race has contributed to this country. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress that learning programs dealing with the heritage of different ethnic groups be incorporated into the system of education in this country.

Concerning Human Relations—

Whereas, our United States Constitution, Declaration of Independence, and Declaration for the Future are all excellent documents with truly desirable values. Now, Therefore, Be It Declared By The Governor's Bicentennial Youth Congress, a need to be committed to realize and to actualize our own behavior to support the ideals of the Constitution, the Declaration of Independence, and the Declaration for the Future, through immediate and long-range goals.

CONCLUSION

These being the views and opinions of this body of future leaders, after careful consideration and discussion of the problems confronting us and our contemporaries, the undersigned do hereby accept and approve the articles above set forth as this nation's highest priorities in the coming age.

Adopted this 21st day of February, 1976, in Congress assembled at Savannah, Georgia, by the delegates of the Governor's Biscentennial Youth Congress.

GOVERNOR'S BICENTENNIAL YOUTH CONGRESS DELEGATES

Hannah Allen, Julie Andrews, Kathi Andrusko, Trent Barcroft, Bruce C. Beggs, Jean Biggers, Robert C. Bills Jr., Lydia C. Bliven, Mark Boatright, Jimmie C. Bowen, Jr., Margie Britt, David R. Brooks, Cynthia Brown.

Donald R. Brown, Sherri Brown, Terri Brown, Floyd Buford, Dorothy Burgess, Linda Burks, Skeeter Bush, Connie Button, Christy Calhoun, Karen Calhoun, Karen Callaway, Tina Capers, Pamela Carson.

Sheila R. Cellington, Richard W. Chauncey, C. Craig Chester, Nancy Clark, Cliff Coats, Albert Coburn III, Brenda Cohen, Dawn Compton, Jeffery Cooper, Elaine Corbitt, Frankie Joe Crawford, Patricia Ann Crumbley, Mary Elizabeth Daily.

Butch Davis, Melaney D. Deal, Nancy Dooley, William Drane, Eric Eades, Kay Earnest, Janie Eaves, Randy Elrod, Mel Etheridge, Bryan Finch, Stephanie Finley, Philip A. Foster, Ross Freeman, William T. Freeman.

David Fulton, Lisa Gareis, Charles Hall, Greg Hammett, Jody Harper, Willie C. Hartness, Melinda Hattaway, Alsion Hawkins, James Herman, Karen Hertz, Azira Hill, Howard Hoge, Chris Hooper, Tom House.

Jennifer Hull, Audraine Jackson, Keith Johnson, Cathleen Jones, Cindy Jones, Mike Jones, Michael Kavanaugh, Susan Kerwin, Terri Krauss, Patsy Kravtin, Linda Laack, Kelly Lancaster, Andrea Lanier, Augustus Lett.

Mary Ann Vande Linde, Eric Lindsey, Johnny Manning, Bobby McNabb, Nancy L. McNair, Clay Mercer, Johnny Mercer, Jr., Cliff Miller, Richard Miller, Smiley Moore, Jay Morgan, Paula Newsome, Steve North, Terri North.

Stacey Orr, Keith Page, Kathleen Pfaff, Barry Pierce, William Pleasant, Barry André Pope, Barbara Prescott, Cheryl E. Price, Caroline Quillian, Lisa Ray, Jamal Reddick, Greg Richards, Ronny Richardson, Wayne Robbins.

Tim Roberts, Mary Rorabaugh, Dale Royston, Danny Rudiger, David Shelledy, Robert Sise, Jr., Mark Smith, Ronnie A. Spivey, Chip Stewart, Paul Storz, George L. Strobel, John Sutter, Patti Swain, Charles Taylor.

Katherine R. Taylor, Randy Thompson, Sally Thompson, Mathew Rose Tolar, Vickie Lyn Tooks, Michael F. Turner, Marshall R. Twitty, William A. Underwood, Stephen Wade, W. C. Walker, J. C. Walton, Jr., Crystal Watkins, Donald Watson, Don Wells, Wendy J. Wheeler, Debbie White, Christie L. Williams, Ken Williams, Laurie Wingate, David Wood, Marian Woodard.

PENNSYLVANIA ASSEMBLY CITES NEED FOR REVENUE SHARING

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. EILBERG. Mr. Speaker, Federal revenue sharing has become a vital factor in the finances of our States and cities. It is a source of funds which they count on in order to be able to provide basic services for their people.

At this time I enter into the Record a resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania which clearly states this need:

House Resolution No. 235

Whereas, The United States Congress passed and the President signed into law a program of general revenue sharing to State and local governments for a five-year period beginning in 1972; and

Whereas, The United States Congress presently has legislation before it providing for an extension of the program of general revenue sharing; and

Whereas, The State and local governments are dependent upon the revenues from this program in order to balance their budgets and provide much needed services to its citizens; now therefore be it

Resolved, That the House of Representatives of the Commonwealth of Pennsylvania respectfully memorialize the Congress of the United States to reenact legislation which provides an appropriation and a continuation of the program of general revenue sharing; and be it further

Resolved, That copies of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate and to each Senator and Representative from Pennsylvania in the Congress of the United States.

HON. TORBERT H. MACDONALD

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. BYRON. Mr. Speaker, with the announced retirement of our distinguished colleague, Torbert Macdonald, I feel compelled to comment on the outstanding service of Congressman Macdonald to the Seventh District of Massachusetts and the American people as a whole.

It has been my honor to serve on the Communications Subcommittee of the House Interstate and Foreign Commerce Committee under the chairmanship of Congressman Macdonald. I could spend many hours outlining the major accomplishments of the subcommittee under his leadership including long range funding of public television and radio. The stewardship of Chairman Macdonald will be greatly missed in the Communications Subcommittee and the Commerce Committee.

Congressman Macdonald's career in the U.S. Congress spans 22 years and includes the period in which major changes were occurring in our Nation and in the approach to national problems. Throughout this period, Torbert Macdonald worked dilligently for legislation he considered necessary for the improvement in living standards for his constituents.

It is doubtful that there would be a Public Broadcasting Act today if Torbert Macdonald had not guided this legislation through the House in 1967. It is remarkable that public broadcast stations can now make long-range plans due to the farsighted legislation authored and supported by Chairman Macdonald.

Torby Macdonald has led the way in many legislative fights over the years including fuel allocation, sports blackouts, railroad reorganization, common carrier policy, and energy prices. He never avoided issues but faced them squarely and honestly.

I believe the dialog of the Congress will be diminished with the departure of TORBY MACDONALD. I personally have learned much from my association with him. The respect of his colleagues is a clear indication of the impression he has made in this body over the years.

TORBERT MACDONALD RETIREMENT

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. FREY. Mr. Speaker, it was with a great deal of sadness that we learned of the pending retirement of the gentleman from Massachusetts, TORBY MACDONALD. As everyone knows, after long, honorable service in the Navy during World War II, TORBY MACDONALD was elected to the Congress in 1954. He was reelected continuously by the people of his district and has served in recent years as the chairman of the Communications Subcommittee on the Committee on Interstate and Foreign Commerce.

During most of my time in Congress, I have had the privilege of serving with him on the Communications Subcommittee and during the last year as ranking member. During this time, my respect and affection for the gentleman from Massachusetts has continually grown. His interest, his intelligence, his knowledge of the communications industry have served as the basis of much positive legislation. Without him there would be no public broadcasting system in the United States. He has been more than fair in his dealings with other members of the subcommittee, always insuring that their interests are looked after and that they are given whatever time they desire during the committee meetings. As a matter of fact, this fairness can be seen in recent years in that most of the bills brought out by the Communications Subcommittee not only passed the subcommittee unanimously but the full committee and the House without much controversy.

We are proud of our personal association with TORBY MACDONALD. Our relationship has been extremely close. Although we do not necessarily agree on all issues, I have found my differing viewpoint treated with respect and courtesy. TORBIE has always been willing to listen and try to come to an agreeable solution. One of the real pleasures of the Congress has been serving on this committee with the gentleman from Massachusetts. However, most of all I think it is important to note that the work of the gentleman from Massachusetts has made this a better nation. I join with the people of his district and his State and all his colleagues in wishing him good luck and Godspeed in the years ahead. You are one heck of a guy.

BREAD FOR THOUGHT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. SYMMS. Mr. Speaker, in these days when it is hard to separate the wheat from the chaff in economic thought, I was most pleased to come across a book by six young authors entitled "The Incredible Bread Machine." With concise reasoning, these young people demonstrate that individual freedoms and rights are inseparable from economic freedoms and property rights. They examine the "no-dough" policy of Government intervention in the free market. The book first came to my attention a little over a year ago. Since then, it has been my privilege to met the authors and see their film, which is based on the book and given the same title. Now, it is my pleasure to see that national recognition has been given to the book in an article which appeared in Fortune magazine. The following reprint of this article is commended to my colleagues and the readership of the CONGRESSIONAL RECORD:

FREE-MARKET ECONOMICS CAN BE FUN

(By Murray N. Rothbard)

Amid the sifting currents and cross-currents of this election year, there is at least one pervasive fact we can be sure of: a great many Americans are fed up with Big Government. For libertarians who have been sounding the alarm against Big Government for years, this growing development is a source of delight and amazement. Who would have predicted such a radical change in American attitudes twenty, ten, even five years ago? Who would have thought, for example, that, in the lopsidely liberal intellectual world, Harvard philosopher Robert Nozick's distinguished defense of individual liberty, Anarchy, State, and Utopia, would win the prestigious National Book Award in 1975?

Especially remarkable is the spread of libertarian attitudes among the young. On most college campuses, students are subjected to the views of liberal faculty members who favor increased government intervention. And yet most of the articulate and conscious libertarians and proponents of the free-market economy are now coming from the ranks of young people—and among the most intelligent and best-informed young people at that.

UNABASHED ADVOCATES

In the newly burgeoning Libertarian party (which expects to place its presidential ticket on the ballot in more than thirty states this year) the average age of the party members is around twenty-seven, and there are few people over thirty-five in the national leadership. The party's "Statement of Principles" expresses attitudes and views shared by many libertarians who are not members of the party. It declares that "all individuals have the right to exercise sole dominion over their own lives, and have the right to live in whatever manner they choose, so long as they do not forcibly interfere with the equal right of others to live in whatever manner they choose."

Members of the Libertarian party, the statement goes on, deny that government "has the right to dispose of the lives of individuals and the fruits of their labor." They "oppose all interference by government and in the areas of voluntary and contractual relations among individuals." In other words, government should not interfere with the free market.

A similar philosophy inspires the work of Campus Studies Institute in San Diego, a nonprofit organization that puts out educational materials relating to "the free market system and its vital connection to personal freedoms." A few years ago, six staffers at the institute—three men and three women, all in their twenties—jointly produced a compact and highly readable book, The Incredible Bread Machine, expounding the home truths of a free-market economy. Published in October, 1974 (World Research, Inc., paperback $1.95), it has proved to be a surprisingly good seller. It has been adopted for instructional use by some 400 college teachers and is beginning to appear in high-school classrooms.

Grounded firmly in the moral principles of individual freedom and private property, the book unabashedly advocates an economy of "laissez-faire capitalism." It sees economic freedom as being inseparably linked with personal freedom, which it defines as "the right to act or not to act according to one's own judgment, so long as one does not initiate force against anyone else attempting to implement the same freedom."

Encouraged by the success of the book, Campus Studies Institute has released an imaginative thirty-two-minute color film, also entitled The Incredible Bread Machine. Four of the book's authors worked on the script of the film and are the principal performers in it. Not the least reason for its success is that it was produced by the New York multimedia firm of John Doswell, Inc. The thirty-two-year-old Doswell and many of his staff are libertarians in their personal philosophies, and so were especially able to enter into the spirit of the film.

A CRASH COURSE IN LIBERTY

The Incredible Bread Machine manages to be hip, funny, and colorful while scoring points on behalf of the free-market economy. It ties in economic freedom with personal freedom at every step of the way, so that the viewer receives a crash course in liberty as an integrated system of human and property rights.

It starts out grimly, with three dramatizations based upon real-life episodes. First comes the depiction of a sturdy Amish farmer whose horse is seized by Internal Revenue agents because he had refused for reasons of conscience to pay Social Security taxes. The film cuts next to the arrest of a young man attempting to stave off the authorities who are trying to take over his house by the power of eminent domain. And next to the brutal nighttime invasion of a family's home, without a search warrant, by federal narcotics agents; they were acting in the mistaken belief that illegal drugs were hidden there.

Then, aptly weaving together dramatic scenes with discussions between the four attractive young authors and their friends, the film drives home a series of important points, including: the readiness with which the humanitarian turns to government coercion of his beneficiaries; the immorality of laws against gambling; how the minimum wage leads to unemployment, especially among blacks; how urban renewal has led to a decreased supply of housing, especially for the poor; and how a government experiment in providing free food to the masses in Sri Lanka led to a grave shortage of food and eventually to dictatorship. Most important of all, perhaps, is the lesson about the true nature of business monopoly: namely, that monopoly in all cases stems from the granting of special privilege by government itself.

The film ends with a delightful dramatization of a fable-in-verse. It had originally appeared, back in 1966, in a book by an engineer named R. W. Grant. That book—also entitled The Incredible Bread Machine—provided the six young authors at Campus Studies Institute with inspiration, title, and some of the substance of their own book.

LOAVES AT A DOLLAR EACH

Grant's fable was the story of Tom Smit, who invented a machine that could produce bread profitably at a selling price of under a cent a loaf. After some years passed, the feat was taken for granted, and when business taxes forced the price up to a full cent, Smith was charged with "plunder" and "monopoly," and hounded by the antitrust authorities. Finally, the government nationalized Smith's bread production, and, in the final stanza of the fable (and the final words of the film):

True, loaves cost a dollar each.
But our leaders do their best.
The selling price is half a cent.
(Taxes pay the rest!)

As the Bread Machine film suggests, there is a new spirit growing in the land, not simply an inchoate mood of resentment against Big Government, but serious and systematic thought, combined with flair and expertise in organization and in communication. It is refreshing and heartening to find articulate libertarian views being carried forward by the very "under thirty" generation that not so long ago seemed about to declare nihilistic war upon its elders. America could hardly have a better birthday present in the year of its Bicentennial, an anniversary that should remind us of the profound devotion of the American Revolutionaries to individual liberty.

(Murray Rothbard, professor of economics at Polytechnic Institute of New York, is an intellectual leader of the libertarian movement in the U.S. He is the author of Conceived in Liberty, a monumental study of the origins of the U.S.; the third volume will be published later this year. Professor Rothbard appears in the Bread Machine film, in the comic role of a professor trying to explain the virtues of urban-renewal programs while the film strips that are supposed to be illustrating his lecture show an embarrassing series of demolitions.)

LET US ORGANIZE AN OFEC—ORGANIZATION OF FOOD EXPORTING COUNTRIES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. McDONALD of Georgia. Mr. Speaker, Tom E. Moore of Springfield, Va., recently wrote a statement suggesting that we use the God-given bounty of surplus food that this Nation has been blessed with in the best interests of the United States and the free world. What a revolutionary idea. In spite of the fact that the administration stoutly maintains the benefits of the wheat deals with the U.S.S.R., no one has been able to document any for the average American except for a few select wheat dealers. Therefore, I commend his suggestion and thoughts to the attention of my colleagues:

LET'S ORGANIZE AN OFEC (ORGANIZATION OF FOOD EXPORTING COUNTRIES)

(By Tom E. Moore)

We don't hold a world monopoly on oil as the OPEC nations, guided by the wisdom of the Soviet Union, have discovered and have used against the West for economic blackmail. But they can't eat or drink their oil. So, they can't play "dog in the manger," if we should organize the sanctions available to us throughout the Western World.

We can turn their own tactics against them! And we can win, hands down!

We can get by with the oil which we have in our control, although it won't be easy. Possibly the North Sea oil production can be dedicated to take up the slack in a few years. We can surely enjoy eating the food we grow in the democratic nations of the world; and we can help our friends by buying their oil, even at OPEC-level prices if necessary. Great Britain and Norway would be glad to have our market.

We have little to lose other than momentary convenience.

So, let's organize a world barter system, to be known as OFEC (see above). "You want our foodstuffs? You say you want to eat? OK, we'll trade for oil (or in the case of Russia, which country owes us so much already, *if* we decide to deal with them at all, for oil and gold). And, we won't extend credits to you, regardless of *any* rate of interest which you would be willing to pay. And, by the way, no hankey-pankey about arms build-ups to threaten the peace, either."

Why *don't* we call the tune? We're in the driver's seat, but apparently we, and our government, are too myopic to see it.

It is interesting to note the parallel in denying of food as a means of achieving an objective, namely, community responsiblity, which was a principle established on these shores in 1609 by Captain John Smith: "no work, no eat." Apparently, the principle worked.

The only question is that if we were to run this up the flag staff at the White House, Peoria, Dubuque, or Omaha, would anyone salute?

TRIBUTE TO CANADIAN ACTOR, ARTHUR HILL

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. REES. Mr. Speaker, I would like to take this opportunity to acknowledge the work of an artist who epitomizes the contributions made by citizens of our northern neighbor, Canada, to the popular arts and the social conscience of the United States.

The artist I speak of is the distinguished actor, Arthur Hill, who brings not only talent, but also conscience and a personal ethic to his considerable acting accomplishment in this country. This is demonstrated by his upcoming performance in a television show which recreates a significant civil rights event of this century, the depression-era trial in which Judge James Edwin Horton, a segregationist by his own admission, spoke out at the expense of his career against a miscarriage of justice against nine black youths. The program is director Fielder Cook's "Judge Horton and the Scottsboro Boys," which will be shown April 22 on NBC–TV.

Ironically, within a 4-month period Mr. Hill has portrayed two great heroes in the fight for equal treatment for blacks. His portrayal of Abraham Lincoln on Mr. Cook's presentation of "The Rivalry" last Demember was a human and moving incarnation of our 22d President. It is interesting that Mr. Hill joins other Canadians, such as Raymond Massey and the late Walter Huston, who have given us memorable Lincoln dramatizations.

Born in Saskatchewan, Mr. Hill has embodied on stage, screen, and television perceptions of personal dignity which can serve as inspiration to his viewers. His television series portrayal of "Owen Marshall, Counselor at Law," was justly enjoyed by millions of viewers, both here and around the world, as a depiction of the responsible practice of law. In tribute to his personal convictions and to his talent, Mr. Hill was honored with an honorary doctorate of law by the University of British Columbia where he studied law.

I join critics and fans in acknowledging the contributions of this distinguished Canadian artist to his art and his society.

ANOTHER VIEW ON PANAMA

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. GAYDOS. Mr. Speaker, those who want us to surrender the Panama Canal paint a dreary picture of conditions in Panama and warn that, unless we yield, the whole place will explode in wrath against us.

The Panamanians, we are told, hate us with a purple passion because we violate not only their territory but their cherished sovereignty and, what is more, taunt them with a double standard symbolized by lush homes and living for overly affluent Americans in the Canal Zone.

Is this true? I have read with interest a series of reports on Panama and the canal by Ralph Z. Hallow, Pittsburgh Post Gazette editorial writer, who toured the country recently and who, I point out, favors our pulling out only because the canal costs us too much to operate and benefits others much more than we.

But disregarding Mr. Hallow's personal views, I think his findings about conditions in Panama are both timely and valuable in framing judgments on the canal question. I cite particularly these paragraphs from his extended report:

> Almost none of the notions and images I flew down here are accurate about Panama, its government and people or about the Canal Zone and the canal itself and what the U.S. should do about it.
>
> First off, if one is expecting an atmosphere electric with anti-Americanism or sullen with dictatorial oppression, one will be—as I am—pleasingly relieved to find the contrary. Either a half million Panamanians in this city (Panama City) are conspiring to conceal their hatred of me and other gringos and of their maniacal preoccupation with the canal issue, or somebody's been misinforming us back in the states.
>
> The Canal Zone, that strip of U.S. territory that splits Panama in two, is not the paradise of gorgeous homes and manicured lawns fenced off from Panamanian citizens that some of the U.S. media depict.

Then later:

> Many of my canal company friends don't want to see the zone disappear: and, if I were they, I probably shouldn't either. They're generally efficient, hard-working

> Americans who have made the operation of that canal the envy of the world; and they feel that their dollars, their presence, their example, have done much for the Panamanians. They're absolutely right. Some of them are third-generation Zonians who've married Panamanian or other Latin-American women and who speak Spanish and consider themselves Panamanian as well as American. They're a group of which stateside Americans can be justly proud. . . .

Mr. Hallow writes further:

> The U.S. State Department and the Ford Administration, under difficult pressure at home, tend to de-emphasize the fact that Uncle Sam's operation of this canal has benefitted the Panamanians immensely. Net income from the Canal Zone—the 10-mile strip of U.S. territory that has a population of 39,000, mostly U.S. civilian and military persons but also some Panamanians and other nationals—accounts for 12.5 per cent of Panama's gross domestic product ($1.1 billion, corrected for inflation) and for more than 30 per cent of Panama's foreign-exchange earnings. . . .
>
> The rest of the world benefits from the canal far more than the U.S. and that's why I'm suspicious of Panamanian and U.S. government claims that guerrilla warfare and sabotage to interrupt operation of the canal will certainly erupt if Panama doesn't get the zone and then the canal.

Again

> Another reason why one finds here little anti-American feeling and tension over the canal issue, in spite of official rhetoric and media-painted pictures back in the states, is, I suspect, the vastly improved employment picture in the Canal Zone, where about 75 per cent of the fulltime canal labor force now is Panamanian, and only 26 per cent are U.S. citizens.

These observations of Mr. Hallow, a highly respected journalist, are contrary to much we have read and heard said about conditions in Panama and on the canal question. I suggest that, in any future hearings on the matter here, he be invited to testify.

I also raise the question of why, when conditions were such as found by Mr. Hallow and objectively reported by him despite his own opinions on the canal issue, we continue to get claims to the contrary and arguments that we must give up the canal and the zone or bring on a disaster. Mr. Hallow went there with preconceived notions and images, as he explains, and found them not so. What then, is behind the notions and images which were given Mr. Hallow and are continuing to be circulated throughout the country and what is their purpose? It puzzles me and I think we ought to make an effort to find out.

CAPITOL HILL FORUM

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mrs. MINK. Mr. Speaker, I am pleased to note the anniversary of a biweekly newspaper which has had an important first year on the Hill, the Capitol Hill Forum.

From the beginning this newspaper has admirably succeeded in presenting yet another perspective of our workings on the Hill through a comprehensive reading of current issues including Federal criminal justice reform, the primary elections, revenue sharing, and strip mining. The forum has attempted to go beyond mere reporting, to present incisive and in-depth analysis of the issues.

The Forum, its staff and writers, is a publication which has been helpful to Members of Congress, Hill staff, lobbyists, and the public. I congratulate the Capitol Hill Forum and wish them many more years of reporting on the Hill.

HUSBAND AND WIFE WORK AS PARTNERS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. FINDLEY. Mr. Speaker, one of the keys to success of the American farm is the wife's contribution to work activities. Husband and wife work as partners. These two join together as a team to build a business enterprise.

I would like to share with you a frank and open letter from one of my constituents on the important role and value of the wife in making the family farm the great institution it is today. The letter from Mr. and Mrs. Howard Guthrie of White Hall, Ill., follows:

> MARCH 6, 1976.
>
> Hon. PAUL FINDLEY,
> *House Office Building,*
> *Washington, D.C.*
>
> DEAR SIR: Our thanks for your article in our local paper—for your assistance in trying to bring views of your constituents to the Committee on Reforms for Estate and Gift Taxes, and for your representation in Washington.
>
> Speaking from the lowest level—the level that "pays the bill", we wish to protest the failure of Government to heed the fact that Estate and Gift Tax laws have been shamefully neglected, causing undue hardships to many persons and bankruptcy to others, after they have spent years of long hours and hard times to build up a little something for use in "senior years".
>
> We worry, and rightfully so, that estate taxes will wipe clean the small farm home acreage we have all worked so hard to accumulate—struggling through lean years, long hours and hard times to build a little something to keep us when we can no longer work.
>
> Inflation has shoved the price of our small farm and equipment beyond any dream we could ever have managed—yet the estate exemption remains the same as that set in the '40's. Many wives, particularly, find that though they have worked side-by-side with their husbands for years and have their property in joint tenancy, if the wife is left with the property, she must pay out huge inheritance tax monies anyway, and becomes a pauper overnight, with absolutely no way of making her own living in the late years.
>
> In our case, as in many others I am sure, the wife works as "hired hand" right along with the husband. Speaking personally, this wife keeps the farm records, has worked as a Secretary in lean years to bring in cash for groceries and help put a son through college. She, of course, keeps the house, runs errands as needed and yet has managed to help take care of all facets of a considerable hog operation. For the last several years, she is no longer a secretary since a full-time hired hand was needed and none could be found. She works daily doing whatever needs to be done—plows, discs, uses field cultivator, mulcher, does most of the planting while the husband sprays insecticide and herbicide and in the fall she does most of the combining/picking while the husband hauls crops to market or storage. Now . . . do you think it is equitable that she should be responsible for inheritance taxes, should something happen to the husband? Especially at the present exemption level? She will definitely inherit nothing . . . fact is, she actually did as much as the husband to accumulate what they have.
>
> Perhaps this farm wife does more of the actual farm work than many farm wives but all farm wives are involved in the actual struggle to own and maintain their acreage, whatever their role may be. Some do the record keeping and maintain the home—others, in addition, help in the field, help with the livestock, run errands for parts and repairs, etc. All—I am sure—do much that cannot be recorded. In other words, they are deeply involved in the actual work and accumulation of their livelihood. Still others work away from home to bring in a much-needed cash flow to help financially.
>
> We feel like the time is now . . . for some legislation, good, sensible, equitable adjustment to alleviate the inequities of the old Estate & Gift Tax Laws so that widows and children will not become bankrupt or have to give up their homesteads in order to pay the inequities now existing. We've already worked and paid for these homes with much sweat, blood and heartache.
>
> Please, ask the Committee to get "on the ball" now—not to table these issues but get something constructive done now, now, now.
>
> We are sure there are people much more learned than we, who can tell the story better but this is the way it is "at our house." Thank you again for the opportunity to let you know how we feel.
>
> Respectfully,
>
> The HOWARD GUTHRIES.

CLIFFORD W. SWENSON RECEIVES "SPIRIT OF LIFE AWARD"

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. MINETA. Mr. Speaker, I would like today to bring to the attention of my colleagues here in the House of Representatives, an outstanding citizen that I have the honor of representing: Mr. Clifford W. Swenson.

Mr. Swenson has devoted his life to community service and to excellence in the construction industry. His leadership in innovative construction techniques began at the age of 12 when he began construction work with his father. The 50-year span of his company has left the Swenson mark of construction leadership on the Santa Clara Valley.

In the area of community service, Mr. Swenson has been active on the board of directors of Goodwill Industries, the San Jose Chamber of Commerce, the YMCA, the Advisory Board for San Jose State University, his alma mater, the San Jose Rotary Club, and a number of other civic programs. In addition, he has served on the boards of banks, engineering firms, trust funds, insurance and electronic companies. Mr. Swenson has demonstrated an intense personal dedication to the City of Hope who has chosen to honor him with the "Spirit of Life Award" for his outstanding career as a leader in the construction industry and his numerous civic contributions.

Mr. Speaker, I know that you and my other colleagues here in the Congress will join with me and the City of Hope in commending Mr. Clifford W. Swenson for his dedicated community service and his innovative leadership in the construction industry.

THE PLIGHT OF WESTERN CATTLEMEN

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. SANTINI. Mr. Speaker, this is a trying and critical time for Western cattlemen who are faced with a myriad of financial problems brought on by a number of developments outside their control.

Coupled with rising production costs and decreasing selling costs, Western cattlemen are now faced with drought conditions and a new grazing fee increase implemented March 1 by the Bureau of Land Management—BLM.

I am afraid there is little we can do about stopping the drought in the West, but the 51 percent grazing fee increase—coupled with possible range closures in Nevada—is a tough pill to swallow.

During the past few months I have initiated a series of meetings here in Washington with BLM officials, representatives of the cattle and sheep industries, Members of Congress, and the Secretary of Interior, Thomas Kleppe. The meetings were culminated last week in a 1-hour session with President Ford, followed 2 days later in an Elko, Nev., seminar with BLM Director, Curt Berklund, and 600 ranchers, miners, and interested Nevadans.

I was hoping that these meetings would have an impact on convincing President Ford to either reduce or postpone the steep grazing fee increase. I still retain that hope.

But I think that these sessions have also been helpful in providing a clear understanding of the many needs and problems besieging the Western cattlemen. Those in small operations are especially threatened by recent developments.

Mr. Speaker, the Oakland Tribune ran a story recently which I think represents the plight of many Western cattle operators. I submit the story of former Nevadan Hap MaGee to be reprinted in the RECORD:

COWMAN'S TRAGIC PLIGHT

(By Harry Harris)

It's so far, so good for Hap Magee.

But it may not be good enough.

He's counting the rainless days that will determine whether he or the weather wins in his fight to stay in the cattle-raising business.

The rain and snow of the past week is not nearly enough for the rancher, who points with gnarled finger to the brown-toasted grass in the foothills above his Danville ranch.

"Eighty cattle would normally be out there," he said.

But the only thing that could survive among a few scraggly trees was a horse, patiently nibbling to get enough of the dried-out grass to make a meal.

"This little bit of rain isn't too much," Magee said. "We're so far below normal it'll take four or five inches to get us there.

"I'm not complaining though—this is better than the north wind."

Magee, 54, has run his 17-acre spread just below Interstate 680 since 1953 when he moved there from Nevada.

His plight typifies that of many ranchers who have seen the drought dry up not only water supplies and grazing land, but profits as well.

He said banks and other lending institutions are "getting fidgety" and are telling everyone "to sell out." Many smaller ranchers have, he said, also adding to the problem by flooding the market.

He is pessimistic about his own future. "I lost $70,000 on 1,000 calves last year," he said, adding he owes the bank "more than I'm worth."

Actually, Magee (whose first name is Harry but no one ever calls him that) has some 5,000 head of cattle scattered about California, Nevada and Oregon. Leasing 50,000 acres of land "from 21 landlords." He has well over 1,000 feeders, cows and calves in Contra Costa County, most of them grazing on Mt. Diablo.

He said the drought is everywhere and is the worst he has seen locally in at least three years. Before last Wednesday, he had not seen any rain since last fall.

"You're never quite prepared for anything like this," he said. "You can't afford to be conservative."

But a drought shoots up feed and other costs and "puts everything out of perspective." Most important is "you can't sell for what it costs."

If he was to sell his stock now, Magee says he would be lucky to get $180 for cows that are appraised by tax officials at $300. It costs something like 56 cents a pound to get a cow up to slaughter size, but a sale now would only bring 42 cents on the pound.

In fact, he said if it was a normal season, he would now be buying stock instead of looking for better grazing land, which is also rising in rental cost. But there is "no sense" to buying more. "I'm half-stocked and right now that's over-stocked."

Magee talked with The Tribune in between moving some 200 of his cows and calves to greener pasture in the hills surrounding Rossmoor. It was the second move to better grazing land in the same hills for the herd within the last few months.

Once again Magee blamed the drought conditions. "All my cows usually go to the mountains for the summer, but if there's no rain I can't move them there."

Although none of his herd is really suffering yet, Magee said the dry grass has no protein or substance to it for the cattle so he uses liquid molasses to supplement it. But even that cost is rising and he is using twice as much as before.

Magee readily accepts the fact that he faces heavy financial setbacks and perhaps even the loss of his ranch.

But there is still a ray of hope that brings a smile to his weather-beaten face. For he knows that if he can hold on until spring he can still make it, since by then the now flooded market will be depleted and looking for beef.

He just needs more rain.

"The only good thing lately," he said, "is my bad leg has been hurting. When it does that, something good usually happens."

He got the first batch of that over the weekend.

LOS ANGELES TIMES SUPPORTS HATCH ACT REFORM

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. CLAY. Mr. Speaker, there has been much debate within Congress concerning the need to reform the Hatch Act. Members of the House will be given a third opportunity to vote on this issue when the anticipated Presidential veto of H.R. 8617, the Federal Employees' Political Activities Act of 1975, is sent to the Congress.

An illustrious west coast newspaper, the Los Angeles Times, issued an editorial on April 2, 1976 entitled "Citizens Without Citizenship." The Times makes a strong case in support of H.R. 8617 and states that President Ford would be ill-advised to veto it.

I want to share this enlightening article with my colleagues. The editorial follows:

CITIZENS WITHOUT CITIZENSHIP

All involvement in partisan politics, except the right to vote, was taken away from federal employes by the Hatch Act of 1939. But a measure to restore 2.8 million government workers to full citizenship—HR 8617 is now on President Ford's desk. He intends to veto it, and we believe that would be wrong.

There might have been a justification for removing federal employes from politics 37 years ago, when they had little or no protection from coercion by their elective or bureaucratic superiors. But that is no longer the case.

The strength of the civil service system, with its seniority and merit safeguards, effectively insulates the government worker from pressures to contribute money or time to the election of partisan candidates.

Despite that, the civil servants must remain neutral. A postal clerk, for example, cannot even ring a doorbell to urge a neighbor to vote for a Republican or a Democrat for state office, or even for mayor, county supervisor or city council member in jurisdictions where those offices are partisan.

HR 8617 would modify the Hatch Act to permit federal workers to support candidates, or to run for office themselves, if done on their own time and away from their places of work. Restrictions would remain, however, on persons in sensitive positions in the Department of Justice, the Central Intelligence Agency and the Internal Revenue Service, and on all members of the military.

The most vigorous opponent of the legislation—Sen. Hiram L. Fong (R-Hawaii)—argues that the modifications would "politicize" the civil service and lead to a return of the "spoils system."

The facts are to the contrary. Stringent prohibitions against political activity, such as those in the Hatch Act, do not apply in city, county and state government, and—where adequate civil service protections exist, as they would on the federal level—there has been no evidence whatever that public employes have been shanghaied into political activity against their will.

And HR 8617 carries additional insurance that politicalization would not be thrust on federal employes. It would impose even harsher penalties, including criminal prosecution, in cases where higher-ups might attempt such intimidation.

Although the new legislation won approval in both houses of Congress by substantial margins, the majorities are short of the two-thirds necessary to override a veto.

It's up to Ford, then. He can either extend to 2.8 million Americans the political privileges that all other citizens exercise, or he can continue to deny them the right to participate meaningfully in the choice of those who govern.

We believe a veto would be unconscionable in light of another recent decision by Ford. In mid-January, he brought former Commerce Secretary Rogers C. B. Morton into the White House as his chief political manager, at a salary of $44,600 a year.

Although Morton, as a presidential counselor, was exempt from the Hatch Act, and although he left the White House this week to take over full command of the Ford campaign, the principle remains the same.

If it was all right for Morton, who held Cabinet rank, to work in partisan politics for 2½ months while on the federal payroll, why is it wrong for civil servants of lower status to do it on their own time?

WEST GENESEE WILDCATS OF CAMILLUS, N.Y., WINS VERY BEST HIGH SCHOOL FIELD BAND AWARD

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. WALSH. Mr. Speaker, today a group of 180 youngsters and their teachers, advisers, parents, and neighbors are among the happiest and proudest people in the world.

I am referring to the marching band from West Genesee Senior High School, an institution in Camillus, N.Y., in the 33d Congressional District.

On Wednesday evening, April 7, the West Genesee Wildcats earned, in the toughest possible competition at St. Petersburg, Fla., recognition as the very best High School Field Band in the United States of America.

Their victory over the top marching units in the country represents culmination of a tremendous effort by the members of the band, an outstanding director, their staff, the administration and faculty of the school, and the parents and other residents of the West Genesee School District.

Over a year ago, when it appeared this spirited unit had a chance at the national title, an entire community rallied behind their efforts to raise enough funds for them to compete in what represents the World Series of field band competition.

With bake sales, garage sales, door-to-door marketing of citrus fruits, a raffle by the local Fairmount Fire Department and many other similar endeavors, enough was raised to charter two planes to fly the entire group plus many parents to Florida for a 9-day experience that can never be equaled.

The national championship brings great credit to each person involved and I would like to share news of their achievements with my colleagues.

I want to recognize the director, Bruce B. Brummit and his assistants, Doug Wade and Jack Daley, and every one of the musicians and marchers who, by their skill and determination, have brought honor to themselves, to the school, and to our community.

MAHONING COUNTY PROSECUTING ATTORNEY VINCENT E. GILMARTIN IS HONORED AS BOSS OF THE YEAR

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. CARNEY. Mr. Speaker, I am pleased to announce that Mr. Vincent E. Gilmartin, Mahoning County prosecuting attorney, was recently named "Boss of the Year" at the annual dinner of the Yo-Mah-O chapter of the National Secretaries Association.

Mr. Gilmartin is a longtime friend of mine and has provided many years of distinguished service to the community as county prosecutor. His selection as Boss of the Year is but one indication of the high esteem in which he is held by all who know him.

For the consideration of my colleagues, I am inserting an article from the Youngstown Vindicator for Saturday, March 20, 1976, which describes the ceremonies honoring Prosecuting Attorney Vincent E. Gilmartin.

The article follows:

[From the Youngstown (Ohio) Vindicator, Mar. 20, 1976]

GILMARTIN HONORED BY SECRETARIES

Vincent E. Gilmartin, Mahoning County prosecuting attorney, was named "Boss of the Year" Friday night at the annual dinner of the Yo-Mah-O Chapter of the National Secretaries Association (International) at Youngstown Country Club.

Toastmistress was committee chairman Patricia A. Van Kleeck, who made the presentation to Gilmartin before 80 chapter members and their bosses.

Gilmartin was nominated by his secretary, Miss Marilyn L. Carroll.

The dinner opened with an invocation by Clarence J. Strouss, 1975 Boss of the Year, and a welcome by chapter president, Mrs. Phares M. Kiskell, followed by a response by Robert Saylor, her boss.

Speaker was the Rev. Richard J. Connelly, chaplain of the Cincinnati Bengals professional football team and pastor of St. Colman Church in Washington Court House.

Gilmartin, 48, is a member of St. Christine Church. A graduate of Ursuline High School, he received his bachelor's degree from Harvard University in 1951 and his juris doctorate from Ohio Northern University in 1954.

He served with the Ohio Department of Highways from 1957 until 1963 and as assistant Youngstown law director from 1964 until 1968. He was elected prosecutor in 1969, serving to the present. He served in the Army from 1954 until 1956.

He is married to the former Julaine E. Roscoe. They live at 3343 Estates Circle and have three daughters, Eileen, Denise and Christine.

Miss Carroll, the prosecutor's secretary, is a daughter of the late Lawrence and Mrs. Darrold Carroll, and has been a member of Yo-Mah-O Chapter since 1959.

She has served as president, vice president and recording secretary for the chapter, and was named "Secretary of the Year" in 1974.

Father Connelly talked of love and humor. "We, as Americans, must sustain our appreciation of our nation if we are to continue to serve God and country.

"Each of us became what we are, he said, because someone loved us," But, he noted, the future of each person is going to be only that which he or she makes it.

He paid tribute to secretaries, observing that while the work is hard, they attend to it cheerfully because they enjoy the challenge.

Father Connelly also extolled Paul Brown, head coach of the Bengals, as a worthy influence on youngsters.

CATHOLIC WAR VETS HONOR ZEMPRELLI

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. GAYDOS. Mr. Speaker, in keeping with its past custom of selecting prominent individuals for public recognition as a "Good Fellow," Post 1559 of the Catholic War Veterans and its auxiliary have selected Pennsylvania Senator Edward P. Zemprelli as the recipient for its 17th annual award.

Senator Zemprelli, who represents the State's 45th District, will be honored at a testimonial dinner on Sunday, April 25. Several hundred persons are expected to attend the event, paying tribute to the senator as a man, an attorney, and a public official.

Senator Zemprelli is a life-long resident of southwestern Pennsylvania. He was born, raised, educated, and lives in the city of Clairton, residing at 1244 Bickerton Drive with his wife, Margaret, and daughter, Carla.

The senator, a graduate of Penn State University and the law school at the University of Pittsburgh, began his career in public service almost as soon as he began his private practice in law. In his community, he has served as city solicitor and also as chairman of the city's Democratic organization.

His service in State government started in 1963 when he won the first of three terms as a member of the Pennsylvania House of Representatives. He has served as a State senator since his election to that body in 1968 and, in addition to being chairman of the committee on business and commerce, he holds membership on environmental resources, judiciary, State government and transportation committees.

Senator Zemprelli is a consistent supporter of expanded unemployment and workmen's compensation programs, increased minimum wages and expanded benefits for the elderly, particularly in areas of property tax relief and mass transit services. He is the coauthor of a State law restricting furloughs of prisoners and a persistent advocate of a small general assembly for the State. His objectives for the future include freezing property tax assessments for senior citizens, creation of a new State Department of Aging and the adoption of legislation to protect consumer accounts in State-chartered institutions.

Mr. Speaker, this year's recipient of the CWV "Good Fellow" Award is only the latest in a long line of individuals that Post 1559 and its auxiliary have recognized for their contributions to society and their fellowmen. I would be remiss if I did not, on behalf of the Congress of the United States, express my appreciation to the officers and members of this fine organization. They, too, are worthy of public recognition and praise.

CONGRESS SHOULD NOT GRANT FEA EXTENSION

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. FITHIAN. I wish to join my distinguished colleague from Colorado, Ms. SCHROEDER, in urging that Congress take no action to extend the life of the Federal Energy Administration. This is one occasion when, in the best interest of American taxpayers, Congress should do nothing.

It was the intent of the Congress 2 years ago that the FEA should be a temporary agency which would finish its work by the middle of this year (15 U.S.C. 751). But in typical bureaucratic style, the FEA has mushroomed from a few temporary staffers to more than 3,000 employees.

We do not need this bureaucracy. Indeed, effective long-range energy policy would be enhanced by the absence of the FEA. Many of my constituents believe—correctly, in my opinion—that the FEA is wedded to the energy industry; that policies formulated in FEA offices all too frequently sound as though they were rather put together in the board rooms of Exxon or Gulf. And it is no wonder, since dozens of top-level FEA officials were employed by oil companies immediately prior to joining the FEA.

We have the Federal Power Commission. We have the Energy Research and Development Administration. We have plenty of topheavy bureaucracy to satisfy those who may worry that our national energy policy may lack direction without the alleged oversight of the FEA. Plain and simple, this is one bureaucracy we can do without.

I think that the inefficacy of the FEA is demonstrated by the massive effort which this agency had been forced to mount for public relations simply to remain alive. Why should the FEA have one public relations specialist for every 30 employees? Why should $3.5 million be spent so these 112 publicists can extoll the virtues of the FEA? If the FEA really played a vital role in our Government, it seems unlikely that 112 public relations experts would be needed to proclaim its worth.

As a cosponsor of the Regulatory Agency Self-Destruct Act, I am committed to making some sense out of the bureaucratic tangle that we all see here in Washington. We can make a good beginning by letting the Federal Energy Administration go the way of the Pierce-Arrow automobile, the single-row planter and the 5-cent Coke: into the pages of our history books. As a former professional historian, I can assure you that this would be an appropriate resting place for this bureaucracy whose time has expired.

CONGRESSIONAL MAIL

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. MARTIN. Mr. Speaker, in an average week, I get hundreds of letters from constituents about the issues facing this country, and it is my intention to share some of these in this way with the Congress. Obviously, on some topics there are more letters than others. During the past few months, government spending has been a favorite topic, even though the writer may have written for another purpose. Remember that many of these people are your friends and neighbors. Do their feelings express some of your own sentiments?

One constituent writes—

> The Federal Government appears to be in a headlong rush to follow New York City into the abyss of financial irresponsibility.

The comparison is apt.

One retired gentleman wrote about the President's tax cut proposal, as it relates to Government spending. He writes.

> The President's tax cut proposal, linked to a similar reduction in spending, makes more sense than anything yet proposed. This continued increase in government spending must stop somewhere, and now, if we are to continue as a nation. I urge you to put your great weight behind this tax-spending cut proposal, and do whatever you can to bring fiscal responsibility to our government and our people.

I can only say amen to those comments. Others have written the same view, and no one has urged larger deficits.

While the issue of Consumer Agency—which I opposed—is waiting for action from the White House. Consider this letter which reflects what others of your neighbors have said about regulatory excesses. This person wrote that—

> I should vote consistent with the wishes of most of your constituents for relief from the burdensome cost of federal over-regulation and the excessive taxes we have to pay to support the federal bureaucracy.

It has been many months since the United States pulled out of most of Southeast Asia. Americans have, for the most part, put the issue of defense and strong military preparedness on the back burner. I have received a few letters of concern on the subject. One writer notes—

> We definitely can reduce the waste in the military but in heaven's name, how can anyone think that we won't pay the price if (we) let down our guard against the Russians?

One of my constituents makes some very interesting observations about the defense question. The comments are worth serious thought. He writes—

> My reading has led me to believe that our strategic submarine weaponry, and to a lesser extent, our nuclear missiles are adequate for the moment to counter our enemies' strategic capabilities. But our infantry, navy, armor and counter insurgency forces are woefully deficient. In a conventional war the Russians might well defeat us.

Add to that the consideration that a one-sided advantage in conventional forces does not decrease the chances of nuclear war.

In future weeks, I want to share with the Congress excerpts from other letters I have received from my constituents, without of course, disclosing the writers' names.

KEPONE LINKED TO LIVER CANCER IN ANIMALS

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. DOMINICK V. DANIELS. Mr. Speaker, the National Cancer Institute has just released a report linking the pesticide kepone to liver cancer in animals.

Details of this report are contained in an article which appeared in today's New York Times, and I will include the article at the end of my remarks for the information of my colleagues.

By now, the American public is familiar with the kepone-caused tragedy that occurred in Hopewell, Va. The State of Virginia, the State's fishing industry, and workers from the Life Sciences plant that produced the pesticide have now filed suits for damages caused by human and environmental exposure to kepone.

Mr. Speaker, my Subcommittee on Manpower, Compensation and Health and Safety conducted hearings in Hopewell, Va., to investigate the occupational safety and health implications of this tragic incident.

But an incident such as the kepone case is simply not just an occupational safety and health issue.

It is also an environmental, economic, public health, and social issue.

Kepone is just one of a long list of toxic substances which daily threaten our health, our lives, and our environment.

It is obvious to me that the only way we are going to get some control over situations such as the kepone incident is to enact strong toxic substances control legislation.

The Subcommittee on Consumer Protection reported H.R. 10318, the Toxic Substances Control Act, on December 3, 1975. That bill now awaits action by the full Interstate and Foreign Commerce Committee. I strongly urge my colleagues on that committee to report a toxic substances control bill to the House for action.

We need a strong toxic substances control bill. It is the height of folly to simply sit back and let the list of environmental and health tragedies caused by toxic substances grow with every passing day.

Leadership is clearly required on this issue. We simply cannot ignore the problem any longer.

The problem of toxic substances is here; it is now; and it demands our immediate attention and action.

Mr. Speaker, I include at this point in my remarks the article from today's New York Times. I hope my colleagues will add it to their steadily growing collection of data which so vividly underscores the need for prompt congressional action on the toxic substances control bill:

Pesticide Is Linked to Animal Cancer

(By Harold M. Schmeck, Jr.)

Washington, April 7.—As part of a program to alert the public to cancer hazards in the environment, the National Cancer Institute released today a report linking the pesticide Kepone to liver cancer in animals.

The pesticide has received considerable publicity in the last year because of pollution problems from a plant that had been producing it in Hopewell, Va., and because of illnesses among the plant's workers. The plant was closed last July.

In August, the Environmental Protection Agency ordered the manufacturer to stop sales and use of the compound and prohibited further manufacture.

Tests done for the institute showed that many rats and mice, fed Kepone for 80 weeks as part of their diet, developed cancer of the liver.

In a summary of the test results, the cancer institute said that more than 80 percent of male mice that were fed the compound during the long-term test had developed liver cancer. More than 40 percent of female mice developed the disease.

In comparable studies of rats, 7 percent of males in one group developed liver cancer as did 22 percent of the females. No liver cancers developed in rats of either sex that were not fed the compound.

LIVER LESIONS

"Test results clearly suggest liver lesions, including cancer, were induced in both sexes of rats and mice fed chlordecone under the conditions of this test," a statement by the institute concluded.

Chlordecone is the common chemical name of Kepone, which was originally developed by the Allied Chemical Corporation and manufactured, until last summer, by its subcontractor, Life Science Products Company of Hopewell, Va., which is now insolvent.

In its conclusion, the statement said it was not possible to extrapolate the results of the animal experiments to humans but that the tests served as a warning of the compound's possible cancer-causing potential in humans.

The tests were part of a major program in which the National Cancer Institute is testing about 500 compounds for cancer-causing potential. The compounds include industrial chemicals, pesticides, food additives and some naturally occurring substances. The purpose is to identify cancer-causing chemicals in the environment.

Kepone was selected for the tests, the institute said, because it is chemically related to other suspected cancer-causing chemicals and because of its presence in the human environment.

The illnesses reported to date in the plant employees in Virginia included tremors, blurred vision and loss of memory, but not liver cancer.

In answer to a query today, a spokesman for the E.P.A. said that the ban on manufacture and sales applied only to the single known producer, the plant in Hopewell, but that the agency was taking steps to prevent use of the pesticide in products generally.

It has been estimated that it is used in 40 household products to control ants, roaches, and some other pests. More than 90 percent of production has been for export.

END THE FEDERAL ENERGY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mrs. SCHROEDER. Mr. Speaker, in this last week I received in my office a couple of remarkable communications. One, from the Department of the Interior, is entitled "Johnny Horizon, His Job Done, Leaves Government Service." The other, from the Energy Research and Development Administration, is a statement that ERDA will no longer be inundating our offices with its press releases, and instead will offer to those interested in the day-to-day actions of the agency a weekly summary of activities. I commend both of these actions.

At the end of the Interior Department's statement on Johnny Horizon is a very appropriate comment which I have seldom heard uttered by bureaucrats. It follows:

> It is often said that Federal programs survive beyond their period of usefulness. Johnny Horizon has served this purpose and will now leave the scene letting the people do the job themselves.

Mr. Speaker, the folks down at the Federal Energy Administration should heed these words and what the Department of the Interior and the Energy Research and Development Administration are doing. When the FEA Act expires on June 30, they may well be working for these agencies. Perhaps, that will have some effect on the Energy Ants we have crawling around, the 60 FEA press release which are being uttered now each month, and the speechmaking the agency is so fond of now.

The material follows:

U.S. Energy Research and
Development Administration,
Washington, D.C., March 25, 1976.

Dear Reader: ERDA is revising its daily news release mailing lists to reduce the cost of printing and mailing. You have been receiving daily announcements on ERDA fossil energy programs as part of a mailing list which was transferred to ERDA from the former Office of Coal Research. After April 1, 1976, ERDA will mail daily, individual copies to news media only.

However, we will offer a weekly compilation of the ERDA announcements to others who are interested in following ERDA activities. This Weekly Summary contains the full text of all ERDA news releases from the preceding week, major speeches by ERDA staff and new Fact Sheets on ERDA programs.

If you would like to receive this Weekly Summary, please complete and return the enclosed card. If you already receive the Weekly Summary, you do not need to return the card. Thank you for your cooperation and for your interest in ERDA programs.

Sincerely,

Alfred P. Alibrando,
Assistant Director for Public Information, Office of Public Affairs.

Enclosure: As stated.

ERDA WEEKLY ANNOUNCEMENTS

I would like to receive ERDA's Weekly Summary of public announcements.

Name ________________________________

Organization __________________________

Address ______________________________

City ________________ State ____ Zip_____

Johnny Horizon, His Job Done, Leaves Government Service

The Johnny Horizon program, created eight years ago to enlist the public in a cleanup of trash and litter on the public lands, has done its job and is being phased out by September 30, 1976, the Department of the Interior announced today.

Originally conceived by Interior's Bureau of Land Management as a means of raising public consciousness toward the condition of the public domain in the West, the program was adopted nationwide by the Department several years later and achieved an enthusiastic following. It featured cleanup drives by volunteer youth and community groups, to the tune of songs performed by Burl Ives and other entertainers—also on a volunteer basis.

Most recently it has borne the title of Johnny Horizon '76, with the motto, "Let's Clean Up America for Our 200th Birthday."

"Johnny Horizon has done his job and done it well," said Secretary of the Interior Thomas S. Kleppe. "His life span embraced a time of massive reawakening, of environmental awareness, community action, and citizen participation. People across the land realize that they personally can do much to make our country more livable.

"It is often said that Federal programs survive beyond their period of usefulness. Johnny Horizon has served this purpose and will now leave the scene letting the people do the job themselves."

CHANGES PROPOSED IN UNEMPLOYMENT COMPENSATION

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. WHALEN. Mr. Speaker, today I have reintroduced legislation to amend our present system for assessing unemployment benefit eligibility. If enacted, this bill will provide an additional 13 weeks unemployment compensation to areas suffering from high unemployment within States with low insured unemployment rates—IUR.

A number of my colleagues—Mr. Ashley, Mr. Edgar, Mr. Edwards of California, Mr. Mineta, Mr. Mottl, Mr. Ottinger, Mr. Patterson of California, Mr. Seiberling, Mr. Stark, and Mr. Weaver—are joining in sponsoring this proposal to substitute labor area "emergency on" or "emergency off" indicators for the troublesome and inequitable State triggers for unemployment compensation eligibility under which the country has been functioning since the beginning of this year.

In this measure, a labor area is defined as any area designated as being a contiguous population center with a population of at least 250,000. States would be given the option to elect to apply the trigger on an area instead of a statewide basis. The option to elect either would be open for 3 years, after which State election of area or State criteria would be permanent.

Further, my bill triggers the first 13-week extension—to 52 weeks—if unemployment in an area exceeds 5 percent. An additional 13-week benefit period—to 65 weeks—is triggered if unemployment in the area exceeds 6 percent.

I should note that a number of concerted actions are being taken to bring before the House a relief measure for States with low overall IUR's. Both the gentleman from Wisconsin (Mr. STEIGER) and the gentleman from Ohio (Mr. REGULA) have introduced similar area trigger legislation. The House Subcommittee on Unemployment Compensation has scheduled hearings for late this month. The need is urgent as many individuals received their final supplemental benefits on the third of this month and now have no possibility for further support.

A STRATEGY FOR COPING WITH AVIATION NOISE

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. WYDLER. Mr. Speaker, recently the Honorable Russell E. Train, Administrator of the U.S. Environmental Protection Agency, spoke before the Inter-Noise 1976 Conference in Washington, D.C. The title of the speech was "Quiet, People Living Here: A Strategy for Coping with Aviation Noise." I commend the reading of this speech to every Member of the House and Senate for it presents a plan to deal with and solve the most pressing problem for civil aviation in our Nation, aircraft noise. Unless this problem is solved, the economic problems of our airlines will continue to grow and the future growth of our airlines will be inhibited. That, of course, will affect every manufacturer and employee of those airlines and the type of service that can be offered to the public. The plain fact is that we have failed at the Federal level to deal with this problem in a forthright and realistic manner. Procrastination, delay, and avoidance of the issues has been the main contribution of the Federal Government which while demanding jurisdiction over the problem has decided to do nothing about it. Certainly the people of this country are tired of a Government that abrogates to itself the power to act and then fails to act.

The speech by Mr. Train is the best and most effective statement that I have seen on the current problems facing those who realize that jet noise is strangling the aircraft industry. The dispute over the SST Concorde should prove this to all that are willing to face facts. As a practical matter, the plane has been doomed to failure because of the failure of the aviation industry to deal with the problems of jet noise. The fate of the SST will be the fate of the airline industries themselves if they do not wake up and decide to make the sacrifices that are needed to solve this problem. In my judgment the time is already late but the industry would be well advised to move now for action would be better late than never.

Mr. Speaker, I commend the words of Mr. Train to every Member of the House and Senate, to every official in the airline industry, and every employee of that industry as an expression of commonsense which dictates action and can be ignored only at that industry's peril.

QUIET, PEOPLE LIVING HERE: A STRATEGY FOR COPING WITH AVIATION NOISE

(Remarks by the Honorable Russell E. Train, Administrator, U.S. Environmental Protection Agency, before the Inter-Noise 1976 Conference, Washington, D.C., April 5, 1976)

It is not often that a group as large and diverse as this gets together, not to raise the decibel level, but to lower it—not to make noise, but to explore ways of controlling it. I am especially grateful for the opportunity to be with you this Monday morning after having spent the weekend at my farm on the Eastern Shore of Maryland where the splash of fish and the call of wild geese are among the loudest sounds to break the general calm and quiet, and where I am able, sometimes, to enjoy the rare experience of hearing myself think.

The whistling swans had all gone about two weeks ago on their annual migration to the far north of Alaska and Canada. Most of the Canada geese had also departed by last weekend for Hudson Bay and points north. With their departure have come the osprey, slowly recovering from the near collapse of their species, wheeling and diving overhead with their shrill, high-pitched cries that make us look up and search the skies. These are seasonal changes and, because they help herald the marvelous cycles of nature, we find them exciting, anticipatory of changes to come. There are other noises, of course, mostly man-made, which know no seasons, and the constant flight of aircraft overhead, large and small, are among these.

The EPA noise control program is, as you know, one of the youngest of our major environmental efforts, and we have—quite frankly after something of a slow start—finally begun to make some real headway in carrying out our responsibilities under the Noise Control Act of 1972. In fact, just this last week I signed the most important noise control regulation to be issued by EPA to date—the new product standard under Section 6 of the Act for medium and heavy duty trucks. The standards will actually save this country money since the fuel savings achieved by the standards will be greater than the cost of the noise abatement. This is a dramatic case where less noise means more efficiency! The Director of the EPA Noise Office, Chuck Elkins, will be talking to you later about the details of our noise control effort, and we have prepared for distribution to you today a small booklet that sums up our progress thus far. So rather than recite a long laundry list of things we have done, and plan to do, I'd like to address this morning a noise problem that was a matter of major national concern more than 25 years ago, which we have done little to alleviate in the years since, and which today must rank—along with the problem of noise in the workplace—as one of the most acute noise problems that confronts us—I speak of the problem of aviation noise.

For some 25 years now, communities around the major airports of this country have experienced an ever increasing exposure to noise. Day in and day out, millions of people in this country are deluged by the din of airplanes landing and taking off over their homes. Very many of these people are subjected to noise levels so high that according to the best scientific evidence now available they run a very real risk of actually having their hearing affected. Opening a window to enjoy a warm, spring breeze, using the patio in comfort for a barbeque, relaxing in front of a TV set without being disturbed, or carrying on an uninterrupted conversation with a friend in the comfort of our homes: These ordinary, everyday activities which the rest of us take for granted, they cannot enjoy. We can, with some assurance, estimate the physical effects on those people of prolonged exposure to airport noise levels. There is no way we can measure the profound mental and emotional distress they must endure.

The problem is compounded by the sense of utter hopelessness and helplessness that overwhelms them. They have often given up hope that they can do anything themselves to avoid this misery except to move. They doubt that any governmental agency or private group will do anything about it. When they have tried to get things done, they have experienced only a most dizzying and disheartening round of "buck-passing." No one seems to have the authority, or the power, or the will to give them any real help: No one seems to be in charge. At least no one will admit to it.

The manufacturers assert that they have already done their part by building planes to meet the FAA's 1969 noise standards for new aircraft—the FAR 36 standards. The air carriers point out that they would buy quieter planes if their economic picture were not so bad. Some pilots insist that the safety of their passengers is jeopardized by noise abatement procedures, that such procedures are not very effective anyway, and that it is the source of the noise, the airplane, which should be quieted. Many airport proprietors insist that they would like to help, but the FAA has preempted them, and thus their hands are largely tied. The Federal Government has asserted the right to be in charge, and has proposed a lot of noise abatement rules, but seems to have difficulty in getting them promulgated. Urban planners and city councils insist that the airport planning process does not include them and that, even in those rare cases where they do get involved, their traditional tools such as zoning do not seem very effective. In short, the noise impacted citizen is left to his own devices: Either move, or close his windows, turn up his TV, grin and bear it.

I might say as a footnote here that the last thing we need to add to the very difficult situation at such impacted airports as John F. Kennedy is the Concorde—a brand new type of aircraft and yet already so out of date—which is even noisier and thirstier than the rest. In short, the Concorde is an anachronistic piece of technology which is out of phase with the noise and energy policies of this country and, I suspect, of much of the world beyond our boundaries.

The problem is, in other words, that aircraft noise is always somebody else's problem. And nobody, as a result, seems to feel that they have the authority or ability—even if they have the inclination—to do much about it. Each of the excuses I have cited is perfectly understandable. No one wants to be the "fall guy," the one who has to carry the whole burden of solving a very serious and complex problem. It is natural to want to wait until someone else takes the step. But when you put all these "excuses" together, they add up to little or no action at all. The people who live next to our nation's airports are the most directly affected by this persistent failure to act. But they are by no means the only ones.

Many airport proprietors are now defendants in hundreds of millions of dollars worth of lawsuits. These suits are stifling the initiative of our airport proprietors and threatening to place them under intolerable financial burdens. The building of new airports, and the expansion and modernization of existing ones, have been substantially slowed primarily because of legitimate environmental concerns on the part of our citizens. Many of these improvements are needed for the efficient operation of our national air transportation system.

As long as we continue to do little or nothing about the problem of aviation noise, not only will those who live near airports continue to suffer, but the growth of the entire aviation industry itself will continue to be impaired and impeded by such uncertainties as: What further abatement will be required of the aircraft manufacturers? What procedures will be required of the pilots? What aircraft and operational restrictions will be imposed on the Nation's airlines? What impact will growth of the local airport have on land use around the airport? The list is almost endless.

How have we gotten ourselves into this dilemma, a Nation justly proud of the highly efficient and safe air transportation system which has revolutionized travel and communication for our citizens? How have we allowed everyone to seemingly pass the buck for so long on a problem with such far reaching implications?

We cannot say that we were not warned. Harry Truman, who made a point of living by his motto, "The buck stops here," convened a President's Airport Commission, the so-called Doolittle Commission, in 1952 to look at the growing airport system. The result was a report whose recommendations are as valid today as they were in 1952.

The Commission concluded, among other things, that: "Some excuse may be found for failure to have foreseen the rapid rate of aeronautical progress in designing airports in the past, but it is to be regretted that more consideration was not given to the comfort and welfare of people living on the ground in the vicinity of airports. To be sure, many settled near an airport after it was in operation, with little realization of the potential nuisance and hazard. The public cannot be expected, however, to anticipate technical developments and it should be informed and protected by the responsible authorities."

It followed this conclusion with some specific recommendations that, had we acted upon them, would by now have brought the problem of noise well under control.

Today, nearly a quarter of a century later, we continue to ignore the advice of his Airport Commission and several commissions and reports since.

Rather than dwelling on why this happened, we should ask, I think, why must this situation persist? And if we take a close look at the situation, we cannot escape the conclusion that there really is no good reason at all why it should exist.

Take, to begin with, the argument—or excuse—that no one group has the authority to solve the whole problem. This statement has some truth to it, but in no respect does it mean that nothing can or should be done. I used to hear this same argument in air and water pollution: "Cleaning up my factory will not make the river or air clean unless others abate too, so why should I do anything?" If we had accepted this argument, we would have never made any progress at all in cleaning up water and air pollution in this country. Everyone needs to pull his share of the load.

The air carriers can and should retrofit or replace the many noisy aircraft remaining in their fleet. The pilots can and should fly their aircraft more quietly by following the noise reduction methods of some of the more progressive air carriers. The aircraft manufacturers can and should make aircraft substantially quieter than they are today. The airport proprietor can and should take actions such as using preferential runways, imposing curfews where possible, necessary, and beneficial, and buying land and putting it into compatible use.

The public officials and urban planning professionals in our communities can and should use existing land use controls and develop new ones to insure that the land exposed to high noise levels around airports is put into compatible use. The Federal Government, instead of saying "no" to local officials and airport proprietors, should encourage them to plan and implement a noise abatement program

A second obstacle to progress in reducing aviation noise is the often unspoken assumption that the solution is solely technological and that the whole question of aviation noise abatement is so technical that no ordinary citizen or policy-maker can possibly understand it well enough to take part in the decision-making. The layman, in other words, has no choice but to throw up his hands and leave it all up to the experts.

Those of us in the aviation noise abatement business, including EPA, certainly are more aware of the complicated technical and legal aspects of this problem, and I do not mean to understate how technically sophisticated this subject is. The fact remains, however, that the decision on how much noise abatement is necessary, and what the public should be willing to pay for that abatement, is not simply a technical judgment. It is also and perhaps primarily a value judgment about the quality of life that we want in this country. People with technical knowledge in this field are no more and no less qualified to make such a value judgment for the people of this country than anyone else. It is essential that we open up the decision-making process on airport noise to include those people who are not technically trained in this area, but who have a right to participate in the value judgment which must be made. In this field, as in other fields of environmental quality, those with a technical knowledge need to acquire much more humility about their right to impose their values on their fellow citizens.

In this regard, one of the most neglected, yet important, aspects of aviation noise control is the area of land use. The Seattle/Tacoma Airport, for instance, is a classic example of how we have failed to reckon with the airport as a drawing card for land development. When it was built, the Seattle/Tacoma Airport was surrounded by a vast amount of undeveloped land. Today, many years later, it is one of the Nation's most severely impacted airports. This same scenario has unfolded at dozens of our Nation's airports. Once the land is developed, it is, of course, tremendously costly to buy up for noise buffer zones. The airports of the country are faced with hundreds of millions of dollars of lawsuits for noise damages which can be only partially reduced by aircraft standards and operational controls.

All the blame obviously does not rest with the airport operator or the air carriers or the Federal Government. Land use control is traditionally the responsibility of local authorities. But even when normal land use controls have been used, they have not always proved strong enough to withstand the powerful forces in favor of developing the land near airports. All of us, I am sure, find it a little difficult to sympathize with people who have moved into neighborhoods around our airports after the airports are already there and operating. It seems somewhat unjust to impose upon the airport proprietor the expense of compensating people who have knowingly moved into the impacted neighborhood. Before we criticize such people however, we need to remember that the impact of noise on people is not widely understood or appreciated in this country, and it is somewhat presumptuous of those who are expert in the subject to assume that people moving into homes near airports fully comprehend the psychological, social and physical impacts of this noise day-in and day-out. One might hope that the cost of homes in the neighborhood of airports would reflect the impact of the noise, so that people buying these homes would in effect be put on notice about the detrimental effects of the noise. However, it is not at all clear that the market price accurately reflects the noise impacts upon the neighborhood, and real estate salesmen have been known to show people new houses at those hours of the day when the fewest flights are scheduled.

In at least one case in California, the court has found that people are eligible for nuisance payments even in situations where they have already received compensation for the taking of their property.

During the last 9 to 12 months, I have been seeing some hopeful signs that we will be able to break out of the holding pattern we have been in for so long on aviation noise. I have been encouraged by some tentative steps that the groups involved have recently taken to explore joint solutions to the noise problem around our Nation's airports. These signs include:

A new FAA proposal for stricter FAR 36 levels, bringing the national standards for aircraft manufacturers more into line with what is achievable with current technology.

FAA's recognition and promotion of the concept of airport noise planning and abatement.

An indication from the Department of Transportation that a final and, we hope, a favorable decision on retrofit is imminent—a decision which is the keystone to the success of any aviation noise abatement effort.

Some indication from the leadership of the airlines and pilots that they may be ready to accept and promote noise abatement takeoff and landing procedures.

Actions on the part of several airport proprietors, with Los Angeles the most publicized example, which demonstrate a commitment to deal with their noise abatement problems and, if necessary, to do so without waiting for Uncle Sam to lead the way.

I would hope that, in fact, Uncle Sam will lead the way, with the FAA in the forefront. This will provide the national leadership which we all desire and help put an end to the buck passing which has had such debilitating effects in the past. I am encouraged by the initial efforts of the FAA Administrator, John McLucas, in this regard, and EPA stands ready to give him all the help it can in dealing with this difficult problem.

What, specifically, do we need in the way of Federal leadership? To begin with, I believe the aircraft manufacturers need to have the Federal Government establish national aircraft standards in a manner which will give them adequate lead time to adjust their design and production processes and assure them a ready market for these quieter aircraft. Significant improvements in technology will be possible in the future, and the Federal Government must project these improvements and codify society's expectations into mandatory standards with sufficient lead times. The practice of waiting until the new technology is being used by some manufacturers, and then legislating its use by all, has not provided the environmental protection which we have needed; and it has not given the aircraft manufacturers firm design targets.

With regard to the airline pilots, it has been clearly demonstrated by some airlines that we can employ, at the Nation's airports, quieter landing and take-off procedures than those which are used by most airline pilots. As an added benefit, these procedures can save fuel. Northwest Orient has indicated that it saves almost $3 million in fuel costs each year because of these improved procedures.

The Federal Government should firmly identify those take-off and landing procedures which are both safe and advantageous from a noise abatement point of view, and should ensure their universal use. If such a step on the part of the Federal Government is not possible, then individual airports will have to impose site specific operational procedures as a condition of the use of their facilities.

The airport proprietor is probably the most harassed of all the participants in the noise abatement process. Because of the lawsuits, he has a strong motivation to take whatever reasonable actions he can to reduce his liability and to provide some relief to the citizens of his community. What he needs is a process by which he can determine the most effective means of abatement in his particular situation and by which he can carry on a meaningful dialogue with those in the community—the city council, the airport neighbors, the Chamber of Commerce—who want and should have a role in deter- impact assessment methodology for airports, What he does not need is more lawsuits and more harangue. EPA has nearly completed the development of an environmental noise impact assessment methodolgy for airports, and an airport planning process, which we believe will meet these needs and which have the important additional quality of being understandable to both technical and nontechnical people, including the airport's neighbors. This will allow the city councils and land use planners, as well as the people most directly affected by airport noise, to take an effective part in the planning and abatement process. This kind of process is essential if we are to keep the growing problem of incompatible land use from continuing to outrun even our ability to deal with the present incompatible uses.

We plan to propose an airport regulation to the FAA in the near future which will mandate the use of this planning process in the development of noise abatement plans at the Nation's airports.

Every airport in this country should develop and implement a comprehensive noise abatement plan, using a common planning methodology which is understandable to the layman and which is adopted after full participation of all segments of the affected public. We can no longer try to hide the problem from the public. Instead we must deal with it straightforwardly and allow everyone affected to participate in making the difficult but necessary judgments about how the airport and the community will co-exist.

Aggressive Federal action to do its part is in my opinion, the best way to bring us out of our holding pattern on aviation noise. However, it is not the only way.

If the Federal Government is unable or unwilling to lead in this manner, then it should not stand in the way of airport proprietors, local officials and local citizens who seek to abate the intolerable noise problems which exist at many of the Nation's airport. This Nation can not afford to allow any increase in aviation noise at those airports which are already severely impacted by such noise.

Instead, we must have a dramatic decrease in the noise impact on the citizens who live around those airports. In the final analysis, if the Federal Government does not act, the airport proprietor must be allowed to control the noise at his airport, even to the point of determining, in a nondiscriminatory manner, what aircraft will be allowed to operate at his facility.

It is a fundamental principle of this country that an individual who owns property has a right to compensation if its use is substantially impaired. There is no longer any doubt that noise from aircraft operations can substantially impair the use of such property around airports. This compensation for the taking of property is consistent with the basic American tenet that commercial activity must pay its own way. If noise is, in fact, a necessary by-product of our national air transportation system, it seems appropriate that those who benefit from the service should pay all of its pollution costs and should not impose the responsibility of providing a subsidy for air transportation upon those unlucky citizens who happen to live around airports. In order to provide relief to the most severely impacted citizens some decrease in the convenience to the air passenger may result, although I think this unlikely. I think we should be willing to make this sacrifice.

Equally fundamental to our concept of justice is the principle that, when our system imposes liabilities on individuals or institutions, such persons or institutions must have the authority to take actions to mitigate these costs. It seems to me unconscionable for the Federal Government on the one hand to insist that the liability for noise around airports lies with the airport operator, as in fact the FAA and the courts have asserted, and at the same time insist that the airport operators are preempted from taking any reasonable abatement actions to escape this liability. The inevitable result is that airport operators, air carriers, and even local taxpayers will continue to pay substantial sums of money for this liability, and the adverse health and welfare consequences of this noise will continue to be imposed on our citizens. From a public policy point of view, the foregoing seems to be the worst of all possible results.

What we need is a system which assures that the air transportation system pays its own way: either by abating noise to bring the adverse impact down to an acceptable level, or by buying the land which is so impacted and putting it into compatible use. The halfway measures of paying compensation for aviation easements or for nuisance damages seem to me to be throwing money down the proverbial "rat hole." The environment and the public suffer, and good money is wasted.

I see no real objection to letting the liability rest upon the shoulders of the airport proprietor. This puts the decision-making where it belongs. Land use decisions and operational decisions by airports are essentially local in nature. The welfare of the people around these airports is first and foremost the responsibility of the local community. The benefits of the airport are, in turn, largely local in nature. I believe the Federal Government should act aggressively to assist these airports with their abatement efforts since the entire solution to the noise problem at individual airports cannot and should not come from Uncle Sam. There are many site specific actions which should be taken at individual airports, and these communities and airport proprietors should be encouraged rather than discouraged from taking these actions.

There are, at the same time, many noise abatement actions which are best undertaken on a national basis. These include retrofit, operational procedures for landing and takeoffs, and standards for new aircraft design. But it is not absolutely essential that the retrofit and the operational procedures be mandated on a national and uniform basis. One can foresee some potential disruption to air transportation systems if airports individually require retrofit and operational procedures. But if the Federal Government feels that it cannot or will not mandate these measures on a national basis, it is my conviction that we must step aside and allow local communities to mandate them for specific airports. If retrofit makes sense on a national basis—and we and the FAA believe it does—then it certainly makes sense on a site specific basis for airports such as Los Angeles, New York, Chicago, and Boston.

Such a pluralistic approach can work. An example is Wold-Chamberlain, the International Airport serving Minneapolis and St. Paul. Between 1970 and 1975, the airport proprietor and its air carrier tenants worked out noise abatement procedures both for takeoff and for landing. Because the principal tenant, Northwest Airlines, was in favor of the procedures, there was no litigation and the FAA acquiesced. The noise abatement was dramatic, and the high-complaint clamor that once inundated the airport has been replaced by practically a non-complaint calm. When airports are able to couple such procedures with retrofit and FAR 36 equipment requirements, a giant step will have been taken. Certainly if the step—which is cost-effective and feasible—is not taken at the Federal level, or until it is, it should be permitted and encouraged at the airport level, especially since that is where the noise liability now lies.

Our national air transportation system has provided tremendous improvements in travel and communication for the citizens of this country. A great deal of its success is attributable to its high record of safety. We need a national air transportation system which is healthy as well as safe. The evidence is overwhelming that, unless we make that system quieter, both human health and the financial health of the industry will continue to suffer.

We need no miracles to achieve that kind of system. All we need is a spirit of cooperation and commitment to do one's part to solve the problem and not pass the buck to others. Many of you are in a position to make a positive contribution to the achievement of aviation noise abatement. It is time for us all to come together, and to come to grips with the problem of aviation noise, and to build, at long last, an air transportation system that is safe, healthy and quieter.

The present situation does little more than protect the interest of the short-term land speculators. It does not protect the interest of the general public, the home owner, the community at large, or the taxpayer. Most assuredly, it does not promote the long-term interest of the Nation in a healthy, vigorous air transport system. We really know what needs to be done. We have simply lacked the will to do it. Let's get on with the job.

BALDUS APPROVES OF ZABLOCKI JOB OBSERVATIONS

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. BALDUS. Mr. Speaker, recently, one of my colleagues from Wisconsin, and an outstanding Congressman, CLEM ZABLOCKI, made public some observations on the vetoed public works bill that I found compelling. I have informed the citizens in my district of the cost to them of that veto, particularly because of the loss of waste water treatment construction funds contained in the bill. Because of the veto, 28 communities in the Third District will probably lose their chance at Step 1 funding for years to come.

Congressman ZABLOCKI further documents the cost to Wisconsin of that veto. I commend his remarks to the RECORD as thoughtful and informative to the people of Wisconsin:

CONGRESSMAN ZABLOCKI SUPPORTS HOUSE OVERRIDE WHICH WOULD HAVE CREATED AN ESTIMATED 1,000 NEW ADDITIONAL DIRECT JOBS IN MILWAUKEE AREA

The House of Representatives successfully overrode the President's veto of the Public Works bill authorizing $6.2 billion in direct federal aid to the nation's cities and states. The bill would have created more than 600,000 new jobs in the next 20 months (most of them in the private sector), stimulated economic recovery and reduced the federal deficit by nearly $10 billion. Unfortunately, the veto was sustained in the Senate.

This Congressionally inspired action would have created an estimated 1,000 direct new additional jobs in the Milwaukee area, which has been suffering from the highest levels of unemployment since the Depression.

This bill would have proven most beneficial to the construction trades and related supply industries in the Milwaukee area where joblessness has been reported at above 25%. These monies could have been used in the Milwaukee area for meaningful and needed local projects in the areas of public safety, sanitation, environment, education, recreation and transportation.

Because of the high level of unemployment of 9.1% in the City of Milwaukee and over 8% in the County of Milwaukee, both of these areas combined would have received an estimated additional $4.8 million to help maintain essential public services such as police, fire, and health protection. This assistance would be the equivalent of keeping an estimated 325 public service employees on the payroll.

(Congressman Zablocki also made the following general observations):

This bill was specifically designed to put people to work quickly during this calendar year;

Creating 650,000 direct new additional jobs nationally would have reduced the Federal deficit by an estimated $9.6 billion. Most importantly, it would have restored a sense of dignity and pride to thousands of fellow Americans who do not want to receive an unemployment check or be on welfare, but rather want the opportunity to earn an honest day's work.

The cost of this bill, which has already been included in the Congressional budget resolution adopted by Congress, would not have resulted in increased Federal spending but rather would have resulted in a net reduction in Federal spending.

CRIME MADE THEM SMILE MORE SLOWLY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. HORTON. Mr. Speaker, Cliff Carpenter's recent column in the Rochester Democrat & Chronicle bore an important message. A highly respected journalist, Mr. Carpenter goes beyond the cold statistical measures of the crime problem to take a more personal view of how crime is affecting individual citizens and their neighborhoods.

His subjects are Morris Testa and Herbert Ouzer, whose 30-year partnership has made the Star Fruit and Vegetable Market a neighborhood institution. But violent crime has taken a toll on them, their families and friends and it is with some anger that they view the failures of our criminal justice system.

As we continue the search for solutions to the crime problem, I urge my colleagues to reflect on Mr. Carpenter's message and the price we are paying as long as the answers remain elusive:

Crime Made Them Smile More Slowly

(By Cliff Carpenter)

Considering that too many people can't even get through their morning coffee without starting a brawl, there is justification for a column about Morris R. Testa and Herbert F. Ouzer, who have never quarreled during a 30-year partnership in the grocery business.

"Differences of opinion, sure . . . but never anything like a quarrel, because we know there's no gain in that," say the brothers-in-law who run the Star Fruit and Vegetable Market on Culver Road a few feet from Parsells Avenue. That eminently practical philosophy, if accepted by various spooky leaders of various nations, offers a genuine chance for peace on earth instead of the fat chance we seem to have now.

But this isn't about how two people can discipline themselves to get along.

It is about how violent crime can blight one of the oldest and gentlest of American institutions, the neighborhood store where generations bought penny candy, and customers shared their joys and troubles and prides.

Crime has closed too many neighborhood stores, and compelled others to live a boarded-up life. It seems to me what has been happening to Herbie and Morrie illustrates what has been happening to those stores, and is worth the telling. It is a simple story.

My family has known them these 30 years, since when, immediately after World War II, they pooled every cent they owned and what they could borrow from their families, and took the gamble of buying a small grocery . . . the one they have built into the sizeable store it is today. Herbie had been in the Army Signal Corps in Europe; Morrie in a couple of defense industries.

They smiled easily then. They enjoyed people. They knew that careful personal attention to customers was the principal weapon in the fight to stay alive when supermarkets were so nearby. And they made it work.

There was a certain permanence then, a continuity to the area around the store.

They watched customers' children grow from toddlers; and they went to the churches when they got married.

They raised their own families—two children each—and they worked unbelievable hours expanding the store.

Then ugly change began to set in. The friendly lady who ran the nearby dry cleaning outlet was robbed twice, and quit in fear.

Some customers began to do their shopping carrying sticks, and with leashed dogs. One newsboy trained a Doberman to make the collection rounds with him.

Herbie and Morrie adjusted to change; insisted it was still a good neighborhood although the permanency of residents was lessened yearly.

Then one November day in 1974, a mugger burst into the store and beat Herbie mercilessly. He was captured, but Herbie went to the hospital.

One month later two armed robbers cleaned out the cash register. Herbie was there again, but this time he was not beaten.

Then came Morrie's turn. On the 11th of this month a pair of gun-carrying robbers backed him into a corner and emptied the cash register.

Now Herbie and Morrie smile a bit more slowly. They live in wariness. Now their families suffer. If whoever closes up at night isn't home 20 minutes later, a nervous wife keeps vigil near the phone.

Herbie is slightly more philosophical about the violence than Morrie: "There's no running away from it so we have to live with it . . . people are mugged or robbed in all businesses and even on the streets in broad daylight or coming out of church."

The partners agree the cause is a breakdown in morality. They have a strange but effective illustration: They handle certain of the common sex magazines virtually every store handles. Sometimes adults will say "Why do you leave these out where kids can see them?" But the kids walk in, take a look at the covers, and say, "Aw, my father has got this one home . . . and this . . . and this . . . I've seen 'em all."

Herbie and Morrie are remarkably free of bitterness considering what has happened to them. But anger shows when they talk about swinging-door courts which spew out robbers and muggers almost as rapidly as police throw them in. And they are convinced that jury duty should be made mandatory for all citizens, so they could see first hand the results of crime and violence.

The partners, understandably, have to work a little harder now to cling to their faith in America and the American processes. And this I think is the fundamental disaster that faces us, for if we allow the American dream to become tarnished enough and rusty enough; if we allow it to fade by default; then tomorrow holds no promise.

TRIBUTE TO PETER RODINO

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. RANGEL. Mr. Speaker, there are probably few people in America today who would not recognize the face of our able colleague, Peter Rodino, the man who not too long ago presided over one of the most important events in our Nation's history. As I sat on the House Judiciary Committee, chaired by Peter Rodino, I was able to witness first hand the excellent work done by our colleague in guiding us through the agonizing process of trying to decide the guilt or innocence of then-President Richard Nixon.

Although Peter's superb leadership during the famed Watergate hearings made him well-known and admired by the general public, we in the Congress have long been aware of his outstanding leadership qualities and the tremendous ability that he has consistently shown during his many years of service here in the House of Representatives. During my years here I have often worked with Peter or asked for his guidance on matters, and I have never been disappointed in the advice he has given.

One area in particular that I have found Peter's assistance to be of tremendous value has been in the very important area of narcotics control. He has long been a leader in this field, and as this has been an area of great concern to me, we have worked very closely on reducing the flow of narcotics into this country from Turkey, Mexico, and the Far East.

Together we have visited the President in order to get him to formulate a national policy to deal with the narcotics question. Coming from an urban community, Peter is acutely aware, as I am, of the many terrible problems related to drugs and drug addiction; we have committed ourselves to work toward the eradication of the menace from our communities.

At a time in our history when being for civil rights legislation was not at all popular, Peter Rodino was in the forefront of the equality struggle. In 1966, as floor manager of the civil rights bill, he ably guided that important legislation through Congress. He helped to gain approval of the 1965 and 1970 Voting Rights Acts, and more recently, in 1975, he sponsored the Voting Rights Act which extended the original act for an additional 7 years. The new law made permanent a nationwide ban on literacy tests and also expanded the special coverage provisions to include language minorities such as the Spanish speaking. This brilliant record illustrates that PETER RODINO has continued to champion all major attempts to expand the concept of equality and justice for all Americans.

In the many years that we have worked together, PETER RODINO has shown me the same qualities he showed the Nation during the Watergate hearings. I believe these qualities make him one of the outstanding Members of the House, and I am very proud to be able to call him a colleague and personal friend.

VOTING RECORD OF HON. JOHN Y. McCOLLISTER

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. McCOLLISTER. Mr. Speaker, I have received several requests from my constituents for my voting record during the 94th Congress. As we have already voted more than 700 times since the beginning of the Congress, I have referred these people to the 16 votes chosen by the Congressional Quarterly as the key votes taken during the first session of the 94th Congress.

Because many of those who have not written will find this information useful, I am placing my votes in the public RECORD today:

VOTING RECORD

NOTE.—Explanation of symbols: R–Republicans, D–Democrats, ND–Northern Democrats, SD–Southern Democrats.

1. HR 2166. Tax Reductions, Green (D Pa.) amendment to repeal the 22 per cent depletion allowance on oil and gas income retroactive to Jan. 1, 1975, the depletion allowance would remain available for natural gas sold under federal price regulations until July 1, 1976, or until the price ceiling was increased, and for natural gas sold under fixed-price contracts until the price was increased. Adopted 248–163: R 44–94: D 204–69 (ND 172–17; SD 32–52), Feb. 27, 1975.

McCollister: No.

The oil depletion allowance creates an incentive for further development of domestic oil by reducing the amount of taxes the oil companies would otherwise pay. At a time when the country is actively pursuing the goal of energy independence, it was indeed unfortunate that Congress chose to repeal this incentive for increased production. I did not support the amendment.

2. HR 6096. South Vietnam Assistance. Adoption of the conference report on the bill to authorize $327-million in fiscal 1975 funds for humanitarian and evacuation programs for South Vietnam and to authorize the President to use U.S. troops in an evacuation of U.S. citizens and Vietnamese from the country. Rejected 162–246: R 90–46; D 72–200 (ND 41–148; SD 31–53), May 1, 1975.

McCollister: Yes.

H.R. 6096 provided the urgently needed authorization of funds for the care and transportation of homeless Vietnamese refugees and had my support. We had a moral responsibility and humanitarian obligation to help those refugees who feared their lives were endangered by the Communist takeover.

3. HR 4296. Agriculture Act Amendments. Passage, over the President's May 1 veto, of the bill to raise target prices and loan rates for 1975 crops of wheat, cotton, corn and other feed grains and to set dairy price supports at 80 per cent of parity with quarterly adjustments. Rejected (thus sustaining the President's veto) 245–182: R 33–111; D 212–71 (ND 137–56; SD 75–15), May 13, 1975. A two-thirds majority vote (285 in this case) is required to override a veto.

McCollister: Yes.

The Farm Bill adjusted the 1975 target prices and the loan and purchase levels on corn, cotton, wheat, and soybeans.

4. HR 4481. Emergency Jobs Appropriations, Fiscal 1975. Passage, over the President's May 29 veto, of the bill to make emergency fiscal 1975 appropriations of $5,306,508,000 for several federal departments and agencies as a means of creating more than one million jobs. Rejected (thus sustaining the President's veto) 277–145: R 19–123; D 258–22 (ND 192–4; SD 66–18), June 4, 1975. A two-thirds majority vote (282 in this case) is required to override a veto.

McCollister: No.

With the economic recovery underway, the private sector is proving it can provide the jobs needed for full employment. In recent months, the private sector has generated over a million new jobs, the largest increase in the past 15 years. The private sector solution has no cost to the taxpayer and helps balance the budget. Under this proposal, taxpayers may end up paying over $50,000 for each new job created, while seeing efforts to control inflation further undermined.

5. HR 25. Strip Mining. Passage, over the President's May 20 veto, of the bill to provide minimum federal standards for the regulation of surface mining and the reclamation of strip-mined lands. Rejected (thus sustaining the President's veto) 278–143: R 56–86; D 222–57 (ND185–9; SD 37–48), June 10, 1975. A two-thirds majority vote (281 in this case) is required to override a veto.

McCollister: No.

Excessive environmental restrictions would have curtailed our coal production and we just can't afford to cut back on any domestic source of energy and become even more dependent on expensive foreign oil. However, I'm not opposed to state controls on strip mining.

6. HR 6860. Energy Taxes. Stark (D Calif.) amendment to delete provisions that would impose additional federal gasoline taxes of up to 20 cents a gallon, triggered in any year following a year in which U.S. gasoline consumption rose above its 1973 level. Adopted 345–72: R 134–5; D 211–67 (ND 138–56; SD 73–11), June 11, 1975.

McCollister: Yes.

I have always opposed the idea of gasoline taxes as an unfair means to promote oil conservation. The tax would have applied to only 1/3 of each barrel of crude oil, the amount that is refined for use as gasoline, exempting users of the remaining 2/3's of each barrel.

7. HR 4485. Emergency Housing Assistance. Passage, over the President's June 24 veto, of the bill to provide temporary subsidies for purchases of homes by middle-income families and to provide federal loans to unemployed homeowners unable to meet mortgage payments. Rejected (thus sustaining the Presidents' voto) 268–157: R 19–122: D 249–35 (ND 186–9; SD 63–26), June 25, 1975. A two-thirds majority vote (284 in this case) is required to override a veto.

McCollister: No.

At the time of passage there were indications that a slow recovery was underway for the housing industry. This program could have weakened that recovery by encouraging people who hoped to patricipate not to build or buy homes during the time-lag necessary to implement the program.

8. HR 8121. State, Justice, Commerce Appropriations, Fiscal 1976. Snyder (R Ky.) amendment to prohibit the State Department from using funds in the bill for negotiations that would relinquish any U.S. rights in the Panama Canal Zone. Adopted 246–164: R 106–33; D 140–131 (ND 71–118; SD 69–13), June 26, 1975.

McCollister: Yes.

The Panama Canal is vital as a shipping corridor not only to the United States, but to world commerce. To relinquish our control could jeopardize international commerce. My vote was in support of continued U.S. control.

9. HR 7014. Energy Conservation and Oil Policy Act. Wilson (D Texas) amendment to delete from the bill the oil pricing provisions providing for a gradual increase in the price of "old" controlled-price oil and a rollback in the price of "new" domestic oil to an average level of $7.50 per barrel. Adopted 215–199: R 125–15; D 90–184 (ND 35–157; SD 55–27), July 23, 1975.

McCollister: Yes.

Low prices for energy cannot be assured unless something is done to stimulate the supply of energy. Rolling back the price of domestic crude oil to $7.66 a barrel discourages domestic energy production and forces the country to become even more dependent on high-priced foreign imports.

10. HR 2559. Executive Level Pay Raises. Adoption of the resolution (H Res 653) to provide for agreement to the Senate amendments to the bill to authorize work safety programs for postal workers and provide for automatic yearly cost-of-living pay increases for members of Congress and top officials of the executive, legislative and judicial branches. Adopted 214–213: R 36–108; D 178–105 (ND 132–65; SD 46–40), July 30, 1975.

McCollister: No.

It is irresponsible to raise Congressional salaries while facing a $70 billion deficit. Tying future pay increases for Congressmen to increases in the cost-of-living actually provides an incentive to continue inflationary federal overspending.

11. HR 8603. Postal Reorganization. Alexander (D Ark.) amendment to require that the U.S. Postal Service go before Congress for its annual authorization and appropriations, and that Postal Service revenues be deposited in the general Treasury account. Adopted 267–123: R 102–28; D 165–95 (ND 101–79; SD 64–16), Sept. 29, 1975.

McCollister: Yes.

Something must be done about the postal mess. Congressional oversight is necessary to keep Postal Service expenditures within reasonable limits.

12. HR 7575. Agency for Consumer Protection. Passage of the bill to create an independent Agency for Consumer Protection to coordinate federal consumer protection activities and represent consumer interests before other federal agencies and the courts. Passed 208–199: R 20–119; D 188–80 (ND 160–25; SD 28–55), Nov. 6, 1975.

McCollister: No.

The creation of such an agency will mean setting up one of the most potentially powerful and expensive bureaucracies, virtually unsupervised, and duplicating the already 1,400 Federal consumer protection programs now operating. A new level of bureaucracy!

13. HR 10481. Aid to New York City. Passage of the bill to authorize federal loans of up to $2.3-billion a year to help New York City meet seasonal cash flow needs. Passed 213–203: R 38–100; D 175–103 (ND 160–32; SD 15–71), Dec. 2, 1975.

McCollister: No.

The federal government should not reward fiscal mismanagement by a local government by providing federal bailouts. New York City has not yet demonstrated any effective means of curtailing its spending in order to balance its budget, nor do I think it will be able to.

14. H Con Res 466. Fiscal 1976 Congressional Budget Resolution. Adoption of the conference report on the resolution to set ceilings for fiscal 1976 of $374.9-billion for

outlays, $408-billion for budget authority, and $74.1-billion as the federal deficit, with a $300.8-billion revenue floor and $622.6-billion as the amount of the public debt; set separate targets for the July-September 1976 transition period. Adopted (and thus cleared) 189–187: R 3–126; D 186–61 (ND 147–21; SD 39–40), Dec. 12, 1975.

McCollister: No.

The Congress has not exercised any real budget restraint by setting the deficit spending level at $74.1 billion. Deficit spending at his rate is inflationary.

15. HR 5559. Tax Reductions. Passage, over the President's Dec. 17 veto, of the bill to cut federal taxes approximately $8.4-billion in 1976 by extending 1975 ax reductions hrough June 30, 1976. Rejected (thus sustaining the President's veto) 265–157: R 19–125; D 246–32 (ND 184–6; SD 62–26), Dec. 18, 1975. A two-thirds majority vote (282 in this case) is required to override a veto.

McCollister: No.

With our massive, inflationary budget deficit, I cannot support tax cuts without corresponding reductions in federal spending ceiling.

16. HR 9771. Airport and Airway Development. Stanton (D Ohio) amendment to prohibit federally funded airports from permitting the landing of supersonic aircraft for a period of six months. Adopted 199–188: R 37–97; D 162–91 (ND 134–42; SD 28–49), Dec. 18, 1975.

McCollister: No.

Since the environmental impact has never been definitely proven harmful, I see no reason to oppose the landing of supersonic aircraft during a trial period to obtain complete answers on the environmental impact.

TORBERT MACDONALD RETIREMENT

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 7, 1976

Mr. CONTE. Mr. Speaker, once again, our distinguished colleague, the gentleman from Massachusetts (Mr. MACDONALD) has displayed the courage and mettle that are his trademarks.

On Wednesday, he announced his intention to retire from the Congress in January after a 22-year career in the House of Representatives. Knowing his intense desire to serve the people of Massachusetts' 7th Congressional District to the very best of his ability, his decision is one that assuredly came after much assessment and soul searching.

Those of us who know his capabilities as a Representative and his talents as a lawmaker, regret his decision. But, at the same time, those of us who love the man, realize that his decision will enable him to regain his former good health and great vitality.

At this time, I wish our beloved colleague, Congressman TORBERT MACDONALD, a speedy recovery and return to this Chamber, and I join with my colleagues in saluting his long career of service to Massachusetts and the Nation.

REMARKS OF CONGRESSMAN MARTIN A. RUSSO, ORDER OF AHEPA BICENTENNIAL BANQUET, APRIL 5, 1976

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD the eloquent remarks of our distinguished colleague, the gentleman from Illinois, the Honorable MARTIN A. RUSSO, delivered on the occasion of the Bicentennial Banquet honoring Members of Congress sponsored by the Order of AHEPA in Washington, D.C., on April 5, 1976.

I call to the attention of my colleagues the powerful address of our colleague from Illinois concerning the question of U.S. policy toward Grece, Cyprus, and Turkey.

Congressman RUSSO's remarks follow:

REMARKS OF CONGRESSMAN MARTIN A. RUSSO

Your Eminence, Archbishop Iakovos: Your Excellency, Menelas Alexandrakis; Supreme President of the Order of Ahepa, William G. Chirgotis; members of the great order of AHEPA; my distinguished colleagues, honored guests, ladies and gentlemen—

I am greatly honored to address you this evening. I will try to keep my remarks brief, though I believe there are a number of significant issues of great importance both to the Congress and your group.

As you well know, the past 18 months have been a time of fervent activity because of the political and diplomatic problems in the eastern Mediterranean area. The August 1974 Turkish invasion of the island of Cyprus, the continued occupation of over 40% of the island and the tragic plight of 200,000 Cypriot refugees are cause for concern for all Americans.

In the 93rd Congress, the Senate and House were successful in establishing an arms embargo against the Turkish Government, because of the Turk's blatant violation of American law in their use of American weapons while invading Cyprus. Last July, I was proud to participate in the successful congressional effort continuing the arms embargo.

The efforts of AHEPA, your local chapters, and concerned people all across the land, played a pivotal role in reaffirming the rule of law in the conduct of American foreign policy.

Some members of the press have alluded to the "power of the Greek lobby" in keeping this issue in the forefront of our politics. In my view, the so-called "Greek lobby" consists of millions of concerned Americans who care enough about their country to stand up for American principles of law and justice. This is a democracy, and our country still stands for freedom of expression.

We in the Congress have attempted to deal responsibly with this serious international issue. We have exerted maximum pressure on the administration to pursue diplomatic talks to resolve the serious problems among Greece, Turkey, and Cyprus. The members of Congress, who have led the fight for a more responsive Cyprus policy, have pleaded with the administration to achieve some sign of good faith from the Turks to indicate a willingness to deal with the serious moral, diplomatic, and political issues with regard to 200,000 refugees. Instead of good faith, we see Turkish unwillingness to act, and in fact, a stepped up colonization effort.

Although we were successful in 1974, and we were successful once again last summer, the arms embargo was lifted in October of 1975. The administration has waved the emotional flag of "national security", and has succeeded in reversing congressional sentiment, by a narrow margin. I speak with great sadness, when I realize that our successful efforts have been negated, and at this moment American arms are being shipped to Turkey, while 200,000 Cypriot refugees suffer in relocation camps in unoccupied Cyprus.

To further insult the Congress, and a sizable community of Americans, the administration has now signed an extortionate aid agreement with Turkey which will cost American taxpayers $1 billion over the next 4 years. Secretary of State Kissinger has warned the House International Relations Committee, that congressional blocking of the agreement, would "lead to disastrous consequences for which we will pay for decades."

I say respectfully to Mr. Kissinger that our present policy of mollifying Turkey, has already had disastrous consequences for the United States. Why did Congress bother to pass a Foreign Military Sales Act, expressly forbidding the use of American arms for aggressive purposes? Does the law of the United States, and our bilateral agreements with Turkey mean nothing? Does the rule of law, justice, and principle, mean nothing to the leaders of our Government? As long as I am a Representative—American law will have my total allegiance and faith.

Our Secretary of State has made a number of great achievements in diplomacy. His shuttle diplomacy in the mideast, should be applauded by all Americans. Speaking for myself, I would urge that the full force of the administration, the State Department, and the personal services of Secretary Kissinger, be utilized in a similar, all out effort, to achieve a settlement of the Cyprus problem. Cyprus has festered and grown worse for 18 months. Cannot the United States lend its prestige and good offices, and fully participate in the Geneva talks on the Cyprus issue? Cannot the Secretary of State sit down together with our friends from Turkey, Greece, and Cyprus, and negotiate a diplomatic compromise? Why must we put, in the impossible position of choosing between our long loyal Greek and Turkish friends. It is time for action on Cyprus. We have had our fill of (administration) rhetoric of their concern for the Cypriot refugees. I implore the administration to permit their actions to follow their words, and vigorously work for a fair solution to the Cyprus problem.

Members of AHEPA, the land of your fathers, has served as an inspiration to all those who believe in democratic principles. Over 150 years ago, a great and noble defender of Greek liberty, the English poet Lord Byron wrote during the Greek War for independence:

"The mountains look on Marathon—
and Marathon look on the Sea;
And musing there an hour alone,
I dream'd that Greece might still be free."

All of us tonight, whether we be WASPS, Greek-Americans, or an Italian-American like myself, are thankful for the freedom that Byron discusses. But our freedom is diminished when we look to the isle in the Mediterranean Sea, where 200,000 Greek Cypriot refugees have been made homeless by 40,000 Turkish troops.

Press reports indicate that the Administration's Turkish aid agreement will have "tough sledding" in the Congress. Well, le
me tell you my friends, if I have anyth
to do with it, the Turkish aid sled will r
move unless there is significant and
ingful progress on the issue of Cy

PUBLIC FAVORS TAX CUTS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. KEMP. Mr. Speaker, the people of New York are ahead of the Congress on what must be done to create jobs; 67 percent in Daily News poll believe in cutting business taxes.

Mr. Speaker, as one who has for a long time advocated lower taxes for the productive sector of our economy as a sure way to create jobs. I am pleased to show the Daily News poll of New Yorkers, which confirms my belief that the people are way ahead of the politicians. It speaks for itself.

The poll follows:

PUBLIC FAVORS TAX CUTS IN SLUMP, NEWS PILL FINDS

(By Mark Andrews)

Two thirds of the residents of the metropolitan area favor tax cuts to stimulate the nation's economy, according to The Daily News Opinion Poll.

And more than half of those interviewed favor a cut in federal spending to reduce the federal budget deficit.

Advocates of spending cuts singled out welfare most often as the area where trims should be made. Welfare cuts were favored by 42%, reduction of the federal payroll by 32% and cuts in defense spending by 20%.

The Opinion Poll is a scientific random sampling of 535 adults in the city, northern New Jersey and Westchester, Rockland, Nassau and Suffolk counties. The survey was taken March 22, 23 and 24, with Richard F. Link of Artronic Information Systems Inc. as consultant.

Those interviewed were asked, "Do you favor or oppose a cut in federal spending to reduce the budget deficit?" They replied:

Favor, 56%.
Oppose, 28%.
Don't Know, 16%.

Every category of respondent, except black, favored a spending cut. Of the black respondents, only 33% supported cutbacks, while 54% were opposed.

The News pollsters also asked: "Do you approve or disapprove of cutting business taxes to stimulate economic recovery and help create new jobs?" The results were:

Approve, 67%.
Disapprove, 21%
Don't Know, 12%.

To the question, "Do you approve or disapprove of cutting personal income taxes to stimulate economic recovery?" the replies were:

Approve, 69%.
Disapprove, 22%.
Don't Know, 9%.

Persons 50 or older were more strongly in favor of cutting both business and personal taxes than younger respondents were. Of the older persons interviewed, 72% favored reductions in both kinds of taxes.

Some respondents commented that taxes for poor and middle-income Americans should be reduced while those paid by the rich should be increased.

"The tax setup should be more equitable," declared a middle-age accountant in Queens.

Several respondents volunteered comments when they were asked: "Where do you think the federal budget should be cut?"

"All politicians," replied a retired man who lives in Brooklyn.

OTHER COMMENTS

Other comments included. "Cut down the bureaucracy," "A balanced budget is necessary," and "Cut a little of everything."

Outside of welfare, the federal payroll and defense spending, however, respondents showed little desire to cut specific federal programs that were listed.

Trimming farm subsidies, for example, was favored by only 6%. Cutting back on drug programs was backed by 5%, reducing education program by 3%, and trimming health programs by only, 1%.

TVA GENERATOR CONTRACT INVESTIGATION CONCLUDES ON POSITIVE NOTE

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. EDGAR. Mr. Speaker, I have previously informed our colleagues about my investigation of the awarding of a sizeable TVA turbine generator contract to a foreign manufacturer. The RECORD statements pertaining to this investigation appear in the daily RECORD on page E6607 on December 10, 1975, and on page E703 on February 18, 1976.

These contracts are worth as much as $200 million for four generators. Millions of skilled Americans are seeking employment. Unemployment has contributed many more times to the extent of our Federal deficit than wasteful Government spending. To reduce this drain on our economy and relieve the personal tragedies which result from unemployment and underemployment, I feel that the effort to resolve differences between the TVA and the American manufacturers is very important. Thousands of American jobs may be at stake.

Since last September, I have been involved in the delicate process of encouraging negotiations between TVA and General Electric, Westinghouse, and Allis-Chalmers, three domestic manufacturers with the capability to build these turbine generators. I am pleased to report that both sides have reached agreement concerning liability terms in the contracts which have discouraged responsive bidding by the American firms. The firms have expressed their intent to bid responsively to the existing contract offer. The bids will be opened on May 11.

On March 2, I met with staff of the GAO to update me on the progress of these talks. A summary of this briefing was sent to me yesterday. This summary provides an excellent background of the problem, and I believe it merits the attention of my colleagues.

Because there has been excellent progress in resolving the stalemate, I will conclude my formal investigation at this time. I do intend to monitor the results of the bidding. I will also work closely with my colleagues and staff to facilitate the resolution of similar problems which rob this Nation of American jobs.

At this point, Mr. Speaker, I wish to insert the summary provided for me by the General Accounting Office:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., April 5, 1976.

Hon. ROBERT W. EDGAR,
House of Representatives.

DEAR MR. EDGAR: In letters dated December 16, 1975 and February 17, 1976, you asked our Office to evaluate the bidding terms for a turbine generator contract awarded by the Tennessee Valley Authority (TVA) in March 1974 to a Swiss firm, Brown Boveri Corporation. On March 2, 1976, we briefed you and, as requested, this letter summarizes the information given in the briefing.

BACKGROUND

Domestic turbine manufacturers and TVA have had disputes about contract terms and conditions at least as far back as 1959. The basic disagreement concerns the amount of risk that should be assumed by contractors who build and install turbine generators. Under TVA's desired terms and conditions, damages would be assessed against the manufacturers if the generators were delivered late or failed to operate as described. The contractors would also be liable for any related damages attributed to their equipment. The contractors contended that these terms and conditions created greater risks than they were willing to accept.

Various compromises were made by TVA and the contractors prior to 1971. But on December 8, 1971, and May 10, 1973, General Electric and Westinghouse, respectively, notified TVA that they would no longer be responsive to TVA's liability terms. Consequently, General Electric was declared nonresponsive on their last three bids. On the last bid—the one that prompted your request—Westinghouse and Allis-Chalmers were also declared nonresponsive.

Brown Boveri has consistently bid to TVA's terms and conditions. On the last bid, they were the only contractor to do so.

CONTRACT TERMS IN DISPUTE

Although other terms and conditions have been debated, most of the controversy has involved three liability clauses. Following is a general discussion of each.

LIQUIDATED DAMAGES

This clause states essentially that the contractor will pay TVA a certain dollar amount, based on rated capacity of the turbogenerator, for each day delivery of major components exceeds the delivery date specified in the contract. If more than one component is delayed, however, damages are assessed only against the component having the highest applicable rate.

This clause has been omitted on all but two contracts, and these were awarded to Brown Boveri. The March 1974 contract limited liquidated damages to 25 percent of the contract price whereas the previous contract, awarded in 1959, did not specify a limit.

OPERATING ASSURANCE

This clause provides that the contractor will pay TVA a dollar amount for each hour a generator is out of service during a specified assurance period. The contract provides a certain number, e.g. 700, of "grace" hours before the charges start. There is also a limit on the total payment under this clause.

The Operating Assurance clause has been in three contracts, including the latest with Brown Boveri. It was included in prior contracts with General Electric and Brown Boveri. The last contract limited damages under this clause to 25 percent of the contract price.

SPECIAL OR CONSEQUENTIAL DAMAGES

Special or Consequential Damages include but are not limited to such damages as loss of profits or revenue, cost of capital, cost of purchased or replacement power, and claims of customers for service interruptions.

This clause was included in two early contracts with General Electric and Brown Boveri. The contract stated, however, that the manufacturers would not be liable for damages resulting from their efforts to exceed the scope of proven development in the industry.

Contracts awarded to General Electric, Westinghouse, and Brown Boveri during 1966–1968 stated that the contractors would not be liable to TVA for any special or consequential damages.

Contracts awarded to Westinghouse and Brown Boveri in 1971 were silent regarding special or consequential damages. In effect, any damage claim would be settled by the courts and the contractor's liability was not expressly limited.

The most recent contract with Brown Boveri limited special or consequential damages to 30 percent of the contract price. The contract also limited maximum damages under all clauses to 40 percent of the contract price.

CONTRACTOR VERSUS TVA POSITION

TVA contracts for power generators about 6 years ahead of the anticipated power demands. Substantial losses may be incurred if the power demands materialize and the generators are not available or do not operate properly. In one such case, General Electric was about 3 years late in delivery, and installation of generators for TVA's Browns Ferry Project. TVA estimated that power purchases, generation from more expensive sources, and related expenses amounted to about $300 million. However, because of the limited nature of the liability clauses under the contract, TVA settled with General Electric for $20 million. Who should be liable, and to what extent, for damages such as these has been the basic issue between TVA and the domestic contractors.

The contractor position evolved from negotiation of liability clauses to a point where the contractors rejected any conditions contrary to their standard terms of sale. They contended that other utilities accept these terms and, as a matter of equity, TVA should not be offered more favorable terms.

The contractors' standard terms of sale omit the Operating Assurance and Liquidated Damages clauses. They also require a specific exclusion of rights to special or consequential damages.

TVA has contended that the contractor controls all factors required to meet the delivery schedule with a product that will operate as promised; if these goals are not met, the contractor should bear an equitable share of any related losses.

Recent court decisions which awarded substantial damages to several utilities under an implied warranty apparently prompted the domestic contractors to demand a contractural exclusion of this liability. On the last invitation to bid, TVA agreed to limit special or consequential damages to 30 percent of the contract price but refused to exclude them altogether. TVA also refused to omit the Liquidated Damages and Operating Assurance clauses. In their bids the domestic contractors took exception to these terms and were, therefore, declared nonresponsive and the contract was awarded to Brown Boveri, the only responsive bidder.

PENDING LITIGATION

We understand that there are numerous pending court cases, including an antitrust suit by four domestic utilities against General Electric and Westinghouse, charging them with eliminating and suppressing price competition; establishing and maintaining uniform prices, pricing methods, and terms and condition of sale; submitting noncompetitive price quotations and bids; establishing and maintaining a noncompetitive price structure to maintain market shares and monopolistic conditions; and willfully acquiring power to control turbine prices and sales and to exclude competition in the United States.

General Electric filed a countersuit denying the charges and entering a counterclaim for $30 million, alleging that the four utilities conspired to boycott General Electric turbine generators.

There is presently an appeal of a lower court decision which dismissed damage claims of $10.2 million by three utilities against Westinghouse. The case was dismissed because the contract terms relieved Westinghouse of any liability for consequential damages. The appeal is based in part on a claim that the utilities and Westinghouse were not negotiating with "equal bargaining power" in arriving at the contract terms.

Allegheny Power Systems has filed a $17 million suit against Westinghouse for a series of generator failures and at the same time seeks to strip the limited liability protection from the standard generator contracts. Allegheny contends that the terms should be declared "unconscionable and therefore negated".

The tremendous costs and complexities associated with present power generating facilities carry with them an almost incredible loss potential. Both purchaser and seller are understandably reluctant to assume any more of the liability for these losses than they have to. With the pending suits and countersuits, it appears that the courts will eventually resolve the matter.

RECENT DEVELOPMENTS

Subsequent to our meeting in your office, we discussed the turbine generator problem again with TVA's Director of Purchasing. He advised us that, in their current invitations to bid, TVA has deleted the Liquidated Damages clause and has given the contractors an option on the Operating Assurance and Special or Consequential Damages clauses. He said that $2 million will be added to the total evaluated cost of two units—for purposes of bid comparison only—for each of the clauses not offered in the bids. Thus a contractor's bid will be increased a total of $4 million if his bid offers neither.

The invitation requires a 36-month warranty rather than the 24-month warranty required in the last contract. We were told that both General Electric and Westinghouse have agreed informally to accept the 36-month warranty.

The bid opening is scheduled at 10 a.m., May 11, 1976, at Chattanooga, Tennessee. TVA hopes that with these concessions the domestic contractor's bids will be responsive to the current invitation and competition will return to the turbine generator market.

Sincerely yours,

HENRY ESCHWEGE,
Director.

A BILL TO RESTRICT COMPETITION IN THE COMMUNICATIONS INDUSTRY

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. MACDONALD of Massachusetts. Mr. Speaker, I am very pleased to learn that the Bell System and its independent partners in the telephone industry have finally made public their bill to restrict competition in the communications industry. They are to be commended for their forthrightness in stating their goal: to legally prohibit anyone other than themselves from competing for the public's business. I believe that their proposal, as well as alternatives suggested by myself and others, will set the stage for a national debate on this important subject.

The telephone industry bill begins with the words, "To reaffirm the intent of Congress." This reaffirmation is, of course, made necessary by decisions of the Federal Communications Commission which have been sustained by the courts, applauded by the President's Office of Telecommunications Policy, and supported by me and other members of the subcommittee to allow some competition to the established carriers. The industry apparently believes that Congress instead intended to grant them a monopoly for all time. Thus they see the presence of others in their market as wasteful duplication. They ignore the fact that the essence of free enterprise is the existence of alternative suppliers of consumer demands and that no company need fear competition if it is providing the best service available at the best prices.

What is their justification for legislation which is so clearly contrary to established national policy? It is that they claim to have adjusted their rates so that some consumers—the undeserving—are charged more than the costs of serving them in order to charge others—the deserving—less. In effect, the telephone companies argue that competition must be stifled so that they can act as an arm of the Federal Government in redistributing income. For otherwise those being charged monopoly prices would go elsewhere for their service. I will indicate below why I believe that the actual policy of the carriers has been contrary to the public interest, but I want to emphasize first that this claim of arbitrarily structuring rates is the sole claim that the telephone companies can make against competition. There need be no loss to consumers as a whole from the existence of competition.

For instance, virtually all of the economic impact of competition hypothesized in the recent U.S. Independent Telephone Association study is simply higher local rates accompanied by lower long-distance rates of an equal amount.

If the established carriers really are the most efficient in serving every part of consumers' communications needs, they will not lose any business to their competitors. Indeed, officials of the Bell System have conceded that competition has brought some consumer benefits. They have admitted that competition has forced them to become responsive to their customers. Instead of announcing to telephone users what is available to them on a take it or leave it basis, they say they are now customer oriented. The list of new technologies developed by Bell in response to competition does indeed promise impressive consumer benefits. Competition seems to have been the hearing aid that Ma Bell needed.

What is threatened, however, is the business of telephone companies if others can do better or if the companies persist in charging some consumers monopoly prices. As I have said, however, the carriers argue that this discrimination against some customers in favor of others is in the public interest. It is important, therefore, to examine the appropriateness of the current rate structure—to find out who the carriers think are deserving and who undeserving:

First. A principal argument made by the carriers against competition is that it would rseult in higher local rates and lower long-distance rates. Apparently they feel that local exchange users tend to be poor and long-distance users more able to pay. But surely we all recognize that this cannot be consistently so. Why should residential toll users pay to keep business exchange rates lower, for example? Furthermore, as recently as the mid-1960's Bell had been arguing against the continuing trend of raising toll rates to keep local rates down. The FCC later agreed with this assessment, because attention was being diverted away from the need to make substantial changes in the structure of local rates;

Second. The carriers also assert that competition will threaten nationwide rate averaging. Putting aside the fact that, contrary to the carriers' claim, rate averaging is far from universal, this policy is similarly fraught with problems.

One example of rate averaging is the flat rate for local exchange service. Everyone, regardless of his use and regardless of the costs he imposes on the system, pays the same rate—though businesses pay approximately 1.5 times the residential rate. As a result the heavy user is supported by the light user. Since business tends to be a heavy user of the telephone and households relatively lighter users—by more than a ratio of 1.5 to 1—this rate averaging may be thought of as favoring the business user at the expense of the residential user. And in view of the claims made by the carriers, it is also appropriate to point out that the suburban teenager's use of the telephone is being supported by all light users; for example, the elderly and poor.

One further example of rate averaging should be sufficient. Bell says that it averages its costs between high density areas—where they are low, and low density areas—where they are high. Thus, they argue, competition could skim the high density "cream" and so frustrate a desirable policy. But this kind of rate averaging implies that the suburbs are being favored at the expense of the inner-cities, a dubious social policy at best.

I believe that the weakness of the argument for these policies could be better appreciated if the excess charges which are threatened by competition were viewed as an excise tax whose revenues were devoted exclusively to paying others' phone bills. For that is, in effect, exactly what they are. In fact, if after the introduction of competition, the Government chose to continue these policies it could do so precisely by the imposition of dedicated excise taxes. It is only if the common carriers are to be relied upon as a sort of private Internal Revenue Service and HEW rolled into one that competition is bad.

Let me conclude this by saying that I see the effect of competition of driving prices toward the costs of service as an advantage, not a disadvantage. The national interest is served, in my opinion, by insuring that telephone service is provided as cheaply as possible and that prices are related to costs to a much greater degree than is presently the case. It is served by allowing the fullest expression of the creativity and ingenuity that the entrepreneurial spirit of America can muster to serve consumers' communications needs. Furthermore, I agree with Chairman Kahn, of the New York State commission, that this could be combined with a reduced charge for basic local telephone service following the usage sensitive pricing approach. I believe that the interests of the low-income user would be much better served as a result.

There are other parts of the bill which should be mentioned. The carriers propose to turn jurisdiction of terminal equipment over to the States. This is presumably a result of FCC policies allowing competition. This suggestion is extremely curious in view of the repeated references throughout the carrier's proposal to the integrated nationwide system, but the purpose is, I think, clear. Having lost in their bid to restrain competition at the Federal level, they seek to change the jurisdiction and try again.

Unfortunately, for them, however, several States, including California and New York, have already found liberal interconnection policies to be in the public interest. The sole effect would be to delay interconnection of customer-owned equipment in some areas of the country, and thus to deny consumers there its advantages.

I have been critical of the carrier's legislative proposal, but I also want to emphasize my agreement with them on several aspects of policy in this area. First, the results of the various economic impact studies done by the telephone companies have convinced me of the need to undertake a thorough investigation of current separations principles; that is, the methods approved by regulatory agencies for the division of joint costs between jurisdictions. This is particularly important to the independent companies and I am anxious to receive their suggestions. Second, as Bell has properly pointed out, if competition is to be allowed it must be fair. There is no consumer advantage to be gained from denying the established carriers the opportunity to take advantage of any economies inherent in their operations. That is why I have told the carriers on several occasions that I would work with them to insure that fair ground rules for competition are framed in a timely manner. But I am afraid they have chosen to continue their policy of, fighting competition, to quote Bell's chairman:

> Not only on the legal, legislative, and regulatory fronts, but before the court of public opinion as well.

We do have good telephone service in this country. In fact, judging from the provisions of this bill, I think that I have more faith in the established carriers than they have in themselves. But that is not to say that I think they can serve every need better than anyone else or that I think competition will not spur them to do even better, as indeed it already has.

CONGRESSIONAL BICENTENNIAL SALUTE TO THE REV. MAXIM CHALHOUB OF NEW JERSEY, ESTEEMED PASTOR OF ST. ANN'S MELKITE CATHOLIC CHURCH

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. ROE. Mr. Speaker, during this Bicentennial year as we reflect on the history of our Nation and the magnificence of the achievements of our people over these past 200 years, I would like to call your attention to the good works of a most distinguished religious leader, beloved pastor and dear friend, Rev. Maxim Chalhoub, whose standards of excellence in the administration of St. Ann's Melkite Catholic Church, Paterson and West Paterson, N.J., during the past two decades plus 2 years have truly enriched our community, State, and Nation.

The quality of his leadership, the richness of his wisdom, his dedication and devotion to our people have been an inspiration to all of us leaving an indelible mark of distinction in the spiritual and cultural heritage of America.

On March 28 residents of my congressional district, State of New Jersey, assembled at the Roman Forum to honor Father Max, as he is affectionately known to his congregation and many, many friends, express our gratitude for his 22 years as an outstanding pastor at St. Ann's, exalt him for his exemplary achievements and commend him to his new mission on the west coast.

Mr. Speaker, there is so much that could be said about Father Max, not only for the spiritual security he engendered but the spontaneity of the happiness that he brought to so many, many people because he cared and made a difference in so many, many ways. His parishioners who knew him best have captured some of the inner greatness of Father Max as one of the most esteemed members of our Nation's clergy in the writings they presented during the testimonial dinner in his honor and with your permission I would like to insert these statements at this point in today's CONGRESSIONAL RECORD where they can be everlastingly etched in our historical journal of Congress in tribute to Father Max and his lifetime of good deems in service to God and mankind. Biographical sketch, narrative portrait, and farewell toast from the parishioners of St. Ann's Melkite Catholic Church to Father Max are, as follows:

Biography—Rev. Maxim Chalhoub

(Compiled by Barbara Ablahani)

Father Chalhoub was born in Damascus, Syria and at the age of 8 he entered St. Anne's Seminary in Jerusalem. He served his Novitiate and completed his four years of Theology at St. Paul's Major Seminary in Harissa, Lebanon, where he was ordained to the priesthood on September 14, 1939.

During the Second World War he taught French literature and was Prefect of Discipline for two years at St. Nicholas' Bishop's College in Alippo, Syria and two years at the Patriarchal College in Damascus. He returned to St. Paul's Seminary where he taught French literature and History for nine years, served as General Steward and conducted different missions in Lebanon, Syria and Iraq.

During a visit to the United States in 1953, Fr. Maxim Chalhoub made a one day stop at St. Ann's Church in Paterson. A year later he received his appointment as assistant to Msgr. Cyril Anid. For ten years he assisted Msgr. in all the activities and administration of the parish. In Msgr. Anid's words, "Father Chalhoub was an ideal assistant, my right hand man in the administration of the parish. He is also intelligent, capable, hard working, amiable and gifted."

Upon Msgr. Anid's retirement in January, 1965, Father Chalhoub was appointed Administrator of St. Ann's Parish by His Excellency, the late Bishop James A. Navagh and was elevated to the official title of Pastor by His Excellency Justin Najmy.

On August 28, 1970, our Church burned before the tearful eyes of its pastor and parishioners. It was to our pastor that all heads turned for direction. With our hearts full of pain, we were reminded once again that the Church is the people and we still remain. And so, through many sleepless nights and heavy pressures, Father Max directed the building of the new and greatest Byzantine Melkite Church in the country.

Aside from his pastoral duties, Fr. Max is an active member and Moderator of many societies within the Church; Our Lady of Perpetual Help Society, Holy Name Society, Parish Council, Society of St. Joseph, St. Vincent de Paul Society and the Senior Citizens Club. He is also President and on the Board of Directors of the Children's Garden Nursery School located in the Church complex. A third degree member of the Knights of Columbus, he is also Chaplain for the Columbiettes, Paterson Council 240 and National Chaplain of the Knights of Galilee. During the past four years Father Max has also established Christ the Savior Catholic Mission, the only Melkite Church in Yonkers, N.Y.

Because of his previous experience, Father Max suggested to our Archbishop Joseph Tawil that he be assigned to establish a mission for the Melkite people. Now, Father Max will be developing an Eastern Rite Mission for about one hundred families on the West Coast.

Father Max, "Go Forth and Serve With Love!"

Portrait of Father Max, Our Pastor and Spiritual Father

(By Frances Colie)

For twenty-two years, he lived with us, and dwelt among us, he served us, taught us, counseled us, and celebrated with us; our brother, our father, our friend, who has penetrated our hearts so deeply by the impact of his life upon us that all words are banal in expressing the depths of our sorrow at his departure.

He leaves us a legacy of honesty and honor, in both his duty to us, his people, and in his determination to his chosen course, through his self-reliance and self-denial. Today, we are a people proud of our ethnic background, proud of our Eastern tradition, informed of our spiritual richness; integrated, but not assimilated into the Universal Church because we dare to be authentic and we have earned the right to praise God in our unique way.

He is a leader of men, who with few words, and even less pomp, lived his life and ministry among us inspiring us by his example, with strength and confidence in our God to do great things in His Holy Name. He has united us in a common purpose of maintaining our Eastern tradition in the most beautiful church in America.

We shall always remember his gentleness and his purity of heart, a person who accepted each of us as we were, knowing our strengths and weaknesses, never demanding that we fit into his model, but allowing the fruits of Divine Love to unfold in each of us.

We shall always remember the personal touch to even the least of his flock as he called each person by name in the fullness of the Eucharist.

We shall always remember his abundant compassion to the poor, sick and saddened who were healed in spirit by his love, care and concern for the least of them.

We shall always remember his humility, never seeking self edification; and his sincerity, unafraid to admit he too could learn from us.

He judged not, allowing each man the freedom to be himself. His justice touched all and no man was favored over the other; nor has any ear heard an unkind word from his lips.

He is a teacher, not of empty words, but of living witness of God's presence in his life. He is a founder, a builder, a man of indomitable courage, who overcame his sorrows and setbacks silently as God directed his life.

He is a man of vision—a man who took a young immigrant flock in search of identity and brought them to the realization of their special mission to the Universal Church.

His smiles and his constant blessings, his dedication and his unwavering support, his kindness and his soft spoken Christianity has touched us and will be a part of us forever.

We love you Father Max and wish you a measure of what you have given us.

The Search for Another Mountain

(By Marie E. Ged)

You labored with love in the vineyard of St. Ann's
Until you fulfilled all of God's plans.
Since you sought no glory, no riches nor fame
The fruits of your efforts we are here to proclaim.

We want to shout from atop the mountain, our humble gratitude
And thank you for a church of the highest magnitude.
You've kept us close to our heritage, giving us roots for growing
Always nourishing our souls with a love that was ever flowing.
You've given us all you had to give, never asking in return
And by your good example, we've had so much to learn.
Always caring, never weary, though the burdens were much to bear,
You devoted yourself to your people and held them all so near.
You had a mission and accomplished your goals
And now must reach out to other souls.
With a saddened heart you leave us to do God's will
And the emptiness in our hearts will be difficult to fill,

For whenever we behold our beautiful, gold dome
We'll remember our beloved Pastor
For this is YOUR HOME!

Mr. Speaker, these messages touch upon the excellence of a great American. It is indeed a privilege and honor to have the opportunity to seek this national recognition of Father Max who was born in Syria and made America his home where he has truly contributed to the quality of the American way of life and the "American Dream." We do indeed salute Father Maxim Chalhoub!

ANNUAL DISCLOSURE OF INCOME BY REPRESENTATIVE SIMON

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. SIMON. Mr. Speaker, each year I have held public office I have made public my income in detail. I believe it should be a requirement for all key elected and appointed officials.

I do not criticize those who do not disclose, because now it is strictly a voluntary matter, and there would be no penalty for deception.

But one way we can instill confidence that we are acting in the public interest is to let the public know what our income is, and what our economic interests are.

Conflicts of interest are inevitable. There is nothing wrong with a farmer in Congress voting on agricultural legislation. But we should know about his economic interests.

I am attaching the press release on my income, together with the details which are made public each year.

Simon Issues 21st Annual Complete Personal Financial Statement

WASHINGTON, D.C.—For the 21st consecutive year, Rep. Paul Simon, D-Ill., issued a complete personal financial statement Monday (4–5–76), along with financial statements for the six members of his staff earning over $15,000 per year.

Simon's 21-year practice of disclosing the income, assets and liabilities of his family spans the entire length of his service in the Illinois House and Senate, as Lt. Governor of Illinois and as Congressman from the 24th District. It is believed to be the longest period of disclosure for any public official now serving in the United States.

The financial statement shows that Simon and his wife, Jeanne, earned $59,602.72 in 1975. In addition to salary, the figure includes interest and stock dividends; honoraria for speeches; reimbursement for travel, food and lodging expenses; book royalties; payments for magazine articles; rental income; and miscellaneous items.

The statement also shows assets of $218,718.60 and liabilities of $126,597.85, for a net worth of $92,120.75.

"I've been making these statements for 21 years," Simon said, "because I think it's the only way the public can judge for itself whether a politician has any conflicts of interest.

"There's nothing wrong with owning stocks and bonds and other property, as long as the people who have just put us in a position of public trust know the facts about our investments and income."

The staff disclosures issued with Simon's statement continue a practice he began as Lt. Governor in 1969, when he became the first state official in the nation to require such disclosures of his staff.

1975 INCOME—CONGRESSMAN PAUL SIMON AND FAMILY

Income of Paul and Jeanne Simon

Salary, U.S. House of Representatives	$39,072.08
Travel reimbursement, U.S. House	4,334.54
University of Illinois, Springfield talk	295.00
Greenville College, talk	75.00
Prairie Farmer, refund	6.00
Erie Insurance, refund	247.00
Book royalties, total $1,235.38 minus $559.23 to Art Simon	675.15
Lutheran Council, U.S.A., talk	100.00
Wabash Valley College, talk	50.00
Rend Lake College, talk	174.00
Washington Post, article	75.00
Great Lakes Lutheran Congress, talk	100.00
Tom Walsh, oil for house, refund	58.00
Kendall Hunt Publishers, reprint of article	50.00
Georgetown University, travel and reimbursement	503.40
Lake County Democrats, motel reimbursement	37.80
Friends of Rep. Cornell, travel expense	157.47
Association of American Publishers, talk	400.00
Lake Land College, travel reimbursement	173.48
National Conference of Christians and Jews, talk	130.73
Ray Johnsen, interest	38.47
Richard Gibson, rent on Potomac house	316.90
Insurance, damaged circuit breaker in house	406.53
Hartford Insurance, refund for property formerly owned at Vandalia	41.00
Newman Center, talk by Jeanne	200.00
James Kessler, settlement refund, Potomac house	22.00
Harvard University, travel reimbursement	113.18
Hartigan for Lt. Governor, reimbursement for Jeanne's travel	150.10
Robert Slater, interest on sale of Troy property	985.87
Illinois Issues, magazine article	291.30
Sale of refrigerator	300.00
Guitar refund	24.00
Ray Buss, repayment for gasoline	30.05
S. Ill. University Women's Club, talk by Jeanne	75.00
C.I.P.S., utilities refund from Carbondale home	58.33
Citizens Bldg. & Loan, Potomac, interest	.95
Polish National Alliance, interest	2.00
Carbondale National Bank, interest	23.28
General American Life, interest	32.62
University Bank, interest	4.41
Metamora Herald, Inc., final payment on sale of newspaper (capital gains, $4,085; interest, $450)	4,535.00
Rent, Carbondale house	1,175.00
Reimbursement for travel, food, lodging, etc., from campaign fund	357.49
Central Telephone Co. refund, Vandalia property phone	3.66
Citizens Savings & Loan, Potomac, interest	.95
Vandalia property sale (details under "Real Estate Transaction", next page)	3,331.35
(Following entries are all dividend income:)	
Book of the Month	76.25
Ludlow Corp	36.50
Borg-Warner	27.00
Harper & Row	4.40
Massachusetts Inv. Growth	2.45
Simon and Schuster	2.25
Norton Simon	4.58
Adams Express	37.80
National Aviation	34.50
AT&T	8.00
Bethelem Steel	13.75
Brunswick	.40
Crown Zellerbach	11.40
Fairchild Industries	2.40
Fruehauf	7.20
Lear Siegler	18.00
Marcor	4.00
Maremont	5.52
National Steel	5.00
Ralston Purina	3.60
Rohr Industries	1.58
Scott Paper	2.72
Texaco	28.00
United Mer. and Mfg. (M&M)	6.40
Warner Lambert	3.60
Westinghouse	3.88
Westinghouse Preferred	7.60
Mass. Inv. Growth	2.30
Gulf & Western	.15
Pepsi Cola	6.40
Total 1975 income	59,602.72

Note: In addition to salary, Members of Congress receive $6,500 for stationery and office expenses, an amount the law permits them to keep even if their expenses amount to less than the total. In my case, our office expenses exceeded my allotment by $2,470.68.

At a dinner closing out our campaign debt shortly before Christmas last year, members of the dinner committee and my campaign committee presented me with a clothing gift certificate for $500 to Sohn's Men's Store in Carbondale. This was a personal gift from them and did not come from the campaign treasury.

Income of children

Sheila: Total—$42.79. Includes, interest from Citizens Savings & Loan of Potomac, $.42, United Savings & Loan of Troy, Ill., $21.63, and Carbondale Savings & Loan, $11.34; and dividends from Ford Motor Co., $2.60, and AT&T, $6.80.

Martin: Total—$31.70. Includes, interest from Citizens Savings & Loan, $.80, and United Savings & Loan, $21.50; and dividends from Ford Motor Co., $2.60, and AT&T, $6.80.

Real estate, stock transactions

In February, 1975, farm property owned by Paul and Jeanne Simon near Vandalia, Illinois, was sold for $33,000. Acquired in 1972, the purchase price and improvements made in the property totaled $29,668.65. The difference between the two amounts, $3,331.35, is listed on the previous page under Paul and Jeanne's 1975 income.

Sold two (2) shares of Westinghouse Electric Corp., preferred, on June 4, 1975, for $100. They were purchased for $144.55 on Sept. 30, 1968, representing a loss of $44.55.

STATEMENT OF THE ASSETS, LIABILITIES AND THE NET WORTH OF PAUL AND JEANNE SIMON (AS OF JAN. 15, 1976)

Assets

Bank of Maryland checking acct. balance	$25.00
University Bank of Carbondale, checking acct. balance	87.57
House of Representatives checking acct. balance	142.07
University Bank savings acct. balance	61.25
Citizens Savings & Loan, Potomac, savings acct. balance	254.01
Carbondale National Bank savings acct. balance	512.22
U.S. Savings Bonds	93.75
General American Life Ins., cash value	2,274.55
Polish National Alliance insurance, cash value	655.30
Congressional Retirement System, cash value	3,423.10
Ill. Gen. Assembly Retirement System, cash value	16,233.10
Ill. Universities Retirement System, cash value	2,619.68
Residence, 511 W. Main, Carbondale	40,000.00
Residence, 11421 Falls Road, Potomac, Md	126,000.00
Furniture and Presidential autograph collection	15,000.00
1965 Ford Mustang	150.00
1974 Chevrolet	2,200.00
(Following are stock holdings—totaling $9,033—with number of shares after name of company:)	
Book of the Month, 50	1,062.00
Hardees, 40	275.00
Ludlow, 50	343.00
Borg-Warner, 20	497.00
Harper & Row, 10	83.000
Massachusetts Investors Growth, 49	448.00
Mutual Real Estate, 25 (approx.)	50.00
Gulf & Western, 1	4.00
Norton Simon, 7	169.00
Norton Simon, Preferred, 2	104.00
Adams Express, 121	1,225.00
National Aviation, 111	1,609.00
American Telephone & Telegraph, Preferred, 2	93.00
Bethlehem Steel, 5	183.00
Borman's, 8	20.00
Brunswick, 1	12.00
Chock Full of Nuts, 10	30.00
Chrysler, 2	24.00
Crown Zellerbach, 6	240.00
Curtis Publishing, 2 (approx.)	2.00
Fairchild Industries, 8	57.00
Fruehauf, 4	90.00
Lear Siegler, Preferred, 8	203.00
Marcor, 8	235 .00
Maremont, 13	245.00
National Ind., 3 warrants	21.00
National Inds., Preferred, 1	10.00
National Steel, 2	84.00
Pepsi Cola, 4	298.00
Ralston Purina, 4	198.00
Rohr Industries, 3	14.00
Scott Paper, 4	72.00
Texaco, 14	355.00
United M&M, 8	124.00
Warner Lambert, 4	145.00
H. R. Weissberg, 5 (approx.)	5.00
Westinghouse, 4	58.00
Jet-Lite, 120 (approx.)	300.00
Total assets	$218,718.60

Liabilities

University Bank, Carbondale home loan	$18,399.92
University Bank, personal note	9,778.93
National Bank of Washington, note	400.00

First National Bank, Collinsville personal note	7,800.00
Notes on Potomac house:	
Mr. & Mrs. Thomas Fischer III, Pennsylvania	52,161.36
Weaver Bros. Mortgage Brokers	13,885.32
Richard Gibson and Lee Glover (previous owners)	24,172.32
Total liabilities	$126,597.85
Net worth	
Assets	$218,718.60
Liabilities	−126,597.85
Net worth	92,120.75
Assets of children	
Sheila:	
Carbondale Savings & Loan	$237.63
United Savings & Loan, Troy	440.83
Citizens Savings & Loan, Potomac	108.44
Israel Bond	100.00
Total	$886.90
Martin:	
United Savings & Loan, Troy	$437.93
Citizens Savings & Loan, Potomac	50.80
Israel Bond	100.00
Total	$588.73

FINANCIAL STATEMENTS, STAFF OF CONGRESSMAN PAUL SIMON

(Submitted to Congressman Simon in March 1976)

MARGARET BERGIN, ADMINISTRATIVE ASSISTANT

1975 income other than government: dividends from Baxter Laboratories, AT&T, Reliance Electric Co., Mead, General Public Utilities, El Paso Natural Gas, Virginia Electric Power, totaling approximately $600; interest from Farm and Home Savings and the Congressional Employes Federal Credit Union, totaling about $210.

Sources and amounts of indebtedness over $500: Community Bank of West Frankfort, $6,000; Congressional Employes Federal Credit Union, $2,200.

Stocks and bonds owned: AT&T, Mead, Baxter Laboratories, El Paso Natural Gas, Virginia Electric Power Co., American Motor Inns, General Public Utilities, Reliance Electric Co., totaling $20,000; shares in Congressional Employes Federal Credit Union, $6,890.

Property owned: one-third interest in a 113-acre farm in Midland, Va., with farm house and barn, purchased in 1972 and valued at approximately $77,000 total value.

RAY JOHNSON, OFFICE MANAGER

1975 income other than government: Abingdon Publishing Co. stock sale, $600; final payment from sale of Metamora Herald, $4,500 (81.7% capital gains, $3,676.50); interest from Metamora Herald, Inc., $438; Troy Publishing Co. stock sale, $3,000 (80.74% capital gains, $2,422.20); rental income from home and apartment, Troy, Ill., $2,351.30; General Motors, Inc., dividends, $40.80; General American Life Insurance interest, $90.00; Metropolitan Life Insurance interest, $11.00; Troy Tribune interest, $300.00; Congressional Employes Federal Credit Union interest, $2.00; and Roodhouse Record, Inc., dividends, $180.00 (all totaling $11,513.10).

Sources and amounts of indebtedness over $500; Washington & Lee Savings & Loan, $53,000.

Stocks and bonds owned: 23 shares Congressional Employes Federal Credit Union, $117; 100 shares, Cottonwood Junction, Inc., $10,000; 17 shares, General Motors, $1,045; and 15 shares, Roodhouse Record, Inc., $1,500 (totaling $12,662).

Property owned: State of Illinois Employes Retirement System, $1,772.01; real estate, Arlington, Va., $90,000; real estate, Troy, Ill., $30,000; household furnishings, $15,000; 1974 Chevrolet, $3,000; 1975 Volkswagen, $3,000 (totaling $142,772.01).

RAY BUSS, DISTRICT ASSISTANT

1975 income other than government: rental income, $4,842.45; district travel allowance, $1,200, paid by Simon for Congress Comm.

Sources and amounts of indebtedness over $500: mortgage, Carbondale Savings & Loan, $59,111; mortgage, Mary Licos, $11,651; personal loan, Salem National Bank, $11,033; personal Loan, University Bank of Carbondale, $6,357; and personal loan, First National Bank and Trust of Carbondale, $1,650.

Stocks and bonds owned: None

Property owned: apartment house, $87,000; 1967 Pontiac, $500; household furnishings, $3,500; sheepdog, $100.

TERRY MICHAEL, PRESS SECRETARY

1975 income other than government: None.

Sources and amounts of indebtedness over $500: Congressional Employes Federal Credit Union, $1,450.

Stocks and bonds owned: shares, Congressional Employes Federal Credit Union, $300.

Property owned: 1973 Oldsmobile Cutlass, $2,000; furniture, $1,200.

PAUL GAYER, DISTRICT ASSISTANT

1975 income other than government: interest, Bank of Ziegler, $215.80; interest, Metropolitan Life Insurance, $11.95; interest, First Community Bank of West Frankfort, $1,141.65; Civil Service annuity payments, $1,299; interest, Benton Community Bank, $165; and dividends, National Investors, $17.56 (totaling $2,850.96).

Sources and amounts of indebtedness over $500: auto loan, Bank of Ziegler, $4,221.44.

Stocks and bonds owned: Series "E" Bonds, $4,125; 140 shares of National Investors Corp., $917; 71 shares Gayer Investment Corp., $7,100.

Property owned: house and lot, 201 Station St., Ziegler, $10,000; two-thirds interest, 6-acre lot, Grant & Maryland Streets, Ziegler, $2,667; two-thirds interest, vacant lot, 215 Church St., Ziegler, $200; two-thirds interest, vacant lot, 217 Church St., Ziegler, $200; two-thirds interest, vacant lot, 201 Church St., Ziegler, $460; two-thirds interest, 5-acre lot, Penn St., Ziegler, $2,667; second mortgage on lot and home in Herrin, $2,500; 1973 Ford Maverick, $1,800; 1974 Lincoln Mark IV, $5,600; household goods, $3,000.

ALLEN CISSELL, LEGISLATIVE ASSISTANT

1975 income other than government: interest on savings deposits, $328.

Sources and amounts of indebtedness over $500: City National Bank of Murphysboro, $2,078.12; Southern Illinois University Credit Union, $3,247.

Stocks and bonds owned: Congressional Employes Federal Credit Union shares, $5,984.45.

Property owned: 1974 Capri, $3,000; 1974 Pinto Station wagon, $3,300; furniture and household goods, $5,000.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on April 10, 1776, concerned about reports of unrest among the Indians in the Middle Military Department, the Continental Congress directed the Commissioners for Indian Affairs, "to enquire into, and report the cause, of the discontent * * * , what measures may be pursued to restore quiet and harmony, and to use their utmost endeavours * * * to prevent hostilities." Congress also instructed the Commissioners to hire a minister, a teacher, and a blacksmith to assist and instruct the Delaware Indians in the Middle Department.

On April 11, 1776, in response to a request from Connecticut for financial assistance, the Continental Congress made a loan of $166,666 to that colony. In making the request, the representatives of Connecticut made the following arguments.

> That the colony had advanced large sums of money for the service of the continent over and above what had been paid them; that (though) they (had) used their utmost diligence, they (had) not yet been able to prepare a full state of their accounts to lay before Congress, and (that) their treasury (was) exhausted, and the colony and the public interest in danger of suffering for want of supplies.

PATMAN RECOGNIZED AS FATHER OF CREDIT UNIONS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. PICKLE. Mr. Speaker, one of the ways in which the late Wright Patman helped Americans with average incomes was his vigorous support of credit unions. He was their proven friend.

I would like to insert this complementary and deserving article on Representative Patman which appeared in the April, 1976, edition of the Credit Union magazine:

REP. WRIGHT PATMAN, TEXARKANA POPULIST AND CHAMPION OF THE LITTLE MAN, IS DEAD AT 82

"He has no enemies," you say. My friend, your boast is poor. He who hath mingled in the fray of duty that the brave endure must have made foes. If he has none, small is the work that he has done. He has hit no traitor on the hip; has cast no cup from the purjured lip; has never turned the wrong to right; has been a coward in the fight.

This favorite verse of Congressman Wright Patman, 82 (D–Texas), is indicative of his 48–year congressional career.

Patman had his enemies. A fighter always does. A maverick crusader, Patman fought tirelessly against high interest rates, big banks, the autonomy of the Federal Reserve Board, and misuse of tax-free foundations as wealth shelters.

Patman fought, right up to the time of his death last month, March 7. Only days before he succumbed to the only battle in which he had no final say, Patman, chairman of the subcommittee of the House Banking, Currency and Housing Committee, was fighting.

Though the prime rate charged by banks fell nearly 3½% in the past year, consumer loan rates remained the same or increased. "While the prime customers—the big corporate borrowers—have been getting better breaks at the loan windows . . . the people who are borrowing to buy automobiles and consumer goods continue to pay excessively high interest rates at commercial banks," Patman said in one of his last official statements, just days before his death.

Characteristic of Patman was the 10-year feud he carried on with William McChesney Martin, a former chairman of the Federal Reserve Board. "Now Mr. Martin," Patman would say, "about this conspiracy you admit you have entered into with the bankers . . ." Martin would of course admit no such thing. But that did not stop Patman. Nothing did.

Patman championed the credit union cause so often that he was known as the godfather of credit unions. That admiration was mutual; Patman once likened the importance of credit unions to the church. Author or co-author of every major piece of federal credit union legislation, Patman was the first person to have earned the movement's highest honor, the Credit Union Distinguished Service Award.

Credit union leaders like M. R. Hellie, president of CUNA, note Patman's advice and counsel. "His support and loyalty place credit unions forever in his debt." And Herb Wegner, CUNA managing director, said he will "miss his wise counsel and strong support. He will forever hold a place in the hearts of credit union people everywhere. Credit unions and the country are indebted to the Texarkana Populist and champion of the little man."

And then there was this tribute by the Congressional Employees Federal Credit Union in Washington, D.C. A few hours after Mr. Patman's death, the board voted to change its name to the Wright Patman Congressional Federal Credit Union.

REGULATORY REFORM

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. MARTIN. Mr. Speaker, in 1970, Congress passed the Occupational Safety and Health Act, for better or worse, known as OSHA. It was designed to impose basic standards on industry to protect the health and welfare of workers. That is a noble cause and certainly no one is in favor of sickness and accidents, but some of us feel that OSHA is over-regulating.

We hear all kinds of stories about excesses of the program in the way of over regulation. Hearing an OSHA story and seeing one are two different animals. I have seen a strange one. Right in my own office in Washington, only last Christmas, when two gentlemen came in and announced they had some work to do. They took a big drill and bored holes through the foot-thick window sills, on either side of each of the three sets of second story windows, and bolted hooks to the outsides, running the bolts through the thick sills to nuts on the inside. These hooks were for window washers to belt into while washing the windows. You could hang a truck from them. Sounds like safety? Sounds like OSHA? Right on both accounts. Neither you nor I wants a window washer hurtling to his death. However, there is a 30-inch ledge the window washer can stand on while washing my second floor windows. As far as we know, two generations of window washers have used the ledge without problems or injury. Maybe it is advisable for them to hook belts to the window sills. But bolting those hooks through a foot of hardwood took two men 2 full days of drilling, cutting and banging. If they earn $6 an hour each, that cost the taxpayers $192 plus fringe benefits; multiply that by 435 Members of the House and it comes to $83,520 before counting committee rooms, windows in halls and other areas in the House office buildings.

Here it was not a question of a private employer having to spend $192 to secure three pairs of windowsill hooks and pass that on to his customers in higher prices. Rather, the cost is recovered by taking the money more easily, out of the public treasury. I will not tell you whether the window washers used the $192 hooks. If your guess is "no," you are right.

This homey little anecdote points out an OSHA problem. An enforcement agency must retain its credibility. It must be, and it must appear to be, a sensible, level-headed group of folks—a group to work with, not against.

I would like to see OSHA improved, not abolished. I would like to see OSHA develop friends, not accumulate enemies. I would like to see consultation and cooperation lead to harmony and safety, and not see an adversary attitude lead to litigation and strife. Where employers must pay to remedy real safety defects, those costs ought to be able to be compared to insurance premiums reduced, judicial judgments not rendered, and good will retained. Businesses should not be harassed with imaginary hazards, especially where there is a solid record of actual safety.

The reform legislation, in stressing consultation, would go a long way toward establishing rapport, and rapport is the essential first ingredient if OSHA is really going to do anything about occupational health and safety. Consultation may avoid sudden rushes to judgment which not only inhibit the development of rapport but lead to excesses, to say nothing of things like those three unused pairs of second floor windowsill hooks.

THE ECONOMICS OF DÉTENTE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. SYMMS. Mr. Speaker, it was my pleasure recently to host a congressional press breakfast to introduce a newly published study of the economics of détente.

The prestigious Heritage Foundation, in encouraging the research and publication of "The Economics of Detente and U.S.-Soviet Grain Trade," has provided an outstanding working paper for those in this Congress who are fearful of the disastrous consequences of exchange of technological information with the Communist nations. The author of this study, Miles M. Costick, provides much useful data and many insights concerning the critical issue of whether "linkage" with the Soviet Union benefits the United States. Examining closely the related topics of trade, technology transfer, agricultural exchanges, and Soviet oil, Costick assesses one by one the main economic factors which have been viewed as constructive elements of détente.

At this point in the RECORD, I would like to offer Costick's introduction to "The Economics of Détente":

TRADE POLICY IS FOREIGN POLICY

Due to its implications for national and international security, the trade between free countries and communist governments cannot be treated from a strictly economic point of view. As a matter of fact, the available tools of traditional economic analysis become less relevant when strategic and geopolitical considerations prevail.

A distinction is sometimes drawn between "high foreign policy" and "low foreign policy," with the former concerning matters of national security and survival and the latter concerning a large number of secondary issues that arise in relations among countries. Foreign trade and international financial policies, including foreign investments, were traditionally regarded in the category of low foreign policy. This classification, however, is no longer tenable.

The most significant of the eternal economic relations of a nation are its commercial relations. In international trade, the economic and strategic elements are inextricably intertwined. Traditionally, the main arguments for international trade were the economic ones; the strategic implications were largely ignored. In recent years, however, the strategic elements in trade have come to outweigh the economic as far as the so-called "superpowers" are concerned. One thing that must be understood is the need for consistency between a nation's strategic goals and its commercial policies. The recent oil embargo, quadrupling of oil prices and the threat of new price increases for petroleum have made abundantly clear the political nature of trade and economic warfare in the contemporary world.

DETENTE AND TRADE

"Detente is an imperative", declared Secretary of State Henry Kissinger in his speech to the Pilgrims of Great Britain. "In a world shadowed by the danger of nuclear holocaust, there is no rational alternative to the pursuit of relaxation of tensions".[1] That is, avoidance of the *risk* of war must be the supreme and overriding goal of U.S. foreign policy, almost regardless of cost in other respects. If detente is an imperative, the official statements say, it is also an opportunity for building an international order conducive to peace, for "the United States and the Soviet Union, after decades of profound suspicion, have perceived a common interest in avoiding nuclear holocaust and in establishing a web of constructive relationships".[2] Dr. Kissinger elaborated further during his appearance before the Senate Foreign Relations Committee by stating that, "By acquiring a stake in this network of relationships with the West, the Soviet Union may become more conscious of what it would lose by a return to confrontation".[3]

Though the Secretary of State has not put it quite so bluntly, agreements aimed at creating Soviet vested interests in peace will naturally focus on economic and technological issues, since these are the areas of greatest Soviet weakness and hence greatest potential gain. "As political relations have improved on a broad front", he says, "economic issues have been dealt with on a comparably broad front". So far we have concluded "primarily regulatory agreements conferring no immediate benefits on the Soviet Union but serving as blueprints for an expanded economic relationship if the political improvement continued." The prospect is that "over time, trade and investment may leaven the autarkic tendencies of the Soviet system, invite gradual association of the Soviet economy with the world economy, and foster a degree of interdependence that adds an element of stability to the political equation."[4]

This is contemplated as the "grand design," which will remove the confrontation between the two political systems as it has existed during the past thirty years. It is further advanced that the mingling of "vested interests" will prove highly beneficial in meeting the balance-of-payments deficits and problems of unemployment which the United States faces, and possibly create a new dependable source of energy (the Soviet Union) as an alternative to the instabilities of the Middle East.[5]

Leonid Brezhnev, General Secretary of the Soviet Communist Party, during the summer of 1973 explained detente to the communist leaders of the Warsaw Pact governments and to the members of his own Politburo in the following manner:

"We communists have got to string along with the capitalists for a while. We need their credits, their agriculture, and their technology. But we are going to continue massive military programs and by the middle 80's we will be in a position to return to a much more aggressive foreign policy designed to gain the upper hand in our relationship with the West."[6]

Consistent with this outlook is the view that every U.S.-Soviet deal—and especially the transfer of pure technology and sophisticated capital equipment—is an act of international politics. It becomes so also owing to the communists' use of trade as a political tool to advance their strategic objectives. To the Soviets, every Western businessman, scientist, and technician in contact with the communist officials becomes involved consciously or unconsciously in foreign policy. In his book *Soviet Military Strategy*, Marshall of the Soviet Union V.D. Sokolovsky, former commandant of the Warsaw Military Pact, commented, "In the present epoch, the struggle for peace and the fight to gain time depends above all on an unremitting increase in Soviet military power and that of the entire socialist camp based on the development of productive forces and the continuous growth of its material and technological base."[7]

The underlying reason for expanding trade with the West from the Soviet perspective seems to be the wish to import agricultural products, manufacturing facilities, technology, scientific discoveries, and technological processes of military value.[8]

The security risk the West incurs through its deals is difficult to overlook, because today almost all goods, equipment, or industrial and technological processes have some military significance. According to the draft of the last Five-Year Plan of the USSR, one of the "chief objectives in the development of the political economy is the consolidation of the country's economic and defense potential."[9] From this, it follows that in the 1970's the Soviets still considered their economic potential from a military angle.

Soviet trade cannot be viewed solely in terms of normal commercial transactions. It is not private individuals or firms dealing with other private individuals or firms. It means dealing only with communist government agencies which follow Soviet Communist Party policies and directives. Currently those policies aim at massive military buildup—at the expense of the production for the consumer. Dr. John Hardt, Soviet economy expert at the Library of Congress, has stated in one of his recent analyses of the Soviet economic policy, "if the Soviet leadership would decide in favor of a substantially higher rate of growth, they could achieve it only by drastic reduction in defense expenditures."[10]

But Soviet policy has been to further increase military spending. According to two anonymous Soviet economists, the U.S.S.R. invested in the 1960s and 40% of its Gross National Product (GNP) into defense projects. In 1969 the Soviet military budget was about $88 billion and since then on the rise. And that is out of a GNP in that year of some $210 billion.[11] In the same year, the United States' defense budget was $77.8 billion, and for Fiscal Year 1974, expressed in 1973 prices, the figure was $78.2 billion—or about 6% of our Gross National Product. The Soviet military budget for fiscal 1974 expressed in 1973 prices was $93 billion.[12] In fiscal 1975, in constant dollars, the U.S. defense budget was $73 billion while Soviet military expenditures, in constant dollars, were about $94 billion.[13]

The increased military spending accompanied by Soviet military buildup has not been sudden, nor confined to recent years. The cumulative increase in military resources of approximately 35% over the last eleven years can be reasonably described as very substantial. Over the same period, again measured in terms of 1973 dollars, resources allocated to the U.S. military have declined in real terms, interrupted only by the war in Southeast Asia, a factor which had no counterpart in Soviet experience of that period. Indeed, as a result of these contrasting trends in Soviet and U.S. military activity, the Soviet effort exceeded that of the United States reaching a level approximately 35% above the United States when retirement expenses are included, and approximately 45% above the United States when retirement is excluded.[14]

FOOTNOTES

[1] Speech to the Pilgrims of Great Britain, *Department of State Bulletin*, December 31, 1973, p. 779.

[2] Speech to the American Legion, *Department of State Bulletin*, September 16, 1974, p. 375.

[3] Statement to the Senate Foreign Relations Committee, *Department of State Bulletin*, October 14, 1974, p. 508.

[4] Ibid., pp. 511–512.

[5] Secretary of State Henry Kissinger, White House Press Conference, July 8, 1972. See also his testimony before Senate Finance Committee, December 3, 1974.

[6] Defense Department and U.S. intelligence community termed Brezhnev's explanation "The New Brezhnev Doctrine"; see International Economic Policy, p. 822 (Hearings before the Subcommittee on International Trade of the House Committee on Banking and Currency, 1974).

[7] V.D. Sokolovsky, ed., *Soviet Military Strategy* (Voyennaya Strategia), Voyenizdat, Moscow, 1968, 3rd Edition, p. 421.

[8] See Mose L. Harvey, *East-West Trade*, (National Association of Manufacturers, New York, 1966). See also Antony C. Sutton, *National Suicide*, (Arlington House, 1973); and Mose L. Harvey, Leon Goure, and Vladimar Prokofieff, *Science and Technology as an instrument of Soviet Policy*, (Center for Advanced International Studies, University of Miami, 1972).

[9] *Pravda*, February 20, 1971.

[10] See John Hardt in *Soviet Economic Prospects for the Seventies* (Joint Economic Committee—U.S. Congress, June 27, 1973).

[11] Two Soviet Economists from Leningrad in 28-page typescript published by Soviet underground dissident publication Samizdat and reprinted by Radio Liberty; Soviet Physicists Andrei Sakharov, this year's Nobel Peace Prize laureate, used the figure of 40% in an open letter to Brezhnev in 1972; See Robert G. Kaiser, "Defense Held Main Soviet Goal," The *Washington Post*, April 13, 1973.

[12] Testimony by William E. Colby, Director of Central Intelligence (CIA), before Subcommittee on Priorities and Economy in Government on June 18, 1975; See *Allocation of Resources in the Soviet Union and China*—1975, (U.S. Government Printing Office), pp. 28–29.

[13] Senator James Buckley, "On Salt II," *National Review*, March 15, 1974; Congressman William L. Dickinson, Press Conference July 23, 1974; U.S. Defense Authorization Bill Debate, *Congressional Record*, May 15, 1975.

[14] op. cit., William E. Colby; See also Senator Barry Goldwater's speech on the floor of the Senate, "Defense Spending", *Congressional Record*, November 4, 1975, p. 34818 and Secretary of Defense James Schlesinger's statements as reported in *The Washington Post*, November 9, 1975, p. D1 and *National Review Bulletin*, November 14, 1975, pp. B172–3.

CONGRESS URGED TO REJECT BILLION DOLLAR KISSINGER-TURKISH ARMS AGREEMENT

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. O'HARA. Mr. Speaker, it is a historical fact that Secretary of State Kissinger's mistakes did much to contribute to the Cyprus tragedy of 1974.

He has since created an even more unfortunate Greece-Turkey-Cyprus tangle by his policies.

Last week, Mr. Kissinger put a further dangerous strain on the traditionally friendly United States-Greek ties by signing a 4-year, $1 billion plus military aid agreement with Turkey.

I hope and believe Congress will reject this agreement. Several important principles are involved.

One, it runs contrary to Congress responsibility to control the purse, which it has been doing by showing a clear preference for single year rather than multiyear foreign aid commitments.

Second, it contains a disguised form of rent, a worrisome precedent for U.S. base arrangements in Spain, the Philippines, and elsewhere.

Third, the agreement does not even mention Cyprus, where a Turkish army of occupation has created a flood of refugees.

Congress, on the other hand, has repeatedly made clear its interest in the moral and political implications of the Cyprus tragedy. As Alexander Solzhenitsyn said recently in London:

> **One should not consider that the great principles of freedom finish at your own frontiers, that as long as you have freedom, let the rest have pragmatism.**

Yet our Secretary of State has ignored these considerations, and warned Congress, moreover, that we must accept the agreement in its totality "or face disastrous consequences."

In January of this year, a bipartisan House delegation, almost all of whom had voted for Turkish aid the last time, visited Ankara and Athens. They told the Turks that they had occupied far more of the island than could ever be justified and that they had to show some flexibility and willingness to make reasonable concessions.

Now this delegation, and Congress as a whole, are asked to not only ignore Turkey's intransigence but reward her with an unprecedented arms package.

The Kissinger agreement is clearly unacceptable on moral and political grounds.

This week, Mr. Eugene T. Rossides, a distinguished attorney, former Assistant Secretary of the Treasury, and also special counsel to the American Hellenic Institute, testified before the House Committee on International Relations.

Mr. Rossides' remarks which skillfully and comprehensively analyze this most serious problem, deserve a wide audience in the Congress and among informed public opinion.

Under leave to extend my remarks in the RECORD, highlights of the testimony of Mr. Rossides are set forth below:

ARMS TRANSFERS TO TURKEY

The Administration's provisions in this bill for arms assistance to Turkey have been superseded by a proposed $1.25 billion blackmail aggression pact with Turkey which Dr. Kissinger signed just ten days ago.

If and when that blackmail aggression pact is submitted to the Congress, we urge its overwhelming defeat in the interest of the United States for the following reasons:

1. It subverts the Rule of Law by rewarding illegal actions.
2. It violates existing law—the statutory embargo restrictions currently in effect and in the current aid bill which this Committee worked so hard to achieve.
3. It violates Congress's Constitutional legislative role.
4. It undermines the Congressional authorization and appropriation process.
5. It undermines Congress's Constitutional partnership role in foreign affairs.
6. It is a sordid pact giving massive subsidy and support to Turkey's aggression on Cyprus.
7. It encourages Turkey to continue its expansionist behavior regarding Greece's Aegean islands.
8. It is a blackmail pact in which the United States is forced by the hand of Dr. Kissinger to pay tribute to a highly questionable ally.
9. It sets a dangerous precedent for and encourages aggression everywhere in the world, particularly by those nations which have received U.S. arms assistance.
10. It wastes 1 billion of precious tax dollars at a time when we have a huge federal deficit and high unemployment.
11. Turkey is simply of little military value to the U.S. Of the 26 defense installations involved, there are only 4 intelligence-gathering sites of any value—and we maintain that the data they provided is being, or can be, gathered from other sources.
12. It insults the Congress and makes a mockery of and renders negatory the present International Security Assistance and Arms Export Control Act of 1976 (S. 2662), by ignoring the embargo provisions of that bill. Those provisions are based on a principle which has been fundamental to U.S. foreign policy since the enactment of foreign programs after World War II, namely, that our arms cannot be used for aggression. In addition, it makes the new arms export control provisions look like window dressing.
13. It sets a dangerous precedent for all nations which have agreements with the United States or which are entering into agreement with the U.S.—that they can be broken with impunity, and if broken, better terms obtained.
14. It supports Turkey's "heroin aggression" against the United States.
15. Turkey is an unreliable and unfaithful ally who has unilaterally broken agreements with the U.S. and other nations.
16. Turkey is an international outlaw.
17. It damages our relations with the democratic Government and people of Greece.
18. It sets back hopes for a just settlement of the Cyprus conflict.
19. It rearms a bully and an aggressor.

THE KISSINGER-TURKEY "EXECUTIVE AGREEMENT" SUBVERTS THE RULE OF LAW

The proposed Kissinger blackmail aggression agreement asks this Congress and this Committee to abandon the Rule of Law and the restrictions formulated to uphold it and instead to reward the transgressor. And the law Turkey violated goes to the very heart of U.S. foreign policy—namely, that U.S.-supplied arms will not be used for aggression.

Last October, and again in the 1976 military aid authorization bill which has cleared the conference, the Congress has partially lifted the embargo restrictions on arms transfers to Turkey. These restrictions reflect the total lack of progress toward a just settlement of the Cyprus problem.

The Turkish invasion force which overran Cyprus in the summer of 1974 relied on American planes, American bombs, American guns and bullets. The Turkish occupation force which is now in illegal possession of 40% of the island is outfitted with American weapons and materiel. A force of 45,000 American-equipped troops separates the 200,000 refugees of Cyprus from their homes. Illegal colonization is continuing with an estimated 25,000 Turkish mainlanders already relocated to the occupied zone. And Turkey persists in its refusal to be at all cooperative about providing information on the 2197 people, including some American citizens, who have been missing since the 1974 Attila invasion. There is growing fear that they have been killed.

During the same period, Turkey has been making frequent and more belligerent statements toward Greece concerning the Aegean Islands of Greece. Only last week the Deputy Prime Minister of Turkey, Mr. Turkes, made an explicit territorial claim to most of Greece's Aegean islands.

THE PROPOSED "EXECUTIVE AGREEMENT" UNDERMINES THE CONGRESSIONAL PROCESS AND CONGRESS'S CONSTITUTIONAL ROLES IN LEGISLATION AND FOREIGN AFFAIRS

The Washington Post April 2 reported the following ultimatum of Turkish Premier Suleyman Demirel regarding Congressional action:

"The agreement is either accepted totally or rejected. It is not possible to alter its contents."

The same article reported the following threat to Congress from the Turkish Foreign Minister:

"Turkish Foreign Minister Ihsan Sabri Caglyangil said on his return from Washington that any amendments by Congress would amount to rejection of the accord and bar reopening U.S. bases in Turkey."

This kind of procedure—and let us remember that due process and procedure are the essence of a government of laws—does violence to Congress's Constitutional legislative role and makes a mockery of bipartisanship and the partnership role between the Congress and the Executive in foreign affairs.

As Chairman Morgan and others have recognized in connection with the Spanish base treaty, a multi-year authorization is an abdication of Congressional control over the volatile, delicate allocation of assistance to foreign nations. We applaud that point of view and stress that a four-year aid commitment to Turkey is a four-year sellout of the Rule of Law, Congress's Constitutional roles, Cyprus and Greece.

When he testified before this Committee on July 10, 1975, Under Secretary Sisco made the following statement about Turkey's position on Cyprus.

"I would like to emphasize that failure on the part of Turkey to adopt a flexible and constructive position, in the aftermath of the lifting of the embargo, would go to the heart of the American-Turkish relationship."

Although the embargo has been substantially lifted, although Turkey has failed to take any constructive action, the Administration has done nothing other than promise Turkey more guns and more aid. Perhaps Mr. Sisco meant to say that Turkish intransigence would go the pocketbook, not the heart, of the U.S.-Turkish relationship.

We had hoped that the Sisco statement would have been implemented, just as we had hoped that the following June 23, 1975, statement of Dr. Kissinger would have been implemented:

"No ally can pressure us by a threat of termination. We will not accept the notion that its security is more important to us than it is to itself."

TURKEY OF MINOR MILITARY IMPORTANCE

Turkey is of minor importance to the defense of the United States and to the defense of any of the other NATO nations. Turkey is a third rate military power; and in this day of intercontinental ballistic missiles, satellites, and all the other sophisticated weapons of modern warfare, Turkey is of minor military significance.

The NATO mission of the Turkish army is strictly and solely to defend Turkey against invasion by the Soviet Union, an existing mission. The Turkish army which the proposed "Executive Agreement" is to rearm and modernize is primarily deployed against Greece. The largest corps, 1st Army is spread along the Greco-Turkish frontier rather than along the Soviet-Turkish mountain border. A new Turkish Army of the Aegean was created last year. Other units are tied down in internal security functions: 6 provinces are under martial law, and of course, 45,000 American-equipped Turkish troops and 300 American-supplied tanks are illegally occupying 40% of Cyprus. In case of a conflict, it is a simple matter for the U.S. Navy to mine the entrances to the Dardanelles. We do not need Turkey for that.

In effect, the foregoing was conceded during the debate last summer and early fall over legislation to relax the arms embargo. During that debate the issue finally came down to the importance to the United States of four intelligence-gathering listening posts in Turkey. With regard to those listening posts, Dr. Kissinger first tried to suggest that they were necessary for SALT verification. This false position was exposed by former Secretary of Defense Melvin Laird who stated (August 20, 1975), "We don't need Turkey to verify a SALT agreement," and by Dr. Herbert P. Scoville, former Director of Research for the CIA who stated in a letter (July 20, 1975) to Congressman John F. Seiberling that:

"In sum, the Turkish bases have only marginal utility in verifying past or possible future SALT agreements. Other observation sites and satellites would appear much more useful. SALT cannot be reasonably used as a justification for making a decision on our Turkish aid program."

Dr. Scoville also stated that:

". . . to say that they (Turkish bases) are essential for verifying past or future SALT agreements would appear to be such an exaggeration as to raise questions as to the sincerity of those making the statements."

He also pointed out that the intelligence that could be gathered from these listening posts was available from other listening posts. As long ago as June 1975, there was a report in the Christian Science Monitor that the Pentagon was planning alternative sources for intelligence gathering.

Experts such as retired Admiral Elmo Zumwalt and General James A. Van Fleet have added their voices in opposition to the

Administration's position. Admiral Zumwalt, former Chief of Naval Operations, states that "existing and potential military bases in Greece are more important to us than our installations in Turkey." In regard to U.S. bases in Turkey, General Van Fleet stated:

"It is unconscionable that the government of the United States should surrender to the threat of Turkey to close our bases there. This is capitulation to blackmail and unworthy of our country."

In a background briefing March 29, a State Department official acknowledged that under the proposed agreement these are no longer U.S. bases or facilities on Turkish soil. These are now acknowledged as Turkish facilities.

Just how important then are these bases to the direct security of the United States? It is acknowledged that there were 26 U.S. installations in Turkey. Many of these were offices of perhaps no more than a room or two. The four main bases considered "irreplaceable" by the Administration and accounting for two-thirds of the 6,000 U.S. personnel now stationed in Turkey are:

Diyarbakir in south eastern Anatolia for radar system monitoring of missile sites in the south central USSR—a facility which has been termed by Dr. Scoville of marginal value and can be eliminated in favor of other land areas closer than Turkey for observing the Soviet launch area north of the Caspian Sea;

Sinop on Turkey's north central coast of the Black Sea, which provides computerized data at medium range on activities in that sea—a facility whose activity may well be nearing obsolescence in this day of sophisticated satellite information gathering;

Karamursel on the Sea of Marmara, which monitors shipping between the Black Sea and the Mediterranean, an installation whose function can surely be replaced by electronic equipment aboard U.S. ships at anchor off the straits;

Incirlik in south central Turkey, a base for the Strategic Air Command and a nuclear arms storage site, which Turkey has exempted from a shutdown, as it is termed a NATO base. In the age of the ICBM one wonders if there is any point in maintaining this base at all. Of the 6,000 U.S. personnel in Turkey close to ⅔ of them are probably at Incirlik itself, which remains unclosed.

So, in effect what is the $1.25 billion of taxpayers' money really for?

TURKEY—AN UNRELIABLE AND AN UNFAITHFUL ALLY

Even if bases and listening posts in Turkey were of significant importance to the security of the United States, it is clear from the record and from the history of past actions that Turkey is an unreliable ally. This serious charge is amply documented by the record:

1. As recently as the October 1973 Middle East war—long before the Cyprus crisis—Turkey refused to allow U.S. overflights to Israel, while allowing Soviet overflights and land convoys to Syria and Iraq.

2. In October 1939, Turkey signed a Mutual Defense Alliance with the Western Powers calling for common effort in the event of war, yet when the war came Turkey violated her pledge and in fact aided Nazi Germany while acting as a neutral.

3. Illegal termination in July 1975 of the 1969 U.S. bases agreement.

4. Invasions of Cyprus in July and August 1974, violating United States Foreign Military Sales and Assistance Acts and agreements under those Acts including a specific agreement between Turkey and the United States against shipment of United States weapons to Cyprus without United States consent.

5. Violation of ceasefire agreements.

6. Violation of the UN Charter.

7. Violation of the NATO Charter.

8. Violation of the London-Zurich Agreements.

9. Violation on June 30, 1974, of United States-Turkey agreement to ban poppy production (with the retention of $15.9 million already paid by U.S.). It can be conservatively estimated that since World War II the number of heroin related American deaths from Turkish-origin heroin is over 50,000, or an average of 1,700 a year for the past 30 years. New York City alone has had 1,000 heroin and drug related deaths a year. And how many hundreds of thousands of heroin addicts are there who started on Turkish heroin?

10. Liberal interpretation on behalf of the Soviet Union of the Montreux Convention.

11. Turkey has recently signed an agreement for closer relations with the Soviet Union. This comes as no surprise to persons who have followed Turkey's foreign policy. For over 15 years, Turkey has been expanding its relationships with the Soviet Union, playing both sides against each other. The time is long past that the American taxpayer should prop up a militaristic Turkish government. There is simply no sound reason to give another dime of the U.S. taxpayers' money to Turkey.

TURKEY AND NATO

The NATO Charter is specific and clear. In the preamble, the member nations commit themselves to safeguarding the Rule of Law. In Article I of the NATO Charter, each member nation promises "to refrain in (its) international relations from the threat or use of force." Turkey has clearly violated the NATO Charter, a defense alliance, yet we are faced with the spectacle of Dr. Kissinger pressuring the NATO nations to support his illegal and bankrupt policy. Turkey's aggression against Cyprus and Turkey's unreliability as an ally raise serious questions as to Turkey's ability to play a constructive role in NATO.

TURKEY AND CUBA—INTERNATIONAL OUTLAWS

The United States cannot run a foreign policy on a double standard. Our condemnation of Cuba as an international outlaw for sending 12,000 troops to Angola is hypocritical when we fail to condemn that other international outlaw, Turkey, for sending a 45,000-man-strong invasion and occupation force to Cyprus, a defenseless nation one-half the size of New Jersey.

Indeed, it is bad enough that we have failed to condemn Turkey's international outlawry—but to reward Turkey, as Dr. Kissinger would have us do, with $1.25 billion worth of grants and credits—is ludicrous.

TURKEY AND GREECE

Ever since the very beginning of the Cyprus conflict in 1974, we have warned that Cyprus was not the end but the beginning of Turkish military expansionism. The evidence supporting that view is accumulating ominously.

Last week, the Deputy Prime Minister of Turkey, Mr. Turkes, made an explicit territorial claim to most of the Aegean islands—islands which are ethnically Greek and which are a part of the Greek nation pursuant to the Treaty of Paris of 1946. Turkes maintains that Turkey is "the real owner" of all the Dodecanese islands within 50 kilometers of the Turkish shore and that "it is imperative" that those islands "ought to belong to Turkey". Other government officials have been making similar statements in recent months.

Now Dr. Kissinger has entered into an agreement of aggression and blackmail which provides the funds to rearm the Turkish army and air force and which leaves Turkey completely free to use the bases for military operations against Greece. Thus, this agreement creates the risk that bases where the American flag is flown can be used to attack Greece. If on the other hand the U.S. wishes to use the bases for some compelling purpose such as the resupply of Israel in the event of an Arab attack, it cannot do so without the consent of Turkey.

The very prospect of such an agreement is causing great problems for the Karamanlis Government in Greece, a nation which said "NO" to the Axis Powers and whose valiant fight against Hitler is credited with upsetting Hitler's timetable against the Soviet Union. All this while Turkey sat on the sidelines and sent raw materials to Hitler.

Last summer George Ball and Cyrus Vance, two eminent statesmen who were personally involved in the Cyprus crises of the 1960s, expressed their views to this Committee against the reopening of the arms pipeline to Turkey without a specific cutoff date in the absence of substantial progress toward a Cyprus settlement. Such a step, they predicted, "would have rather catastrophic effects in Athens without producing very much affirmative action in Ankara". They added that a "disaffected Greece would mean a serious weakening of NATO's southern flank". The Ball-Vance predictions are coming true.

AID TO GREECE

With respect to aid for Greece for fiscal 1977, the Administration has decided to reduce security supporting assistance for Greece from $65 million to zero. This is a heavy-handed, inopportune move. If security supporting assistance was warranted last year, it is even more important today. The Administration is requesting $90 million in security supporting assistance for Syria—a nation which is not an ally of the United States, to put it mildly. The forthcoming entry of Greece into the Common Market makes rapid development of the Greek economy particularly important.

And if we want to give a signal to Eastern Europe that we support democracy and the Rule of Law, then there is no better example than aid to the new Greek democracy, the only democracy in the Balkans and Eastern Europe.

AID TO CYPRUS

Of all the misguided unprincipled elements of the Administration's present policy, none is more callous or indefensible from a humanitarian point of view than the proposal that fiscal 1977 Cyprus refugee aid be reduced by 60%—from $25 million to $10 million—and that no refugee aid at all be provided after fiscal 1977.

What are the real needs of the 200,000 Cypriot refugees? Those needs are documented in a comprehensive *report Crisis on Cyprus* issued by Senator Edward M. Kennedy, Chairman of the Senate Subcommittee to Investigate Problems Connected With Regugees in January of this year. All of the figures which follow are from that report. Food distribution to refugees costs $42 million annually. Over one-third of the children on Cyprus go to school in tents. The cost of replacing the school buildings destroyed or occupied by the Turks is $50 million. Medical services add an additional $4 million annually. The report does not contain an estimate of the amounts needed to provide decent housing and employment opportunities for the refugees, but the amounts involved have been estimated by experts to exceed $100 million.

Simple compassion and human decency demand a continuation of generous aid for the Cyprus refugees. We urge the figure of $60 million—or roughly 3% of our security supporting assistance budget—as the 1977 authorization.

In conclusion and as an alternative to the policies of Dr. Kissinger, I say:

Let us export the Rule of Law, not the rule of the jungle;

Let us export the Rule of Law, not aggression;

Let us export the Rule of Law, not Kissingerism.

THE BIRDS OF OUR FORESTS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. BROWN of California. Mr. Speaker, our forests are very complex, ecological systems which support an abundance of wildlife. One of the issues raised in our House Agriculture Committee hearings is the effect that various timber harvesting techniques have on these wildlife species.

I would like to submit for the RECORD a study prepared by four scientific researchers of the Forest Service on the "Silvicultural Options and Habitat Values in Coniferous Forests." This report is the result of research on the birds that live in our forests, their role in insect control, and the need for increased consultation with biological experts in the management of our forests to reduce the impact of present silvicultural methods on their habitats. The role of birds in the forest environment is very important for maintaining a strong, ecological balance, and the way in which we harvest our timber supplies can have a long-term or permanent effect on certain species of birds.

I would like to quote from one section of this report, which will be included in full:

> Loss of old-growth forests is much more serious. Wight (1974) discussed the high stability of old-growth conifer forest environments and the extreme specialization of species that are adapted to these environments.

He says:

> They are doomed if a forest management scheme does not provide for preservation of mature forest habitats on which they are absolutely dependent.
>
> Strong economic pressures always exist to harvest old-growth stands, and it is obvious that present trends for managed forests are leading to shorter rotations. In short, those concerned about birds of the old-growth forests are fearful that, except for specimen or relict stands, the present old growth will disappear by the end of this century. Even those specimen stands will eventually disappear, along with the avifauna that is narrowly adapted to them; and the probability of their replacement is low.

I urge my colleagues to review this report for it is an excellent study of a very important factor in the maintenance and protection of our forest environment:

SILVICULTURAL OPTIONS AND HABITAT VALUES IN CONIFEROUS FORESTS[1]

(By Jack Ward Thomas, Glenn L. Crouch, Roger S. Bumstead, and Larry D. Bryant)[2]

ABSTRACT.—Different bird species select different types and stages of forests which satisfy their requirements for nesting and feeding. Birds are classified into groups based on these requirements (i.e., nests on the ground, feeds on the ground, etc.). The suitability of each bird group for each forest successional stage and the effect on birds of various silvicultural treatments at those stages was judged. The role of birds on insect population control and the effect of fire on bird habitat is examined.

INTRODUCTION

Different species of birds select different types and stages of forest in which to live. There is no argument on this point, and it has been documented by many researchers including Glowacinski (1972), Pitelka (1941), Kricher (1973), Shugart and James (1973), Martin (1960), Odum (1950), Snyder (1950), and Johnston and Odum (1956). The reasons for this selection have been exhaustively reviewed by Von Haartman (1971) and Hilden (1965) and include such variables as food availability, manner of feeding, nesting requirements, physical characteristics, and others. Salt (1953) worked in three coniferous forest types and noted that the nearer the vegetative system moved toward climax the greater the biomass of birds supported. Those species adapted to the more advanced seres had larger body sizes and increased ability to utilize energy efficiently. This was confirmed by Karr (1968) but contradicted by Bock and Lynch (1970).

It has long been recognized that birds respond to environmental features—particularly vegetative physiognomy (Breckenridge 1956; Lack 1933, 1937; Lack and Venables 1939; Miller 1942; Kendeigh 1947; Klopfer 1965, 1969; Klopfer and Hallman 1965; Svärdson 1949).

Emlen (1956) saw the necessity for describing vegetative habitat characters and suggested rudimentary variables such as canopy height and height to crown, preferring quantitatively to the relative classes described by Kuchler (1949) and Dansereau (1951).

Sturman (1968) expanded this concept to include computed volumes of tree crown to successfully describe habitat selection criteria. Klopfer (1969) and Karr and Roth (1971) noted the importance of canopy layers in accounting for species diversity in forest birds. James (1971) and Cody (1968) dealt with similar thoughts and used discriminate function analysis to describe habitat associations of forest and grassland birds.

MacArthur and associates (MacArthur and MacArthur 1961, MacArthur et al. 1962, MacArthur 1964, MacArthur et al. 1966), developed these concepts to show that the primary variables that could be used to predict species diversity were vegetative volumes by layers and that these layers were essentially three—herbaceous (0–2 feet), shrub (2–25 feet), and tree (>25 feet) layers.

Thomas[3] and Thomas et al. (1974) further refined these ideas and showed high correlations of 10 bird species with discrete 5-foot layers of deciduous and conifer vegetation.

Although we recognize that some bird species have exact requirements in terms of habitat characteristics—such as cavities for holenesters (see reviews by Beebe[4] and Jackman[5]—we proceed from the assumption that silvicultural practices will influence avian habitats primarily through alterations of the form and density of vegetative layers. Further, effects of such alterations can be predicted in terms of their impacts on various classes of birds.

We deal here with principles and generalities due to the magnitude and diversity of the coniferous forests of North America; although throughout the world, conifer forests have been described as inferior to deciduous forests as bird habitat based on bird density and diversity—in Finland: Palmgren (1933), Soveri (1940), Merikallio (1946), Nordström (1953), Jalkanen (1960), Haapanen (1965, 1966), and Portin (1965); in Eastern Europe; Novikov (1962); in Germany: Dircksen and Höner (1963); in the British Isles: Williamson (1969, 1970, 1972); in Australia; Cowley (1971). Udvardy (1957) reviewed a number of census efforts in North American forests and reached the same conclusion. Data in Udvardy's graphs were interpreted by Von Haartman (1971) in average pairs per square kilometer as follows: deciduous=719, deciduous-conifer=607, and coniferous=415. Differences are probably related to the relative simplicity—i.e., reduced diversity—in coniferous compared with deciduous forests.

SILVICULTURAL OPTIONS AND BIRD RESPONSES

Silvicultural options that are available to accomplish timber management objectives can have amazingly complex impacts on bird habitats. However, certain basic principles and practices, in one form or another, make up the majority of what we actually encounter. Our discussion is confined to those considerations.

Our typical forest evolves through seral stages of development which we describe as: bare ground→grass-forb→shrub-sapling (0–10 years)→poles (11–40)→young forest (41–100)→mature forest (101–200)→old growth (201+).

Haapanen (1965) made a useful categorization of birds based on a combination of nesting and feeding habitat requirements. His life-requirement classification is more useful here than standard classifications based on morphological characteristics. We utilized appropriate portions of Haapanen's system to describe the forest component. We used a simplified version of the coniferous forest life-zones describd by Merriam (1894) which may be translated or related to biomes by referring to Odum (1945).

Further, each bird group is best suited to particular stages or combination of stages in forest succession (Table 2). So, natural succession provides a constantly changing series or niches or habitats and their juxtapositions that allow the occurrence of the broad spectrum of species present in the coniferous forest biome.

Silvicultural treatments are used to alter the natural status of a successional stage to achieve a desired end such as selection for the most economically valued tree species, shortening the time in the "less productive" grass-forb and shrub seres, or concentrating growth on selected stems. In terms of bird habitat, most silvicultural practices can be considered as regeneration of the stand and then, shortening the period between the lower and the most advanced seres as much as possible.

In the process of "streamlining" the successional process, the application of silvicultural techniques will favor some bird groups and essentially eliminate habitat for others.

In general then, the timed harvest of existing forest stands and their subsequent silvicultural treatment until the next generation cut are apt to increase diversity of habitats in the coniferous forest zones, with the result that a greater diversity of species will be encountered in managed forests. This diversity—of habitat and birds—will be subject in several ways to the principle of diminishing returns. In other words, each practice will yield initial large returns in terms of diversity, but each increment will add proportionately less until finally the increments begin to cause losses in diversity.

There is concern that the more intense the forest management system, the simpler the vegetative structure becomes. And, the more simple the vegetative structure, the less diverse the attendant fauna.

So in terms of birds, three primary concerns surface as forest management becomes more intensive: (1) truncated succession, (2) loss of old-growth habitats, and (3) removal of snags or standing dead trees.

Truncated succession is probably important only where grass, forb, and shrub stages are essentially eliminated through programs to return harvested sites to tree cover in the shortest possible time through intensive shrub control and tree planting. Carried to

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Footnotes at end of article.

extreme, such practices could have serious impact on those species needing the early successional seres. Nevertheless, if regeneration cuts are frequent, well distributed, and reasonably small, say 20–100 acres, enough sites should be available in initial successional stages to provide for adequate diversity.

Loss of old-growth forests is much more serious. Wight (1974) discussed the high stability of old-growth conifer forest environments and the extreme specialization of species that are adapted to these environments. He says, "They are doomed if a forest management scheme does not provide for preservation of mature forest habitats on which they are absolutely dependent."

Strong economic pressures always exist to harvest old-growth stands, and it is obvious that present trends for managed forests are leading to shorter rotations. In short, those concerned about birds of the old-growth forests are fearful that, except for specimen or relict stands, the present old growth will disappear by the end of this century. Even those specimen stands will eventually disappear, along with the avifauna that is narrowly adapted to them; and the probability of their replacement is low (Davis 1974).

If rotation ages are reduced to less than 100–150 years, a much larger component of the avifauna will be threatened by destruction of their nesting habitat. These are the cavity nesters, and the dead trees (snags) of sufficient sizes to meet the needs of some species are products of older age classes of trees. In conifer forests, some 20 percent of total breeding pairs nest in holes (see footnote 5).

Intensive forest management presents a double threat to availability of snags: (1) the loss of existent snags due to safety requirements imposed by State and Federal regulations and (2) lack of replacement snags during shorter rotations and continued removal of potential snags during thinnings. Safety regulations presently require that virtually all snags adjacent to haul or skid roads, in or near landings and work area, be felled, which indicates that few or no snags will remain at rotation. Shorter rotations may be even more devastating in the long run, and the only solution may be to program some stands or individual trees in each management unit for long rotations to provide continuous supply of snags. Potential snags should be as carefully husbanded as selected crop trees for they will provide tomorrow's crop of hole-nesting birds. Haapanen (1965) noted that bird species diversity was less in managed than unmanaged Finnish forests and attributed the difference to loss of suitable sites for hole-nesting birds under management. Similar observations concerning deciduous forests in Michigan were noted by Gysel (1961).

In summary, and considering only birds, it seems to us that present trends in timber management will lead to diversity that will be generally reflected in increased diversity of bird species as outlined by Hagar (1960). The exceptions will be those species adapted to old growth and those requiring snags for nesting. Pengelly (1972) presents a more pessimistic view concerning effects of intensive forestry on wildlife in general. Counter arguments are presented by Hooven (1973).

BIRDS AND INSECT CONTROL

There are two sides to this topic—what roles do insect-eating birds play in the control of insect populations and, conversely, what effect does the control of insect outbreaks through use of pesticides have on populations of insect-eating birds? We will address only the first of these.

The questions have been extensively reviewed by the German workers (Bruns (1960), Franz (1961), and Herberg (1965)). Beebe (see footnote 4) thoroughly reviewed relationships between insectivorous hole-nesting birds and forest management, including the bird/insect interface. Buckner (1966, 1970) addressed the role of vertebrate predators in insect control.

The questions should also be put in an economic perspective by enumerating the costs of forest insect outbreaks—both in direct losses and in costs of control programs and rehabilitation efforts. For example, some $12,000,000 was spent annually over the period 1960–70 to control epidemic insect outbreaks in the western United States alone (USDA Forest Service 1973). A more revealing examination of the complex costs of a recent outbreak is shown in the environmental impact statement prepared for the request to use DDT to control an outbreak of the Douglas-fir tussock moth in Oregon, Washington, and Idaho (USDA Forest Service 1973).

Early workers (Beal 1906, 1911; Forbush 1907; McAtee 1911, 1915, 1926; and others) vividly documented the astounding numbers of insects that are consumed by birds. They had a tendency perhaps to overstate the case. For example, McAtee (1926) refers to many instances of control or suppression of insect populations by birds alone. Later detailed work on the myriad of factors bearing on insect levels in forests casts some doubt on such simplistic interpretations (Tinbergen 1960, Morris 1963). In fact, Tinbergen (1960) contended that the exact relationship of birds to insect population dynamics could be shown only by intensive study of a single bird species over a large area for a prolonged period. Popelov (1956; quoted in Otvos 1965) expanded that restriction to indicate that the determination must be made for each bird species, insect species, and forest stand. Beebe (see footnote 4) listed a number of studies indicating that birds help regulate spruce budworm populations at endemic levels (Kendeigh 1947, Morris et al. 1958, Morris 1963, Dowden and Carolin 1950, Dowden et al. 1953, George and Mitchell 1948). Similar relationships have been described for the larch sawfly in isolated stands (Buckner and Turnock 1965); woodpeckers and western pine beetle (Otvos 1965); woodpeckers and other beetles (Massey and Wygant 1973); and tits on moth larvae (Gibbs 1958, 1959).

Beebe, p. 27–28 (see footnote 4), says that—

"With few exceptions the conclusions of literally hundreds of papers dealing with the impact of avian predators on their insect prey have been that, in many instances, birds act as important components of natural biological regulation of insect population dynamics at endemic . . . levels. In . . . unusual circumstances birds may act together, each species and sometimes each sex in its own specialized way, to be a major cause at the suppression of an insect outbreak . . . the most important role of birds is in the prevention of insect epidemics, rather than their suppression. This important role is probably still underestimated because the vast majority of research has been conducted during insect epidemics in which the sheer numbers of insects simply overwhelm the birds' ability to exert regulatory influence."

Beebe, p. 19 (see footnote 4), also cautioned that findings presented in his extensive literature review "must be qualified by the understanding that our knowledge of the relationships between insectivorous birds and their prey is very limited."

There are instances where birds might have reduced epidemic populations of insects. Woodpeckers seemingly had such an effect on outbreak populations of southern hardwood borers (Solomon 1969, 1970). Knight (1958) and McCambridge and Knight (1972) also reported control of Engelmann spruce beetle by woodpeckers.

Benefits have also been reported from large numbers of birds "drifting into" or aggregating in areas of outbreak during the winter. This phenomenon has been most frequently noted in woodpeckers of various species (Blackford 1955, Koplin 1969, Baldwin 1960) but has also been reported in many other species and groups (Turcek 1949, Blais and Parks 1964, Sloan and Coppel 1968, Coppel and Sloan 1970, Mattson et al. 1968, Dahlsten and Herman 1965). The importance of birds as a biological control mechanism has received more detailed attention in Europe where shorter rotations, intensive forestry, and loss of snag habitats have been evident for much longer than in North America.

The literature reviews by Poznanin (1956), Bruns (1960), Franz (1961), and Herberg (1965) cover this topic. For example, Franz (1961) cites 229 references to support his conclusion that birds, along with insectivorous bats, small mammals, microbials, and predatory insects, help hold insect populations at endemic levels or exert some control at early outbreak stages. Bruns (1960) cites papers reporting that satisfactory control of insect populations by holenesting birds was increased by installing nest boxes (von Berlepsch 1926, Appel and Schwartz 1921, Freiberger 1926–27. Hähnle 1946, Herberg 1965).

The importance that European forest land managers place on insectivorous birds as biological control agents is reflected in the funds expended to provide artificial nesting cavities for these species. In addition to literature already mentioned, Cole (n.d.) noted that installation of boxes is common in Bavarian forests and that some 400,000 boxes have been placed over an area of 140,000 hectares and another 300,000 are planned in Spain (Molina 1971).

Bruns (1960, p. 204) provides an apt conclusion for this section:

"Birds are not a complete remedy. On the balance of opinions and considering recent investigations, the truth may lie neither in the one, nor in the other direction, but in between. I mean to say that, within the community of all animals and plants of the forest, birds form an important factor. The birds generally are not able to break down an insect plague, but their function lies in preventing insect plaques. It is our duty to preserve birds from (sic) aesthetic as well as economic reasons, and to create artificial compensation in the form of nest boxes, where nesting chances are diminished by the forestry work. . . . The wood is still able to defend itself biologically against insect plagues. It is our duty to conserve these biological forces (birds, bats, wood ants, parasites) and to conserve or create a rich and diverse community. By such a prophylactic, carrying out of "hygiene" before a possible outbreak of an insect pest, the forests will be better protected than by any other means. If there should be further insect plagues their effect at least be diminished, so that we will only need to use chemical control in exceptional circumstances."

FOREST BIRDS AND FIRE

Most published work concentrates on responses of gallianceous birds to fire, and the use of fire to produce suitable habitat for nesting, feeding, and hiding for these birds. The pioneering research has been carried out under the auspices of The Cooperative Quail Study Association whose efforts and numerous publications are summarized in the Tall Timbers Research Station (1961). Most notable among these contributions was that of Stoddard (1931) on bobwhite quail. Sharp (1971), Bump et al. (1947), Grange (1948), Vogl (1967), Wheeler (1948), Stoddard (1935, 1961), Doerr et al. (1971), Ligon (1946), and other have discussed the effects of fire on ruffed grouse population.

Responses of non-game birds to wildlife or controlled burning have received considerably less attention. The role that fire may take in the creation of desired wildlife habitat has been discussed by Komarek (1966) and Neel (1967). The generalized theory that fire can be used to open clogged understory, remove rank vegetation, set back plant succession, stimulate plant growth, and improve nutritional status of forage thereby creating the diversity and conditions suitable for desired forms of wildlife was considered by Komarek (1963), Miller (1963), and Stoddard (1963).

Actual studies of the relationships of fire and non-hunted bird species are rare. Marshall (1963) related the difference in the avifauna of a mixed pine-hardwood forest subject to frequent fires to one where fire was excluded. Repeated understory fires had produced park-like forests compared with stunted, tangled stands where fire had been excluded. The birds present in each area reflected these habitat conditions. Species adjusted to open understory and scattered trees were abundant in the burned area, whereas those that preferred a heavy shrub layer and/or crowded woods were more common in the woodland where fire was excluded. Komarek (1969) reviewed the literature concerning fire and animal behavior as well as listing positive reactions of 77 bird species to burning or burned areas. He concluded that many animals are adapted to a fire environment and natural selection has been a major factor in such adaptation.

Bock and Lynch (1970) studied the breeding bird populations on burned and unburned areas in the Sierra Nevada. They found a dramatic difference in numbers of birds classified as "tree foliage-searching," which represented 47.9 percent of the birds in the unburned area and 8.7 percent in the burned area, and the "ground-brush foraging," which amounted to 29.4 percent in the unburned and 60.9 percent in the burned area. The total numbers of birds were virtually the same between treatments, but biomass on the burned plot was markedly greater.

Kilgore (1971) studied the effects on the avifauna of removal of the sapling and brush layer of a giant sequoia forest by various means including controlled burning. Opening the lower layer produced changes in species composition but not in biomass. Understory thickets were apparently less useful than canopy and trunk components for nesting and feeding. Three species of ground nesting and/or feeding birds were eliminated while flycatchers and robins increased in numbers.

Emlen (1970) described bird response to a controlled burn of a 400-hectare block of 20-year-old slash pine in Florida. This fire caused a drastic reduction of ground cover and shrub foliage. The overstory was essentially unchanged. Bird counts were made on the burn and in adjacent unburned stands. The avifauna was expected to reflect changes in the vegetative physiognomy but did not, suggesting that food and shelter resources were not equally disrupted by the fire. The attachment of resident species to established home ranges and foraging territories could have explained the lack of response as the only two species showing measurable reactions were spring migrants to the area.

Mayfield (1960) determined that Kirtland's warbler was the product of a particular sere in jackpine communities that is produced by periodic burning. A concerted management effort is underway by the U.S. Forest Service to maintain the habitat of this rare species through periodic controlled burns.

Lawrence's (1966) work with chaparral fires in the Sierra Nevada foothills indicated that an increase in bird species diversity could be expected following fire due to the increased diversity of the environment caused by reduction of brush and the increases of grass and forbs. Avian predators concentrated in the burned areas to take advantage of the increased vulnerability of rodents.

It seems likely that the avifauna may react similarly to either fire or mechanical techniques that reduce or retard succession. This opinion is based on the premise that most bird species react primarily to the physiognomy of the vegetation (Hilden 1965, MacArthur and MacArthur 1961, MacArthur et al. 1962, Thomas et al. 1974; also see footnote 3).

Fire effects on the total forest ecosystem is discussed by Biswell (1967), Thompson and Smith (1971), and others who point out the role of naturally occurring fires and those set by the aboriginal North Americans in the evolution and development of forests. Essentially, fire exclusion leads to overstocked stands, stagnant stands, cluttered understory, accumulation of organic material at ground level, invasion of fire-susceptible species and loss of diversity in forest plant systems. In addition, the probability of catastrophic fires is increased.

Regarding the avifauna, we suggest that this is neither good nor bad—it merely is. The avifauna changes to include those species best adapted to, and most favored by, a new habitat complex. The thing to recognize is that burning, controlled or wild, will probably add diversity to a forest and cause changes in the avifauna that reflect habitat alterations.

CONCLUSIONS

The coniferous forest moves through successional stages from bare ground to old-growth stands. Each stage in succession is more or less favorable to each bird group in terms of habitat requirements, and therefore, there is a successional pattern in the avifauna reflecting changes in the forest vegetation.

Silvicultural treatments have the general effect of modifying successional patterns to achieve some timber-related objective to speed up succession, to select for certain plant species, to concentrate growth on selected stems, or to harvest valuable commodities. The effects of such silvicultural options are predictable and controllable.

Birds are a natural part of the coniferous forest biome. They evolved with it and influence the system as well as being influenced by it. The effects of birds in the population dynamics of forest insects is one role that we have discussed.

Applied fire management is just coming into its own. Fire can be used for several purposes—but primarily results in alteration of ground cover or successional patterns.

Opportunities for wildlife biologists to attain their forest management goals were never better. Many, if not most foresters are now receptive to reasonable proposals to enhance bird habitats or at least to minimize adverse impacts of silvicultural practices on the habitats. However, biologists must provide factual, professional, and realistic leadership in planning and implementing land management policies and programs if habitat diversity and attendant bird species diversity are to be maintained.

Fnally, land managers who can't see the ecosystem for the trees are in for hard times because effects of silvicultural practices reach far beyond the care and feeding of trees. Their work will be judged not only in terms of meeting timber production goals, but in how well their management decisions protect and enhance all components of forest ecosystems including the forest-dwelling birds.

As is often the case, Aldo Leopold (1962, p. 68) said it best:

"I have read many definitions of what is a conservationist and written not a few myself, but I suspect that the best one is written not with a pen but with an axe. It is a matter of what a man thinks about while chopping, or while deciding what to chop. A conservationist is one who is humbly aware that with each stroke he is writing his signature on the face of the land. Signatures of course, differ; whether written with axe or pen, and this is as it should be."

FOOTNOTES

[1] Paper presented at The Symposium on Management of Forest and Range Habitats for Non-game Birds, Tucson, Arizona, May 6–9, 1975.

[2] Principal Research Wildlife Biologist, USDA Forest Service, Pacific Northwest Forest and Range Experiment Station, La Grande, Oregon.

Principal Plant Ecologist, USDA Forest Service, Pacific Northwest Forest and Range Experiment Station, Olympia, Washington.

Wildlife Biologist, USDA Forest Service, Region 1, Missoula, Montana.

Biological Technician, USDA Forest Service, Pacific Northwest Forest and Range Experiment Station, La Grande, Oregon.

[3] Jack Ward Thomas. The determination of habitat requirements for birds in suburban areas—a pilot study. Ph. D. dissertation, University of Massachusetts, Amherst. 237 p., 1973.

[4] S. B. Beebe. Relationships between insectivorous hole-nesting birds and forest management. Yale University School of Forestry and Environmental Studies, New Haven, Conn. 49 p., multilithed, 1974.

[5] S. Jackman. Some characteristics of cavity nesters: can we ever leave enough snags? Oregon Cooperative Wildlife Research Unit, Oregon State University, Corvallis. 10 p., multilithed, 1974.

THE DANGER OF MILITARY UNIONIZATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. CRANE. Mr. Speaker, at the present time, the American Federation of Government Employees is discussing the unionization of the more than 2 million members of the U.S. military forces.

Before such a step is permitted, we must carefully consider the real meaning of unionizing the military. Such an unprecedented action would make the Armed Forces of the United States subject not only to the wishes of the Commander in Chief and of the Congress, but also of union bosses who are not elected by the American people and not responsible to them.

Writing in the Retired Officer, Col. Minter L. Wilson, Jr., USA (retired) notes that—

> Military Unions not only are unnecessary but could be disastrous to discipline and loyalty—two qualities without which every military unit might just as well retire from the fray.

Similarly, the Indianapolis News editorialized that—

> It wasn't too long ago that the notion of a unionized Army belonged in the realm of fantasy. As a matter of fact it still belongs there, but unless our lawmakers begin to show more courage and common sense than they have in the past, it may become a reality.

One of the most important statements yet made on this subject has been by Adm. John S. McCain, Jr., USN-retired, Commander in Chief, Pacific, from 1968 to just prior to his retirement in November 1972.

Admiral McCain notes that—

> The nation has seen first hand over the past few years the damage that can be done to a community and its people when policemen, firemen, teachers and other unionized public sector employees strike against the taxpayer. In most cases these strikes have been of an illegal nature . . . but labor law, so they continue to shut down the cities. . . .

With regard to the military, Admiral McCain declares that—

> Historically our military has been run by the President, the service secretaries and the Department of Defense and the Congress . . . As a life long military man . . . I cannot see how a union boss, especially as most of them are not career military, could hope to untangle the problems which face military people. A union boss would have a detrimental effect of the highest order on the necessary discipline which faces military people.

Admiral McCain concludes that—

> The unionization of our armed forces would complicate the defense of this nation to the point where it would lead to defeat of our way of life.

I want to share with my colleagues the important statement concerning military unionization by Adm. John S. McCain, Jr. which appeared in the March 1976 issue of Forewarned, published by the Public Service Research Council, and insert it into the RECORD at this time.

MILITARY UNIONIZATION "WOULD LEAD TO DEFEAT OF OUR WAY OF LIFE"

(By Adm. John S. McCain, Jr., USN, retired)

During my 45 years of service in the United States Navy you can bet that I have heard many—thousands even—ideas and propositions that could be called silly. But the most ridiculous and dangerous idea to come along in all my years is the proposal by the American Federation of Government Employees and the National Maritime Union to "unionize" our nation's military services.

The nation has seen first hand over the past few years the damage that can be done to a community and its people when policemen, firemen, teachers and other unionized public sector employees strike against the taxpayer. In most cases these strikes have been of an illegal nature—meaning that the strikes, sick-outs, etc., were against the law of the state or the locality. But labor union bosses believe that they are outside the law, so they continue to shut down the cities, and keep the children from learning as during the recent two month strike by Pittsburgh teachers.

During the fireman's strike in Kansas City, Missouri, late last year, firefighters from surrounding communities would not cross the so-called "picket lines" of the striking Kansas City firemen. The situation became so dangerous to the citizens that the National Guard was called in to help quell the raging fires throughout that city. If the military is unionized this would also mean the National Guard. Would they, under unionization, eschew as firemen in areas surrounding Kansas City, the moral law of helping a neighbor, and not cross thee so-called "picket lines"? The American people must be alert to the strength and power of these unions. Many Members of Congress are, I am sorry to say, beholden to union treasuries and personnel for campaign assistance. We could wake up one morning and find that legislation to empower the "unionization" of our armed forces men and women had passed Congress in the late hour before. Stranger things have happened in those hallowed halls.

Throughout the history of our great nation we have been able to maintain a nonpolitical military cadre of officers and men. This is not, as all Americans know, the same in the case of our nation's unions. They are, and have become, great social and political forces in our nation. Their leaders constantly proclaim their political clout on the national and local levels. Does our nation want and need a politicized military? The answer is a resounding NO.

The National Maritime Union claims in dangerous innocence that it is "reasonable" that armed forces members have union representation. They say that service people have grievances and economic problems that only a union, in its eminence, could arbitrate. They also feel that the military forces should and must have collective bargaining to get a "fair shake" on benefits. Yes, the unions vying for control of the military of our nation and the millions of dollars in dues money, believe that they could better run the military establishment of * * *

The American people might be in a quandary thinking that our military is underpaid, and underprivileged, if they were to listen to the bleating of the union bosses. However, the Senate Appropriations Committee studied the pay and fringe scales of our military late last year and reported that such pay had more than doubled in the past decade. And, for the edification of these selfsame union bosses, and especially those bosses of government unions, the Senate study says that the military personnel are better paid than their civilian counterparts who work for the federal government. Men and women who, in most instances, are members of the AFGE or other public sector government unions.

For two centuries dedicated men and women have served our nation and fought for our hard earned freedoms—which include the freedom of these unions to make such silly proposals. The good Lord only knows how many of these men and women have given their lives in pursuit of retaining these freedoms. They were not nine-to-five sailors and soldiers. And they were led by dedicated officers and non-commissioned officers, men and women devoted and trained to the defense of our nation—highly honed and with those qualities of leadership and dedication which come only from high discipline.

Historically our military has been run by the President, the service secretaries and the Department of Defense and the Congress of the United States. Such as pay, benefits, etc., have been handled in the Congress, with the approval of the President, it has worked over the years to the benefit of those millions of men and women in our armed forces. Their grievances are handled within the chain of command, as they should be, but often grievances reach Members of Congress. This is all as it should be.

As a life-long military man, and more lately a Commander responsible for the lives and well-being of hundreds of thousands of our nation's finest young people, I cannot see how a union boss, especially as most of them are not career military, could hope to untangle the problems which face military people. A union boss would have a detrimental effect of the highest order on the necessary discipline which faces military people. The unionization of our armed forces would complicate the defense of this nation to the point where it would lead to defeat of our way of life.

The estimable President of the AFL–CIO, Mr. George Meany, has for many, many years been one of our nation's staunchest advocates of a strong defense posture. He knows that our nation cannot lower our defenses for there are forces in the world waiting in the wings for such to occur, and then they would jump upon us. Mr. Meany knows, probably more than many of the union bosses below him, that the military needs so much higher discipline than, say, teachers, or garbagemen, or even police and firemen. He also is cognizant of those within the labor movement, which he so ably leads, whose aim is to weaken our nation.

Mr. Meany should and must speak out publicly against these proposals to unionize the military forces of the United States. If he does not, it could be too late.

BAN ON DISPOSING OF OUT-OF-STATE WASTE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. FLORIO. Mr. Speaker, for many years the State of New Jersey has been a depository for vast quantities of solid waste materials from adjoining States. Recently, New Jersey has taken action by instituting a ban on the disposing of out-of-State waste to halt the proliferation of landfills.

New Jersey's commissioner of environmental protection, David J. Bardin, addressed this topic before the Congressional Symposium on Resource Conservation and Recovery. His remarks are informative and timely, and although he addresses the problems in New Jersey, the essence of his statement is not parochial in nature.

Therefore, I wish to present his comments to my colleagues:

STATEMENT OF DAVID J. BARDIN, N.J. COMMISSIONER OF ENVIRONMENTAL PROTECTION

The prevailing popular view of garbage has been that it is a useless liability, to be disposed of as quickly and cheaply as possible—by somebody else.

There are opportunities in source reduction, recycling and resource recovery to more fully utilize municipal and industrial solid wastes rather than merely throwing them out. Significant steps can be taken today if balanced by a modest new federal effort that encourages the substantial private investment needed.

The American yearning for frugality in government, society and economy, the Puritan abhorance of profligacy speak for a society that wastes less and reclaims more. As a nation that respects those who search after a better mousetrap, our tradition respects the ingenious recycling of materials within the plant gate by so many industries. Our society anticipates comparable innovation in handling the public's solid waste stream.

Each day New Jersey generates and concurrently must dispose 35 million pounds of solid waste. If gathered together in one place, this daily allotment would completely cover a football field with a blanket of solid waste 60 feet thick. In terms of energy recovery, this waste contains the energy equivalent of 47 thousand tons of coal, 910 thousand gallons of fuel oil or 134 million cubic feet of natural gas. Additionally, in terms of recoverable resources, this waste contains: 1200 tons of ferrous metal, 1400 tons of glass, 120 tons of aluminum, 15 tons of copper, 8 tons of zinc and 1½ tons of lead. The wastes with which we are crowding out our lands contain a good percentage of useable material. We should begin to cut this waste and mine this resource. We should clearly recognize that garbage could be an asset.

Garbage also offers other potential energy savings. Production of steel from scrap uses less than one-fourth of the energy needed for processing virgin iron ore. Similarly, the resmelting of aluminum takes only 10 to 20 percent of the energy used for producing aluminum from bauxite; copper offers similar savings. In fact, estimates in the Ford Foundation's Energy Conservation Papers show that recovery of a reasonable fraction (65–85 percent) of just these three metals from the garbage of cities alone would decrease overall industrial use of energy by about two percent.

Other wastes offer even more substantial energy possibilities. Agricultural and plant wastes (crop wastes, manure and waste wood), even if only 50 percent recovered, would supply 10 percent of our total enery needs. Recovery might be through burning or by conversion to animal feed.

Notwithstanding the overall logic of such solid waste management programs, we unfortunately move in this direction at a snail's pace. Only minimal investments have been made. The climate is too uncertain. Local government on its own or even in conjunction with state government can not accomplish clear decisions that will unlock the resource. The federal government can, if it will overturn its policy of inaction.

Federal, legal and institutional constraints, as well as long-established and outdated policies, continue to favor the needless waste of mineral resources and fuels, often through the incentives and subsidies for developing the use of virgin materials.

To date there have been only a few projects sponsored by the Environmental Protection Agency and others to consider new ways of using garbage. The number of such projects and the amount of money made available by the federal government for actual resource recovery has been insufficient.

Turning garbage into an asset is a program that will make good common sense to the American people. The goal of conserving resources is deeply engrained in the American tradition. In fact, it is no overstatement to point out that, on this issue, much of the public is already far ahead of its national leaders. A federal program which includes both monies to the state for resource recovery planning and development, as well as incentives for the use of recycled materials, is vital and long overdue.

Faced with the lack of real alternatives to landfills, yet realizing the urgent need to somehow reduce the volume of solid waste being disposed in its lands, New Jersey, in January 1974, enacted a ban on out-of-state waste. The legality of this statute has been challenged and sustained by the highest State Court. The case is now before the United States Supreme Court, which has agreed to hear an appeal filed by the City of Philadelphia. The effective date of the ban has been stayed at each level of the court litigation. New Jersey has never opposed and does not oppose Congressional action seeking regional solutions to solid waste disposal problems, including interstate solutions. Absent such legislation, we strenuously oppose the notion that the Commerce Clause of the United States Constitution obliges any state to open its land to use as a dumping ground to be filled with another state's solid waste. It is particularly ironic to hear that notion pressed by a subdivision of Pennsylvania whose adjacent counties exclude out-of-county waste by exercise of their police powers.

The purpose and intent of this prohibition of the importation into New Jersey of solid and liquid waste generated outside the state is to protect the inhabitants and vital resources of New Jersey. Prior to the enactment of the ban, records of the New Jersey Department of Environmental Protection (DEP) revealed that 1.5 million tons per year of out-of-state solid waste was being buried in New Jersey landfills, 0.85 million tons per year originated in Pennsylvania and 0.65 million tons per year originated in New York. More recent records of the Department of Environmental Protection indicate that in calendar year 1974 the amount of out-of-state solid waste buried in New Jersey landfills has increases to 2.4 million tons, 1.7 tons of which originated in Pennsylvania.

Viewed from the perspective of final deposition, 2.4 million tons of solid waste deposited to a depth of 20 feet in a landfill operated in compliance with the regulations of the New Jersey Department of Environmental Protection would occupy an area in excess of 185 acres. This rate of deposition, if continued, represents the depletion of 1 square mile of landfill area in less than 3½ years.

Sanitary landfills are at best a necessary evil. Virtually all sanitary landfills in New Jersey can be expected to produce leachate, a noxious and highly polluted liquid which is seldom visible but frequently pollutes our ground and surface waters. It was once believed that solid waste could be used for land reclamation but examination of terminated landfills reveal that their use for building purposes is not desirable due to the high cost of required pilings and gas accumulation prevention measures. The environmental insults resulting from sanitary landfills demand that the number, size and height of landfills be held to a minimum until such time as viable alternative methods are developed and implemented.

It is important to note that New Jersey would not absolutely prohibit waste originating outside of New Jersey from being brought into the state. In effect, the ban applies only to that solid and liquid waste which is destined for disposal by burial in sanitary landfills. Waste destined for resource recovery facilities is exempted from the ban provided that not less than 70 percent of the throughput of the facility is recovered.

The ban is, in effect, a double edged sword which diminishes the magnitude of landfill disposal in New Jersey, and provides the jolt to induce private enterprise to provide facilities to properly process imported wastes and thus conserve natural resources through resource recovery.

Of course the ban, even if implemented, is not a solution. The solution lies in definitive statewide solid waste management planning.

New Jersey's new P.L. 1975 c326 (S624) creates the mechanism for a comprehensive statewide solid waste management program based on the activities of designated solid waste management districts. This law permits the development of solid waste plans which will help meet one of New Jersey's most serious environmental problems.

All that remains before this legislation becomes effective is the enactment of the necessary appropriations act to provide funds for the administration of this act.

MINORITIES AND WOMEN JOIN IN CHALLENGING CPB HIRING POLICY THAT BARS BLACKS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. CLAY. Mr. Speaker, on March 17, 1976, a Washington representative of the NAACP, Yvonne Price, joined by other black groups and women's organizations, protested what she perceived to be a lack of commitment by the Corporation for Public Broadcasting to eliminate discrimination in employment opportunities at the quasi-public agency, supported, in part, by millions of Federal dollars. I would like to insert, for the benefit of my colleagues, the major points of her speech.

The CPB plan for integrating minorities and women into the total structure of CPB was not begun until May 1975, 5 years after the Corporation was created. What is drawing heat from minority and women's groups is the Corporation's failure to include blacks and other minorities in the policymaking levels of CPB's executive structure.

Ms. Price, using the Corporation's own statistical reports, reminded the CPB board that figures for minorities and women in the high-paying category 3 jobs at CPB were down 8 percent in December 1975, as compared with December 1974. Moreover, Ms. Price protested:

> Of eight Category 3 jobs filled in 1975, none was filled by minorities; moreover, of the 56 total job openings in 1975, only 18 were filled by minorities, and 12 of these positions were in Category 1—which includes secretarial and clerical positions.

The one category 3 position held by a minority at CPB was filled until January 1976, by William Powell, a black male who resigned from a job as special assistant to the president in charge of minority affairs, a position that does not confer on its holder line authority or responsibility.

Ms. Price took CPB to task for restrictive language in its affirmative action progress report which says:

> CPB management should develop a specific recruitment plan for identifying and securing female applicants for Category 3 positions both from within and outside CPB.

While agreeing with the goal of elevating women to positions of responsibility, Ms. Price protested that—

> Nowhere is there mentioned that CPB management should also develop a specific recruitment plan for identifying and securing minority applicants for Category 3 positions.

CPB's apparent attempt to move women into top slots has resulted in the appointment within 3 months of a white female vice president for public affairs and another white female, Marcia Wood, as director of a newly created office of human resource development. Minority groups close to the Corporation did not let out a howl when Adele Greene got the public affairs job principally because their hopes were raised that a minority person would be installed in the human resource development job.

Asserted Ms. Price:

> I must be candid, "I had hoped that this newly created Category 3 position would have been filled by a minority person. This is based upon the promise that CPB is in the business of broadcasting, and broadcasting to a great extent is concerned with image-making. Images are not exclusively a product of television or radio. Images are also projected by people in authority roles.
>
> By not appointing a qualified minority person as the director of its department of human resources development, CPB missed an opportunity to create a favorable image of itself as an equal employment opportunity employer just weeks prior to Congressional oversight hearings which will investigate the

employment practices of "public" broadcasting. . . ."

Backing up Ms. Price was Pluria Marshall, national chairman of the National Black Media Coalition, based in Washington. Marshall chose to focus on what he viewed as the Corporation's cold-eyed effort to pit minorities against women for the top jobs. He openly told the CPB board that he felt he had been lied to by CPB president, Henry Loomis, who hotly denied that he had, as Mr. Marshall asserted, all but promised the human resource development job to a minority when black groups opted not to protect CPB's decision to bypass dozens of qualified black candidates for the public affairs slot which went to another white woman.

But Cathy Irwin, a Washington representative of the National Organization for Women, promised the CPB board that such a ploy, if intended, would not succeed.

Ms. Irwin vowed:

> Neither NOW nor the women's movement will be manipulated into a position where women will be used to fight minorities over crumbs.

All of the principals in the protest of CPB hiring policy also represent their respective organizations on the Advisory Council of National Organizations to the Corporation for Public Broadcasting. However, all spoke for their individual constituencies when they appeared in March before the CPB board of directors.

Ms. Price left the board with the definite impression that she expects three other top level positions at the corporation to be filled by minorities, male or female. She referred to the positions of director of planning and administration; director of contract administration, and senior program affairs officer for TV acactivities.

FOREIGNERS PROTEST LIMITS ON TRADE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. FINDLEY. Mr. Speaker, I am attaching an article from the April issue of the Farm Journal on the reaction of other producing countries to the recent export embargo against the Soviet Union and Poland. The embargo cost the American farmer export sales. It increased sales for export by farmers in other nations of the free world, but it hurt the producers of wheat in all countries by lowering the world price of wheat. The embargo was good for Russia. The Russians were able to buy their wheat at the lower price.

Holland and Denmark were the victims. For the last 3 months of 1975, farm prices for cereal grains fell 15½ percent while consumer prices for cereals and bakery products eased off only 2½ percent. The winner of the embargo was the Russian consumer who received more wheat—all that they wanted—at a lower price. The losers were the free world farmer, the merchant who sells to the farmer, and the laboring man who produces for the farmer.

The article from the Farm Journal follows:

Foreigners Protest Limits on Trade

Wheat growers from Canada, France, Australia, Belgium, Holland and Denmark met recently with American wheat growers.

"The U.S. embargo on grain doubled our wheat sales to Russia," Leslie Price of Australia told a group of state wheat association presidents. "It allowed us to sell more wheat, but it forced prices down more than $1 a bushel because the world price for wheat is really set in the U.S."

Other foreign growers expressed concern with embargoes and the moratorium. "We ought to give your President Ford a plaque for helping the Canadian farmer sell more wheat," said Clarence Taylor. Regina, Sask., of the Palliser Wheat Growers Association. "The moratorium on sales hurt growers all over the world."

There is no international wheat growers association, but increasing numbers of foreign producers have been attending the National Association of Wheat Growers (NAWG) annual meeting. This year there were 11 from Canada, 9 from France and other representatives from Australia, Belgium, Holland and Denmark. Ray Davis, NAWG trade representative and past president, got them together to discuss mutual interests.

Their most common problem? Government interference with markets. That may sound like a paradox since most foreign growers enjoy one form of price protection or another.

The Russian Grains Agreement drew first fire from Herman DeLong of Holland, a representative of the European Economic Community (EEC). "We are very concerned about long-term agreements like those between the U.S. and Russia, and the agreements Canada has with the People's Republic of China and with South American and African countries," he said. "There are now agreements with about 20 different countries and they have a very depressing effect on the market."

Australia's Leslie Price agreed. "These agreements take the fire and the competitiveness out of the market and our producers don't like it."

Growers from all countries concurred in opposition to wheat reserves. Some of the Europeans suggested there was more politics than serious business in Secretary of State Henry Kissinger's proposal for a world food grain reserve.

There is a strong feeling among foreign producers for an international grains agreement with floor prices. "I don't think our producers would buy that," said Davis.

PRESIDENT OF SPEIDEL NEWSPAPERS LOOKS AT THE "FUTURE OF AMERICA AND ITS PRESS"

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. SANTINI. Mr. Speaker, the President of the Speidel Newspaper chain made some penetrating comments last week before the Region 11 Conference of Sigma Delta Chi in Sparks, Nev.

Mr. Rollan D. Melton, a native of Nevada, provided a somewhat gloomy assessment of the future, but challenged the student journalists to respond to the pressing needs. He ended on an optimistic note, placing a heavy emphasis and responsiblity on the younger generation and the role of newspapers.

I would like to share Mr. Melton's thoughts with my colleagues and ask that his remarks be reprinted in the Record:

The Press: Grim Future in Grim World? An Address

(By Rollan D. Melton)

Editor's Note.—Rollan D. Melton, president of Speidel Newspapers Inc., with which the Nevada State Journal and Reno Evening Gazette are associated, offered this commentary Saturday at a professional journalists' meeting at the Sparks Nugget. He specifically addressed journalism students attending the meeting from universities in Arizona, California, Nevada and Hawaii.

I offer you my thoughts on three subjects that increasingly will become paramount in your journalism lifetimes.

The subjects are:

The future of America.

The basic hopes, fears, weaknesses, strengths and needs of people.

The future of this country's weekly and daily newspapers.

I am a newspaperman and because I am, I am filled with questions and doubts.

Take the future of this country, for instance.

Here's what I see:

Growing crime. Now we are a nation infiltrated by thieves, con artists, liars, rapists, and killers. It used to be that dark alleys were unsafe. Now danger visits homes, parks, public streets in daylight hours. Crime will worsen.

Drugs. We are a nation possessing a heavy population of potheads, dopers, far-out crazies. Take a drug census in 1980, in 1990 and 2001 and you'll find the drug problem no longer just grave. By then it will be awful.

Illiteracy. How much clearer to put it than to say illiteracy is an epidemic. In your lifetimes, it will grow to a scandal. A nation that cannot read cannot abort its decline.

Educational system. I'm sorry to report that America's school system is still somewhat on vacation. It is partially to blame for illiteracy. Discipline in grammar schools and high schools is a mockery. Teachers have two basic fears: That they won't get a bigger paycheck and that the students will beat the hell out of them. There are a great number of fine teachers in America. My worry is that the future will bring an onerous number of lousy educators.

Public leadership. Well, you read the newspapers and you know what I am about to say. We have too heavy a population of politicians who are inept, stupid, self-serving, fumbling, and worst of all, immoral. They operate at all levels of government and in villages, towns, cities, counties, states and in Washington, D.C.

Foul air. Pollution, any way you slice it, endangers our lives. Within the next 25 years, a large percentage of the students in this room will be parents. We hope your children have blue skies to see and cleaner air to breathe than you're now seeing and breathing. But don't count on it.

Food. As of a week ago Sunday, there were 4 billion people on our planet. By the year 2000, there will be nearly 7 billion folks staking a claim on earth. All of us now have one basic need. But forecasters doubt there'll be enough food to go around then. Hell, there isn't even enough food for everyone living today. So in 2000, the global starving are apt to stake a claim on the richest agricultural country in the world: Your country.

Family disintegration. This is the largest worry of all. The percentage of happy homes is dropping. It's no picnic to grow up in a broken home, as some of you can confirm. Divorce is a way of life in your country. Family love isn't what it used to be. When parents fail to love their children, teach their children by good example, fail to discipline their children promptly and wisely and fail to instill moral good in their children, what do you have? Increasingly in your lifetime, the little children will grow into beasts who are clods, illiterates, dopers, killers and perhaps worst of all—parents themselves. Parents who will multiply new generations of their illfated kind.

Now to the second subject. The basic want-list of most people includes these things:

A need for recognition. Knowing that you amount to something.

A craving for affection. I don't know anybody who will deny that love is a very nice quality.

Creature comforts. Food, preferably eaten on a regular and wholesome basis; clothing, either Levis or the fanciest threads your pocketbook will allow; a home; and enough money to make the aforementioned possible.

You are aware by now that I am the worst pessimist you ever laid eyes or ears on. Right? Wrong!

Which brings me to the last subject: The future of newspapers in your cities and in your country.

It's a terribly exciting and challenging future.

It's loaded with an unbelievable abundance of opportunity for each of you.

Newspapers aren't doomed. They are the wave of the future.

Readers rely on us. They will rely on us more and more in the future.

Why? Because knowledge is power and newspapers bring knowledge.

Why? Because problems have to be detected and then they have to be solved. Who is going to lead the way in the future? Newspapers.

Who is best equipped to tell people of crime and recommend and demand solutions?

Who can generate a frontal attack on drugs?

Who best can warn of the dangers of illiteracy?

Who can find the immoral politician—before he is elected?

Which medium will report the dangers of dirty air, of dirty men, of dirty tricks—and do something about those dangers?

Who, pray tell me, will inform this part of our planet of the dangers of global starvation?

Who can help bring man better schools, better teachers, better cities, better life and better hope?

Who can best tell people about what their neighbors are up to? Who did what to whom and when? And why?

Well, who?

Will billboards do all this? Radio? Television? Shoppers? Direct mail? Door-to-door messengers?

Newspapers will do all this. They do it best.

Newspapers are here to stay.

Weeklies and dailies have never had a brighter, more exciting role. They have never had more challenges.

Who are these weeklies and these dailies?

They are people in production, in circulation, in business, in advertising.

Wars aren't won without the infantry.

Great newspapers can't exist without great reporters.

Great newspapers can't exist without great administrative leaders.

Newspapers must exercise their power more intelligently in the future; they must expand their span of influence. They must learn to better detect needs of readers and serve the needs.

They must lead better. And lead more often.

They must stay profitable.

What does all this really mean to you?

Well, those of you who have elected newspaper careers are THE newspapers of the future.

Those older ones of us are going to fade from the scene:

We will quit, be fired, retired or die.

You will replace us.

You've got your work cut out for you because your responsibility is large and your goals formidable.

Are you up to it?

Yes, you are.

SOLZHENITSYN HAILED BY FORD, DENIED HONORARY CITIZENSHIP BY STATE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 9, 1976

Mr. McDONALD of Georgia. Mr. Speaker, twice the U.S. Senate has passed a joint resolution granting Aleksandr Solzhenitsyn honorary U.S. citizenship. However, each time no activity has occurred in the House on this legislation. Why? One reason may be the rather strange report on the legislation given by the Department of State on the most recent Solzhenitsyn resolution, Senate Joint Resolution 36, to the House Committee on the Judiciary dated July 7, 1975. I, for one, do not understand the lack of activity of the House Committee on the Judiciary. Mr. John Lofton, a syndicated columnist, has written a column for United Features, dated March 31, 1976, describing his feelings on the issue which I find very worthy of note. Therefore, I commend it to the attention of my colleagues in the House. The column follows:

SOLZHENITSYN HAILED BY FORD, DENIED CITIZENSHIP BY STATE

(By John D. Lofton, Jr.)

WASHINGTON.—When President Ford refused to see exiled Soviet author Aleksandr Solzhenitsyn last summer, he, quite deservedly, caught hell from all directions—from liberals and conservatives alike.

White House press secretary Ron Nessen originally said the President was simply too busy to see Solzhenitsyn, adding that furthermore Mr. Ford "for image reasons does like to have some substance in his meetings." This pathetic excuse however was quickly blown down by gales of laughter when it was asked, if this was true, then why had the President, in the past, met and posed for pictures with such "heavy thinkers" as: Brazilian soccer star Pele; Miss America, 1975; the Maid of Cotton; the West Virginia Strawberry Queen; and three Russian pilots who had made the first transpolar flight to the U.S. in 1937.

Subsequently, the real reason for President Ford's refusal to see Solzhenitsyn was revealed: Henry Kissinger had recommended against it. In the words of one of the Secretary of State's aides, such a get-together "would offend the Soviets", lending weight to Solzhenitsyn's political views rather than his literary talent. Looking back on the flap, President Ford has said that things could have been handled "a bit tidier," that "it probably would have been right" to see Solzhenitsyn.

Fine. We all make mistakes. But Mr. Ford and his Administration are involved in another Solzhenitsyn flap, this one almost as messy as the first one.

Newsweek magazine reports that "to make amends" with conservatives upset over his snub of Solzhenitsyn, the President has sent "a warm personal telegram" to the Freedoms Foundation in Valley Forge, Pa., saluting this patriotic group for awarding the exiled Soviet dissident its highest award, the American Friendship Medal. Mr. Ford says in his wire that he is "delighted" with the Foundation's decision that it further enhances the group's "outstanding reputation for the support and encouragement of ideals and values that are cherished by all Americans."

Now, it just so happens that there are other individuals who also wish to honor Alexander Solzhenitsyn and they have sought to do so by making him an honorary American citizen. One of these persons is Sen. Jesse Helms, R-N.C., who introduced a resolution to this effect. It passed the Senate on a voice vote last year.

In the House, Rep. Larry McDonald, D-Ga., introduced a similar resolution, but it has been bottled up one year this month in Rep. Peter Rodino's, D-N.J., Subcommittee on Immigration, Citizenship and International Law. The reason for the delay? According to Subcommittee members Joshua Eilberg, D-Pa., who chairs this unit, and Rep. Bill Cohen (R-Me.), it's because Mr. Ford's State Department has gone on record opposing the measure.

So, why does the State Department oppose Solzhenitsyn being made an honorary citizen? Well, it's embarrassing to quote the reasons. In a letter to Rep. Rodino last July, the Department's Assistant Secretary for Congressional Relations, Robert McCloskey, says the resolution is "quite unique and extraordinary," noting that only Winston Churchill and the Marquis de Lafayette have been granted honorary citizenship. Both of these men, he notes, were strongly committed to the U.S. and the principles for which it stands. But not so with Solzhenitsyn. McCloskey continues:

"Clearly, Churchill and Lafayette possessed such a conscious commitment to aid and affect America's sovereign destiny. There is no evidence, however, that Solzhenitsyn, albeit an eloquent and courageous international personality, has made such a contribution or commitment or even desires to do so. In fact, there is some indication (not stated in this letter—J.L.) that his rebellion against despotism does not embody an endorsement of the American way of life." Therefore, McCloskey concludes, Solzhenitsyn "should not be declared an honorary citizen of the United States of America."

The mind boggles. What to say? How to respond to these slanderous lies? In his two major addresses sponsored by the AFL–CIO last year, Solzhenitsyn repeatedly praised this country. For example, in his Washington, D.C. talk he declared: "The United States of America has long shown itself to be the most magnanimous, the most generous country in the world." Perhaps Mr. McCloskey doesn't know this because State Department employes are not allowed to read Solzhenitsyn speeches lest this might "offend the Soviets."

But what about Americans! When is our government going to start worrying about what offends our citizens, disgraceful and disgusting things like Robert McCloskey's letter. Does President Ford know about this correspondence? The White House says it doesn't know; McCloskey says he doesn't know.

Well, somebody should tell the President. And Mr. Ford should personally intervene and throw the full prestige of his office behind the effort to make Alexandr Solzhenitsyn an honorary citizen. This would make not only conservatives happy, but all those who love and cherish freedom.

SENATE—*Monday, April 12, 1976*

The Senate met at 12 o'clock meridian and was called to order by Hon. Adlai E. Stevenson, a Senator from the State of Illinois.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, may the reverent memories of this Holy Week lead us in humility to that cross which once loomed on a skull-shaped hill, intersecting all history, and lifting man's hope of salvation and new life. Show us again the eternal truth that without the giving of life there is no redemption nor human progress. Bring to us the crucifying hope—dying to live, giving of self to find self, loving life to find it again. Help us to worship as we work and at the end of the week bring us in faith to the passover of gladness and the resurrection morning.

We pray in the name of Him who is the Resurrection and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 12, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Adlai E. Stevenson, a Senator from the State of Illinois, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. STEVENSON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, April 9, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar under rule VIII be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Armed Services, the Committee on Commerce, the Committee on Foreign Relations, the Committee on Interior and Insular Affairs, the Committee on Government Operations, the Committee on Labor and Public Welfare, and the Select Committee To Study Governmental Operations With Respect to Intelligence Activities be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. I ask unanimous consent that all other committees be authorized to meet until 1 p.m. or the end of morning business, whichever occurs later.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar under "New Reports."

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL TRANSPORTATION SAFETY BOARD

The second assistant legislative clerk read the nomination of Philip Allison Hogue, of Virginia, to be a member of the National Transportation Safety Board.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. MANSFIELD. Mr. President, the distinguished Senator from Kentucky (Mr. Ford) is absent today because of an illness in his family. I ask unanimous consent that Jim Fleming, of his staff, be allowed the privilege of the floor throughout the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10:30 a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS FOR 5-MINUTE SPEECHES ON TAX REFORM TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the two leaders have been recognized tomorrow, and after the recognition of the Senator from Vermont (Mr. Leahy), the following Senators be recognized for a series of speeches on tax reform, each with a 5-minute limitation: Senators Kennedy, Hollings, Humphrey, Muskie, Haskell, Hathaway, Clark, Bumpers, Bayh, McGovern, Church, Proxmire, Cranston, Glenn, Gary Hart, Philip A. Hart, Metcalf, Jackson, and Biden.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE TITLING OF LEGISLATIVE PROPOSALS

Mr. GRIFFIN. Mr. President, on an earlier occasion I called attention to a bill on the Calendar, item No. 707, S. 1624, which is entitled "A bill to promote the free flow of commerce among the several States, and for other purposes."

I then expressed my concern that too many bills, it seems to me, are labeled or entitled with words that convey no meaning, or convey, in some instances, distorted meanings as to what the bill actually is intended to do.

In this particular instance, after looking at the title of the bill, "to promote the free flow of commerce among the several States, and for other purposes," when one reads its text, the very first line of the first section states as follows:

> Congress finds that the free flow of commerce in wine among the several States is materially restrained, impaired—

And so forth. This is a bill, it turns out upon examination, to affect the imposition by States of taxes on wine. This, of course, is a legitimate purpose of the sponsor; but my concern, and the reason I mention it again, is that anyone who looks at the Senate calendar would have no idea whatsoever what this bill is about, nor would they be given any notice of any kind about the purpose, intent, or effect of the bill.

AMENDMENT NO. 1594

(Ordered to be printed and to lie on the table.)

Mr. President, I am today submitting an amendment proposing to amend the title of this particular bill to make it read, "A bill to promote the free flow of commerce in wine among the several States, and for other purposes."

Those who are interested in this particular legislation, the junior Senator from Michigan being one of them, might direct their attention to the 21st amendment to the Constitution, which specifically reserves to the several States broad powers concerning the flow and importation of intoxicating liquors. While under the commerce clause there are certain provisions and rights insuring that commerce shall flow freely with respect to other articles and other items, it should be noted that the 21st amendment to the Constitution is a modification of what otherwise might be the general constitutional rule under the commerce clause.

The ACTING PRESIDENT pro tempore. The amendment will be received and printed and will lie on the table.

Mr. GRIFFIN. I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1594

Amend the title so as to read: "To promote the free flow of commerce in wine among the several States, and for other purposes".

Mr. GRIFFIN. Mr. President, I also ask unanimous consent that S. 1624 and the text of the 21st Amendment to the U.S. Constitution be printed in the RECORD.

There being no objection, the bill and the amendment were ordered printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Congress finds that the free flow of commerce in wine among the several States is materially restrained, impaired, and obstructed by the imposition by one State of taxes, regulations, prohibitions, and requirements which discriminate against wine produced outside the State.

(b) Congress declares that, in the exercise of the power to regulate commerce among the several States granted to it by Article I, section 8, clause 3 of the United States Constitution, its purpose and intent in enacting this Act is to eliminate the obstructions to the free flow of commerce in wine among the several States resulting from acts of the States which impose discriminatory and unreasonable burdens upon such commerce.

SEC. 2. (a) Wherever the law of any State permits the transportation or importation of wine into that State, such State may not impose with respect to any wine produced outside the State, or from materials originating outside the State, any tax, regulation, prohibition, or requirement which is not equally applicable with respect to wine of the same class (1) produced in, or from materials originating in, the State imposing such tax, regulation, prohibition, or requirement, or (2) produced outside the State, or produced from products produced outside the State.

(b) A State which permits the sale of wine within the State shall permit the transportation or importation of wine of the same class produced outside the State, or from materials originating outside the State, into such State for sale therein upon terms and conditions equally applicable to all wine of the same class sold in the State.

SEC. 3. (a) Notwithstanding the provisions of section 2 of this Act, each State retains the right—

(1) to engage in the purchase, sale, or distribution of wine; and

(2) to exercise discretion in the selection and listing of wine to be purchased or sold by each such State.

(b) No State which exercises the rights set forth in subsection (a) may impose with respect to wine of any class, any tax, regulations, license fee, prohibition, or markup, which discriminates against wine of such class produced outside such State.

SEC. 4. Whenever any interested person has reason to believe that any State has violated any of the provisions of section 2 or 3(b) of this Act, such person may file in a district court of the United States of competent jurisdiction a civil action to enjoin the enforcement thereof. Such court shall have jurisdiction to hear and determine such action, and to enter therein such preliminary and permanent orders, decrees, and judgments as it shall determine to be required to prevent any violation of section 2 or 3(b).

SEC. 5. As used in this Act—

(1) the term "State" means any State of the United States, any political subdivision of any such State, any department, agency, or instrumentality of one or more such States or political subdivisions, and the Commonwealth of Puerto Rico; and

(2) the term "person" means any individual and any corporation, partnership, association, or other business entity organized and existing under the law of the United States or any State.

AMENDMENT [XXI]

SECTION 1. The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

SECTION 2. The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

SECTION 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States as provided in the Constitution within seven years from the date of the submission thereof to the States by the Congress.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 15 minutes.

CHEAP FUEL OR SUFFICIENT FUEL—THE CRITICAL DECISON IN U.S. ENERGY POLICY

Mr. BARTLETT. Mr. President, for years our Nation's energy policies have encouraged energy consumption at the expense of production. The ostensible purpose of these policies has been to maintain energy prices as low as possible. Lower domestic crude oil and natural gas prices have been achieved by legally forcing the owners and producers of energy to subsidize the energy consumers, by legally forcing the sale of their private property at less than the fair market value, at less than replacement prices. Many in the Nation, however, do not recognize that these policies have caused crude oil and natural gas shortages and are increasing our dependence on unreliable foreign energy sources.

The recent passage of the Energy Policy and Conservation Act of 1975 which placed all domestic crude oil production under price control and the House passage of natural gas legislation which would extend price controls to currently unregulated markets and producers merely underscore and demonstrate the congressional preference for supposedly lower domestic prices rather than adequate domestic supplies of oil and natural gas. I say "supposedly" because as our dependence on foreign petroleum increases, as it most certainly will under price controls, we become less able to influence the prices we pay for it and we encourage OPEC to increase prices further; the American consumer will therefore be paying higher energy prices even though domestic prices are controlled. From a domestic standpoint, however, the EPCA and the House-passed gas bill mean that the producer subsidy of the energy consumer will most likely be continued by Congress for some time to come.

It is time for us to evaluate candidly whether energy policies meant to benefit consumers by keeping prices low are really in the best long-run interests of the consumers and the Nation. Our choices are clear. We can accept the short-term benefits of lower prices which simultaneously increase demand and incur the long-term problems of inadequate supplies, energy dependence unavoidable eventual high prices, threat of debilitating embargos, and a weakened national security; or we can decontrol prices, pay for what we are using, and solve these long-term problems.

Basic to this issue is understanding the long-term nature of energy development. Today's investments will result in additional energy supplies 10, 20, and 30 years hence, however, they will probably not increase current or near-term production rates significantly. Thus, we cannot instantaneously obtain energy sufficiency. We must now establish sound, reliable energy policies in order to provide for our future energy needs.

If we do not establish sound energy policies, then we jeopardize the future of this Nation. I am especially concerned about the threat to our national security which the accelerating momentum of overdependence on imported oil presents.

Imports of oil from OPEC have increased 20 percent since the 1973 embargo. Although not all of this comes from the OPEC nations in the Middle East, most of any future increase in imported oil will likely come from this area because this is where most of the world's excess productive capacity is located.

Consider, for example, how a limited scale war in the Middle East or a future embargo could affect our Nation's supply of crude to sustain our economy and to run our Defense Establishment. This Congress is considering a $112 billion military appropriations bill. An insufficient supply of fuel for our military would render most if not all of this expenditure worthless. Decontrol of crude oil and natural gas prices, which would annually cost less than 10 percent of our defense expenditures, seems to me to be a small price to pay in order to be sure our military would be able to function in the event foreign oil becomes inaccessible or unavailable.

Our current energy policies do not provide this insurance.

I am not saying that there has been no recognition of our problems by the Congress, but only that congressional action has been woefully inadequate.

In 1971 the Senate formally commissioned a national fuels and energy policy study under the direction of my colleague from Washington, Senator HENRY M. JACKSON, chairman of the Committee on Interior and Insular Affairs. I commend the Senate of the 92d Congress for its foresight because the study precedes by 2 years the peak of our country's natural gas production rate and coincides nearly with the peak of our crude oil production rate.

In fact, Senator JACKSON himself recognized the natural gas problem during the initial sessions of the study when he said on June 15, 1971:

> I do not view the Senate Interior Committee National Energy Policy Study as a cause or an excuse to suspend decisions on energy issues, as so often happens with committee or Commission studies. Some of the areas in which we cannot wait for further studies are the immediate and critical natural gas shortages we face, powerplant siting legislation, and pollution problems arising at powerplants, and the environmental impact of surface mining.

Then on February 25, 1972, at the natural gas policy issues hearings he again emphasized how critical the natural gas problem is:

> Natural gas supplies about ⅓ of the energy used in the United States and is the fuel for which the word "crisis" is most appropriate. There is general agreement that natural gas demand is outrunning supply and we have already had several serious gas curtailments. These curtailments promise to become more frequent and more serious unless we can do something that will dramatically increase gas supplies or curb gas demand.
>
> The supply and demand for gas are affected by a great number of government programs, including mineral leasing policies on the public lands, regulatory policies of the Federal Power Commission, controls on oil imports, and policies toward oil and toward industry generally.

The committee published in January 1974 the results of its investigation of natural gas in a report entitled "Natural Gas Policy Issues and Options," which, in part, said:

> Today the nation is faced with a natural gas shortage of increasing proportions. The supply/demand imbalance can be seen as a "virtually inevitable" result of the low regulated producer prices. This is the conclusion of most economists who have never been associated with the industry, or its regulation, but who have studied the relevant data over a period of years.

But, no remedial action has ever been taken or recommended by the Interior Committee.

I must conclude that all the study and talk were nothing more than political hyperbole because, when the results were in, it was clear that under-the-market, controlled, low prices being paid to producers, are causing our worsening natural gas shortages. In spite of the clear and convincing evidence that price controls cause shortages, Congress instead has passed legislation to control and roll back oil prices and so far has done nothing to deregulate natural gas prices.

What has happened to the national fuels and energy policy study and more importantly what has happened to our energy supplies since this grand and glorious study began?

The national fuels and energy policy study has now been extended five times. Over $2,750,000 have been authorized or expended by Congress on the study. Authorizations in recent years have been over $600,000 annually. Yet, to date no formal report has been issued. The principal accomplishment has been the publication of over 60,000 pages of various and sundry hearing records, Congressional Research Service reports, staff documents, and bibliographies.

Whether the study has effectively done anything to further congressional understanding of energy policy is questionable, especially judging from the results obtained to date. In fact, by considering the size of recent annual appropriations for the study and the results from the study, it would seem that its real purpose has nothing whatsoever to do with energy crisis analysis but is designed to feather the budget of the Interior Committee and to increase the staff size.

So much for the study. What about energy supplies?

Since 1971, when the study began, our gas producing rate has dropped by more than 2.5 trillion cubic feet per year, the equivalent of 1.2 million barrels of oil per day; and our crude oil producing rate has declined by 2 million barrels per day. These production declines have precipitated since 1971 an increase in imports from primarily OPEC nations of approximately 100 percent from a national security standpoint current levels of imports are dangerously high, and the situation promises to become even more perilous in the future.

Our crude oil producing rate and our natural gas producing rate continue to decline and both show no signs of even leveling off, let alone, increasing slightly.

Drilling rig activity is lower now that at any time during 1975. Seismic activity has been on a decline since mid-1974. Currently over 25 percent of available seismic crews and drilling equipment are unemployed indicating, that our current efforts are far short of what they could be and even further short of what they would have to be to solve our energy problems.

This is not a very outstanding record of performance for a committee charged 5 years ago by Congress with finding the causes of our energy problems and taking constructive action to solve them.

Let us look a little more closely at our natural gas and crude oil policy, how producers subsidize consumers, and why this policy does not work.

For the last 21 years, natural gas producers and mineral owners have subsidized consumers throughout the Nation. They have been forced by the Federal Government to accept for their product artificially low, controlled prices set by the Federal Power Commission. Because there are now widespread and increasing natural gas shortages on the systems of many interstate pipelines, it is clear that the Federal price control system is a failure.

According to figures compiled by the Center for Economic and Management Research at the University of Oklahoma, the average price of interstate natural gas leaving the State of Oklahoma was in 1974 a ridiculously low 21 cents per MCF. Fifty-seven percent of the gas sold in interstate commerce was priced between 10 and 20 cents per Mcf and 33 percent between 20 and 30 cents. Some of the gas being sold interstate was even priced below 9 cents per Mcf. On the high side, less than 0.1 percent of the gas sold interstate was priced over 80 cents per Mcf—this gas being sold under the emergency short-term procedures of the Federal Power Commission.

In contrast to this, the average price of natural gas sold in 1974 to intrastate purchasers was 37 cents per Mcf with the average price of about 76 cents per Mcf or new gas; these prices are unregulated prices; there are few shortages of natural gas in the intrastate market and what shortages there are or have been are being eliminated.

According to current FPC procedures, new interstate gas is priced at the prevailing national rate, currently 53 cents per Mcf, which is equivalent to only $3.07 per barrel of crude oil. This price for new interstate sales of natural gas is over four times below the uncontrolled world market price for oil and over 3½ times below the controlled price of new domestic oil.

Although Federal price controls on natural gas appear to have benefited consumers at the expense of producers, both will lose if the system is not changed and if natural gas prices are not deregulated. The reason is clear. Price controls on wellhead sales of natural gas have placed severe constraints on the ability of producers to explore for and develop any but the most promising sources of new natural gas and simultaneously have artificially stimulated the demand for this valuable resource. Natural gas shortages are created which in turn shut down plants, put people out of work, reduce economic output, and weaken our national security.

At the same time, the low prices for natural gas have retarded the development of altenate fuels. Because natural gas was and is cheaper, it has replaced other fuels, primarily coal, as an energy source. Among other things, one effect of natural gas price controls was to cripple the coal industry. Coal production has not increased significantly in recent years even though the coal resource base is larger than that of any other conventional energy source in the United States.

Producers of natural gas are selling their product at artificially low prices,

prices far below those necessary to replace the gas being sold. Thus, the revenue from the sale of natural gas is not enough for producers to find and to develop an equivalent volume of reserves to replace what has been sold. The result is that our reserve base is now inadequate to maintain current producing rates—rates which will continue to decline from month to month.

This situation is the same as that of a grocer who is forced to sell his groceries at less than replacement prices. His reduced profits deplete his stocks leaving empty shelves.

The analogy holds true for crude oil. With the enactment of the Energy Policy and Conservation Act of 1975, the price of all domestic crude oil is controlled. Presumably controls will last for at least 40 months, but probably will continue indefinitely.

Under the EPCA both the average price of domestic crude oil and the price of new crude oil are set below the free market price. Our producers and land owners are therefore subsidizing consumers of crude oil as they have been doing for so many years with natural gas. Producers of crude oil do not now receive from sales enough revenue to replace—find and develop—the crude currently produced.

In fact, if our goal is to increase domestic production, the pricing scheme in the EPCA is one of the worst which could have been devised because the marginal price to producers is not the upper tier price for new crude oil but is the composite average price of $7.66 per barrel. This is so, because as new oil is found, the price of all other production must be adjusted downward to comply with the composite average price of $7.66. No matter what producers do, no matter how successful they are, no matter how much oil they find, the average price is still limited to $7.66 per barrel. Also, considering that the EPCA places no controls on producer costs, it does nothing more than establish an inflexible limit on producing revenues.

Natural gas and crude oil are two of the most important commodities in our domestic economy. They are the only two commodities whose prices are set by the Federal Government below market levels. Ironically, they are two commodities in very short supply.

Price controls force producers to subsidize consumers; but at the same time they increase shortages by stimulating consumption and reducing production. We should all agree that natural gas and crude oil shortages have adverse effects on our country's economy and security. It then behooves all of us to ask whether price controls really benefit consumers at the expense of producers or are all Americans being hurt?

In my opinion, the evidence is overwhelming in favor of the latter.

The national fuels and energy policy study should have concluded this years ago. Price controls benefit neither producers nor consumers, only some politicians. This conclusion is abundantly clear. It is time to change our policies to take constructive action, in spite of the constant lethargy by the Senate energy leadership. Returning to the uncontrolled market for crude oil and natural gas pricing is the best policy for consumers and producers alike, for all Americans.

ORDER OF BUSINESS

Mr. BARTLETT. Mr. President I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be recognized at this time, prior to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.), who is absent temporarily on official business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNITED STATES-CHINESE RELATIONS

Mr. MANSFIELD. Mr. President, I listened to former Secretary of Defense James Schlesinger on a program yesterday, and he was asked some questions about the People's Republic of China. As I recollect, he stated that he and some others had discussed the possibility of arms for the People's Republic but that nothing had come of it. I assumed, based on his language, that that discussion was entirely within the U.S. administration and that the People's Republic representatives were not involved, and that it was something that was done in relation to possibilities which might, conceivably ensue at some future time.

Secretary Schlesinger also was asked whether he would approve the sending of arms to the People's Republic. He said, in effect, "We will have to face that question when it arises, but I think it should be treated on the same basis as the Soviet Union."

I, too, think that the People's Republic should be treated on the same basis as the Soviet Union. Furthermore, I would like to see a most-favored-nation treaty executed between Peking and Washington. I believe that if we are going to further normalize relations, that is one of the steps we should take, though I do not believe that we should in any sense, in any way, in any shape, in any form, try to force arms on Peking.

One, it will be counterproductive; two, I do not think there have been any contacts with Peking in that respect; three, I believe that the Chinese look upon themselves as being perfectly capable of producing their own armament.

The Secretary also indicated that so far as nuclear weapons were concerned, we were not behind the Soviet Union. In That respect, it is my understanding that Peking has not been accelerating its nuclear programs but has continued to maintain a steady pace and only for defensive purposes. He did indicate that we were behind in conventional forces, which I assume to mean infantry, the Army, ships, seapower, the Navy. But I point out that we do have more than 2 million men under arms, scattered in too many parts of the world, stationed there for too long and at too great a cost.

I was interested in the Secretary's reference to the People's Republic, because I think this Nation has been paying too little attention to the nations across the Pacific. I point out that, as far as the People's Republic is concerned, it has somewhere between 850 and 900 million people, practically one-quarter of the population of the globe.

At the other end of Asia, I point out that Saudi Arabia, with an estimated 7 million people, has approximately one-fourth of the oil reserves in the world. So I hope we shall pay more attention to that part of the globe, recognize its significance as far as we are concerned, and be aware of the potentials which may arise from time to time. We should keep our eyes and our ears open, so that we will not place undue stress on other parts of the world at the expense of our relations with the Asian Continent. It is important that we better understand what transpires in that part of the world.

Getting a little bit closer to home, I am glad to note that on today, negotiations are beginning between the Republic of the Philippines and the U.S. Government relative to the future status of our bases in the Philippine Republic, notably at Subic Bay and Clark Feld. I have no doubt that those negotiations will be successful. It will take a little give and take on both sides, but because of the inherent friendship and the deep necessity for maintaining these bases, I feel quite certain that, before too long, an amicable settlement will be reached which will satisfy both the Philippine and the American people. I wish to include at this point in the RECORD an excerpt of a report which I made to the Foreign Relations Committee in October 1975. The excerpt deals with the Philippines and the question of U.S. military bases in that country.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

IV. UNITED STATES-PHILIPPINE RELATIONS

The Philippines have seen incursions of many peoples—Borneans, Indians, Chinese, Arabs, Indonesians, Spaniards, Americans and others. All have left traces, large and small, in the nation's culture. Of these, the American is, of course, the most recent and one of the strongest. The impact which resulted therefrom is only now in the process of being fully absorbed into the mainstream of Filipino life.

In the sphere of government-to-government relations, for example, there are still U.S. controlled and operated military bases in the Philippines. Until very recently, too, special trade and investment arrangements were in effect. In these, and in other ways, aspects of the pre-World War II dependent relationship were carried over for three decades in a sort of half-way house to full independence.

The Republic of the Philippines is now clearly on the final stretch of that course. At home, the political system transplanted from the United States is no longer operative in its original form. Abroad, what was once an almost automatic concurrence in the course of U.S. foreign policy has been replaced by a pursuit of independent Philippine national objectives. While not abandoning defense agreements with the United States, Philippine foreign policy is presently aimed at establishing good relations with all the great powers and stronger cooperatives arrangements in Southeast Asia, as well as with other developing nations.

FOREIGN POLICY AND UNITED STATES-PHILIPPINE RELATIONS

While the sudden end of the U.S. involvement in Indochina appears to have produced this shift in Philippine foreign policy, the fact is that the changes have been underway for a long time. In a larger perspective, they can be seen to emerge from the sense of Philippine nationalism and Asian identity which has been growing for many years. Heretofore, these inner forces were not readily perceived because of the persistence of strong elements of the prior dependent relationship with the United States. Therefore, it is more accurate, in my judgment, to state that it is not that the Filipincs are losing confidence in the United States as some have contended; but, rather that they are gaining confidence in themselves.

In a speech on May 23, 1975, President Ferdinand E. Marcos outlined these guidelines for a new foreign policy:

"First, to intensify, along a broader field, our relations with the members of ASEAN;

"Second, to pursue more vigorously the establishment of diplomatic relations with Socialist states, in particular with the People's Republic of China and with the Soviet Union;

"Third, to seek closer identification with the Third World with whom we share similar problems;

"Fourth, to continue our beneficial relationship with Japan;

"Fifth, to support the Arab countries in their struggle for a just and enduring peace in the Middle East; and

"Finally, to find a new basis, compatible with the emerging realities in Asia, for a continuing healthy relationship with the United States."

As a result of a visit to Peking by President Marcos in June, 1975, the Republic of the Philippines established diplomatic relations with China. Such ties also exist with all of the Communist nations of Eastern Europe, except Albania and the Soviet Union and formalization of relations with the latter is expected to be only a matter of time.

Efforts are being made to establish relations with successor governments in Indochina. At the time of my visit, however, the new government in Cambodia had not responded to a Philippine statement of recognition. Talks have been under way in Paris on the establishment of diplomatic relations with North Vietnam but initiatives have not yet been taken on the resumption of relations with Saigon.

The Philippines is a strong supporter of ASEAN which is seen as something of a fulcrum. Through this medium, Manila is seeking greater cooperation on economic matters and the creation of a "zone of peace, freedom, and neutrality" in Southeast Asia. The Republic is also moving to establish better relations with other Third World nations. One aspect of policy bears a relationship to the Muslim problem in the south since the Middle Eastern nations are sympathetic to their co-religionists in the Philippines. They are also the source of most of the petroleum used in the Republic. In Saudi Arabia, an impression was conveyed that the Arab states were prepared to do what they could to promote a reconciliation between the Muslims and Manila.

In Philippine eyes, as well as in Thailand's the SEATO organization has outlived its usefulness. However, the question of the Manila Pact has not yet been addressed, although it adds little to Philippine security since it overlaps the bilateral Mutual Security Treaty with the United States.

President Marcos has called for a reexamination of all U.S.-Philippine security arrangements. These arrangements consist of a Military Base Agreement which dates from 1947 and runs until 1991, a Mutual Security Treaty entered into in 1952, and a 1955 Military Assistance Agreement which forms the framework for the U.S. military aid program. The stress of the President's proposal is on the base accords.[1]

As a Pacific nation, the United States has interests in the region which are as extensive as the ocean; retention of the mutual security treaty with the Philippines is, presently, a major element in the military protection of those interests. Conversely, Philippine security comes under the umbrella of the same treaty. There is no desire on our part or on the part of Manila to terminate this accord. If anything, the latter's concern is that operation of the pact be more automatic. In this connection, the continued presence of U.S. forces at Clark Field and the Subic Bay Naval Base does act as something of an assurance of our immediate involvement in any attack on the islands.

The Air Force Base at Clark Field, 52 miles north of Manila, spreads over 131,000 acres, making it greater in size than the combined area of all U.S. air bases outside the continental United States. It covers such a vast area that squatters operating surreptitiously are said to have raised an estimated $10 million worth of sugar cane on base lands last year. The Subic Bay Naval Base complex occupies 36,000 acres of land and encompasses 26,000 acres of water. Much of the land within the boundaries of both bases is not used for direct military purposes.

Fifteen thousand U.S. servicemen are stationed at the bases, and they are supplemented by 47,000 Filipino employees. The 1974 budget for Clark and Subic was $232 million. The bases represent a major investment for the United States, a major payroll for the Philippines and the principal current issue between the two countries.

The Manila government has announced that in negotiations for a new base agreement, it will be guided by these principles: to give added impetus to Philippine self-reliance, to enhance respect for the territorial integrity and sovereignty of the Philippines and to help maintain a balance of power in the region. The United States has acknowledged Philippine sovereignty over the base area but, in fact, continues to exercise aspects of sovereignty. These carry-overs of the former colonial relationship are a major point at issue. What concerns the Philippines was clearly stated by President Marcos on July 7, 1975.

"We want to put an end to the practice of extra-territoriality in our country in keeping with the developments of our times. We want to assume control of all U.S. bases and put them to a productive economic, as well as military use."

Negotiation of a new status for the bases, from the Philippine point of view, involve three main issues: (1) "Filipinization" of the bases for commercial purposes and economic development which can be on a joint basis; and (3) return of portions of the base lands.

Difficult negotiations may be ahead. It should be reiterated, however, that the Philippines government stresses that it has no desire to embarass the United States. Nor, should it be added, do the U.S. commands at the bases fail to recognize that the old days of the dependency are over. Our forces can remain usefully in the Philippines only if their presence accords with today's realities which include a heightened sense of Philippine nationalism and a strong emphasis on self-reliance.

On the part of the Philippines, there is a contemporary value in the contribution which the bases can continue to make to Philippine security, to regional stability, and to the economy. On the part of the United States the bases, as noted, are elements in the defense of the United States and its interests in the Pacific. The need is for a new relationship which will reflect these mutual interests in the light of altered circumstances. If both U.S. and Filipino officials approach the negotiations with a realistic understanding of their own and each other's needs, there is every reason to expect that a satisfactory agreement can be reached promptly.

POLITICAL AND ECONOMIC SITUATION

The Philippines has been governed under marital law since 1972. President Marcos, who was twice elected under the old U.S. sponsored Constitution, has served as chief executive since 1965. His announced goal is the areas of "peace and order" land reform; eco-"founded on social justice, the equal sharing of the increments of development, and participatory democracy" with reforms in the areas of "peace and order, land reform; economic development; the enhancement of moral values; government reorganization; educational reforms, and social services." Although the President has not announced plans to create a National Assembly as called for under a new 1973 Constitution, plebiscites have been experimented with from time to time in forms adapted from old indigenous political practices. The President recently referred to the possibility of forming an appointed consultative body, a Legislative Advisory Council.

There is no indication of when marital law will end. Nor are there any indications of a broad public demand for its termination. Visible evidences of marital law are few; there are far fewer uniforms, for example, on the streets of Manila than on those of Washington. For all practical purposes, the system amounts to rule by Presidential decree, with curbs on civil liberties. While the Catholic hierarchy, as such, is not actively aligned against marital law, some opposition does come from segments of the Church, particularly those which include a number of foreign clergy. A few members of the proscribed legislature are also outspoken critics. So, too, are certain old Filipino families of great wealth whose holdings and influence have been drastically curtailed and who charge that these prerequisites have been shifted to others. In general, however, the improvements in public safety and economic well-being which are associated with marital law have won, at a minimum, general acquiescence.

There are two major insurgency problems in the Philippines. Both have roots which stretch back into pre-independence days. One is the New People's Army (NPA). It is a guerrilla organization based on Luzon which has an ideological base derived from Chinese communism. Its basic armed strength is estimated of 1,800. There is also the Muslim rebellion in the south centered in Western Mindanao and the Sulu Archipelago.

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[1] The texts of the base agreement and the treaty are included in the appendix.

The rebellion traces back to ancient disputes between the Muslims who first occupied Mindanao in the 12th Century and the Christians who arrived centuries later. It is a controversy which has been fueled in recent years by aid to the insurgents from Libya and Sabah and by enroachments on Muslim lands from an expanding Christian population intent on economic development. Estimates idicate that there are at least 5,000 Muslims under arms. The insurgency is a sensitive issue for the government internally since Muslims make up about 7 percent of the population. There is also concern over sympathy for the rebels from abroad which might lead to endorsement of a more activitist policy by Muslim nations, especially those in a position to cut off most of the petroleum supply of the islands.

The Philippine military, which takes 15 percent of the national budget, has more than doubled in size largely because of the rebellion. About 80 percent of the combat forces are tied up in the south where they are suffering substantial attrition. About 75 were killed in action monthly during the first half of this year. According to U.S. officials, no U.S. military personnel are permitted to go into the combat areas and no U.S. personnel are involved in the military situation.

In Saudi Arabia, as noted, indications were received of the possibility of a negotiated settlement of the insurrection. It was said that agreement on a cease-fire hinged on autonomous status for Muslim areas within the Republic and a government-sponsored program of extensive social improvements. As of this writing, however, the government and the rebels seem as far apart as ever on the specifics of autonomy. Nor is there much likelihood of social and economic improvements being carried out in any substantial way while fighting is in progress.

Notwithstanding these internal difficulties, the performance of the Philippines' economy reflects considerable improvement over past years. The 34 percent rate of inflation in 1974 has declined drastically. Food prices are increasing now at an annual rate of only 5.5 percent while non-food prices are going up 8.4 percent. By conservative appraisals, it is expected that the overall rate in 1975 will be 15–20 percent.

The Philippine Government takes an active role in the economy which includes the planning of development and the imposition of price controls on some commodities. The reliance on imports is still heavy in order to meet consumer needs but this is expected to change as the new stress on independence and self-reliance extends more deeply into the nation's economic life. Last year exports were $2.7 billion and imports $3.1 billion. Nevertheless, the year ended with a $50 million favorable over-all balance of payments due to foreign capital inflow, foreign aid and tourism. It is estimated that the trade deficit for 1975 may reach $700 million, due in large measure to the decline in sugar prices and depressed market conditions for coconut products and lumber and the increase in the prices of imported items.

Japan is the leading exporter to the Philippines and the United States is second with 23 percent of the market. Forty-three percent of Philippine exports go to the United States and in 1974 they produced for that nation a favorable bilateral balance of $400 million. Private and official U.S. credits to the Philippines total nearly $3 billion; U.S. equity investments have an estimated market value of $2 billion.

The expiration of the Laurel-Langley Agreement in July, 1974 ended all remaining bilateral tariff preferences with the Philippines. At the same time, U.S. firms lost their exemptions from general Philippine restrictions on foreign investment. This adjustment has been brought about without major problems and U.S. firms are reported to be doing well in the new situation. Negotiations have not yet commenced on a new treaty of commerce but the way has now been cleared by the passage of the 1974 Trade Act.

The Philippines receives assistance, mostly loans, from the United States and from international institutions. U.S. economic aid totaled $56 million in fiscal year 1975. At the same time, the World Bank provided $209 million in loans and is expected to furnish $250 million for FY 1976. Assistance is also provided through the Asian Development Bank which is headquartered in Manila, with some $100 million expected from the Bank in the current fiscal year.

While foreign investment is welcomed, it is admitted on a selective basis which is designed to enhance economic self-reliance and balanced development. Except in unusual circumstances, such as in newly opened areas, foreign equity is limited to 40 percent.

There is still a great gap in living standards between urban and rural areas. However, emphasis in development is being put on the rural areas and there are indications that its share of national income is increasing.

With one of the highest birth rates in the world, the Philippine population is growing rapidly. From 20 million at the time of independence in 1946 the increase has been to 42 million today and the total could reach 100 million by the end of the century. A majority of the country's population is under 16 years of age. In practical terms, the growth rate each year means 2 million mouths to feed and a requirement for 600,000–700,000 new jobs.

PETROLEUM

Exploration for petroleum offers the possibility of adding a strong stimulus to the Philippines economy. Thirteen major groups, primarily Filipino-U.S. ventures, hold concessions both onshore and offshore notably in the sea west of the island of Palawan. No Strikes have yet been reported but extensive test-drilling has not yet taken place so it is too early to estimate the prospects.

All of the country's requirements of 70 million barrels of crude per day are now imported. The Mideast is the major source but increased amounts are coming from other sources such as Sarawak, Indonesia, and the People's Republic of China. Whatever the outcome of its own petroleum exploration, the Philippines intends to achieve independence from fossil fuels through development of geo-thermal resources and nuclear power. It is expected that this goal will be reached on the main island of Luzon by 1985.

SUMMARY

In summary, the Philippine Republic is experiencing a period of growing national assertion and economic progress. At the same time, its ties with the United States which go back three quarters of a century are in transition. What is involved in this transition of principal concern to the United States are the vestiges of the previous dependency relationship which, in my judgment, no longer accord with the enduring interests of either nation. There is a need for a reshaping of attitudes and arrangements which will reflect the changes that have taken place within the Philippines and in the Pacific and the world. The future of the Philippines is bright and so, too, can be the outlook for continued cooperation and beneficial interchange with the United States if the adjustments which are now required are made in good time and are managed with sensitivity and understanding—on both sides.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 109, 94th Congress, appoints the Senator from Utah (Mr. Moss) to the temporary Select Committee To Study the Senate Committee System in lieu of the Senator from Georgia (Mr. NUNN) resigned.

ORDER OF BUSINESS

Under the previous order, the Senator from Virginia (Mr. BYRD) is recognized for not to exceed 15 minutes.

BUDGET REFORM NO REFORM

Mr. HARRY F. BYRD, JR. Mr. President, when the vote comes later today on Senate Concurrent Resolution 109, I shall vote against this resolution.

This resolution would put the Senate on record as saying that the appropriate level of spending by the Federal Government for fiscal year 1977 is $412 billion. It specifies that the appropriate deficit is $50 billion. It specifies that the appropriate total for the national debt at the end of the next fiscal year is $711 billion.

I do not agree with any of those figures. I do not think any of those figures is appropriate.

I think it is very unwise for Congress to spend at the rate that it contemplates spending. A $412 billion figure is a tremendous increase in spending over the current fiscal year.

In regard to the national debt, the Under Secretary of the Treasury testified several weeks ago before the Senate Committee on Finance that the national debt at the end of June 30 this year would be $621 billion. If this resolution is adopted, the national debt, at the end of the next fiscal year, will be $711 billion. That means that $90 billion will have been added to the national debt in the short period of time before June 30, 1976, to October 1, 1977, the end of the fiscal year.

Mr. President, this Government has been on a deficit financing basis almost continually now for more than 20 years. The alarming aspect, insofar as the Senator from Virginia is concerned, is that the deficits are greater now than they have been in the past, and there is little to indicate that Congress is willing to attempt to get deficit spending under control. The interest on the national debt in the new budget will be $45 billion. To put it another way, 23 cents of every personal and corporate income tax dollar will be the cost of servicing the debt. I have concluded, Mr. President, that I cannot support this Senate Concurrent Resolution 109, and I shall vote against it when the roll is called later in the day.

In both size and costs the Federal Government, in my judgment, is literally out of control.

I think it is very important that Congress enact legislation to require a periodic review of the multitude of Federal programs. I plan to introduce legislation along that line in the next few days, as soon as I can get it in shape.

I already have testified on this subject before the Government Operations Committee, which has under consideration several proposals in the area of program review.

Something needs to be done about the proliferation of Government programs. The Federal Government is now operating more than 1,000 programs of domestic assistance, and it is spending about $9 billion a year on foreign aid.

In addition, it is essential, I think, to include a periodic review of regulations, which have multiplied to the point where the Federal Register in which they are published consists of over 50,000 pages a year.

Many of these regulations impose undue burdens on our free enterprise system, creating mountains of paperwork and forcing upward costs to the American consumer.

The continued proliferation of new Federal programs has the effect of forcing upward, of course, the cost of Government. Many of these programs are outdated, outmoded; some of them, many of them, no longer serve the purpose for which they were intended. Some have never served a worthwhile purpose. Others have ceased to serve whatever purpose they may at one time have served.

So I think that one step toward beginning to get Government spending under control is legislation to require a periodic review of the vast number of programs the Federal Government now has.

This is one important step which we can take to move away from the tremendous deficits the Government has been incurring, and toward a soundly based economy.

THE RECKLESS LIFE OF NEW YORK CITY

Mr. HARRY F. BYRD, JR. Mr. President, the Washington Post this morning, April 12, 1976, published an excellent article by Columnist George F. Will. It deals with the financial condition of New York City. One sentence says this:

> The city is still living recklessly beyond its means and will not even consider the necessary stringencies until after the election.

I ask unanimous consent that this article be printed at this point in the Record, the article being captioned "The Reckless Life of New York City."

There being no objection, the article was ordered to be printed in the Record, as follows:

The Reckless Life of New York City

(By George F. Will)

Treasury Secretary William Simon, who must hold some kind of record for hours devoted to congressional testimony, testifies with a forebearance you would not expect from a man with no prior experience at teaching remedial arithmetic to recalcitrant pupils.

Recently, he led some senators through addition and subtraction exercises, and then expressed, drolly, "cautious optimism" about New York City's short-term future. In a masterpiece of poker-faced testimony, Simon did not laugh even once when telling the senators that the city only needs "a will to cut spending."

Put plainly, Simon's evidence is that the city will become America's largest slum unless it takes politically arduous decisions regarding each hitherto sacrosanct matters as rent control and public employee perquisites.

Rent control is a middle-class subsidy; most poor people have arrived in New York too recently, or move too frequently, to benefit from it. It depresses rents in a period of rising costs, thereby encouraging abandonment of 30,000 rental units a year. It depresses the real estate tax base thereby forcing the city to rely on taxes that cause individuals and businesses to flee to the green Connecticut countryside. It also produces tax avoidance: By January, $1 billion in real estate, water and sewer taxes were uncollected.

The city council recently received the report of a blue-ribbon commission critical of rent control. Then the council, remembering that there are more tenants than landlords, extended rent control until the end of the decade.

Public employee perquisites now cost city taxpayers more than $2 billion annually—more than $8,600 per city employee. The current municipal budget provides $107 million in direct payments to municipal unions, which provide active and retired workers such services as free dental care and eyeglasses. Unlike most city governments and the federal government, New York pays 100 percent of the cost of employees' health insurance.

The city pays a normal 10 per cent differential for night work, but defines "night" to include 16 of every 24 hours. New federal employees get 13 days of vacation; new city employees get 20 days, and unlimited sick leave privileges. Many city employees work only 35 hours a week, others work 37. And under the "summer hours" program (adopted before buildings were air conditioned) they work even less.

A married employee who retires at 65 with 25 years service receives an after-tax retirement income equal to 125 per cent of his income in his last (and, usually, most remunerative) year on the job. In Atlanta that worker would receive 43 per cent of his last year's salary, in Chicago 47 per cent, in Dallas 52 per cent, in Los Angeles 54 per cent.

New York provides lovely benefits. Unfortunately the city can't afford them and is taxing its economy to death in a failing attempt to pay for them.

Union Carbide, the nation's second largest chemical corporation, is moving its corporate headquarters, and 3,500 jobs to Connecticut, where taxes are lower.

The city once was home of 140 of the nation's 500 largest corporations; today the number is 95 and falling, fast. Lesser fry also are emigrating. Schaefer brewing company is working up a more than one-beer thirst moving its brewery to Allentown, Pennsylvania, where real estate taxes are one-third of what they are in New York.

Small wonder that by 1980 New York State will have 313,000 fewer jobs than it had in 1970. The city's population is expected to decline 800,000 by the end of the century. That will have a ruinous effect on the city's only remaining resource, its political power to extract subsidies from Washington. Population already lost in this decade may cost the city up to $200 million a year in federal funds through the end of the 1970s.

The city is still living recklessly beyond its means, and will not even consider the necessary stringencies until after the election. City politicians and labor leaders continue to cling to one hope: There soon will be a Democratic President who will place the U.S. Treasury at the city's disposal, thereby enabling the city to live forever off other Americans' means.

THE RIGHT TO FOOD

Mr. HARRY F. BYRD, JR. Mr. President, the Wall Street Journal, on April 8, 1976, had an excellent editorial dealing with the subject of the right to food. This editorial makes an important point, I think, when it calls attention to the fact that the problem with food shortages is rooted, to a considerable extent, in Government policies, particularly in efforts to impose rigid controls on agriculture. The editorial is speaking now not of the United States, but of controls which are put on agriculture in various countries throughout the world.

I ask unanimous consent that this editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Right to Food

Twenty-seven national religious leaders recently drafted a thoughtful appeal to Congress that is bound to stimulate widespread public discussion. The interfaith religious leaders said that until recently hunger was unavoidable for much of the human family, but now that we have the means to overcome hunger it is no longer acceptable. Every man, woman and child on earth has the right to a nutritionally adequate diet, they said, since the food to sustain life is a fundamental right that derives from the right to life itself.

The authors of this declaration do not seek villains or pretend that there are easy answers, which distinguishes their effort from some other notable statements issued in the name of religion. They explicitly point out that two resolutions currently before Congress, declaring that everyone has a right to food and that such a right is to be recognized as a cornerstone of U.S. foreign policy, "does not commit our nation to massive food handouts." Rather, they say, the resolutions "recognize the responsibility we have, in cooperation with other nations, of enabling hungry people to produce more food and to work their way out of hunger."

The religious leaders' concern is readily understandable: Famine and food shortages have plagued mankind since the beginning of time, yet finally mankind has the means to overcome hunger—provided that governments do not interfere. (Russian expert Adam B. Ulam notes in a recent issue of the New Republic that four to five million Soviet citizens starved in 1932–33 while the Stalinist government exported 1½ million tons of grain to obtain foreign currency for industrialization.) That's why we share the underlying suggestion in the clergymen's declaration that food and nutrition cannot be divorced from such considerations as population, economics and politics.

The religious leaders caution that "substantial gains against hunger will not be quick or easy or cheap," and that they "will require exceptional efforts on the part of rich and poor nations alike." But it seems to us that foremost among those "exceptional efforts" is recognition that the problem of food shortages is rooted to a large extent in government policies, particularly in efforts to impose rigid controls on agriculture.

This is true in many nations but it is particularly true of Communist and socialist states, which continue to blame harvest failures on the weather and on everything other than the effects of state planning. It is no accident, and only partly the fault of bad weather, that Russia was the world's leading agriculture exporter before World War I, yet twice in recent years was required to purchase vast amounts of grain from the U.S.—whose agricultural methods it routinely criticizes as unscientific and wasteful.

Some influential Americans also describe U.S. agricultural methods as unscientific and wasteful, and their solution for modernizing is to impose ever wider controls. Regrettably, they have yet to make the connection between America's bountiful harvests and the fact that U.S. farmers enjoy considerable freedom. The proper solution is not to wrap them in a straitjacket of regulations and controls, but to encourage other nations to follow the U.S. example.

This means that Washington should redouble its efforts to share U.S. technical and scientific know-how with interested nations. It means we should do everything we reasonably can to ameliorate hunger and prevent starvation anywhere in the world. But it also means that we owe it to the underdeveloped world, as well as to home grown critics, to reiterate again and again that most countries have it within their power to stave off famine by merely liberating farms and farmers from the shackles of government master plans.

Mr. HARRY F. BYRD, JR. I yield back the remainder of my time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, how much time does the Senator desire?

Mr. HELMS. Less than 2 minutes.

Mr. MANSFIELD. I yield the Senator whatever part of my time is left, and I had 7 or 8 minutes.

Mr. HELMS. I thank the Senator.

SOLZHENITSYN'S WARNING TO THE WEST

Mr. HELMS. Mr. President, I would like to share with my colleagues an important interview with Alexandr Solzhenitsyn which was first broadcast on the BBC and more recently seen on William F. Buckley's "Firing Line."

From reports published in the British newspapers, Mr. Solzhenitsyn's comments on the decline of the West shook many Britons to the core. I do not know how many Americans were able to hear Solzhenitsyn's predictions, but those who did must have feared for the future of the free world. I hope that my colleagues who missed the American broadcast will, by reading the transcript, be able to give serious thought to where the West is headed.

It may surprise some to learn of the extremely high regard Solzhenitsyn and his generation had for the Western democracies. To use his own phrase: they "worshipped" the West. For years they had huddled around broken-down receivers to hear any scrap of news from the Western broadcasts. They had looked on the West as the "sun of freedom, a fortress of the spirit," their "hope" and "ally." They realized that it would be difficult to throw off the Communist tyrants on their own but they believed the West would help them in their struggle.

This high regard made their discouragement all the more poignant when it became evident that the West would not—or could not—aid them. Solzhenitsyn recounted the bewilderment that they felt when they discovered that they could place practically no hope in the West.

One would have hoped that after all his trials, Solzhenitsyn would have found his hope renewed in the West. But this has not been so. When asked by the BBC reporter what he thought the future held for his homeland, the Russian exile replied:

> At the moment the question is not how the Soviet Union will find a way out of totalitarianism, but how the West will be able to avoid the same fate.

Many Americans agree that Solzhenitsyn's fear for the future of the Western democracies is well-founded. He has outlined accurately the parallels between the Russian experience and our own moral and international decline. In his words:

> By some chance of history we . . . (the Russians) . . . have trodden the path the West is taking 70 or 80 years before the West. Many social phenomena are repeating what happened in Russia before its collapse.

He names only a few of the similarities that he has witnessed: The older generation yielding their intellectual leadership to the younger; people in authority afraid to go against the mainstream of opinion; the adulation of revolutionaries; and the abdication of responsibility by journalists and writers. I doubt that there are many Americans who would differ with his findings.

Mr. President, Solzhenitsyn brings us a sobering message. We must hope that the American people have not gone so far down the path that Solzhenitsyn has described that they do not have the will to turn around.

Solzhenitsyn is not optimistic about our future. He believes that most of his warnings have fallen on deaf ears. People do not want to hear them; thus they may be fated to live through the Russian experience themselves.

I pray that is not America's future and I believe that it need not be. If we heed Solzhenitsyn's warnings, we will have taken the first important step in reversing our decline.

Mr. President, I ask unanimous consent that the transcript of Solzhenitsyn's interview along with Mr. Buckley's conversation with Malcolm Muggeridge and Bernard Levin of the London Times be printed in the RECORD at the conclusion of my remarks.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

FIRING LINE NEWSLETTER

THE VISION OF SOLZHENITSYN

"At the moment the question is not how the Soviet Union will find a way out of totalitarianism, but how the West will be able to avoid the same fate."—Aleksandr Solzhenitsyn.

This week, FIRING LINE departs from its usual format, for the purpose of presenting in America the BBC's stunning interview with Aleksandr Solzhenitsyn. The major part of the program is devoted to reproducing the interview itself, which has shaken the British public. Afterward, Mr. Buckley conducts a discussion with Malcolm Muggeridge, who needs no introduction to American viewers, and Bernard Levin of the London *Times*. We think it is a program no viewer will forget.

Mr. Buckley's introduction

On the first of March, in Great Britain, the BBC ran an interview of Aleksandr Solzhenitsyn, conducted by Mr. Michael Carlton of the BBC staff. As happens only once in a decade or so, it was one of those broadcasts that stopped people cold. It was a blow at the solar plexus of the kind that first numbs, and then revives; and one could not, in the ensuing days, distinguish the political predispositions of the critics by what they said. For a moment, a brief moment perhaps, all trivial differences were put aside, as beneath consideration. England had not heard the like of such a performance, one critic said, since Garibaldi united the British Isles in support of Italian unity. Solzhenitsyn's theme is both grander, and more painful. Reaching for an appropriate response by the West, the critic of the Times Mr. Bernard Levin wrote these bitter words: "So what can we do with Solzhenitsyn? Well, if I may conclude with a modest proposal, I suggest that the West, when he has provoked it a little further, should, possibly under the auspices of the United Nations General Assembly, formally condemn him to death, and execute him either by obliging him to drink hemlock, or by crucifixion. After all, the two most noted figures in history who respectively experienced those fates were condemned, whatever the ideological niceties involved, principally because they told their own societies truths that made those societies uncomfortable, and since our own society is even more averse to discomfort than those were, it seems only fitting that the man who is, mutatis mutandis, doing much the same thing to us should suffer a like fate. Meanwhile, at any rate, I can look at the hand that shook the hand of the man who shook the world, and, if he will allow me, say: 'Alexandr Isayevitch, do not despair just yea. We understand.' "

We shall proceed to show the full interview, uncut. In the remaining few minutes, we shall have comments on it from Mr. Levin and from Mr. Malcolm Muggeridge, well known on this program as everywhere else, who, I guess it is accurate to say, was the first critic in the Western world to hail the unique mission of Aleksandr Solzhenitsyn.

From the Solzhenitsyn interview

In the Fifties after the end of the war we literally worshipped the West. We looked upon the West as being the sun of freedom, a fortress of the spirit, our hope, our ally. We all thought that it would be difficult to liberate ourselves but that the West would help us to rise from slavery. Gradually in the course of decades and years, this faith began to waver and to fade.

The West has made so many concessions, that now a repetition of the angry campaign which got me out of prison is practically impossible. I would say that the campaign to get Sakharov to Sweden was almost as strong, but, however, it didn't help, because the West itself has become weak over this period. Its position has become weaker. Moscow now takes infinitely less note of the West.

I am not a critic of the West. I am a critic of the weakness of the West. I am a critic of a fact which we can't comprehend: how one can lose one's spiritual strength, one's will power, and possessing freedom not to value it, not to be willingness to make sacrifices for it.

Over the last two years, terrible things have happened. The West has given up not only four, five, or six countries, the West has given up all its world positions. The West has given everything away so impetuously, has done so much to strengthen the tyranny in our country, that today all these questions [of reforming the Soviet system] are no longer relevant . . .

At the moment the question is not how the Soviet Union will find a way out of totalitarianism, but how the West will be able to avoid the same fate.

Those people who have lived in the most terrible conditions, on the frontier between life and death, be it people from the West or from the East—they all understand that between good and evil there is an irreconcilable contradiction, that it is not one and the same thing—good or evil—that one cannot build one's life without regard to this distinction. I am surprised that pragmatic philosophy consistently scorns moral considerations; and nowadays in the Western press we read a candid declaration of the principle that moral considerations have nothing to do with politics.

I would remind you that in 1939 England thought differently. If moral considerations were not applicable to politics then it would have been quite incomprehensible why on earth England went to war with Hitler's Germany. Pragmatically, you could have got out of the situation; but England chose the moral course and experienced and demonstrated to the world perhaps the most brilliant and heroic period in its history.

I wouldn't be surprised at the sudden and imminent fall of the West. I would like to make myself clear: the situation at the moment is such, the Soviet Union's economy is on such a war footing, that even if it were the unanimous opinion of all the members of the Politburo not to start a war, this would no longer be in their power.

I don't understand at all why Bertrand Russell said "Better red than dead." Why did he not say it would be better to be brown than dead? There is no difference. All my life and the life of my generation, the life of those who share my views, we all have one standpoint: better to be dead than a scoundrel. In this horrible expression of Bertrand Russell there is an absence of all moral criteria.

From the commentary by Messrs. Muggeridge and Levin

Levin. In contradistinction to a lot of the tittering, mincing comment that has been publicly made about Solzhenitsyn, I think one of the things that has gone wrong with this country is that too much of the public comment has been of the kind that dismisses a man like Solzhenitsyn because it is uncapable of taking the measure of him; and that therefore a lot of what you might call private comment is unwilling or at any rate unable to formulate those feelings. And that is why the effect of a man like this is so great: because he comes in effect to tell us what we already know, and to strengthen that belief in us.

Muggeridge. Solzhenitsyn is the greatest man now alive in the world. It's rather sad to think that the President of the United States, who receives a great many people, didn't think it worthwhile, when he was there, to receive him. It's something that will be in history books in a way.

Muggeridge. Bill, one more point of hope, which is the biggest point of all: This regime, of which after all Solzhenitsyn is a product—he was born into the Soviet regime—has set itself to fashion a type of human being who would fall in with their standards, their arrangements. Now the world sees that man, and listens to that man, and realizes that that idea of what they call in their rather horrible way "social engineering" has been a total failure and fiasco. . . . [It has been said that] if you encase the earth in concrete, there would still be a crack, and through that crack something would grow.

Levin. This is a curious paradox. The thing I took away from that interview very strongly is that feeling of what I can only call exhilaration. And yet the message, after all, that he is giving us is that the West is in a terrible plight, weak because she is morally weak, could be crushed in a moment—this is what he is saying from beginning to end, and yet one comes away not in despair, but in hope. And I think the reason for that is not that he is telling us anything we didn't already know—there were no revelations in that interview, after all—but that he touched in us a chord that was ready for such a man.

[From "Panorama," a filmed interview between Michael Charlton and Alexander Solzhenitsyn]

INTERVIEW

Charlton. Aleksandr Isaech. When Mr. Brezhnev and the politburo took the decision to exile you abroad rather than send you once more to a concentration camp, they must have believed that you would do less damage to the Communist state outside the Soviet Union than inside it. So I wonder if you believe that time will prove that judgement to be correct.

Solzhenitsyn. In the way you put that question there is a certain false assumption. If one puts the question in this way we assume that the Politbureau is all-powerful and independent in decisions it makes, that it was free to decide one way or another. I must say that at the time of my exile the situation was very unusual. I wrote about this some time ago. In the autumn of 1973 the support of western public opinion for Sakharov and myself in our head-on confrontation, as I have called it, was so powerful, so unyielding, support such as the West had not demonstrated for a long time, such firmness, such steadfastness that the Soviet Politbureau simply took fright. It did not have complete freedom of choice either to keep me in prison or to exile me, they simply took fright at this anger, this storm of indignation in the West and were forced to give way. This was a forced concession. For that reason, I think that now, even if they regret it—and I imagine they do regret it—we must remember that they, in effect, had no choice. That was a rare moment when the West demonstrated unprecedented firmness and forced them to retreat.

Charlton. On the other hand, they would be right, wouldn't they, if you felt that your warnings, or your beliefs, fell upon deaf ears in the West. You would then cease to be relevant, and that presumably is what they hope?

Solzhenitsyn. Yes, if one looks at it from this point of view, you are right. My warnings, the warnings of others, Sakharov's very grave warning directly from the Soviet Union—these warnings go unheeded, most of them fall, as it were, on the ears of the deaf—people who do not want to hear them. Once I used to hope that experience of life could be handed on nation to nation, and from one person to another. . . . But now I am beginning to have doubts about this. Perhaps everyone is fated to live through every experience himself in order to understand.

Charlton. Well you are in the unique position to watch, now, a debate in both East and West, which to a large extent has been inspired, or has been focused, by your own experiences and your writings. How important is the experience of the Russian people for the West?

Solzhenitsyn. In actual fact our Russian experience—when I use the word "Russian" I always differentiate it from the word "Soviet"—I have in mind here even pre-Soviet experience, pre-revolutionary experience. In actual fact our Russian experience is vitally important for the West, because by some chance of history we have trodden the path the West is taking 70 or 80 years before the West. And now it is with a rather strange sensation that we look at what is happening to you when many social phenomena are repeating what happened in Russia before its collapse. Our experience of life is of vital importance to the West, but I am not convinced that you are capable of assimilating it without having gone through it right to the end yourselves.

Charlton. Give me an example of what you mean by the Russian experience being repeated in the West.

Solzhenitsyn. You know, one could quote here many examples, for example a certain retreat by the older generation, yielding their intellectual leadership to the younger generation. It is against the natural order of things for those who are youngest with the least experience of life, to have the greatest influence in directing the life of society. One can say then that this is what forms the spirit of the age, this current of public opinion, when people in authority, well-known professors, scientists are reluctant to enter into an argument even when they hold a different opinion. It is considered embarrassing to put forward one's counter-arguments, lest one becomes involved. And so, there is a certain abdication of responsibility, which is typical here where there is complete freedom. Let us take the press, writers, journalists, who enjoy great freedom—(and incidentally Russia enjoyed great freedom, the West has a completely false view of Russia before the revolution)—whilst enjoying such great freedom the journalists and writers lose their sense of responsibility before history, before their own people. Then there is now this universal adulation of revolutionaries, the more so the more extreme they are! Similarly, before the revolution we had in Russia, if not a cult of terror in society, then a fierce defense of the terrorists. People in good positions, intellectuals, professors, liberals spent a great deal of effort, anger and indignation in defending terrorists. And then the paralysis of governmental power. I could give you many more analogies.

Charlton. Well, as you say though, it is this West which has made it possible for people like you to survive and you acknowledge that. But how would you say that your two years in the West now, in view of what you have just said, has re-shaped your views? You are obviously more pessimistic now than you were when you came.

Solzhenitsyn. I must say that in relation to the West my generation—I am not going to speak only about myself personally, and when I say my generation, I have in mind people who shared my fate, that is to say the soldiers of the Second World War and then the prisoners, this was after all the common fate of so many. As I was saying my generation went through several stages. In the fifties after the end of the war we literally worshipped the West. We looked upon the West as being the sun of freedom, a fortress of the spirit, our hope, our ally. We all thought that it would be difficult to liberate ourselves but that the West would help us to rise from slavery. Gradually in the course of decades, and years, this faith began to waver and to fade. We received information about the West only with difficulty, but we even learned to listen through the fiercest jamming, to for example, your BBC. We realised with bewilderment that the West was not showing that firmness and that interest in freedom in our country as well, it was as if the West was separating its freedom from our fate and before I was exiled I had already strong doubts whether it was realistic to look to the West for help. It is precisely on this that my opinions differ from those of Sakharov; Sakharov considers that help from the West is of decisive importance for our liberation while I believe that we can obtain freedom only by relying upon ourselves, and that one can place practically no hopes on the West. And when I came here my doubts unfortunately increased very rapidly. But the point is, of course, that during these two years the West itself has gone through a good deal. During these two years the West has become much weaker in relation to the East. The West has made so many concessions, that now a repetition of the angry campaign which got me out of prison is practically impossible. I would say that the campaign to get Sakharov to Stockholm was almost as strong, but however it didn't help, because the West itself has become weak over this period. Its position has become weaker. Moscow now takes infinitely less note of the West.

Charlton. Can I suggest that perhaps one of the difficulties in your own case is this—and you've become a controversial figure in the West. You are no longer the quiet tourist in the West. You are in some respects an impassioned critic. And I think that the people in the West who criticise you—and of course, not all do—believe that you are asking for a return to something in Russia that is plainly impossible, a return to a patriarchal kind of Russia, a return to orthodoxy. Are those criticisms that you accept?

Solzhenitsyn. You know, that is one of the consequences of the weak sense of responsibility of the press. The press does not feel responsibility for its judgements, it makes judgements and sticks on labels with the greatest of ease. Mediocre journalists simply make headlines of their conclusions which suddenly become the general opinion throughout the West. You have just enumerated several propositions and practically all of them are not true. Firstly I am not a criitc of the West. I repeat that for nearly all our lives we worshipped the West—note the word "worshipped". We did not admire it, we worshipped it. I am not a critic of the West. I am a critic of the weakness of the West. I am a critic of a fact, which we can't comprehend, how one can lose one's spiritual strength, one's will-power, and possessing freedom not to value it, not to be willing to make sacrifices for it. A second label—just as common—was pinned on me, that I wanted to return to a patriarchal way of life. Well, as I see it, apart from the half-witted, no normal person could ever propose a return to the past, because it's clear to any normal person that one can only move forward. That means that choice lies only between those movements which go forward and not backwards. It is quite easy to imagine that some journalist writing mostly about women's fashions thought up this headline, and so the story gets around that I am calling for a patriarchal way of life. I'll just cite one more example: take the word "nationalist"—it has become almost meaningless. It is used constantly. Everyone flings it around, but what is a "nationalist"? If someone suggests that his country should have a large army, conquer the countries which surround it, should go on expanding its empire, that sort of person is a nationalist. But if, on the contrary, I suggest that my country should free all the peoples it has conquered, should disband the army, should stop all aggressive actions—who am I? A nationalist! If you love England, what are you? A nationalist! And when are you not a nationalist? When you hate England, then you are not a nationalist.

Charlton. Well, you make very eloquently the point that you're not going back in the sense of a return to the old Russian imperialism, but I'm not sure how you go forward as you claim you would. What is the way out of this world of tensions and oppression in the Soviet Union that you so eloquently describe? If the West cannot help, what is the way forward for the Russian people? What will happen?

Solzhenitsyn. You have just used the expression "for us", by which you mean the Soviet Union—do I understand you correctly? You know, two years ago and three years ago this question was topical, that is to say, it was possible to believe that we inhabitants of the Soviet Union could sit down and consider our future. The Soviet leadership was experiencing so many difficulties, so many failures, that it had to seek some way out, and indeed I thought that the way out was to seek the path of evolution, certainly not the revolutionary path. Not an explosion. And this time, this is where Sakharov and I agree. An evolutionary smooth path which would offer a way out of this terrible system. However, today all these suggested solutions have lost their practical value. Over the last two years, terrible things have happened. The West has given up not only four, five or six countries, the West has given up all its world positions. The West has given everything away so impetuously, has done so much to strengthen the tyranny in our country that today all these questions are no longer relevant in the Soviet Union. Opposition has remained, but I have already said many times that our movement of opposition and spiritual revival, like any spiritual process, is a slow process. But your capitulations, like all political processes, move very quickly. The speed of your capitulations has so rapidly overtaken the pace of our moral regeneration that at the moment the Soviet Union can only move along one path: the flourishing of totalitarianism. And it would be more appropriate if it were not you asking me which way Russia—or rather the Soviet Union (let us not get the two mixed) will go, but if I were to ask you which way the West is going? Because at the moment the question is not how the Soviet Union will find a way out of totalitarianism, but how the West will be able to avoid the same fate. How will the West be able to withstand the unprecedented force of totalitarianism? That is the problem.

Charlton. Why though do you think that people in the West have begun to feel uneasy with you? And it brings me to ask, in view of what you've just said, to this question of spiritual regeneration, moral regeneration, what is the central point for which you stand? After this enormously varied experience that you've had—you've been a teacher, a decorated war hero, an officer in the Soviet Army. You've been a cancer patient, you've been a political prisoner in concentration camps. What is the central point, in all that you say, that you stand for?

Solzhenitsyn. Maybe, if one is to speak of my life experience, then I would say that my outlook on life has been formed largely in concentration camps—that part of my life which is reflected in the Gulag Archipelago. I don't know—whether as you put it—western listeners would find my words embarrassing—it is difficult for me to judge this kind of reaction, but I would put it like this: those people who have lived in the most terrible conditions, on the frontier between life and death, be it people from the West or from the East—they all understand that between good and evil there is an irreconcilable contradiction, that it is not one and the same thing—good or evil—that one cannot build one's life without regard to this distinction. I am surprised that pragmatic philosophy consistently scorns moral considerations; and nowadays in the western press we read a candid declaration of the principle that moral considerations have nothing to do with politics. They do not apply and should not so to speak be applied. I would remind you that in 1939 England thought differently. If moral considerations were not applicable to politics then it would have been quite incomprehensible why on earth England went to war with Hitler's Germany. Pragmatically, you could have got out of the situation. but England chose the moral course and experienced and demonstrated to the world perhaps the most brilliant and heroic period in its history. But today we have forgotten this, today the English political leaders state quite frankly that they not only recognize any power over any territory regardless of its moral character but even hasten to recognize it—even try to be the first to do so. Somewhere, in some places, freedom has been lost in Laos, China or Angola. Tyrants, bandits, puppets have come to power and pragmatic philosophy says: that doesn't matter, we have to recognize them. And what is more, one should not consider that the great principles of freedom finish at your own frontiers, that as long as you have freedom, let the rest have pragmatism. No! Freedom is indivisible and one has to take a moral attitude towards it. Perhaps this is one of the main points of disagreement.

Charlton. You mention Gulag Archipeligo—your famous document of life in Stalin's prison camps. Those books are so full of an overwhelming anger and bitterness. Is the aim of them simply the destruction of the Communist ideology, the destruction of at least its myths, or are they meant to be something else than that? Do you want to go beyond that?

Solzhenitsyn. A work of art always consists of many parts, it has many facets, it has many sides and that means many aims. The artist cannot set himself political aims, the aims of changing a political regime, it may come out as a by-product of it, but to fight against untruth and falsehood, to fight against myths, or to fight against an ideology which is hostile to mankind, to fight for our memory, for our memory of what things were like—that is the task of the artist. A people which no longer remembers has lost its history and its soul. Yes, the main thing is to recreate. When I sit down to write this book—my only task is to recreate everything as it happened. That's my main aim. And naturally many deductions follow. If today the three volumes of Gulag Archipeligo were widely published in the Soviet Union and were freely available to all, then in a very short space of time no communist ideology would be left. For people who would have read all this and understood it, would simply have no more room in their minds for communist ideology.

Charlton. In one of your recent books—the portrait you paint of Lenin in Zurich—many people I think have noted perhaps a similarity between the two of you. The portrait you paint of a powerful character, Lenin, powerless to influence events inside the Soviet. . . . inside Russia as it was. Cut off, isolated, impatient. That does sound rather like you. A powerful figure, living in the same city today, in the west, perhaps powerless to intervene, cut off from your friends in the Soviet Union. Would you, like Lenin, be surprised, as he was, at a profound change in the Soviet Union taking place in your lifetime?

Solzhenitsyn. You know, I have been

working on the image of Lenin for 40 years. From the moment when I conceived this series of books, I thought of Lenin as one of the central characters—if not the central character. I gathered every grain of information that I could, every detail, and my only aim was to recreate him alive, as he was.

Charlton. But in attacking Lenin, of course, you attack the legitimacy of the whole Soviet Government, of the Bolsheviks themselves. So I just ask you whether you feel perhaps yourself . . . you, in turn, as he did for revolution, will become a focus for this moral, spiritual regeneration inside the Soviet Union. I mean, are you saying that there will be this kind of spiritual revival which will in time overthrow the Communist system?

Solzhenitsyn. I don't attack Lenin. I describe him as he is and what he is worth. So much incense has been kindled around him, in your country as well. He has been raised to such summits . . . I show in reality, how he was often shortsighted, how he treated his allies, collaborators, how weak were his ties with his own country. I don't attack him, but this ideology, to this ideology I am of course hostile. And the spiritual renaissance of our country lies in our liberation from his deadening, killing ideology.

Charlton. I'm trying to paint . . . or say . . . is it valid to suggest a strong comparison between yourself and Lenin. There was he, waiting in Zurich. Can't do anything about the internal situation and is quite surprised when the change comes. He, the great revolutionary. Would you be surprised if the change came?

Solzhenitsyn. He was surprised because of his shortsightedness. You can see from my book that because of the narrowness of his party view he had lost sight of the simplest facts, he didn't know that the war was about to start, he was taken unawares by the World War and in the same way by the revolution. Two years ago I didn't expect any explosion in the Soviet Union, I expected a slow process and it was already taking place. Today, yes, I would be surprised but I wouldn't be surprised at something else: I wouldn't be surprised at the sudden and imminent fall of the West. I would like to make myself clear: the situation at the moment is such, that the Soviet Union's economy is on such a war footing, that even if it were the unanimous opinion of all the members of the Politbureau not to start a war, this would no longer be in their power. To avoid this, would require an agonising change from a monstrous war economy to a normal peace economy. The situation now is such that one must think not of what might happen unexpectedly in the Soviet Union, because in the Soviet Union nothing will happen unexpectedly. One must think of what might happen unexpectedly in the West. The West is on the verge of a collapse created by its own hands. This quite naturally makes the question one for you and not for us.

Charlton. And you say this from the moral standpoint of a devout Christian, I know, and truth for you is more important than consequences. But you are asking people to say that in the nuclear age—because the sword that hangs over everybody's heads is the electronic thread of the nuclear weapons. And I think this is one of the problems that you face when you are criticised now as being an enemy of detente. What alternatives are there to treating with the devil, as you would say, if the purpose of that is to avoid nuclear catastrophe?

Solzhenitsyn. You know, there was a time at the beginning of the fifties when this nuclear threat hung over the world, but the attitude of the West was like granite and the West did not yield. Today this nuclear threat still hangs over both sides but the West has chosen the wrong path of making concessions. Nuclear war is not even necessary to the Soviet Union. You can be taken simply with bare hands. Why on earth then should one have nuclear war? If you have raised your hands and are giving in, why have nuclear war? They take you simply like that without nuclear war. The most important aspect of detente today is that there is no ideological detente. You western people, you simply can't grasp the power of Soviet propaganda. Today you remain British imperialists who wish to strangle the whole earth. All this is hidden beneath the thin crust of detente; to remove this crust will take only one morning: one single morning. You can't be turned away from detente so simply. To turn you away from your present position one would need a year or two. But in the Soviet Union one morning, one command is enough! Newspapers come out with the news that the British imperialists have become so brazen, that the situation has become intolerable. And nothing that is being said against you every day will contradict this. And detente—there is no detente, it's just gone. One can't raise the question of detente without ideological detente.

If you are hated and hounded throughout the press, in every single lecture—what sort of detente is that? You are shown up as villains who can be tolerated, well, may be, for one more day. That is not detente. As for the spirit of Helsinki—may I ask a question in my turn? How do you explain that, for instance, over the last few months there has been hardly any news coming out of the Soviet Union of the continuing persecution of dissidents. If you will forgive me, I will answer this myself. The journalists have bowed to the spirit of Helsinki. I know for a fact that western journalists in Moscow, who have been given the right of freer movement, in return for this and because of the spirit of Helsinki, no longer accept information about new persecutions of dissidents in the Soviet Union. What does the spirit of Helsinki and the spirit of detente mean for us within the Soviet Union?

The strengthening of totalitarianism. What seems to you to be a milder atmosphere, a milder climate, is for us the strengthening of totalitarianism. Here, for instance, I would like to give you a few examples, a few fresh examples which you will not have heard about over the radio or read in the papers, may I? Someone went to visit Sakharov, he went home by train and was killed on the way. No, it wasn't you, he was killed, it was a Soviet citizen. Someone knocks at the door of Nikolai Kryukov, they have come to fix the gas; he opens the door. They beat him up nearly to death in his own house because he has defended dissidents and signed protests. All this happens in a flat.

But on on a street at five o'clock in the afternoon on Lenin Prospect (Lenin!) Malva Landa is seized and dragged into a car. She screamed "citizens I'm being kidnapped," hundreds of people heard, passed by, they were afraid because anybody can be seized like that. Under the very eyes of passers-by, they shoved her into a car and took her to prison. That's the situation, that's the spirit of Helsinki and detente for us. And so it goes on. In Odessa Vyecheslav, Grunov has been arrested possessing illicit literature and put into a lunatic asylum. They've released Plyusch, but continue to lock up others. There you have detente and the spirit of Helsinki.

Charlton. Aleksandr Isaech. That's a very powerful feeling in the West, throughout the fifties and sixties, and perhaps now—in fact a great British philosopher, Bertrand Russell, gave his support to the view "Better Red Than Dead". But are you saying that this policy of detente was formulated by the Soviet Government expressly for the purpose of preventing internal liberalisation in the Soviet Union. In other words, the Soviet Union was falling behind economically. In order to catch up it had to import American and West German technology. Otherwise it would have to scrap the whole system, and so it can only catch up by importing its technology from abroad and clamping down internally.

Solzhenitsyn. Here, forgive me, there are several questions. Yes, it is the import of technology which is saving the Soviet Union. That's true. But I return to that terrible statement of Bertrand Russell: I don't understand at all why Bertrand Russell said "better red than dead". Why did he not say it would be better to be brown than dead? There is no difference. All my life and the life of my generation, the life of those who share my views, we all have one standpoint: better to be dead than a scoundrel. In this horrible expression of Bertrand Russell there is an absence of all moral criteria. Looked at it from a short distance these words allow one to manouevre and to continue to enjoy life. But from a long-term point of view it will undoubtedly destroy those people who think like that. It is a terrible thought. I thank you for quoting this as a striking example.

Charlton. But you are asking as an alternative for a return to something like the cold war tensions. And most people of course welcome detente as a respite from that, a break, something different. But would you agree that the alternative that you propose are likely to be a return to something like the tensions of the Stalin-Kruschev period?

Solzhenitsyn. I would like to emphasize . . . you think that this is a respite, but this is an imaginary respite, it's a respite before destruction. As for us, we have no respite at all. We are being strangled even more, with greater determination. You recall the tension of the fifties, but despite that tension you conceded nothing. But today you don't have to be a strategist to understand why Angola is being taken. What for? This is one of the most recent positions from which to wage most successfully world war. A wonderful position in the Atlantic. The Soviet armed forces have already overtaken the West in many respects and in other respects are on the point of overtaking. The navy: Britain used to have a navy, now it is the Soviet Union that has the navy, control of the seas, bases; you may call this detente if you like, but after Angola I just can't understand how one's tongue can utter this word! Your defence minister has said that after Helsinki the Soviet Union is passing the test. I don't know how many countries have still to be taken, maybe the Soviet tanks have to come to London for your defence minister to say at last that the Soviet Union has finally passed the test! Or will it still be sitting the exam? I think there is no such thing as detente. Detente is necessary, but detente with open hands. Show that there is no stone in your hands! But your partners with whom you are conducting detente have a stone in their hands and it is so heavy that it could kill you with one single blow. Detente becomes self-deception, that's what it is all about.

Charlton. Can I ask you finally, as a great Russian patriot, what view you take of your own future?

Solzhenitsyn. My own future is closely linked with the fate of my country. I work and have always worked only for it. Our history has been concealed from us, entirely distorted. I am trying to reconstruct this history primarily for my own country, maybe it will also be useful for the West. My future depends on what will happen to my country. But quite apart from this, the Moscow leaders have of course particular feelings toward me: so that my own destiny may be decided before that of my country: it is of course possible they may try to get rid of me completely before the fate of my country changes for the better. I sometimes get news of that sort. When I came here I counted on returning very soon because the Soviet Union then was much weaker and the West was much stronger. But over these two years mutual relationships have changed greatly in favour of the Soviet Union.

Charlton. Mr. Solzhenitsyn, thank you.

ORDER OF BUSINESS

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed beyond the hour of 1 p.m., with statements therein limited to 5 minutes.

SENATE CONCURRENT RESOLUTION 111—PROVIDING FOR A CONDITIONAL ADJOURNMENT OF THE CONGRESS FROM APRIL 14, 1976, UNTIL APRIL 26, 1976

Mr. MANSFIELD. Mr. President, I send to the desk a concurrent resolution, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the concurrent resolution.

The assistant legislative clerk read as follows:

> A senate concurrent resolution (S. Con. Res. 111) providing for a conditional adjournment of the Congress from April 14, 1976 until April 26, 1976.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its immediate consideration.

The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to, as follows:

S. Con. Res. 111

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Wednesday, April 14, 1976, they stand adjourned until 12 o'clock noon on Monday, April 26, 1976, or until 12 o'clock noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

Sec. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

Sec. 3. During the adjournment of both Houses of Congress as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Nunn). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Stevenson) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PEACE CORPS ANNUAL OPERATIONS REPORT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Stevenson) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I herewith transmit the Peace Corps Annual Operations Report for Fiscal Year 1975 as required by section 11 of the Peace Corps Act, as amended.

Gerald R. Ford.

The White House, *April 12, 1976.*

MESSAGES FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 12438), to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 305. A concurrent resolution providing for the printing of additional copies of the committee print entitled "Court Proceedings and Actions of Vital Interest of the Congress, Final Report for the 93d Congress, December 1974";

H. Con. Res. 536. A concurrent resolution to authorize the printing as a House document "Our Flag", and to provide for additional copies;

H. Con. Res. 537. A concurrent resolution to provide for the printing as a House document of the Constitution and the Declaration of Independence;

H. Con. Res. 538. A concurrent resolution providing for the printing as a House document of the Constitution of the United States (pocket-size edition);

H. Con. Res. 539. A concurrent resolution to print as a House document the Constitution of the United States; and

H. Con. Res. 540. A concurrent resolution to print as a House document "How Our Laws Are Made".

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 1:15 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 2445. An act to provide permanent changes in laws necessary because of the October-September fiscal year.

The enrolled bill was subsequently signed by the President pro tempore (Mr. Eastland).

S. 2444. An act to provide for the orderly transition to the new October 1 to September 30 fiscal year;

S.J. Res. 35. A joint resolution to provide for the designation of the week beginning March 13, 1977, as "National Employ the Older Worker Week";

H.R. 11598. An act to authorize appropriations for the United States Information Agency for fiscal year 1976 and for the period July 1, 1976, through September 30, 1976; and

H.J. Res. 491. A joint resolution to extend support under the joint resolution providing for Allen J. Ellender fellowships to disadvantaged secondary school students, and for other purposes.

The enrolled bills and joint resolutions were subsequently signed by the Acting President pro tempore (Mr. Stevenson).

At 2:14 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the joint resolution (H.J. Res. 890) making emergency supplemental appropriations for preventive health services for the fiscal year ending June 30, 1976, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 1465. An act to provide for the division of assets between the Twenty-Nine Palms Band and the Cabazon Band of Mission Indians, California, including certain funds in the United States Treasury, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. EASTLAND).

At 3:26 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has passed the bill (S. 2920) to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building, without amendment.

The message also announced that the House has agreed to the concurrent resolution (S. Con. Res. 111) providing for a conditional adjournment of the Congress from April 14, 1976 until April 26, 1976, without amendment.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3056) to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7988) to amend the Public Health Service Act to revise and extend the program under the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, and to establish a national program with respect to genetic diseases; and to require study and report on the release of research information.

HOUSE BILLS AND CONCURRENT RESOLUTIONS REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 12438. An act to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes; to the Committee on the Armed Services.

The following concurrent resolutions were read by their titles and referred as indicated:

H. Con. Res. 305. A concurrent resolution providing for the printing of additional copies of the committee print entitled "Court Proceedings and Actions of Vital Interest to the Congress, Final Report for the 93d Congress, December 1974"; to the Committee on Rules and Administration.

H. Con. Res. 536. A concurrent resolution to authorize the printing as a House document "Our Flag", and to provide for additional copies; to the Committee on Rules and Administration.

H. Con. Res. 537. A concurrent resolution to provide for the printing as a House document of the Constitution and the Declaration of Independence; to the Committee on Rules and Administration.

H. Con. Res. 538. A concurrent resolution providing for the printing as a House document of the Constitution of the United States (pocket-size edition); to the Committee on Rules and Administration.

H. Con. Res. 539. A concurrent resolution to print as a House document the Constitution of the United States; to the Committee on Rules and Administration.

H. Con. Res. 540. A concurrent resolution to print as a House document "How Our Laws Are Made"; to the Committee on Rules and Administration.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, April 12, 1976, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 2444. An act to provide for the orderly transition to the new October 1 to September 30 fiscal year.

S. 2445. An act to provide permanent changes in laws necessary because of the October–September fiscal year.

S.J. Res. 35. A joint resolution to provide for the designation of the week beginning March 13, 1977, as "National Employ the Older Worker Week".

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. STEVENSON) laid before the Senate the following letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF COMMERCE

A communication from the President of the United States, transmitting a proposed supplemental for fiscal year 1976 in the amount of $550,000 and for transition quarter in the amount of $420,000 for the Department of Commerce (with accompanying papers); to the Committee on Appropriations.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. STEVENSON):

A resolution adopted by the Westchester County Board of Legislators, White Plains, New York, concerning Title VI of the Comprehensive Employment and Training Act; referred to the Committee on Labor and Public Welfare.

DISAPPROVING CERTAIN REGULATIONS PROPOSED BY THE ADMINISTRATOR OF GENERAL SERVICES UNDER SECTION 104 OF THE PRESIDENTIAL RECORDINGS AND MATERIALS PRESERVATION ACT—REPORT OF A COMMITTEE (REPT. NO. 94–748)

Mr. RIBICOFF, from the Committee on Government Operations, submitted a report on the resolution (S. Res. 428) disapproving certain provisions of the regulations proposed by the Administrator of General Services on October 15, 1975, under the Presidential Recordings and Materials Preservation Act, for the information of the Senate, which was ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, without amendment.

S. 3295. An original bill to extend the authorization for annual contributions under the United States Housing Act of 1937, to extend certain low-income housing programs under the National Housing Act, and for other purposes, together with minority views (Rept. No. 94–749).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ALLEN (for himself and Mr. SPARKMAN):

S. 3288. A bill to amend section 543(a) of the Internal Revenue Code of 1954 relating to the definition of personal holding company income. Referred to the Committee on Finance.

By Mr. BARTLETT:

S. 3289. A bill to amend the Internal Revenue Code of 1954 to exclude the value of the principal residence of a decedent from the decedent's gross estate, to increase the estate tax where the estate consists largely of interest in a closely held business, to extend the date on which the first installment of estate tax is due, and to terminate the interest payment requirement on installments of the estate tax. Referred to the Committee on Finance.

By Mr. McINTYRE:

S. 3290. A bill for the relief of Paul Saunders, his wife Dorcas Saunders, and their children Karl Saunders and Corinna Saunders. Referred to the Committee on the Judiciary.

By Mr. HUGH SCOTT:

S. 3291. A bill for the relief of Felix Hernandez-Arana and his wife, Felicia Ogaldez-De Hernandez. Referred to the Committee on the Judiciary.

By Mr. PEARSON:

S. 3292. A bill to amend title XIX of the Social Security Act to repeal the provisions, relating to consent by States to certain suits, which were included in such title by reason of the enactment of section 111 of Public Law 94–182. Referred to the Committee on Finance.

By Mr. HASKELL:

S. 3293. A bill to amend the act entitled "An Act to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, (Public Law 92–314)". Referred to the Joint Committee on Atomic Energy.

By Mr. ROTH:

S. 3294. A bill to provide for tax deductions for college education. Referred to the Committee on Finance.

By Mr. PROXMIRE (from the Committee on Banking, Housing and Urban Affairs):

S. 3295. An original bill to extend the authorization for annual contributions under the United States Housing Act of 1937, to extend certain low-income housing programs under the National Housing Act, and for other purposes. Placed on the calendar.

By Mr. KENNEDY:

S. 3296. A bill to amend the Administrative Procedure Act to provide for improved administrative agency accountability and review of administrative agency actions, and for other purposes. Referred to the Committee on the Judiciary.

S. 3297. A bill amending title 5 of the United States Code to improve agency rule making by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BARTLETT:

S. 3289. A bill to amend the Internal Revenue Code of 1954 to exclude the value of the principal residence of a decedent from the decedent's gross estate, to increase the amount of the marital deduction allowance, to increase the period for payment of the estate tax where the estate consists largely of interest in a closely held business, to extend the date on which the first installment of estate tax is due, and to terminate the interest payment requirement on installments of the estate tax. Referred to the Committee on Finance.

Mr. BARTLETT. Mr. President, I am introducing my bill on the so-called widow's provision in conjunction with S. 2885, my bill to raise the overall estate tax exemption to $400,000.

A major problem with our estate tax system is that it is one of the most discriminatory in the entire tax code, particularly in relation to what is commonly called the widow's tax. If an estate is held in joint tenancy by a husband and wife and the wife dies first, the tax imposed on her estate is based on an arbitrary decision that she has contributed very little to the actual fair market value of the property. However, if the husband dies first, the code works in reverse. That is to say, a major portion of the contribution is attributed to the husband, and therefore, the estate is determined to include an amount far in excess of 50 percent of the fair market value of the property. The code does not recognize that the wife, even though contributing labor and other necessities for a household, has contributed anything to the value of the jointly held property. This is particularly true with regard to the farm wife.

The farm wife not only cooks the meals and runs the household, but also drives the truck or tractor, helps with the care and feeding of the livestock, assists in the planting and harvesting of crops and, as such, is indispensible in the successful operation of the farm. Unfortunately, none of this is considered a contribution to the farm as far as estate taxes are concerned. If the husband performs these functions, it is considered a contribution, but not so with the wife. Gentlemen, this is rank discrimination, and it has no place in our laws.

The bill I am introducing would make three major changes:

First, it will add a marital deduction for the surviving spouse of $100,000 to be removed from the definition of the taxable estate. Presently, the total of all such deductions cannot exceed a simple 50 percent of the estate and is usually substantially less than 50 percent.

Second, it will allow the surviving spouse to automatically remove from the gross taxable estate the principal residence of the couple. It is time that we end our discriminatory nonrecognition of the contribution of the housewife. The law does not, per se, discriminate against women in applying the test of contribution. However, the widow who has worked for 40 years keeping up the house and raising the children has no legal base for her efforts to establish contributions if she has no outside job. This section of the bill is in simple recognition that the housewife has made as much contribution to the house and home as has the working wife or the working husband.

Third, my bill provides a grace period of 5 years, with no interest accruing, before the surviving spouse must begin to pay the taxes.

By Mr. PEARSON:

S. 3292. A bill to amend title XIX of the Social Security Act to repeal the provisions, relating to consent by States to certain suits, which were included in such title by reason of the enactment of section 111 of Public Law 94–182. Referred to the Committee on Finance.

Mr. PEARSON. Mr. President, today I introduce a bill which seeks to correct a legislative oversight that threatens the fiscal security of our States and jeopardizes delivery of services to hospitalized medicaid patients. After Senate passage of the Social Security Act amendments last December the House inserted language, apparently without adequate consideration, requiring States to waive their immunity under the 11th amendment of the Constitution in order to fully participate in Federal financing of medicaid services. I am certain that our members, frustrated by delayed action in the other body, did not then comprehend the complete ramifications of this legislation. Now that time has allowed a more thorough examination of the provisions, I believe a majority in both Houses will expedite this measure to rectify the error.

Under Public Law 94–182, section 111 a State plan for medical assistance must now include a consent to suit with respect to payment of inpatient hospital services and a waiver of any immunity from such suits. The law specifies that a penalty of 10 percent of the amount otherwise payable to a State for medicaid services will be exacted for any quarter in which the State is in noncompliance. The penalty provision applies for quarters beginning on or after January 1, 1976. The States are put in the quandary of either abdicating their constitutional position as sovereigns or losing substantial funds vital to their citizens' well-being. Should Kansas, for example, refuse to waive its immunity, the immediate impact could cost the loss of approximately $24 million. This might well necessitate discontinuance of medical programs with a resultant loss of services to approximately 60,000 patients. On the other hand, compliance with the law would mean abandoning a principal element of sovereignty itself. The consent and waiver of immunity will allow medicaid providers of inpatient hospital services to bring suit against the State in Federal court with respect to reasonable costs for services. Extensive and costly litigation would follow. Through this avenue medical service providers will pursue additional price increases which could lead to extensive demands on State funds.

Mr. President, the legislation just introduced simply returns the law to its former status. There seems no justification for any change. No hearings were conducted; there is no evidence to justify such a substantial alteration in this sensitive program already beset with fiscal problems. It well behooves us to quickly correct this incursion into the constitutionally protected rights of our States.

By Mr. HASKELL:

S. 3293. A bill to amend the act entitled "An act to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, (Public Law 92–314)." Referred to the Joint Committee on Atomic Energy.

Mr. HASKELL. Mr. President, today I have introduced a bill to amend Public Law 93–314, "An act to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes."

The purpose of my amendment to this legislation is to make funds available to persons in the vicinity of Grand Junction, Colo., who have taken their own initiative in removing uranium mill tailings which were used in the construction of their homes and places of business prior to the knowledge that these tailings might present a severe health hazard.

The problem of the removal of uranium tailings in Grand Junction is not a new one. In 1972, the Congress authorized $5 million for a removal program. According to a survey conducted by the Colorado Department of Health, approximately 600 structures have had radiation reading sufficiently high to be classified as "possible eligible" for removal efforts.

The problem with the tailing removal process has been that the understandable anxiety of individual owners of affected property has led them in many instances to proceed with the tailing removal operations at their own expense, rather than await the efforts of the Government removal teams. In each such instance, the removal was done with the monitoring of the State Department of Health.

The legislation I am introducing today would simply make possible reimbursement to these individuals who have proceeded on their own to accomplish what would eventually be done at Government expense in any case.

The amendment would also make an additional $3 million available for the uranium tailing removal program, an amount recommended by the Energy Research and Development Administration.

I ask the support of my colleagues for this legislaiton which would serve to expedite a remedy for the long-standing problem of radiation danger to the inhabitants of Grand Junction.

By Mr. ROTH:

S. 3294. A bill to provide for tax deductions for college education. Referred to the Committee on Finance.

Mr. ROTH. Mr. President, I am today introducing legislation to provide tax deductions to help offset the rising costs of a college education. Specifically, this legislation would provide tax deductions of up to $1,500 a year for college tuitions and fees, less any scholarship aid received. The deduction would only apply to full-time students, and it would be allowed not only for attendance at colleges and universities, but at vocational schools as well.

I believe there is a pressing need for this legislation, which is intended primarily to help the middle-income families of this country, the ones who are not affluent enough to afford college expenses but not poor enough to receive Government assistance. The increasing costs of tuition, fees, and other expenses is making it virtually impossible for many middle-income families to send their children to college. According to the president of one of this country's leading institutions, this tuition problem that is squeezing the children of middle-income families out of higher education will become a "social disaster" if it is not solved.

In the past few years, the cost of a college education has skyrocketed enormously. According to the Library of Congress and a survey by the College Board Entrance Examination Board, the average total cost of sending a child to a public university will increase to $2,790 a year next fall compared to $1,782 a year 5 years ago. For a private college, the average yearly cost will increase from $2,973 5 years ago to $4,568 in the upcoming school year. And for many of the country's leading private institutions, total annual charges will be more than $7,000. The increasing cost is one of the main reasons that attendance at colleges has declined in the past 5 years.

In Delaware, both the University of Delaware and Delaware State College have announced increases in total charges. Tuition at the University of Delaware for resident students has increased from $475 to $795 since 1972, a 60-percent increase, and it is anticipated that tuition will increase by as much as $180 next fall. This will mean that total annual charges will be well over $3,000.

At the same time tuition costs are soaring, the Federal tax burden on the average family has also increased dramatically. According to the Tax Foundation, the average American family had a tax burden last year equal to over $4,000, an increase of more than $1,200 from 5 years ago. The increased tax burden has financed many Federal education programs, but most middle-income families have no hope of receiving their fair share of the tax revenues spent on education.

The Federal Government will spend more than $8 billion on education this year, with $2.6 billion spent on higher education. But the Federal programs providing college aid, direct grants, work-study programs, and guaranteed loans are directed primarily at low-income families.

I support providing aid to needy children, who would otherwise have absolutely no opportunity to obtain a college education. But we must not lose sight of the fact that the people who are paying the taxes to finance this aid are finding it more and more difficult to educate their own children.

The public's dissatisfaction with big Government is growing, especially among the middle-income people, the ones who go to work every day, pay most of the taxes, accept very little from Government, and receive very little from Government.

These are the people who have worked long and hard to get where they are, many times with both the husband and wife working, only to find that inflation and taxes make them unable to afford to send their children to college.

In my opinion, these people are getting a raw deal, and I think it is time we returned some of their taxes to them through tax deductions for college education expenses.

The Senate Finance Committee is currently conducting hearings on tax reform legislation. I truly believe that the best tax reform Congress could enact would be a bill providing more tax relief for middle-income families and I plan to work for the enactment of this legislation to provide tax deductions for college education expenses.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by designating section 219 as section 220, and by inserting after section 218 the following new section:

"SEC. 219. TUITION AND FEES FOR EDUCATION

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction, the sum of the amounts paid by the taxpayer during the taxable year to an eligible educational institution for—

"(1) tuition and fees required for the attendance of the taxpayer, his spouse, or a dependent at such institution, and

"(2) fees required for courses of instruction in which the taxpayer, his spouse, or a dependent is enrolled at such institution.

"(b) LIMITATIONS.—

"(1) FULL-TIME STUDENT.—No deduction shall be allowed under subsection (a) for amounts paid during the taxable year for tuition and fees with respect to any individual unless that individual, during each of 4 calendar months during the calendar year in which the taxable year of the taxpayer begins, is a full-time student above the secondary level at an eligible educational institution.

"(2) AMOUNT FOR EACH INDIVIDUAL.—Deduction shall be allowed under subsection (a) for amounts paid during the taxable year for tuition and fees with respect to any individual only to the extent that such amounts do not exceed $1,500.

"(3) SPOUSE.—No deduction shall be allowed under subsection (a) for amounts paid during the taxable year for tuition and fees for the spouse of the taxpayer unless—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for the taxable year.

"(4) PERSONAL AND LIVING EXPENSES.—No deduction shall be allowed under subsection (a) for any amount paid, directly or indirectly, for any personal or living expense during the taxable year. In the event an amount paid as tuition or fees includes an amount for any personal or living expense which is not separately stated, the portion of such amount paid which is attributable to such personal or living expense shall be determined under regulations prescribed by the Secretary or his delegate.

"(c) REDUCTION FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—The amount paid for tuition and fees with respect to any individual which (but for this subsection) would be taken into account under subsection (a) shall under regulations prescribed by the Secretary or his delegate, be reduced by any amounts received by or for such individual during the taxable years as—

"(1) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which under section 117 is not includable in gross income, and

"(2) educational assistance allowance under chapter 34 or 35 of title 38 of the United States Code.

"(d) DEFINITIONS.—For purposes of this section—

"(1) Eligible educational institution.—The term 'eligible educational institution' means—

"(A) an institution of higher education; or

"(B) a vocational school.

"(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution of higher education as defined in section 1201(a) of the Higher Education Act of 1965.

"(3) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational education school as defined by section 108(2) (C) and (D) of the Vocational Education Act of 1963.

"(4) COURSE OF INSTRUCTION.—The term 'course of instruction' means a course of instruction for the successful completion of which credit is allowed toward a baccalaureate or higher degree by an institution of higher education authorized to confer such degree or toward a certificate of required course work or training.

"(5) DEPENDENT.—The term 'dependent' has the meaning assigned to it by section 152(a).

"(e) EXCEPTION.—Subsection (a) shall not apply to any amount paid which is allowable as a deduction under section 162 (relating to trade or business expenses)."

(b) The table of sections for such part is amended by striking out:

"SEC. 219. Cross reference."

and inserting in lieu thereof:

"SEC. 219. Tuition and fees for education.

"SEC. 220. Cross references."

SEC. 2. Section 62 of the Internal Revenue Code of 1954 (relating to the definition of adjusted gross income) is amended by inserting after paragraph (9) the following new paragraph:

"(10) Deduction for education expenses.—The deduction allowed by section 219."

SEC. 3. The amendments made by this Act apply to taxable years beginning after December 31, 1975.

By Mr. KENNEDY:

S. 3296. A bill to amend the Administrative Procedure Act to provide for improved administrative agency accountability and review of administrative agency actions, and for other purposes. Referred to the Committee on the Judiciary.

S. 3297. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes. Referred to the Committee on the Judiciary.

ADMINISTRATIVE PROCEDURE ACT AMENDMENTS

Mr. KENNEDY. Mr. President, over a year ago I introduced for myself and the Senator from Maryland (Mr. MATHIAS), five bills (S. 796–800) to amend the Administrative Procedure Act to make certain outmoded and inflexible procedures more sensitive to the ever-increasing impact that our administrative agencies have on the lives of all Americans. I have since introduced another bill (S. 3123), and Senators FANNIN and BUMPERS have introduced legislation (S. 2407–2408, S. 2792) that would bring about reform of regulatory processes.

On April 27 and 28 the Subcommittee on Administrative Practice and Procedure will be holding hearings on these bills in an effort to respond to public concern over problems in agency practices and procedures. We hope, out of these hearings, to fashion a legislative package that will update and streamline agency operations, make them more responsive to the needs of those whose lives and businesses they affect, and render their actions more accountable to both Congress and the public.

Today I am introducing two additional bills, so that the subcommittee will have before it the broadest array of proposals relating to Federal agency responsiveness and accountability. The first was drafted by attorneys for Public Citizen in an effort to clarify the law of "standing," which concerns who may properly enter the Federal courts to request judicial review of the legality of agency actions. The purpose of standing is to insure that a plaintiff has a sufficient stake in a case to adequately present the issues to the court, but recent decisions seem to have lost sight of this purpose and have denied standing even where plaintiffs do have a substantial stake in the outcome. This bill attempts to conserve judicial energies and define citizens' rights more precisely by replacing the vague and troubling standards that the courts now apply to this problem with precise standards that can be easily and evenhandedly applied. I ask unanimous consent that an explanation of the purpose and background of this bill, the Administrative Procedure Review Act of 1976, prepared by Public Citizen attorneys, be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered. (See exhibit 1.)

Mr. KENNEDY. The second bill I am introducing is identical to H.R. 12048, introduced by Congressman FLOWERS and reported last month by the House Judiciary Committee. This bill has two titles, one dealing with the rulemaking provisions of the Administrative Procedure Act and the other relating to legislative review of agency regulations. Both of these titles contain sections with counterparts in legislation already pending before the Administrative Practice Subcommittee: for example, portions of amendments to section 553 of H.R. 12048 are identical to subsections in S. 796; and the legislative oversight mechanism in section 4 in H.R. 12048 reflects an alternative approach to that contained in section 3 of S. 2792. I ask unanimous consent that the statement of purpose and general outline of this bill contained in House Report 94–1014 be printed in the RECORD at the conclusion of my statement.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered. (See exhibit 2.)

Mr. KENNEDY. Mr. President, the Congress should be prepared this session to translate the criticism of the procedural failures of many Federal agencies to act efficiently, expeditiously, and effectively, and responsibly—voiced by all of us and by our constituents as well—into legislative action. The hearings later this month of the Subcommittee on Administrative Practice and Procedure on the bills I am introducing today and others will constitute a first step on the Senate toward that goal.

EXHIBIT 1

COMMENTARY ON THE "ADMINISTRATIVE PROCEDURE REVIEW ACT OF 1976"

Recent federal court decisions have made it increasingly difficult for individuals and organizations to free themselves from the effects of illegal government action. As a result, unlawful government actions are causing a loss of confidence in both the legitimacy of federal activities, and in the ability of our system of checks and balances to operate effectively. In addition, the law relating to the standing of affected persons to secure judicial review of government actions in the federal courts has become so confused, and so riddled with unwise and inconsistent results, that disproportionate amounts of time and effort have been expended by courts and litigants on this technical issue which generally bears no relationship to the merits of the cases presented to the courts for adjudication. The purpose of this legislation is, therefore, to open the doors of the federal courts to those who are affected by government actions, so that when the legality of government action is called into question, the relevant issues may be promptly adjudicated without needless inquiries into the standing of the party asserting the illegality. This will enable a more prudent allocation of judicial resources and, ultimately, a government whose operation is more consistent with the tenets of the Constitution and other laws of the United States.

THE NEED FOR REMEDIAL LEGISLATION

Remedial standing legislation is needed because recent decisions by the Supreme Court and the lower courts have caused great uncertainty in the law of standing which can best be eliminated by Congress. Moreover, many of these decisions have reached results that are wholly inconsistent with the fundamental principles that underlie our legal system. Supreme Court decisions handed down in recent years have denied standing without adequately explaining the basis for those denials and, as a result, confusion has reigned in the lower courts. This confusion has been compounded because Supreme Court precedents have produced inconsistent results which are difficult, if not impossible to reconcile. For example, in *Flast* v. *Cohen*, 392 U.S. 83 (1968), a taxpayer was granted standing to challenge the constitutionality of government expenditures, while in *United States* v. *Richardson*, 418 U.S. 166 (1974), a taxpayer was denied standing. Even though the plaintiffs in both cases possessed identical interests which made each plaintiff able to adequately present the issues in an adversary context—the purpose for which standing doctrine evolved—the Supreme Court reached contradictory results in the two cases without ever offering any meaningful distinction between them. In *United States* v. *SCRAP*, 412 U.S. 669 (1973), the Supreme Court held that an interest in protecting the environment, shared by all members of the public, was sufficient for standing to enforce environmental legislation, but in *Warth* v. *Seldin*, 422 U.S. 490 (1975), low income, minority plaintiffs were denied standing to challenge discriminatory zoning practices as a violation of civil rights statutes and constitutional provisions which were enacted for their benefit. The result of these inconsistent decisions is that no one knows when standing will be upheld and when it will be denied. Consequently, standing is raised as a defense in a disproportionately large number of cases, forcing courts and litigants alike to expend considerable amounts of time and energy on this issue.

A rule which has been advanced in many of the recent cases denying standing is that when a plaintiff seeks to protect an interest that is generally shared by other members of the public, the plaintiff has no standing. *See, e.g., Richardson, supra,* 418 U.S. at 176–80; *Schlesinger v. Reservists Committee To Stop The War,* 418 U.S. 208, 216–17, 220–21 (1974). The flaw in such a rule is obvious; precisely those government illegalities which are most widespread and which affect the most people would be insulated from review and allowed to go uncorrected. Everyone has a right to honest, lawful government and everyone is injured when unlawful government actions are allowed to persist. Moreover, the First Amendment right to petition the government protects the right of access to the courts to terminate unlawful actions. *See California Motor Transport Co. v. Trucking Unlimited,* 404 U.S. 508, 510 (1972). Therefore, broad restrictions on standing cannot be justified as a matter of policy or as a matter of constitutional law.

Because standing is a readily available defense, administrative action which exceeds an agency's statutory or constitutional authority can go entirely uncorrected. Often no conceivable plaintiff ever has standing to challenge agency actions under the current rules. In such cases, government agencies are free to violate statutes and constitutional provisions with impunity. In one case, a plaintiff successfully obtained a district court order enjoying the use of government patent regulations as unconstitutional, but the court of appeals reversed and dismissed for lack of standing. As a result, patent regulations are now being used by the entire federal government even though those very regulations have been declared unconstitutional by a federal court. In another case, taxpayer plaintiffs sought to recover for the federal treasury funds which were allegedly misappropriated for use in Richard Nixon's 1972 re-election campaign in violation of a federal statute and a constitutional provision. The plaintiffs were denied standing even though, as a result of that ruling, no one will ever have standing to recover those funds. No one has ever suggested that standing requirements were intended to serve as a license for government lawlessness, but that is exactly what standing rules are becoming.

Although increased government activities now have more effect on the lives of each of us than has been true in the past, standing requirements have not been keeping pace with increased government activity. Standing is becoming more restrictive rather than more expansive, thereby making it very difficult for individuals to protect their interests from the effects of unlawful government action. In *Metcalf v. National Petroleum Council*, No. 75–397 (D.D.C., Feb. 9, 1976), both a Senator and a consumer challenged the make-up of the National Petroleum Council, 140 of whose 150 members have ties to the oil companies. Senator Metcalf argued that the Council's information and recommendations, on which his legislative duties are often based, were likely to be biased or inaccurate. In addition, the consumer argued that consumer interests were being ignored by the industry-dominated Council. However, neither plaintiff was granted standing and the Council continues to be industry-oriented. In another case, users of the highways sued to enforce mandatory provisions of federal highway safety legislation. While standing was upheld in the district court, the issue has again been pressed on appeal, thereby requiring a further expenditure of judicial resources on this technical issue. Moreover, the possibility now exists that not even the intended beneficiaries of this important congressional enactment will be able to enforce its provisions, and that the statute will simply be ignored.

The current state of the law of standing is causing public disillusionment and loss of confidence in the operations of our government. Rather than insuring that cases will be presented in an adversary context, where the plaintiff has sufficient involvement to adequately present the relevant issues to the court in an adversary context, standing is becoming little more than a convenient device by which courts can avoid the merits of difficult or controversial cases. This is a serious abuse of standing doctrine which can best be remedied through legislation. The Administrative Procedure Review Act of 1976 is designed to solve the standing problem by replacing the vague and troubling standards now used by the courts with precise standards that relate more closely to the constitutional requirements.

ANALYSIS OF THE ACT

Title

The title of this legislation is the "Administrative Procedure Review Act of 1976." As the title indicates, the Act is designed to improve review of administrative agency actions in order to make the agencies more responsive and accountable to the public.

SEC. 101. FINDINGS.—This legislation begins with a congressional finding that each citizen and resident of the United States, and each organization whose operations are sufficiently affected by the federal government, is entitled to be free from the effects of unlawful government action. Subsections (a) and (b) recognize this right as one which is inherent in the nature of our society. While the relinquishment of some individual freedom is necessary to the orderly functioning of our society, no individual or organization has relinquished the right to be free from illegal government regulation; the government can make only lawful demands on those whom it governs. Because this right to lawful government would be hollow without the coincident right to seek a determination of the legality of government actions, it follows from subsections (a) and (b) that citizens, residents and organizations have the right to invoke the jurisdiction of the federal courts to protect their inherent right to lawful government.

It should be emphasized that this statute does not attempt to expand the jurisdiction of the courts created by Article III of the Constitution, as indeed it could not do. However, it is clear that Congress can recognize and create rights which would not exist absent congressional action. *Trafficante v. Metropolitan Life Insurance Co.*, 409 U.S. 205, 212 (1972) (White, J., concurring); *Linda R. S. v. Richard D.*, 410 U.S. 614, 617 n.3 (1973); *Warth v. Seldin*, 422 U.S. 490, 500, 513–14 (1975). It is equally clear that the rights recognized by Congress in section 2 of this statute are sufficiently substantial that the courts have Article III jurisdiction to protect them. *Cf. Baker v. Carr*, 369 U.S. 186, 206–08 (1962); *Flast v. Cohen*, 392 U.S. 83, 98–101 (1968); *United States v. SCRAP*, 412 U.S. 669, 689 n.14 (1973); *Buckley v. Valeo*, 519 F.2d 821, 850–51 (D.C.Cir., 1975) (*en banc*). While the Act does not attempt to expand Article III jurisdiction, it does broaden access to the courts for review of administrative action by making the requirements for standing correspond more closely to the Article III "case" or "controversy" requirement. This statute eliminates the "prudential" limitations on standing which have caused courts to refuse to hear the merits of controversies even though they have had jurisdiction to decide the merits. *See, e.g., Warth v. Seldin, supra*, 422 U.S. at 500–501; *United States v. Richardson*, 418 U.S. 166, 196 (1974) (Powell, J., concurring). With enactment of this legislation, all citizens, residents, and organizations meeting the minimum constitutional requirements for federal jurisdiction will have standing to seek judicial review of agency action as long as they satsify those few requirements set out in this Act.

Subsection (c) recognizes that states, political subdivisions, territories, and possessions of the United States are also affected by action of the federal government and recognizes their right to be free from illegal government action. Consequently, states, political subdivisions, territories, and possessions should also have access to the federal courts to protect that right. In addition, subsectoin (c) acknowledges that states, political subdivisions, territories and possessions have a right of access to the federal courts to protect the rights which their citizens and residents possess to be free from the effects of illegal government actions. These are the same inherent individual rights that are accorded congressional recognition in subsection (a). However, because these individual rights may be collectively abridged or abridged in ways that make judicial redress by each individual impractical, the statute finds that the enumerated political entities are entitled to seek judicial protection of the individual rights of their citizens and their residents by enacting this legislation. Congress would recognize the need to allow representative actions, and should expressly overrule the judicial prohibition of such actions established in *Massachusetts v. Mellon*, 262 U.S. 447 (1923).

The current law of standing in the federal courts is greatly confused and congressional action is necessary to eliminate both that confusion and the unwise and inconsistent holdings that have resulted from application of the rules of standing as they are currently formulated. Courts and litigants have devoted huge amounts of time and energy to the issue of standing—time which would have been better spent deciding the merits of the cases presented to the courts. In addition, restrictive standing rules have made it unnecessarily difficult for citizens, residents and organizations to protect their interests from the effects of illegal government action. Consequently, illegal government actions have continued to exist despite the remedial efforts of litigants, because courts have used the doctrine of standing to abstain from deciding many cases. Such abstinence must be terminated because it promotes loss of confidence in government operations and deprives us all of the benefits of lawful government.

SEC. 102. PURPOSES.—This legislation has four essential purposes. As subsection (a) indicates, the Act is designed to make agency actions correspond more closely to the tenets of the Constitution and other laws of the United States. This subsection evidences a recognition by Congress that government illegality is *per se* undesirable. It also evidences the belief that government officials are more likely to act in the public interest if they are held to account for their actions. When judicial review of agency action is unavailable, law enforcement and government accountability are either significantly reduced or entirely absent. *See* Davis, *Administrative Law Treatise*, Vol. 3 § 22.01. Consequently, the purpose of increasing law enforcement and government accountability is served by liberalizing the rules of standing so that more individuals and organizations who are affected by agency actions have access to the courts.

Increasing law enforcement and government accountability is in the public interest, and subsection (a) evidences congressional dissatisfaction with the reluctance of many courts to allow persons affected by government action to maintain suits to protect both their interests and the public interest. Several cases have recognized that private litigation is both instrumental and necessary to the protection of the public interest. *See Associated Industries of New York State, Inc. v. Ickes*, 134 F.2d 694, 704–05 (2d Cir. 1943), *vacated as moot*, 320 U.S. 707 (1943); *Sierra Club v. Morton*, 405 U.S. 727, 736–38 (1972); *Scripps-Howard Radio, Inc. v. FCC*, 316 U.S. 4, 14–15 (1942); *FCC v. Sanders Bros. Radio Station*, 309 U.S. 470, 476–77 (1940); *Association of Data Processing Service Organizations v. Camp*, 397 U.S. 150, 154 (1970); *Arnold Tours v. Camp*, 400 U.S. 45, 46 (1970). Many of these cases, however, impose needless requirements on the maintenance of suits which may benefit the public. *See Barlow v. Collins*, 397 U.S. 159, 167–69, 170–73 (1970) (separate opinion of Mr. Justice Brennan, joined by Mr. Justice White). A principal purpose of this legislation is to eliminate such requirements and to encourage public interest lawsuits by placing the stamp of congressional approval on them.

As subsection (b) indicates, the Act is also designed to increase access to the federal courts so that individuals and organizations may better protect their own interests from the effects of unlawful agency action. Current rules of standing allow actions only if brought by parties who demonstrate direct economic injury, *see Association of Data Processing Service Organizations v. Camp, supra*, or injury to one of a few other select interests. *See, e.g., Sierra Club v. Morton, supra; Baker v. Carr, supra*. Recent standing decisions have failed to recognize that agency action can also have indirect effects on individuals and organizations which are sufficient to satisfy the purposes of standing doctrine. The current requirements have become so rigid and so technically applied, and the scope of cognizable injuries has become so narrow, *see Warth v. Seldin, supra*, that standing doctrine no longer reflects any realistic concern with the adequacy of issue presentation in an adversary context, even though this is the purpose for which standing doctrine evolved. *See Baker v. Carr, supra*, 369 U.S. at 204–06. Consequently, individuals and organizations are too frequently prevented from protecting their interests. The Act is designed to eliminate this inequity by abandoning the current "direct" injury requirement and adopting the more meaningful standards set out in section 6 of the Act.

Subsection (c) indicates that by increasing law enforcement and government accountability, and by enabling citizens, residents and organizations to better protect their interests, public confidence in the fairness of Government operations will be increased. In addition, the reforms instituted by this Act will clarify the law of standing. Consequently, the Act will reduce the amount of litigation relating to the issue of standing and will allow cases to proceed to a decision on the merits.

SEC. 103. PRESUMPTION OF REVIEW.—Section 4 adds the words "explicitly," "clearly," and "solely" to the existing language of section 701(a) of Title 5 of the United States Code. These additions indicate that there is a strong presumption in favor of review, and that a direct and weighty showing of congressional intent to preclude review is required to rebut this presumption. The addition of "explicitly" in subsection (a)(1) indicates that preclusion is not to be inferred from a statutory scheme or from any other circumstantial evidence. A statute must say on its face that review is precluded in order to cut off review under the APA. "Clearly" and "solely" have been added to subsection (a)(2) primarily for their symbolic value. They indicate that this subsection is to be narrowly construed so that preclusion will be very rare. If there is any law for a reviewing court to apply, the agency action under consideration has not been clearly committed solely to agency discretion. *See Citizens to Preserve Overton Park* v. *Volpe,* 401 U.S. 402, 410 (1971). Section 4 of the Act directly overrules recent lower court decisions that have implied a preclusion of judicial review. *See, e.g., Consumer Federation of America* v. *FTC,* 515 F.2d 267, 370–73 (D.C.Cir. 1975) *Jensen* v. *National Marine Fisheries Service,* 512 F.2d 1189, 1191 (9th Cir. 1975).

Definitions.

Section 5 adds the definition of "interested person," "laws of the United States," and "participate" to those definitions already listed in section 701(b) of title 5 of the United States Code. Under this Act, any "interested person" has standing to secure judicial review of administrative action. The term "interested person" is defined in subsection (2) as comprising three classes of individuals and organizations: (a) all citizens and residents of the United States qualify as interested persons; (b) organizations constitute interested persons if they maintain an office in the United States and their organizational rights or purposes bear some relation to the agency action of which review is sought; and (c) states, political subdivisions, territories and possessions of the United States are deemed to be interested persons when they seek review of agency actions which affect them as political entities, or when they seek review of agency actions which affect their citizens or residents.

The objective of the Act in defining the term "interested person" has been to effect as broad a grant of standing as possible, while assuring that the plaintiff has a sufficient connection with the United States to properly seek enforcement of the laws of the United States. With respect to individuals, this has been accomplished by granting standing to citizens and residents of the United States. Citizens and residents are affected directly and indirectly by agency action in many ways and in varying degrees. By virtue of their citizenship or residency, however, all have a stake in assuring that Government operations are conducted in a lawful manner. This makes citizens and residents proper parties to seek a determination of the legality of agency action.

Organizations that have offices in the United States are functionally equivalent to residents. They are subject to the laws of the United States, and as such have a stake in assuring that Government operations are lawfully conducted. Organizations, however, are formed for specific purposes. Consequently, in order for an organization to have standing as an "interested person," it must appear likely that either its organizational purpose, or its ability to exist or conduct operations may be affected by the agency action under review. When the two conditions set out in section 5(2)(B) of the Act are satisfied, an organization will be a proper party to seek review of agency action.

States, political subdivisions, territories, and possessions of the United States have an obvious nexus with the United States, making them proper parties to sue when their rights or interests as political entities are affected. It should be noted that subsection 5(2)(C) is not intended to encompass foreign governments or their instrumentalities. Subsection 5(2)(C) also allows political entities to assert the rights of their citizens and residents. This was done because actions brought in a representative capacity can be more appropriate, more efficient and more meaningful than a series of individual actions when many distinct interests are affected by agency action, but the effect on each individual is small. This subsection is not limited to such circumstances, however. A representative action may be brought by a political entity to assert any of the rights which are congressionally recognized in section 2(a) of the Act. A suit by a political entity in its representative capacity, however, does not automatically bar subsequent suits by individuals asserting their own rights, although principles of *stare decisis* would make subsequent actions highly unlikely. *See Hawaii v. Standard Oil Co.,* 405 U.S. 251, 261–62 (1972).

"Laws of the United States" is defined in subsection (3) and is intended to have as broad a meaning as possible. The term includes a wide range of enactments and official practices whose legality may be challenged, and a wide range of standards against which enactments and official practices must be measured when their legality is challenged. Any agency action constitutes a "law of the United States" within the meaning of this subsection.

"Participate" is defined in subsection (4). Because participation in an agency proceeding is one basis for securing standing to seek judicial review under section 6 of the Act, this term is also defined broadly. "Participate" includes appearing as a party in an agency proceeding, testifying orally, or submitting written testimony, arguments, evidence, documents or information, as long as the submission is arguably relevant to the agency proceeding. "Participate" also includes requesting an agency to take any action or to refrain from taking action, and includes commenting on any action taken or proposed by an agency.

Subsection (5) is identical to what is currently section 701(b)(2) of Title 5 of the United States Code.

SEC. 201. GRANT OF STANDING.—Section 6 of the Act contains a substantive grant of standing to secure judicial review of agency action. It creates two categories of plaintiffs that have a sufficient nexus with the United States and the agency action under review to make them proper parties under Article III of the Constitution to seek judicial review. Subsection (a) grants standing to any person who has participated in an agency proceeding giving rise to the agency action of which review is sought. Subsection (b) grants standing to any interested person who satisfies the procedural requirements set out in the subsection. The intent of this section is to establish clear standards by which courts and litigants alike can readily determine whether a given plaintiff has standing. In addition, the Act is intended to eliminate nonessential, "prudential limitations" on standing and to grant standing in more cases where constitutionally permissible.

Under subsection (a), a person, as defined in section 5(5) of the Act, has standing to review agency action when that person participates in an agency proceeding within the meaning of sections 5(4) and 5(5) of the Act. Although the language of this subsection requires that agency action result from the agency proceeding in which the plaintiff participated, the phrase "resulting from" is to be interpreted expansively. For example, if several agency proceedings are being conducted with respect to identical or similar subject matters, agency action resulting from one proceeding may be reviewed at the request of a participant in another related proceeding, even if the agency action is not directly dispositive of the matters pending in the related proceedings.

Under subsection (b), an interested person, as defined in section 5(2) of the Act, may secure judicial review of any agency action, even though that person did not participate in the proceeding that led to the agency action. Currently, the general rule is that a plaintiff need not participate before the agency in order to obtain judicial review. *See e.g., Wilson Co. v. U.S.* 335 F.2d 788, 794 (7th Cir. 1964), *cert. denied,* 380 U.S 951 (1965); *Goodman v. Pub. Serv. Comm.,* 497 F.2d 661, 664 n. 5 (D.C. Cir. 1974). Subsection (b) is intended to approve this general rule and to directly overrule those cases which have departed from the rule by holding that, in some instances, a person must participate in an agency proceeding in order to seek review of actions arising out of that proceeding. *See Nader v. Nuclear Regulatory Commission,* 513 F.2d 1045, 1054–55 (D.C. Cir. 1975). However, sixty days notice must be given to the agency on the basis of the claimed illegality of the action being reviewed before such action can be brought under subsection (b). The sixty-day notice requirement is a courtesy to the agency and is not jurisdictional in nature. It is intended to eliminate ambiguities which can arise concerning the doctrine of exhaustion of administrative remedies by prescribing a definite time period for agency action, just as Congress has done in the Freedom of Information Act, 5 U.S.C. § 552. However, the relief-pending-review provisions of 5 U.S.C. § 705 remain available even when the sixty-day notice has not been given. The purpose of the notice is to inform the agency that the legality of one of its actions is being contested and to give the agency an opportunity to respond to novel facts or arguments which were not considered prior to taking the challenged agency action. In those instances in which this purpose is outweighed by the need for immediate review, subsection (b) allows an action for review to be commenced after less than sixty-days notice. In addition, the notice requirement does not mar commencement of subsection (b) actions once the agency has clearly indicated that it will not reconsider the legality of the challenged action, thereby rendering notice and further delay unnecessary. Subsection (a), however, does not require participants to give a sixty-day notice to the agency because participants have already made their views known to the agency. Subsection (a) is not intended to preempt statutory schemes which specifically prescribe different time limits for commencing actions for judicial review, or which require timely filing of petitions for reconsideration.

As noted above the sixty-day waiting period provides a useful measure for determining when administrative remedies have been exhausted. Some agency inaction can so frustrate law enforcement and the interests of those affected that such inaction must be deemed final in order to allow meaningful review. Actions commenced under subsection (b) are, therefore, immunized from dismissal for failure to exhaust administrative remedies after the agency has had sixty days to consider contentions of illegality. It should be emphasized that this subsection is intended to prevent agencies from evading judicial review and accountability for their actions by operating in bad faith or by implementing involved and time-consuming internal procedures before taking final, reviewable actions. Such procedures waste Government resources and are contrary to the policies of this Act. However, this subsection is not designed to allow premature judicial review. After the sixty-day notice period has expired, actions commenced under subsection (b) may still be dismissed, but only after the court finds that no ripe, justiciable controversy exists between the plaintiff and the agency within the meaning of Article III of the Constitution.

Unlike subsection (b) subsection (a) does not prescribe a specific time period after which administrative remedies are deemed to have been exhausted. Nevertheless, it is also contrary to the policy of the Act for agencies to attempt to delay of subsection (a) actions. Although it is impractical to place a time limit on the completion of agency proceedings which are in progress, when an agency unjustifiably prolongs proceedings or fails to render a decision at the close of proceedings, review is available under subsection (a) as prescribed in section 706(1) of Title 5 of the United States Code. The courts have frequently recognized the need to prevent administrative delay by allowing actions for judicial review to be maintained. *See e.g., Deering Millikin, Inc. v. Johnson,* 295 F.2d 856, 865 (4th Cir. 1961); *Atlantic Gulf Stevedores, Inc. v. Donovan,* 274 F.2d 794, 802 (5th Cir. 1960). Again the court should dismiss a subsection (a) review proceeding only when no ripe, justiciable, Article III "case" or "controversy" exists.

Subsection (b) has the effect of requiring those who satisfy the current "aggrieved" or "adversely affected" test of standing to wait sixty days before filing a subsection (b) review action in most instances even though review would be available immediately under current law. However, these individuals and organizations, as well as the courts, will benefit from the clearer formulation of the test for standing which is contained in section 6 of the Act. In fact, a major purpose of the Act is to eliminate the uncertainty surrounding the terms "aggrieved" and "adversely affected," and to avoid the confusion generated by the inconsistent, and often imprudent judicial decisions which have construed those terms.

Under subsection (b), organizations may assert the interests of their members, contributors, or supporters who are interested persons within the meaning of section 5(2) of the Act, as they can under present law. *See Sierra Club v. Morton, supra.* Under this statute, however, organizations that qualify as interested persons may sue in their own right as well. The Act, therefore, overrules cases such as *Sierra Club* to the extent that they deny standing based solely on an organization's purposes. The *Sierra Club* requirement that an organization allege injury to its members in order to secure standing is an example of a restriction that not only bears little relation to issue presentation, but one which can cause unjustifiable results. Under *Sierra Club,* a well established environmental organization was denied standing to maintain an environmental action, even though a backwoods fisherman with little understanding of the relevant issues could have maintained the same action without even hiring an attorney. Subsection (b) of the Act is intended to eliminate such anomalies.

The most important function of the Act is the elimination of judicial inquiries into how direct or how substantial an injury or threatened injury must be to confer standing. The purpose of standing doctrine is to insure that plaintiffs will be able to adequately present the relevant issue of a case to a reviewing court in an adversary context. Inquiries into the degree or directness of an injury, however, have little to do with the goal of adequate issue presentation. This is especially true because most litigation is handled by attorneys, whose ethical obligation to represent their clients zealously is unaffected by the degree or directness of any injury threatened to or sustained by their clients. *See* Canon 7 of the *Code of Professional Responsibility.* Nevertheless, courts have recently begun to apply very strict tests to injury in a wholly unjustifiable and dangerous manner. In *Warth v. Seldin, supra,* for example, the Supreme Court imposed such vague and overburdening injury requirements on the plaintiffs that plaintiffs in future actions can never be certain that they have satisfied those requirements. This problem is especially acute in actions raising difficult or controversial issues which the courts may be tempted to avoid by merely finding that the *Warth* requirements have not been satisfied. Moreover, irreconcilable standing decisions have been handed down by the courts even when the degrees of injury and likelihood of adequate issue presentation have been indistinguishable. Compare *Flast v. Cohen, supra,* with *United States v. Richardson, supra.* This type of confusion and abuse are contrary to the policy of this Act and should be expressly rejected by Congress. Congress should expressly approve the results in cases such as *Baker v. Carr, supra; Flast v. Cohen, supra; United States v. SCRAP, supra;* and *Evans v. Lynn,* —— F.2d —— (2d Cir., June 2, 1975) (No. 74–1793), which are more consistent with the true function of standing.

Section 6 of the Act replaces the old, ambiguous tests for standing with one which can be easily applied, yet bears a stronger relationship to issue presentation—the true function of standing. This is done by focusing on the constitutional component of standing and rejecting limitations that have been imposed by courts over and above the constitutional requirements. The result of this Act would be a liberalization of the rules of standing, which would not only reduce the burdens on courts and litigants but would expand law enforcement capabilities and make it easier for individuals to protect their interests.

Constitutionality

The constitutional authority of Congress to enact this legislation is clear. Standing doctrine is rooted in the case or controversy requirement for federal jurisdiction contained in Article III of the Constitution, a requirement designed to insure that plaintiffs are able to adequately present relevant issues to a court in a manner that will not require an advisory opinion to be rendered. *See e.g., Flast v. Cohen, supra,* 392 U.S. at 96–97; *Buckley v. Valeo, supra,* 519 F.2d at 850–51. The case law which has construed the constitutional requirement indicates that the plaintiffs whose standing is recognized by this statute will not deprive the courts of their Article III jurisdiction. *See United States v. SCRAP, supra,* 412 U.S. at 689, n.14; *see also Baker v. Carr, supra; Flast v. Cohen, supra.* In addition, because the Act will increase law enforcement and government accountability, plaintiffs basing their standing on the Act will serve a public interest function which has frequently been held to be sufficient for Article III purposes. *See e.g., Federal Communications Commission v. Sanders Radio Station, supra,* 309 U.S. at 477 (1940); *Scripps-Howard Radio, Inc. v. FCC, supra,* 316 U.S. at 14; *Associated Industries of New York State, Inc. v. Ickes, supra,* 134 F.2d at 704; *Office of Communications of the United Church of Christ v. FCC,* 359 F.2d 994, 1001 (D.C.Cir. 1966). *See also* Davis, *Administrative Law Treatise,* vol. 3, § 22.05.

The Supreme Court has never denied a plaintiff standing because of a constitutional defect. Whenever standing has been denied it has been for reasons unrelated to the Constitution which have been termed "prudential limitations" on standing. *See United States v. Richardson, supra,* 418 U.S. at 196; *Warth v. Seldin, supra,* 422 U.S. at 501. Consequently, there is no doubt that Congress has the authority to enact this legislation. Even in *Warth v. Seldin,* the Supreme Court indicated on four separate occasions, without objection by a single justice, that Congress could statutorily eliminate the prudential limitations on standing just as this Act does. Moreover, it is well established that Congress can create rights which would not exist absent congressional action and can grant standing to enforce those rights. *See e.g., Warth v. Seldin, supra,* 422 U.S. at 500; *Trafficante v. Metropolitan Life Ins. Co., supra; Davis, Administrative Law Treatise,* vol. 3, §§ 22.03 & 22.04.

Impact on the courts

Although more plaintiffs will have access to the courts under this Act, there is no reason to believe that courts will become over-burdened. As Mr. Chief Justice Burger noted concerning administrative proceedings in *Office of Communication of the United Church of Christ v. FCC, supra,* 359 F.2d at 1006:

> "The fears of regulatory agencies that their processes will be inundated by expansion of standing criteria are rarely borne out. Always a restraining factor is the expense of participation in the administrative process, an economic reality which will operate to limit the number of those who will seek participation; legal and related expenses of administrative proceedings are such that even those with large economic interests find the costs burdensome."

The same economic reality will prevent overburdening of the courts under the proposed legislation, and because this legislation will provide long needed clarification of the law, judicial resources will be saved rather than drained. The Act seeks to continue the trend toward meaningful standing rules begun by the Supreme Court in *Data Processing, supra,* and *Barlow v. Collins,* 397 U.S. 159 (1970), a trend that need not be feared. As Professor Davis has stated:

> "Why should not 'any citizen' or 'any person' be allowed to litigate any question in which the public has an interest? Some state courts have gone about this far, and experience has shown that no significant harm seems to result.
>
> "The difference between the law that stems from *Data Processing* and *Barlow* differs only slightly from a system of allowing 'any person' to litigate any question in which the public has an interest." [Davis, *Administrative Law Text,* 1972, at 429].

The public has a strong interest in seeing that our administrative agencies act within the bounds of law, and here, where there is no reason to believe that relaxed standing requirements will overburden the courts, private civil enforcement of the laws regulating our administrative agencies should be welcomed rather than discouraged.

This legislation is designed to increase the number of cases which are decided on the merits, and nothing herein should be construed to limit the availability of judicial review that currently exists. Standing doctrine should not be used as a device for achieving ends which are ulterior to those of adequate issue presentation, nor should standing be used to insulate private interests or particular agency actions from review. There is no danger that courts will be forced to decide cases which they are unequipped to decide as a result of this Act. Justiciability doctrines such as the political question limitation, as well as summary adjudication procedures allowing cases to be disposed of on motions to dismiss and motions for summary judgment, will prevent non-justiciable issues from being thrust upon the courts.

Subsection (c) entitles any person with standing under section 6 to raise all issues reviewable under the Administrative Procedure Act. The purpose of this subsection is to eliminate disputes regarding which issues may be raised by which parties to an action for review, by simply giving proper plaintiffs standing to raise all objections to the legality of the action being reviewed, provided that the scope of 5 U.S.C. § 706 is not exceeded. In this regard, the Act approves the holding in *Iowa Independent Bankers v. Board of Governors of the Federal Reserve system*, 511 F.2d 1288, 1293–94 (D.C. Cir. 1975).

Subsection (d) of the Act indicates that the Administrative Procedure Act constitutes an independent basis of federal jurisdiction, and is intended to end any further dispute over this issue. This section is not, however, intended to alter statutory schemes which currently allow direct appeals to the courts of appeals to review agency actions.

Nothing in this Act is intended to modify the prohibitions in statutes such as the Anti-Injunction Act, 26 U.S.C. § 7421 or 28 U.S.C. § 2201.

SEC. 7. TAXPAYER STANDING.—This section of the Act grants taxpayers standing to challenge the legality of expenditures of federal tax revenues. It is intended to overrule cases such as *Frothingham v. Mellon*, 262 U.S. 447 (1923), which denied taxpayers standing to challenge the constitutionality of tax expenditures. While the Act approves the result in *Flast v. Cohen, supra,* which allowed standing to maintain such an action, this section is intended to abandon the meaningless "nexus" tests set out in *Flast. See United States v. Richardson, supra,* 418 U.S. at 183 (Powell, J., concurring).

Many actions reviewable under this section would also be reviewable under section 6 by filing suit against an appropriate government official or agency. Section 7, however, allows actions for recovery of wrongfully expanded tax revenues to be maintained on behalf of the government directly against the party who received the illegally expended funds. This avoids the necessity of two separate lawsuits, which would be required under section 6—one against the agency responsible for recovering the tax revenues to compel it to recover the funds, and a second suit for recovery brought by that agency against the recipient of the revenues. A second function of section 7 is to recognize the strong nexus which exists between taxpayers and the expenditure of the funds which they have contributed to the Federal Treasury, and to allow maintenance of actions based on that nexus. Nearly every state has recognized this nexus and has authorized taxpayer suits. *See e.g.*, 15 Calif. Code of Civil Prac. § 526a. *See also Flast* v. *Cohen, supra,* 392 U.S. at 108 n. 4 (Douglas, J., concurring); Davis, *Administrative Law Treatise*, vol. 3, § 22.09. It should also be noted that state courts have not been confronted with uncontrollable floods of litigation because of taxpayer suits.

This section does not authorize private plaintiffs to challenge the sufficiency of individual tax payments, but is limited to challenging expenditures of tax revenues. Like section 6, however, this section does authorize actions by private individuals which challenge the legality of Internal Revenue rules and regulations, revenue rulings, and other interpretative orders and opinions.

In order to maintain a section 7 action, the plaintiff must have been subject to a federal tax in the fiscal year in which the action is filed or in the immediately preceding fiscal year. It would be difficult to achieve a direct or meaningful matching between the plaintiff's actual tax contribution and the expenditures under review. Because of deficit spending, the fact that funds improperly expended at one time for one purpose would have been available at another time for another purpose, and the other economic factors which make annual accounting meaningful in only a theoretical sense, this section has not required taxpayer plaintiffs to show that they contributed some of the funds at issue. Rather, the requirements for taxpayer standing have been designed for ease of application. This section does not exceed the "case" or "controversy" limits of Article III of the Constitution because, as *Flast* v. *Cohen, supra,* indicates, a taxpayer's interest is sufficient to confer Article III jurisdiction, even without a showing that the plaintiff actually contributed some of the funds at issue. *See also,* Davis, *Administrative Law Treatise*, vol. 3, § 22.09. Moreover, because Congress has recognized in subsection (b)(1) that taxpayers have an interest in preventing the unlawful expenditure of tax revenues, the constitutionality of this section is also established by *Trafficante, supra. See also,* Davis, *Administrative Law Treatise*, vol. 3, § 22.03.

Subsection (c) of section 7 requires that no action may be brought under this section unless the Attorney General has been notified of the basis of the alleged illegality of the expenditure at least sixty days prior to the commencement of suit. As in subsection 6(b), the notice requirement is not jurisdictional and may be dispensed with if prior action is necessary in order to obtain meaningful judicial relief, but this will occur only under unusual circumstances. The purpose of the notice provision is to inform the Attorney General, as chief legal officer of the United States, that the legality of federal tax expenditures is being contested.

Subsection (d) grants an independent basis of jurisdiction for taxpayer suits.

SEC. 8. PARTIAL INVALIDITY.—This section provides that if any provision of this Act should be held unconstitutional, the remainder of the Act shall remain in force. In the unlikely event that a particular plaintiff seeking standing under the Act is found to have an interest so remote that no Article III "case" or "controversy" exists, that particular lawsuit may be dismissed without affecting the constitutional validity of the Act itself.

CONCLUSION

The Administrative Procedure Review Act of 1976 has the potential of solving virtually all of the problems that have arisen under the current law of standing. By clarifying the legal standards, the Act will reduce litigation concerning this issue and conserve judicial resources. By eliminating "prudential limitations" and focusing on the constitutional basis of standing, the Act will prevent abuse of the doctrine. Under the act, government accountability will be increased and all of us will be better able to protect our interests from the effects of unlawful Government actions. Moreover, citizen participation in Government will be increased and Government agencies will be forced to operate within the bounds of the law. Therefore the Administrative Procedure Review Act should be given a high priority by the 94th Congress.

EXHIBIT 2

EXCERPTS FROM HOUSE REPORT NO. 94–1014 TO ACCOMPANY H.R. 12048—ADMINISTRATIVE RULEMAKING REFORM ACT OF 1976

PURPOSE

The purpose of the proposed legislation, as amended, is to provide for congressional review of regulations issued by federal departments and agencies. The bill would provide for disapproval of proposed regulations by concurrent resolution of the Congress, and for a direction by a resolution of either House of Congress requiring departments and agencies to reconsider proposed or existing regulations. In order to relate these procedures to the rulemaking procedures of the Administrative Procedure Act, conforming and related amendments are made to sections governing administrative procedure and judicial review in title 5 of the United States Code.

OUTLINE OF PROVISIONS OF THE BILL

Section 1

The popular name of the Act is to be the "Administrative Rulemaking Reform Act of 1976".

Section 2

Subsection (*a*) Amends section 551 of title 5 to revise the definition of "rule" as basically "an agency statement of general applicability". Also as required by new chapter 6 on congressional review, "emergency rule" is defined as a rule of temporary effectiveness without the usual notice and comment procedure upon specific agency findings of necessity.

A new paragraph (6) defines "ratemaking and cognate proceedings" by including present language which *now* includes this type of activity within the meaning of "rule".

Subsection (*b*) adds to "rulemaking" in section 556(d) the term "ratemaking and cognate proceedings" concerning submission of written evidence.

Subsection (*c*) makes the same amendment to section 557(b) including "ratemaking and cognate proceedings" with "rulemaking" for exceptions to the requirement of initial decisions.

SECTION 3

This section revises section 553 on rulemaking.

Subsection (*a*) (*1*), restricts the present exception for notice and comment rulemaking for military or foreign affairs functions to those functions authorized "under criteria established by Executive Order to be kept secret in the interest of national defense or foreign policy" which is properly so classified.

Subsection (*a*) (2) would delete the present exceptions for "public property loans, grants, benefits, or contracts."

Subsection (*b*) (*1*) (*A*) is amended to add to the present requirement for notice of proposed rulemaking in the Federal Register the requirement that agencies make a reasonable attempt to inform those likely to be affected by the proposed action, or, representative members of large groups. Present language concerning personal service or actual notice is transferred to subsection (b) (1) (B).

Subsection (*b*) (*1*) (*B*) contains present language of 553(b) dispensing with notice in case of personal service or actual notice in accordance with law.

Subsection (*b*) (2) revises the present language of (b) as to the contents of the notice of rulemaking, with a new requirement of statement of the "projected effective date of rules", and an added requirement in (B) of a statement of the purpose of the proposed rulemaking.

The three items (C) (D) and (E) add requirements for the notice including a description of the subjects of the rulemaking and of the major issues, text of the proposed rule, and identification of studies which the agency intends to rely upon.

New Subsection (b) (3) provides exceptions to the notice and comment procedure. While retaining an exception for rules of agency organization, practice or procedure, it does not contain an exception for interpretive rules or statements of general agency policy. An exception is provided for rules of a "routine nature" or "insignificant impact". Presently, the exception is that for "good cause" the agency must find that these procedures are "impracticable, unnecessary, or contrary to the public interest." An exception is provided for emergency rules.

An agency may invite differing points of view, may create advisory committees, or use other means to obtain suggestions on rulemaking prior to giving notice of that rulemaking.

Subsection (c) fixes a minimum of 45 days for notice of rulemaking. Written statements are to be received with the right to hold oral presentations. It further defines the requirements for the person or persons who shall preside at any such hearing. An agency is authorized to utilize an appropriate procedure for resolution of a "significant controversy over a factual issue." The agency would then be required to state its resolution of the issue and its reasons. A new requirement provides for maintenance of a file for each rulemaking proceeding together with an outline of items to be included.

New subsection (d) is an expansion of present language of § 553(c) requiring a statement of the basis and purpose of adopted rules. The new requirements would include a statement of the purpose, the legal authority for the rule, statements required by law, and also a requirement that the rulemaking file contain a statement of the reasons for rejecting points raised in opposition to the rule.

New subsection (d) (2) would bar adoption of a rule "substantially different" from the proposed rule unless interested persons were apprised of the differences and given an opportunity to comment.

New subsection (e) is a revision of present subsection (d) on rules with immediate effect on publication or service. These include a rule which grants or recognizes an exemption or relieves a restriction, and a rule exempt from public notice and comment under subsection (b) (3); that is, rules of agency organization, practice or procedure "routine nature" or "insignificant impact" or emergency rules which may also be effective immediately.

As to other rules, the effective date is to be governed by sections 602(a) and 603(b) in the congressional review chapter.

Subsection (f) concerns the commencement of rulemaking procedures upon issuance of an emergency rule. There is a limit of 60 days for public comment with provision for an additional 30 days if found necessary. The rule is then to be issued within 30 days. Finally it is provided that the emergency rule is to expire in 210 days or upon the effective date of a final rule.

Subsection (g) provides that when rules by statute are required to be made on the record after hearing, sections 556 and 557 are to apply to significant issues of fact in dispute, instead of subsections (b), (c) and (d) of revised section 553. Present subsection (c) has similar language but does not have the reference to "significant issues of fact in dispute."

Subsection (h) is essentially a restatement of present subsection (g) on the right to petition for a rule's issuance, amendment or repeal.

Subsection (i) provides language somewhat similar to that found in the Federal Register Act (44 USC 1507) and the Freedom of Information Act (5 USC 552) as to the effect of a rule which fails to comply with the section.

SECTION 4

Section 4 of the bill adds a new chapter 6 to title 5 of the United States Code concerning congressional review of agency rule making.

New section 601 defines terms applicable to the chapter and with limited exceptions incorporates the definitions of sections 551 of chapter 5 on administrative procedure. The terms "rule" and "emergency rule" are subject to certain limited exceptions which are also found in the rulemaking provisions of section 553. The term "'promulgation" means filing with the Office of Federal Register for publication.

Section 602 provides for resolutions of disapproval. Upon promulgation, a copy of a rule is to be transmitted to the Secretary of the Senate and the Clerk of the House. A promulgated rule (other than an emergency rule) will not go into effect if both Houses of Congress adopt a concurrent resolution disapproving the rule. A rule will also be disapproved if one House adopts the concurrent resolution within 60 days and the other House fails to take adverse action on the resolution.

If no committee of either House has reported such a concurrent resolution or has been discharged within 60 calendar days or neither House has passed it, the rule may go into effect. If any of those events occur and the resolution is not disapproved, it can go into effect not sooner than 90 days after promulgation.

In the absence of a statute modifying the agency's powers, the agency may not promulgate a new rule or an emergency rule identical to one disapproved under the section. After such disapproval, the procedures for rule on that subject proposed within less than 12 months may be limited to changes in the rule.

Section 603(a) provides that either House can pass a resolution directing an agency to reconsider an existing rule (other than an emergency rule) or a proposed rule. If such a resolution is adopted by either House within 90 calendar days of continuous session after promulgation, a new rule will not go into effect and the agency must then reconsider the rule and within 60 days either withdraw or repromulgate the rule or it will lapse. A repromulgated rule is subjected to the congressional review provisions of Chapter 6.

If, within 60 days of promulgation, a committee of either House has not reported a resolution for reconsideration or has not been discharged within 60 days after promulgation, the rule goes into effect. If a committee has reported or has been discharged and the resolution doesn't pass the House concerned, the rule may go into effect in 90 days.

Subsection 603(c) of section 603 concerns resolutions for reconsideration of rules which have gone into effect. If, after 180 days of passage of such a resolution the rule has not been repromulgated, the rule shall lapse. Prior to 60 days before repromulgation the agency must give notice of the repromulgation proceedings, and the notice and proceeding must comply with section 553(b) and (c) as to procedures for rulemarking. (The exceptions in 552 (b) (3) will not be applicable.) Rules repromulgated within 180 days of passage of the reconsideration resolution take effect as provided in section 602(a), and during the period fixed for congressional review, the reconsidered rule may remain in effect.

Subsection (d) makes it clear that a concurrent resolution of disapproval supersedes a resolution for reconsideration of the same rule or a part thereof.

Section 604 provides that where a law places a time limit for rule making and a concurrent resolution of disapproval passes the Congress, the agency must adopt the rule and the time limit in the specific statute is to apply to the renewed rulemaking from the date of final approval of either type of resolution.

Section 605 provides for the computation of "calendar days of continuous session of Congress" as that term is used in chapter 6. The period is interrupted only by a sine die adjournment, but days in which either House is not in session because of an adjournment of more than 3 days to a day certain are to be excluded from the computation.

Section 606(a) provides for the congressional procedure for the consideration of resolutions of disapproval and for reconsideration and states that the provisions of the section are enacted as an exercise of the rule making power of the Senate and the House of Representatives and are to be deemed a part of the rules of each House while recognizing the Constitutional right of either House to change its rules. The provisions of the section are to be applicable only with respect to the procedure to be followed by each House in the case of resolutions described in section 602 [disapproval of proposed rules] and section 603 [reconsideration of rules].

Subsection (b) (1) requires that resolutions of disapproval and resolutions for reconsideration of a rule are to be immediately referred to the standing committee having oversight and legislative responsibility over agency.

In subsection (b) (2) of section 606 it is provided that a committee may be discharged for a concurrent resolution of disapproval or a resolution for reconsideration. As to concurrent resolutions of disapproval of a proposed rule under section 602(a) or a resolution for reconsideration of a proposed rule under 602(b), a committee can be discharged of consideration after 45 "calendar days of continuous session" from referral of either type of resolution. A committee can be discharged from consideration of a resolution for reconsideration of an effective rule under section 603(c) when 90 such days elapse from date of referral.

When a concurrent resolution has been adopted by one House of Congress, it is provided in § 606(b) (3) that the committee to which it is referred in the other House which fails to report in 15 days may be discharged of its consideration.

Subsection (b) (4) of section 606 provides that a motion to discharge must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that it may not be made after the committee has reported a resolution of disapproval or for reconsideration with respect to the same rule); and debate thereon shall be limited to no more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

Subsection (c) of section 606. The consideration of a resolution of disapproval or for reconsideration is to be in accord with the rules of the Senate and of the House of Representatives, respectively. Except that subsection 606(c) provides that when a committee has reported or has been discharged from further consideration of a resolution with respect to a rule, it would be in order to move to consider the resolution, and the subsection defines the procedure.

Section 607 concerns the effect on judicial review of congressional review procedures, and provides that congressional inaction on or rejection of a resolution of disapproval or for reconsideration is not to be deemed an expression of approval of the rule.

Section 608 provides for Administrative Conference study of the new congressional review process. A report would be made to Congress on or before July 1, 1982, and the sum of $200,000 would be authorized to be appropriated for the study.

Section 4(b) of the bill

Subsection (b) adds the reference to new chapter 6, Congressional Review of Agency Rule Making, to the table of chapters in part 1 of Title 5, United States Code.

Section 4(c) of the bill

Subsection (c) of the bill provides that the provisions of chapter 6 of Title 5, United States Code, would supersede any other provisions of law governing procedures for congressional review of agency rules to the extent such other provisions are inconsistent with such chapter for the period of three congresses fixed in Section 6 of the bill.

Section 5

This section makes amendments of section 706 on scope of review of Title 5 to conform that section to changes made by the bill to Section 553 of that title. It adds a reference in § 553(c)(3) concerning procedures where there is a "significant controversy over a factual issue" as to a proposed rule. Section 706 is also amended by the addition of a new clause (G) to section 706 providing as an additional basis for holding unlawful and setting aside agency action, findings and conclusions, a determination that such action is unwarranted by material in the rulemaking file.

Section 6

This section makes the Act effective at the beginning of the 95th Congress. It also provides that section 4 (adding Chapter 6 to Title 5) will lapse at the end of the 97th Congress unless renewed prior to the sine die adjournment of that Congress.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2679

At the request of Mr. CASE, the Senator from Wyoming (Mr. MCGEE) and the Senator from Iowa (Mr. CLARK) were added as cosponsors of S. 2679, a bill to establish a Commission to monitor compliance with the Helsinki Accords.

S. 2732

At the request of Mr. ROTH, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 2732, a bill to amend the Internal Revenue Code of 1954 to permit an individual to deduct amounts paid by that individual for retirement savings for the benefit of his spouse.

S. 2870

At the request of Mr. MONTOYA, the Senator from Maryland (Mr. BEALL) was added as a cosponsor of S. 2870, a bill to amend the Internal Revenue Code of 1954 to treat Federal retirement system income the same as social security income to the extent that such retirement income does not exceed the sum of old-age benefits which may be received under title II of the Social Security Act and amounts which may be earned without reducing such benefits.

S. 2962

At the request of Mr. HUGH SCOTT, the Senator from California (Mr. CRANSTON) was added as a cosponsor to S. 2962, a bill to require the U.S. Postal Service to make certain considerations prior to the closing of the third and fourth-class post offices.

S. 3076

At the request of Mr. NUNN, the Senator from Mississippi (Mr. EASTLAND) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 3076, the Paperwork Review and Limitation Act of 1976.

S. 3144

At the request of Mr. BUCKLEY, the Senator from Nevada (Mr. GARN) was added as a cosponsor of S. 3144, a bill to authorize competition in the delivery of first-class mail.

REMOVAL OF A CONSPONSOR

S. 3183

At the request of Mr. HASKELL, the Senator from Minnesota (Mr. MONDALE) was removed as a cosponsor to S. 3183, the Black Lung Benefits Reform Act of 1976.

S. 3226

At the request of Mr. BURDICK, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 3226, a bill to amend title 38 of the United States Code to remove the time limitations within which programs of education for veterans must be completed.

S. 3254

At the request of Mr. ROBERT C. BYRD, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 3254, a bill to amend the act to encourage domestic travel in order to authorize the Secretary of Commerce to provide certain assistance to projects carrying out the purposes of such act.

S. 3254

At the request of Mr. GRIFFIN, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 3254, a bill to amend the act to encourage domestic travel in order to authorize the Secretary of Commerce to provide certain assistance to projects carrying out the purposes of such act.

SENATE RESOLUTION 400

At the request of Mr. RIBICOFF, the Senator from Montana (Mr. MANSFIELD), the Senator from Delaware (Mr. BIDEN), and the Senator from Massachusetts (Mr. BROOKE) were added as cosponsors of Senate Resolution 400, a resolution to create a new Senate committee on intelligence activities.

SENATE CONCURRENT RESOLUTION 105

At the request of Mr. BROOKE, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of Senate Concurrent Resolution 105, expressing the sense of the Congress regarding democracy in Italy and participation by Italy in the North Atlantic Treaty Organization.

SENATE RESOLUTION 431—SUBMISSION OF A RESOLUTION RELATING TO CONTRACTING PRACTICES DETRIMENTAL TO THE SUGAR BEET PRODUCERS OF NEBRASKA

(Referred to the Committee on Agriculture and Forestry.)

Mr. CURTIS submitted the following resolution:

S. RES. 431

Whereas the majority of sugar beet growers in Nebraska have heretofore entered into contracts with one major sugar company prior to planting their crops of sugar beets; and

Whereas such company has refused to enter into contracts with such growers for the 1976 crop on the same or similar terms as in past years when the Sugar Act of 1948 was in effect; and

Whereas such growers have no reasonable alternative to entering into a contract with such company for the current crop of sugar beets, other than not producing sugar beets; and

Whereas such growers will be forced to suffer at least a 10 percent loss from previous contract terms; and

Whereas the time for planing sugar beets in Nebraska during the current crop year is imminent: Now, therefore, be it

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate to make a full and complete study and investigation with respect to—

(1) allegations made by sugar beet growers in Nebraska to the effect that the sugar company with which they have contracted in prior years is, in effect, forcing them to accept unfair and inequitable contract terms because such company is the only reasonable source available to them for the sale of their commodity;

(2) the extent to which such company is or has been engaging in monopolistic or other unfair trade practices in dealing with the growers of sugar beets in Nebraska;

(3) the extent to which such sugar company is involved with sources of sugar which are competitive with beet sugar, and the consequences of such involvement, if any, on the negotiations of such company with sugar beet producers;

(4) the failure of such company to enter into timely contract negotiations with such growers with a view to determining whether such company has engaged in any unfair, unethical, or illegal practices in dealing with such growers;

(5) the need for legislation or other action to prevent unfair, illegal, or discriminatory practices against such sugar beet growers and to insure that such growers will be able to contract for the production of their sugar beet crops on reasonable terms and conditions; and

(6) such other matters as the Committee on Agriculture and Forestry may deem appropriate in connection with the subject under study and investigation.

SEC. 2. The Committee on Agriculture and Forestry shall report the results of its study and investigation to the Senate at the earliest practicable date, but not later than 30 days after the Resolution is agreed to, together with such recommendations as it considers appropriate.

SENATE RESOLUTION 432—SUBMISSION OF A RESOLUTION ON DECONTROL OF RESIDUAL FUEL OIL

(Referred to the Committee on Interior and Insular Affairs.)

Mr. METCALF (for himself and Mr. HOLLINGS) submitted the following resolution:

S. RES. 432

Resolved, That the Senate does not favor the energy action numbered 1 (one) transmitted to Congress on April 1, 1976 by letter to the President of the Senate dated March 29, 1976.

Mr. METCALF. Mr. President, today I am submitting a resolution in accordance with procedures specified in section 551 of the Energy Policy and Conservation Act (Public Law 94-163) expressing the Senate's disapproval of the proposal by the Federal Energy Administration to exempt residual fuel oil from the price and allocation controls. This FEA proposal was made part of the RECORD in the Senate on April 1, 1976, and would become effective at the end of 15 legislative days unless disapproved by either House of Congress. In the case of the Senate this period would extend through the Easter recess.

Residual fuel oil is widely used to generate electricity and to serve as a source of primary energy for the industrial sector of the economy. Serious questions of public policy are raised by the FEA proposal to remove controls from the sale of this product, particularly in view of the FEA amendments to the crude oil entitlements program as it relates to the production of residual fuel oil. I have written to FEA Administrator Frank G. Zarb requesting detailed response to these questions. I ask unanimous consent that this letter be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METCALF. I am submitting a resolution of disapproval of the FEA's proposal to remove controls from residual fuel oil because I feel strongly that the Senate should have an opportunity to utilize the procedures contemplated in the Energy Policy and Conservation Act to consider this issue. I expect that Mr. Zarb's response to my letter will provide much-needed clarification of impact of the FEA's program for residual fuel oil. If the FEA fails to respond adequately, the resolution will provide the Senate with a mechanism to express its disapproval of this program.

EXHIBIT 1

COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
Washington, D.C., April 12, 1976.

Hon. FRANK G. ZARB,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. ZARB: The Committee has received the Federal Energy Administration's March 29, 1976 proposal to exempt residual fuel oil from price and allocation regulations as well as FEA's related amendments to the crude oil entitlements regulation for dealing with East Coast market conditions.

The extensive public record before the FEA on both of these matters highlights the fundamental importance of residual fuel oil to our national economy and particularly to the regional economies and consumers of the East Coast. Should these regulatory actions result in higher residual fuel oil prices they will automatically increase electricity costs to both consumers and industry, thereby reducing consumer purchasing power, reducing the level of industrial activity and increasing the price of consumer goods. These consequences would fall on a national economy barely emerging from severe and susstained economic doldrums, and an East Coast economy which is still ravaged by unacceptable levels of unemployment. In light of these conditions, and the open ended price uncertainties of decontrol, I have serious questions concerning the timing and many aspects of the Administration's proposal to decontrol the price of residual fuel oil.

FEA's new modifications to the entitlement regulation appear to establish substantial disadvantages in feedstock costs for domestic refiners selling to the East Coast as opposed to other domestic refiners selling to the remainder of the country. The result, according to FEA's own findings, is "that domestic price will equate to world price of residual fuel oil in markets which are dependent on imported product [i.e., the East Coast]; *interior domestic prices* will conform to lower average domestic crude costs." It is my understanding that these differentials between the East Coast and the remainder of the U.S. could be on the order of $1.50 per barrel.

Leaving the fate of the entire East Coast to the mercy of "world" price levels dictated by the OPEC cartel while the remainder of the country benefits from "lower average domestic crude costs" does not appear to square with FEA's obligation under the Emergency Petroleum Allocation Act to insure "equitable prices among all regions and areas of the United States."

On the other hand, if FEA expects residual oil prices in the rest of the country also to rise to levels established by the OPEC cartel, I cannot see how FEA can justify permitting "lower average domestic crude costs" to result in additional profit for refiners rather than lower prices to consumers.

In initiating its study of residual oil pricing, FEA expressed concern about reducing costs for residual fuel oil sellers under the entitlements program after decontrol because price controls on residual fuel were necessary "to ensure that entitlement revenues are passed through." It seems peculiar that FEA has now come to the contrary conclusion that the limited entitlement benefits it has made available to the East Coast will somehow be passed through the consumers after decontrol.

Proper consideration by the Congress of the Administration's proposal to remove price and allocation controls from residual fuel oil requires that Congress fully understand the impact of both the recent modifications of the entitlement program and the proposal to remove controls from residual fuel oil now pending before the Congress under the fifteen day review program provided for in the Energy Policy and Conservation Act. In addition to the questions raised above specific information is needed in the following areas concerning the entitlements program and the decontrol proposal:

1. Why are East Coast residual oil prices maintained under the new entitlements program at a level of aproximately $1.50 a barrel or 3.5 cents per gallon higher than residual oil prices in other parts of the country?

2. After decontrol what will prevent sellers of residual fuel oil from increasing their profits by charging the world price rather than passing the benefit of the entitlements program subsidy on to consumers in the form of reduced prices?

3. Does the Administration's new entitlements program in effect deny East Coast consumers the benefits of reduced prices caused by the removal of the oil import tariff and instead grant this benefit to Caribbean refiners by maintaing or increasing East Coast residual fuel oil prices?

4. Does the Administration's program reduce or remove competitive pressures and other incentives which had caused Venezuela, an OEPC cartel member, to reduce residual oil prices in recent months?

5. Does the decontrol program invite users of residual oil to switch to home heating oil and other distillates which remain under price controls and thereby create a possibility of regional distillate shortages?

6. Does the Administration program create new incentives to export refining capacity which should be located in the United States?

7. Does the Administration's program make it likely that any increase in demand for residual fuel oil will be filled from foreign, rather than domestic, sources and will it therefore tend to increase oil imports?

8. Why hasn't the reduction in crude oil and refined product costs associated with removal of the oil import tariff on December 22, 1975 been passed through to consumers? What role have the "banked costs" of refineries played in this delay?

I raise these questions because I believe they pose serious issues of energy policy and public policy which require careful consideration by the Congress. I recognize that the Administration's complex modification of the entitlements regulation is designed to reduce a competitive advantage currently enjoyed by the Amerada Hess Corporation over other Caribbean refineries, including those recently nationalized by Venezuela.

I am hopeful that your detailed response will enable the Congress to make an informed decision on this problem, on the decontrol program, and possibly to suggest other alternatives which would better achieve agreed-upon objectives of national policy and, at the same time, provide protection and equitable treatment to East Coast consumers, industry and electric utilities.

Attached for your review and response is a more detailed presentation of these and other questions. Inasmuch as Congress has only a very limited opportunity and period of time to review the decontrol program before determining whether to permit to become effective, I would appreciate your response to these questions no later than 1:00 p.m. on April 26, 1976.

Sincerely yours

LEE METCALF,
Acting Chairman.

AMENDMENTS SUBMITTED FOR PRINTING

DISCRIMINATORY IMPOSTS ON WINE—S. 1624

AMENDMENT NO. 1594

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted an amendment intended to be proposed by him to the bill (S. 1624) to promote the free flow of commerce among the several States, and for other purposes.

(The remarks of Mr. GRIFFIN when he submitted the amendment appear earlier in today's RECORD.)

PUBLIC WORKS EMPLOYMENT ACT OF 1976—S. 3201

AMENDMENT NO. 1595

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted an amendment intended to be proposed by him to the bill (S. 3201) to amend the Public Works and Economic Development Act of 1965, to increase the antirecessionary effectiveness of the program, and for other purposes.

NOTICE OF HEARING

Mr. METCALF. Mr. President, I wish to announce for the information of the Senate and the public that the Energy Research and Water Resources Subcommittee will continue markup on S. 3105, the ERDA authorization bill, on Tuesday, April 13 at 10 a.m. in room 3110, Dirksen Senate Office Building.

The hearing previously scheduled by the subcommittee for April 13 on S. 3145, the Energy Conservation Institute bill, has been rescheduled for Friday, April

30 at 10 a.m. in room 3110, Dirksen Senate Office Building.

ANNOUNCEMENT OF OVERSIGHT HEARINGS ON THE SMALL BUSINESS ADMINISTRATION

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business has scheduled a series of oversight hearings on the programs, policies, and procedures of the Small Business Administration as follows:

Thursday, May 6, 1976, room 318 Russel Office Building, 10 a.m.: SBA 7(a) financial assistance programs, second session (first session held February 23, 1976). Cochairmen: the Senator from Alabama (Mr. SPARKMAN) and the Senator from Oklahoma (Mr. BARTLETT).

The location for the following hearings, beginning at 10 a.m. each day, will be room 4221 of the Dirksen Office Building:

Friday, May 7, 1976: SBA surety bond program, third session (first and second sessions held on November 19 and 20, 1975). Cochairmen: the Senator from Alabama (Mr. SPARKMAN) and the Senator from Oklahoma (Mr. BARTLETT).

Friday, May 14, 1976: SBA 502, community development program. Cochairmen: the Senator from Alabama (Mr. SPARKMAN) and the Senator from Oklahoma (Mr. BARTLETT).

Thursday, May 20, 1976: SBA disaster assistance program. Cochairmen: the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Oklahoma (Mr. BARTLETT).

Friday, May 21, 1976: SBA 7(a) financial assistance programs, third session. Cochairmen: the Senator from Colorado (Mr. HASKELL), the Senator from Oklahoma (Mr. BARTLETT), and the Senator from Alabama (Mr. SPARKMAN).

Friday, June 11, 1976: Oversight of SBA financial assistance to the single- and multi-family housing industry. Cochairmen: the Senator from Alabama (Mr. SPARKMAN), the Senator from Oklahoma (Mr. BARTLETT), and the Senator from Oregon (Mr. PACKWOOD).

Further information can be obtained from the committee offices at telephone 224-5175.

CHANGE IN HEARING TIME

Mr. NELSON. Mr. President, the Small Business Subcommittee on Government Regulation will begin its hearing on "Overregulation of Small Business" at 9:30 a.m. instead of 10 a.m. as previously scheduled, on April 26 in Faneuil Hall, Boston, Mass. This hearing will be chaired by the Senator from New Hampshire (Mr. MCINTYRE), chairman of the subcommittee.

ADDITIONAL STATEMENTS

THE VIRGINIA BEACH PILOT ENERGY CONSERVATION PROGRAM

Mr. HARRY F. BYRD, JR. Mr. President, today I wish to call the attention of the Senate to a remarkable example of what can be achieved when the initiative and determination of individual citizens sets in motion a project that is truly useful to a community.

In this case, one man's original idea has given birth to an energy conservation program involving his fellow citizens, the government of his city, the government of his State and the Government of his Nation.

Mr. Donald W. Alcorn, of Virginia Beach, Va., was the originator. The idea was to obtain an accurate measurement of the economies which can be achieved by energy conservation measures in the home.

Mr. Alcorn, an engineer, studied this problem and came up with the suggestion of tabulating the utility bills of selected homes in his own city before and after certain improvements in insulation, equipment, and other devices were made.

He presented the suggestion to Louis R. Lawson, director of the Virginia Energy Office, an agency of the State government. Mr. Lawson was receptive and recommended the involvement of the city of Virginia Beach.

Mayor J. Curtis Payne of Virginia Beach also saw great merit in the proposal, and planning got underway. Citizens meetings were held, and homes selected for the energy conservation survey, which is now underway. The program was given the name, "The Virginia Beach Pilot Energy Conservation Program."

The Federal Government entered the picture when it was decided to seek help from the nearby Langley Research Center of the National Aeronautics and Space Administration. The Research Center has sophisticated and expensive infrared detectors which are capable of measuring graphically the results of missing or improperly installed insulation. Dr. Donald P. Hearth, Director of the Research Center, agreed to participation in the Virginia Beach program, to the degree possible, consistent with Langley's primary mission.

And so a very practical and very worthy project now is underway with full involvement of the citizenry in Virginia Beach, the government of the city, the government of State, and the Government of the country.

Mr. Lawson, whose office is funding the project, estimates the total cost at about $25,000. If meaningful results are obtained, there can be no doubt that this cost will be more than repaid by the knowledge gained and the steps that will be taken by Virginia Beach citizens to save energy in their residences.

And so today I want to salute Mr. Alcorn, Mr. Lawson, Mayor Payne, Dr. Hearth and all others who have had a part in this splendid undertaking.

I hope that the example of what is being done in Virginia Beach will inspire similar programs in other communities. Energy conservation is a high-priority goal in this country, and projects like the one begun in Virginia Beach can make a real contribution toward achieving that goal.

FAIR HOUSING AND EQUAL OPPORTUNITY

Mr. JAVITS. Mr. President, April 11 marked the eighth anniversary of the signing of the fair housing law, title VIII of the Civil Rights Act of 1968.

As all of us in Congress are aware, title VIII makes it the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States.

Today, Mr. President, fully 8 years after passage of this landmark legislation, equality of access to housing is still unfortunately an unfulfilled promise for many Americans.

Each year in April, the Office of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development—the Office charged with administering and enforcing the fair housing law, attempts to make Americans aware of their rights and responsibilities under the law and to encourage all Americans to practice the letter and spirit of the law.

On April 2 of this year, in a ceremony at the Department of Housing and Urban Development in commemoration of Fair Housing Month, Mr. James H. Blair, Assistant Secretary for Fair Housing and Equal Opportunity delivered remarks that eloquently summarized the case for fair housing in the United States. I ask unanimous consent that the text of Mr. Blair's remarks of April 2 be printed in the RECORD so that my colleagues can share this statement of America's fair housing pledge.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY JAMES H. BLAIR

Fair Housing is an American idea. Early in our history it was recognized that true personal freedom hinged on the individual's ability to move freely, hence to settle freely wherever he wished to settle.

It is an American idea for another reason: Segregated housing and the denial of access to any home within a person's financial means threatens the heart of the American way of life.

Fair housing is an American idea, lastly, because Americans believe in fair play, and fair housing is but an extension of that fundamental concept.

I believe fair housing is also an idea whose time has come. For if we are to meet the challenges that lie before us in other areas of concern—energy, economy, environment, industrial productivity and the like—if we are to meet these challenges, we must first set aside the differences that can prevent the fullfillment of our nation's manifold promise.

This year we are, in part, celebrating a revolution—one that helped create a unified nation from a handful of colonies. It is time now to set our sights toward another revolution—one of attitude—that can recreate a nation unified in the purpose of meeting the challenges that lie ahead.

The provision of "a decent home in a suitable living environment for every American . . ." is only one part of the overall task we face as we move into our third century.

If we achieve this, I believe we will gain the measure of maturity necessary to carry us successfully into and through the next two hundred years.

ADMINISTRATION GIVES LOW PRIORITY TO NUTRITION RESEARCH

Mr. HUMPHREY. Mr. President, a recent study prepared by the Congressional Research Service of the Library of Congress and printed by the Senate Select Committee on Nutrition and Human Needs, and entitled "The Role of the Federal Government in Human Nutrition Research," revealed through hard data the total lack of emphasis placed on human nutrition research throughout the Federal Government. Although many of us suspect this to be the case, the severity of the problem comes as a harsh reality.

The report indicates that less than 3 percent of the USDA research budget in fiscal year 1974 was allocated for human nutrition research. This $10 million includes all such research both intermural and extramural, and thus, in this fiscal year only $715,000 of the USDA budget is designated for competitive grants in the area of food and nutrition research. With this in mind, the research takes and accomplishments of the State universities and land grant colleges are truly remarkable.

On March 17, Dr. M. C. Nesheim, representing the Commission on Home Economics of the National Association of State Universities and Land Grant Colleges testified before the House Agriculture Committee on the role of the Federal Government in human nutrition research. He believes that Federal food programs aimed at improving the nutritional status of our population should contain funding to allow for research that would provide information to increase their effectiveness. He further states that the resources available for nutrition research must be increased substantially before they will have an appreciative impact on nutrition research done in U.S. universities.

Mr. President, I call this paper to the attention of my colleagues, and remind them of the need for this wealthy country to take the necessary steps to improve the nutritional well-being of its people. A first step must be to develop a well planned nutrition research program in a number of areas such as:

First. Developing a systematic methodology for evaluating the nutritional status of individuals and target groups.

Second. Developing a system of monitoring the nutrient quality of our food supply with an emphasis on changes which occur through processing.

Third. Studying the loss of trace materials with manufacturing.

Fourth. Reviewing pharmaceutical agents which are consumed chronically and their effect on the micro-nutrient requirement of the individuals; i.e., birth control pills.

Fifth. Carefully reviewing the RDA and considering alternatives.

Sixth. Developing incentive programs for medical schools to develop nutrition curricula.

Seventh. Developing modern materials for teaching nutrition as part of health education in schools, health centers, and so forth. These programs would be in addition to the on-going programs such as the nutritional aspects of cardiovascular disease, et cetera.

Mr. President, I ask unanimous consent that the testimony of Mr. Nesheim be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY AT HEARINGS BY THE HOUSE AGRICULTURAL COMMITTEE IN WASHINGTON, D.C. ON MARCH 17, 1976 BY M. C. NESHEIM, CORNELL UNIVERSITY *

I am very pleased to be able to participate in these hearings relative to the role of the Federal Government in Human Nutrition Research. I am Director of the Division of Nutritional Sciences at Cornell University. This Division is one of the largest university academic units in the United States emphasizing research, teaching, and extension in human nutrition.

Currently the research funds administered by this unit amount to about 1.3 million dollars annually. Of this, 24% comes from New York State, 62.5% comes from the Federal Government, and 13.5% from foundations, industry, or Cornell endowments.

The Federal funds for research come from the National Institutes of Health, the National Science Foundation, the Department of Labor, the Food and Drug Administration, the Agency for International Development, and the U. S. Department of Agriculture. The latter agency provides funds primarily through the Cooperative State Research Service. Of the federal research funds, 72.6% come from NIH and NSF, while only 10.5% come from the USDA.

As these figures indicate, we are highly dependent on the Federal Government for funding of human nutrition research.

The funds from NIH and NSF are all awarded under the competitive grant-peer review system employed by these agencies for awarding research funds. The USDA funds are awarded through the CSRS appropriations to the New York State Agricultural Experiment Station. Awards to individual projects are then made by local procedures.

I am not aware of any concerted intergovernmental agency planning that might effectively develop an overall plan or concern for human nutrition research. The National Institutes of Health has recently taken steps to identify nutrition efforts and concerns within that agency. There are some indications that a greater visibility for the needs of nutrition is now being achieved in NIH, at least in the area of training. The training of research workers with expertise and interest in nutrition problems is currently a major need.

The funding for nutrition research through the NIH and NSF is largely related to basic aspects of many subjects related to nutrition. Currently our faculty are supported in highly important areas that give information relative to questions of diet and heart disease relationships, early malnutrition and behavior, vitamin metabolism and function, nutrient availability in foods, and nutrition-drug interactions. Such funding of nutrition related research by the Heart and Lung Institute, the Institute for Arthritis and Digestive Diseases, and the National Cancer Institute is extremely important and is a recognition of the relationship of nutrition to the concerns of these institutes. I only hope that the interest in nutrition problems by the NIH increases.

Within the present framework of federal funding, support for some research areas of great importance is extremely limited. The Congress has become concerned with the nutritional status of the people of the United States and has funded several programs that have been intended to insure adequate diets for all of our citizens. The Food Stamp, School Lunch, WIC (Women, Infants and Children), Nutrition Programs for the Elderly, and EFNEP (Expanded Food and Nutrition Education Program) are important examples of such programs. Unfortunately, the methodology presently available for evaluating such programs is seriously inadequate. Research funding for studies that can develop and improve this methodology is difficult to obtain. We need to build a base of fundamental and applied research that will help make these intervention programs most effective.

New York State received 2.8 million dollars in 1975–76 for the Expanded Food and Nutrition Education Program. (EFNEP) program in the state. The objective of this program is to provide nutrition education to low income families with the ultimate hope that such education will improve their utilization of limited food buying resources. The Division of Nutritional Sciences is responsible for the program leadership of this educational program in New York State. We have highly competent and dedicated people who are carrying out this program. However, we are frustrated by the lack of funds to carry out research as to the most effective strategies to use for providing nutrition information to low income families. We need a great deal of basic information about these population groups to design most effective programs.

For example, we need to know what are the present food patterns of the households we wish to help? How are foods now purchased and in what amounts? What factors that influence what people eat are most subject to modification and how can this be done effectively? This requires a research effort to be carried out in close association with the program. Present guidelines preclude significant use of EFNEP funds for such research and other sources of funds to carry out the needed studies are limited.

The Congress is currently considering modifications to the Food Stamp program. A major difficulty in evaluating the present program has been the lack of sufficient objective evidence to indicate the impact of this program on the nutritional status of Food Stamp recipients. One reason for the lack of evidence is the unavailability of sufficiently sensitive indicators of nutritional status of our population. Nutrition survey methodology and nutritional status indicators need to receive much more attention from nutrition research workers.

Availability of research funds plays a major role in establishment of research priorities by the research community in the United States. One only needs to see the amount of activity in areas related to cancer and heart disease to recognize that available funds have redirected the efforts of many laboratories toward research programs in these areas.

I would support the concept that federal food programs, aimed at improving nutritional status of our population, should carry funding to allow for research that would provide information to increase their effectiveness.

In the present fiscal year, the USDA budget has $715,000 for research in Food and Nutrition available for Competitive Grants. The areas of inquiry being emphasized include methodology for nutritional surveillance of population groups, methods for altering food patterns to improve nutritional status and investigations as to factors affecting nutrient availability in foods. These are all important concerns and I support the need for research in these areas. The amount of funds available, however, is extremely small for the country as a whole. Because CSRS rules state that any one experiment station can only submit five proposals for the Competitive Grants covering all areas of agricultural research for which the CSRS has provided funds, several of our faculty with interest in nutrition research simply do not have access to even compete for such funds. Thus the resources available in these areas must be increased substantially before they will have appreciable impact on nutrition research done in U.S. universities.

I support the concept of improved planning and coordination of nutrition research efforts of various governmental agencies

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* Representing the Commission on Home Economics of the National Association of State Universities and Land Grant Colleges.

Such planning and coordination is essential to give focus to the need for federal funding of human nutrition research, and to insure that funds are available for research dealing with the new and important questions facing both the nutrition community and those responsible for programs that are intended to improve the nutritional status of our people.

There is certainly a major awakening of interest in nutrition in this country today. We have not seen, however, a major increase in the resources available for nutrition research that are needed to provide answers to the many concerns expressed by this interest in nutrition. I support the efforts of this Committee to explore the funding of human nutrition research in this country. I hope such efforts may result in greater resources being made available by Federal agencies for the important problems of human nutrition research.

THE EFFECT OF FEDERAL REGULATION ON ENERGY

I. INTRODUCTION

Mr. HRUSKA. Mr. President, I was unavoidably absent last Thursday because of commitments in my home State and could not participate in discussing the effects of Government regulation on energy and natural resources. I regret very much my absence during that discussion because this regulation is of great concern to Nebraskans. I now would like to share with my colleagues the reasons why Government regulation of energy has been harmful to many of the citizens of Nebraska and in considerable degree to the Nation as a whole.

Mr. President, Federal regulation of energy and natural resources has increased business costs for producers, has raised prices for consumers, has hurt competition, and has not treated all citizens alike. As if these effects were not serious enough, Federal regulation of our energy and natural resources has greatly increased our dependence on foreign imports for these essential commodities. As a result, this country's national security has been substantially compromised.

II. INCREASED BUSINESS COSTS FOR PRODUCERS

Federal regulation increases the costs of doing business—any business. This is just as true for firms supplying energy as it is for firms in any other industry. Regulation means that manpower must be diverted to filling out forms, that the Federal Register must be followed religiously to keep up with the latest wrinkles in Federal regulations, and that the company's operations must be continuously changed to stay within the law. Standard Oil of Indiana has estimated that its costs in complying with regulations issued by the Federal Energy Administration for the period of mid-1974 through mid-1975 amounted to $3 million. The FEA is only 1 of 40 Federal agencies which require reports from Standard Oil of Indiana. In total, the company had to prepare 20,000 reports to Federal agencies during the time period.

These are only the more obvious costs imposed by regulation. When numerous, complex, and interrelated regulations are issued, then continually revised, planning becomes nearly impossible. How can producers plan for the future when they cannot predict what prices and costs will be because regulations are continuously being revised? The result of all this uncertainty is to discourage producers from developing new energy supplies.

I have heard from many Nebraskans on this very point. Mr. John F. Anderson, executive vice president of Farmland Industries, Inc., a major supplier of fuel products to agriculture in Nebraska and other Midwestern States, has written me about the confusion which continual modifications in FEA regulations have caused. Mr. Anderson states:

> During January, February and March the FEA has proposed numerous rulemaking procedures that would revise or amend many sections of current regulatory programs. This ever-changing regulatory environment has created a high degree of uncertainty in the petroleum industry. We are not opposed to necessary regulations, we only ask the FEA to proceed in an orderly fashion and all affected, interlocking relationships of FEA regulations be fully explored before final modifications are adopted.

III. FEDERAL REGULATION HAS RESULTED IN HIGHER ENERGY PRICES TO CONSUMERS AND HARMED NATIONAL SECURITY IN THE PROCESS

When regulation increases costs of doing business to producers, we may be sure that these costs are passed on to the consumer in the form of higher prices.

There is another reason why Federal regulation has increased energy prices to consumers. Too many legislators have forgotten about the "law of demand," a law they cannot repeal. Several Congressmen and Senators have complained that some energy price increases are not cost justified. It may come as a shock to many, but prices are not determined only by costs. When price controls reduce supply, demand increases the price for the remaining amount.

Mr. President, current developments in the domestic production of crude oil provide an illustration of this principle. With the enactment last December of S. 622, the Energy Conservation and Oil Policy Act of 1975, an already complex system of controls on domestic crude oil was made even more cumbersome. Why has the Congress insisted on price controls for domestic crude oil? Consumers do not buy crude oil; they buy products refined from crude oil. The only explanation for the insistence by the Congress for price controls on domestic crude is the belief that such action will lower costs of production to refiners. Then refiners will find their costs reduced—so this line of reasoning goes—and marketers will be next in line since the prices charged them by refiners will be less. Finally, consumers will find lower prices at the gas pumps.

Mr. President, it does not work this way. Price controls on domestic crude production have reduced domestic supplies of crude oil. Since the alltime high domestic crude oil production level of 9.6 million barrels a day set 5 years ago, output is now barely keeping above 8 million barrels a day. Soon, domestic production will be less than 8 million barrels a day because almost every month over the past 5 years has seen a lower figure set than the preceding month. Further evidence that this downward trend will continue is the decline in drilling of new wells. The number of rotary rigs actually in operation for the week ending March 22, 1976, was 1,526. For the same period last year the number of active rigs was 1,651. Why, despite an improving economy and increased petroleum demand, has the number of rigs used to drill for new oil actually declined? The major reason is price controls.

Mr. President, less crude oil, no matter what the price Congress sees fit to allow, will mean that fewer refined products can be produced. Fewer refined products will force consumers to bid against each other for the reduced supplies. The result will be higher prices for the final products which consumers actually buy.

Mr. President, this result would be starkly evident on this very day if reduced domestic supplies of crude oil had not been supplemented with increased imports. The New York Times reported on March 18, 1976, that imports for the previous week were 8.2 million barrels a day. By comparison, the figure for the same week last year was 5.2 million barrels a day.

But this is not all. The reliance of this country on imports coming from Arab countries has increased since the time of the OPEC embargo. In 1973, direct Arab oil supplies represented 6 percent of domestic demand. In 1975, the figure was nearly 10 percent. Mr. President, the potential for another oil embargo to cripple our economy has never been greater than it is right now, and this potential is increasing every day. Controls on domestic crude have replaced domestic oil with high-priced imports from unreliable sources. These controls have not reduced prices on petroleum products to consumers. The reverse is true. Prices are now higher to consumers because of these controls when one includes the degree of uncertainty these imports represent.

Also included in the bottom line is the damage done by these controls to national security. Mr. President, a nation dependent on imports for 40 percent of its petroleum supplies—and in recent weeks the figure has been more on the order of 50 percent—is not as secure from foreign influence as it should be.

IV. FEDERAL REGULATION HAS HARMED BOTH FAIRNESS AND THE SYSTEM OF COMPETITION

The complex system of price controls on domestic crude oil, on refining, and on marketing of oil products has unfairly affected citizens in the Midwestern States—including Nebraska. When the OPEC oil embargo began in the fall of 1973, the eastern seaboard complained that it was being treated unfairly. It had grown dependent on cheap, foreign oil. When foreign oil was being sold for $2 a barrel at ports of entry, the east coast did not say to people in Nebraska: "Please, let us share our good fortune with you." Nor did people in Nebraska expect the east coast to subsidize them in return for the higher prices they were then paying for domestic crude oil. Now that the tables have been turned, the east coast expects the rest of the country to subsidize it. Eastern States were content to enjoy the benefits of cheap foreign oil, but now want others to assume the penalties when the gamble turned sour.

Under the entitlements program, which is part and parcel of the controls on domestic crude oil, refiners having access to controlled, domestic crude are required to subsidize and make cash payments to refiners using uncontrolled crude oil imports. This means that refiners short-sighted enough to become dependent on unreliable foreign sources for crude oil now receive tribute from refiners wise enough to assure themselves secure sources of supply. Is this equitable?

Since it is primarily the east coast that permitted itself to become dependent on foreign crude oil, the system of payments made under the entitlements program has resulted in the Midwest subsidizing the East. The results have been higher energy prices for people in Nebraska and in other midland States.

To illustrate, Oil Daily's 100 cities survey shows that regular grade gasoline prices—exclusive of taxes—are generally lower along the eastern seaboard.

Following is a list of the five lowest prices paid, as of March 16, 1976:

First. Miami, Florida—43.4 cents.
Second. Portland, Oregon—43.9 cents.
Third. New Haven, Conn.—44.4 cents.
Fourth. Springfield, Mass.—44.5 cents.
Fifth. Tampa, Florida and Washington, D.C.—44.8 cents.

Following is a list of the five cities experiencing the highest prices for regular grade gasoline, exclusive of taxes:

First. Omaha, Nebraska—49.9 cents.
Second. Chicago, Illinois—48.9 cents.
Third. Louisville, Ky.—48.8 cents.
Fourth. Minneapolis/St. Paul—48.6 cents.
Fifth. Boise, Idaho—48.5 cents.

Mr. President, these figures vividly illustrate in pocket book terms the unfairness of Federal energy regulations to the citizens of my State.

Even the Federal Energy Administration is aware that these regulations are unfair. The FEA is trying mightily to revise its regulations to be fair to everyone. But this is just not possible. In the effort to remove one set of inequities, the FEA is going to substitute a new batch of regulations which will create a different set of inequities.

An example of this is the FEA's suggestion to abolish special rule 6. Permitting small refiners an exception from making payments under the entitlements programs is unfair to refiners who must make payments. But is it not also unfair, and injurious to the system of competition besides, to require small refiners to make payments to large refiners dependent on foreign oil? There is no way that the FEA can revise its regulations to create fairness in this situation. This is because the entitlements programs is itself unfair for the reasons I have detailed above.

I have heard from several Nebraskans who are oil jobbers about this very situation. One constituent states:

I am asking your assistance in blocking the move by FEA and some of the large multinational oil companies to abolish Special Rule 6 and give it a chance to work.

Reasons:

1. It has not been in effect long enough to really evaluate it's merits or shortcomings.

2. Under present regulations it would put many small refiners and their distributors back in the position of either not being competitive or operating at a loss or very small profit, while others benefit from large windfalls.

3. If none of the above work, abolish FEA completely and do what made U.S.A. strong for the first 170 years of our history. Get Government and Bureaucrats out of business and force some of these overpaid, underworked government people to become producers for our country instead of self-serving, rule writing retarders of our private enterprise system.

V. CONCLUSION

Mr. President, Federal regulation of energy has been counterproductive. It has increased costs to business, raised prices to consumers, damaged competition, and caused significant injury to our national security. We have burdened ourselves with destructive laws mandating this regulation. It is time that we free ourselves of these self-defeating measures.

SECRETARY KISSINGER ON THE LAW OF THE SEA

Mr. CASE. Mr. President, President Ford is to be commended for his decision to have Secretary of State Kissinger take personal command of negotiations aimed at establishing a new international law of the sea.

I first urged this action after attending the law of the sea negotiations in Caracas, Venezuela, in the fall of 1974. And 21 other Senators joined me in making the same request of the President shortly before law of the sea negotiations were resumed in Geneva in the spring of 1975.

As I said then, the nations of the world have a rare opportunity to establish an international law of the sea to govern their conduct in an area that covers two-thirds of the face of the Earth. Seldom in history has the potential for future conflict on a worldwide scale been so clearly identifiable while there still was an opportunity to head off that conflict. The door is rapidly closing on that opportunity and we cannot afford to miss this chance.

The new initiatives offered by Secretary Kissinger in his speech before the Foreign Policy Association in New York last Thursday, April 8, represent a much needed effort to stimulate the momentum required to reach an agreement this year and, as such, they are encouraging.

I ask unanimous consent that Secretary Kissinger's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Address by the Honorable Henry A. Kissinger, Secretary of State

Ladies and gentlemen: I want to speak to you today about one of the most important international negotiations that has ever taken place—the global conference now underway here in New York on the Law of the Sea. Last summer in Montreal I set forth a comprehensive United States program to help bring matters at this year's Conference to a rapid and successful conclusion. Today I will offer new proposals which address the remaining important issues before us, so that this great negotiation may lead to a final result this year.

For we live in an age when the accelerating forces of modern life—technological, economic, social and political are leading the peoples of the world into unprecedented and interrealted areas of human activity. New prospects are opening before us—fraught with potential for international contention, but filled as well with the hope of unparalleled human advancement.

The principal problems which all nations today are truly global in nature. They transcend geographic and political boundaries. Their complexity eludes the conventional solutions of the past, and their pace outstrips the measured processes of traditional diplomacy. There is the imperative of peace—the familiar but vastly more urgent requirements of maintaining global stability, resolving conflicts, easing tensions; these issues dominate the agenda of relations between East and West.

And there are the new challenges of the world's economy and of cooperative solutions to such international problems as food, energy, population, trade and the environment. These are the agenda of the modern period, particularly in the evolving relationship between the developed and the developing nations.

In an international order composed of sovereign states, the precondition of effective policy is security. But security, while essential, is not enough. The American people will never be satisfied with a world whose stability depends on a balance of terror constantly contested.

Therefore, side by side with seeking to maintain the security of free countries, the United States has striven to build a new world based on cooperation. We are convinced that our common progress requires nations to acknowledge their interdependence and act out of a sense of community. Therefore, at the Seventh Special Session of the United Nations General Assembly in September of last year we made a major effort to project our vision of a more positive future. We sought to mobilize collaboration on a global scale on many current issues of economic development. We were gratified by the response to our initiatives. We are prepared to accelerate our effort.

Virtually all major elements of this new age of interdepedence are involved in one of the great issues of our time: the question of mankind's use of the oceans. In no area are the challenges more complex or the stakes higher. No other common effort holds so much positive hope for the future relationship between rich nations and poor over the last quarter of this century and beyond.

Today I want to speak to you about the urgency of this issue. The Law of the Sea negotiations now are at a critical stage. There have been many successes, but they will prove stillborn unless all the remaining issues are settled soon. The United States believes that if the present session does not complete its work, another—and final—session should be assembled this summer. If the negotiations are not completed this year the world will have lost its best chance to achieve a treaty in this generation.

I want to focus today upon the most important problems remaining before the Conference to speed their solution. I shall set forth proposals which in our view can serve as the basis for a widely accepted treaty.

THE IMPORTANCE OF THE OCEANS

Most issues in international affairs impinge on our consciousness in the form of crisis; but many of the most important problems which crucially affect our future come to us far less dramatically. The world is undergoing fundamental economic, technological and social transformations which do not dominate the daily headlines. Some of them are even more profound in their consequences than most immediate political crises. In no area in this more true than the oceans, a realm which covers 70 percent of the earth's surface.

Freedom of the seas remains basic to the security and wellbeing of most nations. The seaborne commerce of the globe is expected to quadruple within a few decades. The reliance of the world's people upon the seas to carry food and energy is increasing. Modern technology has enabled industries to sweep the seas for fish and to probe the ocean's floor for vital minerals and resources. Mankind's growing dependence on the seas, and the burgeoning world population along their shores, are already burdening the ecology of the oceans—a development of potentially catastrophic significance, for the oceans are the very source of life as we know it, the characteristic distinguishing our world from all other planets.

These developments have brought with them a vast array of competitive practices and claims, which—unless they are harmonized—threaten an era of unrestrained commercial rivalry, mounting political turmoil, and eventually military conflict. We stand in danger of repeating with respect to the oceans the bitter rivalries that have produced endless conflict on land.

A cooperative international regime to govern the use of the oceans and their resources is therefore an urgent necessity. It is, as well, an unprecedented opportunity for the nations of the world to devise the first truly global solution to a global problem.

And the opportunity is all the greater because we start with a clean slate.

Thus, the multilateral effort to agree upon a comprehensive treaty on the law of the sea has implications beyond the technical problems of the use of the oceans. It touches upon basic issues underlying the long-term stability and prosperity of our globe. The current negotiation is a milestone in the struggle to submit man's endeavors to the constraints of international law.

Let us understand more precisely what is at stake:

In a world of growing scarcity, the oceans hold untapped riches of minerals and energy. For example, it is estimated that 40 percent of the world's petroleum and virtually inexhaustible supplies of minerals lie beneath the sea. Our economic growth and technological progress will be greatly affected by the uses made of these resources.

In a world where the growth of population threatens to overwhelm the earth's capacity to produce food, the fish of the seas are an increasingly precious—and endangered—source of protein. The wellbeing and indeed the very survival of future generations may well depend upon whether mankind can halt the present wanton depletion of this vast storehouse of nutrition.

In a world in which the health of the planet our children will inherit depends upon decisions we make today, the environmental integrity of the oceans—which affects the quality of life everywhere—is vital.

And in a world still buffeted by national conflicts, economic conformation and political strife the free and fair use of the oceans is crucial to future peace and progress.

The oceans are not merely the repository of wealth and promise; they are, as well, the last completely untamed frontier of our planet. As such, their potential—for achievement or for strife—is vast. In the nineteenth century, the Industrial Revolution gave birth to improved communications, technological innovations and new forms of business organization which immeasurably expanded man's capacity to exploit the frontiers and territories of the entire globe. In less than one generation, one-fifth of the land area of the planet and one-tenth of its inhabitants were gathered into the domain of imperial powers in an unrestrained scramble for colonies. The costs—in affront to human dignity, in material waste and deprivation, and in military conflict and political turbulence haunt us still.

Like the non-Western lands of a century before, today it is the oceans which suddenly are accessible to new technology and alluring to exploration. Their promise may be even greater than the untapped lands of the century past. So too is their potential for conflict. The decision will be ours. The international community now stands at the threshold of what can easily turn into a new period of unheralded competitive activity. It is our contention that the nations of the world cannot afford to indulge in another round of unrestrained struggle for the wealth of our planet when the globe is already burdened by ideological strife and thermonuclear weapons.

The United States could survive such competition better than other nations; and should it be necessary, we are prepared to defend our interests. Indeed, we could gain a great deal unilaterally in the near term. But we would do so in an environment of constant and mounting conflict. All nations, including our own, ultimately would lose under such unpredictable and dangerous conditions.

That is not the kind of world we want to see. Our preference is to help build a rational and cooperative structure of international conduct to usher in a time of peace and progress for all peoples. We see the oceans as a trust which this generation holds—not only for all mankind, but for future generations as well.

The legacy of history makes this a difficult task. For centuries, the songs and legends of peoples everywhere have seen the oceans as the very symbol of escape from boundaries, convention and restraint. The oceans have beckoned mankind in rewards of wealth and power, which awaited those brave and imaginative enough to master the forces of nature.

In the modern era the international law of the sea has been dominated by a simple but fundamental principle—freedom of the seas. Beyond a narrow belt of territorial waters off the shores of coastal states, it has long been established and universally accepted that the seas were free to all for fishing and navigation.

Today the simple rules of the past are challenged. Pressure on available food, fuel and other resources has heightened awareness of the ocean's potential. The reach of technology and modern communications have tempted nations to seek to exercise control over ocean areas to a degree unimagined in the past. Thus coastal states have begun to assert jurisdictional claims far out to sea—claims which unavoidably conflict with the established law and with the practices of others, and which have brought a pattern of almost constant international conflict. Off the shores of nearly every continent, forces of coastal states challenge foreign fishing vessels: the "Cod War" between Iceland and Great Britain; tuna boats seizures off Souh America; Soviet trawling off New England—these are but some examples.

It is evident that there is no alternative to chaos but a new global regime defining an agreed set of rules and procedures. The problem of the oceans is inherently international. No unilateral or national solution is likely to prevail without continual conflict. The Law of the Sea Conference presents the nations of the world with their choice and their opportunity.

Failure to agree is certain to bring further, more intense confrontation, as the nations of the world—now numbering some 150—go all out to extend unilateral claims.

THE LAW OF THE SEA CONFERENCE

These are the reasons why the international community has engaged itself in a concentrated effort to devise rules to govern the domain of the oceans. Substantive negotions on a Law of the Sea Treaty began in 1974 in Caracas; a second session was held in Geneva last year. Now, here in New York, work is underway aimed at concluding a treaty before this year is out.

It is no exaggeration to say that this is one of the most significant negotiations in diplomatic history. The United States approaches this negotiation with conviction that we simply cannot afford to fail.

PROGRESS TO DATE

The issues before the Law of the Sea Conference cover virtually every area and aspect of man's uses of the seas, from the coastline to the farthest deep seabed. Like the oceans themselves, these various issues are interrelated parts of a single entity: Without agreement on all the issues, agreement on any will be empty, for nations will not accept a partial solution—all the less so as some of the concessions that have been made were based on the expectation of progress on the issues which are not yet solved.

Significant progress has been made on many key problems. Most prominent among them are:

First, the extent of the territorial seas, and the related issue of free transit through straits. The Conference has already reached widespread agreement on extending the territorial sea—the area where a nation exercises full sovereignty—to 12 miles. Even more importantly, there is substantial agreement on guaranteed unimpeded transit through and over straits used for international navigation.

This is of crucial importance, for it means that the straits whose use is most vital to international commerce and global security—such as the Straits of Gibraltar and Malacca—will remain open to international sea and air transit. This is a principle to which the United States attaches the utmost importance.

Second, the degree of control that a coastal state can exercise in the adjacent offshore area beyond its territorial waters.

This is the so-called "economic zone," in which lie some of the world's most important fishing grounds as well as major deposits of oil, gas and minerals. Growing international practice has made it clear that in the absence of an international treaty, coastal nations would eventually attempt to establish the extent of their own zone and determine for themselves what activities—national and international—could be carried out there. These would be areas through which most of the world's shipping moves and which is as well the richest ground for economic exploitation. The complexities and confrontations which would result from such an approach are obvious.

Therefore we are gratified that the Conference is ready to settle upon a two-hundred mile economic zone. This will permit coastal state control over some activities while maintaining vital and traditional international freedoms. The coastal states will control fisheries, mineral, and other resource activities. At the same time, freedom of navigation and other freedoms of the international community must be retained—in this sense the economic zone remains part of the high seas. In addition, the Treaty must protect certain international interests, such as ensuring adequate food supply, conserving highly migratory species, and accommodating the concerns of states—including the landlocked—that otherwise would derive little benefit from the economic zone.

Third, the rights of coastal states and the international community over continental margin resources where the margin extends beyond 200 miles. The continental margin is the natural prolongation of the continental land mass under the oceans. The question is: who shall have the right to extract seabed resources in this region and who shall share in the benefits of such exploitation? We seek a solution which will meet the international community's interest in the area beyond 200 miles and still take into account the desire of coastal states with broad margins to exploit their margin resources beyond the proposed economic zone. The Conference has before it a reasonable proposal for agreement on this question. In general, the coastal states would have jurisdiction over continental margin resources beyond 200 miles to a limit with a precise definition.

Under the system now being negotiated the treaty would also provide for the coastal states share with the international community a specified percentage of the value of mineral resources exploited in that area for the benefit of the developing countries, including the landlocked countries. The coastal state would pay a royalty based upon the value of production at the well-head in accordance with a formula fixed in the Treaty; the money would then be distributed by an international authority under a formula still being negotiated.

Fourth, the protection of the marine environment. Effective international measures to protect the oceans from pollution is vital to the health, indeed, to the very survival of our planet. The Law of the Sea Treaty will deal with all aspects of marine pollution. On the critical issue of pollution caused by seagoing vessels, we anticipate that the Conference will provide for effective enforcement of environmental protection regulations. We must now put forth our best efforts to reach satisfactory agreement on the enforcement of regulations covering all the outstanding issues concerning the protection of the marine environment.

Progress on these key issues has been heartening. But we must reach agreement on the remaining issues, or else in order that differences of interpretation and incompatible practices can be settled peacefully.

And third, we must create an international regime for the exploitation of resources of the deep seabeds, those heretofore inaccessible reaches of the seas beyond the economic zone and continental margin.

U.S. PROPOSALS

The United States today proposes the following package as a contribution to helping the Conference reach a swift and comprehensive solution on the major remaining problems:

MARINE SCIENTIFIC RESEARCH

The health, the safety and the progress of the world's people may vitally depend upon the extent of marine scientific research; it must be fostered and not impeded. To further marine scientific research the United States is prepared to agree to a reasonable balance between coastal state and international interests in marine scientific research in the economic zone. We will agree to coastal state control of scientific research which is directly related to the exploration and exploitation of the resources of the economic zone. But we shall also insist that other marine scientific research not be hampered.

We must recognize that this distinction is bound to raise difficult questions in practice. This is why we believe that its determination cannot be left either to the coastal state or to the state seeking to do scientific research; it must ultimately be decided by an impartial body.

For our part, the United States is prepared to guarantee that coastal states receive advance notice of scientific research in the economic zone, will have the right to participate in that research, and will receive data and results of such research as well as assistance in interpreting the significance of those results.

This proposal would help resolve the differences between those who desire complete coastal state control over all marine scientific research and those who seek to maintain complete freedom for such research in the proposed economic zone.

DISPUTE SETTLEMENT

No nation could accept unilateral interpretation of a Treaty of such vast scope by individual states or by an international seabed organization or any other interested party.

To promote the fair settlement of disputes involving the interpretation of the Treaty, the United States proposes the establishment of an impartial dispute settlement mechanism whose findings would be binding on all signatory states. Such a mechanism would ensure that all states have recourse to a legal process which would be non-political, rapid, and impartial to all. It would especially protect the rights of all states in the economic zone by resolving differences in interpretation of the Treaty which might lead to serious conflict between parties. It must be responsible for assuring the proper balance between the rights of coastal states and the rights of other states which also use—and indeed often are dependent upon—the economic zones of coastal states. And its decisions must be obligatory.

Establishment of a professional, impartial and compulsory dispute settlement mechanism is necessary to ensure that the oceans will be governed by the rules of law rather than the rule of force. Unless this point is accepted, many nations could not agree to the treaty, since only through such a mechanism can they be assured that their interests will be fairly protected. And agreement on this matter will make accommodation on other issues easier.

THE DEEP SEABEDS

The third, and the most complex and vital issue remaining before the Conference, in the problem of the deep seabeds.

For decades we have known that the deep seabeds contain great potential resources of nickel, manganese, cobalt and copper—resources whose accessibility could contribute significantly to global economic growth in the future. It is only recently that the technology has been developed which can enable us to reach those deposits and extract them.

The Conference has not yet aproached agreement on the issue of the deep seabeds because it has confronted serious philosophical disagreements. Some have argued that commercial exploitation unrestrained by international treaty would be in the best interests of the United States. In fact this country is many years ahead of any other in the technology of deep sea mining, and we are in all respects prepared to protect our interests. If the deep seabeds are not subject to international agreement the United States can and will proceed to explore and mine on its own.

But while such a course might bring us a short-term advantage, it poses long-term dangers. Eventually any one country's technical skills are bound to be duplicated by others. A race would then begin, to carve out deep sea domains for exploitation. This cannot but escalate into economic warfare, endanger the freedom of navigation, and ultimately lead to tests of strength and military confrontations. America would not be true to itself, or to its moral heritage, if it accepted a world in which might makes right—where power alone decides the clash of interests. And, from a practical standpoint, no one recognizes more clearly than American industry that investment, access, and profit can best be protected in an established and predictable environment.

On the other hand, there are those who would place all the deep seabed's resources under an international authority. Such a proposal would not provide adequate incentives and guarantees for those nations whose technological achievement and entrepreneurial boldness are required if the deep seabeds are to benefit all mankind. It would give control to those who do not have the resources to undertake deep seabed mining.

Let me briefly review the specific issues before us and then set forth the proposals which we believe can form the basis for a new consensus on the deep seabeds.

First, the decision-making machinery for managing the deep seabeds.

There has been considerable debate over the form and the powers of the decision-making machinery established under the Treaty.

The United States is prepared to accept international machinery; but such machinery must be balanced, equitable, and ensure that the relative economic interests of the countries with important activities in the deep seabeds be protected, even though those countries may be a numerical minority.

Second, access to the deep seabeds. The Conference has been struggling with the issue of which nations, which firms, and which international authorities will have direct access to, and share in the benefits from, the developing of deep seabed resources. The United States understands the concern that the riches of the seas not be the exclusive preserve of only the most powerful and technologically advanced nations. We recognize that the world community should share in the benefits of deep seabed exploitation.

What the United States cannot accept is that the right of access to seabed minerals be given exclusively to an international authority, or be so severely restricted as effectively to deny access to the firms of any individual nation including our own. We are gratified to note an increasing awareness of the need to avoid such extreme positions and to move now to a genuine accommodation that would permit reasonable assurances to all States and their nationals that their access to these resources will not be denied.

Third, the effect of seabed mining on land-based producers. Land-based producers of seabed minerals are concerned that seabed production may adversely affect their national economics. This is an especially serious problem since many of these producers are poor, developing countries.

We take these concerns seriously. But at the same time it must be recognized that commercial seabed production of these metals is at least five years away. For many years thereafter, seabed production will amount to only a fraction of total global production. Moreover, global metal markets are expanding and should easily be able to accommodate additional production from the seabeds without adversely affecting revenues of land-based producer countries.

U.S. PROPOSALS FOR THE DEEP SEABEDS

The United States is prepared to make a major effort to resolve these issues equitably and to bring the Law of the Sea Conference to a swift and successful conclusion. In this spirit, the United States offers the following proposals.

First, to ensure an equitable decision-making system, the United States continues to believe that the Treaty should authorize the formation of an International Seabed Resource Authority to supervise exploration and development of the deep seabeds. The Authority would be comprised of four principal organs:

An assembly of all member states, to give general policy guidance;

A Council, to serve as the executive, policy-level and main decision-making forum, setting operational and environmental rules for mining, and supervising the contracts for deep seabed mining;

A Tribunal, to resolve disputes through legal processes; and

A Secretariat, to carry out the day-to-day administrative activities of the Authority.

The United States proposes:

That the power of the Authority be carefully detailed by the Treaty in order to preserve all those rights regarding the uses of the seas which fall outside the competence of the Authority, and to avoid any jurisdictional overlap with other international organizations;

That the composition and structure of the Council reflect the producer and consumer interests of those states most concerned with seabed mining. All nations whose vital national economic concerns are affected by decisions of the Authority must have a voice and influence in the Council commensurate with their interests;

That the proposed permanent seabed Tribunal adjudicate questions of interpretation of the treaty and of the powers of the International Authority raised by parties to the Treaty or by private companies engaged in seabed mining. Without a Tribunal, unresolved contention is a certainty. Such a body will be necessary if any seabed proposal is to win wide acceptance.

Second, to ensure that all nations, developed and developing, have adequate access to seabed mining sites;

The United States proposes that the Treaty should guarantee non-discriminatory access for states and their nationals to deep seabed resources under specified and reasonable conditions. The requirement of guaranteed access will not be met if the Treaty contains arbitrary or restrictive limitations on the number of mine sites which any nation might exploit. And such restrictions are unnecessary because deep seabed mining cannot be monopolized; there are many more productive seabed mining sites than conceivably can be mined for centuries to come.

The United States accepts that an "Enterprise" should be established as part of the International Seabed Resource Authority and given the right to exploit the deep seabeds under the same conditions as apply to all mining.

The United States could accept as part of overall settlement, a system in which prime mining sites are reserved for exclusive exploitation by the Enterprise or by the developing countries directly—if this approach meets with broad support. Under this system, each individual contractor would propose two mine sites for exploitation. The Authority would then select one of these sites which would be mined by the Authority directly or made available to developing countries at its discretion. The other site would be mined by the contractor on his own.

The United States proposes that the International Authority should supervise a system of revenue-sharing from mining activities for the use of the international community, primarily for the needs of the poorest countries. These revenues will not only advance the growth of developing countries: they will provide tangible evidence that a fair share in global economic activity can be achieved by a policy of cooperation. Revenue sharing could be based either on royalties or on a system of profit-sharing from contract mining. Such a system would give reality to the designation of the deep seabeds as the common heritage of all mankind.

Finally, the United States is prepared to make a major effort to enhance the skills and access of developing countries to advanced deep seabed mining technology in order to assist their capabilities in this field. For example, incentives should be established for private companies to participate in agreements to share technology and train personnel from developing countries.

Third, in response to the legitimate concerns of land-based producers of minerals found in the deep seabeds, we offer the following steps as an additional major contributions to the negotiations.

The United States is prepared to accept a temporary limitation, for a period fixed in the Treaty on production of the seabed minerals tied to the projected growth in the world nickel market, currently estimated to be about 6 percent a year. This would in effect limit production of other minerals contained in deep seabed nodules, including copper. After this period, the seabed production should be governed by overall market conditions.

The United States proposes that the International Seabed Authority have the right to participate in any international agreements on seabed-produced commodities in accordance with the amount of production for which it is directly responsible. The United States is prepared to examine with flexibility the details of arrangements concerning the relationships between the Authority and any eventual commodity agreements.

The United States proposes that some of the revenues of the International Seabed Resource Authority be used for adjustment assistance and that the World Bank, regional development banks, and other international institutions assist countries to improve their competitiveness or diversify into other kinds of production if they are seriously injured by production from the deep seabeds. An urgent task of the International Authority, when it is established, will be to devise an adjustment assistance program in collaboration with other international institutions for countries which suffer economic dislocations as a result of deep seabed mining.

These proposals on the issue of deep seabed resources are offered in the spirit of cooperation and compromise that characterized our economic proposals at the Seventh Special Session and that guides our policies towards the developing nations. The United States is examining a range of commodity problems and ways in which they might be fairly resolved. We intend to play an active role at the United Nations Conference on Trade and Development next month in Nairobi and come forward with specific proposals. We look toward a constructive dialogue in the raw materials commission of the Conference on International Economic Cooperation in Paris. And we are actively committed to producer-consumer forums to discuss individual commodities—such as the recent forum on copper.

The United States believes that the world community has before it a grave responsibility. Our country cannot delay in its efforts to develop an assured supply of critical resources through our deep seabed mining projects. We strongly prefer an international agreement to provide a stable legal evironment before such development begins, one that ensures that all resources are managed for the good of the global community and that all can participate. But if agreement is not reached this year it will be increasingly difficult to resist pressure to proceed unilaterally. An agreement on the deep seabed can turn the world's interdependence from a slogan into a reality.

A sense of community which nations have striven to achieve on land for centuries could be realized in a regime for the oceans.

CONCLUSION

Ladies and Gentlemen, the nations of the world now have before them a rare if not unique, opportunity. If we can look beyond the pressures and the politics of today to envision the requirements of a better tomorrow, then we can understand the true meaning of the task before us.

Let us pause to realize what this Treaty can mean—to this generation and to the possible realization of humanity's dream of a progressive ascent toward justice and a good life for all peoples.

If the Conference is successful, mankind's rights and responsibilities with regard to the oceans will be clear to all.

This will mean freedom of navigation, preserving the rights of all on the seas.

It will mean a greater flourishing of trade and commerce, bringing the benefits of a freer flow of goods to consumers and producers alike.

It will mean that the oceans, recognized as "the source of all" since Homer's day, can continue to enrich and support our planet's environment.

It will mean that there will be a comprehensive regime for all of the world's oceans embracing not only territorial waters but a new economic zone, the continental margin and the deep seabeds.

It will mean the realization of the promise of scientific research in the oceans—the further probing of the mysteries of our planet to better the lives and preserve the health of all.

It will mean that the seas' resources of nutrition and raw materials can be tapped for the use of the entire human community.

It will mean that an arena of conflict, and one which is becoming increasingly dangerous, will become an area for cooperative progress.

It will mean that the entire international community—the developing as well as developed, landlocked as well as coastal—will share in the uses, the nourishment, the material resources and the revenues which this great Treaty could provide. For the poorer countries in particular, it will mean revenues from the continental margin and the deep seabeds, and the opportunity to participate in deep sea mining through an international organization.

And above all, it will mean the nations of the world have proved that the challenges of the future can be solved cooperatively; that, for the first time mankind has been able to surmount traditional enmities and ambitions in the service of a better vision.

These then, are the stakes; these are the possibilities we hold in our grasp. Will we have the maturity and the judgment to go forward? Will we fulfill the obligation which future historians—without question—will assign to us? I believe we shall. The United States is determined that we shall. The possibility and the promise have never been more clear. Through reason, through responsibility, and by working together we shall succeed.

With hindsight it is easy to identify the moments in history when humanity broke from old ways and moved in new directions.

But for those living through such times, it is usually difficult to see the true significance even of epoch-making events.

That is why the nations who are engaged in the Law of the Sea Conference have come to a unique moment in history. Only rarely does mankind comprehend the significance of change in the world as we so clearly do today. We share a common perception:

of the need to contain potential conflict

of the importance of cooperative solutions to shared problems; and

Of the necessity to achieve the full and fair use of the possibilities of our planet, both material and moral.

If a second session is necessary this year to complete the work of the Conference, let us make that session the final one. To underline the importance the President attaches to these negotiations he has asked me to lead the United States delegation to that session. It is our hope that other nations will attach similarly high importance to it and be prepared to discuss the remaining issues before us at a decisive political level. This should be a time for determined action—a time to avoid rhetoric and to commit ourselves to decisions and a final agreement.

The United States calls upon all nations deliberating this great Treaty to summon the sense of responsibility and urgency which history and this task demand of us. For our part, the United States pledges itself to work tirelessly to seize this rare chance for decisive progress on one of the great challenges of our time.

FCC TELEPHONE REGULATION

Mr. GRIFFIN. Mr. President, those who run the small independent telephone companies of our country are concerned about the effects of some recent decisions by the Federal Communications Commission. The owner and manager of a small telephone company in Climax, Mich., Mr. John Collver, wrote a letter to the FCC a few days ago, and sent me a copy.

It is typical of others that I have received which point up an urgent need, in the public interest, for a thorough, objective review by Congress of FCC regulatory policies.

I ask unanimous consent that Mr. Collver's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE CLIMAX TELEPHONE CO.,
Climax, Mich., March 17, 1976.

Hon. RICHARD WILEY,
Chairman, Federal Communications Commission, Washington, D.C.

DEAR CHAIRMAN WILEY: I believe the Commission has approved Docket 19528 permitting customer owned terminal equipment to telephone company lines, including extension telephones. This action raises grave concern on my part for the interests of my business and our customers welfare.

Allow me, please, to present my case. Twenty six years ago, following a dozen years in the telephone employment, my wife and I bought this small telephone company which had a very deteriorated plant providing a poor grade of service and all customer owned telephones. I tell you they were very reluctant to invest their money in new equipment so we and they put up with whatever they could buy the cheapest. When trouble was traced to the customers equipment, the repairs would frequently be postponed until it failed completely. When we established a program of replacement with company owned telephones, with an additional monthly charge, it was very well accepted and service quality was greatly improved.

Bad as it was with the old magneto system I shudder to think of the complications when we are dealing with a complex and sophisticated automated system as we now have.

There are a number of practical questions that you may have the answers for, such as: How to assure a ringer balance on a party line? How to assure that a phone on a long loop will have a satisfactory network for transmission purposes? Who shall bear the expense of investigating poor transmission complaints on toll calls and the adjustments granted when it is customer owned equipment at fault? How shall upgrading of the switching and distribution plant be handled if it requires replacement of terminal equipment?

Should this action result in a large quantity of terminal equipment being shelved with unrecovered depreciation charges, who should bear the loss, the customer who uses company owned terminal equipment, or me and my wife from our hard earned savings which we have invested in this business.

I fail to see how a return to those "good old days" can possibly be in the public interest. However, if the real purpose is to create an unworkable situation, it should be a roaring success.

Respectfully yours,
JOHN W. COLLVER.

SENATOR KENNEDY'S ADDRESS BEFORE THE OVERSEAS PRESS CLUB

Mr. HUMPHREY. Mr. President, I invite the attention of my colleagues to a major foreign policy address before the Overseas Press Club by Senator KENNEDY. With this speech, the distinguished Senator from Massachusetts has made an important contribution to the current national debate on the future direction of American foreign policy.

One of Senator KENNEDY's fundamental assumptions is that the United States must have a foreign policy which is both moral and pragmatic—a foreign policy deeply rooted in our tradition as a free people living in a democratic society. Although such an assumption should be implicit in any American foreign policy, Senator KENNEDY believes that much of the current public disenchantment with our foreign policy derives from a distinct lack of concern by policymakers for the democratic ideals on which this Nation was founded. As he surveys the way our foreign policy is made, the way it is articulated by our officials and its ultimate objectives around the world, the Senator finds that the moral dimensions of foreign policy have been often ignored. I agree with him only if this critical dimension is restored can the American people fully trust and support policies espoused by their Government.

In his analysis of America's place in the world, Senator KENNEDY discusses the issue of whether the United States has fallen behind the Soviet Union. I am in basic agreement with his assessment that the United States maintains superior strategic and conventional forces to the Soviets. As he states, the real challenge we face with the Soviets is to find constructive ways to limit the nuclear arms race through mutually negotiated arms control agreements. I share Senator KENNEDY's deep concern that we not let election years politics stand in the way of another SALT agreement.

If we are unable to negotiate a meaningful SALT II agreement, a new administration will have only 9 months to negotiate an agreement before the 1972 Interim Agreement on Offensive Missiles expires. I would hope that the President and Secretary of State heed this advice from Senator KENNEDY and others who believe that continued momentum in the control of strategic arms is a necessity for continued world peace.

Finally, Mr. President, Senator KENNEDY recognizes the critical need for greater American leadership in world affairs. He wants such leadership to be based on a strong domestic economy and he wants it to use American power in the task of building a more humane and prosperous world. There is no doubt that such a worthy goal is within our grasp if we only dare to try.

Mr. President, I ask unanimous consent that the text of Senator KENNEDY's address before the Overseas Press Club be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR EDWARD M. KENNEDY

For more than a year many thoughtful Americans have called for a great national debate on foreign policy. The issue is now firmly part of the Presidential campaign; and every day there is new effort in Congress to understand the place of the United States in the world, and to shape effective policies for the future.

This debate comes none too soon. For now that the cold war is over—now that the tragedy of Indochina is behind us—we are a nation in search of guiding principles—a guiding purpose—that will help us meet the new and insistent challenges posed by a restless and changing world.

I believe that these guiding principles—this guiding purpose—can only be found through a basic effort to understand what is happening in the world, the impact of events on our nation, and the imperatives for thought, for decision, for action.

For a quarter-century after the Second World War, our foreign policy derived from a few simple facts: we emerged from the war the most powerful nation the world has ever known. The burdens of leadership—in rebuilding ravaged economies, in countering a Soviet challenge to our security and that of many other nations—fell almost entirely on our shoulders.

With a few exceptions—notably Vietnam—we succeeded at what we sought to do. Today, we have unsurpassed military strength. Europe and Japan have become towers of industrial strength. We have helped nearly a hundred new nations begin the long road to economic development. And we have even managed to move beyond the basic cold war confrontation with the Soviet Union.

It should be no surprise, therefore, that Americans are looking for new directions for new purpose. And success itself has bred new challenge. For as the cold war has waned, new centers of power and action have emerged on the world scene. Our power has not lessened, but that of other nations has grown. And a host of new problems—new concerns—has emerged: in the management of the global economy, and in insistent demands for greater economic justice on the part of developing nations. The wind of change is blowing everywhere and no one can shelter from it.

The debate we are just beginning thus raises a multitude of questions—about the imperatives of power; about what we can and cannot do—should and should not do—in the outside world; about new forms of acting, and a new selectivity about any involvement at all in the affairs of particular nations.

But of all the questions that are raised, two have assumed central importance in this year's Presidential campaign: can we, as a nation, continue to act in our national interest in the outside world? Can we—will we—meet each and every challenge posed by the growth of Soviet military power and involvement in the outside world?

This is not the first time the United States has been faced with similar questions. After the First World War, we rejected responsibility; after the Second, we accepted it. Can we—will we—again accept those responsibilities that are inescapably ours to bear?

I believe the answer is a clear and decisive "yes". The American nation has the capacity to act; and the American people have the will to do so.

It is only the terms of this action—the where, the how, the why—that is at issue.

Here is the source of today's questioning about American foreign policy—here is the source of insistent demands for a fundamental debate about our future course in the world. For as the old certainties of the post-war world have been left behind—as other countries have grown in power and other challenges have emerged—there is no clear set of ideas and principles to bind together our foreign policy; no basic inspiration that speaks to the hopes, the ideals, the understanding of the American people.

I believe that our difficulties, today, do not derive from any lack of national power—in any of its forms; rather it comes from a widespread sense that our foreign policy is too often conceived and implemented without due regard for our fundamental purpose as a nation.

Too often, this underlying dimension of foreign policy—this deeper moral sense—is left to last—or ignored altogether. Too often, the expediency of power has become an end in itself, untempered by a sense that power is only a means, and not the end, of national purpose. Too often the American people have become confused by policies that seem to blie our own self-interest, that do for our nation in the world. It is therefore no surprise that other nations become equally confused by those American actions that seem to believe our own self-interest, that do not reflect the capacity of our nation—of our people—to help shape a vision of the future in which all people can share.

In this bicentennial year, we remember our unique heritage as a nation—the ideals we ceaselessly pursue whatever the failures, the setbacks of the moment. And we must ensure that American involvement in the outside world also reflects what is best in our heritage, and in ourselves.

Only in this way can we expect that the American people will support the foreign policy—any foreign policy—of this country. Only then can our military, economic, and political power regain the moral support of our people that alone turns power into strength.

For what lies behind the call for debate on foreign policy is a lesson that derives equally from the two great national crises of our time—from Vietnam and from Watergate.

This is a lesson of leadership: the most basic responsibility to maintain the bonds of trust between American leaders and our people that weave the fabric of government . . . the "consent of the governed." In both Vietnam and Watergate our leaders failed to heed this lesson, at great cost, not just in those areas, but throughout our national life. And only by coming to terms with these two crises . . . and their lesson . . . can we come to terms with our future as a nation.

Yet in this sense, we can use our experience in both Vietnam and Watergate—in today's debate on domestic and foreign issues—to recreate the fundamental trust of our people for their government. Our democratic institutions eventually *did* meet the challenge of both Vietnam and Watergate; now we must use that experience to strengthen our institutions of domestic and foreign policy.

The *way* in which U.S. foreign policies are made, therefore, is just as important as *what* they are.

There can be no effective Administration action in foreign policy at all unless the people's representatives in Congress are fully involved in shaping the underlying principles of our involvement in the world. There can be no effective action unless the American people understand and support the moral well-springs of our policy.

Thus there is no inherent conflict between the Congress and the Administration in foreign policy. There is no paralysis of American will and action, as some of our leaders have charged. While many Members of Congress have tried to restrain excessive growth in military spending, the Congress has backed real increases in the defense budget. And last year we approved every single major weapons system, except for the unneeded and useless ABM.

We support vigorous efforts to control the arms race, and to reduce risks of conflict within the Soviet Union.

We support the search for peace in the Middle East; and steadily improving relations with the Peoples' Republic of China.

We have taken the lead in trying to strengthen the U.S. economy and hence our vital alliances with Europe and Japan.

We led in supporting the democratic experiment in Portugal; and we have led in the effort to restructure the global economy, through positive efforts including rich nations and poor alike.

Congressional challenges in Cyprus, Angola, and over the abuses of the CIA are not national paralysis: they are an assertion of good sense and moral concern, a necessary complement to strong Congressional support for every vital American commitment.

In many of these areas, the Administration has accepted the Congressional position as the wisest course for American foreign policy; in others the Congress has accepted the Administration's lead; in still others the debate continues. The system is working as it should—as the Constitution provides.

The congressional role is not a challenge to Administration prerogatives in the day-by-day conduct of foreign policy; it is rather an essential link in the chain of debate and decision. It will not weaken the United States, at home or abroad. It will strengthen us, both in our own eyes, and in the eyes of other nations.

The role for Congress goes beyond necessary involvement in those issues that do not respect lines of division between foreign and domestic concern—issues like food and fuel and trade and the law of the seas. It is a role in understanding the basic purposes of our nation.

At the same time, we should not seek to recreate a national consensus on every policy. In a world that is increasingly complex—where the pluralism of our domestic life affects issues that involve us both at home and abroad—no rigid doctrine covering every subject is possible; it is not even desirable. But a basic sense of direction is not only desirable, it is imperative—if the people of the United States are to lend their support to any foreign policy of any Administration—to give again their trust to their leaders.

This issue goes to the heart of the Congressional concern over obsessive secrecy in foreign policy—and Administration concern with leaks. For recreating trust in our basic purposes means that fundamental issues can and must be fully debated in the open. And if this is done, the incentive to leak secrets that must be kept for our national security would simply fade away.

I am confident that we can rebuild that basic trust; that our leaders can regain the confidence of the American people; and that as a nation we will then respond to the challenges of the future.

Creating a foreign policy that has deep roots in our beliefs as a nation requires allegiance to a number of specific principles.

First, and most important, we must continue to meet the imperatives of power: but only where this power is a means to preventing war—most important a nuclear war—and to securing the peace. For this is a moral as well as a practical responsibility: the highest responsibility of our foreign policy.

It is clear that the United States must continue to meet real threats to our security, and to that of other nations vital to us.

We have built the military strength we need to achieve this goal; and I have no doubt that we will continue to do so. But simply increasing the defense budget is not the answer; making raw comparisons of numbers in the military strength of the Soviet Union and ourselves tells us little of what we need to know. For the fact is that we remain the strongest military power on earth—and no artificial inflating of Soviet defense spending, no casting of dark fears for the future—can alter that fact.

What is the balance of military power with the Soviet Union?

We have nuclear power at least equal to theirs . . . while we have three times as many warheads. Our nuclear power is far greater than we need—with a capacity to destroy each major Soviet city nearly 40 times over. A single Poseidon submarine could destroy 160 cities, each with warheads three and a half times the size of the Hiroshima bomb—and we have thirty-one Poseidon boats.

We have the most powerful navy in the world, with a firepower and reach that is the envy of the Soviet Union. While we have fewer ships than we have had in the past, they pack a punch that was almost inconceivable only a few short years ago; and that is unavailable to the Soviet Union now.

The Russians maintain more men under arms—as they have always done, except at the height of the Vietnam War. But that advantage is diminished by the great Soviet commitment of forces to the Chinese front; by the rapid turnover in Soviet draftees; by the need for garrison forces in Eastern Europe; and by our superiority in the quality of weapons and manpower that the Soviet Union simply cannot match.

And along with our NATO Allies, we have almost as many forces in Europe as the Warsaw Pact—forces and a military doctrine that would make a Soviet attack an act of madness, and bring inescapable ruin on the Soviet Union.

Therefore we must understand clearly the true nature of threats to us and to our friends and allies abroad; then build and maintain the forces we need.

This includes breaking the bureaucratic hold of particular interests in the Pentagon that would give us a B-1 bomber—even while seeking cruise missiles; that would give us more nuclear ships—and more aircraft carriers we do not need for the world of the 1980s—instead of attack submarines and smaller surface ships. Increasing the size of the defense budget will give us no extra strength, if what we buy, is not relevant to what we need.

This year, the President has asked for an increase in the Pentagon budget of 14 billion dollars—including 7 billion dollars for real growth.

The Pentagon even included 3 billion dollars as insurance against Congressional cuts. Unfortunately, in this election year, the Congress has not even taken away this unneeded spending.

This afternoon, there will be an effort in the Senate to reduce the budget ceiling for the Pentagon by 2.6 million dollars. I believe that this is a basic step towards the right priorities; and it will still give us more money than we need to build the forces we need.

More important, it is deeply disturbing to hear once again a Pentagon rhetoric to justify the defense budget that grossly inflates Soviet strength, and deflates our own. Not only does that rhetoric distort the facts; but it also is helping to erode basic understandings about the imperatives of working to reduce conflict with the Soviet Union now and for the future. Indeed, the inflated size of the defense budget is less a problem than the terms in which it is justified.

The fact is that we must live together on this planet with the Soviet Union—whatever conflicts of interest and of ideology divide us, and will contine to do so. Neither nation can hope to win a nuclear war; for in such a war, there would be no winners—there may even be no survivors.

A critical charge on our efforts must be to seek real and positive controls on the nuclear arms race and a reduction of those tensions that could otherwise lead to mankind's final war.

We have done much to achieve this goal—including a series of arms control agreements that began with the Limited Test Ban Treaty of 1963. And these agreements are clearly in our national interest.

Now discussions continue to reach a new SALT agreement. Yet there are voices counselling us to go slow, to delay, because of the Election Campaign and the risks of corrosive debate.

I believe that the next SALT agreement is too important to be a casualty of election politics. When an Administration is inaugurated next January, there will be only nine short months in which to replace the 1972 Interim Agreement on Offensive Missiles, before it expires. That is simply too much risk to take with the hopes and fears of mankind. The conclusion last week of the Threshold Test Ban—including some on-site inspection for the first time—shows that arms control can more forward. And I believe that the Senate oft he United States would ratify a SALT agreement this year that genuinely advances our interests in arms control. And we should press on to a Comprehensive Test Ban Treaty.

At the same time, I am deeply concerned about a new weapons development—the strategic-range cruise missile—which could make far more difficult any future efforts to bring the arms race under control. When we begin deploying this evolutionary new weapon, the Soviet Union will inevitably follow suit, and the nuclear spiral will rise out of control once again.

For this reason, in February I joined with Senators Humphrey and Javits in proposing that we offer to the Soviet Union a mutual moratorium on flight-testing of these cruise missiles: until such time as the issue is resolved at SALT. In this way, following the precedent set with nuclear testing in the early 1960s, I believe we can create the climate needed to reach firm understandings with the Soviet Union on this new weapon. But if we do not reach those understandings, the resulting problems of verifying and counting nuclear weapons may require a whole new approach to the SALT talks, or there will be no arms control at all.

A rapid conclusion of the next SALT agreement is vital for another reason—a compelling practical and moral reason. For if the United States and the Soviet Union do not back away from their futile competition in overkill, they will only increase the incentives for other nations to build the bomb. It does not take the Soviet and American arsenals—equivalent to more than a million Hiroshimas—to wreak a Hiroshima: It takes just one bomb in the hands of a country disposed to use it. Yet both we and the Russians are helping to bring about just such a world of madness, by failing to take the opportunities we have to end our own nuclear competition, once and for all.

Our need to develop relations with the Soviet Union does not end wtih strategic arms control. For it is clear that there are many other areas in which we must try to regulate competition:

We need to work more purposefully towards the mutual and balanced reduction of forces in Europe;

We need to challenge the Soviet Union to a practical commitment to peace in the Middle East;

We need to draw the Soviet Union more deeply into those economic and commercial relations with the West—which are in our own economic interest, and with due regard to issues of human rights—as part of a long-term effort to shape Soviet foreign policy in benign ways;

We need to draw it into sharing responsibilities for meeting the great global problems facing mankind—in food, fuel, the law of the seas, population, the environment, and the oldest scourge of all: the poverty that afflicts most of the world's people.

And we need to make clear to our allies in Western Europe, to the nations of Eastern Europe, and to the Soviet Union, itself, that we take seriously the Helsinki Agreement.

There is one particular area where immediate action is needed. Three days from now, moneys appropriated last year for construction of the US naval base at Diego Garcia will be released. Yet this money was originally impounded by the Congress in hopes that the Administration would approach the Russians directly, to seek control over future military and naval deployments in the Indian Ocean. I am deeply concerned at the lack of visible signs that approaches have been made. We are still waiting for the President's report on efforts to raise this issue with the Russians. For on the basis of my own talks with Soviet leaders in Moscow, I believe that this is an area where we can make real progress—where we can head off yet another arms race, and reduce tension in yet another area of the world.

In recent months, there has been a widespread debate about the word *détente*. I believe it is healthy to question each and every aspect of our relationship with the Soviet Union—reaching agreements in our mutual interest where we can, meeting Soviet challenge where we must. It is important that the Russians understand the consequences of their actions.

They must understand that the process of our building relations with them cannot and will not go on in isolation from what they do in the outside world. Their involvement in places like Angola—or ours in Vietnam—inevitably makes it more difficult to reach understandings elsewhere, that can reduce the chances of conflict between us.

But we must not permit the air to be poisoned with artificial debate about an abstraction—we must not deny the real benefits we have gained—the ABM Treaty, the Offensive Missiles Agreement, reduced tensions in Europe, and the reduced threat of nuclear war. For if we do so, we may be unable to seize real chances to further reduce tensions; to further regulate competition; and to gain a final end to the nuclear arms race. And no one would forgive us—or the Russians—for opportunities lost to move the world away from war.

As we seek to influence the future course of Soviet policy, we must also see clearly where our interests are truly at stake—as in Europe, Japan, the Middle East, and Latin America—and where they are not. It is clear to me that in seeking to become involved in Angola we did nothing to advance our larger purposes. Had the Congress not acted as it did, we would have placed ourselves on the wrong side in southern Africa. We would have been remembered there only for having supported the white-dominated regime of South Africa.

Nor do I believe that we lost any opportunity to shape Soviet policy in the future; or advertised that our national will was weak. For showing friend and foe alike that we have the will to defend our vital interests—and those of our friends and allies—does not mean matching the Soviet Union in self-defeating adventures in far-off corners of the world. Rather it means showing that we know the difference between important challenges to our interests, and actions by the Soviet Union that do not have a significant impact on those interests. If our will is now being questioned abroad, it is a self-fulfilling prophecy. It can only be undone by the Administration's showing it understands where it is important to act, and where it is not.

In southern Africa, we can help deny future opportunities to the Russians and Cubans by recognizing that a moral policy—support for majority rule—is also in our self-interest. There is little merit in now issuing warnings to the Cubans, when a practical alternative lies in finally building a policy for southern Africa that is in our interest, and in the interest of that region's future, as well.

The Administration's Angola policy was also a vivid example of the wrong way to conduct foreign policy, in the interests of gaining the trust of the American people. Covert action and a misperception of American interests: This was a sure recipe for losing the confidence of the American people; and for needlessly raising doubts about American purpose in the minds of our friends abroad.

Let there be no mistake: The American people will stand behind our vital commitments, because they share a common understanding about what is most important to us. But they will not support policies unless they reflect our interests, and are decided in a way that is consonant with our democratic process.

As part of a foreign policy that will gain the firm support of the American people, we must be directly and vitally involved in the search for peace in areas where we have deep and legitimate concerns. Above all, this means continuing our efforts to help bring peace to the Middle East—to help lift the yoke of continuing conflict from the shoulders of Arab and Jew alike.

The support of the American people for peace in the Middle East—and for Israel's security—is real and deep. Progress has been made in the Sinai agreement; and we must miss no opportunity to move forward.

We must also be prepared to offer our good offices in the interests of peace—as in Lebanon, today. Yet at the same time, we must not act anywhere in ways that will make conflict more likely. Today, we are clearly violating this principle by contributing to the massive flow of weapons to the Persian Gulf and elsewhere in the developing world. Instead, we must work with arms buyers and sellers alike, to prevent new arms races that could lead to bloodshed, untold human suffering, and the risk of direct U.S. involvement in local conflict.

Our involvements of any kind must be selective; they must involve interests of the United States that are clear to our people; they must be turned in the direction of peace. I believe the American people will support this approach to American involvements; but they will rightly reject an approach that exaggerates our interests, that involves us where we are not wanted, that frustrates efforts for peace.

A foreign policy that has a true popular basis must also go beyond these concerns with power and peace. It must also enable us to play our part in meeting the great economic and other challenges facing this country—and all of mankind. While we must meet the demands of our relationship with the Soviet Union, we must not be so preoccupied with these issues that we neglect our allies, overplay the significance of great power politices, and ignore both the problems and the possibilities that exist elsewhere in the world. We also risk exaggerating the significance of the Russians' military power, and both missing the significance of its economic weakness, and our own political, economic, and moral potential as a nation in the outside world. It is not the Soviet Union that is able to work to restructure the global economy, involving both rich countries and poor. It is not the Soviet Union that is grappling with problems of an interdependent world: It is the United States.

Yet we have missed the critical opportunities—particularly in our relations with Western Europe and Japan. Two years ago, the energy crisis hit other industrial states far harder than it did us. And the US recession exported unemployment to those countries, following unprecedented inflation.

But we have not used the last two years as effectively as we could to build new political, economic, and energy relations with our partners that will sustain and promote a vital cooperation for the future.

We must understand that much of the uneasiness in Europe and Japan about American national will does not relate to our actions in Vietnam or Angola, but rather to a neglect of esesntial ties—both political and economic—and of underlying issues.

We need to revive the US economy, which is still the world's leading engine of economic growth.

We must end our ambivalent attitude towards the European community, and finally give it our strong and unwaiverng support.

We must do our part in meeting the problems of energy, where we lag behind in the vital area of conservation;

We must challenge our trading partners to join in avoiding a new surge of protectionism, in which all of us would lose;

And we must lend our support—but not our warnings—to European efforts to grapple with problems facing countries like Italy.

We can help: through our own economic recovery; through major economic support for Italy; and through showing a basic confidence in our European allies' good sense . . . in their deep devotion to democratic values.

Our economic relations with the outside world begin with our industrial trading partners—but they do not end there. For we find in our own backyard—in Latin America—a continued estrangement, because of paternalistic policies, that strikes at our vital interest in the development of that continent and its many peoples. A long-delayed trip by the Secretary of State, after 7 years of Administration neglect towards friends to the South, cannot by itself right the balance. We have yet to define a policy that reflects our own preference for democratic governments which are committed to social justice—a policy that rejects intervention like that in Chile which sullied our image—a policy that reflects the wide diversity in development which is the reality of the hemisphere today.

There is something wrong with a policy which accords a government, like that in Brazil, primary visibility in the hemisphere, while human and political rights in that nation continue to be abused. And there is something wrong with a policy that has permitted military aid to be a major fulcrum of our influence and involvement in the hemisphere.

We are still distant from a policy that responds to the development needs of the hundreds of millions of poor people in Latin America.

We also find in Africa and Asia a similar rise in the aspirations of people that will not be denied. And we find a world of growing interdependence: where far more countries are important to us than ever before; where human concerns are uppermost in people's minds.

After two years of fruitless efforts to confront the oil-producing states, the Administration last year finally agreed to pursue a cooperative approach with nations of the developing world. The results have been remarkable. At the North-South Conference last December, and in meetings since then, rhetoric has been replaced with reason; acrimony with a desire for common action. Together, developed and developing states have taken the first steps towards forging a basis of common understanding on the problems and the interests which are shared by rich nation and poor alike.

The rebuilding of the global economy will also benefit us through benefiting more nations and peoples than ever before. It will not happen overnight. It will require give and take on both sides. And it will not be without sacrifice. Yet the alternative is a world of growing anarchy—a world in which the demands of the disadvantaged reduce even our ability to sustain our own prosperity. For it is now clear that the United States is firmly, finally, and forever involved in the global economy. The possibility of an economic Fortress America has been ended just as surely as our military Fortress America was ended forever in the Second World War. Isolationism may remain a slogan for a few; it is a practical policy for no one.

A forthcoming approach to the demands of interdependence also reflects our moral interest in the outside world. It contains the basis for support by the American people, reflecting our values as a people. Meeting the challenges of interdependence—responding with generosity to the have-not people of the world—is part of the same American spirit that led us to begin the Marshall Plan, and to provide help without precedent to the developing world. This is an effort worthy of our ideals as a nation; it involves the energies of our people, on the farm and in the factory; and it is clearly and firmly in the pursuit of peace.

As we look beyond the importance of power—the demands of interdependence—there are other principles for a foreign policy that can engage the moral concerns of the American people—that can meet the demands of the late 1970s.

We must understand that particular acts of our nation—based on moral grounds—can also be in our direct self-interest. This is clearly true in Southern Africa. It is true in Southern Europe, where our support for dictators in Portugal, Spain, and Greece struck at European efforts to increase security, in the broadest sense, through a community of democratic states. And our support for democratic efforts in Portugal today is vital to the future of European society. The coincidence of moral and self-interest is also true in Korea, where systematic repression erodes American public support for that nation, and threatens to erode Korea's cohesion and security. By contrast, our support for human values in South Korea is not only right, it is also likely to strengthen that nation.

We must also increasingly seek to understand other countries in their own terms, instead of seeing them as extensions of American experience. This is a responsibility shared by all our institutions—by government, our schools, the media. For it is clear that our continuing involvement in the outside world—and the need to be selective in our involvements—requires far more understanding than ever before of other nations and peoples.

We must increase public education about the demands of power in the modern world; but at the same time increase the education of our leaders about the equally compelling demands for a moral basis to policy and action.

We must demonstrate our concerns—at home and abroad—for basic issues of human rights. But at the same time, we must not over-estimate our ability to act; ignore the dilemmas that often arise; or seek to impose our own form of society on other nations.

We must abandon our belief that everything that happens in the world affects us, and that our influence or involvement can everywhere be decisive. A foreign policy that can gain the support of the American people must be as precise in limiting U.S. involvement as in accepting it.

And we need to understand an entirely different aspect of our foreign involvement: that undertaken by individuals and institutions outside the government. This applies especially to corporations abroad—where their impact on particular nations can be just as decisive as actions by our government itself. Here, too, an effective foreign policy must have a moral dimension, as part of the overall fabric of our relations with other states and peoples.

Finally, we in the United States must recognize our great potential for leadership. In today's world, this often means leadership shared with other nations; but our responsibility is no less real.

As I have travelled to many nations around the world, I have been impressed by the widespread belief in our basic political and economic strength; by the search for American leadership in meeting the great global issues facing mankind; by a continuing sense that this nation can inspire others to great deeds.

In view of the storms we have weathered in recent years, it may be natural that I often find a greater confidence in the United State—in our potential for leadership and constructive effort—when I travel abroad, than when I hear America characterized by many of our leaders.

For despite the tragedy of Vietnam—despite compromises with expediency or to meet the demands of power—we must recall what the American experience has meant to the world. This is the nation whose gallant men of Lexington and Concord fired the shot heard round the world: The nation Lincoln called "the last best hope of mankind"; the refuge for tens of millions of people fleeing oppression abroad, and seeking a new beginning; the nation whose ideals—if not always whose actions—still inspire hope in men and women in the farthest corners of the most distant land.

Our own experience has been tempered by tragedy, by the burdens of responsibility, by a foreign policy that has too often been cut loose from its deep moral roots. Yet in that experience of two centuries the seeds of common cause with the rest of mankind remain. We are not a people too paralyzed to act in the outside world; too preoccupied with our own problems; too calloused by the past. Rather we are a people whose time of inspiration, of leadership, is still unfolding; a nation of basic strengths requiring only a renewed sense of moral purpose to lead us to new greatness in the future.

NO COMPLAINTS FROM ONE CONSUMER

Mr. HANSEN. Mr. President, the Pecos, Tex., Enterprise recently carried a guest column by Keith Camp which in this day of Naderism is sort of a man-bites-dog story.

Keith Camp feels that he is some sort of a marked man and out of the mainstream of American life because, generally speaking, things work for him.

Even the plumber and TV man charge what seem to be reasonable amounts, the airlines never lose his luggage and his automobiles run pretty well.

He even gets along with computers. But Keith Camp thinks he may be out of the mainstream of American life and feels left out of things and says he would welcome it if a few things went wrong—up to about $37 worth—as a sign that he was sharing the experiences which everybody else says they are undergoing.

Mr. President, I believe all of us could pause in our efforts to protect the consumer, who has shown remarkable instincts to protect himself, and consider Keith Camp's concluding remarks:

> In retrospect, shouldn't we all be talking more about the indisputable fact that American business conducts millions of transactions 'every day without a hitch' in which both parties are mutually benefited?

Mr. President, I ask unanimous consent that Keith Camp's guest column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Pecos Potpourri

(By Keith Camp)

From what I read I get the feeling that I am some sort of marked man, set aside for a particular alienation from the mainstream of American life. The trouble, briefly, is that things work for me. Generally speaking. My telephone calls go through. Plumbers are available and are nice guys and charge what seem to me to be reasonable amounts. TV repairmen let me off the hook for about a tenth of what the experiences of friends lead to me to expect. If minor appliances go wrong, the company honors the warranty.

Airlines don't lose my baggage. Planes I'm on never circle the field for hours before diverting to Montreal. Even though Ralph Nader says the chances are slim, I seem to encounter doctors who have been to medical school and paid attention. All this is happening right here in Twentieth Century America where I'm constantly being told nothing works right, where carpenters don't make house calls and the consumer is subjected to a constant Chinese water torture of rude clerks and bad craftsmanship. It's an eerie feeling, I tell you. Why me? You feel left out of things.

Suppose I am in a lively group where the bright chatter consists of swapping horror stories about how much it costs to get the furnace fixed and suspicions that more has been done than was necessary. Everyone chips in with his experience along those lines. What can I contribute? The guy came out and looked at the furnace, kicked it a couple of times, put in a $1.25 valve and said he thought she was good for a few more years. I can't talk about that. It's un-American.

You meet somebody and even before he starts complaining about his new refrigerator he wants to tell you about the lemon of a car he bought, with the transmission falling out in the dealer's driveway and they wouldn't do anything about it. That's interesting. I buy medium priced cars and they run pretty well. What problems they have are usually traced to something I have done, such as hitting the garage door.

I even get along with computers. This is the ultimate blasphemy against the number one essential of the American Credo, which is that if a computer can possibly foul something up, it will. Computers keep my bank account straighter than I ever did; they even refund the money I have overpaid in stores. They seldom send me more than two copies of the same paper.

I tell you I would welcome it if a few things went wrong, if a few artisans were surly or tried to gyp me. I would welcome it (up to about $37 worth) as a sign that I was at least sharing the experiences which everybody else says they are undergoing. Of course I would hate to think that the industrial-commercial complex was saving me up for a really big catastrophe.

In retrospect, shouldn't we all be talking about the indisputable fact that American business conducts millions of transactions "every day without a hitch" in which both parties are mutually benefitted?

CONTROLLING THE DEFENSE BUDGET

Mr. PROXMIRE. Mr. President, recently we have been subjected to a barrage of warnings concerning increased Soviet military threats to our national security. We have heard of the enormous amounts the Soviets are spending on their military, and of their new strategic weapons. At a time when defense appropriations for fiscal year 1977 are very much on our minds, it is especially appropriate that we attempt to put these allegedly threatening Soviet developments in the proper perspective.

Herbert Scoville, Jr., secretary of the Arms Control Association and former Assistant Director for Science and Technology of the United States Arms Control and Disarmament Agency, has written an incisive article on the Soviet threat to the United States. Mr. Scoville demonstrates that the new Soviet dvelopments in no way justify the exaggerated response which many have given to the Soviet actions.

First, he argues that improvements in Soviet defenses to date are not significant enough to warrant beefing up our own offensive capability. If the Soviets should develop new technologies in such areas as air defense, our proposed B–1 bomber will be ineffective against their new system.

Second, the parallel development of four different Soviet ICBM's probably represents only a "wasteful and duplicatory development, typical of many in the Soviet Union." Should we waste our resources just because the Soviets waste theirs?

I ask unanimous consent that Mr. Scoville's article, "Justifying the Defense Budget: Questionable Threats, Irrelevant Responses," which appeared in the March 1976 issue of Arms Control Today, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Justifying the Defense Budget: Questionable Threats, Irrelevant Responses

(By Herbert Scoville, Jr.)

Secretary of Defense Donald Rumsfeld has proclaimed a desire for a U.S.-U.S.S.R. Strategic Arms Limitation agreement which would limit competition in nuclear arms and assure strategic stability at lower levels of force. Specifically, he would prefer to forestall any danger to our ICBM forces by mutual agreement rather than replace them. But even on the assumption of success in SALT, he proposes a 30% increase over last year in funds for strategic forces (from $7.3 to $9.4 billion). In addition, Secretary Kissinger predicted that if SALT fails the U.S. would further increase its strategic spending by $20 billion over the next five years.

Is there a new Soviet threat which calls for this expansion of U.S. strategic capability? How might SALT contain it? Finally, how do our expanded programs relate to the new situation?

In his Annual Defense Department Report for Fiscal Year 1977, Secretary Donald Rumsfeld lists eight Soviet strategic programs which cause him concern. Four involve offensive weapons—new ICBMs with multiple warheads (MIRVs), new submarine ballistic missiles, the Backfire bomber, and cruise missiles—and four defensive programs—anti-ballistic missiles (ABMs), air defense, anti-submarine warfare (ASW), and civilian defense.

(1) The most serious threat evoked by Secretary Rumsfeld is the development of four new-generation, large throw-weight ICBMs. Three of these ICBMs have been flight-tested with MIRVs. The Soviet deployment of MIRVed missiles, which finally began in 1975, some five years after the initial U.S. deployment of MIRVs is used to justify the development of a replacement (the MX) for our current Minuteman ICBMs in a program which could eventually cost $20 to $30 billion. Yet only a year ago Defense Secretary James Schlesinger stated that even when these same new missiles were deployed in quantity in the 1980s the Russians could never count on being able to destroy our entire Minuteman force.

For some reason the parallel development of four different ICBMS is made to appear very threatening, but shouldn't we really be more alarmed if only one or at the most two were in the program? Such a wasteful and duplicatory development—typical of many in the Soviet Union—could account in part for their large military expenditures. It is a partial explanation of why former CIA Director William Colby and former DIA Director General Daniel Graham testified last year that dollar figures for the Soviet defense budget are one of the biggest bear traps to objective intelligence. Yet the Administration still uses such comparisons to justify higher budgets.

Even a successful SALT negotiation will not prevent the deployment of these new-generation MIRVed missiles at below threatening levels. In fact, the U.S. insistence at Vladivostok of setting a ceiling of MIRVed delivery vehicles at 1,320 assures that the Russians can eventually have sufficient warheads to significantly threaten our Minuteman force. Since there are no proposed restraints on qualitative improvements, such as accuracy, the Russians in time can eventually have an effective counterforce capability. If the military is so worried about the vulnerability of the Minuteman ICBM force, then why have they been so short-sighted about controlling MIRVs in SALT?

Moreover, a large part of the proposed expansion of strategic weapons programs does nothing about this potential threat. The development of improved counterforce weapons with the higher yield more accurate Minuteman ICBMs or the highly accurate, larger throwweight MX actually makes the Soviet developments more dangerous by increasing the likelihood of a nuclear exchange.

(2) The recent deployment of a new Soviet 4,200 nautical mile submarine-launched ballistic missile (SLBM) is not a threat since it reduces the risk that the U.S. might become involved in a nuclear conflict. Submarine missiles are primarily deterrent weapons; the longer the range the less the likelihood of their use in a close-in surprise attack against our bomber bases. SALT quite properly does not place any limits on the range of SLBMS, and the Trident I (C–4) missile deployment in Poseidon submarines is a good hedge against a possible future Soviet ASW breakthrough.

(3) The Backfire bomber is hardly an increase in the strategic threat requiring a U.S. response. Unlike the older Soviet bombers, it can only reach the U.S. on one-way missions or on refueled two-way missions from Arctic bases. Even then, it could not fly supersonically, its major technological advance over previous aircraft. In any case, since the conclusion of the ABM Treaty which barred missile defense, we have properly decided to forego defenses against Russian strategic bomber attacks.

SALT could be useful in reducing any uncertainties about the role of the Backfire either by including it in the delivery-vehicle ceiling, by banning its deployment in a mode which gives it an intercontinental capability (i.e., by prohibiting an inflight refueling capability, Arctic basing or equipping it with long-range missiles), or by reducing the delivery-vehicle ceiling but excluding the Backfire. The latter was proposed by the Russians to Kissinger in January and would have the advantage of forcing the U.S.S.R. to cut back its delivery vehicles to our current level and of not jeopardizing the Soviet concession to exclude our forward based bombers from the ceiling.

(4) The final offensive weapon threat cited is the cruise missile. The only thing new here is Secretary Rumsfeld's description of the present Soviet cruise missiles as a strategic threat since they were first deployed in 1960, are short-range, and have never been considered anything but anti-ship weapons. Furthermore, Secretary Rumsfeld says there is no evidence that the Soviets possess the technology to pursue over the near term a strategic cruise missile program, and General Graham claims that the U.S. is at least ten years ahead of the U.S.S.R. in this field. Soviet cruise missiles can hardly be used to justify major new U.S. weapons programs.

Cruise missiles are a contentious issue in SALT. If the U.S. agrees to ban all cruise missiles, then any worries of Soviet procurement of long-range, truly strategic missiles could be alleviated. Why then does the Pentagon oppose this?

Consequently, after closer analysis of the new Soviet offensive weapons only the MIRVed ICBMs appear to pose any real danger, and this program is many years behind schedule. In light of the fact that during the last five years, the U.S. has increased its total strategic force loadings (warheads and bombs) by 5,000 while the U.S.S.R. has added only 800, Secretary Rumsfeld's argument of unilateral American restraint is not very convincing. The U.S. now has 8,800 such weapons while the Russians have 3,300.

(5) In the defensive area, the threats are even more ephemeral. After an eight-year halt, the U.S.S.R. may be increasing the number of ABM launchers around Moscow from 64 to the 100 allowed by the ABM Treaty. And although the Russians are also developing new radars which have an apparent ABM capability, these are hardly a justification for new U.S. programs. American security is most effectively insured by the continuance of the ABM Treaty which solidifies the current state of mutual deterrence.

(6) In air defense, the Soviets have always had very strong capabilities, but they have yet to develop airborne radars that permit shooting down low-flying bombers. If, as is expected, the Soviets solve this technical problem, then this is a strong argument against going ahead with the procurement of the expensive supersonic B–1 bomber. Instead, the U.S. should equip the current B–52 bombers with missiles which can penetrate the air defenses and thus avoid exposure of the plane and crew. Secretary Rumsfeld now admits this would be appropriate mission for B–52s through the 1990s; so there need be no rush to replace them. If and when the U.S. needs a new plane, then one which can launch missiles from outside the Soviet Union would be far superior to the B–1 which must in any case fly subsonically when over the U.S.S.R. The recent SALT proposal that air-launched cruise missiles not be counted as delivery vehicles but that the aircraft carrying them be considered as MIRVed delivery vehicles would allow this alternative to the B–1 but still keep some restraint against unlimited cruise missile deployments.

(7) In the field of anti-submarine warfare Secretary Rumsfeld concedes that although there is no threat to our present Poseidon force, the U.S. still should "watch with great care evolutionary improvements in sensor technology." This is hardly any great cause for alarm or justification for a crash Trident submarine program. At the moment there is no discussion of ASW controls in SALT.

(8) Finally, we have the new threat of the year—Soviet civilian defense. Secretary Rumsfeld emphasized Soviet plans to evacuate urban populations—shades of 1962! Malcolm Currie, Defense Director of Research and Engineering, expressed concern that the Soviets are preparing to sandbag their industrial machinery to protect it against a nuclear strike. And former Deputy Director of Defense, Paul Nitze, views these actions as proof of Soviet intentions to achieve a nuclear war-winning capability. All of them believe that Soviet leaders would risk nuclear war because civil defense would permit them to survive a U.S. retaliatory strike from the thousands of nuclear warheads which would be left over after any Russian surprise attack. It is time for some of these Defense experts to go back to basic training and recall what happened at Hiroshima, Nagasaki and Bikini and relearn the realities of nuclear explosions. Civil defense is not a subject which calls for serious arms control negotiations.

This is the sum total of all of the strategic threats which the Defense Department has been able to conjure up to justify dramatic increases in our strategic weapons programs. None justifies spending additional billions on more Trident submarines, the B–1 bomber, or sea-launched strategic cruise missiles. The development of improved counterforce ICBMs—such as the MX or the high-yield, more accurate, Minuteman MK–12A warhead—are the wrong answer to Soviet MIRVed missile deployment. Such weapon deployments can only increase the risk of nuclear war.

In conclusion, the Defense Department's case for skyrocketing expenditures on new strategic weapons is very, very shaky indeed. Far greater security would be obtained by seriously negotiating real limitations on strategic arms.

THE BICENTENNIAL IN THE MIDLANDS

Mr. HRUSKA. Mr. President, in a recent letter to me, Mr. Frank Harrington, region VII director of the American Revolution Bicentennial Administration, described the excellent participation of the States in this region—Iowa, Nebraska, Missouri, and Kansas—in the Bicentennial program. I know the people of these midlands States are proud to be Americans and enthusiastic about the opportunity to participate in America's 200th birthday celebration.

Mr. Harrington describes the success he has had in his region:

> The greatest hopes have been to involve people—locally—at the grass roots level and this is taking place. Our ARBA Bicentennial Communities Program, which requires the formation of a broadly representative committee, at least one lasting reminder type project, and the approbation of the chief elective official—prospered in Region VII. Among the 50 states, at this time, Iowa ranks 3rd with 556 official Bicentennial Communities; Nebraska is 7th with 417; Missouri is 8th with 390; and Kansas is 14th with 216 communities—4 in the top 14. Not bad!
>
> Another measuring stick are the number of official projects listed in ARBA's data bank. Iowa ranks first among all states in the nation with 2,228 projects and events. The region total is 4,108. Or, 8% of the states (Region VII) has developed 12% of the projects and events.

Mr. President, I would like to take this opportunity to commend the people of Iowa, Nebraska, Missouri, and Kansas on their excellent showing in this Bicentennial Year. I would especially congratulate Mr. Harrington on the fine job he is doing in promoting and coordinating the Bicentennial activities of this area. His record is an excellent one and I know that the success of region VII in comparison with other areas of the country is due in no small part to the enthusiasm and leadership of Mr. Harrington.

Mr. President, I ask unanimous consent that Mr. Harrington's letter of March 24 to me be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KANSAS CITY, MO.,
March 24, 1974.

ROMAN L. HRUSKA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HRUSKA: Our paths have not crossed recently although I've been in Nebraska quite a bit lately. Tomorrow, in fact, I will go to Scottsbluff for a Nebraska Bicentennial Commission meeting and greet the Wagon Train at the Wyoming-Nebraska border as it begins its month-long trek across the State.

You will be pleased to learn that our hopes and objectives are being realized in the developing Bicentennial commemoration.

With only small grant funds to administer, each of these four states have done a good job of sub-granting monies that have encouraged the broadest kind of interest in our 20th birthday. Funded projects range in nature from restorations to parks to town meeting hall constructions, to ethnic festivals, to music and dance performances, to the creation of museums, or nature study areas, or libraries, etc.

The greatest hopes have been to involve people—locally—at the grass roots level and this is taking place. Our ARBA Bicentennial Communities Program, which requires the formation of a broadly representative committee, at least one lasting reminder type project, and the approbation of the chief elective official—prospered in Region VII. Among the 50 states, at this time, Iowa ranks 3rd with 556 official Bicentennial Communities; Nebraska is 7th with 417; Missouri is 8th with 390; and Kansas is 14th with 216 communities—4 in the top 14. Not bad!

Another measuring stick are the number of official projects listed in ARBA's data bank. Iowa ranks first among all states in the nation with 2,228 projects and events. The region total is 4,108. Or, 8% of the states (Region VII) has developed 12% of the projects and events.

Lastly, while there have been a few people disappointed that a Federal grant did not come to them, the spirit of independence burns as brightly as ever in our heartland. The vast majority of our people have preferred to develop "quality of life" projects with their own resources, within their own means.

As for me, this great experience continues. The Midlands are alive and well, and are giving a good accounting of themselves in this once-in-our-lifetime event.

I hope this letter finds you well and that our paths will cross again soon. I will seek you out on my next trip to Washington.

Warm regards,

FRANK HARRINGTON,
Regional Director.

SENATOR CHURCH CALLS FOR COMPREHENSIVE MANAGEMENT OF NATIONAL FOREST RESOURCES

Mr. HUMPHREY. Mr. President, recently the Senate Agriculture and Interior Committees held 3 days of joint hearings on the various bills which have been introduced to update the anachronistic provisions of the Forest Service Organic Act of 1897.

Among those presenting testimony at these hearings was Senator CHURCH. In early March, Senator CHURCH joined me in introducing S. 3091, legislation to assure proper management of all the resources present in the national forests.

Mr. President, Senator CHURCH's statement makes many good points about the present situation, as well as prior congressional intent as to the management of our forests. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I welcome the opportunity to testify before these joint hearings of the Senate Agriculture and Interior Committees on the legislation which has been introduced to update the management of all resources associated with the national forest lands.

As the members of both of these committees know, we are here today as a direct result of two recent court decisions which have become known as the "Monongahela" and "Tongass" cases. Both of these decisions restrict all techniques for timber harvesting within the affected areas of the National Forest System and both are based on three provisions of the Organic Administration Act of 1897 which require: (1) all trees cut on the national forests must be dead, mature, or of large growth; (2) these trees must be individually marked by the Forest Service before being cut; and (3) timber once cut must be removed from the site. Although these two decisions are the immediate cause celebre, the real debate here today must center on the job the U.S. Forest Service is doing in administering the forested portions of the public domain.

In 1960, Congress enacted the Multiple Use and Sustained Yield Act which directed the Secretary of Agriculture to "develop and administer the renewable surface resources of the national forests for multiple use and sustained yield of the several products and services obtained therefrom." It determined that these products and services included, ". . . outdoor recreation, range, timber, watershed, and wildlife and fish purposes."

On January 1, 1970, the National Environmental Policy Act was signed into law. Thereafter, the Forest Service responded with its Environmental Program for the '70's which suggested increasing the allowable cut on the national forests by seven billion board feet while "improving the environment." It also announced its intent to employ multidisciplinary teams in conducting timber sales and writing environmental impact statements.

In 1971, during my tenure as Chairman, the Interior Subcommittee on Public Lands held eight days of oversight hearings on the performance of the Forest Service as steward of the national forests. The first portion of these hearings centered around the abuse of clearcutting as a management tool. It was obvious from the extensive testimony received by the Subcommittee during these hearings that timber production had become the primary activity in the Federal forests. Many of us felt that this was out of step with the policy of the Multiple Use Act as well as contrary to the spirit and intent of the National Environmental Policy Act.

In March of 1972, the Subcommittee on Public Lands issued a report on the hearings held the previous year. The report included a series of broad policy guidelines aimed at eliminating the abuses of clearcutting. Accepted by the major national environmental groups, the forest products industry, and adopted as policy by the U.S. Forest Service, these guidelines have substantially lessened the abuses of clearcutting in the national forests.

In 1974, Congress passed the Renewable Resources Planning Act. This Act mandated an assessment of the condition of the resources in the national forests and a program based on the assessment which would recognize both short-term and long-term considerations. This program is to be directly linked to the budget process in that the Forest Service budget recommended by the administration is required to reflect the planned program of work.

Mr. Chairman, the Renewable Resources Planning Act, the Public Lands subcommittees guidelines for clearcutting on federal timberlands, the National Environmental Policy Act, and the Multiple Use Act all generated wide-ranging discussions and all brought together a broad cross-section of views. It is my hope that such a consensus can again be secured to deal with the present problem.

The Forestry Organic Act was written in 1897. It was written in an era when silviculture was still in its infancy, and when scientific management of all the Nation's renewable resources was just beginning. It is the view of many that specific directives and requirements for harvesting timber which were contained in the act, ". . . do not contribute to sound forestry, to a sound environment or to sound use of renewable resources." The recent district and appeals court decisions point out the necessity of amending the 1897 Organic Act to eliminate its anachronistic provisions.

The Monogahela case which was based on this act has been incorrectly characterized by some as banning clearcutting. As Steven P. Quarles, Counsel for the Interior Committee, has pointed out, the decision does not prohibit clearcutting, but rather applies the language of the 1897 Organic Act to:

". . . prescribe the characteristics of trees to be cut, the method of tree designation, and the extent of removal of the trees. Wherever this particular statutory interpretation is applied, the result will be to restrict all techniques for harvest cutting—clearcutting, shelterwood, and patch—and other silviculture methods such as thinning, when such other techniques and methods are associated with timber sales."

Mr. Chairman, what is needed now is not simply a new prescription for selling timber. What is needed is a reaffirmation of the policy established by the various acts which we in the Congress have so-long supported. In the Monogahela decision, the Fourth Circuit Court observed that the 1897 Act: ". . . may well be . . . an anachronism which no longer serves the public interest. However, the appropriate forum to resolve this complex and controversial issue is not the courts but the Congress." The court was correct. We in Congress must take action to assure that the uses of these renewable resources are indeed multiple and the yields sustained.

There have been two different approaches to this fundamental issue. One view is that this policy could best be implemented with tight prescriptions written into the law. The other holds that the law should require the Secretary of Agriculture to write comprehensive regulations that are tailored to, "geographic areas, various plant and animal associations and readily subject to improvement as new knowledge emerges to guide us toward our goals."

The bill Senator Humphrey and I are sponsoring takes the latter approach. We believe that management techniques must differ for different regions; what is correct for the hardwood forests of the South may be improper for the softwood forests of the Pacific Northwest. This legislation would require the Secretary of Agriculture to:

(1) Prescribe by regulation the environmentally approved forest practices and cutting methods generally available for application on the national forests. (The law and accompanying report would provide specific guidance to insure that the regulations will be scientifically and environmentally sound.)

(2) Define forest regions, forest types, and forest species.

(3) Spell out the practices generally applicable to each region, type and species.

(4) Make certain that foresters apply these practices in an interdisciplinary manner so that all renewable resources would be treated in an ecologically sensible manner.

(5) Establish that forest cutting would proceed only if done in accord with the approved guidelines, with the exception that for research purposes, the exploration and application of new concepts could be applied on a limited basis.

I would like to reiterate the basic purpose of this legislation, namely to assure that previous Congressional intent as to the management of all the resources of the national forest system is made a reality. As Senator Humphrey has so succinctly put it: "The days have ended when the forest may be viewed only as trees and trees viewed only as timber." Professional resource managers everywhere must realize that the forest is also soil and water, shrubs and grasses, and fish and wildlife. They must consider also the scenic beauty inherent in so much of the national forest system.

Mr. Chairman, much substantive debate on the various bills currently pending before the Interior and Agriculture Committees has already occurred. The encouragement of such debate is precisely what we need. As in the past, I am confident that such discussion will be focused around the common goal of prudent management of all resources of the public domain.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, one of the subjects of considerable discussion in evaluating the Genocide Convention has been the possibility of changes in State jurisdiction in certain criminal matters upon ratification of the treaty. Some have argued against the convention on the grounds that imposing the new body of treaty law on current laws would alter the relationship between the States and the Federal Government. These opponents assert that the Genocide Convention would deprive the States of authority in matters of genocide, thus corrupting the intent of the Constitution. I want to make it clear today that the Genocide Convention would in no way alter the State-Federal relationship as defined in the Constitution, and that there would be no dangerous precedent set limiting the jurisdiction of States in criminal matters.

Congress already has the power to provide the sanctions for offenses against the law of nations by article I, section 8, clause 10 of the Constitution. Since genocide is an offense against the law of nations, Congress is within its power to outlaw it. It is wholly without justification to say that the States are being deprived of their proper field of jurisdiction merely because another offense has been added to those now punishable as violations of the law of nations. As the American Bar Association has said:

> Ratification of the Convention will add no powers to those the Federal Government already possesses.

Mr. President, I hope that we will ratify the Genocide Convention in the very near future, and remedy our inexcusable failure to do so in the past.

NUCLEAR PROLIFERATION

Mr. PERCY. Mr. President, for some time now there has been a growing awareness in the United States, and particularly in Congress, of the very real danger of continued proliferation as a result of fierce international competition in nuclear trade. By far the most dangerous aspect of this competition concerns the export of sensitive nuclear fuel facilities. Both reprocessing and enrichment technology—which can be used to transform spent nuclear reactor fuel and natural uranium, respectively, into bomb material—are planned for export by France and West Germany as "sweeteners' for reactor sales contracts.

The following editorial, which appeared in the New York Times on Monday, April 5, addresses this central problem. I ask unanimous consent that it be printed at this place in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PROLIFERATORS

> For almost a year, arrangements to export to Brazil and Pakistan respectively, West German and French technology for making nuclear explosives have been proceeding behind a smokescreen of pious pledges to nonproliferation. Public opinion, Parliaments and even the Cabinets of the two countries have been fed misleading information about the supposed "safeguards" imposed.
>
> As this disastrous program has been pressed forward, creating dangers for the future of all humanity, West German Chancellor Helmut Schmidt has been able to escape serious questioning at home on Bonn's sale to Brazil of a complete nuclear fuel cycle, something no exporting country has ever done before. The French Government has escaped serious challenge at home on a succession of "authorized" denials that the projected sale of plutonium reprocessing plants to South Korea and Pakistan involved any dangers—a diversionary maneuver that was exposed when Paris backed off from the South Korean sale after vigorous American protests.
>
> In testimony before the Senate Government Operations Committee, Secretary Kissinger recently acknowledged that French and West German refusal so far has blocked American proposals for a ban on export of plutonium reprocessing and uranium enrichment plants by the seven major nuclear supplier nations, including the Soviet Union, Britain, Canada and Japan. A new agreement reached by the seven undoubtedly will improve inspection by the Vienna-based International Atomic Energy Agency; but it is far from sufficient. Bonn and Paris have used the new agreement to support their pretense that the inspection arrangements now make it "safe" to export even such dangerous equipment as plutonium reprocessing plants.
>
> The United States, Mr. Kissinger indicated, has pointed out to them that the so-called "safeguards" agreements providing for I.A.E.A. inspection could be unilaterally abrogated by Brazil and Pakistan. That is one reason why the United States for thirty years has refused—and still refuses—to export uranium enrichment and plutonium reprocessing equipment.
>
> The break with this American policy in the West German-Brazil and France-Pakistan deals has led to inquiries by a half-dozen Congressional committees, which have refused to accept assertions that these contracts can no longer be reversed even if they violate the spirit of the Nuclear Nonproliferation Treaty, which Bonn and Paris have promised to uphold.
>
> The spread of plutonium reprocessing facilities and technology could confront the world with a dozen or more nations capable of producing weapons-grade plutonium for 3,000 Hiroshima-size bombs *annually* by the 1990's. The United States, which invented the bomb, has a special responsibility for heading off this evolution by bringing other exporting nations to agreement not to use the degradation of effective safeguards as "sweeteners" in commercial competition for big power reactor orders.

Mr. PERCY. Mr. President, although I agree wholeheartedly with the Times' assertion that this is a deadly business and that the United States must do everything possible to bring a halt to the transfer of this dangerous technology to individual nations, I cannot accept the implication that our allies are intentionally spreading nuclear weapons capability around the world. Rather I suspect that the impact of these exports on proliferation simply has not received sufficient attention in those countries.

Both France and West Germany have agreed to place these exports under international safeguards, yet this seems to be viewed largely as a price of doing business—with insufficient understanding of the nature of the threat or the limitations of current international safeguards arrangements. The Times editorial asserts that "public opinion, Parliaments, and even the Cabinets of the two countries have been fed misleading information about the supposed 'safeguards' imposed." This concern is further supported by a recent article in Der Spiegel, which notes that these deals are generally prepared in secret, and then presented to the Government in such a way that they must be approved in the interests of employment and a flourishing economy. Moreover, the article points out that the real implications of these exports receive insufficient attention in government circles.

Whether or not there is any intentional misrepresentation involved, it is clear that there is a lack of adequate understanding among the French and West German people and their representatives as to the gravity and urgency of this problem. I do not mean to suggest that this should in any way excuse France and West Germany from responsibility for their actions. However, there are strong indications that because our allies do not recognize the full impact of their nuclear fuel cycle exports, they write off our protestations as competitive sour grapes. We must take every opportunity to counteract this false impression, and to educate responsible officials throughout the world as to the pressing need for meaningful international cooperation in this matter.

THE FINAL VERSION OF S. 3136, THE FOOD STAMP REFORM ACT OF 1976

Mr. GLENN. Mr. President, the Senate has recently completed action on food stamp reform. I voted in favor of this compromise measure because I believe that it goes a long way toward meeting my two most often stated goals for reform of the food stamp program.

Those two goals are:

First, that the program must be directed only to those in real need of food stamps. People in need must receive stamps promptly and efficiently while nonneedy upper income people must be eliminated from the program.

Second, the program must be greatly simplified so as to eliminate wasteful, expensive errors, "waiting period" backlogs, bureaucratic chaos, and fraud by vendors and recipients.

Having conducted extensive hearings on food stamps as a member of the Government Operations Subcommittee on Federal Spending Practices, Efficiency, and Open Government and, last fall, having joined in introducing S. 2369, a bill to amend the Food Stamp Act, I was particularly pleased to see some of the problems brought out in our hearings addressed in the final version of the bill. Additionally, there were other features of the compromise version that seemed particularly attractive. I would like to comment upon several key points of the compromise agreement as well as several broad issues related to the bill.

THE STANDARD DEDUCTION

The bill establishes a standard deduction of $100 plus an extra $25 for households with an elderly individual, to be adjusted semiannually according to changes in the Consumer Price Index. This feature should serve to greatly simplify the program by eliminating the complex maze of itemized deductions to determine eligibility. It should greatly expedite the certification process and operate to reduce the error rate.

INCOME LIMITATIONS AND THE POVERTY LEVEL

The bill sets income eligibility levels at "poverty levels," again to be adjusted semiannually according to changes in the Consumer Price Index. The effect of this is to target the program to those families earning no more than $8,000, an objective which I support.

PILOT PROJECT ON THE ELIMINATION OF THE PURCHASE REQUIREMENT

We need to closely examine the possible outright elimination of the purchase requirement in the food stamp program. Such a feature would assure that those people who could not afford stamps would get them. It would also cut down on the number of stamps in circulation, eliminate much bureaucracy and totally eliminate food stamp vendors from the program. Much abuse of the program has been by the sellers of the stamps. I was prepared to vote for the purchase price elimination and would have preferred it to the comprehensive compromise. The compromise, however, does improve the committee bill by providing for a substantial pilot project to determine the actual effect of eliminating the purchase requirement.

COST IMPACT OF THE BILL

Figures from the Congressional Budget Office indicate that this bill could achieve an initial cost savings of as much as $241 million.

OTHER PROVISIONS

The final compromise version of the bill contained other provisions which make sense and promise to improve the program and assure that those in real need are getting help.

No longer will it be possible for college students from wealthy families to receive stamps. Under the compromise, a student from a family that would be ineligible for stamps would himself be ineligible. Students from needy families would still be eligible. This is a badly needed reform. The compromise improved upon the committee bill by removing the $15,000 limitation on income-producing property and tools used in a trade or business. This would have possibly penalized the small farmer or businessman who suddenly hit a personally devastating downturn. He would have had to sell his business to properly feed his family and this is simply not right.

The compromise also wisely deleted the potentially onerous requirement of monthly reporting, a provision that would have required a paperwork army and that would have unduly penalized the shut-in and the elderly. The compromise still gives USDA appropriate discretion in requiring reporting.

In summary, I believe that the Senate took a step in the right direction. Abuse of the food stamp program by the middle-class and the nonneedy has undermined the Nation's faith in the food stamp program and thus endangered a program designed for poor people. I believe that the Senate's bill, if enacted, will check that abuse, simplify the program and save money wasted by a bureaucratic monstrosity.

COMPREHENSIVE REGULATORY REFORM CAN BENEFIT MANY

Mr. PERCY. Mr. President, there is general agreement that reform of Government regulation of the economy is badly needed. Regulatory agencies, the "fourth branch" of Government, have expanded their influence into virtually every aspect of our society and our lives. And too often the costs of this regulation far exceed the benefits.

Unfortunately, when there is an attempt to move from rhetoric to action, reform proposals are often met with the well-organized resistance of those industries which are regulated. Sometimes these businesses have become so complacent with their regulated environments that they seem to be afraid of the vigors of increased competition.

The resistance of regulated industries, at times combined with that of certain congressional committees and of the agencies themselves, constitutes the single greatest obstacle to true reform. The saddest thing about this opposition is that it can be as shortsighted as it is self-interested. Intelligent and comprehensive reform holds forth the promise of substantial benefits for all groups in our society.

On this point, I share with my colleagues an excellent article from the Morgan Guaranty Survey for March 1976, entitled "Washington's New Focus on Regulatory Rigidities." As that article concludes:

> The new push for deregulation deserves the support of both businessmen and consumers. Freer, more competitive markets would yield huge rewards: billions could be saved through release of resources for other uses; inflation forces would be dampened; and the economy's productivity and efficiency would be importantly enlarged.

Mr. President, I ask unanimous consent that the Morgan Guaranty Survey article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Morgan Guaranty Survey, March 1976]

WASHINGTON'S NEW FOCUS ON REGULATORY RIGIDITIES

Every few years Congress or the Administration takes a look at some phase of the federal regulatory apparatus with an eye toward reform. Extensive studies are ordered, expert witnesses called, proposals for change are put forth. But little ever comes of it, and today there is no industry of any consequence that escapes the regulators. Their actions touch everyone's life.

Increasingly, however, there is public awareness that government regulation is a decidedly mixed blessing. While performing some functions that are desirable and necessary, it also unnecessarily costs jobs, raises prices, and in various other ways damages the economy. Disturbed by regulatory rigidities, President Ford has urged a new effort by Congress at rationalizing the regulatory structure.

Significantly, there is a difference this time in the flurry of activity in the White House and in Congress: observers in and out of government are confident that, to some degree at least, regulatory reform—aimed both at lessening government's heavy-handed involvement in markets and at promoting more competition within industry—is now a realistic prospect. The decision by Congress (signed into law by President Ford in early February) to permit railroads greater freedom in rate setting and in procedures involving mergers and abandonments—changes that had been sought without success by every President since Harry S. Truman—is seen as an important augury. So, too, is the recent decision by lawmakers to repeal the federal statute permitting an exemption under the antitrust laws for state "fair trade" laws. For nearly 40 years such laws have permitted manufacturers to suggest prices below which retailers could not sell products—at a recently estimated cost to consumers of $2 billion a year in prices higher than they would be without such laws.

Disappointing, to be sure, is the current move in the House to block any meaningful deregulation of natural-gas prices, something the Senate already has approved. It would be difficult to cite rate controls as disruptive in their impact on the supply of goods and services as the government curbs on natural-gas prices. Similarly, in a related field—petroleum—extension of price controls last December (with enactment of the Energy Policy and Conservation Act of 1975) was a blow both for oil producers and for the consumers. By perpetuating an artificially low average price for domestically produced oil, consumption—rather than conservation—has been encouraged; incentives for development of domestic energy resources have been weakened; and the nation's vulnerability to outside energy sources has been enlarged.

GOVERNMENT'S FOURTH BRANCH?

Imperfections in the market process—either because of lack of effective competition or because the profit motive alone could not be relief upon in all instances to protect consumer safety and health—gave initial impetus to government regulation. The first action came nearly 90 years ago with the setting up in 1887 of the Interstate Commerce Commission to regulate the railroads. Three years later the Sherman Antitrust Act was put on the books with the aim of promoting competition. "Muckrakers" and the early "consumerists," who called attention to inferior products and unsanitary conditions in meatpacking, drug, and food industries, played an important role in getting Congress to enact the Pure Food and Drug Act of 1906 and, in the next year, the Meat Inspection Act. With each passing year the list grew: the Federal Trade Commission; the Federal Reserve System (the original purpose of which was to establish a central bank, but which has increasingly become a regulatory agency); the Federal Power Commission; the Federal Communications Commission; the Securities and Exchange Commission; the Federal Maritime Commission; and the Civil Aeronautics Board.

Added regulatory agencies have sprouted right into the mid-1970s: the Environmental Protection Agency; the Occupational Safety and Health Agency; the Consumer Product Safety Commission; the Equal Employment Opportunity Commission; the Commodity Futures Trading Commission; and the Federal Energy Administration (where the number of employees has risen to 3,400 from 965 in 1974).

All told, a small army staffs regulatory agencies at a cost that is placed at $4 billion a year.[1] But that, of course, is only a fraction of the over-all economic cost of regulation. Myriad rules need to be interpreted, forms need to be filled out. The Environmental Protection Agency's share alone of the Code of Federal Regulations added up to some 2,000 pages in mid-1974. Some indication of the size of the federal paperwork burden can be seen in the estimates by the Independent Businessmen's Association that its members (those companies with 500 or fewer employees) spend 130 million man-hours a year doing government-required paper work.[2] (The federal regulatory maze is in addition, of course, to layers of regulatory complexity at the state and local level.)

Meaningful estimates of the costs of federal, state, and local regulation are hard to come by. One rough estimate of the total regulatory burden (by the President's Council of Economic Advisers) places the toll on the economy at 1% of GNP—more than $15 billion a year.[3] At a time when Americans are increasingly critical of the cost of government at all levels, it is not surprising that lawmakers are focusing new attention on bureaucratic red tape and are searching for ways to reduce the economic waste accompanying massive regulation.

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[1] George J. Stigler, professor of economics at the University of Chicago, in his latest book *The Citizen and the State*, describes the tendency for regulatory-agency spending to rise inexorably: "Each year the appropriations of each regulatory body grow about 8% on average: 1% for population, 5% for prices, and 2% for growing evil. The momentum of events is awesome."

[2] The Commission on Federal Paperwork, set up by Congress in 1974, is beginning to make inroads. It got Congress in December to pass a law eliminating 24,000,000 pages of government forms filed by employers every years. First proposed twenty years ago, the new law changes to annually, from the previous quarterly, the need to file Schedule A of Internal Revenue Service Form 941 (listing certain payroll data). Annual saving to the government is put at $20 million and for business at $235 million.

REGULATION'S TWO FACES

Regulation at the federal level splits into two broad categories.

So-called economic regulation. This deals with the competitive performance of industries such as railroads, trucking companies, airlines, banks, and so on. The idea is to regulate the rates charged in instances in which market forces, if left to themselves, would produce or might produce unsatisfactory results judged by "competitive norms"; to control the right to serve specific markets; and generally to monitor competitive practices.

"Social" regulation. This centers on areas such as job safety, consumer product safety, equal job opportunity, and environmental concerns—e.g., air, water, and noise pollution.

As everyone who has had eighth-grade civics knows, there are good reasons for regulation. Natural monopolies need to be curbed. So does the coercive exercise of raw market power. Beyond that, without some kind of regulation there would be a risk of abuse and overuse of the general environment. There is a need, too, to guard against possible business abuses—to make sure in certain sensitive activities that the profit motive is not pursued to the exclusion of other considerations. Examples of such abuses might range from harmful drugs and securities frauds to unsafe working conditions.

Many basic regulations, quite obviously, are necessary. Many others, however, are not needed. A glaring problem is that regulations acquire a life of their own; they do not automatically expire when their usefulness is over (e.g., prolongation of curbs on railroads that made sense initially but which have lost all relevance with the growth of competition from the trucking industry). With no systematic review, long-outmoded rules and controls continue in force for many years.

BENEFITS VS. COSTS

A major aim of regulatory reform is simply to make sure that the benefits produced by regulation are worth the costs. That often is not the case.

As an illustration, consider the recently abandoned automobile seatbelt-interlock requirement. It soon became obvious to Americans that they were paying a lot of money for a complicated system that often didn't work properly and which, in any case, should have been left up to the individual to buy or reject: in a crash, it would be the occupants—not society as a whole—who would suffer the consequences. Congress got the message and scrapped the interlock—but only after the auto industry had shelled out many millions of dollars to devise the system and install it.

In the field of drugs, the costs of regulation include, of course, not only the direct costs of testing (which fall both on the Food and Drug Administration and on the drug manufacturers) but also the indirect costs. Of those, a major one is fewer new drugs and delays in the introduction of those drugs which finally do make it to the druggist's shelf.

In 1962 Congress amended the Food, Drug and Cosmetic Act of 1938 to require that new drugs not only be safe but effective as well. With what result? The President's Council of Economic Advisers, in its 1975 report, noted that the rate of introduction of new drugs "has fallen more than 50% and the average testing period has more than doubled." Moreover, it was far from clear that the average effectiveness of drugs introduced after 1962 was any higher than that of drugs previously introduced. Meanwhile, the 1962 drug amendments cost consumers, on balance, an estimated $300 million to $400 million during 1970.

Few would deny that drug safety is a commendable objective, but some of the regulative effort may perversely cost lives because burdensome regulations can delay introduction of useful drugs. Moreover, businesses complain of the arbitrary manner in which some regulators go about their overseeing. Complaints are especially vociferous by officials of foreign companies who have subsidiaries in the U.S. They express dismay at paperwork requirements and other regulatory red tape far in excess of that found at home.

What's required in regulatory efforts is a balancing of what economists call marginal benefits and marginal costs. For example, having achieved, say, 90% purity of air, it might cost as much again to remove the last 10% of the impurities. Such expenditure may not be sensible if 90% purity is amply protective of health standards. President Ford, stressing the need to measure gains against added costs, recently asked: "Is it worth as much as $30 billion a year to consumers to reduce the level of occupational noise by five decibels? Have airbags proven sufficiently cost-effective for us to require their installation in all cars at $100 to $300 each?" Shouldn't the consumer decide for himself whether or not to make such an investment in added safety? Such questioning seems long overdue.

NEEDED: MORE COMPETITION

The chief aim of the White House in its deregulatory campaign is to bring about more competition within industry. Ironically, the bias of regulatory policy—and enforcement—is found to be against competition. That conclusion was pointed up not long ago by one of the government's top regulators, Lewis Engman, chairman of the Federal Trade Commission: "Much of today's regulatory machinery does little more than shelter producers from the normal competitive consequences of lassitude and inefficiency."

To sharpen the competitive thrust, President Ford has asked Congress to legislate fundamental changes in laws affecting the trucking and airline industries so that companies can respond more flexibly to market conditions. The Ford proposal for the airlines, for example, would let supplemental airlines and new airlines compete with trunklines and would let trunklines compete more among themselves by expanding existing routes without CAB approval. Over the years, trunkline competition has been diminished through mergers. Under Mr. Ford's plan, mergers no longer would be immunized by the CAB against antitrust attack. Significantly, there is considerable bipartisan support for reform of airline regulations. For example, Senator Edward Kennedy's reform ideas are similar to the President's; the Massachusetts Senator believes that existing airlines should not be protected from new route competition and that new competitors should be encouraged to enter the scheduled airline business.

In banking, perhaps the most regulated industry of all, President Ford wants to phase out anticompetitive federal regulations governing commercial banks and thrift institutions. Among other changes, thrift institutions would be able to offer a wider variety of services (e.g., checking accounts, consumer credit) and banks and thrift institutions would eventually be allowed to pay more competitive interest rates to savers (through the termination in five and a half years of Regulation Q ceilings).

A number of other industries reportedly are on the list for regulatory reform by the Administration. Among them: insurance, farm cooperatives, and cable TV.

Quite aside from the agencies, the government's sweeping look at wasteful overregulation is taking in individual laws which long have been candidates for critical review. The Robinson-Patman Act, for example, makes it illegal for producers to discriminate in price between two purchasers of the same commodity. Those in Congress who support the law say it protects small businesses from being undersold by large-volume purchasers. But President Ford, who wants Robinson-Patman changed, argues that it is an unnecessary restraint on competition that winds up adding to the bill the consumer must pay.

Or take the Davis-Bacon Act. It tends to raise the cost of public construction projects because government rules require wage rates higher than those that would result if the market were allowed to operate without interference. What happens is that the government sets "minimum" wage rates that are almost always at least as high as local union rates rather than the average wage rates paid to all construction workers in the local area. The General Accounting Office has estimated that the Davis-Bacon Act adds 5% to 15% to the costs of federal construction.

RESISTANCE TO CHANGE

Despite signs of a new willingness in government to push ahead with regulatory reform, no one expects sweeping change in a hurry. Especially in an election year, Congress can be counted on to move with a measured tread. And yet when a public mood for change builds up, the government does act to clear away dead wood. Witness the dropping of wage-and-price controls in April of 1974 in the wake of widespread discontent with a program that clearly was an exercise in futility.

Unlike public feelings about wage-and-price curbs, however, sentiment about the efficacy of regulatory agencies is mixed. Consumers for the most part do not have a clear realization of the costs of regulation and of the benefits that would flow from abolishing archaic, conflicting, or anticompetitive practices. As a consequence, there is no well-organized consumer movement clamoring for scaled-down regulation.

Opponents of reform, on the other hand, *are* well organized. As often as not, these include the committees in Congress that authorize a program or agency, the bureaucrats who run it, and those groups in the population who benefit from it—the owners and employees of regulated companies. Indeed, the staunchest foes of deregulation all too often are the very industries that are being regulated. Thus, companies which like to think of themselves as champions of free enterprise are often found to be against efforts to shrink government's intrusive role in their business. Quite a paradox.

In some cases, businesses do not resist the regulatory environment because they have gotten used to it and are even cozy and comfortable living within the prescribed rules. In other cases, businesses have become apathetic when faced with some tough choices. When regulators, who have broad discretionary powers, act in an arbitrary, even capricious, manner what is the businessman to do: cooperate and seek to please? Or should he choose to fight it out in a long and costly court battle? Often the former route—the line of least resistance—is followed. Arbitrary authority is inherently bad; it can encourage venality and breed corruption. Competition is a fairer and more efficient regulator by far.

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[3] The CEA, in its 1975 report, put the cost of regulation of surface transportation alone at between $4 billion and $9 billion annually.

The new push for deregulation deserves the support both of businessmen and consumers. Freer, more competitive markets would yield huge rewards: billions could be saved through release of resources for other uses; inflation forces would be dampened; and the economy's productivity and efficiency would be importantly enlarged.

GEORGE BALL ON FOREIGN AFFAIRS

Mr. PROXMIRE. Mr. President, the Senate Banking, Housing and Urban Affairs Committee held 3 days of hearings last week on the subject of foreign bribes and illegal payments by American business firms.

The purpose of the hearings was to receive testimony on a bill I have introduced, S. 3133 which provides for public disclosure of payments of foreign commissions and fees and impose criminal penalties for the payment of bribes.

Among our witnesses was George W. Ball, the former Under Secretary of State and at present senior managing director at Lehman Bros., Inc.

Mr. Ball's testimony is perhaps the most cogent, concise and powerful statement about the problem of foreign bribes made so far.

In his testimony, Mr. Ball methodically responded to the arguments being made to rationalize the problem of foreign bribes or to excuse it or to urge further delays before taking action.

THE COMPETITION IS OFTEN BETWEEN U.S. FIRMS

For example, Mr. Ball points out that in many cases where bribes have been paid, the only competitors for the sale to the foreign government were American corporations. To argue that American firms must engage in corruption in order to prevent the loss of business to foreign competitors is therefore irrelevant in such situations. In the case of the Lockheed bribes in Japan, the only competitors for the sale of wide-bodied jets were two other American manufacturers.

Mr. Ball states that what the excuses reflect is "a slothful business habit and a carelessness reinforced in many cases by gullibility; for the record is replete with bribes paid unnecessarily to individuals who in fact have no effective influence or who have pocketed the funds they have promised to pass on to influential ministers."

MANY FIRMS ENGAGED IN BRIBERY ABROAD ALSO CORRUPTING U.S. POLITICS

Mr. Ball goes on to point out that many of the same companies who have been involved in foreign corruption have also been identified as corrupting the domestic electoral process by illegal political contributions.

IRRESPONSIBILITY OF FOREIGN ARMS SALES POLICIES

Further, Mr. Ball makes what is perhaps the most important point of all insofar as the bribes have involved foreign military sales. The prevalence of bribery, Mr. Ball states, emphasizes the irresponsibility of our current arms policies.

This point cannot be stressed too much. I have previously released documents showing that high Pentagon officials have placed the foreign military sales program on the top of the list of priorities and that they have been so zealously pushing foreign arms sales that it is not surprising to find abuses and gross inefficiencies in the program. Indeed, until fairly recently the Pentagon was counseling the defense industry on how to pay bribes in foreign countries.

As Mr. Ball states, in the area of foreign military sales "bribes are part of the process of persuasion."

In order to bring the views of George W. Ball to the attention of my colleagues, I request unanimous consent that his statement submitted to the Senate Banking, Housing and Urban Affairs Committee on April 7, 1976, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF GEORGE W. BALL, SENIOR MANAGING DIRECTOR, LEHMAN BROTHERS INC.

Mr. Chairman:

The subject to which this Committee is addressing itself, the practice followed by some multinational companies of paying bribes and arranging kickbacks in connection with sales of their products to foreign governments demands the attention of the Congress and the American people.

Frankly, I have been disappointed not merely at the unfolding evidence which indicates the widespread nature of this problem but also the reported reaction of a few leaders of American business—by no means all—who seek to condone these corrupt practices as a necessary feature of their operations in certain parts of the world. We hear again all the familiar excuses. Bribery, they contend, is an established part of the economic and social system in many countries, where underpaid bureaucrats are expected to achieve a living wage by supplementing their income through illegal exactions. Moreover, unless American business firms are prepared to pay such involuntary tribute they will lose business to foreign competitors. "When in Rome, one must do as the Romans do."

Such self-righteous answers cannot stand analysis. That American business firms are compelled to engage in bribery is disproved by the example of a number of our most successful enterprises that rigorously reject such practices yet still do enormous business all over the world. By and large, I have been impressed with the fact that many of our best managed companies have long had strict rules against any form of bribery. Nor is it enough to argue that such corruption is a patriotic necessity to prevent the loss of business to foreign competitors to the detriment of the American balance of payments. Lockheed's only competitors for the sale of wide-bodied jets in Japan, for example, were two other American air-frame manufacturers. It was a strictly intramural contest.

What all these excuses reflect is a slothful business habit and a carelessness reinforced in many cases by gullibility; for the record is replete with bribes paid quite unnecessarily to individuals who in fact have no effective influence or who have pocketed the funds they promised to pass on to influential ministers. Thus I do not find it surprising that many of the same companies identified as practitioners of corruption in their international transactions have also been disclosed as corrupting our domestic electoral process by illegal political contributions. Nor is it surprising that a high percentage of the companies paying bribes are engaged in the sale of military equipment. Although the problem of excessive arms sales by the United States is separate from the question of bribes and kickbacks by multinational companies (since the question of excessive arms sales relates primarily to American government policy and the role of Pentagon agents as salesmen for our military hardware), the issues are not totally unrelated. The prevalence of bribery merely emphasizes the irresponsibility of our current arms policies. Not only are defense ministers and military commanders in small countries often persuaded by our military representatives on the spot to buy weaponry more advanced than they need—or even, in many cases, more advanced than they can use effectively—but bribes are part of the process of persuasion. Yet it is against American interests for either Pentagon salesmen or American companies to contribute to the delinquency of small nations.

But if most Americans are repelled by the thought that major American enterprises are paying baksheesh to shady characters in far-off countries, what is the best way to stop the practice

The argument is often heard that the remedy must be sought, if at all, through international action; otherwise, American companies may be placed under constraints to which their foreign competitors are not subject. In theory, of course, that is correct; without doubt we should encourage host governments to enact harsh laws against such corruption, our government should be prepared at all times to cooperate in the apprehension and punishment of those who break those laws, and we should take an active lead in the effort to develop international guidelines. But to rely on such actions alone would, in the present climate, mean avoiding and not facing the problem. Obviously, there is not yet a sufficient common approach among major trading countries to make effective international measures feasible. Measures now being considered by the OECD amount, for example, to little more than a pious expression of disapproval.

So let us be realistic, since this is far too serious a matter to dismiss merely with a procedural shrug. The only action that could materially reduce the practice—and mitigate its consequences—is for the United States Government to utilize its powers as the domiciliary state of most of the largest multinational companies by enacting and enforcing comprehensive laws imposing on American corporations a standard of conduct in their overseas dealings fully as strict as that required at home. Only when that is done, will our Government be able to speak with authority in shaping an international set of rules and sanctions. Having put our own house in order, we will be entitled to insist that foreign governments do likewise—and, in time, this procedure should gradually bring some solid results.

I think the Committee is well advised to put the principal burden on the Securities and Exchange Commission to insist that companies maintain accurate records of such payments and report such information to the Commission. It was Mr. Justice Brandeis who once said that "sunlight is the best disinfectant," and if the Commission were regularly to make public not only information as to the payment of bribes but also the details of those payments and the names of recipients, it would certainly discourage the practice. Although Mr. Kissinger might not like this procedure, it would not only impose a new standard of rectitude and diligence on the managers and directors of corporations whom it might expose to bad publicity and even shareholders' suits, but it would also deter assiduous middlemen in foreign countries and even discourage the cupidity of foreign officials.

To be sure, for a limited time-span some American companies might lose certain business opportunities, but that is an expense we should be able tolerate for the good health of our political and economic system.

Nor am I impressed by the fact that such disclosure would be harmful to our relations with other countries. I do not think there is any obligation on the part of the United States Government to conspire with government leaders in other countries to conceal their own chicanery.

Excuses for collaborating in corruption reflect not only the counsels of moral bankruptcy but a disease of market economy countries that could in the end destroy them. It is no good to say: "We cannot impose too severe restraints on the purchasers of our nuclear equipment or other countries will get the business;" the argument will lose its persuasive quality when we come face-to-face with an irresponsible power with a nuclear bomb. Nor is it any more convincing when we are told that America should not prohibit its companies from paying bribes to foreign bureaucrats because that would give aid and comfort to foreign competitors.

America prides itself on proving by its example the benefits of free enterprise, but the vaunted machinery of the market mechanism is not impressive when competitive success depends not on market forces but the debauching of government officials. To be sure, the correlative of bribery in many areas of the world is extortion, yet the managers of American corporations are not hired to give in to extortion. The vast volume of speeches, pamphlets and advertising copy and propaganda leaflets extolling the virtues of free enterprise are canceled every night when managements demonstrate by their conduct that a sector of multinational business activity is not free; it is bought and paid for. This is a problem that, like so many others, has relevance in the struggle of antagonistic ideologies; for, when our enterprises stoop to bribery and kickbacks, they give substance to the Communist myth—already widely believed in Third World countries—that capitalism is fundamentally corrupt.

We cannot have it both ways. We cannot proclaim that competition is the lifeblood of our economic system, while slipping money under the table to foreign purchase. That is asking too much of human credulity.

UNEMPLOYMENT AND THE GOVERNMENT EXPLOSION

Mr. GRIFFIN. Mr. President, on April 5, the Economic Club of Detroit heard a challenging view of economic policy from Mr. E. Douglas Kenna, president of the National Association of Manufacturers.

I ask unanimous consent that a copy of Mr. Kenna's remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

UNEMPLOYMENT AND THE GOVERNMENT EXPLOSION: LABOR-MANAGEMENT TEAMWORK CAN TURN THE TIDE

(An Address by E. Douglas Kenna, President, National Association of Manufacturers)

I am honored to be in Detroit because of what this city stands for—not just for this country but throughout the world. Detroit is the hub of the competitive enterprise system. It's the cradle of the mass production dynamism which helped create the miracle of America.

Without Detroit, the American dream could never have happened. But without the help of the business and labor leaders of Detroit—the competitive enterprise "activists" in this room—we will not be able to continue to nurture that dream. The people here today, representing both business and labor, working together, can save and strengthen the economic system which fashioned that dream—and by saving that system, save the basic political freedoms we cherish and the way of life we hold dear.

It is perhaps a quirk of history that we find ourselves in this Bicentennial year fighting to save something that so fundamentally contributed to the nation's growth and greatness. And it is to you that the gauntlet has been thrown. It is to you, not Washington, not government, not politicians, that history will turn to answer how well we did at this point in time.

While the challenge is grave, there has never been a better time for both business and labor to work together to find lasting solutions to our economic problems. Never did two groups have so much in common, and never have they had so much to gain by joint action on their common problems.

Years of neglect of sound economics brought us deep recession and lingering unemployment and inflation which are contributing to popular disenchantment with our system. They are helping to erode public confidence in our ability to solve our problems.

It is up to business and labor to join together to restore that confidence and to rebuild the economic philosophy, the very foundations that made America great.

Our task will not be easy. We must act in a complex area where hardly any consensus exists.

But without question, a first step is to let the economy recover its health—not through further unnatural government manipulation and over-stimulation—but through its own natural recuperative powers. We cannot do this overnight, but as John Kennedy said, "Let us begin." We may experience some transitional pain, but Americans have never lacked for courage. Our people have what it takes to win this battle just as they have won others—if only our own governmental policies will give us a chance.

As we look at the tidal growth of government in our nation, labor and management can only conclude that we must fight to find a new balance between the public and private sectors . . . so that America can hope to benefit from the best aspects of both. This calls for urgent Washington action on three fronts:

First, we must stop or sharply slow down the enormous growth of government spending and end the nightmare of deficit financing.

Second, we must create a tax policy climate that is conducive to expanded investment, economic growth and more and better jobs.

Third, we must reduce or radically reform the tightening web of regulation over business operations.

Let us not deceive ourselves about the difficulties in working our way out of the jam we're in. We all know that the fundamental economic problems of this country remain grave even though the current economic outlook has been getting steadily better.

It is encouraging to note that the nation's total production rose at an annual rate of 8 percent during the second half of 1975 and continues its upswing.

Employment has risen by more than 2 million since last spring. Meanwhile, unemployment nationwide has come down from 9 percent—even though it remains at an intolerable level of 7½ percent.

Consumer sentiment has risen along with retail sales. And as confidence improves, further increases in production and employment can be expected.

Equally important, we have seen a gratifying moderation in the inflation rate.

While all these are hopeful signs, the deeper problems remain—deepseated problems that will continue to plague us unless we act with resolve and wisdom to solve them.

The malevolent twins of unemployment and inflation and government economic policies as a whole have become primary issues in our national life.

Both management and labor should ask themselves: how did it come to pass that recent events have taken such a needless toll of the richest, most productive, most creative society the world has yet seen?

I believe a major answer lies in our recent history. Many in business and labor remember with pride the two decades of spectacular growth after World War II. Even since 1959, we've seen the American worker's real purchasing power jump by 40%. We saw average family income rise to nearly $13,000 per year. We saw the creation of 20 million new jobs. We saw the proportion of people below the poverty line cut in half—from 21% to 10.5%.

But in the mid-60's, we witnessed a dangerous turning point in our economic history. To be sure, growth until then had not been perfectly smooth. The postwar years brought four recessions—but they were minor and brief. We also had two inflationary periods—but they were rather quickly contained. Then, in the mid-60's, our economic troubles bean to pile up, to become cumulative.

And since then we have seen a progressive deterioration in the health, stability and vigor of our economy. The past ten years have brought two recessions, with that in 1974 the worst in almost 40 years. Prices rose 12% and unemployment topped 9%. And Detroit, as everyone here well knows, was hit with even worse impact—and is still trying to recover.

These events have seriously affected the inner workings of our economic system. They have affected savings and investment and gravely impaired the creation of productive facilities and new jobs, on which our whole economic future depends.

Part of this problem lies in the severe pinch on profits brought on by the past decade. From 1966 to 1974 national income almost doubled—from $622 billion in 1966 to $1,141 billion in 1974. Corporate profits, however, declined both absolutely and as a percentage of national income. The Commerce Department reports that after-tax corporate profits fell in this period from $48.9 billion to $38.7 billion. In percentage terms, after-tax profits went from 7.9% of national income in 1966 to 3.4% in 1974.

And you know what inflation did to the purchasing power of these earnings. Real profits in 1974, as a result, were only one quarter as great as eight years earlier—in the face of rising needs for more and more investment funds.

What does this mean for the American worker?

I sometimes feel that much of the discussion about profit in Washington and elsewhere misses a basic point. Profit isn't something skimmed off the top by a select few and hoarded in an underground vault. The 5% of gross revenues that business in general finally earns as after-tax profit is returned to the economy and to the people—directly to over 30 million shareholders and indirectly to almost everyone else, to all with a stake in an insurance policy or pension plan. Most important, profit is what creates modernized and expanded plants. For the American worker this means new jobs, better wages, rising living standards and less inflation. Like the sparkplug in an auto's engine, profit provides the push to make the entire economic system go.

Conversely, when earnings are so low, business simply cannot invest in expanded plant and modern tools and equipment and provide the growing number of jobs needed by a growing work force. When politicians pass measures and continue tax policies that penalize savings and investment, what they're really doing is punishing workers by limiting the creation of new jobs and holding down productivity and thus real wages.

During this past decade, it has become obvious that a central source of our economic troubles has been the vaunted theory of "new economics" that captured the imagination of national political leaders in the mid-60's. "New economics" has keynoted policy-making ever since, with tragic consequences for American business and the American worker.

To be sure, the thesis of the "new economics" was beguiling: that by manipulating the federal budget, by manipulating taxes and spending and the money supply, magically somehow we could generate both a heady feeling of prosperity and a wondrous condition defined as "full employment." This manipulation, went the philosophy, could also preserve stable prices. And so the budget stopped being a tool for the management of government's own financial affairs and, instead, became an instrument for manipulation.

Everywhere in our society today we see the failure of the "new economics" approach—not only in inflation and unemployment but in national despondency and a decline of individual initiative and enterprise. Yet, inconceivable as it seems, there are still political leaders who would have us continue down this disastrous path. Their cure for the malady brought on by this patent medicine is to resort to still larger doses—like treating an alcoholic with more and more martinis.

What could be more obvious today than the crying need to return to the "old economics"

Fortunately, more than a few of the "new economics" politicians may be thinking the same thing, at long last. Isn't is noteworthy that some of the liberal candidates for office today refuse to describe themselves as "liberal"? Could it be that they've finally become aware that the public sees them simply as liberal spenders of someone else's money—or even worse, of borrowed money—the very approach that got us into such serious trouble in the first place?

It is in business' and labor's interest to stop the delusion in Washington that budget deficits do no real harm. We have recorded Federal deficits in 15 of the past 16 years. In just 10 years the cumulative red ink has added up to $217 billion. And if we add to that figure the spending of off-budget agencies and government-sponsored enterprises, the total deficit of the past decade comes to more than $300 billion.

Undismayed by all this red ink, Congress is now pointing toward a budget for the next fiscal year soaring well beyond $400 billion, with another deficit topping $50 billion. Payments on the Federal debt alone will have risen by next year to a fantastic $45 billion dollars—our third largest budget item!

I'm afraid that most people in Washington don't really know what a billion dollars is. They don't even count the zeroes anymore. Here's how big a billion is: One billion seconds ago, the first atomic bomb had not been exploded; one billion minutes ago, Christ was still on earth; one billion hours ago, men were still living in caves; yet, one billion dollars ago—in terms of government spending—was yesterday.

When politicians in the name of "compassion" vote for vast new spending programs that lead to huge deficits, handicap industry and spur inflation, the hardest hit are precisely those whom such programs are supposed to help—the poor, the dependent, the retired, and the unemployed. When these Americans cannot protect themselves against the inflation which is spurred by such deficits, to whom do they turn for help? Government. And when politicians pass still more government programs to "solve" the problems their previous programs created—and give less help to the private sector that could do more for our economic well-being—the vicious cycle begins anew.

Fundamental changes are obviously overdue. Government cannot continually increase its share of the nation's resources without drying up the supply of capital necessary to finance new jobs and meet our other needs.

For much of the past 30 years, we have had tax policies that favor consumption over investment. This means that as the private sector is weakened by under-investment, as the decline in profits forces firms deeper into debt, business will not be able to create the 40 million new jobs needed by the year 2000. That's why business and labor must work to get tax policies that will allow business to reinvest its earnings in greater capital formation and more jobs.

When we talk about unemployment, let's talk about a fundamental fact: 83% of Americans are employed by the private sector, not by government. Five out of every 6 jobs are provided by business. Why, then, are so many in Congress today pushing for vast new Federal spending to create public service jobs when stimulation of the private sector will produce far more effective, far more enduring results?

There is little doubt that the unemployed are bearing the brunt of inadequate investment right now. Reduced capital formation means less economic activity, less employment, less improvement in productivity and more inflation, less ability to compete with overseas producers, and less improvement in our standard of living. These are the real-life consequences of our present tax structure and they can be corrected.

And while we are examining the economic viruses unleashed by ill-conceived government policies, let us also examine another contagion—that of excessive government regulation.

While most government regulation was originally aimed at preventing business abuses, all too often it now prevents business from operating efficiently and has thus become a public abuse in itself. Federal regulatory agencies now exercise direct control over industries like railroads and air and truck transportation that account for 10% of everything made and sold. And all businesses have come under more and more control in such areas as environmental protection, consumer satisfaction, job safety and hiring practices.

The economic burden of over-regulation amounts to tens of billions of dollars each year—costs that are directly borne by American taxpayers and American consumers in everything they buy. Then, compounding the injury, the same legislators who advocate more and more costly regulation turn around and advocate price controls.

The central question both labor and management must ask is whether the benefits of excessive regulation are really worth the costs. How much is too much? Where does the public finally reach the point of no return from government's intrusions into the operation of business and the workings of the marketplace?

Both management and labor are coming to recognize that the approaches of the past 30 years will not serve as viable policies for the balance of this century. If we can join together to improve our economic well-being—by joining to correct misguided government policies—we stand every chance of success. But if we do not, our economic troubles can only multiply and worsen.

As we begin to restore the necessary conditions for renewed economic growth and prosperity, we must ask some tough questions.

We must reexamine government's skyrocketing programs for welfare and other forms of income maintenance and ask whether they provide benefits on such a generous scale that they may be blunting incentives to work—as well as bankrupting the nation.

We need to get down to some basics about the unemployed: Who are the jobless? Why are they unemployed? How long have they been out of work? It's obvious that our methods of tracking and tabulating unemployment need serious review.

And there are other areas that need the joint attention of business and labor. One is the Federal minimum wage law. Here we need to ask whether the constantly rising wages for entry-level workers have, in fact, priced teenagers out of the job market. And we should jointly examine whether age exemptions and differentials are needed to correct this sad result.

Together, we should examine job training inadequacies and ask why high unemployment and job vacancies often exist side by side. Business and labor can join in providing current and prospective federal and local manpower training programs with better input to make these programs more useful and productive.

Both business and labor should be asking whether these programs have really achieved the successes predicted for them after the expenditure since 1964 of some $13 billion and the training of six million workers. We should jointly be asking how many Americans got jobs for which they were trained? How many were trained for jobs which were not available?

And most fundamental, we should question whether instead of spending billions of tax dollars on public service jobs with limited potential, we should be trying to provide more jobs with more worker satisfaction and lasting staying power in the private sector, contributing to the greater well-being of our entire society.

There has been a good deal of discussion in Washington lately about central economic planning. Planning, if it means national decision-making with an eye toward long-term consequences, is, of course vitally necessary for government no less than for anyone else. But before we set any pattern of planning in legislative concrete, we should jointly ask further questions:

Would, for example, such planning create still another enormous and powerful bureaucracy whose function is only vaguely defined? Could either Congress or the Administration really control the actions of such a bureaucracy? Would Congress again be transferring part of its decision-making responsibility to non-elected people? Could such planning not be done more usefully for the Congress by its Congressional Budget Office and for the Administration by its Council of Economic Advisors, both already staffed by able people. And perhaps most critical of all, does national economic planning really mean a centrally planned and federally controlled economy?

There are a number of areas where business and labor are working together with good results. Significantly, for examples, the United Auto Workers has come to recognize the burdensome effects on auto prices, markets and jobs of overly stringent environmental standards, and is helping correct these defects.

Labor and management certainly share a common concern for controlling the costs of health care and preventing abuses in unemployment compensation systems, in developing more energy and promoting national independence from insecure and exorbitantly priced foreign oil supplies, in reining in on inflation and building a better climate for natural growth.

In final analysis, however, the greatest common concern of all—the overriding issue before management and labor—is nothing less than the survival of our competitive enterprise system.

Both management and labor know that something has gone wrong lately with our economic machinery. Individual Americans certainly do. They are carrying the privations and burdens of unemployment and inflation—burdens they do not wish to accept and do not need to accept. People generally may not be as learned about the economy as economists but they have great common sense. They know what works and what doesn't work. Even if most Americans don't know the phrase "new economics," they see what it has wrought in their daily lives. And politicians who continue to preach that gospel will, I am confident, do so at their peril.

It is for management and labor to remind and re-remind government that the greater its expansion, the greater is the use of resources that would far better serve the general welfare if left to the private sector. These may be painful truths, but they are the truth. They may not seem to be good politics, but they are in fact the best politics because they are the best economics.

I urge each and every one of you, in every field of life, to stand up and fight for a new balance between our private and public sectors. The results will be worth it. Indeed, they are what we will live with for all time to come.

SECRETARY OF AGRICULTURE EARL BUTZ AND OWEN J. MALONE, CHIEF INVESTIGATOR FOR SENATE INTERIOR COMMITTEE

Mr. HASKELL. Mr. President, the Interior Committee's Subcommittee on Environment and Land Resources has been conducting an investigation of the decisionmaking process of the Forest Service in preparing the East River unit plan in the Gunnison National Forest and acting on a proposal by the Crested Butte Development Corp. to expand a ski resort on land within that unit.

The subcommittee held 3 days of hearings on this matter last week. At the first day of hearings, the committee's senior counsel, Owen J. Malone, presented a report on his investigation of this case. Mr. Malone's testimony included an account of an interview with the Secretary of Agriculture Earl Butz about his role in the Department's consideration of the expansion proposal of the Crested Butte Development Corp.

According to wire service reports, Secretary Butz was interviewed in Chicago on Friday and accused Mr. Malone of distorting his remarks to make it seem that he had called a Forest Service official about the Crested Butte proposal. Thereafter, Secretary Butz is quoted as making abusive personal remarks about Mr. Malone and saying "he deliberately lied" to make a headline. I ask unanimous consent that the text of the wire service report be printed in the Record at this point.

There being no objection, the wire service report was ordered to be printed in the Record, as follows:

[Wire Service Report]

Chicago.—Secretary of Agriculture, Earl Butz, Friday accused a Senate investigator of lying in testimony before a subcommittee, and he said the action is "typical of the investigating staffs of those Senate committees" seeking publicity.

Butz said Owen Malone, Chief Investigator for the Senate Interior Committee, made it appear that Butz telephoned a Forest Service official on behalf of former Army Secretary Howard Calloway, who was seeking to expand his Colorado ski resort onto Government land.

"I categorically deny any influence on this," Butz said at a news conference. "I did never discuss it with the Forest Service. I never discussed it with Calloway, and this kind of stuff by Mr. Malone is dirty pool."

After the news conference, Butz told reporters, "This kind of stuff, I'd like to poke down their throats."

"That little bastard, he burns me up." Butz said, referring to Malone.

Malone presented his testimony this week to a subcommittee of the Senate Interior Committee, which is investigating whether Calloway used improper pressure to get his property extended to government land.

Butz said Malone distorted an incident that occurred last summer. He said on July 3 he received a memo from former Undersecretary of Agriculture J. Phil Campbell, who had lunched with Calloway. Campbell said Calloway wanted to expand his ski resort.

"He (Campbell) wrote me a short memo just to summarize what had been said," Butz said. "That laid on my desk until August 18 . . . It laid on my desk for 10 weeks."

Butz said when he got around to handling the memo, he sent it on to Richard Ashworth, Campbell's deputy, telling him to discuss it with Rexford A. Resler, Associate Chief of the Forest Service, "just to make sure all sides were fully presented."

Butz said Malone made it appear that he personally phoned Resler.

"He deliberately lied and twisted the memo around for the purpose of making a headline," Butz said.

"This is a deliberate distortion of the way it (the memo) was written for the purpose of making a headline. I resent it. It's typical of the investigating staffs of those Senate Committees where they bid for 90 seconds on the evening network. Right now there are so many presidential candidates from the Senate usurping that time it's difficult to get on."

Mr. HASKELL. Mr. President, the record is clear that Mr. Malone never testified that Secretary Butz had called the Forest Service. It may well be that Secretary Butz was misinformed about Mr. Malone's testimony when he was interviewed in Chicago. Even so, if the Secretary made the remarks about Mr. Malone that he is reported to have made, I believe that would constitute conduct unbecoming a member of the Cabinet.

At the subcommittee's hearing on Saturday, all the Senators present from both sides of the aisle expressed their confidence in Mr. Malone's integrity and the objectivity and fairness of his investigation. Obviously the committee will seek an explanation of Secretary Butz' remarks as reported by the press. In the meantime, let me emphasize that the committee will not tolerate attempts to discredit, intimidate or impugn the integrity of its professional staff.

DIVESTITURE FOR THE OIL INDUSTRY

Mr. PHILIP A. HART. Mr. President, most of us who favor divestiture for the oil industry will emphasize the economic merits of the idea. I, for one, am convinced that the economic arguments are persuasive. But perhaps the more important reason for disbursing economic power is that it is incompatible with our democratic principles

Senator Birch Bayh, a strong and effective leader in the divestiture fight, discussed this concern in the January-February issue of Challenge magazine. I ask unanimous consent that the article be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PHILIP A. HART. Mr. President, the message of the piece is best summed up in the concluding paragraph:

> The enactment of such legislation would be an act of liberation, freeing American society from power which should never be vested in a single private interest, especially a commercial interest with control over a commodity we need in order to exist.

That says it very well, indeed.

Exhibit 1

What to Do About Oil Company Power

In his book *The Acquisitive Society*, R. H. Tawney wrote: "The burden of our civilization is . . . that industry itself has come to hold a position of exclusive predominance among human interests, which no single interest, and least of all the provision of the material means of existence, is fit to occupy." These words were written fifty years ago, but Tawney might well have been describing the place of the major oil companies in American society today. By dominating all industry which directly or indirectly sustains all of our existence, a few companies do indeed control our destiny. These companies have the capacity to limit supply and to administer prices. They can squeeze out smaller competitors through noncompetition and vertical integration. At present, their actions threaten economic recovery, place an unnecessary burden on the consumer, and damage the free enterprise system.

There are three main ways in which the oil companies defy the normal process of business competition. They "swap product," that is, borrow crude or refined petroleum from a supposed competitor in exchange for a promise to provide an equivalent product in return at another time or place. They divide market areas, with major companies reducing their presence in some markets in exchange for reciprocal reductions by other companies. And they combine their exploration, production, refining, and transportation operations through joint ventures and partnerships. In some cases, the huge capital investment required to develop a necessary link in the chain from well-head to pump may justify this, but most often the chief motivation is noncompetition.

Joint venture pipelines are a good example of this. Competition is stifled by denying the use of the pipeline to nonowners, balancing costs between owner companies, giving rebates to owner companies, and subsidizing one pipeline segment with another, in order to drive out alternative means of transportation.

Of the twenty-two firms with the largest operations in the production, refining, or marketing phases of the industry, thirteen have major holdings in all three phases. Through this vertical integration the major companies are able to manipulate their profits to drive out the remaining independent competitors, whose profits are derived from only one segment of the industry. The biggest companies recently decided to make their profit at the crude oil phase, while tolerating little or no profit at refining and marketing stages. This gives them a competitive advantage over firms dependent for profit on their refining or marketing operations.

The major oil companies claim that any federal involvement with the current structure of their industry would damage the free enterprise system in the United States. But the evidence is strongly on the other side. Let us take a look at refining operations. For years, independent refiners have been forced to buy higher priced crude from the majors, while those same majors saved lower priced "controlled" crude for themselves. Only a recent order by the Federal Energy Administration prevented differential treatment by a major crude oil producer of its own and independent refineries.

In May and June of 1975 the major refineries limited their operations, thus creating a supply-demand imbalance for gasoline immediately prior to the peak driving season. The resulting shortage kept prices at record levels. And these high prices, coupled with the price pressure imposed by the OPEC countries, have contributed vastly to the current inflation. Not only are the prices of gasoline and home heating oil affected, but also the prices of thousands of other products, like drugs and synthetic fabrics, in which petroleum is an essential ingredient.

With the growing evidence of the pervasive and pernicious impact of these conditions in an essential industry, it is clear that strong action is required.

Three alternatives—aside from the unacceptable one of doing nothing—were reflected in the testimony of witnesses at recent hearings of the Senate Antitrust and Monopoly Subcommittee, on which I serve. They are (1) allocation of the limited petroleum supply through the price mechanism, (2) continuation of federal allocation and pricing programs, or (3) mandating the restructuring of our domestic energy industry to promote free market competition.

The first alternative is unacceptable. Allocation by price manipulation, the basic premise of virtually all of the Administration's energy programs, places disproportionate burdens on consumers in general and the poor in particular. At the same time it rewards major companies for their ability, through concentration and monopoly, to determine price and production levels. The second alternative—continuation of federal pricing and allocation programs—is necessary in the short-term. But in the long term, this will inevitably lead to greater federal involvement in the industry, which might in turn bring us to *de facto* nationalization—an option to be avoided.

The very weaknesses of the first two alternatives highlight the strengths of the third. We need a fundamental restructuring of the oil industry to break up the vertical integration of companies and introduce added competition.

I have authorized and am strongly working for the Petroleum Industry Competition Act of 1975. The act looks at the four segments of the industry—production, transportation, refining, and marketing—and requires any company, with a major interest in production, refining, or marketing, measured by volume of crude or product handled, to divest itself within three years of all interests in the other three segments. (The eight largest companies have major interests in all four.)

An exception is provided for major marketers who would be permitted to retain or to acquire refining operations as an incentive to expand our grossly inadequate refining capacity. Because oil pipelines provide such an essential link in the industry's structure and should be common carriers, all oil pipeline companies, regardless of size, would be required to divest themselves of all other interests in the industry.

In October 1975 the United States Senate voted 54 to 45 against similar legislation sponsored by Senator Phillip Hart, Chairman of the Senate Antitrust and Monopoly Subcommittee, who is also co-sponsoring my legislation. The closeness of the vote clearly reflects a growing momentum which I am confident will lead to the passage of legislation built around the principle of divestiture.

The enactment of such legislation will be an act of liberation, freeing American society from power which should never be vested in a single private interest, especially a commercial interest with control over a commodity we need in order to exist.

FIRST TRIDENT SUBMARINE KEEL LAYING

Mr. TAFT. Mr. President, on Saturday, April 10, I had the privilege of attending and speaking in Groton, Conn., at the keel laying of the first Trident submarine, the U.S.S. *Ohio*. I would like to express appreciation for the hospitality of the Electric Boat Division, General Dynamics Corp., on that occasion.

To all present and to the Nation it was an occasion of great moment. I therefore ask unanimous consent that the gracious remarks of Adm. H. G. Rickover, U.S. Navy, the most important backer of the program, be printed in the Record and that my address be printed following that of Admiral Rickover.

There being no objection, the material was ordered to be printed in the Record, as follows:

Introduction of Katharine Whittaker Taft

(By Adm. H. G. Rickover, U.S. Navy, on the occasion of the keel laying of the Nuclear Powered Ballistic Missile Submarine Ohio (SSBN 726) at the Electric Boat Division, General Dynamics Corporation, Groton, Conn., April 10, 1976)

It is my pleasure to introduce Mrs. Katharine Whittaker Taft, who will authenticate the keel for the *Ohio*.

She carries out the Taft family tradition of service to our country. William Howard Taft, Senator Taft's grandfather, was Solicitor General of the United States under President Benjamin Harrison. He was appointed head of the commission to organize civil government in the Philippine Islands and was named its first civil governor. He was appointed Secretary of War by President Theodore Roosevelt. Of interest to those here today is that he once took a cruise on the battleship *Ohio*. Elected to be our 27th President, he later became Chief Justice of the Supreme Court—the only person to hold both offices.

His son, Senator Robert A. Taft, father of the present Senator Taft, was a man of moral courage. He was often referred to as "Mr. Republican" and "Mr. Integrity." In 1946, concerned about the war crimes trials of the Axis leaders, he pleaded for justice at a time of intolerance and hostility. He said that the trials violated the fundamental principle of American law that, in accordance with the Constitution, a man cannot be tried under an ex post factor statute, and that our object should be to restore to the minds of men a devotion to equal justice under law. In 1957 the U.S. Senate chose him as one of the five outstanding Senators of all time.

Like his father, Senator Robert Taft, Jr. has been a distinguished member of Congress. He was elected to the House of Representatives in 1962 and to the Senate in 1970. He serves on the Senate Labor and Public Welfare and Armed Services Committees, as well as the Joint Economic Committee. During World War II, he served in the Navy and received the Navy Commendation Medal.

Katharine Taft was born in Cincinnati, Ohio. She was educated at Miss Doherty's Preparatory School in Cincinnati and Westover School in Middlebury, Connecticut, where she was an excellent student and President of the Athletic Association. She still plays a good game of tennis.

Mrs. Taft is active in volunteer work, dividing her time between Washington and Cincinnati. In Washington, she is a member of the Senate Ladies' Red Cross Group, the District of Columbia Special Education Program for Retarded Youth, and the International Neighbors Club which brings foreign and American women together. In Cincinnati, she works as a volunteer in the Cincinnati Public Schools, helping slow students learn basic reading skills.

It is my pleasure to introduce Katharine Taft who will authenticate the keel of the *Ohio*.

Remarks of Senator Robert Taft, Jr.

It is a great honor for me to be here today with Secretary of the Navy Middendorf and Admiral Rickover to join in the laying of the keel of the *Ohio*, the first ship in what will be the *Ohio* class of strategic missile submarines. The importance of the step we are taking here today is very great. In every age, in every field of national endeavor, there come decisive moments. Laying the keel of the *Ohio* is a decisive moment for this age in the continuing struggle for peace and freedom. It is a paradox that peace rests upon the terrible power for war of the *Ohio* and her sisters. But it is one of history's great paradoxes, for upon it may depend the very life of this planet. There is, I believe, no man among us who does not wish that the security of this and every nation did not depend on a nuclear balance of terror. There is no one here who does not hope and pray that mankind will eventually be able to turn from preparation for war and threat of war to channels of peaceful intercourse among nations and peoples.

But neither is there anyone here who does not know that our most basic security, our very national life, depends on being prepared to deter nuclear war or blackmail. This is not the best of all possible worlds. We face the unfortunate but real possibility that another nation could, if it believed our defenses and counterstrike capability to be weak, seek to achieve its national goals through a nuclear attack on the United States. The twenty-five years of nuclear peace we have enjoyed has been achieved, not because the possibility of war has ever been absent, but because we have remained sufficiently strong to ensure the destruction of anyone who should seek to destroy us. Whatever our future hopes, we dare not let ourselves be deceived into believing that strength will not be needed in the future as it has been in the past. Deterrence must remain the foundation of our national security.

The threat we face is not a product of speculation. The Union of Soviet Socialist Republics is today engaged in a massive program of expansion of armaments. Unfortunately they are largely offensive in nature. Soviet intentions are unclear and capable of shift, and our legitimate concern with those intentions can only be increased when we see the Soviet Union straining every effort to devote greater resources to the power for war.

In strategic systems alone, the Soviet effort is staggering in its magnitude. Four new types of inter-continental ballistic missiles are now entering service in the Soviet Union. Massive efforts are underway to protect the Soviet population from the destructive effects of a nuclear conflict. Soviet defense literature reflects preparations for conflict, not deterrence. In strategic missile submarines, the Soviet *Delta* class, already in service, is in many ways comparable to this *Ohio* class.

In Naval affairs the Soviet actions are equally disturbing. The Soviet Union has, over the past decade, thrown down the gauntlet to the United States in one of the greatest Naval challenges history has seen, a challenge comparable to that offered to Britain by the Kaiser's Germany in the early part of this century. The Soviet effort has been both conceptually innovative and lavish in its expenditure of National resources. Soviet technology has produced weapons systems of the best possible quality. The shipyards of the Soviet Union have produced submarines, cruisers, destroyers, and now aircraft carriers at a rapid rate—a rate all too often more rapid than ours. Today the Soviet navy is a well-designed, well-constructed and well-manned force with broad general capabilities. It is a force which may be more capable of carrying out its mission, of denying us free use of the seas than our forces are capable of assuring our own use of those seas.

The *Ohio* will be a great and important part of our response to the Soviet challenge. In laying the keel of the *Ohio*, we say to the Soviet Union that America will not stand idly by. We regret that the peoples of both our countries must sacrifice resources to the building of weapons of war. But it is not we who have made that choice. The only choice which has been given us is to meet the challenge the Soviet Union has offered, or to fail to meet it. And we will not fail to meet the challenge. The *Ohio* is a tribute to the ingenuity of the engineers who designed her, to the skill of the craftsmen who will build her, and to the personnel of the Navy who will serve aboard her. But most of all, the *Ohio* is a dedication to the determination of the American people to stay free.

I think it is important that at this solemn time we recognize those whose skill and effort make it possible for America to defend herself with the *Ohio*. America owes a debt of gratitude to the leadership of the Navy, to President Ford, to Defense Secretaries Rumsfeld and Schlesinger, to Secretary of the Navy Middendorf, and to Chief of Naval Operations, Admiral Holloway, for their determination that the strategic balance will be maintained. We owe our thanks to the many men and women of the Navy, and those in private industry, who have given their labor to the designing of this tremendously complex system. I am certain that the thought and work which these people have given to the Nation in the *Ohio* has not been and cannot be compensated for materially. We must recognize their efforts above and beyond the call of duty. The same is true for the men and women of this shipyard who will devote their many skills to the building of the *Ohio*, and, later, to those who will sail her. To all of these people we and all Americans owe a great deal.

From a personal standpoint, it is a great and deeply felt honor to be able to join with you and with all of those who have given and will give of themselves to this ship. It is also a great honor for the State of Ohio. The State of Ohio has given of her industry, of her land, and, when called, of the blood of her people to the building of this Nation. It is in deep recognition of those contributions that we now give the name *Ohio* to a ship upon which we will depend for the preservation of a free, strong, and peace-loving people.

TORRIJOS CONTINUES TO ORCHESTRATE BLACKMAIL

Mr. THURMOND. Mr. President, since Brig. Gen. Omar Torrijos, the Panamanian dictator, met with Castro in Cuba, he has attempted to change his hard line stand. He has begun a clumsy campaign with subtle threats aimed at causing the United States to give away the Panama Canal. His theme now is to label this Nation as colonialist and threaten a confrontation to embarrass the people of the United States.

Senate Resolution 97 answers General Torrijos. Aside from the fact that the land within the Panama Canal Zone was purchased by the United States over 70 years ago, $6 billion invested by our Government since that time and sovereignty of the Panama Canal Zone resting in the United States, there are other key reasons why blackmail by Torrijos will fail. The Panama Canal Zone is not a far away land which has no effect on our security. The people of this Nation will not permit a dictator with Communist leanings to control the canal. Should he gain control, we cannot be sure that one day the canal would not be closed to U.S. shipping. It is ridiculous to give up our rights and put this Nation in the position of having to circle South America to go from the Atlantic to the Pacific and vice versa. With the Canal Zone within striking distance of the United States, it is foolish to place our security in the hands of another potential Castro.

A recent public opinion survey shows Americans stand 5 to 1 against surrender to the tin sabre rattling of Torrijos.

Mr. President, I ask unanimous consent that the following article which appeared in the Richmond Times-Dispatch on April 10, 1976, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Resolve Dispute by 1977, Panamanian Warns

Panama City.—Brig. Gen. Omar Torrijos, Panama's chief executive, says serious trouble could erupt in the U.S. owned Panama Canal Zone if a new treaty is not reached by 1977 to turn the zone over to Panamanians.

He said he has an unwritten pact with Panamanian students and workers for prudence until the negotiations are either finished or break down.

"We are prepared for whatever solution," Torrijos said. "We have set 1977 as the goal. Patience has its limits."

He said current negotiations, which began in 1973, "have made substantial progress" but the U.S. presidential campaign has slowed them down.

REAGAN'S STAND

Republican challenger Ronald Reagan has made an issue of the canal, attacking what he says are Ford administration moves to give it up.

The State Department has described as "completely false" a Reagan charge over the canal zone that they will soon recognize Panamanian sovereignty.

The chief American negotiator, Ambassador Ellsworth Bunker, was quoted by the head of the U.S. House Merchant Marine and Fisheries Committee in Washington as saying Thursday that there is no prospect for completing of the negotiations in the immediate future.

His testimony was given in a closed session but Rep. Leonor K. Sullivan, D-Mo., told reporters afterward: "He said there's quite a bit to be done." Mrs. Sullivan expressed concern that a treaty will be negotiated without authorization from Congress.

Congressional concern over the Canal was expressed last summer when the House passed, by a wide margin, a measure attempting to cut off State Department funds that might be used in the negotiations.

A new round of U.S.-Panamanian talks is scheduled for later this month on replacing the 1903 treaty that gave the United States perpetual control over the Canal Zone.

Torrijos said Friday "When the American people realize the real situation, they will feel deeply ashamed. They are celebrating their bicentennial but they have a colony in Panama . . ."

Torrijos, who commands Panama's 7,000-man National Guard and has been the nation's leader since he overthrew President Arnulfo Arias, a civilian, on Oct. 11, 1968, has united Panamanians in a demand for a new treaty.

He said he was doing all that is possible to avoid violence by extremists who want the immediate withdrawal of the 40,000 American soldiers in the 500-square-mile Canal Zone.

"I don't want to kill any students," he said. "It would take just one student getting arrested or hurt by the foreign police in the zone. An incident would retard the negotiations, would erase all the kilometers we have come. So we tell them to be calm, and we try to avoid any incidents."

In 1964, Panamanian demonstrators entered the Canal Zone to protest the flying of the American flag there and in subsequent disorders 21 persons were killed. Most were Panamanians. The issue was settled when the United States agreed to fly the Panamanian flag along with the American flag.

Torrijos, while critical of some U.S. policies, said he is not anti-American.

"I admire the American people very much for their technology and their great sense of shame," he added. "But I am rabid against people who permit that colonial enclave. It is one thing to talk about colonialism. It is another thing to feel it."

Torrijos also reaffirmed his pledge to protect the labor rights of Americans who work in the zone after a new treaty.

"I am the first to admit that the canal is very efficient, one of the most efficient things in the world. We will need those people.

"But they don't believe me, he said."

POLITICAL REPRESSION IN INDIA

Mr. HASKELL. Mr. President, in recent months we have become painfully aware of the growing political repression in India under the rule of Indira Gandhi. News reports from that country have been reduced to official pronouncements by the government and rumors of high numbers of political arrests continue.

Recently a good friend and professor of law at the University of Denver College of Law, Mr. Ved Nanda, traveled to India to visit family members. He has recorded his experiences in a story written for the Nation. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Whip of the New Raj

(By Ved P. Nanda)

Personal affairs required me to travel to India again last month. As an Indian national and professor of international law at the University of Denver Law School, I had tried to keep myself well informed about affairs in India. I knew from following American press reports that Indira Gandhi's government had imprisoned many political opponents, and I had several times publicly expressed dismay at the trend of events under the declared state of emergency. But little did I understand the extent to which the government was using repressive measures to stifle its opposition.

On arriving at the Delhi airport, I was detained for interrogation, although I carry an Indian passport and did not need a visa to enter the country. "What are you here for? Any political objective?" I was asked. "My mother has been ill. I came to see her."

I then told the interrogating official that as a law professor I had a Christmas holiday, which afforded me the time to travel to India. "Doesn't matter, we've detained professors of law under the emergency powers before." The official shrugged his shoulders and warned me that my activities would be closely watched.

During the next two weeks I had an uneasy feeling that at times I was being followed by intelligence officials. And when I was ready to leave India, I was faced with more bureaucratic hassles. "You don't have the necessary cholera inoculation. Your passport doesn't look authentic," I was told at the airport. I was relieved when I was finally permitted to board the plane.

What I saw and heard during my stay has made me realize that, in sharp contrast with the image which Indira Gandhi's government strives to project abroad, India, a showpiece of democracy for the first twenty-seven years of its independence, is fast becoming a repressive police state. The government has steadily tightened its grip on an already crippled and stifled press, which has buckled under harsh censorship laws. This accounts at least in part for the inadequate coverage of authoritarian measures now being employed by the government to silence both the political opposition and dissident elements within Mrs. Gandhi's ruling Congress Party.

Jagdish P. Mathur, secretary of the All India Jan Sangh, a major opposition political party, related to me several incidents of alleged police brutality in the treatment of political prisoners. I met with Mathur, an opposition leader sought by the police, who had up to that point escaped arrest and was very active in organizing the underground movement, to discuss these oppressive measures and the strategy of the opposition parties. Among the names of the victims Mathur gave me were those of many Delhi residents, some of whom had been released. A doctor, a lawyer, a university instructor, two student leaders and a businessman were those with whom I talked during the next few days to confirm Mathur's allegations.

They all told a similar story. The police applied crude means either to extract a confession to a nonexistent plot against Indira Gandhi or to seek information concerning the whereabouts and next moves of the organizers of the underground movement.

The devices for torture which are being used in police stations and jails in India are as varied as they are inhumane and revolting. The victims who talked with me related incidents where they or other political prisoners were hung upside down; were stripped naked and severely beaten with shoes, steel rods and gun butts; had burning candles applied to their bare soles, which were then punctured with nails; had chili powder smeared into their noses and other parts of their bodies; were kept awake while icy water was thrown on them on cold winter nights; were starved and even denied water; had rods tied to their necks, creating an intolerable strain on the spinal cord.

The doctor I met was not personally tortured. However, while he was in jail as a political prisoner, illegally detained on trumped-up charges, he had treated more than twenty prisoners who, he said, must have been "mercilessly beaten." The sole fault of the lawyer, arrested on the charge of being a "hooligan," was, he said, that he had appeared in court on behalf of a political prisoner. A member of the Indian Supreme Court Bar Association showed me a resolution adopted by that organization which condemned police atrocities and harassment of attorneys defending opposition members. The Bar Association noted that even the families and relatives of such attorneys were not spared police wrath.

From Delhi I took a train to see my mother, who lives in the state of Punjab in northwest India. There I met a recently released leader of the opposition, Madan Gopal, a prominent businessman in the small town of Malerkotla. He was charged with plotting the violent overthrow of Indira Gandhi's government.

"I never met the informant, Vikram Singh, who reportedly overheard the alleged conspiracy," he said. For more than three months Gopal was detained in jail without even a court hearing.

Upon my return to Delhi in the third week of December. I saw two anti-government demonstrations (*Satyagrahas*). These were part of a countrywide movement launched by the united opposition last November 14. In a typical *Satyagraha,* individual demonstrators (*Satyagrahis*)—ranging from four to fifty in number—shout slogans against Mrs. Gandhi's government and pass out anti-government literature in busy streets. The demonstrators usually wear garlands, people assemble around them and, since the time and place are announced in advance, the police promptly arrest the demonstrators.

Each *Satyagraha* I saw in Delhi had about forty active participants who courted arrest and attracted more than 5,000 spectators. The crowds, predominantly opposition sympathizers, repeatedly shouted slogans demanding an end to the state of emergency, release of political prisoners and the restoration of civil liberties. In one case, the police resorted to a mild *lathi* charge (swinging long wooden poles and clubbing onlookers) before arresting the *Satyagrahis*.

According to opposition sources (whose information is hard to verify), more than 40,000 persons have courted arrest in cities all over India. They claim that the number of political detainees and *Satyagrahis* has exceeded 100,000, certainly not a small number even in a country of 600 million people.

The media in the West have been reporting on the steady erosion of civil liberties in the aftermath of the now six-month-old "emergency." But the press here, dependent upon Indian sources for its news, has suffered from the same censorship which now curbs the Indian press. As a result, it has virtually ignored two important developments in India—the mistreatment and torture of some political prisoners, and the *Satyagraha*.

These are significant developments because, until recently, political prisoners could be assured of humane treatment. Even the Indian independence leader and the father of the civil disobedience movement, Mohandas Gandhi (no relation of Mrs. Gandhi) and Mrs. Gandhi's own father, Jawaharlal Nehru, were themselves never mistreated in jails under the British rule. The actions of the Indian police toward political prisoners fly in the face of Indira Gandhi's protestations that she is defending and protecting democracy while her opponents are bent on destroying it.

Despite its substantial efforts, I found the opposition disorganized and demoralized. Its leaders were shocked by the suddenness of the declaration of emergency, as well as by the severity of the government's silencing measures. That initial shock is now followed by an equally grim realization that the "emergency" will continue much longer than had earlier been anticipated and that elections scheduled to be held in March 1976 will be postponed for a year, and perhaps for a longer time. (According to *The New York Times* of February 4, they can be postponed a year at a time as long as the emergency is in effect.)

The opposition does not seem to have a definite plan for a follow-up action to the *Satyagraha,* which ended in January. However, those with whom I spoke seem to understand well the need for a united front. "Either we build a united opposition party, resolving our differences, or we sink separately," is how one opposition leader put it.

A blueprint has already been devised to merge several opposition parties. These parties—some of them on the right of the ruling Congress Party, others on the left—do not include Marxist parties which are split among several factions—the Moscow wing, the Peking faction and the Naxalites who stand even further to the left of those vowing allegiance to Peking.

Several opposition leaders are convinced that Mrs. Gandhi chose the totalitarian road at the urging of Russia. They kept reminding me of the large contingents of Soviet technical experts staying at the posh Intercontinental-Oberoi Hotel in New Delhi, who were "in fact counseling and advising her on the appropriate steps to lead India down the primrose path of 'guided democracy.'" This opposition charge, however, is largely unsubstantiated.

Mrs. Gandhi has in the past successfully used a foreign specter to rouse nationalist ire and sentiment. She has skillfully taken advantage of the CIA's involvement in Chile as a warning against possible foreign involvement in India's internal affairs. Similarly, she has occasionally invoked "potential threats" from China and Pakistan to externalize India's internal problems.

It is highly speculative to predict the course of events in India. For the time being, at least, democracy is in full retreat. Were elections to be held today, even the opposition leaders I met acknowledge that the ruling Congress Party would likely be a big winner. Among the many reasons for such an outcome would be: bumper agricultural crops in 1975 and a slowdown of inflation; general apathy of the rural masses, who comprise more than 75 per cent of the country's population; the strong-arm tactics of Mrs. Gandhi's government, which have frightened the electorate, and a general lack of faith in the ability of the opposition parties to work together.

Indira Gandhi still has a charismatic appeal to the illiterate masses (after all she is Nehru's daughter and her name is Gandhi) and a cult of personality has developed around her. Her son, Sanjay Gandhi, known as the *chhoti sarkar* (the mini-ruler) and reportedly being groomed by her to take over, is being merchandised aggressively both in political circles and in the media.

However, India's basic economic and social problems, especially those of land reform and explosive population growth, remain unsolved. And despite the government's propaganda that under the emergency people are more disciplined and productivity has increased, corruption is rampant and the masses are apathetic.

On reflection, the only healthy development for the Indian body politic I saw is the prospect of a unified opposition. Meanwhile, the diplomatic community in New Delhi and India's well-wishers at home and abroad are anxiously watching events, hoping that the current state of emergency is a temporary aberration, the end of which will once again herald the return of democracy in India.

DEFENSE AID FOR CHINA

Mr. TAFT. Mr. President, I would like to call my colleagues' attention to an article in the Washington Post of Monday, April 12, entitled, "U.S. Weighed Giving China Military Aid," which I will ask be printed at the close of these remarks. The article reports that former Secretary of Defense James R. Schlesinger stated the United States has considered military aid for the People's Republic of China, and that Mr. Schlesinger personally would not reject the idea of such aid "out of hand."

As my colleagues are aware, I have long advocated U.S. defense aid for the People's Republic of China. The policy of "evenhandedness" we now pursue toward the Soviet Union and the People's Republic bears little relationship either to the actual state of international affairs or to our own interests. The Soviet Union is the great expansionist power in today's world. The Soviets are actively pursuing a policy of hegemony in all quarters of the world. This policy is a direct challenge both to the legitimate interests of the United States and Western Europe and to world peace. It is also a challenge to the People's Republic of China.

China is today very active in combating the Soviet drive for hegemony. Peking is active in warning other nations of the intentions of the Soviets, and in providing useful material help to many nations so that they may free themselves from the domination of the Soviets. As an example of this, the People's Republic has recently provided to Egypt spare parts for that country's Soviet-built aircraft. Because Egypt has rejected Soviet neocolonialism the Soviets have cut off all spare parts for Egyptian aircraft. China, by supplying parts to Egypt, has tried to block Soviet domination in Egypt.

However, in terms of weaponry, there is little China can provide, for the reason that China is herself in need of advanced defensive weapons to thwart Soviet pressure. The Soviets have about 50 divisions of troops concentrated on the Soviet-Chinese frontier, which pose a constant threat to China. While China has a large land army, she lacks equipment for armored forces, an air force, and modern air defense. There are only seven armored divisions in the Chinese Army, and the Chinese Air Force has few modern aircraft.

It is in the the interests of the United States that China be sufficiently secure against direct Soviet military pressure so that China can continue to resist Soviet hegemonism. The United States should be willing to provide the defensive arms China needs to deflect Soviet blackmail. We should be prepared to sell China such defensive arms as F–5 and perhaps F–16 fighter aircraft, TOW missiles, HAWK antiaircraft missiles, and perhaps, eventually armored fighting vehicles.

If the Soviet drive for hegemony is to be stopped, all the nations which wish to resist the Soviet Union must work together. Western Europe, the United States, and China, working together, can stop the course of Soviet expansionism. It must be the highest priority goal of U.S. foreign policy to encourage effective cooperation among those who see the dangers of the Soviet push for hegemony. Defense sales to China would be a major step toward this goal.

Mr. President, I ask unanimous consent that the article, "U.S. Weighed Giving China Military Aid," be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 12, 1976]

U.S. WEIGHED GIVING CHINA MILITARY AID

(By Walter Pincus)

Former Defense Secretary James R. Schlesinger said yesterday that American officials have discussed in recent years giving military assistance to the People's Republic of China but "there was never a formal addressing of the issue" while he was in government.

Schlesinger added that depending on the circumstances surrounding such aid, "I would not reject it out of hand."

He argued that the United States supplies technological and economic aid to "a major foe," the Soviet Union, while denying the same to China, which he termed a "quasi-ally."

His disclosure of the military and discussion came in an appearance on "Face the Nation" (CBS, WTOP) in which he also termed relations with the Soviet Union as "very close" to the cold war status of the 1950s.

After the interview, Schlesinger disclosed that he had accepted an invitation to visit China this summer.

A high State Department official confirmed yesterday that military assistance to China has been "discussed . . . as we look at future options." But he emphasized that aid had not been "considered that specifically." He said the matter had come up when U.S. companies applied for permits to export certain restricted items to China.

"I'm not saying it will never be done," the official said, but suggested that any reversal of past U.S. policy would begin with sales of advanced technological equipment not directly related to military items rather than with a military assistance program.

The official said that U.S. policy "now is essentially evenhanded" in approving such sales to Soviet and Chinese buyers.

It might not appear that way, he said, because export control rules do not permit sales of items such as computers that would give the receiving country a sizable advance over its current technology level.

The official said that recently a U.S. company was turned down for an export license on "an extremely advanced computer" for China, but that a similar sale to the Soviets would also have been barred. "We would not favor one or the other," he said.

The official said that in weighing the option of sending China military assistance, the United States had to take into account the American defense treaty with Taiwan and the concern such assistance would evoke in South Korea and Japan, two other U.S. allies in the area.

He said another consideration was that such aid "could be provocative to the Soviets."

Balanced against those factors, the official listed the "pressure on the Russians" such a move would achieve, plus the "tilt toward the Chinese" and the "building of a better bilateral" relationship with them.

Observing that the Chinese are "not exactly allies, but rather ideological adversaries," the official said the advantages "don't yet add up, though over a long period of time they might."

In his television appearance, Schlesinger also made the following observations:

"I have heard very pessimistic statements" from Secretary of State Henry A. Kissinger, but "had not heard" him say that the "day of the United States is over."

That quotation about the United States, reported by former Chief of Naval Operations Elmo Zumwalt, has become a campaign issue between President Ford and his GOP challenger, Ronald Reagan. The former California governor used the quotation in his recent televised campaign speech, which was highly critical of Kissinger and the President. Kissinger has denied making the controversial statement.

We are in a down period" after Vietnam and Watergate but "we have turned the corner." Cuba, Schlesinger said, took advantage "of our desire to normalize relations" and "we should be prepared to counter (Cuban) moves in Africa or Latin America."

U.S.-Soviet relations are "very close" to the cold war status of the past as detente "has shrunk" for its beginning as "mutual reconciliation" to the "nuclear alert" at the time of the 1973 Mideast war.

"I would hope there would be a tempering of some of the passions of the cold war period and that we could continue to negotiate." But he added, "we should not indulge in unilateral disarmament or lags on the hope that the Soviets are prepared to respond."

THE B–1 BOMBER

Mr. LEAHY. Mr. President, several weeks ago I called for an extensive debate on the B–1 bomber. In that speech, I raised several issues that I feel must be discussed at length before we can make the determination that procurement of a B–1 bomber force, to cost at least $90 billion over the next 30 years, is essential to our national security.

Many of the questions I raised are addressed in an article written by Herbert Scoville, Jr., former Deputy Director for Research at the CIA, and Assistant Director of the Arms Control and Disarmament Agency for the Washington Star on April 11, 1976. Because of the need for an informed debate on the B–1, I strongly commend this article to the attention of my colleagues.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Apr. 11, 1976]

B–1 BOMBER: GUSSIED UP, BUT SO WHAT?

(By Herbert Scoville Jr.)

The B1, a new intercontinental strategic bomber for which the Air Force has been fighting for more than 10 years, reaches its moment of truth in 1976.

Almost $3 billion has been authorized to develop the B1 after the earlier B70 program was halted by Secretary McNamara in the early 1960s. Since the inception of the program, costs have skyrocketed and performance plunged, but it was argued that the proper time to stop it would be after development and evaluation tests were completed rather than in mid-stream. Now the decision on procurement is officially scheduled for November 1976, but the Congress is being asked to authorize in advance about $1 billion to start production. Secretary of Defense Donald Rumsfeld and senior Air Force officials are acting as if they had already made the decision without waiting until November for the completion of the evaluation tests which a recent GAO report indicates are running behind schedule.

The current official cost of the B1 is $88 million per plane if all the proposed 244 are procured. Thus the total program for the aircraft alone is already estimated to exceed $20 billion, and the price continues to rise daily. Furthermore, this does not include the costs for the armament, such as missiles, nor for a whole new fleet of tankers which would be required to make the force truly useful. A recent Brookings study, *Modernizing the*

Strategic Bomber Force, by Quanbeck and Wood, estimates that overall 10-year (FY '76–'85) expenditures for our strategic bomber force if the B1 were incorporated into it would reach a total of $91.5 billion. The B1 will be the most expensive weapons system ever built.

Why do we need the B1 and what are we getting for all these billions? The B1 is intended to be a replacement for the B–52 as the intercontinental bomber part of our strategic deterrent triad. Submarine-launched ballistic missiles are the primary element in our deterrent, but landbased ICBMs and intercontinental bombers provide a back-up in the event of some unforeseen threat to our submarines. Both the Minuteman ICBMs and the bombers on the ground are potentially vulnerable, but together they are secure since there is no scenario by which both can be knocked out in a surprise attack.

Bombers have the advantage of being able to fly away from their bases without waiting for the final decision to launch an attack. Since, unlike missiles, they can be recalled at any time until they reach Soviet borders. On the other hand, the bombs they deliver will be arriving hours after much of both countries will have been turned to rubble by missile warheads. In fact, one of the uncertainties about the B1 is whether it can fly through the debris clouds that are an inevitable aftermath of nuclear explosions.

The B1 is planned to be the replacement for the B52, but Secretary Rumsfeld admits this year that the strategic use of B52s equipped with long-range air-to-surface missiles would be an appropriate mission "through the 1980s and 1990s." Thus, there is no urgency in procuring a next-generation bomber.

In fact, premature procurement of the B1 could mean that both systems will be wearing out almost concurrently since the life of a new supersonic plane is likely to be much shorter than the extremely durable B52. We should take advantage of this breathing spell to design the best follow-on aircraft system that could be procured in the 1990s if at that time one still appeared necessary.

The one characteristic driving up the cost of the B1 more than any other is its supersonic flight capability. Although originally planned to be supersonic at all altitudes, the B1 is now designed to fly supersonically (Mach 1.6 instead of the originally planned 2.2) only at high altitudes and subsonically (450 mph) at low altitudes.

Because of the great effectiveness of current Soviet air defenses at medium and high altitudes, our operational plans have long called for the penetration of Soviet air space only close to the ground, thus precluding supersonic speeds over the Soviet Union. Moreover, supersonic flight uses up so much fuel that it drastically curtails the B1 range and prevents supersonic speeds for any significant portion of a mission unless tankers are available for multiple aerial refueling. Basically, the B1 is a subsonic bomber with a short supersonic dash capability at high altitudes. Since planes at high altitudes are vulnerable to Soviet defenses at any speed, this supersonic dash will only be practical outside the Soviet Union where it is not needed.

Thus, the expensive, high-performance characteristic of supersonic speed is largely wasted since it can almost never be used on any mission, Furthermore, if the plane is to fly supersonically the engines cannot be designed optimally for subsonic flight, so the supersonic capability degrades the plane's performance under conditions normally used in operations. Military effectiveness has been sacrificed to the desire by the Air Force to fly faster and to the challenge for aircraft designers of building a supersonic plane. The U.S. taxpayer must pick up the tab for the billions of dollars these whims cost.

The B1 supersonic capability, if it is ever used, not only costs dollars but creates serious environmental hazards. A study by the Environmental Action Foundation, "Boom and Bust, the B1 Bomber and the Environment," has calculated that when B1 bombers fly in the stratosphere at supersonic speeds, they will release prodigious quantities of pollutants, such as oxides of nitrogen, threatening the same ozone depletion that has caused such concern with its civil cousins, the SST and aerosol dispensers. Its supersonic boom would force it to fly on training missions only over uninhabited areas to avoid intolerable effects in population centers. In its life span of 25 years, billions of gallons of fuel will be consumed by a B1 fleet, hardly a pleasant outlook in an era when energy will be increasingly limited.

Reference has already been made to the limited range of the B1 when flown supersonically at high altitudes. However, even when flown subsonically all the way, the B1 only has an operational range of about 6,100 miles, so that refueling tankers are required for most missions. A B1 could not, without refueling, fly even subsonically with a full payload from the United States to the Soviet Union, penetrate Soviet defenses at low altitudes, and get back to European bases. The plane cannot loiter, awaiting a decision to attack, but must fly directy to its assigned targets, thus reducing a key advantage of bombers over missiles. The B52, while far from having ideal endurance, has been flown 12,500 miles without refueling.

Thus, after having spent billions we will end up with a plane which will be little if any better than our current B52 for the types of missions that will normally be flown.

Despite extensive Soviet air defenses, our bombers are still believed able to reach targets in the interior of the USSR as long as they stay near the ground. However, Rumsfeld predicts that we can expect the Soviet Union to develop and eventually deploy interceptors with a look-down, shoot-down capability for destroying low-flying aircraft; thus all planes, even the B1s, will be vulnerable unless they are equipped with long-range air-to-surface missiles to saturate area defenses and avoid the need for penetrating Soviet air space. This factor would argue strongly that any follow-on to the B52 should be optimized for a stand-off mission rather than for penetration. In the meantime the B52s should be adapted for stand-off missions by equipping them with long-range air-to-surface missiles.

Another important factor leading to the high cost of the B1 is the ability to get the planes into the air and away from the field rapidly. Because of the vulnerability of bombers on the ground to destruction by a nuclear explosion, it is important that a portion of our strategic bomber force be kept on alert so that planes can take off on warning of an attack and before the incoming missile warhead arrives at the airfield. Although the increased weight of the B1 over the original design criterion has lengthened its take-off distance, the B1 is still able to get off the ground and out of range faster than the current B52s. However, a recent detailed analysis of its survivability in the monograph by Quanbeck and Wood shows that this advantage is marginal. If depressed trajectory ballistic missiles or long-range cruise missiles can be launched from Soviet submarines, capabilities the Soviets have not yet shown any evidence of developing, then all types of planes including the B1 are vulnerable to a surprise attack; if they cannot, all types can be satisfactorily protected.

Furthermore, if a refueling tanker is needed for the B1 to complete its mission, as it is in most cases, then the vulnerability of the tanker will be controlling rather than that of the B1 itself. Only airborne alert, which is not practical for a plane with the short endurance of the B1, will provide complete protection against such a surprise attack, which is admittedly not very likely.

Even if we were prepared to pay the high cost, it is becoming increasingly apparent that the B1 is not what is needed for our security. The Brookings study, after analyzing all the factors involved, comes to the conclusion that when the B52s must be replaced, it would be far better to have a stand-off bomber—i.e., a plane which can launch its missiles from outside the Soviet Union rather than one which has to penetrate its air defenses. Such a plane could have a long endurance so that it would take off on any type of alert, thereby decreasing its potential vulnerability to surprise attack. Unlike the B1, which would have to fly directly to its targets or run out of fuel, a plane designed for stand-off delivery could loiter and stay airborne for long periods of time and only be ordered to approach Soviet borders and launch its missiles after a full evaluation of the situation had been made. It would not waste money on supersonic and other high-performance capabilities which would never be used. It would be far more effective and flexible than a force of B1s supported by tankers; in fact, the tankers themselves or some similar cargo aircraft could actually be used to carry the long-range missiles, thus avoiding the need for any true bomber aircraft.

One of the strongest pressures for proceeding with such weapons programs as the B1 is the jobs that the program will produce in this time of high unemployment. However, the thesis that we must continue military expenditures to keep people employed is a sad delusion fostered by the military-industrial complex. Economic studies have again and again shown that dollars spent on defense employ fewer people than dollars on other types of federal spending programs. For example, using the analytical procedures developed by Roger Bezdek, economist and manpower expert, in his book, Long Range Forecasting of Manpower Requirements: Theory and Application, it can be shown that $1 billion for B1 procurement will provide about 59,000 jobs; a similar sum for miscellaneous transport construction will employ 81,000 persons; and for public housing 85,000. Furthermore, a major problem with weapons production jobs is that they create a demand for consumer goods without providing an offsetting supply, thus fueling inflation.

The administration, Congress and labor have got to realize that the shortsighted policy of allocating 70 percent of the federal controllable funds, year after year, to national defense is a major contributory cause of our current financial difficulties. Studies show that 44 of our states have paid out more in taxes to support the B1 than they have received back in contracts or subcontracts for the program. For example, it has cost the state of New York, which can ill afford it, $198 million while returning $38 million.

Finally, this is not an area where we need to be stampeded into unnecessary weapons procurement in order to maintain equivalence with the Russians. The American intercontimental bomber force is superior in every way to the Russian one and will remain so indefinitely. The USSR has only about 150 old bombers far inferior to our 500 B52s and FB111s. The new Backfire, which is just beginning to be deployed, is not designed to be an intercontinental bomber. Although supersonic, it can't reach the United States even on a one-way mission if it flies at such speeds. Unrefueled, it can only fly subsonically at high altitudes to reach the United States on one-way missions. If refueled, a capability which the Soviets have largely ignored, it could reach the United States and return only if staged from Arctic bases and flown subsonically at high altitudes.

The debate on the B1 procurement, which began in Congress last week, will be the successor to the ABM and the Trident, both of which passed only by close votes in the Senate. After expenditure of more than $7 billion, ABM deployment has been phased out because it was possible to get the Russians to forego missile defense in the Moscow ABM Treaty of 1972 and because it became almost universally recognized that the Safeguard IBM was ineffective. The Trident program goes on with the cost rising to more than $18 billion for 10 submarines and the administration planning now to buy more than 10.

If the decision is made to go ahead with the B1 this year, then it may never be possible again to stop this program and avoid this colossal drain on the taxpayers' pockets. It will always be argued that we have sunk so much into the program that we cannot afford not to go ahead. It will also be said that buying a smaller number of planes will not significantly reduce the over-all expense.

Although the administration claims it will not make its own decision until November, it is asking Congress to endorse an advance check now. Officials undoubtedly estimate it will be more difficult to stop the program in the midst of the election campaign than it would be a year later. The lobbyists, pro and con the B1, are out in full force. Those that have fought rising defense budgets and are satisfied with nuclear sufficiency believe that unless the B1 is halted, there will be no stopping mammoth additional increased expenditures for the military in future years.

On the day before the House vote last week (the vote went against deferring funding for B1 production), the Air Force by happy coincidence flew the B1 at its fastest supersonic speed to date, and the wide press coverage conveniently ignored the fact that these supersonic speeds will never be usable in any combat mission.

Congressmen, in making the multi-billion-dollar decision, must look beyond all the smoky rhetoric that the Russians are outspending us and that the United States is becoming a second-rate power, and remember that:

(1) The strategic bomber is only a backup in the event of completely unforeseen vulnerabilities developing in our submarine-launched ballistic missile force.

(2) Its costly supersonic capability will almost never be used in any operational mission.

(3) It will be a major contributor to atmospheric pollution and an avid guzzler of increasingly scarce fuel.

(4) The Russian strategic bomber force is far inferior to our present B52s so the B1 is not needed to maintain equivalence with the Soviet Union.

(5) There is no urgency in procuring a new bomber since the B52s will continue to operate satisfactorily in the 1990s.

(6) The expenditures for the B1 system, which during its lifetime could reach $100 billion, will produce both a net decrease in employment and an inflationary stimulus.

(7) A stand-off aircraft equipped with long-range missiles is a more militarily effective system than the B1, if and when a follow-on to the B52 is found necessary.

The B1 is a costly, wrong answer at the wrong time to our real security needs.

DEPUTY ATTORNEY GENERAL TYLER DISCUSSES SENTENCING REFORM

Mr. HRUSKA. Mr. President, on Friday of last week, the distinguished Deputy Attorney General of the United States, the Honorable Harold R. Tyler, Jr., was the principal speaker at the annual Law Day luncheon of the Creighton University Law School in Omaha.

It was my privilege, as a Creighton alumnus, to introduce Judge Tyler to an enthusiastic audience.

The subject of the Deputy Attorney General's remarks was "Reform in Federal Sentencing Practices."

It was a thoughtful and scholarly approach to one of the most difficult and persistent problems confronting this country's criminal justice system. As a former member of the Federal bench, Mr. Tyler brings to this subject the balanced view of one who has had firsthand knowledge with a difficult and complex issue.

Swift and certain punishment is acknowledged by virtually everyone as a major deterrent to crime. Yet the sentencing practices of our Federal courts are so varied and so diverse, even within the same court, that the certainty of punishment is unfulfilled.

The result has been a growing dissatisfaction, approaching cynicism, by the public.

Judge Tyler on Friday outlined the considerations involved in the establishment of mandatory minimum sentences as a way of removing the inequality of sentencing, the establishment of a Federal Sentencing Commission, and the abolition of the Federal parole system.

Because crime and this Nation's efforts to combat it remain critical issues, I recommend Judge Tyler's incisive remarks to my colleagues and ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REFORM IN FEDERAL SENTENCING PRACTICES

(By Deputy Attorney General Harold H. Tyler, Jr.)

Today I would like to discuss with you a subject that has been of great interest to me both as a Federal judge and as Deputy Attorney General—the problems of irrationality and uncertainty in current Federal sentencing practices, and some proposals being discussed in the Justice Department to answer those problems through the creation of a Federal Sentencing Commission and the abolition of parole.

We in the Department of Justice share the concern of many people in the criminal justice field about the frequent disparities in the punishment of similar offenders, due to wide variations in sentences meted out compounded by variations in time served because of parole vagaries.

As you are aware, under present law the sentence to be imposed in a particular case is left largely, if not entirely, to the discretion of the judge. He is free to impose any sentence from one day's probation to the maximum imprisonment and fine authorized by Congress. He may have no idea of what sentence, in this wide statutory range, his fellow judges have tended to give for an offense of a given sort. And even if he is aware of this sentencing norm, his own strict or lenient sentencing philosophy may call for a very different sentence, even for a similar offender committing a similar offense. That the result has been serious variations in sentences has been established beyond cavil, at least for the second circuit, in its sentencing study of two years ago. Some sentences are unduly lenient, some are unduly severe, yet neither the defendant nor the government may appeal to an appellate court to have a sentence changed to a more appropriate one.

President Ford addressed some of these sentencing problems in his Yale Law School speech about a year ago and shortly thereafter in a crime message, wherein inter alia he proposed a system of mandatory minimum sentences for persons convicted of a certain few types of serious crimes.

In such cases, the President's proposal would rule out the possibility of parole but permit a judge to impose less than the mandatory minimum sentence if he made a finding in writing that certain extenuating circumstances existed. For example, the judge might find that the offender was under physical duress when he committed the crime or that he was a peripheral participant in a crime more directly committed by others. The President's proposal would not require the imposition of long sentences, but surely it would increase the degree of certainty that offenders convicted of these few specified crimes would serve some time in jail.

If we believe, and I think we do, that certainty of punishment is an important deterrent to some crimes, then proposals for mandatory minimum sentences for those crimes have some plausible validity. Moreover, mandatory minima in theory can help remove inequality of sentencing, at least with respect to the crimes with which they deal. As a former nisi prius judge in the Federal system, I am well aware of some of the problems that mandatory minimum sentences can create for the sentencing process. The situation that arose from our narcotics sentencing practices of a few years ago well illustrates this point. Nevertheless, the serious problems found in the present Federal sentencing system demand that we consider alternatives which would bring more certainty and equality to sentencing.

The Justice Department proposals to which I referred earlier—the creation of a Federal sentencing commission and the abolition of the Federal Parole System—in large part build upon the President's remarks and seek the same goals of certainty and equality. These ideas are not unique to the Justice Department. Senator Kennedy, for example, already has a bill which would create a sentencing commission for the Federal courts. In addition, the second circuit is working on setting up its own such commission. As for the abolition of parole, a number of scholars and writers in the correctional field have discussed this concept. But for purposes of discussion now and in the immediate future, let me offer the particular proposals which we are considering in the Department and to which your reaction, pro or con, would be useful.

According to current thinking, a Federal Sentencing Commission could be established by act of Congress to draw up guidelines indicating a narrow range of sentences considered appropriate for persons who commit various crimes under various specific circumstances.

On the basis of research conducted by the sentencing Commission and its staff, the Commission would prepare detailed lists of characteristics of defendants and of characteristics of the offenses in question. The offender list presumably would classify the offender according to age, education, prior criminal record, family stiuation, and other pertinent, individual characteristics. The offense list would classify a specific offense according to the number of victims, the seriousness of the injuries which resulted, the community view of the offense, pertinent aggravating and mitigating factors, and the like. The guidelines would then indicate a realtively narrow sentencing range for a particular category of offender committing a particular category of offense.

Thereafter, prior to imposing sentence in a given case, the district court judge would ascertain the category into which the offender before him fit most closely, and the category into which the offense fit most pertinently, in order to determine what kind of a sentence to impose. To illustrate, let us assume that a first offender, in his early twenties with a wife and child to support, committed an unarmed robbery in which no personal injury was threatened. The category for such an offender committing such an offense might specify a sentencing range of, let us say, one to one and one-half years of imprisonment. On the other hand, a repeating offender, in his late thirties with a poor employment record, who committed robbery at knife point, would present a different problem. His offender/offense category might specify a sentence of perhaps five years imprisonment.

In each of these assumed cases, the judge would be expected ordinarily to sentence the offender within the range set forth in the Commission's guidelines. The court could only impose sentence above or below the suggested range if he found good reason for so doing. In that event, he would be obliged to state that reason or reasons with some specificity on the record or in writing. Should the sentence imposed be within the guidelines, it would be considered presumptively appropriate and not be subject to appellate review. If the sentence were above the guideline range, it could be appealed by the offender. If it were below that range, it could be appealed by the prosecution.

Our research to date suggests that it is clearly feasible to have such a sentencing commission, at least for the Federal criminal justice system. And, assuming that it is adopted in the Federal arena, the commission might well serve as a model for State and local sentencing reform.

Of course, among the commission's sentencing guidelines would be imprisonment guidelines for certain cases. In effect, therefore, something close to the mandatory minima concept favored by the President, Senator Kennedy and others would be built into the system. However, I would urge that it is more important to view the sentencing commission as serving two broad and highly salutary public goals:

1. The guidelines would increase the certainty of punishment for categories of offenders and Federal offenses.

2. The guidelines would eliminate the irrational disparity which many, including myself, believe exists in the present Federal criminal justice system.

Turning to the second proposal, that of abolition of the Federal parole system, I recognize preliminarily that since Congress has just passed, and the President has just signed, the Parole Act of 1976, the political likelihood of abolishing parole in the near future is relatively slight. Nonetheless, this step is well worth considering for a host of reasons, only a few of which I can properly develop here without taxing your patience and graciousness in having me with you. As most of you know, a defendant who is sentenced to a term of imprisonment by a Federal court ordinarily may expect to serve approximately one-third of that term. In other words, under existing law the judge in imposing sentence is really only fixing the maximum period of time which the offender can possibly serve, not that which he is likely to serve.

As you may also be aware, our Federal parole system is thought to serve two basic purposes. First, the parole function may serve to mitigate unfair disparities in sentencing by releasing an offender before his entire sentence has been served. I would note, however, that the parole board cannot extend a sentence that is thought to be irrationally lenient. Second, the Federal parole system endeavors to monitor an offender's progress while in prison—i.e., it in effect is asked to study and determine when the offender somehow has been rehabilitated, at least to the point where he may be released with some hope that he can live a normal life within the community.

Dealing first with the stated purpose of helping to eliminate unfair disparities, I submit that the proposed federal sentencing commission, if properly designed, could serve this purpose better and more completely. In its guidelines, the sentence commission could specify a given term of imprisonment, to be followed by a given period of probation which the offender would serve under the stewardship of the United States probation office. In that way, there would be immediate certainty, not only for the public, but also for the offender. Surely our experience with indeterminate sentences has made us well aware that one of the greatest breeders of discontent in the prisons and prolonged litigation in the courts is the uncertainty created by the present interaction of sentencing and parole.

The second avowed purpose of the present parole system is based on the traditional notion of prison rehabilitation and the assumption that correctional authorities and institutions can predict the future behavior of offenders. This audience hardly needs to be told of the disrepute into which this theory has fallen within the ranks of academia, the judiciary, and corrections experts. In fact, most scholars in the field of corrections now seem to agree that true rehabilitation is more likely to occur if an early release from prison does not depend upon it.

When parole is tied to rehabilitation, two problems occur. First, participation in rehabilitative and educational programs is often not truly voluntary; indeed, such participation is frequently not taken in good faith. Second, offenders don't know what they should do in order to secure favorable treatment by the parole board. Almost every offender tends to view parole as only a second game of chance, the first one being the sentencing by the judge. In any case, the behavioral and medical sciences are not sufficiently advanced to enable correctional experts to predict an inmate's future behavior.

Beyond all this, I am personally convinced that there has long been a form of deception, doubtless unwitting in the initial stages, involved in the Federal Criminal Justice System of Sentencing and Parole. As all of us in this room know, the system makes it appear to the public that long sentences are to be served, whereas in fact, the judges, the lawyers, and the offenders have no such expectation. Later, when the public learns in notorious cases that complete sentences have by no means been served, many citizens are puzzled, if not distressed. If I had a dollar for every time I was told, by not only lay friends but even many lawyer friends, of their shock to learn that a notorious offender was released after only two years of a five-year sentence, I would be a wealthy man. Abolition of parole, thus, might serve the desired end of Candor, since the sentence an offender receives is the sentence he would serve, minus a small amount for good time. In a related respect, abolition would serve the interests of deterrence, simply because the message conveyed by a firm sentence would surely be unambiguous to potential offenders, as compared to the present system. Implicit in what I have already said, but worthy of emphasis, is the proposition that if parole is abolished, every offender would be required to serve virtually all of the sentence imposed. As stated, however, the new system might allow a possible reduction of a relatively small and predetermined portion of the sentence, perhaps no more than one-tenth thereof, for good behavior, as a necessary concession to encourage reasonable prison discipline. Perhaps more important, it would be wise and necessary to reduce prison term maxima, not only to achieve elemental fairness but also to ensure that prison populations do not increase beyond reasonable levels.

In addition to eliminating the complexities of the current parole system and the seemingly endless opportunities for litigation in the Federal courts, abolition would have another collateral benefit. By eliminating uncertainty concerning an offender's release date, not only would a major cause of prisoner complaints under 42 U.S.C. § 1983 be removed, but also the increased apparent fairness in setting release dates might reduce a cause of considerable offender bitterness—a feeling which hampers preparation for reentry into society. After all, if there were fewer instances for real or imagined injustice to focus a prisoner's attention upon relitigating the propriety of his incarceration, he might think more about planning his future than challenging his past.

In conclusion, I would note my recognition that judges, among others, may be at least initially opposed to the sentencing commission idea. I understand their reasons for this assumed opposition. For many years, as a judge with a particular interest in sentencing, I vainly thought that I prepared and worked at this most difficult task with a continuity of education and effort which made me a modest expert. Hence, though I might have claimed otherwise at the time, I probably was not too anxious to have outsiders tell me how to impose sentences. Parenthetically, this sense of total judicial independence is probably one reason why the so-called "collegial" sentence model, used in the Detroit and Brooklyn Federal Courts, has never obtained much acceptance elsewhere. I recognize also that some prosecutors and defense lawyers will not particularly like the idea of a sentencing commission. But, I believe that the opposition will not last long, based on my familiarity with developments in the second circuit and elsewhere. The interests of candor and fairness in our criminal justice system, as well as an improved deterrent to criminal behavior from more predictable sentencing, outweigh any of these concerns that those of us used to the old way of doing things might at first express.

I hope, therefore, that we can seriously explore these ideas with a view to making lasting improvements in our criminal justice system. Our bicentennial celebration is a fitting context within which to consider fresh initiatives against one of our oldest and most insoluble problems.

TRAINING OF EGYPTIAN PERSONNEL AND THE SALE OF C-130 TRANSPORTS

Mr. CASE. A satisfactory agreement has been worked out with the administration on the training of Egyptian military personnel and the proposed sale of six C-130 aircraft to Egypt.

The Presidential determination of March 25 not only dealt with the proposed sale of C-130 military transport planes to Egypt but also opened the door to a potentially wide-ranging training program for Egyptian military officers.

I was concerned that the loophole might be used to allow the training of Egyptian personnel in U.S. military strategy and tactics and, even more important, in weapons systems which Congress had not approved for sale to Egypt.

I requested written assurances on this matter.

The Senate Foreign Relations Subcommittee on Foreign Assistance has now received a letter from the State Department containing assurances that the Presidential determination will not be used as a blank check.

In referring to the training of the 20 Egyptian officers who will be sent to the United States in addition to the crews for the C–130's, the State Department letter said:

> The policy of this Administration is that such training is expected to be quite limited and will be conducted at service schools where many other foreign officers including other Arab officers are already enrolled.

The letter added—

> This type of training does not involve the divulgence of classified information concerning U.S. combat tactics and strategy nor would it include training in the use of sophisticated military equipment. We would envisage giving such training to about 20 Egyptian officers this year.

This letter is a welcome and necessary supplement to Secretary of State Kissinger's testimony to our subcommittee that no additional sales to Egypt are planned this year.

Therefore, I will not press my resolution to disapprove the sale of the six C–130's.

In making this decision, I also take into account the Secretary's assurance that this sale will not be considered a precedent for Congress. This assurance is important because of the testimony by Under Secretary of State Joseph Sisco to a House of Representatives International Relations Subcommittee last week that Egypt probably will seek additional military equipment sales next year.

I still believe we should not supply lethal military weapons to Egypt. It would be folly to add to the momentum of the arms race in the Middle East.

I ask unanimous consent to have printed in the Record, first, a letter from the State Department; second, several recent newspaper articles which indicate the likelihood that Egypt will make requests in the future for additional military aid and, third, some pertinent quotations by individuals selected from statements and press articles.

There being no objection, the material was ordered to be printed in the Record, as follows:

Department of State,
Washington, D.C., April 8, 1976.

Hon. Hubert H. Humphrey,
Chairman, Subcommittee on Foreign Assistance and Economic Policy, Committee on Foreign Relations, U.S. Senate.

Dear Mr. Chairman: During Secretary Kissinger's appearance before your Subcommittee on April 2 concerning the sale of six C–130 aircraft to Egypt, Senator Percy asked if the sale is approved whether U.S. military personnel would be sent to Egypt to train Egyptians on the C–130s and whether this would involve a U.S. military delegation going to Egypt. The Secretary promised to provide that information to the Subcommittee and I am hereby providing a response.

The concept for training of Egyptian pilots and air crews, ground crews, and maintenance personnel has not yet been determined since there has been no detailed discussion with Egyptian officials. Although it might be more efficient to conduct all training in the United States, training could be conducted in either location by either Air Force or contractor personnel or by a combination of Air Force and contractor personnel. These details will be determined subsequent to receipt of additional information from the Egyptians and after a thorough review of the alternatives. In any event, it is not envisioned that significant numbers of USAF personnel will be required to conduct or supervise training in Egypt.

I would also like to take this opportunity to clarify an apparent misunderstanding in some of Senator Case's comments during the hearing. The only training covered by the Notice of Proposed Issuance of Letter of Offer transmitted to the Committee is the training needed to operate and maintain the C–130 aircraft; this training is estimated to cost about $2.9 million, though that figure could vary depending on where the training is done.

Any other training authorized by the Presidential Determination of March 25 would be paid for separately by the Government of Egypt. The policy of this Administration is that such training is expected to be quite limited and will be conducted at service schools where many other foreign officers including other Arab officers are already enrolled. This training will cost a mere fraction of the $25 million mentioned by Senator Case. This type of training does not involve the divulgence of classified information concerning U.S. combat tactics and strategy nor would it include training in the use of sophisticated military equipment. We would envisage giving such training to about 20 Egyptian officers this year.

I hope this information is useful to the Committee. Please let me know if I can be of further assistance.

Sincerely yours,
Robert H. McCloskey,
Assistant Secretary for Congressional Relations.

[From the New York Times, Apr. 9, 1976]

SADAT AFFIRMS THAT HE WANTS WEAPONS FROM U.S.

(By Alvin Shuster)

Rome, April 8.—President Anwar el-Sadat of Egypt said today that he would like to obtain more arms from the United States beyond the six transport planes that Washington has already agreed to sell them.

At a news conference here, Mr. Sadat took a calm view of suggestions from American officials that for the present he could expect only the six C–130 military aircraft. He said Egypt would clearly "welcome" more arms from the United States but "if it was not possible, O.K., that's fine, we'll get what we want from other countries."

The United States decision to sell the planes to Egypt represented the first step in ending a 20-year embargo on weapons to the country and followed Mr. Sadat's decision last month to abrogate Cairo's Treaty of Friendship and Cooperation with the Soviet Union. The sale stirred a controversy in the United States among members of Congress and the Jewish community. The Ford Administration suggested that nothing beyond the aircraft was under consideration now.

Mr. Sadat, who concluded a four-day visit to Italy with a visit to Pope Paul VI, said that Egypt regarded itself as independent of all "superpowers." And he took the opportunity to denounce the Soviet Union once again for not replacing Egyptian arms lost in the 1973 war with Israel.

Still, he said, he has managed to bring Egypt back to "full power" following the war and said if the reports were true that Israel now had atomic weapons "we shall not be scared at all."

"We shall not be the first to introduce atomic weapons into the area," he said, without making it clear whether Egypt had such weapons. "But if Israel introduces them she has to take the consequences."

Mr. Sadat, who now travels to Yugoslavia and Austria, stressed that he was clearly trying to obtain more arms from all available sources.

[From the Washington Post, March 26, 1976]

SADAT TO ASK UNITED STATES FOR JETS AND MISSILES

(By Don Oberdorfer)

Cairo, March 26.—President Anwar Sadat said today he will ask the United States to provide Egypt with jet fighter planes, antitank missiles and other weapons after the collapse of the nation's long-standing military relationship with the Soviet Union.

"I think I have the right now to ask for defensive weapons. When they asked me in the states I said I didn't have a shopping list. I can now said that I am in need, at least for defensive weapons," said Sadat in an interview at his presidential residence on the banks of the Nile.

Sadat called the U.S. proposal to sell Egypt six C–130 transport planes—submitted to Congress by the Ford administration amid objections from Israel—"a very small thing." But he made clear that the evolving relationship with the United States, symbolized by the first proposed military sale in two decades, is of prime importance to Egypt.

The Egyptian president, who announced abrogation of the Soviet-Egyptian friendship treaty in a speech 12 days ago, accused the Soviets of putting "a vicious squeeze" on him militarily and economically. He said the decision to abrogate the treaty, like his 1972 decision to send home Soviet military advisors and antiaircraft personnel, was "a pure Egyptian decision," made without consulting the United States.

Sadat confirmed rumors that the Soviets have been asked to leave the port of Alexandria, the last remaining naval support facility open to them on Egypt's Mediterranean coast. He said the Soviets would have to be out by April 14—one month after he announced his decision on the treaty.

While Sadat spoke, a U.S. guided-missile destroyer, the U.S.S. Dahlgren, was making a rare and symbolic port call on the port of Alexandria.

The Soviet Union has been the predominant outside power in Egypt for more than 20 years, providing almost all the equipment and arms for the Egyptian armed forces as well as large amounts of economic aid and an important commercial market. The United States had no diplomatic relations with Egypt from 1967 to early 1974, but since then has begun close diplomatic cooperation in efforts to solve the Arab-Israeli dispute. The United States has undertaken an economic aid program of about $1 billion to show support for Sadat's policies.

Calling this "a historical moment" in Egypt's relations with the great powers, Sadat traced in some detail his version of Soviet unresponsiveness to his military and economic requests. He described Egypt as caught in an untenable position without substantial military supplies, spare parts or overhaul for major weapons while the United States continues to arm Israel heavily and Soviet weapons continue to pour into Syria, a growing Arab political rival to Egypt.

Sadat is due to leave Monday for a two-week trip to France, West Germany, Italy, Yugoslavia and other European countries that he has approached in attempts to purchase arms to substitute for Soviet weapons. He repeated today that without replacement parts, his armed force would be "scrap" in about 18 months.

[In Paris, Egyptian War Minister Mohammed Gamassi said after a talk with French President Valery Giscard d'Estaing that France had agreed to sell more arms to Cairo and help build arms factories in Egypt, news agencies reported.]

While he has made no secret of his desire for a military supply relationship with the

United States, Sadat has formally lodged no request beyond the controversial C–130s.

He said he was making public his needs in order to explain his situation to the U.S. public and Congress.

Specifically, he said he is requesting F–5E jet fighter planes, which he described as "very moderate . . . not sophisticated" and which he said have been supplied to Iran, Saudi Arabia and Jordan. He also said he is requesting TOW anti-tank missiles as well as some communications and naval gear. The weapons are needed before the end of the year, he said.

Asked how he can assure that the arms will be only defensive as he maintains, he responded by citing, "my attitude toward peace, the steps I have already taken and the validity of my word."

[A State Department spokesman in Washington said Sadat had informally indicated his interest in the jet fighters, anti-tank missiles and other equipment to U.S. administration and congressional leaders, but the only weapons the administration was considering providing Egypt were the C-130s.]

Sadat called the Chinese gift of 30 jet engines to fit Egypt's Soviet-built Mig aircraft, plus some spare parts and other equipment, "a very encouraging act." The gift was made public by Egypt yesterday. China said it was not an arms merchant and thus would not sell, but give the arms to Egypt.

Sadat said that a major reason for the strain with the Soviet Union was Soviet disapproval of his cooperation with the United States in the step-by-step diplomatic process during the past two years. He said that in recent correspondence with him, Soviet leaders compained they were excluded from the peace-seeking process, particularly after the second disengagement agreement between Israel and Egypt last fall.

Wearing a blue pinstripe suit and fingering an unlit briar pipe, the former general spoke in English in a firm, clear voice during the nearly 60-minute interview. He displayed great interest in the political situation in the United States, making several references to the presidential election year.

Though earlier he had expressed hope for major strides toward peace in the middle east by 1976, he virtually conceded today that little progress is likely before the U.S. elections are over in November.

The step-by-step process of seeking peace by increments, in which he cooperated closely with the United States, has reached its end, he said. That a great "Leap" toward a settlement was now needed. He dismissed as "not workable at all" a plan being discussed by the United States and Israel in which Arab states would agree to "non-belligerency" in return for further partial withdrawals by Israel from occupied Arab lands.

Recent U.S. intelligence briefings for Congress which have been contested by Israel, reported that Israel retains a military edge over the Arabs. A CIA briefing a few days ago in Washington reportedly estimated that Israel has 10 to 20 nuclear weapons "ready and available for use."

[From the Washington Post, Mar. 3, 1976]

Arms Aid to Egypt Limited—Only 6 Planes On Tap for '76, Kissinger Says

(By Murrey Marder)

Secretary of State Henry A. Kissinger said yesterday that Egyptian President Anwar Sadat has agreed not to seek U.S. military equipment this year other than six military C-130 transport planes.

"Therefore there will be no further military sales this year," Kissinger told a Senate Foreign Relations subcommittee. His statement followed three weeks of intensive bargaining behind the scenes with members of the committee

Sadat said last week that he would ask for jet fighter planes, antitank missiles and other weapons to help replace military supplies he formerly received from the Soviet Union.

The administration cannot meet Sadat's requests without risking a politically damaging battle in an election year.

Kissinger's pledge appeared to have overcome the prospect of any effective Senate attempt to block the plane sale. There is stronger opposition in the House International Relations Committee. Both houses must act to veto the transaction.

The pledge extracted from the Ford administration leaves to the next administration, and possibly a new President, a decision on providing significant military supplies to Egypt.

This somewhat reduces the intended political symbolism of the sale of the six transports, but the sale still would end a 20-year embargo on U.S. arms for Egypt.

Sens. Jacob K. Javits (R-N.Y.) and Hubert H. Humphrey (D-Minn.), who have been bargaining with Kissinger said in a statement that, on the basis of Kissinger's assurance, they would file no objection to the transaction. To make doubly sure, they spelled out the assurances in their own language.

But Sen. Clifford P. Case (R-N.J.), the third major participant in the bargaining, said he still wants further assurance that the $65 million transaction will not permit American "training of (Egyptian) military personnel without limit."

Kissinger said that no more than "something like 20" Egyptian pilots will be trained to fly the planes, and only "a few hundred thousand dollars" of the $65 million would be used for that purpose.

Case said, "There is no limit on the kind or amount of military training that will be provided." Kissinger said he would see if that can be clarified.

Javits and Humphrey later said they are "working out an agreement which we hope will prohibit training in U.S. military strategy and tactics" for Egyptian pilots. This is intended to reduce the paradoxical danger that the United States may be training Egyptians in methods to counter American military equipment supplied to Israel, which is almost totally dependent on U.S. weapons.

Humphrey, the subcommittee chairman, said a fundamental question is whether the United States should be "the supplier of arms to both sides."

Kissinger reiterated to the committee that there is no U.S. "commitment" to sell Egypt anything beyond the six transport planes.

"President Sadat has informed us he does not intend to request any further military equipment for this calendar year," Kissinger said.

"In foreign policy," Kissinger said, "often the best thing you can do is to buy some time." He said "it is best to face the question of lethal equipment (for Egypt)" at a later date. "Next year," Kissinger said, "a peace process may be under way with different circumstances."

Humphrey said testimony was received Wednesday that Egypt is engaging in "a massive deception program to fool the West and Israel" that it is breaking its ties with the Soviet Union. The testimony was from Uri Ra'anan, a professor at the Fletcher School of Law and Diplomacy.

Kissinger said "it is our belief" that Egyptian President Sadat's policies "are genuine."

Sen. Stuart Symington (D-Mo.) said "this agreement worries me a great deal." He said the United States is "trying to buy peace." Kissinger denied it.

Other senators present, including Senate Democratic Leader Mike Mansfield (Mont.) supported the sale.

Kissinger told the senators that improved U.S. relations with the Arab nations are paying dividends, and without such contacts, "the situation in Lebanon would almost certainly have exploded in the last two weeks."

Important Quotes on Military Sales to Egypt

The following are some important quotes selected from statements and press articles pertinent to the sale of military equipment to Egypt.

FUTURE SALES

"We certainly do not seek to become the major arms supplier to Egypt."—Secretary Kissinger, 3–27–76, Senate Foreign Relations Committee hearings, in response to question from Sen. Percy.

"Egypt does not expect parity with Israel in U.S. military assistance *but would be satisfied with 40 per cent of American supplies to Israel*. Report by Chairman Morgan and members of a House of Representatives study mission which held talks with President Sadat and other Egyptian officials. Report is dated 3–3–76.

"I think I have the right now to ask for defensive weapons. When they asked me in the States I said I didn't have a shopping list. I can now say that I am in need, at least for defensive weapons," President Sadat in 3–26–76 interview with Don Oberdorfer of the Washington Post.

"Specifically he said he is requesting F–5E jet fighter planes which he described as 'very moderate . . . not sophisticated' and which he said have been supplied to Iran, Saudi Arabia and Jordan. He also said he is requesting TOW anti-tank missiles as well as some communications and naval gear," Washington Post interview with President Sadat, 3–26–76.

"Military sources here questioned whether such arms could be classified as defensive. The F–5E, they pointed out, while a less sophisticated aircraft than the MIG–21's and MIG–23's now in the Egyptian Air Force, have a combat radius, when armed with two sidewinder air-to-air missiles, of 875 miles, or suffice for the aircraft to operate over the Sinai Peninsula from bases in the Nile delta.

"Similarly, the TOW missiles can be used offensively from jeeps or armed (sic) cars when accompanying armor and infantry on attack."—3–28–76 N.Y. Times story by Drew Middleton.

"President Sadat's military advisors are thought to feel that if the U.S. Congress approves the deal, Egypt should attempt to purchase Raytheon Hawk anti-aircraft missiles, Northrop F–5E jet fighters, TOW anti-tank weapons, radar and other electronic equipment. Saudi Arabia, according to informants there, would probably fit the bill . . .

"For a number of months, some U.S. arms firms have been holding private discussions on the feasibility of various deals if approval were secured.

"Egyptian Defense Minister Ahmed Ismial, for example, has expressed interest in retrofitting Soviet-built MIG 19 and 21 aircraft with up-to-date weapons guidance systems, designed and built by Litton Industries, Inc."—Christian Science Monitor dispatch from Beirut, 3–5–76.

"The Ford Administration will gradually follow up the sale of six C–130 military transports to Egypt with a range of other military equipment, none of it weaponry, if Congress does not object too strongly, Administration sources said today. . . .

"Although State Department officials have been stressing what in defense jargon are called "nonlethal end items," Mr. Rumsfeld said it was conceivable that Egypt might eventually get some weapons.

"I would not be surprised to find a rifle or two on the list," he said jokingly.—New

York Times, 3-5-76 Washington article by Bernard Gwertzman.

"He expects the United States to sell weapons to Egypt as well as 'nonlethal' military equipment like the C-130 transport planes now under discussions with Congress."

"He would be surprised, he said, if Egypt's shift toward the U.S. for aid were 'limited simply to C-130's',"—Baltimore Sun article on Defense Secretary Donald Rumsfeld's 3-4-76 press conference.

STATUS OF EGYPTIAN EQUIPMENT

"In a year to 18 months, all the weapons in Egypt will be scrap."—Sadat in his 2-14-76 Cairo speech announcing the abrogation of Egypt's treaty and friendship with the Soviet Union.

"There is some evidence that Sadat and other officials have overstated the difficulty Egypt faces in keeping this (its Russian-made) equipment operable, although the problems are apparently genuine.

"Some foreign analysts believe that the huge military airlift by which Moscow resupplied Egypt during and after the 1973 war included stocks of replacement parts that have not yet been tapped. In addition, Foreign Minister Ismail Fahni told the committee of the People's Assembly the day after Sadat's speech that "We have arranged for the import of spare parts from other sources."—Washington Post dispatch from Cairo, 3-19-76.

"A close look at this list (a rundown of Egyptian weapons) based on reliable intelligence sources, suggests that supplies from the Soviet bloc definitely have not dried up, as Egypt has been claiming this year. During 1975 and the first months of this year, Egypt received arms worth $1.5 billion from the Russians."—Economist (of London) Foreign Report, 3-24-76.

"The Russians, who once had an estimated 15,000 military personnel in Egypt, still retain about 200 uniformed men here. Informed sources said these specialists do the delicate upkeep on the MIG-23's and on several hundred less advanced MIG-21's. They also maintain anti-aircraft surface-to-air missiles and their guidance systems."—Los Angeles Times, Cairo, 3-16-76.

"China gave Egypt 30 engines for its Russian-built jet fighters when the Soviet Union halted its military aid to Cairo, Egyptian President Anwar Sadat said Thursday."—Rome UPI dispatch quoting Sadat interview with the Italian news agency, ANSA.

"We will never permit our weapons to become useless pieces of steel . . . for lack of maintenance and spare parts . . . because the Soviet Union dos not supply what we need." Sadat in same interview.

"Early in November the Russians secretly resumed limited arms shipments to Egypt, the first since Moscow turned off the spigot last May . . .

"According to the Pentagon's intelligence experts, Soviet ships with military hardware began arriving in Alexandria and other Egyptian ports in the first days of this month. Described as 'low profile,' this flow is believed to consist of crates containing spare parts for airplanes and helicopters as well as for armored vehicles, artillery and trucks . . ." —Tad Szulc in The New Republic, 11-22-75

"Most significantly, since that operation (the Oct. 1973 replacement of 900 tanks) ended, during 1974-76, i.e. the beginning of Cairo's 'flirtation' with the Kissinger 'shuttle diplomacy' and the supposed 'rift' with Moscow, Egypt has received considerably more than 1,000 tons of Soviet manufacture, nearly one half being t-62, with some of the armor, however, coming indirectly via Algeria and Yugoslavia—a move that could not have been implemented without Soviet consent." "That is one heck of a lot of stuff."—Prof. Uri **Ra'naan**, testimony to 3-31 Senate Foreign Relations Subcommittee hearing.

CREDIBILITY

"Asked how can he be assured that the (American) arms will be only defensive as he maintains, he (Sadat) responded by citing 'my attitude toward peace, the steps I have already taken and the validity of my word'—Sadat in 3-26-76, Washington Post interview.

"A strategic cover . . . a splendid strategic distraction for our going to war." —President Sadat, in a Cairo Radio broadcast 10-24-75 cited on page 17 of testimony by Professor Ra'naan of Tufts University and the Russian Research Center at Harvard to the Senate Foreign Relations Committee, 3-31-76 on what Egyptian writer Al-Tawila called Sadat's "brilliant plan of political camouflage" when Russian advisors were ousted in advance of the 1973 attack on Israel.

IMPACT ON ISRAEL

"If Israel were to collapse as a result of armament supplied by the Soviet Union, or as a result of armament supplied by anybody, it would have the profoundest consequences for the survival of democratic governments that depend on the United States in many other parts of the world. It would strengthen all of the radical forces in an area on which a great deal of our energy supplies depend.

"Therefore, it would have profound consequences for our economy, and for the future stability of the world as a whole."—Kissinger testimony, 11-19-75, in response to questions from Senator Javits.

PAST STATEMENTS ON SALES

"We will discuss with the Egyptians certain arms assistance for them. Our aid to them in the military area is under discussion, and I would say (there is) to some extent an implied commitment. I think it is logical for us to make some commitment—it hasn't been refined—of military sales to Egypt."—President Ford 9-24-75 interview with Los Angeles Times.

"He (Sadat) did not submit a list to us, nor any specific request, and therefore the matter was left that it would be studied again in the future, without any decisions being made one way or another."—Senate Foreign Relations Committee hearing, 11-19-75 hearings, response to Senator Biden.

"Do I understand it that President Sadat has just talked about it in general terms and not submitted a list?"

"That is correct."—Kissinger testimony to House International Relations Committee, 11-6-75, questioned by Representative Lee Hamilton.

FUTURE COMMITMENT

"We have no commitments to Sadat beyond the six C-130's and the training of a few officers in the United States."—Kissinger to House International Relations Committee, 3-29-76.

"The letter (of offer) has been specifically written so as to apply only to the sale of C-130's and the training of some Egyptian officers in the United States. It does not commit the Senate or the Congress to any other decision."—Secretary Kissinger to Senate Foreign Relations Committee, 3-26-76.

"There is, at this moment, no specific program for military supply to Egypt."—Kissinger testimony to Senate Foreign Relations Committee, 3-16-76.

THE LACONIA MALLEABLE IRON CO., ONE OF OUR FINE SMALL BUSINESSES

Mr. McINTYRE. Mr. President, there are thousands of small businesses throughout the Nation which, in many respects, form the backbone of our country. They deserve to be recognized and honored, especially in this Bicentennial Year. I would particularly like to call the attention of my distinguished colleagues to the Laconia Malleable Iron Co. of Laconia, N.H. This company, which was founded in 1849, is one of New Hampshire's oldest and most distinguished industries.

I ask unanimous consent that the April 14 bulletin of the Small Business Administration, The Story of Laconia Malleable Iron Co., be printed in the Record at this point. Incidentally, I would like to compliment the Small Business Administration and its able Director, Bert Teague, for the excellent job they are doing in identifying the many fine small businesses in New Hampshire.

There being no objection, the bulletin was ordered to be printed in the Record, as follows:

THE STORY OF LACONIA MALLEABLE IRON CO.

Laconia Malleable Iron Company, Inc., acquired by Crouse-Hinds Company of Syracuse, New York, early in 1974, ranks as one of the oldest malleable iron companies in the nation.

Founded in 1849, its history dates back to the days of Ranlet Car Company when railroad cars were produced at the same 71 Water Street address in Laconia. About 81 years later, the foundry of the original company was incorporated April 26, 1930 as the Laconia Malleable Iron Company.

The many changes in ownership of the firm over more than 125 years reflect the vast changes that have affected our nation's economy through wars, depressions and the history of railroading.

The foundry, which is one of the largest employers in Laconia, has averaged 100 to 125 employees since the late Frank D. Brisse and Thomas J. Finn bought the company in 1939. More than 20 employees have been with the company 25 or more years and 28 others have been employed there 15 or more years.

Laconia Malleable achieved its greatest diversification in production from 1939 until Frank Brisse died in 1970, according to his brother Bernard F. Brisse who is presently general manager and sales manager of the Crouse-Hinds subsidiary. He joined the foundry in 1943 as plant engineer, while John McLaughlin, present manufacturing manager, began his career there in 1935 as a pattern maker.

The foundry currently produces more than 3,000 different items ranging from castings for Crouse-Hinds electrical equipment to such diverse products as insulator caps, gears and gear blanks, micrometer frames, gun receivers, parts for United States Army trucks and tanks, and valve handles for submarines. It even has a yearly order for about 1,200 pounds of three sizes of oxen shoes.

The biggest orders for its large volume of subcontract work are from United States government contractors, General Electric Company and Savage Arms.

One of Laconia Malleable's most interesting products is the Universal ground anchor for which it has the sole manufacturing rights in the United States. These drive-in arrowhead anchors, which are available in iron, steel and aluminum, provide a complete ground anchoring system for shelters, poles, radar towers, small aircraft, trees, signs and for securing boats offshore.

The Universal ground anchor has been produced since 1954 when two researchers, John F. Rockett Jr. and Lee M. Griswold of American Research & Development Corp. of Boston, were paid a flat fee of $5,000 to develop one or more ideas for new products. Articles about this venture appeared in *Business Week, Iron Age* and the *New Hampshire Sunday News*.

Laconia Malleable, whose trademark is an

"L" inside of a diamond, currently is housed in several small brick buildings having 70,000 square feet of floor space. Its two-acre site includes a railroad siding.

It is here that malleable iron and all grades of Pearlitic malleable iron castings have been produced in green sand molds since 1849. In 1950, the company also began using Corning process shell molds. The foundry makes CO_2 shell and air set cores, in addition to baked dry sand cores.

A pattern shop is maintained for producing master patterns for shell molding, as well as for repairing and altering customers' patterns. Four of the shop's physical design engineers are all-around foundrymen with years of experience.

New automatic coal-fired equipment, installed in the foundry in 1944, increased melting capacity from 12 to 33 tons per day. In 1972, a changeover was made from coal to No. 2 oil to meet the Environmental Protection Agency's new requirement for air quality.

For the foundry's melts, a mixture of 30% new pig iron, 50% remelted iron and 20% steel scrap is used. Each melt is analyzed in the company's complete laboratory facilities for carbon, silicon, manganese and sulphur content. Brinnell hardness testing is a standard procedure, and test wedges and bars from each anneal are physically tested. In addition, dye check and Magnaflux equipment is used, and complete sand tests are performed on a regular basis.

In tracing the foundry's history back to the original Ranlet Car Company, the earliest memento is a classified advertisement that appeared in the January 4, 1849 issue of the *New Hampshire Democrat* published in Meredith Bridge, which was renamed Laconia in 1852.

More of the early history appeared in a feature story in the November 11, 1915 issue of the *Boston Daily Globe*, which opened with the following paragraphs:

"It is probably the oldest railroad equipment company in the country that was never anything else. While in many instances car building was an outgrowth of earlier wagon and coach building, this company was established with the sole idea of making railroad cars and has been doing it ever since.

"It was in 1848 that Charles Ranlet, a native of Gilford, began the business in that part of town which is now Laconia, then known as Meredith Bridge. In that year the Boston, Concord & Montreal Railroad was building North from Concord to Plymouth. Mr. Ranlet, a man of mechanical turn of mind, and at one time a clockmaker, decided that there was a good opportunity in making the cars it would need.

"An abundance of oak, old growth pine and other native lumber made the location a good one, labor was cheap and oxen were plentiful for hauling the cars to the railroad."

First called the C. Ranlet Car Manufacturing Co., the name of the firm was changed to simply Ranlet Car Company in May of 1850, when Charles' brother, Joseph, became a partner. When Charles died in October, 1861, Joseph formed a partnership with John C. Moulton and the company name was changed to the Moulton & Ranlet Car Company. Then, in 1865, a third partner, Perley Putnam, joined them and the corporate name became the Ranlet Manufacturing Company. Joseph Ranlet retired in 1878.

Three years later, a fire destroyed most of the plant. Within a few months, however, production resumed in new brick buildings that still stand today.

The company was reorganized in 1882 as the Laconia Car Company with Moulton and Putnam remaining as principal owners. Then, in 1889, Moulton sold his share of the business to Putnam who managed the firm until 1897, when he in turn sold it to Frank Jones of Portsmouth, a Congressman and president of the Boston & Maine Railroad.

A four-page article about the company appeared in "The Illustrated Laconian History and Industries of Laconia 1899," including a full-page picture of the seven-acre building site with its railroad siding. The article said: "It is the largest single industry in the city of Laconia and also one of the largest, most important and most widely known in New Hampshire." The article described the various types of railroad cars produced—freight cars, passenger cars, parlor cars and the newer electric street cars.

By this time, the company was employing 500 men and its main offices were in Boston, Massachusetts. Judge Calvin Page became president of the firm in 1902, when Frank Jones died, and 10 years later the company changed hands once again. This time Laconia Car Company was managed by three banking houses in Massachusetts with Carnell S. Hawley serving as president.

According to the *Boston Daily Globe* story of November 11, 1915, the company consisted of 54 buildings that occupied about 14 acres and it employed some 1,000 persons. It was the largest industry in the state north of Manchester. Its freight car building capacity had climbed to 20 cars a day and equipment was being installed to produce steel cars. The company was also engaged in subcontract work from the Canadian Car & Foundry Company for forging and machining three-inch shells for Russia.

The World War I years proved to be prosperous ones for the company, with many diversified products being shipped not only for the War effort but to national and international businesses. When the war drew to a close, the company continued its production of railroad and street cars.

A Laconia Chamber of Commerce 1928 booklet had this to say about the company: "There are 37 industries—perhaps the most notable being the Laconia Car Works whose electric cars are seen on the streets of practically every city in the land, and whose railroad coaches and freight cars are found on all railways. A recent development of this firm is the manufacture of speed boats for outboard motors."

After more than 80 years as part of a complex of manufacturing facilities engaged in producing railway and street cars, the foundry was the sole survivor when the Laconia Car Company was liquidated in 1930.

An article in *The Laconia Evening Citizen* of April 23, 1930 stated that S. W. Tyler and Ellsworth Rollins have formed a company "to save the foundry industry and keep 60 men employed there, when it became evident that the closing of the foundry as part of the general scheme of liquidation was imminent.

Three days later, Laconia Malleable Iron Company was incorporated with Arthur O'Shea as the first president. Then, in 1939, Frank D. Brisse and Thomas J. Finn bought the company, and Finn became president and Brisse vice president.

Their titles were reversed in 1941 when Brisse bought controlling interest in the company, and a year later Brisse completely bought out Finn's interest.

Other members of the Brisse family soon entered the business. Frank Brisse's father, William, a veteran foundryman and pattern maker, moved from Detroit to Laconia in 1941 and resumed his trade after a ten-year retirement. He died in 1944.

Then, Bernard Brisse, Frank's brother, became plant engineer in 1943. And when Frank died in 1971, his son William became president, serving until his resignation in 1973. At that point, Bernard Brisse, who had been general manager and vice president, became president. He now serves the Crouse-Hinds subsidiary as general manager and sales manager.

Although most of the land and buildings that once housed the colorful and thriving Laconia Car Company have been sold, there is a feeling of continuity in the site. This is evident when one sees the red brick buildings that house diversified manufacturing lines and employ hundreds of men and women.

The feeling of continuity is especially strong when viewing the original malleable iron foundry with its adjoining buildings and huge smoke stack, which still carries faint tracings of the Laconia Car Company name.

Today, it is this foundry that still produces malleable iron castings and even oxen shoes as it did 127 years ago. It is now the state's lone malleable iron foundry and one of only five throughout New England, serving customers across the nation as part of Crouse-Hinds world-wide operations.

TODD ULRICH OF CANTON, PA., WINS ESSAY AWARD

Mr. HUGH SCOTT. Mr. President, Todd Ulrich, a senior at Canton Area High School in Canton, Pa., has been awarded second place in the 1976 Voice of Democracy Contest, sponsored by the Veterans of Foreign Wars. His essay "Today's Bicentennial—Tomorrow's Future," shows an insight and love of country which is inspirational. I ask unanimous consent that this fine essay be printed in the Record.

There being no objection, the essay was ordered to be printed in the Record, as follows:

Today's Bicentennial—Tomorrow's Future

"Thou too, sail on, O Ship of State!"
"Sail on, O Union, strong and great!"

Henry Wadsworth Longfellow wrote these words about the United States. The ship has sailed on, bringing democracy and freedom to peoples the world over. I believe our Bicentennial in 1976 is a time to reflect on our heritage and history, not to dwell on our past; but to use it as a building block for the next two-hundred years.

The Bicentennial salutes a country that has opened her doors to people of all lands—people from countries plagued by droughts, disease, starvation, and political instability. These people have found a home in America. Time after time the United States has given sanctuary to the homeless, asking for nothing in return, while giving them citizenship in a country of freedom. There are no iron doors to keep anyone out, nor any barbed wire fences to keep anyone in. Our country is truly "the land of the free and the home of the brave."

1976 salutes a country that fought for the right of people the world over to make their own decisions. From the Revolutionary War to the Vietnam War Americans have fought for democracy. They were not fighting to gain land, but to gain respect for that individual country. There have been many American military heroes of many different backgrounds. However, they all have had the taste of freedom—which gave them the motivation to fight for the red, white, and blue through hard and trying times.

Inflation and recession have recently gripped the United States. Americans grumble about spiraling inflation and the high unemployment rate. Is this any condition for a country celebrating her two-hundredth birthday to face? Yes! America has the highest standard of living in the world, the best education system, the best medical care, the list is infinite. The point is, regardless of what hardships the United States faces now or will ever face in the future, it can and will surmount them. Standing for two-hundred years is a feat unmatched in the democratic world, and I'm sure that Americans, through the democratic process will keep this country on her feet two-hundred more years.

Our Bicentennial celebration pays tribute to the United States rich heritage: the pilgrims' dying in the first dreadful winter; George Washington and his men at Valley Forge—sick, cold, starving, and dying—but surviving for the cause of freedom; the pioneers settling the West, battling the elements for a home of their own; Thoreau at Walden Pond; Lincoln at Gettysburg; FDR bringing the nation out of depression; Mark Twain's tales of the Mid-West; John Kennedy in his quest for truth; and the countless numbers of men that gave their lives so the flag would remain flying for liberty and justice.

Francis Scott Key was inspired by the Battle of Fort McHenry to write "Oh Say Can You See . . . that our flag is still there." And our flag has been there ever since for two-hundred years. The stars and stripes has flown through times of depression, recession, world wars, political scandals, inflation, and countless other hardships. But through it all the flag is still there—a symbol of freedom, a salute to our founding fathers, a testimonial to democracy, and a promise for a tomorrow.

FORMER INDIANAPOLIS MAYOR REGINALD SULLIVAN CELEBRATES 100TH BIRTHDAY

Mr. BAYH. Mr. President, I would like to call to the attention of my colleagues in the Senate the fact that former Indianapolis Mayor Reginald Sullivan recently celebrated his 100th birthday.

Born on March 10, 1876, Sullivan, a Democrat, served two terms as mayor: from 1929 to 1933 and from 1939 to 1943. In 1938 he was "drafted" to run for his second term as mayor after a petition was circulated which was signed by 50,000 voters urging him to seek reelection. Needless to say he had no problem winning.

Acutely aware of the responsibilities of holding public office Mayor Sullivan once described the most trying experience of his years in public office. Sullivan said:

> It was without a doubt when I was faced with a choice of naming one of two friends of mine to an important job in city government. I'm still not sure I made the right decision.

At his birthday celebration in Indianapolis, Sullivan told 300 friends and well-wishers that the secret to his longevity was drinking with moderation and smoking without restraint.

Mr. President, it is my belief that Mayor Sullivan's career as a public servant is a fine example to my fellow Hoosiers. He is a friend to us all and I am pleased to be able to commend him on the occasion of his 100th birthday.

ADMIRAL LA ROCQUE REBUTS SCHLESINGER'S GLOOMY VIEW

Mr. HATFIELD. Mr. President, former Secretary of Defense Schlesinger recently wrote an article for Fortune magazine in which he decried what he perceives as a "failure of will" on the part of the United States and her allies, a failure manifested in an apparent reluctance to continue a massive arms buildup. Believing that Mr. Schlesinger is not the only authority on the subject, I asked Adm. Gene La Rocque of the Center for Defense Information to respond to the article.

Admiral La Rocque has sent me an excellent rebuttal to Mr. Schlesinger's contentions, one that will be of particular value as we try to add some substance to the sloganeering about who's "No. 1" in military strength.

I commend the admiral's response to all of my colleagues, and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Selling of a Threat

(By Adm. Gene La Rocque)

Over the course of the last few months, the proponents of increased military spending have engaged in a massive public relations blitz in the national news media. The goal of this intensive lobbying effort is the passage of the Pentagon's $112.7 Billion military budget, the largest in the history of the United States.

Advocates for increased military spending portray an image of the United States as a second-rate military power confronted by an ever-growing Russian threat. Recent books and articles in national news magazines—under such titles as "Can America Win the Next War?" or "Is America No. 2?"—are gloomy scenarios of the apparent decline in American military might.

The most outspoken defender of increased military outlays has been the former Secretary of Defense, James R. Schlesinger. In speeches, interviews, and articles, the former Pentagon chief in neo-Churchillian rhetoric describes his view of the decline and fall of American military strength.

In particular, Schlesinger attacks what he considers the "faltering of American purpose" and the preoccupation with our "internal problems and internal divisions."

Writing in a recent issue of Fortune magazine, he branded "the loss of vision, the loss of moral stamina, the loss of national purpose" as the "gravest problem for the Western world." This perceived loss of will and direction Schlesinger suggests is manifest in the reluctance of Congress to support ever increasing military budgets.

Schlesinger is typical of many today who see international affairs primarily in military terms. Recently he said, "The world has become a single strategic theater. It is plain that Angola was one of the early dominoes that fell after the fall of Vietnam, and that this process of the gradual erosion of Western influence will continue until such time as we, or our allies, are prepared to call a halt."

This narrow image of the role of the United States in the world fosters the view that national security can be measured only in terms of military power, and the only way to maintain our status as a superpower, is to demonstrate our ability and will to intervene militarily in any local crises—no matter how small or peripheral to American interests.

The Soviet Union's military capacities are significant, but there is no evidence Moscow is racing ahead of the United States in overall military strength.

Since 1960 the Soviets have placed much money, resources, manpower, and planning into developing their strategic nuclear missiles and air defense forces in an attempt to match the rapid growth of the United States land based ICBM and Polaris missile submarines during the early 1960's.

In strategic nuclear weapons the U.S. has outstripped the Soviet Union in recent years. Since 1970, the United States deployed more than six times as many strategic nuclear weapons than the Soviets. Today the United States has 8,500 strategic nuclear weapons compared with 2,500 for the Soviet Union. The United States has significant superiority in nuclear weaponry, although some U.S. officials imply that the U.S. is inferior.

The large throw weight capacity of Russian missiles will permit the Russians to increase their deliverable nuclear weapons in the future if they choose to follow the U.S. lead. Since both the U.S. and U.S.S.R. can destroy each other many times now, and there is no defense against a missile attack, it is senseless, destabilizing, and dangerous for both countries to continue the rapid build up of nuclear weapon forces.

The Soviets have increased the size of their military establishment from three million men in 1960 to 4.4 million men today, primarily as a defense against China which has the largest land army in the world. Since 1960 Moscow deployed about a quarter of its army and air force strength to the Sino-Soviet border region in the wake of the split between the two communist states in 1959. The Soviet's fear of a possible war with China has had a major impact on the nature of Soviet conventional and nuclear military policy.

A serious weakness in the Soviet military posture is their very high turn-over rate in military personnel. The Russians draft about one million men twice a year. They replace almost a quarter of their enlisted men every six months. Because of this high turn-over, the Soviet must conduct extensive basic training of men in front line divisions. Because of this Soviet divisions cannot maintain a high level of combat readiness. In the United States, with a professional military force, only about 3.6 percent of the total manpower is in basic training.

There is a general impression that the Soviets have had only success in their major foreign policy in the past few years. In fact, over the past few years the Soviets have suffered major foreign policy setbacks.

The Portuguese Communist Party—one of the most pro-Moscow in Western Europe—failed in its attempt to capture the leadership of the revolution following the fall of the 40 year-old dictatorial regime during the coup of April 1974.

Since the fall of Saigon last year, the Soviet Union has had considerably less influence in Vietnam than during the war as the North Vietnamese pursue an independent course between China and the U.S.S.R. The Soviet's Mideast policy is in total shambles. Egypt has ended the Egyptian-Soviet Friendship treaty, and Syria appears to be moving to establish a better working relationship with the United States.

The communist parties in France, Spain, and Italy are increasingly independent of Moscow. Also Yugoslavia and Romania continue their independent foreign policies, and there are reports of a renewal of armed encounters between Soviet and Chinese units along the Manchurian border.

In Angola it is too early to tell whether or not the Soviets have made any real headway or have just become trapped into a failure reminiscent of their Congo fiasco in the early 1960's.

The period of greater expansion of Soviet power and influence in Eastern Europe occurred during the early post-war years of the late 1940's, when the United States had a nuclear weapon monopoly and a clear cut edge in air and naval forces.

Another aspect of Schlesinger's public statements is in his use of defense figures. In his article in *Fortune*, Schlesinger stated:

> "In the United States during the last decade, the defense effort has been cut approximately in half, on a proportional basis. This decline has been reflected in every relevant measure—share of G.N.P., share of government spending, and so forth."

This simply is not so. The military budget of the United States ten years ago was $55.9 Billion and today the Pentagon is asking for $112.7 Billion or more than double the amount for 1966. Even so, there is no automatic need to increase the amount of money spent for military forces simply because the overall federal budget has increased. To argue that military budgets should increase with every increase in the federal budget is to say that with every increase in social security payments there should be a concomitant increase in military spending without regard to the threat to our commitments to other nations. There is little logic in allocating funds for the military as a fixed percentage of the overall federal budget. The allocation of resources should be based on our military needs.

In the European states of NATO and the Warsaw Pact, there has been a general *decrease* in the percent of the national budgets devoted to military spending over the last five years. But in terms of actual funding, the military spending for these nations has gone up.

Another factor that must be taken into account is the percentage of the G.N.P. devoted to military spending. To argue that an increase in the G.N.P. requires an increase in funds for the armed forces is likewise unreasonable and without meaning. The G.N.P. of the United States doubled from 1955 to 1974 while the percent of G.N.P. in the United States devoted to military spending dropped from 8 percent to 6 percent. Nevertheless, the money spent for its military forces nearly doubled in the same period. A decline in our G.N.P. would not automatically call for a decline in our military expenditures anymore than an increase in G.N.P. rationally calls for an increase in military spending.

The United States should spend what is necessary for a proper defense of this nation, and not attempt to tie military spending to a certain percentage of the G.N.P. or the federal budget.

Another faulty statistical comparison is to quote CIA estimates of Soviet defense costs. At best these estimates are crude, and at worst can be very misleading. Schlesinger stated in his *Fortune* article, "In the aggregate, the CIA estimates, the Soviet outspend the United States in dollar equivalents by about 45 percent."

The figures would on the surface appear to be a reason for great concern, but the key words in the sentence are not "45 percent" but the phrase "in dollar equivalents." There are no exact "dollar equivalents" because the ruble is not convertable into Western money, and the CIA must resort to a questionable and tortuous process to achieve "equivalents."

Without attempting to measure actual Soviet military costs, the CIA calculates how much it would cost the United States in dollars to reproduce the Soviet defense establishment. Because of this, the figures are misleading due to the fact that the manpower and equipment costs for both superpowers are radically different.

The pay scale and retirement benefits for Soviet military personnel are nowhere as near as great as for the American military. The U.S. Navy recruit receives a starting pay of 30 times the amount that a Soviet naval conscript receives. The Soviet Army's pay for a draftee is only about $4 per month. In the American Army a recruit pay is $361 per month. When the CIA estimates the cost of the Soviet military pay they estimate on United States military pay scales. This obviously distorts the results.

Estimating equipment costs is also very misleading. If the Soviets attempted to match some of America's advanced weapons, the costs in rubles would literally run into the trillions, because the Soviets have yet to develop the technological base needed to produce some of these systems. This is particularly true in regards to electronic miniaturization, advanced computers, and composite materials.

Most significantly, the CIA states that the "dollar equivalents" cost estimates should not be used alone to infer the relative capabilities or combat effectiveness of Soviet vs. American military units.

At the present, the U.S. Congress has before it the largest military budget in the history of the nation, $112.7 Billion, a 15 percent increase over last year's budget. In terms of overall costs, the executive branch request is greater than all the Federal budgets from 1789 to 1933 added together.

Senator John L. McClellan, D-Arkansas, chairman of the Senate Armed Services Committee, summed up the core of the problem facing Congress:

"This is the largest defense budget in the history of our nation . . . Yet, we are at peace and are in an era of detente with our international rivals. The American people are asking for an explanation of this paradox—if we are at peace and in an era of detente, why must we carry the burden of the largest military budget in our two centuries of independence?"

A greater and greater share of the American economy is being consumed by the military sector. Since World War II, the United States has spent over $200 billion on basic research and development, of which a full 80 percent has gone to military and military-related projects. One-half of all American scientists and technicians are working on military-related problems. But while the United States expends limited resources on over-priced and unneeded weapons, we lag behind other nations in such basic areas as infant mortality (17th), life expectancy (20th), and public expenditures on health (10th).

The critical question facing the United States is not a "lack of will" as Schlesinger likes to point out, but why must we continue to waste our funds on weapons that are not needed or contribute in only marginal ways to our defense. Must we continue to spend billions on massive weapons programs such as the B–1 Bomber, the strike cruiser, or the cruise missile, which do not add to our national defense, while our cities rot and our health-care standards remain below that of most of the Western European nations?

The United States is a world leader, and legitimate defense needs must be met, but we are not the world's policeman. More weapons and more nuclear overkill do not equal greater national security. The executive branch's request is 15 percent higher than last year's military budget. With a 7-percent built-in inflation factor, the Pentagon is requesting an 8-percent real growth, although former Pentagon chief Schlesinger recently called for a more limited increase of only 2 to 3 percent in real growth in our defense effort.

If no allowance is made for inflation, the Pentagon would be required to take measures to reduce costs of present programs in order to maintain the same level of defense effort. If a 7-percent inflation increase is authorized by the Congress, no reduction in current ongoing programs would be required to maintain the current level of defense readiness. Such a spending plateau would not mean a decline in America's capabilities or even a leveling of our capabilities.

In final analysis, an inflation increase should be an element in military budget planning, and perhaps a modest 1-percent real growth increase can be justified. If this is done, the Pentagon budget will be increased by 8 percent over last year. This 8 percent would still result in a savings of over $6.4 billion from the proposed military budget, and would not decrease in any way our defensive strength.

THOSE FANTASTIC BENNETTS

Mr. PELL. Mr. President, I rise today to pay tribute to a family of uncommon skill and accomplishments—the Bennetts of Cranston, R.I. According to a recent article appearing in the Rhode Islander magazine of the Providence Sunday Journal, the Bennetts "comprise perhaps the most remarkable family in American hockey history." Mr. President, this is not an idle assertion.

Five members of the same family have played or are now playing professional hockey, with a sixth soon to join them. Father Harvey, Sr, once played for the Boston Bruins and the Providence Reds; sons Curt and Harvey, Jr., are currently in the National Hockey League where a mere 5 percent of the combatants are Americans. Curt has been on the NHL all-star team for the past two seasons as a member of the Atlanta Flames, while brother Harvey holds down a left wing position for the local Washington Capitals. Another son, John, played for a short time with the World Hockey Association after an excellent term with Brown University's hockey team. Bill, age 22, is currently preparing for the big time by playing in the minor leagues while the youngest son, Jimmy, started for Brown University's championship team this past season as a freshman.

Mr. President, I commend Ham Davis, former chief of the Providence Journal's Washington bureau and now New York bureau chief for the Gannett Newspapers, who wrote the article on this exceptional family, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THOSE FANTASTIC BENNETTS

(By Hamilton E. Davis)

It is 10:30 on a raw, iron grey Sunday morning in late January. The sprawl of warehouses and freight yards lying between Allens Avenue and the Providence River is mostly deserted, except for the two dozen or so cars parked outside the Cranston Ice Bowl. Inside, a handful of men and a few women stand along the rink boards, watching the incoherent swirl of a kid's hockey game.

Observing the proceedings is a tall, lean, hawk-faced man, wearing a red jacket, who occasionally takes a youngster aside to deliver some quiet advice. Also watching is an 18-year-old wearing Brown University hockey pants and a Cranston East jersey. When the game is over and the kids are fooling around, the youth swings easily around one end of the rink, blond hair flying, ragging the pick with the kids.

The tall man is Harvey Bennett, a former goalie with the Providence Reds, and, briefly, the Boston Bruins; he now runs a hockey school for youngsters at the ice bowl. The young man in the Cranston East jersey is his son, Jimmy, the youngest of five brothers who together comprise perhaps the most remarkable family in American hockey history.

Consider: The oldest brother, Curt Bennett, now 27 and a former All America player at Brown University, is a starting left wing for the Atlanta Flames. In a game dominated overwhelmingly by Canadian hockey players, Bennett has made the National Hockey League All-Star team for the last two years.

He's the leading goal scorer on the Flames, and second in total points.

His younger brother Harvey, 23, who graduated from Boston College, is a left wing for the Washington Capitals. Only a part-time player in college, Harvey is now clouding his former coach's reputation by turning in strong performances on the most woebegone team in the NHL.

Bill Bennett, 22, passed up college to play junior hockey in Canada with the Windsor Spitfires, then moved to Waterloo, Iowa. He has been plagued with a hernia problem, but that has been corrected by surgery and he is now playing with Central Wisconsin of the United States League. When he skates his way back into shape, he hopes to move to Fort Wayne of the International League.

Jimmy, the youngest, now a freshman at Brown, also plays left wing, and according to his brother, Curt, may be the best of the lot. He broke a knuckle in a game against Harvard early in the season, but came back and saw plenty of action as Brown compiled its best record ever and fought for the national championship.

The only brother not playing hockey now is John, 25, who is studying medicine in Guadalajara, Mexico. Like his brothers, a great player at Cranston East, John played at Brown, and then with the Philadelphia Blazers of the World Hockey Association.

Given the long season in the pro leagues and the traveling involved, the Bennetts seldom get together during the season. But a passerby who notices a ball hockey game in the driveway of the Bennett home in Edgewood on a summer day will be looking at the best ball hockey team anywhere.

The crowd at the Nassau Coliseum on Long Island is restless, eager. This is a grudge match, an important game. The hometown Islanders are tied with the Atlanta Flames for second place in the Patrick Division of the NHL. Both trail the Philadelphia Flyers and lead the bedraggled New York Rangers.

The Flames start their high scoring line that has Tom Lysiak at center with Curt Bennett at left wing, and Hill Graves at right wing. When the referee drops the puck at center ice it squirts past Bennett and goes to the boards. Bennett sprints and goes for it, racing Dave Lewis, the Islander defenseman. Bennett wins the race, but before he gets to the puck he takes a smashing elbow to the side of the head from Lewis, and in an instant, the sticks are down and the gloves are off.

Only a few punches are thrown before the referees separate the two, leaving Bennett in an uncharacteristic rage. "I wish they had let 'em go," his coach, Fred Creighton, said later. "If I was a betting man, I would have put my money on Bennett."

The first 10 seconds sets the pattern for the game: mean, nasty and low scoring. Bennett gets two roughing penalties, and Lewis gets two minutes for elbowing and two for roughing, leaving the two teams to play four minutes with five men each on the ice.

There is no scoring in the first period, but the Islanders are forcing the play. They are a tightly disciplined, tight-checking team. Bennett has two of the Flames' best chances to score in the first period. He very nearly scores on a backhand from the slot, but is frustrated by the Islander goalie. A few minutes later, playing left wing on the Flames' power play while the Islanders are a man down, Bennett gets a clean shot from the left side, and just misses the top of the net.

Despite these two misses, it is clear why Bennett scores so well for Atlanta. For one thing, he works harder than most of the players on the ice, back checking hard and hustling hard in the corners. Unusually tall at six feet, three inches, he has deceptive speed, taking long strides. But most of all he is a thinking hockey player.

He does not have the cannon-like slap shot that awes fans, but is hard to control. Rather, he positions himself well around the net and uses a quick wrist shot that is extremely effective. And at 205 pounds, he is hard to push around in front of the net.

On this night, the Islanders are carrying the play to the Flames, taking more shots in all three periods. The Flames score first, but the Islanders come back and the game ends in a 2–2 tie. The Flames, playing on enemy ice, get a point in the standings and have to count themselves lucky. "They could have blown us out of the rink," Bennett says afterward in the Flames' locker room.

Bennett, says his coach, Fred Creighton, is one of the most improved players in the league, and in fact, is one of the NHL's top left wings—hard-working, dedicated, a good competitor. "If there is anything I would like to see, it would be to have him take the body more," Creighton says. But Bennett doesn't get pushed around much, he continues. "The word around the league is that they're better off letting him sleep," Creighton says.

In the locker room, Bennett shrugs off a question about the elbow to the head from Lewis. "Just got me into the game," he says.

But earlier in the day, talking at a nearby Holiday Inn about his career, Bennett expressed some ambivalence about life in professional hockey. One of his main problems is what he calls the constant "intimidation" in the league. When he broke into the pros, it seemed as if he was always having to fight, he recalled.

The professional game was far different from the play in American high schools and colleges. Part of it, of course, was the level of skill. Playing much shorter schedules. American youngsters generally can't skate with the Canadians, and can't shoot or stick handle as well either. "High school and college hockey is emotional, but not very skilled," Bennett said.

He was able to pick up these skills, although it was difficult. Drafted by the St. Louis Blues, he played a year at Kansas City, but spent much of his second season bouncing between Denver and St. Louis. He made that switch five times in one year; it seemed as though his clothes were always in the other city. And he very nearly gave up.

In that summer, however, he was traded to the Rangers, played briefly in New York, and then went to Atlanta, where his career caught fire.

During this time, Bennett worked hard at the physical aspect of the game. He learned karate and became an accomplished boxer. He worked out fanatically. This has earned him some relative peace from the back alley aspects of the game: He is bigger than most of the men he plays against, and they are testing him less. Still, he doesn't like that aspect of the game, and he conceded frankly that at times it has left him very discouraged.

It has bothered young Harvey too, according to his parents. When Harvey was with Pittsburgh, his mother Diana recalled, he felt that he was being used as a goon. And he was pleased when, upon being traded to Washington, he was told by his new coach that he could fight when he felt it was necessary, but that he was there to play hockey.

It is a difficulty that is likely to plague any American player. The American who plays in high school and college plays pretty much for fun; he does not have to sacrifice his education and possible secondary careers. That is very often not true of the Canadians. They start playing earlier, and by age 16 or 17 are committed to a professional career. For them, hockey often is the only thing standing between them and a lifetime of menial work in a small Canadian town.

Bennett, according to the team's public relations man, is the team intellectual. He speaks Russian, has dabbled in yoga and transcendental meditation, and travels extensively. He has also studied broadcast journalism. Despite these broad interests and his solid education, and despite also occasional ambivalence about professional hockey, he says he has no other career in mind.

"Hockey is my career," he said simply. "It's my life."

Although he spent most of his career in the minor leagues, and although in some ways his sons are eclipsing his record in the game, the member of the family to whom hockey has always been a way of life is Harvey Bennett Sr. Born in Regina, Saskatchewan, he began playing junior hockey at 17 in Oshawa. A goalie, he went from there to Hershey, Pennsylvania, and then to the Providence Reds, where he played from the late 1940s until 1959. Harvey now runs a sporting goods store. He and Diana live in a comfortable home overlooking the pond in Roger Williams Park.

The home is a monument to hockey. Harvey's goalie skates, now bronzed, grace a hall shelf. The television set in the den is flanked by massed ranks of trophies. After a recent session of his hockey school, Harvey and Diana relaxed there for an hour and talked about how they brought up their boys.

"Honestly, I think it was the hockey school that did it," Harvey said. "The kids played every Sunday, but it wasn't a formal thing. We have no such thing as registration. When you come, you play, but if you don't feel like playing hockey you can stay home and watch cartoons.

"We try to make sure the boys carry the puck a lot, keep their heads up and shoot with the wrist. We try to tell the kid not to take that slap shot," Harvey said.

"They made it fun for the boys," Diana said. "And no matter how good they were, there was always somebody better at home."

Harvey was a major influence at all times in his boys' career. For example, when Curt was being wooed by the World Hockey Association before going to the Flames, his father opposed the idea vigorously, and it was dropped.

Hockey didn't keep the Bennett boys from other sports. They played them all, and Curt particularly has been a tournament class amateur tennis player. At first they didn't want to play tennis, Diana said, but she told them if they could beat her she'd give them five dollars. Which was enough to get them involved. "Tennis was good for coordination and timing," she said.

"And we always played everything as a family," she continued. "Soccer on Sundays and so on." Her boys, she said, often tease her about how much hockey she knows—"Billy is always telling me I don't know anything." But that is not likely: Diana played for the first women's hockey team back in Regina in 1938, and no one could live in the Bennett household for long without absorbing a hockey education.

With all the successes, the Bennetts have had to live with tragedy also. A sixth son, Peter, drowned at the pond at Roger Williams Park three years ago while trying to rescue the family dog, which had fallen through the ice. He was 11 years old.

Now that the boys are launched, the Bennett parents maintain a rigorous schedule trying to keep up with the careers of their children. They see Jimmy play for Brown whenever they are able. And they go to Boston when the Flames or Capitals are coming in there.

They can get Atlanta home games and Washington home games on the radio, but it can lead to some scheduling difficulties. One night recently, they caught Curt's game from Atlanta early in the evening, then tuned in to Harvey's game in Oakland, California, which started three hours later. Then there have been the times when the brothers have opposed one another.

It happened when Harvey was playing with Pittsburgh and the Penguins played Atlanta, Pittsburgh won, but Curt Bennett got the only goal for Atlanta, which was perfectly satisfactory to the Rhode Island Bennetts.

The situation that tests them most, however, is when a Bennett is playing the Canadians in Montreal. No Montreal station—at least none that broadcasts in English—can be picked up in Rhode Island. So they call a friend in Montreal near the end of the third period, the friend puts the telephone near his radio, and the Bennetts listen to the last part of the game by phone.

They are able to accommodate a sizable audience this way: There are five telephone extensions scattered around the house.

PROF. JOHN J. BRODERICK

Mr. BAYH. Mr. President, I want to commend one of Indiana's finest "adopted sons," Prof. Emeritus John J. "the Chief" Broderick on his departure from Notre Dame Law School after 30 years of service. Professor Broderick will be leaving to help start the new law school associated with Campbell College in North Carolina. As a member of the Notre Dame Law Advisory Council I have had the privilege of working with the "Chief" and observing his many contributions to the law school and its students. In my opinion, there is no person better qualified to nuture a beginning law school.

Professor Broderick's legal scholarship is of the highest caliber, characterized by rigorous discipline, tireless effort, and innovative thought. His teaching of law demonstrates that the profession requires more than technical expertise. All his efforts center around working directly with students giving them careful instruction and dedicated concern. In his position as a professor of law and in his personal life Professor Broderick instills a sense of honesty and respect in the aspiring attorneys he teaches and his colleagues at the school of law.

The "Chief's" energy and interest in the people around him will be the most valuable assets he takes to the Campbell Law School. In years to come, Campbell lawyers will find him an inspiring source of insight into the study of law, and an example of excellence and integrity in the legal profession. In keeping with his nature as a selfless teacher and friend to his students, Jack Broderick will help Campbell Law School develop an outstanding reputation and train excellent lawyers.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 1977

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, Senate Concurrent Resolution 109, which the clerk will state.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 109) setting forth the congressional budget for the United States Government for the fiscal year 1977 (and revising the congressional budget for the transition quarter beginning July 1, 1976).

AMENDMENT NO. 1588

The PRESIDING OFFICER. The pending question is on the adoption of amendment number 1588 of the Senator from Indiana (Mr. BAYH), on which there is a time limitation of 30 minutes.

Mr. BAYH. Mr. President, I ask unanimous consent that we dispense with the reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 7, strike out "$412,600,000,000" and insert in lieu thereof "$412,700,000,000."

On page 1, line 9, strike out "$454,900,000,000" and insert in lieu thereof "$455,000,000,000".

On page 2, line 2, strike out "$50,200,000,000" and insert in lieu thereof "$50,300,000,000".

On page 4, line 10, strike out "$3,300,000,000" and insert in lieu thereof "$3,400,000,000".

On page 4, line 11, strike out "$3,400,000,000" and insert in lieu thereof "$3,500,000,000".

Mr. BAYH. Mr. President, as one who is an enthusiastic supporter of the congressional budget concept, I must admit to some reluctance to participate in the amendment of the committee resolution. However, as I interpret it, and I think any reasonable interpretation of the budget law would suggest, this is a congressional budget, a Senate and House budget, not merely a budget formulated by the committees thereof.

I say that without any reflection on the distinguished members or the distinguished chairman of that committee who have labored long and hard and have a difficult task of attempting to be all things for all people.

I rise to present this amendment as forcefully as I know how, not in disrespect for the committee or its chairman, nor the process, but realizing that in the fulfillment of the duties assigned the Budget Committee it is impossible for them to have the expertise necessary to understand how certain budgets presented by the Executive, will impact on significant policy decisions that have been made by this Congress, certainly those such as this one with the strong bipartisan support of Members of the Senate.

I am glad to be joined in this effort by the distinguished ranking minority member of the Judiciary Committee and past ranking member of the Juvenile Deliquency Subcommittee, of which I have the honor to be the chairman (Mr. HRUSKA). He and I share a concern for what may ensue if this amendment is not successful.

I would like to also add that our effort is supported by the distinguished senior Senator from Rhode Island (Mr. PASTORE), who is the chairman of the Appropriations Subcommittee which has jurisdiction over this matter.

Since 1970 when I had the privilege of being appointed chairman of the Juvenile Delinquency Subcommittee we have conducted a lengthy and thoughtful assessment of what should be done about juvenile delinquency. There is much talk about crime. Indeed, the papers over the weekend and last week brought forth glaring evidence of escalating crime that is not new to this Senator. It has been evident for a long while. Although there have been numerous political speeches about crime, very little effort has been directed at what we can actually do about it. Certainly, I think most of us realize we are not going to speak it out of existence.

Our study disclosed some rather dramatic facts. Over a several-year period it was obvious to us that half of the serious crimes that we read about in the newspapers were committed not by three-time losers in their middle ages, but half of the serious crimes that confront us today are committed by young people. Young people have the highest recidivism rate, upward of 85 percent. A crime is committed, the culprit is caught and convicted. The law works its will, and all too often the small number of repeaters responsible for most serious crime are in short order back on the street committing subsequent crimes.

The problem, it seems to me, at the risk of oversimplifying it in the brief time allotted me today, is that we wait until too late in the lifetime of young human beings before we start doing anything.

One of the first lessons we are taught by our parents is that old adage of an ounce of prevention being worth more than a pound of cure. Yet we do not direct our attention to preventing crime. We respond after the fact. We respond to the event instead of trying to prevent it, instead of dealing with the problems of the offender early enough to prevent further offenses.

Second, our juvenile justice system, and indeed our criminal justice system in most instances, makes matters worse, particularly as young people are impacted. We take someone who will not go to school, who runs away from home, and incarcerate them with others who are experienced criminals, and some wonder why these youngsters commit second and more serious offenses.

In 1974 we passed the Juvenile Justice Act and Delinquency Prevention Act which had strong bipartisan support—88-to-1 in this body and 329 to 20 in the House. With the help of Senators HANSEN and MATHIAS and others a veto was averted. It was signed by the President. Last September the program finally, with modest funding, was launched. The effort of this legislation is to try to prevent crime, to try to intervene at a time in youths' lives when we can have an affect.

We reorganized the Federal juvenile system. We placed 39 separate agencies together under one organization in the new office. The thrust was prevention.

For the first time in history we recognized the significant contribution to be made by private agencies—Boy Scouts, Girl Scouts, YMCA's and YWCA's—those agencies dealing with young people's problems. That it was time public agencies coordinate and not compete with private volunteer efforts to prevent crime.

The thrust of amendment No. 1588 is to add $100 million to law enforcement and justice function that was considered by the Budget Committee. The major portion of this money is to be used to fund the juvenile justice and delinquency program of LEAA. However, I have no objections if the Appropriations Committee, and the appropriate authority, determines that some of the $110 million is directed to other worthwhile enforcement functions, such as the FBI, LEAA, Immigration and Naturalization.

I think it is important to focus exactly on what this amendment is designed to do. It is designed to prevent runaways, truants, and first offenders from becoming lifetime criminals. Mr. Elmer Staats of the General Accounting Office has concluded that funding of the act is essential to any Federal effort to reduce crime. And yet in this budget, despite the fact that crime is going up, the budget that we are now considering has $300 million less money devoted to fighting crime than is presently being spent.

We are not asking the Senate to spend more money. If this amendment is adopted, we are still going to save $200 million. But if this amendment is not adopted and if the Congress adopts the President's budget of only $10 million for this crime prevention effort, we are, in effect, going to invite the demise of the program. The President's approach would kill the whole program.

We are presently spending $40 million which was appropriated for fiscal year 1976. The President's budget would cut that by 75 percent, down to $10 million. We have authorized authority for this year's budget of $150 million. We are asking for two-thirds of that amount in this amendment. Last year this body appropriated $75 million.

So I urge my colleagues, if they are concerned about crime, and if they are concerned about our young people, to join us in this effort.

Mr. President, in addition to the strong support from the ranking Republican member of the Committee on the Judiciary, I am especially pleased to have the strong support of the ranking Republican member of the subcommittee (Mr. MATHIAS), whose statement I am pleased to present, and ask unanimous consent that his remarks and an attachment be printed in the RECORD following mine.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR MATHIAS

As a co-author of the Congressional Budget and Impoundment Act of 1974, I recognize the necessity of handling the Federal budget in a rational manner in order to ensure wiser spending and lower deficits. Moreover, as a member of the Senate Appropriations Committee—which has increased power over the annual Federal budget under the 1974 act—I am well aware of the importance of adhering to the strict procedures set forth under this law, especially in light of the depressed state of our economy.

Despite my understanding of the need to abide by the strictures set forth under this legislation, I am compelled to join my colleague, Senator Bayh, chairman of the Senate Judiciary Subcommittee to Investigate Juvenile Delinquency—of which I am ranking minority member—in offering an amendment to increase the budget outlay contained in S. Con. Res. 109 for the law enforcement and justice function (750) by an addition of $100,000,000.

My support for this amendment is grounded on my firm belief that absent such additional funding the hopes which accompanied the enactment of the Juvenile Delinquency Act will not become a reality. The failure of Congress to fund the bill at a level approaching its authorization ceiling frustrates the realization of the promises which accompanied the enactment of this legislation although the Juvenile Delinquency Act authorizes funding levels of $75 million, $125 million and $150 million for the first three years of the act's existence, the actual appropriations have fallen far short of these marks. For example, despite the $150,000,000 authorization for fiscal year 1977, the President has requested an appropriation of only $10,000,000.

Despite my belief in the importance of adhering to the guidelines and procedures set forth in the Congressional Budget and Impoundment Act, I cannot stand by while the Congress once again fails to adequately support this program, especially in the light of the fundings Congress itself made when it passed the Juvenile Justice and Delinquency Prevention Act, just over 18 months ago, as the act states in section 101:

(1) Juveniles account for almost half the arrests for serious crimes in the United States today;

(2) Understaffed, overcrowded juvenile courts, probation services, and correctional facilities are not able to provide individualized justice or effective help;

(3) Present juvenile courts, foster and protective care programs, and shelter facilities are inadequate to meet the needs of the countless, abandoned, and dependent children who, because of this failure provide effective services, may become delinquents;

(4) Existing programs have not adequately responded to the particular problems of the increasing numbers of young people who are addicted to or who abuse drugs, particularly nonopiate or polydrug users;

(5) Juvenile delinquency can be prevented through programs designed to keep students in elementary and secondary schools through the prevention of unwarranted and arbitrary suspensions and expulsions;

(6) States and local communities which experience directly the devastating failures of the juvenile justice system do not presently have sufficient expertise or adequate resources to deal comprehensively with the problems of juvenile delinquency; and

(7) Existing Federal programs have not provided the direction, coordination, resources, and leadership required to meet the crisis of delinquency.

Congress finds further that the high incidence of delinquency in the United States today results in enormous annual cost and immeasurable loss of human life, personal security, and wasted human resources and that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate and comprehensive action by the Federal Government to reduce and prevent delinquency.

Clearly, unless additional funding is forthcoming the act's goals of providing an effective Federal campaign against juvenile delinquency and thus drastically reducing the juvenile crime rate—now approaching one-half of all crimes—will not be achieved.

For example, there will be a real and substantial impact on child service programs in the States if adequate funding is not provided. In my State of Maryland, for example, State officials in the Community Services Division of the Department of Juvenile Services have indicated to me they are unable to go forward with programs they have developed to deal with problems of truancy and runaway children because the funds contemplated by the act have not been available. This is particularly tragic because more serious juvenile delinquency problems can often be avoided if children are helped at these earlier stages.

Moreover, the effect of Federal funding can be multiplied by the efforts of private service organizations which work with State youth programs. In Maryland, the Maryland Jaycees—which comprise 105 chapters and 5000 members statewide—have done admirable work with runaway and delinquent children. But, as their officials have informed me they could do more if there were adequate Federal funding of the program with which they work.

In conclusion, the case for an increased budget outlay for the Juvenile Justice and Prevention Act of 1974 cannot be denied. This is particularly true at a time when 9 States and two jurisdictions find themselves unable to participate in the programs offered under the act, partially as a result of the absence of sufficient Federal funding. Consequently, I urge my colleagues to support this amendmend and help bring about the full implementation of the Juvenile Justice and Delinquency Act of 1974.

FIRST ANNUAL REPORT (SEPTEMBER 30, 1976) OF THE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

PART ONE—INTRODUCTION

Youthful crime in this country has increased dramatically over the past decade. This problem is detailed in the statistics:

Arrests of juveniles for serious crime—acts of violence and stealth—increased by 144 percent between 1960 and 1973.

Persons under the age of 18 are responsible for 45 percent of all arrests for serious crime and for 23 percent of all arrests for violent crime.

Some criminal acts are committed predominantly by youths. Burglaries and auto thefts are overwhelmingly youth crimes.

The peak age for arrests for violent crimes is 18, followed by 17 16 and 19. The peak age for arrests for major property crimes is 16, followed by 15 and 17.

The juvenile justice system—society's institutional response to juvenile crime—faces serious problems. It must determine which youths to handle, and how to do this so as to protect the interests of both the youth and society. There are 12 arrests for every 100 juveniles between the ages of 15 and 17; most juveniles arrested have not committed a serious crime and some have not committed a crime at all. A surprising number have been arrested for status offenses—acts such as running away, truancy, promiscuity, and incorrigibility—that would not be crimes if committed by adults. The juvenile justice system often represents the only available resource for these youth.

Studies of the juvenile justice system have shown that it often treats offenders in an inconsistent way: status offenders may be incarcerated and serious repeat offenders may be put on probation. Studies also have shown that treatment programs established by the juvenile justice system have been largely ineffective in changing juveniles' behavior. Major problems in juvenile delinquency prevention are to define more precisely the role and scope of the juvenile justice system and to increase the effectiveness of treatment programs for juvenile offenders.

In addition, there has been little or no coordination among the Federal departments and agencies with delinquency control responsibilities. Instead there has been a lack of uniformity in policy, objectives, priorities, and evaluation criteria to determine program effectiveness. National leadership in these areas is required.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I shall not take much time. I yield myself 5 minutes.

First of all, let me say, with respect to the opening comments of the distinguished Senator from Indiana undertaking to define the role of the Budget Committee relative to that of the other committees and the individual Members of the Senate, that I do not disagree with this definition at all. Obviously, the process ought to be one to which the entire Senate can contribute as well as the members of the Budget Committee.

With respect to the responsibilities of the members of the Budget Committee in connection with this resolution, it is my view that, with rare exceptions, we ought to support the resolution which a majority of the Budget Committee was able to agree upon and report to the Senate. Otherwise, we will simply invite an open door on every decision that the Budget Committee has made, and, in effect, try to repeal the Budget Committee process on the floor of the Senate. That would be time consuming and, I think, would be a disservice to our objective.

Nevertheless, it is the Senator's prerogative to argue the merits of the particular program which he feels is jeopardized by the overall functional totals of function 750 in the budget resolution before us. I would repeat what I have said before, that the Budget Committee is not a line item committee, that when we adopt a functional total, we are not undertaking to mandate how that total will be distributed among the programs that are covered.

The third point I would make, that perhaps has not been made in the course of this debate, is that the fact that these functional totals are the same as those of the President does not mean we are mandating the distribution within those functions that the President had in mind. All we have done with these functional totals is say that these are the dollars that we think should be available in this function. The details are to be spelled out by the appropriate committees. Those committees should not be inhibited as to details by any personal ideas that the Budget Committee members had, or by the details that the President and the administration have proposed.

This is not a line item committee. We did not undertake a decision on how much money, if any, ought to be allocated to juvenile justice. I want to make that clear, so that the legislative record is clear, whatever the outcome of this amendment.

The President's budget, as I understand it, requests $707 million for the Law Enforcement Assistance Administration. Certainly the Appropriations Committee can allocate more than the $10 million that the President has allocated for juvenile justice out of the $707 million he has requested for the Law Enforcement Assistance Administration. I think the distinguished Senator from Rhode Island had an extensive discussion in the CONGRESSIONAL RECORD on Friday, in which he pointed out his concern, matching that of the Senator from Indiana and I take it that of the Senator from Nebraska, as to whether or not the amount allowed is too tight to permit adequate funding for the juvenile justice program.

I think that I would be accurate in describing the Budget Committee's attitude on this matter in this fashion: I think several members of the Budget Committee, if not all of them, expressed concern about the amount of money that has been spent under the LEAA program since its inception. There was a feeling that the program ought to be subjected to close scrutiny during this budget year, to determine whether savings in addition to those proposed by the President and the Budget Committee might not be achieved. If sufficient savings cannot be achieved, the committee, of course, ought to make that case and bring it to the Senate with a request for additional funding. But at the moment, our attitude has been that we want to keep the pressure on and force a careful examination of spending programs within the budget.

We have not made any committee judgment on the juvenile justice program. Speaking for myself, I am most sympathetic to the juvenile justice program. I think the case made by the distinguished Senator from Indiana and the distinguished Senator from Rhode Island on Friday is a most persuasive one, because it happens to be in line with my own views about juvenile justice programs.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MUSKIE. May I make one other point?

I understand that in the fiscal year 1976 budget, the year in which we now are, the LEAA estimate is that about $120 million of the LEAA budget is being used by State and local governments for juvenile justice.

I yield to my good friend from Rhode Island.

Mr. PASTORE. Of course, Mr. President, there is a lot to be said on the other side of the coin. As to the idea that we should look into it and scrutinize it, that is exactly what we do before the Appropriations Committee.

The argument is made that we still have crime, in spite of the fact that we have LEAA funds. Well, as I have had occasion to remark to the Senator from Maine, we still have cancer; too, but that does not mean we should relax our efforts in the research to find the answer for it.

The fact still remains that the committee's proposal means 250 less jobs in the FBI, when crime is up. This means that we do not have the funds for the education of our law enforcement officers or the funds that are necessary to keep the juveniles out of the courts. You put them in the courts, you put them in the reform school, you put them in jail, and how much does that cost? I mean, these are the questions.

I listened to Mr. Heller on Meet the Press yesterday. Of course, he does not go along with the administration 100 percent. I think we have become a little too conservative-conscious. I wonder sometimes if this is a response to Ronald Reagan or President Ford, or whether it is really a response to the people of the country. We are here to serve them.

The argument is made that sometimes you can get yourself into a big stalemate.

The PRESIDING OFFICER. The 5 minutes the Senator from Maine yielded himself has expired. Who yields time?

Mr. MUSKIE. I yield the Senator another 2 minutes.

Mr. PASTORE. So I say to my distinguished friend from Maine, I realize what we are up against here, and I realize what happened to the other amendments that came up last Friday; but I would hope we are not precluded one way or the other. No matter what happens on this floor today, we would like to debate this subject.

We have these witnesses come before our committee. We start at 10 o'clock in the morning, and we go until 12:30 in the afternoon. We meet again at 2 o'clock, we go until 5 o'clock. We listen to Tom, Dick, and Harry. Then we get out on the floor here, and we are told that the Budget Committee thought, in its good judgment, that the chances are that the LEAA money is being wasted.

Now, who told them that? Where did they get the information? They did not hear one witness; who told them? The administration.

Has this Congress become the patsy for the administration? Must we sustain their budget? That is exactly what we are doing.

When the thing was real hot, to use the vernacular, they would not give us 10 cents for juvenile delinquency. I do not mean my remarks to be an affront to the distinguished Senator from Maine—that is why he is going to give me more time—but all I want to say, gentlemen, is that we work hard on these budgets.

I realize what the situation is, and that everyone wants to keep within the context of the estimates submitted by the administration. But what did they do on defense? They ask for every dollar, and they do not want one nickel cut. The administration knew that they had to raise it by 15 percent on defense, for the simple reason that if they did not, they knew Congress would not do it. So what do they do? They cut the social programs. They take it out on the juveniles, they take it out on the FBI, the elderly, and the sick.

They take it out on more jobs for people out of work because they know that is going to be the debate in the Chamber.

They did that with us on aid-to-education in impacted areas. They would never put 10 cents up for impacted areas. They did that because they knew that Congress would put it in. Then President Ford would go before the people on television, and he will say: "Look what they did to me. They put all that money back in."

And everyone knows that every school committee was looking for that money that had been bankrupted.

Take my own State of Rhode Island. In my own State of Rhode Island, they took everything out of Quonset Point. We expanded our schools. We built the houses. They are all boarded up. The schoolrooms are empty.

And the Government says, "Now, you go fish or cut bait."

That is where we stand, and I hope that does not happen to us.

I repeat again. Maybe we ought to withdraw this amendment. I do not know. We ought to take up this fight at the proper time after we have had the witnesses before us.

As we were told here last Friday, "You come out with the justifications and justify, and we will change our minds."

The PRESIDING OFFICER. The Senator's additional 2 minutes have expired.

Mr. MUSKIE. Mr. President, how much time do I have remaining?

Mr. PASTORE. I think I have said it all.

The PRESIDING OFFICER. The Senator from Maine has 6 minutes remaining.

Mr. PASTORE. Mr. President, will the Senator yield me 1 additional minute?

Mr. MUSKIE. I yield 1 additional minute to the Senator from Rhode Island.

Mr. PASTORE. And this is in conclusion, because I have already reached my crescendo.

I merely state that here we are dealing with human beings. We are dealing with kids. And we are dealing with law enforcement by the FBI.

I am saying right here and now, for every nickel that you save in programs for the prevention of crime, once that crime happens, you spend a dollar. Are we going to end up being penny wise and pound foolish? I hope that does not happen.

I repeat again that I do not know what is going to happen. There are few Senators in the Chamber. The rest cannot hear this argument. Senators will not know the logic being used now, but they will be dropping in, they will be trodding in, and "If I like EDDIE MUSKIE, I will vote to go along with EDDIE MUSKIE; if I like the Senator from Oklahoma, I will go along with him—the facts be darned."

The PRESIDING OFFICER. The Senator's additional minute has expired.

Mr. PASTORE. I thank the Chair for being so generous and kind.

The PRESIDING OFFICER (Mr. NUNN). I thank the Senator from Rhode Island.

Mr. HRUSKA. Mr. President, will the Senator yield me 3 minutes?

Mr. BAYH. I am glad to yield 3 minutes to the Senator from Nebraska.

Mr. HRUSKA. I rise in support of the amendment offered by the Senator from Indiana, which has been so ably and eloquently supported by the Senator from Rhode Island.

This Senator is not prone to come to the Chamber asking for more funds. He is one who has a record of voting for or advocating fiscal responsibility in its place. Notwithstanding the noble sentiments that are explained here about sustaining the integrity of the budget and so on, Mr. President, it must be remembered that the budget-making process and the process of appropriating money are selected efforts to determine priorities.

It does not mean indiscriminate cutting. It does not mean indiscriminate appropriation. It means a selective process on the basis of priorities.

I suggest, most urgently, that the amendment which would increase the level of the functional category for law enforcement and Justice by $100 million is a high priority. Included in the amendment are funds for the administration of the Juvenile Delinquency Control Act, which was the product really of the energy and talent of the Senator from Indiana. I helped him in the adoption of that legislation because I felt strongly that the thrust of law enforcement should be directed to youths age 16 to 26. The highest percentage of crime is committed by juveniles in that age range.

Without a restoration of funds for this program, it will be starved for the second consecutive year. Last year, the Department of Justice experienced a $100 million cut in funds, most of it visited upon LEAA, and now we have another cut.

This would be a partial restoration, and it should be made. The law enforcement education program—LEEP—is a most desirable program because it trains law enforcement officers.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Who yields time?

Mr. BAYH. Mr. President, I yield time.

Mr. HRUSKA. The LEEP program trains officers and people in the law enforcement field in all of its aspects who in the main will be devoting their talents, resources, and time to dealing with crime in that age bracket to which I have referred.

Mr. President, how can we deny funds for two such worthwhile programs, and continue to consider funds for the Federal Trade Commission's request for a line-of-business reporting program? This program, if funded, would allow the FTC to harass businesses and corporations by requiring line-of-business data. What makes the request for these funds even more outrageous is the fact that this matter is presently tied up in litigation before the courts.

The reason I mentioned this particular item, Mr. President, is to point out to my colleagues the priorities that must be considered when every effort is being made to reduce Federal spending across the board.

I agree with the Senator from Rhode Island. We have painstaking hearings in which we hear the logic, force, and basis for determining priorities. We are not dealing solely with numbers. We are also dealing with human problems and the progress, safety and security of the Nation.

I once again urge our colleagues to support this amendment in the interest of avoiding a pseudo-savings in the budget that is unsupported both in the record of the Judiciary Committee and the Appropriations Committee.

Mr. MUSKIE. Mr. President, I yield myself 2 minutes.

Mr. President, I agree with the distinguished Senators that they have made a most persuasive case. As a matter of fact, I do not challenge their case on the merits at all.

Second, I agree also that this is a tight budget, in light of the Senator's concerns, and I voted personally to put $100 million more in it in the Budget Committee.

The third point I make is that I welcome this debate. In this morning's press I read that we have provided $17 billion more for social programs than the President's budget, $17 billion more, creating the impression that somehow we have been spendthrift in the Budget Committee.

So I am delighted to have Senators of prestige, matching the distinguished Senator from Rhode Island, the distinguished Senator from Indiana, and the distinguished Senator from Nebraska, making the point that even our budget is tight and that meritorious programs are being jeopardized or are underfunded.

I think that is a demonstration of the fact that the budget discipline is working and were it not for these protests of the budget then the public might well be justified in concluding that we have too much fat here.

So I say to our colleagues, and I think my good friend from Rhode Island will understand this, that I have heard persuasive arguments of this kind from every sector of the budget, and it is not easy to say no, especially for one with my voting record and background. I mean, I am persuaded by arguments of the kind I have heard here this afternoon. But I think I have an obligation to defend the discipline imposed by this resolution, and at this point I am willing to——

Mr. BELLMON. Mr. President, will the Senator yield me a minute?

Mr. MUSKIE. I yield a minute to my good friend from Oklahoma.

Mr. BELLMON. Mr. President, I simply point out that in fiscal year 1975 the outlays for function 750, law enforcement-Justice, were $2.9 billion; for fiscal 1976 they were $3.4 billion, a jump of $500 million, and the recommendation of the Budget Committee is to stay at the $3.4 billion figure for fiscal 1977.

Mr. President, I think we have seen the occurrence happen here that we have seen in other categories. Last Friday we had extensive debate about the desirability of adding several hundred million dollars in the veterans function. Later today we are going to have arguments in favor of adding money to the agricultural function.

The problem that the Budget Committee has is that there are so many good things that everyone would like to do that we simply cannot afford.

We are trying very hard, as the chairman has said, to apportion the money we have available to do the things that Congress feels are of the highest priority. We sincerely believe that the decisions that the Budget Committee has made are such that it will allow the essential work of function 750 to go ahead, and I urge that this amendment be defeated.

Mr. BAYH. Mr. President, I am not sure how much time remains, I wish to just sum up briefly.

The PRESIDING OFFICER. The Senator from Indiana has 1 minute.

Mr. MUSKIE. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator from Maine has 2 minutes remaining.

Mr. MUSKIE. I yield those minutes to the Senator from Indiana.

Mr. BAYH. My distinguished chairman and my friend has been very kind. In listening to him and my friend from Oklahoma, we are all very concerned in understanding each other's position. I think it is important to reflect on the policy implicit in the reduction in question. We want to be fiscally prudent. We do not want unnecessary spending. Yet, if this amendment of the Senator from Indiana, supported by my friends from Nebraska and Rhode Island succeeds, the budget in this component will still be $200 million less than the actual total amount we are spending this year without accounting for the impact of inflation.

When we see the never ending headlines about crime, I, for one, think we had better take a hard look at whether we are actually being prudent in assessing the overall budget allocation. As crime goes up, do we really want to spend less to prevent it?

I should emphasize that there has been a difference of opinion between the distinguished President of the United States and the Senator from Indiana. Supported by those who have spoken previously and supported by the Senator from Maryland (Mr. MATHIAS), who, because of a constituency problem is not able to be present, I have been supporting an effort to try to do something about children problems before they become adult problems and society's problems. I am not talking about the young toughs who rob and rape and pillage. We have to treat them appropriately. I am talking, however, about the grade school kids, junior high school kids, with emerging problems. We must deal with them in such a way that will prevent an escalation in the seriousness of their conduct.

We enacted this legislation in 1974. We finally forced the President to accept the $40 million that was passed by the House and the Senate. We passed $75 million last year. The appropriating committee and the authorizing committee request $100 million. The President disagrees. He is even trying to gut and eliminate the $112 million that the Senator from Maine referred to which incidentally is for programs other than prevention. The Senator from Maine has no way of knowing this, but in extending LEAA, the President has one line in S. 2112 that would excise that maintenance of effort section.

If we are concerned about crime, if we are concerned about prevention, if we are concerned about young people, we had better vote "yes" on this and join some 50 organizations such as the Boy Scouts, the Girl Scouts, the Camp Fire Girls, the YWCA, the YMCA, the National Council of Jewish Women, the American Legion Youth Committee—every organization in America that is concerned about the problems of young people and that has supported the Juvenile Justice Act from its inception. They are supporting our effort to return dollars to our communities, so that they can deal with the problems of young people where and when they can be solved—not here in Washington, not in the White House where they have no support, but in their own hometowns.

I ask unanimous consent that the list of many organizations supporting the act appear at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS ENDORSING THE JUVENILE DELINQUENCY PREVENTION ACT OF 1974 (PUBLIC LAW 93-415)

American Federation of State, County and Municipal Employees.

American Institute of Family Relations.

American Legion, National Executive Committee.

American Parents Committee.

American Psychological Association.

B'nai B'rith Women.

Children's Defense Fund.

Child Study Association of America.

Chinese Development Council.

Christian Prison Ministries.

Emergency Task Force on Juvenile Delinquency Prevention.

John Howard Association.

Juvenile Protective Association.

National Alliance on Shaping Safer Cities.

National Association of Counties.

National Association of Social Workers.

National Association of State Juvenile Delinquency Program Administrators.

National Collaboration for Youth: Boys' Clubs of America, Boy Scouts of America, Camp Fire Girls, Inc., Future Homemakers of America, Girls' Clubs, Girl Scouts of U.S.A., National Federation of Settlements and Neighborhood Centers, Red Cross Youth Service Programs, 4-H Clubs, Federal Executive Service, National Jewish Welfare Board, National Board of YWCAs, and National Council of YMCAs.

National Commission on the Observance of International Women's Year Committee on Child Development Audrey Rowe Colom, Chairperson Committee Jill Ruckelshaus, Presiding Officer of Commission.

National Conference of Criminal Justice Planning Administrators.

National Conference of State Legislatures.

National Council on Crime and Delinquency.

National Council of Jewish Women.

National Council of Juvenile Court Judges.

National Council of Organizations of Children and Youth.

National Federation of State Youth Service Bureau Associations.

National Governors Conference.

National Information Center on Volunteers in Courts.

National League of Cities.

National Legal Aid and Defender Association.

National Network of Runaway and Youth Services.

National Urban Coalition.

National Youth Alternatives Project.

Public Affairs Committee, National Association for Mental Health, Inc.

Robert F. Kennedy Action Corps.

U.S. Conference of Mayors.

Mr. MOSS. Mr. President, I rise to speak regarding the amendment which has been offered to increase budget authority and outlays by $100 million in function 750, Law Enforcement and Justice, for fiscal 1977—for juvenile justice activities.

The Budget Committee recommended $3.3 billion in budget authority and $3.4 billion in outlays function 750 for 1977, the same as the President's budget.

I support the stated objective of the amendment. However, the Budget Committee, of course, does not deal in line items and therefore I think it is inappropriate to try to treat line item matters in our consideration of the Budget resolution today.

The ultimate responsibility for determining the program mix within the budget functional areas—such as this one—is vested in the authorizing and Appropriations Committees. If these committees recommend such a change and it is the will of Congress, I believe that the increase proposed could be accommodated within the resolution.

Accordingly, I am voting against the amendment in the interest of holding down the deficit.

Mr. HUDDLESTON. Mr. President, I am concerned about the possible interpretations of the Budget Committee recommendations regarding the Law Enforcement and Justice category.

The committee has adopted the level of spending recommended by the President. The President's budget is, however, predicated on several serious reductions in important programs, including the juvenile delinquency program, LEAA block grants, LEEP, Legal Services, FBI training for local police and LEAA discretionary grants.

In fact, two of these programs would be decimated under the President's budget. One is the fledgling juvenile delinquency program. Some $40 million was appropriated for this program in fiscal 1976. Through a recission proposal, which was not accepted, the President sought to reduce this amount to $25 million, with the remaining $15 million to be used in fiscal 1977. When the recission was not approved and the entire $40 million made available by the Congress, this left only $10 million in requests for fiscal 1977. Obviously, this would seriously undercut efforts to move ahead on this program.

In the past several years, efforts to combat juvenile delinquency have been spurred across the Nation by the availability of new funds through this program. In Louisville, Ky., for example, funds have been used for Shelter House, which assists runaway children—children whose growing years are not as easy as we would hope and who need help in coping with the world around them. Personally, I do not believe this is a program on which we should skimp.

Under the President's program, the LEEP program would be eliminated. This program provides education and training programs for policemen to enable them to increase their skills and academic training. In fiscal 1975, the last year for which full figures are available, 13 institutions in Kentucky participated in this program.

The legal services program, which admittedly experienced a number of problems in its very early years, has been restructured as a public, nonprofit corporation and is pursuing its responsibility of providing legal services for those who otherwise would be unable to afford them.

The Senate Appropriations Subcommittee on State, Justice, Commerce, of which I am a member, recommended to the Budget Committee that provision be made above the President's budget for these programs, and I understand that the House has taken that course. I believe these are important programs which should not be stymied and I do not want to suggest that I approve of the reductions recommended in the President's budget. For that reason, I am supporting the amendment offered by the Senator from Indiana.

Mr. BAYH. Mr. President, I ask for the yeas and nays, if the Senator from Maine thinks it is appropriate at this time.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The yeas and nays were not ordered.

Mr. MUSKIE. Why do we not ask for the yeas and nays at some point in the next debate?

Mr. BAYH. At any time the Senator from Maine feels it is appropriate, I would like to ask for the yeas and nays.

The PRESIDING OFFICER. All time has expired.

Under the previous order, the Chair recognizes the Senator from New York (Mr. Buckley) to offer an amendment on which there will be 1 hour of debate.

AMENDMENT NO. 1589

Mr. BUCKLEY. Mr. President, I call up my amendment No. 1589.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. Buckley) proposes an amendment in the nature of a substitute, numbered 1589.

The amendment in the nature of a substitute is as follows:

Strike out all after the resolving clause and insert the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the appropriate level of total budget outlays is $405,800,000,000;

(2) the appropriate level of total new budget authority is $450,400,000,000;

(3) the amount of deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $43,400,000,000;

(4) the recommended level of Federal revenues is $362,400,000,000, and the amount by which the aggregate level of Federal revenues should be decreased in $15,300,000,000; and

(5) the appropriate level of the public debt is $702,600,000,000, and the amount by which the temporary statutory limit on such debt should be accordingly increased is $56,400,000,000.

Sec. 2. Based on the appropriate level of total budget outlays and total new budget authority set forth in paragraphs (1) and (2) of the first section of this resolution, the Congress hereby determines and declares, pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1976, the appropriate allocation of the estimated budget outlays and new budget authority for the major functional categories is as follows.

(1) National Defense (050):
(A) New budget authority, $113,000,000,000.
(B) Outlays, $7,000,000,000.

(2) International Affairs (150):
(A) New budget authority, $9,100,000,000.
(B) Outlays, $7,000,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,500,000,000.

(4) Natural Resources, Environment, and Energy (300):
(A) New budget authority, $17,600,000,000.
(B) Outlays, $15,100,000,000.

(5) Agriculture (350):
(A) New budget authority, $2,300,000,000.
(B) Outlays, $1,900,000,000.

(6) Commerce and Transportation (400):
(A) New budget authority, $15,100,000,000.
(B) Outlays, $17,600,000,000.

(7) Community and Regional Development (450):
(A) New budget authority, $7,400,000,000.
(B) Outlays, $7,800,000,000.

(8) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $21,100,000,000.
(B) Outlays, $19,300,000,000.

(9) Health (550):
(A) New budget authority, $39,400,000,000.
(B) Outlays, $36,600,000,000.

(10) Income Security (600):
(A) New budget authority, $162,900,000,000.
(B) Outlays, $137,700,000,000.

(11) Veterans Benefits and Services (700):
(A) New budget authority, $20,000,000,000.
(B) Outlays, $19,300,000,000.

(12) Law Enforcement and Justice (750):
(A) New budget authority, $3,300,000,000.
(B) Outlays, $3,400,000,000.

(13) General Government (800):
(A) New budget authority, $3,700,000,000.
(B) Outlays, $3,600,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):
(A) New budget authority, $7,300,000,000.
(B) Outlays, $7,400,000,000.

(15) Interest (900):
(A) New budget authority, $40,400,000,000.
(B) Outlays, $40,400,000,000.

(16) Allowances:
(A) New budget authority, $600,000,000.
(B) Outlays, $700,000,000.

(7) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$17,400,000,000.
(B) Outlays, —$17,400,000,000.

Sec. 3. The Congress hereby determines and declares, in the manner provided in section 310(a) of the Congressional Budget Act of 1974, that for the transition quarter beginning on July 1, 1976—

(1) the appropriate level of total outlays is $102,200,000,000;

(2) the appropriate level of total new budget authority is $95,800,000,000;

(3) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $16,200,000,000;

(4) the recommended level of Federal revenues is $86,000,000,000; and

(5) the appropriate level of the public debt is $646,200,000,000, and the amount by which the temporary statutory limit on such debt should be accordingly increased is $19,200,000,000.

Mr. BUCKLEY. Mr. President, this is an amendment in the nature of a substitute. I offer it on my behalf and on behalf of the Senator from Idaho (Mr. McClure).

Unfortunately, the Senator from Idaho is unable to be here today because of a death in his family, I am sorry to say, but he has asked that I submit on his behalf, for the Record, a statement that he prepared in which he expresses serious concern about the use of current policies instead of current law as the basis for our deliberations. I believe that this analysis will be very constructive for the Senate as a whole, and I ask unanimous consent that his statement be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUCKLEY. Mr. President, as we proceed with the debate or the first concurrent resolution, and of the amendments that have thus far been offered, I fear we may be missing the full significance of what we are about. For the first concurrent resolution represents far more than a series of recommended limits on spending in specific categories, a recommended level of revenues, and a resulting deficit. What we are engaged in represents far more than that: It is a statement of economic policy, of the Senate's overview of the macroeconomic consequences of Federal expenditures and Federal taxation; it reflects the degree of the Senate's determination not only to contain the rate at which we are creating new Federal programs and the rate of growth of old ones, but of its determination to seek economies where they are achievable, and to reexamine existing programs to determine which ones may have outlived their usefulness.

On both scores, the recommendations of the majority of the Budget Committee are seriously flawed. The economic thinking that went into their formulation reflects the discredited Keynesian theories that have led this country into successive cycles of ever steeper inflation and deeper recession. The refusal to initiate a reexamination of existing programs, especially those giving rise to the so-called uncontrollable expenditures, reflects an acceptance of a gradual expansion of the governmental role in the economic sphere at the expense of private initiatives and investment.

The policies and attitudes embedded in the first concurrent resolution, if it is adopted, will not only give rise to inflationary expectations that can impede our current recovery, but it will undermine confidence in the future strength and real growth of the American economy.

These factors, and excessive Federal preemption of available capital, will necessarily impede the ability and willingness of the private sector to make the capital commitments required if we are to establish long-term, productive jobs at full employment levels. The Senator from Idaho (Mr. McClure) and I have elaborated on these points in the minority views printed in the committee report. I ask unanimous consent to have the minority views printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. BUCKLEY. At this point, I believe that perceptions as to economic policy and the future role of government in the economy are as important, perhaps even more important, than the actual size of the deficit we will be incurring in fiscal year 1977. At the same time, I fully recognize the practical difficulty of enacting the major revisions in existing statutes that would enable us to make a very significant reduction in total outlays in the near term. Accordingly, I am offering a substitute first concurrent resolution that while achieving only a modest reduction in outlays and projected deficit will nevertheless reflect an economic overview that is more certain to achieve what ought to be our national goal of steady economic growth and full employment without inflation while at the same time signalling the intention of Congress to put the Federal Government's house in order, and to begin the slow but necessary job of diminishing its overall impact on the economy.

Our substitute would make reductions aggregating $6.8 billion in five categories; namely, functions 300—natural resources, environment and energy; 400—commerce and transportation; 500—education, employment, training and social services; 550—health; and 600—income security.

This proposal, which would reduce the Budget Committee's recommended outlays by only 1.65 percent, does not require radical surgery. In fact, when the Appropriation Committee's recommendation for function 600 is adjusted to reflect the $3.8 billion reduction in estimated outlays for public assistance programs reflecting the better than anticipated economic recovery, my substitute resolution would result in total outlays, for fiscal year 1977, of only $300 million below the aggregate recommendations of the Appropriations Committee. I believe, in short, that the savings I propose are both realizable and politically realistic—especially in an election year in which the people are demanding greater economy in Government, if only we in the Congress will be willing to listen to all of the people instead of just some of the people.

Adoption of my proposal would also mark a significant step in the direction the Congress ought to be going in the formulation of current and future fiscal policy. In the first instance, it would avoid a transfer of $6.8 billion away from productive private investment in long term, wealth-producing jobs to largely nonproductive public uses. It will signal a serious determination to move away from inflationary deficits which will reflect itself in lower interest rates and help reinforce the confidence needed to accelerate capital investment in our economy.

It will help produce that confidence and release that capital, not by eliminating essential services or drastically cutting expenditures at random, but, in large part, by forcing the managers of the public sector to reduce identifiable waste and make more efficient use of the taxpayers' dollars.

While the reductions in outlays reflected in the substitute are modest—in fact, far more modest than I would like to see—they represent a rejection of the macroeconomic thinking reflected in the Budget Committee's report, thinking that wholly ignores the lessons of recent history by attempting to push economic expansion faster than the real forces of the economy will permit.

The policy that undergirds the committee report can only lead us to further and more rapid price level inflation, which, in turn, would in all likelihood trigger another and perhaps even more severe recession. Because our recovery remains fragile, because confidence is not fully restored, it is particularly important that we seize this unique opportunity to demonstrate that Congress is discarding the discredited policies of the past and that it intends to move forward with a combination of fiscal and monetary policy that can restore stability with high levels of employment and production, not only in the months ahead, but in the years ahead.

Mr. President, I have sent Members of the Senate a table comparing the budget authority and outlay levels provided for in my substitute with those recommended by the administration, the Committee on Appropriations, and the Committee on the Budget. I ask unanimous consent that the table be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Recerd, as follows:

COMPARISON OF OUR RECOMMENDATIONS WITH THOSE OF THE PRESIDENT, THE APPROPRIATIONS COMMITTEE AND THE BUDGET COMMITTEE

Functon/title	President's budget		Appropriations Committee		Budget Committee		Buckley	
	Budget authority	Outlays	Budget authority	Outlays	Budget authorty	Outlays	Budget authority	Outlays
050 National defense	113.3	101.1	114.9	101.1	113.0	100.9	NC	NC
150 International affairs	9.7	6.9	9.7	6.8	9.1	7.0	NC	NC
250 General science, etc	4.6	4.5	4.6	4.5	4.6	4.5	NC	NC
300 National resources	9.7	13.8	11.6	15.1	18.0	15.6	17.6	15.1
350 Agriculture	2.3	1.9	2.3	2.2	2.3	1.9	NC	NC
400 Commerce/Transportation	17.9	16.4	19.1	18.1	16.1	18.6	15.1	17.6
450 Community development	5.9	5.7	6.6	7.1	7.4	7.6	NC	NC
500 Education, etc	16.0	17.6	21.8	20.0	22.4	21.4	21.1	19.5
550 Health	38.0	35.5	39.7	35.4	40.4	37.6	39.4	36.6
600 Income security	157.3	136.5	168.6	143.9	163.7	140.1	162.9	137.7
700 Veterans	17.7	17.2	18.1	17.5	20.0	19.3	NC	NC
750 Law enforcement	3.3	3.4	3.5	3.5	3.3	3.4	NC	NC
800 General government	3.5	3.4	3.7	3.6	3.7	3.6	NC	NC
850 Revenue sharing	7.3	7.4	7.3	7.4	7.3	7.4	NC	NC
900 Interest	41.3	41.3	41.3	41.3	40.4	40.4	NC	NC
Allowances	1.7	1.5	2.6	2.3	.6	.7	NC	NC
950 Undistributed official receipts	18.8	−18.8	−18.8	−18.8	−17.4	−17.4	NC	NC
Total	430.6	395.2	449.4	408.1	454.9	412.6	450.4	405.8

Mr. BUCKLEY. As I believe it important to avoid the temptation of transforming the budget process into an examination of each line item within a function, I shall try to keep my observations on the reductions I propose as generalized as possible. I would also observe that, in arriving at my figures, I sought totals that could be accommodated in more than one way, or through a little across-the-board belt tightening. In the interest of time, I shall discuss only the outlay figures.

The first function that we would affect would be function 300, Natural Resources. Our figure reflects a 3.2 percent reduction from the recommendations of the Committee on the Budget and is a figure that is identical with that recommended by the Committee on Appropriations. There are various alternatives by which the disparity between the Budget Committee's recommendations and the figures that I propose could be bridged.

For example, in the energy subfunction, we have a growth of 18 percent over the prior year. We also see an increase in the Water Resources subfunction well above current policy, which, in turn, would call for expenditures of almost half a billion dollars above the President's request.

Under the circumstances, I see no reason why we should not accept the recommendations of the Committee on Appropriations. That committee, I suggest, has at least as much expertise and is at least as well informed as the Committee on the Budget.

Now I come to function 400, commerce and transportation. I show a reduction of 5.4 percent below the recommendations of the Committee on the Budget and a 2.7-percent reduction below the Appropriations figure. On the other hand, my figure of $17.6 billion is $1.2 billion higher than the President's request. Of course, an easy way to bridge the gap that I suggest would be to allow part or all of the Post Office deficit to be continued to be funded through the Federal Financing Bank as is the current practice, at least pending further debate on the future of the Post Office. The President's proposals, I think, indicate other areas in the transportation functions themselves where there is adequate room for stretching out expenditures, delaying certain projects, and, in effect, coming up with a 2.7-percent savings that the Committee on Appropriations recommended.

We go on to function 500, education. In this function, the figures that I have reflect an 11 percent cut below the recommendations of the Committee on the Budget, but only a 2.5-percent cut below the Appropriations request, while setting a target of almost $2 billion more than the President's budget proposal. I believe in the budget presented by the President, we see a variety of areas where a determined authorizing committee could shave some money here, adjust programs there, and achieve that 2.5 percent saving below the appropriation figures.

I point, for example, to the President's proposal for the consolidation of programs, for the elimination of the impact aid in areas that were impacted almost a generation ago, when what was clearly an original need is no longer served by the money we continue to pour into these dual systems.

There are also various proposals for phasing out CETA and so forth. I am using these only as examples, but the fact is that if we were to adopt the level proposed in my substitute, we would force a reexamination of existing programs; we would force efficiencies; we would force the authorizing committees to take what is, in many instances, hard political action, but, nevertheless, action that is required if we are serious about beginning to restrict the size of the Federal Government and ultimately achieving a balanced budget.

The next function in which we recommend a reduction over the Budget Committee's proposal is in function 550, health. Here, our proposal is 2.5 percent below the recommendation of the Committee on the Budget but, by the same token, it is 3.4 percent above the recommendation of the Committee on Appropriations. Our figure represents more than $1 billion in outlays that was recommended, either by the administration or the Committee on Appropriations. I believe that we can rely again on the expertise of the Committee on Appropriations in judging our needs, judging our capabilities, and judging the relative wisdom of various programs.

Again, I believe that there is ample latitude allowed, given the size of the budget and the size of the function, for the authorizing committees to seek out areas for economies, seek out areas for tightening administration. In point of fact, it would be my judgment that the entire saving could be achieved merely by increasing the efficiency with which we deliver our medical aid services, if we merely spent a little bit of time and attention avoiding the gross abuses that are hurting the people who are supposed to be the beneficiaries of these health programs.

I call the Senate's attention to an editorial that appeared on February 22 in the Washington Post. In that editorial, it was indicated that the Senate Committee on Aging had estimated that $1.2 billion of savings could be achieved in the Medicare and Medcaid expenses alone by correcting the fraudulent practies by which unnecessary lab tests were conducted and the bill passed on to Uncle Sam.

I repeat, the reductions that I have in mind will not affect the quality or entitlement to health care of our poor or our aged. Rather, I suspect that if we force the administrative adjustments and better management that such a move would engender, we would find ourselves in a situation where we would probably be delivering this medical assistance much more effectively, and much more efficiently, to the benefit of the beneficiaries.

The final category in which we recommend a reduction is function 600, income security. Here our proposal would represent a 1.7 percent reduction below the recommendation of the Committee on the Budget. This would be closed to the figure of the Committee on Appropriations if adjusted to represent the $3.8 billion savings represented by the administration's reestimate of what will be the cost of these various public assistance programs, given the more rapid recovery from the recession than had earlier been estimated.

The figure that we recommend is $1.2 billion above the administration's. And our figure is $2.4 billion below the $140.1 billion recommended in the first concurrent resolution submitted by the Budget Committee. One billion dollars of this can be accounted for simply by accepting in full the administration's estimate that I referred to a moment or so ago.

I believe that the economic statistics fully justify that acceptance. Therefore, we are talking about bridging not $2.4 billion but $1.4 billion or 1 percent of the total amount recommended by the Budget Committee.

I believe if we go halfway or go further along the lines of accepting a number of the administration's legislative and administrative reform proposals, that we could easily absorb $1 billion.

As a matter of fact, I am reminded that the Senator from Nebraska (Mr. CURTIS) has proposed reforms in the area of the AFDC program which, alone, could account for annual savings of $1 billion.

Mr. President, that summarizes the substance of our proposal. As I say, it is really more of a symbolic saving than a major saving. But symbolism can be of enormous importance when we consider the psychology that comes into play when we are talking about recovery, when we are talking about investor confidence, when we are talking about the huge commitments of capital that are required in order to bring us back into full employment, in order to assure ourselves that we will be creating the 15 million to 18 million new jobs that we will require between now and 1985.

Mr. President, I reserve the remainder of my time.

The exhibits follow:

EXHIBIT 1

STATEMENT BY SENATOR MCCLURE

The inherent deficiencies of the Budget Resolution are, in part, technical.

The Budget Committee utilized, as a base for its spending levels, figures which reflect "current policy." Current policy automatically provides a higher budgetary base than either current law or the now familiar concept of current services. Current policy provides, for each program and function, an annual increase to offset the effects of inflation regardless of whether such increases are mandated or not. In addition, it presumes that the legislation contemplated in the Second Concurrent Resolution for fiscal year 1976 will be funded at the levels assumed in the prior resolution. Finally, "current policy" prejudges Congressional reauthorization action with respect to certain programs which may be terminated. The result is an upward bias which propels expenditures ever higher with a momentum which has been provided neither in law nor in practice.

Current policy is, in short, a giant "hold harmless" provision for all programs. The net effect of this approach is to validate inflation in every area of governmental spending rather than to use government policy as a restraining mechanism, the deficits which caused inflation are perpetuated, while the budget becomes insulated from inflation's erosive effects, the circle is closed, the loop is now complete. It appears obvious to me that a superior base from which the Committee could begin its deliberations is provided by projecting figures which represent current law or that level of spending which has been mandated by the specific actions of this and prior Congresses. Current policy approaches are particularly repugnant at a time when government at all levels should be moving toward some variant of zero based budgeting, a system in which there exists no such thing as "uncontrollable" expenditures.

For example: The effect of using current policy rather than current status or the levels of Second Concurrent Resolution adjusted for subsequent Executive and Congressional action, results in the following upward bias in Function 300:

Current status		*Current policy*	
BA	Outlays	BA	Outlays
9.2	11.8	10.7	15.2

Amendments to the Committee's suggested budget have been offered. I find those which eliminate the concept of current policy to be consistent with a reduction in the deficit and the achievement of budgetary balance, and full employment at stable prices.

300

	1976	
	BA	*O*
Former Current Status	17, 999	10, 946
Supplementals	+182	+170
Rescissions	−95	−10
Proposed Legislation	+598	+46
Increase in Offsetting Receipts	−120	−120
Permanent	+18	+149
Appropriations	+311	−217
	18, 893	11, 513
Functional Shifts	295	284
	19, 188 or 19. 2	11, 797 or 11. 8
Onetime BA for TVA	−10. 0	
Totals — current status	9. 2	11. 8

EXHIBIT 2

MINORITY VIEWS OF SENATORS JAMES L. BUCKLEY AND JAMES A. MCCLURE

A PROPOSAL FOR NONINFLATIONARY GROWTH

Nunc est tempus futurum

As a part of the report of both the First and Second Concurrent Resolutions on the Budget for 1976, we feel compelled to enter Minority views. Once again it is necessary for us to dissent from the position taken by the majority of our colleagues.

The budget process has yielded the first stage of its statutory output, a proposed budget, in the form of a First Concurrent Resolution. The process, however, has failed to produce a budget that will impose the kind of discipline on government that alone will insure budgetary balance as we approach full employment in the years ahead.

The basic concepts of budgeting are everywhere the same. Households, corporations, and governments each face the problems which are inherent in a situation where the resources available fall far short of those required to achieve a level of outcomes which is at once perceived to be both necessary and desirable. The first function of a budget process then becomes one of establishing priorities and formulating a plan consistent with those priorities. Our priorities, in a period of persistent inflation must reflect our continued commitment to the protection of the purchasing power of those dependent on fixed incomes such as the elderly; the provision of real jobs to the young and the disadvantaged who require a stable and healthy economy for their continued livelihood. Justice compels us to recommend an alternative set of economic policies which alone will achieve the type of real growth which will preserve the standard of living of those on fixed incomes and provide expanding employment opportunities consistent with the potential productivity of our young people.

The budget itself is an expression in financial terms of the will and the discipline of the Congress. The process through which that budget is formulated is fully implemented for the first time this year. We can now determine whether this process is a viable one. The budget process provides for an examination of priorities and requires the flexibility to meet emerging needs and adjust on-going programs within the context of a non-inflationary level of Federal spending. In both of these respects, the First Concurrent Resolution is seriously deficient.

CURRENT POLICY

The Budget Committee utilized as a base for its spending levels, figures which reflect "current policy". Current policy automatically provides a higher budgetary base than either current law or the now familiar concept of current services. Current policy provides, for each program and function, an annual increase to offset the effects of inflation regardless of whether such increases are mandated or not. In addition, it presumes that the legislation contemplated in the Second Concurrent Resolution for fiscal year 1976 will be funded at the levels assumed in the prior resolution. Finally, "current policy" prejudges congressional reauthorization action with respect to certain programs which may be terminated. The result is an upward bias which propels expenditures even higher with a momentum which has been provided neither in law nor in practice.

Current policy is, in short, a giant "hold harmless" provision for all programs. The net effect this approach is to validate inflation in every area of governmental spending rather than to use government policy as a restraining mechanism. The deficits which caused inflation are perpetuated, while the budget becomes insulated from inflation's erosive effects. The circle is closed, the loop is now complete. It appears obvious to us that a superior base from which the Committee could begin its deliberations is provided by projecting figures which represent current law or that level of spending which has been mandated by the specific actions of this and prior Congresses. Current policy approaches are particularly repugnant at a time when government at all levels should be moving toward some variant as zero based budgeting, a system in which there exists no such thing as "uncontrollable" expenditures.

ECONOMIC IMPLICATIONS

As a part of our dissent from the Second Concurrent Resolution for FY 1976, we included an economic forecast which we believed to be consistent with the consequences of the Resolution. That forecast, like any prediction, was made with some trepidation since the shores are littered with the bleached bones of errant forecasters. At that time we said in part:

The economic picture for the next few months is fairly clear. We can expect to see rates of real GNP growth in the 9–10 percent range for the remainder of FY 76. The rate of price will moderate as higher food and fuel prices have worked their way through the productive sector. The rate of unemployment will fall but will probably remain in the area of 7 percent at the end of FY 76. Based on past experience we can expect that money will be much higher than many observers predict and that M_1 will grow by at least 8 percent between now and the end of FY 76.

The correct policy response to the situation which will develop in 1977 would involve programs designed to increase corporate cash flow and to reduce the costs of borrowing. In short, monetary and fiscal policy must focus now on investment rather than the consumption. Our failure to take such action will produce an increase in aggregate supply and will surely occasion the same kinds of shortages and price explosions which were evident in 1974.

As we had predicted, real growth in GNP was at a level of 8.4 percent in the last two quarters of 1975. In addition, the rate of inflation moderated as we had assumed. In like manner, the rate of unemployment fell rapidly in line with our estimates, and our prediction of a rapid rate of growth in the money supply, as measured by M_1 (currency and demand deposits), is just now beginning to materialize. It can be anticipated that the rate of growth in M_1 will surge as the prime rate becomes increasingly more competitive and business and consumer debt begins its inevitable climb. The money stock as gauged by any measure other than M_1 clearly reflects a pool of liquidity which has been conspicuously developed by the Federal Reserve. Inasmuch as it is unlikely that Federal Reserve policy will become suddenly restrictive, the potential for rapid M_1 growth remains and that potential will be activated by private sector debt creation within the banking system. In short, our view of the economy in the near term remains unchanged. Economic growth which is generated by consumption oriented deficit, restricted capital growth, vast programs of public service employment and inflationary rates of monetary growth cannot be sustained.

This Budget Resolution like its predecessors will, in a significant manner, both contribute to a decline in the rate of economic growth and a renewal of inflation in calendar 1977. The specific projections of our long run economic forecast and their underlying rationale are unchanged from those which we included in our dissent from the Second Concurrent Resolution for FY 1976. They can, however, be profitably updated and reiterated.

The execution of the expansionist fiscal policies of the First Concurrent Resolution will proceed as interest rates are rising in the final quarter of 1976. By this same time, consumer prices will have resumed their upward spiral and inflation may well be in the range of 6 to 8 percent. In and of themselves, these factors will not compromise the ongoing recovery, and we can expect that in the latter half of 1976 the demand for automobiles, housing, and other consumer durables will be high. In addition, plant and equipment outlays in the private sector will rise by 9–11 percent in constant dollar terms. This strength in consumer spending and business investment will be fueled by large increases in salary income and corporate profits respectively.

A strong recovery will continue into early 1977 but as the pace begins to tell, real GNP growth will probably not exceed 5 to 6 percent in the initial two quarters of 1977. It is at this point that we fully expect to see a long-delayed tightening of monetary policy and the development of production bottlenecks and shortages. The net result will be evidenced in a declining rate of real GNP growth and the strong possibility of yet another recession.

This long term forecast implies a very different view of the noninflationary potential rate of economic growth than that assumed by the Congressional Budget Office. The CBO projections which provided the basis for the macroeconomic assumptions of the First Concurrent Resolution presume that plant and equipment currently in place guarantee the fact that rapid economic growth may be achieved with only modest inflationary consequences. In short, they assume that we are currently operating at approximately 72 or 73 percent of total capacity. We believe that rate is closer to 80 percent. The CBO estimates of economic slack and potential GNP fail to recognize the fact that productivity growth has declined in recent years and that the productive capital stock actually declined in 1975. This reduction represented the first such decline since World War II. Finally, it should be noted that what excess capacity exists in the economy is unevenly distributed among industries and between the various phases of production from raw materials to finished goods. Consequently, the existence of some level of unutilized aggregate capacity may well be unrelated to the emergence of production bottlenecks and shortages in the economy.

ECONOMIC RECOVERY

One of the major oversights made by the Budget Committee was its disregard for the potential of the private sector. Signs of a healthy expansion in economic activity abound, yet the Budget Committee recommends a deficit of $50.2 billion; a deficit which will pull resources out of the more productive private sector and into projects of questionable value in the public sphere, or, alternatively, will force an unhealthy growth in the money supply thus generating a new round of price level inflation and a consequent recession.

Consider the most recent indicators. Increased consumer sales have reduced inventories to the reorder point so that basic production must increase. The spurt in retail sales first observed in December of 1975 has carried over into the first quarter of 1976. Inflation has subsided in recent months to a level far below most expectations. However, the stock of "high-powered money" (the monetary base: consisting of currency in circulation and member bank deposits at the Federal Reserve Banks) has grown at a rate of 6.6 percent in recent months, an indication that the overall money supply can probably be expected to increase markedly in the near future.

The most encouraging economic indicator has been the decline in the unemployment rate, a decline which has been more rapid than had been predicted by others. We are now at a 7.5 percent unemployment rate, a target originally thought to be attainable only by year's end. Clearly, private sector expansion in the coming year will be relatively more vigorous than anticipated.

All of these indicators, however, have not prevented the Budget Committee from adopting a policy which could easily transform a healthy revival into another bout with inflation and consequent recession. Adoption of the Committee's growth target, based as it is on outdated and faulty economic philosophy, may induce such inflation. For any stimulative effect to be felt, a sizable portion of the large deficit would have to be monetized by the Federal Reserve, since any part of the deficit which is not monetized is not stimulative. Additionally, the large drain of resources into the public sector, far from increasing our real economic well-being removes capital and labor to a less efficient sector of the economy.

MONETARY GROWTH POLICY

Clearly, the recommendation for monetary growth implicit, but curiously unstated, in the recommendation of the Budget Committee does not portend well for the steady economic improvement envisioned by the Majority document. The recommended plan of adjusting the growth of the money stock to adapt to current trends will do little to stabilize the economy. We know that changes in the growth of the money supply only effect economic activity with a delay of well over a year. Stimulative policies which one might like to see impact today may not be effective until some future year when the economy may be already at full employment. A more responsible policy in the long run would involve the adoption of a course of monetary growth which fixes that growth to accommodate real economic progress and stable price levels. Such a policy would avoid the impossible task of trying to "fine tune" a complicated and little understood mechanism. Further, it would reduce investor uncertainty as to future monetary policy. Resulting increases in investor confidence can only contribute to the soundness of the Nation's economic health.

In view of the evidence presented to the Committee with respect to the potential inaccuracy of even the short run forecasts of economic activity, we cannot help but believe that monetary growth policies designed to produce countercyclical stimulation would be dangerous and unsound. Deviations from the long run trend of monetary growth can be shown to induce in part changes in real production and in part changes in price levels; but economists have such limited understanding about how much of the effect is on real production and how much is on the price level, that we urge an accomodative and stable monetary growth policy designed to match the long run growth potential of the economy.

In testimony before the Budget Committee, Federal Reserve Board Chairman Arthur Burns stated that congressional guidance in the area of monetary policy would be weighted heavily by the Federal Reserve Board. We believe that this opportunity to work toward achieving a reasonable and prudent approach in this area of economic policy should not be ignored. A monetary growth policy directed at the eventual achievement of a constant growth rate of approximately 4 percent in the monetary aggregate known as M_1 (currency plus demand deposits) should be adopted by the Congress in order to forestall an expansionary period characterized by inflation and followed by recession.

JOB CREATION

The most tragic aspect of the recession which we have just experienced is the unemployment of millions of wage earners throughout the economy. We feel that the most important reason for achieving a long-lasting recovery and a stable price level is the attainment of full employment where wages are not eroded by constant inflation. Economists have long recognized that wage earners are among the chief victims of price level inflation, and it is, therefore, essential that the Congress adopt policies which encourage relative stability and a constant price level. It is disheartening to see the Budget Committee recommend to the Senate an expenditure and revenue package which produces a deficit of $50.2 billion. The effect of such a large deficit during a phase in the business cycle when expansion is already moving ahead rapidly will be to drain away resources sorely needed by the private sector, where productive and lasting employment could actually develop. Instead, the Committee would have these resources directed into public service employment which pays low wages, demoralizes the participants, and burdens taxpayers far beyond the value of the services provided. We have supported within the framework of the Resolution policies which will generate jobs and investment of a lasting and productive nature. Such policies will generate employment for hundreds of thousands of jobless Americans and, at the same time, contribute to the real stock of national assets and to the achievement of long range national goals. The deficit proposed by the Budget Committee can only frustrate the potential for creating *real* jobs and exacerbate future inflation which saps the purchasing power of all employees' wages.

THE FULL EMPLOYMENT SURPLUS CONCEPT

In addition to the inherent deficiencies which would be a part of any resolution designed to conform to a Keynesian world view, the Committee's Resolution labors under the additional burden imposed by a well-intentioned, but misleading measure of fiscal policy. That is to say, the measurement of fiscal policy in terms of the "full employment surplus or deficit". At best, this policy serves to indicate the hypothetical status of the budget on the assumption of full employment. It should not be used as a policy planning device when full employment is unattainable in the near future. Used in such an inappropriate manner, it creates the mistaken impression of providing a fiscal blueprint for the actual attainment of full employment.

The use of fiscal policy to stimulate and direct the level of economic activity, as applied within a Keynesian context, was once conceived to be a panacea for all problems associated with stabilization. During the past 40-odd years it has failed to provide an effective substitute for the free market as a system for directing economic growth and distributing the material rewards of that growth. Bad theory cannot be validated by the endless expenditure of funds and the creation of deficits. It is our conviction that the policy of returning more resources to the working men and women of this country will create a more lasting and equitable solution to the problems of inflation and unemployment.

Productive purposeful employment may be said to be the "bottom line" of a Federal budget, but, in the final analysis, jobs cannot simply be called into being by the wish of the Federal Government. The jobs that government "creates" are basically the result of transferring resources from private individuals and disposing of those resources in what is hoped to be a beneficial manner.

This does not create jobs or wealth, it merely redistributes them. Jobs are created by savings and investment in productive enterprise. The very policies of government that are intended to provide jobs do so in the short run by transferring funds into current consumption and away from savings and investment, away from the uses that would provide real jobs for the future. Federal policy presently incorporates a tax bias against the real force of jobs creation. As a real contribution to jobs creation, then we would do well to investigate the alternative tax credits for appropriate savings and investment. We would increase the flow of real savings and, by this means, we would enhance the economy's ability to provide a durable framework in which jobs would be both productive and secure, qualities too often lacking in Federal "jobs creation" programs.

CONCLUSION

We emphasize once more, as we have in previous dissents, that there is great potential in the new budget process for controlling expenditures and ordering our national priorities, but we feel that the process is viable only so long as we face up to the reality that there is a limited pool of resources which must be allocated between the private and public sectors in a manner which recognizes those functions most efficiently served by each sector.

The proposed First Concurrent Resolution for FY 1977 neglects this need for discipline and attempts to accomplish too much. The large deficit found in that Resolution will not support the long range goals of stable employment and reduced inflation which we feel are the chiefs clients of the budget process.

James L. Buckley.
James A. McClure.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from New York yield?

Mr. BUCKLEY. Gladly.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator from New York has 14 minutes remaining.

Mr. HARRY F. BYRD, JR. I commend the able Senator from New York for the hard work he has put into this matter. I know how hard he has worked on this.

As I understand the proposal it would reduce the proposed spending by approxitely $7 billion.

Mr. BUCKLEY. That is correct.

Mr. HARRY F. BYRD, JR. I will support the amendment offered by the Senator from New York. It is in the nature of a substitute and, if it is approved, it would take the place of the pending measure, as I understand it.

Mr. BUCKLEY. That is right.

Mr. HARRY F. BYRD, JR. I think the Senator from New York is to be highly commended for the tremendous amount of work that he put into developing this substitute proposal.

As the Senator from New York has pointed out, it is somewhat symbolic but, on the other hand, there is a large amount of tax funds which would be saved, nearly $7 billion and, as a Senator from Virginia, I would like to support the Senator from New York on two counts: One, the symbolic count, and also on the dollar savings.

Mr. BUCKLEY. Mr. President, I thank my friend from Virginia who now, as always, has been particularly concerned over the need for the Congress of the United States to make a more genuine effort or a more active effort to bring our books into balance.

I reserve the remainder of my time.

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

Mr. President, I believe the two most significant words used by the distinguished Senator from New York were the words "symbolic" and "psychological" effect.

The fact is that the budget process, if

it has done anything at all for the Congress in this year and a half or so we have been in business, is we have tried to get down to the real facts of the case and get away from some of the symbolic activities that have gone on in the past. I refer particularly to the budget that the President sent us.

Last year's budget had in it a figure of some $8 billion as anticipated revenues from the Outer Continental Shelf. We all knew it was an impossible figure to obtain, and Congress reduced it. By presenting these figures it makes the President's budget look better than it really is.

Some of the things that Senator BUCKLEY proposes now have precisely the same effect. For instance, in category 400, commerce and transportation, the distinguished Senator from New York proposes a reduction of $1 billion. All this would do would be to force the Post Office Department or the Postal Service to go ahead and borrow the money on their own. They would be competing in the same capital markets for the money as if the Treasury borrowed these funds, and the effect would be purely cosmetic.

It might be symbolic if we could say the budget is $1 billion less, but the facts are that the budget would still be of exactly the same size and there would be no advantage whatsoever to operating in the way the Senator from New York would have us operate. In fact, I would contend that it would be harmful since Congress needs to know the full impact of the fiscal policy that we are establishing, and when we allow $1 billion to be borrowed, you might say under the table, we are hiding the fact that we are competing in the marketplace for these funds and, in this way, endangering the private sector that might be competing for the same money.

The Budget Committee's decision was to include this funding in the budget, make it plain that the Government is going to be competing for these funds and, in this way, not try to hide from this reality.

Also the proposal that the Senator makes for a saving in category 600, the income security category, is, perhaps, even a little less than symbolic. A good bit of this saving, which both the Senator from New York and the administration anticipated getting, was in the food stamp program. This Congress or this Senate last week considered a series of amendments to the food stamp program. Some of them were intended to reduce it in size. We wound up passing a bill which will reduce it practically zero. In fact, we may have wound up passing a program that may be more costly than the one now on the books, so this $1.2 billion savings is illusory, to say the least, because this body has already expressed its opinion on this matter, and the opinion of the Senators more than we are presently spending, that we should be spending perhaps more than we are presently spending, but certainly not $1.2 billion less than the present program costs.

So I suggest to the Senator from New York that the program which the Budget Committee approved last year, which is, in essence, being continued for fiscal year 1977 is one that is working very well.

The unemployment rate is down from the high of 8.9 to about 7.5 percent; interest rates on short-term have come down from a high of almost 9 percent to about 5½ percent; long-term rates are down from a high of about 8 to 9 percent to about 8 percent; the inflation rate, Mr. President, is down from 12 percent to something like 5 percent.

Our economy is stronger today than even the most optimistic of us dared hope it would be the last year we were working on the budget. We now have some 2 million more jobs than was the case a year ago. The economy is following a very steady, sustainable course toward total recovery.

The Buckley proposal would, in my opinion, be unduly restrictive. It would serve to set the economy back; it would cancel the incentive that many in the private sector have to go ahead and provide jobs in the private sector and, I believe, that the substitute for the budget resolution should be defeated.

(At this point, Mr. LAXALT assumed the chair.)

Mr. BUCKLEY. Mr. President, I yield myself such time as I will utilize just to comment on the observations by my friend from Oklahoma.

I fully agree with him that the President's figures often, frankly, do not survive scrutiny, as in the Outer Continental Shelf estimates of revenue. That is why I did not follow or use the administration's budget request as a guide.

I do feel, however, that in the specific areas I did indicate, there are thoughtful proposals that could yield very real economies without interrupting the delivery of essential services.

With respect to the category, function 400, I thought I went to some pains to point out I was not pinning my proposed $1 billion reduction on the accounting for the Post Office, although I do indicate this is an area that could be considered.

Certainly, in a function that is over $18.6 billion proposed to be spent, we have other areas where economies are possible if there is a mind to economize, and I suspect that the gap between the President's proposal and mine indicates that there are areas of flexibility involving transportation.

With respect to function 600, whether or not we enact the food stamp reform program, there is still room in the $140 billion proposed outlays in the overall area of income supplement to make economies when it is so notorious as to the amount of waste we are incurring in our welfare programs, in our AFDC programs, even in the administration of our existing food stamp program, never mind tightening the entitlements.

So that again, I think we ought to regard the budget process, in part, as a forcing mechanism to require people really to get down and see what can be done to save waste. I am talking about only saving waste, and there is ample room in this huge conglomerate of programs to save $1.4 billion.

With respect to the economy generally, I quite agree that we have come out in the economy rather well. In fact, I believe anyone looking at the estimates and projections that the Senator from Idaho (Mr. MCCLURE) and I included in the report for last year's second concurrent resolution on the budget, will see we are pretty much on target. But I suggest this improvement is in spite of, not necessarily because of, the policies adopted by the Congress last year.

We have got a virile economy if we will not throttle it, if we will allow it to do its magic. And whereas, yes, short-term interest rates have come down. The significant figure is long-term interest rates, and these are still high by any historic perspective, indicating that there is still that concern over future inflation that is being reflected in high-interest rates that, in turn, discourage or limit the areas of capital investment.

Furthermore, if our program is adopted, not only will we, in effect, encourage people to believe we intend to get on top of inflation, but we will release for private investment another $6.8 billion which I suspect would provide us a base for a far healthier recovery than that we are now anticipating.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I think my good friend from Oklahoma, the distinguished ranking Republican on the Budget Committee, has made the case. I might emphasize a few points to supplement what he had to say.

First of all, I think most of these issues that are touched upon by the amendment of the distinguished Senator from New York were discussed, debated, and resolved in the Budget Committee. So I do not know that there is any particular usefulness to a continuation of the argument between the Senator from New York and the Senator from Oklahoma and myself on the Senate floor, especially since we seem to be the only ones here.

But let me touch upon the essence of the Buckley amendment.

It would cut $4.5 billion in budget authority and $6.8 billion in outlays from the budget resolution. Those cuts would include CETA jobs, education support, medicaid payments, Postal Service subsidies, supposed savings in income security, cuts in public works and other natural resources, environment and energy programs.

I think the debate on the Senate floor last Friday indicates how tight the Senate budget resolution is with respect to some of those items. The distinguished Senator from Ohio and the distinguished Senator from Rhode Island, for example, are much concerned about the ceilings that the budget resolution imposes on function 300 which, among other things, is the energy function.

I think we had rather extensive debate on the Senate floor on the part of those Senators, arguing that high energy priorities simply could not be accommodated by the overall functional totals in function 300.

Now the Senator from New York urges that we cut even those function totals to a lower figure, by $500 million in outlays and $400 million in budget authority, as I understand it.

But having heard the debate on Friday, I am persuaded even more that the function totals in the budget resolution are a reasonable accommodation between the requests that were made by authorizing committees and the real and justifiable need.

Indeed, it was contemplated as a result of the debate last Friday that it might be necessary for the appropriate committees dealing with the energy questions to come to the floor of the Senate and urge a lifting of the function ceilings in order to accommodate real and essential energy initiatives.

So on the basis of the record we have had on the floor up to this point, I do not think it would be wise to accept this recommendation of the Senator from New York.

With respect to the Postal Service deficit, I concur wholeheartedly with my friend from Oklahoma. It was a temptation for the Budget Committee to follow the route that had been taken by the administration, to force that deficit off budget and thus make our deficit look better. The temptation was even greater because the President had done it and, as a result, made his deficit look better.

But it was our feeling that as to the money involved—and it is $1 billion with respect to the general Postal Service's deficit—it was time we brought that deficit on budget where it could be seen, and so that nobody is fooled.

The Senator from New York argues that keeping things as they are is a way of generating pressure for efficiency. But what I am finding in my State is that under the pressure of this kind of budgeting, the Postal Service is not inaugurating efficiencies but eliminating vital postal services and depriving people in the rural areas of my State—and I take it in the rural areas in other parts of the country—of needed services because the Congress fails to recognize the need for the services by funding the deficit which is generated by their continuation.

If I could believe, as the Senator from New York suggests, that the Postal Service would react to his proposal with a sense of delicate surgery, I might buy his argument.

But it has not produced that kind of result. Instead, the Postal Service has used a hammer to knock out rural post offices, to cut down on postal deliveries, to increase the first class postage rate, and in other ways to put the Postal Service beyond the reach of more and more Americans who depend upon it for basic communication in this free society.

The committee, as I said, debated this issue at length and decided that notwithstanding the temptation to make our deficit look better, that honesty and candor required that we put that Postal Service on the budget where we could see it and take it into account as we consider all of the problems that the Postal Service is generating for so many people in this country.

Mr. LEAHY. Will the Senator yield?

Mr. MUSKIE. I yield.

Mr. LEAHY. Mr. President, I ask unanimous consent that during the deliberations and the votes this afternoon Judith Heffner and Herb Jolovitz, of my office, be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I thank the distinguished Senator from Maine.

Mr. MUSKIE. I thank my good friend.

With respect to function 550, it would seem to me that the RECORD of last Friday of the debate between myself and the distinguished chairman of the Finance Committee suggests that, again, the numbers that the Budget Committee came up with are pretty realistic.

The distinguished Senator from Louisiana made the point that what we were asking for by way of economies in medicaid and medicare were simply unrealistic. The resulting response might simply be a reduction in essential benefits for people with real needs, rather than a savings in administrative costs and other kinds of abuses.

He insisted that in his judgment the Congress would not accept any such result and, therefore, that it was not possible to achieve the kinds of savings that the budget resolution imposes upon function 550 and function 600, the income security function.

Well, we managed to prevail over the protests of the distinguished Senator from Louisiana, but now the Senator from New York would urge an additional $1 billion in savings in the medicaid program below those mandated by the budget resolution before us.

I do not see the Senator from Louisiana in the Chamber, but if he knew we were discussing this I think we would probably be able to hear him from wherever he is in response to this suggestion of the Senator from New York.

So again I think the budget resolution numbers suggest a reasonable accommodation between the view of the Finance Committee and its chairman and the view of the Senator from New York.

I would make the same point with respect to function 600.

The question of CETA jobs, I suspect, involves a fundamental philosophical difference of opinion between the Senator from New York and myself as to the place for public employment at a time of high unemployment in the private sector.

The Senator, as I understand it, comes close to adopting the President's proposal for a phase out of CETA jobs by the beginning of fiscal year 1978. The Budget Committee considered that and rejected it. I think rightly so. As a matter of fact, I think that given the unemployment figures which have been projected in the President's budget as well as by other distinguished economists, one could make a case for more public service jobs than are provided in this resolution. Indeed, I expect we will be listening to an amendment offered later this afternoon on that very point, as well as some others.

There are other items in the Senator's proposal. They do not at this point seem to have sparked extensive debate. So at this point, given the limitation on time, I will reserve the remainder of my time and give the Senator from New York an opportunity to reply to my observations.

Mr. BUCKLEY. I thank the Senator from Maine and the distinguished chairman of the committee, who, incidentally, I believe, did a very fine job in a very difficult process, though we do disagree on different points here and there.

People keep trying, Mr. President, to put items into my mouth or into my plan. I went to some pains, I thought, to suggest that I deliberately kept my figures high enough so there could be alternate strategies with which we could come in and achieve desired levels of reductions so that, among other things, we could create jobs in the only way that will really satisfy the needs of our economy and the desires of the American people, namely, through an appropriate expansion of employment in the private sector where we actually make things, where we deliver services that people want, where we create wealth-producing employment.

The Senator did go to some length about whether or not anything was available in the way of savings in the health delivery sector in function 550. He stated that if the distinguished chairman of the Finance Committee were to come here, he would advise me that my figures were not only low but that the estimates that are incorporated into the Budget Committee's proposal are also on the low side.

I would point out that had we followed the advice and expertise of each chairman of each authorizing committee, we would be adding about $25 billion to what we already propose as a $50 billion deficit.

I believe there is another expert as to what we can anticipate from existing programs, and that is the expertise of the Appropriations Committee. If the distinguished chairman, the Senator from Arkansas, were to come here, he would probably be castigating me for my extravagance in recommending $1.2 billion of outlays in the health field over and above what was recommended by the Appropriations Committee. But I repeat, there are clearly areas, if we will energize ourselves, if we will focus on the problems, where we can go in and exercise control rather than merely accepting philosophically the existence of fraudulent practices where, for example, doctors will conspire with medical laboratories to run up bills for nonexistent tests. As I say, one of the Senate's own committees, the Committee on Aging, has estimated that this alone results in the waste of over $1 billion a year.

With respect to the Post Office, I was not focusing on any particular area. I was suggesting this was one of a number of areas that could be examined. In point of fact, if we take the President's recommended figures and throw in the Post Office, transferring it from where it presently is, being financed through the Federal Financing Bank, we still find that there is a $1 billion gap between what I propose and what the President proposes.

I would say that I do believe we have problems with the Post Office that are not going to be solved by deciding how we finance deficits. They are only going to be solved if we do get at the managerial problems. My own offering in this area has to do with allowing competition to creep in, in the delivery of first class mail, so that we do not find ourselves, in effect, rewarding mismanagement.

With respect to the category 300, in which we have energy plus water resources and so on, we have extraordinary needs in the energy field. I am among those who have been working these last 3 or 4 years in expanding our efforts, in focusing them, and in exploring the alternatives, the options that we will have to have in place before very long if we are going to meet our economic needs.

But I do suggest that it is not necessary or even useful to accept every demand for new research in every field because there are real limitations in what can be done productively in a given year beyond the expenditure of a certain amount on research and development.

I would point out that the President's budget called for a 50 percent increase in the financing for ERDA. Again, I think that we have had in this area as well as in the Corps of Engineers and in the water resources work, ample room to fine tune what we are spending without interrupting any necessary program.

Mr. President, as the Senator from Maine has pointed out, we have discussed this whole area in the Budget Committee before. I only wish there were Senators here who were not members of the Budget Committee, because I believe that the economic philosophy, the understanding of the macro-economic consequences of the fiscal philosophy adopted by Congress, is probably the most important single debate we could have.

I would only suggest, based on history, that the macro-economic suggestions by the Budget Committee have proved far less reliable than those of the minority, and I would hope that our proposed alternative would have the result of reducing interest rates, increasing investment, getting more people into productive jobs, and, in effect, helping to decrease still further the deficit we project as well as the need for public assistance that we provide for.

Mr. TAFT. Mr. President, I wish I could support the distinguished Senator from New York, Senator BUCKLEY, in his efforts to bring about a reduction in Government spending by $6.8 billion. However, this approach must wait for an improved economy to cut income security and health to the extent proposed.

While I have supported modest increases in several budget categories in an attempt to modify priorities somewhat, I still feel that Federal spending is too high, and has been for many years. This amendment, even if it should fail, is an eloquent protest against the deficits, inflations, and subsequent recessions we have been experiencing over the last decade.

A firm commitment is needed from the Senate to the concept of a balanced budget, if not this year, then very soon. The public is not fooled by deficits. They know that taxes will be higher in the future to pay the interest on the increased Government debt. They know that inflation will be made worse. And so I think it is time for the Senate to realize that deficits are not so stimulative as they once may have been when tax rates were lower. Deficits can damage an economic recovery by worsening the disincentive effects on productive labor and investment, indeed on all output, that high tax rates produce.

It is time the Senate brought itself up to date on the effect of taxes and inflation on output and growth. I hope that a sizable vote for this amendment will serve as incentive for the appropriate committees of the Senate to hold hearings in this area. We must back away from higher tax rates and higher Federal spending, for they have gone far beyond the point of diminishing returns, and are well into the area of actual negative impact.

Mr. MOSS. Mr. President, I rise in opposition to the amendment which has been offered by the distinguished Senator from New York to modify the budget resolution. It would cut $4.5 billion in budget authority and $6.8 billion in outlays.

I am in sympathy with the stated objective of the amendment to reduce spending. However, I oppose the amendment because of the nature of the cuts proposed. The amendment would do more than make some apparently simple cuts. Its adoption would impact markedly on the priorities in this resolution, thus changing the resolution significantly. Further, the so-called savings are more apparent than real. For example, the amendment would reduce outlays by $0.5 billion in function 300—natural resources, environment, and energy.

Specifically, the Senator from New York, makes the point that the Budget Committee has allowed $1.1 billion in budget authority and about $800 million in outlays over the numbers recommended by the President's budget. The Budget Committee did recommend expenditures which exceeded the President's figures in the energy area. But I would point out that the President's budget did not even include funds for the implementation of the Energy Policy and Conservation Act—EPCA—which the Congress enacted and the President signed into law last December. In testimony before the energy task force of the Budget Committee, in response to a question I posed, Mr. Zausner, Deputy Administrator, FEA, indicated that FEA was now "preparing both an amendment to the 1976 budget and a supplemental for 1976 and the 1977 amendment to take account of the EPCA." Mr. Zausner also said:

> When we look at that legislation (EPCA) now, for its budget impacts for 1977, it is clear that it will be appreciably greater than what it is in the 1976 budget.

With regard to the amount of money needed in 1977, Mr. Zausner responded to my question by indicating that the administration would "need (budget) authority perhaps close to $1 billion on top of what is in the 1977 budget." He further indicated that this was perhaps "the major increase" over what is in the President's 1977 budget.

While we have heard for sometime that the President was going to submit these supplemental budget requests for the 1976 and 1977 budgets to cover the required funding of EPCA, such requests have not yet been forthcoming. I do not know why. EPCA is the law and it is obvious that it must be supported. And, the President will eventually send up a request which will add to the spending ceiling and the deficit. In the interim, the President's deficit appears smaller.

This resolution provides for future energy needs by funding programs of research, conservation development and demonstration, and supports of energy price and safety regulatory efforts, as I indicated in my statement before the Senate on April 8. Energy should rightfully be accorded high priority. I am for holding down the budget ceiling and for reducing the deficit, but what is proposed by this amendment regarding energy would be penny-wise and pound-foolish. It is difficult to think of any function in this budget of any greater importance. It is directly tied to the Nation's security.

This amendment also proposes to cut $1 billion from function 400 by withdrawing funds needed to support the Postal Service, and to force the Postal Service to go off budget.

In the absence of funding the full projected 1977 postal deficit of $1 billion, the postal deficit would not be reduced nor disappear. Rather, it would be financed through a combination of off-budget borrowing and other means which tends to mask the realities of the Postal Services' severe, financial situation. There is obviously a need for examining Postal Service operations and reaching new solutions. This is certainly a priority matter of the Senate Post Office and Civil Service Committee. But the budget resolution is not the appropriate vehicle to affect substantive action with regard to operations of the Postal Service.

The amendment also proposes a cut in function 500 which would reduce public service employment jobs funding under CETA title VI of the resolution. Obviously, this would add to the unemployment rate which is already too high. The Budget Committee rejected, overwhelming, the President's proposal to eliminate public service jobs in 1977. And this amendment has brought nothing new to light which suggests a need for change in that determination.

The amendment claims "savings" in function 500 for "school consolidation" which presumably means program consolidation. During budget markups, the committee acted to increase funding for education, on the grounds that additional funding was necessary to permit forward funding of vocational education, to meet anticipated supplemental requests for funding the "hold-harmless" provisions of impact aid programs, and to fully fund the education for all Handicapped Children Act. Congress had earlier passed that act and then not provided funds to fully support it. Such action—

seems somewhat hypocritical and does not reflect credibly on the Congress. The resolution also provides increased funds in the education subfunction to accommodate at least in part for increased costs in recent years in elementary and secondary education programs, and in the higher education area to fully fund the basic education opportunity grant programs. The committee does not deal with line items. But it is clear the committee felt education to be a priority need to be supported.

In function 550—the amendment proposes a reduction of another $1 billion for medicaid. This is in addition to the $0.3 billion reduction the committee recommends in the resolution for medicaid outlays in fiscal 1977. There was much discussion during the committee markup regarding health programs, and the need to demonstrate effective methods of controlling health care costs. The Finance Committee had indicated a desire to develop legislative proposals which would moderate the anticipated increases in reimbursement under medicare/medicaid and encourage program efficiencies. Because health care costs have been a major contributor to the increasing inflation in the last several years, I believe action can and should be taken to improve management and reduce costs without reduction of services provided.

As a member of the Special Committee on Aging, I am aware of abundant evidence of abuse and fraud in both medicare and medicaid programs. I believe the committee's reduction of $.3 billion is proper and fiscally responsible. However, I do not believe that it is realistic to think that we could get another billion dollars in Federal expenditures from this program in 1977. The medicaid program is funded on a cost-sharing basis by the States and Federal Government. A reduction of this magnitude would clearly mean that services would have to be reduced drastically, that the numbers served would have to be cut deeply, that the States would have to raise taxes, or some combination of these actions. I support measures to keep the pressure on to reduce costs, but in doing so, we must be realistic and act to achieve savings which are attainable.

In function 600 income security, the amendment proposes a reduction of $.8 billion in budget authority and $2.4 billion in outlays. Let me point out that the Budget Committee recommendations were below the authorizing committees recommendations by $4.9 billion in budget authority and $3.9 billion in outlays. The significance of these cuts is better understood when they are compared with current policy levels which shows nearly a $20 billion cut in budget authority and nearly $5 billion in outlays. As I understand it, the amendment would reduce the temporary extension of unemployment coverage and benefit duration as of March 1977, as the President proposed. The committee clearly rejected that. I am certainly hopeful that the up-turn of the economy will continue to intensify, but that is not guaranteed. Therefore, I think it is important to support the resolution which includes sufficient funds in this function so as not to aggravate the problems or impede economic recovery about which we are concerned.

In summary, the nature of the proposals included in this amendment were carefully considered by the committee—not only in studies and extensive hearings on the budget, but also during 4 days of intensive effort in budget markups. The resolution rejected such proposals. This amendment would markedly alter the nature of the budget resolution, would change the priorities inherent in the resolution; and, therefore, I recommend amendment not be accepted.

The PRESIDING OFFICER. All the time of the Senator from New York has expired. Who yields time?

Mr. MUSKIE. Mr. President, I am prepared to yield back the remainder of my time, but I do not see the sponsor of the next amendment. Let me suggest the absence of a quorum on my time on this amendment, to see if we can get the sponsor of that amendment on the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1592

Mr. BAYH. Mr. President, I ask that the Senate turn to my amendment, amendment No. 1592, which is at the desk, and ask that the clerk refer to the corrected copy, which I send to the desk. There were errors made in printing.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. BAYH) proposes amendment No. 1592, as modified.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 1, line 7, strike out "$412,600,000,000" and insert in lieu thereof "$412,100,000,000".

On page 1, line 9, strike out "$454,900,000,000" and insert in lieu thereof "$452,300,000,000".

On page 2, line 22, strike out "$113,000,000,000" and insert in lieu thereof "$110,400,000,00".

On page 2, line 24, strike out "$100,900,000,000" and insert in lieu thereof "$100,400,000,000".

On page 2, line 3, strike out "$5,200,000,000" and insert in lieu thereof "$49,700,000,000".

Mr. BAYH. The corrections involved were the exclusion of three zeroes on the end of three figures that made billions into millions, which would be a good way for us to trim the budget, but that is a little more than I want to trim out of it.

Mr. President, I further ask unanimous consent that the Senator from California (Mr. CRANSTON), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from South Dakota (Mr. MCGOVERN) be added as cosponsors to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, earlier this afternoon I participated in a discussion with the distinguished chairman of the Committee on the Budget, the Senator from Maine, in which I urge the Senate to include an additional $100 million with primary emphasis on investing this money in fighting crime.

I am not unmindful of the need for prudence, and because of my feeling for this, I feel it is also important for us to look for some place in which we can cut money from the budget without jeopardizing national policy.

I have been advised that the distinguished chairman of the Committee on the Budget adopted a similar position as the Senator from Indiana in the defense area in committee. But unfortunately for those of us who support that position he was in the minority in committee and now finds himself very persuasively arguing the opposite point to sustain the position of the committee.

The only cuts in the defense budget were those that were proposed by the chairman, and I salute him for that effort.

I think it is important for us to address ourselves to the need to do more, and I think we can do that prudently.

My amendment would reduce the target budget levels for the function of national defense by $2.6 billion in budget authority and $500 million in outlays. It is directed at the research and development and procurement accounts.

I offer this amendment because I am deeply troubled by the prospect of Congress rubber stamping the administration budget request for defense and giving the Pentagon all it wants without careful scrutiny, consideration and debate.

This is a political year, Mr. President, as I think we are all aware, and candidates are searching for issues to ignite the public. One of the issues they have seized upon is the growing military strength of the Soviet Union. I fear that political rhetoric, often misleading, has been used to alarm the public which is troubled quite understandably with the course of international events after our withdrawal from Vietnam, Soviet and Cuban adventurism in Africa, and Communist activity in southern Europe.

The atmosphere that has been created has led some to believe that the United States has suddenly become a second-rate power—that the Soviet Union has grown so strong and our Nation so weak, that we can no longer protect our vital interests, our allies, or our homeland.

To many, the only solution to our problems appears to be spending more and more tax dollars on national defense.

Ironically, most of those who advocate this course raise the loudest voices against spending for when it comes to domestic, social needs where there they cry for fiscal responsibility, good management, and efficiency.

It seems to me we need to do both, Mr.

President, and that is why I think the parallel between my two amendments is particularly appropriate in this consideration by the Senate.

Mr. President, we in Congress have a very heavy responsibility in setting priorities and setting spending levels. It is up to us to sweep away fears and emotions and deal with facts. It is our job to exercise sound and measured judgement and spend as wisely as possible. Our duties in this regard must be exercised in the defense sector as well as all others.

With this said, Mr. President, let us examine this new "threat" which has caused the administration to request a real increase of $9.6 billion in defense spending. Is this tremendous increase needed at a time, when we are slashing social programs below current policy levels? Frankly, I think not.

For many years, we have known about the buildup of Russian forces. The growth of the Soviet military establishment has been going on since the early-1960's when the Sino-Soviet split broke open. It is nothing new.

An analysis of this growth indicates that the U.S.S.R. has truly become a superpower. It does not show that we are suddenly No. 2. Misleading comparisons of military spending have not refuted the fact that the United States remains the world's strongest military power, where, frankly, I want us to remain.

The increase in Soviet power should give us pause. We should look carefully at our defense policy and forces and make certain that those forces are capable of performing their missions against this formidable foe. We may need growth in several areas. But we certainly do not have to buy every weapon and every gadget that the Pentagon wants and particularly all at one time.

Let us look at the defense budget, Mr. President. According to the Budget Committee, that budget calls for $9.6 billion in real growth in budget authority. That means after we take into consideration increases to compensate for the inflationary pressures we have seen, to maintain last year's defense level we are still adding $9.6 billion in addition to that.

That is a 10.3 percent growth rate, a 10.3 percent growth rate in the area of the defense budget alone. To be more specific, if we define those areas where this amendment of mine is directed, we find that expenditures for strategic forces in this budget would experience a real growth of 21 percent, general purpose forces 13 percent, research and development 12 percent.

Mr. President, we have learned the difficult lessons of intervening in conflicts in far corners of the world. We are not planning some new venture similar to Vietnam. We are not suddenly No. 2 behind the Russians. Yet we are asked for an immense increase in defense spending.

I realize that there are many serious observers who believe that we must produce real growth in defense spending for several years. But even these people speak of growth in the 2 to 4 percent range, considerably less than what has been proposed in this budget.

Dr. Schlesinger, before he left the Defense Department, was talking in the range of some 2 to 4 percent. Now Secretary Rumsfeld is talking about 4 percent, and yet this budget calls for 10 percent growth.

I know the Budget Committee dealt conscientiously with this function, but I believe there is room for a much bigger cut than the $0.3 billion it made in budget authority. My amendment would reduce that amount by another $2.6 billion and still permit growth in excess of the current policy estimate and real growth of 7.5 percent in the DOD baseline budget.

In other words, accept the Bayh amendment of 2.6 percent, and you are still going to have an increase in real growth in the defense budget of 7.5 percent.

Certainly, this is adequate growth when realistically viewing the current circumstances.

What is more important, Mr. President, this amendment would give a clear signal that the Senate intends to look closely at the defense function in the entire budget. The Senate's interest in defense spending has increased tremendously over the last several years. Many, including the Budget Committee, have raised important issues regarding our defense policies. I believe we must continue raising those issues, and avoid accepting Pentagon proposals at face value.

One could not make a bigger mistake, Mr. President, than to assume that because we are spending more money we will, as a matter of course, increase the effectiveness of our Armed Forces. I do not recall a recorded case when dollars alone stopped a tank, shot down an airplane, or sank a ship. Only if those dollars are spent wisely will they lead to increased preparedness.

It is our job to make certain that they are wisely spent. We must look closely at the budget and root out the fat. We must examine our foreign policy and review the defense missions it requires. We must make certain that the Pentagon prepares to meet those missions in the most effective and efficient way possible. If we discharge our responsibilities for this year's budget, I am certain that we can find savings far in excess of the $2.6 billion I propose.

There has been considerable publicity regarding the $3 billion in cut insurance which this budget contains, and this would be a good place to start. We certainly cannot permit such padding for the defense bureaucracy when we are cutting our domestic programs to the bone.

We should also look closely at the $2.7 billion in last minute additions to the budget which Secretary Rumsfeld persuaded the President to include, despite the objections of OMB. Over $1.4 billion of this is in the procurement area at which my amendment is targeted, including the XM-1 tank, the AWACS, and Condor missile. The fact that defense experts in the executive believed these expenditures unnecessary should lead Congress to raise serious questions. I believe we should, for once, concur with OMB.

We should look closely at the $846 million the President included for funding of the shipbuilding program which, according to a November Defense Department memo do not have to be obligated. And we should ask why we are funding three SSN-688 submarines when the shipyards cannot begin work on them for several years.

What I am suggesting is that if these functions are needed, let us wait until we approach the time when they can indeed be implemented. This is particularly important this year when we are tightening our belts and cutting back in the social program areas.

After sorting through the administrative maze in the budget, Congress should raise tough policy questions and be prepared to reorder the priorities within the defense establishment.

This year the budget includes large increases in our investment in strategic forces. While Soviet growth has been dramatic in this area, we need not imitate it. As long as we are certain that we can deliver our deterrent and that that deterrent will cause intolerable damage, our strategic forces will be adequate. We need have no overkill. We want a good deterrent but need no overkill.

While now is a good time to reexamine our strategic forces to insure that they can do their job, there is no need to buy everything in sight. Yet that is what we are doing. This year there are funds for an expensive new bomber, a new generation of destabilizing counterforce missiles, and a new element to add to the Triad, the submarine launched cruise missile.

B-1 bombers will cost $88 million each. Buying them will use up resources which could much better be used in other defense areas. The submarine launched cruise missile can be deferred pending developments in the SALT talks and a better explanation of why its additional fire power is needed.

Unfortunately, our propensity to buy super sophisticated and expensive equipment extends also to our conventional forces, perhaps even to a greater degree. Time and again we have opted for the ultimate in a class of weapons despite the fact that there is no way we can purchase it in sufficient quantities. The result is declining force levels, or as Senator PROXMIRE recently remarked, a form of unilateral disarmament.

I see the distinguished chairman of the Committee on Armed Services in the Chamber, and I imagine he will oppose the Senator from Indiana on this cut. But I think that he, as persuasively as anyone, has raised cause for us to be concerned about the fact that the cost of each weapon system is getting so high that we are not going to be able to afford enough weapons to do the job.

This year's budget is full of such items. For the Navy, it is the nuclear strike cruiser. This is a $1.2 billion escort ship designed to carry the Aegis missile system, a system which will itself cost more than $100 million per unit and which has not been fully proven.

Certainly, we can find a cheaper platform for the Aegis if it is shown that Aegis can, indeed, do its job in high risk areas.

There are many who believe we must halt the decline in our naval forces, Mr. President.

Frankly, I must concur in this judgment. I think that is a correct assessment. But we will have difficulty maintaining even present levels if we insist on investing limited resources in ships like the strike cruiser.

There are many more examples. The XM–1 tank is designed to replace the M–60, but it costs over twice as much. The Advanced Attack Helicopter—AAH—will cost about $5 million per unit compared to the Cobra Tow attack helicopter which we are presently buying at $1.48 million. The SAM–D missile program will cost $5.9 billion. Yet it is a redundant addition to our defense capability and there is serious question regarding its effectiveness.

In my opinion, Mr. President, all of these systems should be deleted, and we should send the Pentagon back to the drawing board to find cheaper systems we can buy in sufficient volume to more effectively engage an enemy. It is the current trend in the way we spend, rather than the amount we spend, which so urgently needs to be reversed.

Mr. President, I wish to emphasize what I just said, because the major thrust of the cut of the Senator from Indiana would come in future budget authority. It would give the Pentagon the time to go back and reassess how they could provide more weapons for fewer dollars, per unit cost, so that we can get away from the tremendous cost of each unit.

Mr. President, I am not asking that the Senate accept all my recommendations regarding this defense budget. They would total an amount far above the reduction embodied in my amendment. I do believe they provide a place where the Senate can find $2.6 billion in savings, however, and I hope my colleagues will take this opportunity to make the record clear that Congress is not abdicating its role in fixing the Defense Department's budget.

Mr. MUSKIE. Mr. President, I yield 10 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, my distinguished colleague the Senator from Indiana starts off with the premise that Congress is abdicating its role in the defense section of this budget in bringing the concurrent resolution to the floor of the Senate. That has to be characterized as nothing less than humorous. He knows the makeup of our Budget Committee, from the chairman down. It is composed of his best friends and colleagues on both sides of the aisle. This committee worked hard and grappled with a major responsibility in trying to find the right answer on defense.

He said we were abdicating our role. I tried to write down the expressions he used: failing to look closely; accepting the defense figures, or somehow taking Secretary Schlesinger's argument, or now Secretary Rumsfeld's argument; or, even taking the President's own so-called threat about what he would do.

The quickest way to anger the Senator from South Carolina is to threaten him. If good commonsense did not prevail, I would love to have had his threat fulfilled and let him veto the defense measure. That would be the worst kind of leadership, when we are on the tail-end of a 5-year period, in which we have cut some $5 billion out of this defense budget each year, plus an unintended cut of some $6 billion by way of inflation—some $30 billion to $36 billion that has been cut, cut, cut. We all have participated in it.

At the time the Budget Committee assumed this responsibility to review the defense budget what did we do? We went directly, if you please, Mr. President, to the particular military departments. I wish that the Senate would pay note to what the Senator from Indiana contends and exactly what the fact is. He says that in recent months there has been much discussion about Soviet military expenditures. And misleading figures and comparisons have created a sense of near panic—near panic and a loud cry. He says there is no need for panic and there is time now to have cool, calculated judgment. So the Senator from Indiana comes, cool and calculated, and we who have been working for 6 months are in a panic.

The fact of the matter is we started back last October, with the testimony of the three service chiefs. I think that the Senator from Indiana ought to take note of the way the Senator from Maine (Mr. MUSKIE) has set up our Budget Committee hearings. We do not have, necessarily, a one-on-one situation. We have had panels, we have had opposing experts on both sides of a particular question. Anyone can interrupt. It is not to try to catch the fellow in a lie or whatever, but really to catch the fellow in the truth and find out what the fact is, realizing that we all have had some misgiving about defense expenditures.

We started, over 6 months ago—if the panic started, that is when it started—back in October. We heard all the service chiefs—and incidentally, we have some outstanding chiefs. Comment in front of our committee and around the Congress is that if Schlesinger had to be kicked out, at least it was at a time when we had probably the best chiefs of the various branches within the military that we had in quite a long time. Whether it was General Weyand as Chief of Staff of the Army or Dave Jones, Chief of Staff of the Air Force, Admiral Holloway of the Navy or Wilson over in the Marines, they will agree, liberal and conservative, Republican and Democrat, that they are men of credibility and have the same concern that the Senator from Indiana has.

We then next took the Congressional Budget Office—Dr. Alice Rivlin and her defense experts—with various consultants from various management groups all over the country. We got her annual report. While we were receiving her annual report, we asked for, rather than panic, we asked the General Accounting Office to please look into the principal items that were growing. Whereas, in 1968, pay in the defense budget took 42 percent, today it takes over 52 percent. So the cost of national defense manpower is growing by leaps and bounds. At the same time that the number of troops has been cut back, as well as Reserves, and every category of personnel, the cost has increased to 52 percent of the defense budget.

We asked the GAO to look at the military retirement system and the various other pay benefits. We then had long sessions with the Congressional Budget Office to look at the President's budget as it was presented to us with respect to current policy. We can take the Defense Department, take every one of the items, add in the factors of inflation and increased personnel or productivity or whatever it may entail, and we get the current policy figure thereon. We took an entire morning listening to just that particular analysis.

We then got a briefing on defense manpower from the Congressional Budget Office. We said, "Now you have compared the President's budget, we want you to study for several weeks and come back just on the one subject of manpower." We had an entire session there with our defense task force and, incidentally, members of the full Committee on the Budget attended these sessions.

We then went to the joint hearing on manpower with our own Committee on Armed Services, with Senator NUNN and our defense task force, to see where the differences were and where they were headed and where we might even cut back some. I have not brought out all our hearings and preparations, that the Senator calls panic.

If there was any idea that really permeated all of us, it was, are we really preparing ourselves for the particular mission? What relation do all these dollars for weaponry and everything have to the particular mission? We started then with Assistant Secretary of State Sisco and he tried to link our foreign policy with our defense policy. We had our CIA briefings. We had special sessions with Secretary Rumsfeld. We had a hearing with the Secretary of Defense—a special one—and the Chairman of the Joint Chiefs of Staff, General Brown. I could go on and on.

One day I shall never forget, we sat there almost all day long, listening to Paul Nitze, who was the Deputy Secretary of Defense and former Secretary of the Navy under President Johnson—and to Paul Warnke who was a former Assistant Secretary of Defense—both of them within, let us say, Democratic policy and politics. You could not get two men further apart. They went over the particular issues so we could hear both sides of a particular question and compare those. There was no panic. Do not tell Nitze he is panicking. Do not tell Warnke he is panicking.

Now, having done all of that over a 3-month period, we came right in with cuts that are really going to cause panic. I want to see the Senator from Indiana put his name on the pay cuts. Do the Senator from Indiana and some of those talking panic want to put their name on the 4.7-percent pay cap, the matter of comparability, or the wage board changes which instead of the 8.9-percent increase projected under the current law, would just guarantee a minimum raise of 3.4 percent? Where is the Senator in the body, if you want to see panic, that is putting his name on that? Where is the Senator that is putting his name on the bill to eliminate the 1-percent kicker on retired pay cost-of-living adjustments?

We have the Post Office and Civil Service Committee. We have not had those recommendations from them.

Where is the man who is increasing the stockpile sales and the cutting back on commissaries? Who is supporting some 5.4 billion bucks worth of cuts that we cut, that we studied out? We added in there a mandatory contributory retirement system for all the military if you please, not in panic. Do you want to see panic? They could not even get the elimination of the 1-percent kicker out of House Armed Services. I do not know if we will get it out of our Senate Committee on Armed Services. But we will have it as an amendment. We will have it on civilian and military pay when those matters hit the particular floor.

Now, as a result of those cuts, we have, not $9.6 billion in real growth, but a net, if you please, of $3.6 billion. If the Senator from Indiana——

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. HOLLINGS. I ask the Senator from Maine to allow me a few more minutes.

Mr. BELLMON. I yield 3 additional minutes.

Mr. HOLLINGS. Mr. President, the truth is the Senator from Indiana and the Senator from South Carolina could well agree, perhaps, on some cuts on weaponry. We did not say any particular item was approved in the budget resolution. It could be at the time the defense authorization bill comes up or the defense appropriation bill comes up that we would vote down a particular item of weaponry. But the Senator from Indiana, on a $500 billion budget—a cut of 0.5 percent, $500 million, less than one-half of 1 percent—is not changing any priority.

I know the Senator is asking now from the staff where I get the $500 billion. We have $413 billion in the regular budget and then we have got tax spending of over $100 billion which I hope to get the Senator from Indiana's assistance in cutting so we are over $500 billion in this budget.

The Senator is talking about the panic we have been in, in deliberating on this matter, working day and night around the clock to try to change around priorities. And the Senator says he wants to do it with a $500 million outlay figure, with just $500 million he is going to change the priorities in the budget, whereas we have $5.4 billion in savings, here mainly to reduce the cost of personnel, and we put that $5.4 billion back into procurement, research and development, and operation and maintenance.

Travel the world and they will tell you that we have fallen behind in defense. If we are going to modernize America's defense forces, not compared to the Soviets or anybody else, but if we are going to give them the equipment and materiel, the training and the maintenance and operations they are going to need in the 1980's, we have got to keep these procurement figures, generally speaking, at this particular level within this budget.

This resolution was well considered. It was worked on by all of us over the past 6 months. There is no panic in this one. It is trying to alter defense priorities, and where we have systematically cut back $5 billion each year from procurement and R. & D., to try to change the direction around, cut personnel, provide for contributory retirement, cut back the 1-percent pay kickers, and cut back on the commissaries and other things, which call for much harder votes and decisions.

What the Senator proposes today with a $0.5 billion or $500 million cut in outlays is not going to change the direction of defense.

I yield my time to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I yield 3 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I listened carefully to the distinguished Senator from South Carolina, and I certainly share his comments which he has made.

There were many, many months and hours of time spent with reference to this particular function, and there were varying views on the Budget Committee and, I believe, as one member of that committee that our recommendations in this area are sound.

We ferreted out early on what was being called "cut insurance." At least the committee members were satisfied that this cut insurance did not exist. Every effort was made, as the distinguished Senator from South Carolina has said, to find out the truth. Having in most of the instances determined what the facts were, the judgment was made on that basis.

PRESIDENT FORD—STRONG ON DEFENSE

Mr. President, in recent years, the American public has become increasingly concerned about the relative defense capabilities of the Soviet Union and the United States. Voices which in recent years have advocated substantial cuts in the defense budget today are advocating a beefed-up U.S. military posture—at least "roughly equivalent" to the Soviet Union. It is precisely this policy which President Ford seeks to implement through his defense budget requests.

Despite the administration's clear, prudent policy direction, the President is accused of soft-pedaling U.S. military strength in an effort to maintain the mood of relaxed tensions between our two nations. The not-so-subtle implication is that our national security is being risked to gain minimal trade and strategic arms concessions from the Soviet Union. Some have openly accused the administration of pursuing a military policy of "second best" with respect to the Soviet Union. In my view, such attacks are, at best, misdirected, and, at worst, selfishly and politically motivated.

For the facts simply do not support the charges and innuendoes which are advanced almost daily in this election year. As a Congressman, Vice President, and President, Gerald Ford has been keenly aware of the steady growth in Soviet military power. He recognizes that the further expansion of Soviet power in the world can be checked only if there is a countervailing strength. And he has sent to Congress defense budget requests which will insure that U.S. military capability exists to maintain this balance.

Through 25 years in Congress, no one has advocated a stronger or more prudent defense posture than Gerald Ford. As a member of the House Appropriations Subcommittee on Defense, he opposed arbitrary and unwarranted attacks on the defense budget. As minority leader, he was strongly opposed to ill-advised proposals to trim defense authorizations and appropriations. In fact, one of his final votes as a member of congress—just a week before he assumed the vice presidency—was against an unsuccessful floor amendment to reduce overall defense expenditures by $3.5 billion.

Clearly, this is not the record of a man blind to the realities of world balance of power in the 1970's. And if his unblemished prodefense record is not enough evidence for critics of President Ford's commitment to a strong national security policy, this year's Defense Department budget request should be proof positive. The President has proposed a budget which allows for a 14 percent growth in defense expenditures. Largely as a result of President Ford's leadership, both the House and Senate Budget Committees have recommended budget authority almost equal to the $113.3 billion requested by the President. With the strong urging of the administration, both the House and Senate Budget Committees rejected the proposals to reduce budget authority by over $3 billion.

If those who question President Ford's commitment to a strong national defense wish to persist with such rhetoric, they are obviously free to do so. And I suspect they will. For their criticism amounts to only so much campaign rhetoric. President Ford's commitment to a defense capability second to none is, and has been real.

Let me conclude with these observations:

The Defense Department is exercising considerable restraint—$3.4 billion savings from current policy in manpower pay and efficiency.

The Defense Establishment is not engaged in an "arms race" with Soviets. The United States does not seek numerical superiority. Rather, the Defense Department seeks to maintain quality superiority.

New generation of more effective—and more expensive weapons have to be procured. U.S. qualitative advantage will otherwise be lost.

Defense spending comparisons between the United States and Soviets are not conclusive—but clearly the Soviets have increased their defense efforts substantially whereas the United States has decreased its defense efforts.

Real defense outlays decreased rapidly from the Vietnam peak in 1968 through 1972 and real outlays continued to decline from 1972 to 1975.

There was finally a slight real increase in 1976. The trend is clear, and now is the appropriate time to act to moderate it. Procurement of modern weapons needed in future years through the 1980's. We need to act now to assure a rough military balance will continue to exist over the next decade. We must realize that the Soviet Union is committing resources to defense that will enable it to project its influence as a global power, rather than only a Eurasian power.

If the turnaround in real defense spending seems too sharp, too drastic, several factors should be kept in mind.

Since 1969, the defense budget has been cut every every year by Congress.

The amount of budget authority requested but denied has averaged some $5 billion per year. We need to move decisively to make up this lost ground.

The budget authority requested is to provide for procurement needs in years ahead. The outlays do not all fall in fiscal year 1977.

In the Department of Defense 5-year defense plan, the increases in budget authority planned to be requested for coming fiscal years is not as great as that requested this year.

In dollar terms, the increase is about 14 percent for fiscal year 1977 over fiscal year 1976 but only about 7 percent in the years thereafter.

In constant dollar terms, the increase is about 7 percent for fiscal year 1977 over fiscal year 1976, but only about 2 percent in the years thereafter.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I believe the Senator from Mississippi wanted to go ahead, and I will defer to him at this time, with the permission of the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I yield 2 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I first commend the Senator from South Carolina (Mr. HOLLINGS) for his very fine analysis of the situation here, not only an analysis but a very fine understanding of the subject matter about which he speaks.

Now, Mr. President, I am here just as a backup man and with an expression of concern and interest of the Armed Services Committee which is now already marking up the bill with reference to military procurement of weaponry and manpower allowances and the research and development program.

We have made our estimates and sent those into the Budget Committee, and I will emphasize just one of these recommendations of the President's overall budget.

The President has already made reductions in this military program amounting to a total of $1.9 billion in which he assumed that Congress would follow him. He took credit to start with and, Mr. President, he has a good budget already, but that was a very violent assumption that Congress was going to make all of those reductions.

We, therefore, recommend to the Budget Committee that, for the time being, that assumption not be made. Well, they rejected our assumption on that. I am not complaining about it, but I pointed out as a very solid reason why this figure now at this stage certainly ought not to be reduced.

I would like to have the attention of the Senator from Indiana, if I may, Mr. President.

The PRESIDING OFFICER. May we have order in the Chamber?

Mr. STENNIS. In effect, it has already been made, and I am not complaining about it now, a reduction of $1.9 billion. If Congress does not back up all of those assumptions then more money would have to be added somewhere else.

That can be settled, but not here, now, is my point.

I can say, though, Mr. President, that the Armed Services Committee in making the markup is trying to adopt those recommendations, and has already adopted some of them and enough of them to mean some real money. For instance, the committee has already included the 1 percent kicker.

I shall not go further than that one illustration, but it has already been agreed. Our bill is coming in recommending that be adopted.

Mr. President, I will not impose on the Senate any longer now. I think this matter is well in hand by the Budget Committee, they have thoroughly considered it, and they have been fair and impartial about it. At this stage I very strongly recommend that their figure be the figure adopted by the Senate.

I thank the Senator for yielding.

Mr. MUSKIE. Mr. President, I yield myself 1 minute.

I want to emphasize the point that the distinguished Senator from Mississippi has made.

I think it is rather easy to assume that the $5.4 billion in cuts in budget authority that the committee has mandated are going to be easy to achieve. They are going to be very difficult to apply, the 5-percent cap, lifting the 1-percent kicker on retirement, the rather high figure on stockpile sales, and a number of other issues that the Congress has always found it difficult to resolve and accept. The committee mandated them because the President had recommended them and because many of them seemed worth pursuing, seemed to have some prospect for achieving savings.

But if the full amount of those savings are not achieved, then with the functional totals we put in on the defense function, the savings would have to be achieved in some other fashion, including those suggested by the Senator from Indiana, if the budget totals are to be met. I think Members of the Senate, on whichever side of this issue they may find themselves, ought to understand the difficulty of achieving those savings.

I yield to my good friend from Georgia, who is such a valuable Member.

Mr. NUNN. I thank my chairman.

The Senator from Georgia would like to emphasize, just for a brief moment, the statement made by the Senator from Mississippi and just alluded to by the Senator from Maine about the cost restraints.

These cost restraints are recommended by the President of the United States, and they are part of this overall budget resolution.

The committee this year specifically dealt with those. The committee made it very plain they expected not only the Armed Services Committee but other committees of jurisdiction to take the initiative to comply with those Presidential recommendations of cost retraints.

The Senator from Georgia emphasizes that at least half of these cost restraints, and perhaps as much as 60 percent, cannot be effected by the Armed Services Committee but must be effected by the Civil Service and Post Office Committee because the Civil Service and Post Office Committee has jurisdiction over civilian personnel.

So it is going to be a difficult task because it is not one committee dealing with these; it is several committees.

This Senator believes those savings are going to be the key to whether we really have any growth in the defense budget this year.

The Senator from Indiana is recommending a cut of about $2.6 billion in budget authority. Out of the $29.3 billion in procurement, only $3 billion relates to new initiatives in procurement. A cut of $2.6 billion in budget authority would eliminate 90 percent of the new programs in procurement.

We are not dealing with just insignificant figures here. We are dealing with the very heart of the defense budget. We are dealing with a question on this amendment of whether we are really going to have growth in procurement and research and development in fiscal year 1977.

For those who do not want any substantial growth, then, of course, the amendment would be looked on favorably. For those who believe, though, as the Senator from Georgia does that we have not had growth in the defense budget in a meaningful way in several years, then it is imperative that this amendment be defeated.

The Budget Committee has taken a responsible course of action in terms of the overall defense category.

The Budget Committee has made it very plain to those of us on the Armed Services Committee that reductions have got to be made; substantial reductions have got to be made. The reductions that have to be made are going to be much more difficult politically than reductions in procurement, research and development, and operations and maintenance would be, because they deal with people and people vote and people let their views be know.

So we are going to have a difficult time this year in accomplishing all the reductions mandated by the budget resolution.

In order to accomplish these reductions, we are going to have an unusual amount of cooperation from committees having jurisdiction in this area. The Senator from Georgia hopes that we do not compound the difficulty by agreeing to this amendment which would not affect the overall restraints, but would go much further and really eliminate most of the increase in procurement and research and development which this Senator, for one, thinks is imperative in our overall national security.

The PRESIDING OFFICER (Mr. Domenici). The Senator's time has expired. The Senator from Oklahoma.

Mr. BELLMON. May I have 1 minute?

Mr. NUNN. I do not have any time to yield.

Mr. MUSKIE. Yes.

Mr. BELLMON. Mr. President, I reemphasize, as has already been done, the fact that the Budget Committee did look carefully for cuts in the defense category, and this resolution includes those cuts.

I simply state I understand they total $5.4 billion in budget authority and $4.5 billion in outlays. These come from a savings of $700 million from stockpile sales, moderation in growth, military construction, research and development, and petroleum consumption, amounting to $1.3 billion in budget authority and $.4 billion in outlays, and a total of $3.4 billion in outlays and budget authority from the pay and compensation of the military personnel.

As has been said, these require certain congressional action and, if not taken, it simply means we have to find another way to save that amount of money.

Mr. President, the accommodation with the functional committees on both the House and the Senate side becomes difficult as we reduce the defense function.

The PRESIDING OFFICER. The Senator's minute has expired.

Mr. BELLMON. One additional minute.

The House passed by an overwhelming margin of 298 to 52 a military procurement authorization that is $1 billion larger than the President's request.

This means we are going to have a difficult time accommodating the authorization committee's work with the Budget Committee's recommendation.

The actual impact of this action by the House is considerably greater because it includes a shipbuilding authorization of $2.2 billion that will have large funding requirements.

To deal fairly with the defense budget, Congress has to confront the difficult decisions of how much is enough for specific measures required by our national security and the interest of our allies.

The Budget Committee has tried very hard to take these matters into account and I strongly believe the conclusion we have reached is the right one that deserves the support of the full Senate.

The PRESIDING OFFICER. The Senator from Indiana has 14 minutes remaining.

Mr. BAYH. Mr. President, I have pretty well said what I had to say.

I sat here and listened to my friend from South Carolina almost make light of his friend from Indiana and my motivations.

I would hope we could disagree without getting into that area.

The fact of the matter is that I do not blame the Budget Committee for their efforts in trying to resolve a very difficult situation.

They did make cuts. They were the cuts requested by the President. I salute them for it. But I think we all recognize that those areas where the cuts were made by the Budget Committee are going to be the most difficult ones to keep in that budget.

What in essence we did was put a limit on how much a PFC could make, but we did not put a limit on spending for missiles, the kind of limit I would like to see us make. That is the kind of concern I have.

I listened to my distinguished colleague, my friend from Georgia, talk about the way we just decimated the procurement budget.

If Senators will look at the facts of the matter, we have gone from $21.2 billion in procurement last year to $29.3 billion this year, and in research and development, we have gone from $9.4 billion to $10.9 billion.

I do not want to hurt defense. Much of this cut that the Senator from Indiana was suggesting is for future authorization. I hope that the Pentagon can go back and look at some of these weapons systems and see how we can eliminate some of the extra cost per unit so we can afford to buy more units.

Despite all the cuts, made by the Budget Committee, we still end up with $9.6 billion in increased growth, real growth, in the baseline defense budget. That is a 10.3-percent real increase in the defense budget.

I wonder. At a time when we are being asked to cut back in other areas, is it really necessary to do that to maintain our defense?

I would like to have a little fun with my good friend from South Carolina in response to the fun, and I hope with the fun he has been having with me.

I must say not having been a member of the committee, I had to look to see what was being said. I found in the Record the following statement:

> The only logical conclusion is that the President expects Congress to cut at least $6 billion and has added about that much cushion to his budget. If we make cuts in an effort to eliminate waste and keep overall Federal spending within prudent levels, then I suppose the administration will attack us for deep, savage, and arbitrary cuts. The President, in short, seems to be playing a cynical and dangerous game with the Defense budget.

I would ask unanimous consent to have that entire speech as well as a memo, which said that cut insurance of $3 billion is provided in the budget as a cushion for congressional action, printed in the Record at this point. Those very telling words were uttered by my distinguished friend from South Carolina right here in this Chamber.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Defense Budget

Mr. Hollings. Mr. President, the New York Times today reported the existence of a White House staff memorandum indicating that the fiscal 1977 defense budget contains at least $3 billion as a cushion against congressional reductions. I have a copy of the memorandum in question and I ask for unanimous consent that the New York Times article and the memorandum be printed in the Record following my remarks.

The Presiding Officer. Without objection, it is so ordered. (See exhibit 1.)

Mr. Hollings. As my colleagues are aware, last November President Ford decided to allow $110 billion in total obligational authority for the Department of Defense and military assistance in 1977. This represented a $12 billion increase over 1976. The document referred to by the New York Times is an Office of Management and Budget memorandum explaining the details of the $12 billion increase.

In reaching his decision on the $110 billion budget figure, the President reviewed requests from the Department of Defense totalling $116.8 billion. A memorandum listing his decisions was presented to Secretary of Defense Rumsfeld on November 24. I ask unanimous consent that this memorandum also be printed in the Record following my remarks.

The Presiding Officer. Without objection, it is so ordered. (See exhibit 2.)

Mr. Hollings. Subsequently, President Ford decided to rescind some of the cuts detailed in the November memorandum and to take other actions which added a net $2.7 billion to his defense budget request. Thus the request we now must consider totals $112.7 billion in total obligational authority—an increase of more than $14 billion over last year. I ask unanimous consent that tables showing the $112.7 billion, and the corresponding budget for 1976, be printed in the Record.

The Presiding Officer. Without objection, it is so ordered.

(See exhibit 3.)

Mr. Hollings. Mr. President, I am told that OMB Director Lynn and Defense Secretary Rumsfeld emphatically deny that the defense budget has been padded to offset expected congressioonal cuts. But the implications of the President's defense budget changes are clear from these documents. Let me quote from the OMB memo, which says that the $110.0 billion budget includes $4.4 billion to cover inflation, $2.9 billion in "real growth" in purchases, over and above inflation, and $3.0 billion in "cut insurance." On page 2 of the memorandum, we read the following explanation, and I quote "Cut insurance of $3.0 billion is provided as a cushion for congressional action."

Last year and again this year, the President requested an annual increase of 4 percent in real defense purchases—or 2 percent overall. That is, he wants an increase, over and above inflation, that would allow defense purchases to grow at 4 percent a year over the next 5 years. Last year the Congress exceeded this target by a large margin. We provided 10 percent real growth in investment operations and maintenance purchases, after cutting the budget request by more than $7 billion. This year the President is seeking real growth in purchases of about $8.5 billion, or about 16.3 percent—considerably above the 4 percent long-term growth rate which he has repeatedly requested.

The only logical conclusion is that the President expects Congress to cut at least $6 billion, and has added about that much cushion to his budget. If we make cuts, in an effort to eliminate waste and keep overall Federal spending within prudent levels, then I suppose the administration will attack us for "deep, savage, and arbitrary" cuts. The President, in short, seems to be playing a cynical and dangerous game with the defense budget.

I am not prepared to say how large the defense budget for 1977 should be without a careful review of the Nation's defense needs, in the light of overall budgetary restraints. As we are all aware, there has been a steady growth in certain Soviet military forces which can only give rise to concern about the future balance of power in the world. It is not yet clear to me what we as a nation must do to maintain a balance, or how rapidly we must move. As Chairman of the Defense Task Force of the Senate Budget Committee, I intend to pursue these questions carefully in the coming weeks. I am sure that my colleagues on the Armed Services and Appropriations Committee will be doing the same thing, in great depth and with their well known attention to detail. And I shall listen attentively to their advice on our defense needs.

But there is one thing of which I am quite certain. The defense budget we have been presented this year has the usual quota of lame duck projects and fat. Let me give one example. Comparing the 1962–65 period with the most recent 4 years. 1973–76, the budget for training, medical, and other personnel support activities increased from an annual average of $6.7 billion to an annual average of $19.1 billion, while the number of defense employees decreased from 3.8 million to 3.1 million, counting active duty military and civilians. Factoring out inflation, the cost of these personnel support activities has increased, from the 1962–65 average of $4,482 per man, to $7,547 per man in the 1977 budget—an increase of 68 percent.

If we were to limit training, medical, and other support activities to the average cost per man in the 1962–65 period, measured in today's prices, we could save over $9 billion—without cutting combat forces or modernization.

Some of the added $9 billion in personnel supports costs may be justified by today's Volunteer Army. But I have serious doubts that all of it is essential to our defense. I intend to find out why this enormous increase has taken place, and what can be done to bring these support costs back into line.

EXHIBIT 1

[From the New York Times, Feb. 4, 1976]

PENTAGON BUDGET REPORTED PADDED

(By Leslie H. Gelb)

WASHINGTON, February 3.—The Pentagon's budget request for the fiscal year 1977 has been padded by $3 billion as a cushion against expected Congressional cuts, according to a memorandum prepared in the President's Office of Management and Budget.

The $3 billion figure, labeled in the memorandum as "cut insurance," was contained in the budget office's recommendation to Mr. Ford to set military spending authority at $110 billion—a figure that President Ford increased by $2.7 billion.

A copy of the memorandum has been obtained by The New York Times.

BUDGET FIGHT RECALLED

Spokesmen for the Pentagon and the Office of Management and Budget denied any padding in the budget request. Donald G. Ogilvie, head of the National Security Division of the budget office, said that he could not recall this memorandum, but added that no such memorandum had been given to the President.

"I have heard the concept of cut insurance discussed in connection with the defense budget, but there is no such concept included in the President's budget," he said.

President Ford decided to ask Congress for $112.7 billion for the Pentagon in the fiscal year beginning in October after a long struggle between his budget office and the Pentagon, a struggle in which he dismissed Defense Secretary James R. Schlesinger. Mr. Schlesinger had publicly described arms cuts as "deep, savage and arbitrary."

While the proposed Pentagon budget is widely supported in the Administration, some Administration officials have expressed displeasure over the President's decision to ask for $2.7 billion more than recommended by the Office of Management and Budget. To these few officials the Pentagon's request is now padded by a total of $5.7 billion.

However, the Defense Department's spokesman, William I. Greener, Jr., said in a telephone interview, "Defense Secretary Rumsfeld is perfectly prepared to defend the budget in its entirety."

Speaking for Budget Director James T. Lynn, Mr. Ogilvie said, "I can assure you that the President reviewed each major defense program at length and has recommended only what he believes is needed for national security."

The memorandum, written last October in the budget office, says that "cut insurance of $3 billion is provided as a cushion for Congressional action."

Anticipating Congressional reductions—and sometimes increases—is standard executive branch technique in preparing the Federal budget. A variety of officials, however, found it difficult to recall its ever being written down in an official paper.

In 1974, Representatvie George H. Mahon, the chairman of the House Appropriations Committee, told Mr. Schlesinger in open hearings that he had it "on good authority," that the President had increased the over-all Federal budget by $5 billion. In response, Mr. Schlesinger, in effect, acknowledged that as part of this $5 billion, the Pentagon's budget had been increased by more than $1 billion as a stimulus to a lagging domestic economy.

This year's defense budget could rise by an additional $2.8 billion that the Pentagon did not include in its request. These funds—including commissary and base closings—were left the assumption that Congress would be willing to agree to the omissions. This is generally regarded as highly unlikely, because these funds are important to a number of local economies.

The memorandum prepared in the budget office is entitled "Explanation of Annual Increases in the Defense Budget Levels 1976–78." It shows a budget office recommendation of $122.6 billion in spending authority for the fiscal year 1978, including an additional $3 billion in cut insurance."

EXHIBIT 1

EXPLANATION OF ANNUAL INCREASES IN THE DEFENSE BUDGET LEVELS (1976–78)[1]

[Showing the changes in the Defense budget in TOA and outlays between 1976 and 1977, and 1977 and 1978; in billions of dollars]

	1976	Increase	1977	Increase	1978
TOA					
Military and civilian pay	38.2	2.6	40.8	5.1	45.9
Retired pay	7.3	1.0	8.3	1.2	9.5
Naval petroleum reserves	.1	.4	.5	1.3	1.8
Other purchases	51.4	4.4	55.8	3.1	58.9
Real growth		2.9	2.9	3.0	5.9
Cut insurance		3.0	3.0		3.0
Efficiencies		−2.0	−2.0	−1.0	−3.0
Military assistance	1.0	−.3	.7	−.1	.6
Total	98.0	12.0	110.0	12.6	122.6
OUTLAYS					
Prior year programs	48.8	4.0	52.8	7.1	59.9
Budget year program	41.2	5.0	46.2	5.3	51.5
Total	90.0	9.0	99.0	12.4	111.4

EXPLANATION OF INCREASES

Total obligational authority

Military and civilian pay increases $2.6 billion in 1977 and $5.1 billion in 1978. The 1976 to 1977 increase is reduced $2.6 billion due to the 5% pay cap, otherwise the 1977 and 1978 increases would be comparable.

Retired pay increases $1.0 billion in 1977 and $1.2 billion in 1978. The 1978 increase is $.2 billion greater than the 1977 increase due to higher population and a $.1 billion higher increase for cost of living adjustments in 1978 than in 1977.

Naval petroleum reserves increases $.4 billion in 1977 and $1.3 billion in 1978 in order to fund the purchase of strategic petroleum reserves. This legislative proposal has not yet been enacted; thus, the estimates are likely to be changed by Congressional action.

Other purchases increase $4.4 billion in 1977 and $3.1 billion in 1978 to provide fully for anticipated purchase inflation of 8.5% for the 15 months between 1976 and 1977 and 5.3% between 1977 and 1978. These estimates assume that purchase prices (excluding compensation) will increase at a rate half way between the rates forecast for the GNP deflator in the OMB current services high and low paths.

Real growth on purchases, excluding Naval petroleum reserves, is $2.9 billion in 1977 and $3.0 billion in 1978. This amounts to 5.2% in 1977 and 5.1% in 1978. Including Naval petroleum reserves, real growth for purchases amounts to $3.3 billion or 5.9% in 1977 and $4.3 billion or 7.1% in 1978.

Cut insurance of $3 billion is provided as a cushion for Congressional action.

Efficiencies of $2 billion grow to $3 billion by 1978. These savings result from adjustments which do not reduce real Defense output.

Outlays

While Total Obligational Authority (TOA) for DOD military functions increases $12.0 in 1977 and $12.6 in 1978, outlays increase $9 billion in 1977 and $12.4 billion in 1978. This lag in outlays is due primarily to the rate at which TOA is expended for Defense programs. In a normal fiscal year TOA for military programs would be expended:

42% in the budget year;
36% in the second year;
12% in the third year;
6% in the fourth year; and
4% in the fifth or later years.

Thus, 58% of outlays are generated by prior year TOA. Outlays from prior years are less in the 1976 and 1977 estimate than in the 1978 estimate because prior year TOA was significantly less in 1973–1976 than in 1975–1977;

[In billions of dollars]

	TOA	Annual Increase
1973	80.2	----
1974	85.0	4.8
1975	88.0	3.0
1976	98.0	10.0
1977	110.0	12.0
1978	122.6	12.6

EXHIBIT 2

MEMORANDUM FOR SECRETARY OF DEFENSE

Subject: Results of President's Review of FY 1977 DoD Budget-Information Memorandum.

For several hours on Friday afternoon and again on Saturday morning, the President reviewed in detail OMB's recommendations with respect to the FY 1977 DoD Budget. Attached is a summary of the President's decisions as conveyed to us by Don Ogilvie and Dave Sitrin. It is our understanding that Jim Lynn will be contacting you directly with the results of the meetings.

While the total of the reduction for FY 1977 is $6.8 billion dollars, many of the adjustments have been or will be accommodated in our own budget scrub. It appears, therefore, that the net effect of the Presidential decisions would be to reduce the DoD budget to the neighborhood of $110 billion. While the President did not address a specific budget amount for DoD, the OMB staff feels that he is continuing to think of a number of approximately that size.

We are reviewing the details of the President's decisions but several preliminary comments seem to be in order:

1. The President has directed that $846 million be added to the Navy budget to fully fund the FY 1975 and prior shipbuilding deficiencies. This reverses a previous decision by the Deputy Secretary of Defense and puts into the budget an amount which will probably be deleted by the Congress since the funds are not required for obligation in FY 1977. We would rather have seen this amount considered as an add-on to the overall DoD budget total.

2. The President has applied a 5% pay cap to wage board employees and retirees as well as to the classified civilian and military personnel. In the case of the former two, it is unlikely that Congress will pass the necessary legislation which means that we will absorb a further program reduction to finance pay increases as was the case in FY 1976.

3. The President has directed DoD to finance a $437 million military construction project for an aeropropulsion system test facility. This is an item which the DepSecDef had already decided to defer in view of budget constraints. The President's decision coupled with his other decisions involving military construction and family housing makes the reductions in this portion of the budget particularly deep. We would be required to make further reductions of over $1 billion which would result in a program approximately 25% below the FY 1976 level.

4. A number of the President's decisions require specific legislation which also makes DoD vulnerable to further program cuts should the legislation not be enacted by the Congress.

Pending further guidance, including whether any of the decisions will be appealed, we will be preparing the necessary budget documents to implement the President's decisions.

TERENCE E. MCCLARY,
Assistant Secretary of Defense.

Enclosure.

SUMMARY OF TENTATIVE REDUCTIONS BY PRESIDENT

[In millions of dollars]

	Fiscal year—	
	1977	1978
STRENGTH REDUCTIONS		
Hold military and civilian pay increases to 5 percent and retired pay to 60 percent of CPI. Legislation required for wage board and retired personnel caps	−2, 651	−385
Reduce military strength levels of 37,000 from the number requested in support and noncombat categories, including 10,000 by revision of PCS practices	−180	−250
Reduce civilian employment levels by 48,000 (5 percent) in total (40,000 full-time permanent) from the requested level	−450	−900
RESERVE COMPONENT REDUCTIONS		
Reduce reserve forces manpower paid drill strength by 40,000 from the requested level to program	−46	−46
Reduce reserve component manning to 90 percent of requirements	−17	−17
Reduce guard and reserve pay practices and related programs by eliminating dual compensation for Federal employees who are reservists; eliminating administrative duty pay; and eliminating the practice of paying certain reservists 2 days of pay for 1 8-hr extra drill period. Legislation required to eliminate dual compensation and change to 1 day's pay per drill day	−69	−69
Reduce reserve component drill pay strength for headquarters spaces	−15	−15
MILITARY COMPENSATION AND BENEFITS		
Do not authorize junior enlisted travel entitlements (household goods or travel of dependents)	−136	−181
Suspend enlistment bonuses, due to success of the all volunteer force	−61	−61
Reduce pay and allowances of cadets and midshipmen to expenses plus $125 per mo, legislation required	−5	−5
Phase out commissary subsidy over a 3-yr period. Legislation required to permit surcharge to cover payroll costs	−103	−205
Restudy nonappropriated fund activities		
Fair market rental. Convert on-base military housing to a fair market rental system by 1984 by allocating a greater portion of figure pay raises to quarters allowances. Legislation required to allocate higher percentage of pay raises into quarters allowances vice base pay	−52	−119
Require accounting for but do not terminate personal money allowances		
OPERATIONS		
Reduce personnel turbulence and PCS moves by gradually implementing changes to make Hawaii a domestic rather than an overseas tour; home-basing; and planning to meet prescribed average overseas tour lengths	−219	−241
Reduce real property maintenance by holding back-logs to existing levels; and contracting out	−222	−252
Reduce energy consumption consistent with military requirements but not by any fixed amount		
Limit civil defense functions to those closely related to nuclear disaster preparedness	−83	−88
Reduce administrative travel to a level of 5 percent below actual 1975	−94	−74
Examine MAC charter concept for economics consistent with CRAF support and without undue impact on charter airlines		
Rate stabilization	−500	
CONSTRUCTION/HOUSING		
Delete or defer military lower priority construction projects	−804	−411
Construct an aeropropulsion systems test facility (ASTF) to improve design and test capability of new aircraft engines	+437	−437
Reduce leased and new construction family housing units where local community off-base housing can fill needs; limit improvements to essential minimums; and provide only essential operating and maintenance costs	−320	−155
INVESTMENT		
Cancel procurement of nonnuclear Lance; and defer long-lead funding of the XM-1	−115	−110
Fund a conventionally powered destroyer as 1st Aegis ship and plan for a nuclear-powered cruiser to follow		
Defer advance funding for new nuclear powered aircraft carrier until design characteristics are better defined	−200	−100
Defer 1 oiler and 1 destroyer tender in 1977; defer 1 oiler in 1978	−363	−142
Reestablish full funding of the 1975 and prior year shipbuilding programs	+846	−356
Cancel Condor missile. Notify House/Senate conferees of decision	−49	−65
Hold A-10 production to current rate of 5 per month in 1977 pending correction of structural defect	−393	−399
Discontinue inefficient Navy aircraft production lines (A-4M, A-6E, E-2C, and C-130)	−402	−417
Initiate procurement of advanced tanker/cargo aircraft in 1978		+300
Defer decision to continue Minuteman III production pending Presidential decision in light of SALT	−322	−340
Reduce AWACS procurement from 6 to 3 per year, fiscal year 1977–78	−188	−188
Total	−6, 776	−5, 738

EXHIBIT 3

DEPARTMENT OF DEFENSE BUDGET

FINANCIAL SUMMARY BY APPROPRIATION CATEGORY

[In billions of dollars]

Appropriation title	Current dollars, total obligational authority, fiscal year			
	1974	1975	1976	1977
Military personnel	24. 1	24. 9	25. 6	26. 5
Retired pay	5. 1	6. 2	7. 3	8. 4
Operation and maintenance	23. 9	26. 2	28. 9	32. 4
Procurement	17. 5	17. 4	21. 4	29. 3
R.D.T. & E	8. 2	8. 6	9. 5	11. 0
Military construction	1. 8	1. 8	2. 4	2. 3
Family housing	1. 1	1. 2	1. 3	1. 2
Civil defense	. 1	. 1	. 1	. 1
Revolving and management funds			. 1	. 4
Military assistance	3. 3	1. 6	1. 5	1. 2
Total	85. 1	87. 9	98. 3	112. 7

DEPARTMENT OF DEFENSE BUDGET, FINANCIAL SUMMARY BY APPROPRIATION CATEGORY—CONSTANT PRICES

[In billions of dollars]

Appropriation title	Constant fiscal year 1977 dollars, total obligational authority, fiscal year			
	1974	1975	1976	1977
Military personnel	29. 1	27. 9	27. 3	26. 5
Retired pay	7. 1	7. 6	8. 0	8. 4
Operation and maintenance	31. 3	30. 2	31. 1	32. 4
Procurement	21. 4	19. 8	22. 9	29. 3
R. D. T. & E	10. 2	9. 9	10. 2	11. 0
Military construction	2. 3	2. 1	2. 6	2. 3
Family housing	1. 5	1. 4	1. 4	1. 2
Civil defense	. 1	. 1	. 1	. 1
Revolving and management funds			. 1	. 4
Military assistance	4. 4	1. 8	1. 6	1. 2
Total	107. 3	100. 7	105. 3	112. 7

Mr. HOLLINGS. May I have one moment, Mr. President?

The PRESIDING OFFICER. The chairman has no time remaining.

Mr. HOLLINGS. Except on the resolution.

How much time remains on the resolution?

The PRESIDING OFFICER. The Senator from Indiana has 9 minutes remaining.

Mr. BAYH. I will be glad to give the Senator from South Carolina 1 minute.

Mr. HOLLINGS. No, it was misleading figures that have created a sense of near panic.

A loud cry for drastically increasing expenditures by the United States.

"I believe" and this is the Senator from Indiana, "this atmosphere is reflected in the Budget Committee's acceptance of the administration Defense budget with little question and only minor cuts."

I just wanted to bring to the Senator's attention that since last fall and for the past 6 months, we have been working extremely hard to try to get at all these things with respect to pay with hearings galore, looking into every facet of personnel and everything we could think of, from a mission budget approach to the CIA, and doing everything that we could possibly do. I was not making light, but was trying to answer what the Senator told all our colleagues.

Mr. BAYH. I will say to my friend from South Carolina that, I think we can objectively look at these facts, look at the Russian threat, and come to a legitimate difference of opinion as to what the answer is without suggesting that there are any ulterior motives or that anybody is really trying to do great damage. We just look at things differently. The fact of the matter is I salute my friend and his colleagues for making those cuts, all of which, except the $300 million proposed by the Senator from Maine, were cuts that were suggested by the President. We did not have any congressionally initiated cuts in that budget except the $300 million. We did not look at some of these new weapons systems and see whether there was a way to improve them.

Mr. NUNN. Will the Senator yield for a question?

Mr. BAYH. Yes.

Mr. NUNN. Is the Senator able to point out any other category of the budget where the Congress has taken the initiative and cut below what the President recommended?

Mr. BAYH. No, I cannot.

Mr. NUNN. The Senator seems to be saying that that is what we should have done in defense. Is there any other area where that has been done?

Mr. BAYH. No. I happen to have a deep difference of opinion with a President who wants to increase the defense budget by better than 10 percent and wants to phase out summer job programs. As the Senator from Washington knows, if the President has his way, this time next year there will not be a single job for kids when they get out of school in the summertime. He wants us to cut back on cancer research. He wants to cut across the board on biomedical research. Do not get me started on that, I say to my colleague. I do not think he agrees with the President's approach either.

I believe the Senator from New York wanted 2 minutes. I said I would yield to him a moment ago.

Does he still wish that time?

The PRESIDING OFFICER. The Senator from Indiana has the only time remaining on this amendment. Who yields time? The Senator from Indiana has 2 minutes remaining.

Mr. BAYH. I yield to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank my distinguished colleague, the Senator from Indiana.

I have here a letter written subsequent to the statement that I referred to from the Congressional Budget Office. We did our level best, including Dr. Rivlin and the whole CBO, to find that $3 billion of "cut insurance," because, as my statement indicated, we have looked for any kind of padding in the bill, any kind of cushion, and anything else.

The letter speaks for itself. I ask unanimous consent that it be printed in the RECORD, and I appreciate the Senator from Indiana yielding me this moment to put the letter in.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 5, 1976.

Hon. ERNEST F. HOLLINGS,
Committee on the Budget, U.S. Senate,
Washington, D.C.

DEAR SENATOR HOLLINGS: At the Senate Budget Committee hearings on February 4 you asked to look in to what became of the $3 billion of "cut insurance" and of the $2.7 billion of tentative presidential cuts in the DoD budget.

There is no way to identify the "cut insurance" with particular DoD programs. However, examination of the memo and table you provided suggest that the difference between the OMB-proposed $110 billion program and the budget request finally submitted to Congress is contained in purchases; that is, in procurement, R & D, or O & M. At the level of $110 billion of TOA, OMB included provision for a 5 percent cap on pay. In the final budget submission, military and civilian pay were held to approximately $2 billion below the earlier projection of $40.8. So the "cut insurance" is, in effect, somewhere in the requested purchases.

It is important to realize that the OMB memorandum appears to be written for the negotiations among OMB, the DoD, and the President over total budget levels rather than as a regular part of the DoD budget process. We do not know how different this year's budget setting process was from the usual pattern, but planning was probably disrupted by the President's decision so late to hold the total below $395 billion. Thus this memo may very well not relate to any coherent program.

Similarly, we do not have enough information to identify all of the additions above the $110 billion level. Some of the cuts specified in the memorandum were maintained; others were restored in part or totally. For example, Minuteman III production was cut and longlead items on a nuclear carrier were deferred, but AWACs procurement was restored to 6 in FY 1977, production of some of the Navy aircraft mentioned is to be continued, and the A–10 production rate was not cut to 5 per month.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. CRANSTON. Mr. President, I rise in support of the amendment of the distinguished Senator from Indiana (Mr. BAYH) to cut excessive defense spending. I am going to be one of its cosponsors. The Budget Committee made only token cuts in the highly inflated Presidential request, as the Washington Post pointed out in its editorial this morning.

I do not share the view it would damage the budget process if we altered the expression of priorities which the majority of the Budget Committee—often by a closely divided vote—has chosen in the resolution it has reported to us for our consideration.

Few Members of the Senate have worked harder than I have to establish this budget process and to make it work. I remain committed to that goal. I welcome the opportunity to pursue this goal as a member of the Budget Committee.

But, I do not believe that the committee has appropriately allocated Federal spending in this resolution, and I believe—as the chairman of the Budget Committee has clearly and carefully said he believes—that the Senate should be free to adjust those priorities in accordance with this view of our national needs.

The National defense function contains one-fourth of the Federal budget and is the most difficult area in which to assess national need. One invaluable tool in that assessment is a mission approach to the budget, which Senator CHILES has taken the lead in developing, and which is required under the Budget Act for all agencies by fiscal year 1979.

Although equipped to do so, the Defense Department refused this year to furnish the information necessary for this approach to its budget.

In the absence of this mission material, the committee accepted the President's budget request without substantial change. There are, however, huge amounts for concepts of defense and for specific weapons systems which may well be unsupported by our defense or foreign policy needs. These will commit us to spending additional tens of billions of dollars in fiscal year 1977 and for years afterward. And instead of requiring proponents to demonstrate need—as in other areas—here the committee shifted the burden to opponents to demonstrate lack of need, an unfair and unwise shift of the burden.

Although there are numerous cases to be made, I do not believe the debate on the budget resolution is the appropriate forum to debate the merits of particular weapons systems, foreign military sales, or other specifics.

We should instead consider what we hope to accomplish with our defense budget, and what we need to accomplish it. And then, how that relates to other categories of expenditures relevant to our security and well-being, to the budget as a whole, and to revenues and thus to the deficit and thus to the health of our economy, which is itself a vital ingredient on a sound national defense posture. We should examine alternatives to the President's approach to foreign policy and defense, and the budget figures that would support those alternatives. The committee generally agreed, I think, with this approach, but, it did not pursue it this year.

The objective of our Defense Establishment is to see that we are strong enough to deter and, if deterrence is unsuccessful, then to defend ourselves, our allies, and our vital interests. The objective, too, is to be strong enough to prevent ourselves and our allies from being coerced by any potential enemy or enemies.

How much do we need to spend, and which capabilities must we acquire through that spending to achieve those objectives?

Certain measurements are of little use in making such determinations. Soviet spending data indicates only trends. Cost estimates are incomplete, inaccurate, and do not provide useful comparisons. "Dollar comparisons of the United States and U.S.S.R. military forces have no relevance to comparative effectiveness," the executive branch has said.

Equally valueless are comparisons of defense versus nondefense spending, or comparisons between defense spending and the GNP. These do not tell us whether we are spending too little, or, as I believe, too much. A better test is: What is the military capacity of our principal possible foe—the U.S.S.R.—and how does it compare with our own? But that comparison, too, may be irrelevant unless Soviet advances affect our deterrent capability or our ability to defend the United States, our allies, or our interests.

President Ford stated on April 2, the day after the committee completed work on this resolution, that "the United States is unsurpassed by any other nation as far as military capability is concerned." He said America's ballistic missiles are much more accurate and less vulnerable than those of the Soviet Union "and we have a 2-to-1 lead in warheads."

He said the United States leads Russia in strategic aircraft 3 to 1. Trend analysis is another approach that can be misleading.

In 1965, the United States had a 6-to-1 lead in nuclear warheads. Now our lead has been reduced to less than 3 to 1. That sounds alarming, does it not?

But, actually, our advantage has increased: In 1965 we had 3,800 warheads to their 600; now we have 8,900 to their 3,500.

Our lead has grown from 3,200 to 5,400. And the Chairman of the Joint Chiefs has stated—

> A numerical advantage of even 1,000 warheads has strategic significance.

Obviously, both sides possess deterrent capability. We hold the edge, but, obviously, our former complete dominance of the early fifties and sixties is gone.

Since we cannot have complete dominance, do we need to increase even further our big lead in an area where plainly—just speaking of nuclear deterrent weapons—we have the capacity to deter and there is no sign that we are going to lose that?

When comparisons are made in terms of other specific capabilities, it is clear the United States is more than holding its own. We have more warheads, and we have more accurate warheads, than the Soviet Union. We have a 9-to-1 lead in MIRV's. The B–1 bomber assures our superior strategic air capability to the year 2000. In tactical aircraft, we have the two best fighters in the world in the F–14 and F–15.

In the European theater, there is more or less a standoff. The other side has numerical advantages in conventional forces—but we maintain an advantage in tactical nuclear weapons.

At sea, the United States has built more tons of shipping than the Soviet Union since World War II. The United States builds fewer, larger, more capable ships than the Soviets.

As it was put in the House, "We can't buy floating Cadillacs and complain that the other fellow, who put his money into Chevrolets, has more cars than we do."

A very significant part of the U.S.S.R. military effort is not related to us. One estimate is that three-quarters of it is related to the United States, and one-quarter to China. The Soviet Union invests heavily in air defense, in internal security and KGB border guards, and in control in Eastern and Central Europe—programs relevant to U.S.S.R. problems but not posing a direct military threat to us.

A CIA and DIA publicly revealed estimate is that these factors—China, air defense, maintaining their iron rule in Eastern and Central Europe and at home—account for 50 percent of the Soviet increase in military spending since 1968.

President Ford has stated again and again in recent days that we are second to no nation—that we are unsurpassed.

I think that is true.

What, then, newly threatens our security? What increased threat is there to justify a very large increase—beyond inflation—in military spending? What do we really gain by that spending? Is it really necessary, in view of our vast deficit, and the underfunding of our domestic programs?

Even if we think some growth in defense spending is justified, do we have to grow at the President's pace? Despite complaints that there have been trends in recent years to cut back the defense budget, the actual fact is that the defense budget grew last year from a 1975 budget authority level of $91.1 billion to a 1976 figure of $105.6 billion. That is a growth rate of approximately 9.4 percent—while the inflation rate was only slightly more than 7 percent.

So, we have had a 2-percent real growth in military spending from last year to this year—not a standstill, not a turndown.

Personnel increases caused a significant part of that growth last year. But this year's budget reflects huge growth in the investment accounts.

There is the matter of the "cut insurance" of $3 billion allegedly in this budget. An OMB internal memo came to light, describing defense total obligational authority. It is entitled "explanation of entries." One item reads, "cut insurance of $3 billion is provided as a cushion for congressional action."

Senator Proxmire has indicated—

> The fiscal 1977 defense budget contains at least two categories of funding which are distinctly related to bureaucratic initiative rather than force requirements. The $2.7 billion Rumsfeld add-on, and the $3.0 billion cushion represent bureaucratic legerdemain.
>
> A careful pruning of the fiscal year 1977 budget should begin with these two sums. It is clear the defense budget contains billions of dollars in funding not directly related to critical programs or force levels.

There is huge real growth in the defense request approved by the Budget Committee. I see no valid reason for it. I believe a cut from the level of the committee's resolution is in order, and I support the amendment of the Senator from Indiana to achieve that cut.

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment by the distinguished junior Senator from Indiana, Mr. Bayh, who is proposing to cut the defense functional category by $2.6 billion in budget authority and $500 million in outlays.

Because of the time limitation it will be my purpose to just make note of some of the reasons why I shall vote against the pending amendment.

For the first time in a number of years the defense budget proposal by the administration provides for significant real growth in the defense budget.

The Defense Department analysts have found that while this budget is an increase of about $13 billion in budget authority, the real growth amounts to about $5.8 billion or 5.4 percent.

There are a number of reasons why I feel this recommendation by the Senate Budget Committee should be approved by the Senate. They are as follows:

First. The Senate Budget Committee proposal is close to the $114 billion recommended by the Senate Armed Services Committee.

Second. This spending level represents considerable analysis and study by two Senate committees, the Budget Committee and the Armed Services Committee.

Third. The Senate Budget Committee level is actually deceiving in that it assumes passage by the Congress of about $1.9 billion in legislative proposals by President Ford.

Fourth. The fact is that some of these legislative proposals will not be approved by Congress and the cuts will either have to be taken in defense or recognized by the Budget Committee in the second concurrent resolution.

Fifth. This modest growth in defense spending is necessary because the Soviets have in the past 15 years constructed a formidable war machine.

Sixth. The growth in Soviet military power is beginning to threaten U.S. superiority and could place the Soviets in a dominant position in the 1980's if we do not respond immediately.

Seventh. The Senate should remember that defense spending today will not be reflected in hardware until years ahead. Thus the U.S. trend of cutting defense in past years must be reversed if we are to meet the inevitable threat in the 1980's and beyond.

Eighth. It is a recognized fact that ships and aircraft are not in full service for lack of overhauls, spare parts and maintenance. This situation must be corrected.

Ninth. The Senate must also realize manpower has been constantly reduced in the past 5 or 6 years to the point where today's personnel manning is the lowest since before the Korean War.

In conclusion, Mr. President, it is my feeling that any proposed reductions in the defense budget should be considered in amendments to the procurement bill rather than an across-the-board cut as provided in the pending amendment.

Therefore, I urge the Senate to support the Budget Committee and the Armed Services Committee by rejecting the proposal by the Senator from Indiana.

Mr. MOSS. Mr. President, I rise to speak regarding the Bayh amendment which would cut defense by $2.6 billion in budget authority and $0.5 billion in outlays.

In considering the national defense function in this resolution, I could not help but reflect on the world situation and the state of our economy. Some assert that the United States is becoming a second rate power. I do not share that pessimistic appraisal. But we live in a dynamic world. And history teaches that former societies not attending to their own defense, soon found that their neighbors did. The world scene is not comforting. Despite SALT talks, Soviet military strength remains strong and is gradually increasing.

We must resolve our domestic economic problems, and they are not automatically solved by a strong national security posture. But without such a climate, how can we be assured of the opportunity to even work toward a solution of such problems. The Nation can afford to make the necessary expenditures to meet its security needs. But how much is enough to do this is the real question. We should not expend resources beyond our real needs for whatever purpose. The budget reflects certain initiatives to improve management of the Defense Establishment. But costs continue to rise. Therefore, it is important that Congress continue to keep the pressure on to improve defense management, to make better use of the resources which Congress has provided.

One thing that will be helpful toward this end is use of the mission-type budget, so that this committee and the Congress will have a better perspective for comparing budget proposals with military and foreign policy strategies and requirements. I strongly support the committee's position that defense submit such a budget in fiscal 1978.

However, on balance, considering the world situation, the trend in defense budget reductions over the last several years, the fact that the resolution already assumes some rather significant economies in defense—$5.4 billion in budget authority in 1977 and growing to $8 billion in 1980.

Despite my desire for a budget with a lower spending ceiling, and my desire for a smaller deficit, I do not believe that this is the time for any significant cuts in defense. Accordingly, I recommend against acceptance of this amendment.

The PRESIDING OFFICER. Does the Senator from Indiana yield back the remainder of his time?

Mr. BAYH. Mr. President, may I ask the chairman, is this an appropriate time to ask for the yeas and nays on a number of these amendments?

Mr. MUSKIE. I think it would be. I ask for the yeas and nays on the Bayh amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. I ask for the yeas and nays on the first Bayh amendment.

Mr. BAYH. No. 1588.

The PRESIDING OFFICER. Is there objection to a request that it be in order for the chairman of the Budget Committee to ask for the yeas and nays at this time?

Without objection, it is so ordered.

Is there a sufficient second to the request for the yeas and nays on the first Bayh amendment? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Then I ask for the yeas and nays on the Buckley amendment.

The PRESIDING OFFICER. Without objection, it will be in order to order the yeas and nays at this time.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAYH. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, under the previous order, the Chair recognizes the Senator from Kentucky (Mr. Huddleston) to call up an amendment on which there will be a limitation of 30 minutes for debate.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry be permitted to present on the floor during consideration of the pending amendment, including all rollcall votes thereon: Michael R. McLeod, Carl P. Rose, Dale L. Stansbury, William A. Taggart, Henry J. Casso.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. I call up my amendment No. 1591, as modified.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. Huddleston) proposes an amendment numbered 1591, as modified.

Mr. Huddleston's amendment (No. 1591, as modified), is as follows:

On page 1, line 7, strike out "$412,600,000,000" and insert in lieu thereof "$412,700,000,000."

On Page 1, line 9, strike out "$454,900,000,000" and insert in lieu thereof "$455,050,000,000".

On page 2, line 3, strike out "$50,200,000,000" and insert in lieu thereof "$50,350,000,000".

On page 3, line 12, strike out "$2,300,000,000" and insert in lieu thereof "$2,400,000,000".

On page 3, line 13, strike out "$1,900,000,000" and insert in lieu thereof "$2,050,000,000".

Mr. HUDDLESTON. Mr. President, first of all, I, too, wish to commend the Budget Committee on doing a very commendable job on a formidable task. However, because the Budget Committee worked with functions involving billions, a few small budget recommendations were overlooked. I am specifically talking about agriculture function 350.

The ceiling for the agriculture function 350 for budget authority has been put at $2.3 billion and outlays of $1.9. This is in line with the President's budget request. But the Committee on Agriculture and Forestry feels that these levels are unrealistic in view of the importance of food and fiber to America and the world, now and in the future.

Let me just briefly examine what has happened. The Agriculture Committee recomended an increase of about $121 million in the budget authority function 350. The sum of $121 million sounds large until you put it in perspective of the total budget—here it would almost be lost in rounding. This amount would only be noticed when it is proceeded by a decimal point in budget discussions.

While the amount we are talking about is only one-fourth of 1 percent of the budget, it is extremely important to agriculture. The levels recommended by the Budget Committee would mean continued deprivation of agricultural research and services. Specifically, thousands of jobs in rural America that are associated with the expanded nutrition and family education programs would be lost. This program involves working with the poor in both rural and urban America to lift their nutritional awareness, to improve their diets and to assist them to become healthy, wholesome Americans. This budget ceiling would take $20 million from this program—a program that is mandated by every human sensitivity.

The Agriculture Committee recommendation was not even a real increase—we tried only to keep the program viable. Our recommendation would only bring the program back to the 1971 levels in real terms.

The reduction in the ceiling below our recommendation would deprive us of our small farmers' programs—it would eliminate rural development programs, and cut back forestry programs that are imperative if our Nation is to have adequate forest products in the future.

We have recommended an additional $13.5 million for the Cooperative State Research Service and $33 million for the Agricultural Research Service above the President's recommendation.

In this Bicentennial Year of our country, we should take counsel from the Founding Fathers—Washington. Jefferson, Franklin, and others who were agricultural researchers—men who recognized the importance of a viable and strong agriculture and the need for improvement and knowledge as it applied to this basic sector.

This is also a centennial year of the Cooperative State Research Service, our experiment stations that are located in each of the States.

The committee, in preparation for its budget report, reviewed the activities of the State experiment stations.

Let me cite just a few of the achievements. The Maine Experiment Station, which receives 40 percent of its funding from function 350, developed a control of late blight disease in potatoes that is expected to save Maine potato producers $1 million a year.

For Oklahoma, the number of cattle that the ranches and pastures in Oklahoma can support has doubled in the last 20 years because of research on forages, rangeland management and livestock. In addition, the Oklahoma station released a new variety of barley that is green bug tolerant. The variety is named "Will" after a fellow down there who never met anyone he did not like. "Will" barley is expected to add $5 million a year to the gross income of Oklahoma farmers.

In the State of Washington, research is continuing on minimum tillage. This method of tillage provides the potential of energy conservation and is a significant control of wind and water erosion, one of the most serious problems that we are facing in the Northwest and in the Great Plains.

At the experiment station in Minnesota, a new wheat variety called ERA has been developed that yields 15 to 30 percent more than the next best varieties in Minnesota. This means that from the same wheat land in Minnesota, we will produce enough wheat to make an additional 460 million loaves of bread.

I could go on with many, many more examples of research breakthroughs that are going on in each of our States but I think this is a representative sample that should indicate to everyone that the benefits of agricultural research are significant and should not be lost. I want to note that copies of letters that the Agriculture Committee received from the various State experiment stations have been disturbed to the respective Senators for their information.

It must be recognized that agricultural research is a long-term, ongoing process. It cannot be stopped and started without costs. A short-term budget gain would mean that we run the risk of paying for years to come through lower supplies, less efficient production, lower quality, and more risk from disease and insects.

The other major area in function 350 is the farm income stabilization area. This is the subfunction that the Budget Committee devoted most of its comments to in the concurrent resolution. The Budget Committee is right in saying that these costs have been declining over time. However, the Committee on Agriculture and Forestry recommended some increase in this area in anticipation of higher disaster payments this year in wheat areas.

There is also the potential of expanded Government loan activity in several program areas, including soybeans and rice. These programs are called open-ended so budget ceilings will not prevent these outlays. The reason is simply necessity. These programs are intended to respond to market situations or natural disasters without regard to political issues. Expenditures that the committee anticipates are reasonable, considering the weather conditions that are prevailing in the country at this time. To slash these for cosmetic effect when everyone knows that they must be made is not an acceptable procedure in light of what the Budget Act is meant to do. The committee is especially concerned that inappropriately low numbers here could result in undue difficulty for needed legislation during fiscal 1977. It should also be noted that increasing the levels in the farm income stabilization area is not a mandate to spend money; it is only a more realistic statement of probable outlays. If no disasters occur we will not spend 1 cent, but if floods or drought do occur, expenditures will be made regardless of the established targets.

Mr. President, I urge that the Senate accept the amendment to increase the budget authority of fuction 350 of Senate Concurrent Resolution 109 to $2.4 billion and that the outlay target in this function be increased to $2.05 billion.

Mr. TALMADGE. Mr. President, will the distinguished Senator from Kentucky yield?

Mr. HUDDLESTON. I yield to the Senator from Georgia.

Mr. TALMADGE. I commend the distinguished senior Senator from Kentucky for his amendment and support him in that effort.

Mr. President, we are living in a world today that is increasing in numbers by some 70 million a year. People all over the world are starving because of lack of food.

The United States of America has the most productive agricultural producing mechanism that man has ever known.

We became highly productive because of agricultural research. If we fail to continue our agricultural research program at a high level, we are going to have millions more people throughout the world going hungry.

Our committee has taken this business of making recommendations to the Committee on the Budget very seriously. Last year we were the first committee, I believe, to act. Our committee report was recommended as a model for other committees to follow.

This year our committee moved very rapidly in this area. The subcommittees studied every facet of their jurisdictions extremely carefully.

The full committee spent 2 full days making up its recommendations to the Committee on the Budget.

I might say, Mr. President, those committee meetings were probably the best attended of any that we have had this year.

In real terms, the recommendation of our Committee on the Budget for agricultural research is no more than it was some 10 years ago.

Ten years ago we had food and agricultural surpluses, we had a shelf full of unused agricultural technologies and the promise of sharply expanded world supplies because of the Green Revolution.

Today we face a tight supply situation, there is no reserve of technology and there is a hungry world in need of our products and our research. If we are going to take our responsibilities seriously, the highest priority we can place is on food production. We have put 50 million more acres under the plow in the United States of America in the last 3 years. We are nearing full production.

A great portion of our agricultural production is for export. Last year we exported some $22 billion worth of agricultural commodities, and we imported some $10 billion worth of agricultural commodities, which gave us a favorable balance of trade on agriculture of some $12 billion. That was approximately half what we spent for imported energy. The one bright spot in our trade today is agricultural exports. That was made possible because of the efficiency and productivity of our farmers. The efficiency and productivity of our farmers was made possible by agricultural research.

I hope that the Senate will recognize that on the vote on the Senator's amendment, and I commend him for offering it.

Mr. HUDDLESTON. I thank the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Georgia.

Mr. President, I ask unanimous consent that the name of the Senator from Florida (Mr. STONE) be added as a cosponsor to the amendment under consideration at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I commend the distinguished Senator from Kentucky and the distinguished chairman of the Committee on Agriculture and Forestry for pointing up the importance of agricultural research and agricultural industry to the welfare of this country.

As a member of the Committee on Agriculture and Forestry, I realize full well the great contribution both these Senators make to the improvement of agriculture in this country, and their support of this resolution is certainly understandable.

Mr. President, the problem is that the Committee on the Budget felt a need to demonstrate an interest in improving the administration of certain programs that are under the administrative responsibility of the USDA. For instance, in the programs administered by the ASCS, the Agricultural Stabilization and Conservation Service, we find that back in 1972 these programs, which are principally price-support programs, totaled some $4½ billion. Since that time, the size of that program has been reduced down to less than $1 billion. Yet, even though we cannot get exact figures from the USDA, the cost of administration of that program is roughly the same. In fact, the 1977 fiscal year budget indicates the desire on the part of the USDA to increase the cost of administration of that program.

It is inconceivable to me, at least, that a program which is now roughly one-fourth or one-fifth the size of what it was 5 years ago would need a budget as large now as it was then.

Also, Mr. President, the USDA operates in most of the counties of this country some three, four, or five separate independent agency offices with an enormous overhead, which could be substantially reduced, if the USDA operated as most Government agencies do as one agency at the local level. In spite of the efforts on the part of the Committee on Appropriations and on the part of the Committee on Agriculture and Forestry to see the USDA bring about a better coordination in its own in-house operation, those offices are still in operation at a very substantial cost to the American taxpayer.

The purpose the Committee on the Budget had in mind here was not that we cut back on agricultural research or not that we cut back on the amount of money available for extension work, but rather that we hold a tight rein on the agricultural budget with the expectation that that agency would look to its housekeeping overhead charges or costs and make a reasonable effort to bring those costs under control.

There is no intent on the part of the Committee on the Budget that agricultural research should be cut back. I feel, as has been expressed by the distinguished Senator from Kentucky, that with the world becoming increasingly dependent upon American-produced food and with the United States increasingly needing both the food that the agricultural industry produces and the favorable balance of trade that the agricultural exports bring here, agricultural research becomes increasingly important as the years go by.

Therefore, there is not any intention that agricultural research efforts of the USDA be reduced but rather that the USDA clean up its administrative costs and bring those down in line with the modern realities of the agricultural programs which the USDA administers.

I support the spending figures of the Committee on the Budget of $2.3 billion in budget authority and $1.9 billion in outlays. However, I believe it is only realistic to say that, looking ahead to September, by which time we will have a better idea as to what the cost of the emergency programs will be and what the cost of the disaster payments will be, those figures may need to be adjusted, but it seems to this member of the Committee on Agriculture and Forestry and the Committee on the Budget that we need to keep the pressure on the USDA to cut back on their administrative overhead and make certain that we are not supporting either offices or personnel that are in excess of the current day needs of the Nation's agricultural industry.

Mr. President, I oppose the amendment. I believe that we can accomplish the objectives that the Senator from Maine has in mind in the second concurrent resolution after the Department has had an opportunity to use the intervening months to get its house in order.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield to my good friend from Kansas.

Mr. DOLE. Mr. President, the Senator from Kansas is in sympathy with the effort by the distinguished Senator from Kentucky. As the ranking minority member of the Committee on Agriculture and Forestry, I did discuss a somewhat similar proposal during consideration in the markup by the Budget Committee. My recommendation was not accepted, but I ask unanimous consent to have printed at this point in the Record a portion of the transcript of the Budget Committee hearings, which will reflect the discussion by the committee of a matter somewhat similar to that now raised by the Senator from Kentucky.

There being no objection, the material was ordered to be printed in the Record, as follows:

Senator Bellmon. Mr. Chairman, I would like to raise a point. Back in 1969 the total cost of the subsidies paid the producers was $4.1 billion. At that time the agency that administered those programs had a total employment of almost 23,000.

At the present time those subsidies are down to $800 million, which is roughly a fifth where they were and yet we still have 13,000 people working in that department. All I am raising is the point, could we have report language?

Mr. Chairman, I am very nervous about our getting into an appropriations committee's area of responsibility. I am not sure how we go at this.

Senator Dole. Mr. Chairman, the Senate Agriculture Committee did recommend a $28 million increase for research. I think that was the purpose.

I remember the hearings. It is difficult to transfer some of these employees into research. They don't have the background and training. So I am not certain just how we do it.

My suggestion is we stay with the current policy figure of 2.4 and 2.0 and that would leave enough in the ballpark anyway that we are talking about.

Chairman Muskie. On those numbers there is a slight variation. But the President's numbers are 2.3 and 1.9, are they?

Senator Buckley. Yes.

Chairman Muskie. And current policy is 2.4 and 2.0. The authorizing committee is 2.4 and 2.1, and the Appropriations Committee is 2.3 and 2.2.

How do you make a distinction between these two?

Mr. Giles. Mr. Chairman, the distinction is the Appropriations Committee comes in with the same numbers. The President's number on BA in respect to outlays went up $500 million for commodities credit net outlays for the price support programs.

Chairman Muskie. Is that just a different estimate?

Mr. Giles. In their judgment it should go up to $500 million and the Agriculture and Forestry Committee went up only $209 million.

Chairman Muskie. Which of the two is the best estimate?

Senator Dole. The current policy sort of falls in the middle there.

Senator Chiles. The Agriculture Committee would have the best estimate.

Senator Dole. I might say we don't have any cut insurance in our recommendations.

Mr. Brown. It is just an estimating difference, Mr. Chairman.

Mr. DOLE. Mr. President, the point made by the transcript is that there is no recommendation by the Budget Committee as to how a reduction of outlays of $100 million below the current policy would be achieved. There is no specific assumption about research and extension service funding.

The distinguished Senator from Oklahoma just pointed this out in greater detail, and he has identified two areas in which it would not be unreasonable to expect a reallocation of resources that would result in savings.

It appears that savings from the administration of price-support programs also may be possible. There has been some discussion about specific price-support programs, and there is some legislation now pending in the House and in the Senate which might reduce the costs in that area.

It might also be possible, as pointed out by the Senator from Oklahoma, to have consolidations of offices within a county, which would reduce the administrative costs, cut personnel, and save money, without necessarily reducing the amount of important services.

The budget target recommended in this category is in the same spirit as eight other budget categories. It is sort of a challenge. It is based on evidence supporting a reasonable expectation to save Federal dollars in the providing of important services.

The Senator from Kansas, as a member of both committees, supports the effort to further increase this country's productivity in agriculture. The budget targets recommended by the committee do not imply otherwise.

We must be certain, however, that this effort is undertaken as efficiently as possible, and that is the very point just made by the distinguished Senator from Oklahoma.

The Budget Committee did take note of the recommendation of the administration, of the Appropriations Committee, and of the Committee on Agriculture and Forestry. But I share the view expressed by the Senator from Oklahoma that if there are changes and additional expenditures that cannot be foreseen, we can take another look at this in September.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MUSKIE. Mr. President, I should like to clear up the record on this subject. I have a communication from the College of Life Sciences and Agriculture and State Experiment Station of the University of Maine at Orono. It highlights the importance of this kind of research. I ask unanimous consent to have the letter printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

University of Maine at Orono,
Orono, Maine, January 12, 1976.

Committee on Agriculture and Forestry,
U.S. Senate,
Washington, D.C.

The following is to provide the Committee on Agriculture and Forestry with examples of recent and future research at the Maine Agricultural Experiment Station. Approximately 40% of our funding comes through the federal grant programs of the Hatch and McIntire-Stennis Acts which are essential to the successful continuation of our research programs.

Potatoes are the most important agricultural crop in Maine, which is the major production area for the Northeast sector of the United States. Maine production represents approximately 10% of the total U.S. Crop. Control of the late blight disease (the cause of the Irish potato famine) is a major problem for potato production areas in the Northeast. For many years successful control of late blight has been possible only by extensive use of fungicides which are expensive and have potential environmental hazards. Through many years of research and cooperation with work done at other states, successful methodology has been developed whereby disease incidence can be detected and forecast so that application of fungicides can be reduced as much as 30% to 50%, depending on weather conditions. Not only can the use of pesticides be reduced but better disease control is achieved so that total production for market is increased. When fully adopted by potato growers, estimated savings in Maine alone will be in excess of $1,000,000 per year. In the long run these savings accrue to the consumer as well as to the farmer. In addition, the environmental hazard is being reduced.

Each year substantial losses occur in potato storage and marketing channels due to fusarium rot of potatoes. Over the past eight to ten years, the Agricultural Research Service and the Maine Agricultural Experiment Station has been cooperating on research to reduce these losses. Recently a chemical treatment was proved to be effective, and the Food and Drug Administration has approved its use. Farmers are already adopting the practice. While more difficult to estimate the reduced losses, the benefits could well be as significant as the savings in control of potato late blight.

The land in Maine is approximately 85% forested and represents a major resource to the state and the northeast. It provides a substantial part of the paper and wood products for the northeast states as well as offering a prime recreation area for this densely populated sector of the country. It also has great potential as a renewable source of energy for an energy deficient region.

Our current research includes the concept of more complete utilization of this resource. After harvesting the merchantable bole or tree trunks, the branches, leaves and stump have been left in the woods to rot. In addition, there are many species of trees and 'puckerbrush' which have had practically no commercial value in the past. Much of our research is directed toward converting these "wasted" materials to wood chips so that they can be used to heat homes, manufacture chip board for construction purposes, and even converted to animal feed. Significant progress has been made in developing an automated wood chip burner for use in home heating and for moderate size commercial buildings. Other methods have also been considered for utilizing this renewable energy resource.

Realization of the full potential of our forest resource is threatened, however, by two major insect problems. One is the spruce budworm which has invaded the commercially important spruce-fir forests and is devastating approximately 5,000,000 acres. Despite substantial research effort already, much more effort is needed to manage this serious pest.

Secondly, biting black flies seriously limit multiple use of the forest for recreational purposes. A new species that persists throughout the summer has been identified recently. This has become a major problem in the state and needs a much expanded research program to effect some measure of control. Preliminary work is underway in cooperation with the Agricultural Research Service, but a much expanded effort is necessary to develop control measures.

These are but a few selected areas of research which are of benefit not only to the people of Maine but to the Northeast region and oft times to the country as a whole.

We appreciate the opportunity to comment in this manner and trust that the information will be useful to your committee.

Sincerely,

EDWARD H. PIPER,
Assistant Director.

Mr. MUSKIE. Mr. President, I agree with Senator BELLMON and Senator DOLE that the Budget Committee, in setting its overall totals in this fuction, did not intend to, does not intend to, and made no decision to discourage the research activities of the Department of Agriculture.

I want the legislative history to be clear on that point, whatever happens to the amendment offered by my good friend the Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I yield myself such time as I have remaining.

First, I point out that the distinguished Senator from Oklahoma (Mr. BELLMON) and the distinguished Senator from Kansas (Mr. DOLE) are extremely valuable members of the Committee on Agriculture and Forestry. They certainly have a grasp of the needs of the American farmer. With great regularity and frequency, they represent those needs in the committee activities and on the floor of the Senate.

With respect to this amendment, while we all know that research is important, and while the members of the Budget Committee state firmly that they do not intend that the figures they have settled upon here would in any way cause a reduction in research and extension efforts, we have to realize that the expenditures which fall under budget function 350 are the only place where there is any give. The only place where substantial reduction can be made by plan is the category of agricultural research and services.

The other categories are price support and related programs and farm income stabilization. These are entitlement programs; and, by law, whatever the figure is that falls under this category must be paid. There is no give in these programs. Whatever farmers are entitled to receive under the law, they will receive.

So that only leaves agricultural research and services. In my judgment that is where the slack will have to be taken up.

The distinguished Senator from Oklahoma (Mr. BELLMON), on a number of occasions, has tried to bring about more efficient operation of the ASCS, and he is to be commended for doing that. He has presented some figures here about the difference in the volume of business the ASCS handled a few years ago. Of the $4 billion figure that he mentioned, I think it is accurate to point out that some $3 billion were direct payments to farmers which did not have to be processed and handled by the ASCS. So the volume of business has not changed to that extent. I point out that in 1972, the personnel costs for this agency were $166 million. In 1977, these personnel costs have been reduced to $158 million, an $8 million reduction in actual dollars.

In real terms, considering the pay increases that have been put into effect during that period, this essentially represents about a 30-percent reduction in the personnel costs of this agency from 1972 to 1977. So I think we can already see that the volume of business has been more than compensated for by a reduction in the actual cost of operating the ASCS.

I say to the Senator from Oklahoma that, as we pointed out in the Agriculture Committee, the Senate Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, which I chair, will very soon hold hearings on the operation of the ASCS. We will be looking into their efficiency and determining whether or not there are ways in which we can further improve their operational procedures.

The PRESIDING OFFICER (Mr. DOMENICI). The time of the Senator has expired.

The Senator from Maine has 4 minutes remaining.

Mr. MUSKIE. Mr. President, I yield 2 minutes to the Senator from Oklahoma and 2 minutes to the Senator from Arizona.

Mr. BELLMON. Mr. President, I am pleased by the information which the Senator from Kentucky has just given the Senate, that there will be oversight hearings as to the operation of the ASCS and other agricultural agencies. I feel that this certainly is indicative of the interest that the Committee on Agriculture and Forestry has in reducing unnecessary overhead of these departments.

I ask unanimous consent to have printed in the RECORD a chart showing that in 1972, the program administered by the ASCS amounted to $3.2 billion and that the cost of salaries and expenses in that year were, as the Senator from Kentucky has indicated, $166 million.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

	Payments to farmers by ASCS [In billions]	*Salaries and expenses* [In millions]
1972	$3.2	$166.373
1975	.935	158.069
1976	.566	147.804
1977	.686	158.401

Mr. BELLMON. Mr. President, it is anticipated that in fiscal year 1977, the program administered will be $.6 billion, roughly one-fifth the size it was in 1972. Yet, the salaries and expenses of the ASCS were roughly $158 million.

So that in the 5-year span of time, the size of the program has come down to only one-fifth of what it was 5 years earlier. Yet the overhead is roughly the same. This is the reason that I am sure the Senator from Kentucky is interested in going into that program. It is the reason that the Committee on the Budget has recommended this level of funding in anticipation of some saving, if possible.

Mr. President, I yield back the remainder of my time.

Mr. HUDDLESTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER addressed the Chair.

Mr. BELLMON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. GOLDWATER. Yes.

Mr. BELLMON. I ask unanimous consent that Meg Power of Senator BROOKE's staff have the privileges of the floor during debate and vote on the present measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I rise to defend this Budget Committee concept. While I know it was a very radical step that we took when we created it, nevertheless, to me, it offers the only hope that we have of ever bringing the spending of the Federal Government within line of what the American people can afford. While I know that, year after year after year, there will be those of us who feel that we should spend a little more, including myself—particularly in this field of research and development; I do not think this country spends nearly enough money—until the Committee on the Budget learns more about how to anticipate these expenditures, until each individual committee learns more about how to control individually the expenditures of their own committees, I think we would be very wise to live within the confines of the concept of this Budget Committee's creation; namely, to let them play the tune for a while until we find out whether it is going to work or not.

For example, I have heard amendments offered on the floor cutting the Department of Defense hundreds of millions, billions of dollars. I do not think there is a department in this Government that receives closer scrutiny than the Department of Defense by the Committees on Armed Services of both Houses. Nevertheless, we try to live within the confines of the fences built around us by the Committee on the Budget.

Therefore, I urge my colleagues to consider very seriously what we are trying to do; namely, allow the American taxpayer to spend a little more of what he earns and at the same time cut the cost of the Federal Government so we can spend more money, in terms of what we are spending now, and not willy-nilly cut the defense budget because we might happen to choose a field that might seem popular at the time.

I think the Senator from Maine is doing an outstanding job. While I do not agree completely with the findings of the committee, I find myself in complete agreement with its concept. As one Member of this body, I want to do what I can do to make it succeed. So whether I like the idea of an increase or decrease, I am going to go along with the Committee on the Budget.

I thank my friend in the chair.

Mr. LEAHY. Mr. President, I rise in support of the amendment to increase the agriculture budget ceilings—function 350—in Senate Concurrent Resolution 109 by $100 million in budget authority and by $150 million for outlays.

I am in complete agreement with what my colleagues on the Committee on Agriculture and Forestry as to the need, and I wish to lend my concurrence to their observations.

These are critical programs for every American and programs that cannot be postponed.

Over half of the increase in budget authority that the Committee on Agriculture recommended would go to the States for research on pressing, local problems; problems in agriculture that can only be solved with localized research and extension efforts.

One of the most important efforts that we have called for is forestry research and extension—a long neglected aspect of our natural resources. This renewable resource must be carefully cultivated today if our Nation is to have adequate forest resources tomorrow. It is an area that can benefit our small farmers. It would provide them with supplemental income while improving our environment, conserving our resources and maximizing the long-term welfare of our Nation.

We are also calling for some additional funding for the expanded nutrition and family education program. This is a vitally important program that not only delivers needed nutrition education but means thousands of needed jobs in the poverty areas of both rural and urban America.

There are also funds for our small farmers research and extension programs which I think are absolutely imperative. In our Bicentennial Year, I cannot ignore the principles of the Founding Fathers and their belief that our family farms and our natural resources are the basis of a strong democratic society.

Mr. President, I urge that this amendment be adopted to Senate Concurrent Resolution 109.

Mr. HUMPHREY. Mr. President, I want to voice my support for this amendment to Senate Concurrent Resolution 109. It is vital to the health and development of our agricultural research and production programs.

I am very distressed with the Budget Committee's decision to establish the ceiling for agriculture at $2.3 billion for budget authority and $1.9 billion in outlays. Last year the budget authority was $4.1 billion and the outlays level was $2.6 billion. The levels in the resolution are unrealistic, and—in the perspective of time and noting the importance of food and fiber to America and the world—almost irresponsible.

Mr. President, many of these programs have for the last few years been suffering from tight budgets which have not kept pace with inflation. We have seen cases where budgets have been allowed to increase slightly, but in fact this has meant cutting back on staff.

I realize full well that priorities need to be established since we cannot carry out all worthwhile programs. But these programs represent investments which will help to expand our agricultural productivity. In recent years, in the face of bad weather and increased fertilizer and energy costs, that productivity level has not continued its upward climb.

Mr. President, I would like to share with this body a letter from the University of Minnesota outlining some of the important activities carried out under this funding.

The Committee on Agriculture and Forestry worked long and hard on its budget report. It is as lean as it can be without doing irreparable harm. We can play budget games, but the result is only cosmetic and it is not a defensible procedure in light of the intent of the Budget Act.

Mr. President, we must recognize our responsibilities to agriculture, the Nation, and a hungry world. Failure to provide adequate funds for agricultural research is like eating your seed corn. There can be no future crop.

This amendment must be adopted.

I ask unanimous consent that the letter to which I referred may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF MINNESOTA,
St. Paul Minn., January 12, 1976.

U.S. SENATE,
Committee on Agriculture and Forestry,
Washington, D.C.

Three recent accomplishments of the Minnesota Agricultural Experiment Station are:

1. The development of a new wheat, Era, which yields 15 to 30 percent more than the next best varieties. In 1974, Era increased state income about $56 million and yielded 460 million more loaves of bread.

2. Soybean varieties released in 1974 should return in 1976 $10 million additional to the state income through higher yield.

3. Minnesota turkey semen preservation method reduces the number of male turkeys by 65 percent, a saving of more than $1 million in the United States.

Each additional dollar spent on pesticide materials returns about $6 of additional farm output and an additional dollar spent on fertilizer returns about $5 of additional output. Reducing use of fertilizer would increase the cost of agricultural products about one-third. Similarly, a 75 percent reduction in pesticide use would increase agricultural products about 20 percent. These research items were supported with both federal funds from the United States Department of Agriculture and state appropriated Experiment Station funds.

Additional resources are needed for a large number of items. Here are a few examples. In Agronomy, additional resources are needed to expand work on tissue culture of plants that will enable screening for important physiological characteristics and disease resistance in the laboratory at a much lower cost than in the field. Understanding the nature of fat deposition in swine may permit changes in diet or breeding to reduce waste occurring in fatty carcasses. Additional resources for developing high protein potato varieties of commercial usefulness from high protein strains already produced here could help meet world protein shortage needs.

We have thousands of examples but perhaps these will do.

Sincerely,

KEITH HUSTON,
Director.

IN SUPPORT OF AGRICULTURAL RESEARCH

Mr. ALLEN. Mr. President, a large share of the programs within function 350, are directly under the Subcommittee on Agricultural Research and General Legislation, of which I am chairman.

I can assure you that the funding levels recommended by the Agriculture Committee in its budget report of March 15, were not arrived at in a casual manner. We established those recommendations after long and careful deliberation of the needs and priorities.

In addition, I want to point out that a significant number of the so-called increases that we recommended are really restorations of programs that the administration would eliminate or reduce in ill-advised fashions.

Equally important, we were attempting to restore the reductions that the inflation has wrought in the past several years—we wanted to restore these important programs in real terms to what they were 10 years ago.

Foremost among the areas of our concern is agricultural research. The approximate $33 million increase for the Agricultural Research Service would hardly bring the ARS budget up to what it was 10 years ago in real terms. The other major research increase is the $13.5 million addition that we called for the Cooperative State Research Services. This amount would only hold the Experiment Station budgets slightly above what they were 10 years ago.

Mr. President, agricultural research is not an expenditure, it is an investment. It is agricultural research that has given this country the greatest abundance of food and fiber in the history of mankind. It has also contributed to the overall economic well-being of this Nation.

Farm exports account for about $22 billion. This is important to our balance of payments and creates over 115,000 nonagricultural jobs.

This increase is vital to maintain programs and give attention to some of our highest priority needs. Continued food and fiber production is so vital to the future of this great Nation it would be extremely shortsighted to cut back on publicly supported agricultural research.

We have also called for a $48 million increase for the Extension Service. This addition would bring the traditional extension programs and special small farmer programs up to what they were 10 years ago.

The extension increase would also restore the 20-percent reduction in the expanded nutrition and family education program that the President called for. In addition, it provides a small expansion of the program in response to the fact that nutrition education is one of the most serious problems facing this Nation—especially among the low-income groups.

The Animal and Plant Health Inspection Service, which is charged with controlling livestock and plant diseases and insect pests is in critical need of additional support to carry out its responsibilities.

Today, they are combating a new outbreak of hog cholera, an expanded citrus blackfly infestation in Florida, and a return of the brucellosis epidemic. This last disease alone, if it spreads back to 1950 levels, could cost several hundred million dollars a year in livestock losses. Equally important, it could again become a serious and chronic human disease problem in the form of undulant fever.

Beyond the agricultural research services aspects of function 350 are the farm income stabilization programs. These programs are stated legislative policy; they are funded automatically in response to market conditions, or natural disasters—for example, the drought that is currently plaguing our wheat-growing areas of Kansas, Oklahoma, Colorado, Texas, and New Mexico.

We know that disaster payments for wheat are going to be increasing. To ignore it at this time would be a misrepresentation of the facts.

We must also anticipate additional problem areas. No year goes by that some regions and some crops are not hit with natural disasters.

We know this. We should therefore recognize it when we establish target budget levels.

I recognize that the Budget Committee is not specifying amounts of money that go to individual programs. Therefore, they claim they are not suggesting explicit reductions, such as I have discussed. They even suggest they do not look at individual programs or components within function 350.

I can only ask, how can they arrive at a total without looking at the parts? How can they build a house without putting in the foundation, the basement, the walls, and the roof?

At some point, that committee, in their deliberations, or in their staff's assessment, looked at the component parts. They made determinations of cuts, reductions, in program areas.

If they did not, they arrived at the ceilings in an arbitrary manner. I cannot believe that arbitrary determination of the ceiling for Agricultural Research Services and the agricultural income stabilization programs is an appropriate way. I do not think this is the intent of the Budget and Impoundment Control Act of 1974.

Mr. President, rural America and agriculture are basic to our national well-being. Food and fiber are basic needs of every American. The production and delivery of agricultural products must receive priority. The control and eradication of dangerous and costly diseases and pests must receive priority. The research that must be done today for the well being of tomorrow must receive priority.

The amount that we are recommending is modest. The potential benefits are enormous. The American people spend well over $200 billion a year on food, a 1-percent gain in productivity because of our research efforts which save the American people over $2 billion a year.

Agriculture contributes well over $20 billion a year to our balance of payments. This means that every American is able to enjoy the fruits of international trade at a lower cost than would be otherwise possible.

The American people are enjoying the most wholesome food of any people in the world—but many of these benefits could be lost if we fail to deliver the minimal support needed for the research function.

The agriculture and research function receives less than one-half of 1 percent of what our people spend on food. Our entire farm program is budgeted at about one-half of 1 percent.

Are these levels out of line?

Can any other function claim parallel fiscal responsibility?

I am afraid that agriculture may be paying for its record of past fiscal responsibility.

Had we been wasteful in the past, or wasteful in our recommendations, there would be no problem. But by being absolutely honest, holding the line and meeting our responsibility, we are finding the agriculture function is being punished.

I urge the Senate to support the amendment to increase the budget authority of function 350 for agriculture by $100 million, and, likewise the outlays level by $150 million.

I ask unanimous consent to insert in the RECORD a letter from the School of Agriculture at Auburn University, Auburn, Alabama outlining accomplishments and needs in three fields of research—also a table by the Committee on Authority and Outlays in Agricultural Research.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUBURN UNIVERSITY,
Auburn, Ala., January 8, 1976.

U.S. Senate,
Committee on Agriculture and Forestry,
Washington, D.C.

Below I have developed information on three (3) recent accomplishments from the Auburn University Agricultural Experiment Station and three (3) areas needing additional research effort.

RECENT ACCOMPLISHMENTS

Feeding Animal Waste: Technology for using animal waste as feed has been developed in the Auburn University Agricultural Experiment Station from research initiated in 1960. Animal waste (cattle, swine, poultry) is ensiled, blended with other feed ingredients, and fed to beef cattle, resulting in improvement in feed efficiency by approximately 25 percent. Parasitic nematodes and other potential pathogens are eliminated by the ensiling process. In addition, the ensiled material has no offensive odor. Due to the future pressure of human food needs on the supply of animal feeds, this development takes on added significance and if fully utilized could save in excess of $100,000,000 annually through increased production efficiency.

Leafspot Control: In 1973 Auburn University and University of Georgia Agricultural Experiment Station scientists discovered that the peanut leafspot fungi Cercospora arachidicola and Cercosporidium personatum were developing resistance to the widely used fungicide Benlate. Early diagnosis and subsequent recommendation of an effective fungicide saved an approximate loss of $30,000,000 in Alabama and Georgia in 1974. Additional research results with the new fungicide have shown that by blending large and small particles in a flowable formulation, a slow degeneration of the fungicide occurs during the weathering process. This has increased disease control effectiveness of the pesticide and reduced the rate of material needed by one-third, a further benefit for the grower.

Soil Compaction: Research at the Auburn University Agricultural Experiment Station has shown that elimination of the restrictions on root development caused by compacted soil layers will result in increased yields of corn, soybeans, and cotton. The placement of artificially compacted layers at plow depth in two soils caused soybean yield reductions of 80% and higher in dry years and up to 75% in years with more adequate rainfall. Penetration of the hardpan by bahiagrass roots allowed cotton following bahiagrass to send roots to a depth of six feet rather than being restricted to the nine inch plow layer. Thus, yields over a four year period were doubled. Experiments with controlled traffic of farm implements in which machinery only travels over predetermined permanent traffic lanes has resulted in highly significant yield increases of cotton and also promises to be an important development for other crops. Further development of the controlled traffic concept, with its extension to other crops and regions of the U.S., gives a potential of saving many millions of dollars through increased production efficiency from a very small investment in research monies.

RESEARCH AREAS NEEDING EXPANDED EFFORT

Animal Diseases: Recent estimates indicate that livestock and poultry diseases cost the public approximately $3.6 billion annually and this high incidence of disease represents the single greatest hazard to an adequate and wholesome supply of animal protein. In addition to the economic effect of continuing losses, the need to increase the effectiveness of animal disease control is made more urgent because many of these diseases are transmissible between animals and man. Furthermore, the presence of certain livestock and poultry diseases, e.g., hog cholera, trichinosis, brucellosis, salmonellosis, exotic Newcastle disease, is limiting the demand for our livestock and livestock products on the export market and may even limit interstate movement of livestock between states and regions of the U.S. In the report of a working conference on Research to Meet U.S. and World Food Needs held in Kansas City in July, 1975, it was concluded that the most urgent needs for research to improve beef production were: (1) reproductive problems and (2) respiratory and enteric diseases (these include shipping fever and calf scours). Examples of other diseases that continue to take a heavy toll are: respiratory diseases of swine, poultry and horses, enteric diseases of swine and poultry, equine infectious anemia, salmonellosis in poultry, leukosis in poultry and numerous parasitic problems.

Mycotoxins: Economic effects from mycotoxins to man and his domesticated animals are now being recognized as human health hazards as well as causes of slow-weight gain, debilitation, and mortality in animal production. Swine fed aflatoxin-infested corn in 1973 showed losses of 2,000 head from breeding sows to farrowing pigs. It is believed that much of the reduced weight grain in poultry in the U.S. is from mycotoxin-infested feed. Conservative cost estimates of $250,000 for research should reflect a potential benefit of $15,000,000/annum in increased feed efficiency in Alabama broilers due to toxins. This would exceed $100,000,000 nationally.

Plant Parasitic Nematodes: Nationwide and throughout the South in particular, economic loss is being identified on crops from nematode attack. Conservative estimates of losses per acre show $4 for 16 field crops, $21 for 23 fruits and nuts, $54 for 24 vegetables and $282 for ornamentals. In Alabama field crops, about 15% losses incur each year for corn, cotton, peanuts, soybeans, and small grains. Conservative cost estimates of $250,000 for expanded research effort would reflect a potential benefit of $75,000,000/annum from control of nematodes in Alabama alone.

Sincerely,

Stanley P. Wilson,
Associate Director and Assistant Dean.

Designation of the committee recommended increases in budget function 350

[Amounts in thousands]

I. BUDGET AUTHORITY

A. Agricultural Research Service

Committee recommended increases:

(1) Research on animal production	$4,448
(2) Research on plant products	6,522
(3) Research on soil, water and air conservation and production	2,187
(4) Research and marketing, use and effects of agricultural products	7,682
(5) Construction	11,500
Total additions	32,771

B. Cooperative State Research Service (Funds for State Experiment Stations)

Committee recommended increases:

(1) Inflationary offset	$5,000
(2) Restoration of grants	4,500
(3) Forestry grants	1,000
(4) Pesticide support work	500
(5) Title V rural development	2,500
Total	13,500

C. Extension Service (Fund for State-Federal Extension Programs)

Committee recommended increases:

(1) Grants to 1862 Land Grant Institutions	15,159
(2) Grants to 1890 Land Grant Institutions	1,500
(3) Postage increases	8,610
(4) Expanded nutrition and family education program	20,850
(5) Title V rural development	2,500
Total addition	48,619

D. Animal and Plant Health Inspection Service

Committee recommended increases:

Plant protection (352)	9,500
Veterinary services (352)	16,300
Total addition	25,800

E. Foreign Agricultural Service

Committee's recommended increase:

Attache service	176

II. BUDGET OUTLAYS

A. Agricultural Research Service	
Total addition	25,681
B. Cooperative State Research Service	
Total addition	13,500
C. Extension Service	
Total addition	48,619
D. Animal and Plant Health Inspection Service	
Total addition	25,800
E. Foreign Agricultural Service	
Total addition	176

F. Commodity Credit Corporation and Agricultural Stabilization Service

Committee recommended increases:

Rice program	127,973
Cotton program	8,500
Feed grains program	19,600
Wheat program	53,000
Total	209,073

Mr. McGOVERN. Mr. President, I rise to support the excellent statement of the senior Senator from Kentucky (Mr. HUDDLESTON) with respect to agriculture function 350 for budget authority.

Members and staff of the Committee on Agriculture and Forestry took great pains to fulfill their responsibility as the authorizing committee to make recommendations to the Budget Committee. The committee recommendations made with respect to function 350 were not made lightly or without considerable deliberation.

Important functions of USDA such as Agricultural Research Services and the nutrition and family education programs must be adequately funded.

As the Senator from Kentucky has pointed out, his amendment for budget authority is only to increase the function from $2.3 to $2.4 billion. And it is in areas of great concern to the agricultural community.

I urge those who have a commitment to the American farmer and to the expansion of agricultural research and services to join in supporting the Senator's amendment.

Mr. STONE. Mr. President, I rise in support of my colleague, Mr. HUDDLESTON's, amendment which would reinstate most of the additional funding which I and my colleagues on the Senate Agriculture Committee strongly feel is crucial for the protection of agricultural research activities in the United States, and, therefore, for all Americans.

As you may know, the President's budget cut back proportionately more on the programs in the Department of Agriculture than in any other agency. Our committee agreed with many of these reductions and funding levels. However, we were vigorous in our opposition to reduction in funding of the Agricultural Research Service, the Cooperative State Research Service, the Extension Service, and the Animal and Plant Health Inspection Service. Let me give you some examples of what programs will be drastically affected should we accept the Budget Committee's proposal in this area. The Agricultural Research Service is responsible for conducting research into animal and plant protection and research on soil, water, and air conservation and protection.

The proposed Agricultural Research Service budget for fiscal year 1977 is estimated to be equal to only 85 percent of what it was 5 years ago. As our committee report states, the solution to many of the problems of this Nation, and mankind in general, can only be solved through research. Over one-third of the budget increase which we recommended for the Agricultural Research Service is to offset inflation alone. The remainder of the proposed increase goes to programs to work on animal diseases and pest control. Additional money is essential to stop the injurious spread of fire ants which are destroying crops throughout the Southern part of the United States and is gradually working its way North. We have added on more funding for research into the deadly cattle disease called Brucellosis, which is a factor in the decimation of our cattle herds. Additionally, we have added on funds for the support of human nutrition and food research, so essential to all Americans.

The Cooperative State Research Service increases proposed by our Committee will enable us to fund forestry research through the McIntyre-Stennis program, one of the most pressing needs facing our Nation at this time. Additional funding under this agency is also necessary for pesticide testing and registration.

The Agricultural Extension Service is the finest adult education program in this country. It is of unquestionable value to all farmers in this country, particularly to the small farmer relying on it for producing his crops. The need to support the small family farmers has been reiterated time after time by the Congress.

If we adopt the Senate Budget Committee report we will be eliminating $10 million from the Extension Service budget. Another program performed by the Extension Service is nutrition and family education which is essential to millions of Americans who benefit from improved awareness of their nutritional needs.

Finally, the Agriculture Committee has recommended absolutely essential increases for the Animal and Plant Health Inspection Service which has the responsibility for all Federal meat and poultry inspection, animal and plant disease pest control, and veterinary service. Animal and plant pests are becoming an increasingly menacing factor in agriculture. In my State alone, at this very moment, farmers are faced with a citrus black fly epidemic which is destroying citrus production in south Florida. It is crucial that Florida be allowed to receive the extra $2 million which we earmarked for irradication of this outbreak. These funds will be matched by $2 million from the State of Florida and will not only involve irradication, but research into this problem which will eliminate it in the future.

There is also a very serious problem with Mediterranean fruit flies in Florida and Texas which this Congress has recently approved expanding USDA's capacity to research. However, the Senate Budget Committee's cutback of this funding would make that legislation virtually useless. This funding is necessary to fight the recent confirmation of hog cholera in Rhode Island and New Jersey. In fact, no area of the country can escape the ravages of animal and plant diseases which affect the food that all of us eat.

If environmentalists insist that we stop using chemicals to kill pests, how can you cut out the research which allows us to substitute biological controls for these chemicals.

Mr. President, I have consistently voted in favor of a responsible budget which allows our Government to perform the necessary and essential services needed by our citizens. Agricultural research is one of the most essential services that our Government performs. I urge all of my colleagues in the Senate to follow the suggestions of Chairman TALMADGE and my colleagues on the Agriculture Committee who are daily made aware of the absolute necessity of a first rate agricultural research program in this country. All Americans will be adversely affected if we reduce these essential agricultural research programs. I strongly urge you to support the Agriculture Committee's recommendations and, therefore, support our colleague's, Senator HUDDLESTON's amendment.

The recommendations that came from the committee are minimal needs. There is no fat in these recommendations. I have to think that any reduction below those levels is patently undesirable, ill advised and, to an extent, not faithful to the basic purpose of the Budget Act.

Mr. MOSS. Mr. President, I rise to speak regarding the amendment which has been offered to increase budget authority $121 million in function 350—agriculture—for fiscal 1977 for agricultural research and services.

As I have pointed out earlier in discussing this resolution, the Budget Committee, of course, does not deal with line items. However, in reviewing this function, the committee recommended an increase of $28 million above the President's budget of $1.1 billion in budget authority and $1.1 billion in outlays for fiscal 1977. This has been incorporated in the resolution.

The ultimate responsibility for determining the program mix within the budget functional areas—such as this one—is vested in the authorizing and appropriations committees. If these committees recommend such a change and it is the will of the Congress, I believe that the increase proposed could be accommodated within the resolution.

Accordingly, I am voting against the amendment in the interest of holding down the deficit.

HEALTH RESEARCH AND HEALTH SERVICES AMENDMENTS OF 1976—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on H.R. 7988 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7988) to amend the Public Health Service Act to revise and extend the program under the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, and to establish a national program with respect to genetic disease; and to require a study and report on the release of research information, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of April 2, 1976, beginning at page 9262.)

Mr. KENNEDY. Mr. President, I am pleased to bring before the Senate the conference report on H.R. 7988, the National Biomedical Heart, Blood Vessel, Lung, Blood, and Research Training Act of 1976.

Title I of the bill extends for 2 fiscal years the authority of HEW to conduct research, experiments, and demonstration programs with respect to heart, lung, blood and blood vessel diseases. The major substantive revisions and provisions that change the title of the National Heart and Lung Institute to the National Heart, Lung, and Blood Institute and provide explicit authority for the Institute to conduct programs with respect to the use of blood products and the management of blood resources.

There are authorized $10 million for fiscal year 1976 and $30 million for fiscal year 1977 for prevention and control programs, and there are authorized $339 million for fiscal year 1976 and $373 million for fiscal year 1977 for the national heart, blood vessel, lung and blood diseases and blood resources program.

Title II would extend, with only technical modifications, for fiscal years 1976 and 1977, the explicit authority of the Secretary of Health, Education, and Welfare to provide awards to individuals and institutions for biomedical and behavioral research training. It would authorize $165 million for fiscal year 1976 and $185 million for fiscal year 1977.

The remaining titles of the bill contain a variety of miscellaneous provisions.

Cardiovascular diseases—heart and blood vessel diseases—continue to be the primary health problem in the United States. It is estimated that 28 million Americans are afflicted with some form of heart or blood vessel disease: 23 million of them have hypertension, 3,900,000 suffer from coronary heart disease, and 1,700,000 from rheumatic heart disease, while 1,650,000 have had one or more strokes.

Mr. President, this conference report retains the essential elements of the bill which passed the Senate. It authorizes a total of $712 million over a 2-year period for the basic research activities of the National Heart, Lung, Blood and Blood Research Institute of the NIH. It authorizes the creation of 10 comprehensive centers for research of heart disease; 10 comprehensive centers for research on blood disease; and 10 comprehensive centers for research on lung disease.

The report also authorizes $40 million for the vitally needed prevention and control programs regarding these diseases.

The legislation contains an authorization of $350 million for National Research Service Awards, which will be used to support the training of the next generation of the Nation's biomedical research talent.

The bill also requires that the President's Panel on Biomedical Research and the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research each conduct studies on the implications of disclosure to the public of information contained in NIH research grants or contracts.

The bill before us today also rewrites and substantially improves the authority of the NIH to conduct research into genetic diseases, especially sickle cell and Cooley's anemia.

Finally, Mr. President, the conference report contains a provision added in the Senate which prohibits the consideration of political affiliation in the making of appointments to health advisory committees in HEW.

Mr. President, this is an excellent bill. It passed the Senate overwhelmingly by a vote of 90 to 2. I urge the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 1977

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 109) setting forth the congressional budget for the U.S. Government for the fiscal year 1977—and revising the congressional budget for the transition quarter beginning July 1, 1976.

The PRESIDING OFFICER (Mr. HELMS). Under the previous order, the Chair recognizes the Senator from Massachusetts (Mr. KENNEDY) to call up an amendment, on which there shall be 30 minutes debate.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The second assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

Beginning on page 1, line 2, strike out section 1 and section 2 and insert in lieu thereof:

"That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

"(1) the appropriate level of total budget outlays is $415,100,000,000;

"(2) the appropriate level of total new budget authority is $456,800,000,000;

"(3) the amount of deficit in the budget which is appropriate in limit of economic conditions and all other relevant factors is $52,000,000,000;

"(4) the recommended level of Federal revenues is $363,100,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $15,300,000,000; and

"(5) the appropriate level of the public debt is $713,300,000,000 and the amount by which the temporary statutory limit on such debt should be accordingly increased is $67,100,000,000.

"SEC. 2. Based on the appropriate level of total budget outlays and total new budget authority set forth in paragraphs (1) and (2) of the first section of this resolution, the Congress hereby determines and declares, pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1976, the appropriate allocation of the estimated budget outlays and new budget authority for the major functional categories is as follows:

(1) National Defense (050):
(a) New budget authority, $113,000,000,000.
(b) Outlays, $100,900,000,000.

(2) International Affairs (150):
(a) New budget authority, $9,100,000,000.
(b) Outlays, $7,000,000,000.

(3) General Science, Space, and Technology (250):
(a) New budget authority, $4,600,000,000.
(b) Outlays, $4,500,000,000.

(4) Natural Resources, Environment, and Energy (300):
(a) New budget authority, $18,000,000,000.
(b) Outlays, $15,600,000,000.

(5) Agriculture (350):
(a) New budget authority, $2,300,000,000.
(b) Outlays, $1,900,000,000.

(6) Commerce and Transportation (400):
(a) New budget authority, $16,100,000,000.
(b) Outlays, $18,600,000,000.

(7) Community and Regional Development (450):
(a) New budget authority, $7,600,000,000.
(b) Outlays, $8,000,000,000.

(8) Education, Training, Employment, and Social Services (500):
(a) New budget authority, $24,700,000,000.
(b) Outlays, $23,500,000,000.

(9) Health (550):
(a) New budget authority, $40,500,000,000.
(b) Outlays, $38,300,000,000.

(10) Income Security (600):
(a) New budget authority, $163,000,000,000.
(b) Outlays, $139,400,000,000.

(11) Veterans Benefits and Services (700):
(a) New budget authority, $20,000,000,000.
(b) Outlays, $19,300,000,000.

(12) Law Enforcement and Justice(750):
(a) New budget authority, $3,300,000,000.
(b) Outlays, $3,400,000,000.

(13) General Government (800):
(a) New budget authority, $3,700,000,000.
(b) Outlays, $3,600,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):
(a) New budget authority, $7,300,000,000.
(b) Outlays, $7,400,000,000.

(15) Interest (900):
(a) New budget authority, $40,400,000,000.
(b) Outlays, $40,400,000,000.

(16) Allowances:
(a) New budget authority, $600,000,000.
(b) Outlays, $700,000,000.

(17) Undistributed Offsetting Receipts (950):
(a) New budget authority, —$17,400,000,000.
(b) Outlays, —$17,400,000,000."

Mr. KENNEDY. Mr. President, the amendment which is being submitted and considered at the present time is an amendment which is being introduced by myself, the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Jersey (Mr. WILLIAMS), the Senator from New York (Mr. JAVITS), the Senator from California (Mr. CRANSTON), and the Senator from Indiana (Mr. BAYH). I offer the amendment in behalf of all the Senators that I have mentioned here.

Mr. President, as I understand it, there is a half hour time limitation, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. Fifteen minutes on either side.

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. I yield myself 6 minutes.

Mr. President, very briefly, for the benefit of Members, there is a briefing sheet on the desk of all of the Members. I shall outline what this amendment does, then explain why I think it is so essential. Also, I shall try to indicate why, from a fiscal and economic point of view, this particular amendment commends itself to the membership here this afternoon.

It is an attempt to adjust the recommendations in the Budget Committee resolution to the priorities that we believe vital during this period of continued economic slump.

We believe the Budget Committee should be recommended for many of the decisions it has made which are reflected in the resolution. I particularly want to commend it for its decision to recommend $2 billion in tax reform and current policy for many specific health programs and substantial needed expenditures for education.

Nevertheless, the amendment we are offering reflects our view that the resolution needs certain additions in order to provide the Senate with more appropriate targets as it considers further authorizations and appropriations.

This is particularly true with regard to jobs. Although the committee has maintained the existing level of public service jobs, it actually has recommended fewer dollars for this category than we spent last year.

Additionally, we believe economic conditions—with 7 million still out of work and an expected 2 million to exhaust their unemployment benefits this year—justifies greater Federal leadership through directly created jobs.

We would emphasize at the outset that our amendment, if adopted today, will still present the Nation with a budget which contains a deficit some $24 billion less than a year ago. Our amendment, because our jobs are targeted substantially on the unemployed and those on welfare, those with limited incomes, will mean reduced Federal expenditures for unemployment insurance expenditures and reduced welfare costs. The same individuals will be working and providing needed services and paying taxes—instead of receiving Federal income support.

I want to emphasize that our amendment still recommends a lower level of expenditure for public service jobs than was recommended by the Joint Economic Committee or the Senate Labor and Public Welfare Committee. They both recommended 1 million public service jobs.

In fact, the Joint Economic Committee report recommended not only the 1 million job level but countercyclical revenue sharing greater than what the budget resolution contains and additional public works funding beyond what the budget resolution contains.

At issue is the pace of economic recovery and the number of unemployed we are willing to permit in the Nation by the end of fiscal year 1977.

The budget resolution specifically accepts a 6-percent economic growth assumption. We believe, as did witnesses including former Chairman of the Council of Economic Advisers, Walter Heller, and former Budget Bureau Director, Charles Schultze, that this represents too low a level of growth.

It is essential to understand that the entire package of public service jobs, added meals for the elderly and jobs for the elderly and medicare and medicaid funding in this proposal assures a substantial offset in other outlays that will be unnecessary and in added tax revenues.

If this amendment is not passed, there will be more than 350,000 individuals receiving unemployment insurance, welfare payments, and food stamps and those outlays are already in the budget resolution.

Thus, the budget committee staff has estimated that the expenditures of $3.2 billion under our amendment will produce $700 million additional tax revenues and resulted in at least $700 million less in Federal expenditures for Welfare and Unemployment Insurance. The net effect of this amendment is thus to only add an additional $1.8 billion to the deficit, which will remain more than $24 billion lower than a year ago.

Now let me explain the specific parts to this amendment, none of which represents greater expenditures than contemplated by the authorizing committees.

First, in jobs, this amendment provides an additional 300,000 public services under title VI of CETA with a substantial portion targeted on those receiving unemployment insurance and welfare and with limited incomes. We currently have some 300,000 title VI public service job slots in the budget resolution. This will raise the total to 600,000 which is similar to the level in the House budget resolution and in the authorizing bill which already has passed the House.

With 7 million unemployed, we do not believe this is either excessive or unreasonable. Nor is it inflationary.

For too many of those individuals, the proposed budget targets would hold out the option of continued dependence on unemployment insurance or the even more frustrating and fearful specter of a one-way transfer from the unemployment rolls to the welfare rolls and the lack of a sense of human worth that comes with holding a job.

Second, the amendment adds $50 million to the older workers community service employment program, title IX of the Older Americans Act. This would permit an additional 15,000 low-income elderly persons to obtain part-time employment in hospitals, schools, and conservation activities. Some 12,300 are now working in these programs of senior aides and Green Thumb and the waiting list is five applicants for every available job.

There are now 700,000 men and women 55 years and older who are unemployed. They have the longest period of overage unemployment and they are the least likely to be rehired. In the past year alone, some 250,000 of these individuals have left the labor force in despair of ever finding another job. This amendment is a minimal step toward offering them hope.

Third, the amendment adds $50 million to the nutrition for the elderly program, title VII of the Older Americans Act. It will permit some 95,000 additional low-income isolated elderly to receive meals.

This program is familiar to most of my colleagues. Elderly throughout this country are receiving hot meals a day in churches and schools and community centers or through meals on wheels under title VII. However, the waiting lists extend months and months for hundreds of thousands of senior citizens. This amendment permits a relatively small additional number of isolated elderly to receive the benefit of a nutritious meal and the incalculable benefit of being among friends and involved with other people.

Fourth, the amendment would restore half of the cut made in the medicare/medicaid programs.

As my colleagues know, I strongly favor cost containment programs in the health field. The Health Subcommittee has been engaged in seeking to achieve that result in a variety of programs.

But this limit on medicare/medicaid costs will not achieve the result desired. It will mean that hospitals will shift costs to private patients and ultimately will discriminate against the elderly and the poor. They will be provided second-class care—large wards, reduced nursing patterns—and the basic promise of medicare—one class medicine—will be broken.

On the physician's side, the effect becomes apparent much more quickly. Physicians are not required to accept assignments.

A limitation on increases in their payments to less than half of that expected from private patients will mean a refusal to accept assignment.

The elderly will have to pay out of their pockets these additional costs or they will not be treated. It is as simple as that. And the additional cost of processing claims for patients who are not on assignment will eat up much of the anticipated savings from the suggested ceiling.

The cost-savings promised in the medicaid program cut is even more difficult to accept. At the present time, this program is supported by 50 percent Federal funds and 50 percent State funds.

The 50-percent State share already provides substantial incentives for State governments to reduce program costs.

More than 20 States have reduced benefits or beneficiaries. In some States, because of reduced payments to providers, it is almost impossible for a medicaid patient to find a physician.

The point is, what will the States do differently for $9.3 billion in Federal funds that they will not do for $9.6 billion? Where is the lever? States simply will further cut back on health benefits for the poor.

This amendment adds back $700 million to the medicare/medicaid program, bringing it to the level approved by the House Budget Committee.

It would remove the limit on physicians' increase because that is not going to reduce any costs; it is going to mean fewer physicians treating the elderly. It will also add back a portion of the hospital increase, raising the limit on increases from 7 to 10 percent.

We can cut back on rising health expenditures, but the limits in the budget resolution will not do the job.

Fifth, the amendment proposes to bring the Community Services Administration closer to current services, rejecting a one-third cut in their Federal funding during this period of continuing economic slump.

The recovery that we all hope for simply has not yet arrived in the poverty centers of our country. Neither in the inner-cities nor in the rural poverty areas is there any signs of economic upturn.

It would be tragic at this time to suddenly cut one-third from the support of community action programs in every State, in community economic development programs, in senior centers, in migrant programs, and in community food and nutrition programs. The authorizing committee recommended some $600 million for this program. This amendment will simply restore the $100 million cut by the Budget Committee from last year's $400 million level, bringing it closer to current services.

Finally, the amendment will add back $100 million to the rural water and sewer grant program.

The need for this program is evident in the 1,200 applicants still awaiting assistance to improve their water and sewer systems in small rural communities.

This program targets communities smaller than 5,500 in populations and provides them with a grant incentive to package with a Federal loan program.

Only 30 percent of the Nation's population lives outside metropolitan areas; but half of the Nation's poverty and two-thirds of the Nation's substandard housing is in rural America.

This funding will restore the recommendation of the Senate Agriculture Committee and it will still be $100 million below last year's level.

Mr. President, I would hope that the Senate would accept this amendment as reflecting our Nation's needs in the coming fiscal year. And I would hope that my colleagues would view it as a means to improve the budget reform process rather than as an effort to thwart it.

Just as the various authorizing and Appropriations Committees make their best judgments before reporting legislation to the floor, so has the Budget Committee in this instance. And just as the Senate works its will in an effort to improve committee-reported legislation in education and defense and health and housing, so too is it proper and appropriate for amendments to be offered and adopted to a budget resolution reported to the floor. The chairman of the committee made that evident in his opening statement. I believe that adoption of this amendment will improve the resolution and, in doing so, will establish more appropriate targets in these areas of jobs, aging, health, rural and urban development during the coming year.

Let me specify with some detail the reason why I oppose the medicare/medicaid reduction. Under the committee resolution, $1.1 billion was cut from medicare, $300 million from medicaid. Although the Budget Committee's report indicates that they do not necessitate that these particular cuts mean limitations on increases in the reimbursement for hospitals or for physicians' fees, I do not question that that is where these cuts will be made.

The implications of this budget level, which I know this committee has worked very hard on, are important. The projected increase for hospitals is about 15 percent for this year. We are putting a ceiling of 7 percent on reimbursement for hospitals under medicare. We are also cutting back the reimbursement levels for medicaid. The effect of this is going to be that the hospitals are going to shift the additional burden onto the Blue Cross or private insurance, the private patients will have to pay the additional costs for services in the hospitals.

What we are going to see, I believe, and I hope and pray that I am wrong, if we go down this course, whether this year or next year or the year after, are long wards where the elderly will be warehoused. Warehoused because of the limited reimbursement by the medicare programs. We are going to see a clear two-class system for treatment of the elderly people. We cannot have this medicare-only control system and also have equal quality care for the elderly people.

The PRESIDING OFFICER. The Senator's 6 minutes have expired.

Mr. KENNEDY. I yield myself 4 more minutes.

Either that, or we are going to find that the elderly people are going to have to pay more out of their own pocket for the medicare program.

In the other area, medicaid, we are providing for the States $9.6 billion under medicaid. Of course, the States match that. It is a 50-percent match. To think that, by cutting that by $300 million, we are going to be able to get a handle on costs, I think, is quite unrealistic. The States are going to cut back on important, essential programs and the poor are going to be left wanting.

In some States, Mr. President, only 30 percent of the doctors today are treating medicaid patients because of the failure of the program to pay adequate reimbursement levels. If you put a further limitation on the area under the medicaid program you are going to find fewer and fewer doctors who will treat the Nation's poor.

The other provisions, Mr. President, provide for a limited program in the area of urban and rural community development. This is the area where half of the poverty exists in the Nation, only 30 percent of the American population, but half the poverty exists in those areas, and two-thirds of the dilapidated housing, and this is a very important program targeted to that condition.

The final area is the Community Services Administration, to have it just what it was last year. That is the essential portion of my amendment.

One more point: What are the budgetary considerations if we pass this amendment?

I ask unanimous consent that a factsheet prepared be printed in the RECORD at this point.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

KENNEDY-RANDOLPH-WILLIAMS-JAVITS-CRANSTON-BAYH AMENDMENT

This amendment increases funding for jobs, health (Medicare-Medicaid), aging programs, rural water and sewer grants, and urban and rural community development. By funding some 300,000 new jobs, and 15,000 new part-time community service jobs for older workers, there will be a substantial reduction in expenditures for unemployment insurance and welfare and increased tax revenues as well. The amendment permits an additional 95,000 isolated elderly to receive group meals or meals on wheels each day. It also will prevent a one-third reduction in federal funding of community action and it will permit small rural towns to meet water and sewer needs. It also will restore half the reduction in Medicare/Medicaid proposed in the resolution.

The increases are all under the levels recommended by the authorizing committees. We believe these programs reflect important priorities and can be funded to insure sufficient stimulus in the budget to permit economic recovery.

IMPACT OF THE PROPOSED AMENDMENT

	Budget resolution	Amendment	Total
Public service jobs	300,000	300,000	600,000
Older workers jobs	12,300	15,000	27,300
Nutrition for elderly (meal spending)	300,000	95,000	395,000
Cost:			
Outlay increase:			
Public service jobs	$2,200,000,000	$2,200,000,000	$4,400,000,000
Older workers jobs	42,000,000	50,000,000	92,000,000
Nutrition for elderly	187,000,000	50,000,000	237,000,000
Rural water and sewer	100,000,000	100,000,000	200,000,000
CSA/urban and rural community development	300,000,000	100,000,000	400,000,000
Medicare-medicaid	1,400,000,000	700,000,000	–700,000,000
Total		3,200,000,000	

	Budget resolution	Amendment	Total
Corresponding outlay decrease: Income security (unemployment insurance, welfare)	140,100,000,000	–700,000,000	139,400,000,000
Net outlay increase		2,500,000,000	
Corresponding tax revenue increases		700,000,000	
Net increase in deficit		1,800,000,000	

	Fiscal year—			
	1977 current policy	1977 budget resolution	Amendment	Fiscal year 1977 total
Overall outlays (billions)	$424.2	$412.6	$2.5	$415.1
Tax revenues (billions)	360.0	362.4	.7	363.1
Deficit (billions)	76.1	50.2	1.8	52.0

As the factsheet points out, Mr. President, the gross outlay increases on this sheet by $3.2 billion. But you reduce that by $700 million, would otherwise have to be expended on unemployment insurance payments, AFDC and food stamps for individuals who now are working. That means $2.5 billion in net additional outlays. However, in addition, there are some $700 million more in tax revenues as a result of this amendment. So, the net addition to the budget is only $1.8 billion.

If we do not pass it, there will be $700 million less in terms of income that is being paid into the Treasury, and $700 million more in terms of welfare costs, which is $1.4 billion, which means that without it you are going to be expending $1.4 billion without any jobs or other benefits to show for it.

So the real cost of this program is not substantial—it will still leave us with a deficit $24 billion less than a year ago and for that you can have a really important impact by doubling public service jobs and meeting these other critical areas of need for the elderly, for rural communities, for the poor and for the jobless.

So I think, Mr. President, that this is an amendment that should be approved.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, from the point of view of the Budget Committee, the distinguished Senator from Massachusetts has accurately defined the budgetary impact of his amendment. It would add $1.8 billion to the deficit if fully implemented.

But let me make these observations with respect to it. First of all, there are two main issues raised by his amendment. The first is the addition of 300,000 more public service jobs; and, secondly, to reduce by half the proposed savings in medicare and medicaid programs which the committee's budget resolution mandates.

Putting those two issues aside for the moment, let me address the others. With respect to function 450, the amendment proposes another $100 million in rural water and sewer grants both for authority and outlays, and another $100 million in authority and outlays for the Community Services Administration.

These sums are proposed in the amendment to bring water and sewer programs to the current policy level.

I emphasize that the current policy level is assumed and can be accommodated within the committee's mark. So that what the amendment proposes is already reflected in the budget resolution and the additional amounts are not needed.

I would make this additional point, Mr. President, that I made in connection with all of the amendments up to this point. This budget resolution is not a line item budget resolution. We set overall totals and ask committees to live within those totals deciding for themselves how to spend the money within a function. But in this case, function 450, it so happens that the purposes to be served by the amendment were assumed by the Budget Committee in arriving at the totals.

The same can be said for the older Americans funds in function 500. This proposes adding $100 million in budget authority and $100 million in outlays for older American jobs and nutrition programs. Again these were assumed and can be accommodated within the numbers established by the Budget Committee.

Well, getting away from those line item kinds of purposes in the amendment, and getting back to public service jobs and medicare and medicaid, with respect to medicare and medicaid savings I repeat what I had to say last week in a rather extensive debate with Senator LONG, chairman of the Finance Committee, who argued that the savings mandated by the budget resolution could not be achieved. He said they were not realistic, and he could not support them.

What I said to him then I say now that the Budget Committee is impressed that these are savings that need to be achieved with respect to administrative costs and other costs, especially in connection with the medicaid program.

If our targets for savings prove to be unrealistic then the committees are surely in a position to come back and make their case on the basis of a careful examination, scrutiny, and review, and certainly the Senate will respond to any such case.

On the jobs question—and then I am going to yield to some of my colleagues—I am, of course, thoroughly sympathetic with the objective of the Senator from Massachusetts. I supported an amendment in committee to achieve that objective. Tomorrow on the floor of the Senate I will be part of an effort to try to revive the jobs bill which the President vetoed earlier this year. Some of the elements of that bill can be accommodated and are accommodated by the budget resolution. The countercyclical program, which is part of that bill, is accommodated by the budget resolution.

The public works portion of that bill is accommodated by the budget resolution. We may find a way to accommodate the waste treatment element of that bill in the water pollution provisions of the budget resolution. So I am for that objective.

But with respect to the public service jobs, the best we were able to do in committee was a rejection of the President's proposal for a phaseout of public service jobs over the next year, and that represented a substantial addition to the proposal.

May I say this to my colleagues finally: What we are establishing here are targets. They are subject to revision as the appropriation bills come through the legislative mill; they are subject to review at the time of the second concurrent resolution, and they surely ought to be reviewed as we get more evidence as to the state of the economy and what is happening to it and to the unemployment rate.

These are targets. They are targets which have been recommended, and we have urged the Senate to honor those targets. But we recognize that the process is not frozen at this point. It is open in conference and later.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes.

Mr. HUMPHREY. Just for one observation?

Mr. MUSKIE. Yes.

Mr. HUMPHREY. I direct the attention of the Senator from Maine to the legislation that will be with us tomorrow or the next day on the jobs bill.

It is my understanding that in the budget resolution that is before us there is not adequate budget authority to accommodate the full text of that or the full dimensions of that bill; in other words, we ought to add about $1.4 billion to the budget resolution so that the legislation which we hope to pass tomorrow can be within the framework of the budget resolution; am I correct in that?

Mr. MUSKIE. That is right. We would be in better shape with respect to the bill tomorrow if we had that in here.

Mr. HUMPHREY. May I ask the Senator, the proposal advanced by the Senator from Massachusetts, of course, does have funds in it to accommodate that budget authority. But let us assume for a minute that that amendment does not pass.

I urge the Parliamentarian's attention to this: Is it possible for the Senator from Minnesota to offer another amendment in the sum of $1.4 billion in budget authority and about $600 million in outlay authority? I ask the Chair to advise and counsel me on that.

The PRESIDING OFFICER. The Chair inquires of the Senator, did he propose to amend the amendment of the Senator from Massachusetts?

Mr. HUMPHREY. I would like to offer an amendment in my own right.

The PRESIDING OFFICER. In that case, the Senator would have to wait until after the votes ordered on the pending amendment and the previous amendments have been completed under the previous order.

Mr. HUMPHREY. May I ask if I were to offer an amendment to the amendment of the Senator from Massachusetts, is that in order?

The PRESIDING OFFICER. At the expiration of the time on his amendment, yes.

Mr. HUMPHREY. And how much time would I have on my amendment?

The PRESIDING OFFICER. Until 5 o'clock.

Mr. HUMPHREY. I thank the Chair. I will reserve judgment on this matter.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. I yield in the order, 3 minutes to my good friend from Oklahoma (Mr. BELLMON), 2 minutes to Mr. DOLE, and how much time would that leave me?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. MUSKIE. One to 2 minutes to the Senator from New Mexico.

Mr. HUMPHREY. Will the Senator from Maine yield once more so I can clarify this matter?

Mr. MUSKIE. Yes.

Mr. HUMPHREY. Mr. President, I solicit the attention of the Senator from Oklahoma.

I do want to offer an amendment in my own right. I realize that according to the interpretation of the ruling of the Chair I would have to do that after 5 o'clock, is that correct?

The PRESIDING OFFICER. The Chair advises that an amendment submitted by the Senator would have to be submitted at the conclusion of the votes already scheduled which would not be completed until after 5 o'clock.

Mr. HUMPHREY. They have already been ordered?

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Correct.

Now, is there any time at all for debate on such an amendment?

The PRESIDING OFFICER. Under the previous order, there would be no time for debate after 5 o'clock.

Mr. HUMPHREY. Mr. President, I am going to offer an amendment, and I ask unanimous consent that we have 5 minutes of debate.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. Without objection, it is so ordered.

Mr. HUMPHREY. I thank the Chair.

Mr. BELLMON. Mr. President, the amendment just introduced proposes to increase outlays by $2.5 billion and the deficit by $1.8 billion. The initial increase in outlays is $3.2 billion, but since some of the new spending is substituted for current spending for income security, the net spending change is less than the $3.2 billion figure.

In addition to assumed decreased income security spending, a further offset is assumed to the initial $3.2 billion spending is greater tax revenues. These greater tax revenues are presumed to occur because when people have a job, they pay social security and income taxes. Also, when people are earning higher income, they spend more and their greater demand results in greater industrial production, profits, from which the Treasury receives more revenues.

Mr. President, according to the framework underlying the calculations showing the substantial revenue increase is the notion that the increased Government spending will cause an increase in private spending. Therefore, there is presumed to be a substantial increase in the Nation's income.

The framework upon which the suggested budget impact of the $3.2 billion spending program is based, does not take into account several considerations, all of which serve to make the deficit higher than acknowledged in the amendment.

For one thing, taking people off unemployment compensation and food stamps and providing them public service employment will not increase their consumer spending. When people first lose their jobs and receive unemployment compensation, one way in which they try to maintain their standard of living is by drawing down their savings or by going into debt. Now that they have a higher paying public service job, which by the nature of the program is not permanent, they simply will maintain the same level of consumer spending as when they were living on unemployment, food stamps, and savings. Their higher income simply means that they no longer will have to draw down their savings or add to their debts, in order to maintain their standard of living. In fact, the nonpermanent nature of the higher paying public service job will result in people increasing their savings by paying off the debts they earlier incurred.

Because there is no increase in spending, there will be no tendency for increased production by business firms.

It also means that they now pay social security taxes on their public service income, and these taxes are the principal revenue gains by the Treasury.

The income tax gain will be negligible because the average wage for a public service job is $6,000. After exemptions, credits, and deductions, the taxable income that is left does not result in much revenue for the Treasury.

On balance then, the tax revenue that will accrue to the Treasury is $0.3 billion, and this is principally social security taxes which are paid into the trust fund.

Another element that has to be taken into consideration is the effect on the economy of financing a larger deficit. The fact that capital investment and the housing market will be adversely affected by the increased deficit means that the GNP will be smaller, and as a result there will be a fall off in income and taxes.

The failure to take account of these considerations means that the actual deficit resulting from adopting the amendment will be roughly a half billion dollars higher.

The economy has rebounded from the bottom of the recession a year ago. The recovery has been particularly dramatic. The economy has performed far better than even the most optimistic forecasters believed as late as the beginning of the year. The unemployment rate is declining faster than anticipated. It is at the level that many thought likely only at the end of this year. The number of Americans employed is at an alltime high. Similarly, the inflation rate is moderating, although there is concern unless Congress exercises spending restraint its abatement may only be temporary.

The Congress must not pursue policies that will lead to increasing inflationary pressure. To pursue inflationary policies, however appealing in the short run, would leave the country in a situation akin to that of a few years ago when we had both high inflation and high unemployment. The present budget is based on the view that the continued moderation of inflation and the continued building of confidence in the private sector are necessary conditions for a continued vigorous economic recovery.

To further increase the deficit now would be the wrong policy. It would hurt the jobless more than it would help. I, therefore, urge that the amendment not be adopted.

Mr. KENNEDY. Mr. President, how much time do I have?

The PRESIDING OFFICER. Five minutes.

Mr. KENNEDY. I yield myself 3 minutes.

With the existence of 300,000 targeted public service jobs, am I correct in understanding from the Budget Committee study that this means approximately $700 million paid in in terms of taxes?

Mr. MUSKIE. That is correct; that is the staff analysis.

Mr. KENNEDY. Furthermore, do I assume correctly that if those targeted public service jobs were not provided, it would mean $700 million in additional welfare costs, with the unemployment insurance and other costs; is my understanding approximately correct on this?

Mr. MUSKIE. If the jobs are primarily targeted on those already receiving unemployment compensation.

Mr. KENNEDY. Exactly.

Mr. MUSKIE. That is a correct figure.

Mr. KENNEDY. So with 300,000 jobs, it will mean $700 million in additional revenue and approximately $700 million less in terms of welfare costs, at least that is my understanding of the impact on my amendment.

Mr. MUSKIE. That is the analysis I have before me.

Mr. KENNEDY. I thank the floor manager.

That is exactly the analysis that we used with the 300,000 additional public service jobs in our amendment. It means instead of vital programs raising the deficit by $3.2 billion, it will only be $1.8 billion, still $2.4 billion lower than last year.

The PRESIDING OFFICER. The 3 minutes have expired.

Mr. KENNEDY. It would mean there will be $700 million less in terms of income and $700 million more in terms of welfare which is $1.4 billion.

So the real cost, in terms of our amendment, is only $1.8 billion to the deficit and for that we can get 300,000 additional jobs that are done. We can get the work done in terms of the water and sewer programs in rural America. We can provide the Meals on Wheels program for 100,000 elderly, we can provide 15,000 elderly with part-time jobs and we can prevent a third cutback in community action.

Mr. President, I am hopeful that this amendment is accepted.

Mr. President, I ask unanimous consent to have printed in the RECORD at this time a letter from the National Council of Senior Citizens, Inc. in strong support of this amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF
SENIOR CITIZENS, INC.,
Washington, D.C., April 12, 1976.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: On behalf of the three million elderly members of clubs and centers affiliated with the National Council of Senior Citizens, I urge your support of the forthcoming Kennedy amendment to the Senate Budget Committee Concurrent Resolution (S. Con. Res. 109).

The budget process is unfairly shifting the burden of constraining the size of the federal deficit to the backs of the elderly, the poor and the ill of the nation. The Kennedy amendment attempts to rectify this injustice by increasing funding levels for jobs, health, aging programs and urban and rural development. The increase in fundig levels is not only justified on economic grounds, but is also an important statement of principle: The search for a number representing the size of the deficit must not obscure the priorities which this nation has long upheld.

The National Council of Senior Citizens and all the nation's elderly urge you at this critical moment in the budget process to support fairness to those in need, who must not be made to pay the debts of the entire nation.

Sincerely,

WILLIAM R. HUTTON,
Executive Director.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Will the Senator yield me 2 minutes?

Mr. KENNEDY. The time I have remaining, I yield to the Senator.

Mr. JAVITS. Mr. President, today I am cosponsoring with Senators KENNEDY, WILLIAMS, BAYH, RANDOLPH, and CRANSTON, an amendment to the first concurrent budget resolution for fiscal year 1977, to provide budget authority at a level commensurate with the needs of our country. In areas which directly relate to the needs of people the Budget Committee has not reponded adequately to the urgent problems that still require our attention and which we must answer affirmatively.

We have been receiving good news on the economic front, with economic indicators showing the recession has bottomed out and we are on the road to recovery. The unemployment rate similarly reflects this turnabout. The latest unemployment figure of 7.5 percent is down considerably from the high of 8.9 percent last May, and has caused many economists to revise previous estimates and projections for the coming year. The fact that total employment increased by 375,000 last month, to an alltime high of 86.7 million is further evidence that the recession has ebbed.

On the other hand, it cannot be assumed that all problems have disappeared. Even with the most optimistic estimates, the unemployment rate will remain around 7 percent throughout 1977, and above 6 percent for the rest of the decade. It is for this reason that the budget resolution must reflect our concern for the millions of people who have not and cannot find work. There are still 7 million people who are unemployed, and with the improving economy by the end of fiscal year 1977 there still will be 6 million unemployed. The obligation of our country to provide the jobs and the climate for work continues, and we must provide the means to do the job.

As reported by the committee, the resolution would provide for the continuation of the present public service employment program through 1977, but only as it reflects the abating unemployment rate. When this is translated into numerical terms, the present level of 320,000 jobs will be reduced to aproximately 301,000 jobs to correspond to the dropping unemployment rate. This is an unacceptable course for the Senate to take, as it ignores the unemployed millions who will have exhausted their unemployment compensation benefits during the coming year. This amendment, by increasing by $2.2 billion the outlays for public service jobs will enable the present program to double and thereby provide 600,000 jobs, to provide necessary and essential services to local governments that would not otherwise be performed.

This amendment would provide jobs that would be targeted on those segments of the population that are most in need of relief from the burden of unemployment. The Committee on Labor and Public Welfare has under consideration targetting for the long term unemployed—those unemployed whose attachment to the labor market has been strained or broken. The committee's attention is focused on those who have worked, but who have lost their jobs because of the recession. The alternative they face is the welfare rolls, a prospect that these "workers" find repugnant and disheartening. It is for these exhaustees of unemployment insurance that we must provide more jobs.

The goal of this program is to spread the economic benefits of the 300,000 new jobs over the greatest number, and the neediest, of persons dependent on out-of-work wage earners, and to restore the habit of work by substituting jobs at very modest wages for income maintenance checks. These jobs would be limited to 12 months per person. At least half of the participants would work in projects—off the Government payrolls—with nonprofit agencies and organizations, including schools. The program would trigger "off" when national unemployment dropped below 5 percent for 3 consecutive months, and funds would be authorized to be appropriated only for fiscal year 1977.

The cost of providing these jobs will be reduced in the budget by savings in unemployment compensation and welfare payments. The benefit of providing a job for useful and productive services to the community, weighed against the payment of unemployment insurance or a welfare check, is clear.

In considering this increase to the deficit, the offset to other functions in the reduction of outlays, plus the stimulus to the economy and its ripple effect in the private sector reduce the cost of providing a public service job. It would be unconscionable to abandon the battle now that a few victories over the recession have been won. This amendment recognizes that the Government must continue to provide temporary jobs for 1 year duration, until the economy can reabsorb those workers traditionally in the work force.

Another area that must be addressed is our commitment to the poor of this country. By increasing the budget authority to the Community Services Administration $100 million, this amendment would reaffirm the Senate's commitment to the economically disadvantaged. This increase is necessary to prevent a near one-third reduction from last year's funding, under the present resolution. The effect of the recession has been felt most dramatically by the poor, with fiscal cutbacks and reduction in services. Those who have the least political clout are too often the poor and minority groups. We should not be cutting back by turning our backs on those who can afford cuts the least.

The Community Services Administration, the successor to the Office of Economic Opportunity, is the voice of the poor in our Government, and must at least be able to continue its program at the current services level; $100 million may not seem a great sum relative to the budget itself, but it remains the lifeblood for the war on poverty.

These programs are essential for our Nation, and its citizens, and merit the support of the Senate.

The PRESIDING OFFICER. Three minutes remain for the floor manager.

Who yields time?

Mr. MUSKIE. I yield to the distinguished Senator from New Mexico.

Mr. DOMENICI. I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, the proposal of the Senator from Massachusetts, Mr. KENNEDY, would allow for an additional 300,000 public service jobs, bringing the total of public service jobs to 600,000.

During 1977 we will be at a point in the economic recovery when such temporary measures should start being phased out. This is the administration's proposal.

The Budget Committee's recommendation already exceeds the President's recommendation. The committee has allowed funds for continuation of 300,000 public service jobs through the end of fiscal year 1977.

The proposal of the Senator from Massachusetts would leave us with 600,000 people still on the public employment rolls at the end of 1977. By this time, the unemployment rate is likely to be below 6 percent and declining. This would amount to a substantial and continuing diversion of labor resources from the private sector. If this employment can be phased out, it would have to be done gradually. The decline from 600,000 public service jobs to zero public service jobs would probably take a year or more. A program of this size at the outset of 1978, and decreasing only gradually through that year, would clearly be in competition with private sector jobs.

It is admittedly difficult to know what level of public job assistance is desirable and when temporary employment measures should be scaled back. Making the decision to reduce such programs in advance—when the rate of unemployment is still high—gives the appearance of insensitivity. Indeed, once started, one of the major practical drawbacks to such economic policies is being able to make the decision to stop. If this approach were adopted, I would anticipate the same arguments a year from now—with an unemployment rate still above 6 percent—to continue the 600,000 jobs program through fiscal year 1978.

The Senator from Kansas thinks it is prudent to at most hold the level of public service jobs at 300,000 through 1977 to insure that this temporary program can be phased out quickly thereafter.

The Senator from Kansas would also take issue with the economic analysis associated with the Kennedy proposal. I think it understates the net budget effect of the public service jobs approach. There would no doubt be a substitution of public service wages for other Federal income support payments. But the multiplier or "ripple" economic effects—as employment, tax revenues, and income support payments—are almost surely overstated.

An individual who receives a $7,000 per year public service job will not increase his spending by anywhere near $7,000. A large percentage of those who are unemployed will have maintained their living standard and expenditures somewhere near their previous level. This is possible through unemployment benefits, drawing down savings, or going into debt. This does not mean to imply that the unemployed do not face serious financial hardships. But just as a matter of economic analysis, their expenditures will not increase dramatically. Rather, savings will be rebuilt and debt paid off. For this reason, the ripple effects of these public service jobs are likely to be small.

Also, the tax revenue gains would appear to be overstated. A public service job that pays $6,000–$7,000 yields little, if any, income tax liability. The only significant tax revenues generated would be social security and unemployment contributions.

For the above reasons, the net cost of this jobs program may be understated by as much as a billion dollars. The effect on the Federal budget deficit is more likely to be $2.8 billion than $1.8 billion.

If there is a desire to hasten the economic recovery and to create jobs more quickly, this should be done by encouraging further employment in the private sector of the economy.

On April 1 of this year, the Senator from Kansas introduced the Employee Assistance Act of 1976, S. 3235. This measure would create more jobs at less Government expense; the jobs would be fully productive and potentially permanent positions, with private firms. A full description and discussion of that proposal is contained in my statement introducing that bill.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to reiterate, looking at the Kennedy fact sheet, that if we look at the older workers jobs, the nutrition for the elderly, the rural water and sewer, those items are covered within the target figures that the Senate Budget Committee brought to the floor.

If we are going to begin line iteming them, we are going to be here forever. I think we can tell the Senate in good faith that they are there and covered by it.

So I wish to spend a little bit of time talking about the issue raised by the Senator from Minnesota and the Senator from Massachusetts with reference to public service jobs, accelerated public works and countercyclical.

I believe there is some confusion. First, let us clarify this: In the Budget Committee's figures, there are $8 billion in budget authority for CETA, including emergency public jobs. There is in excess of $7 billion for outlays for those programs. This is in function 500. I will give the exact figures.

We already have $7.1 billion in budget authority and $7.8 billion in outlays. What we said in the committee is that there is a great deal of latitude during 1977 to take that fund in excess of $7 billion and provide more of it if wanted for public service jobs, the emergency type. They can provide for Senator Cranston's concept of zeroing in in a new way to get maximum economic benefit. But the committee denied the President's request that we phase out public service jobs. We left it funded in total at current service levels which included all CETA manpower programs and all the money Senator Javits has gotten in for public service jobs of the type we have today.

We suggest there is a better way for innovative people to use $7.1 billion in manpower money which we put in in a bunch to get the 600,000 public service jobs if there is found a better way to do it than the way we are doing it now, and if they perhaps switch around some of the other manpower programs which are not job oriented but training oriented and extremely expensive.

Senator Humphrey is worried about accelerated public works. We have already cleared on the floor that under function 450 there are adequate funds for the entire proposal of the Senate. We do not know what will be brought out of conference, but if the Senator will check with the chairman of the committee (Mr. Randolph) we have already adjusted 450 and 500 so there will be adequate funds if it be the will of the Senate to fund the Senate public works field.

We already have adequate money to fund the program of the Senator from Maine in toto, if that is what this body wants to do.

I am not saying I will support them, but the Senate has that flexibility.

The only possible issue is the water and sewer funding program, and when that is looked at in toto, I think there are funds in there for that. When the Senator speaks of the new job bill, we do not know what he is talking about, so we cannot answer that.

Mr. HUMPHREY. Mr. President, the budget resolution, as proposed by the Budget Committee, is too modest in its targets for reducing unemployment. It aims at too low a rate of growth in the overall economy. It fails to provide for supplementation of that growth with direct programs to temporarily employ those who have been thrown out of work by the recent recession.

The amendment proposed by my colleague Senator Kennedy would help correct this deficiency. By restoring funds for an expanded program of public service employment, it would provide an estimated 300,000 temporary jobs for those presently unemployed. This would approximately double the size of the existing public jobs program. Such an expanded program has already been approved by the House of Representatives and is pending in the Senate. Both the Senate Labor Committee and the Joint Economic Committee recommended that provision for such an expanded program be included in the budget resolution. The Budget Committee chose not to accept this recommendation. It is entirely appropriate that this issue be brought to the floor of the Senate and fully debated.

I know that many of my colleagues are skeptical about a public jobs program. They have heard descriptions of failures and deficiencies in the present program. To be sure it has its deficiencies. It is far from a perfect program. But what is the alternative?

The Budget Committee estimates that under its budget plan the unemployment rate will still be about 6½ percent at the end of next year. This means millions of persons drawing unemployment compensation—or worse yet, exhausting their unemployment benefits and still unable to find work. At present there are about 1½ million persons who have been out of work for 6 months or more. It is to assist these long-run unemployment that an expanded jobs program is required. Month after month of enforced idleness makes no sense—not from the point of view of the individual and even less from the point of view of society. At present, society is paying these individuals not to work. Surely it makes more sense to pay them to work.

Many of the deficiencies of the present public jobs program would be corrected under the legislation which has passed the House. It is not beyond the mind of man—nor beyond the capability of this Congress to design an effective program.

I remind my colleagues that the budget resolution we are debating today sets targets. It does not determine binding totals. I would like to see additional funds for public jobs included in these targets. It would signal to the country that we intend to act effectively against high unemployment.

However, even if we do not succeed today in expanding funding for this purpose in the first budget resolution, we should not be deterred from proceeding with substantive legislation to authorize and fund this program. There will be an opportunity to bring the budget into conformity with individual spending decisions in the second resolution in September. This is one program area in which the budget resolution should be adjusted to accommodate the program, rather than the other way around.

In addition to public jobs, the Kennedy amendment would provide needed funds for medical care, nutrition for the elderly and rural and community development. With the higher receipts which greater prosperity would produce, its effect on the deficit is modest.

This is an amendment designed to bring the budget resolution more closely into line with the needs of what is still—despite some recent improvement—a very high unemployment economy. The purpose of our new budget procedures is to help us produce a budget which meets our economic needs. I urge my colleagues to support this amendment.

Mr. MOSS. Mr. President, I rise to speak regarding the amendment which has been offered by the distinguished Senator from Massachusetts. The amendment would increase expenditures by $3.2 billion, achieve certain budget offsets resulting in a net addition to the deficit of $1.8 billion.

The amendment, if adopted, would significantly change the budget resolution. Regarding the proposed addition of $100 million for increases in rural water and sewer programs, this resolution already includes funding at current policy levels. The additional $100 million proposed would be above current policy.

I believe the proposed increases of $100 million—$50 million to provide additional meals under the nutrition for the elderly program and $50 million for older-worker jobs, and $100 million in the CSA-Urban and rural community development program—fall in the category of line items, which this committee does not deal with. Therefore, I think it is inappropriate to treat them on a line item basis in considering this resolution today. Nonetheless, if the authorizing committees so recommend and it is the will of the Congress, these amounts could be accommodated within the resolution.

With regard to the proposed $700 million increase in the medicare/medicaid program; in developing the resolution, the committee reduced the outlays for medicaid by $.3 billion and medicare by $1.1 billion in fiscal 1977. There was considerable discussion during the markup regarding health programs and the need for initiatives to achieve effective control of the health care programs and to reduce the spiraling health care costs. The Finance Committee had indicated a desire to develop legislative proposals which would moderate the anticipated increases in reimbursement under medicare program efficiency.

Incidentally, I think it would be helpful to compare the committee's recommendation with current policy and with the levels proposed by the President. Mr. President, I ask unanimous consent that the following table reflecting such a comparison be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

MEDICAID-MEDICARE BUDGET

[In billions of dollars]

	Fiscal year 1976 current policy	Fiscal year 1977 current policy	President's budget, fiscal year 1977	Budget Committee recommendation
Medicare:				
Budget authority	18.7	23.4	23.0	23.8
Outlays	17.7	21.6	20.3	20.5
Medicaid:				
Budget authority	8.4	9.6	(1)	9.3
Outlays	8.3	9.6	(1)	9.3

[1] President proposes a block-grant which would consolidate medicaid with other health programs.

Mr. MOSS. As Members know, health care costs have been a major contributor to the increasing inflation in the last several years. As a member of the Special Committee on Aging, I am aware of abundant evidence of abuse and fraud in both medicare and medicaid programs. I believe that action can and should be taken to improve the management of these programs in order to reduce costs without reduction of the services provided to the program participants. We must keep the pressure on to hold down costs. In so doing, we must be realistic and recognize that savings which can be made at least in short run, are limited. Constraints proposed should be reasonable, attainable, and fiscally responsible, and serve to keep the pressure on for program improvement and efficiencies. The committee's recommendations meet these criteria.

Now, turning to that part of the amendment which proposes an increase which deals with jobs.

The amendment contains a proposal to increase the number of jobs for the unemployed. I support that objective.

In my statement before the Senate last week, I indicated that largely as a result of congressional decisions in the last session regarding the fiscal 1976 budget, the course for the Nation's economic recovery had improved.

Unemployment has been reduced by 750,000 since March of last year. Employment has increased by some 2.7 million jobs in the same time.

The number of individuals out of work is still deplorably high. But the new entrants or reentrants into the labor force now account for a larger part of the unemployed total than was the case a few months earlier. Job losers account for a much smaller part. But despite continued progress in this area, increased employment must remain a priority matter.

This resolution provides continued unemployment benefits, it provides 750,000 more jobs—more than the President's budget recommends—and it provides fiscal policies designed to increase economic growth above the levels recommended by the President.

In preparing this resolution, the evidence before the committee indicated that avoiding a resurgence of rapid inflation is crucial to further recovery from high unemployment and for the economy overall. The spending ceiling and the fiscal policies recommended in this resolution, will in my judgment reduce inflationary expectations and forestall pressures from excess demands. There is concern that we avoid excessive spending, to meet the objectives set by the committee for continuing the economic recovery at a steady pace so that the Nation can keep moving toward full employment and a balanced budget. More spending in the short run may accelerate economic recovery and provide more jobs than this resolution. But inevitably it could lead to overstimulative policies and more inflation.

Along with the turnaround in the economy, consumer confidence has improved. But any resurgence in the pace of inflation, could pose a threat to consumer and business confidence, and to further economic recovery which is so urgently needed. The strength of consumer confidence in the period ahead, will depend in part on what the Congress and the Government do on the fiscal and economic fronts. Our actions on this resolution will likely be a factor in influencing consumer attitudes.

As Members know, recent efforts by the Congress to enact a jobs program have been frustrated by the President's vetoes. We should continue to try for an effective program. But in light of recent experience, the President's receptivity and likely actions toward a jobs proposal are certainly a consideration. There is a real question about whether a proposal for a jobs program would again be vetoed; whether a program of this magnitude—involving such large expenditures—could be put in place; certainly not without the cooperation of the President.

We have $3.9 billion in budget authority and $1 billion in outlays for fiscal 1976, and an appropriate amount in the transition quarter for countercyclical and public works activities which will create jobs.

We should expedite action in Congress to pass a jobs bill. We should make yet another attempt to get the President's approval so that the funds available in the fiscal 1976 budget can be outlayed for such a jobs program in the remainder of this fiscal year and the transition quarter. This action would provide a helpful boost to employment but we should also plan beyond September 1976 when these funds expire. And the resolution before us does that, it provides funds to continue the kind of jobs program which I envision could be enacted, in the next few weeks, for this fiscal year.

The second concurrent resolution will be considered and must be approved by the Congress by September 15. The roughly 4-months interim period will provide valuable time to assess the economy's performance. This will also give us an opportunity to see if the private sector continues to provide an increasing number of jobs as has been the case in recent months. After a period in which unemployment worsened or showed virtually no change, recent months have witnessed a marked improvement in unemployment. I am hopeful this trend will continue.

I believe we should monitor the economic picture closely over the next few months and carefully consider the results in developing the second concurrent budget resolution fiscal 1977. In the interim, if the economy's actual performance differs significantly from the committee's present forecast for the remainder of fiscal 1976 and the transition quarter, the committee can revise its recommendations in time to insure that the second resolution appropriately address this matter.

Any increase in funds in this resolution could not be placed in effect prior to October 1, 1976, the new fiscal year, in any event. And by waiting until the second concurrent resolution, we will have a better picture and more current data upon which to base a judgment regarding the necessity for increased expenditures.

The House has more money for jobs in its proposed budget resolution than this one. I would hope that the Senate would support the Budget Committee conferees in working out the best arrangement for increasing employment during the conference.

Thus, in voting against the amendment, I am not voting against improving the employment picture. I have consistently voted in support of policies and programs designed to increase jobs and reduce unemployment. But in voting I am doing three things: I am indicating my support of jobs programs and in reducing unemployment; I am indicating my belief that the stimulus and number of jobs recommended in this resolution together with the modifications we can make in conference with the House on the budget resolution is the best course of action at this time, pending the second resolution; and I am voting against adding further to the deficit.

Mr. CRANSTON. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Massachusetts (Mr. KENNEDY) which I join in cosponsoring.

This amendment proposes to increase overall outlays by $2.5 billion and the deficit by $1.8 billion in order to provide funding for important domestic priorities, especially jobs and support for elderly persons. In my separate views included with the report of the Budget Committee on the first concurrent resolution, I set forth my strong support for increased funding for public service jobs and decreased funding for defense expenditures. I indicated there that I supported a cut of $3.5 billion in budget authority in the defense function. And I have already spoken today in support of the amendment offered by the Senator from Indiana (Mr. BAYH) to reduce defense expenditures.

With respect to the pending amendment, Mr. President, the jobs proposal represents a scaled-down version of an amendment which I offered in the Budget Committee for Senators KENNEDY and MONDALE and myself to add 700,000 public service jobs over the existing 300,000 level. I continue to believe that that is the appropriate level given the more than 7 million people who are out of work, and actively looking for work, in our land.

I believe strongly that the priorities in the resolution reported from the Budget Committee are misplaced and out of line with the priorities of the American people insofar as job production is concerned.

Mr. President, the details of the jobs proposal which we offered in the Budget Committee are discussed in my separate views and an appendix to them. I ask unanimous consent, Mr. President, that the appropriate excerpt from those separate views regarding function 500 be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SEPARATE VIEWS OF SENATOR ALAN CRANSTON

INTRODUCTION

I have voted to report this Resolution with the gravest reservations. I believe that while the Committee's hard work has produced a major step forward in one area of its responsibilities—taking control of and reducing the level of Federal spending—it has failed to carry out its other responsibility: allocating Federal spending in accord with an appropriate set of national priorities.

This Resolution is unsatisfactory in both its short and long run perceptions of America's needs. It fails to deal sufficiently with the immediate, desperate need to get millions of unemployed workers back to work—the real solution to eliminating the $50 billion deficit in the Committee Resolution—relying instead on the vague hope that jobs will gradually appear in the private sector and trickle down to those who need them the most.

And, it attempts to commit us to unneeded billions of dollars of present and future accelerated and excessive military spending.

Ironically, the Resolution, while calling for unprecedented expenditures for national defense years after the end of the Vietnam War, fails substantially to meet the true costs of that war by providing for an appropriate level of expenditures to serve and care for the veterans of that war and other wars.

Last year I had some misgivings about the priorities reflected in the initial First Concurrent Budget Resolution. But I voted to report it and to support it against all amendments on the Senate floor, upon the assurance that the Committee would watch the economy carefully and make adjustments where needed.

I contained my own dissatisfactions then with spending allocations because the functional totals were not a part of the resolution, and because I felt that accommodation to a concensus was a necessary and vital part of the fragile new budget process, even though my own views were not completely reflected. I still believe, of course, that accommodation is a necessary part of this process. I do not, however, believe that this Resolution, in the areas of my strongest concern, reflects very much, if any, accommodation to the views I share with so many others. In at least three areas, I invite the Senate as a whole to give this resolution its severest scrutiny. These are national defense, employment and training, and veterans benefits.

I would propose, without increasing the Committee's over-all spending and deficit levels, to alter the mistaken priorities expressed in this Resolution. Specifically, I would spend $3.5 billion less for defense, of which a net of $2.5 billion would be used to provide 700,000 more public service jobs, and $1 billion to provide additional veterans health, education, compensation, and pension benefits.

Function 500: Education, training, employment, and social services

I believe that the $2.2 billion provided for public service jobs is totally inadequate at a time when more than 7 million Americans are looking for work they cannot find and another 1 million have given up looking. The Committee rejected the recommendation of the Labor and Public Welfare Committee to provide for a total of 1 million jobs, 700,000 over the existing level. I presented this proposal to the Budget Committee through a program, developed with Senators Kennedy and Mondale, to produce these 700,000 additional jobs for a net increase in the deficit of $1.5 billion, at a net cost to the deficit of $2,100 per job. These net cost figures derive from our proposal to target the jobs largely on long-term unemployed persons already receiving Federal assistance.

According to official unemployment statistics, which utterly fail to tell the full story, we have 7,027,000 unemployed persons in this richest of all nations. Of these, 2,667,000 are unemployed heads of households. The household head unemployment rate has almost doubled over the last 3 years.

In 1974, when we enacted the current "Emergency Jobs Program", we had about 5 million people unemployed. Today, we have more than 2 million more people looking for work. I fail to understand how we can continue to rely on a job-creation program designed for a 5.6 percent unemployment rate at a time when we have a 7.5 percent unemployment rate and 2 million more "officially" unemployed individuals.

This represents over 7 million individual human tragedies, and the impact of the extent of household head unemployment is to devastate a total of over 10 million people.

More than problems of lost income and inadequate food, shelter, and clothing for the affected millions are involved—although that's bad enough. These are millions of men and women who want to work, and are not able to find jobs. These are men and women who, sadly, are losing the habit of work. Many are collecting unemployment insurance, welfare, or food stamps rather than using their minds and bodies in productive labor. The average duration of "official" unemployment is 16 weeks—that's one third of a year.

I recognize that this proposal will not meet the needs of all these tragic victims of our depressed economy. Right now we have to move moderately so as not to regenerate double digit inflation which would create even more hardship and suffering. That is why our program would target the jobs in several very critical ways.

First, on those who have minimal outside income, taking into account family size and urban and rural differences;

Second, on those who are long-term unemployed, more than 13 weeks;

Third, on those with family support obligations; and

Fourth, on those receiving other Federal, State, and local income maintenance payments.

The goal of this program is to spread the economic benefits of the 700,000 new jobs over the greatest number, and the neediest, of persons dependent on out-of-work wage earners, and to restore the habit of work by substituting jobs at very modest wages for income maintenance checks. These jobs would be limited to 12 months per person. At least half of the participants would work in projects (off of Government payrolls) with nonprofit agencies and organizations, including schools. The program would trigger "off" when national unemployment dropped below 5 percent for 3 consecutive months, and funds would be authorized to be appropriated only for fiscal year 1977.

In terms of Function 500, we proposed adding $5.1 billion in outlays and budget authority, and subtracting $2.2 billion from Function 600 (Income Security) for a net increase in outlays of $2.9 billion. We estimate that our proposal would produce a GNP increase that would generate 105,000 new private sector jobs and result in tax revenues and certain other derivative reductions in Federal income maintenance outlays, totaling another $1.4 billion offset.

At the conclusion of these supplemental views, I am inserting an appendix describing this proposal in more detail.

APPENDIX TO VIEWS OF SENATOR CRANSTON

A PUBLIC SERVICE EMPLOYMENT PROGRAM AUTHORIZING 1 MILLION JOBS

Need

A vast number of the more than 7 million individuals currently unemployed will continue to be unable to obtain jobs in the private economy or through the current CETA title II and title VI public service jobs programs during 1976 and 1977. Among this group, the greatest social dislocation occurs from the unemployment of heads of household, particularly those with children.

The cost to the Nation of such unemployment is more than the individual suffering. It includes billions in unemployment compensation, in welfare payments, and in lost tax revenues at every level of Government.

Program

This program consists of revising CETA title VI (currently "emergency jobs program") into three parts which together will authorize the provision of 1 million jobs. Part A contains general provisions applicable to both parts B and C. Part B contains a hold harmless provision which maintains the existing level of approximately 300,000 public service jobs nationwide under titles II and VI of CETA. These jobs would continue to be conducted through the prime sponsors and under existing CETA regulations.

Part C (sponsored by Senators Cranston, Kennedy, and Mondale) contains an authorization of appropriations ("such sums") to fund an additional 700,000 public service jobs targeted toward that portion of the population of unemployed who are most in need of employment.

Under this proposal, in order to qualify for a public service job provided under part C, the individual must (1) have a gross annual family income which does not exceed 70 percent of the lower living standard budget, adjusted to take into account regional differences, as well as family size ($6,300 for a non-farm family of 4 on the average), and (2):

(a) have been receiving unemployment compensation for at least 13 weeks; or

(b) be a member of a household which has been receiving AFDC; or

(c) have exhausted unemployment compensation benefits or never have been eligible for such benefits and been unemployed for at least 13 weeks.

The average annual cost per job under this proposal is $7,300. The average annual wage is $6,000. An individual would remain employed in a part C job for no longer than 12 months. In allocating public service jobs and determining hours of work, the sponsor would be required to take into account the household support obligations of the applicant, and to give special consideration to alternative working arrangements such as flexible hours of work and shared and part-time jobs, particularly with regard to persons with school-age children and older persons.

In order to conform with the compensation rate maximum ($10,000) and to provide the greatest number of jobs, sponsors would be permitted to adjust hours of employment as long as the prevailing hourly wage rate is paid for the part-time job.

The sponsors would be the State and local governmental units specified under part B of title VI. Sponsors would be required to contract out at least 50 percent of public service jobs under part C for the carrying out of specific projects in the public, non-profit sector, including projects conducted by community-based organizations (as defined in 701(a)(1) of CETA), local educational agencies, and community development corporations. Projects conducted under this part would have a duration of not more than one year. Sponsors would be required to use employees not engaged in those projects to perform useful public services without displacing on-going activities.

Under part C, the sponsor would ensure that not more than 20 percent of the funds are expended for those who have exhausted unemployment compensation benefits or who have never been eligible for such benefits and have been unemployed for at least 13 weeks.

The proposal contains an anti-negotism provisions and provisions comparable to the present title VI program (now under part B) to prevent "paper layoffs" and the substitution effect, as well as linkages to training and support services. In addition, the proposal would require that there be no more than one CETA public service job per family unit.

Costs and offsets

Under this proposal, the estimated initial outlay directly for the 700,000 new jobs would be $5.1 billion. However, the reduction in Federal unemployment benefits, AFDC payments, and food stamps would be approximately $2.2 billion. As a result of the stimulus to the economy from the new 700,000 workers, an additional 105,000 persons would be employed in the private sector. The savings realized as a result of this economic stimulus to the private sector would generate another reduction in the net cost of the program of $1.4 billion (approximately $1 billion in new revenues and $0.4 billion in savings). Thus, the total Federal offset would be $3.6 billion.

Consequently, the net cost of employing 700,000 new workers in the public sector, directly and through contracts, and targeted as described above, would be $1.5 billion. This is the amount the Federal deficit ultimately will be increased by this proposal. The average net cost to the deficit per job is approximately $2,140.

A chart, detailing the breakdown of these offsets, is attached as table A. Table B illustrates the current level of jobs, the level contained in the House bill (if that bill were targeted on the same long-term unemployed), and the level provided for in this proposal.

No benefits accruing to States and localities in additional tax revenues or reduced services have been included in these calculations, although they would exist (up to $700 million). Those savings and new revenues could be used by States and localities for the administrative, equipment, and training costs of the program.

Summary

This proposal, authorizing a total of 1 million jobs, is designed to focus on those unemployed with the greatest need for employment. The authorization of an additional 700,000 jobs in the manner outlined in this proposal will minimize the budgetary cost while maximizing the number of jobs provided for the funds expended.

The funding level necessary to reach the 1 million job level—$7.3 billion (consisting of $2.2 billion for part B [hold harmless] and $5.1 billion for part C)—is consistent with the level recommended to the Senate Budget Committee by the Senate Committee on Labor and Public Welfare for temporary employment assistance. This proposal translates into legislation the Committee's intent, as expressed to the Budget Committee, to provide 1 million public service jobs in fiscal year 1977.

TABLE A.—*Net cost of a public service employment program authorizing 700,000 jobs*

	Billions
Gross cost (outlays): 700,000 jobs at average annual cost per job of $7,300	$5.1
Outlay offsets in income maintenance:	
For 616,000 jobholders	2.2
[224,000 job holders × $75/week U.I. × 52 weeks=$873.6 million (Assumption No. 2); 196,000 jobholders × $20/week foodstamps and $75/week U.I. × 52 weeks=$968.24 million (Assumption No. 3); 140,000 jobholders × $35/week foodstamps and AFDC × 52 weeks=$254.8 million (Assumption No. 4); 56,000 jobholders × $20/week foodstamps × 52 weeks=$58.24 million (Assumption No. 5); 84,00 jobholders × 0=0 (Assumption No. 6)]	
Net outlay cost	2.9
Savings from economic stimulus to private sector (105,000 jobs)	1.4
Total savings in income maintenance and economic stimulus	3.6
Total net cost of 700,000 jobs, gross cost, total savings	1.5

ASSUMPTIONS

(1) The average annual cost per job is $7,300.

(2) 32 percent of the jobholders received compensation of $75 per week.

(3) 28 percent of the jobholders received foodstamps of $20 per week in addition to $75 weekly in unemployment compensation.

(4) 20 percent of the jobholders received $35 weekly in welfare payments (federal share) and food stamps.

(5) 8 percent of the jobholders received only food stamps equal to $20 per week.

(6) 12 percent of the jobholders received nothing from the federal government.

TABLE B.—*Comparison of the level of jobs provided in the current program, the House bill, and L. & P.W. budget proposal*

[Chart not reproduced]

Mr. CRANSTON. Mr. President, I think it is most appropriate for the Senate as a whole to take a look at the priorities presented in the Budget Committee resolution and to make its own judgment with respect to what this Nation needs in terms of employment, economic, and social policies. I urge my colleagues to do that, and to support this critical amendment.

Mr. TAFT. Mr. President, while I have in the past supported CETA title VI and recently voted for the necessary urgent supplemental appropriation adding $1.2 billion for CETA title II, I am constrained to vote against the Kennedy amendment which would double the budget committee's allocation for a public service job program. The economic recovery we are presently experiencing confirms the desirability of phasing down public service employment in an orderly manner as permanent employment opportunities increase in the public sector. I believe the budget committee's recommended outlay of $2.2 billion is adequate and will provide us with sufficient opportunity to fund the continuation of a title VI program or any other temporary manpower program, if it is justified. The Senate Labor Committee, on which I serve, is presently considering these difficult issues.

Mr. BELLMON. According to Senator KENNEDY's amendment, there will be an increased deficit of $1.8 billion. This deficit is the result of including $700 million more revenue and $700 million less welfare expenditure.

It is not correct to now say that the budget impact is $400 million because the $700 million greater tax revenue and $700 million less welfare expenditure are to be taken from the $1.8 billion deficit. To add $700 million more revenue and subtract $700 million less expenditure is to count the same dollar twice. The added deficit $1.8 billion, not $0.4 billion.

Mr. WILLIAMS. Mr. President, before nightfall, the Senate will vote on the passage of the first concurrent resolution on the budget for fiscal 1977. The vote will mark the the initiation of the formal and comprehensive effort of Congress to establish budget priorities for the coming fiscal year.

Mr. President, the Budget Committee members, and in particular its distinguished chairman (Mr. MUSKIE) and its distinguished ranking minority member (Mr. BELLMON), deserve the thanks of the Senate for their earnest and concerted consideration of national priorities under exceptionally difficult circumstances. The care with which they prepared their recommendations has provided a solid foundation for the Senate decision we are about to make.

The implications of the Senate's decision can be—and in these crucial times, certainly will be—vast and far-reaching At stake is the recovery of the American economy from the worst recession in 40 years. The well-being and aspirations of millions of Americans will rise or decline as our budget decisions dictate. In making our priorities choices, we cannot afford to be wrong.

The Senate Budget Committee has given us its recommendations, which culminate an arduous and detailed budget process that involved every Committee of Congress. The Committee on Labor and Public Welfare, which I have the privilege to chair, conducted an exhaustive study of the Federal activities within our jurisdiciton so that we would be fully prepared to make our own recommendations. By a committee vote of 15 to 1, we approved a comprehensive report of our views and estimates for the vital employment, education, health, and poverty programs, as well as the programs for the aging, the handicapped, and the very young, for which we have legislative responsibility.

In many respects, Mr. President, the priorities we recommended on the Labor and Public Welfare Committee are recognized and substantially reflected in the budget resolution now before the Senate.

For education, the level of funding is sufficient to sustain a national commitment to educational opportunities for the American people, but more ample funding is required to make those opportunities a reality for all those in need; I am personally pleased that handicapped children and their special educational needs are given a high priority in the budget for the coming fiscal year. Allowance has been made for continuing Federal efforts to provide better health care for more citizens. And the resolution recognizes that several million families will be forced to rely on unemployment compensation and other income assistance as the economy grudgingly recovers from the recession.

One serious deficiency of the resolution, however, is the low priority it accords Federal efforts to create jobs. The Labor and Public Welfare Committee strongly recommended a vigorous employment expansion program. The Budget Committee has chosen to actually allow a contraction of the emergency public service jobs program.

In fiscal 1976, the Federal Government will have spent in excess of $2.7 billion to provide work in public service for unemployed Americans who have been unable to find other gainful employment. For fiscal 1977, the Budget Committee has recommended $2.2 billion in outlays, a reduction that portends renewed joblessness for at least 20,000 employees in emergency public service.

Mr. President, I regard this prospect as a serious mistake in light of the nearly unanimous view of economists that unemployment will continue at unacceptably high levels throughout fiscal 1977. Under the best of circumstances predicated on this budget resolution, the numbers of unemployed would remain above 5 million and the rate of unemployment would remain above 6 percent when the fiscal year ends on September 30, 1977.

A congressional decision to turn our backs on joblessness would be intolerable under these conditions. If joblessness is not among the priorities of the Senate today, then those who have suffered the pangs of the recession will have reason to lose hope.

On these grounds, Mr. President, I seek to make the case for adoption of the amendment proposed by the Senator from Massachusetts (Mr. Kennedy) and myself, along with Senators Javits, Cranston, Bayh, and Randolph. I urge my other colleagues to give it their full support.

The centerpiece of our amendment, Mr. President, is an allowance for $2.2 billion in additional budget authority for expansion of public service jobs to a level of about 600,000 in fiscal 1977. This would constitute an increase of about 280,000 jobs, compared with the recommendation of the Budget Committee for a reduction of about 20,000.

The other provisions of our amendment would have much smaller budget impacts, but they are directed toward areas of exceptional need for the poor and the elderly, as well as the rural areas of the Nation where two-thirds of the Nation's poverty is to be found. The amendment would provide an additional $50 million to employ 15,000 older workers in community service, $50 million to expand nutrition for the elderly by nearly one-third, $100 million to maintain the current level of Federal grants for rural water and sewer projects, and $100 million for the antipoverty activities of the Community Services Administration, and $700 million to prevent a decline in health care services for the elderly and the poor under medicare and medicaid.

Aside from the obvious benefits of preserving current levels of health care, the core of our amendment addresses the need for Americans to have a job. Approximately 10,000 jobs are at stake, for example, under the President's and the Budget Committee's recommended cut in the budget for the Community Services Administration; employees of local community action agencies would be reduced by upwards to 10 percent if the budget reduction is adopted. Another 2,500 jobs are at stake in the proposed reduction in rural water and sewer grants, which we intend to restore with our amendment. Some 15,000 elderly Americans would have work under our proposal to increase funds for title IX of the Older Americans Act, and several thousand persons would find employment serving meals to older Americans if that program were expanded as we propose.

The amendment includes a total of $3.2 billion in outlays for fiscal 1977, but the net cost would be substantially less.

We estimate that approximately $700 million would be saved by providing the unemployed with a job, rather than unemployment compensation, food stamps, and public assistance. Moreover, the public service wages to be paid would provide an economic stimulus and an expanded tax base that would result in an estimated $700 million in additional Federal tax revenues.

The net cost of our amendment, therefore, is estimated at $1.8 billion which I regard as a modest investment in accelerating the economic recovery and, more important, alleviating the human misery and deprivation of unemployment for 600,000 Americans and their families.

Mr. President, I share the concern of many of my colleagues about increasing the Federal deficit by $1.8 billion, but I would point out that such an increase is not necessary, if the Senate accepts a more reasonable level of spending for national defense. The Budget Committee has recommended an increase in outlays in fiscal 1977 of $8 billion for military purposes over and above what will be spent in the current fiscal year.

If this Nation were faced with a significant challenge to its power to insure peace, such an increase in defense spending could be justified. However, President Ford himself has assured us that, as he put it on April 2 of this year:

> The United States is unsurpassed by any other nation as far as military capability is concerned.

I share the President's view of the Nation's military capability, and I am therefore disappointed with the Budget Committee's recommendation for exceptionally fast growth in defense spending, particularly since it is at the expense of urgent domestic needs in troubled economic circumstances.

Mr. President, the defense budget grew last year from a level of $91 billion in budget authority in fiscal 1975 to a figure of $100.6 billion in fiscal 1976—a 9.4-percent increase at a time when inflation rose only slightly more than 7 percent. An increase to $113 billion in fiscal 1977, as recommended by the Budget Committee, lacks necessity in terms of our commitments around the world. Therefore, I earnestly hope that a small part of the expanded defense budget envisioned by the Budget Committee will be spent instead as we have suggested in the Kennedy-Williams-Randolph - Javits - Cranston - Bayh amendment.

Mr. BAYH. Mr. President, I am proud to be a member of the group of bipartisan Senators including Senators Kennedy, Randolph, Williams, Javits, and Cranston sponsoring the pending amendment. This amendment would propose a reasonable increase in the budget resolution in a number of vital areas such as jobs, health, aging programs, and rural and urban development. These increases will bring the budget resolution more in line with current policy and needs of a majority of our Nation's unemployed and elderly.

The level of outlays proposed in the budget resolution for these programs represents a $11.6 billion decrease from current expenditures. The amendment we are offering today would increase the outlays by $3.2 billion. The economics of our amendment are simple and compelling—unless this Government is willing to make significant efforts to reduce the unemployment rate of this Nation by the creation of public service jobs, we are never going to achieve complete economic recovery. Most of us are aware that for every percent of unemployment above 4 percent—it costs this Nation $16 billion in lost revenues, unemployment compensation, and welfare payments. The amendment we are offering today would provide for an additional 300,000 public service jobs—a figure approximately the same as the level approved by the House Budget Committee. The 300,000 jobs would help offset the increase in outlays by at least $700 million in savings from food stamps, unemployment compensation, and welfare programs. In addition, it is estimated that an increase of at least $700 million could be expected from tax revenues as a direct result of the additional jobs.

Other increases in fiscal outlays proposed by the pending amendemnt include a $700 million increase in medicare-medicaid payments, an increase of $50 millioin for part-time work for low-income older workers, a $100 million adjustment in the rural water and sewer grant program so that at least the current level of services can be maintained, and a $100 increase in the level of rural and urban programs of the Community Services Administration to prevent a nearly one-third reduction from last year's funding.

Mr. President, I believe that the economic well-being and health needs of this Nation are just as vital to its survival as the amount of money we are spending on defense. The amendment before us today would assure that those programs so essential in providing jobs for the unemployed, in assuring adequate nutrition and health care for this Nation's poor and elderly citizens, and in maintaining urgent rural and urban community needs, will not be tossed aside in a shortsighted effort to cut the Federal budget.

I sincerely hope the full Senate will approve this necessary amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the distinguished Senator from Indiana (Mr. BAYH), Amendment No. 1588. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Wyoming (Mr. McGEE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Missouri (Mr. EAGLETON) and the Senator from North Carolina (Mr. MORGAN) are absent on official business.

I also announce that the Senator from Kentucky (Mr. FORD) is absent because of death in the family.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Maryland (Mr. MATHIAS), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that the Senator from Idaho (Mr. McCLURE) is absent due to death in the family.

On this vote, the Senator from Maryland (Mr. MATHIAS) is paired with the Senator from Idaho (Mr. McCLURE). If present and voting, the Senator from Maryland would vote "yea" and the Senator from Idaho would vote "nay."

The result was announced—yeas 39, nays 46, as follows:

[Rollcall Vote No. 143 Leg.]

YEAS—39

Baker
Bayh
Brooke
Bumpers
Burdick
Case
Clark
Cranston
Culver
Durkin
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hruska
Huddleston
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
McGovern
Metcalf
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Scott, Hugh
Stafford
Stevenson
Stone
Taft
Williams

NAYS—46

Allen
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary
Helms
Hollings
Humphrey
Laxalt
Mansfield
McIntyre
Mondale
Montoya
Moss
Muskie
Nunn
Proxmire
Roth
Schweiker
Scott, William L.
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—15

Abourezk
Church
Eagleton
Fong
Ford
Gravel
Hartke
Inouye
Mathias
McClellan
McClure
McGee
Morgan
Stevens
Tunney

So Mr. BAYH's amendment (No. 1588) was rejected.

THE PRESIDING OFFICER. The Chair reminds Senators that all votes hereafter will be 10-minute votes.

The question is on the amendment of the Senator from New York (Mr. BUCKLEY). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The clerk will suspend.

The Senate will be in order.

The clerk may proceed.

The assistant legislative clerk resumed the call of the roll.

The PRESIDING OFFICER. The Senate will be in order. The clerk is having difficulty hearing responses of Senators. Senators will take their seats. We shall have a modicum of order.

The clerk may proceed.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Wyoming (Mr. McGEE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Missouri (Mr. EAGLETON) and the Senator from North Carolina (Mr. MORGAN), are absent on official business.

I also announce that the Senator from Kentucky (Mr. FORD) is absent because of death in the family.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Maryland (Mr. MATHIAS), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that the Senator from Idaho (Mr. McCLURE) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Idaho (Mr. McCLURE) would vote "yea."

The result was announced—yeas 23, nays 62, as follows:

[Rollcall Vote No. 144 Leg.]

YEAS—23

Allen
Bartlett
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Curtis
Eastland
Fannin
Garn
Griffin
Hansen
Helms
Hruska
Laxalt
Nunn
Packwood
Proxmire
Roth
Scott, William L.
Sparkman
Thurmond

NAYS—62

Baker
Bayh
Beall
Bellmon
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Dole
Domenici
Durkin
Glenn
Goldwater
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Tower
Weicker
Williams
Young

NOT VOTING—15

Abourezk
Church
Eagleton
Fong
Ford
Gravel
Hartke
Inouye
Mathias
McClellan
McClure
McGee
Morgan
Stevens
Tunney

So Mr. BUCKLEY's amendment was rejected.

The PRESIDING OFFICER (Mr. BUMPERS). The question now is on agreeing to the second amendment of the Senator from Indiana (Mr. BAYH).

The Chair reminds Senators that the time for rollcall votes will be 10 minutes each, by unanimous consent.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Wyoming (Mr. McGEE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Missouri (Mr. EAGLETON) and the Senator from North Carolina (Mr. MORGAN) are absent on official business.

I also announce that the Senator from Kentucky (Mr. FORD) are absent because of death in the family.

I further announce that if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Maryland (Mr. MATHIAS), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that the Senator

from Idaho (Mr. McClure) is absent due to death in the family.

I further announce that, if present and voting, the Senator from Idaho (Mr. McClure) would vote "nay."

The result was announced—yeas 27, nays 58, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—27

Bayh
Biden
Burdick
Case
Clark
Cranston
Culver
Durkin
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Javits
Kennedy
Leahy
McGovern
Metcalf
Mondale
Nelson
Pell
Proxmire
Randolph
Schweiker
Stevenson
Weicker
Williams

NAYS—58

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Glenn
Goldwater
Griffin
Hansen
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Johnston
Laxalt
Long
Magnuson
Mansfield
McIntyre
Montoya
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Percy
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—15

Abourezk
Church
Eagleton
Fong
Ford
Gravel
Hartke
Inouye
Mathias
McClellan
McClure
McGee
Morgan
Stevens
Tunney

So Mr. Bayh's amendment (No. 1592) was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Kentucky (Mr. Huddleston) as modified. The roll call will be 10 minutes long. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator Hawaii (Mr. Inouye), the Senator from Arkansas (Mr. McClellan), the Senator from Wyoming (Mr. McGee), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from North Carolina (Mr. Morgan) and the Senator from Missouri (Mr. Eagleton) are absent on official business.

I also announce that the Senator from Kentucky (Mr. Ford) is absent because of death in the family.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. Fong), the Senator from Maryland (Mr. Mathias), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that the Senator from Idaho (Mr. McClure) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Idaho (Mr. McClure) would vote "nay."

The result was announced—yeas 30, nays 55, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—30

Allen
Bayh
Burdick
Chiles
Clark
Culver
Durkin
Hatfield
Hathaway
Huddleston
Humphrey
Jackson
Johnston
Laxalt
Leahy
Long
Magnuson
McGovern
Metcalf
Mondale
Montoya
Nelson
Packwood
Randolph
Sparkman
Stafford
Stone
Symington
Taft
Talmadge

NAYS—55

Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Haskell
Helms
Hollings
Hruska
Javits
Kennedy
Mansfield
McIntyre
Moss
Muskie
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stennis
Stevenson
Thurmond
Tower
Weicker
Williams
Young

NOT VOTING—15

Abourezk
Church
Eagleton
Fong
Ford
Gravel
Hartke
Inouye
Mathias
McClellan
McClure
McGee
Morgan
Stevens
Tunney

So Mr. Huddleston's amendment (as modified) was rejected.

Mr. KENNEDY. Mr. President, I would like to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts. The yeas and nays have been ordered, and the clerk will call the roll. The rollcall will be 10 minutes.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Hawaii (Mr. Inouye), the Senator from Arkansas (Mr. McClellan), the Senator from Wyoming (Mr. McGee), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Missouri (Mr. Eagleton) and the Senator from North Carolina (Mr. Morgan) are absent on official business.

I also announce that the Senator from Kentucky (Mr. Ford) is absent because of death in the family.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. Fong), the Senator from Maryland (Mr. Mathias), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that the Senator from Idaho (Mr. McClure) is absent due to death in the family.

I further announce that, if present and voting, the Senator from Idaho (Mr. McClure) would vote "nay."

The result was announced—yeas 27, nays 58, as follows:

[Rollcall Vote No. 147 Leg.]

YEAS—27

Bayh
Biden
Brooke
Case
Clark
Cranston
Culver
Durkin
Hart, Philip A.
Haskell
Hatfield
Hathaway
Humphrey
Jackson
Javits
Kennedy
McGovern
Metcalf
Mondale
Nelson
Pastore
Pell
Randolph
Ribicoff
Stafford
Weicker
Williams

NAYS—58

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Leahy
Long
Magnuson
Mansfield
McIntyre
Montoya
Moss
Muskie
Nunn
Packwood
Pearson
Percy
Proxmire
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—15

Abourezk
Church
Eagleton
Fong
Ford
Gravel
Hartke
Inouye
Mathias
McClellan
McClure
McGee
Morgan
Stevens
Tunney

So Mr. Kennedy's amendment was rejected.

(The following colloquy occurred earlier in the proceeding and is printed at this point in the Record by unanimous consent.)

Mr. JAVITS. I ask the following of the distinguished manager of the bill:

At page 50, with relation to item No. 450, a statement is made respecting State housing finance agencies. The statement would imply an exclusion of anything that might be done under section 802 of the Housing Act for such agencies. I understand the committee does not intend that implication. It simply is not providing for it in the budget resolution. But if within the overall provision for community and regional development the appropriate committees may desire to authorize and appropriate additional money for State housing finance agency guarantees and interest subsidies, that would remain permissible within the view of the Budget Committee. Is that correct?

Mr. MUSKIE. That is correct, may I say to my good friend from New York. The Budget Committee is not a line item committee and although it addresses itself to the particulars of budget functions in order to develop an overall judgment, it does not specify line items. The mandate of the budget resolution does not nail down line items.

Mr. JAVITS. The other question, Mr. President, relates to page 69, function

No. 600, as to income security. There, a very large cut of $21 billion has been made in section 8 assisted housing programs, the reason being that the administration and the committee feel that we should not deal with new construction or rehabilitated housing, but should afford the subsidies to those who occupy existing housing. But it is well recognized that all of us may have a very different view if new construction and rehabilitation under section 8 assisted housing turns out to be what is necessary as I believe it still is and the Congress acts to provide for those purposes. Therefore, we ought to keep the matter under consideration until the second budget resolution and not conclude it here.

Do I understand the chairman of the Budget Committee agrees with that and feels that that can be settled as a committee purpose?

Mr. MUSKIE. That is correct. The Budget Committee did not approve or reject the concept to which the Senator refers. So if the Banking, Housing and Urban Affairs Committee should make that recommendation to the Senate, I think that is a decision which the Senate could take under advisement and especially consider it in connection with the second concurrent resolution.

Mr. JAVITS. I thank my colleague very much. I am very grateful to my colleague.

(This concludes the printing at this point in the RECORD of the foregoing colloquy which occurred earlier today.)

PROPOSED BUDGET WILL NOT SUPPORT A STRONG ECONOMIC RECOVERY

Mr. HUMPHREY. Mr. President, just before the vote on the budget resolution, I would like to have a few minutes to make certain observations and ask a number of questions. My questions and observations pertain to the overall economic impact of the proposed budget. I feel it is essential that we have a clear understanding of the economic impact of the budget as a whole.

I must say that I am deeply disappointed that the Budget Committee has chosen such modest targets for the economy in 1977. The Budget Committee estimates that the fiscal policy it recommends, if accompanied by an adequately expansive monetary policy, will produce real output growth of approximately 6 percent next year. They further estimate that this would mean an average unemployment rate next year of 6.7 percent and an unemployment rate still at 6.4 percent at the end of next year. The 6.7 percent average unemployment rate estimated by the Budget Committee is quite close to the 6.9 percent which the administration has estimated would result from adoption of the President's budget. The difference is so small as to fall well within the range of estimating error.

Earlier this year, when the Joint Economic Committee considered this same question of economic objectives, they concluded that a faster recovery and a more rapid reduction in unemployment were both possible and desirable. We recommended an output growth rate of 7 percent throughout this year and next and a reduction in the unemployment rate to no more than 6 percent by the end of next year. We stressed that these should be made explicit and paramount objectives of national policy. We so advised the Budget Committees of both the House and the Senate, as is required of us under the Congressional Budget Act.

I note on page 3 of the report of the Senate Budget Committee that they received similar advice from several distinguished private experts. Dr. Paul McCracken recommended a 6 to 7 percent growth rate. Charles Schultze of the Brookings Institution recommended 7 percent. Walter Heller recommended 7 to 8 percent.

I simply ask why the Budget Committee felt it was unable to accept the advice it was given? Why should the country be asked to tolerate a growth rate of less than 7 percent and an unemployment rate still close to 6½ percent at the end of next year?

BUDGET RECEIPTS

The budget resolution contains some very good decisions on the receipt side of the budget. It provides for the continuation of the tax cuts now in effect. Certainly that is essential. It rejects the President's recommendation for an increase in the social security tax rate. That, too, is a wise decision, because increasing social security taxes would have an undesirable restrictive effect on the economy and would also create inflationary pressures by directly increasing the costs of employment. However, it may well be—if outlays are held to the level contemplated in this budget resolution—that an additional tax cut will be needed in 1977 in order to sustain a strong economic recovery.

I do not say that this is a certainty. We do not know at this point how strongly the recovery in the private economy will proceed. The Joint Economic Committee has recommended as follows:

> Should output growth appear to be dropping below the 7 percent rate needed to bring unemployment down appreciably, an additional tax cut should be enacted for 1977.

We have expressed our intention to further advise the Budget Committees and the Congress as a whole on this matter prior to the second concurrent resolution on the budget next fall. I would urge my colleagues to recognize at this time the need for possible additional actions to support economic recovery and to be prepared to take these actions, if they are needed.

At this time I would like to ask the distinguished Senator from Maine what consideration the Budget Committee gave to a larger tax cut as a means of producing more rapid growth of output and employment?

Suppose we find as the summer progresses that the recovery is not proceeding quite as fast as we would like. I would urge that the Budget Committee be receptive to the idea of proposing an additional tax cut as part of the second concurrent resolution next September. Let me put it more concretely: If real output growth appears to be dropping below 7 percent as this year progresses, I ask the Budget Committee to discuss—and hear testimony on—the possible need for a further tax cut as part of their consideration of the second resolution.

PUBLIC JOBS AND PUBLIC WORKS

Now I would like to turn to two specific program areas in the budget: Public service employment and public works. Several of my colleagues have discussed these at some length. I will be brief. I do wish to point out, however, that the Budget Committee did not accept the recommendation of the Joint Economic Committee and of the Labor and Public Welfare Committee that the public jobs program should be expanded to provide about 1 million jobs. Nor does the budget resolution contain any provision for funding of an emergency public works program. It does contain, I am pleased to note, provision for the countercyclical grants to State and local governments for which Senator MUSKIE and I have now struggled long and hard.

Programs to provide temporary employment opportunities to those thrown out of work by the recent recession are a vital part of an economic recovery strategy. In recommending an interim objective of reducing the unemployment rate to 6 percent by the end of next year, the Joint Economic Committee concluded that this was not likely to be accomplished through overall fiscal and monetary policy alone. These overall policies to support strong recovery in the private economy are fundamental, but in order to bring unemployment down quickly, they should be supplemented with temporary programs to provide jobs directly.

In mid-March 5.8 million persons were drawing unemployment compensation benefits. Close to 2 million of these had been receiving benefits for 6 months or more. Hundreds of thousands of others had exhausted their unemployment compensation benefits but were unable to find employment.

To refuse to provide funds to take these persons off of unemployment compensation and provide them with temporary work opportunities is obviously a false economy. In the first place, much of what we do not spend to provide jobs we will spend anyway on unemployment compensation, food stamps, and general welfare payments. In the second place, we will lose the tax receipts which these persons would pay if they were working. Of more fundamental importance, we will lose the output which could be produced if these people were at work, the skills which could be learned, and the dignity and self-respect to which these individuals are entitled.

Both the Joint Economic Committee and the Labor and Public Welfare Committee have offered proposals in some detail for the improvement as well as the expansion of the public jobs program. We have a handle on the program reforms which would make possible the efficient and successful expansion of this program. Legislation has passed the House and is pending in the Senate.

Why has the Budget Committee failed to accept the recommendation of the Labor and Public Welfare Committee that the public jobs program be expanded? And why is there no provision for funding emergency public works? What economic benefit did the Budget Committee conclude was to be gained by keeping people on unemployment compensation rather than providing them with the opportunity to work? There questions remain unanswered.

SUMMARY

The budget debate in which we are presently engaging is a new experience for us. Precedents will be set by the way we approach this task this year. I urge that we set the right precedents.

First among these precedents should be a concern for the overall health of our economy. The first question to ask about the budget is: What impact will it have on output, prices and employment? If we find that it will not have the impact which we desire, then the budget should be amended as necessary.

As I have indicated already, I do not believe that the budget recommended by the Budget Committee will do all that it should to support economic recovery. The output and employment targets established by the committee are too modest. We have the opportunity, both through amendment on the floor at this time and through revision in the second concurrent resolution next fall, to create a budget which will meet more adequate economic objectives.

A number of Senators have offered specific amendments to the budget resolution. In debating these amendments we must, of course, consider the substantive merits of the particular programs involved. But we must also ask the following very important question of each amendment: Would this change have the effect on the total budget of making the budget a more adequate instrument of economic recovery?

The eyes of the Nation—and for that matter the world—are on the Congress as it struggles with the intricacies of this new budget process. Each of us has felt the sting of accusations that the Congress is irresponsible, disorganized, ill-informed, incapable of managing the public business. We have the opportunity to demonstrate the inaccuracy of those accusations. To do so, we must demonstrate that we are indeed capable of looking at the budget as a whole, of understanding its impact on the economy, and of creating a budget policy which steadily moves us back to prosperity and full employment. Let us keep that opportunity and that purpose in mind as we debate this budget resolution.

Mr. BARTLETT. Mr. President, this year the Senate Budget Committee has developed a comprehensive and workable document under the Budget Reform Act. I commend Senator Bellmon, the ranking minority member, and a coalition of other Senators, for their leadership in fighting against increased spending. I know that Senate Concurrent Resolution 109 represents a great deal of hard work on a very difficult task.

However, I believe the deficit provided for in this resolution, $50.2 billion, is still unacceptable. A significant reduction in the level of debt could have been accomplished through Senator Buckley's amendment, which I cosponsored, setting the deficit at $43.4 billion, which is still too high.

I believe it is incumbent upon all the committees of the Senate to provide the Budget Committee with spending limits which are more in line with total Federal revenues. Not until all Members of the Senate take an active interest in budget reduction and fiscal stability will the Budget Committee be able to produce a resolution containing budget outlays which are in balance with revenues.

Unfortunately this is not likely to occur until the business of Government is guided by the business principles of sound management and fiscal integrity as demonstrated by the private sector. Such guidance could be easily provided through the assistance of business professionals retained to analyze and critically review the operation of the Federal Government. This proposal—the creation of little Hoover Commissions—legislation I will soon introduce.

Mr. ROTH. Mr. President, the Senate is today considering the adoption of the first budget resolution for fiscal 1977 to set total Government spending levels at $412.6 billion, producing a budget deficit of $50.2 billion. I intend to vote against the budget resolution because by failing to impose the tough discipline needed to reduce spending levels, it will prevent the Finance Committee from enacting additional income tax reductions. The decision facing the Senate today is a decision between more Government spending or lower taxes. By increasing Federal spending levels by $17 billion over the President's budget, the Budget Committee is rejecting the additional tax reductions that could have gone into effect July 1, 1976. The Budget Committee is making a fundamental decision which I reject, a decision that the Federal Government is more able than the American people to make the spending decisions.

We have to face the facts and realize that the endless Government deficit spending will not cure society's problems. We have had budget deficits for 18 out of the last 20 years and the result has been high inflation and high levels of unemployment.

This $50.2 billion budget deficit will not create jobs, it will only result in a loss of jobs. The huge budget deficits are a drain on the economy, pulling resources out of the economy and causing higher taxes, higher prices and higher levels of unemployment. The issue before the Senate today is clear, either lower taxes or higher Government spending. A vote in favor of the budget resolution is a vote for more Federal spending, and I urge my colleagues to vote against the resolution.

As one who was instrumental in drafting the budget reform legislation, I also believe that it is now apparent that tougher steps are necessary to control Federal spending. The budget reforms that we enacted did establish a procedure to set spending ceilings and to require all committees to remain within these ceilings during the appropriation process. But the ceiling we are voting on today is a rubbery ceiling which will undoubtedly be increased as spending is increased.

We only have to look at last year's ceiling, which was increased by $8 billion, to see that the ceiling we are voting on today will be increased to reflect more spending.

In addition, the budget reforms create no process to serve as a check on the total growth of the size of the budget or to evaluate and eliminate duplicative or inefficient programs. Therefore, I am hopeful that Congress will supplement the budget control law with legislation I have introduced with Senator Muskie to provide a complete review of each Government spending program every fourth year. This legislation would end the unspoken rule, a rule that is all too apparent in this budget resolution, that money spent on a program last year must be increased in this year's budget. Congress will never be able to check the growth of Federal spending until a zerobased budget review process, a process providing that no spending be automatically renewed until it is shown to be worthwhile, is implemented.

Mr. MANSFIELD. Mr. President, I would like to ask the chairman of the Budget Committee a question with respect to proposed legislation compensating victims of crime. The Senate, during the 93d Congress, passed on four different occasions legislation compensating victims of crime; each time it was by an overwhelming margin. Unfortunately, the proposals did not reach the House floor during the 93d Congress in time for enactment. I believe the House will report this week its version of this legislation, H.R. 13157, and, hopefully, it will be considered by the House within a month.

It is my understanding that the House measure is consistent with the bills which have passed the Senate heretofore and which are part of the Senate proposals presently in the Judiciary Committee.

Under the new Budget Act I want to be assured by the chairman of the Budget Committee that the consideration of the victims of crime compensation legislation is contemplated in the concurrent resolution being considered and that if the House measure passes prior to May 15, the Senate will be able to stop the bill at the desk, put it on the Senate calendar and pass that measure subsequent to May 15 without being disqualified under the new provisions of the Budget Act.

Mr. MUSKIE. As we have described the situation today, function 750, the law enforcement and justice function into which the distinguished majority leader's bill would find its funding, is tight. But we believe it is possible to accommodate the Senator's bill within the target the Budget Committee has reported.

With regard to the May 15 deadline for reporting authorizing legislation, I must note that the Budget Act requires a bill to be reported in the Senate or enacted by the Senate prior to May 15 to be in order. This provision is in aid of a timely appropriations process. However the

Budget Act also provides a method by which the Budget Committee may grant a waiver against the point of order which would otherwise lie against a bill passed by the House but not reported in the Senate or passed by it before May 15.

So it is possible for the House bill to be held at the desk even if it has not been reported here prior to May 15. If the bill is then passed before May 15, no point of order would be against it. After May 15, a waiver would be in order.

Mr. PACKWOOD. Mr. President, I cannot support this resolution. Although I can commend the process wholeheartedly, it is with reluctance that I cannot support the result. We are agreeing to a budget of about $413 billion. Unfortunately, big government costs big money. The President's request was on the same magnitude, setting spending levels at $395 billion, or about $18 billion less than the Senate resolution budget. But $18 billion is a lot of money; too much money. I fully believe that Congress is going to spend this money anyway, but I want to reiterate my disapproval. If we can limit ourselves to this amount, the budget process will have succeeded. I say "limit" because in the past, Congress spent without regard to totals. Congress passed bill after bill and the budget, such as it was, was formulated retroactively. We only knew how much our budget was after we spent it. If we can arrange our spending priorities in advance, and agree on certain total amounts, we will do a major service for the country.

I supported the Buckley amendment to cut $6.8 billion from spending. That amendment, if it had passed, would have brought Senate resolution much closer to the administration's request, and made the Senate budget resolution much more acceptable.

I voted against the Bayh amendment to cut defense spending. I was pleased that this amendment was defeated. Ample evidence demonstrates that our real defense capabilities have fallen off in recent years. There remains the unanswered question of whether or not we are now No. 2. Without debating this issue, it is clear that we have lost ground in the area of defense; we have not fully replaced the reserve stocks depleted during the Vietnam war. We have not developed our naval potential; many ships in mothball have not been replaced. We have not made a commitment to long-term projects, projects which cannot be completed overnight. And, our transition to All Volunteer Forces is still in progress. It is important to reshape our defense capabilities, and we must begin now.

Laying aside particulars, I want to bring to my colleagues attention what these levels in this budget resolution represent. Spending levels of $413 billion means $34.4 billion per month, $7.9 billion per week, and over $1 billion per day. Even more shocking, these spending levels are equivalent to $47 million per hour, $783,000 per minute, and $13,000 per second. In other words, in the time it has taken me to read these figures, our Government will have spent over one-half million dollars. Next year, we are going to spend almost $2,000 for every man, woman, and child in the United States, much of it on programs they do not want, do not need, or do not even know of.

Mr. President, this amount of money would have been unheard of even a few years ago. What frightens me is that unless we can set clear priorities and consciously limit our spending, we are going to reach the day when we say, "$413 billow—is that all?" Ultimately, we must remember that increased Federal spending means an increase in the Federal Government sector, at the expense of the private sector. This is an increase we can ill afford.

Mr. DOLE. Mr. President, last week the Senate approved a food stamp reform bill.

During the discussion of that bill there was extensive reference to how that bill fit into or compared with function 600 of the budget resolution which had then only been reported.

It is essential to make entirely clear the relationship between these two measures.

I would like to verify this understanding with the distinguished chairman of the Budget Committee.

A vote was taken during the Budget Committee's discussion of the budget resolution. This is perhaps unfortunate because it will be misunderstood.

The vote is in no way binding. It did not set a target amount of savings from food stamp reform. The Budget Committee does not line item, neither does the budget resolution.

That vote was conducted merely to clarify among committee members what was thought to be a possible level of savings from food stamp reform at that time. It was used to guide members in stating a target level of savings for all programs in function 600.

I would note, to emphasize the unimportance of the outcome of that vote, that motions to contemplate lesser savings—in line with the actual bill passed—did not carry due to a tie vote, 7 to 7. Had the two absent members been voting, I am informed that the lower figure would have held.

The report accompanying the committee's recommendations makes no specific recommendation with regard to food-stamp-reform legislation. It states only that legislative savings totaling $0.7 billion in budget authority and $1.1 billion in outlays were assumed in "certain programs, including social security, AFDC, food stamps, public housing, and Federal employee retirement programs."

The shopping list presented in the report—which does not preclude other possibilities—totals $2.2 billion in outlays and $1.4 billion in budget authority.

The food-stamp-reform bill the Senate has approved will save an estimated $200–$300 million from current policy spending. It would take us part way toward realizing the total savings package recommended. That total savings target is still attainable. It will remain to find the additional savings from other Function 600 programs—or to reset our objectives at a later date.

For the reasons just stated, I will not move to amend the budget target in Category 600—income security.

This is consistent with my firm belief that the first budget resolution is a flexible overall guideline, and that it does not require instant adjustment for each specific item of legislation that is approved or disapproved.

If we find that the first budget resolution was too optimistic about attainable budget savings in this area, it will be appropriate to consider this in setting the ceilings in the second budget resolution.

Mr. MUSKIE. I agree with the major points raised by Senator DOLE. The savings assumed in the resolution for income security programs are a target for the function and should not be treated as line-item budget ceilings on a program-by-program basis.

Mr. THURMOND. Mr. President, the Senate now has under consideration the recommendations of the Senate Budget Committee on the level of funding to be approved by the Congress for fiscal year 1977.

ABOUT 17 BUDGET FUNCTIONS

For the first time these recommendations on 17 functional categories are a part of the resolution upon which we shall vote after no more than 50 hours of debate.

DEFICIT INCREASED

It is my understanding the Senate Budget Committee is proposing to raise the President's fiscal year 1977 national budget of $432 billion to $455 billion, an increase of about $23 billion. This proposal will undoubtedly bring about a sizable hike in the already too high national deficit no matter what assumptions one might make. In examining the budget resolution, I wish to commend the Budget Committee for approving a national defense budget authority of $113 billion, although this figure is based on a number of assumptions. I regret the Budget Committee assumed that all the approximately $1.9 billion in legislative proposals would be approved by the Congress. It is my feeling that such will not be the case and I fail to understand how the Budget Committee could reach this conclusion. Further, I would strongly oppose any short-fall of money from these assumptions being recovered by elimination of other requirements authorized by the Armed Services Committee.

SHARP INCREASES IN SOME FUNCTIONS

In examining the budget resolution I note the spending levels have been held fairly close in a number of the functions. However, sharp increases over the President's recommendation constitute a significant policy decision by the Budget Committee. It is important that the full Senate understand these decisions before approving this resolution. One item is the function for national resources and environmental energy. The President requested $9.7 billion and the Budget Committee is recommending $18 billion. I would be interested in having explained to me on the floor the reasons for doubling this category.

Also I note that the category on Education, Training, Employment and Social

Services has been increased $6.4 billion over the President's recommendation in budget authority. Again, I think there should be some discussion of this matter among the Members of the full Senate prior to its approval.

LEGISLATIVE ASSUMPTIONS UNREALISTIC

Mr. President, it is further noted that the committee has assumed revenues in fiscal year 1977 to be greater than that predicted by the President. It would be interesting to know the basis for this assumption. Even if the revenue increases are forthcoming, the committee is recommending an increase in the deficit of about $6 billion in outlays, but if the additional revenues are not forthcoming, the proposed increase in the deficit could be anywhere between $6 and 20 billion.

Mr. President, with these general comments I would like now to turn my attention to the defense function in which as ranking minority member of the Senate Armed Services Committee I bear a particular responsibility.

Again we hear that defense requests are too high, that the growth in procurement is too fast, and a substantial part of the growth in Soviet military might is not aimed at the United States.

AMENDMENTS LIKELY TO REDUCE DEFENSE

Also, it is my understanding some members of the Budget Committee intend to make a floor effort to reduce the defense recommendations of the Senate Budget Committee. This is certainly the right of any Senator, but I hope they will present their proposals promptly in order that these amendments might receive full consideration prior to a vote.

Some still fail to realize that the military forces of the Soviet Union and the continued momentum of their weapons evolution and modernization dictate the size, quality and deployment of most of the U.S. Forces. This Soviet military momentum continues unabated—as measured by technological progress, investment, capacity, and output.

SOVIET MILITARY GROWTH

The Congress may as well face the fact that in the past 15 years the Soviets have constructed the most formidable war machine in the world's history. That is not to say we are unable to protect ourselves, but history teaches us that power acquired is almost always power used.

For the United States to remain the world's principal military power, we must not only manage our defense resources carefully, we must also provide funds for the resources required to assure our national security. This is essential if the United States is to maintain technological leadership, sustain presently planned force levels, improve readiness and accomplish essential modernization. We cannot afford to reduce force levels at a time when the Soviets are making impressive gains in their capabilities. It is this same Soviet momentum which demands that we catch up on essential readiness, and on the delayed and deferred modernization of these constant force levels.

MODEST GROWTH IN DEFENSE

The administration is requesting a modest increase in the operation and maintenance accounts to match up on our ship overhauls and aircraft maintenance. The budget also includes increases of about $800 million in the research, development, test, and evaluation account, and about $6 billion in the procurement major weapons systems accounts. I believe it is necessary to approve most of the requests this year.

Over the last 5 or 6 years, procurement has been delayed in many areas until a new generation of weaponry was ready for full-scale production.

Major items; such as, the F–16, the AEGIS air defense system, the B–1, are ready for production. Other systems like Trident, the F–15, nuclear submarines, and the M–60 tank must continue in production.

STRATEGIC GAINS BY SOVIETS

Soviet strategic military strength continues to grow at a considerable pace. Our primary objective in this area is to maintain an evident balance in modern strategic forces and to encourage force reductions through further negotiation. Until we get such further agreements, we should maintain appropriate strategic offensive force levels with research and modernizing programs lively enough to maintain a technological lead, avoid technological surprise, and encourage further negotiated reductions.

CONVENTIONAL STRENGTH NEEDED

The momentum of the Soviet build-up in conventional military forces also continues. I believe we should increase our Army divisions within roughly constant total manpower levels, flesh out the aircraft in our existing 26 tactical wings, add to the size of our Navy, and increase the capability of our airlift-sealift forces.

We need to do these things now. They cannot all be accomplished in a few years, but the trend must be established and continued for the program necessary to achieve these results. The Defense Department's fiscal year 1977 budget is designed to do this. I cannot support any significant measures to reduce this budget. On the contrary, the Congress should show leadership in adding to the Defense budget any needed funds deleted from the fiscal year 1977 due to fiscal constraints.

Mr. President, I note that the budget recommendation in the defense functional category is predicated on a number of assumptions. As stated earlier, the Budget Committee is recommending $113 billion in budget authority and $109 billion in outlays.

However, this is based on the administrative and legislative economies of $5.4 billion in budget authority and $4.5 billion in outlays proposed by the administration.

Since the President has proposed these economies, there seems little doubt he will accomplish those which can be accomplished through administrative action. However, $1.9 billion of these economies are subject to congressional concurrence or legislative action.

The Senate should be aware that when the Senate Armed Services Committee made its recommendation to the Senate Budget Committee, it assumed none of the $1.9 billion legislative proposals could be counted as approved. At that time, the Congress had not acted on any of these legislative proposals, some had not even reached the Congress for consideration, and a number fell under the jurisdiction of other committees.

Now the Budget Committee in its recommendation in this resolution has assumed that all of these proposals totaling $1.9 billion will be approved by the Congress. Thus, one must assume that those proposals not approved by Congress would lower the ceiling approved by the Budget Committee. In other words, the Budget Committee is saying whatever legislative proposals are not passed, these funds will have to be made up by cuts in military hardware, personnel or other programs which provide real defense capability for our Nation.

It would seem to me that the proper approach on these legislative proposals would be to consider them in the second resolution when we would know a great deal more about the will of the Congress on these proposals.

Briefly, I wish to call to the Senate's attention the major items in the $1.9 billion legislative proposals. They are as follows:

First. The 5-percent pay cap which would save $500 million in the defense function. I shall support this pay cap recommended by the President, but either House of the Congress could nonconcur and this would result in added cuts in the defense function which would have to be made up by cuts in weapons systems.

Second. Sale from the national stockpile of minerals valued at $746 million. This proposal has just recently reached the Congress and it would require a separate speech to lay out my views explaining why it is very doubtful Congress would approve these sales this year.

Third. Elimination of the 1-percent kicker on military retired pay. This has been referred to four committees and has been approved by armed services. However, it may be disapproved by other committees.

Fourth. Legislation to restrict payment for military terminal leave to 60 days. This would save $60 million in fiscal year 1977 and has been approved by the Armed Services Committee.

Fifth. Phase out of the commissary system. This would save $90 million in fiscal year 1977 and has been rejected in the House, but approved, without my support, in the Senate Armed Services Committee.

Sixth. Legislation to eliminate double pay for Federal employees on Reserve duty. This is before the Post Office and Civil Service Committee and our committee which is charged with these savings has no control over this question until it reaches the floor.

Seventh. Legislation to remove the

requirement for 48 pay drills for National Guard units. This would save $10 million the first year, but has already been rejected by our committee.

Mr. President, there are just a few points in support of my position that the Budget Committee should not assume passage of these legislative proposals in the first concurrent resolution. These types of matters should be discussed when the second resolution is considered, as at that time we will be better prepared to make a decision.

Mr. President, another point I wish to bring to the attention of the Senate is a suggestion in the report of the Budget Committee that defense cuts could be achieved by implementing a compulsory contributory retirement system for military personnel. Legislation to affect this change is not before the Congress either in a proposal from the Defense Department or in a bill offered by an individual member, to my knowledge. I take note of this point because it appears the Budget Committee is suggesting to the responsible authorizing committee action on a specific line items. It was my view the Budget Committee was not to get into line item and I would like to have the views of some Budget Committee members on that subject.

Mr. President, before closing I would like to note the Senate Armed Services Committee is presently in markup on its procurement bill. It shall be my intention to study the budget resolution carefully. I have had prepared an amendment to restore the $1.9 billion in the legislative assumptions on the basis that they can be more properly considered during the second resolution.

Hopefully, the Budget Committee members will be able to give me some assistance on these legitimate points raised, reference the legislative assumptions. It is quite possible that such explanations would alleviate the concerns reflected by my amendment.

Mr. PERCY. Mr. President, the Senate Budget Committee, under the distinguished leadership of Senators MUSKIE and BELLMON, as well as the appropriations and authorizing committees, are to be congratulated for their efforts in developing the first concurrent resolution on the budget for fiscal 1977 and for meeting the stringent deadlines set under the Budget Act. This year, with the process fully implemented, many hours of work were necessary to arrive at functional as well as overall spending levels.

I devoted a great deal of personal effort to the development and passage of the Budget Reform Act. I consider it to be the most important reform of Congressional procedures since the Civil War. We intended this process to bring order out of an increasingly apparent fiscal and budgetary chaos. Faced with apparently undisciplined spending, increasing debt, higher taxes, runaway inflation and dwindling purchasing power, Americans had come to the logical conclusion that we were failing in our constitutional duty to manage the national budget.

The Committee on Economic Development summed up our pre-budget reform method of procedure even more poignantly:

> The present congressional approach to fiscal affairs is indefensible. When budget decisions are extended long past the beginning of the fiscal year for which they are intended, when there is no congressional mechanism to tie revenues and appropriations into a coherent pattern, when no legislative procedure exists to initiate actions based on a comprehensive view of the economy, then national stability is endangered.

Three years later, following the adoption of the Budget Reform Act and as we approached Senate floor action on the second concurrent resolution for fiscal 1976, the Washington Post editorialized:

> For the first time in its long history, Congress is having to vote on the budget as a whole, and on the deficit. The result is a profound change in the way the Congress thinks about money. If the 535 unruly and highly individual members can summon up the cohesion and stamina to enforce this machinery—and so far the prospect seems unexpectedly hopeful—the new budget law will accomplish more than any event of this century to bring Congress back into a genuine share of the authority and responsibility for making national economic policy.

We—all 535 of us—met the challenge of the new budget process last year. As we approach the close of debate on the first concurrent resolution for fiscal 1977, there is every indication that we can continue to exert the discipline and make the difficult decisions that are necessary to meet the challenge on a continuing basis.

Overall, I believe the resolution reported by the Budget Committee to be realistic and well matched to our current economic demands. Although the outlay level recommended is $36.2 billion over the fiscal year 1976 level, it is $8.8 billion under what spending would grow to under current policy levels, with no intervening restraints.

The economy today is in better condition than many had predicted as late as last December and January. Radical changes from the current policy level of spending—up or down—would be dangerously unwise at this time. As Senator MUSKIE pointed out during the debate last Friday, the first concurrent resolution is not sacrosanct and the process leaves us sufficient flexibility to make those adjustments that seem prudent during the period prior to the adoption of the second concurrent resolution next September 15. What is important is that we adhere to, and have confidence in, the process we have established. This is vital if Congress is to permanently reclaim it constitutionally mandated power of the purse.

STOCKPILE SALES AS THEY RELATE TO SENATE BUDGET RESOLUTION

Mr. THURMOND. Mr. President, at this time I wish to discuss for a few minutes the assumption by the Senate Budget Committee in the national defense functional category on the sale of materials from our national stockpiles.

President Ford has recommended to the Congress the sale of four materials, which if approved by the Congress, would bring into the General Treasury approximately $746 million.

In arriving at the recommendation for budget authority and outlays in the national defense function, the Budget Committee has fixed the figures on the assumption this legislation will be approved.

Should this legislation not be approved then the Defense outlay ceiling would have to be raised because this income would not be forthcoming as a savings assumed in the defense functional category.

Mr. President, for a moment I would like to discuss what is involved in the stockpile account.

The President is proposing the sale of four materials in certain quantities and sales. These commodities, the quantity, presuming certain income from these and the income are as follows:

First. Silver, 118 million troy ounces, $350 million.

Second. Tin, 28,000 long tons, $250 million.

Three. Industrial diamonds, eight million five hundred thousand carats, $126 million.

Fourth. Antimony, 10,000 short tons, $20 million.

First, it should be stated that the legislation on this proposal has just reached the Senate and to my knowledge has not been introduced on the floor.

Mr. President, next I would like to point out the problems in assuming passage of this particular legislation. There are four reasons why I seriously question that it can be approved this year. These reasons are as follows:

First. The overall stockpile situation, as to policy, is rather confusing. In 1973 and 1974 we received proposals looking toward reducing these stockpiles being held for national defense reasons.

These proposals were based on a Nixon administration decision that the stockpile resources should amount to about 1 year's requirement rather than a requirement in excess of that amount. Earlier, the stockpile objectives were based on 3-year requirements and at one time 5-year requirements. The validity of the Nixon recommendations became very controversial as some felt larger stockpiles should be maintained and others were alarmed over the adverse affects of dumping these large quantities of materials on the market.

Thus, when Congress raised these questions, the National Security Counsel directed a study under the supervision of the General Services Administration, to decide just what our stockpile objectives should be. This study is still underway and I am puzzled by the Ford administration recommendations, but, of course, have not heard their views since hearings have not been held.

Second. Concern has already been expressed to the committee that, for instance, if the amount of silver proposed to be sold is allowed, it would result in placing on the market twice the amount usually available from production and imports. Certainly the silver interests in the country will have some strong views on this matter.

Third. Another point is the fact that Congressman CHARLES BENNETT, chairman of the House Armed Services Committee Stockpile Subcommittee, has offered legislation proposing to establish a stock fund as a holder of receipts from stockpile sales. He believes that these receipts should be used to purchase other materials which may be required to meet other stockpile objectives rather than allowing the receipts to go into general revenues.

Fourth. My own personal view is that extensive hearings would have to be held by the Senate Armed Services Committee and the appropriate subcommittee before a decision could be made as to how these proposals would impact on our national defense. These materials were accumulated for defense purposes and the Congress certainly has a responsibility in preserving them if our defense requirement so dictates.

In closing, Mr. President, I discuss this matter simply to make the point that when the Budget Committee proposes its recommendations of a ceiling and asks the Senate to concur, the Senate should be aware that assumptions are being made on receipts that will not necessarily be forthcoming. If these receipts are not forthcoming, then the outlay and budget authority requirements for the Defense Department will be higher than it would appear from the figures in this resolution.

Mr. KENNEDY. Mr. President, as I stated in my earlier remarks, I have deepest appreciation for the skill and dedication of the chairman of the Senate Budget Committee and the determination of he and the members of the committee to implement the Budget Reform Act.

I support that process. And I am pleased with many of the decisions taken by the committee in the area of tax expenditures, education, and certain specific health programs.

However, I find myself forced to vote against the broad range of priorities set forth in the budget resolution as it now stands, a range of priorities which permitted a vast $14 billion increase in budget authority for the Department of Defense—at the same time that severe reductions are made in many programs aimed at providing crucial services to the Nation's poor. Of equal concern is there is no increase proposed in direct programs to provide the Nation's 7 million unemployed with jobs. In fact, the resolution assumes an economic growth rate of only 6 percent, which will leave significant numbers jobless at the end of fiscal year 1977.

For these reasons, I find myself forced to vote against the resolution. I am hopeful that the targets setting forth priorities which will ultimately come from the conference committee will move in the desired direction.

Mr. BURDICK. Mr. President, I ask unanimous consent to have remarks prepared by the chairman of the Committee on Post Office and Civil Service (Mr. McGEE) printed in the RECORD at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR McGEE

I am somewhat concerned that the action of the Senate's Committee on the Budget in accepting the proposition that Federal civilian and military pay adjustments due in October be limited to 5 percent with a 3 percent minimum could produce an awkward situation in the months ahead.

While the President has withheld his final decision on the need for and nature of salary restraint, the First Concurrent Resolution jumps at the opportunity to accept estimates which are, at this early stage of the annual comparability process, totally tentative and even conjectural. The President's Agent in this process does not have in hand yet the hard data on which the recommendation to the President will be based. This fact, which gives rise to the inability to accurately forecast the comparability adjustment, is no doubt largely responsible for the statement in the Budget which says that the President has deferred his final decision until late summer.

The considerations are the same as those which caused the Committee on Post Office and Civil Service, in its report to the Budget Committee, to counsel flexibility so that a final determination could be made following the report of the President's Agent and the President's alternative plan, if any is proposed.

While a pay cap is a pay cap and the 4.7 percent average adjustment allowed for in the Concurrent Resolution would indeed equal the 4.7 percent average adjustment tentatively proposed by the Budget, I regret that the Resolution does not seem to acknowledge the possibility that developments might warrant a different decision once the real numbers emerge from the comparability process about five months from now. I cannot predict that will be the case, but I believe, Mr. President, that the Senate should recognize the possibility.

The PRESIDING OFFICER. The concurrent resolution is open to further amendment.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I had planned on calling up an amendment, but I am not going to do so.

We have legislation relating to this particular proposal on public works, public jobs. So I shall not offer my amendment and the Senate can proceed with its regular business.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. Order has been requested. Will Senators please take their seats? The rollcall will not proceed until we have order in the Chamber. The clerk will suspend until we have order in the Chamber.

The clerk may proceed.

The assistant legislative clerk resumed and concluded calling the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Wyoming (Mr. McGEE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from North Carolina (Mr. MORGAN) and the Senator from Missouri (Mr. EAGLETON) are absent on official business.

I also announce that the Senator from Kentucky (Mr. FORD) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) and the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), and the Senator from Alaska (Mr. STEVENS) are absent on official business.

I further announce that the Senator from Idaho (Mr. McCLURE) is absent due to a death in the family.

On this vote, the Senator from Illinois (Mr. PERCY) is paired with the Senator from Idaho (Mr. McCLURE). If present and voting, the Senator from Illinois would vote "yea" and the Senator from Idaho would vote "nay."

The result was announced—yeas 62, nays, 22, as follows:

[Rollcall Vote No. 148 Leg.]

YEAS—62

Baker
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Cranston
Dole
Domenici
Durkin
Eastland
Glenn
Griffin
Hart, Gary
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Javits
Johnston
Leahy
Long
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Weicker
Williams
Young

NAYS—22

Allen
Bartlett
Buckley
Byrd, Harry F., Jr.
Clark
Culver
Curtis
Fannin
Garn
Goldwater
Hansen
Hatfield
Helms
Hruska
Kennedy
Laxalt
Packwood
Proxmire
Roth
Scott, William L.
Thurmond
Tower

NOT VOTING—16

Abourezk
Church
Eagleton
Fong
Ford
Gravel
Hartke
Inouye
Mathias
McClellan
McClure
McGee
Morgan
Percy
Stevens
Tunney

So the concurrent resolution (S. Con. Res. 109), as amended, was agreed to as follows:

S. CON. RES. 109

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the appropriate level of total budget outlays is $412,600,000,000;

(2) the appropriate level of total new budget authority is $454,900,000,000;

(3) the amount of deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $50,200,000,000;

(4) the recommended level of Federal revenues is $362,400,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,300,000,000; and

(5) the appropriate level of the public debt is $711,500,000,000, and the amount by which the temporary statutory limit on such debt should be accordingly increased is $65,300,000,000.

Sec. 2. Based on the appropriate level of total budget outlays and total new budget authority set forth in paragraphs (1) and (2) of the first section of this resolution, the Congress hereby determines and declares, pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1976, the appropriate allocation of the estimated budget outlays and new budget authority for the major functional categories is as follows:

(1) National Defense (050):

(A) New budget authority, $113,000,000,000.

(B) Outlays, $100,900,000,000.

(2) International Affairs (150):

(A) New budget authority, $9,100,000,000.

(B) Outlays, $7,000,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,500,000,000.

(4) Natural Resources, Environment, and Energy (300):

(A) New budget authority, $18,000,000,000.

(B) Outlays, $15,600,000,000.

(5) Agriculture (350):

(A) New budget authority, $2,300,000,000.

(B) Outlays, $1,900,000,000.

(6) Commerce and Transportation (400):

(A) New budget authority, $16,100,000,000.

(B) Outlays, $18,600,000,000.

(7) Community and Regional Development (450):

(A) New budget authority, $7,400,000,000.

(B) Outlays, $7,800,000,000.

(8) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $22,400,000,000.

(B) Outlays, $21,200,000,000.

(9) Health (550):

(A) New budget authority, $40,400,000,000.

(B) Outlays, $37,600,000,000.

(10) Income Security (600):

(A) New budget authority, $163,700,000,000.

(B) Outlays, $140,100,000,000.

(11) Veterans Benefits and Services (700):

(A) New budget authority, $20,000,000,000.

(B) Outlays, $19,300,000,000.

(12) Law Enforcement and Justice (750):

(A) New budget authority, $3,300,000,000.

(B) Outlays, $3,400,000,000.

(13) General Government (800):

(A) New budget authority, $3,700,000,000.

(B) Outlays, $3,600,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):

(A) New budget authority, $7,300,000,000.

(B) Outlays, $7,400,000,000.

(15) Interest (900):

(A) New budget authority, $40,400,000,000.

(B) Outlays, $40,400,000,000.

(16) Allowances:

(A) New budget authority, $600,000,000.

(B) Outlays, $700,000,000.

(17) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$17,400,000,000.

(B) Outlays, —$17,400,000,000.

Sec. 3. The Congress hereby determines and declares, in the manner provided in section 310(a) of the Congressional Budget Act of 1974, that for the transition quarter beginning on July 1, 1976—

(1) the appropriate level of total budget outlays is $102,200,000,000;

(2) the appropriate level of total new budget authority is $95,800,000,000;

(3) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $16,200,000,000;

(4) the recommended level of Federal revenues is $86,000,000,000; and

(5) the appropriate level of the public debt is $646,200,000,000, and the amount by which the temporary statutory limit on such debt should be accordingly increased is $19,200,000,000.

Mr. MANSFIELD. Mr. President, today marks the first step in an historic shift of responsibility to the legislative branch. The passage this afternoon of the first concurrent resolution is that first step. The Senate has demonstrated with overwhelming margins that it wishes to back fully the recommendations of the Budget Committee. The hard work and long hours undertaken by the Budget Committee during these past months has been rewarded handsomely today on the Senate floor. I believe it is a great tribute in particular to the disguished Senator from Maine (Mr. MUSKIE) who provided the type of leadership that permitted this dramatic shift of responsibility from the executive to the legislative and within the legislative from existing jurisdictions to the Budget Committee. Many have forecast that the Congress would not permit this type of self-discipline—today the Senate has demonstrated that it will insist upon this responsibility.

To describe the first concurrent budget resolution as complex is surely an inadequate characterization. Embracing 17 major functions, the resolution encompasses every activity of the Federal Government and impacts minutely on the economic and social structure and the welfare of the Nation.

That the Senate has accomplished this first step in the congressional budget process in a most timely manner is again a tribute to the leadership, the intelligence, the experience, the talent and tenacity of the chairman of the Senate Budget Committee, our respected colleague, ED MUSKIE.

As majority leader of this body, I cannot commend ED MUSKIE too highly for his long months of hard work and dedication culminating in the passage of this resolution.

This job, I am aware, could not have been completed without the dedication of the members of the Budget Committee on both sides of the aisle as well as that of its able and conscientious staff members. Further, without the assistance and cooperation of the ranking minority member of the committee the Senator from Oklahoma (Mr. BELLMON), I suspect that the problems would have been insurmountable.

Mr. President, I congratulate each member of the committee and its staff. In my opinion, the Nation is fortunate to have persons of the caliber I have mentioned serving the Senate of the United States.

Mr. President, I ask unanimous consent that an editorial appearing in today's Washington Post, entitled "Congress Budget," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS BUDGET

The two congressional budget committees have now finished the first half of their job, and the performance so far is a remarkable success. They have skillfully revised the budget that President Ford sent them last January, and their versions are better suited to the country's requirements than the original. It still remains to be seen whether a collection of people as diverse as Congress has the will and discipline to sustain this exercise. But it is off to an encouraging start.

Keep it in mind that Congress has fundamentally changed its rules for handling the money bills. It used to control spending item by item, with little direct influence over national economic policy. But under the rules enacted two years ago and going fully into effect this year, budget committees draw up resolutions setting maximums for spending and minimums for revenue. That is the point at which the process has now arrived. The Senate resolution is on the floor, and the House will vote on its very similar resolution toward the end of the month. When both houses settle on an agreed version, it is binding on all tax and appropriation bills.

After all the appropriation bills are passed this summer—and there is now a deadline, another break with tradition—Congress will vote on a final reconciliation of its budget figures. That, as it happens, will take place in late September at the height of the presidential election campaign.

Congress is challenging Mr. Ford mainly on jobs, social benefits and taxes. The two resolutions indicate that its budget will be somewhat larger—around $413 billion for the year beginning next October—than Mr. Ford's $395 billion. But Mr. Ford's budget is tight enough to constitute a real risk to continued recovery from the recession. The congressional budget committees have judged, correctly, that they can let spending go up a few notches to push the economy harder toward growth, without incurring any serious penalty in added inflation. As for public service jobs, of which there are now more than 300,000, the President wants to phase them out. The congressional budget would clearly continue them.

But while the congressional budget total will be larger than Mr. Ford's target, it will not be a great deal larger. Congress remains very sensitive to voters' fears of inflation. One way to judge the size of next year's budget is to compare it with this year's programs, expanded to cover inflation and population growth. With those adjustments, present policy extended into next year would mean a budget about $12 billion more than the congressional resolutions provide. The budget committees have done some cutting. Part of that cut comes from limiting federal employees' cost-of-living raises to 5 per cent—a point on which there is no difference between the administration and the two budget committees. But another part of the cut comes from real reductions in some benefits. Rep. Brock Adams (D-Wash.), chairman of the House Budget Committee, argues that it is now necessary to begin weeding out the excesses in the past decade's great wave of social programs, and to swing the federal budget back toward balance and even surpluses. Otherwise, he points out, the country will never have the money for the expensive new programs that it needs—for example, comprehensive health insurance.

Mr. Ford stands for a tightly restrictive budget and a $10 billion income tax cut this year. The Democrats in Congress, supporting a less restrictive budget, have already made it clear that there will be no further tax cut this year below present levels. But the President also wanted a stiff increase (after the election) in Social Security payroll taxes. Again the Democrats refused even to consider it. With unemployment still very high, it's a notably poor time to step up the country's most regressive tax.

But there are points on which Congress has evidently decided not to challenge the President at all. The most significant is, of course, defense. From the late 1960s until last year, defense spending had been declining in real terms—that is, in dollars adjusted for inflation. For a number of reasons, most of the Democrats have decided to go along with the President on defense. The budget committees would make only token cuts on defense; the Senate committee would reduce the President's request barely two-tenths of one per cent.

The defense issue illustrates the difficulties that the congressional leadership will encounter as it struggles over the next month to get the budget resolutions passed. At one point this month it was not clear that Mr. Adams would even have enough votes to get a resolution reported out of his committee. A couple of the Democrats were outraged by its refusal to cut defense spending, and refused to support the majority. At the same time the fiscal conservatives would have nothing to do with the resolution because, on the social benefits, it overran Mr. Ford's limits. At length Mr. Adams got it out by 14 votes to 10, a rather narrow margin that foreshadows similar fragmentation on the House floor.

It is by no means a sure thing that this brave experiment in congressional responsibility will succeed. Congress may well rebel against this severe burden, and fall back to the older custom of piecemeal appropriations. That would return the whole power of budget-making and economic strategy to the President. But experience has shown that this power, like most others, is used most wisely when it is shared.

EXTENSION OF TIME FOR REPORT OF THE SENATE SELECT COMMITTEE ON INTELLIGENCE ACTIVITIES

Mr. ROBERT C. BYRD. Mr. President, at the request of the chairman and vice chairman of the Senate Select Committee on Intelligence Activities, in order to complete consultations between the committee and the executive branch concerning classification, I ask unanimous consent that the deadline provided in Senate Resolution 377 be extended to allow the required date of submission of its report to the Senate to be April 30, 1976.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WORKS EMPLOYMENT ACT OF 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 679.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 3201) to amend the Public Works and Economic Development Act of 1965, to increase the antirecessionary effectiveness of the program, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill.

PRIVILEGE OF THE FLOOR

Mr. MONTOYA. Mr. President, I ask unanimous consent that during consideration of and voting on S. 3201 the following staff members of the Committee on Public Works be granted the privilege of the floor:

M. Barry Meyer, John Yago, Bailey Guard, Judy Parente, Richard Greer, Philip T. Cummings, Richard Harris, and Steven Swain.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, once again the Committee on Public Works—by popular demand—brings to the floor of the Senate a public works job bill.

Members will recall that this body came within three votes on February 19, 1976, of overriding the President's veto of an earlier public works jobs bill that the Congress had worked on for nearly a year.

Since that day our telephones have hardly stopped ringing. The message is: When are you going to report out another jobs bill? Please hurry. The need has not diminished.

Mr. President, the bill we take up today is essentially the same bill the Public Works Committee reported out last July.

This bill has been reported unanimously from the Public Works Committee. I wish to emphasize the word unanimously. It is not a partisan bill. Yes, it is a more modest bill than the earlier versions.

The bill again provides construction grants to States and local governments for public facilities. It again provides a reauthorization of title X, the job opportunities program. And it again provides an increase in the authorization for EDA's business development loan program, including a provision for interest supplements on working capital loan. It has one new feature—a modest $21 million is authorized so that each State may have a minimum of $7 million in waste treatment construction grant funds.

A significant feature of the bill is the limit on the authority to obligate funds. First, should the national unemployment rate drop below 6.5 percent, no authority for construction grants and job opportunities would be available. Authority would trigger off.

The trigger mechanism works this way: for every one-half percent reduction or increase in the unemployment rate from a base of 9 percent, the authority to obligate appropriations is reduced or increased by one-fourth the funds appropriated. The limitation is based on the seasonally adjusted unemployment rate for the preceding calendar quarter as determined by the Secretary of Labor.

Thus, if the unemployment rate were between 8.5 and 9 percent the quarter before this bill becomes law, the full amount appropriated would be available for obligation. That would be $2.5 billion—including the business loan program.

However, at lower unemployment rates, a much smaller amount will be available. We asked the Congressional Budget Office for estimates. Assuming an enactment date of May 1, they project a first quarter 1976 unemployment level of 7.7 percent, declining by October to 7.4 percent. Given project obligation rates by EDA, CBO projects a cost of about $1.1 billion for this bill.

I wish to emphasize the distinction. This bill will cost much less than the full authority if unemployment continues to decline. We are talking about the difference between a $2.5 billion bill and a slightly more than $1 billion bill.

There will be those who say it is too small. It undoubtedly is too small. But it is a bill we could agree on in committee, and it is a bill we hope the President will accept. Many of us believe the enactment of an antirecession public works program is important—for this present time when construction unemployment is frighteningly high and other unemployment perhaps totals 10 million persons. This bill will demonstrate that public works can be an effective tool for future recessions—which we undoubtedly shall have.

CRITICISMS OF VETOED PUBLIC WORKS JOBS BILL

Let me turn now to some of the criticisms by the President of the jobs bill he vetoed.

First, this bill is not inflationary. It is on the one hand not a huge spending bill, and on the other it is providing a modest stimulus at a time when our productive capacity is disturbingly underutilized.

Second, the cost per job is not excessive. We now have estimates from EDA that the cost to the Federal Government per man-year job of the job opportunities program is about $7,000. Jobs on larger construction projects will obviously be more. Together these programs will surely average less than the figure cited by the President.

Finally, there is the bugaboo about the too-late impact of public works projects. We have heard so often that the Federal outlays are made 1 to 2, and sometimes 3 years after funds for projects are obligated. Thus, the impact comes after the recession is over. So the argument goes.

That is not true in this bill. Onsite labor must begin 90 days after the bill is approved by EDA. That means payrolls begin within 90 days or before. People get jobs and are paid long before the Federal outlays are made—and that is what this is all about: Jobs.

Suppose a construction project of $850,000 takes 2 years to complete. Under EDA interim construction financing procedures approved by OMB, the applicant, in most cases a municipality—borrows the cost of the project from a bank. The EDA grant offer provides interest and serves as collateral. Advances are made by the city to the contractor for his payroll costs, and so forth. EDA has no further paper transaction involving financing until the project is completed 2 years later. Then the Federal outlay is made. But the project is over. And jobs were created when they were needed.

It is more accurate to say that the amounts and rate of obligation by EDA in this bill are far more reliable guides to job-creating impact than is the time of the outlay.

Mr. President, let me remind my colleagues that unemployment is still very high, unacceptably high. Officially, more than 7 million persons are out of work. But when one counts those who have stopped working and those who have had to accept marginal part-time jobs but would prefer full-time work, the figure is easily 10 million people.

This bill will not put but a fraction of that number to work. It will reach the construction industry—and that is a sick industry. I hope many of the jobs created—if this bill becomes law—will go to minority persons and youth. These groups, along with construction workers, are bearing a disproportionate burden of joblessness.

This bill is more modest than the bill the President vetoed. But it, together with public service job programs, will make an important impact. It will demonstrate the value of accelerated public works programs in future recessions.

Mr. President, I ask unanimous consent that a fact sheet on S. 3201 be printed in the RECORD at this point in my remarks, as well as a table showing number and cost of jobs provided under the job opportunities program.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

PUBLIC WORKS EMPLOYMENT ACT OF 1976—S. 3201—FACT SHEET

Purpose—To increase authorizations under the Public Works and Economic Development Act of 1965 to improve the anti-recession effectiveness of public works programs.

AUTHORIZATION

Total Authorization.—$2.521 billion *is authorized at a 9 percent unemployment rate* ($2 billion is for grants to local public works projects, $375 million for the job opportunities program, and $125 million for business development loans. $21 million in waste treatment funds is also authorized).

Limits on authority to obligate.—For each half percent decrease or increase in the unemployment rate, the amount available for obligation of local public works and job opportunities programs falls or rises by ¼ of appropriated funds (up to $500 million).

Cost Estimates.—According to CBO estimates, assuming a first quarter 1976 unemployment level of 7.7% declining to 7.4% in October, 1976, and projecting the rate of obligation by EDA, the probable obligation totals are:

	Million
Local public works	$735
Job opportunities	220
Business loans	125
Waste treatment funds	21
Total projected obligations	$1.101

KEY PROVISIONS OF S. 3201

State and Local Public Works.—As in S. 1587 passed by the Senate on July 29, 1975, this bill provides an additional anti-recession authorization for Economic Development Administration (EDA) programs for grants to state and local governments for needed capital improvement projects which can begin within 90 days of approval. Payrolls begin at that time, though Federal outlays may not occur for one, two or even three years. $2 billion is authorized at 9% unemployment for period ending September 30, 1977.

Should the national unemployment rate drop below 6.5 percent, authority to obligate funds under the public works grants and job opportunity program is cut off. In both programs, 70% of grant funds must go to areas with unemployment levels equal to or above the national rate.

Eligible projects under the public works grant program in order of priority include:

a. projects inactive because applicant is unable to provide local matching share (Federal share up to 100%)

b. projects halted after approval because of cost overruns (Federal share supplemented)

c. projects initiated by State and local governments without other Federal participation (up to 100% Federal)

Job Opportunities.—authorized and funded during 1975 for $500 million creating an estimated 100,000 direct jobs (equivalent to 71,500 man years of employment) at a total cost per job year of $10,875 ($7,000 Federal funds) is reauthorized at $375 million for the period ending December 31, 1976.

EDA's business development loan program.—authorization is increased by $125 million for the period December 31, 1976. Up to 4 percentage points are provided for interest supplements on EDA guaranteed loans.

Waste treatment funds.—$21 million is authorized for FY 1976 to be distributed to those states and territories which received an allocation of less than $7 million in waste treatment construction grant funds for FY 1976 under the Federal Water Pollution Control Act. All states will have a minimum of $7 million.

Mr. MONTOYA. Mr. President, I ask unanimous consent that a table entitled Job Opportunities Program—Title X with respect to this pending bill be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT—MONTOYA

APR. 31—JOB OPPORTUNITIES PROGRAM [1]—TITLE X, $500,000,000 APPROPRIATED AND OBLIGATED DURING 1975

	1st round of $125,000,000 produced	2d round of $375,000,000	Totals
Direct jobs created	27, 929	72, 929	100, 223
Man-years jobs	15, 913	55, 490	71, 403
Total cost per job per man-year	$10, 926	$10, 846	$10, 875
Federal funds per job	$7, 827	$6, 829	$7, 000
Total project costs	[2] $173,870,000	[3] $601,891,000	$775, 762, 000
Average rate of unemployment in project area (percent)	14. 9	18	
Labor intensity (costs) (in percent)	72	83. 4	
Average length of employment (months)	8	8	

[1] Based on EDA estimates.

[2] 29 percent nontitle X.

[3] 37 percent nontitle X.

Mr. RANDOLPH. Mr. President, the able chairman of the Committee on Public Works Subcommittee on Economic Development, Senator MONTOYA, has laid the basis for the legislation which will be before us tomorrow, for a detailed discussion of its provisions and work on amendments that are to be offered.

We have had the utmost cooperation of the members of the Committee on Public Works in the development of the bill which is now pending.

Senators will recall, Mr. President, that the prior public works bill failed to have sufficient strength in the Senate, by three votes, to override the Presidential veto. I am always cognizant of the fact that the President has a responsibility, and that Congress has a responsibility. There was an agreement in the Senate with the thinking of the President, although 63 votes for an override did indicate the strong support of the Senate for the type of legislation that was not brought to fruition. In the House of Representatives, of course, there was a substantial vote for overriding the President's veto.

It is my personal desire as chairman of the Committee on Public Works, and I know it is the desire of the diligent and able Senator from Tennessee (Mr. BAKER), the ranking minority member—in fact, of all the members of our committee—that we approach this subject as we did before, without partisanship, and that we bring the bill to the Senate for the second time—hoping that the measure that will be passed here and in the other body—and will be signed into law by the President of the United States.

The situation in the United States of America, Mr. President, was very critical in 1962. I remember that from the Senate Committee on Public Works came the accelerated Public Works Act of that year. The unemployment rate in the United States in 1962 was 7.1 percent. Today the unemployment rate is 7.5 percent.

I only wish to indicate that at that time we felt strongly that in a public works program the needed jobs would be provided. In addition, there were lasting benefits to the economy throughout the years that would come from such an effort. There were 7,700 projects brought into being and completed under the act to which I have just referred; and now throughout the country we have an unemployment figure which is not satisfactory to me, and it is not satisfactory, Mr. President, to the American people. In this respect, I do not speak in a partisan manner; I speak, I am sure, not only my thoughts but the thoughts of the people of this country.

In the construction industry the situation is critical. In Tucson, Ariz., for instance, 30 percent of the construction workers are without jobs. In Los Angeles, the percentage is 21.3 percent. In Chicago it is 27 percent; in Bridgeport, Conn., it is 37 percent; and in our State of West Virginia, in Charleston, it is 47 percent. And in the city of Rochester, N.Y., 49 percent of the construction workers are unemployed at this time.

This is a measure, as I have indicated, that will be thoroughly debated.

Mr. President, we continue to hear optimistic predictions about the American economy. We are told that the outlook is good, that the traditional indicators largely point to a renewal of the prosperity that has been the general experience of the United States for most of the 200 years of its history.

I hope that these predictions are true for our people have suffered the consequences of economic stagnation for too long. So far, however, what we have are largely predictions with only marginal improvement in the economy. We continue to be faced with the worst economic downturn and the highest unemployment since the Great Depression of the 1930's. An unemployment rate of 7.5 percent is good news only by comparison with the record of the past 2 years. More than 7 million Americans are officially considered unemployed. The real unemployment level is even higher when we count those who have been driven by discouragement from the job market and are not included in the official statistics.

It is the responsibility of the Federal Government to use its great resources to help stimulate the economy when the private sector is unable adequately to reverse the trend of recession. The bill before the Senate today, the Public Works Employment Act of 1976, is our partial response to the pressing need for new jobs. This legislation particularly addresses the situation in the construction industry where the unemployment rate in February was 15.5 percent—more than double the national average.

And the prospects are not good, despite expected increases in the dollar value of construction contracts. In the past 5 years, construction levels have dropped considerably when measured against the constant dollars of 1967, prior to the onset of rapid inflation. With more than 700,000 workers in the building trades unemployed, there is a substantial unused capacity for providing the basic facilities our country needs.

Mr. President, this bill utilizes the proven approach of public works construction to encourage economic recovery. Such programs have several advantages: they place workers in productive jobs and they provide community facilities that can be used for many years. The public works programs of the 1930's resulted in schools, libraries, hospitals, and bulic buildings of many types that are in use today.

The able Senator from New Mexico (Mr. MONTOYA) has described in detail the provisions of this legislation. It is a relatively simple measure. It utilizes programs already in existence and does not establish any new Federal bureaucracy. The programs it authorizes, therefore, can be implemented without delay. The bill specifies, in fact, that funds be directed to projects which can begin within 90 days. Within 3 months of the enactment of this measure, activities could be underway which would provide jobs not only in the construction industry but in other areas as well. Suppliers of building materials and services and businesses where employed workers spend their wages all would benefit. There is, in reality, an important and valuable ripple effect associated with public works programs.

Mr. President, public works programs have been criticized as ineffective in combating unemployment because of alleged slowness in starting projects once funds are available. This is not a valid argument. It is inevitable that there be some time lag, but commitments must be made now for construction to start in the months ahead. Furthermore, outlays of money start immediately after projects are approved.

This legislation is flexible. It authorizes funds to be released on the basis of unemployment levels, making more money available should unemployment increase. The flexibility also extends to the type of projects which can be undertaken. They could be new construction or they could be repair and renovation of existing facilities. They could be activities in which there is other Federal participation or they could be projects which are strictly local in nature. The common feature is their ability to be initiated quickly and to remove workers from the jobless lists.

One of the provisions of this bill is an additional authorization of $375 million for the job opportunities program. That program was initiated less than 2 years ago and has already demonstrated to be an effective job creator. During the past year, $500 million were appropriated and obligated for the job opportunities program. This resulted in 100,223 direct jobs or 71,403 man-year jobs. The average cost of $10,875 per job makes this a particularly attractive program, especially when we consider the long-term benefits of the resulting work.

Mr. President, the American people and the Members of Congress are rightly concerned with the level of expenditures by the Federal Government. It is essential that we examine Government outlays carefully and use restraint in the conduct of Federal activities. The bill before the Senate today meets the requirements of fiscal responsibility. Its maximum cost is $2.5 billion. This is a substantial amount of money, but it is relatively modest when compared with the need and with the cost to the Government of unemployment. Placing workers in jobs would sharply reduce the cost of unemployment benefits and other social services so that tax users would once again become tax payers.

I was gratified by the attitude of committee members following the vote on the veto of the earlier measure. Under Senator MONTOYA's leadership, we began work immediately to write the bill now before us. Important contributions were made to this effort by Senator HOWARD BAKER, ranking minority member of the committee, and Senator JAMES MCCLURE, ranking minority member of the Economic Development Subcommittee. All members of our Public Works Committee recognized the need to end the recession in this country and I am appreciative of the concern and involvement in this legislation of Senator EDMUND MUSKIE, Senator MIKE GRAVEL, Senator LLOYD BENTSEN, Senator QUENTIN BURDICK, Senator JOHN CULVER, Senator ROBERT MORGAN, Senator GARY HART, Senator JAMES BUCKLEY, Senator ROBERT STAFFORD, and Senator PETE DOMENICI.

Mr. President, spring is traditionally the beginning of the construction season. This is an appropriate time for the Senate to pass this legislation not only to facilitate expeditious use of these funds but also to reaffirm our commitment to restoring economic health to our country.

Mr. BAKER. Mr. President, I support the bill reported by the Public Works Committee and recommend it to my colleagues. The bill provides authorizations of $2.5 billion through fiscal year 1977, comprising $2 billion for grants to State and local governments for public works projects; $375 million for the Jobs Opportunities program—title X; $125 million increase for working capital loans to prevent loss of jobs in the private sector, and $21 million in waste treatment construction grant funds to three States and three territories. It is a measure which will alleviate the unemployment situation today, I believe, without jeopardizing fiscal responsibility or the significant progress toward full economic recovery we are achieving.

A new section of title I of the Public Works and Economic Development Act of 1965 authorizes $2 billion for local public work projects. Three categories of projects are eligible for grants. First priority is accorded federally assisted projects inactive because the local jurisdiction is unable to provide the matching share. Projects that have not begun solely because of the applicant's inability to provide the local matching share at the time of enactment of this bill would be eligible for funding.

Second priority is assigned to federally assisted projects authorized before enactment of this bill, which could not be completed within the original amount obligated because of rapid increases in wages or costs of materials. Supplementary assistance could be provided to allow such projects to be completed; provided the additional Federal assistance on a cost overrun project does not exceed the maximum allowable percentage of the Federal share.

Third priority is assigned to 100 percent federally assisted State and local government projects for construction, renovation, repair or other improvements to public facilities.

The bill also authorizes an additional $375 million for the period ending December 31, 1976, for title X of the Public Works and Economic Development Act, the Jobs Opportunities program.

An objection often raised against temporary government job creation programs is that, although temporary, they may be allowed to continue after the need for them has passed. The bill contains a "trigger" mechanism that would release funds as unemployment increases and cut back funds as the jobless rate falls. Specifically, the authority to obligate appropriations is tied to the seasonally adjusted quarterly unemployment rate. The authority to obligate appropriations available under section 107 and title X is reduced by one-fourth of the funds appropriated each time the quarterly unemployment rate declines by one-half of 1 percent from a base of 9 percent. On the other hand, for each increase of one-half of 1 percent in the quarterly national unemployment rate up to 9 percent, authority to obligate funds would increase by one-fourth of appropriations, up to the maximum authorization of $2.375 billion.

Mr. President, I believe this trigger mechanism is an integral and essential part of this countercyclical legislation. As the recovery progresses and full employment is achieved, a fundamental consideration will be an orderly recovery that avoids another inflationary spiral. It is imperative that we take care to assure the impact is not felt at the wrong time and in the wrong amount.

The bill directs that 70 percent of the funds appropriated under the public works and job opportunities programs shall be available to areas having unemployment rates for the three most recent consecutive months in excess of the national unemployment rate. The remaining 30 percent of funds is reserved for applicants from areas with unemployment rates in excess of 6½ percent for the three most recent consecutive months, but less than the national unemployment rate. No area with less than 6½ percent unemployment would be eligible to receive funds.

Criteria for selection of projects within a proposed project area also are established. These are: First, the severity and duration of unemployment; second, the level and nature of construction unemployment; and third, the extent to which the project is expected to reduce unemployment in the project area. In addition, cost overrun projects selected must be "job effective" and must clearly benefit the community or region.

The bill also provides that no State may receive more than 15 percent of available funds nor less than one-half of 1 percent of the funds appropriated.

Section 3 of the bill amends title II of the Public Works and Economic Development Act to increase the fiscal year 1976 authorization for business development programs from $75 million to $200 million. The section also provides an interest subsidy of up to 4 percentage points on any loan guaranteed under this program.

This provision is intended as an antirecessionary measure, to be used to aid firms suffering from the current recession. Additionally, the interest subsidy is to be used when high interest rates would be prohibitively expensive for a firm in need of financial assistance to continue current operations.

Finally, section 14 of the bill contain~ an authorization of $21 million to be distributed to those states and territories which received an allocation of less than $7 million in waste treatment construction grant funds for fiscal year 1976, under the Federal Water Pollution Control Act. This authorization is intended to provide a minimum of $7 million to each State, as defined under the act. Because of the relatively small amount of money made available to three States and three territories for fiscal year 1976, a few projects have exhausted their total allocation of funds which were to continue through September 30, 1977. This provision is a "stop gap" measure. The Public Works Committee intends later in this session to provide for a general construction grant authorization to be made available to all States for fiscal year 1977 under the Federal Water Pollution Control Act.

Mr. President, I support the bill reported by the Public Works Committee, but I strongly urge my colleagues to restrain from amendments that would encumber the measure. As I have previously stated, my support for the bill as reported by the committee does not imply that I could support it if the bill becomes a "Christmas tree"—either a greatly enlarged measure by additional authorizations or if additional subject matter is added to it.

I can understand that many of us consider favorably additional proposals or expanded authorizations. I do not argue with the objectives of some of these proposals but believe strongly that each should be considered separately and on its own merits.

It has now been a year since S. 1587—the Public Works Employment Act of 1975—was introduced in the Senate. Importantly, and I believe relevant to our consideration, it is no longer the time when this measure was originally proposed, considered, and passed. Circumstances—the jobs situation and the momentum and direction of the economy—are entirely different today.

A year ago the economy was still declining and unemployment rising. More important, the bottom was not yet foreseen, and in fact many projections of both government and private economists were pessimistic if not bleak. For example, the Congressional Budget Office in its June 30, 1975, report on the economy projected unemployment rates for 1976 between 7.8 percent and 8.2 percent. The Joint Economic Committee, in its report of March 1975, on the Economic Report of the President estimated unemployment would exceed 9 percent during the last half of 1975. It was within the context of projections such as these and with the background of a sagging economy with the bottom yet unforeseen that we passed the bill later vetoed—a $6 billion measure containing three different titles and presenting at least three separate issues.

Fortunately, these projections did not materialize. At 7.5 percent the rate is more than a full percentage point lower than last October. In strong contrast to the bleak economic reports last summer when the vetoed measure was being considered by the Congress, today we are almost daily receiving encouraging economic reports—pointing to a sound, orderly recovery that appears to be sustainable. Importantly, the recovery is progressing without a resurgence of rapid inflation that if it quickens could undermine consumer confidence and threaten the recovery.

Furthermore, the recovery we are experiencing is broad based, including almost every sector of the economy. For February, the composite index of leading economic indicators rose 0.8 percent indicating further economic growth in the next few months. Housing starts surged to the highest rate in nearly 2 years, up 27 percent from January starts and 63 percent ahead of the year-earlier pace when housing hit bottom. Also, industrial output climbed for the 10th consecutive month.

Mr. President, in view of the significant progress toward recovery to date, the projections of continued strong improvement, and an underlying threat that inflation could accelerate and threaten the recovery, I will oppose amendments to this bill that would enlarge the authorizations or add new programs and I will not support the bill if it is greatly expanded. Stable growth of the economy through responsible fiscal management, confidence of the people that we do not just throw programs together and Treasury money about, and recognition that responses must be timely and respect an order of priorities, may be of greater influence and equal benefit to our Nation's health and welfare.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I have not had an opportunity to fully study this legislation, but there is no question but that the bill as reported by the committee unanimously would be a great deal closer to the mark, and would stand a much better chance, it would seem, of being signed by the President, than the $6 billion bill which passed Congress earlier and was vetoed, and the veto sustained here in the Senate. I just hope that the unanimous bipartisan position of the Committee on Public Works will be held tomorrow.

There are rumors that some pretty big amendments will be offered to this bill, that there will be an effort to turn it back again into the kind of budget-busting bill that we confronted earlier. But I know that if the Committee on Public Works stands shoulder to shoulder and unanimous against such amendments, we would have a chance, perhaps, of defeating them and keeping the bill as reported intact.

If we did that, then I think there would be at least the possibility that we might be enacting legislation rather than engaging in a futile political exercise.

I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BROOKE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, under the standing order, Mr. BROOKE be recognized for not to exceed 15 minutes, prior to the recognition of Mr. LEAHY, for whose recognition an order has already been entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER ADDING SENATOR HUDDLESTON TO LIST OF SENATORS WHO WILL DEBATE TAX REFORM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, with respect to those Senators who are going to engage in colloquy tomorrow on tax reform, Mr. HUDDLESTON be added and that he be allotted 10 minutes, and that Mr. CRANSTON for whom an order has already been entered, be allotted 15 minutes rather than 5 minutes as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING DISCRETION IN YIELDING TIME

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that those Senators who are engaged in the tax reform colloquy may yield to one another or to other Senators from their time and that they not be required to appear in the order as stated in the order entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS MANSFIELD AND GRIFFIN, TRANSACTION OF ROUTINE MORNING BUSINESS AND RESUMPTION OF CONSIDERATION OF S. 5201

Mr. ROBERT C. BYRD. After the aforementioned Senators have completed their orders, I ask unanimous consent that Mr. MANSFIELD be allotted 10 minutes and Mr. GRIFFIN 10 minutes each, after which there be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements limited therein to 5 minutes each, and that at the conclusion of routine morning business the Senate resume consideration of the unfinished business, S. 3201.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10:15 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, Mr. BROOKE will be recognized for not to exceed 15 minutes, after which Mr. LEAHY will be recognized for not to exceed 5 minutes. Following Mr. LEAHY, the following Senators will engage in a colloquy on tax reform. They will be limited to 15 minutes each with the exception of Mr. CRANSTON and Mr. HUDDLESTON, for whom the order has been previously entered allotting 15 minutes and 10 minutes respectively. These Senators will not necessarily appear in the order listed. They are as follows: Messrs. KENNEDY, HOLLINGS, HUMPHREY, MUSKIE, HASKELL, HATHAWAY, CLARK, BUMPERS, BAYH, MCGOVERN, CHURCH, PROXMIRE, CRANSTON, GLENN, GARY HART, PHILLIP A. HART, METCALF, JACKSON, BIDEN, and HUDDLESTON.

Following the orders for the recognition of Senators who will discuss tax reform, Mr. MANSFIELD will be recognized for not to exceed 10 minutes, Mr. GRIFFIN will be recognized for not to exceed 10 minutes, after which there will be a period for the transaction of routine morning business not to exceed beyond the hour of 1 p.m. with statements therein limited to 5 minutes each. Upon the consummation of the period for the transaction of routine morning business, the Senate will resume consideration of the then-unfinished business, the public works bill S. 3201. Rollcall votes are anticipated on amendments thereto and motions in relation thereto and hopefully final passage thereof.

Other measures may be called up during the day. And, of course, conference reports being privileged matters may be called up and votes may occur thereon.

ADJOURNMENT TO 10:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10:15 a.m. tomorrow.

The motion was agreed to, and at 6:07 p.m., the Senate adjourned until tomorrow, April 13, 1976, at 10:15 a.m.

NOMINATIONS

Executive nominations received by the Senate April 12, 1976:

U.S. POSTAL SERVICE

Hung Wai Ching, of Hawaii, to be a Governor of the U.S. Postal Service for the remainder of the term expiring December 8, 1981, vice John Y. Ing, resigned.

IN THE AIR FORCE

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended.

LINE OF THE AIR FORCE

Major to lieutenant colonel

Ackerman, Ronald R., [redacted].
Adame, Frederick P., Jr., [redacted].
Adams, George L., [redacted].
Adams, George T., [redacted].
Adams, Gordon D., [redacted].
Adams, Robert R., [redacted].
Adams, William E., [redacted].
Adamson, Derry A., [redacted].
Adcock, Eddie M., [redacted].
Adee, Donald P., [redacted].
Adelman, Philip J., [redacted].
Agar, James R., [redacted].
Aglio, Carl J., [redacted].
Akley, James K., [redacted].
Alexander, Howard J., [redacted].
Alexander, James W., [redacted].
Alexander, Joseph R., [redacted].
Allen, Michael C., [redacted].
Allen, Robert L., [redacted].
Allison, Gary G., [redacted].
Allport, Charles W., [redacted].
Alnwick, Kenneth J., [redacted].
Anderson, Allen S., [redacted].
Anderson, Edward L., [redacted].
Anderson, Jackie L., [redacted].
Anderson, Leslie B., III, [redacted].
Anderson, Paul J., Jr., [redacted].
Angle, Theodore E., [redacted].
Angliss, William W., [redacted].
Anselmo, Robert J., [redacted].
Aparicio, Arthur J., Jr., [redacted].
Apel, Larry A., [redacted].
Arellano, Gustavo O., [redacted].
Assaf, Frank N., II, [redacted].
Athas, Charles P., [redacted].
Atkins, Benny J., [redacted].
Augustine, Leonard J., [redacted].
Austin, Jimmie T., [redacted].
Austin, William R., II, [redacted].
Auten, Jimmie D., [redacted].
Auth, James F., [redacted].
Avis, Bertram, [redacted].
Baak, Jerome A., [redacted].
Babbidge, Mitchael J., [redacted].
Babione, William P., [redacted].
Bacheiler, Burton P. C., II, [redacted].
Baddley, Benny H., [redacted].
Bagley, Thomas J., III, [redacted].
Bailey, Jerry T., [redacted].
Bainbridge, Thomas A., [redacted].
Bajuk, Terence G., [redacted].
Baker, Bert E., [redacted].
Baker, George W., [redacted].
Baker, James P., [redacted].
Baker, Joe R., [redacted].
Baker, Kenneth N., [redacted].
Baker, Mary E., [redacted].
Baker, Ozrow E., [redacted].
Baldock, Jessie C., [redacted].
Baldwin, Claude R., [redacted].
Baldwin, Rey D., [redacted].
Ball, Willis H., III, [redacted].
Ballentine, George D., [redacted].
Balut, Ramon R., Jr., [redacted].
Barber, Lawrence W., [redacted].
Barnes, Elliott B., Jr., [redacted].
Barrineau, William E., Jr., [redacted].
Barry, Gregory P., [redacted].
Barth, Roland E., [redacted].
Bartine, Harris V., [redacted].
Bartlett, Robert R., [redacted].
Bartrand, Louis E., [redacted].
Bassett, David H., [redacted].
Bates, Franklin D., [redacted].
Batten, Virgil F., [redacted].
Baty, Richard S., [redacted].
Baumann, Carl W., [redacted].
Baushke, James L., [redacted].
Bavaria, Joseph A., [redacted].
Bayer, Curtis K., [redacted].
Bean, Donald W., [redacted].
Beatty, John D., [redacted].
Beckner, Stanley G., [redacted].
Beekman, Ralph E., [redacted].
Beezley, Ronnie W., [redacted].
Beland, Richard J., [redacted].
Belisle, Charles P., [redacted].
Bellanca, Thomas J., [redacted].
Bellg, Bruce J., [redacted].
Bender, Eduard, [redacted].
Bennett, Cyril A., [redacted].
Bennett, Forrest H., Jr., [redacted].
Bennett, Frank J., [redacted].
Berg, Kile D., [redacted].
Bergman, Leroy E., [redacted].
Bernard, Albert R., Jr., [redacted].
Bernard, Samuel T., [redacted].
Bessette, Carol S., [redacted].
Bessette, Duane G., [redacted].
Bessette, John F., [redacted].
Bethel, Howard E., [redacted].
Bevans, John P., [redacted].
Bevelhymer, Herbert L., [redacted].
Biehle, Kenneth H., [redacted].
Biggs, Dennis M., [redacted].
Birmingham, Edward P., [redacted].
Bishop, Charles L., [redacted].
Biss, Robert I., [redacted].
Bisset, David G., [redacted].
Black, Frank A., [redacted].
Blackburn, Gerald M., [redacted].
Blackburn, James H., Jr., [redacted].
Blahous, Edward G., [redacted].
Blais, David N., [redacted].
Blaker, Philip C., [redacted].
Blasingame, Frank E., [redacted].
Blatter, Richard W., [redacted].
Blazek, Miroslav F., [redacted].
Bliss, George W., [redacted].

Bloom, Philip J., [redacted].
Blount, Charles F., [redacted].
Blount, Harris R., [redacted].
Blue, Harry G., Jr., [redacted].
Blumenthal, Morris C., Jr., [redacted].
Bobek, Andrew S., [redacted].
Bobick, James C., [redacted].
Boehme, Robert E., [redacted].
Bohmfalk, Frederick H., [redacted].
Boles, Billy J., [redacted].
Boles, Dyer, R., [redacted].
Boles, Robert H., [redacted].
Bond, Charles C., [redacted].
Bond, Robert I., [redacted].
Bookout, William G., [redacted].
Boone, Donald, [redacted].
Bouth, Kenneth C., Jr., [redacted].
Bordeaux, John C., [redacted].
Borling, John L., [redacted].
Bouquet, Victor H., Jr., [redacted].
Bower, Larry F., [redacted].
Bowers, Bruce G., [redacted].
Bowers, Glen L., [redacted].
Bowman, Ruddy L., [redacted].
Bowser, James D., [redacted].
Box, Don W., [redacted].
Boyd, Raymond G., Jr., [redacted].
Boyington, Gregory, Jr., [redacted].
Boys, William W., [redacted].
Braden, Richard P., [redacted].
Bradley, Donald L., [redacted].
Brady, Tim, [redacted].
Bragg, Richard L., [redacted].
Brand, Joseph R., [redacted].
Brandner, Eugene, [redacted].
Brandt, William H., [redacted].
Branson, Claude L., Jr., [redacted].
Brawley, Horace M., [redacted].
Brazelton, Donald E., [redacted].
Breen, Paul F., [redacted].
Breen, Walter M., [redacted].
Brennan, William E., [redacted].
Brewer, Darlene K., [redacted].
Brewer, James E., [redacted].
Briesacher, Herbert A., [redacted].
Bright, Edward G. D., [redacted].
Brink, Ronald H., [redacted].
Brinker, Michael P., [redacted].
Britz, William C., [redacted].
Broadwell, Charles L., [redacted].
Broderick, Thomas D., [redacted].
Brooks, Sonny J., [redacted].
Brost, Carol A., [redacted].
Brost, Harold G., [redacted].
Brower, Barry S., [redacted].
Brown, Garnett C., Jr., [redacted].
Brown, Larry K., [redacted].
Brown, Leland D., Jr., [redacted].
Brown, Lester P., Jr., [redacted].
Brown, Marvin F., [redacted].
Brown, Michael J., [redacted].
Brown, Robert L., [redacted].
Browning, Millard S., [redacted].
Brummett, William E., [redacted].
Brummund, Dale R., [redacted].
Brunner, Richard A., [redacted].
Brush, John S., [redacted].
Buchan, William E., [redacted].
Buchen, Michael G., [redacted].
Buchholz, Francis J., Jr., [redacted].
Buck, Edward F., [redacted].
Buck, Virgil A., [redacted].
Budge, Ronald J., [redacted].
Bugeda, Richard B., [redacted].
Bukovec, Donald J., [redacted].
Bullard, Charles A., [redacted].
Bunton, Edward E., Jr., [redacted].
Buoni, Frederick B., [redacted].
Buran, Herbert M., [redacted].
Burba, James G., [redacted].
Burke, Michael F., [redacted].
Burke, Thomas E., [redacted].
Burnett, Ronald G., [redacted].
Burris, Joseph B., [redacted].
Bush, Robert W., [redacted].
Bushey, James W., [redacted].
Busko, George, Jr., [redacted].
Butcher, Clifford E., [redacted].
Butchko, Michael J., Jr., [redacted].
Butler, Jack V., [redacted].
Butler, Jimmie H., [redacted].
Butler, Norman R., [redacted].
Butler, Tommy D., Jr., [redacted].
Butters, Jerrold L., [redacted].
Caldwell, William B., [redacted].
Callahan, James E., [redacted].
Campbell, Clarence C., [redacted].
Campbell, Dennis F., [redacted].
Canavan, Gregory H., [redacted].
Cannon, Edward L., [redacted].
Carey, Charles C., [redacted].
Cary, John J., [redacted].
Carpenter, John H., [redacted].
Carpenter, Robert A., [redacted].
Carr, Chalmers R., Jr., [redacted].
Carroll, Howard K., [redacted].
Carroll, James H., [redacted].
Carter, Frederick K., [redacted].
Carter, Grey L., [redacted].
Carter, John R. Jr., [redacted].
Carty, Donald L., [redacted].
Carver, James I., II, [redacted].
Carver, Jimmy D., [redacted].
Cech, Paul F., [redacted].
Centala, Martin D., [redacted].
Chace, Henry V., [redacted].
Chambers, Otis G., [redacted].
Chandler, Jack D. Jr., [redacted].
Chandler, Robert G., [redacted].
Chellind, Edward C., [redacted].
Cheney, William E., [redacted].
Cheney, William F., IV., [redacted].
Cherry, Edward D., [redacted].
Cheshire, Frank E. Jr., [redacted].
Chesnut, Jack E., [redacted].
Chitwood, Edward C., [redacted].
Christison, Charles F., [redacted].
Christy, Michael T., [redacted].
Clark, Albert F., [redacted].
Clark, Lynn L., [redacted].
Clark, Wayne E., [redacted].
Clarke, Colin A., [redacted].
Clarke, Michael A., [redacted].
Clarke, Michael J., [redacted].
Clement, Robert O., [redacted].
Cliatt, Edwin R., [redacted].
Cloutier, Richard A., [redacted].
Clowers, James L., [redacted].
Cobb, James W., [redacted].
Coble, Charles A., [redacted].
Cody, Richard D., [redacted].
Cofod, Robert K., [redacted].
Cohen, Howard, [redacted].
Coleman, Archie B., [redacted].
Coleman, Donald P., [redacted].
Collins, Lloyd H., [redacted].
Colwell, John E., [redacted].
Congdon, Norman B., [redacted].
Connaughton, John M., [redacted].
Conover, James H., [redacted].
Conway, Bernard M., [redacted].
Cook, Darvan F., [redacted].
Cook, Harold C., [redacted].
Cook, James D., [redacted].
Cooke, Garth R., [redacted].
Cooke, Philip A., [redacted].
Coolidge, Kenneth R., [redacted].
Coon, James L., [redacted].
Cooper, Richard M., [redacted].
Copeland, Donald P., [redacted].
Copenhaver, Howard W., Jr., [redacted].
Cordera, David M., [redacted].
Corson, Howard A., Jr., [redacted].
Costain, Richard Y., [redacted].
Cotton, Austin G., [redacted].
Courndyer, Ronald C., [redacted].
Cox, Harla D., [redacted].
Cox, Samuel J., [redacted].
Craft, Wayne J., [redacted].
Crane, Robert M., [redacted].
Craun, Barbara R., [redacted].
Crawford, John N., III, [redacted].
Creel, Joel D., [redacted].
Crisp, Bobby V., [redacted].
Crockett, Richard H., Jr., [redacted].
Crouch, Dennis E., [redacted].
Crow, Richard R., [redacted].
Cruickshank, John P., [redacted].
Crum, John M., [redacted].
Cubberly, Robert L., [redacted].
Cummins, Jack B., [redacted].
Cunningham, Donald C., [redacted].
Currey, John R., Jr., [redacted].
Currie, John C., [redacted].
Currie, Tom P., [redacted].
Curtis, Richard R., [redacted].
Cuskey, Russell J., Jr., [redacted].
Czajkowski, Anthony F., [redacted].
Daily, James W., [redacted].
Dalton, John C., [redacted].
Dalton, John F., [redacted].
Damico, Joseph L., [redacted].
Darco, Silvio V., [redacted].
Daudel, Walter L., [redacted].
Davidson, Carl L., [redacted].
Davidson, John K., [redacted].
Davidson, Vernon L., [redacted].
Davis, Clifford D., [redacted].
Davis, Richard F., [redacted].
Day, Charles E., Jr., [redacted].
Day, David F., [redacted].
Daylor, Joseph E., [redacted].
Debell, Robert J., [redacted].
Decarlo, Louis N., [redacted].
Decker, Charles E., [redacted].
Decker, Meredith A., [redacted].
Deep, Ronald, [redacted].
Defrank, Dale A., [redacted].
Del Ahoussaye, George R., [redacted].
Deliduka, George E., [redacted].
Delisanti, Neil P., [redacted].
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Demichaels, Robert E., [redacted].
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Devito, Donald A., [redacted].
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Dew, Raleigh F., [redacted].
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Diedering, Lonnie G., [redacted].
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Doty, Edouard R. L., II, [redacted].
Dow, David S., [redacted].
Downes, Lawrence M., [redacted].
Downs, Clelland R., [redacted].
Drake, William H., [redacted].
Dreyer, Theodore C., [redacted].
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Edens, Melvin U., [redacted].
Edmund, William B., Jr., [redacted].
Edwards, Harry M., [redacted].
Edwards, Jackie K., [redacted].
Edwards, Reginald N., [redacted].
Edwards, Tommy M., [redacted].
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Ehin, Charles, [redacted].
Ehmer John H., [redacted].
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England, David E., [redacted].
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Evans, Arthur F., [redacted].
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Lane, Jon S. [redacted].
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Laughlin, John D., [redacted].
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Lebel, Hardy, F., [redacted].
Leber, John C., [redacted].
Lee, James A., [redacted].
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Little, James F., [redacted].
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Nowak, Frederick E., [redacted].
Nummi, Richard I., [redacted].
Obeck, Gary F., [redacted].
Oberry, Carl G., [redacted].
Offer, Edwin R., [redacted].
O'Grady, Richard E., [redacted].
O'Hara, William F., [redacted].
O'Keefe, Richard D., [redacted].
O'Keefe, Timothy F., Jr., [redacted].
Olear, Richard J., [redacted].
Olsen, Geraid E., [redacted].
Olsen, William A., [redacted].
O'Mara, Raymond E., [redacted].
Opgenorth, Carl R., [redacted].
Ormand, James F., Jr., [redacted].
Ornowski, Joseph R., Jr., [redacted].
Orion, Stephen I., [redacted].
Osborne, Edward A., Jr., [redacted].
Owen, Tofif M., Jr., [redacted].
Paepcke, John E. C. [redacted].
Paine, Frank G., [redacted].
Panek, Robert J., [redacted].
Paolino, John J., [redacted].
Pappas, Frederick G., Jr., [redacted].
Parham, Clayton E., [redacted].
Parker, James L. [redacted].
Parker, Truman, [redacted].
Parrott, Thomas V., [redacted].
Parsons, Wallace E., [redacted].
Partridge, John H., Jr., [redacted].
Patchett, Ronald D., [redacted].
Patterson, Thomas J., [redacted].
Patzig, William D., [redacted].
Paul, Gerald F., [redacted].
Payne, Calvin D., [redacted].
Peaslee, James R., [redacted].
Peden, Roger L., [redacted].
Pedersen, Clifford W., [redacted].
Peel, James F., [redacted].
Pembleton, Willis F., [redacted].
Penn, Richard L., Jr., [redacted].
Perry, Sandra J., [redacted].
Pfister, Lewis M., Jr., [redacted].
Phalin, Frederick T., [redacted].
Philarick, Carleton R., [redacted].
Philip, Allan S., [redacted].
Picchioni, Frederick A., [redacted].
Pickens, William E., III, [redacted].
Pinckney, Scott S., [redacted].
Platt, Thomas H., [redacted].
Pochop, Harold D., [redacted].
Pollock, Robert G., [redacted].
Pollock, Roger K., IV, [redacted].
Pombrio, Richard G., [redacted].
Pomeroy, Charles W., [redacted].
Porter, Fred H., III, [redacted].
Poyle, James M., [redacted].
Precious, Thomas D., [redacted].
Prendergast, Robert F., [redacted].
Presar, Don L., [redacted].
Preston, Forbes D., [redacted].
Pribus, Glenn F., [redacted].
Price, Robert E., [redacted].
Priester, Richard A., [redacted].
Prime, Louis J., Jr., [redacted].
Prindle, Hoyt L., Jr., [redacted].
Pritchard, Robert L., [redacted].
Proctor, Armond C., [redacted].
Provart, Robert W., [redacted].
Provines, James L., II, [redacted].
Pruitt, Daniel W., [redacted].
Purdom, Philip C., [redacted].
Purinton, Alan R., [redacted].
Quick, Dennis L., [redacted].
Quimby, Richard F., Jr., [redacted].
Rafel, Harvey H., [redacted].
Randall, John F., [redacted].
Rasults, Richard G., [redacted].
Ray, David P., [redacted].
Raymond, Richard A., [redacted].
Rech, Adam, [redacted].
Reely, Robert H., Jr., [redacted].
Reeves, Raymond J., Jr., [redacted].
Regelf, Harold M., [redacted].
Reichert, Robert A., [redacted].
Reid, Richard W., [redacted].
Reiter, Robert E. Jr., [redacted].
Rekenthaler, Douglas A., [redacted].
Repak, David N., [redacted].
Rhodes, Fodte L., [redacted].
Rhodes, Thomas K., [redacted].
Rhyne, Richard G., [redacted].
Ribble, Ronald G., [redacted].
Richards, Reid C., [redacted].
Richards, William L., [redacted].
Richert, Martin E., [redacted].
Ricks, Keith H., [redacted].
Rider, Ernest G., [redacted].
Ridgway, Charles Z., Jr., [redacted].
Rigby, Lee A., [redacted].
Ringley, Thomas L., [redacted].
Ritchie, Howard, [redacted].
Robben, Robert H., Jr., [redacted].
Robbins, Gary S., [redacted].
Roberts, Dennis K., [redacted].
Roberts, Franklin A., [redacted].
Roberts, John R., [redacted].
Roberts, Kenneth A., [redacted].
Robertson, Dennis C., Jr., [redacted].
Robertson, Marion D., Jr., [redacted].
Robertson, Richard R., [redacted].
Robeson, Fletcher R., [redacted].
Robinson, David P., [redacted].
Rockstad, Jon G., [redacted].
Roe, David H., [redacted].
Roeder, David M., [redacted].
Roehm, James T., [redacted].
Rohland, Henry E., [redacted].
Rokke, Ervin J., [redacted].
Romero, George A., [redacted].
Rounds, Gordon M., [redacted].
Rousey, James E., [redacted].
Roush, John G., [redacted].
Rowe, Francis L., [redacted].
Rowland, Lewis F., [redacted].
Rowley, William A., Jr., [redacted].
Roylance, Jerry W., [redacted].
Ruch, John N., [redacted].
Running, Ronald N., [redacted].
Rutledge, John K., [redacted].
Sabin, Joseph A., [redacted].
Saccoliti, Ralph A., [redacted].
Sacre, Gerald F., [redacted].
Sailer, Allen J., [redacted].
Salminen, James F., [redacted].
Salvatore, Richard, [redacted].
Sampson, Orwyn, [redacted].
Sandberg, Robert, [redacted].
Sandholzer, Ronald D., [redacted].
Santos, Valerio A., [redacted].
Sapp, Richard S., [redacted].
Sapp, Robert B., [redacted].
Sartor, James W., Jr., [redacted].
Saunders, Charles M., [redacted].
Sawyer, Allan C., [redacted].
Schaal, William E., [redacted].
Schaefer, Charles R., [redacted].
Schaffers, Joseph J., [redacted].
Schannep, Robert N., [redacted].
Scharon, Donald G., [redacted].
Schaur, John H., [redacted].
Schell, Roger R., [redacted].
Schichtle, Casper J., Jr., [redacted].
Schnegelberger, David J., [redacted].
Schneider, Alfred T., [redacted].
Schoenecker, Warren K., [redacted].
Schramme, David C., [redacted].
Schwank, Jock, C. H., [redacted].
Schwartz, Ray D., [redacted].
Schwartz, Robert V., [redacted].
Schwarzenbach, Robert J., [redacted].
Scible, Robert H., III, [redacted].
Scott, Hanson L., [redacted].
Scott, Randall F., [redacted].
Scott, Thomas W., [redacted].
Scribrick, Frank W., Jr., [redacted].
Scuderi, Richard, [redacted].
Seligman, Jack, [redacted].
Sellers, Kenneth H., [redacted].
Sellers, Robert E., [redacted].
Selzer, Franklyn J., [redacted].
Senft, Charles T., [redacted].
Serventi, James R., [redacted].
Sexton, Richard R., [redacted].
Shaltry, Gerald L., [redacted].
Shannon, Bobby G., [redacted].
Shannon, Lawrence F., [redacted].
Sherlock, Daniel J., [redacted].
Sherman, Wiley, Jr., [redacted].
Sherrod, Jeredy K., [redacted].
Shields, Isham C., Jr., [redacted].
Shook, Howard W. [redacted].
Shore, Clement W., [redacted].
Shriver, William R., [redacted].
Sidletsky, James J., [redacted].
Siegel, Russell A., [redacted].
Sierra, Hector G., [redacted].
Simaitis, Eugene, [redacted].
Simanski, Donald E., [redacted].
Simon, William, III, [redacted].
Simpler, Malcolm G., Jr., [redacted].
Sims, Robert L., [redacted].
Singer, Donald E., [redacted].
Sistrunk, William H., [redacted].
Siuru, William D., Jr., [redacted].
Skaggs, William J., [redacted].
Skelton, Lawrence H., [redacted].
Skinner, Allen L., [redacted].
Skinner, Richard A., [redacted].
Slocum, John M., [redacted].
Smith, Albert H., Jr., [redacted].
Smith, Dennis E., [redacted].
Smith, Douglas L., [redacted].
Smith, George D., [redacted].
Smith, Gerald W., [redacted].
Smith, Glen L., [redacted].
Smith, James L., [redacted].
Smith, Jerry A., [redacted].
Smith, Jerry E., [redacted].
Smith, John L., [redacted].
Smith, John T., [redacted].
Smith, Michael R., [redacted].
Smith, Robert W., [redacted].
Smith, Robert W., [redacted].
Smith, Rodger W., [redacted].
Smith, William A., [redacted].
Smoot, Charles H., [redacted].
Snider, Baxter F., [redacted].
Snyder, Arnold L., Jr., [redacted].
Socolofsky, James L., [redacted].
Soder, Ludwig A., [redacted].
Solt, Richard C., [redacted].
Sommerfeld, Dale A., [redacted].
Sparks, Jerry E., [redacted].
Spaulding, Mark B., [redacted].
Spear, John W., [redacted].
Speed, Thomas J., III, [redacted].
Speight, James E., [redacted].
Spongberg, Donald E., [redacted].
Stachurski, Richard J., [redacted].
Staley, Henry A., [redacted].
Staples, Robert M., [redacted].
Stark, John B., [redacted].
Starr, Jack E., [redacted].
Steckley, Richard A., [redacted].
Steele. John J., Jr., [redacted].

Steele, Richard R., [redacted].
Steeves, Richard A., [redacted].
Steininger, Warren L., Jr., [redacted].
Stell, David W., [redacted].
Stelmar, Thomas F., [redacted].
Stephans, Victor G., [redacted].
Stephenson, Gorham B., [redacted].
Stephenson, Russell G., [redacted].
Stevens, Jan T., [redacted].
Stevens, Merlin F., [redacted].
Stewart, Harold M., [redacted].
Stewart, William C., [redacted].
Stewart, William P., [redacted].
Stiles, Thomas L., [redacted].
Stocker, William F., [redacted].
Stocks, Johnnie C., Jr., [redacted].
Stogdill, Robert E., [redacted].
Stolworthy, Willard O., [redacted].
Strange, John B., [redacted].
Strayer, James E., [redacted].
Stretchberry, Donald W., [redacted].
Stumm, Theodore J., [redacted].
Sullivan, Paul M., [redacted].
Sullivan, Robert M., [redacted].
Sullivan, Robert W., [redacted].
Sutter, Franklin G., Jr., [redacted].
Svitenko, Lewis C., [redacted].
Swann, John K., [redacted].
Sweeney, John R., [redacted].
Sweigart, David L., [redacted].
Swett, David W., Jr., [redacted].
Sydow, Daniel C., [redacted].
Symonds, Joseph E., Jr., [redacted].
Talbott, John J., [redacted].
Tanner, Joseph O., [redacted].
Taus, Robert L., [redacted].
Taylor, Larry C., [redacted].
Taylor, Leroy C., [redacted].
Taylor, Thomas H., [redacted].
Taylor, William W., [redacted].
Teague, John O., [redacted].
Teer, Walter F., Jr., [redacted].
Teitler, Barry M., [redacted].
Telford, John P., [redacted].
Tessmer, Arnold L., [redacted].
Thacker, William A., [redacted].
Thar, James W., [redacted].
Thedford, Thomas M., [redacted].
Thomas, Jackson A., [redacted].
Thomas, James C., [redacted].
Thompson, Charles H., Jr., [redacted].
Thompson, Clayton H., [redacted].
Thompson, Donald E., [redacted].
Thompson, Edwin W., [redacted].
Thompson, Floyd S., [redacted].
Thompson, Jerry R., [redacted].
Thompson, Reynold J., [redacted].
Thompson, Richard L., [redacted].
Thompson, Ronald, [redacted].
Thompson, Roy C., [redacted].
Thompson, Wesley E., [redacted].
Thornburg, Richarl W., [redacted].
Thornton, Attwood F., [redacted].
Tice, Russell K., [redacted].
Tiches, Timothy C., [redacted].
Tiedman, Allen J., [redacted].
Tilghman, Thomas A., [redacted].
Tillander, John P., [redacted].
Tilley, Lloyd L., [redacted].
Timberman, Donald E., [redacted].
Timm, Loren E., [redacted].
Tomasetti, Thomas A., [redacted].
Tomlinson, Jon D., [redacted].
Tracy, Dale D., [redacted].
Traudt, Ronald H., [redacted].
Tribble, Donnie M., [redacted].
Tribula, Edward M., [redacted].
Trimpl, Robert L., [redacted].
Troffo, John, Jr., [redacted].
Trowbridge, Richard F., [redacted].
Troyer, Corlyn J., [redacted].
Truesdale, Ross E., Jr., [redacted].
Try, Paul D., [redacted].
Tucker, Henry L., Jr., [redacted].
Tuite, John R., [redacted].
Turner, Robert F., [redacted].
Turoff, Michael C., [redacted].
Twigg, John K., [redacted].
Ulm, James P., [redacted].
Umstot, Denis D., [redacted].
Undlin, Jesse P., [redacted].

Urbanski, Joseph V., [redacted].
Vallentiny, Edward, [redacted].
Vallerie, Paul J., [redacted].
Valalien, Douglas F., [redacted].
Vancura, Frank J., [redacted].
Vanorf, Armand R., [redacted].
Vanpelt, Larry G., [redacted].
Vaughn, James C., [redacted].
Vecchio, Joseph J., [redacted].
Veeser, Gary M., [redacted].
Vergamini, Michael G., [redacted].
Vetrand, William, [redacted].
Vichifrguerrf, Claude H., [redacted].
Vickers, William W., [redacted].
Vilseck, August K., Jr., [redacted].
Vincent, Donald R., [redacted].
Viola, John T., [redacted].
Vitarelli, Jerome P., [redacted].
Vizcarra, Victor, [redacted].
Volonis, Anthony G., [redacted].
Voss, John D., [redacted].
Wachtmann, Ronald F., [redacted].
Waddle, James E., [redacted].
Wade, Donald M., [redacted].
Wagner, Larry L., [redacted].
Waight, Kenneth T., Jr., [redacted].
Wakefield, James L., [redacted].
Waldorp, Park D., [redacted].
Walker, Clark M., [redacted].
Walker, Philip H., [redacted].
Wallace, Hoyt A., [redacted].
Wallace, William A., [redacted].
Walsh, Richard D., [redacted].
Walter, Charles R., Jr., [redacted].
Walton, James M., [redacted].
Warack, Christian A., [redacted].
Ward, Patrick J., [redacted].
Ware, Bruce K., [redacted].
Warfel, Clarence A. B., [redacted].
Warner, James G., [redacted].
Warren, Arthur L., [redacted].
Warren, James, [redacted].
Watson, Robert S., [redacted].
Watson, Ted M., [redacted].
Waylett, Dan K., [redacted].
Weatherbef, James C., [redacted].
Weatherbif, Niel K., [redacted].
Weathers, George T., Jr., [redacted].
Weaver, James L., [redacted].
Webb, Ronald J., [redacted].
Weber, Allan P., [redacted].
Weekley, Robert A., [redacted].
Wehman, Clarence A., [redacted].
Weiss, Walter A., Jr., [redacted].
Welde, Anthony C., [redacted].
Wells, Don F., [redacted].
Wells, John H., [redacted].
Wells, Richard O., [redacted].
Wendland, Gustav E., [redacted].
Weskamp, Richard D., [redacted].
West, Neil W., [redacted].
West, Paul T., [redacted].
West, Wesley L., [redacted].
West, William O., III, [redacted].
Westbrook, Bruce M., [redacted].
Wheeler, Donald C., Jr., [redacted].
Wheeler, Kenneth R., [redacted].
Wheeler, Maurice J., Jr., [redacted].
Wheeler, Richard C., [redacted].
Whelan, James E., III, [redacted].
White, James P., [redacted].
White, Robert A., [redacted].
Whitley, Lee O., [redacted].
Whitman, Walter T., III, [redacted].
Wickman, Douglas V., [redacted].
Widen, Donald A., [redacted].
Wieting, Richard L., [redacted].
Wilcox, Chris N., [redacted].
Wilcox, Roger C., [redacted].
Wilkinson, Donald L., [redacted].
Wilkinson, Philip A., [redacted].
Williams, Brian R., [redacted].
Williams, Harry C., Jr., [redacted].
Williams, James R., [redacted].
Williams, Kenneth L., [redacted].
Williams, Thomas W., [redacted].
Willis Myron E., [redacted].
Wilmore, Duncan, [redacted].
Wilson, Bernard F., [redacted].
Wilson, Edwin B., [redacted].
Wilson, Henry J., Jr., [redacted].
Wilson, Richard S., [redacted].
WimBrow, Peter D., Jr., [redacted].
Winkelman, Alton B., [redacted].
Winklepleck, Robert H., [redacted].
Winters, William N., [redacted].
Witt, Harry J., II, [redacted].
Wolf, Allen E., [redacted].
Wolfe, Robert G., [redacted].
Wolff, Jack L., [redacted].
Wolff, James F., [redacted].
Wolfswinkel, Donald L., [redacted].
Womack, Harold L., [redacted].
Wood, Loren G., [redacted].
Wood, Philip A., [redacted].
Woodman, Lloyd, Jr., [redacted].
Woods, David M., [redacted].
Woods, Robert V., [redacted].
Worrell, Malcolm L., Jr., [redacted].
Worthington, Walter T., [redacted].
Wozniak, David D., [redacted].
Wray, Duane J., [redacted].
Wright, David E., [redacted].
Wright, William B., [redacted].
Wurstner, Roland D., [redacted].
Wyatt, James L., Jr., [redacted].
Wylie, Donald L., [redacted].
Wynne, Thomas O., [redacted].
Yarborough, Philip P., [redacted].
Yargo, Ralph J., [redacted].
Yarrigle, Robert C., [redacted].
Yoakum, Victor F., [redacted].
Young, Douglas R., [redacted].
Young, Edward F., [redacted].
Young, James M., [redacted].
Young, Kenneth M., [redacted].
Young, William E., [redacted].
Zaccagnino, Salvatore A., [redacted].
Zehrer, Frederick A., III, [redacted].
Ziegler, Gary S., [redacted].
Zeitler, Fraine C., [redacted].
Zeller, Eldon W., [redacted].
Zersen, William F. H., [redacted].
Zieg, Duane H., [redacted].
Zollner, Ronald A., [redacted].
Zupke, Everett W., [redacted].
Zych, Leonard P., [redacted].

CHAPLAIN CORPS

Balint, Robert J., [redacted].
Chaffee, Bob A., [redacted].
Dwyer, John F., [redacted].
Falcone, Emilio, [redacted].
Gilhooley, John P., [redacted].
Harlin, Donald J., [redacted].
Highsmith, Darrell C., [redacted].
Johnson, Arnold G., [redacted].
LaPlante, Joseph A., [redacted].
Mann, John I., [redacted].
McIntosh, Gene K., [redacted].
Metcalf, Frank D., [redacted].
Prewitt, Charles B., [redacted].
Smith, Donald R., [redacted].
Somma, James F., Jr., [redacted].
Williams, Russell D., Jr., [redacted].
Wilson, Donald I., [redacted].
Wilson, Theodore J., [redacted].

JUDGE ADVOCATE

Brothers, Charles A., [redacted].
Hitt, William R., [redacted].
Jones, Robert W., [redacted].
Jones, Roger A., [redacted].
Kastl, Joseph W., [redacted].
Kuhnell, Rudolph R., III, [redacted].
Lewis, Paul K., Jr., [redacted].
Mills, Philip C., [redacted].
Murphy, Edward J., [redacted].
Murphy, Michael E., [redacted].
O'Brien, Patrick B., [redacted].
Rengeri, Kenneth R., [redacted].
Roberts, M. Cullie, Jr., [redacted].
Sessoms, Philip C., [redacted].
Warner, Arthur W., Jr., [redacted].
Williams, Conward E., [redacted].

NURSE CORPS

Adams, Lena G., [redacted].
Anderson, Rhea S., [redacted].
Atkinson, Angelica, [redacted].
Bailes, Mary F., [redacted].
Bennett, Carol J., [redacted].
Calist, John J., [redacted].

Cook, Virginia V., [redacted].
David, Joy M., [redacted].
Dye, Beverly J., [redacted].
Forster, Mary R., [redacted].
Friday, Blanche B., [redacted].
Gentile, Margaret A., [redacted].
Goins, Phyllis N., [redacted].
Howard, Caryl J., [redacted].
Huckins, Donna D., [redacted].
Huskey, Dora F., [redacted].
Johnson, Mary K., [redacted].
Kendall, Nora M., [redacted].
Kirn, Georgia A., [redacted].
Korach, Margaret M., [redacted].
Kreth, Ernest H., Jr., [redacted].
Kujawa, Dolores M., [redacted].
Least, Thomas S., [redacted].
Lee, Florence L., [redacted].
Lehman, William W., [redacted].
Liberty, Gail N., [redacted].
Lopalo, Salvatore, [redacted].
Luttman, Phyllis A., [redacted].
McElwee, Catherine F., [redacted].
Meadows, Bettie J., [redacted].
Meggers, Adele L., [redacted].
Mitchell, Bernice, [redacted].
Montanaro, Frank L., [redacted].
Mursch, Sara K., [redacted].
Prue, Mildred S., [redacted].
Pulda, Roger L., [redacted].
Roach, Nellie M., [redacted].
Schmitt, Fred A., [redacted].
Scoggins, Joan I., [redacted].
Shinn, Patsy F., [redacted].
Thomas, Grayce H., [redacted].
Tumas, Elizabeth R., [redacted].
Wagner, Marie L., [redacted].
Williams, Ella E., [redacted].
Winnike, Generose M., [redacted].

MEDICAL SERVICE CORPS

Bargamin, Taliaferro M., [redacted].
Boyd, Thomas O., [redacted].
Buss, Mervin F., [redacted].
Cauley, Jerry D., [redacted].
Chapman, Samuel B., Jr., [redacted].
Curtis, Keith W., [redacted].
Gorman, John A., [redacted].
Hudock, Jack, [redacted].
Moore, Jerry L., [redacted].
Rieckhoff, Elmer C., [redacted].
Sanders, Lewis D., [redacted].
Schumaker, Clarence J., Jr., [redacted].
Silliman, Charles I., [redacted].
Strentzsch, Alfred I., Jr., [redacted].
Turner, Charles E., [redacted].
Vanrysselberge, John P., [redacted].
Williams, Robert S., [redacted].
Wilson, Charles E., [redacted].

VETERINARY CORPS

Inman, Roger C., [redacted].
May William O., Jr., [redacted].
Townsend, Lee R., [redacted].

BIOMEDICAL SCIENCE

Coughlin, John J., [redacted].
Dougherty, Jerry P., [redacted].
Gokelman, John J., [redacted].
Graham, Richard W., [redacted].
Heckman Gerald R., [redacted].
Kamerbeek, Maria G., [redacted].
Levinson, Lewis S., [redacted].
Lewis, Thayer J., [redacted]
Markland, Darryl T., [redacted].
Mulligan, Hugh F., II, [redacted].
Perry, Furti W., [redacted].
Spence, William E., Jr., [redacted].
Trumbo, Richard B., [redacted].
Walker, William J., Jr., [redacted].
Ward, Edward R., Jr., [redacted].

The following officers for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

TO BE MAJOR

Crisp, Bobby V., [redacted].
White, Robert A., [redacted].

CONFIRMATION

Executive nomination confirmed by the Senate, April 12, 1976:

NATIONAL TRANSPORTATION SAFETY BOARD

Philip Allison Hogue, of Virginia, to be a member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1978.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, April 12, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Rest in the Lord and wait patiently for Him: fret not thyself.—Psalms 37: 7.

O God and Father of us all, we would continue through Holy Week mindful of Thy presence and eager to do Thy will. May we be among those who in deep devotion to our country seek to put justice above injustice, good will above ill will and high principles above low prejudices. May we have the courage of our convictions that in these crucial days we fail not man nor Thee.

Bless our Nation with Thy favor and these leaders with Thy spirit. Together may we be channels for peace and prosperity in our world.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries, who also informed the House that on April 8, 1976, the President approved and signed a bill of the House of the following title:

H.R. 10624. An act to amend chapter IX of the Bankruptcy Act to provide by voluntary reorganization procedures for the adjustment of the debts of municipalities.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1465. An act to provide for the division of assets between the Twentynine Palms Band and the Cabazon Band of Mission Indians, California, including certain funds in the United States Treasury, and for other purposes; and

H.R. 11598. An act to authorize appropriations for the United States Information Agency for fiscal year 1976 and for the period July 1, 1976, through September 30, 1976.

The message also announced that the Senate agrees to the amendments of the House to a joint resolution of the Senate of the following title:

S.J. Res. 35. Joint resolution to provide for the designation of the second full calendar week in March 1976 as "National Employ the Older Worker Week."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested a joint resolution of the House of the following title:

H.J. Res. 890. Joint resolution making emergency supplemental appropriations for preventive health services for the fiscal year ending June 30, 1976, and for other purposes.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 890) entitled "An act making emergency supplemental appropriations for preventive health services for the fiscal year ending June 30, 1976, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. STENNIS, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. MONTOYA, Mr. HOLLINGS, Mr. EAGLETON, Mr. BAYH, Mr. CHILES, Mr. MCCLELLAN, Mr. YOUNG, Mr. BROOKE, Mr. CASE, Mr. FONG, Mr. STEVENS, Mr. MATHIAS, Mr. SCHWEIKER and Mr. HRUSKA, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a resolution of the following titles, in which the concurrence of the House is requested:

S. 2981. An act to authorize appropriations for the Indian Claims Commission for fiscal year 1977, and for other purposes;

S. 3136. An act to reform the Food Stamp Act of 1964 by improving the provisions relating to eligibility, simplifying administration, and tightening accountability, and for other purposes; and

S. Res. 428. Resolution providing that, pursuant to the provisions of section 104(b) of the Presidential Recordings and Materials Preservation Act (Public Law 93–526), the Senate hereby disapproves section 105–63.-104(b), section 105–63.401, section 105–63.-401–1, section 105–63.401–2(g), section 105–63.402–1(b), section 105–63.402–2(b), and section 105–63.402–3 of the regulations proposed by the Administrator of General Services in his report to the Senate submitted on October 15, 1975.

CALL OF THE HOUSE

Mr. RUSSO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RONCALIO. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 188]

Abzug
Andrews, N.C.
Archer
Armstrong
AuCoin
Badillo
Barrett
Bell
Bevill
Boland
Bolling
Breckinridge
Brodhead
Burke, Calif.
Burton, John
Chisholm
Clancy
Clausen,
 Don H.
Collins, Ill.
Conlan
Conyers
Cornell
Crane
Daniels, N.J.
de la Garza
Derwinski
Dingell
Dodd
du Pont
Early
Edwards, Calif.
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Findley
Fish
Flowers
Flynt
Ford, Tenn.
Frenzel
Gibbons
Gonzalez
Green
Gude
Harsha
Hawkins
Hayes, Ind.
Hébert
Heckler, Mass.
Heinz
Helstoski
Henderson
Hinshaw
Holland
Holt
Ichord
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Kindness
Krueger
Landrum
Latta
Lehman
Lujan
Lundine
McCloskey
McEwen
McHugh
McKay
Macdonald
Madigan
Martin
Meeds
Melcher
Mills
Mink
Moss
Nedzi
Nix
O'Hara
Patten, N.J.
Pepper
Pickle
Pressler
Randall
Rees
Rhodes
Roberts
Roush
Rousselot
Sarbanes
Satterfield
Scheuer
Shuster
Spellman
Staggers
Stanton,
 James V.
Stark
Steelman
Stephens
Symington
Taylor, N.C.
Teague
Thone
Udall
Ullman
Vigorito
Waxman
Weaver
White
Whitehurst
Wilson, Tex.
Wright
Young, Alaska
Zablocki

The **SPEAKER**. On this rollcall 312 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PEACE CORPS ANNUAL OPERATIONS REPORT FOR FISCAL YEAR 1975—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations:

To the Congress of the United States:

I herewith transmit the Peace Corps Annual Operations Report for Fiscal Year 1975 as required by section 11 of the Peace Corps Act, as amended.

GERALD R. FORD.

THE WHITE HOUSE, *April 12, 1976.*

PERSONAL EXPLANATION

Mr. **MIKVA**. Mr. Speaker, I was unable to attend the Friday, April 9, 1976, session of the House of Representatives because I was participating in an energy symposium sponsored by Northeastern Oklahoma College. Had I been present I would have voted "no" on rollcall No. 186.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. **LONG** of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The **SPEAKER**. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR PREVENTIVE HEALTH SERVICES, 1976

Mr. **MAHON**. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H.J. Res. 890) making emergency supplemental appropriations for preventive health services for the fiscal year ending June 30, 1976, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

AMENDMENTS

Page 1, line 3, strike out "sum is" and insert: "sums are".

Page 1, after line 5, insert:

"TITLE I

"INDEPENDENT AGENCIES

"ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

"For an additional amount for liquidation of obligations incurred pursuant to authority contained in section 203 of the Federal Water Pollution Control Act, as amended, $300,000,000, to remain available until expended.

"TITLE II"

Page 1, after line 5, insert:

"DEPARTMENT OF LABOR

"EMPLOYMENT AND TRAINING ADMINISTRATION"

Page 1, after line 5, insert:

"COMPREHENSIVE MANPOWER ASSISTANCE

"For an additional amount for 'Comprehensive manpower assistance', $528,420,000, to remain available until September 30, 1976."

Page 1, after line 5, insert:

"TEMPORARY EMPLOYMENT ASSISTANCE

"For expenses necessary to carry out activities authorized by Title II of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 841–851), $1,200,000,000, to remain available until January 31, 1977."

Page 1, after line 5, insert:

"COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

"To carry out title IX of the Older Americans Act, as amended, $55,900,000, to remain available until June 30, 1977."

Page 2, after line 11, insert:

"RELATED AGENCY

"COMMUNITY SERVICES ADMINISTRATION

"COMMUNITY SERVICES PROGRAM

"For an additional amount for 'Community services program', $23,000,000, to remain available until September 30, 1976."

Amend the title so as to read: "Joint resolution making emergency supplemental appropriations for public employment programs, summer youth programs, and preventive health services for the fiscal year ending June 30, 1976, and for other purposes.".

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

Mr. **BAUMAN**. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Texas (Mr. MAHON) if these are the amendments by the other body to the flu vaccine bill which in effect turn the bill into a supplemental appropriation bill for several programs and adds well over $1 billion? I think the House should have a full explanation of exactly what has happened to this legislation.

Mr. **MAHON**. Mr. Speaker, will the gentleman yield?

Mr. **BAUMAN**. I yield to the gentleman from Texas.

Mr. **MAHON**. Mr. Speaker, the House passed a bill last week providing an appropriation of $135 million for the swine flu vaccine program, as the gentleman from Maryland (Mr. BAUMAN) has explained. When the bill went to the other body, the other body added a number of additional appropriations.

The programs added to the one item influenza appropriation bill that passed the House are the following:

Environmental Protection Agency—construction grants—$300,000,000;
Summer youth jobs—$528,420,000;
Public service jobs—$1,200,000,000;
Older Americans jobs—$55,900,000;
Summer recreation program—$17,000,000;
Summer sports program—$6,000,000.

All of these items were considered by the Committee on Appropriations and are included in the second supplemental appropriations bill which will be before the House on Wednesday.

There has been a great deal of interest and concern that funds be provided for these programs as early as possible, and this, of course, is the reason the other body included them in the flu bill.

Appropriation requests were submitted by the President in connection with most of the money included in the Senate amendments. Funds for all these programs were included in a supplemental bill reported by the Committee on Appropriations, Friday, which is scheduled to come before the House on Wednesday of this week.

So the gentleman is correct that this is more or less a standard supplemental bill in its present configuration.

Mr. **BAUMAN**. Mr. Speaker, I will ask further, if these particular amendments are agreed to, will there still be a necessity for the consideration of a supplemental bill on Wednesday of this week?

Mr. **MAHON**. Mr. Speaker, the supplemental on Wednesday will still be necessary for other reasons, but there is an agreement that the items included in the pending measure would be deleted from that bill when it is considered on Wednesday. They would be removed from the bill so there would be no duplication of appropriations.

In answer to the question, the bill scheduled for Wednesday is needed, and it should be passed soon because it contains, for instance, all the pay costs supplementals which normally are presented to the House in the spring after up-to-date studies of the recommendations of the various departments and agencies can be made. The bill to be considered on Wednesday will also provide for such items as veterans' benefits, retired pay, and public assistance. So, I would say to the gentleman, that the bill is indeed needed.

Mr. BAUMAN. Mr. Speaker, it would have been my disposition to seek a rollcall on concurring in the Senate amendments, simply because I think it is bad policy for this House to accept an addition of more than $1 billion to a totally unrelated proposition. However, I realize that if I object, before appropriate action could be taken, the bill would have to go to a conference committee or perhaps to the Committee on Rules, and the House could not have a vote before Wednesday on this.

Mr. Speaker, this is a very irregular procedure, and I think it is unfortunate that the Members are denied a rollcall vote, but I do not object at this time.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, let me say to my friend, the gentleman from Maryland (Mr. BAUMAN) that later I will ask unanimous consent for all the Members to revise and extend their remarks and place any statements in the RECORD that they may desire in connection with the consideration of the pending measure.

I thank the gentleman for his contribution.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Texas.

Mr. Speaker, I withdraw my reservation of objection.

Mr. PERKINS. Mr. Speaker, I would like to call attention to the fact that the funds provided in this urgent supplemental for public service jobs have been appropriated under title II of the Comprehensive Employment and Training Act—CETA. Section 204(c) of CETA defines "areas of substantial unemployment as those which have a rate of unemployment equal to or in excess of 6.5 per centum for 3 consecutive months as determined by the Secretary. All funds appropriated pursuant to title II must be used in such areas (sec. 202). Furthermore, only persons residing within such areas can be hired with funds appropriated under title II (sec. 205(c)(3). I point this out in order to inform Members that while I very much welcome and appreciate this title II appropriation, there is still an urgent need to pass an authorization for title VI of CETA. None of the funds being appropriated today can be distributed to those title VI areas which are nontitle II areas. This will cause serious disruption and many thousands of forced layoffs.

I mention this because the other body has attempted to deal with this problem in report language and, while I very much appreciate their honest efforts to deal with this problem, I must conclude that where there is a conflict between statutory language and report language that the clear language of the statute will control. This is also true with respect to the Secretary's discretionary money under title II which the statute requires to be spent only within areas of substantial unemployment as defined above (sec. 202(b)).

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MICHEL. Mr. Speaker, further reserving the right to object, and I do so only for the purpose of expressing my appreciation to the gentleman from Maryland (Mr. BAUMAN) for the remarks and he has made and for his understanding of the urgency of the situation. There is no question that the additional items added by the Senate are justified in view of the urgent time frame we are facing and the length of time it will take before the regular supplemental is adopted.

As the Members will recall, we only included the $135 million for swine flu when the bill originally passed the House. Along with this item, the Senate included $528,420,000, the amount requested by the President, for summer youth employment for the summer of 1976. The Senate amount is an increase of $28,620,000 over the amount included by the House Committee in the second supplemental. The House Committee did not have an opportunity to consider the President's request, since it was not transmitted to the Congress until April 8. The Senate figure will finance 888,000 jobs; the House Committee figure will finance 840,000 jobs.

The Senate included $1.2 billion for public service employment under title II of the Comprehensive Employment and Training Act. That amount would continue the current program level of about 310,000 jobs through January 31, 1977. It is an increase of $400 million over the amount included by the House Committee in the second supplemental. The House Committee figure would continue the current program level through October 31, 1976.

The Senate report on this item also contains language granting the Labor Department discretionary authority to use Public Service Employment funds in non-title II areas. I believe such discretionary authority is necesary because the Department estimates that the funding of all PSE programs under title II, as this bill would do, will result in 15 to 60 prime sponsors precipitous by losing all or part of their funds. This would lead to a corresponding elimination of some 17,000 enrollees from employment. Discretionary authority would allow the Department to soften the blow by gradually phasing them out of the program. Although we did not have the opportunity to insert any language to this effect in our House report, I think we would concur in this objective.

The Senate included $55,900,000 for title IX of the Older Americans Act, the same amount that was included in the second supplemental by the House committee. However, the Senate bill would expand the program to 15,000 jobs by providing for the funds to be utilized over a 12-month period, rather than a 15-month period as provided in the House committee bill.

The Senate included $23,000,000 to fund two summer recreation programs as follows: First, $17,000,000 for summer youth recreation and transportation program; and, second, $6,000,000 for the national youth sports program operated by the National Collegiate Athletic Association. These amounts are the same as those included in the second supplemental by the House commmittee.

The Senate also included $300,000,000 for waste treatment construction grants under the Environmental Protection Agency.

Back to the swine flu portion of the bill, some concern has been raised regarding the liability of drug companies for possible injuries to those administered the flu vaccine. The Senate report cites that "the various governmental units shall be free from liability in terms of the vaccine," and that "the drug producers should remain responsible for the vaccine, its quality, and any adverse reactions directly attributable to the vaccine." The question has to do with the effect, if any, the report recital will have on the tort liability of the producers and of the Government and what the managers of this bill perceive that liability to be.

The recital in the Senate report cannot, of course, amend either State or Federal law concerning tort liability, and I do not understand the language of the supplemental appropriation to constitute, in effect, an amendment of the Federal Tort Claims Act. As I read it, the language of the Senate report merely attempts to insure that the drug companies retain responsibility for the manufacture of the vaccine with due care, and that the Government not assume responsibility for idemnifying the industry for any negligence in the manufacture of that vaccine.

I should add that I think the drug producers have a legitimate concern regarding whether they might be held liable for the claimed adverse effect of an innoculation even if the result is unrelated to their care in producing the vaccine. However, this concern, arising out of the cases of Davis against Wyeth Laboratories and Reyes against Wyeth Laboratories, can be adequately dealt with in the arrangements by which the Secretary of HEW procures the vaccine from the producers. Indeed, I am advised that the Secretary, in requesting contract proposals for the vaccine, intends to include a commitment along the following lines:

> The Government hereby assumes the responsibility (1) for developing the content of a notice of the hazards, if any, of innoculation with the swine influenza vaccine, and (2) of notifying the public or of taking reasonable steps to assure that it is notified of such hazards. Although this responsibility might ordinarily devolve upon the contractor as the manufacturer or seller of the vaccine, the Government is assuming this responsibility because the distribution of the vaccine purchased under this contract will be arranged by the Government.

I believe that this type of commitment, in whatever form of words it finally takes, will adequately meet the producers' concerns and will also be consistent with the underlying concern expressed in the Senate report.

Mr. MICHEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOMINICK V. DANIELS. Mr. Speaker, as author of the Comprehensive Employment and Training Act and chairman of the Subcommittee on Manpower, Compensation, and Health and Safety which has legislative and oversight jurisdiction over CETA, I want to express my concern over language in the Senate report accompanying House Joint Resolution 890 which would authorize the Secretay of Labor to utilize in nontitle II areas discretionary funds available to him in the supplemental appropriation in order to prevent the imminent layoff of these program participants.

While I am sympathetic to the intent of the Senate Appropriations Committee to prevent hardships that will be caused by layoffs under title VI, I do not believe that the statute gives the Secretary of Labor such latitude with discretionary funds under title II.

Specifically, section 203(b) states:

> The remainder (discretionary funds) may be distributed by the Secretary in his discretion taking into account the severity of unemployment within such areas.

The statute defines such areas of substantial unemployment in section 204(c) as those with an unemployment rate of 6.5 percent or more for 3 consecutive months.

The question of the use of title II discretionary money in nontitle II areas as well as language in the Senate report waiving the 30-day unemployment requirement in title II was discussed in Senate deliberations on House Joint Resolution 890 on April 9. I call your attention to a coloquy between Senator JAVITS and Senators BROOKE and MAGNUSON on page 10307 of the CONGRESSIONAL RECORD.

I am hopeful that the legislative history on the use of discretionary funds makes it clear that discretionary moneys appropriated under House Joint Resolution 890 cannot be used for title VI of the Comprehensive Employment and Training Act.

Furthermore, all the requirements of title II are applicable to funds appropriated under House Joint Resolution 890. Therefore in order to maintain on board those public service employment participants who meet the requirements—both geographical and other—of title VI and not of title II, a new appropriation is required.

Mr. FLOOD. Mr. Speaker, the Senate has passed House Joint Resolution 890, the emergency supplemental appropriations bill for the swine flu vaccine and, in the process, has added appropriations for four additional items under the jurisdiction of the Labor-HEW Subcommittee, namely: public service jobs under title II of CETA, summer youth employment, summer youth recreation and transportation programs, and part-time employment for older workers under title IX of the Older Americans Act.

All of these items are included in H.R. 13172, the second supplemental appropriations bill, as it was reported from the House Committee on Appropriations last Friday. As amended by the Senate, House Joint Resolution 890 now includes $1,784,320,000 for the Department of Labor, $135,064,000 for the Department of Health, Education, and Welfare, and $23,000,000 for the Community Services Administration, for a total of $1,942,284,000 for these three agencies, which is $421,100,000 less than the budget requests.

We think that, all things considered, the Senate action is reasonable and that the House could expedite action on this very critical swine flu problem by agreeing to the Senate amendments here on the floor and obviating the need for a conference.

If we go to conference on this bill, there is at least some possibility that it could get bogged down until after the Easter recess. The medical experts, both Federal and private, tell us that any delay on this swine flu vaccine production could be very serious. If they get behind schedule on this, we could be in trouble if this virus hits in the fall. We do not want that to happen.

We have no problems with the action the Senate took on these other items. They put in $1.2 billion for public service jobs instead of our committee figure of $800 million. There is no problem with that because the additional funds would have to be appropriated anyway, at a later date. You will recall that the President has requested $1.7 billion for this program.

They put in the budget request of $528.3 million for summer youth jobs to fund last year's program level. That is very reasonable.

They included $55.9 million for jobs under title IX of the Older Americans Act. That is the same figure that we had in our committee version of the second supplemental. We have no problem with that.

They included $23 million for summer recreation programs for the Community Services Administration. Again, that is the same as our committee bill on the second supplemental.

I want to make it clear that if the House agrees to these Senate amendments today, then I will move on Wednesday to strike these items from the second supplemental. We obviously do not want them in both bills.

In short, we see no problems to agreeing to the Senate amendments today and thereby expediting action on this very important swine flu bill.

Various people have been in touch with us about language in the Senate Appropriations Committee report on House Joint Resolution 890 concerning the use of discretionary funds under title II of CETA, and concerning liability for the quality and safety of flu vaccine. I would like to make it clear that in accepting the Senate amendments we are certainly not endorsing the language in the Senate report. Furthermore, nothing said in a committee report or in floor debate can change existing law with respect to tort liability, the distribution of funds under the Comprehensive Employment and Training Act, or any other subject, and I am sure that it would not be our intent to do so.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendments just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF DISTRICT OF COLUMBIA MEDICAL AND DENTAL MANPOWER ACT OF 1970

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 12132) to extend as an emergency measure for 1 year the District of Columbia Medical and Dental Manpower Act of 1970, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 12132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 303(c) of the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31-922(c)) is amended by striking out "years ending June 30, 1975, and June 30, 1976," and inserting in lieu thereof "year ending September 30, 1977,".

Mr. DIGGS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the purpose of H.R. 12132 is to extend for 1 year (fiscal 1977) the District of Columbia Medical and Manpower Act of 1970 (D.C. Code, title 31, sec. 921, 922; 84 Stat. 1934). This would further assist private nonprofit medical and dental schools in the District of Columbia, through Federal grants for this 1 year, in meeting their critical finance needs and operational costs required to maintain quality medical and dental educational programs as a necessary health manpower service to the metropolitan area of the District of Columbia.

Such grants by law are to be in the minimum amounts necessary and may not exceed, in the fiscal year 1977, $5,000 per enrolled medical student, or $3,000 per enrolled dental student.

The intended beneficiaries of this bill are the Georgetown University Schools of Medicine and Dentistry and the

George Washington University School of Medicine. Howard University, which operates schools of medicine and dentistry in the District, relies on other channels of Federal support.

NEED FOR THE LEGISLATION

Grants under this legislation are proposed as a substitute for the State funding available to many private medical and dental schools in jurisdictions other than the District of Columbia. Because of the District of Columbia's precarious financial situation, no local funds are available for fiscal year 1977. The schools are committed to seeking alternate funding sources for fiscal year 1978. While the schools are considering the appropriate methods for securing such assistance, the committee feels that the interim subsidies authorized by H.R. 12132 are merited.

GEORGE WASHINGTON AND GEORGETOWN UNIVERSITIES NEED FOR FUNDS

The presidents of George Washington University and Georgetown University state that without the funds to be authorized by the continuation of the legislation these schools cannot continue in operation. There are 14 Washington metropolitan area hospitals directly dependent on the staffs and programs of these medical and dental schools. There are over 11,000 graduates of these schools in the United States in 50 States and the District of Columbia and over 1,900 students from 47 States and the District of Columbia.

DISTRICT NEED FOR PHYSICIANS

At least six of the District's nine service areas lack sufficient physician manpower to serve the needs of the individuals in those areas.

The areas east of Rock Creek Park and Anacostia are all severely deficient in physicians; and the far Northeast, as well as the near Northeast, also suffer more critically than the other areas.

PRINCIPAL PROVISIONS OF THE PRESENT LAW

The principal provisions of present law—D.C. Dental and Manpower Act of 1970, Public Law 91-650—are as follows:

First. The Secretary of Health, Education, and Welfare is authorized to make grants to the Mayor of the District of Columbia, in an amount not to exceed the minimum necessary to achieve the purposes of this title; and in no event may such a grant in any fiscal year exceed the sum of the product of $5,000 times the number of full-time medical students enrolled in private nonprofit medical schools in the District of Columbia, and the product of $3,000 times the number of full-time dental students enrolled in private nonprofit dental schools in the District.

Second. Authority is provided for the appropriation of such sums as may be necessary for fiscal years 1975 and 1976, to make the above-mentioned grants—the reported bill extends present law to cover fiscal year 1977.

Third. Provision is made regarding the filing of applications by the Mayor to the Secretary of HEW for these grants, including the authority of the Secretary to require such determinations and assurances as he may deem necessary to assure proper disbursement of and accounting for the funds involved.

Fourth. Provision is made for the method of determining the numbers of students as the basis for establishing the maximum amounts of the grants.

Fifth. Grants from the Secretary of HEW to the Mayor may be paid in advance or by way of reimbursement, with appropriate adjustments for overpayments or underpayments.

Sixth. In assessing the needs of the several schools, the Secretary of HEW shall take into consideration any grants made to these schools under section 772 of the Public Health Service Act (42 USC 295f-2), relating to financial assistance for schools in need of aid in meeting their costs of operation.

Seventh. The Mayor of the District of Columbia is authorized to make grants to private nonprofit schools of medicine or dentistry in the District. These grants shall involve only those funds included in the grants authorized in this title from the Secretary of HEW to the D.C. Commissioner.

Eighth. Provision is made regarding the filing of applications by the schools to the Mayor for these grants, including the authority of the Mayor and the Secretary of HEW to require such content, determinations, fiscal control and accounting procedures, and access to the schools' records as may be deemed necessary to assure proper disbursement and accounting of such funds.

Ninth. Grants from the Mayor to the schools may be paid either in advance or by way of reimbursement, with appropriate adjustments by reason of previous overpayments or underpayments.

Tenth. In determining the financial needs of the medical and dental schools, the Mayor shall take into consideration any grants made to these schools under section 772 of the Public Health Service Act (42 U.S.C. 295f-2).

PROVISIONS OF THE BILL, H.R. 12132

The bill, as stated, authorizes grants during 1 additional fiscal year; namely, 1977.

COSTS

The bill would require that through an HEW appropriation, each private, nonprofit medical and dental school within the District could, for fiscal year 1977, receive $5,000 for each medical student enrolled and $3,000 for each dental school student enrolled.

A breakdown of the maximum possible assistance through Federal funds, as estimated above, for fiscal year 1977, follows:

Georgetown University Medical School: 840 students times $5,000 per student	$4,200,000
Georgetown University Dental School: 600 students times $3,000 per student	1,800,000
George Washington University Medical School: 610 students times $5,000 per student	3,050,000
Total maximum estimate for fiscal year 1977	9,050,000

CONCLUSION

Justification for the enactment of H.R. 12132 had been established to the satisfaction of the committee for the reasons set forth heretofore.

The schools benefited—George Washington University School of Medicine, and Georgetown University Schools of Medicine and Dentistry—have students from every State in the Union, and 10,775 graduates are presently in practice throughout the Nation, 26 percent of them in the District of Columbia, Maryland, and Virginia, and 74 percent of them in the other States.

Further, the location in the District of Columbia of these schools is an exextremely important community asset. In addition to operating two high quality university hospitals, they contribute interns, residents and faculty members who make up the house staff at D.C. General Hospital and—partially—at many other local hospitals—Children, Columbia, Fairfax, et cetera.

The presence of "teaching medicine" in the community provides opportunity for private physicians and dentists to keep up to date, take refresher courses, et cetera, and generally improves the quality of dentistry and medicine practiced in the overall community.

The medical schools, through their clinics and experimental health centers and prepaid health plans, deliver a large measure of the health-care provided to those citizens who live in poorer neighborhoods which lack practicing physicians.

In light of the schools' contribution to the community and the Nation, the financial inability of the city to provide support this fiscal year, and most significantly, the schools' commitments both to seek future financing through a student loan assistance program and to provide greater opportunity for student residents of the District, passage of H.R. 12132 is appropriate at this time.

Mr. Speaker, I would suggest the recognition of the gentleman from California (Mr. DELLUMS), who will discuss the need for this legislation. Mr. Speaker, out of his subcommittee came the hearings and the discussion on this bill.

Mr. DELLUMS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, and members of the committee, the purpose of H.R. 12132 is to extend for 1 year—fiscal 1977—the District of Columbia Medical and Dental Manpower Act of 1970. Specifically, this measure would assist the Georgetown University Schools of Medicine and Dentistry and the George Washington University School of Medicine, through Federal grants, to maintain quality medical and dental education programs as a necessary health manpower service to the metropolitan area of the District of Columbia.

Such grants are to be the minimum amounts necessary and may not exceed, in the fiscal year, 1977, $5,000 per enrolled medical student or $3,000 per dental student. The total projected cost will be $9 million.

This is unique legislation, because these schools present unique situations.

The schools that benefit, George Washington School of Medicine, and Georgetown University School of Medicine and Dentistry, have students from every State in the Union, and 10,775 graduates are presently in practice throughout the Nation, 26 percent of them in the District of Columbia, Maryland, and Virginia and the remaining 74 percent of them in the other States. These two schools serve the city and the Nation.

Further, the location in the District of Columbia of these schools is an extremely important community asset. In addition to operation of two high quality university hospitals, they contribute interns, residents and faculty members who make up the house staff at D.C. General Hospital and at many other local hospitals including Children's, Columbia, and Fairfax. The city cannot readily replace these services.

The presence of "teaching medicine" in the community provides opportunity for private physicians and dentists to keep up to date, take refresher courses, and generally improves the quality of dentistry and medicine practiced in the overall community.

The medical schools, through their clinics and experimental health centers and prepaid health plans, deliver a large measure of the health care available to those citizens who live in poorer neighborhoods which lack practicing physicians.

The President of George Washington University and Georgetown University state that without the funds to be authorized by the continuation of the legislation these schools cannot continue to operate.

Most States provide some assistance to provide dental and medical schools.

A few of my colleagues asked why the schools are not being directly assisted by the government of the District of Columbia. The simple honest answer is that the D.C. government cannot afford it.

On the Federal level HEW, in testimony before the committee, stated that under other programs HEW could not assure sufficient funding for the schools.

It is imperative that we extend this assistance. Our lack of support could jeopardize the schools and the significant contribution they make to the Nation and the community.

Some of my friends indicate concern that the schools have not made sufficient efforts to provide educational opportunities for district residents.

I share this concern. But I am reassured by the discussions between the schools and the city government—initiated as a result of our hearings. Plans are being drawn to insure increased places for eligible applicants from the District of Columbia, and also to increase the pool of eligible applicants.

People have expressed the concern that the schools will seek extensions without end. In response to this concern I like to read the following letter, which is addressed to the Honorable CHARLES C. DIGGS, the chairperson of the Committee on the District of Columbia and the Honorable GILBERT GUDE, the ranking minority member of that committee, which reads:

> Dear Mr. DIGGS and Mr. GUDE: We wish to state unequivocably to you that our request is that the District of Columbia Medical and Dental Manpower Bill (H.R. 12132) be extended for one year only on an emergency basis. This will be the last time we shall ask your Committee to consider the District of Columbia Medical and Dental Manpower Bill.
>
> On behalf of our institution, namely Georgetown University and George Washington University we state that we shall not again request a further extension of this legislation beyond Fiscal year 1977.
>
> We are grateful for your support and counsel in our financial trial.
>
> Sincerely,

That is signed by both the president of Georgetown University, R. J. Henle, S.J., and by the president of George Washington University, Lloyd H. Elliot.

In conclusion, Mr. Speaker, in light of the schools' contribution to the community and the Nation, the financial inability of the city to provide support this fiscal year, and most significantly, the schools' commitment both to seek other funding in the future and to provide greater opportunity for student residents of the District, passage of H.R. 12132 is appropriate at this time. I strongly support it and ask the committee to join with me in passage of H.R. 12132.

Mr. WHALEN. Mr. Speaker, I move to strike the requisite numbers of words.

Mr. Speaker, I rise in support of H.R. 12132, which extends the Distrirt of Columbia Medical and Manpower Act of 1970 for an additional year. The purpose of this bill is to continue for 1 more year the financial distress funding which we have provided in the form of Federal capitation grants for two of the District's private medical-dental schools, Geogetown and George Washington Universities. With the average annual cost of a medical education now well in excess of $12,650 per student, both the schools and the students are hard pressed to continue their programs, and could not do so without substantial Federal assistance. The grants provided in this legislation are to be in the minimum amounts necessary. They may not exceed, in fiscal year 1977, $5,000 per enrolled medical student and $3,000 per enrolled dental student. These amounts appear reasonable in view of the fact that the average State support of publicly operated medical schools is $6,973.

Most States which have private medical or dental schools provide financial assistance of this kind. My own State of Ohio, for example, provides on the average of $5,400 per student. The grants authorized by this bill can fairly be considered as a substitute for State funding available to those medical schools in other jurisdictions.

I think that it is also important to consider the fact that these two fine schools of medicine are valuable national as well as community resources. They operate emergency services on a 24-hour basis and contribute vital inpatient and outpatient facilities for both area residents and visitors from all of the States also, these two schools have also provided 10,775 doctors and dentists who are now practicing in 50 States and the District of Columbia. Moreover, 47 States and the District are represented by the present student bodies of the two schools.

In addition to these nationwide advantages, we also have the consideration of the "Federal presence" role of the District of Columbia and the added burden on all of the District's resources which this entails. Moreover, we are all by now aware of the difficult financial problems that the District now faces, and for which the Congress is now actively seeking viable solutions. Thus, it is simply unrealistic to expect the city to provide this funding at the present time, and there appears to be no chance that it will do so.

Finally, both Georgetown and George Washington expect to have in place a permanent long-term loan program by the fall of 1977 which will satisfy this present financial need. The presidents of both universities have stated in writing that they will not request a further extension of this legislation beyond fiscal year 1977.

In summary, Mr. Speaker, the District of Columbia is financially incapable of supporting these two vital medical and dental education and health care institutions. Without a temporary extension of the present District of Columbia Medical and Manpower Act, both schools may be required to close their doors. Inasmuch as both schools are committed to seek future financing through a student loan assistance program, I firmly believe that the extension of this funding legislation for 1 more year is in the best interests of this Federal community and the entire Nation.

Mr. MAZZOLI. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, this is a very awkward position for me to be in personally because I oppose this bill, H.R. 12132, a bill to extend the District of Columbia Medical and Dental Manpower Act of 1970.

That is like opposing the Fourth of July and apple pie, because how can one oppose a bill that is going to bring money to two very worthy institutions to provide medical and dental education?

Let me assure the House, first, that I have the highest regard for both of these institutions. They are great assets to our community and to our Nation. Furthermore, from a personal standpoint, my son is a student at Gonzaga High School which, of course, is operated by the Jesuit Fathers. So obviously, I have more than just a small amount of fealty to the Jesuits who also operate Georgetown University.

The original legislation in 1970 made available a maximum of $5,000 per medical student and a maximum of $3,000 per dental student to Georgetown and George Washington Universities.

The rationale for the legislation originally was that some other private medical/dental schools received financial assistance from their State governments.

There was no "State" for Georgetown and GW to appeal to—this was before home rule. Therefore, these schools had to go to Congress for comparable financial assistance.

It might be worth noting here that only 18 of the States—not counting the District of Columbia—provide financial assistance to private medical and dental schools.

Today, 9 private medical schools and 14 private dental schools receive no State aid whatsoever.

Also, it bears noting here: In an undated handout used by Reverend Collins of Georgetown and Dr. Alpert of George Washington, they allege that:

> A majority of the 50 States currently provide financial assistance to private medical schools.

That is not correct.

Also, according to HEW figures the average per student assistance in those 18 States assisting their private medical/dental schools is $1,575.

The same undated handout alleges the per student aid exceeds $5,700.

In any event: In August 1974 the act was extended by Public Law 93-389 to cover fiscal years 1975 and 1976 at the same maximum per student levels.

This proposed 1-year extension would continue the same funding. A total of about $9 million.

Normally I would never harp about this drip in the fiscal bucket. But why do I oppose the bill?

In 1974, as chairman of the House District Subcommittee on Labor and Social Services, I chaired extensive hearings on the 2-year extension of this District of Columbia Manpower Act.

This year, I shifted committee assignments and had no contact with this subject matter until it was marked up at the full committee level, where I opposed it.

In this connection, on March 17, 1976, a letter from Reverend Collins of Georgetown and Dr. Albert of George Washington was sent to the Speaker and the majority leader urging support of the bill in which they stated the bill "unanimously" passed the District Committee.

That is not correct. The transcript of the markup in March 1, 1976 indicates a voice vote with both yeas and nays.

And, of course, I have filed dissenting views in the report accompanying this measure.

In 1974 my subcommittee recommended that the 2-year extension be granted but with certain conditions attached. The full committee concurred and the report (93-1200) accompanying H.R. 11108 stated that:

> It is the intention of the committee that future subsidies (for these schools) should be sought through the District of Columbia appropriations procedures . . . the District Government hereafter will be in the best position to judge whether the schools' need is a justified demand on the city's limited resources.

Has the District of Columbia government adjusted this to be a justified demand on District of Columbia resources?

Mayor Washington's letter of May 15, 1975, to Father Henle, President of Georgetown, stated:

> If funds for that purpose (subsidies for the schools) do become available, the District will most likely make the financial aid contingent on the training of District residents, and the provision of health services to the city . . . I regret that I cannot provide a more positive reply to your request.

District of Columbia Council Chairman Sterling Tucker's February 17, 1976, letter to the distinguished gentleman from California, Chairman of the Education, Labor, and Social Services Subcommittee stated:

> . . . I find that that I cannot support the proposed extension of the Medical and Dental Manpower Act in in its present form. . . . If the current act is extended as proposed, there will be no role at all for the city government for one more year. . . . When other states offer financial support to private medical or dental schools, the States almost always see some benefits they hope to derive. . . . I see no good reason to depart from this practice here.

As a proponent of home rule for the District of Columbia, I support its right to decide on its internal spending priorities, especially when it had been the judgment of this House in passing the 1974 2-year extension that future operating subsidies for these two schools should come from District of Columbia government through the routine, regular appropriations process.

What is HEW's position.

I disagree with HEW quite a lot but not here.

In a letter—dated March 17, 1976—to the distinguished minority leader, Ms. Marjorie Lynch, Under Secretary of HEW, stated:

> In summary we strongly oppose the bill because there are no overriding reasons for providing special Federal subsidies to two private medical schools and one private dental school in the District of Columbia through appropriations of the Department of Health, Education, and Welfare solely because these institutions are located in the District of Columbia. If such support is to be made avaiable to these schools, it should be provided through the budget of the District of Columbia.
>
> To provide special Federal assistance to these District of Columbia schools is inequitable as regards other private medical and dental schools and continues an undesirable precedent encouraging other such schools to seek special Federal assistance.

The letter is very detailed. If anyone wishes to study it more closely, I have a copy at my table.

Well, what happens to the schools and these students if the bill fails.

Schools will continue to receive Federal financial assistance on the same basis as all the other medical schools do across the country.

Because of their unique positions—in the Nation's Capital—these two distinguished schools have enjoyed a distinct advantage over their counterparts at siphoning off Federal health-manpower dollars.

For example, under the "financial distress" provisions of the Comprehensive Health Manpower Training Act of 1971—which provisions expired in 1974—Georgetown and George Washington received over 40 percent of all the funding by HEW to all the private medical/dental schools in the Nation.

HEW—in testimony before the District Committee on February 17, 1976, stated that in fiscal year 1975 Georgetown University Medical School received $8.7 million from a number of federally sponsored programs—other than funds received under the District of Columbia Medical and Dental Manpower Act. This $8.7 million was more than 50 percent of all revenues received by Georgetown University Medical School.

Further, Georgetown University Medical School and George Washington University Medical School project that in fiscal year 1976 more than 50 percent of their revenues will come from various Federal sources—other than the District of Columbia Medical and Dental Manpower Act.

And, other programs to aid private medical/dental schools are pending now before the Congress.

Health Professions Education Amendments of 1975 (H.R. 1119)—would provide aid to all the Nation's medical/dental schools based on the number of students at $1,500 per student up to a total—nationwide—of $594 million.

H.R. 1119 would also authorize "financial distress funds" for all schools in dire straits, not just these two schools. This aid would be available for all schools in financial difficulty.

The President's budget calls for a $35 million scholarship program for students who agree to serve in "disadvantaged areas," and also the budget calls for an increase to $25,000 per student of the guaranteed student loan program. Again these would be available to all schools, not just these two schools.

All in all, I really do not believe there would be chaos at the schools absent this measure.

Well, then, what will happen to the students if the bill fails and a tuition increase occurs?

While I do feel sorry for young medical/dental students—they have a heavy financial burden—the financial rewards awaiting their entry in private or public practice are immense. Thus, they are in a favorable position to pay back student loans incurred to continue their studies.

For the record, here are a few of the programs available:

Public health scholarships provide $750 per month for 9 months of the year. In return, the student serves 1 year in the public health service for 1 year of aid.

Health professions student loans in amounts up to $3,500 per year can be repaid over 10 years at a 3-percent interest rate.

State medical society loans usually require a promise to return to work in the State residence.

Federally sponsored work study programs can provide up to $3,500 per year to medical/dental students.

Fellowships and traineeships are available from:

National Institute of Dental Research—NIH;

Division of Dental Health, Bureau of Health Manpower Education—NIH; and

National Center for Health Services Research and Development.

These generally provide full cost in return for services.

Veterans and social security benefits are also available.

The physicians shortage area scholarship provides $5,000 per year to students who will practice in a shortage area.

Aid is also available from numerous organizations such as: American Association of University Women; Association of American Women Dentists; American Dental Trade Association, student loan fund; W. K. Kellogg Foundation.

We cannot forget two other routes Georgetown and George Washington can take in the event the bill fails:

Economies can be effected at the schools—according to HEW—which will not hamper or reduce the quality of the programs at the schools.

Last, but not least, it is still not too late for the schools to gain inclusion in the District of Columbia budget, when that budget is reviewed by the Congress or when the District of Columbia Government prepares its annual supplemental budget.

The communications I have referred to are as follows:

House of Representatives,
Washington, D.C., April 9, 1976.

Dear Colleague: On March 17 we wrote to inform you of our reluctant opposition to H.R. 10377, the D.C. Medical and Dental Manpower Act.

It was then scheduled for floor action on March 22. However, H.R. 10377 was pulled from the agenda, re-introduced as H.R. 12132, and re-scheduled for floor action on April 12. The bill number has changed, but our reluctant opposition to it has not.

For your information we are enclosing a copy of our letter of March 17. In addition, we are attaching a letter from HEW to the House Minority Leader. We have underlined those portions of the HEW letter which specify its objections to passage of this bill.

Please be assured that neither Georgetown nor George Washington will "go under" if the House defeats this preferential bill. They will simply continue to receive financial aid on the same basis as do all other private medical and dental schools in the nation—like those in your district and in ours.

We believe that H.R. 10377 should not pass the House, even though we are sympathetic to the plight of these distinguished universities.

We shall present the details of our opposition when the measure reaches the Floor next week. We will try then to allay an understandable reticence to vote against what appears to be an "apple-pie" bill.

Sincerely,
Romano L. Mazzoli,
Member of Congress.
Fortney H. "Pete" Stark,
Member of Congress.

House of Representatives,
Washington, D.C., March 15, 1976.

Dear Colleague: It is our intention to oppose—albeit reluctantly—H.R. 10377, a bill to extend for one year the D.C. Medical and Dental Manpower Act.

This Act became law in 1970. In 1974 it was extended through Fiscal Year 1976. H.R. 10377 seeks yet another extension.

Basically the measure makes available financial assistance to George Washington and Georgetown Universities' medical schools and G.W.'s dental school. The bill would authorize a total of $9 million for this assistance.

The rationale for the legislation originally was that other private medical/dental schools could—and did—receive financial assistance from their state governments. There was no "state" for Georgetown and G.W. to appeal to (this was BHR: Before Home Rule). Therefore, these schools had to go to Congress for comparable financial relief.

We served together on the District Subcommittee which handled the 1974 bill. We supported the two year extension after receiving assurance from officials of the schools that future subsidies would be sought through the D.C. Appropriation procedure in keeping with the new era of Home Rule.

We phrased it this way in our Report (House Report 93–1200): "The District Government hereafter will be in the best position to judge whether the schools' needs is a justified demand on the city's limited resources."

So, why are two thoughtful Members opposing the Apple Pie—Fourth of July bill? Because the elected D.C. Government has decided that these school subsidies are not a "justified demand" on the city's resources. Mayor Washington's letter of May 15, 1975 to Georgetown President, Reverend R. J. Henle, S.J. and Council President Sterling Tucker's letter of February 17, 1976 reject aid to the schools.

True believers in Home Rule have to reject H.R. 10377. The elected D.C. Government does not support the bill.

Furthermore, if the denial by D.C. Government of aid to these schools was a ploy originating in the belief that a "compassionate" Congress would pick up the tab for another year, rejection of H.R. 10377 will bring a permanent end to this kind of maneuvering.

Please be assured that the demise of H.R. 10377 is not the demise of these fine medical/dental programs.

Economies can be made by the schools which will free-up money for essential programs. Student loan programs are available, there are several existing federal financial-aid programs which the schools could draw upon even more heavily than they do today—and, last but not least, it's still not too late for the schools to gain inclusion in the D.C. budget, when that budget is reviewed by the Congress or when the D.C. Government prepares their annual supplemental budget.

We will be presenting more detailed information when the bill reaches the floor—scheduled next week. In the meantime, please direct any questions you might have to Mike Nevens at 5–1615.

Sincerely,
Romano L. Mazzoli,
Member of Congress.
Fortney H. "Pete" Stark,
Members of Congress.

The Secretary of
Health, Education, and Welfare,
Washington, D.C., March, 17, 1976.

Hon. John J. Rhodes,
Minority Leader, House of Representatives,
Washington, D.C.

Dear Mr. Rhodes: I understand that the House of Representatives will soon consider H.R. 12132, a bill which would extend for one year the District of Columbia Medical and Dental Manpower Act of 1970. I would like to take this opportunity to share with you and your colleagues our views with regard to this legislation.

The Department has testified and commented on the proposal at hearings held February 18, 1976, by the Subcommittee on Education, Labor, and Social Services of the House District of Columbia Committee. In summary, we strongly oppose the bill because there are no overriding reasons for providing special Federal subsidies to two private medical schools and one private dental school in the District of Columbia through appropriations of the Department of Health, Education, and Welfare solely because these institutions are located in the District of Columba. If such support is to be made available to these schools, it should be provided through the budget of the District of Columbia.

To provide special Federal assistance to these District of Columbia schools is inequitable as regards other private medical and dental schools and continues an undesirable precedent encouraging other such schools to seek special Federal assistance.

The Administration recently submitted to the Congress its proposed "Health Professions Education Amendments of 1975," to amend and extend the Title VII health professions education authorities through FY 1979. The Administration bill, H.R. 11119, would provide for capitation payments to medical and dental schools agreeing to undertake specified efforts to address high-priority problems of geographic and specialty maldistribution. In addition, the bill would authorize special project assistance for various kinds of special health manpower activities, including aid to health professions schools in serious financial straits. Through these and other provisions in the bill, we have offered a comprehensive, integrated approach to Federal support for health professions education, designed to achieve maximum impact within available resources.

Not only has the Administration proposed continued institutional support for health professions education, but the President's budget also proposes $35 million in service-related scholarships for which the D.C. schools' students can compete. In addition, we have recently sent to the Congress a proposal for amending the Guaranteed Student Loan Program for postsecondary students generally. These amendments would (among other changes) increase the amount of loans available to a student to an aggregate of $25,000 for high cost training and thus would assist medical and dental students in paying increased tuition costs and indirectly help meet the operating costs of medical and dental schools.

If the District of Columbia private schools need public operating support of the type provided by some States to private schools within their jurisdictions, we would respectfully suggest that this be provided through the budget of the District of Columbia government, which in this situation occupies a role analogous to that of a State government. The District government is in a position to judge whether the schools' asserted need for such support makes a compelling demand upon the city's financial resources. The District government also can assess the extent to which these schools contribute to the health manpower needs of the District.

Although we understand the problems of Georgetown University and George Washington University, we believe other medical and dental schools are addressing these problems without special Federal subsidies and thus there is no sufficient justification for special preferential Federal legislation of the kind under consideration.

We therefore strongly recommend that the bill not receive favorable consideration by the House of Representatives.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report and that enactment of H.R. 12132 would not be consistent with the objectives of the Administration.

Sincerely,

Marjorie Lynch,
Under Secretary.

George Washington University,
School of Medicine,
Georgetown University,
Schools of Medicine and Dentistry,
April 1, 1976.

Hon. Charles C. Diggs, Jr.,
Hon. Gilbert Gude,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Diggs and Mr Gude: We wish to state unequivocably to you that our request is that the District of Columbia Medical and Dental Manpower Bill (H.R. 12132) be extended for one year only on an emergency basis. This will be the last time we shall ask your Committee to consider the District of Columbia Medical and Dental Manpower Bill.

On behalf of our institutions, namely, Georgetown University and George Washington University we state that we shall not again request a further extension of this legislation beyond Fiscal Year 1977.

We are grateful for your support and counsel in our financial trial.

Sincerely,

R. J. Henle, S.J.,
President, Georgetown University.
Lloyd H. Elliott,
President, George Washington University.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I commend the gentleman for his excellent statement. This type of information should be spread on the Record and every Member in this body should be listening to it.

Mr. Speaker, I agree with the gentleman's position. I am not sure whether the problems of the Distict of Columbia are more related to the problems of the administration of the city or the problems of Congress. I have been here long enough that I could stand here for at least a half an hour and cite the number of times this Congress has appropriated funds to build the Kennedy Center or the RFK Stadium or the Visitors' Center and no more money is to be put in the program and once we are in the program, we get hooked. It is always the same.

Here is another classic example of that. This is the time, I think, to say no.

The SPEAKER pro tempore (Mr. O'Neill). The time of the gentleman from Kentucky has expired.

(On request of Mr. Dellums and by unanimous consent Mr. Mazzoli was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Speaker, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from California.

Mr. DELLUMS. First of all, in response to the gentleman's statement with respect to Mr. Tucker's letter, we have met that requirement by having the District of Columbia government and the appropriate personnel from the two learning institutions presently meeting together. That process is now continuing, in an effort to pin down a level of commitment with respect to the number of residents from this community that will be going to those schools.

Mr. MAZZOLI. I would say that the gentleman from California (Mr. Dellums) was a very eloquent proponent of the responsibility of these two schools to the District of Columbia residents, particularly black prospective students.

I would ask the gentleman, has his position and requests of 1974 been met in these ensuing 2 years?

Mr. DELLUMS. As the gentleman will recall, the two institutions asked for a 3-year extension in the first place. If my memory serves me correctly, it was the gentleman in the well who reduced it to 2 years. Now, they come back with this additional 1 year, and if it were not for that we would not be here.

The SPEAKER pro tempore. The time of the gentleman from Kentucky has again expired.

(On request of Mr. Carter and by unanimous consent Mr. Mazzoli was allowed to proceed for 2 additional minutes.)

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, I would like to ask the gentleman in the well, what is the tuition at George Washington?

Mr. MAZZOLI. I do not know the tuition at George Washington. I would assume it is something like $5,000.

Mr. CARTER. Yes, $5,000, I think, is correct. It is one of the highest in the country. Do they also receive capitation under the Health Manpower Act?

Mr. MAZZOLI. The gentleman from Kentucky is correct. They receive capitation grants.

Mr. CARTER. How much per student?

Mr. MAZZOLI. I cannot answer the gentleman.

Mr. CARTER. I believe that is in the neighborhood of $2,100 per year, and then in addition to that they are asking us for how much more money?

Mr. MAZZOLI. Possibly as much as $9 million; $5,000 per medical student and $3,000 per dental student.

Mr. CARTER. What is their reasoning behind this? Why do they have to have this money? Why is this school an exception which needs more money than, for instance, Duke or the University of Louisville or the University of Kentucky?

Mr. MAZZOLI. The gentleman from Kentucky states the exact core central question. What is the reason for adopting a preferential piece of legislation for two admittedly excellent schools, admittedly outstanding national institutions? Why make the preference? I asked the same rhetorical question in 1974 and the schools said, "If you give us two more years, we will make adjustments in our own program and go to the District of Columbia and make our pitch to them. Then there will be no need for this preferential legislation." But, I have not seen that take place.

Mr. CARTER. Are their expenses a great deal higher than other medical schools throughout the country?

Mr. MAZZOLI. There are two ways medical expenses can be charged, as the gentleman from Kentucky, Dr. Carter, who is an outstanding physician and Member of Congress, knows. One is on distribution of all costs, and the other is distribution of those costs directly connected with the educational program. My understanding is that the costs are not extremely out of whack if we take direct costs of education.

Mr. CARTER. I want to thank my distinguished colleague from Kentucky for his excellent presentation.

Mr. GUDE. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the sum total of our failure to pass this legislation today would be to make these two schools more and more places where only the wealthy, those of considerable means, can go to get a medical and dental education rather than schools where graduating doctors and dentists are people of all economic levels.

As far as money being available through student loans, as those who were present at the hearings will remember, the students themselves testified to the difficulty of obtaining loans, both from the Federal Government and from private lending institutions. They have literally exhausted these limited sources. In fact, Georgetown already leads all medical schools in the number of students who currently hold Public Health Service scholarships, of which there are only a very small number to serve all students nationwide.

Recent GAO studies, supported by data of the Association of American Medical Colleges, indicate that not only is it more expensive to go to medical school now than ever before but that, precisely because of the exorbitant costs, the percentage of wealthy medical students in each new class is greater with each new year.

Failure to enact this legislation is going to be one more step to open the doors of the medical schools wider to the wealthy and close them up to those of moderate and lower income.

The median family income of last year's new first-year students was over $21,000, which is well above the national average. I think this is an alarming trend. If it is allowed to continue, it is going to effectively eliminate low- and middle-class students from the pool of future doctors. Medical school will become more and more the haven of the wealthy.

Mr. Speaker, let me say that as far as the services of Georgetown and GW, either to the District of Columbia or on a national level, it is a fact that these two schools serve both, to the extent that they give services to the District of Columbia and to the extent that they give national service. In fact, these schools have graduates who come from all over the United States. At the same time, they give services to the local community. And the City Council, if it was not so strapped for money for many other projects, I am sure would be willing to give a hand here.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, the whole key here is that there are 1,900 students in both of these schools serving 47 States, 133 students from my State of Massachusetts alone. That is the key to this whole thing, is it not?

Mr. GUDE. Exactly.

Mr. CONTE. Mr. Speaker, I rise in support of the bill to extend the District of Columbia Medical and Dental Manpower Act of 1970 (H.R. 12132).

Fellow Members, the bill before us now is one that will have an effect on each and every State in the Union. The shortage of seats in medical and dental schools is a fact all are concerned with. Today, seven States have neither a medical or a dental college. Accordingly, these States and those which have an insufficient amount of available seats must rely on institutions like Georgetown and George Washington Universities to accommodate their students. At the present time, the 7 States that have no medical or dental schools have 207 practicing dentists and physicians who are graduates of the two fine universities.

At the present time, these 2 institutions have a student body of 1,900 representing 47 States and the District of Columbia. Surely no other medical or dental colleges can claim such a diverse representation among the States. My own State of Massachusetts has 133 students enrolled at these two institutions and is benefiting from 637 graduates who are in permanent practice in the commonwealth at this time. This is not an isolated incidence; however, Members from every one of the 50 States could recite the same statistics. Fellow Members, these statistics clearly demonstrate the national character of these schools.

The $5,000 per student support level is below the national average of per capita support by the States to their private medical and dental colleges. The range in per capita support is $3,000–$6,000 in New York to a high of $17,282 in Texas. Accordingly, it is most appropriate that the Congress continue its support of this program for at least one additional year. I should like to emphasize at least one additional year because I am advised from officials of both institutions that by fall of fiscal year 1977, Georgetown and George Washington Universities will have implemented a "permanent long term solution to their difficulties through a loan program that will take the place of this per capita program."

Fellow Members, I am privileged to sit on the House Appropriations Subcommittee on Labor-HEW. The need for this financial support to these institutions was made very clear. Without the support provided in this legislation, each student could be responsible for as much as $11,000 in tuition fees alone—this must not be. It may result in students having to foresake their medical and dental careers only because of lack of financial resources.

Fellow Members, I urge you to continue in your support for these two institutions for an additional year. By doing so, we benefit each and every State and territory by enabling these two fine institutions to continue to supply the Nation with the most capable physicians and dentists they have in the past.

Thank you, Mr. Chairman.

Mr. GUDE. Mr. Speaker, in regard to local services, as well as to the national clientele of those two institutions, I would like to point out that the Georgetown University Medical Center, among its many services, operates a psychiatric walk-in clinic, nurse-midwifery education program, hypertension program, dentistry clinics, and home care program for cancer patients of direct benefit to D.C. area residents and, in particular, inner-city residents.

Similarly, George Washington University is deeply involved in community services. Its hospital is specifically committed to the service of residents of D.C. Health Area 9, an area of 40,000 people, 17 percent of whom are at the poverty level. The hospital's emergency services and ambulatory care division serve tens of thousands of patients yearly.

Mr. Speaker, the thrust of this bill is to open wider the doors of medical schools here in the District to students of all economic levels, not just the wealthy. It is to keep these two unique institutions, which serve both at the national level and the local level, open and as thriving institutions.

The SPEAKER. The time of the gentleman from Maryland has expired.

(On request of Mr. MAZZOLI, and by unanimous consent, Mr. GUDE was allowed to proceed for 1 additional minute.)

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. I thank the gentleman for yielding.

I appreciate very much the gentleman's intelligent statement on the plight of those schools. I would like to just mention this, in order to put things in the proper frame of reference. In these 2 years since passage of the last extension, I think it is a matter of record that only 5.6 percent of all of the students in these two schools are black students, that only 4.1 percent of all of these students now are from the District of Columbia. So I wonder if the gentleman feels that there has been a discharge of this duty, which I fully concur in, to give some help to the disadvantaged student in getting into medical school.

Mr. GUDE. I would certainly say to the gentleman that at a national median income of families who have students in medical schools of $21,000, it is no wonder that these two institutions, which are in the same financial bind as medical schools all across the country, do not have many people of low and moderate income in training.

The SPEAKER pro tempore (Mr. O'NEILL). The time of the gentleman from Maryland (Mr. GUDE) has expired.

(On request of Mr. ASHBROOK and by unanimous consent, Mr. GUDE was allowed to continue for 2 additional minutes.)

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I was listening with great interest to what my friend and colleague, the gentleman from Maryland (Mr. GUDE), said. Possibly I misunderstand what this legislation would do.

The gentleman indicated there would be no problems with low-income and minority students if this bill did not pass, and that the medical school might become a haven for only the wealthy.

Is it the understanding of the gentleman in the well that this $5,000 per head only goes to needy students? I thought that it went to all students across the board.

Mr. GUDE. Mr. Speaker, it does go to all students across the board. I think we are interested in students who are just above the status of the needy student. We are interested in students from families with incomes between $15,000 and $18,000 that do not fall into the $21,000 national median range. I think we are all interested in all students across the board.

We do not want to make these schools havens for the poor, nor do we want to make them havens for the wealthy.

Mr. ASHBROOK. So, in other words, if a son or a daughter of the richest man in the country applied, we would still count that student in for $5,000?

Mr. GUDE. Certainly to the extent the schools are being supported, I think they would be supported across the board.

Mr. ASHBROOK. So really it does not just help the poor or the middle-income student, or it is not just related to them.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Massachusetts.

(On request of Mr. DRINAN and by unanimous consent, Mr. GUDE was allowed to proceed for 2 additional minutes.)

Mr. DRINAN. Mr. Speaker, I want to commend the gentleman in the well, the gentleman from Maryland (Mr. GUDE), and associate myself with his remarks.

I think one of the key issues here is this simple fact: that 45 State governments do in fact give funds to medical schools in their own jurisdictions. These are funds beyond those which the Federal Government gives by way of a capitation grant. I think it is relevant, for example, that Kentucky gives almost $5,000 to each student.

Why, therefore, should these two medical schools, which are in a unique position, not benefit by legislation which virtually every State has adopted?

The fact is, Mr. Speaker, that the tuition at these two institutions will triple if no relief is given and student loans are not available. Unfortunately, the hearings on this particular bill are not yet printed, but they demonstrate the urgency and the necessity for this legislation.

Finally, I think it is significant to note that 26 percent of the students in these two schools are from the District of Columbia, Virginia, and Maryland.

Mr. Speaker, I thank the gentleman for yielding.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, earlier today there was a discussion in which I believe my colleague, the gentleman from Kentucky (Mr MAZZOLI), stated that Mayor Washington is opposed to this legislation, as is the president of the City Council. I did not hear any Member contradict those statements.

Is this accurate, that the Mayor and the president of the City Council are both opposed to this legislation?

Mr. GUDE. To my knowledge, Mr. Speaker, the only opposition from the city government is on the grounds that this money might be expected to come out of its meager budget. The District government is presently strapped to take care of pensions and its many other obligations.

Beyond that, I know of no opposition to this legislation by anyone in the city government.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Speaker, I thank the gentleman for yielding.

I think all of us feel that we wish this did not have to be done, but I think we must face up to the set of facts here and be practical. We certainly do not want two of the finest medical schools in the Nation to have to close their doors. I believe this is the alternative if we do not take some action to help them in this situation.

As I understand it from the committee, this is a 1-year extension. The services that these two universities are providing include not only training but many other programs, such as are set forth in the report. That should cause the Members to understand what is being carried on by these two universities, and taken alone, the emergency services that are provided for the city are most outstanding and necessary to continue.

Therefore, it is not only training, but it is also service to the whole community. The leadership that they are carrying on in research has been most outstanding.

The SPEAKER. The time of the gentleman from Maryland (Mr. GUDE) has expired.

(On request of Mr. ROGERS and by unanimous consent Mr. GUDE was allowed to proceed for one additional minute.)

Mr. ROGERS. Mr. Speaker, will the gentleman yield further?

Mr. GUDE. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Speaker, I would join with the gentleman in urging the House to vote for the bill and to maintain the two outstanding schools.

Mr. GUDE. Mr. Speaker, I thank the gentleman for his remarks, and I commend him as being one of the leaders in the House in the field of medical technology and medical research.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Speaker, the Georgetown University Medical and Dental Schools and the George Washington Medical School have provided the Nation with quality doctors and dentists for many years. Graduates of these two schools serve in all 50 States, with 26 percent of them practicing in the Washington area. The two schools currently provide a number of crucial area health services including two health maintenance organizations, a psychiatric "walk-in" clinic, a midwifery program, a breast cancer screening program, a community mental health center, a hypertension program, a neighborhood nutrition program, and continuing education for the area's physicians, dentists, and nurses. All this is evidence of the Georgetown-George Washington contribution to this area's health manpower.

The financial difficulties of our schools of higher education are known to all of us, I am sure. The costs of college and graduate education have increased far beyond the means of most lower income and many middle income Americans. Nowhere is this so true as in the case of medical and dental schools. One national study indicated that the cost of a medical education was $12,650 per year in 1974. Adjusting for the rates of inflation in the two intervening years, this schooling might well cost as much as $15,300 now. The normal 4-year medical education would cost in the neighborhood of $60,000 which added to the current cost of an undergraduate education of around $24,000 adds up to a shocking $84,000 per student. This is a major investment for most individuals. If we concede that health care is a national problem, it seems appropriate that some public funds be made available to finance the education of the most important part of health care, the health care professional.

Most other States provide State subsidies to their medical and dental schools as the public investment in the education of future physicians and dentists. However, these two schools, which serve a national constituency, have no State to call on to provide such public subsidy. As a member of the District Committee's Subcommitee on Fiscal Affairs, I can assure my colleagues that there is no money to spare in the District budget to provide for these much needed medical and dental students. In this case, I believe it is entirely correct for the Federal Government to step in to provide the transitional funding these schools need until some sort of arrangement can be worked out with the District government, and until the District government is placed on a sound enough financial footing to help subsidize the public portion of these costs.

Questions have arisen as to whether ample consultation with the District government was made before coming to Congress for this extension. However, a year's worth of consultation would not have been enough to get the necessary funding from a strapped District government. Both schools have provided written assurances that this is the last year that they would approach Congress for funding through the District of Columbia medical and dental manpower bill and that future financing would be done through student loan assistance programs.

I would urge my colleagues to support this emergency measure which would provide temporary assistance to two truly national resources.

Mr. Speaker, I would just like to say to the gentleman from Maryland (Mr. GUDE) that I think all of us are sorry to bring this back for 1 more year.

However, if the other body had passed the comprehensive Health Manpower Training Act that the House of Representatives had passed, I think that this probably would not be a necessary factor, but right now we simply cannot load all of the unfunded pension programs which Congress provided plus the first year of home rule plus this other factor on top of the District of Columbia Government itself.

I suggest that when this comprehensive bill is passed by both bodies, I would not stand up here and ask for another year's aid, but it is vitally needed now and it is an emergency measure, and the House has had ample experience as to why it is necessary.

Mr. FAUNTROY. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of H.R. 12132, a bill to extend for 1 year the District of Columbia Medical-Dental Manpower Act of 1970. Without an extension, tuition costs for students attending Georgetown and George Washington Medical Schools will rise to an excess of $10,000 per academic year. This will mean that more than half of those who are presently attending these schools may be forced to drop out. These students are from every sector of this country attending medical schools which are a vital component in the supply of physicians and dentists in our Nation.

The schools which this legislation would aid are, of course, a local benefit. They employ more than 12,000 persons and contribute generally more than $250 million annually to the economy. The students contribute to the quality of health in our hospitals by working while they learn, as they must in any qualified clinical medical program. The District of Columbia has reciprocated as best it can through favorable tax treatment of the lands and other resources as well as in support of their general activities. The city is not, however, able to fund medical education by direct capitation grants. Neither should the city be asked to do this since these schools are a national resource as well as a local resource.

These two schools are among the finest of medical schools in the country. They have full-time faculties, excellent teaching and research facilities, and their own hospitals. They have programs devoted to the teaching and practice of community, family practice, and emergency medicine. Their equipment and the resources upon which they draw provides not only the present-state-of-the-healing-arts for their patients, they provide their students with a standard and a commitment for excellence in the practice of medicine.

Such an undertaking is not inexpensive. A school which has a full-time faculty must pay adequate salaries to attract good professors who might otherwise earn substantial salaries in private practice. Good schools must undertake research because students and professors must continuously seek to improve the art of healing. Students who return to communities to practice medicine must know what current trends are being explored, and they must know that the standard of practice in their communities will be measured in terms of the standard of practice available at major and important teaching facilities in our country.

It has been suggested that perhaps we can cut costs by cutting out some of these programs. I do not believe that this Congress wants to suggest that medical education should not proceed at a standard of excellence. We must face the fact that medical education is expensive, and we must decide whether or not we will continue to keep the commitments we have made that permit the average individual, who is not wealthy, to seek and obtain a medical education.

The fact is, of course, that if tuition at these schools rise to the anticipated $10,000 to $12,000, the seats will be filled. These schools, however, do not wish to be the haven for the wealthy. They are interested in teaching quality medicine to all persons who qualify for enrollment. A rise in tuition will mean a change in the emphasis of the kinds of medicine taught. The excellent programs in community medicine, family practice, urban practice, and emergency medicine would probably cease to exist.

We simply cannot expect students who will be paying $50,000 or more for an education to be interested or responsive to the concerns of our city or of our poor or even, indeed, of quality medicine, now or in the future. Their concern will come only to the extent that we evidence a concern for them in making it possible for those with moderate means to attend medical school.

Neither must we not permit our Nation's Capital to have schools which can only be attended by the wealthy. To that extent, your committee has taken steps to assure that these institutions are embarking upon programs which will assure attendance by residents of the District of Columbia, by minorities, and by those of moderate means. For these worthy goals to be accomplished, however, will require our aid—our support—through this legislation.

I yield back the balance of my time.

Mr. BIAGGI. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of the bill.

I do not regard the opposing arguments as sufficiently valid to warrant a negative vote. The fact of the matter is that the medical schools are necessary, and we would jeopardize the existing schools by not passing this bill. Even more importantly, we jeopardize the tuition rates. It is my understanding that failure of passage of this bill will mean that the tuition rates will be trebled from $5,000 to $15,000.

The gentleman from Maryland (Mr. GUDE) made it very clear that the medical profession will become the preserve of the wealthy in that case, but I have a question.

Mr. Speaker, I have conducted a survey of all of the medical schools in the country for the purpose of determining whether or not there has been any discrimination practiced against particular people, and I received, for the most part, very indepth and serious cooperation, with one exception. That exception is Georgetown.

Mr. Speaker, I address that remark to the chairman, the gentleman from Michigan (Mr. DIGGS), and I would like for the record to have the gentleman respond.

Mr. DIGGS. Mr. Speaker, if the gentleman will yield, the university does not have a breakdown beyond what is normally defined as minority groups; but from the figures provided me for those groups; namely, women and blacks, there are 317 females and 71 black Americans enrolled at the school. Some 21 are from the District of Columbia.

Mr. Speaker, from what I know to be their continuing commitment to the objectives that the gentleman is interested in, I believe that the ethnic diversity at the university follows and meets affirmative action guidelines.

Mr. BIAGGI. Mr. Speaker, I thank the gentleman from Michigan for his response.

The university did not have the decency to return a copy of their roster, as requested, while every other medical school did. It is this lack of cooperation that sometimes calls into question the arrogance of some administrators.

Mr. Speaker, I, of course, support the bill because we are talking about something more serious than personal pique. Let us not forget that it was not too long ago that we appropriated millions of dollars for a new military medical school. The same justification applies today. We cannot permit the educational and medical professions to be hampered in providing physicians for the needy of our Nation.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Speaker, I rise in support of the bill and join with my chairman and the other members of the committee in the House in supporting this bill.

It is truly an emergency measure. There would be dire consequences as far as medical training in this area is concerned if the bill did not pass.

Mr. Speaker, I urge my colleagues to support this bill.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I rise in support of the bill and join with my chairman and the other members of the committee in urging the House to support this bill. It is truly an emergency measure. We would have dire consequences as far as medical training in this area is concerned if this bill did not pass and again I urge my colleagues to support the measure.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman for yielding to me and I would like to ask the gentleman from Michigan (Mr. DIGGS) the chairman of the Committee on the District of Columbia what his attitude would be if we were to be in the same position I am in today as to what the response would be of the chairman of our committee to the receipt of a further request next year from the University of Georgetown and GW for another 1-year extension of the bill.

Mr. DIGGS. Mr. Speaker, if the gentleman will yield, I can assure the gentleman from Kentucky that I take literally the communication that was sent to the committee, addressed to me, signed by the president of both of these universities that the extension is merely for 1 year and that they will not return under any circumstances for a further request, and therefore I would be in the same position the gentleman from Kentucky presently is in.

Mr. MAZZOLI. Mr. Speaker, if the gentleman will yield still further, I would like to direct a question to the gentleman from California (Mr. DELLUMS) and that would be what his response would be to the same question that I directed to the chairman of our committee, the gentleman from Michigan (Mr. DIGGS), as to what the gentleman would expect would happen a year from now were we then to be in the same position I am now and a request came in for another extension.

Mr. DELLUMS. Mr. Speaker, if the gentleman would yield, I would respond to the gentleman's inquiry in the same vein as did the distinguished chairman of our committee, the gentleman from Michigan (Mr. DIGGS), and that is that I too take literally the statement made in the letter that was signed by the presidents of both Georgetown and George Washington Universities that they would not under any circumstances ask us for any additional money beyond this extension of fiscal year 1977. I would assume those gentlemen were telling the truth. My response would be that I would not look with favor upon going beyond the time that is covered in this request.

The SPEAKER. The time of the gentleman has expired.

Mr. NOWAK. Mr. Speaker, I rise in support of H.R. 12132, an emergency bill to extend for 1 year the authorization for subsidy payments to the Georgetown University Schools of Medicine and Dentistry and the George Washington University School of Medicine.

The presidents of both these institutions have stated that, without this legislation these schools could not continue in operation. The schools have a total of 1,900 students from 47 States, including 472 from my home State of New York.

The total maximum cost of this bill for fiscal 1977 is estimated at approximately $9 million. The funds are provided by the Department of Health, Education, and Welfare under a formula of up to $5,000 per medical student enrolled and $3,000 per enrolled dental student.

Both Father Henle, the president of Georgetown, and Dr. Elliott, the president of GW University, have pledged that it is their "universities' determined commitment" to seek future financing through a student loan assistance program. They intend to have that program in place by fiscal 1978. They have also pledged to work with the District Council and Mayor Washington to arrive at a specific formula to increase the number of District students enrolled in these schools.

I urge the House to approve this needed interim financial assistance.

Mr. BIESTER. Mr. Speaker, I rise in support of the bill H.R. 12132 extending for 1 year the District of Columbia Medical and Dental Manpower Act.

As previous speakers have described, the legislation provides grants of up to $5,000 per medical student and up to $3,000 per dental student to the medical and dental schools at Georgetown and George Washington Universities, entailing an authorization of approximately $9 million.

Neither as a governmental entity under congressional control nor now as a more independent unit with the advent of home rule does the city of Washington have the financial resources necessary to assist these private institutions in offsetting the rising costs of educating their students. While it is not an uncommon practice for State governments to provide some form of State aid to such medical institutions—and 16 of the 27 States with private medical schools do—we all are aware that the District of Columbia presently is not in a financial position to be of similar assistance. The city simply does not have the money and neither do the schools. Expecting the universities somehow to absorb the difference between tuition and the actual costs of education, or to double tuition or to cut back drastically on enrollment are, it seems to me, unrealistic alternatives.

In supporting this legislation I do so with an attitude which I believe is shared by many of my colleagues on the District of Columbia Committee: That these institutions are in a rather unique position for which some special consideration can be argued and that an "emergency" situation exists which warrants a limited but immediate response from Congress.

By reason of their location in the Nation's Capital in proximity to NIH and other government health facilities and on the basis of the recognized high quality education they provide, these institutions attract students from across the country—48 states are represented in the enrollments—and they contribute to the advancement of the medical sciences and the profession in especially valuable ways. At the same time they are looked upon to contribute meaningfully to the furtherance of basic health services and career opportunities here in the community in which they are located. Perhaps more than any other medical and dental complexes, these schools have heavy demands placed upon them simultaneously as both national and local resources. During the time a student resides in the city, the area benefits from his presence. Upon graduation, however, he probably will relocate elsewhere. To the city, then, each individual student is likely to be only a temporary resource. Collectively, however, the students provide continuous and critical health manpower services to the metropolitan area. To reject the schools appeal would jeopardize the physical health of the city and impair the quality of medicine in our country.

In agreeing to continue this act for another year I am influenced by a number of factors.

The schools rank among the very highest in the nation in tuition charged. They have reluctantly, I am certain, but realistically increased their tuition in an attempt to keep pace with the rising costs of their specialized education. Their most recent increases of up to 150 percent place them at what must be the limits of what they can charge without imposing a totally impossible financial burden on their students.

In terms of the quality of the facilities and the education they provide these schools are among the best in the country. This is not achieved at small cost, and it is my impression that both universities have pursued the goal of excellence in an administratively and financially resourceful manner.

As institutions located in a city with a near insatiable demand for improved and expanded health services, Georgetown and George Washington have ongoing programs providing medical and dental care to those in the community who cannot afford the costs. By way of direct involvement with patients and through affiliation with other hospitals and health agencies, the schools and their students are demonstrating a significant commitment to the people of the community at large. With the very real need for more ambitious outreach programs in the city to bring medical personnel and the needy together, I do not doubt but that these schools can do more, and I hope we can count on them to further their service to area residents.

Despite the District of Columbia governments inability to contribute toward the full financial assistance needed by the schools which Congress has made available through this act, I do not believe it is unreasonable to look to the city for some manner of concrete acknowledgment for the health services its citizens realize from the universities. In this regard it is encouraging to note that the schools and the District of Columbia government have initiated prospective plans whereby the city government will contribute to the tuitions of those District of Columbia residents accepted by these medical/dental schools. With the schools earmarking slots for local students and planning to increase awareness of health programs and career opportunities for those in the city, it seems to me that a more cooperative and productive mutual relationship can be fostered between the schools and the residents of Washington.

In my own evaluation whether this legislation should be adopted, I believe it must be made abundantly clear, as the schools have been told, that this is the last time—and I stress, the last time—they can expect to come before Congress for a continuation of this act. School officials have stated verbally and in writing their complete understanding and acceptance of this fact. It is an emergency extension for 1 year. The solution to the problem, hopefully, will be found in the approach being pursued which would establish a tuition loan assistance plan with Federal guarantees and payment of interest or repayment of financial assistance through service in underserved health areas.

I fully understand the reservations which have been expressed regarding this legislation. But because sincere efforts are being made to ameliorate what has become a difficult situation and because this is the final year for the authorization, I hope my colleagues will join in supporting a 1-year extension of this investment in the pursuit of quality health care in this city and nation.

Mr. BOLAND. Mr. Speaker, I urge support for H.R. 12132. I think all of us know what it means to these medical and dental students to have this bill passed. However, we must also consider what it means to the people of the District of Columbia to have the bill passed. The conference report states that at least six of the District's nine service areas lack sufficient physician manpower to serve the needs of individuals in those areas. Some areas are severely deficient in physician services. We should not allow this situation to continue in the Nation's Capital. This bill is one step toward alleviating that situation. Without the aid it authorizes, there may well be more than six areas that are underserviced.

The medical institutions that are funded by this bill—Georgetown and George Washington—provide valuable and needed medical and dental services to the people of the District. Without the funding provided by this bill, these services will be greatly curtailed. This bill is an emergency measure. The situation of these two schools is unique because of their location in the District of Columbia. Without the relief provided by this bill, they could not continue to operate. We handled the same problem last year by authorizing the legislation we now seek to extend. This is the last time that such a bill will be necessary. It is also of crucial importance to these two schools and to the District. I think we must treat the situation as an emergency and move as quickly as possible to insure passage of H.R. 12132. I urge that my fellow Members pass this vital bill.

Mr. DIGGS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 264, nays 90, answered "present" 1, not voting 78, as follows:

[Roll No. 189]

YEAS—264

Abdnor
Abzug
Adams
Addabbo
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Mass.
Burton, Phillip
Butler
Byron
Carney
Carr
Clay
Cohen
Conable
Conte
Corman
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Fary
Fascell
Fenwick
Fish
Fisher
Flood
Florio
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Fuqua
Gaydos
Giaimo
Gilman
Gonzalez
Goodling
Gude
Guyer
Hagedorn
Hall
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Leggett
Lent
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lundine
McClory
McCormack
McDade
McFall
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Passman
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Regula
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Walsh
Whalen
Whitten
Wiggins
Wilson, C. H.
Winn
Wirth
Wolff
Wydler
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NAYS—90

Alexander
Archer
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Brinkley
Brown, Mich.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Findley
Fithian
Frenzel
Frey
Ginn
Goldwater
Gradison
Grassley
Haley
Hamilton
Hansen
Hubbard
Hutchinson
Jarman
Jones, N.C.
Kelly
Ketchum
Latta
Levitas
Lloyd, Tenn.
Lott
McCollister
McDonald
Martin
Mathis
Mazzoli
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
Paul
Pike
Poage
Quillen
Risenhoover
Robinson
Rousselot
Runnels
Satterfield
Schneebeli
Schulze
Shuster
Smith, Nebr.
Snyder
Spence
Steed
Steiger, Ariz.
Symms
Taylor, Mo.
Teague
Treen
Vander Jagt
Waggonner
Wilson, Bob
Wylie
Young, Fla.
Young, Tex.

ANSWERED "PRESENT"

Rosenthal

NOT VOTING—78

AuCoin
Badillo
Barrett
Bell
Bevill
Bolling
Breckinridge
Burke, Calif.
Burton, John
Chisholm
Collins, Ill.
Conlan
Conyers
Cornell
Crane
de la Garza
Dingell
du Pont
Early
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Flowers
Flynt
Ford, Tenn.
Gibbons
Green
Harsha
Hayes, Ind.
Hébert
Heinz
Henderson
Hinshaw
Holland
Ichord
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Kindness
Landrum
Lehman
Lujan
McCloskey
McEwen
McHugh
McKay
Macdonald
Melcher
Michel
Nedzi
Nix
O'Hara
Patten, N.J.
Pepper
Pickle
Randall
Rees
Rhodes
Roberts
Roush
Sarbanes
Scheuer
Stanton, James V.
Stark
Steelman
Symington
Udall
Ullman
Vigorito
Wampler
Waxman
Weaver
White
Whitehurst
Wilson, Tex.
Wright
Young, Alaska

The Clerk announced the following pairs:

Mr. Hébert with Mr. Bell.
Mr. John Burton with Mr. Harsha.
Mr. Badillo with Mr. Rhodes.
Mr. Melcher with Mr. Conlan.
Mr. Jones of Tennessee with Mr. Steelman.
Mr. Holland with Mr. Heinz.
Mr. Green with Mr. Crane.
Mr. Hayes of Indiana with Mr. du Pont.
Mr. Patten with Mr. Johnson of Pennsylvania.
Mr. Pepper with Mr. Whitehurst.
Mr. Reese with Mr. McCloskey.
Mr. James V. Stanton with Mr. Esch.
Mr. Stark with Mr. McEwen.
Mr. Vigorito with Mr. Young of Alaska.
Mr. White with Mr. Lujan.
Mr. Wright with Mr. Eshleman.
Mr. Waxman with Mr. Randall.
Mrs. Chisholm with Mr. Scheuer.
Mrs. Burke of California with Mr. Udall.
Mr. Barrett with Mr. Wampler.
Mr. Ichord with Mr. Kindness.
Mr. Macdonald of Massachusetts with Mr. Cornell.
Mr. McHugh with Mr. Ford of Tennessee.
Mr. Nix with Mr. Jones of Alabama.
Mr. Nedzi with Mr. Landrum.
Mr. Weaver with Mr. Ullman.
Mr. Roberts with Mr. Charles Wilson of Texas.
Mr. Pickle with Mr. Michel.
Mr. O'Hara with Mr. McKay.
Mr. Bevill with Mr. Conyers.
Mr. de la Garza with Mrs. Collins of Illinois.
Mr. Flowers with Mr. Dingell.
Mr. Flynt with Mr. Evins of Tennessee.
Mr. AuCoin with Mr. Early.
Mr. Evans of Indiana with Mr. Sarbanes.
Mr. Roush with Mr. Henderson.
Mr. Symington with Mr. Breckinridge.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 12132) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PROHIBITING THE UNLAWFUL USE OF A RENTED MOTOR VEHICLE

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 10826) to amend the act establishing a code of law for the District of Columbia to prohibit the unauthorized use of a motor vehicle obtained under a written rental or other agreement, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 10826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 826b of the Act entitled "An Act to establish a code of law for the District of Columbia", approved March 3, 1901 (D.C. Code, sec. 22–2204), is amended to read as follows:

"SEC. 826b. UNAUTHORIZED USE OF A VEHICLE.—(a) Any person who, without the consent of the owner, shall take, use, operate, or remove or cause to be taken, used, operated, or removed, from a garage, stable, or other building, or from any place or locality on a public or private highway, park, parkway, street, lot, field, enclosure, or space, a motor vehicle, and operate or drive or cause the same to be operated or driven for his own profit, use, or purpose shall be punished by a fine not exceeding $1,000 or imprisoned not exceeding five years, or both such fine and imprisonment.

"(b) (1) It shall be a violation of this subsection for any person, after renting, leasing, or using a motor vehicle under a written agreement which provides for the return of the vehicle to a particular place at a specified time, to knowingly fail to return the vehicle to such place (or to any authorized agent of the party from whom the vehicle was obtained under the agreement), within eighteen days after written demand is made for its return, if the conditions set forth in paragraph (2) are met. Any person who violates this subsection shall be fined not more than $1,000 or imprisoned not more than three years, or both.

"(2) The conditions referred to in paragraph (1) are as follows:

"(A) The written agreement under which the motor vehicle is obtained contains the following statement: 'WARNING—failure to return this vehicle in accordance with the terms of this rental agreement may result in a criminal penalty of up to three years in jail'. Such statement shall be clearly and conspicuously printed in a contrasting color, set off in a box, and signed by the person obtaining the motor vehicle in a space specially provided.

"(B) There is clearly and conspicuously displayed on the dashboard of the motor vehicle the following notice: "NOTICE—failure to return this vehicle on time may result in serious criminal penalties.'.

"(C) The party from whom the motor vehicle was obtained under the agreement makes a written demand for the return of the vehicle, either by actual delivery to the person who obtained the vehicle, or by deposit in the United States mails of a postpaid registered or certified letter, return receipt requested, addressed to such person at each address set forth in the written agreement or otherwise provided by such person. Such written demand shall clearly state that failure to return the vehicle may result in prosecution for violation of the criminal law of the District of Columbia punishable by up to three years in jail. Such written demand shall not be made prior to the date specified in the agreement for the return of the vehicle, except that, if the parties or their authorized agents have mutually agreed to some other date for the return of the vehicle, then such written demand shall not be made prior to such other date.

"(3) This subsection shall not apply in the case of a motor vehicle obtained under a retail installment contract as defined in paragraph (9) of the first section of the Act of April 22, 1960 (D.C. Code, sec. 40–901(9)).

"(4) It shall be a defense in any criminal proceeding brought under this subsection that a person failed to return a motor vehicle for causes beyond his control. The burden of raising and going forward with the evidence with respect to such defense shall be on the person asserting it. In any case in which such defense is raised, evidence that the person obtained the vehicle by reason of any false statement or representation of a material fact, including a false statement or representation regarding his name, residence, employment, or operator's license, shall be admissible to determine whether the failure to return such vehicle was for causes beyond his control.

"(c) For the purposes of this section the terms 'motor vehicle' and 'vehicle' mean any automobile, self-propelled mobile home, motorcycle, truck, truck tractor trailer (with a gross weight in excess of two thousand pounds), or bus.".

With the following committee amendment:

On page 4, beginning in line 19, strike out "truck tractor trailer (with a gross weight in excess of two thousand pounds)," and insert in lieu thereof "truck tractor, truck tractor with semi or full trailer.".

The committee amendment was agreed to.

Mr. DIGGS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the purpose of H.R. 10826 is to fill a gap in existing law in the District of Columbia relating to the unauthorized use of motor vehicles (D.C. Code, Title 22, Sec. 2204) so as to permit more effective prosecution for unlawful use of rented motor vehicles in the District. This bill, if enacted into law, would promulgate for the District a vehicle conversion law similar in substance or effect to statutes in force in many States throughout the country.

MAJOR PROVISIONS OF THE BILL

Section 826b of the act of 1901 to establish a code of law for the District of Columbia is amended as follows:

Subsection (a) reenacts existing law, which makes it a crime for a person to take or use a motor vehicle without the owner's consent.

Subsection (b) is new law, which makes it a crime for a person who rents, leases, or uses a motor vehicle under a written agreement, to knowingly fail to return the vehicle within 18 days after written demand is made for its return, provided certain conditions have been met. These conditions, designed to protect honest lessees, are as follows: the written agreement must contain a conspicuous notice that failure to return the vehicle may result in serious criminal penalties; the vehicle dashboard must contain a similar notice; the lessor must make a written demand for return of the vehicle, either by actual delivery to the lessee or by registered mail, and such written demand must contain a similar notice. Application of the act to only those who knowingly fail to return the vehicle, is intended to exclude those cases in which the failure was due to mistake, inadvertence or accident. This subsection also establishes a defense that the failure to return the vehicle was for causes beyond the lessee's control.

Subsection (c) defines motor vehicle to mean any automobile, self-propelled mobile home, motorcycle, truck, truck tractor, truck tractor with semi or full trailer or bus.

NEED FOR THE LEGISLATION

This legislation is needed in order to provide the criminal justice system in the District of Columbia with the specifics with which to prosecute against the serious abuses of motor vehicle rental agreements in the District, namely, failure to return rented motor vehicles at the end of the contract rental period. Typically, the vehicle is initially rented pursuant to normal procedures, but it is subsequently converted to use of the lessee, who has no real intention of returning the vehicle to its owner.

Conversion of property belonging to another person is a purely statutory offense, not a crime under the common law. The existing District of Columbia statute dealing with unauthorized use of motor vehicles (D.C. Code, title 22, sec. 2204) is what is commonly known as a "joyriding" statute, because it makes it a felony to take or use a motor vehicle without the consent of the owner even though the user may have no intent to permanently deprive the owner of his vehicle. This statute has been found in several court decisions to be inadequate for prosecution of vehicle rental agreement violations. It was enacted in 1913, long before car rental abuses became a problem. It was not designed to reach a person who initially takes or uses the vehicle with the consent of the owner, and who subsequently intends to deprive the owner of his vehicle.

In the absence of a statute specifically dealing with unauthorized conversion of rented vehicles, such an offense can be punished by establishing that a larceny or embezzlement has occurred. However, proof of larceny is often difficult because of the special circumstances involved in a case where the vehicle was initially taken with the consent of the owner, and the intent to steal it is not manifest until a later point in time. Similarly, the embezzlement statute in the District of Columbia applies only to breaches of trust emanating from an employer/employee or principal/agency relationship, neither of which arise in the typical car or truck rental arrangement. The instant legislation fills this gap in the law of the District.

Losses suffered by member firms of the Car and Trucking Renting and Leasing Association—CATRALA—of the District of Columbia have been substantial. Figures submitted by industry representatives indicate for the 2 years 1973 and 1974 there were 1,439 conversions of rental vehicles. Total losses to the car rental firms for the 2 years were estimated at more than $800,000, including rental revenue losses for the vehicles eventually recovered, and replacement values for those vehicles not recovered. In addition, it was estimated the District of Columbia government may have lost $40,000 in use taxes on these vehicles. One of the "Big Three" national car rental firms alone averaged more than 10 conversions per month in the District of Columbia. This one firm loses by conversion a car every 3 days here. In New York, where this firm rents many times the volume of vehicles, it loses a lower percentage of rentals to conversion than in the District.

Comparison of losses of motor vehicles occurring in the District with those in nearby surrounding jurisdictions may be a further reflection on the deficiencies of the law in the District. It was estimated that the CATRALA firms rent or lease twice as many vehicles in the suburban Maryland and Virginia areas as they do in the District of Columbia, yet their conversion losses in the suburbs are one-half such losses in the District. Both Maryland and Virginia have criminal statutes dealing with the offense of motor vehicle conversion.

LEGISLATIVE HISTORY

H.R. 10826 had its genesis in various bills introduced previously, namely, H.R. 9604 in the 92d Congress (H. Rept. No. 92-1496), H.R. 341 and H.R. 6205 in the 93d Congress (Hearings March 26, 1973), and H.R. 4756 in the 94th Congress.

Hearings on H.R. 4756 were held by the Subcommittee on the Judiciary on October 10, 1975, at which the principal Assistant U.S. Attorney for the District of Columbia, and representatives from the District government and from the car rental industry testified strongly in favor of the bill. No testimony was presented in opposition to the bill.

Subcommittee markups were held November 13 and November 18, 1975, during which various language improvements were made. A clean bill, H.R. 10826, was favorably reported by unanimous voice vote to the full committee on November 18, 1975.

The language improvements were designed to require reasonable notice to the lessee of possible criminal penalties for failure to return the vehicle. The subcommittee wanted to be sure that the merely careless or genuinely forgetful lessee would not be subject to criminal consequences without every reasonable step taken to put him on adequate notice thereof. Three such notice requirements were added: in the leasing contract; on the vehicle dashboard; and in the written demand for the return of the vehicle. Most importantly, the subcommittee added the word "knowingly" to the main operative subsection, so as to make it a violation for any person to "knowingly fail to return" the vehicle, provided the remaining requirements of the act are met.

The U.S. Attorney's Office advised that the standard instruction for juries sitting in criminal cases in the District of Columbia defines "knowingly" as follows:

> An act is done knowingly if done voluntarily and purposely, and not because of mistake, inadvertence, or accident.

It is intended that such definition of "knowingly" be adopted in interpreting or enforcing this act. Thus no violation would occur when the failure to return the vehicle was due to mistake, inadvertence, or accident. This added requirement that the failure to return must be done "knowingly," combined with the safeguards inherent in the three separate notice or warning requirements, the 18-day waiting period, the "causes beyond control" defense, and normal prosecutorial discretion, should provide adequate protection against injustice in any legitimate factual circumstance one could reasonably imagine. Interested parties, including the U.S. attorney's office and the car rental industry representatives, were consulted about these added requirements, and they support the reported bill as a reasonable balancing of competing interests. Others in support of vehicle conversion statute for the District of Columbia include the Mayor, the Chairman of the Council, the Car and Truck Renting and Leasing Association, and the Metropolitan Washington Board of Trade.

Mr. Speaker, I yield back the balance of my time, and I suggest the recognition of the gentleman from South Carolina (Mr. MANN), chairman of the subcommittee which held hearings with respect to the pending bill.

Mr. MANN. Mr. Speaker, I move to strike the requisite number of words. Mr. Speaker, H.R. 10826 would amend the D.C. Code to prohibit the unlawful use of a rented or leased motor vehicle in the District of Columbia.

The purpose of the bill is to fill a gap in existing law in the District of Columbia relating to the unauthorized use of motor vehicles[1] so as to permit more effective prosecution for unlawful use of rented motor vehicles in the District. The proposed legislation, if enacted, would promulgate for the District a vehicle conversion law similar in substance or effect to statutes in force in many States throughout the country.

The bill makes it a crime for a person who rents, leases or uses a motor vehicle under a written agreement, to knowingly fail to return the vehicle within 18 days after written demand is made for its return, provided certain conditions have been met. These conditions provide every reasonable notification to the lessee that the vehicle is overdue and that he risks criminal prosecution if he fails to return it.

This legislation is designed to deal with a problem which has plagued the car rental industry for many years; namely, the failure to return rented motor vehicles at the end of the contract period. Typically, the vehicle is initially rented pursuant to normal procedures, but it is subsequently converted to the use of the lessee, who has no real intention of returning the vehicle to its owner.

Conversion of property belonging to another person is a purely statutory offense, not a crime under the common law. The existing District of Columbia statute dealing with unauthorized use of motor vehicles has been found in several court decisions to be inadequate for prosecution of vehicle rental agreement violations.[2] It was enacted in 1913, long before car rental abuses became a problem. It was not designed to reach a person who initially takes or uses the vehicle with the consent of the owner, and who subsequently intends to deprive the owner of his vehicle.

Losses suffered by the car rental industry in the District have been substantial. Figures submitted by industry representatives indicate more than 1,400 conversions of rental vehicles involving losses of more than $800,000 occurred in the combined 2 most recent years for which statistics are available.

H.R. 10826 fills the gap in the law of the District. The bill is supported by the Mayor, the Chairman of the D.C. Council, the U.S. Attorney for the District of Columbia, the Car and Truck Renting and Leasing Association, and the Metropolitan Washington Board of Trade.

Mr. RAILSBACK. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I simply want to associate myself with the timely and cogent remarks of the chairman of our Subcommittee on Judiciary.

I want to draw your attention particularly to the serious losses incurred by the car and truck rental firms in the District of Columbia. During 1973 and 1974, one of the "Big Three" car rental firms alone averaged one car loss every 3 days in the District of Columbia due to conversion. This state of affairs is intolerable and I sincerely believe that enactment of this law will help not only to reduce this high rate of loss, but will also facilitate apprehension of offenders by means of the National Crime Information Center system.

In addition, we should take special notice of the bill's very, very carefully drawn safeguards established to exclude from the bill's coverage those very few careless or forgetful individuals who innocently fail to return a rented vehicle. This safeguard is found in the terms of subsection (b)(1):

> It shall be a violation . . . to *knowingly* fail to return the vehicle . . .

The term "knowingly" is defined in the standard jury instruction in the District of Columbia to exclude acts done "mistakenly," "accidentally," or "inadvertently" and to include only acts done "voluntarily and purposefully." Thus no violation occurs when failure to return is due to mistake, inadvertence, or accident.

In addition, both the forgetful and careless customers, as well as those who purposefully fail to return a vehicle will be protected by the bill's very carefully designed safeguards requiring notice of possible criminal penalties for failure to return a rented vehicle. For example, notice is given not only in contrasting colors in the rented contract, but also in a written demand sent to the customer by registered or certified letter.

Finally, I bring to your attention subsection (4) which provides an affirmative defense for an individual who fails to return a motor vehicle for "reasons beyond his control."

I urge you to support this bill and thus to join in bringing the District's law for this offense in line with the laws of the 50 States, and helping to reduce the incidence and high cost of this crime.

Mr. FAUNTROY. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of the bill, H.R. 10826, to provide for a code of law that would prohibit the unauthorized use of a motor vehicle obtained under a written rental or other agreement.

With the coming months, increasing numbers of individuals will be arriving in the District of Columbia and many of them will be seeking to rent automobiles. The auto rental industry is a vital component of the services that tourists expect in this city, and it is a vital component in our efforts to encourage visitors to arrive in Washington without their cars.

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[1] D.C. Code, Sec. 22-2204.

[2] *E.g., U.S.* v. *McLaughlin,* 278 F. Supp. 320 (D.D.C. 1967).

Without the passage of this legislation however, the few remaining car rental agencies located in the District of Columbia will probably leave or, in the alternative, impose extremely rigid and strict requirements upon persons seeking to rent an automobile. The impact would be in direct opposition to the encouragement of businesses locating in the city and contrary to the efforts of encouraging people to rely more directly upon public transportation and public services. Where rental cars are reasonable in price and reasonably accessible, persons with a marginal requirement for car ownership can rely upon auto rentals as a dependable adjunct of transportation.

I think it is also fair to indicate that increasingly strict or nonexistent rental agencies can directly impact upon the less wealthy who may not be able to afford the regular ownership of a car. They can afford car rentals, when they need them, but they may not have the national credit cards that rental agencies demand. With laws that make the theft of a rental car punishable by fine or imprisonment, we help to keep the rental rates reasonable, keep business in this city, and make transportation accessible to our visitors and those who do not wish to own an automobile.

This legislation has been carefully drafted. There are more than adequate safeguards that will relieve anyone who may inadvertently keep a car or merely drop it at an airport terminal. The conversion takes place only when one knowingly fails to return the automobile after demand has been made pursuant to the rental agreement. According to the rules of evidence, as they are set forth in criminal jury instruction for the District of Columbia, an act is done "knowingly":

> If done voluntarily and purposely, and not because of mistake, inadvertence, or accident.

This is good legislation; it is needed, and it is supported by the city government.

I yield back the balance of my time.

Mr. BIESTER. Mr. Speaker, the District of Columbia Criminal Code is sufficiently deficient on the matter of unreturned rental vehicles that the legislation before us, H.R. 10826, is necessary to fill this void in the law. The special circumstances which involve vehicles leased under consent of the owners and the question of proving intent to steal have made prosecution as larceny or embezzlement unrealistic as a practical matter. Cooperative efforts among the car leasing industry, the police department and the U.S. Attorneys office have been constructive, but in the absence of an effective statute specifically addressed to this problem we cannot expect a truly satisfactory resolution of the question.

Being forthcoming with our continuing responsibilities in matters of criminal law in the District as specified under home rule requires that we provide the legislation necessary to correct a problem which costs car rental companies in the city—and, indirectly and ultimately, an expense which is borne by all car rental customers—an average of $400,000 per year.

As provided in the legislation charges can be brought against a person who knowingly fails to return a rented or leased motor vehicle within 18 days after a written demand is made for its return. The members of the Judiciary Subcommittee which originally considered the bill spent considerable time and went to great lengths to incorporate requirements of the lessor which would safeguard the rights of the lessee. The lessee who, through inadvertence, fails to return a vehicle on the original due date is provided ample opportunity to comply with the written terms of the contract he has signed prior to becoming liable under provisions of this law. "Causes beyond" the lessee's control are grounds for defense in any prosecution which may be brought.

All States have laws covering unlawful conversion, some of which are more demanding of the lessee than H.R. 10826 and some of which provide for greater penalties than the $1,000 fine and/or imprisonment for up to 3 years called for in this bill. Adoption of this legislation would place the District of Columbia in a comparable position with most States on this point of law.

The target of this legislation is specifically that individual who knowingly or with premeditation leases and does not return a rented vehicle. For this reason I consider this legislation a needed addition to the city's criminal law, and I urge its adoption by my colleagues.

Mr. DIGGS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 3056, GUATEMALA RELIEF AND REHABILITATION ACT OF 1976

Mr. DIGGS. Mr. Speaker, I call up the conference report on the Senate bill (S. 3056) to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan.

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 6, 1976.)

Mr. DIGGS (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Michigan

There was no objection.

The SPEAKER. The gentleman from Michigan (Mr. DIGGS) is recognized for 30 minutes.

Mr. DIGGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to seek approval of the conference report on S. 3056. The Guatemala Relief and Rehabilitation Act of 1976 which authorizes $25 million for disaster asistance to the people of Guatemala victimized by an earthquake in February.

As a result of this tragedy over 22,000 people died, 74,000 sustained injuries, and more than 1,000,000 were left homeless. Funds requested under this bill will be used to rebuild homes and basic community services for people in the rural areas, open up rural roads blocked by landslides, make repairs on the principal Guatemala City-Puerto Barrios Highway, and reimburse $7,500,000 of the amount expended on Guatemala to the disaster assistance fund.

The bill which emerged from the conference committee retains all of the House amendments, and includes certain Senate provisions that we believe strengthen the legislation.

Instead of being a freestanding bill, S. 3056 now amends the Foreign Assistance Act of 1961 by adding a new section 495a entitled "Guatemala Relief and Rehabilitation." This procedure is consistent with the way we have handled supplemental disaster assistance for the Sahel, Pakistan, and Bangladesh, and Nicaragua over the past 3 years.

In order to assure that the congressional guidelines outlined in the Foreign Assistance Act are respected, we accepted the Senate's mandatory language requiring that funds authorized be governed by the provisions of section 491 of the 1961 act. Section 491 recognizes that prompt U.S. assistance to alleviate human suffering caused by natural and man-made disasters is an expansion of the humanitarian traditions of the American people, and states that—

> The assistance provided by the United States shall, to the greatest extent possible, reach those most in need of relief and rehabilitation. . . .

Again in the interest of reaffirming congressional guidelines we accepted a Senate provision designed to prevent the transfer of any funds made available under the act to other program accounts as outlined by section 610(a) of the Foreign Assistance Act.

The House amendments introduced by the gentleman from New York (Mr. SOLARZ) providing for the use of seismic resistant materials, to the maximum extent possible, in the construction of housing in Guatemala; and providing that assistance made available be distributed to the maximum extent practicable through U. S. voluntary relief agencies and other international relief and development organizations were retained.

Similarly, the Senate accepted the gentleman from West Virginia, Mr.

HECHLER's amendment restricting the amount to be expended on the Puerto Barrios-Guatemala City Highway to $4,000,000.

Finally, the present bill provides that the President shall transmit a report to the Congress on the programing and obligation of these funds 60 days after the enactment of appropriations. The figure represents a compromise between the 90-days provision of the House bill, and the 30-day deadline embodied in the Senate bill.

Mr. Speaker, this is legislation in which we can take great pride. Americans throughout the country have expressed their concern for the Guatemalan people through individual and organizational contributions.

The United States was one of the first countries to ship supplies and relief personnel into Guatemala general hours after the first tremor on February 4. To date $12,000,000 has been committed to Guatemala from the disaster assistance fund. Officials at the Agency for International Development informed me that the first 100,000 tin roofs will be shipped to Guatemala by April 19.

While the American response has been impressive, I must stress that this is an international effort. Over 32 nations and several regional and international organizations have and continue to commit resources to assist Guatemala. According to the United Nations Relief Organization—UNDRO—as of April 11, the 32 countries had contributed $13,942,050 and the United Nations agencies, individuals, the Red Cross, and other private voluntary agencies combined had already given $20,221,012 for a total of $34,163,061. Moreover as indication of the government's desire to help itself, on April 10 the Guatemalan Congress approved a $122 million bond issue to pay for earthquake rehabilitation.

Mr. Speaker, in a world too frequently divided by political conflict and plagued by widespread poverty, this country should continue to make its vast resources available to alleviate human suffering resulting from natural disasters.

Therefore, Mr. Speaker, I urge unanimous support for the conference committee report on S. 3056.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman from Michigan yield?

Mr. DIGGS. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, as the gentleman from Michigan (Mr. DIGGS) knows, I made a trip to Guatemala during the Lincoln Birthday recess. Subsequent to that, I testified before the subcommittee which the gentleman chairs.

I also introduced an amendment on the floor to limit the amount of authorization for repairs to the Puerto Barrios Highway to $4 million rather than $7.5 million, which amendment was adopted in the House.

We have in West Virginia one of the most dangerous highways in the Nation—the two-lane West Virginia Turnpike—which has been incorporated into the interstate system. People from all over the Nation are being killed and injured on this dangerous stretch of highway, which would take $300 million to upgrade to interstate standards. We could certainly use Federal funding, along the lines of legislation I have introduced for a speedy upgrading of this turnpike.

I would like to ask the gentleman what disposition was made by the conference committee of the amendment I sponsored in the House to limit the amount of assistence to the Puerto Barrios Highway in Guatemala.

Mr. DIGGS. Mr. Speaker, before responding directly to that question, may I again compliment the gentleman from West Virginia (Mr. HECHLER) for his constructive contributions to the development of this legislation.

The gentleman traveled at his own expense and under his own motivation to Guatemala and engaged in a very constructive fashion in trying to resolve these problems. He returned and testified before our committee and testified before the Committee on Rules in a way that gave us a deeper insight into this tremendous tragedy.

Mr. Speaker, the gentleman is to be highly commended for the humanitarian spirit that he manifested in connection with this tragedy. I am delighted to assure the gentleman that the amendment that he offered restricting the amount to be expended for this highway to $4 million has been retained in the conference report.

Mr. HECHLER of West Virginia. Mr. Speaker, I think the gentleman from Michigan (Mr. DIGGS) and also the gentleman from New York (Mr. GILMAN) who aided in providing the leadership to get this important legislation passed.

The SPEAKER. The gentleman from New York (Mr. GILMAN) is recognized for 30 minutes.

Mr. GILMAN. Mr. Speaker, I strongly support this conference report on the Guatemala Relief and Rehabilitation Act of 1976.

In my opinion, this report represents an excellent compromise between the House and the Senate versions. The conferees agreed that this vital legislation would be most effectively and expeditiously implemented in the form of an amendment to the Foreign Assistance Act of 1961. Furthermore, this compromise reflects agreement that funds expended under this act be governed by the provisions of section 491 of the Foreign Assistance Act which concerns disaster assistance.

In an effort to clarify the intended purpose of the assistance provided by this act, the conferees agreed to include the word "rehabilitation" in the short title for its legislative history.

The House bill contained an amendment limiting the amount of funds available under the act for the rebuilding of the Puerto Barrios Highway to $4 million. This amendment, offered by the Congressman from West Virginia, Representative KEN HECHLER, as a result of his timely visit to the disaster area, was accepted by the Senate.

In addition, the House conferees strongly supported a provision which many Members feel is of great importance to the success of our relief efforts. This provision encourages the use of seismic-resistant materials in the rebuilding of houses, funded under this act. The Senate receded on this question.

In the true spirit of compromise and nonpartisanship, the House conferees did their best to uphold the position of the House. I believe that we ended up with a compromise which is fair to both houses and reflect the humanitarian concerns of not only the Congress, but that of all the people of the United States.

Accordingly, I urge the approval of this conference report.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I am happy to yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, I have been sitting here listening to all of the explanations as to what this conference report contains and I would like to ask a question, what is the monetary figure in the conference report and how does that figure relate to the figure that was in the House bill?

Mr. GILMAN. The amount in the conference report is the same as in the initial bill when it left here, $25 million.

Mr. KAZEN. I thank the gentleman.

Mr. DERWINSKI. Mr. Speaker, I rise in support of the conference report now before us on the Guatemala Relief and Rehabilitation Act of 1976.

The actions taken by both the House and the Senate as reflected in this compromise are consistent with the longstanding tradition of the Congress and the American people in responding to the human tragedy of natural disasters.

The earthquake that struck Guatemala on February 4, 1976, has resulted in widespread devastation and human misery to over 1 million Guatemalans. In a nation of over 5.9 million people, this disaster has left more than 1,066,000 homeless, and has resulted in the death of more than 22,000 and the injury of nearly 75,000 others.

With the adoption of this report, the funds contained in this legislation will enable the continuation of our current relief efforts and enable the Guatemalan people to withstand the fast approaching rainy season. Through their own initiative, the government and the people of Guatemala have responded well. They deserve our continued help and support during their hour of need.

The American people can be proud of the role that we have played in assisting the Guatemalan people in the traumatic aftermath of this tragedy. It is a tribute to the humanitarian impulses of our people. The adoption of this conference report will enable the American people to continue to help the Guatemalans to help themselves.

I urge the approval of this conference report.

Mr. DIGGS. Mr. Speaker, I move the

previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report just agreed to on the Guatemala Relief and Rehabilitation Act of 1976.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TO NAME LIBRARY OF CONGRESS ANNEX THE LIBRARY OF CONGRESS THOMAS JEFFERSON BUILDING

Mrs. BOGGS. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the Senate bill (S. 2920) to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Louisiana?

There was no objection.

The Clerk read the Senate bill as follows:

S. 2920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building in the block bounded by East Capitol Street, Second Street Southeast, Third Street Southeast, and Pennsylvania Avenue Southeast, in the District of Columbia (commonly known as the Library of Congress Annex), shall hereafter be known and designated as the "Library of Congress Thomas Jefferson Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the Library of Congress Thomas Jefferson Building.

The Senate bill was ordered to be read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. BOGGS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the Senate bill just passed, S. 2920.

The SPEAKER. Is there objection to the request of the gentlewoman from Louisiana?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS AND HUMAN RESOURCES OF COMMITTEE ON GOVERNMENT OPERATIONS TO SIT TOMORROW WHILE THE HOUSE IS IN SESSION

Mr. FOUNTAIN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Intergovernmental Relations and Human Resources of the Committee on Government Operations be permitted to sit tomorrow, Tuesday, April 13, 1976, while the House is in session in the hope we might be able to finish markup tomorrow and the next day on revenue sharing.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DISAPPROVING PROPOSED SOIL CONSERVATION SERVICE DEFERRAL BY THE PRESIDENT

Mr. WHITTEN. Mr. Speaker, I call up the resolutions (H. Res. 1032) disapproving the deferral of certain budget authority (D76-95) relating to the Department of Agriculture, soil conservation service, watershed and flood prevention operations, which is proposed by the President in his message of January 26, 1976, transmitted under section 1013 of the Impoundment Control Act of 1974, and ask unanimous consent that it be considered in the House.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 1032

Resolved, That the House of Representatives expresses its disapproval of proposed deferral D76-95, relating to the Department of Agriculture, Soil Conservation Service, as set forth in the message of January 23, 1976, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

The SPEAKER. The Chair recognizes the gentleman from Mississippi for 1 hour.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 1032 involves rejecting the executive branch's deferral of $18 million in funds appropriated for emergency repair work in watershed. When this item first came before our subcommittee, we were advised that the money could not be contracted in time to do any good this year. Subsequent to that time we called the head of the Soil Conservation Service before our committee and went over the matter with that Service. As a result, we found out that not only could this money be contracted out for this period, but that this was emergency work and that it was highly imperative that the work be done as soon as possible.

I may say for the record that the work that would be held up, as estimated by the States, would be: the State of Arkansas, $67,000; the State of California, $1 million; the State of Connecticut, $687,000; the State of Kentucky, $239,000; the State of Montana, $7,763,000; the State of New York, $3,621,000; the State of Oregon, $1,683,000; the State of Pennsylvania, $1,500,000; the State of Tennessee, $1,215,000; and the State of Wisconsin, $859,000.

May I say again these funds are presently being deferred by the executive branch. They are funds that were appropriated by the Congress for the emergency repair work for which they are badly needed.

Mr. Speaker, I yield to the gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Speaker, my colleague, the chairman of the subcommittee, the gentleman from Mississippi, Mr. WHITTEN, described it essentially as it is.

No money would be saved by going along with the action of the President in this case. In fact, money would probably be wasted by continuing the deferral because these expenses have to be incurred to protect the communities from the floods.

Mr. Speaker, I urge adoption of the resolution.

Mr. McDADE. Mr. Speaker, last autumn northeastern Pennsylvania was ravaged by flooding caused by Hurricane Eloise. Although damages were not limited to my congressional district, the Susquehanna River Basin was one of the hardest hit areas.

Immediately following the flooding my office began receiving requests for the funds under the Soil Conservation Service's emergency watershed protection program, "section 216."

This is the only Federal program for emergency stream clearance and erosion prevention.

However, at the time of Hurricane Eloise, this "emergency program," because of its archaic funding mechanism, had no money available to assist areas victimized by Eloise.

In November, the Agriculture Subcommittee, under the able leadership of Chairman JAMIE L. WHITTEN, responded quickly to my request for additional SCS funds. The chairman was successful in bringing an amendment to final passage in the supplemental in less than a week. The Senate quickly followed suit and by the first of this year there was $26.4 million available nationally for this SCS emergency program. This included $3 million for the State of Pennsylvania.

The immediate response on the part of Congress meant funds were available and planning could begin immediately to repair the damage caused by Eloise. Indeed, in my district, which has been designated to receive approximately two-thirds of the $3 million appropriated for Pennsylvania, plans are underway which could produce project starts as early as July.

In this light, I find it incomprehensible that the administration could recommend a deferral of $18 million for this program. This deferral includes $1.5 million—one-half of the emergency funds appropriated for flood recovery in my State. The reasoning advanced is that SCS cannot expend the money this year. Clearly, based on the need and the progress in my district, this request is completely unreasonable.

I commend Mr. WHITTEN for bringing this resolution of disapproval to the floor and for his constant vigilance in this matter. Congress recognized a desperate need for emergency funds last year and met that need. Now that warm weather is arriving, communities are beginning their flood and erosion prevention activities in earnest. I submit that given the need for and the emergency nature of these funds, failure to disapprove the deferral immediately would be extremely unwise.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MYERS of Pennsylvania. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 338, nays 23. not voting 72, as follows:

[Roll No. 190]

YEAS—338

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Conable
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Dickinson
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Goodling
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Hawkins
Hays, Ohio
Hébert
Hechler, W. Va
Heckler, Mass.
Hefner
Helstoski
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCollister
McCormack
McDade
McFall
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Passman
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rangel
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Van Deerlin
Vander Jagt
Vander Veen
Waggonner
Walsh
Wampler
Whalen
Whitten
Wilson, C. H.
Winn
Wirth
Wolff
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—23

Clancy
Cleveland
Collins, Tex.
Conte
Derwinski
Devine
Erlenborn
Frenzel
Gradison
Hutchinson
Kelly
McDonald
Miller, Ohio
Myers, Pa.
Paul
Rousselot
Steiger, Ariz.
Symms
Vanik
Wiggins
Wilson, Bob
Wydler
Young, Fla.

NOT VOTING—72

AuCoin
Badillo
Barrett
Bell
Bevill
Bolling
Breckinridge
Burke, Calif.
Burton, John
Chisholm
Collins, Ill.
Conlan
Conyers
Crane
de la Garza
Dingell
du Pont
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Flowers
Flynt
Gibbons
Goldwater
Green
Harsha
Hayes, Ind.
Heinz
Henderson
Hinshaw
Holland
Ichord
Johnson, Pa.
Jones, Tenn.
Kindness
Landrum
Lehman
Lujan
McCloskey
McEwen
McHugh
McKay
Macdonald
Matsunaga
Melcher
Michel
Nedzi
Nix
O'Hara
Patten, N.J.
Pepper
Randall
Rees
Rhodes
Roberts
Roush
Sarbanes
Stanton, James V.
Stark
Steelman
Symington
Udall
Ullman
Vigorito
Waxman
Weaver
White
Whitehurst
Wilson, Tex.
Wright
Young, Alaska

The Clerk announced the following pairs:

Mr. Green with Mr. Bell.
Mr. Badillo with Mr. Harsha.
Mrs. Burke of California with Mr. Rhodes.
Mr. Holland with Mr. Whitehurst.
Mr. Matsunaga with Mr. Conlan.
Mr. John Burton with Mr. Crane.
Mr. Flynt with Mr. du Pont.
Mr. Symington with Mr. Johnson of Pennsylvania.
Mr. Waxman with Mr. Heinz.
Mr. Pepper with Mr. Esch.
Mr. Patten with Mr. Lujan.
Mr. Hayes of Indiana with Mr. Eshleman.
Mrs. Chisholm with Mr. McKay.
Mr. Vigorito with Mr. Michel.
Mr. White with Mr. Kindness.
Mr. Stark with Mr. Landrum.
Mr. James V. Stanton with Mr. Randall.
Mr. Bevill with Mr. O'Hara.
Mr. AuCoin with Mr. Udall.
Mr. Ichord with Mr. Young of Alaska.
Mr. Macdonald of Massachusetts with Mr. Charles Wilson of Texas.
Mr. McHugh with Mr. McCloskey.
Mr. Melcher with Mr. McEwen.
Mr. Evins of Tennessee with Mr. Goldwater.
Mr. de la Garza with Mr. Flowers.
Mr. Nedzi with Mr. Steelman.
Mr. Conyers with Mr. Ullman.
Mrs. Collins of Illinois with Mr. Roberts.
Mr. Dingell with Mr. Nix.
Mr. Evans of Indiana with Mr. Rees.
Mr. Gibbons with Mr. Wright.
Mr. Jones of Tennessee with Mr. Sarbanes.
Mr. Roush with Mr. Henderson.
Mr. Weaver with Mr. Breckinridge.

Mr. CLEVELAND changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a resolution of the following title:

S. Con. Res. 111. Concurrent resolution providing for a conditional adjournment of the Congress from April 14, 1976 until April 26, 1976.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY

Mr. WHITTEN. Mr. Speaker, I call up the resolution (H. Res. 1129) disapproving the deferral of budget authority relating to special supplemental food program, WIC (deferral D76–105) which is proposed by the President in his message of March 18, 1976, transmitted under section 1013 of the Impoundment Control Act of 1974, and ask unanimous consent that it be considered in the House.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 1129

Resolved, That the House of Representatives expresses its disapproval of proposed deferral D76–105 relating to the Department of Agriculture, Food and Nutrition Service, Special Supplemental Food Program (WIC), as set forth in the message of March 18, 1976, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

The SPEAKER. The gentleman from Mississippi (Mr. WHITTEN) is recognized for 1 hour.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the President, on March 18, 1976, deferred $61 million in funds for the special supplemental food program until the transition quarter. This program is more commonly known as the women, infants and children's program, or WIC.

This program provides cash grants to make supplemental food available to pregnant women, nursing mothers, infants and children up to 4 years of age. The $250 million authorized by Public Law 97–105 would support an annual caseload above that is presently in the program.

If the freeze of funds were allowed to stand, this would impose a ceiling and exclude many persons who are eligible under the law. The committee notes that any funds not committed during this fiscal year would remain available for the transition quarter.

To explain that further, Mr. Speaker, to permit the funds to continue to be deferred would in effect put a ceiling on this program and limit the program to those who are presently under it, whereas those who are equally as well qualified would be prohibited from coming under this law.

May I say again that in the case these funds are not used for the current fiscal year, they would remain vailable for the transition quarter.

Mr. ANDREWS of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague and associate on the subcommittee, the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Speaker, I appreciate the chairman of my subcommittee yielding.

Let me point out to my colleagues that this does not increase the authorization for the number of people who are able to be accommodated under this program. All this does is to allow funding up to the authorized level already approved by the Congress, and if that amount of funding is not used, as the chairman of my subcommittee has pointed out so well, it goes on to the next budgetary period.

This resolution is necessary because we cannot segregate one person's entitlement from another's if they are both in fact entitled under the law. All this does is to bring the funding into the same category that the Congress has already authorized as far as eligibility is concerned.

Mr. Speaker, I urge support for the resolution.

Mr. WHITTEN. Mr. Speaker, I thank my colleague for explaining it so well.

Mr. McFALL. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. McFALL. Mr. Speaker, I would like to support the Appropriations Committee in its rejection of the President's $61 million deferral request with regard to the special supplemental food program, known as WIC.

In rejecting the President's WIC program deferral request, the committee is recognizing the fact that Public Law 94–105 also directs the expenditure of a separate $62.5 million out of the section 32 funds or from regular appropriations for the transition quarter. This $62.5 million authorization represents a pro rata share of the $250 million authorized for each of fiscal years 1976 and 1977. Consequently, the committee felt that there was no need to withhold $61 million—out of fiscal year 1976 funds—for use during the transition quarter.

As was stated many times by many persons during the legislative history of this bill, Congress intended this year's WIC funding level to be $250 million, with a pro rated expenditure during the transition quarter of $62.5 million.

This is a very worthwhile program, bringing high protein diet supplementation to high-risk pregnant and nursing women and infants. Hundreds of thousands of eligible persons are now waiting for this program, and a deferral or slowdown of these funds would constitute both an act of bad public policy and a rejection of congressional intent.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Speaker, I thank the gentleman from Mississippi (Mr. WHITTEN) for yielding.

I just rise quickly to say that I want to commend him for his leadership in rejection of this deferral.

I think that the legislative record that has been created on this matter is very clear.

Mr. Speaker, I only point to the remarks that Senators HUMPHREY, McGOVERN, MONDALE, JAVITS, and others made on July 10, that Senator TALMADGE made on September 19, that Senator ALLEN made on October 7, and that the gentleman from New York (Mr. ZEFERETTI) made on September 19 and I made to make it very clear that it was the intent of the committee, when we passed the original authorization legislation, and it was the intent of the Committee on Appropriations to fund the program for the transition quarter to the extent of $62.5 million.

Mr. PERKINS. Mr. Speaker, I want to express my support of House Resolution 1129, which disapproves the deferral of budget authority in the amount of $61 million for fiscal year 1976.

The legislation which was enacted in October 1975 provided that $250 million be spent in fiscal 1976 on the WIC program to make available supplemental food to pregnant women, nursing mothers, infants, and preschool children.

I congratulate the committee on taking early action to insure that the Department of Agriculture makes use of the available $61 million during the last 3 months of fiscal 1976. It is needed now; programs throughout the Nation are in dire need of increasing their caseloads now; and additional health centers are ready to initiate new programs now. We are dealing with a program where every day counts. If days and weeks elapse without our providing food to infants whom the local health establishment has designated at nutritional risk, we cannot recapture those critical days for that group of infants. Their course of development will be altered and their future ability to function in society will be impaired.

The WIC program has widespread support because it is community based, usually in the local department of health, and operates as an adjunct to medical care services.

While I am in support of the resolution now under consideration, I want to emphasize that it was the intent of the Congress that the entire amount of $250 million be spent in 1976 for this important program, and that an additional $62.5 million be made available during the transition quarter. The legislative history is clear that the transition quarter shall be funded for the pro rata share of $250 million, or $62.5 million, and additional funds should be made available for continued operation on that level during the transition quarter.

On September 18, 1975, the House adopted the conference report on H.R. 4222, now Public Law 94–105, by a vote of 380 to 45, and at that time I made it clear that the program was expected to operate at a "funding level of $250 million a year for fiscal year 1976, next summer's transition period, fiscal year 1977, and fiscal year 1978." It would be illogical in the extreme to reason that funds shall be made available at the rate of $250 million for fiscal 1976, and for fiscal 1977, but that nothing shall be provided for the transition quarter.

I hope that the Congress will recognize the need to provide additional funding of $62.5 million for the transition quarter, to serve those eligible for care under WIC, of which House Resolution 1129 speaks. This must be done, in order to preserve the continuity of the program and to insure that the objectives of the program are met nationwide.

Mrs. MINK. Mr. Speaker, I am strongly against the deferral request, made in behalf of the Agriculture Department, to limit spending in the WIC program. As all of us are aware, the WIC program is one of the most important Federal efforts against hunger and malnutrition that we have established. The WIC program was enacted so that mothers and infants would be spared from the harsh and irreparable consequences that occur whenever unborn or newly born children are denied access to nutritional adequacy.

When we passed the child nutrition bill last October, we stood on the record requiring the USDA to spend $250 million, plus all of last fiscal year's unspent carryover funds, during fiscal year 1976. In sum, we directed USDA to spend about $290 million during fiscal 1976.

In addition, we authorized and appropriated $62.5 million for the July through September 1976, transition quarter and $250 million for fiscal year 1977, and we authorized $250 million for fiscal year 1978.

Apparently, the USDA is still unhappy with the WIC program and wants to make sure that the program is not expanded. It is for this reason that the USDA is refusing to approve applications for WIC program funding, even though applications to feed more than half a million mothers and infants are currently pending before the Department. In my mind, the Department's inaction is a definite frustration of the legislation we passed last October.

The USDA has indicated that—as a maximum—it will spend $189 million for the WIC program during fiscal year 1976; this means that the USDA is impounding at least $101 million. Nevertheless, for some unexplainable reason, the deferral request that the President sent to us seeks to delay the spending of only $61 million. At a minimum, therefore, even if we granted the President's deferral request, the USDA is illegally delaying or impounding an additional $40 million. That is incomprehensible to me and it demonstrates that the USDA is set on a course to stunt the growth of the WIC program without giving the true facts to the Congress or the American people.

The USDA's deferral request is misleading in another way too. The request states that $61 million of fiscal year 1976 funds is needed to operate the WIC program during the 3-month transition quarter. Clearly, that is not true. The legislation that we passed last October implicitly, if not explicitly, required that a pro rata amount of funding was to be made available for the transition quarter. Indeed, this is the way an overwhelming number of the other congressionally authorized programs are being operated this July through September. Since we authorized and appropriated $250 million for each of fiscal years 1976 and 1977, the pro rata share that we made separately available for the transition quarter was $62.5 million.

I am dismayed by the USDA's misleading statements to the Congress. Even worse, I am saddened by the tragic delay in food assistance that has occurred for hundreds of thousands of needy mothers and infants. We should do whatever we can to protect these mothers and infants, and I urge you to do so by rejecting the USDA's deferral request.

Mr. BADILLO. Mr. Speaker, I rise to add my voice in support of the women, infants, and children's—WIC—feeding program. The WIC program was intended to provide high-nutrient benefits to infants, children under 5 years of age, as well as pregnant and lactating mothers. It was designed as a feeding program to be made available in conjunction with health services in various medical clinics and hospitals. In short, the WIC program was enacted as a measure to safeguard the health of our future generations.

Contrary to the express intentions of Congress, the Department of Agriculture—DOA—has thwarted the development of the WIC program. Numerous court actions have been brought and won against the DOA because of its failure to heed congressional legislation. Once again we are confronted with a similar situation.

When the Congress enacted Public Law 94–105 over the President's veto, we required the Agriculture Secretary to spend $250 million, plus all funds that were unspent during previous fiscal years, during this fiscal year, fiscal 1976. Since approximately $40 million was left over during the last fiscal year, we directed the expenditure of about $290 million during fiscal 1976.

The DOA now informs us that it will spend a maximum of $189 million and as little as $160 million. Thus, between $101 million and $130 million is being impounded by the DOA. I find this unconscionable, particularly since we clearly indicated that we required approximately $290 million to be spent this year. Similarly, I find it unreasonable that the DOA's deferral notice requests permission to withhold only $61 million when, in fact, approximately twice that amount is being impounded.

The DOA's explanation for its deferral request is no less troublesome. The Department claims that it needs $61 million—of fiscal year 1976 funds—in order to provide funding for the upcoming transition quarter. This is wholly misleading and untrue insofar as we provided $62.5 million specifically for the transition quarter.

When Congress enacted Public Law 94–105, we authorized, appropriated and mandated for expenditure at a rate of $250 million annually for the period from fiscal year 1976 through fiscal year 1977. Included in this appropriations period was a pro rata share of $62.5 million for the transition quarter. We, therefore, took care of funding for the July through September period, and there is no need to use fiscal year 1976 moneys to fund the transition quarter's operations. At best, then, the DOA's rationalization for its deferral request is grossly misleading.

I hope that the House will reject the deferral request that was submitted to us by the President. We should not stand idly by while needy children seek nutrition assistance and while we have the wherewithal to help them.

Mr. LEHMAN. Mr. Speaker, I would like to add my voice in opposition to the administration's "deferral" request for WIC program expenditures. Since I believe that the WIC program is one of the most important programs that Congress has established during the past several years, I am deeply troubled by the administration's repeated efforts to curtail WIC program operations, and the deferral request now before us represents another unjustifiable effort to put a clamp on the program's development.

The popularity of the WIC program is immense in impoverished communities throughout the country. It is also very popular with medical and nutrition professionals; they recognize that the WIC program is critically important for the physical and mental development of infants and children. It is no wonder, then, that there currently are applications pending to feed approximately 500,000 mothers and children. It is strange, however, that the administration is taking no action whatsoever to fund those applications.

The administration has requested a "deferral" of $61 million in funds that we appropriated for this fiscal year. They requested that this money be "deferred" for use during the transition quarter. However, I should point out that the administration's actions constitute a "rescission" request, not a "deferral" request. This is because deferrals may only be requested to delay expenditures within a fiscal year; requests to delay spending beyond the end of a fiscal year constitute requests to rescind obligational authority for that particular year.

It is noteworthy to point this out because it serves to underscore the illegality of the administration's current actions. For several months, the administration has refused to fund the WIC program at the level mandated by Public Law 94–105. Despite that, it was only quite recently that the so-called "deferral" request was transmitted to the Congress. During all of the preceding months, the administration was withhoding congressionally appropriated WIC program funds from expenditure without notifying Congress about, or receiving Congress's approval for, this rescission action. Clearly, the administration's actions violate the law as set forth in the Congressional Budget and Impoundment Control Act.

The administration has sought to "defer" $61 million in fiscal year 1976 funds. This, too, seems to violate the impoundment control legislation because the administration is actually impounding over $100 million in WIC program funds. We required the administration to spend $250 million plus all carryover funds during this fiscal year; since the carryover funds from last year are approximately $40 million, the administration is obligated to spend about $290 million this fiscal year.

Since we have been informed that the maximum amount that will be spent this fiscal year is $189 million, it is evident that at least $101 million is being withheld improperly from WIC program expenditure during this fiscal year. Moreover, the administration has informed us that, in fact, only $160 million might be spent on the WIC program this year—thereby indicating that about $130 million is being "deferred" or "rescinded" from obligational authority during fiscal year 1976. Clearly, funds over and above the $61 million amount are being impounded without the transmission of a deferral or rescission request for such excess amounts, and this clearly violates the impoundment control legislation we enacted in 1974.

Finally, it should be noted that the administration's rationale for a "deferral" of $61 million is totally baseless. The administration states that no funds were either authorized or appropriated for the transition quarter and that $61 mil-

ture—DOA—has thwarted the develop-

needed to run the WIC program from July through September 1976. Nothing could be further from the truth.

When we passed Public Law 94–105, we authorized funding through fiscal year 1978 at an annual amount of $250 million. Since the transiton quarter falls within the authorization period, we intended a pro rata authorization of approximately $62.5 million for that 3-month period. During the period commencing in fiscal year 1976 and running through fiscal year 1977, we required that section 32 funds be appropriated and expended if the authorization levels were not fully funded through regular appropriations. Since, once again, the transition quarter falls within that period, we required that $62.5 million be appropriated and expended, during those 3 months, out of section 32 funds. Consequently, it is clear that no fiscal year 1976 funds are necessary to fund the WIC program during the transition quarter since separate funds are not only available but must be spent during that period. This, of course, does not mean that any unspent fiscal year 1976 WIC funds are to be sent back to the U.S. Treasury; any unspent WIC program funds automatically get carried over to the next fiscal year or transition quarter for use in addition to the funds specifically appropriated for that period.

In sum, there is no justification for the administration's "deferral" request. I, therefore, urge my colleagues to deny that request so that the administration immediately is set on the only course it should have been following all along: Feeding mothers and children.

Mr. PEYSER. Mr. Speaker, the deferral request that USDA has transmitted to the Congress, for the purpose of withholding WIC program spending, should be denied. If ever an impoundment request by an administrative agency is to be denied by the Congress this should be the one. No program is as crucial to the health, welfare, safety and development of future generations than the WIC program.

I, like many of my colleagues, have received countless letters from my constituents in support of the WIC program. The program's popularity stems from the fact that it is extremely cost efficient. Benefits go directly to the neediest persons of our Nation. Our policy under the WIC program is that hunger, in this land of plenty, must be eradicated. In particular, hunger amongst the children of our country—who will be harmfully and irremediably affected by malnutrition—must be abated.

With this in mind, I am sorry to see that USDA has embarked on a policy of thwarting the WIC program's growth. Since the program's legislative inception in 1972, USDA has adopted every conceivable device to prevent the orderly growth and development of the WIC program. I, for one, want to see this administrative obstruction put to an end.

Legislation now on the books clearly describes USDA's fiscal responsibilities under the WIC program. In this fiscal year, USDA is directed to spend $250 million from section 32 funds, and, in addition, all of the funds that were unspent and carried-over from prior fiscal years must also be spent. For the transition quarter between fiscal years 1976 and 1977, a separate amount of $62.5 million must be spent from section 32 funds. In fiscal year 1977, $250 million must be taken out of and spent from section 32 funds. And in fiscal 1978, $250 million is authorized for appropriation out of regular appropriations. Of course, in all of these years, any unspent funds from a prior fiscal year must be added onto the funds provided for a particular fiscal period.

Approximately $290 million must be spent on the WIC program during fiscal year 1976. This is because about $40 million was available for carryover from unspent fiscal 1975 funds.

In USDA's deferral request, the Department indicated that the maximum amount of money that will be spent on the WIC program in fiscal year 1976 is $189 million. At hearings before the Senate Select Committee on Nutrition and Human Needs Assistant Agriculture Secretary Richard Feltner further indicated that as little as $160 million might be spent for the WIC program during fiscal year 1976. As a result, it is now estimated that between $101 million and $130 million will be impounded and left unspent during this fiscal year.

In light of these facts, USDA's $61 million deferral request is terribly deficient. If the Department wanted to comply with this Congress' anti-impoundment legislation, it should have sent an impoundment request seeking approval of its withholding of $101 million to $130 million. But USDA has not done this and therefore it is merely asking for congressional approval of only a part of its impoundment. This is blatantly unlawful.

USDA has also provided this Congress with a fallacious reason for its deferral request. USDA would have us believe that the $61 million—that it wishes to withhold from spending beyond the end of this fiscal year—is needed to provide funding during the transition quarter. This reasoning, however, flies in the face of reality. Since we, in Public Law 94–105, already authorized, appropriated and directed for expenditure $62.5 million out of section 32 funds during the transition quarter, USDA has no need to delay the spending of fiscal year 1976 funds.

The sad fact is that USDA wants to continue its policy of WIC program obstruction. The reason set forth by USDA for its deferral request is an obvious smokescreen to shield its true intent: delay and denial of WIC program expansion. I urge everyone in this Chamber to deny USDA's deferral request so that, once and for all, we can implement and expand the WIC program as Congress intended.

Mr. ZEFERETTI. Mr. Speaker, I am grateful for the opportunity to lend my voice in opposition to the Agriculture Department's request to defer WIC program spending. As this House is no doubt aware, the Agriculture Department is now seeking to add one more unhappy chapter to the litany of WIC program impoundments over the past few years. We must, once and for all, put an end to this administrative lawlessness.

On October 7, 1975, the U.S. Congress overrode President Ford's veto of the child nutrition legislation. That veto was intended to limit Federal expenditures on a whole variety of child feeding programs, including the WIC program. We considered the President's veto message very carefully but we decided, by a huge margin, to enact the bill, Public Law 94–105.

In Public Law 94–105, we required that $250 million and all of the unspent WIC program funds from prior years be spent during fiscal year 1976 to operate the WIC program. For the transition quarter, we mandated an expenditure of $62.5 million plus any unspent funds from fiscal year 1976. For fiscal year 1977, we specified that $20 million be spent in addition to any unspent funds from the transition quarter. And, finally, for fiscal year 1978, we authorized the appropriation of $250 million in addition to any unspent funds from fiscal 1977.

Several clear principles emerged from our legislation. First, the Agriculture Department must add any unspent funds from previous fiscal years on top of the funds authorized and/or appropriated for any fiscal year—through fiscal 1978. Second, in the period through fiscal year 1977, section 32 funds must be appropriated and spent—in the amounts specified for each fiscal period—if funds were not appropriated through the regular appropriations process. Third, the funding levels for each period through fiscal year 1978 is to be $250 million per year, or $62.5 million per quarter.

In so enacting Public Law 94–105, we clearly provided a separate $62.5 million for the 3-month transition quarter commencing on July 1, 1976. As the Congress has done with a large variety of other Federal programs, we intended that a pro rata amount be provided for the transition quarter so that WIC program operations are continued at the same rate as the rate established for fiscal years 1976 and 1977.

As a result, I admit that I am deeply troubled by the reasons tendered by the Agriculture Department for its deferral request. The Department claims that $61 million, from fiscal year 1976 funds, is necessary to fund the WIC program because the Department claims that no funds were authorized and appropriated for the transition quarter. However, as I just finished explaining, that allegation is wholly untrue.

I am also deeply troubled by the insufficiency of the deferral request. From information we have obtained from the Agriculture Department, it appears that—in addition to the $61 million sought to be deferred—all of the carryover funds from prior fiscal years are also being impounded. No explanation has been made by the Department for this failure to seek approval of this additional impoundment, and I can only conclude that the Department has consciously decided to ignore our Impoundment Control Act.

It is apparent that no real justification can be made for the Department's deferral request. It is, therefore, incumbent upon the House to deny the Agriculture Department's deferral request.

Mrs. CHISHOLM. Mr. Speaker, I rise to speak in favor of the resolution currently before us that would reject the WIC program deferral request made by the President. This deferral request seeks to withhold the expenditure of $61 million of fiscal year 1976 funds so that those funds can be spent during the transition quarter.

Before I indicate why I am against the administration's deferral request, it is important to note what we accomplished last October when we passed Public Law 94–105 over the President's veto. We required that $250 million be spent in each of fiscal years 1976 and 1977—in addition to any unspent carryover funds from prior fiscal years—and we also required a pro rata expenditure of $62.5 million during the transition quarter. These funds were to be taken out of section 32 of the Agricultural Act of 1935 if not otherwise appropriated through the regular appropriations process.

The administration, however, requested that $61 million be "deferred" for expenditure—from the funds provided for fiscal year 1976—so that those funds can be used during the transition quarter. Unfortunately, the administration's request seems improper for three reasons: First, the administration is impounding much more than $61 million; about $100 million is actually being withheld from expenditure since the administration is unlawfully refusing to spend last year's unspent carryover funds.

Second, since the administration is trying to withhold funds beyond the expiration of the fiscal year, its action really constitutes a rescission, not a deferral. Therefore, the administration had no right to withhold these funds until both Houses of Congress approved a rescission request.

Third, and most important in my mind, there is no need to grant the "deferral" request since Congress has already provided funds for the transition quarter. Public Law 94–105 implicitly requires that a pro rata share of $62.5 million be authorized, appropriated, and mandated for expenditure during the transition quarter. Certainly, the administration cannot reasonably imply that we appropriated $250 million for fiscal year 1976 and $250 million for fiscal year 1977 but that we provided no funds at all for the transition quarter.

The intention of the House Education and Labor Committee and the conferees to Public Law 94–105 was to provide funding for the WIC program through fiscal year 1977, including the transition quarter. We also authorized $250 million for fiscal year 1978 but we did not make section 32 funds available for that period. If funds were not forthcoming through regular appropriations for the transition quarter, we required the Agriculture Secretary to use section 32 money to fund the WIC program during the period ending September 30, 1977. Consequently, the need to withhold funds for the transition quarter simply does not exist.

I believe that the administration's purpose in seeking a "deferral" of funds is to stall the expansion of the much-needed WIC program. Since the administration was unable to stop the WIC program through the front door—when its veto was overridden—it is trying to stop the program through the back door—by withholding funds. I hope everyone will vote against this duplicitious effort on the part of the administration.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on each of the resolutions just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONFERENCE REPORT ON H.R. 7988, HEALTH RESEARCH AND HEALTH SERVICES AMENDMENTS OF 1976

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the bill (H.R. 7988) to amend the Public Health Service Act to revise and extend the program under the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, and to establish a national program with respect to genetic diseases; and to require a study and report on the release of research information, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 2, 1976.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The gentleman from West Virginia is recognized for 1 hour.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as you know, the House passed this legislation in October of last year. The Senate amended the House-passed bill in December. Both measures revised and extended the authorizations of appropriations for the National Heart and Lung Institute, and for National Research Service awards, and both established a new national program with respect to genetic diseases. The House bill contained a provision, which was not in the Senate amendment, which required a study and report on the effect of release of research information under the Freedom of Information Act.

The Senate amendment contained several provisions not included in the House bill. It amended the Federal Food, Drug, and Cosmetic Act to limit the Secretary of HEW's authority with respect to safe vitamin and mineral products; amended the provisions of the National Arthritis Act and the National Diabetes Mellitus Research and Education Act; added ambulatory surgical services as a supplemental service which could be offered by migrant health centers and community health centers; amended the Public Health Service Act to allow the Indian Health Service to utilize nonprofit recruitment agencies to assist it in obtaining personnel; contained a provision which would prohibit the Secretary of HEW from considering political affiliation in making appointments to advisory committees; provided a 1-year extension of authorizations for health professions student loans and physician shortage area scholarships; and established a minority access research grant authority to assist institutions with significant enrollments of minority students in upgrading basic science departments.

I am pleased to report to my colleagues that the conferees have agreed on a measure that, in large part, combines the best provisions of both bills. The Senate has accepted the House provision with respect to the study and report on the effects of disclosure of research information, and the House managers have accepted the additional provisions of the Senate bill which I outlined above, except that, with respect to the minority access research grants, we have compromised by providing for a visiting scientist award which would authorize the Secretary of HEW to provide stipends to outstanding scientists who agree to serve as visiting faculty at colleges and universities which have significant enrollments of disadvantaged students.

Mr. Speaker, this is a measure which extends support for critical health programs—heart, lung, and blood research, research training, genetic disease screening and counseling centers, and health professions student assistance. The conference substitute can be supported by every Member of this body, and I urge them to do so.

Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Speaker, I support the conference report on the Health Research and Health Services Amendments of 1976.

Heart and vascular—lung and blood diseases—afflict more than 30 million Americans. It is known that over 1 million Americans die from heart and blood vessel diseases each year.

Cardiovascular disease continues to be a primary health problem in the United States.

In addition, diseases of the lung account for 150,000 deaths each year.

The cost to the Nation's economy in terms of lost productivity and medical expense exceeds $56 billion annually for heart, lung, and blood diseases.

Clearly, these figures indicate the importance of continued Federal support in these areas.

I am pleased that the House and Senate agreed to incorporate the word "blood" into the title of the Institute. This change should help give proper emphasis to blood research activities. It will also make clear that the authority of the Institute extends to the use of blood products and management of blood resources.

I also strongly support the provisions of the bill which establish authority for a national program with respect to all genetic diseases.

This program would include sickle cell anemia, Cooley's anemia, and Tay-Sachs disease, but would not be limited to these conditions.

More than 12 million Americans are tragically afflicted by genetic diseases.

It is time for Congress to take steps to focus attention on this problem and to provide Federal support in this area.

It is gratifying to see that this legislation provides for support for research, training, testing, counseling, and education programs in the area of genetic disease.

Finally, the conferees agreed upon language which limits the Food and Drug Administration's authority in certain areas of vitamin and mineral regulation.

Also accepted during conference was another amendment which would give FDA authority to prohibit false and misleading advertising under certain circumstances.

I believe that the conferees have reached a balanced, workable consensus on this important section which is designed to protect the health and safety of our citizens.

I urge that the entire conference report be given favorable consideration.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. Rogers).

Mr. ROGERS. Mr. Speaker, I rise in support of the conference report on H.R. 7988. As the chairman of the committee, the gentleman from West Virginia, has stated, this measure represents a revision and extension of several biomedical research programs authorized by the Congress over the past several years, and it received the overwhelming support of this body last October when it passed by a vote of 375 to 5. The Senate amendment added several new provisions not contained in the House bill, which in my view, enhance the importance of this significant measure. For example, the inclusion of ambulatory surgical services as a supplemental service which may be offered by community and migrant health centers has the potential of significantly lowering the costs to the Federal Government of providing surgical care under these programs. Additionally, in view of the delay in enactment of health manpower legislation, it is essential that we extend the loan and scholarship programs to assist financially needy health professions students.

The conference report also contains a provision, not included in the House-passed bill, which clarifies the Secretary of HEW's authority under the Federal Food, Drug, and Cosmetic Act with respect to vitamin and mineral products. As many of the Members of this body know, the Food and Drug Administration engendered a great deal of controversy several years ago when it promulgated regulations limiting the potency and combination of safe vitamin and mineral products.

Although these provisions were not included in the House bill, the Health and Environment Subcommittee held 3 days of hearings on this issue during the second session of the last Congress and reported out H.R. 16317 which was not considered in the full committee before adjournment. During this Congress I introduced similar legislation, H.R. 6807, which was cosponsored by over 70 Members in the House.

At this point I would like to briefly summarize the long history of this legislation. On June 20, 1962, the Commissioner of the Food and Drug Administration published a notice in the Federal Register announcing his agency's intention to revise regulations pertaining to the labeling of dietary supplements. These proposals met with the criticisms that the regulations would unduly interfere with the "freedom of choice" of consumers to purchase vitamin and mineral products and that they were scientifically unsound. Later, on June 18, 1966, the FDA Commissioner published regulations pertaining to the labeling and content of special dietary food products. Shortly thereafter, FDA issued an order staying the effective date of the regulations because of the many objections received.

On August 2, 1973, the FDA published final regulations which were intended to become effective on January 1, 1975. These new regulations proposed that most vitamins and minerals with a potency of 150 percent or more of their recommended daily allowances be classified as drugs. Vitamins A and D were classified as drugs at 100 percent or more of their RDA levels because of their potential toxicity and have subsequently been subject to prescription drug regulations promulgated by the FDA. Further, they would have restricted vitamin and mineral manufacturers from distributing combinations of these products except in limited circumstances.

The effective date of these regulations was stayed until June 30, 1975, by the U.S. Court of Appeals for the Second Circuit in *National Nutritional Foods Association, et al.* v. *Weinberger*, 512 F. 2d 688 (C.A. 2, 1975). The court generally sustained FDA's authority to establish standards of identity for vitamin and mineral supplements and to regulate their labeling. However, the court remanded the regulations to the FDA in accordance with the instructions in the 85-page opinion.

This decision limited FDA's power to declare products to be "drugs" and instructed FDA to liberalize its criteria for determining what combinations and potencies of vitamins and minerals should be permitted in dietary supplements.

During the past several years, hundreds of bills have been introduced in response to FDA's proposed regulations. In 1966 the first version of legislation to restrict FDA's authority over vitamin and mineral supplements was introduced by former Representative Craig Hosmer and Senator Proxmire. This bill, and subsequent versions of it, would have virtually nullified FDA's regulatory authority over foods for special dietary uses, even those products which were potentially carcinogenic, toxic, or otherwise unsafe. Moreover, the legislation would have had the effect of nullifying existing standards of identity of conventional foods, such as breakfast cereals and orange juice, which are fortified with vitamins and minerals except where actual harm could be demonstrated. A version of the Hosmer-Proxmire bill was incorporated as a floor amendment to the Senate health manpower bill last Congress. The manpower bill died in conference.

The bill, reported by our subcommittee last Congress, reflected the concerns of subcommittee members, consumer groups and the Food and Drug Administration that the Proxmire-Hosmer proposal took away too much authority from the FDA to regulate the safety of vitamin and mineral supplements. In addition, the subcommittee bill provided the FDA with new authority to regulate the false or misleading advertising of vitamin and mineral supplements.

Title V of the conference substitute is designed to clarify the authority of the Food and Drug Administration regarding safe vitamin and mineral food supplements. The substitute would preserve the right of the individual to continue to freely purchase safe vitamins and minerals in tablets, capsules, small units of liquid measure, and certain other forms, while protecting the public from potentially unsafe and deceptively labeled and advertised products. Under the conference substitute, the FDA would be prohibited from classifying vitamins and minerals as drugs solely on the basis that they exceed the level of potency that the FDA determines is nutritionally rational or useful. The FDA would be restricted from prohibiting safe ingredients and safe potencies of vitamins and minerals if they occur in combinations other than those authorized under FDA regulations.

The conference substitute would not, however, alter the authority of the FDA under chapters IV and V of the Federal Food, Drug, and Cosmetic Act to regulate these products where there is evidence that they may be toxic, habit forming, carcinogenic, or where they are not generally recognized among qualified experts to be safe under the conditions of their intended use, or where they are otherwise not safe for use except under the supervision of a licensed practitioner.

The provisions in the conference substitute would not alter the authority of the FDA to regulate these products as drugs under chapter V of the act if they are represented for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man.

The conference substitute contains special provisions applicable to protect certain consumers—pregnant and lactating women, children, and individuals to meet nutritional requirements for specific medical conditions—where food supplements are represented for their use. The limitations on the Secretary's authority, under the substitute, would not apply with respect to products which simulate conventional foods or those represented as conventional foods or as the sole item of a meal or of the diet.

Other provisions of the conference substitute provide for additional protection of the public from deceptive labeling and advertising and for truthful and informative labeling.

Mr. Speaker, I wish to commend my able colleagues on the committee and cosponsors in the House for supporting these provisions in the conference substitute which will protect the individual's freedom to purchase vitamins and minerals without sacrificing adequate protection of public health and safety and control of consumer fraud.

Mr. Speaker, I hope this has served as an adequate explanation of this report. This is an important measure which deserves the support of every Member of this body, and I urge its approval.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, I thank the gentleman for yielding, and I would like to ask a question or two with reference to that section of the bill pertaining to vitamins. I want to be sure the conference report and the revision of the bill allows people to buy vitamins without prescriptions. Is this correct?

Mr. STAGGERS. As a general rule, yes. This matter is discussed on page 28 of the conference report. Only in instances in which a vitamin or mineral is a drug within the meaning of section 201 (g) of the Federal Food, Drug, and Cosmetic Act may it be regulated as a drug.

Mr. PICKLE. Mr. Speaker, I am pleased to hear that because this is a matter that has been of considerable concern in the Congress for over 2 years, we have had quite a controversy about vitamin legislation. The Senator from Wisconsin (Mr. PROXMIRE) has been vitally concerned about this and introduced a bill in the Senate and I have had a companion bill introduced in the House mainly to be sure vitamins may be purchased without a prescription.

Is it clear in this bill that vitamins are basically dietary supplements and they are not drugs, and the FDA will not be placing them in that category, and that is clear?

Mr. STAGGERS. That is generally correct. Of course, as pointed out in the conference report, if a high potency preparation of a vitamin or mineral is a drug as defined by section 201(g) of the act, and if the Secretary determines that it is not safe for use except under the supervision of a physician, such a high potency preparation is subject to regulation as a prescription drug.

Mr. PICKLE. I thank the gentleman.

Mr. ASHBROOK. Mr. Speaker, I would like to address my remarks to title V—the so-called vitamin title—of the conference report on the Health Research and Health Services Amendments of 1976. I am very pleased that the House and Senate conferees have agreed on language that will prevent the Food and Drug Administration from regulating safe vitamins and minerals as dangerous drugs.

I have long been opposed to the encroachment of the FDA into this field. The regulations issued by that agency reflect an overwhelming hostility against the manufacture and sale of vitamins and minerals. These regulations placed under Federal drug laws all vitamin and mineral supplements exceeding 150 percent of the FDA-established recommended daily allowance.

For the past several Congresses I have sponsored legislation to protect the right of consumers to take any amounts of vitamins and minerals they choose, so long as those amounts are not proven injurious to health. FDA bureaucrats would be barred from classifying safe vitamin and mineral supplements as dangerous drugs. The conference report which we are voting on today achieves these important objectives.

Specifically, the report stipulates that the FDA may not limit the combinations or potency of vitamins and minerals. It also provides that the FDA may not classify a vitamin as a drug solely because it exceeds the level of potency which the FDA believes nutritionally rational or useful. As a safeguard, however, these provisions would not apply to vitamins and minerals which are toxic, adulterated or harmful or which must be given under a doctor's supervision.

Mr. Speaker, title V of this bill is an important step in protecting the individual rights of Americans. I am glad that after years of controversy the Congress has come down on the side of freedom of choice for consumers.

Mr. GOLDWATER. Mr. Speaker, it gives me a great deal of pleasure to rise in support of H.R. 7988, the Health Research and Health Services Amendment Act of 1976.

In many ways this legislation is a historical first in the history of the Congress. It is something that any American can be proud of.

The House-passed bill, originally entitled the Heart, Lung, and Blood Research Act was fiscally responsible in its funding and provided for the continuation of basic programs to combat heart, lung, blood, and genetic diseases. These programs are important; they should be continued, and I am pleased to see that the Congress is doing so.

Of particular interest to me, many of my constituents, and to many people throughout the country are the provisions in this legislation that restore to individual Americans the freedom of choice to take vitamins, minerals, and health food supplements.

For over 20 years the FDA has been attempting to tell Americans what vitamins and minerals they may take, how many, in what combinations, and in what potency—without regard for whether or not they are threats to a person's health. For 20 long years the FDA has been overzealously trying to protect Americans from a threat that really does not exist. For 20 years the FDA has been attempting to treat all vitamins and minerals, when they are of a potency or combination they do not like, as drugs and require that a citizen have a medical prescription from a physician. They have been trying to do this whether or not there was one shred of evidence to support their claims that the vitamin or mineral posed a threat to human health.

This legislation sets them straight. This legislation prohibits the Secretary of HEW, and therefore, the FDA, from setting maximum limits on the potency of vitamins or minerals in dietary supplements solely because they are more than what the FDA regards as nutritionally rational or useful. Furthermore, the FDA cannot restrict vitamin or mineral combinations simply because the combination does not strike them as rational or useful.

My fellow colleagues, this legislation represents a congressional first. For the first time in congressional history the Congress is restricting and taking away regulatory authority.

It is an important day for several reasons. First, the Congress has taken this action without hindering the ability of the FDA to protect Americans against impure products, harmful or toxic products, or product frauds. What the Congress has done is tell the FDA that they were throwing too wide a net. They were going too far in trying to protect citizens from themselves. They were interfering with legitimate freedom of choice.

Second, the Congress has clearly and affirmatively responded to the complaints of Americans that their freedom of choice as individuals was being unduly interferred with by the bureaucracy. I am hopeful that the FDA will understand what the Congress is saying. We are not saying "do not do your job." We are saying, "stick to facts. Leave citizens alone when there is no compelling reason to interfere in their business." And, I believe we are saying, "The Congress has had enough with overzealousness and the belief that the Federal Government knows best how to protect citizens from themselves."

I am pleased that the Congress is taking this action and hope that this is not the last piece of legislation that restricts or takes back regulatory authority when it is not being exercised properly.

I would be remiss if I did not take this opportunity to express my sincere thanks and appreciation to the House Commerce Committee and the Health and Environment Subcommittee Chairman, PAUL ROGERS. Many months ago, I went to Congressman ROGERS and urged him to get this vitamin and mineral choice issue resolved during the 94th Congress. The presence of this legislation before the House today is a testament to his willingness to resolve the matter and to his ability to act quickly and decisively. I am not a member of his committee. Yet, both Congressman ROGERS and his staff have been open to suggestions and joint efforts. They have been honest, candid, and sincere. Consequently, I want to take this opportunity to thank my colleague for his concern, cooperative spirit, and determination. We would not have gotten this legislation before us today without it.

I urge my fellow colleagues to support the bill.

Mr. MINISH. Mr. Speaker, I rise in support of the Health Research and Health Services amendments conference report.

This bill, known as the Heart, Lung, and Blood Research, Research Training, and Genetic Diseases Act when it passed the House last October 20, is comprehensive legislation designed to deal effectively with many of the major health problems confronting our people today.

I want to congratulate the House conferees for their diligent efforts on this measure and for their willingness to blend the best of both the House and Senate version into a final production deserving support from all Members.

The conference report would amend the Public Health Service Act to extend for 2 years the Department of Health, Education, and Welfare's authority to conduct research, experiments, and demonstration programs with respect to heart, lung, blood, and blood vessel diseases. This section authorizes $349 million for fiscal 1976, $403 million for fiscal 1977, and provides the National Heart, Lung, and Blood Institute with authority to hire an additional 50 experts and consultants for this accelerated program.

An additional provision of H.R. 7988 would extend through fiscal 1977, the program of National Research Service Awards for individuals and institutions in biomedical research training. A total of $350 million is authorized for the implementation of this program.

Another significant title of the bill is shown as the "National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs and Genetic Disease Act." This title would broaden the existing programs of research, services, and information with respect to the above named diseases plus cystic fibrosis, dysantonamia, hemophilia, retinitis, pigmentosa, Huntington's chorea, and muscular dystrophy. While the conference report specifically cites these particular diseases, authority is not necessarily limited to those mentioned in the legislation.

Genetic disorders constitute a highly visible and growing problem resulting in significant individual and social burdens.

It has been estimated that 12 million Americans carry true genetic diseases; 36 percent of all spontaneous abortions are caused by chromosomal defects; 40 percent of all infant mortality results from genetic factors; and 80 percent of the incidence of mental retardation in this country is genetically related.

As an early sponsor of the original Cooley's Anemia Control Act—Public Law 92-414—I am vitally interested in seeing that this program is not undercut by the new noncategorical approach of H.R. 7988.

Thalessemia major, or Cooley's anemia, is a little known, but deadly, hereditary blood disease which affects over 100,000 Americans. Children with the disease are greatly handicapped by poor bone growth and are usually very small for their age. Rarely does a victim of Cooley's anemia live beyond the age of 20, and from early life victims are compelled to undergo frequent transfusions in order to survive.

As a reflection of my concern in this subject, I wrote Chairman Rogers the following letter on February 24 of this year:

Hon. Paul G. Rogers,
Chairman, Subcommittee on Health and the Environment, Interstate and Foreign Commerce Committee, House of Representatives, Washington, D.C.

Dear Chairman Rogers: It is my understanding that you will chair the House conferees on H.R. 7988, the Heart, Lung, and Blood Research, Research Training, and Genetic Disease Act, which begins this week.

As an early sponsor of the original Cooley's Anemia Control Act (Public Law 92-414), which you supported, I am vitally concerned that research on this much neglected disease is not undercut by the new noncategorical approach embodied in the House-passed version of H.R. 7988.

The Senate bill, on the other hand, would specifically set aside funds, up to $50 million over the three-year authorization period, for testing, counseling, education, and research on Cooley's Anemia and other genetic diseases.

I strongly urge your support for the Senate amendment and ask you to oppose a move by the House conferees to delete this important section.

With kindest personal regards, I am
Sincerely yours,
Joseph G. Minish,
Member of Congress.

On March 9, Congressman Rogers replied as follows:

Hon. Joseph G. Minish,
U.S. House of Representatives,
Washington, D.C.

Dear Joe: Thank you for your recent communication expressing your support for the provisions of the Senate amendment to H.R. 7988 with respect to genetic diseases.

I appreciate knowing of your concern and want to take this opportunity to advise you that House and Senate conferees have met to work out the differences between the two versions. The conferees have tentatively agreed to provide no separate line-item authorizations for testing, counseling, or research on specific genetic disorders. The proposed agreement would instead stipulate that priority in awarding grants and contracts for testing and counseling programs would be given to existing sickle cell anemia programs, and that priority in awarding grants and contracts for research on genetic diseases would be given to those applicants proposing to conduct research relating to sickle cell anemia and Cooley's anemia. In my view, this compromise will provide the Secretary with more flexibility in supporting promising research efforts in the area of genetics while, at the same time, setting forth the intent of the Congress that important efforts with respect to sickle cell anemia and Cooley's anemia should be pursued.

Kind regards, and, again, thank you for bringing your concern to my attention.
Sincerely yours,
Paul G. Rogers,
Chairman,

Mr. Speaker, I am pleased that the conferees have explicitly assigned priority to Cooley's anemia in this new legislation.

I have noted, and I urge the administration at HEW to note, the conference committee's statement on page 24 of the report:

> The conference subsitute conforms to the House bill, except the Secretary is directed, in making grants and entering into contracts for research projects, to give priority to applications which are submitted for research on sickle cell anemia or for research on Cooley's anemia.

Mr. Speaker, with this firm assurance in the conference report, I urge its adoption by the House.

Mr. STAGGERS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 360, nays 0, not voting 73, as follows:

[Roll No. 191]

YEAS—360

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Hawkins
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCollister
McCormack
McDade
McDonald
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin

Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Passman
Patterson, Calif.
Pattison, N.Y.
Paul
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rangel
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Waggonner
Wampler
Whalen
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—73

AuCoin
Badillo
Barrett
Bell
Bevill
Bolling
Breckinridge
Burke, Calif.
Chisholm
Collins, Ill.
Conlan
Conyers
Crane
de la Garza
Diggs
Dingell
du Pont
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Flowers
Flynt
Gibbons
Green
Harsha
Hayes, Ind.
Heinz
Henderson
Hinshaw
Holland
Ichord
Johnson, Pa.
Jones, Tenn.
Kindness
Landrum
Lehman
Lujan
McCloskey
McEwen
McFall
McHugh
McKay
Macdonald
Melcher
Michel
Nedzi
Nix
O'Hara
Patten, N.J.
Pepper
Randall
Rees
Rhodes
Roberts
Roush
Sarbanes
Sikes
Stanton, James V.
Stark
Steelman
Symington
Udall
Ullman
Vigorito
Walsh
Waxman
Weaver
White
Whitehurst
Wilson, Tex.
Wright
Young, Alaska

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mr. Harsha.

Mr. Badillo with Mr. Diggs.

Mr. Green with Mr. Bell.

Mr. Holland with Mr. O'Hara.

Mr. Flynt with Mr. Whitehurst.

Mr. Symington with Mr. Conlan.

Mr. Waxman with Mr. Crane.

Mr. Pepper with Mr. du Pont.

Mr. Patten with Mr. Johnson of Pennsylvania.

Mr. Hayes of Indiana with Mr. Heinz.

Mr. Vigorito with Mr. Esch.

Mr. White with Mr. Lujan.

Mr. AuCoin with Mr. Eschleman.

Mr. Stark with Mr. McKay.

Mr. Bevill with Mr. Michel.

Mr. Ichord with Mr. Kindness.

Mr. McHugh with Mr. Udall.

Mr. Melcher with Mr. Young of Alaska.

Mr. Evins of Tennessee with Mr. McClosky.

Mr. de la Garza with Mr. McEwen.

Mr. Dingell with Mr. Flowers.

Mr. Nedzi with Mr. Steelman.

Mr. Roush with Mr. Roberts.

Mr. Weaver with Mr. Henderson.

Mrs. Collins of Illinois with Mrs. Burke of California.

Mr. Evans of Indiana with Mrs. Chisholm.

Mr. Gibbons with Mr. Landrum.

Mr. Sarbanes with Mr. Lehman.

Mr. Randall with Mr. Macdonald of Massachusetts.

Mr. Nix with Mr. Sikes.

Mr. Rees with Mr. Walsh.

Mr. James V. Stanton with Mr. Charles Wilson of Texas.

Mr. Wright with Mr. McFall.

Mr. Breckenridge with Mr. Ullman.

Mr. Barrett with Mr. Conyers.

Mr. PAUL and Mr. SYMMS changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries.

PROVIDING FOR CONDITIONAL ADJOURNMENT OF CONGRESS FROM APRIL 14, 1976, UNTIL APRIL 26, 1976

The SPEAKER. The Chair lays before the House the Senate concurrent resolution (S. Con. Res. 111) providing for a conditional adjournment of the Congress from April 14, 1976 until April 26, 1976.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 111

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Wednesday, April 14, 1976, they stand adjourned until 12 o'clock noon on Monday, April 26, 1976, or until 12 o'clock noon on the second day after their respective Members are notified to reassembly in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

SEC. 3. During the adjournment of both Houses of Congress as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEES POLITICAL ACTIVITIES ACT OF 1976—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-449)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am today returning, without my approval, H.R. 8617, a bill that would essentially repeal the Federal law commonly known as the Hatch Act, which prohibits Federal employees from taking an active part in partisan politics.

The public expects that government service will be provided in a neutral, nonpartisan fashion. This bill would produce an opposite result.

Thomas Jefferson foresaw the dangers of Federal employees electioneering, and some of the explicit Hatch Act rules were first applied in 1907 by President Theodore Roosevelt. In 1939, as an outgrowth of concern over political coercion of Federal employees, the Hatch Act itself was enacted.

The amendments which this bill make to the Hatch Act would deny the lessons of history.

If, as contemplated by H.R. 8617, the prohibitions against political campaigning were removed, we would be endangering the entire concept of employee independence and freedom from coercion which has been largely successful in preventing undue political influence in Government programs or personnel management. If this bill were to become law, I believe pressures could be brought to bear on Federal employees in extremely subtle ways beyond the reach of any anticoercion statute so that they would inevitably feel compelled to engage in partisan political activity. This would be bad for the employee, bad for the government, and bad for the public.

Proponents of this bill argue that the Hatch Act limits the rights of Federal employees. The Hatch Act does in fact restrict the right of employees to fully engage in partisan politics. It was intended, for good reason, to do precisely that. Most people, including most Federal employees, not only understand the reasons for these restrictions, but support them.

However, present law does not bar all political activity on the part of Federal employees. They may register and vote in any election, express opinions on political issues or candidates, be members of and make contributions to political parties, and attend political rallies and conventions, and engage in a variety of other political activities. What they may not—and, in my view, should not—do is attempt to be partisan political activists and impartial Government employees at the same time.

The U.S. Supreme Court in 1973 in affirming the validity of the Hatch Act, noted that it represented "a judgment made by this country over the last century that it is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service, and that the political influence of federal employees on others and on the electoral process should be limited."

The Hatch Act is intended to strike a delicate balance between fair and effective government and the First Amendment rights of individual employees. It has been successful, in my opinion, in striking that balance.

H.R. 8617 is bad law in other respects. The bill's provisions for the exercise of a Congressional right of disapproval of executive agency regulations are Constitutionally objectionable. In addition, it would shift the responsibility for adjudicating Hatch Act violations from the Civil Service Commission to a new Board composed of Federal employees. No convincing evidence exists to justify this shift. However, the fundamental objection to this bill is that politicizing the Civil Service is intolerable.

I, therefore, must veto the measure.

GERALD R. FORD.

THE WHITE HOUSE, *April 12, 1976*.

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

Mr. CLAY. Mr. Speaker, I ask unanimous consent that further consideration of the veto message from the President on the bill H.R. 8617 be postponed until Thursday, April 29, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I would appreciate it if my good colleague and subcommittee chairman, the gentleman from Missouri (Mr. CLAY), would explain to us why we could not vote on this important issue today or tomorrow. It is only 2:40 in the afternoon. There is lots of time left.

I really do not understand why we are not voting on this critical issue today.

Mr. CLAY. Mr. Speaker, if the gentleman will yield, I think it is precisely for that reason. It is important and it is critical, and the Members ought to have sufficient time to study the President's veto message. I think we, as the committee that fostered this bill and brought it through the subcommittee, through the full committee, and through the House, ought to have ample time to refute or to rebut the arguments presented by the President. Therefore, I have asked unanimous consent to postpone consideration.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I am somewhat hesitant not to have a vote on this matter this week, because we had many hours of discussion on this bill on the floor when it was in the House, and then, again, when it came back as a conference report.

I really believe the Members of the House are very well informed on this issue. It is difficult for me to understand why we cannot get a vote today or at least this week.

Mr. CLAY. Mr. Speaker, apparently the Members are very well informed as to the reasons why the President has vetoed the bill. That message just came in, and it was read.

However, I think we owe the Members of the House a sufficient amount of time to familiarize themselves more fully with the President's reasons for his veto. That is why I am making this request.

Mr. ROUSSELOT. Mr. Speaker, I am very tempted to force a vote on this. If any of my colleagues wish me to yield, I would be pleased to yield to them.

Further reserving the right to object, may I ask the gentleman from Missouri (Mr. CLAY), is there any way we could bring this matter up tomorrow?

Mr. CLAY. I do not think so.

Mr. ROUSSELOT. That would provide ample time to digest the President's message, because it was short and to the point. The President spoke on this issue, I believe, in Wisconsin. He has addressed the issue. It is not an old issue. The issue is whether we want to change the present provisions of the Hatch Act or whether we do not.

Mr. Speaker, I note that my colleague, the gentleman from Virginia (Mr. FISHER) is here.

Further reserving the right to object, does my colleague, the gentleman from Virginia, wish to comment, inasmuch as he has so many Federal employees in his district? I will ask the gentleman from Virginia whether he believes the Federal employees in his district understand the issue.

Mr. FISHER. Mr. Speaker, if the gentleman will yield, I do not really care to comment at this time. My position on this matter is very well known. I expect to vote to sustain the veto. I see no point in pressing the question for action on 1 day as against another.

Mr. ROUSSELOT. The gentleman would not object to voting on it this week?

Mr. FISHER. No; I would not object.

Mr. CLAY. Mr. Speaker, if the gentleman will yield further, this matter has been discussed with the leadership on that side of the aisle and the leadership on this side of the aisle, and we have all come to the agreement that April 29 would be the best date to take up this veto message.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, is that not the day we take up the budget resolution?

Mr. CLAY. I do not know.

Mr. ROUSSELOT. I think it is. I believe we are scheduled to take up that monumental resolution on the budget on that day, and I know that is a very important piece of legislation.

Mr. Speaker, I wish to express my great disappointment that we are not going to vote on this matter this week. Again I indicate that it is a quarter of 3 in the afternoon, and we would have plenty of time to do it today. I find it most disappointing that my colleague, the gentleman from Missouri (Mr. CLAY), has decided to put this over until after the recess.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON S. 3065, FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the Senate bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, AND INTERNATIONAL LAW OF COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE ON WEDNESDAY, APRIL 14, 1976

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary be permitted to sit during the 5-minute rule on Wednesday, April 14, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERSONAL EXPLANATION

Mr. WALSH. Mr. Speaker, I was unavoidably detained during the last vote, the vote on the conference report on H.R. 7988. I wish the RECORD to indicate that had I been present, I would have voted "yea."

DEMOCRACY IN ITALY IS BEING THREATENED

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. BIAGGI. Mr. Speaker, last week's political violence in Italy has sparked new fears about the future of the Italian nation, the rapid rise of the Communist Party and their direct influence in last week's unrest, now makes it apparent that democracy in Italy is being threatened more today than at any time since the Fascist days of Mussolini.

While some were surprised at the intensity of last week's violence, for most other observers it seemed a natural outgrowth of the economic and political unrest which has affected Italy since last summer's general election, when the Communists received almost one-third of the vote. In the succeeding months, the ruling Christian Democrat Party struggled to maintain power despite the pressures to form a coalition government.

The Communists have masterfully exploited the weakened condition of the Christian Democrats and forced them to make several key concessions. Their boldest move came last month when they forced the Christian Democrats to allow them into negotiations on future Italian economic policy. This represented the most direct role the Communists have played in the Italian government since 1947.

Last week's violence adds a completely new element to the situation. It now appears that the Communists are attempting to force the hand of the government and call for new elections which the Communists feel could catapult them into power.

It is imperative that this Nation concern itself more directly with the future of Italy. Americans would be unwilling to support a Communist dominated Italy. Her continued presence in NATO as a Communist nation would make a mockery of this important international organization. The fall of Italy could have a snowballing effect on the rest of the Mediterranean region as well as Western Europe, thus placing the security of this Nation and the entire free world into dire jeopardy.

Let us come to their aid before it is too late. Let us encourage and assist the Christian Democrats to take the important initiatives which will stabilize the economic situation in Italy, which is at the very heart of the problem. Let us work to help democracy in Italy. Let us not wait until we are forced to deal with a Communist government in Italy.

READ 'EM AND WEEP

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, as we explore means to attack the massive energy problems we face in America today, we must finally examine a few hard facts. The truths cited in the following article by Tom Braden which appeared in yesterday's Washington Post, deserve our attention. The article follows:

TOM BRADEN

Keep government out of business. That's supposed to be the mood of the country, and most of the candidates for President are talking to the mood. But time and events do not always wait upon moods. While the country is going through a pout about big government, time and events are piling up more decisions and more tasks. The decisions can only be made by government, and some of the tasks can only be performed by government.

Take, for example, the problem of the energy that heats our homes, powers our industries and gets us all to work in the morning. The energy problem is not getting better. It's getting worse. The oil companies are not devoting more effort to finding oil in this country. They are relying more and more upon imports. The nuclear fission industry, already suffering from doubts about safety, is now confronted with a more immediate doubt about whether, under regulations imposed for the sake of safety, it can make a profit. Solar energy and nuclear fusion are still in the future.

To whom is the country going to turn in the event of another oil embargo or energy shortage or another steep rise in energy prices? Surely not to private enterprise.

There is in fact large doubt among those who have studied the energy problem as to whether private enterprise can ever solve it. "Through the workings of the private enterprise system," writes Barry Commoner in the New Yorker, "we have been provided with the wrong kinds of heating and cooling devices, the wrong kinds of automobiles and freight carriers, the wrong kinds of power plants, the wrong kinds of fuels."

There was a time—and Commoner reminds us of it—when the cities of the nation were served by trolley cars. They were extremely energy efficient; they got people to work on time and they did not create the smog that mars our cities now.

Why were the trolley cars removed? Because we preferred to ride on buses? Not at all. They were removed because General Motors, Standard Oil and Firestone formed an alliance to buy up the private companies that ran them and put them out of business so that General Motors could sell buses instead.

No onus is intended. Private enterprise can make more money by operating buses than it can make by operating trolley cars. Money—not the rational use of energy—is what makes private enterprise work.

Another example. The petrochemical industry, Commoner points out, takes a large share of the nation's energy and uses it very inefficiently. As it makes plastics to replace leather, synthetic fibers to replace cotton and nitrogen fertilizers to replace manure, the energy required to produce a handbag, a shirt or a bushel of corn increases and so do the profits.

In short, Commoner argues, corporations exist to make profits, and the social good they do is incidental. Government, on the other hand, exists for the purpose of social good. So why not let government take over the energy business?

The notion may startle ideologists. But consider again what the profit system has done to our energy habits within the last 30 years. It has determined that automobiles shall be large and sufficiently powered to travel 100 miles per hour, that trains shall be abandoned, that electricity shall be produced by nuclear power, that we shall wear synthetic materials instead of cotton or wool and wash them with detergent rather than soap, that baseball shall be played on plastic rather than grass and that the beneficial energy of sunlight shall go largely unused.

If Commoner is right—and he's written the first lucid account of the energy problem—it will be with us so long as we permit private enterprise to do the job.

RESULTS OF 1976 QUESTIONNAIRE

The SPEAKER pro tempore (Mr. CARNEY). Under a previous order of the House, the gentleman from North Carolina (Mr. MARTIN) is recognized for 20 minutes.

Mr. MARTIN. Mr. Speaker, I take this special order to report to the Congress the results of my recent 1976 questionnaire. As in the past, the questionnaire was mailed to every postal patron. The 20,280 responses make this the fourth consecutive year in which responses have exceeded 20,000.

The 12 questions were intended to give the people of the Ninth District a convenient opportunity to express their views on major issues facing Congress. Many other important issues were omitted for lack of space. Some questions sought to explore a more narrow aspect of a broader question asked in earlier years.

The first six questions dealt with a range of policy matters that affect the fiscal 1977 Federal budget. After one question on Government strikes there were a series of three questions on foreign policy. The last two questions presented proposals to change criminal law.

Let me submit for printing, at this point, a tabulation of the results:

[Results in per cent]

1. Should any tax cut be coupled with a dollar-for-dollar decrease in federal spending?

Yes	85
No	11
Undecided	4

2. Do you think $20 billion (5% of the $394 billion Federal budget) is too much to spend on military weapons and supplies?

Yes	23
No	72
Undecided	5

3. Should there be a cost-of-living increase in social security benefits?

Yes	70
No	29
Undecided	1

4. Should the Federal Government provide health insurance for long-term, major (catastrophic illnesses)?

Yes	52
No	44
Undecided	4

5. Should the Federal Government provide and pay for jobs for the unemployed?

Yes	19
No	76
Undecided	5

6. Should businesses be given tax incentives to expand and provide more jobs?

Yes	74
No	21
Undecided	5

7. Should government employees have the right to strike?

Yes	16
No	80
Undecided	4

8. Should the United States give $10 billion in food aid to underdeveloped countries unable to feed their own people?

Yes	32
No	62
Undecided	6

9. Should the United States continue to resist the spread of Russian influence in the world?

Yes	78
No	14
Undecided	8

10. Do you feel the effectiveness of the CIA has been damaged by congressional investigations?

Yes	73
No	22
Undecided	5

11. Do you favor legislation allowing only law enforcement officers to have hand guns?

Yes	29
No	65
Undecided	6

12. Do you favor the death penalty for persons convicted of airport bombings in which death results?

Yes	87
No	8
Undecided	5

A comparison of this set of results with earlier questionnaire results provides an interesting comparison that helps to give perspective to their meaning. With that in mind let me offer a few observations in analyzing each of the questions.

Question No. 1 on spending cuts highlighted fiscal and economic attitudes, showing that support is 8 to 1 for matching spending cuts with tax cuts. Last year 2 to 1 favored tax cuts to ease the recession. Probably there is still a majoriy for tax cuts regardless of spending levels, but an overwhelming majority wants offsetting spending cuts.

Question No. 2 on defense spending indicates that only one out of four felt that 5 percent of the Federal budget was too much to spend on weapons and supplies. This does not mean these respondents approve every defense proposal, because in two previous polls, 41 to 35 and 50 to 37 margins favored cutting defense spending. On those polls, cutting social program spending was favored by about 3 to 1. This year, rather than repeat the same general question, this specific version found that only one in four would cut military hardware, the only part of the fiscal year 1977 defense budget proposed to be increased—up from 2.8 percent—and is the focus of the current legislative controversy. In view of the continuing Soviet buildup of weaponry, it is essential to maintain a balance of strategic—nuclear—as well as conventional weapons until such time as Russia agrees to comparable reductions. The total 1977 defense proposal would be $101 billion, 25.7 percent of the budget and will probably wind up as a smaller fraction, but my constituents clearly do not want a cut in weaponry.

Question No. 3 on social security cost of living increases was a repeat from last year. In 1975, 2 to 1 favored a cost of living increase. This year the figure was better than 2 to 1 for that increase. We have a moral obligation to approve such increases to neutralize the impact of inflation on the elderly dependent on social security.

Question No. 4 on health insurance is related to one asked last year. In 1975, comprehensive national health insurance, financed with tax funds, was opposed by a 3 to 1 margin. This year by a margin of 52 to 44, respondents said they favored the alternative of catastrophic coverage. Clearly, they do not want Government to "pay all your bills for all your ills" with a socialistic scheme, but do want attention paid to the major gaps in health care.

Questions No. 5 and No. 6 deal with jobs. Last year a slight majority opposed the creation of Government jobs for the unemployed during the recession. This year, given the choice between creating Government jobs for the unemployed versus tax incentives for businesses to provide jobs, three out of four are solidly for the latter and the free enterprise system. This is a clear-cut preference on a major option facing Congress.

Question No. 7 on Government employee strikes showed the same 5-to-1 margin as in 1974 strongly opposed to strikes by Government employees.

Question No. 8 on foreign aid probed a new area of inquiry for my questionnaire. The "right to food resolution" in Congress calls for the United States to donate 1 percent of our gross national product—$16 billion—in food and related aid to "third world" countries. The support for this by several church organizations prompted this question. The dollar amount was cut to $10 billion which still exceeds the present $6.7 billion for all foreign aid. Considering what my mail has been on that overall topic, the 32-percent level of support for this proposal was surprisingly high.

Question No. 9 on the spread of Russian influence was a very broad question mainly intended as an indirect inquiry into isolationism. The strong support—78 percent—for a general policy of resistance should not be interpreted as an assessment of support for specific policies in Vietnam, Angola, the Middle East, or Europe. Other aspects of this vital issue will be probed in the future. It does mean that my constituents do not want the United States to "cop out" internationally.

Question No. 10 dealt with the CIA. In 1975, by a 57-to-36 margin, respondents opposed a "full, public investigation of the Central Intelligence Agency." This year, in this followup question, three out of four felt the CIA's effectiveness "has been damaged." Congress has the responsibility for oversight of intelligence agencies but should not destroy the agencies' credibility or operations by "leaking" sensitive material.

Question No. 11 was on gun control, an issue that has been probed in a more general way before. In 1973, 53 percent favored "stricter gun controls at the Federal level." This year the issue was more narrowly related to a specific bill before the Judiciary Committee: To take away handguns from all but law enforcement officers, and only 29 percent supported that approach. In earlier questionnaires, a large majority favored stricter penalties for criminal use of guns. According to my mail, that is still strongly preferred.

Question No. 12 on the death penalty is a followup to one asked in 1975. Last year, 10 out of 12 responses supported restoring the death penalty. This year, 11 out of 12 would apply the death penalty for persons "convicted of airport bombings in which death results."

In addition to responding to the questionnaire, many 9th District residents included comments with it. A sampling of the remarks follows:

"Decentralize the Federal Government. Put the power back into local hands." Mr. L. L. L.

"Something needs to be done about this money going to Presidential candidates." Mr. P. L. S.

"Let's not add more burden to lower income people by increasing social security taxes." Mr. A. W.

"Is it not possible to remain a democracy rather than becoming a socialistic government?" Mr. and Mrs. H. L. N.

"Please save some money and stop sending these dumb things out. The questions are rigged and you're going to vote how you want anyway." Anonymous.

"It's about time somebody cares about what we taxpayers think and want. Keep trying to find out." Mrs. M. G. C.

We in Congress should spend more time than we do trying to find out what the taxpayers think and want. If my reading of sentiment in my district is near accurate, my people are saying they want reduced governmental intervention in their lives and in the economy and an unquestionably strong defense against criminals, domestic and international. They are willing to pass up the offer of the security of a public service job if all else fails, and they are not at all enthusiastic about their Government tending to all their ailments. What it seems they want is to be left alone by their Government so the latter can concentrate on the common defense.

WAYS AND MEANS OVERSIGHT SUBCOMMITTEE ANNOUNCES HEARING ON IRS PROCEDURES IN THE COLLECTION OF DELINQUENT TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. Jones) is recognized for 5 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, at the request of Chairman Charles A. Vanik, I am heading a study group for the Ways and Means Oversight Subcommittee on the Internal Revenue Service's procedures used in the collection of delinquent taxes and the ways in which those procedures can be improved.

The first in what will be a series of hearings during 1976 is scheduled for 10 a.m., April 27. The hearing room location will be announced at a later date. The witnesses will be ranking officials from the Internal Revenue Service, officials of the National Treasury Employees Union, and representatives of public interest tax reform groups.

The initial hearing will concentrate on the findings and recommendations of the IRS project report of the Administrative Conference of the United States, which was issued last fall. The project report was an indepth study of six areas of IRS operations. Chapter 2, which is probably the most thorough chapter, concentrates on the "Collection of Delinquent Taxes" and offer a large number of observations and recommendations.

The April 27 hearing will seek to determine:

First, the general reaction to the report and its recommendations;

Second, steps that the IRS is taking to implement portions of the recommendations as well as areas where IRS management disagrees with the report; and

Third, other collection issues not raised in the Administrative Conference's report.

The subcommittee has obtained copies of chapter 2 as a committee print and it is available from the subcommittee office, 1539 Longworth HOB, Washington, D.C.

The subcommittee will be studying this issue for some time and invites comments which the general public, tax practitioners, IRS employees, et cetera, may have on the administrative conference's report and other issues related to the ways and means by which the IRS collects delinquent taxes.

INTERNATIONAL BANKING ACT OF 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, Congressman REES, chairman of the Subcommittee on International Trade, Investment, and Monetary Policy, Congressman ST GERMAIN, chairman of the Subcommittee on Financial Institutions Supervision, Regulation, and Insurance, and I are introducing the International Banking Act of 1976. What follows is an explanation of the contents of this legislation.

Section 101, definitions.

Section 102, establishment of national banks: The Comptroller of the Currency is authorized to permit up to one-third of the directors of foreign banks in the United States to be non-U.S. citizens. The Comptroller is also granted authority to deny a foreign banking application in the United States if he determines, after consultation with the Secretary of State, Secretary of the Treasury, and the Federal Reserve Board of Governors, that it would not be in the interests of the United States to permit the requested banking activity.

Section 103, edge corporations: This permits foreign banks to own Edge Act corporations—domestic banking offices engaging in foreign trade transactions—upon approval by the Board of Governors of the Federal Reserve System after consultation with the Secretary of the Treasury and the Secretary of State and a determination that this would not adversely affect the domestic or foreign commerce of the United States.

Section 104, Federal branches: The Comptroller is given authority to authorize the establishment of Federal branches of foreign banks in States where they are not prohibited by State law. Federal branch operations will generally be subject to the same duties, restrictions, and conditions that would apply if it were a national bank doing business at the same location. Foreign banks are permitted to convert State-chartered branches to Federal branches.

Section 105, branching across State lines: Foreign banks are prohibited from branching or establishing agencies across State lines unless the branch or agency is approved by the State banking authorities in both the bank's home State and the State in which the foreign bank seeks to establish the new branch or agency. Additionally, all branches of the foreign bank in all States must be Federal branches. Branches operating in more than one State on or before December 3, 1974, are "grandfathered" provided they convert to a Federal branch within 2 years of the date of enactment of this law.

Section 106, acceptance of deposits: Since branches of foreign banks are not members of the Federal Deposit Insurance Corporation, they are not permitted to accept deposits of U.S. citizens or businesses without maintaining with the FDIC a surety deposit or bond in an amount determined by the Federal Reserve Board as sufficient to protect depositors and creditors of the branch.

Section 107, authority of Federal Reserve System: The Federal Reserve Board is granted the authority to make branches and agencies of foreign banks subject to reserve requirements, interest rate controls, and reporting requirements which are imposed on Federal Reserve member banks. The Federal Reserve is also granted the authority to draft rules and regulations permitting access of branches and agencies of foreign banks to the clearing, discount, and advance facilities of the Federal Reserve System.

Section 108, nonbanking activities: This section makes the provisions of the Bank Holding Company Act of 1956—as amended—applicable to each foreign bank which has a branch, agency or subsidiary in the United States. The nonbanking activities engaged in as of December 3, 1974—the date of introduction of the original Federal Reserve foreign banking legislation—must be terminated by December 31, 1985. A foreign bank or subsidiary which is underwriting, distributing, or selling securities in the United States may continue in the write securities in the United States, but many not sell or distribute securities in the United States except to the extent allowed national banks.

Section 109, guidelines for entry: Requires that the Secretary of the Treasury establish guidelines for the entry of foreign banking organizations and individuals into banking in the United States. The Secretary would have the authority to disapprove applications for foreign branches, or acquisitions of domestic banks by foreign banks, either at the Federal or the State level, if the Secretary finds that approval would be contrary to the guidelines established under this section.

Section 110, representative offices: Requires that representative offices of foreign banks be registered with the Secretary of the Treasury.

Section 111, cease-and-desist orders: Allows bank regulatory authorities to issue cease-and-desist orders in the same manner in which they apply to an insured bank.

Mr. Speaker, this bill differs from the original Federal Reserve Board legislative proposals of 1974 and 1975 in the areas which follow:

BRANCHING ACROSS STATE LINES AND "GRANDFATHERING"

The Federal Reserve bill would permit any foreign bank to open a branch in any State without regard to State law. Our bill would permit a foreign bank to establish a branch outside its home State only with the approval of the regulatory authorities in both the home State and the State in which the branch is to be located. The Federal Reserve bill would also have permitted a foreign bank to retain its multi-State banking operations and to continue to expand these operations in each State where it had a presence on December 3, 1974. Our bill also permits the retention of those banking operations which a foreign bank had on December 3, 1974; but limits further expansion after that date to: First, the home State of the foreign bank; or second, a State where the appropriate State authority approves such further expansion.

FDIC INSURANCE

The Federal Reserve bill requires all foreign banks to become members of the FDIC. Our bill requires that they post a surety deposit or bond with the FDIC in order to protect depositors and creditors.

FEDERAL RESERVE MEMBERSHIP

The Federal Reserve bill requires that existing and future State bank subsidiaries of foreign banks must become members of the Federal Reserve. Our bill does not require mandatory membership in the Federal Reserve System.

GLASS-STEAGALL ACTIVITIES

The Federal Reserve bill "grandfathers" all securities activities of foreign bank affiliates in the United States. This bill prohibits them from selling or distributing securities in the United States and only "grandfathers" their authority to underwrite securities in the United States.

A copy of the International Banking Act of 1976 follows:

H.R. —

A bill to provide for Federal regulation of participation by foreign banks in domestic financial markets

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INTERNATIONAL BANKING

SHORT TITLE AND DEFINITIONS

SEC. 101. (a) This title may be cited as the "International Banking Act of 1976".

(b) For the purposes of this Act—

(1) "agency" means any office or any place of business of a foreign bank located in any State of the United States at which credit balances are maintained incidental to or arising out of the exercise of commercial banking powers and checks are paid or money is lent but at which deposits may not by law be accepted from citizens or residents of the United States.

(2) "Board" means the Board of Governors of the Federal Reserve System.

(3) "branch" means any office or any place of business of a foreign bank located in any State of the United States at which deposits are received and checks are paid or money is lent.

(4) "Comptroller" means the Comptroller of the Currency.

(5) "Federal branch" means a branch of a foreign bank established and operating under section 104 of this Act.

(6) "foreign bank" means any institution that (1) is organized under the laws of a foreign country, a territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands, and (2) either (A) principally conducts its banking business outside the United States or (B) is a subsidiary, as that term is defined in the Bank Holding Company Act of 1956; as amended,

of any institution which, on a consolidated basis, principally conducts its banking business outside the United States. For the purposes of this Act, the term "foreign bank" includes, without limitation, foreign commercial banks, foreign merchant banks and other foreign institutions that engage in banking activities usual in connection with the business of banking in the countries where such foreign institutions are organized or operating.

(7) "foreign country" means any country other than the United States, and includes any colony, dependency, or possession of any such country.

(8) "investment company" means any institution organized under the laws of any State of the United States, or the District of Columbia which maintains credit balances incidental to or arising out of the exercise of commercial banking powers and engages in the business of making commercial loans, but which by law may not accept deposits from citizens or residents of the United States.

(9) "State" means any State of the United States or the District of Columbia.

(10) The terms "bank", "bank holding company", "company", "control", and "subsidiary" as used in this Act shall have the same meanings assigned to those terms in the Bank Holding Company Act of 1956, as amended, and the terms "controlled" and "controlling" as used in this Act shall have the same meaning as "control" as defined in section 2 of the Bank Holding Company Act of 1956, as amended.

ESTABLISHMENT OF NATIONAL BANKS

SEC. 102. (a) Section 5133 of the Revised Statutes (12 U.S.C. 21) is amended—

(1) by striking out the period at the end of the first sentence and adding the following new proviso: ": *Provided, however,* That subject to the provisions of section 5169 of the Revised Statutes, as amended, an association may be formed by a foreign bank, as such term is defined in the International Banking Act of 1976."

(2) by striking out the second and third sentences and inserting in lieu thereof the following: "Such persons or foreign bank shall enter into articles of association, which shall specify in general terms the object for which the association is formed, and may contain any other provisions, not inconsistent with law, that the association may see fit to adopt for the regulation of its business and the conduct of its affairs. The articles shall be signed by such persons or foreign bank, and a copy of them shall be forwarded to the Comptroller of the Currency, to be filed and preserved in his office."

(b) Section 5146 of the Revised Statutes (12 U.S.C. 72) is amended by striking out the period at the end of the first sentence and adding the following new proviso: ": *Provided, however,* That the Comptroller of the Currency may in his discretion permit not more than one-third the total number of directors to serve as such, although such directors are not citizens of the United States."

(c) Section 5169 of the Revised Statutes (12 U.S.C. 27) is amended by striking out the period at the end of the last sentence and adding the following:

"; or whenever, after consultation with the Secretary of State of the United States, the Secretary of the Treasury, and the Board of Governors of the Federal Reserve System, the Comptroller determines that it would adversely affect the domestic or foreign commerce of the United States or would otherwise not be in the interests of the United States to grant such certificate."

EDGE CORPORATIONS

SEC. 103. (a) The second sentence of the fourth paragraph of section 25(a) of the Federal Reserve Act (12 U.S.C. 614) is amended by striking out ", all of whom shall be citizens of the United States" after "to elect or appoint "directors".

(b) The first sentence of subparagraph (a) of the fifth paragraph of section 25(a) of the Federal Reserve Act (12 U.S.C. 615(a)) is amended by inserting "except with the approval of the Board of Governors of the Federal Reserve System," after "but in no event".

(c) The second proviso of the first sentence of the ninth paragraph of section 25(a) of the Federal Reserve Act (12 U.S.C. 618) is amended by inserting ", except with the approval of the Board of Governors of the Federal Reserve System" after "That".

(d) The tenth paragraph of section 25(a) of the Federal Reserve Act (12 U.S.C. 619) is deleted and the following paragraph is inserted in lieu thereof: "Except as otherwise provided in this section, a majority of the shares of the capital stock of any such corporation shall at all times be held and owned by citizens of the United States, by corporations the controlling interest in which is owned by citizens of the United States, chartered under the laws of the United States or of a State of the United States, or by firms or companies, the controlling interest in which is owned by citizens of the United States. Notwithstanding any other provisions of this section, any foreign bank or any bank organized under the laws of the United States, any State of the United States, or the District of Columbia, the controlling interest in which is owned by a foreign bank, group of foreign banks, or institution organized under the laws of a foreign country which owns or controls a foreign bank may, with the prior approval of the Board of Governors of the Federal Reserve System and upon such terms and conditions and subject to such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe, own and hold 50 per cent or more of the shares of the capital stock of any corporation organized under this section, and any such corporation shall be subject to the same provisions of law as any other corporation organized under this section: *Provided, however,* That the Board of Governors of the Federal Reserve System shall not approve any such ownership and holding of the shares of the capital stock of any corporation organized under this section, if, after consultation with the Secretary of State of the United States and the Secretary of the Treasury, the Board of Governors of the Federal Reserve System determines that such ownership and holding would adversely affect the domestic or foreign commerce of the United States or would otherwise not be in the interests of the United States. For the purposes of this paragraph the terms 'controls' and 'controlling interest' shall have the same meaning as 'control' as defined in section 2 of the Bank Holding Company Act of 1956, as amended, and the term 'foreign bank' shall have the meaning assigned to it in the International Banking Act of 1976."

FEDERAL BRANCHES

SEC. 104. (a) Except as provided in section 105, a foreign bank may, with the approval of the Comptroller, establish a Federal branch in any State in which (1) it is not operating a branch pursuant to State law and (2) the establishment of a branch by a foreign bank is not prohibited by State law.

(b) In establishing and operating a Federal branch, a foreign bank shall be subject to such rules, regulations, and orders as the Comptroller considers appropriate to carry out this Act, which shall include provisions for service of process and maintenance of branch accounts separate from those of the parent bank. Operations of a foreign bank at a Federal branch shall be conducted with the same rights and privileges as a national bank at the same location and, except as otherwise specifically provided in this title or in rules, regulation, or orders adapted by the Comptroller under this section, shall also be subject to all the same duties, restrictions, penalties, liabilities, conditions and limitations that would apply under the National Bank Act to a national bank doing business at the same location, except that (1) the requirements of section 5240 of the Revised Statutes (12 U.S.C. 481) shall be met with respect to a Federal branch if it is examined at least once in each calendar year; (2) any limitation based on the capital and surplus of a national bank shall be deemed to refer, as applied to a Federal branch, to the capital and surplus of the parent bank, and if the parent bank has more than one Federal branch the accounts of all such branches shall be aggregated in determining compliance with the limitation; (3) a Federal branch shall not be required to become a member bank, as that term is defined in section 1 of the Federal Reserve Act; and (4) a Federal branch shall not be required to become an insured bank as that term is defined in § 3(h) of the Federal Deposit Insurance Act.

(c) Whenever the Comptroller receives an application to establish a Federal branch, he shall send a copy to the Secretary of State, the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, and the bank supervisory authority of the Senate where the branch is to be located. He shall wait thirty days for such officials to submit their views before acting on the application.

(d) In acting on any such application, the Comptroller shall take into account the financial and managerial resources and future prospects of the applicant bank and the branch, and the convenience and needs of the community to be served. He shall not approve an application if the establishment of the branch would adversely affect the domestic or foreign commerce of the United States or would otherwise not be in the interest of the United States, and in making that determination he shall take into account the views of the officials referred to in subsection (c).

(e) Any branch or agency operated by a foreign bank in a State pursuant to State law may be converted into a Federal branch with the approval of the Comptroller. In the event of any conversion pursuant to this subsection, all of the liabilities of such foreign bank previously payable at the State branch or agency shall thereafter be payable by such foreign bank at the branch established under this subsection.

(f)(1) Upon the opening of a Federal branch in any State and thereafter, a foreign bank, in addition to any deposit requirements imposed under section 106(a) of the International Banking Act of 1976, shall keep on deposit, in accordance with such rules and regulations as the Comptroller may prescribe, with a member bank designated by such foreign bank, dollar deposits or investment securities of the type that may be held by national banks for their own accounts pursuant to paragraph "Seventh" of section 5136 of the Revised Statutes, as amended, in an amount as hereinafter set forth. Such depository bank shall be located in the State where such branch is located and shall be approved by the Comptroller if it is a national bank and by the Board of Governors of the Federal Reserve System if it is a State bank.

(2) The aggregate amount of deposited investment securities (calculated on the basis of principal amount or market value, whichever is lower) and dollar deposits for each branch established and operating under this section shall not be less than the greater of (1) that amount of capital (but not surplus) which would be required of a national bank being organized at this location, or (2) 5 per cent of the total liabilities of such branch, including acceptances, but excluding (A) accrued expenses, and (B) amounts due and other liabilities to offices, branches, agencies and subsidiaries of such foreign bank: *Provided, however,* That the Comptroller may from time to time require that the assets deposited pursuant to this subsection

may be maintained in such amount as he may deem necessary or desirable, for the maintenance of a sound financial condition, the protection of depositors and the public interest, but such additional amount shall in no event be greater than would be required to conform to generally accepted banking practices as manifested by banks in the area in which the branch is located.

(3) The deposit shall be maintained with any such member bank pursuant to a deposit agreement in such form and containing such limitations and conditions as the Comptroller may prescribe. So long as it continues business in the ordinary course such foreign bank shall, however, be permitted to collect interest on the securities so deposited and from time to time examine and exchange such securities.

(g) Authority to operate a Federal branch shall terminate when the parent bank voluntarily relinquishes it, or when the parent bank is dissolved or its authority to do business is otherwise terminated in the country of its organization. If the Comptroller has reasonable cause to believe that a foreign bank has failed to comply with this section he may, after notice and opportunity for hearing, revoke the bank's authority to operate a Federal branch. Authority so revoked may be restored upon proof of compliance with this section.

(h) Whenever the Comptroller revokes a foreign bank's authority to operate a Federal branch, or finds that a judgment against a foreign bank with a Federal branch has been rendered by a court of record and has remained unpaid for thirty days or more, or finds that a conservator has been appointed for such foreign bank or a similar proceeding is initiated in the foreign bank's country of organization, or determines that a foreign bank with a Federal branch is insolvent, he may appoint a receiver, who shall exercise the same powers with respect to the assets of the foreign bank as may be exercised by a receiver of a national bank.

BRANCHING ACROSS STATE LINES

SEC. 105. (a) Except as provided by subsection (b), no foreign bank may operate a branch or agency in a State outside its home State unless the branch or agency is (1) approved by the bank regulatory authority of the home State and the State in which it desires to operate such branch or agency, and (2) all branches of the foreign bank in all States are Federal branches.

(b) A foreign bank may continue to operate any branch or agency lawfully in operation on the date of enactment of this title for not more than five years after the date of enactment of this title unless (1) the branch or agency was lawfully in operation, or its establishment had been approved by the appropriate State authority, on or before December 3, 1974, and (2) all of the branches operated in any State by the foreign bank pursuant to State law are converted to Federal branches within two years after the date of enactment of this title.

(c) For the purposes of this section, the home State of a foreign bank is the State in which, on the date of enactment of this title, its assets exceeded those in any other State. Any foreign bank that does not maintain a branch or agency or that is not a bank holding company or a subsidiary thereof on the date of enactment of this title shall have its home State deemed to be the State in which it establishes its initial branch, agency, or bank subsidiary (including any bank subsidiary acquired by a company of which it is a subsidiary) in the United States.

ACCEPTANCE OF DEPOSITS

SEC. 106. (a) No branch may accept deposits of United States citizens, residents or businesses whose principal place of business is in the United States unless the branch maintains with the Federal Deposit Insurance Corporation a surety deposit or bond, under such rules as the Federal Deposit Insurance Corporation may prescribe, in an amount which the appropriate Federal banking agency prescribes as necessary in order to protect preferred depositors and creditors of the branch. For purposes of this subsection, the term "preferred depositors and creditors" shall mean and include (1) depositors who have made deposits directly in such branch and (2) creditors whose claims arose out of transactions directly with such branch; *Provided, however,* That this term shall not include offices, branches, agencies, subsidiaries and affiliates of such foreign bank.

(b) This section does not apply to any bank organized under the laws of Puerto Rico, nor does it prohibit any branch or agency from maintaining credit balances for the amount of customers incidental to, or arising out of, the exercise of its lawful powers.

(c) With respect to branches in existence on the date of enactment of this title, this section shall take effect January 1, 1977.

(d) For purposes of this section, the term "appropriate Federal banking agency" means the Comptroller of the Currency for Federal branches and the Board of Governors of the Federal Reserve System for branches established and operating pursuant to State law.

AUTHORITY OF FEDERAL RESERVE SYSTEM

SEC. 107. (a) Subsections (a), (b), (c), (d), (f), (g), (i), (j) and the second sentence of subsection (e) of section 19 of the Federal Reserve Act shall apply to every branch and agency of a foreign bank and every investment company controlled by one or more foreign banks or by one or more companies that control a foreign bank in the same manner and to the same extent as if the branch, agency or investment company were a member bank as that term is defined in section 1 of the Federal Reserve Act and, for the purposes of those provisions, the Board is authorized to define any or all of the liabilities of any such branch, agency or investment company as deposits: *Provided, however,* That the Board either by general or specific regulation or ruling may waive the minimum and maximum reserve ratios prescribed under Section 19 of the Federal Reserve Act and may prescribe any other ratio, not more than 22 per centum, for any liability of any such branch, agency, or investment company that the Board may deem reasonable and appropriate to effectuate monetary policy objectives, taking into consideration the character of business conducted by such institutions and the need to maintain vigorous and fair competition between and among such institutions and member banks; *Provided, further,* That the Board may impose reserve requirements on branches, agencies and investment companies in such graduated manner as it deems reasonable and appropriate.

(b) Section 13 of the Federal Reserve Act is amended by adding at the end thereof the following new paragraph:

"Subject to such restrictions, limitations and regulations as may be imposed by the Board of Governors of the Federal Reserve System, each Federal Reserve bank may receive deposits from, discount paper endorsed by, and make advances to any branch or agency of a foreign bank, and any investment company in the same manner and to the same extent that it may exercise such powers with respect to a member bank if such branch, agency or investment company is maintaining reserves with such Reserve Bank pursuant to section 107 of the International Banking Act of 1976: *Provided, however,* That in exercising any such powers with respect to any such branch, agency or investment company each Federal Reserve bank shall give due regard to account balances being maintained by such branch, agency or investment company with such Reserve Bank and the proportion of any such branch, agency or investment company's assets being held as reserves under section 107 of the International Banking Act of 1976. For the purposes of this paragraph, the terms "branch", "agency", "foreign bank" and "investment company" shall have the same meanings assigned to them in section 101 of the International Banking Act of 1976."

(c) Each branch or agency of a foreign bank and each investment company controlled by one or more foreign banks or by one or more foreign companies that control a foreign bank, shall be subject to: (1) paragraphs 7, 8, 20 and the reporting requirements of paragraph 6 of section 9 of the Federal Reserve Act (12 U.S.C. 325, 326, 335 and 324) and (2) subparagraph (a) of section 11 of the Federal Reserve Act (12 U.S.C. 248(a)) to the same extent and in the same manner as if the branch, agency, or investment company were a State member bank.

NONBANKING ACTIVITIES

SEC. 108. (a) Except as otherwise provided in this section, (1) any foreign bank that maintains a branch or agency in a State, (2) any foreign bank or company controlling a foreign bank that controls an investment company organized under State law, and (3) any company of which any foreign bank or company referred to in (1) or (2) is a subsidiary shall be subject to the provisions of the Bank Holding Company Act of 1956, as amended, and to sections 105 and 106 of the Bank Holding Company Act Amendments of 1970 in the same manner and to the same extent that such provisions apply to a bank holding company, except that any such foreign bank or company shall not be deemed a bank holding company for purposes of section 3 of the Bank Holding Company Act of 1956, as amended.

(b) After December 31, 1985, no foreign bank or other company to which subsection (a) applies on the date of enactment of this title may retain direct or indirect ownership or control of any voting shares of any nonbanking company in the United States that it owned, controlled or held with power to vote on the date of enactment of this title or engage in any nonbanking activities in the United States in which it was engaged on such date unless authorized by subsection (c) of this section or by the Board of Governors of the Federal Reserve System under section 4 of the Bank Holding Company Act of 1956, as amended.

(c) A foreign bank or other company to which subsection (a) applies on the date of enactment of this title may continue to engage in nonbanking activities in the United States in which directly or through an affiliate it was lawfully engaged on December 3, 1974 (or on a date subsequent to December 3, 1974 in the case of activities carried on as the result of the direct or indirect acquisition, pursuant to a binding written contract entered into on or before December 3, 1974, of another company engaged in such activities at the time of acquisition) and may retain direct or indirect ownership or control of any voting shares of any nonbanking company that it (1) owned, controlled, or held with power to vote on December 3, 1974 (or on a date subsequent to December 3, 1974, if acquired by a written contract entered into on or before such date) and (2) that does not engage in any activities other than those in which such foreign bank, company or affiliate may engage by virtue of this subsection or section 4 of the Bank Holding Company Act of 1956, as amended; *Provided, however,* That the Board by order, after opportunity for hearing, may terminate the authority conferred by this subsection (c) on any such foreign bank or company to engage directly or through an affiliate in any activity otherwise permitted by this subsection (c) if it determines, having due regard to the purposes of this title and the Bank Holding Company Act of 1956, as amended, that such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices in the United States; and in the case of any such foreign bank or company that engages directly or indirectly through an affiliate in the business of underwriting, distributing or selling stocks, bonds and other securities in the United States, may continue to underwrite securities in the United States, but it may not sell or distribute securities in the United States except to the extent permissible for national banks under paragraph Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24). Nothing in this subsection (c) shall be construed to authorize any foreign bank or company referred to in this subsection (c), or any affiliate thereof, to engage in activities authorized by this subsection (c) through the acquisition, pursuant to a contract entered into after December 3, 1974, of any interest in or the assets of a going concern engaged in such activities. Any foreign bank or company that is authorized to engage in any activity pursuant to this subsection (c) but, as a result of action of the Board, is required to terminate such activity may retain the ownership or control of shares in any company carrying on such activity for a period of two years from the date on which its authority was so terminated by the Board. As used in this subsection, the term "Affiliate" shall mean any company more than 5 per centum of whose voting shares is directly or indirectly owned or controlled or held with power to vote by the specified foreign bank or company.

(d) Nothing in this section shall be construed to define a branch or agency of a foreign bank or an investment company controlled by a foreign bank or company that controls a foreign bank as a "bank" for the purposes of any provisions of the Bank Holding Company Act of 1956, as amended, or section 105 of the Bank Holding Company Act Amendments of 1970, except that any such branch, agency or investment company subsidiary shall be deemed a "bank" or "banking subsidiary", as the case may be, for the purposes of applying the prohibitions of section 106 of the Bank Holding Company Act Amendments of 1970 and the exemptions provided in sections 4(c)(1), 4(c)(2), 4(c)(3) and 4(c)(4) of the Bank Holding Company Act of 1956, as amended, (12 U.S.C. 1843(c)(1), (2), (3), and (4)) to any foreign bank or other company to which subsection (a) applies.

GUIDELINES FOR ENTRY

Sec. 109. (a) The Secretary of the Treasury shall issue guidelines with respect to the entry of foreign banks, companies and individuals into banking in the United States, in order to assist Federal and State banking agencies in acting on applications by such foreign banks, companies and individuals to establish branches or agencies of foreign banks in any State or to acquire interests in banks, corporations organized under section 25(a) of the Federal Reserve Act, or investment companies organized under State law.

(b) In issuing guidelines under this section, the Secretary of the Treasury shall endeavor to foster participation by foreign interests in international financial markets in the United States to the maximum extent consistent with maintenance of fair and vigorous competition in such markets, and with international economic policies of the United States, including policies relating to the balance of trade, the balance of payments, the international payments mechanism, and the negotiation and implementation of reciprocal arrangements with other countries to strengthen international trade.

(c) Whenever a State bank supervisory authority receives an application to establish a branch or agency of a foreign bank or to organize an investment company that will be controlled by a foreign company or group of foreign companies, he shall transmit a copy of such application to the Secretary of the Treasury, the Secretary of State, and the Board of Governors of the Federal Reserve System, and shall allow a thirty-day period within which their views and recommendations may be submitted.

(d) Whenever the Board of Governors of the Federal Reserve System receives an application from a foreign company or group of foreign companies for approval under section 3 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841 et seq.) and whenever the responsible Federal banking agency under the Bank Merger Act (12 U.S.C. 1828(c)) receives an application under that Act involving a bank that is controlled by a foreign company or group of foreign companies, it shall transmit a copy of such application to the Secretary of the Treasury and the Secretary of State and allow a thirty-day period within which their views and recommendations may be submitted.

(e) Notwithstanding any other provision of law, no application shall be approved by any Federal banking agency under sections 102, 103, 104 or 201 of this Act, and no application referred to in subsections (b) and (c) of this section shall be approved by any State bank supervisory authority or any Federal banking agency, as the case may be, if the Secretary of the Treasury recommends in writing within any applicable time period specified that approval would be contrary to the guidelines established under this section.

REPRESENTATIVE OFFICES

Sec. 110. (a) Any foreign bank that maintains an office other than a branch or agency in any State shall register with the Secretary of the Treasury in accordance with rules prescribed by him, within one hundred and eighty days after the date of enactment of this title or the date on which the office is established, whichever is later.

(b) This title does not authorize the establishment of any such office in any State in contravention of State law.

CEASE-AND-DESIST ORDERS

Sec. 111. Subsection (b) of section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818(b)) is amended by adding at the end thereof the following new paragraphs:

"(4) This subsection and subsections (c), (d), (h), (i), (k), (l), (m), and (n) of this section shall apply to any branch or agency of a foreign bank, as those terms are defined in the International Banking Act of 1976, in the same manner as they apply to an insured bank, and for that purpose the appropriate Federal banking agency shall be the Comptroller of the Currency with respect to a Federal branch of a foreign bank and the Board of Governors of the Federal Reserve System with respect to a branch or agency operating pursuant to State law.".

"(5) This subsection and subsections (c), (d), (h), (i), (k), (l), (m) and (n) of this section shall apply to any foreign bank or company to which subsection (a) of section 108 of the International Banking Act of 1976 applies and to any subsidiary (other than a bank) of any such foreign bank or company in the same manner as they apply to a bank holding company and any subsidiary thereof (other than a bank) under subparagraph (3) of this subsection. For the purposes of this subparagraph, the term 'subsidiary' shall have the meaning assigned to it in section 2 of the Bank Holding Company Act of 1956, as amended."

REGULATION AND ENFORCEMENT

Sec. 112. (a) The Comptroller, the Board and the Secretary of the Treasury are authorized and empowered to issue such rules, regulations, and orders as each of them may deem necessary in order to perfrom their respective duties and functions under this title and to administer and carry out the provisions and purposes of this title and prevent evasions thereof.

(b) Compliance with the requirements imposed under this title shall be enforced under section 8 of the Federal Deposit Insurance Act, in the case of:

(1) national banks and Federal branches by the Comptroller.

(2) member banks of the Federal Reserve System (other than national banks), branches and agencies established and operating pursuant to State law, bank holding companies and subsidiaries thereof (other than banks), and foreign banks and companies referred to in subsection (a) of section 108 of this title, and subsidiaries thereof (other than banks), by the Board.

ELIMINATING ARAMCO TAX WINDFALL

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am today introducing legislation, previously introduced by my colleague, Congressman Fraser, to repeal a provision of the Tax Reduction Act of 1975 which has had the effect of giving four American oil companies a $35 million tax break.

The most interesting thing about this provision of the bill is not what it says, but how it got there in the first place. Congressman Charles Vanik, who first discovered this mysterious ripoff, commented on it at length in his floor remarks on December 2, 1975. He explained that the basic language for this section came from H.R. 17488 and H.R. 14462, tax bills which failed to be taken up in late 1974, but that the particular phrases which made clear that dividends from ARAMCO to its parent companies, Mobil, Standard of California, Exxon, and Texaco, will be counted as foreign source income—thus permitting the foreign tax credit to offset U.S. tax which might be levied against the dividends—were not in the earlier bills and apparently appeared from nowhere. Neither conferees nor committee staff were able to recall where the language came from or even any discussion of the provision in the conference.

Obviously, incidents like this make a strong case for open and recorded conferences, a change in House rules I certainly support. Beyond that, however, it is clear that remedial action must be taken to close this new tax loophole. This bill would eliminate the language in question and end the tax break, and I urge prompt action on it by the Ways and Means Committee.

The text of the bill follows:

H.R. 13181

A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain domestic corporation dividends as foreign oil-related income

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 907(c) of the Internal Revenue Code of 1954 (relating to foreign income definitions and special rules) is amended—

(1) by striking out subparagraph (B) of paragraph (3), and by redesignating subparagraphs (C) and (D) thereof as (B) and (C), respectively, and

(2) by striking out "and dividends described in subparagraph (B)" in the text of paragraph (3) following subparagraph (D).

(b) The amendments made by subsection

(a) apply to taxable years ending after December 31, 1976.

THE SALES REPRESENTATIVES PROTECTION ACT

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, today I am introducing along with my colleague JOHN MCCOLLISTER, a revised version of the Sales Representatives Protection Act. This is legislation which if enacted will go a long way in protecting commissioned salesmen with regard to the unequal financial position they occupy in the relationship with their principals.

Sales representatives are the lifeline of this Nation's commercial activity. They are the essential link between thousands of manufacturers and the multitudes of wholesalers and retailers. However, the sales representative is often the victim of manufacturers who do not hesitate to exploit the salesman's inferior economic position. Unfortunate as it is, there are some manufacturers who take advantage of the successful salesman and prevent him from realizing the reward he has earned and deserves, after diligently building up an account for his principal. It is a devastating situation for a sales representative who has invested much time and personal money in an account—all to the financial benefit of his principal—then to have his sales territory cut, or his commission slashed, or even have his entire account, coopted by the manufacturer and turned into a house account. The salesman is now totally helpless in protecting himself against these infringements upon his financial interests.

The Sales Representatives Protection Act provides for a system of posttermination compensation in the event that a salesman is unjustly terminated. The purpose of this bill is simply to insure that a salesman is indemnified by his principal in the event he is unfairly terminated or his financial position otherwise abused, as well as to stipulate minimal conditions to be met in any contract between a sales representative and his principal.

The time for legislation of this kind is long past due. The Nation's sales representatives are all too vulnerable—they are in limbo between the powerful positions of organized labor and management. The salesman is not eligible for union membership; he has not gained either workmen's compensation or even unemployment insurance. It is imperative that Congress adopt this measure to insure that any sales representative who is properly performing his sales duties to the financial benefit of his principal will not be left out in the cold.

This bill is a successor to the bill H.R. 7455, the Sales Representatives' Agency law, which I introduced on the recommendation of the National Council of Salesmen's Organizations last May, and to the bill H.R. 11, introduced last session by Congressman MCCOLLISTER. I applaud the leading role my colleague from Nebraska has taken in striving for this legislation to protect the Nation's salesmen. This newly revised measure combines and builds upon the old H.R. 11 and H.R. 7455.

In addition to the National Council of Salesmen's Organizations, I am also very grateful for the dedicated efforts in strengthening this legislation by the National Association of Women's & Children's Apparel Salesmen, and the Electronic Representatives Association.

The text of the bill follows:

H.R. 13180

A bill to provide for payments to certain sales representatives terminated from their accounts without justification, to provide for the scope of contracts between sales representatives and their principals, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Sales Representatives Protection Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress makes the following findings:

(1) Many individuals who work as sales representatives for business firms are independent contractors who are compensated primarily by commission.

(2) Such sales representatives generate sales without which the economy of the United States would not produce needed goods and services.

(3) Such sales representatives operate most effectively and productively when assured that they will be compensated for their efforts in accordance with the terms of their contracts with their principals.

(4) Such sales representatives do not generally have the benefits of workmen's compensation, unemployment compensation, or company-sponsored retirement or pension plans and are not eligible to bargain collectively.

(5) Such sales representatives invest their own time and resources in the development of their territories and markets.

(6) Many sales representatives are subjected to wrongful termination from their accounts, reduction in the size of their sales territories, conversion of their accounts to house accounts serviced directly by their principals, and other abuses which deny such sales representatives the full benefits of their labor.

(7) It is in the public interest to provide a means by which sales representatives who are wrongfully terminated may be reasonably compensated for such termination.

(b) The purpose of this Act is to provide a reasonable and equitable system under which sales representatives may be indemnified for commissions denied them because of wrongful terminations.

SEC. 3. For the purposes of this Act:

(1) The term "principal" means any person who—

(A) is engaged in the business of manufacturing, producing, assembling, importing, or distributing merchandise for sale in commerce to a customer who purchases such merchandise for resale or for use in business;

(B) utilizes sales representatives to solicit orders for such merchandise; and

(C) compensates such sales representatives, in whole or in part, by commission.

(2) The term "sales representative" means any person (other than an agent-driver or commission-driver) who is an indepdent contractor engaged in the business of soliciting on behalf of a principal orders for the purchase of such principal's merchandise.

(3) The term "good cause" means conduct on the part of a sales representative with respect to a principal of such sales representatives which constitutes—

(A) dishonesty or fraud or other criminal activity;

(B) a material breach of the contract between such sales representative and such principal;

(C) failure to put forth a good faith effort to obtain orders for the merchandise of such principal; or

(D) gross negligence in the performance of the duties of such sales representative.

(4) The term "commerce" means trade, traffic, transmission, communication, or transportation—

(A) between a place in a State and any place outside thereof; or

(B) which affects trade, traffic, transmission, communication, or transportation described in subparagraph (A).

(5) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and the Canal Zone.

TITLE I—INDEMNIFICATION

INDEMNIFICATION BY PRINCIPAL OF UNJUSTLY TERMINATED SALES REPRESENTATIVE

SEC. 101. (a) (1) Except as provided in paragraph (3), any principal who, without good cause, terminates any sales representative from an assignment to solicit orders on behalf of such principal from an account of such sales representative described in paragraph (2) shall indemnify such sales representative in accordance with section 102(a).

(2) An account referred to in paragraph (1) is a customer of a principal—

(A) which purchases merchandise of such principal through a sales representative of such principal for resale or for use in business;

(B) the business of which with such principal—

(i) was initially solicited by such sales representative; or

(ii) was not less than 50 per centum greater in dollar volume in any 12-month period during which such sales representative was a party to a contract or contracts with such principal under which such sales representative solicited orders from such customer than in the 12-month period ending with the month preceding the month in which such a contract was first entered into; and

(C) to which such sales representative was assigned to solicit orders on behalf of such principal for a period of not less than 18 months immediately preceding the termination by such principal referred to in paragraph (1).

(3) This subsection shall not apply to any principal who, for a period of two years after a termination referred to in paragraph (1), neither solicits, directly or through sales representatives, nor accepts orders from the account involved in such termination.

(b) (1) Any principal who, without good cause and for the primary purpose of preventing a sales representative from becoming entitled to an indemnification under subsection (a) (1), terminates such sales representative from an assignment to solicit orders on behalf of such principal from an account of such sales representative described in paragraph (2) shall be liable to such sales representative in the amount described in section 102(a) (2) (A).

(2) An account referred to in paragraph (1) is a customer of a principal—

(A) which purchases merchandise of such principal through a sales representative of such principal for resale or for use in business; and

(B) to which such sales representative was assigned to solicit orders on behalf of such principal for a period of not less than 12 months immediately preceding the termination by such principal referred to in paragraph (1).

(c) (1) (A) Any principal who reduces the size of the geographic territory, if any, which such principal has assigned to a sales representative with respect to an account of such sales representative described in paragraph (4) shall, if such reduction results in a reduction of not less than 25 per centum in the dollar amount of commissions paid by such principal to such sales representative for orders accepted from such account in the 12-month period immediately following such reduction in geographic territory compared with the dollar amount of commissions paid by such principal to such sales representative for orders accepted from such account in the immediately preceding 12-month period, indemnify such sales representative in accordance with paragraph (3).

(B) In any determination under subparagraph (A), any reduction in the dollar amount of commissions paid by such principal to such sales representative because such principal failed to fill orders submitted by such account due to an Act of God, an act of war or insurrection, a strike, or an act of an agency of government shall be disregarded.

(2) Any principal who reduces the rate of commission paid to a sales representative of such principal for orders accepted by such principal from an account of such sales representative described in paragraph (4) shall, if the total effect of such reduction in any 12-month period is a reduction in rate of commission of not less than 25 per centum, indemnify such sales representative in accordance with paragraph (3).

(3) Upon a reduction in amount of commissions described in paragraph (1) or a reduction in rate of commission described in paragraph (2), the principal causing such reduction shall—

(A) if the sales representative involved elects to terminate his relationship with such principal with respect to the account involved, indemnify such sales representative for such reduction in accordance with section 102(a); or

(B) indemnify such sales representative for such reduction in accordance with section 102(b).

(4) An account referred to in paragraphs (1) and (2) is an account described in subsection (a)(2), except that the reference in subparagraph (C) of such subsection to a termination by a principal is, for the purposes of this paragraph, a reference to a reduction by such principal described in paragraph (1) or (2).

COMPUTATION OF INDEMNITY

SEC. 102. (a)(1) Subject to paragraph (2), any principal required under section 101(a) or 101(c)(3)(A) to indemnify a sales representative shall be liable to such sales representative in an amount computed by multiplying—

(A) the amount which is the greater of—

(i) one-twelfth the sum of the commissions paid or to be paid such sales representative for orders accepted by such principal from the account from which such sales representative has been terminated in the 12-month period preceding the date of such termination; or

(ii) the sum of the commissions paid or to be paid such sales representative for orders accepted by such principal from such account in the shorter of—

(I) the 36-month period preceding the date of such termination; or

(II) the period in which such sales representative was a party to a contract or contracts with such principal under which such sales representative solicited orders from such account;

divided by the number of months in such period;

(B) the number of months in which such sales representative was a party to a contract or contracts with such principal under which such sales representative solicited orders from such account; and

(C) 10 per centum.

(2)(A) In no event shall the amount of any liability of a principal to a sales representative computed under paragraph (1) exceed the greater of—

(i) the sum of the commissions paid or to be paid such sales representative for orders accepted by such principal from the account from which such sales representative has been terminated in the 12-month period preceding the date of such termination; or

(ii) the sum of the commissions paid or to be paid such sales representative for orders accepted by such principal from such account in the shorter of—

(I) the 3-year period preceding the date of such termination; or

(II) the period in which such sales representative was a party to a contract or contracts with such principal under which such sales representative solicited orders from such account;

divided by the number of years (stated to the nearest twelfth part of a year) in such period.

(B) The amount of any liability of a principal to a sales representative computed under paragraph (1) with respect to an account of such sales representative shall be reduced by the amount of any indemnification computed under subsection (b) which was paid by such principal to such sales representative with respect to such account.

(3) For the purpose of computing the amount of any liability under paragraph (1), any sales representative whose amount of commissions have been reduced as described in section 101(c)(1) or whose rate of commission has been reduced as described in section 101(c)(2) may treat the date of such reduction as the date of termination referred to in such paragraph.

(b) Upon election by a sales representative under section 101(c)(3) not to terminate his relationship with a principal with respect to an account after such principal has cause a reduction in amount of commissions described in section 101(c)(1) or rate of commission described in section 101(c)(2), such principal shall be liable to such sales representative in an amount computed by determining the amount to which such sales representative would be entitled under subsection (a) if such reduction were a termination under section 101(a) and multiplying such amount by the percentage of such reduction.

PAYMENT OF INDEMNITY RESULTING FROM SETTLEMENT

SEC. 103. (a) Following the making of a binding agreement to settle a claim by a sales representative against a principal for an indemnity under this title, the principal involved shall pay the amount of such settlement to such sales representative—

(1) not later than 30 days after the date of such agreement; or

(2) if the amount of such settlement is greater than $3,000, in the manner described in subsection (b);

whichever such principal elects.

(b) A principal electing under subsection (a) to pay the amount of a settlement in excess of $3,000 under this subsection—

(1) shall pay not less than 40 per centum of such amount to the sales representative referred to in subsection (a) not later than 30 days after the date of the agreement to make such settlement; and

(2) shall, at the time of the payment referred to in paragraph (1), give such sales representative 2 negotiable notes, each for one-half of the balance of such amount, one of which shall be due not later than 12 months after the date of such agreement and shall bear interest at twice the highest rate of interest paid by the United States on notes issued by it during any 3-day period including such date to be due in 12 months and the other of which shall be due not later than 24 months after the date of such agreement and shall bear interest at twice the highest rate of interest paid by the United States on notes issued by it during any 3-day period including such date to be due in 24 months.

TITLE II—CONTRACTS BETWEEN SALES REPRESENTATIVES AND PRINCIPALS

CONTRACT TERMS

SEC. 201. Any contract between a sales representative and a principal under which such sales representative shall solicit orders for the merchandise of such principal shall include a provision with respect to each of the following items:

(1) The rate of commission to be paid by such principal to such sales representative for orders accepted by such principal from an account of such sales representative, and a statement of any other form of compensation to be paid by such principal to such sales representative.

(2) The amount and method of payment of any advance on the future compensation of such sales representative to be given by such principal to such sales representative, and the terms under which such principal will recover such advance.

(3) The amount of notice, if any, such principal shall give such sales representative before terminating such sales representative from an account, and the manner in which any such notice shall be given.

(4) A description of the sales territory, if any, assigned to such sales representative and a statement of whether such territory will be an exclusive territory of such sales representative with respect to the merchandise, or a line of merchandise, of such principal.

(5) The terms, if any, under which disputes between such principal and such sales representative shall be submitted to arbitration, including, if such disputes shall be submitted to arbitration, the method to be used in selecting the arbitrator.

(6) The ownership of any samples furnished by such principal to such sales representative for use in business.

(7) The number of days after an order for the merchandise of such principal is transmitted by such sales representative to such principal within which such principal must notify such sales representative whether such order has been accepted or rejected.

(8) The terms, if any, under which such sales representative will be paid a commission for an order which was transmitted by such sales representative to such principal before the termination of such sales representative from the account from which such order was transmitted, but which was accepted by such principal after such termination.

(9) The terms, if any, under which such sales representative will receive copies of shipping documents which relate to merchandise shipped by such principal to an account of such sales representative.

(10) The terms, if any, under which such sales representative will be allowed to solicit orders for the merchandise of other principals.

DUTIES OF PRINCIPAL

SEC. 202. Any principal who enters into a contract with a sales representative under which such sales representative shall solicit orders for the merchandise of such principal shall—

(1) inform such sales representative, within a reasonable time to be specified in such contract, of such principal's receipt of each order from an account of such sales representative;

(2) furnish such sales representative, within a reasonable time to be specified in such contract, copies of all invoices and credit memorandums issued with respect to sales in the assigned geographic territory, if any, of such sales representative;

(3) furnish such sales representative monthly statements of commissions due such sales representative; and

(4) provide such sales representative, upon the request of such sales representative—

(A) an accounting showing each sale made by such principal in the preceding 12 months in the assigned geographic territory, if any, of such sales representative;

(B) information with respect to any matter which is related to any claim by such sales representative against such principal for a commission; and

(C) access to the records of such principal for the purpose of verifying information supplied under subparagraphs (A) and (B).

TITLE III—MISCELLANEOUS

PROCEDURE

Sec. 301. (a) An action to enforce any rights of liabilities created by this Act may be brought in a district court of the United States without regard to the amount in controversy or in any other court of competent jurisdiction.

(b) In the case of an action arising under this Act which is brought in a district court of the United States, such action may be brought in the judicial district where all the plaintiffs reside in addition to any other judicial district provided by law.

(c) No action may be brought under this Act later than 5 years after the right to such action first arises.

(d) In any action brought by any sales representative against any principal under this Act, the burden of proof on the issue of whether such principal acted without good cause shall rest on such principal.

(e) In any successful action brought by a sales representative under this Act, the court may award reasonable attorneys' fees and the cost of the action to such sales representative.

WAIVER PROHIBITED

Sec. 302. Any provision in any contract between any sales representative and any principal requiring such sales representative to waive any of the provisions of this Act shall be void.

EFFECT ON STATE LAW

Sec. 303. Nothing in this Act shall invalidate or restrict any right or remedy of any sales representative under the law of any State.

EFFECTIVE DATE

Sec. 304. Sections 101, 201, and 202 of this Act shall take effect at the end of the 90-day period beginning with the date of enactment of this Act.

THE WYE OAK PLANTED ON GROUNDS OF U.S. CAPITOL

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, the Wye oak is believed to be the largest white oak in the United States and is the official Maryland State tree. And now, one of its "children" has come to Capitol Hill.

On Monday, April 4, a sapling from the great tree was presented to the Capitol and was planted along one of the roadways on the Senate side of the grounds. I was delighted to see this happen as a part of our Nation's Bicentennial and also as a celebration of the 70th anniversary of the founding of the Maryland Forest Service.

Senator J. Glenn Beall, Jr., of Maryland, made these very appropriate remarks on this occasion:

It is a great honor for me to present, on behalf of all of the citizens of the State of Maryland, this sapling of the Wye Oak for planting on the grounds of the United States Capitol. The great symbolism surrounding this ceremony cannot be overlooked or overstated.

The Wye Oak, which is believed to be the largest white oak in the United States, became the official Maryland State Tree on June 1, 1941, by an act of the general assembly.

The tree, which is estimated to be over 435 years old, is located in Talbot County on Maryland's Eastern Shore. The Wye Oak, which has endured longer than any other living thing in the State, has become a symbol of great importance to Marylanders.

It was almost 100 years old when the first colonist disembarked from the Ark and the Dove to found Maryland in 1634:

It was approximately 236 years old when the Declaration of Independence was signed in 1776;

It was approximately 253 years old when President Washington laid the cornerstone for the U.S. Capitol in 1793;

It was approximately 260 years old when Congress and the Supreme Court first occupied the Capitol in 1800;

It was approximately 274 years old when a British fleet bombarded Fort McHenry—during the War of 1812—and inspired Francis Scott Key to write the words of our national anthem;

It was approximately 321 years old when President Lincoln was first inaugurated—just a short distance from this spot—on the eve of our tragic Civil War;

It was approximately 322 years old when Union and Confederate forces clashed in the bloody and significant Battle of Antietam, near Sharpsburg in Western Maryland; and

It was approximately 401 years old when America became involved in the Second World War.

Its age and its massive size (circumference of the trunk over 32 feet, height-108 feet, crown spread—160 feet) give it the characteristics of strength, endurance, and permanence which are most comforting to a people whose fast-paced lives are dominated by the concepts of newness and change.

1976 marks the Bicentennial of our Nation's independence. This celebration gives each of us an opportunity to rededicate ourselves to the American spirit. After a period of great difficulty for our people and our Nation—politically, economically, militarily—we need to rekindle our national self-confidence so that we can once again look to the future with optimism and pride.

The Bicentennial Celebration will have served us well if it helps to renew the American spirit and, in doing so, unleashes our Nation's creativity which will enable us to find new solutions to the problems that confront us.

I would be remiss if I did not note that 1976 also marks the 70th anniversary of the founding of the Maryland Forest Service. This fine State agency has managed Maryland's woodland resources in such a way as to promote conservation, economic, recreational, and environmental considerations. During its seven decades, the Maryland Forest Service has had four talented and dedicated State Foresters, including Adna R. (Pete) Bond who is with us today.

All Marylanders are thankful for the foresightedness of the Maryland General Assembly which established the State Forest Service in 1906, and for the enlightened leadership our State Foresters have provided over the last 70 years.

April 7, 1976 marks Maryland's observance of Arbor Day, a time set aside each year for the planting of trees. It is indeed a pleasure for me to participate in this Arbor Day celebration, which falls during our Nation's Bicentennial year, by presenting this sapling of the Wye Oak for planting on the Capitol grounds.

In closing, let me note that today's ceremony has great symbolism because so many divergent elements come together in natural harmony. (1) the Wye Oak, symbol of Maryland—its history—its traditions—its contributions to America; (2) the Capitol, symbol of our Federal Government and guardian of our liberties; (3) the Bicentennial Celebration of the American Revolution gives each of us an opportunity to restudy, reflect, and rededicate ourselves to the principles set forth by our forefathers 200 years ago; (4) and Arbor Day, the time each year when we focus our attention on our abundant woodlands and the need to preserve and renew this valuable resource.

The Wye Oak, Maryland's State Tree, is a towering giant whose lifespan has completely encompassed the entire history of British North America and the United States. The sapling we are planting today embodies, in a way, a form of immortality for this great tree. I hope that our descendants, centuries from now, will find this White Oak alive and well on the ground of the Capitol. The original Wye Oak has seen the settlement of 13 British colonies along the eastern coast of North America; the American Revolution; and the emergence of a small, weak, loosely united nation; and its subsequent emergence as a continent-spanning superpower. It has also overseen the constant struggle, by our people, to "establish a more perfect union"—based on liberty, equality, freedom, and justice. Likewise, no building more symbolizes the virtues of our Representative Republic than does the United States Capitol and I would hope that future generations of Americans will continue to enjoy the blessings of liberty, democracy, and justice, which the Capitol so proudly represents. Our zeal for liberty must never flag, a point which was stated most clearly by H. L. Mencken when he said, "We must be willing to pay a price for freedom, for no price that is ever asked for it is half the cost of doing without it."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Young of Alaska (at the request of Mr. Rhodes), for today through April 14, 1976, on account of official business.

Mr. McHugh (at the request of Mr. O'Neill), for today, on account of illness.

Mr. Lehman (at the request of Mr. O'Neill), for today, on account of illness in the family.

Mr. Jones of Tennessee (at the request of Mr. O'Neill), for today and tomorrow, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Fisher) to revise and extend their remarks and include extraneous matter:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Jones of Oklahoma, for 5 minutes, today.

Mr. Reuss, for 5 minutes, today.

Mr. Alexander, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Moss to insert statement immediately after rollcall No. 181 on Thursday, April 8, 1976.

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous matter:)

Mr. Mitchell of New York.

Mrs. Fenwick.

Mr. Ruppe.

Mr. Abdnor.

Mr. Rousselot in two instances.

(The following Members (at the request of Mr. Fisher) and to include extraneous material:)

Mr. Long of Maryland.

Mr. Montgomery.

Mr. Gonzalez in three instances.

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Rose in two instances.

Mr. Matsunaga.

Mr. Milford.

Mr. Stokes.

Mr. Rangel in 10 instances.

Mr. Obey in 10 instances.

Mr. Bolling.

Mr. Breaux in 10 instances.

Mr. Mineta.

Mr. Teague.

Mr. Delaney.

Mr. McDonald of Georgia in five instances.

Mr. Leggett.

Mr. Edgar.

Mr. Brodhead.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2981. An act to authorize appropriations for the Indian Claims Commission for fiscal year 1977, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 3136. An act to reform the Food Stamp Act of 1964 by improving the provisions relating to eligibility, simplifying administration, and tightening accountability, and for other purposes; to the Committee on Agriculture.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 2444. An act to provide for the orderly transition to the new October 1 to September 30 fiscal year.

S. 2445. An act to provide permanent changes in laws necessary because of the October–September fiscal year; and

S.J. Res. 35. A joint resolution to provide for the designation of the week beginning March 13, 1977, as "National Employ the Older Worker Week."

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1465. An act to provide for the division of assets between the Twenty-Nine Palms Band and the Cabazon Band of Mission Indians, California, including certain funds in the U.S. Treasury, and for other purposes;

H.R. 11598. An act to authorize appropriations for the U.S. Information Agency for fiscal year 1976 and for the period July 1, 1976, through September 30, 1976; and

H.J. Res. 491. Joint resolution to extend support under the joint resolution providing for Allen J. Ellender fellowships to disadvantaged secondary school students, and for other purposes.

ADJOURNMENT

Mr. FISHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 46 minutes p.m.), under its previous order, the House adjourned until tomorrow, April 13, 1976, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3007. A letter from the President of the United States, transmitting budget amendments for fiscal years 1976 and 1977 for the Department of Transportation (Federal-aid highways) (H. Doc. No. 94–450); to the Committee on Appropriations and ordered to be printed.

3008. A letter from the President of the United States, transmitting a request for supplemental appropriations for fiscal year 1976 and an amendment to the request for appropriations for fiscal year 1977 for the Federal Aviation Administration, Department of Transportation (H. Doc. No. 94–451); to the Committee on Appropriations.

3009. A letter from the President of the United States, transmitting amendments to the request for appropriations for fiscal year 1977 for the Department of Labor (H. Doc. No. 94–452); to the Committee on Appropriations and ordered to be printed.

3010. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report of rescissions and deferrals of budget authority for fiscal year 1976 as of April 1, 1976, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 94–453); to the Committee on Appropriations and ordered to be printed.

3011. A letter from the Deputy Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made of the lands in those areas to be served by the Second Bacon Siphon and Tunnel, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to section 1 of Public Law 83–172; to the Committee on Appropriations.

3012. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting the second annual report on the Defense Industrial Reserve, pursuant to section 809 of Public Law 93–155; to the Committee on Armed Services.

3013. A letter from the Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting a report on the adequacy of pays and allowances of the uniformed services, pursuant to 37 U.S.C. 1008(a); to the Committee on Armed Services.

3014. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 1–98, "To provide for additional time for Council review of the nominees to the District of Columbia Boxing and Wrestling Commission," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3015. A letter from the Chairman, District of Columbia Law Revision Commission, transmitting the Commission's annual report, pursuant to section 4(a) of Public Law 93–379; to the Committee on the District of Columbia.

3016. A letter from the Special Assistant to the Chairman, Council of Economic Advisers, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3017. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1975 on the archeological and historic data recovery program, pursuant to section 5(c) of Public Law 93–291; to the Committee on Interior an Insular Affairs.

3018. A letter from the Secretary of the Interior, transmitting a consolidated financial statement for all of the electric power generating projects and the transmission system comprising the Federal Columbia River Power System, pursuant to section 2(a) of Public Law 89–448, as amended (80 Stat. 200, 714); to the Committee on Interior and Insular Affairs.

3019. A letter from the Deputy Assistant Secretary of the Interior, transmitting a report and certification of physical, economic, and financial feasibility on construction of the Uintah unit of the Central Utah project, pursuant to the Colorado River Basin Project Act (Public Law 90–537); to the Committee on Interior and Insular Affairs.

3020. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended 8 U.S.C. 1154(d); to the Committee on the Judiciary.

3021. A letter from the Under Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to improve and simplify the program of Aid to Families with Dependent Children; to the Committee on Ways and Means.

3022. A letter from the Chairman, Federal Election Commission, transmitting a request for supplemental appropriations for the Commission for fiscal year 1976, pursuant to section 311(d) (1) of the Federal Election Campaign Act, as amended; jointly, to the Committees on House Administration, and Appropriations.

3023. A letter from the Comptroller General of the United States, transmitting a report on the need to control Federal warning system proliferation; jointly, to the Committees on Government Operations, and Armed Services.

3024. A letter from the Comptroller General of the United States, transmitting a report on actions that the Department of Health, Education, and Welfare could take to develop a system for evaluating the well-being of children and the impact of relevant federally supported programs; jointly, to the Committees on Government Operations, Ways and Means, and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 9043. A bill to authorize employees and agencies of the Government of the United States to experiment with flexible and compressed work schedules as alternatives to present work schedules; with amendment (Rept. No. 94–1033). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 1141. Resolution providing for the consideration of the conference report on H.R. 8235. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes (Rept. No. 94–1034). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 1142. Resolution providing for the consideration of H.R. 12704. A bill to authorize appropriations for environmental research, development, and demonstration. (Rept. No. 94–1035). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 1143. Resolution providing for the consideration of H.R. 12838. A bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes (Rept. No. 94–1036). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 1144. Resolution providing for the consideration of H.R. 12987. A bill to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes (Rept. No. 94–1037). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X of clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER (for himself, Mr. Mills, Mr. Lott, Mr. Melcher, and Mr. Jenrette):

H.R. 13173. A bill to amend the Rural Development Act of 1972; to the Committee on Agriculture.

By Mr. EDGAR:

H.R. 13174. A bill to amend the act of August 12, 1968, to require that additional federally related buildings be made accessible to the physically handicapped and to require that certain Federal officers exercise their authority to prescribe standards for making buildings accessible to the physically handicapped and their authority to insure compliance with such standards; to the Committee on Public Works and Transportation.

By Mrs. FENWICK:

H.R. 13175. A bill to permit the enlistment of Vietnamese and Cambodian refugees into the Armed Forces of the United States under certain circumstances; to the Committee on Armed Services.

H.R. 13176. A bill to authorize the changing of the status of refugees from Indochina from that of a parolee to that of a permanent resident alien; to the Committee on the Judiciary.

By Mr. FLOOD:

H.R. 13177. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. FORD of Michigan (for himself, Mr. Blanchard, and Mr. Carr):

H.R. 13178. A bill to amend the Fair Labor Standards Act of 1938, to require prenotification to affected employees and communities of dislocation of business concerns, to provide assistance (including retraining) to employees who suffer employment loss through the dislocation of business concerns, to business concerns threatened with dislocation, and to affected communities, to prevent Federal support for unjustified dislocation, and for other purposes; to the Committee on Education and Labor.

By Mr. HAYS of Ohio:

H.R. 13179. A bill to authorize appropriations for the Department of State, and for other purposes; to the Committee on International Relations.

By Mr. McCOLLISTER (for himself and Mr. Ottinger):

H.R. 13180. A bill to provide for payments to certain sales representatives terminated from their accounts without justification to provide for the scope of contracts between sales representatives and their principals and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. OTTINGER:

H.R. 13181. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain domestic corporation dividends as foreign oil-related income; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 13182. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

By Mr. RICHMOND (for himself, Ms. Fenwick, and Mr. Mitchell of Maryland):

H.R. 13183. A bill to provide an opportunity to individuals to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; to the Committee on Ways and Means.

By Mr. ROONEY:

H.R. 13184. A bill to increase from 10 to 15 years the period during which veterans and certain wives and widows of veterans are eligible for educational assistance; to the Committee on Veterans' Affairs.

By Mr. ROONEY (for himself and Miss Jordan):

H.R. 13185. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSE:

H.R. 13186. A bill to provide for the efficient and regular distribution of current information on Federal domestic assistance programs; to the Committee on Government Operations.

By Mr. STUDDS:

H.R. 13187. A bill to amend the Tariff Schedules of the United States to provide for a lower rate of duty for certain fish netting and fish nets; to the Committee on Ways and Means.

By Mr. THOMPSON:

H.R. 13188. A bill to assist the construction and operation of burn facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITTEN:

H.R. 13189. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WIRTH:

H.R. 13190. A bill to increase from 10 to 15 years the period during which veterans and certain wives and widows of veterans are eligible for educational assistance; to the Committee on Veterans' Affairs.

By Mr. BURKE of Florida:

H. Con. Res. 612. Concurrent resolution disapproving the proposed letter of offer to sell six C–130 aircraft to Egypt (transmittal No. 76–47); to the Committee on International Relations.

By Mr. FLOOD (for himself, Mrs. Sullivan, Mr. Yatron, Mr. Jones of North Carolina, Mr. Mazzoli, Mr. Dent, Mr. Carter, Mr. Nix, and Mr. Long of Maryland):

H. Con. Res. 613. Concurrent resolution expressing the sense of Congress that the Bicentennial Theme "Lasting Independence From Empire" be adopted; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Ohio:

H. Res. 1140. Resolution to not object to the proposed exemption of residual oil fuel from the mandatory petroleum allocation and price regulations (energy action No. 1); to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

357. By the SPEAKER: Memorial of the Legislature of the State of California, relative to wine labeling; to the Committee on Interstate and Foreign Commerce.

358. Also, memorial of the Legislature of the State of New York, relative to the Northeast Rail Reorganization Act; to the Committee on Interstate and Foreign Commerce.

PETITIONS, INC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

440. By the SPEAKER: Petition of the town board, Penfield, N.Y., relative to revenue sharing; to the Committee on Government Operations.

441. Also, petition of the Oklahoma Lumbermen's Association, Oklahoma City, Okla., relative to the implementation of the Organic Act of 1897; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

EXTENSIONS OF REMARKS

MATSUNAGA WELCOMES COST-SHARING CHANGE IN THE RSVP PROGRAM TO HELP OLDER VOLUNTEERS AND COMMUNITIES

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. MATSUNAGA. Mr. Speaker, during a series of hearings held by the subcommittee of the House Select Committee on Aging, which I have the privilege of chairing, witnesses expressed concern over the problem which localities are having in matching Federal funds in the retired senior volunteer program—RSVP—run by ACTION. This is a program which has brought new meaning to the term "retirement" to thousands of Americans. It has restored among them a feeling of usefulness as contributing members of our society.

As my colleagues know, the purpose of RSVP is to provide volunteer opportunities to older Americans. Grants are awarded by ACTION to local public and private nonprofit sponsors, to help develop meaningful volunteer opportunities. With more than 160,000 volunteers, RSVP is ACTION's largest volunteer program by far.

RSVP is a cost-sharing program, involving the Federal Government and the local sponsor. Under the statute, the local share of the costs must not exceed 10 percent of the total in the first year, 20 percent in the second year, and so on, until in the fifth year, the local share required may be as high as 50 percent.

Unfortunately, until very recently, ACTION chose to maintain the local shares at the maximum permitted by law. The result, as witness after witness told my subcommittee, was hardship on the local sponsor as the program matured. Financing expansion of the program as demand grows is a difficult enough task; to be also forced to replace sharply declining Federal participation has proved an immense hardship on many RSVP projects.

That is why I was so pleased to note, in the Federal Register of March 12, the decision by ACTION to modify its cost-sharing formula, cutting the maximum local share requirement to 30 percent, rather than 50 percent. The new schedule is as follows:

[In percent]

Year of project:	Federal share	Local share
1st	90	10
2d	80	20
3d and beyond	70	30

The real meaning of this change in policy, Mr. Speaker, is that RSVP projects all over America will find their fund-raising burden somewhat eased, so that more attention can be directed toward the fine work done by the older volunteers in this outstanding program. I commend ACTION for initiating this change, which obviates the need for immediate legislative action. I trust that no change will be made in this new schedule without prior consultation with the Select Committee on Aging and other relevant congressional committees.

TRIBUTE TO JAMES DOW, 30 YEARS OF SERVICE TO AVIATION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. ANDERSON of California. Mr. Speaker, at the end of last month, Mr. James Dow retired after 30 years of outstanding service to aviation. During this 30-year period, he has advanced from an air traffic controller trainee to Acting Director of the Federal Aviation Administration encompassing both international and national affairs.

During his years in Government, many awards and honors for distinguished service have been given to him. In 1966 and 1973, he received the FAA's Meritorious Service Award in recognition of his management of the FAA enroute air traffic control automated system. He is the only two-time recipient of this award in the history of the Department. In 1968, the Secretary of Transportation presented him with the DOT Meritorious Achievement Award for his extremely competent leadership, outstanding performance of duties, and effective management while serving as director of budget of FAA.

Mr. Dow has been in the forefront of many innovative efforts to broaden and strengthen the stance of air transportation particularly with respect to flight safety. He has successfully spearheaded Federal aviation efforts to upgrade requisites for aircraft maintenance and pilot training schools; and he has insisted upon a continuing emphasis on programs aimed at increasing the professionalism of pilots on flight safety matters.

But from the standpoint of overall flight safety, nothing has loomed quite as large among Mr. Dow's accomplishments as his leadership in agency activities to automate the air traffic control subsystem of the National Airspace System—NAS. This program dates back to March 1961, when the President asked the FAA Administrator "to conduct a scientific, engineering review of our aviation facilities and related research, and development and to prepare a practicable long route plan to insure efficient and safe control of all air traffic within the United States." From this directive sprang the concept—and the impending reality—of a semiautomated air traffic control system.

Much of the credit for the magnificent air traffic control system we have today—and it is acknowledged to be the world's finest—is due in major measure to the expertise and devotion to duty of Jimmy Dow. He organized and served as the first Director of the National Air Space System Program Office—NASPO—which was responsible for the development and implementation of the semiautomated system now in operation at all air route traffic control centers in the Continental United States. Jimmy held the NASPO post until August 1966, when he was relieved of that assignment to permit him to attend Princeton University for a year's study at Woodrow Wilson School for Public and International Affairs, an assignment to groom him for top agency administrative management.

Mr. Dow is also recognized by industrial and Government officials as having made many contributions in areas such as financial management, congressional relations, and international affairs. But Jimmy Dow is more than an expert. He is an innovator in Federal aviation matters, and he has served his country well.

Mr. Speaker, I have enjoyed working with Mr. Dow; I commend him for his outstanding service, and I wish him well in all of his future endeavors.

HATCH ACT POLLS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. CLAY. Mr. Speaker, certain allegations have come to light with regard to H.R. 8617, a bill to reform the Hatch Act, that do not hold water. I want to clarify this matter since Members of this body will have another opportunity to voice their views on H.R. 8617 when we consider overriding the President's veto.

As Members who are familiar with this legislation know, beyond prohibiting those political activities which might tend to erode the career system based on merit, H.R. 8617 permits those same political activities for Federal employees as are already available to other citizens.

Opponents of H.R. 8617 have enjoyed a field day quoting self-serving surveys which allegedly demonstrate that the vast majority of Federal employees oppose modification of the Hatch Act. These survey results are distortions of the truth. The fact of the matter is that the only objective and scientific study of Federal employees' preferences was conducted by the University of Michigan's Institute for Social Research in 1967.

The Institute found that 38 percent of all Federal employees either did not know what the Hatch Act was or could not describe it. The Institute also found that Federal civilian employees were about evenly divided between preferring greater political freedom and being satisfied with existing law. There were variations according to grade level, length of service, education, and extent of political activism. Two-thirds of all postal employees sought greater political freedom.

I trust this information will be useful to my colleagues in placing all of the talk about "voter preferences" in its proper perspective. I am hopeful that the House in its wisdom will override the President's veto and restore to our Nation's 2.8 million Federal employees their constitutional rights of free speech and free association.

NORTH CAROLINA AVIATOR EULOGIZED

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. ROSE. Mr. Speaker, I am honored to insert into the RECORD the following article from the Wilmington Star-News Newspapers.

Warren Pennington was a man who dared to pioneer in the field of aviation and who continued to pass on his knowledge to future aviators.

He was, in a very real way, what America is all about, and at this Bicentennial time, I want to pay tribute to his spirit and his courage.

The article follows:

Warren Pennington, 1899–1976—Living on the Wing

(By Cammy Bain)

When Warren Pennington was 19, he climbed into a "Jenny" parked in an open field and took off into the wild blue yonder. For the next 44 years, he made his living on the wing.

"In those days, there weren't no airports, no flying lessons," Pennington, 76, remembered. "Flying a plane was like riding a bicycle. You jus' got on an' rode."

For years before he flew his first "Jenny" (a World War I trainer) in 1919, Pennington dreamed of flying his own airplane.

"When I was a boy," he said, "a fella named Beechy came to town for an exhibition. He was jus' flying a crate around. He jus' set there out in the open. I had a bicycle—meant more to me than anything—but I woulda' swapped for his plane in a minute."

At 16 Pennington tried to join the Army Air Corps, the airplane division of the Signal Corps, which became the Air Force in 1947, and went with a friend, Kenyen Woody, to the required physical. However, the age limit was 18.

"Woody was old enough so he got in and I didn't," he said, "so I come home and run away to Virginia." Woody later became a full colonel in the Air Force.

Leaving home marked the end of Pennington's formal education. "Didn't go through high school," he said with a sly smile. "My hair never did do right and my teacher didn't like it. So I jus' quit. I quit before my family found out about it."

When Woody returned to Wilmington after the war, he and Pennington teamed up and went into business "barnstorming." They flew their airplanes into small towns up and down the east coast from Maryland to Florida giving rides and exhibitions.

"Hadn't one per cent of the people in those days been up in a plane," he said: "People would be out waitin' for me to land."

Although the early airplanes were designed to carry a pilot and one passenger, Pennington ripped out the bucket seats and installed a bench seat that could accommodate two passengers. The going rate was $15 a ride, but Pennington explained prices eventually went down.

"The first day (in town)," he said, "only a few'd go up. Once the other folks saw that the ride wouldn't kill 'em that broke the ice and everybody wanted to go." He usually stayed two days and then moved on to another small town.

A popular variation on barnstorming was "flying off the beach" when Pennington took his passengers for a ride over the ocean. "We did it at Wrightsville Beach for a while," he said.

He was flying off the beach at Daytona Beach, Fla., in 1920 when he met his wife Hazel Virginia. After a two-month courtship, they were married.

"We jus' ran away in the airplane and got married. She liked to fly and wanted a free ride," he said. "No one knew a thing about it. I can remember seeing her daddy comin' down the street. I went two blocks outta my way to keep from speakin' to him."

In 1927, he said, the government required all pilots be licensed. He was one of the first licensed pilots in the state and was number 1541 in the country. "I would have gotten my license quicker, but they started giving 'em out at the Canadian border and moved south," he said.

"I knew every pilot on the east coast back then," he said, "that is ones that flew for a liven'." Pennington met many famous aviators, including Charles Lindbergh, Amelia Earhart and Frank Hawk.

He described Earhart, the first woman to fly the Atlantic, as "jus a stringy-headed gal walking around the St. Louis airport." He remembered meeting Lindbergh when he was flying mail from St. Louis to Chicago.

Hawk, according to Pennington, was killed while landing an innovation of the 20's—an airplane-automobile. "You were 'sposed to be able to fly into the airport and then take the wings off the plane and go tour the town," he said.

Pennington himself crashed twice but was never hurt. "The Lord looked out for me," he said. "Back in 1926, the tail fell off my plane and I went down through the woods with it. Had two passengers with me and nobody got a scratch." Later, he was demonstrating a barrel roll and when he pulled back on the control stick, the stick came off in his hand. "I went down and dived through the woods again," he said.

After Bluethenthal Field was opened, Pennington moved in to give flying lessons in 1929. Originally called Coastal Plains Airways with three airplanes, the business grew into Pennington Flying Service in 1937 when his brother James joined the company. After World War II, the number of airplanes had grown to 15, he said.

Pennington said he could not even estimate the number of pilots he trained. "They used to say," he said, "that the sun never set on our pilots."

The only time flying made him nervous, he said, was while training anti-aircraft pilots at Camp Davis (Holly Ridge) in 1941.

"I did it for 15 months but it was the worst flying," he said, "We had to fly at 10,000 feet at night with no lights. I could see other planes comin' but they couldn't see me."

Well-known as a pioneer in the field of aviation, Pennington was honored by the American Legion for his part in training army pilots. In 1955, the private terminal at New Hanover County Airport was dedicated to him.

"I bet I had 500 pounds of newspaper clippings," he said. But the clippings and many mementoes were destroyed when his house on Myrtle Grove Sound burned.

Pennington said he built the large white frame house in 1941 for his wife and son. His son Warren Jr. was studying aeronautical engineering at Harvard when he was sent to Germany with the infantry in World War II. He was killed in action in 1945.

Mrs. Pennington died a year and a half later and Pennington left the house on the sound. "I didnt' have no interest in it," he said. He said the house remained vacant for a while and burned on the very day he sold it.

In 1952, he quit flying. "I got tired," he said. "You do anything for 44 years and you'll get kinda tired of it."

Mr. Pennington died Tuesday morning in Cape Fear Memorial Hospital following an illness of several months. This interview was conducted before he entered the hospital a few weeks ago .

VETOING THE HATCH ACT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. ABDNOR. Mr. Speaker, recently this body gave final approval to major changes in the Hatch Act which since 1939 has served as protection of both the Federal employee and the public. It has given the Federal employee job protection in that he is judged on what he does, not who he knows. It has given the public protection in enabling them to deal with the Federal Government with confidence that their communications will not result in adverse treatment based on political influence.

Recently the Rapid City, S. Dak., Daily Journal had a most thoughtful editorial on the results of congressional "reform" of the Hatch Act. I would like to share their comments with my colleagues:

Ford Should Veto Hatch Act Changes

Despite a promised veto, the U.S. House of Representatives this week approved a bill greatly modifying the 37-year-old Hatch Act which bans most political activity on the part of federal employes.

The bill, a compromise of versions approved earlier by both branches of Congress, now goes to the Senate. If it is approved there and weathers a presidential veto it would allow 2.8 million federal workers to run for office and engage in partisan politics.

Proponents of the measure contend the bill would merely give federal workers the same rights enjoyed by all other citizens.

To our way of thinking, however, the Hatch Act is designed as much to protect civil servants from political coercion as it is to restrict their involvement in purely partisan activities.

When the law was enacted, it was in response to a scandal involving the misuse of federal employes for partisan political gain.

Certainly it hasn't eliminated all political influence from the bureaucracy. But it has helped keep the civil service from becoming totally politicized without seriously restricting the freedom of government workers to participate in political affairs.

The Hatch Act does permit government employes to vote, express their opinions, contribute money to campaigns and even run for office as independents. It does draw the line at allowing them to raise money, canvass voters or stump for candidates in a partisan campaign.

Removing those restrictions would augment the power of the rapidly-growing public employe unions and could lead to establishment of a powerful political organization.

When the Hatch Act was enacted in 1939,

there were far fewer federal employes than there are today. If there was a need then to prevent the bureaucracy from being used for partisan purposes, the need is even more urgent today.

The present system under which career government workers are hired on merit and promoted on the basis of performance and capability is much preferred to the old "spoils system" in which the level of political activity was often the criteria for employment or promotion.

The lessons of Watergate shouldn't be forgotten. The Senate should reject changes in the Hatch Act. If it does not, President Ford should make good on his promise to veto the bill.

JACK ANDERSON RECOUNTS GAO REPORT ON THE B–1

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. EDGAR. Mr. Speaker, last week, a large number of my colleagues supported an amendment to the Defense procurement authorization bill which would have deferred funding for the B–1 bomber program. I felt that it was unfortunate for this effort to find itself short of a majority.

There was a provocative article in last Sunday's Washington Post by Jack Anderson, pointing out some of the drawbacks which make this plane controversial. I urge my colleagues to read it:

Political Turbulence: Will the B–1 Be Grounded?

(By Jack Anderson)

An Air Force exhibit on the fourth floor of the Pentagon features display cases filled with the models of the planes and missiles that have made up our strategic arsenal. Mixed in with the mock squadrons of warplanes, past and present, is a model of the B–1 bomber, which may never get out of the display case.

The controversial bomber has developed difficulties, which have caused some Pentagon planners to wonder if it will be worth the staggering cost. Its secret flight performance has dismayed some of its most hopeful supporters.

If the B–1 winds up merely as a Pentagon exhibit, it will be an expensive $2.8 billion toy. This is what has already been spent to bring the plane from the drawing boards into the development stage. For all this government green, the Air Force has built and tested only two planes.

A decision must be made before November whether to go ahead with the B–1 program. A full force of 244 B–1s could cost as much as $87.8 million a plane. The Pentagon estimate is that the total will surpass $21.4 billion.

In the past, the Defense Department has often rushed ahead with new weapons before they have been proven. The military brass have clamored for weapons, which have turned out to be impractical or obsolete. Sometimes, the designers simply have been unable to transform the dream into hard metal. Other times, science has put weapons out of service faster than the advocates have been able to adjust their military thinking.

Pentagon officials have a highly developed proclivity for treating their mistakes as secrets. They have hidden under the security label most of the evidence of misspending and mismanagement in the Pentagon. The General Accounting Office sent its auditors, however, into the backrooms of the Pentagon. Last month, they completed a closely guarded, 55-page staff report on the B–1 program. The cover, trimmed in orange, is emblazoned with a big, black "Secret" stamp.

Most of the pages are stamped "Unclassified," but these contain the more trivial findings. Security experts tell us there is no reason to withhold from the public the general facts. We will omit specific performance figures, which are legitimate secrets. But here are the highlights, which the Air Force would rather hush up:

It is essential for any bomber to escape its base quickly after a warning is received of an impending attack. The secret GAO report claims that the B–1 still cannot get away in time. According to the government auditors, no schedule has been established to solve the problem.

The B–1 experimental planes have encountered severe vibrations during tests. Yet neither the cause nor cost of the buffeting have been determined. "In addition," states the report, "it is uncertain whether buffet and vibration at the present levels would affect the ability of the B–1 to carry out a typical mission."

The Air Force wants to go ahead with production without testing the B–1's all-weather capability, weapons delivery and defensive avionics.

An airframe strength test was also deleted from the B–1 program in 1970, despite military specifications requiring it, for cost reasons. The GAO believes the Air Force should reconsider this decision.

Contrary to Pentagon instructions, the auditors reported, "minimum performance thresholds have not been established for the B–1 weapons system. The same may be said of cost and schedule thresholds which are also required by the (Defense Department) instructions."

The B–1 is supposed to carry Short Range Attack Missiles, known inside the Pentagon simply as SRAMs. According to the secret findings, it is "questionable" whether SRAMs will be available as fast as the B–1s are scheduled to come off the production line. If the decision is made to go ahead with the B–1, therefore, its weapons system may have to be changed.

SRAMs from the existing B–52 force could be diverted to the new B–1s. But the report warns this would result in a "decrease in operational readiness of the B–52 force."

The F–10 engines, which are supposed to be installed in the new bomber, don't meet the contract specifications for weight, fuel consumption and bird ingestion. According to the auditors, excessive weight will increase the fuel consumption and reduce the bomber's range. The overweight engine could also ingest a medium-sized bird in flight, with dangerous consequences.

The auditors called attention to anticipated cost overruns of $323.2 million from three of the four contractors—Rockwell, General Electric and Cutler-Hammer, Inc.

The fourth contractor has submitted a happy report. Boeing is expected to complete its part of the B–1 contract with an astonishing, anticipated cost underrun of $1.6 million.

The prestigious Brookings Institution, meanwhile, has conducted its own study and has concluded cautiously that the B–1 program is not needed. Rep. Les Aspin (D-Wis.), the House gadfly, has also criticized the B–1 spending sharply.

The resulting political turbulence may ground the B–1 bomber before it can be put into service. For on Capitol Hill, military appropriations no longer are held sacred. Members of Congress have become wary of new weapons, which have been proliferating faster than they can be assimilated.

The advocates of dubious weapons usually fight for them in all sincerity, genuinely believing them to be in the best interests of the country. And some officers argue that it is sometimes necessary to gamble in order not to get left behind in the technological race.

But the great corporate scramble for defense dollars is now receiving close scrutiny on Capitol Hill.

RESIDENT ALIEN STATUS

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mrs. FENWICK. Mr. Speaker, as I am sure we are all aware, this month marks the first anniversary of the collapse of the Republic of South Vietnam and Cambodia. A year ago, amidst rumors of impending slaughter and panic, over 132,000 inhabitants of Cambodia, Laos, and Vietnam sought refuge on our shores. I am proud to say that our country welcomed these refugees in a manner in keeping with our heritage as a haven to the oppressed.

In their first year in our country these new residents have done well. Over 80 percent of the household heads are now working and the average income of refugee families has steadily increased. In addition, many refugees are now attending schools that will lead to better jobs and faster cultural integration.

As a group, the refugees seem to embody the spirit of hope and the desire to work. There are some refugees, however, who are experiencing frustration despite their good intentions. Many of these individuals are former employees of our Government; namely, the Department of Defense, AID, USIA, and the CIA. Some of them fled their homeland for the sole reason that they felt their connection with the United States placed their lives in jeopardy with the new government. Their fear, in my opinion, was not without justification.

It seems patently unfair that the same individuals who diligently served us in Vietnam should now receive less than sympathetic understanding from us here. Specifically in question is rigid adherence to the 2-year requirement in effect for obtaining a "resident alien" status. The Indochinese refugees, after losing their homeland, their possessions, and even members of their family, are now being asked to adhere to procedures formulated without consideration of the circumstances at hand. I can think of no clearer example of bureaucratic thinking and redtape.

The disadvantages they have suffered under their current "parolee" status are numerous. For some refugees, ultimate success or failure in adjusting to life in the United States is at stake. Many former career civil servants cannot apply for Federal or State jobs. Former military personnel are unable to work in any capacity for our Armed Forces. And, perhaps most importantly for younger refugees, State tuition benefits are denied to students, regardless of whether or not they meet the otherwise applicable criteria.

Mr. Speaker, in a spirit reflecting the approach our Founding Fathers would have taken to this injustice, I am introducing two bills recognizing the unique circumstances of the refugees. H.R. 12345 will exempt the refugees from the 2-year requirement in receiving "resident alien" status. H.R. 12346 will allow former members of the military of the Republic of South Vietnam or Cambodia to enlist into the Armed Forces of the United States under certain circumstances.

BENJAMIN LEE SHUFF

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. BYRON. Mr. Speaker, recently Frederick County lost one of its best known and well-loved citizens with the passing of Benjamin Lee Shuff. Ben Shuff was a man widely known and respected in Frederick County and throughout the State of Maryland. He was associated with the Farmers and Mechanics National Bank in Frederick since 1921 rising to the top position as chairman of the board and chief executive officer.

Ben Shuff's passing leaves a void in the community which will be difficult to fill. I would like to share with my colleagues the obituary editorial from the Frederick News regarding Mr. Shuff and his life:

BENJAMIN LEE SHUFF

One of Frederick's most beloved citizens—Benjamin Lee Shuff—is no longer in our midst. He is only missing in person—it will be many years before all of those who knew—who loved him—who were indebted to him for countless courtesies, words of advice and acts of great assistance are no longer around to remind others of his honesty, his friendship, his sincere interest in people.

Benjamin Lee Shuff was first and above all a sincere friend to thousands, he gave them his word—and he stuck by it. He expected the same from those to whom he gave so much.

Benjamin Lee Shuff was a brilliant and astute banker. On December 5, 1971 he was honored with a dinner at the Red Horse celebrating his 50 years of service at the Farmers and Mechanics National Bank. And while tributes poured from the Maryland Bankers Association, the Maryland State Banking Commission, the Comptroller of the Treasury, Maryland's own Louis L. Goldstein, U.S. Senators J. Glenn Beall and Charles McC. Mathias and Congressman Goodloe E. Byron, thousands more came from his friends and business associates in the country. He was a member of the 50 Year Club of the Md. Bankers Association.

Benjamin Shuff was born on May 27, 1901 on a farm at Middlepoint, near Wolfsville, the son of the late William H. and Linnie E. Barkman Shuff. He was one of ten children. He attended public school in Wolfsville and graduated from Middletown High School class 1920. Later he studied for four years in accounting and certified public accounting work and spent a comparable period of time taking correspondence courses in banking and economics.

After being employed at the Curtis Bay Copper and Iron Works, Curtis Bay, Maryland, during part of 1919, and with the Poole Engineering and Machine Company, Baltimore, in 1920 as assistant auditor, Mr. Shuff went to Fort Meade as a stenographer in the Quartermaster Corps of the United States Army.

In 1921 Mr. Shuff became employed at the Farmers & Mechanics National Bank as a messenger and clerk. He worked his way up gradually through the minor and major offices of the institution and became considered a capable executive. He was elected a director on June 27, 1944 and in 1948 was named Executive Vice President, a newly-created position. On August 23, 1955 at the meeting of the board of directors of the bank, Mr. Shuff was named President to succeed the late Robert E. Delaplaine.

Prior to becoming president Mr. Shuff played a prominent role in the consolidation of Farmers and Mechanics with the Citizens National Bank of Frederick on January 31, 1953, under the title of Farmers and Mechancics—Citizens National Bank of Frederick. Thereafter, expansion of the bank continued at an unprecedented pace and became the largest national bank in Maryland, outside of Baltimore with total resources in 1955 of $28,373,862. Under his leadership and vision and assisted by a rapid economic growth, the F&M Bank expanded its services to twelve locations.

In 1971 Mr. Shuff was chosen Chairman of the Board and Chief Executive Officer. He personally insisted on dropping the title of Chief Executive Officer because of his failing health and his desire to make room for new executives coming up the ladder of leadership.

Mr. Shuff had served as a director in the following organizations: Frederick Gas Company, subsidiary of Washington Gas Light Company; Investors Loan Corporation. Development Credit Corporation of Maryland and Carmack's Grocery, Inc.; Ox Fibre Brush Co.; El Dorado Products, Inc.; Silver Chamberlin Brush Co. N.Y.; Vindobona, Inc., Price Electric Corp., chairman of the Board of Trustees of Hood College, Hospital Aid, Inc. and W. A. Riddell, Inc. of which firm he was also president.

He was a member of St. Mark's Lutheran Church, Wolfsville, Frederick Lodge No. 684 B.P.O.-Elks, Catoctin Club, Inc. and the Loyal Order of Moose. He was a member of long standing of the Chamber of Commerce of Frederick County, the International Platform Association and the Francis Scott Key Memorial Foundation.

Surviving besides his beloved wife, the former Elizabeth C. Herwig whom he married on July 31, 1933 are two sisters, Mrs. Eva Slottlemyer, Middletown, Mrs. Pauline A. Brown, Cascade, one brother William H. Shuff, Wolfsville and a number of nieces and nephews.

Benjámin Lee Shuff was a man who appreciated life and enjoyed a good sense of humor.

Frederick County owes you an irredeemable debt of gratitude. The community is a better place to live because of what you have given. Mr. Ben—may you rest in peace!

FISCAL YEAR 1976 SECOND SUPPLEMENTAL APPROPRIATION

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. OBEY. Mr. Speaker, the second supplemental appropriation bill for fiscal year 1976 as reported by the Appropriations Committee would result in a 23-percent cut in the size of average payments to college students under the basic educational opportunity grant—BEOG—program. Therefore, Congressmen ROYBAL, CONTE, PATTEN, STOKES, EARLY, and I will offer an amendment to this bill when it reaches the floor on Wednesday, April 14, to restore the average size of grants to students under the BEOG program to this year's level, as well as to increase funding for handicapped education grants to the States. The following table shows the impact of the committee bill and our amendment upon BEOG award levels for the individual States, and I would like to insert it for my colleagues' consideration.

BEOG AWARD LEVELS FOR ACADEMIC YEAR 1976-77

	Committee level	Amendment level	Difference
Total	$1, 010, 000, 000	$1, 315, 000, 000	
1. Alabama	24, 400, 000	32, 086, 000	7, 686, 000
2. Alaska	400, 000	526, 000	126, 000
3. Arizona	12, 500, 000	16, 437, 500	3, 937, 500
4. Arkansas	10, 200, 000	13, 413, 000	3, 213, 000
5. California	90, 500, 000	119, 007, 500	28, 507, 500
6. Colorado	11, 000, 000	14, 465, 000	3, 465, 000
7. Connecticut	7, 700, 000	10, 125, 500	2, 425, 500
8. Delaware	2, 400, 000	3, 156, 000	756, 000
9. District of Columbia	5, 400, 000	7, 101, 000	1, 701, 000
10. Florida	25, 700, 000	33, 795, 500	8, 095, 500
11. Georgia	21, 300, 000	28, 009, 500	6, 709, 500
12. Hawaii	1, 600, 000	2, 104, 000	504, 000
13. Idaho	2, 500, 000	3, 287, 500	787, 500
14. Illinois	45, 500, 000	55, 887, 500	13, 387, 500
15. Indiana	16, 000, 000	21, 040, 000	5, 040, 000
16. Iowa	12, 100, 000	15, 911, 500	3, 811, 500
17. Kansas	11, 500, 000	15, 122, 500	3, 622, 500
18. Kentucky	15, 900, 000	20, 908, 500	5, 008, 500
19. Louisiana	26, 800, 000	35, 242, 000	8, 442, 000
20. Maine	4, 900, 000	6, 443, 500	1, 543, 500
21. Maryland	15, 400, 000	20, 251, 000	4, 851, 000
22. Massachusetts	28, 200, 000	37, 083, 000	8, 883, 000
23. Michigan	38, 900, 000	51, 153, 500	12, 253, 500
24. Minnesota	19, 100, 000	25, 116, 500	6, 016, 500
25. Mississippi	19, 600, 000	25, 774, 000	6, 174, 000
26. Missouri	21, 400, 000	28, 141, 000	6, 741, 000
27. Montana	3, 500, 000	4, 602, 500	1, 102, 500
28. Nebraska	7, 500, 000	9, 862, 500	2, 362, 500
29. Nevada	1, 700, 000	2, 235, 500	535, 500
30. New Hampshire	3, 600, 000	4, 734, 000	1, 134, 000
31. New Jersey	26, 100, 000	34, 321, 500	8, 221, 500
32. New Mexico	8, 600, 000	11, 309, 000	2, 709, 000
33. New York	95, 600, 000	125, 714, 000	30, 114, 000
34. North Carolina	32, 000, 000	42, 080, 000	10, 080, 000
35. North Dakota	4, 000, 000	5, 260, 000	1, 260, 000
36. Ohio	40, 200, 000	52, 863, 000	12, 663, 000
37. Oklahoma	18, 300, 000	24, 064, 500	5, 764, 000
38. Oregon	11, 500, 000	15, 122, 500	3, 622, 500
39. Pennsylvania	48, 000, 000	63, 120, 000	15, 120, 000
40. Rhode Island	4, 400, 000	5, 786, 000	1, 386, 000
41. South Carolina	18, 900, 000	24, 853, 500	5, 953, 500
42. South Dakota	5, 500, 000	7, 232, 500	1, 732, 500

BEOG AWARD LEVELS FOR ACADEMIC YEAR 1976–77—Continued

	Committee level	Amendment level	Difference
43. Tennessee	21, 700, 000	28, 535, 500	6, 835, 500
44. Texas	62, 300, 000	81, 924, 500	19, 624, 500
45. Utah	3, 100, 000	4, 076, 500	976, 500
46. Vermont	2, 600, 000	3, 419, 000	819, 000
47. Virginia	15, 800, 000	20, 777, 000	4, 977, 000
48. Washington	13, 600, 000	17, 884, 000	4, 284, 000
49. West Virginia	8, 100, 000	10, 651, 500	2, 551, 500
50. Wisconsin	16, 600, 000	21, 829, 000	5, 229, 000
51. Wyoming	1, 100, 000	1, 446, 500	346, 500
52. Guam	700, 000	920, 500	220, 500
53. Puerto Rico	36, 600, 000	48, 129, 000	11, 529, 000
54. Virgin Islands	100, 000	131, 500	31, 500
55. All other	200, 000	263, 000	63, 000

THE WARSAW GHETTO UPRISING

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. DELANEY. Mr. Speaker, this Thursday marks the sacred celebration of the Passover for the Jewish people and this weekend the solemn commemoration of death and renewed life for their fellow countrymen who are Christians. It is only fitting that on Monday next we call to mind those early dawn hours of April 19, 1943, when the Jewish Combat Organization ZOB, commanded by Mordecai Anzelewicz, began its armed uprising against Nazi troops in the ghetto of Warsaw.

It was on September 1, 1939, that the Second World War began with the Nazi Blitzkrieg against Poland. On September 17, the Soviet Union announced that the Polish State with which it had recently signed a nonaggression pact no longer existed and crossed the Polish frontier from the east. Although Warsaw held out defiantly until September 27, by October 5 combined Communist and Nazi forces had conquered Poland. The Nazis decided on November 15, 1940, to seal off the entire Jewish population of the capital and completely segregated them from the rest of the city. They forced nearly one-third of Warsaw's population into an enclosed ghetto. The invaders soon tired of their campaign of segregation and starvation and in the summer of 1942 decided to use more drastic measures. From July 22 through September 21 they undertook the first phase of a systematic extermination of all Jews in Poland and liquidation of the Warsaw ghetto. More than 300,000 people were either deported or shot.

It was at 2:15 a.m. on April 19, 1943, that the Warsaw ghetto was ringed by a cordon of SS troopers. They actually gave as an excuse the fact that only 200 Jews had answered a call for workers to be sent to the Trawniki concentration camp after a higher quota had been set. After 12 hours of bitter fighting, the Nazi attackers were forced to withdraw temporarily. Not a single Nazi remained alive in the ghetto area. The courageous stand of the Jewish population against the foreign aggressor continued until May 16, organized resistance giving way to guerilla warfare. Finally, in a symbolic and almost ceremonial act, the Nazis dynamited the great synagogue. Over 800 acres were utterly devastated—SS Gen. Juergen Stroop reported:

> The former Jewish quarter of Warsaw is no longer in existence.

Mr. Speaker, this 33d anniversary of the Warsaw ghetto uprising reminds us of the sacrifices made by 6 million European Jews and an equal number of other Europeans who died in the holocaust of World War II. It reminds us of the courage, patience, and perseverance of a people who had borne persecution, suffering, and separation from their homeland for nearly 2,000 years—of their spirit which still inspires every man and woman who loves freedom and hates tyranny and oppression. But, above, all, it reminds us of man's capacity for inhumanity to his fellow man.

Mr. Speaker, as George Santayana noted so well, those who cannot remember the past are condemned to repeat it. Let us never forget.

IWY COMMISSION PRESIDENT'S LETTER SUPPORTING NATIONAL WOMEN'S CONFERENCES

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Ms. ABZUG. Mr. Speaker, this letter, from Ms. Jill Ruckelshaus, presiding officer of the International Women's Year Commission expresses enthusiastic support for the National Women's Conferences—which we will be considering on Wednesday and restates the willingness of the President's appointed commission members to carry out the intention of Congress:

NATIONAL COMMISSION ON THE OBSERVANCE OF INTERNATIONAL WOMEN'S YEAR, 1975,
Washington, D.C., April 12, 1976.

Hon. BELLA ABZUG,
U.S. Representative, Longworth Office Building, Washington, D.C.

DEAR CONGRESSWOMAN ABZUG: As Presiding Officer of the National Commission on the Observance of International Women's Year, I would like to convey our enthusiasm and support for the purposes of PL 94–167 which you sponsored.

The proposed state and national conferences on women are an historic event eagerly awaited by the women of America. I can think of no more appropriate way for the United States Congress to recognize the role of American women in contributing to our proud history.

It is indeed fitting that this nation's Bicentennial and International Women's Year were the occasion for the passage of PL 94–167. The conferences mandated by this law will be completely open to the public and will enable citizens with very point of view to express their opinions on the needs of women. The members of this Commission will do their utmost to make the conferences accessible and interesting to the broadest possible spectrum of men and women.

Once again, may I express by gratitude to you and your colleagues on behalf of the women of America.

Sincerely,

JILL RUCKELSHAUS,
Presiding Officer.

URUGUAY: THE TORTURE AND DEATH OF ONE MAN'S SON

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. KOCH. Mr. Speaker, I believe the letter which follows tells of the repressive situation in Uruguay better than any statistic can. Mr. Selmar Balbi, a trade union leader and teacher, wrote to President Bordaberry concerning the death of his son, Alvaro Balbi, at the hands of the military. The letter which follows was provided me by Amnesty International:

MONTEVIDEO,
August 6, 1975.

To his excellence the President of the Republic of Uruguay, DON JUAN MARIA BORDABERRY.

MR. PRESIDENT: I am writing to you the most difficult letter of my life, and because it involves pressing matters of moral reason and conscience, I shall be coldly precise in my appeal for justice.

I am writing to you as President of the Republic, and with regard for your decision-making powers, as Supreme Commander of the Armed Forces.

I do not seek condolences, for I need no words of consolation. Every day I am overwhelmed with the sympathy of a whole people. Believe me, there is no element of exaggeration in this. Ask your own children.

As Head of State, Mr. President, only you can reply to me by action, and the action required in this dreadful instance—which unfortunately is not unique in our country—should be a just, exemplary, definitive and public punishment, duly documented and published, as is often done through all the public media.

Mr. President, my plea springs not from any mean spirit of revenge, but solely from a longing to secure for the ordinary citizens of the Republic the guarantee that random murder will not go unpunished. I ask only this and in this instance, nothing else. You hold the scales and can judge as the most responsible officer in the country.

On Tuesday, 20 July last, my son Alvaro Balbi, was arrested by the Combined Forces [military and police—AI] under your command, Mr. President. My son was Uruguayan, 31 years old, married, father of four small children, and an honest, hardworking man.

All the efforts of his wife, my young daughter-in-law, to locate him through the authorities were in vain. Wednesday the 30th passed. On Thursday the 31st we prepared again to resume the search. I can assure you, Mr. President, that despite the anguish I felt as a father, given the present situation in the country—as the father of a large family you can doubtless understand this feeling—I was confident that at least his life would be safe in the hands of officials in your trust.

What a painful mistake, Mr. President! Just after mid-day on Thursday the 31st, your officials personally informed my son's wife and my wife, his mother, that at one o'clock that morning my son had died from an attack of asthma caused by the cold and that we could reclaim his body at the Armed Forces Hospital. Twelve hours after his death we had been inquiring about him at several offices, and no one had had any news of his arrest!

Government forces detained a healthy man in the prime of his life, yet he survived only a little more than a day in their hands. I do not know the place or exact time of his arrest or the names of the arresting officers, but the persons responsible are under your authority, Mr. President, and only you can decide to identify them and investigate their acts.

As you see, President Bordaberry, my son was very young. The doctors who had treated him for simple ailments can tell you that despite his slender build, he was healthy and strong. Of course, he did not suffer from asthma or any other chronic illness. His temperament—innumerable witnesses will confirm it—was cheerful, sociable and energetic. He worked eight or more hours a day in a highly responsible job. He studied at the National Conservatory of Music, intending to join the Official Symphony Orchestra, and he was a distinguished pupil. Having completed his studies of the piano and having gained a knowledge of the violin and guitar, he started about a year ago to study the bassoon in order to join the orchestra. He often missed his lunch to work with his piano teacher on keyboard harmonics, which fascinated him. He composed music. The strain of earning a livelihood hindered his creativity because he was poor and had a sizeable family. He was not the sort of man, believe me, who would die of cold or from asthma. Furthermore, he had never suffered from asthma nor from any other serious illness.

Moreover, Mr. President, when I collected his clothes from the hospital, together with his wedding ring, they handed me his underclothes, woolen pullover, his suit, overcoat and winter shoes. Whence came the cold—a chill capable of killing a healthy, young, well-nourished man? There was torture, Mr. President. Why were his clothes mud-stained? Why was his head bandaged?

Mr. President, in the presence of witnesses, Commissioner Tellechea of the Second Police Department (I am not certain if this is his exact designation) told me that he was an honest man, assured me that he was not personally responsible for what had happened, and said that his function in the matter was merely administrative. Having spoken only once before to Senor Tellechea, I have no special reason to accept his word. I do not hesitate to say so, even publicly. For this reason I understood him when he added, I quote, "This *mochuelo* was thrown at me at noon today." This was about 4 p.m. on the 2nd. I wonder, Mr. President, what Senor Tellechea meant when he used this contemptuous police slang with his natural bluntness? To me *mochuelo* sounds like some unwelcome burden sloughed off on someone else to avoid embarrassment.

Mr. President, I am not making accusations. I am saying only what I think and feel. All the evidence suggests that my son was killed while in the hands of the Combined Forces. It is up to you to investigate, but I want to say this: In Uruguay the death penalty does not exist. Not even the highest judicial authority, even when faced by the gravest crimes, can condemn the most vicious of criminals to death. No one, therefore, had the right to kill my son. Even if, as is sometimes suggested, an excess of uncontrolled zeal led to his murder, only the most absolute impunity could have concealed this crime.

Mr. President, our family is large and, without a single exception, highly esteemed. Mr. President, make your own inquiries, or instruct others to ask in Agraciada, Dolores or Mercedes in the province of Soriano, our place of origin. On my father's side we descend directly from Colonel Tomas Gomez, hero of the Crusade of the 33. In that region our kinsmen still maintain the family home that belonged to his daughter, Dona Palmira, my great-grandmother. My paternal grandfather was a judge there and was respected even during the civil war. On my mother's side we descend from Garibaldi's compatriots, and one of her brothers, Alberto Mazzeo, was a disciple to Vaz Ferreira, the poet and journalist in the service of freedom who was stabbed to death in 1918 by a mercenary who escaped punishment. His heritage was a son, Arbelio Ramirez, my cousin, historian of our country and a dearly admired teacher. He was shot in the neck on his way to lecture at the Alfredo Vazquez Acevedo Institute one evening in 1961. His assassin is still at large. Now my Alvaro, Mr. President. I do not want crime to go unpunished, whoever the criminal, whoever the victim.

You can surely understand, Mr. President, that a man like myself must speak in the first person, educated as I am in such a severe family school. So far, I have referred only to the most costly contribution we have made, which is blood, and not to the smaller but no less heroic contribution of daily work. Alvaro was deeply affected by this background, not the least because of his own temperament. Of course, in a family of such traditions, many ideas and professions play a formative part. But so do inherent harmony, love and tolerance, and so, above all, do moral integrity and manly virtue. We could be killed but not broken.

Therefore, if my noble and blessed son, following the traditions of his family and of Uruguay, committed some fault in light of the present situation in the Republic—and I admit that he might have committed an act that is punishable under the present government—I state categorically and fervently, Mr. President, and I know and affirm, staking my own life on it, that young Alvaro Balbi could not have committed the slightest offence against human morality. And this reveals to the very soul of the nation the monstrous gravity of the crime against his life.

A few hours before my son's death, the police raided his house. I assure you that there was nothing incriminating on the premises, just as there was nothing to be found at the shop where he worked or in the home of his employer. The police acted correctly, but as they were leaving, one of the policemen asked my daughter-in-law, "Isn't your husband's father a trade union leader?" That question haunts me. Is it that my status as a trade union organizer led to my son's death? What policeman asked that question?

Mr. President, I do not wish to discuss political ideas, yours or mine. But I must tell you that my background and my political and philosophical convictions—which were shared by my son on whom I imposed nothing—have led me to consider others not as strangers but as kinsmen, to listen to their problems and to help them. Although these convictions are sustained by the objective truth that the happiness of one depends always on the happiness of all, the real weight of these convictions is that they come from my life among people who have always worked hard for a living and whose convictions are forged in the heat of their daily work. Nothing could weaken those convictions in me or in Alvaro.

Many of my social and political activities are undoubtedly under surveillance by the state authorities, and some of the entries in their files are probably true. But perhaps my most important activities are not recorded. I want you to know something about me so that you can understand my son. I am 62 years old. I have spent nearly 50 of those years in the service of my fellow men. Apart from certain modest political involvement, my activities began when I was aged 13 among the students of Mercedes, petitioning to save Sacco and Vanzetti. Eventually I became a leader of the Student Association. Shortly after completing my training as a schoolteacher, I founded the first teachers' association in Dolores and some time later became a leader for 30 years of the Uruguayan teachers' union. I was democratically elected to represent the union on numerous occasions both at home and abroad. My profession was that of schoolteacher, headmaster and a lecturer at the Labour University, and my work was esteemed. As a result of my pedagogical research I became associated with the New School Movement and with the Langevin-Walon Movement, which offered me a scholarship to study in Europe in 1963. The University allowed me special leave and financial support for this purpose, and the Primary Education Council also granted me leave of absence. . . . Everything I learned, which was not a little, I invested in our country's educational system. Now I am retired, and because of my health I gave up trade union activities ten years ago. This is a sketch of the simple life of a schoolteacher.

However, Mr. President—and this is the essential point—in half a century I have never been accused or condemned by any government, any party or any regime, and although I have worked passionately for my ideas, which I have never tried to conceal, I have never been arrested by the police in any country. And I have no enemies even among my opponents, whose virtues more than their faults I have always tried to recognize.

Mr. President, if my status as a trade union leader led to my son's murder, do you not feel, if not as President, then at least as a man and a father, that this was too severe a punishment for an innocent father and a noble young man? It would be worse than monstrous. All my colleagues in education know that I cannot retreat into obscurity and that so much disgraceful injustice and unbearable pain cannot turn me from working for the education and well-being of my people. If someone was capable of inflicting punishment for these convictions ("His father is a union leader") that person should himself be given an exemplary punishment.

I do not want this letter to be used unduly or maliciously, Mr. President. My son died in the hands of the Combined Forces. I repeat, I do not know whether he committed any crime or what crime this could have been; but I also reiterate that it could not have been a crime—least of all a serious crime—against humanity.

Our family has never put death above life. My son is dead, but his children live, as do the almost 10,000 young people who have been under my tutelage during 40 years as a teacher. My grief speaks for them, demanding that crime not go unpunished and that the security and joy of life be cherished.

It is right that the law should be applied to offenders. But no law, moral or judicial, allows anonymous or official forces to exact punishment outside the bounds of humanity and legality.

I hope only that Alvaro's death will be the last unjust death in this country and that it will lead to the end of crime without punishment in this land.

You should know, Mr. President, that like my son I cultivate the gift of friendship. At this point in my life I have gathered a rich harvest, the most abundant and bountiful harvest that a man could reap. In the last few days people from every walk of life, including some of opposite political opinions, have overwhelmed my wife, myself and my son's lovely wife with expressions of moral and material support on a scale almost beyond belief. This letter, written in good faith, will reach them at the same time it reaches you. But this family of friends and their friends extends throughout the world, and each one will receive this letter. As you can see, I ask only for justice. This letter contains only facts, questions and quotations. I have held my tongue, omitting any affront, criticism or offense. I want only justice. And I appeal to the whole world to witness this, for "the implementation of justice," as a great man has written to me, "is the highest form of retribution." If we secure justice, Mr. President, it will be a guarantee as much for you as for me in the eyes of all nations.

I believe in the dignity of mankind, Mr. President, and my son's murder, like all such acts, was an act beneath humanity. I do not sit in judgment on you or your government, but I approach you because you are a young father who holds in his hands the power necessary to punish injustices the arbiter today in the choice between mankind ennobled and mankind made monstrous in Uruguay, a land of free men and women.

SELMAR BALBI,

Former head of Secondary School, No. 146, Montevideo; former professor of technical education; former leader of the School Teachers' Union of Montevideo; and former leader of the Uruguayan Federation of School Teachers.

WILLIAM P. DONLON TO BE HONORED BY UTICA KIWANIS CLUB

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. MITCHELL of New York. Mr. Speaker, I would like to take this opportunity to tell my respected colleagues about Mr. William P. Donlon, who will be honored later this month by the Utica Kiwanis Club for his outstanding contributions to the Kiwanis Club and the community.

Mr. Donlon is widely known to his friends and colleagues as the gentleman behind the scenes—the man who gets things done—who can be called upon for help no matter what.

He is described by his friends and fellow Kiwanians as a devoted, dedicated and altruistic leader who gives without taking—no matter what the risk or the task. At the age of 85 the youthful Mr. Donlon—"You're only as old as you feel"—states without hesitation that he will go on working even though at age 65 he momentarily considered retiring.

Born in Amsterdam, N.Y., in 1891, Mr. Donlon moved to Utica when he was 17 years old where he began a lifelong career as a dedicated community leader. He has been the recipient of many national awards for his contributions to assist coin collectors. He is an honorary life member of several numismatic organizations and has served as the secretary, president, lieutenant governor, and treasurer of the Kiwanis Club of Utica.

On April 21, 1976, the community will have the opportunity to pay tribute to this gentleman whose primary concern has been his fellow man.

He deserves a spirited and grateful thank you.

OBSCENE PROFITS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. HUGHES. Mr. Speaker, to the rhetoric question proffered by the oil industry, "What ever happened to those obscene profits?'" I submit the attached in partial explanation:

MAJOR OIL COMPANY FINANCIAL REPORTING SUMMARY

1974 was a year of extraordinary profitability for the oil industry in general. The companies have claimed publicly that the results were caused by one time inflationary pressures that they need every dollar to profit to explore for new reserves, and that in light of their historically poor return on invested capital the 1974 results merely got them to a fair level. At least the latter is true to some extent. Faced with a low return on capital, low earnings, or a bad financial picture most companies have traditionally taken advantage of flexibility in accounting procedures to make the company look as good as possible in any given years. As long as that is done consistently from year to year and company to company there is good comparability and the figures are easily understood. However, when as in 1974 companies are faced with extraordinary profits that may never be matched again the incentives are completely different. In that case companies are tempted to account for their success in such a way to make 1974's figures look less dramatic and to reserve some of the effect for later years when profits are not actually as good. Of the 20 largest oil companies, 14 of them succumbed to this temptation. They took write offs, changed accounting policies, created reserves and split stock with effects on reported earnings ranging from reductions of 0.5% to 100%. All of these things are disclosed in public financial statements or the Form 10K reports submitted to the Securities and Exchange Commission. However, since there is a strong tendency to look to the bottom line rather than comb the footnotes the public is left with the impression that the bottom line reflects the hard facts. Thus fair and accurate financial reporting gives way to the sort of creative accounting that allows companies to smooth their earnings and alter public and capital market conceptions of financial well being.

FINANCIAL REPORTING OF 20 MAJOR OIL COMPANIES

The major oil companies have become very familiar with the term "obscene profits" since the release of their 1974 financial statements. The principal reason given for the extraordinary figures was one time inflationary pressures exerted both within the market and by OPEC exercising its new found control over the world's energy supply. The impression given is then that the major U.S. companies had no control over their reported profits. Nothing could be farther from the truth. Quite apart from operating control each of these companies has wide latitude within so called Generally Accepted Accounting Principles to report its operations in published financial statements. That means that in any number of ways a company can make its earnings look better or worse in any given year, not arbitrarily and capriciously but significantly and still report fairly enough to get a clean opinion from their accountants.

To the extent that this is done the goal of the companies is to show a steady upward trend in income. Generally that means using every accounting device available to them to make earnings look better. This creates a better market perception of their stock and any debt they may need to issue. However, the benefits are short lived if earnings take a huge leap in one year and the growth curve cannot be maintained thereafter. Whether or not the big oil companies could have predicted the adverse public opinion to their reported profits, they knew they couldn't repeat them in subsequent years with a steadily decreasing supply of raw materials. Thus in a very real sense there was strong incentive to temper the dramatic increase in reported profits in 1974 and reserve some of them in order to report them in subsequent years.

Clearly the 20 largest oil companies with some exceptions have taken advantage of this flexibility in accounting procedures. There is absolutely nothing illegal about this sort of activity. Most of it gets by under the guise of "Good Conservative Accounting." In fact, corporate officers and directors are under a legal duty to use their best efforts and good business judgment to maximize return on investment for stockholders. Whether failure to take advantage of flexible accounting methods is a breach of duty to stockholders is very doubtful. Considerably less doubtful however, is the fact that the public has been to some extent misled into thinking that reported earnings reflect very precise figures over which the companies have no control. In fact those companies could have reported considerably higher profits in 1974 than they actually did as the figures to follow will show:

1. Exxon added $40 million to investment reserves which it deducted from current revenues in addition to another $38 million simply allocated to other reserves. It is not possible to tell from previous reports whether this is standard procedure or an extraordinary sum. In any case it could be nothing more than conservative treatment although it could have been included in income amounting to a 2 percent increase over that reported.

2. Texaco changed from First in First Out (FIFO) inventory accounting to Last in First Out (LIFO) accounting for crude oil, petroleum products, and petrochemical inventories in the United States as of January 1, 1974. This change is one that many companies in a wide variety of industries have adopted in the face of continued inflation. Its effect is to charge inventory with those raw materials last purchased or produced so that in inflationary times the income reported will be less than if those items first purchased or produced were charged to inventory first. A major reason why most companies have made the change is that the Internal Securities and Exchange Commission requires registered companies to use the same inventory accounting policy for financial reporting purposes as for tax purposes. Texaco uses the reasoning that LIFO more closely matches current costs with current revenues. That is no doubt true but it also has the effect of reserving some profits in inventory for some future time and in 1974 reduced income by $196,700,000 or $.72 per share.

3. Mobil's income increased only 23 percent in 1974, a relatively small amount compared to others among the top 20. As a result Mobil took advantage of additional funds to increase dividends by $.40/share and purchase Marcor rather than reserving the profits by accounting techniques. The purchase of Marcor had no immediate effect on earnings and Mobil claims it would not have had the 1974 figures been consolidated. There appears to

be at least some dilution forthcoming in that Mobil's return on capital without Marcor was roughly 12 percent. Mobil paid $832,000,000 for 54 percent of Marcor which earned $96,652,000 in 1974. Mobil's 54 percent would be worth only 6 percent on its $832,000,000.

4. Standard Oil of California saw its income increase from $844 million in 1973 to $970 million in 1974. The per share data looks similar increasing from $4.97/share to $5.71/share but would have looked substantially more dramatic had Standard not split its stock 2 for 1 in 1973. It is difficult to speculate as to whether this was done in anticipation of a big year in 1974 either in whole or in part because of the countless other potential reasons available. Whatever the reason it was certainly well timed to keep per share figures from looking exorbitant. Standard of California took a similar step in 1974 by extending LIFO inventory accounting to foreign operations. The result was to reduce 1974 reported income by $250 million or $1.47 per share. Since reported income was up only $.74 per share or 15% over 1973 income the extension of LIFO reduced the increase by 66 percent and avoided having to report a 44 percent increase in income in 1974. There are several legitimate reasons for shifting to LIFO but if the purpose were smoothing of reported income their timing was flawless.

5. Gulf's income rose 25 percent from $800 million in 1973 to $1,065 million in 1974. It is not apparent that Gulf has tried to reduce this amount and in fact spent $341 million purely out of working capital to buy 13 million shares of its own stock in 1973. This is not surprising since even with the increase Gulf did not quite reach an 11 percent return on invested capital so there was little incentive to report a lesser income. They had any number of problems in other areas including illegal contributions without trying to cut down a 25 percent increase in income.

6. Standard Oil of Indiana issued a 100 percent stock dividend in December of 1974 which resulted in reported earning per share of $6.86 in 1974 as opposed to $7.33 in 1973. Adjusted the 1973 figure is reported as $3.67 leaving one to search the footnotes to find the stock dividend. Without it the reported figures would have been $7.33 in 1973 and $13.72 in 1974. Undoubtedly Standard has sound arguments for increasing its capital base to provide greater accessability to the capital markets in the future but for pure cosmetic effect on the absolute amounts reported in a time when oil companies were taking a lot of criticism for windfall profits the stock distribution is a marvelous device. So effective in fact that Standard was able to shift from FIFO to LIFO accounting for chemical inventories and claim that it had no material effect on earnings. When net income jumps from $511 million to $970 million in one year it takes a lot more to be material than it did the year before.

7. Shell already takes advantage of most of the accounting devices that would reduce income but they did adopt price level adjusted financial reporting to more accurately reflect actual standing in inflationary times. The net result was to reduce reported income by $3,000,000 or $0.04 per share.

8. Conoco adopted LIFO on January 1, 1974 reducing earnings for the year by $71 million or $1.40 per share. They also adopted price level adjusted accounting reducing 1974 earnings by 8 percent. The total effect is a 30 percent reduction in reported income purely as a result accounting changes. Without them income in 1974 would have been up 76 percent over 1973.

9. Arco wrote off $21,700,000 in 1974 as a result of a previously announced withdrawal from a Canadian tar sands project.

10. Occidental Petroleum's income increased 391 percent from 1973 to 1974 but only 60 percent over 1970 because of a succession of bad years in between. They took advantage of the occasion to change to LIFO and hardly missed the $48 million the change eliminated from reported earnings. They also took a $42 million loss from discontinued operations as compared to $5, $9, $5, and $48 million in such losses in 1970 through 1973 respectively. Further they went ahead and adopted a new Financial Accounting Standards Board policy which requires expensing certain research and development costs as incurred. The principle was to take effect in 1975, and was standard procedure for most of the major oil companies already. Occidental had been capitalizing certain of those expenditures with the result that their reported income was increased by approximately $6 million each year from 1970 through 1973. Now that they do not need the extra income they have adopted the statement one year early reducing their income by $4 million in 1974. This does not appear to be the first time that Occidental has taken advantage of generally accepted accounting principles. Back in 1971 their worst year of the five examined, Occidental established a $65,000,000 reserve against possible future losses on chartered tankers due to potential cutbacks in oil from Libya. In any year that would be a very conservative action but since Occidental was reporting a loss for 1971 they appear to have indulged in "The Big Bath," an accounting phenomena whereby companies suffering a bad year decide nothing else can hurt and take advantage of the occasion to clean up their accounts. That often means writing off bad results carried over from past years or clearing the way for better years in the future. That was certainly the result of Occidental's 1971 actions and their 1974 efforts strike a similar note though in different circumstances. They seem to have a very versatile accounting staff.

11. Tenneco began on January 1, 1974, to provide for deferred federal income taxes applicable to the current difference between financial income and taxable income arising by virtue of tax deductions applicable to oil and gas exploration, development and production activities. Prior to that they had flowed through those benefits to current income. The result was to reduce net income by $46,000,000 or $.66 per share in 1974.

12. Phillips petroleum adopted deferred tax accounting for a Canadian subsidiary in accord with recommendations of Canadian Institute of Chartered accountants. This reduced reported income by $28 million or $36 per share. They also closed down a 94 percent owned Puerto Rican subsidiary because of uneconomical operations, resulting in a $63 million loss. However, they also sold their interest in some Japanese fertilizer companies at a profit so the net charge to income was only $9 million.

13. Union Oil made no significant accounting changes in 1974. There were procedures adopted by the other companies available to them and their income increased from $180 million in 1973 to $288 million in 1974. However, they were probably hampered to some extent by a hung issue of 7.8 million shares of convertible preferred stock callable at $65 per share and convertible into 10.15 million shares of common stock. Since the common stock ranged in price from $56¾ down to $27¼ in 1974 that preferred is not likely to be converted. That sort of situation creates problems when a company wants to issue new stock or debt to raise capital. The chances are they hoped to get it converted before they took any sort of steps that would reduce earnings.

14. Sun Oil took a loss of $5 million on the divestiture of Red Barn Chemical Company. They also did an unusual thing in the statement of earnings per share: they stated them in terms of earnings per share after preferred cash dividends. Most companies state eps before provision for preferred dividends or give before and after figures. Since money expended for preferred dividends is not available to common stockholders Sun's method is perfectly proper and they have followed it for years but it did make their income per share look relatively less high than the other companies. Sun is one of the few major oil companies still controlled by a single family and that may have some effect on the manner in which preferred dividends are treated.

15. Amerada Hess made no significant accounting changes in 1974. Significantly their income was down from 1973 even disregarding a $27 million extraordinary addition in 1973 which had been deducted from income in 1972, their worst year in the past 10.

16. Ashland switched entirely to LIFO reducing income by $35,000,000 or $1.48 per share.

17. Marathon had already switched to LIFO in 1973 but made no further changes or extraordinary write-offs in 1974.

18. Cities Service reduced 1974 net income by $21 million as a result of write-off of plant, equipment, and inventory costs at several locations. However, they had an $8 million increase in income due to restoration of an excess reserve provided in prior years for helium royalty expenses. They also extended use of LIFO reducing income by $13 million and cancelled plans to construct petroleum processing facilities in Lake Charles, Louisiana at a loss of $9 million after taxes.

19. Getty's income nearly doubled in 1974, rising $281 million from $142 million, and $15.00 per share from $7.54. It is interesting to note that in 1973 their taxes equaled $84 million while their theoretical tax amount was $112 million. In 1974 their income tax expense was $316 million and the theoretical tax amount $304 million. The 1973 figures are what one would expect, less income reported for tax purposes than for financial reporting purposes. The 1974 figures reflect exactly the opposite meaning that there were deductions taken for financial reporting purposes that could not be taken for tax purposes. Those deductions include a $45 million charge to income to establish a reserve for possible increases in the Saudi Arabian government take for production in that country. They established a similar $10 million reserve for Iranian operations. Finally, they established a $35 million reserve for amounts in dispute with Phillips which reduced income by $21 million. That amount has already been recredited to income in 1975 after the suit was settled.

20. Standard Oil of Ohio (SOHIO) is harder to compare as a result of the 1970–71 merger with British Petroleum, a 2 for 1 stock split in 1973, and a 1973 inventory accounting change relating to the sale of inventories between subsidiaries. Nevertheless Sohio's 1974 income more than doubled over that in 1973 in spite of an extension of LIFO to chemical inventories reducing income by $3 million or $0.80 per share.

CONCLUSIONS

The published financial reports of the twenty largest oil companies indicate a clear trend toward taking advantage of generally accepted accounting principles to reduce reported income. Fourteen of the twenty firms examined made some change in accounting policy or indulged in some write off that had the result of causing less income to be reported in 1974 than would otherwise have been possible. The changes ranged in magnitude of their effect on reported earnings from 0.5% to 100%. They included nine switches to LIFO, 4 companies taking write-offs for discontinued operations, one 100% stock dividend, and one set of very imaginative reserves that were established. Any one of these in isolation might not even be interesting but the fact that virtually every company that did not suffer some serious disability took a major step that had the effect of reducing reported income significantly is hardly a coincidence. Despite whatever public relations message they seek to convey about needing every cent for exploration this study shows that the 20 largest oil companies took steps that would ease public outcry about windfall profits and reserve some portion of those profits for later years. While it is difficult to read any particular motivation into the actions taken it is nevertheless clear that cosmetic effect had some part in them. Unfortunately a large part of the public believes that reported financial statements reflect a company's financial position exactly. Thus the figures that the public is accepting as precise can be and in fact are being manipulated by these companies in a way that to some extent obscures the actual results of the years' operation. Flexibility in SEC rules and generally accepted accounting principles is intended to enable companies to accurately reflect their financial position in light of the economic realities particular to the company reporting. To use that flexibility enhance their public image to the extent done here may not be scandalous but it is at best a questionable practice.

Company	Reported income (millions)	Available income (millions)	Difference (millions)	Percent of reported	Reported EPS	Potential EPS	Difference	Percent of reported
Exxon	3,142	$3,220	$78	2.0	$14.04	$14.39	$0.35	2.0
Texaco	1,586	1,783	197	12.0	5.84	6.56	.72	12.0
Mobil	1,047	NC	NC	NC	10.28	NC	NC	NC
Standard Oil of California	970	1,220	250	26.0	5.71	7.18	1.47	26.0
Gulf	1,065	NC	NC	NC	5.47	NC	NC	NC
Standard Oil of Indiana	970	NC	NC	NC	6.86	13.72	6.86	100.0
Shell	620	623	3	.5	9.21	9.25	0.4	.4
Conoco	328	428	100	30.0	6.47	8.43	1.96	30.0
Arco	475	497	22	5.0	8.36	8.75	.39	5.0
Occidental	281	375	94	33.0	3.77	5.26	1.49	40.0
Tenneco	321	367	46	14.0	3.43	4.09	.66	19.0
Phillips	402	439	37	9.0	5.30	5.78	.49	9.0
Union	288	NC	NC	NC	7.03	NC	NC	NC
Sun	378	383	5	1.0	8.31	9.34	1.03	12.0
Amerada Hess	202	NC	NC	NC	5.32	NC	NC	NC
Ashland	113	148	35	31.0	4.45	5.93	1.48	33.0
Marathon	170	NC	NC	NC	5.70	NC	NC	NC
Cities Services	204	239	35	17.0	7.58	8.88	1.30	17.0
Getty	281	357	76	27.0	15.00	19.06	4.06	27.0
Sohio	148	151	3	2.0	4.03	4.11	.08	2.0

NASA, DEPARTMENT OF INTERIOR HELP ALASKAN NATIVES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. TEAGUE. Mr. Speaker, NASA's Landsat spacecraft, circling the globe 14 times a day, 560 miles overhead surveys the Earth's natural resources with an electronic multispectral scanner that returns data for visual images and computer tapes from which experts can distinguish different types of terrain, vegetation, soils, rock outcrop, and other surface features.

The State of Alaska, in taking advantage of this capability, and with the help of the U.S. Department of Interior's Bureau of Indian Affairs and NASA's Office of University Affairs is putting the photo interpretation to good use. I commend this initiative and urge more participation in programs of this type.

Pictures from a NASA spacecraft have been used to help Alaskan Indians select thousands of acres of potential commercial timberland and promising areas for mineral exploration from vast tracts of wilderness offered by the Federal Government to settle native claims going back to the U.S. purchase of Alaska from Russia in 1867.

Under the Alaska Native Claims Settlement Act of 1971, 99 million acres were set aside from the Federal public domain for selections of 40 million acres of surface title and mineral rights by more than 200 native village corporations, and 12 native regional corporations representing some 100,000 Indians, Eskimos, and Aleuts.

One of Alaska's native regional corporations, Doyon, Ltd., in the central part of the State, asked the University of Alaska, at Fairbanks, to recommend the best land from relatively inaccessible, irregularly shaped blocks scattered over more than a third of the huge State.

Much of the region had few settlements, roads, or airfields. Though it was known to be rich in minerals and forested with stands of birch, aspen, and white pine of commercial quality, there were no detailed land-use maps.

Scientists at the university's geophysical institute used images from NASA's Landsat-1 Earth resources survey satellite, combined with the limited ground and aerial data available, to make maps of 7 million acres showing areas of caribou and moose pasture, potential agricultural land, and potentially marketable softwood and hardwood forests and areas where geological features indicated possible deposits of hardrock minerals.

The work was supported financially by the U.S. Department of the Interior's Bureau of Indian Affairs and NASA's Office of University Affairs.

According to a University of Alaska report:

> Some two million acreage have been selected as part of the land entitlement of Doyon, Ltd., and these selections were based heavily upon the thematic maps produced from analysis and interpretation of Landsat data. A conservative assumption is that the applications of Landsat data at least doubled the value of the land selected in comparison with the land not selected.

In addition, a report by Doyon, Ltd., the native corporation, notes that the mineralization analysis has been used to interest the mining industry in further exploration that can assist in additional land selections with the information developed by the mineral companies.

Besides mapping forests and possible mineral areas, the data has been used for—among other things—measuring crop acreages, mapping snow cover, detecting oil slicks, mapping urban and agricultural land use, detecting offshore dumping of sewage and industrial waste, monitoring the environmental effects of strip mining and locating potential earthquake zones.

Landsat-1 has been in operation since July 1972, and a sister spacecraft, Landsat-2, since January 1975. A third one is planned for launch by NASA next year.

THE INDEPENDENT OIL MAN—A VANISHING BREED

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. MILFORD. Mr. Speaker, the following speech by Mr. Lawrence E. Scott to the Corpus Christi, Tex., Landmen's Association recently came to my attention. Mr. Scott, the president and founder of Lawbar Petroleum, Inc., eloquently expresses many of the frustrations being experienced by this Nation's independent oil men. Using published facts and figures, Mr. Scott demonstrates the dramatic decrease of domestic petroleum production and the dangerous increase of our imports of foreign oil over the last 3 years.

Mr. Scott makes a few points, that reasonable men may disagree with, but no one can disagree with the importance of independent producers to our country's economy and national security. Neither can any person, knowledgeable in oil exploration and field development, disagree with the chaotic situation that has resulted from congressional passage of the Tax Reduction Act of 1975 and the Energy Policy and Conservation Act.

I would strongly urge all Members of Congress to study this speech. It provides a knowledgeable insight into the problems faced by independent oil men.

Remember, 80 percent of new oil discoveries are made by the independents. Stop them, and you stop exploration inside this Nation.

The speech follows:

ADDRESS BY LAWRENCE E. SCOTT

INTRODUCTION

As a result of my experience in the industry, I have become increasingly aware of the necessity of personal participation in the legislative and rule making processes of our State and Federal governments. It is imperative that each of you personally participate to a far greater extent than you have in the past in these legislative processes.

For twelve years, before I formed my company, I had the unique opportunity and privilege to work for, and be associated with, one of our great Americans and Independent oilmen—Edwin W. Pauley. To a great extent I owe what I am today to him. His sage advice and tutoring have been extremely helpful to me. It was Mr. Pauley's concept that every person should devote at least 25% to 30% of his time to public affairs using his own money in the process.

He taught me that you must assume that no one is going to do a job but yourself and if you don't personally try then don't blame Congress or the oil industry for bad laws or regulations. With this background I have watched oil legislation very closely and participated to whatever extent necessary to get our ideas across.

The Oil Daily of January 22, 1976 reported that the F.E.A. budget for fiscal 1976 is $7.9 billion and for 1977 $10.4 billion. Daily production in the United States is about 8.2 million barrels a day, or about 3 billion barrels a year. Therefore, the F.E.A. budget amounts to about $2.63 a barrel of domestic oil in 1976 and $3.46 per barrel in 1977. No doubt the budget will continue to increase at rapid rates. I predict it will be at the rate of $5 a barrel by 1978.

Today we are faced with the greatest attack on our free enterprise system in the last 200 years. Energy related industries are the first all out target of various groups who are well financed and helped by participants who have great dedication and superb intellect. We aren't dealing with a group of wildeyed idiots. Instead, we are dealing with highly educated groups of Ivy leaguers and others who have advanecd degrees in Economics, government, Law and Journalism and who are determined to change our system of free enterprise.

They truly believe that the Federal Government can do anything better than private industry or local Government. Call it Socialism, Communism, or nationalism—it all comes out the same—a destruction of our present form of government and the free enterprise system. Time is a lot shorter than any of us realize. For the last four years we have lived with an almost leaderless Congress and Executive branch of government. We have been functioning in a vacuum. At the same time, well organized left-wing groups have made their move. They almost took over control of the House of Representatives through the Democratic Caucus (Politiburo) headed by a Congressman who is hell-bent on wiping out the oil industry as present constituted. It is still open season on the oil industry.

Under these conditions, we saw the passage of the "Tax Reduction Act of 1975" which in my opinion is as hurtful as the Energy Act just passed and signed by the President. I will fully discuss the two Acts and the adoption of appropriate regulations to implement the Act. The regulations may be more important than the Acts. Invariably, the Agencies promulgating regulations attempts to "out-do" Congress. They effectively extend, change or modify new laws through "interpretations by Regulations." One only has to read the proposed regulations on the Depletion Allowance to quickly understand what is happening.

STATISTICS

The following statistics should be kept in mind as we discuss the Energy Bills enacted in 1975:

The Oil & Gas Journal reported the following United States estimated daily production for:

Oil production:

December 25, 1972, 9,532,000 barrels a day.

January 26, 1976, 8,194,000 barrels a day.

Decrease in 3 years of domestic daily production—1,338,000 barrels a day.

Crude imports:

December 25, 1972, 2,162,000 barrels a day.

January 26, 1976, 4,978,000 barrels a day.

Increase in three years of imports—2,816,000 barrels a day.

In considering our problems please keep in mind the additional facts:

(a) 84% of the total daily oil production in Texas is owned or controlled by 22 major oil companies and 6 independents. Texas produces over 3.2 million barrels of oil a day which is over 40% of the total production of the U.S. yet there are 5,256 operators in Texas.

(b) Approximately 65% of the total natural gas production of Texas is owned or controlled by 30 major oil companies or natural gas companies and five independent producers.

(c) The U.S. has over 325,000 "stripper oil wells" which produce approximately 1,100,000 barrels a day of oil which constitutes approximately 13% of the total production of the United States.

Roll back of the price of oil produced from "stripper wells" will cause the premature abandonment of thousands of wells in the United States. Once these wells are abandoned, those reserves will be lost forever, since no one (not even the U.S. Government) can afford to drill and complete new wells at present day drilling costs to recover reserves from almost depleted reservoirs.

(d) Approximately 79% of the total daily oil production of California is owned or controlled by 15 major oil companies and two railroads.

(e) California has 20,200 stripper oil wells, which produce an average of 8.6 barrels a day for an estimated 183,000 barrels a day, which is 22% of the total daily production of 830,000 barrels a day in California.

(f) Independent oil and gas producers discover and develop over 80% of all new oil and gas reserves presently found in the U.S.

Roll back of the Independent's price of oil by 14% to 20% will force a great number of Independents to sell out to the majors or even worse, cease their exploration and development work. What would happen if Congress or the U.S. government has its gross funds cut by 14% to 20%? How long could they function?

The Tax Reduction Act of 1975 is grossly misleading. Everyone is led to believe that the Independent Producer has a depletion allowance under all circumstances. This is not true. When construed with the proposed regulations the depletion allowance is reduced to practically nothing for future wells except perhaps for the first well on a wildcat block. You lose depletion if you buy "proven properties" after December 31, 1974. You lose statutory depletion on "secondary and tertiary" production if the secondary processes are done "early in the productive life of the mineral property."

We are told that we can take "cost depletion" until we get our money back. We already have our "money back." No operator has to purchase production or drill wells. We can put our money in our pockets or not borrow it from a bank and say "forget it." Money used to purchase properties is "hard"—after-tax dollars, or borrowed funds.

Every dollar spent by an Operator or Participant in the drilling of any well has a substantial amount of "hard" after-tax dollars involved, even if the well is a dry hole or worse—a noncommercial or marginal well. The statute defines proven properties as "if at the time of the transfer the principal value has been demonstrated by prospecting or exploration or discovery work" (see page 36 of the Act).

The statute also provides that if a taxpayer has secondary or tertiary production this paragraph of the Act shall be applied separately (under regulations prescribed by the Secretary or his delegate). This is the total authority used by the I.R.S. to promulgate these onerous rules (see page 35 of the Statute).

The Act also requires operator to keep records which break down primary and secondary production. We estimate that keeping and reporting these records will cost between $12,500 and $25,000 a year, if nothing is challenged. If we go into an adversary situation the cost could be many times greater.

After the Act was signed into law, the I.R.S. promulgated proposed regulations and the following are some of our comments. You can readily see how an agency can decide to go much farther than Congress under the guise of regulations. Let's look at just a few items.

(1) The regulations are vague, confusing, uncertain and indefinite, and obviously were prepared by parties who know little or nothing about the industry or the conditions which they are attempting to regulate. The regulations are punitive wherever possible. It is obvious that any interpretation of the Tax Reduction Act of 1975 is or will be made against the Independent Producers.

(2) Secondary and Tertiary Recovery: It is the obvious intent of Congress to encourage production of oil and gas through the use of secondary and tertiary methods. Congress did not decrease the depletion allowance for 10 years in order to encourage such production, which is extremely expensive and which has a very high risk of failing or being partially successful. A great amount of our future reserves will come from secondary production which is usually undertaken on marginal or tight reservoirs by Independents. We refer to the following regulations which provides ". . . by injection of liquids or gases into the reservoir except that no process which must be introduced early in the productive life of the mineral property in order to be reasonably effective (such as cycling of gas in the case of a gas condensate well), is a secondary process." (See fuel regulation)

This regulation will greatly restrict the use of such methods and will cause Operators to use poor engineering practices and incur additional cost by delaying the commencement of secondary processes in order to insure that an Operator gets his depletion allowance. The restriction should be stricken from the regulation.

The following questions arise: (a) At what point of time in the life of a well may one commence secondary recovery and be entitled to the depletion allowance? (b) Who determines how and when a secondary process should be undertaken? (c) Must one wait until the well goes dead and the reservoir has suffered possible irreparable damage before an Operator may commence secondary operations and not lose his depletion allowance? Ninety percent of the wells to be drilled by us and most Independents will require early application of secondary methods of similar types if the well is to be commercial. (d) How long does an Operator have to wait? It must be spelled out since the economics of these type of depletion allowance or a comparable additional increase of approximately 40% over the present price of $12 a barrel for new low gravity crude. (e) Will the Operator have to go through adversary proceedings with the I.R.S. at incredible expenditures of time and money in order to make this determination? (f) What kind of records do you need to prove your point?

It is our opinion that the regulations as written are an illegal use of quasi-legislative power on the part of the I.R.S. to legislate additional limitations on the claiming of the depletion allowance from secondary recovery production. Since restrictions were never intended by Congress.

(3) Transfer of proven properties: The regulations create more confusion than they clear up. It is our interpretation of the statute and the proposed regulations that a transfer of title to properties pursuant to a

farmout or joint venture agreement which results in a producer or producers, will not be a transfer under the meaning of the act since the document transferring such interest is merely carrying out the terms of an earlier agreement which vested a property right or the interest prior to the time that the well became productive. This comment also applies to the situation where an interest in a well or leases reverts to a farmoutor, partners or joint venturers under an earlier agreement concerning payout of wells or drilling of non-consent wells by less than all parties.

Practically every agreement involving more than one participant in a well has provisions concerning these situations. Many times these situations arise when there is a disagreement over the geology or economics of drilling a well. It is in the National interest that these types of wells be drilled since they result in the discovery of new reserves of oil and gas. The regulation must be made much clearer than this.

The example used in the preamble of the regulation of a person transferring an interest in a proven property to his partnership would not be construed as a transfer under the Act. We interpret this to mean that a partner or joint venturer may transfer properties to a partnership or back to partnership or corporation if he owns an equal or lesser interest without it being considered as a transfer under the terms of this Act. This must be cleared up or we'll see years of indecision and expense. All of our balance sheets will be hurt by having to set up reserves for potential tax liabilities.

The definition of "proven properties" in the preamble seems to be contrary to the definition in the proposed regulations and Act. Are the definitions cumulative or just confusing? They define proven properties as being (a) 50% or more of fair market value. At what time? Whose evaluation? It is a 100% hindsight rule to be applied after the fact? I know of no one who buys proven properties and expects to recover only 50% of the purchase price over the life of a field. What is fair market value? At what period of time? What discount rate is to be used to determine present worth? What percentage is to be used to determine fair market value of present worth?

Reference is also made to the Act and to the other regulations which define proven properties (b) "if its principal value has been demonstrated by prospecting, exploration or discovery work." (c) At another place in the regulations it provides that such prospecting, exploration and discovery work *indicates* that the property will have gross income from such deposits sufficient to justify development of the property. (d) It also provides that "each deposit (whatever that means) is a separate property." (e) In the same section it provides the term "prospecting, exploration, or discovery work" includes activities which produce information relating to location, existence, extent or quality of any deposit of oil or gas, such as seismograph surveys and the drilling of wells (whether for exploration or for the production of oil or gas)."

How do you keep from losing your depletion allowance in an "in-house" transfer?

This must be made crystal clear in the regulations since very few wells are drilled by Independents where there aren't partners or joint venturers.

If one uses logs from dry holes, depleted or producing wells in the area are they considered exploration or development wells under the regulations?

(A) If the wells were drilled 5, 10, 15, 20 or 30 years ago? If drilled to different horizons, depths etc? Exploration geologists are like doctors practicing diagnostic medicine. Ten geologists may interpret an area as condemned and the 11th one may have a different interpretation which results in the drilling of a well that is productive.

(B) No responsible operator will drill a well unless he has a seismic interpretation or a subsurface geoogic interpretation indicating in his opinion, that a drillable prospect exists.

The risk of finding oil on the geologic prospect may be a 25 to 1 or 2 to 1 risk. The fact that there is oil and gas production in an area doesn't mean it will be under any specific parcel. These regulations are stretching the terms of the Act. These regulations apply a 100% hindsight rule—if the well is dry it is not a proven property and if the well is productive it will be considered "proven" under one or more of the numerous definitions of proven properties. Hopefully, an operator will have a geologic or seismic map and will obviously assume that if he secures production he can get his money back and justify the development of the property. These assumptions are made regardless of whether or not it is a high risk wildcat or a low risk venture. We believe the imposition of these conditions far exceed the intent of Congress, the provisions of the Act and are illegal.

(C) The regulation also states that each deposit is a separate property. We interpret this to mean that if a property is productive from the San Migual formation at 5,000 feet, then all other non-producing zones on the property would be considered "not proven" under the regulations. This obviously should be the case. A large majority of all new reserves are going to be found around, over or under old productive areas. It may cost an Operator a large sum of money to drill walls to other zones or to use secondary recovery processes which are necessary to recover the oil and gas from marginal or depleted zones. There are very few places in the U.S. where old wells have not been drilled. They are used by geologists and seimologists in their interpretations for new prospects.

(D) We interpret the Act, as well as the proposed regulations, to permit an Operator to take depletion allowance on proven properties if the production results from secondary or tertiary processes. Secondary production is treated separately in defining "average daily production" in the Act.

A simple regulation that states "depletion allowance shall be allowed on secondary or tertiary production from proven properties". Such directness and clarity is ordinarily frowned on in governmental regulations, but believe an exception can be made on such an important point.

Cost of complying with the regulations: Our auditors have advised us that the cost of just keeping the records and books required by these regulations will cost us between $12,000 and $25,000 a year, provided that we don't get involved in any contested problems or adversary proceedings requiring the use of lawyers, geologic and engineering consultants and use of auditing and accounting firms necessary to support our position. These costs must ultimately be borne by the consumer through higher prices. If the cost can't be passed on to them, then the wells will have to be prematurely plugged and abandoned or not drilled at all.

The President has the authority to restrict export of crude and supplies. The Secretary of the Interior may determine the MER of a field in which federal acreage is unitized if it has not been so determined. This includes private and state lands. Each of you had better watch this provision since it is the first inroads on the Railroads Commissions and Conservation Departments of the oil States.

The Energy Policy and Conservation Act, known as Public Law 94–163, effective December 22, 1975 was heralded as "an Act to increase domestic supplies, etc." It does exactly the opposite in so far as oil production is concerned. The bill attempts to legislate a solution of energy supplies for everything in the U.S. Such as:

1. Coal supplies and conversion to gas.

2. Strategic petroleum reserves of 1 billion barrels.

3. Standby Energy Authority.

4. International energy programs.

5. Improved energy efficiency: Automobiles, energy conservation, State energy conservation, industrial energy conservation, other Federal energy conservation measures.

6. Petroleum pricing policy; allocation and entitlements.

7. General—Every data and information and Congressional review.

The bill is 99 pages of small print. I doubt if anyone understands the whole bill.

The bill is a bad bill—poorly written and attempts to legislate too many matters at one time.

Members of Congress readily admit it is a bad bill—but better than nothing. They decided to get something enacted. Unfortunately, the Independent Producers are caught in the middle and will be the ones who suffer the most. The best job done by any group was by the Independent Refiners Association. They were freed from buying entitlements, had a restriction on profits removed and had the price of oil rolled back at the expense of Independent Producers. It shows what a group of Independents can do when representing one phase of the Industry and zeroing in on a few critical problems. Rolling back the price of new and stripper oil will ultimately be their undoing because their source of supply will be greatly reduced in a very few years. Let's take a look at a few of the critical provisions of the bill as they affect Independent Producers.

Strategic Petroleum Reserves provides for up to 1 billion barrels of oil in storage with at least 150 million barrels in storage by December 22, 1978. This is an extremely complicated statute with potential disastrous pitfalls. It vests authority directly in the F.E.A. administration (not the President) to accomplish the purposes of the Act. I believe it will take an investment of 22 billion dollars to implement this program. Who is going to pay for it? Each refiner or importer may be required to acquire, store and maintain inventories up to 3% of it's annual thru-put and it may be cumulative. This means that a refiner who processes 10,000 barrels a day of crude could be required to store 109,000 barrels of oil. Assuming the oil cost $12 per barrel and storage construction cost $10 per barrel, it would require an initial investment of about $2.2 million dollars. This requirement could break many refineries.

The F.E.A. has total authority to set terms and conditions for removal of the inventory. Does the F.E.A. have power to force you to sell at a loss, etc.? I think he can do as he pleases. If not properly handled, we have the ingredients for scandals that will make Watergate look like a Sunday School party. F.E.A. may exempt certain refiners from all or a portion of this obligation.

On April 15, 1977 (a new presidential term) the President may submit to Congress a plan to exclude from the price determination formula 2 million barrels a day of crude from the North Slope and set a price of not more than the highest price paid for significant volumes of any type of crude under control. This might help us get a higher price for at least one type of oil—but don't count on it. The price will only go up if the majors who own the oil want to sell it to third parties instead of refining or exchanging it for their own account.

One of the most troublesome provisions of the Act is the Energy Data Information section. Here is what it does:

1. It requires the S.E.C. to formulate new accounting rules to be followed by "Persons engaged in whole or in part in the production of oil and gas in the U.S." These practices must assume development of data on capital, revenue, operating costs of prospecting, acquisition, exploration, development and production, including geological, geophysical, coming cost, etc.

You must make a full presentation of financial information, including disclosure of reserves and operating activities. Any information may be given to a Committee of Congress on a now confidential basis. These provisions are drastic and could cost Independents a great amount of money annually. It applies to everyone whether operating as an individual partnership or corporation.

2. The F.E.A. shall require you to keep and report to them all data developed under the S.E.C. accounting rules.

3. This data requirement is to expire on December 31, 1979. You may rest assured that it will be extended by Congress.

4. If you violate any portion of the Energy Act you are subject to $5,000 to $10,000 fine per violation. The fine can even be larger under certain conditions.

5. The Comptroller General (God knows how he got into the Act) may conduct verification examinations of all data. They shall file their report to the Federal agency involved. They have complete subpoena power. If you appeal his action, you must do it in a Washington, D.C. Federal court.

The Act goes into incredible detail until it gets to the oil pricing. To give you an example of how absurd the detail can get let's look at Page 63, Section 362(c)(5) which requires States to permit right turn on a red light after stopping. I hope it is not a one way street going left. This is a condition precedent to the States getting Federal money for their Conservation Programs.

Now to the oil pricing provision: It provides: "that the resulting actual weighted average first sale price for all such crude oil during such calendar month and each of the 39 months thereafter shall not exceed a maximum of $7.66 per barrel (hereinafter referred to in this section as the "Maximum weighted average first sale price"), except as may be adjusted pursuant to this section". Prices may be increased up to 3% annually as a production incentive and up to 10% a year to be taken into account the impact of inflation. The President may decontrol some prices, unless overruled by either House of Congress—a veto in reverse.

Prices to be adjusted to provide positive incentives for developing offshore oil, wildcat property, enhance recovery techniques and sustain production from marginal wells including stripper wells. As you can readily see (members of the industry will never know what price we will receive for oil for any length of time) financial planning will be extremely difficult. We will be at the total mercy of the Administration in power at the time. We could well wake up some morning and find our price of all oil being $7.66 a barrel. The political pressures will be incredible. What will happen if we have a change of Administration in January? We have already seen some large majors coming out for a one price system which now would have to be $7.66 per barrel.

It boils down as to whether you are producing new or old oil, or refining new or old oil in determining your position on the question. The independent producer who sells at the wellhead is the real loser. We have already cut from $1.50 to over $2.00 a barrel effective February 1, 1976. The majors or integrated companies can and do trade and exchange oil. It really doesn't make much difference to them as long as they make a profit at the pumps. The real losers are independents, and and royalty owners and local taxing agencies. Each segment of the industry will be "jockeying" for better prices at the expense of others.

If these provisions are enforced against independents each of us may be required to spend thousands of dollars annually to make costly reports of reserves, etc. It is an awesome problem for all of us. It is imperative that the regulations promulgated by each agency having jurisdiction under the Act be carefully reviewed. They could drastically affect you, your money and your ability to stay in business. Carelessly prepared reports to any of these agencies could subject you to civil and criminal penalties.

It is my feeling that the regulations can be far more devastating than the Act. Bureaucrats have a great way of writing complicated rules which "lock in" their jobs and existence forever at your expense.

Where do we go from here?

(1) It is my strong feeling that we will have federal price and production controls from now on. We are headed for a knock-down, drag-out fight between the States and the Federal government on basic constitutional issues. The United States will make an all-out effort to destroy any vestiges of States' rights over the next five years—or certainly by 1984. Only the people can stop it. The liberals will attempt to further negate and discredit the oil industry and neutralize the trade associations (if that's possible). How can you go below a "O" rating in public opinion?

(2) It is my opinion that the large international oil companies will be forced to move their headquarters overseas and set up publicly-owned U.S. companies whose only assets will be U.S. properties. This will be done because foreign governments where these companies own properties and do business, will not put up with what's been going on in the United States over the past four years.

(3) We will then see many large U.S. oil companies seeking some form of public utility status in order to secure a guaranteed return on their investments and risks. This will be a necessity once the foreign profits are distributed overseas to stockholders.

(4) Independent producers will be forced very soon to divorce themselves from integrated oil companies. The ones of us that sell at the wellhead and who really take the inordinate risks must be treated differently and separately from the rest of the industry. We can no longer afford to be treated as "one group" and have our profits "traded" off for other benefits such as elimination of "entitlements."

(5) There is a better than 50–50 chance that major energy companies will be broken up both vertically and horizontally by the U.S. in the very near future. We see an effort being made to force all large U.S. companies to be re-incorporated under Federal charters with each company being forced to have "public members" and "labor members" on their Boards of Directors. This will be the first step towards nationalizing American industries and will be the first all out effort to reduce the rights of States to set up corporations under State laws.

(6) The Depletion Allowance for Independents must be restored and restored quickly. Intangibles must be preserved and expanded to include surface, protection and production pipe that cannot be recovered when the well is abandoned. We face a 50–50 chance of losing Intangible Deduction on new investment money in 1976. If this bill comes every independent oil operator, geologist, broker, supplier, contractor, etc., must take what time and spend whatever sums are necessary to defeat the Bill—otherwise 50% to 90% of the Independents will be out of business.

(7) New Independents' groups must be formed or re-vamped. Organizations such as yours must establish study groups or action groups that review carefully every piece of meaningful legislation and proposed regulations and take independent action to see that every member of Congress is made aware of the true facts and APL should set up lobbying offices in Washington. If your car or furnace broke down, you wouldn't hesitate very long to spend whatever money that was necessary to put it in order. Yet, are you willing to spend $250 to help make a presentation to Congress or gather indisputable facts to support your position and ultimately save your job and career? Mere arm waving and screaming foul won't do the job. Remember—bad facts make bad laws. The only people that can do the job is each of you. Each person must put in many hours of study, writing and spend money to see that it is properly and effectively done. Over the last three years I've been told many times when discussing this matter with others that "I don't have the time," "I don't have the money," "Let the I.P.A.A. or TIPRO do the job." This just won't get it in the future. "How can you afford to do it?" My answer is I cannot afford not to do it.

Members of Congress pay far more attention than anyone realizes to their mail, small contributions from the rank and file, and particularly to those individuals who come to Washington and present a well-though out interpretation to members of Congress individually or to Congressional committees. We must spend much more time with our opposition in Congress and legislatures. Over the last three months I have visited at length with several members of the Congress who voted against the oil industry in these bills. To the man, they thought the depletion allowance had been preserved for Independents. Many didn't realize what they had voted for. No one had laid it out in language that they could understand. We must stop talking to ourselves since Corporate or Industry Incest has never been very productive.

Members of Congress want and must have "facts." When we take on the Ralph Nader or Common Cause groups we must have done our homework. Poorly developed presentations or facts can be disastrous. We are the "Defendants" in an adversary proceeding, where we are guilty per se, and the burden of proof is squarely on our shoulders. We can't to it at cocktail parties or with the same old cliches. The record must be made before Congressional Committees to overwhelmingly support our position.

The more people or groups who help make such a record, the better.

We should hold Oil Shows in Washington, D.C., instead of Tulsa or Houston. Why don't we rig up several oil rigs in Washington so the people who oppose us can see what's involved in drilling oil and gas wells.

DAY CARE VETO: PRESIDENTIAL BLUNDER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. RANGEL. Mr. Speaker, President Ford's veto of H.R. 9803 is a reprehensible action which was taken without fully considering the needs of the people in this country.

H.R. 9803 would have provided additional funds for the Nation's day care centers in order to meet new Health, Education and Welfare staffing, health, and safety standards. These standards were adopted to ensure that the youngsters who attend day care centers receive adequate and sound care.

By vetoing this important piece of legislation, President Ford demonstrated his lack of compassion for the working people and clearly indicated that he is not responsive to their most urgent and pressing needs.

When Congress reconsiders this measure after the Easter recess, I sincerely hope that my colleagues will reaffirm their commitment to the Nation's day care centers. After the House approved H.R. 9803 by a wide margin, I am hopeful that enough votes will be secured to override Mr. Ford's unwise and ill-conceived veto. At a time when the unemployment and welfare rolls are expanding at a rapid pace, we can certainly not afford to pass up an opportunity to provide the working poor with a chance to be self-supporting. The Congress must not succumb to the President's attempt to penalize the working poor of this Nation as he attempts to appease the conservative elements in his party.

ENERGY POLICY AND NATIONAL ECONOMIC PLANNING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. BROWN of California. Mr. Speaker, I recently read excerpts from a speech that was given to the American Petroleum Institute's North American energy panel by Thornton F. Bradshaw, who is president of the Atlantic Richfield Oil Co., on the subject of economic planning. I must admit that I was pleasantly surprised to read these remarks, which I am sure will be considered by many in the oil industry as disloyal to their position. Mr. Bradshaw ties the need for economic planning by the Federal Government to the energy crisis, where he believes that both the oil industry and the Government have failed to properly deal with energy policy.

The Los Angeles Times, which published these remarks, wrote an editorial about them which pointed out that—

> One reason debates about national economic planning tend to become heated is that planning means vastly different things to different people.

Mr. Bradshaw pointed out one reason why the Government must become involved in planning:

> It is not that the government is somehow smarter than private entrepreneurs or superior in a philosophical sense. But the government *is* obliged to give the country long-range directives and is positioned to do so. Business is not.

The Congress has demonstrated increased interest in this issue. The Humphrey-Hawkins full employment bill contains elements of long-range planning, as does the Humphrey-Javits bill. The Subcommittee on Environment and the Atmosphere of the Committee on Science and Technology, and the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the Merchant Marine and Fisheries Committee will shortly be receiving a substantial report from the Congressional Research Service of the Library of Congress on the subject of long-range planning. And other committees, such as the Interstate and Foreign Commerce Committee and the Technology Assessment Board are also looking into this general area.

At this time I would like to insert into the Record the article from the Los Angeles Times and the editorial which appeared at the same time:

[From the Los Angeles Times, Apr. 9, 1976]

ARCO CHIEF URGES U.S. ECONOMIC PLANNING—BRADSHAW SAYS IT IS "THE ONLY WAY WE CAN SAVE THE ENTERPRISE SYSTEM"

(By Thornton F. Bradshaw)

Certain words can be perfectly ordinary and yet completely out of place, depending on the circumstances. I would take care not to mention "tape recording," for example, to any of our living ex-Presidents, should we happen to meet, nor should one breathe the phrase "budget surplus" to Abe Beame.

For the energy industry, I suppose, the word *non grata* is "planning," particularly the government variety. Yet circumstances now compel me to believe that government, particularly the federal government, must be an increasingly large factor in the energy business in the years ahead. In my view, government-industry interaction is absolutely necessary not only to solve the energy problems we face but also to preserve the vitality of the free market itself.

The question that faces America today is not whether we will have a mixed economy, a blending of public and private initiative, but what kind of mix it should be.

I am not asking for more government involvement in business per se. What I am suggesting is that the enterprise system cannot function properly without the right *kind* of government intervention, at the right time and in the right degree. For example, after two years of watching the largely ineffectual efforts of government to deal with the energy issue, it is clear to me that the country needs goals for energy planning on a national scale. And since energy pervades the economy, I think that by extension we need some kind of national economic planning as well.

This need is not apparent to most businessmen, who tend to regard the idea of a limited amount of national economic planning as equivalent to being a little bit pregnant.

Indeed, opponents of centralized planning point to well-documented failures of national economic schemes in the Soviet Union and Great Britain. These arguments are not without merit. At home, the situation in New York gives pause to planners who are forced to recognize that frantic expansion of public expenditures, combined with avant-garde forms of business regulation, have driven municipal and state budgets deeply into the red.

There is ample reason, surely, to be concerned about the concept of national economic planning. Substituting the planning mechanism for the working of the market does inject the political process deeply into matters that have traditionally been decided by consumers. And yet national planning of a not very satisfactory kind is *already* a reality in this country—atomized, fragmented, uncoordinated and at times unworkable.

The question is, can a much better system of national planning be developed? And, of greatest importance, how can business help design a flexible compromise between socialism and the elaissz-faire indulgences of the past?

The issue is especially relevant to the energy industry because it happens to be at the cutting edge of the effort to shape our mixed economy for the decades ahead. Petroleum is really a test case: It is the first competitive industry to face the possibility of permanent price and investment control in times other than war. The fate of our industry, good or bad, could well point the way for the rest of our enterprise system.

The starting place is the establishment of national goods. For example, how dependent on foreign oil should the United States be in 1985? We have been importing 6 million to 7 million barrels of oil a day and, for a period last month, we were actually importing more than we were producing.

We still have time to correct the draft toward dependence if the federal government establishes a clear-cut goal for the petroleum industry to pursue and then creates a business environment in which its achievement is possible. That is exactly what I am asking the government to do—to stipulate that by 1985 the United States should be no more than, say, 25% dependent on outside energy sources, and to establish policies consistent with such a goal.

Once that goal is established, the industry can start to adjust its pattern on investment and development to meet it. It is not that the government is somehow smarter than private entrepreneurs or superior in a philosophical sense. But the government *is* obliged to give the country long-range directives and is positioned to do so. Business is not.

Under the broad goal of energy independence, as defined and mandated by the government, would be a series of *subgoals* for restraining consumption and increasing supplies of oil, gas, coal and nuclear power.

Conservation is another area which apparently cannot be left to the market alone. Restraining demand requires a national set of standards. The 55-m.p.h. limit is a start. But we also need mandated gas mileage for cars, a graduated tax on horsepower, and subsidies to help homeowners insulate their houses. (Steps of this kind are included in last year's Energy Policy and Conservation Act.)

Government involvement is also essential in seeking future fuels. The problem here is that there is no way that our industry can anticipate energy requirements 30 or 40 years from now. And even if we were able to look that far into the future, our capital resources are completely inadequate to finance the massive research program that would be required.

What I am suggesting is not an abdication of the enterprise system to government but a redesign of the public-private working relationship to take into account demands on our economic system which, historically, we have not had to cope with. None of the actions I propose would interfere with the one essential freedom of the marketplace whose preservation is key to its survival and vitality. I refer, of course, to freedom of pricing—an area in which government interference always has been, and always will be, totally counterproductive.

Indeed, it could hardly be otherwise. Price controls twist and subvert the market, making it virtually impossible to meet normal economic goals. Investment capital simply cannot be raised by the enterprise system if the price is set by political forces. In the case of oil and gas, price control means that a politically determined price would be inevitable.

My hope is that political myopia will disappear after the election and we can begin to face our problems in a less antagonistic and more constructive mood. Only a cooperative program of long-term national planning for energy can save the enterprise system. This raises a final question: Should it be saved?

Yes, because the market economy is the most democratic instrument for human material progress yet invented. If planning can improve economic conditions, I'm for it. But any centralized planning scheme that would contrive to limit the individual citizen's right to buy or to sell would fatally compromise the economic vigor of this country.

I also want to see it survive because relatively autonomous business enterprise is an important check on the power of government. In fact, when you get right down to it, the latter argument may be more important to the long-range interests of democracy than the first.

As Time magazine recently noted, "There is no alternative to capitalism that credibly promises both wealth and liberty." A valuable thought, I would say, for our Bicentennial year.

[From the Los Angeles Times, Apr. 9, 1976]

PLANNING AS AN ECONOMIC TOOL

One reason debates about national economic planning tend to become heated is that planning means vastly different things to different people.

Thornton F. Bradshaw, president of Atlantic Richfield Co., tells on the opposite page why he favors certain specific kinds of planning to help solve the nation's energy problems and to stabilize economic growth. We don't agree with all of Bradshaw's views, but we welcome the fact that a thoughtful corporate leader favors improving the planning tools on which, even now, this country substantially depends.

Bradshaw's statements demonstrate that closer cooperation and consultation between business and government, and more planning, do not have to mean the demise of the private sector or the end of the market mechanism's promise of free choice.

Keynesian economic policy techniques, the refinement of Federal Reserve management of the money supply and the Lockheed loan guarantee—along with federal tax incentives for corporations that expand their plants—have erased any illusion that unfettered buyers and sellers must control the market in order for individual liberty to survive.

Many kinds of economic planning are clearly not for this country: the Russian form of state economic direction by a hierarchy of powerful planners; the French approach to "indicative planning" for each sector of the economy, which achieved little accuracy or success; the Japanese custom of close interdependence between the government and that nation's handful of huge corporate combines.

Yet America can still benefit from the right kind of planning. Consider energy, where the United States remains short of supplies and needs a method to allocate what it has. The nation also needs a coherent plan for reducing dependence on foreign producers and spurring development of alternative energy systems. All these plans require data-gathering, analysis and the shaping of a consensus.

The broader economic sphere begs equally for several sorts of planning. The federal government should have better statistical information on how the economy's various pieces function, how they fit together, how they affect one another. Congress and the executive branch should be forced to look further ahead when they formulate economic policies. This could help reduce the cycles of boom and recession that whipsaw the economy.

Even this benign type of planning may involve sacrifices of choice. Using a swimming-pool heater or a monstrous automobile may not always be acceptable as a more coherent energy plan develops within new national economic policies.

As Bradshaw observes, however, given the magnitude and complexity of America's economic and energy problems, the nation cannot afford not to pursue the proper kind of planning.

FINANCIAL STATEMENT

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. BRADEMAS. Mr. Speaker, I include at this point in the RECORD my personal financial statement updated to April 9, 1976:

Financial statement of Congressman John Brademas, April 9, 1976

ASSETS	
Securities: 50 shares General Motors common stock (market value, April 9, 1976)	$3,381.25
Realty: 3225 Reservoir Street, N.W., Washington, D.C. (assessed value, 1976)	101,000.00
Savings and checking accounts	23,705,67
Automobiles:	
(a) 1976 Chevrolet Nova	4,000.00
(b) 1971 Chevrolet Malibu	1,500.00
Equity in Federal retirement fund (approximate)	35,425.00
Total assets	191,011.92
LIABILITIES	
Mortgage on 3225 Reservoir Street, Washington, D.C. (principal outstanding)	62,813.36
Total liabilities	62,813.36
NET WORTH	
	128,198.56
TAX INFORMATION	
Adjusted gross income (1975)	46,438.50
Federal income tax (1975)	8,048.44
Indiana income tax (1975)	952.71

SUFFOLK COUNTY RESOLUTION ON THE PROBLEMS IN IRELAND

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. DOWNEY of New York. Mr. Speaker, violence and destruction continue to plague the Irish people. The American people have watched the developments in Ireland with a blend of sympathy, distress, and frustration. In my home county of Suffolk in New York there are many people of Irish extraction who have chosen to speak out in the form of a resolution passed by the Suffolk County legislature. I include the text of the resolution below:

RESOLUTION NO. 173-1976, CALLING FOR A PEACEFUL SOLUTION TO THE PROBLEMS IN IRELAND

Whereas, there are hundreds of thousands of citizens of Suffolk County of Irish lineage, and

Whereas, these citizens are aggrieved by the troubles in Ireland, and

Whereas, one of the sources of the present difficulties stems from the presence of the British army in Ireland, and

Whereas, historically, occupation armies have caused havoc in the occupied country, and

Whereas, the problems in Ireland cannot be considered until the occupational British Army is removed, and

Whereas, the majority of the English people agree that the troops should be removed from Ireland; now, therefore, be it

Resolved, that the Legislature of the County of Suffolk recommends that the British Government declare an intent for the removal of their army from Ireland, that is, the British Government set a timetable for the removal of the British Army from Ireland; and be it further

Resolved, that the Legislature of the County of Suffolk recommends that the British Army in Ireland be replaced by a United Nations Peace-Keeping Police Force; and be it further

Resolved, that a committee of the Congress of the United States of America be formed to help find a permanent solution to the trouble in Ireland; and be it further

Resolved, that copies of this resolution be forwarded to President Ford, Congressmen Ambro, Pike, Downey, Governor Carey, former governor of Georgia Jimmy Carter, Senators Javits, Buckley, Jackson, Bayh, Udall, Harris, Humphrey, Kennedy, and the British Consulate.

THREE-PRONGED ATTACK ON SICKNESS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. LONG of Maryland. Mr. Speaker, any proposal for a national health insurance system inevitably encounters the problem presented by our inefficient and overly expensive health care system.

In eastern Baltimore County, Md., a unique experiment is underway, combining health services career training with comprehensive family health care. A report in the March 15, 1976, Baltimore Sun describes in detail the hope this program offers for revamping delivery of health care. The program is operated by the Health and Education Council and headquartered at the Eastern Regional Health Center of Baltimore County.

I am pleased to share with my colleagues the news of this health care development:

THREE-PRONGED ATTACK ON SICKNESS

(By Gerri Kobren)

There isn't anything particularly new about women's cancer screening clinics, or about offers of free hypertension and gonorrhea testing. What is exciting about the program beginning February 23 at Baltimore county's Eastern Regional Health Center on Franklin Square drive—and continuing every Monday morning and Tuesday afternoon through April 27—is not what's going on, but who is doing it.

With students in the allied health career programs at Essex Community College doing the actual examinations and tests and patients with abnormal findings being referred to physicians at Franklin Square Hospital, this attempt to provide primary medical care to the community is being coordinated, publicized and budgeted by the 2½-year-old Health and Education Council, with funds filtered from the federal government through the state and county.

This is the kind of things for which the council was created in 1973 by the three participating institutions: the hospital, the college and the county health department. David Sapadin, director of HEC admits such consortiums aren't new in the health field; this one, he claims, is unusual because it integrates the staff, facilities and programs of three separate institutions which share a campus, its board of directors includes the two top executives of each of the participating units, and the thrust is multiphasic. Health care delivery is only part of it. Council efforts are directed at career, consumer and continuing education as well.

GREW FROM INFORMAL LIAISON

The Health and Education Council grew out of a less formal liaison between hospital, college and health department in the talking stage since the late Fifties. The two-year college, operating from scattered rooms and trailers, but planning a building complex in this part of eastern Baltimore county, approached the hospital with the suggestion of a cooperative venture; hospital and school brought the health department into it.

"Everyone said it couldn't be done," recalls Sanford Kotzen, executive director of the hospital.

Yet according to Dr. Vernon Wanty, president of the college, this integration of public and private resources is entirely logical: "We have a common goal—to serve the public."

And apparently it has been working. Essex provides career-oriented curricula in a variety of medical subjects, graduating nurses, physicians' assistants, dental hygienists, mental health associates, laboratory, X-ray and nuclear medicine technicians with the kind of clinical experiences an isolated community college could not provide. The chiefs of every medical service represented in the hospital also serve on the school's faculty.

Franklin Square, an easy walk from the school's buildings, benefits from the free labor of the students, who work in the hospital on an education "practicum," and form the pool of new graduates in medical back-up professions. The school's physical facilities—its auditoriums, classrooms, audio-visual equipment and extensive food-service capability—are also available to the hospital, which saves an enormous amount of money by not having to pay for its own.

Moreover, while the Essex students are rotating through the hospital, hospital residents are gaining community experience in the clinics at the nearby health department. The health department, in turn, has the services of the young doctors and the Essex students and can call on the established physicians at the hospital and the instructors at the college when outside expertise is needed.

With the council coordinating and integrating the services, programs and projects, the three institutions hope to do all these things more efficiently, cutting out duplication and mounting quick responses to the needs of this particular area, which has the fastest growing population in Baltimore county along with one of the lowest physician-patient ratios in the state.

The establishment of the council has brought another benefit to its constituent organizations: money. Each of the three contributes to HEC's support, providing the kind of permanent, reliable "seed money" that attracts outside financing. There has been a large financial return to the three on a relatively small investment by each, said Dr. Donald Roop, director of the Eastern Health Center.

The most recent, and the largest, is a three-year grant of $401,154 awarded by the W. K. Kellogg Foundation, of Battle Creek, Mich., for the development of programs of continuing education for health workers at all levels. This grant would not have been made to any of the institutions alone, Mr. Kotzen said. Staff is being recruited; courses will be offered, by and for doctors and for holders of the two-year associate degree, starting this summer.

Also geared to continuing education for health workers is a phone-in project developed with $14,180 from the American Lung Association. Using the college's dial-access system, registrants can call at any time of the day or night for a 15-minute taped lecture on occupational lung disease, 2 a week for 10 weeks. Those who listen to all 20, in their own homes and at their own most convenient times, and answer the accompanying questions will earn a credit in fulfillment of continuing education requirements.

FOCUSES ON PRIMARY CARE

Approaching the Kellogg grant in size, but focusing directly on delivery of primary care, is a three-year grant of $261,503 from the Robert Wood Johnson (of Bandaid fame) Foundation. This will enable the council to coordinate care for patients who use the health department clinics. Hospital staffers, bound by hospital quality control, will see them there for diagnosis, and provide continuity of care should they have to be hospitalized, avoiding the kind of fragmentation that occurs when people move from the public to the private sector for medical care.

Working in reverse as well, this will provide follow-up and supervision for the patient who no longer needs in-patient care—the stroke victim, for instance, who might need speech therapy—in one smooth, continuous operation.

In addition, a computerized, joint access records system will be developed to provide immediate information to workers at the hospital or the county clinics for any patient who has been treated or received medication at either place in the past.

The council is looking at programs of community education as well, planning to begin a series for heart patients and their families, teaching cardio-pulmonary resuscitation, diet, exercise and stress reduction. It is also considering education programs directed at people who operate restaurants and nursing homes and must meet health department requirements for licensure.

With all of this there is both a snowball and feedback effect. As physicians attend professional-level programs in the college building and interact both professionally and informally with members of the college community, they begin to see the school as an appropriate education resource. At the same time, the general public, also invited for courses and lectures presented by physicians at the college, begin to look to these institutions as a health center for their own community.

The council, getting input from its constituent agencies, has an overview as well which should enable it to assess current needs more accurately and project for the future. Coordinating activities under the Johnson grant, Mr. Sapad in hopes to learn why some patients go to health department clinics while others use the hospital's. HEC should then be able to eliminate duplication, plug the gaps where no appropriate services exist and place new services in the situation where they will do most good.

Staffing the programs with people who are already on the joint campus—doctors, Essex graduates and students—the council can also determine areas in which there is an over-or under-supply, urge modifications of the curriculum at the college accordingly. At the same time, the allied health workers prove, by their employment in HEC programs, their value in extending professional medical capacity, presumably leading to increased demand for their services elsewhere.

"Our ability to interact is almost unique," said Louis Albert, chairman of the division of allied health at the college and member of HEC's board of directors. "Too often education is separate from health care delivery, but in this situation we can modify curriculum to meet needs experienced directly in the community."

CAPITOL HILL FORUM

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. BRODHEAD. Mr. Speaker, today is the first anniversary of the Capitol Hill Forum. In its first year, the newspaper has earned not only a wide readership, but also a great deal of respect among Members of Congress and their staffs.

Because my seniority in Congress is only slightly longer than that of the Forum, I feel a certain kinship with it. As a new Member, I have sought to develop sources of information on a wide variety of topics upon which I can rely. One of these sources has been the Forum.

I know of no other periodical which performs the same function as the Forum. It gives a breadth of perspective rarely possible in a paper with a daily deadline, while it avoids the mire of detail common in some of the less frequent theoretical journals. I cannot say that I have based a vote solely on a Forum article, but I have often found information there which has helped me to find my way to a decision.

It is, therefore, with pleasure that I call upon my colleagues to join me in honoring the Capitol Hill Forum and its staff on this first anniversary. From one new Member to another, I want to extend all good wishes for its continued success.

LATIN RELATIONS WITH CHILE IMPROVING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. McDONALD of Georgia. Mr. Speaker, since the situation in Chile is simply nothing like that generally presented in the world and American press, I would like to call my colleagues' attention to the following article which appeared in the Times of the Americas on March 31, 1976.

Two points are especially important: First, that most Latin American observers discount the atrocity stories about Chile; in part, because most of those who supported the Socialist-Communist-Radical coalition government of Allende are being permitted to go into exile, including some terrorists.

Second, because of Chile's improved image, its relations with other Latin American countries are improving.

The article follows:

ATROCITY STORIES DOUBTED: LATIN RELATIONS WITH CHILE IMPROVING

WASHINGTON.—The anti-Marxist military government of Chile still is being castigated by the United Nations Human Rights Commission, but most Latin American observers act as if they doubt the veracity of the atrocity stories about Chile.

Of the Latin nations, only Mexico and Cuba insist that Chile is a fascist dictatorship, where the lives of the government's opponents are worth nothing.

The other countries not only have normal relations with Chile but those relations seem to be improving.

For instance, the Organization of American States is going ahead with plans to hold its next general assembly in Santiago, starting June 4.

Another indication is the action of the World Bank and the Inter-American Development Bank in making sizable credits available to Chile.

If the Latin American governments appear to agree with the Chileans who charge that the Soviet Union has been orchestrating the campaign against Chile in the United Nations and elsewhere. Significantly, the loudest voices raised against Chile in most international forums are Marxist.

What seemingly has contributed to improvement of the Chilean image is the fact that Chile has been permitting most of those who served in the Socialist-Communist-Radical coalition government of President Salvador Allende to go into exile.

Chile has even allowed terrorists and their accomplices to leave.

Best known perhaps, was Dr. Sheila Cassidy, a British medic who was captured by Chilean authorities after a gunfight at the convent where she had been hiding. Although she was charged with sheltering and giving medical aid to a terrorist leader, eventually she was turned over to British Embassy officials and flown to London.

Nelson Gutiérrez, the terrorist Dr. Cassidy treated, No. 2 man in the movement of the Revolutionary Left (MIR), his wife and daughter managed to escape arrest and obtained asylum in the Vatican Embassy in Santiago. Eventually, Chile allowed them to take asylum in Sweden.

Earlier, Andrés Pascal Allende, a nephew of the late president and leader of the MIR, and his girl friend, both of whom had been involved in the Oct. 16 shootout in which Gutiérrez was wounded, were permitted to take asylum in Costa Rica. They had escaped capture, too, and sought refugee in the Costa Rican embassy.

These are just a few of the persons who have been permitted to go into exile in recent weeks.

But this relatively generous policy on the part of the Chilean military government is not something initiated on the spur of the moment.

It can be said to date back to before Allende's overthrow and death. It is a matter of record that the Chilean armed forces tried to convince Allende that he should not resist the coup and that he should accept their offer of a safe conduct out of the country.

Allende chose to fight on and committed suicide in La Moneda Palace rather than face capture, most Chileans say. Marxists insist that he was shot by an army officer.

However, shortly before Allende was buried, his wife and daughters were allowed to leave Chile for Mexico.

By now, most of his cabinet ministers and other prominent Marxists have been permitted to go.

One notable exception is Sen. Luis Corvalán, secretary general of the Communist Party. Corvalán has been waiting trial by a military court for the last 30 months. He was detained a few days after the events of Sept. 11, 1973.

F. EDWARD HÉBERT: DEAN OF THE LOUISIANA DELEGATION

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. BREAUX. Mr. Speaker, as a member of the Louisiana congressional delegation, I must take this opportunity to say that Congressman F. EDWARD HÉBERT has set an example of dedication to our Nation which is difficult, at best, to rival.

Dean HÉBERT, as he is known within the Louisiana congressional delegation, has spent a great part of his life in the service of his country. His contributions have been numerous in maintaining the highest standard of excellence in our defense posture.

He is tough and single-minded in his belief that this Nation should continue to enjoy the place of superiority, not only in defense but in every aspect of our Nation's activities.

As he retires at the end of this Congress, Dean HÉBERT will leave behind an example for all of us who attempt each day to serve the people we represent, an example of dedication and contribution.

I take this opportunity, Mr. Speaker, to wish him continued years of service, health and happiness.

THE MARTINEZ VA HOSPITAL'S UNIQUE PREMEDICAL PROGRAM

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. LEGGETT. Mr. Speaker, I would like to bring to the attention of the House a facet of our health care delivery system that appears to have been little noticed.

It is that competition for entry into medical schools, and the attendant burdens on selection committees, have increased dramatically in recent years. While the number of admissions to medical schools has been growing, the number of applicants has gone up much more rapidly. In fact, over the past 10 years, the number of students applying to medical schools has risen 122 percent.

The heavy competition among applicants has forced the schools to look at a wide variety of factors in the attempt to determine which of the candidates will best serve the needs of the population as physicians. A high level of academic achievement and intellectual potential, as measured by grades, faculty recommendations, and scores on the medical college admission test, is obviously a primary criterion. Most schools also examine such personality traits as motivation, perseverance, level of maturity, and skill in relating to others. These personal and social factors are, however, difficult to evaluate.

Despite the sophisticated testing and indepth evaluations, the admission process is still a relatively unpredictable procedure. Any candidate, no matter how well qualified in terms of grades, test scores, references, and character traits, is still a calculated risk. Studies have shown that the performance of the physician is still largely unpredictable by any of the traditional selection or educational achievement measures, including the MCAT scores.

It is evident, then, that the medical school selection process poses a very difficult task to say the least. Schools must be concerned with far more than academic achievement, since they are seeking ideally to produce physicians who are whole and complete professionals, as committed to helping people under the Hippocratic oath as they are versed in medical skills.

Knowing of the difficulties selection poses, I was most interested to learn of an unusual program being run by the Martinez VA Hospital in Davis, Calif., in my district. This hospital provides, under the direction of Dr. Michael C. Geokas, who is a professor of medicine at the University of California at Davis, as well as chief of medicine at Martinez, a unique program of teaching and counseling services for premedical students. This program has been maintained the last 2 years by volunteer effort of the hospital medical faculty and is offered at no cost to students, the VA, the university, or the taxpayers.

The main goal of this program is to identify, encourage, and assist the most promising students, including women and minority members, in entering medical school. The program consists of three areas: volunteer work for the students in various sectors of the hospital, such as the coronary unit and clinical laboratories; counseling students on the commitment to study medicine and serve as a physician; and a regular lecture series on the nature of medical education, as well as various medical disciplines and specific areas like nutrition and alcoholism.

This program should provide prospective students with valuable experience and insight about the intricacies of both medical education and the health care delivery system. I also believe that this type of premedical program in a hospital environment represents a promising approach to identifying and assisting the candidates who are most suitable for entry into medical school. This program should enable students to discover that they are unfit for a long and demanding career in medicine before, rather than after, they seek admission to medical school. I am also hopeful that it will stimulate student interest in primary patient care, which represents one of the most pressing problems in our health care delivery system today.

I commend this program to my colleagues as one which has the potential to offer a major improvement in the medical student-selection process. Similar programs can be established in any university-affiliated hospital, provided that the necessary spirit of cooperation and volunteerism exists among the hospital faculty. I urge my colleagues to encourage the development of such programs in the hospitals of their districts.

At this point I would like to include in the RECORD a description of the program provided by the Department of Medicine of the Martinez VA Hospital:

MEDICAL SERVICE PREMEDICAL PROGRAM

Homer Smith. From Fish to Philosopher, 1953: "It is scant modesty for man, even if he is 'the highest vertebrate' to presume that he can predict the cosmic plan on the intensity of his joy and pain, or cement the stars together with even his highest aspirations."

INTRODUCTION

Medical education is being challenged to produce more primary physicians, more medical scientists and more physician specialists. Modern medicine covers a whole spectrum of functions: the promotion of health, the prevention of disease, the diagnosis and treatment of disease, rehabilitation of the patient, basic and applied research with exploration of new frontiers of knowledge, teaching and organization and delivery of health services. During the last five years, both the number of medical school admissions and the number of qualified individuals applying to medical schools have increased, the latter more than the former. The number of students applying for admission into medical schools in the U.S. has increased 122% in the past ten years. There were 42,624 applicants for the first year class in 1974–1975. The first year class numbered 14,963 in 114 medical schools. One hundred and seven (107) schools granted the M.D. degree to 12,714 students in the academic year 1974-1975. Over 8,700 women applied to enter medical school in 1974-1975, of whom 3,260 enrolled in that first year class. That number of women entering medical school represents a 360% increase over the number entering just four years ago. Increasing numbers of women are seeking and preparing for careers in medicine. The efforts of medical schools to increase minority enrollment during the past six years has resulted in a substantial increase in the proportion of the total student body who are members of minority groups. The actual number of minority group students has more than doubled during the same time period.

The heavy competition among qualified applicants seeking admission has forced the schools to rely on a wide variety of factors in trying to determine which candidates will, as physicians, best serve the needs of the population. Admissions committees do not seek a stereotyped ideal combination of characteristics in their applicants. A high level of scholastic achievement and intellectual potential is generally desired. These are measured by college grades, particularly science grades; by recommendations from undergraduate faculty including premedical advisers; and by the MCAT (Medical College Admission Test) scores. Most schools mention the desirability of such traits as curiosity, initiative, motivation, perseverance, purpose and breadth of interests. Furthermore, leadership, social maturity and human relations skill, are desirable. The personal and social traits that medical school admissions committees look for are difficult to measure. Sinclair (Medical Students and Medical Science. London: Oxford Univ. Press, 1955) has summed up the situation admirably, when he said: "Several attempts have been made to define the characteristics of the ideal medical student, attempts which have often ended in an atmosphere of unreality. Such a creature is a chimera, half man, half god and, like many other mythical beasts, is scarcely worth remembering."

With the increase of the number of applicants for entry to medical school, there is a steady increase in the number of well-qualified candidates. The responsibility of the medical schools is to be as certain as possible that the students they select will do better than those they exclude. It has been said that despite the sophisticated testing and criteria development the admission of any candidate, no matter how seemingly well-qualified in terms of grades, MCAT scores, references, character, motivation, etc., is still a calculated risk. Dr. Calvin Taylor, after an extensive study of the correlation between academic and career performance, reported the shocking finding, "that physician performances are still largely unpredictable by any traditional selecting and educational achievement measures including the MCAT scores" (Taylor, Calvin W: "Measurement and Predictors of Physicians' Performance", 1971, Aaron Press, Salt Lake City, Utah). One of the principal reminders of the failures of the selection system are the drop-outs, the students who leave medical school without qualifying. There are very large differences on drop-out rates between different universities and countries. Attrition rates in Medical Schools in the United States are about 9% according to one report (Johnson D. G. and Hutchins, E. B., J. Med. Educ. 41:12, 1966). It is tempting to assume that the drop-out is academically poor and that the University's only error lay in selecting him. However there may be many reasons why an academically adequate student may be unable to utilize the teaching provided. This is a field that needs a great deal more research.

We may conclude, then, that the selection process for medical school admission is very difficult to say the least and no one pretends that most of the schools actually take the "cream of the crop" with the present selection procedures. We believe that a premedical program in a University-affiliated hospital might be of considerable value in an attempt to identify, encourage and actually assist the most promising students (who prove themselves suitable for a career in Medicine), in entering Medical School.

DESCRIPTION OF THE PROGRAM

The Medical Service of the Martinez Veterans Administration Hospital has initiated a unique premedical teaching, counseling and volunteer program. This program is under the direction of Michael C. Geokas, M.D., Ph.D., Professor and Vice-Chairman of the Department of Medicine at UC-Davis School of Medicine, and Chief of Medicine at Martinez VA Hospital. Premedical students from colleges and universities in the geographical area adjacent to the Martinez VA Hospital are encouraged to enroll in this course. The Premedical Program is offered as a community service without cost to the students, the Veterans Administration, the University of California or the taxpayer. This program is maintained by the volunteer effort of the members of the faculty of the VA Hospital. All applicants are interviewed by Dr. M. C. Geokas before enrollment.

PROGRAM STRUCTURE

The Premedical Program at the Martinez VA Hospital includes a) Volunteer work for the students in the various sections of the Medical Service, the Clinical Laboratory and other areas of the Hospital. The volunteer assignments are arranged formally with Mrs. Jeanne Hayward, the Director of Volunteer Services at the Martinez VA Hospital, whose cooperation has been excellent. Students who are able to participate in the volunteer phase of the Premedical Program are asked to formally "sign in" with the Volunteer Service, and are cautioned in budgeting their time properly so as not to undermine their academic efforts.

The volunteer assignments available at the VA Hospital, in the context of the Premedical Program, include:

1. The Escort Service.
2. The Medical Library.
3. The Pharmacy.
4. The Intensive Care Unit.
5. The Medical Administration Service.
6. The Ward Volunteer Service.
7. The Clinical Laboratory.
8. The Outpatient and Admitting area.
9. The various Research Laboratories.
10. The Cardiology Clinical Laboratory.
11. The Pulmonary Function Laboratory.
12. The Clinical Gastroenterology Laboratory.

Twice a year an intensive orientation course is given to the premedical students involved in the volunteer program by members of the Administrative, Nursing and Laboratory Sections of the VA Hospital who volunteer their time on weekends.

(a) Counselling: Students are counselled in groups and individually with regard to study habits, time budgeting, self-discipline, the significance of commitment required to study medicine and subsequently succeed as a physician and the significance of systematic painstaking effort during the college years in order to secure a high grade point average (GPA) and a high MCAT score. Junior and senior students are given assistance in selecting the appropriate medical schools in the U.S. in relation to course work requirements, age, application procedures and state and regional residence policies. Students are encouraged to consult carefully the medical school admission requirements, published by the Association of American Medical College, (Association of American Medical Colleges, One Dupont Circle, N.W., Washington, D.C. 20036). Premedical students are counselled extensively concerning foreign medical schools and other alternatives for rejected applicants. At present it is estimated that more than 5,000 U.S. citizens are studying medicine abroad. The choice of school should be based primarily on the applicant's familiarity with another language because acceptances are at times provisional pending the passing of a language examination. It is emphasized that language skills must be reasonably strong to permit monitoring of lectures and the students participation in competitive oral and written examinations.

THE LECTURE SERIES

A special lecture is given to the Premedical students every Saturday from 10:00 to 11:00 a.m. at the Veterans Administration Hospital, Martinez, California, Medical Service (Conference Room B-301), which constitutes an integral part of the Premedical Program. The speakers are selected among the members of the VA full-time staff and the UC-Davis School of Medicine faculty and also among prominent citizens from the community.

The lectures include a considerable variety of subjects such as:

Premedical Planning.

The Medical School Admission Process.

The Nature of Medical Education.

Overviews on Human Physiology and Biochemistry.

Aspects of Human Nutrition.

Overviews of various medical subspecialties, e.g. Cardiology, Gastroenterology, Pulmonary medicine, Neurology, etc.

Review of diseases due to faulty habits.

The problems of Alcoholism.

Review of Laboratory Medicine and Laboratory Instrumentation, etc.

The lectures are designed in such a way as to demonstrate to the students the enormity of the material included in the Medical School curriculum as well as to increase their understanding of the complexity of medical education.

Furthermore, the students are encouraged to attend the various other educational programs organized by the Medical Service. For instance, a special lecture series organized for the general public in the Fall of 1975, was attended by most of the premedical students and included the following subjects:

The Problem of Alcoholism in Our Society.

High Blood Pressure. The Silent Menace.

What You Should Know About Heart Attacks.

Do's and Don'ts of Your Diet.

What You Should Know About Cancer.

Arthritis—Some New Answers.

How Smoking Affects Your Health.

Overweight and the Affluent Society.

IN SUMMARY

This is a unique Premedical Program, sponsored by a University-affiliated Department of Medicine and includes students from UC-Berkeley, UC-David, Hayward University, Diablo Valley College and other schools in our vicinity.

The program includes volunteer work in the various sections of the hospital, counseling of students and a lecture series given by the VA and UC-Davis faculty, which includes overviews of various medical specialties, and general topics given by prominent citizens.

We believe that the selection of candidates for medical school admissons is a matter of extraordinary importance, related to the health of the American people. There is an abundance of well-qualified candidates for admission, and one would expect that the medical schools could easily admit the "cream of the crop". However, the selection procedures appear to be inadequate at the present time, despite the valiant efforts of the admission committees. As medicine is as much of an art as a science, what the public needs these days in a doctor is a total human being with a genuine love of humanity and not merely some cold Phi Beta Kappa with a 3.8 GPA.

We believe that the gigantic problem of malpractice insurance has brought the process of selection of the doctors of tomorrow into a sharp focus indeed.

It might be that we need a new breed of physicians who have: Intelligence, scientific curiosity, high scholastic performance, but also self-discipline, emotional strength, interest in people, compassion, and above all, sensitivity to the needs of the public and a willingness for long range commitment and dedication to public service.

In our view it should be considered a great privilege by a young man or woman to be given the opportunity to study Medicine.

We believe that during the premedical college years a considerable degree of conditioning of students for a successful career in Medicine can be accomplished through a well-organized premedical program in a hospital environment. This could reduce the number of Medical School dropouts.

This Premedical Program provides to the students invaluable experience and insight concerning the intricacies of health care delivery and sensitizes them to the needs of the patients.

Students who find that they are unfit for a long and demanding career in Medicine quite frequently change their orientation to other fields. We have found that the emphasis on self-discipline, time-budgeting, integrity, responsibility, compassion for the sick, the need for serious commitment and a constant urging to improve scholastic performance constitute an enormous impetus to the students.

In turn, the hospital staff has expressed admiration for the dedication of the students and their contribution to the hospital as volunteers.

Our observations during the last two years indicate that the Premedical Program represents a promising pathway in our attempt to identify and assist the candidates who are suitable for Medical School admission.

The program's greatest asset is this: It teaches by example: In a hospital environment the VA staff volunteer their time to the program as a public service. Thus the program has been sustained for two years without cost to the students or to the taxpayer.

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REPORT ON THE LAW OF THE SEA CONFERENCE

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. RUPPE. Mr. Speaker, our colleagues, "PETE" MCCLOSKEY and BEN GILMAN, are presently serving as congressional delegates to the Law of the Sea Conference in New York.

They have submitted a report on their observations of the first 4 weeks, which I think is worthy of careful study by all of us.

BACKGROUND PAPER AND PROGRESS REPORT ON NEW YORK LAW OF THE SEA CONFERENCE, HALF-WAY POINT, APRIL 9, 1976

HISTORICAL SETTING

Strong maritime powers have traditionally desired the broadest possible "freedom of the seas." Since the last century, when naval guns had a range of three miles, generally accepted international law has recognized the freedom of the high seas outside a three-mile "territorial" sea controlled by the coastal nation.

In 1945, however, President Truman proclaimed that the United States owned exclusive rights to the rich mineral resources on our continental shelves extending well into the Atlantic, Pacific, Caribbean, and Arctic Oceans. Subsequently, certain Latin American countries, notably Peru, Ecuador, Chile and Brazil, claimed jurisdictions out to 200 miles, in order to protect their tuna and shrimp resources.

In 1968, the United States enacted the Fisherman's Protective Act (PL 90–482), and agreed to compensate tuna companies whose vessels were seized inside foreign 200-mile zones. In 1972, the State Department negotiated an agreement with Brazil, subsequently ratified by Congress, in which we agreed that Brazil could regulate U.S. shrimp fishermen within 200 miles of her coastline and further, that we would contribute to the cost of such regulation.

In 1974, the UN's International Court of Justice ruled that Iceland had no right to unilaterally declare a 50 mile fishery protection zone. That decision led to the famous "cod war" between British trawlers and Iceland's small navy, unresolved to this day.

International efforts to remedy these problems commenced in 1958 with the first UN Law of the Sea Conference. Four treaties resulted which were ratified by the United States, *Convention on The High Seas* (55 other nations as signatories), *The Continental Shelf* (53 other nations), *The Territorial Sea and Contiguous Zone* (43 other nations), and *Fishing and Conservation of the Living Resources of the High Seas* (33 other nations).

A second LOS Conference convened in 1960 but adjourned in failure.

Plans for the third LOS Conference originated in 1970 with a unique and historical U.S. policy decision to espouse the principle that the mineral resources of the deep seabed should be considered "the common heritage of mankind," to be shared with developing nations, rather than exploited solely by those with the technological means to do so (then and now, primarily the United States, which, by 1976, has several major companies ready and able to proceed).

The Third LOS Conference, with 143 nations participating, met for 10 weeks in Caracas in 1974, 7 weeks in Geneva in 1975, and is meeting in New York from March 15 through May 7, with time reserved for a fourth and final session, either in New York or Geneva, later this summer.

Since the Conference's inception, the importance of agreement has been further emphasized by seizure of the Mayaguez 7½ miles off the Cambodian coast in 1975.

IMPORTANCE OF THE CURRENT SESSION

The current session is admittedly at the "make-or-break" stage of the negotiations. If a nearly-complete revised single negotiating text cannot achieve consensus by May 7, it is fairly well conceded by most participants that the negotiations could break down completely as they did in 1960, with nations taking unilateral action to protect their own national interests as Congress did in enacting our 200 mile fisheries protection bill last week.

The Senate Commerce Committee (by voice vote), and the House Oceanographic Subcommittee (by a vote of 16 to 1), have both reported out bills to encourage deep seabed mining, bills which if enacted into law, would clearly end any treaty incentive on the part of a majority of the nations participating in the third LOS Conference.

Politically, the American people would probably strongly approve passage of this legislation, should the New York session end on May 7th at an impasse. Deep Seabed Mining would *not* constitute a violation of existing international law or treaties as was argued in the case of the 200 mile bill, so presumably the Congress will be as quick to move on the deep seabed mining legislation as it was the 200 mile bill if the New York session is unable to come close to consensus on a treaty by May 7.

UNITED STATES NEGOTIATION GOALS

The United States has 7 primary goals:

1. A binding dispute settlement procedure;

2. Free navigation rights, particularly through such straits as Gibraltar, Malacca,

and the Persian Gulf, but also within the 200-mile zones of other nations;

3. Protection of our continental shelf petroleum resources;

4. Protection against ship-source pollution;

5. Fishery conservation, including coastal species, highly migratory species (tuna), and anadromous species (salmon);

6. Access to and a fair apportionment of the deep seabed minerals, particularly the nickel, copper, cobalt and manganese of the so-called manganese nodules;

7. Reasonably free scientific research within the coastal waters of other nations.

THE GROUND RULES

LOS Conference procedure requires that any treaty adopted must have the agreement of ⅔'s of those nations present and voting, but in any event not less than half of the 156 nations thus far participating. Furthermore, no votes are to be taken until all attempts at consensus have been exhausted.

Thus the negotiating progress has been painfully slow, since in each of the three committees, (I—Deep Seabed Resources; II—Territorial Sea, Economic Zone, Continental Shelf, Straits, and Fisheries; and III—Marine Pollution and Scientific Research) the Chairman has no recourse but to obtain a ⅔'s consensus of his membership before he can hope to have a successful vote.

Each nation has one vote, so if a treaty is to be signed, it will require agreement on the part of the majority of the 117 lesser-developed nations (LDC's) who constitute over ⅔'s of the participants.

LINEUP OF THE PLAYERS

As of last week, 156 nations were participating with the following breakdowns of interest and goals:

1. The Major Naval Powers (2 countries)

The United States and Russia are both desirous of maintaining maximum freedom of the high seas, particularly unimpeded navigation through, over (aircraft) and under (submarines) straits such as Dover, Gibraltar and Malacca.

2. The Industrialized Nations (30 + countries)

This group consists primarily of the European and North American nations. It is further subdivided along east/west lines with the U.S., England, France, West Germany, Italy, Japan, Canada and Australia among others on one side and a Soviet bloc including the European communist nations on the other.

3. The Developing Nations (originally called the Group of 77, but consisting of 117 countries at last count)

This group is primarily interested in obtaining a share of the deep seabed and fishery resources. They are also interested in establishing an OPEC-type cartel to protect their members who are also land-based producers of the four primary minerals found in the deep seabed manganese nodules (nickel, copper, cobalt and maganese). This group is led by spokesmen for Algeria, Peru, Brazil, Chile, Sri Lanka, Venezuela, Mexico, India, et al., with China seeking to claim participation but thus far fairly ineffectively.

4. The Landlocked and Geographically Disadvantaged States (LL/GDS) (50 + countries)

This group consists of nations without coastal borders. The majority are less developed nations but also included are developed nations such as Switzerland and Austria. They have come on fairly strongly, during the New York session, seeking guaranteed access to the oceans as well as a share of the resource values beyond the 200 mile economic zones of the coastal states, and preferential fishing rights from nearby nations. This group also has the capacity to block a treaty if they can obtain the cooperation of only a few other countries.

5. The Coastal States (122 countries)

For the 122 coastal states, recognition of a 200 mile economic zone increases their economic jurisdiction by a total of 38 million square miles, over a third of the total ocean area of the world. Increasingly the Group of 77 countries are urging that the 200 mile "economic" zone have almost the quality of a territorial zone.

6. The Broad Margin States (9 countries)

This group consists of the United States, England, Canada, Ireland, India, Argentine, Norway, Australia and New Zealand. These states, whose continental margins extend beyond 200 miles, are desirous of protecting the hydrocarbon resources of their continental shelves beyond the 200 mile limit. Recognition of a broad margin would increase the area over which they have jurisdiction by 5 million square miles. The United States, for example, may have from 5 to 15% of its total offshore oil deposits beyond 200 miles.

7. The Deep Seabed Mining Companies

Three United States firms, Kennecott Copper, Deep Sea Ventures (owned jointly by Tenneco, U.S. Steel, and Union Miniere of Belgium) and Lockheed together with International Nickel, a Canadian/U.S. multinational company, believe they now have the capability to profitably mine the ocean floor. They have invested between $20 and $40 million each to perfect the necessary technology and feel they are several years ahead of the French, Japanese and Soviets who are also known to be working on the problem.

Above all else they desire a stable investment climate in order to attract the additional capital ($350 to $650 million per site) necessary to go into production.

Their primary problem lies in the fact that United States Government's negotiating position is to offer an as-yet-unknown percentage of their revenues or production to the International Seabed Resource Authority (ISRA) as the primary incentive for the final treaty.

The companies are agreeable to sharing some of their profits with the developing nations but don't feel they can both share profits and pay a full U.S. income tax. Needless to say the Treasury Department is reluctant to give up any tax revenues or to offer foreign tax credits, thus creating a basic three-way conflict among the companies, State, and Treasury which as of this date is unresolved.

PRIMARY PROBLEMS FACING THE NEGOTIATORS

1. The economics of manganese nodules

Since the primary treaty incentive to the developing nations lies in the United States' concession to share its technological advantages in deep sea mining, an understanding of the economics of the manganese nodules is crucial to congressional decision making.

It is believed that potato-sized manganese nodules are scattered in varying amounts across wide areas of the deep seabed as well as in some areas of various continental shelves. In some 3 million square miles of the Pacific Ocean, for example, it is estimated that there may be from 18 to 33 pounds of dry nodules per square meter of which perhaps 4 to 7 pounds might be efficiently mined with presently known technology. There are enough nodules, and enough profitable mining sites, to furnish expected world demand for generations.

With an initial investment of $350 to $650 million and anticipated annual operating costs of $100 to $160 million, a mining company could begin exploitation and processing 1 to 3 million tons of dry nodules per year. The essential elements of a full scale operation might consist of a deep seabed area of at least 40,000 square kilometers in size, with guaranteed access for at least 20 years, a mining dredge approximately 15 meters wide towed across the seabed floor at a speed of perhaps 2 miles per hour, a shore based processing plant and related support and transportation facilities.

Allowing for a 2 million ton per year nodule harvesting operation, and the following data:

	Nickel	Copper	Cobalt	Manganese
Nodule composition (percent)	1.4	1.2	0.25	25
Amount of mineral recoverable per ton of nodules (pounds)	25	22	2.8	465
Average value of mineral per pound	$2.20	$0.66	$4.00	$0.065

The possible gross revenues from a full scale operation are as follows:

Nickel, $111 million; copper, $29 million; cobalt, $22 million; and manganese, $60 million (optional—only one of the four mining companies plans to process manganese).

If manganese, the world supply of which is plentiful, is excluded, it is readily seen that nickel represents roughly 70% of the recoverable value of the nodules.

Four U.S. companies, each producing $111 million of nickel, could make quite an impact on the world nickel market, since the total world consumption in 1972 was only $1.3 billion.

The developing countries have thus asked, and Secretary Kissinger agreed (representing a major concession by Treasury) that seabed production be limited to growth in the nickel market.

Assuming a 6% increase per year in the consumption of nickel, potential revenues from several sites could even so amount to $1 billion per year by 1990, and could exceed $3 billion per year by 2005 if, say, 10 sites were then in production, each processing 3 million tons of dry nodules per year. This level of revenue would produce a return on investment of 12% per year.

(NOTE: Our mining companies believe the nickel market can be assumed to be the controlling factor in the development of deep seabed mining because nickel constitutes such a high percentage of the economic value of the nodules.)

Thus the LDC's are not hurt badly if deep seabed production is limited to the growth in the nickel market, since such limitation also applies to copper which is found in the nodules in slightly-lesser quantities.

The LDC's would be badly hurt, however, if no treaty is negotiated and unlimited seabed mining of copper ensues.

The top nine exporters of copper are all LDS and several of them are heavily-dependent on copper export earnings as shown in the following chart:

MAJOR COPPER PRODUCERS (1972)

Country	Percent of of total export earnings	Percent of world supply produced
Zambia	95	11
Zaire	83	7
Chile	78	11
Peru	29	3
Philippines	16	3
Uganda	11	Negligible
Haiti	6	Negligible
Bolivia	4	Negligible
Nicaragua	4	Negligible
United States	Negligible	22
U.S.S.R	Negligible	15
Canada	Negligible	11
Turkey	Negligible	6

The world copper market in 1972 was considerable, amounting to $9.3 billion in value, as compared with $1.3 billion for nickel, $484 million for manganese, and $185 for cobalt.

U.S. CONSUMPTION AND IMPORT FIGURES FOR 1972

Mineral	Percent of world consumption (by value)	Percent imported	Value of imports (millions)
Nickel	35.3	82.0	$373
Copper	26.5	4.6	114
Cobalt	35.2	77.0	50
Manganese	19.7	82.0	79
Total			616

Thus, if LOS treaty negotiations break down altogether, and the U.S. proceeds to full-scale deep sea mining, we can conceivably move from imports of $616 million per year in these four metals, (in three of which we are presently heavily import-dependent) to a net *export* position with possible balance-of-payment benefits (at the expense largely of Canada and the LDC's) of not less than $380 million per year.

The Soviets are on both sides: as a seapower, their interests are very similar to ours and they would clearly like to achieve a treaty. As producers of 19% of the world's nickel, however, they would like to protect their export position and have thrown a real road-block into the negotiations by insisting on a quota system so that each industrialized country would be limited in the number of mine sites it could be granted. The U.S. is not unwilling to allow half of the mine sites to be set aside for the LDC's, but is dead set against being further limited to proceeding at whatever pace other industrial countries may be able or willing to develop their own technology.

This problem is still unresolved, and presents the major challenge to Committee I negotiators in the next few weeks. The U.S. has made a substantial concession in agreeing to 20 years of interim controls on the production of nickel, limiting that production to the growth in the nickel market. If that growth meets the anticipated 6% figure, U.S. mining companies estimate that 20–30 economical deep sea mines can be operating by the year 2000.

The final and perhaps most difficult problem in the deep seabed area is the make-up and voting powers of the Council of the International Seabed Resources Authority (IRSA) which will set seabed mining policy.

The negotiators have now cleared most major hurdles in setting up the Authority, but both the LDC's and the U.S. are reserving final approval pending agreement on the voting power balance in the Council.

Secretary Kissinger, in his April 8 speech said only that the U.S. would require "the composition and structure of the Council reflect the producer and consumer interests of those states most concerned with seabed mining."

Presumably this would mean that the United States and other industrialized nations would have votes proportionate to their *consumer* interests in the four minerals. 1972 world consumption is shown as follows:

LEADING CONSUMERS OF NODULE MINERALS (1972)

[Percent of world supply by value]

Country	Nickel	Copper	Cobalt	Manganese
United States	35.3	26.5	35.2	19.7
Japan	20.9	12.4	20.9	17.2
U.S.S.R		14.1		18.9
Germany (FRG)	10.5	8.7	10.5	7.1
United Kingdom	7.3	7.0	7.3	3.8
France		5.1	.1	3.6
Sweden	5.2	1.3	5.2	.8
Italy	5.1	3.7	2.2	1.9
Canada	2.2	2.9	2.2	1.9

On the production side, the nickel, copper, manganese and cobalt producers would have similarly weighted voting, proportional to their respective productions of the four minerals involved.

For nickel, Canada, Russia and French New Caledonia produce 72% of the world total. For copper, the United States produces 22%, Russia 15%, Chile, Canada and Zambia 10.6% each, Zaire 6.5%, Turkey 6% and Peru and the Philippines 3.2%. For cobalt, Zaire produces 31%, East Germany is next at 16% and the next highest country, Zambia 5%. For manganese, Russia produces 38%, Gabon and South Africa each produce 12%, Brazil 11% and Australia 7%.

Thus if weighted voting is based on production/consumer interest, the balance should be fairly divided betwen the LDC's and industralized world, with the U.S. in a fairly strong, although certainly not controlling position.

If all goes as hoped, the deep seabed sections of the treaty should be fairly well agreed upon by May 7, save for the Council voting structure and dispute settlement details, which would presumably be referred to national capitals for consideration and final resolution at the final conference session in August.

2. Dispute settlement

Progress in resolving the dispute settlement question thus far has been particularly disappointing.

Following the conclusion of the Geneva session last May, President Amerasinghe (Sri Lanka) prepared a single negotiating text on dispute settlement. When the New York session convened March 15th, a number of delegations voiced strong opposition to include this text in the deliberations and managed to delay initial debate on the issue until the fourth week of the Conference. This debate, originally scheduled for two days, continued for six, with general committee working sessions scheduled to commence on April 13th.

Binding dispute settlement procedure is a primary U.S. goal. Last August in Montreal, Secretary Kissinger put it this way:

"There *must* be provisions for compulsory and impartial third-party settlement of disputes. The United States cannot accept unilateral interpretation of a treaty of such scope by individual states or by an international seabed organization." (Emphasis added)

On April 6 in New York, Ambassador Learson reiterated these words and went on to say:

"My delegation believes that a comprehensive system for third-party settlement of disputes is an *indispensable* part of the Convention. *The system must apply to all parties and to all parts of the Convention;* the settlement process must be impartial and swift; the decisions must be binding." (Emphasis added)

During general debate, a number of speakers insisted that disputes arising within the 200 mile zone should not be subject to any international arbitration or adjudication but resolved solely within the judicial system of the coastal state.

Unless resolved, this issue alone could destroy any chances of a treaty, since free navigation rights within the 200 mile zone are an essential part of the U.S. position.

It is too early to assess the chances of successful resolution of the dispute settlement issue, since the subject is complex and has provoked strong emotions.

One encouraging sign has developed, however. The Group of 77, which includes the most vocal opponents of a dispute settlement mechanism, has recently agreed to use President Amerasinghe's text as the basis for debate.

3. The exclusive economic zone

Discussions of the "Exclusive Economic Zone" have resulted in a severe polarization within the Conference. The widely divergent positions expressed in the informal discussions of the issue are beginning to spill over into other areas of the Conference and a significant block to overall progress is resulting.

The key issue concerns the fundamental nature of the coastal state's jurisdiction within the zone. Many of the Latins, led by Uruguay, Chile and Peru, and supported by several African and Asian states, want to consider the zone an extension of their territorial sea and are demanding sovereign rights over all the resources, both living and nonliving, within 200 miles of their coasts. On the other side, the land-locked and geographically disadvantaged states (LL/GDS) led by Austria and several African states want to insure that they have free access to the high seas through the zone and are allowed a share of the living and non-living resources within the zone. Consequently they want to delete the word "exclusive" and have stated that they cannot endorse any regime which reduces the rights or their group.

The United States has taken a moderate position on this issue. We have generally endorsed the article as it appears in the Geneva Single Negotiating Text (SNT) which embodies the concept of a coastal state's sovereign right to explore and exploit the natural resources of the zone, jurisdiction over other activities which affect the marine environment, and exclusive jurisdiction over other activities for the economic exploitation and exploration of the ozne including scientific research.

The conflict between the territorialists and the LL/GDS group on this issue has created a deadlock in the negotiations with both sides hardening their positions. Thus far, 105 delegations have addressed this issue and if a moderate position is not ultimately adopted to which the LL/GDS group can agree, the Conference may become stalemated.

The nature of the regime within the Economic Zone has also caused additional problems in the dispute settlement, pollution and scientific research areas.

If the coastal state has sovereignty over marine pollution and scientific research in the economic zone, for example, then any disputes on these subjects must be under its sovereign jursidiction and beyond the purview of international dispute settlement procedures.

U.S. 200 mile zone legislation has been cited as a reason for this claim of sovereignty. On March 30, for example, Ecuador's foreign ministry stated:

"Ecuador wishes to call attention to the fact that this measure constitutes yet another endorsement of the increasing international tendency to accept and recognize the right of the coastal state to fix the limit of its jurisdiction and *sovereignty* over the ocean adjacent its coast out to a maximum distance of 200 miles." (Emphasis added)

4. Fishery problems

The primary issue with respect to the fisheries area also concerns the fundamental nature of the 200 mile economic zone.

Three basic approaches have emerged. The first, advanced by the Latins and some African states, is a claim to absolute sovereignty. The second approach, advanced by the United States, would give the coastal state exclusive jurisdiction over the living resources of the economic zone, but with duties of conservation and regulation. A third approach, advanced by the European economic community and supported by the LL/GDC's, emphasizes the role of regional organization within the zone. Under this proposal, the coastal state determines the allowable catch, but this is subject to review by a regional organization.

This is a difficult issue for the United States since a regional approach to fisheries management would impose our own coastal areas, some of the richest coastal fishing grounds in the world, to a management by others than ourselves. Judging from the political forces supporting our recent 200 mile bill, such a result would also be totally unacceptable to Congress and the American people.

Tuna, which comprise roughly 22% of our total fishing revenues, spend a large proportion of their time within 200 miles of Peru, Ecuador, Chile, and Mexico. The imposition of coastal state management of tuna will effectively wipe out the United States distant water fleet, one of the world's most efficient fishing fleets.

Here again, Ecuador's warm response to our 200 mile bill is somewhat ironic, since we have paid Ecuador over $7 million since 1955 to recover tuna boats seized within Ecuador's 200 mile zone.

WE MUST CURB OUR LUST FOR MORALITY IN POLITICS

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. BOLLING. Mr. Speaker, Michael Novak's article in yesterday's Washington Star is both sensible and important. It places in perspective a condition which has beset our society for all of the more than three centuries it has existed.

WE MUST CURB OUR LUST FOR MORALITY IN POLITICS: AMERICA'S ILLUSION

(By Michael Novak)

(NOTE.—Michael Novak, writer, theologian, educator and philosopher, today begins two months as The Star's writer in residence. His columns will appear in the Comment section each Sunday, and on Page A-3 on Tuesdays and Thursdays.

(Novak proposes to examine "America's Illusion" in its many manifestations. The nation is 200 years old but its language for discussing moral issues remains immature. Part of the problem is our pluralism. In our many different cultures, basic moral words are linked to quite different historical experiences, and accordingly, have different connotations. Part of our problem is our public inheritance of a passion to seem innocent. This is an unattainable and inhuman goal.

(In addition, the use of the word "moral" is frequently intended to make the critical mind stop functioning. If X is a moral cause, who can oppose it? Or even question it? That a policy is said to be moral or immoral should not close discussion, but stimulate us to shrewder and deeper criticism. Almost all harm in the world is done in the name of moral values. In a secular age, wars over true morality take the place of wars of religion. They are equally destructive. The proper conclusion is not cynicism, but self-criticism, modesty, and tolerance.)

Washington is all alive—again—with pundits, armed with lanterns, seeking morality in politicians. Our dearest national quest. Our myth of Sisyphus, two centuries old.

Archibald Cox vouches for Mr. Udall's character. Mr. Carter promises never to tell a lie. Mr. Reagan mounts a moral crusade against Ford and Kissinger. The latter talk loftily of prudence.

Politics is the most anti-American occupation. None so violates our national passion for innocence.

Some years ago, in 1961, Fidel Castro decided to embarrass the American government. He offered cynically to release 1,100 political prisoners in exchange for 500 tractors. It was an offer the Yankees would have to refuse, proving their crass material values.

John F. Kennedy put a nifty move on Castro. The U.S. government publicly refused. But Walter Reuther, Eleanor Roosevelt and Milton Eisenhower, at Kennedy's request, raised private funds for the tractors. Eight Latin American nations, in revulsion of Castro's sale of prisoners, also raised private funds. Moscow and Peking ended up embarrassed.

American moralists protested this paying of "blackmail," this "support" for tyranny, this "immoral transaction." Reinhold Niebuhr countered with a lesson Washington has never permanently grasped. "Moralists," he said, "erroneously equate moralism with morality ."

What is the difference?

It would seem to be a critical lesson for America to learn. It is an idea essential for national debate. Our survival is involved.

No word is used so often in American politics as "moral." For generations, the Right has battened on it. Under Franklin D. Roosevelt, the Left seized it, conceiving of government itself as the chief agent of national moral purpose. John F. Kennedy himself—in the most significant error in his brief tenure—defined the situation of blacks in America as pre-eminently a moral issue. (Surely, economics is more basic.) Vietnam became a moral issue. Watergate is perceived as a moral issue.

One might imagine the United States infected with a virus, the virus of desiring to be good. A nation founded by saints, in pursuit of innocence. The new Eden. The new world. *Novus ordo seclorum*—the new order of the ages. "I know America," Richard Nixon twice told Congress in his most sincere voice, "and the heart of America is good." The Congress cheered, clapped and whistled. A warm feeling was had by all.

But what if America isn't? What if the American heart is just like every other human heart? Generous and greedy, innocent and corrupt, candid and wily. What if morality, or claims to it, are simply a technique Americans have added to the repertoire of Machiavelli?

Every time I hear a politician talk about morality, my stomach tells me he's out to get me, even if at first I can't see how.

These days, the Left sits higher on the high horse of morality. "The constituency of conscience," Michael Harrington dubs it. My stomach asks my mind: "What's in it for us? What are *our* interests? What power do *we* represent?"

Powers and interests, these are what politics is about. These do not exclude morality. But most of our images for what is moral come from the realm of personal virtues: honesty, decency, caring for family, integrity, candor. Such qualities are not only *not* primary in political virtue (they are secondary or tertiary). They often negatively injure political morality, making it destructive, blind and morally arrogant. Few things are worse than candid incompetence. Even inveterate liars and cheats (who are never believed anyway) can, in the alchemy of checks and balances, govern rather well.

"Moralism may be defined," Niebuhr wrote about the tractors for Cuba, "as a form of morality that holds to moral norms without recognizing that in actual history these norms always confront recalcitrance and without knowing that every moral norm is part of a whole web of moral means and ends. These norms are not, therefore, as simply realizable as the idealist imagines. It is the complexity of this web that makes moral prudence one of the virtues of political morality, and frequently the supreme virtue."

In my view, our educated class, the class that controls the media and defines the issues a politician must address, is most given to moralism. It talks about morality. Its hidden agenda is moralism.

About one-third of this class is liberal in orientation. This third is especially strong in the universities (humanities, social science; less so in business schools, in engineering, law, medicine etc.) and in the media (national rather than local). The other two-thirds is conservative in orientation. This two-thirds is especially strong in business corporations and in the business media. Highly moral persons, all.

Morality is the central symbolic battlefield. "Corrupt corporations." "Biased media." Candidates seek to make opponents seem less than moral. Definitions of what is moral are usually self-serving.

Among us, morality is seldom, if ever, transcended. It is a selective weapon, in the hands of our own faction. It is a political instrument. It is, therefore, moralism rather than morality, a means by which we commend ourselves to voters, not an end in whose light we recognize our own failures. No man is moral, simply. No political party is, no nation is.

American coins have it correct: "In God we trust." Meaning, no one else. Not in political leaders. Not even in government. "Our people are losing faith in America," Nixon said. But America is not a religion.

For myself I don't want a political leader to be too moral. He has to deal with vast powers, rather amoral interests, and partial truths.

"Mankind cannot bear too much reality." Nor too much purity. A nation engages in a world of half truths, disguised powers and partly corrupt interests. To enter such a world is to contract "dirty hands." Even the claim to possess, and the high purpose to maintain, moral purity (honesty, candor, no deals, no compromise, no shady associations, public chastity) can be a form of corruption. No saint would make such a boast. No opponent would believe it.

When our political conventions meet, saints do not come marching in. Humans, even as you and I. As in Athens, Constantinole, Babylon, and all the other fleshpots of recorded history.

The miracle of democracy is that it does attain a tincture of liberty, equality, justice, honor, honesty. But not in excess.

Here we have not heaven. Only these United States. The land Mencken observed so bitingly.

We would do well to discipline our lust for morality. Better to strengthen our checks and balances, to lock our doors, and to develop a reasonable tolerance for human fallibility, than to neglect political essentials, in a temporary fit of purity.

I AM THE UNITED STATES OF AMERICA

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. MONTGOMERY. Mr. Speaker, a very good friend of mine, Mr. Alex McKeigney of Jackson, Miss., has written a Bicentennial message entitled "I Am the United States of America." The words of this message describe better than anything else I have read what America means to me and what it should mean to all my fellow citizens. I commend this message to my colleagues and urge them to study closely its meaning. The message reads as follows:

I AM THE UNITED STATES OF AMERICA

(By Alex McKeigney)

I am the United States of America—the blessed land of liberty. I was born a long time ago, because, you see, liberty was born when God, the Creator, first breathed life into man, created him in His own image, and breathed into him the spirit of liberty.

I am the dreams, the plans and the work of men and women who have loved freedom down through all the ages.

I am the first settlers who landed in Virginia and at Plymouth Rock;

I'm the Red man, the Black and Yellow man—I'm millions of people from all across the earth who came to this good land to live, to work, to dream, to build—

And to die, if need be, that liberty might still live.

I'm the surging tides of New England, the corn fields of mid-America; The wheat fields of the plain states; the tall trees of the great West;

I am the cattle grazing on matchless hills and prairies; I'm the Grand Canyon and painted deserts, the magic of ten thousand rivers, twisting streams, and sky-blue lakes, large and small.

I'm the cotton fields of Dixie, white sand beaches, mighty oceans and the moon-lit Gulf;

I'm Rocky Mountain grandeur and limitless treasures beneath the earth.

I am country music, opera and symphony, great books and simple rhymes.

I'm mighty industries, financial institutions, busy streets and highways—Arts and crafts and shops and stores, motion pictures, little theatre, countless festivals.

I am men and women in field and factory, in laboratories, in hospitals, in communications media; Teachers in classrooms; people in professions; men in space, walking on the moon.

I am an athlete in a crowded stadium or a hunter at early dawn;

I am a minister proclaiming God's Holy Word, and a mighty choir.

I am countless public servants—most of them little known—working at the many tasks of government all across the land; Whatever the task—large or small—I'm someone there, carrying the load.

I am the right to free speech, to own property and direct enterprise; I am the right to worship God, the Creator, and to live life abundantly in the spirit of Him who gave life eternal.

I answered freedom's call at Lexington and Concord town, prayed with Washington in the snow at Valley Forge; I was at Yorktown and New Orleans, in countless battles on the seas, and later in the air;

I fought at the Alamo and Chapultepec, rode with Lee and Jackson, Stood with Grant at Vicksburg and Meade at Gettysburg; I charged with the Rough Riders, fought at Belleau Wood, landed in the hell of Normandy and on a score of Pacific islands—stood the test in frozen Korea and steaming Vietnam—I gave my blood that the blood of others might run free.

I'm all these and much, much more in these United States in this 200th year of liberty; but more than anything else I am the heart and soul of free men and women and little children, who love their God and this good land, and who know that in Him there is strength and courage and love to light the way.

Yes—I am the United States of America—and under God forever I will be!

FEDERAL PROGRAM INFORMATION ACT

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. ROSE. Mr. Speaker, today I am introducing legislation providing for the efficient and regular distribution of current information on Federal domestic assistance programs.

All too often, local officials never know about assistance that is available in the form of loans and grants from various Federal departments and agencies. Or, by the time they find out, the funds have been awarded to wealthier communities who have large inhouse research staffs or who have hired expensive outside consultants.

Since 1965, the Catalog of Federal Domestic Assistance has been published, listing all these programs. But it takes a Philadelphia lawyer to search through the book, and a catalog of more than 1,000 programs must be constantly updated. In addition, if a community is not eligible for one type of grant, or funds have been exhausted, another program may fit the bill; but cross-checking among the various agencies has not been easy for most local governments.

The rightness or wrongness of the concept of grant programs in general or of specific categories of assistance is not at issue. If the Congress has set up programs to aid local governments, all local governments should have easy, inexpensive access to information about these programs.

This legislation directs the President to establish within the executive branch of the Government a Federal Program Information Center.

This center will use computers to track and update information about all Federal programs, but more importantly, it will maintain information about the eligibility of the communities themselves.

Hopefully, the information in the data base can be expanded to include the current level of funding so that the Congress can more accurately track the application of appropriations to State and local governments.

The legislation requires the executive, in building its information file, to build on existing data bases, particularly FAPRS, developed by the Rural Development Service of the Department of Agriculture.

FAPRS, the Federal domestic assistance program retrieval system, is an excellent start. Four major categories—community facilities, business and industrial development, planning and technical assistance, and housing—are broken into subcategories to aid the applicant in a detailed search for applicable programs.

Mr. Speaker, the bill may be a first step toward eliminating the redtape local officials encounter when they deal with their Federal Government. It may be a start toward improving efficiency in Government that we all want to see.

Companion legislation is being introduced in the Senate by Mr. KENNEDY of Massachusetts and Mr. ROTH of Delaware.

EDWIN W. HYKA RETIRES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. ANDERSON of California. Mr. Speaker, in city government, one of the most underrated positions—yet one of the most important—is that of the purchasing agent. A good agent can save a city quite a bit of money through his or her expertise and ability to use innovation in carrying out his duties.

In my district, the city of Long Beach is losing one of the most able men in the field. Edwin W. Hyka is retiring on June 1, 1976 after spending 24 years as an employee of the city—23 of them as purchasing agent.

The following article from the March 26 Long Beach Independent Press-Telegram gives a fine account of Edwin Hyka's career as Long Beach's purchasing agent. My wife, Lee, joins me in congratulating him and his wife Lillian on the completion of an outstanding and successful tenure in his field.

The article follows:

PURCHASER RINGS UP 24 YEARS WITH L.B

(By Don Brackenbury)

If Edwin W. Hyka made up a shopping list, it could look something like this:

1 bunch bananas.
250 railroad ties.
1 atomic absorption spectrophotometer.
2 packages, pablum.

As purchasing agent for Long Beach, Hyka is responsible for procurement of materials, supplies, equipment and services for all city departments—and sometimes the items sound unusual for government.

The bananas, for example, were to feed a couple of monkeys picked up by the Animal Shelter, Hyka explained. The pablum was to feed puppies at the shelter.

The railroad ties were for the Harbor Department's use. The port doesn't have any trains or freight cars, but does maintain trackage. The atomic absorption spectrophotometer is a device used by the city's laboratory to measure certain properties in metals.

Hyka, who announced this week he plans to retire June 1 after 24 years with the city—23 of them as purchasing agent—said most of the purchases are for more traditional city requirements, such as paper, typewriters, vehicles, gasoline and the like.

During the current fiscal year, total dollar volume of city purchases will be over $25 million, he said. During his 23 years as purchasing agent, Hyka estimates, he has presided over the purchase of about $150 million worth of supplies, services and equipment.

The annual volume 23 years ago was only $5 million, but the city has grown, Hyka said.

"Local residents sometimes do not realize that Long Beach is the nation's 35th largest city," he pointed out.

Hyka was instrumental in establishing cooperative purchasing with other governmental agencies, particularly Los Angeles County. The increased volume or purchases under such an arrangement make possible savings of 10 to 15 per cent, he said.

Another innovation was the use of a dataphone to order supplies. Long Beach was one of the first governmental agencies to use this method, and is one of the few that have adopted it, he said.

On annual contracts for repeat supplies, Hyka explained, a punchcard is prepared for the item wanted, such as stationery. The operator dials the telephone number of the warehouse, and inserts the card. It is then automatically printed in multiple copies at the warehouse.

An operator can order 50 items in about five minutes, Hyka said, and the method eliminates the necessity of preparing purchase orders, requisitions and similar paperwork. It also eliminates mistakes in typing up subsequent orders, he said.

Hyka has been active in his field, having served as president of the California Public

Purchasing Officers Association. In that capacity, in 1961, he instituted the first certification program for education and development of government purchasing officers.

Through the National Institute of Government Purchasing, Inc., of which he is a past president and now a director, Hyka helped establish a national and international certification program.

In 1974, the institute presented Hyka with its distinguished service award.

LOS ANGELES TIMES SUPPORTS HATCH ACT REFORM

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 12, 1976

Mr. CLAY. Mr. Speaker, there has been much debate within Congress concerning the need to reform the Hatch Act. Members of the House will be given a third opportunity to vote on this issue when the anticipated Presidential veto of H.R. 8617, the Federal Employees' Political Activities Act of 1975, is sent to the Congress.

An illustrious west coast newspaper, the Los Angeles Times, issued an editorial on April 2, 1976, entitled, "Citizens Without Citizenship." The Times makes a strong case in support of H.R. 8617 and states that President Ford would be ill-advised to veto it.

I want to share this enlightening article with my colleagues. The editorial follows:

CITIZENS WITHOUT CITIZENSHIP

All involvement in partisan politics, except the right to vote, was taken away from federal employees by the Hatch Act of 1939. But a measure to restore 2.8 million government workers to full citizenship—HR 8617—is now on President Ford's desk. He intends to veto it, and we believe that would be wrong.

There might have been a justification for removing federal employees from politics 37 years ago, when they had little or no protection from coercion by their elective or bureaucratic superiors. But that is no longer the case.

The strength of the civil service system, with its seniority and merit safeguards, effectively insulates the government worker from pressures to contribute money or time to the election of partisan candidates.

Despite that, the civil servants must remain neutral. A postal clerk, for example, cannot even ring a doorbell to urge a neighbor to vote for a Republican or a Democrat for state office, or even for mayor, county supervisor or city council member in jurisdictions where those offices are partisan.

HR 8617 would modify the Hatch Act to permit federal workers to support candidates, or to run for office themselves, if done on their own time and away from their places of work. Restrictions would remain, however, on persons in sensitive positions in the Department of Justice, the Central Intelligence Agency and the Internal Revenue Service, and on all members of the military.

The most vigorous opponent of the legislation—Sen. Hiram L. Fong (R–Hawaii)—argues that the modifications would "politicize" the civil service and lead to a return of the "spoils system."

The facts are to the contrary. Stringent prohibitions against political activity, such as those in the Hatch Act, do not apply in city, county and state government, and—where adequate civil service protections exist, as they would on the federal level—there has been no evidence whatever that public employees have been shanghaied into political activity against their will.

And HR 8617 carries additional insurance that politicalization would not be thrust on federal employees. It would impose even harsher penalties, including criminal prosecution, in cases where higher-ups might attempt such intimidation.

Although the new legislation won approval in both houses of Congress by substantial margins, the majorities are short of the two-thirds necessary to override a veto.

It's up to Ford, then. He can either extend to 2.8 million Americans the political privileges that all other citizens exercise, or he can continue to deny them the right to participate meaningfully in the choice of those who govern.

We believe a veto would be unconscionable in light of another recent decision by Ford. In mid-January, he brought former Commerce Secretary Rogers C. B. Morton into the White House as his chief political manager, at a salary of $44,600 a year.

Although Morton, as a presidential counselor, was exempt from the Hatch Act, and although he left the White House this week to take over full command of the Ford campaign, the principle remains the same.

If it was all right for Morton, who held Cabinet rank, to work in partisan politics for 2½ months while on the federal payroll, why is it wrong for civil servants of lower status to do it on their own time?

SENATE—*Tuesday, April 13, 1976*

The Senate met at 10:15 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Reverend Nathan D. Smith, professor, California Center for Biblical Studies, Culver City, Calif., offered the following prayer:

God, our Heavenly Father, we bow our hearts before You. We acknowledge You as the Creator and Sustainer of Life, the Alpha and Omega, the Alef and Taw, the Author and Finisher of Our Faith. When we consider Your greatness, we are humbled because we realize that we bear Your image. We pray that we might live respondingly as those who have been indelibly made in Your likeness.

Specifically, we pray for these men this day. God grant them humility. Lord, at the same time give them grace to accept their own limitations and vision and courage to take the things that are and make them what they ought to be according to Your standards of righteousness and compassion.

Lord, give us a sense of Your holiness. Then grant us courage to repent from our sins and to acknowledge Jesus as Lord and You as the only true God, to whom we all must give account.

For these men we pray and for those they represent who feel this need of spiritual and moral renewal in our Nation. Lord, make these Senators models that will lead our Nation to spiritual life and renewal in Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, April 12, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Armed Services, the Committee on Commerce, the Committee on Government Operations, and the Select Committee To Study Governmental Operations With Respect to Intelligence Activities be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all other committees be authorized to meet until 1 p.m. or the end of the morning business, whichever comes later.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 711 and 712.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENVIRONMENTAL RESEARCH, DEVELOPMENT, AND DEMONSTRATION AUTHORIZATION ACT OF 1976

The Senate proceeded to consider the bill (H.R. 7108) to authorize appropriations for environmental research, development, and demonstration, which had been reported with amendments from the Committee on Public Works, the Committee on Commerce, and the Committee on Labor and Public Welfare, so as to read:

That this Act may be cited as the "Environmental Research, Development, and Demonstration Authorization Act of 1976".

SEC. 2. (a) There is authorized to be appropriated to the Environmental Protection Agency for the following categories, as follows:

(1) Research, development, and demonstration under the Noise Control Act of 1972 (42 U.S.C. 4901 et seq.), not to exceed $2,110,000 for the fiscal year ending June 30, 1976, and not to exceed $527,500 for the fiscal transitional period ending September 30, 1976.

(2) Research, development, and demonstration under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.), not to exceed $14,047,000 for the fiscal year ending June 30, 1976, and not to exceed $3,511,975 for the fiscal transitional period ending September 30, 1976.

(3) Research, development, and demonstration under section 301 of the Public Health Service Act (42 U.S.C. 241), not to exceed $2,115,000 for the fiscal year ending June 30, 1976, and not to exceed $528,750 for the fiscal transitional period ending September 30, 1976.

(4) Research, development, and demon-

stration under the Safe Drinking Water Act (42 U.S.C. 300f et seq.), not to exceed $12,789,200 for the fiscal year ending June 30, 1976, and not to exceed $3,197,300 for the fiscal transitional period ending September 30, 1976.

(5) Research, development, and demonstration under the Clean Air Act (42 U.S.C. 1857 et seq.), not to exceed $148,194,700 for the fiscal year ending June 30, 1976, and not to exceed $37,048,675 for the fiscal transitional period ending September 30, 1976.

(6) Research, development, and demonstration under the Solid Waste Disposal Act (42 U.S.C. 3251 et seq.), not to exceed $13,534,300 for the fiscal year ending June 30, 1976, and not to exceed $3,383,575 for the fiscal transitional period ending September 30, 1976.

(7) Research, development, and demonstration under the Federal Water Pollution Control Act Amendments of 1972, not to exceed $148,800,000 for the fiscal year ending June 30, 1976, of which—

(A) $89,900,000 shall be for programs authorized by section 104(u)(1) thereof (33 U.S.C. 1254(u)(1)),

(B) $5,600,000 shall be for programs authorized by section 104(u)(4) thereof (33 U.S.C. 1254(u)(4)),

(C) $2,000,000 shall be for programs authorized by section 104(u)(5) thereof (33 U.S.C. 1254(u)(5)),

(D) $20,000,000 shall be for programs authorized by section 104(u)(6) thereof (33 U.S.C. 1254(u)(6)),

(E) $24,700,000 shall be for programs authorized by section 105(h) thereof (33 U.S.C. 1255(h)),

(F) $4,600,000 shall be for programs authorized by section 107 thereof (33 U.S.C. 1257), and

(G) $2,000,000 shall be for programs authorized by section 113 thereof (33 U.S.C. 1263), and

not to exceed $37,200,000 for the fiscal transitional period ending September 30, 1976.

(b) No funds may be transferred from any particular category listed in subsection (a) of this section to any other category or categories listed in such subsection if the total of the funds so transferred from that particular category would exceed 10 percent thereof, and no funds may be transferred to any particular category listed in subsection (a) of this section from any other category or categories listed in such subsection if the total of the funds so transferred from that particular category would exceed 10 percent thereof unless—

(1) a period of 30 legislative days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(2) each committee of the House of Representatives and the Senate having jurisdiction over the subject matter involved, before the expiration of such period, has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

(c) In addition to any transfers among the categories listed in subsection (a) of this section which are authorized by subsection (b) of this section, not to exceed 10 per centum of the total amount appropriated pursuant to such subsection (a) may be transferred to other authorized activities of the Environmental Protection Agency (except construction grants for waste treatment works and scientific activities overseas), and not to exceed 10 percent of the total amount appropriated for such other authorized activities may be transferred to any category or categories listed in such subsection (a).

Sec. 3. Appropriations made pursuant to the authority provided in section 2 of this Act shall remain available for obligation for expenditure, or for obligation and expenditure, for such period or periods as may be specified in the Acts making such appropriations.

Sec. 4. No appropriation may be made to the Environmental Protection Agency for environmental research, development, or demonstration, for any period beginning after September 30, 1976, unless previously authorized by legislation hereafter enacted by the Congress.

Sec. 5. The Administrator of the Environmental Protection Agency shall transmit to the Congress, within 6 months after the date of enactment of this Act, a comprehensive 5-year plan for environmental research, development, and demonstration. This plan shall be appropriately revised annually, and such revisions shall be transmitted to the Congress no later than November 10 of each year.

Sec. 6. Whenever in any fiscal year funds appropriated for the purposes of administering laws through the Administrator of the Environmental Protection Agency exceed $718,192,000, such excess amounts up to $3,000,000 and if such excess is greater than such amount, any of such greater excess which the Administrator finds necessary shall be used solely for the purposes of monitoring and assuring the adequacy, reliability and quality of the testing of chemicals under any provision of law administered by him.

Sec. 7. Chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371) is amended by adding at the end thereof the following new section:

"RELIABILITY AND QUALITY TESTING

"Sec. 708. Whenever in any fiscal year funds appropriated for the purposes of this Act exceed $223,000,000, such excess amounts up to $25,280,000 and if such excess is greater than such amount, any of such greater excess which the Secretary finds necessary shall be used solely for the purposes of monitoring and assuring the adequacy, reliability, and quality of preclinical and clinical testing of drugs, food additives, devices and cosmetics which are tested under the provisions of the Federal Food, Drug, and Cosmetic Act.".

Mr. KENNEDY. Mr. President, I am pleased to bring before the Senate a bill, H.R. 7108, which authorizes appropriations for the Environmental Protection Agency to conduct environmental research, development, and demonstration activities. The authorizations are for fiscal year 1976 in the amount of $284,595,200 and for the transition period for $85,497,775. The research and development activities provided for under this bill include studies into the effects of environmental pollutants on health.

More specifically, funds will go toward a program to coordinate present noise control research efforts and establish a new noise effects research program. Development and evaluation of alternative methods of pesticide control will be undertaken along with studies into the effects of certain pesticides on marine ecosystems. Studies will be done on the potential effects of radiation from nuclear reactors, chemicals that are added to or get into our water, and the potential of waste water reuse. Studies will be conducted into depletion of the ozone layer; the potential negative effects of alternate energy sources; and the effects automobile catalytic converters may have on the atmosphere.

Numerous problems are developing in the solid waste area such as the consequences of ocean dumping and seepage from waste disposal sites. Research will be directed toward solving these problems.

Finally, the bill provides for research into numerous water pollutants such as thermal discharges, pollution from agricultural products and waste water from mines.

My amendment to H.R. 7108 which the committee adopted provides that whenever in any fiscal year funds are appropriated in excess of the President's budget request for 1977, the first $3 million of any excess for EPA will be used to assure the adequacy, reliability, and quality of the testing of chemicals, and the first $25,280,000 appropriated for the Food and Drug Administration shall be used solely to monitor and assure the adequacy, reliability, and quality of the preclinical and clinical testing of drugs, food additives, devices, and cosmetics. The amendment also provides that in the event that any excess of appropriations is greater than the specified amounts, authority is given to the Administrator of EPA and the Secretary of HEW to use such additional funds as may be appropriated for these purposes.

Mr. President, the FDA and EPA have the responsibility of assuring the safety and efficacy of all drugs, cosmetics, medical devices, food additives, and chemicals. In order to carry out this function they are dependent on test data submitted to them by the Nation's drug and chemical companies. The data is a crucial factor in both agencies' decisions; the integrity of that data is extraordinarily important. Recent hearings have raised serious questions about the validity and reliability of some of the data being submitted. Those same hearings have also demonstrated that neither of the two agencies has sufficient resources to institute monitoring programs adequate to meet their responsibilities. The serious nature of the abuses that have already come to light underscore the urgency of giving FDA and EPA the resources they need to get the job done so that potentially harmful products will not become available to the public.

Finally, Mr. President, this bill was reported from the committee unanimously. I urge its passage.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LANDS IN BOISE, IDAHO

The Senate proceeded to consider the bill (S. 2511) to authorize the Secretary of Agriculture to convey certain lands in the State of Idaho, which had been reported from the Committee on Interior and Insular Affairs with amendments as follows:

On page 2, line 16, strike "and" and insert "to 12";

On page 3, line 23, after "Agriculture" insert "(hereinafter referred to as the 'Secretary')";

On page 4, line 8, strike "of Agriculture";

On page 4, line 10, after "lands" insert "and the improvements thereto";

On page 4, line 11, strike "section." and insert the following: "section: *Provided*, That if the value of the lands and the improvements thereon authorized to be conveyed by subsection (a) exceeds the value of the administrative improvements determined necessary by the Secretary to be constructed under this subsection, the party to whom the conveyance is made shall make a cash payment to the United States in an amount equal to the difference between the two values."

On page 4, line 20, strike "of Agriculture";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture is authorized to convey by quitclaim deed, subject to the provisions of subsection (b) of this section, all right, title, and interest of the United States in and to the following described tract of land and the improvements thereon:

A part of the Riverside Park Addition to Boise City, Ada County, Idaho, in sections 9 and 10, township 3 north, range 2 east, Boise meridian, according to the plat thereof, filed in book 6 of plats at page 250, records of Ada County, Idaho.

All of block 6, except lots 9 and 10; all of block 3, except lots 10 to 13, inclusive; and all of the adjacent vacated streets and alleys described as follows:

Tenth Street between the south line of River Street and the north line of Park Boulevard; alley running in a northerly and southerly direction in block 3 from the south line of River Street to the south line of lot 9, block 3; all of alley running in a northerly and southerly direction in block 6; all of alley running in an easterly and westerly direction between lots 16 and 20 and lots 21 to 32, inclusive, block 6; alley running in an easterly and westerly direction between lots 13 and 17 and lots 1 to 12, inclusive, in block 6 from west line of Tenth Street to west line of lot 8, block 6; all the alley running in an easterly and westerly direction in block 3; and the following two tracts:

Tract 1: A tract 12 feet wide lying west and adjacent to lots 1 through 9, inclusive, block 3, Riverside Park Addition, more particularly described as follows:

Beginning at the northwest corner of lot 1, block 3, Riverside Park Addition; then north 87 degrees 36 minutes west 12 feet, thence south 2 degrees 24 minutes west 225 feet; thence south 87 degrees 36 minutes east 12 feet; thence north 2 degrees 24 minutes east 225 feet to the northwest corner of lot 1, the place of beginning.

Tract 2: A tract 12 feet wide lying east and adjacent to lots 36 and 15, also a tract 12 feet wide, lying along the easterly line of lot 14 and being approximately 50 feet in length along said lot 14, all in block 3 of Riverside Park Addition, more particularly described as follows:

Beginning at the northeast corner of lot 36, block 3, Riverside Park Addition; thence south 2 degrees 24 minutes west 256 feet, to a point extending approximately 50 feet, more or less, southerly from the north end of lot 14, which would be intersected by the projection of the south line of lot 9; thence south 87 degrees 36 minutes east 12 feet; thence north 2 degrees 24 minutes east 249 feet; thence north 55 degrees 06 minutes west 14 feet to the place of beginning,

Containing 5.22 acres, more or less.

(b) Any such conveyance pursuant to subsection (a) of this section shall be conditioned upon the Secretary of Agriculture (hereinafter referred to as the "Secretary") entering into an agreement or other arrangement, including an exchange, sufficient to assure the Secretary that the party to whom such conveyance is to be made will cause to be constructed, for the United States, on the southeast quarter northwest quarter northeast quarter southwest quarter, section 27, township 3 north, range 2 east, Boise meridian, containing 2.50 acres, more or less (withdrawn from the public domain for administrative site purposes), or on an alternative site to be determined by the Secretary, administrative improvements of at least equal value to the lands and the improvements thereto authorized to be conveyed by subsection (a) of this section: *Provided,* That if the value of the lands and the improvements thereon authorized to be conveyed by subsection (a) exceeds the value of the administrative improvements determined necessary by the Secretary to be constructed under this subsection, the party to whom the conveyance is made shall make a cash payment to the United States in an amount equal to the difference between the two values.

(c) In carrying out the provisions of this Act, the Secretary shall solicit public offers. Such solicitation shall be made with sufficient time to permit such full and free competition as is necessary to meet the requirements of the agency concerned. All offers shall be publicly opened at the time and place stated in the solicitation notice. After considering price, value and other factors, the Secretary shall enter into such agreement or arrangement with the responsible party whose offer, conforming to the solicitation notice, is determined by the Secretary to be most advantageous to the Government. Notwithstanding any other provision of this Act, all offers may be rejected by the Secretary if he determines that it is in the public interest to do so.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to authorize the Secretary of Agriculture to convey certain lands in the State of Idaho, and for other purposes.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask for recognition.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the time allotted to the minority leader be transferred to the majority leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE END OF AN ERA: ASIA—A YEAR AFTER THE FALL OF INDOCHINA

Mr. MANSFIELD. Mr. President, on April 10, 1975, in an address to a joint session, President Ford asked Congress to approve an additional $1 billion in military and economic aid for South Vietnam. The next day, American Embassy personnel were evacuated from Phnom Penh. The end of an era was at hand. By the last of that month—just a year ago—it was all over. In Saigon and Phnom Penh, the governments of General Thieu and Lon Nol were out and new governments were in. Thus ended the final chapter in the disastrous policy to contain a nonaggressive China.

Where do we stand in Asia a year later? What lessons have been learned from this attempt to interfere in vast lands and peoples half way around the globe? It is time to take stock.

Since former President Nixon's visit to Peking in 1972, winds of change have blown throughout Asia. After more than two decades of hostility and confrontation, the United States and China began the journey to normalization of relations, a journey far from completed. At last, our Nation's policy is now grounded on the fact that the United States is not an Asian power but a Pacific power. The difference is more than semantic. It is the difference between a sensible acceptance of the realities of Asia and the dangerous illusions of military omnipotence. What takes place in this vast region is of concern to Americans. But concern and control are quite different matters.

Simply stated, America's principal long-range interests in the Far East are to avoid domination of the region by any single power, to maintain friendly relations with China, Japan and other nations, and to lessen tensions which could trigger either a local or a great power conflict in the area.

Let us first look at the People's Republic of China, the home for one quarter of the people on this globe. Former President Nixon's journey was only the first step on the path to normalization of relations with China. The Shanghai communique was not a document of flesh and blood. It was a skeleton to which the sinews were to be added by both countries. In the 4 years since that document was issued, some flesh has been added in the form of trade, cultural, educational and scientific exchanges and visits to China by government officials, including members of Congress. But the basic myth of the old China policy, the obstacle to normalization of relations with the People's Republic of China, remains. The United States, officially, still treats the government of Taiwan as the government of China.

The pertinent provision in the Shanghai communique reads:

> The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves. With this prospect in mind, it affirms the ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan. In the meantime, it will progressively reduce its forces and military installations on Taiwan as the tension in the area diminishes.

I interpret the Shanghai communique to mean that the United States recognized that the Chinese civil war was over and that the eventual goal was full and formal normalization of relations between the People's Republic of China and the United States.

President Ford said in Honolulu last December 7 that on his recent visit to China, he "reaffirmed the determination of the United States to complete the normalization of relations with the People's Republic of China on the basis of the Shanghai communique."

The Shanghai communique stated that the United States would "progressively reduce its forces and military installation on Taiwan as the tension in the area diminishes." With the end of the war in Indochina, "tension in the area" which, conceivably, could have justified retention of U.S. forces on Taiwan ended. But there are still some 2,500 American servicemen on that island, down from 10,000 in 1972.

In addition to the regular forces, the United States maintains a military advisory mission to advise the Taiwan forces on how best to fight the forces of the People's Republic. We also continue to supply Taiwan with large quantities of weapons, $611 million worth over the last 4 years, much of that financed on long-term government credits. The administration proposes to sell $182.5 million more in military equipment to Taiwan by the end of the next fiscal year, $43 million of that on credit.

Looking eastward, the partnership between the United States and Japan is the fundamental pillar of American policy in Asia. Japan and the United States are military partners. Japan's continued trust in the validity of the U.S. security commitment is essential to the maintenance of stability throughout the region because a Japan embarked in search of security on its own by way of a major military expansion would unsettle all of Asia. Japan is almost wholly dependent on foreign raw materials to supply its greatly expanded industrial plant. Asian memories of the Greater East Asia Co-Prosperity Sphere are still not forgotten. There are now pressures from the Pentagon for Japan to expand its military forces. I urge the greatest caution in pushing Japan in such a direction. There ought not to be grounds for Japan to have to doubt the U.S. security guarantee and no compelling reason for the Japanese to make a significant change in their defense policy. Any other course, in my judgment, is playing with fire in the Western Pacific.

I am deeply concerned about the fallout from the Lockheed affair on United States-Japan relations. This episode and other recent examples of payoffs in shady American business deals abroad demonstrate the need for reforms inside this Nation and an international code of business ethics. This is an appropriate problem for the United Nations to tackle. Both buying and selling nations should unite to seek a remedy to cure the dry rot which now afflicts international business dealings.

As to the present situation, it is in the interest of all concerned that American and Japanese officials handle the problem in such a manner as to minimize the adverse impact on our relationship. Maintenance of a close partnership with Japan should continue to have the highest priority in U.S. policy toward Asia.

Korea, the last remnant of the failure of U.S. policy in Asia, is a time bomb which must be defused. The U.S. objective should be to bring about a settlement between the two Koreas and, in the interim, to ease tensions and lessen the possibility for a resumption of hostilities. U.S. policy should not be hostage to any particular government in Korea, or anywhere else for that mater. That lesson should have been learned, finally, in Indochina and Cambodia where two generals, Thieu and Lon Nol became the tail that wags the dog. Are we to suffer the same experience in Korea?

Nearly a quarter of a century after the end of the Korean war, over 40,000 American troops remain in Korea, at a cost to the taxpayers of $580 million annually. Many are on the DMZ line in positions which would automatically thrust the United States into the thick of the fighting should hostilities between North and South break out again. Indeed, they are there for precisely that purpose—as a tripwire. U.S. nuclear weapons are also stored in South Korea, according to former Secretary of Defense Schlesinger, adding to the dangers of the situation. Our forces in this last bastion on the Asian mainland should be reduced over a period of time and all nuclear weapons, in my judgment, should be removed. In the meantime, the United States should reexamine the tripwire concept at the DMZ. It may be that a more appropriate approach might be to seek to negotiate an even wider demilitarized zone.

The United States must do more than it has in the past to break the impasse in Korea. We should have learned from the long and costly efforts to contain the People's Republic of China that quarantine is a reaction, not a substitute for a positive policy which seeks to solve a problem. It is in the interest of the Korean people, North and South, for the United States and world peace, that contact be made between the two Koreas to help to minimize the risk of military clash and to facilitate an accommodation between North and South.

Some months ago, the North Korean Government did make a move to establish a contact with South Korea through a meeting of the Red Cross organizations in both countries.

According to the Christian Science Monitor yesterday, South Korea has proposed to the North an exchange of ancient art exhibits in what appeared to be a new initiative toward normalizing relations. I would hope, Mr. President, that that trend would continue between North and South Korea.

In Southeast Asia, the foremost task for U.S. policy remains to recognize the realities in Indochina. The administration's policy of opposition to trade and commercial relations with Vietnam or Cambodia, and the failure to send an Ambassador to Laos has something in it of the ostrich complex. The fact is that just as China was not ours to lose in 1949, neither was Indochina a quarter of a century later. That was not the tragedy for us. The tragedy was that the war was allowed to begin and to continue so long and that so many lives were needlessly lost.

Although the shooting war is over, economic warfare continues as a cornerstone of U.S. policy. There is no way that a unilateral U.S. trade embargo against Vietnam or Cambodia can be effective in a competitive world. Containment is not a policy. It is only a petulant reaction. It is time that the United States act toward the governments of Indochina, which have regained their independence, in a spirit which seeks to heal the wounds of war. Like it or not, a unified Vietnam, as North and South will ultimately become, will be a major force in Southeast Asia. It is in our long-range interest to accommodate to this fact and make the best out of the new situation.

I share the desire of all Americans to learn whatever can be learned of the missing in action in Indochina. But we can hardly expect to do so by refusing to have anything to do with the new governments of Laos, South and North Vietnam, or Cambodia. The most effective way to obtain information about the MIA's, I should think, is through face-to-face, on-the-spot official dealings. That is not likely without normalization of diplomatic and other relations. It is my understanding that the administration has decided to open talks with Vietnam on the range of issues between us, and that is certainly a step in the right direction.

In Thailand, the United States faces a delicate situation. The question of a continued American military presence has become a major issue in internal politics, a further manifestation of the forces of nationalism at work in Southeast Asia. All U.S. forces, except for a small military assistance group, have been ordered to leave the country within the next 4 months, thus bringing to a close an attempt to maintain a second military toehold on the Asian mainland. The action taken by the Kukrit government is both in their interest and in the interests of the American people.

The closing of the U.S. bases may help to improve the prospects for an easing of tensions between Thailand and North Vietnam, an arrangement much to be desired. What the new Thai Government will do remains to be seen.

The remnants of U.S. military involvement, a smouldering insurgency in the northeast, a genuine fear of North Vietnam's intentions, and the continued existence of the SEATO treaty commitment to Thailand, the only country to which the treaty has practical application, all add up to a sensitive and volatile situation for the United States in Thailand.

Elsewhere in Southeast Asia, there are no major policy problems. Burma continues to go its own way and its government has no desire to open its doors to large-scale foreign economic intervention, by the United States or any other country. There is in Burma, however, a danger that overzealous and costly pursuit of poppies may result not so much in the lessening of the supply of dangerous drugs but in involving this nation in Burma's internal affairs and the continued fight of the government against various insurgencies. A close rein should be kept on antinarcotics activities, both there and elsewhere in the region. In the Philippines, the outstanding problem concerns the terms for continued use of the military bases at Clark and Subic Bay. Appropriate recognition of Philippine sovereignty is the issue here. Negotiations to meet this issue were begun yesterday between the two countries. I believe that a mutually satisfactory agreement can be reached, given the fact that we want to stay and the Philippine Government wants us to stay.

United States-Indonesian relations are relatively trouble free. But this land of 140 million people has a growing gap between rich and poor which vast amounts of foreign aid, new oil revenues, and outside investments seem only to have accentuated.

In both the Philippines and Indonesia the debacle in Indochina, coupled with the change in U.S. policy toward China, has stimulated new interest in regional cooperation and a reappraisal of basic international relationships. As new relationships evolve in Southeast Asia, a new spirit of self-reliance and regional cooperation is emerging. It is in our own interest to encourage and accommodate to this new spirit. One of the most promising developments is the growth of the Association of Southeast Asian Nations, or ASEAN, comprised of Thailand, Indonesia, the Philippines, Malaysia, and Singapore. This genuinely local arrangement, is showing much promise. Although the recent summit meeting of the heads of state did not produce any startling agreements, it did reaffirm a mutual desire to explore and develop common regional interests. Expanding its membership to include Burma and the nations of Indochina, a future possibility, would result in a regionwide organization of great potential. A regional zone of peace and freedom, encompassing all the nations of Southeast Asia, would be a giant step toward regional stability.

"Those who cannot remember the past are condemned to repeat it," Santayana wrote. The era of military adventure on the Asian mainland is over. As a result of Vietnam, Cambodia, and Laos, the American people now have a more realistic view of what, as a practical matter, we can and cannot do. They now know that it is not possible, or even desirable, to remake ancient cultures in our own image. There is a sober realization of the limits of America's resources and power. As was true of America in the past, the America of the future will be the beacon to the world, not because of its military might or foreign aid diplomacy, but because of what it stands for in furthering human aspirations for freedom and a better way of life.

America is not becoming isolationist. There is, in fact, a growing awareness of the interdependence of the world and the need to tackle common problems on a multilateral basis. As U.N. Secretary-General Kurt Waldheim put it in a recent speech: "People are not turning away from ideas of world interdependence. What they are turning away from are out-moded and unworkable ways of trying to deal with the world."

In summary, I would say that the U.S. position in Asia is more favorable than it has been since the end of World War II.

First. We enjoy good relations with all nations except for North Korea and those in Indochina, which we ignore by choice.

Second. Both we and the nations of the region have a better understanding of what it takes to live in peace in a diverse world.

Third. There is no war.

Fourth. American troops are coming home from the Asian mainland.

Fifth. The economic burden of our overseas political involvement is lessening.

There is an agenda of unfinished business, to be sure. But the problems are manageable. What is needed is the will to clear away the remaining relics of outdated policies and to face up to the present and the future and to learn from the past. I will continue to do all I can in my remaining months in this body to insure that work on that agenda continues.

Mr. President, I ask unanimous consent that a speech I made on United States-Chinese relations and a portion of a report which I made last August, released last October, entitled "Winds of Change" involving relations in Southeast Asia be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

UNITED STATES-CHINESE RELATIONS

Mr. MANSFIELD. Mr. President, I listened to former Secretary of Defense James Schlesinger on a program yesterday, and he was asked some questions about the People's Republic of China. As I recollect, he stated that he and some others had discussed the possibility of arms for the People's Republic but that nothing had come of it. I assumed, based on his language, that that discussion was entirely within the U.S. administration and that the People's Republic representatives were not involved, and that it was something that was done in relation to possibilities which might, conceivably ensue at some future time.

Secretary Schlesinger also was asked whether he would approve the sending of arms to the People's Republic. He said, in effect, "We will have to face that question when it arises, but I think it should be treated on the same basis as the Soviet Union."

I, too, think that the People's Republic should be treated on the same basis as the Soviet Union. Furthermore, I would like to see a most-favored-nation treaty executed between Peking and Washington. I believe that if we are going to further normalize relations, that is one of the steps we should take, though I do not believe that we should in any sense, in any way, in any shape, in any form, try to force arms on Peking.

One, it will be counterproductive; two, I do not think there have been any contacts with Peking in that respect; three, I believe that the Chinese look upon themselves as being perfectly capable of producing their own armament.

The Secretary also indicated that so far as nuclear weapons were concerned, we were not behind the Soviet Union. In that respect, it is my understanding that Peking has not been accelerating its nuclear programs but has continued to maintain a steady pace and only for defensive purposes. He did indicate that we were behind in conventional forces, which I assume to mean infantry, the Army, ships, seapower, the Navy. But I point out that we do have more than 2 million men under arms, scattered in too many parts of the world, stationed there for too long and at too great a cost.

I was interested in the Secretary's reference to the People's Republic, because I think this Nation has been paying too little attention to the nations across the Pacific. I point out that, as far as the People's Republic is concerned, it has somewhere between 850 and 900 million people, practically one-quarter of the population of the globe.

At the other end of Asia, I point out that Saudi Arabia, with an estimated 7 million people, has approximately one-fourth of the oil reserves in the world. So I hope we shall pay more attention to that part of the globe, recognize its significance as far as we are concerned, and be aware of the potentials which may arise from time to time. We should keep our eyes and our ears open, so that we will not place undue stress on other parts of the world at the expense of our relations with the Asian Continent. It is important that we better understand what transpires in that part of the world.

Getting a little bit closer to home, I am glad to note that on today, negotiations are beginning between the Republic of the Philippines and the U.S. Government relative to the future status of our bases in the Philippine Republic, notably at Subic Bay and Clark Field. I have no doubt that those negotiations will be successful. It will take a little give and take on both sides, but because of the inherent friendship and the deep necessity for maintaining these bases, I feel quite certain that, before too long, an amicable settlement will be reached which will satisfy both the Philippine and the American people. I wish to include at this point in the Record an excerpt of a report which I made to the Foreign Relations Committee in October 1975. The excerpt deals with the Philippines and the question of U.S. military bases in that country.

WINDS OF CHANGE—EVOLVING RELATIONS AND INTERESTS IN SOUTHEAST ASIA

I. THREE VARIATIONS ON NEUTRALISM

President Nixon's visit to Peking in 1972 released strong winds of change in the international relationships of Asia. The collapse in South Vietnam and Cambodia intensified these currents. Visible changes already include the restoration of contact between the United States and China looking in the direction of normalcy after many years of acrimonious confrontation. This shift has been a key factor in enabling us to reduce the U.S. military presence in Asia from some 650,000 at the height of the Indochina war to less than 60,000 at present. Moreover, a further reduction will take place in the months ahead as U.S. forces are withdrawn from Thailand.

U.S. policy, in short, is beginning to reflect the fact that the United States is a Pacific nation, but not a power on the Asian Mainland. The waters of the Pacific touch the shores of the United States on the West Coast, at Hawaii, Alaska, the territory of Guam and the U.S. trust territories. They also beat against the coastlines of seven nations to which we have made security commitments—Japan, South Korea, Taiwan, the Philippines, Thailand, Australia and New Zealand—as well as the shores of the Soviet Union and China. What takes place in this vast region is of deep concern to this nation. However, concern and capacity to influence are quite different. What we began to perceive in Korea and saw very clearly in Indochina is that our capacity to influence the flow of history on the Asian Mainland itself is quite limited on the basis of any rational input of manpower and resources.

After the birth of the Peoples Republic of China in 1949, we established a policy of containment in Communist China. It was a policy which sought to line up nations on an either "for or against" basis with "neutralism" regarded as something to be spurned. A ring of treaties was engineered in an effort to use U.S. power and influence to choke off what were held to be China's aggressive designs on its neighbors. In Southeast Asia, both Thailand and the Philippines linked their foreign policy directly to what became a U.S. crusade against communism on the Asian mainland. Burma and Cambodia, each in its own way, tried to walk the tight rope of non-involvement. The former did so throughout the Indochina war, in part, by rejecting U.S. and other forms of foreign aid. Under Prince Norodom Sihanouk, Cambodia also held the line of non-involvement successfully for many years. When the Prince was overthrown by a military coup, however, the Khmers paid the cost in five years of bloody war. The overthrow of Sihanouk also added more U.S. casualties and billions to U.S. costs in Indochina as this nation went from non-involvement to the aid of the successor military regime in Phnom Penh.

Through Southeast Asia, nations are now making major reassessments of their relationships. Nationalism and neutrality, mixed with a budding interest in regional cooperation, are the driving forces at work. Neutralism takes on different characteristics in each of the Southeast Asian nations. Burma is a study of traditional neutrality with a heavy accent on isolationism. Thailand, the only nation in the region to remain free of colonial rule before World War II, is engaged in writing another chapter in its long history of seeking to balance its independence amidst shifting political currents. Three decades after close alinement with and vestigial dependency on the United States, the Republic of the Philippines is moving into the more open waters of international relations and accelerating its efforts to achieve a fully independent identity.

As new relationships evolve in Southeast Asia, new problems are emerging among the nations in the area and in their relations with the United States. Changes in an old order always carry a degree of painful adjustment. It is to be hoped, however, that out of the old, eventually will emerge a new spirit of self-reliance and regional cooperation. In that fashion, the independent nations of the region may be able to live together in a zone of peace respected by all of the great powers. That is the goal towards which each nation visited, in its own way and to some degree, all of them together, seemed to be moving.

The Asian nations are very likely to call for adjustments of all of the relationships with the West which grew out of a previous state of dependency. We should do our best in our own interests to accommodate to changes of this kind. They involve, in many cases, as in Indochina, the lightening of an excessive and one-sided burden which has been maintained for decades by the people of the United States. From our own point of view, it would be desirable to subject the Southeast Asia Collective Defense Treaty, the so-called Manila Pact, to critical reexamination. The treaty seems to me of little relevance to the security of this Nation in the contemporary situation. In fact, it may be more a liability than an asset to all of the signatories. As for our relations with Indochina, it would seem to me helpful in dealing with the vestigial problems of the war and in paving the way for a peaceful future to establish direct contact with the successor governments in Vietnam and Cambodia at an appropriate time.

It would be unfortunate if out of indignation or disillusionment we should turn our backs on Asia. More in line with our interests would be to seek to understand more clearly what is transpiring on that continent. Our young people, in particular, need as much exposure as possible to the changes in Asia since they will experience in the years ahead most of the consequences. Through diplomacy and cultural contacts we should be able to harmonize our reasonable national interests in security, trade and cultural cross fertilization with the emerging situation in Southeast Asia. The present transition need not be a source of anxiety if it is approached in that fashion. Indeed, we could be on the verge of a new era which could bring great benefits both to the Asian countries and to this Nation.

II. BURMA

Neutrality and nonalinement

Under President Ne Win, Burma has navigated a course of neutralism and nonalinement for many years. Its relations with the great neighboring states of China and India are correct and formal and the same is true for the Soviet Union and the United States. Burma has no intimates and seeks none. It has sought to avoid foreign entanglements. Although it was an early member of the United Nations, only in 1973 did the nation even join the World Bank and the Asian Development Bank. In the United Nations and other international forums, Burma has abstained on many divisive issues. For years it has recognized both Koreas and both Vietnams.

Burma was an observer of what happened to the Indochinese nations when they were drawn into great power rivalries. Their tragic experience was such as to provide proof to the Burmese government of the correctness of its own policy. Whatever its shortcomings, this policy has served to keep Burma out of the conflicts which have beset others in Southeast Asia. Furthermore, isolated by natural mountain barriers on the east, west, and north the Burmans have been able to preserve to a greater degree than most nations in the region, their traditional culture.

Speculation in Burma is to the effect that its doors may soon open wider, evidencing, some say, a change in attitude towards the outside world. One Burmese official observed to me, however, that what has happened is "not that Burma has changed but that the world has changed." He went on to explain that a U.S. policy of detente with the Soviet Union and the new U.S. relationship with China significantly altered the framework of Burma's neutralism and made foreign contacts, notably with the United States, more feasible.

Foreign observers, when discussing Burma's economy, generally describe it as "stagnant" or "sick." While it is obvious to a visitor that there is a great deal of poverty, the usual economic yardsticks are not exact or even very relevant when applied to a rice-based agrarian society. The extremes of poor and rich, for example, are not seen in Burma as in many other countries. Burma's economy is not rocketing ahead but neither as in Indochina has the land been devastated and hundreds of thousands killed and maimed by warfare. Also avoided so far have been the cultural upheavals and environmental despoliation which are often associated with economic development via heavy influxes of outside capital and foreign aid.

Nevertheless, there are manifestations of political dissatisfaction from time to time which center in Rangoon and are probably directed in part, at least, at the lack of economic progress and opportunity. Three major anti-government demonstrations by workers and students have occurred during the last year and a half. Colleagues and universities have been closed from time to time and leaders of workers demonstrations have been sentenced to long prison terms.

Although a new Burmese Constitution was adopted last year, the government remains based on army leadership. Sixteen of 18 cabinet officers are military or ex-military men. While farming is still on a private basis, as are many shops and stores, the government runs much of the rest of the economy. Staples, such as rice, oil, and cloth, are rationed, with scanty allotments. This system, plus a shortage of consumer goods generally undergirds a so-called "shadow economy" or black market. Although stable until the last year or so, prices are now rising. Rice stocks available for export, the country's principal source of foreign exchange, are dwindling due to lack of substantial increases in output coupled with population growth. In the last thirty years, the population has almost doubled to 30 million. The government is considering new incentives to raise rice production and recently increased the price paid to the farmer by 30 percent. As yet, however, policies have not been devised to surmount the dilemma of a dwindling per capita food supply as against what is seen as a possible loss of security and national identity which might be occasioned by limiting population growth in the midst of towering neighbors.

One way to help alleviate this dilemma, at least for the immediate future, would be by the discovery of petroleum in exportable quantities. After years of rejecting private investment, last year, Burma leased offshore tracts to two American oil companies, Exxon and Cities Service, and two companies from other countries. While the drilling has not yet yielded results, the Burmese believe the prospects are good. Burma is also seeking by its own efforts to extend present onshore oil fields which supply 70 percent of the nation's modest current needs. The government has not shown any interest in foreign involvement in the exploration for minerals, with which, according to technical reports, Burma is generously endowed.[1]

A part of Burma's imports are presently being financed by loans from the World Bank and the Asian Development Bank and by bilateral agreements with West Germany and Japan. Three small Asian Development Bank projects are now underway. While the U.S. had not provided new dollar assistance to Burma since 1963, a consortium arrangement under the World Bank and the International Monetary Fund which involve foreign aid contributions by the United States, Japan, and Western European countries is under consideration.

The Burmese are in the process of repairing the severe damage caused by an earthquake in early July at Pagan, an area of historical significance and the site of numerous edifices and shrines dating from the 11th Century. They are hampered by lack of funds which are being raised through public subscription. Various nations have made contributions through their embassies in Rangoon for this very worthwhile endeavor. Shortly before I arrived, U.S. Embassy officials had asked Washington for permission to make a small monetary contribution to assist in the repair of the damage at Pagan. The request was denied, apparently on some semantic or obscure basis and the matter was buffeted from pillar to post in the bureaucracy. It is amazing to find that an Executive Branch which frequently finds ways unknown even to the Congress to rush tens of millions in aid to shore up a sinking regime as in the closing days of the Cambodian debacle, is unable to find a basis for a modest human gesture in the face of a natural disaster such as occurred in Burma last summer. One can only note that if more authority is necessary to act in a situation such as this, why has it not long since been requested?

The drug trade and insurgents along the Burmese border create a dangerous mixture. Twenty groups, most of them based on ethnic divisions and some quite small and of little contemporary significance, are now in various degrees of insurrection or insubordination with regard to the government in Rangoon. It is possible to divide the factions into three basic groupings. The first type seeks to replace the existing government and is exemplified by the Burma Communist Party, the largest single dissident element. Typified by the Kachin Independence Army (KIA), a second group seeks autonomy in ethnic areas. The third consists simply of out-and-out drug traffickers and bandits, some of whom are remnants or descendants of the forces associated with the National Government which fled from China in 1949 and which, for a time, were supported from Taiwan.

Opium is a traditional crop in the hill areas of Northeast Burma. It is estimated that the crop may reach 440 metric tons this year even though the price is currently depressed because of the loss of the South Vietnamese market. All the insurgent groups are believed to be financed, at least in part, through the drug traffic. The Chinese (Nationalist) Irregular Force which is still organized into the 3rd and 5th divisions is the most important group involved in the drug traffic. Another element is the Shan United Army, which operates in the Northern Shan states.

Each organization has its own "turf" in the remote and scarcely accessible border areas as well as its own methods of operations. In simplified form, the cycle of operations runs as follows: the trafficker buys the crude opium from the grower, transports it to the Thai border, sells it, uses the proceeds to buy arms or other goods, brings the arms and

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goods back into Burma, sells them on the black market. The cycle is completed when the proceeds from the black market sales are used to buy more opium.

The Burmese government is concerned with the drug traffic both because of the growing consumption of drugs in the country and because suppression of the trade is seen as an essential element in dealing effectively with the insurgency problem. After an initial reluctance, Burma has agreed to accept eighteen helicopters which are available under the U.S. narcotics control program. Four helicopters have been delivered, on a trial basis, and, if results are mutually satisfactory, the remainder will be turned over, in due course, to the Burmese government.

In addition to this arrangement, there have been some small Burmese purchases of U.S. military related goods. The Burmese government, however, has indicated no interest in renewal of a military aid program or in obtaining military training for its forces in the United States.

A note of caution is indicated in regard to cooperation in drug suppression. The zeal of U.S. enforcement officials in trying to get at the sources of drugs is understandable and merits much applause. Nevertheless, there are other questions involved in Burmese-U.S. relations. For too long in the administration of U.S. policies, we have tended to assume responsibility for problems which are more properly those of other nations or of the international community. One form of involvement in the internal affairs of other nations can lead very rapidly to other forms, as the bitter Indochina experience should have taught us.

In my judgment, therefore, any further U.S. assistance to foreign countries for their internal use in anti-drug problems, if warranted at all, would seem more appropriately to be funneled through international bodies. Whatever funds Congress thinks justified for this activity might well go as a contribution to the U.N.'s Narcotics Control program. Moreover, any activity of U.S. narcotics agents in Burma or any other nation in Southeast Asia, for that matter, must remain under the strict supervision and firm control of the U.S. Ambassador who is in the best position to know what practices are or are not possible in the light of our total relationship with the country concerned.

After my visit to Burma six years ago, I wrote: "The Burmese government continues to go its own way as it has for many years. It is neither overawed by the proximity of powerful neighbors nor overimpressed by the virtues of rapid development through large infusions of foreign aid. Burma's primary concern is the retention of its national and cultural identity and the development of an economic system preponderantly by its own efforts and along its own lines."

These are still the major pre-occupations of the Ne Win government. The nation has succeeded in maintaining its national and cultural identity. Its economic situation, however, is still very tenuous.

As for our relations with Burma, while some strengthening of cultural and technical exchange either on a bilateral or multilateral basis may be desirable and possible, my view is that we would be well-advised to avoid scrupulously any inclinations towards a deepening involvement in Burmese affairs. Such inclinations would not be welcomed in Burma as in its best interests. Clearly, too, they would not be in the best interests of this nation.

III. THAILAND

After four decades of military rule, Thailand is attempting anew to forge a democratic system. At the same time, there is underway a major revision in foreign relationships. Following student uprisings, in October 1973, the military government of Field Marshal Thanom Kittikachorn was ousted and Thanom and other government leaders fled the country. This development coupled with the rapidly changing situation in Asia, initiated by President Nixon's trip to Peking, and culminating in the collapse in Indochina, has brought about a sweeping reappraisal by Thailand of its foreign policy

Until the fall of the Thanom government, Thailand had maintained a close relationship—some termed it a "client-state" relationship—with the United States. Now that has changed, with Thailand moving away from the long intimacy with the United States and, at the same time, seeking better relations with its neighbors in Indochina and Asia. How this land of 44 million people handles the turn towards political democracy and a new foreign policy will have far-reaching consequences for the over-all relationships in and around the Asian continent.

Political and economic situation

Prime Minister Khukrit Pramot, leader of the Social Action Party, has governed Thailand since mid-March with a coalition of eight parties. His own party, with only 18 seats, is a distant third in terms of party strength in the Parliament. While the Thai King, Phumiphon Adunyadet, serves primarily as the symbol of national unity, the monarchy is still a factor in state affairs, particularly, in times of crisis. The present Thai political system is based on a Parliament consisting of 269 seats in an elected Lower House and a 100-member appointed Upper House. Elections earlier this year attracted 42 parties and 2,191 candidates. Predictably, the results were inconclusive. There are now representatives from 23 parties sitting in the Parliament which, when I visited it, was meeting in a joint session and engaged in spirited debate over an aspect of ASEAN. Despite earlier predictions of a short and unhappy life, the Parliamentary structure is managing to hold together and is serving as a vehicle for operative government.

The Khukrit cabinet, apart from the difficulties inherent in any coalition and, especially in one emerging from the trauma of an abrupt shift from military authoritarianism, is subject to three basic pressures: a volatile student movement; long-standing insurgencies in the north, the northeast and south; and the ever present possibility of a military coup.

The student movement wields influence, as is often the case in Asian nations, far beyond numbers. There is a working relationship between the students and labor on most issues and this coalition constitutes the most potent force in current Thai politics. It may be less of a factor, however, than it was two years ago at the time of the ousting of the dictatorship. Public reaction in Bangkok to past excesses, it is said, has caused student leaders to be more discriminating in choosing issues on which to exert their pressure.

One personal incident was instructive. When I arrived for an appointment with the Prime Minister, hundreds of out of work Thai guards at U.S. military bases, who are being discharged as the bases are phased out, were engaged in a demonstration demanding final pay adjustments. The guards were not on U.S. payrolls but, rather, were paid indirectly on the basis of U.S. contracts with Thai military leaders of the previous regime, some of whom apparently have fled the country. Since the demonstration was taking place in front of the Prime Minister's offices, it was necessary to postpone the meeting lest the presence of a visiting American official trigger more serious difficulties.

Ever present in the background of Thai politics is the potential for a military coup. While the government appears to command the loyalty of the armed forces, rumors of possible coups abound in Bangkok. Perhaps, the principal deterrent is the public revultion with the rampant corruption of the previous military regime and the possibility that a coup at this time would again bring on a militant student-labor reaction.

The role of the military has been deemphasized by the present government which appears to want to direct its energies toward social and economic needs. Heretofore much of the government's interest centered on Bangkok. With 4 million people, Bangkok is Thailand's only major city and it is scarcely representative of the nation. The gap between Bangkok and the rest of the country is great. Per capita income in the capital, for example, is $600 per year but it is only about $200 nationally, and it is, perhaps, not more than $75 per year in the most troublesome insurgent area, the northeast. There has been little spread of commerce and industry from Bangkok to the countryside. The city, in some respects, is like a foreign land to most Thais. Its traffic jams, westernized practices and political maneuvering are quite alien to the villagers who make up the vast majority of the country's population.

Neglect of the villages is a major factor in fueling the insurgency movements. In the north the insurgents are ethnic groups often involved in the drug traffic. In the northeast the problem is peasant discontent and Thai against Thai. In the south, it is largely Malay Muslim or Chinese against Thais.

Over the years, there have been any number of anti-insurgency campaigns launched by Bangkok, all liberally financed with U.S. funds and, often, abetted with advice from various U.S. agencies. None has brought any appreciable results. The insurgent movements have continued to grow, with a total of perhaps 8,500 now under arms in the northeast alone. The Khukrit government seems to be aware that the problem cannot be solved unless there is more effective contact between a heretofore remote government in Bangkok and the people in the localities. It is trying new approaches which include a form of revenue sharing to channel funds to the poorest areas. Also recognized is the need to change the attitudes of the underpaid and corrupt bureaucracy in the insurgent areas. While it may be difficult to persuade soldiers and police who have reaped much of the financial benefit of past anti-insurgent campaigns to become benefactors of villagers, at least an effort is being made to bring about a reorientation. The government's five year plan also emphasizes economic growth in the rural areas and reduction in income disparities. It remains to be seen whether the benefits will actually reach the people.

The Thai economy has weathered the oil crisis, the world recession, and the phaseout of U.S. military involvement in Indochina. Although the rate of inflation was 20 percent in 1974, up from an average of 4 percent in the years before, it has been falling and will probably be down to about 10 percent for 1975. Increased earnings from agricultural exports have been a prime factor in countering oil price increases. The impact of both the recession and the uncertainty over political developments in the region have been felt in the slackening of foreign investment. Tourism, too, is down. Nevertheless, Thailand enjoyed a $400 million surplus in its over-all balance of payments in 1974 in the face of a deficit of $657 million in trade. The difference was made up by foreign aid, oil concession payments, tourism and capital inflows.

The United States has given Thailand large amounts of economic aid over the years, much of it in the last decade for the so-called counter-insurgency programs. Thus far, a total of $672 million in economic aid has been provided by the United States. For fiscal year 1976, $12 million has been requested.

In an economy as formidable as Thailand's, $12 million must be regarded as relatively inconsequential. The government's political and economic policies are the critical factors in shaping the nation's future. There would appear, therefore, to be little relevance to either country in the continuance of the bilateral aid program. Indeed, the time seems very propitious to end this vestige of "clientism" and to place the relationship of the two nations on a firm plane of mutual respect, with accent on mutually beneficial exchange.

Petroleum

There are prospects for major offshore petroleum strikes in the Gulf of Siam on Thailand's east coast and in the Andaman Sea west of the Kra Isthmus. Twenty-five wells have been drilled by American companies in the Gulf of Siam. Oil has been found, but the potential is not yet ascertainable. There could be international difficulties in some areas since most Thai concessions overlap, in part, territory also claimed by Cambodia. Thus far, however, there has not been any drilling in disputed areas. Some concessions have also been issued for the Andaman Sea but work there is not likely to start until next year. Thailand has already received more than $75 million for drilling rights from foreign prospectors. Renewed consideration is also being given by the Thai government to a proposal to join with Japan in constructing a major pipeline stretching across the Kra Isthmus, and terminating in a large refinery which would refine Persian Gulf crude for shipment to Japan.

Drugs

Thailand is a major site in the international drug problem, not so much as a producer but as the route of transshipment of opium brought in from elsewhere in Southeast Asia. Estimates indicate that about 40–45 tons of opium per year are actually produced in Thailand. This level is sufficient only to meet local demand.

Although some Thai officials may still be parties to the drug trade, the level of involvement is reported to be much lower than in the past. Contrary to the situation in Burma, drugs do not seem to be a significant source of financial support for insurgents but, rather, a means for personal or syndicate enrichment.

Thailand receives equipment from the United States under the narcotics control program. In fiscal year 1975, $4.8 million was provided, with $3.7 million more programmed for FY 1976. Bangkok is a regional headquarters for the U.S. Drug Enforcement Agency (DEA) which is active throughout Southeast Asia. The agency has a regional budget of $500,000, but the figure does not include assistance to other governments which runs into the millions. There are 26 U.S. agents in Thailand and they are involved in operational actions as well as intelligence gathering. The day before my arrival, for example, U.S. agents and Thai police had carried out a joint raid on an opium refinery.

This sort of U.S. anti-drug activities in Thailand seems to be highly dubious. Quite apart from the expenditure of U.S. funds, the direct participation by U.S. agents in police activities within Thailand amounts to involvement in internal Thai affairs. While it undoubtedly is meritorious in objective, it is a foot-in-the-door, a point of entry which could lead to extensions and in the end, renewed entrapment in the internal affairs of that nation at renewed cost to the people of the United States. The sorry history of military and economic aid and other activity in Indochina and Thailand over the past two decades should serve as a precaution in this respect. Police actions, including local drug enforcement, are functions of indigenous governments. If there is a U.S. role, it should be limited to the exchange of information and intelligence with appropriate Thai or other officials. Beyond that point, U.S. financial assistance for anti-drug operations at whatever level may be set by the Congress, in my judgment, is best channeled through international or regional organizations.

Foreign policy and United States-Thai relations

President Nixon's trip to Peking and the end of U.S. involvement in Indochina have created a new milieu for Thai foreign policy. From direct links and intimate cooperation with the United States in matters of security, Thailand has moved towards a neutral position. An effort is now being made by Bangkok to assure good relations with all the major powers. A case in point was Prime Minister Khukrit's visit to Peking in July which resulted in the establishment of diplomatic relations with China. So, too, was the official protest to the United States over the use of Thai bases in the Mayaguez affair. That incident, moreover, was followed by a demand for the complete withdrawal of U.S. forces from Thailand.

The outcome of the Indochina war was not only a factor in the new Thai approach to China, it also resulted in intensified interest in closer association with the Southeast Asian nations. Within five months after taking office, Khukrit visited not only Peking but all of the ASEAN countries. Thailand joined in support of the proposal to create in Southeast Asia a zone of "peace, freedom, and neutrality" which would be guaranteed by the great powers. There is no indication thus far, however, that this grouping will include any type of joint security arrangement. In that sense it would not be a substitute for the SEATO Organization which Prime Minister Khukrit and President Ferdinand Marcos of the Philippines have urged should be "phased out to make it accord with new realities in the region." This proposal, it should be noted, relates only to the organized activities under the Southeast Asian Treaty and the large headquarters staff in Bangkok. It does not involve a renunciation of the actual treaty, the so-called Manila Pact. Thailand is the only signatory in the area, however, to which the Pact now has practical application insofar as a U.S. security commitment is concerned. Pakistan renounced the treaty several years ago and the Philippines, Australia, and New Zealand, are tied to the United Stats by other defense arrangements.

The security relationship between the United States and Thailand is complicated by the existence of the 1962 Rusk-Thanat communique in which the obligations of the Manila Pact were held to be both joint and several. Under that interpretation, it would seem, the multilateral SEATO treaty would also amount to a bilateral U.S.-Thai treaty. Thus, the treaty, potentially, has far more significance than the "scrap of paper," as it is often called today. An attack, for example, by an enemy in Southeast Asia could conceivably lead to a Thai call on the United States to come to its aid notwithstanding the disinclination of any other of the signatories to do so.

The fact is that the Manila Pact was born of an old and now altered view of China. It is of no current relevance to U.S. interests in Asia. Left in abeyance it is, perhaps, a source of potential mischief or embarrassment. We would be well-advised, therefore, to reexamine this agreement forthwith, with a view to its termination.

It should be noted in this connection that Prime Minister Khukrit has called for the complete withdrawal of the 19,000 U.S. military forces in Thailand by the end of March 1976. Some references, however, have been made to the possible retention of a standby capacity at the U Taphao Base, manned by a small caretaker force.

For more than a decade, my view has been that the United States, in its own interests should withdraw militarily from the Southeast Asian mainland, "lock, stock and barrel." It remains my judgment that it is not in the interest of this nation nor, probably, in the interest of Thailand to have a U.S. capacity retained at any of the installations in Thailand. There should be no toe-hold which would serve as a potential source of reinvolvement of U.S. military forces on the Southeast Asian Mainland.

Laos—The sands run out

It has been said that in Laos the French laid foundations of sand and that we tried to build on them. As seen from Thailand, the sands have run out. Since the fall of Cambodia and South Vietnam, the Pathet Lao have rapidly expanded their control of Laos. The advance occurred without much resistance or bloodshed, with the opposition tending to evaporate or flee the country. Three of the five government military commanders had left the country by early August and another left shortly afterwards.

In the capital of Vientiane, the Pathet Lao have also extended their control of the coalition central government. Prime Minister Souvanna Phouma is still in nominal command but he is reported to be virtually powerless. The King remains on the throne but is said not to play a political role. Laos is now described as a "Democratic People's Kingdom."

U.S. relations with Laos are strained and minimal following the forced closing of U.S. aid operations last June. The size of the U.S. mission dropped from 800 (including dependents) in April 1975 to 32 by mid-August. It is estimated that there are also some 50 other Americans without official status remaining in Laos. U.S. assistance is not being provided to Laos as a result of a prohibition contained in the continuing appropriations resolution for FY 1976. The new U.S. Ambassador to Laos has been confirmed by the Senate, but as of late-summer had not yet been ordered to his post. In this fashion, a U.S. involvement of 22 years which cost billions of dollars and many lives is drawing to a close.

Exactly twenty years ago, in 1955, on the occasion of a third visit to Laos, I reported to the Committee as follows:

"* * * military aid policies which seek to do more than bulwark the security forces to the point where they can cope with armed minorities and stop occasional border sallies seem to me to be highly unrealistic. By the same token economic aid programs which attempt to move an ancient pastoral country overnight from the age of the oxcart to that of the airplane are equally unsound to say the least. Both, in attempting to do too much, in my opinion, can do incalculable harm.

"In Laos as in Cambodia, there has been an enormous increase in United States activity and in the size of the (U.S. official) mission during the past year. At the time of my first visit to Vientiane in 1953, there were two Americans in the entire country. Now (1955) there are some 45. Accordingly, I recommend that the Executive Branch, as in the case of Cambodia, review the extent of our activity in Laos and the size of the mission with a view to keeping both within the realm of the reasonable." [3]

IV. UNITED STATES-PHILIPPINE RELATIONS

The Philippines have seen incursions of many peoples—Borneans, Indians, Chinese, Arabs, Indonesians, Spaniards, Americans and others. All have left traces, large and small, in the nation's culture. Of these, the American is, of course, the most recent and one of the strongest. The impact which resulted therefrom is only now in the process of being fully absorbed into the mainstream of Filipino life.

In the sphere of government-to-government relations, for example, there are still U.S. controlled and operated military bases in the Philippines. Until very recently, too,

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special trade and investment arrangements were in effect. In these, and in other ways, aspects of the pre-World War II dependent relationship were carried over for three decades in a sort of half-way house to full independence.

The Republic of the Philippines is now clearly on the final stretch of that course. At home, the political system transplanted from the United States is no longer operative in its original form. Abroad, what was once an almost automatic concurrence in the course of U.S. foreign policy has been replaced by a pursuit of independent Philippine national objectives. While not abandoning defense agreements with the United States, Philippine foreign policy is presently aimed at establishing good relations with all the great powers and stronger cooperatives arrangements in Southeast Asia, as well as with other developing nations.

Foreign policy and United States-Philippine relations

While the sudden end of the U.S. involvement in Indochina appears to have produced this shift in Philippine foreign policy, the fact is that the changes have been underway for a long time. In a larger perspective, they can be seen to emerge from the sense of Philippine nationalism and Asian identity which has been growing for many years. Heretofore, these inner forces were not readily perceived because of the persistence of strong elements of the prior dependent relationship with the United States. Therefore, it is more accurate, in my judgment, to state that it is not that the Filipinos are losing confidence in the United States as some have contended; but, rather that they are gaining confidence in themselves.

In a speech on May 23, 1975, President Ferdinand E. Marcos outlined these guidelines for a new foreign policy:

"First, to intensify, along a broader field, our relations with the members of ASEAN;

"Second, to pursue more vigorously the establishment of diplomatic relations with Socialist states, in particular with the People's Republic of China and with the Soviet Union;

"Third, to seek closer identification with the Third World with whom we share similar problems;

"Fourth, to continue our beneficial relationship with Japan;

"Fifth, to support the Arab countries in their struggle for a just and enduring peace in the Middle East; and

"Finally, to find a new basis, compatible with the emerging realities in Asia, for a continuing healthy relationship with the United States."

As a result of a visit to Peking by President Marcos in June, 1975, the Republic of the Philippines established diplomatic relations with China. Such ties also exist with all of the Communist nations of Eastern Europe, except Albania and the Soviet Union and formalization of relations with the latter expected to be only a matter of time.

Efforts are being made to establish relations with successor governments in Indochina. At the time of my visit, however, the new government in Cambodia had not responded to a Philippine statement of recognition. Talks have been under way in Paris on the establishment of diplomatic relations with North Vietnam but initiatives have not yet been taken on the resumption of relations with Saigon.

The Philippines is a strong supporter of ASEAN which is seen as something of a fulcrum. Through this medium, Manila is seeking greater cooperation on economic matters and the creation of a "zone of peace, freedom, and neutrality" in Southeast Asia. The Republic is also moving to establish better relations with other Third World nations. One aspect of policy bears a relationship to the Muslim problem in the south since the Middle Eastern nations are sympathetic to their co-religionists in the Philippines. They are also the source of most of the petroleum used in the Republic. In Saudi Arabia, an impression was conveyed that the Arab states were prepared to do what they could to promote a reconciliation between the Muslims and Manila.

In Philippine eyes, as well as in Thailand's the SEATO organization has outlived its usefulness. However, the question of the Manila Pact has not yet been addressed, although it adds little to Philippine security since it overlaps the bilateral Mutual Security Treaty with the United States.

President Marcos has called for a reexamination of all U.S.-Philippine security arrangements. These arrangements consist of a Military Base Agreement which dates from 1947 and runs until 1991, a Mutual Security Treaty entered into in 1952, and a 1955 Military Assistance Agreement which forms the framework for the U.S. military aid program. The stress of the President's proposal is on the base accords.[3]

As a Pacific nation, the United States has interests in the region which are as extensive as the ocean; retention of the mutual security treaty with the Philippines is, presently, a major element in the military protection of those interests. Conversely, Philippine security comes under the umbrella of the same treaty. There is no desire on our part or on the part of Manila to terminate this accord. If anything, the latter's concern is that operation of the pact be more automatic. In this connection, the continued presence of U.S. forces at Clark Field and the Subic Bay Naval Base does act as something of an assurance of our immediate involvement in any attack on the islands.

The Air Force Base at Clark Field, 52 miles north of Manila, spreads over 131,000 acres, making it greater in size than the combined area of all U.S. air bases outside the continental United States. It covers such a vast area that squatters operating surreptitiously are said to have raised an estimated $10 million worth of sugar cane on base lands last year. The Subic Bay Naval Base complex occupies 36,000 acres of land and encompasses 26,000 acres of water. Much of the land within the boundaries of both bases is not used for direct military purposes.

Fifteen thousand U.S. servicemen are stationed at the bases, and they are supplemented by 47,000 Filipino employees. The 1974 budget for Clark and Subic was $232 million. The bases represent a major investment for the United States, a major payroll for the Philippines and the principal current issue between the two countries.

The Manila government has announced that in negotiations for a new base agreement, it will be guided by these principles: to give added impetus to Philippine self-reliance, to enhance respect for the territorial integrity and sovereignty of the Philippines and to help maintain a balance of power in the region. The United States has acknowledged Philippine sovereignty over the base area but, in fact, continues to exercise aspects of sovereignty. These carry-overs of the former colonial relationship are a major point at issue. What concerns the Philippines was clearly stated by President Marcos on July 7, 1975.

"We want to put an end to the practice of extra-territoriality in our country in keeping with our dignity as a sovereign Republic and in keeping with the developments of our times. We want to assume control of all U.S. bases and put them to a productive economic, as well as military use."

Negotiation of a new status for the bases, from the Philippine point of view, involve three main issues: (1) "Filipinization" of the bases or elimination of extra-territorial carry-overs; (2) use of portions of the bases for commercial purposes and economic development which can be on a joint basis; and (3) return of portions of the base lands.

Difficult negotiations may be ahead. It should be reiterated, however, that the Philippines government stresses that it has no desire to embarrass the United States. Nor, it should be added, do the U.S. commands at the bases fail to recognize that the old days of the dependency are over. Our forces can remain usefully in the Philippines only if their presence accords with today's realities which include a heightened sense of Philippine nationalism and a strong emphasis on self-reliance.

On the part of the Philippines, there is contemporary value in the contribution which the bases can continue to make to Philippine security, to regional stability, and to the economy. On the part of the United States the bases, as noted, are elements in the defense of the United States and its interests in the Pacific. The need is for a new relationship which will reflect these mutual interests in the light of altered circumstances. If both U.S. and Filipino officials approach the negotiations with a realistic understanding of their own and each other's needs, there is every reason to expect that a satisfactory agreement can be reached promptly.

Political and economic situation

The Philippines has been governed under martial law since 1972. President Marcos, who was twice elected under the old U.S. sponsored Constitution, has served as chief executive since 1965. His announced goal is the formation of a New Society, described as one "founded on social justice, the equal sharing of the increments of development, and participatory democracy" with reforms in the areas of "peace and order; land reform; economic development; the enhancement of moral values; government reorganization; educational reforms, and social services." Although the President has not announced plans to create a National Assembly as called for under a new 1973 Constitution, plebiscites have been experimented with from time to time in forms adapted from old indigenous political practices. The President recently referred to the possibility of forming an appointed consultative body, a Legislative Advisory Council.

There is no indication of when martial law will end. Nor are there any indications of a broad public demand for its termination. Visible evidences of martial law are few; there are far fewer uniforms, for example, on the streets of Manila than on those of Washington. For all practical purposes, the system amounts to rule by Presidential decree, with curbs on civil liberties. While the Catholic hierarchy, as such, is not actively aligned against martial law, some opposition does come from segments of the Church, particularly those which include a number of foreign clergy. A few members of the proscribed legislature are also outspoken critics. So, too, are certain old Filipino families of great wealth whose holdings and influence have been drastically curtailed and who charge that these perquisites have been shifted to others. In general, however, the improvements in public safety and economic well-being which are associated with martial law have won, at a minimum, general acquiescence.

There are two major insurgency problems in the Philippines. Both have roots which stretch back into pre-independence days. One is the New People's Army (NPA). It is a guerrilla organization based on Luzon which has an ideological base derived from Chinese communism. Its basic armed strength is estimated at 1,800. There is also the Muslim rebellion in the south centered in Western Mindanao and the Sulu Archipelago.

The rebellion traces back to ancient disputes between the Muslims who first occupied Mindanao in the 12th Century and the

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Footnotes at end of article.

Christians who arrived centuries later. It is a controversy which has been fueled in recent years by aid to the insurgents from Libya and Sabah and by encroachments on Muslim lands from an expanding Christian population intent in economic development. Estimates indicate that there are at least 5,000 Muslims under arms. The insurgency is a sensitive issue for the government internally since Muslims make up about 7 percent of the population. There is also concern over sympathy for the rebels from abroad which might lead to endorsement of a more activist policy by Muslim nations, especially those in a position to cut off most of the petroleum supply of the islands.

The Philippine military, which takes 15 percent of the national budget, has more than doubled in size largely because of the rebellion. About 80 percent of the combat forces are tied up in the south where they are suffering substantial attrition. About 75 were killed in action monthly during the first half of this year. According to U.S. officials, no U.S. military personnel are permitted to go into the combat areas and no U.S. personnel are involved in the military situation.

In Saudi Arabia, as noted, indications were received of the possibility of a negotiated settlement of the insurrection. It was said that agreement on a cease-fire hinged on autonomous status for Muslim areas within the Republic and a government-sponsored program of extensive social improvements. As of this writing, however, the government and the rebels seem as far apart as ever on the specifics of autonomy. Nor is there much likelihood of social and economic improvements being carried out in any substantial way while fighting is in progress.

Notwithstanding these internal difficulties, the performance of the Philippines' economy reflects considerable improvement over past years. The 34 percent rate of inflation in 1974 has declined drastically. Food prices are increasing now at an annual rate of only 5.5 percent while non-food prices are going up by 8.4 percent. By conservative appraisals, it is expected that the overall rate in 1975 will be 15–20 percent.

The Philippine government takes an active role in the economy which includes the planning of development and the imposition of price controls on some commodities. The reliance on imports is still heavy in order to meet consumer needs but this is expected to change as the new stress on independence and self-reliance extends more deeply into the nation's economic life. Last year exports were $2.7 billion and imports $3.1 billion. Nevertheless, the year ended with a $50 million favorable over-all balance of payments due to foreign capital inflow, foreign aid and tourism. It is estimated that the trade deficit for 1975 may reach $700 million, due in large measure to the decline in sugar prices and depressed market conditions for coconut products and lumber and the increase in the prices of imported items.

Japan is the leading exporter to the Philippines and the United States is second with 23 percent of the market. Forty-three percent of Philippine exports go to the United States and in 1974 they produced for that nation a favorable bilateral balance of $400 million. Private and official U.S. credits to the Philippines total nearly $3 billion U.S. equity investments have an estimated market value of $2 billion.

The expiration of the Laurel-Langley Agreement in July, 1974 ended all remaining bilateral tariff preferences with the Philippines. At the same time, U.S. firms lost their exemptions from general Philippine restrictions on foreign investment. This adjustment has been brought about without major problems and U.S. firms are reported to be doing well in the new situation. Negotiations have not yet commenced on a new treaty of commerce but the way has now been cleared by the passage of the 1974 Trade Act.

The Philippines receives assistance, mostly loans, from the United States and from international institutions. U.S. economic aid totaled $56 million in fiscal year 1975. At the same time, the World Bank provided $209 million in loans and is expected to furnish $250 million for FY 1976. Assistance is also provided through the Asian Development Bank which is headquartered in Manila, with some $100 million expected from the Bank in the current fiscal year.

While foreign investment is welcomed, it is admitted on a selective basis which is designed to enhance economic self-reliance and balanced development. Except in unusual circumstances, such as in newly opened areas, foreign equity is limited to 40 percent.

There is still a great gap in living standards between urban and rural areas. However, emphasis in development is being put on the rural areas and there are indications that its share of national income is increasing.

With one of the highest birth rates in the world, the Philippine population is growing rapidly. From 20 million at the time of independence in 1946 the increase has been to 42 million today and the total could reach 100 million by the end of the century. A majority of the country's population is under 16 years of age. In practical terms, the growth rate each year means 2 million mouths to feed and a requirement for 600,000–700,000 new jobs.

Petroleum

Exploration for petroleum offers the possibility of adding a strong stimulus to the Philippines economy. Thirteen major groups, primarily Filipino-U.S. joint ventures, hold concessions both onshore and offshore notably in the sea west of the island of Palawan. No strikes have yet been reported but extensive test-drilling has not yet taken place so it is too early to estimate the prospects.

All of the country's requirements of 70 million barrels of crude per day are now imported. The Mideast is the major source but increased amounts are coming from other sources such as Sarawak, Indonesia, and the People's Republic of China. Whatever the outcome of its own petroleum exploration, the Philippines intends to achieve independence from fossil fuels through development of geo-thermal resources and nuclear power. It is expected that this goal will be reached on the main island of Luzon by 1985.

Summary

In summary, the Philippine Republic is experiencing a period of growing national assertion and economic progress. At the same time, its ties with the United States which go back three quarters of a century are in transition. What is involved in this transition of principal concern to the United States are the vestiges of the previous dependency relationship which, in my judgment, no longer accord with the enduring interests of either nation. There is a need for a reshaping of attitudes and arrangements which will reflect the changes that have taken place within the Philippines and in the Pacific and the world. The future of the Philippines is bright and so, too, can be the outlook for continued cooperation and beneficial interchange with the United States if the adjustments which are now required are made in good time and are managed with sensitivity and understanding—on both sides.

V. POSTSCRIPT

China's petroleum potential

Reference has been made throughout this study to petroleum developments in the region of Southeast Asia.[4] Far more significant, are the developments associated with the People's Republic of China. There is widespread interest in the subject and it has prompted this postscript which is based on the latest information which was made available to me during the course of the mission. It supplements observations derived from my last visit to China in 1974 which were reported to the Committee in January 1975.[5]

Since that time, there have been additional indications that China may soon emerge as the world's next great oil producer. No one, not even the Chinese, knows the country's full petroleum potential, either onshore or offshore. Outside experts agree, however, that it is vast with estimates of reserves ranging from 30 billion to 60 billion barrels. China's peak production before 1949 was slightly more than 300,000 tons annually but by 1970 it had increased to 18 million tons. In recent years production has grown by more than 20 percent annually and in 1975 is likely to exceed 80 million metric tons. This rate of increase is expected to continue for at least the next five years. If this proves to be the case, 1980 production will be about three times the 1973 level. One observer wrote recently that "Peking appears likely to reach the current production level of Saudi Arabia by 1988 or thereafter" [6] (i.e., some 8 million barrels a day or 400 million tons a year). As much as half of that output could be available for export, a formidable factor in relationships with the oil-hungry nations of the world.

China is expected to export 8 million tons of oil to Japan in 1975, and smaller quantities to the Philippines, Thailand, North Korea, and North Vietnam. Exports to the Philippines are continuing at a rate of 14, 000 barrels per day and additional sales may be made to Thailand. Some difficulty has been encountered in refining Chinese crude to Japan, the Philippines, and Thailand where existing equipment is not designed to handle the high wax content.

New fields onshore in China are being brought in and drilling is proceeding at several offshore locations. Although there have been no announcements of offshore discoveries by the Chinese, some observers believe that the drilling now in progress is as much for the purpose of mastering techniques as it is to find oil. Drilling has been under way in the Po Hai Gulf for two years and commenced late last year in the Yellow Sea near Shanghai, with a Chinese built rig.

There has also been activity on one of the Paracel Islands, claimed by both Vietnams, and some prospecting around Hainan Island. An oil potential exists in the Senkaku Islands area which lie north of Taiwan and are claimed by China, Japan, and Taiwan. Apparently, there has been no drilling by American companies in any area disputed by Japan.

There is not only a great potential for oil along the continental shelf of Asia but also much potential for trouble in view of the many overlapping claims. Thus far, the United States has stayed out of these conflicts, and should continue to do so. In my judgment, an essential element of our policy is to discourage private U.S. prospecting in any areas in significant international dispute.

Excerpts from my January 1975 report to the Senate Foreign Relations Committee concerning China's oil situation are reprinted below:

Petroleum

In 1973 China entered the international oil market with the sale of one million tons of crude oil to Japan and, in the following year, entered into arrangements for substantial shipments to the Philippines. The latter commitment was made in conjunction with the well-received visit of Mrs. Imelda Romualdez Marcos, the wife of the Philippines President.

China has been self-sufficient in petroleum since 1965 and for several years prior to the 1973 sale to Japan, had been exporting petroleum products to North Vietnam, North Korea, and Albania. The Chinese are now looking to crude oil as a major earner of foreign exchange, to help finance increased

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Footnotes at end of article.

imports of industrial plants and equipment. The old slogan, "oil for the lamps of China," used by Western traders to exploit China for so long, has been given an ironic twist.

The continental shelf off China's shore, particularly the areas between Taiwan and Japan and under the Yellow Sea, are considered by many petroleum experts to contain some of the richest oil reserves in the world. China's coastline extends from the Bay of Korea in the North to the Gulf of Tonkin in the South and the continental shelf slopes gently out as far as 200 miles in some places. No one really knows how great the offshore potential is since exploration began only recently. Deep sea drilling rigs have been bought from Japan and additional exploration equipment has been purchased from the United States and other countries. However, most of the petroleum technology being used to develop China's oil resources, offshore and on land, is China's own. China recently announced, for example, the bringing in of its first offshore well in the Yellow Sea, using a rig built in a Shanghai shipyard.

There will be thorny international problems in developing some of the offshore oil potential along Asia's periphery. Following the publication of the result of a 1968 United Nation's sponsored geophysical survey of the Chinese continental shelf, Taiwan, Japan and South Korea each advanced overlapping claims to parts of the region. In December 1970 the People's Republic issued its claim to the continental shelf and to ownership of the Senkaku Islands, although the latter are also claimed by Japan and Taiwan. While U.S. policy is to lend no encouragement to exploration in the disputed areas, some U.S. companies have obtained concessions from Taiwan. Specifically, these corporations are Gulf, Amoco, Conoco, Oceanic, Clinton and Texfel. Several of the concessions lie off the Senkakus. However, no U.S. drilling operations have yet been conducted in that area but Amoco, Gulf and Conoco have been involved in drilling off the west coast of Taiwan in the Taiwan straits, with the work being done by American-owned vessels of foreign registry and manned by foreign crews. There have been no U.S. Government investment guarantees issued for these drilling operations.

There is also an oil potential in the Paracel Islands, southeast of Vietnam, claimed by both South Vietnam and China but occupied solely by China. In fact, the People's Republic had a drilling rig on one of the islands at the time of a military encounter there between the two countries in 1974. There are also conflicting claims of China, South Vietnam, the Philippines and Taiwan to the Spratly Islands which also lie to the southeast of Vietnam. With oil reserves an increasingly important asset, overlapping claims off the Asian littorals contain the seeds of very serious difficulties. While the United States should not shirk participation in international efforts to deal in a rational way with these difficulties, we should not provide government incentives or otherwise lend encouragement to companies which wish to plunge ahead with exploration and development in disputed areas.

In addition to an offshore potential, China has very promising internal oil bearing basins. In fact, the main emphasis is still on land exploration. Estimates of China's total reserves have been consistently revised upwards over the last ten years. Even approximate figures on how much oil China may have are not available. The general view, however, is that the potential is very great.

I was informed that China's oil production was now "in the same range as Algeria's, perhaps a little more." Chinese output is increasing at the rate of twenty percent annually. If this rate is maintained, it would push production to over 400 million tons by 1984, compared with an estimated 60 million plus tons in 1974, making China a major factor in the world petroleum trade.

China sold 5 million tons of crude oil to Japan in 1974, earning about $450 million, and is said to have committed 10 million tons for 1975. Smaller amounts have been sold to the Philippines and Thailand. There are also reports that China has offered to sell oil to U.S. companies. China's 1975 petroleum exports are expected to be double the 1974 level and to continue to climb as new production comes in. Output is limited only by a shortage of equipment and transport.

Some pertinent points about China's oil export potential are brought out by the following excerpt from a recent analysis:

"Peking's plans to expand oil exports substantially during the next five years are borne out by the construction of new oil-handling facilities at the ports of Chin-huang-tao and Tsingtao and the purchase of dredging equipment needed to make Chinese ports deep enough for large tankers of more than 50,000 DWT to transport oil for export. The tonnage of tankers in the Chinese international fleet has doubled in the past year and now totals almost 200,000 DWT.

"The goal of 50 million tons of crude oil for export in 1980 appears feasible. Reserves are large enough, even without production from offshore fields. If production accelerates, or even if it only continues to grow at 22 percent—the rate achieved during 1965–1972—the PRC could export 50 million tons in 1980 and still provide a generous leeway for using oil to modernize the economy."

As a developing country, China needs increasing amounts of petroleum. The potential for export, therefore, may not be as great as it seems at first glance although it should be substantial because the Chinese do not use energy or any other commodity for that matter in a wasteful or profligate manner. Indeed, if the United States followed even a part of the Chinese practices in the use of petroleum, this nation would be more than self-sufficient.

Eighty percent of China's energy is produced from coal, and coal reserves are estimated to be one-third of the world's total. Every province has some coal. Like oil, coal remains largely unexploited and could eventually become a major export earner.[7]

FOOTNOTES

[1] A map depicting petroleum exploration throughout Asia is included in the appendix.

[2] Viet Nam, Cambodia and Laos. Report by Senator Mike Mansfield. Printed for the use of the Senate Foreign Relations Committee, Washington, 1955.

[3] The texts of the base agreement and the treaty are included in the appendix.

[4] See Appendix A for map of regions of petroleum exploration.

[5] China: A Quarter Century After the Founding of the People's Republic. A report by Senator Mike Mansfield to the Senate Committee on Foreign Relations, January, 1975.

[6] Omitted.

[7] *Op. cit.*, pp. 25–27.

(The following remarks by Mr. HELMS were made later in the proceedings and are printed in this point in the RECORD by unanimous consent.)

Mr. HELMS. Mr. President, I listened with great interest to the remarks of the distinguished majority leader this morning concerning the situation in Asia. The Senator from Montana is known as an outstanding expert in this area, and he always commands respect when he demonstrates his expertise in such matters. Although I cannot always agree with his conclusions, I have a profound respect for his sense of the importance of things, his attention to detail, and his sensitivity toward the timing of events.

All of us are deeply indebted toward the distinguished senior Senator from Montana for calling to our attention the significance of the anniversary of the fall of Saigon, and its implications for present and future U.S. policy in Asia. I entirely agree that, in the words of the majority leader, it is time to take stock.

Yet I cannot quite agree that our role in Asia is limited to dispassionate concern, with no involvement in the future power structures of that area. Certainly it is not ours to dispose of the parts of Asia as though it were a fiefdom; yet the oft-cited "winds of change" can provide no reliable guide to our interests in Asia. The untrammeled winds are empty of lasting direction, and the ship without sail or rudder is soon lost in the storm.

The chief interest of the United States in foreign policy should be to create a world-wide environment in which individuals and nations are free to respond to their own desires and traditions. From the standpoint of altruism, such a policy will tend to enlarge the freedom of the individual everywhere; from the standpoint of pragmatism, such a policy will lead to an increase in the influence of the United States and a freer range of activity for our citizens. Such a policy is based upon our religious and social convictions. We believe in the moral responsibility of the individual for his actions, and we should strive to bring about a situation where the individual is allowed to make free economic choices, and where the political structures will support that basic moral freedom.

Thus the spread of totalitarian systems is not only a tragedy for the human beings who are crushed by totalitarian power; the spread of totalitarianism, step by step, limits the freedom of action of our own citizens. Our free system depends upon free cooperation with other nations; yet we cannot work with systems that are a direct contradiction of our social methodology and goals. In the short run, a free market system can be undercut on specific items by an economy dominated by ideological decisionmaking. The diplomacy of a free country cannot be carried on with secret meetings and unrevealed concessions. A nation that believes in morally binding commitments cannot be associated in any significant cooperation with one that believes in expediency.

Thus it is that the so-called policy of "containment," which has been United States policy for almost three decades, carries within itself its own destruction. "Containment" is essentially a negative policy which seeks to induce paralysis into the dynamic of world affairs. By refusing to make a whole-hearted commitment to freedom, we were drawn into such tragedies as Korea and Vietnam. It is this negative attitude toward our own interests and those of all men that has provided fertile ground for the spread of totalitarianism. Negativism always leads to aggressive war or to the surrender of independence. That is why it is disappointing to see my good friend, the distinguished majority leader, advocate policies that go beyond mere containment to a point that would require us to "accommodate"—to use his word—to whatever is brought by what he calls the "winds of change."

For example, the majority leader has interpreted the Shanghai communique to mean that the United States recognized "that the Chinese civil war was over" and that the eventual goal was full and formal normalization of relations between the People's Republic of China and the United States. By implication, our relationship with the Republic of China appears to be an obstacle to this goal, and the majority leader is at pains to point out that we continue to sell arms to Taipei, mostly for cash.

Yet it would be shortsighted on our part to abandon Taiwan to the Peking government, and to refuse to sell arms to a good customer. It doubtless would make little impression at all on Peking. For while Peking might welcome the practical effects of our abandonment of the government in Taipei, Peking would certainly wonder about the stability of relationship to a superpower that so easily abandons its friends. If Taipei is abandoned today, in favor of Peking, could not Peking be abandoned for Moscow tomorrow? The tradition of loyalty to friends is very strong in Asia, and credibility, once destroyed, is very difficult to reestablish.

The fact is, a strong Taiwan is much better for dealing with Peking than a weak Taiwan. If anything, a strong military presence in Taiwan is additional bargaining leverage, particularly when Taiwan is placed into its geopolitical relationship with Japan and Korea. Instead of suggesting that our presence in Taiwan and South Korea is a bargaining chip to be tossed away, we should make it clear that our presence is not affected by passing diplomatic fashions.

Moreover, no one can say at the moment exactly what we are bargaining with when we bargain with Peking. Both the United States and the Republic of China have had dramatic but stable changes of administration in the past few months; the change in the People's Republic of China is yet to come. Is the civil war really over? There are not many who are saying that this forthcoming change will take place uneventfully and without upheaval. Indeed the prevailing opinion is that the maneuvering of party factions and of commanders of military districts is just now beginning.

Mr. President, I ask unanimous consent that recent articles in the New York Times and the Wall Street Journal on the removal of Teng Hsiao-ping, and the sudden emergence of Hua Kuo-feng as the No. 2 leader on the Mainland be printed in the Record at the conclusion of my remarks, as well as the recent interpretative article by Victor Zorza from the Washington Post.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. From these articles it is clear that now is definitely not the time to begin any new approaches to Peking.

It is also clear too that this is no time to consider resumption of normal relations with North and South Vietnam. Such a resumption, if ever appropriate, certainly is not appropriate when we have no relationship of trust whatsoever with these governments. Reports on those Missing in Action cannot be used as a bargaining point. Such reports are an international humanitarian duty, not something to be haggled over. We should not even discuss improved relations, or trade, unless the MIA's are previously accounted for to our satisfaction.

I offer these remarks without great preparation, and simply as a few comments on the distinguished majority leader's statement. I entirely agree that discussion of these points is quite in order, and I am grateful for the opportunity which his remarks have offered.

(EXHIBIT 1)

[From the Wall Street Journal, Apr. 8, 1976]

CHINA'S HUA KUO-FENG IS HEIR-APPARENT TO MAO AS LEFTISTS ACT TO CURB MODERATES

(By Robert Keatley)

WASHINGTON.—China's political left moved quickly yesterday to squelch moderate opposition to its take-over of the nation's government and Communist Party.

But there remained about as much confusion as ever as to who is really in charge and what the changes will mean for Peking's foreign and domestic policies. There was little evidence that key personnel changes announced yesterday would bring radical practices to match official rhetoric.

Fired yesterday from all government and party jobs was Teng Hsiao-ping, the man chosen by the late Premier Chou En-lai to bring orderly leadership changes to China. In some experts' view, this marked the final collapse of Mr. Chou's attempt to give China political stability at the top, and to prevent factional fights.

In a double promotion, Hua Kuo-feng, who was named "acting" premier in February, was designated premier, succeeding Mr. Chou, and first chairman of the Communist Party. This ranks him just below Chairman Mao Tse-tung and makes him heir-apparent to the elderly leader who has commanded the party for decades.

The changes followed public protests against the leftists earlier this week in Peking. Some experts believe the protests came while top leaders were meeting to solve the political impasse, and were organized by moderates to show that they, too, have mass support. If so, the effort backfired. The personnel changes, which couldn't have occurred without Chairman Mao's approval, put Mr. Teng out of work and left the political future of other top moderates in doubt.

For some reason, though, Mr. Teng, who had been deputy premier, army chief of staff and vice chairman of the Communist Party, wasn't booted out of the party itself. The official announcement said the party's central committee "unanimously agrees to dismiss Teng Hsiao-ping from all posts both inside and outside the party while allowing him to keep his party membership so as to see how he will behave in the future." In theory, at least, this leaves open the possibility of a comeback.

What will happen next is uncertain. American experts think they understand the forces and issues involved in this long-running political fight. But they have little sense of the personalities involved. For example, they don't know how much personal power Premier Hua wields. He is believed to have received the job as a compromise of leftists and moderates, rather than as a man committed strongly to the left wing of Chinese politics.

Much of the dispute also revolves around support for, and opposition to, Chiang Ching—Madame Mao. It is believed that leading moderates resent the political prominence gained by this former movie actress who is a member of the ruling politburo. She plays a major role in Chinese arts, giving them a blatant propaganda theme that has earned the scorn of, among others, the deposed Mr. Teng. Some Chinese conservatives consider her a female usurper of power, a familiar figure in Chinese history.

Thus the Peking protests on Monday included posters praising Mr. Mao's first wife, who was killed by the Nationalists in 1935. Others denounced Indian Prime Minister Indira Gandhi, another woman who grabbed power, while some denounced the empress dowager who ruled China about the turn of the century. These are all considered to be indirect criticisms in Chinese fashion, of Chiang Ching herself.

So far there isn't any indication of the leftists' next move. They could reform the coalition of moderates and ideologues that has run China for several years, now that their chief enemy, Mr. Teng, has been deposed. Or the left could move against remaining moderates, particularly economic officials, who were the late Mr. Chou's close associates for years.

Behind these personality fights are fundamental questions about China's future. They represent a clash between Chairman Mao's efforts to reform society quickly and the moderates' efforts to avoid upheavals that might cause a repeat of the political battles and economic disruptions of the 1960s.

For example, the leftists want to prevent creation of a Soviet-style bureaucratic elite that could become, in effect, a new ruling class. They don't want senior government, party and economic posts going to the sons and daughters of officials while ordinary workers and peasants are excluded from power. They also oppose great differentials in living standards between workers and officials and between cities and the countryside.

The moderates resist much of this. They say that China needs experts trained in modern management and science and that it can't scrap all traditional methods. For instance, they want entrance examinations and grades at universities and favor more acquisition of foreign technology than does the left. Such differences affect most other aspects of Chinese production, education and social practices.

So far, though, China's relationship to the U.S. isn't involved—though it could be later. Premier Hua met with former President Nixon recently, as did Chairman Mao. Though Mr. Nixon sent Washington a disappointing summary of these talks—devoted more to his own thoughts than to what the Chinese said—the main message was clear: U.S. relations remain important to Peking.

It is assumed the reason is the one that prompted Premier Chou to greet American leaders in 1972. Peking still views the Soviet Union as its main ideological adversary and security threat, so limited ties to the U.S. are considered an important counter balance.

The firing of Mr. Teng from the politburo means there are four vacancies on that highest ruling body (the other vacancies were caused by the deaths of elderly officials). How those posts are filled will tell much about the nature of Chinese leadership over the next few years. In the long run, though, most U.S. experts believe moderates will take command, because the country can't afford to put the left's radical ideas into practice systematically. Military and provincial leaders, among others, are believed to oppose the leftists' policies, although more top-level turmoil is expected in the near future.

Premier Hua's new title of first vice chairman of the party is one that may give him more prestige than top security. The previous first vice chairman was former defense minister Lin Piao, killed in an airplane crash in 1971 and currently reviled as an enemy of Chairman Mao. The heir-apparent before him was chief of state Liu Shaochi. He was deposed in 1968 as a Maoist foe and hasn't been seen since.

[From the New York Times, Apr. 8, 1976]

CHINA NAMES HUA PREMIER AND MAO'S PRINCIPAL AIDE; TENG OUT, LINKED TO RIOTS

(By Joseph Leylveld)

WASHINGTON, April 7.—The selection of Hua Kuo-feng as First Deputy Chairman of the Chinese Communist Party today appears to designate him as the successor not only to the late Chou En-lai but eventually the party's aging Chairman, Mao Tse-tung.

Mr. Hua's elevation in the party hierarchy coincides with the disgrace of Mr. Chou's own choice as a successor, Teng Hsiao-ping. Coming within two days of rioting in Peking's Tien An Men Square, the move appeared to be an urgent attempt to end the rancorous successior struggle that has unsettled China since Mr. Chou's death on Jan. 8.

Analysts reached here and by telephone in Hong Kong agreed that the leadership shifts represented an attempt at a compromise rather than a clear-cut victory for the so-called "radical" faction that has led the campaign against Mr. Ten as an "unrepentent capitalist roader."

Mr. Hua is aligned with none of the factions that have waged intermittent struggle in China for a decade now, and that is perhaps the main reason for his stunning rise to a position in the party that places him second only to Chairman Mao.

The late Mr. Chou was first deputy chairman of the Communist Party in fact but never in title. The last time the title was used it was held by Lin Piao, the military commander who was named for a time in the party constitution as Mr. Mao's "chosen successor."

Mr. Lin fell into disgrace in 1971 and died, reportedly while fleeing China, in a plane in the Mongolian People's Republic after what was later described as an attempted coup.

That incident—in addition to the fall of Liu Shao-chi in 1967 and the fall of Mr. Teng today—serves as a reminder that designated successors cannot count on succeeding in China.

Until today, Mr. Hua was not even a member of the standing committee of the Politburo, which normally has eight members. In being named as First Deputy Chairman, he was catapulted ahead of two prominent figures from Shanghai, Dang Hung-wen and Chang Chun-chiao, who are generally mentioned as leaders of the "radical grouping."

CHOU ADVISER REAPPEARS

Further evidence of a compromise could be found in the reappearance of one of Mr. Chou's closest advisors, Li Hsien-nien. A Politiburo member and a Deputy Premier, Mr. Li had not appeared in public since Jan. 16, the day after a memorial service for the late Prime Minister that proved to be Mr. Teng's last public appearance.

Today, as Mr. Teng was being stripped of all his government and party posts, Mr. Li emerged to receive the new Laotian Ambassador to China. The announcement of an otherwise routine diplomatic encounter may well have been intended to reassure officials throughout the country who might have felt threatened by Mr. Teng's fall.

Mr. Li, as Finance Minister and China's leading economic planner, is closely identified with policies that the radicals have assailed as "revisionist." The fact that he retains his positions indicates an intention to maintain continuity on policies and to limit the purging to Mr. Teng.

The official announcement seemed to reflect the sense of urgency and even haste with which the top leadership had moved to prevent a recurrence of the popular protests that culminated on Monday in an attempt to set fire to the building in Peking that houses the Ministry of Public Security.

From the standpoint of the leadership, the most alarming aspect of the protest was not the rioting itself but the slowness with which the authorities in Peking moved to suppress it. This was especially the case since the protests could easily be interpreted within China as being against policies carried out in the name of Chairman Mao.

Evidence of haste could be found in the fact that Mr. Hua's elevation in the party was announced before its formal approval by the Central Committee. Similarly, the announcement that he was now fully confirmed in his position as Prime Minister came without the rubber-stamp approval of the National People's Congress, or its standing committee, which is technically required by the Constitution China promulgated only last year

Mr. Hua was named Acting Prime Minister in February, a month after the death of Mr. Chou, who had served as Prime Minister since the Communists came to power in 1949. Mr. Hua is known to few foreigners but held an impressive array of posts, serving simultaneously as a Deputy Prime Minister, Minister of Public Security, the Politburo member with primary responsibility for agriculture and party leader in Chairman Mao's native province of Hunan.

His designation as successor to Mr. Chou came as a surprise, but that was only a routine promotion in comparison to his designation today as heir apparent to Chairman Mao, who is 82 years old and frail.

CHOICE CALLED MAO'S

The official announcement stressed that the promotion came "on the proposal of our great leader, Chairman Mao." The same phrase was used to describe Mr. Teng's dismissal from all his posts.

This was in sharp contrast to the announcements in January 1975, after meetings of the Central Committee and the National People's Congress, that Mr. Teng had been named a deputy Chairman of the party and that he ranked first among the 12 Deputy Prime Ministers. Mr. Mao had stayed away from those meetings and there was never any indication that he had approved of the decisions made at them.

Mr. Teng's rise and fall in the last year provides one of the most extraordinary episodes in the serpentine course of recent Chinese politics, for he has now risen twice and fallen twice. A decade ago, at the start of the Cultural Revolution, he was reviled as a "demon" and "freak" and purged from his post as secretary general of the Communist Party.

TENG GETS FULL BLAME

He was then absent from public view for more than six years, reappearing only on April 12, 1973. His second fall from grace—the result, it appears, of fears that he would attempt to settle scores with his tormentors of Cultural Revolution days—came in slightly less than three years.

The announcement of Mr. Teng's fall appeared to place the entire blame for Monday's "counterrevolutionary incidents" on his shoulders. Although he was allowed to retain his party membership, it was stated that "the Teng Hsiao-ping problem has turned into one of antagonistic contradiction" is central in Chairman Mao's political thought. In his best-known formulation on the subject an "antagonistic contradiction" is contrasted to a "contradiction among the people." In effect, the announcement branded Mr. Teng as a "class enemy," which means he will be an outcast until he offers a contrite confession.

However, there was no hint that Mr. Teng's followers might suffer the same fate.

Analysts speculated that the armed forces might have played a role in today's attempt at a resolution of the struggle, but that role and even the identity of the key military leaders in Peking continued to be cloaked in secrecy.

Among the long list of unanswerable questions that can now be raised, the most interesting have to do with Chairman Mao himself. At his last meeting with a foreign visitor, he was reportedly too weakened to bid his guest farewell. Yet the whole trend of recent events suggests that he is still able to play a decisive role.

The time in which this will continue to be the case is obviously limited. Thus his closest adherents remain under considerable pressure to reshape policies and the leadership while they can still count on his protection.

[From the Washington Post, Apr. 9, 1976]

THE PEKING RIOTS: A STRUGGLE FOR THE FUTURE

(By Victor Zorza)

The new rioting in Peking is an intimation of the explosive forces welling up below the surface of China's political life. Ten years ago, the first riots of the Cultural Revolution posed the question of what might happen to China—and to the world—if order broke down in a country of 800 million people.

Estimates vary, but the number is now, more like 900 million—and the pressures on China's resources, the need for new development policies, and arguments in the leadership about the best course to take, are greater than ever. This is what is really behind the riots in Peking, though it is expressed in the form of differences between those who want a more fitting commemoration of the death of prime minister Chou En-lai, and those who want to play it down.

The formal restraint which marked Chou's funeral in early January, and which was widely accepted as characteristically Chinese, was of course a move in the struggle for the succession. Its significance became apparent when the man he had groomed to take over his own office, Teng Hsiao-ping, was toppled from power at the beginning of February, when the post of "Acting Prime Minister" was given to the Minister of Publice Security, Hua Kuo-feng. The new man seemed to establish himself rapidly in a position of power, and engaged in an elaborate process of image-building by hobnobbing with a succession of foreign visitors, such as ex-President Nixon. But the fact that he needed to do this so urgently was also an indication that his position was less secure than it seemed, and a confession of weakness on his part.

The formal dismissal of Teng announced Wednesday, and the confirmation of Hua's appointment as prime minister, may seem to make his position more secure—but the realities of Peking politics are more complicated than surface appearances. Hua is now in the direct line of succession to Mao—which means that the rivals for the position will have more reason than ever to seek his undoing. Mao has had two recognized "successors" in the past, Liu Shao-Chi and Lin Piao—and they were both topppled soon after they obtained that position. The most dangerous place to be during a succession struggle is that which is closest to the top.

So far as personalities are concerned, it is really Hua who has been under attack in the massive Peking propaganda campaign whose ostensible target is Teng Hsiao-ping, prime minister he may be, but propaganda media are largely under the control of the radicals. They were able to mount a ruthless and sustained campaign of obloquy against Teng Hsiao-ping himself when, as deputy prime minister during the last year of Chou's illness, he was in effect the manager of the country's affairs. They did it by indirection, by publishing extensive allegorical articles about the wrong doings of Confucius 2,000 years ago, but they did it effectively—and he could not stop them.

The press campaign further undermined Teng's power by showing that he was in no position to control it, and it was one of the factors that ultimately contributed to his downfall. In the same way, the more direct attacks against Teng in recent weeks reveal the weakness of Hua's position. Hua worked closely with Teng during the past year, and was largely responsible for the re-imposition of discipline on the radicals and on the work-force throughout the country. This was a necessary step before the orderly economic progress which was the hallmark of Teng's own program could be instituted. From the radicals' point of view, Hua could be even worse than Teng—he was younger, he was in direct command of the police in his capacity as Minister of Public Security, and he was widely believed to owe his rapid promotion over the past year or two to Mao, who brought him to Peking from his own native province of Hunan.

To accuse Teng Hsiao-ping of wanting to restore capitalism in China and to revive the alliance with Russia, as the radicals have been doing, is to imply that Hua, who has worked so closely with him, is equally guilty. Chinese press articles of clearly radical inspiration use against Hua the ammunition provided by Mao's old sayings. They speak of traitors who want to seize power—but they don't mean just Teng. "We have already seen through some of them, but not others." How close to the top are those "others"? "Some are still trusted and are being trained as our successors," they quote Mao as saying, and the description fits no one better than Hua. They are "persons like Khrushchev, for example, who are still nestling beside us." But could this really have been aimed at the country's acting prime minister? Some of the allegories are almost too transparent. Confucius is under attack again, this time for following a "reactionary" policy when he occupied 2,000 years ago the position—you've guessed it—of "acting prime minister."

The indirect attack compels an indirect response. Hua cannot say publicly "I am not a Khrushchev," any more than he can say "I am not a crook." What the radicals are attacking are the moderate policies of Chou En-lai, as implemented first by Teng and then by Hua. But the moderates' effort to defend them, and to counter-attack the radicals by mounting a massive campaign to honor Chou En-lai after his death, was thwarted by the radicals' control of the information media. But Hua controls other channels of communication, and he was thus able to spread the word around Peking that the authorities expected the populace to place paper wreaths at the Monument to the Martyrs of the Revolution. When the radicals, recognizing this for the challenge it was, attempted to remove the wreaths, 30,000 people poured into Tien An Men, the Square of Heavenly Peace, to provide a demonstration of the power that the moderates can mobilize, and a warning that they too are prepared to stand up and fight, as the radicals have done in the riots they have mounted in the past.

The reason the riots are potentially more explosive now than they were 10 years ago, at the beginning of the Cultural Revolution, is that China is now entering the final stage of the battle for the succession. There are many signs that each faction feels that it must grab power now, before Mao leaves the scene, if it is to have any chance of exercising it in the future. He is 82, and is showing obvious signs of debility. Those who are in control at the time of his death would be able to claim that they have inherited his mantle, and to exercise power in his name. They may reckon that this is something worth fighting for—even at the risk of civil war.

But behind the struggle for power is the struggle over policy. The issue, as is clear from the material that has emerged in the campaign against Teng Hsiao-ping, concerns the future of China as a world power. The "moderates" now want to jerk China out of the state of economic backwardness to which the Maoist agricultural model condemns it. They want to propel it into the worldwide process of industrial and technological development, so that China may take within a generation a leading place in the world concert of powers—a place to which they feel it is entitled by reason of its population, resources and history. The "radicals" act as if they believed that China's political development should be arrested and frozen into the Maoist mold by means of holding back its economic development.

And in the wings stands the Kremlin, waiting to see which way the cat is going to jump, fearful of a power that could before long have the capacity to overwhelm Russia, wondering whether to wait passively, or to stir up dissension in order to exploit it in its own interest. Soviet broadcasts to China have already taken it upon themselves to defend Chou En-lai against his radical detractors—and also to accuse Mao of having poisoned Chou. That way lies trouble.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Massachusetts (Mr. BROOKE) is recognized for not to exceed 15 minutes.

AMNESTY

Mr. BROOKE. Mr. President, 1 year ago, Americans witnessed the last agonizing days of the Vietnam war. And there are few who can forget those frightening pictures of that precipitous helicopter withdrawal from the U.S. Embassy or of that tragic crash of that baby-laden Air Force jet.

Those pictures were a terrible and all too vivid reminder of the war itself, a national nightmare haunting both ourselves and the ideals we cherish. But to a people tired of the lies and deception that perpetuated that war, those pictures confirmed in an instant what the lies and deception had suppressed for a decade.

Small wonder then that a tired people were willing to wring their hands over the Vietnam war. Small wonder that a tired people were all too willing to forget the war altogether. But in our haste to forget, we have forgotten that the war is not yet over. Yes, our soldiers are home; our guns are silent. Yet the war lingers, its tattered remnants refusing to disappear despite our collective amnesia.

Somewhere in those distant Southeast Asian jungles 1,300 Americans are and have been missing in action. For many years I have urged both the executive and the legislative branch to do all within our respective power to obtain a full accounting of these men. I even went to Vietnam and Laos in 1973 to discuss this matter with friends and foe alike. To be sure there has been some progress. But it has been agonizingly slow, and we must continue our efforts until we have a full accounting for every American who is missing in action.

Yet even if our MIA's could be quickly accounted for, there still exists a vestige of the Vietnam war which cries out for attention. It is a vestige composed of literally thousands of young Americans. Some are here in this country; some are abroad. But wherever they are, they live in virtual exile, evaders of a draft they held unconstitutional and immoral, or deserters of an army for which they could not in good conscience fight.

Just as the Vietnam war cannot and will not be over until we get a full accounting of our MIA's, so too it cannot and will not be over until we bring these men home. Home to their families. To their friends. To their country.

To his credit, President Ford tried to come to grips with this issue in marked departure from his predecessor. Indeed, not 10 days passed in his new administration before the President appeared at a Veterans of Foreign Wars Convention and told them that he would initiate a clemency program designed to bring our men home. Such a program would, in the President's words, restore "the essential unity of Americans."

But on September 15, 1975, 1 year after its inception, the Presidential Clemency Board concluded its task far short of the President's goal. In its 12 months, the Board processed 21,500 individual cases, 6,000 of which were immediately disqualified, because the applicant's period of service fell before the August 4, 1964, cutoff date. Of the remaining 15,000 cases, 43 percent received pardons without any attendant alternative service; 51 percent received pardons with alternative service requirements; and 6 percent were denied pardons altogether. And of those who agreed to alternative service, nearly half have for one reason or another not lived up to that agreement.

I supported the President's program. I felt it was a step in the right direction. I wanted it to work. But not 3 months went by before the program's critical weaknesses revealed themselves. To begin, it became clear that the case-by-case approach was both arbitrary and discriminatory, forcing the Clemency Board to probe the motives of thousands of young men. This simply could not be done in a fair, equitable manner. In addition, it became clear that the deadlines established by the Board were hopelessly inadequate. So hopeless in fact that the original January 31, 1975, deadline was quickly stretched to March 31. Yet, even after the 3-month extension, many men still refused to take part in the program, because of its punitive nature. Proponents argued that the program would make these men employable again. But such claims were disputed not only by the men themselves; they were disputed by the Department of Justice which said the program did not, in the Department's words, "guarantee anything." And to the American Civil Liberties Union, a pardon for many men was simply an undesirable discharge by another name.

To no one's surprise, the end of the clemency program had not brought an end to the division amongst our people. Many young men were still in exile. Indeed, the United Church of Christ's Center for Social Action estimates that there are 7,500 men who acquired Canadian citizenship during the Vietnam era. These men cannot even visit this country, because of a law denying entry to anyone who obtained foreign citizenship in order to "avoid or evade service or training in the Armed Forces."

In addition, there are 4,400 individuals who registered for the draft but who still face legal jeopardy for other selective service violations; 4,200 individuals who are listed by the Department of Defense as "deserters-at-large"; and an estimated 100,000 persons who never registered for the draft at all, but who face a possible sentence of 5 years imprisonment and a $10,000 fine.

The clemency program has come and gone, leaving these men as they had been: fugitives out of conscience. And it is clear to me that your country, my country, and yes, their country can no longer and should no longer deny them the right to come home. For we will not be one country until they are home.

I believe that to bring them home, to finally unite our people after our most tragic foreign war, our Government should extend unconditional amnesty to each and every American who evaded the draft or deserted from his military duties. And it should be done now. For amnesty is not only the best way to heal the wounds of the Vietnam war. I believe it is the only way to heal the wounds of the Vietnam war.

I am well aware that to many amnesty has a forbidding ring. And this despite the fact that American history is replete with examples of amnesty. To be sure there has never been an amnesty on the scale of what is needed today. But the question before the American people is not one of numbers; it is one of principle. And that principle is soundly embedded in our history. Since 1795 there have been 38 amnesties or general pardons. And in no instance was alternative service a requirement.

We were perhaps most magnanimous after our own Civil War. Torn apart by a bloody, brutal struggle which set neighbor against neighbor, friend against friend, family against family, our Nation cried out for compassion, for healing, for reunification. And no one knew this better than Abraham Lincoln, who said in his second inaugural:

> With malice toward none; with charity for all; with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in; to bind up the nation's wounds; to care for him who shall have borne the battle and for his widow and his orphan—to do all which may achieve and cherish a just and a lasting peace, among ourselves and with all nations.

Now many will say that there is a great distinction between a civil war and a foreign war, that the two are in no way comparable. I do not deny the distinction. But at the same time I do not think anyone will deny that the Vietnam war tore at our delicate social fabric like no war since the Civil War. And just as amnesty repaired our social fabric then, it can repair our social fabric now.

For those who have forgotten the intensity of the opposition to the Vietnam war, we should remind ourselves that it was not just our children who said no, but Americans of all ages, of all races, of all walks of life who said no. Many distinguished military men raised their loud voices in the chorus of criticism. And perhaps loudest of all were politicians: Senators, Congressmen, Governors, and Presidential candidates.

Recently I went back over my own speeches from those years and reread them. I was not and do not claim to be the hardest critic of the war. But I did introduce and fight for the first and only, I believe, amendment to pass the Senate with the stipulation that no further funds could be used for the war effort in Vietnam. And I did say in 1971:

> Vietnam has absorbed our energies and our attention for many years. The war is a moral matter, as well as a military and political one. And it fully mertis the moral attention which has been directed to its termination.

We must end, I said, the "devastating and indiscriminate destruction of helpless Asian people."

Rereading this and other passages I found myself wondering what I would have done had I been an 18-year-old facing the draft and heard my Senator say the war must end, that it was a moral matter, that it fostered indiscriminate destruction of a people.

I thought back to 1942 when I was eager to serve in the great struggle against Adolph Hitler. I well remember that time. Men rushed headlong to enlist. Our cause was never more just. There were no Senators saying the war was immoral, no Presidential candidates vowing to end the war if elected. And if there was any social stigma, it afflicted those who could not serve or could not help. Those of us in uniform were respected and admired. We were proud to wear the uniform and proud of what it stood for.

But if the pressures were great to enlist in World War II, they were equally great to resist in the Vietnam war. If there was a clarity of purpose so evident in World War II, there was a confusion of purpose in Vietnam. If there was reason for young men like myself to believe in our purpose in World War II, there was legitimate reason for young men to doubt our purpose in Vietnam.

I do not know if many in my generation can grasp the enormity of the difference between Vietnam and the Second World War. And perhaps that is why so many more veterans of my vintage oppose amnesty than veterans of the Vietnam era. But that difference is crucial to understanding why we need unconditional amnesty rather than a clemency program to heal the Nation's wounds. For the fact is that the Vietnam war was so intertwined with the attendant domestic upheaval that we cannot now or ever hope to sort out the complex conscientious decisions of the thousands of young men who felt they could not fight. Indeed, we should not even try.

And the beauty of amnesty is that we do not try. For amnesty is a process of forgetting, not forgiving. We do not say a man was right; we do not say a man was wrong. What we do say is that a compassionate and understanding people are willing to forget a man's past actions in order to reunite our Republic. It is a magnanimous act by a courageous people. On the other hand, the clemency approach, an approach still under consideration in the Congress, can be vengeful, subjective, and incriminating. It divides; it does not heal. It dredges up the war; it cannot put that war behind us. It prolongs our ordeal; it will not resolve it.

Now critics of amnesty, and I have heard from many of them, raise many questions and put forth many arguments. Most frequently, they argue that amnesty demeans the sacrifices of those brave men who did go to Vietnam and who lost their lives or were badly wounded. I think this statement was first articulated by Richard Nixon and I think it unfortunate. For nothing can demean the very great sacrifices of the men who died or who were seriously wounded. They have served their country with honor and courage in perhaps its very darkest hour. We are and we always will be in their debt for their ultimate sacrifice.

But let us not forget the very great sacrifice of those who would not fight in this war. Let us not forget that these men gave up their families, their friends, and their homeland out of moral conviction. They gave up everything they had and everyone they knew, and often with the belief that they could never come home again.

I do not think we as a nation should keep these men from their families and friends any longer. It has been a year since the fighting has stopped and 3 years since the last U.S. combat troops left those distant jungles. Nothing we do can bring back the courageous men who lost their lives there. But if we are the wise and compassionate country which I know we are, we can bring home our young men who evaded or deserted and finally put this tragic episode behind us.

A second criticism I hear is that amnesty will bring home men who evaded or deserted for less than honorable reasons. And it probably will. For a program of this size cannot possibly be expected to separate all the chaff from the wheat. But I say if it has imperfections, so be it. A general, unconditional amnesty is an all-encompassing, compassionate act of healing. If there are imperfections, they are outweighed by the promise of peace amongst our people that amnesty brings.

Still another criticism is that amnesty would weaken the rule of law that is so very vital in our democracy. Some even suggest that our country would be unable to muster the needed men should new hostilities break out. But there is no reason to believe such claims. We have had amnesties before and we have never failed to muster sufficient manpower whenever it was needed. Moreover, such abstract claims thoroughly ignore the peculiar nature of the Vietnam war. For many of our young men, it was not "war" but the Vietnam war to which they objected. Just as it was for the Vietnam war that a majority of U.S. Senators voted to cut off funds by 1972. To those who say the rule of law would be weakened by amnesty, I say far more damage was done to the rule of law by those who continually lied about the war in order to prolong it.

Hannah Arendt, the very distinguished political philosopher who passed away late last year, has said that America seems to believe that amnesia, not amnesty, is the best means of putting this tragic war behind us. And I think she was right. For rather than humanely and compassionately forgetting the acts of the men who deserted or evaded, we seem all too willing to forget the men themselves.

I, for one, cannot believe that this is what this country wants. I cannot believe that a country which places so high a value on freedom of conscience wants to turn its back on those who exercised that freedom.

I cannot believe that we want to continue on the vengeful, punitive course set 10 years ago when the turmoil over the war first erupted.

We in this country have a choice. We can prolong the Vietnam agony by prolonging the agony of these men and their families. Or we can take the compassionate step of amnesty and put that agony behind us.

I feel very strongly and very deeply that we must choose compassion over vengefulness, amnesty over amnesia. My feelings are rooted in the heat of battles I witnessed as an infantryman in the U.S. Army fighting behind enemy lines in Italy. I think I know only too well the trauma and tragedy of war. I know only too well what words like death and honor and courage mean in wartime. I have been there. And nothing will ever diminish my respect for the courage and honor of our fighting men.

But my feelings are also rooted in a desire to unite this country. That is why I have cosponsored Senate bill 1145, a measure introduced by our most distinguished colleague Senator PHILIP A. HART, to provide amnesty to persons who failed or refused to register for the draft, refused induction into the armed services, or who were absent without leave from the armed services during the Vietnam war era. To the lasting credit of my courageous friend from Michigan, this legislation is the best vehicle for my colleagues in the Senate to successfully resolve the question of amnesty.

Mr. President, the fighting in Vietnam is over. Let us now end the fighting here at home. Let us once and for all put this war behind us. Let us grant unconditional amnesty to our young men who would not and could not fight in this war. Let us bring them home to their families, to their friends, to their country. Only such a humanely compassionate act can finally bind the wounds of war, particularly this war we all want to forget.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Vermont (Mr. LEAHY) is recognized for not to exceed 15 minutes.

Mr. HOLLINGS. Mr. President, before he gets into his speech, will the Senator yield for a unanimous-consent request?

Mr. LEAHY. I yield.

Mr. HOLLINGS. I ask unanimous consent that Mary Jo Manning of my staff have the privilege of the floor during the speech of the Senator from Vermont.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEAHY. Also, before I begin my speech, Mr. President, I ask unanimous consent that Judy Hefner have the privilege of the floor during all debates and votes today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE STRENGTHS AND WEAKNESSES OF UNITED STATES AND SOVIET NAVAL FORCES

Mr. LEAHY. Mr. President, in recent months, we have witnessed a barrage of newspaper and magazine articles comparing the strengths and weaknesses of United States and Soviet military forces. Those articles in too many instances have been simplistic, and, in my view, overly pessimistic. What we are seeing are meaningless comparisons of numbers, without any serious efforts to explain their real significance.

I have been particularly disturbed by the often misleading use of data on the sizes, and capabilities of the United States and Soviet Navies, and on the trends in shipbuilding efforts by the two countries.

For example, an Associated Press story on Secretary of Defense Rumsfeld's appearances before congressional committees reported the following from his testimony:

> Procurement of Soviet naval ships . . . over the 1965–1975 period exceeded the United States by 70% and by 90% in 1975.

The article also made the following assessment on shipbuilding trends:

> Soviet naval shipbuilding capability has been expanded and has produced about 800 ships since 1965, while the United States during the same period produced about 300 naval ships. . . .

A recent Newsweek article states:

> At sea Soviet combat ships outnumber America's by 5 to 4. . . .

And an article appearing in Aviation Week emphasized the point that—

> . . . the Soviets have outbuilt us by 1,000 to 112 in amphibious ships, small combatants and auxiliaries.

Looking only at such raw data, one could easily conclude that the Soviet Navy is either far superior to ours, or at least is rapidly expanding while our Navy is experiencing an equally rapid decline.

Reports such as these and the charts, graphs and maps that often appear with them, bear witness to the wisdom of Poe's narrator in "The Murder in the Rue Morgue" when he said, "Yet to calculate is not in itself to analyze."

The facts are that in several important respects the Soviet Navy is no larger in 1975 than it was in 1965.

As Secretary of Defense Rumsfeld stated earlier this year:

> Soviet naval peacetime presence increased sharply in the late 1960's but now appears to have stabilized at a level below that of the overall U.S. presence.

For example, in 1965, the Soviet Union had 336 attack submarines; in 1975, it had 253. In 1965, the Soviet Union had 150 destroyers; in 1975, it had only 85. The number of oceangoing escorts, such as frigates and destroyer escorts, has remained relatively stable—103 in 1965, as compared to 105 in 1975.

I do not mean to imply from these figures that Soviet naval strength is waning or even stabilizing. Of course, these numbers, like all others, must be analyzed in the light of the overall military situation. I cite these figures only to point out that simple comparisons of numbers can also be used to show that the Soviet Navy is declining in size.

Mr. President, with the defense budget eating up almost a third of Federal expenditures, taxpayers are entitled to a calm, reasoned explanation of the facts regarding the relative naval strength of the United States and the Soviet Union.

And we in the Congress must make our judgments on the proposed shipbuilding program on a reasonable and informed basis, rather than on the basis of simplistic comparisons we have been hearing.

I do not claim to have all the answers. This is a complicated area and many factors are involved. But we should closely examine these numbers—break them down into categories, examine the missions of the various types of ships, and look at their capabilities and limitations.

Recent hearings in the Armed Services Committee have provided a chance to explore these questions and the controversial numbers game. The testimony presented has helped to clear up some of the misconceptions that have been created.

For example, there has been a great deal of controversy concerning the strength of our submarine fleet vis-a-vis that of the Soviet Union. But I think before discussing those numbers, a distinction must be made between ballistic missile submarines and attack submarines.

One of the missions of the surface fleets and attack submarines is to track, and in event of hostilities destroy, enemy ballistic missile submarines. On the other hand, the primary mission of ballistic missile submarines is to provide part of the nuclear deterrent, and not to serve as antiship or antisubmarine weapons.

Comparisons of numbers of ballistic missile submarines would be useless without consideration of the other components of the United States and Soviet Union nuclear arsenals. Therefore, I will limit my remarks today to a comparison of attack submarine strength.

In 1965, the United States had 169 attack submarines, of which 29 were nuclear powered and 140 diesel powered. By 1975, that force had dropped to 73. Due to the phasing out of the older, less capable diesel submarines, 62 of the remaining submarines are nuclear powered, compared with 29 before.

In 1965, the Soviet Union had 336 attack submarines, of which only 12 were nuclear powered. By 1975, that force had shrunk to 253, because the Soviets were also phasing out their diesel-powered submarines. The 1975 Soviet submarine forces had 75 nuclear-powered submarines compared to our 62; and 178 diesel-powered submarines compared to our 11. As the Soviets continue to phase out their older diesel-powered submarines, their total attack force will drop until around 1980 when it will probably stabilize at about 200 to 230 submarines. Coupled with their new construction of nuclear-powered submarines between now and then, the number of diesel-powered submarines in their fleet will still far exceed ours.

The rate of Soviet attack submarine construction has decreased since 1960 because of an increased emphasis on ballistic missile submarine construction. Between 1961 and 1965, the Soviets built 99 attack submarines; between 1966 and 1970, they built 49; and between 1971 and 1975, they built only 29. Comparable figures for the United States show that we built 12 between 1961 and 1965; 27 between 1966 and 1970; and 20 between 1971 and 1975.

Although the Soviet's rate of attack submarine construction has clearly been declining, the large numbers of such submarines constructed in the early 1960's gives them a large and modern fleet. In this area, the United States is behind the Soviet Union in numbers.

However, it is important that we keep in mind the differences in the capabilities of the two submarine fleets. It is generally acknowledged, for example, that our submarines run quieter than Soviet submarines, making them more difficult to detect and destroy. Furthermore, our antisubmarine warfare capabilities are better than the Soviets, because of the large number of antisubmarine warfare aircraft on our aircraft carriers. On the other hand, many of the new Soviet attack submarines are being equipped with antiship cruise missiles which can pose a threat to our surface vessels from great distances.

All things considered, the disparity in numbers, capability and ages between the actual submarine forces is a real cause for concern which must be addressed by the Congress in coming months.

An area in which I believe the true picture has been especially distorted in press reports is that concerning the comparison of numbers of major surface combatants. When this category is discussed, the United States is usually shown to be rapidly losing ground to the Soviet Union. However, important distinctions can be made if we look at the types of ships that are classified as "major surface combatants."

The accepted definition of a "major surface combatant" is a ship of more than 1,000 tons, a ship considered to have open-ocean offensive capability.

When we are told that the Soviet Union has 227 major surface combatants compared with our 196, we must remember that 107 of those Soviet ships, or almost half, are relatively small ocean escorts of the *Petya* and *Mirka* classes, which displace only 1,200 tons.

Unfortunately, when comparisons are made in the press, they usually fail to mention the comparative sizes of the ships involved. Our *Nimitz*-class aircraft carriers displace over 90,000 tons; our cruisers weigh 11,000 tons; and our destroyers weigh 7,600 tons. So, when final comparisons are made without adequate explanation, they are in effect comparing apples with oranges.

While both the smaller Soviet ocean escorts and the larger ships are considered major surface combatants, there are definite limitations on the operations of the smaller ships in comparison with the larger ones. They must seek shelter in heavy seas, necessitating their separation from the task force of larger ships they are escorting; and they need refueling and resupply more often than larger ships, thereby restricting their range of operations.

The Navy has stated that it is unlikely that the *Petya* and *Mirka* classes of ships would be utilized in a convoy interdiction role or to attack ships on the open ocean, especially if those ships were part of a task force of naval ships.

In marked contrast, the U.S. Navy has only a handful of these less capable ships in its inventory of 196 major surface combatants.

However, the numbers that are usually cited in comparing trends in Soviet and U.S. shipbuilding since 1960 are the numbers of "major surface combatants" built by each country. In doing so, the smaller, less capable ships are lumped into the same category as the large aircraft carriers, cruisers and destroyers. This is clearly absurd. When this is done, we see the Soviet Union building 140 major surface combatants since 1960, and the United States only 124.

But if we break these numbers down into two categories—major combatants over 3,000 tons, and those between 1,000 and 3,000 tons—the resulting figures are much more favorable to the United States.

Since 1960, the United States has built 122 ships over 3,000 tons, while the Soviet Union has built only 57. Between 1961 and 1965, we built 48 to their 14; between 1966 and 1970 we built 38 to their 19; and between 1971 and 1975 we built 36 to their 24. Clearly, we are maintaining our edge in the construction of large oceangoing naval vessels.

Gen. George Brown, Chairman of the Joint Chiefs of Staff, stated in January:

> The overall force level of Soviet major surface combatants is expected to gradually decrease slightly over the next decade.

To illustrate the scant importance the Navy gives to the smaller surface combatants—those under 3,000 tons—we built only 2, both between 1961 and 1965, while the Soviet Union has built 83 since 1960.

Added to these comparisons must be a consideration of the capabilities of the centerpiece of the U.S. Navy, the aircraft carrier. At the end of 1975 we had 14 aircraft carriers and 7 helicopter carriers carrying 473 fighter aircraft, 836 attack aircraft and 199 ASW aircraft. The Soviet Union had 3 helicopter carriers with only 53 ASW aircraft aboard. The relative capabilities of these aircraft must of course figure into any equation of the antiship and antisubmarine capabilities of the two navies.

A Soviet advantage in this area that helps them to overcome this imbalance is in the number of shore-based aircraft capable of performing antiship missions. The Soviet Union has a total of 480 bombers, including the new Backfire bomber, capable of these operations.

However, in the category of shore-based patrol and ASW aircraft, the United States has a total of 450 aircraft, compared with the Soviet Union's 360.

Mr. President, the additional hundreds of Soviet ships we hear and read so much about are accounted for by 1,175 minor surface combatants built by the Soviet Union since 1960. The fact is that these ships have no real offensive capability, but are designed to be shore patrol vessels. They pose no threat to the ability of our fleet to carry out its primary missions. We have built only 17 ships in the same period, but it appears that our strength in this area is adequate to meet our needs.

In addition, we have the Coast Guard whose vessels are not usually included in naval strength comparisons as are Soviet coastal defense ships. Since 1967, the Coast Guard has built 12 high endurance cutters which are about the same size as destroyer escorts, 3,000 tons. As I have pointed out, almost half of the Soviet major surface combatants are 1,200 tons, considerably smaller than these cutters. These Coast Guard vessels are highly capable antisubmarine warfare platforms and must be included in any comparison of the two navies.

Furthermore, any analysis of United States and Soviet military strength must take into consideration the navies of allied nations. The facts are that our NATO allies have important naval forces. I recently toured many of our NATO installations on behalf of the Armed Services Committee. Topranking officers of our Mediterranean fleet made a point of emphasizing to me the significance of the contribution of our NATO allies to our naval strength.

Conversely, the Warsaw Pact allies of the Soviet Union maintain mostly smaller ships for their coastal defense and could provide only a few major vessels to any Soviet maritime effort.

Mr. President, as we approach this year's debate on the defense authorization bill, we must look beyond simplistic comparisons of military and naval strength. I have tried to examine some of these comparisons in an effort to illustrate the complexities involved in comparing two different navies with two different sets of missions.

The size of the Navy has developed into a major issue this year. The President has requested $6.3 billion for shipbuilding. The House Armed Services Committee has authorized $7.4 billion. A debate on the size of this portion of the budget based only on the total number of ships in the United States and Soviet navies would, of course, be meaningless. We must go beyond mere numbers and explore questions that are basic to the issue of the future size and composition of the Navy.

What are the goals of our foreign policy that the Navy can help achieve? For it is these goals which essentially determine the primary missions of the Navy.

Is it possible to fulfill them with the present shipbuilding program or a lesser one? If not do we spend more money for more ships? Or, do were define those goals and with them the missions of the Navy?

The answers to these questions will determine the size of the shipbuilding portion of the budget this year and for the next several years. The overall size of the Soviet Navy is not the main issue. What is important is the capability of that Navy now and in the future to prevent the U.S. Navy from fulfilling its missions.

In response to a written inquiry I submitted during the Armed Services Committee hearings on this year's shipbuilding program, Admiral Doyle, Deputy Chief of Naval Operations for Surface Warfare, perhaps placed this whole issue in its proper perspective. Admiral Doyle wrote in part:

> The Soviets build their Navy to deny us the accomplishment of our mission. We should not attempt to make our Navy a mirror image of theirs. We must not lose sight of our mission which is to conduct prompt and sustained combat operations at sea. We, therefore, must build ships which will accomplish that mission. Comparisons using numbers of ships or sizes of ships can be misleading. We need to build a balanced Navy that can support U.S. military strategy.

At the same time that we address these basic questions, we should also consider some of the other major issues presently confronting the Navy.

Should the Navy continue building large aircraft carriers, or should it shift emphasis to smaller less expensive models?

Is it necessary that all major surface warships be nuclear powered?

Why are most major shipbuilding programs behind schedule?

What are the reasons for the rapid escalation in shipbuilding costs?

Why does the request for new shipbuilding continue to grow while the large backlogs in ship and aircraft maintenance continue to exist?

Mr. President, in debating these questions and seeking to find the correct answers to them, we must not allow ourselves to use simple comparisons of numbers than can so easily lead to emotional arguments about who is No. 1. Such arguments are best left to the sports pundits, as they offer little or nothing to an informed defense debate.

As Secretary of State Kissinger put it so well last month:

> No service is done to the nation by those who portray an exaggerated specter of Soviet power and of American weakness . . . The weaknesses and frustrations of the Soviet System are glaring and have been clearly documented. Despite the inevitable increase in its power, the Soviet Union remains far behind us and our allies in any over-all assessment of military, economic, and technological strength.

It is true that the Soviet Navy does in some respects have increased capabilities. It is also true that the Soviet Navy has changed its deployment patterns. But these facts are not reason to overstate Soviet naval strength. As Secretary of the Navy Middendorf recently emphasized:

> The United States Navy has major assets not possessed by the Soviet Union, such as superior aircraft carriers, quieter submarines, and more highly qualified personnel. Therefore, there is little validity to the charge that we are falling farther and farther behind the Soviet Union in seapower.

For the fact is that our Navy has also been increasing its capabilities, even while declining in actual number of vessels. Our Navy still has several major advantages over its Soviet counterpart. We must exert every effort to maintain these advantages. And the extent of those efforts will in large part be determined by Congress.

But our supply of dollars is not inexhaustible. Therefore, we must examine the proposed program and ask ourselves if that program is indeed, an effective and efficient use of our limited defense dollars. We cannot do that without examining the real questions and issues involved.

The PRESIDING OFFICER (Mr. Mansfield). The time of the Senator has expired.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the following Senators are to be recognized for not to exceed 5 minutes except for the Senator from California (Mr. Cranston), for 15 minutes, and the Senator from Kentucky (Mr. Huddleston) for 10 minutes: Senators Kennedy, Hollings, Humphrey, Muskie, Haskell, Hathaway, Clark, Bumpers, Bayh, McGovern, Church, Proxmire, Cranston, Glenn, Gary Hart, Philip A. Hart, Metcalf, Jackson, Biden, and Huddleston.

Mr. KENNEDY. Mr. President, there is a consent agreement on the time. There are a number of Senators present who have requested time. If it is acceptable, I ask that the time be combined and that we have an opportunity to enter into a dialog for not to exceed the total time. This way we feel that we will best be able to present the views of the participating Members.

The PRESIDING OFFICER. In response to the distinguished Senator from Massachusetts, that has already been agreed to by the Senate, so it is up to the group to proceed as they wish.

Mr. KENNEDY. I thank the Chair. Mr. President, I ask unanimous consent that the joint letter announcing this colloquy may be printed at this point in the Record.

There being no objection the letter was ordered to be printed in the Record, as follows:

U.S. Senate,

Washington, D.C., April 8, 1976.

Dear Colleague: On Tuesday, April 13, 1976, we intend to reserve time on the Senate floor during the morning hour for a series of five-minute speeches on tax reform.

We hope that you will join us in support of this effort to discuss the state of the nation's tax laws, and that you will come to the Senate floor to participate in the series of statements.

April 13 is one of the last days the Senate is scheduled to be in session before April 15, the deadline for millions of ordinary taxpayers to file their tax returns for 1975. We believe that this agonizing time for the average citizen is an especially appropriate time for members of the Senate to state our views on tax reform and our goal of making the Internal Revenue Code more equitable for the nation's taxpayers and more efficient for the nation's economy.

As you know, the Senate Budget Committee has already provided a useful assist for this effort, by its recommendation of a $2 billion reduction in tax expenditures as part of the forthcoming First Concurrent Budget Resolution for fiscal year 1977.

We look forward to being with you on the Senate floor on April 13. If you wish to join this effort, please call Mary Jo Manning in Senator Hollings' office (4–6121).

Sincerely,

Edward M. Kennedy, Ernest F. Hollings, Hubert H. Humphrey, Edmund S. Muskie, Floyd K. Haskell, William D. Hathaway, Dick Clark, Dale Bumpers, Birch Bayh, George McGovern, Frank Church, William Proxmire, Alan Cranston, John Glenn, Gary Hart, Philip A. Hart, Lee Metcalf, Henry M. Jackson, Joseph R. Biden.

Mr. KENNEDY. Mr. President, at this time I thank the leadership for affording us the opportunity to make this presentation here this morning, 2 days before the American people file their income tax forms, on an issue which we think is basic and fundamental in terms of economic justice in this country.

We have a number of our colleagues who are ready to speak.

I wonder if perhaps the Senator from Kentucky (Mr. Huddleston) would start us off, followed by the distinguished Senator from Maine, who has been the chairman of the Committee on the Budget. The Committee this year has committed the Senate, in an action which I completely and wholeheartedly endorse, to try to reduce tax expenditures by $2 billion. But perhaps the Senator from Kentucky will start off.

(Mr. HELMS assumed the chair.)

Mr. MANSFIELD. Mr. President, will the Senator from Kentucky allow me to proceed for 1 minute so I will not interfere with the sequence?

Mr. HUDDLESTON. I yield.

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be permitted to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

WOOL ACT PAYMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 684, S. 532.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 532) to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BELLMON. Mr. President, S. 532 is a bill which technically creates a new entitlement under the National Wool Act of 1954, but in fact, this bill does not create a new entitlement program. This bill deals with a one-time inequity, and as such is more like a private bill than an entitlement.

S. 532 concerns a limited number of growers who failed to receive the full proceeds from their sale of wool because of defaults in payments by their marketing agency. The proposed amendment to the Wool Act would allow price support payments to be computed on the basis of the lesser of net sales proceeds based on the price the farmer or rancher would have received had there been no default of payment or the fair market value of wool at the time of the sale.

This bill was introduced to correct inequities which occurred under existing law which prevented the USDA from making price support payments to wool growers in Colorado and other Western States who sold their wool to a company that went bankrupt. The wool was actually sold but the growers were never paid.

Mr. President, as a member of the Budget Committee, I am concerned about any new entitlement program which would automatically increase Government spending. However, because this bill corrects inequities that were never intended by Congress when the National Wool Act was passed and is a one-time situation, and only involves an estimated $150,000, I give my support to this bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order that the amount of such payments may, in the case of any rancher or farmer, be computed on the basis of (1) the net sales proceeds received, or (2) in the case of any rancher or farmer who failed to realize the amount provided for in the sales document, the lesser of the following: (A) the net sales proceeds based on the price the rancher or farmer would have received had there been no default of payment under such document, or (B) the fair market value of the commodity concerned at the time of sale.

SEC. 2. The Secretary of Agriculture is further authorized to reconsider any application filed for the payment of price support under the National Wool Act of 1954 with respect to any commodity marketed during the four marketing years 1969 through 1972 and to make such payment adjustments as he determines fair and equitable on the basis of any amendment to regulations made under authority of the first section of this Act.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

TAX REFORM

Mr. HUDDLESTON. Mr. President, I thank the distinguished Senator from Massachusetts, and I commend the Senator from Massachusetts (Mr. KENNEDY), the Senator from Maine (Mr. MUSKIE), the Senator from South Carolina (Mr. HOLLINGS), and others, who scheduled this colloquy today on the very important subject of tax reform.

One of the keenest disappointments that I have had during the 3 years that I have served in the Senate is that there has been no substantial improvement in our entire tax system.

Inequities still exist. The complexities still exist; and, as a matter of fact, they even have increased.

It is very important to note that, as the Senator from Massachusetts has pointed out, we are still 2 days away from the deadline for filing Federal returns for this year. Millions of Americans will be filing their tax returns. Yet, I think it is safe to say here that not one can be sure that he is filing a correct tax return. Virtually every taxpayer will pay either too little or too much. So I think this is a matter that deserves our attention.

Mr. President, as the dreaded date, April 15, draws closer, we are reminded more than ever of the need for tax reform. For years the American taxpayer has demanded, and elected officials have promised, true reform. Yet, a cursory review of the tax code clearly shows that no progress has been made and we are in fact losing ground. The simple and succinct income tax law of 1913 which contained approxmately 8,000 words has grown into a Frankenstein monster of almost 2,000 pages, riddled with complexities and exceptions. However, the code is only the tip of the iceberg. The regulations, which supposedly explain what the code means, run to almost 5,000 pages, the IRS rulings on what the regulations mean fill more than 100 volumes, and the interpretations of all this by the various Federal courts fill thousands of additional pages.

If the sheer size of the code and interpretative spinoffs do not convince one of the need to make substantive changes in the law, an attempt to read and comprehend the various provisions would convert almost anyone to this point of view. The tax "technocracy," of which the Congress is a part, has mastered the art of obfuscating intent and meaning to the point of absurdity. An example of this art is the section dealing with collapsible corporations where one can find a single sentence containing over 600 words. When faced with this overpowering mass of conflicting verbiage, it is no surprise that highly qualified tax experts readily admit that even they are not certain about what many of the tax provisions mean. And, if the tax experts do not understand the tax laws, there is little hope that the average taxpayer can find his way intelligibly through this jumble of words.

Unfortunately, the 1975 individual tax forms offer no relief for the harried taxpayer. The somber message by the Commissioner of Internal Revenue on the face of the form 1040 package states that—

> I am sorry to say that the 1040 form is more complex than last year's and this package is larger than last year's.

The comprehensibleness of tax instructions has long been a problem. The Department of Health, Education, and Welfare conducted a study using the 1971 individual income tax forms and instructions which concluded that a taxpayer would probably have to read at the level of a college graduate to be able to comprehend the entire contents. More disturbing is a recent study by Dr. Fred Pyrczak, Jr., associate professor in the School of Education of California State University. His 2-year study concluded that college graduates with highly developed reading abilities are functionally illiterate when faced with reading the familiar form 1040 and instructions issued by the IRS. Mr. President, I ask unanimous consent that Dr. Pyrczak's study be printed in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUDDLESTON. Mr. President, even if a taxpayer has the exceptional reading ability required to wade through the instructions for form 1040, he or she still may not receive all the tax benefits which are available under the law. The detailed, 193-page instruction booklet for preparing individual tax returns informs the reader in small print at the bottom of the inside cover that the instructions may not be entirely in conformity with existing law. The explanation states that—

> There are, however, some matters covered in the publication on which certain courts have taken a position more favorable to the taxpayers than the official position of the Service. Until these varying interpretations are ultimately resolved by higher court decisions or otherwise we must necessarily continue to state the Service viewpoint.

In other words, unless a taxpayer can afford the added expense of an attorney or qualified tax preparer, he or she will have to rely on what the IRS says and, thereby, lose benefits that are legally available by court decision.

Another frustrating aspect of this situation is that a taxpayer cannot even rely on direct IRS advice on which the courts may not disagree. A California taxpayer who had incurred a net operating loss in his business of over $10,000 went to the IRS for assistance. In claiming a loss-carryback adjustment he followed the advice of the IRS agent only to later have the IRS reduce the deduction. In its decision on the case, the tax court pointed out it is "well settled" that incorrect IRS advice is not binding. It appears from this that discussing tax law is very much like discussing religion—one does not know for certain if what he has said is true until a higher authority has spoken.

Although the Internal Revenue Service makes a sincere effort to provide taxpayers with accurate advice in preparing their returns, its track record is dismal. In a survey conducted by its agents posing as taxpayers they found that taxpayer assisters arrived at the wrong answer over 70 percent of the time. Fortunately, the IRS appears to have made improvements in its taxpayer assistance division.

The obvious implication of this is that the average taxpayer is caught in a bewildering maze of confusing laws and conflicting interpretations and must turn to commercial and professional tax preparers in increasing numbers. Almost half of the American taxpayers now have someone else prepare their returns. Our complex tax laws have spawned an industry that now totals some 250,000 persons and firms which collect preparation fees of over $600 million annually. By our failure to keep the tax laws under control we have in effect created a tax-on-tax in the form of preparation fees. But, even the professionals cannot master the Tax Code. However, it is highly questionable that the taxpayer is receiving his money's worth for these services. An astounding 74 percent of the 1971 commercially and professionally prepared returns contained errors according to IRS estimates.

The cost of all of this concusion is exceedingly high in both dollars and loss of confidence in our system of Government. The Federal tax system probably affects more citizens personally than any other aspect of our Government, and the impression it leaves carries over to every other phase of the governmental process. A loss of confidence and respect at this level will naturally have a ripple effect on other Government activities. Thus, the integrity of the tax system is far more important than the actual dollars it brings in and a high priority of this Congress must be to protect this integrity.

During the Bicentennial of our great country we should remember that one of the sparks which set off the Revolution was a dissatisfaction with taxes. Today, we might very well be facing another taxpayer revolt of a less volatile nature. The very heart of our tax system is voluntary compliance. Without significant cooperation by taxpayers the U.S. Government would lose literally billions of dollars in taxes, and no increase in the enforcement bureaucracy could reverse these losses. An excessively complicated tax code discourages the honest taxpayers and offers thousands of hiding places for the dishonest. If allowed to continue this will ultimately destroy our voluntary tax system.

I believe that a point has been reached where we must make substantial changes in the tax laws and many tax experts agree. For example, a committee of the New York State Bar Association produced an excellent report on the complexity of the income tax several years ago and stated therein that:

> This committee is unanimously of the view that the present course of development of the tax law, if not reversed, may well result in a breakdown of the self-assessment system. Indeed, some members believe that the breakdown has to some extent occurred.

From all indications the evaluation of this committee is quite accurate. Tax dodging has become widespread and currently results in substantial losses to the Treasury. Some estimate that annually there are deficiencies of approximately $6 billion as a result of deliberate or accidental inaccuracies. Unfortunately, the auditing power of the IRS is not as broad and pervasive as many people are led to believe and only a small percentage of these deficiencies were recovered through audits.

While a large percentage of taxpayers are underreporting on their returns, many others are refusing to even file returns. Some estimates place this number at well over 1 million a year.

Taxpayer unrest and dissatisfaction is spreading and is being encouraged by tax resistance organizations. An ominous sign is a poll in 1973 which revealed that over 70 percent of the American people would be sympathetic to a tax strike.

Mr. President, one way to deal with the problems I have outlined is through simplification of the Tax Code. While reducing the complexity of the law is not a panacea, it does represent a viable approach to the issue of tax reform which should be thoroughly explored. Simplification could follow two lines. First, I believe that existing laws can be explained more clearly to the taxpayer. Dr. Pyrczak's study demonstrated that rewriting sections of the 1040 instructions resulted in a 25-percent increase in comprehension. While the Department of Treasury is necessarily confined by the actual complexity of the tax laws when preparing instructions, I believe that a greater input from individuals with an expertise in reading ability and comprehension could improve the readability of tax instructions. Too often those who specialize in a highly technical field sometimes lose the touch of how to really communicate with the average person.

Secondly, there must be substantive changes in the Tax Code. The existing tax laws are a crazy quilt of ambiguous provisions that have been pieced together over a period of years without an overall tax policy as guide. Most of these provisions were added with the intent of producing greater equity, but the end result has been to complicate the code to the extent that many are now counterproductive. To be completely fair and equitable the tax laws should take into consideration as much as possible the needs and differences of individuals. However, this can be carried to extremes and in the end the total efficiency and effectiveness of the tax system suffers.

I believe that we must recognize that the Tax Code is a dinosaur which will continue to grow until it dies of its own weight unless we act to eliminate the muddle of laws and regulations. Whether we want to go as far as Secretary Simon, who would "wipe the slate clean of personal tax preferences, special deductions and credits, exclusions from income and the like," is a matter that must be given long and careful consideration. Since the Tax Code does provide hidden subsidies for many segments of the economy such a move would have a far-reaching impact in many areas.

Simplification of the Tax Code has long been recognized as a worthwhile goal and is even incorporated into the Tax Code. Section 8022(2) provides that it shall be the duty of the Joint Committee on Internal Revenue Taxation:

> (A) To investigate measures and methods for the simplification of such taxes, particularly the income tax; and
>
> (B) To publish, from time to time, for public examination and analysis, proposed measures and methods for the simplification of such taxes.

Although the committee has done a commendable job in dealing with the many facets associated with tax legislation, it is regrettable that the last major report on simplification of the income tax was in 1927. I would sincerely hope that with the increased demands for tax reform that the joint committee would give serious consideration to a major effort in the area of simplification.

Simplification of the tax laws is a worthy and significant aspect of tax reform but it is in no way the only matter that should be of concern to us. A simplified Tax Code may still contain inequities and it is these inequities that we must also strive to eliminate. Our goal must be to devise a tax system which requires each taxpayer to pay his or her fair share taking into consideration the needs of the individual and the ability to pay.

We, of course, must not delude ourselves into believing that the whole Tax Code can be reduced to a form that can be understood by the average citizen. The American economy is a highly complex machine which is designed to meet the needs of a sophisticated society and technologically advanced industries and the Tax Code must reflect these complexities. Notwithstanding these obstacles it is still possible to make substantial improvements in the tax structure through simplification.

Mr. President, the existing tax law is so interspersed with exceptions and ambiguities that it almost defies comprehension by the most intelligent people. And, it is so complex that attempts to assess its fairness only end in frustration. By midnight of April 15, millions of American taxpayers will have filed tax returns—not a a single one can be sure his is correct. Virtually every taxpayer will pay too little or too much. Because of these deficiencies, I urge that the Senate make every effort to pass a tax reform bill this year which would eliminate inequitable provisions and simplify, insofar as possible, the rest.

EXHIBIT 1

READABILITY OF "INSTRUCTIONS FOR FORM 1040"[1]

(By Fred Pyrczak)

Every year, most adult Americans must file a federal income tax return. Many read the written instructions provided by the Internal Revenue Service (IRS) and prepare their returns themselves; many others pay professional tax consultants to prepare their returns. For the last seveal years, I have asked my graduate students, almost all of whom are public-school teachers, to indicate by a show of hands how many have their returns prepared by professional tax consultants. Surprisingly, a majority in most classes have raised their hands. A number of different reasons have been given for using professional consultants: some believe that they pay less in taxes by using consultants; some believe that they will encounter fewer legal problems if a return prepared by a consultant, rather than by themselves, is questioned by IRS; some say that it is just too much trouble to prepare the returns themselves; and some say that the directions are too confusing and difficult to read and comprehend. The latter reason was the stimulus for the pilot studies reported in this paper.

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[1] Some of the research reported in this paper was supported by an NSF Institutional Grant awarded by the California State University, Los Angeles.

The purpose of the studies was to estimate the readability of the "Instructions for Form 1040" (hereafter called "Instructions") and to explore ways in which their readability could be improved. The discussion section of this paper presents some suggestions for teachers who would like to use the "Instructions" as reading material in their classes.

FIRST PILOT STUDY

The readability of the "Instructions" was first estimated by applying the readability formula developed by Dale and Chall (1948 a, b). The formula takes account of the difficulty level of individual words and sentence length. Although the Formula is old, it is still highly respected. Guilliland (1972, p. 93), for example, states that "Of the formulas discussed in this section, validations of the Dale-Chall formula have produced the most consistent, as well as some of the highest correlations."

Method

Passages of approximately 100 words were selected from every third page of the "Instructions" for 1973, beginning with the cover page and ending with the beginning of the tax tables. The passage selected from each page began with the first complete sentence on the page. The Dale-Chall formula was applied to these passages.

Results

Analysis with the Dale-Chall formula revealed that the set of passages had a corrected grade level of 9 and 10. This result indicates that students who have ninth and tenth grade reading skills should be able to answer about one-half to three-quarters of the questions that might be asked on the material in the "Instructions." Thus, the Dale-Chall formula predicted that the "Instructions" might be appropriate for use as ninth and tenth graders, but that reading skills somewhat above the tenth grade level would be required for a person to comprehend the "Instructions" well enough to prepare an accurate tax return. It is well known that many Americans cannot read as well as the average tenth grader. For example, Eaton (1974) reports that approximately twelve million Americans age 14 or older cannot even read as well as the average fourth grader. The results of this pilot study, therefore, indicate that a significant number of Americans lack the reading skills necessary to comprehend the "Instructions" as presently written.

The results of this pilot study failed to explain why some graduate students who have highly developed reading abilities have reported to me that they have difficulty comprehending the "Instructions." The answer to the apparent paradox may lie in the fact that the Dale-Chall readability formula is not definitive. Materials that contain subtle variations in meaning, vague and ambigous words and phrases, etc. may be more difficult than predicted by the Dale-Chall formula. Thus, it seemed desirable to undertake another pilot study in which the ability to read the "Instructions" was actually measured.

SECOND PILOT STUDY

In the second pilot study, a test of the ability to comprehend the "Instructions" was prepared and administered to graduate students.

Method

A reading comprehension test based on the "Instructions" for 1973 was constructed by this writer.[2] The test consisted of 24 items.

Twelve of the items were vocabulary items such as the following:

Penalty for Not Paying Tax—

A *penalty* is used to:

A. explain a rule.

B. enforce a law.

C. excuse a person.

The stimulus word for each of the first ten vocabulary items consisted of the first word value above the fourth grade level according to the Dale-Chall list on every other page of the "Instructions." The stimulus words for the last two items (attributable to and acquired) were selected by this writer because they seemed to be among the most difficult in the "Instructions."

The other twelve items were principles-and-cases items that present principles from the "Instructions" and require examinees to apply the principles to specific cases. The following is an example:

"Political contributions" means a contribution or gift of money to . . . . any group organized and operated exclusively to support the nomination or election of one or more candidates seeking Federal, State, or local public office, for use by that group to further its purposes.

Mrs. James donated $25 to a labor union that was supporting Mayor Teem for reelection. Is Mrs. James' contribution a political contribution?

A. Yes

B. No

C. This cannot be determined from the information given.

The test was administered to graduate students in education. Almost all were public school teachers who were attending classes in the evening to earn Master's degrees.

Results

The mean and standard deviations of the corrected scores[3] on the vocabulary items were 10.91 and 1.50, respectively (N-35). Thus, it appears that most of the examinees knew the meanings of most of the words. On the principles-and-cases items, the mean and standard deviation of the corrected scores were 5.64 and 3.01, respectively (N=35) By even the most liberal criteria, the average examinee seems to be illiterate in terms of this type of reading ability

THIRD PILOT STUDY

The purpose of the third pilot study was to determine if the readability of the "Instructions" could be significantly improved.

Method

The percent of examinees who passed each of the principles-and-cases items was computed. Passages on which difficult items were based were carefully examined for potential sources of difficulty. These passages were revised to make them more readable. In some cases, the revisions consisted merely of substituting a less difficult word or phrase for a more difficult one. In other cases, major structural changes such as the following were made:

1. Original passage:

Schedule G, Income Averaging.—It may pay you to use the "averaging method" if after subtracting $3,000 from your 1973 taxable income (line 49), the balance is over 30 percent of the total of your taxable income for the last four years (1969 through 1972).

2. Revised passage:

Schedule G, Income Averaging.—To find out if it will pay you to use the "averaging method," following these steps:

(1) Add up your taxable income for the last four years (1969 through 1972).

(2) Multiply the result of step 1 by .30.

(3) Subtract $3,000 from our 1972 taxable income.

(4) If the result of step (3) is greater than the result of step (2), it may pay you to use the "averaging method."

The revised passages and the associated principles-and-cases items were administered to the same graduate students mentioned earlier. With the revised passages, the average corrected scores was 7.56 (63% of the items). It was reported earlier than with the original passages, the average corrected score was only 5.64, which represents only 47% of the items. Thus, an increase of 16 percentage points was obtained just by revising the passage and without a single moment spent in reading instruction. (Cast in other terms, the results show that the average performance with the revised passages was approximately 25% better than the average performance with the original passages.)

DISCUSSION

The pilot studies indicate that a significant number of Americans may have difficulty comprehending the "Instructions" and that the readability of the "Instructions'" can be significantly improved. More definitive studies, using samples of subjects more representative of the adult American population, are needed to check on these results.

In the meantime, reading teachers may wish to conduct reading lessons using the "Instructions" as reading materials. As reading materials, these should have a great deal of intrinsic appeal to many students because of their practical nature. In some cases, reading teachers may find it desirable to use the "Instructions" as reading materials because the ability to read them is an implicit part of the local curriculum. McDonald and Moorman (1974), for example, report on a locally developed test that is used to screen high-school students in the Phoenix Union High School District. Some of the items in the original pool measured the ability to read tax forms. (It is not clear from the report whether these items remained in the final pool of items.)

The following are suggestions for teachers who wish to use the "Instructions" as reading materials:

1. Check on your own ability to comprehend the "Instructions." Reread the "Instructions" and ask yourself if you understand them well enough to "teach" them. You may also want to check on your comprehension by taking the test described in the Second Pilot Study. A free copy of this test and an answer key may be obtained by writing to this writer.

If you find that you are not comfortable with the "Instructions," consider using the "Instructions for Preparing Short Form 1040A," which are much shorter and less difficult conceptually than the "Instructions for Form 1040." You may also find it helpful to take a course on tax preparation. In some communities, such courses are offered at local colleges for a small fee.

2. Consider whether your students are ready to use the "Instructions" as reading materials. The results of the Pilot Study suggest that your students should have at least ninth or tenth grade reading skills before attempting to work through the instructions. Keep in mind that the Second Pilot Study indicates that the results of the First Pilot Study may underestimate the difficulty of these materials. A good way to check on whether your students are ready for the "Instructions" is to administer to them the test described in the Second Pilot Study. Students who mark between 50 and 80 percent of the items correctly probably are ready to begin instruction using the "Instructions."

3. Stress to the pupils that you are approaching the "Instructions" as reading materials—that you will help them get meaning from the printed materials but that you may not know how IRS and the courts have interpreted some of the provisions in them.

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[2] Charlotte Croon Davis, Test Research Service, Frederick B. Davis, University of Pennsylvania, and Bjorn Karlsen, California State College, Sonoma, provided helpful editorial suggestions on the items.

[3] The conventional formula for correcting scores for chance success was applied. Because this was to be used, students were directed not to guess wildly.

It is important to do this because some of the provisions of the tax laws, as stated in the directions, are vague. For example, the "Instructions" say that "You can deduct the cost of incidental repairs, including labor (but not the value of your own labor), supplies, and other items, that do not add to the value or appreciably prolong the life of the property. Amounts spent to restore or replace property are not deductible." Exactly what is considered an "incidental" repair is a matter of tax law and probably is out of the domain of the typical reading teacher. It may be an interesting and beneficial exercise, however, to have students identify vague passages and seek clarification of them from appropriate sources. This writer has found IRS to be very helpful when questions arise about the directions.

In the long run teachers may find that the soundest and most economical way to improve students' ability to comprehend the "Instructions" is to encourage IRS to improve their readability. Teachers who use the "Instructions" as instructional materials undoubtedly will be able to identify sources of confusion in them and make specific suggestions for removing the sources of confusion. These findings should be reported directly to the Internal Revenue Service. This writer would also like to receive reports of such findings since they will help him in future studies of this type of reading ability.

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Mr. President, I yield to the distinguished Senator from Maine (Mr. MUSKIE).

Mr. MUSKIE. Mr. President, I thank the Senator from Kentucky.

I join in commending the distinguished Senator from Massachusetts for scheduling this annual exercise, which I hope eventually will be productive.

I should like to make some observations this year, if I may, from the perspective of the Budget Committee, which I think are most relevant.

Mr. President, it is with some sense of deja vu that I again join with my colleagues this morning in what has become an annual, but important and timely demonstration of support for the reform of our Federal tax laws.

We have for some years scheduled similar colloquies in the Senate just prior to the date when millions of Americans must file their Federal income tax returns.

In April of 1973, I observed that—

> We have a crisis over tax reform today because countless ordinary men and women now realize that our revenue laws are basically unfair.

Yet we did not achieve tax reform in 1973.

In April of 1974, I stated:

> I hope that we do not have to repeat this exercise next year. I hope that this Congress will pass comprehensive tax reform legislation, this year, to make our tax system truly fair.

Although 1975 did bring significant reforms in the treatment of taxes on oil and gas revenues, and the Congress also moved to reduce the tax rates for both individual and business taxpayers to help stimulate a stagnant economy, we are far from achieving comprehensive tax reform—so 2 years later we again repeat this exercise.

We are continuing to use the tax code to deal in a roundabout way with problems that we are unwilling to meet head on. We have done things through the back door which we should have done in the open.

If we wanted to stimulate the rebuilding of city slums, we put rehabilitation costs into a special tax preference category.

If we wanted to promote exports of American goods, we devised disc legislation which benefited only those industries that sell abroad.

That is not to say the ends pursued were wrong. But the means we chose often were ill-considered. The result was to put money into the wrong pockets. This wasted very large amounts of Federal revenues and permitted wealthy corporations and individuals to avoid paying their fair share of the costs of our Government.

In none of these cases, however, did these tax expenditures receive the systematic assessment they deserved.

The congressional budget process, hopefully, will give greater visibility and focus closer congressional scrutiny on tax expenditures.

Pursuant to that act, as the Senator from Massachusetts has pointed out, the Senate yesterday passed the first concurrent resolution setting overall revenue and expenditure goals for fiscal 1977. The resolution recommends, as a target, the enactment of legislation which would result in a net increase of $2 billion in fiscal 1977 revenue collections by changes in existing tax expenditure and related provisions.

Tax expenditures are revenue losses that occur as a result of Federal tax provisions that grant special tax relief to encourage certain kinds of activities by taxpayers or to aid taxpayers in special circumstances. These provisions are the equivalent of a simultaneous collection of revenue and a direct budget outlay of an equal amount to those taxpayers who qualify for the special tax reductions.

The estimated revenue losses associated with tax expenditures total more than $105 billion for fiscal 1977. They are listed in the report on the first concurrent budget resolution.

It is as important to control the growth of tax expenditures as it is to control the growth of direct spending programs.

Tax expenditures should be subject to the same standards of review as are spending programs, if the new congressional budget process is to have a positive effect over the complete spectrum of Federal budget management.

Only essential and efficient new tax expenditures should be enacted, and only essential and efficient existing tax expenditures should be continued.

I point out, Mr. President, that the $2 billion established as a target in yesterday's resolution for a reduction in tax expenditures is proportional to the $8.8 billion that the resolution cut from concurrent expenditure levels in direct spending.

One other question I should like to touch upon: Is it achievable, is it possible, to meet the $2 billion target for fiscal year 1977? I believe it can be. For example, the target would be met if:

First. The Senate accepts the major revenue raising provisions of the House-passed tax bill or develops substitutes for these provisions, which include reducing disc benefits, increasing the impact of the minimum tax, and enacting antitax shelter—LAL—provisions;

Second. The Senate holds the January 1, 1976, effective dates for the major provisions of the House-passed bill; and

Third. The Senate adopts $0.8 billion of net reductions in the level of tax expenditures in addition to those adopted by the House.

The House-passed bill would raise an estimated $1.2 billion in fiscal 1977 if the general January 1, 1976, effective dates are maintained. If the Senate determines it would be inappropriate to maintain this date for some of the House-passed provisions, it still could retain the overall $1.2 billion revenue gain from the House-passed bill by deferral until January 1, 1977, of the effective dates of some of the revenue reducing provisions it decided to adopt that are in the House-passed bill.

The distinguished Senator from Louisiana, who is chairman of the Committee on Finance, continually raises questions about the wisdom of accepting retroactive dates for the purpose of maximizing the revenue impact of tax expenditure cuts.

There are substantial arguments in support of holding the January 1, 1976, effective dates in the Senate for the major provisions of the House-passed bill.

In recent years, numerous major tax increases have been adopted by the Senate with effective dates that preceded their enactment by many months.

For example, although the 1969 Tax Reform Act was not reported by the Finance Committee until November and signed by the President in late December, as part of this legislation the investment tax credit was repealed for property acquired after April 18, 1969. Similarly, limitations on depreciation methods for real estate investments were made effective by the Senate for properties on which construction had begun after July 25, 1969, preceding the effective date of the legislation.

Adoption of an effective date related to the first Treasury or House decision indicating possible enactment of a provision often is the most appropriate date, because it precludes taxpayers from taking advantage of the current law during the period before final enactment.

Otherwise, the activities Congress is trying to inhibit by enacting stricter tax rules will be accelerated during this period, and additional revenues will be lost.

From my point of view, public notice of the initial Treasury or House action is deemed sufficient notice to taxpayers that transactions entered into after that date may be subject to increased taxes.

Finally, with respect to the enactment of reductions in the level of tax expenditures in addition to those adopted by the House, there are numerous alternatives that could be enacted to meet the $2 billion overall target.

To give just one possible example, complete repeal effective July 1, 1976, of the disc export tax incentive—a provision seriously questioned as to its continued need, its efficiency in increasing exports, and its high cost—would raise an additional $1 billion in fiscal 1977 revenues. Coupled with a $1.2 billion gain from the House-passed bill, repeal of this provision would more than meet the $2.0 billion target set in the budget resolution.

It can be done.

In meeting this target, the Senate will be cutting back the relative level of tax expenditures no more proportionally than it will be cutting back the level of direct spending if it adheres to the targets adopted yesterday in the first concurrent resolution.

Mr. President, again, I compliment my colleagues for scheduling this exercise once again on the day before tax payment day in 1976. I hope that this year, with the increased visibility that the budget process can give to this enormous cost to the Treasury, we can begin to get some movement in the direction of the reforms that we would all like to see in our tax code. I thank my colleagues very much for accommodating themselves to my tight schedule, because I know their schedules are equally tight.

Mr. KENNEDY. I thank the Senator from Maine for his statement. I think all of us have been impressed by the fact that in the past year the Committee on the Budget has addressed itself to the very difficult, complex issue of defense spending. This year, it is prepared to take on what I think is an even more complex and difficult challenge. That is the area of tax expenditures. As we saw yesterday, we were able to persuade the Senate to accept the committee recommendation for a $2 billion reduction in tax spending.

I salute the chairman of the Committee on the Budget for committing the Senate to going on record for a $2 billion reduction in terms of tax expenditures. I look forward to working with him on that matter.

Mr. MUSKIE. I thank the Senator from Massachusetts. I would like to point out that we approved a $400 billion budget yesterday. Tax expenditures are $105 billion. That $105 billion represents the extent to which the tax burden has been shifted in a major way to other taxpayers to support that direct spending budget. This is an important consideration. I think we should make that clear. Senator HOLLINGS has pointed out, and I think he will in his statement this morning, the extent to which tax expenditures have grown at a rate at least parallel to the growth of the direct Federal budget.

Again, I compliment my colleagues.

Mr. KENNEDY. The Senator from Colorado has something to say in that respect.

Mr. HASKELL. Mr. President, I join the others in complimenting the senior Senator from Maine on attacking this problem of tax expenditures directly. I think only by setting ourselves a target will we ever get at the heart of the problem.

The problem really is that over a generation, certain artificial deductions have been allowed. The Committee on Ways and Means defines those as deductions that "do not accurately reflect current expenditures." I would like to mention them as an example of the erosion of the tax base which is a matter of concern to all of us and one of the reasons that the distinguished Senator from Massachusetts convened this colloquy.

For example, in 1960, corporate taxes represented 35 percent of Federal revenues. In 1975, they represented 14 percent of Federal revenues. This erosion is due to artificial deductions intended to induce economic behavior but which, by and large, distort economic behavior. I have already introduced three amendments and upon return from the recess, I shall introduce a fourth that, if enacted, would raise a total of $15 billion. So I think it is entirely possible to eat away at this tax expenditure situation.

Just briefly, the first amendment eliminates DISC which would raise a billion and a half right there. What does DISC do? DISC gives a special one-half tax rate to companies which export. Exporters get this special rate as an incentive irrespective of whether they exported before or not. It does not take into consideration the devaluation of the dollar, which, of course, is the real reason for our export increases.

Furthermore, although some people like to say that DISC creates jobs, most economic opinion that I have run into says it does quite the reverse, because if we export more, imports will gradually, over a period of time, equal them. And what do we import? We import the labor-intensive items such as automobiles, electronic instrumentation, and the like, which costs us jobs domestically.

I also like to point out that the major unions, who obviously are interested in jobs, oppose DISC.

So I compliment the distinguished Senator from Massachusetts for getting us all together. I compliment, again, the distinguished senior Senator from Maine and others who are joining in this effort, because I believe that if we show determination and enough of us join in, we can reintroduce a sense of equity into the tax laws of the United States. If we do not do it, we are going to lose such little trust as the American people may now have in their various government officials. I thank the Senator.

Mr. KENNEDY. I thank the Senator from Colorado. He is a member of the Committee on Finance and is thoroughly familiar with these issues.

I hope to be able, in my comments later, to develop a little bit further on this trend in tax expenditures, as mentioned by the chairman of the Committee on the Budget and also by the Senator from Colorado.

I wonder if the Senator from Colorado would agree with me that there are those who say, "Well, you have your list of amendments for tax reform, other Senators have theirs. But reform is only what 51 Senators say it is." The Senator has heard that statement. I have heard it. It has been the basic argument used to avoid reform.

It seems to me we can do better than that. We ought to set a three-tier criterion for tax expenditures. I shall develop this later in my remarks, but basically it goes as follows:

First of all, we have to decide whether a particular public purpose justifies any Federal aid at all. We ought to consider any matter which falls within the tax expenditure category on that basis. Within our national priorities for limited Federal funds, is this an activity that Federal funds should support?

Then, if we agree that it does, we go to the second test, which asks, Is it better to provide aid through direct appropriations or through tax expenditures? There may be some important instances where we ought to use tax expenditures in order to avoid governmental intrusion or bureaucracy. I do not oppose all tax expenditures. For some, there is an adequate justification. But others are wasteful and inefficient. In many cases, I suspect, we shall find that current tax expenditures are much less effective than direct expenditures.

But if we agree that a tax expenditure is appropriate, we go to the third test, which asks, Are the tax benefits distributed fairly among individuals and businesses?

If we use these three tests, we ought to be able to analyze any tax expenditure and see whether it can be justified. That is quite a bit different from saying that tax reform is whatever 51 Senators say it is. These are basic principles we can apply.

Will the Senator comment about whether that seems to be a reasonable way to proceed, as the Committee on Finance and this body focus on the issue of tax reform and tax justice over the next few weeks?

Mr. HASKELL. I concur with the Senator from Massachusetts that that is exactly the way to proceed. That third point is extremely important. If we conclude that, for some reason, we want to go the tax expenditure route, then we have to examine what the effect of that may be.

For example, let me point out, as the Senator is well aware, that the natural resource industries—whether it be timber, oil, coal, or the like—have certain specific, so-called incentives, artificial deductions. Well, what does that do? That means that people who are in the recycling business are at a disadvantage. So they come in and they ask the Committee on Finance for an investment credit per ton on recycled products. Well, this goes on and on and on.

So we have to say to ourselves, are we going to give the recyclers a credit, which further erodes the tax base, and then maybe there will be a third group that will need another credit which will further erode the tax base, or do we go back to tax equality? Why do we not simply tell the natural resource people, we are going to put you on the same level as the recycling people, and nobody is going to have an artificial advantage?

So I would concur with the Senator's remarks in their entirety.

Mr. HATHAWAY. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes.

Mr. HATHAWAY. I would like to point out that if we decide we have to go the tax expenditure route in order to accomplish social or economic objectives, whatever they may be, we should examine it very carefully. Just look at the situation we have now. We allow a $750 exemption for the dependents of any taxpayer.

If we were to say to the American public that we are going to let the poor people of this country have $105 for every dependent they have, and that we are going to allow the wealthier people of this country to have $375 for every dependent they have, you would have people outside of the Capitol steps right now with big signs and clubs.

But that is exactly what we do when we allow the exemption for dependents because the person in the 14 percent tax bracket, who is taking this exemption as a deduction, does get 14 percent of $750, which is $105, and that is his tax saving. That is the money that the Government does not collect from him or, in effect, gives to him.

The person in the 50-percent bracket, who needs the exemption far less than the person in the 14-percent tax bracket, gets $375 from the Government, and there are many other deductions, of course, as we all know, that produce the same result to give the wealthier taxpayer a bigger break than the poorer taxpayer. We should examine all of those deductions first, as the Senator from Massachusetts says, to determine whether they are worthwhile expenditures, or whether we can accomplish the objective better through a direct rather than through an indirect route. Then we should see if we cannot make the tax expenditure itself more worthwhile by putting it on a more equitable basis, such as a tax credit, which would give each individual taxpayer a certain percentage, say, of his allowed expense to be subtracted from his actual tax bill, rather than deducted from his income.

If we said to every taxpayer of the country, "You can deduct $200 from your tax bill for every dependent that you have," it would be far more equitable than it is at the present time, especially if you made that $200 credit a refundable credit so that the low-income person, if his tax bill were only $150, would still get a $50 check from the Federal Government.

Mr. KENNEDY. In response to the remarks of the Senator from Maine, we are now trying to gain support for a national health insurance program. There are a variety of different ways of approaching health insurance. I have my view, the AMA has a different view, the hospital associations have their view, and the administration has its view about how to deal with health insurance.

But, at the present time, we already have a health insurance program run through the Internal Revenue Code. If you itemize your deductions, you may deduct half your insurance premiums on health up to $150, and then you may deduct anything over 3 percent of your income. If you are in the 50-, 60-, or 70-percent bracket it means that Uncle Sam is paying for 70 percent of your hospitalization or your doctors' fees. If you are rich, if you are wealthy, if you itemize your deductions, you have health insurance that is being paid for by Uncle Sam. But if you don't itemize your deductions, you don't qualify for the Internal Revenue Code's national health insurance program.

If you are a working person, you start paying out that $1 or $2 a week in order to repay the health bill, and Uncle Sam is not there.

That program is in effect today; that is the health insurance program that is in effect today. It covers a very limited group in our society. The issue is basically similar to the point that the distinguished Senator from Maine was making. If we thought about it, probably none of us would support a national health insurance program like that.

In addition, there are other areas which can be enormously revenue producing in terms of limiting tax expenditures. Hopefully, we will be able to talk a little bit about these later on this morning.

But, as the Senator from Maine has pointed out, this system is riddled with such situations, which have to result in the American people's tremendous frustration with the whole Internal Revenue Code.

We had interrupted the Senator from Kentucky earlier.

Mr. HUDDLESTON. I commend the distinguished Senator from Massachusetts for the suggestion that we ought to develop a procedure which would include standards by which any suggested tax expenditure or, perhaps, we should say loophole, would be considered. It points up the difference between that suggestion and the way it is happening today.

I recognize how difficult it is to write tax legislation and how much trouble the House Ways and Means Committee and the Senate Finance Committee have in trying to make substantial changes in the tax laws.

But the fact is that our Tax Code has grown through the interjection of special interest provisions as tax legislation is written, and the general public has very seldom been represented at tax-legislation sessions.

Those who have been able to exert some political muscle, have been able to add to the Code from time to time certain concessions that have resulted in what we see here as tax expenditures.

I think we could not do more right now than to adopt a regular process as outlined by the Senator from Massachusetts where every suggestion for any kind of deviation from a standard tax procedure comes under very close scrutiny, to consider whether it is for the benefit of the public, whether there is a real need and whether it is the best way to address that need. We can do that much. If we could push the process in that direction we would be accomplishing a great deal in this particular session.

I would like to briefly return again to a subject that I have been concerned with, and that is the absolute complexity of the tax system. It is a Frankenstein monster which has been created that virtually nobody understands.

The taxpayer tries his best to comply, but nearly 50 percent of our taxpayers now have to seek help, professional help, in preparing their returns.

They pay $600 million a year to professional tax preparers, and 74 percent of the time they are wrong. There is simply no place for the taxpayer to turn. We have added a tax on a tax, in effect, where people have to pay to get their returns prepared, and then have no assurance that they are prepared correctly.

I think the complexity and the question of whether there are undeserved tax advantages has created a tremendous lack of confidence among the people in our system of government.

The people deserve and they are entitled to have Congress focus its attention on this problem, to correct the inequities and simplify, where it is possible, so that we can understand what this whole matter of taxation is all about.

I yield to the Senator from South Carolina.

Mr. KENNEDY. I think, as the Senator from Kentucky has pointed out, we really have to ask ourselves, with all of the attention that is given to other spending programs, why we are not prepared to give the same hard look to all the spending programs carried out through the tax laws.

Mr. HOLLINGS. Mr. President, I thank my distinguished colleague from Kentucky and the Senator from Massachusetts and the others interested in tax reform.

I think, in addition to my prepared remarks, that we ought to try to put the actions of the Senator from Massachusetts and others interested in this vital area into proper perspective.

I know of no better opportunity than has been afforded in the last several days when it surfaced that we were working in this direction.

The Chamber of Commerce of the United States immediately started soliciting some of my old friends. As a former Governor of South Carolina from 1959 to 1963, we had a real competition with respect to industrial development. We tried to carpetbag Massachusetts, New Hampshire, and anywhere else we could find, to get them to move down to our State.

I got to be on fairly good speaking terms at least, with some of the really large industries and large multinationals and, if you please, Mr. President, foreign corporations.

The fact of the matter is that until this embargo, with the reinvestment of oil profits by the Mideast countries into the United States, we had, for example, in

U.S. investments, billlions of dollars beyond our shores in foreign countries, about $10 billion in this country, and we have over one-tenth, approximately $1.5 billion in my State of South Carolina.

The approach used by each one of these corporate chairmen or presidents that have come to my office, has been that somehow the U.S. Senate, and this particular group in this colloquy, are anticorporation or out to get somebody.

I have tried to allay those fears and bring the matter into reality by telling them about the budget process, which unfortunately, they are not aware of.

I will never forget the President of the United States back in November and December, just last year, when the chairman of our Budget Committee and the chairman of the Committee in Finance went over with this, saying that I am not going to sign unless you commit ahead of time a tax cut, which we do not hear of any longer. The President himself, a former Member of the House, had not been able, with all his particular responsibilities, to keep up with this particular development.

There is an age-old constitutional provision that revenue measures derive from the House, that we in the Senate have nothing whatsoever to do. We always waited for Wilbur to send it over in November and December and then it was a mad scramble. We had the Thanksgiving holidays, we had the Christmas holidays, and we did our very best to cram the entire tax picture into a 10-day or 2-week period. It was always 900 and some pages long and they would ram it to us. It was complete confusion.

For the first time, the Senate now does have a responsibility under the budget process of looking at tax spending. And what do we find?

We find, as the Senator from Massachusetts said, and the charts displayed on the Senate floor show, when I first came here in 1966, the 1967 appropriations, or the revenue spending budget that I voted on, was right at $150 billion.

That has grown from 1967 to where we are now fighting off that $413 billion budget, or a growth of abcut 146 percent.

But equally, the tax spending, the tax expenditures, have gone from $36.7 to $38 billion at that time, to over $101 billion, which was the estimate made earlier this year. Now it looks to be around $105 billion, under the current policy, a growth of 176 percent and has outgrown the defense budget.

Tax spending. Loopholes. I am thinking now of our mayors and the innercity problems. I am thinking of our Governors looking for revenue sharing. I am thinking of the efforts they have made at the local level by substantial increases in taxes and revenues.

We at the Federal level remember the exceptions at the end of 1968.

President Johnson, in addition to the $5 billion cut we effected in December 1968, put in a surtax which took effect in 1969. President Nixon continued that with respect to trying to revive the economy. We reinstituted investment tax credit. We reinstituted that and, of course, last year did away with oil depletion. But people say, "That increased my taxes."

We all know, and the distinguished Presiding Officer was a real entity in the event, what we were trying to do was cut off subsidizing windfall profits.

The companies themselves without oil depletion have made far more this last year than the previous year. So, in essence, we have not increased taxes, but increased the loopholes, as a Budget Committee and as the Senate, finally bringing this into focus with irresponsibility, a $500 billion budget, with $400 billion in direct revenue spending, and another $100 billion over here in tax spending.

We do not think that tax expenditures should be ignored and hence we required under our budget resolution, passed on a 3-to-1 vote yesterday afternoon, that the Finance Committee, despite the statements of our distinguished friend from Louisiana, when he appeared before the Budget Committee, that it was impossible to take just $2 billion of that $105 billion. Senator Long was saying we never get those reductions through and, of course, we were pointing out that the matter of eliminating tax deferrals and the reduction of the oil tax credit, some of those matters passed by overwhelming votes in the Senate in 1974 and 1975, and hence could just be presented to the Senate again.

I could go on. I want to share my time with the distinguished Senator from Colorado (Mr. GARY HART) and the distinguished Senator from California (Mr. CRANSTON) and others who are waiting.

We could go into the domestic international sales operation, which is an embarrassment. This very minute when we have corporate heads saying, "Oh, I can't really continue doing business, I will be put at a disadvantage if you repeal DISC," that same corporate head is in Geneva with the General Agreement of Tariffs and Trades, under which we cannot subsidize exports, and they are trying to explain DISC which, in essence, Mr. President, amounts to a violation of their GATT agreement.

So there they are, trying to defend it. Here, they ask for a continuation, and out there, $108 billion in exports last year, in 1975, and less than $500 million in sales can be attributed to this particular measure which in 1972 we said would cost the Treasury $200 million.

It is growing at a rate where this year it will amount to $1.5 billion.

They come before the Congress saying "50 percent of my exports were through DISC. I put in this subsidy and took advantage to the tune of $9 million on my tax return, but it did not affect whatever the export policies and volumes of Caterpillar, Inc."

We could go down the list and pick up $1½ billion in tax expenditure reductions from items already voted on.

I am trying to emphasize that what we are doing here is not out to get the corporations. This is an unfortunate charge. When we went to offshore drilling, we were putting that where every President, time after time, never gave a happy hurrah what was on the offshore. He waited until the end of the year, called the Secretary of the Interior and said, "I have to balance the budget, can you pick me up $2 billion, $4 billion, or $8 billion?" And he put it on to help balance the budget.

Now we are into a finite problem. We have limited supplies. We have to have a new approach. But when we tried to institute it, again, the Chamber of Commerce went in and said, "Oh, you know those kookie environmentalists, those crazy Governors, they don't want the offshore reserves of the United States."

Absolutely false. The Governor of Delaware endorsed it, but they were trying to go ahead in an orderly fashion, as we are trying to do here in tax reform.

The same thing can be said with other Government programs, the point being that we are trying to come to grips with one-fifth of that responsibility, that $100 billion out there that hemorrhages the revenue system. It really puts it out of kilter and to a disadvantage.

All the domestic corporation paying at the 48 percent rate has to do is get a sharp Philadelphia lawyer and incorporate a foreign subsidiary and all of a sudden he has become a part of the hemorrhage.

We are trying to stop that and equalize our system and bring about just that, tax equity under our tax system and the reform and procedures in this particular responsibility.

It is not a wild group let loose on the Senate floor that passed oil depletion last year and now wants to run all the rest of the corporations out of business. We are for private enterprise, the profit incentive, but we are for the fair competitiveness of this free enterprise system.

Mr. President, it is especially appropriate that we take the floor today to discuss the subject of tax reform. April 15 marks the last day on which most tax returns can be filed for the calendar year 1975.

By then, over 128 million tax returns will have been filed, yielding revenues to the Government in excess of $217 billion.

For the vast majority of people filing returns the amount that they pay in taxes reflects a significant part of their earnings, and it is only right that they be able to ask how their money will be spent.

The Senate has just completed action on the first concurrent budget resolution for fiscal year 1977 and included therein is a $2 billion target reduction for tax expenditures, the money that does not get collected because of tax exemptions or other preferences. While we have not addressed this area before, it is a potent aspect of Federal spending. The Senate Budget Committee has agreed upon an outlay figure of $412.6 billion, creating a Federal deficit of $50.2 billion. In the past, as the Congress has attempted to come to grips with the Federal deficit, we have looked exclusively to direct expenditures and reductions therein in order to reduce the deficit. I believe the Budget Committee deserves very high marks for its actions this year and last year in controlling direct expenditures.

However, this year for the first time,

we have addressed the question of tax expenditures.

From a 1971 figure of $51.7 billion, tax expenditures have escalated to an estimated $105 billion for fiscal year 1977, and it is projected that lost revenues through tax expenditures will increase to $150 billion by 1981.

This represents a significant share of total Federal expenditures in terms of the $412.6 billion outlay and consequently deserves our attention.

The Congressional Budget Office, in a publication entitled "Budget Options for Fiscal Year 1977," has listed over 82 tax expenditure items currently permitted under Federal law.

It is these 82 items which comprise the estimated $105 billion in fiscal year 1977 tax expenditures, and it is modification of a few of these items which is necessary to achieve the $2 billion target reduction. That is the goal of tax reform, as I see it, for this Congress.

In late 1975, the House passed H.R. 10612 which would raise at least $1.2 billion in fiscal year 1977 through tax reform. Among other measures, the House has approved a reduction in DISC benefits and strengthening of the minimum tax provisions, and it has addressed the question of tax shelters, attempting to restrict their use. Even if the Senate were to alter some of the provisions of the House bill, I believe it is reasonable to assume that we would retain at least $1 billion of the House's provisions. Further, in areas such as DISC and deferral of foreign tax, the Senate could raise an additional $1 billion. For example, the Senate could eliminate the DISC provisions completely, using the same House effective date, and raise an additional $1 billion over the House action.

In 1975, the Senate passed, by a vote of 73 to 24, a proposal to eliminate the deferral of tax on foreign income of U.S. corporations. If we were to pass this provision again this year and enact it, we would raise an additional $.4 billion in fiscal year 1977. Also passed by the Senate in 1975 was a proposal to reduce the foreign oil income tax credit to a 24 percent rate. Were the Senate to pass that provision again this year and if it were to be enacted, we could raise as much as $1.4 billion in fiscal year 1977. Expanding upon the House-passed bill, the House has lowered the exemption in the minimum tax to $20,000. If the Senate were to lower that to $10,000 and if the Senate were to include corporations under the minimum tax, we could raise at least an additional one-half billion dollars in fiscal year 1977.

These suggestions merely skim the surface of the possible proposals, which are being discussed and which have been suggested on many occasions as methods of reforming our present tax code. But, this mere skimming of the surface comes up with over $.4 billion in potential tax revenues, making the budget resolution target of $2 billion seem relatively easy to achieve.

Let us look more closely at two of the provisions which I have cited as especially ripe for repeal, namely the DISC provisions and the deferral of tax on foreign income.

Originally adopted as part of the Revenue Act of 1971, the avowed purpose of DISC was to stimulate exports and enhance the attractiveness of domestic manufacturing versus manufacturing through foreign subsidiaries. From small beginnings the revenue loss from this provision has skyrocketed to an estimated $1.4 billion in fiscal year 1977 and, according to several studies, the overall impact of DISC in stimulating exports has been small in comparison to this revenue loss. Granted, we have increased our exports since 1971, but it is agreed by many that the increase is due more to the devaluation of the dollar and worldwide inflation than to the DISC provisions.

As a proposal to allow small companies to set up export capabilities and thus create more domestic jobs, DISC in my view has failed and should be repealed. Regardless of how you argue the numbers, the DISC proposal is responsible for at the most one half to one billion dollars in export increases. This is clearly a small percentage of total domestic exports which amounted to $108 billion for 1975. Further, as a report of the Senate Budget Committee on tax expenditures indicates, the vast majority of DISC revenues go to the large multinational corporations, who would have exported with or without DISC. For example, 72 percent of the net DISC income went to 186 companies with gross assets in excess of $250 million and over 44 percent went to 28 large companies. The Treasury Department recently assessed the distribution of DISC income by size of corporation and I ask unanimous consent that their table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF DISC'S NET INCOME BY SIZE OF PARENT CORPORATION

Asset size of shareholder (million)	DISC's reporting net income		
	Number	Amount (millions)	Percentage of net income
Returns with asset size information	1,510	$1,285.0	100.0
Under $1	231	23.8	1.9
$1 under $10	539	66.2	4.8
$10 under $50	336	80.3	6.2
$50 under $100	98	42.5	3.3
$100 under $250	120	154.5	12.0
$250 or more	186	921.7	71.7

Source: Treasury Report, Table 4–4.

Mr. HOLLINGS. It shows that by far a greater percentage of the DISC income is going to the large corporations, not to the small ones for which the proposal was originally intended.

The vast majority of our export sales have been in computers, jets and other aircraft, nuclear reactors, and grain such as wheat.

It is doubtful that the DISC benefits either encouraged these sales or reduced the prices of the commodities being sold.

Mr. Lee Morgan, president of Caterpillar Tractor Co., candidly revealed to the Ways and Means Committee, on July 21, 1975, that his corporation's overseas sales have benefited tremendously from the DISC provisions but that none of their export actions have been encouraged by these provisions. I quote:

> I would like to say in all candor that although 50.2 percent of Caterpillar's sales were outside the United States last year and we did benefit from DISC to the extent of about $9 million on our tax bill, a figure that is put in our statement, I am not really sure that we did anything extra in order to generate additional exports, so that I suspect that I agree with one of Mr. Ross' contentions that not much has happened, at least at our company, in order to earn the tax deferral that has come from DISC.

At the time it was enacted, DISC was intended to create domestic jobs through stimulating exports. A recent House Budget Committee estimate, using Bureau of Labor Statistics data, indicates that a $400 million increase in exports, assuming it was entirely due to DISC, created 15,960 new jobs in 1974.

If we had taken the $1.5 billion in lost DISC revenues and applied them through other direct programs such as defense, health or education, we would have created many, many more jobs than the 15,000 created by DISC.

The second corporate loophole which I feel should be plugged is the deferral of foreign income provision. While the DISC provisions are not stimulating exports or creating as many domestic jobs as we would like, the deferral of foreign income provision is actually reducing domestic jobs and encouraging jobs abroad. In a report commissioned by the State Department and written by Robert Frank and Richard Freeman of Cornell University, these professors conclude that most foreign investment directly displaces domestic investment and therefore results in a loss of American jobs.

In 1970, for example, they attribute a net loss of 160,000 jobs to overseas investment by United States based multinational corporations. As I indicated earlier, the Senate has already voted overwhelmingly to end this provision, but unfortunately the Conference Committee revised the provision somewhat, but did not eliminate it, so we must act again. The deferral on foreign income provision encourages the United States corporations to set up foreign subsidiaries solely to gain a tax advantage. Further, it encourages the corporations to keep these foreign earnings abroad as long as possible in order to avoid U.S. taxation thereon. The arguments for ending this preference are strong and in my view persuasive.

The deferral preference discriminates against U.S. companies which operate abroad through a branch operation, because their foreign income is subject to full U.S. taxation on a current basis. By going through the formality of forming subsidary corporation to engage in exactly the same activities, a U.S. corporation avoids U.S. taxation on the foreign operation until the income is actually distributed—if it ever is—in the form of dividends. There may be sound business reasons for a company to decide whether to operate abroad through a branch or subsidiary, but there is absolutely no reason that the tax result should differ depending on which decision is made.

Proponents of tax deferral argue that the United States must continue deferral because other countries do not tax their corporations currently on foreign operations. However, in reality, direct taxation is consistent with international tax principles. Deferral is available in the United States because we treat the place of incorporation as the sole test for determining the corporate nationality. Thus, if a corporation is incorporated abroad, it is not subject to U.S. taxation on its foreign source income, regardless of the fact that it is managed and controlled from the United States and is in effect an integral part of the parent corporation's U.S. business. In a number of other industrialized countries, corporations which are managed and controlled within their jurisdictions are treated as domestic corporations for purposes of income taxes and are subject directly to domestic corporate taxation whether or not overseas profits are repatriated.

Elimination of deferral is a less extreme measure than the direct taxation employed by these other countries. No deferral simply requires the U.S. shareholder in the foreign corporation to include directly its share of that corporation's income in the shareholder's income for the tax year in question. Thus, the fact is that other countries tax foreign operations by their corporations more strictly than the United States, not less.

The present tax deferral rules drive investment capital out of the United States. Since the ability to defer U.S. taxes clearly increases the U.S. investor's after-tax rate of return in any case in which foreign tax rates are lower than U.S. tax rates, the existence of deferral is an encouragement to U.S. investment abroad. The recent proposed amendments in the tax law to eliminate so-called runaway plant operations recognized the most flagrant problem of the U.S. capital flight, but the problem is much broader and a complete end to deferral is the only solution.

Continuance of deferral is inconsistent with our efforts to stimulate domestic capital formation. When capital is invested in the United States both the profit from the operations and the taxes which the United States imposes on those profits stay within the U.S. economic system, continuing to benefit U.S. citizens. However, with foreign investment, profits left abroad by the U.S. investor to the foreign government are a permanent loss as far as U.S. capital sources are concerned. This has the result of reducing U.S. capital resources, decreasing national income, and in turn has the effect of both eliminating U.S. jobs and reducing the labor share of national income. This is especially intolerable when unemployment continues at over 7 percent and workers are desperately trying to keep incomes apace with inflation.

The case for ending deferral is very convincing. It makes tax sense, and it makes economic sense.

Tax expenditure reform is an essential part of the budget process, and I am pleased that we will, this year, begin to get a handle on this spending. I urge the Senate Finance Committee to accept the challenge of the budget resolution's $2 billion target and report a tax reform bill to the floor this year which hits the mark.

I would be glad to yield to the distinguished Senator from Colorado (Mr. GARY HART).

Mr. GARY HART. Mr. President, I thank the Senator from South Carolina. As he has pointed out, about one-fifth of the projected Federal outlays for the coming fiscal year will be spent through special provisions of our tax laws called tax preferences, shelters, exemptions, credits, deductions, exclusions, and other forms of what are loosely categorized as "tax expenditures" that we are discussing this morning. That figure amounts to over $100 billion in lost revenue, and represents a part of the Federal budget which has been growing at a much faster rate than direct forms of Federal spending. The issue of tax expenditures is particularly important because Congress has no established means of controlling this drain on the Federal Treasury. But even more troubling is the fact that tax expenditures are often the most costly forms of Federal assistance ever devised by this body.

Taxpayers who resent the waste of their tax dollars in unsound or ineffective Government programs should be just as anxious to bring this invisible form of Federal spending under control. In a year when Congress is testing its ability to apply comprehensive budgetary order to Federal spending, this crucial part of the budget must not be overlooked.

Experience that all are aware of has amply shown that the expenditure of Federal funds though the tax system often results in gross misuse of tax dollars. Tax programs that are designed to serve a specific economic or social effort seldom prove to be the most cost-effective means of addressing the need. If the criterion of effectiveness alone were applied to each tax expenditure program, few would survive.

But there are other problems. Tax subsidies distort the distribution of the tax burden, and contribute to the disruption of the free marketplace. Tax shelters permit a growing number of wealthy individuals to escape tax liability totally.

Just this past weekend, an individual acquaintance of mine, who has an income of some 5 to 10 times my own, indicated to me that he will pay in calendar 1975 almost no taxes whatsoever because of these various shelters and loopholes.

Both individuals and corporations are taxed at widely varying effective rates thanks to the complex maze of business tax preference programs, which often do not serve the public interest, and in many cases are counterproductive.

If the Government is to subsidize the activities that these programs are created to encourage, then it should do so in an open and fiscally sound manner. The taxpayer should realize that his tax dollar spent by the Government to pay for someone else's tax break is coming out of his pocket just as surely as the dollar that goes into a welfare check. Congress should at least let him know how those dollars are now being "spent."

This form of Federal subsidization often means that we end up spending money long after the reasons for establishing the subsidy have disappeared. Or even worse, we allow programs to continue which were unsound in the first place.

Part of our consideration of tax reform should include the periodic review of tax expenditures.

If we cannot abolish those expenditures entirely, then I believe we ought to establish mechanisms for periodically forcing the Congress to review that tax expenditure program. At the present time, no mechanism whatsoever exists for that purpose.

We should impose definite termination dates on tax expenditures. The bulk of special tax provisions carry no termination clauses. While a number have undergone certain revisions—mostly very minor ones—only a handful of the special sections of the tax code which have been once enacted have been actually terminated. In all, very few have undergone thorough congressional review.

By using termination dates, tax programs would face mandatory review. Within the framework of detailed studies and testimony before the appropriate committees of Congress, proponents would be required to justify their value. If no review is made, the program ends automatically. I plan to offer a bill to provide "sunset" for tax expenditures in the near future.

Mr. President, the American taxpaying public has been promised meaningful tax reform for years, and time after time that promise has been broken by the Senate and the House. We owe it to the people of this country to make the best of this opportunity we have in 1976 to finally honor that commitment.

I am privileged to join today with my colleagues in what I believe is a very important effort to bring this program and this very urgent need before the taxpaying public of this country in April of 1976.

(Mr. NUNN assumed the chair at this point.)

Mr. McINTYRE. Mr. President, I would like to say in response to the remarks of the distinguished Senator from Colorado that just last week I had an opportunity to hear from a ranking member of the Ways and Means Committee of the House of Representatives in an offhand discussion of what opportunities there were for real tax reform, as I feel certain the Senator from Colorado, the Senator from Massachusetts, the Senator from South Carolina, and the Senator from California have in mind.

The response to this was that it was a very poor chance for any meaningful reform; that the tax shelters that the Senator from Colorado mentioned are bastions of strength. The loopholes are beyond description. When it comes to trying to close them, we find everybody and anybody up to say they cannot be closed.

So I congratulate the Senator from Massachusetts and the others here today for this colloquy and discussion.

Mr. President, I would like to hone in on a matter of particular interest to me in tax reform, and do it very briefly.

My concern is the need and the wishes of our constituents for effective action to encourage the development of energy sources that are clean, renewable, and not subject to cartel control.

Last Saturday, I received a message from my constituents—a loud and clear message. And I wish to relay that message to my colleagues today.

The message came to me during a conference and exhibition on solar energy that I sponsored at Memorial High School in Manchester, N.H. The conference was open to the public at no charge, and I invited solar energy companies from all over New England to display their products and explain their technology.

While I have supported the development of solar energy, I was surprised last Saturday to see just how far some of these small businesses and individual inventors have come. Some of them already have working, reliable solar energy equipment, and they are putting it on the market.

But most of them were also very frank in admitting that while their inventions work, the equipment is still not within the price range that the average citizen can afford.

But I had an even bigger surprise last Saturday, and therein lies the message that I want to bring to my colleagues.

I arrived at the conference expecting to find about 200 people in attendance. I would have been very pleased—since my name was involved—to find 500 or 600 people there.

Yet when I arrived half an hour before the conference was to begin, the hallway and exhibition area were already filling up with hundreds of citizens.

And before the day was over, nearly 2,000 people had registered for the conference.

By the standards of the great Commonwealth of Massachusetts perhaps that is not an oversized number; but for New Hampshire, that turnout was a surprise.

No one had offered these people any special inducements to attend.

No one had promised that they would find an answer to their high electricity and fuel bills.

All that we had told them was that we were holding a conference to talk about solar energy.

And 2,000 people showed up.

The message of that conference is clear to me—that now is the time for us in the U.S. Congress to heed what the people are saying. And they want to be led out of the energy mess. They want to see alternatives to ever-rising oil costs. They do not like the feeling that we are under the control of a cartel, and will remain so as long as we remain so dependent on oil.

Whether we support nuclear power or not, it is plain to me that the people of my State want the U.S. Congress to support the development of solar energy as rapidly as possible.

As I said before, solar energy heating and cooling equipment is still expensive. But, in time, mass production and improved techniques will bring this cost down. Right now the industry is at a crucial stage.

Solar heat is already cheaper than electric heat, according to one study by the engineering department at Dartmouth College. But it is still expensive compared with oil.

With the proper temporary incentives—and I emphasize, temporary incentives—the solar energy industry can be commercially competitive in a very few years.

I have introduced solar energy tax credit legislation. Our respected colleague from Arizona (Mr. FANNIN) has also introduced a solar energy tax credit bill. These credits would go to homeowners and small business people who buy solar energy equipment.

Mr. President, I say that one reform we could very well use is the encouragement of the development of solar energy, because up in New England, in New Hampshire, in Massachusetts we are so dependent upon oil that we must find answers. This is one, and I believe the tax credit and tax assistance in this bill would be very helpful.

I thank the distinguished Senator.

Mr. CRANSTON. Mr. President, I thank the Senator from Massachusetts and the Senator from South Carolina for arranging this very helpful, informative, and constructive discussion of taxes and the need for reform. I think that the test the Senator from Massachusetts has proposed be applied to all existing taxes and proposals, before changing them in any way, is a very sound approach, and I hope at long last we are moving toward the time when we can achieve some of the very needed reforms that have been discussed today.

There are many reasons for tax reform. The chief reason is very simple—every taxpayer should pay his or her fair share of the costs of financing government.

Our tax system today is not meeting this basic test of fairness. Instead, persons of modest means are paying a disproportionate share of Federal taxes—mostly because of the social security payroll tax.

About 44 percent of Federal revenues—or about $130 billion—will be raised from the personal income tax. And 31 percent—or about $92 billion—will be raised by the payroll tax this year. Seven years ago, in 1969, the figures were far different. The personal income tax accounted for 46.5 percent of Federal revenues—$87.2 billion—and the payroll tax accounted for only 21.3 percent or $39.9 billion.

Today's income tax-payroll tax ratio of 44 percent to 31 percent is much too narrow. Under the trend, it threatens to get even narrower. The payroll tax has become a heavier burden on middle-income people while the income tax, which covers everybody—including the wealthy—more equitably, has remained more or less constant.

This trend is not accidental. Congress has been very solicitous about reducing personal income taxes to adjust for inflation. But Congress has done very little to ease the growing burden of the payroll tax.

Besides the personal difficulties it causes, this inequity is not healthy for the Nation's economy.

It defeats our larger objectives of attaining economic and social fairness in our tax system.

It means that our most regressive tax—the payroll tax, which taxes the first dollar earned but does not tax the higher portions of income—is raising too great a percentage of Federal revenues. And our most progressive tax—the personal income tax, which does not tax the first dollar earned but taxes high incomes most heavily—is not carrying the load that it should.

Congress must take realistic steps to redress this imbalance. We are not accomplishing very much in the way of economic fairness if we reduce income taxes a little but allow a bigger bite from the payroll tax. Congress must work out a way to shift some of the burden of the payroll tax onto the income tax. This can be done by a contribution from general revenues to the social security program.

I am going to ask the Budget Committee, on which I serve, to in turn cut the revenue raising committees of Congress to redress the present tax imbalance which penalizes people on the lower ends of the income ladder. I have discussed with members and staff of the Budget Committee, the feasibility of assessing what would be a proper balance between the personal income tax and the payroll tax in raising needed Federal revenues.

I have been convinced for some time that reform of the payroll tax is the key to total tax reform. Individuals will not tolerate a sharp increase in their income tax to help support the social security program if loopholes and dodges that permit others to escape their fair share of taxes continue to exist.

In the area of business tax reform our efforts should be aimed at encouraging a more even flow of investment. Our present business tax system tends to favor some businesses at the expense of others. If we look at capital as a limited resource—as indeed it is—it is fair to ask whether our tax laws should tilt the flow of investors' money in one direction rather than another.

So long as favored businesses can end up paying little or no taxes year after year, yet still show substantial profits, other businesses will strive to use present loopholes and seek to get more enacted.

As a result, tax expenditures are growing by leaps and bounds. Meanwhile corporate income taxes have declined steadily as a percentage of Federal revenues from 19.5 percent in 1969 to 13.5 percent in 1976.

An evenhanded approach toward business taxation and formation of capital can be achieved, I believe, only by ending some tax preferences and tax expenditures and at the same time bringing overall corporate tax rates down to a level approximating a fair share burden on corporate business. In the last major tax bill before Congress we began the process by cutting down on the oil and gas depletion allowance and other tax preferences for the oil and gas industry and reducing the corporate income tax.

In coming months the Senate will have an opportunity to take further steps to correct the imbalance in our business tax system. In doing so I hope that we will not lose sight of the fact that the dollars involved are only a small fraction of the total revenue picture. The larger imbalances in our tax system remain unredressed.

I ask unanimous consent that a table illustrating the trend in collection of revenues by source be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PERCENTAGE DISTRIBUTION OF BUDGET RECEIPTS AND DOLLARS IN BILLIONS

INDIVIDUAL INCOME TAXES

Year	1968	1969	1970	1971	1972	1973	1974	1975	1976
Percent	44.7	46.5	46.7	45.8	45.4	44.5	44.9	43.6	44.0
Dollars	68.7	87.2	90.4	86.2	94.7	103.2	119.0	122.4	130.8

PAYROLL TAX

Year	1968	1969	1970	1971	1972	1973	1974	1975	1976
Percent	22.5	21.3	23.4	25.8	25.8	27.8	29.0	30.7	31.1
Dollars	34.6	39.9	45.3	48.6	53.9	64.5	76.8	86.4	92.6

CORPORATION INCOME TAXES

Year	1968	1969	1970	1971	1972	1973	1974	1975	1976
Percent	18.7	19.5	16.9	14.2	15.4	15.6	14.6	13.4	13.5
Dollars	28.7	36.7	32.8	26.8	32.2	36.2	38.6	40.6	40.1

Source: Tables 2 and 3, The United States Budget in Brief. Fiscal Year 1977.

Mr. KENNEDY. Mr. President, I thank the Senator from California for his comments, and for his statement, particularly in focusing on the payroll tax and the regressive nature of that particular tax in the Internal Revenue Code.

I would just inquire of the Senator from California whether he does not find it ironic—and perhaps the Senator from South Carolina as well—that in the consideration of the budget resolution yesterday, we saw cutbacks in the medicare program, which in the health area will mean that elderly people will pay more out of their own pockets for health; we saw cutbacks in the medicaid program, which will mean poor people will be paying out more; we have seen reductions in the food stamp program, reductions in job programs; cutbacks on child care, drug treatment, and neighborhood health centers; cutbacks in other areas that will mean additional burdens on the people already experiencing the most difficult hardships in our country. Yet we hear the arguments that we should not cut back on tax expenditures.

Does not the Senator find it ironic that, as we begin this debate, which will end with very concrete proposals that the Senator from California, the Senator from South Carolina, the Senator from Kentucky, and others are working on, we are hard pressed to cut just $2 billion from the tax expenditure program?

In the budget resolution, we have just seen an $8 to $10 billion reduction in other domestic programs. But it is going to be a hard and difficult fight to squeeze only $2 billion out of tax expenditures.

In 1973, according to an analysis of tax returns by the Internal Revenue Service, there were seven Americans with incomes in excess of $1 million who did not pay a cent in tax. There were 15 Americans with incomes between $500,000 and $1 million who did not pay any tax. There were 142 Americans with incomes between $200,000 and $500,000 who did not pay any tax. There were 458 Americans with incomes between $100,000 and $200,000 who paid no taxes. There were 2,466 Americans with incomes between $50,000 and $100,000 who did not pay any tax, and there were 7,312 Americans with incomes between $30,000 and $50,000 who did not pay any tax. In all, there were more than 10,000 Americans making $30,000 a year or more who did not pay any taxes in 1973.

I wonder how the Senator from California and our other colleagues are able to go back to our constituencies and face the elderly people, who are going to be suffering from the various budget cuts, or all the others trying to meet their family needs, when we have this flagrant example of how the Internal Revenue Code works to subsidize the wealthy in our society.

Mr. CRANSTON. I can go back and face those constituents only because I can tell them that I am working with the Senator from Massachusetts, the Senator from South Carolina, the Senator from Kentucky, and others, to try to redress this very very unfair imbalance in our present tax structure.

I agree with the Senator that it is not easy to change all this. I think we are slowly gathering more strength and more backing in our efforts.

The Senator from Massachusetts has certainly buttressed the point that I have made about the present unfairness and the threat there will be even more unfairness as we deal with health problems in particular in the payroll deductions as against the other taxes that should be providing more of what we need to provide the services the people expect of their Government.

Mr. BAYH. Mr. President, if the Senator will yield, I am in the process of holding hearings downstairs on appropriations. I simply wished to join in this colloquy because I think tax reform is an area where we can do so much to restore the lagging confidence in government that I sense throughout the country.

People are tired of being ripped off by those who use particular gimmicks and loopholes.

The statistic cited by the distinguished Senator from Massachusetts are dramatic because they show the people who do not pay any taxes. I think this would be multiplied several times over if people who pay a small amount of tax, woefully below that that they should, were considered.

It has been my good fortune over the last few years to join with the Senator in a number of efforts to try to do something about tax inequities, and I hope we can have some success this year.

Mr. President, over the years so many special provisions have been built into the tax laws to subsidize various actions and interests that these subsidies, known as tax expenditures, will exceed $100 billion in the coming fiscal year, about one-fourth of total Federal expenditures. Today, I would like to speak of one most devious of those tax expenditures, the asset depreciation range—ADR.

ADR permits a corporate taxpayer to depreciate capital assets up to 20 percent faster than the useful lives of those assets. It abandons a concept which had been an integral part of the tax laws for 40 years—namely, that deductions for depreciation of a capital asset must be based on the actual useful life of the asset. In departing from this concept and allowing tax depreciation to exceed economic depreciation, we have given the owners of income-producing property a direct subsidy. That subsidy will exceed $1.6 billion next year.

The rationale for putting this handout in the tax code, was that it would stimulate investment. Indeed, there are many who now argue that we need to further liberalize depreciation to encourage capital purchases and strengthen our economic recovery.

While we all would like to see increased investment, Mr. President, depreciation gimmicks based on legal fiction rather than logic, are not the way to purchase it. I hope that we will seize the opportunity to meet the investment problem in a more straightforward manner while so much public attention is focused upon it.

There is broad agreement among economists that ADR is not an efficient method of generating capital spending. A much more effective and efficient device is the investment tax credit. Importantly, the tax credit is highly visible and clearly represents a direct subsidy. Unlike ADR, it does not purport to be something it is not, and its usefulness is far easier to consider and debate.

Mr. President, I believe the American people are tired of tax subterfuges. They are tired of tax complexities which bring tax savings only to large corporations which can hire high priced accounting and legal talent for tax planning.

Let us act this year to meet their demands and eliminate loopholes like ADR. At the same time, we should consider making permanent or even further adjusting the increase in the investment tax credit we enacted last year to provide a direct stimulus to investment.

In 1971, I introduced an amendment to reject ADR when it was first proposed by President Nixon. That amendment failed by only two votes. I believe the time is now ripe to enact such an amendment, and I look forward to joining with my colleagues in working for this reform and many others when tax legislation comes to the floor in the near future.

The PRESIDING OFFICER (Mr. HUDDLESTON). The Senator from Maine is recognized.

Mr. HATHAWAY. Mr. President, I thank the Senator for yielding.

Mr. President, I am very happy to join with the other 19 listed Senators this morning to speak on tax reform, and I know that many of the points that I have enumerated in my notes have already been made by other Senators. I shall point out two things, though.

Everywhere we go we hear people criticize the food stamp program or the welfare program, and one would think that these critics were not the beneficiaries of any kind of subsidy at all. But it turns out that almost every man, woman, and child in the United States is the beneficiary of some kind of a Federal subsidy. I think it is important to look at tax reform in this context.

We have a lot of subsidies that are paid out of money that we collect in taxes. We pay them directly with cash subsidies to the shipbuilding industry, irrigation systems, and student grants. We have credit subsidies whereby we guarantee loans or pay up the difference in interest in order that the beneficiary may pay a low-interest rate.

We have benefits in kind whereby we build public housing projects and give away surplus property. We have what we call purchase subsidies whereby we buy farm products at a higher price than the price prevailing in the market. We have what we call regulatory subsidies through our various regulatory agencies. We subsidize the field of transportation, for example.

Then we also have a large number of subsidies out of money that we do not collect, and that is what we are talking about this morning—money that we do not collect in taxes as a result of allowing certain individuals and corporations specific deductions, credits, or exemptions for social or economic purposes.

I think that we should recognize that all of these expenditures, whether they are moneys not collected, or moneys paid out directly, by credit, benefits in kind, purchase, or through regulation, a la Gertrude Stein, are expenditures, expenditures, expenditures, regardless of what name they are called.

If a tax break is given to an individual or a corporation, this is really an expenditure out of another taxpayer's pocket because we have to make up for the revenue that is lost in order to provide that deduction for that specific taxpayer.

As the Senator from Massachusetts has pointed out, in all these expenditures, whether they are tax expenditures or direct expenditures, we first should consider whether or not they are worthwhile; and if they are not, just drop them, regardless of whether they are direct or tax expenditures.

Then we should consider whether we can do them directly. Sometimes the bureaucracy that would be created in order to make the expenditures directly would be overburdening and would not be worth the price we have to pay. More often than not, though, it is because it is not politically feasible to make some of these expenditures directly that we resort to the tax code in order to make them.

I think we should examine the entire tax code with those guidelines in mind, first, whether or not a certain deduction does provide for a worthwhile purpose, second, whether or not it should be done by a direct expenditure, and, third, whether or not it should be changed from a deduction to a credit, as we talked about earlier.

Then we should go into the field of business deductions and find out whether the particular business deduction and the way we determine income for a certain period of a year is a true reflection of the economic gain. Many of the tax shelters that are now being discussed in the Committee on Finance do not do this. They allow an individual to take an enormous amount of losses against income in a particular year, so that he ends up paying very little taxes.

Mr. President, I ask unanimous consent to have printed in the RECORD a newsletter I sent out recently as to how the Federal tax system works.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

HOW THE FEDERAL TAX SYSTEM WORKS

The purpose of our federal income tax law is to raise money to run the government and to provide services, such as national defense, health, and education. Until 1913, the United States was able to raise needed revenue through tariffs and excises on goods, but as the country grew such taxes became insufficient to meet our needs. So, Congress imposed a tax on income.

Congress could have determined simply to levy a straight percentage tax on all income. But this would have been unfair for a couple of reasons. First, the amount of money taken in by an individual or business may or may not be an accurate reflection of income if, for example, large expenses are incurred in earning that income. Second, a flat percentage rate would tend to work to the disadvantage of lower income individuals. For example, a straight 20 per cent tax on a person earning $5000 would leave him, or her, with only $4000 to live on, whereas a person earning $50,000 would be left with $40,000.

In determining to impose a tax on income, Congress had to decide what constituted income, what ought to be taxable income, and how to structure the tax in order to raise the necessary revenue and, at the same time, be fair to individuals from varying economic circumstances and with differing expenses. It came up with the following structure which utilizes definitions that are essentially the same today as in 1913.

Gross income—Includes all of an individual's or business' income from whatever source, including both earned income (salary, wages, tips), and unearned income (dividends, rents, interest, gain on sale of real property). Anything of value received by a person is deemed income and potentially taxable (except such items as gifts, sick pay, and certain pensions).

Taxable income—Gross income less all allowable deductions.

Deductions—Two basic categories exist: business deductions and nonbusiness or personal deductions. Nonbusiness deductions include personal exemptions, standard deduction for individuals, and itemized deductions for individuals.

Business deductions—Generally all legitimate expenses incurred in running a business attributable to the earning of that business' income—employees' compensation, inventory costs, and other justifiable expenses.

Personal exemptions—Every individual is entitled to deduct $750 from gross income for himself or herself and every dependent.

Standard deduction—Every individual may also deduct roughly 16 per cent of gross income up to a total of $2300. The tax tables make this calculation automatically for many taxpayers. The individual instead may decide to itemize deductions.

Itemized deductions—Allowed currently for charitable contributions, interest payments, and medical, child care, and a number of other expenses.

Tax owed—Determined by applying applicable tax rates to taxable income, and then subtracting any allowable tax credits.

Tax rates—Progressive tax rates are imposed on taxable income. Generally, the first $500 of taxable income is taxed at a rate of 14 per cent; the second $500 (from $500 to $1000) at 15 per cent; and so on, escalating gradually.

Sample tax computation

Gross income (total earned in one year)	$10,000
Business deductions	−2,000
	8,000
Nonbusiness or personal deductions	−2,000
Taxable income	6,000
Taxes owed on $6,000 taxable income	628
Tax credit (1975 one-time individual)	−30
Taxes due (pay this amount)	598

These escalations in tax rate are similar to steps in a staircase, but the staircase becomes steeper as income goes up. These steps are also known as tax brackets, and the percentage of tax imposed on each bracket increases to a point where a 50 per cent rate is imposed on taxable income from $32,000 to $38,000 and ultimately to a 70 per cent rate on all taxable income over $100,000. The individual with taxable income of $110,000 will not owe 70 per cent of that entire amount. Instead, he or she would owe at most $60,090 due to the gradual increase in tax rates—that is, the taxpayer adds the computed for each bracket of taxable income to arrive at his total tax.

Congress has also enacted legislation stating no one will be forced to pay a tax rate of more than 50 per cent on his earned income from salary and other compensation. Therefore, a baseball player with an earned taxable income of $200,000 per year would pay at most $94,290 ($10,290 representing the tax owed on the first $32,000, plus $84,000, 50 per cent of the remaining $168,000). An individual with taxable income of the same amount composed of unearned income such as dividends, gains from the sale of real estate, and interest on bank accounts could pay as much as $123,090. (Corporate tax rates are also progressive but with only three gradations in rates.)

Tax credits—Are allowable subtractions from the total tax before arriving at final tax owed. Credits are permitted for particular kinds of expenditures which Congress has specifically recognized for this treatment. These expenditures include qualified investment in new and used equipment by a business, for which the business is allowed a credit of 10 per cent of the expenditure.

For example, a business which spends $10,000 on a qualifying new piece of equipment could subtract 10 per cent of this cost, or $1000, from the tax bill it would otherwise owe. Congress within recent years enacted a refundable tax credit for individuals with an earned income of up to $8000. (A refundable credit is one where the amount of credit is greater than the amount of tax and the government refunds the difference to the taxpayer.)

This is the basic structure of the federal tax system. This structure is sound in theory, but at each step along the way Congress determines which segments of the population will bear the tax burden. It can work equitably only if Congress carefully limits the extent to which deductions and credits are allowed.

WHY THE TAX SYSTEM DOES NOT WORK FAIRLY

Congress unfortunately has not been careful to limit deductions and credits. Many allowable deductions, introduced into the tax code to foster equitable tax treatment and to encourage certain types of behavior, have been subject to abuse. It is doubtful whether they have encouraged the desired behavior, and it is quite clear that some have resulted in an inequitable distribution of tax burdens.

Cases have been documented by the Internal Revenue Service where individuals with incomes over $500,000 paid little or no income taxes, by using allowable deductions and credits and by investing in certain tax sheltered activities.

It is argued that deductions or credits are necessary to encourage individuals to make expenditures they might not otherwise make, but by removing this income from taxation, the government has less money to meet its obligations. For example, when an individual makes a charitable contribution of $1000 which would have been taxed in the 50 per cent bracket, the net tax effect is that the federal government collects $500 less than it would have collected if the contribution had not been made (50 per cent of $1000). Consequently the charity is receiving $500 of the $1000 from the federal government in the form of a tax subsidy granted to the individual.

Charitable contributions are commendable, but the tax code encourages them in a haphazard and unfair manner. An individual making the same $1000 contribution, which would have been taxed in the 20 per cent bracket, would be providing $800 of his own money and $200 of income which otherwise would have gone to federal taxes.

It would be much fairer and would encourage charitable contributions at the same time to allow a *tax credit* of a certain percentage of the amount contributed to the charity, rather than a deduction. In this way each taxpayer's bill would be lowered by the same amount. The individual whose credit exceeded his tax bill could be given a tax refund.

The present emphasis on deductions rather than credits means that lower income taxpayers are subjected to higher tax rates to make up for revenue lost through deductions allowed to high bracket taxpayers.

With other deductions, the need for incentives is less obvious and the potential for inequity and abuse is more pronounced. Deductions for interest paid on home mortgages represent an attempt by Congress to take into account one of the many costs of living and to encourage home building and purchasing. This tax benefit is denied to all who are unable to afford to purchase a home.

The mortgage interest deduction, like the charitable deduction, is of greatest benefit to those having income taxed at the highest rates. If instead a housing tax credit (representing a certain percentage of the income devoted to housing, whether rented or purchased) were allowed each taxpayer, the original Congressional policy would be fulfilled more directly and more fairly.

Other provisions granting special tax preferences which may have been valid at one time have long outlived their usefulness and exist as tax loopholes. A primary example was the oil depletion allowance. Originally intended to create an incentive for speculative oil drilling, it allowed the oil industry to depreciate the cost of a well over and over again. This loophole fortunately is being phased out.

The term tax loophole applies to any tax preference, whether a deduction or a credit, to the extent that it doesn't serve any useful purpose. All tax preferences should be closely monitored and scrutinized often for their ability to fulfill their intended purpose. A tax preference is just as much an expenditure of the taxpayer's money as a direct appropriation and should be subject to the same critical examination and periodic review. (Federal appropriations are reviewed at least once a year.)

Also, there may be a new combination of public policies which would fulfill the original legislative intention better than the tax preferences. For example, the investment tax credit was instituted to encourage economic expansion and ultimately to provide new jobs. As a result of this tax credit, the federal government loses billions of dollars in revenue which must be made up by all taxpayers. Perhaps the same number of jobs could be created by a direct appropriation for less than the amount of tax dollars lost through the investment credit.

Estimates are that if all the present loopholes were eliminated, the tax rate brackets could be reduced from the present range of 14 per cent to 70 per cent to a new range of 7 per cent to 42 per cent. Such a change is worth pushing for and would represent true tax reform.

If we are going to have meaningful tax reform that can ease the plight of the average taxpayer, make all taxpayers assume their fair share of the load, and monitor all federal expenditures, we must begin this awesome task now.

Your Federal Income Tax for 1975 is due. But the time for effective tax reform is long overdue.

Mr. HATHAWAY. Mr. President, I thank the distinguished Senator from Massachusetts for arranging for this colloquy today. I believe that the more of these discussions we have, the better off we will be. It bodes well for tax reform that 20 Members of the Senate were willing to come to the floor of the Senate this morning and devote their time to talking about this very important subject.

Mr. KENNEDY. Mr. President, I thank the Senator from Maine for his contribution.

I have been pleased to join with other Members of the Senate this morning in this discussion of tax reform, as a way of signaling to millions of hard-pressed ordinary taxpayers our commitment in the Senate to meaningful tax reform.

"Beware the ides of April" is the modern American taxpayer's version of Shakespeare's ancient warning. Around the Nation this Thursday, April 15, countless average taxpayers will file their Federal income tax returns for 1975. It is fitting, therefore, that we take this time today to state our views on tax reform.

It is no accident that tax reform is beginning to emerge as an important issue in this election year. I believe it can become a powerful mass movement that will not be denied.

We have a tax crisis in America today because, for years, we have allowed taxes at all levels of government—Federal, State, and local—to become vehicles of special privilege for the few, instead of the fair and reasonable income-raising measures they ought to be. Almost everywhere we look, we find the tax base being eroded by deductions and exemptions, by windfall subsidies and questionable incentives for various industries, by benefits that have long since outlived whatever qualification they might have had when first enacted, and even by loopholes quietly written into the law for the benefit of particular individuals or corporations—"tax fingerprints" that dot the revenue code in silent tribute to the political muscle of the wealthy and the powerful special interest groups in the Nation.

And always, it is the ordinary citizen who bears the heaviest burden. In other days, when the role of government and public spending for social programs were much more modest than they are today, the weight of our unfair tax structure was not as heavy. But today, the burden is immense, and average taxpayers across the country are learning to raise their voices in louder opposition to the rising taxes they have to pay.

And perhaps the worst offender is Congress and the way we write the Internal Revenue Code, the Federal income tax law. For generations, we have allowed the Code to multiply its subsidies and deductions and exemptions—oblivious to the mounting inequities of the system, the glaring inefficiency of many tax incentives, and the soaring cost to the Federal Treasury of the tax expenditures we have enacted into law.

Now, however, we are beginning to change all that. We are beginning to understand that there are simply not enough Federal dollars in the Federal Treasury to pay for all the direct spending and tax spending and tax relief programs that Congress and the administration would like to fund.

As part of my presentation, I have prepared three charts to illustrate various aspects of tax expenditures.

The first chart compares the growth of direct expenditures and tax expenditures in recent years. Over the past 6 years, direct Federal spending has risen by 96 percent, from $211 billion in 1971 to $412 billion proposed by the Senate Budget Committee for 1977. But during the same period, tax expenditures rose by 105 percent, from $52 billion in 1971 to $106 billion in 1977, as estimated by the Congressional Budget Office.

In other words, we now have, in round numbers, a Federal budget of half a trillion dollars—$400 billion in direct spending and $100 billion in tax spending, for a total of $500 billion in overall annual Federal spending.

The second chart shows the relationship between the growth of tax expenditures and the growth of expenditures for national defense in recent years. In the budget debate this year, as in each debate in past years, one of the leading issues is the priority between spending for defense and spending for domestic social programs like jobs and schools and health.

Congress has devoted major attention and energy and hours to the annual debate over rising expenditures for defense. But there has been virtually no debate over rising tax expenditures, which have subtly but swiftly mushroomed to levels exceeding the level for defense.

In 1967, the amount of tax spending was only a little more than half the amount of spending for defense. By 1972, the ratio had risen to 80 percent. Now, in fiscal 1977, tax expenditures have caught up with defense expenditures and surpassed them—defense spending will reach $101 billion in 1977, but tax spending will reach $106 billion.

And by 1981, as the Congressional Budget Office projections indicate, tax expenditures will have grown to a level even higher than projected defense expenditures.

The third chart illustrates still another dimension of the tax expenditure problem—the potential future growth of various tax expenditures. The six examples on the chart indicate the way tax incentives, ensconced in the Internal Revenue Code, tend to grow like topsy. According to CBO estimates:

Tax spending for DISC, the export tax subsidy, will rise by 30 percent, to $1.7 billion by 1981.

Tax spending for the investment credit and ADR, two of the major subsidies for capital formation in the current law, will rise by 39 percent to $13.6 billion.

Tax spending under the rule exempting capital gains at death will rise by 65 percent, to $11.1 billion.

Tax spending for health—the special deductions and exclusions for medical expenses and for health insurance premiums—will rise by 73 percent to $9.8 billion.

Tax spending for oil, through the deduction for intangible drilling and development costs, will rise by an incredible 184 percent to $2.2 billion.

At last, however, we are beginning to make progress in bringing these runaway tax expenditures under control. The Budget Reform Act is now bringing the same long overdue discipline to tax spending as it has already brought to direct expenditures and other forms of Federal spending. The budget resolution, approved yesterday by the Senate, provides for a $2 billion reduction in tax expenditures for fiscal year 1977.

In my view, the concept of tax expenditures and the new congressional budget process are the best things that have happened to tax reform in many years. Congress now understands that tax subsidies for individuals and corporations are equivalent to Federal spending programs run through the Internal Revenue Code by the Internal Revenue Service.

In fact, as the following table makes clear, the Internal Revenue Service is the second biggest spending agency in the Federal Government, second only to the Department of Health, Education, and Welfare, exceeding the Department of Defense, and far ahead of every other agency.

Estimated spending, fiscal year 1977

[Billions of dollars]

Department or agency:	
Health, Education, and Welfare	$140.1
Internal Revenue Service	106.0
Defense	101.7
Treasury	51.3
Labor	22.1
Veterans' Administration	17.2
Transportation	12.9
Agriculture	10.8
Housing and Urban Development	7.1
Energy Research and Development Administration	5.3
Environmental Protection Agency	4.5
National Aeronautics and Space Administration	3.7
Interior	2.6
Justice	2.2
Commerce	2.1
State	1.0

IRS spending programs cover every budget function. They overlap the spending of many other agencies, as the following breakdown indicates:

Tax expenditures by budget function—Fiscal year 1977

[Billions of dollars]

National defense	$0.7
International affairs Natural Resources, Environment, and Energy	3.2
Agriculture	1.5
Commerce and transportation	47.8
Community and regional development	.1
Education, training, employment and social services	5.6
Health	7.3
Income security	24.4
Veterans benefits and service	.9
General government	.1
Revenue sharing and general purpose fiscal assistance	11.5
Interest	.7
Total	106.0

In these various categories, the Congressional Budget Office has identified 82 separate tax expenditures, totaling $106 billion for the coming fiscal year. As a result of the work of the Budget Committee, the Senate is beginning to examine each of these tax expenditures in terms of both its efficiency and its equity.

Before a tax expenditure can be justified, it should be required to pass three simple tests, comparable to the tests we apply to direct expenditures from the Treasury:

First. Is there a need for Federal aid or Federal subsidies at all for the activity in question? Or should Washington stay out, and let free competition in the marketplace decide the allocation of resources?

Second. If Federal aid is needed, should it be in the form of a direct expenditure or a tax expenditure? In other words, which form of Federal subsidy is most desirable, considering such crucial factors as the efficiency of the method chosen and the role of the Federal Government in implementing the subsidy?

Third. If a tax subsidy is chosen, are the benefits of the subsidy distributed in an equitable manner, so that those who receive the Federal aid are the ones most entitled to receive it?

My hope is that in the coming weeks, the Senate will apply this sort of analysis to the most significant tax expenditures that now exist. If we do, I am confident that we shall find many obvious ways to restrain the runaway growth in tax spending and to make the Internal Revenue Code our servant not our master.

In my testimony last month to the Senate Finance Committee, I presented in detail my proposals for tax reform and control of tax expenditures. The following table summarizes the major proposals and gives the revenue estimates for 1977 and 1981:

Item	1977	1981
Minimum tax reform:		
Individuals	$2.58	$3.77
Corporations	.52	.69
Repeal of maximum tax	.66	1.20
Capital gains at death	.01	.35
Limitations on tax shelters	1.81	1.95
Restrictions on expense account living	.10	.63
Refundable child care credit	(−).36	(−).47
Earned income credit		(−).81
Investment credit reform/ADR repeal		(−)4.50
Oil and gas operations	.28	2.72
Multinational corporations	1.56	2.06
Estate tax revision for farm operations	(−).05	(−).,9
Total	7.11	7.40

Clearly, when we talk about tax reform, we are not talking about insignificant amounts. We are talking about billions of dollars in urgently needed funds—dollars that can be used in a variety of ways to help meet all the challenges we face at home and overseas.

Tax reform can provide dollars to reduce the budget deficit; dollars for homes and jobs and schools and health; dollars for police and courts and drug control; dollars for the cities; dollars for capital formation; dollars for transportation and the environment; dollars to reduce the soaring burden of property and payroll taxes; dollars for revenue sharing with State and local governments—in short, dollars to meet all our urgent national priorities at home and around the world.

The argument for tax reform is much more than just an argument for equity among income groups, important as the goal of equity must be.

The effective operation of our tax system is also vital to our entire competitive free enterprise system, and therefore to our democratic society itself.

Under the proper working of that system, resources should be guided to their most efficient use by the working of the marketplace. What the market rewards with high returns will and should attract a high level of financial and other human resources. This is the hallmark of a competitive market system. If we permit unreasonable tax privileges to divert resources away from their best uses, away from the point of greatest natural profit to the point of greatest tax advantage, we distort our profit system. We lose the full benefits of the free market system, which can only be obtained when people and resources are used as wisely and efficiently as possible.

Efficiency and equity—those are the twin goals of our tax system, and those are the goals that should guide us as we act on tax reform in the weeks ahead.

Mr. President, I ask unanimous consent that the following materials may be printed in the RECORD: Three tables summarizing the charts I described; excerpts from my testimony to the Senate Finance Committee summarizing the specific tax reforms I favor, a table of tax expenditures prepared by the Congressional Budget Office; and excerpts from the pamphlet on tax expenditures prepared by the Senate Budget Committee, describing some of the principal tax expenditures involved in the current tax reform debate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHART 1.—GROWTH OF TAX EXPENDITURES 1971–77

[Dollar amounts in billions]

	Fiscal year—		Percent increase 1971–77
	1971	1977	
Direct expenditures	$221.4	$412.6	96
Tax expenditures	51.7	106.0	105

CHART 2.—GROWTH OF TAX EXPENDITURES AND DEFENSE EXPENDITURES

[Dollar amounts in billions]

Fiscal year	Tax expenditures	Defense expenditures
1967	$36.6	$69.1
1972	59.8	77.4
1977	105.9	100.9
1981	148.2	135.6

CHART 3.—PROJECTED INCREASES IN SELECTED TAX EXPENDITURES

[Dollar amounts in billions]

Item	Fiscal year—		Percent increase 1976–81
	1976	1981	
DISC	$1.3	$1.7	30
Investment credit and ADR	9.8	13.6	39
Capital gains at death	6.7	11.1	65
Health	5.6	9.8	73
Intangibles	.8	2.2	184
Ford administration: proposal for integration of corporate taxes		13.0	---------

EXCERPT FROM TESTIMONY OF SENATOR EDWARD M. KENNEDY, SENATE FINANCE COMMITTEE, MARCH 18, 1976

OBJECTIVES OF TAX REFORM PROPOSALS

In broad terms, my proposals for income tax reform have these objectives:

First, to insure that upper income individuals pay their fair share of income taxes.

Second, to provide greater equity in certain tax rules for low and middle income taxpayers.

Third, to provide more rational and equitable rules for capital formation and business operations.

Let me outline the steps that need to be taken to achieve these objectives.

REFORMS TO INSURE THAT UPPER INCOME INDIVIDUALS PAY THEIR FAIR SHARE OF INCOME TAXES

The minimum tax

The House bill substantially strengthens the minimum tax, which is designed to insure that individuals with large economic incomes will make at least some contribution to their government.

For individuals, the House bill would raise the minimum tax to 14%, repeal the deduction for regular taxes, repeal the carryover of unused regular taxes, and add new items of tax preference. Many of us in the Senate have proposed these changes in the past, and I urge the Committee to adopt these actions of the House.

The House failed, however, to adopt these reforms for corporations. This is an unjustified omission. Corporations use loopholes, too, and they should be subject to the minimum tax on their income from such loopholes.

In addition, the Committee should reduce the present $30,000 minimum tax exemption to $5,000. This is the approximate income of a low income family of four that is now exempt from tax. I do not believe that high income individuals need a larger exemption for tax preference income than we give to families at the poverty level. The $5,000 exemption for individuals should be phased out dollar-for-dollar, so that it disappears at $10,000 of preference income. For corporations, the exemption should be eliminated completely.

Repeal of maximum tax

As another measure to insure that high income individuals pay their fair share of taxes, I urge the Committee to repeal the present 50% maximum tax on earned income. This preferential rate produces a $660 million tax benefit for some 1% of the taxpayers in the country—virtually all with adjusted gross incomes in excess of $50,000. One of the principal objectives of the maximum tax was to encourage the highest income earners to "mind their business" instead of concocting tax avoidance schemes. With the adoption of reforms to curb tax shelters directly, and with a stronger minimum tax, this unfortunate tax bow to the wealthy should be eliminated. I would also note that current tax shelter offerings indicate that the maximum tax is actually causing a greater federal revenue loss from tax shelters than was the case before its enactment. Thus, the provision has apparently failed to achieve the objective originally stated.

Capital gains at death

Another major reason why upper income individuals pay less than their fair share of taxes is the preferential treatment accorded capital gains. This income is taxed at only one-half the normal tax rates, and it is exempt from tax entirely if passed on to heirs at death.

These two rules result in a federal tax subsidy of over $12 billion in fiscal 1976—$5.5 billion from the preferential rates and $6.7 billion from the failure to tax gains at death. By fiscal 1981, the Congressional Budget Office estimates that the total subsidy will rise to more than $20 billion.

Who benefits from this federal generosity? An estimated 42% of the benefit from the failure to tax gains at death goes to the top 1.2% of income recipients in the country—those with incomes over $50,000 each year. Fully two-thirds of the lost revenue from preferential rates goes to this same privileged group in our population.

In light of these figures, it is imperative that Congress move now to end the tax exemption accorded to gains on property transferred at death. Last September, I introduced legislation to achieve this result. I believe the bill—S 2345—represents a sound proposal from which this Committee can develop fair and effective rules to terminate this gaping tax loophole. The proposal would impose the income tax on all gains in property transferred at death or by gift after March 31, 1976.

The proposal represents a balanced and gradual approach to the capital gains at death problem:

All gains up to December 31, 1975 will be exempt from the tax; then the new system will be phased in gradually. Thus, the reform will not reach back to gains occurring in the past or unsettle estate plans already in effect. But it will close this flagrant loophole for the future.

A basic $60,000 exemption will be available, so that decedents with relatively small amounts of gains will not be subject to the tax.

All transfers between spouses will be exempt.

All transfers to charity will be exempt.

Special rules will apply to owners of farms and small businesses with liquidity problems, to insure that the tax does not force an unwanted sale of property in the estate.

The capital gains tax will be a deduction for estate tax purposes.

Accrued losses at death will be allowed as income tax deductions.

Tax shelters

"Tax shelters" have become a new American way of life for wealthy individuals in this country in tax brackets of 50% or higher. There is hardly an area of economic life that tax shelters have not infected in recent years.

They are used in farming, from cattle to azalea bushes.

They are used in drilling for oil and gas.

They are used in motion pictures, from family-oriented films to hard-core pornography.

They are used in real estate development, from motels and shopping centers to commercial high rises and beach-front condominiums.

They are used in equipment leasing, from oil tankers that are too big to dock in American ports, to box cars for the railroads and 747's for the airlines.

They are used for professional sports franchises from the machinations that may be keeping baseball out of Washington to the Atlanta Falcons case now in Court.

Tax shelters cost the Treasury billions of dollars annually in lost revenues. And all of this tax subsidy goes to investors in the top tax brackets. Indeed, most of the handsome multi-colored brochures advertising tax shelter investments caution that prospective investors should consider the shelter only if they are in the 50% bracket or higher.

Studies of tax shelter transactions show the significant waste of federal funds involved in these transactions. Much of the federal tax expenditure is siphoned off—in lawyer's fees, accountants' fees, brokers' fees, computer fees and "commissions" to those involved.

In some real estate transactions for example, as much as 40% of the federal tax spending goes not to actual construction costs, but to these parasites in the syndication process by which tax shelters are packaged and sold to wealthy investors.

Congress can and should provide Federal aid to some of the economic activities in which tax shelters now operate—low income housing, for example. But we owe it to the average taxpayer to spend the funds in a way that achieves the real objective of the federal aid, and does not create hordes of "tax millionaires" in the process. The existence of tax shelters also generates significant distortions in the economy. Tax shelters in farming, for example, have artificially driven up the price of land; they have accentuated the boom and bust cycles for legitimate cattle ranchers and citrus growers.

The heart of this aspect of the problem is that many tax shelter deals do not need a real economic profit to make money for the investors—the profit is derived from the tax savings alone. Obviously, legitimate businesses that have to make a real economic profit find it difficult to compete with such "tax profit" operations.

I urge the Committee to adopt strict measures to stop these tax abuses.

Specifically, I propose that in the case of limited partnerships—the primary legal form used to market most syndicated tax shelter deals—the investor's tax deductions should be limited to his actual financial risk. If an investor puts $10,000 of his own funds into a tax shelter limited partnership, he should not be able to take more than $10,000 in tax deductions from the shelter. Present rules, however, permit the limited partner to deduct amounts attributable to non-recourse financing, where the investor has no liability for the borrowed funds. By limiting the deductions for limited partners to their investment at risk, we can end the leveraging by which tiny investments are passed through the Internal Revenue Code and transformed into huge tax savings.

In addition, the House bill includes a

measure—the limitation on artificial losses (LAL)—that will supplement my proposal. LAL is intended to prevent the use of artificial deductions generated by tax shelters; under present law, these deductions can be used to offset or eliminate tax liability on income from other activities—doctors' and dentists' fees, executive compensation and other high salary and high income individuals.

The "at risk" limitation I have proposed is directed at the *leverage* abuse in tax shelters. LAL is directed at the *deferral* abuse that occurs when artificially large deductions from one activity are used against income from totally different sources.

The LAL provision in the House bill represents an appropriate response to the tax shelter problem. I am, however, proposing several modifications to insure that it constitutes an effective limitation on these operations. Of course, LAL is complex. But tax shelter transactions themselves are among the most complex business transactions in the country. The Committee should not be deferred by objections based on LAL's complexity. The objective is clear. I am satisfied, after consulting with many experts knowledgeable in the field, that LAL represents a proper, timely, and effective response to the abuses created by tax shelters.

Other proposals affecting upper income taxpayers

I also urge the Committee to adopt reforms in the following areas:

We should curb "expense account living" by denying a deduction for first class air travel and for attending certain conventions outside the United States.

We should provide proper tax treatment for beneficiaries of accumulation trusts, by requiring that they employ a correct method of computing tax liability. We should also impose an interest charge on tax liability deferred through the use of such trusts.

These various proposals, if enacted, will represent a major step by Congress toward insuring that our progressive tax system is fair to every taxpayer. High income individuals and corporations must pay their way if the Internal Revenue Code and our self-assessment system are to deserve the confidence of millions of ordinary American taxpayers, who pay too much because others pay too little.

PROPOSALS TO PROVIDE GREATER EQUITY FOR LOW AND MIDDLE INCOME INDIVIDUALS

Refundable Child Care Credit. The House took a significant step toward greater equity by converting the present child care deduction into a tax credit. Under the House bill, the credit would equal 20% of child care costs, with a ceiling on the credit of $400 for one child and $800 for two or more children.

The House provision eliminates the "upside-down" effect of the current deduction, which gives much greater benefits to working parents with $35,000 income than to those with $10,000 income. Under the credit mechanisms, all working couples with the same amount of child care costs will receive the same benefit, regardless of income.

But the House bill leaves a glaring inequity in the proposed credit. It is not available to those who need it most. The credit goes only to working parents who have a tax liability. All working parents below the poverty level are excluded from the benefit.

To remedy this inequity, the Committee should amend the child care credit to make it refundable. Parents with child care costs could obtain a tax refund of $200 or $400, if their income was not sufficient to incur a positive tax liability. This action would parallel the recent Committee and Senate action putting the WIN tax credit for child care facilities on a refundable basis.

Earned Income Credit. The refundable earned income credit is a reflection of the genius of the Chairman of this Committee. It is an imaginative and useful tax response by Congress which encourages low income Americans, trying to work their way out of poverty status, by alleviating the burden of Social Security taxes they have to pay.

The credit is equal to 10% of earned income, up to $4,000 of income; it gradually phases out by $8,000 of earned income. In general, the amount of the credit offsets the amount of Social Security taxes paid by low income workers.

As presently structured, the credit is typically available only to couples with dependent children. I urge the Committee to expand the eligible class to include married couples, even if they have no children. Indeed, if revenue constraints permit, I hope the Committee will give serious consideration to extending the earned income credit to single persons working on a substantially full time basis.

PROPOSALS TO PROVIDE MORE RATIONAL AND EQUITABLE RULES FOR CAPITAL FORMATION AND BUSINESS OPERATIONS

The Budget Reform Act is now requiring Congress to develop more efficient ways to deal with the critical fiscal issues facing the country. As I have mentioned earlier, the terms of the Act make clear that federal spending programs through the tax system must be subjected to the same critical scrutiny and control already being given to direct spending programs authorized by Congress.

This means that these tax spending programs must be examined in light of the questions we normally ask of other spending:

Is there a need for any federal subsidy at all? Are free market mechanisms truly inadequate to meet the problem?

If so, what is the most efficient way to meet the need? Direct grants? Low interest loans? Loan guarantees? Or, tax subsidies?

If the tax spending or other routes are selected, are the benefits of the program equitably distributed?

I have applied these criteria to the tax expenditure programs, discussed above, that primarily affect individuals. The proposals I have offered are intended to assure more efficient and more equitable operation of those programs.

It is equally necessary that the Senate examine in the same way the tax expenditures used to stimulate capital formation and to aid certain business operations. My own analysis leads me to recommend a number of changes that will make our present tax spending programs for business more rational, more equitable, and more beneficial to the economy as a whole.

Capital Formation. In the recent past, the investment tax credit has been the primary method by which the federal government has encouraged business to invest in capital equipment. The credit has served its purpose reasonably well. It has been an effective tool in stimulating the purchase of machinery and equipment.

But the tool must be sharpened if it is to meet the nation's modern needs. I therefore propose that the investment credit be modified in the following specific respects:

The basic credit (which is presently scheduled to revert to 7% in 1977) should be extended at a flat rate of 10%.

Beginning in 1977, an additional 5% credit should be provided for incremental investment above a three-year average base period level.

Beginning in 1978, the full 15% credit should be made refundable.

The "incremental credit" feature of the proposal recognizes the need to stimulate increased capital investment to create new jobs. The "refundable" feature will provide needed assistance to new businesses, to those undergoing temporary economic losses, and to non-profit organizations such as hospitals, colleges and universties, which also deserve the benefit of this incentive.

To help provide the revenue for this more efficient and more equitable investment credit, Congress should repeal the Asset Depreciation Range (ADR) system, which was unwisely enacted in 1971. There is broad agreement among economic experts that the investment credit—with the changes I have proposed—will be a more efficient and effective stimulus to capital investment than accelerated depreciation gimmicks like ADR.

I also believe that the refundable, incremental investment credit I am proposing will constitute a valuable resource for small businesses, especially those that are in their formative stages of development.

In addition, I urge the Committee to approve the House action in extending for another two years the tax reductions for small business. I know that the lower tax rate and higher surtax exemption have been extremely beneficial to many small businesses in my own region of New England and in many other sections of the country. Too often, when tax incentives have been enacted in the past, small business has been left out. The measures in the Tax Reduction Act of 1975 have been of useful value, and they deserve to be extended.

Oil and Gas Operation. With the price of oil continuing at astronomic levels, the time has come to end the major federal tax subsidies for oil and gas. The Congress should take the following specific steps:

Require capitalization of intangible drilling and development costs.

Require "recapture" of the tax benefits in cases where property subject to the intangible deduction is subsequently sold at a gain.

Phase out the 2000 barrel per day exemption from repeal of the percentage depletion allowance.

Reduce the tax credit for foreign oil income to 48%.

Multinational Corporations. We must also revise the rules that provide "tax favoritism" to American corporations doing business overseas. I believe that America and American business will benefit together if our tax rules are neutral as between enterprises that operate entirely in the United States and those that operate through subsidiaries abroad.

The Senate should once again—as it did in 1975—vote to end the present tax deferral on income earned by foreign subsidiaries of U.S. multinational corporations. We need jobs in the United States. We should not be encouraging American companies to go abroad to hire foreign workers, when unemployment is over 7% at home.

The Senate should also repeal the DISC tax benefit. This subsidy is a Treasury-spawned tax loophole enacted in 1971. It has proved to be an almost complete waste of taxpayer's money—now costing the Treasury $1.5 billion a year. The House Budget Committee, after an extensive study, concluded that DISC has created few if any jobs for American workers. The AFL–CIO has reached a similar conclusion. Congress can think of better ways than DISC to spend $1.5 billion to create new jobs.

Estate and Gift Tax Reform. Finally, comprehensive estate and gift tax reform is long overdue. Not since 1942 has a complete review of the entire system been undertaken by Congress. It is encouraging that the Ways and Means Committee has this week begun hearings on this important subject.

If the Committee decides to include estate and gift tax reform in the pending bill, I would appreciate the opportunity to appear at a later date to present detailed views on the steps I believe we should take to insure a fair and effective transfer tax system. I have outlined some of these points in the "detailed" portion of this statement.

I strongly urge the Committee, whatever action it takes on broader issues of the estate and gift tax laws, to reject outright the President's proposal to increase the estate tax exemption from $60,000 to $150,000. This proposal—ostensibly intended to help small farmers—would severely undercut the effectiveness of our estate and gift tax laws.

If the Committee does wish to take action at this time to alleviate liquidity problems of farm owners, I would suggest a proposal to achieve this goal, without impairing the basic structure of the transfer tax system. Under the proposal, farmers would be entitled to transfer "development" rights to charitable or governmental organizations. In this manner, the land would be valued at its farm value, not its development value for estate tax purposes, and the goal of preserving the nation's open spaces would be enhanced.

CONCLUSION

Let us resolve that "Always a bridesmaid, never a bride" shall not be the epitaph of tax reform in Congress in 1976. The lobbyists and their clients are at the altar now, as always in the past. And for many years, they have taken the bride away in the form of massive subsidies for their interests.

For too long, tax reform has been a failing movement in Congress. Our perennial promises of reform have a hollow ring by now to taxpayers weary of the rhetoric and cynical about their government. We have the tools and the knowledge to fulfill the promise now. The only doubt is whether we have the will.

Mr. Chairman, I submit these tax reform proposals to the Committee in a spirit of constructive cooperation. I stand ready to work with the members of the Committee and all other Senators to insure that a major tax reform bill is on the President's desk before election day.

TAX EXPENDITURE ESTIMATES, BY FUNCTION

[Millions of dollars, fiscal years]

Function	Corporations					Individuals				
	1977	1978	1979	1980	1981	1977	1978	1979	1980	1981
National defense (050):										
Exclusion of benefits and allowances to Armed Forces personnel						650	650	650	650	650
Exclusion of military disability pensions						90	100	110	120	130
International affairs (150):										
Exclusion of income earned abroad by U.S. citizens						160	175	195	205	220
Exclusion of gross-up on dividends of LDC corporations	55	55	55	55	55					
Deferral of income of domestic international sales corporations (DISC)	1,420	1,460	1,495	1,580	1,735					
Deferral of income of controlled foreign corporations	365	365	365	365	365					
Special rate for Western Hemisphere trade corporations	50	50	50	50	50					
Natural resources, environment and energy (300):										
Exclusion of interest on State and local government pollution control bonds	170	220	265	300	330	75	100	125	145	160
Expensing of exploration and development costs	840	1,045	1,285	1,540	1,850	195	245	305	365	435
Excess of percentage over cost depletion	1,020	1,015	1,110	1,215	1,325	575	625	640	670	695
Pollution control: 5-yr amortization	15	5								
Capital gains treatment of royalties on coal and iron ore	20	20	25	25	30	50	60	65	75	85
Capital gains treatment of certain timber income	165	175	190	200	215	65	70	75	80	85
Agriculture (350):										
Expensing of certain capital outlays	115	120	130	135	150	360	370	380	390	400
Capital gains treatment of certain income	40	40	45	50	50	565	655	705	760	820
Cooperatives: deductibility of noncash patronage dividends and certain other items	455	485	520	555	595					
Commerce and transportation (400):										
Exemption of credit unions	135	145	155	165	175					
Corporate surtax exemption	6,185	6,745	7,300	7,865	8,455					
Deferral of tax on shipping companies	130	155	180	205	230					
Railroad rolling stock: 5-yr amortization	10	5								
Financial institutions: excess bad debt reserves	570	635	730	900	1,060					
Deductibility of nonbusiness State gasoline taxes						600	665	735	815	910
Depreciation on rental housing in excess of straight line	125	135	145	155	170	455	480	510	545	580
Depreciation on buildings (other than rental housing) in excess of straight line	280	300	325	350	375	215	235	250	275	30
Expansing of research and development expenditures	695	725	755	785	815					
Capital gains: Corporate (other than farming and timber)	900	1,015	1,090	1,170	1,260					
Investment credit	7,585	8,045	8,480	8,890	9,310	1,530	1,635	1,750	1,870	1,995
Asset depreciation range	1,630	1,825	2,000	2,095	2,135	175	195	220	230	235
Dividend exclusion						350	370	385	405	425
Capital gains: Individual (other than farming or timber)						6,225	7,360	7,905	8,490	9,145
Capital gains at death						7,280	8,120	9,015	10,005	11,105
Deferral of capital gains on home sales						890	935	980	1,030	1,080
Deductibility of mortgage interest on owner-occupied homes						4,710	5,225	5,800	6,440	7,150
Deductibility of property tax on owner-occupied homes						3,825	4,245	4,710	5,230	5,805
Deductibility of interest on consumer credit						1,075	1,195	1,325	1,475	1,635
Exclusion of interest on State and local industrial development bonds	195	235	270	315	355	90	110	130	150	170
Excess 1st yr depreciation	165	180	200	220	240	85	95	105	115	130
Expansion of construction period interest and taxes	1,065	1,110	1,150	1,190	1,230	570	595	620	645	670
Credit for purchase of new home						100				
Community and regional development (450): Housing rehabilitation: 5-yr amortization	25	20	15	10	10	40	25	15	15	15
Education, training, employment, and social services (500):										
Exclusion of scholarships and fellowships						220	235	245	255	270
Parental personal exemption for student age 19 and over						715	735	760	780	805
Deductibility of charitable contributions (education)	280	325	355	390	430	500	555	610	670	735
Deductibility of child and dependent care expenses						420	460	510	560	615
Child care facilities: 5-yr amortization	5	5								
Credit for employing AFDC recipients and public assistance recipients under work incentive program	10	10	10	10	10					
Deductibility of charitable contributions (social services)	352	402	446	489	536	3,124	3,468	3,847	4,274	4,740
Health (550):										
Exclusion of employer contributions to medical insurance premiums and medical care						4,225	4,730	5,300	5,935	6,650
Deductibility of medical expenses						2,095	2,325	2,580	2,865	3,175
Deductibility of charitable contributions (health)	173	198	219	241	264	831	922	1,023	1,136	1,260
Income security (600):										
Exclusion of social security benefits:										
Disability insurance benefits						370	415	470	525	595
OASI benefits for aged						3,525	3,965	4,460	5,020	5,645
Benefits for dependents and survivors						565	635	715	805	905
Exclusion of railroad retirment system benefits						200	215	230	245	260
Exclusion of unemployment insurance benefits						2,855	2,655	2,470	2,295	2,135
Exclusion of workmen's compensation benefits						640	705	775	855	940
Exclusion of public assistance benefits						130	145	165	185	210
Exclusion of special benefits for disabled coal miners						50	50	50	50	50
Exclusion of sick pay						350	370	385	405	425
Net exclusion of pension contributions and earnings:										
Employer plans						6,475	7,120	7,835	8,620	9,480
Plans for self-employed and others						965	1,065	1,180	1,300	1,440
Exclusion of other employee benefits:										
Premiums on group term life insurance						895	965	1,050	1,135	1,230
Premiums on accident and accidental death insurance						60	65	70	80	80
Income of trusts to finance supplementary unemployment benefits						5	5	5	5	5
Meals and lodging						305	320	335	350	365
Exclusion of capital gains on home sales if over 65						50	55	60	65	70
Excess of percentage standard deduction over minimum standard deduction						1,560	1,635	1,720	1,805	1,895
Additional exemption for the blind						25	25	25	25	25
Additional exemption for over 65						1,220	1,280	1,340	1,410	1,480
Retirement income credit						110	100	90	80	70
Earned income credit: nonrefundable portion						280	270	255	245	235
Earned income credit: refundable portion						1,110	1,065	1,025	985	945
Exclusion of interest on life insurance savings						1,855	2,025	2,210	2,410	2,625
Deductibility of casualty losses						330	355	380	305	430
Maximum tax on earned income						505	580	670	770	885

Function	Corporations					Individuals				
	1977	1978	1979	1980	1981	1977	1978	1979	1980	1981
Veterans' benefits and services (700):										
Exclusion of veterans' disability compensation						595	595	595	595	595
Exclusion of veterans' pensions						30	30	30	30	30
Exclusion of GI bill benefits						280	265	255	240	230
General government (800): Credits and deductions for political contributions						65	40	50	50	85
Revenue sharing and general purpose fiscal assistance (850):										
Exclusion of interest on general purpose State and local debt	3,150	3,375	3,630	3,925	4,300	1,390	1,490	1,605	1,735	1,880
Exclusion of income earned in U.S. possessions	285	305	325	350	375					
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes and gasoline)						6,680	7,415	8,230	9,140	10,140
Interest (900): Deferral of interest on savings bonds						685	756	845	925	1,005

Source: Staffs of the Treasury Department and the Joint Committee on Internal Revenue Taxation.

SUM OF THE TAX EXPENDITURE ITEMS BY TYPE OF TAXPAYER AND FISCAL YEAR[1]

[Millions of dollars]

Fiscal year	Corporations and individuals	Corporations	Individuals
1977	105,970	28,680	77,290
1978	115,600	30,950	84,650
1979	125,475	33,315	92,160
1980	136,250	35,790	100,460
1981	148,160	38,485	109,675

[1] These totals represent the mathematical sum of the estimated fiscal year effect of each of the 82 tax expenditure items included in this table.

[Excerpts from "Tax Expenditures," Senate Committee on the Budget, Mar. 17, 1976]

EXCLUSION OF CERTAIN INCOME EARNED ABROAD BY U.S. CITIZENS

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	160	-----	160
1976	145	-----	145
1975	130	-----	130

AUTHORIZATION

Sections 911–912.

DESCRIPTION

While U.S. citizens are generally taxable on their world-wide income, up to $20,000 of foreign earned income (largely salary income) may be excluded annually from income under section 911 by a citizen who (1) is a bona fide resident of a foreign country for an uninterrupted period that includes a taxable year, or (2) has been present in a foreign country for 510 days (17 months) out of 18 consecutive months. The annual exclusion is raised to $25,000 for an individual who has been a bona fide resident of a foreign country for at least 3 consecutive years. Section 911 does not apply to salaries received from the U.S. Government.

Section 912 exempts from tax certain allowances that are received by Federal civilian employees working abroad. The principal exempt allowances are for high local living costs, education, and housing.

IMPACT

Some U.S. citizens living abroad pay no income taxes to the countries in which they reside. Section 911 allows their income up to the appropriate ceiling to be tax free in the United States as well.

In cases where U.S. citizens pay foreign income taxes, those taxes, including the taxes paid on the income excluded from taxation under this section, can be credited against any U.S. tax liability that would otherwise exist on other foreign income: earned income above the $20,000 or $25,000 excludable limits and investment income. This allows U.S. taxpayers to offset all the foreign tax—including that paid on the amount of excluded income—against U.S. tax that would otherwise be due on the income in excess of the excluded amount. Thus, the combination of the exclusion and the foreign tax credit can result in levels of income actually exempt from U.S. tax in excess of the stated limits.

In addition to the U.S. citizens who directly benefit from this favorable treatment, overseas employers also benefit to the extent that salary levels are lower because of the exclusion. To the extent this occurs, they maintain an advantage relative to domestic employers. U.S. corporations that bid on overseas construction projects assert that the salary savings make them more competitive with foreign bidders, some of the employees of which also enjoy similar salary savings.

The value of the Section 912 exemption for allowances received by Federal civilian employees working abroad increases with the recipient's tax bracket. The value therefore depends on a variety of factors including the level of the recipient's Federal salary, the extent of his other income, and the amount of his itemized deductions.

Estimated distribution of individual income tax expenditure by adjusted gross income class

Adjusted gross income class (thousands of dollars):	*Percentage distribution*
0 to 7	38.9
7 to 15	17.8
15 to 50	34.4
50 and over	8.9

RATIONALE

A less restrictive form of Section 911 was first enacted in 1926 to encourage foreign trade. After World War II, the exclusion was justified as part of the Marshall Plan to encourage persons with technical knowledge to work abroad. Although the provision was revised on several occasions, dollar limitations were first enacted in 1953 at $20,000 and $35,000. The latter figure was reduced to $25,000 in 1964.

The exemption for civilian Federal employee overseas allowances was enacted in 1943. The principal rationale was to provide additional compensation for these employees, who were performing vital wartime services.

FURTHER COMMENT

H.R. 10612 passed by the House of Representatives in December 1975 would phase out Section 911 over a 3-year period. However, it would provide a new tax deduction for amounts paid as tuition for children of U.S. citizens working abroad.

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DEFERRAL OF INCOME OF DOMESTIC INTERNATIONAL SALES CORPORATIONS (DISCs)

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	-----	1,420	1,420
1976	-----	1,340	1,340
1975	-----	1,130	1,130

AUTHORIZATION

Sections 991–997.

DESCRIPTION

Corporations qualifying as DISCs (Domestic International Sales Corporations) must be incorporated in the United States, at least 95 percent of their assets must be related to export functions, and at least 95 percent of their gross receipts must stem from export sale or lease transactions.

DISCs typically are wholly owned subsidiary corporations through which parent corporations channel their export sales. DISCs are not themselves subject to corporate income tax, but their parent corporations are taxed on the DISC income when it is distributed or attributed to them.

The tax savings from using a DISC result principally from two interrelated aspects of the tax law: (1) the allocation rules that allow at least half of the total, combined profit of the parent and DISC from export sales to be attributed to the DISC, and (2) the potentially permanent tax deferral that is allowed on half of those profits attributed to the DISC under the liberal allocation rules. The other half of a DISC's income is either actually or deemed to be distributed annually to its parent corporation and thus does not qualify for deferral.

The allocation rules provide that a DISC is deemed to have earned either: (1) 50 percent of the combined taxable income of the parent corporation and DISC from export sales or (2) 4 percent of the gross receipts from the export sales, whichever is greater. The 50 percent allocation is used much more frequently. The rules for allocating DISC profits are much more favorable than the otherwise applicable tax law standard (Section 482) which requires a sale by a manufacturer or producer to a wholly owned sales subsidiary to be at an arm's length price. If the Section 482 rule were applied to DISCs, only a relatively small, or no, sales commission would be allocated to the DISC, while the proportionately larger profits from production would go to the parent corporation.

The deferral of tax (on 50 percent of the income allocated to the DISC) continues as long as the undistributed DISC income is invested in qualified assets; the duration may be indefinite, and in such cases constitutes the practical equivalent of a permanent tax exemption.

EXAMPLE

Assume a company incurs total costs of $8,000 in producing goods selling on the export market for $10,000. The allocation rule attributes 50 percent of the $2,000 total net profit to the DISC and 50 percent to the parent firm. Taxes are deferred on $500 of the $1,000 allocated to the DISC and the 48 percent corporate tax rate is applied to the remaining $1,500 of direct profits and DISC earnings attributed or paid to the parent firm. The total tax liability is $720. If a DISC had not been used, the tax liability would have been $960 ($2,000 × .48 tax rate). The DISC provides a tax savings of $240 ($500 of deferrable DISC income × .48 tax rate) and, therefore, lowers the effective tax rate to 36 percent on this export sales income.

IMPACT

This provision reduces the marginal tax rate on DISC-related export income from 48 percent to 36 percent (and to 24 percent in the relatively few cases where the total profit on export sales of the DISC and its parent is no more than 4 percent of gross export receipts).

Whether U.S. exporters reduce export prices in response to reduced effective tax rates is unclear. To the extent they do, foreign purchasers, as well as domestic exporters, would be subsidized.

According to several studies, the overall impact of DISC in stimulating exports has been small in comparison to its annual revenue cost. U.S. exports have increased dramatically since the DISC provisions were added, but the increase is said to be due to the devaluations of the dollar, worldwide inflation, and a stable U.S. share of expanding worldwide trade. On the other hand, many companies which utilize DISC argue it should be retained because: (1) in their view, DISC has substantially increased exports which, in turn, have increased U.S. employment levels; and (2) other countries employ a variety of export promotion devices.

Corporations with profitable export operations benefit from the tax reduction. The Treasury Department study cited below in the bibliography reported that 72 percent of the net income of 1,510 DISCs with corporate owners for which asset size data were available accrued to 186 companies with gross assets in excess of $250 million, with 44 percent going to only 28 companies.

RATIONALE

Originally adopted as part of the Revenue Act of 1971, the stated purpose of DISC was to stimulate exports and enhance the attractiveness of domestic manufacturing vis-a-vis manufacturing through foreign subsidiaries.

FURTHER COMMENT

H.R. 10612, passed by the House in December 1975, would reduce current DISC benefits by roughly one-third by limiting income qualifying for deferral to that earned by exports in excess of 75 percent of a company's exports during a prescribed base period.

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DEFERRAL OF INCOME OF CONTROLLED FOREIGN CORPORATIONS

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	---	365	365
1976	---	525	525
1975	---	590	590

AUTHORIZATION

Sections 11(f), 882, and 951–964.

DESCRIPTIONS

A U.S. corporate parent of a foreign subsidiary is not taxed on the income of that subsidiary until the income is remitted (or "repatriated") to the parent. The deferral of U.S. tax liability on the subsidiary's income is permanent to the extent that the income is reinvested in the subsidiary or other foreign subsidiaries rather than remitted to the U.S. parent. A tax credit in the amount of foreign taxes paid on repatriated income, plus any "gross up" required (see page 11) is allowed at the time of repatriation.

On the other hand, income from foreign branches (as distinguished from subsidiaries) of U.S. corporations is taxed on a current basis since the branches are parts of U.S. corporations. Certain so-called tax haven income also is taxed currently in the U.S. irrespective of whether earned by a foreign subsidiary or a branch. The Tax Reduction Act of 1975 strengthened the provisions requiring current taxation of such income.

IMPACT

Companies that operate in countries with effective income tax rates less than the U.S. rate may receive tax benefits from this provision.

A substantial portion of the revenue loss is attributable to deferral on shipping income, which is estimated to account for over $100 million of the current revenue loss. This occurs because shipping firms are often based in countries without income taxes, such as Liberia and Panama. U.S. Department of Commerce data indicate that 423 of the 678 foreign flag ships owned by U.S. corporations and their subsidiaries are registered in Panama or Liberia. Much (485) of this total shipping fleet is composed of tankers.

RATIONALE

Historically, the United States has not taxed foreign source income of foreign corporations on the premise that only domestic corporations or income with a U.S. source is subject to U.S. jurisdiction. In effect, the separate corporate status of foreign subsidiaries of domestic corporations was respected. In 1962 these principles were abrogated for certain so-called tax haven income under subpart F of the Code. Such income is taxed even though earned abroad and even though not repatriated.

FURTHER COMMENT

Opponents of deferral allege it encourages investment in foreign countries and reduces domestic investment, thus reducing U.S. tax revenues and U.S. exports, and adversely affecting the balance of payments, the balance of trade, and domestic employment. Proponents deny such allegations and argue that deferral must be continued for U.S. corporations to remain competitive with foreign companies in overseas markets.

Deferral of tax on foreign profits is not neutral compared to investment in the United States in the sense that if the foreign country tax rate is less than the U.S. tax rate and the income is not going to be repatriated, a U.S. corporation has a tax incentive to invest abroad using a foreign subsidiary instead of investing at home. However, the deferral rules do neutralize advantages foreign competitors may have over U.S. corporations operating abroad. Moreover, there are also offsetting tax rules which favor investment in the U.S. by domestic companies rather than abroad such as the general limitation of the investment credit and asset depreciation range (ADR) depreciation to assets in the United States.

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EXPENSING OF INTANGIBLE DRILLING, EXPLORATION AND DEVELOPMENT COSTS

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	195	840	1,035
1976	155	650	805
1975	120	500	620

AUTHORIZATION

Sections 263(c) and 616–617.

DESCRIPTION

Taxpayers engaged in drilling for oil and gas may deduct intangible drilling costs as incurred while taxpayers engaged in other mining activities may deduct exploration and development costs as incurred (i.e., these costs may be "expensed").

Intangible drilling costs are certain expenses incurred in bringing a well into production, such as labor, materials, supplies and repairs. Expenses for tangible such as tanks and pipes are recovered through depreciation.

Mining exploration costs are those for the purpose of ascertaining the existence, location, extent or quality of a deposit incurred before the development stage, such as core drillings and testing of samples. These expenses are limited in the case of foreign exploration. Foreign exploration costs cannot be expensed after the taxpayer has total foreign and domestic exploration costs of $400,000. Development expenses include those incurred during the development stage of the mine such as constructing shafts and tunnels and in some cases drilling and testing to obtain additional information for planning operations. There are no limits on the current deductibility of such costs. Although both intangible drilling costs and mine development costs may be taken in addition to percentage depletion, mining exploration costs subsequently reduce percentage depletion deductions. In the case of mines, there are also "recapture" provisions under which capital gains from the sale of the property are taken as ordinary income to the extent of prior deductions for exploration expenses.

IMPACT

Generally, expenditures which improve assets that yield income over several years must be capitalized and deducted over the period in which the assets produce income. The tax advantage of treating these expenditures as current expenses is the same as any other allowing premature deductions; the taxpayer is allowed to defer current tax liabilities; this treatment amounts to an interest-free loan (see Appendix A).

These expensing provisions are additional benefits which supplement the special percentage depletion allowances extended to the mineral industry.[1] Although the expensing and depletion provisions operate somewhat independently, a firm or person may be eligible for both and receive their combined benefits.

Estimated distribution of individual income tax expenditure by adjusted gross income class [1]

Adjusted gross income class (thousands of dollars):	*Percentage distribution*
0 to 7	2.5
7 to 15	15.0
15 to 50	33.8
50 and over	48.8

[1] The distribution refers to the individual tax expenditure only. The corporate tax expenditure resulting from these tax provisions is not reflected in this distribution table.

RATIONALE

The option to expense intangible drilling costs (as well as dry hole costs) of oil and gas wells developed through regulations issued in 1917 (19 Treas. Dec. Int. Rev. 31 (1917)). These regulations reflected the view that such costs were ordinary operating expenses. In 1942, the Treasury Department recommended that the provisions be removed, but Congress did not consider the suggestion. (Hearings on Revenue Revision of 1942 before the Committee on Ways and Means, p. 2996, Vol. 3, 77th Cong., 2nd Sess.) In 1945, when a court decision invalidated the regulations (*F.H.E. Oil Co.* v. *Commissioner*, 147 F.2d 1002, 5th Cir. 1945), Congress adopted a resolution (H. Con. Res. 50, 79th Cong., 1st Sess.) approving the treatment and later incorporated it into law in the 1954 Code. The legislative history of this resolution indicates that it was intended to reduce uncertainty in mineral exploration and stimulate drilling for military and civilian purposes. (H. Rep. No. 761, 79th Cong., 1st Sess., pp. 1–2.) Expensing of mine development expenditures was enacted in 1951 to reduce ambiguity in current treatment and encourage mining. The provision for mine exploration was added in 1966.

Prior to the Tax Reform Act of 1969, a taxpayer could elect either to deduct without dollar limitation exploration expenditures in the United States, which subsequently reduced percentage depletion benefits, or to deduct up to $100,000 a year with a total not to exceed $400,000 of foreign domestic exploration expenditures without the application of the recapture rule. The 1969 Act subjected all post-1969 exploration expenditures to recapture.

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CORPORATE SURTAX EXEMPTION

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	-----	6,185	6,185
1976	-----	5,015	5,015
1975	-----	3,345	3,345

AUTHORIZATION

Section 11.

DESCRIPTION

The permanent corporate income tax consists of a normal tax rate of 22 percent and a surtax of 26 percent for a total tax rate of 48 percent. The first $25,000 of profits are exempted from the surtax.

Temporary provisions in the Tax Reduction Act of 1975 and the Revenue Adjustment Act of 1975 reduce the normal tax rate to 20 percent on the first $25,000 of profits and 22 percent on the next $25,000 of profits, thus raising the exemption from the surtax to $50,000. These changes are presently in effect only through June 30, 1976.

IMPACT

The surtax exemption is available to all corporations. It tends to neutralize the tax differential between a business operating as a sole proprietorship or a partnership and a corporation by lowering the corporate tax rate on the first $25,000 ($50,000 in 1975 and part of 1976) to rates comparable to the individual rates. The exemption encourages the use of the corporate structure and allows some small corporate businesses that might otherwise operate as sole proprietorships or partnerships to provide fringe benefits. It also encourages the splitting of operations between sole proprietorships, partnerships and corporations. Most businesses are not incorporated; only about 5 percent of all businesses are affected by this provision, and not all of those receive the full tax benefit because their taxable income is less than $25,000 ($50,000 in 1975 and part of 1976).

RATIONALE

Since almost the earliest days of the corporate income tax, some level of profits has been exempted from the full corporate tax rate. The split between a normal tax and a surtax was not, however, fully accomplished until the Revenue Act of 1941. The surtax exemption in its present form was adopted as part of the 1950 Revenue Act. The purpose was to provide relief for small businesses. However, many large businesses fragmented their operations into numerous corporations to obtain numerous exemptions from the surtax. Some remedial steps were taken in 1963; in 1969, legislation was enacted limiting groups of corporations controlled by the same interest to a single surtax exemption.

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DEPRECIATION ON RENTAL HOUSING IN EXCESS OF STRAIGHT LINE, AND DEPRECIATION ON BUILDINGS (OTHER THAN RENTAL HOUSING) IN EXCESS OF STRAIGHT LINE

ESTIMATED REVENUE LOSS

DEPRECIATION ON RENTAL HOUSING

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	455	125	580
1976	430	120	550
1975	405	115	520

ESTIMATED REVENUE LOSS

DEPRECIATION ON BUILDINGS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	215	280	495
1976	215	275	490
1975	220	220	440

AUTHORIZATION

Section 167(b) and (j).

DESCRIPTION

Businesses are allowed to recover the cost of their durable assets that wear out or become obsolete by deducting from gross income an allocable portion of the cost of the assets. Normally these depreciation deductions are spread over the useful life of the asset, and the total amount equals the asset's cost less salvage value. Taxpayers are generally offered the choice of using the straight line method (in which an equal amount of depreciation is deducted each year of the asset's life) or accelerated methods of depreciation (in which greater amounts are deducted in the early years). A taxpayer can switch from the declining balance or the sum of the years-digits methods of accelerated depreciation to straight line depreciation when it becomes advantageous to do so as the asset grows older.

The use of accelerated depreciation on structures is limited as follows:

Residential rental units

(1) New construction may be depreciated under any method allowed by the Internal Revenue Code.

(2) Used buildings having at least a 20-year life when acquired may be depreciated under the declining balance method, using a rate not in excess of 125 percent of the straight line rate.

Other structures

(1) New construction may be depreciated by any accelerated method which does not yield depreciation greater than the declining balance method using a rate not exceeding 150 percent of the straight line rate.

(2) Used buildings may be depreciated on the straight line method or any other reasonable method that is neither a declining balance or sum of the years digits method.

EXAMPLE

Assume a used residential structure with a basis of $10,000, an expected remaining life of 25 years, and no salvage value. If the straight line method were used, the deduction would be $400 each year. Under accelerated depreciation, the first-year depreciation allowance can be computed as follows:

$$\text{Depreciation allowance} = 125 \times 1/25 \times \$10{,}000 = \$500$$

In the second year, the depreciation allowance is computed in the same way except the original basis of $10,000 is now reduced by the amount previously depreciated. Hence, the new basis equals $9,500. The second year computation is:

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[1] Percentage depletion has been eliminated for larger producers of oil and gas and is being reduced for other producers.

$$\text{Depreciation allowance} = 125 \times 1/25 \times \$9{,}500 = \$475$$

Thus, in each succeeding year, there is a decrease in the amount of depreciation claimed for tax purposes, and therefore an increase in tax liability compared to what it would be otherwise.

IMPACT

Because accelerated depreciation allows for larger deductions in the early years of the asset's life and smaller depreciation deductions in the later years, accelerated depreciation results in a deferral of tax liability. It is a tax expenditure to the extent it is faster than economic (i.e. actual) depreciation. It is widely believed to be consistent with actual experience to allow accelerated depreciation for some machinery and equipment which, in many cases, decline in value more rapidly in their early years than later years. However, similar treatment for buildings is generally believed inconsistent with their rates of economic decline in value which are generally much slower than those of machinery and equipment.

The direct benefits of accelerated depreciation for structures accrue to owners of business buildings and rental housing. The benefit is estimated as the tax saving resulting from the depreciation deductions in excess of straight line depreciation. About 77 percent of the tax saving from rental housing and 44 percent of the tax saving from nonresidential buildings accrue to individual owners. The remaining portion of each class of benefit goes to corporate owners.

Efforts to repeal accelerated depreciation for real estate have been opposed on the ground that without this treatment, real estate investments would be so unattractive relative to other forms of investment that drastic cut backs in building programs would result. On the other hand, it is argued that the tax benefits increase the production of new buildings only to the extent that demand for new buildings responds to small price changes, and that this response is relatively small. The impact of accelerated depreciation of rental housing is generally estimated to be greater than for nonresidential buildings since the demand for housing is more price elastic.

Estimated distribution of individual income tax expenditure by adjusted gross income class [1]

DEPRECIATION ON RENTAL HOUSING

Adjusted gross income class (thousands of dollars):	*Percentage distribution*
0 to 7	4.8
7 to 15	16.8
15 to 50	44.3
50 and over	34.1

DEPRECIATION OF BUILDINGS

Adjusted gross income class (thousands of dollars):	*Percentage distribution*
0 to 7	5.0
7 to 15	17.3
15 to 50	44.1
50 and over	33.6

[1] The distribution refers to the individual tax expenditures only. The corporate tax expenditures resulting from these tax provisions is not reflected in this distribution table.

RATIONALE

Prior to 1954, depreciation policy had developed through administrative practices and rulings. The straight line method was favored by IRS and generally used. A ruling issued in 1946 authorized the use of the 150 percent declining balance method. Authorization for it and other accelerated depreciation methods first appeared in the statute in 1954 when the double declining balance and other methods were authorized. The discussion at that time focused primarily on whether the value of machinery and equipment declined faster in their earlier years. However, when the accelerated methods were adopted, real property was included as well even though it did not decline more rapidly in value in its first years. By the 1960s, most commentators agreed that accelerated depreciation resulted in excessive allowances for buildings. In 1964, a provision was enacted which "recaptured" accelerated depreciation as ordinary income in varying amounts when a building was sold, depending on the length of time the property was held. However, recapture was not required for straight line depreciation upon the transfer of real estate. In 1969, the current limitations were imposed and the "recapture" provision was slightly strengthened.

FURTHER COMMENT

Several proposals have been made either to eliminate accelerated depreciation or to limit its benefits. One of the more generally advocated changes would limit depreciation to the equity investment in the property. Another would not allow real estate losses to offset income from other sources. There are many variations and combinations of these proposals (see for example H.R. 10612, 94th Cong., 1st Sess.).

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INVESTMENT TAX CREDIT

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	1,530	7,585	9,115
1976	1,410	6,850	8,260
1975	950	4,860	5,810

AUTHORIZATION

Sections 38 and 46–50.

DESCRIPTION

The investment tax credit (ITC) is available to any taxpayer who invests in income-producing property which is eligible for the credit.

Eligible investment is largely limited to tangible personal property, such as machinery and equipment, that is used in the United States. Most buildings are not eligible.[1]

The amount of the credit is subtracted from tax liability calculated without the credit. The credit is currently 10 percent of the qualified investment but will revert to 7 percent (4 percent for regulated utilities) after December 31, 1976. The amount of investment that qualifies for the credit is the full purchase price of property with a life of at least 7 years, two-thirds for property with a useful life of from 5 to 7 years, one-third for property with 3- to 5-year life, and zero for property with a life of less than 3 years. Only $100,000 of investment in used property ($50,000 after December 31, 1976) qualifies in any year. The maximum credit which can be claimed in any one year is $25,000 plus 50 percent of tax liability over $25,000 (this rule is temporarily liberalized for regulated utilities). Any unused amount of the credit may be carried back 3 years and carried over 7 years (for pre-1971 carryovers a 10-year period is allowed). Use of the credit does not reduce the cost of an asset for purposes of calculating depreciation.

A corporate taxpayer may elect an additional 1 percent credit until December 31, 1976, if an amount equal to 1 percent of the qualified investment is contributed to an employee stock ownership plan.

IMPACT

The credit has two effects. First, it increases the recipient's cash flow. Second, it reduces the cost of capital and, therefore, can turn an unprofitable investment into a profitable one (or a profitable one into a more profitable one). Assume that an investor requires a 15 percent rate of return to undertake an investment project. A machine which costs $1,000 and provides an annual return of $135 does not meet the 15 percent target. However, a 10 percent ITC reduces the net cost of the machine to $900, so the $135 annual return qualifies at the 15 percent standard (15 percent of $900= $135).

While noncorporate businesses and individual investors benefit from the credit, 80 percent of the credit accrues to corporations. Since the credit is directly related to investment in durable equipment, much of the direct benefit is concentrated in manufacturing and utilities.

According to 1972 tax data, 64 percent of the ITC is claimed by corporations with assets of $250 million or more. Two major industry categories account for 77 percent of the credit: manufacturing (44 percent) and transportation, communication, electric, gas, and sanitary services (3 percent).

For some firms, e.g., public utilities, the credit on an investment may exceed the company's tax liability. Instead of purchasing the property, the firm may find it profitable to lease the equipment from a bank that is able to obtain full benefit from the credit. Securities and Exchange Commission data indicate substantial use of the credit by banks through leasing arrangements. A refundable investment credit has been recommended by some persons for business firms that lose unused credits at the end of the carry-forward period.

Several studies have produced little evidence that suggests the past changes in the application of the credit have been effective as short-run business cycle stabilization tools. Other studies have produced conflicting evidence as to the long-term effectiveness of the credit in stimulating investment which increases the rate of capital accumulation and economic growth.

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[1] With certain exceptions, investments eligible for the credit include depreciable or amortizable property having a useful life of three years or more and include: (1) tangible property; (2) other tangible property (not including a building or its components) used as an integral part of (a) manufacturing, (b) extraction, (c) production, or (d) furnishing of transportation, communications, electrical energy, gas, water, or sewage disposal services; (3) elevators and escalators; and (4) research facilities and facilities for the bulk storage of fungible commodities.

Estimated distribution of individual income tax expenditure by adjusted gross income class[1]

Adjusted gross income class (thousands of dollars):	*Percentage distribution*
0 to 7	5.1
7 to 15	25.0
15 to 50	49.3
50 and over	20.5

[1] The distribution refers to the individual tax expenditure only. The corporate tax expenditure resulting from these tax provisions is not reflected in this distribution table.

RATIONALE

Originally adopted as part of the Revenue Act of 1962, the purpose of the credit was to stimulate investment and economic growth. The credit was also justified as a means of increasing the ability of American firms to compete abroad and of compensating for the effect of inflation on capital replacement. The credit was modified in 1964, suspended in September 1966, restored in March 1967, repealed in April 1969, reenacted in August 1971, and temporarily liberalized in March 1975 until the end of 1976.

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ASSET DEPRECIATION RANGE

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	175	1,630	1,805
1976	155	1,435	1,590
1975	140	1,270	1,410

AUTHORIZATION

Section 167(m); Regulation 1.167(a)–11; Rev. Proc. 72–10.

DESCRIPTION

The Internal Revenue Service has established useful lives for classes of depreciable assets. The asset depreciation range (ADR) system permits taxpayers to choose any useful life within a range of 20 percent more or less than the class life specified for a particular asset. If ADR is chosen, the taxpayer is not required to justify retirement and replacement policies nor to show that they are consistent with the actual useful lives of their assets.

EXAMPLE

Assume that a taxpayer has a $1,500 asset for which the class life established by the Internal Revenue Service is 10 years. Using double declining balance depreciation, without ADR, the deduction in the first year would be 200 percent×.10×$1,500=$300. After deduction of this depreciation charge, the adjusted basis of the asset is $1,200 ($1,500—$300). In the second year, the deduction would be 200 percent×.10×$1,200=$240.

Under the asset depreciation range, a useful life of between 8 and 12 years may be selected. If the taxpayer chose 8 years, the first year deduction would be 200 percent×⅛×$1,500=$375. In the second year, the deduction would be 200 percent×⅛×$1,125=$281.25. Therefore, the use of ADR would result in additional deductions of $75 the first year ($375—300) and $41.25 the second year ($281.25—240.00).

IMPACT

The ADR system, as accelerated depreciation (see Appendix A), reduces taxes early in the life of depreciable assets and thus increases cash flow during that time. The subsidy value of ADR is the tax saving from the allowance of a tax depreciation life shorter than the guideline life of the asset. Capital intensive businesses such as manufacturing firms and utilities are necessarily the most likely to take advantage of ADR.

Securities and Exchange Commission data indicate significant use of ADR by railroads, utilities, airline companies, and truck and equipment companies. Treasury Department data indicate that the use of ADR is more probable the larger the company, and the percent of investment covered by ADR increases with the asset size of the company. Sixty percent of all business fixed investment is covered by ADR, but about 80 percent of the business fixed investment of the 360 largest corporations is covered.

Estimated distribution of individual income tax expenditure by adjusted gross income class[1]

Adjusted gross income class (thousands of dollars):	*Percentage distribution*
0 to 7	4.8
7 to 15	18.1
15 to 50	43.8
50 and over	33.3

[1] The distribution refers to the individual tax expenditure only. The corporate tax expenditure resulting from these tax provisions is not reflected in this distribution table.

RATIONALE

The ADR system was established in 1971 principally to stimulate investment and economic growth by deferring taxes through the acceleration of depreciation deductions. In addition, it was asserted the system would simplify the administration of the existing depreciation rules.

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EXCLUSION OF CAPITAL GAINS AT DEATH

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	7,280	-----	7,280
1976	6,720	-----	6,720
1975	6,450	-----	6,450

AUTHORIZATION

Sections 1001, 1002, 1014, 1221, and 1222.

DESCRIPTION

A capital gains tax generally is imposed on the increased value of a capital asset when the asset is sold, transferred, or exchanged. This tax, however, is not imposed on the appreciated value of such property if it is transferred as a result of the death of the owner; and any sale by the transferee is taxable only to the extent of appreciation subsequent to the transferor's death (or six months after death if the alternative valuation for estate tax is elected). Thus, appreciation during the decedent's life is not subject to the income tax.

However, the assets are subject to the Federal estate tax based upon their value at the time of death.

IMPACT

The exclusion of capital gains at death is most advantageous to individuals who need not dispose of their assets to achieve financial liquidity. Generally speaking, these tend to be wealthier investors. The deferral of tax on the appreciation involved combined with the exemption for the appreciation before death is a significant benefit for the investors and their heirs.

Failure to tax capital gains at death encourages "lock-in" of assets which in turn means less turnover of funds available for investment. Certain revisions in the portfolio of an investor might result in more profitable before-tax rates of return, but might not be undertaken if the resulting capital gain tax would reduce the ultimate size of the estate. The investor may, therefore, choose to retain his assets until his death, at which time portfolio revisions can be made by executors without incurring a capital gains tax liability. Taxpayers are said to be "locked into" such investments.

Estimated distribution of individual income tax expenditure by adjusted gross income class

Adjusted gross income class (thousands of dollars):	*Percentage distribution*
0 to 7	6.3
7 to 15	15.1
15 to 50	36.9
50 and over	41.7

RATIONALE

The rationale for this exclusion is not indicated in the legislative history of any of the several interrelated applicable provisions. However, one current justification given for the exclusion is that death is considered as an inappropriate event to result in the recognition of income.

FURTHER COMMENT

Taxation of capital gains at death could cause liquidity problems for some taxpayers such as owners of small farms and businesses. Most proposals for taxing capital gains at death would combine substantial averaging provisions, deferred tax payment schedules, and a substantial deductible floor in determining the amount of the gain to be taxed. Another approach would require that the decedent's tax basis be carried over to the heirs who would be taxed on appreciation if they sell the property. This solution continues the deferral and lock-in effect discussed above.

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DEDUCTIBILITY OF CHILD AND DEPENDENT CARE SERVICES

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	420	-----	420
1976	330	-----	330
1975	295	-----	295

AUTHORIZATION

Section 214.

DESCRIPTION

A taxpayer may deduct certain expenses to care for a dependent child (under age 15), disabled dependent or spouse, or for household services when the taxpayer maintains a household for them. Deductible expenses are those incurred to enable the taxpayer to be gainfully employed full-time. The services must be rendered in the home, except for dependent children.

The deduction generally is limited to $400 a month. However, the monthly deduction limit for services rendered outside the home is $200 for one child, $300 for two children, and $400 for three or more children.

To claim the deduction, a husband and wife both must be employed full time unless one spouse is disabled.

For 1976 and later years, the deduction is reduced by $1.00 for each dollar of adjusted gross income (AGI) over $35,000; thus, the maximum deduction is entirely phased out when AGI equals $44,600.

IMPACT

Only taxpayers who itemize deductions may take advantage of this provision. Thus, taxpayers with moderate child care expenses and low levels of income are not likely to receive much tax relief from this provision, while high income taxpayers receive no relief from this provision at all because of the phase-out.

Estimated distribution of individual income tax expenditure by adjusted gross income class

Adjusted gross income class (thousands of dollars):	*Percentage distribution*
0 to 7	3.5
7 to 15	50.4
15 to 50	46.1
50 and over	0

RATIONALE

The deduction for child and dependent care services originated in 1954. The allowance was limited to $600 per year and was phased out for those with family income between $4,500 and $5,100. The intent of the provision was to provide for the deduction of expenses comparable to an employee's business expenses in cases where taxpayers must incur such expenses.

The provision was made more generous in 1964 and modified in 1971. The Tax Reduction Act of 1975 substantially increased the income limits.

Several new justifications were specified in 1971 including encouraging the hiring of domestic workers, encouraging the care of incapacitated persons at home rather than in institutions, providing relief to middle income taxpayers as well as low income taxpayers, and providing relief for employment-related expenses of household services as well as for dependent care. Thus, there was a departure from earlier intent that only "essential" expenditures for such services should be deductible.

FURTHER COMMENT

Numerous proposals have been made to treat expenses for household service and dependent care as business rather than personal expense and, thus, eliminate the necessity to itemize the deduction in order to benefit. The substitution of a credit for a deduction was adopted by the House in H.R. 10612 in December 1975.

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EARNED INCOME CREDIT

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	[1] 1,390	-----	[1] 1,390
1976	[1] 1,455	-----	[1] 1,455
1975	------	-----	------

[1] The estimated revenue loss reflects cash refunds of the credit as well as reductions of tax liability. OMB includes the refundable amount in direct outlays in the budget, and not as a tax expenditure. The cash refunds for 1976 are estimated at $1,165 million, and those for 1977 are estimated at $1,110 million.

AUTHORIZATION

Section 43.

DESCRIPTION

This tax credit is available only to low-income workers who have dependent children and maintain a household. The maximum credit is 10 percent of the first $4,000 of earned income. The credit is reduced by 10 percent of the taxpayer's adjusted gross income (AGI) (or earned income if greater) above $4,000 so that it becomes zero at AGI of $8,000.

The credit is subtracted from tax liability, if any. As contrasted with all previously enacted tax credits, credits in excess of tax liability are paid in cash to the eligible worker.

The Revenue Adjustment Act of 1975 in effect extended this provision at its previous level to June 30, 1976; otherwise it would have expired on December 31, 1975. The extension technically specifies a 5-percent credit for income earned in 1976, which would be increased to 10 percent if the provision is fully extended through December 31, 1976.

IMPACT

The earned income credit may be viewed as a partial offset to social security taxes on low-income workers. The combined employer-employee social security tax rate is 11.7 percent (5.85 percent paid by each party). Assuming the employee bears the burden of the employer's portion in the form of lower wages, the 10-percent credit offsets 85 percent of the tax.

The credit may help to encourage low-income workers to obtain employment and, thus, reduce the demand for welfare and unemployment benefits. However, it has been argued that many of those most in need of relief may fail to file the tax return necessary to claim the credit.

RATIONALE

The earned income credit originated in the Tax Reduction Act of 1975. Providing relief from social security taxes for low-income workers was one purpose. Other reasons cited by the Ways and Means Committee include providing relief to low-income people for recent increases in food and fuel prices. Some opponents believe relief of this nature would be more efficiently administered as a reduction of social security tax payments made by low-income wage earners.

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MAXIMUM TAX ON EARNED INCOME

ESTIMATED REVENUE LOSS

[In millions of dollars]

Fiscal year	Individuals	Corporations	Total
1977	580	-----	580
1976	480	-----	480
1975	400	-----	400

AUTHORIZATION

Section 1348.

DESCRIPTION

Although marginal tax rates rise to 70 percent, the marginal rate on earned taxable income is limited to 50 percent. The amount of income eligible for this maximum tax provision is computed in several steps as follows:

(1) Earned income that represents compensation for personal services, is reduced by the amount of expense connected with earning it. The remainder is earned net income. (2) The ratio of earned net income to adjusted gross income is then multiplied by total taxable income. The result is taxable earned income. (3) This amount is then reduced by certain tax preference income such as capital gains. (4) The result is the amount eligible for the maximum tax on earned income.

The tax rate on other income is not affected.

The maximum tax alternative cannot be used by taxpayers who average income and may not be used by married individuals filing separate returns.

IMPACT

This provision reduces the tax rate on high levels of earned income. However, because of the offset for tax preference income, the tax benefit is affected not only by the taxpayer's level of earned income but the extent of his preference income. Each dollar of preference income removes (i.e., offsets) a dollar of earned taxable income otherwise eligible for the maximum tax, and taxpayers with very large amounts of preference income may not benefit much from the provision. Thus, the offset acts as a tax on preference income.

Virtually all the tax savings resulting from this preferential rate accrue to taxpayers with $50,000 and over of adjusted gross income.[1]

RATIONALE

The maximum tax on earned income was adopted in 1969. Its purpose, as indicated in the Ways and Means Committee report, was to discourage the use of other tax reducing provisions rather than to provide tax relief. It was argued that a major motivation for tax avoidance was to protect earned income from high tax rates. The Senate Finance Committee, in deleting the amendment, questioned whether it was appropriate to reduce tax rates on earned income while still imposing high tax rates on other income, particularly when the taxpayer could use other devices to avoid high taxes on this other income and use the 50-percent maximum tax provision as well. The reduction for preference income, not originally in the House bill, was added in Conference presumably to respond to these objections.

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[1] No estimate of the income distribution of this provision was done by the Treasury Department for Senator Mondale.

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Mr. KENNEDY. I believe that this colloquy this morning has been very constructive. A number of features of the Internal Revenue Code have been discussed, but I believe that the most common theme which has run through all the statements is the great sense of injustice that Senators feel as individuals, and as it comes to them through from their constituents, with respect to the Internal Revenue Code.

I look forward to working with my colleagues as we focus on this issue. We will offer amendments on these matters on the floor of the Senate, as I already have done in the Committee on Finance.

Mr. President, before concluding, I pay tribute to the very special contribution that has been made by the distinguished Senator from South Carolina, not only in this morning's colloquy, with his clear and compelling and persuasive argument but also the great persistence he has shown in the Budget Committee, in insuring that the budget process applies to spending through the tax laws.

As do other Members of the Senate, I recognize that it was really his strong leadership in the Budget Committee that has put us firmly on track in this tax reform debate and discussion. I hope that the American taxpayers recognize the important contribution he has made to date through his concern about tax justice for all Americans.

(The following additional statements are printed at this point in the RECORD by unanimous consent.)

Mr. CANNON. Mr. President, I want to take this opportunity to urge my colleagues in the Senate Finance Committee as well as those who sit on the House Ways and Means Committee to report out tax legislation in this session that represents real tax reform for the American taxpayer.

In the past we have heard a great deal about tax reform, especially in election years, talk of changing the tax code to eliminate big deductions and to give the little guy the tax break he deserves. Unfortunately, after an appropriate interval, the "reform" debate subsides, the tax code remains unchanged, and the average taxpayer goes on paying without any relief in sight.

I am certain that the primary source of discontentment with our current tax structure stems from the fact that a majority of the taxpayers are convinced that not everyone pays his fair share. I think the taxpayers are right. And we will never convince the American taxpayers otherwise until they can see substantial changes in the Federal tax structure. This body must act to wipe out the sophisticated tax loopholes that enable the privileged, the special interests, and the corporate giants to manipulate the Tax Code so they pay little or no taxes.

There is nothing equitable about a situation where a man earning $15,000 a year actually pays more income tax than an individual with earnings of $50,000 who hires an accountant and employs the Tax Code. And what kind of equity do you have when a small businessman ends up paying more taxes than one of the larger corporations in his community? This is a situation that has gone on for far too long and the Congress continues to invite a taxpayer's revolt the longer we procrastinate on tax reform.

There is always the temptation to dwell on the more flagrant abuses when urging drastic changes in the tax laws and to be short on concrete proposals to achieve the objectives. I know that Members who sit on the tax committees in the House and the Senate have given the matter a great deal of consideration, in-depth analysis, and heard from many witnesses who are recognized experts in the field.

As a committee chairman in the Senate, I recognize and appreciate the expertise of the committees with jurisdiction in this area. And today I urge those committees and the leadership in the Senate to send us to the floor a real tax reform bill. Obviously the committee's bill will not meet the approval of every Member and there will probably be many amendments on the floor. I expect I will have a couple of my own to offer.

The important thing is that we get started and I can think of no better way than to have a bill on the floor which has been carefully considered by the committee and then open to input by each Member of this body. We have many problems facing us in the Congress such as the economy, energy shortages, and Federal spending. And judging from the people I talk with in my State and others around the country, the existing inequities in the tax system is certainly one of the major problems that the American people want this Congress to work on. I can think of no better time to be responsive to the people's mandate than in this Bicentennial Year.

Mr. FORD. Mr. President, during recesses in the Senate, I return to Kentucky to meet with constituents and to discuss problems and issues of which they are most concerned. During these visits, I have found tax reform to be one of the most urgent issues.

Kentuckians look on a fair and equitable tax system as one of the foundations upon which our system of government is based. They read of wealthy individuals and large corporations paying less tax than many of the middle income wage earners. They believe that existing laws impose an unfair share of the tax burden on wage earners.

I recognize the problems encountered in enacting a fair system of taxation, but I do not believe that we can turn our backs on this issue because it is complex. The passage of an equitable system of taxation may be the No. 1 issue facing us this year. This action could be the first step toward the restoration of trust in our public institutions.

I will not attempt to enumerate all of the provisions that have been raised, but let me list several changes that seem to have a very high priority.

First. We need to enact provisions to avoid the necessity to sell small family businesses to settle estate taxes. Too often the sale is necessary to raise cash required to pay the taxes. Several bills have been introduced to raise the exemption, and I am a cosponsor of one of them. I recognize that raising the exemptions would not treat all individuals on the same footing because it would benefit higher income groups more than lower and middle income groups. A form of tax credit is one alternative that would treat all individuals equally.

Second. We need to enact income tax legislation to treat all individuals equally. This can be accomplished by a single tax schedule or defining heads of households to include single individuals—other than dependents—who maintain separate residencies.

Third. The minimum tax should cover both individuals and corporations to assure that they pay their fair share of taxes.

Fourth. We need to review the tax shelters to assure that they will stimulate business rather than serve as a mechanism to avoid paying a fair share of taxes.

Fifth. The tax on retirement income needs to be amended to assure equal treatment. Many political subdivisions and governmental agencies are not covered by social security. The same exemptions that exist for people on social security should be extended to retirement income for those persons who are not covered by social security.

Sixth. We need to enact provisions to stimulate investment capital. I suggest treating dividends on stocks up to approximately $200 as nontaxable. This change would encourage small investors. Again, this income could be treated as a form of tax credit, but we should create an incentive. Investment tax credit should also be given careful consideration as a stimuli to economic development and expansion. Special tax breaks can no longer be justified for our multinational corporations and this area must be carefully evaluated.

It is absolutely essential that we give greater consideration to tax expenditures. In fact, tax expenditures can be as important to the economy as our allocation of revenue. The big difference is that the public is never apprised of the former.

I commend the Senate Budget Committee for its recommendation of a $2 billion reduction in tax expenditures, and I believe that adoption of this recommendation will be a good start toward focusing attentoin on this area this year. The taxes avoided are just as important as the taxes paid and it is past time for us to discuss them openly and to bring them to the public's attention.

TAX REFORM—PROCEDURES ARE AS IMPORTANT AS SUBSTANCE

Mr. PROXMIRE. Mr. President, in any discussion of tax loopholes it is important to talk about procedures as well as substance.

The reason I say this is that many of the worst loopholes now in the tax laws came about through minor amendments attached to bills at the end of a congressional session or as so-called technical amendments to very complex bills.

Every year since I have been here, at the end of the session a series of amendments are proposed to provide tax relief for citizens and corporations in various States.

IRRESPONSIBLE PROCEDURES

For years both the House and the Senate acted on tax bills in what most observers believed was an irresponsible way. The result often led to opening loopholes and truckholes in the tax laws.

The House had something called a Member's bill. Each member of the House Ways and Means Committee was allowed to have a bill or two a year which the committee—by courtesy—voted out. Usually there were no hearings on the bill, there was no report on it, the Treasury did not give its views, there was no revenue estimate on it, and it was passed in a perfunctory way, usually by unanimous consent.

In the Senate we had what was called the "Bob Tail" bill. Each year near the end of the session some minor tax bill on the calendar was taken up and to it was added amendment after amendment.

In recent years the name has been changed to the Christmas tree bill because now, as opposed to the old days, the Senate usually is in session until the end of the year, and these amendments are trotted out on the last day or next to last day of the session, which is usually Christmastime.

Last year we had the silk yarn bill, and one or two other minor bills which were slated to be the vehicle for the Christmas tree.

There were at least 38 amendments proposed to the bill. Some were good. Some were clearly very bad. And some were neutral or nonentities. But they all had one thing in common, namely that no hearings were held on them in the Senate, there was no report concerning them, there was no indication of their revenue loss, there was no indication of who will benefit from them—and many of them were, for all practical purposes, private relief bills—and there was no indication of what the Treasury thought about them.

VAST LOOPHOLES THROUGH MINOR AMENDMENTS

In the past a very minor amendment to a tax bill trotted out on behalf of a nun in Philadelphia ended up as the "unlimited charitable deduction" loophole which was one of the major causes why some individuals with incomes of millions or tens of millions paid no taxes whatsoever.

The House has reformed its procedures, and I think it is time the Senate does so. I hope we take that step soon. They set up a three-man task force of the Ways and Means Committee to winnow out all the bills and amendments to the Tax Code.

Here is what they did:

First, they listed all the House or Members' bills which had been introduced. Then their three-man screening committee went through them. They applied certain standards.

Second, they threw out any bill which was of major substantive importance. They kept under consideration only miscellaneous minor bills;

Third, they threw out any bill which had a revenue loss of over $5 million.

Fourth, they threw out any bill which had been set for consideration under Phase II of their tax reform effort;

Fifth, they threw out any bill which was the subject matter for one of the committee's special task forces, such as bills affecting capital gains or foreign corporations which the committee was looking into with a view to tax reform and revision;

Sixth, they winnowed the number down to 22 bills. At that stage the staff prepared a report on the 22 bills describing each bill, saying how it would change the present law, what the revenue loss would be, and what the Treasury thought of them;

And seventh, on December 10, 1975, they held a hearing. The proponents presented their views. Common Cause and Nader's group testified. At least one bill was so bad it was shot down immediately.

Reports were made on the bills which were reported out, giving the relevant information. They were then taken up in the regular order in the House.

The House thus has an opportunity to act in a reasonably intelligent way on them.

SENATE REFORM NEEDED

I think we should follow some similar procedures in the Senate. I do not take the position that the Senate should never act on an amendment to any bill where there have been no hearings or no report from an agency. We do have the right to act and to legislate on the Senate floor.

But when, as we have been doing for years, a tax bill is brought up on the last day or the next to the last day of a session and amendments of every kind are adopted to it, we are acting irresponsibly, and so it is reported in the press and so it is believed by responsible citizens.

Furthermore, in addition, on tax bills there is something called the Tax Court. We set up the Tax Court so that individuals and corporations could get their day if they felt the Internal Revenue Service was dealing with them unfairly or harshly. Any citizen can go to that court for a very nominal fee—in recent times it has been as low as $10—and the taxpayer could argue the case himself.

In my view we should have a report on all tax amendments and bills. Who benefits? I know in one amendment last December a famous dog food company is said to benefit by something like $100,000. That was the "Alpo amendment."

What is the cost? What does the Treasury say about them? I do not think the Treasury should have a veto over our actions, but I do believe we should know what they think about the bills.

Is there some other form of relief—through the Tax Court for example—before it is brought here?

Furthermore, in the case of revenue bills, the Constitution clearly states that they shall originate in the House. I do not believe that the Senate should be precluded from amending a House bill because of that provision, but certainly that is a very different matter than adding on a dozen or so amendments to a minor bill which are entirely unrelated to the subject matter of the original bill.

The Senate has certain authority and power that the House does not have. We confirm nominations. We decide whether to ratify treaties or not. We are elected 6-year terms. By and large, we receive more attention, frequently, than the House of Representatives does. But one clear provision in the Constitution is that they originate revenue measures, and it seems to me that when we follow the procedures we have followed in the past, we do not respect that constitutional provision.

For all these reasons, Mr. President, I believe we should object to amendments to minor tax bills on the calendar. I hope that by doing so we can reform the Christmas tree procedure in the Senate as the House has reformed its old Members' bills procedures. We do not have to follow them precisely, but we should act in our own way to make certain that the public interest is protected against last minute riders to tax bills about which little or nothing is known and which have no relationship at all as amendments to the bills before us.

Mr. McGOVERN. Mr. President, in this election year, we are engaged in a national debate about the impact of Federal spending on our economic wellbeing. Many of us cannot accept the budget priorities proposed by the administration, but I think it is accurate to say that there is broad agreement about the need to subject Federal programs to the most careful scrutiny.

For that reason, I find it curious that relatively little attention has been paid to date to what amounts to a second Federal budget—the indirect subsidies provided to favored industries, groups and individuals by the special preferences embodied in our tax laws. This second Federal budget, and we should think of it as such, includes the revenues which the Government might otherwise have collected had the Congress not chosen to restrict or eliminate tax liability on certain kinds of income. It goes without saying that when we sacrifice these revenues, we shift additional burdens to the ordinary taxpayer or, alternatively, we increase the Federal deficit.

The intent of the Congress in enacting these preferences was, of course, to encourage economic activities deemed to be of particular value to the Nation. In some cases, the home mortgage interest deduction for one, tax preferences have served a very useful purpose. In others, however, tax preferences have skewed markets, perpetuated inefficiency, locked capital into fundamentally unproductive investments and provided ways for corporations and wealthy individuals to avoid paying their fair share of the cost loopholes have multiplied, our tax code of Government. Increasingly, as these has become more and more regressive, taking more from the poor and the middle class, less from the wealthy and the privileged.

In 1972, I made proposals for fundamental reform of our tax structure. I believe that those proposals are still relevant, but since my views in this area are quite well known, I shall not repeat them here today.

Rather, I want to suggest that we may do well to go beyond the requirement imposed by the 1974 Budget Act that tax expenditure estimates be reported to the Congress with the budget. We need a further procedure to insure that the hidden Federal budget receives the same kind of detailed scrutiny on a regular basis that we routinely bring to the items in the regular budget. I do not wish to argue at this point whether this or that tax loophole should be closed, constricted or expanded. I do want to urge that we begin to formally consider tax preferences as the expenditures they are, that we do so systematically and that we periodically review the entire range of preferences in order to be certain that incentives enacted in the past continue to serve our needs.

Mr. President, upon close examination, the Congress may determine that it is in order to continue to subsidize capital projects for American industry to the tune of $8.86 billion per year through the investment tax credit. On the other hand, a review may lead us to the conclusion that such generous concessions are not necessary in the light of 25 percent excess capacity in our economy and evidence that some companies obtain tax benefits by purchasing equipment which would have been purchased in any case.

The Congress might also conclude that it is worthwhile to subsidize exports through DISC for $1.29 billion or to provide over $1.3 billion in direct assistance to oil companies each year, as we now do by permitting immediate writeoff of drilling costs rather than requiring these costs to be capitalized or deducted over several years. It is possible that Congress might even decide that a minimum income tax is not necessary or that it is in the national interest to permit very wealthy individuals to avoid taxes on their estates.

Mr. President, I submit that if we deal with tax reform issues piecemeal, we shall never be able to accomplish the kind of comprehensive reform we need. I believe that if the Senate will commit itself to regular and comprehensive tax review and if we will call a subsidy a subsidy, we shall obtain the necessary perspective to construct a tax system which will better serve our national needs.

Mr. MONDALE. Mr. President, as we approach the April 15 deadline for filing Federal tax returns, I believe it is appropriate to draw attention to the fact that our tax laws are in need of reform. In my view, reform efforts should focus on two fundamental goals: First, to achieve a more equitable tax structure, and second, to make the Internal Revenue Code simpler and more comprehensible to the average taxpayer.

With respect to tax equity, I believe that the Senate must be concerned by the fact that most of the tax incentives or tax preferences contained in the law now favor the very wealthy. For example, in 1974, the average taxpayer with an income of greater than $100,000 saved $45,662 by means of special tax breaks while an individual earning between $15,000 and $20,000 saved an average of only $901. Certainly, many of these tax breaks serve as valuable tools for encouraging behavior that the Congress deems desirable. However, as we reexamine our tax laws, we should bear constantly in mind the effect of these tax incentives on the distribution of our Nation's tax burden.

Tax simplicity, like tax equity, is too frequently a catch phrase used in public debate but abandoned when the tax laws are written. Nevertheless, I hope that the trend toward increasing complexity can be reversed when the Senate considers tax reform measures this session. Any tax system, such as ours, which relies upon voluntary compliance by taxpayers must be comprehensible to those individuals who file returns. Yet, recent data reveal that at least 40 percent of Americans must turn to outside assistance to determine their tax liability. And even the tax experts are often bewildered by the thousands of pages that define our tax laws. At the same time, I believe the Senate must be mindful of the fact that the cry of "complexity" can be used to subvert some meaningful attempts to obtain tax equity. Too often, a complex tax provision is considered a boon when it favors certain taxpayers but is considered a detriment when the substance of the law works to a particular taxpayer's disadvantage.

Consequently, the Senate is faced with a formidable task in seeking to address the need for both tax equity and simplicity. Difficult decisions will arise. But I believe that the Senate must face up to the challenge, make these difficult decisions and enact meaningful tax reform this session. Our Nation's taxpayers deserve no less.

TAX JUSTICE: PRIORITY AGENDA BEFORE CONGRESS

Mr. HUMPHREY. Mr. President, there is an urgent need for meaningful tax reform this year. I can think of no better birthday present for the Congress to give the American people in this Bicentennial Year because each one of them would directly benefit from such reform.

I have in mind two major types of tax reform. The first kind deals with the substance of our tax laws. Since this is being covered today in excellent detailed fashion by my other colleagues, I will only briefly highlight those areas I believe are most in need of reform.

Before mentioning the specific items in need of change, a more general need which I view as extremely critical is that we must gain better control of the so-called tax expenditure budget. This budget has grown in less than a decade since it was first drawn up, from 60 items totalling $36.6 billion to 82 items totalling $106 billion. This growth is more rapid, may I add, than the much maligned growth in Federal expenditures, but it has largely gone almost unnoticed.

Many of these tax expenditures may have outlived their usefulness, others are said to be ineffectual in fulfilling their intended purposes, and it is contended that many have a very inequitable distribution of benefits. The time has come for Congress to establish a process for the systematic review of tax expenditures.

Among the many tax provisions in need of reform, I see the following as most critical since they most seriously violate standards of equity, efficiency and purpose.

One leading candidate is the minimum tax which is levied on preference income. It was established in order to insure that the very wealthy would not be able to escape taxation entirely but would pay some minimum tax. That it has failed miserably is seen in the fact that in 1973, 622 individuals with adjusted gross incomes greater than $100,000 managed to pay no tax. Also, the tax rate was set at 10 percent, but the effective tax rate on the average has been as low as 2.5 percent. This must be strengthened along the lines suggested in H.R. 10612.

A closely related reform measure is to tighten up or even eliminate some tax shelters which have allowed taxpayers to deduct artificial losses on certain investments from their regular income which reduces the tax on this income. Again, I support the limitations on these artificial losses specified in H.R. 10612 and call upon the Senate Finance Committee to consider even further restrictions on these deductions which benefit only the very wealthy.

A final tax law provision which should be scaled back is the DISC provision. It has been shown that it does little to stimulate exports that would not take place without it. It is inefficient. Its benefits go mainly to the large corporations. Its job creation impact is small.

Other reforms which should be seriously considered at this time are: taxation of capital gains at death; strengthen the estate and gift taxes to insure that the wealth of the very wealthy is taxed at least once each generation; and allocate personal deductions between taxable and tax-exempt income so that large amounts of tax-exempt income cannot be used to reduce taxes to zero.

The second major type of tax reform that I wish to emphasize today deals with the need to dispel the confusion and complexity surrounding the tax laws for the average American citizen. The unfortunate truth is that a significant number of American taxpayers, uncertain of their rights and therefore standing in fear of the IRS, perceive the IRS as the enemy, rather than the servant of the people.

I believe the time has come for the Congress to take measures that will help restore the people's confidence in the tax system. They must feel that the system is fair and that their interests are protected as taxpayers.

As a nation which prides itself on self-government, we must recognize that all taxpayers, not just those able to pay highly priced tax consultants and lawyers, are entitled to full information and knowledge of our tax laws, and a full explanation of their rights as taxpayers.

I believe that such objectives would be well met by the Federal Taxpayer's Rights Act of 1975 which I and other Senators joined Senator MAGNUSON in introducing last year. I urge my colleagues on the Senate Finance Committee to consider this bill in their current deliberations on tax reform. Its provisions go a long way in directly helping every U.S. taxpayer. The bill contains seven major provisions. First, it requires the IRS to fully inform the taxpayer of his or her rights in audits, assessments, appeals, and other steps in the tax process. Second, it protects the privacy of tax returns by limiting the disclosure of tax information to Federal and State agencies and by permitting taxpayers to collect damages for unauthorized disclosure by tax data. Third, it establishes a new Taxpayer Service and Complaint Assistance Office which will function as an ombudsman for the taxpayer. Fourth, it establishes safeguards against the political misuse of the IRS by limiting nontax related surveillance. Fifth, it protects taxpayers from arbitrary procedures by placing reasonable limits on the power of jeopardy assessment and termination of a tax year by IRS agents. Sixth, it authorizes a pilot project of independent legal assistance to taxpayers in audits and appeals which would be made available to both middle and lower income taxpayers. Seventh, it provides the GAO oversight authority over the IRS, requiring it to report annually on the entire scope of IRS activities.

I believe that comprehensive tax reform must include both substantive changes in the tax code as well as these kinds of procedural changes. Though it is important to close tax loopholes, we in Congress must also remember that achieving the goals of protecting the taxpayers' rights, simplifying the tax laws and in general easing their burden on the average citizen is possibly even more important for, and will be most appreciated by, the American people.

Mr. JACKSON. Mr. President, I am pleased that a number of Senators who are concerned about the subject of tax reform have taken this opportunity to address the issue in this colloquy. I would like to take this opportunity to insert in the Record the joint remarks which Senator Magnuson, Senator Humphrey and I made this morning before the Senate Finance Committee on the subject of preventing taxpayer abuse by the IRS.

I ask unanimous consent that our statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Senator Warren G. Magnuson, Senator Henry M. Jackson, and Senator Hubert H. Humphrey, Before the Senate Finance Committee Hearings on Tax Revision and Extension of the Expiring Tax Cut Provisions, Tuesday, April 13, 1976

Mr. Chairman: We appear today before the Senate Finance Committee to testify in support of fair treatment for the nation's taxpayers. Congress now knows of major, repeated abuses of taxpayers by the IRS. We call on the Finance Committee to act to correct these abuses so the tax system will be fair and equitable. Every citizen has a right to equal treatment at the hands of the tax collector. Congress has an obligation to ensure the IRS meets this standard.

The blueprint we suggest to the Committee for minimal procedural reform of the tax system is S. 2342, the Federal Taxpayers' Bill of Rights Act of 1975 and its proposed changes in the way the Internal Revenue Service does business.

S. 2342 was introduced by Senator Magnuson on September 16, 1975. The bill was widely acclaimed as a reasonable consensus for badly needed procedural reforms in the Internal Revenue Service. Twenty-two Senators are sponsoring the legislation. This includes five members of the Senate Finance Committee. Besides Senators Magnuson, Humphrey and Jackson, Senators Case, Church, Goldwater, Philip Hart, Haskell, Hathaway, Hatfield, Inouye, Javits, Kennedy, Mansfield, McGovern, McIntyre, Mondale, Montoya, Proxmire, Ribicoff, Roth, and Tunney are cosponsors. This strong base of bipartisan support is a clear reflection of the fear of the American people that the Internal Revenue Service cannot correct the flagrant abuses of taxpayers which have recently been revealed.

The United States collects personal and corporate income tax through a self-assessment mechanism. This assumes that individuals and businesses are familiar with the law, conscious of their rights, and willing to comply with the tax mechanism.

More importantly, the Internal Revenue Service is the one government agency which touches every employed citizen every year. It is the face of the Federal Government to most citizens. If it has no credibility or if it is arbitrary and capricious, or if it favors the rich over the poor, or if it is inefficient or bureaucratic, the entire U.S. Government stands indicted. Congress cannot tolerate any of these programs in any bureaucracy. But no agency is more important in this regard than the Internal Revenue Service. Also, if too many people question the basic integrity and fairness of their Government and the self-assessment mechanism, the fiscal integrity of the United States may be endangered. The Congress must take every reasonable action to insure fairness and equity in the tax mechanisms. Otherwise, self-assessment cannot work. The Senate has become fully aware of a whole range of abuses within the Internal Revenue Service. The Finance Committee has a unique opportunity in the context of these hearings and proposed legislation to deal significantly with these abuses.

This is April 13. Within two days, every single American wage-earner will file a tax return with the Internal Revenue Service. It is our belief that the reasonable expectations of most taxpayers that their returns will be handled fairly, equitably, without political considerations and held private are not fulfilled in the present tax system. How many taxpayers realize that their tax return information is widely accessible to all branches of the Federal Government and state and local governments without restraint on disclosure or use by those agencies? How many taxpayers will rely upon information provided them by the Internal Revenue Service that is incorrect and that an IRS error will not relieve the taxpayer of penalties and interest on any tax due? How many taxpayers know that the IRS audit procedure is an adversary proceeding and that the auditing agent will not inform them of legitimate uncertainties concerning their tax due? How many citizens will understand that they have the right of appeal from arbitrary IRS decisions? How many low and middle income taxpayers know that they will be held to a much stricter standard at audit than large-income taxpayers? For instance, how many taxpayers know that in 1974 the IRS settled cases valued under $1,000 for an average of 71 cents on the dollar, while it settled cases valued over $1 million for an average of 17 cents on the dollar.

The Taxpayer's Bill of Rights Act involves seven basic principles which we strongly urge this Committee to include in any tax legislation which it chooses to report to the full Senate:

First. The bill provides for significant new limitations on disclosure of tax return information. It permits taxpayers to recover civil damages for unauthorized disclosure of personal tax data.

Second. The bill establishes safeguards against the political misuse of the Internal Revenue Service. It limits nontax related surveillance activities of the IRS and provides criminal penalties for illegal surveillance.

Third. The bill protects taxpayers from arbitrary procedures. It places reasonable limits on the power of jeopardy assessment and termination of a tax year by IRS agents. It increases the amount of personal property exempt from tax levy for living expenses.

Fourth. It establishes a taxpayer Service and Complaint Assistance Office—a sort of ombudsman within the IRS. This new office will monitor improper behavior by IRS agents. It has the power to provide temporary relief in special cases of IRS abuse.

Fifth. It requires the IRS to fully inform the taxpayer of his rights during any audit or tax appeal procedure.

Sixth. It authorizes a pilot project of independent legal assistance to taxpayers in audits and appeals. The project would be limited to four cities over a 3-year period. The legal assistance would be available to both middle- and low-income taxpayers.

Seventh. The bill provides the General Accounting Office oversight authority over the IRS. GAO is required to report annually on this entire scope of IRS activities.

This is not a complete description of every possible administrative amendment to the Internal Revenue Code. However, it represents a reasonable, realistic goal for this session of Congress. If the Senate deals meaningfully with these particular reforms, it will take a long step toward restoring the public's confidence in the federal tax assessment system.

TAXPAYER PRIVACY

S. 2342 provides an essential tightening of the taxpayer's right to privacy. It places realistic limitations on the disclosure of private federal tax return information. Commissioner Alexander testified before the House Treasury Appropriations Subcommittee:

"We have a gold mine of information in our tax system. We have more information about more people than any other agency in this country. We must have this. People file tax returns with us and tax returns contain a great deal of private information which we must safeguard."

Citizens reasonably expect that their tax return information will be held private by the Federal Government. In fact, tax returns are anything but private. Citizens' reasonable expections of confidentiality must be insured. The present law does not do that.

On November 18, the Administrative Conference of the United States, an independent federal agency, released the results of a year-long study of the Internal Revenue Service. The Conference released a 1,000-page report prepared by expert tax consultants reviewing the procedures of the IRS. The Administrative Conference's privacy recommendations are very close to the provisions contained in the Taxpayers' Bill of Rights Act of 1975.

Mr. Meade Emory, who is currently an assistant to the Internal Revenue Service Commissioner, wrote the section of the Administrative Law Conference report on taxpayer privacy. As he pointed out, Congress does not require Americans to provide reports on their personal and financial affairs for general government use. Yet, we continue to tolerate a tax law which accomplishes this same potential purpose through the back door. Over the last fifty years, the IRS has provided steadily increasing numbers of tax returns to federal, state and local officials who may use them for statistical, investigative or other non-tax purposes. For instance, the Justice Department alone requested and received 19,000 tax returns from United States citizens in calendar year 1973.

How many taxpayers realize that the IRS has a procedure which requires its agency employees to report apparent non-tax law violations discovered through examination of tax returns? In the words of the Administrative Conference report, "Isn't this an all-purpose investigative body, sniffing out offenses of all kinds from compelled evidence"? The report continued, "On the Constitutional level, there is a far more insidious potential, if the information compelled against the taxpayer will be used against him."

Few of us who are Members of Congress fail to appreciate the potential for political abuse which we have observed through the Watergate years from release of tax return information to the Justice Department and the Executive Office of the President.

Our bill provides that returns will be open for inspection only by the taxpayer or by "an officer or employee of the Department of the Treasury, or the Department of Justice, or by the President personally, if such inspection is solely in connection with the administration or enforcement of this title."

Under this provision, the President would have to sign personally for the use of tax returns. There would be no more unrecorded flow of tax information to the White House aides. In addition, the stronger antidisclosure penalties in this bill will begin to adequately recognize people's reasonable expectations of privacy of tax return information.

In the past, the Justice Department has been able to obtain tax returns on individuals under investigation for criminal but non-tax related matters with no court review. Nowhere else are government investigators allowed unsupervised access to a person's home or private business information because the Constitution states that:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures shall not be violated. . . ."

We suggest that the Justice Department shall be required to obtain a search warrant issued by a competent judicial authority before the Department has access to an individual's tax return held by the Internal Revenue Service. By requiring court review, we hope that improper use of tax data by the Justice Department can be limited. And this makes the compelled disclosure of private information subject to the same procedural protections as a person's physical belongings or private business records.

We support the approach of the Administrative Conference with respect to non-criminal IRS disclosure of tax return information. It should be limited by statute which designates who may see returns, the purposes for which disclosure may be made, the procedures governing such disclosure, and the limitations on the use or redisclosure of the return. For instance, the Conference staff recommended that IRS disclose tax returns only to executive departments or Federal Government agencies in connection with necessary enforcement of the tax laws, the Social Security laws, and the Employee Retirement Income Security Act. In particular, they recommended that the IRS should not disclose a tax return to any executive department or agency that is not related to tax law administration or for use in any way relating to an individual's service as a juror.

In much the same way, the recommendations of the Administrative Law Conference report with respect to disclosure of tax returns of individuals to the President or his staff parallel closely the provisions of our bill. The Conference report recommends that the President be required to personally sign a written request specifying the particular tax return, that the information be provided by the IRS only in written form, and that the President be required to return the tax material to the IRS.

The Administrative Conference report also endorses the underlying philosophy of the Taxpayers' Bill of Rights Act with respect to the availability of federal tax return information to state authorities. The Conference report recommended that states be required to enact statutes making it a crime for state personnel to disclose tax return information and that states be required to adopt legally enforceable regulations safeguarding the confidentiality of tax returns. We support this approach and note that the Taxpayers' Bill of Rights Act does not, in our view, prohibit states which passed appropriate statutes from continuing to share computer tape information and similar tax data with the Internal Revenue Service. However, the Taxpayers' Bill of Rights Act would require that the governor request the information in writing initially, specify the purpose for shared information, why the information sought is available solely from federal tax return information and state why such use of the information is necessary to carry out a specified state legal duty. Admittedly, this is a much more stringent standard of disclosure than is currently in effect. But we submit that any lesser standard prevents effective protection of taxpayer privacy.

POLITICAL USE OF TAX RETURN INFORMATION

It is now evident that the IRS has been collecting and maintaining information on individuals and organizations over the last several years for purposes other than enforcement of the tax laws. Most of the files maintained by the IRS Special Services staff had no relation at all to tax information needed by the IRS. Similar non-tax related data has been maintained in the IRS' intelligence-gathering and retrieval systems, a new computer system designed to help the IRS' Intelligence Division keep track of organized crime cases.

We suggest that it should be illegal to "investigate into, maintain surveillance over, and maintain records regarding the beliefs, associations, or activities of an individual or organization which are not directly related to the Revenue laws.

Our bill would give an individual or organization standing to bring suit for damages against any official who violates this provision.

ARBITRARY IRS PROCEDURES

Jeopardy assessment is a power given to the IRS to take suddenly the assets of a taxpayer if there is reason to believe the taxpayer is not going to meet his tax obligations. Historically, it has been used in cases where the taxpayer has been preparing to flee the country or otherwise hide or dissipate his assets. Termination of assessment provisions in the tax code have been used in recent years in the drive against narcotics dealers. Generally, when a person is discovered to be a drug dealer, his tax year is immediately terminated and he is assessed for the value of his assets—generally the value of the drugs or the proceeds from the drug sale as estimated by the IRS.

These are extremely powerful tools for law enforcement. At the same time, they have been misused on occasion. More importantly, there are currently no adequate restraints on how these powers could be used if persons in authority in the Internal Revenue Service or the Department of the Treasury should decide to use these mechanisms for narrow political or personal reasons.

Our bill attempts to give taxpayers certain limited recourses in cases of jeopardy or termination of assessment which are reasonable, do not conflict with lawful law enforcement purposes of the Internal Revenue Service, and effectively restrain the arbitrariness of the mechanisms. Commissioner Alexander has expressed his own personal concerns about the use of these assessment powers and administratively has ordered tighter controls on the use of these tools. In fiscal year 1973, there were 3,090 jeopardy termination of assessments. In fiscal year 1975, the number of assessments declined to about 500. But we cannot rely solely upon the discretion of administrators for restraint of the totally arbitrary powers currently residing in the Internal Revenue Service.

As former IRS Commissioner Sheldon Cohen testified on June 24, 1975 before the House Ways and Means Committee:

"The power of the jeopardy assessment or the power to close a taxable year is an awesome power. It is not often used by the Internal Revenue Service, but it is used. When it is used, the judicial remedy is down the road. There is no immediate action to report. A number of us involved in the Administrative Conference Study, I can't say unanimously, but I can say most people I believe, believe that there should be some access after fact to a court. Perhaps within ten days after the jeopardy assessment or the close of a taxable year. The Commissioner should be bound at least to come into a court, if the taxpayer so chooses, to show prima facie that what he did had good reason."

Our bill allows for court review within 10 days of the jeopardy or termination assessment. The Secretary of the Treasury would have to appear and show reasonable cause for making the jeopardy assessment or termination of taxable period.

No one can argue that court review of IRS actions after the fact will unfairly inhibit legitimate IRS enforcement purposes. It is remarkable that Congress has not insisted before this date that citizens receive their minimum due process.

We note that the House Ways and Means Committee has proposed an amendment which is pending before your Committee on the matter of jeopardy assessments in termination cases. Again, it closely parallels our bill. The House's proposal would allow the federal court 20 days to decide whether the jeopardy assessment was reasonable and the amount appropriate. The House also would prevent the Internal Revenue Service from selling the taxpayer's property until after the court review.

A related issue that is also addressed in our bill is the matter of realistic property exemptions from IRS assessment and levy. For ten years, the American Bar Association has recommended that federal courts provide some relief to taxpayers who are so impoverished by jeopardy and termination actions that they cannot afford to pay themselves or to pay taxes on their property. The ABA has suggested that the court should be able to release some of the seized assets to the taxpayer. Our approach has been to suggest that the amount of property exempt from levy be increased to more realistic amounts: $1,500 for personal property, $1,000 for tools of trade, and a salary exemption of $100 per week plus support payments for minor children.

TAXPAYERS' SERVICE AND COMPLAINT ASSISTANT WITHIN THE IRS

Another major mechanism of our bill to restore fairness and eliminate arbitrariness from the tax system is the creation of a new assistant commissioner for taxpayer assistance within the Internal Revenue Service.

The new Assistant Commissioner and his office will be responsible for providing responses to questions by taxpayers and assistance in filling out tax returns. In addition, he will serve as the ombudsman for taxpayers' complaints concerning the Service.

We would like to refer again to the testimony by IRS Commissioner Sheldon Cohen before the Ways and Means Committee on June 24, 1975. He stressed the need for a complaint office with the IRS:

"We are, I think, of the opinion that the Service does not have an adequate handle on tracking taxpayer complaints.

"It has too many different places where complaints can be handled and no organized system of maintaining records as to whether they have been services or not.

"Now we are attempting to address a proposed solution to the service and centralize that office somewhat, whether it is called ombudsman or office of complaints, or whatever, that there would be people in every region or district, depending on its size, who would track complaints and report solutions to the taxpayer and report to the administration people on the kinds of problems that people are having to attempt to point out methods of solution.

"If the Internal Revenue Service knew the areas where it was getting the most complaints, it might be able to design techniques to be able to overcome them."

In addition to dealing with problems such as lost checks and computation questions, the Office of Taxpayer Services would be available to hear complaints of improper or abusive treatment by IRS employees. The Assistant Commissioner would have to provide an annual report to the Ways and Means Committee, the Finance Committee, and the Joint Committee on Internal Revenue Taxation on his activities. He would be given a special power to issue a "taxpayer order" if he determined "the taxpayer is suffering from an unusual, unnecessary, or irreparable loss as a result of the manner in which the Internal Revenue laws are being administered by the Secretary or his delegate."

DISCLOSURE OF INFORMATION TO TAXPAYERS IN AUDIT AND APPEAL PROCEDURES

Taxpayers who do not have legal representation face a number of problems when they are subjected to audits by the Internal Revenue Service. Few taxpayers really understand their rights. The IRS makes very little effort to inform them of their rights. Professor L. Hartwright, a University of Michigan law professor, has testified in Congressional hearings that most tax auditors do not know the law very well themselves. They are the lowest level and least well trained of the IRS's tax examiners. Yet the IRS is not required to make affirmative disclosures to taxpayers.

Our bill requires that the IRS develop a series of pamphlets describing, in clear and easily understandable language, the rights of taxpayers in audits, assessments, and the appeals process. These statements of taxpayer rights must be provided to the citizens at the time of the first communication from the IRS. The tax committees of the Congress would be given the opportunity to review and comment on the pamphlets.

The IRS already has a series of very helpful pamphlets describing the appeals process, et cetera. As a result of a series of hearings by Senator Montoya, the quality of these pamphlets has been improved dramatically in recent years. Our bill simply provides for a regular system by which a taxpayer is automatically advised of all his rights in all dealings with the IRS.

LEGAL ASSISTANCE PILOT PROJECT

Our bill would provide for a 3-year pilot project to be conducted in four cities by the Legal Services Corporation. Taxpayers would be provided with legal services in their audit and appeal dealings with the IRS. The service would be free for lower-income individuals with a sliding fee schedule for taxpayers in other income brackets.

Most taxpayers must deal with the IRS without the advantage of legal counsel. Only the wealthiest have been able to obtain adequate legal representation in tax proceedings. Therefore, there has been a record of inequitable enforcement settlements between income groups. A pilot project of legal representation will be extremely helpful in determining whether the general treatment of lower- and middle-income taxpayers can be improved through making tax legal assistance more readily available to all.

GAO OVERSIGHT OF THE IRS

The IRS has consistently refused to allow the General Accounting Office to examine its operations. Our bill provides, once and for all, that it is the law of the land that GAO may audit and investigate the IRS. It specifies that GAO is required to review a number of IRS activities and provide an annual report to the Congress. Language providing for GAO access is drawn largely from a letter of May 14, 1975, from the Comptroller General to the Chairman of the Ways and Means Committee.

CONCLUSION

There are many areas of controversy in the procedural administration of the internal revenue laws of the United States. This bill is not a cure-all. But it is a critical first step. We must act on these proposals now. It is time that people's reasonable expectations of the tax mechanism more closely parallel the reality of the law.

Mr. Chairman, we request that a copy of a section-by-section analysis of S. 2342, the Taxpayers' Bill of Rights Act of 1975 be included in the hearing record. This explains in greater detail the specific provisions included in our proposal to deal with the problems that we have outlined.

Thank you.

Mr. CULVER. Mr. President, any realistic discussion of the American tax system must begin with one fundamental principle. A tax system such as ours, based upon the voluntary self-assessment of income and compliance with the tax code by all citizens, is viable only as long as there is public confidence in the system. The erosion of that confidence foreshadows the breakdown of the system itself.

Yet in 1976, too many Americans—for good reason—have lost faith in the fairness of the American tax system.

They know that taxes for the average American family are rising at rates far faster than any other costs.

They realize that the complex system of deductions and credits benefits the wealthy individual at the expense of the average wage earner and favors the giant corporation over the small business.

They are confused by an income tax law whose code and manuals take up 32 feet of shelf space.

They grow cynical when they discover that even the "experts" cannot interpret the provisions of the code with precision. A recent article quoted the IRS' own survey of middle-income family returns, 75 percent of the forms prepared by accountants and 78 percent of those prepared by lawyers were incorrect. IRS staff who "assisted" taxpayers made mistakes 79 percent of the time.

As elected officials, we bear a heavy burden to restore public confidence by making fundamental improvements in both the substance and administration of our tax laws.

We must simplify and rationalize the administration of tax law. The Federal Paperwork Commission, which carries a congressional mandate to eliminate unnecessary Federal requirements, should make the reduction of the number and complexity of income tax forms its No. 1 priority.

Passage of the "deadwood" section of H.R. 10612, the Tax Reform Act, which repeals or simplifies some 1,000 obsolete or little-used provisions of the IRS code, is essential.

Anomalies in the personal income tax, such as a medical care deduction structured to benefit richer families more than needier ones, must be corrected.

Provisions which penalize the small business and benefit the large corporation, such as regulations favoring complex inventory procedures beyond the reach of small firms, need to be modified.

Finally, we need a careful, rigorous reexamination of the philosophy and intent underlying our tax laws. The actual impact of our tax laws has strayed far from the intent of their enactors. There is no clearer example of such inconsistency of purpose and practice than the Federal estate tax.

Enacted as a revenue-raising device and amended to moderate the unreasonable accumulation of excessive wealth, the estate tax has paradoxically evolved into a destroyer of the family farm.

While the truly wealthy individual maneuvers through a number of loopholes to avoid the impact of the estate tax, the farmer finds that he cannot pass on his land to his wife or children without saddling them with an unmanageable tax burden.

All too often this means that portions of the farm or the farm itself must be sold to pay, in effect, a death tax. To the extent that this happen, we will witness the concentration of farmland in the hands of very few wealthy individuals and large corporations. The family farm could become a relic of history instead of the vital unit of social and economic life in rural America.

Already that process is underway. My own State of Iowa lost 1,000 farms last year. A survey of Iowa farmers which showed that over 90 percent of them would lack the liquid assets to pay Federal and State inheritance taxes bodes ill for the future.

At the root of this problem lies the failure to update the figures of a 1942 law to maintain the intent of that law. Since 1942, when a standard deduction of $60,000 was set, land values have grown over 225 percent. Raising that deduction to $200,000 does no more than to correct the law for this inflation. I have cosponsored S. 227 which brings the law up to 1976. A number of other suggestions to solve the estate tax problem—tax credits, different land valuation standards, escalator clauses—have been offered. Many of these may well have merit. But clearly the first step ought to be to adjust the deduction to bring the original law up to current realities.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. MANSFIELD, I yield back his time under the order.

The PRESIDING OFFICER. Unuer the previous order, the Senator from Michigan (Mr. GRIFFIN) is recognized for not to exceed 10 minutes.

Mr. GRIFFIN. Mr. President, I yield back my remaining time under my order.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 1 p.m., with statements therein limited to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President,

are there any orders previously entered for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

ORDER FOR RECOGNITION OF SENATOR SYMINGTON AND SENATOR PROXMIRE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. Symington be recognized for not to exceed 15 minutes and that Mr. Proxmire then be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the orders for the recognition of Senators have been completed, there be a period for the transaction of routine morning business, with statements therein limited to 5 minutes each, and that such period not extend beyond 1 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from Massachusetts (Mr. Brooke) to the U.N. Conference on Trade and Development—UNCTAD—to be held in Nairobi, Kenya, May 3 to 28, 1976.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Metcalf) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:16 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has agreed to House Resolution 1032, expressing its disapproval of proposed deferral D76–95, relating to the Department of Agriculture, Soil Conservation Service, as set forth in the message of January 23, 1976, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

The message also announced that the House has agreed to House Resolution 1129, expressing its disapproval of proposed deferral D76–105, relating to the Department of Agriculture, Food and Nutrition Service, Special Supplemental Food Program—WIC—as set forth in the message of March 18, 1976, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 2920. An act to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building;

H.R. 7988. An act to amend the Public Health Service Act to revise the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, and to establish a national program with respect to genetic diseases; and to require a study and report on the release of research information; and

H.J. Res. 890. A joint resolution making emergency supplemental appropriations for public employment programs, summer youth programs, and preventive health services for the fiscal year ending June 30, 1976, and for other purposes.

The enrolled bills and joint resolution were subsequently signed by the Acting President pro tempore (Mr. Metcalf).

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 10826. An act to amend the act establishing a code of law for the District of Columbia to prohibit the unauthorized use of a motor vehicle obtained under a written rental or other agreement; and

H.R. 12132. An act to extend as an emergency measure for 1 year the District of Columbia Medical and Dental Manpower Act of 1970.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 10826. An act to amend the act establishing a code of law for the District of Columbia to prohibit the unauthorized use of a motor vehicle obtained under a written rental or other agreement; to the Committee on the District of Columbia.

H.R. 12132. An act to extend as an emergency measure for 1 year the District of Columbia Medical and Dental Manpower Act of 1970; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 426. A resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to consideration of the conference report to accompany H.R. 8235, the Federal-Aid Highway Act of 1976 (Rept. No. 94–750).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

Jerry Thomas, of Florida, to be Under Secretary of the Treasury.

Robert A. Gerard, of the District of Columbia, to be an Assistant Secretary of the Treasury.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Gen. Melvin Zais, in the Army, to be retired in the grade of general; and Rear Adm. Forrest S. Petersen, in the Navy, for appointment to the grade of vice admiral as Deputy Chief of Naval Operations—air warfare. I ask unanimous consent that these names be placed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STENNIS. In addition, there are 104 in the Marine Corps for permanent appointment to the grade of second lieutenant—list beginning with Leslie C. Garrison; and there are 135 in the Marine Corps for temporary appointment to the grade of first and second lieutenant—list beginning with Daniel L. Amoroso. Since these names have already appeared in the Congressional Record and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Congressional Record of March 22, 1976, and March 29, 1976, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. KENNEDY:

S. 3298. A bill to provide water to the five central Arizona Indian tribes for farming operations, to settle their surface water rights, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. DOLE:

S. 3299. A bill to amend the Soil Conservation and Domestic Allotment Act to provide an updated national direction to the conditions under which the Federal Government will provide financial assistance to agricultural producers for needed soil, water, woodland, and wildlife conservation on agricultural lands. Referred to the Committee on Agriculture and Forestry.

By Mr. JAVITS (for himself and Mr. Humphrey):

S. 3300. A bill to amend the National Labor Relations Act to provide a framework for the establishment, by way of collective bargaining, of jointly managed labor-management employee stock ownership trust funds, which meet statutory safeguards. Referred to the Committee on Labor and Public Welfare.

By Mr. TALMADGE (by request):

S. 3301. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1½ years. Referred to the Committee on Agriculture and Forestry.

By Mr. GARN:

S. 3302. A bill to amend the Truth in Lending Act. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. STEVENS (for himself, Mr. Humphrey, Mr. Pearson, Mr. Culver, and Mr. Stone):

S. 3303. A bill to authorize the Secretary of State to provide financial assistance for the Eighth Pan American Games to be held in Puerto Rico. Referred to the Committee on Foreign Relations.

By Mr. BROOKE:

S. 3304. A bill to impose certain safety requirements with respect to swimming pools acquired, built, or operated by the Federal Government. Referred to the Committee on Government Operations.

By Mr. ALLEN:

S. 3305. A bill to amend the Immigration and Nationality Act of 1952. Referred to the Committee on the Judiciary.

By Mr. BUCKLEY (for himself and Mr. Javits):

S. 3306. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize States to acquire certain rail properties from the Consolidated Rail Corporation, and for other purposes. Referred to the Committee on Commerce.

By Mr. BUCKLEY (for himself and Mr. Laxalt):

S. 3307. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords. Referred to the Committee on Finance.

By Mr. PEARSON:

S. 3308. A bill to improve the regulation of commerce by requiring certain Federal agencies to recodify the rules promulgated by such agencies. Referred to the Committee on Commerce.

By Mr. ROTH (for himself, Mr. Beall, Mr. Biden, and Mr. Hugh Scott):

S. 3309. A bill to authorize the distribution within the United States, for public viewing, of the film "George Washington Country" prepared by the U.S. Information Service. Referred to the Committee on Foreign Relations.

By Mr MOSS (for himself, Mr. Weicker, Mr. Brooke, Mr. Hatfield, Mr. Kennedy, Mr. Hugh Scott, and Mr. Stevenson):

S. 3310. A bill to conserve electric energy, to reform electric utility rate regulation, to strengthen State electric utility regulatory agencies, and for other purposes. Referred to the Committee on Commerce, by unanimous consent.

By Mr. MOSS:

S. 3311. A bill to amend the Federal Power Act, to provide coordinated long-range planning and facility siting in the electric utility industry, and for other purposes. Referred to the Committee on Commerce, by unanimous consent.

By Mr. RANDOLPH (for himself, Mr. Williams, Mr. Stafford, Mr. Mondale, Mr. Javits, Mr. Pell, Mr. Curtis, Mr. Dole, Mr. Griffin, Mr. Humphrey, Mr. Ribicoff, and Mr. Young):

S.J. Res. 188. A joint resolution authorizing the President to proclaim the week of May 16, 1976, as National Handicapped Awareness Week.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY:

S. 3298. A bill to provide water to the five central Arizona Indian tribes for farming operations, to settle their surface water rights, and for other purposes.

CENTRAL ARIZONA INDIAN TRIBAL WATER RIGHTS SETTLEMENT ACT OF 1976

Mr. KENNEDY. Mr. President, I am pleased to introduce today a bill entitled the Central Arizona Indian Tribal Water Rights Settlement Act of 1976.

The bill proposes to settle the water rights of the five central Arizona tribes, Ak Chin, Fort McDowell, Gila River, Salt River, and Papago, and to promote their economic self-sufficiency through farming and irrigated agriculture. Settlement of these rights is long overdue, and continued delay only exacerbates the problems of both the tribes and their non-Indian neighbors arising from unsolved disputes over water.

The Subcommittee on Administrative Practice and Procedure, which I chair, in its oversight responsibilities has continually sought to insure that the agencies involved in Indian rights provide maximum protection; in this case, maximum protection of Indian natural resources.

On January 4, 1972, the subcommittee visited the Gila River Pima-Maricopa Reservation to take testimony and collect evidence on the record of the Government in protecting Indian natural resources, and in particular their precious and indispensable water resources. Our visit to the Gila River Reservation, during which we heard valuable testimony from representatives of each of the five tribes, comprised one in a series of extensive hearings on Federal protection of Indian resources, conducted over a period of 3 months here in Washington, and at seven locations in four Western States.

The essence of our findings during those hearings was that the Federal trustee is in fact not honoring its obligation to protect the water and other natural resources of Indians. The fundamental reason for this recurrent failure of the Federal fiduciary obligation, we found, is that the executive agencies ostensibly responsible for effectuating the trusteeship role are hopelessly compromised by pervasive conflicts of interest. We concluded that in many instances direct congressional action would be needed to redress failures of the Government adequately to protect Indian rights. The central Arizona situation presents just such an instance.

Settlement of the Indian's water rights is made all the more urgent by the fact that the Secretary of the Interior now has under consideration the question of a final allocation of water to be delivered by the central Arizona project. The allocation of project water for Indian irrigation use seems premature since final settlement of the water rights of the five tribes has not been decided through negotiation, by Congress, or in the Federal courts. Water from the central Arizona project represents the last major source of federally owned water that could be used to satisfy the rights of the five tribes.

The bill I am introducing today deals comprehensively with issues most recently raised at oversight hearings on the tribes' water rights and acute social needs, conducted by the Committee on Interior and Insular Affairs on October 23 and 24, 1975.

At the hearings, the five tribes asserted their claims for use of water for farming purposes. They based their claims on the legal doctrine established by the Supreme Court in Winters against United States. The Winters doctrine, broadly speaking, established the rule that Indian tribes are entitled to sufficient water to make their reservations viable. The five tribes presented well-documented testimony indicating that they do not receive their lawful share of water; the harsh social conditions on their reservations bear this out. The tribes argued that the United States is incurring a continuing liability for damages of ever-increasing magnitude arising from this deprivation of the use of water.

In many areas of the West, Indian tribes are beginning to assert their Winters doctrine rights to water—assertions which have very serious legal and economic implications for many communities and economic interests, as well as for energy development. The lands of the central Arizona tribes are arid, and without water for farming they are virtually useless. Without a firm supply of water, it is impossible for them to plan for the future.

Congress has an obligation to face the issues squarely and promptly so that the Indian and non-Indian communities in central Arizona can rely with far greater certainty on their future water supplies—to the benefit of all.

There appear to be only two options for resolving the issues raised by the tribes:

First, the issues could be resolved through litigation, but it would be a great many years before the courts would issue their final decrees. While the litigation is pending, it would be difficult for many non-Indian water users to obtain financing for land acquisition and capital improvements or to find buyers for their property. The final judicial determination is certain to cause serious social disruptions and at least apparent inequities for the side that loses. Non-Indian water users could find their investments and their livelihoods wiped out at a stroke.

A legislative settlement, as a second alternative, will afford a cost-effective, socially responsive, and equitable solution to the growing conflict over Indian water rights in central Arizona.

The central feature of the bill I am introducing would authorize and direct the Secretary of Interior to acquire, by purchase or condemnation at fair market value, non-Indian lands with surface water rights and to transfer these rights to the tribes in satisfaction of their present and future right to the use of surface water for farming purposes. Acquisition would take place over a number of years, with life estate provisions, allowing ample time for the amortization of investments and orderly decisions on the part of non-Indian water users as well as just compensation for rights actually acquired by the United States for the tribes.

The concept of a legislative settlement

as embodied in this bill appears to be a reasonable solution to complex water issues affecting the central Arizona Indian and non-Indian communities. This bill may not, in all its details, be the final answer, but it represents a sound beginning to the legislative process. It is my hope and expectation that this process will result in a statute affording the people of central Arizona—Indian and non-Indian—the stability essential to sound socioeconomic growth that can only come when they can rely with certainty on their water supply.

ACQUISITION

To carry out the purpose of the act, it is anticipated that the Secretary would acquire approximately 170,000 acres of land within the State of Arizona. These acquired water rights, when taken together with other surface water supplies available to the tribes, would be sufficient to irrigate: 19,000 acres at Ak Chin; 3,300 at Fort McDowell; 118,000 acres at Gila River; on the Papago Reservations, 25,000 acres at Chuichu; 4,500 acres at Gila Bend; 9,000 acres at San Xavier; and 30,500 at Salt River. Acquisition of water rights to serve San Xavier and Gila Bend is totally contingent upon the economic feasibility of constructing delivery systems.

In addition to the above, the bill would authorize the development of ground water sufficient to irrigate 12,000 acres in the Papago farms area of the Chu Kut Kut district on the main Papago Reservation. This ample ground water supply lies outside the Lower Colorado River Basin.

In the event that the central Arizona project is completed, the five tribes suggest that the Secretary of Interior, in acquiring State surface water rights, give a priority to the acquisition of lands within the Wellton-Mohawk Division of the Gila project before acquiring lands elsewhere. Because of the highly saline return flows from the Wellton-Mohawk irrigation district, the quality of Colorado River water is greatly diminished as it flows into northern Mexico. Water deliveries to Mexico are governed by the "water treaty" signed by the United States and Mexico in 1944. The Bureau of Reclamation maintains that Mexico should accept the river water regardless of quality. President Nixon, however, after his trip to Mexico in 1970, asked congressional authorization for a desalinization plant to be built near the border.

The 1972 figures by the Bureau of Reclamation quote the construction cost of the desalinization plant as $250 million. If one is to consider the life of the project as 20 years, construction plus operation and maintenance costs would total $1 billion.

The Wellton-Mohawk area supports no more than 151 farms averaging 424 acres per farm. In my bill, the Secretary of Interior would be allowed to purchase land on an average of $1,500 per acre. Each farm would receive $636,000 for their land. If the desalinization plant is built, the United States would be spending $6,600,000 per farm.

If the lands at Wellton-Mohawk are retired, the United States would be relieved of the substantial cost of building the desalinization plant.

The specific acreage contained in the bill have been furnished to me by the tribes. By using these figures I am not suggesting that they hold some special magic; I am not committed uncritically to these acreages, but only to the concept of settlement through the acquisition of water rights to irrigate practicably irrigable land. The acreages contained in the bill are based on Bureau of Indian Affairs statistics; but the hearing process will afford an opportunity to subject them to scrutiny.

SETTLEMENT

Under the proposed settlement, the acquisition program would satisfy all the claims of the five tribes to surface water supplies in central Arizona for farming purposes except for claims for the Gila River Indian community to waters of the Salt River, which are the subject of a proceeding before the Indian Claims Commission. Thus, the cloud over water rights in central Arizona would largely be removed, and the Indian and non-Indian communities would be assured of a firm water supply on the basis of which they could plan with far more certainty than is possible today.

Additionally, the acquisition program would entirely eliminate the tribes' reliance on the Secretary's proposed allocation of 257,000 acre-feet of water from the central Arizona project, except for 50,000 acre-feet from the San Pedro to be stored behind Buttes Dam, which water is claimed by the Gila River Indian community and allocated to it under the terms of the proposed bill. The remaining Indian allocation would then be available for reallocation for non-Indian agricultural, municipal, and industrial uses.

The proposed settlement offers a practical and constructive alternative to protracted litigation for the United States, the State of Arizona, the tribes, and non-Indian water users; and it would promote the timely and orderly completion of the central Arizona project. For example, it would foreclose the possibility of reopening the Kent and Gila River decrees; relieve the Secretary from potential suits contesting his final allocation of central Arizona project water; and remove the tribes as potential claimants to the 18,000 acre-feet of water apportioned to New Mexico under the Colorado River Basin Project Act of 1968.

IMPROVED GROUND WATER SUPPLIES

The proposed settlement would improve the condition of ground water supplies in central Arizona. First, wells on the lands to be acquired in central Arizona and taken out of production would no longer contribute to ground water depletion. Second, to the extent that water rights are acquired on the Lower Colorado—for delivery by the central Arizona project system—there would be a corresponding effect on recharge in central Arizona. To provide the entitlements proposed in the bill, it is estimated that perfected rights to approximately 300,000 acre-feet would be acquired on the Lower Colorado.

These benefits together with the amount of central Arizona project water that would be available for reallocation to non-Indian water users would make a significant contribution to the economy of central Arizona.

COSTS

The cost figures mentioned in the bill, as the acreage figures, have been supplied to me by the tribes. The figures represent the outer limits and the full expectations of the tribes.

To carry out the proposed acquisition program, the bill would authorize an appropriation of $250 million: $38 million during fiscal year 1977, $36 million during fiscal year 1978, $36 million during fiscal year 1979, and $20 million during each of the next 7 fiscal years.

To construct the delivery systems to enable the tribes to put the water to beneficial use and to rehabilitate or improve existing delivery systems and thus conserve water, and for related purposes, the bill would authorize an appropriation of $144 million: $32 million during fiscal year 1977, $28 million during fiscal year 1978, $28 million during fiscal year 1979, and $8 million during each of the next 7 fiscal years.

Additionally, to enable the tribes to subjugate their lands, it would authorize an appropriation of $78 million for loans: $12 million during each of the first 3 fiscal years and $6 million during each of the next 7 fiscal years.

Finally, it would authorize an appropriation of $2 million in grants for planning and for training programs.

COST/BENEFITS

The costs of the proposed settlement can be justified on a number of grounds. First, settlement of the tribes' water rights will halt the continuing liability of the United States for claims for damages of ever-increasing magnitude. In a 10- to 20-year period, this liability could exceed the entire cost for acquisition.

Second, the United States would be relieved of substantial costs for special Indian programs for the five tribes as they achieve economic self-reliance—costs that, over a 10- to 20-year period, would likewise exceed all costs contemplated in the proposed settlement. It is estimated that four of the tribes would become entirely self-sufficient and the Papagos substantially so, following the development which this bill makes possible.

Third, the central Arizona project water that would be reallocated to non-Indian water users could be sold at commercial rates to help defray the costs of the central Arizona project. If sold for municipal and industrial purposes, it could yield more than $300 million.

Fourth, by acquiring the lands at Wellton-Mohawk, the United States will be relieved of the costly obligation to build the desalinization plant.

Mr. President, with this bill as a beginning, it is my hope that the Congress can develop legislative models to settle and resolve Indian water rights in other areas of the West, affording Indians and non-Indians alike a legislative alternative to protracted litigation, uncertainty, and growing social unrest.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Central Arizona Indian Tribal Water Rights Settlement Act of 1976."

FINDINGS

SEC. 2. The Congress finds that—

(a) The failures of the Federal Government to protect water supplies of the Central Arizona Tribes and the ongoing deprivation of water use which these Tribes have suffered form a basis for damage claims against the United States of ever-increasing magnitude.

(b) The long-range interests of the United States, the State of Arizona and the Central Arizona Tribes will best be served by developing the Tribes' economies:

(1) by ensuring that the Tribes receive the water to which they are entitled to irrigate their land;

(2) by construction, rehabilitation, and betterment of the physical facilities necessary to ensure the beneficial use of the water received; and

(3) by implementing programs designed to acquire water supplies to provide the entitlements for Indian use in Central Arizona.

SEC. 3. For purposes of this Act—

(a) "Central Arizona Project" means the project authorized under Title III of the Colorado River Basin Project Act of September 30, 1968, 82 Stat. 887, 43 U.S.C. § 1521 *et seq.*

(b) "Central Arizona Tribes" are identified as the Ak Chin Indian Community, the Fort McDowell Mohave-Apache Community, the Gila River Indian Community, the Papago Tribe of Arizona and the Salt River Pima-Maricopa Indian Community.

(c) "Delivery losses" means the amount of water lost through seepage, evaporation or other causes between the point of measurement at the water source and the point of delivery to the land being irrigated.

(d) "Duty of water" is measured at the point of delivery to the land being irrigated and means the amount of water required per acre annually to produce normal crops on land in accordance with accepted farming practices; it does not include delivery losses.

(e) "Federal water right" means any perfected right to the use of water owned, possessed, reserved or acquired by the United States or any agency thereof, except "state water rights" as herein defined and Indian water rights, but including water made available through desalinization, conservation and accretions to present supplies.

(f) "Firm water supply" means the practicable rate of withdrawing water from any source perennially without diminution.

(g) "Improved lands" means a tract or tracts comprising 160 acres or less, operated as a single farming unit, upon which one of the beneficial owners actually resided in a detached, one-family dwelling, for a period of one year prior to the effective date of the Act.

(h) "Indian water right" means any water usage right held by a Central Arizona Tribe or by the United States on behalf of such Tribe.

(i) "Secretary" means the Secretary of the Interior.

(j) "State water right" means any right to the use of water owned, possessed, reserved or acquired under the laws of the State of Arizona, except Indian water rights.

(k) "Subjugate" means the preparation of land for the growing of crops through irrigation.

TITLE I—WATER RESOURCE PROJECTS

SEC. 101. Ak Chin Reservation.

(a) The Secretary shall immediately undertake and diligently pursue a 10-year program to acquire a firm surface water supply pursuant to the authorities set forth in title II of this Act on behalf of the Ak Chin Indian Community in an amount which will be sufficient to irrigate 19,500 acres of land having a duty of water of 4.59 acre feet.

(b) The Secretary is authorized and directed:

(1) to improve, extend, construct, operate and maintain an aqueduct (the "Ak Chin aqueduct"), appurtenant pumping facilities, if necessary, and appurtenant powerplants to divert and carry water from a facility of the Central Arizona Project to the boundary of the Ak Chin Indian Reservation in an amount sufficient to irrigate 19,500 acres having a duty of water of 4.59 acre feet;

(2) to rehabilitate and extend the existing distribution system within the reservation and, on condition that the Ak Chin Indian Community or its members agree to subjugate the land, to construct such additional canals, laterals, and irrigation works as are necessary to deliver sufficient water to irrigate 19,500 acres having a duty of water of 4.59 acre feet;

(3) if so requested by the Ak Chin Indian Community, to loan to the Community, out of funds appropriated pursuant to this Act, an amount of money equal to the full costs of subjugating additional land, with repayment to be made in forty (40) equal annual installments, without interest, beginning ten (10) years after the date the reservation irrigation system is completed and the surface water is delivered to irrigate 19,500 acres having a duty of water of 4.59 acre feet; and

(4) upon completion of the expanded irrigation system within the reservation, and sufficient surface water delivered to irrigate 19,500 acres having a duty of water of 4.59 acre feet, to require that the Ak Chin Indian Community assume responsibility for their operation and maintenance.

(c) The Secretary is authorized and directed to use his power under existing laws, including the deepening and rehabilitation of existing wells, to provide an immediate source of water to the Ak Chin Reservation until all surface water supply authorized by this section is made available. To render the continued pumping of water economically feasible, the Secretary is authorized and directed to construct Buttes Dam, previously authorized as part of the Central Arizona Project, with facilities for the production of hydroelectric power, to construct a transmission line to the Ak Chin Reservation and to sell such electric power and energy to the Ak Chin Indian Community at rates not to exceed actual cost including amortization of the costs of construction, as provided in the Colorado River Basin Project Act.

(d) To render the pumping of water economically feasible and to assist economic development of the Community, the Secretary is also authorized and directed to construct power lines to the Ak Chin Reservation and to sell to the Ak Chin Community power and energy available under Section 303 of the Colorado River Basin Project Act of September 30, 1968, 43 U.S.C. § 1523 at rates not to exceed actual cost.

SEC. 102. Fort McDowell Reservation.

(a) The Secretary shall immediately undertake and diligently pursue a five-year program to acquire a firm surface water supply pursuant to the authorities set forth in Title II of this Act on behalf of the Fort McDowell Mohave-Apache Indian Community in an amount which, when added to the amount of other surface water available will be sufficient to irrigate 3,300 acres within the reservation having a duty of water of 4.59 acre feet: *Provided,* That the Secretary shall give priority in his acquisition program for the Community to supplies of water which can be delivered to the reservation through the Verde River.

(b) Subject to the provisions of subsection (c) hereof, the Secretary is authorized and directed:

(1) to improve and extend the existing water distribution system within the Fort McDowell Reservation and to construct such additional canals, laterals and irrigation works as are necessary to deliver sufficient water to irrigate 3,300 acres having a duty of water of 4.59 acre feet;

(2) if so requested by the Fort McDowell Mohave-Apache Indian Community, to loan the Community, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating additional land within the reservation to bring the total irrigated land up to 3,300 acres, with repayment to be made in forty (40) equal annual installments, without interest, beginning ten (10) years after the date the expanded reservation irrigation system is completed and the surface water is delivered to irrigate 3,300 acres having a duty of water of 4.59 acre feet; and

(3) upon completion of the expanded irrigation system and sufficient water delivered to irrigate 3,300 acres having a duty of water of 4.59 acre-feet, to require that the Community assume responsibility for its operation and maintenance.

(c) If the Secretary decides to construct the Orme Dam and Reservoir, previously authorized as part of the Central Arizona Project, and such facility reduces the total practicable irrigable acreage within the Fort McDowell Reservation and any addition thereto to less than 3,300 acres, the Secretary shall be required to expand and construct a water distribution system only to the extent necessary to serve the reduced acreage, but the Community's entitlement to water shall not thereby be reduced.

(d) To render the pumping of water economically feasible and to assist in economic development of the Community, the Secretary is authorized and directed to construct power lines to the Fort McDowell Reservation and to sell to the McDowell Mohave-Apache Indian Community power and energy available under section 303 of the Colorado River Basin Project Act of September 30, 1968, 43 U.S.C. § 1523, at rates not to exceed actual cost.

SEC. 103. Gila River Reservation.

(a) The Secretary shall immediately undertake and diligently pursue a 10-year program to acquire a firm surface water supply pursuant to the authorities set forth in Title II of this Act on behalf of the Gila River Indian Community in an amount which, when added to the amount of other surface water delivered to the Gila River Indian Reservation under the so-called "Gila River Decree" (*United States* v. *Gila Valley Irrigation District,* Globe Equity No. 59, U.S. Dist Ct., June 29, 1936), will be sufficient to irrigate 118,000 acres within the reservation having a duty of water of 4.59 acre-feet.

(b) The Secretary shall:

(1) construct, operate and maintain Buttes Dam and Reservoir, previously authorized as part of the Central Arizona Project, for the primary purpose of furnishing water to the Gila River Reservation;

(2) construct, operate and maintain a lined aqueduct from the Ashurst-Hayden Dam to serve the Gila River Reservation;

(3) otherwise rehabilitate the San Carlos Indian Irrigation Project, with the water so saved to be devoted exclusively to Gila River Reservation lands;

(4) undertake an intensive annual program of phreatophyte control on the Gila River and its tributaries;

(5) study the feasibility of recycling municipal water for irrigation use;

(6) improve the existing system for distribution of irrigation water within the reservation, including the lining of field ditches; and

(7) initiate the actions described in subsection (d) hereof.

(c) The Secretary is authorized and directed:

(1) to improve and extend the existing distribution system within the Gila River Reservation and, on condition that the Gila River Indian Community or its members agree to

subjugate the land, to construct such additional canals, laterals and irrigation works as are necessary to deliver sufficient surface water to irrigate 118,000 acres having a duty of water of 4.59 acre feet;

(2) if so requested by the Gila River Indian Community, to loan the Community, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating up to 118,000 acres, with repayment to be made in forty (40) equal annual installments, without interest, beginning ten (10) years after the date the expanded reservation irrigation system is completed and the surface water is delivered to irrigate 118,000 acres having a duty of water of 4.59 acre feet; and

(3) upon completion of the expanded irrigation system and sufficient surface water delivered to irrigate 118,000 acres having a duty of water of 4.59 acre feet, to require that the Community assume responsibility for its operation and maintenance.

(d) The Secretary and the Attorney General are authorized and directed to institute appropriate legal actions

(1) to determine the rights of the Gila River Indian Community in the waters of the tributaries of the Gila River upstream from the Gila River Reservation, or upstream from its confluence with the Salt River, and

(2) to prohibit all non-Indian uses of water on the Gila River and its tributaries upstream from the Gila River Reservation which are in violation of the Community's water rights. The amount of surface water made available to the Community on a firm basis by the foregoing actions may be credited against the amount of water the Secretary is obligated to acquire under subsection (a) hereof.

(e) The Secretary is further authorized and directed at the request of Gila River Indian Community to invoke his power under existing laws, including the deepening and rehabilitation of existing wells, to maximize the supply of water on the Gila River Reservation available from underground sources so that beneficial use thereof, including irrigation of additional arable acres, may be made. To render the pumping of water economically feasible and to assist economic development of the Community, the Secretary is authorized and directed to construct power lines to the Gila River Reservation and to sell to the Gila River Indian Community power and energy available under Section 303 of the Colorado River Basin Project Act of September 30, 1968, 43 U.S.C. section 1523, at rates not to exceed actual cost.

SEC. 104. Papago Reservations.

(a) Chuichu Project.

(1) The Secretary shall immediately undertake and diligently pursue a 10-year program to acquire a firm surface water supply pursuant to the authorities set forth in Title II of this Act on behalf of the Papago Tribe for all irrigable lands which now or hereafter are brought under the Chuichu system up to a maximum of 25,000 acres having a duty of water of 4.59 acre feet.

(2) The Secretary is authorized and directed:

(i) to improve, extend, construct, operate and maintain an aqueduct (the "Papago aqueduct"), appurtenant pumping facilities, if necessary, and appurtenant power plants to divert and carry water from a facility of the Central Arizona Project to the Chuichu system in an amount sufficient to irrigate 25,000 acres having a duty of water of 4.59 acre feet; and

(ii) to improve and extend the existing Chuichu irrigation system on condition that the Papago Tribe or its members agree to subjugate the lands, to construct such additional aqueducts, laterals and irrigation works as are necessary to distribute sufficient water to irrigate 25,000 acres within the "Chuichu system" having a duty of water of 4.59 acre feet;

(iii) if so requested by the Papago Tribe, to loan to the Tribe, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating additional land, with repayment to be made in forty (40) equal annual installments, without interest, beginning ten (10) years after the date the Chuichu system is completed and the surface water is delivered to the 25,000 acres having a duty of water of 4.59 acre feet; and

(iv) upon completion of the Chuichu reservation system and sufficient surface water delivered to irrigate 25,000 acres having a duty of water of 4.59 acre feet, to require that the Papago Tribe assume responsibility for its operation and maintenance.

(b) Papago Farms Project.

(1) On condition that the Papago Tribe agrees to subjugate the land, the Secretary is authorized and directed to construct a complete irrigation supply and distribution system, with water obtained exclusively from underground and local surface water sources, in the Chu Kut Nut District in the south central portion of the Papago Reservation (the "Papago Farms system") with a capacity to irrigate at least 12,000 acres. In addition to necessary project works, the Secretary shall construct an all-weather paved road connecting with State Highway 86 and an extension of the Papago Tribal Utility Authority power lines to serve the Papago Farms system.

(2) The Secretary is authorized and directed:

(i) if so requested by the Papago Tribe, to loan to the Tribe, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating up to 12,000 acres with repayment to be made in forty (40) equal annual installments, without interest, beginning 10 years after the Papago Farms project is completed; and

(ii) upon completion of the Papago Farms system, to require that the Tribe assume responsibility for the operation and maintenance.

(c) San Xavier Project.

(1) If a conduit or canal of the Central Arizona Project is extended to or near Tucson, Arizona, and the Papago Tribe so requests, the Secretary is authorized and directed:

(i) to construct, operate and maintain an aqueduct (the "San Xavier aqueduct"), appurtenant pumping facilities, if necessary, and appurtenant power plants and water distribution systems to divert and carry water from a facility of the Central Arizona Project to the San Xavier Indian Reservation in an amount sufficient to irrigate 9,000 acres having a duty of water of 4.59 acre feet;

(ii) to improve and extend the existing irrigation system on the San Xavier Reservation and, on condition that the Papago Tribe or its members agree to subjugate the land, to construct such additional canals, laterals and irrigation works as are necessary to distribute sufficient water to irrigate 9,000 acres within the reservation (the "San Xavier system");

(iii) if so requested by the Papago Tribe, to loan to the Tribe out of funds appropriated pursuant to this Act, an amount equal to the full cost of subjugating additional land, with repayment to be made in forty (40) equal annual installments, without interest, beginning ten (10) years after the date water is first delivered through the San Xavier aqueduct to the 9,000 acres having a duty of water of 4.59 acre feet; and

(iv) upon completion of the San Xavier reservation system and sufficient surface water delivered to irrigate the 9,000 acres having a duty of water of 4.59 acre feet, to require that the Papago Tribe assume responsibility for its operation and maintenance.

(2) Subject to the provisions of paragraph (1) hereof, the Secretary shall immediately undertake and diligently pursue a 10-year program to acquire a firm surface water supply pursuant to the authorities set forth in Title II of this Act on behalf of the Papago Tribe in an amount which will be sufficient to irrigate 9,000 acres of land having a duty of water of 4.59 acre feet.

(d) Gila Bend Project.

(1) The Secretary shall immediately undertake and diligently pursue a 10-year program to acquire a firm surface water supply pursuant to the authorities set forth in Title II of this Act on behalf of the Papago Tribe in an amount which will be sufficient to irrigate 4,500 acres of land having a duty of water of 4.59 acre feet.

(2) The Secretary is authorized and directed:

(i) to improve, extend, construct, operate and maintain an aqueduct (the "Gila Bend aqueduct"), appurtenant pumping facilities, if necessary, and appurtenant power plants to divert and carry water from a facility of the Central Arizona Project or from such other surface water supply to the Gila Bend Indian Reservation in an amount sufficient to irrigate 4,500 acres having a duty of water of 4.59 acre feet;

(ii) to improve and extend the existing irrigation system on the Gila Bend Reservation and, on condition that the Papago Tribe agrees to subjugate the land, to construct such additional aqueducts, laterals and irrigation works as are necessary to distribute sufficient water to irrigate 4,500 acres having a duty of water of 4.59 acre feet;

(iii) if so requested by the Papago Tribe, to loan to the Tribe, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating additional land, with repayment to be made without interest, beginning ten (10) years after the date the expanded Gila Bend system is completed and the surface water delivered to the 4,500 acres having a duty of water of 4.59 acre feet; and

(iv) upon completion of the Gila Bend reservation system and sufficient surface water delivered to irrigate 4,500 acres having a duty of water of 4.59 acre feet, to require that the Papago Tribe assume responsibility for its operation and maintenance.

(e) The Secretary is authorized and directed to use his power under existing laws, including the deepening and rehabilitation of existing wells, to maximize the supply of water on the Papago, San Xavier, and Gila Bend Indian Reservations available from the underground sources. The amount of water so available on a firm basis may be credited against the amount of water the Secretary is obligated to acquire under subsections (a) (1), (c) (2) and (d) (1) hereof. To render the pumping of water economically feasible and to assist economic development of the Papago Tribe, the Secretary is authorized and directed to construct power lines to the Papago, San Xavier and Gila Bend Indian Reservations and to sell to the Papago Tribe power and energy available under Section 303 of the Colorado River Basin Project Act of September 30, 1968, 43 U.S.C. § 1523, at rates not to exceed actual cost.

SEC. 105. Salt River Reservation.

(a) The Secretary Shall immediately undertake and diligently pursue a 10-year program to acquire a firm surface water supply pursuant to the authorities set forth in Title II of this Act on behalf of the Salt River Pima-Maricopa Indian Community in an amount which, when added to the amount of water allocated to the Salt River Reservation under the so-called "Kent Decree" (*Hurley* v. *Abbott*, No. 4564, U.S. Territ. Ct., Ariz., March 1, 1910) and the "Bartlett Dam agreement," will be sufficient, with any available firm water supplies from underground sources within the Salt River Reservations, to irrigate 30,500 acres within the reservation having a duty of water of 6.25 acre feet: *Provided*, That the Secretary shall give priority in his acquisition program for the Community to State water rights within the Salt River Project.

(b) The Secretary is authorized and directed:

(1) to rehabilitate the existing system for the delivery to and distribution of irrigation water within the Salt River Reservation, including especially the lining of field ditches;

(2) to extend the existing distribution system within the reservation and, on condition that the Salt River Pima-Maricopa Indian Community or its members agree to subjugate the land, to construct such additional canals, laterals and irrigation works as are necessary to deliver sufficient water to irrigate up to 30,500 acres having a duty of water of 6.25 acre feet;

(3) if so requested by the Salt River Pima-Maricopa Indian Community, to loan the Community, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating additional land, with repayment to be made in forty (40) equal annual installments, without interest, beginning ten (10) years after the date the reservation irrigation system is completed and water delivered to irrigate 30,500 acres having a duty of water of 6.25 acre feet; and

(4) upon completion of the expanded irrigation system within the reservation, and sufficient water delivered to irrigate 30,500 acres having a duty of water of 6.25 acre feet, to require that the Salt River Pima-Maricopa Indian Community assume responsibility for its operation and maintenance.

(c) The Secretary is authorized and directed to use his power under existing laws, including the deepening and rehabilitation of existing wells, to maximize the supply of water on the Salt River Reservation available from underground sources. The amount of water so available on a firm basis may be credited against the amount of water the Secretary is obligated to acquire under subsection (a) hereof. To render the pumping of water economically feasible and to assist economic development of the Community, the Secretary is also authorized and directed to sell to the Salt River Pima-Maricopa Indian Community power and energy available under Section 303 of the Colorado River Basin Project Act of September 30, 1968, 43 U.S.C. § 1523, at rates not to exceed actual cost.

SEC. 106. Appropriations.

(a) There is hereby authorized to be appropriated for the construction of water resource project facilities and irrigation distribution systems under this title, exclusive of works authorized as part of the Central Arizona Project, and for such other nonrecurring activities of the Secretary as are required herein, exclusive of costs for land and water acquisition, the sums of $32,000,000 during fiscal year 1977, $28,000,000 during fiscal year 1978, and $28,000,000 during fiscal year 1979 and $8,000,000 during each of the next seven fiscal years, plus or minus such amounts, if any, as may be justified by reason of fluctuations in construction costs as indicated by engineering cost indices applicable to the types of activities involved therein.

(b) There is also hereby authorized to be appropriated for loans to the Central Arizona Tribes the sums of $12,000,000 during fiscal year 1977, $12,000,000 during fiscal year 1978, $12,000,000, during fiscal year 1979 and $6,000,000 during each of the next seven fiscal years, plus or minus such amounts, if any, as may be justified by reason of fluctuations in subjugation costs indicated by engineering cost indices applicable to the types of activities involved therein, and, in addition thereto, such sums as may be required for phreatophyte control and for operation and maintenance of such water resource project facilities and irrigation distribution systems.

TITLE II—ACQUISITION OF WATER

SEC. 201. Acquisition of State Water Rights.

(a) The Secretary is authorized to acquire by purchase or exchange to the extent economically feasible and otherwise by eminent domain proceedings in the United States District Court for the District of Arizona under Sections 257 and 258a of Title 40, United States Code, such private lands (or interests therein) having presently perfected State water rights appurtenant thereto and such State water rights as may be sold or transferred independent of land, as he may determine to be appropriate, anywhere within the State of Arizona for the purpose of providing water to the Central Arizona Tribes in accordance with Title I of this Act: *Provided*, That the Secretary shall not acquire private lands which do not have a recent history of receiving or being capable of actually receiving all or substantially all of the water covered under the appurtenant State water rights; *Provided further*, That the Secretary, in acquiring State surface water rights pursuant to this section, shall give a priority to the acquisition of lands within the Wellton-Mohawk Division of the Gila Project before acquiring any lands elsewhere; and *Provided further*, That nothing in this title shall authorize the Secretary to acquire or disturb the water rights of any Indian tribe, band, group or community, or any individual Indian allottees. Except as provided in subsection (b) hereof, any lands or interests in lands so acquired, other than State water rights, shall be restored to the public domain.

(b) In the event the Secretary acquires improved lands pursuant to subsection (a) hereof, the beneficial owner or owners, if an individual, family or family partnership, may reserve the right to use and occupy the lands:

(1) with the appurtenant State water rights for farming purposes and non-commercial residential purposes for 15 years after the effective date of this Act, for 10 years after the date of acquisition or until the death of the longest-lived beneficial owner, whichever soonest occurs; and

(2) Without the appurtenant State water rights, for 25 years after the effective date of this Act, or, if the option under paragraph (1) is exercised, for an addititonal period of 10 years or until the death of the longest-lived beneficial owner, whichever sooner occurs, for non-commercial residential purposes: *Provided*, That the compensation paid by the Secretary for the property shall not exceed its fair market value on the date of acquisition, less the fair value on such date of the rights reserved.

(c) Notwithstanding any provision of Federal or State law to the contrary, and in satisfaction of the Tribes' existing water rights, the Secretary may sever State water rights from lands acquired under subsection (a) hereof and may transfer such water rights to lands within the reservations of the Central Arizona Tribes. If the lands from which State water rights are severed lie within the exterior boundaries of any reclamation project or irrigation district, the Secretary shall with respect to such lands:

(1) cancel any repayment obligations for irrigation construction costs owing to the United States or one of its agencies, or pay any liens or other valid debts for irrigation construction costs owing any other legal entity; and

(2) enter into contracts with such projects or districts to compensate them for operating and maintenance costs attributable to delivery of water to the lands, as if the State water rights had not been severed, or arising from the loss of active operations of the lands for a period not to exceed 20 years after the date of acquisition.

(d) The Secretary is authorized to enter into agreements with the State of Arizona and its political subdivisions to make payments in lieu of real property taxes with respect to lands and interests in lands acquired under subsection (a) hereof for a period not to exceed 20 years after the date of acquisition: *Provided*, That any real property taxes paid by a former beneficial owner of the land with respect to any interests reserved pursuant to subsection (b) hereof shall be credited against the amounts agreed to be paid by the Secretary in lieu of taxes.

SEC. 202. Transfer of Federal Water Rights. The Secretary is hereby authorized, in his discretion, to transfer to lands within the reservations of the Central Arizona Tribes any Federal water rights appurtenant to the public lands or to any lands within a Federal reservation under his jurisdiction which are presently being exercised or are otherwise recognized by the State of Arizona which are surplus to the needs of such lands. Any Federal water rights so transferred, to the extent they provide a firm water supply, shall be credited against the State water rights the Secretary is directed to acquire pursuant to section 201 of this Act.

SEC. 203. Delivery of Water. To facilitate the delivery of water to reservations of the Central Arizona Tribes, the Secretary is authorized:

(a) to enter into contracts for the exchange of water, or for the use of aqueducts, canals, conduits and other facilities for water delivery, including pumping plants, with the State of Arizona or any of its subdivisions, with any irrigation district or project, or with any authority, corporation, partnership, individual or other legal entity; and

(b) to use facilities constructed in whole or in part with Federal funds, including facilities of the Central Arizona Project, for the delivery or distribution of water within the State of Arizona.

SEC. 204. Trusteeship. Title to all water rights acquired, transferred or developed pursuant to the provisions of this Act shall be held in trust by the United States for the benefit of the Central Arizona Tribe on whose reservation such water right ultimately is utilized.

SEC. 205. Grants. The Secretary is authorized to spend up to $2,000,000 out of the funds appropriated pursuant to this Act for the purpose of making grants to the Central Arizona Tribes to

(a) develop and implement plans for using newly irrigated reservation lands in an orderly, efficient and profitable manner; and

(b) establish and carry out training programs for Indian farmers, including courses in marketing and agricultural economics.

SEC. 206. Appropriations. There is hereby authorized to be appropriated for the acquisition of State water rights and related acquisition costs under this title the sum of $38,000,000, during fiscal year 1977, $36,000,000 during fiscal year 1978, $36,000,000 during fiscal year 1979, and $20,000,000 during each of the next seven fiscal years, and, in addition thereto, such sums as may be required for the delivery of water to the reservations of the Central Arizona Tribes, for payments under contracts or agreements entered into by the Secretary and for grants to the Tribes.

TITLE III—SETTLEMENT

SEC. 301. For each Central Arizona Tribe, the actual acquisition of and delivery to the reservation of water and the construction, improvement and extension of water delivery and irrigation systems by the Secretary pursuant to Title I of this Act, when wholly completed, shall be in satisfaction of such Tribe's present and future right to the use of surface water for farming purposes and any lesser amounts of water delivered shall be offset against any entitlement which may subsequently be established in litigation. Provided, That the Gila River Indian Community's claim to water from the Salt River shall not be extinguished or otherwise affected.

By Mr. DOLE:

S. 3299. A bill to amend the Soil Conservation and Domestic Allotment Act to provide an updated national direction to the conditions under which the Federal Government will provide financial assistance to agricultural producers for needed soil, water, woodland, and wildlife conservation on argicultural lands. Referred to the Committee on Agriculture and Forestry.

NEW DIRECTION FOR THE AGRICULTURAL CONSERVATION PROGRAM

Mr. DOLE. Mr. President, I am pleased to introduce today a bill to provide a new direction for the agricultural conservation program. Dating from 1936, the agricultural conservation program, ACP, represents one of the earliest nationwide efforts at promoting good conservation practices on agricultural land. It is also the principal single channel of Federal soil, water, woodland, and wildlife conservation assistance.

Originally, the agricultural conservation program offered cost-share payments to farmers and ranchers for land use and production-oriented adjustments in addition to longer term conservation measures. Since 1944, however, the Department of Agriculture has attempted, with mixed success, to limit ACP assistance to measures which agricultural producers generally would not be likely to carry out to the needed extent without cost-sharing incentives.

ENDURING CONSERVATION PRACTICES

A principal purpose of my legislation is to direct the ACP toward an emphasis on enduring conservation and environmental enhancement practices which otherwise might not be undertaken by farmers and ranchers. These include practices aimed at:

Establishing long-lasting protective cover; improving or sustaining protective cover; conserving or safely disposing of water; preventing or abating agricultural-related pollution; establishing or improving stands of forest trees; providing protection against soil erosion and flood damage; and meeting special conservation needs.

Such enduring measures are especially needed in a time of heavy agricultural production and strict environmental requirements.

UPDATING THE ACP

At the inception of the ACP, farm incomes were low, farm technology was in its infancy and many producers were unfamiliar with the benefits of conservation farming. The program provided then-needed incentives for liming and other basic soil building and conservation practices which were, at that time, unproven or untried by a majority of producers. Today, however, farmers and ranchers are well aware of the advantages of scientific production practices. But they still require financial incentives to undertake the more ambitious and enduring conservation projects. Since these projects are more costly than short-term, production-oriented practices, new flexibility in the amount of ACP payments is needed. My bill, therefore, authorizes the Secretary of Agriculture to set administratively the maximum payment limitation.

Several additional aspects of the current authorizing legislation are inconsistent with modern agricultural conditions. Among these is the provision concerning the apportionment of acreage allotments which is no longer applicable or operative under present farm programs. Another outdated provision concerns the incremental formula which proportionately increased the Government's share of the cost of a conservation measure totaling less than $200. I propose to delete these and other provisions which are no longer pertinent or necessary.

EMPHASIS ON NEED

In the past, some cost-sharing assistance has gone to wealthy farmers or to landowners who are not primarily concerned with agricultural production. Since the ACP, like other Federal programs, is faced with severe budgetary constraints, cost-share assistance should be available only to those agricultural producers who are financially unable to carry out needed measures with their own resources. My legislation will assure that ACP assistance is based on need, as Congress originally intended. In this way, funds will be put to work on agricultural lands that would otherwise be left unimproved.

I conclude this introductory statement by expressing my belief that the ACP is fully capable of providing the essential conservation assistance that our farmers and ranchers require. But over many years of operation the program has lost its focus and cutting edge. Remedial legislation is long overdue. The bill I introduce today will update and redirect the ACP in a manner consistent with present and future conservation needs.

Mr. President, I ask unanimous consent that a summary of the bill and the bill be printed in the Record.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 3299

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 7 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(a)) is amended to read as follows:

"(a) Congress recognizes that agricultural producers, as the suppliers of the Nation's food and fiber and managers of private lands, have the responsibility for making the management decisions related to (1) changes in land use or cropping systems which are needed to conserve, develop and protect soil and water resources on agricultural land; (2) the installation of soil and water conservation measures to protect agricultural land from erosion, deterioration, and pollution by natural and manmade causes; and (3) the prevention and abatement of agricultural-related pollution. It is hereby declared to be the policy and purpose of this Act to assist agricultural producers in attaining these objectives and thereby help assure the continued supply of food and fiber necessary for the maintenance of a strong and healthy people and economy and to provide for environmental conservation or enhancement. The activities necessary to attain these objectives shall be carried out in such a way as to encourage benefits to wildlife and desirable life forms; benefits to the community by means such as preserving open space or enhancing the appearance of the area; preservation of historic, archeological, or scenic sites of interest; preventing of pollution and environmental degradation; and avoidance of the creation of hazards to persons or animals."

Sec. 2. Section 8 of said Act (16 U.S.C. 590h) is amended by:

(a) striking the first three sentences of subsection (b) and inserting in lieu thereof the following:

(b) The Secretary is authorized to carry out the policy and purpose specified in section 7(a) by providing financial assistance, with emphasis on long-term agreements, to agricultural producers for carrying out enduring conservation and environmental enhancement measures. Only agricultural producers who, under criteria established by the Secretary, are unable to carry out the needed measures with their own resources shall be eligible to receive financial assistance. The financial assistance to be provided shall be that portion of the cost of effectuating the physical installation of the conservation and environmental enhancement measures which the Secretary determines is necessary. The Secretary shall determine the measures for which financial assistance is appropriate and in the public interest, taking into consideration:

(1) The need to control erosion and sedimentation from agricultural land and to conserve the water resources on such land.

(2) National priorities reflected in the National Environmental Policy Act and other current congressional and administrative actions.

(3) The need to encourage voluntary compliance by agricultural producers with Federal and State requirements to solve source and nonpoint sources of pollution.

(4) Those conservation measures which agricultural producers can reasonably be expected to perform with their own resources, especially those measures which provide a return in the form of increased production or increased land values.

(5) The degree to which the measures contribute to the national objective of assuring a continued supply of food and fiber necessary for the maintenance of a strong and healthy people and economy.

(c) striking from the end of the first paragraph of subsection (b) the phrase ", and, wherever practicable, they shall be classified on two bases: (a) soil-depleting crop and practices, (b) soil building crops and practice.";

(d) striking subsection (c) and inserting in lieu thereof the following:

"Funds appropriated for carrying out the purpose of this Act may not be utilized to provide financial or technical assistance for drainage on wetlands designated as Wetland Types 3 through 20 in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956.";

(e) striking subsection (d);

(f) striking the first three paragraphs of subsection (e) and inserting in lieu thereof the following:

"Payments made by the Secretary under subsection (b) to agricultural producers shall be divided among landlords, tenants, and sharecroppers in proportion to the extent such landlords, tenants and sharecroppers contribute to the cost of carrying out the conservation or environmental enhancement measures.

"The maximum payment which may be made to any person shall be determined by the Secretary.";

(g) striking subsection (f); and

(h) striking the second sentence of subsection (g).

Sec. 3. Section 10 of said Act (16 U.S.C. 590j) is repealed.

Sec. 4. Section 12 of said Act (16 U.S.C. 590L) is repealed.

Sec. 5. Section 13 of said Act (16 U.S.C. 590m) is amended by striking "Production and Marketing Administration" wherever it appears therein and substituting "Agricultural Stabilization and Conservation Service", and by striking "Administration" and substituting "Service".

SEC. 6. Section 15 of said Act (16 U.S.C. 590o) is amended to read as follows:

"SEC. 15. To enable the Secretary to carry out the purposes of sections 7 and 8 there is hereby authorized to be appropriated in any fiscal year such sums as may be necessary until expended.

"The Secretary shall distribute the funds available for financial assistance among the several States in accordance with their conservation or forestry needs, as determined by the Secretary."

SEC. 7. Subsections (a) and (e) of Section 16 of said Act (16 U.S.C. 590p(a), 590p(e) are repealed.

SEC. 8. The last proviso under the heading "Conservation and Use of Agricultural Land Resources, Department of Agriculture" in the Act of June 16, 1938 (52 Stat. 710, 746; 16 U.S.C. 590h-1) is repealed.

SUMMARY OF MAJOR CHANGES—PROPOSED AMENDMENT TO THE SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The Proposed Amendment:

1. Includes a revised statement of agricultural conservation policy to provide a new updated national direction to financial assistance programs.

2. Limits the Act to provisions pertaining to soil, water, woodland, and wildlife conservation on agricultural lands. Limits financial assistance to enduring type practices.

3. Specifies revised conditions for providing financial assistance to agricultural producers for enduring conservation measures, including that:

a. Financial assistance is to be provided only to agricultural producers who are unable to carry out such measures with their own resources.

b. The Secretary shall have the authority to determine the measures for which financial assistance will be authorized and the level of such assistance.

4. Authorizes the Secretary to establish administratively the maximum payment limitation since flexibility is needed especially in view of the addition of long-term agreements.

5. Specifies that funds appropriated in a fiscal year will remain available until expended for entering into obligations and making payments.

6. Deletes the small cost-share increase (SCI) provisions since it is no longer pertinent to today's economic conditions.

7. Removes the "domestic allotment" provisions of the Act since they are no longer applicable or operative.

8. Deletes or revises other provisions which are not consistent with the revised policy of the Act.

By Mr. JAVITS (for himself and Mr. HUMPHREY):

S. 3300. A bill to amend the National Labor Relations Act to provide a framework for the establishment, by way of collective bargaining, of jointly managed labor-management employee stock ownership trust funds, which meet statutory safeguards. Referred to the Committee on Labor and Public Welfare.

EMPLOYEE STOCK OWNERSHIP FUND ACT OF 1976

Mr. JAVITS. Mr. President, on behalf of Senator HUMPHREY and myself, I introduce the Employee Stock Ownership Fund Act of 1976, to facilitate employee stock ownership among organized labor through the time tested mechanism of voluntary labor-management collective bargaining negotiations. This is the first dramatic step to be taken by those who believe that organized labor and management can benefit mutually from the fruits of broadened stock ownership by the American worker. While other methods and programs have been heretofore discussed this is the first legislative initiative designed to address the concerns expressed by organized labor and management who are committed to providing guarantees that these employee benefits are not illusory.

Our twin purposes are productivity, which is produced by modernization, investment and high worker morale; and second, greater capital formation and its social ownership as people's capitalism.

I must report with great concern that our domestic economy is continuing to present us with extremely complex and difficult problems which can only be resolved by way of long term, broad based planning and creative new initiatives in order to foster the further economic and social development of American capitalism in the years to come.

I have for the past 20 years in the U.S. House and Senate affirmatively argued that productivity is the key to meaningful and successful economic and social development.

The theoretical class struggle predicted by Karl Marx is anachronistic, in light of our knowledge of the corporation. Now the time has come to establish in our system a "peoples' capitalism" thereby truly leveling economic classes.

It is with respect to our current stagnating productivity, continued unacceptable unemployment, potential reignition of inflationary trends, and shortage of capital investment in U.S. business that Senator HUMPHREY and I have been motivated to author a new initiative which I am introducing today. I believe this approach is necessary for the continued vitality of labor-management negotiations in pursuit of increased benefits for working Americans as well as increased productivity for the benefit of the entire domestic economy.

Furthermore, to the extent that jointly trusteed employee stock ownership funds invest their financial resources in a diversified way, as mandated by this legislation, the new capital will pursue those investment alternatives having the greatest rates of return thereby stimulating productivity through improved allocation of scarce capital resources.

It is indeed startling that from 1965 to 1975 gross domestic productivity grew at less than 1 percent per year. Today the United States is in the midst of a "productivity crisis;" a crisis that is perhaps insidious but much more critical than either double digit inflation or economic stagnation. The productivity crisis alone can prevent the restoration of both price stability and full employment. I believe that enlarged employee stock ownership can stimulate productivity by giving workers an ownership interest and thus ameliorate the productivity crisis in America.

The United States is still in the midst of extricating itself from the worst recession since the Great Depression of the 1930's. Although official statistics released by the Commerce Department proclaim that the national economic contraction ended last year there is ample evidence that the condition of American workers has not yet improved significantly. The unemployment rate, expressed to include those working part time because of economic reasons is still approximately 8½ percent. It is absolutely unacceptable that more than 8 million Americans are presently unable to find gainful employment.

Moreover, it is no secret that the United States is experiencing a substantial problem with respect to a shortage of capital investment. The U.S. Treasury estimates that from 1960 to 1973 investment as a percentage of real national output was 13.6 percent in the United States as compared to 29 percent in Japan, 20 percent for West Germany, and 18.2 percent for France. What is needed to alleviate the capital shortage of the 1970's and 1980's are new approaches to equity investment. I believe that broadened stock ownership by workers will address and help to resolve the problem of accelerated capital formation in America.

Amid our deplorable employment situation we face possible reignition of inflationary pressures with which our society has suffered greatly in our recent years. Our employment, inflation, and productivity problems have together resulted in seriously reducing the efficiency of U.S. industry and we have fallen behind our friends all over the world.

If American capitalism is to be successful in achieving substantial economic progress in the years to come, we must initiate the debate over how to do it during our Bicentennial Year. It is my belief that through expanded stock ownership by the rank and file American worker we can address our current productivity problems as well as create the capital which is needed for investment in American industry. In this way we can make substantial progress toward reducing the unemployment and inflation problems which plague our economy today.

The bill which Senator HUMPHREY and I are introducing today will create a framework for negotiation through collective bargaining of employee stock ownership trust funds which may be jointly trusteed by labor and management along the same lines which have led to the vast networks of jointly trusteed pension and health and welfare plans throughout the United States.

It is our intention to encourage voluntary negotiation of stock ownership trust funds where approved pension plans are already in place. This will allow labor to bargain collectively over the establishment of trusts designed to manage a portfolio of corporate securities purchased with employer and/or employee contributions. In order to provide the greatest possible incentive to employee productivity, consistent with prudent investment behavior, our bill would permit a trust fund to invest up to 30 percent of its capital in the voting stock of the employer corporation.

I firmly believe that by giving the employees a "piece of the action" in our American capitalist system the United States has a chance to restore the productivity growth which is absolutely necessary if we are to achieve simultaneous price stability and full employment.

There also has been a notable erosion of worker motivation in America. I have not forgotten the graphic descriptions of worker alienation contained in the 1972 special task force report entitled "Work in America." This employee morale problem has directly and dramatically added to our productivity crisis. At worst, worker discontent leads to a pervasive attitude of "us versus them."

Just as American businesses should welcome the broadening of stock ownership to its rank and file workers for their mutual economic benefit, organized labor should encourage its workers to gain a "piece of the system" and an understanding of the importance of the fructifying nature of "profit power." It is my sincere belief that broadening stock ownership has the potential to enlarge the community of interests of labor and management and to facilitate stabile and peaceful labor-management relations.

It is our intent to create interest and incentive for adoption of such benefit plans as are designed to contain adequate safeguards for the protection of American workers.

Using the tried and true mechanism of collective bargaining which has served our Nation so well in the past, we are expanding the dynamic framework of mutualized corporate ownership which can form the basis for a "peoples' capitalism" and put our Nation on a new plateau of economic well-being. This is the first framework of its kind that can be effectively utilized by labor and management.

We have the ability to make employee stock ownership the foundation for the rebirth of the spirit of private enterprise during our Bicentennial Year.

Mr. President, I ask unanimous consent to have printed in the Record the summary of the Javits-Humphrey Employee Stock Ownership Fund Act of 1976, and the full text of the bill.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 3300

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Employee Stock Ownership Fund Act of 1976".

Sec. 2. (a) Title III of the National Labor Relations Act is amended by adding after section 302 the following new subsections:

"EMPLOYEE STOCK OWNERSHIP TRUST FUNDS

"Sec. 303. (a) Except as otherwise provided in this section, the provisions of section 302 shall not apply with respect to an employee stock ownership trust which is established after the date of enactment of this section and administered by an equal number of representatives of the employees and the employer together with such neutral persons as the representatives of the employees and representatives of the employer may agree upon and meets the requirements of this section.

"(b) A trust established under this subsection shall;

"(1) be subject to the requirements of clause (b) of the proviso to clause (5) of subsection (c) of section 302;

"(2) prohibit the expenditure of trust funds for any expenses other than:

"(A) corporate stock with voting rights for which a registration statement has been filed with the Securities and Exchange Commission, and fixed income securities; and

"(B) reasonable administrative costs;

"(3) provide for the investment of the trust funds in corporate stock with voting rights and fixed income securities selected by the trustees: *Provided,*

"(A) that the trustees in the exercise of their discretion may invest up to 30% of the trust funds in the corporate stock of the employer and further *provided;*

"(B) that the trustees shall consider the productivity and employee morale advantages of investment in the corporate stock of the employer in addition to the financial considerations of safety, income, and appreciation in determining the size of such investment.

"(4) provide that an employer contribution may not be withdrawn from the trust prior to the expiration of 3 years from the date such employee commences participation in such trust except with the approval of the trustees in a case of disability or death;

"(5) provide that any employee who has participated in such trust for a period of 3 years shall have a non-forfeitable right to 100 percent of the securities bought and held by the trustees as a result of the employer contributions made to the employee's account.

"(6) provide that any nonforfeitable rights accruing to a participant shall not revert to the employer, or union under any circumstance; and that forfeited rights in the fund shall be distributed by the trustees to all remaining participants annually.

"(c)(1) The provisions of this section shall not apply to a trust under this section unless the employer has in effect, at the time a trust is established under this section, a qualified employee pension benefit plan as defined in section 3(2) of the Employee Retirement Income Security Act of 1974.

"(2) Withdrawal or termination from participation in a qualified employee pension benefit plan, shall also be deemed a withdrawal from a trust established under this section.

"(d) Section 303 and 304 (and all references thereto of the National Labor Relations Act) as in effect on the day prior to the date of enactment of this Act are redesignated as sections 304 and 305 respectively.

SUMMARY OF MAJOR ELEMENTS OF JAVITS-HUMPHREY EMPLOYEE STOCK OWNERSHIP FUND ACT OF 1976

The Javits-Humphrey legislative initiative will provide a new framework for broadening stock ownership to the rank and file members of organized labor and facilitate negotiations for an employee "share in the American capitalist system" for the mutual benefit of labor, management and domestic economy. The legislation contains the following principle elements:

Expansion of existing National Labor Relations Act provisions that permitted establishment of jointly administered labor-management pension, and health and welfare funds, to further permit establishment of jointly trusteed Employee Stock Ownership Trust Funds, through voluntary collective bargaining negotiations.

Discretionary authority for prospective Boards of Trustees of Employee Stock Ownership Trust Funds to invest up to 30% of the trust fund in the corporate voting stock of the employer. The remaining portion of the fund is to be diversified in a corporate stock and fixed income security portfolio to be selected and overseen by the Board of Trustees.

Preclude establishment of stock ownership trust funds under the National Labor Relations Act unless the employer already has in effect an employee pension benefit plan qualified under ERISA.

Provide for mandatory 100% vesting after 3 years of employee participation.

BROADENING STOCK OWNERSHIP IN AMERICA

Mr. HUMPHREY. Mr. President, today I am introducing legislation together with my distinguished colleague from New York, Senator Javits, that is a significant step toward achieving the goal of broadened employee stock ownership. The Employee Stock Ownership Fund Act of 1976 helps to fulfill this goal by addressing the concerns which have been expressed by organized labor and management, therey making these types of programs a more attractive possibility for collective bargaining negotiations. I believe that the goal of broadening stock ownership among employees is not only a laudable one, but a necessary one for the following reasons.

First, there are many disturbing trends concerning stockholdings by individuals: a decreasing number of individual stockholders; the fact that employed individuals hold less than one half of the market value of outstanding stock; that most of the outstanding stock is owned by a very small number of extremely wealthy individuals; and that concentration in stockholdings means that most Americans are precluded from obtaining a significant ownership share in America's corporations and also that effective control of virtually all corporate assets rests in the hands of a very small group of individuals.

The time has come to reverse these trends and to truly democratize the ownership of stock in this country. To accomplish this, I can think of no better group that should be aided in efforts to obtain an ownership share in this country's corporations than the workers in these companies. This would also, I believe, help to improve both the morale and the productivity of these workers as they realize that they will be directly sharing in the company's future growth and success.

In addition, I believe that encouraging means for broadening employee stock ownership is important in light of the fact that stocks have played an increasingly less important role in funding new capital formation. This point is dramatically illustrated by the following facts. In the first half of the 1960's, new equity issues exceeded additions to debt by $10 billion while during the past 10 years, the position has been more than reversed with debt additions exceeding new equity by $190 billion. In recent years, new stock issues have only contributed 2 to 5 percent to corporate financing needs. Last year, for example, just 568 companies used new stock issues to help raise capital. I believe that is an unhealthy situation for the U.S. economy and one that must begin to have some remedies applied if we are to meet the large capital needs of the coming decade.

From this discussion, two basic features stand out. First, unless measures are undertaken to stimulate both the issuance and the buying of new stock, stocks will play a largely insignificant role in funding new capital formation over the next decade. The bill I am introducing today with Senator JAVITS is one such measure to help assure that stocks will play a more significant role in funding new capital formation and that the ownership of new capital and wealth through stock ownership will be more broadly based.

Basically, this bill does three things to increase the attractiveness of employee stock ownership to both organized labor and management. First, it expands the Taft-Hartley Act provisions which allow the formation of jointly trusted pension funds, health and welfare funds and legal service funds to permit the establishment of a jointly trusted trust fund buying and holding stock for bargaining unit employees. At present, a union representative cannot sit as a trustee of such a stock fund. This will allow unions, through the collective bargaining process, the option of whether they would like to have equal representation with management as fund trustees.

Second, it allows the trustees of an employee stock ownership trust fund to invest up to 30 percent of the funds in the employer's corporate stock. At present, such employee benefit plans may only invest up to 10 percent in employer stock unless they are a strictly defined ESOP which are exempted entirely from the diversification requirement. In increasing the 10 to 30 percent, this bill specifies that the trustees consider the productivity and employee morale advantages of investment in the employer's stock.

Third, it precludes the establishment of employee stock ownership funds unless the employer has in effect an employee pension benefit plan qualified under ERISA. This will prohibit the establishment of these stock ownership plans in lieu of pension plans.

This bill is a meaningful first step toward broadening the ownership of new capital. This is a topic that has been examined in detail by the Joint Economic Committee. The committee will be issuing a comprehensive report on this topic in the near future which will evaluate direct types of incentives for broadening the ownership of new capital.

By Mr. GARN:

S. 3302. A bill to amend the Truth in Lending Act. Referred to the Committee on Banking, Housing and Urban Affairs.

AMENDMENT TO SECTION 130 OF THE TRUTH IN LENDING ACT

Mr. GARN. Mr. President, I am today introducing a bill to amend section 130 of the Truth in Lending Act to relieve our Federal court system from the ever-growing burden being placed upon it by the multiplicity of suits based on non-willful technical violations of the Truth in Lending Act.

Shocking evidence was produced last March at oversight hearings on the Truth in Lending Act by the Senate Consumer Affairs Subcommittee establishing that litigation based on the punitive damage provision of the Truth in Lending Act is seriously incumbering the work of the Federal courts in certain sections of the country.

For example, former Federal Bankruptcy Judge W. Homer Drake, Jr., filed a statement with the subcommittee warning that the huge volume of truth in lending cases in North Georgia is putting a "tremendous new burden on the district judges and the bankruptcy judges."

This view point was shared by former District Judge Sidney O. Smith, Jr., who gave this penetrating analysis to the subcommittee:

> My experience with the present enforcement procedures in the truth in lending area raises two basic concerns: (1) that the flood of private cases in the United States District Courts is substantially overburdening the federal judiciary system which is already being taxed beyond its capacities; and (2) that the present means of enforcement of the objectives of the Act—to provide meaningful disclosure of credit terms—are not necessarily being accomplished by the present mode of enforcement.
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> From the standpoint of judicial administration, I became concerned with the proliferation of truth in lending cases in our district which tended to inject delay in our already overcrowded civil calendars. As can be seen from the attached memorandum from the Clerk of our Court to one of the District Judges, dated July 28, 1974, the truth in lending cases represented over one fourth of all of the civil cases filed during the stated period. In an effort to alleviate the crowded dockets of the District Judges, we promulgated a Local Rule whereby all truth in lending cases were assigned to the Referees in Bankruptcy as Special Masters to hear and make rulings on both fact and law. These rulings were of course subject to approval by the District Courts and to appeal to the District Court by the losing party. Thus, while this local procedure tended to lessen the problem the District Courts were still burdened with a large volume of these cases. Furthermore, the main burden was merely shifted to the Referees in Bankruptcy who likewise had crowded calendars, particularly during the recent periods of economic downturn. Clearly, the volume of these cases has become a tremendous burden on the judicial system and raised questions of whether the objectives of the legislation could not be accomplished in a better way.
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> While I applaud the Congress on its passage of consumer legislation and concur in the objectives of the legislation, I feel that the present method of enforcing meaningful disclosures of credit terms by bringing lawsuits in the United States District Court is counterproductive to the objectives of the legislation and clearly exceedingly burdensome of the judicial system. It was my experience that many, if not the great majority of these cases, were brought on the basis of allegations of hypertechnical violations of an extremely complicated law where logical arguments could be made by lawyers on either side of the case. This area of the law is so technical that the most conscientious judges frequently reach directly opposite opinions with respect to the same alleged violation, which raises serious questions as to the uniformity of enforcement of the laws. Furthermore, the fact that a creditor might be found guilty of a violation of the Truth in Lending Act does not necessarily mean that it would be in a position to police its forms or contracts and then be in compliance with the law. The technical nature of the law and regulations suggests that the direction and enforcement of the Act be placed with an administrative or quasi-judicial body which has expertise in this area rather than in the judiciary.
>
> It is indeed difficult for a creditor in the utmost good faith and in the exercise of due diligence to prepare credit contracts which may not later be held in violation of the Truth in Lending Act by some court in the federal judiciary. It would seem that we need to work toward some solution which would allow a reasonable and fair way for creditors to work toward meaningful disclosure of the credit terms.

This flood of punitive damage truth in lending cases is spreading to other districts. The 1975 annual report of the Administrative Office of the U.S. Courts indicates an increase of truth in lending caseloads for the entire country from 415 in fiscal year 1972 to 2,237 in fiscal year 1975, an increase of 439 percent.

This shocking situation came about because Congress in requiring a minimum punitive damage award of at least $100 under section 130(a)(2) of the Truth in Lending Act where a violation—whether substantial or technical—is found, has denied the courts their traditional discretion to exercise commonsense in the disposition of these cases.

This is compounded by the fact that the Truth in Lending Act and regulations are so ambiguous that lawyers, judges, and the Federal Reserve Board have not been able to agree on the appropriate form of disclosures. One witness told the subcommittee that when clauses or sequences of disclosure and the forms are overturned by a court that particular form would be obsolete and it would create a source of multiple litigation for all creditors who have been using the form. Once one issue is settled, plaintiff's counsel have sought out new and novel theories of recovery. There is such uncertainty in results that creditor's counsel is unable to predict what the courts will come up with next.

EXAMPLES OF HYPERTECHNICAL VIOLATIONS OF THE TRUTH IN LENDING ACT

Examples of technical violations of the Truth in Lending Act and regulations abound.

Judge North in *McDaniel* v. *Fulton National Bank of Atlanta*, CCH Consumer Credit Guide, section 98.552 (N.D. Ga. 1974) noted that the bulk of truth in lending cases dealt with hypertechnical theories of violation. He observed that "the habit of plaintiffs, attorneys in truth in lending cases increasingly has become to conceive new, novel and sometimes esoteric allegations of violations with a fragment of reasons based upon some language of the act or regulations though oblique to the critical and hard facts of the credit transaction."

Grubb v. *Oliver Enterprises, Inc.*, 358 F. Supp. 970 (N.D. Ga. 1972) involves a situation where the court and the Federal Reserve Board disagree on the proper interpretation of the law. The district court held that a "loan fee" charged by a lender which was spread over the life of the loan should be disclosed as a "prepaid finance charge." The lender had included it in the disclosure as a finance charge. But the Federal Reserve Board ruled that such a charge should be stated only as a "finance charge." The case is presently on appeal before the Fifth Circuit Court of Appeals.

In *Philbeck* v. *Timmers Chevrolet, Inc., et. al.* 499 F.2d 971 (5th Cir. 1974) the lower court had held that the "term" of the optional credit life insurance should be disclosed on the face of the truth in lending disclosure instead of on the back of the disclosure statement even though the plaintiff admitted that she was fully aware of the cost of the insurance, that she was buying it, and that she was aware of the term of its coverage. The appeals court reversed the lower court but the defendant had expended tens of thousands of dollars in defense of the case.

In several cases, creditors have been found guilty of violation of the Truth in Lending Act where they have separately itemized and specifically disclosed the amount of the notary fee required in recording a lien but failed to also include the notary fee in the finance charge. *Buford* v. *American Finance Corp.*, F.R.D. 417 (N.D. Ga. 1972); *Carlin* v. *Homemakers Finance Service, Inc.*, C.A. No. 75–1045 (E.D. La. 1975). In the Carlin case the court held the defendant liable for $1,000 punitive damage and attorney's fees for this hypertechnical violation even though it noted "that none of the figures shown on the disclosure statement is inaccurate. Computation of the appropriate figures indicates that plaintiff was correctly informed as to how much money he was borrowing and how much cash he would receive."

The courts have split on the issue of whether a finance charge which consists solely of one element, interest or time price differential, must be identified in terms of that element. The point here is not which position has greater merit, but rather that the courts should not be bogged down in consideration of these issues. Nor should creditors be subject to punitive damages where it is clear that the customer is given as much information as is needed to shop for credit and that violations, if they exist, are purely of a technical nature, not calculated to deceive the customer.

There is general confusion reflected in the conflicting opinions of the courts and the staff of the Federal Reserve Board and the differences in the act and the regulations as to the sufficiency of security interests disclosures. Decisions on this question reflect a wide spectrum of opinion. At the very least, a mere recital in a retail installment contract that a security interest is retained falls short of satisfying the disclosure requirements. *McDonald* v. *Savoy*, 501 S.W. 2d 400 (Tex. Civ. App. 1973). On the other hand, some courts have attempted to circumscribe the lengths to which creditods must go to adequately describe security interests by the vague guideline that "The lender need not give the consumer a short course in commercial transaction." *Burrell* v. *City, Inc.*, CCH Consumer Credit Guide section 98, 764 (N.D. Ga. 1974). The variety of opinions that fall between the two perimeters noted above fail to provide creditors with any forewarning as to whether their description of the applicable security interest will pass muster.

Courts have differed on the issue of whether the disclosure of the creditors standard acceleration clause is a default charge which should appear on the front or the back of the contract. Since all that is at stake here is whether certain words must appear on the front or the back of the contract form, creditors have little incentive to violate the law. Generally Federal Reserve Board staff opinions and most judicial decisions have held that the acceleration clause is not a "delinquency charge." However, a few judges have taken a different view of the complex issue and have imposed penalties on creditors for interpreting the law in the same manner as the Federal Reserve Board.

EXAMPLE OF ABUSE OF PROCESS

A disturbing factor in all of this is that the litigation serves no useful purpose unless one considers the extraction of attorney's fees from the public a useful endeavor.

This litigation has done nothing to clarify the law.

It does not bring consumers more meaningful disclosures.

And, compliance with or respect for the law is not being encouraged.

The testimony of a New Orleans attorney who participated in the defense of truth-in-lending cases for creditors, and the depositions he put in the record indicate that plaintiffs in truth-in-lending litigation in Louisiana did not shop for credit nor compare credit terms made available to them. Typically the plaintiff read the disclosure statement or consulted counsel after the purchase transaction and was motivated to file suit by considerations other than failure to obtain meaningful information on credit costs. Again, as in North Georgia, the violations in Louisiana were technical in nature.

The Louisiana attorney gave a number of examples where plaintiffs had brought suits not because of their concern over violations of the Truth in Lending Act or the failure to receive meaningful disclosure but because of other considerations.

In *Dorothy Baker et al.*, v. *Pattison Pontiac Company, Inc. et al.*, C.A. No. 71–2019 (E.D. La.) the plaintiff, Mr. Orth, testified that he was not aware that he was bringing a class action suit for violations of the Truth in Lending Act. He stated in depositions that his wife was merely complaining about a car they had bought which did not work and they went to the attorney to get their money back. The interview with the attorney resulted in a class action suit against the finance company for alleged violations of the Truth in Lending Act. This case was dismissed after the defendant had expended large sums for defense of the claim.

In depositions in the case of *Morris J. Moody, et al.* v. *Leson Chevrolet, Inc., et al.*, C.A. No. 71–2736 (E.D. La.) the plaintiff stated that he had not shopped for credit nor compared credit terms. After purchasing a car, he was talking with a friend who told him about a lawyer who could get some money for him if he would consult him concerning his finance contract. His motivation in filing the suit was pecuniary. This case was settled for $600 after substantial expenditures by the creditor in legal fees.

The Moody case apparently inspired other litigation in the New Orleans area. For example, in *Curtis Benn et al.* v. *Leson Chevrolet Company, Inc.*, C.A. No. 72–271 (E.D. La.) plaintiff Benn had talked to plaintiff Moody about the possibility of financial gain in truth in lending litigation. Ironically it was not until 5 months after the suit was filed that the plaintiff was aware that he was involved in litigation. Again the Curtis Benn suit was settled for $650 after large defense fees were incurred.

The testimony of the Louisiana attorney and the depositions filed in the subcommittee record indicate that the plaintiffs in truth in lending litigation in Louisiana did not shop for credit or compare credit terms made available to them. Typically the plaintiff read the disclosure statement or consulted counsel after the purchase transaction and was motivated to file suit by considerations other than failure to obtain meaningful information on credit costs. Most often the violations were technical in nature.

SOLUTIONS TO THE PROBLEM

During the hearings before the subcommittee, a number of solutions were offered.

One was to frame a new form of consumer enforcement suit in the nature of a qui tam action to be brought on behalf of the United States, as well as the person bringing the suit. Most witnesses felt that this remedy might cause more problems than it would solve and that more study should be given to the concept.

Others, including Judge Smith, suggested that the consumer area would be better served by investing some administrative body such as the Federal Reserve Board with power to issue interpretations and give approval for credit forms or procedures. The conscientious creditors that wish to comply with the law would be able to submit their forms and procedures to such a body for approval much in the same way that a citizen can obtain a revenue ruling from the Internal Revenue Service. These approved forms or clauses could then be followed by not only those seeking approval but by others who desire to follow an approved form. Under this system, the judiciary would not be relieved of responsibility to review the acts of such administrative body, but as a practical matter it would be reviewing only the forms and procedures of those creditors who for some reasons did not comply with the Truth in Lending Act.

Public Law 94–222, which was recently signed by the President, does empower the Federal Reserve Board to establish such a procedure and I am hopeful that it will move forward with some experimentation in this area.

Another solution with which practically all witnesses agreed would be to reform and simplify the Truth in Lending Act and implementing regulations. Much to his credit, the distinguished chairman of the Senate Banking Committee (Mr. PROXMIRE) has requested the Federal Reserve Board to make such recommendations. Governor Jackson, who appeared before the subcommittee on behalf of the Board, assured the subcommittee that the Board is diligently working in this area. However, any attempts to amend the substantive provisions of the act should not be done hastily. Study will be needed of the effect of any proposed changes on both the consumer and the credit granter.

Another suggestion is that a creditor not be held liable for punitive damages in any suit in which the court finds such creditor, with respect to that transaction, to have acted in good faith and to be in substantial compliance with requirements of the act. There are a number of ways this may be approached. One is contained in the amendment I am introducing today.

Currently, section 130(a)(2)(A) of the Truth in Lending Act provides that in the case of an individual action the court must award twice the amount of any finance charge in connection with the transaction, except that the liability under the section shall not be less than $100 nor greater than $1,000 where a violation has been found. This in effect leaves the courts with very little discretion where they find a technical nonwillful violation. The amendment would eliminate the minimum recovery and raise the maximum recovery to $10,000 for the civil penalty for violation of the act. It would also tighten the criteria for awarding attorney's fees in individual and class action punitive damage cases and provide for an award of attorney's fees to the defendant in case of frivolous or harassing suits. In determining the amount of awards in any civil penalty, either individual or class action, the court under the amendment must take into consideration a number of factors including whether the violation was willful and whether the conduct interferred with the objectives of the act.

This approach would allow Federal judges to dismiss truth in lending suits involving nonwillful technical violations which lack merit. On the other hand, in cases where there are substantial and willful violations affecting the public interest, the court would be empowered to award substantial penalties up to $10,000.

The actual damage, class action, and criminal provisions of the act would remain intact.

Although the long run solution to the truth in lending problem lies in simplifying the substantive provisions of the act to bring the consumer more meaningful disclosures and relieve the industry of the uncertainties in interpretation of the act, my amendment will offer immediate relief from the deluge of small-claims cases that is swamping the Federal courts. The cost of this litigation is ultimately born by the consumer and by the general public. It is of utmost importance that Congress move rapidly to correct this situation.

Mr. President, I request unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3302

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 130 (a) of the Truth in Lending Act is amended as follows:

(1) Clause (2)(A) is amended to read as follows:

"(2)(A) in the case of an individual action, such amount as the court may allow, except that the liability under this clause shall not be greater than $10,000; or".

(2) Clause (3) is amended to read as follows:

"(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee and witness fees as determined by the court.

In determining the reasonableness of the attorney's fee, the court shall consider, among other relevant factors the time and labor required, the novelty and difficulty of the questions involved, and the skill required to perform the legal services properly. If the court determines that the institution and prosecution of the action was duplicative or frivolous or for the purpose of harassing the defendant creditor, or was otherwise not undertaken in good faith to carry out the purposes and objectives of this title, the court shall not award to the individual plaintiff any attorney's fees or witness fees or costs, and the court may in its discretion award reasonable attorney's fees and any witness fees to the defendant creditor.".

(3) The last sentence of subsection 130(a) is amended to read as follows: "In determining the amount of award under clause (2) of this subsection, the court shall consider, among other relevant factors, the extent to which the creditor's failure of compliance was intentional, the frequency and persistence of failures compliance by the creditor, the number of persons adversely affected, the amount of actual damages awarded, resources of the creditor, and the extent to which the creditor's engaging in the course of conduct has interfered with the attainment of the purposes and objectives of this title."

By Mr. STEVENS:

S. 3303. A bill to authorize the Secretary of State to provide financial assistance for the eighth pan-American games to be held in Puerto Rico. Referred to the Committee on Foreign Relations.

EIGHTH PAN-AMERICAN GAMES

Mr. STEVENS. Mr. President, today I am introducing legislation to provide Federal assistance for the organization and administration of the eighth pan-American games to be held in San Juan, P.R., during 1979.

Since 1951, the pan-American games have provided tens of thousands of athletes in the Western Hemisphere the opportunity to compete against one another in an atmosphere of mutual understanding and peace. In the time since the first games were held in Buenos Aires, Argentina, this event has become a major international attraction. It is estimated that the San Juan games will attract over 6,000 athletes, representing some 33 nations of North and Latin America. In addition to the many hundreds of thousands of spectators who will watch the games in San Juan, many millions more throughout the two continents will view them on television, or follow closely the various events in the printed press.

Mr. President, no one can deny that as a medium for promoting international friendship and good will, athletics has proven its usefulness. Although Members of this body are well aware of the difficulties which often face the administration of international athletic events, I am not one who believes that the policy of peace and understanding through sport should be abandoned. As a member of the President's Commission on Olympic Sports, I am resolved to do all I can to insure that amateur athletics remains as a focal point of international good will. I might also add that the Commission has expressed its strong support for Federal financial assistance to Puerto Rico in hosting these games.

Mr. President, I ask unanimous consent that a letter addressed to President Ford from Gerald B. Zornow, Chairman of the President's Commission on Olympic Sports, regarding Federal assistance for the 1979 pan-Am games be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. STEVENS. We have long recognized the value of exposing the peoples of the world to the varying cultures of all nations. For the past 15 years, the Federal Government has provided assistance for just this purpose through the Mutual Educational and Cultural Exchange Act. In that time, the State Department has promoted numerous international cultural exchanges, bringing the brightest examples of foreign artistic expression to this country and promoting abroad those creative achievements which have helped shape our own culture.

It is through this program, Mr. President, that the United States has sponsored numerous exchanges of athletes, coaches, and administrators with governments of other nations. And it is through this program that I propose assistance for organizing the Pan American games in San Juan be channeled.

My bill authorizes an appropriation of $12 million to be utilized in the following manner:

Promoting, organizing, and conducting the games; constructing new facilities and repairing existing ones which will be utilized during and after the games by the athletes and the people of Puerto Rico; providing lodging, food, and transportation for the participants in the games as well as related personnel; and acquiring necessary material and equipment for the games.

Additionally, my bill authorizes a sum of $75,000 to help the Bureau of Cultural Affairs in the State Department in its administration of this special program.

Mr. President, in terms of economic scale and present day costs of organizing and carrying out major international athletic events, the funds authorized in my bill are indeed small. The total budget for the San Juan games is just over $30 million. This total compares favorably with what I am informed was expended by the organizers of the recently concluded winter olympics in Innsbruck, Austria. For those games, which involved 37 nations and 1,200 athletes, some $148 million was spent.

Aside from the comparatively modest San Juan budget, there is a remarkable degree of support for the Pan American games among the people of Puerto Rico, who have closed ranks behind the organizing committee and who have promised total cooperation with games officials. This degree of support is best exemplified by the financial commitment of the Commonwealth of Puerto Rico, which is contributing $7 million to the games. Additionally, the municipal governments of Puerto Rico have promised $5.5 million, and close to $3 million is expected in private contributions.

There can be no doubt that hosting the Pan American games will materially assist the people of Puerto Rico, who are presently struggling under the weight of severe economic pressures and high unemployment. It has been estimated that more than $5 million in toursim revenues will be generated during the 2-week period of the games. Also, preparation for the games will provide jobs for many Puerto Ricans, and the facilities which are to be constructed will be of lasting benefit to all.

But of equal importance, Mr. President, is the impact which the hosting of these games will have on the people of the Americas. In a time when national attention has been focused on Latin America, I believe that it is in the best interests of international policy and good will for our Government to demonstrate a strong commitment to a continuing exchange of people, ideas, and cultures. One way to achieve this end is through a strong expression of support for the San Juan games. I therefore urge adoption of the legislation which I am introducing today at the earliest possible time.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3303

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds that—

(1) the Eighth Pan American Games to be held in San Juan, Puerto Rico, in 1979 will provide an opportunity for more than 6,000 young men and women, representing 33 countries in the Western Hemisphere, to participate in friendly athletic competition;

(2) international sporting events such as the Eighth Pan American Games make a unique contribution in promoting common understanding and mutual respect among people of different cultural backgrounds; and

(3) the President has the authority under the Mutual Educational and Cultural Exchange Act of 1961 to provide financing, when he considers that it would strengthen international cooperative relations, for (A) tours abroad by American athletes, (B) United States representation in international sports competitions, and (C) participation by groups and individuals from other countries in tours and sports competitions in the United States.

(b) In order to strengthen international cooperative relations and promote the purposes of the Mutual Educational and Cultural Exchange Act of 1961, the Secretary of State shall use funds appropriated to carry out this Act to provide financial assistance for the Eighth Pan American Games to be held in Puerto Rico in 1979. Such funds shall be made available by the Secretary to the Recreational Development Company of Puerto Rico (a Government corporation of the Commonwealth of Puerto Rico), for expenses directly related to the Eighth Pan American Games, including expenses for—

(1) promoting, organizing, and conducting such games;

(2) constructing new and repairing existing athletic and recreational facilities;

(3) providing lodging, food, and transportation for participants in such games and for related personnel; and

(4) acquiring necessary material and equipment for such games.

Such expenditures shall be subject to such controls and audits as the Comptroller General may prescribe.

(c) There is authorized to be appropriated to the Secretary of State to carry out the provisions of this Act, $12,075,000, of which $75,000 shall be available only for administrative expenses incurred in carrying out this Act.

EXHIBIT 1

PRESIDENT'S COMMISSION
ON OLYMPIC SPORTS,
March 24, 1976.

President GERALD R. FORD,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you may know, Lake Placid, New York has been designated by the International Olympic Committee to host the 1980 Winter Olympic Games. Puerto Rico has been designated to host the 1979 Pan American Games. Each of these sites has requested federal monies to support the successful conduct of these Games.

Your Commission on Olympic Sports has been asked to support these efforts of Lake Placid and Puerto Rico to host these Games. While the Commission does not have the facts to determine the exact amount of federal monies needed by these organizing committees, the Commission has adopted a resolution to suggest that federal financial support of the efforts of Lake Placid and Puerto Rico is consistent with its preliminary recommendations to increase the quantity and quality of athletic facilities for sports in America.

Sincerely yours.

GERALD B. ZORNOW.

By Mr. BROOKE:

S. 3304. A bill to impose certain safety requirements with respect to swimming pools acquired, built, or operated by the Federal Government. Referred to the Committee on Government Operations.

SWIMMING POOL SAFETY ACT OF 1976

Mr. BROOKE. Mr. President, today I am introducing the Swimming Pool Safety Act of 1976. This simple measure provides that any in-ground, outdoor swimming pools on Federal property or built by recipients of Federal funds must be fenced and equipped with lifesaving devices. Its purpose is to prevent many of the hundreds of fatal and near fatal accidents which occur in pools each year. The bill is written with small children in mind. The U.S. Consumer Product Safety Commission estimates that deaths of small children in swimming pools each year number in the hundreds. Mr. President, most of these tragedies would have been prevented if pools had been fenced in.

In October 1973, two beautiful children, Shayne Beckwith, who was then 2, and his brother, Shawn, who was 3, drowned in an unused swimming pool in Somerville, Mass. Their parents, Bonnie and Gerard Beckwith, have waged a courageous and determined struggle to turn their personal tragedy into a meaningful memorial to their sons. They have campaigned across the country for a wide range of safety measures to protect all our children. In the Commonwealth of Massachusetts, the Beckwiths educated the public and legislature about swimming pool safety. And last year, Governor Dukakis signed into law a measure comparable to the Federal bill I am introducing today.

But State regulations will not do the job by themselves. There are countless outdoor, in-ground pools on military installations, VA hospital grounds, parks and recreation areas, and public facilities acquired and developed with Federal funds. Most of these are not covered by State legislation. I have been shocked to discover that none of them is covered by any Federal safety regulations.

The addition of a childproof fence and a life ring to existing and new outdoor pools, as this measure would require, will add only a small fraction to the cost of the pool. I feel this tiny cost should not even be considered in view of the terrible, devastating tragedy it can avert.

Mr. President, I introduce the Swimming Pool Safety Act of 1976 in memory of Shawn and Shayne Beckwith and also in memory of the hundreds of dead children whose names we do not know. I hope the Senate will not delay in considering and passing this simple way to save our children.

Mr. President, I ask unanimous consent that the text of S. 3304, the Swimming Pool Safety Act of 1976 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3304

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Swimming Pool Safety Act of 1976".

SEC. 2. (a) No Federal agency or recipient of Federal funds may acquire, build, or operate any outdoor inground swimming pool unless such pool is—

(1) enclosed by a fence at least six feet in height which is firmly secured at ground level and the top of which is, including gates, at least six feet above the underlying ground;

(2) enclosed by a fence with self-latching gates, the latches of which are at least four feet above the underlying ground or are otherwise designed to bar entry from the outside by children under the age of 7 years;

(3) equipped with at least one life ring and one rescue hook.

(b) For purposes of this section, the term—

(1) "outdoor inground pool" means an outdoor inground swimming or wading pool on the premises of, or used in connection with, a Federal agency or a recipient of Federal funds;

(2) "Federal agency" means any department, agency, instrumentality, or authority of the executive, legislative, or judicial branch of the Federal Government, including any independent establishment of the Federal Government; and

(3) "recipient of Federal funds" means any person, institution, or unit of State or local government which receives Federal funds for the purpose of acquiring, building, or operating any outdoor inground swimming pool.

(c) The Administrator of General Services shall—

(1) promulgate such rules and regulations as he may deem necessary to carry out the provisions of this section; and

(2) prepare and furnish to the Congress a report on the operation of these regulations as soon as practicable after the end of each fiscal year.

By Mr. ALLEN:

S. 3305. A bill to amend the Immigration and Nationality Act of 1952. Referred to the Committee on the Judiciary.

CLOSING LOOPHOLES IN THE IMMIGRATION AND NATIONALITY ACT

Mr. ALLEN. Mr. President, I am introducing a bill which would close two serious loopholes in the Immigration and Nationality Act.

Mr. President, at a time in which every available job in this country should be filled by an American citizen where possible, we nevertheless see ever-increasing numbers of illegal aliens filling jobs which properly should belong to citizens of this country. Although no one appears to know the exact number of aliens residing illegally in this country, estimates go well into the millions and New York City alone is believed to have 500,000 persons who have entered the United States contrary to our laws.

Mr. President, I suppose out of a natural American sense of fairness, Congress has seen fit to provide a very orderly procedure which guarantees great care on the part of immigration authorities in the expulsion of an illegal alien. Unfortunately, our laws in this area have been exploited by deportees and their attorneys to an extent that an illegal alien may succeed in remaining in the United States for several years during deportation proceedings.

The principal deficiency in the law as it is presently written is contained in section 244 of the Immigration and Nationality Act (8 United States Code, section 1254). Subparagraph E of that section contains a provision for the granting of voluntary departure to an alien who is the subject of a deportation proceeding. Regulations implementing this section are set forth at 8 Code of Federal Regulations section 244. The regulations state simply that a special inquiry officer considering a deportation case may authorize voluntary departure if an alien establishes that he is willing and has the immediate means to depart. The regulations also authorize a district director to grant voluntary departure.

Senators may ask what is the actual effect of the law and regulations I have described. In practice an alien subject to deportation will request a series of voluntary departures and thereby forestall actual deportation.

Let me for a moment give Senators a typical example of a case that will show why a change in this law is very necessary.

An alien is located working illegally; he is granted voluntary departure by the district director, usually 30 days. When the 30 days is up, the alien or his employer comes in with a request for an additional 30 days, on grounds that they are attempting to obtain a labor certification. Thirty days later certification has been denied, and the alien still has not departed. An order to show cause is issued, calling on the alien to show cause why he should not be deported in a deportation hearing schedule about 30 days later. The alien appears and either requests a postponement to obtain counsel or appears with counsel, who requests a postponement because he has allegedly just been retained. In either case another 30-day delay is granted. Thirty days later a hearing is held; voluntary departure is requested and granted, usually for 60 days, never less than 30. The alien thus gets to remain in the United States and continue his employment for 6 months and sometimes for a much longer period notwithstanding the fact that he is displacing a U.S. citizen. This loophole should be eliminated.

Mr. President, there is a further loophole in the Immigration and Nationality Act which should be immediately shut.

Vast numbers of students enter this country from foreign countries each year ostensibly to secure the advantages of American education. While a majority come solely for that purpose, many abuse their status as a student and enter the country primarily for the purpose of obtaining work. Many enter the country legally as students, obtain employment illegally, and thereafter with the assistance of their employer have their status adjusted so that they are deemed lawfully admitted for permanent residence, thereby effectively circumventing the quotas established by the act. This loophole is being used to great advantage by a very large number of students from the Indian subcontinent. Many of these students no doubt ultimately make exemplary citizens; however, I believe it is a poor start to citizenship to violate the immigration laws by working illegally and by circumventing the quotas under which immigration from particular countries is controlled.

Mr. President, the bill I have introduced would close the student loophole by prohibiting any adjustment of the status of those who enter the United States as nonimmigrants solely for the purpose of attending American schools. This would accord with a similar prohibition on adjustment in status which applies to alien crewmen who, like students, are theoretically only present in this country for a relatively short period of time.

Mr. President, in a time of extremely high unemployment, I believe it is the duty of this Congress to close immediately the loopholes I have described, which unnecessarily permit aliens to obtain illegally jobs which would otherwise go to our own hard-pressed citizens.

By Mr. BUCKLEY (for himself and Mr. LAXALT):

S. 3307. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords. Referred to the Committee on Finance.

Mr. BUCKLEY. Mr. President, today, on behalf of the distiguished Senator from Nevada (Mr. LAXALT) and myself, I am introducing a bill which would remove a major inequity from the Federal income tax. Today, renters are denied an income tax deduction for property taxes which homeowners have enjoyed for years. My bill would reform Federal tax law to allow renters to deduct from their taxable income the amount of their rent that reflects tax payments to State and local governments.

This inequity has cost renters over $600 million per year.

Property owners, under section 164 of the Internal Revenue Code of 1954, have been able to deduct amounts equal to the property taxes which they incur. A landlord collects, as rented income, an amount sufficient to cover such taxes. Thus the deductibility of the property tax nicely offsets the additional rent he has to charge.

The renter, however, is required, in effect, to bear the burden of local property taxes without receiving a comparable deduction. There can be no doubt that a portion of his rent represents amounts to be paid by the landlord to the local taxing authority. Yet the tenant must continue to pay Federal taxes on income used to pay local property taxes, because he is unable to take a deduction for those portions of his rent which are applied to State and local taxes.

Out of a tenant's monthly rental payment as much as 25 percent may represent money which is received, not for the benefit of the landlord, but to pay the State or locality in the form of real property tax. Although the landlord acts, in effect, as the agent of the tenant for the payment of the tax, that entire amount is imputed as income to the landlord. Hence the landlord's deduction is completely consumed in order to offset the artificial income which is attributed to him. The result is that rental property is effectively denied a State and local property tax deduction.

The bill which I am introducing would alleviate the discrimination which currently exists by granting a renter a deduction for property taxes which are effectively paid by him. The landlord would notify the tenant in the lease of the amount of property taxes attributable to the tenant. At the end of the year, the tenant would be able to take that amount as a deduction from his adjusted gross income.

The one point which I would emphasize is that the landlord's tax liability would remain unchanged under my proposal. He would not receive the benefit of the tax deduction, but he would no longer be required to impute income for money passed on to State and local taxing authorities. The sole result will be the more equitable treatment of tenants and, therefore, a fairer operation of the Internal Revenue Code.

By Mr. PEARSON:

S. 3308. A bill to improve the regulation of commerce by requiring certain Federal agencies to recodify the rules promulgated by such agencies. Referred to the Committee on Commerce.

RECODIFICATION OF SELECTED AGENCY RULES

Mr. PEARSON. Mr. President, I am introducing for appropriate reference a bill which would require selected Federal agencies under the jurisdiction of the Senate Committee on Commerce to recodify their reguations and other rules issued pursuant to law.

The purpose of this bill is to force each of the designated agencies, which have jurisdiction over transportation regulation and a host of other responsibilities, to review its entire body of administrative requirements. Following the proposed review, each agency would submit to Congress both a plan and a text of all rules to be recodified. In the narrative plan submitted to Congress, each agency would make recommendations for the transfer, consolidation, modification, or elimination of rules; organizational, structural, and procedural reforms relating to such rules; eliminating unnecessary, overlapping, or conflicting regulatory jurisdictions, or requirements of general applicability; increasing economic competition; and an assessment of the economic and administrative impact of the proposed recodified rules.

The text of the recodification of each agency's rules would be submitted to Congress and contemporaneously published in the Federal Register. No designated agency could delay submission of its plans and text beyond December 31, 1977.

In order to meet the requirements of administrative due process, the text of the recodified rules could not be at variance, in any substantive respect, from existing rules. It is envisioned, however, that each agency, in publishing the recodification of its rules, will not eliminate those rules of dubious or duplicative effect, but will also simplify and streamline the language and requirements of those rules which must be retained.

Any rule not included in an agency's recodification would automatically cease to have effect on June 30, 1978, unless other appropriate disposition is made by the Congress.

Finally, the Administrative Conference of the United States is authorized to advise the selected agencies in the recodification process.

Mr. President, this bill seeks to accomplish two primary objectives. First, each designated agency would be required to review critically its entire body of administrative law. Those rules of no substantive or practical effect, when identified in this process, could easily be eliminated. Second, the appropriate committees of the House and Senate would have an opportunity to conduct effective oversight on the performance of the agencies in implementing their respective statutory mandates. If the committees choose to do so, they have an opportunity, based upon the recodification plans, to identify and propose to Congress the needed changes in the law to promote significant regulatory reform.

Mr. President, this legislation has been drafted following an oversight hearing conducted by the Committee on Commerce on the implementation by the Department of Transportation of title I of the Transportation Safety Act of 1974. The DOT consolidated more than 1,400 pages of rules and regulations that previously had been issued by various modal agencies assigned responsibilities for regulation of the transportation of hazardous materials. After the process of consolidation had been completed, officials at DOT were able to reduce by nearly one-half the verbiage of the rules and regulations in force. This process of consolidation, streamlining, and simplifying, I am informed, has been accomplished without any relaxation of safety requirements.

The process of consolidation and rationalization of rules and regulations has been of significant benefit in the specific area of hazardous materials transportation. It seems reasonable that a comparable process could be of benefit in other areas subject to the Commerce Committee's jurisdiction.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3308

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Agency Rules and Recodification Act of 1976".

DECLARATION OF POLICY

Sec. 2. The Congress finds and declares that the public interest requires the periodic review, updating, and systematic recodification of the rules promulgated by certain agencies of the Federal Government. It is the purpose of the Congress in this Act to direct such agencies to recodify all of the rules previously promulgated by them in order to promote more effective and responsive administration of the laws.

DEFINITION

Sec. 3 As used in this Act—

(1) The term "agency" means the Department of Commerce, the Department of Transportation, the Civil Aeronautics Board, the Consumer Product Safety Commission, the Federal Communications Commission, the Federal Maritime Commission, the Federal Power Commission; the Federal Trade Commission, and the Interstate Commerce Commission.

(2) The term "rule" means the whole or a part of a statement of general or particular applicability which is issued or promulgated by an agency for future effect and which is designed to implement, interpret, or prescribe law or policy or which describes the organization, procedure, or practice requirements of an agency, including, but not limited to, regulations, the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefor, or valuations, costs, or accounting, any general statement of policy, and any determination, directive, authorization, requirement, designation, or similar such action. The term does not include any order, as such term is defined in section 551(6) of title 5, United States Code.

AGENCY RULE RECODIFICATION

Sec. 4. (a) Not later than December 31, 1977, the head of each agency shall submit a plan for the recodification of the rules of each such agency together with the text of such proposed recodified rules.

(b) The plan together with the text submitted by the agency head pursuant to subsection (a) of this section, shall contain—

(1) recommendations for the transfer, consolidation, modification, or elimination of rules;

(2) recommendations for organizational, structural, and procedural reforms relating to such rules;

(3) recommendations for eliminating unnecessary, overlapping or conflicting regulatory jurisdictions or requirements of general applicability;

(4) recommendations for increasing economic competition; and

(5) an assessment of the economic and administrative impact of the proposed recodified rules.

(c) Each plan and text submitted pursuant to this section may include such other rules or categories of rules as either House of Congress may by resolution require the head of an agency to include.

(d) The Administrative Conference of the United States is authorized to assist each agency in meeting the requirements set forth in this section.

CONGRESSIONAL OVERSIGHT

Sec. 5. The agency head shall separately transmit the plan and text required under section 4 of this Act to the Speaker of the House of Representatives and the President pro tempore of the Senate. Each such plan and text shall be referred to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce of the Senate.

PUBLICATION, SUSPENSION, AND TERMINATION

Sec. 6. (a) Subject to subsection (b) of this section, the complete text of all such recodified rules for each agency shall be published in the Federal Register, and shall thereby be repromulgated as so published, on the same day as the date of the transmittal of the plan and text required by section 4 of this Act to the Congress. Such rules shall become effective, as recodified, 30 days after the date of such publication; except that, no such rule which is repromulgated shall be at variance in any substantive respect with the text of such rule as in effect, or to become effective, on or before the date of publication and repromulgation as provided in this subsection.

(b) The provisions of section 553 of title 5, United States Code, shall not apply to any rule repromulgated pursuant to subsection (a) of this section.

(c) In the event that any rule has not been repromulgated, any such rule shall be of no force or effect after June 30, 1978, unless other appropriate provision for the revocation, suspension, or modification, in whole or in part, of such rule is made by the Congress.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 7. There are authorized to be appropriated to the Administrative Conference of the United States, for purposes of carrying out the provisions of this Act, not to exceed $100,000, such sum to remain available until expended.

By Mr. ROTH (for himself, Mr. Beall, Mr. Biden, and Mr. Hugh Scott):

S. 3309. A bill to authorize the distribution within the United States, for public viewing, of the film "George Washington Country" prepared by the U.S. Information Service. Referred to the Committee on Foreign Relations.

Mr. ROTH. Mr. President, the senior Senator from Pennsylvania and the junior Senators from Maryland and Delaware join me in offering this bill to permit public viewing of a USIA film, "George Washington Country."

This film is a travel documentary depicting the culture, beauty, and traditions of the five mid-Atlantic States of Delaware, Maryland, Pennsylvania, Virginia, and West Virginia as well as the District of Columbia. I have seen the film. Its principal purpose is overseas tourist promotion and it has no political content whatsoever.

The film, "George Washington Country" was prepared in cooperation with the tourist directors of the States involved. They are naturally very proud of the film and the beautiful country it depicts and would like to be able to have it shown to domestic audiences in connection with the Bicentennial celebration. Since it has no political content, I see no reason why Americans should not be able to enjoy it.

On March 29, I introduced an amendment to the Foreign Relations Authorization Act which would have accomplished the same purpose as this bill. Because the chairman of the Foreign Relations Committee, Senator SPARKMAN, wished to have more time to consider this matter, I withdrew the amendment with the understanding that the committee would give the bill its attention as soon as it could.

By Mr. MOSS (for himself, Mr. WEICKER, Mr. BROOKE, Mr. HATFIELD, Mr. KENNEDY, Mr. HUGH SCOTT, and Mr. STEVENSON):

S. 3310. A bill to conserve electric energy, to reform electric utility rate regulation, to strengthen State electric utility regulatory agencies, and for other purposes. Referred to the Committee on Commerce, by unanimous consent.

By Mr. MOSS:

S. 3311. A bill to amend the Federal Power Act, to provide coordinated long-range planning and facility siting in the electric utility industry, and for other purposes. Referred to the Committee on Commerce, by unanimous consent.

ELECTRIC UTILITY RATE REFORM AND REGULATORY IMPROVEMENT ACT

Mr. MOSS. Mr. President, I introduce today two bills to improve the regulation and performance of the electric utility industry. The first is a comprehensive measure for electric utility rate reform, which is cosponsored by the distinguished Senator from Connecticut (Mr. WEICKER). Additional sponsors include the distinguished Senators from Massachusetts (Mr. BROOKE), Oregon (Mr. HATFIELD), Massachusetts (Mr. KENNEDY), Pennsylvania (Mr. SCOTT), and Illinois (Mr. STEVENSON).

I ask unanimous consent that they be referred to the Committee on Commerce.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, on October 8, 1975, I introduced S. 2502, the Electric Utility Regulatory Reform Act. Mr. DINGELL, chairman of the House Subcommittee on Energy and Power of the House Interstate and Foreign Commerce Committee, introduced the same bill in the House as H.R. 10100. Subsequently, I was joined as sponsor of S. 2502 by Senators KENNEDY, HUMPHREY, and SCHWEIKER. Previously, Senators BROOKE, HUGH SCOTT, and WEICKER introduced S. 1666, the Electric Utilities Rate Reform Act, which has similar purposes.

The response to these bills was immediate and extensive. I have received hundreds of letters of support for electric utility rate reform legislation from all parts of the country. Those letters have come primarily from electric consumers, young and old, faced with electric utility bills which seem to get larger in an unending upward spiral. Persons on low- or fixed-incomes have been especially hard hit by the effects of electric utility rate increases.

Consumers of electric energy were not the only source of support for this legislation. I have also received letters from State regulatory officials, from engineers, from social care agencies, and from economists, in support of S. 2502.

In addition, letters were received from officials of electric utilities throughout the Nation, from the National Association of Regulatory Utility Commissioners, from lawyers and economists involved in electric utility ratemaking, from industries which consume large quantities of electric energy, and from other interested parties. Many of these letters pointed out shortcomings in S. 2502 and provided valuable suggestions for improving and strengthening the legislation.

Mr. DINGELL reported receiving a similar outpouring of support, opposition, commentary, and suggestions.

As a consequence of these extensive comments, the staffs of the Senate Committee on Commerce and the House Subcommittee on Energy and Power undertook a comprehensive joint review of the provisions of S. 2502 and H.R. 10100. Under the direction of Mr. DINGELL and myself, these bills were examined carefully, sentence by sentence, for possible improvement.

The result of this exhaustive analysis was H.R. 12461, introduced in the House by Mr. DINGELL with six cosponsors on March 11, 1976. The House Subcommittee on Energy and Power concluded, only last week, 8 days of comprehensive hearings on that bill. As might be expected, those hearings revealed still further improvements which could be made to strengthen the electric utility ratemaking and regulatory process.

Three of my cosponsors, Senators BROOKE, WEICKER, and SCOTT of Pennsylvania who introduced electric utility rate reform legislation in the first session of this Congress, also participated in the development of the bill I am introducing today. Thus, the Electric Utility Rate Reform and Regulatory Improvement Act represents the end product of the effort of my cosponsors and myself, of the joint work of the staffs of the Senate Committee on Commerce and the House Subcommittee on Energy and Power, and of extensive written comments and House hearings.

I yield to the distinguished Senator from Connecticut, Mr. WEICKER, for a short introductory statement on this bill.

Mr. WEICKER. Mr. President, I am pleased today to join the distinguished Senator from Utah, Mr. Moss, in introducing the Electric Utility Rate Reform and Regulatory Improvement Act, comprehensive legislation designed to conserve electric energy, to reform electric utility rate regulation and to strengthen State electric utility regulatory agencies.

The bill, a tightened and improved version of legislation I introduced last year (S. 1666), incorporates provisions to mandate full public hearings on rate increases, an annual review of full adjustment clauses, disclosure of utility company operating performance and costs, and, importantly, the implementation of "cost-of-service pricing" in rate structures.

In addition, this legislation will assure more effective consumer participation in utility rate hearings. A new consumer office in the Federal Energy Administration will be established to provide technical assistance to consumer groups, and to provide funding for consumers to argue rate cases. Also, financial grants are authorized to State regulatory agencies to improve staff capacity to effectively regulate electric utilities, to provide for programs and procedures for more effective consumer representation, and to encourage the development of innovative rate structures which are equitable and which promote conservation and the efficient use of electric energy.

Mr. President, the Senate Commerce Committee has scheduled hearings on this and similar legislation for April 27 and 28. On behalf of the sponsors of this bill, I invite the comments of my colleagues in the Senate on this important subject. Expedited congressional consideration of electric utility rate reform issues is of highest priority; the interests of electric consumers and of the national energy policy make it imperative.

Mr. MOSS. I ask unanimous consent that a brief summary and the text of the bill be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 3310

A bill to conserve electric energy, to reform electric utility rate regulation, to strengthen State electric utility regulatory agencies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Electric Utility Rate Reform and Regulatory Improvement Act".

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TITLE I—GENERAL PROVISIONS

FINDINGS

SEC. 101. The Congress finds and declares that—

(1) the continued generation and transmission of an adequate supply of electric energy at reasonable rates is critical to the Nation's defense, a sound and stable economy, and the general health and welfare of the people of the United States;

(2) rates for electric energy increased dramatically during each of the years 1971 through 1975;

(3) rate reform, particularly if rate design is based on marginal cost pricing principles and if accompanied by improved load management techniques, can result in substantial savings of scarce energy and capital resources;

(4) present electric utility pricing practices and regulatory ratemaking practices often result in an inequitable distribution of the costs of generating and transmitting electricity among different classes of consumers;

(5) the inequitable distribution of costs in electric rate schedules often results in some classes of consumers paying less than the full cost of the service they receive, including the cost of capacity needed to meet demand reliably during peakload periods, and thereby encourages wasteful use of electric energy;

(6) sales below cost of service encourage excessive consumption of electricity and unnecessary construction of electrical generating facilities at a time when the Nation gravely needs to conserve its energy resources;

(7) the construction of unnecessary generating capacity by the electric utility industry would create burdens on electric consumers;

(8) shortages and unreliable supplies of electric energy would jeopardize the normal flow of interstate and foreign commerce by creating severe economic dislocation, including loss of jobs, closing of factories and businesses, and curtailment of vital public services; and

(9) the structure of rates to electric consumers has significant effects on patterns of electrical consumption, overall levels of such consumption, competitive structure of industry, and individual incomes, and thereby significantly affects interstate commerce.

PURPOSES

SEC. 102. The purposes of this Act are—

(1) to make more equitable the structure of electric utility rate schedules in this Nation, while leaving unaffected the overall rate of return of such utilities;

(2) to promote more efficient use of scarce capital and energy resources by electric utilities;

(3) to institute rate reform and greater use of load management techniques, in order to prevent or minimize increases in rates of electric energy, and to assure that the actual costs of generating and transmitting electric energy are equitably distributed among all consumer classes;

(4) to establish national minimum standards for electric ratemaking in order to assure that States which implement rate reforms are not placed at a competitive economic disadvantage by reason of the failure of other States to implement such reforms;

(5) to encourage the conservation of electric energy by all users;

(6) to avoid the construction of unnecessary electrical generating and transmission facilities; and

(7) to strengthen State electric utility regulatory authorities, to increase their capability to carry out their regulatory responsibilities, and to utilize existing State regulatory structures to carry out the purposes of this Act.

DEFINITIONS

SEC. 103. (a) As used in this Act:

(1) The term "Commission" means the Federal Power Commission.

(2) The term "electric consumer" means any person, State agency, or Federal agency, to which electric energy is sold other than for purposes of resale.

(3) The term "electric utility" means any person, State agency, or Federal agency, which sells electric energy.

(4) The term "Federal agency" means any agency or instrumentality of the United States, but does not include the District of Columbia.

(5) The term "rate" means any price, rate, charge, or classification made, demanded, observed, or received with respect to sale of electric energy, any rule, regulation, or practice respecting any such rate, charge, or classification, and any contract pertaining to the sale of electric energy.

(6) The term "ratemaking authority" means authority to fix, modify, approve, or disapprove rates.

(7) The term "sale" includes an exchange of, or a charge for transmission of, electric energy.

(8) The term "State" means a State or the District of Columbia.

(9) The term "State agency" means a State, political subdivision thereof, or any agency or instrumentality of either.

(10) The term "State regulatory authority" means any State agency which has ratemaking authority with respect to the sale of electric energy by any electric utility (other than by such State agency).

(11) The term "evidentiary hearing" means a proceeding (A) which includes notice to, and an opportunity for, participants to present direct and rebuttal evidence and to cross-examine witnesses, and a written decision based upon evidence appearing in a written record of the proceeding, and (B) which is subject to judicial review.

TITLE II—UTILITY RATE REFORM

DEFINITIONS

SEC. 201. As used in this title:

(1) The term "marginal cost" means the change in total cost which results if additional capacity is added to meet demand at the peak, or additional kilowatt-hours of electric energy are delivered to users, as determined by the State regulatory authority.

(2) The term "rate base" means the value established by a State regulatory authority upon which an electric utility subject to the ratemaking authority of such regulatory authority is provided the opportunity to earn a specified rate of return.

(3) The term "rate schedule" means the rates which an electric utility charges electric consumers.

(4) The term "advertising" means the commercial use, by an electric utility, of any media, including newspaper, printed matter, radio, and television, in order to transmit a message to members of the public or to such utility's electric consumers.

(5) The term "institutional advertising" means any advertising which is designed to create, enhance, or sustain an electric utility's public image or goodwill with the general public or such utility's electric consumers.

(6) The term "political advertising" means any advertising for the purpose of influencing public opinion with respect to any legislative, administrative, or electoral decision.

(7) The term "promotional advertising" means any advertising for the purpose of inducing the public (A) to select or use the service of an electric utility, or (B) to select or install any appliance or equipment designed to use such utility's service.

(8) The term "pollution control facility" means a facility which is used to abate or control water or atmospheric pollution or contamination by removing, altering, disposing, or storing of pollutants, contaminants, wastes, or heat, and which is reasonably necessary to carry out a program of a State or Federal agency for abatement or control of water or atmospheric pollution or contamination.

(9) The term "full adjustment clause" means that part, if any, of a rate schedule for the sale of electric energy which provides for automatic adjustment of a rate to reflect a change in whole or in part in the fuel component (including applicable taxes, tariffs, or similar charges) per-kilowatt-hour of the cost of providing electric service.

COVERAGE

SEC. 202. This title applies only to sales of electric energy for purposes other than resale by an electric utility, and applies to such an electric utility in any calendar year only if sales of electric energy by such utility for purposes other than resale during the second preceding calendar year exceeded 200 million kilowatt-hours.

NATIONAL MINIMUM STANDARDS FOR ELECTRIC UTILITY RATE REGULATION

SEC. 203. (a) Each State regulatory authority shall require that each electric utility, with respect to which it has ratemaking authority, comply with the following mininum standards:

(1) Except as otherwise provided in paragraph (3), rates for providing electric service to each electric consumer (or class thereof) shall be designed, to the maximum extent practicable, to reflect the costs of providing electric service to such consumer (or class). Such costs shall be determined by the State regulatory authority in accordance with section 205.

(2) Except as otherwise provided in paragraph (3), electric consumers shall be grouped in classes on the basis of comparable costs of providing service of electric energy to such consumers, to the maximum extent practicable, which costs shall be determined by the State regulatory authority in accordance with section 205.

(3) (A) Nothing in this Act shall prohibit any electric utility from establishing or maintaining a rate for electric service, which rate is less than the costs of providing such electric service, to low-income residential electric consumers for a subsistence quantity of electric energy for any such consumer's principal place of residence.

(B) Each State regulatory authority shall consider in an evidentiary hearing, within one year of the date of enactment of this Act, alternative means (including an appropriate rate structure) to alleviate the burden of the high costs of electric energy to low-income consumers, and may (to the extent authorized by law) require each electric utility with respect to which such regulatory authority has ratemaking authority to provide for a rate to such electric utility's low-income residential electric consumers for a subsistence quantity of electric energy for such consumer's principal place of residence which rate is less than the costs of providing such service as determined under section 205.

(C) For purposes of this paragraph, the term "subsistence quantity" means the number of kilowatt-hours which the State regulatory authority determines is necessary to supply the minimum subsistence electric energy needs of low-income residential electric consumers at their principal place of residence.

(D) The provisions of subparagraph (B) shall not apply to service by an electric utility in a geographic area as to which the Governor of the State in which such geographic area is located determines an adequate alternative means has been implemented to alleviate the burden to low-income residential electric consumers of the high costs of electric energy for essential domestic end uses.

(4) (A) Each electric utility shall transmit to each of its electric consumers—

(i) prior to the date of commencement of service, and

(ii) upon such utility's application for any change in a rate schedule applicable to such consumer,

a clear and simple statement of the existing and any proposed rate schedule applicable to such consumer.

(B) Each electric utility shall transmit to each of its electric consumers not less often than once each year a brief, clear, and simple summary of the existing rate schedules applicable to each of the major classes of its electric consumers, and identification of any classes whose rates are not summarized.

(C) Each electric utility shall transmit with each billing statement to each of its electric consumers a statement of the actual consumption (or degree-day adjusted consumption) of electric energy for the same billing period during the prior year, to the extent such consumption data is reasonably ascertainable by the utility.

(5) The expenditure by any electric utility of funds for political, promotional, or institutional advertising (except for (A) the means by which consumers can conserve energy or can reduce peak demand, (B) notices required by law or regulation, (C) public information regarding service interruptions, safety measures, of emergency conditions, (D) employment opportunities, and (E) public distribution or explanation of existing or proposed rate schedules, or hearings thereon) may not be an operating expense of that utility for purposes of rate determination.

(b)(1)(A) Except as otherwise provided in paragraph (2), effective 2 years after the date of enactment of this Act, and except as applicable State law authorizes suspension and subsequent effectiveness subject to refund of a proposed rate, no State regulatory authority may fix, approve, or allow to go into effect, any increase in any rate of any electric utility unless opportunity for consideration of such increase in an evidentiary hearing is afforded prior to the date such increase takes effect.

(B) Paragraph (A) shall not apply to an application by an electric utility for an increase in any rate which application was accepted for filing by the State regulatory authority prior to the date of enactment of this Act.

(2) Effective 2 years after the date of enactment of this Act, a State regulatory authority may not fix, approve, or allow to go into effect, as part of any rate schedule, a fuel adjustment clause unless such regulatory authority—

(A) requires notice to it of the change in the cost of the fuel component and the consequent rate change, prior to the effective date of such rate change;

(B) provides for the performance of an independent audit, not less often than annually, of the fuel acquisition practices of the electric utility;

(C) provides for an evidentiary hearing, not less often than annually, to review the practices of the electric utility in continually managing its fuel acquisition, use, and generating facilities in a prudent and efficient manner; and

(D) insures that such fuel adjustment clause distributes the cost of fuel in a manner consistent with the standards established in section 203(a)(1).

(3) Each State regulatory authority, with regard to any rate schedule which contains a fuel adjustment clause, shall—

(A) Reserve authority to subsequently determine in an evidentiary hearing, upon application of any interested party or upon such regulatory authority's own motion, that the consequent change in the rate is unlawful and subject to refund with interest.

(B) Require electric utilities, to the maximum extent practicable and economical, to acquire fuel pursuant to sealed competitive bids, and shall prescribe, after notice and opportunity for public hearing, rules and regulations establishing appropriate methods and procedures for the solicitation, receipt, and acceptance of such competitive bids.

(C) Require electric utilities, following selection from among competitive bids pursuant to paragraph (A) or after otherwise contracting for the acquisition of fuel, to file with such regulatory authority complete copies of such bids or contracts and a statement of the reasons for accepting the successful bid or entering into the contract.

(c) A State regulatory authority may, on application of any electric consumer or electric utility, prescribe a variance pursuant to which an electric utility rate schedule which does not comply with the requirements of this title will be fixed, approved, or allowed to go into effect, if such authority determines in an evidentiary hearing that such variance is necessary to avoid extreme economic hardship with respect to electric energy service connections in existence. Such variance shall not be in effect for a period in excess of 1 year, but may be renewed from time to time. No variance under this subsection (other than a variance granted to avoid severe economic hardship which would result from the imposition of the requirement of an applicable implementation plan under section 10 of the Clean Air Act which precludes the use of sources of energy other than electric energy) may remain in effect more than 5 years after the date of enactment of this Act. The State regulatory authority may impose such conditions as it deems appropriate upon the issuance of a variance under this subsection.

(d) Nothing in this title shall be construed as authorizing or requiring the recovery by an electric utility of revenues, or of a rate of return, in excess of the amount of revenues or rate of return determined to be lawful under otherwise applicable State or Federal law.

LOAD MANAGEMENT TECHNIQUES

SEC. 204. (a) Each State regulatory authority shall consider in an evidentiary hearing, initially within 1 year of the date of enactment of this Act and thereafter no less often than once during each subsequent 2-year period, alternative load management techniques and shall (to the extent authorized by law) require each electric utility with respect to which it has ratemaking authority to—

(1) promptly implement those techniques which the State regulatory authority determines are cost-effective; and

(2) submit, as a part of any subsequent application for a rate increase, an analysis of the cost-effectiveness of such other load management techniques as have been identified under section 207(c)(2)(B) prior to 1 year before the date of application.

(b) For purposes of this section:

(1) The term "load management technique" means any technique to reduce maximum kilowatt demand on the electric utility. Such techniques may include (but are not limited to) time-of-use peak-load pricing structures based on marginal cost determinations, ripple or radio control mechanisms, energy storage devices, interrupted or interruptible electrical services, customer-owned meters or load-limiting devices, elimination of master metering, and techniques to minimize inefficient end uses of electricity.

(2) A load management technique is cost-effective if, in the judgment of the State regulatory authority considering such technique, (A) such technique will reduce maximum kilowatt demand on the electric utility (B) the implementation of such technique will not place an unreasonable economic burden on the electric utility, and (C) the implementation of such technique will not unreasonably impair the reliability of the electric utility system. In evaluating the cost-effectiveness of any load-management technique the benefit of which depends upon the voluntary action of an electric consumer, the State regulatory authority shall compare the alternative allocation of costs (A) to the utility under a rate schedule applicable to all electric consumers within the applicable class, or (B) to the electric consumer under a rate schedule which offers such cost-incurring electric consumer a corresponding optional reduced rate.

DETERMINATION OF COST OF SERVICE

SEC. 205. (a) Each State regulatory authority shall prescribe methods for determining costs of service provided to electric consumers (and classes thereof) by each electric utility over which it has ratemaking authority. Such methods shall, to the maximum extent practicable and to the extent consistent with section 203(d), reflect marginal costs of service to each electric consumer (or class thereof), inluding differences in cost-incurrence attributable to daily and seasonal time of use of service.

(b) Beginning 2 years after the date of enactment of this Act and except as may be permitted pursuant to section 203(b), no State regulatory authority may allow any increase in any rate of an electric utility to go into effect—

(1) except after an evidentiary proceeding in which such authority, after consideration of data provided under subsection (c), makes findings of fact respecting—

(A) the factors which cause changes in the daily and seasonal peakloads of such utility and of the electric consumer classes served by such utility;

(B) the costs of serving each electric consumer class and of serving different consumption patterns within such class, based on voltage level and time of use; and

(2) unless such authority bases the determination of the lawfulness of such rate on such findings and on the methods prescribed under subsection (a).

(c)(1) Each electric utility shall gather information with respect to—

(A) the matters described in subsection (b)(1)(A) and (B);

(B) daily kilowatt demand load curves for all electric consumer classes combined, daily kilowatt demand load curves for each consumer class for which there is a separate rate schedule, and daily kilowatt demand load curves by electric consumer class for each level of kilowatt-hour consumption for which there is a separate rate, and for any other levels of kilowatt-hour consumption deemed pertinent by the Commission;

(C) annual capital, operating, and maintenance costs for transmission, primary distribution, secondary distribution, and for each generating unit to meet kilowatt demand on such electric utility;

(D) for each generating unit, the times and dates of, number of times of, and fuel, operating, and maintenance costs incurred in the starting of such units;

(E) annual fuel, operating, and maintenance costs incurred to meet electric utility kilowatt-hour consumption requirements, exclusive of such costs incurred in starting generating units;

(F) for each generating unit, its annual and seasonal capacity ratings, annual hours of operation, scheduled outages for maintenance and repair, unscheduled outages, kilowatt-hours generated, amount and types of fuel consumed, and annual peak kilowatt demand upon said unit;

(G) costs of fuel incurred to meet each level of kilowatt-hour consumption;

(H) energy loss factors experienced by transmission, primary distribution, and secondary distribution systems;

(I) annual capital, operating, and maintenance costs incurred for each electric consumer class having a separate rate schedule and an analysis of how such costs relate to the number and locations of electric consumers; and

(J) planning for utility operations during the ensuing 10-year period, including—

(i) hourly forecasts of system loads and the data bases therefor, by consumer class;

(ii) assumptions made and applied in such planning, including assumptions regarding the effects of changes in the rate structure on system loads, both total loads and during daily and seasonal peaks of use;

(iii) cost (in constant dollars) of new or enlarged bulk power facilities;

(iv) alternative means to meet short-term peaking requirements, including that means which requires the least capital investment; and

(v) computations determining the relative likelihood that system load will exceed system capacity for generation, transmission, and distribution, respectively, of electric energy.

(2) The Commission, by rule, within 180 days after the date of enactment of this Act, shall prescribe the methods, procedure, and format to be employed by each electric utility in gathering the information described in paragraph (1) of the this subsection.

(3) Each State regulatory authority shall require each electric utility with respect to which such regulatory authority has ratemaking authority to file with it annually the information gathered pursuant to this subsection, make copies thereof available to any person at the cost of reproduction, and publish such information in such form as such regulatory authority shall prescribe by rule. Each State regulatory authority may, by rule—

(A) exempt an electric utility from gathering all or part of such information, if such authority finds that gathering such information is not likely to further the purposes of this Act, or

(B) require an electric utility to gather and file additional information, if such authority finds that such additional information is likely to further the purposes of this Act.

(4) Each electric utility shall file annually with the Commission the information required to be gathered under this subsection.

APPLICATION OF STANDARDS TO UTILITIES NOT SUBJECT TO STATE REGULATORY AUTHORITIES

SEC. 206. (a) The standards under paragraphs (1) through (5) of section 203(a) shall apply to each covered public system and each covered cooperative. Each covered public system and each covered cooperative shall consider alternative load management methods (as defined in section 204(b)(1)) and shall promptly implement those which are cost-effective (as defined in section 204 (b)(2)). Each such system and cooperative shall establish and utilize methods for determining cost of service, and shall gather information, in accordance with section 205. Any reference to a State regulatory authority in section 203(a), 204, or 205 shall for purposes of this section be considered to be a reference to the covered public system or covered cooperative, as the case may be.

(b)(1) For purposes of this subsection, an electric utility is a covered public system if such utility is a State agency or Federal agency (as defined in section 103) except to the extent that a State regulatory authority has the same ratemaking authority respecting the rates of such utility as such authority has with respect to other electric utilities subject to its jurisdiction.

(2) For purposes of this subsection, the term "covered cooperative" means a private cooperatively organized electric utility except to the extent that a State regulatory authority has the same ratemaking authority respecting the rates of such utility as such authority has with respect to other electric utilities subject to its jurisdiction.

ESTABLISHMENT OF THE OFFICE OF ELECTRIC UTILITY RATEMAKING ASSISTANCE

SEC. 207. (a) There is established within the Federal Energy Administration an Electric Utility Ratemaking Assistance Office (hereinafter referred to as "Office"). The Office shall be under the direction of a Director who shall be appointed by the President, with the advice and consent of the Senate, and who shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) The Director, through the Office and for the purpose of carrying out the provisions of this title, may appear in any evidentiary hearing held by a State regulatory authority or covered public system (or any proceeding to obtain judicial review thereof)—

(1) upon request of the State regulatory authority or covered public system,

(2) upon request of a State agency of any State, or

(3) upon the motion of any party to the hearing, if the Director determines that such appearance by the Office would be of assistance in such hearing. Commencing with such appearance by the Director of such evidentiary hearing, the Director shall have standing as, and the rights of, a party thereto, including the right to obtain judicial review in accordance with section 209.

(c) The Director, for the purpose of carrying out the provisions of this title, shall—

(1) publish a list identifying the State regulatory authorities, covered public systems, and covered cooperatives to which the provisions of this title are applicable;

(2) inform, on a continuing basis, the State regulatory authorities, covered public systems, and covered cooperatives identified pursuant to paragraph (1) with respect to—

(A) the assistance which the Office is available to provide;

(B) the identification and development of load management techniques, including the results of experiments in load management;

(C) developments and innovations in electric utility ratemaking throughout the United States, including the results of experiments in rate structure and rate reform;

(D) methods for determining cost of service under section 205(a), including methods for calculating (i) marginal costs on a time-of-use basis at various voltage levels, (ii) loss of load probabilities, (iii) revenue constraint adjustment procedures, (iv) load duration curves, and (v) metering techniques and costs; and

(E) any other data or information which the Director determines to be of assistance in carrying out the provisions of this title; and

(3) provide on a formal or informal basis such appropriate technical assistance as is requested by a State regulatory authority, covered public system, or covered cooperative.

PARTICIPATION IN REGULATORY PROCEEDINGS BY STATES AND BY ELECTRIC CONSUMERS

SEC. 208. (a)(1) Any electric consumer or State agency may intervene as of right as a party in any evidentiary hearing or other proceeding of a State regulatory authority or covered public system which affects such consumer's or State agency's interest, to the extent that such hearing or proceeding relates to the determination of compliance with the requirements of this title.

(2) An electric consumer or State agency may maintain an action for judicial review and may, as of right, intervene or otherwise participate as a party in judicial proceedings which involve the review or enforcement of any action of a State regulatory authority—

(A) in a proceeding to which such consumer or agency was a party (or which such consumer or agency was denied, in violation of paragraph (1), the right to intervene), and

(B) which affects such consumer's or agency's interest,

to the extent that such hearing or proceeding relates to the determination of compliance with the requirements of this title.

(b)(1)(A) Unless an alternative means for assuring electric consumer representation is adopted in accordance with paragraph (2), if an electric consumer of an electric utility prevails in a ratemaking proceeding before a State regulatory authority in which such consumer has alleged that any rate proposed by an electric utility is not in compliance with the requirements of this title, such utility shall be liable to compensate such consumer for reasonable attorneys' fees, expert witness fees, and other costs of participation in such proceeding (including fees and costs in obtaining judicial review of such proceeding). Such consumer may collect such fees and costs from such utility in a civil action in any court of competent jurisdiction, unless such State regulatory authority has adopted a procedure pursuant to which such authority (i) determines the amount of such fees and costs and (ii) includes an award of such fees and costs in its order in the proceeding.

(B) For purposes of subparagraph (A), an electric consumer shall be deemed to have prevailed in a proceeding if the State regulatory authority or court disapproved or substantially modified a rate proposed by an electric utility on grounds first raised by the electric consumer who alleged that the rate did not comply with the one or more specific requirements of this title.

(C) A State regulatory authority may prescribe reasonable requirements that persons with the same or similar interests have a common legal representative in the proceeding, as a condition of receiving fees and costs under subparagraph (A).

(2) Paragraph (1) shall not apply to proceedings before a State regulatory authority if the State or such authority has provided an alternative means for providing adequate compensation to persons (A) who have, or represent, an interest (i) which would not otherwise be adequately represented in ratemaking proceedings, and (ii) representation of which is necessary for a fair determination of the proceeding, and (B) who are unable effectively to participate in such proceeding because such persons cannot afford to pay fees and costs of preparing and making oral presentations, conducting cross-examination, and making rebuttal submissions in such proceeding.

(c) Each electric utility shall make available at cost of reproduction to parties in a proceeding before a State regulatory authority transcripts of such proceeding.

ENFORCEMENT

SEC. 209. (a)(1) Beginning 2 years after the date of this Act, no electric utility may increase any rate at which it sells electric energy and which is subject to the ratemaking authority of a State regulatory authority unless such rate increase is part of a rate schedule which such authority has determined meets the requirements of sections 203, 204, and 205.

(2) Paragraph (1) shall not apply to an application by an electric utility for an increase in any rate which was accepted for filing by the State regulatory authority prior to the date of enactment of this Act.

(3) Beginning 2 years after the date of enactment of this Act, no covered public system may increase any rate at which it sells electric energy unless such increased rate is a part of a rate schedule which such system has determined meets the requirements of section 206(a).

(b) Any State or Federal agency entitled to obtain judicial review under section 208 may obtain judicial review of a State regulatory authority's or covered public system's determination under subsection (a)—

(1) in any statutory review proceeding in the courts of the United States which is otherwise applicable to such determination, or

(2) if there is no such statutory review proceeding applicable to such determination, by commencing a civil action in the United States court of appeals for any circuit in which such authority or system is located, which court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code.

(c) An electric consumer entitled to obtain judicial review under section 208 may obtain judicial review of a State regulatory authority's or covered public system's determination under subsection (a) in the following manner:

(1) in the case of a covered public system which is a Federal agency (or of a State regulatory authority or covered public system whose determination is not reviewable by a State court of competent jurisdiction), such consumer may obtain such review—

(A) in any Federal statutory review proceeding which is otherwise applicable to such determination, or

(B) if there is no such statutory review proceeding applicable to such determination, by commencing a civil action in the United States court of appeals for any circuit in which such authority or system is located which court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code; and

(2) in the case of a State regulatory authority or covered public system which is a State agency—

(A) such consumer may obtain review in any State court of competent jurisdiction, and

(B) if such determination is reviewable by such a State court, such consumer may not obtain review by any court of the United States, except by the United States Supreme Court on writ of certiorari in accordance with section 1257 of title 28, United States Code.

(d) Beginning 2 years after the date of enactment of this Act, any person who is a member of a covered cooperative may bring a civil action in any court of competent jurisdiction against such cooperative for purposes of obtaining enforcement of the requirements of section 206(a).

(e) Beginning 2 years after the date of enactment of this Act, no contract between a Federal agency and an electric utility for sale of electric energy for purposes of resale may contain any provision inconsistent with the requirements of this title.

(f) The district courts of the United States shall have jurisdiction, on application of the Director of the Electric Utility Ratemaking Assistance Office, or of any electric consumer, to enjoin any electric utility from increasing any rate with respect to which a determination required by subsection (a)(1) or (3) has not been made.

TITLE III—FINANCIAL ASSISTANCE TO STATE REGULATORY AUTHORITIES

ESTABLISHMENT OF PROGRAM

SEC. 301. (a) The Director of the Office of Electric Utility Ratemaking Assistance established pursuant to section 207 of this Act is authorized, in accordance with the provisions of this title, to make grants to State regulatory authorities to—

(1) increase the quality and quantity of staff support for the State regulatory authorities, in order to establish the staff capability to perform effectively the functions of such authorities;

(2) establish programs which meet the requirements of section 208(b)(2); and

(3) demonstrate innovative rate structures

(b) No grant shall be made under this title unless an application therefor has been submitted to the Director in such form and manner as the Director may require. The Director may not approve an application of a State regulatory authority unless such authority assures the Director that funds made available under this title will be in addition to, and not in substitution for, funds made available to such State regulatory authority from other sources.

GRANTS TO IMPROVE STAFFING

SEC. 302. The Director may make grants to assist any State regulatory authority in improving its staff capacity to effectively regulate electric utilities. No grant may be made under this section unless the Director determines that such State regulatory authority—

(1) requires additional staff in order to effectively carry out its regulatory authority, and

(2) agrees to institute a system for assessing and collecting fees in a just and equitable manner from every electric utility subject to its jurisdiction, or otherwise secures the funds, to maintain the additional staff made possible under such grant following expiration of the grant.

No grant may be made after September 30, 1980.

GRANTS FOR CONSUMER REPRESENTATION

SEC. 303. The Director may make grants to State regulatory authorities to provide for the establishment and operation of programs which meet the requirements of section 208(b)(2) and which meet such other requirements as the Director shall prescribe by rule.

GRANTS FOR RATE STRUCTURE INNOVATION

SEC. 304. The Director may make grants to State regulatory authorities to encourage the development and operation of innovative rate structures which encourage conservation, are equitable and nondiscriminatory among the various classes of electric consumers, promote the efficient use of electric energy, and comply with the requirements of title II of this Act.

ALLOTMENT OF SUMS

SEC. 305. (a) In each fiscal year the Director shall allot the sums appropriated under this title equitably among the States on the basis of population and other objective criteria, except that—

(1) no State which qualifies for a grant under section 302 may receive less than one-half percent or more than 5 percent of amounts appropriated for grants under section 302 for any fiscal year; and

(2) no State which qualifies for a grant under section 303 may receive less than 1 percent or more than 3 percent of amounts appropriated for grants under section 303 for any fiscal year.

(b) The Director may withhold any part or all of any grant under this title if such Director finds that the State regulatory authority or other person is not carrying out the program as described in the application or has violated assurances contained in the application.

AUTHORIZATION OF APPROPRIATIONS

SEC. 306. There are authorized to be appropriated—

(1) not to exceed $30,000,000 in any fiscal year for grants under section 302;

(2) not to exceed $5,000,000 for grants under section 303; and

(3) not to exceed $5,000,000 for grants under section 304.

SUMMARY OF ELECTRIC UTILITY RATE REFORM AND REGULATORY IMPROVEMENT ACT

TITLE I—GENERAL PROVISIONS

Title I provides a statement of findings, a statement of purposes of the Act, and defines the terms used throughout the bill.

TITLE II—ELECTRIC UTILITY RATE REFORM

Title II of this bill establishes criteria for the setting of retail rates of privately, publicly, and cooperatively owned electric utilities whose retail sales of electric energy exceed 200 million kilowatt-hours annually. Rates of these utilities must reflect costs of service to each consumer class. States are permitted to make an exception to cost-of-service pricing for a "subsistence quantity" of electric energy for the principal place of residence of low-income residential consumers. Methods of determining costs of service must be based on marginal costs to consumer classes during daily and seasonal times of use.

Electric utilities are required to inform consumers of all rate schedules, in a clear and simple statement. In addition, electric utility bills are to include a report of the previous levels of electrical consumption.

Political, promotional, and institutional advertising expenses must be borne by utility stockholders rather than by rate payers.

Limitations are placed on fuel adjustment clauses. Increased fuel expenses may be passed on to consumers only after notice to the State regulatory authority. An annual audit of fuel purchasing practices, and an annual hearing on those practices, are also required. Electric utilities are urged to purchase fuel through competitive bidding, and these bids must be filed with the regulatory authority.

State regulatory authorities are required to consider alternative load management techniques (such as peak-load pricing, ripple controls, and interruptible rates) designed to reduce maximum kilowatt demand, and to implement those which are cost-effective.

Variances from Title II requirements may be granted by State commissions upon a showing of extreme economic hardship.

The requirements of Title II would be enforced by State regulatory authorities in the case of utilities now subject to State regulation. In the case of currently unregulated utilities (for example, certain cooperatives and public systems) the requirements of Title II apply directly to the utility and would be enforceable by private citizen suits.

Electric consumers are given the right to intervene in State proceedings in order to enforce compliance with the requirements of Title II, and to obtain judicial review in State courts. Attorneys fees are available to consumers which prevail in these proceedings (unless the State adopts an alternative method for assuring consumer representation).

The Federal Energy Administration, on request of a State regulatory authority, a State, or a party to a State proceeding, may intervene for purposes of assuring compliance with requirements of Title II. FEA may obtain judicial review of State proceedings in the Federal courts.

Title II takes effect two years after enactment.

TITLE III—FINANCIAL ASSISTANCE TO STATE REGULATORY AUTHORITIES

Title III establishes a program of grant assistance to State regulatory authorities for the purposes of improving staffing of State authorities, funding more effective consumer representation, and demonstrating innovative rate structures. Appropriations of $40 million per fiscal year are authorized.

ELECTRIC UTILITY COORDINATION ACT

Mr. MOSS. Mr. President, the second measure I introduce today is designed to increase the coordination and competition between public utilities and to improve public utility long-range planning. This is a companion bill to the Electric Utility Rate Reform and Regulatory Improvement Act. In introducing that bill on rate reform, I referred to the extensive record of study, drafting, review of comments, and reconsideration which ultimately led to its introduction and to the introduction of H.R. 12461 in the House of Representatives. This bill which I now introduce is a product of that same exhaustive consideration.

H.R. 12461, introduced by Mr. DINGELL, chairman of the House Subcommittee on Energy and Power, is composed of five titles. Three of those titles are encompassed in the Electric Utility Rate Reform and Regulatory Improvement Act, which I introduced earlier today. The other two titles, dealing with the economic regulations of bulk power supply and with coordination of the planning and siting of bulk power facilities, I now introduce.

I will not repeat my earlier description of the extended process of study and consideration which has led to the introduction of these two comprehensive pieces of legislation. Suffice to say that this process was thorough, detailed, and comprehensive.

I ask unanimous consent that a brief summary of the bill, a section-by-section analysis, and the text of the bill be inserted in the RECORD.

There being no objection, the bill, summary, and analysis were ordered to be printed in the RECORD, as follows:

S. 3311

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Electric Utility Coordination Act".

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TITLE I—GENERAL PROVISIONS

FINDINGS

SEC. 101. The Congress finds and declares that—

(1) shortages and unreliable supplies of electric energy would jeopardize the normal flow of interstate and foreign commerce by creating severe economic dislocation, including loss of jobs, closing of factories and businesses, and curtailment of vital public services;

(2) increased competition among electric utilities for wholesale and industrial sales can complement existing regulation in providing protection for consumers of electric energy; and

(3) the construction of unnecessary generating capacity by the electric utility industry would create burdens on electric consumers.

PURPOSES

SEC. 102. The purposes of this Act are—

(1) to promote more efficient use of scarce capital and energy resources by electric utilities;

(2) to encourage maximum effective use of electric transmission facilities;

(3) to encourage the conservation of electric energy by all users;

(4) to avoid the construction of unnecessary electrical generating and transmission facilities; and

(5) to foster increased use of competition as a complement to existing regulation.

DEFINITIONS

SEC. 103. (a) As used in this Act:

(1) The term "Commission" means the Federal Power Commission.

(2) The term "electric consumer" means any person, State agency, or Federal agency, to which electric energy is sold other than for purposes of resale.

(3) The term "electric utility" means any person, State agency, or Federal agency, which sells electric energy.

(4) The term "Federal agency" means any agency or instrumentality of the United States, but does not include the District of Columbia.

(5) The term "sale" includes an exchange of, or a charge for transmission of, electric energy.

(6) The term "State" means a State or the District of Columbia.

(7) The term "State agency" means a State, political subdivision thereof, or any agency or instrumentality of either.

(8) The term "State regulatory authority" means any State agency which has ratemaking authority with respect to the sale of electric energy by any electric utility (other than by such State agency).

(b) For purposes of this Act and the Federal Power Act:

(1) The term, "bulk power facility" means a bulk power generating facility or a bulk power transmission facility.

(2) The term "bulk power generating facility" means electric generating equipment (and associated facilities) designed for, or capable of, operation at a single site with an aggregated capacity of 200 megawatts or more.

(3) The term "bulk power transmission facility" means an electric transmission line (and associated facilities) designed for, or capable of, operation at a nominal voltage of 200 kilovolts or more, between phase conductors for alternating current or between poles for direct current.

(4) The term "evidentiary hearing" means a proceeding (A) which includes notice to, and an opportunity for, participants to present direct and rebuttal evidence and to cross-examine witnesses, and a written decision based upon evidence appearing in a written record of the proceeding, and (B) which is subject to judicial review.

TITLE II—ECONOMIC REGULATION OF BULK POWER SUPPLY

JOINT USE OF JACK POWER FACILITIES

SEC. 201. Section 202 of the Federal Power Act is amended by adding at the end thereof the following new subsection:

"(g) Each public utility shall make new, increased, or retired capacity in a bulk power facility available to any person engaged in the transmission or sale of electric energy within its planning area established under section 301(c) of the Electric Utility Coordination Act. Capacity shall be made available on such basis as the Commission establishes to be fair, reasonable, and nondiscriminatory. Upon application by any such person or upon its own motion, the Commission shall, by rule or order, require compliance with this subsection. Factors to be considered by the Commission in issuing such rules or orders shall include the timeliness of the application considering the stage of construction for new or increased capacity, the sources of capital available for constructing the new or increased capacity, and the average generating or transmission costs to such public utility.".

ACCESS TO TRANSMISSION CAPACITY

SEC. 202. (a) Section 202(a) of the Federal Power Act is amended:

(1) by striking the word "voluntary" from the first sentence; and

(2) by inserting "for the purpose of assuring the goals set forth in this part and to assure maximum competitive opportunities for the purchase and sale of electric energy at wholesale at the lowest possible cost" immediately after "districts" in the third sentence.

(b) The portion of the first sentence of sentence of section 202 (b) of the Federal Power Act prior to the colon preceding the proviso is amended to read as follows: "Whenever the Commission, upon application of any State commission or of any person engaged in the transmission or sale of electric energy, and after notice to each State commission and public utility affected and after opportunity for hearing, finds such action necessary or appropriate in the public interest, it may by order direct a public utility (if the Commission finds that no undue burden will be placed upon such public utility thereby) to establish physical connection of its transmission facilities with the facilities of one or more other persons engaged in the transmission or sale of electric energy, to sell energy to, transmit energy for, provide transmission services or wheeling for, exchange energy with, or pool or coordinate with such persons".

CONTINUANCE OF SERVICE

SEC. 203. Section 202(c) of the Federal Power Act is amended to read as follows:

"(c) During the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, the Commission shall have authority, either upon its own motion or upon complaint, with or without notice, hearing, or report, to require by order such connections of facilities and such generation, delivery, interchange, transmission of electric energy, pooling, coordination, wheeling, or other transmission service as in its judgment will best meet the emergency and serve the public interest. The Commission shall require, in order to insure continuity of service to wholesale customers, each public utility to report promptly any anticipated deficiency of power which would affect the utility's capability of serving its wholesale customers, and may (1) require by order the utility to accommodate such deficiency in a manner which affects the retail customers of the utility and the retail customers of the utility's wholesale customers in an equal and nondiscriminatory manner and (2) require by order such connections of facilities and such generation, delivery, interchange, transmission of electric energy, pooling, wheeling, or other transmission service as in its judgment will best serve the public interest. If the parties affected by any such order fail to agree upon the terms of any arrangement between them in carrying out such order, the Commission, after hearing either before or after such order takes effect, may prescribe by supplemental order such terms as it finds to be just and reasonable, including the compensation or reimbursement which should be paid to or by any such party.".

PROHIBITION ON PENDENCY OF CUMULATIVE RATE APPLICATIONS

SEC. 204. Section 205(e) of the Federal Power Act is amended by adding at the end thereof the following: "A public utility may not file a schedule which seeks to increase a rate or charge so long as the Commission has pending before it for final determination any schedule previously filed by such public utility.".

AUTOMATIC ADJUSTMENT CLAUSE

SEC. 205. Section 205 of the Federal Power Act is amended by adding thereto the following:

"(f)(1) Except as otherwise provided in subsection (e) or in paragraph (2) of this subsection, the Commission may not allow to go into effect any increase in any rate of any public utility unless opportunity for consideration of such increase in an evidentiary hearing is afforded prior to the date such increase takes effect.

"(2) Paragraph (1) shall not apply to a rate increase made pursuant to an automatic adjustment clause of a rate schedule which has been approved by the Commission in an evidentiary hearing and which provides that rates may be increased by not more than 85 percent of the amount by which (A) the amount of actual covered expenses exceeds (B) 105 percent of the amount of base period covered expenses. The Commission may not approve any automatic adjustment clause which includes, as actual covered expenses, the expenses of goods or services purchased by a pubic utility from any person who controls, is controlled by, or is under common control with, such utility.

"(3) As used in this subsection—

"(A) The term 'automatic adjustment clause' means a provision of a rate schedule which permits, without affording an opportunity for prior evidentiary hearing, a public utility's rates to increase in order to reflect a change in the actual amount of one or more types of operating expenses.

"(B) The term 'base period covered expenses' means the amount, established for purposes of setting rates after affording an opportunity for evidentiary hearing, of operating expenses to which an automatic adjustment clause applies.

"(C) The term 'actual covered expenses' means the amount of operating expenses which were actually incurred and to which an automatic adjustment clause applies.

"(4) If a rate schedule of a public utility contains an automatic adjustment clause, such schedule shall be reviewed by the Commission in an evidentiary hearing not less often than annually to insure the maximum economies in those operations and purchases which affect such rates. In making such review, the Commission shall review and audit the fuel acquisition practices of such public utility. Each public utility shall provide reports on fuel acquisition practices as required by the Commission, which shall be made available to the public, and shall contain such information as the Commission may require to implement the purposes of this section. On its own motion, or upon complaint, the Commission shall, after affording an opportunity for evidentiary hearing, direct a public utility to cease any fuel acquisition practice which is unreasonably discriminatory or anticompetitive in nature, which does not lead to the use of fuel at the lowest possible cost, or which in any way inhibits or precludes the use or acquisition of the least expensive fuel by such utility.".

CONSTRUCTION WORK IN PROGRESS

SEC. 206. Section 205 of the Federal Power Act (as amended by this Act) is further amended by adding at the end thereof the following:

"(g) The Commission may not, in determing a public utility's rate base for purposes of fixing, approving, or allowing any rate to go into effect, include any portion of construction work in progress (or other similar capital prepayment or accelerated charge provision) in the rate base.".

UNFAIR METHODS OF COMPETITION

SEC. 207. Section 205 of the Federal Power Act (as amended by this Act) is further amended by adding at the end thereof the following:

"(h) Whenever the Commission determines on its own initiative or upon complaint, after affording an opportunity for evidentiary hearing, that a public utility is engaging in any unfair method of competition, or that a public utility has filed any contract, agreement, tariff, or schedule which would result in an unfair method of competition, it shall issue an order prohibiting any unfair method of competition, or reject such a filing.".

REPRESENTATION OF CONSUMER INTERESTS

SEC. 208. (a) Section 307 of the Federal Power Act is amended by adding at the end thereof the following new subsections:

"(g)(1) There shall be established, within 60 days after the date of enactment of this subsection, a new independent office in the Commission to be known as the Office of Public Counsel.

"(2)(A) The Office of Public Counsel shall be administered by a Director. The Director shall be appointed by the President, by and with the advice and consent of the Senate.

"(B) The term of office of the Director shall be 4 years. The Director shall be responsible for the discharge of the functions and duties of the Office of Public Counsel. He shall be appointed and compensated, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, at a rate not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title.

"(3) The Director may appoint, fix the compensation, and assign the duties of employees of such Office and to procure temporary and intermittent services to the same extent as is authorized under section 3109 of title 5, United States Code. Each bureau, office, or other entity of the Commission and each department, agency, and instrumentality of the executive branch of the Federal Government and each independent regulatory agency of the United States may provide the Office of Public Counsel with such information and data as it requests. The Director is authorized to enter into, without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5), such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of his functions and duties. The Director shall submit a monthly report on the activities of the Office of Public Counsel to the Chairman of the Commission, and the Commission, in its annual report to the Congress, shall evaluate and make recommendations with respect to such Office and its activities, accomplishments, and shortcomings.

"(4) In addition to any other duties and responsibilities prescribed by law, the Office of Public Counsel—

"(A) shall have standing to become a party to any proceeding, formal or informal, which is before the Commission;

"(B) may petition the Commission for the initiation of proceedings on any matter within the jurisdiction of the Commission;

"(C) may seek judicial review of any Commission action, to the same extent such review is authorized by law for any person;

"(D) shall solicit, study, evaluate, and present before the Commission in any proceeding, formal or informal, the views of those communities and users of service affected by proceedings before the Commission, whenever the Director determines, for whatever reason (such as size or location), that such community or user of service might not otherwise be adequately represented before the Commission in the course of such proceedings; and

"(E) shall—

(i) evaluate and represent, before the Commission and before other Federal agencies when their policies and activities significantly affect public utility matters subject to the jurisdiction of the Commission, and

(ii) by other means assist the constructive representation of the public interest in safe, efficient, reliable, and economical public utility services.

In the performance of its duties under this paragraph, the Office of Public Counsel shall assist the Commission in the development of a public interest record in proceedings before the Commission.

"(5) The budget requests and budget estimates of the Office of Public Counsel shall be submitted concurrently to the Congress and to the President.

"(6) There are authorized to be appropriated to the Office of Public Counsel for the purpose of carrying out the provisions of this subsection not to exceed $500,000 for the fiscal year 1978, and not to exceed $2,000,000 for the fiscal year 1979.

"(h)(1) The Office of Public Counsel may, pursuant to rules prescribed by the Commission, provide compensation for reasonable attorneys fees, expert witness fees, and other costs of participating in any proceeding before the Commission, or appeal therefrom, to any person (A) who has, or represents, an interest (i) which would not otherwise be adequately represented in such proceeding, and (ii) representation of which would substantially contribute to a fair determination of the proceeding taken as a whole, and (B) who is unable effectively to participate in such proceeding because such person cannot afford to pay such costs. Denial of an application for compensation by the Office of Public Counsel shall be by final order, including findings of fact.

"(2) There are authorized to be appropriated to the Office of Public Counsel for the purpose of carrying out the provisions of this subsection not to exceed $500,000 in each fiscal year.".

UTILITY RELIABILITY STANDARDS

SEC. 209. (a) Not later than 6 months after the date of enactment of this Act and, after consultation with representatives of State regulatory authorities, and after a reasonable opportunity for other interested persons to submit oral as well as written comments, the Commission shall, by rule, prescribe minimum standards for electric utility reliability. Such standards shall include such requirements as the Commission determines are necessary to assure the reliability of supply of electric energy, and of bulk power facilities (and components thereof). Such standards at a minimum shall require a quality control program to be submitted by each utility pursuant to subsection (b) of this section. In prescribing such standards, the Commission shall give appropriate consideration to the need to encourage innovation, and to the practicability and economic costs of applying such standards to facilities placed in service before the date of prescription of such standards.

(b)(1) Not later than 1 year after the date of enactment of this Act, and in accordance with rules under subsection (a), each electric utility shall develop a quality control program for assuring system reliability and the reliability of bulk power facilities operated by such utility. Such program shall include minimum standards of quality in the purchase, construction, operation, and maintenance of bulk power facilities. A summary of each such program shall be submitted to the Commission for approval on a simplified form provided by the Commission. Such program shall be designed to incorporate all economically and technologically feasible measures which will assure system reliability and the reliable operation of the bulk power generating facilities and other elements of such utility's service in order to minimize delays in completing the construction of facilities and to minimize breakdowns of major equipment. After each such program has been in effect 1 year, each electric utility shall review such quality control program annually and file any revisions necessary to comply with the requirements of this paragraph.

(2) In the event that any such program is determined by the Commission to be inadequate to carry out the requirements of paragraph (1), it shall be revised by the utility as the Commission determines necessary. The Commission shall review each electric utility quality control program to the extent necessary to assure an adequate level of reliability and shall order the utility to submit a revised quality control program if necessary.

(c) The Commission, after consultation with State regulatory agencies, and after opportunity for oral as well as written comments, may prescribe such rules (and may take such other action within its authority under the Federal Power Act) as may be necessary or appropriate to enforce standards under subsection (a) and assure implementation of programs filed under subsection (b). Rules prescribed to enforce standards under subsection (a) may include—

(1) sampling, testing, and other quality control requirements applicable to facilities (or components thereof) to which standards under subsection (a) apply, or

(2) standard provisions, relating to performance warranties and measure of damages, which shall be included in contracts between electric utilities and their suppliers.

(d) The rules of the Commission under this section may exempt (in whole or part) from subsection (b) during any calendar year any electric utility if sales of electric energy by such utility during the second preceding calendar year were less than 200 million kilowatt-hours.

(e) For the purposes of enforcement, a rule or order issued under this section shall be deemed a rule or order under the Federal Power Act.

STUDIES OF COMPETITION IN THE ELECTRIC UTILITY INDUSTRY AND OF ONSITE GENERATION

SEC. 210. (a) The Commission shall complete, with the assistance of and upon consultation with the Federal Trade Commission, within 2 years of the date of enactment of this Act, a study to determine whether increased competition is in the public interest, and of means to foster increased competition in the electric utility industry. Such study shall include an examination of the following:

(1) means to promote greater use of wheeling and sales of electric energy for resale;

(2) the feasibility, from a regulatory, economic, and technological standpoint, of separately owned and operated facilities for the generation, transmission, and distribution of electric energy;

(3) the feasibility of separately owned and operated facilities for electric energy and natural gas distribution;

(4) means of eliminating territorial and contractual restrictions on sales of electric energy to distributors of large industrial consumers;

(5) means of reducing or eliminating legal and regulatory restrictions on entry into the business of the generation or transmission of electric energy;

(6) means to promote use of efficiency comparisons of electric utilities by State regulatory authorities;

(7) the feasibility, from a regulatory, economic, and technological standpoint, of jointly owned facilities for the generation or transmission of electric energy; and

(8) the effects on competition, and on the ability to compete, of tax policies, of various levels of debt financing, and of other public policies relating to the sale of electric energy.

(b) Upon completion of the study, the Commission shall report the results thereof to Congress, which report shall include (1) a description of the activities of the Commission in conducting the study, (2) comments (if any) of the Federal Trade Commission, and (3) legislative proposals (if any) by the Commission to effectuate increased competition in the electric utility industry.

(c)(1) The Administrator of the Energy Research and Development Administration shall conduct a study of, and report to the Congress on, the economic and legal aspects of individual systems for generating electricity at or near the site of consumption, not for sale to the general public, and which include means for utilizing waste heat produced in the process of such generation, including the consequences of (A) requiring electric utilities to provide backup generation, (B) of requiring electric utilities to establish connection with and purchase surplus electric energy at reasonable rates, (C) of prohibiting the construction of such onsite generating facilities without any provision for onsite backup generation, and (D) such other issues as the Administration determines relate to the foregoing matters.

(2) The study shall be conducted and reported to the Congress within 1 year of the date of enactment of this Act.

(3) There is authorized to be appropriated to the Energy Research and Development Administration an amount not to exceed $100,000 in any fiscal year to carry out the provisions of this subsection.

(d) There is authorized to be appropriated to the Federal Power Commission an amount not to exceed $2,000,000 in any fiscal year to carry out the provisions of subsection (a).

APPLICABILITY OF ANTITRUST LAWS

SEC. 211. Nothing contained in this title or the amendments made thereby shall (1) relieve any person or electric utility from the operation or enforcement of the antitrust laws of the United States, including the Sherman Act (15 U.S.C. et seq.), Clayton Act (15 U.S.C. 12 et seq.), and the Federal Trade Commission Act (15 U.S.C. 41 et seq.), or (2) restrict any authority the Commission may have under the Federal Power Act to regulate unfair methods of competition.

TITLE III—COORDINATION OF PLANNING AND SITING OF BULK POWER FACILITIES

LONG-RANGE COORDINATED AREA PLANNING

SEC. 301 (a) Based on the best information then available, each electric utility which owns or operates, or contemplates the ownership or operation of, a bulk power facility shall prepare annually a long-range plan for its bulk power facilities pursuant to rules prescribed by the Commission. Such rules shall be prescribed within 180 days after the date of enactment of this Act, and may be amended from time to time. Such plan shall, insofar as not previously reported in a long-range plan filed pursuant to this section—

(1) describe the general size and type of each bulk power facility, construction of which is projected to commence during the ensuing 10 years or during such longer period as the Commission determines appropriate, together with an identification of each existing bulk power facility to be removed from utility service during such period or upon completion of construction of each such bulk power facility;

(2) identify the general location of tentative sites on which construction of bulk power facilities is to be commenced in the ensuing 10 years, including the general location of the routes of any transmission lines, and describe such utility's efforts to involve environmental protection and land-use planning agencies in its planning process so as to identify and minimize environmental problems;

(3) identify the general size and type of alternative bulk power facilities, and the general location of alternative sites, considered in the course of the development of such plan and rejected as not then suitable or appropriate, including the reasons for rejection;

(4) identify the specific location, size, and type of each bulk power facility on which construction is to be commenced in the ensuing 4 years, and describe the involvement of environmental protection and land-use planning agencies, and citizens' environmental protection and resource planning groups, in the site selection process; and

(5) supply such additional information as the Commission, after consultation with interested State regulatory authorities, and other State and Federal agencies, may by rule, require to carry out the purposes of the Act.

The first plan required by this subsection shall be submitted not later than 15 months after the date of enactment of this Act.

(b)(1) Each electric utility shall give initial public notice of its plan referred to in subsection (a) by—

(A) filing annually a copy of such plan with the appropriate State regulatory authorities, appropriate area planning council (established under subsection (c)), the Commission, and the Environmental Protection Agency, and

(B) by providing copies of such plan to Federal agencies, State agencies, or interested persons at actual cost for production as may request such plan.

(2) On request of any Federal agency, State agency, or interested person described in paragraph (1)(A), each such utility shall provide such Federal agency, State agency, or interested person with a copy of such detailed construction plans for a bulk power facility as then exist; on request of any authority or group described in paragraph (1)(B), each such utility shall provide access to, or a copy at actual cost for reproduction of, such detailed construction plans for a bulk power facility as then exist.

(c) The Commission, by rule, shall designate (and revise, as appropriate) the boundaries of geographic regions consisting of all or part of one or more States as planning areas for purposes of this title. Where appropriate in designating or revising the boundaries of such geographic areas, the Commission shall consider the area served by an existing pool of bulk power supplies having interconnecting transmission facilities. The Commission shall, by rule, establish a planning council for each such designated area. Each area planning council shall have as voting members the Governor of each State or part thereof included in the area (or his designee), the chief officer of each State regulatory authority of each State or part thereof included in the area (or his designee), a representative to be chosen (in such manner as the Commission by rule provides) by the bulk power facility suppliers from each State or part thereof included in the area, and a representative of each Federal agency which functions as an electric utility in any part of the area. Each electric utility operating in the area shall be a nonvoting member of the area planning council, together with such other nonvoting members as the voting members may select or the Commission may designate. The Commission, by rule, shall prescribe procedures pursuant to which meetings of the area planning council shall be conducted.

(d) Each such area planning council shall review annually the long-range plans for bulk power facilities filed with it under subsection (a) and shall, within 2 years after the date of enactment of this Act and every 2 years thereafter and on the basis of such plans, prepare and submit to the Commission a proposed area plan for bulk power facilities. Each such area plan shall include on an areawide basis the information required under subsection (a) and, in addition, shall include a description of such council's efforts to coordinate the bulk power facility plans identified therein so as to provide a coordinated area approach for meeting the electric energy needs of the area. The Commission shall similiarly review such plans and prepare an annual report to the Congress on national planning for bulk power facilities.

(e) For purposes of sections 314 through 317 of the Federal Power Act, a violation of this section (or a rule thereunder) shall be treated as a violation of the Federal Power Act.

FACILITY SITING

SEC. 302. (a)(1) In order to coordinate, simplify, and expedite the processing of applications to construct bulk power facilities, the Chairman of the Commission (hereafter in this section referred to as "Chairman") shall, in accordance with the provisions of this section, supervise the overall Federal approval process.

(2) Nothing in this subsection shall affect the substantive authority to approve or disapprove applications for facilities, which authority shall continue to reside in those Federal agencies possessing specific statutory authority with regard to proposed bulk power facilities.

(b) The Chairman shall have the following duties and authority in the process by which Federal agencies approve bulk power facilities:

(1) The Chairman shall develop, in cooperation with all other Federal agencies possessing statutory authority with regard to any aspect of any bulk power facility, a single composite application which (to the maximum extent practicable and consistent with other applicable law) shall be the sole application required for Federal consideration prior to the commencement of construction of such facility. Such composite application shall be composed of removable and insertable sections in order to accommodate the information necessary for all Federal consideration for each such facility.

(2) The Chairman shall designate, from among those Federal agencies whose approval is required, for each composite application a lead agency which shall carry out the duties and responsibilities provided for in subsection (c). Immediately upon receipt of a composite application, the Chairman shall forward the application to the designated lead agency.

(3) The Chairman, with regard to bulk power facility applications, shall coordinate and expedite the consideration thereof by Federal agencies pursuant to their statutory authority and, in consultation with other agencies, shall establish appropriate priorities and timetables for the completion of those agencies' review processes; except that all such timetables and priorities established by the Chairman shall be consistent with the statutory obligations of such agencies. In appropriate circumstances and where otherwise permitted by law, the Chairman may grant requests from agencies for revision of such priorities and timetables.

(4) Upon the petition of any agency whose approval is required for an application, the Chairman may grant extensions in the 18-month period permitted under subsection (d) of this section, for that agency's consideration of the application. No such extension of the 18-month period shall be granted by the Chairman unless he determines that despite all due diligence on the part of the agency involved it has been impracticable to reach a decision within 18 months and that the public interest require continuation of that agency's proceedings for a longer period.

(5) The Chairman shall designate within the Commission a responsible official to provide prospective applicants, citizen groups, and members of the general public information on potential bulk power facility sites and routes, available sources of technical assistance, and the status of pending bulk power facility applications.

(6) The Chairman shall encourage prospective applicants for bulk power facilities to contact the Commission as soon as possible in order that any required Federal consideration may be expedited.

(7) The Chairman shall periodically review the processing of bulk power facility applications at the State and area level and, where appropriate and consistent with applicable Federal and State law, suggest possible procedures for consolidating State, area, and Federal proceedings with a view to reducing duplication of effort and expediting the overall review and consideration process.

(c) The duties of the lead agency with regard to each application for a bulk power facility shall be to—

(1) notify the applicant and the Chairman of those Federal agencies possessing statutory authority with regard to the proposed facility;

(2) distribute promptly copies of the appropriate parts of the application to those Federal agencies possessing such statutory authority;

(3) determine within 90 days, in cooperation with other affected agencies, whether the application for bulk power facilities is complete, and so notify the applicant, the Chairman, and the other affected agencies;

(4) hold, to the extent practicable under applicable law, a consolidated public hearing in cooperation with other Federal and State agencies with interest in or statutory duties to hold public hearings with respect to the proposed facility;

(5) prepare in cooperation with other Federal agencies possessing such statutory authority, and circulate, a single environmental impact statement in compliance with the National Environmental Policy Act of 1969:

(6) consider the facility for approval under its existing statutory authority and notify the Chairman of its decision; and

(7) receive all necessary Federal determinations and notify the Chairman and the applicant immediately as each such determination is received.

(d) A complete application for approval of a proposed bulk power facility (other than a facility owned or to be owned by the Federal Government) shall be filed with the Chairman at least 18 months prior to the planned date of commencement of construction; except that (1) applications received during the period beginning June 30, 1976, and ending January 1, 1978, shall be accepted if the application. while not received 18 months prior to planned date of commencement of construction, was made as expeditiously as possible by the applicant, and (2) if an application can reasonably be expected to be processed in significantly less time than 18 months, the Chairman, in his discretion, may waive the 18-month filing requirement.

(e) Each Federal agency with authority to consider an application for bulk power facility approval, including the lead agency, shall move expeditiously to determine the matters within its jurisdiction through the exercise of its full powers and responsibilities, including the issuance of any notice, and through participation to the extent possible in the unified public hearings provided for under subsection (c). In addition, each agency shall comply with any timetables or priorities which may be established by the Chairman, pursuant to subsection (b), and shall report to the Chairman, upon request, the status of pending applications and whether designated timetables and schedules will be met. Where Federal environmental standards and requirements are enforced and applied by the States under a program approved by a Federal agency, such Federal agency shall execute as expeditiously as possible the authority it retains under applicable statutes or regulations. For the purposes of this section, the approval to be sought from the Nuclear Regulatory Commission with respect to nuclear facilities shall be the construction permit or combined construction permit and operating license provided by the Atomic Energy Act. Within the established timetables, and not later than 18 months after the date of its receipt of an application determined to be complete (unless otherwise required by statute or judicial decision), each agency shall render a decision. The lead agency shall also render a decision within established timetables and within 18 months after the date of the determination that an application is complete, except that any agency may petition the Chairman pursuant to subsection (b)(4) for an extension of time beyond the 18-month period. The Chairman may grant such extension in accordance with subsection (b)(4).

(f) Effective June 30, 1977, commencement of construction of a bulk power facility which requires approval by a Federal agency (other than a bulk power facility owned or to be owned by the Federal Government) shall proceed only if the applicant for such facility has, pursuant to the provisions of this section, been notified by the lead agency that necessary Federal approvals have been obtained.

(g) Nothing in this section shall be interpreted to expand or extend Federal review or approval authority to a bulk power facility or part thereof not otherwise authorized by Federal law.

SUMMARY OF ELECTRIC UTILITY COORDINATION ACT

TITLE I—GENERAL PROVISIONS

Title I provides a statement of findings, a statement of purposes of the Act, and defines the terms used in the bill.

TITLE II—ECONOMIC REGULATION OF BULK POWER SUPPLY

Electric utilities subject to Federal Power Commission jurisdiction are required to make new, expanded and retired generating and transmission capacity available to other utilities on a fair, reasonable, and non-discriminatory basis. In addition, the utilities can be required to provide other utilities access to existing transmission capacity for purposes of wheeling, displacement and similar transactions.

Wholesale suppliers of electric power who are subject to FPC jurisdiction are required, in the case of an anticipated shortage of electric power, to accommodate the needs of their wholesale and retail customers in a nondiscriminatory manner.

Electric utilities subject to FPC jurisdiction are prohibited from having more than one rate increase application pending simultaneously. Fuel adjustment clauses are also limited to operation under certain conditions. These utilities are also prohibited from including construction work in progress in the rate base.

An Office of Public Counsel is established in the Federal Power Commission to represent consumer interests before the Commission. The Office would also administer an intervenor fund for purposes of consumer representation.

The Commission is directed to establish utility equipment and system reliability standards, and to require utilities to submit quality control programs designed to assure equipment and system reliability.

TITLE III—COORDINATION OF PLANNING AND SITING OF BULK POWER FACILITIES

Electric utilities are required annually to prepare long-range plans for their bulk power supply facilities, construction of which will commence during the ensuing ten years. Tentative sites for construction of such facilities must be identified in the plan, within four years before commencement of construction. The plan must be filed with appropriate regulatory authorities and must be made available to the public. Area planning councils (consisting of representatives of State Governors and regulatory authorities, and bulk power suppliers in the area for which the council is established) must review the plans filed with them and prepare area-wide plans which are based on the plans submitted by the utilities. Coordination of Federal procedures for approving new bulk power facilities is required.

SECTION BY SECTION ANALYSIS

TITLE I—GENERAL PROVISIONS

Section 101 sets forth the findings of fact to be made by the Congress.

Section 102 declares the purposes to be achieved by the Act.

Section 103 defines the terms used in the Act.

TITLE II—ECONOMIC REGULATION OF BULK POWER SUPPLY

Sections 201 through 208 of this Title amend the Federal Power Act in various ways.

Sections 201 through 203 amend Section 202 of the Federal Power Act. Section 201 allows the Federal Power Commission, by order, to grant access to any public utility to new, increased or retired bulk power facilities for the generation or transmission of electric energy. Such access to a bulk power supply would be upon fair and reasonable terms established by the Commission.

Section 202 grants authority to the Commission to order a utility possessing transmission facilities to make those transmission facilities available to another utility for that purpose, to wheel electric energy on behalf of another utility, and to enter into pooling and coordination agreements with affected utilities, on terms and conditions to be established by the Commission.

Section 203 requires that all retail consumers of electric energy be treated equally in the event of a shortage. Such equality of treatment would apply without regard to whether the retail consumer buys his electric energy directly from the generating utility, or buys it indirectly, through a utility that purchases the energy at wholesale and only acts as a distributor.

Sections 204 through 207 amend section 205 of the Federal Power Act. Section 204 prohibits "pancaking" of applications for increases in wholesale rates for electric energy, by requiring final determination of any pending application before a utility is permitted to file a new application. "Pancaking" of applications for rate increases is the processes of filing successive applications at relatively brief intervals, resulting in two or more applications pending at the same time.

Section 205 establishes rules applicable to fuel adjustment clauses in rate schedules for the wholesale purchase of electric energy. Section 205 also requires the Commission to review annually the fuel purchasing practices of utilities employing such fuel adjustment clauses, and empowers the Commission to issue orders to correct any abuses.

Section 206 prohibits the inclusion of construction work in progress in the rate base for wholesale rate schedules for electric energy.

Section 207 prohibits unfair methods of competition by public utilities, and grants the Commission authority to issue orders as necessary to eliminate them.

Section 208 amends Section 307 of the Federal Power Act by establishing an independent Office of Public Counsel within the Federal Power Commission. The counsel will represent public and consumer interests not otherwise represented before the Commission. The Office of Public Counsel is also authorized to award fees and costs to persons who appear before the Commission and represent interests not otherwise adequately represented due to lack of funds.

Section 209 requires the Commission to consult with State regulatory authorities and, within six months, prescribe rules to ensure the reliability of the supply of electric energy and of facilities to generate and transmit electric energy. Electric utilities are required to apply these rules in developing and maintaining quality control programs to achieve these same goals. The Commission reviews each program and may require a utility to amend, improve or revise it as appropriate. The Commission is also authorized to establish standards relative to sampling and testing of equipment, performance warranties, the measure of damages, and exclusion from coverage by this title of those utilities which sell 200 million or less kilowatt-hours of electric energy annually.

Section 210 requires the Commission to consult with the Federal Trade Commission and, within two years, complete a study to determine whether increased competition in the electric utility industry would be in the public interest, and, if so, the means to foster such increased competition. This section details a number of specific issues to be considered in the study, and authorizes an appropriation not to exceed 2 million dollars per year to conduct the study. Section 210 also requires the Commission to conduct a study of the economic and legal aspects of individual systems for generating electricity near the site of consumption, not for resale, and which utilize the waste heat produced in the generation process. The Commisison must report to Congress within one year. An appropriation of not more than $100,000 is authorized for the study.

Section 211 declares that nothing in this title (II) relieves any person or public utility from the operation or enforcement of the antitrust laws, or restricts the authority of the Commission under the Federal Power Act to regulate unfair methods of competition.

TITLE III—COORDINATION OF PLANNING AND SITING OF BULK POWER FACILITIES

Section 301 provides for coordinated planning by electric utilities within geographic areas to be established by the Commission. In establishing the areas, which may be composed of all or part of one or more states, the Commission is to consider existing pools of bulk power suppliers having interconnecting transmission facilities. Within each planning area, each electric utility is required to prepare annually a long-range plan detailing the general size and type of each bulk power facility, construction of which is to commence within the succeeding ten years, the specific location of any facility construction of which is to commence within the succeeding four years, the efforts to involve environmental protection and land-use planning agencies, and the actual assumptions and supporting data (including forecasts of electric energy demands to be served by the utility) upon which the construction plans are based.

The plan of each utility is then filed with an area planning council composed of representatives of the regulatory authority of each affected State, of the governor of each affected State, of the bulk power suppliers in each affected State, and of each Federal agency which operates as an electric utility within the area. The area planning council coordinates the plans and files at least biannually with the Commission an area-wide plan, which includes an explanation of the efforts of the area planning council to coordinate the plans and operations of the various electric utilities within the planning area. The Federal Power Commission reviews the area plans and prepares an annual report to Congress on national planning for bulk power facilities. Copies of all plans are to be available at the cost of reproduction to interested persons.

Section 302 establishes a simplified and coordinated system for consideration by federal agencies of applications for siting of bulk power facilities. No change is made in the existing review authority or jurisdiction of any federal agency, but only in the processing of the applications. A single application form is to be developed, applicable to all federal reviewing agencies, and composed of insertable portions as appropriate for the various agencies. Consideration occurs under supervision by the Chairman of the Federal Power Commission, who appoints a lead agency for each application. The lead agency identifies all other agencies having review authority over the particular application, and sends copies of the application to those other agencies. The Chairman of the Commission then consults with those agencies and establishes appropriate priorities and timetables for completion of their review processes. The lead agency coordinates public hearings, including (whenever possible) joint hearings with State and local authorities having similar review responsibilities. A single environmental impact statement is required, with all affected federal agencies involved in preparation of the statement. Following receipt of a completed application, each reviewing federal agency has a maximum of 18 months within which to reach its decision on the application. Commencement of construction of a bulk power facility may not occur after June 30, 1977, until the lead agency notifies the applicant that all necessary federal approvals have been obtained.

Mr. HATFIELD. Mr. President, my distinguished colleague from Utah (Mr. Moss) is to be commended for his leadership in the development of this legislation. The Electric Utility Rate Reform and Regulatory Improvement Act is an approach to a problem that defies simple solutions, yet this approach avoids complex new regulation at the Federal level. It maintains and strengthens the State role while providing a set of minimum standards or considerations that must be wound into the regulatory process at the State level. These considerations include treatment of "lifeline rates" where practicable, load management techniques, where cost-effective, fuel acquisition methods and fuel adjustment clauses, utility operating expenses, billing information disclosures, and evidentiary hearing procedures. The bill also authorizes grants to the States for beefing up their regulatory agencies in order to assure the capabilities necessary to achieve the objectives of this reform.

The bill has gone through several drafts and by no means has its development ended. I expect public hearings will provide grist for another turn through the mill. There are, even now, parts that I believe need tightening, but it is time to open up the process to the public. And it is long past time we had this kind of legislation on the books.

By Mr. RANDOLPH (for himself, Mr. Williams, Mr. Stafford, Mr. Mondale, Mr. Javits, Mr. Pell, Mr. Curtis, Mr. Dole, Mr. Griffin, Mr. Humphrey, Mr. Ribicoff, and Mr. Young):

S.J. Res. 188. A joint resolution authorizing the President to proclaim the week of May 16, 1976, as National Handicapped Awareness Week.

NATIONAL HANDICAPPED AWARENESS WEEK

Mr. RANDOLPH. Mr. President, recent legislative action, particularly in the areas of education and rehabilitation, demonstrates the intense interest of Congress in meeting the needs of our handicapped citizens. The Education for All Handicapped Children Act of 1975, signed into law by the President on November 29, 1975, establishes the right of all handicapped children to a public education. The Rehabilitation Act of 1973 has been extended for 2 additional years. This important program provides services to help handicapped individuals to lead productive, independent lives.

As a part of this continuing effort to provide increased opportunity for the handicapped, I am introducing a joint resolution to authorize and request the President to issue a proclamation designating the week of May 16, 1976 as National Handicapped Awareness Week. This measure emphasizes our commitment to the handicapped by supporting National Handicapped Awareness Week. The National Easter Seal Society for Crippled Children and Adults and the National Paraplegia Foundation, two organizations that have long worked on behalf of the handicapped, are jointly sponsoring National Handicapped Awareness Week.

This vital segment of our population should be recognized for its contributions to society. These persons should be accorded full opportunities to live free of barriers which may adversely affect their ability to achieve economic, social, and personal potential.

Mr. President, Senators Williams, Stafford, Mondale, Javits, Pell, Curtis, Dole, Griffin, Humphrey, Ribicoff, and Young join in cosponsorship of this resolution. It will, I believe, receive favorable action.

Mr. DOLE. Mr. President, the Senator from Kansas is pleased to co-sponsor with the Senator from West Virginia, Mr. Randolph, a joint resolution proclaiming the week of May 16, 1976, as "National Handicapped Awareness Week." Our handicapped citizens are sizable in number, often overlooked and rarely given the recognition they deserve.

Persons with handicaps have unique problems which the physically and mentally abled person has trouble understanding. But many of the handicapped have even more difficulty in understanding and adjusting to their own impediment. Resentment, lack of acceptance, and a feeling of futility complicate the situation, and often prove more disabling than the handicap itself. For these persons, national attention is needed to emphasize the positive possibilities which do exist for the handicapped.

Many handicapped persons have found the courage to pursue dreams, undaunted and undetained by their handicap. For these persons, national attention is merited as a way to recognize their courage and their determination. A National Handicapped Awareness Week would help to make all Americans, the handicapped and the nonhandicapped alike, mindful of the problems encountered, and of the pinnacles achieved by the handicapped.

Therefore, in keeping with the American custom of encouraging and commending persons with special problems, I urge that the week of May 16, 1976, be designated as National Handicapped Awareness Week.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2936

At the request of Mr. Hansen, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 2936, a bill to amend part B of title XI of the Social Security Act to assure appropriate participation by optometrists in the peer review and related activities authorized under such part.

S. 3036

At the request of Mr. Stone, the Senator from New Hampshire (Mr. McIntyre) was added as cosponsor of S. 3036, a bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors.

S. 3098

At the request of Mr. Weicker, the Senator from Iowa (Mr. Clark) was added as a cosponsor of S. 3098, a bill to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to Community Action Agencies.

S. 3209

At the request of Mr. Humphrey, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 3209, the Coal Substitution Incentive Act of 1976.

S. 3227

At the request of Mr. Humphrey, the Senator from North Dakota (Mr. Burdick), the Senator from Indiana (Mr. Bayh), and the Senator from Nevada (Mr. Cannon) were added as cosponsors of S. 3227, the Solar Energy Act of 1976.

S. 3270

At the request of Mr. Packwood, the Senator from New York (Mr. Javits), the Senator from Oregon (Mr. Hatfield), and the Senator from Maryland (Mr. Mathias), were added as cosponsors to S. 3270, a bill to amend the Tariff Schedules of the United States to provide for a lower rate of duty for certain fish netting and fish nets.

SENATE CONCURRENT RESOLUTION 105

At the request of Mr. Brooke, the Senator from New York (Mr. Buckley) was added as a cosponsor of Senate Concurrent Resolution 105, a concurrent resolution expressing the sense of the Congress regarding democracy in Italy and participation by Italy in the North Atlantic Treaty Organization.

AMENDMENTS SUBMITTED FOR PRINTING

CLEAN AIR AMENDMENTS OF 1976—S. 3219

AMENDMENT NO. 1596

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN (for himself, Mr. Philip A. Hart, Mr. Hruska, Mr. Symington, Mr. Montoya, Mr. Johnston, Mr. Moss, Mr. Garn, Mr. Griffin, Mr. Helms, Mr. Morgan, Mr. Hollings, Mr. Curtis, Mr. Laxalt, and Mr. Stone) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 3219) to amend the Clean Air Act.

AMENDMENT NO. 1597

Ordered to be printed and to lie on the table.)

Mr. RANDOLPH submitted an amendment intended to be proposed by him to the bill (S. 3219), supra.

AMENDMENTS NOS. 1598 THROUGH 1600

(Ordered to be printed and to lie on the table.)

Mr. MOSS (for himself, Mr. Metcalf, Mr. Johnston, Mr. Garn, Mr. Fannin, Mr. Tower, Mr. Stone, and Mr. Eastland) submitted three amendments intended to be proposed by them, jointly, to the bill (S. 3219), supra.

CLEAN AIR OR ANTISEPTIC ISOLATION?

Mr. MOSS. Mr. President, the Public Works Committee has been considering amendments to the Clean Air Act since June 17, 1975. They have held numerous markup sessions and have taken over 60 recorded votes. The committee is to be commended for its diligence and perseverance in preparing these amendments for floor consideration. They have worked hard and long and have attempted to prepare a bill that will have general acceptance by the States. I have been pleased by the responsiveness of the committee to numerous requests and suggestions made by those of us with much at stake in the final scope of these amendments. They have shown a spirit of compromise and a willingness to consider alternatives that has been refreshing and satisfying. For all these reasons I commend them.

THE NATURE AND SCOPE OF THE NON-DETERIORATION SECTION

A careful reading of the bill and committee report shows the importance to the bill of the nondeterioration section of the amendments. On March 10 I expressed my concern that this section might not present a balanced approach to competing national priorities of environmental protection versus necessary future economic development. The section requires the classification of areas of the Nation having air quality better than required under national ambient air quality standards so as to restrict development in such areas. Under existing law, national ambient air quality standards set maximum levels of certain pollutants and are intended to protect against impingements upon the public health and welfare, including indirect effects such as crop damage.

The committee's new amendments go considerably beyond existing law. Section 6 of the bill would classify areas having air quality better than the national ambient standards as either class I, in which practically no development would be allowed, or class II in which limited development would be permitted until a specified level of air quality is reached, and would thereafter prohibit any further development. Such a policy may well be necessary to protect certain parks and retreats that have been set aside for the more spiritual and aesthetic pursuits of mankind. As a major advocate of the creation of three of these dedicated park areas, I share the committee's concern for their protection. However, such an important issue deserves more than an eight page discussion in a committee report.

Nondeterioration has not been widely enough discussed or debated, and it has never been the subject of legislative hearings. To be sure, the committee has debated the issue extensively, but those who will be impacted the most, the States and local governmental units, have not been adequately considered or consulted. For most of us, the eight pages of the committee report must serve as the only point of focus. That concerns me, for this section of the report is rather cursory and seems to attempt to justify the committee's conclusions rather than to explain them or state the alternatives.

THE IMPACT ON STATE AND LOCAL GOVERNMENTS OF THE NONDETERIORATION POLICY

During the past few months, I have heard from a number of competing persons and institutions regarding the nondeterioration provisions of the amendments. I am sure that this is also the case for most of my colleagues in Congress. To put it very mildly, these local governments are concerned—deeply concerned.

Section 6 would have a much more severe impact on some States than on others. This is especially true for States like Utah, which is now experiencing strong industrial expansion, much of it related to the production of energy in compliance with our national goal of energy independence. Are our Western States and energy resource States to be held to present levels of expansion? Can the Congress discriminate so unfairly?

Although a study has been made of the effects of nondeterioration on some States and on some industries—electric power industry—no comprehensive study has yet been completed, or to my knowledge, even undertaken, to identify its effects on other States and other industries. The local governments are justifiably concerned. What will be the loss of employment, loss of energy resources and loss of tax revenues? On April 1, the chairman of the committee reported to the Senate several communications which he had received in response to his requests of several Federal agencies as to the effect of these amendments. After considering the reports of these Federal agencies, it is apparent to me that we simply do not know what the long-range effects will be.

CAN NONDETERIORATION BE EFFECTIVELY ADMINISTERED?

These provisions are being proposed before an analysis of their economic effect, which is likely to be highly significant, has taken place. The economic impact cannot be known at present, because the areas of the States which presently meet or fail to meet the present Federal health and welfare standards have not yet been fully identified. In addition, the manner in which State agencies will be allowed to define those areas—that is by county, by metropolitan areas, by computer modelling of existing major sources of pollution, and so forth—is left open in the proposed legislation. The determination of this critical question has thus been left to the courts. It seems highly inappropriate to enact major legislation of this kind without actually knowing the areas which will be affected and the economic impact which the legislation will have. This is especially so when the limits being set are more stringent than those required to meet already existing health and welfare clean air standards and when it seems safe to assume that the economic impact will be highly significant.

The fact is that the technology necessary to determine with reasonable precision whether the proposed allowable nondeterioration increments are or will be met is not presently available. In addition, variations in mind and weather conditions throughout the United States make development of such technology in the near future somewhat questionable. The recent statement by Dr. John Knelson, EPA's laboratory, that "We are making multibillion dollar decisions about controlling air pollution on a 25 cent data base," only confirms an existing concern about our technical capabilities in this area. Before these provisions are enacted, the EPA's technical capabilities to implement and administer it appropriately should be confirmed.

THE NEED FOR BALANCING OF COMPETING INTERESTS

In a recent article by Robert M. Hutchins in the Center magazine, democracy is described as a system of government by which people rule and are in turn ruled by consideration of the "good life" for the whole. The aim of any democracy must be the common good enjoyed as a result of membership in the community. The exact opposite of democracy is government by pressure groups, under which special interests, by deals and/or propaganda, endeavor to exploit the community for their own particularized benefit. Hutchins cites as an example the proposition that everyone ought to have a chance to live in a decent home. Similarly, everyone ought to have a chance to live in a decent environment in order to provide homes and he who would preserve the environment by refusing to provide homes is equally perverse, for the common good requires both.

To a very real extent, the Congress is now faced with deciding either between these competing alternatives of self-interest, or else in deciding to refuse to make the alternatives mutually exclusive and in seeking some sort of accommodation between them for the common good. When Congress decides what degree of "harshness" to enact in this area of clean air legislation, it is asking the question, "What is the common good?"

Let me first say that I have no doubt that our American way of life is more a matter of quality than quantity. We are gluttons for the most part, consuming an inordinate amount of the world's goods and services for the purpose of maintaining a lifestyle of often questionable relevance and validity. Conservationists have predicted, for example, that we could reduce our consumption of energy by 25 percent without any significant impact upon our standard of living. To the extent that we can conserve, we should conserve. Our quality of life need not be adversely affected by that conservation.

There is, however, the other side of the coin, and fairness requires that it receive equal attention. Our society enjoys an abundance of goods, services, and free time that make it qualitatively the envy of the entire world, because we have not been afraid to develop all our native and natural resources to their maximum potential. We are envied not entirely for our political institutions. Our technology and standard of living are also perceived as worth imitating. We have not shied away from new technologies and new ways of doing things. At the same time that we may require quality control and regulation of the products of our industries, we have retained that faith that suggests that no problem is insurmountable and no crisis unsolvable, and that given the need, the time, and the money, most obstacles can be overcome.

Our concerns for the environment must be basic and long lasting. However, environmental concerns of the Congress have matured to the point where it is now imperative to weigh the indirect effects of our policies of preservation and protection against competing national interests and priorities. We must have clean air to breathe, and we must protect crops and wildlife from harm. To some extent, however, protecting against the last increments of air pollution, must be considered a luxury when compared with possible adverse effects on required economic development, expansion of employment, and development of energy resources. When pollution control becomes an end in itself, rather than a means to the end—that of contributing to the "good life" for the community—then perhaps it has gone too far.

Further cutbacks in energy self-sufficiency, for example, begin to cost jobs, begin to cut down on social mobility, and begin to introduce an element of uncertainty into an otherwise dynamic and progressive economy. Investment decisions that should be made are now avoided. Improvements in the living conditions of the poor, the elderly, and those on fixed incomes are necessarily avoided. Further improvements in the productivity of labor are curtailed with the unhappy result that more human effort is required for the same quantity of output. Time which would have been put to community, religious or charitable use, is instead required for maintenance of present production schedules. In short, the economy is operating on a fraction of its potential. In such a scenario we all suffer—and not just quantitatively. Especially in the middle and lower income brackets the effect is all too real and all too qualitative.

And so, even assuming some real, demonstratable pollution, the question must still be asked whether, on balance, the industrial expansion is worth the pollution to the environment. And if there is doubtful effect on the environment, then the argument becomes considerably stronger to allow necessary development.

We have all read the disquieting accounts recently of abuses in the EPA's measuring and interpreting of data regarding the effects of pollution on the environment. At least one EPA employee, Dr. Finklea, is charged with having manufactured information to relate sulfur concentrations to the death of a number of individuals. I am not arguing that the EPA standards are wrong, but until we know what facts they base these standards on, we will be hard pressed to make any intelligent assessment of their programs.

Even the Public Works Committee in reporting the bill expressed severe reservation, perhaps unintentionally, about the adequacy and utility of their proposed standards. Quoting from the report of the committee:

> The Committee believes that given the current state of the art of diffusion modeling, the wide differences of opinion regarding the assumptions used in the modeling process, the disagreements between industry, environmentalists, and government agencies regarding implications of the specific increments (of pollution) required under this Act, and the predictions about the economic impact of these requirements, it would be useful to have an ongoing review of this process.

By the committee's own words, there is: First, a lack of consensus about our ability to measure pollutant levels from various industrial concerns, in any meaningful way; and second, serious doubt about the effects of those levels of pollution upon health, welfare, and more aesthetic concerns. To be sure something happens, and there is every reason to believe that it is in a deleterious direction for those subject to it, but as for specifics as to what degree of harm or what magnitude of concern to expect, there is a rather embarrassing void. And yet we are being asked to effectively curtail much of our general industrial output, and most of our new energy development on the basis of these perceived but illusive hazards.

I can only conclude that the best interests of the country suggest that we develop more precision in our measuring, monitoring, and interpretative capability, before we impose the results of that capability on an industrial sector struggling to overcome some very serious effects of our recent recession and long-term energy shortage. This conclusion should not be viewed as an obstructionist policy to defeat the intent of the Clean Air Act, for I fully support that intent. I just want to be sure that we know what we are doing before we do it.

Before we act on this matter, let us determine whether the policy of nondeterioration is needed, whether we can afford it, and if it is really the way to allocate our resources for the benefit of the Nation. These provisions are far too important to be acted upon hastily. We should support a further study of the nondegradation concept and the adequacy of the information on which that policy is based. We need to know the answers to a number of questions. For example, what land areas will be covered? How will the law apply to those States which are currently experiencing or are expecting to experience future economic growth? What will the economic impact be in terms of jobs, incentives to build abroad, economies of scale, anticompetitive effects, costs of construction delays, et cetera? What are the health and welfare hazards in light of the fact the proposals set restrictions which are more limited than those imposed by the present national health or welfare standards? What are our present technical air monitoring capabilities? Are they sufficient to intelligently implement and administer legislation of this sort?

The answers to these questions do not presently appear to be available. Yet they form the critical factual base necessary for making the major planning judgments which the nondeterioration provisions imply.

Business, labor, city, and State officials, economists and many interest groups in the mainstream of American life have the right to participate in the analysis and determination of this important issue.

The amendments I submit today will provide us with the information we need to make a well-considered decision on this important issue.

Mr. President, I urge my colleagues to carefully consider supporting these amendments. I hope that over the Easter recess they will have an opportunity to study this legislation and the committee report and attempt to assess its effects on the economy of their States. I think they will find, as I have, that such an assessment with current information is very difficult to make in any but general terms. A major problem is that no one seems to know on a county-by-county basis how specific areas would be classified. It is my intention to request that the EPA assess the possible impacts of the nondeterioration provision on my home State of Utah, and I hope that my colleagues will do the same for their respective States.

THE AMENDMENTS

I propose to amend section 37 of the bill. This section presently amends the existing Clean Air Act by establishing a National Commission on Air Quality. I propose to expand the mandate of the Commission by requiring that it prepare a report to the Congress on the economic and energy effects of the proposed policy of nondegradation and to further consider the policy in terms of its measurability and interpretative certainty. It is my intention that this report be comprehensive. The report is to be prepared within 1 year after the date of enactment of the bill. No action is to be taken under section 6 until that report has been prepared and until Congress has been able to adequately consider its findings. In the interim, existing national standards for ambient air quality will remain in effect.

I ask unanimous consent that they be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1598

The Clean Air Act is hereby amended by deleting section 6 and renumbering succeeding sections accordingly.

AMENDMENT NO. 1599

Section 37 is amended as follows:

"SEC. 37. Section 315(d), (redesignated as 315(f) by the foregoing amendment) is further amended by changing the reference to 'section (a) (3)' to 'section (a) (4)', by striking everything after 'March 1, 1977,' and by inserting in lieu thereof, 'and the results of the investigation and study concerning section (a) (1) of this section no later than one year after the date of enactment of the Clean Air Act Amendments of 1976'.".

As amended section 315(f) would provide as follows:

"(f) A report, together with any appropriate recommendations, shall be submitted to the Congress on the results of the investigation and study concerning section (a) (4) of this section no later than March 1, 1977, and the results of the investigation and study concerning section (a) (1) of this section no later than one year after the date of enactment of the Clean Air Act Amendments of 1976.".

AMENDMENT NO. 1600

Section 37 is hereby amended by redesignating the subsection 315(b) as subsection 315(d), redesignating succeeding subsections accordingly, and inserting a new subsection (a), subsection (b), and subsection (c) as follows:

NATIONAL COMMISSION ON AIR QUALITY

SEC. 315. (a) There is established a National Commission on Air Quality which shall study and report to the Congress on—

(1) the effects of the implementation of any proposed or existing requirement on the states or the Federal Government under this Act to identify and protect from significant deterioration of air quality, areas which have existing air quality better than that specified under current national primary and secondary standards;

(2) the economic, technological, and environmental consequences of achieving or not achieving the purposes of this Act and programs authorized by it;

(3) available alternatives, including enforcement mechanisms to protect and enhance the quality of the Nation's air resources so as to promote the public health and welfare and the productive capacity of its population, and to achieve the other purposes of the Act;

(4) the technological capability of achieving and the economic, energy, and environmental impacts of achieving or not achieving required emission control levels for mobile sources of oxides of nitrogen (including the research objective of 0.4 gram per vehicle mile) in relation to and independent of regulation of emissions of oxides of nitrogen from stationary sources;

(5) air pollutants not presently regulated, which pose or may in the future pose a threat to public health or public welfare and options available to regulate emissions of such pollutants;

(6) the adequacy of research, development, and demonstrations being carried out by Federal, State, local, and nongovernmental entities to protect and enhance air quality; and

(7) the ability of (including financial resources, manpower, and statutory authority) Federal, State, and local institutions to implement the purposes of the Act.

(b) Studies and investigations conducted pursuant to paragraphs (1) and (2) of subsection (a) shall include—

(1) the effects of existing or proposed national ambient air quality standards on employment, energy, and the economy (including state and local), their relationship to objective scientific and medical data collected to determine their validity at existing levels, as well as their other social and environmental effects;

(2) the effects of any existing or proposed policy of prohibiting deterioration of air quality in areas identified as having air quality better than that required under existing or proposed national ambient standards on employment, energy, the economy (including state and local), the relationship of such policy to the protection of the public health and welfare as well as other national priorities such as economic growth and national defense, and its other social and environmental effects.

(c) The Commission shall, as a part of any study conducted under subsection (a)(1) of this section, specifically identify any loss or irretrievable commitment of resources (taking into account economic feasibility), including mineral, agricultural and water resources, as well as land surface-use resources.

TREATY OF FRIENDSHIP AND COOPERATION BETWEEN THE UNITED STATES AND SPAIN—SENATE RESOLUTION 401

AMENDMENT NO. 1601

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. PELL submitted an amendment intended to be proposed by him to the resolution (S. Res. 401) expressing the advice and consent of the Senate to ratification of the Treaty of Friendship and Cooperation between the United States of America and Spain, and related instruments.

DEFENSE PROCUREMENT AUTHORIZATIONS, 1977—S. 2965

AMENDMENT NO. 1602

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. McGOVERN submitted an amendment intended to be proposed by him to the bill (S. 2965) to authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes. Referred to the Committee on Armed Services.

LONG-RANGE CRUISE MISSILES

Mr. McGOVERN. Mr. President, I introduce, for appropriate reference, an amendment to the defense procurement authorization bill, S. 2965. This amendment would disallow funds for the development of the long-range air- and sea-launched cruise missiles unless the President certifies to Congress that it is unlikely that an agreement will be reached between the United States and the Soviet Union to prohibit long-range cruise missiles and that it is also in the national security interest to continue development of such missiles.

Last week I delivered testimony before the Senate Armed Services Committee regarding portions of the fiscal 1977 Department of Defense authorization request which I feel deserve special attention as markup on this bill begins. While I was able to discuss in depth several serious questions regarding the B–1 bomber, time did not permit me to focus on the grave implications of the long-range cruise missiles. I therefore ask unanimous consent that my testimony on cruise missiles be printed in the RECORD together with my amendment.

There being no objection, the testimony and amendment were ordered to be printed in the RECORD, as follows:

TESTIMONY SUBMITTED BY SENATOR GEORGE McGOVERN

CRUISE MISSILES

My concern about modern cruise missiles rests on different grounds. The B–1 is an inflated, wasteful program, but it poses no particular risk. Highly accurate, advanced cruise missiles are a different matter. I believe they threaten to discredit and then dismantle the mutual American-Soviet hope for negotiated limits on nuclear arms.

Again, it is primarily a political question. We have to decide whether it makes more political sense to exploit a temporary technical advantage, or to try to avoid, on both sides, a new system which could literally transform the Triad into a centipede, all for no gain in the end.

The cruise missile is not a new concept. Indeed, the V–1 rocket used by the Germans in World War II was essentially a cruise missile. We have deployed them in the past, and so have the Soviets.

What is new is the technology which can make the cruise missile a highly formidable strategic weapon. Smaller propulsion systems will permit us to build long range versions—up to 2,000 nautical miles—without using excessive space and weight for engines and fuel. But the real breakthroughs have been in navigation and guidance. Through such developments as microminiaturized sensors, logic circuits, and memory banks, we can now design a cruise missile which would follow the terrain, correct its own course through predetermined checkpoints, and strike targets more accurately than our current ICBMs. It would fly just above the terrain to avoid radar detection, and would deliver a warhead in the 200 kiloton range.

These modern cruise missiles can be designed for launch from aircraft, from submarines, from surface ships, and even from land. And while the costs of dedicated or diverted launch platforms would be substantial, the cost of the missiles themselves would be relatively low.

Plainly this is, from a purely military perspective, an intriguing and attractive new concept.

We are in the early stages of testing both sea launched and air launched versions. The military case is most compelling for the air launched cruise missile, or ALCM. For "show of force" purposes, it is possible, through ALCMs, to have a recallable manned strategic aircraft which does not have to penetrate Soviet airspace to deliver its weapons. Therefore, there would be no need to build a high performance aircraft with complex penetration aids designed to fly through defenses to fire short range missiles or drop gravity bombs. The Air Force, of course, would prefer to have both the high performance aircraft and the cruise missile.

The military utility of the sea-launched version, or SLCM is much less clear. Since it would not be carried by any of the present three strategic delivery systems, it would, in effect, involve adding an additional leg, or legs, to the triad. But if we placed some strategic cruise missiles on surface ships or attack submarines, we would have to offload other weapons. And since in most cases the normal operating areas of those ships are out of cruise missile range from the Soviet Union, they would have to be diverted from their regular missions in order to make any meaningful contribution to our strategic force totals.

The other alternative would be to build dedicated launch platforms for SLCMs—ships designed exclusively for that purpose. However, there is scant reason to suppose that an inexpensive sea-based cruise missile carrier could be designed. And since SLCM would only add another load of strategic redundance, it would not appear sensible to make a new cruise missile carrier ship a shipbuilding priority. So the SLCM program is more often described as a method of keeping all options open and of hedging for the Strategic Arms Limitation Talks.

Of course we cannot underestimate the technical challenges, we are some years away from building an operational cruise missile of the kind I have described. The minimal amounts in the Fiscal 1977 budget—$79 million for ALCM and $183 million for SLCM—are for a deliberate advanced development program. Engineering development has not yet begun.

Yet, again, we are far enough along for Congress to exercise its special responsibilities. We are at the stage, and this is one of those cases, in which the technical issues are secondary, and in which it is vital to make prompt and informed judgments in areas which are beyond the realm of military expertise.

Regardless of how useful it might appear in a narrow military sense, I think the cruise missile can be a disaster in terms of our broader national security time.

As members of the Committee know, the decisions we make on arms construction constitute only a part of our quest for security. Our forces do not exist in a vacuum; rather, we plan from the realization that our safety is influenced by the relationship between our arsenals and those of other nations, principally the Soviet Union. It follows that we can enhance our security not only by building arms, but by negotiating agreements to restrain them. Considering the costs and risks associated with strategic arms, and the vast arsenals both sides have already amassed, it seems obvious to me that in this realm we ought to place our highest priority on mutual restraint.

That is why I am so concerned about the cruise missile and its implications for arms control.

What success we have had in strategic arms limitation has been due largely to the fact that each side can verify compliance through unilateral means, with satellite reconnaissance. Each side can count the other side's ICBMs, SLBMs, and bombers. We do not have to rely on good faith. We can see for ourselves.

But if cruise missiles are developed and deployed, there will be no reliable way to count them. Now, for the first time, we are talking about a system whose numbers can be readily concealed.

We are well ahead in the technology. But there is no reason to believe that condition will last. Last November, a Washington Star correspondent, Henry Bradsher, reported that the military establishment in the Soviet Union is applying pressure for a crash cruise missile program there. Bradsher wrote:

"At a high level in the group handling SALT for the United States, there is the assumption that Brezhnev would resist a crash program for cruise missiles.

"But what Kissinger has called stagnation in SALT might weaken Brezhnev's position. His marshals could argue that no hold on U.S. cruise missiles is in sight and therefore the Soviet Union must rush to catch up."

So it may be most instructive to assume that our lead is only temporary, and to turn the arms control issue around. Assume that in a few years the Soviet Union carries out extensive test and training exercises on both ALCMs and SLCMs. It is my understanding that our satellites would certainly detect these activities. But there is nothing to stop the Soviets from going ahead. We can assume that it will be no simple task to persuade them to forego doing what we have already done—what we are beginning this spring.

Then, from the point where they are ready to deploy, we will lose our ability to count the Soviet strategic arsenal.

We might argue that it would make little sense for them to deploy cruise missiles in large numbers. But, for arms control purposes, the question is not whether they would, but whether they could, without being caught. And the answer is "yes." And if we let that condition arise, I think we can bid a melancholy farewell to our hopes for comprehensive negotiated limits on nuclear arms.

If we are to prevent that result, the time to do it is in the cruise missile testing stage. Considering the implications for arms control, and the lack of any clear military need, I think the prudent course would be to suspend our own test program at least until we determine, through SALT, if we can avoid these systems entirely, on both sides.

The military will resist this step. Indeed, the Washington Star report I cited earlier noted that—

"The Pentagon has flatly opposed any agreement which would hinder cruise missile development."

I am not surprised. But this is not a military issue. And the Pentagon is not responsible for the decision. Military managers are appointed to maintain the armed forces. Civilian authorities—the President and Members of Congress—are elected to consider the whole range of matters which bear on our security, including not only sufficient arms but sensible arms limitations.

The difference is demonstrated by our grim experience with another system—MIRV. In 1969 we were ahead in that technology too. There were attempts to postpone our flight tests until a total SALT ban had been tried, but the Pentagon would not hear of it. We tested and deployed MIRVs, and we did achieve a short term comparative advantage over the Soviet Union. For what it's worth, we now have about 8900 nuclear force loadings, and the Russians only have 3500.

In that case, by military standards, the military succeeded. But I think civilian authorities failed. Now the Soviet Union is deploying MIRVs, and it is obvious that over the slightly longer term we would have been far better off if we had tried to avoid MIRVs on both sides. Indeed, some of the same people who were so determined that we should press ahead unilaterally are now coming to the Congress complaining about Soviet throw-weight advantages and maintaining that Soviet MIRV's are more dangerous to us than ours are to them. And Secretary of State Kissinger has recently said with some regret:

"I would say in retrospect that I wish I had thought through the implications of a MIRVed world more thoughtfully in 1969 and 1970 than I did."

I wish he had done that too, especially since he is one of the officials whose job it is to think these things through.

Yet we are nonetheless on the threshhold now of a still more destabilizing system. The problems of inspection and verification are obviously far worse than they were with MIRV. And, like MIRV, the cruise missile is a system through which we are opening up another disadvantageous area of competition.

Let us take a moment to think through a world of cruise missiles.

Surface to air missiles offer some degree of defense against them. On the logical premise that it makes little sense to spend on heavy defenses against Soviet bombers when we cannot defend against missiles anyway, we have dismantled most of our bomber defenses. We now maintain little more than a surveillance system. But the Soviet Union has retained extensive air defenses, including thousands of low-altitude SAMs. And I suggest that in a world of cruise missiles a few years hence, we will hear that in order to have a comparable ability to either inflict or avoid damage, we must invest far more than the Russians in either cruise missiles, cruise missile defenses, or both.

On another level, our SALT negotiators have been going through a series of machinations to keep the Soviet Backfire bomber out of the strategic realm. The Soviet Union has reportedly agreed to limit its range through basing arrangements and limitations on tanker support. Ironically, the cruise missile became our "bargaining chip" for that concession, so we would not have to reopen the hard matter of excluding our forward based tactical aircraft in Europe. But has anyone thought through the possibility that with air launched cruise missiles, the Backfire could become a strategic aircraft notwithstanding those basing and tanker restrictions?

For the sake of a short term technical lead, it appears to me that we are inviting big trouble later on. And I cannot for the life of me figure out what is so valuable and fascinating about these short term advantages. They are supposed to have some political effect. But what did our MIRV lead accomplish? Did it cause the Vietnamese to give up their revolution? Did it keep the Cubans out of Angola? Did it cause the Russians to drop their support for the Communists in Portugal? And what new wonders will a two or three year cruise missile monopoly bring us;

Given his retrospective wishes about MIRVs, it might be assumed that Secretary Kissinger would have seen the cruise missile coming. But the opposite is true. As John Finney reported in the New York Times, January 21:

"After the 1972 interim agreement placing limits on offensive strategic missiles, it was Mr. Kissinger who proposed that the Pentagon undertake development of long range cruise missiles. Mr. Kissinger's concept then was that the cruise missile would give him another 'bargaining chip' to win Soviet agreement on a long-term strategic arms agreement on offensive weapons. But Mr. Kissinger now laments in private conversations, "I didn't realize the Pentagon would fall in love with cruise missiles."

At best, the Executive Branch is confused and contradictory. If he is lamenting in private, the Secretary argued on his last trip to Moscow that cruise missiles must be allowed. And he came back with a dubious "victory" which includes only range limits on deployed ALCMs and which involves no limits at all on flight tests of either ALCMs or SLCMs. Of course that meets the Pentagon's standard—opposition to any agreement which would hinder cruise missile development. At the same time it permits the Soviet Union to do everything I have described in this statement. It is far less an arms control agreement than an agreement not to control.

In a Senate speech last December 5th, I urged President Ford to resolve the dispute within his own Administration between those whose concern is to build arms and those who want to control them. I do not know whether he even considered the matter. But I do know that Secretary Kissinger carried an arms builders' posture to Moscow. And we also know, of course, that the President's fiscal 1977 budget continues our own ALCM and SLCM tests unabated.

So it falls to the Congress to take a longer and more sensible view. And that is my plea to the Committee.

Militarily, the cruise missile is an impressive idea. But it is a grave national security mistake—the worst ever proposed. Let us at least attempt to control it, rather than rush to turn it loose.

Otherwise, I am certain we will all look back in regret a few years hence, wishing we had thought through yet another new world of nuclear weapons.

AMENDMENT No. 1602

On page 3, between lines 13 and 14, insert the following:

SEC. 202. None of the funds authorized to be appropriated by this or any other Act may be used for the purpose of carrying out the engineering development stages of the research, development, testing, or evaluation of the long-range air-launched cruise missile (ALCM) or the long-range sea-launched cruise missile (SLCM) unless—

(1) the President determines that it is unlikely that the Soviet Union and the United States will conclude an agreement under which the further development and future deployment of long-range cruise missiles by such countries would be prohibited;

(2) the President has advised the Congress in writing of that determination and certified to the Congress in writing that the continued development of such missiles is essential to the national security of the United States; and

(3) thirty days have expired following the date on which such certification is received by the Congress.

GOVERNMENT OPERATIONS HEARINGS ON EXTENDING FEA

Mr. RIBICOFF. Mr. President, the Committee on Government Operations will hold hearings on extending the Federal Energy Administration (S. 2872) on April 29, 30, May 4, 5, 6, beginning at 10 a.m. in room 3302, Dirksen Senate Office Building.

The following witnesses have been scheduled to appear:

April 29: Elmer B. Staats, Comptroller General, General Accounting Office; Hazel Rollings, FEA Director, Office of Consumer Affairs.

April 30: Frank G. Zarb, FEA Administrator; John Hill, FEA Deputy Administrator; Eric Zausner, FEA Deputy Administrator; Michael Butler, FEA General Counsel; Gorman C. Smith, FEA Assistant Administrator.

May 4: Panel of industry representatives.

May 5: Dr. Robert C. Seamans, Administrator, ERDA; Julius L. Katz, Assistant Secretary for Economic and Business Affairs, U.S. Department of State; Roger Sant, FEA Assistant Administrator; Cecil Thompson, FEA Deputy Assistant Administrator.

May 6: Gary DeLoss, Public Interest Research Group; Ken Bossong, Center for Science in the Public Interest; Larry Moss, Chairman, FEA Environmental Advisory Committee.

Other witnesses may be scheduled at a later date.

NOTICE OF HEARINGS

Mr. McINTYRE. Mr. President, I am pleased to announce that the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs, will hold a hearing beginning at 10 a.m., on May 13, 1976, to consider the present moratorium on conversions from mutual to stock form of savings and loan associations and mutual savings banks established by Public Law 93–495 and which is presently due to expire June 30 of this year.

The hearing will be held in room 5302, Dirksen Senate Office Building.

Anyone who wishes further information regarding these hearings should contact Mr. William R. Weber, room 5300, Dirksen Senate Office Building, 202–224–7391.

NOTICE OF HEARINGS

Mr. McINTYRE. Mr. President, I am pleased to announce that the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs, will hold hearings beginning at 9:30 a.m., on May 11 and 12, 1976, on the recommendations of the Advisory Commission on Intergovernmental Relations on State and local "doing business" taxes on out-of-State financial deposits.

The hearings will be held in room 5302, Dirksen Senate Office Building.

Anyone who wishes further information regarding these hearings should contact Mr. William R. Weber, room 5300, Dirksen Senate Office Building, 202–224–7391.

ADDITIONAL STATEMENTS

ADAM SMITH'S "WEALTH OF NATIONS," 1776–1976

Mr. FANNIN. Mr. President, as America enters its Bicentennial Year we should remember that it is also the 200th anniversary of one of the greatest economic treatises that has been written—Adam Smith's "The Wealth of Nations." As we enjoy the bounties of a free market economy, we should pay tribute to the man whose theories established the foundation for our present-day system of economic freedom and prosperity.

Dr. Benjamin A. Rogge has recently delivered a tribute to the English economist, Adam Smith, whose "invisible hand" theories are still recognized as the classic statement of the virtues of a competitive capitalist system free of government intervention.

Mr. President, I ask unanimous consent to have printed in the Record the text of an address delivered at Hillsdale College by Dr. Rogge, distinguished professor of political economy at Wabash College, which was printed in the April 1976, issue of Imprints, a journal from the Center for Constructive Alternatives at Hillsdale College in Hillsdale, Mich.

There being no objection, the address was ordered to be printed in the Record, as follows:

[From Imprimis, April 1976]

Adam Smith: 1776–1976

(By B. A. Rogge)

(Benjamin A. Rogge received his A.B. degree from Hastings College in 1940. He also holds an M.A. degree from the University of Nebraska and a Ph. D. from Northwestern University.

(He joined the Wabash College faculty in 1949 as an assistant professor of economics and was named dean of the college in 1956. He served in that position until 1964, when he was appointed distinguished professor of political economy.

(Dr. Rogge gave this presentation on the Hillsdale College campus as part of the Ludwig von Mises Lecture Series.)

"To prohibit a great people [the American colonials] . . . from making all that they can of every part of their own produce, or from employing their [capital] and industry in the way that they judge most advantageous to themselves, is a manifest violation of the most sacred rights of mankind." Adam Smith, *The Wealth of Nations*, 1776.

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness." Thomas Jefferson, "Declaration of Independence," 1776.

In these two passages we find one of the common elements in the two significant bicentennials we celebrate this year. The common element is the conviction that man is endowed by a source greater than himself with certain natural and hence inalienable rights. This common element in the two bicentennials is one of the themes I shall develop in these comments of mine. But first let me hasten to admit that, in the households of the United States in 1976, the two bicentennials (the publication of *The Wealth of Nations* and the proclamation of the Declaration of Independence) are not held in equal awareness or veneration, nor does Adam Smith's name compete for the attention of the young with that of Thomas Jefferson. Yet it is my firm conviction that the members of our own society (and in fact of all societies based on the concept of freedom under law) must look to Smith as well as to Jefferson (and his fellow Founding Fathers) to fully understand our goodly heritage of freedom with order.

Here, as in all matters of judgment, I admit to bias. Adam Smith is generally known as the Father of Economics, the field of study which is also my own. Moreover, Smith's brand of economics, carrying the trademarks of voluntary exchange, freedom in the marketplace and limited government, is also my brand of economics—Brand X though it may have become in today's intellectual marketplace. Finally, I believe Adam Smith not only to have been possessed of true wisdom about the nature and possibilities of the human condition but also to have been possessed of a capacity to communicate those ideas with great clarity and great style. In other words, I am an admitted, card-carrying Adam Smith buff.

With no embarrassment, I admit that I hope through these words to encourage some of you who may now know little of Smith and his work to come to want to know more. Even for those who bring to their studies of Smith a presupposition against his strong free market policy position, there is something to be gained. His writing is free of that obscurantism, technical jargon and complicated mathematics that distinguish most modern materials in economics. In Smith's writings, the case for what might be roughly called "capitalism" is put in so clear and straightforward a fashion that it makes a useful stone against which even the convinced socialist can hone his own counter-arguments. Finally, no one who professes to understand even commonly well the course of events of these last two hundred years can afford to be ignorant of the influence on that course of events of the ideas of Adam Smith, whether they have been proven right or wrong. In the words of the historian, Henry Thomas Buckle, in his *The History of Civilization*, published in the middle of the last century: "In the year 1776, Adam Smith published his *Wealth of Nations*, which, looking at its ultimate results, is probably the most important book that has ever been written. . . ." (p. 122) Even a true Smith buff may be at least mildly embarrassed by this claim, but that his ideas did have consequences no one can really doubt (but more on this later).

Who was this man, what did he have to say in 1776 and how, if at all, is his thinking relevant to the world of 1976? Adam Smith was born in Kircaldy, Scotland in 1723 and died in Edinburgh, Scotland in 1790. In between he lived a life free of scandal, wife or children, great incident and severe disappointment. He was a student (at Glasgow and Oxford), a teacher (at Glasgow and Edinburgh) and a scholar, and his friends were students, teachers and scholars—but also artists, writers businessmen and men of affairs. In a sense, though, he was the true "spectator" of the human scene, involved in that scene, yes, but always capable of detached analysis and appraisal of everything that came within his view.

My intent here is to concentrate on Smith's words and ideas and on their usefulness (if any) in interpreting the modern scene. Those of you who wish to know more of Smith's life or of the intellectual influences that shaped his thinking or of his weaknesses and strengths as a pure technician in the science of economics will need to look elsewhere.

My plan is as follows: First, to present in concise form what I see as Smith's view of the social order. Next, to identify the ways in which he applied this view to the world of his day, particularly the British treatment of the American colonies. Finally to identify those ways in which it seems to me that Smith speaks most directly to the problems and possibilities of today's world.

SECTION I—SMITH'S BASIC ARGUMENT

We begin with what I believe to be the essence of the Smith argument—but first a word of preparation. Smith is known as the Father of Economics and the book whose bicentennial year we now celebrate has as its complete title, *An Inquiry into the Nature and Causes of the Wealth of Nations*. The first sentence of Chapter I, Book I, reads as follows: "The greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and judgment with which it is any where directed, or applied, seem to have been the effects of the division of labour." These substantial straws in the wind would seem to imply that we are about to grapple with a pure piece of economic analysis applied to the essentially vulgar question of how to multiply the quantity of "things" in a nation—and indeed Smith does have a kind word for those vulgar "things" when he writes that, "No society can surely be flourishing and happy, of which the greater part of the members are poor and miserable." (p. 79)

But to see Smith as nothing more than an earlyday consultant on how to make everyone rich is to do him an injustice. Smith was first and foremost a professor of moral philosophy and his economic analysis was in a sense a by-product of his concern with such questions as the nature of the universe, the nature of man and the relationship to the individual to society.

When curiosity turns his attention to "the wealth of nations," he begins in effect by reaching into his philosopher's cupboard for the basic materials of his proposed studies. First and foremost he draws out his conviction that there exists a natural order in the universe which, if properly understood and lived in accordance with, tends to produce the "good." Coordinate with and deriving from this natural order is a set of natural rights of individuals (recall the phrasing of the opening passage from Smith—"the most sacred rights of mankind"). For a society to live in harmony with the natural order requires that it respect those "most sacred rights of mankind."

But what does all this have to do with getting more bread on the table? Comes now Smith, the eternal spectator, the observer, of all that transpires around him, who is also curious as to what puts more bread on the table. His observations tell him very quickly that the wealth of a nation is primarily determined "by the skill, dexterity and judgment with which its labour is generally applied." But by what in turn are these determined? By two primary factors: (1) the extent to which the division of labor is carried in the society, and (2) the stock of capital available to the laborers.

But what forces give rise to or permit of the division of labor and the accumulation of capital? Must it be the forces of the ruler, commanding one man to do this and another to do that and ordering all to go without so that the stock of capital may grow? Not at all, replies Smith, the observer-philosopher. *In the natural order of things*, man is so disposed to act as to promote these very ends without the necessity of external commands.

The division of labor finds some part of its initial support in man's natural instinct to truck and barter. More importantly, the apparent problem of securing each man's cooperation in serving the needs of others proves to be no problem at all. His cooperation is readily secured, not out of his benevolence, but out of his natural regard for his own interest. "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own self interest."

Thus the seeds of the division of labor lie in the very nature of man, hat is, in the natural order. In the same way, man's desire for improvement induces him to save and hence to accumulate the capital needed to add even further to the productivity of labor.

But how are the activities of all of these specialists coordinated, what assures that the various parts and processes will be brought together properly in time and place and quantity and quality and all other relevant attributes? Surely here the offices of government must be required. Not at all, Smith replies; a spontaneous order emerges in the very nature of things, an order that arises out of the interaction in the marketplace between the two great forces of supply and demand.

If any one element in this complex chain comes to be in short supply, its price will rise and suppliers will be induced to bring more to the market; in cases of excess supply, the reverse. In this way, in Smith's words, "the quantity of every commodity brought to market naturally suits itself to the effectual demand." (p. 57).

The marketplace, then, as a spontaneously emerging and self-regulating process, is but the natural order at work in the ordering of economic life.

The pattern is now complete and he concludes as follows:

"As every individual, therefore, endeavours as much as he can both to employ his capital in the support of industry, and so to direct that industry that its produce may be of the greatest value; every individual necessarily labours to render the annual revenues of the society as great as he can. He generally indeed neither intends to promote the public interest, nor knows by how much he is promoting it. . . . [H]e intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention." (p. 423)

Continuing with Smith's words,

"All systems either of preference or of restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into completion with those of any other man, or order of men. The sovereign is completely discharged from a duty, in the attempting to perform which he must always be exposed to innumerable delusions, and for the proper performance of which no human wisdom or knowledge could ever be sufficient; the duty of superintending the industry of private people, and of directing it towards the employments most suitable to the interest of the society. According to the system of natural liberty, the sovereign has only three duties to attend to three; duties of great importance, indeed, but plain and intelligible to common understandings: first, the duty of protecting the society from the violence and invasion of other independent societies; secondly, the duty of protecting, as far as possible, every member of the society from the injustice or oppression of every other member of it, or the duty of establishing an exact administration of justice; and, thirdly, the duty of erecting and maintaining certain public works and certain public institutions." (p. 651)

SECTION II—SMITH'S THINKING APPLIED TO THE PROBLEMS OF HIS DAY

In a very real sense, *The Wealth of Nations* can be viewed as an attack on the prevailing economic philosophy and practice of the author's day—an untidy collection of ideas and actions identified as mercantilism. Mercantilism, as you know, was associated with the more-powerful nation-states of seventeenth and eighteenth century Europe, with England, France, Spain, Portugal and Holland. Its primary purpose was to enhance the power and wealth of the nation, whether led by a king or a Cromwell or a parliament. The techniques were those of control—control not only of foreign trade (for the purpose of assuring a favorable balance of trade), control not only of colonies around the world, but control of most aspects of domestic economic life as well.

Smith argued that such controls were in fact directly opposed to the ultimate ends they were designed to serve. Thus, not only were the economic controls placed on her American colonies "a manifest violation of the most sacred rights of mankind," but moreover, "Under the present system of management Great Britain derives nothing but loss from the dominion which she assumes over her colonies." (p. 581)

What were his proposals for the British colonies? Radical ones indeed! His first was "that Great Britain should voluntarily give up all authority over her colonies, and leave them to elect their own magistrates, to enact their own laws, and to make peace and war as they might think proper." (p. 581) However he admitted that this was "to propose such a measure as never was and never will be adopted, by any nation in the world." Why not? Not because such an action wouldn't be beneficial to the interests of the society but because it would be "mortifying to the pride" and because it would deprive the *rules* "of the disposal of many places of trust and profit, of many opportunities of acquiring wealth and distinction, which the possession of the most turbulent, and, to the great body of the people, the most unprofitable province seldom fails to afford." (p. 582)

His next and somewhat less sweeping proposal was that Great Britain give the colonies direct representation in Parliament. "Instead of piddling for the little prizes which are to be found in what may be called the paltry raffle of colony faction; they might then hope, from the presumption which men naturally have in their own ability and good fortune, to draw some of the great prizes which sometimes come from the wheel of the great state lottery of British politics." (p. 587)

He goes on to argue that unless this or some other method is found of "preserving the importance and of gratifying the ambition of the leading men of America, it is not very probable that they will ever voluntarily submit to us." Moreover (in a phrase of shrewd prophecy), "They are very weak who flatter themselves that, in the state to which things have come, our colonies will be easily conquered by force alone." (p. 587)

"From shopkeepers, tradesmen, and attornies, they are become statesmen and legislators, and are employed in contriving a new form of government for an extensive empire, which, they flatter themselves, will become, and which, indeed, seems very likely to become, one of the greatest and most formidable that ever was in the world." (pp. 587–8)

These words could have been written no later than 1775 and speak well, at the very least, of Smith's powers of prophecy.

In concluding this section, I wish to point out that Smith's handling of the colonial question was in full accord with and, in fact, derived directly from his general philosophy of free peoples, free economies and free societies.

SECTION III—IS SMITH STILL RELEVANT?

The question now before us is whether Smith's work is of only antiquarian interest to those of us who inhabit the world of 1976—or does it have some continuing relevance? I intend to argue that Smith does indeed provide us with most useful insights into our own problems and with those insights often so phrased as to make them at least the equal in power of persuasion of any later versions of the same thinking. I offer up now for your examination a series of examples, presented in no particular order.

To those who call for the businessman (or others) to act less on self-interest and move on the desire to serve others, he answers: "I have never known much good done by those who affected to trade for the public good. It is an affectation, indeed, not very common among merchants, and very few words need be employed in dissuading them from it." (p. 423)

To those who are now calling for some kind of national economic plan for the United States, he responds:

"What is the species of domestic industry which his capital can employ, and of which the produce is likely to be of the greatest value, every individual, it is evident, can, in his local situation, judge much better than any statesman or lawgiver can do for him. The statesman, who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it." (p. 423)

To those special interests who demand protection from goods produced in other countries: "By means of glasses, hotbeds and hotwalls, very good grapes can be raised in Scotland, and very good wines too can be made of them at about thirty times the expence from which at least equally good can be brought from foreign countries. Would it be reasonable law to prohibit the importation of all foreign wines, merely to encourage the making of claret and burgundy in Scotland?" (p. 425)

To the tendency of governors and governments to reduce the purchasing power of the money (that is, to produce inflation):

"For in every country of the world, I believe, the avarice and injustice of princes and sovereign states, abusing the confidence of their subjects, have by degrees diminished the real quantity of metal, which had been originally contained in their coins. The Roman As, in the latter ages of the Republic, was reduced to the twenty-fourth part of its original value. . . . The English pound and penny contain at present about a third only; the Scots pounds and penny about a thirty-sixth; and the French pound and penny about a sixty-sixth part of their original value. . . . Such operations have always proved favorable to the debtor, and ruinous to the creditor, and have sometimes produced a greater and more universal revolution in the fortunes of private persons, than could have been occasioned by a very great public calamity." (pp. 27–8)

On the behavior of organizations of workers: "Their usual pretences are sometimes the high price of provisions; sometimes the great profit which their masters make by their work . . . . [T]heir combinations . . . are always abundantly heard of. In order to bring the point to a speedy decision, they have always recourse to the loudest clamour, and sometimes to the most shocking violence and outrage." (p. 67)

In fact, though, Smith's sympathies were with the workers (as against the masters) and he was pleased with what he observed to be the improvement in the lot of the common worker in the England of his day.

"The common complaint that luxury extends itself even to the lowest ranks of the people, and that the labouring poor will not now be contented with the same food, clothing and lodging which satisfied them in former times, may convince us that it is not the money price of labour only, but its real recompence which has augmented." (p. 78)

To the argument that the workman (and those who use his services) must be protected by apprenticeships, licensing, wage-setting by law or what have you, he responds:

"The property which every man has in his own labour, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of a poor man lies in the strength and dexterity of his hands; and to hinder him from employing this strength and dexterity in what manner he thinks proper without injury to his neighbour, is a plain violation of this most sacred property. It is a manifest encroachment upon the just liberty both of the workman, and of those who might be disposed to employ him. As it hinders the one from working at what he thinks proper, so it hinders the others from employing whom they think proper. To judge whether he is fit to be employed, may surely be trusted to the discretion of the employers whose interest it so much concerns." (pp. 121–2)

But his criticism of some practices of workmen should not be taken to mean that he was uncritical of the businessman or merchant. To many of both the initiated and the uninitiated, Adam Smith is seen as a spokesman for the business interest. Thus, for reasons that can only be guessed at, when The Modern Library edition of *The Wealth of Nations* was published in 1937, it included an introduction by Max Lerner, then editor of *The Nation*.

In his introduction, Lerner writes that Smith "was an unconscious mercenary in the service of a rising capitalist class. . . . [H]e gave a new dignity to greed and a new sanctification of the predatory impulses. . . . [H]e rationalized the economic interests of the class that was coming to power. . . . " (pp. ix-x)

Even though Lerner admits that "Smith's doctrine has been twisted in ways he would not have approved," the damage is already done and Smith is confirmed again in the mind of the reading public as the puppet of the bourgeois, business interest—a view of him that continues to this day to color the thinking of those who might otherwise learn from him.

Compare this view of Smith with these words in which he describes the proper attitude of the society to proposals for legislation coming from businessmen (and which serves equally well to answer those today who believe that we can best solve our problems by turning over our economic decision-making to good, experienced, competent leaders of business): The proposal of any new law or regulation which comes from this order [the businessman] ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention." (p. 250)

Nor is Smith at all unaware of the ancient (and modern) propensity of businessmen (as well as others) to attempt to combine to restrict competition. In a famous passage he writes that. "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices." (p. 128)

At the same time, his recommendations for dealing with such cases seem to me to reflect greater wisdom than our policies of today.

He continues from the statement above:

"It is impossible indeed to prevent such meetings, by any law which either could be executed, or would be consistent with liberty and justice. But though the law cannot hinder people of the same trade from sometimes assembling together, it ought to do nothing to facilitate such assemblies; much less to render them necessary." (p. 128)

But wouldn't such a policy leave the public to the none-to-tender mercies of the conspirators? Not at all, replies Smith. Why not? Because in the absence of government backing, such conspiracies do not survive. "In a free trade an effectual combination cannot be established but by the unanimous consent of every single trader, and it cannot last longer than every single trader continues of the same mind. The majority of a corporation [i.e. of a government-granted monopoly power to a group of traders] can enact a by-law with proper penalties, which will limit the competition more effectually and more durably than any voluntary combination whatever." (p. 129)

As a matter of fact, in this whole area of competition and monopoly, it seems to me that Smith speaks with more wisdom than most modern economists and most of the associated legislation. Smith creates no unattainable ideal of "perfect competition" as a bench mark for use in appraisal and policy-making. Rather he argues that "all systems either of preference or of restraint . . . being thus completely taken away"—that is, all government interventionist action removed from the marketplace—"the obvious and simple system of natural liberty establishes itself of its own accord." (p. 651)

In other words, all that government must do to see that competition (i.e. the open marketplace) prevails is to *not* create monopoly. Competition does not need to be created or protected or restored—it inheres in the natural order of things and in the very nature of man. I believe this to have been true in 1776 and to be equally true in 1976. The technological changes of the last two hundred years have served only to make the competitive process *more* intense and to ensure the even quicker demise of the firm that doesn't maintain a perpetual effort to better serve its customers.

But enough of the examples. If you are not yet persuaded of Smith's continuing relevance, a further parade of cases is not likely to be useful. God knows I may be in error, but I am convinced that Smith is not only relevant today but that his insight and wisdom, if applied to today's world, would yield only a freer but a more productive and equitable set of economic arrangements than if we applied a mixture of what was thought to be the best of contemporary thought.

This does not mean that I have no quarrels with Smith; his third function of government seems to me to be a Pandora's Box; his handling of the theory of value, of what determines the ratio of exchange among goods and services seems to me to be importantly in error, etc.

At the same time, I yield to no one in my admiration for his wisdom and for his magnificient contribution to our understanding of ourselves and of our institutions, in the form particularly of this book whose bicentenary year of publication we celebrate this year. It was from this book that such disparate types as William Pitt and Edmund Burke in England and Alexander Hamilton and John Adams in this country admitted having drawn some part of their own thinking on political economy. It is my reasoned conviction that the well-being of every society in the modern world would be at a significantly higher level if more of those in leadership roles in our societies of today were to be reading *The Wealth of Nations* rather than the modern works from which they draw their tragically mistaken policy advice.

I close now with a final offering of the wisdom of Adam Smith, this on the inherent error in *all* systems of control and this one coming not from *The Wealth of Nations* but from his first book, *The Theory of Moral Sentiments*.

"The man of system, is apt to be very wise in his own conceit, and is often so enamoured with the supposed beauty of his own ideal plan of government, that he cannot suffer the smallest deviation from any part of it. He goes on to establish it completely and in all its parts, without any regard either to the great interests or to the strong prejudices which may oppose it: he seems to imagine that he can arrange the different members of a great society with as much ease as the hand arranges the difference pieces upon a chess-board; he does not consider that the pieces upon the chess-board have no other principle of motion besides that which the hand impresses upon them; but that, in the great chess-board of human society, every single piece has a principle of motion of its own, altogether different from that which the legislature might choose to impress upon it. If those two principles coincide and act in the same direction, the game of human society will go on easily and harmoniously, and is very likely to be happy and successful. If they are opposite or different, the game will go on miserably, and the society must be at all times in the highest degree of disorder." (pp. 342–3)

INTER-AMERICAN BANK PROVIDES RECORD SUPPORT IN LATIN AMERICA

Mr. KENNEDY. Mr. President, the Inter-American Development Bank recently disclosed that it authorized a record $1.3 billion in loans during 1975 to promote the economic and social development of Latin America.

This figure represents the highest annual loan volume in the Bank's history of which $105 million—the largest single loan amount—went to Guatemala for the construction of a hydroelectric power plant.

In 1975, the Bank attracted $312.7 million in additional financial resources for Latin America's development from the United States, Europe, and Asia. This international support for the Inter-American Development Bank warrants not only the commendation of Congress, but its continuing support as well. For one of the most neglected humanitarian development problems which has so far not fully received the attention of the administration are the critical development programs in Latin America which remain uncompleted.

The Inter-American Development Bank has—over the years—helped fill this vacuum, and therefore, I believe has justified the continued support of the Congress. Support which was continued by our action last week in fulfilling our contribution obligation.

I ask unanimous consent that a press report describing the very successful year of the Inter-American Development Bank be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

INTER-AMERICAN BANK PROVIDES RECORD SUPPORT FOR LATIN AMERICA'S DEVELOPMENT IN 1975

The Inter-American Development Bank disclosed today that it authorized a record of $1,375 million in 70 loans during 1975 to foster the economic and social development of its member countries in Latin America.

That figure, the highest annual loan volume in the Bank's history, exceeds by more than $250 million the previous record volume of $1,110 million achieved in 1974 and raised the Bank's cumulative lending to 889 loans amounting to almost $8.7 billion.

In a review of its 1975 activities, Bank President Antonio Ortiz Mena emphasized that cumulative Bank lending from 1961 through 1975 is helping to carry out projects and programs costing some $33.4 billion. In addition, he reported that disbursements for the year totaled $682.8 million, increasing the cumulative total of Bank disbursements to $5,024 million.

The technical cooperation approved by the Bank in 1975 on a nonreimbursable or contingent repayment basis amounted to $24.6 million exceeding by more than $2 million the record $22.4 million achieved in 1974. This increased the total technical cooperation approved by the Bank to $320.2 million, of which almost $100 million was extended on a nonreimbursable basis.

In 1975 the Bank approved $646.2 million from its ordinary capital resources, or hard loan window; $634.2 million from its Fund for Special Operations, or soft loan window, $83.2 million from the Venezuelan Trust Fund, and $11.4 million from other resources administered by the Bank. In accordance with its policy of providing preferential treatment to its less developed member countries, 40.8 per cent of the Bank's loans and 65.1 per cent of its concessionary lending was extended to countries of relatively less economic development and insufficient market, several of which received a larger volume of Bank financing in 1975 than in any previous years since the Bank was established in 1959.

During 1975 the Bank approved the largest single loan operation of its history—$105 million—to Guatemala for the construction of a hydroelectric power plant with a capacity of 300,000 kilowatts on the Chixoy River. This project will satisfy the growing demand for electric power in Guatemala and will reduce the country's dependence on fossil fuels.

In 1975 the Bank attracted $312.7 million in additional financial resources for Latin America's development from the United States, Europe and Asia. The Bank's borrowings during the year included two public placements totaling $225 million in the U.S. capitals market, two loans for a total of $37 million from Italy, and a loan for 7.5 billion convertible yen (equivalent to $25.9 million) from the Export-Import Bank of Japan. In addition, the Bank sold a public offering of 60 million Swiss francs (equivalent to $21,978,000) to a Swiss banking syndicate and obtained $594,885 through two credits obtained in Finland, as well as a $2,250,000 net increase in resources raised through short-term borrowings.

The 70 loans approved by the Bank in 1975 will help finance physical infrastructure projects, particularly in the electric energy and transport and communications sectors, and will help foster agricultural and industrial development, construct sanitation facilities, develop tourism, carry out preinvestment studies, expand educational facilities, finance urban development and promote regional exports.

The distribution by sectors of the loans authorized by the Bank in both 1974 and 1975, and the cumulative total by sectors appears below:

DISTRIBUTION OF LOANS

[In millions of dollars]

Sector	1974	1975	1961–75
Agriculture	228.0	332.0	1,974.4
Electric power	384.1	303.7	1,856.4
Transportation and communications	195.1	303.5	1,592.3
Industry and mining	105.0	185.2	1,253.5
Sanitation	110.3	108.3	838.3
Urban development		38.2	453.5
Education	19.0	70.8	375.2
Preinvestment	27.6	5.2	137.8
Export financing	11.9	25.6	132.1
Tourism	29.3	2.5	71.3
Total	1,110.3	1,375.0	8,684.8

AGRICULTURE AND FISHERIES DEVELOPMENT

The sector which benefited most from Bank lending during 1975 was agriculture with a total of $332 million, distributed in loans to Argentina, Bolivia, Brazil, Costa Rica, Mexico, Paraguay and to farm cooperatives affiliated with the Latin American Confederation of Savings and Loan Cooperatives (COLAC) in 10 of the Bank's member countries. The bulk of the agriculture loans—$146 million—are helping to finance four major programs in Mexico, including a national cattle tick campaign, a farm credit program, an integrated rural development program and an agricultural credit program for irrigation zones in which the infrastructure was partially financed by Bank loans.

Other Bank-financed projects in the sector included a program of agriculture and livestock mechanization and supervised credit in Argentina, for which the Bank authorized two loans totaling $89 million, as well as a credit program for forestry development, also in Argentina, for which the Bank extended a $30 million loan, the first financing ever approved by the Bank for a project of this type.

In addition, the Bank extended a $40 million loan to Brazil to help finance a global program of supervised credit for small- and medium-scale producers and farm cooperatives.

The loans authorized by the Bank for Bolivia, Costa Rica and Paraguay will help finance pork production, the development of fisheries and a program for the control of foot-and-mouth and other animal diseases, respectively.

ELECTRIC POWER, TRANSPORT AND COMMUNICATIONS

During 1975 the Bank approved $607.2 million in loans for the development of the physical infrastructure of its member countries. Of this amount, $303.7 million was channeled to projects in the electric power sector and $303.5 million to projects in transportation and communications.

In the electric power sector, the development of which is vital for the economic and social growth of the region, the Bank in 1975 approved the largest individual loan ever authorized for a single operation—a $105 million credit extended to Guatemala for the construction of a hydroelectric power plant with an installed generating capacity of 300,000 kilowatts on the Chixoy River, some 50 miles northwest of Guatemala City, the capital. The project will have a total estimated cost of approximately $340 million.

To help finance the construction of electric power generating facilities, Brazil received $173 million in three loans during the year. They included a $74 million credit to finance the construction of the 1,125,000-kilowatts do Areia hydroelectric plant, a $64 million loan to help build the Salto Santiago hydroelectric plant with an initial installed capacity of 1,332,000 kilowatts, and a $35 million loan for the partial financing of a 500-kilovolt transmission line approximately 235 miles in length between the Paulo Afonso hydroelectric plant on the Sao Francisco River and the Camacari substation. Other operations in the sector included loans of $16.5 million and $9.2 million, respectively, to help Nicaragua and Jamaica carry out rural electrification programs.

During 1975 Bank loans totaling $303.5 million for projects and programs in the transportation and communications sector benefited eight countries and the Central American Bank for Economic Integration (CABEI), a regional institution serving Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Major credits were extended to Colombia—$45.8 million—to expand and improve its basic road network, to the Dominican Republic—$35.5 million—to expand the port of Haina, to Chile—$35.5 million—to execute the second stage of its National Telecommunications Plan, to Uruguay—$28.4 million—to expand its national telephone, radio and microwave system, to Panama—$30 million—to improve its network of rural roads, to Bolivia—$45 million—to rebuild and pave the La Paz-San Borja highway, and to Honduras—$14.7 million—to expand and modernize its telecommunications system.

The Bank's loan to CABEI—$25 million—will help finance seven road projects approximately 159 miles in length in the five Central American republics. Previously the Bank had extended a $31.5 million loan to CABEI as well as loans to individual countries to foster expansion of the Central American highway system and to strengthen the Central American Common Market.

INDUSTRY AND MINING

For the development of industry and mining, the Bank during 1975 approved $185.2

million in loans for eight member countries. Of these, the largest—$70 million—consisted of a loan for $55 million and a renewable line of credit, or stand-by, for $15 million to help the Industria Argentina de Aceros, S.A. (ACINDAR) to finance the expansion of the production capacity of its steel mill in Villa Constitución, located some 156 miles north of Buenos Aires, to 600,000 tons of steel billets per year. Other credits were extended to the Banco de la República of Colombia—$30 million—for an industrial credit program to be carried out through seven private finance corporations, and to Mexico—$15 million—for a global credit program to benefit small and medium-scale industrial firms.

In addition, three Bank loans totaling $32.6 million are helping Ecuador finance a global industrial credit program, construct a cement plan and develop crafts and small industry.

Two loans—$15 million and $10 million—are helping to finance industrial credit programs in Peru and Chile, respectively. Two Bank loans totaling $8 million are helping to develop small- and medium-scale industry in Costa Rica. In Bolivia, $4.5 million of a $7 million loan extended to the Banco Industrial, S.A. (BISA) for industrial and tourist development is being used to foster the expansion of manufacturing enterprises.

SANITATION AND PUBLIC HEALTH

In the sanitation sector, the Bank during 1975 approved $108.3 million in loans to install and expand potable water systems and sewage systems and to foster public health programs. Of this amount, $30 million was extended in a loan to El Salvador to expand the water supply system of the metropolitan area of San Salvador, the capital, to meet water requirements up to 1980. Another $20 million was extended in a loan to Costa Rica to help improve health services in rural areas by the construction of three hospitals, three maternal and child care clinics and 12 outpatient clinics, as well as procurement of the medical and surgical equipment required to operate them. In addition, Honduras received $14 million in a loan—including $2.5 million from the Norwegian Fund for Latin America, administered by the Bank—to construct and equip 242 rural health centers, eight emergency hospital centers and two regional hospitals.

Other operations in this sector included a $12 million loan to Jamaica which will help expand the water supply systems in two coastal cities, a $9.7 million loan to Barbados to finance the construction of a sewage system in Bridgetown, the capital; two loans totaling $8.6 million which will finance the improvement and expansion of the water supply system in Port-au-Prince, the capital of Haiti, and will improve rural health services; and a $7 million loan to Uruguay to finance the expansion and improvement of water supply systems in towns in the interior of the country.

OTHER SECTORS

In addition, the Bank during 1975 approved loans totaling $140 million for projects and programs being carried out in such vital sectors as education, urban development, export financing and tourism.

Education: Two loans totaling $50 million will help the Ministry of Education and Culture of Brazil to improve teaching standards and to increase the educational levels in seven federal universities. Another $12 million credit is enabling Panama to implement educational reform in Basic Cycle schools and in professional and technical institutes, including the construction and equipping of approximately 19 schools and four institutions, and an $8.6 million credit will help Guatemala to provide secondary education or job-oriented training to qualified workers in the industrial, agricultural and service sectors.

Export financing: Under the program established in 1963 to stimulate regional industrial growth by helping to finance the export of capital goods and certain services between its member countries in Latin America, the Bank during 1975 approved new credits under existing revolving lines of credit approved earlier for Argentina, Brazil, Mexico and Peru. The total amount of these new credits was $25.6 million.

Preinvestment: A $5.2 million Bank loan extended to the Peruvian-Ecuadoran Mixed Commission for the Puyango-Tumbes and the Catamayo-Chira Watersheds will help finance technical, financial, economic and social studies on a project in the Puyango-Tumbes watershed, located on the border between Ecuador and Peru.

Tourism: During 1975 the Bank approved a $7 million loan to the Banco Industrial, S. A. (BISA) to help finance the expansion of industry and tourism in Bolivia. Of that amount, BISA will use $2.5 million to grant credits to finance the creation, expansion or improvement of small- and medium-sized enterprises in the tourism sector.

INTER-AMERICAN BANK GRANTS $192,800 TO STRENGTHEN DEVELOPMENT AGENCY IN COSTA RICA

The Inter-American Bank today announced the approval of $192,800 in grant technical cooperation to help strengthen the institutional structure of the *Corporación Costarricense de Desarrollo (CODESA)*.

The technical cooperation will be used to contract a consulting firm to help create a permanent organizational structure which will allow CODESA to expand its activities; to formulate operational policies, systems and procedures; to establish methodologies for project evaluation; to train CODESA personnel in development banking and other specialized fields; and to advise CODESA on obtaining capital resources for its operation.

The total cost of the project is estimated at $290,400, of which the Bank's technical cooperation will cover 66.4 per cent and local sources the remaining 33.6 per cent.

Established in 1972, CODESA is the Costa Rican Government's principal instrument for the promotion of large-scale investment projects considered in the 1974–78 National Development Plan and its vehicle for the stimulation of private and mixed private/public ventures.

INTER-AMERICAN BANK GRANTS $58,000 FOR SEMINAR ON HUMAN SETTLEMENTS

The Inter-American Bank today announced the approval of $58,000 in grant technical cooperation to finance a seminar on human settlements which will be organized by the Bank on behalf of its member countries in Latin America.

The technical cooperation will be used to contract teams of experts from countries which have had significant experience in the field to carry out research in human settlements in Argentina, Brazil, Colombia, Mexico, Peru and Venezuela.

These studies will be analyzed in a seminar to be held at Bank headquarters in Washington, D.C., later this year. On the basis of these analyses, a document will be prepared for use as a technical contribution of the Bank to the United Nations Conference on Human Settlements (HABITAT), to be held from May 31 to June 11 in Vancouver, Canada.

The seminar will examine principally the methods used in some countries to provide housing for low-income families, particularly those belonging to marginal groups, in an effort to redefine the goals of the so-called "low-cost housing policy in the public sector." Special emphasis will be placed on identification of problems, strategies and alternatives in light of the results obtained in the countries in which the studies will be carried out.

INTER-AMERICAN BANK GRANTS $72,000 FOR SEMINAR ON FINANCING OF EDUCATION

The Inter-American Bank today announced the approval of $72,000 in grant technical cooperation to carry out a seminar on the financing of education in Bank member countries of Latin America.

The technical cooperation will be used to contract two consultants who will prepare and coordinate the seminar, which is designed to examine the problem of generating the financial resources required to satisfy the growing demand for education in Latin America and to draw up recommendations on alternate forms of education financing and the possible use of international financing.

One of the two consultants will coordinate the seminar and the other will draw up a document which will serve as a frame of reference for discussions at the seminar.

The seminar will be held in Bank headquarters in Washington, D.C., later this year and will be attended by approximately 18 experts in the field of education financing, of whom 12 will present papers, and by representatives of international organizations.

The number of pupils enrolled in schools throughout Latin America almost doubled in the 1960–70 period and, in some countries, educational costs have increased 30 per cent in recent years. Furthermore, due to demographic, social, political and technological factors, the need for educational facilities will continue to expand as the number of students increases and as students tend to prolong their scholastic careers.

SOME COMMENTS ON THE IMPLEMENTATION OF OSHA

Mr. DOMENICI. Mr. President, the Subcommittee on Labor is presently holding hearings on pending legislation which would amend the Occupational Safety and Health Act of 1970. I wholeheartedly support the subcommittee's interest and concern in this regard and wish to add some thoughts of my own at this time.

As long as I have been a Member of the Senate, I have received letters and phone calls from New Mexican businessmen protesting one or another aspect of this law as it has been enforced. As we all know, Congress enacts legislation trying to envision later problems, but we often fail to anticipate all pitfalls. Certainly this is the case with the implementation of OSHA. We should immediately examine the law and its administration and make necessary changes. Often the problems with OSHA do not lie with the law itself, but rather with the unequal enforcement of its provisions. The number of bills pending in the House and Senate clearly indicate a congressional response to the businessmen's problems with this act and the manner in which it is being enforced.

Early this year, I sent a newsletter to 16,000 small businessmen and women in the State of New Mexico. Hundreds responded to a questionnaire I enclosed requesting their comments with regard to matters dealing specifically with small businesses including tax matters, small business loans, the economy, common situs picketing, and pending OSHA legislation. Interestingly, most comments centered on the OSHA program.

I ask unanimous consent to have a small sample of these comments printed after my remarks today as I believe they represent the general attitude of those affected by this law. I selected sample comments which touch on the important issues basic to the implementation of OSHA: Citations and fines on first visits, unwarranted searches as possibly prohibited by the Constitution, arbitrary decisions by Government inspectors, capricious fines differing from case to case, and the basic agreement as to employee safety.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Mr. President, I want to emphasize my own recognition and that of most small business owners in New Mexico for the need for safety and health regulations to insure satisfactory working conditions for the Nation's 85.4 million employees, but OSHA has evolved since 1970 into a bureaucratic nightmare in need of reform.

In December 1975, Congress passed additional appropriations for the Department of Labor, including OSHA. At that time, conferees added to that legislation directives which would, among other issues, concentrate enforcement efforts on industries with the greatest health and safety problems and would develop the onsite consultation program suggested so many times by my colleagues and myself. I certainly endorse the thrust of these "directives," but we do have to keep in mind that these suggestions are only directives and are not legally binding on the administration. I maintain that Congress should make these proposals, at the very least, legally enforceable.

The Wall Street Journal recently stated that OSHA encompasses approximately 4,400 regulations covering 800 pages in the Code of Federal Regulations. That volume of data obviously would prohibit the average small business owner from knowing the possible hazards for which he or she could be cited. I submit that even the large businesses would have great difficulty keeping abreast of that voluminous amount of material. Consulting services are certainly in order rather than the current "visit and charge" policy of OSHA inspectors. OSHA inspectors have had the authority to appear unannounced at a workplace, check for violations, and issue citations carrying possible heavy fines and even jail sentences.

Congress made a commitment in the original legislation "to assure safe and healthful working conditions for working men and working women by authorizing enforcement of the standards developed under the act." Certainly healthful working conditions for our Nation's employees are enhanced by a cooperative working spirit between the Government and the employer. It is in that spirit that the enforcement procedures should be modified so as to not overly penalize the employer.

For example, many employers, particularly the small business owner, lack financial resources to retain private consultants to counsel applicability of OSHA standards to their work sites. I urge the subcommittee and the full Committee on Labor and Public Welfare to seriously consider and submit legislation to this body which would allow an onsite consultation and education program based upon an employer's request for these services. A written report provided by the consultative personnel should be submitted to the employer in order to clarify recommendations on improving safety conditions in the workplace. Furthermore, a consultative visit should not be an inspection, and the personnel in OSHA should be separate. At the initial consultative visit, no penalty or citation should be issued, unless there is an obvious imminent danger to the employees. Reasonable time should then be allowed for the employer to make the specified changes.

I would also suggest that the subcommittee clarify the original language with regard to fines and penalties. I understand that, at the discretion of the individual inspector, one business may be fined substantially more than a second like establishment for the same health hazard. This practice hardly endears Government regulations to the hearts of businessmen and women. Additional attention should be addressed to greater employer flexibility in providing safe work conditions on a performance basis, to advance notice of inspections, to establishing a "grandfather clause" for existing equipment which does not create a serious violation, and to coordinating Federal laws from agency to agency consituting prescribed work conditions.

These suggestions, and many others as incorporated in the several bills under subcommittee review today, present changes I believe are necessary to make OSHA work effectively. The reforms are addressed to the provisions of the act which I feel are more punitive than constructive and would place more emphasis on assisting employers toward compliance. These suggestions should not lessen protection for employees.

Mr. President, all too often the OSHA representative is the only real obvious, in-the-flesh, incarnate of the Federal Government. In too many cases, this contact represents a most negative example of Government interference and misunderstanding. This need not be the case.

I am hopeful that as a result of the information provided by the witnesses testifying before the Labor Subcommittee, meaningful data will be assembled so that we, in Congress, can move forward in developing legislation which would make the Occupational Safety and Health Act truly a cooperative effort between Government, employer, and employee to insure a safe environment in which to work.

EXHIBIT I

SAMPLE COMMENTS BY NEW MEXICAN BUSINESS MEN AND WOMEN

We agree we must work in safe surroundings, but penalties should not be imposed without adequate notice and time to correct the hazards.

J. S. R.,
Albuquerque, N. Mex.

We agree with the proposed changes of the legislation. It seems to be a step in the right direction. We were recently inspected by an OSHA representative and were given a list of eight violations resulting in a $50.00 penalty. Half (4) of the violations had to do with record keeping. (We had the correct records which the representative did not even check.) Therefore, the penalties were not related to any health hazard. Each violation was corrected well within a 30-day period. We were still penalized, however.

D. C.,
Albuquerque, N. Mex.

I felt that there was such a risk in working a large number of men around a construction job that I quit my operation, even though I had never had any major injuries because I had heard of such heavy fines imposed for very frivolous things. Therefore, I could be employing and giving work to men who are now out of work.

W. R. B.,
Raton, N. Mex.

The poorly defined regulations of OSHA can be wrongfully intimidating and can also leave the owner of a small business struggling with uncertainies which can be costly.

E. E. C.,
Santa Fe, N. Mex.

I know of no other agency in our country where a man is fined before he is found guilty and fined for a violation created by another person. These fines are in no way consistent. One firm may be fined $100.00 for a violation and the fine for another firm's violation for the same thing may be $500.00.

H. T. G.,
Albuquerque, N. Mex.

It simply is not practical to enforce the same safety standards on both the employer of hundreds of people, with assets in the hundreds of thousands or millions and the small employer with ten employees and total assets of $100,000. At that point, the question simply becomes "do you want the small company to remain in business on some reasonable basis or do you shut him down?"

C. K. C.,
Albuquerque, N. Mex.

I feel that OSHA, like all other governmental agencies, is to complicated. Some of the rules and regulations are stupid and assinine, prepared by people who have no experience in the areas they are composing rules for.

C. A. G.,
Farmington, N. Mex.

I have been told of several cases that make me think OSHA should be done away with. How about the machine shop in Albuquerque that was shut down until OSHA was allowed to photograph their special machines?

J. S.,
Taos, N. Mex.

Bill S. 454 would be a great help. As to abuses or excessiveness, I think it depends on the OSHA inspector. In my own case they (OSHA) were very considerate and helpful.

J. L.,
Santa Fe, N. Mex.

The Act should encourage safe and healthy work conditions, not penalize employers without giving them a chance to remove the problem at the same time the safety and health of the employees are safeguarded.

C. N. R.,
Albuquerque, N. Mex.

I do not feel OSHA should be able to fine you unless they prove you negligent in court.

C. M.,
Socorro, N. Mex.

In my opinion, OSHA is a good thing. I think even that surprise inspections are fine if the end result is a list of the hazards that are found are listed and given ample time to correct with the first offense being of a warning nature.

J. L. B.,
Albuquerque, N. Mex.

I believe that OSHA has been too severe in their stand on safety in a way that it has in some cases not given the employer a chance to correct (if there was a violation) the problem. I think we all are for safety.

C. R. M.,
Albuquerque, N. Mex.

In all the years that OSHA has operated, I've never heard one (1), I repeat one (1) person that has ever had dealings with this Federal bureaucracy that can contain themselves even at the mere spoken word, "OSHA." In my opinion, this bureau has probably done more to separate the people from their government than any other bureau, and they are one of the reasons that I stay a one-man operation. I can't afford the paper work, legal fees and harassment.

P. M. W.,
Albuquerque, N. Mex.

I understand that we must provide health and safety for our employees, but we certainly do not need the tactics that were used by the S-troops in Nazi, Germany. Any controls that you can introduce to make this a legitimate inspection of business premises will certainly be appreciated by all business concerns. Also, it may be impossible to enforce, but I think it would be a good idea for these inspectors to be clean and neat in appearance when they invade our premises.

J. C. N.,
Albuquerque, N. Mex.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on June 16, 1949, President Truman transmitted the Genocide Convention to the Senate for ratification. As I have said so many times before, we have not yet given our approval to the treaty. The chronology of events regarding the Genocide Convention from that day in 1949 to the present is indeed a pathetic case of utter disregard for the cause of basic human rights.

In 1949, several months after President Truman's action, the American Bar Association adopted a resolution opposing U.S. ratification of the Genocide Convention. In 1970, the ABA continued its formal opposition to U.S. ratification by a mere four-vote margin of its general membership. It took this action over the recommendations of its leadership which suggested approval of the treaty.

Now, after nearly a quarter century of disapproval, the ABA general membership has approved U.S. ratification of the Genocide Convention. Since the feelings of the Senate toward ratification have closely paralleled the opinion of the American Bar Association, it would seem appropriate that the Senate should now take favorable action toward the ratification of the Genocide Convention. We have long relied on the objections of the ABA as justification of our position. It is now time to rely on their approval in the same manner.

Mr. President, I urge immediate action to ratify the United Nations Genocide Convention.

BALANCED VIEW ON MILK

Mr. DOLE. Mr. President, a few weeks ago Sylvia Porter in her nationally syndicated column presented a series of articles highly critical of dairy farmers and their cooperatives, and dairly legislation which Congress has enacted.

In order to present the views of the producers, the National Milk Producers Federation is conducting a symposium this week, on Tuesday and Wednesday, with such distinguished speakers as the chairman of the Senate Committee on Agriculture and Forestry, our distinguished colleague from Georgia, Senator TALMADGE, former Gov. Linwood Holton of Virginia, Congressman ROBERT KASTENMEIER, and former Secretary of Agriculture Orville Freeman.

I commend the National Milk Producers Federation for taking this positive step to present the views of the dairy industry.

The Senator from Kansas feels that give and take is good on any issue, including dairy legislation, and it will hopefully result in a better program for producers and consumers alike. But, as we look at the dairy situation, we need to carefully consider both sides of the issue. Those of us on the Senate Agriculture Committee are well aware of the extremely difficult economic conditions that have existed in the dairy industry for the past several years.

The view from the dairy industry is presented in a letter from the National Milk Producers Federation responding to Ms. Porter, and challenging the points which she raised. I ask unanimous consent that their letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL MILK PRODUCERS FEDERATION,
Washington, D.C., April 12, 1976.

DEAR MRS. PORTER: Your recent columns on milk marketing are rife with allegations based either upon total inaccuracy or upon half-truth. It is quite apparent that the facts as regards cooperatives and milk marketing have been grossly misrepresented to you.

In total, your columns alleged four basic misconstructions. First, that cooperatives operate in the markets under the protection of vast antitrust exemptions. Second, that dairy cooperatives have been responsible for gouging consumers through monopolistic practices. Third, that the price support program and federal marketing orders have cost consumers countless millions of dollars. And, fourth, that the Congress is a willing tool of dairy farmer cooperatives.

The first allegation is totally untrue. The Capper-Volstead Act exempts farmers from prosecution under the antitrust laws when they act together through a cooperative to market the produce of their farms. The cooperative itself enjoys no exemption. The Department of Justice and the courts know this. The Justice Department has never been reluctant to bring antitrust charges against cooperatives. Nor have the courts refused to hear them.

The second allegation indicates an ignorance of cooperatives and their operations. Cooperatives are operated by farmers at cost. Every cent above cost which they receive from the market it returned to farmers. If prices received by farmers for milk were overly-profitable, would farmers not have flooded the market with milk? In fact, farmers produced far less milk in 1975 than was demanded by consumers. The nation's milk inventory was deleted by over two billion pounds in that year.

The third allegation regarding government programs is equally faulty. The fact is that these programs have assured the American consumer of an abundant supply of food at an ever-decreasing absolute cost. Because of these programs, food, and particularly milk, is available to Americans in this decade for less minutes of work that it has ever been available here or in any other nation.

The final allegation regarding the Congress is indeed a horrible accusation against the elected representatives of all the American people. The fact is that Congress does not pass legislation for farmers, but rather acts to assure an adeqaute supply of food for all Americans to eat. In its wisdom, it has developed programs which over the decades have made this food available. Rather than attacking the Congress for having acted so wisely, all of us should join together to commend it for its farsightedness.

It is indeed a far-cry from journalistic integrity to allow yourself to be used by those who would employ sensationalism to the detriment of both farmers and consumers.

Sincerely,

PATRICK B. HEALY,
Secretary,
National Milk Producers Federation.

THE LATE C. HERBERT REES

Mr. KENNEDY. Mr. President, every day the dedicated work of thousands of Americans serving in the Agency for International Development give shape and purpose to our Nation's foreign assistance program—a program which not only helps to better the lives of millions of people abroad, but which also brings great credit to our country.

One such unsung hero was the late C. Herbert Rees, who served as Director of South Asian Affairs in the Asia Bureau of the Agency for International Development.

As chairman of the Subcommittee on Refugees, I came to know of Mr. Rees' special contributions during many hearings on the Bangladesh crisis in 1971, and the efforts of our country since then to help this new nation survive the multiple tragedies of civil strife, natural disasters, and the threat of famine. His testimony and work with the subcommittee over the years on the many humanitarian and developmental problems in South Asia, was greatly valued by all of us.

As an outstanding expert on development assistance, his long service in behalf of America's foreign assistance effort helped improve the lives of countless millions throughout South Asia.

Mr. President, in tribute to his service, and in offering condolence to his wife, Mrs. Jeanne Rees, and their four children, I would like to share with the Senate the text of a tribute published in

Front Lines. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ASIA EXPERT HERB REES DIES

C. Herbert Rees, an outstanding expert on development whose long service in the U.S. foreign assistance program helped better the lives of millions of South Asians, died March 24 in Suburban Hospital, Bethesda, Md. He was 56.

Mr. Rees, who was Director of South Asian Affairs in the Asia Bureau, had been hospitalized since February 18 when he was admitted for discomfort and pains in the chest following a serious bout with the flu. While being examined he suffered congestive heart failure but was revived by physicians. He still was in intensive care at the time of his death.

Mr. Rees' foreign aid career began in Washington when he joined the Economic Cooperation Administration as a placement officer in 1948. He was assigned to Pakistan as executive officer in 1955. He returned to Washington three years later to be Special Assistant in the Office of the Deputy Director for Program and Planning, and then executive officer in the Office of the Deputy Director for Management. In 1962 he again went to Pakistan, this time as Assistant Director for Development Planning. He assumed his latest position in 1964.

Mr. Rees was born May 5, 1919, in Brooklyn, N.Y. He graduated magna cum laude with a B.A. degree from Wesleyan University in Connecticut in 1940, having majored in government and history.

He then joined Federal service with the Federal Works Agency, where he was an intern and personnel assistant, and the Veterans Administration, where he served as a placement and recruitment officer.

From 1942 to 1946 he served in the U.S. Army Air Corps and received the Legion of Merit. Mr. Rees rose to the rank of Major.

Mr. Rees' contributions to AID and U.S. foreign assistance programs have been recognized on several occasions.

He received a Meritorious Service Citation in 1955 while serving with an AID predecessor, AID's Superior Honor Award in 1969 and in 1971, and the Distinguished Honor Award in 1972. In the latter he was cited for his "extraordinary achievements to the betterment of the quality of life for people in the developing world. By his enthusiastic leadership, his capacity as a planner and implementor and his unselfish and sustained dedication, he has contributed significantly to the goals of the aid program." In his position of Director for South Asian Affairs. Mr. Rees was responsible for monitoring U.S. aid efforts in the 1966–1967 famine in India; cyclone disaster relief in Pakistan, November 1970, and the 1971 civil disruptions in Pakistan.

In 1972 Mr. Rees was nominated for the President's Award for Distinguished Federal Civilian Service in recognition of his "distinguished contributions" to U.S. economic development programs in South Asia.

OFFICIAL PRAISE

Administrator Parker said Mr. Rees "embodied the finest qualities of the Agency. Compassionate, practical and completely sophisticated about the needs of the developing world, his life will be a continuing inspiration to all of us."

Deputy Administrator Murphy also had praise for Mr. Rees' career. "His invaluable contributions to the welfare of the disadvantaged peoples of the developing countries reflected a truly unique dedication and competence. He will be sorely missed here and abroad."

Mr. Rees' most recent supervisor, Assistant Administrator for Asia Arthur Z. Gardiner, called him "a pillar of competence, intelligence and common sense. His intimate knowledge of South Asia placed him in a special rank as a policy advisor within AID and State. As professionals and as friends, we grieve his loss."

Another supervisor, Assistant Administrator for Near East Robert H. Nooter, remembers Mr. Rees' "outstanding competence and ability in handling a large and complex program."

"However," he added, "I particularly admired and enjoyed Herb's quiet sense of humor and his ability to maintain his cool even when, in Kipling's phrase, all around him others were losing theirs. He was a master of bureaucrat in the best sense of that term—professional, reliable and expert at moving along the work in a manner which produced sound results."

Other friends and colleagues also praised him.

Three of them, William C. Ide, head of AID's Development Information Service; Alfred White, Deputy Assistant Administrator for Near East, and Edward M. Vinson, Special Assistant for Program Management in the East Asia Bureau, trace their friendship with Mr. Rees back to the early days of foreign aid.

DEDICATED SERVANT

"Herb was one of the most dedicated public servants I have known," Mr. Ide said. "He was tenacious and imaginative. He manipulated the bureaucracy to yield results. He really cared about the poor and underprivileged and because he cared, he touched the lives of millions of people in South Asia through the decisions and programs he pushed through.

"Herb had a very deep feeling and concern for the underprivileged people in the developing world," Mr. Ide said.

"It was this interest and his own personal recitude that led him to establish a tradition during his frequent overseas travels. He would leave behind, in a trust fund for local employes of the mission, the difference between his out-of-pocket expenditures and authorized per diem. He hoped other Americans would do likewise."

Mr. Ide said that in Nepal, where he was Mission Director, the fund started by Mr. Rees provided for the widow of a local employee killed in an accident.

BOUNDLESS ENERGY

"Few of us can accomplish as much as Herb did in one life," Mr. White said. "His boundless energy, his ability to do so many things well, seemed to make all things possible."

Mr. Vinson was a fellow intern with Mr. Rees at the National Institute of Public Affairs from 1940 to 1941. "Herb always had a delightful sense of humor and freshness of approach which added welcome and new dimensions in dealing with problems and issues," Mr. Vinson said.

"Herb was a great student, a keen observer and a very skillful advocate in moving the development process ahead. His knowledge and cumulative wisdom in his area of operations were phenomenal.

"Fortunately, there are a great many graduates of the 'Herb Rees School' who will continue the work he so deeply believed in."

Mr. Rees' death also saddened the international community.

Sri Lanka Ambassador Neville Kanakaratne said:

"I have personally known Mr. Rees for the last seven years, even before my assumption of duties as Sri Lanka's Ambassador in Washington. Throughout the years I cultivated a healthy respect for his professional competence and built up a warm, personal friendship with him. I consider it a privilege to have known him."

Economic Minister at the India Embassy G. V. Ramakrishna said, "I had the pleasure and privilege of knowing Mr. Rees for nearly 10 years, and a number of my colleagues in India have known him even longer, as a staunch friend and supporter of India and her development programs. He was held in high esteem for his devotion to duty and dedication to the cause of development in various parts of the world, including India."

PAKISTANI FRIENDS

At the Pakistan Embassy in Washington, Economic Minister Abdul Majid Multi said, "Mr. Rees had been closely associated with me in his capacity as Director of South Asian Affairs. Even before his present capacity he had served with distinction at the AID Mission in Pakistan for a number of years. He had developed an intimate knowledge of the conditions and personalities with whom he came into contact. He had many Pakistanis among his friends and admirers. He had more than a smattering of our language and his easy manner endeared him to many of the Pakistanis who worked with him. He went out of his way to cultivate some of us and a professional relationship soon got transformed into a personal friendship based on profound understanding and mutual respect. He exuded a warmth which people could not possibly fail to respond to or reciprocate. In his tragic demise I have lost a personal friend and Pakistan a great American well-wisher."

Mr. Rees is survived by his wife, Jeanne F., and four children, Martha W., Susan E., John H. and David C. Letters of condolence to the family may be sent to 230 Beulah Road NE, Vienna, Va. 22180. The family requests that expressions of sympathy be sent to CARE for Bangladesh Program or UNICEF.

A memorial service for Mr. Rees was held March 30 at St. John's Episcopal Church in Washington, D.C.

LIONS CLUB WEEK IN FAIRFAX, VA.

Mr. **WILLIAM L. SCOTT.** Mr. President, the Fairfax Virginia Host Lions Club, of which I am a member, is observing its 25th anniversary this month and the mayor of the city of Fairfax has issued a proclamation proclaiming the week of April 19 through 24 as Lions Club Week in our city. I ask unanimous consent that this proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

Whereas, On April 24, 1976 the Fairfax Host Lions Club will celebrate twenty-five years of community service to the citizens and organizations of Fairfax, Virginia; and

Whereas, the Fairfax Host Lions have given unselfishly of their time and skills to answer requests affecting the welfare of our community; and

Whereas, these Lions have helped mankind in Fairfax through assistance to the needy, furnishing eye glasses and exams, providing raincoats to safety patrols, purchasing equipment for Little Leagues, Boy Scouts, schools and hospitals; and, contributing to all programs dealing with the blind and deaf as well as meeting the concerns of the young, the aged and the disadvantaged in our City.

Now, therefore, I, Nathaniel F. Young, Mayor of the City of Fairfax, Virginia do hereby proclaim the week of April 19–24, 1976 as Lions Club Week, in the City of Fairfax and encourage all residents of the city to join in paying honor and support to the Lions for their many activities in benefiting humanity in our City.

Mr. WILLIAM L. SCOTT. Certainly, Lions throughout the country attempt to improve their communities in numerous ways although special emphasis is placed upon sight conservation and we in Virginia are rather proud of the Old Dominion Eye Bank which, with the assistance of dedicated physicians, enables blind people to see once again. I certainly hope that my own club can continue serving our area and add my congratulations to the club for the fine work they have done over the years.

INCREASED MILITARY SPENDING CRITICIZED BY COALITION ON NATIONAL PRIORITIES

Mr. PROXMIRE. Mr. President, the Coalition on National Priorities and Military Policy recently sent to Members of Congress a very concise examination of the fiscal year 1977 military budget. The coalition has concluded that the proposed $16 billion increase in the budget is totally unnecessary.

The coalition's 19 affiliates, including the American Baptist Churches in the U.S.A.—Washington office, the United Church of Christ, Center for Social Action, and the United Presbyterian Church in the U.S.A., Washington office—point out that U.S. military spending "does not make our Nation secure * * *" but actually "deprives our domestic economy of needed funds, and weakens the long-term security of our country."

In the interest of an informed debate by all sectors of our society, I ask unanimous consent that the coalition's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MARCH 31, 1976.

DEAR MEMBER OF CONGRESS: The affiliate organizations of this Coalition believe it is contrary to the best interests of our country to increase the FY 1977 military budget $16 billion over last year's record military expenditure.

It is our understanding that the Congress is becoming increasingly convinced that Soviet military spending is outstripping our own and we are therefore in danger of becoming "second best" in the superpower arms race. We think the facts do not support this belief. Some of your Congressional colleagues have pointed out that the C.I.A. admits that methods it uses to compare the Soviet military budget tend to overstate the size of the program. For example, it is grossly misleading to calculate the cost of the total manpower in the Soviet military establishment on the basis of current U.S. pay scales because no Russian private receives $6,000 per annum as does his American counterpart, yet that is the method used by the C.I.A. in reaching its conclusions on Soviet military spending. Nor is it accurate to suddenly postulate a dangerously changed military balance in Europe because of a Soviet conventional force preponderance that has existed since at least 1947.

President Ford said recently that the United States has more missile warheads, more bombers and more naval tonnage than the Soviet Union. How then can anyone seriously consider that we are militarily inferior to the Soviet Union?

But why must we equate the success of our foreign policy with being "Number One" in military spending? Being first in military spending and overseas troops and bases may be a way to bolster the national ego. Yet it does not make our nation secure in a world where nuclear weapons are spreading to other countries, where the superpowers may have a combined nuclear arsenal of 26,000 H-bombs by 1985 under the terms of the Vladivostok accord, and where the population is expected to reach 5 billion by 1985. On the contrary, it represents an overextension of American power which deprives our domestic economy of needed funds, and weakens the long-term security of our country.

Military expenditures could be reduced or held stable, if a more relevant and realistic foreign policy were adopted. A foreign policy which had as its principal objectives working to solve the interdependent world problems of food, fuel, population pressures, etc., could provide more real security for the future and permit a scaling down of the current worldwide U.S. military roles and missions that drive up military spending.

We, the undersigned affiliates of the Coalition on National Priorities and Military Policy, oppose further increases in military spending and urge you to examine alternative foreign and military policies which establish new U.S. initiatives for the future rather than reaction to the Soviet Union and continuation of the arms race of the past.

Signed:

American Baptist Churches in the U.S.A., Washington Office.

American Friends Service Committee.

Americans for Democratic Action.

Business Executives Move for New National Priorities.

Church of the Brethren, World Ministries Commission.

Disciples of Christ, Department of Church in Society.

Friends Committee on National Legislation.

Mennonite Central Committee, Peace Section.

National Council of Churches, Division of Social Ministries.

The Network.

SANE.

Unitarian Universalist Association.

United Church of Christ, Center for Social Action.

United Church of Christ, Board of Homeland Ministries.

United Methodist Church, Board of Church and Society.

United Methodist Church, Board of Global Ministries, Women's Division.

United Presbyterian Church in the U.S.A., Washington Office.

Women's International League for Peace and Freedom—U.S. Section.

Women Strike for Peace.

CAMBODIA: RAMPANT TERROR

Mr. GRIFFIN. Mr. President, on April 7 I called attention to two articles which appeared recently in the French newspaper, Le Monde, telling a tragic story of terror and repression in Cambodia.

I ask unanimous consent that another article entitled "Cambodia, The Khmer Rouge: Rampant Terror," which appeared in the April 19, 1976 issue of Time be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE KHMER ROUGE: RAMPANT TERROR

"When they no longer need me, they will spit me out like a cherry pit," Prince Norodom Sihanouk once said about Cambodia's new Khmer Rouge rulers. Last week the prince's pithy prediction came true. In a radio broadcast, Vice Premier Khieu Samphan, the iron-fisted guerrilla who has ruled the country since the Communist takeover a year ago, announced that Sihanouk had resigned as chief of state, even though he had been reconfirmed in that post by the National Assembly on March 20. Samphan said that the prince, heir to a long line of Khmer royalty and virtually a demigod to Cambodians during his 30-year reign, would receive a pension of $8,000 a year, and that a statue would be erected in his honor—presumably to placate those Cambodians with lingering loyalties toward the former monarch.

Whether or not the resignation was voluntary—and there were widespread doubts that it was—Sihanouk seemed to accept his fate. Shortly after Samphan's broadcast, the prince declared: "I request the representatives of the people to allow me to retire, while remaining to the end of my life an ardent supporter of the Khmer revolution, the democratic people and the government." There were subsequent but unverified reports that Sihanouk had left the country for China.

FREQUENTLY WEPT

Forced into exile in Peking by the U.S.-backed Lon Nol regime that ousted him in 1970, Sihanouk had backed the Communist Khmer rebels. But since their capture of Phnom-Penh, the prince has reportedly been unhappy about the new regime's ruthless campaign of intimidation and reprisals against everyone with any connection to Cambodia's past. On a world tour last year, friends say, Sihanouk frequently wept over the course of events.

There is now little doubt that the Cambodian government is one of the most brutal, backward and xenophobic regimes in the world. Cambodians themselves refer to the Khmer Rouge simply as "the Organization." Refugees who have managed to flee to Thailand—often after days and weeks of walking through thick forests and jungles along the border—describe the revolution as a chilling form of mindless terror. In sharp contrast to Laos and Viet Nam, where party cadres have subtly tried to win popular support for social change, there are no revolutionary songs, slogans, poetry, party newspapers or "re-education" centers to explain the purpose and ideology of the revolution. Instead, refugees told Time Correspondents William McWhirter and David Aikman there has been a grim, silent round of purges, mass evacuation, forced labor and willful assassinations that have swept up the innocent along with the guilty.

Since the Communist victory last year, an estimated 500,000 to 600,000 people—one-tenth of Cambodia's population—have died from political reprisals, disease or starvation. After the Khmer Rouge takeover, the authorities ordered a shocking forced march of 25,000 patients from their Phnom-Penh hospital beds to work in the countryside. They set the pattern. The populations of every city have been evacuated—young, old, sick, well—and forced, at rifle point, to work in the rice fields. All shops, schools and hospitals have been closed. Phnom-Penh has shrunk from a war-swollen population of 2.5 million to an empty and lifeless shell of 45,000.

BURIED ALIVE

Cambodia's new rulers have systematically killed former civil servants and soldiers in the Lon Nol army. In a typical incident in the provincial capital of Battambong last year, hundreds of former officers were assembled in a school building on the pretext that they were to greet Prince Sihanouk. There, they were bound hand and foot, loaded onto trucks, and machine-gunned on the outskirts of the city. In recent months the pogrom has been extended to include anyone with an education, such as schoolteachers and students. Whole families—and sometimes entire villages—have been massacred.

To escape the bloodbath, at least 20,000 Cambodians have fled across the border into Thailand. They tell tales of people being clubbed to death "to save ammunition." Others have been bound together and buried alive by bulldozers, or suffocated by having plastic bags tied over their heads. Says one former military policeman who escaped to Thailand: "If some worker made a mistake or criticized a project, he was taken away and we never saw him again. They were sometimes flogged to death, other times shot at night. The bodies were left unburied." Perhaps the most terrifying aspect of the Khmer Rouge regime is that, as one refugee describes it, "we never knew their intentions. They didn't know how to read or write. All they had learned was revolutionary philosophy. Between Cambodians we once thought we could talk and understand each other well. It was just a dream."

The savagery of the Cambodian revolution, in contrast to neighboring Laos and Viet Nam, caught political analysts by surprise. They note, however, that there has always been an element of brutality beneath the placid Khmer personality; for that reason the French army in Indochina preferred Cambodian troops to Laotian or Vietnamese soldiers. Another explanation of the brutality is that the Khmer Rouge feared they could not control Cambodia's swollen cities or its educated and political elite.

After a visit to Phnom-Penh last month, Swedish Ambassador to Peking Kaj Bjork—the only Western diplomat permitted inside Cambodia—characterized its revolution as more radical than China's. "The new leaders," he said "speak neither of socialism nor of Communism but of new collective ideas. They are taking pains to wipe out everything that reminds them of the old society." A Cambodian specialist was more blunt: "There have always been retributions, but I can only call this genocide." Adds a refugee: "In Cambodia today, death is preferable to life."

ENERGY POLICIES

Mr. BARTLETT. Mr. President, a friend of mine living in Great Britain recently sent me an article from the Petroleum Economist entitled "Hostages to Fortune." It comments on our deteriorating national energy problems and points out some of the many contradictions in recently enacted legislation. Because the Petroleum Economist is published in England, it presents an outsider's viewpoint on our policies, a viewpoint which I believe should be weighed seriously by the insiders—particularly my colleagues in the Congress. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOSTAGES TO FORTUNE

(NOTE.—Mr. Richard Nixon's bright vision of energy independence by 1980 has faded from the American mind. The reality now to be faced is that, in the absence of a revolutionary change of heart, the USA must rely increasingly on imported energy supplies. More specifically, it must accept a growing dependence on OPEC oil. How does it come about that a nation with such prodigious resources of coal, oil, natural gas, oil shales, tar sands, water power and nuclear knowhow is content to accept a relatively high degree of dependence on outside supplies?)

The present policy—if it can be dignified by such a title—is the reverse of that pursued in the 'fifties and 'sixties. The view then taken was that national security demanded continuing restrictions on oil imports and acceptance of an oil price level higher than that prevailing in the outside world, so as to stimulate domestic production. And that was at a time when superabundant supplies made oil a buyers' market.

The change of attitude that has taken place despite OPEC's convincing demonstration that oil is now a sellers' market is attributable to a number of factors. They include a mood of complacency induced by the speedy return of the international oil business to an appearance of normality after the Arab oil embargo; apparent reluctance to follow the lead of a far-from-popular President; the unwillingness of politically conscious Congressmen to court unpopularity by sanctioning a rise in oil prices; the successful blocking tactics of the environmentalists; and perhaps the sheer affluence of the USA which allows it to shrug off the financial burden of growing energy imports. Whatever the reasons, the American people may come to regret the decisions that have been made on their behalf.

It was at the end of 1973, after the Arabs had shocked the American public by causing shortages of gasoline and other products, that President Nixon announced his aim of energy independence by 1980. He called for a programme that would reduce the growth rate of energy consumption and stimulate more rapid development of domestic resources. He demanded in particular a more vigorous search for oil and gas and a bigger reliance on coal, nuclear power, oil shales and the newer forms of energy.

The attempt to translate this vision into a practical programme of action occupied the Administration for much of 1974, during which time scepticism about the objectives mounted and President Nixon departed from the political scene. His successor, however, in his State of the Union message at the beginning of last year, announced specific proposals to achieve the same end, including measures to conserve energy, stimulated production, provide strategic reserves of oil and set up machinery to deal with any future energy emergency. Basic to his thinking was the conviction (self-evident to most economists) that greater independence could not be achieved if oil prices continued to be held down by official controls at a level far below that of the world market. He could not himself remove the controls, but in February he took the initiative in imposing an additional $1 a barrel duty (described as a "supplemental fee") on imported crude oil—later raised to $2 a barrel.

The President unhappily faced a hostile Congress. Since all price increases are unpopular, the elected representatives of the people were unwilling to incur the odium of freeing oil from price control, especially in view of the current unpopularity of the oil companies who were being made scapegoats for the failures of government policy. After a long wrangle. Congress eventually (in early December) passed the Energy Policy and Conservation Act which Mr. Frank Zarb, head of the Federal Energy Administration, reckoned was the best that could be secured from Congress on the eve of an election year. Against the advice of much of the business community—not to mention the oil companies—Mr. Ford signed this long and complex Act on the eve of the Christmas holiday.

PROVISIONS OF THE ACT

This measure goes some way towards providing the powers requested by the President, though the effectivenes of some of its provisions is difficult to gauge at this stage. At least it provides for building up a strategic oil reserve of up to one billion (thousand million) barrels in seven years. It authorizes the President to prepare comprehensive plans for dealing with any future oil emergency, to set energy conservation targets for the 10 most important energy consuming industries, and to fix energy efficiency targets for each category of appliance. It authorizes US participation in emergency oil sharing arrangements through the International Energy Agency. It provides financial guarantees for companies opening up new coal mines, and grants to assist the individual States in the development of their own energy conservation programmes. It imposes on the automobile industry the fuel efficiency standards for 1980 previously agreed on a voluntary basis, and lays down rather more stringent standards for 1985.

What the Act emphatically does not do is to accept the President's call for the elimination of crude oil price controls, though it does envisage the dismantling of some of the existing price and allocation machinery affecting wholesalers and retailers. The Act extends crude oil price controls for over three years (40 months), with no guarantee that the market will then be freed. As from 1st February, indeed, it decrees an actual reduction in prices, which is estimated to cost the oil industry about $3 billion this year.

Hitherto, the price of "old crude"—output related to the 1972 level of production—had been fixed at $5.25 a barrel. "New crude", which now makes up about two-fifths of domestic production, was uncontrolled and was selling at prices up to $14/barrel; the overall average price of domestic crude was thus reckoned to be $8.75/barrel. Under the new Act, the weighted average price of old and new crude together is set at $7.66/barrel. On the assumption that old crude is unchanged in price, this would imply an average price of about $11.28 for new crude—a reduction of the order of $2 a barrel. This reduction, plus the removal of the supplementary import duty of $2 a barrel on foreign crude, will lower refiners' costs over the industry as a whole by something like $1.30 a barrel, making possible a politically welcome reduction in product prices.

Congress did not, of course, decree that the new prices should remain unchanged for the next three years. The Act gives the President the power to increase the composite price monthly if necessary to offset the effects of inflation and also to give a modest "production incentive" (not more than 3 per cent a year), provided, however, that the total increase does not exceed 10 per cent a year. In addition, each 90 days the President may propose an uprating of the production incentive and of the overall 10 per cent annual limit—but the proposal may be vetoed by either House of Congress on a simple majority vote. After April 1977, the President may propose that Alaskan oil should be excluded from the composite price calculation, but this too can be vetoed by either House.

A LOW-PRICE AREA

The Energy Policy and Conservation Act thus introduces a large element of uncertainty into the oil scene, especially in regard to prices. Energy chief Frank Zarb said that the Administration's objective during the next 40 months would be to raise the domestic price of crude oil to somewhere near import parity. But no one can be sure whether this objective is attainable. In the meantime, the USA will remain a relatively low-cost area in a world of high-priced oil.

To any consumer the most powerful incentive to economise is a rising price. This month's reduction in oil prices must encourage the feeling that the call for economy need not be taken too seriousy. Last autumn's forecasts of 1976 domestic oil consumption envisaged a rise of 4 to 4½ per cent, to a total of around 17.2 million barrels a day. The price reductions are now expected to boost that figure by 100,000 to 20,000 b/d. As economic recovery gathers momentum, the curve of demand for petroleum products will continue its upward trend.

Crude oil production, on the other hand, has been declining since the 1970 peak of 11,312,000 b/d. It was down to 10,453,000 b/d in 1974 and to under 10 million last year. The downtrend is expected to continue until Alaskan oil starts to flow late next year at an initial rate of about 1.2 million b/d, increasing perhaps to about 2 million b/d by 1980. The important North Slope deposits, with proved reserves generally estimated at around 9.6 billion barrels, were located as long ago as 1968, but have not so far made any contribution to the supply position because of the successful opposition of the environmentalists.

The downtrend in crude oil production is attributable to the steady decline in proved reserves, now estimated by the API at some 34 billion barrels. This does not mean that there are no more oilfields awaiting discovery. On the contrary, the US Geological Survey reckons, despite a drastic scaling down of its earlier estimates, that there are still a probable 50 to 127 billion barrels of oil to be located. (Exxon reckons that one-half of the country's crude oil production in 1990 will have to come from reserves not yet discovered, mainly in Alaska and offshore.) The snag is that the bulk of these undiscovered resources lie on the continental shelf or in inaccessible inland areas where exploration and development costs are very high. And the incentive to embark on the costly and arduous search has been greatly weakened by high taxation, price controls, and the general attitude of hostility and uncertainy that has lately surrounded the industry. Evidence of this disincentive was forthcoming in December when the Administration, having screwed up its courage to auction 1.3 million acres of federally-owned territory offshore California, received offers for only about one-third of the territory. As President Ford is well aware, an essential requirement of a more active exploration programme is a higher level of crude oil prices.

DISINCENTIVES TO DEVELOPMENT

The same disincentives tend to hamper the exploitation of the country's vast oil-shale resources. It was in January 1974 that the government offered the first of six tracts of federal shale-bearing land in three states, with the object of establishing whether the estimated 600-billion-barrel reserve of oil could be economically developed. One interested company was Occidental, which had developed its own *in situ* technique of extracting oil from the rock. That company announced at end-1975 that it intended increasing its investment in its shale-oil project despite recent Congressional action in preventing the grant of government-guaranteed loans to pioneer producers of synthetic fuels.

At about the same time, however, Atlantic Richfield announced that it was relinquishing its quarter share in an oil-shale tract in Colorado that had been acquired in the 1974 auctions for the sum of $117.8 million. The company's spokesman reckoned that "oil shale development in the near future appears economically impossible owing to continued inflation of production costs and government actions that discourage shale development". Another partner in the same venture, The Oil Shale Corporation (Tosco), which has done pioneer work in this field, also announced its intention of pulling out. The remaining two partners, Shell and Ashland, have said that they will carry on the experimental work for the time being at a reduced rate, though Shell has complained about the disincentive effect of price controls and the cutting of the depletion allowance.

INTERNATIONAL RAMIFICATIONS

With the curve of demand rising and the curve of supply falling, the inevitable consequence is increasing dependence on oil imports, which now cover 37 per cent of the country's requirements. Imports have risen from 3.5 million b/d in 1971 to over 6 million last year. A recently published Library of Congress study foresees a further rise to 9 million b/d in 1977 and to 10 million by 1980, while a recent paper by Mr. John H. Lichtblau, executive director of PIRINC, envisages an import requirement of up to 12 million b/d in 1985.

Since Canada is scaling down its exports, with the intention of eliminating them altogether in 1981, and since Venezuelan supplies are also declining, U.S. dependence on Middle East (mostly Arab) supplies will be all the greater. The implications of these trends from the standpoint of national security are troubling the minds of many thoughtful people in the USA today.

America's increasing reliance on imported oil is also a cause of concern to the rest of the importing nations, most of whom have only meagre oil resources of their own. Because U.S. refiners can cover nearly two-thirds of their throughput requirements from relatively low-cost domestic production, they can afford to bid up the price of the imported supplies needed to make up the balance. This plays straight into the hands of OPEC, tempting the cartel to engineer a further increase in the general price level. It would have been much better for the free world as a whole if Congress had accepted Mr. Ford's contention that U.S. oil prices should be allowed to rise to something like the world market level.

THE VICE PRESIDENT: AMBASSADOR OF GOOD WILL

Mr. HUGH SCOTT. Mr. President, as I have previously noted, our esteemed Vice President has recently returned from his third foreign mission since he became Vice President of the United States.

The Vice President in his missions abroad is a uniquely impressive ambassador of good will wherever he visits, the benefit to the United States can be seen in the remarkably favorable reception he receives.

I commend to the attention of my colleagues the remarks of two Prime Ministers at dinners given in honor of Vice President Rockefeller, and I ask unanimous consent that they be printed in the Record.

There being no objection, the addresses were ordered to be printed in the Record, as follows:

Text of the Speech Given by Malaysian Prime Minister Hussein Onn at the State Dinner in Honor of Vice President Rockefeller

Mr. Vice President, Mrs. Rockefeller, Excellencies, ladies and gentlemen,

It is a happy privilege for me this evening to extend on behalf of the Government and people of Malaysia a very warm welcome to you, Mr. Vice President, and to your gracious lady, Mrs. Rockefeller, as well as to the other members of your party. Your distinguished record in American public life, Mr. Vice President, is further enhanced by the remarkable services you have given to the international community. But, most of all, I am happy to welcome you not just as an eminent representative of the United States or as a leading citizen of the world, but in your own person. The warmth and directness of your personality and the attentive understanding which you have shown towards our problems and our concerns have made a distinctive impact on all of us who have had the good fortune to meet you.

Mr. Vice President, you have come at a historic moment in Southeast Asia which is pregnant with many possibilities. In such a situation we must dare to hope and dare to act. A people without historic vision is a poor thing, but vision, unless built on realities, invites danger and is doomed to fail. We must respond to the realities of today—that is certain. But we must also shape them to realize our vision of tomorrow.

This is the path, often delicate and difficult, which Malaysia has chosen and we will not be deterred. Our policy Asean, our attempts to encourage Southeast Asian regionalism or at least to break down the barriers of past prejudices and misconceptions, our commitment to a zonal neutrality system, our determined pursuit of social justice and economic development in our own society—all these we will steadfastly pursue.

And all these are predicated on our will to fight in the defense of our country and our liberty. We accept that the world is a complex place and our responses therefore have to be sophisticated and multi-faceted. But we cannot afford to gamble with the security of our people and we do not intend to. Where there is no hope, there can be no endeavor. Our people know the total commitment of my government to the creation of a peaceful, just and prosperous Malaysia. It is a continuing task and we do not doubt our success.

Mr. Vice President, the earlier visit made by President Ford and your own current visit to this region demonstrate the continuing interest of the United States in southeast Asia. We welcome this. In his important speech in Honolulu in December 1975, President Ford spoke of the principle that peace in Asia required a structure of economic cooperation reflecting the aspirations of all the peoples in the broader Asian-Pacific region. This statement contains crucial elements of our own perspective of the role that the United States can play in the region. We believe that there are significant opportunities for the United States to construct a new pattern of cooperation based on interdependence. The lessons of the past are there for all who wish to see. A policy of judicious diplomatic support, a generous approach on financial, economic and trade matters, the encouragement of appropriate private investment—these contain the best assurance of a productive and lasting relationship between the United States and southeast Asia, precisely because the benefits are mutual, and they permeate to all strata of society.

Mr. Vice President, the long-standing relations between our two countries based on the concept of partnership have been good, constructive and fruitful. This happy state of affairs has been made possible despite the obvious differences in resources and interests between our two countries, because we share not only common political and economic philosophies, but also an outlook of moderation and responsibility. I should be less than frank however, if I do not express my conviction that the level of our relations can be intensified. The pre-occupations of the United States in recent years in the Indochina conflict have tended to obscure the possibilities of constructive cooperation with other countries, such as Malaysia. I believe a fresh opportunity presents itself today. Certainly, Malaysia has always made it clear that in acquiring new friends we shall not neglect old ones; nor also do we wish to be drawn into the disputes and quarrels of others. I am hopeful, Mr. Vice President, that in that spirit, your brief visit here has made a significant contribution to the development of relations between our two countries.

Let us build on the foundation of mutual understanding and mutual interest which your visit has helped to enhance.

Finally, Mr. Vice President, let me wish you and your gracious lady a pleasant and fruitful onward journey. Your stay with us has been all too brief but I hope you have captured something of the tempo and flavor of Malaysian life and that you will take back some pleasant memories with you.

Ladies and Gentlemen, I now invite you all to join me in toast to the health, well-being and happiness of the Vice President of the United States and Mrs. Nelson A. Rockefeller. Thank you.

Text of Prime Minister Lee's Speech/Toast at March 28 State Banquet in Honor of Vice President Rockefeller

Mr. Vice President, it is my pleasure and privilege to welcome you, Mrs. Rockefeller, Miss Malinda Murphy, and members of your party to Singapore. I hope I can, in small measure, return the warm reception and hospitality I received each time we met, from the first time nearly a decade ago at Albany when you were Governor of New York, and the last time last May at your Vice Presidential office in Washington.

At an exciting time in the United States with State primaries, week after week, this journey will offer you respite from the day-to-day alarums of the hustings. Perhaps you have found out how perplexing it is for Asians to understand the United States, a country whose President and Congress are, in election year, concentrating, perhaps more than usual, on issues which divide Americans to win votes away from other candidates, especially from candidates of the same party.

One major preoccupation of governments in Southeast Asia is the kind of relationship they should and can establish with the major powers. All are aware that a new balance of power is emerging in the world with immense significance for the region. Some are uncertain whether in the intermediate and longer term, it will be a balance between two or three powers in Southeast Asia.

We know that the Soviet Union, a super power, formerly excluded from the region, has made its presence felt. We also know that China has become a major factor. She is a part of Asia, with abiding interests in this region.

Southeast Asians have always assumed that the United States will continue to be a force in Asia. I hope it will not be long before Americans see Southeast Asia, not in terms of their memories of Vietnam, but in terms of the promise of a more positive and productive contribution to the economic and social development of the non-Communist countries of Southeast Asia. In our discussions this afternoon, I was struck by the vitality and clarity of your exposition of the stand of the United States towards Asia, and the Pacific and Indian Oceans, and of the major issues of our contemporary world. You left me the impression that there were grounds for optimism, that Americans are an indomitable and resilient people, and will rise afresh to the new challenges in this increasingly interdependent world.

The five countries of Asean are all geared to economies of the west. We are now embarked on our first major co-operative effort. We have also taken to heart the lesson of Vietnam, that Communist subversion and insurrection cannot be defeated by force of arms alone. Force is necessary to counter guerrillas using force. But what is also needed is fairly rapid economic development and a much fairer distribution of the wealth development generates. This will melt the disaffection and discontent on which Communists depend for enrolling recruits for violent revolution.

The recent meeting of Asean heads of government in Bali ended with a call to all developed countries to help Asean countries to help themselves in their plans for economic and social development. There is urgency in our fight against poverty, compounded by unjust distribution of wealth.

For this task, the United States is well equipped to help. You have the financial and industrial resources. You have the vast markets to stimulate the growth of our developing economies. Of course, the Asean countries must also accept the self-discipline and sustained effort that modernization demands in the process of economic and social development.

Southeast Asia need not be an area of new conflicts or new problems for the United States or Japan or Australia. We want to be free to choose our form of government, our way of life and our partners in technological progress. The more the external pressures a country is under, the more the consideration it should receive from the United States and her allies in the Pacific and in Europe in opportunities to expand its trade and to attract investments. This is the most significant contribution the United States can make to her friends in Southeast Asia.

When the Presidential elections are over, I am sure your wisdom and counsel, the result of long years of public office spread over a wide spectrum of responsibilities and interests, will carry great weight by those who have to make the big decisions to achieve a durable balance of power and peace in the Atlantic and Europe, in the Mediterranean and the Middle East, and last, but not least, in the Pacific and Indian Oceans.

Now I ask you to rise and drink to the health of the Vice President of the United States and his wife, Mrs. Rockefeller.

SCIENCE AND THE FUTURE

Mr. MONDALE. Mr. President, the importance of science to the future of America cannot be overemphasized. It is central to the strength of our economy, the solution of our social problems, the quality of our environment, and the maintenance of national security. As a member of the Subcommittee on the National Science Foundation, I have long been concerned with building the Nation's strength in science and engineering. Toward this end, I cosponsored the bill establishing a White House Office of Science and Technology Policy, which will soon be on the President's desk for signature.

In a major address to the centennial meeting of the American Chemical Society in New York City on April 6, the Senator from Massachusetts (Mr. Kennedy) discussed this legislation, as well as the broad science policy needs of the Nation. The speech focused on the role of science in shaping the kind of future we want.

I believe this speech should be of interest to the Senate, and ask unanimous consent that its text be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Science and the Future

(Address of Senator Edward M. Kennedy to the Centennial Meeting of the American Chemical Society in New York City, April 6, 1976.)

I am deeply honored to have this chance to speak at the Centennial Meeting of The American Chemical Society, which was founded 100 years ago tonight by a Committee vote of 32 to 3. This is the kind of majority we in Congress appreciate.

With 110,000 members, The American Chemical Society has become the world's largest scientific association devoted to a single discipline. This is only fitting since chemistry is as central to scientific progress as it is to economic development and the quality of our lives.

I don't have to remind this audience of the impact of chemistry on the basic necessities of food, clothing, and shelter. Fertilizers, preservatives, synthetics, detergents, paint, and insulation are a few examples of the many items dependent on chemistry.

Similarly, chemistry is essential to energy, pharmaceuticals, transportation, pollution control—and indeed to all segments of the economy. This is underscored by the fact that more than half the research directors of all American firms are chemists.

And the chemical industry is also the largest single contributor to America's favorable balance of trade. Thus, it is fitting that we have here tonight representatives of dozens of foreign scientific societies. For chemistry, like all of science, is international in scope and can only flourish when scientists can travel freely among all nations, and openly exchange their ideas.

Chemistry—like all science—has made enormous strides over the past hundred years. Yet today at the peak of its accomplishments—when the need is greater than ever—science is under siege on all fronts.

Critics on the right attack its free spirit of inquiry and funding for projects they cannot fathom. Critics on the left blame science for the excesses of urban, industrial life—for pollution, congestion, and cancer.

They forget that science is the pursuit of truth; that its impact on human values depends on the way it is applied by decision makers; that we can bring the public into those decisions to make them meet human needs.

Similarly, the critics on the right forget that—in the words of Vannevar Bush—"Science is an endless frontier." And while we can never be certain where the frontier advance will lead, we know that basic research today is the only sure road to the solution of problems we will encounter in the future.

Along with these attacks, science has been subject to internal stresses. From 1968 to 1974—at a time of maximum need—federal funds for R&D did not show any increase in constant dollars. The fraction of the GNP going to R&D declined steadily from 3% in 1964 to 2.3% in 1974. This represents about $10 billion less for R&D today than would have been the case if the percentage had held steady. At the same time, the total number of scientists and engineers in R&D declined from a high of 558,000 in 1969 to 528,000 in 1974. And federal expenditures for R&D facilities dropped 77% from 1965 to 1974.

The universities suffered even more than the rest of the R&D enterprise, with federal funds for institutional support declining sharply over the past seven years, and funds for basic research in universities declining from 1968 to 1974 in constant dollars in almost all fields.

This has led to shrinking opportunities for young scientists, as is brought home by the fact that fewer than half the students receiving B.A. degrees in chemistry today are able to continue careers in that field.

At the same time, the international preeminence of U.S. science is on the decline. Over the last decade when U.S. expenditures for R&D were falling as a percentage of the GNP, they were increasing in the Soviet Union, West Germany, and Japan. In 1973, the figure was 3.1% for Russia versus 2.4% for the U.S.

Similarly, scientists and engineers per 10,000 population declined in the U.S. after 1969, while they increased in Russia, Germany, and Japan; with 37 for Russia compared to 25 for the U.S. in 1973. Also, the U.S. patent balance declined 30% from 1966 to 1973. And the percentage of innovations originating in the U.S. declined from a high of 80% in the late 1950's to some 55 to 60% after the mid-1960's.

This situation cannot be tolerated. We must reverse these trends. For science is the mainstay of National strength. This is true for National security. It's true for economic development. And, it's true for social and human needs.

America must regain and keep its preeminence in science. This must be a paramount National goal.

To achieve this goal, we must establish a framework for National science policy and priorities.

First, we have to recognize science as a National resource—of knowledge, people and facilities—that must be continually replenished and used to the fullest.

Second, we must guarantee continuity of funding in federal R&D. Science is not a spigot that can be turned on and off at will. Scientists cannot be stored on a shelf and dusted off whenever they are needed.

R&D is a long-term enterprise which demands long-term planning, long-term commitment and long-term funding. If we accept that, the National investment in R&D will yield benefits that far outweigh the costs.

Third, we must reexamine and reshape the nation's legal, fiscal and regulatory structure—so that it fosters technical innovation in industry. Only through technical innovation can we raise productivity, and create the products, services and jobs that our people demand.

Fourth, we must encourage widespread public understanding and support of science. This may be the most difficult challenge science faces. To meet it, we must foster wider public participation in policy making and increased civic responsibility by scientists.

To achieve these goals we need a partnership between science and society, between basic and applied science, and between industry, the universities and government.

In government, I have been working toward these goals for the past eight years in the Senate, as Chairman of the Committees on Science, Health, and Energy, and as First Chairman of the Governing Board of the Congressional Office of Technology Assessment (OTA).

Thus, in the recent authorization bill for the National Science Foundation, we proposed a $50 million increase over the amount cut by the Office of Management and Budget. This would give NSF $851 million for the next fiscal year, which include a 20% increase in basic research support.

The bill also establishes a "Continuing Education in Science" program. This provides $3.5 million for Fellowships to experienced scientists to bring them up-to-date in their fields, or to broaden their skills in interdisciplinary areas.

Further, the bill extends the membership of the National Science Board to include greater industry participation, and establishes an office of small business R&D to assure that 10% of the RANN program funds are allocated to small R&D firms.

Since 1970 I have also been working for legislation to establish National Science Policy and Priorities. The Senate passed these bills in three successive congresses. In the current session, the House passed a similar bill, and in recent weeks we've been in conference to resolve differences between the House and Senate.

As of today the Conferees are in virtual agreement on almost all details of the legislation, and we expect to resolve the few remaining differences within a matter of days. We have assurances that the President will accept the bill that emerges from conference.

This means that in a few weeks the nation will have a White House Science Office. And the President will have ready access to top-level scientific advice.

The bill provides that the Science Adviser will serve as a member of the Domestic Council and a Statutory Adviser to the National Security Council. It gives him a crucial role in the development of the federal R&D budget. And it requires that he prepare an annual report on science and technology for submission by the President to the Congress. The Science Adviser and his four Associate Directors would all be top-level White House Aides, appointed by the President with Senate confirmation.

The bill also establishes national policies and priorities for science and a procedure for adjusting them to accord with changing needs.

Finally, the bill makes the Science Adviser responsible for five-year planning for federal R&D, which I believe is one of the most important elements in the bill.

This is precisely what is lacking in most national programs. As a result, we find ourselves lurching from crisis to crisis, without any plan and without any appreciation of the problems which lie ahead.

The energy crisis is an excellent example of this defect in our system. The old White House Science Office issued a report in the mid-1960's anticipating many of our energy problems. But they were not presented with sufficient urgency, and the report was not acted on by policy makers.

Recent hearings before my Energy Subcommittee, have convinced me that we urgently need a national energy policy—which sets out realistic goals for future energy usage and a comprehensive program for getting there.

The program must be balanced between energy R&D, production, and conservation. Toward this end I recently introduced the Energy Conservation Act of 1976. This bill provides federal loan guarantees of up to $10 billion to aid the states in financing energy conservation measures in homes and businesses. And over the years, I have sponsored the NSF Solar Energy Program, watching it grow from $1 million to the $142 million requested by ERDA for next fiscal year.

But energy is only one example. Natural resources would be another. What we need desperately are institutional changes—like the new White House Science Office—which foster better planning for the future. But this means that we have to exorcise the anti-planning demon which has plagued public discourse in our country over the past century.

Effective planning doesn't lead to loss of personal liberty; it enhances it. The multinational corporations are successful because of their long-range planning. They set goals and establish programs to achieve them. This is the kind of hard-headed planning we need throughout our society.

We have to honestly assess future trends and options—not to lay out a precise master plan to impose on the public—but to present them with the full range of alternatives, including their relative costs and benefits. We need truth-in-packaging for the future. Only in this way can our citizens make informed choices on the vital issues before us.

And we in the Congress have the same needs. Congress is perhaps the most archaic institution in our society. This is best illustrated through our outmoded committee structure, with its pattern of conflicting, overlapping jurisdictions. Thus, the Solar Home Heating and Cooling Act which we enacted two years ago could not reach the Senate floor until it had been independently cleared by five Senate committees: Interior; Commerce; Banking, Housing & Urban Affairs; Labor & Public Welfare; and Aeronautical and Space Sciences. And more recently, the White House Science Bill had to be separately cleared by three Senate committees.

But there have been some hopeful steps in Congress. Last year the House reorganized its committee structure. And the Senate has recently established a commission to look into its operations. The newly created Congressional Budget Office provides Congress with the ability to consider the federal budget as a totality, and to shape government programs into a coherent whole.

And the Office of Technology Assessment gives Congress the expertise to examine complex technical issues. OTA now has major assessments underway in energy, materials, transportation, health, food, and ocean resources. The results of these studies go directly to the relevant Congressional committees to help shape pending legislation.

The newest OTA program involves a continuing assessment of national R&D policies and priorities. We expect this program to be complementary to the new White House Science Office, with frequent consultation between the two efforts.

The OTA program is being guided by our Advisory Council, with Jerome Wiesner and Harold Brown in the lead roles. In addition, three principal panels are being formed. The first on "The Health of the Scientific and Technical Enterprise" is chaired by Harvey Brooks. The second on Applications of Science and Technology is chaired by Lewis Branscomb. And the third on "Decision making on R&D policies and priorities" is chaired by Edward Wenk. The members of the panels will be announced later this month, but we can say at this time that they will include two former science advisers to the President (Donadl Hornig and Edward David), as well as many other distinguished scientists from industry, universities, and government.

The panels will also include social scientists and professionals from medicine, law, and public administration, as well as labor leaders, environmentalists, and consumer representatives. This should provide an interesting mixture of information, ideas, and points of view. We doubt whether any catalysts will be necessary to get the intellectual reactions going.

With the aid of these panels, OTA will reexamine the entire national system of science and technology; how scientific results are applied to national problems and industrial innovation; and how decisions are made on R&D policies and priorities.

The issues to be considered include: institutional support, peer review, balance between basic and applied research, the patent system, tax incentives to industrial R&D, foreign competition, impact of anti-trust regulation, role of the national laboratories, and relationships between federal, state, and local programs.

From such studies we hope to develop pragmatic criteria for evaluating R&D budgets and legislative initiatives. Although this is viewed as a long-term program, we expect it to begin having some impact on pending legislation by the start of the next Congress, when I resume the OTA Chairmanship.

As I look back over eight years of dealing with science policy issues, one theme emerges loud and clear—the need to set future goals, to assess alternative ways of reaching them, and to experiment with specific courses of action.

This is what OTA should help Congress do. This is what the Science Adviser should help the President do. And this is what society itself must learn to do.

If one lesson has become abundantly clear, it is that none of us has all the answers, or even most of them. Society must adopt the attitude of the inquiring scientist. We must be willing to experiment with institutional change. And we must be willing to make mistakes, and learn from them.

If we take this approach, we can help shape the future we want. We are all familiar with Santayana's warning: "Those who do not remember the past are condemned to relive it."

But in this Bicentennial year, the time has come to turn that statement around and say: "Those who actively anticipate the future are empowered to reshape it."

For let us not forget that science stands for hope. In earlier civilizations man accepted his deprivations as inevitable. But science has changed that.

It has given us the knowledge; it has given us the tools; and it has given us the hope—that man can conquer disease, transform matter and energy, clean the environment, and create the kind of future we want.

The momentum of science comes from two fundamental drives: One, the desire to probe the mysteries of nature, to explore the secrets of the universe. The other, the impulse to solve practical problems and meet human needs.

These two sides of science are always interrelated, yet always in tension: basic and applied, research and development, academic and industrial, theory and experiment.

The history of chemistry provides a valuable lesson on these two aspects of science. Joseph Priestley whose memory helped launch the American Chemical Society 100 years ago, exemplified the pragmatic side of science. He was a master experimentalist. And through his pragmatic approach, he isolated and discovered oxygen as the key ingredient of air.

But it remained for the "Father of modern chemistry," Antoine Lavoisier, to organize and interpret the data which Priestley had discovered. Thus, Lavoisier was able to provide a theoretical framework for the facts which explained the process of combustion.

The point is that both sides of science are equally essential. We need a science policy that maintains a dynamic balance between these two creative drives—so man can deepen his understanding of the Universe, and so we can apply our knowledge to solve practical problems and meet human needs.

There is a further lesson to be learned from Priestley and Lavoisier. Both were what we would today call "social activists." Priestley was an Englishman who was an ardent advocate of the French Revolution. As a result, he so enraged his neighbors that they burned his house down, and he had to flee for his life to America, where he joined his friend, Benjamin Franklin.

Lavoisier, on the other hand, was a French Nobleman, who ran afoul of the Revolution, and was beheaded in the terror. In the words of Joseph Lagrange, the famous mathematician, "It required only a moment to sever that head, and perhaps a century will not be sufficient to produce another like it."

I am not suggesting that the members of the American Chemical Society should lose their heads or even their homes in social causes. But I do believe that the nation's scientists have a great contribution to make in their role as citizens.

If we are to navigate safely through the next hundred years and make it into the harbor of a better world, then you in this hall—and you fellow scientists throughout the country—must accept greater social responsibility.

The nation needs not only your professional skills, but your intellectual leadership and dedication to the truth.

My distinguished colleague in the Congress, Mike McCormack, is an excellent example of the kind of contribution which can be made. I don't mean to suggest that you should all enter politics, but by taking a more active role as citizens, you can help inform the public debate on major policy issues. And even more important, you can help shape the way in which the public debate is conducted.

If scientists will take this responsibility, we can forge a real partnership of science and society. And with a willingness to experiment, we can shape the institutional changes which the future requires.

In the words of Alfred North Whitehead: "Modern science has imposed on humanity the necessity for wandering. Its progressive thought and technology make the transition through time, from generation to generation, a true migration into uncharted seas of adventure. The very benefit of wandering is that it is dangerous and needs skill to avert evils. We must expect, therefore, that the future will disclose dangers. It is the business of the future to be dangerous; and it is among the merits of science that it equips the future for its duties."

And so I ask you in this hall—and your colleagues throughout the world—help us meet the future.

Thank you.

AMERICA'S FUTURE IN THE SEA—THOUGHTS ON A NATIONAL OCEAN POLICY

Mr. WEICKER. Mr. President, today I presented a report to the National Advisory Committee on Oceans and Atmosphere, entitled "America's Future in the Seas—Thoughts on a National Ocean Policy."

This report is not intended to be a comprehensive solution to the problems of our current Federal oceans policy. However, I hope it will be one of many documents used as a focus for Congress and the executive branch in developing a national ocean policy for the future.

Mr. President, I ask unanimous consent that this report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

AMERICA'S FUTURE IN THE SEA—THOUGHTS ON A NATIONAL OCEAN POLICY

I. INTRODUCTION

The world's oceans, constituting some 70 percent of the earth's surface, have long been used as a source of food and as an avenue for communications, trade, commerce, and conquest. The interaction of the oceans with the atmosphere controls most of the world's weather patterns. Recent scientific and technological advances have rapidly expanded our utilization of ocean space to encompass such diverse activities as wide-spread oil and natural gas exploration and extraction, exploration and research with deep-sea submersible vessels, undersea habitats, construction of offshore installations, as well as an expansion in both the intensity and sophistication of such traditional ocean activities as fishing and transportation. This increased utilization has also caused problems of pollution, overfishing and exploitation of coastal zones. A brief sampling of our increasing utilization of the oceans will serve to highlight the enormous importance and diversity of such activities and the growing need to plan for the future of man's interaction with the sea.

Our national security depends in large measure upon the ability of the U.S. Navy to move freely on, through, and over the world's oceans. The Navy's mission over the years has continually expanded to reflect the growing importance of the oceans to national defense, both in terms of protecting U.S. security interests and as a medium through which U.S. submarines, the most mobile element of our nuclear deterrent capability, operate.

The offshore exploration for extraction of oil and natural gas is a leading example of man's use of ocean space. The first "offshore" well was drilled in 1897 from a wharf off Summerland, California. By 1902, a 1,230 foot wharf had been constructed at the site, eventually supporting several hundred producing wells.

It was not until 1947, however, that the world's first producing oil well beyond the sight of land, was completed in the Gulf of Mexico; currently the Gulf of Mexico is populated by over 2,700 oil producing platforms. Nation-wide, over 10,000 wells have been drilled on the U.S. outer continental shelf and over 6,000 wells have been drilled in coastal waters. By 1972, areas offshore the U.S. coasts have supplied some 115 billion barrels of oil and nearly 440 billion cubic feet of natural gas. In 1973, approximately 19½ percent of the oil and some 16 percent of the natural gas produced in the U.S. came from offshore areas. Over half of the U.S. offshore oil has come from Outer Continental Shelf areas under the control of the Federal government; the balance from seabed areas within State jurisdictions.

The oil industry is now at work in ocean waters adjacent to over 60 countries. The potential of the offshore oil and natural gas industry can be visualized when the total continental shelf area of the world, amounting to 11 million square miles, is considered. About four million square miles, of the continental shelves is thought to have good potential for petroleum production of which only about five percent has been explored.

The oceans are increasingly important as an avenue for world commerce. Recent increases in the world's merchant fleet, in terms of tonnage, number of vessels, and perhaps most dramatically in the variety of vessels, have been impressive. The amount of cargo transported by sea more than doubled in the 1960's; today over 95% of the commodities in world trade are delivered by merchant ships. The products carried by such vessels affect the lives of nearly every individual on the earth's surface.

New and sophisticated ships as ocean-going barge carriers, roll-on/roll-off vessels, containerships, VLCC's (very large crude carriers), OBO's (ore, bulk, oil carriers), and LNG's (liquified natural gas carriers) have been added to this Nation's merchant fleet. Increased U.S. dependence on imported raw materials, (68 different strategic materials must now be imported in whole or in part) points out the importance of ocean transport to our economy.

The importance of the oceans as a potential source of high protein food resources has long been known. The U.N. Food and Agriculture Organization has estimated that the maximum annual sustainable yield of conventionally caught species of marine fish, crustaceans, and mollusks from the world's oceans is well over 200 billion pounds; when less wellknown species are added, the total estimate raises to 300 to 650 pounds. Tripling since 1948, the total world harvest of the ocean's living resources was approximately 125 billion pounds, of which, I might add, the U.S. harvest was only 4.7 billion pounds.

The relevant point to be noted here is that the oceans are now supplying large volumes of high quality protein and, if wise fisheries management principles are implemented and followed, have the potential of providing a larger share of the animal protein necessary to feed a future world population of 6 billion expected by the year 2000. Estimates of living resources within the U.S. 200 mile zone are roughly 20% of the world's total. This is a staggering amount, and considering the unscientific, haphazard harvesting of these resources in the past, the U.S. has a great responsibility to insure sound fishery management practices in the future. Recent action by the Congress to create a 200 mile U.S. fisheries jurisdiction zone was a result of this recognition of the need to effectively conserve and manage U.S. fishery resources.

The development of deep-sea submersibles and manned undersea habitats and laboratories is another exciting testimony to man's creativity and attempts to increase his knowledge of the marine environment. In the past, they have been used to reach the deepest known depths of the world's oceans, 36,000 feet below sea level; explore the mid-Atlantic Ridge; inspect underwater pipelines; and to carry out various marine research projects. Submersibles and manned habitats, provided adequate financial support is made available for their future use and development, will prove extremely useful in such activities as undersea mineral exploration, fisheries management and harvesting, ocean surveillance and mapping, marine scientific research and undersea rescue operations. Their increased utilization will also provide man with the ability to touch and describe the marine environment with the eloquence of the human spirit.

Rapid escalation of ocean-related activities has increased the potential for conflict. Offshore oil and gas exploration has already created pollution problems both on the high seas and in the coastal zones. Increased numbers and movement of massive oil tankers have increased the potential for widespread oil pollution with resultant damage to the marine ecosystem. More importantly, increased development of the fragile coastal zone areas of this country has had tremendous impacts on the social and economic infrastructure of coastal communities. Similarly, ocean dumpings while relieving landside sites of the burden of waste disposal, is creating problems. There is sound scientific evidence indicating that some ocean dumping is having a detrimental effect on the marine ecosystem.

Increased pressures and poor management of the living resources of the sea have resulted in overfishing of many species. Long-term impacts of overfishing have endangered the continued economic viability of many important species.

Internationally, the Third U.N. Law of the Sea Conference reflects possible conflicts between national governments in the utilization of the oceans and its resources. The Law of the Sea Conference is a result of the recognition that existing international law and domestic policies concerning the oceans and its resources is anachronistic and terribly deficient in addressing new problems and conflicts that continually arise regarding the use of the world's oceans.

The existence of these conflicts, both on an international and domestic level, will require a clearly enunciated and strongly supported U.S. national oceans policy if we are to realize the maximum potential benefits from our ocean-related activities.

That such benefits are indeed significant and economically important was most recently reported in a comprehensive study on the economic value of ocean resources published by the National Ocean Policy Study. This report, the most comprehensive of its kind ever compiled, produced some revealing statistics concerning the financial magnitude of U.S. ocean activities. Based on 1973 dollars, it was estimated that the level of primary economic activity, or output, represented by the development of all U.S. controlled ocean resources in 1973 was in the range of $7.5 to $7.8 billion. Comparable values for the years 1985 to 2000, were projected to be in the range of $23 to $26 billion and $33 to $44 billion respectively.

While the magnitude of these figures are indeed substantial, they fall far short of measuring the total economic impact of U.S. activities in the oceans. For example, these figures reflect only primary outputs and fail to include important secondary impacts of such activities. If secondary impacts were taken into account, the total values would be considerably higher. These so-called "ripple effects" are often several orders of magnitude greater than the value of the original primary activity.

More importantly, some of the most valuable contributions to the nation's economy resulting from ocean activities too often go uncounted. For example, wide ranging benefits accrue as a result of what I feel is one of the most dynamic and productive of U.S. ocean activities, marine scientific research. These benefits are often long-term in nature and affect wide segments of the U.S. economy. Visible benefits from marine research are in such widely divergent areas as medicine, weather and climatic patterns, fisheries management, vessel construction and routing, and environmental effects of marine pollution. Future benefits from marine research activities promise to be even more diverse and far-reaching.

The United States has been the leader in ocean activities for many years, even though most of its programs have been on a small scale. But now, after relatively static growth over the past few years and without any concrete guidelines, the U.S. is falling behind. Its goals are ill defined, and as a result, has stagnated the quality and scope of our marine research activities.

In contrast, the Soviet Union has made a deliberate and extenuated effort to unify many facets of its ocean activities. Their organization, combined with the high priority the Soviet government places on ocean activities, has virtually catapulted Soviet ocean activities to a position of overtaking the United States' long superiority in many important ocean activities. While it can be said that the unification is easier to achieve in a centrally controlled system such as the Soviet Union, the results are nonetheless dramatic. This nation could gain much from an examination of the achievements of the Soviet Union in ocean activities and should reassess its own positions and policies based upon the implications of possible future Soviet maritime dominance.

Numerous examples are available. The Soviets began a program of accelerated development of their merchant fleet in 1960 and during the 60's renewed approximately 90% of their merchant marine fleet. By 1972, the merchant fleet of the Soviet Union ranked seventh in terms of dead weight tonnage, sixth in terms of gross weight tonnage and second in terms of number of ships.

The Soviet Union has also converted its fishing so it now has well over 5,000 modern and efficient high-seas vessels. This fleet represents approximately 25% of the world's total in number of fishing vessels and approximately 50% in gross registered tons. The growth of the Soviet fishing fleet is reflected in catch statistics which, after a short period of post war adjustment, escalated from 1.5 million tons in 1947 to approximately 9.2 million metric tons in 1972. In contrast, the United States fishing industry has virtually remained static. U.S. fish landings increased from slightly less than 2 million metric tons in 1938 to slightly more than 2.7 million metric tons in 1973, far below the comparable figures for the Soviet Union. In addition, the Soviet Union consistently registered a favorable trade balance in fisheries products, while the United States in 1974 alone suffered a $1.5 billion trade deficit in fisheries products. Much of the fishing industry's problems are due to the failure of the U.S. to adopt a coherent national ocean policy with appropriate actions to assist the fishermen.

The Soviet Union is also supporting a strong marine science program, emerging from a relatively non-existent position to one that challenges the overall capability of the United States. While U.S. superiority was overwhelming in the 1950's and early 1960's, it is no longer true. The Soviet Union has more oceanographic research vessels than the United States and nearly 3 times as many marine scientists and supporting technicians. While these figures certainly do not necessarily represent a commensurate increase in the quality of the work performed by the Soviet scientists, they are indicative of a strong commitment by the Soviet Union to marine scientific research activities. The decline of the relative superiority of U.S. oceanographic research is a particular concern since such activities are pivotal to progress made in other ocean endeavors so important to the general well being of the nation.

Impressed with the rapidly expanding range of ocean activities, the growing importance of ocean affairs to the U.S., and the tremendous potential that the oceans and its resources have for this nation and the world community, I decided to evaluate the ability of our federal oceans program to effectively respond to this challenge. I was dismayed at what I found. Rather than an energetic coordinated and comprehensive national oceans program, we have an anemic substitute; a discordant decision process spread throughout twenty-one federal organizations in six departments in five agencies.

In addition, and not surprisingly, a coordinated and comprehensive federal ocean policy and, most importantly, a definite national commitment to the oceans, simply does not exist. What little ocean planning that does presently take place is done in a disjointed, uncoordinated, and often ad hoc basics. While this system of operation may have been sufficient to address the ocean related needs of this nation in years gone by, it is clearly not a relevant response to today's needs nor is it a sound basis to face the even larger ocean needs and conflicts of the future.

To summarize, the existing federal oceans program lacks both clearly defined objectives and top-level support. As a result, individual ocean policy decisions made within the existing fragmented federal structure are uncoordinated, often have directly competing objectives, and clearly fail to maximize the potential of our ocean activities. Lack of strong high level support for ocean activities within the Executive Branch virtually guarantees low visibility, low budgets, and less than optimal results. Attempts to coordinate the existing process through ICMSE, the Interagency Committee on Marine Science and Engineering, help little, since ICMSE is not empowered to formulate policy. Such attempts are an unacceptable substitute for a viable federal ocean policy program since they only result in the exchange of information and do not address the difficult, but essential, process of establishing priorities, guidelines, and policies.

The economic and strategic importance of the oceans to this nation's well being is so great that the formulation of a national ocean policy and the reorganization of the existing federal oceans program are absolutely essential and should be undertaken on a high national priority basis. I must point out, however, that reorganization should not be attempted until a viable ocean policy and plan is established. There has been much discussion concerning reorganization without thought of first defining national goals. This is putting the horse before the cart and should be avoided.

To be effective, reorganization must 1) produce a central top-level ocean policy focal point, operating pursuant to a well-defined mission, within the federal structure that includes under its aegis all major federal ocean activities and programs, including the mandate, support, and authority necessary to formulate, implement and enforce a national ocean policy program; 2) receive the strong support of Congress and the Executive Branch, and 3) be reflective of a national commitment designed to dramatically increase our oceanic capabilities and restore worldwide U.S. leadership in the oceans.

The opportunity costs of our continued

failure to move forward with a national ocean policy are unacceptably high. Our marine scientific research program, for example, has been particularly affected. Funding for basic marine research, the backbone of the future, has lacked strong support within the existing system. The resultant stagnation in the growth of basic research support is certain to have high cost impacts in future years and comes at a time when the needs are greater than they have ever been. High priority basic and applied marine research needs exist in many diverse areas.

Additional problems plague the marine science field. Support for university-centered ocean science programs is dwindling, especially from the Office of Naval Research, the traditional focal point of such funding. The National Science Foundation, another familiar support center of university based research, has been relatively level funded for the past decade. Budget levels of the International Decade of Ocean Exploration (IDOE) have remained at roughly $15 million per year whereas the estimated needs of the project were on the order of $100 million per year. While results of the IDOE program have been widely praised and have demonstrated the advantages of long-term, multidisciplinary, multiinstitutional oceanic research endeavors, many additional research projects have not received support due to the lack of adequate funding. The Sea Grant Office, another key academic funding source, has never received budgetary support at the levels authorized by Congress.

Marine science capital assets programs, both at the agency and academic levels, have also been adversely affected. Much of the existing fleet is unsuited for coastal research, an area of expanding needs, and, more importantly, is beginning to age. A recent report by ICMSE indicates that the present oceanographic research fleet is underutilized, not because program requirements and research needs are not pressing it, but because funding support was not available. As with many other component parts of U.S. oceans activities, there is no central focus responsible for the coordination and assessment of the U.S. oceanographic fleet.

The lack of a coordinated U.S. oceans policy, and top level Executive Branch involvement are particularly detrimental in the area of international ocean affairs. By failing to adequately support marine technology transfer programs, foster the growth of oceanographic competence in developing countries, or provide for international cooperation in oceanic research efforts, we have missed the opportunity of large scale benefits generated by international cooperation.

One final statement of utmost importance concerns conservation measures in the oceans. The development of ocean programs especially dealing with the exploitation of resources of the sea should be guided by world history. The United States has led the world in the accelerated use of the earth's resources. With little thought to the future, we have depleted many valuable resources, caused the extinction or near extinction of many species of plants and animals and polluted our land, atmosphere and coastal seas. Incredibly, this has happened in a short span of time covering only four or five generations of man.

Now we are turning our attention to the sea and unless we take a hard look and heed past experience, we will deplete the ocean resources within the next four or five generations. We must make conservation measures a top priority issue in the development of a national ocean policy—our nation and the world can no longer afford to live only for the present with no regard for the future and its people.

The foregoing brief discussion of current problems in the oceans area has pointed up a number of significant issues requiring thorough and timely consideration by U.S. policy-makers. It is not too late for the United States to reverse direction on ocean affairs, and make the long-term commitment to implement a strong national ocean policy.

II. RESULTS OF SURVEY

On July 30, 1975, I sent letters, and questionnaires to recognized authorities in marine science research, including individuals from academia, the legal profession, and government, who have expertise in oceanographic research and development policy. As a member of the Senate Commerce's Subcommittee on Oceans and Atmosphere and the National Ocean Policy Study, I was deeply interested in receiving their thoughts on a wide range of marine science policy issues and problems, including the development of a comprehensive United States oceans policy.

The questionnaire focused on two major problem areas—marine science organization and national ocean policy considerations. Within these categories, the questions covered ocean science, services, engineering development, management, and funding on the international, Federal and university level.

The following section includes a copy of the general questionnaire, a list of those to whom the questionnaire was sent, and a summary of responses received. In some cases, I felt it was more appropriate to quote from answers of certain respondents to reflect key points.

The letter and questionnaire

JULY 30, 1975.

DEAR SIR:

As a member of the Senate Commerce Committee and the Subcommittee on Oceans and Atmosphere, I am deeply interested in our Federal commitment toward oceanographic research and development. Properly developed, the oceans will provide great assistance in the search for solutions to many world problems, including energy, weather prediction, and resource exploration and utilization. I am presently interested in the current problems that may exist in the foreseeable future. Because of your recognized knowledge in this field, I am anxious to hear your thoughts on the following questions:

I. Organization:

A. International Level—

(1) Anticipating the passage this year of legislation which will extend the coastal fisheries jurisdiction to 200 miles, what international problems might this country expect regarding marine scientific research activities in both foreign state resource zones as well as the high seas?

(2) What problems have you discovered or do you anticipate in the future regarding U.S. State Department clearance procedures for U.S. ships to conduct marine scientific research in foreign coastal waters?

(3) What problems in marine scientific research are anticipated as a result of the outcome of the Law of the Sea Conference?

(4) In regard to the Law of the Sea Conference, what plans have been promulgated for U.S. marine scientific research conducted in foreign coastal waters once coastal states have extended their jurisdiction over ocean space?

(5) What attempts are being made to integrate foreign marine scientists into the U.S. marine scientific ventures?

(6) What other problems have you recognized concerning the conduct of marine scientific research on the high seas or in foreign coastal waters?

B. Federal Level—

(1) What problems have you experienced with Federal funding for marine scientific research?

(2) How can Congress justify increased funding for basic research in times of budget constraint?

(3) Is there unnecessary duplication of effort in marine scientific research activities?

(4) What problems have you discovered with Federal funding levels and with respect to the coordination of the funding efforts of Federal agencies such as Bureau of Land Management, National Science Foundation (NSF), Office of Naval Research, and National Oceanic and Atomspheric Administration (NOAA)?

(5) How could existing funding procedures and institutions be improved?

C. University Level—

(1) What problems exist at the university level regarding the coordination, conduct, and planning of marine scientific research? How could such activities be improved?

(2) Do sufficient job opportunities exist for marine scientific research graduates?

(3) What improvements should be made concerning the existing structure of marine scientific research education in U.S. institutions?

II. Substantive considerations:

A. What Federal funding levels have you received over the past ten years for marine scientific research, including an applied basic research breakdown? Have these levels been sufficient to adequately support U.S. marine scientific activities?

B. If the Federal government were to increase support for an intensified marine scientific research program, what should be the long term objectives of the program?

C. What contributions to mankind might we expect from an intensified marine scientific research program? What would be a realistic timetable?

D. What level of support would be needed for a national effort to intensify the utilization of marine resources, manpower, and vessels?

E. Given a clean slate, how would you construct a nationally intensive program in marine science research? What changes would be necessary at the university, Federal, and international level to implement such a program?

I very much appreciate your efforts and look forward to hearing your response. I expect to submit a report to Senator Magnuson, Chairman of the Senate Commerce Committee, and to Senator Hollings, Chairman of the Subcommittee on Oceans and Atmosphere.

With kindest regards,

Sincerely,

LOWELL WEICKER, Jr.,
U.S. Senator.

LIST OF SELECTED AUTHORITIES TO WHOM QUESTIONNAIRE MAILED

Dr. John V. Byrne, Dean, School of Oceanography, Oregon State University, Corvallis, Oreg. 97331.

*Dr. William T. Burke, Professor of Law, University of Washington, Seattle, Wash. 98195.

*Dr. John C. Calhoun, Jr., Vice President for Academic Affairs, Texas A & M University, Teague Building, Room 125, College Station, Tex. 77843.

*Dr. John D. Costlow, Director, Marine Laboratory, Duke University, Durham, N.C. 27701.

Dr. L. Eugene Cronin, Director, Chesapeake Biological Laboratory, University of Maryland, Solomons, Md. 20688.

Dr. Richard Fleming, Professor, School of Oceanography, University of Washington, Seattle, Wash. 98195.

*Dr. Paul Fye, President, Woods Hole Oceanographic Institution, Woods Hole, Mass. 02543.

Dr. Edward D. Goldberg, Professor, Scripps Institution of Oceanography, LaJolla, Calif. 92037.

*Dr. William J. Hargis, Jr., Chairman, National Advisory Committee on Oceans and Atmosphere, Washington, D.C. 20230.

*Dr. John A. Knauss, Provost for Marine Affairs, University of Rhode Island, Kingston, R.I. 02881.

Dr. Robert W. Morse, Dean of Graduate Students and Associate Director, Woods Hole Oceanographic Institution, Woods Hole, Mass. 02543.

Dr. William A. Nierenberg, Director, Institution of Oceanography, LaJolla, Calif. 92037.

*Dr. Harris B. Stewart, Jr., Director, Atlantic Oceanographic & Meteorological Laboratory, National Oceanic and Atmospheric Administration, 15 Rickenbacker Causeway, Miami, Fla. 33149.

*Dr. T. M. van Andel, Professor, School of Oceanography, Oregon State University, Corvallis Oreg. 97331.

Mr. Richard A. Vetter, Executive Secretary, Ocean Affairs Building, National Academy of Sciences, 2101 Constitution Avenue, N.W., Washington, D.C.

Dr. Gilbert L. Voss, Professor of Biological Oceanography, University of Miami, Coral Gables, Fla. 33306.

*Dr. David H. Wallace, Associate Administrator for Marine Resources U.S. Department of Commerce, National Oceanic and Atmospheric Administration, Rockville, Md. 20852.

*Dr. Warren S. Wooster, Dean, Rosenstiel School of Marine and Atmospheric Science, University of Miami, 10 Rickenbacker Causeway, Miami, Fla. 33149.

SUMMARY OF RESPONSES

I. Organization:

A. International level—(1) Anticipating the passage this year of legislation which will extend the coastal fisheries jurisdiction to 200 miles, what international problems might this country expect regarding marine scientific research activities in both foreign state resource zones as well as the high seas?

All of the respondents indicated that the adoption of a 200 mile coastal fisheries jurisdiction zone could complicate U.S. marine research activities in foreign waters.

(2) What problems have you discovered or do you anticipate in the future regarding U.S. State Department clearance procedures for U.S. ships to conduct marine scientific research in foreign coastal waters?

The respondents submitted answers to this question revealing problems with U.S. State Department and foreign government clearance procedures. The answers focused on two main issues: (1) the procedures for obtaining permission of foreign governments to conduct marine research are unduly time consuming; and (2) clearance requests by U.S. scientists to conduct research in foreign coastal state waters are not a high priority issue within the State Department. Dr. van Andel, commenting on State Department procedures, replied, "the clearance process is excessively slow and often seems to be at the bottom of their priority list".

(3) What problems in marine scientific research are anticipated as a result of the outcome of the Law of the Sea Conference?

Problems could arise if consent were required before research is conducted in waters adjacent to foreign countries. Such a consent regime would add constraints on U.S. marines science activities requiring additional lead time for planning thus increasing the cost of marine research in foreign waters. Dr. Calhoun noted that the net result of a consent regime would require marine scientists "to learn to operate within a different set of ground rules than they have known in the past". A consent regime would give individual coastal states the power to unilaterally regulate marine research in large areas of the oceans at a critical time in world history.

(4) In regard to the Law of the Sea Conference, what plans have been promulgated for U.S. marine scientific research conducted in foreign coastal waters once coastal states have extended their jurisdiction over ocean space?

There are no plans for management of U.S. marine scientific research in foreign coastal waters. Dr. Fye of Woods Hole Oceanographic Institute stated: "when coastal states have extended their coastal jurisdiction, that research will continue as it has in the past. To limit our research would be unthinkable. Although only 30% of the world's oceans are within the 200 mile limit, 80% of the interesting scientific questions occur in this area."

(5) *What attempts are being made to integrate foreign marine scientists into U.S. marine scientific ventures?*

There has been an effective informal integration of foreign scientists into U.S. marine research by the major U.S. oceanographic institutions. Dr. Stewart mentioned that deterrents to increased integration are primarily of a financial nature. "Other than aid, no Federal agency has a specific mandate" to accomplish an integrated program of assistance to foreign nations. Drs. Stewart, Fye, Burke, and Calhoun cited the 1974 Washington Conference, sponsored by the National Academy of Sciences, and its report entitled "U.S. Marine Scientific Research Assistance to Foreign States", as an authoritative discussion on this subject.

Increased U.S. scientific assistance to underdeveloped nations could be increased as a result of U.S. humanistic, scientific, and political prestige with these nations. It could also prove to be advantageous from an economic standpoint since new markets would be available for U.S. produced oceanographic equipment.

(6) What other problems have you recognized concerning the conduct of marine scientific research on the high seas or in foreign coastal waters?

(A) United States' coordination of marine research on the international level is lacking from inadequate financial backing. On the international level, UNESCO's Intergovernmental Oceanograph Commission (IOC) is the only agency involved in coordination of marine research activities. United States support of this agency is minimal and no U.S. agency has overall responsibility to focus on IOC activities. Dr. Stewart suggests NOAA would be the appropriate agency.

(B) International law regarding marine science research vessels is in need of revision. Problems occur when obtaining clearance for scientific instruments under the Export Control Act since they are categorized as "cargo" and are subject to rules pertaining to cargo.

Classification of vessels solely for research purposes is unusual, hence are named as miscellaneous merchant vessel with inapplicable regulatory procedures.

(C) Previous attempts to minimize problems of marine research conducted in expanded zones of coastal states by differentiating between basic and applied oceanographic research have not been successful.

(D) Many foreign nations are concerned that activities off their coasts will be of a military nature rather than research. Dr. Knauss wrote that events surrounding the *Pueblo* and the *Glomar Explorer* incidents did not enhance U.S. efforts to separate military activities from scientific research.

A. Federal Level—

(1) What problems have you experienced with Federal funding for marine scientific research?

(A) The Federal government provides money only on a short-term basis while oceanographic institutions must make long-term plans. Frequent shifts in the level and focus of Federal funding do not allow for flexibility needed by research institutions to alter their research programs, particularly with respect to oceanographic activities requiring high cost capital equipment.

(B) Federal funding of oceanographic research is below the levels necessary to conduct marine research critical to meet national needs. Poor Federal management and coordination of oceanographic research is also a problem. Dr. van Andel stated, ". . . large funds being managed by the Bureau of Land Management and National Oceanic and Atmospheric Administration on very short-term contracts and with little management experience that produce third-rate results".

(C) The Federal government reviews marine research project funding on a cost/benefit basis. While such analysis may be useful in evaluating the cost effectiveness of many types of funding decisions, it is often misleading especially when applied to research that is difficult to quantify. Dr. Calhoun noted, "there is no way to place knowledge activities, particularly those that deal with creative ideas and forward knowledge on a cost/benefit basis".

(D) Dr. Calhoun stated that "the U.S. has never faced the basic question of providing capital facilities for its necessary marine research program". Citing the efforts to provide facilities for the space program, he noted the lack of a national marine research facility capability. Ships, submersibles, shore-bases, and ocean platforms have never been addressed in a comprehensive and systematic way. In short, we have failed to establish a national policy regarding U.S. capabilities, in marine research activities.

(E) Dr. Costlow, Director, Duke University Marine Laboratory said, "it is a bit disconcerting to us who have faith in the realm of science to be told that only limited funds can be made available for basic research in the marine sciences and then see the awesome sight of an estimated $1 billion being thrust toward Mars to determine if life actually exists on this red planet".

(F) Dr. Wallace notes that although no basic or applied efforts are specifically identified within the Federal Ocean Program, "applied" areas have risen dramatically in the budget.

The combined ocean basic research support provided by the principal Federal supporters of academic research—National Science Foundation Office of Naval Research, and NOAA's Sea Grant Program—for FY 1976 has increased only $7 million over the $110 million budget in FY 1972; hardly covering the inflationary costs for the same period. "The loss of real value to basic research is obvious," Wallace concludes.

(2) How can Congress justify increased funding for basic research in times of budget constraint?

Dr. David Wallace, Associate Administrator for Maine Resources, National Oceanic and Atmospheric Administration, summed up the responses with this answer:

"Justification for appropriate levels of basic research has never been easy. The Nation must address critical problems as they are perceived. In terms of budget constraint, however, the 'constraint' is usually applied to our future in order to solve immediate issues. Our national capability today to address important practical problems facing the Nation which can be to a considerable degree alleviated by ocean resources—energy, food, hard minerals—is founded on the accumulated basic research of the past few decades. As the Nation moves more and more toward the oceans in ways perhaps not now evident, the next generation must have the expertise which only the seeds of solid and continuous basic research programs conducted today can provide. If our economic problems are such as to require constraint, our basic research must nevertheless be provided a consistent share of our total ocean effort and must not be permitted to undergo inflationary erosion. I believe that Congress can justify basic research in support of the future of our country."

(3) Is there unnecessary duplication of effort in marine scientific research activities?

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*Respondents.

All respondents believed there is little or no duplication of effort in marine scientific research; however, some stated that if existing research programs were more adequately coordinated, then available funds could be used more effectively.

(4) What problems have you discovered with Federal funding levels and with respect to the coordination of the funding efforts of Federal agencies such as the Bureau of Land Management, the Office of Naval Research and the National Oceanic and Atmospheric Administration?

The NSF and the ONR seem to have good coordination regarding funding of oceanographic research projects and serve as a stable source of funding. Dr. Stewart, however, stated that there is no interagency coordination of funding levels. Stewart claims, "Even when interagency funding coordination was attempted by the now defunct Interagency Committee on Oceanography or the Marine Council, each agency's segment of coordination funding plan eventually was in competition for funds with other agency and departmental programs."

(5) How could existing funding procedures and institutions be improved?

Dr. Stewart, believes Federal funding for marine research activities could be improved through four means: (1) develop and enunciate a viable national ocean policy ;(2) prepare a national plan to carry out this policy; (3) make a national commitment to accomplish it, and (4) establish an interdepartmental coordination group with staff capability to maintain an effective program.

Other responses centered on specific funding procedure improvements that should be incorporated between the Federal government and U.S. academic institutions.

Dr. Fye answered in four parts: (1) cost sharing on grants should be eliminated; (2) the request for proposal (RFP) system of the Department of Interior's Bureau of Land Management is geared to the industrial sector. Consequently, research institutions do not become involved (3) facility support [ship operations, equipment, and marine technicians] from Federal agencies should be expanded; and (4) non-Federal laboratories are singled out for Federal funding cutbacks before in-house Federal laboratories. He feels there should be a reasonable funding balance between these units.

Dr. Wooster believes that a "rationalization of responsibility" among agencies, is important and an improved agency coordination mechanism [independent of competing agencies] should be implemented.

Dr. van Andel recommended that multi-investigation, large-scale oceanographic research projects should be better evaluated for results before funding is assigned to new and different projects.

Dr. Calhoun said procedures could be improved in three ways: (1) the federal agencies should establish different relationships other than the contractor-contractee mode to utilize a university's research capabilities, programs should be on a cooperative basis. (2) through development of a national program, the focus and interrelationships of marine-related activities will be enhanced. (3) Sea Grant College Programs should be increased and better utilized by Federal in-house programs.

Dr. Wallace believes that although the private sector will make major contributions to marine research, the management and coordination must remain with the public sector. In this regard, it is important that the public sector have:

A continuing overview of national needs,

Focussed direction for maximum benefits, and

Public accountability of management.

C. University Level—

(1) What problems exist at the university level regarding the coordination, conduct, and planning of marine scientific research? How could such activities be improved?

The two largest concerns of university level marine research activities are financial stability and lack of flexibility to use Federal funds.

Prompted by the financial risks involved with marine research, institutions find they are hardpressed to either maintain adequate facilities or award marine science fellowships needed to attract and support top-grade students in this field.

Present funding practices prevent the incorporation of sound management techniques and do not provide a stable, continuing support base for research activities. Dr. Wooster stated, "Federal research support is on a project basis, with the success of a given project proposal being unpredictable. Consequently, the timing and quantity of funding is uncertain, causing a horrendous problem in keeping a comprehensive team of specialists continuously funded".

(2) Do sufficient job opportunities exist for marine scientific research graduates?

Job opportunities do exist for marine science graduates, however, the availability of jobs in the future will depend upon the "degree of emphasis which our nation is willing to place upon the importance of the ocean and upon the challenge of marine activities for meeting our national goals." (Dr. Calhoun.)

A warning, however, that for the near-term, if funding remains stagnant, there will be few job openings for marine science graduates.

(3) What improvements could be made concerning the existing structure of marine scientific research education in U.S. institutions?

It appears that the existing educational marine research structure of U.S. institutions is in good shape. Dr. Wooster commented that the strength of the system profits from the numerous and diverse institutions offering graduate training in marine science.

II. Substantive Considerations:

A. What Federal funding levels have you received over the past ten years for marine scientific research, including an applied basic research breakdown? Have these levels been sufficient to adequately support U.S. marine scientific research activities?

The level of Federal funding has been adequate to support marine research activities, but many oceanographic institutions could have made "significant advances if further support had been available." (Dr. Calhoun)

The total level of Federal financial support of marine research has increased over the ten year period from 1965 to 1975. However, compared with the level of inflation experienced during the same time period, the amount of "real" money value of Federal support for such activities has actually decreased.

B. If the Federal government were to increase support for an intensified marine scientific research program, what should be the long-term objectives of the program?

Intensified Federal support for marine research activities would provide much needed information concerning such relatively little understood processes as deep ocean dynamics and air/sea interaction. Information made available as a result of research on these and other parameters could be widely applied to such areas as man's interaction within the ocean environment, development of ocean structures; marine resources, management, climatic change, and for the production of critically needed energy.

C. What contributions to mankind might we expect from an intensified marine scientific research program? What would be a realistic timetable?

Stated contributions to mankind were all encompassing. Dr. Wooster summarized these thoughts best with this answer:

"Contributions to mankind from an intensified marine scientific research program should include the intangible benefits of improved knowledge of our planet and the natural processes operating thereon; improved capability to locate, assess and exploit marine resources, both living and non-living, and to manage their utilization in a rational fashion; improved ability to operate, build in, and inhabit the marine environment; knowledge by which to evaluate the impact of man's activities on the marine environment and to control those activities to protect that environment; knowledge on which to base improved forecasting of weather and climate, and eventually their control. When speaking in such general terms, there is no timetable by which these contributions could realistically be achieved. But if each is examined in detail, it should be possible to construct a timetable for the achievements of its various components."

Dr. Wallace briefly listed the following areas where NOAA believes there will be major payoffs in the future—new initiatives and expansion in shelf dynamics and sedimentation programs, in fisheries oceanography, and in the dynamic processes of crustal plate boundaries.

He believes that because of the tremendous value of the continental shelf regions for recreation, food, oil and minerals, and for the disposal of thermal and other wastes, it is important to "understand the circulation and exchange processes on the shelf so that conservation of the shelf regions can be properly planned".

D. What level of support would be needed for a national effort to intensify the utilization of marine resources, manpower, and vessels?

Dr. Wooster was the only one to express an opinion on this question. He believed "increased support at any level would be needed to intensify the utilization of marine resources, manpower, and vessels". Pointing out that the greatest scientific advances are gained at academic, rather than governmental or industrial laboratories, Dr. Wooster stated that the academic laboratories research budget only accounts for 20–25 percent, at most, of the total U.S. "ocean science" budget.

He believes a major Federal commitment of $10 million over the next few years is required to upgrade institutional shore and ship facilities.

E. Given a clean slate, how would you construct a nationally intensive program in marine science research? What changes would be necessary at the university, Federal, and international level to implement such a program?

Drs. Wooster and Calhoun indicated an intensive, national marine science research program could be achieved by (1) an increase in funding for research operations and; (2) a "change in philosophy" in how Federal agencies utilize industrial and university capabilities. New Federal agencies and laboratories are not needed, rather a "cooperative working relationship" should be pursued using existing talent in industrial and university institutions. Federal support of graduate student education and an improved focus within Federal structures, including the Executive and Congress, should enhance marine research and technology. Dr. Calhoun believes the existing NOAA organization is "not sufficient and falls short of what is needed" to provide adequate support and insure stability for non-government institutions.

National Advisory Committee on Oceans and Atmosphere response

It was not my intention to single out any one person in this section of the report for particular views or thoughts. However, through a separate letter to the National Advisory Committee on Oceans and Atmosphere (NACOA), I solicited their views on a number of substantive issues. I thought it would be appropriate to include those comments at this point in the summary.

(1) Status of Federal Ocean Programs—

It is a major concern that the Federal Ocean Program demonstrates no overall strategy in support of a national purpose. It is fragmented and shows gaps; it lacks coherence. NACOA would like to see a Federal ocean program which has a national goal and a strategy for reaching it which is something more than just the sum of a number of agency programs.

NACOA mentions the following "weak spots" in the program:

(1) A weakening support for university ocean science.

(2) A decaying capital assets support program for both agency and academic ocean science.

(3) Safeguarding the environment in light of rapidly increasing coastal zone and offshore areas activities.

(4) There is inadequate attention to ocean engineering development.

(5) There is inadequate staff to perform the functions and responsibilities of the State Department's Bureau of Oceans and International Environmental and Scientific Affairs.

(2) Coordination, both of public and private research, of Federal Ocean Programs—

What is needed is the establishment and affirmation of a national policy for marine affairs. Furthermore, a reorganization of Federal ocean effort along functional lines which relate resource management and regulation to the research necessary to assist in making decisions that will hold good for a whole would be useful. The United States needs a national commitment to maintain a high degree of participation, even superiority in ciivlian and military oceanic affairs. We have held primacy in most marine areas until relatively recently. For details we refer you especially to our Third Annual Report where we discussed organizational matters having to do with marine and atmospheric matters.

We had supported a Department of Energy and Natural Resources earlier purposed by the Administration, under which marine and atmospheric research, regulation, and related environmental research could be brought under a single Secretary.

(3) Statement of Federal Goals—

The best statement of Federal goals is found in P.L. 89-454, the Marine Resources Engineering Development Act of 1966, and is listed as follows:

(1) The accelerated development of the resources of the marine environment.

(2) The expansion of human knowledge of the marine environment.

(3) The encouragement of private investment enterprise in exploration, technological development, marine commerce, and economic utilization of the resources of the marine environment.

(4) The preservation of the role of the United States as a leader in marine science and resource development.

(5) The advancement of education and training in marine science.

(6) The development and improvement of the capabilities, performance, use, and efficiency of vehicles, equipment, and instruments for use in exploration, research surveys, the recovery of resources, and the transmission of energy in the marine environment.

(7) The effective utilization of the scientific and engineering resources of the Nation, with close cooperation among all interested agencies, public and private, in order to avoid unnecessary duplication of effort, facilities, and equipment, or waste.

(8) The cooperation by the United States with other nations and groups of nations and international organizations in marine science activities when such cooperation is in the national interest.

NACOA raises some important points concerning the availability of sufficient skilled personnel, adequate materials, capital assets, and technological ability, stating, "These aspects should be examined now! We should not take the chance of developing a crisis situation to be handled later, in a hurried and in a limited fashion."

Commenting further, "Our national expertise is second to none, but this superiority is dwindling and that which we have will be a wasting asset without a reversal in some support trends."

(4) Vehicle for support of Basic Research in Oceanography—

All agencies with marine responsibilities—Navy, NOAA and NSF—should focus on the basic oceanographic programs where their expertise lies.

NSF has a special responsibility to see that the entire field of basic ocean research is covered and that the most promising scientific proposals are funded. Office of Naval Research has a special responsibility because of the peculiar needs of the Navy to understand a wide spectrum of the oceans.

There should not be only one source for the support of oceanographic work.

NACOA concludes, "This situation is too complex for a simple answer. Support for basic research in the country must be scattered in part, concentrated in part, and conducted both within and without the government. It must involve the Navy, NOAA, and the NSF as well as academic and industrial laboratories but the effort must be continuous to see that a broad vision is maintained in the future."

NACOA adds: "In response to the core question of your letter, and in general summary, we (NACOA) believe there should be a national policy for oceanic affairs, a national strategy in support of this basic purpose, and an organization suited to achieve it. The establishment of a purpose, a policy, and organization for the management of marine resources and of associated research would go a long way to setting the Nation on the right course in balanced use of the ocean's resources."

III. RECOMMENDATIONS

This research project was undertaken to identify the important and complex issues which should be considered by Congress and the Executive Branch in the development of national oceans and marine scientific policy.

Clearly, in a world facing chronic energy shortages, depleted mineral resources, population expansion, growing nutritional needs, dwindling land resources, and ever increasing pollution, mankind cannot afford to ignore the virtually untapped potentials of the oceans to improve the human condition.

Likewise, the United States cannot afford anything less than a strong national commitment to ocean research and development and a clearly defined national ocean policy to guide it in the future.

This concluding section will summarize those issues which must be addressed pursuant to a strong national commitment to oceans programs. These issues have been suggested by the responses of certain authorities to the questionnaire detailed above and by the research literature studied in the course of the project, including prominently the Report of the Commission on Marine Science, Engineering and Resources; *Our Nation and the Sea* 1969 (Stratton Report); several reports of the National Advisory Committee on Oceans and Atmosphere; the GAO report on *The Need For a National Ocean Program and Plan*; 1975, various Committee on Commerce reports, among a number of others.

Thus, I offer the following issues, not in the belief that they are bright new ideas, but in the hope of generating new attention and discussion on the overall questions of national ocean policy. I am particularly hopeful that these issues may be the subject of specific oversight hearings by the appropriate Committees of Congress, and in particular, the Senate Commerce Committee.

Issues to be considered

1. The development of a strong national commitment to ocean research and development.

2. The formulation and adoption of a coherent and coordinated "national ocean policy" to guide the United States in future ocean research and development.

3. An assessment of U.S. capabilities and resources (relative to the implementation of a national ocean policy).

4. An appraisal of existing governmental ocean-related agencies and programs and the need for reorganization at the Federal level.

5. An analysis of funding mechanisms and priorities for ocean programs.

UNIVERSITY DECLARATION OF INDEPENDENCE

Mr. PROXMIRE. Mr. President, the presidents of four of the major universities in this city have just released a joint statement discussing the negative influence some types of Government interventions are having upon their institutions.

As I stated in testimony before the joint hearings of the Government Operations Committee Subcommittee on Reports, Accounting, and Management, and Oversight Procedures in support of my bill, S. 2132, to require the periodic review and discontinuance of Government forms:

> The people of this country—ordinary citizens, taxpayers, farmers, small businessmen, and big corporations are smothered by a deluge of forms and paperwork.

From this statement by the four university presidents it appears that I should have included educators in my testimony.

I believe these outstanding educators have raised some very important and serious issues and I therefore ask unanimous consent that the statement by the presidents of American, Catholic, George Washington, and Georgetown Universities be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

A 1976 Declaration of Independence by the Presidents of The American University, The Catholic University of America, The George Washington University, and Georgetown University

PROLOGUE

During the first two centuries of this nation's life, government leaders were dedicated to the proposition that institutions of higher education were independent, voluntary associations serving public and private purposes. By being so dedicated, governments at all levels encouraged colleges to create a system of quality and diversity that was to become the standard of academic excellence throughout the world.

Recent government policies and behavior toward education, however, have threatened this valued independent and have shaken the foundations of our system of higher education in this country.

As Presidents of universities in the nation's capital who regularly have first-hand contacts with policy makers and regulators, we perceive an intensification of these interventionist trends and therefore are compelled to draw public attention to them.

THE THESIS

We assert three propositions.

1. Governmental interference is disrupting higher education to a point where institutional autonomy is seriously threatened.

2. Without the vigorous exercise of independence, the American system of higher education as we have known it for centuries will certainly collapse.

3. Independence in the public sector will no longer exist if independence in the private sector, traditionally the measure of educational practices and philosophies, disappears. While public institutions seek to respond to the differing needs of students in the fifty states, it is wrong to assume an automatic diversity of viewpoints or educational philosophies among these institutions. Indeed, there is often an unsettling similarity in the budgeting processes and a growing conformity in their responses to federal and state incentives.

SOME SPECIFICS

Chief among the recent trends which threaten the independence of private colleges and universities are the following:

Economic pressures

No independent educational institution can remain solvent in today's world without passing on increased expenses to the student consumer in the form of increased charges. In the past, such charges were kept to a minimum by charitable contributions but these, eroded now by inflation and threatened by proposed adverse tax legislation, are in jeopardy. Supported by tax dollars, public institutions, on the other hand, have been able to hold tuitions far below actual costs and are consequently attractive to many students who, in other circumstances, might prefer the private institution. These tuition differences have contributed to a dramatic reversal in enrollment patterns. Twenty-five years ago, fifty percent of all college and university students were enrolled in private institutions; today there are fewer than twenty percent.

Costs of compliance

We embrace wholeheartedly the concepts of equal education and equal opportunity for all and have in good faith attempted to support such concepts. However, the multiplicity of federal and local regulatory guidelines on such programs have driven up administrative costs as much as three hundred percent since 1968.

Multiple regulations

More serious than dollar costs is the danger of regulation which diverts creative minds from the tasks of teaching, research and reflection. With fifty administrative agencies and two dozen committees of the U.S. Congress and the District of Columbia having direct responsibilities that impinge on our universities, governmental regulation and oversight can become a disguised form of governmental control. Institutions are driven to defensive strategies.

The innovative and searching analysis expected of colleges by society suffers in the face of the mounting necessity for dealing with the myriad, pedantic, and sometimes contradictory requirements imposed by government regulation. Diversion of faculty and staff attention to questions of compliance is a damaging intellectual cost which universities and society at large can ill afford to pay.

Changing needs

Since public needs a change, national priorities are constantly being readjusted. The record of higher education in meeting those needs, often with the support of public tax dollars, has been commendable. Yet an institution's effort to be responsible and responsive has sometimes clashed with its own traditions to create serious dislocations. One example of how programs backfire is related to the Apollo Moon program. At one time, anyone suggesting that a Ph.D. in physics might be unemployable would be accused of misunderstanding the realities of the modern world. Yet, seven years after the first moon landing, many physics departments are far larger than required by enrollments and are staffed by comparatively young tenured faculty whose talents are under-utilized.

Federal funds

Federal spending is often used as a lever to move colleges and universities toward transitory or unachievable goals. Institutional autonomy in academic programs is reduced, and diversity, creativity and reform on compuses are seriously threatened.

Career education

The U.S. Office of Education has lent its considerable prestige and its considerable resources to career education. One possibly unintended effect has been the erosion of arts and sciences as the core of liberal collegiate education. Increasingly, students are embarked on programs in which they hope to acquire more "saleable skills." Yet if the liberal arts tradition dies, the nation will be intellectually and culturally poorer.

Independent study commissions

Higher education is one of the most "studied" enterprises in America. However valid the conclusions of such studies, they must be participated in, monitored, and evaluated by members of the academic community. Time and energy are consumed, and both translate ultimately into cash. Further, as these recommendations are adopted by legislatures and emerge into new laws, regulations, and requirements, the independence of institutions may be diminished.

Local jurisdictions

The financial plight of cities drives them to seek new sources of revenue which jeopardize the tax-exempt status of all non-profit institutions. The regulatory activities of metropolitan governments toward education have expanded. It is necessary to be aware of new developments and to work constructively with local leadership. Nevertheless, the growing body of local law and procedures emerging from municipal governments may further limit the independence of higher educational institutions. Costs of compliance with urban laws, added to the already heavy federal compliance burden, could further diminish scarce educational resources.

Judicial interventions

Paralleling the growth of bureaucracy has been the remarkable expansion of judicial power, the net effect of which has been to encourage a litigious society. By aggressively assuming the role of social engineers, the courts have not only intruded their ideologies into the private, voluntary sector, but have by their decisions contributed to the proliferation of cases whose issues are better resolved under grievance mechanisms provided by the collegial governance of the universities themselves.

Growing misunderstandings

Distressing as is the intrusion of government into the day-to-day affairs of colleges and universities, even more lamentable is the loss of public confidence in—and understanding of—higher education. College is frequently viewed by parents and students as a way station toward business and professional success. While it is partially that, colleges serve wider purposes. Higher education plays its most profound role not simply in presenting trained manpower to the marketplace, but in assisting the nation to translate past traditions into the present and in building a solid future on new generations who remain committed to social growth, moral development, and progress toward the common good. It is that most fundamental of roles that we as educators and citizens must never forget.

In light of the foregoing and deep consciousness of the significance of the declaration about to be made, we present the following—

DECLARATION OF INDEPENDENCE

Because relationships between government and institutions of higher learning have reached a critical state in this Bicentennial Year, we deem this the opportune moment to state briefly our basic beliefs and premises.

We believe, That a democratic society is best sustained when its institutions of higher learning are free to establish their own policies and programs in furtherance of high-quality education.

We believe, That bureaucracy has become so vast and complex in its operations that sound relationships between government and universities are hampered by overlapping and unduly restrictive procedures, and that a leveling and homogenizing process is being generated.

We believe, That the diverse educational needs of Americans are best met by colleges and universities which are themselves part of a pluralistic and diverse educational community.

We believe, That institutions of higher learning which are committed to serving the rising educational demands of contemporary society should be helped by government financial support.

We believe, That private institutions have a most solemn obligation to husband resources carefully through appropriate administrative and educational reform.

We believe, That our steadfast objective must be the maintenance of autonomy which preserves choices of both form and substance of subject matter which is researched and taught.

Be it therefore resolved, That we reaffirm our intention to maintain institutional independence from any external intervention which threatens the integrity of our institutions, including refusal of federal funds which carry such threats.

Be it further resolved, That to achieve this end, we shall make every effort to—

Retain the university's autonomy over all decisions affecting the substance and the form of educational offerings;

Work with public officials to reconcile conflicting and overlapping government policies as they affect the university;

Render in good faith full accountability for all aid received from government or from any other source;

Perform in a professional manner all projects and services contracted for by governmental agencies;

Resist pressures from persons in government who, without specific legal authority, seek to influence the institution toward an unacceptable course of action.

This declaration we make in the full and deliberate conviction that only by being strong and independent can our universities fulfill their obligations to a free society.

NORMAN LEAR, STUDS TERKEL, LERONE BENNETT, PROFESSOR REDDING ON "PEOPLE AND FOREIGN POLICY"

Mr. SPARKMAN. Mr. President, yesterday, four Americans who have finely tuned their senses to the needs, wishes, and disposition of their fellow countrymen, appeared before the Foreign Relations Committee to answer the question, Do people really care about foreign policy?

Their answers were varied and yet to the point.

The witnesses were Norman Lear, TV producer; Studs Terkel, writer and interviewer; Lerone Bennett, editorial writer for Ebony magazine; and Prof. Jay Saunders Redding of Cornell University.

Because their comments were so interesting and different than we usually hear, I ask unanimous consent that the initial statements of each witness be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

OPENING STATEMENT BY SENATOR JOHN SPARKMAN

FOREIGN POLICY: DO PEOPLE REALLY CARE

Today's hearing continues the Foreign Relations Committee's Bicentennial series titled, "Foreign Policy Choices for the 70s & 80s." It asks the question: Do people really care?

This session is a logical continuation of the first hearing in the series, last September, when we received an interesting and full statistical analysis of U.S. public opinion of foreign policy issues from eight of the nation's leading pollsters.

In the interim we heard from mayors, governors, present and past cabinet officers, business, labor, religious and farm leaders. In sum, we have on the record a nearly full spectrum of opinions.

Topics for later hearings will include a look at possible environmental and communications questions in future foreign policy.

We will also be hearing from an Urban Coalition panel more about how the electorate perceives our present and future policies in this interesting transitional year; Transitional in the sense that it is an election year . . . the beginning of the nation's third century . . . a period when the policies of the past which grew out of the Second World War, the Cold War, the Korean and Vietnam Asian wars and the resolution of rising expectations around the world now need close and careful reexamination.

Today's hearing is an effort to put some flesh and feelings onto the bare bones statistics given to us by the pollsters. We could not have gathered a better panel.

As has been the case in most past hearings of this series, we will ask each member to give us a brief dissertation concerning what he thinks is the appropriate answer to the question we have posed about foreign policy: Do people really care?

Following all four presentations, there will be a period of questioning.

Our first witness, Lerone Bennett, has served as the voice, the heart and the soul of most Black Americans in his role as Senior Editor and editorial writer for Ebony Magazine. But he, like each of our panelists today, is a man of many roles. Bennett has been Visiting Professor of History at Northwestern University and author of many books, including The Negro Mood plus a biography of Dr. Martin Luther King, Jr.: Black Power USA and The Challenge of Blackness.

He will be followed by Norman Lear, who, in addition to his presidency of the American Civil Liberties Foundation in Southern California, has been the driving force behind a number of television series including All in the Family, Mary Hartman-Mary Hartman, Sanford and Son, and Maude. He once told an interviewer, "I want to entertain, but I gravitate to subjects that matter and people worth caring about."

Our third witness, Studs Terkel, is a radio and television personality and author of three popular oral histories, Division Street: America; Hard Times—An Oral History of the Great Depression and, most recently, Working, which transcribes the frustrations that trouble contemporary Americans. It obviously struck a responsive chord since the book was on the best-seller list for 17 weeks.

Our final witness, Professor Jay Saunders Redding, of Cornell University, has been asked to give some historical perspective to our hearing. Professor Redding has a long list of credits which include, in part, member of the Editorial Board of American Scholar; Department of State exchange lecturer in India and author of the book, An American in India, as well as other books such as No Day of Triumph. They Came in Chains, On Being Negro in America and The Lonesome Road.

Gentlemen, we welcome you.

STATEMENT BY LERONE BENNETT

Thank you, Mr. Chairman, for the invitation and for the democratic impulse that it implies.

Let me say, first of all, that I was invited here as a historian and writer and that my views are my own and do not necessarily represent the views of any institution or organization.

Let me say, secondly, that I will speak from the perspective of that other America which is seldom consulted on foreign policy, and whose views are inadequately represented in white media. The other America of which I speak is, of course, black, but it is also brown, red, and white. It includes the oppressed peoples of America, but it also includes large numbers of decent and concerned whites.

And the first point I want to make here is that there is a sense of outrage in sectors of that other America over the fact that foreign policy is made without taking into consideration their interests and opinions. Would it surprise you, for example, to hear that there was a widespread feeling among many people in that other America that Daniel Patrick Moynihan did not speak for them on matters of foreign policy, or anything else? Would it surprise you if I say that people in that other America, generally speaking, smile, with a skepticism born of centuries of betrayal, whenever Henry Kissinger says anything about "the free world?"

This is not, I hasten to add, a new development. The other America I know has been suspicious and, in some cases, contemptuous of official American foreign policy for at least 100 years. It was not taken in, for example, when Woodrow Wilson segregated the toilets in Washington, D.C., and went forth to make the world safe for democracy. It has never been taken in by the many attempts to make the world safe for democracy that has never been safe—for them—at home.

It is very important, I believe, for policymakers to recognize the existence of this other America, for the interests and opinions of this other America are often diametrically opposed to official American opinion.

Here's a dramatic example:

There is a consensus, among poll-takers and public people, that Americans believe the world is going to the dogs and have a sense of unease about the changing shape and color of the world. It would be enormously helpful if the makers of official foreign policy would confront the obvious and perhaps unsettling fact that there is no sense of unease, generally speaking, among the other America I know. On the contrary, there is a sense of joy that black, brown and red people are finally liberating themselves. There is a sense of joy, particularly in African-America, all exceptions freely admitted, that the day of liberation—and of judgment—draws nigh for Namibia, Zimbabwe, and South Africa.

This will perhaps disturb some people, but there is no reason why it should. For the opposite side of the coin is a belief, precisely articulated in some sectors, dimly but definitely felt in others, that the foreign policy of this other America, the foreign policy that never gets articulated, represents the real long-term interests of all the people of the United States. And flowing with and out of this is the belief that it is to the interest of all Americans to view foreign policy from a black perspective, from the perspective, say, of the capital of the "free world," which is predominantly and overwhelmingly black.

This is not an idle or frivolous suggestion, for the perspective of the black people of Washington, D.C., and the black people of this country, is the perspective of the overwhelming majority of the peoples of the world and constitutes an invaluable American resource, which has never been adequately used.

Beyond all that, it is incumbent upon the makers of foreign policy to recognize American reality, to recognize that we are a nation of nations, to recognize that America is an African as well as a European invention. It is incredible, really, that there has been so little understanding of the fact that our failures in the Third World are rooted in and reflect our failures in the black communities of Washington, D.C., and other American cities.

In my opinion, and in the opinion of significant sectors of this other America, the disastrous course of American foreign policy can be attributed, in part, to the failure of public men to use the insights and perspectives of this predominantly-black city and this red, white and black country. This failure explains, in part, our violation of U.N. sanctions in the chrome agreement with the white racist regime of Zimbabwe. It explains the fact that we seem to almost always end up backing the wrong side in popular revolutions. And these facts, in turn, explain our anomalous position in the world. Although we came into the world as a revolutionary force, opposing George III and the reactionary forces of the world, we are perceived by many people today, certainly by many oppressed people, as the George III of the modern world, the supporter and patron of corrupt and right-wing regimes from one end of the world to the other.

For all these reasons, and for others as well, many people in the other America oppose a foreign policy based on fear and negativism, a foreign policy based on the discredited balance-of-power notions of the despots of the eighteenth century, a foreign policy based in what we are rather than what we are for.

I share the concerns of these people, and I believe with them that the conduct of our foreign policy raises questions which are political rather than technical, substantive rather than procedural. I believe, in other words, that the conduct of our foreign policy raises substantive questions which go to the heart of our meaning as a people and cannot be resolved without grappling anew with the question of the meaning and destiny of America.

In order to do that, we must, I believe, deal with three urgent tasks.

The first is to find, identify and create America. What is America? What are its real long-range interests? Who are the people? Are the interests of the people and the interests of multinational corporations identical? It is these questions, and the question of what America stands for, in America and in the world, that we must deal with if we want to reverse the disastrous drift of recent years.

The second task is the political and social education of the people. We are an underdeveloped country in terms of our understanding of geography, politics and economics, and we have been conditioned by thirty years of mindless repetition of meaningless slogans by educators, journalists, and public officials. A precondition of a new foreign policy is the education of the American people on the realities of the modern world.

The third task is a reaffirmation of our faith in the revolutionary ideals of the American birth and the revolutionary aspirations of the peoples of the world. This, I believe, is our most urgent task; for the central lesson of Vietnam was that America has no overriding social cement, no overriding belief in something bigger and higher than petty personal concerns. What happened in Vietnam was simply this: The richest and most powerful nation in history, armed with all the sophisticated weapons and computers money could buy, was defeated and driven to the sea by a bunch of poor, barefooted rice farmers. And the reason this happened, the fundamental reason, was that the poor, barefooted rice farmers believed in something, and the men with the computers and sophisticated armor didn't. And what makes this a matter of moment to us in this bicentennial year is that 200 years ago one of the richest and most powerful nations in the world invaded this country and was driven back to the sea by a group of poor, barefooted farmers, who believed in something, something we lost somewhere along the way. The line from the bridge at Concord to My Lai is straight and true. It is a line of betrayal of one of the greatest dreams mankind has ever known. And that line tells us that there can be no salvation for us, in time or in eternity, if we do not regain that sense of America as a revolutionary force in the world, that sense of America as the permanent representative of the poor instead of the rich, the oppressed instead of the oppressor, the many instead of the few.

REMARKS BY NORMAN LEAR

Mr. Chairman—Members of the Committee: I'm grateful for the opportunity to join with this distinguished panel appearing before you today—to discuss an aspect of our nation's foreign policy. I am here as a citizen and your question to me is—Do citizens really care? The answer is simple: We care a great deal. We have long been termed and we see ourselves described over and over again—as The Sleeping Masses.

There is, in the title of today's hearing—"Foreign Policy, Do The People Really Care?"—the implication that *this committee* may believe that old bromide. It is inconceivable to me that this committee could seriously wonder if the people of this country really care about their foreign policy. Gentlemen, in my opinion, the people of this country care very deeply about their foreign policy, their domestic policy, the relationship of big labor and big business to the public interest, the relationship of multi-national corporations to the processes of government in this country, et cetera, et cetera, et cetera. We are not sleeping masses. We are waiting masses.

And the thing we are waiting for is leadership. We are waiting for leadership in every area of life—moral leadership, spiritual leadership, political leadership.

I mean this committee no disrespect when I say that, in my opinion, the American people do not want to be asked what their foreign policy goals should be as much as they want to be told. Not that they don't wish to make their feelings known. Not that they don't want their opinions considered in your deliberations.

But when the people's views are in conflict with their leaders' views, I am convinced that the people want to hear something like this from said leaders: "Look, folks, I know you won't like what I am saying today—but today is only Monday—and I am thinking of Friday. I am here to tell you that the only way to get from Monday to Friday is to follow me along a temporarily unpopular route.

You have all seen fit to elect me to a position where I have some degree of over-view—and with that over-view I must tell you—that's the hill we have to climb—and climbing it is the only way we are all going to get from Monday to Friday! Be unhappy with me now if you must, but come Friday—I know you will thank me.

What I have been talking about is an area of leadership that seems to me to have been largely abandoned. I recognize that it is important for you in the Congress to keep your ears to the ground, to know what your constituents are feeling. But that raises an interesting question: Whether or not you, elected to a position in the Congress, are more obligated to reflect the attitudes of your constituents—or whether you are equally obligated, by virtue of the vote that placed you in high office, to reflect the attitudes, the independence and the high purpose of the quality man your constituents hoped they were voting into that office.

I believe with all my heart that we are over-Galluped. We are over-Harrised. And if I can pronounce it, I think we are also over-Yankeloviched. I am not saying that those fine organizations do not fill a useful purpose. They do. I am at odds, however, with the way leadership in our country chooses to rely on the results of all their research, all of that polling. You ask me today how I perceive the "attitudes or feelings of United States citizens about themselves, their nation, their future, etc." I'd like to tell you how I think the average citizen views himself. He doesn't think he matters. He doesn't believe that his voice, his opinion, and even his vote counts for much. And the most interesting thing is that he believes he matters so little, despite the fact that he is Galluped and Harrised and Yankeloviched beyond reason.

I believe that one of the great obligations of this Committee—one of the great obligations of every leader in our government—the obligation of every leader in every area of public life—is to help the average citizen learn that he or she really matters. Again—in my humble opinion, you don't accomplish this by simply going to them and asking them questions. You do it by involving them. And you involve them by making your individual opinions as political leaders completely known to them—by allowing yourselves, all members of the Congress, to butt heads and opinions in public forums—by making no secret of the varying winds of conflict in the Congress regarding any and all aspects of policy—foreign or domestic. I'm suggesting, of course, open public debate on all matters of interest to the people.

Senators, members of the Foreign Relations Committee, you to whom all citizens look for leadership in foreign affairs—were you to disagree with each other more openly, were you to rage at each other with the kind of passion I know you must feel when you differ with your colleagues on matters of the gravest concern—were you to open the floodgates of your deepest convictions—you would, I believe, be amazed at how much you would begin to involve the people of the United States.

If I may I would like to draw an analogy from my own area of expertise. There was a time when the most consuming problem that confronted a fictional American family in TV comedy was that the boss was coming to dinner and the roast was ruined—or that Junior lost the keys to the car just before sis needed it to get to her ballet class on time. Then, in 1970, because some of us believed in the theater of ideas, fictional TV families became involved in more real problems—the economy, the Vietnam War, impotency, abortion, the right of privacy and so forth. The reaction of the American viewer was astounding. First we found that he and she were riveted most to the problems that concern them most. Not that they always agreed on controversial subjects—but whether they loved or hated—they did let us know. They were involved. They are still involved.

When Mr. Harris, Mr. Gallup or Mr. Yankelovich stops us on the street—or phones us—or asks us to answer a written inquiry it is a relatively passive exercise. But allow us to hear how you are really feeling. Give us your points of view, your conflicts, with no holds barred. Let the great issues of the moment rage through the Congress and across the land—and I repeat the word rage because I mean the word rage—let us have the issues and 360 degrees of opinion concerning them—and see how soon we, the people, begin to get involved. And I mean really involved! Watch us write you and phone you and contact our local newspapers—watch us become involved—not passively answering questions—but actively telling you where we stand and where we think you should stand.

I would like to see debate on the great issues of the day taken out of the Congress and directly to the people. I am currently involved in a late night soap opera. It isn't even on one of the networks. But it is achieving overwhelming ratings in all kinds of time periods on independent stations. I believe that a series of great debates—a return to public forums for the discussion of important issues—made at a convenient time and aired if need be in the fringe hours—would be of enormous interest to an audience of millions and do no less well.

It is my opinion that this kind of effort, if underwritten by our great political leaders in terms of their willingness to share and debate their points of view on sensitive topics—and if independent stations were to carry these programs for a guaranteed period of time—that a substantial audience would begin to grow—and we would begin to see the words "government of and by the people" have a little more meaning.

And then—when people have told you where they stand, please—please do not follow unless you agree. To paraphrase Orwell, "Freedom is the political leader's right to tell his constituents what they may not want to hear." The American people want to be told what they may not care to hear—because they want desperately to feel that there is some leadership in the land.

Ralph Waldo Emerson once described the people as grass and leadership as wind. As the wind blows, Emerson said, so shall the grass bend. I do not think it denigrates the American people to refer to them in that context, as grass. Any more than it denigrates leadership to be referred to as a lot of wind.

The average citizen we are polling today is struggling to get from one payday to the next. His mind is on a mortgage payment, an insurance policy that's due, a child that must get to college, a doctor's bill that needs to be paid. He doesn't have the time, literally does not have the time to know America's foreign policy options, or to study alternative ways to handle the problems of the inner city—as does the citizen with an income and life style that affords him the opportunity to achieve greater sophistication in these areas.

For this reason America cries out for a constant and never-ending debate on the issues. But even after that debate, after the citizenry has become involved once again, when you go to your constituents for their views—ask; but don't necessarily follow. Ask—and then lead.

As I indicated earlier, should you choose to lead by adding to the sometimes passionless quality of debate as we've come to know it in the Senate and on the floor of the Congress—the strong and passionate and uninhibited kind of debate for which the American people ache—you will begin to excite the people again—you will achieve their involvement as citizens—and when they are once again involved, you will have succeeded in giving them, your constituents, the greatest gift of all—the knowledge that the individual really matters in this society.

STATEMENT OF MR. STUDS TERKEL

Mr. Chairman, thank you very much for this opportunity.

I was thinking, listening to both Lerone Bennett and Norman Lear, what I have to say is really an addendum to what they said so very perceptively and movingly.

I think the question, does the public really care about foreign policy, is called in high school debates a straw man. It is a phony question. It has no meaning because the question has never been put to the public really. Mr. Lear said a moment ago that they never asked, and as Lerone Bennett said a moment ago, the people, whether they are black or poor, white or red or whatever color, are never really asked, and that is why I suppose in these primaries that we read about, that we never talk about the turned off majority, 40 percent turn out to vote.

That's rather disgraceful, isn't it, in an open democracy. In European countries, Western European countries, 90 percent turn out to vote. Now, why is it 60 percent don't give a damn?

They don't give a damn because they feel no one gives a damn about them, really. They feel the power is in the hands of the few, and fewer and fewer control it, and so a feeling of impotence takes place in so many people, they say what's the use?

We are talking about foreign policy now, and we read about a $100 billion or more budget, and so when an Appalachian woman says to me in the Chicago Uptown area, which has so many Appalachian migrants looking for a job or a way to make a living, she says, you know, I know we have these H-bombs. A couple of them can knock them off—meaning the Russians, of course—and a couple of theirs could knock us off. Now, what are the other military expenditures for?

Let's use the phrase, maybe they are welfare bombs. And I start thinking, now, she's a woman who is never asked on anything. She has little education, formally, but she knows what it is about. She knows what her life is about. And she knows that abortion is not the burning issue in most communities, nor is detente, whatever that may mean. Nor, for that matter, is busing. But these are phony, ersatz, straw issues. The real ones are never discussed.

What is my life like? How can there be a better world? How can I have a voice in this government in making a better world? And that is what this woman is talking about. And then she tears out a headline which appears in the Chicago Tribune, not a radical paper—

The Chicago Tribune on November 14, 1975. It says, "U.S. Pay $1,700,000 a Day to Howard Hughes Enterprises."

That is about a half billion a year to the late Mr. Hughes and his enterprises. Now, isn't he the number one welfare bum?

Now, here again the distortion of truth that is so often accepted, unfortunately, by the media, as well, that has in a rather ridiculous way by demagogues in the past been called radical, it's been absurd. And that is why people feel as they do. That is why 60 percent take no part, particularly the young electorate.

I agree very much with Norman Lear about the polls, but one thing has come out in the polls offered by the pollsters before this Committee, that people do care. The polls say that, too, that Americans basically are humanitarianly inclined, not opposed to foreign aid if it goes to poor people. As somebody in one of your polls, the Watts Poll, I believe, said, what is the point of the poor people in rich countries paying the rich in poor countries? Well, it is obviously what they mean.

Now, throughout this Cold War for many years our government has been buttressing every two-bit dictator with a banner, the obvious ersatz banner of anti-Communism. I mean, how ridiculous. Whereas the poor of that country get nothing.

American people are not innately greedy and selfish, and not-giving-a-damners. They do, provided they felt the dough goes to people much like themselves, and people all over the world are much like one another. And that's what I think this is all about.

And I think that if we try to figure out what it is that makes people believe in something, it is being part of it, as Mr. Lear has said, and as Mr. Bennett has said, too, and this is what can turn people on.

If people, albeit officials or not, who have some say (whether it be in the political arena or in the arena of communications) present the issues that affect people's lives where they live, something really good can happen in that the spirit that Lerone Bennett talked about. It can once more be reviewed on a newer scale and a much higher plateau than ever before.

It is as simple as that, really.

STATEMENT BY JAY SAUNDERS REDDING

Mr. Chairman and distinguished members of the Committee, I am highly honored by the invitation to appear before you, but I think I should begin by saying, first, that the time limit, which you justifiably impose, makes over-simplification inevitable; and, second, that I do not presume to speak for the more than twenty million Negroes in the United States, whose deep sense of racial unity is not—contrary to the opinion of certain amateur sociologists and the wishes of some politicians—is not a reflection of a monolithic structure of thought on the subject under discussion here, or indeed, on any other subject.

But although I do not speak for Negroes, I think I can speak about them with the authority that derives from being one of them.

Until relatively recently Negroes, I dare say like the vast majority of Americans, had no interest in their country's foreign policy per se. Few Negroes, for instance, back in 1945 made any connection between foreign policy and the State Department's designation of Ralph Bunche as an official U.S. delegate to the first meeting of the United Nations Organization. Until at least the 1950s our exclusive concern was with domestic policy and how its fulfillment—or the failure to fulfill—affected us. What we had minds for and eyes to were local, state and national laws, court decisions, what the Secretaries of Labor, Commerce and Interior said, or failed to say. We did not care a damn who was Secretary of State and what his policies were vis-a-vis Europe, Asia and Africa—although we had some faint sense that America's foreign policy in regards to Africa might be a reflection of our country's domestic policy and practice as they affected America's Negroes.

Not by any means as suddenly as a statement of the fact may make it seem, but gradually in response to a series of circumstances and events, the history of which need not be recounted here, this faint sense became a perception that color and race, which are inherently meaningless, are not only the focuses of passionate sentiments throughout the Western World, but the symbolic means of distinguishing between those countries and people who deserve that attention of the U.S. (in terms of preferential consideration) and those who do not. (Let me say parenthetically—and I think no observant person can disagree—that these symbolic bases for determining foreign policy have given the U.S. trouble as between Dacca and Delhi, Taiwan and Peking, China and Japan, in Guyana, and in the Islamic world).

By the beginning of the middle years of this century, this perception on the part of American Negroes had contributed to—if, indeed, it was not the primary cause—a sense of oneness with all the non-white people in the world, but especially a sense of oneness with the uni-racial (though multi-cultural) people of Africa. I hope you will accept my apology for a personal reference.

When I was in India in the early 1950's, more than a handful of "radical" Indian intellectuals, politicians and civil servants asked me in passionate seriousness whether my people—meaning American Negroes—would join the rest of the colored world in a war (a "race war") against the West—a war which they predicted would come before the end of the century. The question shocked me then. It would not now.

The perception I have been talking about helped to inspire the new cultural chauvinism of American Negroes and the separation of their culture from white American culture. This perception inspired the concept of negritude and the concept of black power; it brought about the proud use of the once-insulting racial designation Black (instead of Negro); and the adoption of the Afro hairstyle, and bubas and dashikies as modes of dress. This perception led to the discard of American "slave heritage" names, and Cassius Clay becomes Muhammed Ali; Imamu Amiri Baraka replaces LeRoi Jones. And this perception, supported by the stated policies and the public activities of the Congressional Black Caucus, the old line organizations like the NAACP and the National Urban League, by congregations of black officials on local and state levels and of non-professional groups, has created a deep and abiding interest in American foreign policy as it—policy—pertains to the non-white world: Asia, parts of South America; and particularly as it pertains to countries in Africa. American Negroes couldn't care less about America's European foreign policy, so long as it does not get us involved in war.

Still speaking only for myself, several things about policy toward the non-white world bother me. First, it is improvised, extemporized, ad hoc. It is a *response* but not to given African countries themselves: rather to what it is believed other non-African nationals are doing in Africa. There is nothing in American foreign policy that can be identified as even suggesting that we look upon the countries of Africa as viable members of the international community and as potential contributors to the progress and survival of the brotherhood of nations. Our recent response to Angola was not a response to Angola and its people, but a response to the presence of Cuba and Russia; just as our response to Tanzania is a response to the Chinese presence in that country.

Second, this kind of response represents the differences of color and race that symbolize the differences between wealth and poverty, power and weakness, conquest and alien rule. It is a non-humanist response and it evinces no regard for the national independence, the freedom and the equality that the natives of African countries want and more and more strive after.

Finally, I would say that the wave of the future is rolling left, and the sooner American foreign policy rolls with it, the less likely it is that the United States of America will be swamped.

EDUCATION

Mr. PELL. Mr. President, I want to call the attention of my colleagues to an editorial in the April 1, 1976, edition of the New York Times. The editorial is entitled "Issues '76: Education" and it emphasizes the crises facing education at all levels.

Five days after this article was published the Committee on Labor and Public Welfare reported S. 2657, the Education Amendments of 1976. This bill will make a significant contribution to strengthening American education, and it responds directly to the challenges mentioned by the Times' editors.

As they emphasize, we see that education has an important role to play in our society, and that as we grow and become increasingly sophisticated this role becomes increasingly vital. Education is the process by which we train our leaders for new responsibilities. It is the tool we use to educate our workers for new jobs, and it is the means with which all citizens wil learn to meet the demands of everyday life and the changing times. For these reasons, education is not a luxury but a necessity.

In this spirit, I urge the Members of the Senate to read this article, and to add their support to our effort to advance the work of education in the United States. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ISSUES '76: EDUCATION

When Thomas Jefferson warned that no nation should expect to be ignorant and remain free, he raised education to top rank among national priorities. Economically and politically, this self-governing nation depends for its strength and resiliency on an educated electorate. Yet, in recent years, support for education has been severely shaken:

School bond issues have been defeated in unprecedented number.

Universal schooling, always depicted as a costly luxury by ultra-conservatives, has lately been denounced as an infringement of children's and parents' rights by ultra-liberals.

The Ford Administration has spread the word that educational programs to upgrade the capacities of the poor have failed and should be abandoned.

Skyrocketing costs of college attendance threaten to close the gates of higher education to increasing numbers of qualified youths. Yet there is no place for the undereducated in an industrial nation, as the appallingly high percentage of out-of-school and out-of-work youths clearly shows.

Such a retreat from America's commitment to education cannot be ignored by any Presidential candidate truly concerned with the nation's long-term future. In an effective platform for progress, educational policies should be the cement that binds together individual aspirations and national goals.

One issue persistently used to chip away at that cement is busing. Inflated out of all proportion to its impact, busing has become a political smokescreen to hide opposition to integration. This sham controversy can be best defused by consistent efforts to improve the education of all children, to remove existing zoning barriers which perpetuate segregation, to make "magnet" schools so attractive that they will be voluntarily selected by parents across district lines.

In the elementary and secondary schools, there needs to be a return to the goals of academic excellence, as supported by President Eisenhower's National Defense Education Act, and to the equally indispensable extension of educational opportunities to the deprived, as codified in President Johnson's Elementary and Secondary Education Act.

There is no contradiction between the sound constitutional design that makes education primarily a state and local responsibility and the Federal Government's modern mission to help close the gap between poverty and affluence. Where urban and rural poverty exceeds local capacity for self-help, national strategies are the only practical and humane alternative and the candidates ought to face this issue.

The present Federal contribution of only 7 percent of the total elementary and secondary school expenditures is too low and needs to be raised gradually to grant some relief to hard-pressed local communities. However, Federal aid is more than a fiscal transaction. Subsidies which merely allow local and state school boards and teachers' unions to spend a little more in the usual ways miss the mark. In addition to providing better educational opportunities for the disadvantaged. Federal funds can help to break the confining rigidities that impede educational progress. Work-study programs for restless or needy students can be supported; student-to-student tutoring encouraged; lay volunteers brought into the schools in greater number.

Higher education is on the verge of disaster unless the Federal Government quickly and decisively helps to keep access to college open and to protect the diversity of the campuses.

Financial aid must be made responsive to the students' and the colleges' critical needs. This means that the existing subsidies must be made available on a more realistic basis to middle-income families. At the same time, there is desperate need for direct student grants.

But such student aid strategies will be futile in the long run unless Federal policies can also help institutions cope with the tuition inflation. Attempts at keeping the high-tuition private sector competitive by forcing up the public institutions' fees can only have the effect of locking out increasing numbers of students from poor as well as middle-class families. Between 1970 and 1973, the ratio of youths from middle-income families attending college has declined by 7 percent.

At stake is the future of the open society, as candidates for highest office need to acknowledge—something that few of them do. While the Federal Government should not dictate educational policies, it has the responsibility to encourage upward mobility, to create a national climate in which education is recognized as a prime national resource, and to engage the nation's educational facilities—particularly the universities—in the essential task of restoring America's vitality and self-confidence.

CRIME AND THE LAW

Mr. BENTSEN. Mr. President, George Washington wrote that—

> The administration of justice is the firmest pillar of Government.

Yet, 200 years later, a typical American baby born and remaining in a large city is more likely to die of murder than an American soldier in World War II was to die in combat. In recent years our Nation has been plagued by rising crime—infecting our streets, bringing fear to our communities, and even reaching into the highest levels of our Government. The pillar of justice is not so firm. Clearly, something should be done.

Today I would like to comment on two major aspects of our criminal justice system: bail and sentencing. In our Government of laws, and our process of justice and order, so much revolves around how we deal with those who have been accused of crimes, and those convicted of them. Soon, I will introduce legislation designed to improve this process, to implement in the Federal jurisdictions a system of presumptive sentencing. Today I wish merely to express some guiding thoughts and considerations. I would also like to bring to my colleagues' attention an article in today's Washington Post, describing support for presumptive sentences by the Twentieth Century Fund's Task Force on sentencing. I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BENTSEN. Mr. President, a recent headline in a Washington newspaper told a story that I have seen repeated too often—"Robbery Plea in A.M., Rape Charge in P.M.". The accused had been charged in January with petty larceny. He was no model citizen. Several mornings ago he had pleaded guilty to strong-arm robbery charges. He was released shortly thereafter. That evening, within hours of his release, he was accused again. A 25-year-old woman accused him of having broken into her home, and of having then assaulted her with a piece of broken glass and then raped her, brutally.

This is but one of many examples of dangerous criminals who are released, only to bring more violence to our streets after release and before trial. The accused in this particular case had already been charged with a crime. He had also pled guilty to a strong-arm robbery. Yet he was released, and within hours brought in again, accused of violent assault and rape. This is not justice, this is not good law, and this is not commonsense. Nor is this an isolated example.

According to a recent study by the Law Enforcement Assistance Administration only 7 percent of all people arrested in the District of Columbia accounted for nearly 25 percent of our Superior Court's criminal cases. In short, our people are being terrorized by a well-equipped band of criminals who are barely finished with one crime, and released, before they return to the streets. It is the responsibility of the Congress to enact legislation to make this important pillar of justice firm once again. We cannot and should not allow dangerous and habitual criminals to repeatedly terrorize our communities.

It is also the responsibility of Congress to improve our sentencing laws. Mr. President, why do we send crinminals to prison?

Do we do it for punishment, when so many criminals go unpunished?

Do we do it for rehabilitation, when prison conditions are such that many judges will not send even hardened criminals to them?

Have we been effective when the number of repeat offenders is so high?

Can we say we do it for incapacitation, when all too often none is imposed?

Or for restitution, when we must admit that so many trials lead to a reduced sentence, and little or no punishment at all?

In 1976, by whatever standard we use, our sentencing policies are failing, Our current method usually provides for no minimum sentence. Judges are left adrift in a sea of discretion. There are few guidelines, and little direction.

Indeterminate sentencing is under attack from many quarters. Too often it allows ciminals to go unpunished. Too often it fails to protect the public. One State attorney general has stated that it leads to the release of dangerous and violent people. This is no isolated opinion.

Indeterminate sentencing also fails to provide justice for those who are sent to prison. There are disparities of sentence. Too often different criminals who commit the same crime the same way—receive two vastly different sentences. This system creates a lack of certainty—reducing the fear of punishment and often eliminating it. It creates disrespect for the law. It encourages violation of law, by failure to punish.

In one shocking and often-quoted study, it was found that in the Pittsburgh Common Pleas Court in 1966, well over half the white males convicted of aggravated assault were placed on probation, as were more than one-fourth convicted of robbery. Were not these people dangerous? Was this punishment, or deterrence, or rehabilitation? Surely this was not justice.

Mr. President, statistical evidence indicates that crime can be deterred if the would-be perpetrator feared punishment. He need not fear that he would be punished severely—only that he be punished at all. It is a commentary on the state of events today that such certainty is lacking. Crimes go unreported, unsolved, and unpunished. This is neither justice nor commonsense; it is neither sound policy nor effective law enforcement; it often does not punish and it rarely deters.

Surely, we can increase the certainty of punishment, and decrease the disparity and unfairness of that punishment. It has been said that of civilized nations, more offenders in America receive little or no punishment, and more receive unusually harsh sentences. Why? Our judges have too much discretion. Certainly they should have latitude to judge individual crimes and individual criminals. Yet now, parole boards and judges have too much latitude. There is too much power. There are too few guidelines. As Federal Judge Marvin Frankel, who has long studied sentencing policy, warns—

> Our sentencing practices are themselves essentially lawless, and this regime of unregulated power is a source of hatred and contempt, rather than respect, for the law.

The time has come for change.

As we approach changes in our sentencing process, let us look to a number of basic principles: Those who violate the law should be punished. Criminals should know with some certainty that they will be punished. Punishment should be meted out with fairness, without glaring disparities of sentences. There should be limitations on judicial discretion. Those who repeatedly commit crimes of violence should be punished severely. Let us continue to develop and improve programs of rehabilitation, especially for young offenders and first offenders. We can emphasize job training, enhancing employment potential, and reducing the need for reliance on a life of lawlessness.

I am now examining a number of specific legislative proposals. I think the evidence supports some form of mandatory minimum sentence. This sentence should not be so strict that it will rarely be enforced—thereby strengthening the hand of the criminal. Yet there should be more certainty of punishment. There could be a maximum sentence to limit the potential for disparity. I am examining a concept that is gaining increasing support among observers of our criminal justice system—the idea of presumptive sentences. Besides setting a mandatory minimum and a maxmum sentence this approach also sets a middle sentence, a presumptive sentence. This would serve as the general sentence for the normal crime, and if a judge were to go above or below it he would have to present his reasons in writing, subject to appellate review. There could be a built-in increase in the presumptive sentence for repeat offenders. There could also be a limit on sentence reduction permitted through plea bargaining, which could retain some value in the bargain, yet also retain certainty of some punishment. Under this system, parole boards would play a far lesser role in making sentencing decisions, and a greater role as an expert agency helping former inmates find employment after release, and adjusting to post-release citizenship.

Mr. President, as an operating principle, I believe that more criminals, and especially more dangerous criminals, should go to prison. Certainty of punishment can provide a deterrent. Reducing sentence disparity can make our laws more just. When criminals see their fellow lawbreakers receive no punishment—they see that their own risk in committing future crimes is that much less. Crime then pays and society suffers, allowing danger to lurk in our communities and fear to stalk our streets.

Mr. President, all too often today crime does pay. Let us increase the price. Let us enforce the law fairly. All of our citizens deserve no less.

EXHIBIT 1

ELIMINATE INDETERMINATE SENTENCES, PANEL URGES

(By John M. Goshko)

An independent task force yesterday called for overhauling the criminal justice system by eliminating indeterminate sentences, which allow judges and parole officers to decide how many years a criminal will remain in prison.

In a study prepared for the Twentieth Century Fund and entitled "Fair and Certain Punishment," the task force urged "similar punishment for similar crimes" through national adoption of a system that it called "presumptive" sentencing.

Under such a system, a specific term of years in prison would be set for each category of crime. In imposing sentence, a judge could give a convicted felon a greater or lesser term only within strict limits established by law and involving specific aggravating or mitigating circumstances.

The 11-member task force was headed by former California Gov. Edmund G. Brown Sr. Its other members were judges, legal scholars and experts in law enforcement and criminal rehabilitation.

"We believe that perhaps the major flaw in the criminal justice system is the capricious and arbitrary nature of criminal sentencing," their report asserted in attacking the current widespread practice of indeterminate sentences.

Under existing laws, a judge often has wide discretion in determining how long a sentence, if any, a criminal must serve. The judge normally assigns not a specific term but a range of years—say, five to 20—and parole authorities then decide, within that range, when to release the prisoner.

This system was long regarded as an enlightened way of dealing with convicted criminals, because it theoretically allows authorities to take into account the specific circumstances of the offense and subsequent progress within prison toward rehabilitation.

Recently though, indeterminate sentences have come under increasing attack as permitting too much arbitrariness in punishment and for failing to have sufficient impact on rising crime rates. Attorney General Edward H. Levi, for example, has been among those criticizing the system and calling for greater use of fixed sentences.

Since much of the criticism has come from conservatives, the report published under the auspices of the Twentieth Century Fund is especially noteworthy. A private, nonprofit research foundation engaged in studies of economic, social and political issues, the fund has frequently been characterized as reflecting a liberal point of view in much of its work.

In attacking indeterminate sentences, the report cited a number of studies showing that judges in the same jurisdiction frequently impose widely differing sentences for similar or identical crimes, that these variances often are related to differences in the race or economic station of those convicted and that "we have become a nation of extremes when it comes to sentences."

As a result, the report declared, many convicted criminals receive excessive sentences, while others are let off with probation or minimal terms. This, the report continued, is both unfair and a weakening of the value of prison terms as a deterrent to crime.

"Such haphazard sentencing does little to increase the deterrent impact of the criminal law, since the potential criminal is likely to calculate his potential sentence by reference to what most similarly situated offenders receive," the report said. "And the sad fact today is that most criminals do not receive any or very little punishment for their crimes."

The report rejects "flat-time sentencing"—imposing an absolutely identical sentence on everyone convicted of the same crime—as "a system so automatic that it may operate in practice like a poorly programmed robot." It also argues that the sentences being imposed today are generally too long and should be reduced by statute.

But, it adds, "it is our recommendation that a larger number of criminal defendants—principally those convicted of serious crime—should serve some time in prison." And, it concludes, "these sentences should be relatively predictable before the offense is committed."

The report includes a "model statute" containing a list of suggested sentences for major crime categeories, together with the variations that judges would be able to make in cases of special circumstances.

In cases of homicide, for example, the report describes five separate categories and recommends sentences ranging from one year ("unintentional killing resulting from gross negligence") to 10 years ("premeditated, deliberate killing").

The recommendation notes, that while 10 years might seem a light sentence, it actually is "congruent with the average term actually served by persons currently convicted of first-degree murder."

THE FORD ADMINISTRATION AND ENERGY CONSERVATION

Mr. KENNEDY. Mr. President, earlier today the Subcommittee on Energy which I chair of the Joint Economic Committee received excellent testimony from Dr. Robert C. Seamans, Jr., Administrator of ERDA, regarding the role that energy conservation should play in our national energy program. He notes particularly that ERDA's "National Plan for Research, Development, and Demonstration" which will soon be released in updated form places the highest priority on developing energy efficient conservation technologies. This ranking represents a major change from ERDA's original plan released last June.

This solid endorsement of a larger role for energy conservation in our energy efforts complements a similar statement by FEA Administrator Frank Zarb when he testified before the Energy Subcommittee.

The problem, of course, is convincing the White House and the Office of Management and Budget to put these words into action. When it comes to particular pieces of legislation or in setting budget priorities, OMB turns out to be somewhat less enthusiastic for energy conservation. For example, OMB cut nearly in half ERDA's conservation requests for fiscal year 1977. And OMB decreed that FEA should describe the Energy Conservation Act of 1976 (S. 2932) which I introduced and is now cosponsored by some 24 Senators as "premature."

To many of us in Congress, these decisions by the White House make little sense. The majority of the Joint Economic Committee in its annual report released last month urged that energy conservation be afforded much higher priority. I ask unanimous consent that the portions of the Joint Economic Committee's annual report dealing with energy conservation be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

> Conservation opportunities are widespread and in many cases very cost-effective. Unlike emergency curtailment of use, many conservation measures will create income and jobs. Much conservation will be cheaper, quicker, and less environmentally damaging than a corresponding expansion of production. Most important, consumers will realize substantial money savings through more efficient use of fuel that would not be made by expanding supply at high prices to feed our wasteful habits.
>
> Priorities in energy research and development also are seriously out of balance. The overwhelming bulk of R&D expenditures continues to go to capital-intensive, production-oriented projects, some of which promise uncertain benefits at very high cost. Extremely low priority, despite much lip service, is afforded to R&D in energy conservation and renewable energy sources.
>
> Congress should give energy conservation higher priority, moving promptly to consider economic incentives and assistance to realize energy efficiency in residential and commercial building, industrial processes, transportation, and electric power generation. While pursuing promising technology development based on nuclear and fossil fuels and the development and production of synthetic fuels from nonpetroleum feedstocks, Congress should provide adequate funding for research and development on energy conservation and the use of renewable energy sources.

Mr. KENNEDY. I should note also that the Senate Budget Committee in its report on the first concurrent resolution for fiscal year 1977 noted that—

> The Administration proposals were deficient in non-nuclear energy programs, particularly in the field of energy conservation.

Thus the hard realities of budget levels and administration support for pending legislation do not square, as yet, with the very positive words from administration officials about the importance of energy conservation.

But I remain optimistic. I believe we can perfect legislation that will win White House endorsement. I can say that we are trying very hard to do this in relation to S. 2932, the Energy Conservation Act of 1976. And I believe we can restore much of the money that OMB has stripped from the budgets of ERDA and FEA in the area of energy conservation.

As we proceed in these discussions with the administration, I am going to refer frequently to the excellent statements delivered by Dr. Seamans and Mr. Zarb before the Energy Subcommittee. These two statements contain all the justification we need to begin a serious, comprehensive national effort to make energy conservation a reality in the United States.

Mr. President, I ask unanimous consent that the testimony of Dr. Robert C. Seamans, Jr., and Mr. Frank Zarb be printed at this point in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Statement by Dr. Robert C. Seamans, Jr.

Mr. Chairman, Members of the Committee: I welcome this opportunity to be here today to discuss ERDA's energy conservation program and its role in our National Energy Research, Development and Demonstration (RD&D) Program. I am accompanied by Dr. Gene Mannella, Deputy Assistant Administrator for Conservation.

ENERGY CONSERVATION AND ERDA'S NATIONAL PLAN

ERDA fully recognizes the important potential of conservation technologies for reducing overall energy demand beginning in the near-term and continuing with increasing impact over the coming decades. The importance of conservation technology is reflected in ERDA's "National Plan for Research, Development and Demonstration," soon to be released in its updated form, which points out that energy conservation is essential to our national well-being in order to relieve the pressure for rapid intoduction of new energy technologies and to soften the impact in our economy of the rapidly increasing cost of energy. In the revised plan, energy efficient conservation technologies are singled out for increased attention and are ranked with several supply technologies as being of the highest priority for national attention.

This ranking represents a major change from ERDA's original Plan, issued last June, and is based on further analysis of conservation opportunities. Specific strategic reasons for assigning energy efficiency technologies to the highest priority category are:

A barrel of oil saved can result in reduced imports. Conservation combined with fuel substitution efforts reduces dependence on foreign oil. The focus is on cost-effective approaches since not everything that saves energy should be implemented at this time. Technology development should increase the number of cost-effective approaches available.

It typically costs less to save a barrel of oil than to produce one through the development of new technology.

Energy conservation generally has a more beneficial effect on the environment than does energy produced and used.

Capital requirements to increase energy-use efficienecy are generally lower than capital needs to produce an equivalent amount of energy from new sources since most new supply technologies are highly capital-intensive.

Conservation technologies can generally be implemented at a faster rate and with less government involvement in the near-term than can supply technologies.

Energy efficiency actions can reduce the pressure for accelerated introduction of new supply technologies. Since the actions persist over time, the benefits are continuing in nature.

SPECIAL CHARACTER OF CONSERVATION R.D. & D.

It is often assumed that energy conservation exclusively means "doing with less," such as driving fewer miles or turning down the thermostat. This, of course, is a very important part of the President's energy conservation program, but ERDA's program is addressed to another objective—namely, to introduce more efficient energy consumption technology into our homes, offices, and factories so that each mile driven, each home heated and cooled, and each product fabricated uses less energy and thus lowers overall demand. By building energy efficiency into our goods and services, we can enjoy the same comforts of life at lower cost and environmental impact.

It is also important to understand that energy conservation technologies differ from RD&D activities in new source technologies in that the opportunities for energy conservation are literally all around us. Energy savings are to be found through:

Better design of new buildings;

Improvements to existing buildings;

More efficient industrial processes;

More economical cars and trucks and alternative forms of transportation;

Better designed and equipped electrical energy systems; and

Greater efficiency in the numerous installations (such as furnaces, boilers, engines) where energy is converted from one form to another.

Thus, ERDA's conservation program must interface with nearly every segment of the economy—building construction, transportation of people and goods, power transmission, and industrial processes of all types. Unlike the highly focused and technical programs in some of ERDA's RD&D areas, this program must deal with many technologies and many markets.

Moreover, the main thrust for energy conservation must come from within the private sector. Technological advances must be incorporated into products and processes—and enter our homes, offices, and factories—as the result of actions on the part of individual consumers and of product designers, architects, construction engineers, and many others. This is difficult because energy conservation cannot simply be "inserted" into the economy; it must grow from within. So the problem that we face extends beyond developing better technology; it means striving to accelerate the process by which the private sector brings that technology into use. Thus, the success of our development and demonstration programs is measured in terms of how well they influence the private sector toward early implementation of better conservation technologies.

ERDA'S CURRENT PROGRAMS

Because of the urgency of the energy situation, ERDA's energy conservation program focused during its first year on rapid development and deployment of technologies that will begin in the near-term to conserve our vital energy resources. In addition to these opportunities, a continuing stream of new ideas and projects flows from the scientific community, individual inventors, and entrepreneurs. For example, recent private efforts have produced more efficient light sources and thermally activated heat pumps. Moreover, technological opportunities need to be considerd in the light of alternative socio-economic-regulatory actions such as standards and innovative financing. By and large, most of these conservation technologies will have to overcome problems of economic uncertainties, and normal resistance to the acceptance of new "products." In some instances the large, potential benefits may justify government action in the form of economic incentives or RD&D assistance.

Our work to initiate projects with near-term potential is beginning to pay dividends. With favorable market acceptance, it appears possible to achieve conservation savings in the range of one million barrels per day by 1980.

Some of the near-term projects we have underway are:

Retrofit of local control of heating systems to reduce those all too frequent instances such as open windows being used to cool overheated rooms.

Development of energy efficiency performance standards for all buildings to be supported by HUD.

Introduction of better electric power load management techniques to reduce the use of expensive peak power.

Analysis of fuel substitutes, such as methanol, into the gasoline for standard automobiles.

Retrofit of improved combustion units in oil-fired furnaces in residences, commercial buildings and industrial processes.

The first two projects are aimed at saving energy whatever the source—oil, gas, coal, hydroelectric, etc. The last two illustrate way to save oil and gas by substituting other fuels in their place.

The retrofit of combustion units illustrates the magnitude of the opportunity in conservation and the special problems of achieving impact. There are approximately 14,000,000 space heating installations in the United States which utilize distillate fuel oil (No. 2). These are located in single family and other small buildings. The total amount of distillate fuel consumed in this market is in excess of 1.5 million barrels of oil per day (MBPD). The program has shown that it is technically feasible to increase the efficiency through the first heat exchanger from a present average of about 60% to an average of 75%. This represents a potential saving of 300,000 barrels of oil per day.

Exciting as these near-term possibilities are, we have attempted to maintain a balanced effort by initiating a number of activities that will be important by the mid-term (1985–2000) and long term (beyond 2000).

For example, an important element of ERDA's conservation technology program is recovery of energy through the utilization of urban, industrial, and agricultural wastes. By the mid-1980's, it may be possible for the private sector to process most of the 200 million tons of waste classified as readily available. This will require further refinement of some waste systems and biomass conversion technologies, overcoming certain institutional barriers, and substantial capital outlays in the private sector for plant construction. If successful, however, wastes could contribute an additional energy resource amounting to the equivalent of about 500,000 barrels of oil per day.

Additional mid-term technologies include:

(a) Total integrated energy systems (TIES) which use the heat currently wasted in electric power generation to provide process heat for a local industrial complex.

(b) Thermally activated heat pumps that can drastically reduce the need for fossil energies to supply heating for buildings.

(c) Improved designs and materials for reducing the heat requirements of buildings.

(d) Bottoming cycle engines that develop power from the exhaust heat of diesel trucks.

(e) Automated equipment for peak load management of electrical power.

(f) High efficiency, high temperature recuperator systems to capture the thermal energy now being exhausted to the atmosphere in steel, glass, cement, and other high-temperature process industries.

(g) Microwave vacuum drying to reduce energy consumption in food processing.

Current activities with a longer term focus include developing a plan for the Nation to follow to introduce new technologies to meet its requirements for a non-petroleum based auto/truck transit system; and evaluating alternative modes for storing large quantities of energy to satisfy the peaking requirements of electric power systems.

Mr. Chairman, this completes a brief overview of the activities initiated during the first year of ERDA's conservation program. We are making progress but we also have begun to realize the complexities involved in identifying and pursuing the most effective means of promoting new technology for energy conservation in the many diverse sectors of the economy. An important adjunct of the work this coming year will be the development of better management tools to help us identify the most significant opportunities and the most effective means of deploying the results of our RD&D efforts.

Thank you and at this time I would be pleased to respond to any questions you may have.

Statement of Frank G. Zarb

Mr. Chairman and Members of the Subcommittee, I welcome this opportunity to discuss with you the current status and the future direction of our efforts to encourage the conservation of energy.

As I hope you will agree, the enactment of the Energy Policy and Conservation Act last month represented a small step toward the establishment of an effective national energy policy.

The compromise oil pricing provisions, while far from perfect, at least signaled an end to the long and often frustrating debate that we witnessed during the past year. The Act also incorporates other provisions that can contribute to the eventual realization of energy independence, including the establishment of a strategic oil reserve, conversion of oil and gas fired plants to coal, and emergency standby authorities. It also provides for mandatory automobile fuel economy standards, mandatory energy efficiency reporting by the ten most energy consumptive industries, energy labeling and efficiency targets for major home appliances and a technical and financial assistance program to aid the States in developing and implementing energy conservation programs.

Although the passage of this law does indicate that we have made progress, we should not be lulled into believing that it alone can resolve the Nation's energy problems. There remain several pieces of pending leigslation which must be enacted to effectively complete the energy program, building upon groundwork laid by the Energy Policy and Conservation Act. These hearings on energy conservation are a welcome indication that Congress also sees the need for further action.

During the past two years there has been much discussion of the need for energy conservation. However, despite the fact that conservation has been the subject of considerable public debate, several widely held misconceptions somehow still remain. These have not only delayed the enactment of important legislation but have also engendered confusion among the general public. I would like, therefore, to begin my testimony today by identifying, and hopefully dispelling, some of these myths.

First, and perhaps most widespread, is the myth that intelligent conservation of energy will hinder economic growth, increase unemployment or lower our high standard of living. There is no question that the dramatic increases in the price of imported oil instituted by the OPEC Nations during the past two years pose a threat to our economy. Because of this threat, it is absolutely necessary that individuals and businesses take steps to use energy more efficiently. Contrary to the myth, conservation is vital to our efforts to sustain our high standard of living and rekindle economic growth. Moreover, several recent analyses have shown that reducing the inefficient use of energy would not result in an employment penalty and may, in fact, create more jobs.

A second is the myth that energy conservation is only an environmental concern and that conserving energy is not an economic proposition. While energy conservation would result in a cleaner environment, the key motivation behind virtually all efforts to conserve energy is and should be economics. Saving energy is synonymous with saving dollars and can, in fact, be considered as one of the least expensive energy supplies this Nation has.

A third myth is that higher energy prices will not induce greater energy conservation. Since the dramatic rise in oil prices at the end of 1973, petroleum demand has declined markedly. In comparison to pre-embargo forecasts, 1975 petroleum demand declined by approximately 14 percent or 2.7 million barrels per day. Of that 2.7 million barrels per day, over a third or about one million barrels per day is attributable to increased awareness and response to higher prices. Thus, as energy prices climb higher, saving energy becomes more attractive—for both businesses and individuals.

A fourth myth is that conservation is only a stop-gap measure and can't really make a significant contribution to the resolution of our longer term energy needs. We estimate that anticipated increases in energy prices along with Government initiatives will result in the adoption of conservation measures that will reduce energy demand, including oil, gas, coal, nuclear power and other energy sources, by about 14 percent from levels anticipated before the embargo—or the equivalent of more than 7 million barrels per day of oil—by 1985. This reduction is just slightly less than our current rate of production of domestic crude oil. Although a large part of these savings are likely to occur in response to higher energy prices alone, the full amount would not be achieved without Government involvement to accelerate the adoption of conservation measures. A good example of a desirable conservation measure that would result in long-term savings, if adopted, is the updating of standards for new residential and commercial buildings.

I should like also to try to dispel several myths which are often engendered by many advocates of energy conservation. This is necessary to obtain a balanced understanding of the conservation issue.

One is the myth that energy conservation alone—or in combination with the development of solar and other inexhaustible energy resources—can solve our energy problems. Even when we achieve our estimate of reduced energy demand, which I cited earlier, we would still require the energy equivalent of approximately 44 million barrels per day of oil to meet the needs of our economy in 1985. This is 24 percent more than what we use today. Even the most optimistic projection of the contribution to our national energy needs that could be made by solar and other inexhaustible energy resources is far below this figure. Obviously, unless we reverse the trend of rapidly declining domestic oil and gas production, we will be forced to rely even more heavily on imported energy.

A second myth is that the Federal Government, by enacting a law or issuing regulations, can swiftly and painlessly ensure that energy is conserved. As this past year has clearly indicated, there are no such simple solutions. In fact, encouraging greater energy conservation is, in many respects, a more complex and difficult task than encouraging increased domestic energy production. While only several thousand companies produce and/or distribute our domestic energy supplies, literally millions of diverse businesses, institutions and individuals consume energy. While increased energy prices have stimulated conservation actions, in a few circumstances the President and the Congress have taken a mandatory approach. It will be no simple task to manage these complex programs; great care must be exercised to avoid the large bureaucracies and economic distortions that often are the result of Government regulation.

Finally, there is the myth that energy conservation is free—or nearly free. While it is true that significant energy savings can be realized for little or no cost, it is also true that many measures that could result in large energy savings require significant investment. The installation of storm windows, heat pumps, heat recovery systems, and power recovery turbines has a cost, just like measures to increase energy supplies. The choice between whether or not to adopt any specific conservation measure must be made by the individual or firm concerned, on the basis of hardnosed economic analysis. Currently, our best estimate is that over $200 billion will be required for energy conserving investments over the next ten years if we are to achieve the savings I cited earlier. We are pursuing further studies to refine our understanding of the specific capital costs that can be anticipated.

Energy is only a means to economic well being, not the end product. If a fuel becomes overly expensive, or unavailable, then common business sense dictates that the thing to do is replace it with the lowest cost substitute. Let's consider a simple example of a consumer faced with rising fuel oil prices. The consumer has available several alternative responses. First, he could simply continue to pay the higher heating bills. Second, he might consider switching from fuel oil to some other source of heat—such as natural gas, electricity, or possibly solar energy. Another alternative, however, would be to reduce his use of fuel oil by installing insulation. How does he choose among the alternatives?

Continuing to pay the higher bills for fuel oil would cost more than $17 for each barrel of oil used. If the homeowner were able to switch to natural gas, then he would be paying only around $9 for the energy equivalent of that barrel of fuel oil. (Natural gas is still a "bargain" because it is regulated at unrealistically low prices. However, many areas, including Washington, D.C., have moratoria on new gas hookups. Consequently, the natural gas alternative is increasingly unlikely to be available.) If the homeowner lived in Massachusetts and chose to heat his home electrically by installing baseboard or some other form of resistance heating, he would be paying more than $30 for the equivalent of that barrel of oil. However, if this homeowner chose to install ceiling insulation to improve his home's thermal efficiency, he could effectively save a barrel of oil or $17 for every $5 that he spent on insulation. Thus, conservation turns out to be, in this case, the most economically attractive alternative.

We've performed similar analyses of several other conservation measures and we have received some actual case histories through contacts with industry leaders. Installing storm windows can range in cost from $8 to $13 or more for every barrel of oil saved, depending on the characteristics of the home. In most northern regions of the country, the cost would be less than $9 for each barrel saved.

Industrial examples include the installation of an air pre-heater on a boiler for $11 per barrel and addition of power recovery turbine, also costing $11 for each barrel saved. Naturally, in every sector conservation measures range in cost from virtually zero for "housekeeping" actions to more than the cost of simply purchasing more fuel.

The point of such examples is that conservation measures are not only viable alternatives, but generally they represent some of the most cost-effective ways we have of dealing with energy problems. Therefore, conservation, as I view it, is not only a means to help achieve our national energy objectives; it is also in the economic self-interest of consumers and businessmen.

If conservation is so attractive from an economic standpoint, why hasn't more been done? We know, for example, that at least 18 million homes are inadequately insulated—and it's probably more like 30 million—yet the insulation industry is operating with sufficient excess capacity to supply insulation for an additional two million homes per year. We also know that, on a per dollar of product basis, manufacturing paper in West Germany requires only 37 percent of the energy used in U.S. paper mills and that the German chemicals industry uses only 57 percent of the energy required, per dollar of product, in the United States. The list is almost endless.

We don't have the final answer, but we do know some of the reasons why more is not being accomplished.

First and foremost, the price of energy in the United States has been artificially low because of regulated natural gas and oil and because the external costs of our dependence on foreign oil supplies have not been reflected in the prices paid by consumers. *As a result, the economic incentives for conservation have been lacking.* Furthermore, basing the rates charged for electric utility service on total kilowatt hour usage rather than on the consumers contribution to peak demand encourages the inefficient use of our electric generating capacity.

Also, some conservation actions take time. We simply can't afford to renovate the entire capital plant of our economy instantaneously. Our existing buildings and industry were constructed in a time of plentiful and inexpensive energy supplies, and it will take decades to fully implement the changes that are now warranted by higher energy prices. Similarly, each of us was brought up believing that low cost energy could be taken for granted. It is difficult to change such ingrained perceptions. Sticking to old patterns may be more comfortable but it will also be expensive.

A lack of reliable information on the costs and benefits of specific conservation measures has also prevented consumers from being as responsive as they might be. This is true for both the homeowner who doesn't know how much he'll save if he installs insulation and the businessman who isn't aware of the steps he can take to improve the energy efficiency of his plant. Most energy users are aware of the need for conservation, but the detailed information necessary to make home and business investment decisions is all too often not available. Another factor that has compounded this problem is that unlike energy supply, energy conservation has not had enough advocates in the business sector. As a result, while we have regularly been bombarded with advertisements urging energy use, we have not, until recently, seen business advertisements for products which conserve energy. And, because the businesses that would benefit from increased sales of energy conserving materials and equipment are generally small and diverse, we face the difficult task of increasing awareness of energy conservation measures.

Where a combination of clear price signals and credible, easily understood information on comparative energy savings does exist, manufacturers and consumers have moved toward more energy efficient products. An excellent case study exists in the automobile industry. First, the embargo with its attendant gasoline shortages and then the substantially increased prices convinced consumers—and Detroit—that miles per gallon was a very important part of buying a new car. Moreover, as a result of the Clean Air Act emission certification procedures, this information was widely available through the EPA/FEA Gas Mileage Guide. In the 1974 model year (pre-embargo), the new car fleet averaged fourteen miles per gallon. By 1976, only two years later, that same average reflected increased fuel efficiency of 26.6 percent (to 17.6 miles per gallon) as the industry responded to market pressure.

In addition to insufficient information, there are a number of other factors which often discourage the adoption of energy conservation measures.

The undue emphasis placed upon reducing the initial cost of energy using products is one of these barriers to conservation. The energy efficiency of new appliances, automobiles, and buildings can be improved substantially. But such improvements often result in higher initial costs. Even though these costs would be recouped, with interest, in lower fuel bills within a few years, consumers continue to purchase the less efficient and lower priced alternatives. One reason for this emphasis is that banks and other lending institutions often do not take into account energy operating costs in determining the conditions under which homeowners and businessmen can obtain a loan. Another factor is that consumers rarely are given information on energy efficiency or operating costs before they purchase a product.

Uncertainty about future energy prices also discourages the adoption of conservation measures—particularly those which require large capital investments.

But where an industry has been convinced that higher energy prices are here to stay, programs have often been established to increase the efficiency of energy use. The Monsanto Corporation is a good example of what industry can do when it becomes committed to conservation. I recently presented FEA's Energy Conservation Award to Monsanto for an employee conservation program they established in early 1975. Monsanto provided an incentive for their employees to conserve energy both on and off the job by offering a $500 check to those employees who submitted the best suggestions for improving energy efficiency. As a result of this program. Monsanto was able to identify numerous opportunities for saving energy in its plants as well as in the homes of its employees.

A final factor slowing conservation efforts, however, is that the individual benefits realized through the adoption of certain conservation measures, such as improved furnace maintenance, may just be to small in many cases to arouse much enthusiasm by the consumer. On a national scale, however, the significance of all of these small individual savings is immense.

In face of these various barriers to conservation, the Federal Government needs to take action to encourage energy conservation.

During the past year, there were many who advocated that the Federal Government should force individuals and businesses to reduce consumption by instituting import quotas, allocating supplies or even by rationing. Fortunately, these arbitrary curtailment measures were eventually rejected. With the enactment of the Energy Policy and Conservation Act, more constructive alternatives for Federal action have been put into place. These include oil price deregulation, auto fuel economy standards, appliance labeling, and federally sponsored information or goal oriented programs to encourage and assist energy users to conserve.

Congress, however, has been slow to enact other vital pieces of energy conservation legislation. Four of the conservation measures initially proposed by the Administration one year ago are still pending. They are the deregulation of new natural gas supplies, the Building Energy Conservation Standards Act, the Weatherization Assistance Act, and the insulation tax credit for homeowners. Each of these measures has cleared either the House or Senate.

Another major energy initiative awaiting Congressional action is the Energy Independence Authority proposed by the President last October. This proposal, if enacted, would authorize Federal support, in the form of loan guarantees, not only for major energy supply ventures, but also for conservation projects unable to obtain private financing.

Quick action on these measures would go a long way toward the establishment of a comprehensive national program for energy conservation.

Although the enactment of these proposals would give a major boost to our conservation efforts, they would still not ensure that the full potential for conservation is realized. There are a number of areas that cannot easily be affected by Federal legislation. For example, the wide range of energy consuming processes and equipment in the industrial sector would make it impossible to design and implement effective energy efficiency standards. However, because industry is responsive to measures which lower costs and improve productivity, a Federal program to promote the adoption of cost-effective conservation techniques could result in major energy savings. The Federal Energy Administration, together with the Department of Commerce, has established such a program and we will be expanding these efforts under the provisions of the Energy Policy and Conservation Act. This is just one of many FEA programs directed at encouraging and assisting homeowners, building managers, businessmen, and all other energy users to conserve. These programs don't require new laws or regulations. They won't burden the Treasury with large revenue losses or cause disruptions in the economy. And, we believe, they have already shown themselves to be effective.

You have requested that I include in my testimony an assessment of what priority the Administration, and particularly FEA, has given to energy conservation efforts. I think the fact that our conservation appropriations request for Fiscal Year 1976 increased more than six-fold over the Fiscal Year 1975 level is a good indication that conservation has been given high priority.

Another area in which the Administration has been rapidly expanding its commitment is the research and development of more energy efficient technologies. I will defer to Dr. Seamans, who I understand is testifying before you later this month, for a detailed discussion of these efforts. Having said that, I should reemphasize that there are no simple solutions. An effective conservation program must necessarily have many different components. Our programs are directed at saving energy in transportation, industry, residential and commercial buildings, utilities as well as the Federal Government. Some of these programs are now being expanded in response to the enactment of the Energy Policy and Conservation Act. I am submitting for the record a listing of FEA's current programs, together with preliminary estimates of the energy savings that will result. These estimates clearly indicate that the savings resulting from such programs far outweigh the cost to the Government of funding them.

Much still remains to be accomplished. Now that we have succeeded in resolving some of the more difficult issues, we must not ignore the other measures necessary to achieve our national energy goals. I believe that by continuing to emphasize that conservation is not only vital to the national welfare but also in the economic self-interest of most individuals and businesses, we are making an important contribution to the realization of these goals.

I would be happy to answer any questions.

HEALTH MAINTENANCE ORGANIZATIONS

Mr. MONDALE. Mr. President, the General Accounting Office last November published an excellent report on the "Effectiveness of Grant Programs Aimed at Developing Health Maintenance Organizations and Community Health Networks."

This report—which was most useful to the Committee on Labor and Public Welfare in preparation of S. 1926, the Health Maintenance Organization Amendments of 1976, soon to come before this body—has been thoughtfully reviewed by Mr. Jeffrey Prussin in a recent issue of Hospital Progress.

I ask unanimous consent that Mr. Prussin's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPINION FORUM: GAO REPORTS HMO SUCCESS FAILURE FACTORS

(Jeffrey A. Prussin)

The General Accounting Office (GAO), Congress' watchdog agency,[1] has recently reported on a study of 38 health maintenance organization (HMO) and community health network (CHN) development projects in California, Colorado, Illinois, Kentucky, Maine, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and Rhode Island.[2] These projects had been awarded a total of approximately $33.4 million by the Department of Health, Education, and Welfare (HEW) and the Office of Economic Opportunity (OEO) during fiscal years 1971–74, which represents about 45 per cent of the total demonstration grant and contract funds awarded by HEW during fiscal years 1971–74 and by OEO during fiscal years 1971–73.[3]

While the projects included in the GAO study were initiated prior to enactment of the Health Maintenance Organization Act of 1973 (PL 93–222),[4] they all had as their common goal the development and operation of HMO-type organizations. The CHNs, however, were targeted for "low-income areas serving 100,000 to 200,000 persons."

Basically, the report concluded that neither OEO's CHN program nor HEW's pre-PL 93–222 HMO development program were as effective as they might have been. The report stated that "the OEO-initiated programs have made very limited progress in developing CHN projects into viable prototypes even on a subsidized basis." While 11 of the 14 CHN projects were either operational or in various stages of development as of October, 1974, only four were providing services on a prepaid basis. Enrollments in these projects ranged from 1,400 to 5,800 and totaled about 14,600.

Furthermore, HEW's pre-PL 93–222 HMO development program had only "limited success in developing self-sustaining HMOs." While there were numerous delays in the HMO development projects, 29 of the 84 funded projects were operational as of October, 1974, and had a total enrollment of 177,000. In addition, 18 projects were still in the developmental stage, and 37 had been terminated or had expired without developing HMOs.

The import of the GAO's report, however, goes far beyond its basic conclusions and excellent documentation. Indeed, the report is probably one of the most valuable pieces of literature which have been produced to date.

In addition to a wealth of factual information presented on the HEW and OEO programs, as well as the specific projects studied by the GAO, the report identifies a number of factors which have significantly contributed to the success or failure of CHN and/or HMO developmental and operational efforts and translates these factors into recommended administrative practices and policies for HEW to follow if it is to administer PL 39–222 projects more effectively than it has earlier projects.

For example, the GAO found that overly optimistic enrollment forecasts were a problem at most of the projects studied. However, the GAO went on to identify factors resulting in poor enrollment experiences and discuss means for alleviating the enrollment problem, such as the use of incentive-type, as opposed to nonincentive-type, third-party marketing arrangements.

Finally, the GAO recommended that HEW could "reduce the impact of unanticipated underenrollments of developing health maintenance organizations by: 1. Emphasizing preoperational marketing and enrollment activities and/or 2. making operational loans conditional upon an organization reaching a minimum enrollment level within a specific time." Furthermore, the GAO recommended that HEW "give strong consideration to requiring applicants for initial development assistance that contemplate the use of third parties for marketing, to give third parties financial incentives for successful performance."

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[1] The GAO is an arm of Congress rather than the executive branch of government. It audits the appropriateness and effectiveness of federal expenditures.

[2] *Effectiveness of Grant Programs Aimed at Developing Health Maintenance Organizations and Community Health Networks*, Report No. MWD–75–98, November 21, 1975. Available from U.S. General Accounting Office, Distribution Section, P.O. Box 1020, Washington, D.C. 20013 for $1.

[3] Twenty-nine of the projects included in the study were funded by HEW, six by OEO, and three by both HEW and OEO.

[4] The current study should not be confused with the forthcoming GAO study on implementation of PL 93–222, a study mandated by the act

Of course, the report does not identify all the problems extant in HMO development and operation and does not present recommendations for improvement for all problem areas which are identified in the report. Furthermore, the large majority of the insights in the GAO report did not originate with the GAO. For example, many of the observations and insights came from interviews with individuals at the organizations included in the study, and others have almost become conventional wisdom in the HMO field.

Nonetheless, the GAO's report is the first document which brings together such observations and insights in a systematic manner and in which such observations are considered comparatively across a relatively large group of organizations which are, or recently have been, involved in HMO development and operation.

In sum, while "HEW generally agreed with the thrust of [the] GAO's suggestions and emphasized that many had already been adopted in connection with administration of the Health Maintenance Organization Act of 1973," one cannot help but to wonder whether the CHN and HMO development programs would have been more effective had they been administered by the GAO rather than OEO and HEW.

END OF FREE HOSPITALITY?

Mr. PROXMIRE. Mr. President, 3 weeks ago I revealed the names of a number of Pentagon employees who received free hospitality from the Northrop Corp. at the Masters Golf Tournament. This was but one instance of Defense Department officials accepting benefits from corporations. The list of Pentagon employees known to have accepted favors of this type has grown to almost 150. 100 of them are accounted for by Rockwell International alone.

I have previously urged the Defense Department to restore its credibility by going beyond punitive action to curtail any possible conflict of interest by keeping defense officials receiving gratuities out of the contract negotiating process.

Mr. President, I am pleased to report that it appears as if the Pentagon has begun to take my admonitions to heart. Patterns seem to be changing toward a much more cautious attitude within the Defense Department. It seems that military men have stopped accepting many of the standard benefits—free meals, vacations, tickets, and invitations—and the more serious special benefits like trips to which they have become so accustomed. Because of this reluctance to accept such lures, many contractors have stopped offering them.

An article by Kenneth Bacon appeared on April 8 in the Wall Street Journal. It summarized well the changing relationship between defense contractors and Pentagon officials.

Mr. President, I am extremely pleased with this reported change in attitudes, and ask unanimous consent that the text of Mr. Bacon's article be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PENTAGON AND CONTRACTORS GROW CAUTIOUS AFTER DISCLOSURES OF WINING AND DINING

(By Kenneth H. Bacon)

WASHINGTON.—For the last 10 years the Association of Old Crows, a business and military group that promotes government spending for electronic warfare equipment, has held an annual golf tournament. But not this year.

The association decided to cancel the event, at which its military and civilian members took to the links with high-level Pentagon guests, after the Defense Department had ruled that "it would be inappropriate for defense department personnel to take part in a golf tournament or similar events (e.g., tennis, bowling, swimming) as guests of a private association."

Warren Austin, president of the Old Crows (so named because the chief operators of radar-jamming, electronic-reconnaissance and similar equipment are called old crows), says he sought the Pentagon ruling this year "in the interest of being sure that we were above board" in dealings with defense officials.

The association isn't alone in being careful. After a series of embarrassing disclosures that high military and civilian officials have hunted, fished and been wined and dined at the expense of defense contractors, many companies, military associations and Pentagon employes are taking extra precautions to make sure their conduct is above board.

As a result, patterns of contact between Pentagon officials and defense contractors producing billions of dollars worth of weapons have changed rather abruptly in the past few months. Military men have stopped accepting — and many contractors have stopped offering—such standard lures as expense-account meals, tickets to cultural and sporting events, and invitations to hunting lodges and other company retreats.

"We've got directives out to everybody in the company saying no lunches, no dinners for military people," says Edward LeFevre, Washington vice president for General Dynamics Corp. "Everybody's taking this thing seriously, so we're eating in our offices these days. We're brown-bagging it."

At the Pentagon, officials are screening invitations carefully, sometimes rejecting even those to dinner parties in the homes of old friends who work for defense contractors. "I'd say right now people are being very cautious even about the appearance of a conflict of interest," an Air Force general observes.

The new sensitivity to real and apparent conflicts of interest results not only from fear of embarrassment but also from a Defense Department campaign to tighten enforcement and close gaps in its regulations. The regulations bar Pentagon employees from accepting "any gift, gratuity, favor, entertainment, loan or any other thing of monetary value either directly or indirectly from any person, firm, corporation or other entity which is engaged or is endeavoring to engage in procurement activities or business or financial transactions of any sort with any agency" of the department.

Top Pentagon officials have been angered by recent disclosures that Northrop Corp., Rockwell International Corp., Raytheon Co. and Martin Marietta Corp. treated military men to hunting expeditions on Maryland's Eastern Shore. "Enforcement of the old standards was lax," concedes William Clements Jr., deputy secretary of defense.

Some top military men apparently took a rather casual view of the conflict-of-interest regulations. For instances, Adm. Thomas H. Moorer, former chairman of the Joint Chiefs of Staff, and Vice Adm. Vincent de Poix, former director of the Defense Intelligence Agency were guests at Rockwell Internation's Wye Island, Md., hunting preserve while on active duty several years ago, according to documents released by the Joint Congressional Committee on Defense Production.

And court records show that in the 1960s Martin Marietta subsidized the operation of a hunting club on Wye Island whose members included company officials and such military brass as Gen. Paul Freeman Jr., then commander of the U.S. Continental Army command, and Lt. Gen. Horace Wade, then commander of the Eighth Air Force. Membership was reserved primarily for those who share "common business interests," the minutes of the private club's governors show.

So far congressional investigators have listed about 150 people—many of them generals and admirals—who have accepted invitations to various company retreats. No one has charged that this type of socializing has influenced specific Pentagon decisions on weapons purchases, but the chummy atmosphere is clearly disturbing, especially because some large weapons contracts are negotiated rather than awarded by competitive bidding.

"I can think of few things more damaging and distracting from the very significant, fundamental issue" of maintaining a strong defense "than to have the kinds of article and stories and revelations about people not conducting themselves in a way that is clearly proper and above suspicion," Defense Secretary Donald Rumsfeld says.

And so the Pentagon as well as Congress is investigating the entertaining that contractors do to win friends and influence people in Washington.

The Defense Contract Audit Agency is examining the books of 10 companies to determine whether they have improperly included lobbying and entertainment expenses in contract overhead charges to the Pentagon. And top defense officials have asked the chief executives of 43 major contractors to report on their entertainment policies.

For its part, the Congressional Defense Production Committee plans more hearings and has asked 41 contractors to detail how much their Washington offices spend to entertain military people. (Although a number of Congressmen and their aides have turned up on lists of guests at hunting lodges, the committee isn't interested in looking at this aspect of corporate entertainment.)

Carrying out a Rumsfeld pledge to "land all over individuals" who violate or appear to violate the conflict-of-interest rules, the Defense Department has admonished 38 employes who visited Northrop's hunting lodges, and the Secretary has taken action against two of the department's higher-ups—moves interpreted as signaling that the old days of looking the other way are over.

Recently Mr. Rumsfeld "severely reprimanded" Malcolm Currie, the director of defense research and engineering and the Pentagon's fourth-ranking civilian, after finding that he had spent last Labor Day weekend fishing at a Rockwell hideaway in the Bahamas. Mr. Rumsfeld forced Mr. Currie to forfeit four weeks' salary (about $3,200) and to reimburse the company for the cost of the weekend and for associated trips in a company plane.

Mr. Rumsfeld also admonished Navy Secretary J. William Middendorf after learning of a January 1975 hunting trip he took at the invitation of the Iranian ambassador and naval attache. Although Mr. Middendorf paid his own expenses, it turned out that the place where they hunted was leased by Rockell, a connection Mr. Middendorf says he didn't discover until recently.

All this has helped convince Congress that the Pentagon, after a slow start, is serious about enforcing its rules. But uncertainties remain. Although the agency acted with flashy speed in the Currie and Middendorf cases, it still hasn't disciplined any of the 55 officials named on a February congressional list of hunting-lodge guests. Also, Mr. Clements has given some on Capitol Hill the impression that the Pentagon's internal investigations are less than thorough by maintaining that it would be improper to ask known hunting-lodge guests to "tattle" on others, even though regulations require Pentagon employes "to promptly report" suspected violations to their superiors.

Others think that the Pentagon has already gone too far. Gordon Ochenrider, Grumman Corp's Washington vice president, says that he and the military now are so wary of violating the rules that he can't even have some of his old Naval Academy classmates still in uniform to his house for dinner. "You trust an admiral or a general with a $1 billion project," he says, "and yet you think he can be bought for a $20 dinner. It's ridiculous."

Republican Sen. Barry Goldwater of Arizona agrees. "Maybe we have gone too far in this ridiculous attitude that anyone who even shakes hands with or takes a drink with a person in business has sold his soul down the river," the Senator says.

Robert Cocklin, a retired major general currently with the Association of the United States Army, fears that the new crackdown will reduce communication between military and businessmen at a time when expanded communication is needed. "Doing business with the military is not all that profitable; it can be extremely difficult, and it can be extremely insulting right now," he says, because of the recent disclosures.

Military associations, that curious Washington subculture representing the several armed services and promoting various types of weaponry, have been hit hard by new Pentagon restrictions.

Paul Boyenga, an officer of the Washington chapter of the American Defense Preparedness Association, says the group's luncheons used to be sellouts, but no longer. He blames a Pentagon rule that requires random seating, thus preventing contractors from arranging to sit next to defense officials who handle their weapons projects. "Contractors have no control over who sits at their table, and without that control, they don't think that's a valid business expense."

Mr. Ochenrider says that Grumman Corp. used to buy several tables of seats at an annual National Security Industrial Association dinner but quit this year, primarily because of the random-seating rules. In past years, he says, contractors would open hospitality suites for drinks before and after the dinners, and "the halls were reeking with noise and laughter" as Pentagon officials moved from suite to suite. But the Defense Department has banned acceptance of such free hospitality, and most companies are no longer playing host in the old free-spirited way.

Local hotels are feeling the difference. "There's no question the business is not what it was a year ago" because of the fall-off in the rental of hospitality suites on dinner nights or during conventions, says Willie Armstrong, manager of the Sheraton-Park Hotel, which includes Washington's largest convention and exhibit complex.

Mr. Rumsfeld and his associates concede that conflict-of-interest crackdowns are far from new at the Pentagon. But they say that, unlike previous efforts, this one will continue as long as the current Secretary remains in office. He himself says he plans "constant vigilance," as well as "periodic communications and meetings so that people remain aware of the potential problems." Mr. Rumsfeld believes that Defense Department employes must be "above reproach," in part to help win public support for the large budget increases he thinks the Pentagon needs.

Although some company executives are concerned, others doubt they will suffer as a result of the reduced contacts allowed under the Rumsfeld administration. "We never had any boats, hunting lodges or places in the Bahamas," says General Dynamics' Mr. LeFevre. "I used to regret that, but now I'm glad we didn't. You don't have to do that. Everybody had a good time, but I don't think you benefit."

OPERATING HISTORY OF THE CLOSE UP FOUNDATION

Mr. HUMPHREY. Mr. President, I was gratified by the expeditious passage by the Senate of House Joint Resolution 491, extending the Allen Ellender Fellowships program which enables disadvantaged high school students and their teachers to participate in the Close Up program.

In response to a request by some of my colleagues, and for the interest of all Senators, I want to offer additional information about this fine program and the Close Up Foundation itself.

The idea for Close Up grew out of the storm of unrest among young people during the late 1960's. It was created by a group of concerned people, concerned that the dissatisfaction with government grew from a lack of knowledge and lack of interest in meaningful participation within the framework of our political process. What was needed was an alternative means to political education—an on-the-job training for high school students to learn about government and the opportunities for involvement before they decided on their political futures. Thus, the Close Up program was established almost 6 years ago to provide this opportunity for young people and their educators to personally examine the institutions and people which contribute to our system of government, irrespective of partisan politics.

From the outset, it was understood that Close Up would not be a program for spectators, but one for participants. It was also understood that examination of government in Washington is relatively meaningless unless coupled with a positive enthusiasm to take this knowledge and put it to good use back home.

It was especially important to the architects of the program that Close Up not be exclusionary; that it benefit all students, not just school leaders, the affluent or the disadvantaged. In order to draw students from all social and economic elements in the area, the Close Up city/community concept was developed. Each year the Close Up program is offered to a limited number of cities/communities in the United States through their respective superintendents and boards of education. Following local administrative approval, efforts are made to contact each public, private, and parochial secondary school in a designated area. The principal of each secondary school is invited to attend an explanatory meeting when dates for that community participation are announced. The principal is asked to select a social studies teacher who will serve as Close Up teacher/coordinator at his/her school and who will be the teacher fellowship recipient.

The Close Up Foundation awards fellowship grants to one student of low-income means and one teacher from each participating school. Fellowships are provided to assure that there will be an opportunity to have students of limited financial means on the program; however, fellowship participants make up only a portion of the participants in any program week. Additional students participate through local funding efforts and parental sponsorship. Taken together, students who can afford the tuition cost themselves, and students who raise the tuition money locally, combine to form a representative picture of their respective community. The students come together to learn without regard to grade point average, financial status, or displayed leadership ability. Practical application of this concept has been extended even further by efforts to include groups of students who have traditionally been excluded from this kind of participation experience. Close Up actively encourages schools to include handicapped students, and has worked with blind, paraplegic, quadraplegic, educationally handicapped and deaf students and teachers. These operating beliefs resulted in an innovative and extremely successful hearing-impaired program in the spring of 1975 composed of hearing and nonhearing students and teachers. A fundamental part of the educational philosophy is to make the Close Up program an accurate reflection of the American mosaic.

The Allen J. Ellender Fellowship program, established by Congress in October of 1972 and first conducted in January of 1973, as intended, plays a significant role in the city/community concept. Awarded to low-income students, established cases of family financial hardship and to teachers for full participation in the Close Up program, the fellowships establish a vital socio-economic cross-section of participation. They guarantee in every program a blend of ideas and backgrounds. They act as a catalyst to produce a "multiplier effect" of participation. In many communities, the Ellender funds serve as an important incentive for local business to match funds provided so as to broaden the reach of this concept as described below. Inclusion of this cross section of ideas and background from the same community or areas, is the essence of the Close Up city/community concept.

The Close Up program was operational before it encompassed the Allen J. Ellender fellowship program. Utilizing the city/community approach, the concept of working to multiply participation has always been a fundamental part of Close Up's philosophy. Since the inception of the Allen J. Ellender fellowship program in 1972, the growth factor through the multiplier effect has been especially dramatic and impressive. Since 1972, for example, the Federal Government, through the Close Up Foundation, has provided slightly more than 4,490 Ellender fellowships to low-income students and teachers for participation in the Close Up program. During this same period of time, using the Ellender fellowships as an integral part of its program, the Foundation has been able to generate almost 13,000 additional participants.

In other words, the Foundation has not been content to merely award Ellender fellowships, but has taken Federal moneys and multiplied them in dramatic fashion to create considerably more involvement in and understanding of Government. Translated into dollar amounts, this means that the $1,500,000 provided by the Federal Government over the first 3 years of the appropriation, has helped to generate more than four million additional dollars for the same meaningful purpose. These additional dollars have come from small merchants, large businesses, national and local associations, philanthropic organizations, service clubs, unions, boards of education and individual families and provide whole communities with an opportunity to work together to create more involvement in our system of Government.

But Close Up and the implementation on the Ellender Fellowship program have not just been cost-effective. They have been people-effective, too. Each week, Ellender Fellowship recipients, along with other Close Up participants, have an opportunity to learn that their voices are important. The evolution of participants into political actors during the Close Up week has been documented by the Close Up Foundation in a recent study conducted by Social Education Associates and funded by the Close Up Foundation and other philanthropic entities. During an intensive study week in Washington, Close Up students and teachers were exposed to virtually every viewpoint of the political spectrum. They came away with the feeling that government is more than words on a page—that instead, it is a human institution composed of people trying to respond to the many pressures and responsibilities of this Nation. More importantly, they came away with a better understanding of the importance of their role in the political process and the necessity to go home and apply what they have learned.

As one Ellender Fellowship student from Rhode Island recently wrote—

> Last week with Close Up, I learned too many things to enumerate. The most important thing that I learned was pride in America. Two weeks ago, that sounded corny to me. I came with cynicism and went home with pride in America and hope for it. I came to realize that government was listening, working, caring, and that I was part of it. That's a lot to learn.

The idea of creating a learning experience which involves the metropolitan and rural regions creates a new and different dimension to the Close Up learning experience. Since each week or each "class" contains a cross section of young people and educators from a single community, this enables the entire spectrum of students and teachers from the same general area to get to know each other as well as the government they are studying, so that when they go home, they have an opportunity to establish a network of communication.

This has lead to many local and State "Close Up's" around the country which have enabled countless additional students to have an opportunity to get involved with their public officials. Some examples of these follow-up activities have been:

First. Students in Boston now have a week-long, intensive political education experience after their week in Washington. Patterned after the Close Up experience, "Political Discovery" became an on-going program utilizing the facilities of the Government Center in the city. The program is State funded under the Boston "Magnet Programs," and focuses on the interrelationship of Federal, State, city, regional, and community governments.

Additional objectives presently include the establishment of a resource center, an internship program, and the providing of minigrants to individual metropolitan area schools.

Second. Similarly, Brooklyn participants are proposing a series of four in-depth conference days geared to acquaint students and teachers with New York State Government. The program is entitled: "New York in Depth."

Glenn Nadel, editor of the New Dealer, appeared on television—"Your Community Schools" Channel 25. He was interviewed about his Close Up trip to Washington, D.C. The show also featured the Close Up movie.

Third. "Detroit Close Up Committee"—DCUC—was formed with the approval of the Close Up Foundation. DCUC provides information, direction and funding to Detroit metropolitan schools participating in Close Up. Interested Close Up students this year were able to set up and execute, with the support of DCUC and the New Detroit Youth Caucus, a state and local political seminar program based on the Close Up format.

Fourth. In Grand Rapids, Close Up has now become an on-going, year round experience for almost a thousand students. A 2-day seminar on local government, planned and implemented by the Kent Intermediate School District, was held in October and involved virtually every local official. Students were able to ask questions and utilize small group workshops to learn more about their own community. Many received credit for their experience.

This ambitious local program was followed by a state program. Governor Milikin addressed the group for 45 minutes as their keynote speaker and really set the stage for the seminars. Again, almost 1000 students and teachers were able to talk with state leaders. Comprehensive materials were prepared by the Michigan State Legislature in conjunction with the Kent Intermediate School District.

Fifth. Close Up students are getting involved in local issues in Houston, Texas. "Students' Spirit '76" is an organization of former Close Up participants building a local Bicentennial Youth Organization. Their principal function is to raise funds for rebuilding Allen's Landing and cleaning up Buffalo Bayou as well as building a downtown parking area.

Sixth. Miami is offering a full course credit to all students, with maximum in-service credit being given to teachers who attend Close Up. The Dade County manager and his council endorsed and helped organize day-long seminars exploring county government and discussing current issues.

"Close Up Dade County Follow-Up Day," included workshops, seminars, and speakers. Participants included the Honorable Stephen P. Clark, mayor of Dade County, as well as county officials involved in transportation, Latin American Affairs, Human Resources, city planning, and environmental resources.

"1976 Youth Focus," 34 students representing six high schools agreed to serve on an interim country government steering committee. The purpose was to enable concerned, interested, and responsible students of Dade County to participate in the affairs of their local government.

Followup put to its most practical use happened last year when a group of Miami students who learned about revenue sharing while in Washington, succeeded in getting some revenue sharing funds for a stoplight at a busy intersection.

Seventh. The second annual Rhode Island conference was attended by 300 students and teachers this year. Initiating a television news conference series, the students exchanged views with their State assembly and senate leaders, as well as the Lieutenant Governor, assistant attorney general, and the commissioner of education. Future interviews are scheduled with the Governor and commissioner of education. A State model legislature introduced a bill providing State funds for Close Up fellowships. Teachers have developed two new courses in political science for high school use, as a result of the Close Up experience.

Eighth. First-year community, Seattle, is bursting with activity. The Seattle area schools are working with the State department of education to begin local and State programs patterned after Close Up. A year-long project is underway to double the number of Close Up participants next year, and social studies consultants are writing new course materials for political science classes.

Ninth. Minnesota participants have been very busy with State and local followup activities, where everyone seems to be getting into the act.

Sessions have been held for students and teachers to apply their Washington experience to a local level through the use of the Close Up format. Honeywell Corp. sponsored an evening on "What Is Politics" for all 1975 participants to gear them up for their trip to Washington. One hundred and fifty students and teachers attended a Close Up day at the State legislature where they met with State officials, attended hearings and continued to ask hard questions. Our Minnesota friends also set aside a day to learn more about the nuts and bolts of party organization, where workshops culminated in a mock political caucus. With this encouragement and information, students and teachers attended their regular party caucus, and well-organized Close Up students got their first taste of practical politics, as several students got elected as precinct captains or delegates to the district convention.

The community has now gotten into the act, and leaders in the Minnesota area have formed a program committee to make plans for a permanent local and State tie-in to Close Up.

Tenth. Denver's Department of Secondary Education, Jefferson County Public Schools, has given permission to grant up to 2½ credits for completion of the Close Up week.

Eleventh. Raleigh/Durham is offering renewal credit for teachers, one-half credit for designated followup activities in Harnett County. The North Carolina teachers met to plan county level programs to be carried out in the fall, and discussed ideas to prepare students for next year's Close Up program.

Twelfth. San Francisco is now giving credit to students in selected schools. Course work has been designated around Close Up seminars.

Two schools held special seminars based on a Close Up format. Close Up students and teachers produced a special half-hour program for KOED-TV's "Open Studio." The purpose of the program was to expose Close Up to the community in hopes of involving more students next year.

The Close Up Foundation, incorporated in the District of Columbia in 1971, is a national, nonprofit, tax-exempt organization established to encourage and develop the meaningful participation of students and persons of all ages, all economic levels, and all social and racial background in the activities of Government, with particular emphasis on the Federal Government in Washington, D.C.

The foundation is located at 1054 Thomas Jefferson Street, NW., Washington, D.C. 20007.

The members of the board of directors are:

Richard J. Sideman, president.
Ronald B. Natalie, vice president.
James P. McAleer, secretary/treasurer.
Max N. Berry, executive director.
Thomas J. Kenan, director.
W. James Loop, director.
Brian Stone, director.
J. Gordon Zuber, director.

The eight-member board of directors of the foundation conducts meetings four times a year. Four of the directors serve as an executive committee of the board and meet more often than the overall board.

The principal operating staff are:

Stephen A. Janger, director of special programs.
Margery Kraus, program director.
Susan L. Crooks, director of administration.

Mr. President, I ask unanimous consent that the articles of incorporation of the Close Up Foundation and a list of its board of advisers be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARTICLES OF INCORPORATION OF CLOSE UP FOUNDATION

We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators of a corporation adopt the following Articles of Incorporation for such corporation pursuant to the District of Columbia Non-profit Corporation Act:

ARTICLE I

The name of the Corporation is CLOSE UP FOUNDATION.

ARTICLE II

The period of duration of the Corporation shall be perpetual.

ARTICLE III

The Corporation is organized and shall be operated exclusively for charitable, educational and literary purposes, as those purposes pertain to furthering the meaningful participation of students and persons of all ages in the activities of government, with particular emphasis on the Federal Government in Washington, D.C. and the United Nations in New York. The particular purposes, all within the aforesaid limitations of this Corporation shall be:

(a) To organize, sponsor or participate in programs and projects to foster better understanding of government by means of circulating materials, sponsoring literary and/or educational programs, seminars, tours, and public clinics, and participating in programs of the same purpose conducted by other persons or organizations.

(b) To grant scholarships and financial aid to students and other individuals, according to merit and/or financial need, so as to assist them in education, foreign and domestic study programs or foreign exchange programs related to the purposes of furthering their meaningful participation in the activities of government.

(c) To develop, sponsor and conduct training programs, seminars, tours, special courses and programs of education related to the purpose of furthering the meaningful participation of students and other persons in government.

(d) To grant financial aid to educational organizations which are, as such, tax exempt under the Internal Revenue Code of 1954.

(e) To undertake, foster and sponsor objective research studies, including the evaluation of current research related to furthering the meaningful participation of students and other persons in government.

(f) To establish, in connection with its studies, programs and tours, contacts with: federal, state and local government bodies; international organizations; colleges, universities and secondary schools; political, governmental and educational associations; as well as industrial firms, unions, and other public and private roganizations.

(g) To solicit, acquire and receive from public or private sources in any manner, and to maintain and administer, any property of a real, personal, or mixed nature, whether tangible or intangible, to have, hold, control, manage, sell, exchange, invest and reinvest the same and the proceeds thereof, and to collect and receive income and profit therefrom.

Any and all of the foregoing purposes and objectives shall be conducted so as to serve the interests of the public generally without regard to and independently of the special interests of any group in the body politic, either political, social or economic. All reports and other benefits of said purposes and objects shall be made available to the public in an objective manner.

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE IV

The Corporation shall have no members.

ARTICLE V

The number, term and manner of election or appointment of Directors shall be provided for in the By-laws.

ARTICLE VI

The Directors shall have the power to make, alter, amend or repeal the By-laws of the Corporation except that there shall be no provision therein contrary to these Articles of Incorporation.

The Directors shall have the power to do all things necessary or convenient to effect the purposes of the Corporation as set forth in Article III of these Articles of Incorporation, and not otherwise prohibited by these Articles of Incorporation.

ARTICLE VII

In the event of the dissolution of the Corporation, the Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, literary, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Directors shall determine.

ARTICLE VIII

The address, including street and number of its initial registered office is 236 "G" Street, S.W., Washington, D.C. 20024.

The name of its initial registered agent at such address is Richard J. Sideman.

ARTICLE IX

The initial Board of Directors shall consist of 3 Directors, but the number of Directors may be increased or decreased by provision in the By-laws, except that the number of Directors shall at no time be less than three (3). The names and addresses, including street and number of the persons who are to serve as the initial Directors until the first annual meeting or until their successors be selected and qualified are:

Richard J. Sideman, 236 "G" Street, S.W., Washington, D.C. 20024.

James P. McAleer, 11623 Regency Drive, Potomac, Maryland.

Ronald B. Natalie, 12135 Long Ridge Lane, Bowie, Maryland 20715.

ARTICLE X

The name and address, including street and number, of each incorporator is:

Richard J. Sideman, 236 "G" Street, S.W., Washington, D.C. 20024.

James P. McAleer, 11623 Regency Drive, Potomac, Maryland.

Ronald B. Natalie, 12135 Long Ridge Lane, Bowie, Maryland 20715.

CLOSE UP FOUNDATION BOARD OF ADVISORS

In Memoriam: Senator Allen J. Ellender.

The Honorable Carl Albert, *Speaker of the House.*

Mr. Justice Tom C. Clark, *Associate Justice of the Supreme Court, Retired.*

Senator Warren Magnuson.
Senator Hubert H. Humphrey.
Senator John O. Pastore.
Senator Barry Goldwater.
Senator Henry M. Jackson.
Senator Stuart Symington.
Senator Jacob K. Javits.
Senator Harrison A. Williams, Jr.
Senator Edmund S. Muskie.
Senator Claiborne Pell.
Senator John G. Tower.

Senator Edward M. Kennedy.
Senator Thomas J. McIntyre.
Senator Birch Bayh.
Senator Walter Mondale.
Senator Edward W. Brooke.
Senator Mark O. Hatfield.
Senator Robert J. Dole.
Senator Mike Gravel.
Senator Lloyd M. Bentsen.
Senator William E. Brock III.
Senator James L. Buckley.
Senator Sam Nunn.
Senator J. Bennett Johnston, Jr.
Senator Pete V. Domenici.
Senator Floyd K. Haskell.
Senator Robert Morgan.
Senator Gary Hart.
Congressman F. Edward Hébert.
Congressman Carl D. Perkins.
Congressman Daniel Flood.
Congressman Thomas P. O'Neill, Jr.
Congressman John J. Rhodes.
Congressman Charles C. Diggs, Jr.
Congressman Dante Fascell.
Congressman John J. McFall.
Congressman Albert H. Quie.
Congressman John Brademas.
Congressman Silvio O. Conte.
Congressman Joseph E. Karth.
Congressman David N. Henderson.
Congressman Don Edwards.
Congressman Phillip Burton.
Congressman Brock Adams.
Congressman John Conyers, Jr.
Congressman Lloyd Meeds.
Congressman Edward G. Biester, Jr.
Congressman Bob Eckhardt.
Congressman Thomas F. Railsback.
Congressman Donald W. Riegle, Jr.
Congressman William A. Steiger.
Congressman Paul N. McCloskey, Jr.
Congressman William V. Alexander.
Congresswoman Shirley Chisholm.
Congressman William L. Clay.
Congressman Manual Lujan, Jr.
Congressman Louis Stokes.
Congressman James W. Symington.
Congressman Michael Harrington.
Congressman Ronald V. Dellums.
Congressman Pierre S. duPont.
Congressman Bill Frenzel.
Congressman John F. Seiberling.
Congressman Walter E. Fauntroy.
Congressman Ike Andrews.
Congresswoman Barbara Jordan.
Congressman William Lehman.
Congressman Joel Pritchard.
Congressman Leo J. Ryan.
Congresswoman Patricia Schroeder.
Congressman Fortney H. Stark.
Congressman David Treen.
Congressman Charles Wilson.
Congressman Andrew Young.
Congresswoman Lindy (Mrs. Hale) Boggs.
Congressman Richard F. Vander Veen.
Congressman John L. Burton.
Congressman William M. Brodhead.
Congressman Robert W. Edgar.
Congresswoman Millicent Fenwick.
Congressman Elliott H. Levitas.
Congressman Richard Nolan.
Congressman Stephen J. Solarz.
Congressman Timothy Wirth.

The Honorable Edwin W. Edwards, Governor, State of Louisiana.

The Honorable J. Joseph Garrahy, Lt. Governor, State of Rhode Island and Providence Plantations.

Mr. Arch N. Booth, President, Chamber of Commerce of the United States.

Mr. Robert S. Strauss, Chairman, Democratic National Committee.

Mrs. Mary Louise Smith, Chairman, Republican National Committee.

Mr. Lane Kirkland, Secretary Treasurer, AFL–CIO.

Mr. John H. Lyons, General President, International Association of Bridge, Structural, and Ornamental Iron Workers.

Mr. Roger L. Stevens, Chairman, Board of Trustees, John F. Kennedy Center for the Performing Arts.

Mr. Fred Zoll, Vice President, Libbey-Owens-Ford Company.

Mr. Harry C. McPherson, Former Assistant Secretary of State for Educational and Cultural Affairs and Special Counsel to the President; Attorney.

Brig. General Thomas P. Stafford, National Aeronauitcs and Space Administration.

Mr. Clifford L. Alexander, Former Associate Special Counsel to the President; Former Chairman of the Equal Employment Opportunity Commission; Attorney.

Mr. Lee C. White, Former Special Counsel to the President; Former Chairman of the Federal Power Commission; Attorney.

Mr. Les Janka, National Security Council Staff, The White House.

Mr. Jack J. Valenti, Former Special Assistant to the President; President of the Motion Picture Association of America, Inc.

Mr. Charles A. Horsky, Former Advisor to the President on National Capital Affairs; Attorney.

Mr. Lester S. Hyman, Attorney, Leva, Hawes, Symington, Martin and Oppenheimer.

Dr. Fred G. Burke, Commissioner of Education, State of New Jersey.

Dr. Thomas C. Schmidt, Commissioner of Education, State of Rhode Island and Providence Plantations.

Dr. Frank B. Brouillet, Superintendent of Public Instruction, Washington State.

Dr. Edward C. Merrill, Jr., President, Gallaudet College, Washington, D.C.

Mr. Rance Henderson, Director, North Carolina Schools for the Deaf.

Mr. Garrell A. Adler, Deputy Superintendent, Kent Intermediate School District, Grand Rapids, Michigan.

Mr. Billy Reagan, Superintendent, Houston Independent School District.

Mr. William C. Drainer, Superintendent, Broward County, Fla., Public Schools.

Dr. Gene A. Geisert, Superintendent, New Orleans, La., Public Schools.

Mr. Howard J. Jenkins, Superintendent of Schools, Archdiocese of New Orleans, La.

Mr. Henry Breaux, Superintendent of Schools, Terrebone Parish, Louisiana.

Dr. E. L. Whigham, Superintendent, Dade County, Fla., Public Schools.

Dr. George Young, Superintendent, St. Paul, Minn., Public Schools.

Dr. John W. Davis, Superintendent, Minneapolis, Minn., Public Schools.

Mr. J. W. Benefield, Superintendent, Gwinnett Co., Ga., Public Schools.

Dr. Alonzo Crim, Superintendent, Atlanta Ga., Public Schools.

Dr. James H. Hinson, Jr., Superintendent, DeKalb Co., Ga., Public Schools.

Dr. Paul Briggs, Superintendent, Cleveland, Ohio, Public Schools.

Reverend John F. Murphy, Diocesan Superintendent of Schools, Cleveland, Ohio.

Dr. Arthur Jefferson, Superintendent, Detroit, Mich., Public Schools.

Father John B. Zwers, Superintendent of Schools, Archdiocese of Detroit, Mich.

Dr. Joseph Picano, President, Rhode Island Association of School Superintendents.

Brother Stephen O'Hara, Superintendent of Schools, Diocese of Providence, R.I.

Mr. Louis R. Amadio, Director, Greater Boston Regional Education Center.

Ms. Marion J. Fahey, Superintendent, Boston, Mass., Public Schools.

Brother Bartholomew Varden, Superintendent of Schools, Archdiocese of Boston, Mass.

The Reverend John J. Leibrecht, Superintendent of Schools; Archdiocese of St. Louis, Mo.

Mr. Ralph Gillman, Superintendent of Schools, Summit County, Ohio.

Mrs. Roxee Joly, Assistant Superintendent, Brooklyn, N.Y., Public Schools.

Mr. Philip Groisser, Assistant Superintendent, Brooklyn, N.Y., Public Schools.

The Reverend Joseph Bynon, Superintendent of Schools, Diocese of Brooklyn, N.Y.

Mr. Gerald Garland, President, Colorado Education Association.

Dr. Alton W. Cowan, Superintendent, Jefferson Co., Colo., Public Schools.

Dr. Louis J. Kishkunas, Superintendent, Denver Public Schools.

Reverend Harold Arbanas, Superintendent of Catholic Schools of Metropolitan Denver, Colorado.

Reverend Thomas P. O'Shea, Superintendent of Schools, Diocese of Oakland, Ca.

Mr. Rock LaFleche, Superintendent of Schools, Alameda Co., Hayward, Ca.

Mr. Vincent Reed, Associate Superintendent, Office of State Administration, District of Columbia Public Schools.

Dr. Robert H. Woodroof, Superintendent, School District No. 15, Lynwood, Washington.

Reverend Patrick S. Clark, PhD., Archdiocese Superintendent of Catholic Schools, Seattle, Wa.

Dr. J. Loren Troxel, Superintendent, School District No. 1, Seattle, Washington.

Mr. Jack Gore, Editor and Publisher, Fort Lauderdale News.

Mr. Robert Pierpoint, CBS White House Correspondent.

Mr. Roger Leeds, Associate Dean, School of Advanced International Studies, Johns Hopkins University.

Mr. Brooks Hays, Former Congressman; Former Special Assistant to the President; Executive Director, National Conference on Citizenship.

Dr. Peter F. Krogh, Dean, School of Foreign Service, Georgetown University.

Mr. Henry Santiestevan, Executive Director, Southwest Council of La Raza.

Mr. Rafer Johnson, Olympic Decathlon Champion.

Mrs. Nan Dupont, Bellaire High School, Houston, Texas.

Dr. James M. Eagan, National Vice President, National Conference of Christians and Jews.

Mr. John R. Fisher, Director, Community Affairs Department, National Council of the YMCA.

H. E. Guillermo Sevilla-Sacasa, Ambassador of Nicaragua to the U.S., Dean of the Diplomatic Corps.

Mrs. Margery Kraus, Program Director.

Mr. Sephen A. Janger, Director of Special Programs.

FEDERAL SPENDING

Mr. TALMADGE. Mr. President, according to a recent Gallup poll, the mood of the American people is one of fiscal conservatism. Put another way, they want government to stop spending money beyond its means.

So strongly are the American people concerned about runaway Federal spending, according to this poll, that as many as 8 out of 10 voters favor an amendment to the U.S. Constitution that would require Congress to balance the budget each year.

I am not surprised. Nor should anyone be surprised who has had any contact at all with American taxpayers in recent years. When we have had wasteful and excessive Federal spending over the past decade, and for longer than that, that has burdened the people with inflation, with a national debt of $600 billion, and a projected Federal deficit of more than $125 billion this fiscal year and the next, it is no wonder that the average American is ready to say "enough."

I share this concern. This is why I have proposed amending the Constitution to restrain Congress from spending more than revenue sources, except in cases of national emergency. I am enough of a political realist to know that we do not have the sufficient two-thirds vote in Congress to adopt such an amendment at this time. So long as the notion exists that we can make our Nation's problems go away by throwing the taxpayers' money at them, we will not have the votes.

However, I have maintained for a long time, and do now, that were Congress to adopt such an amendment and present it to the people for approval and ratification, it would be readily adopted.

Mr. President, I bring a report of the Gallup poll, as published in the April 11 edition of the Atlanta Journal and Constitution, to the attention of the Senate and ask unanimous consent that it be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

[From the Atlanta Journal and Constitution, Apr. 11, 1976]

Public Favors Budget Law

(By George Gallup)

Princeton, N.J.—The mood of the electorate this year is clearly one of fiscal conservatism, with voters' views on government spending likely to assume major importance in the post-convention campaign period.

To probe this new mood, the Gallup Poll asked a representative sample of the public to vote on a proposed constitutional amendment that would require Congress to balance the federal budget each year.

The results show as many as eight in 10 voters in favor of such an amendment.

All but three states currently have laws requiring a balanced budget. The size of the Ford administration's proposed budget is $395.8 billion, with a projected deficit of $44.6 billion. The last time the budget was balanced was 1969, when a surplus of $3.2 billion was realized.

While many economists favor a balanced budget, others would argue that a law to balance the federal budget would be a handicap to the nation in a period of recession, when deficit spending is employed to spur the economy.

As pointed out by Hadley Cantril and Lloyd Free in "Political Beliefs of Americans," the public tends to be conservative on government fiscal matters, but liberal on social issues. The election in November will test to a considerable extent which ideology better suits the temperament of the electorate.

In no other presidential election year in recent times has the issue of big government and big spending been so widely debated as it is this year, with the near-bankruptcy of several major U.S. cities undoubtedly contributing to the public's current belt-tightening mood.

Of particular interest is the finding that nearly as large a proportion of Democrats as Republicans favor a law to balance the budget, despite the fact that Republicans have traditionally been more conservative regarding fiscal matters. The crucial bloc of voters who classify themselves as independents hold views similar to Republicans and Democrats.

Following are the questions and results. As the response to the second question indicates, only 6 per cent believe it is not important to balance the budget.

"Would you favor or oppose a constitutional amendment that would require Congress to balance the federal budget each year—that is, keep taxes and expenditures in balance?"

[Percent]

	Favor	Oppose	No Opinion
National	78	13	9
Republicans	84	9	7
Democrats	78	12	10
Independents	77	16	7

"How important do you think it is to balance the federal budget—very important, fairly important, or not so important?"

[Percent]

	Very	Fairly	Not so	No Opinion
National	69	21	6	4
Republicans	74	20	3	3
Democrats	69	21	4	4
Independents	67	20	9	4

The results reported today are based on in-person interviews with a total of 1,582 adults, 18 and older, in more than 300 scientifically selected localities across the nation during the period March 19–22.

FATHER HESBURGH SEES UNITED STATES AT WATERSHED

Mr. BAYH. Mr. President, I would like to call to the attention of my colleagues in the Senate an interview with the Reverend Theodore M. Hesburgh, president of Notre Dame University, printed in the Washington Star last week.

Father Hesburgh's comments are a particularly timely reminder in our Bicentennial Year that Americans must continue to act in accordance with high ideals of humanitarianism and generosity in formulating the domestic and foreign policies of the next decade.

Father Hesburgh is eminently well qualified to discuss the direction of American public policy. For 15 years he was director of the American Civil Rights Commission; he now serves as chairman of the Overseas Research and Development Council. A recipient of the Presidential Medal of Freedom and many other awards for public service. Father Hesburgh has been president of Notre Dame University for 24 years. He is the author of many books, including several editions of the well-known work of social criticism, "Thoughts For Our Time."

Mr. President, I feel we would all do well to reflect on Father Hesburgh's comment that,

> We ought to have a long-range policy on total human development which transcends the economic, but is very important to the economic; which even transcends the political because it's more important than the crisis of the moment; which is really focused on the fact that America as a nation promised hope, promised dignity, and promised freedom for people.

I ask unanimous consent that the interview with Father Hesburgh be printed in the Record.

There being no objection, the interview was ordered to be printed in the Record, as follows:

Hesburgh Sees U.S. at Watershed

The Rev. Theodore M. Hesburgh, president of Notre Dame University and chairman of the Overseas Research and Development Council, was interviewed by Washington Star Staff Writer Henry S. Brodsher.

Question. Do you think the focus on economic problems in the current political campaign is helpful in making the American public aware of world economic problems as well?

Hesburgh. I think not. I think the great problem that the world is facing today is not just an economic problem, although it's basically economic, social and political. I think the emphasis today tends to be distracted to political problems, like the Panama Canal or the problem of whether or not to use 'detente' or the problem of how strongly we speak to the Russians or all kind of problems like Angola.

Q. What do you see as the real problem?

A. It seems to me the basic problem we're facing is we're living in a world where one-fourth to one-fifth of the population has a great bulk of the wealth and resources and even human resources like health, food, energy and education. And when one sees that this exists in the whole world and all we're treated to is a few side comments on political situations of a rather transitory and certainly not a transcendental nature it seems to me we're missing the discussion that should go on. This is: What is the place of America in a world in which we're surrounded by great concentrations of poverty and hopelessness.

Q. Is there any reason to believe that this is likely to happen, though?

A. I think we are probably at a kind of watershed—we should be this year because it's a Bicentennial year. We should see the idealism of this country and how it got started, how it made an enormous change throughout the world by promoting a new ideal of freedom and dignity of mankind and human rights for everyone, the common man particularly. It seems to me that the Bicentennial setting should create an atmosphere for saying what America means to the world, what the American experiment promises the world in the way of hope. In addition to that I think we probably are in a bit of a post-Vietnam slump or a kind of gully where suddenly we become introspective. We've begun to be suspicious of any place that America might have in the world. We've had too much of America as world policemen, but we certainly should not have too much of America as world hope.

Q. Last September Secretary of State Kissinger suggested at a special U.N. session some ideas for greater economic cooperation to help the poor countries. What has happened since then on these proposals?

A. It's been a bit of a mixed bag. He made 41 proposals, none of which would have cost us much money. What he really said is we're willing to discuss these things. He said that we are willing now to leave confrontation which has characterized the north-south discussion over recent years. He tended to bring to that a new spirit of collaboration-conversation-dialogue, which was very good. I would have to say though that apart from the discussions of peace at the Conference on International Economic Cooperation and the upcoming conferences in Nairobi (of the United Nations Conference on Trade and Development) that there hasn't been a great deal of movement across those 41 points that he mentioned. One gets the impression rightly or wrongly that he had more enthusiasm for these points, which I happen to believe are very good, than many of the other people in government and that even within the government there was some dissatisfaction or, in a sense, disagreement with what he was proposing. I would think that it is important that we get ourselves unified on our policy towards the poor of this world and what we can do to alleviate their position or help them to alleviate their own position.

Q. Can you expect any new policy decisions until after the presidential election, until after the administration is established next January?

A. I think it's very difficult. I think it's very difficult for a country to get anything done during an election year because there's so much posturing going on and so many positions that are borne of the moment. We ought to have a long-range policy on total human development which transcends the economic, but is very important to the economic; which even transcends the political because it's more important than the crisis of the moment; which is really focused on the the fact that America as a nation promised hope, promised dignity and promised freedom for people. And while we cannot be the policemen of the world, at least we can hold up an ideal for the world and say to people who are willing to work for this idea, we're willing to help them. I think—we're not talking here as much about money as we are about leadership and ideals.

Q. Can the American who is worried about his own taxes and his own financial position be expected to have any great concern and any willingness to sacrifice for the poor people?

A. I think they can, but I don't think it's going to happen without a lot of education without challenge and a call to sacrifice. For example, I think we begin with the poor at home. We have a lot of pockets of poverty in America. It's a disgrace that they exist in the midst of the most affluent country on earth. We should do something about that and do it quickly and we shouldn't put it off and say it's an intractable problem, it's not intractable. We could banish poverty from this country and we should.

Q. While being helpful on a global sense as well.

A. We have to remind ourselves while $3,000 to $5,000 might be a level of poverty in America, there are literally a billion people in the world that have to live on less than $200 a year, half of them on about $100 a year. That global gap is widening not shortening. The most affluent, most powerful nation on earth, I think, has a responsibility to try to narrow that gap and give people some hope. It's not that we've all got to give up so much ourselves, but we have first of all to be interested in the rest of the world. We have to see what we can do to help. I don't think it's going to cost an enormous amount of money per American, but it's going to cost a lot of effort on the part of some leaders, to really lead Americans to do what we alone can't do if the world is going to have any hope at all for the future.

Q. The ideal was set some time ago of the richer countries supplying 1 percent of their gross national product for economic aid to the poor countries. Nobody really quite attained it. Do you see any possibility even with the education you talk about of getting the United States up to that sort of level?

A. Well actually, our level today is .025 of one percent and that is really a terrible terrible percentage to have. Of the 16 countries in the world that are capable of giving foreign aid and do give foreign aid, I think we're 14th on that list in the amount of aid we give related to per capita income or to gross national product. Now, I think that there is no country on earth that is more generous than the American people. In every crisis that happens we are the first ones there with aid and medical supplies and housing and everything that is needed. In a recent survey, we found that of all the people who were queried: "Do you want to help the poor of the world?" the largest proportion of people saying. "Yes we do" came from black Americans who have suffered poverty and who knew what the bite of poverty was.

Q. Not from the affluent?

A. I think the problem with being affluent is that you can get so affluent you forget the poverty of the rest of the world. I think that we should never forget that we began as a small poor country but with enormous resources and an enormous influx of talented people. I think now, since we have been able to build over 200 years into a great nation, our stance should not be to simply look at our own success and glory in it as much as to give an example and a light to the rest of the world and to help. And when you stop to think that we are spending about as much on the total aid we give to the whole world as we do on potted plants, that doesn't say very much. Or that we are spending four times more on tobacco and eight times more on alcohol than we are on helping the poor of the world, I think that should remind us as a Christian nation, or in the Judeo-Christian tradition that we're a long way from our basic ideals of loving our neighbor.

AMTRAK

Mr. SPARKMAN. Mr. President, a short while back Amtrak announced that it would improve the Chicago-Florida rail passenger route known as the Floridian which now operates through Louisville, Nashville, Decatur, Birmingham, Montgomery, and across south Georgia to Jacksonville. The Amtrak announcement stated that stations along the route would be modernized and refurbished to give added attraction to this important rail link.

Now it is reported that Amtrak, faced with substantial budget cuts recommended by the administration, is threatening to reverse itself and discontinue the Floridian.

This route ought to be a busy and important link in our system of passenger transportation. It is a link between the populous Great Lakes region and one of the fastest growing areas of the Nation—Florida and the Southeastern Gulf States.

This line is the only Amtrak service which touches Alabama, and I urge its continuance for that reason. But it is important regardless of that fact, and I shall continue to urge that the Floridian operate—and on improved schedules.

In this connection, let me add that it is ironic that the Nation which led the world in creating the most extensive rail passenger service anywhere, the Nation which pioneered in engine and car design, and built magnificent rail passenger stations all across the land, is now the scene of second- or third-class rail passenger service.

I feel that the service ought to be extended and improved, so that rail passenger travel again is enjoyed by the traveling public. Rail service could save us tremendously in energy. In a time when the economy cries out for new stimuli, a nationwide effort to improve rail passenger service—roadbeds, rolling stock, engines, and the rest—would furnish such a stimulus.

I would like to see Amtrak service from New Orleans to Jacksonville, for example. I have advocated restoration of such a route, by way of Mobile and Pensacola, for a good while. an effort in which the Senators from Florida, Louisiana, and Mississippi have joined. Such a route would connect with rail lines to every part of the United States.

So I protest any effort to reduce or do away with the Floridian and its service—and urge instead serious study of ways to make rail passenger service fast, safe, and attractive to Americans.

THE NATIONAL DEBATE ON FULL EMPLOYMENT

Mr. HUMPHREY. Mr. President, the Full Employment and Balanced Growth Act of 1976 (S. 50) has ignited a spirited congressional debate on the desired role of the Federal Government in achieving full employment. I believe that nothing less than basic reform of the way we manage the U.S. economy can result in extended periods of full employment with balanced growth. The measures proposed by S. 50 reflect that belief.

The full employment debate as well as the specific debate on S. 50 extends well beyond Washington, D.C., however. The city council of Wilmington, Del., has passed a resolution expressing its support for the Full Employment and Balanced Growth Act. It also urges Delaware's congressional delegation to give its full support to the bill.

The House of Delegates of the State of Maryland also passed a resolution supporting the act by a unanimous vote of 130 to 0. The resolution says that,

> While the cost [of the bill] . . . is not small, the cost of doing less is higher—higher in terms of the individuals, their families, their communities, the public revenues foregone and the belief in the opportunity for productive work available for persons who want and need to work.

I thank both of these governmental bodies for their resounding support of the Full Employment and Balanced Growth Act.

The act has also been the subject of numerous editorials by the major newspapers of the United States. I bring to your attention two very thoughtful reviews of S. 50. One is a March 20 editorial from the Chicago Sun-Times, and the other is a March 19 editorial from the New York Times.

I therefore ask unanimous consent that the two resolutions and the two editorials be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

House Joint Resolution No. 140

For the purpose of urging the Maryland Congressional Delegation to support the Full Employment Act of 1976 (United States HR 50) providing for equal opportunity for useful paid employment for all adult Americans able and willing to work

United States Representative Augustus F. Hawkins (D-Cal.) has introduced a major piece of legislation, HR 50: Equal Opportunity and Full Employment Act.

The need for such a law is revealed, starkly, in the figures which assault us with almost daily regularity—growing unemployment, diminishing gross national product, sharply reduced public services. Rising in giant leaps, unemployment is fast approaching 8 percent of the work force, and much higher for youth, older persons, and others. Truly, it is a national disaster. At best, current public service employment authorizations will provide jobs for fewer than one in ten of the currently unemployed. The temporary nature of these programs mitigates against the development of quality jobs which render real services to the communities and other genuine opportunities for the workers.

A program too small to do the job serves to encourage struggles over who will get the few jobs available—will they go to the newly laid-off or to the long-term unemployed, will we hire the parent only to ignore the child, the husband at the expense of the wife, veteran as opposed to nonveteran.

HR 50 will mean not only jobs for a million people but self-respect and opportunities for them and their families, needed public services for their communities and increased aggregate demand for the economy as well as revenue for federal, state, and local governments. While the cost, $10,000,000,000 is not small, the cost of doing less is higher—higher in terms of the individuals, their families, their communities, the public revenues foregone and the belief in the opportunity for productive work available for persons who want and need to work; now, therefore, be it

Resolved by the General Assembly of Maryland, That this Body supports HR 50 to establish and guarantee the rights of all adult Americans able and willing to work to equal opportunities for useful paid employment at fair rates of compensation; to mandate such national policies and programs as may be necessary to guarantee the free exercise of these rights; to provide explicit executive, legislative and judicial machinery for the development and implementation of such policies and programs; to supplement the Employment Act of 1946 by relating the attainment and maintenance of genuine full employment to the restraint of inflation, the enlargement of social justice, the promotion of small business and competitive private enterprise, and other essential national purposes and priorities; and within this framework to provide for emergency action to help combat the present recession through vigorous programs to attain full employment without inflation; and be it further

Resolved, That copies of this Resolution be sent to the Maryland Congressional Delegation: Senators Charles McC. Mathias, Jr., and J. Glenn Beall, Jr., Senate Office Building, Washington, D.C. 20510; Representatives Robert E. Bauman, Clarence D. Long, Paul S. Sarbanes, Marjorie S. Holt, Gladys N. Spellman, Goodloe E. Byron, Parren J. Mitchell, and Gilbert Gude, House Office Building, Washington, D.C. 20515.

Resolution

Whereas, unemployment within the United States has reached unacceptably high levels; and

Whereas, the national rate of unemployment is almost 8% as compared to 9% in the State of Delaware and 12.8% in the City of Wilmington; and

Whereas, Blacks and particularly Black teenagers have been hardest hit, suffering from unemployment rates of 24% and 35 to 40% respectively; and

Whereas, the Federal Government has been dilatory in dealing with the problem of unemployment and has advanced as an excuse the untenable rationale that it cannot create more employment opportunities without causing unmanageable inflation; and

Whereas, Council is of the opinion that the nation cannot continue on its current course but must instead meet the problem of inflation and also provide for full employment.

Now, therefore, be it resolved by the council of the City of Wilmington That the Council gives full support to H. B. 50 sponsored by Rep. Augustus Hawkins and S. B. 50 sponsored by Sen. Hubert Humphrey and urges our congressional delegates to give full support to these measures and any other measures which would bring full employment to all Americans.

Further resolved That the City Clerk be and he is hereby authorized to send copies of this resolution to Senator Joseph Biden, Representative Pierre du Pont, Representative Augustus Hawkins, Senator Hubert Humphrey and Senator William Roth.

[From The New York Times, March 19, 1976]

Full Employment Need for Realism

A fundamental domestic issue—how to establish a full-employment economy under conditions of relative price stability—has been thrust into the forefront of a Presidential campaign in which all the candidates in both parties have shown greater readiness to hide behind slogans than to define realistic solutions.

The persistence, in the wake of the recession, of unacceptably high levels of both unemployment and inflation makes it clear that the country needs stronger weapons for balanced growth than were provided in the Employment Act of 1946. That landmark law of the immediate postwar period committed the Federal Government to foster maximum employment, production and purchasing power, but it offered few tools for attaining that goal.

Now a bipartisan coalition, backed by organized labor, civil rights groups and a broad list of other sponsors, has put before Congress a bill aimed at giving some substance to the full-employment concept. It is far from a perfect measure—especially in its calculated omission of any credible defenses against a new wage-price spiral—but it is considerably more realistic than earlier versions which wound up in committee wastebaskets on Capitol Hill.

The bill is designed to create a permanent institutional framework within which the President, the Federal Reserve Board and Congress would work to assure the "right" to a useful job at fair wages for all adults who are willing and able to work.

The specific target would be to cut unemployment to 3 percent within four years, a rate slightly less than half the present slump-swollen level among workers over the age of 20. Special programs would be devised to overcome lack of job opportunities for teen-agers, whose idleness rate remains close to 20 percent and for black youth, far above that.

The new measure, with Senator Humphrey of Minnesota and Representative Hawkins of California as chief sponsors, represents an impressive challenge to the change-nothing approach so characteristic of the White House and most of Congress through the past eighteen months of intolerably high unemployment.

Regrettably, the bill's validity is seriously undermined by the insistence of Big Labor on excluding any provision for price-wage controls even on a standby basis. There will be justifiable public concern that, in any tight labor market, unions and employers would abuse their leverage to restart the inflationary spiral.

Even with an effective and equitable program for wage-price restraints built into the law, there is some danger that policies of the magnitude needed to hold the jobless level under 3 percent would stimulate inflation. Such fears cannot be brushed aside; but they must be measured against the vastly greater costs to the economy of idle manpower and idle plant capacity, plus the drain on public funds of high unemployment insurance and welfare payments.

The potential benefits of the new law to all elements, employed and unemployed, require flexibility by the bill's backers and its foes in trying to overcome its many serious weaknesses and build on its strength; but the millions currently shut out of a chance to make their full contribution to a productive economy have a right to hope that the nation is finally prepared to make good on its neglected promise of three decades ago.

[From the Chicago Sun-Times, March 20, 1976]

Jobs—Promises to Keep

More vigorously than any presidential candidate, noncandidate Hubert H. Humphrey is urging America to confront its ugliest economic problem—unemployment. The Minnesota senator's concern is justified.

To nearly 8 million people, recovery is merely a word; it hasn't touched them. Nor is it likely to touch most of them any time soon. Economic good news has had a lulling effect, leading President Ford to a fiscal 1977 budget that accepts an average jobless rate of 6.9 per cent.

That's intolerable, especially when the Congressional Budget Office warns that Ford's restrictive spending level could cause the present recovery to fizzle, forcing unemployment to higher levels.

Rather than accept misery for millions when the private sector is operating far below capacity, Humphrey has a better idea. It's a bold program, spelled out in a new version of a bill Humphrey proposed earlier with U.S. Rep. Augustus F. Hawkins (D-Calif.). On balance, we like it.

Humphrey wants government to be the employer of last resort in economic emergencies. He wants a clear-eyed economic plan, co-ordination of policies by the White House, Congress and the Federal Reserve Board against stagflation; a flexible program of aid to states, cities and the private sector to offset joblessness caused by cycles in the economy, and new anti-inflation actions.

Also, Humphrey doesn't want the victims of unemployment to become an invisible problem—outside the view of most Americans. He would challenge the comfortable, the lethargic, the visionless—and the dangers they represent—by unequivocally making job-creation a major political issue.

We agree emphatically. Unemployment is likely to be a lasting problem, mostly for the young and the poor, undereducated in a technological society, but for many middle-class, middle-aged Americans, too.

Cost estimates of the Humphrey-Hawkins jobs bill vary. One analysis estimates a net spending increase of $12 billion a year to get unemployment to 3 per cent by 1980, the bill's goal. Others say it could cost up to three times that much.

Whether that's too much depends, in part, on the over-all level of economic activity. But the deeper question is this: Is that more costly than the economic and social price to be paid in welfare, crime, family breakups, despair and the other consequences of high unemployment? We think the answer is no.

Ford's restrictive economic policies helped mire the country in the morass from which it is now recovering—thanks largely to the tax cuts forced by a Democratic Congress. Humphrey's jobs bill points to ways to prevent slipping back into the morass, points to ways to fulfill the promise implied 30 years ago when the Employment Act of 1946 was passed and points to the kind of steps the country should take next.

NAVY MANPOWER PROBLEMS

Mr. NUNN. Mr. President, the Senate Armed Services Committee has completed the markup of the fiscal year 1977 request for military manpower strengths. For the Navy, the committee is recommending an authorized military personnel end strength of 533,700 for fiscal year 1977. That is an increase of 9,000 above the current fiscal year 1976 manning levels of 524,700 and a reduction of 10,300 from the level of 544,000 requested in the President's budget. In addition, the committee increased Naval Reserve strength 27,500 above the budget request to 79,500. The committee action reflected a growing concern about Navy force planning and resource management.

The facts strongly indicate that the Soviet Union is taking action to become a global naval power. They have increased their oceangoing fleet, particularly submarines, and have increased the deployment of their fleet so that it is more visible. They are seeking to establish naval bases outside the Soviet Union as we have recently seen in Angola and Somalia. In general, they have become more capable to influence world political affairs through the use of naval power and have demonstrated a willingness to do so.

I also believe it is essential for the United States to retain its preeminence at sea. We have always been dependent on the sea for both security and for the delivery of vital natural resources. With growing world interdependence, it is more essential than ever that U.S. vital interests not be jeopardized by a faltering of our naval power.

U.S. naval power can remain preeminent in my opinion if we can accomplish three things. First, we must evaluate the threat to our interests properly and make the real dangers known to the American people. Second, we must decide on the best program for the U.S. Navy, along with the other military services, to meet that threat. Third, we must assure that our resources are wisely managed so that first things come first and we get the most out of the money we spend. I am deeply concerned that we are not currently accomplishing any of these three things very well.

First, in the public attention, there has been a great deal of emphasis on the increased capability of the Soviet surface fleet. Figures and charts have been shown which portray the number of Soviet major surface combatants as growing and outnumbering similar U.S. ships. What has been emphasized is the fact that about two-thirds of the major Soviet surface combatants are substantially smaller than the smallest major U.S. surface combatant. Little attention has been given to the Chairman of the Joint Chiefs of Staff who said in testimony:

> Once major war has commenced, however, Soviet surface ships do not constitute as great a sea denial threat to U.S. forces as submarines and naval air forces.

He also said:

> The overall force level of Soviet major surface combatants is expected to gradually decrease slightly over the next decade as older units are retired and not replaced on a one-for-one basis.

Until there is consistency between the public emphasis given to the naval threat and the real facts, it will be hard to develop any steady support needed to carry out a long-term program to meet the threat.

Second, to my knowledge, for fiscal year 1977 there are at least four different Navy ship programs floating around Washington. There is the program the President requested from Congress back in January. That program totaled $6.3 billion and included 16 new ships. Then there is another Navy ship program, as yet unspecified, that the Secretary of Defense and the National Security Council are studying according to testimony before the committee. Another program was outlined when the Chief of Naval Operations testified on his "personal views" as to what the Navy ship program ought to be. Finally, there is still a different program proposed by the House Armed Services Committee stressing nuclear powered surface ships. I want to emphasize that these are all programs which are for next year, fiscal year 1977, and which involve billions of dollars and the future of the U.S. Navy. As a layman on technical ship issues, it is hard for me to understand how Congress can make a reasoned judgment on this important matter when there is so much confusion among the experts and decisionmakers in the executive branch. Because ships take years to build, we must decide on what long-term Navy program is best for the United States and develop a consensus to get on with it.

Finally, no matter what the Soviets do and no matter what general direction is decided for the U.S. Navy, unless the funds and manpower are managed wisely and carefully, we will not be able to build, maintain, and operate the ready Navy we need. I think we should have learned from experience with some of our social programs that we cannot simply throw money at complex problems and expect to solve them.

I want a stronger, more capable Navy for the United States, but I am convinced that some of the specific programs proposed in the fiscal year 1977 budget, particularly the manpower increases, would not achieve that purpose. In fact they could produce the opposite result by draining resources from higher priority programs and by further reducing quality standards for recruiting manpower under the all-volunteer concept at a time the Navy is having difficulty in manning their highly skilled technical jobs. When the Navy can demonstrate that they have a firm overall program which meets the real threat and have carefully planned manpower policies to go along with that program that requires more men, I would be willing to lend support for the increased strength.

Much of the increase in Navy manpower requested in the budget for fiscal year 1977 and partly denied by the committee was not an increase in naval power. It was not related to some future expansion of the Navy. In the Navy's own plan few, if any, of the additional personnel denied by the committee would have been sent to school to learn the technical skills the Navy needs. None of them would have solved the Navy's most important personnel problem: the shortage of skilled, experienced petty officers on ships. Further, under the Navy plan, the number of trained naval reservists who augment active ships in time of war would have been reduced and there would have been less reliance on the reserves for certain missions.

The Navy budget request would have increased from 94,300 to 108,100 the number of new nonprior service personnel the Navy had to recruit in fiscal year 1977. That is a 13,800 or 15-percent increase in recruiting in 1 year. The Navy reported that they would have to reduce their quality standards to meet this numbers goal. In addition, the Navy reported that 30 percent of their new personnel coming out of boot camp in fiscal year 1977 would not be sent to school for skill training. Instead the Navy planned to increase by 11,700—43 percent—the number of new people who would get only a 16-day apprentice course before assignment to the fleet. At the same time, the Navy testified to a serious shortage of some 23,000 skilled petty officers who had to be replaced with inexperienced personnel. It is hard to understand how recruiting more lower quality personnel, giving them little or no training and assigning them to be supervised by already heavily burdened petty officers would improve the quality, experience, or skill levels needed to improve ship and aircraft readiness.

Last year, the committee report on the authorization bill expressed concern about the tendency of the services to request manpower authorizations for combat units and then actually assign the personnel to the support establishment. This results in undermanned and possibly unready combat units and overmanned support units. The Navy trends in this regard are disturbing. Compared to authorized strength, in fiscal year 1974 Navy strategic and general purpose force units—ships and aircraft—were undermanned 10,600, while support and pipeline—shore establishments—was 5,300 overmanned; in fiscal year 1975 ships and aircraft were 14,000 undermanned while the shore establishment was 12,800 overmanned; more recently on December 31, 1975, Navy ship and aircraft were 13,700 undermanned and the shore establishment 18,800 overmanned. Navy personnel managers have recognized this problem, which is due in large part to previous Navy management and efforts related to the all-volunteer concept. They have recently moved to adopt a "man the ships first" policy and have testified that this policy alone, with no additional manpower strength beyond what they already have, should result in a 25-percent improvement in readiness and bring fleet manning to 100 percent by the end of this year. The additional billets requested for next year would build up the shore establishment. In other words, the Navy can still increase its ship and aircraft manning by at least 25,000 men, after the 10,300 committee reduction to the requested Navy increase. I do not believe the Navy should reduce ship and aircraft manning and I want to commend the Navy for its "man the ships first" policy.

I plan to say more on the Naval Reserve later, but I believe it is time for the Navy and the Naval Reserve to aggressively work together to find ways to more effectively assign missions, to restructure and use the Naval Reserve. Manpower costs in the Department of the Navy total $14.8 billion, excluding retirement costs, family housing, and some military medical costs. That is some 40 percent of the fiscal year 1977 budget, compared to 47 percent in fiscal year 1976 and 51 percent in fiscal year 197T. Large increases in the shipbuilding and procurement area in fiscal year 1977 tend to reduce the percentage going to manpower even though manpower costs are still rising. The Naval Reserve has many trained and dedicated people who represent a substantial capability to augment the active forces if properly managed and utilized. Yet it appears the Navy plans to reduce reliance on the Naval Reserve. In fiscal year 1977, the Navy planned 7,200 fewer reservists for ship augmentation in wartime than in fiscal year 1974. Billets planned for wartime manning by reservists are listed as "shortages" in the active Navy strength and in the readiness reporting system degrade ship readiness. Thus, under the present system any ship which would be augmented by reservists could never be ready in peacetime. The aircraft carrier that last year was planned for reserve air wing use and reserve manning in wartime is proposed by the Navy to be manned in fiscal year 1977 with 3,900 additional active duty personnel.

I believe there are several new missions that could be assigned the reserves, with more total force effectiveness, yet the President's budget request calls for a 50-percent reduction in the Naval Reserve. Further, there were several kinds of Naval Reserve units that the budget proposal would have cut that appeared to be making a real contribution to overall effectiveness. These included ship and aircraft maintenance units which actually work on equipment, units with special missions such as sealift, harbor, convoy and other deployment-related duties, and units which maintain highly technical or professional skills that would be hard to get quickly in emergencies. Based on the need to use reserves more effectively for new missions and the fact that a number of key Naval Reserve units were included in the proposed reduction, the committee increased Naval Reserve strength 27,500 above the budget request.

In fairness, the record should show that current Navy leadership is working hard to overcome the effects of policies and practices adopted by their predecessors. It was under previous leadership that the personnel policies that undermanned the fleet were adopted. The current Navy leaders have recognized the problems resulting from past policies and are making changes. I commend them and support them in their efforts.

In conclusion, the Navy faces serious challenges and is contending with serious problems. I believe the committee action on Navy manpower will help the Navy to solve some of its problems with personnel quality and turbulence, increase reliance on the Naval Reserve, reduce manpower costs and focus attention on long-term solutions to the Soviet naval threat and U.S. efforts to meet it. Throwing money and manpower at the problems will not solve them. We need a consistent and accurate evaluation of the threat; we need one overall Navy program and a well defined rationale for it, not several Navy programs with differing rationales; and we need solutions to some of the fundamental manpower and management problems before we can make progress in maximizing the naval power I believe we need.

THE FIRST ANNIVERSARY OF THE CAPITOL HILL FORUM—APRIL 14, 1976

Mr. BROOKE. Mr. President, April 14 marks the first anniversary of publication for the Capitol Hill Forum, a newspaper that has served the Congress well in its first year.

The Forum is a tabloid focusing on issues facing the Congress as well as political developments of national concern. I believe a paper primarily concerned with congressional, legislative, and political matters is both unique and important. It is unique in its ability to focus in greater detail on the side issues, those stories that do not always make the news but are of interest and relevance. And it is important as a reference and resource for those issues.

Because of the Forum's knowledgeable treatment of the issues, many Members have found the articles worthy of inclusion in the Record. Of particular interest to me have been those articles focusing on busing, child care, and the budget.

As the Forum enters its second year of publication, I want to wish publisher and editor, Alison Freeman, well. I hope that from its special vantage point, the paper can continue to provide the kind of forthright coverage which has won for it a considerable reputation in congressional circles.

Thank you, Mr. President.

McGOVERN DEFENDS CARTER

Mr. NELSON. Mr. President, the April 13, 1976, issue of the Washington Star contains an article by Martha Angle entitled "McGovern Defends Carter on 'Ethnic Purity.'"

I agree with Senator McGovern that the issue raised over the phrase "ethnic purity" has been blown out of all proportion to its importance. Mr. Carter has clearly stated that the interpretation given his choice of words does not accurately reflect his beliefs. On the basis of his record, Mr. Carter's explanation should be accepted, and this matter dropped before it diverts the attention of the Nation any more than it has from the important issues that ought to be discussed in the course of the Presidential campaign.

I ask unanimous consent that the Washington Star article be printed in the Record.

There being no objection, the article ordered to be printed in the Record, as follows:

"He's Not My Choice, So I Can Afford to Be Generous"—McGovern Defends Carter on "Ethnic Purity"

(By Martha Angle)

Sen. George McGovern, although increasingly critical of Jimmy Carter's personality-oriented presidential campaign, has come to his defense in the current controversy over Carter's "ethnic purity" remark.

McGovern said yesterday that no presidential candidate should be "condemned on the basis of a single phrase" or isolated incident in the course of a long campaign.

"I personally thought it was very unfortunate and very foolish of Gov. Carter to be using such phrases as 'ethnic purity,' but I also hope he wouldn't be evaluated on the basis of a single phrase," McGovern said.

In a luncheon speech to the Washington Council of Lawyers, a group of public-service lawyers, McGovern urged all the presidential candidates to clarify their positions on housing and neighborhood integration.

He said the substantive difference between Carter's views and those of his opponents thus far "eludes me."

In downplaying the overall significance of Carter's controversial remark, McGovern joined presidential candidate Frank Church, who said Saturday that Carter shouldn't be "crucified for an unfortunate choice of words."

McGovern, the 1972 Democratic nominee for president, recalled he had suffered from a similar political flap when be voiced "1,000 percent" support for his first vice presidential choice, Sen. Thomas F. Eagleton, D-Mo., after disclosures that Eagleton had undergone psychiatric treatment for depression.

McGovern insisted that his famous comment "really was the way I felt—my initial reaction," even though he later dropped Eagleton from the ticket when the controversy threatened to consume his own campaign.

The South Dakota senator also said he believed the press and other political candidates have unfairly overplayed George Romney's "brainwashing" comment in 1968 and Edmund S. Muskie's tears in the snows in New Hampshire in 1972. McGovern said he "never saw anything wrong with" Romney's acknowledgement that he had been "brainwashed" by U.S. Embassy officials in South Vietnam into thinking the U.S. war effort was going better than it actually was.

"They brainwashed just about everyone who went out there," McGovern said, adding he thought the erstwhile GOP presidential candidate had been "remarkably candid" to admit he had been taken in.

As for Muskie crying in response to attacks made upon his wife by the Manchester Union Leader, McGovern said, "I never understood how he was disqualified from the presidency because he shed a few tears. I know I felt drawn to him at the time."

Notwithstanding his call for balance in the treatment of Carter's housing comments, McGovern left little doubt that he dislikes the type of campaign the former Georgia governor is waging.

"He's not my choice for 1976, so I can afford to be generous," the senator said with a grin.

Without mentioning Carter by name, he warned against candidates who "display their personalities but conceal what plans they have in mind for us" if elected.

McGovern, defeated by a landslide after a campaign in which he took controversial positions on a number of sensitive issues, said he would "regret very much if we nominate a candidate who believes the central lesson of 1972 is not to discuss the issues."

McGovern also reiterated criticism he had voiced in a Feb. 23 speech to the Women's National Democratic Club about candidates running an antigovernment theme.

"Those who are skeptical and hostile towards the federal government," he said, "should do themselves and us a favor by staying out of it." Asked who he supports for the Democratic nomination of this year, McGovern said he "leans toward" Morris K. Udall among the active candidates.

If Church, a long-time friend and Senate colleague, were not in the race, "I'd be out beating the bushes for Udall," McGovern said.

"If one of the active candidates doesn't make it, I suppose I go along with the conventional view that Hubert Humphrey is the most likely—and if he is nominated, he'll have my support," McGovern said.

The senator later said he could support Carter if he is nominated, "maybe with about the same degree of enthusiasm he brought to me in 1972."

McGovern would not comment on whether he would support Henry M. Jackson, but did say he has always backed the Democratic nominee.

FINANCIAL STATEMENT

Mr. STEVENSON. Mr. President, in accordance with my longstanding practice of publicly disclosing my economic interests, I have prepared the following consolidated financial statement for my wife and myself as of April 1, 1976. I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Consolidated financial statement of Senator and Mrs. Adlai E. Stevenson

Real estate	
Home, Washington, D.C. (cost)	$125,000
One-third interest, residence, Beverly, Mass	55,000
Interest in farms (including farm equipment and livestock), Jo-Daviess County, Ill	519,139
Fractional interest, Fisk Building, Amarillo, Tex	3,200
Real estate, St. Maarten Island	8,000
10 percent undivided interest in real estate, Tiburon, Calif	66,195
Stocks and bonds	
12,640 shares, Evergreen Communications, Inc. (publishes Bloomington, Ill., Daily Pantagraph, operates WROK, Rockford, Ill., and WJBC, Bloomington, Ill., owns 10 percent of Bloomington, Ill., CATV)	164,573
Three shares, Bloomington Broadcasting Corp., class B, nonvoting	1,500
533 shares, KBA Townbuilders Group Ltd., Tel Aviv	550
34.1 shares, R.R. Leaseholds, Inc	500
State of Israel bond	500
Shares, market value as at Mar. 31, 1976:	
300 shares General Electric	15,750
83 shares IBM	21,746
69 warrants Lin Broadcasting Corp	103
100 shares Union Carbide Corp	7,200
210 shares Xerox Corp	11,682
500 shares U.S. Reduction	11,500
500 shares Allis Chalmers Corp	8,444
400 shares Massey Ferguson	11,100
200 shares Sperry Rand	9,776
Life insurance policies (current cash surrender value)	
United Services Life Insurance Co	1,409
Two Northwestern Mutual Life Insurance Co	18,156
Continental Assurance Co	4,122
Civil Service Retirement System	18,350
Cash	
Less current obligations	1,000
Miscellaneous	
Personal property, including securities of nominal value, furniture, cars, paintings, and clothing	65,000
Total	1,149,495
Debts	
Mortgage on home, Perpetual Federal Savings & Loan Association, Washington, D.C	73,247
Mortgage on farm, Charles J. Calderini	66,000
Farm purchase contract, Ralph Virtue	190,000
Note payable to Continental Assurance Co	4,041
Total	333,288

FOREIGN BRIBES AND ILLEGAL PAYMENTS BY U.S. COMPANIES

Mr. BENTSEN. Mr. President, many Americans and foreigners alike have been troubled and shocked in recent months by the revelations of foreign bribes and illegal payments by U.S. companies abroad. Therefore, I wish to bring to the attention of my colleagues the case of an American corporation which categorically refused to engage in such activities even though this resulted in substantial financial losses to the company and its stockholders as well as cancellation of its contract with the government.

I believe it might be useful to briefly outline the sequence of events in this case. About 5 years ago, Translinear, Inc., based in my State of Texas, contracted to undertake a major tourist resort development project on the Ile de la Tortue, discovered by Columbus on his first visit to the New World, off the north coast of Haiti. After a substantial amount of time spent completing preliminary work on the project and after having invested several million dollars on it, the company was forced to stop work on the project by the Haitian Government and Translinear was even prohibited from going to the island, pending certain court proceedings. During this period, Translinear was assured several times by ministerial level officials that its legal rights on the island would be fully protected. For 3 years, Translinear waited patiently to get on with its project, cooperating fully with the Haitian Government despite the considerable delays.

Finally, Translinear was approached by persons who were believed to be officials of the Government of Haiti demanding that Translinear make cash payments of $500,000 and, in addition, transfer half of its stock to certain unnamed individuals.

Translinear rejected this demand and refused to make the payment. Subsequently, a second extortion attempt was made and was again rejected. As a result, Translinear has lost its contract as well as several million dollars it has invested in this project. The Haitian Government has denied all allegations of extortion attempts even though there has been no formal investigation of the charges.

Mr. President, I believe it is appropriate to commend Translinear for refusing to bow to demands for illegal payoffs in order to protect its investments on Ile de la Tortue and I recommend Translinear as an example to other firms facing similar extortion attempts. I urge the U.S. Department of State to cooperate fully with Translinear in its efforts to reach a suitable accommodation with the Government of Haiti in this matter.

SULFATES

Mr. MUSKIE. Mr. President, the Los Angeles Times recently published a series of articles on Environmental Protection Agency's research programs. One of these articles focused on the validity of the conclusions of that aspect of EPA's sulfur oxides effects research which relates to "sulfates," a byproduct of sulfur oxides emissions generally produced as a result of chemical transformation in the atmosphere.

Specifically the article charges that data from the community health environmental surveillance system—CHESS—were deliberately distorted by EPA scientists to support the conclusion that sulfates present a serious threat to public health.

I would ordinarily not comment on these kinds of allegations. However, as a result of these unsubstantiated allegations there have been inferences in the media and in statements by Members of Congress that EPA's entire sulfur oxide regulatory program is predicated on faulty research; and that emission controls for this pollutant bear no relationship to the reductions actually needed to protect public health and welfare; and that there is no basis for the current EPA policy to prevent significant deterioration of clean air. None of this it true.

Concurrently some special interests have grasped the CHESS controversy as a means of discrediting the pending clean air amendments which the Senate will consider after the Easter recess. None of the provisions of the pending Clean Air Act amendments is in anyway based on the CHESS studies.

I think it is important to clarify the exact relationship between EPA's current sulfur oxides regulatory effort and the CHESS studies.

CHESS is a national program of standardized epidemiologic studies designed to measure simultaneously ambient air quality and possible effects on health in communities which have different air quality levels. The purpose of the CHESS program is to evaluate, on a continuing basis, existing air quality standards, to obtain health data for new standards that might be required, and to document any direct health benefits resulting from a reduction in air pollutants. The CHESS studies have been characterized as the best of their kind in the world and the most reliable epidemiological studies ever carried out.

Administrator Russell Train has provided the Congress with such a clarification in his statement to the House Interstate and Foreign Commerce Committee and the Science and Technology Committee on April 9, 1976. I recommend it to all of my colleagues, and I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Honorable Russell E. Train, Administrator, Environmental Protection Agency

Good afternoon, Chairman Rogers and Chairman Brown and Members of both Committees, I thank you for this opportunity to appear before you to discuss the relationship of the Community Health and Environmental Surveillance System (CHESS) to the air pollution control program conducted by the Environmental Protection Agency.

I am aware that a distinguished group of witnesses, both within and outside of EPA, have preceded my appearance before your Committees today to discuss the procedure and findings of the CHESS study. I would like to briefly state at the outset that I believe the CHESS study represents a reasonable approach to understanding the relationships between ambient pollutant concentrations and adverse health effects. Moreover, I deplore the recent attacks upon the scientific integrity of Dr. John F. Finklea, one of the directors of the CHESS study, who has been the target of attack in recent newspaper articles published in the *Los Angeles Times*. It must be remembered that the CHESS data and results have been made available to over 100 expert reviewers.

Other studies and reviews have confirmed the concern over sulfates raised by the CHESS studies. For instance, Dr. David P. Rall, the Director of the National Institute of Environmental Health Sciences and a witness here today, stated that his scientific study group found after reviewing the professional literature and holding extensive discussions "that there was no basis for relaxing sulfur oxide primary ambient air quality standards." Similar confirmatory statements are found in the March 13, 1975, report of the EPA Science Advisory Board chaired by Dr. Norton Nelson.

I view this entire matter with great concern. An allegation of scientific dishonesty or bias is a serious charge which must be quickly investigated since it not only damages the reputation of the challenged study, but it also impugns the integrity of the entire EPA research program and regulatory actions. Last week Dr. John Buckley, a retired senior EPA official who is presently an EPA consultant, Dr. Roger McClellan of the Lovelace Foundation, and Dr. David Jackson of Case Western University, visited the EPA research facility in Research Triangle Park, North Carolina to interview those EPA scientists who were directly involved in the CHESS study and in the preparation of the report "Health Consequences of Sulfur Oxides." These discussions focused on the allegations made in the published newspaper articles and the quoted statements attributed to EPA employees. Dr. Buckley will discuss the findings of his group in detail following my testimony. In addition, we are exploring with the National Academy of Sciences and others, the possibility of selecting a qualified, neutral group of scientists who will become familiar with the basic CHESS data. The group may then serve as independent reviewers of past and future analyses of the CHESS data.

At this point I want to address another concern raised by the charges made against the CHESS program; that is the relationship between the CHESS study and EPA's Sulfur Oxide Regulatory Program. The recent *Los Angeles Times* articles have alleged that EPA's current regulatory program for sulfur oxides relied heavily upon the results of our CHESS studies. These accounts suggest that EPA has used these studies as the major basis for imposing a multi-billion dollar emissions control strategy upon the nation's utility industry. Both of these assertions are untrue. They misinterpret the role of the CHESS studies in the EPA sulfur oxides regulatory program. The truth is that the direction of this important program was determined by scientific information in existence before the CHESS studies were initiated. Thus, even if one were to assume the worst about CHESS, which I do not, this would in no way call into question the Agency's sulfur oxides regulatory program.

EPA's current regulatory program for sulfur oxides utilizes two of the major options available under the Clean Air Act: National Ambient Air Quality Standards (NAAQS) and New Source Performance Standards (NSPS). NAAQS may be established for any air pollutant which, in the judgment of the EPA Administrator, "has an adverse effect on public health and welfare," and results from emissions from "numerous or diverse mobile or stationary sources." Primary standards are set to protect public health with an adequate margin of safety. Secondary standards are designed to prevent known or anticipated adverse welfare effects.

On the question of the establishment of the national ambient standard for sulfur dioxide, it must be noted that a substantial amount of information on the health and welfare effects of sulfur oxides was reviewed in the 1969 document, *Air Quality Criteria for Sulfur Oxides*. This data, from as far back as 1939, suggested that a wide range of adverse health effects were related to atmospheric sulfur oxides. Even in 1969 the accumulated data indicated that fine particulate sulfuric acid, certain sulfates, and combinations of sulfur dioxide and particulates had potent effects. Based upon this information compiled in the criteria document, the primary national ambient air quality standards for sulfur dioxide were established. These health-related standards, and also the welfare-related or secondary standards, were set before the CHESS studies were even commenced. In conformity with the structure of the Clean Air Act, States submitted implementation plans which included measures designed to ensure attainment of the primary and secondary standards. It is evident that the emission limits contained in currently applicable State implementation plans are based upon the national standards and not the findings of CHESS.

Next, New Source Performance Standards, the second major component of EPA's sulfur oxide regulatory program, are established for new or modified sources that may "contribute significantly to air pollution which causes or contributes to the endangerment of public health or welfare." The emission standard must reflect the best degree of available control technology, considering cost, that the Administrator believes has been adequately demonstrated.

As a NAAQS pollutant, sulfur dioxide meets the NSPS criteria. To date, NSPS for sulfur dioxide emitters exist for large steam generating plants and sulfuric acid plants, both established in 1971. The current sulfur dioxide NSPS affecting power plants can be met by obtaining suitable low sulfur fuels where available or by stack gas scrubbing. The sulfur dioxide criteria document provides the health basis for these standards, and existing technology determines the actual emission limit. Again, the existence of CHESS does not affect this program. From the preceding discussion it should be apparent that the two major components of EPA's sulfur oxide control strategy do not gain their impetus from the findings of the CHESS studies. At this point, it is important to examine several of EPA's air pollution control policies to determine whether the CHESS program has affected their direction.

The Clean Air Act was amended by the Energy Supply and Environmental Coordination Act of 1974 (ESECA). Under new section 119(d), a federally ordered conversion of a fuel burning stationary source from gas or oil to coal may be suspended if resultant emissions of a non-regulated pollutant "will result in an increase which causes (or materially contributes to) a significant risk to health . . ." This provision could apply to sulfates since they constitute a non-criteria pollutant. The Agency prepared a proposal to implement the "significant risk" provision concerning sulfates based on the Agency's 1975 *Position Paper on Regulation of Atmospheric Sulfates* (which I offer for the record) which included a discussion of the CHESS results as well as results and recommendations of a number of other studies on sulfates. Among these were a March 1975 National Academy of Sciences report and a concurrent report of the EPA Science Advisory Board (SAB), which expressed concerns over the risks from increased emissions of sulfur dioxide and particulates. At this time the significant risk proposal is still in draft form. It is clear that in this area of EPA policy, the CHESS results have supported, but not determined, Agency actions.

Related to all of the preceding standards and proposals is the EPA policy against the use, in most situations, of atmospheric dispersion techniques as a permissible control strategy. These techniques include the use of tall stacks and intermittent or supplementary control strategies. The Agency position on the use of these methods is based upon the language of the Clean Air Act, as interpreted by the Federal courts. In addition to a number of studies, the Agency has cited the preliminary CHESS results to support its concern about the use of dispersion techniques of tall stacks and intermittent or supplemental control systems in place of permanent or continuous controls. Although reinforced by the CHESS results, EPA's positions on tall stacks and ICS are founded upon a pre-existing and longstanding opposition to an increase of the total atmospheric burden of sulfur oxides. Prior to EPA's creation, Federal officials had argued that dispersion methods of air pollution control would not guarantee that air quality goals would be met at the ground level. The former National Air Pollution Control Administration (NAPCA) consistently opposed the use of tall stacks as the primary means of sulfur dioxide control because of their effects on the formation and dispersion of fine particulate acid sulfates, visibility conditions, the health of exposed populations, and the acidity of rainfall. Information collected since 1970 has reaffirmed these NAPCA assessments. Thus, even without the CHESS studies, ample evidence exists to support concerns over total atmospheric sulfur loading and the use of tall stacks.

In the area of ICS, we have determined that such methods are inherently unreliable and difficult to enforce. EPA's view has been supported by the Department of Commerce Technical Advisory Board which has found in its 1975 Report on Sulfur Oxide Control Technology that intermittent control systems create administrative and financial difficulties which could prevent effective enforcement. The report also states that under certain circumstances the costs of such a system would approach that of continuous emission control measures. The National Academy of Sciences has also supported the EPA position. It is apparent that EPA's policy concerning ICS is based upon pre-existing factors unrelated to the CHESS studies. Furthermore, our approach has received extensive favorable review from a number of independent scientific groups, in addition to legal approval in the Federal courts.

Finally, the EPA regulatory program for

the prevention of significant deterioration of clean air, based upon judicial interpretation of the Clean Air Act, relates solely to existing national air quality standards and is not premised upon the CHESS studies.

In summary, EPA's sulfur oxide regulatory program is based on a number of factors. EPA's *Position Paper on the Regulation of Atmospheric Sulfates* emphasizes the fact that the overall Agency concern over atmospheric sulfates is founded upon a variety of studies and study critiques, of which CHESS is only one among many. The need for controlling sulfur oxides has been reaffirmed by recent independent scientific reviews. We believe that an adequate range of control techniques are presently available to achieve the goals for the control of sulfur oxides without excessive costs or undue delay. Our current program is both scientifically valid and technologically and economically achievable.

Mr. Chairman, this concludes my prepared statement. I will now be pleased to respond to any questions that you or other Members of the Committee may have.

Mr. MUSKIE. Mr. President, on the question of the relationship of these studies or any conclusions drawn from them to the amendments to the Clean Air Act I call my colleagues' attention to the report on that bill. The Senate proposal is intended to provide protection of air quality in areas with clean air to assure that air quality in clean air areas does not deteriorate to levels found in most of America's major urban centers; and to regulate new major sources of pollution effectively in clean air areas in order to maintain a margin of safety—an air quality reserve—for future growth and development.

Mr. President, there may be a health basis for prevention of significant deterioration. There may be data in the CHESS studies to support such a conclusion. And, the Subcommittee on Environmental Pollution will examine that information on an ongoing basis. However, these data and these studies were not before the committee during consideration of the pending amendments. To my knowledge members of the committee were unaware of the studies or any conclusions associated therewith.

Our purpose in these amendments is to provide legislative guidance to the basic purpose of the Clean Air Act—the purpose of protecting and enhancing air quality. I would hope my colleagues would study the committee proposal in this perspective and not be diverted by phony and irrelevant issues.

THE IDITAROD GOLD RUSH TRAIL OF ALASKA

Mr. STEVENS. Mr. President, I am pleased to cosponsor S. 3287, which would establish the Iditarod Gold Rush Trail of Alaska as the first national historic trail.

The National Trails System Act directed the Secretary of the Interior to study gold rush trails in Alaska to determine their suitability for inclusion in the system. Among those studied was the Iditarod Trail.

The Iditarod Trail ran from tidewater at the ice-free port of Seward, across the Kenai Peninsula, through the Chugach Mountains, across the Susitna River Valley, through the massive Alaska range, across the Kuskokwim and Innoko River country to the Yukon River, down the Unalakleet River to the coast of Norton Sound, then across the Sound to Nome.

Although the line is popularly known as the Iditarod Trail, only a part of it served the Iditarod goldfields. The proposed national historic trail incorporates trails which served several gold strikes in various parts of my State at different times.

The trail we seek to have protected includes the routes followed by the early Alaskan gold seekers in the Hope and Sunrise areas in 1888. Another large influx of people came from the Klondike Stampede in 1898 and the trail served them for year-round transportation of mail, supplies, and travelers. In 1907 and 1908, gold discoveries in the interior of Alaska occurred and W. L. Goodwin of the Alaska Road Commission surveyed a winter trail from Seward to Nome along then existing trails. The last major gold rush in the United States occurred along this trail following the discovery of gold near the Iditarod River. This strike prompted the Alaska Road Commission to permanently mark and clear the trail Goodwin explored in 1910. That trail is a major part of the route that this bill would protect. The trail even has a historic value predating the gold rush era of Alaska since portions served prehistoric Native dog mushers.

This trail, because of its great length, is as varied as my great State. It crosses mountainous scenery, flat tundra, river ice, and even glaciers in parts. It crosses a variety of climate zones and the habitat of a wide variety of Alaska's fish and wildlife. Yet most of the land is in public ownership. The State of Alaska owns the land from Girdwood to the Alaska Range, but the remainder is in Federal ownership. That situation will change as the Statehood and Alaska Native Claims Settlement Acts are implemented. But even then only 300 miles or so will be in private ownership.

The trail serves many Alaskans. Parts of the route in the Kenai Peninsula-Chugach Mountain area are maintained as recreational trails. These trails have received an increasing amount of use and the number of people who enjoy them is expected to continue to grow. Further north the route still serves as a winter trail, providing basic transportation to the residents of that region. Large parts of the historic route are used for the annual Iditarod Trail Dog Sled Race. This event captures the attention and imagination of people everywhere for 2 weeks each winter as 40 mushers and 400 dogs race over 1,000 miles across Alaska.

So this trail is not only of national historic significance, it also is of major recreational importance.

The measure I am supporting would amend the Scenic Trails Act to provide for a historic trails category and that the Iditarod Trail would be such a trail. The law as presently written does not provide for any designation or protection of historic trails. The Oregon Trail, Santa Fe Trails, and others of critical importance do not fit the criteria for a national scenic or recreational trail. Therefore, a new category of historic trails is needed to protect those trails which although not available for intensive recreation are still vital parts of America's past. In order to qualify as a historic trail, the route must be established by historical use and significant because of such use, must have had a far-reaching effect on broad patterns of culture, and must offer significant potential for recreational use as a trail or at historic sites. The Iditarod Trail, representing a major transportation route for the last great American gold rush, is eminently suitable for such designation.

Under this bill the trail administration would be coordinated by the Department of the Interior with actual management done by local landowners. Historic areas near population centers would be marked, small parts of the route would be acquired by purchase, portions of the trail would be studied for suitability as recreational trails, and historic structures could be protected. The bill also proposes that water bodies and roads be included in the trail, that off-the-road vehicle use be permitted to continue, and that the trail right-of-way across Federal lands could be used for future surface transportation.

I think this measure offers an opportunity to recognize the important historic and recreational values of this trail and protect the national resources involved. I urge the Senate to act promptly on this measure.

ANTHONY B. AKERS

Mr. PELL. Mr. President, I mourn the sudden death in Wrightsville Beach, N.C., on April 1, of Anthony B. Akers, a fine public servant in every sense of the word.

When our Nation was faring poorly in the early days of World War II, when our victories were few and far between, there were some great acts of courage carried out in the Pacific by the skippers and crews of PT boats under the leadership of then Lt. John D. Bulkeley, now Rear Adm. John D. Bulkeley. Some may recall the book by William L. White, entitled "They Were Expendable," describing the heroic feat of what these young PT boat skippers did in the Pacific war zone, including getting General MacArthur out from the Philippines.

Few of those heroes remain alive. And one of them who distinguished himself then and in later life as a public servant was Anthony Akers. Married to the daughter of John Russell Pope, the architect who did so much to enhance the beauty of our Capital City of Washington, he went to Columbia Law School and then came to the Hill as administrative assistant to Congressman Franklin D. Roosevelt, Jr. From there he became Deputy Under Secretary of the Air Force. Then after running for Congress three times and a stint in New York State government, he was appointed by his old friend and former fellow PT boat skipper, President John F. Kennedy, as Ambassador to New Zealand.

Tony Akers was a man known, admired, and loved by all of us who worked with him or knew him or counted themselves among his friends. He contributed immeasurably of himself to whatever he undertook and he always believed that government and public service were the noblest of occupations.

The Navy did not forget one of its heroes at the time of his death, and took part in both the funeral service at St. Thomas' Church, New York City, and at the burial at Berkeley Memorial Chapel, Middletown, R.I.

My wife and I and all of us who loved Tony extend our sympathy to his beloved widow, Jane, and their daughters, Andra and Ellery.

I ask unanimous consent to have printed in the Record, obituary notices that appeared in the New York Times and Washington Star of April 2, 1976, and the Washington Post of April 3, 1976.

There being no objection, the obituary notices were ordered to be printed in the Record, as follows:

[From the New York Times, Apr. 2, 1976]

ANTHONY B. AKERS, RAN FOR CONGRESS

Anthony B. Akers, who was the United States Ambassador to New Zealand from 1961 to 1963 and three times lost battles for a seat in Congress representing the fashionable East Side 17th District in New York, died, apparently of a heart attack, yesterday in Wrightsville Beach, N.C. He was 61 years old and lived in Palm Eeach, Fla.

During World War II, Mr. Akers, a lieutenant commander in the Navy, was a motor torpedo boat commander, one of four naval officers who were the heroes of W. L. White's "They Were Expendable."

Mr. Akers ran for Congress in 1954, 1956 and 1958. He was defeated the first two times by Frederic R. Coudert Jr., then by John V. Lindsay.

He very nearly won in 1954, Mr. Coudert beating him by a scant 315 votes.

Tall, affable, baldish with a voice that held a trace of Texas—he was born near San Antonio, the seventh of 13 children, and attended the University of Texas—Mr. Akers was rejected by all three services for being too tall at 6 feet 4 inches.

He finally managed to enlist in the Navy in June 1940, well before this country entered the war.

He took part in the evacuation of General of the Army Douglas MacArthur from Corregidor to Australia and received the Silver Star and two Presidential citations.

Mr. Akers, who earned a degree at the Columbia University Law School, was admitted to practice in New York and the District of Columbia.

He served as Deputy Assistant Secretary and Deputy Under-Secretary of the Air Force from 1951 to 1953, during the Korean War.

In 1955, Gov. W. Averell Harriman appointed him director of the New York City office of the State Department of Commerce, a post he held until 1958.

In 1960, Mr. Akers served as executive chairman of the New York Citizens for Kennedy and Johnson for the Presidency and Vice Presidency, respectively. The following year, President Kennedy named him Ambassador to New Zealand.

In recent years, Mr. Akers had been counsel to the firm of Cabell, Martin, Hammer & Gallo in New York and president of the Landfall Development Company in Wilmington, N.C.

He leaves his wife, the former Jane Pope, and two daughters, Andra Frazier and Ellery Jane Akers.

A memorial service will be conducted Monday at 11 A.M. at St. Thomas' Episcopal Church, Fifth Avenue at 53rd Street.

[From the Washington Star, Apr. 2, 1976]

ANTHONY B. AKERS

Anthony Boyce Akers, 61, a war hero, former ambassador to New Zealand and deputy undersecretary of the Air Force, died yesterday in Wrightsville Beach, N.C. He lived in Wilmington, N.C., where he was president of the Landfall Development Co.

Akers was one of the four heroes of William L. White's "They Were Expendable," a book about PT action in the Pacific theater during World War II. Akers rescued President Manuel Quezon at Manila Bay and took him to Mindanao in his PT boat and aided in the epic delivery of Gen. Douglas MacArthur from Corregidor to a Flying Fortress rendezvous on Mindanao. He also was credited with sinking a 10,000-ton Japanese tanker and with shooting down a Japanese dive bomber when Cavite first was bombed.

[From the Washington Post, Apr. 3, 1976]

A. B. AKERS, EX-AMBASSADOR TO NEW ZEALAND

Anthony B. Akers, 61, former U.S. Ambassador to New Zealand and a Navy hero of World War II, died of a heart attack Thursday in Wrightsville Beach, N.C.

He was stricken in a motel, where he maintained headquarters in connection with the operation of the Landfall Development Co. in nearby Wilmington, N.C.

In recent years he had been president of the company as well as counsel to the New York law firm of Cabell, Martin, Hammer and Gallow. He lived in Palm Beach, Fla.

Mr. Akers served as Ambassador to New Zealand in 1961–63. He had been executive chairman of the New York Citizens for Kennedy-Johnson in the 1960 presidential campaign.

During World War II, he was a lieutenant commander in the U.S. Navy Reserves in the Pacific. He was a commanding officer in one of the PT boats that helped evacuate Gen. Douglas MacArthur and his family and staff from Corregidor when the Japanese attacked the Philippines.

The boats were immortalized in W. L. White's wartime book, "They Were Expendable." Mr. Akers received two Silver Stars and several presidential citations for gallantry in action.

During the Korean conflict, Mr. Akers served as Deputy Assistant Secretary and Deputy Under Secretary of the Air Force.

He ran three times as the Democratic candidate for the U.S. Congress from the 17th congressional district of New York, known as the Silk Stocking District.

He was defeated in the 1954 and 1956 races by Frederic Coudert and lost the 1958 race to John V. Lindsay.

Mr. Akers was born in Charlotte, Tex., and was a graduate of the University of Texas. He received his law degree from Columbia University. He was admitted to practice before the New York and District of Columbia Bars and the Supreme Court.

In addition to practicing law in New York, he had served as director of the New York State Department of Commerce for New York City in 1955–58 and chairman of the New York City Community Mental Health Board in 1957–58.

Mr. Akers belonged to a number of organizations including the Council on Foreign Relations and Foreign Policy Association and the Federal City Club here.

He is survived by his wife, Jane Pope Akers of the home, "Solana" in Palm Beach, and two daughters, Andra Frazier and Ellery Jane Akers.

RECESS UNTIL 1 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 1 p.m. today.

The motion was agreed to and, at 12:40 p.m., the Senate recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Stone).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

PUBLIC WORKS EMPLOYMENT ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 3201, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (S. 3201) to amend the Public Works and Economic Development Act of 1965, to increase the antirecessionary effectiveness of the program, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. MONTOYA. Mr. President, I ask unanimous consent that during consideration of and voting on S. 3201, the following additional staff members of the Committee on Public Works be granted the privilege of the floor: Sally Walker, James Range, Lee Rawls, and John Freshman.

The PRESIDING OFFICER (Mr. Ford). Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll

Mr. MONTOYA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, yesterday when we laid this bill before the Senate, some of the members of the Public Works Committee, including the chairman of the full committee and the ranking member of the full committee, submitted written statements which appear in the Record of yesterday's proceedings. These statements were explanatory of the action taken by the Public Works Committee with respect to the many pieces of legislation affecting the unemployment situation in this country and calling for utilization of public works projects to alleviate such conditions.

Today, we expect some amendments to the committee version as reported to the Senate. These amendments will no doubt increase by a tremendous amount the authorization contained in this bill.

I want to emphasize again that when the Public Works Committee and the Subcommittee on Economic Development, which I chair, considered this legislation, we were fully cognizant of the feeling by the administration with respect to any extended public works program and we tried to tune in on the limitations that they had in mind and which might be acceptable to the administration.

So we, after very mature deliberation on the part of the Subcommittee on Economic Development and the full Public Works Committee, brought a bill out which I think represents a good consensus not only on the part of the members of the committee, but also a consensus which I think is in accord with the expectations of the administration's people who have been dealing with this program.

I again emphasize the difference between the committee bill as reported to the Senate and the bill which was introduced in the House, and also another bill which was introduced in the Senate.

S. 3201 carries a limitation in the authorization of $1.1 billion according to CBO estimates. This is on the assumption that the unemployment rate today will be continued and not increase to 9 percent unemployment. If the Nation were at a 9 percent unemployment rate today, this bill would then authorize $2.5 billion. But we all know that it is unlikely that unemployment will reach at a 9 percent level in the coming months.

For accelerated public works we have in S. 3201 $735 million. The job opportunities program, title 10, $220 million. For EDA business loans and 4 percent interest subsidies, $125 million. We have a new feature in this bill. In order to protect those States which were being shortchanged in the allocation of funding under the waste treatment program, we have a new feature in this bill which ups their entitlement from a low figure to a minimum of $7 million. Only three States fall into this category.

The countercyclical aid which was added on by the Senate to the bill that was vetoed by the President was considered in the committee and, by agreement, it was not included in the bill.

Of course, I have been told that an amendment will be offered to this bill to include some features of the countercyclical amendment which had been included in the vetoed bill by amendment on the floor of the Senate.

Then there is also, I understand, to be an attempt to amend the bill by Senators NUNN and TALMADGE. They are again offering the Nunn-Talmadge amendment dealing with waste treatment funds and a new authorization rather than a new reallocation of the existing funds pursuant to the existing authorization.

Beyond this, we are not expecting other amendments. However, some may be offered.

With this explanation, Mr. President, I think we are today ready to receive any amendments to the bill, if any are to be offered.

Mr. President, in the absence of such amendments and in the hope that those who had intended to offer them may be called upon to come to the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, at the outset of debate may I take this opportunity to pay my special respects to the chairman of the committee (Mr. RANDOLPH), to the chairman of the subcommittee (Mr. MONTOYA), and to the ranking minority member of the subcommittee (Mr. MCCLURE) for their excellent work in bringing this matter to the attention of the Senate in its present form.

My colleagues will recall that we dealt with this measure last year when the Public Works Committee of the Senate reported the Public Works Employment Act of 1975—S. 1587. The bill was amended significantly in the Senate by the addition of the so-called countercyclical program and the Talmadge-Nunn amendment which dealt with the allocation of funds under the waste water treatment construction program.

The bill, after amendment by the Senate and conference amounted to a $6.1 billion proposal. The President vetoed it. In the veto message, the President pointed out many objections in addition to the amount, including the criticism that the bill was the wrong sort of job assistance coming at the wrong time. Rather than an effective tool to counter unemployment and economic distress, it would, in fact, turn into a measure that might very well exacerbate the forces of inflation without a corresponding advantage of creating a sufficient number of jobs for the added expenditures.

I think the Senate acted in a responsible way when it sustained the President's veto on the same day that the House voted to override and to pass the act, the President's objections to the contrary notwithstanding. The margin in the Senate was fairly close. The veto was only upheld by three votes. It would have been a very simple matter for the Public Works Committee, with the leadership of the majority, to simply report the same bill and to start the process over again with the hope and the strategy that some votes might be changed. That, in the face of a certain Presidential veto of another multibillion dollar bill, the Senate might have an opportunity to override.

But that is not what the Public Works Committee did. I think we did a good job. Senator RANDOLPH, the distinguished Senator from West Virginia, and Senator MONTOYA, the distinguished senior Senator from New Mexico, as chairman of the Economic Development Subcommittee, acted in a very responsible, and very careful way in bringing to the Senate floor a bill that I am pleased to stand here and recommend to my colleagues. The bill was unanimously reported by the committee and represents a truly bipartisan effort.

I understand that our distinguished colleague from Maine will once again offer a countercyclical measure. I also understand there is a good possibility that the so-called Talmadge-Nunn proposal may be offered again.

Mr. President, I do not want to be preemptory, but I would urge that we think about what we are doing. If we plow the same furrow, by moving from a very good bill—which, by the way, would create approximately 125,000 jobs and cost about $1.1 billion instead of $6.1 billion—into another Christmas tree, by adding countercyclical aid and Talmadge-Nunn, I feel certain the President will veto the entire package again.

I must say to my colleagues I have made some effort to find out from the White House what the view of the President would be in that respect. Of course, only the President can speak for himself. But it is my personal judgment, I believe on good representation, that, if we succumb to the temptation to modify and amend this good bill and to add countercyclical assistance and Talmadge-Nunn, the President will, in fact, veto it a second time.

I very much do not want that to happen. We need this bill. Notwithstanding that the economy has shown marked improvement since this bill was first passed a year ago, and notwithstanding that the leading economic indicators, almost without exception, are favorable, there are still severe pockets of unemployment in areas and there are sectors of the economy where unemployment is most grievous.

Those of us on the Public Works Committee believe that the measure reported by the full committee is designed to meet that particular challenge—the exacerbated and difficult unemployment situations, for instance in the construction industry, in particular parts of the country.

Mr. President, while some others, as I do, may very well support a variant of general revenue sharing expressed in terms of countercyclical aid—we will resist the temptation to add it onto this bill. I support the concept of countercyclical assistance to local governments, but let us bring it up for consideration separately at another time. I urge my colleagues to defeat expensive add-ons, expensive amendments that will almost certainly produce a Presidential veto.

I know there are many in this Chamber who share with me the feeling that countercyclical programs are, in fact, the wave of the future in terms of Federal-State relations. I think the Senator from Maine (Mr. MUSKIE) the Senator from Tennessee (Mr. BROCK), and others are to be commended for their initiative and leadership in devising these programs and trying to work out the imperfections to a degree of that certainly would commend them to our further consideration and adoption.

But not here. Not on this bill. Mr. President, I think the primary question before us is whether we take a good bill, designed to meet the challenge of unemployment in particular industries and areas, or whether we undertake to pass a Christmas tree bill that will almost certainly result in another Presidential veto. I urge my colleagues to accept this bill as reported from committee and resist all amendments to it.

Mr. DOMENICI. Mr. President, during committee consideration of the bill, I offered a proposal to accept the provisions and funding level of the original Senate public works bill but to change the funding levels of the various section—public works, business loans, and jobs opportunities. The total authorization of my proposal was $2.1 billion, a full $1 billion, or 21 percent, less than the public works section of the conference report.

My proposal recommended $1.5 billion for public works, using the language of the original Senate bill containing the triggering mechanism, $125 million for EDA's business loan program and $500 million for the jobs opportunities program. My proposal was the same level of the original Senate bill with the mix between programs changed.

While the authorization level of the bill finally agreed to and reported by the full Public Works Committee is lightly above the figures I proposed, I intend to support the committee's measure. I support the bill because it includes a triggering concept and selection priorities which, I believe, will make the program more responsive to the changing economy.

I believe there is good reason to consider a smaller, targeted measure at this time. Since the committee first considered this program about a year ago the economic outlook has turned around. Unemployment is declining, prices have dropped and future prospects are brighter. A year ago we were faced by a recession of unknown depth, with no end in sight. Today we are faced with an improved economy requiring a more balanced, restrained approach.

The evidence remains, however, that pockets of high unemployment remain. In the construction industry, for example, unemployment is running at well over twice the national average. Presentations were made to the Public Works Committee on April 6, by representatives of organized labor. They offered forceful testimony of the social costs of continued unemployment—costs which are ignored in the stastic that are the stock and trade of economists. Unemployed workers spoke of the hardship involved in maintaining their homes and families. In some cases, the struggle ended in failure with broken homes as the final result. I believe the committee bill which carefully targets help to these pockets of unemployment, strikes an appropriate balance between the need to alleviate the social misery caused by unemployment and the need to keep the lid on inflation.

The trigger concept distinguishes this bill as a counter-cyclical proposal and not just another public works program without regard for the consequences of inflation.

The limitation on funds is geared to the national unemployment rate. At 9 percent unemployment the full authorization of $2.375 billion for section 107 and jobs opportunities program is available. As unemployment declines—one of the signs that the country is moving out of recession—the program phases-out. It is estimated that $1.3 billion would be available based on an unemployment rate of 7.7 percent for the first quarter of 1976. The remaining authorization would provide standby authority if unemployment goes up again.

Another reason I support the bill is the ranking or priority on the use of the funds. It is easy to say that we are "accelerating" public works, but without some criteria that speed-up projects, this may not actually occur. Provisions of the bill reported by the committee would lead, I believe, to a real "acceleration."

First, the bill gives priority to already approved public works projects which have already been approved by a Federal agency but which are stymied because of the lack of local match. These projects have met all the program requirements and Federal funds have already been appropriated but cannot be spent because of the absence of local funds. This would cover all Federal public works programs including highways, hospitals, water and sewer and mass transit.

The second priority is for projects which cannot get underway because of rising costs. These projects have also been processed and Federal funds committed, but cost overruns have postponed their start-up. These projects are ready to go and can get underway quickly.

As I stated before, economic indicators have changed significantly since Congress first considered this type of program last year and I think the time for across-the-board temporary jobs program to tide us over the recession is past. Employment has now surpassed prerecession levels, registering 86.69 million people in March. We have nearly recovered the jobs lost due to the recession. During the same time, however, the work force has grown by 1.8 million new workers, resulting in sustained high levels of unemployment. Individuals are looking for permanent, productive work, not temporary jobs. As the worst part of the recession subsides, Congress should focus its attention and its efforts on the long-term job creating activities needed to support the growing number of workers and the changing makeup of the work force. We are going to have continued high levels of unemployment unless we make the decisions and take action on the long term jobs needs facing this country.

These same reports from the Bureau of Labor Statistics indicate that the unemployment rate among teenagers is over 19 percent and at an even more alarming level for inner city youth. While the programs in this bill are not directed to this segment of the unemployed population, I would think the flexibility provided in the jobs opportunities program could be used to provide at least some jobs in these areas. This is only a temporary program and more specific programs will have to be undertaken to provide work experience and training for these young people.

In our efforts to deal with the remaining effects of the economic decline of the last few years and as we look to the future needs of an expanding economy, the Senate must avoid activities which will jeopardize the recovery now underway. I am not sanguine that inflation is under control. Consumer prices rose only one-tenth of 1 percent on a seasonably adjusted basis in February, the smallest monthly increase since September 1971. But strong inflationary pressures remain. An outbreak of price rises, such as we experienced in 1973 and 1974, would threaten recovery and the economic well-being of every individual and family in this country, particularly those living on a fixed income.

The committee bill is a real attempt to meet the need to create jobs while facing our budgetary responsibilities to continue growth and recovery, unhampered by inflation.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, on behalf of myself and Senators, Humphrey, Long, Talmadge, Nunn, Kennedy, Brock, and Mansfield, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. Muskie), on behalf of himself and others, proposes an amendment, on page 1 between lines 4 and 5, to insert a new title I—General Provisions.

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Muskie's amendment is as follows:

On page 1, between lines 4 and 5 insert the following:

TITLE I—GENERAL PROVISIONS

Redesignate sections 2 through 14 as sections 101 through 113, respectively.

After section 113, as redesignated by this amendment, insert the following new titles:

TITLE II—ANTIRECESSION PROVISIONS

FINDINGS OF FACT AND DECLARATION OF POLICY

Sec. 201. (a) Findings—The Congress finds—

(1) that State and local governments represent a significant segment of the national economy whose economic health is essential to national economic prosperity;

(2) that present national economic problems have imposed considerable hardships on State and local government budgets;

(3) that these governments, because of their own fiscal difficulties, are being forced to take budget-related actions which tend to undermine Federal Government efforts to stimulate the economy;

(4) that efforts to stimulate the economy through reductions in Federal Government tax obligations are weakened when State and local governments are forced to increase taxes;

(5) that the net effect of Federal Government efforts to reduce unemployment through public service jobs is substantially limited if State and local governments use federally financed public service employees to replace regular employees that they have been forced to lay off;

(6) that efforts to stimulate the construction industry and reduce unemployment are substantially undermined when State and local governments are forced to cancel or delay the construction of essential capital projects; and

(7) that efforts by the Federal Govern-

ment to stimulate the economic recovery will be substantially enhanced by a program of emergency Federal Government assistance to State and local governments to help prevent those governments from taking budget-related actions which undermine the Federal Government efforts to stimulate economic recovery.

FINANCIAL ASSISTANCE AUTHORIZED

SEC. 202. (a) *Payments to State and Local Governments.*—The Secretary of the Treasury (hereafter in this title referred to as the Secretary) shall, in accordance with the provisions of this title, make payments to States and to local governments to coordinate budget-related actions by such governments with Federal Government efforts to stimulate economic recovery.

(b) *Authorization of Appropriations.*—Subject to the provisions of subsections (c) and (d), there are authorized to be appropriated for each of the five succeeding calendar quarters (beginning with the calendar quarter which begins on July 1, 1976) for the purpose of payments under this title—

(1) $125,000,000 plus

(2) $12,500,000 multiplied by the number of one-tenth percentage points by which the rate of seasonally adjusted national unemployment for the most recent calendar quarter which ended three months before the beginning of such calendar quarter exceeded 6 percent.

(c) In no case shall the aggregate amount authorized to be appropriated under the provisions of subsection (b) for successive calendar quarters beginning with the calendar quarter which begins July 1, 1976, exceed $1,375,000,000.

(d) *Termination.*—No amount is authorized to be appropriated under the provisions of subsection (b) for any calendar quarter if—

(1) the average rate of national unemployment during the most recent calendar quarter which ended 3 months before the beginning of such calendar quarter did not exceed 6 percent, and

(2) the rate of national unemployment for the last month of the most recent calendar quarter which ended 3 months before the beginning of such calendar quarter did not exceed 6 percent.

ALLOCATION

SEC. 203. (a) *Reservations.*—

(1) *Eligible States.*—The Secretary shall reserve one-third of the amounts appropriated pursuant to authorization under section 202 for each calendar quarter for the purpose of making payments to eligible State governments under subsection (b).

(2) *Eligible Units of Local Government.*—The Secretary shall reserve two-thirds of such amounts for the purpose of making payments to eligible units of local government under subsection (c).

(b) *State Allocation.*—

(1) *In General.*—The Secretary shall allocate from amounts reserved under subsection (a)(1) an amount for the purpose of making payments to each State equal to the total amount reserved under subsection (a)(1) for the calendar quarter multiplied by the applicable State percentage.

(2) *Applicable State Percentage.*—For purposes of this subsection, the applicable State percentage is equal to the quotient resulting from the division of the product of—

(A) the State excess unemployment percentage, multiplied by

(B) the State revenue sharing amount by the sum of such products for all the States.

(3) *Definitions.*—For the purposes of this section—

(A) the term State means each State of the United States;

(B) the State excess unemployment percentage is equal to the difference resulting from the subtraction of 4.5 percentage points from the State unemployment rate for that State but shall not be less than zero.

(C) the State unemployment rate is equal to the rate of unemployment in the State during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary and

(D) the State revenue sharing amount is the amount determined under section 107 of the State and Local Fiscal Assistance Act of 1972 for the one year period beginning on July 1, 1975.

(c) *Local Government Allocation.*—

(1) *In General.*—The Secretary shall allocate from amounts reserved under subsection (a)(2) an amount for the purpose of making payments to each local government, subject to the provisions of paragraphs (3) and (5), equal to the total amount reserved under such subsection for calendar quarter multiplied by the local government percentage.

(2) *Local Government Percentage.*—For purposes of this subsection, the local government percentage is equal to the quotient resulting from the division of the product of—

(A) The local excess unemployment percentage, multiplied by

(B) the local revenue sharing amount, by the sum of such products for all local governments.

(3) *Special Rule.*—

(A) For purposes of paragraphs (1) and (2), all local governments within the jurisdiction of a State other than identifiable local governments shall be treated as though they were one local government.

(B) The Secretary shall set aside from the amount allocated under paragraph (1) of this subsection for all local government within the jurisdiction of a State which are treated as though they are one local government under subparagraph (A) an amount determined under subparagraph (C) for the purpose of making payments to each local government, other than identifiable local governments within the jurisdiction of such State.

(C) The amount set aside for the purpose of making payments to each local government, other than an identifiable local government, within the jurisdiction of a State under subparagraph (D) shall be—

(i) equal to the total amount allocated under paragraph (1) of this subsection for all local governments within the jurisdiction of such State which are treated as though they are one local government under subparagraph (A) multiplied by the local government percentage as defined in paragraph (2) (determined without regard to the parenthetical phrases at the end of paragraphs (4), (B), and (C) of this subsection), unless

(ii) such State submits, within 30 days, after the effective date of this title, an allocation plan which has been approved by the State legislature and which meets the requirements set forth in section 206(a), and is approved by the Secretary under the provisions of section 206(b).

(D) If local unemployment rate data (as defined in paragraph (4)(D) of this subsection without regard to the parenthetical phrase at the end of such definition) for a local government jurisdiction is unavailable to the Secretary for purposes of determining the amount to be set aside for such government under subparagraph (C) then the Secretary shall determine such amount under subparagraph (C) by using the local unemployment rate determined under the parenthetical phrase of subsection (4)(B) for all local governments in such State treated as one jurisdiction under paragraph (A) of this subsection (unless better unemployment rate data, certified by the Secretary of Labor, is available.

(4) *Definitions.*—For purposes of this subsection—

(A) the local excess unemployment percentage is equal to the difference resulting from the subtraction of 4.5 percentage points from the local unemployment rate, but shall not be less than zero;

(B) the local unemployment rate is equal to the rate of unemployment in the jurisdiction of the local government during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary (in the case of local governments treated as one local government under paragraph (3)(A), the local unemployment rate shall be the unemployment rate of the State adjusted by excluding consideration of unemployment and of the labor force within identifiable local governments, other than county governments, within the jurisdiction of that State);

(C) the local revenue sharing amount is the amount determined under section 108 of the State and Local Fiscal Assistance Act of 1972 for the one year period beginning on July 1, 1975 (and in the case of local governments treated as one local government under paragraph (3)(A), the local revenue sharing amount shall be the sum of the local revenue sharing amounts of all eligible, local governments within the State, adjusted by excluding an amount equal to the sum of the local revenue sharing amounts of identifiable local governments within the jurisdiction of that State);

(D) the term "identifiable local government" means a unit of general local government for which the Secretary of Labor has made a determination concerning the rate of unemployment for purposes of title II or title VI of the Comprehensive Employment and Training Act of 1973 during the current or preceding fiscal year; and

(E) the term "local government" means the government of a county, municipality, township, or other unit of government below the State which—

(i) is a unit of general government (determined on the basis of the same principles as are used by the Social and Economic Statistics Administration for general statistical purposes), and

(ii) performs substantial governmental functions. Such term includes the District of Columbia and also includes the recognized governing body of an Indian tribe or Alaskan native village which performs substantial governmental functions. Such term does not include the government of a township area unless such government performs substantial governmental functions.

For the purpose of paragraph (4)(D), the Secretary of Labor shall, notwithstanding any other provision of law, continue to make determinations with respect to the rate of unemployment for the purposes of such title VI.

(5) Special Limitation—If the amount which would be allocated to any unit of local government under this subsection is less than $100, then no amount shall be allocated for such unit of local government under this subsection.

USES OF PAYMENTS

SEC. 204. Each State and local government shall use payments made under this title for the maintenance of basic services customarily provided to persons in that State or in the area under the jurisdiction of that local government, as the case may be. State and local governments may not use emergency support grants made under this title for the acquisition of supplies and materials and for construction unless such supplies and materials or construction are to maintain basic services.

STATEMENT OF ASSURANCES

SEC. 205. Each State and unit of local government may receive payments under this title only upon filing with the Secretary, at such time and in such manner as the

Secretary prescribes by rule, a statement of assurances. Such rules shall be prescribed by the Secretary not later than 90 days after the effective date of this title. The Secretary may not require any State or local government to file more than one such statement during each fiscal year. Each such statement shall contain—

(1) as assurance that payments made under this title to the State or local government will be used for the maintenance to the extent practical, or levels of public employment and of basic services customarily provided to persons in that State or in the area under the jurisdiction of that unit of local government which is consistent with the provisions of section 204;

(2) as assurance that the State or unit of local government will—

(A) use fiscal, accounting, and audit procedures which conform to guidelines established therfor by the Secretary (after consultation with the Comptroller General of the United States), and

(B) provide to the Secretary (and to the Comptroller General of the United States), on reasonable notice access to, and the right to examine, such books, documents, papers, or records as the Secretary may reasonably require for purposes of reviewing compliance with this title;

(3) as assurance that reasonable reports will be furnished to the Secretary in such form and containing such information as the Secretary may reasonably require to carry out the purposes of this title and that such report shall be published in a newspaper of general circulation in the jurisdiction of such government unless the cost of such publication is excessive in relation to the amount of the payments received by such government under this title or other means of publicizing such report is more appropriate, in which case such report shall be publicized pursuant to rules prescribed by the Secretary;

(4) an assurance that the requirements of section 206 will be complied with;

(5) an assurance that the requirements of section 207 will be complied with;

(6) an assurance that the requirements of section 208 will be complied with;

(7) an assurance that the State or unit of local government will expend any payment it receives under this title before the end of the 6-calendar-month period which begins on the day after the date on which such State or local government receives such payment, and

(8) an assurance that the State or unit of local government will spend amounts received under this title only in accordance with the laws and procedures applicable to the expenditure of its own revenues.

OPTIONAL ALLOCATION PLANS

SEC. 6. (a) State Allocator Plans for Purposes of Section 203(c)(3).

A State may file an allocation plan with the Secretary for purposes of section 203(c)(3)(C)(ii) at such time, in such manner, and containing such information as the Secretary may require by rule. Such rules shall be provided by the Secretary not later than 60 days of the effective date of this title. Such allocation plan shall meet the following requirements:

(1) the criteria for allocation of amounts among the local governments within the State shall be consistent with the allocation formula for local governments under section 203(c)(2);

(2) the plan shall use—

(A) the best available unemployment rate data for such government if such data is determined in a manner which is substantially consistent with the manner in which local unemployment rate data is determined or

(B) if no consistent unemployment rate data is available, the local unemployment rate data for the smallest of identifiable local government in the jurisdiction of which such government is located.

(3) the allocation criteria must be specified in the plan, and

(4) the plan must be developed after consultation with appropriate officials of local governments within the State other than identifiable local governments.

(b) *Approval.*—The Secretary shall approve any allocation plan that meets the requirements of subsection (b) within 30 days after he receives such allocation plan, and shall not finally disapprove, in whole or in part, any allocation plan for payments under this title without first affording the State or local governments involved reasonable notice and an opportunity for a hearing.

NONDISCRIMINATION

SEC. 207. (a) *In General.*—No person in the United States shall, on the grounds of race, religion, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

(b) *Authority of the Secretary.*—Whenever the Secretary determines that a State government or unit of local government has failed to comply with subsection (a) or an applicable regulation, he shall, within 10 days, notify the Governor of the State (or, in the case of a unit of local government the Governor of the State in which such unit is located, and the chief elected official of the Unit) of the noncompliance. If within 30 days of the notification compliance is not achieved, the Secretary shall within 10 days thereafter—

(1) exercise all the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000 e);

(2) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(3) take such other action as may be provided by law.

(c) *Enforcement.*—Upon his determination of discrimination under subsection (b), the Secretary shall have the full authority to withhold or temporarily suspend any payment under this title, or otherwise exercise any authority contained in title VI of the Civil Rights Act of 1964, to assure compliance with the requirement of nondiscrimination in federally assisted programs funded, in whole or in part, under this title.

(d) *Applicability of Certain Civil Rights Acts.*—(1) Any party who is injured or deprived within the meaning of section 1979 of the Revised Statutes (42 U.S.C. 1983) by any person, or two or more persons in the case of such section 1980, in connection with the administration of a payment under this title may bring a civil action under such section 1979 or 1980, as applicable, subject to the terms and conditions of those sections.

(2) Any person who is aggrieved by an unlawful employment practice within the meaning of title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) by any employer in connection with the administration of a payment under this title may bring a civil action under section 706(f)(1) of such Act (42 U.S.C. 2000e–5 (f)(1) subject to the terms and conditions of such title.

LABOR STANDARDS

SEC. 207. All laborers and mechanics employed by contractors on all construction projects funded in whole or in part by payments under this title shall be paid wages at rates not less than those prevailing on similar projects in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a to 276a–5). The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 C.F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

SPECIAL REPORTS

SEC. 208. Each State and unit of local government which receives a payment under the provisions of this title shall report to the Secretary any increase or decrease in any tax which it imposes and any substantial reduction in the number of individuals it employs or in services which such State or local government provides. Each State which receives a payment under the provisions of this title shall report to the Secretary any decrease in the amount of financial assistance which the State provides to the units of local governments during the 12-month period which ends on the last day of the calendar quarter immediately preceding the date of enactment of this title, together with an explanation of the reasons for such decrease. Such reports shall be made as soon as it is practical and, in any case, not more than 6 months after the date on which the decision to impose such tax increase or decrease, such reductions in employment or services, or such decrease in State financial assistance is made public.

PAYMENTS

SEC. 209. (a) *In General.*—From the amount allocated for State and local governments under section 203, the Secretary shall pay to each State and to each local government which has filed a statement of assurances under section 205, an amount equal to the amount allocated to such State or local government under section 203.

(b) *Adjustments.*—Payments under this title may be made with necessary adjustments on account of overpayments or underpayments.

(c) *Termination.*—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if—

(1) the average rate of unemployment within the jurisdiction of such State or local government during the most recent calendar quarter which ended three months before the beginning of such calendar quarter was less than 4.5 percent, and

(2) the rate of unemployment within the jurisdiction of such government for the last month of the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 4.5 percent.

STATE AND LOCAL GOVERNMENT ECONOMIZATION

SEC. 210.—Each State or unit of local government which receives payments under this title shall provide assurances in writing to the Secretary, at such time and in such manner and form as the Secretary may prescribe by rule, that it has made substantial economies in its operations and that payments under this title are necessary to maintain essential services without weakening Federal Government efforts to stimulate the economy through reductions in Federal tax obligations.

WITHHOLDING

SEC. 211.—Whenever the Secretary, after affording reasonable notice and an opportunity for a hearing to any State or unit of local government, finds that there has been a failure to comply substantially with any assurance set forth in the Statement of assurances of that State or units of local government filed under section 205, the Secretary shall notify that State or unit of local government that further payments will not be made under this title until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied no further payments shall be made under this title.

REPORTS

SEC. 212.—The Secretary shall report to the Congress as soon as is practical after the end of each calendar quarter during which payments are made under the provisions of this title. Such report shall include information on the amounts paid to each State and units of local government and a description of any action which the Secretary has taken under the provisions of section 211 during the previous calendar quarter. The Secretary shall report to Congress as soon as it practical after the end of each calendar year during which payments are made under the provisions of this title. Such reports shall include detailed information on the amounts paid to State and units of local government under the provisions of this title, any actions with which the Secretary has taken under the provisions of section 211, and an evaluation of the purposes to which amounts paid under this title were put by State and units of local government and economic impact of such expenditures during the previous calendar year.

ADMINISTRATION

SEC. 213. (a) *Rules.*—The Secretary is authorized to prescribe after consultation with the Secretary of Labor, such rules as may be necessary for the purpose of carrying out his functions under this title. Such rules should be prescribed by the Secretary not later than 90 days of the effective date of this title.

(b) *Authorization of Appropriations.*—There are authorized to be appropriated such sums as may be necessary for the administration of this title.

PROGRAM STUDIES AND RECOMMENDATIONS

SEC. 214. (a) *Evaluation.*—The Comptroller General of the United States shall conduct an investigation of the impact which emergency support grants have on the operations of State and local governments and on the national economy. Before and during the course of such investigation the Comptroller General shall consult with and coordinate his activities with the Congressional Budget Office and the Advisory Commission on Intergovernmental Relations. The Comptroller General shall report the results of such investigation to the Congress within one year after the date of enactment of this title together with an evaluation of the macroeconomic effect of the program established under this title and any recommendations for improving the effectiveness of similar programs. All officers and employees of the United States shall make available all information, reports, data, and any other material necessary to carry out the provisions of this subsection to the Comptroller General upon a reasonable request.

(b) *Countercyclical Study.*—The Congressional Budget Office and the Advisory Commission on Intergovernmental Relations shall conduct a study to determine the most effective means by which the Federal Government can stabilize the national economy during periods of rapid economic growth and high inflation through programs directed toward State and local governments. Such study shall include a comparison of the effectiveness of alternative factors for triggering and measuring the extent of the fiscal coordination problem addressed by this program, and the effect of the recession on State and local expenditures. Before and during the course of such study, the Congressional Budget Office and the Advisory Commission shall consult with and coordinate their activities with the Comptroller General of the United States. The Congressional Budget Office and the Advisory Commission shall report the results of such study to Congress within two years after the date of enactment of this title. Such study shall include the opinions of the Comptroller General with respect to such study.

TITLE III

SEC. 301. (a) There is authorized to be appropriated to carry out title II of the Federal Water Pollution Control Act, other than sections 206, 208, and 209, for the fiscal year ending September 30, 1977, not to exceed $1,417,968,050 which sum (subject to such amounts as are provided in appropriation Acts) shall be allotted to each State listed in column 1 of table IV contained in House Public Works and Transportation Committee Print numbered 94–25 in accordance with the percentages provided for such State (if any) in column 5 of such table. The sum authorized by this section shall be in addition to, and not in lieu of, any funds otherwise authorized to carry out such title during such fiscal year. Any sums allotted to a State under this section shall be available until expended.

(b) The Administrator of the Environmental Protection Agency shall, within 45 days from the date of enactment of this section, report to Congress his recommendations for a formula or formulas to be used to allot equitably and allocate new funds authorized to carry out title II of the Federal Water Pollution Control Act.

Mr. MUSKIE. Mr. President, once again I rise to urge my colleagues to support the passage of a comprehensive legislative package to respond to today's economic situation. I am particularly concerned, of course, with the adoption of the countercyclical assistance program which I am offering as an amendment to S. 3201.

The amendment I have sent to the desk also includes funds to implement the so-called Talmadge-Nunn waste treatment proposal, which Congress almost enacted into law earlier this year.

I am concerned, Mr. President, with the passage of the entire package, because I believe it presents the best opportunity we may have to try to ease the pain of this recession.

I remind the Senate that in the first concurrent resolution of last year, Congress as a whole, including the Senate, approved $4.5 billion for antirecession programs of this kind. We have not enacted any of those programs into law. That objective was reaffirmed by Congress last December in the second concurrent resolution—reaffirmed by overwhelming votes in both Houses. It was vetoed by the President in February; and 75 percent of the Members of Congress voted to override that veto. Unfortunately, three less than two-thirds of the Senate joined that 75 percent, but in terms of the total numbers in Congress, 75 percent voted to override the President's veto on a measure very like what this one would be if my amendment is adopted.

The distinguished Senator from Tennessee refers to this as a "Christmas tree" amendment. I choose to refer to it as a reaffirmation of our commitments made on those several occasions—the first concurrent resolution last year, the second concurrent resolution last December, the overwhelming vote in both Houses to support the bill, and the overwhelming vote to override the veto, which failed by three votes in the Senate.

That is not a "Christmas tree." That was a program that was put together after long, hard work extending over a year, and well defined, when it finally came out of conference between the Senate and the House of Representatives, as a clearly stated congressional policy objective; and when I say congressional, I mean bipartisan.

The concurrent resolutions of which this program was a part, the first one last year and the second one last year, were supported by Senators on both sides of the aisle. So this is a congressional policy. It is not a Muskie policy; it is not a Democratic policy; it is not a "Christmas tree" policy.

It is a well-defined, well-stated, several-times-reaffirmed policy of the Congress of the United States. So references to it as a "Christmas tree" are simply a diversion from the main point. What I am asking the Senate to do here today is to reaffirm its support for congressional policy.

Why do I do that? There may be some who will argue that it is no longer needed. I would think that group ought not to include the Senators who have just spoken this afternoon, because I gather they argue for this public works bill, on the basis that the state of the economy requires it. Indeed, I heard the Senator from Tennessee say that it is needed to revive a construction industry that is in the doldrums. I respectfully suggest to the Senator from Tennessee that it is not only the construction industry that is impacted by this recession. And let me make that point at greater length, if I may: unemployment in March of 1976, Mr. President—last month—was 7½ percent, representing 6 million to 7 million Americans who are out of work.

Now, this is a better percentage than it was a year ago. But let us look a little closer. In January of this year, when national unemployment was 7.8 percent, 32 States had unempolyment rates of 8 percent or more. That is not just high, Mr. President, it is very high. In the same month, 40 States had unemployment of 7 percent or more. And 30 States, Mr. President, had higher unemployment in January of this year than they had during the first quarter of last year. So over half the States are worse off now than they were a year ago. And yet people are saying the recession is over.

In my State, unemployment went down over this period, and it is still at 11 percent.

Never before in my career in the Senate can I recall a time when we in this body considered such levels of unemployment not high enough to do something about it.

We cannot take much solace in the President's own projections of 6.9 percent for 1977 and 6.4 percent for 1978, 2 years down the road.

Still, we bicker about whether or not we ought to respond to this problem with legislation.

Some people, including the President, wonder and hope that, if we can just wait long enough, things will somehow improve of their own accord.

These people are probably right, in saying that if we are willing to wait for several years, we may once again reach a tolerable level of unemployment. But I can only guess at the staggering cost of such a nonpolicy to the Nation, both in human and budgetary terms. It is generally agreed that for every increase of 1 percent in the unemployment rate over full employment the cost to the U.S. Treasury is $17 billion, $3 billion in increased benefits to the unemployed and $14 billion in lost revenues.

This means that the current unemployment rate of 7.5 percent is costing taxpayers an unbelievable $50 billion a year. That happens to be the amount of the deficit that this Senate wrote into the congressional budget just yesterday, less than 24 hours ago.

Yet there are those who say we do not need to do anything about it and that what we are trying to do is a "Christmas tree."

For those of our colleagues who object to the cost of my amendment to the pending bill or to the cost of the package as a whole, I say ponder these costs; the costs of doing nothing; ponder, also, the costs that are not so easily measurable, the costs of the city of Detroit, for example, where the mayor lays off 1,200 more employees as he did last week for a total of more than 6,000 in all; or the costs to the city of Philadelphia, if that city's only public hospital must be closed; or the costs to the national economic policy of State and local tax increases such as we have had just this winter in Maine, which negate the impact of costly tax reductions we in Congress have enacted as a stimulus to the economy.

We do one thing to move the economy in one direction and then sit blithely by while State and local governments do the reverse thing which offsets the economic policy we undertake to set.

The amendment I am offering today is essentially the same as legislation the Senate has approved on two prior occasions. I think it offers us a unique and useful antirecession tool. The antirecession part of this amendment is an element of the congressional budget we wrote a year ago. We reaffirmed it in the second concurrent budget resolution last December. We came close to overriding the Presidential veto of it this winter. And yesterday, Mr. President, we reaffirmed the countercyclical part of this amendment in the first concurrent budget resolution for fiscal year 1977.

I invite those who supported that first concurrent resolution yesterday to support this amendment. We considered seven successive amendments to the budget resolution, and I led in rejecting all of them, even though several of them would have been consistent with votes I took in markups of the Budget Committee. I held the line. Why? Because I took the position that it was essential to establish the budget process. Now I say to those who joined me in that, join me again to reaffirm the priorities we set there. This was part of it, and the fact that it is part of it was used as an argument against some of the amendments that were defeated yesterday and on Friday. So I ask Senators to show and demonstrate a little consistency with the congressional policy which is a year old, which was reaffirmed yesterday. If Senators want to give the budget process some credibility, do so when it does not necessarily conform to their views as I did all day yesterday and all day Friday because it is congressional policy.

Why do I think this is a unique and useful antirecession tool, Mr. President?

First. Because it responds to a problem that is a direct cause of the recession, the budgetary squeeze that has forced State and local governments to lay off their employees, policemen, and firemen, or raise their taxes.

Second. It is a high job producer. The Congressional Budget Office estimated last September that for each $1 billion in countercyclical assistance spent about 100,000 jobs would be created. In fact, the CBO found countercyclical second only to public service jobs in direct job producing impact among antirecession programs.

Third. The countercyclical funds would get out quickly into the economy providing an immediate stimulative impact.

Fourth. The program would shut itself off entirely when the recession had subsided so that it would not contribute to a revival of inflationary pressures.

Fifth. The assistance is very selectively targeted to reach only those places which have been severely affected by the recession.

Finally, countercyclical assistance would strengthen the hand of the Federal Government in dealing with the recession by helping to prevent State and local governments from taking budgetary actions which undercut Federal efforts to stimulate the economy.

For those of our colleagues who question the need for this legislation, because unemployment is getting better, I point out that 60 of them have worse unemployment in their States than they had 1 year ago.

Sixty of my colleagues in this body have worse unemployment in their States than they had 1 year ago.

To those concerned about this legislation because of the size of the Federal deficit, let them remember that the Federal deficit we approved yesterday is the product of high unemployment and that continued high unemployment only means more and bigger deficits to come.

Let me also remind my colleagues again that countercyclical assistance is a congressional priority. That Congress weighed these factors and decided to do nothing is not a message I would like to take home to the people in the State of Maine.

Mr. President, I have invested a great deal of my time and my energy in the congressional budget process. I have supported, fought for, and succeeded in getting Senate approval for budget resolutions that did not conform in every respect with my own priorities. I did so because I think it is important that Congress should establish its priorities. When Congress establishes its priorities, I take it that that imposes a responsibility on the part of every Member of this body to be influenced by it and to support it to the extent he can, in a body where there must be give and take between differing points of view.

This is a clearly stated congressional policy, stated over and over and over again. It should not be necessary for me to stand here and exhort my colleagues to support it. We have talked a great deal in the Budget Committee about the importance of establishing the credibility of the budget process. I assume that that objective does not exclude those provisions of the congressional budget with which individual Members disagree. If I am wrong in that respect, I will reconsider some of the votes I cast yesterday.

Congress has said for years that doing something about this unemployment is an important congressional priority. It specifically has approved countercyclical assistance. So I am asking that we do what we have said had to be done.

With respect to the other part of this program, the so-called Talmadge-Nunn part of this amendment, my colleagues will recall its origin. It originated last summer, on the floor of the Senate, when Senator TALMADGE and Senator NUNN raised the issue of the apportionment of waste treatment funds. They argued—and the Senate overwhelmingly supported them—that the current formula for distribution was inequitable to their State and to a majority of the States. They prevailed, and I was on the other side of the issue. They prevailed by a margin, I believe, of close to 2 to 1. So the Senate was solidly on their side on the issue.

We went to conference. We had a difficult time persuading the House to recognize the equity of the Talmadge-Nunn case. It was only after weeks of long and difficult negotiation that the issue finally was received by an approach that was supported by both the Senate and the House conferees and subsequently by both the Senate and the House. That issue still hangs. It has not been received finally into law. It still hangs.

What we undertake to do with this amendment is to put this also in the legislative stream once again, as a reflection of a clearly stated, carefully worked out congressional policy. It is not a Christmas tree ornament that we dragged out of a closet from last Christmas. The Senator from Tennessee understands that as well as I do. Both elements in here—and that is all I offer—have been soundly and solidly affirmed by both Houses of Congress and reaffirmed in an override vote that was supported by 75 percent of the Members of Congress. To describe an amendment that incorporates these two as a Christmas tree proposal, in my opinion, the height of cynical rhetoric.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. DOMENICI. I assume we will discuss some of the broader issues that the Senator raised with reference to this, but I ask the Senator from Maine this question: With respect to the so-called Talmadge-Nunn proposal which the Senator from Maine has incorporated into one amendment, does it have the same purpose that the distinguished Senator from Maine first brought countercyclical revenue sharing as a concept to this body? Is it countercyclical?

Mr. MUSKIE. No. I do not describe it so.

Mr. DOMENICI. Then, the only reason why it is affixed to this is that it hangs around as part of a policy that has been enunciated by this body, by a previous vote, and the Senator from Maine chooses to incorporate two separate policies, by vote, that apparently he contends have been confirmed by vote here. Is that the reason for the approach?

Mr. MUSKIE. I am not entirely certain that I understand the reason the Senator would like to attribute to me, but I would be glad to give him the reason I have.

Mr. DOMENICI. Let me clarify it.

Mr. MUSKIE. The Senator has put a question to me, and I am going to answer it in my terms.

The reason why these are put together is that this package was worked out carefully over weeks and months. It is the kind of legislative policy that just grew, in the way it often grows in this body. It was so solidly supported by Congress in the override, that it seems to me it merited putting together for another test—hopefully, with changes that would commend it to the President. That is the reason, and I believe that is as valid and legitimate and nonparochial a reason as any which motivates anyone else who is supporting any part of the measure which is before the Senate.

Mr. DOMENICI. I ask another question of the distinguished Chairman of the Budget Committee: Is there any urgency, as the Senator sees it, to the Talmadge-Nunn approach, with reference to it being voted upon by the U.S. Senate and taken to the other House?

Mr. MUSKIE. I say to the Senator that when the Talmadge-Nunn amendment was offered on the floor last year, I argued that there was no urgency. However, two-thirds of my colleagues disagreed with me and jeopardized the program in my State and in several other States which were the beneficiaries of the existing statutory formula. I do not want to restore that condition of jeopardy. If it is the view of the U.S. Senate that the formula we finally voted on in the override vote, together with the existing water pollution program, does represent equity, then I would like to get that condition of equity established in the law, so that my State and other States in like position are not vulnerable again and not in jeopardy again. That is my reason.

I believe that is urgent. By the end of this year, all industrial sources of water pollution in my State will be in compliance with the 1972 law. I doubt that many States can match that. I do not want that put in jeopardy by leaving this issue hanging.

When I realize that two-thirds of my colleagues support the Talmadge-Nunn approach, I am interested in giving them equity so that they do not do inequity to me.

Mr. DOMENICI. I say to my good friend from Maine, and he knows of my great respect for his work on the Committee on the Budget. He knows that I have spent a great deal of time on that process, as he has. I want to close this dialog with the distinguished Senator just on that portion of the amendment that he offered, the Talmadge-Nunn amendment.

I say this is the same good faith that he makes his argument: I absolutely see no reason why an antirecessionary bill reported to the floor of the Senate that affects public works in an accelerated, triggered manner, consistent with a countercyclical approach, I see no reason why the $1.4 billion authorizing legislation to change the pattern of funding for water and sewer in this country belongs together.

If the only reason is that we started a package through this body and it went through the House, and it ended up with Congress voting on a conference report which had three thrusts: a public works bill that has been greatly modified here, countercyclical revenue sharing, which has been greatly modified here—and as we go into the details, the Senator will acknowledge that it is significantly different from the countercyclical thrust he brought to us, but it is still the concept and I shall not argue that point with him. Then, because we added on a thrust that we voted on with reference to changing the approach to funding water and sewer so we got the best of both worlds—the old needs formula and we got another one, mixed together if the only reason that we ought to vote a package is because we start the package out, I just want to express my views that that part does not belong on this bill. For those who want accelerated public works, for those who have been hounding the halls of Congress—and we know that in Public Works and they know it in the House—those unemployed of the country who are in the construction industry have legislatively made a point that they should be the subject matter of targeting of public works projects. When we bring that kind of bill here after diligent work under the leadership of the distinguished Senator who is my senior colleague from New Mexico, we just ought to know that we are not adding the distinguished Senator's countercyclical in a new approach to water and sewer funding.

We are not adding them for the same reason that the bill originally comes to the floor from the committee; we are adding them for the reasons described by my good friend from Maine. And sometimes they are consistent and many times they are inconsistent with the thrust of the bill that we bring here.

One final remark. The Senator knows how I support the budget process in the functional areas. I have just a couple of statements with reference to countercyclical revenue sharing.

Yes, the functions that the Senator refers to will accommodate them. But I think my good friend from Maine, who argues that these functions, as we consider them in Congress, are subject to the will of the Senate as to what makes them up—I think that is still an issue here. There are those who can legitimately support the total functional amount in function 450 and still have some reservations as to whether countercyclical revenue sharing, as proposed here today, is the mandated approach by the budget process. And he knows that early on, many of us said, "Let us explore it." Many of us voted with the Senator on the original authorizing concept. But I do not think it is fair to say that those who support the budget process and the functional target limits, because we said revenue sharing of his type would fit, should be considered to be breaching our commitment to the budget process and the functional limits by saying we have serious questions about attaching it to an accelerated public works bill.

I hope my good friend understands that. As we proceed through the afternoon, we can go into more detail, but I want him to understand that view on my part early on, because it might be the view of many who support the budget process. I thank my good friend from Maine.

Mr. MUSKIE. I understand it very well, may I say to the Senator. I wish the Senator had made it clear to me before the debate yesterday, or before the debate on Friday.

The question of when is a good time to support principles to be incorporated in a budget resolution is a very interesting one. We were urged by some very eloquent spokesmen yesterday on that count. The interesting thing I find is that when I support the numbers in the defense fund, whatever my doubts or whatever my votes in the committee, that is hailed as an act of statesmanship and a commitment to the budget process. But when I ask for reciprocity with respect to an objective of this kind, then we have to look at the details; this is not the place that we ought to offer it.

It will be interesting to see how this develops. But with respect, may I say, to the Talmadge-Nunn part of this amendment, have I lost touch? Have I lost touch, or is not the construction of waste treatment facilities a public work? Now, the Senator from New Mexico says that because he put the word "accelerated" into the bill that has come out of committee, somehow, it is a different kind of public work. Well, I say to the Senator from New Mexico that since 1972, we have been committed to catching up to the backlog of untreated waterways. We were delayed by the impoundment of half of that money, and the delay was such that many States, including mine, designed and developed projects and put them on the shelves, ready to go as soon as there was funding. They were ready to accelerate. And they did, in my State.

Now, what in heaven's name makes the acceleration of a water treatment project different than the acceleration of a library or a piece of road or anything else the Senator may have in mind?

Talmadge-Nunn made the argument last summer that because the formula was inequitable from their point of view, they were not able to move as fast as they would like, so I assume that they are prepared to accelerate their waste treatment projects. Now, what in heaven's name puts them in a different category? I mean, is there a prohibition in this bill against accelerating the construction of waste treatment plants? What kind of cynicism is that?

Nunn-Talmadge happens to serve two purposes. I am amazed that the Senator does not recognize it. One is to meet the argument of Talmadge-Nunn; and, two, it happened to coincide with the objective of the bill, which was to accelerate the construction of public works. Now we are told by EPA that the waste treatment program has produced 1 million jobs—1 million jobs. I see nothing wrong with including the program that has that demonstrated capacity to generate jobs. But excluding that program from this bill, I simply do not see it.

The Senator can be as cynical as he would like about the fact that these are put together. I have been a member of the Committee on Public Works for many, many years. I have participated in the construction of public works legislation, and I have supported it all, as the distinguished chairman of the committee (Mr. RANDOLPH) can attest.

I know how accelerated public works bills are put together. They are put together in a pragmatic fashion designed to accelerate the construction of public works as much as possible. The one criticism that they draw is that they never accelerate enough. Nevertheless, I have supported them.

The 1962 accelerated public works bill took 8 years before the project was completed. The 1962 recession was long gone by that time. But I supported the bill. Not all the public works that are generated by the committee bill, no matter how carefully we have drafted it, are going to be actually constructed and placed on the face of the Earth in the context of the aftereffects of this recession. The Senator knows that. This public works program will stretch out for more than the next year or two or three, unless it is drastically different from any other that I have ever known. But I still support it. But then to argue that, somehow, that bill has an acceleration factor in it so markedly different from the acceleration of waste treatment projects that the latter ought not to be put in the same piece of legislation with the former—that takes quite a trick of mental gymnastics to reach that conclusion.

Talmadge-Nunn is one thing; waste treatment public works programs are another. The Talmadge-Nunn formula is not one that I generated. I opposed it at the time. Two-thirds of the Senate supported it, so the Senate adopted the formula.

Having adopted the formula it divided the money to implement it. It is a legitimate thing to include in this bill, and I myself am not persuaded by the argument that somehow it is alien, so irrelevant, to the purpose of the bill that it should not be included.

Mr. BAKER. Mr. President, I have listened carefully to the argument advanced by the distinguished Senator from Maine, and I am sympathetic to his motives and the purposes which he states, which are laudable and with which, in most part, I agree.

We disagree in point of fact on the method and technique we may use to accomplish these purposes. But none of us really, I think, have a different point of view. We are here to try to help those economically disadvantaged who must be helped and who ought to be helped, and that is precisely why this bill is on the floor—to help people.

Mr. President, the best way to help people is to get a bill passed, and I do not want to belabor the issue except to say that the surest way not to get a bill passed into law is to get it vetoed. I think there ought not to be any assurance that there will be enough votes to override a veto. There were not enough votes last time; and I am not certain there will be enough votes on a second veto. The issue we are involved with here and now is whether we pass a bill the President will sign and all of us join in or whether we are going to add new funds to the committee bill until it gets pumped up into another multibillion-dollar bill that the President is going to veto.

Let me make it entirely clear that I am not trying to use this as a stick over anyone's head. I am not trying to intimidate anyone. But I want to tell you firsthand that if we pump this bill up again—if we adopt this amendment which includes the countercyclical proposal and the Talmadge-Nunn proposal—the President is going to veto this bill. I am sure to a moral certainty that is going to happen.

I have made it my business, as the ranking Republican member of this committee, to try to ascertain the administration's position, and that is my appraisal. If this complex and costly amendment is adopted, the President is going to veto the measure. That is not the way, I think, to help people—because that way we are not going to get any bill.

It is possible, obviously, that the Congress can vote to override the veto. But we cannot be sure of it, and I do not think we will, Mr. President.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. MUSKIE. Does the Senator have a commitment from the President not to veto the committee bill?

Mr. BAKER. Mr. President, I have never represented that I have a commitment from the President in any respect. I will say to my colleague from Maine, however, that, at the same time I inquired about the President's attitude on this amendment, I also inquired about the President's attitude on the bill as reported by the Public Works Committee. It is my judgment, based on that inquiry, that the President would sign the bill the committee brought to the Senate. I cannot represent to you that the President has told me that, but I can tell you that I have done my best to find out. It is my best judgment that he would.

Now, you know, the President is like the 13th juror in trying a lawsuit. He is not going to try the whole thing, he is not the ultimate determinant factor, but he is part of the legislative department in the exercise of his veto, or his signature on a bill or permitting a bill to become law without his signature.

All I can do is tell my friend from Maine that it is my best judgment, after diligent inquiry, that if we adopt this amendment, adding the Talmadge-Nunn and countercyclical proposals, the President will veto the package. If we pass the committee bill without amendment, and it negotiates the rocks and shoals of the legislative process in essentially the same form the Senate Public Works Committee reported it, I think he will sign it.

Mr. MUSKIE. With all respect to my good friend from Tennessee, and he knows I hold him in the highest esteem, let me say that that is not the general kind of impression I have.

The second point I would like to make and to ask the Senator about is this: In his veto message, the only part of the vetoed bill the President had any positive thing at all to say about was the countercyclical part. It is my impression that the Director of the Office of Management and Budget thinks very highly of the countercyclical approach as a matter of principle, and the distinguished Chairman of the Federal Reserve Board has testified before the Budget Committee his very strong and positive attitude about the countercyclical approach.

If we really want to assure the vetoproof nature of the legislation, it would seem to me we should include those positive things the President has said publicly about that part of the bill which is not included in the committee bill.

Mr. BAKER. Mr. President, I cannot speak for the President except to say I have done my best and, I believe, I have acted responsibly to find out the administration's position, meaning the President's position, on this issue.

It is my honest judgment, based on all of those facts, that he will veto it if this amendment is added. This amendment, by the way, would take the bill up from a functional equivalent of about $1.4 billion at present unemployment levels to a level of $5.3 billion. It is my best judgment that he will veto it.

It is my best judgment he will sign the committee bill if we do not add new programs and additional funds and the Senate bill survives essentially intact. That is all I can say without representing to you beyond the scope of my authority to represent what the President's position is on this matter. But I am sure, to the point of my own moral certainty and moral satisfaction, that that is the situation.

In that respect, Mr. President, we get to a very serious matter, and that is what are we doing here. I think we are deciding whether or not there is still a need for some sort of public works jobs program and whether there is a need for a program to move those already approved public works projects where you do not have local matching funds. I think there is. I think we ought to go forward with the committee bill of about $1.4 billion, based on today's unemployment, and get that money into the lifeblood of this country to accelerate public works and to alleviate unemployment.

Mr. President, I said earlier in my preliminary remarks, before my friend from Maine introduced his amendment, that I not only sympathized with his purpose but was in substantial agreement with the philosophy of countercyclical funding, but that I thought it ought not to be added to this bill just as I do not think that additional authorizations for waste water treatment ought to be added to this bill in a Christmas tree approach.

That is still true. I hope finally in the ordinary and routine course of legislative affairs that we have a chance to consider those two measures on their own merits. Some of my colleagues will recall when I spoke in support of the President's veto message I represented to the Senate that the President was willing to consider each of these elements on its own. I stated that it was my opinion that each one should stand on its own. I still believe in that approach. I would like to see the countercyclical proposal considered on its own merits. I would like to see us make a careful evaluation of the need for additional funding or changed allocation formula in the waste water treatment program in the Talmadge-Nunn vein. But I do not want to see them added onto the bill and take the entire boat to the bottom, which is what I believe we are about to do.

Regarding the countercyclical program, Mr. President, I have a great devotion to general revenue sharing. The first bill I ever introduced in the Senate was a general revenue-sharing bill in February of 1967 as a freshman Senator. I stood in the back row and made my maiden speech.

My friend and colleague from Rhode Island, Senator PASTORE, stood up and said, "I am glad to have a colleague on the floor with whom I can see eye to eye." I thought for one great moment he was agreeing with me, but he was not. He was speaking of the fact that we were both about 5 feet 6½ inches tall. [Laughter.]

Since that maiden speech, I have held a longtime devotion to general revenue sharing, and still do. But I would no more want to see general revenue sharing added onto and considered as part of this proposal than I would these other add-ons.

But this is not a countercyclical assistance program. With all due deference and respect to the Senator from Maine, it started out as a countercyclical program, and it still has that name, but it has changed. It is revenue sharing or it is that equivalent. The proposal is still tied to an index of unemployment, but instead of stopping at high unemployment, at 6 percent or 6.5 percent, it now goes down to 4.5 percent. A State or community with 4.5 percent unemployment could still participate in the program. I do not call that countercyclical assistance. In addition, the formula is no longer tied to tax effort as the original countercyclical proposal. It is, instead, base on the formula for allocation and distribution of the general revenue-sharing statute.

Mr. President, that is what we have. We have apples and oranges. We have an accelerated public works bill, a jobs bill, that came out of the Committee in a very responsible way under the leadership of the chairman of the Public Works Committee (Mr. RANDOLPH) in a form and manner that I believe, in an ecumenical spirit, Republicans and Democrats can jointly support. The bill was reported unanimously by the committee. I represent that the President will sign the bill, in my judgment. On the other hand, we have an effort to add a revision or change of the fundamental revenue-sharing act, and to increase the wastewater treatment funds available for 1977.

We have opportunities to fund waste water treatment projects in this bill. This $1.5 billion in the bill can be used by communities for wastewater treatment facilities. The bill also provides that first priority be given already approved but stymied federal public works such as wastewater treatment facilities, water systems and similar programs.

Many of these projects are ready to go but the local government, because of economic distress, cannot put up their matching share. Funds available under this bill will provide the local matching share for them and get work underway quickly.

I believe this provision in the Committee bill does a better job of accelerating the rate of construction of wastewater treatment facilities than just the addition of funds under the Talmadge-Nunn formula.

Mr. President, I hate to reiterate what I have now said for a number of times, but I feel I should.

I am committed to the idea that there is a need for a jobs bill, for a public works bill. I believe the Public Works Committee, Republicans and Democrats, did a good job in unanimously reporting a bill the President can and ought to sign.

I believe the President will sign such a bill if we do not pump it up with an extra $2.8 billion, which would be the net effect of this amendment.

Mr. JAVITS. Will the Senator yield?

Mr. BAKER. Mr. President, I am prepared to yield back.

Mr. JAVITS. I will get the floor myself.

The PRESIDING OFFICER (Mr. LAXALT). The Senator from New York is recognized.

Mr. JAVITS. I would like to ask the Senator from Maine, with whom I have been in accord, on the countercyclical provision, how he does justify the changes to which Senator BAKER has called proper attention, that is, the 4.5 percent employment trigger and the change in the formula relating to tax effort.

Is or is this not really simply an extension of revenue sharing, which I would not for a minute denigrate, we need it badly in the great cities, but could we know what his reasons were for revising these essential elements of the formula as he did in view of the fact that he is maintaining his fidelity to the countercyclical concept?

Mr. MUSKIE. Very simply, to get support for the bill so we can get those three votes we did not have.

Mr. JAVITS. I think that is very fair.

Mr. MUSKIE. We did the very same thing the Public Works Committee did on the public works bill. They undertook to change it, to cut it in half, so that it would accommodate the President.

We tried to broaden this amendment to meet some of the objections raised on the floor last summer. As the Senator knows, we did not go all the way in the direction of those who raised objections, but it has been a long, hard, frustrating business, trying to get together a formula to accommodate those objections and still retain the essence of the countercyclical idea.

We think we have done it. I have a two-page explanation of differences. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

Subject: Differences Between New Countercyclical Amendment and Title II of H.R. 5247 (Vetoed Bill)

I. *Changes in Formula*

The old countercyclical formula has been changed in two ways:

(1) Whereas the original version used adjusted taxes as the measure of the size of a jurisdiction, the new version uses revenue sharing entitlements. The effect of this change is to spread the money around somewhat more, taking away funds from jurisdictions with relatively high tax efforts and giving more to those with relatively low tax efforts.

(2) The original version defined excess unemployment for the States as current unemployment minus a base period (1967–1969) unemployment figure. The new version now treats the States the same as the identifiable local governments in this regard—i.e., excess unemployment is defined as current unemployment minus 4.5%. What this change does is again level out the targeting mechanism for State governments somewhat, by treating those States with chronically higher unemployment the same as those States which have had more dramatic and recession-related unemployment increases.

II. *Contingency Fund*

The original version of countercyclical provided for a contingency fund for assistance to places in critical fiscal condition and for the trust territories, Puerto Rico, etc. The contingency fund was funded out of allocations for those jurisdictions with unemployment between 4.5% and 6%, since allocations were determined for all jurisdictions with unemployment over 4.5%, but no government with unemployment less than 6% actually received its allocation.

Under the new version, the 6% cut-off has been dropped (NOTE—the 6% national trigger remains). Thus, any government with unemployment in excess of 4.5% will receive its allocation, and there will be no money set aside.

III. *Graduated Authorization*

Under the original version of countercyclical, the authorization level increased by $250 million for every increase of one-half a percentage point in the national unemployment rate.

Under the new version, the authorization level would increase by $50 million for every increase of one-tenth of a percentage point in national unemployment.

IV. *Balance of State*

Under the old version, balance of State funds were allocated in one of two ways: (Either a State came up with a plan for distributing the money as much as possible in accordance with the formula for the identifiable governments; or (2) the Secretary was to draw up a plan using the best available unemployment data. If unemployment data was not available for a particular jurisdiction, the legislation allowed for data for the next highest unit of government to be used.

Under the new proposal, these options have been modified somewhat. The States would still have the option of coming up with a plan within 30 days, and the plan would have to be in accordance as much as possible with the formula used for the identifiable governments. Should the State not come up with such a plan, the money would be allocated to individual jurisdictions in the balance of State using individual revenue sharing entitlements and the unemployment figure for the balance of State as a whole—*unless better unemployment data was available and certified by the Secretary of Labor.* This exception (*italicized*) allows distribution of the funds in a manner similar to that in the original bill but does not mandate it.

Mr. MUSKIE. But that is the simple, pragmatic fact, one I think the Senator will understand.

Mr. JAVITS. I certainly do. But I also understand that in a tradeoff later, the Senator runs the risk of losing more than he gains.

Mr. MUSKIE. That is true.

Mr. JAVITS. If people like myself, who have been his staunchest supporters, and I was one of the conferees, should feel that their communications are being so very seriously downgraded they might as well fight for more money in the general revenue package than here, then the purpose would be defeated.

I am not saying I feel that way, but I am questioning the Senator because I want to get some understanding of why he did what was done.

Mr. MUSKIE. I do not object to discussing the nature of the negotiations that have gone on. But we came so close to an override that there were those in the other body who felt it was worth trying to reconstitute the bill as close to this vetoed form as possible in the hope of being able to override, and the process took longer than I thought.

It broke down in many places along the way. It may be that now the change in the economic situation has put it beyond reach. I do not know.

But we kept working and, frankly, we just wanted to do it.

This was the last position that I was ready to accept that could overcome the opposition. If it were not for that, we would not be here at all.

Mr. JAVITS. Is a key element then this 4½-percent figure, because that seems to me to be what has changed the focus?

In other words, is a key element in what the Senator has decided he must do notwithstanding, as I say, the danger of more loss than gain, the 4½-percent figure, because that is what changes the focus from a countercyclical program to a general revenue sharing?

Mr. MUSKIE. Let me describe the two changes, that have been made in the countercyclical formula.

First, the original version used adjusted taxes as the measure of the size of jurisdiction. The new version uses revenue sharing entitlement as a measure of size of jurisdiction. The effect of this change is, of course, to spread the money around somewhat more, taking away funds from jurisdictions with relatively high tax efforts—and New York City is one of those—and giving more to those with relatively low taxes.

We have computer printouts the Senator may have seen which will show that picture in more detail.

The second is this: The original version defined excess unemployment in the States as current unemployment minus a base period, 1967–69 unemployment figure.

The new version treats the States the same as the identifiable local governments in this regard. That is, excess unemployment is defined as current unemployment minus 4½ percent.

What this change does is, again, to level somewhat the targeting mechanism for State governments by treating those States with chronically high unemployment the same as those with dramatic recession-related unemployment increases. But unemployment is still the trigger.

The effect of the two changes is to level the impact, and bring more jurisdictions into eligibility, which broadens its political support, but tends to dilute the pure impact of the countercyclical idea, which I would prefer, and which I offered originally.

So those are the two principal changes which would concern the Senator.

I think he is quite right in raising the questions.

Mr. JAVITS. The Senator is very kind.

I look with considerable dismay on what has happened to this countercyclical program. I wish the emphasis had not abandoned, as I think it has, the whole concept of excessive unemployment. I think that would have saved it.

The Senator might be able to adjust in some other respect.

The Senator has been very frank in his explanations as to the whys and wherefores. People like myself will simply have to decide on the de minimus basis whether or not it is still worth backing, even though it costs my State one-third of its total allowability which would have occurred under the original bill.

I thank the Senator.

Mr. MUSKIE. If I may add, the Senator is, I think, aware that Senator LONG raised especially serious objections to the use of the 1967 to 1969 base period. So there was no way of avoiding dealing with that problem if we were to get the political support we needed. I wish we had not had to.

Mr. JAVITS. I would not have minded that so much as I did the very low figure to determine excess unemployment.

I understand the Senator's position and his explanation. I thank him.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, the Senator from New York has referred to the point that I tried to make a moment ago—that the net effect of the change of the local unemployment trigger down to 4.5 percent is to change this into a general revenue measure. It is not entirely that, but it does severely alter the effect of the counter cyclical proposal considered and passed by this body last year. There is one other matter which should be of great concern to the States, not to all States but most. It was brought to my attention by the staff of the National Governors' Conference. My point applies to the special rules section, which I believe in section 3(c)(2) of the Muskie amendment. The section provides that as of the effective date of this title, States shall submit within 30 days an allocation plan, which has been approved by the State legislature, for all communities not directly entitled to funds under the formula.

I do not know about the New York Legislature, but I do know in my own case the Tennessee Legislature has adjourned and gone home. I think maybe 25 or 26 other State legislatures are not in session at this time. In this particular section, not only have we changed the allocation formula and spread it more thinly, but we have also created a situation where it may be very difficult for many States to take immediate advantage of some of the funding aspects of the program.

Mr. NUNN. Mr. President, the amendment which we are currently debating contains certain language which resulted from an amendment Senator TALMADGE and I introduced in the original public works-public service jobs bill last July.

This so-called Talmadge-Nunn amendment, which passed overwhelmingly in the Senate, reallocated the $9 billion of previously impounded wastewater treatment funds which were released in February of 1975 by the Supreme Court.

Mr. President, permit me to provide some of the background to the language which we are now considering on the Senate floor.

On March 18, 1975, Senator TALMADGE introduced S. 1216. a bill to amend the Federal Water Pollution Control Act, Public Law 92–500. I was proud to be an original cosponsor of that proposal and I believe that it now has more than 30 cosponsors. The amendment which the Senate adopted to S. 1587 in July was identical to S. 1216. An identical measure was introduced in the House and has in excess of 100 cosponsors.

As you know, Mr. President, the Federal Water Pollution Control Act provides construction grant funds for water pollution control facilities. Prior to enactment of this act in 1972, construction grant funds for this purpose were allocated to the States strictly on the basis of population. The original Senate version of the Federal Water Pollution Control Act did propose a continuation of the allocation on the basis of population. However, the conference resulted in use of a needs survey which had been conducted by the Federal EPA in 1971.

The result of this decision was that approximately 33 States were adversely affected through the implementation of this allocation process.

The 1971 needs survey on which allocation was based had been conducted by EPA and only those communities whose population exceeded 10,000 had been surveyed. It goes without saying that there are many communities whose population does not exceed 10,000 that need and deserve assistance in construction of water pollution control facilities. There are also serious questions with regard to the accuracy of the data which was obtained by EPA during their 1971 survey. The fact that the survey was conducted in 1971, before the States had knowledge of most of the requirements mandated by the Federal Water Pollution Control Act, also made the inclusion of that survey as the basis for allocation inappropriate and inequitable.

A second needs survey was conducted in 1973 by the States in cooperation with

EPA and the results of this study documented the fact that the data contained in the 1971 survey was incomplete and inaccurate.

The inequities which had been imposed in the 33 States by the 1971 survey were partially corrected at the end of 1973 when the Congress amended the Water Pollution Control Act and adopted the 1973 needs survey as the basis for allocation of the fiscal year 1975 construction grant funds. The amendment which adopted the 1973 needs survey also required the States and EPA to jointly conduct another needs survey in 1974 in order to more equitably address constantly changing requirements.

Following completion of this 1974 survey it was transmitted to Congress on February 18, 1975, by Russell Train, the Administrator of EPA. Mr. Train in his letter of transmittal pointed out some of the reasons why he had determined that the 1974 needs survey should be used in allocating any future funds under the Water Pollution Control Act. His first point was that several inadvertent clerical reporting inaccuracies existed in the previous surveys.

A second important point indicated that a comprehensive review of the uneven nature of the various State cost estimates was required. Some balance had to be struck on the estimates submitted by the States so that an equitable allocation formula could be determined.

Mr. Train, in reviewing the estimates that had been submitted in past years, determined that the uneveness of data and cost estimates employed necessitated the incorporation of a population factor in the allocation formula so as to create a more equitable national allocation. He transmitted this conclusion to the Congress in the form of a recommendation that a formula based on an equal 50-percent division between population and the agency adjusted cost estimates should be used in allocating any future funding under the Water Pollution Control Act.

As Senators know, a total of $9 billion in allocations to the States to carry out the purposes of the Water Pollution and Control Act of 1972, as amended, were impounded by the President in fiscal years 1973 and 1974. These funds were ordered released by the U.S. Supreme Court in February of 1975. These funds were not spent in the years in which they were appropriated. They were not spent under the allocation formulas which have since been acknowledged as inequitable. The Senate, in adopting the Talmadge-Nunn amendment, was attempting, through implementation of Mr. Train's recommended formula, to correct inequities in the allocation of waste-water treatment funds that had existed since the inception of the Federal Water Pollution Control Act.

Mr. President, the conference committee which met to iron out the differences in the House- and Senate-passed public service job bills developed compromise language which is the same language as is contained in one title of the pending measure. Our original amendment, as passed by the Senate, did not require any new spending. It would simply have required reallocation of the previously impounded $9 billion according to a formula which would have corrected the inequities which affected 33 States. While I would have preferred enactment of that amendment because it did not require any new spending, it became clear that the House of Representatives would not accept that approach.

The compromise approach provides an additional $1.4 billion for construction of wastewater treatment facilities which will be made available to the 33 States which would have been made whole by the original Talmadge-Nunn amendment. This amount will permit each of the 33 States to receive the exact same number of dollars as they would have under Talmadge-Nunn and the remaining 17 States do not lose a dollar. This $9 billion would be allocated as it would have been before Talmadge-Nunn.

While I would prefer the original approach because it merely reallocated funds that were already authorized, I believe that it is imperative that we correct the inequities that have disadvantaged 33 States, including my own State of Georgia, for too long. It is clear that this language is the only measure that the House will accept and because of my belief that restitution for over two-thirds of our Nation in the important area of water pollution abatement is critical, I intend to support the pending measure, and I certainly agree with my friend from Maine in the comments he has made in the debate concerning the Talmadge-Nunn amendment. I support him in his efforts to correct these inequities.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the pending amendment occur at the hour of 2:45 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

Mr. PASTORE. Yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from West Virginia is recognized. The Senate will be in order so that the Senator may be heard.

Mr. RANDOLPH. Mr. President, I ask the attention of my friend from Maine (Mr. MUSKIE), and I might say my cooperative colleague, although we disagree at times within the committee and on the Senate floor.

On page 4 of the Senator's amendment, there is language that requires the balance of State funds to be reallocated to local governments. This reallocation, as I understand it, must be based on a plan approved by the legislatures of the States. The National Governors' Conference has called to our attention that 26 State legislatures have concluded their sessions for 1976. Thus those legislatures could not approve a reallocation plan until 1977. West Virginia is one of those States where the legislature has adjourned.

I am sure that the Senator from Maine (Mr. MUSKIE), in discussing this question, will add to the colloquy that we are now engaged in an explanation of how these 26 States where the legislatures have adjourned could reallocate the balance of the State funds before the 1977 session.

Mr. MUSKIE. May I say that the Senator from Tennessee raised this point earlier. We have addressed ourselves to it, and are preparing a modification of the language to make it clear that in the event the legislatures are not in session, the Governor of the State is authorized to submit an alternative plan.

I ask unanimous consent that I may make that modification of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

On page 4, at the end of section 3, c, ii; insert the following:

> In the event that a State legislature is not scheduled to meet in regular session within 3 months after the effective date of this title, the governor of such State shall be authorized to submit an alternative plan which meets the requirements set forth in section 206(a), and is approved by the Secretary under the provisions of section 206(b).

Mr. BROCK. Mr. President, will the Senator from West Virginia (Mr. RANDOLPH) yield for a question in that regard?

Mr. RANDOLPH. I am happy to yield to the Senator from Tennessee (Mr. BROCK).

Mr. BROCK. It is the understanding of this Senator—and as Senators know, I am a cosponsor of the amendment, and support it—that the Governor's plan shall, to the maximum degree possible, fit within the parameters of the plan, as we envision, that would be adopted by the State legislature. In other words, we are just authorizing the Governor to do what the legislature would be required to do within the same parameters.

Mr. MUSKIE. That is right.

Mr. BROCK. And not just use personal discretion and initiative.

Mr. MUSKIE. The Senator is correct.

Mr. RANDOLPH. Mr. President, I appreciate the responses made, and the colloquy to make this point clear.

Mr. MUSKIE. I appreciate it, also. It was just an oversight on my part, and I appreciate having the distinguished Senator from West Virginia (Mr. RANDOLPH) with his usual carefulness about draftsmanship, bring it to my attention.

Mr. RANDOLPH. Mr. President, the bill now before the Senate is in a very important sense the fulfillment of a promise made by the members of the Senate Public Works Committee at the time, on February 19, after by a narrow margin of three votes we had failed to override the Presidential veto.

I do not want to overstep the bounds of factuality when I make this statement, but I stood where I now stand at that time, following the veto, and I said:

> The vote this afternoon reflects the approval of the Senate for a public works program but the disapproval of the Senate from the standpoint of the necessary two-thirds vote to override the President's veto.

Those were my words then, that I think we in the Senate must understand as we come to grips with the vote on the amendment as it is presented today.

On that occasion, I perceived that the Senate would not want members of the Committee on Public Works to give up on our obligations to produce a measure that would become law. For that reason, I used the words that I now repeat:

> I pledge to my colleagues that, hopefully, next week the Senate Public Works Committee can return to the drafting board and bring out a measure that will be agreed to by the President and by the House, a measure that, although lesser in degree in meeting this responsibility to place people at work at gainful employment, will go part way toward the effort we have made in the Senate.

That was done, and the members of the Senate Public Works Committee, within that frame of time, including the Senator from Maine (Mr. MUSKIE), gave attention to this matter. The Senator from Maine has addressed himself over and over again to the problem, for which I commend him. I commend all the members of the Public Works Committee for sharing in this responsibility which the chairman expressed a few minutes after we had failed to override the veto. I was gratified at that time to be joined by the diligent Senator from Tennessee (Mr. BAKER), the ranking minority member of our committee. As we ended our discussion on that afternoon of February 19, I said:

> We do have a responsibility, as the Senator from Tennessee knows, as all the Members of the Senate, I think, know, that we must return and attempt to meet the issues realistically and, as I used the word, hopefully with the cooperation and the understanding of the President of the United States.

Mr. President, we have done what we said we would do, and the measure that is before us this afternoon would commit the resources of the Federal Government in a realistic degree to restoring economic health to one of the most seriously affected sectors of our national economy.

It has been very difficult for me to come to this conclusion, but in so doing I think I am doing right. I regret that I must oppose the amendment offered by the able Senator from Maine (Mr. MUSKIE) and others. I know, and he knows, that I supported the countercyclical amendment when it was adopted last year as part of the public works bill passed in the Senate. I support the concept of countercyclical assistance in principle.

I would enthusiastically work for its adoption if it were before the Senate this afternoon in a separate measure to be considered on its own merits.

But, Mr. President, during a long tenure of my congressional career on this Hill, I am above all else a realist. It is my objective thinking, as I express it today, that we must produce legislation that will become law. I am not one who is happy when confrontation surfaces and when we become polarized to the point that we cannot seek a possible adjustment of our differences.

So, I have a firm belief that the President of the United States will veto this measure if it carries the amendment which has been presented by Senator MUSKIE so very cogently this afternoon.

What I want, however, and what I think the country, if it understands all of the concerns that we have and the issues that must be met, wants is a law, and this law must be signed by the President of the United States.

We need to implement immediately such a law to place unemployed Americans in productive jobs. The addition of the amendment that I mentioned surely brings another veto at a time when we need action.

I am not certain whether the amendment will be agreed to or whether it will be defeated. As far as those of us who now think as we do, we are not abandoning a principle; we are coming today with the realism which I think is necessary that the Senate understands and that the Senate commits itself to as I have explained the position I have just stated.

Mr. MONTOYA. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. MONTOYA. I call to the attention of the Senate that we are not going to be restricted to the amendments that we agree to here today, that is, the authorization bill that was reported out by the committee, plus whatever amount may be authorized on this amendment.

We still have the additional situation whereby the House of Representatives may insist, as it did last summer, in increasing the authorization. Last summer in the Senate we passed a $1 billion authorization here for accelerated public works. The House of Representatives had passed a bill for a $5 billion authorization. Then we went into conference. In conference we whittled this sum down to $2.56 billion.

So it stands to reason that we should anticipate that the House of Representatives will insist on a higher figure than the $735 million that we had for accelerated public works. And for job opportunities we had $1 billion and the House of Representatives reduced it to $500 million. On business loans we had $125 million and the House of Representatives agreed with us on $125 million.

So, in addition to this—and this has not been mentioned in the debate—the authorization under the proposed amendment is for five quarters; whereas, the authorization for the public works bill that was reported out of committee is up to September of next year. So, this, in essence, is an authorization that will ride tandem with the proposed legislation on general revenue sharing.

The PRESIDING OFFICER (Mr. FANNIN). Under the previous order the Senate will proceed to the vote on the amendment.

Mr. MUSKIE. Mr. President, point of order. I was not aware we had reached the vote time. I have about 2 minutes more I wish to use.

The PRESIDING OFFICER. The agreement to vote was 2:45 p.m., and it is now 2:45 p.m.

Mr. MUSKIE. Mr. President, I ask unanimous consent that I may have 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I want that time primarily to offer a modification to the amendment on page 8 under the subject "Payments." I wish to include language in there which would require that payments would have to be made not later than 5 days after the beginning of each quarter. That is an appropriate amendment, and I ask unanimous consent that I may qualify my amendment to that effect.

Mr. MANSFIELD. I agree.

The PRESIDING OFFICER. Is there objection? The amendment is so modified.

Mr. MUSKIE. Mr. President, what I am asking is for the Senate to support the congressional priority that has been stated in three successive congressional budget resolutions, the priority that has been urged on us by the leadership of the House of Representatives. The leadership from the House of Representatives stimulated this package that I am offering. This is what they would like to be able to act upon. This is a congressional priority. Yesterday we undertook to honor congressional priorities in seven successive votes. I suggest we do it once more in behalf of the unemployed.

Mr. BUCKLEY and Mr. MANSFIELD addressed the Chair.

The PRESIDING OFFICER. The Chair advises the Senator from Maine that the desk does not have the modified amendment.

The modified amendment is as follows:

> On page 8, on line 2 of Sec. 2096 after the word pay, insert:
>
> "Not later than five days after the beginning of each quarter."

Mr. MANSFIELD. I ask unanimous consent that the distinguished Senator from New York (Mr. BUCKLEY) may have 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I thank the distinguished majority leader. I had not been aware of the time limitation. It is with a great deal of sadness, Mr. President—I mean this seriously—that I rise to oppose the Muskie amendment. I was an original cosponsor of the original countercyclical proposal. I worked for its adoption by the House-Senate on H.R. 5247. I voted for a bill that in every other respect I did not like, because I thought the countercyclical concept was too important. I voted to override the President's veto because I felt that countercyclical revenue sharing was the proper way to focus funds in areas that were hard hit by recession. But what we have before us today does not have any shadow of a similarity to that formerly beneficial bill which I thought I was sponsoring and fighting for.

What this amendment does is to, in effect, give us a new influx of general revenue sharing money, rather indiscriminately spread across the board. No effort is made to take into consideration tax effort. We are not talking about the impact of the recession when we place a floor of 4.5 percent from which to compute unemployment, and so on.

Furthermore, it is legislation that we

only had a chance to examine this morning. But the impact of this new amendment on my State is intolerable. This will deprive New York State of $80 million. Compared to the original bill, New York City's share will drop from $138 million to $78 million. If added to the public works package we already have, the taxpayers of New York—and they are among the most heavily hit people in the country—will be having the dubious privilege of contributing about $400 million in tax revenues in order to get $300 million back. This is the kind of shell game that is costly. I am afraid that I am going to have to vote against this amendment and if it is attached to the bill then, of course, vote against it.

Mr. HATHAWAY. Mr. President, I rise in support of this amendment and the bill. At the outset, I should say that I still have some objections to the basic concept behind the countercyclical idea. But the amendment proposed today by my distinguished colleague from Maine is a very substantial improvement over the original version, and with the countercyclical proposal offered in this form, I think it is a program which should be tried.

The substantive improvements made in this bill over the original are as follows:

The original bill was an uncontrollable in the budget. This version has a ceiling of $1,375 billion. This is a much more responsible way to legislate, and will prevent this program from drawing off funds from other important employment programs.

The original bill contained no provisions against abuse, no requirements whatsoever as to the use of this money. The present amendment contains substantial protection against discrimination and other abuses of this additional source of funding, and requires numerous assurances as to its use.

In the original bill, total taxes were used to determine a government's allocation. This factor fails to take into account a number of other relevent elements of data, most notably, tax effort. The present allocation formula uses general revenue sharing allocations instead of total taxes. This is a tried and true method of allocation, and takes into account other elements of data that the Congress has determined are important in determining allocations throughout the Nation, including tax effort, per capita income, and population, all of which are crucially important for an antirecessionary provision of this type.

In the original bill, the base figure for calculating excess unemployment for States' shares was a State's unemployment during a certain base period. This meant that a State with a chronic unemployment problem was given fewer benefits. The argument was that this was an antirecessionary measure, and such States were suffering from something other than a recession. The argument that such a State, hard pressed to start with, might have fewer reserves to draw on, and might need additional help even more because of a recession was not reflected in the original bill. It is in this version. All States and all local governments are treated equally in this amendment. The base for calculating excess unemployment is figured as 4.5 percent for everybody.

A related problem was the idea of using unemployment data in the allocation formula at all. I felt it was too volatile to be used. I still feel that it is a very imperfect indicator of the needs brought on by a recession, but there are a number of reasons why I am willing to accede to its use at this time in order to get this program off the ground. The first of these is that most of us feel that we understand it. This makes it possible to get together on this type of program, because we have a sense of understanding the factors that are at work. A second is that the funding mechanism has been tied to smaller steps in unemployment changes—0.1 percent instead of 0.5 percent—which means that the potentially large shifts in funding caused by using this type of data are no longer such a threat.

Finally, before this program expires, there is to be a thorough study to determine what would be the most effective mechanism for coordinating State and local expenditures during a recession. This study should enable us to offer a better alternative should such an alternative prove to be available, and should such a program be considered again in the future.

Furthermore, there are firm assurances within this version of the proposal that these funds can only be used to maintain basic services and not for capital expenditures.

Finally, I objected to the various triggering mechanisms in the original bill. As I mentioned earlier, this version changes the implemental trigger for the authorization of funds from 0.5 percent to 0.1 percent. This is an improvement. The State and local triggers have also been immeasurably improved. Not only is there a fixed base amount of 4.5 percent, but there is no elaborate and incomprehensible mechanism for a "contingency fund." All moneys are allocated directly from the Treasury according to a straight, mechanical formula. Different governments in the same situation have a better chance of receiving equitable treatment than they had under the old bill.

The 6-percent trigger at the national level for funding the program remains, and theoretically that still could present some serious problems if the national unemployment rate were hovering around 6 percent. Pragmatically, however, the unfortunate fact is that such a low figure is not likely to be approached for the duration of the authorization period of this amendment. Therefore, instead of being a trigger, this provision will operate as notice that this bill is intended to be terminated as our recovery gains strength, and that is a concept I very much support. I do not intend to support this type of program again unless there are compelling economic arguments in its favor.

As I stated at the time I voted to uphold the President's veto of H.R. 5247, I objected to the bill because of my objections to the countercyclical provisions of that bill. Those objections have now been almost entirely taken care of, and I feel I can support this amendment, and I can support this bill.

COUNTERCYCLICAL AID FOR STATE AND LOCAL GOVERNMENTS

Mr. HUMPHREY. Mr. President, I rise today to join my colleagues (Senator MUSKIE and Senator BROCK) in offering this amendment to the Public Works and Economic Development Act. The amendment that we offer is an integral part of the congressional economic recovery program and a necessary complement to the emergency public works bill that we are considering here today.

The fiscal crisis that has affected many of our State and local governments is certainly not news. Each and every Member of this body is aware of the problems that inflation and recession have created for the governments and the people of their States. State and local government taxes have been increased, taking money from the same pockets that Federal Government tax cuts sought to bolster. Expenditures have been slashed in many areas, weakening the impact of Federal Government antirecession programs. Programs for the poor, the elderly and the handicapped—programs that provide essential social services—have been eliminated or drastically reduced.

These fiscal difficulties have not occurred because State and local governments are profligates. They have not occurred because State and local governments do not want to balance their budgets. They have occurred as a direct result of the economic double-whammy-inflation and recession. That double-whammy did not originate at the State and local government level.

In May of 1975, the Joint Economic Committee surveyed 48 States and 140 local governments. We found that States and localities were being forced by recession to undertake unprecedented austerity measures to keep their budgets in balance. Tax increases, expenditure cutbacks and employee reductions were the rule, not the exception. States, counties and cities were raising taxes by $3.6 billion, reducing services by $3.3 billion and canceling $1 billion worth of capital construction projects. These facts and figures were a compelling argument for this legislation when the Senate first passed a similar bill last July.

But this situation has deteriorated even further since the JEC survey was undertaken. Many States and localities are discovering that the draconian measures that they have already undertaken are not enough. In May, New York State anticipated a $600 million deficit; today, it is $700 million. In May, Michigan thought it could balance its budget by cutting expenditures $95 million; today, they are struggling to cut $300 million out of the budget. Georgia was not going to make any cuts; today, they are struggling to eliminate $22 million worth of expenditures. Even the States that expected large dollar surpluses have been disappointed. Last May, California expected a $350 million surplus, to be available at the end of this fiscal year; now they expect only $160 million. Illinois' expected surplus dwindled from $308 million to zero.

Cities and counties have also suffered. Oklahoma City expected a $70 million surplus at the end of this fiscal year, now they have nothing. Westchester County, a wealthy suburb, expected to maintain all services; they have cut $25 million. Montgomery, Ala., expected no difficulties but they have cut $8 million out of their budget and they still face an $8 million deficit. Portland, Oreg., thought they could make it through the year without increasing taxes; taxes just went up $2 million. And what about New York, Detroit, Philadelphia, Boston, and Atlanta. All are still facing major budget difficulties.

These are not isolated incidents; they are part of a disturbing trend. The recession has devastated all budgets—the Federal Government, State governments, local governments, and families. It is not just a big city problem. It affects both States and localities; large cities and small; counties and townships; and even a few wealthy suburban areas. No one can deny that the need is there.

But some of my colleagues may argue that a vigorous economic recovery is underway and that the recovery will solve all the State and local government budget problems. They are wrong and let me tell you why. First, many States and localities currently are operating with deficits. These deficits will have to be carried into the next fiscal year, forcing further tax increases and expenditure cutbacks. Second, the economic recovery will not be as vigorous as some of us would prefer. Even under the budget resolution that we approved yesterday, unemployment would still remain well above 6 percent throughout 1977. Third and more important, the economic recovery will not occur everywhere at the same pace. Sure the national unemployment rate is declining. But the recovery has not touched all of our States and cities.

In Massachusetts the unemployment rate is still 10.4 percent; in Michigan it is 11.4 percent; in Florida it is 11 percent; and, in California, it is 9.7 percent. In many of our central cities the problems are even worse. While the national unemployment rate is 7.5 percent, in Newark, it is 20 percent, in Detroit it is 17 percent, in Cleveland it is 12 percent, in Boston it is 12 percent and in Philadelphia, it is 10 percent. When the national economy develops a cold, these cities get double pneumonia. When the national economy recovers, these cities are left behind. That is why this bill is still needed.

But this amendment will do more than allow States and localities to maintain services, prevent employee reductions and reduce the need for tax increases. It will increase the coordination of Federal, State and local government economic policies. As it is now, the Federal Government cuts taxes and States and localities raises taxes. The Federal Government hires public service employees and the States and localities lay them off. Government is giving with one hand and taking away with the other. Our economic recovery is simply too fragile to endure these inconsistencies. Government policies that giveth and then taketh away are doomed to failure.

Finally, I would like to point out that this amendment is not the least bit inflationary. The program will turn off completely when the national unemployment rate reaches 6 percent, long before we approach full utilization of resources. Not one dime will be spent after the need for the program has been eliminated. Moreover, this amendment, as Senator MUSKIE has pointed out, is not a budget buster. It is within the budget ceilings already enacted by Congress.

Mr. President, the need for this amendment is tremendous. We have seen our States and localities suffer for over a year and it is time that we act to halt this suffering. I urge all of my colleagues to join Senator MUSKIE, Senator BROCK and myself in supporting this amendment.

Mr. DOLE. Mr. President, the Senator from Kansas last week proposed an amendment to the food stamp bill designed to insure that the truly needy have a realistic opportunity to obtain food stamp benefits. The amendment would have eliminated the purchase requirement, thus enabling poor households who cannot now afford to purchase food stamps to receive some nutritional assistance. The Congressional Budget Office had concluded—using its own independent economic assumptions—that the amendment would have enabled many more poor families to receive food stamp benefits without an astronomical increase in program costs.

Despite this objective analysis by CBO, it was suggested—by some who are cosponsors of the proposal before us now—that this amendment would have cost huge amounts of money, between $2.1 and $3.1 billion.

This highly inflated cost estimate was based on totally erroneous assumptions as to participation rates in the food stamp program. It was not corroborated by any independent source, such as the Congressional Budget Office or the Department of Agriculture. By contrast, we know the present amendment will definitely cost nearly $3 billion. Nevertheless, some who steadfastly opposed my food stamp amendment on the basis of pure speculation that it might cost the same amount are giving this amendment their full support.

I would not have proposed my food stamp amendment had there been any substantial evidence that it cost $2 or $3 billion, but apparently those figures are only selectively bothersome to some of the proponents of countercyclical aid. Or it may be that such large figures trouble some persons when the nutritional well-being of our citizens is involved, but not when questionable brick and mortar projects are under consideration.

Mr. President, there is no question that S. 3201 faces a veto should this $3 billion amendment be added. And I would urge all those inclined to support it to consider that before they vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. MONTOYA (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished Senator from Washington (Mr. JACKSON). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. GARY HART), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Wyoming (Mr. MCGEE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL), the Senator from North Carolina (Mr. MORGAN) and the Senator from Missouri (Mr. EAGLETON) are absent on official business.

I further announce that, if present and voting, the Senator from Idaho (Mr. CHURCH), the Senator from Wyoming (Mr. MCGEE), and the Senator from North Carolina (Mr. MORGAN) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

I further announce that the Senator from Idaho (Mr. MCCLURE) is absent due to a death in the family.

The result was announced—yeas 48, nays 32, as follows:

[Rollcall Vote No. 149 Leg.]

YEAS—48

Bayh
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Durkin
Eastland
Ford
Glenn
Gravel
Hart, Gary
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Ribicoff
Schweiker
Stafford
Stevenson
Stone
Talmadge
Weicker
Williams

NAYS—32

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Buckley
Byrd,
  Harry F., Jr.
Dole
Domenici
Fannin
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Laxalt
Packwood
Pearson
Proxmire
Randolph
Scott, Hugh
Scott,
  William L.
Sparkman
Stennis
Stevens
Symington
Taft
Thurmond
Tower
Young

PRESENT AND GIVING A LIVE PAIR—1

Montoya, against.

NOT VOTING—19

Abourezk
Biden
Church
Curtis
Eagleton
Fong
Hart, Philip A.
Hartke
Haskell
Hruska
Jackson
Mathias
McClellan
McClure
McGee
Morgan
Percy
Roth
Tunney

So Mr. MUSKIE's amendment, as modified, was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MUSKIE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1976

Mr. CANNON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 9771, the Airport and Airway Development Act of 1976.

The PRESIDING OFFICER (Mr. BUCKLEY) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 9771) to amend the Airport and Airway Development Act of 1970, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CANNON. Mr. President, I move that the Senate insist on its amendment to H.R. 9771 and agree with the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer appointed Mr. MAGNUSON, Mr. CANNON, Mr. HARTKE, Mr. STEVENS, and Mr. BAKER conferees on the part of the Senate.

The PRESIDING OFFICER. May we have some order so that we may hear the business of the Senate?

GUATEMALA RELIEF AND REHABILITATION ACT OF 1976—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on S. 3056 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The Assistant Legislative Clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3056) to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of April 6, 1976 beginning at page 9581).

Mr. SPARKMAN. Mr. President, the conferees on the Guatemala Relief and Rehabilitation Act of 1976 have reached agreement on a sound compromise between the Senate and House versions of S. 3056.

The legislation agreed upon the conference will provide $25 million for relief and rehabilitation of victims of the earthquake which struck Guatemala on February 4, 1976, leaving more than 20,000 dead and a million homeless. From the day of the earthquake to this day, the United States has been providing disaster relief assistance to the people of Guatemala and this bill will permit reimbursement of the AID disaster relief account for funds already expended to assist earthquake victims. Recognizing the excellent record of U.S. voluntary agencies in providing disaster relief in Guatemala, the bill directs that U.S. assistance be distributed through voluntary agencies to the maximum extent practicable.

Mr. President, the principal difference between the Senate and House versions of S. 3056 was that the Senate legislation authorized funds to be expended within the authorities of the new disaster relief provisions of the Foreign Assistance Act while the House bill established a separate account for Guatemala. The conferees agreed to retain the Senate provision. The conferees also agreed to incorporate House amendments limiting the amount of money which can be spent for reconstruction of the Puerto Barrios Road and directing that seismic resistant material be used in the reconstruction of homes damaged by the earthquake.

Mr. President, enactment of the Guatemala Relief and Rehabilitation Act of 1976 will continue one of the finest humanitarian traditions of our Nation. It will help thousands of victims of a devastating natural disaster rebuild their homes, their towns, and their lives.

Mr. President, I urge the Senate's favorable consideration of S. 3056.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

PUBLIC WORKS EMPLOYMENT ACT OF 1976

The Senate continued with the consideration of the bill (S. 3201) to amend the Public Works and Economic Development Act of 1965, to increase the antirecessionary effectiveness of the program, and for other purposes.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask unanimous consent that Maurice White of the Labor and Public Welfare staff be granted the privilege of the floor during further debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

If there is no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. RANDOLPH. Mr. President, the Senate has by a vote approved the amendment offered by Senator MUSKIE and other Members of this body. I opposed the amendment.

Mr. FORD. Mr. President, the Senator from West Virginia deserves the attention of the Senators on the floor.

The PRESIDING OFFICER. Will the Senate please come to order? Will those who have conversations please take those conversations to the cloakroom?

The Senator will proceed, please.

Mr. RANDOLPH. Mr. President, I opposed the amendment, as I have indicated, with good purpose and good humor. But I opposed it as a realist because I believe that what we have done not only invites but assures a veto by the President of the United States. I cannot speak for him or for the administration, but I have every reason to believe that will happen if the measure is placed before him with the amendment which has just been adopted.

I am going to vote for the bill. I am interested in placing people in gainful employment and bringing to fruition meritorious projects that strengthen the very economy of our country over a long period of years.

Certainly each and every Member has to decide his vote. We do not know what the House will do in reference to the measure but, presumably, there will be a conference on the bill and those who sit as conferees can, through well-reasoned discussion and determination, bring a measure to the Senate on which a veto can be overridden, if it is necessary.

Mr. President, I respect every Member of this body and I respect the conviction which causes each and every Member to vote the sentiments that he believes are in the best interests of the country.

I perhaps, could have left these words unsaid because I am not one who wants to look back, and there is no recrimination on my part. The Senate has acted in a manner it believed to be best under all the circumstances.

On final rollcall I will vote for the measure. If I am a conferee I will do what I can to bring into being a bill that the President can sign.

We are all, I am sure, determined in our own ways to do everything we can to strengthen the economy, to place unemployed construction workers in jobs, and to create programs of lasting benefit to the United States.

REMOVAL OF LIMITATION ON WATERSHED PROJECT LOANS

Mr. ROBERT C. BYRD. Mr. President, I understand there is general unanimity with respect to the passage of S. 2484, the Watershed Protection Act, but that the Senator from Arkansas (Mr. BUMPERS) has an amendment to that act. Therefore, in view of the fact that the final rollcall vote on the public works bill is not going to occur until 3:30 p.m., I ask unanimous consent that the Senate proceed at this point to the consideration of Calendar No. 650.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2484) to amend Public Law 566, Watershed Protection and Flood Prevention Act, as amended, to remove the limitation on any single loan or advancement for watershed works of improvement.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert the following:

That section 8 of the Watershed Protection and Flood Prevention Act (68 Stat. 66, as amended; 16 U.S.C. 1001–1008) is amended by striking out the last sentence.

Mr. BUMPERS. Mr. President, I have discussed the amendments here which would put a limit on the amount the Farmers Home Administration can loan to any local governmental subdivision for watershed protection projects.

Public Law 566 originally had a $5 million loan limitation on it. The report, as it came from the committee, took the limitation off completely. My amendment put the limitation back on of $10 million.

I have discussed this with Senator TALMADGE, together with the technical amendment as to the title, and they have agreed to accept both amendments.

AMENDMENT NO. 1444

Mr. BUMPERS. I call up amendment No. 1444.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an amendment in the nature of a substitute for the committee amdt., No. 1444.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and I move the adoption of the amendment which I have just explained, Mr. President.

Amendment No. 1444 is as follows:

In lieu of the language proposed to be inserted by the committee amdt. insert the following: That the last sentence of section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1006a) is amended by striking out "five million dollars" and inserting in lieu thereof "$10,000,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment (No. 1444) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2484

An act to amend Public Law 566, Watershed Protection and Flood Prevention Act, as amended to raise the limitation on any single loan or advancement for watershed works of improvement

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1006a) is amended by striking out "five million dollars" and inserting in lieu thereof "$10,000,000".

AMENDMENT NO. 1472

Mr. BUMPERS. Mr. President, I call up a title amendment No. 1472.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an amendment to the title, amendment No. 1472:

In lieu of the language proposed by the committee, amend the title so as to read: "A bill to amend Public Law 566, Watershed Protection and Flood Prevention Act, as amended to raise the limitation on any single loan or advancement for watershed works of improvement.".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

The committee amendment to the title as amended was agreed to.

PUBLIC WORKS EMPLOYMENT ACT OF 1976

The Senate continued with the consideration of the bill (S. 3201) to amend the Public Works and Economic Development Act of 1965, to increase the antirecessionary effectiveness of the program, and for other purposes.

Mr. LONG. Mr. President, earlier this year legislation to provide countercyclical assistance to State and local governments was approved by the Congress as part of H.R. 5247. This measure was subsequently vetoed by the President, and I worked to sustain that veto in the Senate. My opposition to the countercyclical assistance section of that measure was based on the formula for the distribution of funds.

The cosponsors of this legislation have now seen fit to incorporate into this measure the revenue sharing formula which was developed after careful analysis by the Committee on Finance and approved by the full Senate after extensive debate. As a result, this program will now take into account not just the total revenues raised by recipient jurisdictions, but will give weight to the important factors of tax effort and the relative income levels of people within such jurisdictions. Because these adjustments have been agreed to by the proponents of this program, I am pleased to be able to join with them as a cosponsor of this legislation.

Another positive modification which has been incorporated in this revised measure involves the concept of excess unemployment. We are now placing all States on an equal footing in competing for the allocation of funds by utilizing a uniform base period level of unemployment. Therefore, States with chronic unemployment problems will no longer be at a disadvantage vis-a-vis other States with historically low unemployment rates which benefited disproportionately under the original formula employed in the vetoed bill.

If the conferees and the managers of this bill continue to insist on the same evenhandedness and fairness with regard to the countercyclical assistance, I will continue to support the bill and I will be glad to support the override of a veto, if that proves to be necessary.

The PRESIDING OFFICER (Mr. BUCKLEY). The question is on passage.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I wish to address a question to the manager of the bill. May I have the attention of the Senator from New Mexico?

Mr. MONTOYA. Yes.

Mr. HARRY F. BYRD, JR. What is the total amount of tax funds involved in the bill after taking into consideration the amendment which was added to the bill?

Mr. MONTOYA. The total authorization in the bill as passed by the committee was $1.101 billion and the amendment which has been adopted this afternoon carries an additional authorization for $2.9 billion.

Does that answer the Senator's question?

Mr. HARRY F. BYRD, JR. That makes a total figure of——

Mr. MONTOYA. The bill as has been amended is $5.2 billion now.

Mr. HARRY F. BYRD, JR. So the bill that the Senate will be asked to vote on is a bill totaling $5.2 billion?

Mr. MONTOYA. That is correct.

Mr. HARRY F. BYRD, JR. I thank the Senator from New Mexico.

The PRESIDING OFFICER. The question is on passage.

Mr. RANDOLPH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I would like to say something I wanted to say earlier following the remarks by the distinguished Senator from West Virginia (Mr. RANDOLPH).

No one questions, and certainly not this Senator, the motives and the purposes of the distinguished Senator from West Virginia. I have served with him on the Public Works Committee for 18 years. Our relationship as far as I am concerned has been a constructive and, in a personal sense, a pleasant one.

I happen to disagree with his tactical judgment on this bill. His effort has been to try to write a veto-proof bill. I have assumed that the President would veto this kind of legislation. The President has indicated his opposition to it. So I have tried to put together a package that would enable us to override a veto.

Now, those are two different strategic courses to follow.

But the second point I make, Mr. President, is this: I spent more than 2 days recently defending the congressional budget process. In doing it, I at times opposed amendments with which I was sympathetic and subjected myself to the criticism that on the floor I was inconsistent with votes I cast in the Budget Committee.

I did it for one reason: I happen to believe that the Congress has the right to establish its own priorities, and when it does it is my job, as the Budget Committee chairman, to enforce those priorities to the extent of my ability.

Countercyclical revenue sharing is a congressional budget priority, and I think we ought not to be diverted from our own priorities by the threat of a veto. If the President can do that, then we are back where we were before we adopted a budget process, constantly fearing what the President's reaction will be, constantly backing off from what we ourselves think is right, in order to offset the possibility of a veto.

This is a congressional priority, and I am fighting for it as strongly as I did for the last 2 days for other congressional priorities that have been recommended by the Budget Committee. I will continue to do that sort of thing until a majority of the Senate finally persuades me that it is an unnecessary and fruitless effort. When the Senate as a whole finally persuades me that congressional priorities are meaningless, then I will abandon the fight. But this is a congressional priority and I urge the support of the Senate for this one as much as I urged the Senate's support when I opposed seven amendments to the congressional budget during the last 2 days.

Mr. BAKER. Mr. President, I intend to vote against this greatly enlarged measure. I indicated earlier—when we were discussing the bill in general and when the amendment was offered by the distinguished Senator from Maine,—that I felt there was a need for a bill, that my primary purpose was to see that we got legislative relief. I think we have stepped away from that. I think we have diminished the likelihood that a bill will be enacted into law.

As I said then and say now, I feel the President will veto this measure as amended on the floor, and I hope he does. I will recommend to him, if I am asked, that he should veto it.

Mr. President, there is nothing, however, in the legislative reform act or the budget act that derogates the constitutional authority of the chief magistrate to act in a legislative capacity. There is nothing in the legislative reorganization act or the budget act that diminishes by one with the President's authority to exercise his independent and separate judgment to veto a bill which he thinks is excessive or for whatever reason he chooses not to add his agreement to its enactment into law.

The question of whether or not this amendment should have been adopted in view of the Senator's from Maine very excellent performance yesterday and the day before in defending the budget resolution is not appropriate, in my judgment. It is like saying, "If we can get it into the budget resolution, that is the end of the legislative process." But the budget resolution is the upper limit, not the lower limit. The fact that it included provisions for the amendment that the Senator from Maine knew he was going to offer in the Chamber—the fact that it was included in the first budget resolution—in no way affects my judgment about whether it should become law or the President ought to sign it.

As a practical matter, had we defeated the Muskie amendment there would have been money available in the first budget resolution to commit to some other purpose.

Mr. MUSKIE. Will the Senator yield?

Mr. BAKER. I will be happy to yield.

Mr. MUSKIE. That is exactly the kind of philosophy that got us into the mess that led to the Budget Reform Act. I would have liked to have supported the proposal to cut the defense budget yesterday. I did in the Budget Committee. I used as an excuse one sentence, that would have given me the excuse then to vote for the jobs bill.

It is so across the board. We had the Senator from Indiana offer the juvenile justice proposal with which I am totally sympathetic. We had the Senator from California offering a veterans amendment. Am I the only Senator in this body upon whom the budget process imposes some restraints with respect to choices? Was I wrong in submerging my personal references yesterday to the interests of institutional restraint with respect to the budget? Those are the questions that I have had to answer for a year and a half, through long sessions of the Budget Committee and fighting for the resolutions on the floor. Am I wrong? Should I instead follow my own preferences and priorities every inch of the way within the committee and abandoning the committee's resolutions when we get to the floor? Or is there some interest in establishing a consensus for budget priorities?

We are never going to have unanimous votes in Budget Committees or in the Chamber, but if we are really going to accommodate each other's differences in order to develop a common policy, do we have any responsibility, even the smallest iota of responsibility, to give consideration to what we establish as a policy?

Mr. BAKER. Mr. President, in my humble judgment the Senator is wrong. His question is more than rhetorical and my answer is yes.

If we pursue this course of action what we are doing is vesting in the Budget Committee the ultimate authority to decide the legislative policy of the Senate. It is one thing to say that we should not exceed the limit established by the Budget Committee, but it is quite another thing to say—as I understand the Senator to be saying—that we should today accept his amendment because it was included in the resolution, or if we do not accept his amendment we will not be spending all we authorized in the first budget resolution. If we do that, we might as well do away with the rest of the committees.

Mr. MUSKIE. If the Senator will yield, I think the Senator knows that I was not saying that, that I was asking the Senator whether or not the establishment of congressional priorities should have any influence at all, not total influence but any influence at all, upon the judgment that any Senator makes in casting his vote. I am not suggesting that we do anything to lock up the Senator's conscience or his intellectual processes. But I am just curious. From what the Senator has said up to now, he has said, "Let us adopt the budget resolution and then, be damned with it. I am not going to pay any attention to it from now on." I do not believe the Senator is saying that.

Mr. BAKER. The Senator is not saying that. The Senator from Tennessee is saying adoption of a budget resolution does not necessarily mean we have to spend every cent we authorize. That is what I understood the logic and burden of the Senator's remarks to be.

Mr. MUSKIE. Yesterday I was very flattered. I got a lot of appreciation from the Senator's side of the aisle when we exercised such restraint on the health budget, on the jobs budget. I get the impression from listening to the Senator that I was a damn fool in doing so.

Mr. BAKER. I am sorry the Senator has that impression, but I do not know anything I can do to add to the clarity of the remarks I made. The remarks once again are these: I believe in the budgetary process and the function we have established in the Budget Act. I believe in the limitation, in the discipline, that is established with the first budget resolution and will subsequently be established in the second budget resolution.

I do not believe, however, in the logic that inclusion of a provision for the Senator's amendment in the budget resolution of yesterday should be used as an argument for adopting the amendment today. If we do that, then, Mr. President, we have used the Budget Committee machinery to preempt the legislative authority of other committees and I do not believe that was what was intended.

Mr. President, I have a hunch that I may be one of a very few who will vote against final passage. Yet I intend to do that, because I think not only have we adopted an unwise amendment, no only have we assured a confrontation on a Presidential veto, but I believe we are galloping off in the wrong direction in these early and tender days as we establish the precedents and useful history for the utilization of the budgetary process.

Mr. MUSKIE. Mr. President, may I say finally that the Senator has clarified his position very well. He said it is wrong to use the argument that this was included in the budget resolution to persuade people to vote for this bill. What I was doing all day yesterday was use arguments like that to persuade people to support the budget resolution. The Senator has not made a distinction between the two which is clear to me. I disagree with his interpretation of what the budget process imposes upon us until the Senate finally persuades me that it is a fruitless effort.

Mr. MONTOYA. Mr. President, I would just like to put in proper perspective the figure of authorization in the pending legislation. The Senator from Virginia asked the question a few minutes ago. I did state that the authorization in this bill was $1.1 billion as it left the committee, and an additional $1.5 billion plus $1.4 billion, which is covered in the amendment offered by the Senator from Maine.

That is the correct figure as of now. But the committee bill as it left the committee had a potential authorization, if the unemployment rate went up to 9 percent, of $2.521 billion. With that understanding, I think the figures which I have given clearly reflect the full scope of the authorizing legislation before the Senate.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. MONTOYA. I yield.

Mr. BROCK. I hate to admit it, but I think the Senator from New Mexico has successfully confused the Senator from Tennessee. Let us try to go through it again.

Will the Senator tell me the various component parts of the authorization, and what they amount to at their high figure amount?

Mr. MONTOYA. At the high figure?

Mr. BROCK. Yes.

Mr. MONTOYA. Based on 9 percent unemployment?

Mr. BROCK. That is correct.

Mr. MONTOYA. The accelerated public works portion would be $2 billion.

Mr. BROCK. $2 billion?

Mr. MONTOYA. $2 billion. The job opportunities program, title X, would be $375 million.

Mr. BROCK. All right.

Mr. MONTOYA. EDA business loans at 4 percent interest subsidies would be $125 million. Waste water treatment funds, which is an addition in the committee bill, would be $21 million. Then the countercyclical funds, or the Muskie amendment, involves an authorization of $1.5 billion, and the Nunn-Talmadge part of the amendment involves $1.4 billion.

Mr. BROCK. That is all for the five quarters that begin July 1 and end October 1, 1977; is that correct?

Mr. MONTOYA. That is correct.

Mr. BROCK. There is no authorization beyond October 1 of 1977?

Mr. MONTOYA. There is none.

Mr. BROCK. All right. The total, then, of those figures would be about $5.4 billion?

Mr. MONTOYA. Well, $2.521 billion plus $2.9 billion.

Mr. BROCK. All right. I have $5.421 billion.

Mr. MONTOYA. That would be correct, on that basis. But the Congressional Budget Office has projected the unemployment and the amount that might be needed on the basis of that projection, and we come to a figure of $1.1 billion instead of the $2.521 billion which I read just a moment ago.

Mr. BROCK. So, in effect, the gross on the low side would be $4 billion; is that correct?

Mr. MONTOYA. That is correct; a total of $4 billion.

Mr. BROCK. That is really what I was reaching for. I do not want Senators to be confused by the differences. We are discussing estimates of unemployment, and that is the reason for the variation between the high and the low figure.

Mr. MONTOYA. It must be remembered that the bill has a triggering mechanism that, for each one-half-percent reduction in unemployment or increase in unemployment, up to $500 million is added or subtracted accordingly in the authorization.

Mr. BROCK. All right. I have a slightly different figure. I have a $1.375 billion limit in the bill for countercyclical, which I have cosponsored with the Senator from Maine, and I have approximately, I think it is a $3.9 billion potential budget effect. Does the Senator find those figures reasonably within the ball park?

Mr. MONTOYA. The only figures that we have been talking about here with respect to the Muskie amendment and the Talmadge-Nunn amendment are the figures of $1.5 billion and $1.4 billion, respectively.

Mr. BROCK. I think I have confused the Senator. In the countercyclical amendment which we have sponsored, and which has now been amended on the floor, there is a flat figure, in section 202(c), which places an absolute ceiling on the five-quarter expenditures of $1.375 billion. That is the figure I was referring to. So the gross figures, then, still come back to slightly less than $4 billion.

What I am reaching for is that while I am in support of the legislation, as the Senator knows, I think it is important that people understand this is a considerable reduction from the previous bill which was vetoed and the veto sustained.

Mr. MONTOYA. Let me say to the Senator from Tennessee that the figures we are using are the figures that were used in the bill last summer. We received this amendment, which was not printed, at a late hour while we were considering this bill today, and I was not able to analyze the full import of the authorization.

Mr. BROCK. With the figures that I have—and I just wanted to be sure everybody understood—the vetoed bill was for $6.1 billion. We now have a gross bill for authority to spend $3.9 billion, which is $2.2 billion less than the amount of the vetoed legislation. I just wanted to be sure people understood this is a sizable and important reduction.

Mr. MONTOYA. I hope the Senator can sell this conservative figure to the President.

Mr. BROCK. Well, we will try.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator from Virginia understands the situation accurately, after trying to follow the debate between the Senator from New Mexico and the Senator from Tennessee, the situation is this: the committee of jurisdiction brought to the Senate a bill with a potential cost of $2.5 billion. After the Senate finished adding amendments to it, the bill which the Senate will be called to vote on will be for $5.2 billion, so that it is more than double what the committee of jurisdiction recommended to the Senate.

Now, turning to the figures of the junior Senator from Tennessee, if you take the lower parameter of the committee bill of $1.1 billion, under the assumption of lower unemployment, then the cost of the bill as reported by the committee would be $1.1 billion. Then when you add the floor amendments to it, it will be approximately $4 billion; so we have multiplied the bill by 4, if we take the lower figure. In any case, we have doubled the amount of money it will cost the taxpayers.

Mr. President, I shall vote against the bill.

Mr. DOMENICI. Mr. President, will the distinguished Senator from Maine answer one question? We have had a dialog before on the local tax effort provision of this bill. As the Senator will recall, under general revenue sharing, where we defined local effort, we did not define in the legislative history that if the State collects local taxes for them, that is intended to be a local effort in this bill, as it is in the history of general revenue sharing, to the extent and within the parameters applicable here. Is that not correct?

Mr. MUSKIE. We were using revenue-sharing entitlements, so to the extent it is applicable, it would apply in the same way.

Mr. DOMENICI. I thank the Senator from Maine.

Mr. PASTORE. Mr. President, I shall make only a few short remarks regarding the vote to approve the Public Works Employment Act of 1976.

First, the programs envisioned in this bill are consistent with the congressional program of economic recovery and energy sufficiency which was formulated at the beginning of the first session of this Congress.

Second, the programs in the bill are consistent with the second concurrent resolution on the budget for fiscal year 1976 and the recently enacted resolution for fiscal year 1977. All of the programs in the bill have been included in the ceilings established under the new congressional budget process.

Mr. President, I believe that we are going to find it necessary to appropriate these funds in any case. Either we are going to authorize the funds to put people back to work constructing facilities of lasting value to the community—or we are going to find it necessary to appropriate similar sums in the form of unemployment compensation benefits and public assistance appropriations.

It is a fact that the 1977 President's budget submitted to the Congress last January included $8.5 billion for the current fiscal year to be used to shore-up

State unemployment compensation funds. In contrast, last year this figure was less than a billion dollars.

Are we going to let this trend continue? I believe it is time to look at the alternatives.

Mr. President, I suggest that the vote on this bill is not a vote on public works projects or nothing. It is really a vote on whether idle workers should be given unemployment benefits to do nothing—or whether these workers should be given the opportunity to construct facilities of lasting value to the community.

Several months ago I asked the staff to get in touch with the Congressional Office of the Budget to find out to what extent the creation of a job under the job opportunities program is offset by increased taxes and lower Federal expenditures. Here is what I found out. The net cost for creating a $7,500 job to put a Rhode Islander back to work is only $396.00. In other words, 95 percent of that $7,500 job comes back to Government in terms of increased taxes and reduced expenditures.

In addition, the construction of a facility under this Federal program means that hard-pressed State and local governments will find some relief in their own budgetary processes.

Mr. President, in the final analysis, does not it make a lot more sense to provide for the activities authorized in this bill which will provide facilities of lasting value to the community; which will reemploy idle workers; which will result in most of the funds being returned to the Government in increased taxes and savings in unemployment and welfare benefits; and which will also assist hard-pressed State and local governments to restore balance to their own budgets? Is this not a sensible and compassionate way to deal with the problems of recession and unemployment?

I hope my colleagues will answer in the affirmative and vote overwhelmingly to approve the Public Works Employment Act of 1976.

Mr. TAFT. Mr. President, I rise in opposition to the substitute which takes the same form as the vetoed conference report. I voted to sustain the President's veto of this legislation. Experience has shown that public works projects are a very ineffective and costly means of creating jobs for the unemployed. The spending under such a program would occur in late 1976 and 1977, when it would contribute to the inflationary pressures in a resurging economy. I feel that the money could be more effectively spent by encouraging private industry with tax relief and inflation control and promoting expansion of permanent jobs in the private sector, rather than by creating temporary government jobs.

I am not convinced that the expenditure of this additional Federal money in the way proposed will be an effective way of improving our economic situation. The "trigger device" for termination is attractive, however, at a 4.5 percent unemployment figure, I believe it would do more damage than help to our economy. Middle-income taxpayers are tired of paying for programs that the Congress claims will solve our problems by smothering them with Federal tax dollars. Instead of proposing jobs which will cost the Government at least $25,000 each, we should institute a comprehensive job training program which could lead to meaningful, permanent employment. Many jobs are currently unfilled because of a lack of skilled workers.

Mr. WILLIAMS. Mr. President, once again the Senate has the opportunity to take affirmative action on legislation designed to create jobs. The Public Works Committee has reported a bill which, in part, replaces the public works bill vetoed by the President. I have no doubt that a majority of my colleagues will again demonstrate their commitment to put people back to work. I am hopeful that the Senate will also recognize the need to strengthen this measure even further through the adoption of an emergency antirecession aid amendment.

S. 3201, the Public Works Employment Act of 1976, provides $2.5 billion for antirecessionary public works authorization. $2 billion would be for grants to State and local governments for public works projects. Another $375 million in additional funding is authorized through 1976 for the existing Job Opportunities program. A third section provides a $125 million increase for working capital loans to prevent loss of jobs in the private sector.

Simply stated, this bill means more jobs for unemployed Americans. It offers hope to hundreds of thousands of the unemployed. At a time when millions are seeking the opportunity to work, there exists numerous vital public projects that need to be undertaken to improve the quality of life for everyone. I know that a majority of my colleagues agree that expenditures for public works, such as road construction and repair, the construction of public buildings, parks, and transportation and recreation facilities would be much more productive than spending money on unemployment compensation.

The administration has shown that it does not care about putting people back to work, and the country is paying a terrible price for the lack of commitment on the part of the President. The national unemployment rate remains at an unacceptable 7.5 percent. The national rate among the construction industry, which is targeted for much relief in this bill, was more than double that figure in February. In some areas in my State of New Jersey, the unemployment rate for the construction trade hovers around an intolerable 40 percent. These statistics underscore the need to provide jobs quickly.

Mr. President, the jobs creating provisions in S. 3201 require urgent approval. There can be no more productive way to combat unemployment than by attacking joblessness with jobs.

I am particularly pleased to express my full support for the amendment to provide countercyclical, anti-recession aid to States and localities which have been hardest hit by economic crisis. For a great number of States and local communities, economic recovery is still many months away. This legislation would extend badly needed Federal funds to allow them to maintain vital public services.

The recession has forced many States and local governments as well to face the hard choice of reducing expenditures or raising taxes in order to maintain balanced budgets. Some have been forced to do both. These cutbacks have meant fewer public services, job layoffs, reduced tax revenues, and a continuing cycle of recession that may be almost impossible for some areas to break without the kind of emergency assistance provided under this amendment.

My home State of New Jersey has been forced to cut more than $350 million from a $3.7 billion budget that would have done little more than maintain services at their fiscal year 1975 level. Education, health and medical services, and public safety have all felt the weight of these cutbacks. Despite this budget reduction, and one of the highest tax rates in the Nation, New Jersey's State government has found it necessary to ask the legislature to enact a State income tax.

Of course, the need to maintain public services is not the only problem which this amendment addresses. The Federal Government's efforts to stimulate the economy and to encourage the process of recovery is weakened if the fiscal problems of our State and local units of government are permitted to go unrelieved. The Tax Reduction Act of 1975 and the subsequent extension of the tax cuts were among the most important tools that Congress has used to combat the recession. However, if State and local governments must increase their own taxes in order to support a minimum level of services, the beneficial effects of the tax cuts are reduced, and the Federal Government's effort to bring about full economic recovery is substantially undermined.

Under the countercyclical antirecession amendment. The Federal Government would authorize a maximum of $1.375 billion of which New Jersey would receive a sizable share. This amount would be spread over five succeeding calendar quarters to begin with the third quarter of 1976, which begins on July 1, 1976. To trigger this assistance, the average rate of national unemployment must have reached 6 percent during a previous calendar quarter. The size of payments to be received by State and local governments would depend on the amount they receive in revenue sharing funds, and the extent to which their unemployment rate exceeds the national average. Local governments could expect to receive the largest share of antirecessionary payments, as they are allocated the largest portion of revenue sharing funds.

Mr. President, the economic recovery of our country depends upon a variety of interrelated approaches. The antirecession assistance legislation before us today provides a responsible method of channeling urgently needed financial assistance to areas where recession has jeopardized the delivery of essential public services, while enhancing the overall Federal effort to provide a stable economic climate. I urge its adoption.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have not been ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Wyoming (Mr. MCGEE), the Senator from California (Mr. TUNNEY), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL), the Senator from North Carolina (Mr. MORGAN), and the Senator from Missouri (Mr. EAGLETON) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), the Senator from Wyoming (Mr. MCGEE), and the Senator from North Carolina (Mr. MORGAN) would each vote "yea".

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), the Senator from Maryland (Mr. MATHIAS), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I further announce that the Senator from Idaho (Mr. MCCLURE) is absent due to a death in the family.

On this vote, the Senator from Maryland (Mr. MATHIAS) is paired with the Senator from Nebraska (Mr. HRUSKA).

If present and voting, the Senator from Maryland would vote "aye" and the Senator from Nebraska would vote "nay."

The result was announced—yeas 54, nays 28, as follows:

[Rollcall Vote No. 150 Leg.]

YEAS—54

Bayh
Bentsen
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Durkin
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stevenson
Stone
Symington
Talmadge
Weicker
Williams

NAYS—28

Allen
Baker
Bartlett
Beall
Bellmon
Buckley
Byrd,
Harry F., Jr.
Dole
Domenici
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Laxalt
Pearson
Proxmire
Roth
Scott, Hugh
Scott,
William L.
Stennis
Stevens
Taft
Thurmond
Tower
Young

NOT VOTING—18

Abourezk
Biden
Church
Curtis
Eagleton
Fong
Hartke
Haskell
Hruska
Jackson
Mathias
McClellan
McClure
McGee
Metcalf
Morgan
Percy
Tunney

So the bill (S. 3201), as amended, was passed, as follows:

S. 3201

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Works Employment Act of 1976".

TITLE I—GENERAL PROVISIONS

SEC. 101. Title I of the Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new section at the end thereof:

"SEC. 107. (a) Upon the application of any State, political subdivision thereof, or Indian tribe, the Secretary is authorized to make grants for the purpose of increasing the Federal contribution to a public works project for which Federal financial assistance is authorized under provisions of law other than this section. Any grant made for a public works project under this subsection shall be in such amount as may be necessary to make the Federal share of the cost of such project 100 per centum. No grant shall be made for a project under this section unless the Federal financial assistance for such project authorized under provisions of law other than this section is immediately available for such project, and construction of such project has not yet been initiated because of lack of funding for the non-Federal share as of the date of enactment of this section. No part of any grant made under this subsection shall be used for the acquisition of any interest in real property.

"(b) (1) The Secretary of Commerce shall provide financial assistance to federally assisted projects authorized and for which funds have been obligated at the time of enactment of the Public Works Employment Act of 1976 which because of rapid increases in wages or cost of materials cannot be initiated and completed within the amount obligated for the project: *Provided,* That nothing in this subsection shall authorize an increase in the maximum percentage of the Federal contribution for any project for which funds have been obligated.

"(2) To be eligible for assistance under this section, the State, or political subdivision thereof, Indian tribes, public or private nonprofit group or association, or other eligible applicants to which Federal financial assistance is provided must submit an application to the Secretary setting forth information on the project, job effectiveness of the project, and the benefits to the community or region served by the project. The Secretary after reviewing the applications and with the concurrence of the agency, department, or instrumentality of the Federal Government funding the project shall provide funds for those projects which best serve the employment objectives of this section.

"(c) Upon the application of any State, political subdivision thereof, or Indian tribe, the Secretary is authorized to make grants for construction (including demolition and other site preparation activities), renovation, repair, or other improvement of local public works facilities including, but not limited to, those public works projects of State and local governments for which Federal financial assistance is authorized under provisions of law other than this Act. No part of any grant made under this subsection shall be used for the acquisition of any interest in real property. The Federal share of any project for which a grant is made under this subsection shall be 100 per centum of the cost of the project.

"(d) The Secretary shall give priority to grants made under this section where such funding will initiate construction within ninety days of application approval, and in the following order:

"(1) grants under subsection (a),

"(2) grants under subsection (b),

"(3) grants under subsection (c).

"(e) (1) Not less than one-half of 1 per centum nor more than 15 per centum of all amounts appropriated to carry out this section shall be available for public works projects within any one State, except that in the case of Guam, Virgin Islands, and American Samoa, not less than one-half of 1 per centum in the aggregate shall be available for such projects or programs under this section.

"(2) Nothing in this section shall be construed to authorize the payment of maintenance costs in connection with any project constructed (in whole or in part) with Federal financial assistance under this section.

"(f) Assistance under this section shall be provided only in areas designated by the Secretary of Labor as an area with an unemployment rate equal to or in excess of 6.5 per centum for the most recent three months or any areas designated pursuant to section 204(c) of the Comprehensive Employment and Training Act of 1973. The Secretary, if the national unemployment rate is equal to or exceed 6½ per centum for the most recent three consecutive months, shall expedite and give priority to grant applications submitted for such areas having unemployment in excess of the national average rate of unemployment for the most recent three consecutive months. Seventy per centum of the funds appropriated pursuant to this section shall be available only for grants in areas as defined in the second sentence of this subsection. If the national average unemployment rate recedes below 6½ per centum for the most recent three consecutive months, the authority of the Secretary to make grants under this section is suspended until the national average unemployment has equaled or exceeded 6½ per centum for the most recent three consecutive months.

"(g) The provisions of sections 103 and 104 of this title shall not be applicable to this section.

"(h) Grants shall be made in accordance with the rules and regulations published under section 101 of this Act, except that rules and regulations established under (1) the second sentence of section 101(d), and (2) section 101(a) (1) (C) shall not be applicable to such grants. Any necessary revision of such rules and regulations with respect to grants under this section or determination that portions of such rules and regulations do not apply to grants under this section shall be published within thirty days after the enactment of this section and any such revision shall become effective upon publication: *Provided, however,* That comments from interested parties concerning the published rules and regulations shall be subsequently received by the Secretary and considered for any necessary further revision and in the implementation of this section.

"(i) In selecting among projects to carry out the purposes of this program, the Secretary shall consider (1) the severity and duration of unemployment in proposed project areas, (2) level and extent of construction unemployment in proposed project areas, and (3) the extent to which proposed projects will contribute to the reduction of unemployment. The Secretary shall make a final determination with respect to each application for a grant submitted to him under this section not later than the sixtieth day after the date he receives such application. Failure to make such final determination within such period shall be deemed to be an approval by the Secretary of the grant requested.

"(j) Unemployment statistics shall be as determined by the Secretary of Labor in the monthly report on unemployment. Any State, political subdivisions thereof or Indian tribe, may present to the Secretary of Commerce information on the actual unemployment in the proposed project area.

"(k) There is hereby authorized to be appropriated not to exceed $2,000,000,000 to carry out this section for the period ending September 30, 1977.".

Sec. 102. (a) Section 102(c) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section and section 202, except that annual appropriations for the purpose of purchasing evidences of indebtedness, paying interest supplement to or on behalf of private entities making and participating in loans, and guaranteeing loans, shall not exceed $170,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1973, and shall not exceed $55,000,000 for the fiscal year ending June 30, 1974, and shall not exceed $75,000,000 for the fiscal year ending June 30, 1975, and shall not exceed $200,000,000 for the fiscal year ending June 30, 1976.".

(b) Section 202(a)(1) of such Act, as amended, is amended by adding after paragraph (1) the following new paragraph:

"(2) In addition to any other financial assistance under this title, the Secretary is authorized, in the case of any loan guarantee under authority of paragraph (1) of this section to pay to or on behalf of the private borrower an amount sufficient to reduce up to 4 percentage points the interest paid by such borrower on such guaranteed loans. Payments made to or on behalf of such borrower shall be made no less often than annually. No obligation shall be made by the Secretary to make any payment under this paragraph for any loan guarantee made after December 31, 1976.".

(c) Section 202(a) of such Act, as amended, is amended by renumbering existing paragraphs (2) through (10) as (3) through (11), respectively, including any references thereto.

Sec. 103. Section 1002 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the entire section and inserting the following:

"Sec. 1002. For the purpose of this title the term 'eligible area' means any area, which the Secretary of Labor designates as an area which has a rate of unemployment equal to or in excess of 6.5 per centum for the most recent three consecutive months or any area designated pursuant to section 204(c) of the Comprehensive Employment, and Training Act of 1973, with special consideration given to areas with unemployment rates above the national average.".

Sec. 104. (a) Section 1003(c) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(c) Where necessary to effectively carry out the purposes of this title, the Secretary of Commerce is authorized to assist eligible areas in making applications for grants under this title.".

(b) Section 1003(d) of such Act, as amended, is amended to read as follows:

"(d) Notwithstanding any other provisions of this title, funds allocated by the Secretary of Commerce shall be available only for a program or project which the Secretary identifies and selects pursuant to this subsection, and which can be initiated or implemented promptly and substantially completed within twelve months after allocation is made. In identifying and selecting programs and projects pursuant to this subsection, the Secretary shall (1) give priority to programs and projects which are most effective in creating and maintaining productive employment, including permanent and skilled employment measured as the amount of such direct and indirect employment generated or supported by the additional expenditures of Federal funds under this title, and (2) consider the appropriateness of the proposed activity to the number and needs of unemployed persons in the eligible area.".

(c) Section 1003(e) of such Act as amended, is amended to read as follows:

"(e) The Secretary, if the national unemployment rate is equal to or exceeds 6½ per centum for the most recent three consecutive months, shall expedite and give priority to of unemployed persons in the eligible area.". having unemployment in excess of the national average rate of unemployment for the most recent three consecutive months. Seventy per centum of the funds appropriated pursuant to this title shall be available only for grants in areas as defined in the first sentence of this subsection. If the national average unemployment rate recedes below 6½ per centum for the most recent three consecutive months, the authority of the Secretary to make grants under this title is suspended until the national average unemployment has equaled or exceeded 6½ per centum for the most recent three consecutive months. Not more than 15 per centum of all amounts appropriated to carry out this title shall be available under this title for projects or programs within any one State, except that in the case of Guam, Virgin Islands, and American Samoa, not less than one-half of 1 per centum in the aggregate shall be available for such projects or programs.".

Sec. 105. Section 1004 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"Sec. 1004. (a) Within forty-five days after enactment of the Emergency Job and Unemployment Assistance Act of 1974 or within forty-five days after any funds are appropriated to the Secretary to carry out the purposes of this title, each department, agency, or instrumentality of the Federal Government, each regional commission established by section 101 of the Appalachian Regional Development Act of 1965 or pursuant to section 502 of this Act, shall (1) complete a review of its budget, plans, and programs and including State, substate, and local development plans filed with such department, agency or commission; (2) evaluate the job creation effectiveness of programs and projects for which funds are proposed to be obligated in the calendar year and additional programs and projects (including new or revised programs and projects submitted under subsection (b)) for which funds could be obligated in such year with Federal financial assistance under this title; and (3) submit to the Secretary of Commerce recommendations for programs and projects which have the greatest potential to stimulate the creation of jobs for unemployed persons in eligible areas. Within forty-five days of the receipt of such recommendations the Secretary of Commerce shall review such recommendations, and after consultation with such department, agency instrumentality, regional commission, State, or local government make allocations of funds in accordance with section 1003 (d) of this title.

"(b) States and political subdivisions in any eligible area may, pursuant to subsection (a), submit to the appropriate department, agency, or instrumentality of the Federal Government (or regional commission) program and project applications for Federal financial assistance provided under this title.

"(c) The Secretary, in reviewing programs and projects recommended for any eligible area shall give priority to programs and projects originally sponsored by States and political subdivisions, including, but not limited to, new or revised programs and projects submitted in accordance with this section.".

Sec. 106. Section 1005 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking such section and renumbering subsequent sections accordingly.

Sec. 107. Section 1005 of the Public Works and Econome Development Act of 1965, as amended, as redesignated by this Act, is amended by striking the period and inserting the following at the end thereof: "unless this would require project grants to be made in areas which do not meet the criteria of this title.".

Sec. 108. (a) Section 1006 of the Public Works and Economic Development Act of 1965, as amended, as redesignated by this Act, is amended by inserting the following after "1975" in the first sentence: "and $375,000,000 for the fiscal year 1976 and the transition period ending September 30, 1976".

(b) Section 1006 as redesignated by this Act is further amended by striking "December 31, 1975" in the second sentence and inserting in lieu thereof "December 31, 1976".

(c) Section 1006 of the Public Works and Economic Development Act of 1965 as redesignated by this Act is amended by adding at the end thereof the following new sentence: "Funds authorized to carry out this title shall be in addition to, and not in lieu of, any amounts authorized by other provisions of law.".

Sec. 109. Section 1007 as redesignated by this Act is amended by striking "December 31, 1975" and inserting in lieu thereof "December 31, 1976".

Sec. 110. Title X of the Public Works and Economic Development Act of 1965 is further amended by adding at the end thereof the following new section:

"CONSTRUCTION COSTS

"Sec. 1008. No program or project originally approved for funds under an existing program shall be determined to be ineligible for Federal financial assistance under this title solely because of increased construction costs.".

Sec. 111. The Secretary of Commerce shall notify in a timely and uniform manner State and local governments having areas eligible for assistance under section 107 and title X of the Public Works and Economic Development Act of 1965.

Sec. 112. Authority to obligate funds appropriated under the amendments of this Act to title I and title X of the Public Works and Economic Development Act of 1965, as amended, shall be limited to $2,375,000,000 when the national unemployment rate is equal to or in excess of 9 per centum. For each quarterly decline of one-half of 1 per centum in the national unemployment rate below such level, authority to obligate funds shall be reduced by one-fourth of the funds appropriated under such amendments, not to exceed $500,000,000, for the succeeding quarter. For each quarterly increase of one-half of 1 per centum in the national unemployment rate up to 9 per centum, authority to obligate funds shall be increased by one-fourth of the funds appropriated under such amendments, not to exceed $500,000,000, for the succeeding quarter, up to the maximum authorization of $2,375,000,000.

Sec. 113. There are authorized to be appropriated not to exceed $21,000,000 to be allocated among the States (as that term is defined under the Federal Water Pollution Control Act) so as to provide each State with no less than $7,000,000 in obligational authority for fiscal year 1976 for construction grants for publicly owned treatment works, taking into account the allotments to such States previously made under section 205 of the Federal Water Pollution Control Act, as amended.

TITLE II—ANTIRECESSION PROVISIONS

FINDINGS OF FACT AND DECLARATION OF POLICY

SEC. 201. (a) FINDINGS.—The Congress finds—

(1) that State and local governments represent a significant segment of the national economy whose economic health is essential to national economic prosperity;

(2) that present national economic problems have imposed considerable hardships on State and local government budgets;

(3) that those governments, because of their own fiscal difficulties, are being forced to take budget-related actions which tend to undermine Federal Government efforts to stimulate the economy;

(4) that efforts to stimulate the economy through reductions in Federal Government tax obligations are weakened when State and local governments are forced to increase taxes;

(5) that the net effect of Federal Government efforts to reduce unemployment through public service jobs is substantially limited if State and local governments use federally financed public service employees to replace regular employees that they have been forced to lay off.

(6) that efforts to stimulate the construction industry and reduce unemployment are substantially undermined when State and local governments are forced to cancel or delay the construction of essential capital projects; and

(7) that efforts by the Federal Government to stimulate the economic recovery will be substantially enhanced by a program of emergency Federal Government assistance to State and local governments to help prevent those governments from taking budget-related actions which undermine that Federal Government efforts to stimulate economic recovery.

FINANCIAL ASSISTANCE AUTHORIZED

SEC. 202. (a) PAYMENTS TO STATE AND LOCAL GOVERNMENTS.—The Secretary of the Treasury (hereafter in this title referred to as the "Secretary") shall, in accordance with the provisions of this title, make payments to States and to local governments to coordinate budget-related actions by such governments with Federal Government efforts to stimulate economic recovery.

(b) AUTHORIZATION OF APPROPRIATIONS.—Subject to the provisions of subsections (c) and (d), there are authorized to be appropriated for each of the five succeeding calendar quarters (beginning with the calendar quarter which begins on July 1, 1976) for the purpose of payments under this title—

(1) $125,000,000 plus

(2) $12,500,000 multiplied by the number of one-tenth percentage points by which the rate of seasonally adjusted national unemployment for the most recent calendar quarter which ended three months before the beginning of such calendar quarter exceeded 6 percent.

(c) AGGREGATE AUTHORIZATION.—In no case shall the aggregate amount authorized to be appropriated under the provisions of subsection (b) for the five calendar quarters beginning with the calendar quarter which begins July 1, 1976, exceed $1,375,000,000.

(d) TERMINATION.—No amount is authorized to be appropriated under the provisions of subsection (b) for any calendar quarter if—

(1) the average rate of national unemployment during the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 6 percent, and

(2) the rate of national unemployment for the last month of the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 6 percent.

ALLOCATION

SEC. 203. (a) RESERVATIONS.—

(1) ELIGIBLE STATES.—The Secretary shall reserve one-third of the amounts appropriated pursuant to authorization under section 202 for each calendar quarter for the purpose of making payments to eligible State governments under subsection (b).

(2) ELIGIBLE UNITS OF LOCAL GOVERNMENT.—The Secretary shall reserve two-thirds of such amounts for the purpose of making payments to eligible units of local government under subsection (c).

(b) STATE ALLOCATION.—

(1) IN GENERAL.—The Secretary shall allocate from amounts reserved under subsection (a)(1) an amount for the purpose of making payments to each State equal to the total amount reserved under subsection (a)(1) for the calendar quarter multiplied by the applicable State percentage.

(2) APPLICABLE STATE PERCENTAGE.—For purposes of this subsection, the applicable State percentage is equal to the quotient resulting from the division of the product of—

(A) the State excess unemployment percentage, multiplied by

(B) the State revenue sharing amount by the sum of such products for all the States.

(3) DEFINITIONS.—For the purposes of this section—

(A) the term "State" means each State of the United States;

(B) the State excess unemployment percentage is equal to the difference resulting from the subtraction of 4.5 percentage points from the State unemployment rate for that State but shall not be less than zero;

(C) the State unemployment rate is equal to the rate of unemployment in the State during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary; and

(D) the State revenue sharing amount is the amount determined under section 107 of the State and Local Fiscal Assistance Act of 1972 for the one-year period beginning on July 1, 1975.

(c) LOCAL GOVERNMENT ALLOCATION.—

(1) IN GENERAL.—The Secretary shall allocate from amounts reserved under subsection (a)(2) an amount for the purpose of making payments to each local government, subject to the provisions of paragraphs (3) and (5), equal to the total amount reserved under such subsection for calendar quarter multiplied by the local government percentage.

(2) LOCAL GOVERNMENT PERCENTAGE.—For purposes of this subsection, the local government percentage is equal to the quotient resulting from the division of the product of—

(A) The local excess unemployment percentage, multiplied by

(B) The local revenue sharing amount, by the sum of such products for all local governments.

(3) SPECIAL RULE.—

(A) For purposes of paragraph (1) and (2), all local governments within the jurisdiction of a State other than identifiable local governments shall be treated as though they were one local government.

(B) The Secretary shall set aside from the amount allocated under paragraph (1) of this subsection for all local government within the jurisdiction of a State which are treated as though they are one local government under subparagraph (A) an amount determined under subparagraph (C) for the purpose of making payments to each local government, other than identifiable local governments within the jurisdiction of such State.

(C) The amount set aside for the purpose of making payments to each local government other than an identifiable local government, within the jurisdiction of a State under subparagraph (B) shall be—

(i) equal to the total amount allocated under paragraph (1) of this subsection for all local governments within the jurisdiction of such State which are treated as though they are one local government under subparagraph (A) multiplied by the local government percentage as defined in paragraph (2) (determined without regard to the parenthetical phrases at the end of paragraphs (4), (B), and (C) of this subsection), unless

(ii) such State submits, within thirty days, after the effective date of this title, an allocation plan which has been approved by the State legislature and which meets the requirements set forth in section 206(a), and is approved by the Secretary under the provisions of section 206(b). In the event that a State legislature is not scheduled to meet in regular session within three months after the effective date of this title, the Governor of such State shall be authorized to submit an alternative plan which meets the requirements set forth in section 206(a), and is approved by the secretary under the provisions of section 206(b).

(D) If local unemployment rate data (as defined in paragraph (4)(B) of this subsection without regard to the parenthetical phrase at the end of such definition) for a local government jurisdiction is unavailable to the Secretary for purposes of determining the amount to be set aside for such government under subparagraph (C) then the Secretary shall determine such amount under subparagraph (C) by using the local unemployment rate determined under the parenthetical phrase of subsection (4)(B) for all local governments in such State treated as one jurisdiction under paragraph (A) of this subsection unless better unemployment rate data, certified by the Secretary of Labor, is available.

(4) DEFINITIONS.—For purposes of this subsection—

(A) the local excess unemployment percentage is equal to the difference resulting from the subtraction of 4.5 percentage points from the local unemployment rate, but shall not be less than zero;

(B) the local unemployment rate is equal to the rate of unemployment in the jurisdiction of the local government during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary (in the case of local governments treated as one local government under paragraph (3)(A), the local unemployment rate shall be the unemployment rate of the State adjusted by excluding consideration of unemployment and of the labor force within identifiable local governments, other than county governments, within the jurisdiction of that State);

(C) the local revenue sharing amount is the amount determined under section 108 of the State and Local Fiscal Assistance Act of 1972 for the one year period beginning on July 1, 1975 (and in the case of local governments treated as one local government under paragraph (3)(A), the local revenue sharing amount shall be the sum of the local revenue sharing amounts of all eligible local governments within the State, adjusted by excluding an amount equal to the sum of the local revenue sharing amounts of identifiable local governments within the jurisdiction of that State);

(D) the term "identifiable local government" means a unit of general local government for which the Secretary of Labor has made a determination concerning the rate of unemployment for purposes of title II or title VI of the Comprehensive Employment and Training Act of 1973 during the current or preceding fiscal year; and

(E) the term "local government" means

the government of a county, municipality, township, or other unit of government below the State which—

(i) is a unit of general government (determined on the basis of the same principles as are used by the Social and Economic Statistics Administration for general statistical purposes), and

(ii) performs substantial governmental functions. Such term includes the District of Columbia and also includes the recognized governing body of an Indian tribe of Alaskan Native village which performs substantial governmental functions. Such term does not include the government of a township area unless such government performs substantial governmental functions.

For the purpose of paragraph (4)(D), the Secretary of Labor shall, notwithstanding any other provision of law, continue to make determinations with respect to the rate of unemployment for the purposes of such title VI.

(5) Special limitation.—If the amount which would be allocated to any unit of local government under this subsection is less than $100, then no amount shall be allocated for such unit of local government under this subsection.

USES OF PAYMENTS

Sec. 204. Each State and local government shall use payments made under this title for the maintenance of basic services customarily provided to persons in that State or in the area under the jurisdiction of that local government, as the case may be. State and local governments may not use emergency support grants made under this title for the acquisition of supplies and materials and for construction unless such supplies and materials or construction are to maintain basic services.

STATEMENT OF ASSURANCES

Sec. 205. Each State and unit of local government may receive payments under this title only upon filing with the Secretary, at such time and in such manner as the Secretary prescribes by rule, a statement of assurances. Such rules shall be prescribed by the Secretary not later than ninety days after the effective date of this title. The Secretary may not require any State or local government to file more than one such statement during each fiscal year. Each such statement shall contain—

(1) an assurance that payments made under this title to the State or local government will be used for the maintenance to the extent practical, of levels of public employment and of basic services customarily provided to persons in that State or in the area under the jurisdiction of that unit of local government which is consistent with the provisions of section 204;

(2) an assurance that the State or unit of local government will—

(A) use fiscal, accounting, and audit procedures which conform to guidelines established therefor by the Secretary (after consultation with the Comptroller General of the United States), and

(B) provide to the Secretary (and to the Comptroller General of the United States), on reasonable notice, access to, and the right to examine, such books, documents, papers, or records as the Secretary may reasonably require for purposes of reviewing compliance with this title;

(3) an assurance that reasonable reports will be furnished to the Secretary in such form and containing such information as the Secretary may reasonably require to carry out the purposes of this title and that such report shall be published in a newspaper of general circulation in the jurisdiction of such government unless the cost of such publication is excessive in relation to the amount of the payments received by such government under this title or other means of publicizing such report is more appropriate, in which case such report shall be publicized pursuant to rules prescribed by the Secretary;

(4) an assurance that the requirements of section 206 will be complied with;

(5) an assurance that the requirements of section 207 will be complied with;

(6) an assurance that the requirements of section 208 will be complied with;

(7) an assurance that the State or unit of local government will expend any payment it receives under this title before the end of the 6-calendar-month period which begins on the day after the date on which such State or local government receives such payment; and

(8) an assurance that the State or unit of local government will spend amounts received under this title only in accordance with the laws and procedures applicable to the expenditure of its own revenues.

OPTIONAL ALLOCATION PLANS

Sec. 206. (a) State Allocation Plans for Purposes of Section 203(c)(3).—A State may file an allocation plan with the Secretary for purposes of section 203(c)(3)(C)(ii) at such time, in such manner, and containing such information as the Secretary may require by rule. Such rules shall be provided by the Secretary not later than sixty days of the effective date of this title. Such allocation plan shall meet the following requirements:

(1) the criteria for allocation of amounts among the local governments within the State shall be consistent with the allocation formula for local governments under section 203(c)(2);

(2) the plan shall use—

(A) the best available unemployment rate data for such government if such data is determined in a manner which is substantially consistent with the manner in which local unemployment rate data is determined, or

(B) if no consistent unemployment rate data is available, the local unemployment rate data for the smallest unit of identifiable local government in the jurisdiction of which such government is located,

(3) the allocation criteria must be specified in the plan, and

(4) the plan must be developed after consultation with appropriate officials of local governments within the State other than identifiable local governments.

(b) Approval.—The Secretary shall approve any allocation plan that meets the requirements of subsection (b) within thirty days after he receives such allocation plan, and shall not finally disapprove, in whole or in part, any allocation plan for payments under this title without first affording the State or local governments involved reasonable notice and an opportunity for a hearing.

NONDISCRIMINATION

Sec. 207. (a) In General.—No person in the United States shall, on the grounds of race, religion, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

(b) Authority of the Secretary.—Whenever the Secretary determines that a State government or unit of local government has failed to comply with subsection (a) or an applicable regulation, he shall, within ten days, notify the Governor of the State (or, in the case of a unit of local government, the Governor of the State in which such unit is located, and the chief elected official of the Unit) of the noncompliance. If within thirty days of the notification compliance is not achieved, the Secretary shall within ten days thereafter—

(1) exercise all the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000e),

(2) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(3) take such other action as may be provided by law.

(c) Enforcement.—Upon his determination of discrimination under subsection (b), the Secretary shall have the full authority to withhold or temporarily suspend any payment under this title, or otherwise exercise any authority contained in title VI of the Civil Rights Act of 1964, to assure compliance with the requirement of nondiscrimination in federally assisted programs funded, in whole or in part, under this title.

(d) Applicability of Certain Civil Rights Acts.—

(1) Any party who is injured or deprived within the meaning of section 1979 of the Revised Statues (42 U.S.C. 1983) or of section 1980 of the Revised Statutes (42 U.S.C. 1985) by any person, or two or more persons in the case of such section 1980, in connection with the administration of a payment under this title may bring a civil action under such section 1979 or 1980, as applicable, subject to the terms and conditions of those sections.

(2) Any person who is aggrieved by an unlawful employment practice within the meaning of title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) by any employer in connection with the administration of a payment under this title may bring a civil action under section 706(f)(1) of such Act (42 U.S.C. 2000e–5(f)(1)) subject to the terms and conditions of such title.

LABOR STANDARDS

Sec. 207. All laborers and mechanics employed by contractors on all construction projects funded in whole or in part by payments under this title shall be paid wages at rates not less than those prevailing on similar projects in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a to 276a–5). The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1960 (15 C.F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

SPECIAL REPORTS

Sec. 208. Each State and unit of local government which receives a payment under the provisions of this title shall report to the Secretary any increase or decrease in any tax which it imposes and any substantial reduction in the number of individuals it employs or in services which such State or local government provides. Each State which receives a payment under the provisions of this title shall report to the Secretary any decrease in the amount of financial assistance which the State provides to the units of local governments during the twelve-month period which ends on the last day of the calendar quarter immediately preceding the date of enactment of this title, together with an explanation of the reasons for such decrease. Such reports shall be made as soon as it is practical and, in any case, not more than six months after the date on which the decision to impose such tax increase or decrease, such reductions in employment or services, or such decrease in State financial assistance is made public.

PAYMENTS

Sec. 209. (a) In General.—From the amount allocated for State and local governments under section 203, the Secretary shall pay not later than five days after the beginning of each quarter to each State and to each local government which has filed a statement of assurances under section 205, an amount equal to the amount allocated to such State or local government under section 203.

(b) Adjustments.—Payments under this title may be made with necessary adjustments on account of overpayments or underpayments.

(c) Termination.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if—

(1) the average rate of unemployment within the jurisdiction of such State or local government during the most recent calendar quarter which ended three months before the beginning of such calendar quarter was less than 4.5 percent, and

(2) the rate of unemployment within the jurisdiction of such government for the last month of the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 4.5 percent.

STATE AND LOCAL GOVERNMENT ECONOMIZATION

Sec. 210. Each State or unit of local government which receives payments under this title shall provide assurances in writing to the Secretary, at such time and in such manner and form as the Secretary may prescribe by rule, that it has made substantial economies in its operations and that payments under this title are necessary to maintain essential services without weakening Federal Government efforts to stimulate the economy through reductions in Federal tax obligations.

WITHHOLDING

Sec. 211. Whenever the Secretary, after affording reasonable notice and an opportunity for a hearing to any State or unit of local government, finds that there has been a failure to comply substantially with any assurance set forth in the statement of assurances of that State or units of local government filed under section 205, the Secretary shall notify that State or unit of local government that further payments will not be made under this title until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made under this title.

REPORTS

Sec. 212. The Secretary shall report to the Congress as soon as is practical after the end of each calender quarter during which payments are made under the provisions of this title. Such report shall include information on the amounts paid to each State and units of local government and a description of any action which the Secretary has taken under the provisions of section 211 during the previous calender quarter. The Secretary shall report to Congress as soon as is practical after the end of each calendar year during which payments are made under the provisions of this title. Such reports shall include detailed information on the amounts paid to State and units of local government under the provisions of this title, any actions with which the Secretary has taken under the provisions of section 211, and an evaluation of the purposes to which amounts paid under this title were put by State and units of local government and economic impact of such expenditures during the previous calendar year.

ADMINISTRATION

Sec. 213 (a) Rules.—The Secretary is authorized to prescribe after consultation with the Secretary of Labor, such rules as may be necessary for the purpose of carrying out his functions under this title. Such rules should be prescribed by the Secretary not later than ninety days of the effective date of this title.

(b) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary for the administration of this title.

PROGRAM STUDIES AND RECOMMENDATIONS

Sec. 214 (a) Evaluation.—The Comptroller General of the United States shall conduct an investigation of the impact which emergency support grants have on the operations of State and local governments and on the national economy. Before and during the course of such investigation the Comptroller General shall consult with and coordinate his activities with the Congressional Budget Office and the Advisory Commission on Intergovernmental Relations. The Comptroller General shall report the results of such investigation to the Congress within one year after the date of enactment of this title together with an evaluation of the macroeconomic effect of the program established under this title and any recommendations for improving the effectiveness of similar programs. All officers and employees of the United States shall make available all information, reports, data, and any other material necessary to carry out the provisions of this subsection to the Comptroller General upon a reasonable request.

(b) Countercyclical Study.—The Congressional Budget Office and the Advisory Commission on Intergovernmental Relations shall conduct a study to determine the most effective means by which the Federal Government can stabilize the national economy during period of rapid economic growth and high inflation through programs directed toward State and local governments. Such study shall include a comparison of the effectiveness of alternative factors for triggering and measuring the extent of the fiscal coordination problem addressed by this program, and the effect of the recession on State and local expenditures. Before and during the course of such study, the Congressional Budget Office and the Advisory Commission shall consult with and coordinate their activities with the Comptroller General of the United States. The Congressional Budget Office and the Advisory Commission shall report the results of such study to Congress within two years after the date of enactment of this title. Such study shall include the opinions of the Comptroller General with respect to such study.

TITLE III—FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS

Sec. 301 (a) There is authorized to be appropriated to carry out title II of the Federal Water Pollution Control Act, other than sections 206, 208, and 209, for the fiscal year ending September 30, 1977, not to exceed $1,417,968,050 which sum (subject to such amounts as are provided in appropriation Acts) shall be allotted to each State listed in column 1 of table IV contained in House Public Works and Transportation Committee Print numbered 94–25 in accordance with the percentages provided for such State (if any) in column 5 of such table. The sum authorized by this section shall be in addition to, and not in lieu of, any funds otherwise authorized to carry out such title during such fiscal year. Any sums allotted to a State under this section shall be available until expended.

(b) The Administrator of the Environmental Protection Agency shall, within forty-five days from the date of enactment of this section, report to Congress his recommendations for a formula or formulas to be used to allot equitably and allocate new funds authorized to carry out title II of the Federal Water Pollution Control Act.

Mr. MONTOYA. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 3201.

The PRESIDING OFFICER (Mr. Bellmon). Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NO HAPPY BIRTHDAY FOR THOMAS JEFFERSON

Mr. HARRY F. BYRD, JR. Mr. President, today is the 233d anniversary of the birth of Thomas Jefferson. A ceremony was held this morning at the Jefferson Memorial. The President of the United States made an excellent 8-minute address, drawing heavily on Thomas Jefferson's first inaugural address in 1801, 175 years ago.

Today, too, the Government began to reissue $2 bills. It has been some years since the Treasury printed two-dollar bills, not since 1963. The new $2 bills carry the likeness of Thomas Jefferson, and they were issued today for the first time as a tribute to Mr. Jefferson. On the back of the $2 bill is a picture of the signing of the Declaration of Independence 200 years ago, 1776.

Mr. President, on Jefferson's birthday, I could not help but recall a passage from his inaugural address of 1801. I am quoting now from President Jefferson:

> A wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement and shall not take from the mouth of labor the bread it has earned.

"A wise and frugal government." I leave it to the Nation to judge the wisdom of the Government, but there can be no doubt how far we have strayed from frugality in Government. It is somewhat inappropriate, I think, that the Senate yesterday, so close to the birthday of Thomas Jefferson, who believed in frugality in Government, passed a budget resolution calling for expenditures for the upcoming fiscal year of $412 billion and a deficit of $50 billion. This new budget and this new deficit come on the heels of a $76 billion deficit in the present fiscal year. For the 7-year period from 1971 through fiscal 1977, of the total national debt, 45 percent will have been created in those 7 years. The Senate resolution approved yesterday put the "appropriate" debt at $711 at the end of the next fiscal year.

Mr. President, standing on the steps of the Jefferson Memorial this morning and looking directly toward the monument to another great Virginian, George Washington, brought to mind that one Virginian, Washington, is on the $1 bills and, beginning today, the other Virginian, Jefferson, will be on the $2 bills. If the Government does not do something about this inflation, I am afraid that my fellow Virginian, George Washington, is going to be an extinct species, because the need for Thomas Jefferson's $2 bills will exceed the need for George Washington's $1 bill.

On Thomas Jefferson's birthday, there is another statement of Jefferson's that comes often to my mind these days. In a letter written 13 years after he had left the Presidency, Jefferson wrote:

> When all government, domestic and foreign, in little as in great things, shall be drawn to Washington as the center of all power, it will render powerless the checks provided of one government on another.

Now the first thing that strikes me about those words of Jefferson's is their farsightedness. Indeed, they were prophetic.

Power was not, in Jefferson's day, "drawn to Washington."

Our first Presidents were leaders of a nation truly diverse in character.

State and local governments vigorously asserted their autonomy.

The country lacked the transportation and communications network which, even as it draws us together today, also creates opportunities for exploitation of power and pressures for conformity.

Frankly, I am not much of a conformist.

In the early days of the Republic, no President—indeed, not the whole Federal Government—could present any real threat to individual liberty or the rights of the States.

Yet Jefferson foresaw the consequences of future concentration of power.

He articulated a belief—and it is central to our whole history—that power concentrated, sooner or later, becomes power abused.

We are witnessing today the results of too long a neglect of Jefferson's wisdom.

In recent years, the Government in Washington has spun a giant web of regulation that reaches aspects of every business and industry and the lives of all our citizens.

The Federal Register, the journal of new Federal regulations and legal notices, published over 50,000 pages last year.

In April of 1971, a new law took effect regulating many practices in industry. On the effective date, more than 20,000 standards and rules were established.

With regulation this extensive, it is next to impossible to keep track of what the law is—let alone comply with it.

Clearly this process has gone too far.

I believe that the American people are sick and tired of excessive regulation by big government.

They want to return to the "wise and frugal government" envisioned by Jefferson—and they are letting the officials in Washington know what they want.

Yes, we must return to the principles of Jefferson and the other leaders of our early years as a nation.

The people must have a greater voice in Government, and Government must have a lesser role in the lives of the people.

Let us affirm our faith in individual liberty—the faith which created our country.

I believe this can be done.

To return once more to the words of Jefferson, let us recall that he said:

> We are always equal to what we undertake with resolution. . . . It is a part of the American character to consider nothing as desperate; to surmount every difficulty by resolution and contrivance.

I am pleased today to pay tribute to Thomas Jefferson and I am pleased to read to the Congress of the United States those wise words of Thomas Jefferson, who feared centralized power and who called for frugality in Government. Until we begin to heed, until Congress begins to heed, until the executive branch begins to heed the words of Thomas Jefferson and bring some frugality into Government, I submit that the working people of our Nation are going to pay the price through more and more taxes and more and more inflation.

I have an article from the Richmond Times Dispatch of Sunday, April 11. There is an Associated Press feature written by John Barbour. What this excellent article does is examine what has happened to the middle economic group in our country.

It points out that "paying for a government whose regulations and programs pervade the fabric of the Nation's life is costly, and the burden falls on the middle class because, as one economist puts it, that is where the money is."

So the more that Congress throws around the American tax dollars, the more it hits the middle-income group, the people who work and save, the people who are laboring day after day to try to take care of their families.

Those in the middle economic bracket are the ones who are being hit the hardest by the squandering of the tax dollars by Congress and by the executive branch of Government. As Mr. Barbour's article points out, it is shallow to say, well, let us tax the wealthy more and then we shall not have to worry about Government expenditures or deficits. But the fact is that if Congress were to confiscate all income over $100,000, the additional revenue gained would be less than $1 billion. It would run the Government not much more than a day.

In fact, if Congress were to put a 100-percent tax on all income over $25,000; namely, confiscated all income over $25,000, the additional revenue gained would run the Government for less than 2 weeks.

So it is the middle economic group, it is the wage earner who is paying the cost, as inevitably it must be, because that is, as this article points out, where the numbers are and where the collective money is in large quantity.

I deplore the reckless spending of the tax funds of the American people. Spending by the Federal Government is totally out of control.

I ask unanimous consent that this article captioned "Middle Class Having Doubts About Great American Dream" be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Middle Class Feels "Deprived of Their Just Rewards for Having Invested in the System"—Middle Class Having Doubts About Great American Dream

(By John Barbour)

(Note.—For the first time since World War II, the American middle class finds its progress slowed, or halted. What will they do? "They'll adjust their expectations downward," says a sociologist. "They won't go up the mobility ladder into larger houses. The kids may live with them longer. . . .")

The American middle class, arrayed in the 42 per cent of the taxpayers who shell out 54 per cent of the taxes, comes into this election year with a grudge against government and a sense of being short-changed.

They've obeyed the rules, struggling up the ladder in the traditional American way, only to see their life styles eroded by inflation, soaring taxes and recession. Indeed, for these Americans the double bits of inflation and recession grew worse as their incomes rose.

Paying for a government whose regulations and programs pervade the fabric of the nation's life is costly, and the burden falls on the middle class because, as one economist puts it, "That's where the money is."

Populist cries to the contrary, the burden will remain there. There just aren't enough rich to soak. Two-tenths of one per cent of the tax returns filed in 1973 reported incomes of $100,000 or more. Of those, 622 paid no tax. But even if that "tax-free income" were taxed at 50 per cent, the Internal Revenue Service says, it would yield only $66.5 million, or three per cent of the tax bill paid by those in the $10,000 to $15,000 bracket.

Studies show that a man who made $15,000 in 1966 needed $25,700 just to stay even with taxes and inflation by 1975. The taxpayer who made $20,000 in 1966 needed $36,000 to keep pace nine years later.

Its numbers swollen by the economic expansion of two decades, the middle class of the mid '70s is frustrated by the present, uneasy about the future, turning down its thermostats and scaling down its expectations, its traditional confidence and optimism yielding to widespread distrust of government and business.

Not only did the middle-class earner have to contend with rising prices, but as his salary advanced to meet those costs, more of it went for taxes. A Tax Foundation study shows that a man making $30,000 in 1966 would need $56,700 by 1975 to maintain the same purchasing power. His federal taxes would have tripled, his state and local taxes more than quadrupled.

In a new study, statistician Edward Steinberg of the Bureau of Economic Analysis applied the cost of living rise to actual gains in income as indicated by Social Security contributions for 1969 and 1973.

He found that the more a person earned in 1969, the smaller the chance that his income could keep up with inflation. And the older he was in 1969, the less likely his income kept up with prices.

Of the 30-year-olds making $15,000 or more in 1969, 48 per cent just managed to keep up with inflation or fell behind. Of 50-year-olds in the same 1969 pay range, more than half had merely kept pace or fell behind.

"A lot of these people have the impression that they've been double-crossed," according to sociologist Louis Masotti of Northwestern University, who has studied middle-class trends and attitudes. "They followed all the precepts of the good American life. They worked hard, they did all the things they were supposed to do, and none of the rewards they expected seem to be coming down."

So it is that a growing percentage of these better-educated, nose-to-the-grindstone Americans—whose taxes pay for much of the nation's social and foreign largesse, whose dreams of better homes and better schools built the suburbs, whose investments in better living have long buoyed the economy—now find themselves captives of those dreams and investments, and a blur of distant causes and effects beyond their control.

In absolute terms, the middle class has greatly expanded the generation following World War II. The median income has risen steadily and is now near $13,000.

By 1970, 57 per cent of American families made $12,000 or more. Almost 30 per cent made between $15,000 and $20,000. And from Americans in the broader range of $10,000 to $35,000 comes three-quarters of the nation's consumer expenditures.

When they feel bad, the nation feels bad. And today, said sociologist Masotti, "They are feeling they have been deprived of their just rewards for having invested in the system—and they may very well take it out on the system."

The genesis of the middle-class discontent is that they are achievers, and in recent years they feel they have failed to achieve.

One professional who lives in Washington's suburban Fairfax County summed it up for himself: "What's better off? We lived from paycheck to paycheck five years ago, we live from paycheck to paycheck now. So the paycheck's bigger. Broke at the end of the week is broke at the end of the week. We can't do any more now than we did five years ago . . ."

Certainly the middle class is irritated by the pervasiveness of government in their lives, and some of the presidential candidates are echoing that theme.

Last October, the University of Michigan's Survey Research Center found that only five per cent of Americans thought government was doing a good job on economic policy, a figure that is very nearly a statistical zero.

In another poll last year the research center found that 42 per cent of Americans felt they were worse off than a year before and 32 per cent considered themselves worse off than five years before.

"The middle class feels it is under terrific pressure," said the center's Jay Schmiedeskamp, dean of economic attitude surveyors. "This is in sharp contrast to the explosive spread of affluence in the Sixties. I'm talking about the people who were coming to have a lot of money to spend on second cars, second houses, boats.

"The lower-income people are clearly hurt worse than the middle," says Schmiedeskamp. "But that's not to say that the middle-income people are not hurt and yelling and mad. . . ."

Of course, the recession has hit everyone. But for the suburban homeowner making between $15,000 and $20,000, with his home upkeep, his taxes, his utility bills, his installment debt, his car or cars, there are many more fixed expenses, more places for the money to go.

That suburban family with two young children in school, based on hypothetical budgets composed by the Bureau of Labor Statistics for 1971 and 1974, faced these grim facts: housing up $1,000, food up $1,200, transportation up $300, taxes and Social Security up $1,200, miscellaneous items up $900.

Thus this hypothetical middle-class homeowner needed salary increases totaling some $4,600 in four years just to hold his own.

For young people seeking to follow the middle-class path, the obstacles to home ownership seem all but insurmountable—high mortgage interest rates, high taxes, high maintenance costs and most especially high prices.

The median price of an existing home sold in October 1966 was $18,290. In October 1975, it was $35,380. New home prices have gone up almost 50 per cent in the last 10 years, and builders are now talking about "no frills" homes to cut costs.

That home, representing much of the middle-class life savings, ironically shuts the door on middle-class families seeking financial aid when it comes time to send their offspring to college. The program of federal aid applies primarily to the poor. Anyone with a large equity in a home, savings, or other investments need not apply, under federal formula.

The car too. It helped create the suburbs, where many middle-class families now own two autos. Indispensable to suburban life where there's little public transportation, the car has now turned albatross. In 1967, federal figures show, it cost 11 cents a mile to drive a standard sedan. By 1974, it was up to 16 cents and climbing with rising gasoline and insurance costs.

Eighty-nine per cent of suburbanites own at least one car. As the Denver teacher's wife says, "Without it, I couldn't take the kids to piano lessons, Cub Scouts, or even get to work." For the Los Angeles city employe who drives 50 miles a day to and from work two cars are needed. Even for his wife at home. "It's two miles to the nearest market."

More even than private home and car, education characterizes the middle-class standards. "Education . . . has been and is the hallmark of the American middle class. Going way back into our history, the notion of the 'educated man' has been almost synonymous with the middle class," wrote Ben J. Wattenburg, demographer and census expert.

Today, there are signs of growing middle-class discontent over rising taxes and what some sense as a declining quality of education.

Schools claim about 45 cents of every property tax dollar and about the same bite of every dollar in state and federal aid to local communities.

In past years, school bond issues had a 60 per cent chance of approval nationwide. But by 1974, the taxpaying public had turned around. Of $3.6 billion offered for approval that year, the voters passed only $1.6 billion, or 45 per cent. In 1975, of $2.2 billion offered, they approved only $912 million, or little more than 40 per cent.

Lou Harris and other public opinion polls meantime have shown that while 70 to 80 per cent of parents are satisfied with teacher performance, many are unhappy with school discipline. Curricula and drifts away from basic are frequent points of dispute.

A national study sponsored by the Ford foundation last year found fewer parents giving their schools an "A" rating than the year before, 13 per cent against 18 per cent. More alarming to poll analysts, among young adults, 18–29, the evaluation was even harsher, six per cent, while only nine per cent of college-educated offered the "A" mark.

What does the middle class do?

Barring another great period of economic expansion, "one choice is to adapt," says sociologist Masotti. "That's the normal American response. You make do with less and muddle through . . . They'll adjust their expectations downward. They won't go up the mobility ladder into larger houses. The kids may live with them longer . . .

"On the other hand, the variety of governments offer opportunities to express discontent. Through elections. Particularly referendum elections. That isn't as evident in the East or Midwest as it is on the West Coast, where most anything is decided by submitting it to the public for a vote. And those people turn things down left and right.

"Government is going to have to think small, because they're not going to give it the money to think big."

Mr. HARRY F. BYRD, JR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 30 minutes with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 3055

Mr. ROBERT C. BYRD. Mr. President, I understand that this request has been cleared on the other side of the aisle. I ask unanimous consent that at such time as S. 3055, a bill to provide for U.S. standards and a national inspection system for grain, and for other purposes, is called up and made the pending business before the Senate there be a time limitation on that bill of 3 hours to be equally divided between Mr. Humphrey and Mr. Dole; that there be a time limitation on any debatable motion, appeal or amendment of 1 hour to be equally divided between Mr. Humphrey and the mover of the amendment; and that there be a time limitation on any point of order of 20 minutes, if such is submitted to the Senate for discussion; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That on Monday, April 26, 1976, at the hour of 1:00 p.m., the Senate proceed to the consideration of S. 3055 (Order No. 713), a bill to provide for United States standards and a national inspection system for grain, and for other purposes, and that debate on any amendment, debatable motion, or appeal shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the Senator from Minnesota (Mr. Humphrey) and the Senator from Kansas (Mr. Dole): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ORDER VITIATING RECOGNITION OF SENATOR PROXMIRE ON WEDNESDAY, APRIL 14, 1976

Mr. ROBERT C. BYRD. Mr. President, earlier today I requested and received consent for a 15-minute order for Mr. Proxmire on tomorrow. I was mistaken as to the date Mr. Proxmire wanted that order for and I, therefore, ask that that order be vitiated, and I will find out later as to when he wants it restored.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONSIDER S. 3055 AT 1 P.M. MONDAY, APRIL 26, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the return of the Senate, following the recess, at 1 p.m. on Monday, April 26, the Senate proceed to the consideration of S. 3055, a bill to provide for U.S. standards and a national inspection system for grain.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR PROXMIRE ON APRIL 26, 1976; AND FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, April 26, after the two leaders or their designees have been recognized under the standing order, Mr. Proxmire be recognized for not to exceed 15 minutes; that there then be a period for the transaction of routine morning business not to exceed beyond the hour of 1 p.m., with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask the Chair to lay before the Senate two nominations.

TREASURY DEPARTMENT

The second assistant legislative clerk read the nominations of Robert A. Gerard, of the District of Columbia, to be an Assistant Secretary of the Treasury, and Jerry Thomas, of Florida, to be Under Secretary of the Treasury; both of which had been reported earlier today.

The PRESIDING OFFICER. The nominations are considered and are confirmed.

Mr. LONG. Mr. President, I know of no objection whatever to these nominations. However, I will not move to reconsider so that in the event that someone should read the Record, not knowing that the nominations would be considered, then I would have no objection to reconsidering on tomorrow in the event that someone might find that he was unaware of the fact that the nominations were going to be called up today.

But, as I say, we on the Finance Committee approved these nominations unanimously, and we are not aware of any opposition whatever.

LEGISLATIVE SESSION

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL-AID HIGHWAY ACT OF 1976—CONFERENCE REPORT

Mr. BENTSEN. Mr. President, I submit a report of the committee of conference on H.R. 8235, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The Legislative Clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8235) to authorize appropriations for the construction of certain highways in accordance wth title 23 of the United States Code, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the Record of April 7, 1976, beginning at page 9846).

Mr. BENTSEN. Mr. President, I am pleased to bring this conference report to the Senate today. Following passage of this major highway bill last December, House and Senate conferees sat down in February for a series of meetings over 2 months. The discussions were at times difficult and highly detailed, but they were generally cordial and frank.

Let me say before my brief summary of this bill that the Senate conferees performed with great distinction. Attendance was high, and there was a substantial knowledge among the conferees about the fine points of the bill. Our chairman, Senator Randolph, contributed his broad experience with the highway program and his uncanny ability to get both sides to work together when the bargaining became difficult; Senator Stafford, the ranking minority member on the subcommittee, gave a conscientious and thorough appraisal of the legislation as it affected the Members on the Republican side; Senator Baker provided guidance and insight into complicated problems posed by the thorniest issues; Senators Gravel, McClure, Burdick, Domenici, Buckley, and Culver all contributed substantially to the final bill.

When we went into this highway conference, the Senate conferees had three broad objectives: first, was to preserve a degree of consolidation in Federal highway programs to simplify a Federal aid program which had become cumbersome and confusing; second, was to alter the apportionment date of highway funds to bring the highway program more in line with the congressional budget process; third, was to settle on a prudent level of highway funding that would allow the program to proceed while taking cognizance of our budgetary problems.

Mr. President, I believe the Senate conferees essentially achieved all of these objectives.

We maintained the very significant consolidation of the primary highway program by folding into it the former categories of priority primary highways and urban extensions. The primary, therefore, is a true statewide system of major roads, with the principal decision on selection of routes and projects lying at the State level.

We succeeded in consolidating the old Federal aid safer roads demonstration program, for safety improvements on off-system highways, with the formerly separate off-system road program.

We maintained the Senate position on eliminating, after 2 years, the urban high density program.

We combined the two safety programs of high hazard locations and roadside obstacles into a single category.

All of these efforts point the way to more responsive highway programs, which the States can administer with a greater degree of efficiency. Although we did not retain some of the other consolidation features originally in the Senate bill, I believe we have set in motion a change in policy direction, which will insure that future highway bills will move toward positive reorganization.

Our second objective was to bring the highway funding process in line with the beginning of the fiscal year and to enable the congressional Budget Committees to make rational decisions about highway funding levels. Under current law, both interstate and noninterstate highway funds are apportioned to the States on or before the fiscal year for which they are authorized. In other Federal programs, the fiscal year funding begins on October 1, the first day of the fiscal year. It is this standardization that allows for rational consideration of the Federal Budget, and makes it possible for the new congressional budget process to work.

The bill as it emerged from the House would have essentially retained the advanced funding for highway programs, and would have made it very difficult for Congress to include highway spending in any debate over prospective spending priorities, primarily because funding for the highway program would have already been advanced to the States prior to the start of the budget consideration process.

The conference agreement preserves the essence of the Senate bill. Funds for Federal aid systems other than the interstate will be apportioned on the first day of the fiscal year. Interstate funds will be apportioned on the October 1 of the year preceding the fiscal year for which they are authorized. The Secretary is to advise each State at least 90 days in advance of the fiscal year of the amount of the sums it can expect on the apportionment day for noninterstate funds; for interstate funds, notice will be 90 days before the apportionment. In this way, we preserve some advance indication to the States of the amount of funds they will be receiving. The end result once the initial adjustments are made, will be a more orderly process of highway planning and funding.

In the interim period, up until the new beginning of the fiscal year on October 1, the conferees provided some $1.65 billion in transition funds, to be apportioned among the States 60 percent on the basis of the old primary formula, 40 percent on the basis of population. These figures which are as equitable as the conferees can make them, allow a State to spend its share of those funds on any program it desires except interstate, althrough States receiving less than one-half of 1 percent of their interstate allotment can spend their share on interstates if they so choose.

Our third objective was to aim for a prudent level of total spending. Earlier this year, the Public Works Committee submitted its request to the Budget Committee, calling for some $7.2 billion in trust fund spending and an additional $695 million in nontrust fund spending. In conference, however, we were dealing with a House highway bill that envisioned total spending of around $8.8 billion a year, compared to the $7.3 billion a year in the Senate version.

The final conference agreement places the bill at a level of approximately $7.8 billion, which is almost a billion dollars a year under the House bill and well within the total budget level of $7.9 billion set by the Public Works Committee earlier this year. This exercise of fiscal responsibility is particularly heartening to those of us who have been counseling restraint in spending for this program at this time. It should be clear that the levels in the final bill will allow for a vigorous highway program; it should be equally clear that they do not allow for everything some of the advocates of this program, including myself, would like to be done. It is a realistic middle ground, and it is a program level we can live with.

I should stress that it is extremely urgent that we pass this bill at once without a protracted wrangling with the administration over funding levels. The highway funding situation in the States is critical: Some 20 States are nearly out of primary and secondary highway funds.

Our primary task must be to put people to work without further delay. This bill accomplishes that purpose. It is also well to note that projected income into the trust fund for the next year is only about $7.3 billion, so that even if we were to authorize much larger sums of money, as the House bill originally did, there is a strong chance we would not have the trust fund revenues to cover the authorizations.

The final bill is a measurable improvement over administration requests. In fact, the administration asked for only about $7.1 billion a year in combined trust fund and general fund expenditures for this program. We considered that request completely unrealistic, and the final conference bill arrived at a figure some $700 million a year over that request.

I believe, Mr. President, that this is a generous bill, but one which is within the levels we have set for ourselves in the Congress.

Considering the importance of having this bill signed expeditiously, I believe we have reached an excellent agreement.

There are other items in this conference agreement that bear noting. The conferees have, for the first time, set aside a specific fund for rehabilitating our Interstate System. Many of our Interstate Highways are a dozen or more years old, and the cost of repair and reconstruction is significant. In the new bill, $175 million is set aside on a formula basis, to be apportioned to the States based on the number of lane miles of interstate within the State which has been completed for at least 5 years.

The conferees also made adjustments in the clauses allowing a State to transfer funds from one major Federal aid program to another. In the conference agreement, a State may transfer between the new expanded primary system and the secondary system up to 40 percent of the funds in either category; it may also transfer between the primary and the urban system up to 20 percent of its apportionment.

The Senate conferees, with some reluctance, accepted the four railroad demonstration projects in the House bill; however, the Federal share of those projects will only be 70 percent, compared to the 95- to 100-percent Federal share that has been in effect in the past. I believe all the conferees on both sides agree, within the limits of their power, that individual projects for rail relocation will have to be terminated. Otherwise, we put the Congress in the difficult position of choosing between literally hundreds of specific projects to determine who will receive the available funds. In the future, it is to be hoped that cities with individual projects will utilize the separate categories of funding for rail/highway crossings both on and off the Federal aid system, that were retained in the final bill.

Finally, the conferees included the Senate provision for a National Transportation Commission, which will determine the transportation needs of the country and of the resources available to meet those needs. In its work, the conferees intend that the Commission develop some alternative strategies for the future financing of highways and all forms of transportation and to determine whether present policies concerning trust fund financing are sound and, if they are not, how they should be altered.

I am proud of this highway bill and of the collective job done by Senators, House Members, and staff to bring it to completion. Many of our States are in severe financial difficulty on their highway programs, and it is our hope that the President will sign the measure as rapidly as possible and that money can begin flowing to the States within a very short time.

Let me also commend Senate staff for their counsel and advice on this measure and let me cite in particular Barry Meyer, Bailey Guard, Ron Katz, Kathy Cudlipp, Dick Harris, Ric Fenton, and John Yago for skillful and tireless service.

I yield now to the distinguished Senator from Vermont (Mr. STAFFORD), the ranking minority member of the committee.

Mr. STAFFORD. Mr. President, I thank the distinguished Senator from Texas for yielding.

Mr. President, the conference report on H.R. 8235, the Federal-Aid Highway Act of 1976, represents the fruit of nine sessions between conferees from the Senate and House of Representatives.

There were major differences between the bills taken to conference:

The House bill authorized nearly $20 billion for the 2-fiscal-year period, 1977 and 1978, and the 1976 transition quarter. The Senate total was approximately $16.3 billion.

The House version established additional categories of programs while the Senate bill consolidated several existing programs.

The Senate bill revised the timetable for distributing highway funds to the States to achieve conformity with the congressional budget process. The House bill made no similar change.

In addition to these substantial differences there were many smaller variations which had to be reconciled. This Senator is satisfied that the final product your Senate conferees bring before you today is a fair and reasonable compromise.

Final funding for the life of the bill totals $17.6 billion. Of this amount $16.5 billion is out of the Highway Trust Fund. The figures are closer to Senate than to House levels and represent a realistic estimate of revenues in the Trust Fund through its termination date in 1979.

The Senate prevailed on one important consolidation of three existing categories, but the House position was retained on four new programs not contained in the Senate bill.

The conferees adopted the Senate provisions changing the apportionment date for Federal-aid funds but delayed the effect of the change until fiscal year 1978. This delay is intended to give States time to accommodate their schedules to the change.

The conference report incorporates several desirable provisions which were similar in both House and Senate bills:

States and cities are allowed to use funds from withdrawn segments of the Interstate for highway as well as transit projects. This increases the likelihood that Interstate segments neither wanted nor needed by a community or the country will not be built.

The bill insures that States may use Federal-aid funds to carry out needed resurfacing and restoration of existing roads. This provision will permit expenditure of Federal funds on projects promising greatest benefits in safety and increased capacity.

For all the constructive changes made by the bill, I believe that the conferees would agree we have much work to do before the next highway bill. To lay some groundwork for issues to be addressed at that time, the conference report calls for a number of studies:

One directs the Secretary of Transportation to explore alternative ways to finance completion of the Interstate System, including bonding authority, and to examine the Federal interest in maintaining the System once it is finished.

Another provision requires the Secretary to examine the host of problems associated with planning and carrying out Federal-aid highway programs in urban areas.

Other studies will assess the impacts on roads of transporting resources related to energy production and the Federal role in coping with these problems.

Although the House and Senate took somewhat different approaches to modifying safety programs, the general intent was the same.

The conference report reflects the view that changes are needed in the so-called 402 program, that is, the State safety grant program. The bill requires the Secretary to study existing standards and recommend changes to Congress. During the course of the study, which is due July 1, 1977, the Secretary may withhold no safety funds from any State for failure to implement current standards.

With respect to highway safety construction, some minor but useful consolidation of programs is achieved. In particular, the safer roads demonstration program has been merged with the off-system roads category. The new safer off-system road program is intended to provide Federal assistance for non-Federal-aid highways, especially to increase safety on these roads.

As the statement of manager states, it is intended that safer off-system road funds be used primarily for low-cost improvements with high safety benefits. Except in unusual circumstances, it is not expected that these limited funds will be used for expensive construction on new alinements.

The conference report contains several provisions dealing with highway beautification. The main purpose of these provisions is to encourage States to find alternatives to billboards as a means of providing information to travelers.

The conferees recognized that alternatives may be slow to develop. In the meantime there may be areas which are heavily dependent on tourist or motorist business and which need to retain signs to avoid economic hardship. The conference report permits States to identify such areas and ask the Secretary to approve retention to otherwise illegal signs there. Judgments of economic hardship are to be made with respect to entire areas and not just to individual businesses.

Mr. President, one of the last issues to be resolved by the conferees is related to the minimum one-half percent Interstate apportionment to each States. Both the House and Senate bills provided for such a minimum but the provisions were quite different.

The House permitted the minimum amount to be distributed only to States which could use the money to construct Interstate mileage. Adoption of this provision would have meant that four States—Alaska, Delaware, Nebraska, and North Dakota—would not have received the one-half percent for fiscal years 1977 and 1978.

The Senate bill called for the minimum apportionment to all States for 1977 and 1978, regardless of the status of Interstate construction in each State.

The conference agreement provides that no additional 1977 Interstate funds will be apportioned to States which received less than one-half percent of funds distributed on December 23, 1975. This means that six States in addition to the four I mentioned earlier will not receive additional funds which might have been expected this year.

When Interstate funds for fiscal year 1978 are apportioned this October, however, every State will receive at least one-half percent of the total. The same will be true for fiscal year 1979 Interstate funds, to be apportioned October 1, 1977.

Suspension of the guaranteed one-half percent this year may inconvenience some States. My own State is one that would have received additional funds had the provision been included for the 1977 apportionment. I am satisfied, however, that the conference compromise is a reasonable one, given the difference between the House and Senate bills.

Finally, I would like to note that the conference report retains the Senate provision extending availability of rural public transportation demonstration funds. I believe making more funds available over the next 1 or 2 years will increase the likelihood that this program will produce useful prototypes for rural public transportation services.

Mr. President, the Senate conferees worked steadily and conscientiously to see that important Senate initiatives were incorporated in the final bill. The chairman of the Senate conferees, the able Senator from Texas (Mr. BENTSEN), was elected chairman of the conference. In that position he maintained a sense of direction and progress. He firmly advocated Senate positions but demonstrated a willingness to make necessary compromises. He is to be commended for his leadership in producing a good bill.

The ranking minority member of the Senate Public Works Committee (Mr. BAKER), contributed his usual incisive analysis of issues and helped work out some of the more difficult compromises. His presence was particularly salutary in the closing sessions.

The chairman of the full committee (Mr. RANDOLPH) was, as always, an invaluable source of ideas for reaching agreement and settling differences.

The other Senate conferees were diligent in their attention and persistent in their efforts to produce a good bill. Our counterparts from the other body also worked conscientiously and creatively to find acceptable agreements.

I urge my colleagues in the Senate to support the conference report.

Mr. President, in very great brevity, I say that I believe this is a good and responsible bill that we have been able to reach with the House in conference. It is incorporated in the conference report that is back in front of us.

It has been, as always, a real pleasure and great satisfaction to me to work with the distinguished Senator from Texas (Mr. BENTSEN), the chairman of the Subcommittee on Transportation of the Committee on Public Works, and with the chairman of the full committee, the distinguished Senator from West Virginia (Mr. RANDOLPH), and with the ranking minority member of the committee, the Senator from Tennessee (Mr. BAKER), as well.

I repeat, I think we have achieved a result in this conference report that will be good for the Nation, good for our States, and that we can take some satisfaction from having successfully brought to conclusion.

I thank the distinguished Senator from Texas for yielding.

Mr. BENTSEN. I thank the distinguished Senator.

I yield to the chaiman of the full committee, the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, this conference report brought to the Senate by the chairman of the Transportation Subcommittee of the Committee on Public Works of the Senate, the Senator from Texas (Mr. BENTSEN), is a result of very careful work within the conference committee. The conferees representing both the Senate and the House actively participated in many meetings in a desire to bring forth a balanced bill so that it could be placed through a joint effort on the desk of the President of the United States.

We have every reason to believe he will

look with favor upon this measure and will sign it into law.

Our conference activities were time consuming and deliberate. The House and Senate versions of the act contained provisions extending and refining a program which has affected the lives of most Americans for the past 60 years. Different stances in the Senate and House on major issues such as category consolidation, date of apportionment, and overall funding levels contributed to the difficulty in reaching agreements. I believe, however, that the members of the conference committee have resolved these issues in a manner that will benefit the transportation program in the United States.

In this Bicentennial Year, it is significant to recall that the Federal-aid highway program is the oldest grant-and-aid activity of the Federal Government. In its first 40 years, the highway program was directed at taking the country out of the mud. With passage of the Federal-Aid Highway Act of 1921, the Congress mandated the shaping of a national system of Federal and State roads—180,000 miles—to make the benefits derived from improved transportation available to all Americans. For the last 20 years we have been involved in the largest single transportation construction project in the history of the world—the Interstate Highway System. Through the years we have endeavored to modify the Federal-aid program to make it responsive to the needs of the Nation. This conference report continues this process.

Eighty-eight percent of the Interstate System is now open to traffic in terms of miles; however, because of inflation, approximately 37.8 percent of the total cost of the system remains to be obligated Interstate funding levels in the act for fiscal years 1977 and 1978 of $3.5 and $3.55 billion respectively will begin to offset some of the frustrations which have arisen in our efforts to complete the System.

Included in the interstate authorizations for the first time, are earmarked amounts of $175 million per year for reconstruction and upgrading of portions of the system now needing repair due to age of the roadway in certain sections of the country. The bill also directs the States to use at least 30 percent of their 1978 and 1979 interstate apportionments to complete those sections of the system within their boundaries essential to national connectivity. A minimum of one-half percent of the interstate apportionment will continue to be available to those States having already completed their portion of the system, in fiscal years 1978 and 1979.

A goal established by the committee early in its consideration of highway legislation was consolidation of the categories in the Federal highway program. As it exists in current law, the Federal aid program consists of more than 34 separate categories, each 1 with separate administrative and legal requirements. The continued increase in the number of categories and associated delays due to administrative regulations have contributed to a marked slowdown in State transportation construction programs. The Senate version of the bill moved to reorganize the major highway systems categories, making them more functional.

The final agreement, by Senate and House conferees adopted a more gradual approach dealing with the primary system, and to a lesser degree with certain safety categories. Primary and priority highways and extensions of the primary system into urban areas will now be administered as one program, as will the previously separate safety categories to eliminate roadside obstacles and high hazard locations.

Another difficult issue faced by the conferees was conforming the Federal-aid highway program to the new fiscal year calendar. As Members are aware, in 1974, we adopted legislation changing the commencement of each new fiscal year from July 1, to October 1, starting in fiscal year 1977. In adjusting the highway program to these new procedures, we have attempted to minimize any adverse effects on the States ongoing construction programs with their unique, regional construction problems, including weather.

The conferees agreed to authorize $1.650 billion to use on Federal-aid projects during the transition quarter starting July 1. To give States adequate time to adjust their planning and programing of projects to the new Federal budget format, fiscal year 1977 noninterstate funds for fiscal year 1978 will be made available on July 1 of this year. Noninterstate funds for fiscal year 1978 will be available on October 1, 1977. Beginning with fiscal year 1977, all interstate funds will be apportioned and available 1 year in advance of the year for which they are authorized.

When I addressed the Senate on December 11, 1975, asking that Members act favorably on the Senate bill, I stressed that the Federal-Aid Highway Act of 1975 would be interim legislation. This was done with a defined purpose—to permit Congress to examine, develop, and rethink the posture it wishes to take toward the highway program in the coming years. We must ask ourselves the questions, "What kind of Federal-aid program should we have in this country after the Interstate System is completed?" "What will be the interactive role of the Federal, State, and local governments?" "How shall we fund such a program?"

It will certainly be different from the program of today, but this does not or will not mean that highway needs will no longer exist. It simply means the nature of the need will shift from creating the basic network to providing the management capability and mobility needed for social and economic development. Federal involvement will always remain in those areas where there is a clear national interest.

With respect to financing, we must look at Federal-aid highway programs in terms of need rather than solely as a matter of method. The conference report before the Senate includes a mandate to the Secretary of Transportation to study alternative methods of finance to accelerate completion of the Interstate System. At present funding levels and a modest rate of inflation, completion of the system will not be achieved before 1990 and conceivably could extend into the next century. Among the alternatives to be explored in the study will be the approach in S. 2576, which Senators STONE and CHILES of Florida and I introduced last October 28. This measure proposes financing the remaining interstate construction by using Federal funds to retire bonds issued by States wishing to accelerate their interstate projects. I believe the bonding proposal to be a sound one.

Mr. President, those portions of the highway beautification program concerning the control of outdoor advertising continue to be controversial. Since enactment of the Highway Beautification Act of 1965, we have devoted considerable time and effort to make this activity fair and equitable as well as effective in regulating advertising along our roadways.

The conference committee considering H.R. 8235 again had before it proposals to revise the outdoor advertising programs. We debated these proposals and their ramifications at length. The resulting provisions, I believe, will enable us to continue the progress that has been achieved over the past 11 years. The Senate conferees felt that provisions of the House bill in this area were not consistent with the overall goals and objectives of the program in that additional signs would have been permitted in controlled areas.

The conferees recognized, however, that there are instances in which real hardship can result from sign removal. Therefore, the conference report provides that the Secretary of Transportation can approve State requests to permit the retention of certain legally erected signs in specific areas if their removal would work a substantial economic hardship in a defined area. This provision will ease the adverse impact that, for instance, would leave a small businessman who is dependent on the motoring public without any means of directing that public to his establishment.

The conference report also modifies other provisions of the outdoor advertising program. An important change allows States to provide a variety of information services at safety rest areas and by other methods to help compensate for the removal of signboards. This is a major step forward and I believe will facilitate the continued orderly removal of outdoor advertising where required.

Mr. President, as with any law, proper interpretation and enforcement of the Highway Beautification Act is essential to its success. In past years, there have been differences of opinion as to interpretation of portions of the act by the Department of Transportation. A particular problem area concerns the requirement that just compensation be paid for lawfully erected signs which are removed. On January 29, I wrote to Transportation Secretary, William T. Coleman, Jr., expressing my concern about reports that efforts are being made to secure the removal of signs through procedures which would not result in that payment of just compensation. I hope that the Department will carefully examine the law and record of legislative intent in this area so that statute can be enforced in a fair and equitable manner.

This control of outdoor advertising has a widespread and substantial effect on many businesses. We must assure not only that advertisers have the means of placing their message before the public but we must make certain that outdoor advertising companies are not victimized. Most outdoor advertising firms are small, often family owned, enterprises. We must, therefore, insist on a program that is geared, both in the law and in its interpretation, to protecting the legitimate interests of small business.

These are some of the major questions the members of the conference had to resolve before reaching final agreement on March 19. At the same time, there were other important matters that were discussed and acted on in our meetings.

Provision was made for the Department of Transportation to study energy-impacted roads. We have been made aware that more attention must be given to the development of new domestic energy sources. Yet, some of the best alternatives to oil—primarily coal—are moved from their point of origin to points of dispersion on roads which are literally falling apart. On May 26 of this year the Subcommittee on Transportation will hold a hearing to explore this problem. We hope that the study and the hearings will provide us with information we can use to remedy this situation.

Since enactment of the bridge replacement program in 1970, substantial progress has been made in identifying bridge problems throughout the country. Many States have been assisted in replacing inadequate and unsafe bridges but thousands or deficient structures remain on primary, secondary, and local road systems. Although the conference committee was well aware of the need for fiscal restraint in overall funding, we agreed to increase the authorization for bridge replacement from $125 million to $180 million for fiscal years 1977 and 1978.

Another critical issue to States with large rural populations is providing public transportation services in rural areas and small towns. A little over $9.65 million has been appropriated of a total of $65 million authorized for the Rural Public Transportation Demonstration included in the 1973 Highway Act. The legislation does not provide more money for the program, but restates our commitment to providing good public transportation in rural as well as urban areas by extending the period of availability of the authorized funds through fiscal year 1978. Many sparsely populated areas of our country, of which the State of West Virginia is one, need this type of program.

Again, Mr. President, this was a productive conference. Much counseling and creative thought were required by conferees. Major contributions came from Senator Lloyd Bentsen who not only serves as chairman of our Subcommittee on Transportation, but also served as the chairman of the conference committee. Participation by the ranking minority member of the committee, Senator Baker, was a great help both at the subcommittee and full committee levels. His concern for better transportation was demonstrated by that participation.

The responsible completion of this complex bill could not have taken place without the attendance and contributions of other conferees. The participation of Senators Gravel, Muskie, Burdick, and Culver was essential in bringing the conference to a successful conclusion. Valuable insights on key issues were gained from Senators Stafford, Buckley, Domenici, and McClure. All conferees were faithful in their attention to this legislation and their actions reflected the importance attached to its resolution.

Representative Jones, chairman of the House Public Works and Transportation Committee, displayed reason and fairness on the issues before the conference. Representative Howard, who presided over the House conferees, and Representatives Wright, Johnson, McCormack, Stanton, Breaux, Harsha, Cleveland, and Shuster were diligent in their duties and approached them with a tenacity of purpose that helped us to succeed.

A final word, Mr. President, Bob Jones, as we know, is retiring from service in the House of Representatives this year. He will not be with us in the future as the chairman of the Public Works Committee of the House. This may be, in a sense, one of his final conferences with the Senate from the standpoint of participating in the matters that come before the respective Public Works Committees.

I think Bob Jones has given very substantial assistance to the public works programs of the United States and to the efforts we have continued to make for an effective transportation system, including highways of benefit, not only to the State of Alabama, but to all the States of the Nation.

Mr. President, this conference report embodies a sound, realistic, and workable extension of an important Federal activity. I urge its acceptance by the Senate.

Mr. BAKER. Mr. President, the conference report on H.R. 8235, the Federal-Aid Highway Act of 1976, is a good compromise of House and Senate bills. We recognize it as a compromise because neither side is completely satisfied with the result. Taken as a whole, however, it is a good bill which sets responsible funding levels over the next 2 years, achieves some useful consolidation of programs, and conforms the Federal highway financing schedule to the congressional budget process.

It is not necessary for me to list the major provisions of the bill. I would like to point out, however, that several important Senate initiatives are retained in the final product:

The bill establishes responsible funding levels, judged both in relation to revenues in the highway trust fund and to overall Federal spending. The 2-year total of $17.6 billion is closer to the Senate figure of $16.3 billion than to the House level of $20 billion.

The Federal funding schedule for highways has been brought into conformity with the congressional budget process and other Federal spending programs. This needed reconciliation was urged both by the administration and members of the Senate Budget Committee. It should import an added element of fiscal responsibility into decisions on Federal highway funding.

There is a useful consolidation of primary system programs which will give States more discretion in deciding on which Federal-aid projects funds should be spent.

Funds available as a result of withdrawals of interstate segments by States and cities under the bill may be spent for highway as well as mass transit projects. This provision should make easier the decision to abandon proposed Interstate routes which are no longer needed or desired.

States are permitted to use Federal-aid funds to restore existing roads to useful condition. This will permit States to undertake projects to improve highway safety and capacity at minimal costs.

Funds apportioned to complete new interstate routes may not be used to rehabilitate existing interstate segments. A separate apportionment is, however, provided for that purpose.

In addition to these major items, I would like to call attention to a few specific minor provisions and make some observations on their genesis.

Ogden Nash is quote as saying:

> I think that I shall never see
> A billboard lovely as a tree.
> Indeed, unless the billboards fall
> I'll never see a tree at all.

The conferees spent considerable time discussing amendments to the Highway Beautification Act of 1965. The House bill contained several provisions which Senate conferees believed would either halt the removal of billboards or permit new billboard-like signs to be erected.

Conferees on both sides, however, recognized two facts:

The traveling public needs some information about basic motorist and tourist services; and

Some tourist-oriented areas may need to retain billboards until information about services and attractions are available from other sources.

The conferees wrestled with these issues. We finally decided to encourage States to provide alternative information systems by allowing Federal dollars to be used for alternatives.

We also added a new provision to assist those areas in a State which may suffer severe economic hardship if all existing signs are required to be removed. This would permit States to define these areas and ask the Secretary of Transportation to permit retention of billboards which would otherwise be illegal. The measure is intended to relieve adverse economic impacts throughout an area. It is not designed to provide relief to individual businesses which claim possible economic detriment as a result of sign removal.

I believe that with these additions to highway beautification legislation, sufficient means are available to States to protect traveler and commercial interests while providing a view of the trees. I would urge States to take advantage of permissible alternatives to billboards to insure provision of adequate information.

Section 132 of the conference report is captioned "Highways Crossing Federal Projects." The provision is written in general terms. It applies to construction or reconstruction of highways or highway bridges across any Federal public works projects where there has been a substantial change in the requirements and costs of the highway or bridge since authorization of the project.

The provision appeared originally in the House bill. The House report states that it is intended to apply to water resource development projects, especially Corps of Engineer navigation projects, authorized before it became Federal policy to include the cost of new or reconstructed bridges as part of the Federal responsibility.

During the course of the conference it became clear that the $100 million authorized by this section was intended to replace existing bridges over the Tennessee-Tombigbee Waterway project in Mississippi and Alabama. There are 14 such bridges; replacement costs are estimated at $220 million.

Finally, the conference report contains a provision which amends existing law dealing with carpool programs. One element of the change permits States to use Federal-aid primary and urban system funds to purchase vehicles for vanpool or carpool programs.

This provision is primarily intended to allow a State to establish a revolving fund from which private businesses may borrow to purchase vehicles for employee ride-sharing programs. A few large businesses have, on their own, instituted such programs. Fares paid by employees in these cases have been sufficient to support the service, including amortization of vehicle costs. Some smaller businesses have been deterred from starting similar programs because of the initial cost of purchasing vehicles.

The conferees believe that the amended carpool provision will encourage more employers to offer ride-sharing programs which will become self-sustaining. It is my understanding that the conferees meant for a State to require repayment of vehicle costs from every private employer who takes advantage of this program, in any event.

Mr. President, both Senate and House conferees have acted responsibly and conscientiously in resolving the many differences between the two bodies. The able Senator from Texas (Mr. BENTSEN) did an admirable job as chairman of the conference. He earned the trust and respect of conferees on the part of both Houses.

My distinguished colleague from Vermont, the ranking minority member of the Transportation Subcommittee (Mr. STAFFORD) ably presented Senate positions while helping arrive at acceptable compromises.

The chairman of our full committee, the dean of good highway legislation (Mr. RANDOLPH), gave his unstinting attention and valuable suggestions which smoothed the way for final agreement.

Our colleagues from the House, Mr. HOWARD and Mr. HARSHA, impressed us with their knowledge of the issues and steadfast pursuit of an acceptable compromise.

This bill insures continuation of a successful highway program for 2 more years, during which a comprehensive congressional review of all surface transportation should be undertaken. I hope this will happen, and I encourage all Senators to support the Federal-Aid Highway Act of 1976.

Mr. HUDDLESTON. Mr. President, first let me offer my congratulations and thanks to the members of the conference committee for the outstanding work they have done in bringing the measure before us today for consideration. The authorizations provided for in the bill will be welcomed by transportation officials across the land.

I am particularly pleased that the conferees saw fit to retain my amendment to the Senate bill which calls for a 1-year study by the Secretary of Transportation, in consultation with appropriate Federal and State officials, of the need for special Federal assistance in constructing and reconstructing highways needed for transporting coal or other uses in order to promote solution of the Nation's energy problems.

As I pointed out in the statement supporting my original amendment, needed attention to this situation has been sorely lacking to date. Nowhere is there any information on the degree to which increased energy supply production will impact on the Nation's highway system. Unless data can be collected now on the extent of the problem and alternatives suggested for consideration during development of a long-range, comprehensive highway program in the next Congress, we may find ourselves standing with critical energy supplies locked in place due to inadequate transportation systems.

There are two things I would like to point out concerning the undertaking of the called for study. One, I want it clearly indicated that the Secretary shall, in his effort, make close contact with appropriate State transportation and energy officials.

In Kentucky, for example, much work along the lines of the study has already been done by the Governor and the Department of Transportation. Input from these officials is in my view an absolute necessity.

Second, I wish to express my hope that the study, although focusing on the Federal-aid highway system, will not be strictly limited to this system. County and State maintained roads often constitute a significant portion of the feeder system for the transportation of coal from place of origin to its ultimate destination. I believe attention to the problems of these systems should be rendered when possible.

Again, my thanks to the conference committee for the outstanding work they have done on this matter of such great concern to all our citizens.

Mr. STEVENSON. Mr. President, section 145 of the conference report, relating to the extension of the period for repayment of the deferred State matching shares, amends section 2 of Public Law 94-30 to permit States to repay the Federal Government over a 3-year period, with the first 20 percent of the amount due by January 1, 1977, the next 30 percent by January 1, 1978, and the final 50 percent by January 1, 1979.

Am I correct in understanding that the increased Federal share made pursuant to Public Law 94-30 will continue to be paid by the Federal Government until the completion date of a particular project or until January 1, 1979, whichever date comes earlier?

Further, is it the intent of the legislation that when the repayments are made they will be credited to the apportionment category from which the increased Federal share was obligated?

Mr. BENTSEN. The answer to the second question is "Yes." The answer to the first is that as long as a commitment was made prior to the cutoff date of Public Law 94-30 to pay the full 100 percent, reimbursement at that level should continue on specific projects. However, Illinois still has the obligation to repay to the Federal Government, by January 1, 1977, 20 percent of the funds it borrowed in gross pursuant to Public Law 94-30. It is also the obligation of the State to meet the repayment dates on the subsequent two January 1 dates mentioned in this 1976 Highway Act and to pay the proper percentage of its repayment in each instance.

Mr. STEVENSON. Section 122(b)(o) amends section 131 of title 23, United States Code, by adding that the Secretary of Transportation may approve the request of a State to permit retention in specific areas of directional signs providing information about goods and services.

Do I understand correctly that a State may, if it so chooses, elect not to permit such signs?

Mr. BENTSEN. Yes, definitely. A State may choose not to permit such signs.

Mr. KENNEDY. Mr. President, the conference report on the 1975 Federal-Aid Highway Act is the product of long and arduous work on the Senate conferees who should be commended for their efforts.

As Senator BENTSEN noted when we first debated the bill last year, it is an interim measure, designed to allow the highway program to continue while we once again reexamine our Nation's transportation policy. It is my hope that we will be able to resolve the many difficult policy questions we face and revise our Nation's transportation policy in the next Congress to better reflect our national transportation needs.

I am pleased the conferees accepted the basic provisions of my amendment dealing with the interstate transfer section.

It will remove various impediments that the Department of Transportation regulations placed in the way of the functioning of the transfer mechanism.

It will provide additional flexibility to urban areas in the use of substitute money to meet their transportation needs in a total urban planning context.

It will allow the cost of substitute projects to be increased to keep pace with inflation. And, the city of Boston, as Congress originally intended, will not be penalized by any repayment requirement for using the transfer option which Congress enacted 3 years ago.

Briefly, I would like to say that I am pleased that several policies that Senator WEICKER and I proposed in the legislation we introduced in March of 1975 (S. 1300) are contained, albeit in modified form, in this legislation.

Although the Highway Act is an interim one, several important changes, ones I believe to be of enormous benefit to the citizens of Massachusetts and the Nation, are contained in the bill.

Among them are provisions that would, for the first time, allow Federal money to be used to maintain existing roads. These provisions will allow States to upgrade existing unsafe highways, and contribute to the safety of the motoring public. In the past, the lack of such funds for maintenance and resurfacing, far too often put the States in a financial bind and forced them to build new roads while older ones continued to deteriorate.

The Senate conferees also managed to retain part of the program consolidation contained in the original Senate bill. Primary, priority primary, and extensions of primary roads into urban areas are all now one authorized program. It is my belief that such consolidation will afford administrative efficiency and provide the public with an easier understanding of where their Federal highway money is going.

I also would like to note that the Senate conferees retained the provision for the establishment of a national Commission on Transportation Policy whose purpose is to examine the entire range of transportation problems we currently face.

The mandate includes not only questions surrounding the continuation of our current transportation funding mechanisms, but also questions surrounding the regulation of transportation by the Interstate Commerce Commission and the Civil Aeronautics Board. I am sure that the Members of the Senate who will be appointed to this Commission will do a thorough job, and would hope that the Commission will be able to make its recommendations on these difficult questions before we are once again faced with extending the highway trust fund. Further, I would hope that the President, when appointing the seven public members of this Commission, will choose from a broad range of people and include some whose interests do not lie with the industries involved, including transportation consumers, environmentalists, safety groups, and both urban and rural development experts.

I note that the Senate conferees adopted a House provision which amends the parkland protection statute to provide for a study of roads to move traffic through and around our national parks. It is stated here that this section is not meant to affect the so-called 4(f) clause. This means that the Secretary will still have to make the decision that there is no feasible and prudent alternative to a route using parkland before he authorizes that route.

Mr. RANDOLPH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. RES. 426

Mr. RANDOLPH. Mr. President, I ask unanimous consent for the immediate consideration of Senate Resolution 426, reported earlier today from the Committee on Budget.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

> A Resolution (S. Res. 426) waiving section 303(a) of the Congressional Budget Act of 1974 with respect to consideration of the conference report to accompany H.R. 8235, the Federal-Aid Highway Act of 1976.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. RANDOLPH. Mr. President, I wish only to say that it is my understanding by adopting this resolution the Senate will have the opportunity to act on the conference report on H.R. 8235. For that reason, I wish to express appreciation to the chairman of the Committee on the Budget (Mr. MUSKIE) for his efforts in connection with the waiver. I also wish to thank the ranking minority member of the Committee on the Budget (Mr. BELLMON) for his assistance in bringing this waiver resolution before the Senate. The Senate in approving Senate Resolution 426 will allow the Senate to proceed with the timely consideration of the conference report on H.R. 8235, the Federal-Aid Highway Act of 1976.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 426) was considered and agreed to, as follows:

> *Resolved,* That, pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of the conference report to accompany H.R. 8235, the Federal-Aid Highway Act of 1976. Such waiver is necessary for the Senate to complete action on legislation which provides spending authority for the Federal-aid highway program, the transition quarter, and fiscal years 1977 and 1978. The total new spending authority provided for this period by the conference report is $3,800,000,000, only $200,000,000 more than was provided by the original Senate bill, S. 2711. This new spending authority is sufficient to allow the States to continue highway development at reasonable levels, and is consistent with projected revenues to the Highway Trust Fund.

The PRESIDING OFFICER. The question recurs on agreeing to the conference report.

The report was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, has an order been entered for Senator SYMINGTON only for tomorrow?

The PRESIDING OFFICER. There is such an order.

Mr. ROBERT C. BYRD. And has an order been entered for the transaction of routine morning business tomorrow?

The PRESIDING OFFICER. There has been such an order entered.

Mr. ROBERT C. BYRD. For what length of time?

The PRESIDING OFFICER. Until the hour of 1 p.m.

Mr. ROBERT C. BYRD. I thank the Chair.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at the hour of 10:30 a.m.

After the two leaders or their designees have been recognized under the standing order, the Senator from Missouri (Mr. SYMINGTON) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes each.

I would expect the period for the transaction of routine morning business to be quite brief tomorrow, but in the event that any Senator or Senators wish to speak, they will have the opportunity to do so. There will be no business transacted except by unanimous consent. In any event, there will be no rollcall votes tomorrow.

When the Senate adjourns, it will adjourn over to Monday, April 26. After routine morning business has been transacted on that date, the Senate will proceed to the considerations, at 1 p.m., of the bill (S. 3055) to provide a national inspection system for grain. There is a time limitation on that bill, and rollcall votes are anticipated on amendments thereto, on motions in relation thereto, and on the passage thereof.

I should state that upon the disposition of the grain bill, among the other measures that are awaiting action and which will be taken up, though not necessarily in the order listed, are S. 3295, a bill to extend the authorization for annual contributions under the United States Housing Act of 1937, to extend certain low-income housing programs under the National Housing Act, and for other purposes; S. Res. 104, a resolution relative to the Select Committee on Small Business; S. 3219, a bill to amend the Clean Air Act; the conference report on the foreign aid bill; the conference report on the Federal Elections Commission bill; and such other measures as are cleared for action at that time.

ADJOURNMENT UNTIL 10:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10:30 a.m. tomorrow.

The motion was agreed to; and at 5 p.m., the Senate adjourned until tomorrow, Wednesday, April 14, 1976, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 13, 1976:

In the Judiciary

George C. Pratt, of New York, to be U.S. district judge for the eastern district of New York vice Anthony J. Travia, resigned.

Ross N. Sterling, of Texas, to be U.S. district judge for the southern district of Texas vice Allen B. Hannay, retired.

Department of Justice

William D. Keller, of California, to be U.S. attorney for the central district of California for the term of 4 years (reappointment).

In the Navy

Vice Adm. Emmett H. Tidd, U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 13, 1976:

Department of the Treasury

Jerry Thomas, of Florida, to be Under Secretary of the Treasury.

Robert A. Gerard, of the District of Columbia, to be an Assistant Secretary of the Treasury.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, April 13, 1976*

The House met at 11 o'clock a.m.

The Reverend Robert L. Curry, pastor, St. George's United Methodist Church, Philadelphia, Pa., offered the following prayer:

Thank You, O God of my fathers, and now my God, for the privilege of being an American citizen. What a priceless gift.

Deepen my love and reverence for our wonderful land, America, and may, through Your will, her destiny always be a haven for the oppressed and the persecuted.

Keep me alert, Eternal God, so that I can always cherish the great dream of our founders, and in their memory come alive within me, may I become that same inspiration to my children for which my fathers gave their lives and fortunes.

Teach me humanness girded with a warm heart. In calmness help me be an example to everyone of justice and equality.

Forever and everywhere may I be known as a good American citizen. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7988) entitled "An act to amend the Public Health Service Act to revise and extend the program under the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, and to establish a national program with respect to genetic diseases; and to require a study and report on the release of research information."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 109. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1977 (and revising the congressional budget for the transition quarter beginning July 1, 1976).

THE LATE HONORABLE WILLIAM A. BARRETT

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania (Mr. Morgan).

Mr. MORGAN. Mr. Speaker, it is with shock and sorrow that I learned of the untimely death last night of William A. Barrett, one of America's great citizens and a colleague of mine on the Pennsylvania delegation for 30 years.

Bill Barrett was an outstanding Member of this body who served our national interests as a whole and at the same time looked after the needs of his own constituents with diligence and compassion.

As a senior member of the Committee on Banking, Currency and Housing, and as chairman of its Subcommittee on Housing and Community Development, he played a key role in the enactment of major housing measures that are now on the statute books. These include measures on housing and urban development, demonstration cities, emergency home financing, housing and community development and last year's Emergency Housing Act.

At the same time he was conscientiously serving his constituency in Philadelphia, commuting home to spend long hours helping the people of his First District on a wide range of problems. And of course, he was active over the years as a leader in democratic politics in Philadelphia.

Bill was first elected to Congress in November 1944, the same year I entered the House. With the exception of the succeeding 80th Congress, the voters returned him to the Congress in all elections since. Our friendship grew over the years.

As dean of the Pennsylvania delegation, I will particularly miss his help and wise counsel. I extend my deepest condolences to his family.

The Barrett family has indicated their desire that the House of Representatives would proceed today with the pressing legislative business scheduled, as Mr. Barrett would have wished.

Therefore, I will not yield to Members for remarks at this time. But I will offer a resolution adjourning the House out of respect at the conclusion of legislative business today and I will at that time yield to Members for brief remarks.

On a later date, a special order will be scheduled to give all of his colleagues an opportunity to eulogize Mr. Barrett's passing.

Funeral arrangements have not been completed at this time but I anticipate that I will be able to inform the House of details later in the day.

THE LATE HONORABLE WILLIAM A. BARRETT

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, we just briefly want to respond. Those of us who served with the gentleman from Pennsylvania (Mr. Barrett) on the Committee on Banking, Currency and Housing, know that he was a very fair and capable legislator.

The SPEAKER. As the gentleman from Pennsylvania (Mr. Morgan) has said, his announcement will be the only 1-minute speech at this time, but there will be time for 1-minute speeches from both sides of the aisle later in the day when a resolution is offered.

Later, after the House returns from the recess, perhaps there will be a special order eulogy.

Mr. ROUSSELOT. I thank the Speaker.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 192]

Andrews, N.C.
Archer
AuCoin
Badillo
Bell
Bevill
Boggs
Bolling
Bonker
Brodhead
Brown, Calif.
Burke, Calif.
Burton, Phillip
Cederberg
Chappell

Chisholm
Clay
Collins, Ill.
Conlan
Conyers
Coughlin
de la Garza
Dellums
Derwinski
Diggs
Drinan
Edwards, Ala.
Eshleman
Evins, Tenn.
Flowers
Fraser
Gibbons
Goodling
Harsha
Hébert
Heckler, Mass.
Heinz
Henderson
Hinshaw
Ichord
Jacobs
Jarman
Jenrette
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Karth
Landrum
Lehman
Levitas
Litton
Lujan
McCloskey
McCollister
McFall
McKinney
Macdonald
Mathis
Matsunaga
Mills
Mitchell, Md.
Moss
Nedzi
Nichols
Nix
Nolan
O'Hara
Pepper
Pressler
Preyer
Pritchard
Randall
Rees
Rhodes
Richmond
Roberts
Satterfield
Schroeder
Shuster
Sikes
Stanton,
  James V.
Steelman
Stephens
Stuckey
Sullivan
Symington
Teague
Udall
Vigorito
Waxman
Weaver
White
Whitehurst
Wilson, Tex.
Young, Alaska
Young, Fla.

The SPEAKER. On this rollcall 335 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RECESS

The SPEAKER. Pursuant to the order of the House of March 29, 1976, the Chair declares the House in recess for the purpose of observing and commemorating Thomas Jefferson's birthday.

Accordingly (at 11 o'clock and 25 minutes a.m.), the House stood in recess subject to the call of the Chair.

THOMAS JEFFERSON DAY

During the recess the following proceedings took place in honor of Thomas Jefferson Day, the Speaker of the House of Representatives presiding.

THOMAS JEFFERSON DAY PROGRAM, U.S. HOUSE OF REPRESENTATIVES, APRIL 13, 1976

The U.S. Navy Band entered the door to the left of the Speaker and took the positions assigned to them.

The honored guests took the positions assigned to them.

The SPEAKER. The meeting will be in order.

The Chair recognizes the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, Secretary of the Navy William Middendorf will now conduct the Navy Band playing his march "Stand Up for America."

The U.S. Navy Band and Chorus (conducted by Secretary of the Navy William Middendorf) presented "Stand Up for America."

Mr. O'NEILL. Thank you, Mr. Secretary. We are honored and pleased to have you with us today and how delighted we are to know that you have dedicated the march that you have just conducted to the U.S. Congress.

[Applause, the Members rising.]

Mr. O'NEILL. Mr. Speaker, my colleagues, ladies and gentlemen:

It is a distinct privilege for me to commemorate with you the 233d anniversary of the birth of one of our most outstanding Founding Fathers, Thomas Jefferson.

An inventor, a philosopher, a statesman, and a humanitarian, Thomas Jefferson, the author of the Declaration of Independence, was the chief architect of American democracy.

Thomas Jefferson established for all time in that impressive and defiant document that America was launched on its forward march to independence and greatness, that: A man's worth and his right to self-government are universal.

Government should do what it can to insure the richest, fullest possible life to all its people.

The preservation of "life, liberty, and the pursuit of happiness" is essential to the dignity of man.

Yes, these were the important safeguards of freedom that Thomas Jefferson set forth as the fundamental ideals of the new Republic and these goals became the guiding stars of the American constellation. It is to this legacy of "Jeffersonian democracy" that we are paying a special tribute this morning as we celebrate our Bicentennial.

Mr. Speaker, we have with us today three distinguished historians who will address different aspects of Thomas Jefferson's life and thought. Our first speaker is Mr. Frederick Nichols, chairman of the Division of Architectural History at the University of Virginia. An expert on Jefferson, Mr. Nichols has served as the consultant for the restoration of the rotunda at the University of Virginia. His topic will be "Thomas Jefferson, the Architect."

Our second speaker, Ms. Cecelia Kenyon, is the Charles N. Clark professor of government at Smith College. Ms. Kenyon has earned a reputation for her important work on the political thought of the founding fathers. Today, Ms. Kenyon will inform us of Thomas Jefferson's thoughts on liberty and consensus in the American Republic.

Julian Boyd, our third speaker, is a well-known Jefferson scholar from Princeton University. Mr. Boyd is the editor of "The Papers of Thomas Jefferson," a 60-volume project that has set new standards for modern documentary editing. He will speak on "Thomas Jefferson: Philosopher/Statesman."

I shall now turn the program over to our first speaker, Mr. Nichols.

Mr. NICHOLS. Mr. Speaker, Members of Congress, and guests, perceptive Bicentennial visitors to the Capitol Building of our Nation cannot fail to see Jeffersonian symbolism all around them. In the dome and on the capitals, for example, are the corn and tobacco leaves which Jefferson substituted here for the acanthus leaves of ancient Rome.

In 1812, when the Congress was especially slow in appropriating funds for completion of the central capitol, Jefferson wrote to Benjamin Latrobe:

> I shall live in the hope that the day will come when the opportunity will be given you of finishing the middle building in the style worthy of the two wings, and worthy of the first temple dedicated to the sovereignty of the people, embellishing with Athenian taste the course of a nation looking far beyond the range of Athenian destinies.

The question is often asked: How was Jefferson trained to be an architect, as there were then no architectural schools? It is an important question. If Thomas Jefferson had done nothing else, he would have been our first and greatest native born architect. He not only designed the State Capitol in Richmond, which, as a symbol, has been called a frontispiece for all of Virginia, but two courthouses, one church, and assisted in the design of the Capitol and of the White House. He also made a design for Pennsylvania Avenue, for nine houses, excepting Monticello; and last of all, but one of his greatest achievements, the complex of buildings at the University of Virginia.

It was quite by accident that Jefferson first happened upon the profession of architecture. He tells us that when he was a student at the College of William and Mary in Williamsburg, he discovered an architectural book in the shop of an old cabinetmaker. This book started him upon a profession which became one of the delights of his life as he put it, "the pulling down and putting up of buildings." As Jefferson pointed out, books were one of his great pleasures, and he could not live without them. In the first of his three great libraries, which he created, he had all of the great architectural books of the time, both English and continental, and it was from them that he received his first instruction in the art of architecture.

As our Minister in Paris, he used every opportunity to study the buildings and gardens of France, and those of every other country that he visited on official trips. At the time he was there, from 1784–89, Paris was the hot bed of the avant garde in architecture, and students were flocking to it to study from all over Europe. The Louis XVI style was giving way to the advanced social, spatial, and geometrical ideas of the visionary architects. Jefferson lost no time after his arrival in France in meeting some of these leading architects and art critics in Paris.

When Jefferson became President, he was to work with many of the leading architects of the day in Washington. He taught Robert Mills, the architect of the Washington Monument, to draw, and gave him the use of his great architectural library, when he was a young man trying to obtain an architectural education. He encouraged in every possible way that long list of distinguished architects who worked on the U.S. Capitol. These included Dr. William Thornton, George Hadfield, Stephen Hallet, and Benjamin Henry Latrobe. Latrobe and Jefferson admired each other's work even though Jefferson felt that the younger man was a bit impractical, and Latrobe felt the older one a bit conservative. But perhaps their divergent points of view are typical of those of different ages.

Jefferson not only submitted drawings for the White House in the competition for the Executive Mansion, which he entered under an assumed name, but he also added the wings to it and proposed the porticoes. His own design was based upon the Villa Rotunda in Vicenza, Italy, designed by the great 16th-century architect, Andrea Palladio.

Jefferson also had strong ideas about the art of city planning; and these drawings include those for the expansion of Richmond, a design for Washington, D.C., whose formal design by L'Enfant he appreciated and encouraged, and a brilliant design for Pennsylvania Avenue. The latter shows a broad boulevard flanked by walks and trees, and smaller roadways on either side and also flanked by plantings. A brilliant design of his, showing the integration of urban and outdoor space, was his proposal for Jeffersonville, Ind.: a checkerboard pattern in which every other square was to be open for the enjoyment and health of the residents.

But to Jefferson the most important building in Washington was the U.S. Capitol on which he lavished a great deal of care. He pushed all the ideas which would add to its monumentality and its symbolism, as one of the great centers of the American Government. He took a hand in assisting Latrobe in the design of the small rotundas, embellished with the American order, based on the corn and tobacco, as a symbol of our architectural independence. He argued with Latrobe over such practical matters as the design of cupolas, the skylights to keep them watertight, and esthetic questions.

But in Jefferson's houses we see his architectural thinking, as a symbol of his own lifestyle. And in June in our National Gallery of Art in the great exhibition planned for this summer you will see many examples of his taste. Of all the houses in North America, Monticello is the one that best reflects its owner's desires, tastes, and ideas. For, as he said, all of his wishes ended at Monticello, where he hoped his life would end. He loved France, and an English visitor once said that had he not heard the family speaking English at Monticello, he would have thought he was in a house in France. After he had returned from Paris, Jefferson had redesigned it to look like the one-story pavilions the French were building when he was in Paris; he loved the convenience of a one-story plan: he abhorred stairs because he thought them expensive, dangerous, and elements that wasted valuable space.

He liked efficient circulation in plans, and above all, he loved the light and air afforded by long windows in octagonal rooms, as well as the luxury of privacy, which he had known in France. All the doors at Monticello were double, to afford quite. He seems to have invented storm sash; he studied Rumford's and Franklin's ideas on heating, and he used Argand's innovations in illumination. He can practically be called the father of laborsaving devices, which are too numerous at Monticello to mention. But if Monticello is the reflection of the man, Poplar Forest, his retreat in Bedford County, Va., is his domestic masterpiece with its perfect integration of interior and exterior octagons.

With all of these architectural achievements it is little wonder that he was well prepared for his other great architectural masterpieces, the University of Virginia. When he began its construction in 1817, he was 74 years of age, an age when most of us will be long retired, but for him it was the crowning period of his building career. He not only had to raise the money for it, but he laid out the curriculum, he chose all of the professors, he chose all the books for the library, he conceived the design with some important suggestions by Thornton and Latrobe; he made all of the drawings, and supervised all the construction. Indeed it is, as it has been called, the lengthened shadow of one man. It was designed in a double U design, open on one end with a view of the Ragged Mountains. There were to be 10 faculty and 200 students, and the whole complex was arranged with the Rotunda as a focal point.

Its plan and design admirably reflect Jefferson's theories of education. It was to be a free university in the sense that there were no requirements, no degrees, and no required chapel.

Students could stay 6 months or 6 years, and when they believed they had an education they were free to leave. In order that there be close association between students and faculty, the faculty pavilions were separated by the dormitory rooms, and there was to be a schoolroom in each facility house: a drawing room, study, and bedrooms. The serpentine walls were designed to enclose the gardens for privacy as well as esthetic reasons.

Jefferson used the orders from the most important buildings in Rome because they had had the approbation of 2,000 years, and therefore he believed them to be the surest guides for forming the taste of the new republic.

But it is the Rotunda, the greatest neoclassical design in North America that is one of the great visionary, geometrical, buildings of all time. It was designed as a perfect sphere, inscribed in a cylinder. Jefferson's designs were always practical, as well as esthetic, so he added two floors, with three noble oval apartments on each, for administration, large classes, laboratories, and religious meetings.

One of the noblest spaces in our country is the great library room under the dome. To Jefferson, education was the greatest guarantee of freedom. He believed with all his heart that educated men would never allow themselves to be dominated by tyranny. So his great library room was based in the proportions of the Pantheon, which had been dedicated to all the gods in Rome. For him his beloved books were his gods, and he designed his own domed Pantheon to be a symbol of the sacred mission of education.

Ms. KENYON. Mr. Speaker, Members of Congress, ladies and gentlemen: It is difficult for us today, 200 years after the foundation of the American Republic, to recapture the fears about the survival of that Republic felt by the Founding Fathers. The history of republican and democratic governments was not encouraging. Most had either destroyed themselves by internal strife, or so weakened themselves by domestic and interstate conflict as to fall easy victims to imperial conquest. Because the Founding Fathers knew this bleak record so well, they regarded their own chances of breaking the historical pattern as problematical, and sought to build strength and toughness into a form of government previously proven to be fragile and short-lived.

Thomas Jefferson shared the doubts and fears of his contemporaries. I believe that he searched more thoroughly than any man of his era. Perhaps he did so because he wished not only to establish a durable republic, but also to translate the principles of the Declaration of Independence into reality. His experience as a reformer in his own State taught him that this could be done neither quickly nor easily, a lesson he attempted to pass on to a fellow Virginian running for Congress in 1790.

> . . . I know that . . . you are too well informed a politician, too good a judge of men, not to know, that the ground of liberty is to be gained by inches, that we must be contented to secure what we can get from to time, and eternally press forward for what is yet to get.

It required a very special kind of courage and wisdom to accept with equanimity the known imperfections of human nature, and to rest ones hopes for the realization of the ideals of the Declaration on the ultimate triumph of the better over the worse of those qualities of which all men have their allotted share.

It is not of Jefferson's thoughts on reform that I wish primarily to speak, but of his reflections on the politics of the 1790's. During that decade, partisan debate was as bitter vitriolic as any we have ever known. It frightened Jefferson and led him to perceive with even greater clarity than he had before, that there are some kinds of issues, and some ways and means of debating issues, that may and can place so great a strain on a constitutional republic as to rend and tear its fabric asunder. So passionate were the disputes of the decade that Jefferson himself, an exceptionally disciplined man, contributed to the exacerbation of party conflict. He had a versatile pen, and he did not reserve its polemical use for King George the Third and the British Parliament. To what lengths he might have gone had he not soon regained his usual commonsense, is suggested by a description of the opposing party written in 1795. After characterizing it as "anti-Republican," he listed its components, among which were the following:

> . . . old tories.
>
> British merchants . . . .
>
> Officers of the federal government with some exceptions.
>
> Office-hunters, willing to give up principles for places. A numerous and noisy tribe.

Two years later, in 1797, Jefferson reentered public life as Vice President under John Adams. The next 4 years were not happy ones for him. Partisan political disputes continued to be passionate; the party in power passed the Sedition Act which Jefferson believed to violate the guarantee of freedom of the press in the first amendment.

Although he was alarmed by the assaults on liberty and fought vigorously to resist them, I think he was more profoundly disturbed by the divisive rancor of political disputation. The Alien and Sedition Acts of 1798 could be seen as temporary aberrations, but what was happening to the spirit and conduct of the Nation's politics seemed more threatening, more symptomatic of a systemic disease that could destroy the Republic itself.

What was the cause of the disease, of a politics so bitter that it destroyed old friendships, and seemed noxious to society itself? Part of the answer was ancient: The imperfection of man's reason, combined with a proclivity to allow differences of political opinion to arouse passions potentially as lethal as differences in religion. Theoretically, the remedy for the disease was clear: To regard the results of man's reasoning with skepticism and tolerance, to accept differences of political opinion as natural and inevitable.

Jefferson was a man of the enlightenment, and as such, he placed great reliance on reason as a guide to human conduct. But his faith in reason had always been limited, never naive. During the late 1790's and throughout the rest of his life, he expressed his own skepticism, hoping that by doing so, he could cultivate that attitude so necessary for the successful operation of republican government: The ability to disagree over political issues, vehemently and vigorously, without attributing to one's opponents dishonest or dishonorable motives, and above all, without destroying that fundamental mutual trust among the members of the body politic without which even liberty itself could not be long sustained. In 1797, he referred to "the slipperiness of human reason." In 1804, to "the weakness and uncertainty of human reason."

Such expressions occur frequently in his correspondence, as does a recognition that the unity of the Nation must be consciously guarded if the American Republic was to survive. Two years before his death, he wrote:

> A Government held together by the bands of reason only, requires much compromise of opinion, that things even salutary should not be crammed down the throats of dissenting brethren, . . . a great deal of indulgence is necessary to strengthen habits of harmony and fraternity.

In the same year, 1824, he reiterated his total commitment to liberty:

> Nothing then is unchangeable, but the inherent and unalienable rights of man.

Does it seem odd that a man so aware of the imperfection of human reason should yet have said:

> . . . I have sworn upon the altar of God, eternal hostility to every form of tyranny over the mind of man.

I think not, but he came to believe that liberty was dependent on what we call consensus, what he called social harmony, and also that the latter was essential to the third right in the trilogy of the Declaration of Independence, the pursuit of happiness. He expressed his belief in all three concepts—liberty, social harmony, and happiness, in his first inaugural address, a state paper second in greatness only to the Declaration itself.

When Jefferson assumed the Presidency in 1801, he knew that a large proportion of the American people feared and distrusted him, that he had come to preside over a nation divided and badly torn by a decade of acrimonious politics. He knew also that the first change in party administration in the new Federal republic was a crucial one. His job was not only to restore the liberty he believed to have been eroded under his predecessor, but to do so in such a way as to gain the willing acquiescence, if not the loyal support, of those who had opposed him. To do otherwise would have been to place in serious jeopardy that vital requirement of republican government, peaceful acceptance by the losers, of the electoral voice of the majority.

The first inaugural address is perfectly suited to the purpose he wished it to serve. Its language is tactful, but it is strong, clear, forceful, unambiguous.

He did not soften his belief in liberty, especially liberty of expression.

> If there be any among us who would wish to dissolve this Union, or to change its republican form, let them stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is left free to combat it.

But that affirmation of freedom follows immediately after two conciliatory sentences:

> We have called by different names brethren of the same principle. We are all republicans—we are federalists.

Perhaps the single most surprising statement in all of Jefferson's writings is a plea that links together the three rights listed in the Declaration of Independence:

> Let us restore to social intercourse that harmony and affection without which liberty and even life itself are but dreary things.

Julian Boyd taught me long ago that Jefferson was a profoundly lonely man. Perhaps for that reason, he valued highly the harmonious social intercourse for which he pleaded, and saw that it was essential to republican politics as a means, and to the pursuit of happiness as an end.

I have therefore chosen to close these remarks with a quotation from Jefferson's last letter, written in response to an invitation to join the citizens of Washington, D.C., in commemorating the 50th anniversary of the Declaration of Independence. Jefferson was ill. He could not have known with certainty that this letter would be his last, but he may have suspected that it might be. Thus, he made it a last testament to his people. Part of it expresses his hope for ultimate realization of the principles of the Declaration and is often quoted. The passage I have chosen is less frequently used, perhaps because it is perceived merely as a graceful expression of Jefferson's manners. But if the letter was intended as a last message, all of it is important, and the final passage echoes attitudes and beliefs he had expressed on previous occasions.

The words belong especially—but not exclusively—to the city of Washington and its residents. To the Members of the Congress; to other officers and servants of our Government; to all of the people of the city where Jefferson lived and worked and thought, during 8 important years in his life and that of the Republic.

> "I will ask permission here to express the pleasure with which I should have met my ancient neighbors of the city of Washington . . . with whom I passed so many years of a pleasing social intercourse; an intercourse which so much relieved the anxieties of the public cares, and left impressions so deeply engraved in my affections, as never to be forgotten. With my regret that ill health forbids me the gratification of an acceptance, be pleased to receive for yourself and those for whom you write, the assurance of my highest respect and friendly attachments."

Mr. BOYD. Mr. Speaker, Members of Congress, and honored guests, in 1809, as Thomas Jefferson was about to leave the Presidency he wrote to an old friend:

> I retire to my family, my books, and farms. . . . Never did prisoner, released from his chains, feel such a relief as I shall on shaking off the shackles of power. Nature intended me for the tranquil pursuits of science, by rendering them my supreme delight. But the enormities of the times in which I have lived have forced me to take a part in resisting them, and to commit myself on the boisterous ocean of political passions.

Nature had indeed equipped him superbly for the pursuits of science. His quest for knowledge was so ardent, so steadfast, and so all-embracing that none of the Founders of the Republic, not even Franklin, could be called his equal. Mathematics, he said, was ever his favorite subject, music the passion of his soul. But he explored with equal zest almost every branch of learning—the classics, history, law, government, logic, languages, philosophy, religion, and the natural sciences from astronomy to zoology. With Bacon, Newton, and Locke as his guiding constellation in science, philosophy, and government, he became the very model of the American version of the age of reason—pragmatic, skeptical, and, as he said of himself:

> Bold in the pursuit of knowledge, never fearing to follow truth and reason to whatever results they led, and bearding every authority which stood in their way.

The range of his knowledge and the power of his intellect won him the respect of men of learning in both Europe and America.

But the most important aspect of his quest for truth in all its varied forms was its exalted and unifying purpose, a purpose born of revolution. On the very day that the Congress began to debate the resolution of independence—an exhausting debate which Jefferson described later as lasting 9 hours without interruption, "during which all the powers of the soul had been distended by the magnitude of the object"—he called the Declaration of Independence "my political creed." As a student of history and government, he knew that none of its great concepts was new or distinctively American. The doctrine of natural rights and the idea of government by consent had roots extending deep back into history. What was new, as Tocqueville expressed it, was that it had been reserved for Americans to try to give reality to what philosophers had dreamed of for centuries.

But the philosophers had also said that no republic could ever exist over a vast extent of territory. To this they added the caveat that only the virtue of the citizens could sustain so demanding a form of government. History seemed to validate these warnings and Jefferson paid proper heed to them. More than anyone of his generation, he grasped immediately the implications of the hazardous choice and prepared to meet it in all of its manifestations. Thenceforth, his animating purpose in life, both public and private, was to try to sustain the forever unprovable proposition that man is capable of governing himself under principles of reason and justice.

But generous as nature was in fitting him for the tranquil pursuits of science, she did not seem to have prepared him for navigating the boisterous ocean of political passions. He preferred the seclusion of his library to social and political gatherings. He was not an orator who could electrify a court or persuade an assembly as could an Otis or a Henry. He abhorred political contests and sought to achieve his goals by quiet persuasion. On religion, on slavery, on science, on education, and on other matters of public concern he held views not shared by many of his countrymen and—so some of his political friends thought—he made these views public to the point of imprudence. His interest in scientific and technological improvements brought ridicule upon him as an impractical visionary. He was denounced as an enemy of morals and religion and slanders upon his private character, still being echoed, were invented for partisan purposes.

Yet, despite these presumed handicaps, he became one of our greatest legislators and was elevated to the highest positions of public trust. He was the author of the document which proclaimed the ideals of the new Nation and of its counterpart in the realm of conscience, the "Virginia Statute for Religious Freedom." He was the father of the national domain and author of the Ordinance of 1784 with its provision for a territorial system of government which enabled the nation to extend itself across the continent and, in our own day, into the Arctic and the far reaches of the Pacific.

One of his state papers resulted in our decimalized unit of money. Another would have extended this mode of reckoning to a symmetrical system of weights and measures, which those who were regarded as the practical men of his day rejected but which must eventually be achieved at an infinitely greater cost. Another farsighted piece of legislation, never enacted and never as yet published, would have made the District of Columbia a self-governing territory with a Bill of Rights more inclusive than that in the Constitution. When this Capitol was destroyed by fire in 1814, he made available to the Nation at a fraction of its value his incomparable library of several thousand volumes that he had spent half a century in forming. For almost as long he had sought to create a system of publicly supported education designed to instruct the whole people in their rights and duties and to draw forth that natural aristocracy of virtue and talent he deemed so essential for a well-ordered republic. As the crowning achievement of his life, he founded the University of Virginia which, characteristically, was as innovative in its educational theories as in its architecture. These were only the more notable of his manifold contributions to the public good.

But the greatest of his achievements cannot be found in the statute books or among his state papers. As citizen, as legislator, as Governor, as diplomat, as Secretary of State, and as chief magistrate, his supreme accomplishment was to exemplify the highest ideals of the Nation. In every office that he held the advancement of the public interest was his first and only concern. He was virtually alone in his generation in making it an inviolable rule not to engage in any private enterprise which might become the subject of legislation and thus possibly cause his judgment to be biased. Throughout his long career of public service he refused as a matter of principle to accept any gift of more than nominal value. When he retired to his books and farms, he was more heavily in debt than when he entered public life, so great had been the neglect of his private affairs. But it was not merely his unassailable integrity or his disinterested conduct in office that caused the people to respond to him. These qualities won their confidence, which he knew to be the absolute precondition for a chief magistrate to be able to govern. But he won their hearts and minds because, in word and deed, he made manifest their highest aspirations as a people, and because, in his unswerving dedication to the principles to which the Nation had committed itself, he exemplified their own finest instincts. His greatest legacy was to exalt the character of the people and thus to make more certain that the risks accepted at the beginning could be overcome.

The tribute that he paid to his great teacher, George Wythe, can with justice be applied to him with great degree:

> He was the honor of his own, and the model of future times.

It is symbolic of his stature as a man of the highest intellectual attainments and of his unrivaled capacity for political leadership that he held, simultaneously, the Presidency of the United States and the presidency of the first of American learned societies, itself older than the Nation. A man of reason, of civility, and of honor who, for the sake of harmony, would yield on matters of opinion but never on the great principles to which he had dedicated his life, he was equally at home and equally respected in the world of learning and in the world of politics. He added luster and honor to every public trust bestowed upon him by a people in whose good sense and decency he had an unshakable confidence. He was our first and is still our greatest philosopher-statesman.

Senator BROOKE. Mr. Speaker, Majority Leader O'NEILL, my distinguished colleagues, and my fellow Americans, as Chairman of the Board of Directors of the American Revolutionary Bicentennial Administration, I wish to thank Mr. Nichols, Ms. Kenyon, and Mr. Boyd for their remarks which have so vividly testified to the greatness of the man whose birthday we come today to commemorate.

As we have observed, Thomas Jefferson was a private rather than a public person; more a philosopher then a politician. He loved tranquillity and preferred to stay out of the public eye even while actively engaged in politics and he tried to avoid the speaking platform whenever possible.

With these preferences, what then brought Thomas Jefferson into the incessant turmoil of the political world? The answer lies in his life-long struggle to seek solutions to a host of human problems and in his awareness that many of these problems could only be solved by political means.

Thomas Jefferson therefore entered politics where he was to win the admiration of the world and the blessings of posterity. For this, we, the people of the United States have cause for everlasting gratitude. And we, the Congress, can continue to learn from this man whose concern was for bettering the lives of people through and by means of the political process, and is something we all strive for. I hope that this ceremony today has given to each of us a new and renewed sense of who we are as a nation and how much influence the thought and actions of this man, Thomas Jefferson, had in making this so.

I shall now turn the program over to the Navy Band and Commander Muffley.

The U.S. Navy Band and Chorus, conducted by Commander Ned E. Muffley, played a series of patriotic tunes including "This Land Is Our Land," "This Is My County," "Land of My Birth," and "God Bless America."

[Applause, the Members rising.]

The SPEAKER. This concludes the ceremonies. The House will continue in recess until 1 o'clock.

At 12 o'clock and 23 minutes p.m. the proceedings in honor of the birthday of Thomas Jefferson were concluded.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock p.m.

THOMAS JEFFERSON DAY

Mr. ANDERSON of California. Mr. Speaker, during our Bicentennial Year we will take the time to honor many great Americans whose leadership, courage, and dedication to freedom have made this Nation what it is today. However, no single person in our Nation's history has ever combined leadership with the burning intellectual brilliance that was a hallmark of Thomas Jefferson's career.

It was Jefferson—a Virginia gentleman planter and member of a landed aristocracy—who authored one of the most revolutionary documents ever written, the Declaration of Independence. It was Jefferson—a slaveowner—who said that "all men are created equal," and who drafted the Bill of Rights to safeguard the liberties and freedoms of the American people.

And it was Jefferson, in his first inaugural address, who said:

> If there be any among us who would wish to dissolve this Union or to change its republican form, let them stand undisturbed as monuments of the safety with which errors of opinion may be tolerated where reason is left free to combat it.

Thomas Jefferson would be revered as a great founder of this Nation even if he had never won the Presidency. He was the most eloquent advocate of the principles upon which the United States of America is founded. Jefferson helped to found our Government following the Revolutionary War, but his greatest concern was to insure that any government the people chose would never infringe upon the rights and freedoms that had been won because of that conflict.

Today, April 13, is the anniversary of Jefferson's birthday. And in our Nation's 200th anniversary year, it is a fitting time to honor this great American, and his many contributions to our way of life.

Jefferson understood that every man had inherent rights and liberties beyond the control of Government. He firmly believed that the people had a right to expect the Government to respect those inherent principles, and he saw that a government must allow dissent and change to occur. Thomas Jefferson believed that reason would ultimately prevail, and so felt secure in allowing malcontents and dissidents to air their cause during his administration as President of the United States.

Two hundred years ago, this great man set down his ideas on the relationship between Government and the people. They have never been said better, or more eloquently. And in the 200th year of our Nation's existence, they are still good words to remember:

> We hold these truths to be self-evident; that all men are created equal; that they are endowed by their creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness; that to secure these rights, governments are instituted among men, deriving their just power from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it, and to institute new government.

Mr. STAGGERS. Mr. Speaker, words often quoted sometimes suffer injury. Consider the statement made by Bulwar Lytton about the great French minister, Richelieu. Bulwar Lytton wrote:

> Beneath the rule of men entirely great,
> The pen is mightier than the sword.

To omit the first line is to change a conditional into an absolute. And as Richelieu had his "Grand Monarch," Jefferson had his Washington.

As another writer said:

> Washington, whose every battle field is holy ground, arms wisdom; while Jefferson clothes wisdom in words. The arms of one were inspired by the words of the other, and the deeds of the first were brought to fruitage by wise proposals of the second. For it is the nature of human experience that only successful force can set up a workable society, which in turn can endure only if guided by wise counsel.

The extent to which Jefferson has controlled the destinies of this Nation has been given little study. We claim to be a peaceful society. But the spontaneous applause of the multitude goes to those whose fame has been won in the clash of arms. Our heroes are warriors. As the song goes, "There's something fine about a soldier." In consequence, books without number record the victories of our warriors, while the constructive genius of our Nation's builders goes unnoted. So to this day we have never set aside a "Jefferson Day."

Speak the name, Jefferson, and what comes to our minds? The Declaration of Independence, of course. We know, in a vague sort of way, that Jefferson is almost totally responsible for its production. And it has been acclaimed as the foremost product of statescraft of all time. Actually Jefferson's reputation rests on a far broader base. To the student of history, he is known as the master of the arts and sciences of his day, the friend and adviser of the rulers of men, the inventor and the fabricator of the tools of progress. One day he might be negotiating the purchase of half a continent. The next day he might be contriving the mechanical details of a more effective plow; the next he might be participating in the performance of an orchestra of skilled musicians.

For Jefferson was indeed the complete man. It is no exaggeration to say he was interested in everything. And his genius found something worthwhile to contribute to everyday life as well as to statesmanship; to the development of agriculture as well as to founding a great university.

On the flank of Mount Monticello, just above the city of Charlottesville, and just under the mansion which he erected on the crest, lies his grave. It is as simple as was his life, and it is marked by a simple stone obelisk. It is all totally unlike the memorials to most distinguished men. The epitaph calls no attention to greatness. He deliberately chose to be remembered by three accomplishments which at first glance do not arouse the trumpets of notoriety. It is their long-range effect on the development of this country that sets them apart, and makes them significant.

The Declaration of Independence called for a society which freed men from political bondage. The Statute of Religious Freedom did the same thing for ecclesiastical bondage. The University of Virginia freed the minds of men and turned them loose to explore the possibilities of culture and discipline.

Today, nearly two centuries after Jefferson finished his work, it is remarkable how modern his thoughts are. For instance, in Jefferson's university, there is only one unpardonable sin: It is a breach of honor and integrity.

In the realm of political life, today we are urged to adopt as guiding principles such pronouncements as these:

> When a man assumes a public trust, he should consider himself public property.
>
> Of the various executive abilities no one excites more anxious concern than that of placing the interests of our fellow citizens in the hands of honest men, with understandings sufficient for their stations.
>
> If there be no nobility of descent, all the more indispensable is it that there should be nobility of ascent—a character in them that rule so fine and high and pure that as men come within the circle of its influence they involuntarily pay homage to that which is the one pre-eminent distinction, the royalty of virtue.

Yes, we do need to recognize one day in the year as "Jefferson Day," and we do need to ponder what Jefferson stood for if we hope to keep this Nation the land of the free and the home of the virtuous.

PRINTING OF THOMAS JEFFERSON DAY PROCEEDINGS IN THE RECORD AND GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the Record and that all Members have permission to extend their remarks on the commemoration of the birthday of Thomas Jefferson.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

OKSANA CHERTIN AND ALEKSANDR ARNOLDOVICH CHERTIN

(Mr. SARBANES asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SARBANES. Mr. Speaker, all of the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries.

Because the Soviet Union is not living up to that promise, Members of Congress are conducting a vigil on behalf of the families which remain separated.

A case history of these families entitled "Orphans of the Exodus" dramatically details this tragic problem. At this time

I would like to bring to the Members' attention the situation of the Chertin family:

Birthdate: Aleksandr, 1947.
Occupation: Radio engineer (until 1972; now a movie projectionist).
Marital Status: Married, one son.
Applied: March, 1972.
Refused: June, 1973.
Reason for Refusal: Previous work allegedly classified.
Family Left: 1971.
Oksana & Aleksandr Chertin, Petra Lavrova 2/12, Leningrad, RSFSR, USSR.
Oksana's sister (Esther) and brother-in-law: Dr. Leon Visson, Dept. Chest Surgery, Beilinson Hospital, Petach Tikvah, Israel.

Oksana Chertin, a former student, is married to Aleksandr, a well-known activist in Leningrad. They have a four year old son. By training, Aleksandr is a radio engineer. However, on applying for exist visas, he lost his job and has been able to eke out a meager livelihood only by taking menial jobs. His latest is that of a movie projectionist.

Oksana's sister and brother-in-law wrote on behalf of their parents and themselves from Israel:

"Our family is separated by force by the Soviet regime now for over four years.

"We, the parents and eldest children are in Israel, and only the youngest daughter with her family is pressed to stay on in the Soviet Union without any reason.

"Now, at the best time of their lives, they suffer for years without rights, without being able to continue the life and work they trained for and yet without any opportunity to leave Russia for Israel.

"They have been waiting for four years. They are young and beautiful. Oksana was a student and her husband is an engineer. Without work, the family is in very poor financial condition."

THE LATE HONORABLE WILLIAM A. BARRETT

(Mr. EDGAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDGAR. Mr. Speaker, I was saddened to learn of the death last night of my friend and fellow Member of the Pennsylvania delegation, Bill Barrett. He had been ill for a number of weeks, but his death is no less of a shock. If I were asked to name the Congressman who worked the hardest for the people who sent him to Washington, I would have to name Bill. For years, he traveled back to his district every night after each House session, keeping his office open and meeting with constituents until the early hours of the next morning. He would then return to Washington for the House sessions and his committee meetings.

Although most well known for his heroic service to his constituents, Bill Barrett was a leader in advancing progressive housing legislation. A real estate broker by trade, he used his expertise in this field as chairman of the Housing Subcommittee of the Committee on Banking, Currency and Housing to respond to problems in a manner which was highly sensitive to the needs of all the people.

Mr. Speaker, Bill Barrett earned the respect of his colleagues during his 28 years as a Member for his exemplary sense of public service. I know that he will be missed by his family, his constituents, and his colleagues.

THE LATE WILLIAM BARRETT

(Mr. BENNETT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BENNETT. Mr. Speaker, all of us are sorely grieved at the passing of our beloved colleague William Barrett. In his leaving this Chamber the country has lost an able legislator and the most devoted representative of constitutents I have ever met. It is well known that every night, after his work here in the House, he would fly back to his district and stay there with office hours for his constituents late into each night. Only a man of dedication and compassion could or would have done it. Almost every day of the year I had lunch with this fine gentleman and I will never forget the warmth of his smile; and his concern for his colleagues, his constituents and his country. The statute books of our country bear eloquent witness to his great ability as a legislator, particularly in the fields of housing and banking. In the hearts of each of us, his colleagues, there will always be a warmth of affection that his life, and his memory, indelibly placed there.

MAKING IN ORDER ON TODAY CONSIDERATION OF H.R. 13172, SECOND SUPPLEMENTAL APPROPRIATIONS BILL, 1976

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it be in order in the House today to consider the bill (H.R. 13172) making supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SECOND SUPPLEMENTAL APPROPRIATIONS BILL, 1976

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13172) making supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed one hour, the time to be equally divided and controlled by the gentleman from Michigan (Mr. Cederberg) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Chair designates the gentleman from Missouri (Mr. Hungate) as Chairman of the Committee of the Whole, and requests the gentleman from Florida (Mr. Bennett) to assume the Chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13172, with Mr. Bennett (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore (Mr. Bennett). Under the unanimous-consent agreement, the gentleman from Texas (Mr. Mahon) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. Cederberg) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. Mahon).

Mr. MAHON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this, as the Members know, is the second general supplemental appropriation bill for fiscal year 1976. We have had extensive hearings on the bill by the various subcommittees. Eleven of the thirteen subcommittees of the Committee on Appropriations have chapters in the bill, and of course the full Committee on Appropriations took action on bringing the bill to the floor of the House for consideration. This is a rather massive bill. It deals with some 675 line item accounts.

The bill before us today, as reported by the committee, includes budget authority in the amount of $9.1 billion for fiscal year 1976 and $2.3 billion for the transition period, making a total of $11.4 billion. But as a result of congressional approval on yesterday of House Joint Resolution 890, the emergency supplemental, as amended, we must now reduce the bill before us by $1.3 billion in budget authority and $300 million in appropriations to liquidate contract authority.

Amendments to accomplish these reductions will be offered at the appropriate time by the appropriate members of the Committee on Appropriations. The bill, when reduced by these amendments, will provide budget authority in the sum of $7.7 billion for fiscal 1976 and $2.3 billion for the transition period, a total of $10 billion.

The bill also includes $1.4 billion in appropriations to liquidate contract authority, primarily the highway program. In addition, there is a $375 million increase in the loan limitations that can be made for section 202, housing loans for the elderly or handicapped. Over $8 billion of the total budget authority included in this bill is for items which are mandatory, such as increased pay provided by law, public assistance, veterans' benefits, forest fire fighting, and child nutrition programs.

The committee recommends reductions of $259 million in budget authority from the estimates considered by the committee. Of this amount, $13 million is a net decrease in program supplementals in title I, and $264 million is a reduction of the pay supplemental items.

The cost to the Government of the October, 1975, pay increase was $2.4 billion for the fiscal year 1976 and $855 million for the transition period. Absorption of $343 million, that is 14 percent, for 1976 and $132 million for the transition period resulted in budget requests of $2.1 billion in 1976 and $723 million for the transition period. The committee, in recommending a reduction of $213 million in fiscal 1976 and $33 million in the transition period, brings the total pay reductions to $556 million in 1976 and $165 million in the transition period.

As I stated earlier, the bill when adjusted for congressional action on the amendments to the swine flu vaccine supplemental, is below the budget in the sum of $259 million.

The major items in the bill include the following:

	Fiscal year 1976	Transition period
ncreased pay costs for military and civilian personnel	$1,888,191,570	$689,995,400
Retired paycosts for Federal, military and Foreign Service personnel	686,995,000	170,850,000
Public assistance payments	1,988,967,000	440,500,000
Compensation, pensions, readjustment benefits and medical care for veterans	1,257,890,000	324,535,000
Basic educational opportunity grants	476,000,000	1,000,000
Firefighting costs on Federal lands	140,500,000	40,000,000
Payment to the Postal Service Fund	119,642,000	17,649,000
Child nutrition programs	226,801,000	436,500,000
Alcohol, drug abuse, and mental health	161,126,000	29,190,000
Increase in limitation on loans for housing for the elderly or handicapped	375,000,000	------------
Liquidation of obligations of the:		
Agricultural conservation program		85,000,000
Federal aid to highway program	1,100,000,000	------------
Urban mass transit program	100,000,000	------------
Veterans administration supply fund	80,999,000	------------

Mr. Chairman, I do not believe it is necessary for me to discuss the bill further at this time. But I would advise the Members again that this bill is the product of the work of the members of the subcommittees of the Committee on Appropriations, and the members of those various subcommittees are here to discuss any of the details. As I indicated, certain amendments will be offered relating to reductions that must be made as a result of the action yesterday on the emergency supplemental.

At this point in the RECORD, I will insert a summary table reflecting the budget requests and amounts recommended by the committee adjusted by the deletion of those items that were added to House Joint Resolution 890, the emergency supplemental for the swine flu vaccine program.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL[1]

SUMMARY

Chapter No.	Department or activity	Budget estimates	Recommended in the bill	Bill compared with estimates
	TITLE I—GENERAL SUPPLEMENTALS			
I	Agriculture:			
	New budget (obligational) authority	$240,555,000	$269,405,000	+$28,850,000
	Transition period	412,613,000	438,963,000	+26,350,000
	(By transfer)	(372,000)	(372,000)	(------------)
	(Transition period)	(93,000)	(93,000)	(------------)
	(By transfer from sec. 32)	(20,000,000)	(20,000,000)	(------------)
	(Liquidation of contract authority, Transition period)	(85,000,000)	(85,000,000)	(------------)
	(Increase in limitations)	(685,000)	(685,000)	(------------)
	(Transition period)	(69,000)	(69,000)	(------------)
II	Defense:			
	New budget (obligational) authority	508,000,000	502,800,000	−5,200,000
	Transition period	209,000,000	187,840,000	−21,160,000
III	Foreign Operations:			
	New budget (obligational) authority	25,000,000	10,000,000	−15,000,000
IV	Housing and Urban Development—Independent agencies:			
	New budget (obligational) authority	1,516,019,000	1,301,291,000	−214,728,000
	Transition period	329,486,000	329,335,000	−151,000
	(Liquidation of contract authority)	(80,999,000)	(80,999,000)	(------------)
	(Limitation on loans)	(115,000,000)	(375,000,000)	(+260,000,000)
	(Increase in limitation)	(879,000)	(679,000)	(−200,000)
	(Transition period)	(220,000)	(220,000)	(------------)
V	Interior and related agencies:			
	New budget (obligational) authority	177,963,000	181,797,000	+3,834,000
	Transition period	42,839,000	40,679,000	−2,160,000
VI	Labor, and Health, Education and Welfare:			
	New budget (obligational) authority	2,737,472,000	2,875,774,000	+138,302,000
	Transition period	498,129,000	565,124,000	+66,995,000
VII	Legislative branch:			
	New budget (obligational) authority	8,585,000	7,900,600	−684,400
	Transition period	2,547,800	2,098,800	−449,000
VIII	Public Works: New budget (obligational) authority	34,000,000	30,000,000	−4,000,000
	Transition period	23,000,000	------------	−23,000,000
	(Liquidation of contract authority)	(5,000,000)	(5,000,000)	(------------)
IX	State, Justice, Commerce, and Judiciary:			
	New budget (obligational) authority	13,274,000	11,872,000	−1,402,000
	Transition period	31,964,000	5,893,000	−26,071,000
	(Liquidation of contract authority)	(30,235,000)	(------------)	(−30,235,000)
X	Transportation:			
	New budget (obligational) authority	245,980,000	252,965,000	+6,985,000
	Transition period	25,664,000	25,330,000	−334,000
	(Liquidation of contract authority)	(1,450,000,000)	(1,200,000,000)	(−250,000,000)
	(Increase in limitation, Transition period)	(2,284,000)	(2,250,000)	(−34,000)
XI	Treasury, Postal Service and general government:			
	New budget (olibgational authority	371,294,000	394,872,000	+23,578,000
	Transition period	26,490,000	32,581,000	+6,091,000
XII	Claims and Judgments	22,257,997	22,257,997	------------
	Total, Title I	5,900,399,997	5,860,934,597	−39,465,400
	Transition period	1,601,732,800	1,627,843,800	+26,111,000
	(By transfer)	(372,000)	(372,000)	------------
	(Transition period)	(93,000)	(93,000)	------------
	(By transfer from Sec. 32)	(20,000,000)	(20,000,000)	(------------)
	(Liquidation of contract authority)	(1,566,234,000)	(1,285,999,000)	(−280,235,000)
	(Transition period)	(85,000,000)	(85,000,000)	(------------)
	(Increase in limitation on loans)	(115,000,000)	(375,000,000)	(+260,000,000)
	(Increase in limitations)	(1,564,000)	(1,364,000)	(−200,000)
	(Transition period)	(2,573,000)	(2,539,000)	(−34,000)
	TITLES II AND III—INCREASED PAY COSTS			
	Total, New budget (obligational authority	2,101,289,070	1,888,191,570	−213,097,500
	Transition	723,228,400	689,878,400	−33,350,000
	(By transfer)	(8,759,000)	(9,859,000)	(+1,100,000)
	Transition period	(3,166,000)	(3,166,000)	(------------)
	(Increase in limitation)	(39,559,200)	(37,919,000)	(−1,640,200)
	Transition period	(21,862,800)	(21,597,000)	(−265,800)
	(Trust fund transfers)	(866,000)	(866,000)	(------------)
	Transition period	(286,000)	(286,000)	(------------)
	GRAND TOTAL—TITLES I, II, AND III			
	New budget (obligational) authority	8,001,689,067	7,749,126,167	−252,562,900
	Transition period	2,324,961,200	2,317,722,200	−7,239,000
	(By transfer	(9,131,000)	(10,231,000)	(+1,100,000)
	(Transition period)	(3,259,000)	(3,259,000)	(------------)
	(By transfer from Sec. 32)	(20,000,000)	(20,000,000)	(------------)
	(Increase in limitation on loans)	(115,000,000)	(375,000,000)	(+260,000,000)
	(Increase in limitations)	(41,123,200)	(39,283,000)	(−1,840,200)
	(Transition period)	(24,435,800)	(24,136,000)	(−299,800)
	(Trust fund transfers)	(866,000)	(866,000)	(------------)
	(Transition period)	(286,000)	(286,000)	------------
	(Liquidation of contract authority)	(1,566,234,000)	(1,285,999,000)	(−280,235,000)
	(Transition period)	(85,000,000)	(85,000,000)	(------------)

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[1] Excludes items in bill as reported by the committee which were added by the Senate, and agreed to by the House, to H.J. Res. 890, the Emergency Supplemental for the Swine Flu Vaccine Program as follows:

	Budget estimate	Recommended	Difference
New budget authority	$2,140,300,000	$1,378,700,000	$761,500,000
(Appropriation to liquidate contract authority)	(300,000,000)	(300,000,000)	(------------)

Mr. FLOOD. Mr. Chairman, chapter VI of H.R. 13172 includes $4,254,474,000 for fiscal year 1976, and $565,124,000 for the transition quarter for the Departments of Labor, and Health, Education, and Welfare, and Related Agencies. On Monday of this week, the House agreed to the Senate amendments to House Joint Resolution 890, the emergency supplemental appropriation bill for fiscal year 1976. Those amendments included appropriations for several programs which are also funded in chapter VI of the bill which is before us today. It was the judgment of both the House and the Senate that appropriations for these programs, that is, public service jobs, summer youth jobs, community services employment for older Americans, and the summer recreation, transportation, and youth sports programs, are of sufficient urgency to include them in House Joint Resolution 890, which has now been sent to the President, rather than the second supplemental appropriation bill, since the latter will not be considered in the Senate until after the Easter recess. Accordingly, I intend to move to strike from H.R. 13172 the appropriations for the programs I have named at the appropriate time.

Excluding the programs funded in House Joint Resolution 890, chapter VI of the bill we are considering today includes appropriations totaling $2,875,774,000 for fiscal year 1976, which is an increase of $138,302,000 over the budget requests, as well as $565,124,000 for the transition quarter, an increase of $66,995,000 over the budget request. The major items included in these totals are as follows:

Funds for 76 additional positions for the Labor Department to administer the Longshoreman's and Harbor Worker's Compensation Act and the black lung benefits program. Both of these programs have serious workload problems, and we must give them the resources they need to handle them.

The sum of $161,126,000 for programs to prevent drug abuse and to treat drug abusers. These are ongoing programs, which were recently reauthorized by the Drug Abuse Office and Treatment Act Amendments of 1976.

Additional funds for staffing and facilities for St. Elizabeths Hospital so that the hospital can meet the requirements of the Joint Commission on Accreditation of Hospitals.

There are $3,000,000 for reimbursements to States to assist them in the preparation of equalization plans for school financing. This is something which our colleague Congressman Patten of New Jersey felt quite strongly about.

Bill language to permit the use of existing appropriations to fund the "hold harmless" provision of the impacted area aid law. We think that with this language, we will not have to appropriate additional funds for this purpose.

The sum of $3,000,000 for the transition period to support some additional assistance to school districts which are in the process of desegregation.

There are $30,000,000 for assistance to States for the education of handicapped children. This will provide a total of $140,000,000 for this purpose for the upcoming school year, an increase of 40 percent over the current year.

There is provided $476,000,000 for basic educational opportunity grants for students in institutions of higher education for the coming academic year. This will provide a total of $1,011,000,000 for basic educational opportunity grants, the same as the amount appropriated for the current academic year.

Funds for additional staffing in the Office of Education to administer the impacted area aid and education of the handicapped programs. Here again, new legislation has created additional workloads which cannot be met with existing staff.

The sum of $1,988,967,000 for 1976, and $440,500,000 for the transition period for public assistance. This is the usual spring supplemental for public assistance which we have just about every year because the Administration's original estimate fell short of the mark. It is primarily due to increased costs for aid to families with dependent children, medicaid, and social services.

There are $130,757,000 for programs for the elderly, to carry out the Older Americans Act amendments which were enacted late last year.

We provide $78,500,000 for the Corporation for Public Broadcasting, an increase of $16,500,000 over the 1975 appropriation. The additional funds will go primarily to the local public television and radio stations.

We have also included additional funds for a number of programs for the transition quarter. There are cases where the amounts currently available are not sufficient to carry these programs through the transition period. The programs affected include maternal and child health, environmental health sciences, alcoholism and library resources.

Mr. Chairman, that is a summary of the amounts in chapter VI of the bill. This is all laid out in much greater detail in the report. I urge the adoption of chapter VI as recommended by the committee.

Mr. CEDERBERG. Mr. Chairman, I yield myself such time as I may consume.

The chairman of the committee, the gentleman from Texas (Mr. Mahon), has gone into the details of this supplemental, and there is very little that I can add at this time.

Mr. Chairman, at this time I yield such time as he may consume to the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Chairman, the Labor-HEW chapter really ought to be considered in two parts: Those items included in the swine flu bill, and all the remaining items.

The Chairman will be moving to strike the items included in the flu bill at the proper time.

These items include $1.2 billion to extend the public service employment program at the present level through January of next year. The President had proposed $1.7 billion to extend the program through December 31, and then providing for a gradual phase down through September, 1977. The chairman proposed in our subcommittee markup that $1.5 billion be provided to continue the current program through March of next year. I thought that was a sensible compromise, because it would have provided the prime sponsors with sufficient long-term funding to enable them to effectively plan and operate their programs, it would have given Congress an opportunity to come back early next year and decide what further course of action to take regarding the program based on the economic conditions at that time, and it would have avoided having this program turned into a political football as it almost surely will become if we have to take it up again 1 month before election. It is regrettable that we are not going with that recommendation.

Also among the items to be stricken are $499.8 million for summer youth employment, which was increased to $528.4 million in the swine bill to reflect an increased budget request; $55.9 million for the community service program for older workers; and $23 million for the summer youth recreation and summer youth sports programs.

The remaining items in this chapter represent an increase of $205 million over the budget recommendation, including the transition period. Briefly touching on some of the highlights:

The sum of $162 million is provided for drug abuse community programs, equal to the budget request and a small increase over last year. This item had been delayed because of the lack of authorizing legislation.

The amount of $6.3 million is included to try and improve the standards at St. Elizabeths Hospital.

The $3 million in emergency school aid money is provided for special projects to meet real emergencies resulting from court decisions. This is really what the program ought to be all about, rather than spreading the money all over the place under a formula approach.

The sum of $30 million is included for State grants to educate the handicapped under the authority of the new Education for all Handicapped Children Act. This will bring the total for the coming school year up to $140 million, a substantial 40-percent increase over the current year.

The amount of $476 million is included for basic educational opportunity grants. This would bring the program up to the current year's level of funding of $1,011,000,000. It would not result in full funding of the program next year, but there is nothing sacred about full funding, particularly in view of the various other student assistance programs we have available. The administration has suggested some possible reprogramings and transfers from other programs to bring BOG's up to a full funding level, should that be desired. That would require an additional $315 or so million dollars.

We have gone along with the budget request of $1,988,967,000 for public assistance, but have included in the report some language calling for increased efforts to crack down on waste and abuse, including the development of stronger regulations for medicaid and the use of social security numbers in the effort to track down absent parents. It is encouraging to note that the Secretary of HEW indicated last week he will be allowing such use of social security numbers.

The sum of $130.5 million is included to fund the programs recently authorized under the Older Americans Act amendments. This represents a $27 million increase over the budget, under which we are currently operating under the continuing resolution, and a $10 million increase over last year. Virtually all of the increase over last year is for the title III community services program.

Transition funds are included for maternal and child health, environmental health, alcoholism, and library resources to maintain current program level operations.

Report language is included which would make $40 million in excess impact aid fiscal year 1976 funds and $55 million in excess transition funds available for hold harmless. When coupled with the $11 million already appropriated for hold harmless, this will make a total of up to $106 million available for that purpose. Estimates by the Department are that maybe $80 to $90 million will be needed.

These hold harmless payments are hard to justify because they in essence pay for students who are no longer eligible for the program and a good share of the payments go to the wealthier communities, such as the suburbs around Washington. It seems to me we can find better uses for this money than throwing it into hold harmless.

Basically, though I have some concerns over a few of the items, the Labor-HEW section as it currently stands is responsible in nature and merits acceptance. This would not be the case, however, if the chapter should be loaded up with amendments, and I thus urge rejection of any amendments adding increased sums of money to the bill.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

I would like to ask the gentleman a question with respect to the basic opportunity grants.

From the material I have read regarding the supplemental, it points out that the total would be roughly $1 billion, which is equal to the funding of the current year; is that correct?

Mr. MICHEL. Yes.

Mr. DELLUMS. I have been given information which was presented before the gentleman's committee that more students will be eligible for these grants next year, and the net effect would be a reduction in the basic opportunity grant of roughly $160.

If this is true, would the gentleman give me the committee's rationale for the funding levels in this supplemental legislation.

Mr. MICHEL. There is no question about that. However, I think we have offset it with the other student assistance programs that are available. As a matter of fact, in the college work study program for the academic year 1975–76, while we appropriated $420 million, they are only going to be able to use $380 million. That $40 million is now available for the academic year 1976–77, making for a total of $430 million for the college work study program. In addition, there is a rollover of revolving funds in the direct loan program, which really comes out to $506 million being available for direct loans, instead of the $321 million that was appropriated for academic year 1975–76. In the academic year 1976–77 the total will be $575 million for this direct loan program.

Therefore, it is with these additional programs, that we justify keeping BEOG at this level. Since a student can get a mix of two or three student assistance programs, we feel he is adequately taken care of.

I suspect that one can always argue that we ought to have a little more, but basically this is the reason and rationale of the committee.

Mr. DELLUMS. Mr. Chairman, I thank my distinguished colleague, the gentleman from Illinois (Mr. MICHEL).

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, chapter I of the bill provides supplemental appropriations totaling $269,450,000 for fiscal year 1976 and $438,963,000 in the transition quarter.

CHILD NUTRITION AND SPECIAL MILK PROGRAMS

For child nutrition programs, the committee recommends an additional $226,801,000 in 1976 and $412,500,000 in the transition quarter.

These programs have had funds appropriated only for 7 months of fiscal year 1976 and for the transition quarter. The funds appropriated for the transition quarter were made available for us during fiscal year 1976, and all of those funds will be needed during the current fiscal year. Additional funds are necessary to enable the programs to operate for the remainder of the fiscal year, to cover increased reimbursement rates effective January 1, 1976, and to meet the requirements placed upon the child nutrition programs by Public Law 94–105.

Additional funds are included for school lunches, school breakfasts, summer food program, child care food program, and nutritional training and surveys.

In addition to the administration's supplemental request, the committee recommends a total of $4,500,000 in fiscal year 1976 for State administrative expenses, and $4,050,000 for the transition quarter. The supplemental budget request for State administrative expenses was $1,050,000 for fiscal year 1976 and $1,700,000 for the transition quarter. These administrative funds are necessary to assure that child nutrition benefits under the law are properly extended through the States.

The committee recommends an additional appropriation of $24,000,000 in the transition quarter for the special milk program. These funds are necessary to allow the program to continue during the transition quarter. Currently, there are no transition quarter funds available for the special milk program.

GREAT PLAINS WIND EROSION PROBLEMS

We are all aware of the very serious wind erosion conditions that are developing in the Great Plains States because of drought conditions. In order to preserve the irreplaceable topsoil of that great agricultural area, the committee recommends $15 million for the agricultural conservation program. In addition, we recommend $2 million for the Great Plains conservation program. The situation today is reminiscent of the early stages of the great Dust Bowl of the 1930's. The country cannot afford to let that condition recur.

EMERGENCY FLOOD PREVENTION OPERATIONS

The committee recommends supplemental appropriations of $8,400,000 for fiscal year 1976 for emergency assistance to repair damage to watersheds as a result of major storms which have occurred during the past year. The States involved are Washington, Mississippi, and Iowa.

TRAVEL COSTS

The committee has also recommended additional funds for those accounts which cannot absorb the increased travel costs attributable to revised per diem and other travel allowances authorized by the Travel Expense Amendments Act of 1975.

INCREASED PAY COSTS

The committee recommends an appropriation of $25,695,000 for increased pay costs during fiscal year 1976 and an appropriation of $9,000,000 during the transition period. These amounts are the same as the budget request.

AGRICULTURAL RESEARCH

The committee recommends a supplemental appropriation of $8,350,000 for fiscal year 1976 for the Agricultural Research Service. This is the same amount as the supplemental request. This amount includes $2,350,000 for conversion of two sewage treatment plants and renovation of sewage and water lines at Beltsville, Md., in order to meet Environmental Protection Agency requirements, plus $6,000,000 to finance expansion and improvement of facilities at the Plum Island Animal Disease Center. The Plum Island construction project will provide a vaccine pilot plant for the development and production of foot-and-mouth disease vaccine in the event it is needed should an outbreak occur in this country.

MEAT AND POULTRY INSPECTION

The committee recommends $7,644,000 for fiscal year 1976 for the Animal and Plant Health Inspection Service, and $2,161,000 for the transition quarter.

The Department is required by law to designate those States which are unwilling or unable to maintain meat and poultry inspection systems at least equal to the Federal system. Once a State has been designated, all plants formerly inspected under the State system become the responsibility of the Federal meat and poultry inspection program. In order to provide essential consumer services, it has been necessary to undertake inspection activities in the States of New York, New Jersey, Colorado, Tennessee, and Connecticut, and part of the Talmadge-Aiken system in Michigan. Assumption of these programs has resulted in additional costs which cannot be met under the current funding level.

Mr. MAHON. Mr. Chairman, I yield such time as he may consume to the chairman of the HUD subcommittee, the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Chairman, chapter IV includes funds recommended for the Department of Housing and Urban Development, the Veterans' Administration, and the Federal Home Loan Bank Board. This chapter also included $300,000,000 to liquidate EPA obligations made under the $18,000,000,000 waste water treatment program. Because these funds are urgently required they were included in the flu shot supplemental which was sent to the President yesterday. At the appropriate time, I will offer an amendment to strike the $300,000,000 included in this bill for the same purpose.

Mr. Chairman, the first item under chapter IV of the bill is the section 202 housing for the elderly or handicapped program, HUD requested an increase in the loan limitation of $115,000,000. The committee recommended $375,000,000—or $260,000,000 above the budget request.

Let me take just a minute to review the background of the request and the committee's recommendation. The 1974 Housing and Community Development Act authorized a new housing for the elderly program replacing the old section 202 program which subsidized the interest rate down to 3 percent. About 40,000 units were built under the old program and approximately $115,000,000 remained in the fund when the administration terminated the program in 1973.

The new housing for the elderly program was launched in the 1976 HUD Appropriation Act with a loan limitation of $375,000,000. However, a recent court decision held that $115,000,000 of that amount must be reserved for making loans under the old program.

It is that $115,000,000 which the administration has sought to restore.

But when you look at the demand generated under the new section 202 program, I think you will agree that something more than $115,000,000 had to be provided in this supplemental bill. HUD has received 1,500 applications covering 230,000 units valued at from $5 to $6 billion. If we provided just the $115,000,000 requested, only 14,800 units could be allocated in 1976. In view of the incredible demand, the committee agreed to provide an additional $375,000,000 in 1976. After the $115,000,000 is set aside to offset the court's decision, $635,000,000 of loan authority will be available for the new program. This should provide approximately 25,000 units for the elderly in 1976.

One other point. The new section 202 program in and of itself provides no subsidy. Loans are made at the Treasury rate plus an administrative fee. At current levels, that represents about a 9-percent interest charge. Obviously, at 9 percent, no elderly housing can be provided that low or moderate income families could afford. This problem is solved by piggybacking a section 8 subsidy on top of the new section 202 program. The subsidy is in the form of a section 8 monthly allowance. The Government makes up the difference between 25 percent of a tenant's income and whatever the cost of the unit is in that locality.

This subcommittee has long supported the housing for the elderly or handicapped program. The demand is clearly there. If managed properly, these loans will be repaid with interest to the Treasury. With that in mind, it was the nearly unanimous view of the committee that the loan limitation should be increased substantially above the budget request. I believe it is a wise decision that will provide safe, sanitary, and decent housing for many older Americans.

Let me touch very briefly on some of the other items in chapter IV.

Also under HUD—$1 million is recommended to implement the enforcement and related activities of the mobile home standards program.

Five million dollars is recommended to reimburse the Federal Housing Administration Fund for losses incurred under the urban homesteading demonstration program. This appropriation to restore losses is in reality a bookkeeping exercise as there is no net effect on either budget authority or outlays. Both have already been incurred as a result of Treasury borrowings necessary to make insurance claim payments on foreclosed properties. These funds will sponsor a demonstration urban homesteading program transferring approximately 1,000 properties to 23 cities.

Under the VA, $549,500,000 in 1976 and $173,300,000 in the transition period are provided to finance increases in the cost of the compensation and pensions program.

Also, $600,000,000 in 1976 and $120,000,000 in the transition quarter are recommended to fund increased costs of the GI bill. These increases are the direct result of higher trainee enrollment than was expected during fiscal year 1976.

The amount recommended is $200,000,000 less than the supplemental request, which was based on an increase of 227,300 trainees above the level previously expected. Recent information suggests that this increase is substantially overstated and the committee felt that a $200,000,000 reduction was warranted.

Finally, we have approved supplemental requests of $108,390,000 in 1976 and $31,235,000 for the transition period to meet increased costs and workloads for VA medical care.

It is interesting to point out that for the Veterans' Administration in total, this supplemental bill includes $1,295,291,000 in 1976 and $329,335,000 in the transition period for all veterans' programs. That is in addition to $17,829,454,000 provided in the regular 1976 HUD bill. So, in 1976, the Congress will provide more than $19.2 billion for veterans' benefits.

Mr. MAHON. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Chairman, last December, the State of Washington went through some of the worst flooding in its history.

The combination of heavy snows followed by warm rains caused millions of dollars of damage in most of the counties I represent, as well as throughout the entire State.

In Snohomish County, residents suffered about $16 million in damages to residences, businesses, farms, and livestock. At the same time residents in Skagit County suffered $4.5 million and those in Whatcom suffered $6.8 million in damages.

Both the Army Corps of Engineers and the Soil Conservation Service have been vital in providing the necessary help in repairing these damages and restoring much of the Pacific Northwest to its original condition.

In light of the excellent job done, and the tremendous necessity for additional repairs to be completed, the entire Washington State congressional delegation requested that $4.5 million be appropriated for section 216 of the Soil Conservation Service for use in Wasington State.

I request that these funds, which are so desperately needed, be approved as part of H.R. 13172, currently on the floor.

The $4.5 million earmarked for Washington State will be expressly used for the purpose of repairing land and stream areas, which may endanger the public as a result of damage suffered during the extensive flooding. That means that this funding could be used to repair weakened stream banks, repair damaged dikes, or clear blocked channels.

This is particularly important now, with spring flooding just around the corner for Washington State.

Therefore, considering the tremendous need in our State, I hope the House of Representatives sees to it that the spirit shown in yesterday's denial of Presidential efforts to block similar funds will continue today in the approval of H.R. 13172.

Mr. ASHLEY. Mr. Chairman, I want to express my appreciation to my colleagues on the committee—and particularly chairman SID YATES and members of the Interior Subcommittee—for including $1.6 million in this bill for repair of the dikes at Cedar Point National Wildlife Refuge near Toledo, Ohio.

I commend the committee for its recognition of the gravity of the threat posed by these storm-damaged dikes to the nearby water pumping stations of the cities of Toledo and Oregon. Their foresight in recommending the necessary reconstruction funds could very conceivably save the Government huge emergency expenditures in the event of any further destruction of the dikes that resulted in the disruption of the water supply of half a million residents of the area.

Mr. Chairman, there is a clear Federal responsibility here that has not been met. The U.S. Fish and Wildlife Service of the Department of the Interior has administered the Cedar Point National Wildlife Refuge since receiving the land as a gift from the North American Wildlife Foundation in 1964. Cedar Point is a marshland area which serves as a sanctuary for a variety of wildlife including migratory birds. It has 5 miles of frontage on Lake Erie, and its boundaries are marked by a system of interior and lakefront dikes which protect not only the refuge itself but adjacent private property and the two municipal water pumping stations.

Severe storms in 1972 and 1974 washed away whole sections of the dikes and other flood protection materials, leaving the refuge vulnerable to every subsequent storm or abnormally high water level in Lake Erie. The refuge has been flooded repeatedly in the absence of any repair of the dikes, and there is unanimous agreement among local governments in the area that the pumping stations could be put completely out of service by any major storm blowing in from the lake.

Mr. Chairman, the Department of the Interior estimates that it will cost $1,605,000 for reconstruction of the Cedar Point dikes. I am grateful that Interior has finally conceded its responsibility in this matter and is willing to undertake the repairs if the necessary funds are made available.

Again, I thank the members of the committee and applaud their wisdom in recognition of the Government's responsibility. By appropriating the funds in fiscal 1976, we will make it possible for the repairs to be made at an early date before we are faced with a major tragedy for the people of northwest Ohio. I urge an overwhelming vote of approval for this important supplemental appropriation bill.

Mr. BIAGGI. Mr. Chairman, as a member of the House Select Committee on Aging I rise in full support of the amendment sponsored by our chairman to increase funds for the title III and IV program of the Older Americans Act. As a cosponsor of the amendment of 1973 and 1975 to the act, I feel failure to adopt this amendment today will effectively hinder the act's ability to meet the needs of this Nation's elderly.

Since the implementation of the act in 1965, there has been a constant struggle to obtain reasonable funding levels for its various sections. We have been successful with those sections which have been funded including the highly acclaimed title VII nutrition program. Yet with others, the intent of Congress has never been fully realized.

This amendment today deals with title III and IV of the Older Americans Act. All told the amendment is seeking a modest $14.2 million increase for title III which encompasses a number of important programs including State administration and area planning and social services. In this latter category among the services provided are important in home services including health care and legal services. In the past 2 years almost 1 million senior citizens have been added to the eligibility list for services under title III, yet the recommended increase proposed by the administration would in no way be adequate to meet these new demands.

I would also like to focus brief attention on one of the programs contained under title IV of the act, namely part C which would establish multidisciplinary centers for the aging. This program was established as part of the 1973 amendments but as of this date has never been funded. I know in my own congressional district there has been great interest registered by groups seeking to establish such a center. The potential benefits of these centers would be numerous for the elderly population. The supplemental bill contains no funds for title IV C. The Aging Committee proposal would provide $2 million through the transitional quarter to establish sample demonstration programs in this area.

Mr. Chairman, the Older Americans Act was considered landmark legislation for the senior citizens of this Nation. Yet today it is more dream than reality due to consistent funding inadequacies. Our elderly population is in greater need of the services under the Older Americans Act than they were when the act was first passed. It is foolish for us to pass laws if the intent is never going to be realized. I urge the support of all Members to this reasonable and humane amendment. Let us allow the Older Americans Act to fulfill its promises. An affirmative vote today will be an important first step.

Mr. SLACK. Mr. Chairman, chapter IX concerns itself with appropriation items for the Departments of State and Commerce, the Judiciary, and four related agencies. The totals for chapter IX are as follows:

	Budget estimate	Recommended in bill	Comparison
Fiscal year 1976	$13,274,000	$11,872,000	−$1,402,000
Transition period	31,964,000	5,893,000	−26,071,000
Liquidation of contract auth	30,235,000	----------	−30,235,000

Pursuant to the U.S.-U.S.S.R. agreement concerning sale of grain to the Soviet Union, concluded on December 29, 1975, one-third of the grain purchased is to be transported in U.S.-flag ships. The Department of Commerce indicated that subsidy payments required during fiscal year 1976 and the transition period for such shipments can be made within funds presently available.

With regard to the Department of State, under "Contributions to International Organizations," the committee recommends an additional appropriation of $3,188,000 for payment to the World Health Organization, for 1976 calendar year. This amount is within the 25 percent limitation. The request included $25,902,000 to pay the International Labor Organization the balance of the assessment for calendar years 1975 and 1976. Since the United States has filed notification of intent to withdraw from the International Labor Organization, the request is not recommended at the present time.

With respect to the Renegotiation Board, the committee considered requests for additional appropriations of $115,000 for fiscal year 1976 and $162,000 for the transition period. Since legislation (H.R. 10680) affecting the organization and operation of the Board has passed the House and is pending in the Senate, it seems inappropriate to expand the Board staff at the present time. Consequently, the requests have been denied.

The various items are set forth in some detail on pages 72 through 79 of the committee report.

Mr. SKUBITZ. Mr. Chairman, I want to commend the committee for providing the additional funds—for a number of worthy programs for the aging.

The fastest growing segment of our population is the elderly—and I can think of no more beneficial way to use funds to increase and improve the social services for our senior citizens.

In my own district of Kansas funds provided through the older American's programs have helped institute a number of vitally needed and well-received services.

I would like to briefly tell you about two of those programs, both of which will be affected by this supplemental appropriation. Under the title III program, several southeast Kansas counties have developed transportation programs for the elderly, which include rural bus routes.

Over 5,000 elderly citizens of small towns and rural areas are transported into the cities by this program for medical care, shopping, and social gatherings they could not attend otherwise.

Clarence Bailey, of Altamount, Kans., who uses a wheelchair and a walker to get around wrote a letter about this service and explained how being able to use the rural bus has helped him, he says:

> I've been riding the bus ever since it started. When I was living in Chetopa at the hotel, Doris Ekhoff came and told me about it. Then when I fell and had to come to the rest home I can still get out once or twice a month and ride. I sure do miss it any time it doesn't come.

Senior citizens living in the larger southeast Kansas towns do not necessarily have an easier time getting errands done. Without a car or the physical ability to walk several blocks transportation is a major concern. In Pittsburg and Fort Scott, Kans., over 15,000 elderly riders use the transportion facilities provided.

Many of the things most of us take for granted, grocery shopping, visiting doctors, or attending church, are made possible for the elderly through title II, transportation program.

The senior citizens of Kansas have also benefited from the home repair project, another program affected by this supplemental appropriation. Under this program elderly persons are helped with the repair of leaking roofs, broken windows, and weatherproofing of their homes. Many invalid senior citizens have repairs made to their homes that they would otherwise lack the funds or physical ability to accomplish.

The demand for assistance under this program has been very large, but limited funding has restricted expansion of services.

The number of older Kansans who have received assistance in repairing their homes is far below the number who qualify for and need assistance.

The Aging Committee's proposal calls for an additional appropriation of a total of $10.75 million. This is a very meager amount compared to the appropriations we routinely approve for a great many programs.

Yet the Aging Committee's figures make clear that unless the appropiration is approved there can be no expansion of present programs or implementation of new programs as called for by the 1975 amendments to the Older Americans Act.

By acting favorably on the recommended supplemental appropriations programs such as the rural bus routes, the checkerbus, and the home repair program can be continued and extended to serve additional older Americans.

Mrs. MINK. Mr. Chairman, I rise to express my support for the amendments to add funds to the second supplemental appropriation bill so as to provide adequate levels of funding for programs under the Older Americans Act.

Mr. Chairman, the administration's budget request for fiscal year 1976 for Older Americans programs provided a net reduction of $17 million below the 1975 appropriation. The House Appropriations Committee rejected the administration's request and instead recomcended $130,575,000, an increase of $27 million over the budget request.

However, we now find that the recommendations of the Appropriations Committee are not sufficient to meet the urgent requirements of the 1975 Amendments to the Older Americans Act (Public Law 94–135). As one who cosponsored the 1975 Amendments to the Older Americans Act and who served on the House-Senate conference committee which wrote these amendments, I am well aware of the need to provide sufficient funds to implement the new law.

I would like therefore to voice my strong support and encourage my colleagues to support the Randall amendment and amendments thereto to provide an additional $24,035,000 over and above the amount requested by the Appropriations Committee.

As you will recall, the 1975 Amendments to the Older Americans Act emphasized services to help older persons live more independent lives. These services include transportation projects, services to allow older people to remain in their own homes and out of institutions, home repairs and legal and counseling services. The increased funding requested will allow States to carry out this mandate in the Older Americans Act.

The amendment will also provide additional funds to carry out demonstration projects for innovative programs. You will recall that the highly successful nutrition program began as a demonstration project.

In addition, the amendment will provide increased funds for training and research efforts which educate desperately needed personnel to provide essential services to the elderly and develop more effective ways to deliver them.

I also support the amendment providing an additional $2,500.000 for title V of the Older Americans Act for the multipurpose senior centers program. There is an urgent need for these centers to provide referral services for information to the elderly about health, welfare, housing, and transportation services. This program has been an unfulfilled hope of our elderly for several years.

Accordingly I urge my colleagues to support these additional funds for the Older Americans Act.

Mr. MAHON. Mr. Chairman, does the gentleman from Michigan (Mr. CEDERBERG) have further requests for time?

Mr. CEDERBERG. Mr. Chairman, I have no further requests for time.

Mr. MAHON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For an additional amount for liquidation of obligations incurred pursuant to authority contained in section 203 of the Federal Water Pollution Control Act, as amended $300,000,000, to remain available until expended.

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: On page 11, strike lines 9 through 14.

Mr. BOLAND. Mr. Chairman, this $300 million was included in the emergency supplemental that was passed by the House and sent to the President yesterday. These funds were added to that bill in the Senate to meet payments on obligations incurred under the waste water treatment program. The timing of the second supplemental bill would have caused a serious cash flow problem for many localities across the Nation. Therefore, the $300,000,000 was moved from this bill to the urgent supplement cleared by the House yesterdav.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. BOLAND).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EMPLOYMENT AND TRAINING ADMINISTRATION

COMPREHENSIVE MANPOWER ASSISTANCE

For an additional amount for "Comprehensive manpower assistance", $499,800,000, to remain available until September 30, 1976.

TEMPORARY EMPLOYMENT ASSISTANCE

For expenses necessary to carry out activities authorized by Title II of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 841–851), $800,000,000, to remain available until October 31, 1976.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out title IX of the Older Americans Act, as amended, $55,900,000.

AMENDMENTS OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Chairman, I offer several amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. FLOOD: On page 16, strike lines 6 through 10.

On page 16, strike lines 11 through 15.

On page 16, strike lines 16 through 19.

Mr. FLOOD. Mr. Chairman, these amendments are very simple. They delete the appropriations for three programs which Congress has already included in the urgent supplemental for the swine flu. We included summer youth employment, community service employment for older Americans and public service jobs in that urgent supplemental. That bill, House Joint Resolution 890, was cleared for the White House on Monday when the House concurred in the Senate amendments.

Obviously, we do not want to include these same funds in two different bills. These amendments simply take these items out of this bill.

Mr. Chairman, later on at the proper time, I will have another motion to strike for exactly the same reason.

I urge adoption of the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania (Mr. FLOOD).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. CORMAN

Mr. CORMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CORMAN: On page 16, after line 5 insert the following:

"EMPLOYMENT AND TRAINING ADMINISTRATION

"ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

"Funds appropriated under this heading in the Supplemental Appropriations Act, 1976 (Public Law 94–157) shall be available for repayable loans to the Virgin Islands, as authorized by title III of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975."

Mr. CORMAN. Mr. Chairman, this amendment contains the appropriation language necessary to provide loans to the unemployment insurance fund of the Virgin Islands. These loans are needed if the Virgin Islands is to continue to pay unemployment insurance benefits.

H.R. 13069, which the House will consider later today, provides for an extension of the temporary authority enacted in Public Law 94-45 for the Secretary of Labor to make such loans.

This amendment does not change the total amount appropriated under the Supplemental Appropriations Act of 1976. It simply provides that $10 million of the amount appropriated may be used for repayable loans to the unemployment insurance fund of the Virgin Islands.

Mr. Chairman, if this amendment were not enacted, the Virgin Islands would have to suspend the payment of unemployment benefits at the end of May because their unemployment insurance funds are depleted.

Mr. FLOOD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, for the benefit of the Members, we have been advised by the Department of Labor that there is a very serious problem with unemployment benefits in the Virgin Islands. The indications are that the funds will be depleted by the end of May.

Under the law we passed last year, the Secretary of Labor is authorized to make these loans to the Virgin Islands for the purpose of paying these unemployment compensation benefits.

That authority expires June 30. I understand the Ways and Means Committee is in the process of extending the basic law. Is that correct?

Mr. CORMAN. Yes; it will come up later today.

Mr. FLOOD. But we do need some appropriation language here. As I understand it, Mr. Chairman, this simply makes available previously appropriated funds to make these loans to the Virgin Islands. In view of what we are talking about today, it is a comparatively minor matter, although I am sure they do not think so down there.

Mr. Chairman, we have no objection to the amendment.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I support the amendment offered by the gentleman from California. It has been adequately explained, and I hope it will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. CORMAN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

Funds appropriated under this heading in the Education Division and Related Agencies Appropriation Act, 1976 (Public Law 94-94) for carrying out sections 2, 3, and 4 of title I of the Act of September 30, 1950, as amended, which are in excess of payments required for those sections for the fiscal year ending June 30, 1976, pursuant to subsections 5(c) (1) and (2), shall be available only for payments under subparagraphs (A), (B), (C), and (D) of section 305 of the Education Amendments of 1974.

POINT OF ORDER

Mr. KOCH. Mr. Chairman, I make a point of order against page 19, lines 23 and 24, and page 20, lines 1 through 5.

The CHAIRMAN. The gentleman will state his point of order.

Mr. KOCH. Mr. Chairman, this reprograming of tier 3 funds to pay the hold-harmless clauses constitutes legislation in an appropriation bill.

This change in the allocation of funds is contrary to the provisions of section 5(c) of Public Law 81-874 as amended by Public Law 93-380, and violates the provisions of division (ii), subparagraph (A) of section 305 of the Education Amendments of 1974, and the provisions of division (ii) of subparagraph (D) of the Education Amendments of 1974.

This paragraph attempts to reallocate funds already obligated under a previous appropriation (Public Law 94-94).

Mr. FLOOD. Mr. Chairman, we think that this is a valid point of order, and concede the point of order.

The CHAIRMAN. The point of order is conceded. The point of order is sustained.

The Clerk will read.

The Clerk read as follows:

EDUCATION FOR THE HANDICAPPED

For an additional amount for "Education for the handicapped" to carry out part B of the Education of the Handicapped Act, $30,000,000.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment to the paragraph of the bill just read, which is a single substitute for the two paragraphs. I hereby give notice that if the amendment is agreed to, I will offer a motion to strike the paragraph beginning on page 20, line 23, and ending on page 21, line 4.

The Clerk read as follows:

Amendment offered by Mr. OBEY: On page 20, strike out the paragraph beginning on line 19 and ending on line 22, and insert in lieu thereof:

EDUCATION FOR THE HANDICAPPED

For an additional amount for "Education for the handicapped" to carry out part B of the Education of the Handicapped Act, $90,000,000.

HIGHER EDUCATION

For an additional amount for "Higher education", $791,750,000, of which $791,000,000 shall be for basic educational opportunity grants authorized by title IV, part A, subpart 1 of the Higher Education Act, to remain available until September 30, 1977, and $750,000 shall be for section 966 of the Higher Education Act.

Mr. OBEY. Mr. Chairman, this amendment is very simple. It raises the amounts appropriated for the basic opportunity grants for higher education and it raises the amount for grants to the States under the education for the handicapped program.

Mr. Chairman, I will not take much time to explain it because it is very simple. Let me say that the reason we are adding $315 million to the BOG's program is simply this: the grant funding the BOG's is just a little over $1 billion. The current participation for this year for students is about 1.26 million students. Next year, the committee is also funding under the committee bill about $1.01 billion for BOG's. But because we will be adding seniors to the eligibility for the BOG's program, we will be having over 1.5 million students eligible. That means, in plain English, that while this year the average grant has been about $800 per student, the average grant under the committee bill next year, if this committee bill passes without this amendment, will be about $640.

That means we will have about 2,000 to 3,000 families in every congressional district in the country whose youngsters will be receiving a reduction in their checks for the basic opportunity grant for this year.

I really do not think anybody here wants to do that, especially at a time when the cost of higher education is rising to the tune of about 7 to 9 percent.

The other point I would simply make on the handicapped is this: Presently, only 58 percent of all of the handicapped children are being served. We just passed in January legislation mandating that all States educate handicapped children to the best of their ability, and the estimated amount needed to do that is about $2.8 billion. I am almost embarrassed to say that, in light of that need, what we are adding in this amendment today is a paltry $60 million to meet a $2.8 billion need.

The Federal Government and the courts are asking States to nearly double the expenditures on behalf of the handicapped, and I do not think it is unreasonable to expect that the Federal Government will provide at least a slightly greater degree of assistance than we are providing in this bill.

Mr. Chairman, I would urge the Members to support this amendment.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from New York (Mr. KOCH).

Mr. KOCH. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Obey/Roybal amendment which would provide the necessary funds to restore the basic educational opportunity grant program to full funding. The $315 million for the BEOG program is essential if we are to maintain the current award levels; if it fails, it will mean a 30-percent drop in average grants.

The present figure does not take into account that for the first time, four classes of students are eligible for the program. In fact 300,000 more students are eligible than last year. Needy students must not be penalized because officials have underestimated the participation rate. Success of the program in attracting applicants should be reason for increasing, rather than reducing, its funding.

This program is the foundation of the Federal financial aid structure. If our commitment to equal opportunity in higher education is to be meaningful, we must fund the programs fully to meet the expanding need.

Mr. Chairman, this amendment also adds to the program moneys for handicapped students. Surely we ought to be assisting with greater grace than this Congress has shown, the handicapped who are struggling to overcome physical, emotional and mental handicaps. Even with the additional $60 million provided under this amendment, we will not be doing enough for the 8 million handicapped children in this country.

Mr. FLOOD. Mr. Chairman, everybody present knows my position on amendments. So when I rise in opposition to this kind of an amendment, the Members certainly realize that we think we have done everything that should be done within reason. This is one of those full funding amendments. If the Members do not know about full funding, believe me, we on the committee do.

There is a long list of education programs. There is the aid to handicapped, bilingual programs, college work study—there is a long list of these very worthy programs. We are for these things. Make no mistake about that.

This is the Committee on Appropriations. There is one major problem on this matter of full funding, and this is what it is: Do the Members know what the full funding program costs? Over $5 billion. Now, that "ain't hay" even for the Committee on Appropriations.

By the way, that is almost double the present appropriation for education. Mr. Chairman, I simply do not see how we can fully fund all of these programs. It is great. It is simply great, but we cannot pay for it.

Now, let me talk about this BOG's program. There is nothing the matter with the basic theory, but we are having some trouble with it.

But we can make this work. This program has to work. Theoretically, it is sound, and we are going to make it work in due course.

This full funding proposal that has been made today was rejected in committee. We provide the same dollar figure for this program, this very complicated program, that we did last year, and that is $1 billion. We are for this program.

Now, let me say this: On these basic grants, the Members will recall 2 years ago it started out with an appropriation of $122 million. Today we are going to appropriate $1 billion. What about that? Can anyone say we are not for this program?

These have been very gradual and steady increases, year after year, after year, and we are the ones who did it with the help of the Members. But the Congress has been very deliberate in funding this program. You wanted to nurse it along, gradually.

This program, in case you are not sure about this, operates in a different way than other student programs such as the work-study and the direct loan programs. As far as the work-study and the direct loan programs are concerned, they are administered directly by the colleges and by the universities.

The basic grants are made directly to the student under very complicated rules, insofar as eligibility is concerned and insofar as grant awards are concerned.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Flood) has expired.

(By unanimous consent, Mr. Flood was permitted to proceed for 5 additional minutes.)

Mr. FLOOD. Mr. Chairman, we have time and again seen this in the budget. The budget has consistently come up here with a request for full funding of the BOG's program. There was a gimmick, though, and the catch is that if we do, out go the other programs, the work-study, the direct loans, and the supplemental opportunity grants. This Congress has consistently refused year after year to do that.

Let me remind the Members, there are other student-aid programs, plenty of them, and they are available. They are available for direct loans and for grants.

In total we are talking about over $3 for the coming academic year. It would be over $3 billion.

Mr. Chairman, we are going to mark up the 1977 bill in a couple of weeks. This committee will consider full funding, at that time, for basic grants.

There are many problems with respect to this basic grant program. We want to get this straightened out and to do this properly. If we fully fund it we want to be sure that it will give these people in the universities and colleges and the students themselves plenty of opportunities.

The Members should be sure to read the committee report on this basic opportunity subject. It is not complicated. But improvements are certainly needed.

Now Mr. Chairman, on education for the handicapped, this committee on its own initiative recommended $30 million for State grants for handicapped children. We did that voluntarily. Add that $30 million to the $110 million that we have already appropriated, and we get $140 million that will be available. The committee, is providing a 40-percent increase. There will be a 40-percent increase next year. We know about these demands placed upon States.

Mr. Chairman, I repeat, for the purpose of emphasis, that in a couple of weeks we are going to make up the 1977 regular appropriation bill dealing with these subjects and we are going to consider again the funding for these programs.

Mr. Chairman, I think this committee has made a most responsive and constructive approach to this problem in this supplemental bill.

Mr. STEIGER of Wisconsin. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hesitate to get in the middle of this debate. I particularly did not want to interrupt our most articulate friend, the gentleman from Pennsylvania (Mr. Flood), the distinguished chairman of the subcommittee.

I am trying to figure out, Mr. Chairman, what problems there are in the basic opportunity grant programs to which he keeps referring.

Would he be willing, may I ask the gentleman from Pennsylvania (Mr. Flood), to tell me what would happen if we did not pass the Obey amendment? Would there not be even greater problems than those that we keep hearing about?

Mr. Chairman, would my very able and popular colleague, the gentleman from Wisconsin (Mr. Obey), enlighten me on that?

Mr. OBEY. Mr. Chairman, if the gentleman would yield, at the risk of letting it get pretty deep in here, let me just make this point: The GAO has indicated that there are problems with the BEOGs program. There is no question about that.

We have consulted the GAO people, and they told us, in fact, a sudden cut in funding would undermine the effectiveness of this program.

In fact they would be a little unhappy if the report which they plan on bringing out in just a couple of weeks is used in any way to suggest that we should not fully fund the program because the fact is that without this amendment, the problem we will have is a very simple one. Students will be getting less from the Government than they got last year on their BEOG checks while the cost of education has gone up between 7 and 9 percent.

Mr. STEIGER of Wisconsin. There are two choices here, and I would ask the gentleman from Pennsylvania if this is not a correct statement, that the students will be watered down and receive less than they received last year or certain students who are eligible will get nothing? Is that a fair statement?

Mr. FLOOD. If the gentleman will yield.

By the way, the GAO report has not been released. As the gentleman from Wisconsin knows, we have been in touch with them, but the report has not been released.

I referred in my direct remarks to the committee report, and specifically to page 52, to the thrings that the GAO is pointing out that might need to be done on these manifold problems such as:

Set an earlier deadline for receipt of applications.

That is one thing.

Simplify processing of applications, calculating student awards and reporting procedures. They could do these things.

Revise the present cash disbursement system, which is all messed up.

Reduce the backlog of financial reports submitted by institutions.

Then, develop procedures for dealing with problem institutions.

Reduce the backlog of unresolved program audits. And they are doing it, and they are about halfway through it.

These things are what we want and we want them done in order to do what you want.

Mr. STEIGER of Wisconsin. The problem I have with what the gentleman has been saying is that the Committee on Appropriations' decision on the level.

funding for the basic opportunity grant program in this bill, if we sustain your position, means we will have students who are now getting BOG grants who will get cut, as I understand it.

Mr. FLOOD. Oh, but not the poor ones, not the ones who really need it.

Mr. OBEY. Let me refer to the committee report, it does not say that it will eliminate reductions from poor students, it says that this fund necessarily will tend to minimize those reductions. It does not say they will eliminate them.

I agree with all of the objections to the management of the program which have been mentioned by the gentleman from Pennsylvania (Mr. FLOOD), but the fact is that we are adding to this management problem if we do not give them sufficient money. We are conscious of the fact that they have to have their money ready for the next academic year.

Mr. MICHEL. Mr. Chairman, if the gentleman will yield, I want to say that with reference to the Federal student aid programs, there is $271 million more this coming school year for student assistance than during the current year. I am inserting a table at this point in the RECORD which shows this breakdown, based on figures provided by the Office of Education:

STUDENT ASSISTANCE PROGRAMS

	Academic year 1975–76			Academic year 1976–77		
	Program level (thousands)	Students served	Average award	Program level (thousands)	Students served	Average award
Basic grants	[1] $1,000,000	1,268,000	$800	[1] $1,000,000	1,521,000	$657
Supplemental grants	240,300	447,000	522	240,093	445,000	524
College work study	[2] 380,000	973,000	525	430,000	895,000	525
Direct loans, Federal capital contribution and revolving fund expenditures	506,667	799,000	690	575,599	834,000	690
State student incentive grants	20,000	80,000	500	44,000	176,000	500
Total	2,146,967			2,289,692		
	Federal subsidy costs (thousands)	New loan volume	Average amount of loan	Federal subsidy costs (thousands)	New loan volume	Average amount of loan
Guaranteed student loans	$410,463	$891,000	$1,287	$480,649	$891,000	$1,432
Dollar volume of new loans guaranteed	(1,147,000)			(1,276,000)		

[1] Excludes $11,500,000 administrative set-aside.

[2] Reflects expectation that approximately $40,000,000 will be carried forward to academic year 1976–77.

Summary: $3,293,967,000 in federally generated student assistance was made available during the current school year, and $3,565,692,000 will be made available during the coming year (if the committee version is adopted), an increase of $271,725,000.

Mr. ROYBAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I rise as a cosponsor of the amendment to provide urgently needed additional funds for the basic educational opportunity grant—BEOG—program and handicapped education aid.

I would hope that no one among us seriously questions the economic and social value of higher education, or whether the national commitment to aid disadvantaged college students is still intact. In a period of high inflation, when tuition and other college-related costs are increasing at an alarming rate, we cannot afford to reduce that commitment or resolve. To do so would mirror the old adage against being "pennywise and pound foolish." Indeed, much of our hope for a future devoid of crippling inflation, recession, and unemployment, rests squarely on the shoulders of college trained young men and women. To deny disadvantaged students the opportunity to contribute their talents and intellect to this great effort, would indeed be a national tragedy.

While conceding that its proposed level of funding will mean a sharp reduction in the size of the average student aid grant, the Appropriations Committee takes humble refuge in the college work study program. It fails to take note of the fact that we have already cut that vital supplemental program by some $30 million. So here the committee is suggesting that we "rob Peter to pay Paul," when we have robbed Peter already. If we use that approach, my distinguished colleagues, it clearly follows that both programs will soon collapse, to the ultimate detriment of all.

The Appropriations Committee report further justifies withholding badly needed funds for the BEOG program on the premise that the program is "out of control," and thus needs to be administratively and legislatively strengthened. While that effort will have my wholehearted support, I certainly hope you will agree we should not penalize disadvantaged students and their families by, in effect, cutting the program back in the meantime.

While proceeding on a different premise, the committee would also deny badly needed additional funds to aid in the education of handicapped children. To date, the States have done a grossly inadequate job of providing funds for this essential purpose, and the Federal Government has not done any better: Indeed, it has done less. Of the total amount being spent on education of the handicapped, the Federal Government is currently paying only 4 percent. If the court orders and the mandate of the new legislation are to be met, $2.8 billion in additional spending will be required. Full funding of the $200 million authorization for the handicapped would mean that the Federal Government was contributing a modest 7 percent toward that goal. We do not feel we can do less.

The Education for All Handicapped Children Act passed by the Congress last November directs the States to prepare plans for providing appropriate education for all handicapped children. Currently such education is available for only 58 percent of the Nation's handicapped children. Courts in State after State have ruled that an appropriate education is a basic right which cannot be denied handicapped children, and that existing State programs are a long way from meeting legal requirements.

Let us not retreat from our responsibility to provide the supplemental funds that are urgently needed by these vitally important education programs.

Mr. ROYBAL. Mr. Chairman, the amendment which the gentleman from Wisconsin (Mr. OBEY) and I have offered is designed to respond immediately and responsibly to two areas of student need. One is the basic education opportunity grants program and the other is the education of the handicapped.

This amendment is supported by the gentleman from Ohio (Mr. STOKES), the gentleman from New Jersey (Mr. PATTEN), and the gentleman from Massachusetts (Mr. EARLY), and this accord came after we were assured that it met the guidelines of the Budget Committee. I say that we are strictly within the guidelines of the Budget Committee. We are adding, if this amendment is approved, $350 million.

A great deal has been said about the fact that the committee has added $279 million more. This is true, but the truth of the matter is that the grant per student has been decreased from $800 per year to $660 per year, which means that students will be getting less, and that it is quite possible that some students would even be eliminated. The truth of the matter is that tuition fees have been increasing at the rate of 8 percent, but it has increased at the rate of 29 percent in public 2-year institutions where the need is the greatest.

So we have, then, this increase in the cost of education, but, under the committee's recommendation, a decrease is recommended to $660 a year instead of the present level of $800. However, with the committee's amendment, it would be increased to $864 annually, which covers, then, the 8-percent increase and other incidentals.

It seems to me that, if we are really interested in basic education grants for students, we should at least maintain the level of funding that we had last year, plus add to that the cost of inflation, so that the student can know now and not wait until such time as we pass the regular appropriation, just exactly what it is that he will be able to depend on in the next school year.

A great deal of argument has been made that we are going to pass an appropriation bill within the next few weeks. Even though it may be in just a few more weeks, it is going to take months before it becomes effective. These students cannot possibly depend on that, and these students will have to continue their education on that minimum amount of $660 annually.

There is a great deal to be said about the fact that the program does have some problems, but they are problems of administration. It has been said that the program is out of control, but I do not believe that it is. I will stipulate to the fact that problems do exist, but why should students be penalized simply because the administration of the BEOG program is not up to par?

It seems to me that this Congress should take a look at the situation the way it actually exists. The fact is that there are thousands upon thousands of students who will be receiving less under the committee's recommendation than they would receive if this amendment is adopted. We must also take into consideration the fact that it is quite possible that some students will not be included at all. This is a program that educates the poor. This is a program that makes it possible for people who come from the various communities throughout the United States to go to a 2-year college, as an example, and then transfer to the university.

Our amendment also seeks to adequately respond to the growing problems facing States and local school districts concerning the education of the handicapped. Our amendment adds $60 million to the committee's request for a total supplemental of $90 million for fiscal year 1976. This would provide an operating level of $200 million for the 1976–77 school year.

This increase is necessary to carry out the requirements of a considerably expanded program enacted in November 1975 under the Education for All Handicapped Children Act. Our request responds to a continually growing number of court decisions requiring school districts to provide equal educational services to the handicapped.

One of the most recent decisions, Hairson against Drosick, reached in January 1976, found that the exclusion of a handicapped child by a West Virginia school system violated the Rehabilitation Act of 1973, which prohibits discrimination against handicapped individuals in any program receiving Federal funds.

Federal educational data indicate that nearly half of our 8 million handicapped children are still being denied equal educational opportunity in this country. It is for this reason that the Congress moved quickly and responsibly with the passage of the new Education of the Handicapped Act. Further, it set a priority on the use of funds first for those children yet unserved, and for those inadequately served who are severely handicapped.

Our amendment would carry out the mandate of that act to the fullest extent possible, and I therefore urge your support of this request.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BRADEMAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in order to support wholeheartedly the amendment offered by my good friends from Wisconsin and California, Mr. Obey and Mr. Roybal. The amendment would increase by $375 million the fiscal year 1976 appropriation for Education for All Handicapped Children Act and basic educational opportunity grants.

Rarely, Mr. Chairman, do we have an opportunity to support an amendment which has as much importance to people in need as this amendment provides. Both the education for all handicapped children program and basic educational opportunity grant program serve individuals whose concerns have been overlooked by local and State governments and the private sector.

Indeed, Mr. Chairman, the Federal Government has a part of the responsibility to make sure that these individuals are served fully, and appropriately.

Mr. Chairman, I would like to address myself specifically to the needs of handicapped children.

Last November, Congress passed, and the President signed into law, the Education for All Handicapped Children Act. The new law requires the States to provide "free appropriate public education" for all handicapped children. In addition, the new statute extends and increases the Federal involvement in this effort.

This type initiative taken on by Congress represents a landmark in meeting the challenge of educating America's more than 8 million physically, mentally, and emotionally handicapped children.

During the time the Education for All Handicapped Children Act was being formulated and designed, an analysis of the status of education for handicapped children revealed the following alarming statistics:

First, 60 percent of the 8 million handicapped children in the United States are receiving inadequate educational assistance.

Second, 1 million of the handicapped children in the United States are excluded entirely from the public school system and will receive no education.

Third, there are many handicapped children throughout the United States participating in regular school programs whose handicaps are undetected.

Mr. Chairman, the Obey-Roybal amendment by adding $60 million to the Appropriations Committee recommendation would have the effect of fully funding this new statute for fiscal year 1977 and, thus, express congressional support of a benchmark decision we have already endorsed.

To do less would be a sure sign that the commitment made by this body less than 5 months ago was merely a symbolic gesture.

Mr. Chairman, I urge each and every Member of this Chamber to rally behind this amendment and vote for more support for the needy in this country.

Mrs. SPELLMAN. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. Mr. Chairman, for the sake of those special children in need, the handicapped, I rise to support this amendment which will give us the opportunity to fulfill our duty to them. This amendment would add the $60 million necessary to fund fully the Education for All Handicapped Children Act of 1975. All States stand in need of this funding; without it many of them will not be able to meet the requirements and provide the services mandated by law.

Surely, all of us are deeply committed to providing an appropriate education for the handicapped. Is there one Member here who does not profess such commitment? Well, then, let's put our money where our mouth is.

These youngsters require more help than those who are fortunate enough to be able to get their educations in regular classes. For instance, each pupil in special education needs an individual educational plan. Five year educational master plans need to be written and updated yearly. In order to provide adequate services to handicapped children, wherever they are located, school systems need to maintain an inventory of them and their needs. These things cannot be done without additional money.

The Education for All Handicapped Children Act establishes long-needed programmatic and fiscal guidelines to help fulfill the right of each handicapped child to an appropriate education. But it means very little unless we provide the money. State and local funding sources are diminishing. Without our support, existing programs for the handicapped will be in jeopardy, and most certainly the mandates set forth in the bill would not be met. Programs for children who are currently unserved and programs for those who need a greater level of service due to their severe and profound handicaps, will not be initiated.

This amendment will add $60 million to the supplemental appropriation in order to provide full funding for the bill's first year of operation. The handicapped children of America need your support, and they need it today. For some of them, tomorrow will be too late.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would like to make two points. First of all, the amendment is not only being offered by myself and the gentleman from California (Mr. Roybal), but is also offered by the gentleman from Massachusetts (Mr. Conte), the gentleman from Ohio (Mr. Stokes), the gentleman from New Jersey (Mr. Patten) and the gentleman from Massachusetts (Mr. Early).

Mr. Chairman, the second point I would like to make, is in response to the gentleman from Illinois. The gentleman suggested that we had, in fact, $270 million more available this year for student aid than last year. That is not true, because we had a good number of dollars that were available last year because of the various reprogramings and carryover money that simply is not available this year.

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I ask the membership to give their support to the Obey-Roybal amendment to H.R. 13172, the second supplemental appropriations bill. Title VI of the bill contains an appropriation for the basic education opportunity grant program. However, the level of funding in the committee bill would result in serious cutbacks in student grants at a time when tuition costs are rapidly increasing.

The basic education opportunity grants program is approximately $611 million short of what is needed to fund the program at last year's level. This is primarily because the Office of Education estimates were that 56 percent of the eligible applicants would participate in the program when, in fact, at least 74 percent have applied. The result is that the $715 million appropriated is insufficient to maintain the program at its current level.

The committee bill appropriates $296 million, but that figure is simply not enough. If additional funds are not added, the size of the average student grant will be reduced from $800 to $600. Because these grants go to the neediest students, it is anticipated that this will cause an even greater strain on other resources and programs designed to help this group of students.

The appropriation increase contained in the Obey-Roybal amendment to this bill would make sure that average grants for the next academic year remain at the level as this year while also providing urgently needed help to the States in serving their handicapped students. Furthermore, the increase contained in this amendment is within the limit set in the second fiscal year 1976 budget resolution. I urge the membership's support for the Obey-Roybal amendment.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Chairman, this $90 million, are we dealing in increases or are we dealing with the fear that the 1977 budget will not be passed by October 1? If we were to pass our regular appropriation, the same amount of money would be appropriated; is that true?

Mr. BRADEMAS. I am not sure that I apreciate the point of the gentleman from New Jersey.

Mr. PATTEN. Let us take the BEOG program. If we pass the HEW appropriation, does not the gentleman think we would end up paying the total number of dollars and all we are talking about is to let the schools go to the end of the school year, until they come back in September?

Mr. BRADEMAS. Well, I yield to the gentleman from Wisconsin (Mr. OBEY) on that point.

Mr. OBEY. Mr. Chairman, I think the point has been made. If we make it available, we might as well let it be available now and let the States and the schools be able to plan.

Mr. BRADEMAS. Mr. Chairman, I thank the gentleman. I hope the amendment will be accepted.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, if I might respond to the observations of the gentleman from New Jersey by simply saying, oh, it makes all the difference in the world in the next fiscal year. We are talking about a supplemental. If we add something to a supplemental, it is for this current fiscal year and we automatically build into the next fiscal year that much more. If we take just the student aid BEOG program alone, it will mean a $900 million increase more or less for follow-on fiscal years.

Now, let me address myself to the amendments. First, on the issue of the handicapped, the $30 million we have in this bill now, coupled with the $110 million already appropriated, will result in a 40-percent increase this next academic year over the current level that is now in the bill.

Now, if we go ahead and add another $60 million, we are doubling the program, rather than just a 40-percent increase; but moreover, we are already spending at the Federal level $250 million in various Federal programs for education for the handicapped and the State and local governments, remember this, are spending $4 billion for educating the handicapped.

Now, are we going to add $60 million more so that we can all go back home and say, "Look how much more aid for the handicapped I was for?" Each and every one of us would like to do that. And what figure would you like to pick—$60, $90, $100 million or half a billion. There is a limit you know.

Let me turn to BEOG's, where the problem is. To answer the questions raised by the gentleman from Wisconsin I would say he should keep in mind that what we have in the bill is $271 million over what we appropriated for the current fiscal year for higher education programs. Now, the various Federal student assistance programs other than BEOG will generate $2,565,692,000 in student aid for the coming year. That is an increase of $271 million over the current year.

When we approved the education appropriation bill last year, we set a basic ceiling on overall student assistance appropriations of $2.3 billion. Under this bill, we are exceeding that ceiling by $476 million.

Members may not be aware of the fact that students living at home receive part of their basic grant as a cash handout to cover so-called living expenses. I made the point earlier that 39 to 40 percent of the BEOG money is going to students attending junior colleges, in the main, who live at home, and this is now running about several hundred millions of dollars.

I wish the gentleman from California (Mr. DELLUMS) were here, because I think he would be interested in this—if we do not go to full funding, the reduction in grant size is minimized for the poor students due to the entitlement formula, which is slanted in the direction of poor families. Its true, there will be a reduction in the average grant of $990 for those from families with incomes of less than $6,450, to $852. But, if we go to the higher income brackets, those kids who collect $433 will end up with $249.

So, frankly, the more needy students still fare much better relatively under this proposition. Moreover, it is among these students that we find the other student aid programs supplementing the basic grant.

In the current academic year we have appropriated $240 million for supplemental grants, $420 million for college work study, $321 million for direct loans. Actually with the revolving fund moneys added, the direct loans will total $506 million this year and grow to $575 million this next year.

Furthermore there are strong indications we will have a carryover from this year to next of $50 million of unused college work study funds.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent Mr. MICHEL was allowed to proceed for 2 additional minutes.)

Mr. MICHEL. In summary, Mr. Chairman there is an increase in the additional programs other than the basic opportunity grant programs that convinced your committee of the justification for holding that BEOG program at its current level.

As I said, in our bill without this amendment students will get $271 million more this year than last when you take all the student assist programs into account.

If you adopt this amendment, you pile on another $315 million above last year or a total of $586 million.

There just are not that many more students going to school this next year to justify that kind of increase.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I am sympathetic, and frankly agree with the gentleman. The fight still goes on as to what the role of BEOG is versus all the other programs. My judgment is that we ought to have BEOG as a foundation.

Mr. MICHEL. Yes. I understand that.

Mr. STEIGER of Wisconsin. And then we can worry about all of the ancillary related programs that we build on top of BEOG.

Mr. MICHEL. Would not the gentleman agree that we're now getting close to not only fully funding BEOG, but continuing all the other programs as well?

I have to say that all of them combined

just is an unconscionable increase in 1 year, when we are so restricted and restrained for money in at least some of these other programs.

Mr. STEIGER of Wisconsin. If my colleague will yield further, what the Committee on Appropriations is recommending to us is in fact a cut. For the poorer student, if we go from $900 to $852, that is a substantial cut.

Mr. MICHEL. But only for the BEOG program and there are the other three programs to make up the difference.

Mr. STEIGER of Wisconsin. But we are weakening the foundation. What worries me is that we seem to be cutting away at what we thought was the primary program.

Mr. MICHEL. My original position was in strong support of BEOG. I had to compromise with my colleagues who preferred the other programs. Now everyone, but this Member, are apparently going to get all they want for their pet program and the total is just too much for this Member to stomach.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am sure that some people who have listened to this debate may have had the tendency to feel that we have this $375 million in hand and that we are trying to determine whether or not we want to spend this $375 million for the purposes provided for in the pending amendment.

I am not as qualified to speak about the details of the pending amendment as the gentleman from Pennsylvania and the gentleman from Illinois, but I am qualified to speak about the inevitability of fiscal collapse in this country if we do not mend our ways.

When the Members go home, they will probably be saying to their constituency that if we keep spending money, if we keep expanding old programs and initiating new programs without having the money to pay the bill in the next 10 years, as we have in the last 10 years, fiscal collapse is inevitable. And fiscal collapse would be very hurtful indeed to the handicapped and to the student programs and for people generally.

When it has been estimated that the debt is going up $90 billion this year—although one would not glean from this debate that it is going up at all—and the deficit will be in the area of $75 billion, one would think it is just a matter of choice here as to what to do with the money we have in hand.

What we are confronted with is a desperately serious fiscal situation. It has been estimated that as of now, in this fiscal year which ends on June 30, from now through the rest of the fiscal year we will be borrowing every dime we spend because we have already spent the estimated revenues available up to now. It is a question of: Do we want to be fiscally responsible? That is the issue that is confronting us.

We have not shortchanged health, education, labor and welfare with this bill as it is written and in other bills which have been passed this fiscal year. The total for labor, health, education and welfare for this current fiscal year will be about $55 billion. One would think we have looked at this issue today as though we have not done anything at all to try to be helpful in these areas of our society.

This amendment is a budget-buster. Do we want to go home and say, "Well, just before we left Washington, we delivered another budget-buster," to show how responsible the Congress is in practicing restraint? Do we want to do that? I do not want to do that. I do not think we should do that. This is a budget-buster to the tune of $375 million. If we vote for the $375 million budget-buster, how can we go home and say, "Well, you know, folks, I think except in times of war or deep recession we ought to pay our own way"? I have heard Members say that. I have said it many times myself. It is a valid statement that deserves attention in the consideration of the pending amendment.

If a man buys a house on credit, he knows he must pay for it or the mortgageholders will take the house away from him; if he buys an automobile on credit, he knows that if he does not eventually pay for it, the holder of the loan will take the automobile away from him. There is some restraint inherent in doing business in this fashion.

But in our Government, legislative and executive, we go on from year to year spending money that we do not have, increasing the debt, causing more inflation, and then we go home and say, "Well, we believe in the elimination of certain programs, and we are dead set on the idea that we must preserve the fiscal integrity of this country because it is so important to the survival of this Nation."

So I would hope and trust, Mr. Chairman, that when the time comes to vote on this budget-busting amendment, we will say that the amount provided in the committee bill is reasonably adequate in the light of present circumstances.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MAHON) has expired.

(By unanimous consent, Mr. MAHON was allowed to proceed for 3 additional minutes.)

Mr. OBEY. Mr. Chairman, will the gentleman yield for a question?

Mr. MAHON. I will be glad to yield.

Mr. OBEY. Mr. Chairman, the gentleman suggests that this is a budget-buster. However, I asume he is not suggesting we are out of line with the resolution on the budget to be cleared for action, because the Committee on the Budget says we are not.

Mr. MAHON. Mr. Chairman, I am not suggesting that we are busting the limits set forth in the concurrent resolution on the budget. What I am saying is that for the programs involved in these amendments, we are busting the budget in the sum of $375 million.

So somehow or other, if we continue going downhill on this toboggan in fiscal matters, it is going to catch up with us. In fact, it is catching up with us very rapidly. If we go on as we have been, spending so much more than we have on hand, and if we are unwilling or unable to raise the revenue, the result is inevitable.

So with that in mind, Mr. Chairman, regardless of the fact that some benefits would flow from the amendment, I must oppose it. My people would like to have more basic educational opportunity grants. I know that because they have told me so. They would also like to have their Congressman stand up and try to preserve the fiscal integrity of the country. They are interested in the handicapped; we are all interested in the handicapped. We know something about mercy; we know something about the poor people who need help. We have provided billions for those purposes in various legislative enactments.

So I would conclude by saying that when the time comes to vote on this amendment, I hope we will remember just what the fiscal situation is, and that is that the debt is already estimated to go up $90 billion this year, and adoption of this amendment will make that figure go up another $375 million more.

Mr. Chairman, I urge the Members to vote down the amendment.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to ask the sponsors of this amendment this question:

I am persuaded by the importance of the BEOG program and certainly of the need for help to handicapped children. But I would like to ask the gentleman from Wisconsin (Mr. OBEY) and the gentleman from California (Mr. ROYBAL) this: When the time comes to vote for those other programs, will they be willing to cut them so that we can afford this amount in the BEOG?

Mr. OBEY. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, the fact is that we are not providing a dime more for student aid this year than we provided last year. I do not think there is any necessity for any cut, period.

Mrs. FENWICK. No. What I mean is this: If we vote for this amendment now, will the gentleman support cuts, perhaps not to the full extent but to a major extent, in future programs, in light of the problems we are faced with?

Mr. OBEY. To which programs is the gentlewoman referring?

Mrs. FENWICK. The other educational programs.

Mr. OBEY. Absolutely not, for the reasons I just enunciated. There are more kids going to school this year than last year. We cannot afford to give them less money.

Mrs. FENWICK. Mr. Chairman, I do not mean less money, but if we could keep the amount at the same level or a little more, would it not be important to show some fiscal responsibility, and is it not important to have this basic opportunity grant stand as a solid base for these other programs?

Mr. OBEY. As a matter of fact, the BOG is my least favorite student aid program. But I am trying to be responsible.

Mrs. FENWICK. Would the gentleman explain this: What is the matter with it?

Mr. OBEY. No.

Mrs. FENWICK. So we are now in the position of being asked to vote $375 million for a program of which the gentleman does not approve and whose deficiencies he will not explain?

Mr. OBEY. The gentlewoman can put any characterization she wishes on it. The fact is that this is the only program we have that gives students a guaranteed amount by formula each year. The Congress has enunciated its position in favor of the program.

While it is my least favorite device among the four available, I am trying to be responsible by funding it at a level which will give kids the same amount this year as they got last year. There is nothing magical about it.

Mrs. FENWICK. What I am in favor of is giving the children the same amount they had last year, but I do not know that we can afford large supplements in other programs.

Mrs. BURKE of California. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentlewoman from California.

Mrs. BURKE of California. May I just get to the point that the gentlewoman from New Jersey (Mrs. FENWICK) has raised, and that is that this is not an increase in program. Actually, if we keep the amount of the grant the same, we are going to have to put additional money in.

The fact remains that more students have applied for this because tuitions are higher, and they just do not have the money to go to school. In the State of the gentlewoman, New Jersey, there is a similar situation.

Mrs. FENWICK. Mr. Chairman, I thank the gentlewoman from California (Mrs. BURKE) for her comment, but my point, perhaps, was not quite correctly expressed.

My point is that I think we should consider the BEOG grants in this way: I think we should keep them at their present level, but if we do this with an additional expenditure of some $300 million, would we be willing to cut future programs so that this will remain as a base?

Mrs. BURKE of California. If the gentlewoman will yield further, I think that what the gentleman from Wisconsin (Mr. OBEY) is saying is that it depends on what programs are involved.

I am certain that there are some programs in some areas or departments that he would certainly be willing to cut, as most of us are interested in cutting.

The point is that we want to provide money for education. For instance, in New Jersey, the State of the gentlewoman, there is an $8 million deficit at the present grant maximum.

Mrs. FENWICK. Mr. Chairman, may I ask this of the gentleman from Wisconsin (Mr. OBEY): What are the points that he would cut? What would the gentleman recommend?

Mr. OBEY. If the gentlewoman will yield, I am not for cutting any student aid program. I am not suggesting it. If I had my druthers, I would raise them all.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman.

Mr. CARNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to speak in favor of the amendment.

I would like to be responsible. I would like not to be a budget buster, but I wish that those who always make the speeches when there is something for a kid to get an education or something to feed some hungry person or something to give a job to some unemployed person, to do things for Americans, would talk the same way.

They say that when we do anything for people, we are busting the budget. However, whenever we are about to give billions to kill people or to give billions for overseas, I do not see these responsible people talking and saying that it is time to start thinking of America.

Mr. Chairman, there is no better way to spend our money than in educating our kids. The GI bill has proved that the money we spend for our kids comes back to our Treasury a hundredfold. That is commonsense.

Where are these budget busters when we start spending for foreign aid and airplanes and so forth? Nobody knows where they are and whether or not they will be practical. I would like them to get up then and commit themselves.

Of course, Ronald Reagan can say, "The Russians are coming" and everybody is scared as hell. Everybody panics.

Mr. Chairman, we had better start using commonsense. I am for America. I do not want to bust the budget; but if we are going to bust the budget, I want to bust it for Americans, not to kill people all over the world.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really rise to ask for some clarification from the gentleman from Wisconsin (Mr. OBEY), please.

Actually, this additional amount that is being asked would, in effect, be an appropriation not just for the three months, the remainder of this year, but for next year, too; is that not true, sir?

Mr. OBEY. If the gentleman will yield, this is for the academic year, which begins next September.

Mr. ALLEN. In other words, this is the amount that would ordinarily be included in the appropriation for the fiscal year beginning October 1?

Mr. OBEY. No, this is not for the fiscal year beginning October 1 because we have various educational programs which are running. This is for the academic year which begins in September.

We will not have our regular bill for next year passed, if we are lucky, until sometime around August. We would hope it could be by June, but I doubt it.

Mr. ALLEN. The point I am trying to get straight in my mind, this is to fund education for these handicapped children, and others through June of next year, is that correct?

Mr. OBEY. That is correct.

Mr. MICHEL. We are talking about the second supplemental providing funds for the current fiscal year. This is a supplemental, not a regular bill. The fiscal year ends June 30th and then there is a transitionary period of three months. These are supplementals and we cannot get away from that. If we add to this current year for student assistance, then we have got to build in another increase for the ongoing fiscal year. Please bear that in mind.

Mr. ALLEN. Of course we do have the problem that the new fiscal year begins October 1 and this is after the beginning of the normal school year.

Mr. MICHEL. That is right.

Mr. ALLEN. Therefore it would seem in order to take care of sufficient appropriations for this coming school year. That has to be included in this supplemental bill.

Mr. OBEY. Let me again point out that we have certain educational items which are forward funded so that States and local school districts, colleges and kids can plan. Both of these items are forward funded. We have traditionally tried to forward fund higher educational programs and handicapped programs. We have to put it in this bill if we want to have the money available in sufficient time to have the administrators take the applications, run them through the computers and send out the checks in time for the next academic year.

Mr. ALLEN. I thank the gentleman from Wisconsin, and that is the clarification that I was seeking. I appreciate that clarification from the gentleman from Wisconsin and I ask for support of the gentleman's amendment.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Chair recognizes the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Chairman, I wish to associate myself with the effort of the gentleman from Wisconsin, Mr. OBEY, and urge the adoption of his amendment. The basic opportunity grants are most important to the education of our youth. For all of our years in Congress we have argued that appropriations for education is not an expenditure like certain personal consumer purchases of an individual—but really an investment in the future—akin to capital improvements. There is no better investment in the future than the education of our youth.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I rise in support of the Roybal-Obey-Conte-Stokes-Patten-Early amendment to the second supplemental appropriations bill to increase the level of support for the basic education opportunity grant and education for the handicapped programs for the 1976–77 school year. At the onset, I should like to advise that this amendment will provide the same level of support per student as available in the present school year. The current legislation authorized a maximum grant level of $1,400 per student. Because of the limited financing available and the variations in student financial needs, the average grant this year is approximately $800. The committee recommendation includes a $296 million increase for the 1975–77 school year which will bring the dollar level to a par with the present year's funding—$1.011 billion. Because of the increased number of students that will be eligible for these basic grants, the dollar amount must be increased above $1.011 billion to insure the same average grant per student next year as is available this year. The committee level would actually result in an across-the-board 23-percent decrease in the average grant next year. In actual dollars, this means the average student grant will be $660 next year as opposed to $800 this year.

We must not abandon students and their families who are so dependent on these funds. Basic opportunity grants are awarded on the basis of need. The tuition costs at all our colleges and universities are skyrocketing. The minimal support provided by the basic grants will merely cover the students' increased costs from one school year to the next.

I should also like to point out that the additional $315 million this amendment will add to the grant program has no inflationary factor in it. It is designed to fulfill the Federal Government's obligation to the students and their families to continue the present level of support. I should also like to emphasize the far-reaching effect of the basic grant program. The funds are not only available for higher education but also for technical training. This is one of the few avenues of support a person can utilize to pursue an education in a nondegree or academic program. These funds are instrumental to enable citizens whose jobs have been terminated or have become obsolete to retrain for another profession. This funding support must not be jeopardized.

The second aspect of my amendment will provide an additional $60 million above the committee recommendation for funding the Education for the Handicapped Act of 1975 (Public Law 94–142), for a total of $90 million in this bill.

The regular education division appropriations bill already provides $110 million for funding this program. Accordingly, our amendment added to the already available funds will meet the authorization ceiling of $200 million. I have been closely associated with this legislation from the onset. I was pleased to be a cosponsor of H.R. 7217 which was the House version of the final Education for All Handicapped Act. As a member of the delegation from Massachusetts, I am pleased that our own State statute "chapter 766" was used as a model for this legislation. Only 58 percent of our Nation's handicapped are provided with educational opportunities that are available in the regular school systems—this cannot and must not continue.

It has been estimated that $2.8 billion is needed to supplement our present education for the handicapped programs to bring them up to par. My amendment to the bill, along with the present available funds—$200 million—will only amount to 7 percent of the $2.8 billion estimate.

Fellow Members, we must do no less. This $200 million level is the authorization ceiling. I am confident that the authorization committees will see fit to increase the levels for succeeding school years. The U.S. Supreme Court and the various State supreme court rulings have mandated that the quality of education made available to the handicapped must come to a comparable level of that in regular State school systems.

This new attitude toward education for the handicapped is one that I have espoused all through my career in public service. The groundwork has been laid. I challenge my colleagues to rise to the opportunity to implement this first significant step with the eventual goal of total implementation of the Education for All Handicapped Act—Public Law 94–142.

As a final note to my colleagues, the two portions of this amendment totaling $375 million fall easily within the limits of the second budget resolution in the category of education manpower and training. I realize that my colleagues are wary of exceeding our congressional budget ceiling and wish to assure them that my amendment will not violate its limits.

This amendment is designed to give support to two of the most essential programs in the field of education.

I urge my colleagues to support it.

Thank you, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. BURLISON).

(By unanimous consent, Mr. MAHON yielded his time to Mr. BURLISON of Missouri.)

Mr. BURLISON of Missouri. Mr. Chairman, I am glad that we have finally gotten around to talking about some general concerns with respect to the budget. The major portion of our debate has concerned the specifics of the programs involved, the BEOG program and the Aid to Handicapped Children.

I think that the chairman of the committee finally got to the more vital concern that we should be facing, and that is a public debt that is rapidly rising toward $700 billion at the rate of approximately $75 billion a year. It has been made clear that the expenditures that are provided by the committee are as much and more than have been budgeted and are as much and more than last year. How under those circumstances we can justify an additional $375 million increase in the budget deficit is something difficult for me to comprehend.

I think there is another issue that has not been touched on here, but I know is of concern to some Members. It was not long ago that I expressed some concern to the local rehabilitation agency about a case that I was interested in. The local rehabilitation agency laughed in my face and said, "We do not care what you think. What do we care about the Federal Government? This is a State and local administration agency."

The truth, of course, is that we do not have anything to do with the program, as the people back home will tell us. We just fund it so we can stand up here and bite the inflation and taxation bullet for these programs.

We in the Congress must be out of our minds. We have structured our programs so that they are administered by State and local government officials. As in my earlier illustration, they reward us and the people they serve with arrogance and indifference. Defeat of a few of these amendments would make these officials more aware of the source of their largesse.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. O'HARA yielded his time to Mr. OBEY).

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. RISENHOOVER).

Mr. RISENHOOVER. Mr. Chairman, I would just like to say that I am one of those who vote for public works bills which are designed to get people back to work. I am one of those who vote for the B–1's and Triads to help defend this country. I have also voted to be fiscally responsible. And I am not afraid that the Russians are coming, and one of the reasons is because the single greatest deterrent that we have is our great commitment to education.

I support this amendment. I think we can still be fiscally responsible and try to help our handicapped and older Americans, if we do not also try to be caretakers and a police agency for the rest of the world. Let us take care of our own problems, and this is one problem we should devote our attention to.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Chairman, our authorizing committee is about ready to report out a higher education bill, and we acted responsibly by not increasing the maximum from $1,400 per student to $1,600 as many have recommended. However, I doubt, even with this amendment, that the program could be funded at $1,400 next school year because the participation rate undoubtedly will be higher than the present 74 percent.

Second, the fourth year students will come in, and that means we start picking up those who started school prior to 1973, so then there will be a greater demand for the BEOG program. I doubt that it will be fully funded even with this money, so you can see this $315 million is not too large an amount.

Mrs. MINK. Mr. Chairman, I am pleased to support the amendment to provide for full funding for State grants under the Education of the Handicapped Act. It is only fitting that we make available adequate financial resources to enable States to meet the mandates of court decisions and recent Federal legislation.

Landmark court decisions in State after State have affirmed the right of each handicapped child to a free appropriate public education. Though States have made an effort to comply, lack of financial resources have prevented the implementation of these court decisions.

In addition, the enactment last year of the Education for All Handicapped Children Act directs States to prepare plans for providing a free education for all handicapped children. This new law requires States to develop an individualized written education plan for every handicapped child served and sets up grievance procedures at the State and local levels. To guarantee that each handicapped child will be provided a free appropriate public education, the act sets up a timetable for States to provide this education in order to continue to be eligible to receive Federal funds.

As a result, all of these developments pose a challenge to the Federal Government. Of the total amount being spent on education of the handicapped, the Federal Government is currently paying only 4 percent. If the court orders and the requirements of the new legislation are to be met, additional funding is needed. Full funding of the $200 million authorization for the handicapped is a modest increase in our contribution. We can do no less in order to achieve the goal of equal educational opportunity for handicapped children.

Mr. DODD. Mr. Chairman, I rise in support of Congressman DAVID OBEY'S amendment to the second supplemental appropriations bill, H.R. 13172. The bill itself already includes a supplemental appropriation of $30 million in State grants for the handicapped in fiscal year 1976. Mr. OBEY'S amendment provides an extra $60 million in funds under the same program. This Federal assistance will be going to elementary and secondary school boards for the provision of services directly to the handicapped.

The passage of Mr. OBEY'S amendment will bring the amount of funds appropriated for the education of the handicapped to a total of $200 million which is equal to the original estimate recommended for this year by the HEW Subcommittee of the Appropriations Committee.

Mr. Chairman, studies have shown time and time again, that the handicapped can lead full and productive lives when given educational and job training opportunities. These same studies show that all too often handicapped children are unable to participate in public education programs. Too few of these programs are designed to meet the particular needs of the handicapped and to allow them to develop their own talents and abilities.

It is indeed encouraging to see that in this time of austerity and necessary Federal cutbacks, the handicapped are not being forgotten. The commitment of the Congress to alleviating some of the problems encountered by the handicapped has not always been so strong. I am particularly pleased to note that the dedication of the few is now receiving the support of the many, and I join with the great majority of my colleagues in voting for these funds which will mean so much to the handicapped children of this Nation.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. PATTEN yielded his time to Mr. PERKINS.)

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, I rise in very strong support of the gentleman's amendment to include an additional $315,000,000 for the basic educational opportunity grant program.

Of very fundamental importance to all of us is the fact that if these additional funds are not made available, every BOG recipient would have his or her grant reduced next September. We have been working for 3 years to build this program up to a point where students would receive their maximum grant.

We cannot, having once reached that point, take 10 steps backward—which we will indeed do if this amendment is not agreed to.

It is of vital interest to us all to know that if this amendment is not approved, approximately 1,500,000 students and their parents will feel this setback this fall as they return to school—and in many cases, it might be the reason for their not returning to school at all.

In my judgment, needy students should not be penalized because official estimates made by the Office of Education understated—to a gross degree—the participation rate in the program.

Indeed, the dramatic increase in the participation rate over the past year is definitely an indicator of the program's remarkable success. As a matter of fact, the total dollar need for the BOG program is exactly what the higher education associations had predicted in their testimony last year before the Appropriations Committee.

I feel it would be tragic if the Congress failed in its commitment to pay the full BOG award schedule for the coming academic year. This coming academic year will be the first time in which all students can participate in the program. Is there any doubt that the very effectiveness of the program will be undermined—the BOG program as the basic foundation of all other forms of student aid.

Mr. Chairman, if we allow the maximum grants next year to be less than what they are this year, we have openly encouraged attempts every year to reduce the program. This we must not do. I cannot urge strongly enough the adoption of the gentleman's amendment.

I strongly support all aspects of the gentleman's amendment, particularly the desperately needed funds for the education of handicapped children.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I would just repeat what I said earlier on the handicapped item. We mandated the States to educate all handicapped kids. We did it in January. Only 58 percent of the handicapped kids in this country are being educated right now. The additional cost for doing this is estimated to be $2.58 billion. What we are asking is that the Federal Government participate in that additional cost to the tune of $60 million. I do not think that is an awful lot to ask.

Secondly, we are simply asking that we provide enough money in the BOG program so that kids do not get less on their checks to go to school than they did last year, especially when the cost of education is rising between 7 and 9 percent per year.

Mr. Chairman, I ask that we support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 318, noes 68, not voting 46, as follows:

[Roll No. 193]

AYES—318

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Grassley
Green
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hicks
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Keys
Koch
LaFalce
Lagomarsino
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKinney
Madden
Madigan
Maguire
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pike
Pressler

Preyer
Price
Pritchard
Quie
Quillen
Randall
Rangel
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Shriver
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton,
  J. William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Whalen
Whitehurst
Whitten
Wiggins
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—68

Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bennett
Broyhill
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Cederberg
Clancy
Clawson, Del
Collins, Tex.
Crane
Daniel, R. W.
Devine
Dickinson
Duncan, Oreg.
Edwards, Ala.
Findley
Flood
Flynt
Goldwater
Gradison
Haley
Hansen
Harsha
Hightower
Hungate
Hutchinson
Jarman
Jones, Ala.
Kelly
Ketchum
Kindness
Krueger
Latta
McDonald
McKay
Mahon
Michel
Milford
Miller, Ohio
Mills
Montgomery
Myers, Ind.
Myers, Pa.
Passman
Paul
Pickle
Poage
Robinson
Rousselot
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Steiger, Ariz.
Symms
Taylor, Mo.
Teague
Treen
Ullman
Waggonner
Wilson, Bob

NOT VOTING—46

Abdnor
AuCoin
Bell
Bevill
Bonker
Brown, Calif.
Chappell
Conlan
de la Garza
Dingell
Eshleman
Evins, Tenn.
Gibbons
Goodling
Gude
Hays, Ohio
Hébert
Heinz
Henderson
Hinshaw
Holland
Johnson, Pa.
Jones, Tenn.
Krebs
Landrum
Lujan
McCloskey
Macdonald
Moss
Nedzi
Nix
Pepper
Railsback
Rees
Rhodes
Roberts
Sikes
Stanton,
  James V.
Sullivan
Udall
Weaver
White
Wilson, C. H.
Wilson, Tex.
Young, Alaska
Young, Fla.

Messrs. VANIK, DERWINSKI, and BROOMFIELD changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. KREBS. Mr. Chairman, I was present when the request was made for a recorded vote on the Roybal-Obey amendment to the supplemental appropriation. I was detained on legislative business while the vote was in progress, but had I been present, I would have voted "aye."

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

HIGHER EDUCATION

For an additional amount for "Higher education", $476,750,000, of which $476,000,000 shall be for basic educational opportunity grants authorized by title IV, part A, subpart 1 of the Higher Education Act, to remain available until September 30, 1977, and $750,000 shall be for section 966 of the Higher Education Act.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY: Strike the paragraph beginning on page 20, line 23, and ending on page 21, line 4.

Mr. OBEY. Mr. Chairman, this is simply a technical amendment that is made necessary by the adoption of the previous amendment. This is the amendment on which I gave notice earlier.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT

HUMAN DEVELOPMENT

To carry out, except as otherwise provided, the Older Americans Act, $130,575,000.

For an additional amount for "Human development" for the period July 1, 1976, through September 30, 1976, $35,150,000, of which $2,500,000 shall be available for carrying out title V of the Older Americans Act.

AMENDMENTS OFFERED BY MR. RANDALL

Mr. RANDALL. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. RANDALL: On page 22, line 16, strike out "$130,575,000" and insert in lieu thereof "$139,610,000".

On page 22, line 19, strike out "$35,150,000" and insert in lieu thereof "$47,650,000".

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. RANDALL. Mr. Chairman, the purpose of these amendments is to make some modest increases in the funding under the Older Americans Act.

As chairman of the House Select Committee on the Aging, you all of course understand that we have no legislative authority; but all of our members have carefully considered these amendments and I think I am correct when I say all 28 of us support these two amendments.

As far as I know, there is no dissent by anyone on the committee.

We stood shoulder to shoulder when we appeared before the appropriations subcommittee back in the latter part of February or early in March.

I want to say to the gentleman from Pennsylvania (Mr. FLOOD), and to one or two other members of the subcommittee that are on the floor including the gentleman from Kentucky (Mr. NATCHER) were very courteous. It was a pleasant afternoon.

Mr. Chairman, the Subcommittee on Labor, Health, Education, and Welfare granted some increase in funding. One program that was slightly funded had never been funded before. In addition, there were some very modest increases in one or two other items. For this action, the aging committee is grateful.

Now let me try to put this amendment in perspective. The last amendment involved several hundred million dollars, nearly $300 million.

The total amount we are seeking here for both fiscal year 1976 yet to run in this supplemental and the 3 months of the transitional period is $21.5 million.

Mr. Chairman, that should prove all are not budget busters. Some of the items involved here are as follows:

State administration: We are asking for about $1 million; no—I am high, it is only $800,000.

You may ask what is State administration, well Mr. Chairman, every State has an Office of Aging. These funds are to pay for the expenses to run these offices.

We will establish and clearly demonstrate in a few minutes that the fastest growing segment of our population are those aging over 65. This group is the fastest growing segment of our entire population.

Then we have an item for planning which is increased by less than $3 million, actually a total of $2.8 million.

You all know of the work of the area agencies on the aging. There are about 490 of them across this land. Sometimes they include three or four or five or six counties, sometimes eight or ten counties, they are known as AAA or Triple A's. I am not referring to the American Automobile Association. I am referring to those agencies that do referral work for the aging and act as the advocates of the aging. They are the ones who try to cut through the redtape. They are the ombudsmen for our elderly citizens. Equally important, they are the ones who try to go out and raise funds from other sources to supplement these appropriations.

Mr. Chairman, there is nothing any more worthwhile than the Triple A's.

We have proposed an item for increase called model projects. We are asking for an increase in the total of $2 million for model projects. As the description would suggest, the purpose is to test or evaluate certain programs of the Older Americans Act.

Mr. DOWNEY of New York. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Missouri (Mr. RANDALL) and would like to commend the gentleman, as the chairman of the Select Committee on the Aging, for his outstanding job.

Mr. RANDALL. I thank the gentleman.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I would also like to commend the gentleman from Missouri upon his leadership in this work and for the work that the committee has done on this matter. If there is one thing that we have found out it is that here are many worthwhile programs for the elderly, but if the elderly do not have the transportation to get to these programs then they are of no avail. I rise in support of the gentleman's amendment.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, I rise in substantial support of the Randall amendment to H.R. 13172, the fiscal year 1976 Labor-HEW supplemental appropriations bill. As the ranking minority member of the Select Committee on Aging Subcommittee on Retirement Income and Employment, I am well aware of the need for more adequate funding levels for programs authorized under the Older Americans Act. Mr. RANDALL's amendment would allow a more adequate implementation of title III programs for State and area offices on aging and title IV programs for training and research in the field of aging.

Under title III, the Federal Government provides the incentive for localities to establish social services for the elderly, and State and local planning areas participate in the determination of expenditure of funds in order that each community's needs may be met. An older person living alone may benefit from title III sponsored programs by having the services of a homemaker to prepare a meal, do light household chores or assist with shopping. Others may need the homehealth care provided by a nurse or trained paraprofessional. Many elderly persons are healthy and able to maintain their independence, but desire opportunities to lead active and productive lives through educational and recreational activities, volunteer services, part-time employment, or social activities at community centers.

Congressional intent in formulating the revised title III program was to eliminate the fragmentation of funding for aging programs and to avoid the unnecessary duplication of effort at the local level. The State and area offices on aging have been most effective in concentrating resources in the areas of greatest need to our senior citizens.

In my district, I have witnessed a significant growth in the awareness of the concerns of older persons in the expansion and development of social services at the community level. In Virginia, the area agencies on aging are coordinating their efforts with social service providers, local governmental units, State and local health agencies, volunteer services, and local housing agencies to determine the most effective methods of meeting the needs of the elderly.

While title III programs have demonstrated their success, they must be more adequately funded if congressional intent is to be actualized. The Select Committee on Aging recommends $158 million for fiscal year 1976 and the transition quarter, which would allow a continuance of the responsible planning, coordination, and administration of objectives assigned to the State and area offices on aging.

The Select Committee on Aging also supports an increased funding level for the title IV research and training programs. In the area of research, the Appropriations Committee proposed a total of $8.75 million for fiscal year 1976 and the transitional quarter, while the Select Committee on Aging recommends a total of $10 million for this period.

The primary funding source for research and demonstration projects in the social service area is the title IV program. It supports projects which add to existing knowledge in a variety of areas that may be useful in the development and improvement of programs for the elderly. Examples of research and demonstration projects funded in the past are reflected in title VII of the Older Americans Act under which the successful nutrition program for the elderly is authorized. The nutrition program grew out of 31 nutrition demonstration projects funded under title IV. The funding of legal service projects for the elderly led in part to the provisions under the 1975 amendments to the Older Americans Act which emphasize legal service and legal counseling as one of four national priority areas under the title III program. During fiscal year 1975 113 new and continuing research and demonstration projects received title IV financial assistance.

While the Appropriations Committee recommends $10 million for the title IV programs of grants for training, I strongly support the Select Committee on Aging's recommendation for a $14 million funding level. It is essential that adequately trained personnel are available to provide services and benefits for older people. Training grants enable institutions of higher education to provide students with the gerontological knowledge and skills necessary to serve the Nation's elderly. Under title IV, persons are being trained and are upgrading their competencies so they may prepare for responsible positions in Federal, State, and local programs for the elderly, in the administration of retirement homes, in teaching and research, adult education, counseling, library service, recreation, and in numerous other areas.

I am very disappointed that the Appropriations Committee did not recommend funding for Multidisciplinary Centers of Gerontology. These centers were authorized by Congress in 1973 so efforts of many specialists may be integrated to solve the varied and interrelated problems confronting the elderly. The program has never been funded. Short-term training for State and area agency personnel, evaluative studies, conferences, and distribution of information on aging are just several of the services that would be made available through these centers. Over the past few years a small number of Multidisciplinary Centers of Gerontology have come into being with great difficulty, because there is no funding explicitly earmarked for these centers. The few centers now in existence rely on funds from many sources. It would be more cost efficient and time efficient if such programs were funded from a common source through which integrated projects could develop. In recognition of the need for such centers, the Select Committee on Aging recommends a $2 million funding level. Although this level would fall short of the need, it would enable us to implement the program.

Mr. Chairman, the Select Committee on Aging's proposed funding levels would be a prudent investment on the part of Congress. It could result in long-term savings when measured in terms of dignity and independence for older persons.

Mr. RANDALL. Mr. Chairman, now may I proceed for a moment or two and then I will yield to the gentleman from Maryland (Mr. BAUMAN).

There is another item in our amendment increasing multidisciplinary centers. Bear in mind there was not a penny in the supplemental nor in the transitional period of July, August, or September of 1976. All we have asked for is just $1 million on that.

If you wonder what these centers are for they are centers for gerontology, for the study of geriatrics, in order to teach the disciplines in this new field.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. RANDALL was allowed to proceed for 5 additional minutes.)

Mr. RANDALL. So the amount we are requesting for the transitional period would be $1 million and for fiscal year 1976, in the amount of $1 million.

Mr. Chairman, I will try to summarize some of these requests and then if there are some questions I will do my best to respond to them.

In summary, for title III and title IV altogether, for State administration, area planning and social services, triple A, model projects, training, research, multidisciplinary centers, for fiscal year 1976, the requested increase is $9,035,000. Of these is a little item of $35,000 which is a technical error in draftsmanship. We assume that will be taken care of.

So for both amendments taken en bloc for the transitional period we are asking for $12,500,000 and the total for both fiscal year 1976 and the transitional period the grand total is $21,500,000—that is all.

I have tried to describe the purposes of the increases. I am sure all of the increases are worthwhile. Now let me read a portion from a letter received from one of the largest organizations on the aging and it says:

> The Second Supplemental Appropriations bill is scheduled to be brought before the U.S. House of Representatives on Tuesday, April 13, 1976.
>
> Congressman William J. Randall, Chairman, House Select Committee on Aging, will be offering an amendment on behalf of all subcommittee chairmen and ranking minority members of this committee to increase appropriations for two titles of the Older Americans Act.

And now please note this further point, that I want to emphasize which reads—

> The elderly are the fastest growing group of people in the United States. In just one year, the number has expanded by one million. There are now over 22.4 million people 65 years and over, and there are more than 42 million 55 years and over.
>
> The National Council of Senior Citizens, representing over 3,400 older peoples' clubs in all states of the nation, hopes you will support better delivery of services to assist more elderly to maintain themselves as much as possible by voting for the Randall amendment.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I thank the gentleman for yielding me this time, and I take this opportunity to commend the chairman, the gentleman from Missouri (Mr. RANDALL), not only for his work in the Congress but in taking the time to travel to States like Maine, and recently the gentleman was in Florida, and has traveled to many other States, in order to go out and visit the elderly, see their problems on a first-hand basis and try to rectify them. One of the inadequacies we find in most programs is the need for the transportation and delivery of health care to our elderly.

Again I want to commend the gentleman from Missouri for offering this amendment.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from Missouri (Mr. RANDALL). I strongly support the amendment. I want to commend my colleague for his efforts on behalf of the elderly.

Mr. RANDALL. Reference was made a moment ago to the matter of transportation. I do not know which single need of the aging has the highest priority. I suppose some form of income maintenance may be the highest, but certainly transportation is close behind. Our amendment involves a modest increase of funding for transportation. We simply cannot make use of all of these other programs unless we have some mode or means to travel to use them. We can put in money for a nutritional center, but we cannot get these senior citizens to a place where they can have a hot meal unless we have some wheels, meals on wheels, or what they call OATS, and this means Older Americans Transportation Service. Transportation is vitally important if we are to make use of medical clinics. They cannot use that medical clinic unless they can get transportation to get to that medical clinic.

Mrs. LLOYD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentlewoman from Tennessee.

Mrs. LLOYD of Tennessee. I thank the gentleman for yielding.

I rise to express my appreciation to the gentleman as chairman of our Select Committee on Aging. I know first-hand of the effort and the kind of work he has put into it.

Mr. Chairman, I rise in support of the gentleman's amendment.

Mr. RANDALL. I thank the gentlewoman.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I do not want to disturb the gentleman's reverie, but yesterday we had a bill before us dealing with the swine influenza vaccine, and the gentleman from Texas (Mr. MAHON) indicated that a number of additions were made to that bill in the other body. One of the additions included $55,900,000 for the Older Americans Act. Now the gentleman is proposing today to add another $12 million to the $130 million in this bill. I would like an explanation of the apparent discrepancy in those figures.

Mr. RANDALL. I am sure there is no discrepancy, and there is a good and sufficient explanation.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. RANDALL was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

In explanation to the urging of the gentleman from Maryland, let me just point out that the items that the gentleman from Missouri is adding are not jobs programs. The items under the Older Americans Act which were added in the emergency supplemental yesterday were for programs such as the Green Thumb.

The amendment he is offering today does not contain any money for jobs programs for senior citizens.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Iowa.

Mr. GRASSLEY. I thank the gentleman for yielding.

Mr. Chairman, I want to express my support for the appropriations called for by my fellow members of the House Select Committee on Aging for two key reasons. First, these funds are essential to upgrade State and area efforts toward the effective administration of programs for the elderly. If the Federal Government, and ultimately, the taxpayer, are to get the most for their money, and if the Nation's senior citizens are to benefit as greatly as they can from Federal expenditures, then we must be sure that States and localities are constantly upgrading their expertise. I have previously supported Older Americans legislation, and thus feel a reasonable expenditure of funds to upgrade program performance is worthwhile. In addition, the money provided for in titles III and IV are used to facilitate the personal independence and mobility that our senior citizens value so highly. An analysis of the expenditures that we are requesting shows that areas of the planning in transportation, home health, legal service, and home repair. Clearly, the point of each of these programs is to insure individual accessibility to places outside the home while preserving the individual's ability to remain in a familiar environment.

Therefore, I urge Congress to accept the recommendations of the Select Committee on Aging with regard to title III and IV funding.

Mr. JENRETTE. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from South Carolina.

Mr. JENRETTE. I thank the gentleman for yielding.

I join in supporting the gentleman's amendment. After having been here 15 months, I feel I have aged considerably and I am going to need these funds for myself in the next few years. I support the amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MATSUNAGA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am pleased to rise in support of the amendment offered by the gentleman from Missouri, my colleague and chairman of the Select Committee on Aging, the distinguished gentleman from Missouri (Mr. RANDALL).

The basic points of the amendment have already been outlined by the gentleman from Missouri. I will simply say that the programs covered by the amendments, titles III, IV, and V of the Older Americans Act, are within the area of responsibility of the subcommittee I chair on Federal, State, and community services.

The State and area offices on aging funded under title III constitute the "aging network" about which so many people speak these days.

We have had an increase of almost 20 percent over the last 2 years in the number of area agencies on aging. Congress significantly expanded the responsibilities of these agencies only months ago, with the enactment of the Older Americans Act Amendments of 1975. The authorization for title III, by the way, was increased in that act from $130 million in fiscal year 1975 to $180 million in fiscal year 1976—an increase of almost 40 percent.

Model projects were also broadened in scope; the number of priority areas designated by Congress was increased from four to seven.

As for title IV, there is no way to staff the growing number of agencies reaching the elderly except by training adequate numbers of persons to serve in the field. That, and the carrying out of important research into the problems of America's elderly, is the thrust of title IV. Our amendment would simply restore this title to its 1974 funding level.

I will address myself to the need for adequate appropriations under title V for senior centers, when I offer an amendment to the amendment offered by the gentleman from Missouri.

Mr. Chairman, I have often said that the greatness of a society—indeed, perhaps even its capacity for survival—depends on how sensitive it is to the needs of its elderly citizens.

We in the House have a chance to demonstrate that sensitivity today, by supporting the pending amendment. I urge its overwhelming approval.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as I said before, I think the committee has done a good job on this kind of program. There is no stronger supporter for the aged or the aging than this Committee on Appropriations.

This bill includes $130 million for the Older Americans program. Do not forget we are $27 million over the budget. Imagine that. Do the Members think we do not support these programs? We have year after year.

The budget proposed to cut these programs by $17 million. This committee said absolutely not; we will not cut. What did we do? We restored the reduction. Not only did we restore the reduction, we added $10 million. That was for the cost-of-living increase. That is pretty reasonable. We also added funds for the expansion of these local projects.

Also, we added $2.5 million for the transition quarter to begin a new program, the multipurpose senior centers program. That had never been funded before. We put $2.5 million in there for the transition period to take care of that.

Mr. Chairman, let me repeat, this is a supplemental appropriations bill. In 2 weeks we will be working on the regular bill. That is the situation.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. Briefly, my distinguished friend, the gentleman from Pennsylvania (Mr. Flood), mentioned all the things that were in the bill. The gentleman talked about things that were about as relevant to helping the elderly as they are trying to be helpful in the Randall amendment as last week's appropriation bill.

We cannot have a program to feed people or give them health care, if the people do not have the transportation to get down to the place of treatment.

Have we not seen old people growing old alone and they do not have the type of person trained that knows how to deal with people who get a little cranky and persnickety when they get elderly? They fund units to go out to raise private funds, to raise charitable funds, to help expand these programs. That is what this is.

Very rarely can we make an investment in the future of the elderly, because the elderly are beyond their productive years; but by this piddling amount of money we can make sure the program the gentleman is talking about will be carried on, because the elderly can get there.

Mr. Chairman, this has very good support from both parties, liberals and conservatives, across the board. I strongly urge and "aye" vote.

Mr. BRADEMAS. Mr. Chairman, I am pleased to rise in support of Mr. Randall's amendment to add $21.45 million to the second supplemental appropriation for fiscal year 1976 and the transitional quarter for title III and title IV of the Older Americans Act.

You may recall that the Older Americans Amendments of 1975 passed with impressive majorities in the House and Senate—404 to 6 and 89 to 0, respectively. With its passage of the legislation, Congress has noted its approval of the fine record of services supported under the Older Americans Act.

Such an expression of congressional support is encouraging to those of us who have worked to enact legislation that benefits older people. These votes reflect the concern Congress feels for the special problems and needs of the elderly in our country.

Despite this clear message of support for programs assisting older adults, the administration has requested supplemental funding for fiscal year 1976 which would seriously reduce the strength and effectiveness of services for the elderly.

The core of the Older Americans Act is title III, which provides grants to State and community programs. The 1976 amendments placed new emphasis on the model projects and areawide agencies mandated under title III to serve older persons. The number of area planning and social service agencies has grown from 462 in fiscal year 1975 to 489 today. However, due to financial constraints, model projects have not enjoyed a similar pattern of growth. Although 479 requests for model project funding were made in the 1975 fiscal year, only 64 of those requests could be granted. The amendment offered today would add $14.2 million on aging to the programs authorized under title III, and for the expansion of both the areawide agencies on aging and model projects.

Mr. Chairman, the most recent census figures indicate that the population of Americans over the age of 60 continues to grow at a faster rate than the general population. In fact, it has been estimated that this particular group increased by 548,000 people in fiscal year 1975 and will increase by another 507,000 in the present fiscal year. As this population grows so will the demand for more trained personnel to serve these individuals, and the demand for knowing more about the delivery of social services. Title IV of the Older Americans Act provides the vehicle for accomplishment of these objectives in a threefold manner.

First, part A provides for the training of individuals desiring to work in the field of gerentology; part B of the title IV provides for research designed to meet the special needs facing the older adult; and finally part C, which has never been funded provides for multidisciplinary centers of gerentology. These centers are to provide the focal points in the Nation for gerentological research and information dissemination.

Mr. Chairman, this amendment would increase the level of funding of title IV by $7.25 million, a modest amount for programs in such high demand. I urge Members to vote for Mr. Randall's amendment.

The amendment reflects a commitment to our older citizens which we have already endorsed by approving the Older American Amendments of 1975.

AMENDMENTS OFFERED BY MR. MATSUNAGA TO THE AMENDMENTS OFFERED BY MR. RANDALL

Mr. MATSUNAGA. Mr. Chairman, I offer amendments to the amendments offered by the gentleman from Missouri (Mr. Randall).

The Clerk read as follows:

Amendments offered by Mr. Matsunaga to the amendments offered by Mr. Randall: On page 22, line 19, strike out "$35,150,000" and insert in lieu thereof "$50,150,000" and strike out "$2,500,000" and insert in lieu thereof "$5,000,000".

Mr. MATSUNAGA. Mr. Chairman, I ask unanimous consent that the amendments to the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. MATSUNAGA. Mr. Chairman, I offer an amendment to the pending amendment.

Mr Chairman, the purpose of my amendment is very simple: To restore to the amendment the original request of the Select Committee on Aging for $5 million for title V of the Older Americans Act, for senior centers.

Multipurpose senior centers allow elderly persons to enjoy the company of others in recreational and social activities and where they may obtain health and nutritional services. We are delighted that the Appropriations Committee agreed to our request for startup funds for senior centers under title V of the Older Americans Act, but the amount appropriated currently under the bill, $2.5 million for the transition quarter, is insufficient to really get this important program moving. Potential centers will be scrambling for this small amount of money. My amendment therefore proposes specifically that $5 million be appropriated for senior centers under title V through the transition quarter as a true commitment to making this program successful. No one can say we are "busting the budget"—at one time the House approved legislation setting the authorization level for title V of $100 million. However, no funding has ever been appropriated, for two main reasons.

First, the Congress has, until now, not considered the services provided a priority, possibly because the need and constituency for the services has not been made clear.

Second, it has been argued that funds under title I of the House and Urban Development Act of 1974 allows money for senior centers already, so title V funding would be duplicative.

Let me address these arguments in turn.

The subcommittee of the Select Committee on Aging which I chair has received overwhelming testimony demonstrating that the need for senior centers is great, and that they make one's later years a great deal more meaningful, happier and dignified.

A Lou Harris survey, in conjunction with the National Council on Aging, reports that 18 percent of the 22 million persons over 65 have attended senior centers and another 17 percent would like to. In addition, "7 million persons over 55 would like to attend senior centers if the various barriers to participation were alleviated or removed." Finally, "50 percent of the public report that there is no senior center convenient to where they live," according to the Harris survey.

Programs within centers that do exist also need to be expanded and can be under title V's alteration and staffing provisions. Of the 4,706 senior centers for which service data was available for a 1974 survey by the National Institute of Senior Centers, 1,967 provided less than the three basic services—set forth by NISC—of education, recreation, and information, referral or counseling. Of the total 4,706 only 1,474 provided health services and 1,476 provided nutrition services.

The need for funding is very, very clear. The need for title V funding has been affirmed by the National Council on Aging, the National Council of Senior Citizens, the American Association of Retired Persons, the National Association of Social Workers, and many other organizations with expertise in the health and social services of the elderly.

The second argument, asserting that title V is unnecessary because senior centers are also funded under 1974 community development title I block grant program administered by HUD is invalid for two reasons.

For one thing, title V, Older Americans Act money includes acquisition, alteration, renovation, and initial staffing. HUD title I funds—if they were even utilized—cover only construction and renovation. The two programs are not identical.

Second, title I funds are discretionary and can be utilized for any of eight programs. A 1975 HUD survey of 200 communities showed that only 17 plan to use title I money for senior centers. Title V funds, on the other hand, are specifically earmarked for senior centers.

The Administration on Aging of the Department of HEW, which would administer title V programs, while unable to endorse such funding because the President's budget made no request, has provided invaluable technical expertise in the development of this amendment. AOA has informed the select committee that while they cannot endorse the program, their current thinking is that it would work if funded and could be set to go in a very short time. The area agencies on aging national network, which would administer the program in the field is already in place.

According to the Administration on Aging, most facilities can be acquired or renovated for between $50,000 and $100,000. Many of the facilities can be inexpensive—but very effective—such as downtown storefronts in our cities and closed down schoolhouses. In this connection I might call to the attention of the committee the closing of seven old schoolhouses in Montgomery County due to lack of funds. These facilities have readymade workshops, dining areas, and recreational and social facilities, $50,000 can go a long way. At an average of $75,000, approximately 33 facilities would be assisted under sections 501 and 505 alone.

Mr. Chairman, I believe that $5,000,000 for senior centers over the next 6 months is an easily defensible figure, the figure originally requested by me and other senior members of the Select Committee on Aging. I urge the approval of my amendment to the amendment of the gentleman from Missouri.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. MATSUNAGA. I would be happy to yield to the distinguished chairman of the Select Committee on Aging.

Mr. RANDALL. Mr. Chairman, while I never speak for, represent, or be authorized to say anything in behalf of anyone except for myself; I will say I have listened to the gentleman from Pennsylvania agree that there has been nothing done for these centers and there remains almost nothing being done, just $2.5 million. The gentleman from Hawaii is simply asking for an additional $2.5 million?

Mr. MATSUNAGA. That is all.

Mr. RANDALL. Mr. Chairman, speaking for myself, as an individual and not speaking for the committee, I have no objection to such an additional increase of $2.5 million. It is modest. We are talking about small amounts in relation to the last amendment involving $300 million. The total overall is only $21 million.

Mr. MATSUNAGA. Mr. Chairman, I will say to the gentleman from Missouri (Mr. RANDALL) that he has served superbly as chairman of the Select Committee on Aging, and I thank the gentleman for acceptance of my amendment; but I will remind my colleagues that at one time the House approved legislation setting an authorization level for title V of $100 million; however, since the Older Americans Act was adopted, not a penny has been appropriated. My amendment would merely add $2.5 million to the $2.5 million proposed by the Randall amendment, or a total of only $5 million.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I want to say to the gentleman that I support his amendment. We hear a great deal about Federal programs which do not work, and we all know there are many that do not work. But, all of us know that money directed for our senior citizens centers represents a good investment.

In my own congressional district, I know of no programs that are more efficient, more effective and more appreciated by the public than our senior citizen centers.

On many occasions, I have visited these centers in towns like Enfield, Plainville, New Britain, Torrington, and Winsted. I have played cards and pool with the people there. I have held office hours to hear of individual problems such as lost social security checks. I have witnessed sewing classes and pottery instructions.

And, most importantly, I have witnessed the love and hope and good cheer that pervades these places.

But these wonderful characteristics do not pay the bills. These centers and the growing numbers of people who use them need the understanding and the votes of Members of the House on this vital amendment.

To those who say we cannot afford this modest expenditure, I say we can do without other things. We can do without some of the fancy military hardware that often has nothing to do with national security. We can do without selling billions of dollars of arms around the world. We can do without tax loopholes for the very wealthy. We can do without wasteful practices such as unnecessary surgery, now subsidized by the Government.

But we cannot do without programs that help preserve the pride and self-respect and talents of those who have been good citizens for so many years.

They ask for a helping hand, not for a hand out. This amendment is a step in that direction. I and my senior citizen constituents look forward to its passage.

Mr. MATSUNAGA. I thank the gentleman for his contribution.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I am happy to express my support for the amendment being offered by my colleague, the gentleman from Missouri (Mr. RANDALL), to add $21½ million to funds for the Older Americans Act in fiscal year 1976 and the transition quarter.

To be candid, Mr. Chairman, I do not often rise in support of amendments to add funds for domestic social programs. On the whole, I believe our colleagues on the Appropriations Committee do a very capable job of addressing the needs of all affected groups.

However, I bring to this issue my experiences over the past year, as ranking minority member of the Select Committee on Aging. I have conducted hearings on problems of older people in my own State of California, and have listened to a litany of shortcomings in Federal programs described in hearing after hearing.

We have a basically sound structure, Mr. Chairman. The State offices on aging, and the area agencies, form a workable mechanism for funding needed services for the elderly with maximum local flexibility.

What is needed, to be plain, is more adequate funding. Last year Congress expanded the responsibilities of area agencies, added to the list of priority areas for model projects, and increased the authorization for title III of the Older American Act by 38 percent.

We have more area agencies, more older people, and more complex problems. I believe the amounts specified in the amendment offered on behalf of the Select Committee on Aging is a prudent response to these changing circumstances.

Let me say a further word, Mr. Chairman, about model projects, which are funded under section 308 of the Older Americans Act. These are grants of one time seed money which enable local areas to develop and test better ways to promote the well-being of our older citizens within the community. There are seven priority areas listed in the law which are singled out as worth of funding; three of them were added by the 1975 Amendments to the Older Americans Act. The following are a few of the examples of the type of projects that presently are being funded:

A project in North Carolina last year helped older people get better housing by providing advice about the rental market and making referrals to available subsidized housing.

In the field of education, six Minnesota educational institutions have joined together to make lifetime learning a reality for senior citizens.

To help physically and emotionally impaired elderly, a model project grant was awarded to several American Indian groups in Arizona and Nevada. This project provided for homemaker health aides and outreach workers to help improve the living conditions of our older reservation residents.

In my own county of San Diego, Calif., we have a model health project located in Campo, Calif., an isolated rural community. This model project has made significant improvement in the health of the residents within that area. With a 1-year model grant, the project has kept older people independent and healthy by bringing into their homes as needed a nursing practitioner, a social worker, a physical therapist, homemakers, handymen, and other professionals who could assist in meeting their every day needs.

I am particularly proud of this project, because it also illustrates the principle on which all model project grants are based. It first began with Federal funds—as we are requesting today—to provide a desperately needed service, and then when Federal funds ran out, the county authorities were persuaded to continue the project with the use of their local funds. I must say, that the Federal funds were withdrawn rather precipitously, and it took a certain amount of intervention on my part with the State and county governments, for continued funding, but I am pleased to say that this project is operating and serving the elderly people of San Diego County today.

Mr. Chairman, the model project is one of the most flexible tools used at AOA's discretion. They have funded innovative and effective proposals all across the country, I believe the select committee's recommendations for this particular item, and the others within the package, are prudent, defensible, and absolutely necessary if we are to continue to improve the well-being of the elderly citizens in America.

I urge the approval of the amendment.

Mr. MATSUNAGA. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Hawaii (Mr. Matsunaga) has expired.

(By unanimous consent Mr. Matsunaga was allowed to proceed for 2 additional minutes.)

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, I most certainly agree with the arguments being made by the gentleman from Hawaii. I, in fact, presented the amendment that resulted in the $2.5 million now being in the committee recommendation. My original recommendation was that it be $5 million instead of $2.5 million.

Mr. Chairman, I rise in support of the pending amendment to add $21.45 million to titles III and IV of the Older Americans Act.

The amendment would add $1.5 million to the fiscal year 1976 and $150,000 to the transition quarter recommendations for State administration under title III. The passage of this proposal will increase the total for State administration to $17 million. This would permit all 56 units of government to receive an increased level in funding. For some of the State agencies, this would represent the first increase that they have enjoyed since 1973.

The amendment would also add $2.2 million in the fiscal year 1976 budget and $8.55 million for the transition quarter for area planning and social services. This money will be used to support 439 area agenices on aging. These agencies serve as local advocates for the elderly, helping them remain in their own homes and communities, increasing the accessibility of decent health care services, providing transportation services to hot meals sites, and referring elderly citizens to proper agencies in an effort to cut through bureaucratic redtape for those least capable of dealing with it. In addition, area agencies on aging help generate funds from other sources to meet these same needs.

There is also a $2 million increase for model projects under title III. These projects provide one-time seed money grants which enable local areas to develop and test better ways to promote the well-being of our older citizens within the community. For instance, the highly successful nutrition program under title VII was begun as a model project.

Finally the bill also adds $7.25 million to title IV research and training in the fiscal year 1976 and the transition quarter. This money will be used to train staff needed to serve the elderly and to provide knowledge and data critical to the effective management of the area agencies on aging.

Mr. Chairman, these additional funds are needed to insure that we can provide quality services to our Nation's elderly. I urge all of my colleagues to support this amendment.

Mr. MATSUNAGA. Mr. Chairman, I thank the gentleman from California for his support of my amendment.

Mr. Chairman, I believe that the $5 million for senior centers over the next 6 months is an easily defensible figure. It represents but 5 percent of what the House has authorized for title V use. The figure originally requested by the subcommittee was $5 million. I urge the approval of my amendment.

Mr. ANDREWS of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will make this very brief. Our distinguished colleague and friend, the gentleman from Florida (Mr. Pepper) has recently undergone an operation in Florida which was very successful, and has returned to his home.

The gentleman from Florida (Mr. Pepper) is chairman of the Subcommittee on Health and Long-Term Care of the Select Committee on Aging. He is very supportive of this amendment. He has sent a very extensive statement here which makes most cogent arguments for it.

His statement is as follows:

Statement of Representative Claude Pepper, Chairman, Subcommittee on Health and Long-Term Care, During Presentation by House Select Committee on Aging: Appropriation Levels for Programs Under the Older Americans Act

Mr. Chairman, I welcome this opportunity to address the funding under the Second Supplemental Appropriations 1976 of programs authorized under the Older Americans Act. First, I would like to commend my colleague, Mr. Randall, for his tireless effort as Chairman of the newly formed House Select Committee on Aging, and his dedication to resolving problems faced by America's senior population. His statement today reflects my sentiments with respect to appropriations for programs under the Older Americans Act. I fully support his proposed funding levels, and too, could like to stress the need for increased funding.

Congress in enacting the Older Americans Act of 1965 recognized that Federal assistance would help States develop and establish services designed to meet the special needs of older persons. The Older Americans Act of 1965 was considered landmark legislation because of its capacity to help senior citizens. Time has shown this Act to have potential for fulfilling its prophecy, but has made clear more must be done. For this reason Congress amended the Older Americans Act over the years, most recently with the 1975 amendments enacted into law on November 28, 1975. These amendments modified the original act to more effectively provide a vehicle through which the needs of the elderly be met.

TITLE III GRANT PROGRAM FOR STATES AND COMMUNITIES

The title III State and community program is of primary concern to me. As you are aware, this program requires State agencies on aging to divide their respective States into planning and service areas and where feasible establish area agencies on aging. The area agencies on aging primarily perform coordinating and planning functions on the local level in order to avoid fragmentation and duplication of effort, and to more readily assure the concentration of resources in areas where they are most needed.

Testimony before our committee indicated that area agencies on aging are proving to be a forceful and effective vehicle for mobilizing and refocusing existing community resources for the elderly. Their strength, however, rests in part on an adequate budget. New funds are needed if area agencies are to serve a growing population and fulfill their mandated role.

Currently many area agencies are understaffed and function with one or two persons who do not have the time to carry out all the tasks expected of them. Some area agencies face severe hardships in continuing existing services, and many are forced to deliver a decreasing level of aging services because of rising costs. In addition, area agencies are being called on to do more as a result of the 1975 amendments. They must focus on 4 new priority areas when providing social services.

As you are aware, the area agencies support the direct funding of social services which are not already available in the community. Funds support social services within planning and service areas with a Federal-local matching ratio of 90–10, and services outside of PSA's with a Federal-local matching ratio of 72–25. The main thrust of the title III program is to encourage non-Federal support and eventual total State and local funding. Well-planned programs, therefore, have a strong tendency for sustained survival assuming, of course, the availability of non-Federal support. Localities are willing to spend their dollars on programs that are well-planned, coordinated, and show effective use of available resources. The 489 area agencies on aging now cover about 80 percent of the aged 60 and over population.

As Chairman of the Select Committee's Subcommittee on Health and Long-Term Care, I am especially concerned that older individuals have available to them community services which help maintain their health and well-being. Services provided under title III enable older persons, while remaining in their home environment, to secure and maintain maximum independence. We have heard testimony on the positive results of accessible services, and on acute problems stemming from the lack of services. In the area of health care, for example, home health aides can help older people receive appropriate health care. Many older persons in need of home care, however, do not have such services available in their community.

Our Subcommittee has heard extensive testimony over the past year on home health care. Statistics indicate the need for these services.

Mr. Chairman, on November 19 of this year, the Department of Health, Education and Welfare testified before our Subcommittee that 200,000 persons annually receive home health services under Medicare, and 114,000 under Medicaid, for a total of 314,000 out of over 22 million elderly persons (over 65 years old).

Under questioning, the Department conceded that the numbers of persons receiving these benefits are "not sufficient in terms of the question of need."

According to additional H.E.W. testimony before our Subcommittee on February 10, today there are approximately 3 million persons aged 65 and older, or 16 percent of the aged population, who are unable to perform major activities such as keeping house because of a physical impairment. Over one million older persons need help in getting around either with a special aid or with the help of another person, and nearly 800,000 older people have an illness which confines them to their house.

Home health services also are less costly than alternative modes of institutionalization, except for patients of high disability who require full-time care. A General Accounting Office analysis [1] of twenty studies by experts comparing home health care with the cost of institutionalization concluded that, "of the 20 studies, 19 presented data which supported the proposition that home health care can be less expensive" than institutional care.

I cannot overstress our Subcommittee's finding that adequate resources which promote increased and effective social services makes sense fiscally as well as morally. We must appraise our commitment to older Americans by alloting in their behalf a suitable share of the Federal budget.

Home health cannot only hold down personal and the government's health care costs, but can help older people live in the privacy and dignity of their homes rather than being confined often unnecessarily to an institution. A January, 1975 study contracted by H.E.W. cited figures indicating that between 144,000 and 260,000 people, or between 14 to 25 percent of the approximately 1,000,000 elderly persons in skilled and intermediate nursing homes, may be "unnecessarily maintained in an institutional environment [2] because of the lack of alternatives available.

TITLE III PHYSICAL FITNESS PROGRAMS

Mr. Chairman, under Title III, "Social services" was expanded to include "services designed to enable older persons to attain and maintain physical and mental wellbeing through programs of regular physical activity and exercise."

With respect to physical fitness, it was pointed out in the Senate report accompanying the passage of this amendment "that a properly structured program of physical activity for senior citizens would help offset the deterioration of the cardiovascular system; slow the onset of the development of arthritis; and reduce mental fatigue, strain, or tension. In addition, physically active older people tend to be more independent, have a better outlook on life, and are more resistant to boredom and depression."

The Subcommittee on Health and Long-Term Care of the House Select Committee on Aging has proposed innovative alternatives to institutionalization as a preventive to later costly curative care and to allow the elderly to be productive in the community. Consistent with the Subcommittee recommendation that a greater share of the Federal health dollar be allocated to preventative health-care programs, I would like to cite an example.

A demonstration project, funded for one year by the Administration on Aging during fiscal year 1976, and ending on June 30, 1976, is currently being successfully implemented in four states by the National Association for Human Development, a non-profit organization, headed by three distinguished medical authorities.

The program, developed in cooperation with the President's Council on Physical Fitness and Sports, demonstrates that a program of health education and physical activity for senior citizens can bring about a beneficial change in the lives of older persons and keep them active, mobile, and participating in our society. It offers the potential of reducing the institutionalization of participating older persons.

Reports indicate this pilot program is proving highly successful among thousands of older persons in the four states in which it is being implemented—namely, Ohio Delaware, Maryland and Texas. It will represent an important beginning for new a perspective which offers promise of disease prevention, control, mobility and independence for older persons as an alternative to institutionalization.

Fitness activities, including health education, are underway or planned in all of the 437 nutrition sites located throughout Ohio, Maryland, Delaware and Texas. In addition, programs are being implemented under Title III and through local community resources, organizations and facilities in hundreds of multipurpose centers, day care centers, housing projects, churches, homes for the aging, and parks and recreation sites. During the first three months of implementation, over 12,000 letters were received by the National Association for Human Development from individuals in the remaining 46 states expressing an interest in this program. These inquiries represent state and local governments, private organizations, universities, colleges, YM-YWCA's parks and recreation departments and senior centers.

However, current appropriations preclude expanding the program.

With an appropriation of an estimated four million dollars over the next two years, including $200,000 between April and July, and $250,000 for the transition quarter, this project can be continued and extended across the country.

TITLE III MODEL PROJECTS

The title III model project program also has proved to provide invaluable information because of its demonstration approach in assessing and improving needed services, and promoting the well-being of older persons. Congress, in enacting the latest amendments, added three new categories to which the Administration must give special consideration in funding model projects. Two of these categories specifically address the health care of older persons. One such category is ombudsman services for nursing home residents. Demonstration projects will test the most effective ways to assure that patients' rights are recognized and that they receive quality care.

Another priority under model projects is the funding of senior day care centers. These centers primarily provide care for individuals in need of supervised health care but not in need of 24-hour institutionalization. They are designed for people who are considered frail, and otherwise physically or mentally impaired but who are able to live in a home with others when daily supervision is available. Although day care centers have existed in Europe for some time, they are still in an experimental stage in this country. Through the model projects program centers will be established which will enable us to assess more readily health services and facilities that are of high quality, appropriate, and less costly than nursing home care.

TITLE V: MULTIPURPOSE SENIOR CENTERS

Mr. Chairman, one of our Subcommittee's prime recommendations in a recent report, "New Perspectives in Health Care for Older Americans: Recommendations and Policy Directions," is encouraging the development of multipurpose senior centers, places where elderly persons may enjoy the company of others in recreational and social activities and where they may obtain health and nutritional services.

We are delighted that the Appropriations Committee agreed to our request for start-up funds for senior centers under Title V of the Older Americans Act, but the amount appropriated currently under the bill, $2.5 million for the transition quarter, is insufficient to really get this important program moving. Potential centers will be scrambling for this small amount of money. We are therefore asking specifically that $5 million be appropriated for senior centers under Title V through the transition quarter as a true commitment to making this program successful. And no one can say we are "busting the budget", because the initial authorizing legislation enacted under the Older Americans Act Amendments of 1973 called for $100 million. However, no funding has ever been appropriated, for two main reasons.

First, the Congress has, until now, not considered the services provided a priority, possibly because the need and constituency for the services has not been made clear.

Second, it has been argued that H.U.D. Title I funds allow money for senior centers already, so that Title V funding would be duplicative.

Let me address these arguments in turn.

Our Subcommittee has received overwhelming testimony demonstrating that the need for senior centers is great, and that they make one's later years a great deal more meaningful.

A Lou Harris survey, in conjunction with the National Council on Aging, reports that 18% of the 22 million persons over 65 have attended senior centers and another 17% would like to. In addition, "7 million persons over 55 would like to attend senior centers if the various barriers to participation were alleviated or removed." Finally, "50 percent of the public report that there is no Senior Center convenient to where they live," according to the Harris survey.

Programs within centers that do exist also need to be expanded and can be under Title V's alteration and staffing provisions. Of the 4,706 senior centers for which service data was available for a 1974 survey by the National Institute of Senior Centers, 1,967 provided less than the three basic services (set forth by NISC) of education, recreation, and information, referral or counseling. Of the total 4,706, only 1,474 provided health services and 1,476 provided nutrition services.

The need for funding incentives is clear. I should add that our Subcommittee received testimony concerning the need for Title V funding from the National Council on Aging, the National Council of Senior Citizens, the American Association of Retired Persons, the National Association of Social Workers, and many other organizations with expertise in the health and social services of the elderly.

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[1] Letter report, September 17, 1975.

[2] Study by Applied Management Sciences for the Department of H.E.W., Contract No. HEW 08-74-294.

The second argument, asserting that Title V is unnecessary because senior centers are also funded under the 1975 community development Title I block grant program administered by H.U.D., is invalid for two reasons.

First, Title V Older Americans Act money includes acquisition, alteration, renovation, and initial (three Year) staffing. H.U.D. Title I funds—if they were even utilized—cover only construction and renovation. The two programs are not identical.

Second, Title I funds are discretionary and can be utilized for any of *eight* programs. A 1975 H.U.D. survey of 200 communities showed that only 17 plan to use Title I money for senior centers. Title V funds, on the other hand, are specifically earmarked for senior centers.

The West Virginia Commission on Aging stated in its 1975 Annual Report:

"HUD HELP DISAPPOINTING

"There was widespread disappointment this year that senior centers were not getting the boost they needed from the Community Development Act, under the Department of Housing and Urban Development (HUD). At the time legislation was passed by the Congresss, it was thought that senior centers throughout the country would benefit. The Administration on Aging testified that no funds would be needed under Title V of the Older Americans Act for construction and renovation of senior centers because HUD funds would be available."

Our committee is recommending $5 million between now and the end of the transition quarter to fund this authorized program.

We recommend that 50% of these funds be allocated to section 505, which authorizes the appropriation for section 501, payments for grants and contracts for acquisition, alteration and renovation. The large portion of the funding should go to these sections because, once a facility is obtained or renovated, other community resources—including Older Americans Act Titles III (home health, transportation, and other services), VII (nutrition), IX (employment), and Social Security Act Title XX (social services), can use the center as a place to provide the services. This would lead to maximum community efficiency for the elderly.

The remaining 50% of Title V funds should be broken out evenly among the other sections, so as to give the chance to work they have never had because while authorized and needed, they have not been funded. These include section 506 (mortgage guarantees, which will require a deposit into the insurance fund but very little actual money spent), section 507 (interest subsidies), and section 511 (initial 3 year staffing provided on a 75% federal—25% facility basis the first year, ⅔–⅓ the second, 50%–50% the third). It is recommended that $833,000 be allocated for each of these sections between now and the end of the transition quarter.

The Administration on Aging of the Department of HEW, which would administer Title V programs, while unable to endorse such funding because the President's budget made no request, has provided invaluable technical expertise at my request in the drafting of this program. AOA has informed me that while they cannot endorse the program, their current thinking is that it would work if funded and could be set to go in a very short time. The Area Offices for Aging national network, which would administer the program in the field, is already in place.

I am informed that regulations could be written possibly in as little as two weeks after funding, and the 30 day comment period for regulations implementing the enacted funding levels could even be waived to 15 days if "just cause" mandates speedy implementation.

Eligibility for funding is explicit in the law and could be easily transmitted into regulations. Under the statute, qualified recipients of grants would be "units of general purpose local governments or other public or non-profit private agencies or organizations, or contracts with any agency or organization", the purpose of the grant or contract being to provide a "focal point for services in the community designed primarily for the elderly."

According to the Administration on Aging, most facilities can be acquired or renovated for between $50,000 and $100,000. Many of the facilities can be inexpensive—but very effective—storefronts downtown in cities. Also, you may have heard of the closing of seven old schoolhouses in Montgomery County due to lack of funds. These facilities have ready-made workshops, dining areas, and recreational and social facilities. $50,000 can go a long way.

At an average of $75,000, approximately 33 facilities would be assisted under sections 501 and 505 alone. The other sections, which provide mortgage insurance, interest subsidies, and initial staffing, would assist at least another 20 facilities.

Mr. Chairman, our Committee's recommendation for Title V is concededly low compared to the original legislation enacted in 1973, which authorized $100 million annually. We are asking $5 million for the remainder of 1976 through the end of the transition quarter. Yet these funds will go a long way as seed money in encouraging governmental entities and private organizations to establish their own senior center service programs. It is critical that we get this program off the ground.

The network is ready, with state agencies on aging, area agencies, and nutrition sites already in place.

The nation's communities are ready, needing and able to use the funds, and having many facilities now unused and desperately needing renovation. What better purpose than to serve our elderly?

The regulations are ready, requiring only a very short time—perhaps two weeks—to write them because of the long, well thought-out evolution of the legislation and the spelled-out nature of the recipients in the statute.

Your appropriation of the funds we have requested for Title V would be of invaluable assistance to millions of our nation's elderly who need a focal point for service delivery and a central place to establish and maintain meaningful social relationships.

TITLE IX: EMPLOYMENT

Finally, I would like to address some specific questions relating to the funding of Title IX (Employment). The Administration has argued that Title IX funding should not be continued because older workers do not need a categorical employment program and should be provided for under the CETA manpower program. But this argument is not persuasive in view of the fact that the Department of Labor admits that only 3 percent of the services provided in the second half of 1974 under CETA Title I manpower training and Title II public service employment programs went to persons who were 55 or older. In contrast, 59.5 percent went to persons who were 21 or younger during the same period. The Administration officials further admit that CETA funds are distributed by state and local "prime sponsors" under a revenue-sharing approach. And they absolve the Administration and the Federal government of all responsibility for older Americans by arguing that it is up to the local sponsors to respond to the need of older workers in their local areas.

Mr. Chairman, you are aware of the GAO report prepared at my request in 1974 which indicated that local units of Government allocated less than one-half of 1 percent of their revenue sharing dollars, a total of only $2.9 million, to programs to benefit one of America's most vulnerable groups—the elderly.

You are also aware of the high level of unemployment among older workers and the effect of joblessness on these Americans' mental and physical health.

I would also like to point out the need to consider the possibility of expanding title IX to provide for an additional contractor responsive to the particular needs of minority unemployed elderly workers. The language of the Senate Report (94–67, pp. 30–1) recognizes this need when citing the National Center on Black Aged as one worthy of consideration if additional appropriations become available.

We must not succumb to the Administration's determination to phase-out categorical programs such as Title IX, but continue to extend assistance to those who are otherwise the least likely to be recognized.

I am pleased that Title IX funding has been increased for this year in legislation now awaiting the President's signature and I would only urge him to sign this legislation.

In closing, Mr. Chairman, I wish to commend the well-researched funding levels suggested by our Chairman, not only for Titles III and V as I have testified to, but Titles IV (Education and Training in Gerontology) and IX (employment) as well. The testimony you are hearing today, by both Majority and Minority, is indicative of the close spirit of cooperation by all members of our committee in working to solve the problems of the elderly.

I join with our distinguished colleagues in urging more appropriate funding under the Older Americans Act as a way of more aptly fulfilling the commitment of the Congress to our nation's elderly.

Mr. ROYBAL. Mr. Chairman, I rise in support of Mr. MATSUNAGA's amendment to provide an additional $2.5 million for title V of the Older Americans Act.

Funding for this vitally important program was first approved as a result of my amendment offered during consideration last week on the supplemental by the Appropriations Subcommittee on Labor-HEW. My amendment provided an initial $2.5 million for the funding of title V, multipurpose senior centers program. This was the first time in the 10 years of this program's authorization that funds had been approved for this purpose.

The amendment which Mr. MATSUNAGA has offered today supplements my earlier action—and I am fully supportive of this effort.

The title V program is designed to provide a focal point in our communities for the development and effective delivery of social and health services to the elderly. It provides four areas of assistance: First, grants and contracts for the acquisition, alteration, or renovation of existing facilities to serve as senior centers; second, mortgage guarantees covering the multipurpose centers; third, interest grants to reduce borrowing costs; and fourth, initial staffing grants.

These centers are essential for the attainment of comprehensive services and assistance for the elderly communities, and I urge support for this amendment.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, for these programs the budget includes $165 million. The Committee on Appropriations went above that by $36 million. This amendment will increase it by an additional $24 million. It appears that a majority of the House wants to put in additional funds.

I will not repeat the statements I made earlier today regarding the fiscal problems the Nation is confronted with, but I thought it would be worthwhile to point out the situation which is apparent here. We are spending money we do not have, and we are going above the budget.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. I thank the gentleman for yielding.

Mr. Chairman, I simply make this observation: I listened with great interest to the impassioned plea of the author of the amendment and all of those joining the chorus. As a matter of fact, because the gentleman's amendment adds money to the Older Americans Act, he would not have had to say a word. The outcome of the vote is predestined.

I must confess that I have the same reservations that our distinguished chairman has. If we go this same route, with all of the appropriation bills coming up in June, God help us.

If any amendment for more money has a good handle, such as for older Americans, for the handicapped, for crippled children, for mother, God or country, it might as well be Katie, bar the door. I am not going to ask for a rollcall vote. The outcome is automatic and predestined. But somewhere along the line this House will have to give thought to the overall picture and just how we can fit all these increases over the budget under the ceiling we will soon set for ourselves in the budget resolution. Those of you voting for all these increases will surely have to support the higher budget resolution, because I am not going to bail you out on that one and you may be scratching for votes to pass it next month.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Hawaii (Mr. MATSUNAGA) to the amendments offered by the gentleman from Missouri (Mr. RANDALL).

The amendments to the amendments were agreed to.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Missouri (Mr. RANDALL), as amended.

The amendments, as amended, were agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RELATED AGENCIES

COMMUNITY SERVICES ADMINISTRATION

COMMUNITY SERVICES PROGRAM

For an additional amount for "Community services program", $23,000,000.

Mr. O'NEILL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in order that I may enter into a dialog with the chairman of the committee.

Mr. Chairman, it is my understanding that from even before 1971 to the present time, the Army has overobligated itself to the tune of about $200 million. Many small companies across the United States have been hurt. This has been happening since at least 1971, as I understand it.

I have a company in my district, General Ship & Engine Works, Inc., of East Boston, that had a contract to build four LCU landing craft for the Army. The work is completed. According to their claim, the Army owes them $2.4 million. Because of this overobligation by the Army, it is illegal for them to be paid out of existing accounts. There is no doubt that they are entitled to payment. They have obligations to their subcontractors along the line, and I know that there are many, many other companies that are in exactly the same position as this small shipbuilding company in my district. These companies are not in violation of the law.

It was the Army that broke the law, and I hope that somewhere, perhaps in some supplemental that will be coming up, we will be able to take care of cases of this character.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I will be happy to yield to the chairman of the committee.

Mr. MAHON. Mr. Chairman, the gentleman from Massachusetts (Mr. O'NEILL) has been concerned about this matter, and rightly so, for quite some time, and has made his concern known to the Committee on Appropriations.

I would say that, as the gentleman knows, the Army may have violated the Anti-Deficiency Act with respect to some of its obligations and may have acted illegally. We do not know because we have not received the report required by law.

As soon as we receive the report from the Department of Defense on the Anti-Deficiency Act violation, we intend to hold hearings on the subject prior to taking any action in the nature of providing relief to the Army in this matter. The Army is at fault, but the contractors to whom the gentleman has made reference are not at fault in connection with this matter.

It is too late for the House to include funds for this purpose in the bill that is before us at this time. Of course, the bill will go to the Senate and we hope will be considered by that body in early May. By that time the report should be in the hands of the Committees on Appropriations of the House and the Senate, and perhaps something can be done in the other body to provide some relief to the Army, if that is appropriate, and the House can consider the matter in this bill during conference with the other body.

I hope this matter can be worked out expeditiously because it has worked a great hardship, particularly upon some of the smaller contractors.

Mr. O'NEILL. Mr. Chairman, I am grateful to the gentleman for his response. I think it is a shame that small companies across the country have been hurt in this way. I have one such company in my district.

Mr. DOWNING of Virginia. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Virginia.

Mr. DOWNING of Virginia. Mr. Chairman, I would like to speak in support of the statement of the majority leader. I have three small contractors in my district that are owed over $3 million, and this is a hardship on them. As the majority leader has said, it is not their fault. I hope that the gentleman will do everything possible to expedite payment of these overdue claims.

Mr. MAHON. Mr. Chairman, will the gentleman from Massachusetts yield further?

Mr. O'NEILL. I yield to the chairman of the committee.

Mr. MAHON. Mr. Chairman, the gentleman from Virginia (Mr. DOWNING) has discussed this matter with me and with other members of the committee. We are concerned about it. We want to be as helpful as possible, and as soon as the provisions of the law can be complied with we will act as rapidly as we can to remedy this situation which is causing such great hardship for certain companies.

Mr. DOWNING of Virginia. Mr. Chairman, I thank the gentleman.

Mr. O'NEILL. Mr. Chairman, I want to thank the chairman of the committee.

AMENDMENT OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOOD: On page 22, strike lines 22 through 25.

Mr. FLOOD. Mr. Chairman, this is a very simple amendment. It deletes the appropriation that I mentioned earlier today. We have already included these funds in the emergency supplemental, the so-called flu vaccine joint resolution. These funds are for summer recreation programs.

As I said a while ago, this did clear the House on Monday, and we do not want to include the same thing in two different bills. My amendment simply takes the funds out of this bill.

I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. FLOOD).

The amendment was agreed to.

PERSONAL EXPLANATION

Mr. DU PONT. Mr. Chairman, I was unable to attend the House sessions on Friday, April 9, and Monday, April 12. Had I been present, I would have voted in the following manner:

Rollcall No. 184, "no."
Rollcall No. 185, "aye."
Rollcall No. 186, "no."
Rollcall No. 187, "aye."
Rollcall No. 189, "aye."
Rollcall No. 190, "aye."
Rollcall No. 191, "aye."

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

For payment to the Corporation for Public Broadcasting, as authorized by the Public Broadcasting Financing Act of 1975, an amount which shall be available within limitations specified by said Act, for the fiscal year 1976, $78,500,000.

For payment to the Corporation for Public Broadcasting for the period July 1, 1976, through September 30, 1976, $17,500,000.

AMENDMENT OFFERED BY MR. MOORE

Mr. MOORE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORE: On page 23, immediately after line 9, insert the following new paragraph:

"None of the funds appropriated under this Act to the Corporation for Public Broadcasting may be used for entertainment purposes."

Mr. MOORE. Mr. Chairman, on March 24, 1975, a reception was held in the Cannon House Office Building to which I was invited, as well as probably all of you others, by the Corporation for Public Broadcasting. I attended that reception because I wanted to find out more about this organization, knowing that it receives public funds.

I learned after attending that reception that I could find out little about the organization due to the good time everybody was having.

The reception turned out to be the most lavish I have seen since I have been in Congress. There may have been more lavish ones in the past, but certainly that was the most lavish I have seen.

I began to inquire about what this reception cost. I learned that the Corporation for Public Broadcasting expended $9,802.75 on this reception to entertain Members of Congress and themselves at a cost rate of $12.25 per person.

Mr. Chairman, I do not criticize the work the Corporation is doing. I do criticize the spending of taxpayers' dollars to entertain us, to lobby us for more taxpayers' dollars. That is the point I am making.

As a matter of fact, we all know that no real business takes place at one of these receptions. When we go to one, there are so many people that one cannot talk business if he wants to. We know that the business could be conducted much better in the privacy of our offices. I know that each of us would welcome any representative of the Corporation for Public Broadcasting into our office to discuss business.

Therefore, Mr. Chairman, I really do not believe that any real purpose is served by such a reception except to have attending Congressmen and representatives of the Corporation have a good time.

Mr. Chairman, my amendment will not in any way interfere with the true, legitimate operation of this Corporation. It simply prevents it from using public tax dollars to entertain themselves or us. They do receive private contributions. If they wish to use private contributions for receptions let them do so.

This was not the case with this reception held last year. Without an amendment such as mine, it will not be the case in the future.

Mr. Chairman, I brought this matter to the attention of the General Accounting Office. They wrote back to me that the Corporation was not subject to the normal reporting limitations of a Government agency since they are a private nonprofit corporation therefore only through the measure I am now taking could really bring this matter under control or prevent it from happening.

Therefore, Mr. Chairman, I point out that we can not really justify to the taxpayer this expense of $9,802.75 of their money. I do not think any one of us wants to look a taxpayer in the eye and tell him that was justified.

Mr. Chairman, let us simply adopt my amendment and prevent this Corporation from using public funds for this purpose in the future.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Chairman, do I understand that the language of the gentleman's amendment says that none of the funds for public broadcasting shall be used for entertainment? Is that correct?

Mr. MOORE. None of the funds appropriated under this amendment can be used by the Corporation for entertainment; that is right.

Mr. JACOBS. What about public braodcasting itself?

Mr. MOORE. I think the amendment has been clearly drawn. It has been drawn to prevent the use of funds for the entertainment of Congressmen and the entertainment of themselves in their broadcasting activities. It would not affect broadcasting.

Mr. JACOBS. What does this amendment say? That is the whole point. Does it not say that none of the funds may be used for public broadcasting?

Mr. MOORE. Mr. Chairman, I thank the gentleman for his criticism, but I think the amendment is clear. I think a reasonable man would read it that way. I do not think that the Corporation for Public Broadcasting can interpret this so that people cannot broadcast.

Mr. JACOBS. Some people think public broadcasting is very entertaining, and others do not.

Mr. MOORE. I think this colloquy indicates the legislative history behind this, and I urge the adoption of the amendment.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wonder if the Clerk would reread the amendment.

The CHAIRMAN. The Clerk will rereport the amendment.

The Clerk reread the amendment.

Mr. CONTE. Mr. Chairman, I agree with the gentleman from Indiana (Mr. JACOBS).

The amendment is so worded that it could cut out all broadcasting by public broadcasters because many programs are for entertainment.

If the gentleman wants to knock out the booze account, I think he ought to be more specific.

Mr. MOORE. If the gentleman will yield, I thought that what they were doing was trying to use public funds for public educational broadcasting.

There is nothing in here that says that they cannot broadcast entertainment. The speech I gave on the floor and the colloquy with the gentleman from Indiana (Mr. JACOBS) clearly indicate that my amendment is aimed at the entertainment of Congressmen and of the Corporation itself at public expense.

Mr. CONTE. Mr. Chairman, the gentleman did not say that in his amendment. His amendment is not clear. It would prevent public broadcasting from having programs for the entertainment of anyone. The gentleman does not even mention that they should not entertain Congressmen, and I am with him, believe me.

I cannot go along with the gentleman's amendment. The gentleman ought to rewrite it and put in there that he does not want any money being spent by Public Broadcasting for booze and food to wine and dine the Congressmen. Therefore, I hope the amendment is defeated unless the gentleman clarifies his amendment.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think we would have to agree that there is some merit in the feeling that this amendment is confusing if one considers only the language which says that none of the funds appropriated under this act to the Corporation for Public Broadcasting may be used for entertainment purposes and does not refer to the explanation of the amendment given by the gentleman from Louisiana (Mr. MOORE).

I am not sure just how this would be interpreted, but perhaps because of the discussion here it would be interpreted to mean entertainment such as parties, receptions and the like.

I agree with the gentleman that these funds should not be used for such purposes. But I just wonder if this amendment does the job in view of the questions raised by some Members? I have no objection myself and would support the amendment.

Mr. MOORE. Mr. Chairman, I ask unanimous consent that my amendment may be modified by adding at the end of the amendment the additional words, as part of the substance of the amendment: "provided this prohibition shall not apply to broadcasting."

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana to so modify his amendment?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. MOORE) as modified.

The amendment as modified, was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CHAPTER VIII

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for "Flood control and coastal emergencies", to remain available until expended, $30,000,000.

Mr. WHITTEN. Mr. Chairman, our Subcommittee on Public Works recommended and the committee included in the supplemental bill (H.R. 13172), which we are considering today, $30,000,000 for the flood control and coastal emergencies fund. This was made necessary because the Corps of Engineers in 1975 and to date in 1976 has diverted a total of $75,400,000 from the construction, general and the flood control, Mississippi

River and Tributaries appropriations to meet emergency situations. However, only $25,400,000 has been requested to reimburse these appropriations. This leaves an outstanding balance of $50,000,000 which the administration has not requested for reimbursement to the appropriations.

This action or inaction on the part of the Office of Management and Budget results in an unauthorized impoundment of funds.

The committee has provided $30,000,000 in the bill to meet the most urgent needs to bring the projects back on schedule as approved by the Congress, including those funds diverted from appropriations for the Upper Yazoo Basin, the West Tennessee Tributaries, and Copan Lake, Okla.

The committee will work with the Corps of Engineers on developing those projects needing additional funds this year.

The CHAIRMAN. The clerk will read.

The clerk read as follows:

For an additional amount for "Salaries and expenses of referees", $235,000, for the period July 1, 1976, through September 30, 1976.

Mr. THOMPSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am glad that the bill is going as well as it is. I had given serious thought to offering an amendment at line 18 on page 27, with respect to international organizations and conferences, and contributions to international organizations. It should be a source of considerable embarrassment and dismay to us all that there are no moneys in this supplemental appropriation to pay the dues which the United States of America owes to the International Labor Organization, commonly known as ILO.

I have had the honor of representing this body as an adviser to the U.S. delegation at ILO meetings on a number of occasions. Our colleagues, the gentleman from New Jersey (Mr. Daniels), the gentleman from Illinois (Mr. Erlenborn), the gentleman from Ohio (Mr. Ashbrook) and others have served also in that capacity.

Last year the International Labor Organization by a vote of its constituent members admitted the Palestine Liberation Organization, the PLO, in the status of observers to the ILO. The reaction of the U.S. delegation was immediate and precipitate in that they walked out in protest. The Government and employer representatives went back for a time but the labor representatives stayed out, subsequently the United States served notice of our intent to withdraw from the International Labor Organization. That body I might point out is the only surviving member of the League of Nations family and the oldest member of the United Nations family presently in its 52d or 53d year.

The ILO won a Nobel Peace Prize during the time when the Director General was the great distinguished American, David Morse. The incumbent Director General is a French citizen named Blanchard.

While the United States walked out and subsequently served notice of withdrawal in protest of the admission of the Palestine Liberation Organization, the target of the PLO, the State of Israel, remained. The United States walked out and threaten to permanently withdraw, but the Israelis did not. They stayed. Not only did the Israelis stay, but for the first time in the history of that great organization they achieved for themselves a seat on the governing body. Last summer's events in Geneva are altogether different from those that occurred at the United Nations in New York, where the PLO is also in an observer status and where, despite our Government's protest, Zionism was condemned as "racism," a truly outrageous thing. We still are in the U.N. The Israelis are still in the U.N. But we are serving notice that we are getting out of the ILO. We are taking our dollies and dishes and going home, presumably for some anti-Communist, antiterrorist reason, while the target of the PLO, Israel, remains.

Here we are, the wealthiest nation on Earth, not appropriating moneys to pay our overdue assessment of a year ago, not to mention this year. We were going to send a delegation this year. We are in the embarrassing position of being delinquent.

We want the ILO to change its ways. We said so in our letters of intent to withdraw. We expect others to follow our wishes and plans to make ILO a better, a more effective organization. We adopt a posture of morality and rectitude and ask others to follow. But of what moral force are our arguments and pleas when we are delinquent. Morally and legally we are delinquent—our delinquency began on July 1, 1975.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. Thompson) has expired.

(At the request of Mr. Slack, and by unanimous consent, Mr. Thompson was allowed to proceed for an additional 3 minutes.)

Mr. THOMPSON. Mr. Chairman, we are in the embarrassing position of being the wealthiest delinquent on Earth. It makes no sense. It is bad foreign policy. It is bad monetary policy.

I would certainly hope that very soon my distinguished friend, the gentleman from West Virginia (Mr. Slack), the chairman of this subcommittee, would remedy this situation.

Now, I realize that the gentleman does not make foreign policy, but the fact is that the absence of any moneys for the ILO affects the foreign policy of the United States. We are going to lose our professionals there. If eventually we decide to stay in the ILO, as I think we should, we are going to have lost our professionals of many years standing in that organization. But, as I said before, and repeat because of its importance, our delinquency reduces our effectiveness in the ILO, it weakens the persuasive arguments of our representatives there.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, I thank the gentleman for yielding.

As the gentleman knows, the committee considered a request of $25.9 million to pay the ILO the balance of the assessment for calendar year 1975 and the assessment for calendar year 1976.

Since the United States filed notification of intent to withdraw from the ILO, the request was not recommended in this bill at the present time.

Let me emphasize that we do not lose voting rights until January 1, 1978. The committee felt that it was preferable to wait until a final determination has been made on staying in the ILO.

Let me, however, assure the gentleman from New Jersey (Mr. Thompson) that this subcommittee has no intention of welshing on the agreement of this Government with the ILO and the bill will be paid.

Mr. THOMPSON. Mr. Chairman, I thank the gentleman; but may I point out respectfully to the gentleman and to the subcommittee that it is a source of enormous embarrassment for our Government and for our employer and employee representatives who are going there in June to be in the position of being a delinquent nation. The very least, in my judgment, and I say this most respectfully, the very least, in my judgment, is that **the 1975 dues should have been paid.**

I am aware of all the other nuances. I am aware of the outside forces from within the United States.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. Thompson) has again expired.

(By unanimous consent, Mr. Thompson was allowed to proceed for 1 additional minute.)

Mr. THOMPSON. Mr. Chairman, I am aware that there are influences outside the Congress, but within the United States, who take this hardline position, which our allies, the Israelis, do not take. If we leave the ILO and the Israelis stay in, as they intend to do, we will be abandoning them. I think it is just bad policy.

Mr. Chairman, I do thank the distinguished gentleman from West Virginia (Mr. Slack) for these assurances that the bill will be paid.

The CHAIRMAN. The Clerk will read:

The Clerk read as follows:

Chapter X.—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

Notwithstanding the limitation of funds available in the appropriation under this head in the Department of Transportation and Related Agencies Appropriation Act, 1975, to lease and maintain automobile parking facilities in the Nassif Building, payments of not to exceed $53,000 may be made out of any unobligated Departmental funds provided for fiscal year 1975 to pay the full court judgment awarded in June 1975 relating to such facilities.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the second supplemental appropriations bill for fiscal year 1976 (H.R. 13172).

I am pleased to sit as the ranking minority member of the Subcommittee on Transportation and as a member of the Subcommittee on Labor-Health, Education, and Welfare. Because of the diverse programs that are included in the transportation portion of this bill, I feel I should briefly describe its contents. My subcommittee chairman and good friend, the gentleman from California (Mr. McFall) will set out each program in detail, I shall try to develop its highlights:

First. The $1.1 billion recommended for the Federal Highway Administration is $250 million less than requested: However, testimony before our subcommittee suggested that our under-the-administration-budget figure is adequate. These funds will provide liquidating cash to cover obligational authority released to date.

Second. The $475,000 recommended for the national capital airports is merely to pay for the increased electricity and gas bills.

Third. Testimony during our hearings suggested $8 million would be an adequate figure for Coast Guard retirement pay instead of $8.33 million requested.

Fourth. The sum of $53,000 is provided the office of the Secretary for satisfaction of an unfavorable court judgment.

Fifth. Section 215 of the Regional Rail Reorganization Act of 1973 provided $300 million in loans for maintaining and improving ConRail properties prior to conveyance. A conservative estimate is that only $64 million of the fund was devoted to rehabilitation and improvements. For this amount ConRail will assume a $64 million indebtedness to the loan fund. The remaining $236 million was used merely for operational expenses since 1973 with no benefit accuring to ConRail properties as of April 1, 1976. Accordingly, this loan amount will be forgiven.

Sixth. The subcommittee chose to provide the requested $100 million requested by urban mass transportation administration for liquidation of contract authority.

Seventh. The subcommittee also approved a limitation of $632 million on amount of obligations which may be used for interstate transfer substitutions (Public Law 93-87). This limitation further provides no more than $475 million for WMATA—D.C. Metro. As you know, a State may opt to substitute a portion of its interstate system and transform the funding into a mass transit program. This limitation affects the total dollar amount per year which can be approved. I inserted language in the report expressing it is the intention of subcommittee that transfer applications not be held up because of this language, but rather, encourage UMTA to approve projects by phases instead of the total funding program in 1 year. I am convinced that approving projects by phase might even prevent these catastrophic cost overruns caused by multiyear predictions.

Eighth. For the Interstate Commerce Commission, we have made considerable reductions in their request. However, all figures recommended seem to be more than adequate according to their testimony. Our subcommittee chose to support the Office of Rail Public Counsel in the amount of $100,000 for the remainder of fiscal year 1976 and $100,000 for the transition as opposed to $500,000 for each requested. This office is not a working department of the ICC, but actually an adjunct department of the ICC which is responsible for oversight and can even go so far as challenging an ICC rate decision or order in the courts. The office was set up in the Railroad Revitalization and Regulatory Reform Act (Public Law 94-210) and is still in its formative stages—our funding support is adequate.

Ninth. Because of increased court litigation and administrative expenses caused by the unified ConRail as opposed to the originally contemplated smaller system, the subcommittee chose to recommend an additional $6 million to ConRail for these purposes.

Tenth. Finally, the committee approved $1.45 million for the Coast Guard boating safety program for the transition quarter. During consideration of the regular transportation appropriations bill, this program had not yet been authorized for the transition quarter.

Fellow Members as you can tell, all of the funds provided in this section are of an essential nature to continue the program levels established in the regular fiscal year 1976 transportation appropriations bill (H.R. 8365).

I should like to advise that the bill in its present form is $6.985 million over the administration budget. This is due to the fact that funding provided for the U.S. Railway Association and the Interstate Commerce Commission have been inserted in the bill before the committee received administration requests for these agencies. Supplemental funding for the USRA is caused by the transformation to the unified or larger ConRail final system plan. Extra litigation and administrative expenses are expected to reach $6 million by the end of the transition quarter. The Interstate Commerce Commission requires funding to support the continuation of the Rail Services Planning Office as well as the new Office of the Rail Public Counsel. Both of these program changes are mandated in the Rail Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210). Our committee is advised that budget requests are forthcoming on these matters. However, as of this date, neither have arrived. Because of the importance of reporting the bill out, the committee acted on the requests of the individual agencies. Specific legislation allows the Interstate Commerce Commission and the USRA to submit their budgets directly to the Congress.

Mr. Chairman, as I mentioned earlier, I also serve as a member of the House Appropriations Subcommittee on Labor-HEW. With two reservations, I am most pleased with the funding levels provided in this section of the bill. Our subcommittee chairman (Mr. Flood) and the ranking minority member (Mr. Michel) I am sure will set out each specific program. I should now like to emphasize portions of this section that deserve our attention.

With the acceptance of the Roybal-Obey - Stokes - Conte - Patten - Early amendment that passed by a tremendous majority, we can insure students and their families that the Federal Government will continue to provide student financial aid in the form of basic opportunity grants at the 1975-76 school year level.

Further, approval of the amendment also insures a substantial first step in the implementation of the Education for the Handicapped Act of 1975 (Public Law 94-142). As a cosponsor of that authorizing legislation, I can attest to the fact that these funds are a long time coming. I commend my colleagues for their support of the full authorization level.

One final note, in the Labor-HEW portion deserving mention is under community services, I am pleased to advise that the subcommittee approved my amendment to increase the funding for the national youth sports program for summer 1976 from $3 million to $6 million. This is an outstanding program carried out by the National Collegiate Athletic Association to provide training and sports programs to 55,000 innercity economically and culturally deprived youths this summer. Their program was a tremendous success and I was most pleased to sponsor this increase.

I urge my colleagues to support this bill to insure continued full implementation of our Federal programs through the end of fiscal year 1976 and the transition quarter.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $5,600,000.

Mr. CEDERBERG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to ask a question of the distinguished chairman of the subcommittee which has jurisdiction over the Customs Service. It is my understanding that the committee has recommended an additional appropriation of $5.6 million for fiscal year 1976 and $3.1 million for the transition quarter for the Customs Service. The report states that the appropriation will also permit opening and staffing of some ports of entry.

Would the gentleman from Oklahoma, the chairman of the subcommittee, tell us whether these funds would or could be used to open up a facility that those of us from Michigan are very concerned about and interested in at Battle Creek, Mich.?

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman I say to the gentleman that Battle Creek is one of the stations on the high priority list of the Customs Service, and it is one of the justifications for the amount of money and extra employees provided for in this bill, which is to cope with that part of our problem. So, I see no reason why Battle Creek would not be one of the favored places for expansion of the service.

Mr. CEDERBERG. I thank the chairman.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to my colleague from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I want to say that I appreciate this colloquy. I think the chairman of the committee has been very wise in adding a total of $8,700,000 for fiscal year 1976 and the transition period for the Customs Service. I think it is badly needed and will permit the kind of activity the two gentlemen have been talking about, especially the port of entry at Battle Creek.

The CHAIRMAN. The clerk will read.

The clerk read as follows:

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $1,000,000, to remain available until expended, for payments to State and local governments for protection of permanent foreign diplomatic missions, under extraordinary circumstances, pursuant to Public Law 94-196, approved December 31, 1975.

Mr. ADDABBO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of this supplemental appropriations bill. The committee has worked long and hard on the items in the bill, and I commend the chairman for his patience. I do believe the funds from BEOG program should be increased and support the amendments offered.

There is one item contained in the bill in which I have great interest, for it would be of great assistance to New York City, as well as to other cities which play host to foreign dignitaries.

That provision provides $1 million in funds for cities which have already spent their own funds to provide extraordinary security assistance to foreign diplomats.

Since New York City plays host to the United Nations, it has spent far more than other cities to provide police protection to those who visit the United Nations. A visit by a head of state represents a heavy toll on any city's manpower resources, and we are all aware how badly strained New York City's budget problems have been over the last year.

The money in the bill would go a long way toward eliminating the inequities of a system that Congress has at last seen fit to remedy, but which will not take effect until the new fiscal year begins. New York City has spent its own funds on behalf of the Nation at large for many years, and I think it is only proper that funds spent in the last year be reimbursed by the Congress.

I should note that it is the official policy of the Ford administration, as articulated by United Nation Ambassador William Scranton, that additional security will be afforded representatives of the Soviet Union, especially because of the direct threats made against the families of those citizens who represent the Soviet Union at the United Nations. I think it is right that we do so, for all visitors in this Nation, especially when they represent their governments, deserve all the protection that we can give them.

But it is also proper that where the United States has up to now always laid the burden for this protection on New York City that the Congress do the right thing and reimburse the city for out-of-pocket expenses of the last year. I would hope the Members of the House will support this section of the bill.

Last year the Congress overwhelmingly accepted this responsibility and passed a bill to provide up to $3 million a year to cities which expend their own funds in protecting diplomats visiting here. That bill provided for retroactive payments back to 1974. For fiscal 1977, the administration has requested $2 million for reimbursement expenses. The Congress will be acting on that request later this year.

I fully support the mandate of this legislation for it partially relieves a burden placed on cities by the Federal Government which has long been unjust. This bill today would have the effect of minimizing the burden which has for so long been carried by the city of New York in its role as host city to the United Nations.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL COMMISSION ON THE OBSERVANCE OF INTERNATIONAL WOMEN'S YEAR, 1975

SALARIES AND EXPENSES

For necessary expenses of the National Commission on the Observance of International Women's Year, 1975, as authorized by Public Law 94-167, $5,000,000, to remain available until expended: *Provided*, That none of the funds appropriated under this paragraph shall be used for lobbying activities.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 38 strikeout lines 1 through 9.

Mr. MILLER of Ohio. Mr. Chairman, the amendment that I offered does one thing. It strikes the $5 million for the National Commission on the Observance of International Women's Year 1975.

Since we have approved legislation authorizing this, a number of ladies have contacted me, and many other Members, to express concern over the problem that they feel would develop if the $5 million is appropriated. Many of the Members feel the money will be used to lobby. In one case, it is very possible the money and funds may be used to lobby for the ERA, the equal rights amendment. There are others who have contacted me who are concerned that the funds will be used somehow to encourage legislation for abortion.

It is not a battle of the sexes here today. There are many people not in this Chamber who would like to see the $5 million disapproved.

We have heard many arguments concerning this $5 million. But it started some time ago, as the Members know, with, first, the authorization. Then we had a vote in our Subcommittee on Treasury, Postal Service, General Government. That vote was to strike the funds, 4 to 3. Then we had a vote in the full committee to reduce the funds from $5 million to $2 million. That vote was 19 to 25.

The chairman of our subcommittee, the gentleman from Oklahoma (Mr. STEED), has stated many times that he felt the House should have an opportunity to vote on this amendment on the floor. I believe that he is correct in that remark.

In the subcommittee we heard from those who wanted the $5 million. They stated that the funds would not be used, and the Commission concurred, for lobbying. But I would request that the Members turn to page 91 of the report on the bill that we have now. I would like to read remarks from that report, where the committee is concerned about certain aspects of the Commission during its operation under Executive Order 11832.

The committee was informed that the Commission unanimously adopted the following resolution on April 15, 1975:

The text of the resolution follows:

The National Commission on the Observance of International Women's Year, as its first public action and highest priority urges the ratification of the Equal Rights Amendment.

We believe the prompt ratification of the Amendment is essential to the realization of full equality for women and to the fulfillment of American democracy.

We commend the work of the thousands of women and men, in and out of government whose dedication has brought the Amendment so close to ratification.

As our main commitment to the observance of International Women's Year, we pledge to do all in our capacity to see that the Equal Rights Amendment is ratified at the earliest possible moment. We urge all Americans to join us in this effort.

Mr. Chairman, those constituents who have contacted me have not joined in that effort. They have requested that the $5 million be stricken from the bill that we have before us today. I ask that the amendment be approved.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I regret to take issue with the statements of my distinguished colleague, the gentleman from Ohio (Mr. MILLER), who offered the amendment to strike the entire section, eliminating the funding for the National Women's Conference.

The basis upon which the gentleman made his statement has absolutely no merit in terms of its truthfulness or its factualness. The existing International Women's Year Commission was authorized under Public Law 94-167 to which reference is made in the appropriation act to merely be the mechanism for implementing the National Women's Conference both at the State level and at the national level. Whatever might have been the purposes for Executive Order 11832 of January 9, 1975 issued in the first instance establishing the International Women's Year Commission is entirely moot with respect to the National Women's Conference.

Public Law 94-167 governs the purposes for which the national conference is to be held. It governs the purposes and the goals for convening State conferences, and those purposes are restricted to the purpose of delineating the achievements and accomplishments of women as part of the Bicentennial Year celebrations and to set down goals that we might want to achieve in the coming years. These have nothing to do with what might have been the purposes involved in establishing the IWY Conference or the IWY meeting or conference held in Mexico City. There was some doubt and there were some objections and questions raised while we were debating the formation of a National Women's Conference in this body.

For that reason, in the committee we were careful in accepting an amendment which restricted altogether any activities whatsoever that could in any manner, form or shape be called lobbying. This would prohibit the use of these funds in any way whatsoever for the purpose of any lobbying activities, whether it be for ERA or abortion or any other piece of legislation.

Mr. Chairman, the singular purpose for the $5 million—and the IWY Commission must administer these funds strictly in accordance with the law—is to officiate and to administer the formation of a National Women's Conference in this Bicentennial Year and to help the States hold similar conferences before the national conference convenes. Because the Committee on Appropriations also wanted to be doubly sure that no funds would be used for lobbying, the language is also included in the appropriations bill.

So if the concern is that there will be lobbying for ERA or lobbying for abortion or whatever else, I believe the public law is clear on that, and the appropriations language in this bill is also clear. The House has already had an opportunity to discuss the merits of a National Women's Conference, and the majority of this House feels that it is not only timely that this conference be held as the first of its kind in 200 years of our Nation's history, but that it is time for the women of the country to have the opportunity to set down in a national meeting those accomplishments and achievements that we think were significant factors in the growth and development of this Nation throughout its 200-year history.

Mr. Chairman, we have not had such an opportunity yet. Most of our time spent in the Congress and in the State legislatures has been spent in discussing ways in which we have been prejudiced, held back, and opportunities denied. Our discussions have primarily been forced upon us in a negative sense.

This is the opportunity for women on all socioeconomic levels in the country and from all kinds of communities to come together and set down a positive statement of what we feel we have contributed as equal partners in the development of this country in terms of making it a dynamic society and in terms of accentuating those things that we think have been contributions that women have made to the country.

This is what the National Women's Conference stands for. It gives us an opportunity to put down a statement of the past, a statement of the achievements we have made, and a statement that represents our goals for the future.

I believe the women of this country are entitled to have a chance of coming together. We have been forced to be divided on issues that have been highly controversial.

Mr. Chairman, it is time for us in this year of 1976 to be given the opportunity to come together to set down those things in which we have a community of purpose and a unity of commitment and belief. This is what the $5 million is for. We had asked for $10 million. I regret that it is only $5 million.

Mr. Chairman, I hope the House will stand behind the strong statements that were made in the past, approve this appropriation, and get on with the business of giving the women of this country an opportunity to celebrate this 200th birthday.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will not belabor a subject which has been addressed by this House so fruitfully and so effectively on so many occasions, as evidenced by the House support for the National Women's Conference bill. However, I must set the record straight in terms of women's support for the National Women's Conference.

This legislation is supported by a broad coalition of women's organizations: the League of Women Voters, American Association of University Women, Business and Professional Women, National Women's Political Caucus, Common Cause, United Auto Workers, International Ladies Garment Workers Union, B'nai B'rith, National Association on the Status of Women, and many, many others. Mr. Chairman, there are many other interested organizations as well which are not devoted to women's affairs, but which have many women members who are vitally interested in this piece of legislation.

Mr. Chairman, this issue, like all other controversial measures before this body, divides the membership. There are those who support it and those who oppose it.

However, the allegations that the National Women's Conference would be used as a lobbying attempt to ratify the equal rights amendment are totally false. These allegations go back to similar allegations against the composition of the International Women's Year Commission itself. The International Women's Year Commission was composed of people who had never met and had never convened before.

At the first meeting there was a broad ranging discussion of various issues. It was determined by the unanimous judgment of the whole Commission of heretofore strangers that passage of the equal rights amendment was the Commissions' first priority. This was a fair and honest judgment, not a prejudged one. It represented the honest opinion of the Commission membership engaging in the democratic processes that this country enjoys. As such, it was entirely valid.

However, Mr. Chairman, the movement for a National Women's Conference is totally separate from the equal rights amendment, from abortion, from busing, from any other controversy that this body cares to consider.

The National Women's Conference should be judged on its own merits. In this Bicentennial Year we have celebrations and parades and flags and coins commemorating the Bicentennial.

Mr. Chairman, as one from Boston, I am very proud of the "Adams Chronicles." I am especially proud not only of John Adams but also of Abigail Adams. What this National Women's Conference seeks to do is to bring the "Abigails" of our society into focus through regional conferences, through State conferences, and through national conferences, not to prejudge what the "Abigails" will say, because American women do not speak with one voice. The American woman is not monolithic. We differ with each other in many, many ways, but we want to hear the multiplicity of views and to gather statistical and normative information about women, their needs, their interests, their aspirations in this society.

Mr. Chairman, this Congress is composed overwhelmingly of men and certainly should be devoted to justice for all in this society. However, there are very few or very meager statistics on women. When we vote on bills, we do not know what the effect will be on women. Through these conferences we can extract testimony in the multitude of fields which concern the Congress in education, health, employment, and a number of other areas, for equal opportunity across the country.

In all of these areas, Mr. Chairman, we will elicit testimony that will help the Congress and the President do a better job. I feel that it is time to have this issue put to rest once and for all. This amendment is a last-ditch attempt to destroy the really meaningful celebration of the Bicentennial, the celebration that will speak to not just one-half of this society, but to the other half as well—American women.

Mr. Chairman, I believe that it is in the best interests of both men and women that the conference proceed and that this amendment, as frivolous as it appears to be, be soundly defeated by this body.

Mr. KOCH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the only reason that I rise in opposition to the amendment and in support of the bill is that I do not think it should occur that the only individuals speaking against the amendment are the women in this House because this legislation is legislation that was passed overwhelmingly by the men and women in this House. It is, as my colleague pointed out a moment ago, a last ditch effort to undo what the Members of the House have worked so hard to accomplish in the authorizing bill and in the appropriations bill. To scuttle this legislation would in my judgment be an outrageous action that this House cannot concur in. It must not be a case of we against them but rather all of us against discrimination and for legislation, which this bill is, which will endeavor to assist all women to obtain their equal rights.

Mr. Chairman, while we consider the various programs that are funded by this second supplemental appropriations bill for fiscal 1976 and the transition quarter, I would like to reiterate my support for the $5 million appropriated in this bill to enable the National Commission on the Observance of International Women's Year to organize and convene a National Women's Conference. This appropriation will enable women and men from many backgrounds and points of view to meet in conferences at the State level and then at a national conference to discuss many issues of interest and concern to women. Indeed these issues are meaningful for all of us who realize that to deny the full potential of any of our citizens is to deny this country its full human and national potential.

I commend the many organizations and Members of Congress who have worked long and hard to obtain the authorization and now the appropriation for this important series of meetings and national conference. I particularly commend our distinguished and hard-working colleagues, Ms. ABZUG, Ms. MINK, Ms. SCHROEDER, Ms. HECKLER, and Ms. FENWICK for their work on this legislation. I also wish to remark on the effective presentation made by the gentlewoman from California, Ms. YVONNE BURKE, when this appropriation was considered in full committee last week. Her articulate presentation, particularly in explaining the diversity of views which support this conference and which will be represented there, was helpful in persuading the majority of the members of that committee to support the full $5 million amount. And I should mention that many other Members of the House, including Ms. LINDY BOGGS, have made their views in support of the program known to members of the Appropriations Committee and to the full House.

I enthusiastically support the principle of convening this National Women's Conference, and I support the full appropriation contained in this bill for that purpose.

Mr. MATSUNAGA. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Chairman, I rise in opposittion to the amendment and also to add to the number of men who are with the women in opposition to the amendment.

Public Law 94–167, signed by President Ford on December 23 of last year, directed the National Commission on the observance of International Women's Year, 1975, to organize and convene a National Women's Conference. The legislation had earlier passed the House by the substantial margin of 252–162, and the Senate by voice vote. Without regard to this clear expression of congressional support for the calling of the Conference, it is the $5 million appropriation for its funding which the pending amendment seeks to strike from the bill presently before us.

Mr. Chairman, the National Conference, authorized under the provisions of Public Law 94–167, would be the first National Conference on Women ever held in this country. During the last 200 years, women have played a major role in the development of our country. Yet, regrettably, relatively little is known about their substantive contributions to our history. By examining the role of women in American history and their present status in our society, and providing a report with recommendations on how the status of women in the United States could be improved, the proposed Conference would be contributing to the betterment of our society to a degree which far outdistances the expenditure which we have already voted to authorize.

Mr. Chairman, I urge the defeat of the proposed amendment.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

I would like to point out to the Members of the House that there are a few other issues concerning women that are very, very rarely discussed here. Let us talk about them. Let us talk about why it is so important for women to come together and discuss these issues.

Let us talk about why we have yet to hold an economic census on the status of women. Just look at the things we ask in the census. We ask all sorts of economic questions involving men, we ask how much income they derive from bank dividends and stock dividends. We ask them questions concerning agriculture. But we never ask any questions about the economic status of women. Why?

I think it is because women are now the fastest growing group of people in the property area.

Again, why? I think there are a number of reasons. Women tend to live longer. When we talk about the problem of older Americans, we are talking about an area heavily impacted by women.

Then, too, they have had years and years of job discrimination and this affects their pensions. Their pensions tend to be lower. Social security is discriminatory against women in many forms, one is in the case of a pension, their husband's pension, if that is what they are living on. If they were housekeepers or homemakers, then they have not had the benefits that other women can get. We know that women who are engaged in public work and other jobs do not receive equal pay; we know that equal pay is not here as yet. It may be the law but strangely enough, most women make 60 percent less than men do in most jobs.

We also know that in America, in this country we have a system prevailing that is not found in most other countries, and I am talking about women who have four and five children, who have been divorced, whose children are under the age of 5 and who are about 25 years of age and who certainly do not have much of a future ahead of them. But, do we ask questions concerning these facts in our censuses? No. Maybe they do not want to know about these things and they say that is why we should not have those kind of economic censuses. I think that the Government should find out the economic status of women.

These are some of the things that are of great concern to women and when we get them together, the women will start talking about these things.

Let us talk about teenage pregnancy that happens to be in almost epidemic proportions in this country. That is something that women happen to be concerned about. I think our own Government should be concerned about it.

Let us talk about some of the Federal boards that do not have women serving on them and have not had any women serving on them in the past. One notable example is the Federal Reserve Board, one of the most powerful boards in this entire Government, controlling all the money, and it has never even had one token woman on it.

Let us talk about the tax law and how it discriminates against women. For example, the marriage penalty tax. I do not think this Government wants to penalize people for being married, but unfortunately we do. So that happens to be a little bit of a women's issue.

Let is talk about child care. Again there is a myth in this society that women work because they get bored eating bonbons. It happens to be that most women work for the same reason that most men work: they like money; they like to eat; and they like to wear clothing. It happens that many of them do not have any choice; they must work. Child care becomes a tremendous necessity and not a frill. It is also something we can discuss that is not the traditional emotional issue that we normally hear about.

There are many other issues that are women's issues that have not been discussed, and there are days when one thinks there is almost a secret plot to keep them from being discussed. If we ever had an economic census so we really had the facts so we could show what the status of women is in this entire country, then I think we would be really able to make much more movement in many of these areas.

This conference is very vital. There are going to be 50 different State conferences and a national conference, and that constitutes an awful lot of meetings. I think that is probably the most democratic way it could ever be run. There is no dictatorship from any certain group at all. There are many groups backing it. I certainly hope the Members will vote down the amendment.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. ADDABBO. Mr. Chairman, move to strike the requisite number of words, and I rise in support of the committee position and in opposition to the amendment.

Mr. Chairman, when the original authorizing legislation was before this House, the matter discussed here this afternoon was fully debated. There had been full hearings by the legislative committee prior thereto and by an overwhelming vote this House passed the authorizing legislation. It was cut from $10 million to $5 million. At that time during that general debate when the question was asked, What is the money going to be used for? We said that the Committee on Appropriations will take a careful look at the amount requested.

The $5 million being requested has been approved by the President in his supplemental request; it has been approved dollar for dollar through OMB. The presentation to our committee appears in part II of the second supplemental appropriation hearings and on pages 968 and 969, the $5 million is broken down as to how that money will be spent. It will be spent for travel, for salaries of those on the Commission. It will aid those who cannot afford to attend the various conferences, the State conferences, and the national conference. They will receive grants so that all can partake in this conference.

When those ladies who appeared before our committee to justify the funds and the many of those in opposition giving very salient points in support of their position—I said to them, "Would you not want the right and the opportunity to be able to go to a conference?" Many have not heard of the argument and that there are many who cannot afford to attend these conventions. These conferences should be for all, and that is the purpose for this $5 million.

The members of the Commission have been appointed by the President. The appropriations subcommittee has thoroughly reviewed the question of the $5 million requested, and it was amply broken down in our hearings. Therefore, I say that this House should support the committee bill and vote down this amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

As the gentleman undoubtedly knows, on April 9 suit was filed in a district court in Illinois by two ladies who are citizens of that State against the Commission on the International Women's Year. The suit charged that the Commission members had violated the Federal Advisory Committee Act of 1972, which provides in part that all such committees are to be fairly balanced in terms of the points of view represented and the functions to be performed. I believe that on March 24 when Mrs. Ruckelshaus, the chairperson of the committee, testified before your subcommittee she confirmed what had been brought out in previous debate, that the Women's Commission had overwhelmingly, in fact unanimously, supported the equal rights amendment as their first official act and that on another occasion the Commission voted 33 to 2 to support Government-financed abortion facilities for all women and in opposition to all right-to-life amendments to the Constitution.

Was there any commitment by Mrs. Ruckelshaus or any other official before the gentleman's committee that they would now cease and desist from these lobbying activities, or any other similar activities in which they have engaged in in the past?

Mr. ADDABBO. We were assured by Mrs. Ruckelshaus that no lobbying would be committed by the Women's Commission. None of these funds would be used for that purpose. What they do as individuals is something else: but this Commission, the money used in this Commission, will be for conferences where all views will be aired.

I know the gentleman from Maryland has read the report and knows we have been very specific in our report. We want to know what those guidelines are, to be assured that all women, no matter what their views, will be represented at those conferences.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield further?

Mr. ADDABBO. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, will any of these funds be used to defend against this pending suit; are we appropriating money for any defense against this litigation?

Mr. ADDABBO. I believe they cannot use it. I believe they have previous funds. The Commission had been allocated $350,000. I do not know if all those funds have been used; but the funds we have allocated are specifically delineated in our hearings and there is no reference to legal representation.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for that explanation.

Ms. ABZUG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment to eliminate funds for the women's conferences. I am glad that we have this discussion on the floor today. I think it capped enormous discussion and consideration of these conferences, as was pointed out by my colleague, the gentleman from New York. It went through the authorizing committee where there was discussion and debate. It was on the floor of the House, as we pointed out, and through the Committee on Appropriations. They have recommended approval of the full $5 million.

In his budget message, President Ford also requested that the full amount be appropriated for these conferences and this request was approved by the Office of Management and Budget.

This sum, already cut by half from the original figure of $10 million, is essential if the Commission is to fulfill its mandate of holding conferences in all the States and territories followed by a national conference. In comparison with the cost of other conferences, this figure is eminently reasonable. For example, the conference on the aging, held about 5 years ago, cost $2.5 million at the national level plus another $4 million for State level activities. The White House Conference on Library and Information Science has a $3.5 million authorization, but apparently will not have significant activity at the State or local levels.

The importance of these conferences is that they are supported by both Republicans and Democrats, men and women in and out of this House and in the executive branch, as well as in the legislative branch. A broad spectrum of organizations support this bill including the League of Women Voters, American Association of University Women, Business and Professional Women, National Women's Political Caucus, National Organization of Women, Common Cause, United Auto Workers, International Ladies Garment Workers Union, Communication Workers of America, National Council of Negro Women, B'nai B'rith Women, Women's Equity Action League, and National Association of Commissions for Women.

Mr. Chairman, I think it is quite clear that we will all be looking forward to the results of these conferences, since we have examined them so closely in advance. I wish that we would examine a good deal of our other legislation as closely and perhaps we could then achieve more effective legislation. I think this is an effective piece of legislation.

I would like to congratulate the Members of the Committee on Appropriations for carrying out the will of this House, because, indeed, the will of this House has been expressed several times.

I am very appreciative of the effort that has been put into this matter by all those Members of the House who have considered this matter.

I think the time has come for us to recognize that we will one day be very proud of the one step that we took in this House to recognize that in the celebration of 200 years of great history that some recognition has been given to the role of women in the history of this country.

Few of the Bicentennial activities planned this year celebrate the role of women in American history. The conferences, authorized by Public Law 94-167, will fill this gap and women all over the country are looking forward to participating in them.

Mr. Chairman, two centuries after this democracy was founded it is time that we extend democracy fully to women so that they can join with men as full partners in making this country and the world a better place for all people. These conferences will afford American women the opportunity to review their status in this country and to make recommendations to the Congress and the President for achievement of their full participation in our democracy. I urge your adoption of the $5 million which will enable these conferences to take place.

Mr. STEED. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I feel something like the old boy down in Missouri one time who was on a scaffold ready to be hung by the sheriff. Just as the sheriff got ready to put the hood over his head and the noose around his neck, the old boy started to laugh.

The sheriff said, "What are you laughing about? Don't you know you are getting ready to be hanged?"

And the man leaned over and said, "Mr. Sheriff, the joke is on you. I didn't do it."

Mr. Chairman, I did not initiate this legislation. The House approved it by a rather overwhelming vote. The matter came in the normal process to the Committee on Appropriations. It was assigned to my subcommittee and we proceeded to deal with it in the regular way. We held hearings. We let everybody who had any views to express on it be heard.

Among others, we had 14 ladies who showed up, some in favor and some opposed.

I want to tell the Members of the House that we are very proud of the record we made in these hearings. I am especially proud of the ladies who appeared. They were very articulate. They had done their homework. They knew their positions and they stated them very effectively. I think the male Members of this House could take a few lessons from the way they did their work, because they did it in a very fine and positive way. I commend those hearings to all Members.

Mr. Chairman, the House has mandated this commission and authorized this money, and as the chairman of the subcommittee, I felt that it was my obligation as an agent of the House to bring this item here in this way. I recommend that the Members approve it unless, of course, for some reason best known to the rank and file Members they see fit to undo their mandate. As matters now stand, I do not think there is any other position I could assume, and so, for that reason, I defend the bill and recommend that the amendment be defeated.

Mr. MAHON. Mr. Chairman, I move to strike the last word. As chairman of the committee I believe I should make some remarks about this amendment.

I voted in the House against the authorization of funds for the National Women's Conference. The original vote was on a $10 million authorization bill. Later the Congress authorized a $5 million appropriation. I voted against that authorization.

I was impressed by the argument that the conference would be used as a lobbying effort in support of legalized abortion and the adoption of the equal rights amendment. I opposed funds for the conference when the matter was before the Appropriations Committee and voted to reduce the amount of the President's budget from $5 million to $2 million. However, the committee approved the sum carried in the pending bill. But the committee added in the report a strong antilobbying provision.

It is now being argued that the adoption of the amendment to strike the funds represents an effort to put down womankind, to take from the women of the Nation the glory to which they are entitled by reason of their contribution to our society during our 200 years as a nation. It is argued that to strike the funds would be an act of discrimination against women. I would not support any discrimination against women. Further, I recognize that women have been discriminated against in many instances. I could not change my position of opposing discrimination.

It is apparent that the motion to strike the funds will be defeated. In view of all the circumstances, I am constrained to take no further action in opposition to the will of the majority of the Appropriations Committee and the will of Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand by the gentleman from Ohio (Mr. MILLER) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 38, strike from the word "Provided" in line 7, through the end of line 9, and insert in lieu thereof: ": *Provided,* That none of the funds appropriated under this paragraph shall be used for the purpose of directly or indirectly influencing the passage or defeat of any piece of legislation before any legislative body including the ratification of any Constitutional Amendment."

Mr. MILLER of Ohio. Mr. Chairman, it is very plain what we propose to do.

There was an amendment offered in the full Committee on Appropriations which stated that none of the funds appropriated under this program shall be used for lobbying activities.

That is concerning the $5 million for the International Women's Year.

The wording does not truly define what could take place because it is very hard to distinguish what lobbying is.

Therefore, Mr. Chairman, the amendment that I have offered states that none of the funds appropriated under this paragraph shall be used for these purposes within the following parameters.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman, I think the gentleman's amendment is an improvement over what is in the bill, and as far as I am concerned, I will accept the amendment.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I agree that the amendment is desirable, and I support its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The amendment was agreed to.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read, and that the balance of the bill be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any points of order to be made against the bill?

If not, are there any amendments to be considered to the remainder of the bill?

Mr. MICHEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to simply explain the last general provision of this bill which I had included to stop once and for all the so-called sexpot study at Southern Illinois University.

The study, which involves giving the subjects marihuana, showing them pornographic movies, and then measuring their sexual arousal, is offensive to the sensibilities of most Americans, as is indicated by the substantial amount of correspondence many member of Congress have been receiving on the subject.

The actual method which would be used to measure sexual arousal, involving the use of transducers, et cetera, is even more offensive.

Grants such as this give research in general a bad name and undermine public support for research, which we badly need. The general public expects Members of Congress to watch how their money is being spent and to weed out frivolous projects such as this one.

The proposed study is even weak on a scientific basis. There are numerous loopholes in this regard in the grant application, and HEW has almost admitted such when the outside panel which it established to re-review the grant application on March 11 could not find sufficient merit in the project to merit a go-ahead with the research.

That outside panel bucked the project back to the Department for a decision. This has been typical of the way the bureaucracy has handled this project from the time it originally received approval way back in January of last year. It has been bucked back and forth from agency to agency, but during this buckpassing over half the grant money has been given the researcher for starting up the study. If there is going to be any prospect of recovering some of the money, we need to stop the project here and now.

Similar studies have already been conducted, particularly on the male hormone testosterone, so there is no overriding scientific need for this study.

There is a very real danger that with the substantial publicity, the human subjects in the study will not be protected as far as their confidentiality and immunity from prosecution is concerned. Neither the grant applicant nor HEW have provided the assurances of protection to the human subjects required by law.

The applicant provided misleading assurances in the application about the project having received community approval when in fact no substantial survey of community opinion was undertaken.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HUNGATE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 13172) making supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 352, nays 35, not voting 45, as follows:

[Roll No. 194]

YEAS—352

Abdnor
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—35

Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bennett
Burleson, Tex.
Clawson, Del
Collins, Tex.
Crane
Devine
Flynt
Hansen
Holt
Hutchinson
Jarman
Kelly
Latta
Levitas
McDonald
Martin
Michel
Miller, Ohio
Montgomery
Mottl
Myers, Ind.
Paul
Rousselot
Satterfield
Schneebeli
Shuster
Steiger, Ariz.
Symms
Treen
Waggonner

NOT VOTING—45

Abzug
AuCoin
Bell
Bevill
Boggs
Bonker
Conlan
Conyers
Coughlin
de la Garza
Eshleman
Evans, Ind.
Evins, Tenn.
Giaimo
Gibbons
Goodling
Green
Gude
Hays, Ohio
Heinz
Henderson
Hinshaw
Johnson, Pa.
Jones, Tenn.
Landrum
Lujan
McCloskey
Macdonald
Nedzi
Nix
Pepper
Peyser
Rees
Rhodes
Roberts
Sarbanes
Stanton, James V.
Sullivan
Udall
Weaver
White
Wilson, C. H.
Wilson, Tex.
Young, Alaska
Young, Fla.

The Clerk announced the following pairs:

Mr. Hays of Ohio with Mr. Bell.
Mrs. Boggs with Mr. Gude.
Mr. Weaver with Mr. Conlan.
Mr. Pepper with Mr. Lujan.
Mr. Green with Mr. McCloskey.
Mr. AuCoin with Mr. Young of Alaska.
Ms. Abzug with Mr. Young of Florida.
Mr. Bonker with Mr. Rhodes.
Mr. Nedzi with Mr. Peyser.
Mr. Nix with Mr. Goodling.
Mrs. Sullivan with Mr. Heinz.
Mr. White with Mr. Coughlin.
Mr. Charles H. Wilson with Mr. Eshleman.
Mr. Jones of Tennessee with Mr. Landrum.
Mr. Rees with Mr. Henderson.
Mr. Giaimo with Mr. Charles Wilson of Texas.
Mr. Gibbons with Mr. Conyers.
Mr. de la Garza with Mr. Evans of Indiana.
Mr. Sarbanes with Mr. Macdonald.
Mr. Evins of Tennessee with Mr. Johnson of Pennsylvania.
Mr. Roberts with Mr. Udall.
Mr. James V. Stanton with Mr. Bevill.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 13172) just passed and that I be permitted to insert extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8235) entitled "An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3056) entitled "An act to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9771) entitled "An act to amend the Airport and Airway Development Act of 1970," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. CANNON, Mr. HARTKE, Mr. STEVENS, and Mr. BAKER to be the conferees on the part of the Senate.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. LONG of Louisiana. Mr. Chairman, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

RESIGNATION AS MEMBER FROM COMMITTEE ON THE JUDICIARY

The SPEAKER laid before the House the following resignation from a committee:

WASHINGTON, D.C.,
April 13, 1976.

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I hereby tender my resignation from the Committee on the Judiciary effective immediately.

Sincerely,

MARTIN A. RUSSO,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Res. 1145) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1145

Resolved, That Martin A. Russo of Illinois be, and he is hereby, elected a member of the Committee on Interstate and Foreign Commerce.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I would like to announce the schedule for the remainder of the day and for tomorrow.

Mr. Speaker, we will go forward on H.R. 12725, pension plan tax-free rollovers. We will then proceed with H.R. 13069, loan authorizations for Virgin Islands unemployment fund. Following that, we will take the House resolution on disapproval of President's proposal on residual fuel oil decontrol. Following that, we intend to go to the conference report S. 644, Consumer Product Safety Act and the highway conference report.

Following adjournment tonight, we will meet tomorrow at 10 o'clock. We hope to take up some legislation between the hours of 10 and 12 before the delegation leaves for the funeral of the late gentleman from Pennsylvania (Mr. BARRETT). Unless we can finish it tonight, we will have the conference reports on consumer product safety and Federal aid to highways.

H.R. 12987, Comprehensive Employment and Training Act 3-month extension, is postponed to April 26. H.R. 12838, arts, humanities and cultural affairs, is postponed to April 26. S. 2662, International Security Act, has been removed from the program for the present, and H.R. 12704, Environmental Protection Agency authorization, will be brought up on April 26.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Illinois.

Mr. MICHEL. How late this evening would the gentleman expect that we would be in session?

Mr. O'NEILL. Well, we appreciate the fact that there are some very important engagements the Members have, and we would like to finish as early as we possibly could. It is my understanding from the chairman of the Committee on Ways and Means that the two matters he is taking up should not last more than 15 or 20 minutes. The disapproval resolution of the President's proposal on residual fuel oil decontrol is a privileged matter which could take 1 hour and a half.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I understand the way the law is written on that legislation on this approval, I am under the impression that we would have first an hour to vote the question of discharging the Commerce Committee, and if in fact we discharged the Commerce Committee, the law provides for the possibility of 10 hours debate on a resolution of this nature.

Mr. O'NEILL. I appreciate that, but I anticipate that an hour of debate and then another 15 minutes on the vote will conclude that.

Mr. BROWN of Ohio. I hope so.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I might say that those favoring the resolution of disapproval would certainly not be inclined to take much time of the 10 hours, because the decision would be substantially made on the motion to discharge the committee.

Mr. BROWN of Ohio. If the gentleman will yield further, let me respond by saying that the majority leader is quite right. If we just simply vote down the resolution, vote down the discharge as well, we can simply dispose of the matter within an hour at the outside.

Mr. VAN DEERLIN. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California.

Mr. VAN DEERLIN. Mr. Speaker, did the gentleman intentionally or unintentionally leave out the report on consumer product safety?

Mr. O'NEILL. After the disapproval resolution is disposed of, we will then go to the conference report on S. 644, Consumer Product Safety Act.

Mr. VAN DEERLIN. I join the gentleman in hoping that we do not have 10 hours of debate on anything.

PENSION PLAN TAX-FREE ROLLOVER

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12725) to amend the Internal Revenue Code of 1954 to permit tax-free rollovers of distributions from employee retirement plans in the event of plan termination.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. CONABLE. Mr. Speaker, reserving the right to object—and I shall not object—I think it is important that the Members understand the situation which requires this bill to be brought up by unanimous consent.

As the Members know, there are tax advantages under qualified pension plans which are permitted to run their course. It has come to our attention, however, that when there are premature distributions of qualified pension plans occasioned by terminations of such plans and these result in the payment of substantial sums of money to beneficiaries of plans, a tax transaction occurs. Under present law, the beneficiaries cannot roll over these distributions, tax free, into individual retirement accounts.

Mr. Speaker, last year the Committee on Ways and Means provided in H.R. 10612, the tax-reform legislation, that, in the event of the premature termination from a qualified plan, the recipient of a lump-sum payment could pay it into another qualified plan, or into an individual retirement account, and thereby avoid tax consequences which otherwise would occur.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, the bill before us—H.R. 12725—is a technical bill designed to correct an oversight in the 1974 Pension Act. Under that act, if a tax-qualified pension, profit sharing, or stock bonus plan makes a lump-sum distribution to an employee, the employee may "roll over" the distribution tax free to an individual retirement account or to another qualified plan. Under the lump-sum distribution rules, however, a distribution is not eligible for this treatment unless it is made on account of the employee's separation from service or death, or after the employee has attained age 59½ or become disabled. Therefore, amounts distributed to an employee because the employer terminated the plan do not meet those tests for tax-free rollovers. This result is particularly unfair because, in many cases, the employee who receives the distribution and who must pay tax on it, did not request the distribution and does not desire that it be made.

The Ways and Means Committee concluded that, where an employee receives funds that were accumulated for retirement purposes, the employee should be encouraged to keep those funds committed for retirement purposes. Accordingly, the committee's bill permits tax-free rollover treatment to an individual retirement account or to a qualified plan in those types of situations that have been brought to the committee's attention where employees are apt to receive complete distributions from qualified plans, even though those employees may not have wished to receive those distributions.

A very common case where this can occur and that is covered by this bill is where an employer terminates the plan. This may happen when the employer merely substitutes a different type of plan for the one that has been in existence and terminates the old plan in order to avoid the administrative costs of keeping records for the old plan. It may also result where the employer decides that current wages are a better form of compensation than retirement benefits.

The bill also covers situations where the plan continues to exist but many employees have been forced to leave the plan. This often happens when a conglomerate sells off one of its subsidiaries. Also, the bill deals with similar situations where a corporation sells a division or branch which was not formally organized as a subsidiary corporation.

This area was dealt with in the Tax Reform Act—H.R. 10612—that the House passed last year. Increasing numbers of employees are being affected by the problem and so it seemed to the committee desirable to have the rules allowing such tax-free rollovers established in the law without waiting for final action on the overall tax reform bill.

Because this bill is intended to correct a technical oversight in the 1974 pension legislation, the bill is designed to put its beneficiaries in approximately the same position they would have been in if they had been included in the 1974 act. Accordingly, the bill applies to distributions made on or after July 4, 1974.

Normally, the rollover must be completed within 60 days after the employee receives the distribution from the old plan. However, in order to give people an opportunity to learn about the new law, we have provided that this rollover period will last at least through December 31, 1976.

Mr. Speaker, this bill is needed to help increasing numbers of people; this body has already approved the essentials of this bill; and I am not aware of any opposition to the bill.

Mr. Speaker, I urge the House to approve H.R. 12725—the pension plan tax-free rollover bill.

Mr. Speaker, I think the gentleman has stated the issue very clearly. The committee is in full agreement. This is a matter that was enacted in the tax reform bill pending before the Senate. And because of special circumstances, we thought it ought to come out of the House.

Mr. CONABLE. But the gentleman will agree, I think, that the problem at this point is that the Senate has not acted on that measure and there are a number of employees who thought they were going to get a tax-free rollover when their plans were terminated at the end of last year. Because of the provision in existing law which would be changed by this bill, now they are faced with having to pay a very substantial unintended tax.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Ohio (Mr. Vanik).

Mr. VANIK. Mr. Speaker, in my supplemental views, I raised the issue of the 5-year plan participation requirement for a tax-free rollover for two reasons:

First, I have received reports that individuals who are eligible for such rollovers by reason of this requirement have been led to believe that they are eligible. They have been led to believe this because neither the tax information publication 590 put out by the IRS nor the ERISA conference or committee reports make any mention of this added requirement.

Second, if added to the conditions spelled out in the basic definition of the term "lump sum distribution," in section 402(e)(4)(A) the 5-year requirement may unnecessarily interfere with the portability of benefits which we sought to promote in enacting the rollover provisions. Under this rule, a worker who otherwise qualifies for a tax-free rollover of funds accumulated for his retirement would be prevented from recommitting the full amount of those funds into an IRA or other qualified plan, would be prevented from doing so only because he had not been covered by the plan for 5 full taxable years.

However, it has been brought to my attention that the 5-year rule may also prevent some abuses and manipulations by persons who do not intend to establish permanent plans but rather would use their plans as temporary tax avoidance devices.

For this reason, I am presently supporting this bill as it is written with the understanding that serious consideration will be given to finding a satisfactory solution that the public can understand and live with.

One possible solution might be to place a dollar limitation on the size of a rollover by persons having less than 5 years of plan participation. I hope that this change will be considered by the other body.

Mr. CONABLE. Mr. Speaker, the gentleman has made a good point. The 5-year requirement is in the law. It is there to prevent abuse.

He has raised the point that I think should be considered, and I am pleased that he is not pressing his objection at this point because I think it might have the result of denying taxpayers the tax rollover that they might be entitled to.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the chairman of the committee.

Mr. ULLMAN. Mr. Speaker, we fully concur in the gentleman's concern. The committee will certainly be looking into this, and we appreciate the gentleman's cooperation in allowing us to go forward.

Mr. McDADE. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Speaker, as a sponsor of similar legislation I rise in support of this bill. The bill is sound in its design and timely in its presentation for consideration to the House. It removes an objectionable portion of the current law which creates an unfair distinction in the treatment of taxpayers. An employee should not be penalized by tax law because his pension plan is terminated when his employer decides not to participate. The removal of this inequity will be another step in our goal of making the tax law reasonable and equitable.

In addition, Mr. Speaker, I commend the Ways and Means Committee for its speedy consideration of this legislation. The committee recognized the importance of this bill and the need for its timely passage. Consequently, this bill was reported to the floor very quickly after referral to the committee despite our extremely heavy schedule. I am grateful to the chairman, the gentleman from Oregon, and to my colleague, the ranking member from Pennsylvania (Mr. Schneebeli).

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, Congress took a major step toward creating economic security for the Nation's aging with the passage of the Employee Retirement Income Security Act of 1974. This pension reform act requires significant improvement and restructuring of the private pension system. Because the act is complex, it does contain inequities and inadequacies. Careful oversight and amending is required to make the act responsive to problems developing in the private pension field.

Approximately one-half of the work force is covered by private pension plans. To assist the remaining workers in providing retirement security for themselves, ERISA contains an innovative provision, the individual retirement account. As with the legislation of which it is a part, the IRA concept is still in a rudimentary stage of development.

One problem has already arisen with the IRA program. ERISA allows workers to create an IRA under two circumstances. The first is when an employee is not participating in any retirement program. The second is when an employee's pension plan is terminated, and the employee's service with a particular company is terminated.

ERISA, however, does not provide similar tax treatment to those individuals who do not meet the "separation from service" requirement even though their pension plan has been terminated.

Section 402(a)(5) of the Internal Revenue Code, added by ERISA, provides for the tax-free rollover of a "lump-sum distribution" from one qualified employees' trust to either another qualified employees' trust, a qualified annuity plan, or an individual retirement plan, if the transfer is completed within 60 days of the distribution. A lump-sum distribution is defined in section 402(e)(4)(A) of the Code—

> as a distribution or payment from a qualified employees' trust under section 401(a) and tax-exempt under section 501(a) of the Code, within one taxable year of the recipient of the balance to the credit of an employee which becomes payable to the recipient (i) on account of the employee's death, (ii) after the employee attains age 59½, (iii) on account of the employee's separation from service, or (iv) after the employee becomes disabled.

Since ERISA was enacted, approximately 1,600 company pension plans have been terminated. If the pension plan funds were distributed, those workers continuing in service would have these funds treated as current taxable income even though the funds are for retirement. The workers are permitted to establish IRA's, but they are not exempt from the tax on current income. The exemption does exist for those workers who fall into the four categories described above. The only tax relief available to other workers is income averaging.

The bill we are considering today, H.R. 12725, would correct this problem. The bill would allow workers to rollover the distribution from a terminated pension plan into an IRA even when workers remain in service with a company. No tax obligation is incurred when the contributions are made to the IRA.

The measure has been unanimously supported by the Ways and Means Committee, the Treasury Department, and has been approved once previously by the House of Representatives.

It is appropriate that we are discussing this matter today as we honor Thomas Jefferson, a man who in his day was a leading critic of inequities, especially tax inequities. Hopefully we can continue the work begun two hundred years ago by eliminating one more inequity.

Mr. CONABLE. Mr. Speaker, further reserving the right to object, I rise in support of H.R. 12725. This bill extends tax-free rollover treatment to certain payments that are made on or after July 4, 1974: First, upon the termination of, or complete discontinuance of contributions under, a retirement plan; second, in connection with the sale of the stock of specified types of subsidiaries; and third, in connection with the sale of assets of designated types of businesses.

Currently, individuals may defer the payment of tax on certain distributions that are received from a "qualified" retirement plan, if they contribute—or rollover—a designated portion of the distribution to another qualified retirement plan or to some type of individual retirement account.

During the House Ways and Means Committee's consideration of H.R. 10612, it was brought to the committee's attention that tax-free rollover treatment was not applicable to payments received upon the termination of, or complete discontinuance of contributions under, a qualified retirement plan. The committee decided that tax-free rollover treatment would have been made applicable to payments of this type under the Employee Retirement Income Security Act of 1974 had the issue been raised during its consideration of ERISA. Accordingly, the committee extended tax-free rollover treatment to payments made on or after July 4, 1974, upon the termination of, or complete discontinuance of contributions under, a qualified retirement plan, and the provision was included in the Tax Reform Act of 1975, as passed by the House of Representatives—section 1501 of H.R. 10612.

However, it was felt that in the interest of fairness to the large number of taxpayers affected by section 1501, this section should be introduced as a separate bill, with certain amendments. H.R. 12725 accomplishes these objectives.

The bill extends tax-free rollover treatment to payments that are made to an employee on account of the termination of, or complete discontinuance of contributions under, a retirement plan. The employee who continues to be employed by the "terminating" employer is thus eligible for tax-free rollover treatment.

To remove uncertainty as to when contributions are discontinued, the bill deems such discontinuance to occur on the day the Secretary of the Treasury is so notified by the plan's administrator.

Two other types of payments are treated as being made on account of the termination of a retirement plan and are also made eligible for tax-free rollover treatment. Thus, a retirement plan payment that is received by an employee of a "subsidiary" corporation or a corporation that is a member of a "controlled group" of corporations, is eligible for tax-free rollover treatment, if the payment is made on account of a transaction—such as a sale or liquidation—that terminates the parent-subsidiary, or controlled group relationship of his employer corporation. In addition, the payment must be received by the employee by the end of the second calendar year after the calendar year in which the terminating transaction occurs.

The other type of retirement plan payment that is made eligible for tax-free rollover treatment is that which is received by an employee in connection with the sale of assets by his employer corporation. Technically, the amount of assets sold must constitute all, or substantially all, of the assets used by the selling corporation in a trade or business. This payment must also be received within the 2-year period I previously mentioned.

Because of its retroactive application, the bill contains transitional rules. Thus, individuals who received termination payments prior to the bill's enactment—and certain other individuals—are eligible for tax-free rollover treatment if they make the requisite rollover contribution by December 31, 1976, rather than within the generally applicable 60-day period.

In addition, individuals who have paid tax on retirement plan distributions are made eligible for tax-free rollover treatment. The individual is eligible for such treatment if he contributes the amount of the retirement plan distribution, less the amount of tax paid, to a qualified retirement plan or some type of IRA by December 31, 1976. The balance of the distribution will be deemed to have been made by December 31, 1976, if a special election is filed, and the refund or credit is rolled over within 30 days of its being allowed. To prevent abuses by forgetful taxpayers the period in which a deficiency can be assessed is extended.

Individuals who have disposed of assets received upon the termination of of a retirement plan, would not be eligible for tax-free rollover treatment because they could not rollover the correct types of property. The bill makes these individuals eligible for tax-free rollover treatment by allowing them to rollover a specified amount of cash—instead of the property actually received. The bill also provides that the gain or loss on the disposition of the termination distribution assets will not be recognized if the correct amount of the proceeds from such disposition are rolled over.

I believe H.R. 12725 will correct certain inequities concerning the taxation of retirement plan benefits and I urge its passage.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield further?

Mr. CONABLE. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, I notice that the gentleman from Texas (Mr. PICKLE) is on his feet, and I want to say that the gentleman from Texas has been very diligent in this matter and had requested that we move forward with this legislation. It certainly is in large part at his request that we have moved the House to take emergency action on this bill.

Mr. PICKLE. Mr. Speaker, if the gentleman from New York (Mr. CONABLE) will yield, I appreciate the committee chairman's making that statement.

This legislation should be passed, and I hope it passes unanimously. We had a broader picture of the same question that we put into the tax bill, but since it is not specific, we wanted to take this action.

I am a bit surprised that we are moving individually on this bill, but it is something that should be done. I have raised this question before, and the Members of the House may remember that it was a controversial thing when we had the tax bill up for consideration. This is on that specific question, and I think this particular bill should be passed.

Mr. CONABLE. Mr. Speaker, the gentleman from Texas (Mr. Pickle) is absolutely right, and I urge support of this bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The Clerk read the bill as follows:

H.R. 12725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

(a) Termination of Employee Trust, etc.—Section 402(a) of the Internal Revenue Code of 1954 (relating to taxability of beneficiaries of exempt trusts) is amended—

(1) by striking out paragraph (5)(A) and inserting in lieu thereof the following:

"(A) the balance to the credit of an employee is paid to him—

"(i) within one taxable year of the employee on account of a termination of the plan of which the trust is a part or, in the case of a profit-sharing or stock bonus plan, a complete discontinuance of contributions under such plan, or

"(ii) in one or more distributions which constitute a lump-sum distribution within the meaning of subsection (e)(4)(A) (determined without reference to subsection (e)(4)(B)),",

(2) by striking out "the lump-sum distribution" in the last sentence of paragraph (5) and inserting in lieu thereof "a payment", and

(3) by adding at the end thereof the following paragraph:

"(6) Special rollover rules.—For purposes of paragraph (5)(A)(i)—

"(A) Time of termination.—A complete discontinuance of contributions under a profit-sharing or stock bonus plan shall be deemed to occur on the day the plan administrator notifies the Secretary or his delegate (in accordance with regulations prescribed by the Secretary or his delegate) that all contributions to the plan have been completely discontinued. For purposes of section 411(d)(3), the plan shall be considered to be terminated no later than the day such notice is filed with the Secretary or his delegate.

"(B) Sale of Subsidiary or Assets.—

"(i) A statement of the balance to the credit of an employee of a corporation (hereinafter referred to as the employer corporation) which is a subsidiary corporation (within the meaning of section 425(f)) or which is a member of a controlled group of corporations (within the meaning of section 1563(a)) in connection with the liquidation, sale, or other means of terminating the parent-subsidiary or controlled group relationship of the employer corporation with the parent corporation or controlled group, or

"(ii) a payment of the balance to the credit of an employee of a corporation (hereinafter referred to as the acquiring corporation) in connection with the sale or other transfer to the acquiring corporation of all or substantially all of the assets used by the previous employer of the employee (hereinafter referred to as the selling corporation) in an active business (within the meaning of section 355(b)(2)(A)) conducted by the selling corporation.

shall be treated as a payment or distribution on account of the termination of the plan with respect to such employee if the employees of the employer corporation or the acquiring corporation (whichever applies) are not active participants in such plan at the time of such payment or distribution. For purposes of this subparagraph, in no event shall a payment or distribution be deemed to be in connection with a sale or other transfer of assets, or a liquidation, sale, or other means of terminating such parent-subsidiary or controlled group relationship, if such payment or distribution is made later than the end of the second calendar year after the calendar year in which occurs such sale or other transfer of assets, or such liquidation, sale, or other means of terminating such parent-subsidiary or controlled group relationship.".

(b) Termination of Annuity Plan.—Section 403(a) (relating to rollover amounts is amended—

(1) by striking out subparagraph (4)(A) and inserting in lieu thereof the following:

"(A) the balance to the credit of an employee is paid to him—

"(i) within one taxable year of the employee on account of a termination of the plan of which such trust is a part or, in the case of a profit-sharing plan, a complete discontinuance of contributions under such plan, or

"(ii) in one or more distributions which constitutes a lump-sum distribution within the meaning of section 402(e)(4)(A) (determined without reference to section 402(e)(4)(B)).",

(2) by striking out "the lump-sum distribution" in the last sentence of paragraph (4) and inserting in lieu thereof "a payment", and

(3) by adding at the end thereof the following paragraph:

"(5) Special rollover rules.—For purposes of paragraph (4)(A)(i)—

"(A) Time of termination.—A complete discontinuance of contributions under a profit-sharing plan shall be deemed to occur on the day the plan administrator notifies the Secretary or his delegate (in accordance with regulations prescribed by the Secretary or his delegate) that all contributions to the plan have been completely discontinued. For purposes of section 411(d)(3), the plan shall be considered to be terminated no later than the day such notice is filed with the Secretary or his delegate.

"(B) Sale of subsidiary or assets.—

"(i) A payment of the balance to the credit of an employee of a corporation (hereinafter referred to as the employer corporation) which is a subsidiary corporation (within the meaning of section 425(f)) or which is a member of a controlled group of corporations (within the meaning of section 1563(a)) in connection with the liquidation, sale, or other means of terminating the parent-subsidiary or controlled group relationship of the employer corporation with the parent corporation or controlled group, or

"(ii) A payment of the balance to the credit of an employee of a corporation (hereinafter referred to as the acquiring corporation) in connection with the sale or other transfer to the acquiring corporation of all or substantially all of the assets used by the previous employer of the employee (hereinafter referred to as the selling corporation) in an active business (within the meaning of section 355(b)(2)(A)) conducted by the selling corporation,

shall be treated as a payment or distribution on account of the termination of the plan with respect to such employee if the employees of the employer corporation or the acquiring corporation (whichever applies) are not active participants in such plan at the time of such payment or distribution. For purposes of this subparagraph, in no event shall a payment or distribution be deemed to be in accordance with a sale or other transfers of assets, or a liquidation, sale, or other means of terminating such parent-subsidiary or controlled group relationship, if such payment or distribution is made later than the end of the second calendar year after the calendar year in which occurs such sale or other transfer of assets, or such liquidation, sale, or other means of terminating such parent-subsidiary or controlled group relationship.".

(c) Conforming Amendments.—

(1) Section 401(a) of such Code (relating to requirements for qualification) is amended by adding after paragraph (19) the following:

"(20) A trust forming part of a pension plan shall not be treated as failing to constitute a qualified trust under this section merely because the pension plan of which such trust is a part makes a payment of distribution described in section 402(a)(5)(A)(i) or 403 (a)(4)(A)(i). This paragraph shall not apply to a defined benefit plan unless the employer maintaining such plan files a notice with the Pension Benefit Guaranty Corporation (at the time and in the manner prescribed by the Pension Benefit Guaranty Corporation notifying the Corporation of such payment or distribution and the Corporation has approved such payment or distribution or, within 90 days after the date on which such notice was filed, has failed to disapprove such payment or distribution.".

(2) The last sentence of section 401(a) of such Code is amended by striking out "and (19)" and inserting in lieu thereof "(19), and (20)".

(3) Section 404(a) of such Code (relating to employee annuities) is amended by striking out "and (19)" and inserting in lieu thereof ", (19), and (20)".

(4) Section 805(d)(1)(C) of such Code (relating to pension plan reserves) is amended by striking out "and (19)" and inserting in lieu thereof "(19), and (20)".

(d) Technical Rules.—

(1) In general.—

(A) Period for rollover contribution.—In the case of a payment described in section 402(a)(5)(A) (other than a payment described in section 402(a)(5)(A) as in effect on the day before the date of the enactment of this Act) or section 403(a)(4)(A) (other than a payment described in section 403(a)(4)(A) as in effect on the day before the date of the enactment of this Act) of the Internal Revenue Code of 1954 (relating to distributions of the balance to the credit of the employee) which is contributed by an employee after the date of the enactment of this Act to a trust, plan, account, annuity, or bond described in section 402(a)(5)(B) or 403(a)(4)(B) of such Code, the applicable period specified in section 402(a)(5)(B) or 403(a)(4)(B) of such Code (relating to rollover distributions to another plan or retirement account) shall not expire before December 31, 1976.

(B) Time of contribution.—

(i) General rule.—If the initial portion of a payment the applicable period for which is determined under subparagraph (A) is contributed before December 31, 1976, by an individual to a trust, plan, account, annuity, or bond described in subparagraph (A) and the remaining portion of such payment is contributed by such individual to such a trust, plan, account, annuity, or bond not later than 30 days after the date a credit or refund is allowed by the Secretary of the Treasury or his delegate under section 6402 of the Internal Revenue Code of 1954 with respect to the contribution, then, for purposes of subparagraph (A) and sections 402(a)(5) and 403(a)(4) of such Code, at the election of the individual (made in accordance with regulations prescribed by the Secretary or his delegate), such remaining portion shall be considered to have been contributed on the date the initial portion of the payment was contributed. For purposes of this subparagraph, the initial portion of a payment is the amount by which such payment exceeds the amount of the tax imposed on such payment by chapter 1 of such Code (determined without regard to this subparagraph).

(ii) REGULATIONS.—For purposes of this subparagraph, the tax imposed on a payment by chapter 1 of the Internal Revenue Code of 1954, and the date a credit or refund is allowed by the Secretary of the Treasury or his delegate under section 6402 with respect to a contribution, shall be determined under regulations prescribed by the Secretary of the Treasury or his delegate.

(C) PERIOD OF LIMITATIONS.—If an individual has made the election provided by subparagraph (B), then—

(i) the period provided by the Internal Revenue Code of 1954 for the assessment of any deficiency for the taxable year in which the payment described in subparagraph (A) was made and each subsequent taxable year of the individual for which his taxable income is determined by reference to the treatment of such payment under such Code or the status under such Code of any trust, plan, account, annuity, or bond described in subparagraph (A) shall not expire before the expiration of 3 years from the date the Secretary of the Treasury or his delegate is notified by the individual (in such manner as the Secretary of the Treasury or his delegate may prescribe) of the contribution of the remaining portion of the payment, and

(ii) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of section 6212 (c) of such Code or the provisions of any other law or rule of law which would otherwise prevent such assessment.

(2) ROLLOVER CONTRIBUTION FOR CERTAIN PROPERTY SOLD.—Sections 402(a)(5)(C) and 403(a)(4)(C) of the Internal Revenue Code of 1954 (relating to the requirement that rollover amount must consist of property received in a distribution) shall not apply with respect to that portion of the property received in a payment described in section 402(a)(5)(A) (other than a payment described in section 402(a)(5)(A) as in effect on the day before the date of the enactment of this Act) or 403(a)(4)(A) (other than a payment described in section 403(a)(4)(A) as in effect on the day before the date of the enactment of this Act) of such Code which is sold or exchanged by the employee on or before the date of the enactment of this Act, if the employee transfers an amount of cash equal to the proceeds received from the sale or exchange of such property in excess of the amount considered contributed by the employee (within the meaning of section 402(a)(4)(D)(i) of such Code).

(3) NONRECOGNITION OF GAIN OR LOSS.—For purposes of the Internal Revenue Code of 1954, no gain or loss shall be recognized with respect to the sale or exchange of property described in paragraph (2) if the proceeds of such sale or exchange are transferred by an employee in accordance with this subsection and the applicable provisions of section 402(a)(5) or 403(a)(4) of such Code.

(d) EFFECTIVE DATE.—The amendments made by this Act shall apply with respect to payments made to an employee on or after July 4, 1974.

COMMITTEE AMENDMENTS

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 3, line 7, strike out "statement" and insert "payment".

Page 3, line 13, strike out "1563(a))" and insert "1563(a), determined by substituting '50 percent' for '80 percent' each place it appears therein)".

Page 4, beginning in line 2, strike out "an active" and all that follows down through line 4 and insert "a trade or business conducted by the selling corporation,".

Page 6, line 13, strike out "1563(a))" and insert "1563(a), determined by substituting '50 percent' for '80 percent' each place it appears therein)".

Page 7, beginning in line 1, strike out "an active" and all that follows down through line 3 and insert "a trade or business conducted by the selling corporation,".

Page 7, line 12, strike out "transfers" and insert "transfer".

Page 8, line 18, strike out "404(a)" and insert "404(a)(2)".

Page 8, line 25, strike out "TECHNICAL" and insert "TRANSITIONAL".

Page 11, beginning in line 13, strike out "of the individual for which his taxable income" and insert "for which tax".

Page 11, line 18, strike out "shall not expire" and insert "shall, to the extent attributable to such treatment, not expire".

Page 11, beginning in line 23, strike out "of the contribution of the remaining portion of the payment, and" and insert in lieu thereof "that such individual has made (or failed to make) the contribution of the remaining portion of the payment within the period specified in subparagraph (B)(i), and".

Page 13, line 9, strike out "(d)" and insert "(e)".

Mr. ULLMAN (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendments be considered en bloc, considered as read, and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT, WEDNESDAY, APRIL 14, 1976, TO FILE REPORT ON H.R. 8410

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight, tomorrow night, Wednesday, April 14, 1976, to file a report on the bill, H.R. 8410, to amend the Packers and Stockyards Act of 1921, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

LOANS TO UNEMPLOYMENT FUND OF THE VIRGIN ISLANDS

Mr. CORMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 13069) to extend and increase the authorization for making loans to the unemployment fund of the Virgin Islands.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. STEIGER of Wisconsin. Mr. Speaker, reserving the right to object—and I shall not object—I think it would only be fair for the gentleman from California (Mr. CORMAN) to take a minute to explain the bill.

Mr. Speaker, I will yield to the gentleman from California for that purpose.

Mr. CORMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the purpose of H.R. 13069 is to extend the existing temporary authority provided in title III of Public Law 94-45 for the Secretary of Labor to make general revenue loans to the unemployment insurance fund of the Virgin Islands.

The Virgin Islands has had an unemployment compensation program similar to State unemployment compensation programs for 15 years. Under existing Federal law, however, the Virgin Islands is not considered a State for the purposes of participating in the Federal-State unemployment insurance system. It cannot, therefore, borrow from the Federal unemployment insurance loan fund as can States that have depleted their State unemployment insurance fund.

Because of extraordinarily high unemployment in recent months, 19 States and the District of Columbia have depleted their unemployment insurance funds and have borrowed from the Federal loan fund in order to continue making unemployment compensation payments. The Virgin Islands has also experienced high levels of unemployment and a heavy drain on its unemployment insurance fund. Despite increases in the employer-paid unemployment insurance tax, the Virgin Islands has depleted its unemployment insurance funds as benefit payments have surpassed revenues.

For the purpose of enabling the Virgin Islands to continue making unemployment compensation payments, last year Congress enacted a temporary program—Public Law 94-45, title III—authorizing the Secretary of Labor to loan up to $5 million in general revenues as needed by the Virgin Islands unemployment insurance fund. Based on the provisions of the Federal unemployment insurance loan program available to the States, these loans are interest free until January 1, 1978. After that date, interest will be charged on any outstanding loans.

This bill, H.R. 13069, extends the temporary loan authority provided in Public Law 94-45 through fiscal year 1977—until September 30, 1977—and authorizes an additional $10 million for such loans during that period. It also extends the interest-free repayment date from January 1, 1978 to January 1, 1979.

The Department of Labor estimates the cost of H.R. 13069 to be $2 million during the transitional quarter and $8 million during fiscal year 1977. Because this is a temporary program that expires at the end of fiscal year 1977, there would be no costs resulting from this bill beyond fiscal year 1977.

The Virgin Islands has formally requested, through its legislature and Governor, that it be included in the Federal-State unemployment insurance system. H.R. 10210, the Unemployment Compensation Amendments of 1975, would permit the Virgin Islands to become a part of the Federal system and eliminate the need for the temporary loan authority provided in Public Law 94-45 and extended under this bill.

H.R. 10210, approved by the Committee on Ways and Means in December 1975, is now awaiting House action. It was anticipated by the Ways and Means Committee that H.R. 10210 would be enacted before the expiration of the temporary loan authority in Public Law 94-45. Under the new budget requirements, however, House consideration of H.R. 10210 has been delayed until after May 15. As a result, its provision pertaining to the Virgin Islands will not be enacted before the expiration of the present temporary loan program. Because of this delay, the temporary loan authority provided in Public Law 94-45 must be extended as proposed in this legislation if the Virgin Islands is to continue making unemployment compensation payments.

Upon enactment of H.R. 10210, this temporary loan authority will be superseded and the Virgin Islands will be able to participate in the Federal unemployment insurance loan program available to the States. When the Virgin Islands is incorporated in the Federal system, any outstanding loans made under the temporary authority provided in Public Law 94-45 will be treated as though the Virgin Islands had been in the system when the loans were made. This means that, if the time for repayment has elapsed and any part of the loan remains outstanding, the increased Federal unemployment insurance tax rates provided in the Federal loan program for the purpose of recapturing overdue loans would immediately go into effect.

Mr. STEIGER of Wisconsin. Mr. Speaker, further reserving the right to object, I fully support enactment of H.R. 13069. Present authority of the Secretary of Labor to make loans to the Virgin Islands to permit the continuation of unemployment benefits there expires June 30, 1976. These loans are interest-free until January 1, 1978; after that date interest begins to accrue.

This bill extends the temporary loan authority to September 30, 1977, authorizes an additional $10 million for this purpose and postpones for 1 year, until January 1, 1979, the date on which interest begins to accrue.

The Ways and Means Committee has reported a separate bill, H.R. 10210, which would, among other things, allow the Virgin Islands to become a part of the permanent Federal-State unemployment compensation system. When that bill is passed and the Virgin Islands joins the permanent system, it will be treated like any of the States for the enactment of H.R. 13069 is necessary. I urge its passage.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The clerk read the bill as follows:

H.R. 13069

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (d) of section 301 of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975 is amended—

(1) by striking out "June 30, 1976" and inserting in lieu thereof "September 30, 1977"; and

(2) by striking out "$5,000,000" and inserting in lieu thereof "$15,000,000".

(b) Subsection (c) of such section 301 is amended by striking out "January 1, 1978" each place it appears and inserting in lieu thereof "January 1, 1979".

Mr. PICKLE. Mr. Speaker, this bill will allow the Virgin Islands to borrow an additional $10 million to replenish its UI fund through fiscal year 1977. The repayment date would also be extended from January 1, 1978 to January 1, 1979.

This legislation is needed because the loan authority will expire June 30, 1976, and by that time, the new UI legislation will very unlikely be on the books. The Senate has not begun hearings yet.

Under H.R. 10210, the Virgin Islands will become a permanent part of the U.S. system. The passage of this bill would be best, so it would not have to get these extraordinary loans.

This bill only gives temporary authority so that the Virgin Islands, which has had its own system for about 15 years, can maintain it until it becomes a permanent part.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. CONTE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 195]

Abzug
Andrews, N.C.
Ashley
AuCoin
Badillo
Bell
Bevill
Biaggi
Boggs
Bonker
Burke, Calif.
Burton, Phillip
Clay
Conlan
Conyers
Coughlin
Danielson
de la Garza
Dent
Derwinski
Diggs
Dodd
Drinan
Eilberg
Esch
Eshleman
Evins, Tenn.
Fraser
Giaimo
Gibbons
Gilman
Goldwater
Goodling
Green
Gude
Harris
Harsha
Hays, Ohio
Hébert
Heckler, Mass.
Heinz
Henderson
Hinshaw
Jarman
Jeffords
Johnson, Pa.
Jones, Tenn.
Kastenmeier
Landrum
Lehman
Long, Md.
Lujan
McCloskey
McKinney
Macdonald
Madden
Maguire
Mazzoli
Melcher
Moakley
Moorhead, Pa.
Mosher
Moss
Nedzi
Nichols
Nix
Pattison, N.Y.
Pepper
Peyser
Pike
Railsback
Rangel
Rees
Rhodes
Roberts
Rose
Sarbanes
Stanton, James V.
Steed
Steiger, Ariz.
Stephens
Stuckey
Sullivan
Symington
Teague
Udall
Vander Veen
Vigorito
Waxman
Weaver
White
Wilson, C. H.
Wilson, Tex.
Winn
Young, Alaska
Young, Fla.

The SPEAKER. On this rollcall 336 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DISAPPROVAL OF PRESIDENT'S PROPOSAL ON RESIDUAL FUEL OIL DECONTROL

Mr. ECKHARDT. Mr. Speaker, I move to discharge the Committee on Interstate and Foreign Commerce from the further consideration of the resolution (H. Res. 1135) to disapprove the proposed exemption of residual fuel oil from the mandatory petroleum allocation and price regulations—energy action numbered 1.

The SPEAKER. Is the gentleman in favor of the resolution?

Mr. ECKHARDT. I am in favor of the resolution, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the resolution.

The Clerk read the resolution as follows:

H. RES. 1135

Resolved, That the House of Representatives does not favor the energy action numbered 1 transmitted to the Congress on March 29, 1976.

The SPEAKER. The Chair recognizes the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I rise in opposition to the resolution.

The SPEAKER. Is the gentleman opposed to the resolution?

Mr. BROWN of Ohio. I am opposed to the resolution, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, first let me explain our procedural posture. Under the Emergency Petroleum Allocation Act each House has 15 days during which to veto changes in Federal Energy Administration regulations, which regulations would have the effect of exempting a class of petroleum products from either price or allocation controls, or both.

Energy action No. 1, transmitted to the Congress on March 29, 1976, would exempt residual fuel oil, a petroleum product, from both price and allocation controls. The veto provided for under the Energy Petroleum Allocation Act takes the form of approval of a resolution disapproving such exemption. House Resolution 1135 is such a resolution of disapproval.

Because of the limit in time of 15 days, it is impossible for the Committee on Interstate and Foreign Commerce to follow the usual course of bringing out a resolution of disapproval, because under its rules there would be 3 days allowed for the minority to file dissenting statements within the report. Today is the last day on which disapproval may be had.

This morning, the Committee on Interstate and Foreign Commerce met, and because the session began before actual consideration of the matter was possible in any detail, lost a quorum and therefore had to adjourn. No action has been taken by the committee. Therefore, I have offered the resolution to discharge the committee after first having discussed the matter with the chairman of the subcommittee, the gentleman from

Michigan (Mr. DINGELL), and also having discussed it at a later time with the chairman of the committee. It was done in all deference to the committee itself, and it is recognized by all that the discharge of the committee is the only way that the question of disapproval could come before the body.

Now, let me explain precisely what the deregulation proposal is and how it fits into a total package of FEA action which would go far to dismantle the entire price control program. I want to emphasize here, and I particularly want to emphasize to those Members here from New England and from the Atlantic coast, that the motion of disapproval has absolutely nothing to do with the change in the entitlement program which was put into effect by the FEA some time ago. I will explain that change merely because I think it then will show the Members that whatever is done with respect to decontrol of residual fuel oil has no necessary relationship with the change in the entitlement program.

What the FEA did respecting the entitlement program is to provide that approximately half of the presently available entitlements respecting crude oil, which is used to make residual fuel oil flowing into PAD 1, will be allowed, thus reducing Amerada Hess from an approximate $2 entitlement, to approximately $1.50 a barrel. Now, with those funds gained largely by so removing half of the Amerada Hess entitlements, FEA provides for a 90 cent product entitlement. This is the first time we have ever put into effect a product entitlement.

I am not opposing that. New England Members feel that they need 90 cents product entitlement in order to improve their position respecting the purchase of imported oil. Well, if they need it and if it is a washout with the reduction of the entitlement program from Amerada Hess, I am not quarrelling with that question at all, and it has absolutely nothing to do with the question of whether or not to take the lid off the price of residual fuel oil.

The problem here, though, is a quite difference one. Under the present language of the act, decontrol may be submitted to Congress to decontrol either price or allocation, or both. Since allocation of oil occurred a good while ago, some of the allocation provisions are somewhat antiquated. Besides that, there is much argument in favor of removing allocation controls from resid.

Why? For this reason, let me give the Members a little background with respect to what resid is and who produces it. Approximately 57 percent of residual fuel oil is presently produced by Caribbean refineries or by foreign refineries. With importation of that oil to the United States, placed under the change in the entitlement program, that 57 percent would bear an entitlement benefit between 80 and 90 cents a barrel.

Approximately 15 percent of the total resid is produced by Amerada Hess, which is considered a domestic refinery. I think it is a good thing to take some of the entitlement away from them because in fact, they, being in Puerto Rico and being in a position to ship oil in bottoms not limited by the Jones Act, get all of the advantages of a foreign operation respecting transportation.

The remaining 70 percent of the resid is produced by other refineries which are on the Continent in the United States. They also, of course, if they are shipping residual fuel oil into Pad 1, would have their entitlements reduced to $1.50.

So in summary, Amberada Hess, with respect to that crude oil that goes into residual fuel oil and is shipped into Pad 1, has those entitlements reduced from about $3 to about $1.50.

This may very well be disadvantageous to New England. I am not saying it is. But it is on one side of the balance. With a $3 per barrel entitlement, Amerada Hess can bid down the price of resid. With $1.50 per barrel, it may not do so to such extent. But, on the other side of the balance is the granting of the 90-cent sweetener, as I call it, to the importers and to the Caribbean refineries. At any rate we will not change that if we deny the removal of price control.

It is true that in order to get the advantage of perhaps some competition in a surplus market of resid, we should remove allocation control. Therefore, I want to argue to this body, as strongly as I know how, that we should vote for the resolution that denies to the FEA the authority to remove both price and allocation control. I will tell the Members here in this well at this time that if we pass this resolution I would support action by the FEA to remove allocation control of resid. But that is all that needs be removed.

Let me tell the Members what is wrong with removing price control with respect to resid. There has been a rumor out—and I am not usually a purveyor of rumors—that there will be a 45-cent increase per barrel in resid. I do not know whether that is true or not. I think it is doubtful that anybody would make such an announcement at such a crucial time as the present, so I am skeptical about the rumor. But I also know that merchant shipping has been told by certain suppliers of bunker oil that the price of bunker oil would go up substantially. Of course, bunker oil for ships is resid. And what assurance in the world do we have, if we remove price control on resid, that residual fuel oil will not go up in price and New England will have to pay more for electric generation because the price of the fuel for such generation has gone up?

Then why not play it safe? Why not go for removal of allocation control only? Why not leave in place, at least for the present, the change in the entitlement program, and see how it works?

Let me tell Members what the FEA people told us at the hearing, with respect to removal of middle distillate from control. And I want all of the Members from New England and the Northern States to listen to what I say here because this is where the rub is. The Members know what middle distillates are. They are about 45 percent of a barrel of crude in most refineries. The other 55 percent is gasoline. Middle distillates consist primarily and in largest quantity of No. 2 fuel oil, that is home heating oil, diesel, and jet fuel.

Do the Members remember that in 1973 we ran short of home heating oil? Refineries were not interested in producing it because it did not sell at as good a price as gasoline.

The ingredients on the other side of the barrel are home heating oil, jet fuel or kerosene and diesel fuel. These are the inflexible demands. People have to buy about the same amount of home heating oil whether they want to or not, unless they want to go cold in the winter, and they have to pay transportation costs on every product they buy.

And the people are going to have to pay the cost of diesel fuel whether they want to or not. The airplanes, if they are to cut down on the use of jet fuel, are simply not going to fly and they are not going to make their rates.

So these are inflexible demands. On the other side of the barrel is gasoline which is flexible. The refineries are perfectly happy with about 60 cents for gasoline if they can drain off their profits by the inflexible demand on middle distillates.

What did we hear from FEA with respect to what would inevitably happen if resid were to be decontrolled? They admitted to us, though they said it was not likely to happen—and we have heard some predictions of things that are not likely to happen—that if resid went up in price, middle distillates would move in to replace it if they were controlled and resid was not controlled, persons would tend to buy No. 2 fuel oil and No. 4 fuel oil and mix them in situations where they had used resid before.

They said that "if this happens, we are going to have to do something about it, and we will either remove controls on middle distillates or we will have to recontrol resid.

Well, there is our inevitable and inexorable process of decontrol. What happens then? Who gets hurt by that action?

The Seven Sisters are producers of gasoline and middle distillates, and they are also producers of crude, but they also buy crude from independent producers.

Now, is that not a happy state of affairs for them? They have crude oil fixed at an average of $7.66, but they can drain off the profit at any price they want to charge for that inflexible demand for half of the barrel of oil in middle distillates.

Where is New England going to be then when they take off the limitations on the price of middle distillates? That is what we are leading to.

I have been told in my office by Mr. Zarb, Mr. Hill and others that what they intended to do is consider the question of decontrol of middle distillates, and that they will get a report on that for us by the latter part of May of this year.

What is that report going to be? Can you guess? It is going to call for decontrol of middle distillates. Then all of the work we have gone through in establishing some kind of control on the wild prices of oil will have gone down the drain. As a matter of fact the result will be worse than that because the resulting system will keep controls on producers but will provide no controls effectively on the vertical monopolies who produce and also refine crude.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from West Virginia, the distinguished chairman of my committee.

Mr. STAGGERS. Mr. Speaker, what the gentleman from Texas (Mr. Eckhardt) has just said would imply to me that this is a way of getting around the control bill that was passed by both Houses and that the President signed. Is that what the gentleman is saying?

Mr. ECKHARDT. The distinguished chairman of the committee has hit the nub of the question.

Mr. STAGGERS. And that means that the residual oil which is left after making gasoline and making the other more refined products will be selling at a price equal to the price of gasoline, or perhaps it could be higher?

Mr. ECKHARDT. It certainly could be.

Mr. STAGGERS. No one knows what the final result might be. It leaves it open to a question of what not only the eastern coast but of what the whole of the United States might face; is that correct?

Mr. ECKHARDT. Absolutely.

Mr. STAGGERS. Also, then, according to that, all the work that we did during the last year on control or during the last 3 years, in fact, as the gentleman in the well says, would just be work down the drain, and would be done by indirect means?

Mr. ECKHARDT. I think that is precisely correct.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. Mr. Speaker, considering the commendable comprehensiveness of the questions of the gentleman from Ohio (Mr. Brown) I would yield to him if he would yield to me 3 minutes of his time.

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Ohio will not yield without extracting that time provision from him.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield to me 3 minutes of his time?

Mr. BROWN of Ohio. I will not yield 3 minutes. I would be delighted to have the gentleman yield to me so that I may respond to what the gentleman from West Virginia (Mr. Staggers) said.

Mr. ECKHARDT. I yield to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman for yielding.

I would only say that the very provision under which we are operating now, providing for action on a decontrol proposal—in fact, providing for the decontrol proposal of the FEA—was what we enacted into law.

Mr. Speaker, the gentleman from West Virginia (Mr. Staggers) said that this is an effort to get around the law. This is part of the provision of the law we enacted.

Mr. ECKHARDT. Mr. Speaker, I thank the gentleman for informing me about the act. The problem is simply this: if we grant authority to FEA to decontrol price on residual oil, FEA will have set afoot forces that move toward decontrol of price of middle distillates.

FEA can reinstate or not reinstate price controls, but the decision will cease to be the decision of Congress at the point at which we fail to disapprove.

If we do disapprove this action today, FEA can still come in and say, "Look, Congress, you say you do not like decontrol of price, but you say you do not mind decontrol of allocation, and you say that you are willing to see how our entitlement change works."

Mr. Speaker, all they have to do is submit that to us, and we are then in a position to make a determination; but if we act today without voting down proposal No. 1, we will have lost control of that question.

I submit, Mr. Speaker, that we ought to retain that control.

I know people have been saying that there are 10 hours of debate available if we vote for discharging the committee. My chairman has told me that at that point he would ask for a short limitation of time of the Committee of the Whole House and proceed with the passage of the resolution. Therefore, let us not be frightened by that. The real issue is the vote on discharging the committee at this time.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Speaker, the gentleman said that the chairman had advised him that if the resolution is agreed to, he will ask for a short limitation of time.

As I read the act itself, it says:

> With full recognition of the constitutional right of either House to change the rules . . .

Mr. Speaker, we do have the 10-hour limitation that the gentleman is talking about, but it says:

> Debate on the resolution referred to in subparagraph (a) of the paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. An amendment or motion further to limit debate shall not be debatable.

Mr. ECKHARDT. That is the present rule. I thank the gentleman for bringing that to my attention.

I thought that was about what I had said. I am sure the gentleman from Louisiana does not want to filibuster this matter if we come to it.

Mr. WAGGONNER. The gentleman from Louisiana will filibuster "till Hell freezes over."

Mr. ECKHARDT. And I am sure the gentleman from Ohio will not want to.

Mr. MOFFETT. Mr. Speaker, will the gentleman yield for a couple of questions on the merits of the proposal itself, the FEA proposal?

Mr. ECKHARDT. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Many of us, as the gentleman knows, with not only our national concerns but our regional and parochial concerns have wondered about this FEA move.

Let me ask the gentleman what if anything had been done with regard to entitlement; in other words, if entitlement had been left alone is it safe to say that the gulf coast refiners, and Hess for that matter, would have received their full entitlements and would have been able to increase market sharing or a price decline?

Mr. ECKHARDT. I think we can argue that either way. Some say that Hess has used its entitlement to decrease prices and therefore to compete at much lower prices against the Caribbean refiners than they would like to have done. Caribbean refineries would therefore like to lower the entitlements to Hess so that thy can come in and raise the prices a bit. They say they will give the benefit of the 90 cents but Hess has a good deal more to offer in a competitive way to bring the prices even lower.

One can argue it either way. I am not against the entitlement program. I would just as soon try it. I do resent a little bit, some employee of the New England caucus accusing me of being parochial on the question of oil. I did not think anybody thought I was terribly parochial on that subject. I have tried to be a national member rather than a regional one, I think.

Mr. MOFFETT. I would say merely that probably many people in Texas wish the gentleman were more parochial with regard to that issue.

Mr. ECKHARDT. I think I represent the people of my district on this issue. Not the oil interests.

Mr. MOFFETT. I am sure the gentleman can see that with the entitlement move having been made, are we in New England to be parochial for a moment, are we then faced with saying that this residual proposal is better than doing nothing now? Or can we say maybe in the short term it is not any better or in the long term it may not be better, if the procedure on price controls would begin to bind and keep prices from accelerating above the level where current controls are?

Mr. ECKHARDT. Let me put it this way, the absolute worst thing for New England in my opinion is for us to first vote down the motion that I am making and then vote down the resolution.

The best thing for New England would be to vote for the resolution but then to vote in favor of the removal of allocation so that competition might reduce prices.

I would vote to remove allocations so as to permit free competition. That would be the ideal situation.

Mr. MOFFETT. If the gentleman will yield further, let me ask one other question, with reference to the products entitlement decision and the short term argument, as applied in New England and the reduction of cost in New England, and I am asking the gentleman from Texas not only in terms of New England, but on a national basis, national responsibility, does it lead to more dependency on imports in terms of the country as a whole, or, as a result in the absence of price controls do we find that the product entitlement for imports is passed on to the consumers?

Mr. ECKHARDT. It does give an advantage, the entitlement portion, to the importers of foreign oil. It places a burden on refiners on the purchase side of the entitlement program, and that means domestic products are sold at a little higher rate, of course, and that is borne by New England consumers and everybody else.

But that is small compared to the inevitable next step. Once we start this process of eroding these price controls, then there is the next step. I am not just dragging out the parade of the horrible, as Justice Holmes called it; I am talking about what Mr. Zarb told me in my office 3 days ago. I am told that we are to get a report from the FEA, depending on their hearings on the matter respecting decontrol of price and allocation of middle distillates, by somewhere around from the latter part of May. That is a short time in the future. There is even talk about decontrol of gasoline. So we are not just talking about middle distillates here. We are talking about a process which to a great extent makes it necessary, in order for the whole program to make sense, to move to subsequent stages of decontrol.

Just like the chairman said a minute ago, then we undo everything we have done about price.

Mr. DINGELL. Mr. Speaker, will the gentleman yield briefly?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. I want to thank the gentleman for yielding to me.

Mr. Speaker, this is a matter of considerable importance which should be considered by the House. The subcommittee has gone into the matter with some care. I must say that we are not able to arrive at any lean, hard conclusions with regard to the economic consequences of the act or the consequences to different parts of the country.

A day's testimony was taken by the subcommittee which gave us a fair appreciation of the fact that there appears to be no strong opposition to this matter. But it should be observed that the gentleman from Texas has made a point which I think is very valid, and that is that there is a tie between the middle distillates and residual fuel, and that the consequences of this action are not altogether possible to predict at this particular time. For that reason I believe that it is a judgment that should be made by the entire House of Representatives. Additionally, for that reason I commend the gentleman for calling up his motion. I will support him with regard to the motion that he makes at this particular time with regard to discharging the committee. I believe that is something that places the issue clearly before the House and establishes a pattern in which we might handle these kinds of questions in an orderly fashion.

I would point out that this should serve notice not only on the House, but upon the people and upon the industry and upon the administration, that we intend to look upon these matters with care and consider them within the orderly framework of the House, and also to make very sure that we have a clear understanding in the discussion not only of what is going to take place, but, more importantly, have a clear understanding that we will anticipate the clearest kind of showing of the economic consequences with regard to the middle distillates, which happen probably to be the next in the sequence of deregulation messages which will be sent here by the administration.

For that reason again I wish it to be known that I do support the motion made by the gentleman from Texas to discharge the committee.

The SPEAKER. The time of the gentleman has expired.

The Chair recognizes the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I think the first thing we should do is review the status of the function in which we are involved at the moment. Under the law the EPCA legislation, the Energy Policy and Conservation Act, was signed into law by the President in December of last year. The administration was given the authority to file a decontrol plan for portions of the refined product, a barrel of controlled crude oil. If that plan is filed, and no action is taken by either House, then the plan goes into effect within 15 days. However, if any Member of either body files a disapproval resolution of the plan for decontrol, that resolution then can be called up after 5 days, and the House can have the opportunity to vote on that disapproval plan.

First, however, the effort to discharge the committee of jurisdiction to which the disapproval resolution would be referred must be approved. Now, that effort to discharge is what we are discussing right now. That is very much like a rule. We have 1 hour to debate it, a half hour on each side. At the end of that hour of debate, we have a vote and if the committee is discharged, then the law provides for 10 hours of debate on the issue of the disapproval resolution.

Now, I would suggest that 10 hours of debate, starting within the next 45 minutes, would probably keep us here until 4 or 5 o'clock in the morning. The way to dispose of this issue and dispose of it very easily is to vote down the effort to discharge at the end of this current debate.

Now, all of this was provided in the Energy Policy and Conservation Act. There is nothing tricky in this at all. We voted for it in the House, or if we did not vote for it, at least it became law. The Committee of Commerce established the procedure and it was modified in the conference with the Senate, so everybody knows we put this into the law ourselves; so I have to say that the colloquy with the chairman of the Committee on Commerce, in which it was suggested this was an effort to get around the law in some way, is somewhat misleading.

What are the other procedures provided for in that law, that EPCA law? First, it is provided that if the Federal Energy Administration, or the President, with the Federal Energy Administration as the functional office, decides to submit a decontrol plan, they should first have hearings on the decontrol plan with the Federal Energy Administration. Those hearings were held over an extended period of time and 61 people participated in the hearings, 61 interested parties, where the conclusion of the FEA was submitted to the Subcommitee on Energy and Power and Commerce and that subcommittee had hearings on those findings of the FEA. I want to quote just the central issue here. This is from page 26 of a 107-page report done by FEA on their findings as a result of those hearings. It says:

> If price and allocation controls are retained, to the extent they interfere with normal competition the anticipated increase in demand—

that is, for residual oil——

> will be more likely to cause residual fuel oil prices to rise to maximum lawful levels. If residual fuel oil is exempted from controls, however, the additional competition thereby permitted to operate will likely constrain prices somewhat below the level they would otherwise be allowed to attain.

In other words, prices would be lower for those who consume residual fuel oil if we approve the decontrol plan by the executive branch.

Now, what was the testimony of the people who appeared before the FEA? Written comments were received from 61 interested parties, of which 18 chose to present oral testimony at the public hearing on March 9. These 61 could be categorized as follows:

Thirteen major integrated refiners.

Seven large independent refiners.

Thirteen small independent refiners.

Two refiner trade associations.

One market association.

Seven independent market associations.

Ten large consumers. I assume some of those may have been utilities, because that is who consumes a lot of residual oil.

Two large consumer associations.

Two consumer advocacy groups.

Three State energy offices and one foreign government.

Fifty-six of the respondents supported the exemption from allocation and price controls as the FEA had prescribed—56 out of 61. Three respondents supported it in general. Two respondents said that they thought we ought to keep controls, but they wanted to simplify them. Those two were State energy offices involved in the control procedure themselves to some extent, so this is one bureaucrat admiring the work of another bureaucrat, I assume.

On the strength of that, FEA gave us the report. We had hearings before the committee, and in those hearings the virtually unanimous presentation of all the people who came to the hearings of the Energy-Power Subcommittee was that we ought to allow the decontrol plan proposed by FEA to go into force.

Why would that be? Let us look at the arguments for decontrol. First, the facts: 65 percent of all residual consumption in the United States is on the east coast, in one of the five consumption regions that the FEA has divided the United States into. Of that 65 percent, most of the residual fuel oil consumption on the east coast is done in New England, and it is done there by the utility industry, for the production of electricity, consumed by large factories and consumed to some extent in heating oil in shopping centers and private utilities and so forth. Ninety-one percent of that 65 percent of residual fuel oil consumed on the east coast—most of it New England—91 percent of it is imported from abroad.

Now, the impact on the rest of the country by this decontrol, therefore, is quite small. Let me give the Members a couple of statistics. Out of the 2,794,000 barrels a day of residual oil consumed in the country, in the Rockies area 26,000 barrels out of 2,794,000, are consumed and none of it is imported. The largest area after New England is the west coast, where it is 421,000 barrels of the 2,794,000, so the impact is quite small. Sixty-six percent of it is imported.

Now, why would the prices fall if we decontrol? Why are the prices, in fact, going down under controls? The reason is that we have a worldwide surplus of residual oil. There is a surplus also in refining capacity, so that there are a lot of refiners waiting to refine oil. Then, there is a lot of residual oil floating around, but the demand for it has slacked off.

But, under the allocation and price controls under which FEA currently operates, a supplier and purchaser are tied together so that the purchaser, with all the surplus of production available, cannot go out and shop around for a supplier who would supply to him more cheaply than his present contract provides for. That is why we ought to have decontrol, so that the consumers can go to the marketplace and say to the supplier, "If you will knock down the price a little, I may buy from you," and then go to the next supplier and say the same thing.

The current price and allocation controls, however, if they are kept in force, will mean residual oil prices will be kept higher than they otherwise would, according to FEA. Why is this the case? Because under the law we passed, the Energy Policy and Conservation Act, we said that the producer must pass on his cost within 60 days or he loses the opportunity to pass those costs on.

What does that mean? That means that he cannot balance his costs through a year of varying demands, and thereby keep the price fairly stable. He must pass that price on when his costs are high and his production is low, and he cannot balance around among consumers. He must keep it the same to everybody, and so the point is that if he has a larger profit margin with one purchaser, he can lower some of the cost of that and yet supply a purchaser who wants to sort of negotiate over the price and still supply him.

Otherwise, if we kept the controls, you would have to say to him, "Your price, I am sorry, has to have the extra cost loaded into it because the Congress passed laws to that effect."

Removal of allocation controls are likely to bring lower prices because of freedom of consumers to shop around among more competitively balanced suppliers in a market where refining capacity and residual supplies are in surplus.

There is a question about the Amerada Hess refinery down in the Caribbean. Under the entitlements program they were getting terrific advantages and were beginning to move toward monopolization of the market. The FEA has taken this into account, and by the modification of the entitlements program they have evened up that refinery relationship so that all of the refiners are in about the equivalent competitive advantage.

A vote for the disapproval resolution, therefore, is a vote for higher prices to east coast consumers; it is a vote for less competition among the suppliers and more advantage to one company, namely Amerada Hess.

If the Members want to do that, they are welcome to vote for the disapproval resolution.

On the other hand, a vote against the disapproval resolution is a vote for lower prices on the Atlantic seaboard and New England; it is a vote for freedom for consumers to shop around and get the lowest price; and it is a vote for a more competitive situation among suppliers, less monopolies, in other words, and we do not necessarily do Amerada Hess a favor.

I would like to quote again from the report of the FEA.

> Several of the comments received in response to the proposed exemption action and the Preliminary Findings addressed the possibility that exemption of residual fuels without the coincident or immediately (1–3 months) subsequent exemption of distillate fuels could cause some supply dislocations.

This is the point raised by my colleague, the gentleman from Texas.

> This would be based on the ability of distillate fuels to be substituted for heavy fuels in many applications and to be an attractive ingredient for blending with heavier fuels in certain circumstances; if residual fuel prices rose while distillate prices were kept in check, it could become economically attractive to substitute lighter fuels for residual fuels.

The FEA responds to that in this way:

> Other respondents noted this issue, but did not agree that it was potentially serious. FEA tends to agree with this point of view. Rather than prompting a substitution of distillate for residual fuels (which would, in many cases, require investments in refitting to accommodate the different fuel) controlled distillate fuel prices would simply have a dampening effect on any upward price change pressure. The potential for substitution would tend to moderate demand for heavy fuels, which in turn would act to restrain prices. In addition, significant price increases in residual fuels would only occur as a result of increased crude prices; such crude price increases would also justify higher prices for distillate fuels, even if they were to remain under controls.

In other words, the control system itself provides for the crude barrel to go up in price and, therefore, we could have price increases because of the control systems themselves.

The subcommittee had hearings on this issue. We had a presentation by a number of witnesses, and they were unanimous that the FEAA decontrol plan should be approved. The question was raised in the subcommittee: Should we go forward with a disapproval resolution?

The subcommittee discussed it. No action was taken.

In the full committee this morning it was proposed that we support a disapproval resolution and the full Committee on Interstate and Foreign Commerce, the committee of jurisdiction, that is provided with the opportunity to speak to this legislation under the law, said nothing. In other words, it did not support the disapproval resolution.

A motion to discharge is an extraordinary motion. It would circumvent the normal procedures of the House after the committee responsible did not or did approve a disapproval resolution.

Mr. Speaker, the point of the argument here is that we should just simply vote down the motion to discharge the committee and save ourselves a good deal of time.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield at that point?

Mr. BROWN of Ohio. Mr. Speaker, I will be happy to yield to the gentleman if the gentleman will only permit me to save 5 minutes of my time for the gentleman from Massachusetts (Mr. CONTE).

Mr. ECKHARDT. Yes. I only intend to ask one question, and that is this:

Does the gentleman feel that the question of a valid oil policy in this country is a more important thing than the saving of a few minutes' time? Is the gentleman weighing time against the interests of the United States with respect to controlling the price of oil?

Mr. BROWN of Ohio. Mr. Speaker, the gentleman in the well has suggested that the proper method of disposing of this issue would be to vote down the motion offered by the gentleman from Texas (Mr. ECKHARDT) to discharge the committee, because the gentleman in the well is convinced that decontrol of residual fuel oil, as proposed by the FEA under the law and as was passed by this Congress, is the right course.

The witnesses, as I said, who were before the subcommittee on April 6 told us that we should go ahead and decontrol residual fuel oil. Because of the excess supply, no effect on the price of residual fuel oil is expected as a result of exemption from regulation, save possibly the effect of residual fuel oil prices going down.

Mr. SARASIN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I am happy to yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Speaker, I thank the gentleman from Ohio for yielding. I wish to associate myself with his remarks.

This gentleman, coming from New England, feels that this is long overdue, if we seriously consider the long-range effect of decontrol and the fact that this is in the best interests of the United States of America, and especially in the best interests of those of us from New England.

Mr. BROWN of Ohio. Mr. Speaker, I appreciate the remarks of the gentleman.

I will conclude my remarks at this time with this comment: Apparently from the statement of the gentleman from Texas (Mr. ECKHARDT), he is only opposed to decontrol in part. He says that decontrol of allocation for the supplier-producer relationship is OK, but we should keep price controls even if the product is selling well below those established price controls.

The fact is that under the Energy Policy and Conservation Act FEA retains the right to reimpose price controls if that reimposition should become necessary. This is provided for under section 455 of the legislation we passed in this body. The decontrol of prices and the allocation as FEA has proposed would not mean controls could not be reimposed if they were necessary.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Speaker, would the gentleman expect the FEA to impose price controls if the situation came about that the prices increased?

Mr. BROWN of Ohio. Mr. Speaker, the law provides for FEA to reimpose the price controls if the prices increase and get out of hand or out of balance.

Mr. BEDELL. They do have that authority?

Mr. BROWN of Ohio. Yes.

Mr. BEDELL. Is it the opinion of the gentleman in the well that they would use that authority if prices came above the current level of prices under existing price controls?

Mr. BROWN of Ohio. Without reference to specific prices, the answer to the gentleman's question is: "Yes."

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise in opposition to the privileged resolution of the distinguished gentleman from Texas (Mr. ECKHARDT). I do so reluctantly, because the gentleman is highly respected in my part of the country for his courageous fight on behalf of consumers on the oil policy bill.

This resolution, however, would not serve the best interests of consumers in the Northeast. I urge my colleagues to defeat this resolution, either by voting against the motion to discharge the committee, or by voting against the resolution.

There is no other part of the Nation that depends on residual oil as much as New England. It is used to generate 80 percent of our electricity. And it is burned to heat most of our industries, hospitals, schools, apartments, and other commercial buildings. Twenty percent of the Nation's supply of residual fuel is consumed in New England. And about 98 percent of the residual oil burned in New England is imported from outside the United States.

New England is very familiar with the ins and outs of Federal policy on residual oil, and New England wants to see this fuel removed from price and allocation controls. There are two basic reasons for decontrolling residual fuel:

First, Federal price controls are not holding down, or affecting, the price of residual oil. For retailing heating oil in Massachusetts, the Federal price ceiling is 72 cents a gallon. But the retail price is between 39 to 42 cents a gallon. It is obvious that competition, not price controls, is forcing down the price of fuel.

As almost all of New England's residual oil is imported, the price of this product is determined by the OPEC nations, not by FEA. Federal price controls on residual oil do not have the least effect on New England consumers.

Second, the allocation system is no longer working and is causing massive redtape, competitive distortions, and added costs for fuel dealers.

Supplies for residual oil have been plentiful for 6 months and promise to remain so. In the midst of abundant supplies, there is no need for Federal distribution controls. They should be taken off without delay, and put up on a shelf for standby use.

Allocation controls are preventing dealers and consumers from shopping around for the lowest cost and best service. And many allocation regulations are being violated or ignored by marketers, consumers, and Government enforcement officials. This is particularly true in the case of competitive bidding. Despite the fact that bidding is still prohibited under a 1974 regulation, the FEA is permitting it. Many dealers are having base period customers bid away from them, in violation of Federal rules. But these same dealers are still required, by these same rules, to keep residual fuel on hand in case the new supplier cannot fulfill the contract.

The allocation program in Massachusetts is chaotic, confused, and crumbling. Clearly, it is time for competition to take over.

The distinguished sponsor of this resolution has suggested that the House should maintain price controls on residual oil while dropping the allocation controls. I strongly disagree.

The experience of 1973 taught New England that you cannot have one without the other.

Price controls without allocation controls would have a devastating effect on New England. We had this situation in the first 9 months of 1973. At that time, oil products were under price controls, and, without an entitlements or "price blending" program, refiners were marketing cheap oil in the Southwest and expensive oil in the Northeast and upper Midwest. While Exxon was selling heating oil for 14 cents a gallon in Texas, independent dealers in New England were selling it for 33 cents. Cheap oil was staying in the Southwest, and expensive oil was being funneled into New England.

Lifting allocation controls while leaving price controls would destroy the entitlements program. It would destroy independent marketers. And it would hurt consumers in the Northeast and the upper Midwest.

Just 2 weeks ago, the FEA settled the "Amarada Hess problem" and restored a competitive balance along the east coast by including residual oil in its entitlements program. This entitlements decision is already working for New England. The spot market price for residual oil has already dropped by 80 cents a barrel.

At this point in the RECORD, I am inserting a chart on recent residual oil price trends:

PRICE TRENDS—RESIDUAL FUEL OIL, 1975–76

	New York Harbor per barrel			
	0.3 of 1 percent sulfur		1 percent sulfur	
	Spot	Contract	Spot	Contract
Apr. 7, 1975	$12.40	$13.48	$11.70	$12.66
Feb. 2, 1976	12.80	12.98	11.65	11.51
Mar. 8, 1976	12.95	13.18	11.40	11.71
Apr. 5, 1976 [1]	12.15	13.18	10.95	11.71

[1] Entitlements for east coast importers of residual fuel oil were granted on Mar. 29, 1976. Spot prices on Apr. 5 are the average of foreign and domestic quotations. Contract prices have not yet reflected the product entitlement value. They are expected to show reductions similar to those for spot as existing contracts expire.

Date: Apr. 12, 1976.

And a New England utility was just able to buy two cargoes of residual fuel at a price of $10.10, instead of $11 a barrel, because of the entitlements program.

It is extremely important to the economic health of New England that this entitlements program for residual oil be maintained.

Mr. Speaker, when the FEA first tried to decontrol residual oil in July 1974, I led the New England caucus in vigorous opposition. At the time, market and competitive conditions did not support such a move.

But conditions have now improved. The Congress recognized this in the conference report to the bill S. 622, when it said that:

> The potential (exists) for a smooth transition of petroleum markets from a closely regulated state to a largely unregulated status subject to stand-by pricing and allocation authority.

I urge my colleagues to defeat this resolution and allow controls on residual fuel to lapse on June 1.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Speaker, I rise in opposition to this motion to discharge the Interstate and Foreign Commerce Committee from further consideration of the proposal to deregulate residual fuel oil.

The impression has been left in argument here, that the administration deregulation plan is before the Congress because of some unholy plot that will lead to further deregulation.

Let me set the record straight. This deregulation plan is before the Congress because Congress directed the President in Public Law 94–163, the Energy Policy and Conservation Act, to begin immediate action to deregulate. Section 454 of that act mandates the President, within 60 days, to take testimony from interested parties respecting the appropriateness or continuing need for, the application of any allocation and price control regulation.

That section, 454, further says, that the President shall, after consideration of such arguments, promulgate regulations "to eliminate any provisions of such regulation no longer necessary to provide for the attainment of such objectives."

The residual oil deregulation plan is before the Congress as a direct result of the mandate Congress gave to the President to deregulate where necessary. In fact, in the statement of the managers, accompanying the conference report on S. 622, the conferees specifically stated that—

> In view of these changed conditions, a comprehensive regulatory structure of the scope outlined above may no longer be necessary. (Page 203 of the conference report.)

Acting, not only under authority, but under mandate of the Congress, the President, acting through the Federal Energy Administration, began a procedure and hearings on February 11, 1976, on a plan to deregulate residual fuel oil. Testimony was taken from many interested parties. Little if any opposition was heard. The total testimony was analyzed and findings on the economic impact of the plan were reported to the House in House Document 94–428, dated March 29, 1976.

The FEA analysis clearly shows that "competition and market forces are adequate to protect consumers, following an exemption of residual fuel oil from regulation."

The economic impact findings further conclude, "No price increases are anticipated to result directly from decontrol," and "continued controls could lead to a deterioration of competition, resulting in reduced economic efficiency and higher prices."

Mr. Speaker, let us vote down this motion. The FEA report clearly shows that this deregulation plan is in the public interest.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Speaker, I reluctantly rise to oppose my colleague, the gentleman from Texas (Mr. ECKHARDT) a member of the committee, but I think our colleague, the gentleman from Massachusetts (Mr. CONTE) has very capably explained the serious price problem that we have in the Middle Atlantic and New England States. We are importing over 50 percent of our oil from foreign sources in pad 1, that is the east coast pad. It is that area that is paying basically for the very high price of $13.60 a barrel for foreign oil. Twenty-eight percent of this is OPEC oil.

The entitlement program was to achieve a balance between the cheaper oil in the Southwest as opposed to the experienced import product so that the consumers who are so hard hit in the New England and Middle Atlantic States could have some parity in individual oil prices.

The action of the FEA is truly consistent to equalize the entitlements between the one refiner that had an inordinate advantage over the other five domestic refiners and as a consequence if we vote down the motion of the gentleman from Texas, Mr. ECKHARDT, we will be adhering to a policy of keeping prices reasonable in the one area of America that is so totally dependent upon the higher price of imported oil.

Mr. BROWN of Ohio. Mr. Chairman, I thank the gentleman from New York for his contribution and concur in his point of view and suggest that we should now vote down the motion of the gentleman from Texas to discharge the Committee on Interstate and Foreign Commerce from its responsibilities, terminate the debate at this point and let the Federal Energy Commission's proposal to deallocate prices and distribution of residual fuels take effect.

Mr. GOLDWATER. Mr. Speaker, I rise in opposition to the motion to discharge the Interstate and Foreign Commerce Committee from its consideration of the FEA order to deregulate the price of residual fuel oil.

Not one witness before the Energy and Power Subcommittee disagreed with the proposed action of FEA. It is obvious, given that the Commerce Committee, itself, has not reported a resolution of disapproval to the House, that the committee agrees with the testimony of its witnesses and the action of the FEA.

We are told that price and allocation controls are instituted to deal with supply shortages and cost control. In the case of residual fuel oil, however, this very argument now used to disapprove the President's proposed action is rendered defenseless. To begin with, there is ample supply of this residual oil. In fact, we are using less than we have in the past. And, based on the supply factor here, no cost or price increase is expected to result from this small area of decontrol recommended by the FEA and the President.

There is no requirement that the House actively consider this matter. The gentleman who is offering this motion to circumvent the committee knows this and, if my memory serves me correctly, he voted for the law that authorized Presidential discretion in this respect.

Deregulation, even in this comparatively small area of our total energy situation, is a clear step in the right direction. It will remove a basic ill in our national energy picture.

I urge my colleagues to defeat the motion to discharge.

Mr. BOLAND. Mr. Speaker, I oppose the Eckhardt resolution.

I rise in support of the President's proposal to decontrol residual oil prices. It is not often you will find me supporting a plan that will authorize price hikes for energy, particularly when it directly affects New England. But, in this case at least, there is no indication that prices for residual oil will do anything but sink as a result of Mr. FORD's program. At present there are plentiful supplies of residual oil and prices, despite the anticompetitive nature of price controls, have been dropping. It is time to let market forces reassert themselves so that the current inequities of the Federally mandated supplier-retailer relationship are eradicated.

I do not believe there is a Member in this House today that believes that I would vote today for a measure that would raise energy costs for New England consumers. I was an original cosponsor of the Emergency Allocation Act when we so desperately needed relief for New England in 1973. As cochairman of the 25-member New England congressional caucus, I have worked to secure the end of Mr. Ford's license fees on imported oil. Recently, it was the stand of the New England caucus that I believed swayed Administrator Zarb toward granting residual oil entitlements to domestic refiners. This decision alone will save New England consumers an estimated $100 million a year.

Mr. Speaker, the FEA's recent decision regarding these entitlements may well be the nub of some Members' opposition to the administration's decontrol policy. Their concern is not so much that prices may rise, as they will not, but rather that the market share of some gulf coast refineries will dwindle under the new entitlement program. Without decontrol, the FEA is bound to adjust its entitlement program to the point that it will no longer produce the energy savings to the east coast and midwestern consumers that it now provides. I wish to say to my friends who may share this apprehension that their colleagues in New England will do all in their power to see that these adverse economic consequences do not result.

Mr. Speaker, under the present system of petroleum distillate controls, each retailer of residual and each major user is stuck with his base period supplier. He is also stuck with this supplier's price, regardless of the availability of cheaper fuel elsewhere. In times of relative plenty this situation is pointed up in all its economic ridiculousness. I do not say that such a system was not necessary once. Indeed, I was one of those who insisted on it when oil was scarce. But residual oil is not scarce now. Consumers can now get a better deal on an open, unregulated market. Groups of New England consumers want decontrol of residual oil. They are not alone in their desire for lower energy prices. I urge that this body make that decision that will bring about lower prices in these times of plentiful supply.

Mr. MOSS. Mr. Speaker, FEA's proposal to decontrol residual fuel oil is unacceptable and contrary to the public interest. The Congress has made a determination in the Energy Policy and Conservation Act that consumers need protection against exorbitant energy prices. But the bottom line for consumers is not the price of crude oil but the price of the energy products they consume. EPCA's controls on crude oil will be unavailing, if product costs do not bear a reasonable relationship to the costs of their crude oil inputs. Further, if such a reasonable cost/price relationship is not maintained, we will exacerbate the present anticompetitive nature of the industry by requiring independent producers to sell price-controlled crude to integrated majors selling products at whatever prices the market will bear. Surely this is not a result this Congress can accept.

Even FEA in its proposal indicated that if entitlements changes are made, decontrol might not be required.

Second, FEA argues that low import prices will assure a reasonable relationship between crude oil import costs and product prices. However, FEA is not certain that import prices are not low because domestic prices are low. Further, it is obvious to all that low import prices are fleeting phenomena which will change as soon as international economic activity quickens.

Finally, according to the Library of Congress study I have submitted for the RECORD, the proximity of present domestic residual fuel oil prices and international prices may be the result of FEA trying to maintain price ceilings for residual fuel oil which are unrealistically high.

The bottom line will be an increase in consumer prices from this administration's decision.

Let me point out that a 1-cent-per-gallon increase in residual fuel oil prices will cost consumers in the Northeast some quarter of a billion dollars annually.

Another element of FEA's decontrol proposal involves the transfer of unrecouped costs banked by refiners because of their inability to pass through costs associated with the production of residual fuel oil to other products. Since such banks were created to insure equity in a regulated market, it is essential that "banks" relating to a particular product should be extinguished if that product is decontrolled. If such action is not taken, the lawful ceiling price of other products may rise to the point of effective decontrol.

FEA asserts that such an action though meritorious is impossible. However, in an analogous situation involving jet fuel, a fraction based on dollar volume in 1975 was employed to break out part of the general refinery product bank, the same bank in which residual fuel oil costs are to be found. Using this same type of fraction, the FEA should diminish that part of a refiner's bank associated with sales of residual fuel oil.

In closing, I submit to you that the Congress should reject decontrol of residual fuel oil prices. A failure to do so raises the specter of substantial dismemberment of the legislation passed by the Congress to protect consumers against inequitable prices.

Mr. ROGERS. Mr. Speaker, I will not oppose the proposal to remove price and allocation controls from residual fuel oil. But, if I may, I would like to make clear the limits for this position.

First, I think everyone is agreed that allocation controls should be removed. These controls were imposed during the OPEC oil embargo; but now, when there is no shortage of supply, serve only to limit competition by tying suppliers and buyers to each other. Jobbers in my area have told me that they believe they could bid much more competitively for their supplies if they were permitted to shop around for those supplies. This competition must be restored, now that the supply emergency is no longer with us. This is what Congress intended when it passed the Energy Policy and Conservation Act in December.

In the act, we also gave the President the authority to propose removal of price controls from products, subject to one-House disapproval, if the President finds that "competition and market forces are adequate to protect consumers." The President has made this finding regarding residual fuel oil, primarily on the basis of a surplus of supply and unused refinery capacity. This has resulted in current market prices below the ceiling price permitted under the regulations. I understand that there is some difference of opinion over whether or not this condition is likely to persist, and I would like to say that it is my understanding that if circumstances should change, the President will exercise his authority under the act to reimpose price controls.

For these reasons, I do not oppose the decontrol proposal which is before us today. But, I have been informed that the President plans in the very near future to come to the Congress with a proposal to remove price and allocation controls from other categories of petroleum products, which, unlike residual fuel oil, are refined primarily in this country. And this concerns me very much. It concerns me because this House fought for most of last year to pass an oil pricing policy which would not wreck the economy. Rather than allow oil prices to rise to the OPEC level plus $2 immediately in January of 1975, as the President proposed, or to allow the price to rise rapidly under various phased decontrol plans which were proposed, we passed a bill which returned domestic oil prices to their January 1975 level of $11.28, and allowed them to rise for 40 months, when controls would be phased out.

This policy choice was the result of much hard work and compromise on the part of both Houses of Congress and the President. I think the current economic recovery would not have been possible if this sensible course had not been followed.

But all that work may be for naught, if an FEA proposal to remove price controls from refined products were permitted to take effect. And it is easy to see why. It will do us no good at all to control the price of crude oil, if a company is permitted to charge whatever it wants for the refined product. This is no control at all. And worse, we might be faced with the anomaly of the independent producer of price-controlled crude selling that crude oil to an integrated refiner, who then charges the OPEC price for the refined product. Consumers buy refined products, not crude oil, and we cannot assure the passthrough of crude price reductions, as required by the act, unless product prices are required to be passed through to the consumer.

And so, Mr. Speaker, I will not vote to disapprove this proposal. And it is probably desirable to remove allocation controls from other products as well, to restore competition in buying patterns. But I could be concerned by any proposal which may effectively remove price controls on crude oil before the end of 40 months, by removing controls from the products which are made from that crude.

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ECKHARDT).

The question was taken; and the Speaker pro tempore announced that the noes appear to have it.

Mr. ECKHARDT. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 109, nays 272, present 1, not voting 50, as follows:

[Roll No. 196]

YEAS—109

Adams
Addabbo
Allen
Ambro
Badillo
Baldus
Bedell
Biaggi
Bingham
Blanchard
Brademas
Breckinridge
Brodhead
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Collins, Ill.
Corman
Cornell
Daniels, N.J.
Delaney
Dellums
Diggs
Dingell
Downey, N.Y.
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Colo.
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Fraser
Hanley
Harris
Harsha
Hawkins
Hechler, W. Va.
Holtzman
Howard
Hughes
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lloyd, Tenn.
McHugh
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moss
Mottl
Nolan
O'Hara
Oberstar
Obey
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Rangel
Reuss
Richmond
Riegle
Rodino
Roe
Rosenthal
Roybal
Russo
Ryan
Scheuer
Seiberling
Solarz
Spellman
Staggers
Stark
Stokes
Stratton
Studds
Traxler
Tsongas
Vander Veen
Vanik
Vigorito
Waxman
Wolff
Yates
Young, Ga.
Zablocki
Zeferetti

NAYS—272

Abdnor
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bergland
Biester
Blouin
Boland
Bolling
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carney
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
Dent
Derrick
Derwinski
Devine
Dickinson
Dodd
Downing, Va.
Drinan
Duncan, Tenn.
Edwards, Ala.
Emery
English
Erlenborn
Esch
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fithian
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hannaford
Hansen
Harkin
Harrington
Hays, Ohio
Heckler, Mass.
Hefner
Helstoski
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum

Kindness
Krueger
Lagomarsino
Latta
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
O'Brien
O'Neill
Passman
Paul
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rinaldo
Risenhoover
Robinson
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
St Germain
Santini
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steelman
Steiger, Wis.
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Treen
Ullman
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wright
Wydler
Wylie
Yatron
Young, Tex.

PRESENT—1

Gonzalez

NOT VOTING—50

Abzug
AuCoin
Bell
Bevill
Boggs
Bonker
Conlan
Conyers
de la Garza
du Pont
Duncan, Oreg.
Eilberg
Eshleman
Evins, Tenn.
Gibbons
Goodling
Green
Gude
Hayes, Ind.
Hébert
Heinz
Henderson
Hinshaw
Johnson, Pa.
Jones, Tenn.
Jordan
Landrum
Lujan
McCloskey
Macdonald
Nedzi
Nix
Pepper
Peyser
Rees
Rhodes
Roberts
Sarbanes
Stanton, James V.
Steiger, Ariz.
Stephens
Sullivan
Teague
Udall
Weaver
White
Wilson, C. H.
Wilson, Tex.
Young, Alaska
Young, Fla.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Bell.
Mr. AuCoin with Mr. Gude.
Mrs. Boggs with Mr. Hayes of Indiana.
Mr. Eilberg with Mr. Rhodes.
Mr. Green with Mr. Udall.
Mr. Henderson with Mr. Weaver.
Mr. Jones of Tennessee with Mr. Johnson of Pennsylvania.
Mr. Macdonald of Massachusetts with Mr. du Pont.
Mr. Nix with Mr. Eshleman.
Mr. Teague with Mr. Gibbons.
Mr. James V. Stanton with Mr. Heinz.
Mr. White with Mr. Lujan.
Mr. Charles H. Wilson of California with Mr. McCloskey.
Mr. Nedzi with Mr. Peyser.
Mr. Pepper with Mr. Rees.
Mr. Evins of Tennessee with Mr. Charles Wilson of Texas.
Mr. de la Garza with Mr. Young of Alaska.
Mr. Conyers with Mr. Bonker.
Mr. Bevill with Mr. Duncan of Oregon.
Ms. Abzug with Mr. Goodling.
Mr. Conlan with Ms. Jordan.
Mr. Roberts with Mr. Stephens.
Mr. Sarbanes with Mrs. Sullivan.
Mr. Landrum with Mr. Young of Florida.

Mr. DENT and Mr. CARTER changed their vote from "yea" to "nay."

Mr. DOMINICK V. DANIELS, Mr. MOAKLEY, Mrs. MEYNER, and Mr. HANLEY changed their vote from "nay" to "yea."

So the motion was rejected.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. ECKHARDT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the motion just repected.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. OBEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on my amendments and all other amendments to H.R. 13172, the second supplemental appropriations bill, which was passed by the House earlier this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONFERENCE REPORT ON S. 644, CONSUMER PRODUCT SAFETY COMMISSION IMPROVEMENTS ACT OF 1976

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the Senate bill (S. 644) to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission, to authorize new appropriations, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

POINT OF ORDER

Mr. BUTLER. Mr. Speaker, I rise for the purpose of making a point of order against the conference report.

I raise a point of order against the conference report on the grounds that the conferees have violated rule XXVIII, clause 3, of the Rules of the House by agreeing to a matter not committed to conference, thereby exceeding their authority.

The SPEAKER pro tempore. Does the gentleman from Virginia (Mr. BUTLER) desire to be heard further on his point of order?

Mr. BUTLER. I do, Mr. Speaker, if I may explain it now.

The SPEAKER pro tempore. The Chair will hear the gentleman.

Mr. BUTLER. Mr. Speaker, I refer the Members to page 6 of the conference report, specifically section 11(c), subsection (7)(B), which authorizes the Consumer Product Safety Commission to "initiate, prosecute, or appeal, through its own legal representative, with the concurrence of the Attorney General or through the Attorney General, any criminal action."

For the further information of the Members, Mr. Speaker, this is the section headed "Civil Litigation."

This is an authorization in the Consumer Product Safety Commission to institute criminal action in its own name for the purpose of enforcing the law subject to its jurisdiction.

This is a matter, Mr. Speaker, which is not in an area of disagreement between the House and the Senate. The House was silent in this area.

The Senate has offered an amendment to the Senate bill, S. 644, in section 9(b) which says that section 27(c) shall be amended to read as follows—and I quote:

> For purposes of this subsection and of subsection (b)(7) of this section, unless the Attorney General notifies the Commission within 45 days of a request for representation that he will represent the Commission such representation may be made by attorneys designated by the Commission.

Mr. Speaker, we notice that the language here does not make any reference at all to criminal jurisdiction or the enforcement of criminal law or proceedings. Yet the language in the conference report to which I refer clearly spells out criminal proceeding authority.

This is a big step, Mr. Speaker, and one which we should not undertake lightly. The issue before us, of course, is whether subsection (b)(7) of this section in the earlier law permits the Consumer Product Safety Commission to institute criminal proceedings against individual citizens of the United States in its own name.

I will point out, Mr. Speaker, that there is no specific language in subsection (b)(7) which refers at all to criminal jurisdiction. It does permit the prosecution, initiation, defense, or appeal of other actions in the name of the Commission for the purpose of enforcing the laws. But, Mr. Speaker, this is clearly in matters of civil law and civil proceedings and not criminal proceedings.

This is very significant, Mr. Speaker, and I insist on the point of order, because never before in the history of the United States have I been made aware of a Federal agency that has the power to go into the Federal courts and institute a Federal criminal proceeding. If the language is not explicit and clear on this point, it should not be undertaken lightly, and I should not think this Congress ought to do that.

The word, "criminal," is not mentioned, and the words, "criminal proceedings," are not mentioned. The conference report of 1972 which provides parameters for this subsection is silent on this point.

It is clear from the legislative history. The gentleman from West Virginia (Mr. STAGGERS) was interrogated as to the meaning of the language in 1972.

Mr. Speaker, the gentleman from West Virginia (Mr. STAGGERS) made it abundantly clear. If I may, I refer to the RECORD of October 13, 1972, beginning on page H9909, in which the gentleman from

West Virginia (Mr. STAGGERS) said as follows:

> Except as to injunction proceedings for imminent hazards, a power which exists in the other regulatory agencies, the basic control of litigation was left with the Department of Justice.

If the basic control was left with the Department of Justice, there is no power, Mr. Speaker, in the Consumer Product Safety Commission to institute criminal proceedings, and this was not within the area of disagreement.

I guess the proof of the pudding, however, is in the eating. In the 3½ years of the Consumer Product Safety Commission, the Commission has not made any effort to institute its own criminal actions.

I am sure, Mr. Speaker, that no other agency has this power, and indeed, this agency does not have this power.

Mr. Speaker, the conference report is beyond the area of disagreement, and I respectfully insist upon my point of order.

The SPEAKER pro tempore (Mr. MCFALL). Does the gentleman from Texas (Mr. ECKHARDT) desire to be heard on the point of order?

Mr. ECKHARDT. I do, Mr. Speaker.

The point of order is not well taken. With all deference to my learned colleague, the gentleman from Virginia (Mr. BUTLER), he has simply turned the facts on their head.

What is done in this case is not to grant to any agency attorney the right to prosecute a criminal action. What is done is to retain the provisions of existing law under which the Attorney General has complete authority with respect to criminal actions. Unless he concurs, no one else may prosecute them.

The gentleman from Virginia (Mr. BUTLER) maintains that the provision in the conference report authorizing the Commission to "initiate, prosecute or appeal through its own legal representative, with the concurrence of the Attorney General or through the Attorney General any criminal action" is outside the scope of the conference.

Mr. Speaker, this provision is clearly within the scope of the conference; in fact, it only continues present law. Existing law—section 27(b)(7)—indicates that the Commission is authorized to initiate, prosecute, defend, or appeal any court action—that is, criminal or civil—through its own representative, with the concurrence of the Attorney General. Since the conference substitute changes this authority with respect to civil actions, it was necessary to restate the policy and authority regarding criminal actions.

The provision in existing law clearly goes to criminal as well as civil actions. As the statement of the managers explaining the Senate bill (S. 644) stated:

> The Senate bill authorized the Commission to initiate, prosecute, defend, or appeal civil or criminal actions through its own attorneys if the Attorney General did not agree to represent the Commission within 45 days . . .

This is a clear indication that the original language of the act goes to both civil and criminal actions.

In addition, the language of the act on its face is clear and unambiguous. It states that the Commission is authorized to initiate, prosecute, defend, or appeal any court action in the name of the Commission for the purpose of enforcing the laws subject to its jurisdiction. Any court action must include criminal as well as civil actions. Certainly, criminal actions are "court actions to enforce the laws."

Mr. Speaker, the legislative history of the Consumer Product Safety Act supports the interpretation that the language presently in the act includes criminal as well as civil actions. The language was taken from the Senate bill, and the history from the other body indicates that the Senate very much intended the language to cover criminal as well as civil actions. In fact, there was an amendment and extensive debate on the Senate floor to delete that authority from the Senate bill for the very reason that it authorized the agency to bring criminal actions. Committee reports from both the Senate Commerce Committee and the Senate Labor and Public Welfare Committees indicate that the language was intended to reach criminal as well as civil actions.

Since the original act permitted the agency to represent itself in criminal actions if the Attorney General consented, and since the Senate bill (S. 644) would have authorized criminal actions by the Commission if the Attorney General refused to represent the agency, there is no question but that the conference substitute which merely continues existing law is within the scope of the conference.

The SPEAKER pro tempore. Does the gentleman from Virginia desire to be heard further on his point of order?

Mr. BUTLER. I do, Mr. Speaker, for the purpose of making one additional point, if I may.

The gentleman from Texas (Mr. ECKHARDT) will agree that if, as the gentleman contends, the Consumer Products Safety Commission now has the jurisdiction to invoke criminal penalties and to proceed to prosecute for criminal violations that it will be unique among Federal agencies?

Mr. ECKHARDT. That may be true but that does not go to the situation here, the question of whether or not it was within the scope of the conference, if the agency has authority to prosecute criminal actions. I really do not think it does. It is with the concurrence of the Attorney General.

But if it did have that authority, to reinstate that authority in the conference would not be outside the scope of the conference.

The SPEAKER pro tempore (Mr. MCFALL). The Chair is ready to rule.

The gentleman from Virginia (Mr. BUTLER) makes a point of order against the conference report on the grounds that the conferees have exceeded the scope of their authority.

The gentleman from Virginia argues that section 11 of the conference report contains matters not committed to conference by authorizing the Consumer Product Safety Commission to prosecute any criminal action with the concurrence of or through the Attorney General. The House amendment was silent on the litigation powers of the Commission, thereby retaining the provisions of existing law. The Senate bill authorized the Commission to represent itself in court actions if the Attorney General did not agree to represent the Commission.

The issue presented, therefore, is whether the authority of the Commission to prosecute criminal actions with the concurrence or through the Attorney General was committed to conference. The gentleman from Virginia has argued that section 2076(c)(7), title 15, of existing law, did not authorize the Commission to prosecute criminal actions in its own name with the concurrence of or through the Attorney General. That section authorizes the Commission to "initiate, prosecute, defend, or appeal any court action in the name of the Commission with the Attorney General's concurrence." It is apparent to the Chair that the term "any court action," and the term "prosecute" embraces both civil and criminal actions in the courts.

The joint statement of the managers states, at page 24, that the conference substitute retains existing law with respect to criminal actions. The Chair has also examined the legislative history in the 92d Congress at page 21881 of the RECORD of June 21, 1972, where the authority of the Commission was considered to extend to criminal actions.

The Chair agrees with the arguments made by the gentleman from Texas (Mr. ECKHARDT), and for the reasons stated, the Chair finds that the conferees have not exceeded the scope of their authority and overrules the point of order.

The Clerk will read the statement.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 8, 1976.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER pro tempore. The gentleman from West Virginia is recognized for 30 minutes.

Mr. STAGGERS. Mr. Speaker, I rise in support of the conference report on S. 644, the Consumer Safety Commission Improvement Act of 1976.

I believe this conference report reflects a full and fair resolution of the differences between the House- and Senate-passed bills.

To summarize the major provisions in the conference report:

Authorization of appropriations is provided through fiscal year 1978 at the funding levels in the House-passed bill—fiscal year 1976, $51 million; transition period, $14 million; fiscal year 1977, $60 million; fiscal year 1978, $66 million.

Both House and Senate bills removed the Commission's authority to regulate firearms and ammunition. The conference report also removes this authority.

The conference report removes the

Commission's authority to regulate tobacco and tobacco products. The Senate bill's provision permitting the Commission to regulate tobacco as a source of ignition was deleted.

The conference report contains a fair and uniform preemption provision for all four safety acts administered by the Commission. These four acts are: Consumer Product Safety Act, Flammable Fabrics Act, Federal Hazardous Substances Act, and Poison Prevention Packaging Act. The language is that of the House-passed bill with a clarifying change allowing the Commission in its discretion to determine the appropriateness of the findings which it must make to determine if a State or local requirement burdens interstate commerce.

The Commission is given needed flexibility to determine which of its acts to use to protect the public against a risk of injury associated with a consumer product. This provision was contained in the Senate-passed bill, but not the House-passed bill.

The conference report contains a modified provision from the House-passed bill which gives enhanced congressional oversight of the Commission's safety regulations. The Senate-passed bill had no similar provision.

The conference report allows the Commission to use its own attorneys in injunction cases when time is of the essence and in other civil litigation if the Attorney General does not agree to represent the Commission within 45 days. This represents a modified version of the Senate bill provision which allowed the Commission to represent itself in both civil and criminal actions. The House bill contained no similar provision.

The conference report contains the language of the House bill authorizing the Commission to prohibit the distribution of consumer products containing substantial product hazards. The Senate bill had a similar provision.

The conference report contains a modified Senate provision which permits the bringing of a civil action against the United States which is based upon a claim of misrepresentation or deceit by the Commission or any employee. This is an experimental provision; no claim can be brought which did not arise before January 1, 1968. The House bill contained no similar provision.

I urge the adoption of the conference report.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the majority leader, the distinguished gentleman from Massachusetts (Mr. O'NEILL).

(By unanimous consent, Mr. O'NEILL was allowed to speak out of order.)

ADDITIONAL LEGISLATIVE PROGRAM

Mr. O'NEILL. Mr. Speaker, I ask to speak out of order in order that I may inform the House of the program the remainder of this evening and the remainder of the week. When we complete this bill, we will then take up the conference report on the Federal-Aid Highway Act and when we complete that conference report, which, as I understand, is not controversial, our work for the week will have been completed; but there will be a pro forma session at 10 o'clock tomorrow morning without any anticipated legislation.

For any Members who wish to make speeches or wish to put anything in the RECORD of that nature, there will be a pro forma session at 10 o'clock tomorrow morning. So when we complete the schedule, which is this bill and the highway conference report, we will be through legislatively for the week.

Mr. STAGGERS. I am very happy to yield to the majority leader for such an announcement.

Mr. Speaker, I reserve the balance of my time.

Mr. McCOLLISTER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, it is with a certain amount of reluctance that I must oppose passage of the conference report on S. 644, amendments to the Consumer Product Safety Act. The House-passed version of this legislation generally was a reasonable, well-thought-through bill. What has come out of the conference, however, bears little resemblance to what went in. This is why three of the House conferees, myself included, felt that we could not sign the conference report.

The conference report contains very little that warrants enactment. One of the few worthwhile provisions deals with the question of Federal preemption. The CPSC administers not only the Consumer Product Safety Act, but also the Flammable Fabrics Act, and the Federal Hazardous Substances Act provides no preemption for standards issued under it. This situation has proved to be especially harmful to the apparel and bicycle industries which have been faced with a myriad of differing State regulations. Under the language of the preemption provision of the conference report, these State standards would be automatically preempted if a Federal standard was in effect, unless the State applied to the Commission and received an exemption. I would expect, however, that very few exemptions would ever be granted by the Commission.

The only other worthwhile provisions include a clarification of the original congressional intent that the Commission has no authority under any of the laws it administers to regulate firearms, ammunition, or tobacco. Finally, the conference report substantially improves the rulemaking procedures of the Flammable Fabrics Act by providing for an oral hearing and judicial review of flammability regulations on the basis of substantial evidence on the record. I fear, however, that the significance of this provision may not be great, since another provision which I will discuss in a moment may unfortunately result in the de facto repeal of the Flammable Fabrics Act.

The conference report, on the other hand, contains a number of provisions of doubtful wisdom. For example, it prohibits the Commission from incorporating a sampling plan into a safety standard. Since it is virtually impossible to guarantee 100 percent compliance with a standard no matter what the product, a manufacturer will never be sure that he is completely in compliance with a standard short of 100 percent testing. The absolute absurdity of this provision is demonstrated by the fact that it exempts fabrics and other materials which could be regulated under the Flammable Fabrics Act, and it also exempts glass containers. These, of course, are items which require testing to destruction, an impossible feat if 100 percent testing is required. One must wonder, however, if the definition of "glass container" is so broad as to cover all items made of glass. Certainly, there is no good reason why glass bottles should be exempt from the provisions of the conference report, but that glass windows, for example, should not be exempt.

The conference report contains a provision regarding litigation similar to that which was deleted on the House floor. The conference report authorizes the Commission to represent itself in actions for injunction enforcement of the Product Safety Act. With respect to other civil cases, the CPSC could proceed if the Attorney General does not agree to represent the Commission within 45 days after receipt of a request for representation. This provision would allow the Commission to bring a civil case which the Justice Department has declined to bring. The problems of such a situation will be more fully discussed by the gentleman from Virginia.

The House-passed bill contained a provision authorizing either House of Congress, by resolution, to nullify a Commission rule or order. The conference report version merely requires the Commission to transmit to the Congress a copy of a proposed product safety standard 30 days prior to its becoming final. Apparently, the drafters of this provision are not aware that the same result can be achieved by reading the Federal Register. To call this emasculated version of the House provision a compromise is to seriously abuse the English language.

The conference report would also authorize the Commission to regulate a product under the Consumer Product Safety Act rather than under the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, or the Flammable Fabrics Act—known collectively as the transferred acts—if the Commission determines by rule that such action is in the public interest. Under present law, which the House affirmatively voted to retain, the Commission may regulate under the Consumer Product Safety Act only if a risk of injury cannot be reduced or eliminated by action taken under the transferred acts. The conference version delegates to the Commission the decision as to whether and when the transferred acts will be used. I find little solace in the requirement that the Commission conduct a rulemaking proceeding prior to discarding the transferred acts. The public interest standard which the Commission must use is extensively broad and all inclusive. Further, the review standard is the "arbitrary and capricious" standard. Consequently should one disagree with the Commission determination to regulate under the Product Safety Act rather than the transferred acts, there would be little that the person could do. As a practical matter, appeal would be impossible.

Finally, I was somewhat surprised by the speed with which a majority of House conferees were willing to abandon the House position in their zeal to reach a compromise with the Senate. As I have stated, the House voted to retain present law with respect to jurisdiction under the transferred acts rather than the CPSA. The congressional veto provision won on the House floor by an impressive margin. Finally, the House, two times, addressed the litigation question and each time decided that this authority was not properly housed in the Commission. On each of these issues, the conference version is drastically different from the House position. I believe that the entire House should be concerned when conferees appointed to represent the House position so readily capitulate to the demands of the Senate.

Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. BUTLER), who was the author of two of these amendments adopted in the committee which were deleted in this conference report.

Mr. BUTLER. Mr. Speaker, I do feel rather badly about this legislation, since they tell us how good it was when it came back from the Senate, yet the only improvements are the two amendments I offered on the floor, which somehow got lost in the conference. I do feel that the amendments I offered were accepted with a great deal of enthusiasm and support on record votes in two actions. I was greatly disappointed that the conference did not find it in their hearts to support our position. Since I have received so many letters from industrial supporters of the legislation, I am surprised that somehow or other my amendments have been traded off in order to improve the legislation for the benefit of some of those people who had complaints about other aspects of it.

I think basically the principles involved in the questions which I presented in my amendments are still important and significant in this legislation. The first of the amendments, which I hope the gentleman from Georgia will have an opportunity to offer in a moment, dealt with the reservation in the Congress of the right of congressional veto over this legislation and over regulations as they come forth from this Commission. I felt it was very important, as did the House. The House Judiciary Committee has reported out legislation which will accomplish this purpose, and it is now before the Rules Committee.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, the gentleman recognizes, though, that the amendment that came out of the Judiciary Committee deals with congressional review only of rules proceedings, whereas the amendment of the gentleman from Virginia dealt with review also of orders as well as rules. Is that not correct?

Mr. BUTLER. I think it would be simpler to say that they are not entirely coterminous in their effect, but I would not suggest that the legislation which is now before the Rules Committee is that limited.

Mr. ECKHARDT. Well, I believe it is, but the gentleman would concede to me that if his amendment included orders, it would permit the Congress to review what is essentially a judicial act, or quasi-judicial act, in enforcing a rule under 554 of the Administrative Procedure Act; would it not?

Mr. BUTLER. I would not concede that point, but I would suggest to the gentleman that this is the reason I do not want to jeopardize the legislation which is now before the Rules Committee, so I am not going to ask the House to insist upon that.

Mr. ECKHARDT. I am talking about the gentleman's own amendment to this bill.

Mr. BUTLER. Yes. I am not going to insist on my amendment at this time simply because I am not going to jeopardize that issue insofar as the other legislation is concerned.

Mr. ECKHARDT. I thank the gentleman for his statesmanlike position.

Mr. BUTLER. It is partly statesmanship and partly pragmatism, I insist to the gentleman, but I would accept the former for the purpose. I also insist upon the right to reserve to the Department of Justice control over litigation. I think this is fundamental—fundamental to our procedures.

There has been from time to time an erosion of the principle that the Department of Justice controls litigation, but basically the principle is in the law and we have supported it as often as we could in the House, taking the opportunity and have spoken very strongly to that in this instance by striking out of this bill amendments which would have given to the Consumer Product Safety Commission the control over the civil litigation. That is what the conference report does. It has, in effect, rejected the amendment which was adopted by the House and now gives control over civil litigation ultimately to the Consumer Product Safety Commission. I think that is basically wrong. The Justice Department is the Agency charged with the responsibility of supervising Federal litigation, and this is important. It is important to retain the Justice Department's authority in this area for a number of reasons.

First, it is important that there be a body in the Federal Government with responsibility for overseeing all Federal litigation. Cases involving one regulatory agency can often impact on another agency when common issues of law are involved. A case brought by a commission, for example, could serve as a precedent which would affect all Federal agencies in such areas as statutory construction, procedural requirements, applicability of enforcement tools, and so on.

The general counsel of the Consumer Product Safety Commission is not in the best position to recognize how and when cases involving his agency impact on others. His view is naturally a nearsighted one, limited to a particular case. But, the Attorney General of the Department of Justice or the Department is in a position to judge how an issue will impact on the rest of the Federal Government, and that is their responsibility.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. McCOLLISTER. Mr. Speaker, I yield 4 additional minutes to the gentleman from Virginia.

Mr. BUTLER. Mr. Speaker, I realize I am intruding on the time of the House, but I do think it important that we recognize that this issue is significant to this legislation and to the future of the Federal Government. I feel that this legislation as it comes from the conference will result in a wasteful duplication of resources and efforts. The Justice Department has a network of attorneys, all of whom are skilled in the intricacies of Federal court litigation. But no agency, particularly the Consumer Product Safety Commission, can hope to duplicate the litigation expertise, experience and local presence of the Justice Department without a significant allocation of resources; without a significant cost to the taxpayers of this country.

And, finally, Mr. Speaker, the Commission has not been able to show in the record a need for independent litigating authority.

At the present time, the Commission, under an agreement with the Department of Justice, may litigate in its own name any civil case which the Department of Justice may decline to bring. But thus far, the Department of Justice has not declined to bring such a case. And, of course, we had an earlier argument today about the expansion to this authority to criminal jurisdiction. It is my view that this is an expansion of authority which does not exist. It is an expansion of authority to bring criminal action which does not presently exist. And not only is it an expansion of authority, but this is an opportunity in this House to set the record clear. We do not want this body to have the criminal enforcement jurisdiction that no other Federal agency has.

Therefore, Mr. Speaker, I will at the appropriate time move to recommit this bill with instructions that the aspects of it dealing with civil and criminal litigation be stricken from the bill.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Speaker, I had hoped the gentleman would not say what he said after the word, "therefore," because I feel that might jeopardize the ultimate passage of the bill.

Does the gentleman really feel it is worth the risk?

Mr. BUTLER. I do, indeed. I will say to the gentleman on my motion to recommit it will be my intention to vote against the conference report because I think the failure to include the veto power and several other aspects of this legislation still concern me greatly.

Mr. ECKHARDT. I thank the gentleman.

Mr. STAGGERS. Mr. Speaker, I yield

5 minutes to the gentleman from California (Mr. Danielson).

Mr. DANIELSON. Mr. Speaker, I thank the distinguished chairman for allocating 5 minutes to me. I probably will not use them all.

Mr. Speaker, I am dismayed, I am amazed, I am astounded, by the way we act down here on the floor.

As the Members know, I go out home, like the rest of them do, and I am going to go out there tomorrow and probably spend 10 days there. And I can hear all of those speeches the Members will make—and I probably will make that one too—that we are going to cut down on the proliferation of Government agencies.

Mr. Speaker, we all know there are so many agencies already that we need another one to count them and keep track of them, and probably another one to define what their duties are.

Mr. Speaker, we in the United States have a pretty well organized government. We have, among other things, a Department of Justice. The Department of Justice is supposed to be the law office, the Attorney General is the lawyer, for the United States. Inherent in our system, the Department of Justice—the Attorney General is the head of it—takes care of all civil and criminal litigation for the U.S. Government. That is the proper, correct way. I think that is an orderly system of government. It is one we ought to maintain.

Here we are, talking about cutting down on the proliferation of agencies, we are not going to expand on the bureaucracy. We say, "Mr. Voter, you send me back to Congress this time, and I will be good this time, I will not waste money, I will not vote to increase the size of government."

So what do we do? We come in here and would confer upon this Consumer Product Safety Commission—which, incidentally, I support—the power to conduct its own litigation.

I am very firmly and conscientiously opposed to this provision. I submit that every one of us can do our country and our constituents a real genuine favor by supporting the motion to recommit for the purpose of striking this very repugnant portion of this bill.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr Speaker, did not the gentleman misspeak when he said that this is the only agency that controls the civil litigation? There is the FPC, the FTC, the SEC and there is the ICC——

Mr. DANIELSON. I will yield no further. The Wage and Hour Office is also active on the civil side. But when we get away from administrative law and into the real meaty litigation, it takes the Attorney General and a staff of real lawyers, and people with a well coordinated procedure to conduct litigation.

I think this is what we ought to do. Let us get away from this idea of starting up something new all the time.

If we do not like the way the State Department is functioning, do we set up another State Department? No. We may try to get rid of the Secretary of State, and get another one, or we shake him up a little bit and tell him to get on the ball and do a better job. But we do not set up another Department of State.

If the Department of Agriculture messes up everything and sells all the grain to Russia, do we set up another Department of Agriculture? Heavens, no. We might shake the man up a little bit and say, "Mr. Butz, get back on the ball there. We don't go for this sort of thing." But we do not set up a new Department of Agriculture to pull, theoretically, in the same harness as the old Department of Agriculture.

Mr. Speaker, we have no business setting up a separate litigation branch in this Consumer Product Safety Commission.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I understand the gentleman is a former U.S. attorney or assistant attorney.

Mr. DANIELSON. Just an assistant.

Mr. SEIBERLING. Were there not times when the U.S. attorney's office was so swamped with its own work that it was not able to take on additional matters?

Mr. DANIELSON. Not while I was in the Department, never. We took on all cases. We turned no one down. When the Food and Drug Administration came in with a case and said, "Please, would you handle it?" we said, "Yes." We would handle it, and we would do a beautiful job.

Mr. SEIBERLING. Maybe things have changed now that the gentleman is no longer with that office.

Mr. DANIELSON. Mr. Speaker, I think the young people of America can do just as good a job as we did, so let us give them a chance to do it.

Mr. STAGGERS. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. Levitas).

Mr. LEVITAS. Mr. Speaker, I thank the gentleman from West Virginia for yielding this time to me.

Mr. Speaker, I am very disappointed and very dismayed as I read this conference report to see that the amendment offered by the gentleman from Virginia (Mr. Butler) has been traded away by the conferees on the part of the House. That amendment, I think, embodied in it a spirit that is not only sweeping America but is now in the forefront of the eye of Congress, and that is the right of the Congress elected by the people to make the laws that govern America.

That is not an obvoius statement, because the fact of the matter is that most of the laws that we are governed by today are made by unelected bureaucrats. We Americans have sat by supinely while this has happened. These are laws which regulate every aspect of our lives, and yet no one elected by anybody has ever had an opportunity to pass upon them.

The congressional veto which the gentleman from Virginia (Mr. Butler) built into this bill is a principle which has been endorsed by over 200 Members of this body who have cosponsored legislation dealing with this same subject. That was written into this particular bill through the amendment offered by the gentleman from Virginia (Mr. Butler). Yet this got to the committee of conference, and when this bill comes back from conference, we find that this fundamental principle of American government has been traded off.

I am sure that the managers on the part of the House did all they could to establish the position of the House. I have no doubt about that. I am sure that, as far as the managers on the part of the House who signed this report are concerned, the mere fact that they may have happened to vote against the amendment offered by the gentleman from Virginia (Mr. Butler) had nothing to do with the fact that that was one of the amendments that was traded off in the conference committee. However, I believe that the managers on the part of the House could have vigorously stood up for the House position on this matter, because it is one that has been addressed to the attention of the people of America. They have been asking the question: "Who makes the laws, you, the elected Representatives, or the unelected bureaucrats?"

If the managers had taken that position, I think we would have been able to retain that amendment.

Mr. Speaker, I have urged the gentleman from Virginia (Mr. Butler) not to offer a motion to recommit based upon this action for the very reason that legislation is now pending before the Committee on Rules, having been voted out of the Committee on the Judiciary, which would apply this precept to all agencies. However, I think the point needs to be made here and now that either we have a commitment to do our job as legislators or we are going to turn the Government over to people who have not been elected by anyone and who are responsible to no one.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I thank the gentleman for his very moderate and temperate statement. I know his very strong feeling about congressional review of rules of administrative agencies.

Will not the gentleman agree with me that the bill which came out of the Committee on the Judiciary under the authorship of the gentleman in the well and the gentleman from Alabama (Mr. Flowers) only purports to review the rules and not orders of the Commission? Therefore, it only touches the legislative questions rather than the adjudicatory functions; is that not correct?

Mr. LEVITAS. I would agree that there are certain differences between the Butler amendment and H.R. 12048 to which the gentleman refers.

I do not wish to get into the legal niceties that distinguish these two. There are some differences. The bill now in the Committee on Rules is one dealing solely with rules and regulations promulgated by the administrative agency, but I would like to ask the gentleman from Texas, who is still on his feet, this question: One of the reasons I do not urge that the gentleman from Virginia (Mr. BUTLER) make this point today as part of the motion to recommit is that perhaps it ought to apply to all agencies and not just to one agency.

The fact that there have been 129 bills in Congress which, piecemeal, put this provision in perhaps now requires us to take an overall look at the section.

Would the gentleman agree with me on that?

Mr. ECKHARDT. Not precisely, because various agencies have different kinds of regulatory functions.

Particularly in the case of this agency, a safety standard tends to be an adjudication. I would hate to see, for instance, this Congress have to decide whether a blade on a lawnmower should swing clockwise or counterclockwise.

Mr. LEVITAS. I think we come back to the fundamental position that this Congress is going to have to face this year when we face the voters later this year. Are we going to pass the laws governing the people in America or are we going to turn the lawmaking function over to those people who have never been elected by anybody?

Mr. McCOLLISTER. Mr. Speaker, I yield myself 2 minutes, and then I wish to yield to the gentleman from Virginia (Mr. BUTLER) to explain his motion to recommit.

Mr. Speaker, to add some substance, not that it is necessary, to the remarks of the gentleman from Georgia (Mr. LEVITAS), last year I discovered that we passed 205 laws in this body that became public laws, 205. At the same time last year, more than 7,300 rules were promulgated by agencies which had the force and effect of law. The mere publishing of those rules required an amount of paper about twice the size of the Encyclopaedia Britannica, so that we have delegated to agencies, both executive branch agencies and independent regulatory agencies, a great measure of our legislative responsibility.

The gentleman from Virginia (Mr. BUTLER) has decided not to have his motion to recommit include that amendment which bore his name in the Committee of the Whole when the bill was under consideration. He will offer the motion to recommit on another basis, a simpler basis.

Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. BUTLER) so that he may explain his motion to recommit.

Mr. BUTLER. Mr. Speaker, I will not take the 5 minutes.

I will insist, however, that this motion to recommit is important. Its function is to strike from the bill those provisions which give the Consumer Product Safety Commission control over civil and criminal litigation.

This is unique as to criminal litigation. It is not entirely unique as to civil litigation, but it is a bad precedent and a bad step. I think it is important to retain in the Department of Justice control over litigation, which is the tradition and the basis on which our Federal system and our Government has been put together.

Mr. Speaker, the motion to recommit upon which I insist, please understand, is limited to striking only that aspect of it dealing with vesting of power in the Consumer Product Safety Commission, the power to control civil and criminal litigation.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I merely want to talk about the motion to recommit because I want the Members to understand that we have not given this agency any more power. Indeed we have given it less power with respect to the control of its litigation than is exercised by the SEC, the Federal Power Commission, the ICC and, in one respect, the Federal Trade Commission. This is essentially the uniform type of authority granted to agencies to conduct their litigation, except that we even give the Attorney General control—if he takes action within the 45 days—respecting civil litigation.

This is a very moderate provision. I urge that we not jeopardize this bill by recommitting it to conference with the chances of no bill coming out because this legislation does a very important thing, like the gentleman from Nebraska (Mr. McCOLLISTER) pointed out, it prevents a great number of jurisdictions from impinging on the design of various equipment produced, on safety grounds. I refer to the preemption clause. And because of that preemption clause and its desirability that the gentleman from Nebraska (Mr. McCOLLISTER) has pointed out, the bill as is, is supported by the American Apparel Manufacturers Association, the American Textile Manufacturers Institute, the Carpet and Rug Institute, the Consumer Federation of America, the Man-Made Fiber Producers Association, the National Cotton Council of America, the Northern Textile Association, Public Citizen, American Insurance Association, Sears, Roebuck & Co., the Chamber of Commerce, and a number of others.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to say that I do not believe the motion to recommit is frivolous, but I say it should not come at this time. This is an important bill to every man, woman, and child in America.

We went to the conference and did the best job that we could do with the Senate. The subcommittee chairman will tell you of all the places the Senate gave in on to the House. Of course, we had to give in on some of these issues.

I do not treat this issue lightly because I believe our job is to protect the consumers of this land. It might be your home, or your child, or your mother, or anybody else that needs the protection. We are trying to do that in this bill. I think the time has come when we should do it and I say the motion to recommit should not pass.

Mr. Speaker, I want to congratulate the members of the subcommittee on both sides of the aisle for the fine job they did in bringing this to the full committee and to the floor and debating it. They have done a great job and I want to commend them.

Now I yield such time as he may consume to the gentleman from California (Mr. VAN DEERLIN) to close the debate.

Mr. VAN DEERLIN. Mr. Speaker, does the gentleman from Massachusetts desire me to yield to him?

Mr. BOLAND. I do, Mr. Speaker.

I thank the gentleman for yielding. I would like to ask a question with reference to the sampling plans, and that question goes to the prohibition of sampling plans in section 7(a) of the Consumer Products Safety Act. I notice that flammable fibers and glass containers are exempt under this provision. As the gentleman from Nebraska indicated in his remarks, there are other products that would also seem to warrant an exemption, either because of the overwhelming numbers produced, or because of the destructive nature of the testing. I am thinking of book matches as one example. For these products the only way to insure 100 percent compliance is to destroy every product. Will this provision mean that every one of literally billions of matches will have to be tested? That is the question that I propound.

Mr. VAN DEERLIN. That is a valid question, I say to the gentleman from Massachusetts, and one which came up a number of times during consideration of the bill. The answer is, of course, "no." The effect of section 6 of the conference of course is to prohibit the Commission from requiring referencing or incorporating a sample plan in a community product safety standard.

The provision does not mandate 100 percent testing of any product, and obviously the conferees do not intend that the Commission require 100 percent testing with respect to products that would be destroyed by the test. Even we conferees who signed the report are not that idiotic.

The provision does not prohibit a manufacturer from adopting its own sampling program, or whatever quality control mechanism it desires to use, to satisfy itself that the products comply with the consumer product safety standard. Further, the provision does not prohibit the Commission from using sampling plans for purposes of certification under section 14 of the act.

Mr. BOLAND. I take it, then, if the gentleman will yield further, that when destructive testing is involved, sampling plans can be used in the CPSC's compliance testing program to approximate 100 percent compliance?

Mr. VAN DEERLIN. The bill will not affect the Commission's authority to include sampling plans and certification programs under section 14. The gentleman may be absolutely assured that no one is going to be expected to run through every book of matches and strike them and extinguish them in order to satisfy some inspector that they will not blow up.

Mr. BOLAND. I appreciate the gentleman's comments. I thank the gentleman very much.

Mr. VAN DEERLIN. Mr. Speaker, this conference report represents a fair and workable compromise between the differences in the House bill, H.R. 6844, and

the Senate bill, S. 644. The legislation is extremely important, and I urge my colleagues to approve the conference report.

Let me briefly describe some of the highlights of the legislation:

The conference report authorizes appropriations for the Consumer Product Safety Commission through 1978.

It removes the Commission's authority to regulate tobacco and tobacco products.

It removes the Commission's authority to regulate firearms and ammunition and pesticides.

It gives the Commission needed flexibility in determining which of its acts **to use to protect against a dangerous** consumer product.

It provides enhanced congressional oversight of the Commission's safety regulations.

It adds a uniform preemption provision to all the acts administered by the Commission.

It allows the Commission to use its own attorneys in injunction cases where time is of the essence and in other civil litigation if the Attorney General does not agree to represent the Commission.

It provides the Commission with authority to prohibit the distribution of consumer products containing substantial product hazard.

It contains an experimental provision allowing suits for damages against the Commission when a person has been injured by certain tortious actions of the Commission.

One of the most important provisions of the bill is contained in section 17. That section amends the various acts administered by the Consumer Product Safety Commission to provide a uniform and equitable preemption provision for all the acts. Presently, all four of the acts administered by the Commission contain preemption provisions.

However, these provisions are highly dissimilar. They set forth different Federal policies toward preemption where such differences are not justified. For example, under existing law section 18 of the Federal Hazardous Substances Act totally preempts all differing State laws pertaining to precautionary labeling of hazardous substances.

But the Federal Hazardous Substances Act makes no provision for preemption of State laws by regulations issued to determine when a product will be deemed to be a banned hazardous substance. As a result, manufacturers subject to nonlabeling safety requirements issued under the FHSA receive no protection from a multitude of differing State standards.

For example, the Consumer Product Safety Commission has promulgated a Federal bicycle safety standard under the Hazardous Substances Act. Despite the Federal standard, a number of States have enacted, or are in the process of promulgating, their own bicycle safety standard. As a result, the bicycle industry is faced with complying with a number of different and conflicting State standards. I was recently informed that a bicycle manufacturer who has been in business for 81 years has just closed its doors in large part due to the prospect of having to comply with so many different State bicycle safety standards.

If the provisions of section 17 of the conference report are enacted into law, manufacturers will not be faced with the uncertainty and the potential burden of complying with State standards which differ from national safety standards. Under the terms of the bill, any State or local standard which is different from a Federal standard will be preempted.

However, the conferees recognize that there are situations in which exemptions should be granted from the Federal preemption provision. The conference report specifically provides that a State may require products which it is procuring for its own use to comply with a higher standard than the Federal requirement, so long as there is not a conflict between the two requirements.

Second, the conferees recognize that the States have traditionally had, and continue to have, a legitimate interest in insuring that their citizens are amply protected from dangerous consumer products. For this reason, the conference report permits a State which desires to put into effect a standard that is higher than a Federal safety standard to apply to the Commission for an exemption.

To obtain an exemption, the State must show that its standard will provide a significantly higher degree of protection for its citizens; that a product could comply with both the Federal standard and the State standard, and that the existence of the different State standard will not unduly burden interstate commerce.

In this manner the regulated industries are protected from the undue hardship of complying with a proliferation of conflicting State standards, while the role of the State in providing for the safety of its citizens is preserved.

Another significant change made by S. 644 is the provision giving the Commission greater flexibility to determine which of its acts to use to protect consumers from a dangerous product. Right now the law permits the Commission to use the Consumer Product Safety Act only as a last resort. This can be disadvantageous to the consumer and to industry, since the Consumer Product Safety Act provides greater protection for consumers as well as enhanced due process protections for those subject to regulation.

Under present law, the Commission can use the Product Safety Act only if a risk of injury cannot be eliminated or sufficiently reduced by using one of the other acts administered by the Commission—the transferred acts.

Under the conference report, the Commission may use the Consumer Product Safety Act in a situation where a risk could be eliminated or reduced to a sufficient extent under one of the transferred acts, so long as the Commission, by rule, finds that it is in the public interest to regulate the risk under the Product Safety Act. This rule must be promulgated in accordance with the informal rulemaking provisions of the Administrative Procedure Act, except that the period which the Commission provides for public submission for data, views, and arguments may not exceed 30 days.

It is important to note that if a risk of injury cannot be adequately eliminated or reduced by action under one of the transferred acts, the Commission may proceed to act under the Consumer Product Safety Act without making the finding by rule required in the new section 30(d). This finding is required only in instances where a hazard can be eliminated or sufficiently reduced under one of the transferred acts.

For example, the Commission recently published a rule regulating swimming pool slides under the Consumer Product Safety Act. Although some kinds of injuries associated with swimming pool slides could have been addressed under the Federal Hazardous Substances Act, the Commission determined that action under the Federal Hazardous Substances Act could not eliminate or sufficiently reduce the risk to consumers presented by swimming pool slides. As a result, the Commission used the Product Safety Act as the regulatory mechanism.

The change made by section 16 of S. 644 would not alter a situation similar to that described with swimming pool slides.

So long as the transferred acts are inadequate, the Commission may use the Consumer Product Safety Act without first making the finding by rule that regulation under the Product Safety Act is in the public interest.

Of course, the amendment to section 30(d) will have no effect on decisions already made by the Commission to regulate a risk under the Product Safety Act.

The conference substitute also works out a fair and reasonable compromise on the issue of whether the Consumer Product Safety Commission will be able to use its own attorneys in litigation. Under current law the Commission may represent itself in suits against imminent hazards.

S. 644 does not change this existing law. With respect to other kinds of litigation, the Senate bill would have allowed the Commission to represent itself in all injunction actions. It also would have allowed the Commission to represent itself in all other civil litigation and all criminal litigation if the Attorney General did not, within a 45-day period, notify the Commission that he would represent the Commission. The House bill contained no provision regarding the Commission's self-representational authority.

The conference substitute recognizes that an independent agency should have the power of self-representation in certain instances. In cases involving injunctive action, where time is of the essence, the Commission is authorized to act through its own attorneys. This will eliminate the possibility that the public will be denied speedy protection from a dangerous product because attorneys from the Consumer Product Safety Commission must first brief and familiarize attorneys with the Department of Justice regarding the merits and the issues of a case.

Actions to enjoin the distribution or manufacture of a dangerous product often will involve highly technical issues regarding the specific engineering characteristics of a consumer product. They may also involve highly intricate technical safety regulations applicable to a particular product. The Commission's own attorneys will already be familiar with the technical aspects of the case. In such situations they should be allowed to go into court without having to first go through the Attorney General. As a result needless and time-consuming delay can be avoided.

With respect to other civil actions, the conference substitute requires the Commission to request that the Attorney General represent the Commission. If the Attorney General denies the request within a 45-day period, the Commission may proceed to represent itself. This recognizes the preeminent position of the Attorney General in representing the Federal Government in litigation.

However, it also provides the flexibility to allow the Commission to go to court on its own behalf if the Attorney General, for example, is experiencing a particularly heavy caseload and is unable to dedicate the resources necessary to bring the Commission's action.

The conference substitute rejects the provision in the Senate bill which would have allowed the Commission to use its own attorneys in criminal cases. Instead, existing law will continue. The Commission will be allowed to use its own attorneys in criminal cases only if the Attorney General concurs.

The bill also provides for enhanced congressional oversight of Commission safety regulations. The House-passed bill required the Commission to submit every order, rule and regulation promulgated by the Commission to the Congress. Either House then had 30 calendar days to veto the proposed rule, regulations or order.

The conference substitute retains the concept in the House provision providing for greater congressional oversight. It requires that the Commission submit to the Congress proposed product safety standards, rules, and regulations. The Commission may not adopt a standard, rule or regulation until 30 days has elapsed from the time the proposed rule, regulation or standard on which the final rule is based is submitted to the proper committee.

In this way, the Congress will be assured of an opportunity to review and have input into the Commission rulemaking process during the period when the final rule is being formulated. If the Congress feels the Commission is acting outside of the scope of the statutory jurisdiction or that a particular rule or regulation should not be promulgated, the Congress can through joint resolution act to stop the agency's action.

The conference substitute also enhances the agency's authority to take action against products which contain substantial product hazards. Under existing law, the Commission can require a manufacturer of a product containing a substantial product hazard to repurchase the product, repair it, or replace it. However, the Commission cannot stop the manufacture and distribution of the hazardous product.

This presents a rather incongruous situation. The Commission can require a manufacturer to recall dangerous products, but it cannot stop him from distributing such products. Because the recall rate in many instances is very low, the requirement to recall a product is often not adequate incentive to keep a manufacturer from continuing to manufacture and distribute the product.

The Senate bill would have permitted the Commission to take action against any person distributing a product determined to present a substantial product hazard. The House bill permitted Commission action only with respect to those people actually subject to an order under section 15.

The conferees concluded that the provisions in the House amendment combined with the authority presently found in the Consumer Product Safety Act are adequate to protect the public from continued exposure to products which present a substantial product hazard.

All manufacturers, distributors, or retailers of a specific product or a class of products which are alleged to present a substantial product hazard may be made subject to an order issued under section 15 if they have had an opportunity to participate in the section 15 hearing. Notice of the hearing may be provided by actual notice to the manufacturers, distributors or retailers or by any other notice which meets constitutional due process requirements.

In addition, the Commission may utilize its banning authority under section 8 to reach products which contain substantial product hazards. Section 8 of the Consumer Product Safety Act permits the Commission to ban a product which presents an unreasonable risk of injury if no feasible consumer product safety standard would adequately protect the public from the risk of injury associated with the product.

Since consumer product safety standards can be made applicable only to consumer products manufactured after the effective date of a standard, a safety standard could not adequately protect the public from a risk of injury associated with a substantial product hazard currently on the market. In such a situation, the Commission could use its authority to ban consumer products containing substantial product hazards.

Mr. Speaker, the changes made by S. 644 are needed to enhance the Commission's authority to adequately protect our Nation's consumers from dangerous products. In addition, the changes made will provide for fairer and more equitable treatment for those subject to regulation under the acts administered by the Commission. The legislation has extremely broad-based support among both industry, labor and consumer groups.

Among those supporting enactment of the legislation are the Communications Workers of America, the American Apparel Manufacturers Association, the American Textile Manufacturers Institute, the Carpet and Rug Institute, the Consumer Federation of America, the Man-Made Fiber Producers Association, the National Cotton Council of America, the Northern Textile Association, Public Citizen, American Insurance Association, Sears, Roebuck & Co., the Chamber of Commerce, the American Retail Federation, and Schwinn Bicycle Co.

Mr. Speaker, our House conferees won important concessions in this conference.

The Senate totally receded on the following provisions:

First. Authorization of appropriations;

Second. Sampling plans;

Third. Extension of time for development of sampling plans;

Fourth. Advance payments of rent;

Fifth. Scope of section 15 orders against substantial product hazards;

Sixth. Information disclosure to other governmental bodies;

Seventh. Preemption;

Eighth. Title 18 protection;

Ninth. Flammable Fabrics Act Advisory Committee;

Tenth. Flammability standards and regulations;

Eleventh. Cost/benefit assessment; and

Twelfth. Reporting and substantial product hazards.

The House did not totally recede on any provision in the Senate bill.

The following provisions contain compromises between the Senate and House bills:

First. Budget and employee provisions;

Second. Accountability;

Third. Civil litigation;

Fourth. Preliminary injunctions against substantial product hazards;

Fifth. Congressional review of administrative action; and

Sixth. Jurisdiction under the Consumer Product Safety Act.

I urge adoption of the conference report.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Nebraska (Mr. McCOLLISTER).

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

While I intended to vote for final passage of this conference committee report, the fact that the gentleman from Virginia proposes to make a motion to recommit raises some questions. I wonder if the gentleman from Nebraska might enlighten me on them. For example, it is my understanding that the Department of Justice handles civil litigation for the Internal Revenue Service, for the Environmental Protection Agency, and for the Food and Drug Administration, and that they do a pretty good job. Is that the present situation, as I understand it?

Mr. McCOLLISTER. More than that, they have never turned down a request from the Consumer Product Safety Commission.

Mr. LEVITAS. If the gentleman will yield further, furthermore, if I understand the section to which the gentleman from Virginia directs his motion to recommit, that would perhaps provide for the Special Counsel of the Consumer Product Safety Commission to bring criminal prosecutions. Is there any agency of Government that is able to prosecute its own criminal prosecutions rather than use the Department of Justice itself?

Mr. McCOLLISTER. None that we are aware of.

Mr. LEVITAS. There is not a single one? We are not creating this new situation without the control of the Department of Justice?

Mr. McCOLLISTER. I do not think so.

I thank the gentleman for his contribution.

Mr. Speaker, the gentleman from California (Mr. Van Deerlin), the chairman of the subcommittee, referred to a number of issues that the House won compared with a number of issues that the House receded to the Senate on.

It was sort of like trading three minnows for three whales, the way it turned out. The gentleman referred to the U.S. Chamber of Commerce endorsement which was given primarily because of the preemption provisions of the bill.

Mr. Speaker, I would remind some of the Members who were here in 1970 when the U.S. Chamber of Commerce endorsed the Occupational Safety and Health Act, the so-called Steiger Act, that did not turn out too well, either.

I would hope the House would agree with the motion to recommit to be offered by the gentleman from Virginia (Mr. Butler).

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Speaker, I was trying to get the gentleman from Nebraska (Mr. McCollister) to yield to me on this point. There is no provision in the conference report that gives any authority to the agency to prosecute any criminal action. As a matter of fact, the authority is much more limited than in many other agencies.

Mr. ASHBROOK. Mr. Speaker, one of the few bright spots in this conference report is the section on accountability. The conferees have adopted a provision that will make the Federal Government more accountable in exercising its regulatory activities.

Specifically, section 5 will allow private parties to sue the Consumer Product Safety Commission for certain wrongful actions committed by the agency. These actions include misrepresentation or deceit on the part of the Commission or its employees, as well as any exercise or performance or failure to exercise or perform a discretionary function which is grossly negligent. The doctrine of sovereign immunity—which makes it impossible to sue the Federal Government without specific authorization from Congress—will not serve as a bar to legal action.

As my colleagues are aware, I offered a similar amendment on the House floor. Although approved by the Senate, it was defeated in the House by a vote of 166 to 230.

I strongly believe that the section on accountability should serve as a landmark for the future. The Federal Government should bear legal responsibility for its tortious acts just as private parties are required to do. Private parties that have been wronged by governmental actions should have the opportunity to recover damages.

While I personally favor making the right to sue even less restrictive, nevertheless this is an important step forward. Hopefully it will start us down the road to greater Government accountability for all Federal agencies.

Mr. VAN DEERLIN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. BUTLER

Mr. BUTLER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. (Mr. McFall). Is the gentleman opposed to the conference report?

Mr. BUTLER. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Butler moves to recommit the conference report on the bill S. 644 to the committee of conference with instructions to the managers on the part of the House to—

(1) disagree to section 11 (relating to civil litigation) in the conference substitute recommended by the committee of conference,

(2) insist that the phrase "(without regard to section 27(b)(7))" in the section 15 (g)(1) proposed to be added to the Consumer Product Safety Act by the conference substitute and be changed to read "(with the concurrence of the Attorney General)",

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. McCOLLISTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 177, nays 192, not voting 63, as follows:

[Roll No. 197]

YEAS—177

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Baucus
Bauman
Beard, Tenn.
Bennett
Bowen
Breaux
Brinkley
Broomfield

Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen

Collins, Tex.
Conable
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Danielson
Davis
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Emery
English
Erlenborn
Esch

Evans, Colo.
Evans, Ind.
Findley
Fish
Fithian
Flowers
Flynt
Foley
Fountain
Frenzel
Frey
Fuqua
Gilman
Goldwater
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hannaford
Hansen
Harsha
Heckler, Mass.
Hightower
Hillis
Holland
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Colo.
Jones, Okla.
Kasten
Kazen
Kelly

Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Levitas
Lloyd, Tenn.
Lott
McClory
McCollister
McCormack
McDonald
McEwen
McKinney
Madigan
Mahon
Mann
Martin
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Murtha
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Paul
Pettis
Poage
Pressler
Pritchard
Quie
Quillen
Regula

Risenhoover
Robinson
Roncalio
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schulze
Sebelius
Shriver
Shuster
Sikes
Sisk
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Fla.

NAYS—192

Adams
Addabbo
Allen
Ambro
Anderson, Calif.
Annunzio
Aspin
Badillo
Baldus
Beard, R.I.
Bedell
Bergland
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conte
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Delaney
Dellums
Dent
Derrick
Dingell
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Fary
Fascell
Fenwick
Fisher
Flood
Florio
Ford, Mich.
Ford, Tenn.

Fraser
Gaydos
Giaimo
Ginn
Gonzalez
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Hefner
Helstoski
Hicks
Holtzman
Howard
Howe
Hughes
Hungate
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lundine
McDade
McFall
McHugh
McKay
Madden
Maguire
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan

Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Natcher
Neal
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pickle
Pike
Preyer
Price
Randall
Rangel
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Rooney
Rose
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Stokes
Stratton
Studds
Symington
Thompson
Thornton
Tsongas
Ullman

Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Whalen
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—63

Abzug
AuCoin
Bell
Bevill
Biaggi
Boggs
Bonker
Conlan
Conyers
de la Garza
Diggs
du Pont
Eilberg
Eshleman
Evins, Tenn.
Forsythe
Gibbons
Goodling
Green
Gude
Hayes, Ind.
Hays, Ohio
Hébert
Heinz
Henderson
Hinshaw
Horton
Johnson, Pa.
Jones, Tenn.
Jordan
Landrum
Lent
Lujan
McCloskey
Macdonald
Mills
Moorhead, Pa.
Moss
Nedzi
Nix
Pepper
Peyser
Railsback
Rees
Rhodes
Roberts
Rosenthal
Sarbanes
Schneebeli
Skubitz
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Sullivan
Teague
Udall
Weaver
White
Wilson, C. H.
Wilson, Tex.
Young, Alaska
Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Jones of Tennessee against.

Mr. Henderson for, with Mr. Diggs against.

Mr. Teague for, with Mr. AuCoin against.

Mr. Landrum for, with Ms. Abzug against.

Mr. Bevill for, with Mrs. Boggs against.

Mr. Roberts for, with Mr. Biaggi against.

Mr. Stephens for, with Mr. Nix against.

Mr. Charles Wilson of Texas for, with Mr. Eilberg against.

Until further notice:

Mr. Sarbanes with Mr. Bell.

Mr. Rosenthal with Mr. Hays of Ohio.

Mr. James V. Stanton with Mr. Railsback.

Mr. Bonker with Mr. Conlan.

Mr. Conyers with Mr. du Pont.

Mr. Macdonald of Massachusetts with Mr. de la Garza.

Mr. Mills with Mr. Nedzi.

Mr. Moss with Mr. Weaver.

Mr. Evins of Tennessee with Mrs. Sullivan.

Mr. Gibbons with Mr. Schneebeli.

Mr. Green with Mr. Horton.

Mr. Moorhead of Pennsylvania with Mr. Heinz.

Mr. Pepper with Mr. Eshleman.

Mr. Udall with Mr. Forsythe.

Mr. White with Mr. Goodling.

Mr. Rees with Mr. Hayes of Indiana.

Ms. Jordan with Mr. Gude.

Mr. Lent with Mr. Peyser.

Mr. Lujan with Mr. Young of Texas.

Mr. McCloskey with Mr. Steiger of Arizona.

Mr. Skubitz with Mr. Johnson of Pennsylvania.

Mr. Young of Alaska with Mr. Charles H. Wilson of California.

Mr. FUQUA changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

INCREASE IN PREVIOUS DEFERRAL UNDER IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-454)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report an increase of $3.9 million in the amount previously deferred for the Department of the Interior's program to develop roads and trails on public lands.

The details of the revised deferral are contained in the attached report.

GERALD R. FORD.

THE WHITE HOUSE, *April 13, 1976.*

CONFERENCE REPORT ON H.R. 8235, FEDERAL-AID HIGHWAY ACT

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1141 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1141

Resolved, That immediately upon the adoption of this resolution it shall be in order to consider without the intervention of any point of order the conference report on the bill (H.R. 8235) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. and all points of order against said conference report are hereby waived.

The SPEAKER. The gentleman from Indiana (Mr. MADDEN) is recognized for 1 hour.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1141 makes in order the consideration of the conference report on the bill H.R. 8235—the Federal-Aid Highway Act, the provisions of section 303(a) of the Congressional Budget Act to the contrary notwithstanding. Section 303(a) of the Budget Act prohibits the consideration of bills providing new budget authority for fiscal year 1977 until after the first concurrent resolution on the budget for that year has been adopted. A similar waiver was provided for the initial consideration of H.R. 8235 when it was first considered by the House. The Budget Committee supported the waiver at that time. The Budget Committee, after reviewing this conference report and determining that the new budget authority provided therein is within the scope of H.R. 8235, is prepared to support this waiver in order that the bill may be considered prior to May 15.

House Resolution 1141 also provides that all points of order against the report shall be waived. The conference report does contain certain items which were not within the scope of the differences between the two Houses. In addition, there are one or two items which, but for the waiver, might be subject to germaneness points of order.

Mr. Speaker, this bill passed the House by a vote of 410 to 7 on December 18, 1975, and was adopted in the other body by a voice vote on January 19, 1976. While the conferees may have exceeded the scope of their authority in certain instances, I believe it is important to note that this conference report reduces the total authorization levels contained in the House-passed bill for Interstate systems and other federally assisted highway projects and programs from $8.8 billion for fiscal years 1977 and 1978 to $4.4 billion for fiscal year 1977 and $7.9 billion for fiscal year 1978.

Among other things, the conference report requires States to spend 30 percent of their Interstate system funds during fiscal year 1978 and 1979 for the completion of intercity projects that would close essential gaps in the system. The conference report also combines 3 highway programs, the rural primary, the primary extensions and the priority primary into one consolidated primary fund of $1.35 billion. It also expands the carpool program to make it permanent and to make it accessible to the elderly and the handicapped, and to include van pools and the purchase of vehicles.

Mr. Speaker, all of the conferees signed the conference report. The bill has the support of the administration and the report itself should be adopted by the House.

Mr. Speaker, the conferees are to be complimented for their effort in reporting this conference report. They were faced with the difficult task of reconciling the differences between the two Houses with respect to the numerous amendments in disagreement.

Mr. Speaker, I urge the adoption of House Resolution 1141 so that we may proceed to the consideration of this very important piece of legislation.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Indiana (Mr. MADDEN) has ably described the resolution which makes in order consideration of the conference report on the Federal-Aid Highway Act.

Mr. Speaker, Members know how important it is that this conference report be passed and I urge the adoption of the resolution.

I yield such time as he may consume to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I know the House is in no mood at this late hour to listen to parliamentary considerations but a few comments on this rule are in order. It is one of the most horrendous abbrogations of responsibility I have seen in this body.

I am in general support of the Federal

highway program but I do not support the manner in which this conference report is brought before us tonight. The rule waives all points of order and well it might, since the conference report contains numerous violations of the House rules. It contains spending authorizations not contained in the bills passed by either body, authorizations which exceed those adopted in either body, and some below the level either House passed. It also contains provisions clearly nongermane, outside the scope of the conference, and not previously authorized in law. The period of authorization is extended beyond the date contained in the bills passed by either House and new projects are included not previously authorized.

Worst of all it waives the provisions of the glorious new Budget Control Act and does so with the specific approval of the chairman of the Budget Committee, the gentleman from Washington (Mr. Adams). On April 12 he wrote a letter to the Rules Committee approving this waiver of the Budget Act on the grounds that, and I quote, "The new budget authority contained in the conference report in within the scope of H.R. 8235 as it passed the House . . ." on which a previous waiver had been granted. The chairman of the Budget Committee was apparently unaware that the chairman of the Committee on Public Works (Mr. Jones) had already informed the Rules Committee on April 8 that the report did indeed exceed in total authorization the bills passed in either House. The great budget procedure about which we hear so much seems to mean very little when convenience requires.

Mr. Speaker, this is no way to consider a nearly $60 billion authorization bill extending funding until the end of this century. It makes a mockery of the rules and good order and the rule should be rejected.

Mr. QUILLEN. Mr. Speaker, I reserve the balance of my time.

Mr. MADDEN. Mr. Speaker, I reserve the balance of my time and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. STEIGER of Wisconsin. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. The Chair has already counted 236 Members; a quorum is present.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. JONES of Alabama. Mr. Speaker, I call up the conference report on the bill (H.R. 8235) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 7, 1976.)

Mr. JONES of Alabama (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Alabama (Mr. Jones).

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. I thank the gentleman for yielding.

Mr. Speaker, I have long supported the development of a comprehensive, coordinated national transportation policy and urged against the continuation of past practices in the Congress and in the executive branch of dealing with the various modes of transportation without careful and close examination of the impact decisions on one aspect of transportation have on all others and on the needs of the Nation as a whole.

The conference report before us this evening furnishes distressing evidence of the dominance of old, shortsighted habits.

Study after study has clearly indicated that the quality and quantity of transportation systems and facilities in the countryside are not only inferior to those in heavily populated areas, but are far from adequate to meet the needs not only of local areas but the Nation at large. Despite the documented needs, this conference report fails to insure equitable treatment of rural transportation problems.

At least 90 percent of the Nation's food is grown in rural areas. More than 30 percent of the Nation's manufacturing is carried on in rural areas and this figure has been growing. Most of the harvesting of timber and mining of minerals is done in rural areas.

With the steady decline of rail freight service in rural areas, encouraged by the trend in Federal railroad legislation, heavier and heavier reliance must be placed on highways and roads for transportation of food and other raw materials essential to the Nation's health and economy.

The rural highways and roads systems are inadequate for the job they are called on to do. They have been deteriorating for decades. I am not convinced that under the terms of the conference report they will not continue to deteriorate.

It is argued that we must determine what the proper roles of the Federal, State and local governments are in transportation. I agree. It is said that the massive Federal public transportation subsidy programs benefiting the Nation's great cities are in the highest national interest. I agree there is a need for mass transportation assistance. It is said that it is in the highest national interest that Federal legislation be enacted to let the railroads return to profitable operation. I agree that railroad reform is needed.

Just as mass transportation assistance, railroad reform, and airline subsidies are in the national interest, it is in the national interest that we insure that the rural transportation system is improved so that it can do the job it is being called on to do.

The conference report before us today does not insure that we make progress toward adequate rural highways and roads systems. Cutting the funding for the Federal-aid secondary rural highway system will not get the job done. Combining the Federal-aid primary highway system in rural areas with two programs basically designed for urban and urbanized areas, while reducing the funding for these and failing to assure equitable distribution of funds to rural areas will not get the job done. Expanding the rural off-systems roads program of Federal aid to all non-Federal public roads whether rural or urban and failing to increase available funding will not get the job done.

I am not altogether happy with the way the House-passed version of the Federal-Aid Highway Act of 1976 responds to rural transportation needs. But, it certainly does a better job than the conference report before us.

Briefly, this is the situation as I understand it:

A "consolidated primary system" program is being established to replace the Federal-aid primary system for rural areas, the Federal-aid primary extension system for urban areas and the primary priority system. The authorization for the consolidated primary system for each of the fiscal years 1977 and 1978 is $1,350,000,000, or $50,000,000 less than was authorized in 1976 for the three systems being replaced. If the spending trends which prevailed for these three systems in the past continued in fiscal year 1977 and 1978 we could expect a minimum of $941,010,000 to be available for rural highways under the consolidated primary system program. But, in fact, the flexibility built into the Federal-aid highway system programs by the consolidated primary system does not insure that any minimum level of funding will be used on rural highways. And, judging by past activity, I believe it is reasonable to expect that the tendency will be to spend heavily on transportation systems in the more populous areas of the country.

Another potential trouble spot with this program is that under the provisions of the conference report funds can be transferred from the consolidated primary system program to the urban system and secondary highway system programs. It is not difficult to envision a situation in which the maximum amount of money is transferred to the urban highway system program and heavy use of the remaining funds is also made in the urban and urbanized areas of the Nation.

It appears that the result will be a continued decline of the rural highway system that is vital to the Nation's food production and distribution system and expanded and improved transportation systems in the urban and urbanized areas financed by highway program funds and the massive Federal mass transportation assistance program.

The potential of the consolidated primary system authorization provisions for allowing the diversion of funds traditionally used in rural areas to urban uses becomes an even greater concern when examined in conjunction with the authorization provision for the Federal-aid secondary system programs in rural areas. The funds authorized for each of the fiscal years 1977 and 1978 are $50 million less than the level provided in fiscal year 1976. The House bill provided only $400 million—the figure accepted by the conferees—and the Senate bill made no specific provision for this program.

It should be noted that the Federal-aid urban system funding has been maintained at the fiscal year 1976 level of $800 million.

It would therefore appear that the result would be a reduced secondary highway program fund availability in rural areas.

The Federal Aid Highway Act amendments of 1974 authorized the establishment of an Off-System Roads program of Federal aid for local highways and roads in rural areas which are not on the Federal-aid highway system. This program was authorized at a level of $200 million and has received wide acceptance. The provisions of the conference bill opens up this fund to use in urban areas, potentially reducing the availability to rural areas of the $200 million authorized for the fiscal years 1977 and 1978. In addition, the language authorizing the creation of this program is broadened to include the purposes established under the Federal-Aid Safer Roads Demonstration program, originally slated to end this year, which was authorized at a $100 million level in fiscal year 1976. Thus, in addition to increasing the areas in which the Off-System Roads program funds can be spent, the conference bill, by adding the "safer roads" program purpose authorities but not the funding authorities to the "off-system" program effectively reduces by $100 million the funds previously available for these programs.

Mr. Speaker, yesterday upon receiving the conference report, and without an explanation of the fundamental changes that have been made by the conference committee on the rural program, I sent a Dear Colleague letter out which stated that it was my intention to move for a recommittal of this conference report with instructions for the conferees to uphold the House position.

It is obvious from the mood of the House and from the action that was taken today that that would be counterproductive, but I would like to ask a question of the subcommittee chairman concerning the restructuring of the House language of the bill.

As I understand it, the Federal-aid primary system in rural areas, which had $800 million authorized, was consolidated with the Federal-aid primary system extension to urban areas of $300 million and the primary priority system of $300 million into another program known as the consolidated primary system; is that correct?

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, this is correct.

Mr. ALEXANDER. This concerns me a great deal and I would like to know if it is not true that under the new program for a consolidated primary system there is not authority granted to the various States to use those moneys for any purpose that they see fit, be they rural areas or urban areas or whatever; is that correct?

Mr. HOWARD. That is true on the primary system; however, they must be used.

Mr. ALEXANDER. Now, the question that I have for the gentleman, this funding authorization provision has the potential of sharply reducing the moneys available for rural highways and rural roads. The question I have is what assurance is provided in this conference report that an equitable share of the funds authorized in the consolidated primary system highway program will, indeed, be spent on rural areas.

Mr. HOWARD. In response to the gentleman, I would say of the $1,350 million for the year in this new primary system, there is no absolute assurance moving from urban to rural or rural to urban.

I would like to point out in setting up the allocation of the formula for this consolidated primary system that the formula is based on two-thirds rural and one-third population; so if anything, the entire formula would be more rural than urban oriented.

Mr. ALEXANDER. I appreciate the explanation of the gentleman and I am sure inasmuch as the most populous rural State or the State in which there are more rural people is Pennsylvania, and the third largest State having the most rural people is New York and after that Ohio, that we will get a fair and equitable distribution of these moneys under this new authority.

I just want to say to the committee that I know they had a difficult time in reaching a consensus with the Senate. I want to take this opportunity to serve notice that I will keep book on where these funds will be spent during the 2-year period and when this authorization comes up again in 2 years, that I will be there before the committee with an accounting in order to see how the moneys were spent and to make a representation as to whether or not it was fair or unfair to States like Arkansas.

Mr. HOWARD. I thank the gentleman for those comments and I wish to thank the gentleman for the contribution the gentleman made to this year's House bill which passed December 18 with a vote of 410 to 7.

I would like to add in addition to this rural two-thirds and one-third population formula that in the interstate funds this year granted to the States there is a requirement that, if possible, to the States with 30 percent minimum, that money will close the gaps in that system. We feel that is in the interest of the rural parts of the State.

Also, the other body wished to abolish completely the off-systems roads program. That is a rural program. We did maintain the $200 million that the House put in the off-systems roads program and the formula for that is two-thirds rural and one-third urban in distribution.

We also accepted a provision for any State that is near the end of their State program that they will receive the minimum of one-half of 1 percent, which is $91 million additional on that. Every State that will benefit in the next 2 years under this program is a rural State and, thanks to the gentleman, after we have increased substantially the money for bridges, the money for railroad crossings, strictly in the railroad crossing area, so that we do feel that in the entire bill the rural area certainly did get a very good share.

Mr. Speaker, title II of the conference report on H.R. 8235 deals with highway safety and may be called the Highway Safety Act of 1976. This title includes a number of provisions, all aimed at reducing the tragic toll of dead and injured that we suffer on the streets and highways of the Nation every year.

We can do a great deal to reduce this human carnage on our highways. The Congress made a commitment to the Nation in 1966 in the passage of the first Highway Safety Act. Section 402, the heart of the legislation, required that each State have a highway safety program approved by the Secretary in accordance with uniform standards promulgated by the Secretary. The act specifically directed the Secretary to work with States, their political subdivisions, public and private organizations, in developing these standards—and this was done.

Ten years have passed since the passage of the original act, and there can be little doubt that this program has saved many thousands of lives. However, we cannot and should not be content with the unacceptable toll of dead and injured which continues to be evidenced each and every year on our streets and highways.

Mr. Speaker, the conference report calls for a reappraisal of the adequacy and appropriations of all uniform safety standards established under section 402 of the act. The Secretary is to report his findings and recommendations to the Congress by July 1, 1977, on the need for revision or consolidation of the standards. Until the report is submitted, the Secretary is prohibited from withholding a State's highway safety funds because the State is failing to carry out a program approved by him. This is not to be construed, however, as affecting the Secretary's authority to approve or disapprove a State's highway safety program. The Secretary retains the normal authority to administer the program.

For carrying out section 402 by the National Highway Traffic Safety Administration, out of the highway trust fund,

$122 million for fiscal year 1977 and $137 million for fiscal year 1978 would be authorized.

The conference report authorizes $25 million out of the highway trust fund for each of the fiscal years 1977 and 1978 for section 402 programs administered by the Federal Highway Administration.

Mr. Speaker, I ask House approval of the conference report.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, three times as many people are killed on the West Virginia Turnpike as on any other portion of the Interstate System which has been incorporated in the Interstate System. I call the gentleman's attention to the bottom of page 25 and the top of page 26, which provides for a study allowing the Secretary to contract to reimburse States for up to 90 percent of the principal and interest on bonding authority.

I would ask the gentleman from New Jersey whether this study might possibly lead to the type of bonding authority with prefinancing which is absolutely necessary for that turnpike to be upgraded to interstate standards, since it would cost about $350 million.

Mr. HOWARD. Absolutely yes. I might say that this did come up in the hearings, in the subcommittee markup, which adopted it by one vote but was reversed in full committee. The conferees agreed that we wish to get the results of this, and in the next Congress we certainly plan to hold hearings specifically on this item.

Mr. HECHLER of West Virginia. I thank my friend from New Jersey.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Speaker, in the course of the conference the subject of interstate transfers under section 103 (e)(4) was discussed in particular as it affects one State withdrawing a segment of interstate, and such withdrawal having a major effect on a portion of the Interstate System within an adjacent State. Could the gentleman explain how this situation would be handled?

Mr. HOWARD. I would be happy to explain that particular problem to the gentleman from Washington. Existing law requires the Secretary to determine that a withdrawn route is "not essential to completion of a unified and connected Interstate System."

Section 110 of this bill contains the same requirement. This has been checked with the administration. I have a letter dated April 7, 1976, which I shared with the gentleman from Washington, which I believe adequately covers the gentleman's problem in his State as well as nationally.

Mr. Speaker, I ask unanimous consent that this letter may be inserted in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Speaker, the letter follows:

U.S. DEPARTMENT OF TRANSPORTATION,
FEDERAL HIGHWAY ADMINISTRATION,
Washington, D.C., April 7, 1976.

Hon. JAMES J. HOWARD,
House of Representatives,
Washington, D.C.

DEAR MR. HOWARD: This is in response to our telephone conversation on April 7, 1976, concerning the amendment which has been recommended by Representative Mike McCormack to 23 U.S.C. 103(e)(4) in the Federal-Aid Highway Act of 1976 (H.R. 8235). It would provide that no Interstate route or segment could be withdrawn under the substitution provisions of 23 U.S.C. 103(e)(4), after enactment of the 1976 Act, by any State unless that State first obtained the approval for such withdrawal of each adjoining State in which such route is designated.

We are aware of Representative McCormack's reasons for desiring this amendment to 23 U.S.C. 103(e)(4), because of the situation with I–205 and the possible withdrawal of connecting routes in the State of Oregon. However, we strongly urge that the proposed amendment not be included in H.R. 8235. At this time, we feel that the provision could have a number of unforeseen implications nationwide. It could negate the intent of 23 U.S.C. 103(e)(4) by delaying or inhibiting desirable withdrawals and substitutions because of the difficulties of multistate approvals of a withdrawal.

I believe that under the existing statute and regulations, the problems which Representative McCormack is attempting to correct by legislation can be handled administratively. The statute and the regulations require the Administrator before approving a withdrawal under 23 U.S.C. 103(e)(2) and 103(e)(4) to make a connectivity determination. As an example, I did not approve Maryland's request for withdrawal of Interstate routes 95 and 70S until I was assured that it was compatible with the District of Columbia's plans.

Therefore, if it is determined that an Interstate route or portion thereof is essential to completion of a unified and connected Interstate System, the withdrawal request will be denied.

You can be assured that this Administration will not approve a withdrawal in one State and ignore existing Interstate routes or Interstate routes currently approved for construction. It is the Administrator's statutory responsibility to see that the needs of Interstate traffic are provided for while also providing State and local officials with the flexibility to determine their own transportation priorities. I strongly believe that the proposed amendment might unnecessarily complicate these responsibilities. It is my hope that the proposed amendment will be deleted.

You can be assured that satisfactory administrative solutions can be resolved.

Please contact me further, if necessary, with regard to this matter. Your cooperation is very much appreciated.

Sincerely yours,
NORBERT T. TIEMANN,
Federal Highway Administrator.

Mr. McCORMACK. Mr. Speaker, I thank the gentleman for his explanation.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, section 125 of the bill on page 17 contains language which says that the Secretary of the Interior and the Secretary of Transportation, in cooperation with State and local officials, are authorized to conduct studies as to the most feasible Federal-aid routes for the movement of motor vehicular traffic through or around national parks.

I would like to ask the gentleman if there is any implication in this language that in any way authorizes the routing of interstate or Federal-aid highways through national parks.

Mr. HOWARD. I say to the gentleman, absolutely not. The intent is mainly for the preservation of these parks that do not have a highway put in those areas.

Mr. SEIBERLING. I thank the gentleman.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, section 145 of the conference report concerning the extension of repayment of key State matching shares, and Public Law 93–30 permits the State to repay the Federal Government over a 3-year period; the first 20 percent of the remainder due January 1, 1977; the second 30 percent repayment due January 1, 1978; and the third 50 percent payment due January 1, 1979.

I would ask the distinguished chairman of the subcommittee two questions: Am I correct in understanding that the increased Federal share made pursuant to Public Law 94–30 shall continue to be paid by the Federal Government until the date of completion of a particular project, or until January 1, 1979, whichever date comes earlier?

Mr. HOWARD. I say to the gentleman, yes, as long as the project agreement was signed on or before September 30, 1975.

Mr. ANDERSON of Illinois. Also, am I correct in understanding that at the time such repayments are made, they will be accredited to the apportional category from which the increased Federal share was obligated?

Mr. HOWARD. I say to the gentleman that the situation will vary from State to State, depending on how much is borrowed in a specific category. The Federal Highway Administration will have to make the decision in accordance with Public Law 94–30 and this bill.

Mr. ANDERSON of Illinois. I thank the gentleman.

Mr. HOWARD. I thank the gentleman for his question.

Mr. SHUSTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would point out that all members of the conference on both sides of the aisle have signed the conference report. It is a unanimous report.

Mr. Speaker, I rise in support of the conference report on H.R. 8235, the Federal-Aid Highway Act of 1976.

As ranking minority member of the Surface Transportation Subcommittee, which produced this legislation, coauthor of the original House bill, and member of the conference committee which deliberated for nearly 2 months in hammering out this compromise, I can attest to the fact that what we have here today did not come easily. In fact, it is the product of the most extensive and exhaustive series of congressional hearings in which I have ever participated, the toughest, most grueling markup I have ever been party to, and one of the most hard-fought, nail-biting conferences I have ever seen. But, Mr. Speaker, through it all—when all the punches are thrown and the smoke has cleared—we have a bill which is far reaching, well-conceived, and worthy of support by every Member of this body.

You have heard discourses on the bill by my distinguished colleagues on both sides of the aisle, and I fully concur in each of these statements. I shall not, therefore, take up the Chair's time in reiterating the points eloquently expressed by my colleagues. I would like, however, to emphasize three additional points which bear witness to the timeliness and sensibility of this legislation.

First, you may recall that the administration expressed considerable concern about the original House bill and certain recommendations were forwarded to us by the Secretary of Transportation in order to remove certain objections and make the measure acceptable to the President. A bill, regardless of its apparent merits, serves no purpose if it were vetoed. In this realization, then, the House conferees made considerable concessions, without doing violence to the fundamental character of our bill, to remove the obstacles that stood in the way of Presidential approval. These were in the areas of authorization levels, program consolidation, and long-term fiscal responsibility in terms of availability of contract authority. Without dissecting each provision, I am pleased to observe that the conference report satisfactorily addresses these concerns and I have every reason to believe that the President is now willing—indeed, anxious—to sign the bill.

The second point I would like to raise is the unquestioned need and uncontested benefits that will accrue to every man, woman, and child in America as a result of the programs in this bill. The programs in this conference report will serve to enhance and promote highway safety more than any single bill since the Landmark Highway Safety Act, authorized by my good friend and colleague, ranking minority member of our full committee, Mr. HARSHA, long recognized as the premier act of its kind in the history of our Nation.

The National Highway Safety Needs Report, just released last Friday by the Department of Transportation, listed "highway construction and maintenance practices" as the second most productive countermeasure, out of 37 evaluated, in forestalling traffic fatalities in terms of cost effectiveness.

This one, single countermeasure, according to the report, could save 459 lives over the next 10 years at a cost of $9.2 million, for an average of only $20,000 per life saved.

By way of comparison, "combined emergency medical counter-measures" would cost $538,000 per life saved, driver education and training would cost $385,000 per life saved, and "roadway alignment and gradient" would cost a whopping $7,680,000 per single life saved.

This, Mr. Speaker, is what this conference report is all about—and, I might add briefly, it increases the Federal participation in new and important areas such as resurfacing, restoration, and rehabilitation on both the interstate and regular Federal-aid roadways.

The third item I would like to bring to your attention, Mr. Speaker, is a fact of life we all recognized last December when the House adopted the original House bill by the overwhelming margin of 410 to 7: And that is, this legislation is vital—is critical—to the orderly continuation of highway programs in many States, and to preserving thousands upon thousands of jobs in the construction industry.

These are the facts. According to the Federal Highway Administration's program progress report as of March 31, 36 States have already exhausted their entire fiscal 1975 interstate apportionments, and 32 States have used up more than 70 percent of their fiscal 1976 interstate apportionments. Twenty-one of those States are out of fiscal year 1976 interstate funds and are already obligating fiscal year 1977 apportionments which were just made a few months ago. The State of Vermont has already obligated 77 percent of its fiscal year 1977 interstate funds, and a number of others are not far behind.

Noninterstate categories are even more critical, since fiscal 1977 apportionments cannot be made until this legislation becomes law. In rural primary and secondary, for example, the programs that are the biggest lifesavers when you consider that the chances of being killed are three times greater on a two-lane rural road than a four-lane superhighway 39 States are already into their fiscal 1976 apportionments, and 30 of those had already obligated more than half of their fiscal year 1976 apportionments by March 31. Twenty have used up to 70 percent or more, and two States—Missouri and Nebraska—have already obligated 98 percent of their 1976 apportionments, and Arizona has used up 99 percent.

It is evident, Mr. Speaker, that time is running out on these States, and if we fail in our responsibilities to them now, we must be prepared to pay the consequences.

We must act now to keep these vital programs going, or we will have to answer and atone for our mistakes later through more public service programs—an alternative that no one really wants to see come to pass.

The conference report before you today, Mr. Speaker, represents a dedicated and conscientious effort on the part of 21 members of the Conference Committee to effect a workable compromise between our two bills. Although we House conferees bit the bullet more often than perhaps we would have liked, and our victories were hard fought and produced their share of casualties, I can say with all sincerity that the overriding concern of each member of the conference was the welfare of each American and the good of our Nation as a whole. If the Members of this House share those convictions, you will join with me in approving this conference report with the unanimous support it truly deserves.

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Mr. Speaker, I rise in support of the conference report on H.R. 8235, the Federal-Aid Highway Act of 1976, as a measure deserving passage by a strong bipartisan majority.

The conference report is the product of extensive compromise between the two bodies, and reflects a good deal of credit on House Members of the conference committee on both sides of the aisle, and to their dedication to bringing out a bill.

In particular, there was compromise over the issue of funding, with final agreement on responsible authorization levels which made it possible to wrap up the conference with a bill I am confident will be signed into law.

We all recognize the need for a bill rather than an issue; obvious undisputed needs for highway construction and reconstruction, needs to improve the safety and efficiency of the Federal-aid system; the need to get the money out to the States and the need to keep the highway trust fund in being.

The measure we bring back from conference is a complex and comprehensive piece of legislation, preserving and building on the basic framework of the Federal-aid highway program. It also contains a number of changes, most of which add needed flexibility in the use of funds and strengthen the emphasis given certain priorities, while maintainng the fiscal integrity of the program.

As the product of extensive compromise I mentioned, it makes no pretense of being all things to all men. And I guess not everything in it will inspire particular enthusiasm in all Members, including this one, though most of my remaining reservations have to do with the original bill passed by this body and not at issue in the conference.

But those are relatively minor in terms of the overwhelming majority of provisions I think we can all support.

Therefore, as ranking minority member of the Committee on Public Works and Transportation, and former ranking member on what is now the Surface Transportation Subcommittee, I commend this legislation as consistent with my long-standing support for the highway program.

For the record, Mr. Speaker, I would like to elaborate on some of the changes made in conference and other items in the legislation that argue for its enactment.

Members who have followed the development of this legislation closely know that I had some substantial problems with the bill as it was originally passed by the House. The main problem was simply the level of authorizations, roughly $8.8 billion for each of fiscal years 1977 and 1978; including $3.25 billion each in previously authorized interstate funds.

I did not question the need for a strong program. But like all other priority programs authorized by the Congress, the highway program must meet the test of fiscal responsibility. With the controversy and confusion surrounding a program of its magnitude, the last thing the highway program needs is to wave a red flag by excessive spending.

Authorizations have now been reduced in conference roughly to $4.4 billion for fiscal year 1977, since under contract authority the $3.25 billion previously authorized for fiscal year 1977 has now been apportioned. The authorization for fiscal year 1978 provided by the conference version, again, excluding $3.25 billion in interstate highway authorizations for that year, are $4.6 billion.

Previous discussion of this legislation has cited total Interstate System authorizations, for a given fiscal year affected by the legislation, including prior authorizations. This has been for good reason, and makes for an understanding of the total available for authorization and for meaningful comparison of interstate versus noninterstate spending. But if you exclude the interstate figures for the purposes of comparing the conference report with the original House and Senate bills, you get this picture: Senate bill, roughly $4 billion annually for fiscal 1977 and 1978; House bill, just roughly $5.6 billion annually; conference report, $4.5 billion.

In other words, roughly $1 billion annually in reduction from the original House bill.

The merits of this legislation do not end with the reduction in funding levels. In fact, they include other features which I hope will compensate somewhat for the necessary reductions.

For one thing, I call attention to the flexibility provided in the transition quarter authorization of $1.8 billion. This includes $1.65 billion for use by the States for categories financed by the highway trust fund under contract authority: primary, secondary, urban, urban extensions, safety construction and related programs. This will enable the States to obligate funds promptly on enactment of this legislation without regard to categorical restrictions, and put them to use as their own priorities dictate.

On a more permanent basis, this legislation combines priority, priority primary and urban extensions of primary highways into a consolidated primary system, for which $1.350 billion is authorized for each of fiscal years 1977 and 1978.

To safeguard the Nation's massive investment in existing highways, the legislation expands the definition of construction eligible for Federal assistance to include resurfacing, restoration, and rehabilitation. In the case of the Interstate System, specific authorizations of $175 million a year are provided, to be allocated on the basis of a State's proportionate share of lane-miles in use 5 years or longer.

Use of the minimum one-half of 1 percent of interstate apportionments assured each State is tightened up in comparison to the provisions of the 1973 Highway Act. The excess over the cost to complete a given State's portion can be used on other systems only after resurfacing needs have been met.

Another refinement requires that up to 30 percent of a State's interstate apportionment be used—in States where it can be so used to close essential gaps and accelerate completion of a connecting national system. I find this far preferable to a two-tier apportionment system as provided in the Senate bill, or the separate discretionary funds for this purpose contained in our original House bill.

Finally, this package authorizes completion of the Interstate System through 1990.

We went considerable distance toward bringing the program into phase with the congressional budgeting process by eliminating advance contract authority for noninterstate Federal-aid systems. To assist the States accommodate to this, we provide that apportionments be available for the year for which authorized and the succeeding 3 years. The flexibility provided by the transition quarter also is intended to help States make the shift.

Mr. Speaker, the legislation contains many other worthwhile provisions, many of which were in the original House bill, which I need not detail here. The original bill passed the House overwhelmingly. The conference report deserves no less.

Mr. ANDERSON of California. Mr. Speaker, I rise in strong support of the conference report on the Federal-Aid Highway Act of 1976. I believe that this legislation meets the needs of the time by assuring the States of the Federal Government's continued commitment to the Federal-aid highway program, as well as our strong commitment to improved highway safety.

There is, Mr. Speaker, one particular provision on this conference report which pleases me very much. That is section 208 of the bill, which amends the Highway Safety Act. This section prohibits the Secretary from requiring motorcycle operators or passengers 18 years of age or older to wear motorcycle helmets. I authored this provision in the Subcommittee on Surface Transportation. It was accepted by the full committee, the House, the Senate, and the Conference Committee.

This section does not represent a retreat from our commitment to improved highway safety. It is, rather a reaffirmation of our support for individual freedom of choice. I am of the opinion that the Government must make an overriding case before implementing any regulation infringing on the individual's rights. As the late Supreme Court Justice Louis Brandeis so eloquently stated:

> Experience should teach us to be most on our guard to protect liberty when the government's purposes are beneficent. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding.

Mr. Speaker, I do not believe that the Department of Transportation has made such an overriding case in support of mandatory helmet laws at the expense of individual liberty. I am firmly convinced that the time has come for the Federal Government to stop its fiscal blackmail of the States. I believe that we can trust the elected representatives of the people in the State legislatures to enact highway safety legislation which meets the needs of each individual State.

I would like to add, Mr. Speaker, that section 208 of this legislation also requires the Secretary of Transportation to conduct, in cooperation with the States, an evaluation of the adequacy and appropriateness of all existing highway safety program standards, and to report his findings and recommendations to the Congress on or before July 1, 1977. Until such a report is submitted, the Secretary would be prohibited from withholding funds apportioned to any State. I believe that such a careful study is needed so that the Congress will have greater input into Department of Transportation decisions that might force the States to enact laws that they do not want nor need.

I urge adoption of the conference report.

Mr. ABDNOR. Mr. Speaker, as a member of the minority membership on the committee I would be remiss if I failed to comment on the leadership of our chairman and that provided by the ranking minority member in bringing this measure to its final consideration today. They have put in many, many hours of deliberation on this bill. Through their guidance as well as specific recommendations, we have developed a measure of significance to the Nation and to our individual States. I think all of us who serve on the Public Works Committee can take pride in what has been produced.

We likewise can look with both favor and appreciation on the work of the chairman and the Members of the House who served on the conference committee. A good bill has been produced out of the conference meetings and our conferees are deserving of the plaudits of the House for holding firm on positions we felt were vital and for finding those areas in which it was possible to achieve a compromise of benefit to all concerned.

One example of this is the section 156 amendment originally suggested by the gentlemen from Mississippi, which the House added to the bill to authorize funding for highways and bridges crossing Federal projects. I know that much time and effort went into the development of this amendment which is general in nature and therefore is significant for my home State because of its favorable impact on structures built during construction of the Oahe Reservoir project on the Missouri River. I appreciate the forbearance shown me in my discussions with the committee and staff on this as well as the assurances given me that this amendment does have application to my State and gives the Department of Transportation the authority needed to finance the improvements required for two bridges in South Dakota which span the Oahe Reservoir at Forest City and Mobridge, and which have experienced damage and deterioration because of federally activated fluctuations in the reservoir water level.

While this problem of our bridges in South Dakota may be a small item in this bill, I do want the chairman and the full committee to know that in South Dakota we will view with special pleasure this provision as a significant contribution by him as he brings to a close this year his illustrious leadership as chairman of this committee. Of course his legislative imprint is on many, many projects of importance to South Dakota, but I feel as he concludes his service he has given us that something of extra value and service to remember him by.

It is a privilege to serve with him on the committee and I share with all of my colleagues the pleasure of viewing this legislation as one more product of his dedicated and unswerving devotion to make this Nation a much better place in which to live. His invaluable contributions have most certainly accomplished this.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise to express my strong support for the conference report on the Federal-Aid Highway Act of 1976.

This report is the culmination of months of public hearings and work by the Committee on Public Works and Transportation, and is a positive and effective move toward a coordinated, integrated and balanced transportation system. As now reported, the bill consists of three titles: Highway construction and related issues; safety on our highways, and the extension of the highway trust fund and related provisions. Against a background of an emerging national transportation policy embracing all modes of transportation, moving people and commerce across this Nation, the bill has emerged from conference as a meaningful transportation program for the United States.

In order to complete the system of improved transportation and increased safety, we have need for balanced funding to meet both the needs of urban and rural transportation systems. To this end, the bill contains key provisions vital to the further development of rural roads and highways and the completion of the Interstate System. Through the provisions of this bill, including the important extension of the highway trust fund for another 2 years, we will be assuring States that the funds necessary for completion of their systems will be available. As a result of this bill, Arkansas will proudly be one of the first States to complete its Interstate System.

I am particularly pleased to note that the report has retained the priority primary system, which designates routes of the highest importance within the intermediate system for priority consideration.

The conference report calls for \$1,350 million for the fiscal year ending September 30, 1977, and an equal amount for the fiscal year ending September 30, 1978, to continue the Federal-aid primary system in rural areas, including the extensions of the Federal-aid primary system in urban areas, and the priority primary routes. Of this amount, \$50 million will not be apportioned, but would be made available for obligation to the States at the discretion of the Secretary, for use on priority route projects of unusually high cost, which require long periods of time for their construction. This discretionary fund system is a valuable and much needed revenue source for individual States in determining their own priorities in terms of their integrated transportation needs.

Among the worthwhile projects within the system for priority attention which were recognized in the report on the original bill were such highways as Routes 67, 65 and 71 Arkansas. In fact, one of these routes—Highway 71—in particular is recognized within my own State as a corridor that could possibly, in my opinion, qualify at this time for discretionary funds from the Secretary.

I know from firsthand knowledge that these are principal arterial routes which would substantially upgrade the highway network in our State and significantly affect the economic and social development of Arkansas. I am pleased the report recognizes the critical need of these priority primary routes to our total transportation system. Of importance to rural States was that the rural off-system road funding was retained at a \$200 million level.

Another section included in the report which is of high import, is the increased authorization for emergency expenditures for bridges across Federal dams, increasing the authorization from \$27,761,000 to \$50,000,000. This sum will make possible an additional \$3,000,000 to construct the bridge across lock and dam 13 in Crawford and Sebastian Counties in Arkansas, a bridge necessary for the completion of a loop around the Fort Smith-Van Buren metropolitan area.

The Fort Smith-Van Buren transportation study, completed in the early 1960's, recognized that the key element to the completion of this loop was a river crossing at the site of lock and dam 13. Funding for the bridge was originally authorized in the amount of \$2,100,000 in the Federal-Aid Highway Act of 1973, and this legislation today will provide the additional \$3 million necessary, as a result of increased cost estimates due to inflation, to construct this needed bridge. Serving the entire western Arkansas area, and linking the northern and southern portions of the State, the completion of this bridge will increase highway safety by diverting traffic from existing congested routes, and should contribute substantially to the economic and social development of this region.

I strongly commend the distinguished members of the conference for their continued recognition and emphasis on transportation safety and voice my support for their attempt to increase the scope of existing safety programs and encouraging the adoption of new safety devices.

Critically important to highway safety are the large number of highway-railroad crossings, and I am pleased the report, as a consequence, has retained that portion of the House bill calling for demonstration projects involving the relocation of railroad-highway crossings.

Increased public awareness in highway safety would naturally include a look at the present dangers of these crossings to public safety. In Pine Bluff, Ark., one of the areas included in the demonstration project, it is not unusual for 40 trains to cross over 100 street/rail crossings daily, causing extremely hazardous problems to residential, commercial and industrial areas. I was pleased to cosponsor this measure on the demonstration project with my friend and colleague, Congressman RAY THORNTON, who represents Pine Bluff in the Congress, and am particularly gratified the report recognizes the need for an in-depth look at the entire problem, with a mind toward seeking solutions to this public danger. While the report reduces the Federal share to 70 percent, with the remainder to be paid by State and local governments, the monies authorized for the relocations are still meaningful and vitally necessary to our long-range goal for highway safety.

As I have stated on other occasions, the job of improving our transportation system and stepping up the Federal-aid highway construction is not yet complete. But this bill continues to express the commitment of the Congress to providing an adequate highway system to serve the rural and urban communities of our Nation, and I urge my colleagues to accept the conference report before us today.

Mr. JONES of Alabama. Mr. Speaker, I ask the Members of this body to join me in commending the House conferees on both sides of the aisle who have worked so long and effectively to bring this conference report on the Federal-Aid Highway Act of 1976 to the floor today.

The distinguished members of the Public Works Subcommittee on Surface Transportation, led by Chairman JIM HOWARD and ranking minority member BUD SHUSTER, devoted many months to the shaping of this most important legislation, in public hearings, in markup sessions, and in prolonged and difficult conference negotiation with the other body.

The conference report submitted to the House today represents reasonable compromise with the other body, but in no way does it yield the basic stand taken by the House last December.

Congressmen JIM WRIGHT, BILL HARSHA, and JIM CLEVELAND, all of whom made substantial and vital contributions to this legislation, both in the drafting of the bill and in conference, share my conviction that this report fully merits the support and approval of every Member of the House. If it fails to satisfy fully the wishes of each of us, I would remind the House that the Constitution of the United States, the noblest document penned by the hand of man, has undergone 26 amendments in the course of 200 years and the task is not yet done.

Mr. Speaker, I call for approval of this conference report.

Mr. WHITTEN. Mr. Speaker, I quote section 156, of section 132(a) of chapter 1 of title 23, United States Code, as amended by the bill which is before us in conference:

HIGHWAYS CROSSING FEDERAL PROJECTS

SEC. 132. (a) Chapter I of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 156. Highways crossing Federal projects

"(a) The Secretary is authorized to construct and to reconstruct any public highway or highway bridge across any Federal public works project, notwithstanding any other provision of law, where there has been a substantial change in the requirements and costs of such highway or bridge since the public works project was authorized, and where such increased costs would work an undue hardship upon any one State. No such highway or bridge shall be constructed or reconstructed under authority of this section until the State shall agree that upon completion of such construction or reconstruction it will accept ownership to such highway or bridge and will thereafter operate and maintain such highway or bridge.

"(b) There is hereby authorized to be appropriated not to exceed $100,000,000 to carry out this section. Amounts authorized by this subsection shall be available for the fiscal year in which appropriated and for two succeeding fiscal years.".

(b) The analysis of chapter I of title 23 of the United States Code is amended by adding at the end thereof the following:

"156. Highways crossing Federal projects.".

Mr. Speaker, recognizing that the act authorizing the Tennessee-Tombigbee Navigation project was passed in 1946; that 17 counties in my State had agreed to provide and maintain bridges to get the project started, when the estimate of cost was around $12 million, and recognizing that with time, the Congress by various actions had increased the safety and other requirements, and the passage of time had caused the estimated costs to reach many times that amount, I set out to see what could be done to save this project and treat the States affected fairly.

Mr. Speaker, there are five States in the Tennessee-Tombigbee compact, joined together by interstate compact; while it could be argued that all these States would constitute "local interests" so far as this project is concerned, however, the only commitment has been made by my State.

The value of this project is perhaps best described by the Appalachian Commission as follows:

Tennessee-Tombigbee Boundaries

The Tennessee-Tombigbee Waterway is a 253-mile ice-free waterway which leaves the Tennessee River at Pickwick Lake and proceeds south on Yellow Creek. There it crosses the divide in a deep cut to Mackey's Creek and follows the East Fork of the Tombigbee which flows to Demopolis. At this point, it joins the canalized Black Warrior-Tombigbee waterway. The distance from Mobile, Alabama to the Tennessee River is 470 miles. The project will provide a nine-foot slackwater navigation channel with bottom widths of 280 feet on the divide cut and 300 feet on the remainder of the route. The waterway consists of three sections: 168-mile river section (four locks) from Demopolis north to Amory, Mississippi; 45.6 mile lateral canal section (five locks) north to Bay Springs lock and dam; and, 39.3-mile divide-cut/Yellow Creek section north to the Tennessee.

The potential advantages of connecting the north-flowing Tennessee River with the south-flowing Tombigbee River have long been debated and considered, but the obvious advantage for developing the waterway is connectivity—connecting Tennessee and northeast Mississippi with Gulf Coast ports, without the necessity of routing Tennessee River traffic through Kentucky and thence to Ohio and Mississippi River, and, finally, reaching the Gulf. Economists for the Corps of Engineers believe the waterway will speed the southeast's economic development by attracting additional heavy industry. It is estimated that by the year 2020, there will be a $2.6 billion increase in industrial growth. As to the regional impact, the Corps of Engineers has determined that 23 states will share in the navigation benefits, with at least 55 percent of the economic returns accruing to states other than Alabama, Mississippi and Tennessee. The primary beneficiaries will be those who directly produce and consume raw materials and grain in the tributary area of the river systems involved. Also, transport economies for basic materials will be enjoyed by a large number of customers in the east and south. The waterway will reduce export costs for many products and will improve the position of American goods in competition with foreign goods, as well as competition with foreign commodities in American markets. The project will benefit economic development in many states, particularly in terms of industrial development. A study of the experience of TVA shows that about 1.5 billion dollars was invested in 138 private manufacturing plants and 74 terminals along the Tennessee River waterway from 1933 through 1965, of which 99 percent has been invested since the nine-foot channel to Knoxville at the head of the river became available in 1945. This growth stands in marked contrast to the valley's economy when the development of the modern Tennessee River waterway was started by TVA in 1933. At that time the Tennessee Valley was characterized by agriculture and extractive industries providing raw materials for processing in other sections of the nation.

The Tennessee-Tombigbee Waterway Development Authority was created in 1958 as an interstate compact by Congress and includes the States of Alabama, Florida, Kentucky, Mississippi, and Tennessee. While this five-state authority is the planning coordinator for the Tennessee-Tombigbee Waterway, it can easily be seen that its construction will have great importance to many other states. The following rivers and waterways and their tributaries are directly related to this project as are the states and cities identified:

Inland Waterway—Florida—Pensacola and Panama City;

Tombigbee River—Alabama and Mississippi—Demopolis and Meridian;

Tennessee River—Kentucky, Tennessee, Mississippi and Alabama—Knoxville, Chattanooga, Huntsville, Florence, and Paducah;

Ohio River—Illinois, Indiana, Ohio, Kentucky, West Virginia, and Pennsylvania—Paducah, Cairo, Louisville, Cincinnati, Portsmouth;

Cumberland River—Kentucky and Tennessee—Nashville and Carthage;

Black Warrior River—Alabama—Tuscaloosa and Birmingham;

Alabama River—Alabama—Montgomery.

Obviously, there are far more cities which could be included in the above list.

The 23 States directly benefiting from the Tenn-Tom project are as follows:

D. Twenty-three states benefiting from the Tenn-Tom project are as follows: Alabama, Mississippi, Kentucky, Tennessee, Arkansas, Missouri, Oklahoma, Texas, Louisiana, Florida, Georgia, South Carolina, North Carolina, Virginia, West Virginia, Maryland, Pennsylvania, Ohio, Indiana, Illinois, Iowa, Kansas, Nebraska.

With all these States benefiting as well as the Nation as a whole, it develops that practically all the highway crossings required are in my State of Mississippi, one of the five States in the Tenn-Tom compact.

Further study showed that in recent years the "local interest" requirement had not called for construction of highways crossings, with greatly increased requirements in construction by Federal law and that with regard to the McClellan-Kerr Arkansas navigation system, the estimated Federal cost was $524 million and the total estimated non-Federal cost only $2.3 million.

Armed with these facts, and realizing that other projects, authorized years ago, some of which I knew about, were in the same fix, I worked out language with minor differences as to dates practically identical with that agreed to in conference. I took this language to my friends on the Public Works Committee, and recognizing its soundness, it was incorporated in the bill which passed the House without difficulty. Now we have the language agreed to in the conference.

I advised in advance the members of the Mississippi legislature, our Governor, our highway commissioner and others, explaining that they would still have to do their part but that this language, with the necessary appropriation, would make this major step in the development of our country possible.

Mr. Speaker, I have always supported the development of all our Nation. As a member of the Appropriations Committee, I have supported public works projects from Maine to California, from the State of Washington to that of Florida.

When there is a problem, I have, and always will support Bonneville, the St. Lawrence Seaway, the Arizona project and hundreds of others each year, for it is to our country we must look for the present and future.

We have come a long way since I went on the Appropriations Subcommittee in 1966 with the late Mike Kirwan, chairman. Together we worked out plans for the development of this project and that in the Ohio area. With his help I offered, and the committee approved, $500,000 for the initiation of work on the Tenn-Tom for which we called on the corps for "designing."

As we come to this point, I firmly believe that with all our effort in all fields to add to our energy supply, nuclear, solar, fossil, and all the rest, our independence of Mideast oil, for some years to come, will call for the development of our coal supplies. This project will help, for we have thousands of years supply—if we have this available, the Mideast will be seeking us as a buyer of their oil with resulting lower prices, for the United States uses by far the greatest amount of energy of the nations of the world.

Mr. Speaker, I wish to thank my friends on the Public Works Committee for their untiring efforts not only here but throughout this bill and throughout the years for the welfare of our Nation.

Mr. McDADE. Mr. Speaker, I want to take this opportunity to thank Chairman Bob Jones and Congressman Shuster, the House managers, and the members of the conference committee for their patience and steadfast support for the relocation of Route 209 in the Delaware Water Gap National Recreation Area.

While the Appropriations Committee

last year provided $4.6 million to complete design, acquire land, and if possible, allow a construction start, these funds were tied up by the public works appropriations conference language stipulating that $4.1 million could only be released by "action" of the authorizing committees.

At the time the 1976 public works appropriations conference report was passed by the House, Subcommittee Chairman, Representative JOE EVINS indicated in a colloquy that a "positive expression" on the part of the authorizing committees would be sufficient to release the remainder of the funds. That expression is included in the Federal aid highway conference report.

It has been the intent of the Federal Government to relocate this dangerous two-lane highway since 1965. The Federal Government has maintained a continuous presence in the area for 10 years, but until now the logjam preventing relocation of the road could not be broken.

The road in question is a 23-mile stretch of highway linking interstate 84 on the north and interstate 80 and 81 on the south. This winding, 24-foot wide, two-lane highway, built in 1935 to get farmers from the Delaware River flats to market has become a major thruway in a Federal enclave.

Route 209 carries more than 11,000 trucks, cars, school buses, ambulances, and tractor trailers every day. It has been described by State and Federal officials as the most unsafe road in the Commonwealth of Pennsylvania. There is one accident every 48 hours on this road. In 1974, over $1 million in property damages resulted from the 278 vehicles involved in traffic accidents along its course; nine people were killed.

Mr. Speaker, the Federal Government has had a commitment to the people of northeastern Pennsylvania to relocate this road since 1965. Like most Americans, my constituents do not understand the torturous path the Tocks Island project has had in Congress and why that debate has affected relocation of Route 209. They only understand that a commitment was made and that in the intervening years the road has continued to deteriorate.

I am extremely pleased that the Public Works Committee included its expression of support for this critical relocation in the highway aid conference report. This action, when approved by the House and Senate means residents of northeastern Pennsylvania will finally see some real progress on Route 209.

Mr. JONES of Alabama. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SHUSTER. Mr. Speaker, I ask that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, may I say that, so far as the week is concerned, we have concluded our legislation.

There will be a pro forma session tomorrow, but there will be no legislation.

As the Members know, the delegation the Speaker has named will go to the funeral in Philadelphia, leaving at 12 o'clock, but any Member who wants a minute to address the House will have an opportunity to do so.

Mr. Speaker, the program for the week of April 26, 1976 will be announced tomorrow.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House from April 14 to April 26, 1976, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until April 26, 1976, the Speaker be authorized to accept resignations and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WEEKLY STATUS REPORT ON THE FISCAL YEAR 1976 CONGRESSIONAL BUDGET

(Mr. ADAMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ADAMS. Mr. Speaker, I rise to inform my colleagues about the status of the fiscal year 1976 congressional budget. This report reflects yesterday's action of Congress to approve the conference report on House Joint Resolution 890—urgent supplemental appropriations. As you know, the Budget Committee notifies the House on a weekly basis about where Congress is in relation to the budget authority and outlays ceiling and revenue floor adopted in House Concurrent Resolution 466 for this fiscal year. Congress does have budget ceilings in effect for the current fiscal year. Last Friday, the Budget Committee filed its report to the House for the first concurrent resolution for fiscal year 1977. This budget resolution will be debated on the House floor after the Easter recess.

With regard to the congressional budget we now have in place for fiscal year 1976, as of the close of business yesterday, April 12, 1976, the current level of spending stood as follows:

STATUS OF FISCAL YEAR 1976 CONGRESSIONAL BUDGET REFLECTING COMPLETED ACTION AS OF APRIL 12, 1976

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	408, 000	374, 900	300, 800
Current level	400, 540	371, 667	301, 100
Amount remaining	7, 460	3, 233	300

Effect of changes to the amount remaining on the fiscal year 1976 congressional budget as of April 12, 1976

[In millions of dollars]

	Budget authority	*Outlays*
H.J. Res. 890	1, 942	247
Social Services (Presidential reestimate)	9	9

A complete analysis of the various items included in the current level may be found in today's Extensions of Remarks.

Before the Congress recesses this week, we will be considering two bills of major fiscal importance to the 1976 budget ceilings. The conference reports on the Federal-Aid Highway Act (H.R. 8235), and the report on the 1976 spring supplemental from the Appropriations Committee. Still remaining for the Congress to consider for fiscal year 1976 are appropriations for foreign assistance and the District of Columbia.

I must remind my colleagues in the House that changing economic conditions continue to place additional stress on the budget as well as other pieces of new spending legislation of either the President or of the Congress which was not contemplated in this year's budget resolution.

Thank you, Mr. Speaker.

PERSONAL EXPLANATION

(Mr. ABDNOR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ABDNOR. Mr. Speaker, I was unavoidably detained on vote No. 192 this afternoon when the committee took up this amendment offered by Mr. OBEY and therefore was unable to cast my vote. The amendment provided additional funds of $60 million for education of the handicapped and an additional $315 million for the basic educational opportunity grants under the higher education program. Had I been present for this vote, I would have voted "aye" for the Obey amendment.

HOMEBUILDERS WARRANTY QUALITY

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, I would like to share with you some good news about the homebuilding industry. It is alive and well. It is ready to serve the needs of our Nation in terms of satisfying the desire of many Americans for a home of their own. Much has been said over the last several years about the lack of sufficient incentive and opportunity for families of moderate means to secure reasonable, well-built, and conveniently located homes. There, indeed, was some truth to this viewpoint. However, the fault lay mainly with forces over which the developers and builders had little control—interest rates, property costs, national inflation increases, material shortages, and unemployment. All these elements had their effects on our whole economy, but their most deleterious effects were felt in the homebuilding and auto industries. Hopefully, as new national policies take hold and the brakes are applied to inflation and employment begins to expand, there will be a great resurgence of new housing starts for single-family units, the backbone of homebuilding.

One of the encouraging notes within the homebuilding industry itself is the recently announced program called "Qualified Builder." This is a self-regulating system designed to identify competent builders and protect home buyers from shoddy workmanship. The plan calls for an insured home warranty which covers major structural defects as well as the plumbing, electrical, heating, and cooling systems of a house.

It is especially noteworthy that this plan was projected by the industry itself, without the mandate of some superagency or bureaucracy dictating the scope and manner of the program. Where responsible self-criticism and analyses is assured, it should be encouraged.

I would like to salute the leadership of the Central New York Home Builders Association for adopting this national program. Frank Fatti, president of the CNY group, held a press conference in Syracuse recently to explain the plan. I think that his observations will prove interesting to this House and, thus, I include a press clipping for that purpose:

HOME BUILDERS UNVEIL SELF-POLICING SYSTEM

The Central New York Home Builders Association today announced area implementation of the Qualified Builder program, a self-policing system designed to identify competent builders and protect consumers from shoddy workmanship.

At a press conference at the State Fairgrounds Center of Progress building, where the Association's Home and Gardens Show is being held, the builders unveiled the Qualified Builder program, which they said will insure high standards in local homebuilding construction.

Frank Fatti, president of the Home Builders, said the plan includes an insured home warranty which covers major structural defects as well as the plumbing, electrical, heating and cooling systems of a house.

"This is no club," declared Fatti. "It's clearly our way of saying: 'Government, we can regulate ourselves.' "

Fatti said the program is designed to give the home building industry, which suffered one of its worst years ever in 1975, a boost by increasing consumer confidence and insuring high building standards.

The QB program is already operating successfully in eight upstate counties and set to begin in New York City and Long Island, Fatti said.

Essentially, the QB plan sets up a tier system, with a builder having to go to his local association to receive a QB seal of approval. It is administered by the Empire State Builders Registration Corporation, a wholly-owned subsidiary of the New York State Builders Association.

In order to be able to display the QB symbol, a builder must pass stringent screening by his local association, suppliers, subcontractors and lenders, and meet requirements set by Excelsior Insurance Co. of Syracuse, backer of the QB warranty, said Fatti.

"Without insurance," said Fatti, "there's no guarantee a builder will back his work if there's trouble. We're taking the insecurity out of home buying."

In matters of dispute, the buyer or builder covered by QB can call for binding arbitration, which would be held before either the Better Business Bureau or the American Arbitration Association, Fatti pointed out.

OUR MESSED-UP MAIL: A CASE OF MISMANAGEMENT

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, in the months ahead it is quite probable that the Congress will again be called upon to make some rather important decisions related to the U.S. Postal Service, and with that thought in mind I am hopeful that Members will avail themselves to every channel of information so that when the time comes, judgment will be made on the basis of a truly educated background. I believe that one of the major ingredients in the current dilemma of the U.S. Postal Service is its failure to have developed a progressive, meaningful research, and development program. Ten years ago I urged its predecessor agency to expand upon its research and development program, and as of 1970 I urged the present concept to do the same. At the time of transition, the research and development challenge was assigned to one who appeared to have the credentials essential to producing a meaningful research and development program. I refer to former Assistant Postmaster General Leo Packer. Unfortunately, with the new postal administration in 1970 he was relieved of his responsibility and, for what its worth, the program fell back into its longstanding rut and, today, with the era of electronic transfer and graphic sciences upon us, the U.S. Postal Service finds itself woefully behind. Thus, it is apparently unable to compete with technological advancements in the private sector.

An article authored by Ronald Kessler appeared in the Washington Post on April 11. It deals heavily with the matter of research and development, and I commend its reading to my colleagues.

I find myself in general agreement with most of what is contained in the article. Any disagreement I harbor would relate to the possibility of repeal of the private express statute.

The article follows:

OUR MESSED-UP MAIL: A CASE OF MISMANAGEMENT

(By Ronald Kessler)

By all accounts, John J. Wise is a pleasant and reasonable fellow. But what Wise knows about research and development is an open question.

Wise last year was appointed assistant postmaster general in charge of research and development at a salary of $42,500 a year. His previous experience was as manager of postal operations in North Carolina and postmaster of Rock Hill, S.C.

Appointing Wise to head the research effort of the $10-billion-a-year U.S. Postal Service was not unlike appointing a telephone operator to head Bell Laboratories. The appointment was not made by the old, politics-ridden U.S. Post Office Department but by the new U.S. Postal Service. This is the agency that was supposed to speed the mails and cut costs by introducing businesslike methods to postal operations.

"The will of the Congress, and the will of the people, is clear," President Nixon said in 1969 when proposing the new postal agency. "They want fast, dependable and low-cost mail service. They want an end to the continuing cycle of higher deficits and increasing costs."

Seven years later, the policies of the new Postal Service have slowed the mail rather than speeding it. Deliveries have become erratic rather than more dependable. And subsidies and costs have increased dramatically rather than decreasing.

Rather than becoming self-sustaining, as the new agency was charged with doing, the U.S. Postal Service has had to borrow to meet its payroll.

A VICIOUS CYCLE

To a public accustomed to receiving mail two weeks late, this all has the ring of inevitability. Prophecies of postal improvements in years past have as much credibility as presidential campaign promises. Anyone who expected good mail service might as well believe in tooth fairies.

But while the cries of outrage over deteriorating mail service have been muted, the public has been expressing its dissatisfaction in a more ominous manner. It has been withdrawing its business from the mails and switching to other means of communication—telephones, messengers and private delivery services—as evidenced by a per capita drop in pieces of mail handled since 1971. In the most recent fiscal year, the Postal Service handled 89.3 billion pieces of mail, down nearly 1 per cent from 90.1 billion the previous year.

As volume drops, the Postal Service raises its rates to cover the lost revenue. The higher rates produce a greater loss of business.

The cost of this vicious cycle has been staggering. Prices charged for mail service have risen 63 per cent since 1971, while prices of other services measured by the Labor Department's consumer price index have increased by 35 per cent. Despite only a negligible increase in total mail handled since 1971, when volume was 87 billion pieces, the public now pays $3 billion more for mail service than it did in 1971.

Moreover, this additional cost may be insignificant when compared with the extra money spent on long distance telephone calls and messenger service.

From the viewpoint of the Postal Service, such increases are only the beginning. Benjamin F. Bailar, the postmaster general who was hand-picked by his predecessor, Elmer T. Klassen, has been telling Congress the Postal Service faces bankruptcy if it does not receive substantial additional subsidies.

Bailar, who worked with Klassen at American Can Co., has placed the blame for this situation squarely on factors beyond his control—the recent recession, inflation, and lags in obtaining approval of postal rate increases.

In doing so, Bailar is continuing a tradition, established by his predecessors, of pointing fingers at any target outside the Postal Service to explain what is wrong at the agency.

Congress has not found anything strange in this performance in part because the soft-spoken Bailar does represent an improvement over Klassen, who made outlandish claims about nonexistent improvements in mail service, and in part because it has become diverted into an intriguing but largely irrelevant debate.

The debate is over whether mail is best moved by a government agency, like the old Post Office Department, or by a government corporation, like the new Postal Service. That this question should be at the forefront of Congress' concern over poor mail service is understandable. It was Congress that created the new agency, and it was the new agency that created the present postal mess.

The idea behind lodging postal operations in a government corporation was that such an entity would be immune to political pressures and could operate more as a business than a bureaucracy.

The old agency, which reported to the President, was run from congressional cloakrooms and the offices of White House political advisers. Its value to the party in power lay in its ability to offer well-paid sinecures to those who had given loyal service in political campaigns.

In creating the new agency, Congress prohibited political appointments and had the postmaster general report to a board of governors rather than the President. These governors—who include M.A. Wright, chairman of Exxon Co., U.S.A.; Robert E. Holding, general manager of Little America Refining Co., and Charles H. Codding Jr., a co-owner of Codding Cattle Research Co.—would bring their expertise in business to bear on the problems of processing mail, Congress hoped.

The concept made sense, and the Postal Service has not been without its improvements. It has appointed postmasters on the basis of merit rather than political considerations. It has cut the workforce to 702,257 employees from 728,911 workers in fiscal 1971, although the more highly paid regular employees have increased in number while lower-paid substitute workers have decreased. And it has produced a slight increase in worker productivity because of introduction of machinery, boosting the number of pieces of mail handled by the average worker each year from 120,212 to 128,764.

But balanced against a 60 per cent increase in postal wage levels since 1970 and the agency's other massive problems, these improvements have amounted to an attempt to empty an overflowing bath tub with a thimble.

STILL PIGEONHOLED

This does not mean that taking politics out of the Postal Service was wrong or that businesslike techniques do not work. Neither a government agency nor a private company can function well if it is mismanaged. And it is mismanagement that is at the core of the Postal Service's problems.

What the Postal Service needs is management that can drag it into the 20th Century. While other industries have automated, the Postal Service continues to rely on human labor to sort the mail. Indeed, a significant portion of the mail is sorted as it was by Benjamin Franklin in 1775: by placing letters, one by one, in pigeonholes. It is this sorting process, rather than deliveries to homes and businesses, that accounts for the largest chunk of the postal budget.

While the Postal Service has been flirting with the Industrial Revolution, the telephone company has automated to the point where all local calls and about 85 per cent of long distance calls are made without the assistance of operators, who once placed all local and long distance calls.

In contrast, a letter is handled by as many as seven different postal workers before it reaches its destination.

Automating an industry is difficult but not impossible. "If you can collect, clean and inspect eggs by machine, there is no excuse for not being able to sort mail entirely by machine," says Jacob Rabinow, chief of invention and innovation at the National Bureau of Standards.

In the past, the management of the Postal Service has not had the capability to develop and implement automation. If the appointment of a former postmaster to head the agency's $30-million-year research and development program is any indication, the present management is no better. Wise was appointed to the post by Bailar when Bailar was Klassen's deputy.

Wise said he believes Bailar chose him because he can manage well and understands the Postal Service's needs. "I have no problem with anything mechanical," he said. "Electrical is something else."

In this decision, as in others, postal management has shown remarkable consistency. When faced with major decisions, it invariably chooses the wrong course.

The new agency became worried that its parcel volume was declining because United Parcel Service, a private company which offered better service, was grabbing all the business. Winton M. Blount, a former construction executive who was the first postmaster general under the new Postal Service, ordered a massive construction program to build some 21 facilities that would sort parcels for the entire country.

Blount presented the $1 billion investment as a means of gaining back business by offering improved service. But if Blount had glanced at designs for the new facilities or proposed delivery schedules, he would have seen that the investment was buying more damage-prone and slower service than what UPS offered.

UPS sorting facilities are designed so that parcels will not be dropped. The new Postal Service facilities were designed with drops as high as 5 feet. Other machines were designed to propel parcels down chutes as if shot from guns.

"It's madness," a Postal Service analyst calls the design of the new facilities.

The Postal Service recently affected surprise when the House Post Office Committee found that thousands of parcels had been ripped to shreds by the new machines. However, the Postal Service was aware of the proclivities of its new machinery as early as 1974. It has continued to install the devices regardless.

TYPING IN ERRORS

The Postal Service claimed another development called the preferential mail network would save $1 billion a year because it would sort letters more efficiently. The agency spent $49 million on a prototype of the system, but government audits found the new method sorts mail at a slower rate than the manual method using pigeonholes. To his credit, Klassen scrapped the system before it was installed nationally.

Postal management has made widespread use of letter sorting machines, but these Rube Goldberg devices do not represent automation and have been the single greatest cause of deteriorating mail service. The machines, noisy contraptions as high as a room and as long as a bus, sort mail to various slots according to zip codes that are typed into them. The codes are typed by clerks, who read them from addresses as letters are flashed in front of them.

As in any typing, errors are easily made, and audits have found missent letters—caused by typing a wrong digit—to be as high as 17 per cent. Each time a letter is missent—say to San Francisco instead of New York—it is delayed as long as two weeks. The number of workers replaced by the machines, when compared with the total postal workforce, is negligible.

The Kappel Commission, whose recommendations led to creation of the new Postal Service, found that it was this uncertainty about when a letter would be delivered that was the public's primary concern about mail service. It is this uncertainty that drives mail users to other forms of communication to get their message across.

Postal management has refused to recognize this fact, Bailar and his predecessors continue to cite statistics that show that certain percentages of mail are delivered within certain time frames: that, for example, 87 per cent of cross-country mail was delivered in three days during fiscal 1975.

These standards represent a deterioration over those used by the old Post Office Department, but what is more relevant is that a letter mailed today has better than a 1 in 10 chance of *not* reaching its destination in three days. If it does not, it may languish in the mails for weeks. To the businessman or housewife who needs a message delivered within a reasonable time period, these odds are simply not good enough.

STANDARDIZED ENVELOPES?

Many of the Postal Services problems would be solved if it offered standard-size envelopes with pre-printed boxes where mail users would write zip codes, according to Dr. James C. Armstrong, a former postal official who left to become corporate planning manager of American Telephone & Telegraph Co.

Armstrong said the Postal Service could encourage the public to use these envelopes by charging lower postage if they are used. The standard-size envelopes and uniform zip codes could easily be read by relatively inexpensive machines, Armstrong said.

Merrill A. Hayden, a former Sperry Rand Corp. executive vice president who was deputy postmaster general in 1971, said he believes the public would accept the use of such envelopes as readily as it accepted direct long distance dialing using area codes. "The present mechanization (in the Postal Service) is so costly because of the lack of standardization," Hayden said.

Wise, the new research director, said he does not believe the public would accept such a system. But the Postal Service has never asked the public, which is apparently believed to be more willing to accept poor service and spiraling costs that far exceed the inflation rate.

For reasons he has not spelled out Bailar believes postal mechanization has gone about as far as it can go. "Returns from mechanization are getting harder and more expensive to realize and will probably be less significant in the future than in recent years," he has said.

Bailar's solution is far from clear. He has been trying to reduce costs by cutting service and questioning whether Saturday deliveries or home deliveries are necessary. But Bailar's cuts have not made a dent in the postal budget, and it is doubtful that the way to win back customers lost because of poor service is to cut service still further.

"Bailar is using the financial crisis as a coverup for his own inability to manage the enterprise," says a member of postal management. "The real problem is the place is being run terribly. You can't put your finger on what Bailar is doing."

A PROFIT MOTIVE

Many postal critics believe the agency should be returned to the status of a government agency so that it will be accountable to the public through its elected leaders. The present system, with the postmaster general accountable to a faceless board of governors, does have drawbacks.

But a return to the old patronage system is not the solution. "The fact that the Postal Service hasn't worked out doesn't mean the concept was a mistake. It means you have to have people who can execute it. Obviously that has not been done," said Murray Comarow, a former postal official who wrote the Kappel Commission report.

A private company that is mismanaged will lose customers and go out of business. It is this threat—and the promise of profits if the company does well—that keeps managers of private enterprises on their toes. Despite the talk of businesslike operations, the Postal Service has no such incentive. Bailar will receive his $63,000-a-year salary regardless of how long it takes for the mail to get through.

If the development of efficient telephone service is any guide, introducing the profit motive to postal operations may be the only way to obtain good service at reasonable cost. Toward this end, the President's Council on Wage and Price Stability, which monitors the impact of government policies on inflation, has proposed allowing private companies to deliver the mail.

This would not mean the Postal Service would be abolished. The agency would continue to service those areas the private companies did not want to service—presumably rural areas where distances between delivery points make mail service unprofitable. Those areas served by the companies—which might continue to rely on the Postal Service for transportation of mail between cities—presumably would receive better mail service. In addition, the companies might develop innovations to speed the mails.

The Postal Service argues that allowing competition would only increase costs. It says the proposal would create duplication and give the most profitable business to private companies while the Postal Service would be left with the rural areas. This argument seems to be considerably weakened by the example of the effects of competition in delivery of parcels, where the Postal Service does not have a monopoly.

The Postal Service's private competitor, UPS, has been able to offer quicker, more reliable and more damage-free service at lower cost than the Postal Service. It has done this while paying taxes to the government and profits to its shareholders. The Postal Service pays no taxes and receives subsidies from the government.

The Postal Service says UPS cannot be used for comparison purposes because it skims the cream off the parcel business by only serving businesses. It is true that most UPS packages come from companies rather than private individuals. But it is also true that UPS delivers to every corner of the nation (except in those states where regulatory authorities have not permitted it to operate).

Throwing the mails open to private enterprise raises a string of questions. What would be the relationship between the Postal Service and the private companies? Who would regulate the companies? How would postal customers be assured of deliveries regardless of which entity may be serving them?

The answers are no better defined than the shape of the Bell System could be visualized when Alexander Graham Bell invented the telephone. But if capitalism has given America good telephone service, there is no reason why it cannot also produce good mail service.

VOTING RIGHTS ERODED

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, on Tuesday, March 30, the Supreme Court of the United States rendered a decision which, I fear, may have the effect of drastically eroding minority voting rights in this country. In that case, *Beer* v. *United States*, —— U.S. —— (1976), the Court held that section 5 of the Voting Rights Act could not be used to stop voting changes unless those changes would result in more discrimination than that which existed under the system sought to be altered, or unless the changes created a voting system which in and of itself was unconstitutional. In my opinion, this reading of section 5 is a total distortion of what the Congress intended in its enactment of the legislation and more importantly, as I will discuss later, of what the law ought to be.

The facts in the Beer case are as follows: The city of New Orleans, since 1954, has had a city council consisting of seven members. One city council member is elected from each of five councilmanic districts and two city council members are elected at-large. After the 1970 census, the city developed a reapportionment plan for its five councilmanic districts. Because New Orleans is a covered jurisdiction, under the terms of section 5 of the Voting Rights Act, it submitted that reapportionment plan to the U.S. Attorney General for approval. The Attorney General objected to the plan, thereby halting its implementation. The basis for that objection was that the plan "dilute[d] black voting strength by combining a number of black voters with a larger number of white voters" in all but one of the five districts. Because the city of New Orleans had extensive racial bloc voting in its elections, the plan created the probability of electing only one black city council member—out of the total of seven—even though blacks comprise 45 percent of New Orleans' total population and 35 percent of its registered voters. In objecting, the Attorney General also pointed out that there was no "compelling governmental need" for the city to use north-to-south districts, as it did, when "the predominantly black neighborhoods in the city are located generally in an east to west progression."

When New Orleans then pursued its alternative under the Voting Rights Act of taking its plan to the U.S. District Court for the District of Columbia for approval, the district court agreed with the Attorney General and found that the New Orleans reapportionment plan abridged minority voting rights, so as to be violative of section 5. The district court, however, went even further by also rejecting the plan because of its failure to switch the two at-large city council seats to single member districts.

An appeal was then taken to the U.S. Supreme Court, resulting in the Beer against United States decision of last Tuesday.

There are a number of serious objections, regarding that decision, which I now feel compelled to raise.

First, the Beer ruling appears to seriously limit the scope of section 5 itself. Writing for the Court, Mr. Justice Stewart held that the two at-large councilmanic seats were not subject to the preclearance requirements of section 5, because those seats had been established in 1954 and section 5 does not cover discriminatory practices instituted prior to November 1964. Therefore, the Court refused to consider the entire councilmanic election process as being subject to section 5 preclearance requirements, by virtue of the reapportionment change.

This, in my opinion, is much too narrow an interpretation of the scope of section 5. The Voting Rights Act has been, and should continue to be, given the broadest possible scope in its interpretation. See *Allen* v. *State Board of Elections*, 393 U.S. 544 (1969). By excluding, as it does, New Orleans' two at-large councilmanic seats from section 5 review requirements, the Supreme Court has unquestionably retreated from this critical policy of broad interpretation. Moreover, the Voting Rights Act's most recent legislative history makes it abundantly clear that such policy should be preserved. Speaking directly to the Beer situation, the Senate Judiciary Committee stated:

> For example, as in *Beer* v. *United States*, 374 F. Supp. 357 (D.D.C., 1974), Section 5 requires submission of the entire seven member council plan when New Orleans sought approval for a reapportionment of only the five single-member seats.

S. Rep. No. 94–295, at 19. That committee of the Congress made clear its view that all aspects of a change are to be considered within the reach of section 5, even though the change may retain some features of a previous system.

Nonetheless, in Beer, the Supreme Court ignored completely this unequivocal statement of congressional intent and purpose.

My extreme concern and uneasiness regarding the Beer treatment of section 5 is compounded by the fact that there appears to be an overall and disquieting trend, on the part of the Court, to chop away at the scope of that provision. On March 8, 1976, only 3 weeks before its Beer decision, the Court decided, in *East Carroll Parish School Board* v. *Marshall*, —— U.S. —— (1976), that reapportionment plans which are drawn by legislatures, but pursuant to court order, are not subject to section 5's preclearance requirement. Thus was created what appears to be another major loophole in section 5 protections. And again, in East Carroll Parish, as in the more recent Beer decision, the Court ignored directly-on-point statements of legislative intent in framing its decision. See Senate Report No. 94–295, at 18–19.

Another disturbing feature of the Beer ruling is that, even if one is able to submit a change which is found to be within the scope of section 5 review, the Court now seems to have limited greatly those circumstances which may be considered violative of section 5. The majority's opinion overturns the rulings of the District of Columbia Court and the Attorney General, by finding that the New Orleans reapportionment plan could not violate section 5 because it was neither retrogressive, in terms of minority voting rights, nor unconstitutional. I fear that this newly established section 5 retrogression test may now severely undercut the protections afforded by that provision. The majority opinion found that the test had not been met in Beer because New Orleans' new reapportionment plan created the possibility of electing one black city council member, whereas under the previous plan it was predictable that no blacks would have been elected. It apparently did not matter to the Court that New Orleans' black population would warrant the possibility of electing two or three black city council members. The only thing which apparently did matter was that the city's blacks were not made worse off by the plan—and therefore, the plan did not meet the Court's new retrogression standard for section 5 violations.

In my opinion, this new threshold test of "whether or not a change represents a retrogression" is totally inappropriate. Surely, if a new change abridges minority voting rights, as does the New Orleans plan, it is violative of section 5, irrespective of whether or not it represents some slight or minimal improvement over past grossly discriminatory systems. As Justice Marshall points out in his Beer dissent:

> It is the effect of the plan itself, rather than the effect of the change in plans, that should be at issue in a § 5 proceeding.

The Court now appears to allow, by virtue of its Beer ruling, that discriminating jurisdictions may make only the slightest of improvements or even no improvements at all—without fully effectuating proper minority voting strength—and still remain immune from section 5 challenge.

I should also note that, in my opinion, the Court adopted a totally erroneous reading of the act's legislative history, in arguing that the history supports its holding that a retrogression test is intended under section 5. For years, the Department of Justice has reviewed proposed voting changes, and objected to certain of those changes, without applying a strict standard of retrogression. And, as House floor manager of the 1975 Voting Rights Act extension legislation, I can honestly say that had Congress been dissatisfied with Justice's interpretation of the law, we would have clarified our intent, in 1975, to alter that interpretation.

Of course, it should also be recalled that the Beer majority does retain the possibility of objecting, under section 5, even to a nonretrogressive change, if it seeks to implement a system which in and of itself is unconstitutional. However, the Court's having carved out this option in its March 30th opinion may be of little solace, in light of its footnote ruling that the New Orleans plan, in Beer, meets constitutional muster. As is so aptly pointed out in Mr. Justice Marshall's dissent, "Louisiana's long history of racial discrimination not only in voting, but also in public schools, public assemblies, public recreational facilities, public transportation, housing and employment" and the residual effects of that discrimination, all serve to make New Orleans' proposed reapportionment plan unconstitutional. Having found that the plan "infringes constitutionally protected rights," Justice Marshall continued his analysis by finding that the city of New Orleans had no compelling justification which could save its constitutionally infirm plan. With this analysis, I agree.

I think that we are now at a stage where we must wait until the air clears before we can determine what the ultimate impact of the Beer decision will be. It is possible that, despite the Court's constitutional pronouncements in Beer, many unfavorable, but not so-called retrogressive, voting changes might still be objectionable, under section 5, because of their being unconstitutional. If this is the case, then the Court's new—and, I think, erroneous—test of retrogressive will be meaningless; and even so-called ameliorative changes, which fail to go far enough to protect minority voting rights, will still be objectionable, under section 5, because of their unconstitutionality.

I think that it is incumbent upon all of us to monitor this situation with great care to see just how much damage may have been done by this decision. I, for one, intend to spend significant energies observing what the Beer aftermath will be. It could be that, ultimately, curative legislation will be needed in this area.

FRANCHISE PRACTICES REFORM

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, since introducing H.R. 8349 last June, I have received constructive comments and suggestions from numerous franchisors and franchisees throughout the country. Based on these comments I suggest that several changes be made in the bill as introduced. These suggested revisions are incorporated in a revised draft of H.R. 8349 which I submitted with my testimony before Chairman VAN DEERLIN's Subcommittee on Consumer Protection and Finance.

The revision, in addition to technical and stylistic changes, makes some substantive changes in the bill. It eliminates the distinction between cancellation and failure to renew a franchise—a distinction that from the point of view of both the franchisor and franchisee has little meaning. The same good cause standard should apply to both situations.

The revised draft includes two changes in the notice requirements. First, it specifies four situations in which no notice of termination is needed. These are special situations in which a 90-day notice requirement would work an unfair hardship on the franchisor. However, should the franchisor abuse this right, the court is empowered to award actual and punitive damages.

Second, a "cure provision" is added. Following receipt of notice of intention to cancel or not renew, the franchisee is given 60 days to correct the alleged deficiencies. If corrected within the prescribed time period, the franchisor may not cancel. This provision would give the franchisee a reasonable period to correct his deficient conduct and save his business.

A new section entitled "Relationship Between Parties" is added. The section prohibits discriminatory treatment between similarly situated franchisees during the course of the franchise. The franchisor should be required to deal fairly with all his franchisees. If there is a shortage of products or materials, all franchisees should share equally in the shortages. The franchisor should not be permitted to pick and choose between those franchisees who receive their products on time and those who do not.

The revised draft also includes a provision authorizing the Federal Trade Commission to exclude by rule from coverage under the act any franchise, as defined by the act, which is not subject to the inequitable practices against which the act is intended to protect.

Finally, although not included in the revised draft, I urged the subcommittee to explore the possibility of providing for a binding arbitration in situations where the franchisor and franchisee are unable to agree upon terms for the renewal of the franchise. By providing a mechanism which automatically triggers arbitration proceedings, expensive court battles can be avoided and agreement on a new franchise quickly reached.

At this point, I insert the text of my suggested revisions to H.R. 8349.

H.R. —

A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with even-handed protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Franchising Practices Reform Act".

DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that—

(1) A substantial amount of useful business activity in and affecting interstate commerce is today carried on and conducted pursuant to franchise agreements or relationships between franchisors and franchisees.

(2) Such agreements and relationships benefit the economy, enhance commerce, and promote competition because they provide a means for combining centralized planning, direction, and standard-setting by the franchisor with local decisionmaking, initiative, and capital formation of the franchisee, in a way which appears to be at least as effective as commercial arrangements based on principal and agent relationships.

(3) Because the franchise relationship in its present form is a relatively new one, the applicable law has not evolved sufficiently to protect adequately the parties to the franchise relationship and to insure against overreaching, unjust enrichment, and unjustifiable termination. The law applicable to franchise agreements and relationships should not be traditional agency and contract law doctrines to the extent that such doctrines permit inequities to occur and fail to provide sufficient remedies for conduct that should, in this context, be characterized as wrongdoing.

(b) It is the purpose of this Act to provide certain remedies to franchisors and franchisees to assure fair dealing, to protect franchisees from inequitable practices, and to guarantee to consumers the greater benefits which would flow from more equitable franchise agreements and relationships.

DEFINITIONS AND COVERAGE

SEC. 3. (a) As used in this Act—

(1) The term "antitrust laws" includes—

(A) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1, et seq.);

(B) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12, et seq.);

(C) the Federal Trade Commission Act (15 U.S.C. 41, et seq.);

(D) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9); and

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21A).

(2) The term "franchise" means any commercial relationship which affects commerce and which is created by agreement, contract, lease, or other understanding, whether written or oral, express or implied, in which—

(A) a person (hereinafter in this Act referred to as a "franchisee") is granted the right, or is permitted, to offer, sell, or distribute—

(i) goods or commodities manufactured, processed, or distributed by another person (hereinafter in this Act referred to as a "franchisor"); or

(ii) services established, organized, approved, or directed by the franchisor;

(B) (i) the franchisor represents that it will lend more than nominal assistance to the franchisee in the franchisee's organization, promotional activities, management, marketing plan, method of operation, or other business affairs; or

(ii) the operation of franchisee's business is substantially associated with the franchisor's trademark, service mark, trade name, or other identifying symbol or name owned and controlled by the franchisor; and

(C) a significant amount (not less than $25,000 in gross revenues) of the goods, commodities, or services sold by the franchisee is derived from the franchise business.

The term "franchise" includes any franchise as described in the preceding sentence in which a franchisee is granted the right, or is permitted, to offer, sell, or negotiate the sale of such franchises in the name of or on behalf of the franchisor.

(3) The term "good cause" means—

(A) failure by a franchisee to substantially comply, with any reasonable requirement imposed upon him by the franchise, or

(B) the use of bad faith by the franchisee in carrying out the terms of the franchise.

(4) The term "marketing area withdrawal" means a cancellation, termination, or failure to renew a franchise for the purpose of enabling the franchisor to withdraw from the business of granting, organizing, supplying, or directing franchises within a particular marketing area of the United States;

(A) which such cancellation, termination, or failure is not a violation of the antitrust laws;

(B) with respect to which the franchisor does not sell or provide in such marketing area the same goods and services covered by franchise within five years following the date of such cancellation, termination, or failure to renew; and

(C) the franchisor pays the franchisee reasonable compensation for the value of the franchisee's business, including goodwill or, if agreed to by the franchisee, provides for the replacement of the franchise with a new franchise of equivalent value.

(5) The term "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A).

(6) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

(b) This Act does not apply to any franchise which the Federal Trade Commission identifies, by rules, as a franchise of a type which is not subject to inequitable practices and with respect to which the remedies and protections of this Act need not apply.

NOTICE TO FRANCHISEES

SEC. 4. (a) (1) No franchisor may cancel, fail to renew, or otherwise terminate a franchise unless he furnished prior notification pursuant to paragraph (2) to each franchisee affected thereby.

(2) The notification required under paragraph (1) shall be in writing and sent to such franchisee by certified mail not less than ninety days prior to the date on which such franchise will be canceled, not renewed, or otherwise terminated. Such notification shall contain a statement of intention to cancel, not renew, or otherwise terminate, together with the reasons therefor, the date on which such action shall take effect, and a statement of the remedy or remedies available to such franchisee under this Act, including a summary of the applicable provisions of this Act.

(b) There shall be available as a defense to any action brought under section 7 with respect to any violation of subsection (a) of this section that the franchisor cancelled, failed to renew, or otherwise terminated a franchise without furnishing prior notification under subsection (a)—

(1) in order to protect against an imminent danger to public health or safety;

(2) in the event of insolvency or bankruptcy of the franchisee;

(3) in the event of voluntary abandonment by the franchisee of the franchise business; or

(4) in the event of repeated failures to comply with reasonable requirements of the franchise.

TERMINATION OF FRANCHISES

SEC. 5. (a) No franchisor may cancel, or fail to renew, or otherwise terminate a franchise.

(b) There shall be available as a defense to any action brought under section 7 with respect to any violation of subsection (a) of this section that—

(1) the franchisor is effecting a marketing area withdrawal; or

(2) the franchisor has good cause for the cancellation, failure to renew, or termination and; in the case in which prior notification is required under section 4, the franchisor has furnished such notification and the franchisee has not corrected the failure to comply with the reasonable terms of the franchise specified in such notification within 60 days after the date of receipt of such notification.

RELATIONSHIP BETWEEN PARTIES

SEC. 6. (a) No franchisor may discriminate between similarly situated franchises in the performance of the franchise.

(b) There shall be available as a defense to any action brought under section 7 with respect to a violation of subsection (a) of this section that any discrimination by the franchisor among franchisees is reasonable, is based on proper and justifiable distinctions considering the purposes of this Act, and is not arbitrary.

JUDICIAL REMEDIES AND BURDEN OF PROOF

SEC. 7. (a) If a franchisor engages in conduct prohibited under this Act, a franchisee may maintain a suit against such franchisor.

(b) The court shall grant such equitable relief as is necessary to remedy the effects of conduct which it finds to exist and which is prohibited under this Act, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief. The court may, unless required by this Act, award damages, including the value of goodwill. The court shall, if such suit is successful, direct that costs, including reasonable attorney and expert witness fees, be paid by the franchisor. The court shall, if it finds that the franchisor has acted in bad faith cancelling, failing to renew, or otherwise terminating a franchise with prior notification pursuant to section 4(b) of this Act, award actual and punitive damages, as well as costs as provided for in this subsection.

(c) A suit under this section may be brought, without regard to the amount in controversy, in the district court of the United States for any judicial district in which the franchisor against whom such suit is maintained resides, is found, or is doing business. No such suit shall be maintained unless commenced within two years after the cancellation, failure to renew, or other termination of the franchise, unless the franchisor has allegedly re-entered the marketing area after having effected a marketing area withdrawal, in which case no such suit shall be maintained unless commenced within two years after the date of such alleged re-entry.

(d) In any suit brought pursuant to subsection (a), a franchisor availing himself of any of the defenses specified in section 4(b), 5(b), or 6(b) shall have the burden of establishing and proving such defense.

PROHIBITION ON WAIVER OF RIGHTS AND ARBITRATION

SEC. 8. (a) Except as provided in subsection (b) of this section, any condition, stipulation, provision, or term of any franchise agreement waiving and rights granted under this Act or relieving any person from liability imposed by this Act shall be void and unenforceable.

(b) Nothing contained in this Act shall limit the right of a franchisor and franchisee to agree to binding arbitration of disputes, where—

(1) the standards applied in such arbitration are not less than the requirements specified in this Act, and

(2) any arbitrator employed in such arbitration is chosen from a list of impartial arbitrators supplied by the American Arbitration Association or other impartial third parties designated after the occurrence of the dispute.

ANTITRUST LAWS

SEC. 9. No provision of this Act shall repeal, modify, or supersede, directly or indirectly, any provision of the antitrust laws of the United States. This Act is and shall be deemed to be supplementary to, but not a part of, the antitrust laws of the United States.

DR. JAMES SCHLESINGER DISCUSSES "NATO AND THE WARSAW PACT CHALLENGE" IN MCPL EDUCATION FUND LECTURE SERIES

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, on February 18, Dr. James Schlesinger, former Secretary of Defense, appeared at one of the series of discussion meetings on U.S. defense policy and related foreign policy, sponsored by MCPL Education Fund. The discussion centered on NATO and the Warsaw Pact. The meeting was open to all Members of Congress and senior congressional staff members.

It has been intended from the outset to make summaries of each briefing session available to all Members of Congress and the general public by printing summaries of the discussions in the Congressional Record. The summaries are cleared with each speaker before being released, which sometimes results in a delay. However, this insures that the summaries accurately reflect the viewpoint of the speaker.

The meeting addressed by Dr. Schlesinger was very well attended. The thrust of Dr. Schlesinger's remarks was that without strong U.S. participation in NATO the states in Western Europe would be forced to make unfavorable accommodations with the Soviet Union. It was also his view that, while NATO has the power to block a Soviet military thrust into Western Europe, to do so would probably involve reliance on nuclear weapons. Since such a strategy carries with it a threat of devastation to much of Western Europe, a more satisfactory strategy would be to build up NATO's conventional forces so that they could adequately contain a Warsaw Pact conventional attack. Dr. Schlesinger believes the Western European countries are fully capable of maintaining adequate conventional forces and thinks that the United States should continue to encourage them to do so. He also believes that the MBFR negotiations require greater care than even the SALT talks in order to insure that they do not weaken the security of Western Europe.

The full summary of Dr. Schlesinger's remarks follow.

Members of Congress for Peace Through Law Education Fund Lecture Series: "NATO and the Warsaw Pact Challenge"

(Dr. James Schlesinger, former Secretary of Defense)

SUMMARY RECORD OF PROCEEDINGS

Wednesday, February 18, 1976, 4 p.m., 2325 Rayburn House Office Building, Washington, D.C.

Dr. Schlesinger began his comments on NATO with some observations on U.S. foreign policy. Since our involvement in Vietnam, there has been no national consensus on what our foreign policy should be. There has been discussion about whether or not the U.S. is overcommitted, whether or not we should retrench. While there are valid grounds for discussion on this point, in Dr. Schlesinger's opinion, the irreducible minimum for U.S. interests is our commitment to NATO, with whom we share a common political and cultural heritage.

U.S. participation in the defense of Europe is both essential and inescapable, because:

France, Britain, and Germany no longer have the same relative power that they did before World War II;

Europe is now composed of an agglomeration of small and medium-sized powers which are incapable of standing up to Soviet agression;

Any change in U.S. foreign policy causes reverberation throughout Europe;

Without the adhesive of U.S. participation in NATO, the states of Western Europe would be forced to make accommodations with the Soviet Union;

The U.S. is the only potential counterweight to the Soviet Union, as it is the only superpower in the free world.

We have tried to make NATO adequate in the military sense since the Lisbon Conference of 1952. When that failed, we developed the doctrine of "massive retaliation." While this doctrine was promulgated we and our NATO allies did not attempt to develop an adequate conventional counterbalance to the Warsaw Pact conventional forces.

For a period of years, overwhelming U.S. nuclear superiority made this policy credible. Under the Kennedy Administration, as the Soviets developed a deterrent of their own, we attempted to develop a conventional capability to stand up to the Warsaw Pact.

This was a wholesome and necessary development, which has been pursued vigorously, if intermittently, ever since.

What strategy should NATO adopt? The U.S. preferred strategy is to have a conventional force adequate to contain a Warsaw Pact conventional offensive with some degree of confidence.

The alternative is to rely on nuclear weapons. If we rely on nuclear weapons, we threaten the destruction of Europe as a response to a conventional probe by the Soviet Union—threatening such destruction is not a wholly credible threat in circumstances less than all-out. Ideally we should have the capacity to respond to a probe at the same level of violence as the Warsaw Pact.

We have attempted to strengthen U.S. forces in Western Europe in association with strengthening Western Europe forces. In 1976, the Bundeswehr is a militarily impressive force. This was not true a decade ago. The U.S. Army has been rebuilt from its low point during the Vietnam War, and our forces in Europe have been strengthened by the addition of two brigades built from manpower reclaimed from headquarters and support spaces.

Overall, our objective is to build a stalwart conventional force sufficiently awesome so that it would never be threatened.

What are the implications of MBFR? For the past two years, these talks have been stalled, because the Soviets have made a policy decision that they will not negotiate an MBFR agreement before they have a SALT agreement. The MBFR negotiations require much greater care than even the SALT talks, because the awesomeness of nuclear weapons and the small probability of their use means that to some degree, we can live with a bad SALT agreement. But western civilization will not long survive a bad MBFR agreement. We entered the MBFR talks to maintain and enhance the security of Western Europe. Any agreement should support these objectives. No troop cuts should be made to support domestic political or budgetary objectives.

Soviet MBFR objectives are:

- Get control of the Bundeswehr, a vastly improved fighting force;
- To head off any future attempt to form a European Defense Community, and to maintain the NATO alliance in its present fragmented form.

There is no reason for either the U.S. or NATO to acquiesce in either of these objectives, nor in any agreement which will permanently guarantee the Warsaw Pact numerical superiority. The effect of doing so would be to increase the probability of the use of nuclear weapons, and a decline in the confidence of the Europeans in our ability to respond.

In general, NATO's situation is not wholly satisfactory, but it remains the sole means by which U.S. and Western European forces are pooled. However, its weaknesses are considerable. The Europeans have continously felt a sense of inferiority vis-a-vis the Warsaw Pact. This has undermined an attempt to put together an adequate force structure.

The Europeans think that an adequate conventional defense will militate against the success of the nuclear deterrent, either U.S. willingness to use it, or Soviet perception of U.S. willingness.

Lastly, the Europeans tend to play the weapons system game, whereby NATO members attempt to hawk weapons to each other.

This is not what we should be concerned with. What we should be concerned with is maintaining an adequate defense against the threat from the East.

EXTENDING TEMPORARY UNEMPLOYMENT COMPENSATION

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I am pleased to join with our distinguished colleague from Ohio (Mr. Whalen) in introducing a bill which will establish area—rather than State—unemployment levels as the basis for determining eligibility for extended unemployment benefits.

The effect of this bill would be to continue the temporary Federal supplemental benefits to areas of continuing high unemployment within a State, even when the State as a whole is no longer eligible for such benefits because of a lower unemployment rate. On April 3, Federal supplemental benefits—FSB—were cut off to Ohio and 12 other States whose overall insured unemployment rates had fallen below 5 percent. Yet there remain in Ohio—and many of the other 12 States—large labor market areas with extremely high unemployment. Listed below are the February unemployment rates by labor market area for the State of Ohio:

Labor Market Area:	*Unemployment Rate*
Akron	9.9
Canton	9.9
Cincinnati	8.6
Cleveland	7.7
Columbus	7.8
Dayton	7.9
Hamilton-Middletown	10.6
Lorain-Elyria	7.6
Steubenville	6.3
Toledo	8.3
Youngstown-Warren	12.2

In fact, in my own district, which includes Akron, the unemployment rate is actually on the rise, despite the lowering statewide average. Jobs in Akron are harder to find than ever, and the sudden loss of Federal supplemental benefits will leave many jobless workers with no income at all, since most of them are not eligible for AFDC or SSI payments.

Although unlimited extension of the FSB program is probably not the best answer to assisting jobless workers in times of high employment, the situation facing us is an emergency one. Until a better program can be worked out, some immediate action is essential to protect those workers who will be left with virtually no assistance and no opportunity for employment. The bill which I am pleased to join in cosponsoring today with my colleague from Ohio (Mr. Whalen) is one approach to solving this problem. I might add that similar legislation has also been introduced by the distinguished ranking minority member of the Subcommittee on Unemployment

Compensation of the House Ways and Means Committee, Mr. STEIGER of Wisconsin, and I have also cosponsored Mr. STEIGER's bill..

A second approach to the problem has been suggested by the distinguished chairman of the Subcommittee on Unemployment Compensation (Mr. CORMAN). On Tuesday, the chairman introduced a bill, which I also was pleased to cosponsor, which would modify the State trigger mechanism in the current program to provide 13 weeks of FSB when the insured unemployment rate in the Nation is 4.5 percent or higher. States with rates above 6 percent would still be eligible for 26 weeks of FSB under the chairman's bill. The effect of this change in the trigger mechanism, according to the projections cited by the chairman in his introductory remarks, would be to make 13 weeks of FSB available to all States through fiscal 1977.

I know that most Members of the House share my gratitude to the chairman of the Unemployment Compensation Subcommittee for his excellent leadership in the area of unemployment compensation legislation in the past. The chairman has once again displayed his sensitivity to the plight of these jobless workers by introducing his legislation and by tentatively scheduling hearings by his subcommittee on this subject on April 28, 29, and 30. I am very hopeful that these hearings will produce an agreement that quick action is necessary and a consensus on the most efficient and fair approach to take.

Finally, Mr. Speaker, I would like to note that legislation (S. 2362) similar to the chairman's has been introduced in the Senate by Senators HARRISON WILLIAMS and JACOB JAVITS. I commend these gentlemen for taking the leadership on this issue in the Senate, and I am hopeful that hearings will be forthcoming in this body on this issue very shortly.

Following these remarks is a copy of a letter I sent to Chairman CORMAN on March 23 requesting hearings on FSB legislation and a copy of the chairman's response to me:

MARCH 23, 1976.

Hon. JAMES CORMAN
Chairman, Subcommittee on Unemployment, Compensation, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, under the provisions of the Emergency Unemployment Compensation Act of 1974, Ohio and 13 other states whose insured unemployment rates have fallen below 5% already have "triggered out" of the federal supplemental benefits program. Covered workers in these states who are still unemployed and receiving federal supplemental benefits will stop getting their checks on April 3rd.

Nationwide, half a million people will lose benefits. In Ohio, 50,000 people will be affected immediately by this cut-off. In the 5-county Akron area alone, some 7,000 people will lose their benefits.

Unfortunately, the declining unemployment rate in the state of Ohio as a whole does not accurately reflect what is happening in some of the major individual labor market areas of the state. In February, the unemployment rate in Ohio was 7.8%, down from 8.4% in January. But in the Akron labor market area, the February rate was 8.8%—up from 8.4% in January. Akron employment office officials estimate that the insured rate in the area is above 5%. Thus, if federal supplemental benefits were targeted to labor market areas with continuing serious unemployment rather than to entire states, the Akron area would still be eligible.

With unemployment in the Akron area on the rise, it will be extremely difficult, if not impossible, for persons who lose their supplemental federal benefits to find new employment. And it appears that there are very few other benefits available to these people to tide them over until the job picture improves.

I am sure you are familiar with a recent study on Unemployment Insurance Exhaustees prepared for the Department of Labor by Mathematica Policy Research. One of the major findings of this study is that only 19% of those whose unemployment benefits were exhausted were eligible for other benefits, such as Aid to Families with Dependent Children or Supplemental Security Income because of the categorical nature of these programs. And one year after their benefits had ceased, 61% of those studies continued to be unemployed.

This study indicates a very serious gap in federal efforts to provide assistance to unemployed persons in times of high joblessness. Although unlimited unemployment compensation benefits may not be the long-term answer to this problem, until a better program can be enacted some emergency action is essential to protect those workers who will be left with virtually no assistance and no opportunity for employment.

It seems to me that the quickest and most efficient way of providing continuing assistance to those in need would be to drop the "trigger" mechanisms from the program which went into effect January 1st, and continue to supply a full 26 weeks of supplemental benefits to all unemployed persons until the program is due to expire next March. Although the national official rate of unemployment is falling, it is still, at 7.6%, perilously high. And many labor experts suggest that the official rate seriously underestimates the real rate of unemployment, which may be as high as 10%.

If for fiscal or other considerations, this proposal is not acceptable, there would appear to be at least two other options:

To direct federal supplemental benefits to labor market areas with unemployment over a certain percentage—rather than to entire states. This might be the fairest approach in terms of getting the benefits to those most in need, but its implementation may take more time than we have available.

To change the formula used to determine the insured unemployment rate so that it will more accurately reflect the true rate of insured unemployment. It is my understanding that presently, insured unemployment is measured by claims filed under the state and federal/stated extended benefits programs. Claims under the federal supplemental benefits program—in which 2.5 million people participated last year—are not counted. If the purpose of the insured rate is to measure how many covered workers are unemployed, then not counting the persons receiving federal supplemental benefits would seem to be pointlessly misleading.

Because you and the members of your subcommittee have the expertise in this area, I would leave to your discretion which of the various options I have mentioned—or perhaps ones that I have not thought of—would be most appropriate.

I am extremely grateful to you for your fine leadership in getting previous extensions of this program through the Congress, and I hope that you and the subcommittee can and will address this new problem immediately. I cannot emphasize too strongly what a hardship the loss of these benefits will be to workers in my district, and many other areas of the country. When I voted for the Emergency Unemployment Compensation Act, I understood that its purpose would be to provide benefits to workers who lost their job because of the economic recession and who were unable to find another one. It seems to me that a sudden and seemingly senseless halt in the payment of these benefits to people who still have virtually no chance of getting a job and who have no other means of support is clearly contrary to the aim of the law. To allow it to happen without a strong effort by Congress to correct the situation would be unthinkable.

However, if it does not appear that your subcommittee will be able to take this matter up in the very near future, I would appreciate it if you could let me know so that I may consider possible alternative solutions.

Sincerely,

JOHN F. SEIBERLING,
Member of Congress.

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., April 2, 1976.

Hon. JOHN F. SEIBERLING,
Longworth House Office Building, U.S. House of Representatives, Washington, D.C.

DEAR JOHN: This is in response to your letter of March 23 and the letter of March 31 you cosigned with several other members of the House expressing concern over the expiration in some States of Federal Supplemental Benefits.

The State trigger provisions that went into effect January 1, 1976, and have resulted in the reduction or elimination of FSB in States with unemployment rates below specified levels, were developed in the Senate and accepted in conference over my objections. I share your views that in many cases the impact of this trigger mechanism is inequitable and ineffective in directing additional unemployment compensation benefits to those unemployed workers most in need of assistance.

I will be introducing legislation early next week that would reinstate the original FSB program enacted by Ways and Means in December 1974. It would provide a maximum of 13 weeks of Federal Supplemental benefits (up to a combined maximum of 52 weeks of Regular, Extended and Federal Supplemental U.C. benefits) when the insured unemployment rate in the nation or State is 4.5 percent or higher. According to the most recent projections, a national trigger at this level would result in the payment of these 13 weeks of FSB in all States through fiscal 1977. An additional 13 weeks of FSB (up to a combined maximum of 65 weeks) would be payable in States with insured unemployment rates of 6 percent or higher. The bill would also continue the FSB program through the fiscal 1977. It is my understanding that Bill Steiger will be introducing legislation next week that would make FSB payable on the basis of State or area triggers.

At the present it appears as though April 28, 29 and 30 are the earliest dates hearings can be scheduled on this legislation. I have tentatively scheduled hearings for these days and will make a formal announcement in a press release sometime next week.

Please let me or Ken Bowler of the Ways and Means staff know as soon as possible if you would like to cosponsor the bill I will be introducing, or if you would like any assistance in developing alternative legislative proposals that might be considered in the hearings.

I appreciate your interest in this matter.

Sincerely,

JAMES C. CORMAN.

NATIONAL AGRICULTURE RESEARCH POLICY ACT OF 1976

(Mr. WAMPLER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, I welcome the opportunity to report to the House today on the status of legislation before the House Agriculture Committee to upgrade agricultural research. The need for this legislation arises because there is a growing uncertainty about the ability of U.S. agriculture to meet future demands for food, fiber and wood products and a growing apprehension that the status of agricultural research in the councils of the Federal Government has become dangerously eroded.

The primary research legislation before the House Committee on Agriculture are my identical bills, H.R. 11743 and H.R. 11744, entitled the "National Agriculture Research Policy Act of 1976." These bills are cosponsored by 27 members of the Agriculture Committee, including our chairman, Mr. FOLEY. Also cosponsoring this legislation is Chairman TEAGUE of the House Committee on Science and Technology and Mr. PRESSLER of South Dakota. This legislation is scheduled for committee markup on May 4 and 5.

The purposes of this legislation are:

First. To emphasize agricultural research and education as a distinct and vital mission of the Federal Government and particularly of the Department of Agriculture;

Second. To insure that all agricultural research is effectively coordinated; and

Third. To provide a mechanism for identifying and pursuing solutions to the Nation's highest priority problems for food, fiber and forest research.

Economic and social progress in this country has long been and still is dependent upon abundant supplies of food, fiber and wood products. Until recently American agriculture was able to meet these needs with relative ease. The rising productivity of the American farmer and our wood products industry was taken for granted. Future prospects indicated that the farmer and the wood products industry would be able to meet projected food, fiber and wood product needs. It was also assumed that we could sustain agriculture's vital contribution to world food, fiber, and wood products supplies and to the U.S. balance of payments. Today, however, the weight of evidence reveals sobering prospects.

First, past projections of future food, fiber and wood products production capability have relied heavily on assumed rates of increase in agricultural productivity equal to those experienced since World War II. Yet, for over a decade now, the rate of increase in agricultural productivity has shown signs of tapering off.

Second, there have been steady increases in public funds for agricultural research over the past ten years, most of these increases have been absorbed by inflation. The number of scientist man-years employed by these public funds has been almost constant for the past decade, indicating no real increase in public support for agricultural research over this period.

Third, we can no longer rely on bringing idle land back into cultivation in order to increase food and fiber production. The nearly 60 million acres of idle crop-land that existed in the early 1970's is, for all intents and purposes, now gone. The nation also has a severe problem in meeting the needs of our people for wood products, consistent with the principles of multiple use and sustained yield, at a price which will allow our people to purchase proper housing and other necessary wood products.

Fourth, the increased dependence of the United States on foreign oil, and the rising prices of many imported products and materials, increases the need for expanding U.S. exports. The importance of agricultural exports to the U.S. balance of payments has been vividly demonstrated over the past 3 years. Without continued growth in agricultural productions, the choice between food and fuel may well become even more critical in the future.

Finally, prices paid by farmers for production items are today almost double their 1967 level. If farmers purchase fewer inputs, in efforts to reduce costs, they also reduce their output. New cost reducing technologies are essential both for maintaining farm incomes and reducing the cost of food, fiber and wood products to consumers as well as for increasing future agricultural supplies.

In addition to these factors, of food supply and food cost, is the need for greater knowledge of the environmental and nutritional aspects of food production and consumption. The future prosperity of agriculture and of the entire nation will largely be determined by the health and vitality of our natural resources; our air, our land, our water, and our people.

The past accomplishments of agricultural research are legend. How easily we forget the decades of scientific effort and the millions of dollars of public and private support that were necessary to bring about these accomplishments.

Today, with the world's population continuing to expand and the pressure on our scarce resources growing, an even greater commitment is required of us. Future generations depend on those of us here today for the same prosperity and security that we have enjoyed. If we are going to meet this responsibility, we must renew our commitment to searching out and applying new knowledge to the process of feeding, clothing, and providing shelter for the people of this Nation.

Perhaps the experiences of the past 3 years already reflect our complacency toward this vital function of Government. A complacency evidenced by the declining portion of the Federal budget allocated to agricultural research and the training of agricultural scientist and agricultural engineers in our educational institutions. A complacency evidenced by the conspicuous lack of representation for agricultural science in the councils of our Federal Government. The National Science Foundation does not have an agricultural scientist in its governing body, the National Science Board, nor does it recognize agriculture as a major function of the Federal Government. Even in the U.S. Department of Agriculture, research has been relegated to a minor role, accounting for only 3.4 percent of the Department's budget in fiscal year 1976.

It is this situation that my bill, H.R. 11743, addresses.

This legislation was originally introduced as H.R. 11339, on December 19, 1975. At that time letters were sent to the deans of the Nation's colleges of agriculture, along with copies of the bill, asking for their responses and recommendations. After receiving these responses, we sought recommendations from a wider variety of interested parties, including: Directors of State agricultural experiment stations, the National Association of State Universities and Land-Grant Colleges, and other concerned with agricultural research. The bill was subsequently modified and reintroduced on February 5, 1976, as H.R. 11743 and H.R. 11744. This time, as previously stated, I was joined by 27 of my colleagues on the Agriculture Committee and two from other committees in sponsoring the legislation.

On February 17 and 18, 1976, public hearings on the bill were held before the Committee on Agriculture. At these hearings, representatives from the major farm and commodity organizations, State colleges and universities, forestry and veterinary medicine associations, the Department of Agriculture, and others presented testimony. The Department of Agriculture was alone in opposing the legislation.

Many helpful recommendations emerged during the hearings and in subsequent discussions with the various parties, including the Department of Agriculture. These have led to further modifications and refinements of the bill, which I propose to offer as an amendment in the nature of a substitute to H.R. 11743 at the outset of the markup session before the full Agriculture Committee.

In its present form, my amendment in the nature of a substitute provides three major tools for emphasizing, coordinating, and enhancing the Federal role in agricultural research. First, it assigns the Secretary of Agriculture the task of coordinating all research of the Department of Agriculture, and to the maximum extent practicable, after consultation with other Federal departments and agencies, coordinate all such research within the Federal Government, and disseminating all information generated by such research. It provides him with a staff to assist in carrying out this function and provides for an additional Assistant Secretary of Agriculture to help carry out the purposes of this act.

Today food-related research is conducted by a wide spectrum of Federal departments and agencies, State colleges and universities, private foundations, and private industry. Yet all these programs operate with no mechanism for coordination and planning. There is no focal point capable of providing purpose and direction to the overall effort. Many of these programs operate with no effective delivery system to communicate their findings to those who can put the knowledge to use in practical ways. By assigning this task to the Department of

Agriculture, with its long-established links with the land-grant community, H.R. 11743 provides an effective focal point for agricultural research.

Also, the Department's links to the user community, through the Cooperative Extension Service greatly facilitate the communication of research findings to the ultimate users: farmers, agricultural inputs firms, food processors, retail food stores, and American households.

The second major provision of the bill establishes a permanent National Agricultural Research Policy Advisory Committee. This committee has responsibilities:

To facilitate the coordination of interagency and intergovernmental research related to agricultural problems,

To develop and recommend national policies, priorities, and strategies for agricultural research and education,

To advise the Secretary of Agriculture with regard to the allocation of funds to agricultural research, and

To prepare long-range plans for agricultural research and education.

The composition of the committee is outlined in the bill. It includes two representatives from the Department of Agriculture and five from the Agricultural Division of the National Association of State Universities and Land-Grant Colleges and other colleges and universities engages in agricultural research. Also represented are the National Academy of Sciences, the National Science Foundation, the Environmental Protection Agency, the Food and Drug Administration, and the Office of Technology Assessment of the U.S. Congress. Rounding out the 20 member committee are representatives from national farm, forestry, and veterinary organizations, agricultural commodity associations, and national environmental consumer organizations.

The third major tool provided by the bill aims at enhancing the agricultural research effort in two ways. One, by expanding the support for basic research, and two, by broadening the scope of scientific participation in solving the problems of food, fiber, and forest production and utilizations.

To accomplish these ends the bill establishes two new research grant programs to be administered by the Department of Agriculture. One provides grants to agricultural scientists in the Nation's colleges and universities. These grants are to be used for mission-oriented basic research in agricultural problems. They will be available to land-grant and non-land-grant colleges and universities having a demonstrable capacity in agricultural research.

The second program provides for issuing grants on a competitive basis to Federal agencies, research institutions, organizations, and individuals for conducting agricultural research. These two grant programs are needed to stimulate new fundamental knowledge in the sciences related to agriculture and to broaden agriculture's access to the talents of the whole scientific community.

The Committee on Agriculture, in its report to the Budget Committee in March 1976, recommended that $25 million dollars be allotted to implement these two grant programs. I am informed that these funds are available in the present Budget Committee recommendation to the House. Moreover, my bill authorizes a substantial expansion in the Department's existing research programs, as well as existing research programs at land-grant colleges under the Hatch Act in fiscal year 1978 and 1979.

These additional funds are needed to instill new life in the national agricultural research effort. They are needed to enhance both the depth and scope of this effort in order to encompass the ever-growing range of problems the agricultural research system is being called upon to solve. Yet greater funding is no substitute for better planning and more effective coordination. The three-pronged approach embodied in H.R. 11743 is essential to an efficient and effective application of public resources to a critical national problem.

In conclusion, the importance of a vital and healthy agriculture sector is paramount. Its importance to the growth, and even the maintenance, of this Nation's welfare and security has been vividly impressed upon us by recent events. No less critical is the health and vitality of agricultural science. To quote from a recent article, entitled "Agriculture; The Island Empire," by Andre and Jean Mayer:

> Few scientists think of agriculture as the chief, or model science. Many, indeed, do not consider it a science at all. Yet it was the first science—the mother of sciences; it remains the science which makes human life possible; and it may well be that, before the century is over, the success or failure of Science as a whole will be judged by the success or failure of agriculture.

I might add that, if agricultural science fails, it will mark the failure of far more than agriculture or science alone. The future success of agriculture must be secured if there is to be any future worth having. This is the responsibility we bear today. The enactment of H.R. 11743 is a vital step toward securing that success and that future.

THE UNITED STATES MUST NOT YIELD RIGHTS IN CANAL ZONE

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Arizona (Mr. STEIGER) is recognized for 10 minutes.

Mr. STEIGER of Arizona. Mr. Speaker, for several years the State Department has engaged in a cowardly campaign to give away the Panama Canal without the consent of Congress or the American people. The campaign persists despite repeated warnings from Congress that any treaty which relinquishes U.S. rights in the Canal Zone is doomed to public rejection and legislative failure.

The case for continued U.S. control of the Panama Canal and the contiguous Canal Zone rests on a series of compelling arguments. In the first place, the U.S. presence in the Canal Zone is fully guaranteed by treaty. Under the 1903 treaty with Panama the United States acquired "in perpetuity the use, occupation and control" of a 10-mile-wide zone, as well as "all the rights, power, and authority" within the zone which the United States would exercise "if it were sovereign." For these rights the United States paid Panama $10 million and a yearly annuity. By direct purchase from private owners the United States also acquired title to the lands involved. The 1903 treaty was lawfully negotiated and fully ratified by Panama, acting to insure the benefits of the canal for themselves rather than Nicaragua. U.S. title to the zone was confirmed by the Supreme Court in 1907 in the case of Wilson against Shaw. It remains entirely valid today.

Second, it must be remembered that American resources and engineering ingenuity built the canal and created the Canal Zone. Overcoming the disease, pestilence, and monumental engineering obstacles which stymied the previous French efforts, the canal was opened in 1914 after a decade of construction. The area was rid of yellow fever, sanitary and public health facilities were provided, and an engineering marvel was created at an original cost of $387 million. Throughout the years substantial sums of U.S. resources have been utilized to defend and modernize the canal, expenditures which significantly benefited Panama, giving it the highest per capita income in Central America. We built and defended the canal for all these years; we should continue to control it.

Third, commercial interest dictates that the United States retain control of the canal. Under American control the canal has been operated efficiently and fairly for all nations as a vital artery of world commerce, with 70 percent of the trade in recent years originating in the United States or destined for U.S. ports. Tolls have been kept to a minimum, remaining a 1914 levels until the modest increase last year. This policy has benefited world commerce in general and American commerce in particular. If we turn the canal over to Panamanians we invite another Suez disaster. At the least tolls will increase sharply; at the worst the canal might be closed under certain conditions. Both will impose unwarranted burdens on the American people.

Fourth, U.S. strategic interests require a long term American military presence in the Canal Zone to defend the Caribbean and the South Atlantic from possible threatening forces. In addition, the Panama Canal is an essential link between U.S. naval forces deployed in the Atlantic and Pacific Oceans, permitting transfer and supply when necessary. During the Vietnam conflict the canal was widely utilized for precisely such purposes. The bases in the Canal Zone along with the bases in Guantanamo, Cuba, and Puerto Rico, form a vital defensive triangle from which the United States defends the strategic waterways and projects power in the Western Hemisphere. Without the southernmost bases in the Canal Zone, U.S. options would be severely limited and the defense of the strategic canal would be imposed upon the tiny, ill-prepared, unstable nation of Panama. Recent Cuban adventures in Angola and the Soviet buildup of pressure at diverse strategic passageways indicate that such threats cannot be discounted.

Despite this catalogue of compelling arguments, the State Department continues on its merry way to negotiate a treaty which would relinquish U.S. rights in the Canal Zone. Fresh from service in Vietnam, Ambassador Ellsworth Bunker went to Panama in 1973, preparing the way for Secretary Kissinger's visit in February 1974 to sign a statement of agreed principles. These principles, yielding to Panamanian demands, provide for the abrogation of the 1903 treaty and the formulation of a new treaty with a fixed termination date, thereby eliminating the concept of U.S. rights in perpetuity. The new treaty would provide for phased termination of U.S. jurisdiction in the Canal Zone, increasing Panama's share of the economic benefits, and growing participation by Panama in the operation and defense of the canal. At the expiration of the new treaty—around the year 2000, according to informed sources—Panama would assume sole control for the operation and control of the Canal. Under the new treaty, then, the United States would lose sovereignty and jurisdiction in the Canal Zone. At the expiration of the treaty, the United States would be entirely without rights in a zone which we created and built.

Congress, and particularly the House, has repeatedly opposed the thrust of the negotiations and warned that the proposed concessions are unacceptable to the American people. Under the Constitution any new treaty must be submitted to the Senate for its advice and consent and the House will also have a role under article IV, section 3, clause 2, since the treaty contemplates the disposal of U.S. property. Congressmen in both Houses have gone on record opposing the relinquishment of any U.S. rights. I am myself a cosponsor of House Resolution 128 to that effect. Last June, in a clear expression of congressional opposition, the House passed 246 to 164 the Snyder amendment banning the use of State Department funds to negotiate the surrender of any U.S. rights in the Canal Zone. While this language was weakened in conference, the compromise affirmed the sense of Congress that any new agreement must preserve U.S. vital interests. It is time for the State Department to reflect these sentiments in the bargaining sessions. In the meantime, Congress must remain vigilant to insure that U.S. rights in the Canal Zone are retained.

THE FUTURE OF THE CANAL ZONE AND THE PANAMA CANAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. Snyder) is recognized for 15 minutes.

Mr. SNYDER. Mr. Speaker, it is incumbent upon President Ford to immediately try to explain to the American people the validity of whatever reasons he has for directing the Department of State to surrender the Canal Zone and the Panama Canal to a foreign power in the relatively near future.

I make this statement on the basis of State Department testimony before the Panama Canal Subcommittee of the House Merchant Marine and Fisheries Committee last Thursday, April 8. The bulk of that testimony was in closed session, with Mrs. Leonor K. Sullivan, the full committee chairman, presiding. The subcommittee. however, agreed unanimously that my line of questions and the answers to them would be on the record unless the Department witnesses specifically wanted them off. No such request was forthcoming from those witnesses regarding what I state here or any other question of mine.

Those of us in Congress opposed to this giveaway which has absolutely no congressional mandate, long have been critical of the State Department for its intention. We have, however, not been at all clear as to the President's ultimate thinking or decision when a treaty would be drawn.

As of last Thursday, there is no more question. Ambassador Ellsworth Bunker, Chief U.S. Negotiator with the Republic of Panama, in answer to my direct questions, flatly declared that President Ford has directed the Secretary of State and the negotiators to come up with a treaty with the Republic of Panama by which we will give up the Canal Zone entirely after a period of time, and the Canal over a longer period of time. My further questions disclosed that the directions are in writing, over President Ford's signature. Later, the subcommittee requested that it be supplied the documents.

The following brief exchange is quoted directly from the record:

> Mr. Snyder. On whose specific authorization is the State Department pursuing its stated goal of yielding the Canal and the Zone to the Republic of Panama?
>
> Ambassador Bunker. Negotiations are being carried out on the authorization of the President.
>
> Mr. Snyder. Madam Chairman, at this point I would like to ask unanimous consent to include all of the newspaper article from the Chicago Tribune of July 8, 1967. I will not read it all, but its story is headlined "New treaty perils canal: Ford."
>
> The item is sub-titled "Terms found shocking by GOP leader." And the headline on the carry-over story on another page: "Canal treaty terms to shock U.S. public Representative Ford warns."
>
> Now, the article is consistent with the headlines if not more so.
>
> In my opinion a comparison of the proposed 1967 treaty as printed in the Chicago Tribune on July 15, 1967, and the eight points Secretary Kissinger agreed to February 7, 1975, convinces me that the current proposal envisions a more complete surrender of the Zone than did the 1967 draft.
>
> In view of then Congressman Ford's very vehement opposition to President Johnson's treaty, what directive or directives has the Department of State received from President Ford saying he desires you to negotiate turning over to Panama the Canal, or supporting the Department seeking this end purpose, within some period of time?
>
> Ambassador Bunker. Mr. Congressman, we are proceeding to negotiate under guidelines established by the President, both by President Nixon and President Ford.
>
> Mr. Snyder. I do not think that is responsive to my question. I want to know what directive or directives the State Department has received from President Ford to do this?
>
> Ambassador Bunker. We have been directed to proceed with the negotiations on the basis of the guidelines—
>
> Mr. Snyder. To give it up? To give up the Canal Zone over a period of time?
>
> Ambassador Bunker. To give up the Canal Zone after a period of time, that is correct.
>
> Mr. Snyder. And the Canal over a longer period of time?
>
> Ambassador Bunker. Longer period of time.
>
> Mr. Snyder. Longer period of time.
>
> And what are the directives? Are they written memorandums?
>
> Ambassador Bunker. The directives are in written memorandum.
>
> Mr. Snyder. Signed by the President?
>
> Ambassador Bunker. Signed by the President.
>
> Mr. Snyder. Under what date?
>
> Ambassador Bunker. Varying—various dates.

The time periods involved in this giveaway are not way off in the future. The press in this country and in Panama has already reported that we would abolish the Canal Zone Government probably some 6 months after treaty ratification, and give up all jurisdiction over the zone within 3 years. The surrender of the canal and its operation would take place probably during a 25- to 50-year period, a time still not agreed upon by the negotiators.

I am shocked that Mr. Ford as President, now is not only going along with, but is actually directing an even more shocking settlement than the one he opposed as House minority leader. In that same 1967 newsstory, Mr. Ford was further quoted in these words:

> With Cuba under control of the Soviet Union via Castro and increased communist subversion in Latin America, a communist threat to the canal is a real danger . . . Any action on our part to meet a threat involving the national security of the United States should not be ham-strung by the need for time-consuming consultation with a government that might be reluctant to cooperate in the defense, or possibly be in opposition to our best interests.

The situation in the Caribbean is far worse today than when Mr. Ford made those remarks in 1967. The soft underbelly of the United States from Texas to Florida, the east coast, and, in fact, the whole country east of the Mississippi, is threatened by nuclear armed Soviet U-boats that berth in Cuban submarine pens less than 100 miles from our border.

Some 12,000 to 15,000 Cuban troops have received actual combat training under fire in Angola.

Cuban schools of subversion have trained thousands of students from every Latin American country and our own, in guerrilla and sabotage techniques, as well as in all aspects of Marxist-Leninist philosophy, agitation, and propaganda.

Panamanian dictator, Gen. Omar Torrijos, who recently exiled nearly a dozen top Panamanian business leaders whose opposition he feared, has been playing footsie with Castro for several years. Castro promised Torrijos when he visited Havana in January, to give him every help to gain control of the Canal Zone. Torrijos himself has boasted repeatedly he would lead an assault on the zone, if necessary, to gain that control, if we did not surrender it.

In my opinion, the President has the

immediate responsibility to make a clean breast of his intentions regarding the Canal Zone. The Nation has the right to know the full truth.

Our citizen-taxpayers to date have invested some $7 billion in the outright purchase of this unincorporated territory of the United States; in the excavation of the canal linking the Caribbean and the Pacific; and in the civil and military installations vital for its continued operation, maintenance, and defense. And all of this has benefited, not only ourselves, but Panama and the entire world for some 62 years.

There is nothing to prevent Torrijos, should he gain control of the Canal Zone, from inviting the Soviet Union in to protect it.

There is no way in the world he could defend it—or his own country, for that matter—against a Cuban conquest, even without Moscow supporting Castro in such an attack.

In either event, Soviet submarines, missiles, and bombers would soon be in place, capable of striking at our heartland from another outpost, which, unless the American people force Mr. Ford to reverse his position, will soon be within our enemy's grasp instead of remaining our own.

Neither Ambassador Bunker nor his aides were able to substantiate in the slightest degree the claim they have been making around the country in public speeches that a phrase in article III of the 1936 Treaty of Friendship with Panama refers to the Canal Zone as "territory of the Republic of Panama under the jurisdiction of the United States." They have cited this to support their argument that we do not have sovereignty over the zone. Deputy Negotiator Morey Bell did so in a letter to me last December.

Under my insistent questioning seeking substantiation, the claim—which the American Law Division of the Library of Congress had already reported to me was refuted by article XI of the same treaty—was merely repeated.

I feel obligated by my office to further demand that President Ford publicly substantiate this State Department claim—which I consider to be absolutely without legal grounds, and totally false—or order the Department publicly to immediately retract the claim and to desist from using it.

To my knowledge, President Ford has not made the claim of which I speak. He may not even realize the State Department is making it in order to promote the Canal Zone giveaway among the American people.

He is now on notice, however, and has the duty to thoroughly explore the matter. The Supreme Court has declared the Canal Zone belongs to the United States, specifically stating it had been ceded to us by Panama in a duly ratified treaty.

The President and the State Department have a right to argue their case on its merits.

To lie to the American people is nothing less than malfeasance in office.

The President cannot allow this serious business of the Canal Zone's future to be decided without the support of the American people whose very security is involved.

Neither can he allow falsehoods to play a role in trying to secure that support in spite of their better judgment.

I hope Mr. Ford will publicly come to grips with this entire question in the very near future.

THE GREAT TEXAS GAS BUBBLE—1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, almost exactly 3 years ago, San Antonio and other towns and cities across south Texas woke up to an energy crisis. Natural gas, found so bountifully in Texas, suddenly was not coming through the pipelines owned by a company called Lo-Vaca. There had been very few signs that there would be any trouble, and the sudden cutoff of gas delivery seems to have taken the San Antonio utilities by as much surprise as anyone else. The publicly owned utility reacted with shock; San Antonio was faced with the prospect of having no gas to run its electric generating plant on, and very little more than a 1- or 2-day supply of fuel oil, for emergency use. For days, San Antonio lived on the edge of catastrophe.

Three years have passed. In all that time, the crisis has continued. The pipeline company is delivering gas again, but at a cost nearly 10 times as great as 3 years ago. Lo-Vaca buys gas whenever and wherever it can, and pays any price that is demanded for it; and the customers at the other end eventually wind up covering that cost. No other pipeline in Texas operates in this way; none in Texas has higher fuel costs; and apparently no other pipeline has ever come close to running out of gas, as Lo-Vaca did.

During the past 3 years, the cost of fuel charges over and above contract prices to Lo-Vaca customers has exceeded $700 million. In the past, when speculative bubbles have broken, investors lost their money. In this case, the investors—Lo-Vaca's owners—have lost nothing. It is their customers who are paying the price of the breaking of the great Texas gas bubble. These innocent customers pay, and pay and pay.

In all this time, not one single agency, Federal, State or local, has intervened to protect the rights of the people most affected by Lo-Vaca's colossal failure—and that is, the general public. All the people of San Antonio know is that they must pay the full cost of Lo-Vaca's gas, whatever that may be—and it varies from week to week and month to month. No matter how careful that one may be, there is no way to count on knowing what a utility bill will be in San Antonio—except, perhaps, that next month may be even more astronomical than this month.

The Federal Power Commission has said that it cannot help us in San Antonio, because Lo-Vaca is an intrastate pipeline, not subject to their jurisdiction. The State legislature has declined to regulate the price of natural gas within the Texas market. The city council of San Antonio, the official rate-making body, is forced by the Railroad Commission to accept its dictum to allow Lo-Vaca a full passthrough on its fuel cost, because the only alternative is to get almost no fuel supply at all. The courts have been ineffectual; damage suits have been stymied, and many believe that any damage awarded to the customers whose interests have been damaged, would be illusory, maybe even counterproductive. One court did bring the operation of Lo-Vaca under its supervision, and thus a step away from the rapacious hands of Oscar Wyatt, its creator, and now owner of its parent, Coastal States. While Lo-Vaca has languished, Coastal States has prospered.

Now, almost at the third anniversary of this sorry mess, the Texas Railroad Commission has acted. Its action seems particularly appropriate to this season, for it resembles the washing of hands.

The Railroad Commission has told Lo-Vaca's customers that they can elect to let the company operate as a public utility, with a 2 percent rate of return, or that they can go ahead and enforce their contracts. It seems unlikely to me that the utility scheme would be accepted, and if it were, whether it would be effective. On the other hand, Lo-Vaca cannot possibly honor its contracts, any more than it can refund the $700 million or so in fuel adjustment charges that customers have paid. Lo-Vaca has only about a fourth of its gas under contracts that it could honor; three-fourths of their gas must be bought at prices enormously higher than contracts for sale allow. Nor does the company have the money to refund any of the fuel adjustment charges.

The Railroad Commission knows these things. Yet, like Pilate, it simply says that Lo-Vaca and Coastal States have brought dishonor and disorder to the gas industry, and that this cannot be tolerated. Therefore it tells the customers in effect to settle the matter among themselves, any way that they can. On the one hand, the customers can accept the proposition of operating Lo-Vaca as a shaky utility, knowing that this will mean perpetual uncertainty and perpetually higher gas costs, or accept the certain chaos that would arise from the total collapse of Lo-Vaca. No one else in gas rich Texas is asked to make gas available to Lo-Vaca; no thought is given to devising some way of bringing the cost of gas down; and none is given to the possibility of separating Lo-Vaca from its parent, making it into a more or less healthy enterprise, and operating it in the public interest.

Thus far, in 3 years, we have seen pain and frustration, many tears, and continual anguish as the people of San Antonio and south Texas have struggled to emerge from the morass into which they were cast by the cold, calculating outright crooked management of Lo-Vaca, personified by its chief, Oscar Wyatt. We are no closer to solving the crisis now than we were 3 years ago.

The Federal Power Commission, lacking jurisdiction, washed its hands.

The Securities and Exchange Commission, having found that Mr. Wyatt is indeed a scoundrel, forced him to accept some outside directors, left him firmly in power, and washed its hands.

The Railroad Commission, unable to regulate intrastate gas prices, unwilling to do so even if it could, and not wanting to disturb comity by taking gas from honest lines to supply the lines emptied by Oscar Wyatt's crookedness, now washes its hands by a halfhearted suggestion that few believe could work.

It is a sad outlook, not one to hearten anyone who has waited with patience and faith, hoping for relief. San Antonio is as far away from help now as it was 3 long years ago. How long must we wait?

NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I rise in strong support of H.R. 12838, which extends the National Foundation on the Arts and Humanities Act of 1965. This legislation is of great importance for the enrichment of our people, and I was privileged to be a cosponsor of the original act in 1965.

The cultural opportunities that exist in most of our communities are an important component in the quality of life, and almost all of our adult citizens appreciate this fact. Actually, Americans across the country are showing a new appreciation for our arts and cultural heritage and even a willingness to give more support. A recent study shows that 64 percent of the adult public—93.1 million Americans—would be willing to pay an additional $5 per year in taxes if the money were directed toward support of the arts and cultural facilities. Fully two-thirds of our people feel that they need more cultural opportunities than they can get at home by watching television or listening to the radio or tapes.

In recent years the United States has started to acknowledge the growing interest in the arts, and endowments have been growing. But compared to many European countries, we still have a long way to go in giving the kind of generous support that this Nation should show in expanding the appreciation of our cultural heritage. In per capita figures, according to the West Germany Embassy, that country spends about $176 on arts for every man, woman and child; the United States only spends about 32 cents.

The last time the Federal Government made a wholehearted effort to support the arts, with the "Federal One" projects during the 1930's, struggling artists were assisted with various art projects throughout the country. Because of this support such luminaries as Jackson Pollack, Willem de Kooning, and Stuart Davis were able to develop their talent to the point where they were ultimately responsible for shifting the capital of art from Paris to New York. The Writers Project served as a launching pad for such writers as Ralph Ellison, Saul Bellow, Studs Terkel and Kenneth Rexroth.

Federal support of our arts adds immeasurably to the public's opportunities to enjoy the enrichment provided by cultural activities. It is the arts and the humanities which deal with the lives and aspirations of men. They are at once the record and the very product of our imaginations, our creativity, and our hopes.

That is why, Mr. Speaker, I believe it to be in the national interest to support the humanities and the arts. The National Foundation on the Arts and Humanities is a clear expression of our national concern and regard for the arts and humanities. It also helps us to meet the needs of the arts and humanities for support and to meet the needs of the country for the arts and humanities. But Government support of the arts and humanities is not to replace private initiative, reduce private responsibility, or restrict artistic freedom. Rather it is meant to recognize the important place which the arts and humanities have in our national life, to develop a broad policy of national support for the arts and humanities, and to give them a permanent base.

H.R. 12838 will insure the continued vitality of the arts and humanities. We cannot afford to hesitate, the time to act is now. I enthusiastically support and I encourage the support of my fellow Congressmen for H.R. 12838.

PROTECTING THE RIGHTS OF SOCIAL SECURITY RECIPIENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

Mr. BINGHAM. Mr. Speaker, the problems of the Nation's disabled indigent is an issue which the Congress, in this decade, has addressed with considerable intelligence. The 1973 social security reforms have enabled the mentally and physically disabled to receive social security benefits, even though they may have been unable to work long enough to qualify for these benefits under the old law. This has not only helped localities with the size of their welfare budgets, but it also was a significant affirmation of the dignity of the disabled: their benefits now come to them as a matter of statutory right, not as charity bestowed upon them by local welfare agencies.

Unfortunately, the Social Security Administration's efforts to administer SSI benefits have not always kept in mind the dignity and rights of the disabled. The SSA's rules on the subject of "representative payees" have, in fact, been a model of how to combine a lack of regard for individual rights with administrative inefficiency and financial waste. To correct the SSA's rules in this area, I am today introducing in the House a bill designed to affirm the rights of the disabled to receive the money, or at least the benefits of the money, that Congress intended should be theirs. Before further discussing this corrective legislation, however, I should like to detail the inadequacies of the current SSA regulations on the subject of "representative payees."

The "representative payee" is the legal result of the fact that many social security beneficiaries are unable to manage money. So that their social security benefits might still be used on their behalf, the law (42 U.S.C. 405(j), 1383(a)(2)) allows benefits to be paid to a "representative payee," who most often is a close relative of the beneficiary. As an idea, this is not only reasonable, but necessary where a person, whether because of advanced age or retardation or mental illness, is in fact unable to manage money, the law should see to it that his mony is managed on his behalf by a responsible party. This reasonable principle is far from being a legal innovation of the social security laws; on the contrary, the "representative payee" of the social security law is the direct legal offspring of guardians and conservators, who have been known and recognized by the law of equity for centuries.

Unfortunately, the SSA has not implemented the reasonable idea underlying the representative payee. Under current social security regulations, no real effort is made to determine if, in fact, a disabled person is unable to manage his funds; the failure of the SSA to provide beneficiaries with an opportunity for a hearing on this question, before appointing a representative payee, has led to numerous individuals' being deprived of their benefits without anything resembling due process of law. In fact, SSA procedures in this area fairly sum up all the arbitrary practices whose patent unfairness is what led to the birth of the modern law of administrative due process: the criterion for depriving an individual of his benefits is classically meaningless—a representative payee is appointed if it is "in the best interests" of the beneficiary; beneficiaries are rarely given actual notice of the proceeding—though notice is, formally, required; and there is, as we have mentioned, no opportunity for a beneficiary to contest the determination that a representative payee be appointed. In practice, all that the SSA requires before appointing a representative payee is an application form from a person seeking to be appointed as payee, and a pink slip, filled out by any licensed physician, containing the bare allegation that the recipient is unable to manage his own benefits. If these documents are both in the file, and no protest is made, no further questions are asked; the payee is appointed. The SSA does not require a personal interview with the person seeking representative payee status.

What goes on after the appointment of a representative payee is equally offensive. Guardianship laws—on which any good "representative payee" law should be based—have long recognized that guardians must be held accountable for their use of a ward's funds. The guardianship laws of all 50 States implement this by requiring periodic itemized accounting by fiduciaries, along with bonding with sufficient sureties to insure that the ward's funds are neither lost nor wasted. The Veterans' Administration, when it begins payment of a veteran's benefits to a fiduciary, also requires these very basic safeguards. The SSA is unique in that it requires neither periodic accounting, nor bonding. After a representative payee has been appointed, the SSA requires only that the payee file periodic accounting forms explaining the use of the funds. These forms do not require detailed accountings with receipts, but only general descriptions of how the money was spent. In general, it can be safely stated that supervision of the payee is either lax or nonexistent: only when a third party makes a vigorous complaint will the SSA even look into a case, and even then the investigation is generally limited to a request for an updated accounting form from the payee.

The results are predictable. They may be observed most dramatically in the case of retarded people who have been institutionalized. Some of these people are, indeed, capable of handling their own money; yet, with virtually no exceptions, they have automatically been assigned representative payees. The vast majority of these representative payees, it should be noted, are relatives; SSA policy is that almost any relative, no matter how distant or indifferent, will function better as a representative payee than will a hospital social worker. Inevitably, many of the representative payees are—or become—indifferent to the lives of their institutionalized relatives. They spare little or no time to visit them in their institutions, and, much worse, spend little or none of the social security disability checks on behalf of the intended beneficiaries.

I should like to quote, here, several case studies from an investigation of the role of representative payees in assisting relatives who live in the institutions of a certain northeastern State. The following two cases are painfully typical:

> MARY BROWN. Mary Brown (named changed, and social security number omitted) is classified as severely retarded. She does not know the value of money. Her balance in her account in the treasurer's office is $137.55. She is eligible for SSA dependent disabled child benefits of $58.50 per month. A legal guardian was not appointed for her, though such a recommendation was made. . . .
>
> Her representative payee is her mother, Mrs. Nancy Brown of (town omitted). She visits her daughter rarely—not within the past couple of years. She has sent no money since her appointment. The only clothes she provides were sent last Christmas—a parcel of used clothing. Mrs. Brown has stated to the social worker that SSA advised her to spend the money on her own behalf—which she allegedly has been doing since she first started receiving benefits for her children.
>
> STANLEY DUFFUS. Stanley Duffus (name changed, and social security number omitted) is a moderately retarded 48 year old resident of (name of institution omitted). He does understand the value of money and could handle his own funds if he had any. He has no money in his account in the treasurer's office. The exact amount of his SSA benefits is unknown. He has not been declared legally incompetent.
>
> His mother, Mrs. Helen Duffus, of (town omitted, but it is in a State different from the State where Stanley lives) is his representative payee. She does not visit her son. Beneficiary knows his mother is getting money for him, but he is afraid of her. She sends no money to the hospital for deposit to his account, but sends him a present at Christmas. Beneficiary's lack of funds definitely impedes his opportunity for visitation outside of the school. Beneficiary frequently expresses a desire for more money, but is afraid to argue with his mother, which would be the result of such a request.
>
> Margaret Blank (name changed), the social worker on the case, has requested $50.00 a month for personal needs from representative payee but has received no response yet. . . .

One of the ironies of SSA policy as it affects State institutions is that the State, in most cases, pays for the care of the retarded person, while the representative payees, who frequently ignore requests to meet their technical obligations to repay something to the State for caring for their relatives, are pocketing the social security checks. This is but one of the ironies—a euphemism, at times, for "small outrages"—of a system which mails checks to representative payees who may live thousands of miles from the institutionalized beneficiary, and who may have neither communicated with, nor sent money to the beneficiary in years. Or ever: upon the death of a representative payee, the social security checks often are simply transferred, along with the rest of the decedent's estate, to a relative who may never have heard of the intended beneficiary.

Although representative payees outside the institution—the SSA preferred situation—present us with the most frequent and outrageous cases of abuse of the rights and property of beneficiaries, it should not be assumed that all would be well if the benefits were simply paid to the institution. Cases have already arisen where institutional representative payees have violated beneficiaries' rights by failing to keep accurate records of how the money is spent, by holding funds after the beneficiary has left the institution, and by using a recipient's funds as a means of gaining greater control over his behavior; that is, punishing him by withholding his money, or using his money in connection with programs of behavioral modification.

A catalog of abuses could, unfortunately, be continued indefinitely; the disabled and helpless will be bilked and abused by their friends and representatives just so long as personal greed and indifference to suffering continue to be significant in human affairs. No law—certainly no Congress—could alter this. But the Congress can and ought to step in to correct matters when an agency of Government becomes the active accomplice of greed; when public funds meant to relieve suffering are scattered heedlessly to the winds—and the winds' payees; and when an agency lacks both the energy and the insight to provide itself with the means to remedy those abuses which are brought to its attention.

The bill that I am introducing today will provide both recipients and the SSA with the legal means to correct violations of the social security rights of recipients; it will also make it the business of the SSA to use these means to make certain that a citizen's disability benefits are not thrown by an indifferent Government to the first greedy blood relation who happens along. A section-by-section analysis of this bill follows:

> Section 1 establishes a firm standard for determining whether an individual should have a representative payee appointed on his behalf. The standard is simple: the individual must be found "unable to manage funds because of mental or physical incapacity or minority." Institutionalization is not a fact that would by itself resolve the factual inquiry called for by this section.
>
> Section 1 also provides for a case in which an individual might be found able to manage only a portion of his benefits. In such a case, Section 1 would instruct the SSA to appoint a representative payee to manage only that portion of the benefits which the recipient himself is found unable to manage. Although both common sense and modern psychology tell us that many individuals may be able to manage $10 a week, but not $40, current SSA rules make no provision for such people.
>
> Section 2 provides to any recipient who disagrees with a determination to appoint a representative payee for him, the right to a hearing on the factual question set out in Section 1. It requires that such an individual be given notice of any adverse determination by the SSA concerning his ability to manage funds, and grants him the right to demand a hearing on the issue any time within thirty days after he receives that notice.

I cannot see how section 2 could arouse any controversy. It merely instructs the SSA to follow what the Supreme Court has made standard practice for any administrative agency which proposes to deprive an individual of benefits which he has previously enjoyed. Every municipal or State welfare agency in the country must follow the "fair hearing" requirement of *Goldberg* v. *Kelley*, 394 U.S. 254 (1970); the SSA, now a major source of support for so many of the elderly and disabled, should not be granted a license to deprive them of their support without due process. The bald allegation that appointment of a representative payee is for "the best interests" of a recipient, and therefore should be exempt from due process requirements, defies both commonsense and recent court rulings, such as *McAuliffee* v. *Carlson*, 377 F Supp 896 (D. Ct. Conn., 1974), 386 F Supp 1245 (D. Ct. Conn., 1975), and *Dale* v. *Hahn*, 486 F 2d 76 (CA 2, 1973).

Finally, section 3 calls upon the SSA to take whatever legal steps are necessary to "protect the interests of individuals whose benefits are paid to representative payees." The section gives the SSA the obligation to enter court, when that is appropriate, in order to demand an accounting of the funds from the payee; and, if appropriate, he is to sue to recover any benefits that a representative payee has improperly used or accumulated for his own benefit. The section also gives the SSA the discretion, first, to require all representative payees to make the same periodic accountings that are required of every guardian in every State court, and second, to require that representative payees furnish bond or sureties sufficient to protect the interests of the beneficiary.

These are hardly radical measures. Sections 1 and 2 of this bill merely require that the SSA observe the same constitutional due process requirements that bind every other welfare agency in the country. Section 3 simply gives to social security benefits paid to a third party the same protection that are given to the assets of any person with a guardian or a conservator. It should be noted, too, that the Veterans' Administration, when appointing a representative payee for a beneficiary, follows all the requirements set forth in this bill.

The text of the bill follows:

H.R. 13195

SECTION 1. (a) Section 1383(a)(2) of the Social Security Act is amended to read as follows:

"(2)(A) Payments of the benefit of any individual may be made to any such individual or to his eligible spouse (if any) or partly to each; or, if the Secretary finds that a recipient of benefits under this subchapter is unable to manage funds because of mental or physical incapacity or minority, all or part of the payments, in an amount necessary to protect the interest of the recipient, may be paid to any other person (including an appropriate public or private agency) who is interested in or concerned with the welfare of such individual or spouse."

(b) Section 405(j) of the Social Security Act is amended to read as follows:

"(j)(1) If the Secretary finds that an applicant is unable to properly manage benefits because of mental or physical disability or minority, certification of payment of part or all of the benefits may be made, regardless of the legal competence or incompetence of the individual entitled thereto, either for direct payment to such applicant, or for his use and benefit to a relative or some other person."

SEC. 2. Section 1383(c)(1) of the Social Security Act is amended to read as follows:

"(c)(1) The Secretary shall provide reasonable notice and opportunity for a hearing to any individual who is or claims to be an eligible individual or eligible spouse and is in disagreement with any determination under this subchapter with respect to eligibility of such individual for benefits, or the amount of such individual's benefits, or the ability of such individual to receive and manage his own benefits, if such individual requests a hearing on the matter in disagreement within thirty days after notice of such determination is received."

SEC. 3. (a) Section 1383(a)(2), as amended, is further amended by adding the following subparts (B) and (C):

"(B) The Secretary shall, when necessary, take appropriate legal action to protect the interests of individuals whose benefits are paid to representative payees under part A of this section. Whenever it appears that court appointment of a fiduciary is necessary for the proper management and protection of an individual's benefits, or that a previously appointed fiduciary has mismanaged or misapplied an individual's benefits or failed to render a proper accounting, the Secretary may, by his duly authorized attorney, appear in the court having original, concurrent, or appellate jurisdiction over said cause and make a proper presentation of such matters. The Secretary may petition for the appointment or removal of a fiduciary, and for the citing of a fiduciary to account. The secretary may, in his discretion, require all representative payees to make periodic accountings and to furnish bonds or sureties sufficient to protect the interest of the beneficiary. The Secretary may take legal action to recover any benefits improperly disbursed or accumulated by a representative payee."

"(C) Authority is hereby granted for the payment of any court or other expenses incident to any investigation or court proceeding for the appointment or removal of a fiduciary who receives payment under this section, or in connection with any other court proceeding hereby authorized."

(b) Section 405 of the Social Security Act, as amended, is further amended by adding the following subsection (j)(2):

"(j)(2) The Secretary is authorized to take effective legal action to protect the interest of any beneficiary whose benefits are paid to a representative payee under subsection j(1) of this section. The Secretary may, where necessary to protect an individual's estate derived from benefits under this title, appear in the court of proper jurisdiction and petition for the appointment or removal of a fiduciary, or for the citing of a fiduciary to account. The Secretary may, in his discretion, require any representative payee to account periodically and to furnish bonds or sureties sufficient to protect the interest of the beneficiary. The Secretary may, pending investigation of mismanagement or misuse, suspend payments to any representative payee and accumulate them on behalf of the beneficiary or pay them temporarily to the person having custody of the beneficiary. The Secretary may take legal action to recover benefits improperly disbursed or accumulated, and may incur costs in connection with any court proceeding authorized by this subsection."

THE VICTIMS OF CRIME ACT OF 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, last Friday I introduced the Victims of Crime Act of 1976, legislation to provide for Federal grants to States that operate crime victim compensation programs. I have been joined in sponsoring this legislation by 28 colleagues, several of whom have previously introduced legislation on this subject.

I am particularly pleased to be a sponsor of this legislation, for it will help States to assist the forgotten person in our criminal justice system—the victim of crime. Several of this bill's cosponsors and I have previously sponsored legislation on this subject in an attempt to involve the Federal Government in recognizing the needs of crime victims.

Our previous bills were the subject of extensive hearings conducted by the Subcommittee on Criminal Justice, under the leadership of Representative William L. Hungate. Some 25 witnesses testified during these hearings, including Members of Congress, State officials, academic experts, representatives of the Justice Department, the American Bar Association, and three crime victims.

Using the evidence gathered at these hearings, the Criminal Justice Subcommittee drafted the bill that is being introduced today. The subcommittee's drafting was thorough and painstaking, extending through seven meetings. The result of this effort is a bill that bears the craftsmanship that has been the hallmark of the Criminal Justice Subcommittee.

The subcommittee bill, I believe, is one that deserves the support of all of us. It supports State crime victim programs presently in existence and will encourage other States to set up such programs. It does this by providing Federal reimbursement to a State with a crime victim compensation program.

A State with a qualified program will be reimbursed for 50 percent of the claims it pays to victims of State crimes. The bill requires that the State program compensate the victims of certain crimes falling within the exclusive jurisdiction of the Federal Government. In return, however, the bill provides that the State program will receive 100-percent reimbursement for these awards.

Some dozen States presently have crime victim compensation programs, and each of them has a program different from the others. For example, some States use the courts to make awards, some use an independent agency, and some use another State agency, such as a workman's compensation bureau. This legislation is drafted to give each State the maximum authority to design a victim compensation program that it believes best suits its needs. It imposes a minimum number of qualifications for Federal aid. Thus, a State is free to use the courts, an independent agency, or any other agency to administer its program.

This is important legislation that can have a very positive impact upon our criminal justice system. The Judiciary Committee will act expeditiously on it. In fact, the legislation is on the agenda for our next meeting, April 13.

I commend this bill to my colleagues' attention.

BAN ON POLYGRAPHS INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House the gentlewoman from New York (Ms. Abzug) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, the Government Operations Committee recently released a report, entitled "The Use of Polygraphs and Similar Devices by Federal Agencies," which recommended a complete ban on the use of polygraph and similar "lie detector" devices by the Federal Government. The hearings and investigation upon which the report was based were conducted by the Subcommittee on Government Information and Individual Rights, which I presently chair. The subcommittee found that there is no hard evidence that polygraphs can distinguish deception from truth. Instead, it found that an individual's basic constitutional rights and sense of dignity and privacy are violated by use of these machines.

Polygraphs are still extensively used for a variety of purposes by private industry and by several agencies of Government. These agencies include the Postal Service, Customs Service, Federal Reserve System, Drug Enforcement Administration, FBI, CIA, and a number of components of the Defense Department. It has been estimated that about 200,000 persons are tested yearly in preemployment and employment situations.

I wrote to the agencies that the report determined are giving polygraph tests and asked each to follow the report's recommendation to discontinue such use. The replies have been disappointing. None of the agencies agreed to observe the committee recommendation. The CIA, for example, responded that the polygraph "is an integral and essential part of security processing to determine the security eligibility of persons for Agency employment and for operational purposes." The new Director of the Central Intelligence Agency, George Bush, in a letter to me dated

February 25, 1976, boasts that "during the period 1963 through mid-1974, of those applicants for employment rejected on security grounds, over 60 percent were rejected on the basis of information developed principally or solely during polygraph interviews."

Rather than limiting testing, it has been reported that the CIA is resuming use of polygraphs for periodic testing of its employees. The privately published newsletter, Privacy Journal, says in its March 1976, issue:

> The first result of leaks from Congressional committees investigating intelligence practices was for the Central Intelligence Agency to notify all employees of the resumption of periodic polygraph tests. The word circulated around CIA headquarters was that the agency's examiners were previously occupied on Vietnam-related work. CIA says an employee is expected to get plugged in every five years, although no objection is raised if he refuses. Results are not shared with the employee. CIA now uses a computer to categorize stress measures on the various individual polygraph charts.

Mr. Speaker, virtually every expert is convinced that the polygraph is unreliable to distinguish truth from falsehood. The Government Operations Committee agrees with that conclusion. So does the Department of Justice, which consistently opposes the admission of polygraph evidence at trials. Yet the CIA continues to reject applicants based on polygraph evidence.

I submit this is grossly unfair to the individuals so rejected who have to bear the burden for the rest of their lives of having been denied employment by CIA for security reasons. It is also unfair to use this machine to retest employees when there is no reason to suspect them. I also wonder whether an employee is not open to suspicion if he or she refuses to get "plugged in" every 5 years. It might well be the case that the people rejected by CIA or who refuse to be retested are merely nervous of the machine and its operators, and are not security risks.

After release of the report on polygraphs, I received several heart-rending letters from people who feel they were abused by its use. I submit these letters for the Record at the conclusion of my remarks. I have omitted the names of the people who wrote to me out of concern for their protection, but my colleagues are welcome to see these letters in the committee office.

Reading these letters, I am reminded of Richard Nixon's remark on a White House tape:

> I don't know anything about polygraphs, and I don't know how accurate they are, but I know they'll scare the hell out of people.

I might add that the machines are totally ineffective in the case of pathological liars or those who are trained to deceive, so that instead of screening out true risks, the polygraph will often just screen out the sensitive person.

Mr. Speaker, I also submit for the record copies of the letters I have received from the Departments of Treasury and Defense, the CIA, the Postal Service, and the Federal Reserve System. I have received no substantive reply or acknowledgement from the Justice Department. The reply of the Defense Department to my request is typical. If I cut through the Department's profusion of words correctly, it is also not changing its policy on the use of these machines.

The report of the Government Operations Committee addressed itself to use of so-called lie detector devices by the Federal Government. However, the use of these machines in private industry is far more extensive and the repercussions in terms of civil liberties is severe. Often prospective employees are not informed of the polygraph requirement on the application. They are simply told to appear at an address to take a test. The findings of the polygraph tester are generally accepted unquestioningly by the employer, especially when low paid service employees are concerned. While the standards for polygraph examiners have improved, in some States anyone who buys a polygraph machine can go into business.

There is also the matter of the actual and potential invasions of privacy involved—the probing for details of the subject's sex life, fantasies, fears; the search for union troublemakers and political activists. The polygraph results are often stored and filed away whether the subject is hired or not, and there are cases of employers trading lists of people who have failed polygraph exams.

These are only some of the reasons which have led 13 States to limit or ban the use of polygraphs for employment purposes. Unfortunately, many of the State laws are full of exemptions and exceptions. Congress has made several attempts at banning polygraphs in employment situations, one of the last being Senator Ervin's bill, S. 1688, which passed the Senate March 7, 1974.

But, Mr. Speaker, no bill has passed both Houses, and since persuasion, entreaty, and evidence do not seem to have affected most public and private employers using polygraphs, I am submitting a bill to prevent the use of polygraph testing in connection with Federal and private employment.

The letters I received from private citizens and from several Federal agencies follow, as does the text of the bill I have introduced:

LETTERS RECEIVED FROM PRIVATE CITIZENS

FEBRUARY 2, 1976.

DEAR REPRESENTATIVE ABZUG: I am an honest person, but because of a nervous condition, a "lie detector" test cost me a job. Please ban the polygraph!

Sincerely,

——— ———.

FEBRUARY 10, 1976.

DEAR MS. ABZUG: Having read recently in the paper . . . the article stating that you are proposing to disband lie detector tests on the Federal, State, and Local levels, I was inspired to write this letter. If there is any information you can send me in regards to this bill or proposal I would very much appreciate it.

I am writing this to support you one-hundred percent in this effort. Last year in Feb. or March, I was discriminated by a polygraph test given by the police department. . . . (I'm sure you have received many such letters carrying examples of discrimination). . . . I was in the process of completing my Master of Science Degree in Counseling and had applied to the police to be a police woman. . . . I passed all the necessary IQ and personality tests and the last step to be taken before going before the police commission board was to take the lie detector tests . . . without going into any of the details there were I believe 2 or 3 questions re: personal lifestyle, and because I did answer these truthfully I was axed from this job possibility.

Now, I felt that not only were the questions themselves discriminating, but the manner in which the test was given was too. The person giving me the test stated that "We don't hire liars, and the test is hooked up to your nervous system" . . .

I am a member of N.W.G.P.A. and one of my very good friends is a charter member (there's very few of them) of the National Gay Task Force . . .

Anyway, I feel that because of this test, I am now being forced to work in a secretarial-bookkeeper position (Not at all in my interests). I firmly believe that if a person is not allowed to be or become all that he or she is, (especially when the truth is told), there is a flat case of discrimination. I have never taken this issue further (suits or the like) as I would be ruined in this town.

Thank you for the opportunity of being able to vent my thoughts and emotions on this issue, and I certainly hope that something positive will be done to prohibit the use of these tests.

Very sincerely,

——— ———.

DEAR MS. ABZUG. I was happy to see a small two paragraph article in the February 5th Daily News reporting that your subcommittee recommended discontinued use of the polygraph machine in government.

As a former employee of a small milk store chain (Golden Gallon of Georgia and Tennessee) I had to take these tests every three months. Before taking my last test, I told the tester I had drank some soft drinks and milk without paying.

I was asked to take the test anyway and the tester . . . used abusive language and everything else he could think of to intimidate me while attempting to make me estimate a larger and larger amount of beverages consumed without paying.

Since then, I have read up on polygraph machines and, along with my personal experience (and demonstrations I have since seen), I am convinced of the farcicity the "lie detector" can represent if only the tester is willing to be unethical. A lie detector, I suggest, is the newest form of torturing the wanted confessions out of citizens.

The polygraph means "guilty until proven innocent." I believe that most of the individuals (and I have talked to at least four) who operate and administer these tests to lower and middle-class individuals do not give a damn about the dignity or the rights of the individual who is subjected to testing. And, most important, citizens are not aware of their rights in dealing with the "lie detector."

I have a B.A. degree in Psychology and am just beginning graduate work. The more I think about this problem the more it touches me and I hope you will consider making this more than just a governmental issue. All people should have these same rights—to deny abuse and ensure their rights and freedom to the largest degree possible.

Sincerely,

——— ———.

FEBRUARY 3, 1976.

Representative BELLA S. ABZUG,
Chairman, Government Operations Subcommittee, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE ABZUG: After reading an article in February 2nd's Chicago Sun Times about your committee and its dealings on lie detectors, I felt compelled to write to you.

This concerns my daughter and a close friend of hers who were required to take periodic lie detector tests as part of their agreement upon employment at a McDonald's restaurant. The most recent test caused her friend to cry, break out in tears and it emotionally upset my daughter as well. The results, due to the nature of the questions and manner in which they were asked, caused an opinion of suspicion of untruth by the operator and both girls, although not fired, were told they would be able to continue to work there but would be watched. Thus both girls quit rather than work under those conditions.

They both feel the tests were unfair as both are innocent of any wrongdoing and are now out of jobs and since they both finished high school in January, this makes it rough for them.

I feel closer supervision of the employees would be a better solution to McDonald's problem plus a secure locker arrangement for the employees to safeguard their personal property as my daughter has had things stolen from her purse while working, in lieu of the lie detector requirement.

I am in full agreement with your concept to ban the use of lie detectors through legislative means except for their use in governmental security and hope you continue your efforts in this direction.

Sincerely,

———— ————.

LETTERS RECEIVED FROM AGENCIES

Assistant Secretary of Defense,
Washington, D.C., February 11, 1976.
Hon. Bella S. Abzug,
Chairwoman, Government Information and Individual Rights Subcommittee, Committee on Government Operations, House of Representatives, Washington, D.C.

Dear Ms. Chairwoman: We have reviewed the Committee on Government Operations Report titled, "The Use of Polygraphs and Similar Devices by Federal Agencies," which you forwarded to the Secretary of Defense on January 29, 1976. While the report was most informative, the Department of Defense is unable to concur at this time with the recommendations of the Committee majority.

Realizing the concern of the Committee in the area of protection of the rights of U.S. citizens, the Department of Defense has adopted a comprehensive program on polygraph use to insure the protection of rights of all individuals within the Department of Defense. The stringent conditions and limitations governing polygraph use are contained in a recently published Directive which is attached for your review. In effect, the current Directive is culmination of the efforts that have been made over the past several years in attempting to upgrade the polygraph program to a level that would meet the high standards of your Committee.

In order that the Military Departments might have the benefit of the views contained in the Subcommittee Report, copies are being furnished to the interested agencies. Additionally, this office is requesting a report of polygraph operations within the Department of Defense for the purpose of making an objective assessment of its utility in the investigative process.

Upon completion of these reports, we will advise you further and also address the extent to which a proper balance has been achieved between the legitimate need of the Department of Defense and the equally important need to respect the rights of our military and civilian personnel.

Sincerely,

Terence E. McClary,
Assistant Secretary of Defense.

Federal Reserve System,
Washington, D.C., March 22, 1976.
Hon. Bella S. Abzug,
Chairwoman, Subcommittee on Government Information and Individual Rights, Committee on Government Operations, Rayburn House Office Building, Washington, D.C.

Dear Madam Chairwoman: I am pleased to respond to your letter of January 29, 1976 which concerns the use of polygraphs in the Federal Reserve System and contains the recommendation of the Committee on Government Operations relating to the use of polygraphs by governmental agencies.

Records of the Board, as well as those of each Reserve Bank, have been reviewed for the purpose of determining those instances in which either the Board or the Reserve Banks have conducted or participated in polygraph examinations. The Board administered no polygraph tests during 1975. However, it appears that polygraph tests were administered to employees of four Federal Reserve Banks during 1975. All of these cases involved criminal larceny and it appears that in most instances the tests were conducted at the suggestion of, or with the concurrence of, the Federal Bureau of Investigation.

It is my opinion that polygraph devices should not be used to screen applicants or for other personnel inquiries and, to the best of my knowledge, they are not so used in the Federal Reserve System. With respect to the administration of polygraph tests in the course of an investigation of a reported crime, the use of such tests in aid of the investigative effort is a matter properly left to the investigative agency for determination. As indicated, use of the polygraph test at the suggestion and under the direction of an official investigative authority has proven to the Reserve Banks involved to be a useful element in the investigative process.

In order that each of our Reserve Banks may be informed of the positions reflected in the Committee Report as well as my views thereon. I am forwarding copies of the report and of this letter to the President of each Federal Reserve Bank.

Sincerely yours,

Arthur F. Burns.

The Postmaster General,
Washington, D.C., April 6, 1976.
Hon. Bella S. Abzug,
Chairwoman, Subcommittee on Government Information and Individual Rights, Committee on Government Operations, House of Representatives, Washington, D.C.

Dear Mrs. Abzug: This is in further reply to your letter of January 29, 1976, requesting the Postal Inspection Service discontinue the use of polygraph examinations.

The polygraph examination is used by the Postal Inspection Service in some criminal investigations to narrow a list of suspects after other investigative methods have failed. The Inspection Service does not use the examination in lieu of standard investigative procedures, but only as an aid or adjunct to an investigation. Experience has shown that the results of polygraph examinations identify the deceptive employee; however, by far the greatest benefit derived from the use of the polygraph is in clearing those employees who have no knowledge of a particular criminal violation.

Since the 1964 study by the Foreign Operations and Government Information Subcommittee into the use of the polygraphs by the Federal Government, the Inspection Service has improved and modernized its polygraph program. Qualifications for polygraph examiners have been made more rigid so that now all Inspection Service examiners receive indepth training at a recognized polygraph school and have college degrees as well as a background in criminal investigations. In addition to the formal training at a recognized polygraph school, all examiners receive on-the-job training as well. A quality-control system has been implemented to insure that the results of each examination are reviewed by a second examiner.

Polygraph examinations are conducted exclusively on a voluntary basis. No stigma is attached to a postal employee who declines to take a polygraph examination and adverse action is not taken against any person for unwillingness to volunteer to take the examination. In fact, information concerning an employee's refusal to submit to the examination is not recorded in any of his personnel files.

It has been our experience that the polygraph examination has proven to be a valuable aid in certain investigations. We, therefore, propose to continue to utilize this supplementary investigative technique in selected situations.

In view of the foregoing, no study of potential savings from the discontinued use of the polygraph examination has been made.

Sincerely,

Benjamin F. Bailar.

Department of the Treasury,
Washington, D.C., March 1, 1976.
Hon. Bella S. Abzug,
Chairwoman, Government Information and Individual Rights Subcommittee, Committee on Government Operations, House of Representatives, Washington, D.C.

Dear Madam Chairwoman: This responds to your letter of January 29, 1976, to the Secretary transmitting a copy of a report by the Committee on Government Operations which recommends that the use of polygraphs and similar devices be discontinued by all government agencies. Your letter also requests that we advise you of when the Treausry Department and its components intend to discontinue use of the polygraph.

After examining not only the recent House Report (94–795) but also the June 1974 hearings before your predecessor subcommittee and the testimony and exhibits of the Treasury Department, it is our judgment that the Treasury Department should not discontinue the limited use of polygraph devices by its law enforcement units.

The polygraph is used sparingly by Treasury enforcement agencies as one among many investigative techniques. It is not a general exploratory mechanism but is used in those few cases where other circumstances indicate it may have some value to the investigation.

We believe that our use of the polygraph as an investigative technique is proper and beneficial. We find nothing in the Report or the hearings on the polygraph to persuade the Treasury Department to relinquish this useful instrument in the repository of criminal investigative techniques.

We will, of course, continue to oversee the use of polygraphs and other investigative methods and to take such measures as are needed to continue achieving effective enforcement of the law within our constitutional framework.

With best regards,

Sincerely,

David R. Macdonald,
Assistant Secretary, Enforcement, Operations and Tariff Affairs.

Central Intelligence Agency,
Washington, D.C., February 25, 1976.
Hon. Bella S. Abzug,
Chairwoman, Subcommittee on Government Information and Individual Rights, Committee on Government Operations, House of Representatives, Washington, D.C.

Dear Madame Chairwoman: This is in reply to your letter of 29 January 1976 submitting a copy of the report of the Committee on Government Operations, House Report 94–795, entitled "The Use of Polygraph and Similar Devices by Federal Agencies" and requesting certain comments concerning the Agency's continued use of the polygraph.

If legislation was enacted to prohibit the use of the polygraph by all government agencies for all purposes as recommended on page 46 of the report, it would seriously impair the Director of Central Intelligence from complying with his statutory responsibility under the National Security Act of 1947. I refer to Section 102(d)(3) of the Act which makes the Director responsible for the protection of intelligence sources and methods from unauthorized disclosure. An effective personnel security program is vital to assure this protection.

The polygraph is an integral and essential part of security processing to determine the security eligibility of persons for Agency employment and for operational purposes. As statistics illustrate, during the period 1963 through mid-1974, of those applicants for employment rejected on security grounds, over 60 percent were rejected on the basis of information developed principally or solely during polygraph interviews. In a sampling of recent records, about half of the applicants who had been disapproved on the basis of information developed during polygraph interviews had already completed all other security screening and been provisionally approved on this basis. Without the polygraph program, the disqualifying information on these cases would have remained unknown. In addition, it is reasonable to presume that the program is a significant deterrent to application for employment by unsuitable candidates, and more importantly, penetration attempts by foreign intelligence services.

The utility of CIA's polygraph program is not solely a function of its part in contributing information leading to the rejection of unsuitable candidates. The preponderance of polygraph interview reports are favorable. Most of these favorable reports constitute useful and comforting confirmation of other screening procedures; the remainder represent favorable resolutions of allegations or suspicions which otherwise could result in injustices or in unnecessary defensive measures.

The Central Intelligence Agency has consistently urged continuance of its polygraph program in its reports to congressional committees on proposed legislation and hearings concerning the polygraph. We note in the Dissenting Views of your report, on page 56, that on 25 March 1975, based on the hearings held in 1974, that the Subcommittee initially approved a recommendation which would have prohibited the use of the polygraph in all but cases involving national security and for law enforcement purposes provided fifth amendment rights under the Constitution were not violated. This concern for national security was recognized by former Senator Sam Ervin, a strong advocate of individual rights, though he otherwise objected to the use of the polygraph. In his proposed legislation to protect the personal privacy of government employees, introduced during several Congresses prior to his retirement from public office, Senator Ervin expressly excepted the CIA and the National Security Agency from the provision barring the use of the polygraph in Government. Senator Ervin's last bill was S. 1688, Senate Report 93–724, which passed the Senate 7 March 1974.

The CIA is cognizant of the danger of abuse inherent in the use of any instrument used to aid in distinguishing truths from untruths. Consequently, we have adopted strict procedures to prevent abuses and to protect those taking the examination. These include:

Notification to each applicant for employment at the time he is given an application form of the intent to use a polygraph examination in the course of his employment processing;

Coordination with the Office of Personnel and the Office of Medical Services to determine if a polygraph interview is advisable;

Advance written consent of the applicant;

Notification of the privilege against self-incrimination on questions pertaining to violations of criminal law;

Reviewing all questions with the applicant before testing;

Limiting questions to those exclusively related to security issues;

Informing the applicant that the examination may be monitored and possibly recorded to let him know there are no hidden procedures;

Random monitoring by a specialized supervisor to insure that no improper questions are asked;

Maintenance of polygraph records in separate files with very strict need-to-know rules governing access;

Prohibition of release of polygraph-acquired information outside the Agency without my approval or that of the Deputy Director and only if such a release is necessary in the interest of national security;

The polygraph examiner makes no recommendation as to the security suitability of the person tested; and

Evaluation of the polygraph report is but one element in the total personnel security screening program.

With respect to reliability, defined in accordance with scientific convention as the consistency of the interpretations of the polygraph charts, agreement studies were conducted as part of an Agency research program which was initiated partially in response to the hearings held by the Foreign Operations and Government Information Subcommitee in the early 1960's. Numerical results of these studies are complex and would require etxensive explanation, but comparisons may be useful. Comparable studies of similar professional groups are scarce but two were found, involving cardiologists evaluating EKG charts for cardiac pathology and psychologists evaluating MMPI test results for psychopathology. The CIA polygraphers' chart interpretations were as good as or better than these two groups.

Finally, the selection of polygraph officers is extremely discriminating as to their qualifications, intelligence, integrity, and high character. They are given a rigorous training program which is a continuing process to keep them abreast of developments in their professional field. CIA has maintained a vigorous research effort inquiring into new techniques and equipment to insure that the highest standards are maintained.

In view of my statutory responsibility to protect intelligence sources and methods and the proven reliability of the polygraph and the safeguards in its utilization, I must disagree with the recommendation of the Committee. This Agency's personnel security standards must be maintained at the highest levels. Termination of the Agency's polygraph program would increase its vulnerability to hostile penetration and would seriously impact on the Agency's effectiveness in carrying out its foreign intelligence collection mission.

Sincerely,

GEORGE BUSH,
Director.

H.R. 13191

A bill to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of the polygraph-type equipment for certain purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 13, of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 246. Polygraph testing in connection with employment

"(a) For purposes of this section, the term—

"(1) 'polygraph test' means an examination administered to an individual by mechanical or electrical means for the purpose of measuring or otherwise examine the veracity or truthfulness of such individual; and

"(2) 'employee organizations' includes any brotherhood, council, federation, organization, union, or professional organization made up in whole or in part of employees and which has as one of its purposes dealing with departments, agencies, commissions, independent agencies of the United States, or with businesses and industries engaged in or affecting interstate commerce, concerning the conditions and terms of employment of such employees.

"(b)(1) Any officer or employee or person acting for or on behalf of the United States who willfully—

"(A) permits, requires, or requests, or attempts to require or request, any officer or employee of the United States, or any individual applying for employment as an officer or employee of the United States, to take any polygraph test in connection with his services or duties as an officer or employee, or in connection with such individual's application for employment; or

"(B) denies employment to any individual, or discharges, disciplines, or denies promotion to any officer or employee of the United States, or threatens to commit any such act by reason of his refusal or failure to submit to such requirement or request,

shall be guilty of a misdemeanor and punished by a fine not exceeding $1,000.

"(2) Any person engaged in any business or other activity in or affecting interstate commerce, or any individual acting under the authority of such person who willfully—

"(A) permits, requires, or requests, or attempts to require or request any individual employed by such person or any individual applying for employment in connection with such business or activity to take any polygraph test in connection with his services or duties or in connection with his application for employment; or

"(B) who denies employment to any individual, or discharges, disciplines, or denies promotion to any individual employed in connection with such business or activity, or threatens to commit such act by reason of his refusal or failure to submit to such requirement or request,

shall be guilty of a misdemeanor and punished by a fine not exceeding $1,000.

"(c)(1) Whenever—

"(A) any officer or employee or any person acting for or on behalf of the United States, or

"(B) any person engaged in any business or other activity in or affecting interstate commerce, or any individual acting under the authority of such person,

violates or threatens to violate any of the provisions of subsection (b) of this section, any employee or officer of the United States, or any person applying for employment in the executive branch of the United States Government, or any individual seeking to establish civil service status or eligibility for employment in the United States Government, or any individual applying for employment in connection with any business or activity engaged in or affecting interstate commerce, or any individual employed by a person engaged in such business or activity, who is affected or aggrieved by the violation or threatened violation, may bring a civil action in his own behalf or in behalf of himself and others similarly situated, against the offending officer or employee or person in the United States district court for the district in which the violation occurs or is threatened, or for the district in which the offending person is found, or in the United States District Court for the District of Columbia, to prevent the threatened violation or to obtain redress against the consequences of the violation.

"(2) The district courts of the United States shall have jurisdiction to try and determine such civil action irrespective of the actuality or amount of pecuniary injury done or threatened, and without regard to whether the aggrieved party shall have exhausted any administrative remedies that may be provided by law, and to issue such restraining order, interlocutory injunction, permanent injunction, or mandatory injunction, or enter such other judgment or decree as may be necessary or appropriate to prevent the threatened violation, or to afford the plaintiff and other similarly situated complete relief against the consequences of the violation.

"(3) With the written consent of any person affected or aggrieved by a violation or threatened violation of subsection (b) of this section, any employee organization may bring such action on behalf of any such person, or may intervene in such action.".

(b) The analysis of chapter 13 of such title is amended by adding at the end thereof the following new item:

"246. Polygraph testing in connection with employment."

SEC. 2. The amendments made by this Act shall become effective thirty days after the date of enactment.

PASSOVER IS A TIME TO REMEMBER THE PERSECUTED JEWS OF THE SOVIET UNION

The Speaker pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, millions of Jews throughout the world will begin Wednesday night to relive the events of the Passover, the night when the Lord liberated the people of Israel from slavery. When they celebrate the ancient liturgy of the Seder, the Jewish community in this country will hear once again a story of hope: the story of the Exodus.

Passover has always had a poignant meaning during times of persecution and suffering. When the Jewish people were dispersed from the land of Israel by Roman armies, they shared the bread of affliction and recalled God's promise of freedom. When they languished in the ghettos of Europe, they encouraged each other with the words of the Book of Exodus:

> "God heard our moaning, and God remembered His Covenant with Abraham, Isaac and Jacob. . . .

And even in the extermination camps of Hitler's Europe, where they were marked for death, they somehow found the courage to sing the joyous songs of Passover.

Mr. Speaker, Adolf Hitler belongs to the past, but the persecution of the Jewish people continues. Day after day we hear new stories of oppression from the Soviet Union, where Jews are denied the right to preserve their identity and, above all, where Jews are denied the right to return to the land of Israel. The Soviet persecution of these people violates the basic freedoms proclaimed in the United Nations Charter and the Helsinki accords, two documents which the Soviet Union has signed.

Mr. Speaker, we must not watch in silence while Soviet Jews are subjected to harassment, humiliation, and imprisonment. Let us not justify a tragedy with the pious apology: "We knew, but there was nothing we could do." Let us continue to work for the freedom of Soviet Jewry. And let us join the Jewish people oppressed in any foreign land when they sing the old refrain of Passover:

> "This year we celebrate here.
> Next year in the land of Israel.
> Now we are still bondsmen.
> Next year may all be free."

HUD SECRETARY IN VIOLATION OF INTENT OF LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. MEYNER) is recognized for 5 minutes.

Mrs. MEYNER. Mr. Speaker, I am certain that everyone in this Chamber is well aware of the problems facing homeowners with outstanding mortgages as our current economic crisis continues. Last year, this Congress wisely passed legislation designed to aid those mortgagees threatened by foreclosure. The Emergency Homeowner's Relief Act provided for direct loans to be administered by the Department of Housing and Urban Development in order to prevent widespread foreclosures and distress sales of homes. The act empowered the Secretary of HUD to administer and implement the emergency program at her discretion.

Mr. Speaker, the Secretary has not released $1 of the $35 million that was appropriated for this program. And this funding expires in just a few months on July 1, 1976.

I believe that my record substantiates the fact that I support fiscal austerity and the decrease or omission of needless spending programs. However, I feel that it is the duty of the Federal Government to provide reasonable and fiscally responsible services to its citizenry. Consequently, I find the Secretary's decision to hold these funds in abeyance in direct violation of the intent of the law.

I speak of Secretary Hills' decision to withhold these funds until 1.2 percent of all mortgages in the Nation are 3 months or more in arrears. With apparent disregard for the realistic problem of regional unemployment and the varying socioeconomic levels throughout the country, the Secretary is depriving thousands of eligible Americans while she awaits statistical legitimacy. Certainly this amount to yet another example of bureaucratic disregard for the very real problems of our constituents.

Presently I am compiling statistics regarding mortgage delinquencies in the 13th Congressional District of New Jersey in an effort to present strong statistical evidence that clearly depicts the need for a revision of HUD's financing formula. Whether the total mortgage portfolio contains 1.2 percent of home mortgages 3 months or more in arrears, the fact remains that there are several hundred people in my district who could benefit from immediate regional implementation of this act. I will present my findings to you when they are completed. In the meantime, I urge my colleagues to ascertain the number and percent of delinquent mortgages in their districts and to join me in my attempt to correct this grave inequity.

IS "INTERNAL SECURITY" A LEGITIMATE JUSTIFICATION FOR THE UNITED STATES PROVIDING MILITARY ASSISTANCE TO FOREIGN GOVERNMENTS? I DON'T THINK SO.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York, (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, last week hearings were held before the Foreign Operations Subcommittee of the Appropriations Committee, of which I am a member, concerning U.S. military assistance to foreign governments. Upon reading the justifications for military aid in Latin America, I came across time and again references to internal disorder and insurgencies. During the hearings, I raised questions concerning the validity of such a justification. The exchange which followed with representatives from the Departments of State and Defense was intriguing. I seriously question our whole military aid program to Latin America, its purposes and objectives. I plan to offer an amendment which will strike aid to Uruguay, which is now the equal of Chile in terms of torture, in the near future.

With the thought that it might interest my colleagues, I am appending the transcript of that part of the hearings concerning aid to Latin America.

KOCH EXCEPT

Hearings before Foreign Operations Subcommittee of Appropriations Committee, Foreign Military Assistance April 7, 1976

Mr. KOCH. General, may I take you to Latin America for a change of pace? First, I would like to set the premise for my questioning. Would you agree with that it's the stated policy of the United States not to intervene in the internal affairs of other countries? Is that a fair statement?

General FISH. I think so. The State Department, do you agree?

Mr. KOCH. Okay. In looking through the justifications for military assistance in Latin America, I came across these notes with respect to these countries. I will read just a few of them. El Salvador, and I quote: "Internally there have been numerous terrorist acts, but there is no reason to believe they pose a serious threat to the present government". The request for military assistance there is $3.1 million.

Guatemala: "The traditional internal insurgency has abated in recent years." We gave them $1.1 million.

General FISH. Sir, that is from the Congressional presentation document?

Mr. KOCH. Yes. Nicaragua: "There exists in Nicaragua an insurgent organization capable of conducting rural raids and terrorist activities. The Nicaraguan Armed Forces are capable of coping with the insurgent activities." Their request is $3.1 million. Uruguay: "Terrorism was a serious threat to the government in Uruguay during 1968 to 1973. This threat has been greatly reduced by the Uruguayan security forces, although the potential for terrorism remains." The request there is $3 million.

Those are all quotes. There are others. One other note. I find it curious that Costa Rica, which has no defense forces and which therefore receives no military aid from the U.S., is one of the very few democracies left in Latin America. What I want to ask is this: why do we use, as justification for military assistance, references to internal insurgencies that exist in these countries. I don't mean to suggest for a moment that these insurgencies don't exist. Rather I wonder whether such an internal threat is sufficient for our supplying military assistance?

Mr. Winship. (Aide from State Department). May I speak to that, Mr. Koch? The fact is that, as provided in the law, internal security is one of the threats to the existence of a friendly government, which we consider is authorized and is a legitimate purpose.

Mr. Koch. I am interested in that. Your position is that if there is an internal threat, that that can be the basis for our providing military aid. That is to say, if there is some revolutionary force in Brazil, we will provide aid to the Government of Brazil to put down an internal insurgency?

Mr. Winship. We provide security assistance as a factor in our bilateral relations with friendly foreign governments, friends and allies, and that is considered by the foreign governments a very essential element in their relationship with us.

Mr. Koch. I will bet, for them, but how about for us? Didn't you agree with my statement that the U.S. would not intervene in the internal affairs of other countries, and yet didn't you also state that the U.S. considers a purely internal threat a legitimate reason for our providing military assistance?

Mr. Winship. That is correct.

Mr. Koch. How do you reconcile those two statements?

Mr. Winship. I do not consider them contradictory.

Mr. Koch. Explain that to me, please.

Mr. Winship. Because the foreign government will be seeking its military equipment in any case, as pointed up by the Chairman at the beginning of the session.

It will—

Mr. Koch. Wait a minute, if you will. That is another justification. The justification that you are raising now is that if we don't sell it, somebody else will. I haven't asked about that. What I'm asking is whether as one of the premises for providing military aid, you use the threat of a truly indigenous insurgency—good, bad, or indifferent—against a government? You've just told me on one occasion that we are not going to get involved in the internal affairs of another country, and then subsequently, you said yes, we are going to help governments put down insurgencies. Which is it?

Mr. Winship. We are attempting to work with friendly governments to assist them in maintaining their security.

Mr. Koch. Now Uruguay is now known as the torture house of Latin America. That is the judgment of Amensty International after its investigations. Are you familiar with the fact that Uruguay now is alleged to surpass Chile in terms of torture?

Mr. Winship. Mr. Williams from the Latin American Bureau is more familiar with that allegation.

Mr. Koch. Is that a reasonable statement I just made?

Mr. Williams. That is Amnesty International's position.

Mr. Koch. Would the State Department have a position?

Mr. Williams. I think it would be difficult to say.

Mr. Koch. Which is worse?

Mr. Williams. Yes—

Mr. Koch. They are both pretty bad.

Mr. Williams. I think that is a correct statement.

Mr. Koch. Would you please tell me then why we should give to Uruguay, which is considered the charnal house of Latin America, $3 million for its security forces? Doesn't that make us part and parcel of the torture operation?

General Fish. Sir, we are not giving them $3 million. $50,000 for grant assistance, $500,000 for grant training: $550,000 is the grant.

Mr. Koch. I mean the request, isn't that $3 million?

General Fish. $2.5 million is for credit sales.

Mr. Koch. Okay, when I say we give, I am not talking in terms of whether they pay for the military supplies. I suppose "furnish" is a more appropriate word. Why should we furnish $3 million to a country that will use that aid against its people for terror purposes?

Mr. Williams. I don't think, Mr. Koch, you could equate our provision of security assistance with utilization of it to suppress its own population?

Mr. Koch. Don't you agree there is no external threat to Uruguay? Is there any country that wants to take it over at the moment?

Mr. Williams. No.

Mr. Koch. There isn't any.

Mr. Williams. That is correct.

Mr. Koch. To give to the security forces it has when it has a reputation as the terror chamber of Latin America, do you suggest that those arms are then not going to be used against Uruguayans?

Mr. Williams. The obvious purpose of the threat is internal security, as I say.

Mr. Koch. From Uruguayans?

Mr. Williams. Or Argentines, who have come across the border, but it is essentially an internal threat.

Mr. Koch. Let me ask one more question. Didn't we pass legislation, not very long ago which bars our providing aid for internal police purposes?

Mr. Williams. Public Safety Programs.

Mr. Koch. Public safety purposes.

Mr. Williams. That is correct.

Mr. Koch. Do you distinguish between an internal situation as exists in Uruguay or Nicaragua or Guatemala from the armed forces we are funding? Are not those actually police functions that the army carries out?

Mr. Williams. The Defense Department has done a very, very careful study of the legislation, and with the police function in mind, and I think the record will show that there has been a scrupulous observation of the law in separating any police training from military security functions.

Mr. Koch. Let me pursue that, if I may. Doesn't Nicaragua have only one force? As I recall, there is no police force per se, but the military carries out those functions.

Mr. Williams. It doesn't have an army as such, it has a National Guard, but I am not certain about the police force.

Mr. Koch. The single force is used for police purposes as well as armed services. Will you accept that as an accurate statement?

Mr. Williams. I can't answer that. I don't know.

Mr. Koch. Well, if I am correct in that, aren't we then funding police functions? Are we not then funding police functions in a state that allegedly commits torture on its own citizens?

Mr. Williams. I can't accept the premise that the National Guard is involved in a police function.

Mr. Koch. Okay, then, will you look into that?

Mr. Williams. I will look into it.

THE HONORABLE WILLIAM A. BARRETT OF PENNSYLVANIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. Natcher) is recognized for 5 minutes.

Mr. NATCHER. Mr. Speaker, never was there anyone more dedicated to the service he performed or the people he served, than my friend, Bill Barrett.

Bill Barrett served on the Committee on Banking and Currency for many years and as you know, Mr. Speaker, this is one of the most powerful committees in the House of Representatives. He served as the subcommittee chairman of one of the subcommittees that considered all matters pertaining to housing and this, of course, was one of the most important programs not only for the State of Pennsylvania, but for all of our States. Each night, he returned to his home district and talked with his people and thereby had an opportunity to meet with them and help them solve their problems. His guidance and his counsel have become monuments to responsibility in public office. He was loved and respected by all the Members of the House. It has been a distinct honor and privilege for me to serve with this able Member in the Congress. He had a quick mind and was one of the hard working Members of the Congress and it is impossible to surpass in sincerity or depth of feeling some of the words that have been so well and eloquently said in this Chamber on the passing of our beloved colleague.

Mr. Speaker, the status of our Nation is built on the careers of such men. On down through the years, Members such as Bill Barrett performed the demanding and necessary assignments which must be done every day and they have had to make hard and unpopular decisions at times. Members such as Bill Barrett have succeeded in bringing to the performance of their assignment a sense of purpose which permitted no interference by those with selfish motives. He had charm and wit and he extended a warm courtesy and consideration toward others at all times. His loss to the Nation will be felt down through the years and will be mourned by all of those who had the privilege to have worked with him in seeking to build a better country.

Bill Barrett loved his country, his State, and the House of Representatives.

Mr. Speaker, I extend to the members of his family my deepest sympathy in their loss and bereavement.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YOUNG of Florida (at the request of Mr. Michel), for today, on account of the death of a close, personal friend.

Mr. CHAPPELL (at the request of Mr. O'Neill), for from 11 a.m. until 4 p.m., today, on account of attending the funeral of the late L. C. Ringhaver.

Mr. HORTON (at the request of Mr. Michel), for today after 6:30 p.m. and for tomorrow, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Myers of Pennsylvania), to revise and extend their remarks, and to include extraneous matter:)

Mr. Steiger of Arizona, for 10 minutes, on April 13.

Mr. Snyder, for 15 minutes, today

Mr. Burke of Florida, for 10 minutes, today.

(The following Members (at the request of Mr. Lloyd of California) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Bingham, for 15 minutes, today.
Mr. Rodino, for 5 minutes, today.
Ms. Abzug, for 10 minutes, today.
Mr. Matsunaga, for 5 minutes, today.
Mr. Cotter, for 5 minutes, today.
Mrs. Meyner, for 5 minutes, today.
Mr. Koch, for 5 minutes, today.
Mr. Dodd, for 5 minutes, today.
Mr. Alexander, for 30 minutes, today.
Mr. Natcher, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Mahon and to include extraneous matter.

Mr. Flood immediately following the remarks of Mr. Mahon in consideration of the second supplemental appropriation in general debate in Committee of the Whole today.

Mr. Krebs, following the vote on the Roybal-Obey amendment on H.R. 13172.

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous material:)

Mr. Pritchard in two instances.
Mr. Sarasin.
Mr. McKinney.
Mr. Bell.
Mrs. Holt.
Mr. Cohen in two instances.
Mr. Martin in two instances.
Mr. Grassley.
Mr. Steelman.
Mr. Michel.
Mr. Derwinski.
Mr. du Pont.
Mr. Frenzel in three instances.
Mr. Walsh.
Mr. Hyde.
Mr. Symms in four instances.
Mr. Wiggins.
Mr. Heinz.
Mr. Gude.
Mr. Lent.
Mr. Vander Jagt.
Mr. Peyser.
Mr. Forsythe.
Mr. Kasten.
Mr. Quie in two instances.
Mr. Ashbrook in three instances.
Mr. Abdnor.

(The following Members (at the request of Mr. Lloyd of California), and to include extraneous matter:)

Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Roybal.
Mr. Murtha.
Mr. Harris.
Mr. Wolff.
Mr. Rostenkowski.
Mr. James V. Stanton.
Mr. Waxman.
Mr. Moorhead of Pennsylvania.
Mr. Fascell in two instances.
Mrs. Meyner.
Mr. Adams.
Mr. Roush in three instances.
Mr. Dominick V. Daniels.
Mr. O'Hara.
Mr. Stokes in two instances.
Mr. Solarz.
Mr. McHugh.
Mr. Mikva.
Mr. Russo.
Mr. Yatron.
Mr. Eilberg.
Mr. Bingham.
Mr. Vanik in five instances.
Mrs. Schroeder.
Mr. Rangel.
Mr. Rose.
Mr. Johnson of California.
Mr. Baucus in two instances.
Mr. Fisher.
Mr. Symington.
Mr. Karth.
Mr. Simon.
Mr. Fountain.
Mr. Badillo.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2920. An act to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building; and

S. 3056. An act to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7988. An act to amend the Public Health Service Act to revise and extend the program under the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, and to establish a national program with respect to genetic diseases; and to require a study and report on the release of research information; and

H.J. Res. 890. Joint resolution making emergency supplemental appropriations for public employment programs, summer youth programs, and preventive health services for the fiscal year ending June 30, 1976, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following title:

On April 12, 1976:

H.R. 1465. An act to provide for the division of assets between the Twentynine Palms Band and the Cabazon Band of Mission Indians, California, including certain funds in the United States Treasury, and for other purposes;

H.R. 11598. An act to authorize appropriations for the United States Information Agency for fiscal year 1976 and for the period July 1, 1976, through September 30, 1976; and

H.J. Res. 491. A joint resolution to extend support under the joint resolution providing for Allen J. Ellender fellowships to disadvantaged secondary school students, and for other purposes.

On April 13, 1976:

H.R. 7988. An act to amend the Public Health Service Act to revise and extend the program under the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, and to establish a national program with respect to genetic diseases; and to require a study and report on the release of research information; and

H.J. Res. 890. A joint resolution making emergency supplemental appropriations for public employment programs, summer youth programs, and preventive health services for the fiscal year ending June 30, 1976, and for other purposes.

THE LATE HONORABLE WILLIAM A. BARRETT

Mr. MORGAN. Mr. Speaker, I offer a privileged resolution (H. Res. 1154) on the death of the Honorable William A. Barrett.

The Clerk read the resolution, as follows:

H. Res. 1154

Resolved, That the House has heard with profound sorrow of the death of the Honorable William A. Barrett, a Representative from the State of Pennsylvania.

Resolved, That a committee of Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania (Mr. Morgan).

Mr. MORGAN. Mr. Speaker, at noon today, I had the sad responsibility to announce to the House the death of our beloved colleague, Bill Barrett.

I take this time to inform the House that the final funeral arrangements have been completed. The funeral will take place tomorrow, Wednesday, April 14.

Bill Barrett's remains will be at the Cathedral of Sts. Peter and Paul from 1 o'clock to 3 o'clock p.m. in Philadelphia for paying respects.

The requiem Mass will be at 3 p.m. at the same cathedral. Burial will be at Holy Cross Cemetery at Yeadon, Pa.—a suburb of Philadelphia—immediately following the Mass.

All interested Members and the official House delegation will be prepared to leave the Capitol steps at noon tomorrow.

Mr. ALBERT. Mr. Speaker, earlier this week, one of our most beloved colleagues, William A. Barrett, died of pneumonia at the Philadelphia Naval Hospital. He will be greatly missed.

Bill Barrett served in the House of Representatives for nearly 30 years. First elected to Pennsylvania's First District in 1944, he lost only one contest throughout his long congressional career—in the Republican landslide of 1946. Reelected to the 81st and each succeeding Congress, Bill Barrett's continuing incumbency over the next 14 terms provides apt testimony to his exceptional skill at tending his district. Almost every night, week after week, year after year, Bill Barrett would return home to South Philadelphia to meet with his constituents. No problem was too small, none too difficult to resolve, for this dedicated and diligent servant of the people.

Since 1965, our former colleague served as chairman of the Housing Subcommittee on the Banking, Currency and Housing Committee. Through his efforts, housing opportunities were improved for all Americans. His impact was felt on the Housing and Urban Developments Acts of 1965, 1968, 1969, and 1970, the Demonstration Cities Act of 1966, the Emergency Home Finance Act of 1970, the Housing and Community Development Act of 1974 and the Emergency Housing Act of 1975.

Millions of Americans seeking better housing were helped by Bill Barrett's efforts, especially the lower- and middle-income families who have most often been in the greatest need of quality housing.

Today, we pay tribute to Representative William A. Barrett—an effective legislator in Washington, D.C.; a dedicated Representative of Pennsylvania's First District for almost three decades.

Mr. MURTHA. Mr. Speaker, it is with great sorrow that I note the passing of our highly popular and respected colleague, Congressman William A. Barrett of Philadelphia.

Bill Barrett was one of the most popular Members of the House. His spirit was always high, and it was always a pleasure to talk with him. He was always a gentleman.

I believe a great deal of that spirit came from his commitment to the people he represented, and the joy he took from helping them. As many of you know, Bill Barrett returned home to Philadelphia every night Congress was in session so he could meet with his constituents. In some weeks, Bill Barrett spoke to as many as 1,000 of his citizens during these office hours.

Personally, I will remember Bill Barrett for two reasons besides the ones I have already noted. First, he was a practical politician, but a man who believed government should never lose sight of its goal of working to help the people.

Second, as a younger Member of the House I found Bill Barrett always to be a tremendous help. His spirit encouraged me to learn and to continue working for the people I represent. His leadership and teaching were invaluable in learning about Congress and what a representative can do in Washington to help the area he or she represents.

And I cannot close without commenting on his influence on the housing and community development in America through his position as chairman of the Housing and Community Development Subcommittee of the Banking, Currency and Housing Committee.

In sum, Mr. Speaker, the U.S. House of Representatives will never again be quite the same without Congressman William Barrett, nor will it be quite as good.

Mr. HEINZ. Mr. Speaker, I join with my colleagues in mourning the death of William Barrett.

The city of Philadelphia, the State of Pennsylvania and the entire Nation have lost a dedicated public servant whose presence had become so much a part of congressional life for nearly 30 years.

Bill Barrett will be remembered for many things, but two, I believe, will stand out.

One was his leadership of the House Subcommittee on Housing and Community Development through one of the most turbulent and productive periods of urban development in the Nation's history.

The second was his tireless and legendary efforts to meet with and listen to the concerns of his constituents.

Philadelphia and the Nation have lost a remarkable and dedicated public servant, Congress has lost one of its most esteemed members, and we in the Pennsylvania delegation have lost one of our most beloved colleagues.

Mr. YATRON. Mr. Speaker, the city of Philadelphia has lost her elder statesman in the passing of William A. Barrett.

Congressman Barrett was particularly appreciated in a time when honesty, forthrightness, and clearheaded thinking are at such a high premium. Congressman Barrett was respected and admired by his colleagues, because it was always Bill Barrett who retained the uncanny ability to articulate the main point in concise and succinct terms.

The people of Philadelphia loved Representative Barrett because he understood and related to his fellow citizens very well. He brought the Federal Government closer to the people and he helped to give Congress a positive identity.

His passing is a sorrowful event. Hopefully we will all learn from his inspiring example. The contributions of his good will and sincere dedication to the human experience will give an added meaning to our existence. His example will, perhaps, better prepare us to face the tasks which lie beyond this plane.

Congressman Barrett's active and generous dedication to the Nation's affairs has enriched the lives of many people. His unselfish acts of kindness in Philadelphia and to America will long be remembered.

Many times his kind words and genuine friendship comforted and encouraged his constituents and colleagues. He was a good friend, and his loss is a personal one for me.

Mr. GIAIMO. Mr. Speaker, I was most grieved to learn of the death of my dear friend, Congressman William A. Barrett of Pennsylvania.

Bill was first elected to the 79th Congress and reelected to the 81st Congress and each succeeding Congress. I am privileged that he served in this Chamber during the entire time I have been a Member of the House of Representatives. I also served on the Housing Appropriation Subcommittee during some of the time Bill served as chairman of the Housing Subcommittee of the Banking and Currency Committee.

I am proud to have worked with him. He was a fine legislator who gave himself selflessly to his constituents, his committee, the Congress and the country. His accomplishments in private enterprise and public service deserve the praise and admiration they have received.

I want to say something else about Bill Barrett. He was a compassionate man, gentle and kind, sensitive to the feelings of others, a man who had a firm faith in the essential goodness of his fellow man. I feel a personal loss at his passing for I will miss him as only a friend can.

Mr. EVINS of Tennessee. Mr. Speaker, I was shocked and saddened to learn of the recent passing of our friend and colleague, Representative William A. Barrett of Pennsylvania, and I wanted to take this means of paying a brief but sincere tribute to his memory and outstanding career of public service.

Bill Barrett was able, genial, cooperative and most effective in his special field of interest—making housing available at a reasonable cost to American families. He had specialized in real estate before his election to the 79th Congress in 1944. He was an outstanding chairman of the Housing Subcommittee on Banking, Currency and Housing.

Bill Barrett was considered one of the Nation's outstanding authorities on housing and the Subcommittee on Housing and Community Development of the Committee on Banking, Currency and Housing was nationally recognized for its innovative legislation in the field of housing and community development.

The Congressman from Pennsylvania's First District served his district, State and Nation faithfully and well for 32 years and millions of Americans enjoy a better quality of life today because of the great work of Bill Barrett.

Certainly he will be missed—and I want to take this means of extending to the members of his family this expression of my deepest and most sincere sympathy in their loss and bereavement. My wife Ann joins me in these sentiments.

Mr. BROOMFIELD. Mr. Speaker, I want to express my deep regret on the passing of our colleague William A. Barrett. We have lost a dedicated public servant and friend.

Bill loved people. He gave unselfishly of himself to help people because he loved them. He was supremely dedicated to his constituents. He even returned to his home in his district each evening so that he could be among his constituents and hear their views on issues of the day and learn of their problems. His constituents returned Bill's affection for them by electing him to represent them in the House of Representatives in 1944 and to represent them continuously since 1948.

In addition to the confidence and trust of his constituents, Bill enjoyed the admiration and respect of his colleagues in the House. We shall miss his wisdom, but will long remember his unselfish sharing of it with us.

I want to extend my sympathy to Bill's family. I want them to know that, as one who benefited from his kindness, thoughtfulness, and counsel, I am pleased and proud to have served with him in the House of Representatives.

Mr. ANDERSON of California. Mr. Speaker, I was deeply sorrowed when I heard that William Barrett had passed away earlier this week. He will be missed by his family, his friends and constituents whom he served so well in the First District of Pennsylvania, and by those of us who were honored to work with him as Members of Congress.

Few men in recent times have had as large an impact as William Barrett on the housing needs of the American people. As chairman of the Subcommittee on Housing and Community Development since 1965, Bill Barrett was a guiding force in providing decent homes for millions of our citizens. He was an important figure in developing most of the landmark housing legislation in the last 10 years.

Congressman Barrett was largely responsible for the Housing and Urban Development Acts of 1965, 1968, 1969, and 1970; the Demonstration Cities Act of 1966; the Emergency Home Finance Act of 1970; the Housing and Community Development Act of 1974; and the Emergency Housing Act of 1975. Throughout his tenure in this body, William Barrett's concern for the housing needs of middle- and low-income families was reflected in the legislation he initiated. In addition, Representative Barrett never hesitated to make his experience and good counsel available to other Members of Congress, and provided a source of valued and respected leadership to many of us.

William Barrett was elected to represent the First Congressional District of Pennsylvania in 1944. Reelected to the 81st Congress, Bill Barrett went on to become a valuable public servant for his district in the city of Philadelphia. It is remarkable to remember that he went back to his district every night to attend to the needs of his constituents, while at the same time shaping legislation that would benefit families across the United States.

My wife, Lee, joins me in expressing our sincerest condolences to the members of William Barrett's family. He was a good, kind, and honorable man who will be missed by all fortunate enough to have known him.

Mr. BIAGGI. Mr. Speaker, all of us in the House mourned the recent passing of our distinguished colleague from Pennsylvania, William Barrett. His death marked the end of one of the longest and most successful careers in the House of Representatives.

Bill's main forte was serving the people of the First Congressional District encompassing Philadelphia. In his almost 30 years in the House he provided his constituents with the highest level of service. Those of us who represent urban areas know of the many and varied problems of the people we serve. Those who were represented by Bill Barrett knew with confidence that when they had a problem, he would be there to provide assistance.

In addition, William Barrett distinguished himself on the House Banking Committee. As chairman of the Subcommittee on Housing he became a champion of the rights of Americans to live in decent and affordable housing. In addition, William Barrett was an outstanding advocate of mass transit and helped in the passage of the legislation which allowed funds from the highway trust fund to be used for mass transit. In one of his final acts in the House, Bill lent his considerable influence on behalf of the vitally important Railroad Reorganization Act.

I enjoyed my association with William Barrett. I found him to be a good friend well versed in the school of politics. He was always prepared with a good story or sound advise.

Mr. Speaker, the people of Philadelphia have truly lost one of their finest public servants, and we have lost one of our most distinguished colleagues. I extend my deep condolences to the Barrett family.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolutions were agreed to.

The SPEAKER pro tempore (Mr. McFall). On behalf of the Speaker and without objection, the Chair appoints as members of the Funeral Committee the following Members on the part of the House.

Mr. Morgan, Mr. O'Neill, Mr. McFall, Mr. Flood, Mr. Dent, Mr. Nix, Mr. Moorhead of Pennsylvania, Mr. Schneebeli, Mr. McDade, Mr. Rooney, Mr. Johnson of Pennsylvania, Mr. Green, Mr. Vigorito, Mr. Biester, Mr. Eilberg, Mr. Eshleman, Mr. Gaydos, Mr. Coughlin, Mr. Yatron, Mr. Heinz, Mr. Shuster, Mr. Murtha.

Mr. Edgar, Mr. Goodling, Mr. Myers of Pennsylvania, Mr. Schulze, Mr. Price, Mr. Delaney, Mr. Zablocki, Mr. Rodino, Mrs. Sullivan, Mr. Ashley, Mr. Reuss, Mr. Rostenkowski, Mr. St Germain, Mr. Stephens.

Mr. Gonzalez, Mr. Minish, Mr. Annunzio, Mr. Hanley, Mr. J. William Stanton, Mr. Rees, Mr. Brown of Michigan, Mr. Wylie, Mr. Roe, Mr. Rousselot, Mr. McKinney, Mr. Mitchell of Maryland, Mr. Conlan, Mrs. Boggs.

Mr. Hansen, Mr. AuCoin, Mr. Blanchard, Mr. D'Amours, Mr. Derrick, Mr. Evans of Indiana, Mrs. Fenwick, Mr. Gradison, Mr. Grassley, Mr. Hannaford, Mr. Hayes of Indiana, Mr. Hubbard, Mr. Hughes.

Mr. Hyde, Mr. Kelly, Mr. LaFalce, Mr. Neal, Mr. Patterson of California, Mrs. Spellman, Mr. Tsongas, Mr. Allen, Mr: Lundine, Mr. Fauntroy.

The SPEAKER. The Clerk will report the remaining resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 8 o'clock and 50 minutes p.m.), pursuant to House Resolution 1154 and under its previous order, the House adjourned until tomorrow, Wednesday, April 14, 1976, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3025. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 1–104, "To grant the consent of the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact to authorize the Washington Metropolitan Area Transit Authority to establish and maintain a Metro Transit Police force; to authorize the Washington Metropolitan Area Transit Authority to enter into mutual aid agreements with the various jurisdictions within the Transit Zone, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3026. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting proposed final regulations for parts D and F of the Education Professions Development Act, as amended, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3027. A letter from the Secretary of the Treasury, transmitting the annual report for calendar year 1974 on the operation and effect of the domestic international sales corporation legislation, pursuant to section 506 of Public Law 92–178; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

3028. A letter from the Acting Comptroller General of the United States, transmitting a report on the requirements for and costs of maintaining a military presence at an industrial support activity with a predominantly civilian work force; jointly, to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HUNGATE: Committee on the Judiciary. S. 2129. An act to provide for the definition and punishment of certain crimes in accordance with the Federal laws in force within the special maritime and territorial jurisdiction of the United States when said crimes are committed by an Indian in order to insure equal treatment for Indian and non-Indian offenders; with amendment (Rept. No. 94–1038). Referred to the Committee of the Whole House on the State of the Union.

Mr. STRATTON: Committee on Armed Services. H.R. 10451. A bill to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes. (Rept. No. 94–1039). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN. Committee on Rules. House Resolution 1155. Resolution providing for the consideration of H.R. 365. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain firefighters who die in the performance of duty (Rept. No. 94–1140). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 1156. Resolution providing for the consideration of H.R. 366. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty (Rept. No. 94–1041). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 1157. Resolution providing for the consideration of H.R. 12234. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and to amend the act of October 15, 1966, to establish a program for the preservation of additional historical properties throughout the Nation, as amended, and for other purposes (Rept. 94–1042). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 13191. A bill to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of the polygraph-type equipment for certain purposes; to the Committee on the Judiciary.

By Ms. ABZUG (for herself, Mr. Conyers, Mr. Harrington, Mr. Maguire, Mr. Moffett, Mr. Clay, Mr. Drinan, Mr. Koch, Mr. Mitchell of Maryland, Mr. Helstoski, Mr. Richmond, Mr. Roybal, Mr. Rosenthal, Mr. Scheuer, Mr. Stark, and Mr. Charles Wilson of Texas):

H.R. 13192. A bill to amend the Privacy Act of 1974; to the Committee on Government Operations.

By Mr. BEARD of Rhode Island:

H.R. 13193. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; to the Committee on Ways and Means.

By Mr. BELL:

H.R. 13194. A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. BINGHAM:

H.R. 13195. A bill to amend title XVI of the Social Security Act to insure that the rights of aged and disabled recipients to their benefits are granted sufficient procedural protection by the Social Security Administration; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 13196. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CEDERBERG:

H.R. 13197. A bill to amend title 18, United States Code, to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 13198. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EILBERG:

H.R. 13199. A bill to amend title 14, United States Code, to raise the mandatory retirement age for members of the Coast Guard from 62 to 65; to the Committee on Merchant Marine and Fisheries.

By Mr. FRENZEL:

H.R. 13200. A bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35); to the Committee on Agriculture.

By Mr. GRASSLEY:

H.R. 13201. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer; to the Committee on Agriculture.

By Mr. GUYER:

H.R. 13202. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HYDE:

H.R. 13203. A bill to amend the Internal Revenue Code of 1954 to allow individuals to designate $1 of their income tax liability to be used for purposes of reducing the public debt of the United States; to the Committee on Ways and Means.

By Mr. JACOBS:

H.R. 13204. A bill to provide that any school or educational institution which requires, as part of its employment interviewing process, an authorization from an individual to notify the individual's employer before interviewing the individual shall not receive Federal financial assistance under the Higher Education Act of 1965; to the Committee on Education and Labor.

H.R. 13205. A bill to amend the Federal Aviation Act of 1958 to authorize free or reduced rate transportation for severely handicapped persons and persons in attendance, when the severely handicapped person is traveling with such an attendant; to the Committee on Public Works and Transportation.

By Mr. McDADE:

H.R. 13206. A bill to correct certain inequities in determining worker eligibility for adjustment assistance under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 13207. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. MICHEL:

H.R. 13208. A bill to consolidate Federal financial assistance to States for child nutrition programs, to focus such assistance on children most in need and to simplify the administration of such assistance; to the Committee on Education and Labor.

By Mr. MOAKLEY:

H.R. 13209. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit and to allow a deduction with respect to expenditures for residential solar energy equipment; to the Committee on Ways and Means.

By Mr. MYERS of Pennsylvania (for himself, Mr. D'Amours, Mrs. Fenwick, and Mr. Gilman),:

H.R. 13210. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. REES (for himself, Mr. Reuss, and Mr. St Germain):

H.R. 13211. A bill to provide for Federal regulation of participation by foreign banks in domestic financial markets; to the Committee on Banking, Currency and Housing.

By Mr. ROBINSON:

H.R. 13212. A bill to designate certain lands in the Shenandoah National Park, Va., as wilderness; to the Committee on Interior and Insular Affairs.

By Mr. ROUSH:

H.R. 13213. A bill to provide for the establishment of multipurpose service programs for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mr. ST GERMAIN:

H.R. 13214. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; to the Committee on Ways and Means.

By Mr. SCHULZE (for himself, Mr. Bevill, Mr. Chappell, Mr. Fisher, Mr. Gilman, Mr. Hughes, Mr. Koch, Mr. Long of Maryland, Mr. Martin, Mr. Mazzoli, Mr. Murphy of New York, Mr. Simon, and Mr. Young of Florida):

H.R. 13215. A bill to provide for the burial at the Arlington Memorial Amphitheatre, Arlington National Cemetery, Va., of the remains of an unknown American soldier who lost his life in the American Revolutionary War; to the Committee on Veterans' Affairs.

By Mr. STEELMAN:

H.R. 13216. A bill to amend title 39, United States Code, to require the U.S. Postal Service to make certain considerations prior to the closing of third- and fourth-class post offices; to the Committee on Post Office and Civil Service.

By Mr. STEIGER of Arizona:

H.R. 13217. A bill to provide for the conveyance of certain mineral rights in and under certain lands near Palo Verde, Ariz.; to the Committee on Interior and Insular Affairs.

By Mrs. SULLIVAN (for herself, Mr. Ashley, Mr. Dingell, Mr. Downing of Virginia, Mr. Murphy of New York, Mr. Jones of North Carolina, Mr. Leggett, and Mr. Rooney):

H.R. 13218. A bill to permit the steamship *United States* to be used as a floating hotel, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BENNETT:

H.R. 13219. A bill to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts, and for other purposes; to the Committee on the Judiciary.

By Mr. BRODHEAD:

H.R. 13220. A bill to amend the Natural Gas Act to authorize a natural gas pipeline from the North Slope of Alaska through Canada to the contiguous 48 States; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of Ohio (for himself, Mr. Guyer, Mr. Miller of Ohio, Mr. Mosher, Mr. Seiberling, Mr. Stokes, Mr. Whalen, Mr. Conyers, Mr. Dellums, Mr. Hawkins, Mr. Mitchell of Maryland, Mr. Nix, Mr. Rangel, and Mr. Diggs):

H.R. 13221. A bill to authorize the Secretary of the Interior to establish and operate a National Museum of Afro-American History and Culture at or near Wilberforce, Ohio; to the Committee on Interior and Insular Affairs.

By Mr. CLANCY:

H.R. 13222. A bill to prohibit the theft of radio equipment used or operated in the citizens radio service; to the Committee on the Judiciary.

H.R. 13223. A bill to amend chapter 113 of title 18, United States Code, to prohibit certain acts concerning stolen radio equipment in interstate commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. DEVINE:

H.R. 13224. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GINN:

H.R. 13225. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HECHLER of West Virginia:

H.R. 13226. A bill to provide for sound forest management practices in the national forests of the United States consistent with the principles of multiple use and sustained yield; to the Committee on Agriculture.

H.R. 13227. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the New River in North Carolina as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 13228. A bill to reeaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 13229. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. HELSTOSKI (for himself, Mr. Howard, Mr. Maguire, Mrs. Meyner, Mr. Patten, and Mr. Nix) (by request):

H.R. 13230. A bill to grant a Federal Charter to the National Opportunity Camps; to the Committee on the Judiciary.

By Mr. JONES of Alabama (for himself, Mr. Richmond, Mr. Riegle, Mr. Sarbanes, Mr. Stratton, Mr. Studds, Mr. Won Pat, and Mr. Zeferetti):

H.R. 13231. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. KOCH (for himself, Mr. Addabbo, Mr. Brodhead, Mr. Conte, Mr. Drinan, Mr. Edwards of California, Mr. Fish, Mr. Hamilton, Mr. Hanley, Mr. Hayes of Indiana, Mr. Hughes, Mr. Hyde, Ms. Keys, and Mr. Lehman:

H.R. 13232. A bill to establish a Commission on the Humane Treatment of Animals; to the Committee on Agriculture.

By Mr. KOCH (for himself, Mr. McDade, Mr. Macdonald of Massachusetts, Mrs. Meyner, Mr. Moakley, Mr. Patterson of California, Mr. Richmond, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mr. Stokes, Mr. Vanik, Mr. Charles H. Wilson of California, and Mr. Wolff):

H.R. 13233. A bill to establish a Commission on the Humane Treatment of Animals; to the Committee on Agriculture.

By Mr. KOCH (for himself, Mr. Brinkley, Mr. Burlison of Missouri, Mr. Downey of New York, Mr. Drinan, Mr. Edgar, Mr. Jenrette, Mrs. Meyner, Mr. Ottinger, Mr. Pike, Mr. Rangel, Mr. Rosenthal, Mr. Studds, and Mr. Won Pat):

H.R. 13234. A bill to amend the Internal Revenue Code of 1954 to disallow the business expense tax deduction for first class air and rail travel in excess of the coach fare for such travel and for other expenses; to the Committee on Ways and Means.

By Mr. LITTON:

H.R. 13235. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the estate tax exemption from $60,000 to $200,000 and to increase the estate tax marital deduction; to the Committee on Ways and Means.

By Mr. LITTON (for himself and Mr. Symms):

H.R. 13236. A bill to amend sections 3 and 5 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the 12th undesignated paragraph under the heading "Surveying the Public Lands" in the act of June 4, 1897 (30 Stat. 35, as amended); to the Committee on Agriculture.

By Mr. MOAKLEY:

H.R. 13237. A bill to revise chapter 99 to title 18 of the United States Code to provide for the punishment of sexual assaults in the special jurisdiction of the United States; to the Committee on the Judiciary.

By Mr. MOSHER (for himself, Mr. Pressler, Mr. Blanchard, and Mr. Bonker):

H.R. 13238. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Pennsylvania:

H.R. 13239. A bil to require Members of the Congress and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. NATCHER:

H.R. 13240. A bill to incorporate the Gold Star Wives of America; to the Committee on the Judiciary.

By Mr. OTTINGER (for himself, Mr. Dingell, Mr. Edgar, Mr. Moorhead of Pennsylvania, Mr. Moss, Mr. Pepper, Mr. Stark, and Mr. Won Pat):

H.R. 13241. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER (for himself and Mr. Anderson of California):

H.R. 13242. A bill to amend title XVIII of the Social Security Act to include hearing aids and dentures among the items and services for which payment may be made under the supplementary medical insurance program; to the Committee on Ways and Means.

By Mr. QUIE:

H.R. 13243. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. QUILLEN (for himself, Mr. Andrews of North Dakota, Mr. Bevill, Mr. Broyhill, Mr. Carney, Mr. Conlan, Mr. Dan Daniel, Mr. Derwinski, Mr. Downey of New York, Mr. Frenzel, Mr. Hechler of West Virginia, Mr. Hughes, Mr. Jenrette, Mr. Lujan, Mr. McDonald of Georgia, Mr. Mineta, Mr. Murphy of New York, Mr. Neal, Mr. Patterson of California, Mr. Steelman, Mr. Symms, Mr. Waggonner, and Mr. Wolff):

H.R. 13244. A bill to amend the Internal Revenue Code of 1954 to provide for payment by the Government of all reasonable litigation expenses to prevailing taxpayers in legal action; to the Committee on Ways and Means.

By Mr. RICHMOND (for himself, Mrs. Meyner, Mrs. Mink, Mr. Matsunaga, Mr. Solarz, and Mr. Stokes):

H.R. 13245. A bill to prohibit new rules and regulations from becoming effective under the Food Stamp Act of 1964 until the Congress enacts new legislation with respect to such act; to the Committee on Agriculture.

By Mr. VAN DEERLIN:

H.R. 13246. A bill to amend the Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. VANDER VEEN (for himself, Mr. Blanchard, Mr. Brodhead, Mr. Brown of Michigan, Mr. Carr, Mr. Cederberg, Mr. Dingell, Mr. Diggs, Mr. Esch, Mr. Ford of Michigan, Mr. Nedzi, Mr. O'Hara, Mr. Riegle, Mr. Ruppe, Mr. Traxler, and Mr. Vander Jagt):

H.R. 13247. A bill to name a certain Federal building in Grand Rapids, Mich., the Arthur H. Vandenberg Building; to the Committee on Public Works and Transportation.

By Mr. VIGORITO (for himself and Mr. Kemp):

H.R. 13248. A bill to provide that certain law enforcement officers who, by reason of an agency reorganization, lost their coverage under the law enforcement retirement provisions of title 5, United States Code, shall be entitled to have such coverage restored; to the Committee on Post Office and Civil Service.

By Mr. WYDLER (for himself, Mr. Collins of Texas, Mr. Devine, Mr. Hyde, Mr. Lent, Mr. Lott, Mr. Lujan, Mr. Mitchell of New York, Mr. Quie, and Mr. Treen):

H.R. 13249. A bill to reduce unemployment by providing that unemployment insurance funds may be used pursuant to State laws establishing programs for payments to employers who hire the unemployed; to the Committee on Ways and Means.

By Mr. ZEFERETTI (for himself, Mr. Biaggi, Mr. Phillip Burton, Mr. Murphy of New York, Mr. Scheuer, Mr. Yates, Mr. Harris, Mrs. Spellman, Mr. Russo, Mr. Addabbo, and Mr. Dent):

H.R. 13250. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 and other acts to adjust the salary and other benefits received by the U.S. Park Police; to the Committee on the District of Columbia.

By Mr. ZEFERETTI (for himself and Mr. Oberstar):

H.R. 13251. A bill to amend the Merchant Marine Act, 1920, in order to provide that the coastwise laws shall extend to the Virgin Islands with respect to the transportation of crude oil, residual fuel oil, and refined petroleum products; to the Committee on Merchant Marine and Fisheries.

By Mr. MILFORD:

H.J. Res. 921. Joint resolution proposing an amendment to the Constitution of the United States with respect to the reconfirmation of judges after a term of 8 years; to the Committee on the Judiciary.

By Mr. BURKE of Massachusetts (for himself and Mr. Green):

H. Con. Res. 614. Concurrent resolution expressing the sense of Congress with respect to Presidential actions which should be taken pursuant to the Trade Act of 1974 to remedy the serious injury being caused to the domestic shoe industry by imports of nonrubber footwear; to the Committee on Ways and Means.

By Mr. FRASER (for himself and Mr. McHugh):

H. Con. Res. 615. Concurrent resolution indicating the sense of Congress that every person throughout the world has the right to a nutritionally adequate diet; and that this country increase its assistance for self-help development among the world's poorest people until such assistance has reached the target of 1 percent of our total national production (GNP); jointly to the Committees on Agriculture and International Relations.

By Mr. ASHLEY (for himself and Mr. Brown of Michigan):

H. Con. Res. 616. Concurrent resolution to recognize the month of April as Fair Housing Month; to the Committee on Post Office and Civil Service.

By Mr. JONES of Alabama (for himself, Mr. Harsha, Mr. Anderson of California, Mr. Snyder, Mr. Wright, Mr. Don H. Clausen, Mr. Johnson of California, Mr. Hammerschmidt, Mr. Henderson, Mr. Walsh, Mr. Roberts, Mr. Cochran, Mr. Howard, Mr. Abdnor, Mr. Taylor of Missouri, Mr. Roncalio, Mr. Goldwater, Mr. James V. Stanton, Mr. Ginn, Mr. Milford, Mr. Mineta, Mr. Howe, Mr. Levitas, Mrs. Lloyd of Tennessee, and Mr. Fary):

H. Res. 1146. Resolution relating to the 50th anniversary of American commercial aviation; to the Committee on Post Office and Civil Service.

By Mr. JONES of Alabama (for himself, Mr. Harsha, Mr. Anderson of California, Mr. Snyder, Mr. Roe, Mr. McCormack, Mr. Hagedorn, Ms. Abzug, Mr. Breaux, Mr. Holland, Mr. Oberstar, Mr. Ambro, Mr. Nowak, Mr. Edgar, and Mr. Risenhoover):

H. Res. 1147. Resolution relating to the 50th aniversary of American commercial aviation; to the Committee on Post Office and Civil Service.

By Mr. LONG of Maryland (for himself, Mr. Studds, Mr. Won Pat, Mr. Blouin, Mr. Ryan, Mr. Vigorito, Mr. Patterson of California, Mr. Metcalfe, Mr. Krebs, Mr. Yates, Mr. Mineta, Mr. Stokes, Mr. Vanik, Mr. Addabbo, Mr. Bennett, Mr. Blanchard, Mr. Conte, Mr. Emery, Mr. Brodhead, Mr. Eilberg, Mr. Hawkins, Mr. Leggett, Mr. Florio, Mr. Pike, and Mr. Sharp):

H. Res. 1148. Resolution creating the Select Committee on Nuclear Proliferation and Nuclear Export Policy; to the Committee on Rules.

By Mr. MICHEL:

H. Res. 1149. Resolution to insure that the quality and quantity of free broadcasting service not be impaired; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS:

H. Res. 1150. Resolution to amend the Rules of the House of Representatives to provide that it is not in order to consider any bill, resolution, or amendment thereto, which provides an appropriation, or an authorization for an appropriation, for security assistance for a specified country in an aggregate amount of $100 million or more for any fiscal year, if such bill or resolution also provides an appropriation, or an authorization for an appropriation, for security assistance for any other country for such fiscal year; to the Committee on Rules.

By Mr. RONCALIO:

H. Res. 1151. Resolution directing the Committee on Agriculture to conduct a study and investigation of the contracting practices detrimental to the sugar beet producers in Wyoming; to the Committee on Rules.

By Mr. ST GERMAIN:

H. Res. 1152. Resolution concerning the safety and freedom of Valentyn Moroz, Ukranian historian; to the Committee on International Relations.

By Mrs. SMITH of Nebraska:

H. Res. 1153. Resolution directing the Committee on Agriculture to conduct a study and investigation of the contracting practices detrimental to the sugar beet producers in Nebraska; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HAGEDORN:

H.R. 13252. A bill for the relief of Virginia J. Mariano; to the Committee on the Judiciary.

By Mr. NEAL:

H.R. 13253. A bill for the relief of John Czarnecki; to the Committee on the Judiciary.

By Mr. STUCKEY:

H.R. 13254. A bill for the relief of Larry P. McDonald; to the Committee on the Judiciary.

By Mr. TEAGUE:

H.R. 13255. A bill to authorize the Administrator of Veterans' Affairs to convey certain property at the Veterans' Administration Hospital, North Chicago, Ill., to the University of Health Sciences/The Chicago Medical School, a private nonprofit educational institution; to the Committee on Veterans' Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII,

442. The SPEAKER presented a petition of Ruta Svilpis, Silver Spring, Md., and others relative to release of Vladimir Bukovsky, Gunars Rode, Valentyn Moroz, and Gavril Superfin from Vladimir prison, which was referred to the Committee on International Relations.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of April 9, 1976, page 10267.

HOUSE BILLS

H.R. 12731. March 23, 1976. Ways and Means. Allows an estate tax credit under the Internal Revenue Code.

Authorizes the executor of an estate to elect an additional credit if 65 percent or more of the adjusted gross estate is attributable to a qualifying small business.

Providing a reduction of such additional credit by a percentage of the amount by which the value of the taxable estate exceeds $300,000.

H.R. 12732. March 23, 1976. Veterans' Affairs. Allows an eligible veteran who is pursuing a program of education at the close of the ten-year delimiting period to continue to receive educational assistance in specified circumstances.

H.R. 12733. March 23, 1976. Veterans' Affairs. Increases the period of entitlement for educational assistance for eligible veterans.

Eliminates the ten-year time limitation within which such assistance must be used.

H.R. 12734. March 23, 1976. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on articles assembled abroad with components produced in the United States.

H.R. 12735. March 23, 1976. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay an allowance to any State in reimbursement for expenses incurred in the burial of a veteran in a State owned cemetery.

H.R. 12736. March 23, 1976. Ways and Means. Amends the Social Security Act to authorize payment under the Medicare program for specified services performed by chiropractors, including X-rays, and physical examination, and related routine laboratory tests

H.R. 12737. March 23, 1976. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to presume a service-connected cause of death in the case of specified veterans for purposes of dependency and indemnity compensation.

H.R. 12738. March 23, 1976. International Relations. Establishes a Commission on Security and Cooperation in Europe.

Authorizes and directs the Commission to monitor the acts of the signatories to the Final Act of the Conference on Security and Cooperation in Europe (Helsinski Agreement) with respect to their compliance with the articles of such Act, particularly with regard to the provisions relating to Cooperation in Humanitarian Fields.

H.R. 12739. March 23, 1976. Public Works and Transportation. Directs the Secretary of the Army to convey to the trustees of the Salem Wesleyan Church a certain parcel of land of the United States located at the Woodruff Dam and Reservoir project, Jackson County, Florida.

H.R. 12740. March 23, 1976. Interior and Insular Affairs. Provides for a nonvoting Delegate to the House of Representatives from American Samoa.

H.R. 12741. March 23, 1976. Small Business; Government Operations; Banking, Currency and Housing. Amends the Small Business Act to expand assistance under such Act to minority small business concerns. Establishes the Office of Minority Small Business Assistance Personnel to work with all Government agencies having procurement powers. Provides statutory standards for contracting and subcontracting by the United States with respect to minority concerns. Creates a Commission on Federal Assistance to Minority Enterprise.

H.R. 12742. March 23, 1976. Banking, Currency and Housing. Amends the National Housing Act to authorize expenditures by the Secretary of Housing and Urban Development for repair of major structural defects which create a serious danger to the life and safety of inhabitants of certain family dwellings covered by any mortgage insured by the Federal Housing Administration.

H.R. 12743. March 23, 1976. Rules. Amends the Impoundment Control Act of 1974 to provide that a rescission or reservation of funds proposed by the President may be disapproved by either House of Congress without waiting for the expiration of the 45-day period prescribed for congressional action under present law.

H.R. 12744. March 23, 1976. Post Office and Civil Service. Sets forth a time schedule for the required introduction of part time jobs in each grade in each Federal agency, at a rate of 2 percent each year for 5 years.

H.R. 12745. March 23, 1976. Education and Labor. Exempts from the Farm Labor Contractor Registration Act of 1963, constractors of workers engaged in custom cutting or combine operations in connection with the harvesting of grains and contractors of workers engaged in the shearing of sheep.

H.R. 12746. March 23, 1976. Ways and Means. Amends the program of Aid to Families with Dependent Children of the Social Security Act by providing full Federal reimbursement for any increases in a State's payments under such program which reflect rises in the cost of living since 1973 or are due to increased caseload, if the State agrees (1) to provide for cost-of-living adjustments in such payments; (2) to implement a program of aid to dependent children of unemployed fathers; and (3) not to impose any new restrictive requirements under its approved State plan.

H.R. 12747. March 23, 1976. Agriculture. Establishes a nine-member National Commission on Food Production, Processing, Marketing, and Pricing. Requires the Commission to study, appraise, and report to the President and Congress on the economic and industrial structure of all segments of the food industry.

H.R. 12748. March 23, 1976. Agriculture. Prohibits new rules and regulations from becoming effective under the Food Stamp Act of 1964 until after the enactment of legislation with respect to the eligibility and purchase requirements of persons receiving benefits under the Food Stamp Act of 1964.

H.R. 12749. March 23, 1976. Interstate and Foreign Commerce. Allows the Federal Communications Commission to authorize any retail dealer selling citizen's band radio transmitters to issue a conditional license complete with call number.

H.R. 12750. March 23, 1976. Judiciary. Establishes procedures for the application, approval, and extension of orders authorizing the use of electronic surveillance for foreign intelligence purposes. Permits the Attorney General to authorize emergency employment of such surveillance for 24 hours in the absence of a judicial order.

Requires the Chief Justice of the United States to designate seven district court judges to hear applications for, and grant orders approving, electronic surveillance anywhere within the United States.

H.R. 12751. March 23, 1976. Agriculture. Amends the Forest and Rangeland Renewable Resources Planning Act of 1974 to direct the Secretary of Agriculture to include in the Renewable Resource Program, national program recommendations which take into account specified policy objectives.

Requires the Secretary to provide for public participation in the formulation and review of proposed land management plans and to promulgate regulations for their development and revision.

Revises provisions relating to the sale of timber found on National Forest Service lands.

H.R. 12752. March 23, 1976. Judiciary. Authorizes the Federal Communications Commission to waive the Federal amateur radio qualifications for certain individuals for licensing purposes.

H.R. 12753. March 23, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for reimbursement for work done and material furnished in the construction of a specified United States gunboat.

H.R. 12754. March 23, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States arising from his removal from the War Reduction Board, effective November 20, 1944.

H.R. 12755. March 23, 1976. Judiciary. Waives certain time restrictions barring actions in the United States Court of Claims in favor of any action by a certain individual arising out of actions by the Air Force Board for Correction for Military Records with respect to the records of such individual.

EXTENSIONS OF REMARKS

CONCERNED FARMERS FROM WEST TEXAS TELL THEIR STORY IN WASHINGTON

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. MAHON. Mr. Speaker, every American is aware of the great rise in the cost of living which has affected every sector of our national economy over the past decade; and every U.S. housewife has experienced the strain of increased food prices on the family budget. But I wonder how many of our citizens who live in large urban areas know of the dramatic increase in the cost of producing the food on their tables which has occurred in agriculture over the last few years?

On Febraury 17, 1976, I spoke briefly on the floor of the House about the necessity of farmers receiving adequate monetary returns for their products. At that time approximately 24 concerned farmers and their wives from my district in Texas spent their own money, along with some contributions from their local communities, to travel to Washington and talk with various Members of Congress about the particular problems they are now facing in financing their modern farming operations. These men and women represented more than 200,000 acres of highly productive Texas land. They brought figures relating to their personal costs of production ranging from $40,000 to $240,000 during cropyear 1975.

While food costs have increased, the cost of the basic materials necessary to produce that food have increased even more; and many farmers throughout the Nation are faced with serious financial problems as a result. The farmers who visited Washington compiled some rather shocking figures on the costs of seed, machinery, fertilizer and other resources necessary for modern farming which I would like to place in the RECORD at this time.

In 1973 a new shredding machine, used to cut the dead stalks of corn, cotton, wheat or grain sorghum remaining after harvest, cost $2,100—in 1976 that same machine would cost $3,750.

In 1973 a new bottom breaking plow, used to break the soil and prepare it for another crop, cost $2,301—in 1976 that plow would cost $4,650.

Between 1974 and 1976 a lister plow, used to furrow the rows for planting, increased in price some 17 percent, from $1,887 to $2,199. At the same time milo, which is produced in my area of Texas, dropped 25 percent in price from $5.25 per hundredweight to $4 per hundredweight—which simply means that provided the farmer planted the same amount of acreage and made the same yield he took to the banker 25 percent less money to pay off his production loans.

In 1973 a 5 gallon can of weed-control chemical cost $96, and now it costs the farmer $120.

The area of Texas I have the honor to represent is a great irrigation region, and to water our crops we must use natural gas to propel large internal combustion engines which pump the water up from the ground. In 1973 it cost one of my farmers $2,159 to pay the gas bill to irrigate 640 acres. During 1975 to irrigate the same amount of acreage he paid a gas bill of $6,148.

Provided nature cooperates, and the farmer's crop is not destroyed by a hailstorm which in 30 minutes can wipe out a whole year's work, he may get to harvest the grain he has labored to produce. If he does, he may use a combine which in 1973 cost him $29,500, and which if purchased today would cost $47,500. The grain truck to transport his harvest to the local grain storage elevator has increased in price from $7,200 in 1973 to $13,900 in 1976.

These figures which I have cited are all from farmers on the High Plains of Texas. They used the figures to illustrate the plight with which they are now confronted.

I am confident that the concerns which these farmers expressed are characteristic of the American farmer all across the country. A strong and expanding agriculture is vital to this Nation. The United States exported more than $22 billion worth of farm products last year. However, farmers cannot continue to produce unless they can be assured of a reasonable price for their products—enough to cover the cost of production plus a reasonable profit to enable them to stay in the hazardous business of farming. These figures on the costs of production seem unbelievably high, but they are correct and they tell a story which Americans must become aware of and about which proper action must be taken if we are to produce the food and fiber which we must have to survive and prosper.

NEW YORK CITY BUSINESS CONFERENCE

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. PEYSER. Mr. Speaker, on April 8, 1976 I held a business conference here in Washington that was attended by representatives of 23 of New York City's largest corporations as well as 12 of my colleagues on the bipartisan New York State congressional delegation. The purpose of the day's meeting was to determine how the Federal Government can act to stem the flow of businesses from New York City, whose financial stability is inextricably linked to a prosperous business community there.

Many of the companies involved expressed faith in the future of New York City as well as possible legislative programs that would help America's greatest city get back on its financial feet.

In fact, a number of companies have instituted programs of their own to help the city make a dent in the bleak unemployment picture. One of these programs is WNBC Radio's "Pledge A Job" week which ran from April 5 to April 9. Vice president and general manager of WNBC Radio Perry Bascom, who attended the conference, delivered the following editorial which sums up this worthwhile and constructive project. It is my hope that other organizations will show similar ingenuity and faith in New York's future by instituting similar programs.

The editorial follows:

AN EDITORIAL BY VICE PRESIDENT AND GENERAL MANAGER, PERRY B. BASCOM

> New York has, within its concrete walls, the greatest mixture of business activities to be found anywhere in the world. Finance, manufacturing, communications and advertising are all a part of the vitality which keeps the city alive.
>
> New York has many resources to offer its varied industries, certainly not the least of these being people with many varied talents and diverse backgrounds. Nowhere in the world is there such a cosmopolitan work force ready to assist businessmen in every enterprise.
>
> New York is losing its "Fortune 500" companies which are now numbered at some 90. We all have a responsibility to encourage their continued presence by helping to create a climate in which they can thrive and prosper along with the inhabitants of this city.
>
> If the present conditions are not the most favorable, New Yorkers will have to tighten their belts and look for new solutions to save our city. Let us prepare for a new day together, with business leading the way to job opportunities and the general improvement of the economy. Mr. Businessman, review your needs, and pledge a job during our sister station WNBC's "PLEDGE A JOB" Week, April 5th thru 9th.

ANOTHER ENERGY CRISIS FOREWARNED

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. MARTIN. Mr. Speaker, the Shah of Iran is trying to tell this country something about itself. Many people have forgotten that this country is still heavily dependent on foreign energy sources to maintain a healthy economy and the way of life many of us enjoy. His Eminence, the Shah has not forgotten.

The Shah says if the U.S. Congress imposes an embargo on arms sales to his country, "we can hurt you as badly if not more so than you can hurt us." The same is true with other oil producing and exporting countries. We all recognize he is talking about imported oil which makes up 40 percent of what we use each day. The Shah sells us a substantial portion of that imported oil. It is important to remember that the bulk of the imported oil comes from the Middle East. The Shah said action by his country against the United States could go beyond using oil as a weapon. In an interview with U.S. News & World Report, the Shah said:

> We can create trouble for you in this region (Middle East).

He added what many of us already know:

> America's credibility is not too high. You look rather like a crippled giant.

I hope the Shah's straightforward remarks serve as a reminder to the Congress that the energy crisis and long gas lines are not just a thing of the past, but could become the future. With conditions in the Mideast constantly simmering, we will be faced with the prospect of another oil embargo as long as oil is a weapon that can be used against us. The Shah has reminded us that oil can be a potent weapon. Yet, we are hardly any closer to energy independence that we were in the winter of 1973–74.

Congress has had 2½ years to decide how to meet this country's future energy needs. Yet, little progress has been made. If anything, Congress has set a course that will cut oil production in America, leaving us more dependent on imports.

We are told Saudi Arabia is asking the Organization of Petroleum Exporting Countries—OPEC—for a freeze on world oil prices. The Saudis say any price increase now would impede worldwide economic recovery and would reduce demand for oil. However, they have stressed their desire to work within OPEC and warned that their pricing position could change over "political matters." We can assume they are talking about any new Arab-Israeli conflict.

The oil picture is not good. After a brief decline, oil imports have risen to a higher level than before the 1973 embargo. Our domestic price and tax policy discourages any increase in exporation and drilling for oil and natural gas in our own country and off our coasts. Natural gas exploration has all but come to a halt as our supplies dwindle more each year. In contrast to the profitable 1974 period, when drilling rigs could not be built fast enough for oil companies, today the drilling rigs are in surplus. It is not an attractive investment anymore.

Our oil reserves cannot last forever, some estimates say 30 to 50 years. Once oil is found, up to 10 years can pass before it gets to the consumer. If exploration is made unprofitable, who will find the oil for us?

Congress has had over 2 years to make decisions on improving our energy situation, but apparently will not move until the country is against the wall again.

The leaders of the majority in Congress should quickly resolve their differences with the President over natural gas decontrol, because time is running out.

VIETNAM REPORT

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. COLLINS of Texas. Mr. Speaker, my friend, Allen B. Clark, Jr., sent me a letter he has just received on what has happened in South Vietnam. Allen is settled in business in Dallas, but has strong memories of Vietnam where he lost both of his legs in combat in the Kontum province. Here are excerpts of the letter he received from the ex-bishop of Kontum, Paul L. Seitz:

> For thirty years in South Vietnam we were plunged into war, danger, destruction and misery of all kinds. Although we were agonised, no one, as late as December 1974, would have dared to predict that four months later it would all be over for that heroic little nation, finally submerged by triumphant communism.
>
> Everything happened as in a nightmare; the crumbling of the South was murderous, immense and brutal. Nightmares pass with

the night and with the new day comes reassurance, but this nightmare continues.

The Montagnards, many of them situated in my former Diocese of Kontum, like the rest foundered in the storm. So another tragic turning in their history opens before them.

The towns of Ban Me Thout, Plei-Ku and Kontum, in the Central Highlands, were the first to be "liberated": Kontum on March 18th, 1975. One week later, Doctor Edric Baker and Doctor Christian who had remained at their posts in the Minh-Quy hospital were arrested and interned in a forest camp. The sister nurses were submitted to "psychological torture" by incessant, insidious interrogations.

All the educational and social efforts for the Montagnard race, from the kindergarten to the university students' hostel in Saigon, right through the primary, secondary and technical schools all were closed or plundered.

The refugees, having fled from communism during the past years, were categorised as "enemies of the people" and treated as such. Twenty thousand of them were obliged to return—on foot in the majority of cases—to their old villages, long ago reduced to ashes. With only a simple basket on their back, they left for the hard labor of road-building or the communal rice-fields. Undernourished, without medical care, rediscovering with shock the cold of a higher altitude at the start of the rainy season, they were ravaged by death; we know of "villages" where the death rate rose to 30 and 40%.

As for the foreign nuns and missionaries, we were quickly put under "house arrest" in Kontum.

Not content with reducing us in this way to a powerless state, the new Masters sought to discredit us: accused of spying, of political aims, of treason and liable therefore for the penalty of death, we were expelled—bishops, missionaries, nuns, doctors—we were all expelled almost in secret and expelled only "thanks to the clemency of the people".

The essential thing that we have planted in the heart of these men is the knowledge of the God of Love: that will not perish.

Abide with us in this hope praying, as brothers who care, for all those of the crucified Churches.

PAUL L. SEITZ,
Ex-Bishop of Kontum (South Vietnam).

THIRTIETH ANNIVERSARY OF RABBI BARUCH SILVERSTEIN

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. SOLARZ. Mr. Speaker, on Saturday, April 24, the Borough Park community is honoring Rabbi Baruch Silvertstein on the occasion of his 30th anniversary as the spiritual leader of Temple Emanu-el in Brooklyn, N.Y.

Rabbi Silverstein is a vice president of the New York Board of Rabbis, a past president of the Brooklyn Board of Rabbis and of the Zionist Organization of America, Brooklyn region. But this list does not really begin to give a glimpse of his enormous contribution to Jewish life both on the local and the national scene.

He is an eminent scholar on Jewish history and law, who has imparted his knowledge to two generations of students and taught them what Judaism has to say about the problems and questions facing our society today. He has always been available to try and help anyone who might need his assistance and his kindness and understanding has set an example that few people can equal.

In addition to his role as a religious leader, Rabbi Silverstein has placed great emphasis on involvement in civic affairs. He recognized that he could not divorce himself from the daily life of the community, and he has spent countless hours in trying to keep Borough Park a desirable place in which to live. His perception of problems and his ability to develop solutions has made him one of the persons to whom the community turns during times of crisis. He can truly be described as a brilliant modern Jewish leader.

I have only had the pleasure of knowing Rabbi Silverstein for a little over a year, but I have quickly come to have the greatest respect for his learning, judgment, and his inspiring leadership. I feel honored to count him not only as one of my constituents but as a true friend. I know that my colleagues join me in saluting this outstanding religious and civic leader on this milestone in his career.

BOSTON NEWSPAPER PUBLISHER CALLS FOR GREATER RECOGNITION OF INNER-CITY RESIDENTS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. STOKES. Mr. Speaker, I would like to bring to the attention of my colleagues in the House a speech given by the distinguished publisher of the Boston Globe, Mr. William Davis Taylor.

The address was given to the Clark College Symposium at the Mass Communications Center in Atlanta, Ga., on March 10, 1976.

In his talk, Mr. Taylor brought out a number of extremely relevant issues which deal with the accountability of a major newspaper to innercity and minority citizens.

At a time when Boston is reeling under the shock of major racial conflicts due to the desegregation of its public school system, Mr. Taylor's encouraging words are a welcome indication of responsible and enlightened leadership.

The speech follows:

REMARKS BY W. DAVIS TAYLOR

I am pleased and honored to be invited to this exciting southern setting of Clark College and the Atlanta University Center. I appreciate that this must be a sad and melancholy time for many of you who live and work here in Atlanta. You have, in recent years, lost some real champions of the civil rights campaign—such champions as Martin Luther King, Ralph McGill and now so recently your Clark College president, Vivian Henderson, who was undeniably one of the country's leading economists, black or white, an admired voice for black economic enterprise.

Yet it seems to me that any sense of tragedy and personal loss may be lessened somewhat by reflecting on this setting and this city and by realizing how much these gentlemen all contributed to it. We are here surrounded by Clark College, Atlanta University, Spelman, Morris Brown, Morehouse and the Interdenominational Theological Center in the center of the largest concentration of black college students in this country. Not by coincidence are we in Atlanta, a city which is led today by a black mayor, serves as a base for Coretta King and the NAACP, and can boast of a reasonable amount of "black power" in the best sense of the word and, I gather, a healthy, happy working relationship between white and black leaders. In short, Atlanta seems to be that rare city where black Americans have achieved the kind of status, power and equality that is appropriate to their numbers, their influence and their contributions to the community. And the Kings, the McGills and the Vivian Hendersons can all take pride in their achievement.

Now, the subject of this conference that we are here for, in my view, is a vitally important one. It is the matter of how major metropolitan papers such as The Boston Globe and many others around the country represented here can better meet the needs and interests of large and growing central city minorities; how we can make ourselves more indispensable to black Americans; and, as a matter of technique, how we can circulate our product efficiently and profitably in our core cities. The pressure and the trend of course is for us to focus more and more on the affluent suburbs, at the expense of city dwellers. If carried very far, this could be another form of discrimination against minority groups. So I will be very interested in any conference conclusions that will help prevent this.

In your discussions on this, however, it seems important to realize how far we have moved across this broad front of civil rights and the media in the last ten years. It was in July 1967 when President Lyndon Johnson appointed his Commission on Civil Disorder in the wake of Watts and other urban riots. The result was the remarkable Kerner Commission Report with all its many recommendations. It was that same fall that the Community Relations Service of the Justice Department sponsored conferences entitled "Mass Media and Race Relations" in New York, Chicago and other big cities around the country.

I made a point of reviewing these things the other day in preparing this speech. First, they affirm something that all of us here should realize—that the media's handling of race relations is a critical ingredient in their improvement. Both internally, by our hiring practices, and externally by how we report the news and then distribute our product. The two reports of a decade ago were full of recommendations in this score. The point is, thankfully, that now that case no longer need be made. It is not that all is perfect. Far from it. But it certainly is true that the need for sensitive reporting about the special issues facing black Americans, the need for black reporters and editors to do much of this reporting, is part of the accepted, conventional wisdom of almost every major newspaper in the country.

There is not enough progress in practicing what we preach, true. There is retrenchment and backsliding certainly. But overall there is little argument anymore about our responsibilities in this in terms of our internal habits. I think we in the press have moved a short but significant step in setting our own house in order. Now the time has come to go the next step, to find ways to make our papers more interesting and useful to blacks and other minorities in our center cities—and to make it more available to them.

Thus, the subject of this conference seems to me symbolic of how far we have come and how far we must go. What I propose for the next 15 minutes is a little New England-style "straight talk" about where the difficulties lie, where the solutions might be and how I see newspapers in this situation as both chronicler and catalyst.

We have been living through a period of very real and very serious economic adjustment. The guns-and-butter philosophy of the late 1960's, the drain of the Viet-Nam War, has come home to roost. The high living of unchecked and unquestioned years of prosperity are at an end. The oil embargo, the recognition that the world's natural resources are in fact finite, the realization that more is not necessarily better, have all—in the words of the social scientists—"impacted" on us at once.

So we have been struggling with inflation, with unemployment, with a dramatic leveling off of our GNP, and with a drop-off in real earning power. There are all kinds of funny contradictions and push-pull elements to this scene. There is, for example, too much unemployment and, conversely, too much government. There is too much pessimism and, conversely, insufficient concern. There is too much public sector resignation and not enough private, economic enthusiasm, zeal and energy. There is too much waste and weariness overall.

Rural America, particularly poor people in rural America, has felt this. But the first place affected by this has been our big cities where most Americans live. The first people hurt have been minority groups in these cities, those with the lowest margin of error in their material well-being and the least amount of leeway in their lives.

Thankfully, these difficulties, this crisis if I can call it that, is not so far manifest in the open frustration and the flames of the urban rioting of the mid-1960's. Rather, it can be seen in the social torpor, in the belt-tightening and layoffs, in voters turning against social welfare programs and other government campaigns. Curiously, the social atmosphere just now is manifest more in the actions of municipal employees striking than in that of minority group demonstrating.

And, as we from Boston can attest so well, it is reflected in the controversy in, around and involving our schools, in the hassling and heartache over whether a student will climb on a bus or not, in the resistance of some to open their schools to all.

These different elements—employees' strikes, welfare cutbacks, disturbances in the schools and schoolbuses—are all evidence of the climate of the times. But none is the real or paramount issue. This is, as I see it, whether black or white people on the bottom rung of the economic ladder are going to be able to live together in peace, as a function of whether those somewhat higher up on this ladder—like most of us here—will be willing to make a little room and give a little boost. The question is whether the Establishment will, in the expressive lexicon of Dexter Eure, one of my colleagues who is here, be willing to "share the goodies".

The problem today is as much economic as it is racial. In fact, I rather think that it is more the former than the latter. This same thing applies globally. The biggest issue in the world today is not ideological or religious or racial. It is not contention between Communism and Capitalism, or the Moslems and Hindus or the Arabs and Jews ultimately as much as it is economic and developmental. It is what statesmen and diplomats have come to call the "North-South problem", the growing conflict of interests between the minority of developed industrialized nations of the world, the "Have's" and the majority of young, striving, developing countries of Asia, Africa and Latin America, the "Have-nots". Robert Heilbroner, the distinguished economist, is particularly pessimistic about the capacity of a democratic and capitalist state to impose the discipline necessary to survive in a world of scarcity. It is in the world as it is in our country a question of a more equal distribution of wealth and income.

Now we are all tempted to see these things fairly parochially and selfishly and narrowly. But the problems of any one of the different interest groups represented here—black colleges, black citizens, newspaperpersons—are inter-related. As that distinguished British observer of the American scene, Lord Bryce, once put it:

"America is all of a piece; its institutions are the products of its economic and social conditions and the expressions of its character."

Let me suggest how I think this inter-relationship works for the three groups I mentioned and that you in the audience variously represent:

The report published earlier this year by Vernon Jordan and the National Urban League outlined some startling facts about the plight of black Americans. The income gap between working blacks and working whites which had narrowed during the 1960's fell back in 1974 to the point that the median black family income is just 58 percent of the median white. Equally disturbing was the point that neither President Ford in his State of the Union address nor Senator Muskie in his response for the Democrats made any mention of a campaign for racial equality as a key item on the national agenda. I was disappointed to learn this—and disappointed with myself to realize that I hadn't even noticed it in listening to these two speeches.

The current status of black colleges and universities reflects some of these factors. Ray Hudson, president of one of your sister colleges, Hampton Institute, was in Boston several weeks ago to talk about the place of black universities in general. Mr. Hudson cited the good news first: that compared to 800 blacks enrolled in colleges in 1900 and 470,000 in 1970, there are about 700,000 enrolled today and that 79 percent of those who get bachelor's degrees will receive them from black colleges. But then came the bad news—that private money to support the 40 colleges of the United Negro College Fund is drying up, that foundations and government officials and others are questioning the exclusivity and viability of some of the fine learning institutions like those collected on this Atlanta University complex.

Finally to newspapers, a line of business I have been in all my working life—and which I therefore can speak of as a practitioner more than as an observer and reporter.

We in the newspaper business have of course been touched by the same inflationary pressures that the whole country feels. Our prices have skyrocketed for salaries, for distribution by home delivery or on the newsstands and, most of all, for our vital supplies of newsprint. In the natural cycle of such things, this means we have had to raise our sales price and our advertising rates and, continuing the cycle, that business has dropped off somewhat. All simple enough. The dynamics of the marketplace. I am of course speaking of The Globe, but I think it is fair to say that the picture I've painted is characteristic of most if not all of the other papers represented here.

Now the special tragedy of all this is that by this process, by this cycle, we have made our newspapers more costly and therefore less accessible to many of our subscribers. Of course all of us, businesses and individuals, must cope with inflation. But my point is that inflation in newspapers is particularly sensitive socially because it has a direct effect on the people's right to know.

The natural cycle turns into a vicious one. As we raise the price of the paper to cover our costs, we lose readers, and we tend to lose those on the bottom of the income scale first, those with the least amount of disposable income to buy the paper, but with no less a need and desire for the kind of information contained in it.

Last winter, for instance, we increased the price of The Boston Sunday Globe from 50 to 75 cents, due to increased cost of doing business. We lost in the process some 98,000 subscribers. Since then, by big efforts to make our paper ever more interesting and valuable to readers, we have gained over one-half of that back. But the point is that the increased cost of business prevented information from reaching people. It was, in effect, like a prior restraint order in reducing the dissemination of news and information.

The situation is similar in advertising. As we raise rates we are bound to lose some business, and it is generally the marginal operators who can least afford the new rates but who most need the business that this advertising might bring.

There is a further element to all of this. Newspapers like The Globe and most of those represented at this conference here are intricately connected with the economic health of the cities we call home. If the big cities are having trouble, we will have trouble. But curiously, when you look at it closely, we are not simply a passive player in this. We are in a certain sense both a cause and an effect.

For it is up to us to do the hard, courageous, inciteful reporting economically that we pride ourselves on doing politically. We have to be foresighted enough and professional enough to raise the warning flags, identify the weaknesses, discern the opportunities, identify the failure to help the city governments and populations from falling further into the economic pit.

First, the city government overpromised itself with such things as free higher education and generous social welfare payments that served like a magnet for the dispossessed. New York is a classic case in point. Then, to pay for its promises, it overextended itself. It floated moral obligation bonds, failed to live up to either the moral or the obligation. It lived off a credit card. It lived beyond its means, not so much in things like welfare and education, in my opinion, but in pension programs and contracts for municipal employees. But the fact is that all this crept up on us. It caught up to the city government, the banks and the newspapers, and spilled out over the citizens of New York. As a watchdog, we in the press failed, and we bear part of the blame. Let's hope we have learned our lesson about the importance of careful economic reporting—and how critical it is to the health of the cities and the well-being of those who live there.

So I am coming by a long and circuitous route, back to the responsibilities of newspapers.

A few months ago I was awarded the Elijah Lovejoy Award by Colby College in the State of Maine. I was truly honored to be so named for this martyr, this dogged individual who, you may remember, died in 1837 at the hands of a mob while defending his abolitionist press. I would like to repeat a few remarks I made at that time.

"Newspapers," I said then, "are the educational textbooks of an informed citizenry."

"They are the final line of defense for a thinking public."

"If newspapers don't succeed in informing the public—particularly those whose readers are on the bottom half of the income scale—then who will? How else can the people get the information needed to make sensible and effective decisions—or to elect responsible men and women to make sensible and effective decisions *for* them? Where else can they get the information necessary to become productive workers, satisfied consumers, loving parents and responsible citizens?"

Since these words of mine I have discovered a much shorter way of saying the same thing. To quote a famous New Englander, Oliver Wendell Holmes: "Only bread and the newspaper we must have; whatever else we can do without."

Now my point is that this applies just as much to black Americans as to white Americans. Newspapers can serve as an important supplement to their lives. And it is our big responsibility as newspapermen—primarily white newspapermen—to recognize this and then to respond and react to it.

I have in the past often cited three qualities which I think are critical to good newspapering, three qualities which are vital to our being, the staff of life that Oliver Wendell Holmes talked about. These qualities are accountability, credibility and respectability.

Without developing these three themes in any kind of detail today, I would like to touch on them very briefly:

First, *accountability*. Newspapers must at all costs and at all times be answerable for what we print. We must be less edgy and less defensive than we have been in the past about what others may say about this. We must provide access for opposing points of view through such devices as letters to the editor columns, ombudsmen, corrections and an overall willingness to admit that we can be wrong and to own up to it.

Second, *credibility*. This relates to how well we do our job, the care that we take, the objectivity and balance of our reporting and the good sense of our editorial judgments. It relates to being observers and chroniclers more than participants and advocates. It has to do with the *avoidance* of being used by the PR men, the "pols" and the special pleaders, and the *achievement* of being an accurate mirror on the world around us.

Finally, *respectability*. This too is a fairly abstract concept. It is a function of the fact that no newspaper can expect to be loved by everyone. But a paper can be admired even by its enemies for its honesty, forthrightness and fairness. It can, in short, be respected.

Now in concluding this talk I would like to add a fourth commandment to these three. It is something which some newspapermen may have forgotten or neglected for a time, but which is becoming ever more important in this age of an electronically inspired information revolution coupled with an economic squeeze. It is also a feature which relates very much to the concerns of most of you here today, educators, circulators and students.

This fourth quality which I regard as ever more important for newspapers is that of *indispensability*. The good newspaper must, by its coverage, its selection of stories, its sense of the interests and the needs of the public, make itself a valuable tool in the everyday lives of people. It must provide the information about politics, about sports, about the economy and consumer affairs that is both wanted and needed. It must include the kinds of advertisements and grocery coupons that will enhance people's lives. It must be entertaining. It must be informative all of the time and inspiring part of the time. It must be an instrument in the workaday, everyday battle to cope. It must, in short, have some *true* value for people in addition to the aforementioned qualities of accountability, respectability and credibility.

All this is not simply said with a refined form of social consciousness. It is not mere northern-liberal "jive talk". It is, as I see it, a matter of simple self-interest for most newspapers.

For newspapers are a business, and it is obviously good business to make ourselves as indispensable to as many Americans as possible.

I don't want to be cute about this. Specifically, what I am saying is that the burden of proof falls heavily on many metropolitan papers such as The Boston Globe to make ourselves more indispensable to black Americans. This is partly because we have been neglectful of this element of the population historically. Therefore our growth potential among black readers is very great. It is also because the percentage of blacks in the population is rising, and because of the newly-recognized total earning power of black Americans.

Dr. Andrew Brimmer, former governor of the Federal Reserve Board, pointed out in Boston several weeks ago that the 25 million black Americans earned a total of $62.9 billion in 1974. This, I am told, is equal to the GNP of the ninth richest country on earth. It is a very substantial hunk of change—something that major manufacturers are beginning to awaken to and that our advertisers are beginning to respond to.

Discrimination, as we all know, is a very subtle and often unconscious thing. In our language there is the black mark, the black eye, the black ball, black and blue. But one of the few such expressions that isn't negative is our use of black in relation to red on a balance sheet. Because of the importance of this relationship, because of the economic imperatives to be in the black, bandaids are beginning to appear in more than one skin color and fashion models in more than one hue.

I am saying, in short, that major American newspapers like all of our institutions must become more responsive to black America *both* because it is right and because it is good business. And I am very pleased to say this here in Atlanta, a city which has demonstrated this imperative, one where blacks have achieved a degree of political and economic power far surpassing that, say, in my home town of Boston.

I think there is really quite a message for us here in Atlanta. To steal a line from your illustrious Atlanta leader, Martin Luther King, "We've got to learn to live together as friends, or we'll die together as fools . . ."

FIFTIETH ANNIVERSARY OF COMMERCIAL AVIATION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. ANDERSON of California. Mr. Speaker, today I am pleased to join in the introduction of a resolution commemorating the 50th anniversary of commercial aviation in the United States.

About 22 years after the Wright brothers demonstrated the ability to lift a machine into the air on its own power, private aircraft companies, engineers, daring businessmen, and pilots had advanced the state of aviation to the point where the Federal Government recognized the value of commercial air transportation by awarding contracts for the carriage of the U.S. mail by air.

Fifty years ago this month, in 1926, the post office began awarding contracts to private airline operators to carry the mail. On April 6 of that year, Varney Air Lines, which later became part of the United Airlines system, inaugurated service between Pasco, Wash., and Elko, Nev., via Boise, Idaho. Several days later, on April 17, Western Air Express, which is now known as Western Airlines, initiated service between Los Angeles and Salt Lake City via Las Vegas.

Also, in the early period of aviation, the Ford Airline conducted air mail service between Chicago, Detroit, and Cleveland.

From these beginnings in pioneer airmail contracts, airline companies like American, Eastern, Northwest Orient, Pan Am, and Trans World can trace their origins, in addition to United and Western Airlines. And thanks to these pioneers: To the pioneer spirit that has remained in this outstanding industry; to the engineers and aircraft mechanics that have brought us from the biplane to wide-body jets; and to the many dedicated persons who have made contributions to aviation over the past five decades, today we have the very best commercial aviation network in the world, with 2,000 modern commercial aircraft serving 58,000 city-pairs, carrying 200 million passengers safely, quickly, and comfortably.

Mr. Speaker, the men and women who comprise this great industry today have a legacy rich with courage, foresight, and determination.

And as long as they continue this tradition, as long as they maintain the vision and the wisdom of those who preceded them, the commercial airline industry can look forward to a future which is as bright as their past, and will serve this Nation well for the next 50 years.

THE CONTROVERSY OVER CHILD CARE LEGISLATION

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. VANDER JAGT. Mr. Speaker, on May 4 the House of Representatives is scheduled to act on H.R. 9803, the child care legislation recently vetoed by President Ford. This matter deserves substantial attention, for the enactment of this bill over the President's veto will markedly influence the character of social services programs in the years ahead.

As I see it, if Congress overrides the veto, we will have said that we have better answers than State and local authorities and providers of child care to issues which have proven to be complicated and sensitive. I seriously doubt that such confidence on our part is well founded.

As we all know, there is no evidence within the legislative history of H.R. 9803 that confirms the appropriateness of the staffing ratios that this bill would mandate on July 1, and fund under a costly additional entitlement. I do not believe that we know better than the folks do who are actually directing child care facilities what their staffing needs are.

Furthermore, the professional literature in this field brings into question the notion that readily available day care centers are of primary importance in bringing persons into the work force. Job availability is the major prerequisite to employment, not child care.

Mr. Speaker, H.R. 9803, which would erode the flexibility of the title XX social services program and inhibit the formulation of service policies at the grass roots, is no panacea. It is a Washington inspired tool of social policy that we would legislate precisely at a time when Americans in concerted voice are seeking answers from other sources that are closer to them.

I urge the attention of my colleagues to the following article by Suzanne H. Woolsey, "Questioning the Validity of Day Care," that appeared in the Washington Post on April 13, 1976:

Questioning the Validity of Day Care

(By Suzanne H. Woolsey)

Although concern over the population explosion has caused motherhood to fall into some disrepute of late, day care for children is bidding to replace it as the cause most likely to generate uncritical support from nearly all parts of the political spectrum. The Post editorial of March 15, supporting the recent federal day-care bill, vetoed last Tuesday by President Ford, reflects the conventional wisdom that day care is the answer to both liberal and conservative prayers: first, that the program is critical to giving women the opportunity to participate in the work force; second, that, given high enough standards, day care can significantly enhance children's development; and third, that day care centers are themselves good places to employ welfare recipients as staff, and thus to get them off the dole.

Unfortunately, the evidence does not support the contention that day care, especially federally subsidized day-care centers, can perform any one of those tasks at all well. The support for heavy federal subsidies for day-care centers is rather based on a congeries of hope that they can do something about a number of disparate social objectives. The goals, as such, cannot be challenged. But when the supporters of a federal program avoid debating on the merits whether it can do any single job and, instead, take refuge in multiplying the areas in which they claim it can do something, however vague, it is time to stop and look carefully. One cannot help remembering, uncomfortably, that this is the tactic to which the supporters of some of the more worthless Pentagon enterprises of the last few years have been brought from time to time.

Potentially, the most powerful economic and social rationale for subsidized day care is its effect on participation of women in the labor force. Unfortunately, all the evidence to date indicates that *offering* day care has little or no effect on a woman's decision to work. The most generous estimate is that the availability of even free day-care centers, together with the availability of training, explains about 10 per cent of mothers' decisions to enter the work force. What matters most is the existence of a job—when that is available, most mothers find a way to cope with the child-care problem.

The WIN program, designed to put welfare recipients to work, has been overwhelmed by volunteers, many of them the mothers of young children—but the problem has been finding jobs, not day-care arrangements. Similarly, when day-care arrangements break down, the predicted job disruption does not appear to occur: a 1973 study in South Carolina of low-income mothers whose day-care center was closed found that everyone continued to work, nearly all in the same jobs, and that each found other arrangements for her children within a few days. Moreover, a 1975 Stanford Research Institute report summarizing studies of the demand for day care among working parents indicates that the type of day care preferred by most parents of *all* income groups is not the formal center but informal arrangements in the home or the neighborhood. In the 1960s several corporations set up day-care centers as a service to their employees; most shut down within a few years for lack of enrollment. The Gary, Ind., income maintenance experiment offered a free high-quality day-care center to the children of welfare mothers at work or in school. There were virtually no takers.

Some of the reasons for this will not surprise anyone who has ever been the parent of a 3-year-old with the sniffles on a rainy winter day. It is much easier to leave him in or near home with a relative or neighbor than to have to decide whether he is sick enough to warrant losing a day of work yourself to stay with him or whether he can safely be taken by public transportation across town to the center.

When cost is added to the equation, informal care outside centers looks even more attractive. First of all, care at home or with a relative or neighbor costs very little, largely because child care is usually not the sole occupation of the babysitter, who is keeping house at the same time. In 1965, only 25 per cent of working mothers paid for child care at all. Though prices have risen since then, the cost of informal babysitting still is estimated to range from being free to about $800 per year.

When child care becomes a fulltime occupation, rather than a side line, the cost rises significantly if even subsistence wages are paid. In addition, the staff-to-child ratio for preschool children in day-care centers must be quite high (1 to 4 below age 3, to 1 to 7 for 4–5 year olds), so there is little savings possible from having one person care for many children in centers. Consequently, ordinary centers cost upward of $1,600 per child even with staff paid at the minimum wage. As 80 per cent of the costs of day care are staff salaries, the more professional the staff, the higher the cost. Fulltime centers with educational programs or all-day public preschools, now cost about the same as tuition in major private universities (between $3,000 and $5,000). Intensive experimental projects run twice that.

But what of employing welfare recipients to staff the centers? Might not enough be saved on welfare payments to make the whole operation financially worthwhile? A dilemma makes that most unlikely—in order to make welfare mothers competitive with the unemployed teachers and trained paraprofessionals now available to work in day-care centers, such costly training is necessary that any saving in reduced welfare outlays is wiped out. HEW's own employees' center was set up in 1970 to show the wisdom of using welfare mothers as staff: The project ended two years later with costs running about $3,600 per child.

But even if most parents do not prefer day-care centers and they are extremely costly, is it worth it for the children's sake? Research has concentrated on preschools and centers with intensive social and educational programs. Even in these "super centers" the results are mixed. Generally, no significant developmental gains in the children are detected. Occasionally, university-based research centers report short-term gains in IQ and social skills in the children enrolled, but there is not yet evidence that these gains will last long enough to help the child in school, and so far the techniques developed in the hothouse environment of research projects have not been transplanted successfully to other programs.

Day-care centers may to some extent simplify the delivery to poor children of other things they do clearly need—better food and medical care, for example—but centers are by no means necessary for such programs.

One cannot resist the feeling that some advocates of day-care centers, especially for the poor, are seized by the idea that they know better what the child needs than do the child's family, relatives or neighbors. For those who harbor such thoughts, the research evidence to date is cold comfort. Prof. Seldon White of Harvard summarizes that research as showing that adequate day care is neutral in its effect on human development. At least one can say that there is no evidence that day-care centers appear to do any active harm—but in the absence of any good evidence about a positive effect on development, relying on parents' preference for child care at home or at a neighbor's does not seem to be such a bad idea.

Although the public debate about day care has concentrated almost exclusively on day-care centers, federal involvement in day care has, over the years, extended far beyond center programs. The federal program is itself proportionately somewhat more biased toward funding day-care centers than public demand would seem to dictate, but most federal day-care money is still spent for noncenter day care.

Of approximately $1.5 billion of federal money in 25 different subsidy programs, at least one-third reimburses parents directly for the expense of child care through tax deductions or through disregarding the share of income spent on child care when welfare payments are computed. The remainder included subsidizing in-home and neighborhood arrangements, teacher training, loans to small businesses, experimental preschool programs, and day-care centers. Head Start, which has historically provided some full-day care in addition to its basic half-day preschool program, has itself diversified over the last several years into five different types of programs, with greater attention to the home and much less to the Head Start center.

This brings us back to the arguments about the recently vetoed day-care legislation. Theology aside, the substance of the dispute has to do with the proper staff-child ratio to be imposed on day-care centers, whether the federal government or the states should do the imposing, the amount of time the centers can take to reach that ratio, and the degree to which welfare mothers are to be employed to reach it. Instead of becoming bogged down in that morass we should ask ourselves why we are not, instead, improving tax and welfare payment credits so that working parents can have more money to arrange day care as they best see fit.

Maybe that's throwing money at the problem. But, unlike trying to manage day care for the nation's children from Capitol Hill and HEW, or for that matter, from Albany and Richmond, at least it is not throwing problems at the problem.

FISCAL YEAR 1976 CONGRESSIONAL BUDGET

HON. BROCK ADAMS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. ADAMS. Mr. Speaker, as part of the House Budget Committee's notification to the House on the status of the fiscal year 1976 congressional budget, I am inserting the detailed information which reflects the current level of spending as of close of legislative business Monday, April 12, 1976:

COMMITTEE ON THE BUDGET,
Washington, D.C., April 13, 1976.

Hon. CARL ALBERT,
Speaker, U.S. House of Representatives, Capitol.

DEAR MR. SPEAKER: In my letter of January 30, 1976, I outlined the procedures which the Committee on the Budget has adopted in connection with its responsibilities under Sec. 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting a revised status report reflecting completed action as of April 12, 1976.

With warm regards,

BROCK ADAMS,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1976 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 466

REFLECTING COMPLETED ACTION AS OF APR. 12, 1976

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate Level	408,000	374,900	300,800
Current Level	400,540	371,667	301,100
Amount Remaining	7,460	3,233	300

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $7,460 million for fiscal year 1976, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 466 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $3,233 million for fiscal year 1976, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 466 to be exceeded.

REVENUES

Any measure that would result in a revenue loss exceeding $300 million for fiscal year 1976, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 466.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 13, 1976.

Hon. BROCK ADAMS,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for these items contained in the most recently agreed to concurrent resolution of the 1976 budget. This tabulation is as of close of business April 12, 1976.

The change from my previous report is due to the inclusion of an amendment for Social Services (S. Doc. 439) of $9 million in budget authority and outlays, and the conference agreement on the Emergency Supplemental (H.J. Res. 890) which adds $1.942 million in budget authority and $247 million in outlays.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	387,212	361,601	301,100
2. Entitlement authority and other mandatory items requiring further appropriation action	7,128	7,875	
3. Continuing resolution authority	4,196	1,882	
4. Conference agreements ratified by both Houses	2,004	309	
Current level	400,540	371,667	301,100
2d concurrent resolution	408,000	374,900	300,800
Amount remaining	7,460	3,233	300

PARLIAMENTARIAN STATUS REPORT, SUPPORTING DETAIL, FISCAL 1976, AS OF CLOSE OF BUSINESS APR. 12, 1976

[In millions of dollars]

	Budget authority	Outlays
I. ENACTED		
Permanent appropriations and trust funds	196,578	182,992
Previously enacted appropriations and other spending authority	117,425	136,509
Offsetting receipts	−53,881	−53,881
Enacted this session:		
Appropriation legislation:		
Defense (Public Law 94-212)	90,467	64,704
Labor, Health, Education, and Welfare (Public Law 94-206)	36,074	30,721
Legislative branch supplemental 1976 (Public Law 94-226)	33	
Supplemental railroad appropriation, 1976 (Public Law 54-252)	587	545
Rescission/deferral legislation:		
Deferral resolutions (H. Res. 1058, S. Res. 366, 385, and 388)		16
Third budget rescission bill, 1976 (Public Law 94-249)	−71	−5
Subtotal, enacted	387,212	361,60
II. ENTITLEMENT AUTHORITY AND OTHER MANDATORY ITEMS REQUIRING FURTHER APPROPRIATION ACTION		
Public assistance (AFDC)	843	843
Pay supplementals	2,106	1,927
Child nutrition programs	223	36
Military retired pay	440	438
Foreign service retirement	2	2
Coast Guard retired pay	8	8
Liquidating cash:		
Highways		1,350
Urban mass transit		100
Maritime operating differential subsidies		12
Medicaid	607	607
Social services	761	761
Veterans compensation, pensions and readjustment benefits	1,350	1,240
Civil service retirement and health	483	246
Postal fund, Federal payment	103	103
Claims and judgments	202	202
Subtotal, entitlement authority	7,128	7,875
III. CONTINUING RESOLUTION AUTHORITY		
Foreign assistance	3,054	1,361
District of Columbia	385	324
Labor-HEW items not considered	[1]757	197
Subtotal, continuing resolution authority	4,196	1,882
IV. CONFERENCE AGREEMENTS RATIFIED BY BOTH HOUSES		
(a) Vetoed pending override attempt: Social services—increase funding for child care services (H.R. 9803)	62	62
(b) Emergency Supplemental Appropriations, 1976 (H.J. Res. 890)	1,942	247
Subtotal, conference agreement	2,004	309
Total, current level, as of Mar. 25, 1976	400,540	371,667
2d concurrent resolution	408,000	374,900
Amount remaining:		
Over ceiling		
Under ceiling	7,460	3,233

[1] This change is due to the inclusion of additional health programs under the provisions of the further continuing resolution (Public Law 94-254).

CAPITOL HILL FORUM OBSERVES FIRST ANNIVERSARY

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mrs. MEYNER. Mr. Speaker, I want to take this occasion to congratulate the Capitol Hill Forum on its first anniversary. This newspaper has a special significance in that it is the first publication for the Capitol Hill community devoted to a serious and substantive discussion of important issues.

From time to time the scores of trade and association journals published and circulated in Washington touch upon an issue of significance to their respective pressure group, union, association or cause.

The Capitol Hill Forum is a refreshing experiment, however, with regular commentaries and analyses on contemporaneous matters. In the past several months, for instance, it has published outstanding, in-depth articles on the new congressional budget process, Federal regulatory reform, and the proposed codification of the U.S. Criminal Code.

The Capitol Hill Forum does not rely on the loyalty of any one lobbyist or interest group; rather its readership and basis of support are the interested.

I compliment the Capitol Hill Forum for its refreshing approach to matters of importance and meaning, and I wish it a long, prosperous and successful "term in office."

1976 TAXPAYER ASSISTANCE SURVEY BY OVERSIGHT SUBCOMMITTEE STAFF

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. VANIK. Mr. Speaker, between March 23, 1976 and April 9, 1976, Oversight Subcommittee staff made 125 telephone "test" calls to 17 different Internal Revenue Service offices throughout the Nation. These conversations consisted of Oversight Subcommittee staff members asking typical taxpayer questions and receiving responses from the IRS.

Each IRS office contacted received 1 to 10 different questions during the survey. The 10 questions asked were randomly selected from 90 taxpayer questions supplied to us in the January 9, 1976 Internal Revenue Service Manual Supplement. These questions ranged from simple yes-no type questions to more complicated questions requiring explanations. Each of the questions asked contained enough initial information for a correct answer.

These questions were compiled by the IRS after a careful study of the type of questions which taxpayers actually ask when calling IRS offices. They are the same questions which the IRS is using in its own test call program this year.

While the questions were not given to the taxpayer service employees, these test questions are available upon request from the IRS. While the existence of the list is not generally known, it is entirely possible that some taxpayer service representatives—the IRS employees who answer the telephones and help the public with their questions—have seen the list. Therefore, in some cases, the subcommittee staff callers altered the questions in order to disguise it without altering the principle involved in answering the question.

The result of this year's survey shows a substantial improvement over a similar survey completed last year by the Oversight staff. This year, IRS taxpayer services answered 115 questions correctly out of 125 questions asked. This is an accuracy rate of 92 percent and represents a major improvement over last year's 74.19 percent accuracy rate.

Last year, the IRS on its own internal test calls came up with the same level of errors, about 25 percent, as the subcommittee. This year, the subcommittee test calls are showing a better result than the IRS test calls. For January and February, IRS test calls were showing an error rate of slightly above 13 percent. The IRS error rate figures for March are reportedly much lower, and in some regions are at the same level as the subcommittee results. The reason for the improving level of accuracy is simply experience: as the "tax season" progresses, the employees become more and more proficient in their jobs. Since the subcommittee's poll was conducted in late March and early April, it is understandable that the error rate findings would be low.

This year, 76.8 percent—96 out of 125—of our calls were answered promptly, or placed on hold for less than 1 minute. The other 23.2 percent of our calls—25 out of 125—were on hold for more than 1 minute. This waiting period ranged from 2 minutes up to 11 minutes, and averaged out to be 4.8 minutes.

The IRS goal for answering calls is 200 seconds. Last year, 25 percent of the calls made were delayed for over 1 minute, thus making this year's 23.2 percent a slight improvement—but obviously more improvement is needed in this area.

Once the calls were connected with an agent, only four or five of the 125 calls were delayed while the agent researched the answer.

Ninety-seven point six percent of the calls were handled in a courteous and tactful manner by IRS agents. Only in three instances did IRS agents seem rude or inconsiderate. In many instances, IRS offered additional information and help to the callers. This policy of courtesy remains consistent with last year's survey.

Whatever the precise figures, it is clear that the quality of IRS taxpayer assistance is significantly better this year than last year. IRS staff and management are to be commended for their efforts on behalf of better service to the taxpayer in a year in which the tax forms are more complex than ever.

THE 1968 HOUSING ACT: A NEED TO MOVE FORWARD

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. RANGEL. Mr. Speaker, in our fight to gain racial equality in this country we have had several events that could be considered milestones. Some that quickly come to my mind are the Supreme Court decision of Brown against Board of Education, the Civil Rights Acts passed during President Johnson's administration and the 13th, 14th and 15th amendments to the Constitution that emancipated the slaves and granted citizenship and voting rights to blacks. These are all very important but one that is slightly more obscure but equally as important is the Housing Act of 1968.

April 11 marked the eighth anniversary of the passage of this very important piece of legislation. It outlawed discrimination in the sale, rental or leasing of housing in the United States, thus making important strides in an area which these other accomplishments failed to reach. It attacked one of the final areas that was preventing blacks from taking their rightful place in society, namely it helped to grant access to communities that were traditionally closed to blacks. Although this legislation is certainly not a panacea to the problems of blacks and other minorities in America, it does open the door for more constructive reforms to take place.

However, we must not rest on past accomplishments. Recently we have made strides towards granting full social and economic equality to blacks and other minorities, but there are still greater strides yet to be made. We must seize the initiative started in the Housing Act of 1968 and continue to move forward until the dream of full social and economic equality is no longer a dream, but becomes a reality.

ON THE SUBJECT OF THE REGIONAL RAIL REORGANIZATION ACT

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. McHUGH. Mr. Speaker, I have joined with Congressmen MURPHY, LUNDINE, and LENT in introducing a bill which would amend the Regional Rail Reorganization Act of 1973. It is a bill which we believe is important in the effort to preserve rail service and jobs in New York State and in other areas as well.

The reorganization plan adopted by Congress anticipated that the Chessie system would purchase certain of the bankrupt rail lines, including those owned by the Erie Lackawanna. This part of the plan was particularly important to the southern tier of New York, as it would have assured that Chessie, a private viable enterprise, would provide service in competition to the ConRail system. In addition, Chessie was prepared to put a substantial amount of its own money into rehabilitating the rail lines long neglected by Erie Lackawanna.

It was unfortunate indeed when the purchase by Chessie did not occur. This was the result of a failure of Chessie and the unions involved to reach an agreement required by law before the conveyance to Chessie could take place. As a consequence of that failure, and pursuant to the legislation controlling the reorganization, the rail lines in question were conveyed to ConRail on April 1, 1976.

The current situation leaves my area in New York with no competition in rail service. Moreover, it poses the threat that certain rail lines will be abandoned by ConRail and that more jobs in our area will be lost. This would be devastating to a State which has already suffered considerably from years of railroad mismanagement.

The bill which we have introduced would make possible the preservation of these vital rail lines by offering additional options not now available in the law. Specifically the bill would:

First, require ConRail to preserve for

at least 1 year the rail lines which were to have been conveyed to Chessie, maintaining them in the condition they were when conveyed to ConRail on April 1;

Second, make States eligible to purchase the rail lines from ConRail;

Third, facilitate such a purchase by removing the need for a labor contract as a precondition to the conveyance, but at the same time guarantee a job to existing ConRail employees by giving them the option to remain with ConRail or take employment with the purchaser and;

Fourth, establish procedures for accomplishing the foregoing.

Mr. Speaker, New York State has expressed great interest in purchasing the lines in question from ConRail. This legislation would make that possible; and I have every hope that it will get prompt and favorable consideration.

SANTA MONICA MOUNTAINS AND SEASHORE URBAN NATIONAL PARK

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. BELL. Mr. Speaker, I am today reintroducing with certain key revisions legislation I have supported for many years to establish a Santa Monica Mountains and Seashore Urban National Park in the State of California.

The Senate recently completed action on and passed a related bill, and it is my hope that we will soon be able to see this legislation through the House to final passage.

The revised bill I am submitting today is similar to my earlier bills on the subject, but it specifically adds the present Mulholland Drive and Highway, a scenic corridor of spectacular beauty along the ridge of the mountains near Los Angeles, as a key feature of the proposed park.

Specified addition of the Mulholland Drive to the park proposal will provide a very necessary and critical element in this legislation for unifying and connecting together the other archeological, historical, cultural, scenic, scientific, wildlife and wilderness elements and features intended for inclusion in the park.

For the reference of my colleagues, the complete text of my revised bill follows:

H.R. 13194

A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban National Park in the State of California

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS

SECTION 1. The Congress finds that the Santa Monica Mountains and adjacent seashore areas of California include the most significant expanse of unurbanized and undeveloped open land adjacent to the Los Angeles supermetropolis; and that the Santa Monica Mountains are of great scenic, recreational, educational, scientific, natural, and public health value, as is the adjacent coastline.

SANTA MONICA MOUNTAINS AND SEASHORE URBAN NATIONAL PARK

SEC. 2. (a) Accordingly, in order to preserve and protect for public use and enjoyment, the natural, scenic, wilderness, historic, archeological, and other values of the lands and waters of the Santa Monica Mountains and adjacent seashore areas, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall establish the Santa Monica Mountains and Seashore Urban National Park (hereinafter referred to as the "park") in the State of California.

(b) The park:

(1) shall include the lands, waters, and interests therein within the area generally described as that area bounded on the west by a line from Mugu Lagoon generally northward to the Ventura Freeway, on the north by the Ventura Freeway, on the east by the eastern boundary of Griffith Park, and on the south by a line from Griffith Park generally westward along Mulholland Drive forming a corridor approximately one mile wide to the San Diego Freeway and from there by Sunset Boulevard and a line parallel to and one mile offshore from the shoreline of the Pacific Ocean, all within Los Angeles and Ventura Counties, California; and

(2) shall specifically include the present Mulholland Drive and Highway rights-of-way, together with adjacent or related sites for public recreational use and for interpretation of scenic and historic values, commencing at the intersection of Pacific Coast Highway and running eastward along the crest of the Santa Monica Mountains to the intersection of the Hollywood Freeway.

(c) The Secretary shall, as soon as practicable, but not later than eighteen months after the date of enactment of this Act, publish a map and a detailed description of the boundaries of the park in the Federal Register. Such map and description shall depict the particular areas within the boundaries and along the present Mulholland Drive and Highway that the Secretary determines ought to be acquired and held in public ownership for the critical purposes set forth in section 3(a). The total area included within such acquisition shall not exceed eighty thousand acres and shall, at the time of establishment of the park by the Secretary, as provided herein, be not less than forty thousand acres, exclusive of units of the State park system. The Secretary may revise the boundaries of the park from time to time by publication in the Federal Register: *Provided,* That such revision does not reduce or expand the total acreage beyond the minimum and maximum limits specified in this section.

(d) In the management of the park, the Secretary shall utilize the park area resources in a manner which will preserve its scenic, natural, wilderness, and historic setting while providing for the recreational and educational needs of the visiting public.

CRITICAL PURPOSES

SEC. 3. (a) In connection with his description of the boundaries of the park pursuant to the second section of this Act, the Secretary shall identify the areas within such boundaries which must be acquired and held in public ownership for the following critical purposes: Preservation of beaches and coastal uplands; protection of undeveloped inland stream drainage basins; connection of existing State and local government parks and other publicly owned lands to enhance their potential for public recreational use; protection of existing park roads and scenic corridors, including such right-of-way and adjacent or related sites as are necessary for the development of a scenic corridor along the present Mulholland Drive and Highway; and development and interpretation of historic sites and recreation areas in connection therewith, to include but not limited to parks, picnic areas, scenic overlooks, hiking trails, bicycle trails, and equestrian trails.

(b) The Secretary may from time to time revise his identification of such areas, and any such revisions shall become effective in the same manner as herein provided for revisions in the boundaries of the park.

(c) It is the express intent of the Congress that the Secretary shall substantially complete the acquisition of the lands, improvements, waters, or interests therein identified for the critical purposes referred to in subsection (a) within five years after the date of enactment of this Act and during such five-year period funds appropriated for the acquisition of property within the park may be used only for acquisition of the lands, improvements, waters, and interests therein so identified.

ACQUISITIONS OF LANDS, WATERS, INTERESTS

SEC. 4. (a) The Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, transfer from any other Federal agency, or exchange: lands, improvements, waters, or interests therein which are located within the boundaries of the park: *Provided,* That any lands or waters or improvements or interests therein owned by the State of California or any political subdivision thereof may be acquired only by donation or exchange. Whenever an exchange of lands occurs, the federally owned lands exchanged therefor shall be approximately equal in value; except that the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of lands exchanged. Notwithstanding any other provisions of law, any federally owned lands within the park shall, with the concurrence of the head of the administering agency, be transferred to the administrative jurisdiction of the Secretary for the purposes of this Act, without a transfer of funds.

(b) With respect to improved properties, as defined in this section, the Secretary may acquire scenic easements or such other interests as, in his judgment, are necessary for the purposes of the park. Fee title to such improved properties shall not be acquired unless the Secretary finds that such lands are being used, or are threatened with uses, which are detrimental to the purposes of this Act.

(c) When any tract of land is only partially within the boundaries of the park the Secretary may acquire all or any portion of the land outside of such boundaries in order to minimize the payment of severance costs. Land so acquired outside of the boundaries may be exchanged by the Secretary for non-Federal lands within the boundaries; any portion of the land so acquired outside the boundaries and not utilized for exchange shall be reported to the General Services Administration for disposal under the Federal Property and Administrative Services Act of 1949, as amended: *Provided,* That no disposal shall be for less than the fair market value of the lands involved.

(d) For the purposes of this Act, the term "improved property" means: (i) a detached single-family dwelling, the construction of which was begun prior to January 1, 1975 (hereinafter referred to as "dwelling"), together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures necessary to the dwelling which are situated on the land so designated, or (ii) property developed for agricultural uses, together with any structures accessory thereto which were so used on or before January 1, 1975. In determining when and to what extent a property is to be considered an "improved property", the Secretary shall take into consideration the manner of use of such buildings and lands prior to January 1, 1975, and shall designate such lands as are reasonably necessary for the continued enjoyment of the property in the same manner and to the same extent as existed prior to such date.

(e) The owner of an improved property, as defined in this Act, on the date of its acquisition pursuant to this Act, as a condition of such acquisition, may retain for himself or herself, his or her heirs and assigns, a right of use and occupancy of the improved property for noncommercial residential or agricultural purposes, as the case may be, for a definite term of not more than twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or the death of the owner's spouse, whichever is later. The owner shall elect the term to be reserved. Unless the property is wholly or partially donated, the Secretary shall pay to the owner the fair market value of the property on the date of its acquisition, less the fair market value of such right of use and occupancy as may be retained by the owner on that date. Any right retained by the owner pursuant to this section shall be subject to termination by the Secretary upon his determination that it is being exercised in a manner inconsistent with the purposes of this Act, and shall terminate by operation of law upon notification by the Secretary to the holder of the right of such determination and the tendering to such person of an amount equal to the fair market value of that portion which remains unexpired.

(f) In exercising his authority to acquire property under this Act, the Secretary shall give prompt and careful consideration to any offer made by an individual owning property within the park to sell such property, if such individual notifies the Secretary that the continued ownership of such property is causing, or would result in undue hardship.

PUBLIC HEARINGS

SEC. 5. (a) As soon as practicable, but not later than one year after the date of enactment of this Act, the Secretary, after notice has been duly published at least thirty days prior to the date thereof in at least one newspaper of general circulation in Los Angeles and one in the city of Ventura, shall hold a public hearing on the proposed park boundaries. At least thirty days prior to the date of such hearing, the Secretary shall publish in the Federal Register a map and other description of the proposed park.

(b) Commencing thirty days before the hearing referred to in subsection (a), the map and description shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior, Washington, District of Columbia, and in the offices of the General Services Administration in the Federal Office Building in West Los Angeles, California, and in an appropriate building in the city of Ventura.

(c) No alterations or amendments to park boundaries shall take effect until after a notice corresponding to those of subsections (a) and (b) and public hearings and publication of such alteration or amendment in the Federal Register.

(d) Within eighteen months after the date of the enactment of this Act, the Secretary shall submit in writing to the Committees on Interior and Insular Affairs and to the Committees on Appropriations of the United States Congress a detailed program which shall indicate:

(1) the lands and areas which he deems essential to the protection and public enjoyment of the park,

(2) the lands which he has previously acquired by purchase, donation, exchange, or transfer for the purposes of the park; and

(3) the annual acquisition program (including the levels of funding) which he recommends for the ensuing five fiscal years.

(e) It is the express intent of the Congress that the Secretary should substantially complete the land acquisition program contemplated by this Act within five years after the date of its enactment.

OTHER PROVISIONS

SEC. 6. (a) The Secretary shall establish the park by publication of a notice to that effect in the Federal Register at such time as he determines that lands, improvements, waters, and interests therein have been acquired in an amount sufficient to constitute an efficiently administrable unit for the purposes of this Act. Pending such establishment, and thereafter, the Secretary shall administer property acquired for the purposes of this Act in accordance with the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented, and he may use such other statutory authorities available to him for the conservation and management of wildlife and natural resources as he deems appropriate to carry out the purposes of this Act.

(b) The authority of the Secretary of the Army to undertake or contribute to water resource development, including erosion control and flood control, on lands or waters within the park shall be exercised in accordance with plans which are mutually acceptable to the Secretary and the Secretary of the Army and which are consistent with both the purposes of this Act and the purposes of existing statutes dealing with water and related land resource development.

(c) Notwithstanding any other provision of law, the Secretary is authorized to accept donations of funds, property, or services from individuals, foundations, corporations, or public entities for the purpose of land acquisition and providing services and facilities within the park.

(d) The Secretary may, on his own initiative, or at the request of any local or State government having jurisdiction over land located within or adjacent to the park, assist and consult with the appropriate officers and employees of such government in establishing zoning laws or ordinances which will assist in achieving the purposes of this Act. In providing assistance pursuant to this subsection, the Secretary shall endeavor to obtain provisions in such zoning laws or ordinances which—

(1) have the effect of limiting the noncompatible commercial and industrial use of all real property adjacent to the park;

(2) aid in preserving the character of the park by appropriate restrictions on the use of real property in the vicinity including, but not limited to, restrictions upon: building and construction of all types; signs and billboards; the burning of cover; significant modifications of natural habitat types; grading and removal of topsoil, sand, or gravel; dumping storage, or piling of refuse; or any other use which would have the effect of detracting from the esthetic character of the park; and

(3) have the effect of providing that the Secretary shall receive notice of any hearing for the purpose of granting a variance, and any variance granted under, and of any exception made to, the application of such law or ordinance.

ADVISORY COMMISSION

SEC. 7. (a) There is hereby established the Santa Monica Mountains and Seashore Urban National Park Advisory Commission (hereinafter referred to as the "Commission"). The Commission shall terminate ten years after the date of establishment of the park.

(b) The Commission shall be composed of fifteen members appointed by the Secretary for terms of three years each.

(c) Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(d) Members of the Commission shall serve without compensation, as such, but the Secretary may pay, upon vouchers signed by the Chairman, the expenses reasonably incurred by the Commission and its members in carrying out their responsibilities under this Act.

(e) The Secretary, or his designee, shall, from time to time, but at least annually, meet and consult with the Commission on general policies and specific matters related to planning, administration, and development affecting the park.

(f) The Commission shall act and advise by affirmative vote of a majority of the members thereof.

TRANSPORTATION STUDY

SEC. 8. The Secretary, in cooperation with the State of California and the affected political subdivisions thereof, local and regional transportation agencies, relevant advisory groups, and the Secretary of Transportation, shall make a study of a coordinated public and private transportation system to and within the park and other units of the national park system in Los Angeles and Ventura Counties.

RESOURCE INVENTORY

SEC. 9. The Secretary shall inventory and evaluate all sites and structures in the park having present or potential archeological, historical, cultural, scientific, wildlife, scenic, or wilderness significance and shall provide for appropriate programs for the preservation, restoration, interpretation, and utilization thereof.

AUTHORIZATION

SEC. 10. (a) Subject to the provisions of subsection (b) of this section, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) For the development of essential public facilities within the park, there are authorized to be appropriated not more than $500,000. Within one year from the date of establishment of the park pursuant to this Act, the Secretary shall, after consulting with the Governor of the State of California develop and transmit to the Committees on Interior and Insular Affairs of the United States Congress a final master plan for the development of the park consistent with the objectives of this Act, indicating:

(1) the facilities needed to accommodate the health, safety, and recreation needs of the visiting public;

(2) the location and estimated costs of all facilities; and

(3) the projected need for any additional facilities within the area.

EMINENT CLEVELAND THEOLOGIAN SPEAKS OUT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. STOKES. Mr. Speaker, Dr. Donald Jacobs, a distinguished theologian and community activist, was asked by the Cleveland Press newspaper to comment on current issues affecting the Greater Cleveland area.

As executive director of the Cleveland Interchurch Council, representing Protestant and Orthodox congregations numbering close to a half-million people, he is eminently qualified to give such an assessment.

Dr. Jacobs' unflinching views on school desegregation, racial polarization, and the changing role of the church, among other issues, are indicative of his progressive and responsible leadership.

Mr. Speaker, I am submitting to my colleagues in the House the three-part interview with Dr. Jacobs. Though his comments pertain to Cleveland, they can be translated to fit the issues affecting every major city in the country.

I would also like to take this opportunity to commend the Cleveland Press for providing a format for the opinions of this highly respected Clevelander.

I sincerely hope that my colleagues will appreciate Dr. Jacobs' words of wisdom.

[From the Cleveland Press, Mar. 20, 1976]

"A DIVIDED CITY"—A LEADING CHURCHMAN SPEAKS OUT ON BUSING AND RACISM

(NOTE.—This is the first of a three-part interview with Dr. Donald Jacobs, executive director of the Greater Cleveland Interchurch Council which represents more than 700 Protestant and Orthodox congregations numbering 450,000 people.

(Dr. Jacobs, 59, was born in Chelsea, Mass. He received his B.A. from Wilberforce University and his B.D. from Payne Theological Seminary. He has done graduate work at Bucknell, Duquesne and Oberlin School of Theology.

(After serving parishes in Canonsburg, Pa., Steubenville and Canton, he served as pastor of St. James AME Church in Cleveland from 1955 to 1968 when he assumed the post of executive director of the Council of Churches of Greater Cleveland which became the Interchurch Council in 1973.

(Dr. Jacobs is married to the former Maxine Lanell Sides. They have two sons, Donald A. and Burchell L.)

Where do you stand on busing?

I think we must be clear that busing is not now and never has been the issue. The issue is, Will we live by the Constitution?

In that context, I favor busing as a safe and reasonable means of transporting students for the purpose of gaining a quality education.

Over 50% of the youth in the U.S. are bused every day. Many parents spend significant dollars to bus their children to private schools away from their immediate neighborhood so that their children might improve their educational opportunities.

Where do you think most whites stand on busing?

Many—but by no means all—whites fear that busing will put their children in contact with children with racial, cultural and economic differences. Because the results of this mix are unfamiliar, many whites tend to be fearful.

The sad thing is that some whites who favor busing are afraid to speak out for fear of being ostracized by their neighborhood. This silence tends to make the opposition to busing louder than it actually is.

Where do you think most blacks stand on busing?

Many blacks favor busing because they feel it will result in a higher quality of education for their children. Blacks are—and always have been—willing to sacrifice (in this case, to forego the convenience of the neighborhood school) for a better education.

You will hear some black voices being raised against busing because some blacks, like some whites, are intimidated by what appears to be the "popular opinion."

If anti-busing feeling is based on fear, how can we handle that fear?

To some degree, we will not be able to control reactions based on fear for fear by nature is irrational and therefore difficult to offset.

But to an important extent, fear can be reduced by strong constructive leadership and through experience and education. Rumor control . . . solid and ample information about any court order that might be handed down . . . opportunities for parents to see and visit their child's school, actually to ride the bus—these are ways that have worked in other cities to reduce fear.

Do you think there is any hope of changing people's views on busing?

Yes—by education, by experience and by time.

The South is a great example of changed attitudes toward integration.

People may not be delighted but they have accepted the inevitable result of court decisions which protect the constitutional rights of all citizens and which secure equality.

Is it good for a community to be forced to bus just to achieve racial integration?

I believe that we cannot be a community in any real sense as long as we live in a divided city. Fear is perpetuated by our present separation and the whole community is the loser.

When we fail to share our various cultural heritages, we do not grow and understanding is in short supply.

Will the eventual result of busing—if it comes—be better education for all and an acceptance of integration? In other words, will it be worth it all in the end?

Yes, it will be worth all the work and the worry.

The goal of integration is still a prize to be sought because, finally, education is more than excellence in the 3 R's, important as they are.

Education must provide experiences that help people to build relationships across the lines that divide us—male-female, black-white, rich-poor. Education is not for the head alone. The heart must have its way.

How do you assess the racial climate in Cleveland today? Bad but getting better? Bad and getting worse?

Tense.

Cleveland is a divided city with a school system that is almost completely segregated. Despite the fact that some blacks have attained positions of leadership, institutional racism continues to systematically exclude most blacks from full participation at all levels of society.

Separation due to housing patterns continues to reinforce fear and to create hostilities for both blacks and whites.

Is racial mixing the answer? Or, given equal opportunity, is it better for the two races to live separately—with their own lifestyles, churches, etc.?

I am not now—and never have been—a separatist, though I believe that pride in one's race and/or cultural heritage is imperative.

Diversity, self-pride and an open society are the only ultimate answer. Breaking down the walls that divide us is a mandate of the gospel, so we must preach, teach and act to bring about the reconciliation that is possible only where equality is a reality.

[From the Cleveland Press, Mar. 27, 1976]

SCHOOL RACE ISSUE TO BE "ULTIMATE TEST" FOR PERK

(NOTE.—This is the second of a three-part interview with Dr. Donald Jacobs, executive director of the Greater Cleveland Interchurch Council.)

What do you think of the present political leadership in Cleveland?

The political leadership is neither the best nor the worst we have had. The fact that it is not the best is sad for the city is about to face one of its most difficult challenges.

If Cleveland is ordered to desegregate its schools, the quality and courage of the political leadership could make the difference between a catastrophe and a creative opportunity.

I believe that the ultimate test of both City Council and of the Perk administration will be their posture and behavior on the school desegregation issue.

STOKES ADMINISTRATION

What did you think of Carl Stokes and his administration?

Carl Stokes did a better job than most of giving leadership and hope to this city.

His presence in City Hall made the American dream seem like a reality to a lot of black folks, young and old, in this city and beyond.

The coalition of whites and blacks, men and women, rich and poor that elected Carl Stokes created a positive climate in Cleveland which, for a brief moment, made all things seem possible.

We could use that coalition today.

Is Stokes coming back here in politics?

No, I don't really think so. He is busy raising his three children and that is where his first priority is today.

Would you like to see him back in politics?

Yes, but not necessarily here in Cleveland. Carl has leadership capability that ought to be used on behalf of society—and politics is one of the best vehicles for using his abilities.

ROLE OF THE CHURCHES

Let's talk about the church for a minute. What is the church's role in society?

To be a sign of hope in what is increasingly a hopeless time. To bear witness to what God is doing in human history and to call the people of God up out of their personal struggles to work together to serve "the whole of the inhabited earth."

We are called by our faith to love one another. The church is the institutional expression of that love. So if that love is to be more than pious words, the church's job is:

To minister to the sick and to the institutions that serve them—and to chastise those that fail to serve;

To release the captives from the oppression of racism, sexism and classism;

To bind up the wounds of those who suffer: the poor and the war-weary and to seek ways to end poverty and bring peace; and

To create a global society in which each and every human being can develop to his fullest human potential.

Are the churches doing their job?

They are doing neither a better nor a worse job than most other community institutions. Like most, they tend to work to preserve the status quo and when challenged to change, they resist and respond with great difficulty.

Yet it must be said that the church produced a Martin Luther King and gave him a platform from which to launch the social revolution of the 60's.

At its best, the church causes the individual to more fully appreciate the unlimited goodness of the Divine Being and this, in turn, increases a person's faith in right and order.

That person usually becomes concerned that the impartial goodness of God become a goal toward which more humans move in their own lives.

What about the churches in Cleveland?

The church picture here is in a state of transition because of the emergence of several new pastors and of a new ecumenical organization, the Greater Cleveland Interchurch Council.

Deeper than this is a transition from the activist posture of the 60's to a concern in the 70's to include a larger number of Christians in efforts to strengthen the society, beginning with personal growth.

As a part of this personal growth syndrome, there is an intriguing hunger for worship experience that differs from the traditional—for experiences that involve the emotion as well as the intellect and, in a curious way, bring black churches and white churches closer together in style.

The churches in Cleveland, through the Interchurch Council, have given leadership to the city in meeting the hunger crisis and in facing up to the issue of school desegregation.

Yet many local churches do not feel that social involvement such as this is the business of the church. The ministry of the church is still largely understood in terms of service to the individual.

It has been said that churches with budgets in the hundreds of thousands constitute a "scandal" in a city where there is so much poverty.

Having a $300,000 or $400,000 budget is not a scandal. The scandal may be that many inner-city churches have little or no budgets and all too many black ministers must work two jobs and have little time to serve either the community or their congregations.

The question for churches with big budgets is what are they doing with those budgets. They need constantly to be reminded of their enormous potential for service beyond their own congregations.

THE INFLUENCE OF TV

Changing the subject, Dr. Jacobs, what can you say about the influence television is having on our lives?

The influence is enormous. TV is perhaps as influential as the family and the peer group. It is more powerful than we know.

Is that influence good or bad?

Probably both. TV can have great educational value and, as we have seen in our Hunger Drive, it can be used to motivate people to respond to the needs of the community.

What do you think of those programs that comment on the social situation—All in the Family, Sanford and Son and The Jeffersons, for example?

These programs give some insight into the way different people live and I think they are good entertainment. But they tend to be superficial and to reinforce stereotypic models of human behavior.

A show like MASH probably does as good a job as any of presenting a realistic picture of human nature—an ambiguous mix of noble acts and self-centered motives.

The program speaks powerfully to the absurdity of wars and the misuse and false piety of leadership and to the indomitable human spirit.

[From the Cleveland Press, Apr. 1, 1976]

EIGHT HEROES

(Note.—This is the last in a three-part interview with Dr. Donald Jacobs, executive director of the Greater Cleveland Interchurch Council.)

Who are your heroes in life—both living and dead?

Jesus Christ would have to head the list for he provides for me the model of a hero. He inspired others to develop their best selves. His teachings were so clear that few could fail to understand what the abundant life was about.

He was less concerned with sinful practices and with the breaking of rules than he was with people's motives and attitudes toward themselves and one another.

He taught us by word and deed how to live and to love and then commanded us to risk all on behalf of that love.

Were we to accept even a small measure of his teachings, we would see vast improvements in personal relations, in international relations, in business and, yes, even in churches.

The apostle Paul—I like Paul for explaining the Christian message in ways the average person can understand.

He sets forth in the 13th chapter of First Corinthians a powerful hymn of love that became words to live by.

He makes ecumenism seem natural—the only way to live together as persons of faith. Paul was a human relations expert. His call to equality for "male and female, Greek and Jew" is the classic liberation text.

Moses—because he is a symbol of leadership to blacks and because, despite feelings of inferiority and inadequacy, he accepted the call to leadership and was given the strength to serve.

Jeremiah—because he dared to speak the truth, to prophesy the downfall of a nation set in selfish and idolatrous ways. We need to hear the Jeremiahs who speak to us today.

Martin Luther—because he represents the strong leadership needed to urge Christians to break out of their resignation and uniformity.

Abraham Lincoln—because he had real empathy for those who were oppressed.

He was a less than attractive man and early in life had to overcome the ignominy of his appearance. This gave him a certain identification with the oppressed.

I have to admire his acumen as a politician. He knew how to play the political game and how to get and use power. Yet I am convinced that the Emancipation was for him a personal sacrifice and a real service for people—not merely a compromise to save the nation.

W.E.B. du Bois—because he gave us an organization for blacks dedicated to strengthening leadership and fighting racism.

I also list him as a hero because of his challenge to the black church. He criticized the black church for its reinforcement of personal egotism, yet recognized the powerful and unique role of the black churches to strengthen black people.

Martin Luther King Jr.—because this modern prophet is one of the present day proofs that God IS. Who would have thought that a black man, a Baptist preacher from the South, would have been able to get the attention of the whole world and to urge upon all people the ideals of peace and brotherhood which humankind has sought since Jesus' time.

METALS AND OTHER TOXIC SUBSTANCES IN POTOMAC RIVER FISH AND WATER SAMPLES

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. GUDE. Mr. Speaker, there is currently a great deal of concern among public health officials over the presence of many heavy metals in our Nation's waters. Metals like mercury, arsenic, lead, cadmium, and selenium have been found in biologically significant amounts in many of our Nation's rivers and lakes. Some of these metals have been linked to cancer, birth defects and mutations in both animals and humans. They also threaten aquatic life.

Organic mercury has been known to cause headaches, fatigue, and irritability in humans. In more severe amounts, it can cause tremors, slurred speech, blurred vision, deafness, numbness, loss of coordination, diarrhea, personality disturbances, kidney damage, and even brain damage. The effects may not show up for years and may be misdiagnosed as encephalitis. Mercury can run off farmland where it is used to treat seed grain. It is also discharged in wastewater from industrial plants that make chlorine, electrical equipment, paint, pharmaceuticals, and pulp and paper. It is the most notorious heavy metal water pollutant.

Arsenic can cause similar injuries and is easily misdiagnosed as hypertension. It can cause weakness, headaches, weight loss, muscle pain, damage to the brain and cancer.

Like mercury, arsenic cannot be removed by current water treatment methods.

Lead has been linked to acute brain disorders and cadmium has been known to cause hypertension and arteriosclerosis. Research is currently being done on the health effects of selenium. Speculation is that it may be carcinogenic.

The U.S. Fish and Wildlife Service has sponsored the national pesticide monitoring program which tested for residues of mercury, arsenic, lead, cadmium, and selenium in fish in the years 1971 through 1973. The FWS took samples of different fish species at 100 stations across the country. Checks and crosschecks were run and a level of .5 milligram of substance per kilogram of fish weight was used as a figure of biological significance hazardous to fish.

Separate studies were also done to determine levels of DDT, PCB, dieldrin, and metals in the water. Dieldrin is a more toxic and persistent pesticide than the infamous DDT, and can be very lethal to birds. PCB—polychlorinated biphenyls—is a nonbiodegradable pollutant that can inhibit reproduction—in birds producing weak egg shells—and stimulate the thyroid glands preventing migration. PCB sources include plasticizers, flame retardants, and insulating materials for electrical products.

As of 1973, the FWS found the Potomac to have significant levels of mercury, lead, and selenium in fish samples. Mercury residues in fish were found at all 100 national station samples, but only 11 in 1973 exceeded .5 milligram/kilogram, one of which was the Potomac. Significant amounts of lead were found in fish for nine rivers in 1973, one of which was the Potomac. Selenium residues were found in fish in all rivers for 1972–73 at levels exceeding 0.5 milligram/kilogram. Significant amounts of arsenic were found in fish taken from seven rivers for 1970–73, and cadmium in none. Water samples also show significant levels of lead and selenium, but not mercury in the Potomac.

DDT levels in water samples were not significant in the Potomac from 1970–73, that is, levels did not exceed 1 milligram/kilogram. However, dieldrin was found in the Potomac in 1973 in at least one composite sample at levels exceeding 0.1 milligram/kilogram. PCB levels were found to exceed the significant level of 0.5 milligram/kilogram in the Potomac during 1970–73.

Potomac River fish and water samples were taken from within 1 mile upstream or downstream from the U.S. Geological Survey Station at Little Falls, Md. The survey station is upstream from the water supply intake facility for the Washington Aqueduct which provides drinking water to the District of Columbia, Arlington, and Falls Church, Va.

In comparing data from the Potomac fish samples with those of the James and Susquehanna Rivers, the Potomac appears to be the dirtiest during the sampling period. Fish samples showed significant metal residues for three metals in the Potomac—lead, mercury, selenium—whereas the James River samples showed two significant metals—mercury, selenium—as did the Susquehanna—lead, selenium.

In looking at pollution level trends, however, the Potomac appears to be improving. Mercury residues have decreased in fish samples, but still remain at significant levels. Lead and selenium levels have decreased slightly. Arsenic and cadmium levels in fish have decreased to levels considered insignificant as of 1972.

In contrast, levels of mercury and arsenic have increased in Susquehanna fish residue samples, as have lead and selenium residues. The James River shows the most improvement. Fish residue levels for mercury have been declining since 1971, and levels of arsenic, lead, and cadmium are insignificant. However, the James had the highest level of selenium residues of the three rivers.

The FWS study shows that some reduction of pollutants appears to have occurred in the Potomac, but that the task is by no means complete. The next step is to identify the continued sources of significant pollutants in fish and water samples, and to control these sources. I have asked the Environmental Protection Agency to respond to this problem, and will be discussing this matter with agency officials at hearings before the District of Columbia Subcommittee on the Bicentennial and Environment to be held in May and June.

The material follows:

TABLE A.—TREND FOR POTOMAC RIVER METAL POLLUTANT LEVELS IN FISH TAKEN NEAR LITTLE FALLS, MD.

[Significance level is 0.05 mg/kg for all metals]

Species	1971	1972	1973
Carp:			
1. (Hg) Mercury	[1] 0.26/0.19	0.22	
2. (As) Arsenic	.13/.11	.25	
3. (Pb) Lead	.11/.21	1.80	
4. (Cd) Cadmium	.08/.11	c.05	
5. (Se) Selenium	No study	.20	
Red horse sucker:			
1. (Hg)	.18/.15	.16/.24	0.03
2. (As)	c.05/.06	.07/c.05	ND
3. (Pb)	ND	c.10/1.5	.20
4. (Cd)	.06/.09	c.05/c.05	ND
5. (Se)		.24/.24	.17
Smallmouth Bass:			
1. (Hg)	.32/.14	.36	.07/.13
2. (As)	c.05/c.05	c.05	ND
3. (Pb)	ND	.20	.25/.17
4. (Cd)	.05	c.05	ND
5. (Se)		.40	[2] .21/.13
Redbreast sunfish:			
1. (Hg)		.06	
2. (As)		.11	
3. (Pb)		.56	
4. (Cd)		c.05	
5. (Se)		.52	
Channel catfish:			
1. (Hg)			.14/c.04
2. (As)			ND
3. (Pb)			.13/.13
4. (Cd)			ND
5. (Se)			.21/.24

[1] 0.26/0.19—2 fish of the same species were tested (Carp in this case) and found to have 0.26 mg/kg Hg in 1 and 0.19 mg/kg Hg in the other.

[2] Largemouth bass.

OUR PUBLIC FORESTS—THE TIME TO ACT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. BROWN of California. Mr. Speaker, soon after Congress reconvenes on April 26, the Senate and House Committees on Agriculture will be marking up legislation which will guide the future management of our national forests. I hope that during the recess my colleagues will spend some time deliberating the various alternatives before us and will then come to the realization that the protection and proper maintenance of our public forests, for the many uses they were meant to provide, is the responsibility, the duty, of the Congress.

At this point in time, we have the choice of leaving the management of our public forests under the present system, a system which led to the public outcry against certain abusive forest practices stimulating the Monongahela decision in West Virginia, or of clarifying—with the use of stronger guidelines and a few specific restrictions—a present and future policy of multiple use, sustained yield forestry which will insure that our children, and future generations, will experience the pleasures and uses that only the diversity of our wilderness, range, wildlife, and recreational forest areas can provide. Timber production needs can be met, but they must be met with the best of forest practices.

I wish to include in the RECORD two editorials which appeared in the Washington Post and the New York Times. These editorials point out the gravity of the issue at stake:

[From the New York Times, Apr. 13, 1976]

RETREAT ON THE FORESTS?

With little public attention or debate, Congress is approaching a major decision on the future of the national forests. Although these forests—155 of them in 43 states—belong to all the people, the private timber companies put relentless pressure on the Forest Service to allow extensive clear-cutting, overcutting, and other profitable but destructive practices.

The companies may pay lip-service to the "multiple use" concept but, naturally, they generally put logging ahead of recreation or of protection of watershed and wildlife, of wilderness and scenic beauty. In 1945, the Forest Service sold 2 billion board feet of timber from the national forests. In 1975, it sold 10 billion board feet, an increase of 400 percent.

More ominous is the rapid increase of clear-cutting in recent years. This is the practice of leveling all the trees in a particular area rather than selective cutting of mature trees. Clear-cutting is defensible if done on a modest scale and on trees such as the Douglas fir of the Pacific Northwest that need direct sunlight to regenerate themselves. But the Forest Service has permitted it in the mixed hardwoods of the East and sometimes on steep slopes and along streams with catastrophic effects of soil erosion and water pollution.

Because conservationists have lost confidence in the Forest Service's capacity to resist timber company pressures, they have sued in the courts to compel the service to obey its own basic mandate, the Organic Act of 1897. In a historic decision, a United States District Court ruled in Izaak Walton League v. Butz in 1973 that the Forest Service had, indeed, violated the law by its irresponsible management practices in the Monongahela National Forest in West Virginia.

After the Fourth Circuit Court of Appeals affirmed this decision, the Government chose not to carry the issue to the Supreme Court. Instead, the timber companies are seeking to overturn the decision by having Congress rewrite the law. They are strongly supporting a bill that, strangely enough, is being sponsored by Senator Hubert Humphrey, normally a staunch conservationist. The Humphrey bill contains impressive verbiage but it lacks enforceable standards or specific restraints. It would open the way for even worse abuses by the timber companies and a compliant Forest Service. Senator Humphrey's sponsorship is inexplicable.

Senator Jennings Randolph of West Virginia and Representative George Brown Jr. of California have introduced a far better bill that would modernize the basic law while protecting the essentials of the Monongahela decision, setting clear standards, and thereby freeing the Forest Service from industry pressures.

Passage of the Humphrey bill would be a grave blow to the precious heritage that the national forests represent. They must not be converted into mere tree farms. Timber production is only one of their uses, and not necessarily the most important—certainly not to the point of their destruction as a precious segment of the nation's wild and natural heritage.

[From the Washington Post, Apr. 12, 1976]

CONTROLS ON TIMBERING

As though earthquakes, smog and the loss of Andy Messersmith were not gloom enough for the citizens of Los Angeles, still another threat of disaster was recently announced: the loss of toilet paper. The National Forest Products Association has warned the residents that if a forest management bill now before the Congress ever becomes law, toilet paper consumption in Los Angeles might have to be lowered by 25 percent. The unrolling of that argument has done nothing to enhance the current debate on the merits of legislation offered by Sen. Jennings Randolph (D-W. Va) in the Senate and by Rep. George Brown (D-Calif.) in the House. Happily, the association has since come forward with other arguments. Whether they persuasively make the case against the Randolph-Brown bills is another question.

The issue raised by the proposed National Forest Timber Reform Act is what kind of management practices should be allowed in the commercial timbering of some 90 million acres in 15 national forests. In the background is an August 1975 appeals court decision that effectively banned clearcutting in the Monongahela National Forest in West Virginia, a decision that was later applied to a case involving the Tongass National Forest in Alaska. Sen. Randolph, who states with accuracy that the U.S. Forest Service has "become insensitive over the years to its original mission," has offered legislation that would limit clearcutting in the West to a general 25 acres (reduced considerably from the much larger clearcut sizes common in the West and Alaska), correct the economic imbalances that deny many counties a fair return for the tax losses they suffer from national forest lands in their area, and discourage the massive cutting of younger and younger trees. Rather than being an anti-timber bill, as some of its opponents are claiming, the legislation's supporters—including the Sierra Club, the Friends of the Earth and other conservation groups—believe that some balance is finally being brought between the nation's demands for timber and wood products and its obligations to conserve the forests and woodlands for the generations to come.

The timber industry would like to put a chain saw to the Randolph-Brown bills. It argues that—at a time when the nation has increasing need for timber and wood products—unemployment, shortages, mill shutdowns and bankruptcies could result if the bill becomes law. Instead of being burdened by what it sees as a rigid set of guidelines being imposed on it by the Randolph-Brown bills, the industry is seeking what it calls "flexibility." It favors a bill of Sen. Hubert H. Humphrey (D-Minn.), one that would, among other measures, ask the Forest Service to issue new standards and guidelines. In supporting the Humphrey bill, the industry wants to avoid any further spread of the restrictions articulated by the Monongahela decision.

Senate and House committees now have these bills, plus a proposal that would postpone any legislative decision at all. As with most disputes involving the environment, the economy and the public interest, complexity and controversy are likely to surround the issue of timber management until it is finally resolved by Congress. For now, the Randolph-Brown bills deserve a serious hearing. Nothing in the political philosophies of Sen. Randolph or Rep. Brown suggests that they are using their bills to destroy or even damage such an important and beneficial industry as forestry and timbering. The Randolph-Brown restrictions against excessive clear-cutting, over-reliance on young trees and unequal tax revenues offer the kind of reforms that Congress needs to be thinking about.

THE COMMUTER TAX: ROBBING PETER TO PAY PAUL

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. HARRIS. Mr. Speaker, in hearings on the commuter tax before the House District of Columbia Committee on April 8, Melvin L. Bergheim, vice mayor of Alexandria, Va., presented an eloquent statement in opposition to H.R. 1157, the commuter tax bill. He points out that if the commuter tax were enacted, the city of Alexandria—a jurisdiction having the lowest median income and the largest number of public housing units of any Washington suburban locality—would be funding needs for the District of Columbia not met within its own boundaries.

Because Vice Mayor Bergheim has made an excellent analysis of the bill, I would like to share his statement with my colleagues:

STATEMENT BY VICE MAYOR MELVIN L. BERGHEIM OF ALEXANDRIA, VA., BEFORE THE FISCAL AFFAIRS SUBCOMMITTEE OF THE DISTRICT OF COLUMBIA COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, APRIL 8, 1976

I am Melvin L. Bergheim, the Vice Mayor of the City of Alexandria, Virginia. Mayor Beatley of Alexandria would have wanted to appear with me here today to testify on the D.C. commuter tax, but he is out of town. He and I share the same views on the subject.

Let me say at the outset that we Alexandrians are aware of the fiscal problems the D.C. Government is facing because we have similar problems ourselves, though on a smaller scale. Therefore, we are sympathetic to the District's needs for increased revenues to meet rising costs and demands for service in the face of dwindling resources. So we agree there is a problem and that a solution must be found. Where we part company is in the appropriateness of the proposed commuter tax as a solution.

Our City Council expressed opposition to the commuter tax when the matter came before us five years ago. We are opposed now. I am grateful for the opportunity your Subcommittee has given us to explain why we feel that way.

First, Alexandria also has unmet social needs. We must look to the Commonwealth of Virginia to help us pay for our schools and our health and social assistance programs. We are also in dire need of additional federal and state assistance for mass transportation, which now eats up 20 percent of our property tax revenues. Therefore, any revenues lost to the Commonwealth of Virginia as a result of individual income tax deductions reflecting commuter tax payments to the District of Columbia would cause Virginia to cut back on its already inadequate supports to its political subdivisions. Our experience is that such cutbacks tend to have the most adverse impacts on the cities, such as Alexandria, which have the highest proportion of lower income people. Alexandria, I should point out, has the lowest median income and by far the largest number of public housing units of any of the Washington suburban jurisdictions. Our black population is now about 20 percent of the city as a whole and almost 50 percent of our school enrollment. So a commuter tax, which would help the District but hurt Alexandria, would have the effect of robbing Peter to pay Paul.

Second, whatever benefit a commuter tax would give to the District would not be shared with other jurisdictions, such as Alexandria, which also are impacted by many of the same commuters. We in Alexandria provide police, transportation, and other services to commuters who neither live nor work in Alexandria but pass through our city twice a day on the way to or from their places of employment. These commuters leave nothing behind in sales taxes or payments on property taxes, but they do contribute a great deal to the economy of the District. If the theory that commuters should contribute to paying for the cost of services rendered by the municipality *to* which they commute is correct, why then should not the same commuters contribute to meeting the cost of services rendered by the jurisdictions *through* which they commute?

Third, Mr. Chairman, we are deeply concerned about the divisive thrust of the whole commuter tax issue. As you can plainly see, the issue pits the suburbs and central city against one another, and it therefore tends to make more difficult an already tough job of achieving cooperation among all the jurisdictions in our metropolitan area to meet the many problems that we share.

Instead of fighting with each other, we in Alexandria would rather work with all our neighbors to find solutions to our problems that we can agree on.

Let us begin, Mr. Chairman, with the problem of funding our very expensive but also very necessary areawide mass transportation services and facilities. Metro bus and rail, capital and operating, costs are eating huge chunks out of all of our budgets. None of us can afford these outlays. None of can afford not to have Metro. If, with your help, we could find an areawide revenue source—such as the four percent gasoline tax we are seeking in Northern Virginia—we would be taking a giant step toward solving our fiscal and our transportation needs. At the same time, we would free money to meet our social needs. And we would be laying a solid basis for future cooperation to meet our other common problems.

Alexandria has a tradition of leadership in this region. Our leadership seeks to be positive and constructive. Approval of the commuter tax would be a step backward because, as I have argued, it would help one jurisdiction at the expense of the others, and it would worsen the relationships among all of them. We ask, rather, that we look for a solution to the fiscal problems of all of our cities and counties that will strengthen their ability to work together to meet the needs of all of the people of our region.

We very much hope that the Congress of the United States will join us in that effort. Thank you.

NEW YORK'S FINEST

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. BINGHAM. Mr. Speaker, the people of New York City are sometimes pictured as unfriendly and in too much of a hurry. And our police department, although sometimes referred to as "New York's Finest," does not always have a good image.

As an illustration of how misleading these stereotypes can be, I insert herewith a heart-warming story from a recent edition of the New York Times:

BRONX AGED GET A POLICE ESCORT—OFFICER PROTECTS THE ELDERLY ON WEEKLY SHOPPING TRIPS

Not many people get a police escort when they go window shopping, but for the elderly people who frequent the stores along 170th Street in the Bronx, the company of Officer Richard Croce is not just a welcome comfort, but a necessity.

Many of them have lived for decades in the area, which has the second highest crime rate in the borough. Out of a well-founded fear of being mugged or robbed, they long ago stopped their visits to the local shops and began staying home.

But three months ago, Officer Croce began to accompany members of the Mount Eden Senior Citizens Club on weekly shopping jaunts to a four-block area along 170th Street between Jerome Avenue and the Grand Concourse.

OBJECTS OF ATTACK

These excursions are more than just time to go to the bank and buy groceries, according to staff members at the center. The trips offer a chance to visit the familiar stores, to renew nearly forgotten acquaintances and to revive an activity that was once immensely enjoyable.

"Many of these people had come to dread going out to buy a loaf of bread," said Gloria Feldman, director of the center. "But they look forward to these shopping trips as a treat, a great adventure."

Officer Croce became acquainted with the center six months ago when he was assigned to foot patrol in the 48th Precinct. The three-story stone building at 1660 Morris Avenue was being broken into and its occupants mugged so frequently that "it seems like the police were here everyday," recalled Mrs. Feldman. She said that "our center has 150 members and they have all been mugged at least once."

"The muggers around here are young and unprofessional," said Officer Croce. "When they get scared, they hurt their victims badly. Just seeing these elderly people lying there in pain after being attacked really got to me. I had to do something."

What he did was proposed to his supervisors the idea of escorting the elderly people to the nearby shopping district on a regular basis.

"It's something a little out of the ordinary," he said. "But they thought it would be advantageous to the community and told me to go ahead."

The trips are scheduled around the patrolman's other tasks or are planned for when he is off duty. Once a week he goes to the center and picks up those who want to shop, and the group makes its way on Morris Avenue across the Grand Concourse. The pace is slow, but the talk is cheerful and smiles are bright and expectant.

The officer leaves them at a certain spot with instructions to reconvene there in an hour, and then he patrols the area while they transact business in the bank, visit the supermarket or simply pause at store windows to look at the displays.

About two dozen elderly people usually accompany Officer Croce on the trips. Many arrive at the building an hour or more before it opens at 9 A.M. and remain there until closing.

Officer Croce said he had become close to the elderly people, many of whom regard him as a son, since the shopping trips began.

"They tell me my hair is too long or that I'm not dressed properly," said the young officer. "I get hugged and kissed and scolded. They enjoy it and I enjoy it."

CLAY DECRIES PRESIDENT'S VETO

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. CLAY. Mr. Speaker, I am extremely disappointed and dismayed at President Ford's veto of H.R. 8617. The bill, of which I am author, revises the Hatch Act by permitting Federal employees to participate voluntarily in political activities off duty, outside of Government buildings, and out of uniform.

The President's rationale for vetoing the bill is entirely without foundation. The President states if this bill were enacted into law:

> We would be endangering the entire concept of employee independence and freedom from coercion.

The fact of the matter is that H.R. 8617 has stronger controls against coercion than existing law.

The President states in his veto message:

> Most people, including most Federal employees, not only understand the reasons for these (Hatch Act) restrictions, but support them.

The fact is that 38 percent of Federal employees either do not know what the Hatch Act is or cannot describe it, according to an independent impartial survey. This objective study demonstrated that one-half of all Federal civilian employees and two-thirds of all postal employees favor loosening existing limitations of their political activities. The Hatch Act consists of over 3,000 administrative rulings. Is it any wonder that its vagueness and complexities prevent Federal employees from understanding its provisions?

The President says:

> The fundamental objection to this bill is that politicizing the Civil Service is intolerable.

The fact is that there has never been a single shred of evidence that voluntary political activity takes anything away from good government.

It is not enough to say that Federal employees have the right to vote as the President has said. Voting is merely the bottom line of the complex political process. So long as Federal employees cannot shape and participate in the development of our Nation's political process, they will be second-class citizens.

Of equally great concern to me is the President's reluctance to offer any changes in the antiquated provisions of the Hatch Act—enacted in the heat of passion with inadequate consideration almost 40 years ago. Four years ago the administration assured the Congress that proposed changes in the law would soon be forthcoming. The President has reneged on his promise.

Once again Federal employees have been victimized by Gerald Ford's callous disregard for their most fundamental rights. Just as he proposed to deny them fair and equitable wages, now he would deny them the same political rights that are already available to other citizens.

Cabinet-level officials of the Ford administration can participate in partisan politics while on the public payroll. How can the President justify prohibiting Federal employees from doing the same thing on their own time?

Federal employees are entitled to the same political rights as other citizens so long as these activities do not interfere with the impartial administration of good government. I look forward to Congress expressing its will on this important issue on the 29th of April.

QUESTIONING THE VALIDITY OF DAY CARE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. MICHEL. Mr. Speaker, an extremely perceptive column in today's Washington Post offers some well-reasoned criticism of the Federal day-care programs, and for that matter, of the concept of formal day care in general.

The author, Suzanne H. Woolsey, was formerly with the Department of Health, Education and Welfare, and is currently a senior research associate at the Urban Institute.

What she has done in this article is something I fear the Congress has done all too seldom: She has analyzed the very premise of a major social program. We never seem to get around to that here on Capitol Hill.

The proponents of such programs make only the most specious of arguments, filled with cliches and heartrending tales of the tragedies that would ensue if so much as a dime were to be cut from the budgets.

And the budget-cutters, for their part, hardly raise the quality of the debate, seeming content to concede the lofty claims made by the proponents, asking only that we be a little more modest as to the cost.

In the process, we never get around to the real bottom line, which is, simply, is this whole thing a good idea? Ms. Woolsey argues convincingly that with regard to Federal day care programs, it is not.

Working mothers do not particularly want day care centers, even when free, as evidenced by the failure of any number of private and public programs. They do not need them, as evidenced by the studies which show that when the centers are taken away, the mothers go right on working, and find some other way to arrange care for the children.

Studies also show that day care does little or nothing to benefit the children, and that the secondary purpose claimed by many proponents, that such centers make good places to put welfare recipients to work, is illusory.

In short, it is a bad idea, according to Ms. Woolsey, who greatly prefers simple tax and welfare payment credits for working parents.

I hope that my colleagues will read her article, and would therefore like it printed here in the RECORD:

QUESTIONING THE VALIDITY OF DAY CARE

(By Suzanne H. Woolsey)

Although concern over the population explosion has caused motherhood to fall into some disrepute of late, day care for children is bidding to replace it as the cause most likely to generate uncritical support from nearly all parts of the political spectrum. The Post editorial of March 15, supporting the recent federal day-care bill, vetoed last Tuesday by President Ford, reflects the conventional wisdom that day care is the answer to both liberal and conservative prayers: first, that the program is critical to giving women the opportunity to participate in the work force; second, that, given high enough standards, day care can significantly enhance children's development; and third, that day care centers are themselves good places to employ welfare recipients as staff, and thus to get them off the dole.

Unfortunately, the evidence does not support the contention that day care, especially perform any one of those tasks at all well. The support for heavy federal subsidies for day-care centers is rather based on a congeries of hopes that they can do something about a number of disparate social objectives. The goals, as such, cannot be challenged. But when the supporters of a federal program avoid debating on the merits whether it can do any single job and, instead, take refuge in multiplying the areas in which they claim it can do something, however vague, it is time to stop and look carefully. One cannot help remembering, uncomfortably, that this is the tactic to which the supporters of some of the more worthless Pentagon enterprises of the last few years have been brought from time to time.

Potentially, the most powerful economic and social rationale for subsidized day care is its effect on participation of women in the labor force. Unfortunately, all the evidence to date indicates that *offering* day care has little or no effect on a woman's decision to work. The most generous estimate is that the availability of even free day-care centers, together with the availability of training, explains about 10 percent of mother's decisions to enter the work force. What matters most is the existence of a job—when that is available, most mothers find a way to cope with the child-care problem.

The WIN program, designed to put welfare recipients to work, has been overwhelmed by volunteers, many of them the mothers of young children—but the problem has been finding jobs, not day-care arrangements. Similarly, when day-care arrangements break down, the predicted job disruption does not appear to occur: a 1973 study in South Carolina of low-income mothers whose day-care center was closed found that everyone continued to work, nearly all in the same jobs, and that each found other arrangements for her children within a few days. Moreover, a 1975 Stanford Research Institute report summarizing studies of the demand for day care among working parents indicates that the type of day care preferred by most parents of all income groups is not the formal center but informal arrangements in the home or the neighborhood. In the 1960s several corporations set up day-care centers as a service to their employees; most shut down within a few years for lack of enrollment. The Gary, Ind., income maintenance experiment offered a free high-quality day-care center to the children of welfare mothers at work or in school. There were virtually no takers.

Some of the reasons for this will not surprise anyone who has ever been the parent of a 3-year-old with the sniffles on a rainy winter day. It is much easier to leave him in or near home with a relative or neighbor than to have to decide whether he is sick enough to warrant losing a day of work yourself to stay with him or whether he can safely be taken by public transportation across town to the center.

When cost is added to the equation, in formal care outside centers looks even more attractive. First of all, care at home or with a relative or neighbor costs very little, largely because child care is usually not the sole occupation of the babysitter, who is keeping house at the same time. In 1965, only 25 per cent of working mothers paid for child care at all. Though prices have risen since then, the cost of informal baby-sitting still is estimated to range from being free to about $800 per year.

When child care becomes a fulltime occupation, rather than a side line, the cost rises significantly if even subsistence wages are paid. In addition, the staff-to-child ratio for preschool children in day-care centers must be quite high (1 to 4 below age 3, to 1 to 7 for 4-5 year olds), so there is little savings possible from having one person care for many children in centers. Consequently, ordinary centers cost upward of $1,600 per child even with staff paid at the minimum wage. As 80 per cent of the costs of day care are staff salaries, the more professional the staff, the higher the cost. Fulltime centers with educational programs, or all-day public preschools, now cost about the same as tuition in major private universities (between $3,000 and $5,000). Intensive experimental projects run twice that.

But what of employing welfare recipients to staff the centers? Might not enough be saved on welfare payments to make the whole operation financially worthwhile? A dilemma makes that most unlikely—in order to make welfare mothers competitive with the unemployed teachers and trained paraprofessionals now available to work in day-care centers, such costly training is necessary that any saving in reduced welfare outlays is wiped out. HEW's own employees' center was set up in 1970 to show the wisdom of using welfare mothers as staff: The project ended two years later with costs running about $3,600 per child.

But even if most parents do not prefer day-care centers and they are extremely costly, is it worth it for the children's sake? Research has concentrated on preschools and centers with intensive social and educational programs. Even in these "super centers" the results are mixed. Generally. no significant developmental gains in the children are detected. Occasionally, university-based research centers report short-term gains in IQ and social skills in the children enrolled, but there is not yet evidence that these gains will last long enough to help the child in school, and so far the techniques developed in the hot-house environment of research projects have not been transplanted successfully to other programs.

Day-care centers may to some extent simplify the delivery to poor children of other things they do clearly need—better food and medical care, for example—but centers are by no means necessary for such programs.

One cannot resist the feeling that some advocates of day-care centers, especially for the poor, are seized by the idea that they know better what the child needs than do the child's family, relatives or neighbors. For those who harbor such thoughts, the research evidence to date is cold comfort. Prof. Sheldon White of Harvard summarizes that research as showing that adequate day care is neutral in its effect on human development. At least one can say that there is no evidence that day-care centers appear to do any active harm—but in the absence of any good evidence about a positive effect on development, relying on parents' preference for child care at home or at a neighbor's does not seem to be such a bad idea.

Although the public debate about day care has concentrated almost exclusively on day-care centers, federal involvement in day care has, over the years, extended far beyond center programs. The federal program is itself proportionately somewhat more biased toward funding day-care centers than public demand would seem to dictate, but most federal day-care money is still spent for non-center day care.

Of approximately $1.5 billion of federal money in 25 different subsidy programs, at least one-third reimburses parents directly for the expense of child care through tax deductions or through disregarding the share of income spent on child care when welfare payments are computed. The remainder included subsidizing in-home and neighborhood arrangements, teacher training, loans to small businesses, experimental preschool programs, and day-care centers. Head Start, which has historically provided some full-day care in addition to its basic half-day preschool program, has itself diversified over the last several years into five different types of programs, with greater attention to the home and much less to the Head Start center.

This brings us back to the arguments about the recently vetoed day-care legislation. Theology aside, the substance of the dispute has to do with the proper staff-child ratio to be imposed on day-care centers, whether the federal government or the states should do the imposing, the amount of time the centers can take to reach that ratio, and the degree to which welfare mothers are not; instead, improving tax and welfare payment credits so that working parents can have more money to arrange day care as they best see fit.

Maybe that's throwing money at the problem. But, unlike trying to manage day care for the nation's children from Capitol Hill and HEW, or for that matter, from Albany and Richmond, at least it is not throwing problems at the problem.

THE SOVIET UNION'S PERSECUTION OF ITS OWN SCIENTISTS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. EILBERG. Mr. Speaker, the repression at all levels of society in the Soviet Union is a fact that has been known to people all over the world for many years.

It is also a fact that individuals and organizations in this country and throughout the free world have been attempting to aid the victims of this repression.

Recently, two letters were printed in the February 1976 edition of the Physics Today magazine about the efforts of scientists in the United States to help their compatriots in the Soviet Union and that government's efforts to negate the effect of that assistance.

At this time I enter the two letters into the RECORD:

SOVIET EMIGRANT FUND IMPERILED

We are taking this opportunity to report the activities of the Scientists and Engineers Emigrant Fund (SEEF). In 1973 a group of physicists began sending small sums of money by regular bank draft to a few colleagues in the Soviet Union who had lost their jobs and were in need, as a result of applying for exit visas. As time passed, and more information arrived here about the "refuseniks," we added engineers, chemists, and mathematicians to the list of those being helped.

In 1974 SEEF was organized, chartered in the Commonwealth of Massachusetts as a charitable trust. In our role as Trustees, we the undersigned, have received (tax-exempt) contributions from over 1000 members of the US scientific and engineering community, solicited primarily from the Fellows of The American Physical Society and from the Members of the American Mathematical Society. These funds have made it possible to send gifts averaging $50 a month to some 30 different individuals—usually heads of families—for a total of about $20,000. (Contributions can be sent to Scientists and Engineers Emigrant Fund, c/o David H. Frisch, Room 24–036, Massachusetts Institute of Technology, Cambridge, Massachusetts 02139). Communications from recipients still in the USSR, and from those who have managed to emigrate, have told of the importance of this financial and moral help, not least as an indication of support by the international scientific community.

Recently the Soviet Government announced two rulings that will seriously hinder our efforts and those of others: 1) a new 30% tax in addition to the approximately 35% now deducted will be imposed on all foreign-currency gifts, starting 1 January 1976; 2) even more important, there will be a drastic reduction in the effective exchange rate applied to such gifts. The combination of these two makes an almost confiscatory effective exchange rate. This will cripple our efforts, and also those of many individuals, especially emigrés who try to support their families in the USSR with periodic remittances.

Given the very small magnitude of the sums involved in gifts compared with that of the Soviet economy, we conclude that the purpose of these new regulations is to discourage emigration further by imposing even more difficult sanctions on those individuals who claim this basic right.

As the Trustees of SEEF, we are concerned by this new turn of events that is so contrary to the announced spirit, if not the letter, of the Helsinki agreement and we call it to the attention of our colleagues, especially those who deal directly with the Soviet Union.

Herman Chernoff,
Peter T. Demos,
David H. Frisch,
Chairman.
Philip M. Morse,
Louis D. Smullin,
Massachusetts Institute of Technology, Cambridge, Massachusetts.

Sunday in Moscow

Every Sunday at noon some thirty Soviet scientists gather in the tiny Moscow apartment of Mark Azbel for a weekly seminar, which represents their only remaining opportunity to practice the science to which they have devoted their professional lives. Azbel is an internationally known theoretical physicist, formerly a member of the prestigious Landau Institute near Moscow. Two and a half years ago he applied to emigrate to Israel and was immediately dismissed from the Institute. For him and the others in the Seminar there has been no further opportunity to participate in Soviet scientific life. They are shunned by practically all of their former colleagues. Access to libraries and laboratories is forbidden; telephone service is cut and all mail is intercepted, including subscriptions to Western scientific journals. Although these scientists live in a constant state of personal fear and deprivation, they make a determined effort to remain intellectually alive through the Sunday Seminar and the occasional participation of visiting scientists.

Recently, the undersigned participated in a Soviet-American physics symposium in Moscow sponsored by the Academies of Sciences of the US and USSR and the National Science Foundation of the US. On the Sunday preceding the opening of the symposium, six members of the American group attended the Sunday Seminar. Azbel invited us to speak to the group, postponing that day's scheduled lecture by one of the regular participants in order to listen to discussions of current research. So we took turns standing at a worn-out blackboard in the small crowded apartment lecturing about optical properties of crystals, with Azbel interrupting periodically to summarize sections of the lecture in Russian and to translate questions. The audience was enthusiastic and the Seminar continued for four hours.

On Monday 26 May, the official symposium began—a five-day marathon of lecture sessions and laboratory visits. During the symposium we met many distinguished Soviet scientists and visited several impressive research laboratories. We found the opportunity for first-hand interaction highly rewarding and stimulating, particularly with those scientists who have not been allowed to travel abroad and whom we have previously known only through their published work. We established warm friendships with many of the Soviet participants who spared no effort to make our visit enjoyable and useful.

On Tuesday 27 May, two days after our visit to the Sunday Seminar, Azbel received a summons to report to KGB headquarters on the following day. When he appeared, he was informed that the Sunday Seminar is viewed by the KGB as a "group participating in anti-Soviet propaganda aimed at undermining the Soviet power and contacts between the USSR and the West" and that criminal action, including a possible charge of treason, would be initiated against him unless the seminar is stopped. (*The New York Times*, 8 June 1975.)

We saw Azbel twice more during that week. Clearly concerned by the gravity of the KGB threat, he was nevertheless adamant in his determination to continue the Sunday Seminar; to discontinue it would mean abandoning the last means of maintaining any level of professional activity, particularly for the younger participants. Furthermore, he asked that Western scientists who have the opportunity to visit the Soviet Union continue to come, and that they also attend the Sunday Seminar and bring current issues of scientific journals in physics, chemistry, mathematics and biology—all disciplines represented by some of the regular participants. He stressed the importance of this infusion of outside scientific information and the additional visibility that it gives to the Seminar.

The emotional impact of this entire experience was overwhelming. In both the Sunday Seminar and the official symposium we met many fine men and women who are excellent scientists. Yet the second group carefully avoids any possibility of contact with the first. We were deeply saddened by the aura of fear that seemed to weigh so heavily on the entire Soviet intellectual community.

We must now consider how to shape our own future actions and attitudes in view of these experiences. Recently, there have been numerous calls for a total boycott of further scientific exchange with the Soviet Union in view of the persistent violations of human rights. Although boycotts of particular events can be effective for protesting specific Soviet actions, we believe that the most effective means of exerting humanitarian pressure on the Soviet hierarchy is by an active participation of concerned scientists in the US–USSR scientific exchanges. We believe that these exchanges should continue, but that each event should be consistent with the basic ideals of free scientific inquiry. We hope that those who participate in these exchanges will use the occasion to express their insistence on the freedom so basic to both the spirit and practice of science and that those who visit the Soviet Union will insist that their freedom to attend the Sunday Seminar, and meet freely with other Soviet scientists, is necessary to their participation in the official exchanges. We urge our fellow scientists not to abandon our brave and dedicated colleagues.

Herman Z. Cummings,
City College, New York, N.Y.
Peter S. Pershan,
Harvard University, Cambridge, Mass.
Miles V. Klein,
University of Illinois, Urbana, Ill.
P. M. Platzman,
C. M. Varma,
Bell Laboratory, Murray Hill, N.J.
L. M. Falicov,
University of California, Berkeley, Calif.
Bernard Bendow,
AFCRL, Bedford, Mass.
Richard A. Ferrell,
University of Maryland, College Park, Md.
M. J. Stephen,
Rutgers State University, New Brunswick, N.J.

POLICE CHIEF RICHARD CARLO HONORED

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. SARASIN. Mr. Speaker, in this day and age, when we hear continued verbal assaults on the performance and efficiency of the law enforcement agencies of our country, it is a pleasure to draw attention to one man who has made a significant contribution in promoting increased professionalism, greater effectiveness, strengthened public faith and trust in, and increased public support for Connecticut's law enforcement agencies. The man is Chief Richard Carlo of the Bethel, Conn., Police Department.

On April 23d, Chief Carlo will receive the Distinguished Service Award given by the Police Commissioners' Association of Connecticut. It is my estimation that this award is well deserved.

Richard Carlo, at 42, is the youngest chief of police in the State of Connecticut. However, his youth has belied his achievements in that position. He has demonstrated an excellence in service by being instrumental in the institution of many valuable programs in the law enforcement field. He assisted in the creation of the Fairfield County Narcotics Squad. As a member of the Narcotic Enforcement Officers Association of Connecticut, he obtained the donation of a school bus which is presently being used as a Drug Education Unit throughout the State.

Chief Carlo has been solely responsible for writing and obtaining a Federal grant to institute a prisoner transport study in Connecticut, which when totally instituted will aid every municipality in lifting the burden of prisoner transportation off the individual departments.

One of his outstanding contributions has been to obtain Federal money to provide for the hiring of veteran amputees to work in police departments as civilian dispatchers. Through this innovative program, the Bethel Police Department has received nationwide recognition.

Recently he added to his accomplishments by designing a new police facility that is recognized by those in law enforcement as one of the most modern and best equipped facilities in the State.

I want to add my tribute to Chief Richard Carlo. If one man can serve as an example for others in the law enforcement field—as an example of education, hard work, and fairness—it is Richard Carlo.

FINANCIAL REPORT OF REPRESENTATIVE SCHROEDER

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Ms. SCHROEDER. Mr. Speaker, this last legislative business day before April 15 seems an appropriate time to publish my income and taxes for 1975.

Line 9 of my joint personal Federal income tax return, form 1040, filed with my husband, James, shows my congressional salary of $42,850. Line 10c shows net dividends of $601. Line 11 shows interest income of $1,901. Line 12 shows a net loss of $210 consisting of the net income from my husband's law practice and the rental of our house in Denver of $12,002, net losses on stock and from partnership investments of $16,074, and my net income from honoraria and fees of $3,862.

Our total income as noted on line 13 was $44,332. Line 14 shows $5,299, adjustments to income that included certain congressional expenses in excess of amounts reimbursed, such as travel expenses, an allowance for living expenses while attending Congress in Washington, and payments to my husband's individual retirement account. Line 15 shows an adjusted gross income of $39,033.

Form 1040, schedule A, shows total deductions of $17,363 on line 41, consisting of medical expenses of $150; State and local taxes of $2,978; interest expense of $4,772; charitable contributions of $2,047; casualty or theft losses of $45; miscellaneous congressional expenses of $7,371; and political contributions of $200.

The total Federal income tax and self-employment taxes due and paid, as shown on line 20 was $4,889. In addition my husband and I paid State income taxes to the State of Colorado of $880.

I am also attaching a copy of a joint financial statement for myself and my husband, showing a net worth as of December 31, 1975 of $99,734, and listing total assets of $173,334, consisting primarily of bank deposits, securities, and two homes—one in Denver and one in Alexandria, Va. Total liabilities amount to $73,600, consisting of real estate mortgages on the two houses; and a bank loan and life insurance loan of my husband's.

All receipts and expenditures of campaign funds have been handled by the Schroeder for Congress Committee, which has, in accordance with Federal laws, filed periodic reports with the Clerk of the U.S. House of Representatives or Federal Election Commission, and the Colorado Secretary of State. The committee has also filed appropriate Federal tax returns, although in 1975 it had no taxable income.

JOINT FINANCIAL STATEMENT—JAMES W. (JWS) & PATRICIA SCHROEDER (PS)

ASSETS

Bank savings and other deposits

(Excluding current checking account balances and miscellaneous cash on hand on 12/31/75; and deposits credited to PS Federal Retirement Fund and JWS Individual Retirement Account.)

Patricia Schroeder (PS)	$13,418
James W. Schroeder (JWS)	2,601
Joint (JT)	3,976
	19,995

Securities

(Excluding stock owned in closely-held, family-owned companies without readily ascertainable market value and in JWS HR–10 Plan Trust.)

100 Colorado Natl. Bankshares, Inc. (PS)*	1,125
200 Goodyear (JWS)	4,350
200 Jamesbury Corp. (JWS)	3,400
100 Public Service Co. of Colo. (JWS)	1,600
50 RCA (JWS)	1,425
300 Timpte (JWS)	840
100 Purex (JWS)	1,500
115 Lenox Fund (JWS)	775
226 Founders Growth Fund, Inc. (JWS)	1,020
1 "E" Bond (JT)	25
	16,060

*Purchased 7/25/72.

Miscellaneous

(Excluding JWS law partnership investment and capital account.)

1.2% Limited Partnership Interest in Larimer Square, Associates (JT)	11,349
Life Insurance Cash Value (JWS)	2,630
	13,979

Personal property

Automobiles (1973 Olds, 1970 Saab & 1969 VW)	3,500
Miscellaneous (Est.)	15,000
	18,500

Real estate

1440 High, Denver, Colo.	38,500
4102 Lester Ct., Alexandria, Va.	66,300
	104,800
Total assets	173,334

LIABILITIES

Real estate mortgages

1440 High, Denver, Colo. (Capital Federal Savings, Denver, Colo.)	16,100
4102 Lester Ct., Alexandria, Va. (B. F. Saul Mortgage Co., Bethesda, Md.)	49,000
	64,100

Other

(Excluding current credit card, utility and miscellaneous accounts payable 12/31/75, paid monthly as due.)

Bank Loan (JWS) (United Bank of Denver)	6,500
Loan against Life Insurance (JWS)	2,000
	8,500
Total liabilities	73,600
Net worth	99,734

SEATTLE'S SOLID WASTE MANAGEMENT PROGRAM

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. PRITCHARD. Mr. Speaker, Seattle has embarked on a unique project which will turn heaps of garbage generated by local citizens into ammonia. Not only is ammonia a commercially sought after chemical, but it also consumes large amounts of natural gas in production. Seattle's project promises to reduce consumption of nautral gas while producing a chemical that is much in demand.

Because trash disposal is a monumental problem for many other cities, I would like to familiarize my colleagues with this trash-to-ammonia project. For the benefit of my colleagues, I insert a recent article from the Seattle Argus which details Seattle's plans:

[From Argus, Apr. 2, 1976]

SEATTLE'S TRIPLE THREAT GARBAGE PLAN

(By Charles Pepper)

An innovative plan for the City of Seattle that at one stroke could help solve three critical problems of modern society now teeters in the uncertain legislative winds of Congress.

One of these problems is how to dispose of the growing mountains of garbage generated by the consumers of Seattle and every other American community. Seattle's solution would be to use it to produce ammonia, thereby helping meet a second problem, the soaring demand for this vital agricultural and industrial chemical. This process in turn would combat the third problem, the need to conserve dwindling supplies of natural gas, huge amounts of which are now consumed in ammonia production.

The city's solid waste ammonia plant would be the first of its kind in the country. Pilot plants using different versions of the basic process are now in operation, but apparently none are producing ammonia in commercial quantities. Seattle's plant is scheduled to begin operation in 1980, and other cities, among them San Francisco and Honolulu, are said to be watching its progress with great interest.

Congressional action on behalf of the project is necessary because the business practices of the chemical industry don't meet the standards for the issuance of municipal revenue bonds. The city has estimated that its share of the proposed $101 million plant would be $66 million, and it wants to finance the project by using the plant's income to secure 20-year bonds. Potential industrial customers, however, aren't willing to contract for purchases more than five years or so ahead. Mayor Uhlman has therefore asked Congress to cover the risk that at some point the price of ammonia will fall below currently projected levels.

This kind of guarantee is possible under the Nonnuclear Energy Research and Development Act of 1974, which provides for federal price guarantees or supports in the interest of developing new energy technologies. But guarantees for specific projects require new Congressional authorization.

A step toward meeting this requirement was taken early in March when a subcommittee of the House Committee on Science and Technology added Seattle's authorization to the fiscal year 1977 authorizations for the Energy Research and Development Administration. Representative Mike McCormack of Richland, Wash., is chairman of the unit—the Subcommittee on Energy Research, Development and Demonstration—and was instrumental in attaching the authorization.

The outlook for further progress, however, is clouded. The problem, ironically, lies not with the trash-to-ammonia project itself but with the national debate over nuclear energy. Provisions of the overall ERDA bill on behalf of more nuclear power plants may run afoul of mounting opposition from environmentalists and others, and a spokesman for Representative McCormack suggested that the Seattle plan, which many of these opponents would probably favor, might suffer as a result of its inclusion in the ERDA package.

Trash disposal is a mountainous problem for Seattle and many other cities. Seattle's homes, factories and businesses generate some 550,000 tons of solid waste a year, more than a ton per resident. The city's Solid Waste Utility estimates that this tonnage before compaction would fill a volume the size of the Sea-First Building 12 times over.

Seattle's present solution, too, is the same as that employed by most other cities. The ancient device of the dump, hardly adequate even when a lot fewer people generated much less garbage per capita, has given way to the sanitary landfill. Here the waste is spread out and packed in thin layers and is covered with earth to ferment. The site is usually one that has no other use, and the aim is to convert it into land usable for housing, industry, or other purposes.

This approach now faces serious difficulties. Suitable sites are increasingly hard to find; tidal marshlands, for instance, once little regarded by anyone except politically powerless bird watchers, are now widely recognized as fulfilling an important role in the natural environment. Landfill operations have also been found to contaminate ground and surface water at a time when water is increasingly needed for human use and for agriculture. Of Seattle's landfill sites, one, at Midway, will be filled in the next few months and the other, at Kent Highlands, will last only till 1980.

Attempts to improve the recycling of trash in Seattle began as early as 1970. Results have been modest, however. Not until 1974 did the effort begin that led to the present plan for an ammonia plant. And then the impetus was the acute nationwide shortage of gasoline and other fuels. Then the key question appeared to be: can't some way be found to use solid waste, much of which can be burned, as a useful fuel?

A study of possibilities was instituted by Mayor Uhlman and Wayne Larkin, chairman of the City Council's Utilities Committee, and was largely carried out by Gerald B. Fairbanks, manager of the Solid Waste Utility, and Robert G. Sheehan, now chief engineer with the Department of Lighting.

This study considered a dozen alternatives, some of which had already proved successful in other cities. But they were finally narrowed down to one which at first had seemed a far-out possibility: to build a plant to subject solid waste to pyrolysis and use the resulting gases to produce a chemical.

Pyrolysis is a chemical change induced by heat. Organic matter like food scraps and paper, when heated in the absence of enough oxygen to support complete combustion, produces a variety of gases—hydrogen, carbon monoxide, carbon dioxide, methane. This mixture can then be used as a fuel in its own right, much like natural gas. It can also be used as a raw material in the manufacture of other chemicals.

The city's study, published in May 1974, recommended construction of a pyrolysis plant as the most feasible way to turn the city's solid waste liability into an asset. The end product then proposed was methanol, which is used in the manufacture of formaldehyde, dyestuffs, and many other chemicals, and is also an excellent fuel for internal combustion engines and gas turbines.

As the city weighed building such a plant, however, a consultant suggested that ammonia also be considered as the end product. Ammonia, familiar as an ingredient in household cleaning products, is valuable chiefly for its nitrogen content, and around 90 percent of the ammonia produced in the United States, according to figures compiled by the Bureau of the Census, is used for fertilizer. Annual ammonia production in this country is around 15 million tons.

Natural gas, however, by far the most common substance used in making ammonia, contains practically no nitrogen at all.

Abundance and cheapness have been the advantages of natural gas. But these advantages are rapidly vanishing. While regulation has prevented the prices of natural gas from rising as much as those of petroleum-based fuels, producers are insisting that they must have higher prices as an incentive for exploration for new supplies. Current supplies are tight during periods of peak demand. Canada, which supplies two-thirds of the gas consumed in the Northwest, is reported to be considering curtailing the supply when current contracts expire in the 1980's.

The price of ammonia, moreover, has soared in the past four years. In 1972, according to Chemical and Engineering News, it could be bought on the Gulf Coast for less than $30 a ton. In early 1974 the price touched $200 a ton. Now, says Cathleen Shreve, an economist in the city's Office of Management and Budget who is acting head of the Solid Waste Ammonia Project, the price is about $180 to $190 a ton at the dealer level and around $325 a ton retail.

With the new thought of ammonia in mind the city government in early 1975 solicited proposals from private industry for participation in a project to make use of gases from Seattle's solid wastes, and last fall the Mayor and City Council selected the one from Coyne Chemical Company of Philadelphia to produce and market ammonia. Coyne's share of the project, including the ammonia plant proper, will amount to an investment of $35 million.

The city's pyrolysis plant will make use of technology developed by the Union Carbide Corporation. The city also plans to contract with Union Carbide to operate the plant, and the company's warranties will protect Seattle's interests in case the new technology fails to work as billed.

Ms. Shreve says the break-even point for the project is a price of $135 per ton for the ammonia. Plans are now being prepared for a plant at the city's present transfer facility in the South Park section, and an environmental impact statement completed last October foresees only minor ill effects (such as increased noise and traffic) from its location there.

The city expects the output of ammonia to total 140,000 tons a year at the present rate of garbage collection. Ms. Shreve pointed out that to make this amount by conventional methods would require 5 billion cubic feet of natural gas, enough to supply one-third of King County's homes for a year. Byproducts of ferrous metals, carbon dioxide, and sulfur will also have a market. Even the frit, the ungasified residue which will comprise about 20 percent of the input weight, can be used for road construction and other purposes.

When ammonia production begins the rapidly rising cost to Seattle's householders of solid waste collection will not suddenly vanish, according to Ms. Shreve. But she estimates that the plant will freeze these costs at the levels that will prevail then.

But at the moment when—or even if—the construction will begin depends on Congress.

BRONX IRISH AMERICAN COMMITTEE HOLDS BICENTENNIAL MASS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. BIAGGI. Mr. Speaker, on March 7, 1976, several hundred members of the Bronx Irish American Bicentennial Committee held a special Bicentennial mass at Fordham University. The mass, which was in Gaelic, and the concert which followed, was attended by more than 600 persons. One of the highlights of the mass was the sermon delivered by the distinguished president of Fordham University, Rev. James C. Finlay, S.J. In his remarks, Father Finlay discussed with great eloquence the importance of the Irish American community to the American Nation.

It is my distinct honor and pleasure to insert Father Finlay's remarks into the RECORD for the consideration of all my colleagues. In addition, I would like to insert the opening remarks of Mr. William J. Carr, vice-chairman of the Bronx Irish American Bicentennial Committee. I salute all those who participated in this memorable ceremony and wish to pay special tribute to Councilwoman Aileen Ryan, honorary chairperson of the committee, as well as Chairman Martin Killeen. Their activities are contributing greatly to the enjoyment of the Bicentennial by the Irish American community of the Bronx.

The remarks follow:

REMARKS OF WELCOME BY WILLIAM J. CARR, VICE CHAIRMAN, BRONX IRISH-AMERICAN BICENTENNIAL COMMITTEE

Our Committee is most pleased that our major Bicentennial event takes place at Fordham University. Physically, Fordham University is one of the jewels—one of the treasures—in the geography of the Bronx.

The Bronx Irish-American Bicentennial Committee is proud to come to Fordham because of its long intellectual tradition and because Fordham has been long recognized for its contribution in the making of American history.

Just a few yards from where we sit, stands the bell from the battleship Missouri, presented with deep deliberation to the University in June 1946, by the then new President of the United States—the man from Independence. The bell is significant because it was on the Missouri that the agreement stopping World War II was signed.

On your way here, you passed Edwards Parade Grounds, where in the fall of 1940—an election year—President Franklin Delano Roosevelt reviewed Fordham's ROTC—arranged by a famous Irish-American Bronxite by the name of Edward Flynn.

Even those pillars along the fence at Fordham Road with many Irish names upon them, tell us Fordham's contribution to our country—memorials to Fordham men who made the Supreme Sacrifice during the first World War.

Less than a mile from those columns, along Fordham Road is a landmark in Bronx Irish-American history—the church of the little parish of Our Saviour, founded in the early part of this century by one of the most famous military chaplains in American history—**Fr. Duffy of the Fighting 69th.**

Education and the teaching profession have always been an integral part of Irish life—just read the historical accounts about St. Colmcille on the Isle of Iona, or better still walk through an Irish town with a school master as I did a few years ago in Newcastle West. Recall what you were told about the hedge schools—the sacrifices that were made for education in Ireland under the Penal Laws. Remember the foundation of the University in Ireland by Cardinal Newman in the 19th Century and the human effort and sacrifice that it entailed, and let no Ivy League professor say the Irish have no educational commitment or contribution.

On behalf of our Committee, I welcome my fellow Bronxites and Irish-Americans to join in the Holy Sacrifice of the Mass and later to celebrate in songs, dances and drama the celebration of our country's 200th Birthday.

A HOMILY BY REV. JAMES C. FINLAY, S.J., AT THE BRONX IRISH-AMERICAN BICETENNTIAL MASS ON SUNDAY, MARCH 7, 1976, UNIVERSITY CHURCH

"Now the Lord said to Abram, 'Go from your country and your kindred and your father's house to the land that I will show you. And I will make you a great nation, and I will bless you, and make your name great, so that you will be a blessing." Taken from 12th Chapter of the Book of Genesis, vv. 1 and 2.

I would first like to extend my greetings to the Bronx Irish-American Bicentennial

Committee and to all of you who have traveled here to the University Church at Fordham to celebrate in a special way the 200th Birthday of our beloved country.

We begin most appropriately with this Mass—thanking God for all he has wrought for us and through us here in these United States.

Later there will be the skirling of pipes, songs and the music of the harp reminding us of the cultural heritage we brought here with us as immigrants from the Emerald Isle.

But for the moment we are joined in the celebration of the Eucharist, our liturgy of thanksgiving, in our ancient tongue, a language few of us speak although there are many who preserve a knowledge laboriously gained in school and tenuously retained.

The homilist on this historic occasion can choose one of two major themes to propose for your prayerful reflection.

He can invite you to look at the human achievements of the Irish immigration to what were the American colonies and later became the United States. In the annals of this young country, even on the oldest pages thereof, he can find the record of early arrivals from Ireland: Thomas Dongan, for example, the first Governor of New York under British rule, a native of Kildare, a Catholic and the author of the first law granting religious freedom in this colony. We could also make mention of the 894 ships that sailed from Irish ports in the decade before 1776 to New York and Philadelphia carrying passengers with names like Burke, Connolly, O'Connor, Dougherty, Kelly, Ryan, McCarthy, Murphy, O'Brien, O'Neill, Reilly and Sullivan. From these immigrant ranks came 17 Generals of the Revolutionary Army who were born in Ireland, 12 others who were of Irish descent, a small part of the 1,500 officers of Irish birth or descent in the muster rolls of the Revolutionary Army and Navy. Commodore John Barry, from Tacumshane, County Wexford, founder of the American Navy, was only the best known of a numerous cohort.

As might be imagined, if Irish officers were numerous, many thousand more served in the ranks as common soldiers and sailors.

When the Declaration of Independence was signed in 1776—the very event we celebrate—four native Irishmen and five men of Irish descent put their names to that historic document.

Yes, it would be possible to focus our attention on the human side of the Irish experience on these shores, running through a lengthy catalogue of soldiers and statesmen, pioneers and poets, educators and businessmen, priests, prelates and presidents, all of them born in Ireland or of Irish stock. Whatever this might do for our justifiable ethnic pride, it would, I fear, distract us from a more profound, a more religious reflection.

Hence, rather than look upon the human side of our immigrant experience, I would prefer to look upon that experience as a work of God's providence. To Him be the glory and the praise for anything the Irish have accomplished in America.

The text which I chose for today's homily is the text that the Church uses as the Entrance Antiphon for the solemn Mass of St. Patrick. "Go from your country and your kindred and your father's house to the land that I will show you. And I will make you a great nation, and I will bless you, and make your name great, so that you will be a blessing." These words, spoken to Abram before he entered into a covenant with the Lord and was given the name Abraham, have a special significance and a special poignancy for every immigrant people.

I suspect that many in this church today recall the pain of leaving "your country, your kindred and your father's house." Even though I was but a child, I recall vividly the tears at separation from friends and relatives on a cold morning in February, 1928. There were promises of visits home but it would be many years before there would be excursion flights to Shannon. My poor father died long before those flights began and never saw again the homeland he so deeply loved.

Project your own experience, or the experience of your parents, back over two centuries. Generation after generation, Ireland sent its sons and daughters to these shores and very few of them traveled first class. They came in sailing ships, in the fever ships of the Famine Times, in steerage from Cobh and Galway. For 20 years or more they have been coming by plane from Shannon.

And why have they come? Why are you and I here? We can offer various reasons for various times and for various people. Opportunity, it was, for most: opportunity to work, to own land, to get an education and to pass these advantages on to the next generation.

These answers are true but, I venture to assert, they are inadequate answers. They only penetrate the surface of what is a profound mystery of Divine Providence. Let me put the question to you in another form: what would the Catholic Church have been in the United States, or, for that matter, in any part of the English speaking world from Liverpool and Glasgow to Toronto, Cape Town and Sydney had there been no Irish immigration? We are asked to leave our home, but we built the House of God on shores thousands of miles from the Cliffs of Moher. We lost our language, but English, spoken with an Irish accent, has become an international language for the People of God. We had little wealth to bring with us. Unlike Abraham, we did not set out for the Promised Land with great possessions "sheep and oxen, he-asses, menservants, maidservants, she-asses and camels." Our only treasure was the Faith that inspired us, the strength of our minds and our backs, and a saving capacity to laugh at our foibles and to cry with compassion for the poor, the sick, the abandoned.

We carry with us our faults and they are best known to ourselves. But we have our achievements and they are the work of God's grace.

This University Church, where you sit today, can serve as a symbol of how God, in His Providence, has made use of the immigrant Irish to build His Kingdom in the New World. The nave of this Church was constructed in 1845 as was St. John's Hall next door. They embody the dreams and the drive of Archbishop John Hughes who founded this University in 1841 to provide the advantages of higher education for the sons of Catholic families, most of them, like himself, immigrant Irish.

John Hughes, born in County Tyrone, came to the United States in 1818. He toiled as a laborer and as a gardener until he was accepted in Mt. St. Mary's Seminary. Ordained in 1826, he was consecrated a Bishop in 1838 at Old St. Patrick's on Mott Street. For the most of the next 30 years he was the militant leader of his immigrant flock. A bronze statue of this heroic prelate stands outside the Administration Building where it was placed in 1891 by grateful friends and alumni to memorialize Fordham's first 50 years.

You are surrounded by important fragments of Irish immigrant history. This altar before you is the original altar from St. Patrick's Cathedral. On the wall to my left you will find a bronze plaque listing the contributors who paid for this altar in 1879. On the wall behind me are the coats of arms of the two alumni who were created Cardinals: John Farley and Francis Spellman, both of immigrant stock. Indeed the first American Cardinal was also Fordham's first President, John Cardinal McCloskey, whose parents came to Brooklyn from Dungiven, County Derry in 1808.

But the work of the Lord is not done by the clergy alone. Far from it. Irish Catholic parents brought these men into the world and passed on to them the precious gift of Faith. Catholic laymen and women are the strength and the riches and the genuine incarnation of God's Kingdom on Earth.

You and thousands like you, in years that have passed and in years let to come, are the "great nation" whom God has blessed and whose name he has made great. It is to you that He has done all this "so that," to quote His words to Abraham again, "so that you will be a blessing."

As we reflect prayerfully on the Irish immigrant experience, viewed in the light of God's Providence, let us beg humbly that we may in truth "be a blessing" to this land of our choice, to these United States and its people that have been so good to us. Let our contributiton to the Bicentennial be a renewal of devine faith translated into love of neighbor, works worthy of the God who called us "from our country . . . our kindred and . . . our father's house . . ."

There is so much work yet to do to build up God's Kingdom here in the Bronx, in our City, our State and our Nation. May we, with the grace of God, be worthy and courageous followers of the Irish men and women who went before us.

SPEECH BEFORE THE AIR POLLUTION CONTROL ASSOCIATION

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. SYMINGTON. Mr. Speaker, there has been much discussion on the various provisions of the Clean Air Act Amendments which the House Interstate and Foreign Commerce Committee has recently finished work on.

Congressman PAUL ROGERS, distinguished chairman of the Subcommittee on Public Health and Environment, in a very fine speech before the Air Pollution Control Association, outlined some of the more significant provisions of the bill. I would like to include his remarks in the RECORD at this time for the information of my colleagues:

SPEECH OF PAUL G. ROGERS BEFORE THE AIR POLLUTION CONTROL ASSOCIATION

I am pleased to see the list of issues which you have drawn up to focus on during your discussions of the Clean Air Act Amendments. I would begin by saying that as a member of the committee which fashioned the House amendments I feel comfortable that this bill will assure you that we have indeed considered growth, energy, and the economy and have produced legislation which strikes the balance necessary between improving our environment and the socioeconomic cost of attaining our goals.

I feel that we have produced a bill which will be seen and characterized as "balanced."

We have granted waivers, we have given extensions, we have written in flexibility to consider the economy and energy and the technology available to meet goals and standards. We take into account resources available. We even allow for delays caused by strikes. The bottom line on utilities can come to as much as ten years of delay and the automobile industry has until 1985 to attain the goal which the 1970 Clean Air Act called for it to achieve in 1975.

Some people have said that the 1970 Act asked too much, I do not think it asked too much. Maybe we asked for healthier, cleaner air too soon. And the amendments which we have passed from our committee make the adjustment.

Make no mistake about the legislation—the main thrust of this legislation carries out its purpose—to clean up the pollution in the air. I consider the Clean Air Act as a symbol of what we want for our citizens. Improved health and quality of life.

Yet, despite the scope of the bill, I have found that two issues above all else have gained the most attention—automobile emissions and the section dealing with significant deterioration.

There was, of course, much concern over the subject of indirect source pollution as it related to traffic control, parking and land use. But an easing of traffic controls and parking restrictions until we see the auto industry meet its responsibilities has given those concerned with indirect sources a much deserved respite. As a matter of fact, the realtors, the home builders, the parking association, the industrial parks people, the shopping centers, and the retail merchants-businesses normally associated with indirect sources have gone on the record as favoring the bill which we have passed.

The auto emission issue has been the most publicized because although not everyone has a steel mill, copper smelter or power plant, nor do most Americans live near one, they do purchase nearly ten million cars each year.

And Detroit has spent millions of dollars promoting the idea that economical cars and non-polluting cars are a mutually exclusive figment of someone's imagination.

You know the Russians had a five-year program. But Detroit has come to the Congress at various times with a one-year freeze, a three-year freeze and a five-year program and one that goes on indefinitely.

It has been said—if generators could run on fall-back positions, Detroit could fuel this Nation's utility industry for the next ten years.

Pardon me if I appear light with my comments about the auto industry. I know well of their concerns. And because the Congress has tried to make accommodations according to their problems, we have extended three times the deadline for the auto industry. We have tried to be realistic.

But something happened most recently when I visited the automobile dealers in my district to discuss the 'numbers', as they are called, which our bill calls for. I explained that we had relaxed the numbers—or standards in Committee so as to provide a three-year delay or freeze (HC–CO) and a four-year on the NO$_x$ standards, the most troublesome of the three pollutants we hope to control. The Senate bill, I explained, was indeed different. Their response was that they knew this and were asking for looser standards in the House not because they thought the House standards were unreasonable, but rather so that when we went to conference, the industry would hope for a better compromise.

Now this may be a politically sound campaign. But I think it representative of some of the mis-information which has been asscciated with the Clean Air Act during the past ten months.

And I would say that this has, and is today, contributing to a lack of confidence and respect for industry in general. During hearings and later during markup we asked for information from industry, as to its needs and capabilities. It now appears that in many cases the information was set on the high side so as to allow for compromises down.

I was assured that the standards which the subcommittee had produced were QUOTE "Not what we wanted, but we can live with them." And that was before the three-year freeze was granted.

When the Interstate and Foreign Commerce Committee began its markup of the bill, we had amendments which would give Detroit a one-year freeze on NO$_x$, another for a three-year freeze and one which would have been open-ended. I have personal knowledge that at least one automobile manufacturer said that the one-year extension was acceptable.

Yet, industry presented arguments for the open-ended amendment claiming fuel penalties and economic cost which were contrary to what we have heard from test results in California and from a joint analysis conducted by the Federal Energy Administration and the Environmental Protection Agency. Of course California is already meeting tighter standards.

This type of activity is most distressing to me and undermines the creditability of the auto industry.

Testimony and test results indicate that technology for the control of auto emissions is progressing along lines which will allow us to realize additional fuel benefits, as has been the case during the past two years. At worst, I think we will see a break-even for a year and then see additional fuel economies.

I might add in passing that I find it ironic that auto manufacturers caution and cry about the catalyst in public hearings and yet take out full page advertisements in magazines and papers telling people how they love the catalyst for cleaning up the air and giving us better gas mileage.

Allow me to summarize on autos. We have given much. Many say too much—in order to insure that the American people will not be unduly penalized in fuel economy or in cost. We have set back the deadlines for meeting our goals, but I think the Congress will agree that we must continue to strive for these goals, even on an elongated time table.

Now significant deterioration is something else. It is much more complex and far-reaching. And I would say that were I not on the committee dealing with this bill, I would be very alarmed by what I have READ about this section of the bill.

The National Chamber of Commerce says it is a land use bill which will prohibit any new developments in about 86 percent of the Nation. That's a pretty broad and frightening statement—prohibit any new development. Well, the Congress has done some pretty odd things, but prohibit any new development in 86 percent of the Nation?

The main failing of the National Chamber of Commerce's statement, is that it has no acquaintance with fact or the House bill.

We have addressed the significant deterioration issue because the 1970 Clean Air Act did not set out clearly what was meant by the phrase.

The result is that the issue has been taken into the courts. We still have no guidelines. And had we not addressed the question, then I think it is safe to say that every new development or the construction of any heavy industry would be subject to court battles on an individual basis.

Additionally, the Committee is concerned that under the Administration's regulations, EPA and the federal government will dictate every state's air quality decisions since those regulations allow EPA to veto any state's decisions and allow only the federal land manager to classify federal lands.

Briefly this is what we have done on significant deterioration in *limiting EPA's authority* and giving the *decision making to the states:*

Eliminated EPA's authority to override a state's classification of any area on the ground that the state improperly weighed energy, environmental and other factors.

Prohibited EPA from compelling any state to impose a uniform or automatic buffer zone around any area.

Restored the state's right to regulate air quality over federal lands, which in the Administration's regulations must be approved by the federal land manager.

Allowed the states to designate what classification it wishes on all lands within the guidelines of the bill—and I will explain what those guidelines are.

We have in the bill designated only two areas to be set aside as clean areas—Class I—that is, not allowing much more pollution there than exists now. These Class I areas are national parks, and national wilderness areas of more than 25,000 acres. We want these areas to remain clean. They are mandatory Class I. And there are no other areas which this bill requires to be permanently Class I unless the states themselves so decide.

The mandatory Class I designation of national wilderness areas means that ONE percent of the Nation's land area will be kept clean. I do not see that as the promotion of a no-growth policy. In fact, we have been advised that a 1,000 megawatt, coal-burning power plant using the best available technology, could be built as close as six miles from the Grand Canyon.

Again, I would remind that the states themselves can classify all other areas and some may choose to change a Class II to a Class III area or elevate a Class II to a Class I. But it is the state's decision.

And the designation of any area will *not*, and I repeat, *not*, cause the closing of any plant. No pollution roll-backs are required by our significant deterioration section. No *existing* industry is required by this bill to use the Best Available Technology.

This section and other sections of the bill, specifically section 111, apply only to future sources of pollution.

Now there are other portions of the bill which also effect industrial polluters. But significant deterioration only means that the right of determining what economic developments will be allowed and where, will rest in the hands of the state and not the federal government. The states can take into consideration such factors as the economy, the employment situation and the energy needs as they relate to the environment. And then they will decide.

As to the effects of the section on this Nation's energy needs, I would say that the FEA and EPA examined *74* proposed power plants scheduled to be built between now and 1983. The reasons for this examination were to see how the significant deterioration section would effect future coal-fired power plants—the largest source of pollution. And despite the fact that the proposals were filed before significant deterioration was a factor, not one plant examined would be prohibited from being built. Not one.

As an extra safeguard, any plants which are now under construction or which have already received their state permits would not be effected by the requirements of the significant deterioration section.

If you asked me the briefest possible description of significant deterioration, I would say it is an orderly method of allowing the states to determine the quality of air they will have. It allows the states to determine how best to allocate their air resources while balancing their economic and energy needs with the health of their citizens and the preservation of the environment.

You know, some have said that we are thinking more about rocks and trees than people. And it is true that we are considering rocks and trees. But they are also known as the Grand Canyon, the Yellowstone National Park and the Great Smoky Mountain National Park.

Yet the premise and the foundation for the Clean Air Act is to protect the health of the people. That we are committed to do.

As you may well know, the National Cancer Institute and indeed authorities around the world have estimated that as much as

90 percent of all cancers are environmentally related. I think we will see even more evidence of this in the coming years.

When we speak of protecting the public, we are also talking about protecting ourselves, protecting the men and women who work with us and protecting the future generations.

I believe this legislation has achieved two goals—we are progressing to clean the air and thus improve on our environment, an environment which is vitally important to our health. Secondly, we are progressing along a course which is reasonable and will balance our other needs—economic, energy, and growth.

I believe we have reached that balance. I think we all have a responsibility to help, for it is a national goal to which we should all pledge our support.

VIVE LE CONCORDE!

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. SYMMS. Mr. Speaker, Barron's business and financial weekly carried an editorial by Robert Bleiberg a few months ago concerning the controversy surrounding the Supersonic Transport. Mr. Bleiberg makes some sound comments and I would like to commend them to my colleagues:

Vive Le Concorde! Barron's—If Nobody Else—Hails The Supersonic Jet

"Washington.—It now appears that the British-French supersonic transport, the 'Concorde,' doesn't have a friend anywhere in the U.S., certainly not here.

"At a press conference Wednesday, a small group of hapless Frenchmen were subjected to the severest criticism under the guise of press 'questions' since ex-President Nixon's press secretary left town. Their opening statement—apparently intended to be conciliatory, in view of the upcoming public hearings on the Concorde to be held by the Department of Transportation—was repeatedly interrupted with hostile comments and questions by the 'writing press.'

"Television reporters were less critical in their questions, content to let the local newspaper reporters act as point men for them. . . .

"The press clamour against Concorde service here has been growing, as 'C-day' draws near. This is January 5, when DOT Secretary Coleman holds his public hearings to decide whether the Concorde will be allowed to operate in U.S.-controlled airspace."

Thus wrote The Journal of Commerce last Thursday, in a story neatly headlined, "Concorde Has No Allies in the U.S." While generally accurate, keenly perceptive and devastating in its quiet critique of what passes these days for advocacy journalism, the piece does contain one tiny misstatement. Concorde is not wholly friendless. On the contrary, among its supporters it may count a number of individuals and groups, including the Association for a Better New York; Avenue of the Americas Association; Broadway Association Inc.; Building Owners' and Managers' Association of Greater New York Inc.; Building Trades Employers' Association of the City of New York; New York Convention and Visitors Bureau Inc.; East Side Association; Hotel Association of New York City Inc.; League of New York Theatres and Producers Inc.; Mechanical Contractors Association of New York Inc.; Midtown Realty Owners Association Inc.; Thirty-fourth Street-Midtown Association Inc.; Real Estate Board of New York Inc. For what it's worth, Concorde also has Barron's on its side.

In view of our well-known propensity for championing lost causes, that may be cold comfort to the concerns which build and operate the world's first supersonic jet—Societe Nationale Industrielle Aerospatiale, British Aircraft, Air France and British Airways—not to mention the many people on this side of the Atlantic eager to pay a premium to fly it. Endorsement by New York City's commercial Establishment these days may be the kiss of death. Nor can one shrug off the widespread massive opposition. Apart from the bulk of the Fourth Estate, the Concorde's foes include impassioned lawmakers, notably from precincts surrounding John F. Kennedy International Airport and Dulles, as well as environmentalists of every stripe, in and outside of government. Even the U.S. Department of Justice must be counted hostile: in a curiously timed move Justice last week charged the consortium's American public relations counsel with technical violations of the Foreign Agents Registration Act.

Politically and propaganda-wise in short the Concorde has never gotten off the ground in this country and perhaps never will. Yet before a mob of latter-day Luddites runs roughshod over this marvel of technology there is much to be said in its behalf. True, some justifiably may argue that Great Britain and France should not have sunk upwards of $2.5 billion into a venture which, in economic terms, is probably too far ahead of its time to be self-sustaining. From tapered nose to tail, Concorde, let's face it, is subsidized, and on this score critics have a point. But that's not the point they've chosen to make. Instead, they have attacked the plane (specifically, its scheduled operation to and from this country) on grounds that are either vastly exaggerated or baseless. Concorde is noisier than other jets—at least twice as noisy, on some calculations—but its infrequent timetable (two flights per day at JFK, one at Dulles) and thrust (barely a minute for take-off and landing even at mandatory subsonic speeds) go far toward softening the impact. Contrary to oft-repeated and sweeping allegations, Concorde, so an official Environmental Impact Statement recently found, runs no risk of either explosive decompression or other esoteric safety hazard, nor is it a threat to the world's climate.

If the costs of Concorde—to Americans at any rate—are largely illusory, the benefits that would accrue are real. As even detractors willy-nilly must concede, the supersonic jet constitutes a breakthrough in global transportation. Flying at 1,400 miles per hour, Concorde, its sponsors boast, "will halve the size of the world for travelers and traders." It will bring Australia within 13½ hours of Europe, and Tokyo within seven hours of San Francisco. It will make a round-trip from New York to London in one working day as feasible as New York-Chicago. Small wonder that even at a fare tentatively set 15%–20% above first class, Air France and British Airways confidently expect brisk demand, or that groups of New York City businessmen, well aware of Concorde's potential contribution to Gotham's declining commercial fortunes, should have lined up behind it. Progress can be painful, and the pull of the horse-and-buggy—or the cross-country train—remains strong. But as liberals since time immemorial have been telling reactionaries, you can't turn back the clock.

If not, it won't be for lack of trying. Even Lufthansa's Red Baron, in the midst of strafing an enemy air field, never faced the heavy concentration of flak aimed at an aircraft merely seeking a peaceable landing. At hearings held in November-December by the House Subcommittee on Government Operations, one witness after another, from the Environmental Defense Fund, Environmental Protection Agency, University of California and University of Michigan, among others, blasted the supersonic transport as an offense against man and nature. In July, a rider to the DOT appropriations bill which would have denied funds for the control of supersonic aircraft failing to meet noise standards prevailing for subsonic planes was narrowly defeated in House and Senate alike. Last week Sen. Lowell Weicker (R., Conn.) announced that he will soon introduce another bill to "ban the Concorde forever from these shores."

To such opposition, xenophobia—or chauvinism, as the French might say—doubtless has contributed. Congress, after all, opted to scrap the Boeing-designed supersonic transport (SST) nearly five years ago, and some members may balk at the tangible reflection on that judgment which Concorde may cast. "We fear that an (adverse) decision," so Pierre Gautier, project director for Aerospatiale, told unfriendly newsmen last week, "will be based on protectionism." Perhaps, but only in part. As is true of so many technological achievements lately, the main thrust of hostility toward Concorde rests on unproved assumptions and wild surmise, whipped up in alarmist pseudo-scientific fashion by environmentalists and other mortal enemies of progress.

Over the years their incessant propaganda barrage has zeroed in on one bugaboo after another—inadequate fuel reserves, explosive decompression (at Mach 2 the plane supposedly blows up) and other figments of overheated and malignant imaginations, most of which were effectively, if doubtless not permanently, shot down by the Environmental Impact Statement released last month by the Federal Aviation Agency. What remains is largely concern over the alleged effects of the SST on the ozone and noise. As to the former, there may or may not be a problem. Barron's (February 2, 1975, "The Sky is Falling") has scrutinized the testimony pro and con, and remains unimpressed and unconvinced by the current crop of Chicken Littles. (For reasons that remain unexplained, the ozone layer, according to a spokesman for the National Oceanic and Atmospheric Administration, actually increased 5% in the 'Sixties.) Hence, as French officials delicately put it, such theories are still unproved. The risks to the ozone shield if any, would come less from a handful of Concorde flights than from the thousands of military aircraft which daily criss-cross the continent (and don't for a moment think the F–4 Phantom and F–14 Tomcat one day may not become ecological targets).

The issue thus comes down to noise, on which the evidence is mixed. According to the FAA, "the noise levels produced by the Concorde are higher than those of narrow-body subsonic aircraft (707, DC–3) and will be perceived as at least twice as loud as those aircraft." However, in its Environmental Impact Statement, FAA concludes that "Concorde will not produce any significant auditory or non-auditory effects of a physiological nature. . . . The total effect . . . is expected to be increased annoyance." Concorde's advocates, in turn, aver that their aircraft is "a little more noisy on approach and takeoff, but less noisy on landing." More scientifically, they argue that simple comparisons of noise characteristics as between different types of aircraft are meaningless. All jets make noise; what counts is the incremental volume generated by one or two daily (none at night) Concorde flights, which they put at barely 2%.

Amidst the welter of claim and counterclaim, this much seems clear. On a number of pre-certification trips to this country, Concorde has flown in and out of Dallas-Fort Worth, Boston, Miami and the West Coast without triggering environmental disaster or other untoward incident. Next month Air

France and British Airways will launch supersonic jet service from Paris to Rio and London to Bahrain, with regular runs slated later on to Caracas, Melbourne and Singapore. Surely all the super-sensitive people in the world can't live in the vicinity of JFK and Dulles.

Local residents, however, can boast of having some of the loudest spokesmen in Congress, notably Rep. Lester L. Wolff (D., N.Y.) and Bella Abzug, whom he described as the Gentle Lady from New York. "Ordinary men, women and children," cried Wolff the other day, "depend on us to protect them from the ravages of so-called progress, from the rapacity of unnecessary technology." That's a strangely revealing way to describe an advance that will halve the tedious time lost in travel and bring the world—culturally as well as economically—closer together than ever before. The Wright Brothers (and the rest of us) were lucky. Had they lived today, they would be spending most of their time worrying about the impact on the environment at Kitty Hawk. And transportation—as the ecologists doubtless would prefer—would be for the birds.—Robert M. Bleiberg

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NATIONAL FOREST POLICY

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. FRENZEL. Mr. Speaker, more than a third of our Nation's land is forest area. Over the years, this great natural resource has played a significant role in our history. Today, however, one role looms especially large because much of our commercially usable forest land, necessary for home construction and thousands of other uses, is found within our national forest system. We now have 155 national forests and each of these has its own important part to play in providing recreation, aesthetic pleasures and wood products for our citizens.

It is, therefore, not surprising that many people were concerned about the August 1975 decision of the 4th Circuit Court in the Monongahela case. That decision was reinforced and amplified by a later ruling of the Alaskan court. In both of these cases a 75-year-old statute, the Organic Act of June 4th, 1897, was interpreted as to prohibit clear cutting practices on national forest properties.

These decisions could well bottle up effective use of three-quarters of the 982 billion board feet of standing softwood timber now found in the national forests. This includes over half of our total of 1.9 trillion board feet. According to the Forest Service this could easily amount to over 75 percent of our timber available for 1976 and over 50 percent of that available between now and the year 2,000. Since our national consumption of wood products has risen over 50 percent in the last 25 years, the Monongahela decision clearly is not in keeping with our wisest forest policy alternative.

Some action obviously has to be taken. The 4th Circuit Court's decision invites congressional action to establish an appropriate new policy:

> We are not insensitive to the fact that our reading of the Organic Act will have serious and far-reaching consequences, and it may well be that this legislation enacted over 75 years ago is an anchronism which no longer serves the public interest. However, the appropriate forum to resolve this complex and controversial issue is not in the courts but the Congress.

I have tried to follow the court's good advice. In March I cosponsored H.R. 12355 as a form of working draft to generate discussion of badly needed policy determinations. Today I am also introducing H.R. 13200, a companion bill to S. 3091 as another alternative solution. Hopefully these bills and others attacking the same problem, will receive the committee's prompt attention.

The Monongahela decision has revealed an anachronistic policy set by a 75-year-old law. Wisest and best use of our precious forest resources demands that we update that policy. National forest policy is badly in need of new direction. We must act to provide it. I hope H.R. 13200 will help Congress focus on a new national forest policy.

HONEY IMPORTS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. WALSH. Mr. Speaker, the U.S. International Trade Commission recently completed a series of hearings held in several U.S. cities on the question of whether or not imports of honey are causing substantial injury to the domestic honey industry. While this issue is current, I would like to share with my colleagues a portion of a letter I have received from a beekeeping constituent, Paul Norman, of Syracuse, N.Y.:

> Honey imports certainly do hurt the domestic beekeeper and honey producers. Honey prices ran about 50¢ per pound wholesale in 60 lb. tins in New York State last year. A packing plant in Syracuse has been buying honey from Central and South America for as little as 35¢ per pound. The quality of this honey is far below local honey in taste, appearance and fragrance. It is put on the market as honey. People buying it do not get the true good taste of local honey, resulting in the loss of future honey sales.
>
> The United States Department of Agriculture reports that 46,380,407 pounds of honey were imported into the United States during 1975, almost doubling the 1974 amount of almost 26 million pounds. The previous high import year was 1972, when 39 million pounds were imported. Imports for the years 1947–75 averaged 12.6 million pounds per year.
>
> The importing of cheap honey from other countries has depressed the price of honey for the American beekeeper. This discouragement has led to a decrease in the number of bee colonies kept in the United States. In New York State, a report by the United States Department of Agriculture's Statistical Reporting Service shows colonies of bees in 1973 at 122,000; 1974 at 126,000; and 1975 at 115,000. Honey production, in million pounds, was 1973, 6.3; 1974, 6.2; 1975, 6.1. This decrease of bee pollinators could have serious effect on crop pollination. Many of our food crops rely on the honey bee for pollination.
>
> The price of honey has dropped several cents a pound the last year. This is not in keeping with the 300% increase in package bees from $7 per 3lb cage to $24 per 3lb cage in the last two years. Wood products used in beekeeping have skyrocketed in price. Sixty pound tins have gone from $1.15 each to $2.25 each in 2 years. Beekeepers selling complete hives two years ago were getting $30 per hive. They now get up to $75 per complete hive.
>
> Other countries are protecting their beekeeping industry, as evidenced by Mexico's 35% ad valorem import duty, Argentina's 70%, Japan's 30%, Malaysia's 25¢ per lb and Singapore's 58¢ per lb. The United States tariff presently stands at 1¢ per lb.
>
> I certainly would favor controls on this low priced honey from other countries that depresses the prices paid to United States tax paying beekeepers.

WHAT IS A CARCINOGEN?

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. DOMINICK V. DANIELS of New Jersey. Mr. Speaker, a carcinogen is broadly defined as a substance that causes cancer.

This deceptively simple definition has been the subject of vigorous debate lately, especially in discussions concerning the pending Toxic Substances Control Act and the regulations being developed by the Occupational Safety and Health Administration to protect workers that are exposed to such substances.

On the one hand, there are a considerable number of scientific and medical authorities who believe that any substance capable of causing change in the cell structure—mutagenesis—or that can cause tumors, even though benign, are usually carcinogens, and therefore hazardous.

This viewpoint has been adopted by several Federal health and regulatory agencies, including the Environmental Protection Agency.

On the other hand, agricultural trade groups and chemical manufacturers maintain that EPA's criteria for determining whether a substance is a carcinogen are ambiguous and too strict, and that they should be relaxed or disregarded.

This position does not seem to square with recent evidence developed by the World Health Organization indicating that 60 to 90 percent of all cancers are caused by toxic substances in the environment. Using this evidence as a guideline, it would seem incumbent upon the chemical industry to prove the environmental and health acceptability of a product before it is introduced on the market.

This is the primary thrust of the toxic substances control bill pending before the House Committee on Interstate and Foreign Commerce.

As chairman of the Subcommittee on Manpower, Compensation, and Health and Safety, I have heard extensive testimony from the scientific community about the correlation between exposure to toxic substances and the rising incidence of occupational disease and death among American workers.

I have said on more than one occasion that the workers of America are being used as the miners' canaries of our society. We are testing the toxicity and the carcinogenicity of chemical substances on the working men and women of this country. And these "human guinea pigs" are dying at a rate of 100,000 per year, and contracting occupational disease at a rate of 300,000 per year.

From where I sit as chairman of the subcommittee that oversees the operations of the Occupational Safety and Health Administration, I can see the clear and compelling need for the enactment of a strong toxic substances control bill with premarket testing requirements for the chemical industry.

I accept the evidence presented to my subcommittee by prestigious members of the national health and scientific community that there is a link between toxic substances and cancer in human beings.

I wish all of my House colleagues could have been present at some of the OSHA oversight hearings my subcommittee has conducted. They could have seen with their own eyes the tragic victims of occupational disease. They could have heard heart-wrenching stories from the men and women who have been forced to make a choice between a job and their health. They could have heard how callous industries have ignored their responsibilities to their workers, concentrating solely on the pursuit of bigger and bigger profits.

Well, I have heard these stories, and I have seen these men and women who have been affected by toxic substances, and I need no further evidence to convince me that we must have a strong toxic substances control bill in this country.

Mr. Speaker, the debate on standards of exposure to toxic substances will rage on—of that I am quite sure. But, in the meantime, we have a responsibility to the people of our Nation to protect their health and their environment. I believe the guidelines that are currently being used by the EPA are sound. The chemical industry would prefer for us to wait to compile a dead body count to substantiate standards on toxic substances. I do not believe the majority of my colleagues would share this unfortunate and shortsighted viewpoint.

Mr. Speaker, this morning's New York Times contained a very interesting article on the subject of standards on carcinogens and how carcinogenicity is determined. I believe my colleagues would find this article very interesting and helpful in their continuing study on the issues surrounding the debate on toxic substances.

Mr. Speaker, the article from the New York Times is included at this point in my remarks:

DECIDING WHAT IS A CARCINOGEN

(By Bayard Webster)

Eighteen months ago the Environmental Protection Agency banned the use of the pesticides aldrin and dieldrin, saying that they were cancer-causing substances. Last Christmas Eve most uses of the agricultural pesticides heptachlor and chlordane were suspended by the agency because of an "imminent cancer risk" to humans.

A month later, an agricultural-scientific group took exception to these decisions, charging that the Government agency's procedures for determining cancer-causing substances were based on faulty assumptions.

These opposing views have highlighted a growing controversy over the scientific approaches to determining whether a substance is or is not a carcinogen (cancer-causing agent).

DESCRIBED AS HAZARDOUS

On one side of the argument are Government and independent scientists and cancer researchers who feel that almost any substance that can cause change in cell structure (mutagenesis) or that can cause tumors, even though benign, are usually carcinogens, and therefore hazardous.

In the late 1960's these scientists' views came to be accepted as "principles of carcinogenicity" by several Federal health and regulatory agencies, including the Environmental Protection Agency, which considered them in banning the insecticide DDT in 1970 and other chemicals in later years.

These guidelines, or criteria, for determining carcinogenicity included the broadly stated main principle: Any chemical that is found to cause tumors in animals or living tissue should be characterized as a carcinogen and a hazard to man.

A corollary principle stated that the concept of a threshhold exposure level for any cancer-causing agent was impossible to determine and, therefore, there should be a zero exposure level for the chemical.

On the other side of the argument are agricultural trade groups, farm and garden chemical manufacturers and a number of independent scientists. They are generally of the opinion that the regulatory agency's criteria for determining whether a substance is a carcinogen are ambiguous and too strict and that they should be relaxed or disregarded.

This difference of opinion has come at a time when the growing weight of evidence seems to demonstrate that cancer caused by toxic substances in the environment is one of the most pervasive health problems in the world. According to the World Health Organization, from 60 to 90 percent of all cancers are caused by such substances.

BACKGROUND

From the time man discovered fire, whose smoke produced hydrocarbons and tarry by-products, he has introduced a host of carcinogens into the human environment. Since the Industrial Revolution in the latter 18th century, more than 30,000 chemicals have come into commercial production and each year the list grows by some 1,000 new compounds.

According to Russell Train, head of the environmental agency, only a few thousand of the more than 2,000,000 known chemicals have been tested for carcinogenicity. Of these, 1,000 have been shown to cause cancer in animals and nearly 200 have been demonstrated to cause cancer in humans.

As the number of toxic chemicals proliferated, the environmental cancer problem intensified and began to be studied more closely by concerned scientific groups who came up with the informal guidelines, or so-called "principles," for defining carcinogens.

FOR LESS CONTROL

Most chemical and pesticide makers and the agricultural industry contend that the guidelines are not wholly proven and are too restrictive for the billion-dollar industries that greatly influence the nation's welfare and economy.

The Council for Agricultural Science and Technology, a consortium of United States farm research and trade organizations, argues in a recent report that the guidelines fail to make a distinction between types of tumors. The report states: "All cancers are not tumors, but most tumors are not cancers—some tumors become cancers, but most do not."

The council also argues that substances that cause cancers in animals do not necessarily cause them in humans. The group also says that the concept of zero exposure to any environmental substance is impractical and almost impossible to achieve.

Last month an editorial in Lancet, the British medical journal, stated that the Environmental Protection Agency's cancer principals "vary from the innocuous to the absurd" and added that few experts would accept the proposition of the World Health Organization and others that cancer was mainly caused by a . . . external factors such as chemicals.

FOR MORE CONTROL

Dr. Russell W. Peterson, chairman of the President's Council on Environmental Quality, last month addressed the annual meeting of the Society of Toxicology in Atlanta and supported the environmental agency's use of its principles of carcinogenicity.

"It is a social value judgment," Dr. Peterson said. "And because certain induced tumors transform into malignancies, and because we can seldom predict which tumors will become malignant and which will not, we should regard all tumorigens [tumor-causing agents] as possible carcinogens."

He added that it was "obviously unacceptable to wait from 15 to 40 years [the range of cancer latency periods] to find out whether a suspect chemical will produce cancer in man." He said that "every chemical that induces cancer in animals" must be regarded "as a potential carcinogen in humans."

In a recent letter to Chemical and Engineering News, a publication of the American Chemical Society, Dr. Sidney Weinhouse, director of the Fels Research Institute in Philadelphia, stated: "There are no strict, quantitative criteria that differentiate benign from malignant tumors. So-called 'benign' tumors simply grow more slowly than malignant tumors."

Dr. Harold Stewart, retired chief of pathology at the National Cancer Institute and now a consultant for that agency, also points out the difficulty in distinguishing between tumors and cancers. "You can't really separate the two terms," he said. "We know that if tumors are untreated they will very often metastasize (spread)."

OUTLOOK

In the argument over the proper definition of carcinogenicity and in the tangled thicket of scientists, legislative bodies, Federal agencies, industrial groups and other organizations concerned with the problem, there is little evidence that a solution acceptable to industry and environmentalists, to doctors and lawmakers, to farmers and consumers, is around the corner. But the following actions have been initiated:

The National Cancer Institute is preparing new criteria as suggested guidelines for defining an agent as cancer-causing. These are expected to be made public sometime this summer.

The Environmental Protection Agency is preparing its own guidelines for determining environmental carcinogens using a benefit/risk approach based on the health risk to humans of a substance in the environment matched against its overall benefit to mankind.

A national clearinghouse on environmental carcinogens is being set up by the National Cancer Institute. It would act as an information center and an early warning network for scientists, industry, Federal agencies and other concerned groups.

New, simple and inexpensive ways of testing chemicals for their cancer-causing properties, using bacteria instead of animals, are being examined by the Government's scientific and regulatory departments. Such tests, though not a definitive as the vastly more expensive and time-consuming animals tests, are regarded as promising for ultimately being able to screen substances and determine where or not they have enough harmful potential to merit being examined more closely.

But despite these developments, the road toward establishing accepted definitions of carcinogenicity in the near future seems filled with obstacles, according to most observers.

The National Cancer Institute's latest draft of its new guidelines, for example, is reported to be quite similar to the Environmental Protection Agency's present criteria, which will make the environmentalists happy but which are unacceptable to much of the chemical and agriculture industry.

The promise of simpler test procedures, even if they hold true, are not expected to bear fruit for the next four or five years because it will take that long to thoroughly assess the scope and accuracy of the new methods.

A POSSIBLE APPROACH

One possible approach to the problem of identifying cancerous substances has been proposed by William D. Ruckelshaus, the first Administrator of the Environmental Protection Agency. In an interview in the journal, Science, Mr. Ruckelshaus said that whenever a new "devilish" substance was discovered it should be surveyed by an independent research program prepared by everyone involved—industry, labor, Government and concerned citizens. A review group of scientists of "unquestioned integrity" would then design a research program.

In this way, Mr. Ruckelshaus believes, research data could be generated that everyone could agree on and the matter of acceptable risks—the benefit/risk factor—could then be determined.

But even if such a comprehensive program is begun, many scientists believe it will be years before inexpensive and accurate testing procedures can be developed that can quickly identify cancer-causing substances in man's environment. And it may be equally as long before the various groups concerned come to agree on the proper definition of a cancer-causing agent.

VOTER REGISTRATION ACT

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. MARTIN. Mr. Speaker, one of the sleeper issues this year is the Voter Registration Act, a seemingly innocent bill that could have a devastating effect on the State and local election boards. At the same time, it would invite corruption and confusion in our elections process.

The Voter Registration Act proposes to establish a Federal system of voter registration using post cards. The measure was narrowly defeated in the 93d Congress, May 1974, but this Congress is reputedly more liberal, so sponsors of post card registration will try again. They want to compel election officials to register inanimate post cards without requiring applicants to appear in person.

This scheme is based on the premise that low voter participation in the United States is caused by cumbersome voter registration procedures. The sponsors of this bill are saying that if you simplify the procedure, higher election day turnouts would result. That is malarkey. Members of Congress, of all people, should know the real reason for dropping turnout is that more and more people view their political institutions, candidates and processes with apathy, cynicism or alienation. The Voter Registration Act will not change or eliminate these attitudes.

Consider the experience of several States that have tried post card registration, and it can be shown that there is no correlation between registration procedures and voter turnout. North Dakota, which does not require any prior registration for voting had a 68-percent turnout in the 1972 presidential election. South Dakota, which does require registration, had a 69-percent turnout for the same election. In Texas, voter registration coupons are printed in newpapers. It has one of the lowest registration and voting rates in the country. Maryland and New Jersey have adopted the post card registration system. Neither State has shown voter increases.

To allow people to register to vote simply by filling out a postcard, without showing proof of identity or place of residence, raises the potential for opening up a whole new era of election fraud if it passes. Registrars will not get to see the applicant. How would anyone be able to confirm that a post card applicant is legitimate, and not registered in one or more other precincts, or even alive? If the application is lost in the mail, who will advise the trusting applicant that he or she is still not registered to vote? The resulting confusion will not likely improve voter participation.

This bill will not improve the American electoral process. It will only cheapen and confuse it.

DISPLACED HOMEMAKERS ACT

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. ROUSH. Mr. Speaker, today I am introducing legislation called the "Equal Opportunity for Displaced Homemakers Act," to provide for the establishment of multipurpose service programs for displaced homemakers.

This legislation is long overdue, and is imperative in light of the most recent statistics concerning the growing number of women who are finding themselves in their middle years without any means of private or public support.

This situation has been precipitated by women's longer life spans and the resulting increase in the number of widows. Additionally, our society has traditionally delegated responsibilities of home and children to the American woman; duties which are emotionally satisfying but not directly economically rewarding. As greater numbers of women are finding themselves facing the trauma of being alone either through a divorce, or the loss of a spouse through death, protections must be guaranteed to help these women readjust to a new single life.

The legislation I am introducing today is designed to provide services and opportunities many women have been unable to locate or provide for themselves. This bill establishes many services including job counseling, financial management training, educational opportunities, legal counseling and health education programs.

The Fort Wayne Women's Bureau, Inc., in Fort Wayne, Ind., has reflected the progressive attitude of that community by conducting a 1-day seminar on March 26 on the problems and possible legislative goals faced by the displaced homemaker. The bipartisan women who are interested in this legislation are not seeking the involvement of large amounts of Federal dollars, but are asking for a goal commitment of the Federal Government toward the ideals outlined in this bill.

Mr. Speaker, I hope my colleagues will give favorable consideration to this legislation. Displaced homemakers constitute a large and untapped natural resource our country needs to develop.

BILL INTRODUCED TO PREVENT A MAJOR INCREASE IN TELEPHONE RATES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. ASHBROOK. Mr. Speaker, on April 7 I introduced H.R. 13093, which is designed to prevent a major increase in telephone rates. If Congress fails to adopt this legislation, residents may soon find that their monthly bill for basic local service could increase by perhaps as much as 75 percent.

The congressional mandate under the Communications Act of 1934 is "to make available, so far as possible to all the people of the United States, a rapid, efficient, nationwide, and worldwide wire and radio communications service with adequate facilities at reasonable charges." To help achieve the goal of reasonable charges for as many Americans as possible, telephone companies average out the costs of providing service in a given area. A customer is not assessed the actual dollar value of providing him or her with service. If costs were not averaged, some people would be unable to afford the privilege of having a telephone.

What is now happening, however, is that new communications companies are entering the market. These companies move into the high-volume routes between large cities—routes where the costs are low and the profits high. By handling just these low-cost, high-profit routes, the new companies can price themselves below the telephone companies averaged rates. In summary, the new companies are skimming off the profits without providing the costly in-depth service provided by the telephone companies.

The final result will be higher rates for residential users. People living in the 17th District of Ohio will be forced to bear a much larger share of telephone costs.

My bill, the Consumer Communications Reform Act of 1976, would stop this from happening. A key feature of the bill is the section stipulating that authorizations of duplicative interstate services are contrary to the public interest. This and other features of the bill would halt profit-skimming on major routes.

Inflation has already done enough damage to the average American without adding the additional burden of higher telephone bills. Congress should act immediately to prevent a major increase in telephone rates.

WHY ARE WE ASSISTING EL SALVADOR?

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. KOCH. Mr. Speaker, as a member of the Foreign Operations Subcommittee of the Appropriations Committee, I have been exploring the ramifications of U.S. policy in Latin America. Recently, I had correspondence with the State Department concerning the political and human rights situation in El Salvador. I am appending that correspondence for the interest and information of my colleagues:

Washington, D.C., March 18, 1976.

Robert J. McCloskey,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

Dear Mr. McCloskey: As a member of the Foreign Operations Subcommittee on the Appropriations Committee, I am asked to approve funding for our foreign aid program, both military and economic. I am concerned about the situation in El Salvador. I have been advised of specific human rights violations and of the general threat to the development of democratic forces in the country. I would appreciate your evaluation and comments on these matters, as I would like to discuss the entire subject with my colleagues on the floor of the House.

As I understand the facts, in 1972 a military dictatorship was establishing under the direction of President Arturo Molina, which nullified an election won by a coalition of democratic opposition parties. The United States immediately recognized the Molina government.

During the past four years no less than 41 Salvadorians who opposed the dictatorship have lost their lives or "disappeared". Many others have been forced into exile. These include university professors and students, labor leaders, and church and professional people. A complete list of incidents over a six month period is included at the end of this letter for your verification and comment.

I further understand that a national election for municipal and legislative offices, scheduled for March 14, has been cancelled. Opposition leaders cite the repressive situation as the reason for having pulled out of the election.

I am also advised that there is supposed to be a presidential election in March of 1977. The opposition parties intend to make every effort to mount a successful campaign. Without violating the principle of non-interference in the internal affairs of another country. I wonder if it would be possible for our government to communicate our concern for a free election and make clear our support for reinstitution of the democratic procces.

I would also like your opinion as to what effect our military assistance program may have on the retardation of the democratic process. Has our military aid program increased in recent years. If so, why?

I would appreciate your prompt response to these issues, as I would like to discuss this subject with my colleagues in the near future.

Sincerely,

Edward I. Koch.

El Salvador: Human Rights Violations, April–October 1975

April 17, 1975: Juliano Flores Mejia, political leader, arrested in the Parque Infantil at 7:30 A.M., Disappeared.

June 6, 1975: Massacre of "Tres Calles", rural community in El Salvador. At least six persons killed by soldiers, including Jose Alberto Ostorga, 58; Jorge Alberto Ostorga, 28; Jose Alfredo Ostorga, 23; Hector David Ostorga, 15; Santos Alvarado Morales, 38; and Francisco Morales Mejia.

July 30, 1975: Massacre in downtown San Salvador. Soldiers and police allegedly fired into crowd, killing 4 and producing 22 "disappearances". Those killed were Roberto Antonio Miranda, Balmore Cortez Vasquez, Carlos Fonseca, and Maria Evelia Miranda. The "disappearances" were Marlene Lopez, Maria Julia Lopez, Guillermo Aparicio, Guillermina Lopez, Mario Pleites, Norma Velasquez, Julio Cesar Velado, N. Hasbun, Omar Martinez, Hugo Flores Cordova, Julio Ramirez, Gustavo Martinez, Maria Cecilia Arias, Alfredo Serrano, Joaquin Romero, Francisco Menendez, Arture Sanchez Burgos, Napoleon Calderon Grande, Carlos Humberto Hernandez, Sergio Antonio Cabrera, Eber Gomez Mendoza, and Jose Domingo Aldana.

August 13, 1975: Carlos Mauricio Carballo, political leader, arrested at 4:30 p.m., near the City Hall, disappeared.

September 26, 1975: Rafael Aguinada Carranza, labor leader and leader of political coalition (UNO), shot 13 times by unknown assassin.

September 27m 1975: Jesus Miguel Angel Hernandez, kidnapped at funeral of Carranza and shot to death by unknown assassins.

October 1, 1975: Jose Ernesto Sorto, Secretary General of the Textile Workers Union and political leader, kidnapped at 3:30 P.M., disappeared.

October 12, 1975: Victor Manuel Sanchez, labor leader in La Union, kidnapped and disappeared.

April 9, 1976.

Hon. Edward I. Koch,
House of Representatives.

Dear Mr. Koch: Thank you for your letter of March 18 inquiring about the human rights situation in El Salvador.

The present Government of El Salvador, headed by Colonel Arturo Armando Molina, was elected in February, 1972, Molina received 41.5 percent of the votes cast in the election; his opponent received 40.3 percent. The opposition coalition alleged fraud in the tallying of the popular vote. Since neither candidate received a majority, the Legislative Assembly was called upon to select the president. It chose Molina. Subsequent to the Legislative Assembly action, dissident Armed Forces officers tried to overturn the results by staging a military coup. Their attempt was unsuccessful and Molina was inaugurated to a five-year term on July 1, 1972. Since the changeover of government proceeded in accordance with constitutional norms, the question of U.S. recognition did not arise.

During the past year there have been a number of incidents of public violence in El Salvador, including those mentioned in the attachment to your letter. Our Embassy in San Salvador has followed the situation very closely and has provided up-to-date reporting on these events. The incident at Tres Calles on June 21, 1975 resulted in the death of six persons. According to the Government of El Salvador, the deaths occurred when National Guard personnel returned fire after being shot at while attempting to apprehend a suspect in a murder case. The opposition party disputed this account. Violence erupted again on July 30 when a student march, protesting expenditures for a Miss Universe contest, tragically led to a number of deaths and injuries. The Salvadoran Government stated that the protesters fired with automatic weapons and molotov cocktails on National Guardsmen monitoring the demonstration, causing the Guardsmen to react by shooting into the crowd. The official count listed two dead; other versions estimated the death toll to be between six and 12 persons. On September 26, Rafael Aguinada Carranza, an opposition deputy in the Legislative Assembly, was killed while driving in downtown San Salvador. The assailants fled after the murder and to our knowledge have not been identified or apprehended.

Additionally, several persons were killed in a raid on a border outpost, terrorists seized control of a number of radio stations and there were two successful and two unsuccessful kidnapping attempts in El Salvador last year. The Peoples Revolutionary Army, a self-styled Marxist organization, has taken credit for these events.

Less information is available on the disappearance of the individuals mentioned in the attachment to your letter. I have asked our Embassy in El Salvador to look into this.

Legislative and municipal elections were held in El Salvador on March 14. The Government party ran virtually unopposed in this contest because the opposition coalition withdrew, charging chicanery on the part of the government-appointed electoral commission.

We share your concern over the future of the democratic process in El Salvador. It is our hope that the presidential elections scheduled for February, 1977, will be conducted in a free and open manner, and we shall look for opportunities to make that known to the Government of El Salvador.

With regard to your question on security assistance, we do have a modest program in El Salvador, but funding levels are declining rather than increasing. During the present fiscal year, we are providing El Salvador with $300,000 in grant material and $840,000 in training. Additionally, $2.5 million in Foreign Military Sales credits were offered, but the Salvadoran Government decided not to utilize them. For FY 1977, we have proposed phasing out grant material, and providing $600,000 in training and $2.5 million in Foreign Military Sales credit. I do not believe that the Military Assistance Program in El Salvador has had either a positive or negative effect on democratic processes in that country.

Sincerely yours,

Robert J. McCloskey,
Assistant Secretary for Congressional Relations.

QUEEN ISABELLA DAY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. MURTHA. Mr. Speaker, April 22 will mark a day that is very important to the history of our Nation, and of particular importance to a community in the area I represent.

April 22 is the 525th anniversary of the birthday of the woman who is largely responsible for the discovery of America, Queen Isabella of Spain.

I am honored to have as one of my constituents Mr. John Paul Paine who is president of the National Committee for a Queen Isabella Day. 1976 is the 10th anniversary of the founding by Mr. Paine of the national committee to honor the Queen. Also, Ford City was the first community in the United States to proclaim Queen Isabella Day under the direction of Mayor John Hand.

Mr. Paine and the committee members had hoped President Ford would declare April 22 as Queen Isabella Day. It would be particularly appropriate since Spain's King Juan Carlos who is a direct descendant of Isabella will be touring the United States beginning June 1.

In any event, I am pleased to remind the Members of the backing and support given by the Queen to Christopher Columbus, and I hope we all remember her contribution in this Bicentennial Year.

THE RETIREMENT OF CONGRESSMAN TORBERT H. MACDONALD

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. McKINNEY. Mr. Speaker, like my colleagues I was very disappointed to learn that the House and the New England caucus will be losing one of its outstanding Members at the end of the 94th Congress. The retirement of our friend, TORBERT H. MACDONALD, will certainly affect us all here in the House but the loss of his influence and advice will have an even greater impact for us in the Northeast.

When the distinguished majority leader made the initial announcement on the floor of TORBY's decision to retire, Mr. O'NEILL recounted many of TORBY's major legislative accomplishments during his 11 terms representing Massachusetts' Seventh District. That lengthy list included bills dealing with some of the most serious problems confronting the Nation in recent years, among them energy, regulatory reform, and transportation.

Although party affiliation seated us on opposite sides of the aisles, geographically we had similar constituencies and his attempts to resolve our mutual problems usually found me as one of his solid supporters. There is a natural tendency among politicians to look after the home district first, but TORBERT MACDONALD has had that rare ability to focus on the national problems, not to the exclusion of his constituents' interest but to the benefit of the country's. His commitment and devotion to both of these constituencies has been an inspiration to his colleagues in the House of Representatives. I have had the pleasure of serving in this body with TORBY for the last three terms. During these years I have seen how effective his leadership on the Interstate and Foreign Commerce Committee has been. His skillful guidance through passage of the Emergency Petroleum Allocation Act, the sports antiblackout law and legislation to create and fund a public broadcasting network are only the most visible of his legislative achievements.

His performances as chairman of the former Power and Communications Subcommittee and the current Communications Subcommittee are frequently cited as examples of fairness and effectiveness in the legislative process. Witnesses appearing before him knew when their homework was incomplete because the chairman always put them to the test.

As I have so often heard from his contemporaries, there is much about TORBERT MACDONALD that the public and we "newcomers" to Congress have not seen. His ability as an athlete in Harvard, his outstanding record in the Navy during World War II—as evidenced by the Silver Star displayed so proudly in his office—his service as personal adviser to his friend and President, John Kennedy: These are just a few of the unseen elements of the man.

When away from the Hill, sports continue to be one of his major interests. If you ever want to know how any of the Boston teams are doing TORBY can give you the scores and the standings. I still have a vivid recollection of the World Series last fall when the rains came to Fenway Park during one of the games. The picture of TORBY sitting through the downpour, his indifference to the weather as obvious as his enjoyment of the game, typifies the Boston fans. The love of competing is almost as great as the pleasure of winning, and we all know what a competitor TORBY is.

All Americans owe a debt of gratitude to TORBERT H. MACDONALD for his years of service to the country. We shall miss his presence here on the floor, but after 22 years as a Member of Congress, we cannot begrudge him the opportunity to return to New England to relax with his family. TORBY, let me add to the chorus my best wishes for many years of good health and happiness and thank you for the job you have done for us all.

A TRIBUTE TO ALMA OWENS EASOM

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. ROSE. Mr. Speaker, I wish to pay special tribute to Miss Alma Owens Easom, distinguished citizen of Fayetteville, N.C., and one of our country's outstanding educators. It is a privilege for me to share with Members of the House my feelings about this great lady.

Miss Easom was born in Selma, N.C., and received her undergraduate and graduate degrees from East Carolina University in Greenville, N.C. Her first teaching job was in her native Johnston County, but she later settled in Cumberland County and the city of Fayetteville.

For the past 17 years, Miss Easom has served as the principal of the West Lawn Elementary School. From personal experience, I can attest to her dedication to learning and to her sincere love of children. She is patient when others are exhausted; she is accepting when most of us would feel critical.

This year will be her last as principal of West Lawn and Mayor Beth Finch has proclaimed April 29, Alma Owens Easom Day, in Fayetteville.

I applaud this action by Mayor Finch and the city of Fayetteville to pay tribute to one of the finest citizens of the community. One day is hardly equal to the hundreds of days in which Miss Easom has served our children, but it will serve as a reminder of her contribution and will cause us to recognize her talents and gifts with careful consideration.

The proclamation issued by Mayor Finch follows:

PROCLAMATION

Whereas, Alma Owens Easom has for many years, dedicated herself to the enrichment of the lives of the children of our community with outstanding devotion, and

Whereas, Alma Owens Easom has given her entire life to meeting the needs of our young ones with the most advanced methods available in the field of education, and

Whereas, she has taught and served as Principal of Central School and served with distinction as Principal of Westlawn Elementary School,

Now, therefore, I invite my fellow citizens to join with me in observing that Alma Owens Easom, an outstanding and distinguished educator, is retiring as of June, 1976, and that she is worthy of our gratitude and continuing appreciation for benefiting our entire community with her outstanding efforts on behalf of our children.

I, do, therefore, proclaim Thursday, April 29, 1976, anno Domini, Alma Owens Easom Day in the City of Fayetteville, North Carolina.

DELORES (DEE) KOPF HONORED

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. RUSSO. Mr. Speaker, today I wish to honor Mrs. Delores (Dee) Kopf, head librarian at the Oak Lawn Public Library in Illinois, who is retiring after 30 years of dedicated service.

Mrs. Kopf started as assistant librarian in a little red barn that had once been a pigeon roost. The book circulation at that time was about 30 books a day with library card holders numbering only 400. The library later moved, along with Mr. Kopf, into an old house purchased by the library board and then when ground was broken in 1955 for the present library building, Mrs. Kopf was there a well.

For the past 20 years, Mrs. Kopf has served as head librarian, and today that library is undergoing its fourth addition and serving more than 43,000 library card holders. This fine lady had played a significant role in that growth and in the community's ever-expanding use of the library, and I am sure many well-wishers will be gathered at the open house on April 25 to thank her personally for her contributions. Sponsored by the library board to honor Mrs. Kopf, the day will be a special one, I am sure, for a very special person.

Any of us that have ever benefited—and I am sure that that is most of us—from the public library and welcomed the guidance of a knowledgeable librarian, understand the value and importance of that institution and that person in our lives. As Emerson once said:

> Consider what you have in the smallest chosen library. A company of the wisest and wittiest men that could be picked out of all civil countries, in a thousand years, have set in best order the results of learning and wisdom. The men themselves were hid and inaccessible, solitary, impatient of interruption, fenced by etiquette; but the thought which they did not uncover to their bosom friend is here written out in transparent words to us, the strangers of another age.

Mrs. Kopf has been the link to the "diary of the human race" for countless people through the years. She has enriched the lives of many and I know my colleagues join with me in commending her and wishing her a most enjoyable retirement.

REVENUE SHARING REFORM

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. FASCELL. Mr. Speaker, as Congress considers extension of the general revenue sharing program, many of those who have examined the program during its first years of operation have concluded that a number of revisions are necessary to achieve greater efficiency and equity.

As sponsor of legislation to improve the program in such areas as citizen participation, civil rights, and funding more closely targeted to need, I am hopeful that sound reforms will be incorporated in extension proposals currently being considered by the Subcommittee on Intergovernmental Relations and Human Resources of the House Committee on Government Operations.

As an example of the wide editorial support for revenue sharing reform, I would like to include at this point an editorial published on April 12, 1976, in the Miami Herald.

The editorial follows:

Revenue Sharing Weak Spots Call Out for Strong Revision

> Congress is beginning now to put together a bill that will extend federal revenue sharing to state and local jurisdictions as governors and mayors anxiously look over its shoulder. They have come to depend heavily on the federal funds which are being distributed under the five-year, $30.2 billion program which is scheduled to end this fiscal year.
>
> Without federal revenue sharing many local governments would have found themselves fighting off bankruptcy, or overburdening the local taxpayers, or stripped down to shell structures that failed to meet the vital needs of the citizens. There is no doubt that revenue sharing has been a blessing to both politician and taxpayer. It is based on a sound concept, sometimes described as the "new federalism" which allows more of the decisions to be made at the local level, where the people are.
>
> Experience has proven, however, that there is room for improvement in the program if its high cost is to receive continued justification in light of other pressing demands being made on the federal treasury. Now is the time for the nation's lawmakers to take an honest look at this worthy endeavor and shore up the weak spots which in time could lead to its demise. Students of government who have no special ax to grind have made careful studies and found that in too many cases the program has not returned government decision-making to the people but merely has made it easier for the same old politicians to continue pursuing their same old inefficient methods of running local government.
>
> In most places there has been glaring default in citizen participation, with the public not even properly informed on how the money is being spent. Formulas for distribution of the funds appear to be short-changing the cities and other areas which are facing the greatest challenges with poverty populations. In many jurisdictions, minorities and women are not being sufficiently protected.
>
> One study made by four national groups including the League of Women Voters Education Fund, found the program "seriously deficient in many respects" and complained, among other things, that "the funds provided by this massive program have sunk largely without a trace—leaving in their wake neither new mechanisms for citizen involvement nor new plans or strategies for delivering needed services more effectively."
>
> Though it has accomplished enough of its goals to warrant renewal, the federal revenue sharing program has failed in enough of them to warrant revision.

THE HATCH ACT IN DANGER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. DERWINSKI. Mr. Speaker, as the Members know, yesterday the President vetoed H.R. 8617. In vetoing the bill, the President said:

> The Hatch Act is intended to strike a delicate balance between fair and effective government and the first amendment rights of individual employees. It has been successful, in my opinion, in striking that balance.

It is my understanding that an effort to override has tentatively been set for April 29.

I direct the special attention of the Members to a most impressive editorial commentary on the Hatch Act in the April 2 Chicago Daily News. This editorial provides us with excellent reasons for sustaining the President's veto.

The editorial follows:

The Hatch Act in Danger

> Congress has passed a bill to amend drastically the Hatch Act, the 17-year-old prohibition on political activity by most federal employes. The action would be more immediately disturbing had President Ford not promised repeatedly to veto the bill. There is cause for concern, nevertheless. For efforts to repeal the Hatch Act are likely to continue under other administrations.
>
> The Hatch Act was passed in 1939 to correct the patronage abuses in federal employment. While political hirings and firings continue at the administrative level, the vast majority of federal civil servants are secure in their jobs from being forced to contribute to politicians and to work in campaigns. It is an important protection for hundreds of thousands of career government workers. And despite a well-organized repeal campaign by several government employe unions, there has been no showing of widespread support among the civil service rank and file for sweeping Hatch Act changes.
>
> Concern about the law extends beyond protecting some 2.8 million federal employes and postal workers from political intimidation and manipulation. The law works also to protect the public served. As Supreme Court Justice Byron White wrote in 1973 when the court upheld the Hatch Act: "It is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service." Federal employes should have loyalties that extend beyond the parties in power, or the whims of powerful congressional committee chairmen who oversee their particular departments. As Civil Service Commission chairman Robert E. Hampton testified before Congress, the act limits the possibility that an employe's political views, or political pressure exerted upon him, interferes with his work.
>
> The greatest amount of pressure for Hatch Act changes comes from organized labor. The postal unions, whose outsized wage gains have done much to create the postal service crisis, are big in the picture. AFL–CIO President George Meany is for the Hatch Act changes, obviously desirous of increasing his political muscle by organizing federal employes behind labor-backed candidates.
>
> The bill cleared both houses of Congress this week by margins insufficient to override a veto. But those who would gut the Hatch Act, and politicize federal workers not only in Washington but throughout the country, will be back at their game unless voters make known their concerns.

SER/JOBS FOR PROGRESS

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. STEELMAN. Mr. Speaker, the board of directors of SER/Jobs for Progress is meeting in Washington this week, and I would like to bring to my colleagues' attention once again the fine record of this organization.

SER/Jobs for Progress enters its second decade of operation with an outstanding record of accomplishment that deserves our continued recognition and support. From its beginnings in 1965 with a job placement center, SER has expanded and become one of the Nation's most successful manpower training programs.

The effectiveness and success of SER cannot be disputed. Through hard work and determination SER has demonstrated its ability to reach and train large numbers of economically disadvantaged citizens. SER's programs for education and job training have enabled many Spanish-speaking men and women to gain the self-confidence and skills they need to compete in the labor market for meaningful employment and become productive participants in the community.

The Comprehensive Employment and

Training Act of 1973 presented SER with a new situation by distributing the bulk of Federal funds to SER projects through local and State governments, hence severely restricting national coordination. SER has met this challenge with continued outstanding performance in providing practical help for unemployed and underemployed Spanish-speaking Americans.

SER has done an excellent job in easing the cultural and language difficulties Spanish-speaking Americans face while attempting to enter the job market. The instillment of self-reliance in the Spanish-speaking community is an accomplishment of which SER can be proud and it has been my pleasure to work with SER for Federal funding over the last 3½ years since I have been in Congress.

SUPPRESSION OF INNOVATION—PART III

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. SYMMS. Mr. Speaker, in the following excerpt, Professor Wardell argues that a more positive approach to drug regulation is needed in the United States. He rejects the overemphasis placed upon toxicity data by the FDA and argues that "if even one new drug of the stature of penicillin or digitalis has been unjustifiably banished to a company's back shelf because of excessively stringent regulatory requirements, that event will have harmed more people than all the toxicity that has occurred in the history of modern drug development." I might point out that some experts in the field of pharmacology believe that if penicillin were to be discovered today, it would never be approved for marketing by the FDA. It is extremely toxic to guinea pigs and, under the existing regulatory scheme, much emphasis is placed upon animal toxicity data. Dr. Wardell points out the shortcomings of this approach:

WHAT DO WE REALLY NEED; HOW CAN THINGS BE IMPROVED?

In the previous section, I showed that most of the rubrics upon which the current process of drug development is based, while superficially reasonable, have grave deficiencies which make them untenable. Here we shall explore some alternative approaches.

The overriding needs are that existing drugs should be used well and that the development of better drugs should be encouraged. If legislation is used at all, it should be aimed at these ends. Other considerations such as prices, profits and monopolies, while important, are secondary. Since the cost of drug therapy is less than 10 percent of total health-care costs, even larger reductions in expenditure on drugs will have at best only a small impact on such total costs. One should therefore be clear about what benefits have to be sacrificed if financial savings are sought. If economic considerations are to enter at all, they should be considered in broader contexts such as the overall costs of drugs versus their benefits, the stimuli for innovation, and the costs and benefits of drugs in relation to the whole health-care system.

There is no serious criticism of the present way of controlling drug identity, purity, quality, formulation and (to some extent at least) bio-availability. The present system has adequate legislative teeth, and enforcement seems to be good. We need to focus on the more complex issues of safety, efficacy, and decision-making. These lead up to the question of the control or guidance of drug utilization.

There is scope for improving the existing system along the following lines:

Re-orient and improve drug evaluation and surveillance. However a decision may be reached, its quality will depend on the information on which it is based. More and different information is needed at both preclinical and clinical levels.

We have already seen that predictive tests based on animals do not remove all risk for man. Some of the data needed to clarify this problem exist, but they are in the files of industry and the regulatory agencies, where they have not hitherto been available for answering broader questions. We need to know precisely what risks are incurred by those humans who take a new compound in its early clinical stages, and to what extent prior animal tests alter those risks. We also need to examine more closely at what clinical stage of development (early or late) the most serious human toxicity occurs. Against this we need to weigh how the criteria used for performing and interpreting animal tests affect the risk of discarding useful compounds.

If even one new drug of the stature of penicillin or digitalis has been unjustifiably banished to a company's back shelf because of excessively stringent regulatory requirements, that event will have harmed more people than all the toxicity that has occurred in the history of modern drug development. It is entirely conceivable that the losses from premature rejection of a drug through excessively conservative interpretation of animal toxicity tests are more harmful than the toxicity that would be experienced in earlier drug studies in man.

Are there adequate safeguards in the existing drug development process (at either industrial or regulatory levels) to prevent potentially valuable drugs from being discarded at the preclinical stage? There appear to be none; the present system seems designed to spawn errors of this type, and we will never know how many valuable compounds have been lost to man in this way. A corollary of this is that, in view of the safety of early drug evaluation in man, the constraints on this process should be relaxed to encourage the testing of more compounds at earlier stages of development, and after less animal testing, than is now customary. The Pharmaceutical Manufacturers Association has, in fact, proposed a "Research IND" to facilitate the acquisition of a limited pharmacologic profile of investigational drugs in man at an earlier stage. The place of exhaustive animal testing, if it has a place at all, is after compound has been shown in early human studies to have some promise.

Earlier human trials, together with closer and more scientific surveillance of drugs in man, seem reasonable alternatives to the present reliance on animals, but surveillance must extend beyond the point of marketing. Just as preclinical toxicity testing can never guarantee a drug's safety in man, neither can the small numbers of closely-monitored patients who participate in premarketing trials guarantee its safety in the population at large. Given these facts, the options of a regulatory agency should hinge to a significant degree on the quality of postmarketing surveillance. If postmarketing surveillance is poor or nonexistent, then the decision to approve a new drug is a grave and essentially irreversible one and should be delayed as long as possible (forever?). If, on the other hand, postmarketing surveillance is rigorous enough to detect even rare and mild toxicity in man at an early stage, then drugs can be approved much more rapidly, with confidence that (provided information from the surveillance system is acted upon) no great harm to the community will ensue even if the drug does turn out to have unsuspected hazards.

An obvious improvement that has not received much attention in the United States would be some kind of gradual, monitored release of a drug instead of the all-or-none, unmonitored release that occurs at present when a drug is approved for the market (Lasagna, 1971). If the initial release were restricted to individuals or institutions with special training and resources to handle and monitor the problems of new drugs in their clinical specialties, then drugs could be released at a considerably earlier stage than is deemed advisable at present. A scheme of this type could be incorporated into the system of utilization controls to be described later.

The resources available to develop and regulate new drugs are not unlimited. Excessive reliance on animal screening and premarketing clinical trials are probably not an effective way to use such resources. Society would benefit more from directing a greater proportion of these resources toward responsive clinical drug surveillance than toward raising the preclinical and premarketing hurdles still higher.

Measure drug benefits. Regulatory philosophy in the United States has for too long been obsessed with the extreme approach of *primum non nocere* instead of the more balanced one of "first do some good for the patient." Postmarketing surveillance should not be confined to detecting the adverse effects of drugs. All decisions about risk and benefit are currently severely hampered by the poverty of data on the benefits drugs produce under conditions of actual use. Imbalanced decisions result when imaginary data on benefit are weighed against the voluminous (if often scientifically questionable) data available on hazards. There is a great need to develop methodology for measuring benefit in a number of forms, including economic and social in addition to medical. It would be desirable to ensure that surveillance schemes devote as much effort to measuring the benefits drugs cause as to detecting hazards. The obvious point has not yet penetrated far into American regulatory consciousness. At a meeting of the FDA's Biometric and Epidemiological Methodology Advisory Committee as recently as May 16, 1973, Phase 4 studies were defined exclusively in terms of the assessment of drug safety. There was no reference to any effects of drugs other than harmful ones. We still have a long way to go.

Surveillance and general information-gathering operations should, furthermore, extend beyond the confines of the United States. Information about the effects of new (or indeed any) drugs on man is a precious world resource. A national agency that disregards foreign data (or, by creating idiosyncratic standards, effectively excludes foreign data from its purview) gratuitously denies itself the benefits of this source. Furthermore, by forcing its own medical scientists to duplicate existing data, it tends to lower the intellectual standard of clinical pharmacology in its own country, to raise the risk and cost of drug research, and to suppress the innovative process.

Official FDA policy with regard to overseas experience was, until very recently, remarkably parochial. It was only in 1972 that the FDA reversed its specific policy of ignoring evidence on efficacy obtained overseas. Until that time, evidence of drug efficacy gained in clinical studies abroad was in general unacceptable to the FDA as pivotal evidence in a New Drug Application. (A double standard appears to have existed for interpreting foreign data. In some therapeutic areas, it is alleged that FDA policy was to regard all evidence of harm from abroad as acceptable no matter how poor its quality, while no evidence of efficacy or benefit was acceptable no matter how high its quality). To what extent the new trend actually comes to be implemented remains to be seen. The policy of ignoring foreign clinical data on efficacy, and of requiring American studies of a drug to begin ab initio has been one of the most arrogant notions held by any party in the history of drug regulation. The effects of this attitude on the American patient have already been documented. The way in which the ideas came into being and held sway for so long should be examined.

Improve drug utilization. The ultimate aim of any system of drug regulation should be to optimize the utilization of existing drugs and to promote the development of better drugs. Improvement of utilization is of special importance because, if drugs were used perfectly, few constraints on the process of drug development would be ncessary. Failure to optimize drug utilization is responsible for many of our present woes, not the least of which are the regulatory constraints on the process of drug development and the practice of medicine.

The whole concept of influencing drug usage to ensure maximal benefit raises important questions that have not often been explicitly answered. Drugs that are effective are potentially hazardous as well: If used correctly they may benefit some patients—even the majority—greatly, but they will also harm at least a few patients. It is to be expected that, under some conditions of use, more patients could be harmed than helped by a particular drug. This is one cause of the conflict between the currently visualized role of a regulatory agency, which appears to be directed towards minimizing drug toxicity to the community as a whole, and the role of the practicing physician who wishes to design optimal therapy for individual patients.

The patient's need is to receive the drug most appropriate for his illness and special characteristics, and for that drug to be used in a way that will maximize its benefits and minimize harm. These needs exist regardless of whether or not that drug which is most appropriate has been marketed in the U.S. A knowledgeable physician should be able to prescribe any drug that the patient really needs no matter what that drug's status happens to be in any country's regulatory pathway. Recently, retarded black girls in a Southern state were subjected to surgical sterilization because the long-acting injectable contraceptive on which they had been satisfactorily maintained had not been fully approved for general marketing. This is a particularly glaring example of failure to take into consideration the patients' special needs with respect to new drugs.

What is needed from a regulatory agency with respect to yet-unmarketed drugs is obvious. It should provide information on the drug so that it can be used sensibly; it should ensure that the drug's use is studied in a way that yields data of scientific value; and it should safeguard the majority of patients who may not be in special need of the new drug. It should certainly not deny the drug to patients who really need it. At present in the United States, important needs are unmet. Most patients have no access to unmarketed drugs; access is possible—but generally difficult—for drugs that are already under investigation in the U.S., and impossible for drugs that do not yet have an IND unless the drug is smuggled in from abroad.

Controls of some type are desirable over new drugs and those in the development process. The main question is from what quarters should they arise, and how restrictive need they be?

The general concept that some uses of a drug are more appropriate than others is attractive. In principle, it is one sensible method of improving the use of already-marketed drugs, and it should allow hazardous drugs to be released on the market (or released at an earlier stage) with confidence that prescribing can be directed towards appropriate situations. However, the notion of "approved" and "unapproved" uses that currently exists in the United States has fatal deficiencies. The measure is being applied not as a tool to make effective drugs available sooner but as a restrictive measure, a glaring examine being β-blockers in angina and hypertension.

The "approved use" type of control is at present exerted by a quasi-legal measure of still undetermined strength, which is not understood by most physicians. The FDA is, unhappily, put squarely into regulating the practice of medicine. Enforcement is ultimately through the courts; at present the sanction is an indirect one through medicolegal channels (a creative product of legal minds at the FDA, probably not bargained for by Congress); but some current proposals under consideration seek to give such FDA regulations the effect of law. It is not at all surprising that the FDA's proposed rulemaking on approved uses of drugs has provoked a storm of protest from the medical profession, most notably the American Medical Association. The medical profession and the FDA are obviously on a collision course, involving perhaps the most important issue of its type in the history of therapeutic practice. Either the FDA's measures are doomed to failure, or the medical profession will yield the prerogative of treating patients as it thinks best.

The other measure, control over access to the market, is also used in the U.S. for both new drugs and old. New drugs can be denied access to the market; old drugs can be removed from the market if they are found to be "unsafe" or "ineffective"; or (it has been officially proposed) if they come to be used "inappropriately" (for example, for unapproved uses or in inappropriate dosage) by the medical profession. We have already discussed the crudity and mixed blessings of this type of control. It is not suited to the control of drug utilization at all, and its use for this purpose is inappropriate.

A curious feature of the American drug regulatory system is the faith placed in product labelling as the basis of an all-embracing scheme of regulatory control. This is part of the "foodstuffs" heritage of drug control in this country, for which such an approach is admirable. When applied to drugs, labelling does have some attractive features, for example as a means of controlling advertising. It is totally unsuited, however, to controlling the behavior of physicians in specific therapeutic situations, in which it is coming to be used as a yardstick by which deviations from "acceptable" practice can be measured and deterred in medicolegal, if not yet frankly legal, terms. It is highly presumptuous for a regulatory agency to pretend that a brief, generally undocumented and often arbitrary and unbalanced label can substitute for and supersede the entire scientific and medical literature. If labelling comes to be abused in this fashion, we should consider eliminating labeling altogether.

A major defect of all the measures discussed so far is that they apply without distinction to all physicians in the country. That is, a specialist cardiologist at a university hospital is deterred or prevented from using 6-blockers in angina and hyptertension to the same extent that a dermatologist is deterred. This seems illogical, if only because the members of the committee which makes such decisions will seldom be as qualified or experienced as every one of the specialists their decisions will bind.

A PATRIOT'S BIRTHDAY

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. DU PONT. Mr. Speaker, 200 years ago, men and women from many different backgrounds and national heritages came together to form a new nation, one which embodied new principles of freedom and individual liberty. In accordance with the Bicentennial, it is appropriate that we commemorate those Americans who made the birth of our Nation possible. One such person is Michael Hillegas. The 247th anniversary of his birth will be this April 22.

Michael Hillegas was the first Treasurer of the United States. On July 29, 1775, by action of the Continental Congress, Mr. Hillegas and George Clymer were made joint treasurers of the United Colonies. When Mr. Clymer took his seat in Congress on August 6, 1776, Michael Hillegas became the sole Continental Treasurer. He was officially appointed Treasurer of the United States in 1777. Here he served until September 11, 1789, guiding this Nation through the financial difficulties of our formative years.

In addition to being Treasurer, Michael Hillegas pursued many other careers and interests. To begin with, at the age of 21, Michael Hillegas became the manager of his father's counting-room business. In later years by shrewdly investing in sugar refining and the manufacture of iron, Mr. Hillegas acquired a small fortune. In 1765 until 1775, he was a member of the Provincial Assembly of Pennsylvania and on the commission to credit and settle the accounts of the general land office and other public accounts. On June 30, 1775, Mr. Hillegas was appointed treasurer of the Pennsylvania committee of safety and in 1776, in addition to his duties as Continental Treasurer, he served as treasurer of the province of Pennsylvania. In 1793, he acquired the position of alderman in Philadelphia and remained in office until his death in 1804. This list of services continues almost indefinitely, forming a very extensive and impressive record of past accomplishments.

To his friends, Michael Hillegas was known as a philosopher and philanthropist. During the Revolution, in the form of gifts or loans, he contributed a substantial portion of his wealth in order to support the army. Michael Hillegas was also a very spiritual man, serving as a clergy for a number of years. He married Herritta Boude in 1753 and raised a family of 10 children.

In celebration this year, let us pay tribute to this important colonial statesman, Michael Hillegas. He was an influential and prominent character of our American heritage and should be remembered for his role in creating our first National Government.

THE INTERNATIONAL BALL OF THE AMERICAN RED CROSS, NASSAU COUNTY CHAPTER

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. WOLFF. Mr. Speaker, we are all aware of the humanitarian services provided by the International Red Cross. Founded by Clara Barton during the Civil War, the American Red Cross later became an essential part of the larger international organization providing relief to millions both at home and abroad. In addition, the county and district subunits in the United States provide services to fill the specific needs of their communities. Some of these essential services include their blood programs, assistance to the families of active servicemen and veterans, as well as disaster relief and safety programs.

It was my pleasure to attend the international ball of the Nassau County, N.Y., chapter of the American Red Cross which was held in Muttontown—East Norwich, N.Y., on March 26. I was honored to be named cochairman along with our colleagues from New York, JEROME A. AMBRO, NORMAN F. LENT, and JOHN W. WYDLER. The international background of the Red Cross organization was reflected in the guests of honor who attended the ball. These guests include His Excellency Ambassador Eamonn L. Kennedy, Permanent Representative of Ireland to the United Nations; the Honorable Oliverio Rossi, Minister/Counsellor of Italy to the United Nations; the Honorable Amos Ganor, Deputy Consul General of the State of Israel; and Mrs. John W. Sheppard, representative of the League of Red Cross Societies to the United Nations.

The committee for the international ball for the Nassau County chapter was chaired by Mrs. Robert B. Kullman and included Mr. Wesley L. Bailey, Mr. Thomas J. Calabrese, Jr., Mrs. W. Kenneth Chave, Jr., Mrs. Joseph Corsentino, Mrs. F. Trubee Davison, Mrs. Charles J. Fuschillo, Mrs. Henry U. Harris, Mrs. Irving Hugel, Mr. Edna McDonough, Mr. James A. Murphy, Mrs. Edmund Ocker, Mrs. Robert L. Payton, Mrs. H. John Plock, Jr., Mr. Frank M. Rasbury, Mrs. Richard E. Russell, Mr. Lloyd N. Sanford, Mr. George C. Soos, and Mrs. Jerome J. Weinstein. Mrs. Irving Hugel of Great Neck, N.Y. was extremely instrumental in making the ball a great success.

Anyone who has been unfortunate enough to witness a disaster or emergency situation either at home or abroad, can appreciate the work that this fine organization does. In a world which is threatened by natural disaster as well as emergencies caused by man's inhumanity to man, it is a consolation to know that the International Red Cross is always there willing to lend a helping hand.

SYNTHETIC FUELS AND H.R. 11494

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am pleased to inform the House of Representatives that support and interest in legislation, H.R. 11494, to encourage the development of synthetic fuels are increasing each day.

There is a growing awareness in this country that we are running out of oil and natural gas, imports now are larger than domestic production and that you cannot fuel automobiles and gas appliances with higher price tags. The latter simply get stuck in the pipes.

I am sure another Arab embargo would hasten congressional and public realization of what needs to be done as quickly as we can do it and that is develop a viable synthetic fuels industry in America. But let's do it without the agony of another embargo.

I am inserting at this point in the RECORD some excerpts from an article which appeared in the April edition of Professional Engineer magazine. The following highlights the problem, which would be solved by provisions of H.R. 11494:

EXCERPTS FROM PROFESSIONAL ENGINEERING MAGAZINE

The rationale for developing a synthetic fuels production capacity is rather basic. A recent federal government report on the subject put it this way: "Although the development of Alaskan and Outer-Continental Shelf oil and gas, improved energy conservation, expansion of nuclear power facilities, and greater direct burning of coal can buy time, our dependence on foreign sources of oil and gas will continue to grow after 1990 if synthetic fuels are not produced in substantial quantities." Should any of these energy potentials fail to pan out, the need for substitute fuels like synthetics would grow even larger.

FIVE MILLION BARRELS DAILY IN 1995

While projecting future energy demand is a hazardous business, top government officials are forecasting a 1995 demand for synthetic fuels to be the equivalent of five million barrels of oil per day. That figure could go as high as nine million barrels daily. A not-so-often quoted low case assumption, however, suggests demand could be as low as one million barrels per day.

Past experience with synthetic fuels varies with individual process technologies. For instance, coal gasification was well established in this country and in Europe prior to World War I. Germans were converting coal to liquid fuel on a commercial scale in 1930. South Africa has had a 7000 barrel per day coal liquefaction operation for the past 20 years and plans a 40,000 barrel per day unit for 1982. (An American firm will be doing the engineering and construction work.) Though synthetic fuel technologies leave plenty of room for further refinement, many experts believe that most of the technical difficulties with first-generation plants have been sufficiently resolved to start on commercial-size projects while further research, development and small demonstration unit work continues on more advanced processes.

THE 60TH ANNIVERSARY OF THE NATIONAL SERVICES CENTER

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. JAMES V. STANTON. Mr. Speaker, the Nationalities Services Center of Cleveland, Ohio, is celebrating its 60th year of operation. Since its inception, this non-profit organization has been helping immigrants from every land solve acculturation problems in their adopted country. In addition to outstanding educational recreation programs, it helps immigrant families with personal and social adjustment problems, questions about immigration laws and other statutes, and English language study programs. At the same time, it encourages groups to maintain their unique individual identities and has celebrated the contributions each ethnic group has made to the cultural richness and diversity of America. Truly, it has earned for Cleveland the title of "Ethnic Capital of the Nation."

I salute the work of the Nationalities Services Center, and congratulate its hard-working corps of staff and volunteers on their many achievements. The center has been an asset to the city of Cleveland, the State of Ohio, and the Nation. In the best tradition of American hospitality, it has opened its heart to our new residents, and helped them to become useful and productive citizens.

At this time, I would like to insert in the CONGRESSIONAL RECORD a brochure describing the work of the Nationalities Services Center. The text follows:

UNITY, DIVERSITY AND UNDERSTANDING

(The Nationalities Services Center of Cleveland, Ohio)

"Our investment in new citizens has always been a valuable source of our strength."
—J. F. Kennedy.

FACTS ABOUT N.S.C.

The Nationalities Services Center is a nonprofit social service organization which assists immigrants and other newcomers to adjust to our society. The Center is a sequel of two former organizations: The International Institute of the Y.W.C.A. (founded in 1916) and the Citizen's Bureau (founded in 1926). It is a participating member agency of the United Torch Services, Inc., and is affiliated with the Federation for Community Planning and the American Council for Nationalities Service in New York City.

The Center receives the major part of its support from the United Torch Services, Inc., memberships, donations and fees.

OBJECTIVES AND GOALS

The goals and objectives of the NSC are to prevent, alleviate, and resolve certain problems which individuals and families experience and to assist them to achieve personal self-sufficiency and maximum economic independence.

To promote positive inter-group relations, by bringing different ethnic groups together to work on neighborhood or other problems of common interest and concern.

PROGRAM SERVICES

For almost 60 years the N.S.C. through its primary assignment of helping new Americans help themselves—has been a focal point of community service to people of all national, religious and racial backgrounds.

The work of the N.S.C. is directed toward the prevention and correction of the problems of families, children and adults residing in Cuyahoga, parts of Lorain, Geauga and Lake counties. Services include the following:

FAMILY SOCIAL SERVICES

Assistance to families and individuals in meeting and overcoming problems related to moving from one country to another by helping them to deal with their problems realistically.

Included are the following:

1. Casework Counseling
2. Family life education and planning
3. Consumer education and money management
4. Utilization of health and mental health services
5. Mobilization, coordination and development of other professional services and community resources
6. Help in obtaining and using resources

TECHNICAL SERVICES

Counseling and direct assistance is given immigrants, foreign visitors, students, exchange visitors, etc. . . . to resolve problems related to immigration, citizenship and nationality matters.

Services include the following:

Adjustment of status
Deportation proceedings
Record of lawful admission
Change of status
Exchange visitor's waivers
Re-entry permits
Visa petitions
Affidavits of support
Labor certifications
Citizenship applications
Derivative citizenship
Visa and passport applications
Refugee assurances
Translating and interpreting

(The N.S.C. is authorized to represent aliens before the Immigration & Naturalization Service and The Board of Appeals in Washington, D.C.)

SUPPLEMENTARY EDUCATION

Assistance in developing higher standards of literacy and education qualifications among immigrants and refugees. To provide cultural and educational enrichment to the extent that individual capacities permit, lifting of levels of aspirations and achievement by:

1. Counseling
2. Literacy classes
3. Tutoring programs
4. English and citizenship instructions
5. Help with evaluation of foreign degrees
6. Preparation for qualifying examinations
7. Visits to educational, cultural, civic institutions; Forums, lectures, etc.

VOCATIONAL COUNSELING-JOB PLACEMENT

To assist immigrants in exploring and planning for realistic vocational goals.

To equip them with skills essential to the modern labor market.

To help with adjustment to vocational life.

To secure suitable and consistent employment.

To familiarize them with the American working methods and practices.

Services include:

1. Counseling and direct placement
2. Help with evaluation of trades and professions
3. Training and re-training possibilities
4. Licensing, Union requirements
5. Unemployment compensation
6. Social Security

HOUSING

To assist immigrants and older Americans with a language difficulty to find suitable housing and living arrangements.

INTERGROUP RELATIONS

To prevent discrimination based on race, creed, age, sex, color or national origin and to improve relations in order to provide an equal opportunity for all persons to enjoy the rights and privileges of American citizenship.

SERVICES TO COMMUNITY

Coordination of community activities and projects
Emergency re-settlement programs
Information on Nationality Groups and Cultural Centers
Information to institutions, schools, industry, commerce on Nationality Groups and Immigration Laws
Publicity and public relations advice to ethnic and other communities
Festivals, fairs, exhibits, etc.
Distribution of the Ethnic Directory and Cleveland Guide

INFORMATION AND REFERRALS AVAILABLE

Laws and regulations governing aliens in the United States
Public and Social Agencies
Local, State and Federal Governments
Recreation facilities
Health and Welfare Agencies
Educational Institutions, Libraries, etc.
U.S. Banking methods and loans
Foreign Governments' requirements
Foreign Consulates
Property claims abroad
Information on scholarships, training, retraining possibilities for immigrants
Career planning for professionals
Social Security laws
Hospitalization

THE NATIONALITIES SERVICES CENTER IS . . .

A non-sectarian, non-political and multifunctional Social Agency
A United Torch Services supported organization
A member agency of the Federation for Community Planning
A member agency of the American Council for Nationalities Service in New York
An equal opportunity employer

JERRY VRICELLA NAMED ITALIAN-AMERICAN MAN OF THE YEAR

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mrs. HOLT. Mr. Speaker, it was my distinct pleasure to participate in ceremonies on April 10, 1976 naming Mr. Gerard F. Vricella 1976 Italian-American Man of the Year. Throughout his life Jerry Vricella has demonstrated his worthiness for this award. From his earliest years as a young Italian immigrant to America until the present time he has dedicated himself to his family, his country, and his community. He is a veteran of the U.S. Army and actively involved in numerous civic organizations. He and his wife Ester have five children.

Mr. Speaker, I am pleased to share Jerry Vricella's accomplishments with my colleagues today. It is indeed unfortunate that a small criminal minority often receive the headlines while outstanding individuals like Jerry go relatively unnoticed.

THE 200TH ANNIVERSARY OF THE HALIFAX RESOLVES

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. FOUNTAIN, Mr. Speaker, the 200th anniversary of the signing of the famed Halifax Resolves was celebrated in Halifax, N.C., in the Second Congressional District which I am honored to represent on April 12, 1976. In connection with the observance of this significant milepost of the American Revolution, an excellent newspaper article was prepared by Prof. William S. Powell, a distinguished member of the faculty of the University of North Carolina at Chapel Hill. The article was published in many North Carolina newspapers, and I would like to bring this very fine and comprehensive summary of the events surrounding the signing of the Resolves to the attention of my colleagues. The article is as follows:

RESOLVES: RECONCILIATION GAVE WAY TO FREEDOM

(By William S. Powell)

North Carolina was the first of the young American states to demand independence from Great Britain, and April 12 marks the 200th anniversary of that momentous occasion. The state came to this point slowly and gradually, but once the breaking point had been reached, it reacted quickly and decisively.

In the early autumn of 1775 word reached North Carolina that King George had declared the Americans out of his protection and that he had commanded his army and navy to wage war against them. The battle at Moore's Creek Bridge on Feb. 27, 1776, came about because of the king's decision. British soldiers and sailors had been ordered to North Carolina with his approval and Loyalists recruited in the Cape Fear Valley fought for him at Moore's Creek Bridge.

It took something like this to show the people of North Carolina the absurdity of the position in which they found themselves. Before 1775, with every expression of opposition to taxation by Parliament, they added an expression of loyalty to "the best of Kings." After Moore's Creek Bridge they could hardly continue to express devotion to a king with whom they were waging war. Even so, many took the final step hesitatingly and sadly. In 1776 the resolutions favoring independence were received with much less joy and excitement than the ordinances of secession from the Union in 1861.

In North Carolina as elsewhere in America, prophecies of independence had been more or less common for some years. Royal Governor Arthur Dobbs in 1760 had begged the crown to strengthen his hand so that he might more effectively oppose what he called a rising spirit of independency in his colony. In 1774 William Hooper expressed the opinion that the colonies were "striding fast to independence," and a few months later Samuel Johnston spoke of the controversy between the colonies and the mother country as a "dispute between different countries." Johnston predicted a complete separation unless England yielded.

The controversy over Parliament's policy of taxing the colonies and the failure of the crown to protect British subjects in America from such arbitrary action began to be understood in a new light. It forced the colonists to examine very careful the whole question of the relation of the king to the people, and they concluded that it rested in a "civil compact" by which "allegiance is the right of the first magistrate, and protecting the right of the people." In return for their loyal devotion, the king would protect his people. If either party violated this compact it would cease to exist.

When the people learned that the king had called on Parliament for troops to be used in America, that he was hiring professional soldiers from Germany for service, and that he had proclaimed the colonies to be in rebellion and out of his protection, they concluded that the king, himself, had violated the civil compact.

By the time the Fourth Provincial Congress met at Halifax on April 4, 1776, sentiment among the people for independence was quite strong. "All our people here are up for independence," Samuel Johnston wrote on April 5. Robert Howe said, '"Independence seems to be the word; I know not one dissenting voice."

William Hooper and John Penn, the state's delegates to the Continental Congress, had the same feeling. Hooper said that "it would be more than unpopular, it would be Toryism to hint the possibility of future reconciliation." Penn realized that the temper and disposition of the people had changed radically in recent months. All regard or fondness for the king or the British nation had gone, and a total separation seemed to be all that the friends of liberty wanted. "Reconciliation," the word earlier, was abandoned.

Members of the Provincial Congress said they had tried to get the opinion of the people at large, and they concluded that in many counties there was not a single person willing to speak a good word for Britain. On April 8 a committee was appointed composed of Cornelius Harnett, Allen Jones, Thomas Burke, Abner Nash and others "to take into consideration the usurpations and violences attempted and committed by the King and Parliament of Britian against America, and the further measures to be taken for frustrating the same and for the better defense of this Province."

After deliberating for four days, the committee reported on April 12. By way of preamble to the brief but significant Resolves, the committee reviewed the treatment America had received from King George and Parliament in the past and it called attention to what was going on at the very moment. British fleets and armies were moving against America, royal governors were arming anyone who would fight for Britain, merchant vessels from American ports were being seized, and multitudes of people being reduced '"from easy circumstances . . . to the most lamentable distress."

Reference was also made by the committee to the moderation previously displayed, the pleas based on constitutional grounds which had been ignored and the hopes for reconciliation which had gone unfulfilled. The committee then, recommended that the Provincial Congress adopt the following resolution:

"Resolved, That the delegates for this colony in the Continental Congress be impowered to concur with the delegates of the other colonies in declaring dependency, and forming foreign alliances, reserving to this colony the sole and exclusive right of forming a constitution and laws for this colony, and of appointing delegates from time to time (under the direction of a general representation thereof), to meet the delegates of the other colonies for such purposes as shall be hereafter pointed out."

This was the first official state action for independence, and it was not a declaration for North Carolina alone but a recommendation to the Continental Congress that independence should be declared by all of the colonies through their representatives in the Continental Congress. This was exactly the kind of action that members of the national congress had been eager to have.

A copy of the Halifax Resolves was sent promptly to North Carolina's other Continental Congressman in Philadelphia, Joseph Hewes, and there, when presented to the Congress, it struck a responsive chord. Other members of the Congress sent copies home to their constituents and urged them to "follow this laudable example." Virginia was the first to do so, and on May 15 the Virginia Convention instructed her delegates in the Continental Congress to "propose" a declaration of independence.

On May 27 the North Carolina and Virginia delegates laid their instructions before Congress and on June 7 Richard Henry Lee moved "that these United Colonies are and of right ought to be free and independent states." The motion was adopted on July 2 and on July 4 the final draft of the Declaration of Independence was laid before Congress and approved. It was signed on behalf of North Carolina by William Hooper, Joseph Hewes and John Penn.

FAY BATES, OUTSTANDING POLICE OFFICER, RETIRES

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. JOHNSON of California. Mr. Speaker, too often we in our society take for granted those fine men and women who serve in our law enforcement agencies. We do not think about a police officer until we need him.

When one such dedicated officer enters a well-justified retirement, we do realize how much he, as an individual and in the profession which he has followed, has given to his community. One such law enforcement officer is Fay E. Bates, under sheriff of Placer County where I have lived my entire life.

Fay Bates joined the Placer County Sheriff's Department as a deputy in 1951. Due to a variety of reasons he was called upon early to accept additional responsibilities. He handled them so well that in 1952 he was appointed under sheriff. At that time there were only nine men on the sheriff's force covering a large geographic area extending from the high mountains of Lake Tahoe to the Sacramento Valley, an area of more than 1,500 square miles.

As under sheriff Fay Bates continued his efforts to improve not only the department but his own personal skills as a law enforcement officer. He is a graduate of one of the first Peace Officers Standards and Training courses. He holds an advanced certificate of achievement presented by the State of California Peace Officers Standards and Training Program. He has taught several classes in law enforcement at Sierra College. These have met with great success and have been praised by both the faculty of the college and law enforcement officers throughout northern California.

Professionally, Bates has directed many of the criminal investigations and search and rescue operations, in addition to overseeing the administrative matters related to the sheriff's department.

He has contributed many, many years to the youth programs and other civic projects in Auburn.

My old friend, Sheriff Bill Scott, with whom Fay Bates has worked for many, many years, summed up his feelings when he told me:

> It probably sounds corny, but I feel I am losing my right arm. Fay will be difficult to replace.

In conclusion, Mr. Speaker, I want to take this opportunity to commend Fay Bates for an outstanding career of public service and to wish him happiness and success in the retirement years ahead.

AID TO NEW YORK CITY

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. GRASSLEY. Mr. Speaker, from the beginning I have opposed Federal aid to New York City. Taxpayers from throughout the country should not have to suffer from the mistakes made by this eastern metropolis. Although city officials say they have reduced spending in New York, the fact is that they are still living high on the hog.

The commentary by George Will in yesterday's Washington Post gives us an idea of just how much cutting back New York still has left to do. I would like to insert it in the record for my colleagues to consider when we debate New York City aid again:

The Reckless Life of New York City

(By George F. Will)

Treasury Secretary William Simon, who must hold some kind of record for hours devoted to congressional testimony, testifies with a forebearance you would not expect from a man with no prior experience at teaching remedial arithmetic to recalcitrant pupils.

Recently he led some senators through addition and subtraction exercises, and then expressed, drolly, "cautious optimism" about New York City's short-term future. In a masterpiece of poker-faced testimony, Simon did not laugh even once when telling the senators that the city only needs a will to cut spending."

Put plainly, Simon's evidence is that the city will become America's largest slum unless it takes politically arduous decisions regarding such hitherto sacrosanct matters as rent control and public employee perquisites.

Rent control is a middle-class subsidy; most poor people have arrived in New York too recently, or move too frequently, to benefit from it. It depresses rents in a period of rising costs, thereby encouraging abandonment of 30,000 rental units a year. It depresses the real estate tax base, thereby forcing the city to rely on taxes that cause individuals and businesses to flee to the green Connecticut countryside. It also produces tax avoidance: By January, $1 billion in real estate, water and sewer taxes were uncollected.

The city council recently received the report of a blue-ribbon commission critical of rent control. Then the council, remembering that there are more tenants than landlords, extended rent control until the end of the decade.

Public employee perquisites now cost city taxpayers more than $2 billion annually—more than $8,600 per city employee. The current municipal budget provides $107 million in direct payments to municipal unions, which provide active and retired workers such services as free dental care and eyeglasses. Unlike most city governments and the federal government, New York pays 100 per cent of the cost of employees' health insurance.

The city pays a normal 10 per cent differential for night work, but defines "night" to include 16 of every 24 hours. New federal employees get 13 days of vacation; new city employees get 20 days, and unlimited sick leave privileges. Many city employees work only 35 hours a week, others work 37½. And under the "summer hours" program (adopted before buildings were air conditioned) they work even less.

A married employee who retires at 65 with 25 years service receives an after-tax retirement income equal to 125 per cent of his income in his last (and usually, most remunerative) year on the job. In Atlanta that worker would receive 43 per cent of his last year's salary, in Chicago 47 per cent, in Dallas 52 per cent, in Los Angeles 54 per cent.

New York provides lovely benefits. Unfortunately the city can't afford them and is taxing its economy to death in a failing attempt to pay for them.

Union Carbide, the nation's second largest chemical corporation, is moving its corporate headquarters, and 3,500 jobs, to Connecticut, where taxes are lower.

The city once was home of 140 of the nation's 500 largest corporations; today the number is 95 and falling, fast. Lesser fry also are emigrating. Schaefer brewing company is working up a more than one-beer thirst moving its brewery to Allentown, Pennsylvania, where real estate taxes are one-third of what they are in New York.

Small wonder that by 1980 New York State will have 313,000 fewer jobs than it had in 1970. The city's population is expected to decline 800,000 by the end of the century. That will have a ruinous effect on the city's only remaining resource, its political power to extract subsidies from Washington. Population already lost in this decade may cost the city up to $200 million a year in federal funds through the end of the 1970s.

The city is still living recklessly beyond its means, and will not even consider the necessary stringencies until after the election. City politicians and labor leaders continue to cling to one hope: There soon will be a Democratic President who will place the U.S. Treasury at the city's disposal, thereby enabling the city to live forever off other Americans' means.

Let the record show that in the New York primary campaign, Sen. Henry Jackson, locked in the clammy embrace of big labor, and Rep. Morris Udall, cultivating other liberal battalions, nourished that disreputable hope. Jimmy Carter did not.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on April 13, 1776, the Continental Congress adopted a resolution permitting the sale, by all those other than the East India Tea Co., of India tea imported into the colonies before March 1775. Back in October 1774, Congress had banned, effective March 1775, the importation or sale of India tea. This ban resulted in a financial hardship to "many zealous friends" of the colonies who had been unable to sell their imported supply of India tea before the effective date of the ban.

Aware that the continuing ban on the importation of India tea had created a severe tea shortage, Congress sought to control the price of the available tea. It adopted a second resolution limiting the cost of Bohea tea to "three-fourth parts of a dollar per pound," and advising the colonies to regulate the price of other teas.

STUDENT PAPER COMMENTS ON POSTAL SERVICE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. SIMON. Mr. Speaker, the Daily Egyptian is the student newspaper published at Southern Illinois University in my district.

Recently, Tim Zgonina, a student writer, had an editorial about the Postal situation that I think bears reprinting for my colleagues. I hope some of our friends in the Postal Service will read it also:

STUDENT PAPER COMMENTS ON POSTAL SERVICE

In 1967, Postmaster General Lawrence O'Brien said the U.S. Post Office was "in a race with catastrophe." It has been a long race, but catastrophe has finally won.

Once the principle means of long range communication, and a source of pride, the U.S. Postal Service has become little more than an economical farce.

Last December, postal rates for first class mail were raised to 13 cents, a 30 per cent increase. Within the past week, business deliveries to eastern cities were cut to one per day. One can only guess what the Postal Service will do next.

There is no end in sight for the Postal Service's monetary problems. Its losses currently exceed $250,000 per day.

The Service does have plans to alleviate its problems though. It has proposed further rate increases, reduced deliveries, stoppage of Saturday deliveries, reducing its labor forces, ending special deliveries, and closing 12,000 third and fourth class Post Offices.

Such cures are like chopping off the head of a victim of a headache. They only do further damage.

Many of the Postal Service's woes stem from the government's decision to run it as a business rather than a service. The Postal Service is supposed to provide service and save money. It has done neither.

It is time for the federal government to reappraise the Postal Service's situation. The government must realize now, that the Postal Service is not a profit making organization but a service to the public.

Surely the people in Washington can see fit to clean up the postal mess. With the Postal Service already operating at a deficit and taking federal funds, Congress should be willing to spend whatever it takes.

THE B-1 BOMBER

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. COHEN. Mr. Speaker, the House was recently called upon to vote on an amendment which sought to defer the expenditure of $960.5 million for procurement of three B-1 bombers until minimum flying tests are completed and development of the plane is certified by the President as being in the national interest. This amendment was consistent with the Armed Services Committee's own "fly-before-buy" policy, but unfortunately, it was defeated.

Despite the fact that this testing is not complete, we are already seeing evidence of the folly of that action. Preliminary reports by the General Accounting Office show serious engine and structural shortcomings which indicate that the plane will not meet the minimum standards set by DOD.

I am disturbed that the B-1 is not only excessively costly but represents the wrong answer at the wrong time to our real security needs. The following commentary by Herbert Scoville, Jr., appeared in the April 11 edition of the Washington Star. I urge my colleagues to read this thoughtful consideration of the B-1, an issue of which, I am sure, we have not heard the last:

B-1 BOMBER: GUSSIED UP, BUT SO WHAT?

(By Herbert Scoville, Jr.)

The B1, a new intercontinental strategic bomber for which the Air Force has been fighting for more than 10 years, reaches its moment of truth in 1976.

Almost $3 billion has been authorized to develop the B1 after the earlier B70 program was halted by Secretary McNamara in the early 1960s. Since the inception of the program, costs have skyrocketed and performance plunged, but it was argued that the proper time to stop it would be after development and evaluation tests were completed rather than in mid-stream. Now the decision on procurement is officially scheduled for November 1976, but the Congress is being asked to authorize in advance about $1 billion to start production. Secretary of Defense Donald Rumsfeld and senior Air Force officials are acting as if they had already made the decision without waiting until November for the completion of the evaluation tests which a recent GAO report indicates are running behind schedule.

The current official cost of the B1 is $88 million per plane if all the proposed 244 are procured. Thus the total program for the aircraft alone is already estimated to exceed $20 billion, and the price continues to rise daily. Furthermore, this does not include the costs for the armament, such as missiles, nor for a whole new fleet of tankers which would be required to make the force truly useful. A recent Brookings study, *Modernizing the Strategic Bomber Force*, by Quanbeck and Wood, estimates that overall 10-year (FY '76–'85) expenditures for our strategic bomber force if the B1 were incorporated into it would reach a total of $91.5 billion. The B1 will be the most expensive weapons system ever built.

Why do we need the B1 and what are we getting for all these billions? The B1 is intended to be a replacement for the B52 as the intercontinental bomber part of our strategic deterrent triad. Submarine-launched ballistic missiles are the primary element in our deterrent, but landbased ICBMs and intercontinental bombers provide a back-up in the event of some unforeseen threat to our submarines. Both the Minuteman ICBMs and the bombers on the ground are potentially vulnerable, but together they are secure since there is no scenario by which both can be knocked out in a surprise attack.

Bombers have the advantage of being able to fly away from their bases without waiting for the final decision to launch an attack since, unlike missiles, they can be recalled at any time until they reach Soviet borders. On the other hand, the bombs they deliver will be arriving hours after much of both countries will have been turned to rubble by missile warheads. In fact, one of the uncertainties about the B1 is whether it can fly through the debris clouds that are an inevitable aftermath of nuclear explosions.

The B1 is planned to be the replacement for the B52, but Secretary Rumsfeld admits this year that the strategic use of B52s equipped with long-range air-to-surface missiles would be an appropriate mission "through the 1980s and 1990s." Thus, there is no urgency in procuring a next-generation bomber.

In fact, premature procurement of the B1 could mean that both systems will be wearing out almost concurrently since the life of a new supersonic plane is likely to be much shorter than the extremely durable B52. We should take advantage of this breathing spell to design the best follow-on aircraft system that could be procured in the 1990s if at that time one still appeared necessary.

The one characteristic driving up the cost of the B1 more than any other is its supersonic flight capability. Although originally planned to be supersonic at all altitudes, the B1 is now designed to fly supersonically (Mach 1.6 instead of the originally planned 2.2) only at high altitudes and subsonically (450 mph) at low altitudes.

Because of the great effectiveness of current Soviet air defenses at medium and high altitudes, our operational plans have long called for the penetration of Soviet air space only close to the ground, thus precluding supersonic speeds over the Soviet Union. Moreover, supersonic flight uses up so much fuel that it drastically curtails the B1 range and prevents supersonic speeds for any significant portion of a mission unless tankers are available for multiple aerial refueling. Basically, the B1 is a subsonic bomber with a short supersonic dash capability at high altitudes. Since planes at high altitudes are vulnerable to Soviet defenses at any speed, this supersonic dash will only be practical outside the Soviet Union where it is not needed.

Thus, the expensive, high-performance characteristic of supersonic speed is largely wasted since it can almost never be used on any mission. Furthermore, if the plane is to fly supersonically the engines cannot be designed optimally for subsonic flight, so the supersonic capability degrades the plane's performance under conditions normally used in operations. Military effectiveness has been sacrificed to the desire by the Air Force to fly faster and to the challenge for aircraft designers of building a supersonic plane. The U.S. taxpayer must pick up the tab for the billions of dollars these whims cost.

The B1 supersonic capability, if it is ever used, not only costs dollars but creates serious environmental hazards. A study by the Environmental Action Foundation, "Boom and Bust, the B1 Bomber and the Environment," has calculated that when B1 bombers fly in the stratosphere at supersonic speeds, they will release prodigious quantities of pollutants, such as oxides of nitrogen, threatening the same ozone depletion that has caused such concern with its civil cousins, the SST and aerosol dispensers. Its supersonic boom would force it to fly on training missions only over uninhabited areas to avoid intolerable effects in population centers. In its life span of 25 years, billions of gallons of fuel will be consumed by a B1 fleet, hardly a pleasant outlook in an era when energy will be increasingly limited.

Reference has already been made to the limited range of the B1 when flown supersonically at high altitudes. However, even when flown subsonically all the way, the B1 only has an operational range of about 6,100 miles, so that refueling tankers are required for most missions. A B1 could not, without refueling, fly even subsonically with a full payload from the United States to the Soviet Union, penetrate Soviet defenses at low altitudes, and get back to European bases. The plane cannot loiter, awaiting a decision to attack, but must fly directly to its assigned targets, thus reducing a key advantage of bombers over missiles. The B52, while far from having ideal endurance, has been flown 12,500 miles without refueling.

Thus, after having spent billions we will end up with a plane which will be little if any better than our current B52 for the types of missions that will normally be flown.

Despite extensive Soviet air defenses, our bombers are still believed able to reach targets in the interior of the USSR as long as they stay near the ground. However, Rumsfield predicts that we can expect the Soviet Union to develop and eventually deploy interceptors with a look-down, shoot-down capability for destroying low-flying aircraft; thus all planes, even the B1s, will be vulnerable unless they are equipped with long-range air-to-surface missiles to saturate area defenses and avoid the need for penetrating Soviet air space. This factor would argue strongly that any follow-on to the B52 should be optimized for a stand-off mission rather than for penetration. In the meantime the B52s should be adapted for stand-off missions by equipping them with long-range air-to-surface missiles.

Another important factor leading to the high cost of the B1 is the ability to get the planes into the air and away from the field rapidly. Because of the vulnerability of bombers on the ground to destruction by a nuclear explosion, it is important that a portion of our strategic bomber force be kept on alert so that planes can take off on warning of an attack and before the incoming missile warhead arrives at the airfield. Although the increased weight of the B1 over the original design criterion has lengthened its take-off distance, the B1 is still able to get off the ground and out of range faster than the current B52s. However, a recent detailed analysis of its survivability in the monograph by Quanbeck and Wood shows that this advantage is marginal. If depressed trajectory ballistic missiles can be launched from Soviet submarines, capabilities the Soviets have not yet shown any evidence of developing, then all types of planes including the B1 are vulnerable to a surprise attack; if they cannot, all types can be satisfactorily protected.

Furthermore, if a refueling tanker is needed for the B1 to complete its mission, as it is in most cases, then the vulnerability of the tanker will be controlling rather than that of the B1 itself. Only airborne alert, which is not practical for a plane with the short endurance of the B1, will provide complete protection against such a surprise attack, which is admittedly not very likely.

Even if we were prepared to pay the high cost, it is becoming increasingly apparent that the B1 is not what is needed for our security. The Brookings study, after analyzing all the factors involved, comes to the conclusion that when the B52s must be replaced, it would be far better to have a stand-off bomber—i.e., a plane which can launch its missiles from outside the Soviet Union rather than one which has to penetrate its air defenses. Such a plane could have a long endurance so that it would take off on any type of alert, thereby decreasing its potential vulnerability to surprise attack. Unlike the B1 which would have to fly directly to its targets or run out of fuel, a plane designed for stand-off delivery could loiter and stay airborne for long periods of time and only be ordered to approach Soviet borders and launch its missiles after a full evaluation of the situation had been made. It would not waste money on supersonic and other high-performance capabilities which would never be used. It would be far more effective and flexible than a force of B1s supported by tankers; in fact, the tankers themselves or some similar cargo aircraft could actually be used to carry the long-range missiles, thus avoiding the need for any true bomber aircraft.

One of the strongest pressures for proceeding with such weapons programs as the B1 is the jobs that the program will produce in this time of high unemployment. However, the thesis that we must continue military expenditures to keep people employed is a sad delusion fostered by the military-industrial complex. Economic studies have again and again shown that dollars spent on defense employ fewer people than dollars on other types of federal spending programs. For example, using the analytical procedures developed by Roger Bezdek, economist and manpower expert in his book, *Long Range Forecasting of Manpower Requirements: Theory and Application*, it can be shown that $1 billion for B1 procurement will provide about 59,000 jobs; a similar sum for miscellaneous transport construction will employ 84,000 persons; and for public housing 85,000. Furthermore, a major problem with weapons production jobs is that they create a demand for consumer goods without providing an offsetting supply, thus fueling inflation.

The administration, Congress and labor have got to realize that the shortsighted policy of allocating 70 per cent of the federal controllable funds, year after year, to national defense is a major contributory cause of our current financial difficulties. Studies show that 44 of our states have paid out more in taxes to support the B1 than they have received back in contracts or subcontracts for the program. For example, it has cost the state of New York, which can ill afford it, $198 million while returning $38 million.

Finally, this is not an area where we need to be stampeded into unnecessary weapons procurement in order to maintain equivalence with the Russians. The American intercontinental bomber force is superior in every way to the Russian one and will remain so indefinitely. The USSR has only about 150 old bombers far inferior to our 500 B52s and FB111s. The new Backfire, which is just beginning to be deployed, is not designed to be an intercontinental bomber. Although supersonic, it can't reach the United States even on a one-way mission if it flies at such speeds. Unrefueled, it can only fly subsonically at high altitudes to reach the United States on one-way missions. If refueled, a capability which the Soviets have largely ignored, it could reach the United States and return only if staged from Arctic bases and flown subsonically at high altitudes.

The debate on the B1 procurement, which began in Congress last week, will be the successor to the ABM and the Trident, both of which passed only by close votes in the Senate. After expenditure of more than $7 billion, ABM deployment has been phased out because it was possible to get the Russians to forego missile defense in the Moscow ABM

Treaty of 1972 and because it became almost universally recognized that the Safeguard IBM was ineffective. The Trident program goes on with the cost rising to more than $18 billion for 10 submarines and the administration planning now to buy more than 10. If the decision is made to go ahead with the B1 this year, then it may never be possible again to stop this program and avoid this colossal drain on the taxpayers' pockets. It will always be argued that we have sunk so much into the program that we cannot afford not to go ahead. It will also be said that buying a smaller number of planes will not significantly reduce the over-all expense.

Although the administration claims it will not make its own decision until November, it is asking Congress to endorse an advance check now. Officials undoubtedly estimate it will be more difficult to stop the program in the midst of the election campaign than it would be a year later. The lobbyists, pro and con the B1, are out in full force. Those that have fought rising defense budgets and are satisfied with nuclear sufficiency believe that unless the B1 is halted, there will be no stopping mammoth additional increased expenditures for the military in future years.

On the day before the House vote last week (the vote went against deferring funding for B1 production), the Air Force by happy coincidence flew the B1 at its fastest supersonic speed to date, and the wide press coverage conveniently ignored the fact that these supersonic speeds will never be usable in any combat mission.

Congressmen, in making the multi-billion-dollar decision, must look beyond all the smoky rhetoric that the Russians are outspending us and that the United States is becoming a second-rate power, and remember that:

(1) The strategic bomber is only a backup in the event of competely unforeseen vulnerabilities developing in our submarine-launched ballistic missile force.

(2) Its costly supersonic capability will almost never be used in any operational mission.

(3) It will be a major contributor to atmospheric pollution and an avid guzzler of increasingly scarce fuel.

(4) The Russian strategic bomber force is far inferior to our present B52s so the B1 is not needed to maintain equivalence with the Soviet Union.

(5) There is no urgency in procuring a new bomber since the B52s will continue to operate satisfactorily in the 1990s.

(6) The expenditures for the B1 system, which during its lifetime could reach $100 billion, will produce both a net decrease in employment and an inflationary stimulus.

(7) A stand-off aircraft equipped with long-range missiles is a more militarily effective system than the B1 if and when a follow-on to the B52 is found necessary.

The B1 is a costly, wrong answer at the wrong time to our real security needs.

VERN LOEN JOINS NASA

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. QUIE. Mr. Speaker, my colleagues in the House will be interested to learn that Vern Loen, Deputy Assistant to the President for Legislative Affairs, has left that position to join the National Aeronautics and Space Administration.

Vern performed yeoman service in advising Members on the administration's position on pending legislation. He perceived the issues from the national viewpoint, as seen from the White House and presented the administration's story very capably. Vern was conversant with all of the major bills coming before the House, a monumental task requiring countless hours of research and consultation with executive agency and White House policymakers.

Not only did Vern have the "big picture," but he also was always ready to help Members with their constituent requests for a message from the President, a VIP tour of the White House, or a speaking engagement for the President.

Vern's 2½ years of service at the White House was preceded by more than 15 years on Capitol Hill, including 4½ years as my administrative assistant. Earlier he served our former colleague, Representative Ben Reifel from South Dakota and the late Senator Francis Case.

I take this time to compliment Vern on his work at the White House and wish him well in his new position.

HON. WILLIAM A. BARRETT

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. FORSYTHE. Mr. Speaker, I was saddened as were my colleagues to learn the news of the death of BILL BARRETT, a man who was truly dedicated to the service of the people of his district, State, and of our great land.

I spent many an hour traveling on airplanes with BILL BARRETT, as he was returning to Washington from his district, and I, from mine. Always he carried with him notes from his meetings with constituents, containing their requests, information about their problems, and their need for assistance.

His dedication to service touched many, many people from all walks of life. Including, of course, the Members of this House. He will truly be missed.

One of my constituents shared his sorrow at BILL BARRETT's death with me in the form of the following telegram, which I insert at this point in the RECORD for the benefit of my colleagues:

HON. EDWIN B. FORSYTHE,
Washington, D.C.:

Please accept and extend to Members of U.S. Congress our sincere sympathy and regret on this sad occasion of the death Monday, April 12, 1976, the Honorable WILLIAM A. BARRETT, U.S. Congress, representing the First Pennsylvania District. Congressman WILLIAM BARRETT's long and distinguished service will be his monument in the hearts of his legion of his friends and neighbors.

Most sincerely,

WILLIAM J. KEYSER.

COLLINGSWOOD, N.J.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. FISHER. Mr. Speaker, on April 1, the House approved the Federal Election Campaign Act amendments (H.R. 12406) with several amendments as a necessary and determined effort to continue the Federal Election Commission created last year to bring greater order and honesty to American political campaigns. I voted for H.R. 12406, with a few reservations but on the whole with enthusiasm.

The essential purpose of the amendments was to reconstitute and continue the Federal Election Commission by placing the power of appointment in the President's hands with the usual confirmation by the Senate. The U.S. Supreme Court had declared the old Commission unconstitutional because of the method by which its members were selected.

Several amendments were approved or rejected very much in line with my own thinking. The requirement to continue the feature of the existing law, calling on candidates to file duplicate disclosure statements with State secretaries of state, was approved with my support; an amendment that would have resulted in the termination of the Commission at the end of March 1977 was defeated also with my support.

An amendment which I favored, but which failed to pass would have required disclosure of funds expended by organizations such as corporations and unions on internal communications relating to political campaigns.

I see no reason why these expenditures should be hidden from public view.

I also voted for an amendment which would have provided, had it passed, a limited amount of public financing for congressional candidates in general elections. The amendment was carefully guarded by a requirement that the first $10,000 be raised privately by candidates in amounts of no more than $100 per contribution, and that thereafter up to a limit—approximately $90,000 in the case of the House of Representatives—contributions of similar size would be matched dollar for dollar by public funds. No candidate would have to participate in this program but if he or she wished, could finance the entire campaign privately without public matching money.

The amendment offered, but defeated, was not a perfect one but seemed to me to offer a reasonable approach to public financing as a means of giving challengers in political campaigns a better chance of success. In addition, this approach would reduce considerably the traditional dependence of many candidates for Congress on large gifts or a large number of fairly sizable gifts from special interest groups in business, labor, professions, and elsewhere. I would have preferred to give this new approach a try and see how it works. The new approach embodied in the amendment would not have commenced until the election year 1978.

In the end, I felt the bill, with the successful amendment, would be a good step forward and I voted for it.

A DARK SIDE OF OUR AMERICAN CULTURE

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. ROSTENKOWSKI. Mr. Speaker, in the April 12 issue of Newsweek magazine, Michael Novak, in a poignant article, "The Sting of Polish Jokes," effectively provides a valuable insight into a dark side of our American culture. Mr. Novak, who is highly regarded as a writer, theologian, educator, and philosopher is currently serving as writer-in-residence with the Washington Star.

I am pleased to insert at this point Mr. Novak's article:

THE STING OF POLISH JOKES

(By Michael Novak)

An acquaintance of mine from Alabama served in Poland for seven years with the U.S. State Department. His children, now 10 and 12, went to Polish schools, having learned the language with the ease of the very young. Now back in Virginia, the two children, despite their pure Anglo-Saxon Baptist features, are the constant object of playground abuse. Children shout "goulash!" at them. They are called "Hunkey." They are the constant butt of "dumb Polack" jokes. On one occasion when the oldest lad could bear the humiliation no longer, he had an inspiration. He turned on those who were taunting him with a challenge: "Can you speak Polish?" The other fell silent and then he hit them: "How does it feel to be dumber than a Polack?"

Too many Americans make a joke out of Polish jokes. They expect people of Slavic descent (all of whom suffer under these jokes; no one can tell us apart) to take these jokes as funny, to show our own sense of humor, gracefully to laugh at ourselves. If mere graciousness were at stake, we could easily oblige.

The intent of Polish jokes, however, is not humor alone. Should blacks laugh at nigger jokes? There are mean anti-Semitic jokes no Jew or Arab ought to tolerate. Not all humor is humor; different genera require different responses.

THE SHARED BARBS

Ethnic humor is one of the great resources of this nation. There are forms of laughing at oneself and at others, usually based on the daily absurdities of mutual noncomprehension or double meaning. These are truly amusing, probably the most amusing jokes in the American repertoire. In this humor, all ethnic groups are equal; the barbs are shared by everybody at the same time.

But there is a second genus of ethnic joke. It does not gain its force from that double understanding of the same word or doubly misapprehended event that characterizes multi-cultural perception. It is based on demeaning the character of one ethnic group, in line with a stereotype, and its function is to make the majority feel superior to the minority. Told in the presence of the minority, these jokes further require those who are their butt to acquiesce in their own humiliation, to laugh obediently, to accept their ascribed inferiority. (Nudging elbow: "No offense, friend. Only a joke.") The tactic is structurally the same as those techniques that force inmates to embrace their own degradation. Rage is not permitted. One must stand there helplessly and acquiesce.

Southern and Eastern Europeans in the United States are subject to the last respectable bigotry. (Let me modify that: anti-German jokes, the heritage of two world wars, are still so legitimate that even Lufthansa Airlines and other German firms are forced to play upon them in their advertising.) Such bigotry flourishes for "unofficial" minorities, while "official" minorities are protected.

THE DOUBLE BIND

Recently, in Pennsylvania, I saw a huge, newly painted garbage truck. On its front bumper in large letters was printed: POLISH CAMPER. Suppose the words had been: NIGGER CAMPER or JEWISH CAMPER? Liberal organizations would certainly have protested.

So deep is the Anglo-American tradition of disdain for Eastern Europeans, however, so explicit have been the texts of the past, and so deep is ignorance even among highly educated people of cultures they never studied in school, that many Americans do not realize the systematic structure of the stereotype Eastern Europeans confront.

Nor do they suspect the double bind—outraged justice and deeply internalized self-contempt—that the constant pressure of ugly jokes and stereotypes imposes. Most of those of us who are children of Eastern European Christian immigrants know we are the children of peasants. We do not have in our family experience many models of learning, status and public grace. We have a sufficient sense of our modest origins. The sting of Polish jokes is that they make our deepest self-doubts public. They keep us in our place. They canonize a caste from which many see no escape. Land of opportunity?

Figures as diverse as George Blanda, Sen. Edmund Muskie and Bobby Vinton have voiced their anger at Polish jokes that even they are asked to tolerate. Blanda tried to explain why he sympathizes so much with young black kids: "I've heard 'dumb Polack' as often as they've heard the word 'nigger' . . ."

Paul Wrobel, a brilliant young anthropologist who is now working in Detroit, has shown from many hundreds of hours of inquiry in one Polish-American neighborhood how deeply the public stereotype has been internalized by many Polish-Americans. When a news dispatch carried his findings back to Detroit from the scholarly meeting in Boston where he presented them, the Detroit papers received a most touching deluge of letters from sad and hurt Polish-Americans. Their own self-image was exactly as he described: poignantly aware of being stigmatized as dull, dumb, and stolid, and painfully aware of how unfair that image is, they could hardly bear to have the subject discussed. One cannot read these letters without piercing recognition and dismay.

THE LAST LAUGH

One woman wrote that the news stories based on Wrobel's study "added to the already anti-Polish climate." A man declared that "the damage inflicted upon Polish-American boys was devastating." A mother wrote: "We were blessed with a good sense of humor but we feel (these stories) will stir up a hornet's nest."

Cannot some major center of learning conduct a study of how much damage is done to the psyches of people constantly stereotyped in public? Can't the American Civil Liberties Union and a wide range of anti-defamation societies join in protests to the magazines, television channels and gatherings of otherwise sophisticated people who tell ethnic jokes of the inherently demeaning kind? We don't need Supreme Court decisions, perhaps, but we do need a basic sense of public fairness. Eastern Europeans cannot halt Polish jokes alone. The help of all is required.

This is supposed to be a nation of civility toward all, bigotry toward none. It is not. But when the laughter rings, it rings for thee.

MAKING A CASE FOR PUBLIC BROADCASTING OF CONGRESSIONAL DEBATES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues the February edition of State of the Nation, the newsletter of the Walter Bagehot Research Council on National Sovereignty. Contained in the newsletter is an outstanding article written by my good friend, and noted professor of government and politics at St. John's University in New York, Dr. Henry Paolucci, in which he recounts the Senate debate on the Angolan crisis of last December.

In the article Dr. Paolucci discusses the many misconceptions which were drawn up by the press concerning the ultimate decision to prohibit funds from being used in Angola. The message of Dr. Paolucci's article is that too often the American people are kept in the dark on important decisions made by the Congress. He advocates increased public televising and broadcasting of important congressional debates so as to help break up "the monopoly control our newsmedia now exercise on public information."

I feel a close reading of Dr. Paolucci's article will provide new insights into the events which led to the decision to prevent funds from being sent to Angola. We in Congress will be considering the question of televising our debates. I insert this material into the RECORD with the hope it will aid in our deliberations.

Dr. Paolucci's article entitled "An Exemplary Debate on Angola" follows:

AN EXEMPLARY DEBATE ON ANGOLA: TUNNEY, STEVENSON, GOLDWATER, AND HELMS

(By Henry Paolucci)

NOTE.—We may be entering an era when congressional debates will acquire a greater significance in our governmental process than they have ever had before. In England, with the rise of party discipline, the once widely-read Commons debates have steadily lost significance, since, as Walter Bagehot long ago observed, an intelligent reader soon notes the change when otherwise honest men are obliged by partisan pressure "not only to employ arguments which they do not think conclusive, but likewise to defend opinions which they do not believe to be true." The reverse is happening in our post-Watergate Congress. Party loyalty, if not discipline, still determines much that is said. Yet even a glance at the CONGRESSIONAL RECORD suffices to suggest that a new frankness reigns on the floor. If that frankness could be brought to our citizenry daily, it would break the monopoly-control our newsmedia now exercise on public information. We have the electronic means for it. There is no excuse today for letting commercial newsmongers determine what aspects of a congressional debate will reach a national audience. Dr. Paulucci here reviews the December Senate deliberations on Kissinger's Angola intervention—deliberations crudely misrepresented in the press, in which Senators on both sides distinguished themselves as statemen.

The Senate debate over the so-called Tunney amendment to the House Defense Department appropriations act for the current fiscal year (H.R. 9861) lasted five days: December 15–19, 1975. At issue was a small-scale covert American intervention in Angola ordered by Henry Kissinger at a time when it was obvious that a Soviet-Cuban takeover, already in progress, could hardly be prevented by anything less than an overt rupture in detente relationships or direct military intervention on a massive scale. In the wake of newsleaks, the Senate by unanimous consent called for closed-session clarifications. Two closed sessions were held. But, as Kissinger's purpose was not thereby clarified, the Senate voted finally against permitting any funds appropriated for defense to be used covertly in Angola for any purposes other than gathering intelligence.

Regardless of what one may think of the vote that concluded it, there can be no doubt that the substance of that Tunney-amendment debate was very imporant. At its height, Senator Robert Morgan of North Carolina rose to say (Dec. 18, 1975): "While I think sometimes we are attempting to conduct the foreign policy of this country for and on behalf of the President rather than by consulting and advising the President, I do believe that this debate has been as informative and helpful as any debate that I have heard on foreign policy since I have been in the Senate."

The pity is that the substance of that debate never reached the American people. The media focused instead on Kissinger's account of what a vote against support of his Angola maneuver was supposed to mean. TV screens flashed glimpses of him hawkishly denouncing "congressional interference," while admirers in the major newspapers hinted, with cryptic analyses, at the subtle ambiguities in Kissinger's policy statements which enable him to get what he wants while feigning not to want it. Had the debate itself been adequately reported, the general public impression would have been altogether different.

Of course, one may read it all in the tiny print on coarse paper of the Congressional Record. And perhaps some dozen people in a million may actually take the trouble to do so. But trouble is the word for it. The Record is a jumble of things said or purportedly said, strung together without directive headlines, or intelligible indices, or significant topical divisions. Compare it with any issue of the Washington Post or New York Times (to say nothing of the slick TV network news marathons) and it is at once obvious that, when ignored by the media, our Members of Congress have little recourse. They can circulate an occasional newsletter to local constituents, but, except through the cumbersome Record, there is simply no way their joint deliberations can be made known to the national constituency for whose unity of government they are charged to conduct those deliberations.

America has witnessed advances in communications technology that boggle the mind. Yet nothing has been done to bring that technology to bear on the processes of our representative government. Its "immense power to influence and shape public opinion" has accrued by public default to a handful of oligarchs who now exercise it, as Malcolm Muggeridge recently observed, "with little regard for any consideration except profit and self-importance." How anomalous it is to have to endure endless investigations of CIAs and FBIs when there is a power in our midst which can, "with the same sublime function . . . destroy a presidency and recommend the magical qualities of a new detergent, lose a war and promote a cake-mix." As Mr. Muggeridge aptly admonishes:

"Future historians, if there are any, will surely marvel at the tolerance accorded this instrument of persuasion, so immensely more powerful than anything of the kind which has ever existed before, and at the manner in which its pundit-salesman have been able, with equal impunity, to topple institutions and undermine authority, and to sing the praises of some potion or pill capable of delivering us from pain, anxiety, body odor, acidity, and other infirmities."

To get themselves noticed by the so-called free press, our legislators must vie not only with detergent, cinema, and 8-track tape ads, but also with every self-appointed marginal interest-group leader who has studied the latest learned-journal article on how to "make news" at minimal private expense. The result is a scandalous blackout of real news of the kind that could give us a genuinely well-informed public opinion. In the debate on the Tunney amendment, many senators on both sides spoke exceptionally well. Had they been seen and heard or read at length, our nation would certainly have been healthier for it.

SENATOR BYRD ON THE ROLE OF CONGRESS

When the House Appropriations Act for the Defense Department reached the Senate floor, Harry F. Byrd of Virginia cautioned his colleagues (Dec. 15, 1975) that "we must debate these issues with full awareness of the restraints imposed by the capacities of the national economy and national will." Setting a statemanly tone for the ensuing debate he then added: "Secretary of State Kissinger has from time to time suggested that the Congress interferes unduly with foreign policy, and that this interference undermines the flexibility needed by the executive branch in conducting diplomacy. But that is part of the American system. Congress has a role to play in the conduct of foreign relations. To cite only the most obvious points, the Senate must ratify treaties and the Congress as a whole must approve any commitment of funds. And beyond the strictly legal requirements, there is the important point that in an open society, no foreign policy can be successful which lacks a consensus. Surely recent history has taught us that.

"There can be no scheming Metternich, no juggling Tallyrand, in the United States. This country's ability to deter aggressors and to negotiate with firmness depends in no small degree upon our national unity of purpose. But we cannot impose unity, as totalitarian governments do. Instead, we must arrive at our foreign policy—I speak of policy now, not the mechanics of its execution—through democratic means."

Having defended congressional prerogatives at the "outset of the foreign policy debate," Senator Byrd next offered an introductory comment on matters of substance. He wished to stress, he indicated, the difference between genuine detente, which he favored, and the spurious detente pursued by Secretary Kissinger, which has served only to dim "popular awareness of the existing military and political threats to the United States." Recalling that he had been the "first Senator to applaud former President Nixon's trip to China," he added that he certainly favored "keeping the lines of communication open to Moscow."

Yet, however desirable it may be to have a genuine détente—a genuine relaxation of tensions—"what has happened in practice is that Secretary Kissinger has used it in an effort to buy Russian friendship with more and more concessions." Americans must not forget, he amplified, that "while moods and methods, words and gestures, may change in Moscow, the underlying goal of the Communist dictatorship remains constant. That goal is the world-domination of the Communist system. Russian actions in Angola give fresh proof . . . The United States cannot afford to accept a 'détente' which paves the way for global domination by the Soviet Union."

Senator Byrd noted that Kissinger himself, when he taught at Harvard, had repeatedly warned against any idea that the Russians would "abandon their drive for world domination in the name of détente." G. Warren Nutter, a former State Department advisor, and professor at the University of Virginia, had recently pointed this out in a monograph on the Secretary of State, and Byrd quotes his words: "Kissinger the public official could find no more severe critic of his policy of détente than Kissinger the scholar, who would say that the search for a no-risk policy is self defeating, that a so-called no-risk policy incurs the greatest risk of all."

It is, of course, true that Kissinger the scholar was aware of the dangers of pursuing a no-risk or "fail-safe" national security policy. But, as we have often stressed in these columns, it by no means follows that Kissinger the scholar opposed adoption of such a policy by his colleagues in the Kennedy administration. On the contrary, he urged its adoption and implementation and has himself been implementing it for the past seven years, in full awareness that the price of persistent implementation must be a series of "limited" surrenders till all is irreversibly lost. Vietnam was unmistakably such a surrender. Would Kissinger's no-risk intervention in Angola prove to be another? That was precisely the issue raised in the Senate debate over the Tunney amendment. By misrepresenting it to the American people, the media gratified Kissinger's mounting need for a cover of purposive ambiguities. But we have, fortunately, the unambiguous directness of the *Congressional Record*.

TUNNEY CITES TAFT

The Senate debate on Angola passed through four dramatic phases. John V. Tunney began it by calling for closed-session briefings on the purpose of the covert intervention. Citing Senator Robert Taft's classic objection to half-hearted military interventions, he warned that we have let ourselves be involved in such interventions "for the past 30 years . . . and where has it gotten us? I will state that . . . it has gotten us thrown out of Southeast Asia and has brought about the collapse of three pro-western regimes. It has gotten us hundreds of billions of dollars in debt . . . and has cost us 55,000 American lives." Rejecting more of the same in Angola, Tunney concluded:

"If the Soviets are taking advantage of the Angolan situation, as indeed I believe they are, then let us go to the heart of the problem, the leadership of the Soviet Union. Let us make it clear to them that we view their inteference there as inconsistent with detente, that . . . if they want American technology and investments and, most important, if they want American grain now or any time in the future, they had better seriously weigh the cost of intervention in Angola. And the same is true of the Cubans . . . . In short, let us take action to stop the Soviets and the Cubans. But let us have no more Vietnams. We, in this country, are prepared to fight to defend freedom . . . . not to squander the lives of our young men and our treasure in foreign policy adventures that bear no true relation to our national security."

What were the national security implications of Kissinger's adventure in Angola? Tunney had several times asked State and Defense department officials for a clarification, only to be told that, while they were free to discuss with him what the Soviets were doing in Angola, they could not discuss what we were doing there. Why such a provocatively unacceptable insistence on secrecy? Did Kissinger perhaps *want* a Senate rejection? That was when Tunney called for a closed session to elicit clarifications, failing which, he would move to block funds for any activities in Angola other than intelligence gathering.

THE STEVENSON-GOLDWATER RESOLUTION

Senator Adlai Stevenson III of Illinois, a Marine Corps veteran and a long-time critic of Kissinger's conduct of foreign affairs, then intervened to say that, while he shared "all the reservations which have been eloquently expressed today about the dangers of U.S. assistance for any party," he did "not want to vote for an amendment which terminates all support for the anti-Soviet side in Angola without any alternative response to this Soviet challenge." There is no doubt, he specified, that the "Soviet Union is testing detente . . . to the limit—and we have defined no limit." The central fact is that "Soviet arms on a massive scale and a Cuban expeditionary force have landed on the shores of a newly dependent African state in naked pursuit of strategic advantage." The Tunney amendment, implying American acquiescence, forces upon us the question: "Have we been so traumatized by the tragic American adventure in Vietnam that henceforth we are to accept Soviet military arrogance wherever it shows its head?" But Kissinger's token intervention, programmed explicitely *not to upset detente,* is surely no answer.

"What does detente mean anyway?" Stevenson asked. To mean anything, he urged, "it must be a two-way street. If the Soviet Union is to enjoy the benefits of trade in commodities which are valuable in the improvement of its standard of living, and other advantages of detente, then it must also meet certain standards of civilized international behavior. The implausability of continued U.S. aid to the Soviet Union in the form of technology, capital and wheat, irrespective of its conduct in the world, is brought inescapably to the attention of the Senate.

The United States has just committed supplies of grain to the Soviet Union for 6 years—notwithstanding its transgressions in Angola or anywhere else. The agreement cannot mean what it says. All such agreements are subject to abrogation by one party if conditions are changed materially by another."

Senator Stevenson then introduced a resolution (S.R. 333) to counteract any adverse impression the Tunney amendment might make. Its terms specified that the President should (1) call upon all nations to stop intervening in Angola, (2) order the U.S. Ambassador at the U.N. to lay the matter to Soviet aggression before the Security Council, (3) urge the Organization of African Unity to act decisively, (4) curtail exports to all countries that persist in intervening, (5) ask other nations to apply similar sanctions, and (6) "pending efforts to seek an end to all foreign intervention in Angola, suspend further assistance to any faction."

At this point, Senator Barry Goldwater intervened. "I want to commend the Senator from Illinois," he said, "for this resolution. I think it is the first thing that has made any sense in a long day. While it may shock the Senator from Illinois to find the Senator from Arizona agreeing with him, I think this resolution comes at a proper time. I am particularly interested in the paragraph where he urges the President to use his authority under the Export Administration Act of 1969 to curtail exports to countries which persist in intervening in Angola. We have never, as a nation, used the instruments of national policy that we have available to us short of the instrument of war itself . . . I am thinking particularly of the Soviet Union's need for wheat." Urging that we use every economic and diplomatic weapon available to us, Goldwater concluded: "I want to again commend the Senator from Illinois, and, if he does not think it would be detrimental to his interests at home or here, I ask unanimous consent, if he agrees, to have my name included as a cosponsor, and I will ask forgiveness of my saints in heaven." [Laughter.]

In the same vein, Stevenson replied: "I am delighted by the Senator's comments, and I hope it does not shock him to find me agreeing with him . . . to the extent that I will probably vote against the amendment, and for the reasons he suggests, namely, that the United States should not deprive itself of any weapons with which to pursue any legitimate foreign policy objective." After a unanimous-consent vote adding Goldwater's name as cosponsor of his resolution, Stevenson observed that the United States "loses its credibility in the world when, on the one hand, it seeks to oppose Soviet intervention in Angola with aid to tribal factions in that country, and, on the other hand, aids the intervenor with not only food but also with capital and with technology . . . Detente is a legitimate objective of the United States. But pursuit of detente by such methods . . . produces the reverse of detente. It produces tension, confrontation, and is doing so today in Angola."

Goldwater then added: "Maybe I am a bit harsh in including food in economic warfare, but it is a very effective weapon. War is far worse and, with the proper use of the weapons we have had available, political, economic, etc., I believe war can be avoided . . . I am glad the Senator has introduced this resolution and made the comments he has made, and I think it will provide very interesting reading to those who follow the Record."

Goldwater and Stevenson here asked unanimous consent for a vote on their resolution. Bob Packwood of Oregon pressed for postponement till after the scheduled closed session and a vote on the Tunney amendment, and his objection sufficed to have the resolution "placed on the calendar" for later consideration.

GARN AND DOMENICI

The closed session brought no significant clarification from Kissinger's people. In open session once again, Senator Garn of Utah rose to say that what most troubled him was the "secrecy of the U.S. contribution to the anti-communist resistence in Angola." Secrecy, he warned, "led to our defeat in Vietnam, which in turn has contributed to our paralysis in Angola . . . If we are unwilling to intervene directly, we should immediately raise the diplomatic costs to the nations that do intervene. Such a course should be obvious, and would be if we were not blinded by the rhetoric of detente. Secretary Kissinger . . . has shown an almost amazing tolerance of offensive and insulting action by the Soviet Union and her client states. Now, all of a sudden, he is upset about Soviet intervention in Angola. Well, a number of us who have never understood his passion for accommodation are strongly opposed to the . . . constraints imposed on us by our blind adherence to the policy of detente."

In a colloquy with James McClure of Idaho, Senator Pete Dominici of New Mexico agreed that Angola and detente are inseparably related, and urged that the "sale of technology, trade relationships, cultural exchanges, SALT II, and all these kinds of negotiations" be used, therefore, as a "leveraging mechanism." With Senators McClure, Robert C. Byrd of West Virginia, and William L. Scott of Virginia concurring, Dominici then asked that his and their names be added as cosponsors of the Stevenson-Goldwater resolution.

But the immediate business on the floor was a vote on the Tunney amendment. In a final appeal, Senator Tunney argued that Kissinger could hardly be serious and resisting a Soviet takeover in Angola since, while pleading for trivial sums to opponents of the MPLA, he had done nothing to stop Gulf Oil from pouring huge sums into MPLA coffers. "There really does not seem to be any centrally controlling objective of American policy in Angola"; and that, Tunney concluded, "is what I consider dangerous." At which point Senator Jesse Helms of North Carolina took the floor to restate the dilemma Stevenson had originally posed.

HELMS' REJECTION OF NEGOTIATED SETTLEMENTS

The Tunney amendment and the administration's position framed by Kissinger, Helms explained, offer us the "choice of outright abandonment of our responsibilities or a negotiated abandonment of our responsibilities . . . The first is quick and cheap; that is the Tunney amendment. The second is long, protracted, painful and expensive. Both arrive at the same ultimate end." He was "presently inclined," he said, "— oh, so reluctantly—to vote for the Tunney amendment in order to let it be known that I will have no part of wasting money when the goal is to negotiate a settlement of the type which has always left the communists in place . . . Is there anyone in this Chamber or in the cloakrooms or in the offices of the Dirksen or Russell building who does not believe that a 'negotiated settlement' is negotiated surrender?'

Helms stressed that the Soviet Union's shipment of "new armaments of a high quality . . . to Angola with no payment asked, and the presence of hundreds of Soviet personnel, are an entirely new development, based on a new world strategy," in the face of which Kissinger's covert intervention coupled with uninterrupted detente-negotiations is shamelessly, not to say treacherously, inadequate. "To put it bluntly," Helms concluded, "detente is the rationalization of surrender, just as our negotiations have been a protracted process of confirming the Communists in positions of strength in various places around the world . . . . No negotiation, not even a SALT negotiation, is important if it allows the Soviets to take the world piece by piece. I do not believe there is a Senator in this place who will deny that that is precisely what is going on. I hope that whatever else the Senate may do in this matter, we will at least endeavor to make sure that the American people understand what is at stake."

After several other senators had spoken for and against, the vote was finally taken on the Tunney amendment: yeas 55, nays 22, not voting 23. The New York *Times* alleged, after the fact, that a vote *against* Tunney was a vote *for* Kissinger's covert intervention. But that is patently false. As the *Record* shows, the severest critics of Kissinger opposed the amendment or abstained from voting, while his ardent supporters, for the most part, voted yea, no doubt believing (as Clayton Fritchey noted at the time) that a Senate restraint on anti-Soviet aid was what Kissinger *really* wanted.

When Kissinger first joined the Nixon administration in January 1969, he boldly declared himself to be a Disraelian in politics. He and Daniel P. Moynihan later taught President Nixon how best to use Disraelian conservative atmospherics as a cover in pursuing supranationalist ends. Poor Nixon is gone, now, but the master Disraelian of our time clings to office. No doubt the heads of international communism who deal with him and his friend Helmut Sonnenfeldt in major "negotiations" about America's future must wonder what marvel of collective stupefaction can have made such a thing possible. Yet the answer is now fairly obvious. Kissinger and his peers are sustained in office by the power of America's newsmongers.

The hyperconstitutional power of our news conglomerates to influence and shape public judgment is so immense that it dwarfs that of all other sectors of our society combined. Using the most advanced technology, it "sells" itself night and day to the American people in what amounts to a nationwide crimewave of incessant "jury tampering." Our Federal legislators must act to protect us against the nonrepresentative oligarchy that now monopolizes our most advanced means of news dissemination and persuasion. They owe it to our gravely endangered 200-year old "experiment in government by discussion." And they can best begin to do it by getting their legislative sessions televised daily, and adequately reported to their national constituencies.

NO ARMS TO TURKEY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. LENT. Mr. Speaker, as my colleagues well know, the administration has proposed that the United States provide Turkey with more than $1 billion in military aid over the next 4 years. I believe that this proposal deserves close scrutiny by the Congress—and ultimate rejection, given its present terms.

In the past 2 years, I have voted numerous times to first institute and then maintain an embargo on arms shipments to Turkey, in light of that nation's unauthorized use of our military aid to pursue an expansionist course on Cyprus. Regrettably, since the embargo was lifted last fall, no progress has been made toward a responsible solution to the Cyprus problem. Turkey continues to insist upon terms which would be tantamount to Greek humiliation. I must ask why we should accept an aid proposal with no guarantee of movement on the Turkish side toward a Cyprus settlement?

The only answer can be that the United States is giving in to a form of diplomatic blackmail, that is, if we come through with enough money to shift the balance of power in the Aegean toward Turkey, then Turkey will allow the United States to reoccupy its military bases in that country.

If we allow the authorization for this long-term sale of arms to Turkey, the United States will be giving its tacit approval to the status quo on Cyprus. Indeed, we will be shattering whatever hope there might be to obtain a fair political settlement of the Cyprus tragedy. The U.S. Congress has the opportunity to come down on the side of human rights and the rule of law if it rejects the Turkish arms deal, and I hope we will make the best of that opportunity.

THE PENSION REFORM ACT: A CURE THAT IS WORSE THAN THE AILMENT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. KASTEN. Mr. Speaker, today, we are considering H.R. 12725, legislation to permit employees who have received lump sum payments from involuntarily terminated pension plans, to place these funds directly into "individual retirement accounts" without paying Federal income taxes at this time.

I wholeheartedly support this legislation. It is similar to legislation I introduced last February (H.R. 4721) with Representative Steiger of Wisconsin.

Mr. Speaker, this legislation must be classified as "emergency relief to innocent victims of the Employees Retirement Income Security Act." ERISA, or the Pension Reform Act, in many ways is worse than the ailment Congress was trying to cure. The legislation we are considering today will alleviate some of the hardships imposed upon employees whose pension plans have already been terminated.

However, both Congress and the administration must give immediate consideration to additional relief from ERISA in order to halt the rising tide of requests, primarily from small companies of less than 100 employees, to terminate their pension plans.

HISTORY OF ERISA

Mr. Speaker, when the Pension Reform Act was passed by Congress, it was hailed as a long overdue, comprehensive bill of rights for the 35 million American workers covered by the more than 500,000 private pension plans to protect the interests of the employees. I am in complete agreement with the basic spirit of the law.

I am concerned, however, that the complexity of the law, the unbelievably high costs, the administrative nightmares of complying, and the bureaucratic ineptness in implementation, are forcing companies to terminate their pension plans.

THE RATE OF TERMINATION

Mr. Speaker, the number of companies which have terminated employee pension plans is ample proof of the need for action.

During 1975, the Pension Benefit Guarantee Corporation—PBGC—received four times the number of requests to terminate pension plans it expected—a total of 5,035 terminations. More than 160,000 employees lost their pension plans. Eighty-four companies, either based or headquartered in Wisconsin, employing more than 3,700 people, terminated their pension plans. Sixty-one percent worked for companies with less than 100 employes.

Of equal concern is the drop in the number of new plans which are being submitted to IRS for approval. The total number of new plans submitted during the first 9 months of 1975 was approximately half the number submitted during the corresponding period in 1974—26,671 compared to 47,185.

REASONS FOR THESE DISTURBING TRENDS

Some have been reluctant to acknowledge a correlation between the increase in the number of pension plans terminated and the decrease in the number of new plans, and the implementation of the Pension Reform Act.

These trends, in part, are the result of the recent economic downturn. However, when the costs of administering small pension plans have doubled and tripled, commonsense tells us there is a relationship. Unfortunately, many small companies are unwilling to attribute terminations to increased costs and paperwork for fear of losing tax deductions for past contributions to the plans.

One of my constituents, Robert K. Gardiner, Jr., of Dennis W. Laudon & Associates, a Milwaukee pension administration firm, wrote that—

> ERISA places a severe personal burden, as well as an enormous administrative burden. And as the employer derives little personal benefit out of these programs, his reaction is, "Who needs the aggravation? I will simply terminate the plans."

The reporting and disclosure requirements of ERISA are so complex and extensive, the Department of Labor has even found it necessary to use videotape and sound-slide presentations, in addition to the traditional public meetings and publications, to explain the law. The Internal Revenue Service alone has published more than 39 temporary and proposed regulations, 47 technical information releases, 18 revenue releases, and 12 announcements and news releases dealing with ERISA.

In the beginning the paperwork required by the Department of Labor and the Internal Revenue Service was not only mind boggling, it was not even coordinated among agencies. For example, the Department of Labor's first proposed form required 20 pages of essay answers. Although the various Federal agencies have already moved to simplify their forms, reduce the amount of duplication and eliminate any requests for unnecessary information, the paperwork burden is still significant when one considers that over 90 percent of these companies have less than 100 employees.

It was even more disturbing when I discovered that the Department of Labor does not have the manpower to even review the information received. In order to learn the number of companies in Wisconsin which had terminated pension plans during 1975, a member of my staff had to search through each of the 5,035 terminations logged in at the Department of Labor and, using the registered numbers, locate the files.

The information required of employers should be limited to the information essential to the administration of the law. Any information which is being accumulated because "it might be needed" must be eliminated.

Under the law that preceeded ERISA, more than 1 million employee benefit forms were submitted to the Labor Department. These forms were not read, or even filed. They were simply boxed and placed in a Government building in Silver Spring, Md.

I am pleased that the Department of Labor and the Internal Revenue Service have already implemented several changes to reduce the paperwork burden and simplify the forms. It is estimated that these changes will result in savings of $500 to $666 million, primarily accruing to small- and medium-sized plans. But I would urge these agencies to work toward even greater simplification.

INTERSTATE DROP FORGE CO.

Permit me, Mr. Speaker, to cite the actual ERISA experience of a Milwaukee manufacturing firm. The following account is from a letter I received from John R. Phillips, treasurer of the Interstate Drop Forge Co. in Milwaukee:

> By the end of February 1975, our Company had completely amended our two non-contributory pension plans to comply with the law at a cost of $10,260 in actuarial and legal fees.
>
> By the end of December 1975, we had almost completed the required employee handbooks at a cost of $18,300 in fees to a communications consultant who at our request only provided us with a *rough draft* of the handbook. We did the rest of the work. Although we haven't gone to press yet, we estimate that it will cost about $2000 to have the books printed.
>
> The law also requires that every welfare plan—no matter how many participants; no matter whether it is contributory or non-contributory—have a plan document available for the employee's inspection. Our legal fees to comply with this part of the law were $3500.
>
> In addition, we needed an administrative manual for each pension plan so that our employees could understand how to administer the plans. The legal fees were $4200.
>
> The total of the costs listed above is $38,260. This does not include the cost of our own people's time in attending various seminars, meetings with actuaries, meetings with our communications consultant, and meetings with attorneys. Since our current employment is slightly over 350 people, we have already spent about $100 per employee to comply with ERISA.

If the experience of Interstate Drop Forge Co. is indicative of the bureaucratic and paperwork nightmare produced by ERISA, as I believe it is, then immediate action must be taken.

THE NEED FOR CONGRESSIONAL ACTION

Mr. Speaker, I recently joined with Representative ARCHER and 115 other Representatives in requesting Comptroller General Elmer B. Staats to have the General Accounting Office investigate the impact of ERISA on small business and to recommend suggestions for corrective legislation to relieve the burden of ERISA. Small companies are not equipped to deal with this complex law, financially or administratively.

In the meantime, I would urge any business which is considering a termination of its pension plan to use restraint. Hopefully, corrective actions of Congress and the administration in the near future will alleviate the greatest problems and achieve a reasonable balance between protecting the employee's rights and the employer's ability to provide pension benefits.

For those employees who have already lost their pension plan, the legislation we are considering today is essential. But Congress must reform ERISA, or a growing number of employees will have to avail themselves of this tax-free rollover provision.

SUPPRESSION OF INNOVATION—PART II

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. SYMMS. Mr. Speaker, Prof. William Wardell of the University of Rochester has made an excellent analysis of the logic behind our existing drug regulatory scheme. The following excerpt from his article shows how the Food and Drug laws' logic falls short:

THE RUBRICS REEXAMINED SCRUTINY OF THE LOGIC OF OUR PRESENT SYSTEM

> In the intense debate that exists on the introduction and development of new therapeutic drugs in society, there are certain underlying assumptions that are accepted by most parties without question. The purpose of this section is to examine these rubrics. It will be shown that their logical and factual base is usually precarious and often fallacious, and that alternative and equally tenable assumptions might make the drug development process more effective for society as a whole.
>
> The rubrics:
>
> 1. "Therapeutic drugs should be proven to be safe and effective for their intended uses."
> 2. "Committees of experts are better able to judge the safety, efficacy and appropriate usage of drugs than are individual physicians. By enforcing such expert decisions, optimal prescribing will be fostered for the whole community."
> 3. "Access of a drug to the market is the most crucial and appropriate point at which to exert control over drugs. Strict control over marketing will optimize drug utilization. A regulatory agency is the most appropriate tool to exert such control."
> 4. "New drug candidates should be exhaustively evaluated first preclinically and then clinically to ensure that they are safe and effective."
> 5. "No drug should be admitted to the market or approved for a new use until the criteria for safety and efficacy have been satisfied."
>
> We shall now examine in depth the further assumptions upon which these rubrics are based, and the logical consequences which ensue.
>
> 1. "Therapeutic drugs should be proven to be safe and effective for their intended uses."
>
> This is based on at least two prior beliefs.
>
> "The terms 'safety' and 'efficacy' are capable of definition and have been defined, both in scientific terms and operationally in the context of clinical problems. They can be used as the basis of meaningful discussion, from which logical and scientifically sound conclusions could emerge." There are two general fallacies in this belief, applying in the fields of premarketing and postmarketing evaluation of drugs respectively.
>
> In the premarketing evaluation of drugs, it has been pointed out by Feinstein that the terms "safety" and "efficacy" have never been defined in operational terms appropriate for the clinical pharmacology of drug evaluation. While dictionary definitions of these terms exist, they are totally inadequate for our purpose; satisfactory methods do not exist for defining safety and efficacy because we have not specified the target. Current techniques of statistics and experimental design offer a precise intellectual weapon for aiming at a target, but they neither define the target nor help us to locate it.
>
> Even if the targets were defined, there are further problems stemming from the need to determine how much is "enough." How effective or safe does a drug have to be to be regarded as such? This issue has both statistical and logical problems. Without current standards of performing clinical trials, clinically important drug effects may fail to reach statistical significance; conversely, clinically trivial differences may sometimes be accorded statistical significance. A drug that produces a highly desirable effect in a minority of patients will be rated ineffective if that minority is small enough or if it is not properly recognized. The current methods ultimately require subjective judgments for their final interpretation and even then may obscure the issues. Reliance on defective techniques is causing us to throw out the baby with the bath water.
>
> Feinstein points out a number of other defects in our current techniques. Our ill-defined concepts of efficacy do not provide for handling multiple effects, for distinguishing pharmacologic from therapeutic efficacy, and for differentiating between a diversity of therapeutic actions and environments. Neither do they allow decisions about the kinds of patients to whom the results will apply. Furthermore, the attribution of hazard to drugs is often poorly done, and formal techniques for weighing up the significance of adverse effects and offsetting them against beneficial effects are almost non-existent.
>
> After drugs have been marketed, the problem is worse. While there are some crude methods for measuring the overall hazards of drugs under conditions of actual use, methods for measuring the overall benefits that drugs produce under the same conditions do not exist. We have for the most part neither the techniques nor the data for making the risk-benefit decisions that we need to make about drugs under conditions of actual use.
>
> Most of the debate between the pharmaceutical industry and the Food and Drug Administration stems from this point. That it, disagreement arises as to what constitutes evidence of safey and efficacy and on whether the available data satisfy the present requirements; whether a particular degree of safety or efficacy is sufficient for the intended use; and what uses should be appropriate in these circumstances.
>
> It is deluding ourselves to suggest that safety and efficacy are adequately or even clearly defined concepts in the present state of the art of clinical pharmacology.
>
> "Appropriate uses can be clearly distinguished from inappropriate uses." In the context of a particular patient, this is true, but with the present state of knowledge it usually has to be established empirically—hence the familiar and currently inevitable trial-and-error nature of a good part of medical therapy. Appropriate uses cannot,

at present, be specified prospectively for the whole therapeutic community. In the future, as knowledge improves, this may change, but as long as there is need for trial-and-error by individual physicians for individual patients, "appropriate use" must remain an individual concept not a community concept.

Two examples may be used to illustrate this. These are the restricted (or "approved") uses of propronolol and carbamazepine in the United States. Although both drugs are marketed here, they are not "approved" here for use in some of their major indicators (approved uses) in the rest of the world: angina and hypertension in the case of propranolol, and epilepsy in the case of carbamazepine. There is little doubt about the effcacy of either compound when used in appropriate patients. There is also no doubt that these drugs can be toxic. Propranolol's toxicity is dose-dependent, predictable and reversible; carbamazephine's is capricious. The important point is that the decision to use either agent is, like any therapeutic decision in medicine, an intensely individual one that must weigh up the risks and benefits for that particular patient. It is preposterous to suggest that the "approval" of particular uses and disallowance of others on a community-wide basis will be in the best interests of all patients. Wide experience in other countries[5] and the reaction of expert physicians and the American Medical Association in the United States, speaks to the contrary.

2. "Committees of experts are better able to judge the safety, efficacy, and appropriate usage of drugs than are individual physicians. By enforcing such expert decisions, optimal prescribing will be fostered for the whole community."

These propositions compound the fallacy just discussed that valid collective decisions can be made at the national level that will benefit all individual patients and their physicians.

We have already seen that committees of experts may not be in a position to make decisions that are appropriate for individual physicians and individual patients (and that in any case experts can, and often do, disagree violently among themselves). In the light of this it would seem questionable for such panel decisions to be binding on all physicians and all patients. Furthermore, no attempt has ever been made to show scientifically that decisions of this type do, in fact, achieve the desired results. Leaving aside the fact that the desired results themselves are seldom properly defined, they are difficult to measure, and there exists no evidence that this type of decision-making indeed benefits the majority, or that its harm to minorities is small enough to be ignored.

Also arising from the above assumption is a fundamental conflict between individuals and society—in this case, individual physicians who wish to provide optimal therapy for individual patients, and the regulatory agency which, as its function is presently conceived, sees its duty as the minimizing of toxicity in the community. Even if the regulatory agency wished to maximize benefit to the community this conflict still exists: There will always be situations in which regulations designed to protect the majority from harm will harm at least a minority by denying them benefit. Blanket regulatory control over issues like this is a twin-edged sword, and a blunt one at that.

The consequences of this type of regulatory philosophy deserves to be explored further. They will always result in timorous policies: Under public scrutiny, regulatory bodies naturally make excessive allowance for 'worst-case' possibilities. Such policies have helped to create the American drug lag and the associated problem of restricted uses for those drugs that do become released. Since drugs will from time to time become used for "unapproved indications, one consequence of futile pseudo-restrictive policies is that full directions and appropriate dosage forms may not be available to the physicians wanting to use therapeutic drugs for "unorthodox" purposes.

3. "Access of a drug to the market is the most crucial and appropriate point at which to exert control over drugs. Strict control over marketing will optimize drug utilization. A regulatory agency is the most appropriate tool to exert such control."

The aim of controls over marketing is, paradoxically, not to control marketing at all: The real aim is to control the way in which drugs are used. It has, moreover, never been proved (and seems unlikely on the face of it) that control over marketing is the best—or even a satisfactory—way to control drug utilization. For example, drugs that are effective are usually hazardous to some degree. But no matter how hazardous a drug is, it is usually possible to find some patients in whom the potential benefits outweigh the risks of that drug. In such a situation, that drug should be available for those particular patients.

All drugs have hazards if they are used inappropriately. The key issue should not be whether to control the marketing of a useful but toxic drug, but how to ensure that it is used appropriately.

If controls over the admission of drugs to the market are fundamentally misdirected, one may question whether they are appropriate. Alternative systems exist in which utilization controls have proved to be more precise yet more flexible and less oppressive than controls over the access of a drug to the market.

For example in New Zealand, a national health service which includes government payment for pharmaceuticals has existed for 35 years. For most of this time there was no control over the access of drugs to the market. Instead, powerful control has always been exerted at an alternate point, namely the manner in which drugs are utilized in general practice (Wardell). These controls stem from the conditions required for the patient to obtain drugs free of charge under the government's Pharmaceutical Benefits Scheme. The controls include restriction of certain drugs to supply by hospital pharmacies to prescription by specialists, to use for approved indications, and to duration of supply on a single prescription. None of these restrictions apply in hospitals or if the patient is prepared to pay for the drug himself. The effectiveness of these measures has been demonstrated. For example, New Zealand was almost completely spared the thalidomide tragedy because of utilization controls at a time when no marketing controls existed (although available for two years, the drug had not been admitted to the Drug Tariff and so was not paid for by the Health Service). Controls on utilization probably protect the New Zealand patient considerably more than controls on marketing protect the American patient, since utilization controls extend to all hazardous drugs, new or old.

We are not suggesting that a system of this type would necessarily be better for the American patient; this example is used solely to illustrate that in concentrating on control over marketing, Congress and the public may have missed the point.

4. "New drug candidates should be exhaustively evaluated first preclinically and then clinically to ensure that they are safe and effective."

This rubric stems from a number of seductive but shaky assumptions.

"Preclinical testing of a drug in animals has predictive value for determining safety and efficacy of the drug in man." While substantial faith is placed in the predictive value of animal tests, this crucial point has seldom been critically examined. The major empirical study of this point to date is that of Litchfield, 1962. Surveying six drugs of dissimilar chemical structure that had been extensively evaluated in the rat, dog and man, Litchfield found that more than half the toxic effects in man had been entirely missed by the animal screens, while at least a fifth of the postive predictions of toxicity were incorrect. At least with the methods in use at that time, animal tests in both rodent and nonrodent species could not be relied upon to predict a drug's toxicity in man. Other examples exist to reinforce this point (Wardell, 1973).

"It is hazardous to investigate a new drug in man; the earliest stages of such clinical investigation are the most hazardous." Although the earliest studies of a drug in man are commonly thought to be the most dangerous, the subjects in these studies are carefully monitored, and, contrary to general belief, serious toxicity seldom occurs at this stage. There is some evidence to suggest that the earliest studies are the safest, but we cannot tell whether this safety has been achieved because of animal screening or in spite of it. Carr summarized experience with predominantly Phase I studies at one prison testing unit in Michigan, where nearly 14,000 volunteers participated in more than 300 studies during a seven-year period without any occurrence of serious toxicity. Obviously, more hard data on this topic, particularly concerning the nature and reversibility of reactions that do occur and the documentation of long-term sequelae, are needed. There is no doubt, however, that when widespread toxicity occurs, it is not in a drug's early developmental stages. Widespread toxicity can only occur after a drug has been approved for marketing, when it comes to be used chronically and in relatively unsupervised fashion by large numbers of patients.

"Exhaustive premarketing evaluation of drugs in man protects the public from widespread hazard subsequently." There is touching faith in the belief that important side effects can always be detected at an early stage in man, and that strictness at this time in some way confers protective value when the drug comes to be used subsequently. Neither of these views is correct.

In the first place, the numbers of patients that can feasibly be studied intensively in the investigational stages of a drug's history are limited. Hence the only side effects that can be detected at all in the premarketing stage are those that occur frequently. Preclinical studies of any realistic size have very little chance of detecting rare but important side effects. For example, to have a 95 percent chance of detecting a side effect with a frequency of 1 in 100, three hundred patients would be necessary (Barnes and Denz, 1954), and catastrophic side effects are typically much less frequent than this. Recent discussion of the requirements for evaluation of combination antibiotic ophthalmological preparations have indicated that upwards of 15,000 patients would be required to detect the anticipated differences in infection rates. Bone marrow toxicity of the chloramphenicol or phenylbutazone type, with a frequency of 1 in 20,000 or smaller, would simply not be detectable with any feasible premarketing testing.

Since widespread catastrophic drug toxicity can be recognized only after the drug has been marketed, and since new drugs contribute only a small part of the overall burden of drug toxicity, preventive measures must be aimed at both new and old drugs in the circumstances of their actual use. Premarketing observations, no matter how intense, can never be an adequate substitute.

Current procedures of drug development in the United States seem to be based on the exact opposite of this logic. Preclinical and premarketing testing is becoming increasingly more demanding, while postmarketing surveillance is essentially neglected. As noted elsewhere, the United States stands at or near the bottom of all twelve countries reporting to the WHO International Drug Monitoring Program, and meaningful feedback from the monitoring system in the United States to the physicians who are in a position to contribute was nonexistent until 1973.

"Safety is more important than efficacy." In making decisions about new drugs in the drug development process, there has been a tendency in the past to give most attention to a drug's potential hazards at the expense of ignoring the potential benefits it may confer. There are, however, several instructive historical examples of drugs that have reached the market before the full extent of their human or animal toxicity was appreciated. It is highly likely, for example, that if all the toxic properties of penicillin, digitalis, aspirin and fluroxene were appreciated and these drugs appeared today as potential new drug candidates, they would not be permitted to advance further in the development process.

Similarly, there are examples where the appearance of some toxicity during the development process of an undeniably effective new drug has been allowed to overshadow the benefits of that drug, and that unnecessary delay has occurred. One example of this is gentamicin; and there are many other examples seen in my study of the drug lag.

There are serious social and ethical dilemmas in weighing up safety against efficacy in the new drug development process. The purpose of this section has been to point out that to use inappropriate data and to overemphasize toxicity in the assessment process is not necessarily the way to maximize benefit for the community.

5. "No drug should be admitted to the market or approved for a new use until the criteria for safety and efficacy have been satisfied." (Some legislators have even proposed that a drug be required to be more effective or more safe than an existing drug to be admitted to the market.)

This rubric depends on two assumptions already shown to be invalid; that valid criteria for safety and efficacy exist, and that they can be meaningfully evaluated prior to the point of marketing. In the light of our previous discussion about the difficulty of establishing efficacy, the problems become mind boggling if one compounds the difficulty by requiring judgments of relative safety and efficacy.

TRIBUTE TO VICTOR ABREVAYA

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. WAXMAN. Mr. Speaker, on April 24, 1976, the Sephardic Temple Tifereth Israel will present the Sephardic Heritage Award to Mr. Victor Abrevaya.

This award is presented annually by the Sephardic Jewish Community and Brotherhood of Los Angeles to a meritorious person who has made meaningful contributions toward the preservation and perpetuation of Sephardic Judaism.

Mr. Abrevaya has served as vice president for 3 years and president for 3 years of the Sephardic Brotherhood.

He served as a member of the Unification Committee since its inception and when it was accomplished, he has served as vice president of Temple Tifereth Israel, and as chairman and member of many other important committees in the temple.

The final unification of the two Sephardic Temples has produced a unified and expanded membership with wonderful results.

Mr. and Mrs. Abrevaya have shared a deep interest and involvement with adult education at the temple.

They have 3 daughters and 5 grandchildren, all of whom have college degrees in the arts or sciences.

It is my pleasure to join the Sephardic Temple Tifereth Israel in paying tribute to Victor Abrevaya.

AMENDMENT TO INTERNAL REVENUE CODE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. HYDE. Mr. Speaker, today I am introducing a bill which will amend the Internal Revenue Code of 1954 to allow individuals to designate $1 of their income tax liability to be used for purposes of reducing the public debt of the United States.

As of April 5, our national debt stood at the incredible amount of $596,907,000,000. The interest payments alone for one year, projected on a fiscal basis, come to $37.7 billion a year—or $103 million a day.

Beginning with the 1972 income tax return, the American people were given the opportunity to help finance political campaigns. The Federal Elections Commission and the Treasury Department estimate that from the period 1972 through the April 15 filing deadline for 1975 returns, the amount collected for this purpose will have reached $100 million. So far, more than $20 million has been spent in matching funds contributions for political candidates.

I believe that if the American people were given an either-or option when dealing with the checkoffs on their income tax returns—a contribution for matching funds to help subsidize a myriad of political campaign road shows, or a choice of checking off a contribution to help reduce the national debt—more people would choose the latter.

The American people know that there is a bottom to everybody's piggyback. The American worker who is, on the average, now contributing 21 percent of his earnings to the Federal Government, is becoming increasingly concerned about fiscal irresponsibility resulting from our present policy of increased and reckless deficit spending. We have seen the sobering examples of New York City and Great Britain. Those who say it cannot happen to the United States are wrong; our financial resources like our natural resources are not infinite and this country is not immune to bankruptcy.

Vice President ROCKEFELLER said in an interview with U.S. News & World Report last October:

> Add these two things up: Government expenditures have gone up at the rate of 7 percent of GNP (gross national product) a year. GNP was growing at the rate of 3 percent before it stopped. It doesn't take a genius to figure out that we are going to run out of money as a nation, not just New York City.

The American people right now are disenchanted with government as a whole, but their greatest concern is about the economy. They are tired of watching their tax dollars go down the drain, they are worried about inflation; they know that we are spending far more than we receive in taxes, and borrowing more to cover these huge deficits. And they know it is all a vicious cycle which must eventually affect their standard of living.

The American people are fed up, and they demand that fiscal sanity be restored in our Government. To illustrate, I would like to cite the example of an 82-year-old constituent of mine, Mr. Keith Evans. Last year when the community of Riverside, Ill., celebrated its centennial, Mr. Evans is a former village trustee, suggested to the people of Riverside that there should be more to celebrating Riverside's centennial and America's Bicentennial than just speeches and parades. He suggested a project which would do honor to the courage of our Founding Fathers; a worthwhile project to help restore America's fiscal sanity. He proposed that everyone contribute $1 toward paying off the national debt. So far $1,100 has been collected by his useful and patriotic group.

Some may smile at the apparent David and Goliath analogy. Granted, $1,100 compared to the daily interest of $103 million alone on the national debt is a paltry sum. But the point is, if everyone in the country made such an effort, it would help dramatize the direction in which we are heading, and symbolize the need to halt before it is too late.

This year, Bicentennial projects have sprung up in most every community in the country. This worthwhile project of initiating a symbolic attempt to pay off the national debt is a fitting memorial to our Founding Fathers, who actions were always characterized by high principles and common sense.

When the Federal Government was formed in 1789, we began with a debt of $78 million—less than the daily interest on the national debt today—and this was the unpaid cost of the Revolutionary War. Throughout our history the Federal Government has borrowed whenever total receipts were insufficient to maintain a cash balance in the Treasury accounts adequate to cover current operating needs and to meet expenditures and anticipated operations.

Only once has the Federal Government come close to being out of debt. After the War of 1812, the debt was gradually reduced until it hit an alltime low of $37,513 at the end of fiscal year 1835. All of the interest bearing debt was paid and there were ample funds in the Treasury to retire the entire debt, but some holders failed to present their securities for payment.

Since 1931, only seven Federal budgets have shown surpluses. Interest costs alone annually are more than the Federal Government's total expenditures for any year prior to fiscal year 1942. The estimated interest expense alone on the national debt for fiscal year 1975 approximated the total of all Federal Government expenditures for the first 125 years of our history as a nation.

These statistics plus the additional fact that Riverside's $1,100 will pay off less than 1 second of the daily interest of $103 million a day on the national debt; or that the $20 million spent so far on matching funds for Presidential candidates if applied to that same daily interest would pay for 4.66 hours, should suggest something about the awesome scope and burden of the national debt.

The national debt is not going to go away if we just ignore it. Ignorance is not bliss and we are eventually going to find ourselves in the same predicament as New York City. The American people realize that a deficit spending policy is fuel for a raging inflationary fire. I believe we are entitled to a choice—we can start moving toward a solution to this problem now, or face the consequences in years hence. This is a small, small step, but a journey of a thousand miles always begins with a first step. And that is why I am introducing this legislation today, and urge my colleagues support of it.

The national debt must be dealt with eventually, and the longer we procrastinate the worse the task will be when we finally own up to it. Above and beyond that, it is a reminder that the debt is there in all its nonglory—all $596,907,000,000 of it.

I am not suffering under any illusion that the national debt is going to be wiped out through this method. But I do believe this procedure would give the taxpayers the opportunity to participate in a concerted act that would serve the public interest by dramatizing the size and scope of the crushing burden we are placing upon our own and future generations. As Herbert Hoover once said:

> Blessed are the young, for they shall inherit the national debt.

FOUR MAJOR UNIVERSITIES DECLARE THEIR INDEPENDENCE

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. QUIE. Mr. Speaker, this week the presidents of four major universities signed a powerfully worded "Declaration of Independence" from unwarranted Government intrusion. As one deeply committed to a strong system of higher education, including a viable independent sector, I was impressed by the bold courage which these presidents reflected in their statement. After listing several propositions about the relationship between a private university and the Government, the declaration lists six we believe statements, followed by this major resolution:

> Be it therefore resolved that we reaffirm our intention to maintain institutional independence from any external intervention which threatens the integrity of our institutions, including refusal of federal funds which carry such threats.

I find myself in considerable sympathy with the thrust of this statement and believe it to be so well presented—and so unusual—that I would like it to be available to all the Members for their review.

A 1976 DECLARATION OF INDEPENDENCE BY THE PRESIDENTS OF—THE AMERICAN UNIVERSITY THE CATHOLIC UNIVERSITY OF AMERICA, THE GEORGE WASHINGTON UNIVERSITY, GEORGETOWN UNIVERSITY

PROLOGUE

During the first two centuries of this nation's life, government leaders were dedicated to the proposition that institutions of higher education were independent, voluntary associations serving public and private purposes. By being so dedicated, governments at all levels encouraged colleges to create a system of quality and diversity that was to become the standard of academic excellence throughout the world.

Recent government policies and behavior toward education, however, have threatened this valued independence and have shaken the foundations of our system of higher education in this country.

As Presidents of universities in the nation's capital who regularly have first-hand contacts with policy makers and regulators, we perceive an intensification of these interventionist trends and therefore are compelled to draw public attention to them.

THE THESIS

We assert three propositions:

1. Governmental interference is disrupting higher education to a point where institutional autonomy is seriously threatened.

2. Without the vigorous exercise of independence, the American system of higher education as we have known it for centuries will certainly collapse.

3. Independence in the public sector will no longer exist if independence in the private sector, traditionally the measure of educational practices and philosophies, disappears. While public institutions seek to respond to the differing needs of students in the fifty states, it is wrong to assume an automatic diversity of viewpoints or educational philosophies among these institutions. Indeed, there is often an unsettling similarity in the budgeting processes and a growing conformity in their responses to federal and state incentives.

SOME SPECIFICS

Chief among the recent trends which threaten the independence of private colleges and universities are the following:

Economic pressures

No independent educational institution can remain solvent in today's world without passing on increased expenses to the student consumer in the form of increased charges. In the past, such charges were kept to a minimum by charitable contributions but these, eroded now by inflation and threatened by proposed adverse tax legislation, are in jeopardy. Supported by tax dollars, public institutions, on the other hand, have been able to hold tuitions far below actual costs and are consequently attractive to many students who, in other circumstances, might prefer the private institution. These tuition differences have contributed to a dramatic reversal in enrollment patterns. Twenty-five years ago, fifty percent of all college and university students were enrolled in private institutions; today there are fewer than twenty percent.

Costs of compliance

We embrace wholeheartedly the concepts of equal education and equal opportunity for all and have in good faith attempted to support such concepts. However, the multiplicity of federal and local regulatory guidelines on such programs have driven up administrative costs as much as three hundred percent since 1968.

Multiple regulations

More serious than dollar costs is the danger of regulation which diverts creative minds from the tasks of teaching, research and reflection. With fifty administrative agencies and two dozen committees of the U.S. Congress and the District of Columbia having direct responsibilities that impinge on our universities, governmental regulation and oversight can become a disguised form of governmental control. Institutions are driven to defensive strategies.

The innovative and searching analysis expected of colleges by society suffers in the face of the mounting necessity for dealing with the myriad, pedantic, and sometimes contradictory requirements imposed by government regulation. Diversion of faculty and staff attention to questions of compliance is a damaging intellectual cost which universities and society at large can ill afford to pay.

Changing needs

Since public needs change, national priorities are constantly being readjusted. The record of higher education in meeting those needs, often with the support of public tax dollars, has been commendable. Yet an institution's effort to be responsible and responsive has sometimes clashed with its own traditions to create serious dislocations. One example of how programs backfire is related to the Apollo Moon program. At one time, anyone suggesting that a Ph.D. in physics might be unemployable would be accused of misunderstanding the realities of the modern world. Yet, seven years after the first moon landing, many physics departments are far larger than required by enrollments and are staffed by comparatively young tenured faculty whose talents are under-utilized.

Federal funds

Federal spending is often used as a lever to move colleges and universities toward transitory or unachievable goals. Institutional autonomy in academic programs is reduced, and diversity, creativity and reform on campuses are seriously threatened.

Career education

The U.S. Office of Education has lent its considerable prestige and its considerable resources to career education. One possibly unintended effect has been the erosion of arts and science as the core of liberal collegiate education. Increasingly, students are embarked on programs in which they hope to acquire more "saleable skills." Yet if the liberal arts tradition dies, the nation will be intellectually and culturally poorer.

Independent study commissions

Higher education is one of the most "studied" enterprises in America. However valid the conclusions of such studies, they must be participated in, monitored, and evaluated by members of the academic community. Time and energy are consumed, and both translate ultimately into cash. Further, as these recommendations are adopted by legislatures and emerge into new laws, regulations, and requirements, the independence of institutions may be diminished.

Local jurisdictions

The financial plight of cities drives them to seek new sources of revenue which jeopardize the tax-exempt status of all non-profit institutions. The regulatory activities of metropolitan governments toward education have expanded. It is necessary to be aware of new development and to work constructively with local leadership. Nevertheless, the growing body of local law and procedures emerging from municipal governments may further limit the independence of higher educational institutions. Costs of compliance with urban laws, added to the already heavy federal compliance burden, could further diminish scarce educational resources.

Judicial interventions

Paralleling the growth of bureaucracy has been the remarkable expansion of judicial power, the net effect of which has been to encourage a litigious society. By aggressively assuming the role of social engineers, the courts have not only intruded their ideologies into the private, voluntary sector, but have by their decisions contributed to the proliferation of cases whose issues are better resolved under grievance mechanisms provided by the collegial governance of the universities themselves.

Growing misunderstandings

Distressing as is the intrusion of government into the day-to-day affairs of colleges and universities, even more lamentable is the loss of public confidence in—and understanding of—higher education. College is frequently viewed by parents and students as a way station toward business and professional success. While it is partially that, colleges serve wider purposes. Higher education plays its most profound role not simply in presenting trained manpower to the marketplace, but in assisting the nation to translate past traditions into the present and in building a solid future on new generations who remain committed to social growth, moral development, and progress toward the common good. It is that most fundamental of roles that we as educators and citizens must never forget.

In light of the foregoing and with deep consciousness of the significance of the declaration about to be made, we present the following—

DECLARATION OF INDEPENDENCE

Because relationships between government and institutions of higher learning have reached a critical state in this Bicentennial Year, we deem this the opportune moment to state briefly our basic beliefs and premises.

We believe that a democratic society is best sustained when its institutions of higher learning are free to establish their own policies and programs in furtherance of high-quality education.

We believe that bureaucracy has become so vast and complex in its operations that sound relationships between government and universities are hampered by overlapping and unduly restrictive procedures, and that a leveling and homogenizing process is being generated.

We believe that the diverse educational needs of Americans are best met by colleges and universities which are themselves part of a pluralistic and diverse educational community.

We believe that institutions of higher learning which are committed to serving the rising educational demands of contemporary society should be helped by government financial support.

We believe that private institutions have a most solemn obligation to husband resources carefully through appropriate administrative and educational reform.

We believe that our steadfast objective must be the maintenance of autonomy which preserves choices of both form and substance of subject matter which is researched and taught.

Be it therefore resolved that we reaffirm our intention to maintain institutional independence from any external intervention which threatens the integrity of our institutions, including refusal of federal funds which carry such threats.

Be it further resolved that to achieve this end, we shall make every effort to—

Retain the university's autonomy over all decisions affecting the substance and the form of educational offerings;

Work with public officials to reconcile conflicting and overlapping government policies as they affect the university;

Render in good faith full accountability for all aid received from government or from any other source;

Perform in a professional manner all projects and services contracted for by governmental agencies;

Resist pressures from persons in government who, without specific legal authority, seek to influence the institution toward an acceptable course of action.

This declaration we make in the full and deliberate conviction that only by being strong and independent can our universities fulfill their obligations to a free society.

Washington, D.C., April 13, 1976.

The American University, Robert E. Cleary, Acting President.

The Catholic University of America, Clarence Walton, President.

The George Washington University, Lloyd H. Elliott, President.

Georgetown University, R. Henle, President.

U.S. PRESS NEEDS OMBUDSMEN FOR FAIRNESS AND ACCURACY

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. KARTH. Mr. Speaker, probably never before in this century has more discussion and controversy centered on the role and responsibilities of our free press.

The history of the 1970's has proved the enormous power of the press and of investigative reporting. The intense and searching scrutiny to which the Presidency, the Federal establishment and the Congress have been subjected—and will continue to be subjected—is proof positive that the press can and should serve as a watchdog whenever American democracy and its ethical and moral values need that scrutiny.

Yesterday when we marked Thomas Jefferson's birthday my thoughts recurred to Jefferson's statement that—

> Were it left to me to decide whether we should have a government without newspapers or newspapers without government, I should not hesitate a moment to prefer the latter.

But Thomas Jefferson could also be a harsh critic of the press of his day. He became so exasperated in 1807 with the Nation's newspapers that he wrote to a friend:

> Nothing can now be believed which is seen in a newspaper. Truth itself becomes suspicious by being put into that polluted vehicle.

But no matter how indignant Jefferson became over newspaper distortions and falsifications, he never became really disillusioned with the indispensable role of the press in a democracy. Newspapers and the American people themselves would correct the press's errors, Jefferson was convinced.

"Our citizens may be deceived for a while, and have been deceived," Jefferson concluded, "but as long as the presses can be protected, we may trust them for light."

However, in recent years there has developed in the American press a casualness in its treatment of the truth that may have increased proportionately with its growing sense of power. Too often accuracy has become the victim of arrogance.

To a gradually increasing extent the Nation's press has become aware that it has let its standards for accuracy and honesty slip. Some of us in Congress have acted as gadflies, occasionally stinging the press into an awareness of its drifts toward irresponsibility. Sometimes we have been the only corrective when newspapers have been careless with the truth. But of course our role as Congressmen has been limited; we are not elected to police the press, nor do we have the time or the resources for an oversight function.

However, in recent years soul searching by some sections of the press concerned with these questions of truth and fairness in print has resulted in what must be viewed as a healthy new development. I refer to the office of ombudsman, created by some newspapers to serve as a self-policing conscience within a newspaper. The ombudsman must, of course, be free of any management control and must have the right, without fear of reprisal, to publish in his newspaper whatever criticism may appear necessary in regard to the newspaper's handling of the news. Where honesty and fairness in news treatment are concerned, the ombudsman's role is one of no holds barred and tell it as it is.

The ombudsman idea needs to spread. It needs to spread to all newspapers, large and small, and it needs to spread to the wire services and other news-distributing media.

The ombudsman idea functioning at its best and most needed was on display on the off-editorial page of Washington's largest newspaper earlier this week.

Charles B. Seib, the Washington Post's ombudsman, drew up a telling indictment of his paper's gross misrepresentation of a news story dealing with Secretary of State Kissinger and the appointment of a man who later became Mr. Kissinger's brother-in-law to a position in the Office of Education.

Seib's indictment of the Post's editorial delinquency speaks for itself but I wish to call particular attention to the fact that Seib flatly charges not only that the Post was wrong but also that the newspaper, at least up to the time of Seib's writing, had not seen fit to "publicly acknowledge the error."

Mr. Speaker, I insert Ombudsman Seib's indictment of April 12 in the RECORD's Extensions of Remarks:

A Disturbing "Instinct For the Jugular"

(By Charles B. Seib)

Last Tuesday the Post published on it front page a story headlined "Report Says Kissinger Got Kin HEW Job." The lead paragraph read:

"Secretary of State Henry A. Kissinger forced the Office of Education to hire his brother-in-law, David Maginnes, even though there was not work for him to do, the Civil Service Commission said in a report released yesterday."

The story was wrong. The CSC report did not say that Kissinger forced, or had anything to do with, the 1972 hiring of Maginnes—who, by the way, was not Kissinger's brother-in-law at the time. It did say that Maginnes was hired outside normal civil service procedures and quoted an official as saying that this "was widely recognized as a concession to the future brother-in-law of the cabinet officer."

The next day the Post published on page two a story that began this way: "Civil Service Commission Chairman Robert E. Hampton said yesterday there is no evidence to support an assertion published Tuesday in the Washington Post that Secretary of State Henry A. Kissinger 'forced the Office of Education to hire his brother-in-law, David Maginnes . . .' "

While fully reporting Hampton's statement that there was no evidence linking Kissinger to the hiring, the story did not say something that should have been clear by then: that the Tuesday story had been wrong.

Moreover, the second story misstated the original story. The original story did not assert that Kissinger forced the hiring, as the second story said. It asserted something quite different—that the Civil Service Commission said he forced it.

Thus, the thrust of the second story was not that Hampton was correcting The Post on a factual error, which he was. Rather, he was put in the position of denying a charge against Kissinger by The Post itself; it was a bureaucrat against a newspaper. In that situation, his statements sounded like the usual pro forma official denials of media disclosures and the public was left to draw its own conclusions.

This column is not written to embarrass The Post by spotlighting publication of an inaccurate story. That has happened to every newspaper, and it will continue to happen in this imperfect, deadline-fraught business.

Nor is it solely an attempt to do what The Post has not yet done—publicly acknowledge the error.

The important thing to me is that the whole performance says some disturbing things about the news business.

First, I see the original story as a reflection of an instinct for the jugular that is now fashionable in this business. There was a legitimate story on the hiring of Maginnes in the CSC report, as well as a number of other violations of Civil Service rules. But The Post took an extra—and erroneous—step, and said the CSC report attributed misbehavior to Henry Kissinger.

Scarcely a day goes by that there aren't detectable distortions in the press, print and broadcast, that grow out of such overreaching. It is as if we of the news business keep reminding ourselves: "We are never going to be fooled again. Therefore we are always going to put things in the worst possible light."

I find this disturbing because I think it is largely responsible for a deterioration in the public's trust of the media.

Second, I see in the handling of the Maginnes story a reflection of a reluctance in the news business to admit error. Even accepting that the first story could have slipped by under deadline pressure certainly Hampton's protest should have led to the discovery that the story was wrong.

And yet in that long second story, The Post did not face up to the basic question: Did the CSC make such a charge against Kissinger or didn't it?

Third, I think the Maginnes story reflects insistence in this business on being first with the news—even if it means avoiding the fact that we aren't first.

A little history: In 1974, Federal Times, a weekly newspaper for federal employees, reported improper hiring practices in the Department of Health, Education and Welfare, of which the Office of Education is a part.

The Civil Service Commission investigated. Its report was completed last July. Federal Times got a copy and last Feb. 16 it published a long story on it, leading with the Maginnes hiring (but not attributing it to direct pressure from Kissinger). The report was released on Capitol Hill Monday, which resulted in The Post story Tuesday.

Nowhere in The Post story was there mention of this background, or of the Federal Times. The Washington Star, incidentally, reported on the Maginnes matter in its late edition the previous day—without the incorrect fingering of Kissinger and with a brief credit to Federal Times.

The Post editors who handled the story agree that it was erroneous. But they do not see it as evidence of the overreaching I referred to earlier. Rather, they say, sloppy work was done. And they feel that the second story adequately dealt with the inaccuracy of the first. On both counts, I disagree.

CONSUMER PRODUCT ABSURDITY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. ASHBROOK. Mr. Speaker, in 1972 Congress created the Consumer Product Safety Commission. Despite its relatively short life span, the CPSC has already managed to surpass many other Federal agencies in its ability to make absurd decisions and intrude into matters better left untouched.

The latest misadventure is in the area of paper matches. According to an editorial in the April 6 Washington Star, the CPSC has decided that major reforms are needed in the construction of paper matches. These reforms include requiring that the matches be packaged in hard-to-open folders and that they be treated chemically to make them self-extinguishing.

As the Star editorial queries:

> Why in the name of locofocos is the Federal Government fiddling around with book matches? In any reasonable perspective is this a justifiable excursion by government?

Such ridiculous activities may make Federal bureaucrats happy, but they are of little benefit to the businessman or the public. I heartily agree with the concluding line of the Star editorial.

> Instances like this one generate the growing apprehension that not a sparrow can fall without a federal bureaucrat fast and fuzzily being on the case.

Following is the complete text of the editorial:

Consumer Product Absurdity

The persistent hoopla from the political stumps castigating the muscular, or muscle-bound, operations of big government is causing concern among those who believe that a strong federal role is indispensable. The rhetoric condemning the federal establishment's regulatory function, this thesis goes, could lead to repudiation of past and beneficial correctives.

The bipartisan declamations against intrusive government are fueled by bureaucratic inanity and arrogance that stun even those who support the regulatory principle. Witness the Consumer Product Safety Commission's foray against bookmatches. The commission has done a few helpful chores in its three years of existence, providing as much as anything, an educative public voice. But a tendency to over-reach not infrequently holds the agency up to an eroding ridicule.

The commission thinks paper-match standards need reforming. It has moved toward requiring that bookmatches be packaged in hard-to-open folders, and that the matches be treated chemically to make them self-extinguishing. A spokesman for the relatively small match industry has, so to speak, fired back, contending the cost of meeting the standards could mean the end of the cheap and handy commodity. That may be a mite overstated—we don't know.

But why in the name of locofocos is the federal government fiddling around with bookmatches? In any reasonable perspective is this a justifiable excursion by government?

The rationale for the safety commission's gallop is that 9,500 persons last year required hospital treatment as a result of injuries related to matches. Horrendous—by hasty figuring that comes out to less than half of one-hundredth of 1 per cent of a population of 215 million. Talk about a clear and present danger. The news report we saw is not more specific, though the Consumer Product Safety Commission undoubtedly produced voluminous studies to demonstrate the peril of bookmatches. Children, we imagine, in some numbers were among the 9,500 casualties. (How serious were the injuries, by the way?)

We can almost hear the staff minds at the commission whirring in vigorous synchronization—children, matches, reform! At that point, we'd all have been better off if the staff and the commissioner had taken quite a long lunch. Of course, matches are dangerous in the hands of children. Of course, fire fascinates the young. Is this to be eliminated by dictating that an entire industry retool to provide an allegedly childproof matchbook and a self-extinguishing match? You can bet a flick of your Bic it will not.

Instances like this one generate the growing apprehension that not a sparrow can fall without a federal bureaucrat fast and fuzzily being on the case.

TESTIMONY BEFORE THE SUBCOMMITTEE ON CRIME

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. SCHEUER. Mr. Speaker, I would like to submit these remarks for the Record:

Testimony of Hon. James H. Scheuer, M.C.

1. We are all aware of the dismal statistics on the increase in crime, and how these figures affect one of our most vulnerable groups

of citizens, the elderly. A recent Harris Poll indicates that the elderly rank fear of crime as one of their most serious problems. In cases of purse snatching, strongarm robbery (muggings) and residential burglary, older persons are very often the victims. The rate of personal larcency with body contact is higher for persons over 60 than for the population at large; women over 65 are more than six times as likely to be robbed than are other persons; more than half of all robbery victims are women over 55; and half of the victims of crime who are over age 60 suffered physical injury as a result of those crimes.

The elderly are especially vulnerable to criminal fraud, to practices like medical quackery, fraudulent land sales, phony investment, retirement insurance and home repair schemes where they are victimized far out of proportion to their population numbers.

The impact of crime goes beyond mere numbers and cannot be judged only by the data in crime statistics files. Financially and physically, the older person is least able to cope with the loss or injury resulting from a criminal act.

As Alice Brophy, Commissioner, New York City Department for the Aging testified before the House Select Committee on Aging in January of this year:

"Older people tend to have diminished strength and stamina and are thus less able to defend themselves or to escape from threatening situations.

"Older people are more likely to live alone, increasing their vulnerability to attack, and they are more likely to live in or near high-crime areas and are, therefore, in close proximity to those most likely to victimize them.

"Older people are dependent upon walking or the use of public transportation for mobility, thus increasing their chances of becoming street crime targets.

"Their habits are often regular and systematic, thus offering a reliable timetable for attack.

"The date of receipt of their pension, social security and SSI checks are well known, offering the criminal still more incentive to attack.

"And older people are also particularly susceptible to certain types of crime such as fraud and confidence games."

Not only are older people singled out as objects of criminal intent to a greater degree than other people but the effect of victimization upon them is in general far more devastating than upon the younger person. Because an older person is more likely to have a reduced or low income, the impact of even a small financial loss through crime is relatively greater for him than for a younger person. A cash loss for an older person can actually mean his food and shelter money while such a loss for a younger person may mean only the postponement of a pleasurable purchase.

Secondly, because of the greater physical fragility of an older person, he is more easily injured in an encounter, his injuries tend to be more severe and he recovers more slowly—if at all.

The impact of criminal victimization on older people, however, is not confined solely to financial loss and physical injury, as dreadful as these can be. The social and psychological impact of victimization on the elderly can be as, if not more, severe than economic deprivation and physical impairment. The fear of becoming a victim has a disastrous and handicapping effect on the daily life of an older person. Aware of his vulnerability, he restricts his freedom of movement in his own community, thus affecting his quality of life and depriving himself of a basic American right.

This self-imposed isolation and imprisonment is particularly important because first, it affects *ALL* older people, both those who have actually experienced victimization and those who see themselves as potential victims. And, second, the support services, recreation, and the nutrition program, become unattainable for those who are afraid of becoming victims of crime and thus remain in their homes.

2. Thirty of my colleagues have joined me in introducing a bill that would amend the Omnibus Crime Control and Safe Streets Act of 1968 to require that each state plan forwarded to LEAA for funding and approval contain provisions for attention to the special problems of prevention, treatment and other aspects of crimes against the elderly.

Programs to help reduce the incidence of crimes against the elderly, to educate elderly citizens about realistic ways to avoid victimization, to reduce criminal opportunities, to alert the elderly to real dangers and at the same time dispel imagined fears, do exist. They have been tried under different auspices, in different parts of the country. Some can be duplicated; some need to be modified according to the particular situation in each state. Many do not require large outlays of funds. What is required is a mandate to the states to focus their attention on this problem. Then both tried and new techniques can be tested.

It is not necessary to yield to feelings of despair, to complain that nothing can be done to protect our elderly. Several of our national senior citizens associations, notably the American Association of Retired Persons and the National Retired Teachers Association have developed program guides and material specifically geared to this issue which certainly can be useful to the state. Here are some ideas which they have developed which might be included in a State plan:

Educational programs are sorely needed to give elderly persons the feeling that in some measure they can control what happens to them, in relation to frequently committed crimes, such as street crime, burglary and fraud. For each of these categories, the AARP/NRTA has devised educational programs using speakers, booklets, films and other techniques, giving concrete programs and directions for individuals and groups. These include:

Crime checks and neighborhood watch groups;

Property identification and inventory measures;

Witness preparation and directions for behavior on the stand; and

Home security measures and hardware which is available.

Among the elderly there are groups needing even more particular kinds of attention and education. These include the deaf, the handicapped, the non-English speaking. Again there are techniques available for working with these groups; States need to focus their efforts on these people in their LEAA programs.

3. There are more general areas relating to crimes against the elderly which need to be explored. Data collection on victimization of elderly people is incomplete. Few police departments keep information on the age of victims; more need to be encouraged to do so.

There is a need to train law enforcement personnel on the special problems of the elderly as potential victim, as victim, as witness, and as crime preventor. Police need to view the elderly as partners with them in such efforts as community patrols, telephone contacts, neighborhood "eyes and ears", etc.

In New York City, the Office of the Aging in its Bronx affiliate has cooperated with the Bronx Foundation for Senior Citizens and police officers from the local precincts in a continuing crime education and service program for the elderly which well might serve as a model for other parts of the country. Police from the precinct come regularly to the office to advise and counsel the elderly, singly or in groups in ways to avoid being robbed, or swindled, and what to do when criminally approached. A brochure has been published and distributed which offers common-sense advice on street behavior, when entering apartments or elevators, when being approached about purchasing an item, or signing a contract for some service or goods.

The elderly themselves can be trained to do many of these tasks, to function in an educational capacity. The possibilities are boundless. What is needed is the will, the federal mandate to involve the states with the problem. This amendment provides that mandate.

UNEMPLOYMENT: THE LEGACY OF THE RECESSION

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. DOMINICK V. DANIELS. Mr. Speaker, there has been considerable attention focused recently on H.R. 50, the Full Employment and Balanced Growth Act, introduced by our distinguished colleagues Congressman HAWKINS and Senator HUMPHREY.

The objective of the legislation is to reduce unemployment in the Nation to a rate of 3 percent by 1980.

My Subcommittee on Manpower, Compensation and Health and Safety has been holding hearings on the bill, and last week we heard testimony from the administration opposing the legislation.

The administration is convinced that an economic recovery is underway, and points to miniscule reductions in the rate of national unemployment to substantiate their claim that legislative intervention is unnecessary.

The administration believes that the army of jobless Americans can stand at "parade rest" for the next 3 or 4 years while the economy gradually improves.

What are these people going to do when their unemployment compensation runs out? Jobless Americans are exhausting their unemployment compensation at a rate of nearly 200,000 per month. For those with absolutely no assets of any kind, there is the unwelcome alternative of welfare. But what about jobless Americans who have run out of unemployment compensation but are not poor enough to qualify for welfare? Are we going to make it a national policy for these people to dispose of their homes, their cars, and other tangible assets in order to qualify for assistance?

The administration is also ignoring the fact that we have a strong work ethic in this country. People do not want a dole; they want a job. Media accounts of hundreds of people applying for single job openings have been common for the last 2 years.

Some administration spokesmen have claimed that unemployment is different today than it was in the days of the depression. They claim that our compensation programs have made unemployment "more comfortable" for its victims.

While we may have taken some positive steps to help people survive the state of unemployment, we should certainly not delude ourselves that in providing some material assistance to the jobless, we are aleviating their personal anguish and sense of frustration and impotence.

There is no substitute to being gainfully employed and being a productive member of society. That is the essential point we must not fail to recognize.

H.R. 50 is a bill that we should support because it recognizes the role that planning can play in our economic stability. Why should the American economy be cast about like a piece of flotsam on the river of economic history? We can control many of the currents leading into that river by the simple mechanism of policy planning.

Foresight and coordination of national economic policy is the heart of H.R. 50. Through these mechanisms, the legislation seeks to make dramatic improvements in our overall employment situation, our national productivity, and provide for orderly growth in our economic output. These are goals worthy of our support.

Mr. Speaker, for the benefit of my colleagues who are studying the legislation and the problem it has been designed to correct, I include an article from the Sunday New York Times on "Unemployment: The Legacy of the Recession," which contains some very interesting observations on this national problem. The article from the Sunday Times is included at this point in my remarks:

UNEMPLOYMENT: THE LEGACY OF THE RECESSION

(By Edwin L. Dale, Jr.)

WASHINGTON.—Like several of its predecessors, the 1974–75 recession did a good deal of curative work for the American economy, it's widely agreed.

Banks are much more liquid with fewer loans and more treasury securities. Corporations reduced their short term debt, slimmed their labor forces and opened the way to better productivity. Consumers have greatly increased their savings relative to their debts.

But the recession has also left a painful legacy of unemployment. Just how distressing in human terms the situation has been, is the subject of considerable debate, but few dispute that unemployment has been, and remains, a serious matter.

How, then, can the current jobless situation be assessed?

At one extreme lie Congressional liberals such as Senator Hubert H. Humphrey and the American Federation of Labor-Congress of Industrial Organizations. Senator Humphrey calls the present situation with a 7.5 percent unemployment rate, which is a substantial improvement from the peak rate of 8.9 percent last May, a "human tragedy."

"The recession has already occurred," he said recently. "It has left its dreadful aftermath. We have experienced an economic disaster, and disaster relief is necessary."

At the other end of the spectrum is a school, well represented by Albert H. Cox, Jr., chief economist of Lionel D. Edie & Co., Inc., the consulting subsidiary of Merrill Lynch & Company.

"In my judgment," he wrote recently, "the true nature of today's unemployment is not understood, the statistics are not understood, and the gravity of the problem is perceived by the vast majority of people, including politicians, to be far greater than it really is."

The essence of Mr. Cox's argument is that unemployment and "hardship" are no longer equated as they used to be. Not only is there a fairly liberal program of unemployment compensation for those who lose their jobs, though not for new entrants into the labor force but also far more families now have two or more breadwinners than was the case during the Great Depression.

The unemployment statistics themselves can be interpreted in various ways, none of them altogether conclusive on the subjective question of hardship or even moral damage from unemployment. One crucial problem which applies particularly to the over-all unemployment rate, is that a 17-year-old son of a reasonably well-off family seeking a part-time job for the first time counts exactly the same in the statistics as an automobile worker who is the family breadwinner and is in his 20th week of layoff. Both count as one unemployed worker.

Julius Shiskin, head of the Bureau of Labor Statistics has recently developed seven measures of unemployment in roughly descending levels of hardship. He calls them N–1 through U–7, in much the same way that there are seven "M's" to measure the money supply.

U–1 counts only persons unemployed 15 weeks or more as a percent of the labor force. As the recession was just getting under way in December 1973, these workers totaled a relatively small 778,000. The figure rose steeply to a peak of just over 3 million last December and had fallen to 2.3 million by last month though still far above the prerecession level. As a portion of the labor force, they were 2.7 percent last month. This hardship group was only a little more than a third of the total unemployed.

Another measure, U–3, counts unemployed household heads—a close parallel with breadwinners—as a percent of the labor force. This figure was only 2.9 percent in December 1973, reached a peak of 6.1 percent in the May–July period of last year, and had dropped back to 5 percent by last month. Again, this was still well above the pre-recession figure. The figure for married men shows a similar trend: pre-recession 2.3 percent, recession peak 5.7 percent, last month 4.1 percent.

Mr. Shiskin's broadest measure of unemployment, U–7, counts all full-time jobseekers plus half of part-time jobseekers plus half of those working part time for economic reasons plus the nearly one million "discouraged workers" who are defined as "persons who want work, but are not looking for jobs because they believe they cannot find any." This figure currently shows a rate of 10.3 percent, well above the "regular" unemployment rate of 7.5 percent for March. This is the figure often cited by the A.F.L.-C.I.O. to indicate the extent of the problem, though it, too, has improved from the recession peak of 12 percent.

Of course, a large number of the most basic hardship cases, those out of work 15 weeks' or longer and household heads, have been collecting unemployment benefits which were extended for as long as 65 weeks in this recession. About 13 million persons collected jobless benefits in fiscal year 1975, though it is a matter of debate how adequate those benefits are.

Arthur F. Burns, chairman of the Federal Reserve Board, has begun to argue that unemployment compensation has been liberalized so much, particularly the duration of benefits, that it probably induces some people not to seek jobs actively but to simply collect benefit checks. Mr. Cox, the economist, even suggests that generous unemployment and welfare benefits "increase and perpetuate unemployment itself."

By contrast, Senator Humphrey terms unemployment compensation "the dole" and "demeaning," and a very poor substitute for jobs. He assumes that the vast majority of persons on the unemployment rolls would much prefer to work. That unemployment drops as jobs become available tends to support his assumption.

In addition, even with the special extension of benefits during this recession, some workers have exhausted them. Professor Charles Killingsworth of Michigan State University speaks of a "no-man's land" of persons who have run out of unemployment compensation but are not poor enough to qualify for welfare, presumably because they still have assets of some kind. He does not know how many of these people there are, but they clearly constitute a special form of hardship.

Most of the Democrats campaigning for the Presidency have emphasized the unemployment problem on the assumption that it is very serious indeed and that the voters perceive it that way. Several, including Senator Henry M. Jackson, have endorsed the new Humphrey-Hawkins bill, which establishes a goal of an unemployment rate of 3 percent for adults within four years and authorizes several Federal job-creating mechanisms if fiscal and monetary policy to expand total demand aren't enough to achieve the goal.

The Ford Administration, in the person of William H. Kolberg, Assistant Secretary of Labor for employment and training, strongly opposed the bill in Congressional testimony last week.

Jimmy Carter, while promising to "study" the Humphrey-Hawkins bill, has stressed a different approach. He would seek to provide through Government programs some form of job guarantee not for adults but for the young. His idea is that a young person who is frustrated for any extended time in his or her search for a job often becomes "lost" in a moral and social sense.

This problem, of course, existed long before the recession, partly because of the great bulge in the number of teenagers in the labor force. Unemployment rates among teenage blacks were as high as 33 percent at the peak of the boom. Mr. Carter's program, therefore, can be viewed as more social than economic and it may attract increasing attention.

The chief issue for public policy now, of course, is whether to spur the economy forward faster in an effort to reduce more rapidly the still high jobless rate. The President and his men argue that such a policy would only revive inflation and high interest rates and soon bring on another recession, making the problem worse instead of better.

In great measure, that is what the economic side of the election debate is all about.

GALBRAITH: DEFAULT FOR NEW YORK IS BETTER THAN CUTTING SERVICES

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. BADILLO. Mr. Speaker, several weeks ago, I placed in the RECORD an article by Howard Samuels describing what the current situation in New York City really was, and why default was now a viable option for the city. Last week, New York Magazine published an article by the eminent economist John Kenneth Galbraith supporting Mr. Samuels' position, and, in fact calling Mr. Samuels' article "the best—of the year on the subject." See CONGRESSIONAL RECORD, March 16, page 6762.

Galbraith outlines the economic assumptions under which the current mismanagement of the city is continuing. I commend this article to those of my colleagues who have taken comfort in Treasury Secretary Simon's "cautious optimism" that New York is beginning to recover.

Howie: How Right!

(By John Kenneth Galbraith)

New Yorkers are exceptionally intelligent, and so an occasional outbreak of mass insanity must be expected in compensation. That, anyhow, is the most charitable explanation of the epidemic of belief last autumn (a) that the city could be saved by massive cuts in already inadequate municipal services and (b) that a special wisdom in managing or enforcing these cuts could be had from the business leaders and bankers of the city. Howard Samuels, in what will be the best article of the year on the subject (*New York*. March 15), attacked both of these aberrations. This is to support and modestly supplement Howie's already irrefutable case.

Last autumn's mental disintegration began with a misconception of the modern metropolis—the failure to see that under any and all circumstances it is an incredibly expensive thing. What the innocent will attribute to the munificent misfeasance of John Lindsay and, by association, Abe Beame is mostly the tendency of costs in the great city to rise not arithmetically but geometrically with population. New York, being the greatest of American cities, is the outstanding manifestation. There is, however, no large city in the world that is not evidence in the case.

The next cause of the aberration was—and remains—the supposition that because the affairs of a city are managed with less than startling efficiency, money can be saved without pain. The reverse, if anything, is the case. An exceptionally well run police, school, parks, or sanitation system may know where it could stretch a dollar. A less effective one, which is to say one that is average for the Republic, will not. All significant economies, sooner rather than later, mean cuts in services. If there are exceptions, they are so rare as to justify trumpets. Since most New York services were none too good before, they will be terrible after. There may, in modern times, have been acts of government more incredible than the cutting of the New York police force in these last months with promise of more. But given the condition of crime and enforcement in the city, I challenge anyone to come up with an example. Not Watergate, for to the best of my recollection no one got murdered, mugged, or robbed. Chuck Colson's grandmother was only threatened.

The third cause of error is related, and invokes all the references to the city's having been "living beyond its means." It certainly was, but, as New Yorkers will discover soon enough, it was not living beyond its needs. The past mayors correctly assessed those needs. They proceeded to legerdemain and concealment, not from personal extravagance but from hope combined with a poverty of alternatives. They couldn't raise taxes or cut services without doing even greater damage. Perhaps they were unduly easy on the civil-service unions, but one yearns for an exact analysis of the difference between the past policy and one that was feasibly tough in the state of public attitudes at the time.

The fourth source of error is the continuing misapprehension of the fiscal system of the United States. This has a great and fundamental flaw—the consequence of which conservative Republicans and the influential economic Establishment unite in exploiting—to the public cost. The flaw is that with growing income and population, public revenues go to the federal government and public costs go to the cities.

The personal income tax and the corporation income tax respond more than proportionately to rising income, the first because of its modestly progressive rates, the second because it taps the expansion in profits. But at the same time the people, automobiles, diseases, drugs, garbage, and welfare recipients go to the cities. Conservative Republicans, led by President Ford, then react to this flaw by asserting that its preservation is a matter of constitutional principle—that the federal government should not act to correct it, and especially not in the case of New York. In fact, corrective action goes back to the first half of the last century when the federal government was embarrassed by large surpluses from customs revenues, and it is now manifested in a thousand forms of federal aid to states and localities.

The economic Establishment, liberal in name but very conservative in practice, supports the Republican position by urging federal tax reduction on all occasions of public ceremony as a means of reducing unemployment. The alternative is to keep the federal revenue and help the cities. Since the resulting spending is more reliable than that from tax rebates, it does more for unemployment. But the affluent preferred having their taxes reduced. Urban politicians, never famous for their perception in such matters, did not see what was being done to them in the name of sound liberal economics. However, as states and cities are being forced to increase sales, property, business, meal, and other taxes—while the affluent get continued relief in Washington—they are beginning to understand. Economic opinion is also changing. However, let every congressman and senator beware of the highly conservative thing that is still called liberal fiscal policy.

The final cause of the New York aberration is the belief that the financial affairs of the city are matters in which business leaders and bankers have a special competence. This Howard Samuels mentioned but, out of kindness, did not sufficiently stress.

New Yorkers of professional financial wisdom (always allowing for eccentric exceptions) have a record running back to 1930 for tactless insensitivity to important social issues. In the years of the Great Depression, they counseled Herbert Hoover and the country to cut back in services and payments important to the average citizen and the poor. They did so with a total indifference to the public effect of such advice when it comes from men who are assumed to be sitting comfortably in the vicinity of lush piles of money.

But now they are doing much worse. As large holders of New York paper, those with banking connections are parties at interest, as increasing numbers will surely observe. And this time the men of financial acumen and genius are involving themselves actively in the policy. Howard Samuels points out that three quarters of the savings from cutting 40,000 workers from the city payroll has been absorbed by the half-billion-dollar increase in carrying charges on the city debt that these men have arranged. This horrifying statistic also will not long escape notice.

One wonders, indeed, why men who are so vulnerable were so foolish as to involve themselves. Most in the past would have been wiser. The further cuts that they require cannot be tolerated. The effort will be sufficient to discredit those who urge them. With all appropriate sympathy and compassion, I predict that within three years those principally involved will be the most thoroughly soiled examples of financial genius this side of San Clemente. They will be blamed not only for seeking to cut services that cannot be cut but for the awfulness of services that people think were cut but were not cut, and for encouraging investment in bonds and paper that defaulted anyway. However, there will be many downtown to share the disesteem. And all can comfort themselves with the thought that the men of wisdom back in Hoover's time were not nearly so intricately or courageously obtuse.

The best option for New York would be a federal government that understood the realities of the American fiscal system, although even then a writing down of the New York City interest burden would be desirable. In the absence of such perception, Howard Samuels is right. Default is not good, but it is far better than cutting services. That would really ruin the city. The default would be on the long-term debt that is not under the present moratorium. And there are, no doubt, halfway houses that involve a partial suspension of debt service. There is a case for having the taxes follow the rich and the rest to the suburbs, something Howie might have stressed. But however needed, that is a longer-run reform. In the short run someone must suffer, and it had better be the bondholders. Lending money was meant, we might recall, to involve some risk.

ANOTHER POLICEMAN MURDERED, ANOTHER WIDOW, ANOTHER FATHERLESS CHILD

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. BURKE of Florida. Mr. Speaker, in this Congress and in previous Congresses I have sponsored legislation to provide a Federal death benefit to the surviving dependents of public safety officers. In the 93d Congress the House of Representatives passed a bill entitled "The Public Safety Officers Benefit Act of 1974." However, the Senate did not act and the bill died with the 93d Congress. As a sponsor of this legislation I am distressed that it has not been acted upon in this 94th Congress since its merits are obvious and above question.

I am sure my colleagues are aware of the senseless slaying of two Montgomery County police officers recently during the attempted apprehension of a bank robber. However, Washington, D.C., is not the only city in the United States where police officers fall prey to criminals, our country continues to be plagued by senseless and brutal killings of law enforcement officers.

South Florida has had more than its share of these killings lately. Phillip Black and Police Cpl. Donald Irwin—were shot to death beside Interstate 95 by a sudden burst of gunfire loosed on them by the occupants of a car parked at a rest area near Deerfield Beach on Friday, February 20. Three policemen—Frand D-azevedo, Clark Curlette, and Thomas Hodges, Jr.—were shot to death in Miami during an investigation of a stolen car.

All seven of these officers leave behind many friends, but more importantly they leave behind families. There is some assistance available to the families it is true, but it is insufficient to help them over the hurdle of a lost breadwinner. Bills still have to be paid. Children still grow and need clothes, food, and spending money. Life goes on, but it is made doubly bitter by the loss of companionship and the loss of income.

The residents of the 12th Congressional District of Florida feel deeply about this problem. More than 20,000 residents signed petitions which were presented to the House Judiciary Committee in 1973 urging passage of my bill. One of those signing the petition was Mrs. Beverly Yourman, another was Mrs. Teresa Riley. Both ladies lost their husbands on August 30, 1973, when they were gunned down while pursuing robbery suspects.

I have not forgotten and I am sure they have not, the hope that we had for passage of this legislation.

Television treats us to a daily diet of cops and robbers programs so that many of us are callous about the deaths of policemen. We more or less accept it as being a usual thing for cops and robbers to have shootouts. However, for the families of the law enforcement officers who are slain the tragedy is real and does not stop at the end of the 30-minute TV program.

It is difficult under any circumstance for any family to adjust to the death of a parent, but it is even more difficult when the parent or spouse is killed by some stranger caught committing a crime.

The Federal Bureau of Investigation—FBI—figures show that 128 State, local, county, and Federal law enforcement officers were feloniously killed in the performance of their duty in the United States, Puerto Rico, the Virgin Islands, and Guam during 1975. Of that number four were Floridians. As of March 3, 1976 FBI figures showed that 24 law enforcement officers have been feloniously killed so far this year.

It is time we did something for the widows and children of these brave men. My bill, H.R. 9172, to provide a Federal death benefit to the surviving dependents of public safety officers is pending before the House Judiciary Committee, but regrettably no action has been taken in this Congress. How many more senseless slayings will there be before we meet our responsibility to public safety officers and provide for their families in case of their untimely death in the line of duty?

FRUSTRATIONS ADDED TO FRUSTRATIONS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. ABDNOR. Mr. Speaker, the frustrations of the people living on the Indian reservations in South Dakota are many. I need not go into the multitude of problems affecting so many of our Indian citizens—the difficulties seem to go across the board and involve about every imaginable ill that exists to plague humanity.

Efforts, of course, continue to be made to try to alleviate these problems. However, added to the frustrations existing among the people of the reservations are the failures in or compounding of difficulties by governmental attempts to assist.

That frustration finds a voice in a recent letter to me by Mr. Berl Akers, Jr., manpower programs director of the Oglala Sioux Tribe at Pine Ridge, S. Dak.

I have known of Mr. Aker's work for quite some time and the responsible activities which he has undertaken and, therefore, view his commentary with great concern. I think what he has said is deserving of the attention of the Congress and particularly those committees which have the responsibility for matters involving our Indian reservations and the citizens living there.

Mr. Speaker, I include at this point in the RECORD Mr. Akers' letter to me:

MANPOWER PROGRAMS,
OGLALA SIOUX TRIBE,
Pine Ridge, S. Dak.

Hon. JAMES ABDNOR,
House of Representatives,
Washington, D.C.

DEAR MR. ABDNOR: I am writing more to complain than any other reason, but I feel that I have some right to complain. It seems that all we hear about is how awful the Tribal Government and its programs are operated. No one seems to care what the people working with the programs for the Tribal Government have to say.

I am the Director of the Oglala Sioux Tribal Manpower Programs. Since the CETA program has been in operation, as of October of 1974, we have had a little over 4,500 people apply to participate in the program. Due to the lack of funds we have only been able to serve approximately 2,300 of these individuals. Our administration is the lowest of any reservation, in our region, only 12 percent of the overall grant.

I don't blame people for being dissatisfied with the system, when we have only been able to serve 50 percent of the applicants. The thing that bothers me is that every time there is some complaint the government decides that they shall send some agency out to audit the books. I have no complaints about the audits it makes you feel damn good when they can't find anything wrong. Our programs pay for an audit every six months. The Department of Labor pays for a yearly audit. Besides the audits just mentioned, since Wounded Knee, the books have been audited three times by audits paid for by the BIA, twice by the government accounting office and at least twice by other agencies.

If the cost to the government is anything like the cost that we have to pay to get auditors to come from Sioux Falls. I can guess what they have to pay for people from Washington, D.C., Denver, Omaha and other larger cities.

With all the money spent on government traveling in and out we could probably hire at least 200 more people yearly.

Another thing that I don't quite understand is EDA's Title X program. We applied through the Community Services Agency and the Manpower Administration for a 1.3 million dollar program to enable us to develop some of the tribal ground for farming and ranching. This would have enabled us to do two things, put people to work and also enable the tribe to increase its income, so they could have performed some of the services that the dissatisfied people are asking for and not receiving. Some of the other reservations in South Dakota received over a million dollars each but the Oglala Sioux only 260,000 dollars.

I personally don't think the people are going to be satisfied until they can reach the goals that they set for themselves. It is very hard to achieve anything on an empty stomach. I feel that whether they are members of the American Indian Movement or what other faction, they are seeking the goal that they set for themselves.

It is very hard to have self-satisfaction when they have to depend on welfare checks and/or other types of assistance, and when he sees his neighbor or friend going to work everyday in his late model car and he has to hire someone to take him to town at the first of every month. Again, when it is time to send his children back to school he has to go again and ask for help for school clothes.

For years the people have had to sell what little land they owned to scrape through the years. Now they are being told that they can have a house built on their land. I think the happening mentioned above points out that really the problem does not really lie with the Oglala Sioux Tribal Government but rather with congress and the Executive Branch of the Federal Government.

There has been no trend, by the Federal Government which enabled the overall planning and development on the reservation, possible. First we have to take guidelines developed for the urban areas of the United States and adapt those guidelines to reservation programs.

In the programs which I work with here we adjusted to going to the Regional Office in Denver. We had a great amount of success working with them, then CETA was passed by congress. With CETA came the Indian desk in Washington and a complete new procedure for receiving grants.

Now we have some congressional people, trying to run the Tribal Government from capital hill in Washington. These people think they know what is best for the people at Pine Ridge. A lot of people who have lived on the reservation all their lives can't list a set of priorities that would help the problems.

I guess what I am saying is that with the high rate of unemployment, the fact that the only place most people on the reservation can get jobs is on a tribal program and that there is such a small percentage that can get on tribal programs, all leads to a tremendous amount of dissatisfaction.

When the people who have no income see in the papers the amounts of money the tribe receives it looks like a tremendous amount, but they don't seem to realize that there are costs that come with every job. Our employee cost for unemployment tax, FICA and insurance is 13.8 percent of an annual salary.

I cannot say for sure that jobs will eliminate all the dissatisfaction but I will venture to guess that a lot of it would disappear with a job.

Thank you.

BERL AKERS JR.,
Manpowers Programs Director.

TRIBUTE TO MAYOR ANTONE KONA VIDINHA

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mrs. MINK. Mr. Speaker, on Sunday, February 29, 1976, I joined over a thousand people from Kauai and the State of Hawaii to bid a fond final farewell to the Honorable Antone Kona Vidinha, former mayor of the county of Kauai. The death of the three-time chief executive of the Garden Island was met with great sorrow which was felt by all who attended the services. As I reflect upon the sadness of that day, I cannot help but feel a need to familiarize my colleagues about the life of this great man—a man who "loved politics because he felt it was the best way he could serve his community."

I feel extremely privileged to have known "Kona" as the mayor of Kauai, and as a man deeply committed to the people of his island. He took on the appearance of a great "ali'i"—Hawaiian royalty—and yet, responded to the requirements of his county in the most honorable and democratic fashion, always listening and absorbing all aspects of a particular issue.

He began his life in public service as sheriff for the island of Kauai, and later, joined the police force where he served for 40 years, finally retiring as a captain. This was followed by a brief tenure as an intern at the Hawaii State Legislature to orient himself with the latest issues facing the local government in Hawaii. He then engaged in elective politics, beginning in 1966, and was subsequently chosen as chief executive of the county of Kauai for three consecutive 2-year terms.

Antone Kona Vidinha was an able administrator and worthy representative of his people. He was always willing to extend a helping hand to all in need, but stood firm in deciding right from wrong. His wife, Edene, can take comfort in the knowledge that his achievements will be long remembered by the people of the Garden Isle.

Mr. Speaker, Jean Holmes, editor of the Garden Island, Kauai's local newspaper, in an editorial said:

KAUAI HAS LOST AN ALI'I

(By Jean Holmes)

Son of an immigrant Portuguese father and a Hawaiian mother from Nühau, Antone Kona Vidinha served Kauai as a sheriff, a police officer for 40 years, County Chairman once and Mayor twice.

When he died suddenly on Thursday, he was considering responding to the pleas of a group who wanted to help him regain his seat as Mayor.

Though he had complained of chest pains for several days, it wasn't until late Wednesday night that he made his first trip . . . and last . . . to a hospital as a patient.

Placed in the intensive care unit, he refused to have his sisters notified, because it would upset them, and worried who would "feed my birds", wildfowl he cared for each morning.

At his death, 7:30 that morning, there was a spontaneous outpouring of grief for the man who, more than any other elected official in many years, was revered as a father figure . . . an Ali'i . . . by his supporters.

A far cry from the average politician, he was quiet, shy and humble.

After the ceremonies of greeting the Mayor . . . the leis and handshakes . . . were over, he could often be found standing on the sidelines, quietly watching the festivities.

He became eloquent, however, when speaking of the glories of his Island home. Then his obvious sincerity and love for Kauai made him the Garden Island's best salesman.

Kona Vidinha did not respond to victory with the usual elected official's shouts of triumph, but more often with humble tears of thankfulness that people had voted for him.

He stood by his own word and that of his workers. He would tell them, "I would not do it that way, but since you have, I'll back you up."

A millionaire, he lived simply in a small home in Omao, always talking about building that new house, yet never quite ready to give up the familiar comfort of the old one. His generosity to causes, organizations and individuals was famous. Some of it was known, but often recipients were instructed, "Don't tell anybody about this."

By his side, through triumph and tragedy, was his wife, Edene, waiting patiently while he attended meetings, always hoping for the day he would be staying home with her.

Reluctantly she had agreed that if he wanted to come out of retirement, she would accept the weary hours of campaigning with him again.

Instead, Kauai's Ali'i went on that long journey . . . alone.

HOUSE OF REPRESENTATIVES—*Wednesday, April 14, 1976*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Thou shalt love the Lord thy God with all thine heart, and with all thy soul and with all thy might.—Deuteronomy 6: 5.

O God, who art the source of every noble impulse and the goal of every worthy desire, we bow in Thy presence these holy days of sacred memory, praying that humbly and sincerely we may receive Thy spirit anew into our all-too-needy human hearts. Grant that in the midst of troubled times and persistent problems we may be sustained by Thy presence, supported by Thy grace, and strengthened by Thy spirit. May we learn to love as we ought to love, to forgive as we ought to forgive, and to live as we ought to live.

We mourn the passing of our beloved colleague, William A. Barrett. May the life and labor of this dear friend be a fitting memorial of his presence in our midst. To his family and to all of us be Thou a tower of strength in sorrow.

Bless us as we leave for our recess. May we return ready to continue our work for this country we love with all our hearts. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 532. An act to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers.

THE HONORABLE WILLIAM BARRETT

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, I would like to join with my colleagues in expressing my sorrow at the passing of our beloved colleague, William Barrett.

Beyond our personal loss, and it is extensive because Bill Barrett always took time to help with the problems of others and to extend a friendly hand to those who needed it, the Nation has lost one of the true authorities on the Nation's housing problems.

Chairman Barrett led the way in alerting the Nation to the problems of its deteriorating housing problems in many sections of the Nation, and the statute book is filled with laws which originated by investigatory hearings of the Subcommittee on Housing and Community Development.

When Bill Barrett entered the House of Representatives in 1944, the Nation was at war and all domestic needs were being shunted aside to assure ultimate victory in that great conflict. And so it fell to Bill Barrett to help lead the Nation after the war to begin picking up the pieces at home, beginning the great chore of stimulating the country's economy and providing homes for a growing population to live in. He, and those who worked so closely with him through the decades after the end of the war, paved the way for those of us who came in the 1960's to begin a new social revolution. And for those of us then-newcomers who came seeking a better world, Bill Barrett was a steadying hand who gently demonstrated to us the ways in which we could best move.

There is no one who served in Congress with Bill Barrett who has not learned to appreciate his wisdom, his kindness, and his basic concerns with the people whom he served. The Congress has lost a good counsel, the Nation has lost a valuable public servant, and all of us here today have lost a good friend.

My wife and family join with me in offering our condolences to Congressman Barrett's family. But as sad as we all feel today, we can find solace in knowing that we have known a truly good man.

AS IT WAS IN CHILE, SO IT IS IN MEXICO

(Mr. McDONALD of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDONALD of Georgia. Mr. Speaker, one of our items of business this week is S. 2662, the international security assistance bill, by means of which we purport to help other nations to resist communism.

As you know, I have little confidence in such measures, based upon past performance. And one of the reasons why such efforts are ineffective is because we do not pay attention to the important things which are happening within the countries we are allegedly trying to aid.

For example, how many of us here realize that the people of Mexico are threatened by the collectivization of their property—property of all types, holdings of all sizes. They face this threat at the insistence of their President, who has chosen to place in high official positions the very Communists who brought Chile to disaster, and who participated in similar attempts throughout Latin America.

A law drafted by foreign Communists is even now before an extraordinary session of the Mexican Congress, which is dominated by the President's party. In fact, Mrs. Hortensia Allende, the widow of Chile's marxist president, stated earlier this month that this law was precisely the one which her husband had planned to promulgate in Chile.

There is no mystery about how this occurs. The same individuals float from country to country, planning the Communist takeover of whatever nation is foolish enough to afford them the opportunity to do so. Should they succeed, they will fasten themselves forever upon the host society as bureaucratic parasites. And should they fail, they simply move to some other country, leaving their victims to suffer.

It is not for us, but rather for the people of Mexico, to question the wisdom of their President in providing perhaps a thousand foreign Communists with important Government positions. And the Mexican people are indeed concerned. Lawyers are aghast at the liberties taken with their Constitution, and with the obvious, broad-front attack on all forms of property rights by those who are preparing the shackles of collectivization for their country. Businessmen are protesting punitive harassment by petty officials and, perhaps even more, the insecurity caused by vague new laws directed against them. Farmers, whether possessed of their own land or merely exercising the limited rights afforded them under earlier versions of Mexican socialism, are facing serious new problems.

Millions of Mexican farmers, under earlier "land reforms," have been permitted the use of small plots of land, but denied any title to them, so that they have neither equity nor credit, except what the government may afford them. And the government has recently adopted the view that these farmers should work collectively. When they refuse, they are denied credit, pressured in various other ways, and even thrown off the land they were allowed to use but never permitted to own. Need we be reminded that Communist "land reform" is never for the benefit of the peasants, but is merely a means of gaining rigid control of them?

Other farmers who do possess their land are being subjected to organized campaigns of intimidation and violence. The tactics are precisely those used to bring ruin to Chilean agriculture; small wonder, since the program is being run by the same individuals.

The Communist-inspired Law of Human Settlements, the Law of Urban Reform, new mineral laws, new patent laws—all are recognized by alert Mexican lawyers as a broad-front assault against property rights of all types, including "intellectual property." But a sizable portion of the legal profession, in Mexico as here, has been coopted by government employment, and/or carried away by enthusiasm for the immense amount of power available to them in a totalitarian regime.

Finally, as a companion bill, the President of Mexico has presented an amnesty law, also on the Chilean pattern, which would not only release the Red cadres and intellectuals convicted of responsibility for the bloody uprising in Mexico City in 1968, but which would make them eligible for government employment. The official Communist Party of Mexico has expressed total delight, saying that the law "opens the gates to political struggle" in Mexico.

Mexico has been governed by the same party for about half a century, and the Mexican Constitution gives to the President powers unmatched in any other country not generally designated as a dictatorship. The danger of such one-man government is becoming apparent at last. The outgoing President of Mexico has set his sights upon what journalists and others describe as "third world leadership." Part of the deal is apparently to deliver his own people to the misery of Communist collectivization and civil strife. To this end, he has made the Chilean Communist, Pedro Vuskovic, Assessor to the Secretary of the National Patrimony, of all things. Just how much regard for the national patrimony of Mexico can be expected from a foreign Communist?

There is nothing better to be expected from the President's hand-picked successor, who promises to follow the long-term program devised for Mexico by foreign Communists, while denouncing those who defend their land as cowardly fascists.

We ought to be aware that merely appropriating money for military aid does not even address the problem of subversion, either at home or abroad. And we ought to consider what it would mean to the United States to have a Mexico in the condition of Allende's Chile, or Castro's Cuba. I hope that I need not belabor the point. It could happen, rather easily.

Further documentation of this information is provided in the Extensions of Remarks section of today's Record.

PERMISSION TO HAVE UNTIL MIDNIGHT TOMORROW, APRIL 15, 1976, TO FILE CONFERENCE REPORT AND STATEMENT ON H.R. 7656, BEEF RESEARCH AND INFORMATION ACT

Mr. POAGE. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tomorrow night, April 15, 1976, to file a conference report and statement on H.R. 7656, the Beef Research and Information Act.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MISUNDERSTANDING VIS-A-VIS DEBATE ON CONFERENCE REPORT ON H.R. 7988

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, I want to clear up what I feel has been an honest misunderstanding. During Monday's debate on the conference report on H.R. 7988, Health Research and Health Services Amendments of 1976, I asked the chairman of the Commerce Committee, Mr. Staggers, some questions.

My questions dealt with that section of the conference report dealing with vitamins, and allowing Americans the freedom to buy vitamins as they please.

Upon reading the Congressional Record for Monday, I feel that it does not reflect accurately the colloquy between me and the gentleman from West Virginia.

Please note that I have discussed the colloquy as it appears in the Record with the gentleman from West Virginia (Mr. Staggers), and he agrees with my understanding of our remarks. In fact, he said so most emphatically.

The colloquy appears on page 10559 of the April 12, 1976, Congressional Record. I asked Mr. Staggers two questions. Those questions are accurately reflected in the Record.

Mr. Staggers and I recall that he answered me with very clear and emphatic yeses. The Record, however, indicates that his answers were qualified, and he only generally agreed with me.

If I had heard these qualifications, you can be sure, Mr. Speaker, that I would have asked more questions about the qualifications. It now appears that I am happy with the qualified response.

I recognize that to be legalistic, in the strictest sense, the answers of Chairman Staggers had to be qualified.

I take this opportunity, however, to say that I was satisfied with the unqualified yeses that I received on April 12; but I cannot express unequivocal satisfaction with the answers that appear on page 10559 of the April 12 Congressional Record.

I have discussed my statement with Chairman Staggers, and he does not disagree with what I am saying.

RESIGNATION AS MEMBER OF COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER laid before the House the following resignation as a member of the Committee on House Administration:

Washington, D.C.,
April 14, 1976.

Hon. Carl Albert,
Speaker of the House,
The Capitol.

Dear Mr. Speaker: Please accept my resignation from the Committee on House Administration.

Sincerely,

Marjorie A. Holt,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION OF HON. RON PAUL AS MEMBER OF COMMITTEE ON BANKING, CURRENCY AND HOUSING AND AS MEMBER OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 1158) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1158

Resolved, That RON PAUL, of Texas be, and is hereby, elected a member of the Committee on Banking, Currency and Housing; and,

That RON PAUL, of Texas, be, and is hereby, elected a member of the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), as to the program for the balance of this week if any, and the program after next week.

Mr. O'NEILL. Mr. Speaker, would the distinguished gentleman from Arizona be kind enough to yield?

Mr. RHODES. I am happy to yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, in reply to the inquiry of the gentleman from Arizona, I will state that there is no formal program for today and after the special orders are completed, we will adjourn to meet on Monday, April 26, 1976.

The program for the week of April 26 is as follows:

Monday is District day and there are no bills. We will take up on Monday H.R. 12838, arts, humanities and cultural affairs under an open rule with 1 hour of debate;

H.R. 12987, Comprehensive Employment and Training Act, 3-month extension, under an open rule with 1 hour of debate; and

H.R. 12704, Environmental Protection Agency authorization, under an open rule with 1 hour of debate.

On Tuesday we will take up House Concurrent Resolution 611, the first concurrent resolution of the budget for fiscal year 1977 with 10 hours of debate. We will have general debate only on Tuesday.

For Wednesday, Thursday and Friday:

S. 2662, international security assistance conference report;

House Concurrent Resolution 611, first concurrent resolution of the budget, fiscal year 1977, votes on amendments and resolution;

H.R. 8617, Federal employees political activities. That is the legislation that was vetoed and we will take up that veto. This involves the so-called Hatch Act;

H.R. 12234, Land and Water Conservation Fund, with an open rule and 1 hour of debate;

H.R. 365, firefighters benefits, with an open rule, 1 hour of debate;

H.R. 366, public safety officers benefits, with an open rule and 1 hour of debate;

H.R. 8410, Packers and Stockyards Act amendments, subject to a rule being granted; and

H.R. 12384, military construction authorization, subject to a rule being granted.

Conference reports may be brought up at any time and any further program will be announced later.

I might add, Mr. Speaker, that it appears that beginning with the week we return and through May 15, we can anticipate that there will be Friday sessions.

Mr. Speaker, may I take this opportunity to wish all of the Members of the House of Representatives and my good friend, the minority leader, the gentleman from Arizona (Mr. RHODES) a happy Easter.

Mr. RHODES. And I reciprocate to my good friend the majority leader, the Speaker, and all Members of the House in hoping that they will all have a happy Easter and a good time at home with their constituents and then return refreshed.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY, APRIL 28, 1976

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday Rule may be dispensed with on Wednesday, April 28, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

A PROPOSAL TO REVISE MEDICARE REQUIREMENTS AFFECTING RURAL HEALTH CARE FACILITIES

The SPEAKER. Under a previous order of the House, the gentleman from Montana (Mr. BAUCUS) is recognized for 20 minutes.

Mr. BAUCUS. Mr. Speaker, I rise today to introduce an amendment to the social security law as it relates to the reimbursement of rural health facilities for services rendered under titles XIX and XX, medicare and medicaid.

The problem that my amendment addresses is not, I suspect, one of great national concern, but it is of intense concern to health officials both in my district and in selected other districts which have unusually small health facilities serving extremely sparsely populated rural areas. Allow me to provide some background on this problem.

In order to participate in the medicare program, providers and suppliers of health services must comply with specific requirements set forth in the statute and with other requirements pertaining to the health and safety of medicare beneficiaries which the Secretary of Health, Education, and Welfare is authorized by the statute to prescribe.

According to policy established by the Social Security Administration, a hospital is certified for participation in medicare if it meets all statutory requirements and is in substantial compliance with all regulatory requirements; that is, the deficiencies do not represent a hazard to patient health and safety, and efforts are being made to correct the deficiencies.

The regulatory requirements are far reaching in scope, ranging from the width of the facility's doorways to the hiring of a medical director in nursing homes. In large, urban hospitals with hundreds of beds and an abundance of available trained hospital personnel, such requirements are both desirable and obtainable. However, the reasonableness of these Federal regulations is questionable with regard to extremely small health care facilities which are so common in isolated rural areas. On the whole, existing regulations are addressed to urban problems and do not take into consideration certain problems that are unique to rural areas; for example, the small number of hospital beds, the scarcity of skilled health personnel, the limited spectrum of services offered, and the geographical isolation of many facilities.

Attempts to comply with HEW regulations in order to get the Federal funds, which many of these rural health facilities find necessary to remain solvent, have resulted in great expense and, in some cases, closure of the facility altogether. Recognizing that some health care in isolated rural areas is better than none at all, the Social Security Administration certifies certain access hospitals—so named because failing to permit these hospitals to participate in the medicare program would amount to denying certain beneficiaries access to inpatient care. Not surprisingly, most of the access hospitals are small and rural.

Despite the certification of access hospitals, it became apparent in the early 1970's that although good faith efforts were being made to secure qualified nursing personnel, some rural hospitals were having difficulty complying with the nursing staff requirements. Consequently, an amendment to the Social Security Act was passed which authorized the Secretary of HEW, under certain conditions, to waive the requirements that an access hospital have registered nurses on duty around the clock. Under this amendment, the Secretary was given the authority to waive the nursing requirement if he found that—

The hospital is located in a rural area and the supply of hospital services in the area is not sufficient to meet the needs of medicare beneficiaries residing therein;

The failure of the institution to qualify as a hospital would seriously reduce the availability of services to beneficiaries; and

The hospital has made and continues to make a good faith effort to comply with the nurse staffing requirement, but compliance is impeded by the lack of qualified nursing personnel in the area.

At present, there are 90 waivered hospitals, and approximately 40 addiitonal access hospitals with major regulatory deficiences, other than nursing staff deficiencies. Since 1966 over 400 rural hospitals certified under the access conditions have upgraded themselves to participate under other conditions, either through extraordinary efforts by the hospitals or through lenient application of standards by medical surveyors.

Recently, Federal legislation was passed extending for 3-years until January 1, 1979—the Secretary of HEW's authority to waive the 24-hour nursing service requirements for certain rural hospitals. No waiver authority was provided with respect to any other condition of participation or any standard relating to health and safety. During the floor debate on this legislation in the House of Representatives, the following was noted:

> The committee continues to firmly believe in the importance of having registered nursing personnel on duty around the clock. Consequently, the waiver may only be applied when the hospital meets all necessary health and safety standards and the Secretary of HEW is convinced that the waiver will not represent a hazard to patient welfare.

And that—

> The present law allowing waivers for the 24-hour registered nurse coverage requirement has made it possible for many good and otherwise qualified rural hospitals to continue as providers under Medicare and Medicaid . . . Attracting enough R.N.'s for 24-hour coverage has always been a problem for rural hospitals. Loss of certification as qualified providers under Medicare and Medicaid would work a severe hardship on both rural hospitals and the patients. Such facilities depend significantly on their patient load covered under these programs. A closing or loss of certification of just one of these hospitals would force an expensive and unneeded burden on the patient, who . . . [might] have to travel hundreds of miles to the next available medical facility . . .

The Senate Committee on Finance was in favor of extending the nursing staff waiver for 1 year only, as it believed the 3-year extension would serve to delay a more permanent solution to the access hospital problem. The Senate Finance Committee asked instead that a movement be made toward developing recommendations for legislative changes designed to establish specific rural hospital certification requirements commensurate with staff and facilities in rural areas. While the House version of the bill—which extended the waiver for 3 years rather than for 1 year—was successful, some Members of Congress are urging furter consideration of problems which rural health facilities have with the current law. Some rural states are conducting their own studies to identify approaches to modifying the medicare law so that it will provide reasonable standards of certification for rural hospitals.

Today, I would like to identify the problems encountered by health officials in sparsely populated areas and to articulate solutions to those problems. My knowledge in this area stems largely from a hearing I held in my district on February 14, 1976. The hearing was attended by more than one hundred health professionals, including hospital administrators, head nurses and nursing home directors from all 23 counties in my district. Also included were representatives from the Montana Hospital Association, the Montana Medical Association, the Montana Nurses Association, the Montana Nursing Home Association, the Montana Professional Services Review Organization, the Montana State Department of Health, Education, and Welfare, and the U.S. Department of Health, Education, and Welfare.

My statement today will neither touch upon the Medicare reimbursement or enforcement procedures, nor consider the amount of medicare payments awarded under the current law. Nor will I discuss the problems which are common to medical facilities of both urban and rural area studies. Instead, my statement will simply present a case study and offer a proposal for providing realistic Federal certification standards which will allow for the continued existence of health facilities in many rural areas.

THE NEED FOR A CHANGE IN THE MEDICARE LAW

The need for legislation which sets up a new classification for medicare certification—the small, rural health care facility—is based on certain assumptions:

First, patients in rural areas need certain minimal health services offered at the local level;

Second, rural health facilities can better continue to offer medical care to many patients if they have medicare payments available to them;

Third, certain regulations upon which Medicare payments are conditioned are difficult, if not impossible, for some rural medical facilities to satisfy; and

Fourth, certain regulations upon which medicare payments are conditioned do not necessarily insure a higher quality of certain health services to patients in rural area medical facilities.

Allow me to discuss each of these assumptions briefly.

First. Patients in rural areas need certain minimal health services offered at the local level: The Social Security Administration, by certifying access hospitals, has recognized the need for providing inpatient care in rural areas. A glance at a map of my State makes clear how isolated many Montana communities are. Our population is scattered, and, because of severe weather conditions throughout most of the year, there are times when no convenient or quick means of transportation exists. As a result, geographic accessibility is an important consideration in planning the distribution and delivery of health care services. For example, if no facility existed in the isolated towns of Jordan and Circle, Garfield County residents would have to travel over 85 miles to Miles City, and McCone County residents would have to travel over 50 miles to Glendive. With the added stress of injury or illness, such distances can be life threatening.

Second. Rural health facilities can better continue to offer medical care to many patients if they have medicare payments made available to them: Since the passage of medicare and medicaid legislation in 1965, the percentage of Government spending for health care has increased rapidly. For example, at present, 58 percent of the patients in long-term care facilities in northwest Montana are paid for by medicaid programs alone. The large number of medicare/medicaid dependent patients has caused heavy reliance on Government funds to maintain the region's health facilities.

However, certain health facilities in Montana face closure because of their failure to comply with HEW regulations which means that no more Federal funds will be forthcoming. Without medicare payments, many rural health facilities would close down completely rather than remain open to nonmedicare patients only.

Third. Certain regulations upon which medicare payments are conditioned are difficult, if not impossible, for some rural medical facilities to satisfy: The current requirements which Montana medical facilities—in particular the nursing homes—find the most difficulty complying with can be broken down into the following four areas, each of which I would like to discuss separately: The life safety code; hospital personnel; paperwork standards; and mixed use facilities.

TABLE I.—LIFE SAFETY CODE STANDARDS WITH WHICH MONTANA HEALTH FACILITIES HAVE FOUND DIFFICULTY COMPLYING

Life safety code standard	Citation to regulation	Health groups making complaints	Cost of compliance (if available)
Lab and X-ray facilities		Garfield County; Granite County	$7,500 to $14,500 (Garfield County).
Separate dining room for patients		Garfield County	
Discharge records area		Jordan; Garfield County	$500 (Garfield County).
Room for patient activities		Garfield County	
Janitor's closet in nursing area		Jordan	
Bathrooms with direct access for all patients (without entering from hallway).		Granite County; Garfield County	
Width of hallways; exit signs		do	$220 (Garfield County).
Fire safety system		Libby; Granite County; McCone County; Garfield County	$25,000 (Libby); $36,000 (McCone County); $28,000 (Garfield County).
Miscellaneous, e.g., autoclave, wireglassed vision panels, hot-water boosters, etc.		Granite County; Garfield County	

THE LIFE SAFETY CODE

The Life Safety Code is that code which establishes minimum standards for the physical plant, that is, facility standards. The Montana hearings identified problems relating to the Life Safety Code which are listed in table I. Some of the disagreements with these Federal requirements stem from the fact that rural facilities usually have only a few beds and perhaps only one doctor. For example, a requirement for a hallway to be a certain width may be in response to the need for quick emergency escape in a bustling urban medical facility with patients and staff numbering over 100. However, such a requirement may be inappropriate for Montana when a doorway is too narrow by 3 inches or, as one doctor who testified at my hearings pointed out:

> In a small, one-doctor hospital, the traffic will not be so great that two carts of wheelchairs need to run in both directions at once . . . The hall is wide enough to bear the traffic.

McCone County, Mont., spent over $50,000 trying to meet Federal requirements of the Life Safety Code. Garfield County, Mont., spent over $30,000 on regulations which seem meant to improve the conditions of large hospitals. With 72 percent of Montana's hospitals having 50 beds or less and 40 percent having less than 25 beds, it is no wonder that many of the physical plant requirements seem unnecessary.

HOSPITAL PERSONNEL

Staffing requirements set by Federal health regulations have been addressed, in part, by recent extension of the waiver of the 24-hour registered nurse requirement discussed in part A. However, other problems remain, some of which are listed in table II.

TABLE II.—STAFFING REQUIREMENTS WITH WHICH MONTANA HEALTH FACILITIES HAVE FOUND DIFFICULTY COMPLYING

Staffing requirement	Citation to regulation	Health groups making complaints	Cost of compliance (if available)
Pathologist		Granite County; Montana Social and Rehabilitation Services	
Dietician		Granite County; Montana Hospital Association	
Medical records personnel		Granite County	
Lab technician; X-ray technician		Granite County; Montana Hospital Association; Montana Department of Health and Environmental Sciences, Helena.	
Medical director for nursing homes		Garfield Company; Granite Company; Montana Hospital Association; Montana Social and Rehabilitation Services.	$12,000/year (Garfield); estimated $1 million/year for all Montana.
Pharmacist		Dillon	
Registered nurse		Libby	
Clerical help to process paper work required by Federal regulations.		Libby	

A survey of long-term care facilities, nursing homes, in western Montana is indicative of the burdens that medicare manpower requirements have placed on the small medical facility. The survey showed that the cost of complying with Federal manpower standards for the seven counties in northwest Montana totalled $81,556.94, not including travel expenses for required consultants—see table III. This same survey showed a trend of increasing violations from fiscal year 1974 to fiscal year 1975 in the staffing category; in fact, the number of staffing violations nearly doubled in that year, an increase attributed to a change in regulations requiring, among other things, increased consulting agreements. At the same time, costs to patients in northwest Montana's long-term care facilities rose by more than $100 a year. In the entire State of Montana the estimated annual cost of hiring federally required medical directors for nursing homes is approximately $1 million.

TABLE III.—COST TO COMPLY WITH SPECIALIZED MANPOWER STANDARDS, SINCE JANUARY 1974

Manpower	Full-time	Part-time	Consulting	Yearly total
Administrator			$1,968	$1,968.00
Medical records librarian	$5,760	$7,488	2,049	15,297.00
Clerical	10,224	7,540	2,049	17,764.00
Registered nurse		6,306		6,306.00
Licensed practical nurse	10,444	2,828		13,273.00
Dietician		904	1,440	2,344.00
Cook		1,048		1,048.00
Physical therapist		108		108.00
Occupational therapist		1,258		1,258.00
Social worker		1,258		1,258.00
Mental health specialist				
Recreation director	4,944	11,323		16,267.00
Maintenance	3,840	2,080		5,920.00
Total expenditure				81,556.94

Note: Cost figures are based on average rates paid by at least three facilities in Region V. Figures do not reflect travel expenses for consultants.

The difficulty of complying with staffing requirements is attributable to the unavailability of specialized personnel in rural areas, even for consulting purposes. Some illustrations will help explain this problem. For example, take the regulation on laboratory services which requires that all laboratory services be conducted by a "clinical laboratory technologist." Roland K. Fisher, assistant executive director of the Montana Hospital Association, reacts to this requirement thusly:

> Our small hospital cannot even find such people and even if they could attract them—for what—to work on a part-time basis performing CBC's, urinalysis and a very rare typing and crossmatch, just to meet the letter of the regulation? Many of our small facilities now have R.N.'s and adequately trained technicians who have been and still are very capable of doing these tests with all the accuracy needed.

A related aspect of the manpower problem is the requirement that all providers review medical decisions to assure that efficient utilization of resources is achieved. The utilization review procedures set up by medicare legislation have resulted in the shortening of many hospital confinements, and, in turn, making the transfer of patients from hospitals to nursing homes occur sooner. The obvious effect of shortened hospital stays on a small hospital's rate of occupancy is serious. With an increase in the number of empty beds, the per patient cost of hospital care becomes greater. In addition, patients who may still be in need of skilled medical care are placed in nursing homes which results in the nursing homes being forced to deliver more medically oriented services in order to qualify for medicare reimbursement.

At present, hospitals do not receive medical reimbursement for patients who are not found by utilization review boards to be in need of acute care facilities. Nursing homes, on the other hand, may qualify for medical reimbursement for those very patients if they meet certain Federal requirements, including employment of a trained medical director.

If hospitals were allowed "mixed use" of their facilities, that is, medical reimbursement for acute-care patients and lesser Federal payment for nursing home patients, the results might be as follows: a higher occupancy rate for the hospitals, thereby lowering the per-patient costs; the possibility of better medical care for some patients who must otherwise be transferred to nursing homes; and the elimination of the need for nursing homes to gear up for more skilled medical care in order to serve the more ill patients being transferred sooner from hospitals and to qualify for medical reimbursement to pay for the costs of serving those patients.

PAPERWORK STANDARDS

In fiscal year 1975, the percentage of total violations in deficiency categories relating to medicare and medicaid payments was highest in the area of paperwork standards—56 percent—for long-term care facilities studied in northwest Montana.

Examples of Federal paperwork requirements include: files indexed and maintained in a particular manner, patient activity plans, disaster plans, physician signatures, minutes from meetings, job descriptions, written policies concerning patient rights and disposition of personnel complaints.

Medical facilities in Montana, including those in Lake County, Great Falls, and Miles City, have complained of the extensive paperwork required by the Federal regulations, and the lack of trained personnel to deal with it. In addition to the problem involved in locating the specialized manpower needed to organize and maintain the required records, the financial demands of hiring such additional personnel are significant.

The survey of long-term care facilities in northwest Montana showed that 62 percent of the administrators there found it necessary to hire additional personnel to maintain medicaid and medicare standards. In Lake County, a registered nurse testified that the requisite detail with which nursing histories and discharge planning must be concerned required one additional nursing staff.

While the number of complaints and violations regarding paperwork standards is quite large, some of the testimony at my hearings indicated that perhaps much of the problem is the apparent lack of adequate information and guidelines as to what the contents of the reports should be.

Fourth. Certain regulations upon which medicare payments are conditioned do not necessarily insure a higher quality of certain health services to patients of rural medical facilities. If, in fact, certain Federal regulations upon which medicare reimbursement is conditioned result in a serious financial drain on the financial resources of small medical facilities, the per patient cost of health care rises dramatically. Moreover, if a local medical facility is forced to close down as a result of its failure to qualify for Federal funds, the quality of care for the locality is downgraded, because the local residents will find it inconvenient to use the health care facilities of a distant town and because medical emergencies cannot be treated quickly on account of the greater amount of time it takes to reach a hospital. Moreover, if certain medicare regulations are aimed at solving problems in large urban medical facilities but those same problems do not exist in small, rural facilities, the quality of health care in the rural communities may not be improved upon by forcing the small facilities to comply with those regulations.

It would seem to make more sense for the Federal Government to set up a new category of medical provider which would offer minimal health care services according to the abilities of its personnel and the adequacy of its facilities. For example, while such a provider might not be allowed to provide intensive care for patients needing 24-hour surveillance by a registered nurse or doctor, it could offer basic care for relatively uncomplicated diseases, such as acute infections, simple traumatic illnesses and common chronic diseases, as well as immunizations, nutrition and hygienic advice, and certain maternal and child health services. Medicare reimbursement would then be awarded to rural providers for limited services, regardless of the inability to meet Federal regulations which do not relate to improved health care in those geographic areas.

SUGGESTED CHANGES IN THE MEDICARE LAW AS IT RELATES TO RURAL HEALTH FACILITIES

Now that Congress has moved to extend the 24-hour nursing requirement for 3 years, virtually no obstacles exist to HEW's amending its regulations. That is, HEW could legally permit unaccredited hospitals in rural areas to be certified for medicare reimbursement, particularly those facilities which are making good faith efforts to comply with applicable requirements for hospitals and skilled nursing facilities.

However, there is little likelihood that HEW will make such a move. This is so for several reasons. First, Congress has provided no directive in this area, except to waive the 24-hour nursing requirement. Second, HEW officials generally view their role as promoters and guardians for—not detractors from—uniformly high standards for health facilities, irrespective of location. Third, HEW officials are not eager to draw the lines for health facilities in rural areas which would distinguish between those that should meet minimum health standards versus those that would have to meet the more stringent standards applicable to hospitals. Such linedrawing might be viewed by Members of Congress as capricious and beyond existing statutory authority—particularly by those Members who represent areas where hospitals might not meet HEW's definition of "access hospitals" or "rural health facility."

Consequently, if special treatment is to be granted to noncomplying and/or marginally complying hospitals in rural areas, it probably will come only through an amendment to the medicare legislation and not through changes in existing medicare regulations. Such amendments would have to create a new classification for rural hospitals. Also, if hospital care and skilled nursing home care were to be permitted in the same facility, the new legislation would have to make special provision for "mixed use" facilities. With these two criteria as guides, I would like to introduce the following amendment:

H.R. —

A bill to amend medicare and medicaid provisions as they relate to rural health care facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1861(e) of the Social Security Act be amended by adding the following sentence at the end thereof: "The term 'hospital' also includes a 'rural health facility' of fifty beds or less (whether used exclusively for patients requiring inpatient hospital services or for such patients and patients requiring extended care services), which meets the definition relating to a rural area specified in subsection (e), subparagraphs (A) and (B) of this section, and which meets the other requirements of subsection (e), except that,

"(A) with respect to the requirements for nursing services, such requirements shall be established by the Secretary in regulations on the basis of regional data on the availability of nursing personnel, but in no event shall a rural health facility as herein defined be precluded from participation because of a temporary shortage of nursing personnel; and

"(B) with respect to health and safety requirements promulgated under paragraph (9) such requirements shall be appropriately modified by the Secretary for application to the hospitals herein defined so as to assure that personnel requirements are consistent with (i) the availability of technical personnel and the educational opportunities for technical personnel in the areas in which rural health facilities are located, and (ii) the scope of services rendered by rural health facilities, and

"(C) with respect to fire and safety codes, a rural health facility in compliance with all applicable State codes shall be deemed to be in compliance with the Secretary's regulations relating to fire and safety requirements."

Amended 1861(v) by adding the following paragraph at the end thereof:

"(2) Notwithstanding the previous provisions of this subsection the reasonable cost of services furnished in a 'rural health facility' (as defined in subsection (e)) shall be determined without regard to the requirement in section (f) relating to a distinct part, and shall be so calculated as to provide proper payment for services rendered to patients requiring in-patient hospital services and services rendered to patients requiring extended care services."

A STRATEGY FOR FREEDOM: A LEGISLATIVE PROGRAM FOR AMERICA'S BICENTENNIAL YEAR

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

Mr. KEMP. Mr. Speaker, Theodore Roosevelt once observed:

> The Declaration of Independence derived its peculiar importance, not on account of what America was, but because of what she was to become. She shared with other nations the present, and she yielded to them the past, but it was felt in return that to her, and to her especially, belonged the future.

America has before it a number of choices each year concerning that future.

This is no less so in 1976. But 1976 is no ordinary year. As our Bicentennial Year, it gives us an opportunity to see how our goals today match with those at the founding of our Republic. This is a responsibility to be taken seriously, and the nature of our third century will be shaped by how wisely we carry it out. But, in the opinion of some, too many are not living up fully to this responsibility.

There is far too much politics and far too little statesmanship in public policymaking today. Too many are concerned only with the next election, the success of their political party, or the interests of Government. And, they are too satisfied with just drifting over or through the issues. By contrast, the people expect their officeholders to be concerned with the next generation, the success of their country, and the interests of the people. They expect conscientious, deliberate judgment. And, the disparity between what usually happens and what the people wish would happen contributes to the suspicions which erode faith in our system.

The time has come to address this problem.

A CALL FOR THE RESTORATION OF THE AMERICAN SPIRIT

It is time to tell the American people the truth about the virtually inevitable consequences of our present course.

It is time to heed their commonsense and their faith in their own abilities. It is time to seek their counsel.

And, it is time to solicit their support in an effort to assure the primacy of individual rights, commonsense government, fiscal sanity, economic stability and growth, our leadership in the world, and a sense of national community. In short, it is time to seek the restoration of the American spirit.

It is time those who are—and those who would be—leaders of the American people realize a few things too.

The American people, though sometimes fooled, are certainly not fools. They know what their real needs and interests are. They are mature enough to face harsh facts. They are intelligent enough to distinguish between straightforward government and political gimmickry.

This call for a restoration of the American spirit is no call for a return to the past as some prior point in time. It is, instead, a call for a recommitment to both the practical and philosophical progress found through maximizing individual rights and initiative, a progress interrupted by an inordinate growth in Government control and initiative in recent decades.

The preservation of a free society is directly linked with an accurate understanding of how it can be lost. All of us have much learning to do in this Bicentennial Year, and there is no better place to start than with examining the role of government.

SOME THOUGHTS ON THE ROLE OF GOVERNMENT

Only limited and decentralized government is compatible with the requirements of freedom. The major function of government is, therefore, to protect freedom both from enemies outside our gates and from our fellow citizens. Beyond this major function, government may enable us at times to accomplish jointly what we would find it more difficult or expensive to accomplish separately. Although any such use of government is fraught with danger, we cannot avoid using the instrument of government in this way at times. There should be a clear and large balance of advantages before we do so, however.

By relying on voluntary cooperation and private initiative in our activities, we can insure that the private sector is a check on the powers of the public, governmental sector and an effective protector of freedom.

This is why the authors of our Federal Constitution, which together with our Bill of Rights was intended as much as a restriction on government as an authorization of powers, set forth in practical terms the three essential purposes of government: The preservation of internal order, the administration of justice, and the provision of national defense. They knew that when government ventures beyond these functions, it accumulates power which tends to diminish both order and liberty.

Government power should also be dispersed. If government is to exercise power, it is better in the county than in the State, better in the State than in Washington. If a person does not like what his local community does, he can move to another community, and although few may take this step, the mere possibility acts as a check on government. If a person does not like what his State does he can move to another. But, if a person does not like what Washington does, there is no reasonable alternative.

The power to do good is also the power to do harm. Those who control the power today may not tomorrow. And, more importantly, what one person regards as good, another may regard as harmful. The great tragedy of the drive to centralization—the drive to extend the scope of government in general—is that it is mostly led by persons of good will who will be the first to rue its consequences.

This preservation of freedom, as I indicated a moment ago, is the protective reason for limiting and decentralizing governmental power. But, there is a constructive reason also.

The great advances of civilization do not come from centralized government. Columbus did not set out to seek a new route to China in response to a majority directive of a parliament, and although he was partly financed by a monarch, seeking a new route to China by sailing westward was Columbus's notion and that of other private persons. As a matter of fact, it took him 6 full years to persuade the monarchs that it should be done. The processes of bureaucracy have changed little since the 15th century.

Very few new ideas, very few new frontiers in human knowledge and understanding—in literature, in technical possibilities, or in the relief of human misery—have come in response to the directives of government. The achievements of Newton and Leibnitz; Einstein and Bohr; Shakespeare, Milton, and Pasternak; Whitney, McCormick, Edison, and Ford; Jane Addams, Florence Nightingale, and Albert Schweitzer were the product of individual genius, of strongly held minority views, and of a social climate permitting variety and diversity.

Government can simply never duplicate the variety and diversity of individual action. And, when it tries to do so, it stagnates the creative processes and—by nature of political process—most typically funds only majority points of view. Progress is thus slowed, not accelerated.

Government intervention, as a matter of fact, becomes the grave danger which can threaten a free society. Government intervention will break up spontaneous social action time and time again, and it will eventually bring about a destruction of the will to act outside of Government permission. It threatens to absorb all spontaneous social action into Government decisionmaking. If this danger persists, as it does in America today, it could be fatal. If this danger grows, it will be fatal.

At one time, government served society. Today it is increasingly unclear as to which serves which. In few ways could this be more true than in the economic sphere of our lives.

COORDINATING THE ECONOMIC ACTIVITY OF MILLIONS: BY GOVERNMENT'S CENTRAL PLANNERS AND BUREAUCRACY OR BY INDIVIDUALS AND THEIR OWN CHOICES?

There are only two fundamental ways of coordinating the economic activity of millions.

One is the central direction involving the use of coercion—the technique of the modern state, the central planners—no matter how profound or how subtle that coercion might be.

The other is voluntary cooperation of individuals—the technique of the marketplace.

This latter possibility—of coordination through voluntary cooperation—rests on the elementary, yet frequently denied, proposition that both parties to an economic transaction benefit from it, provided the transaction is bilaterally voluntary and informed. This type of exchange can, therefore, bring about coordination without bringing about coercion. A working model of a society organized through voluntary exchange is a free enterprise exchange economy—what we call competitive capitalism.

THE ROLE OF THE MARKET ECONOMY

In modern society we have introduced enterprises which are intermediaries between individuals and which act as their means of expressing their economic preferences. The market does this impersonally and without centralized authority. From this standpoint, the role of the market is that it permits unanimity without conformity. It is a system of proportional economic representation.

On the other hand, the characteristic feature of action through the political process is that it tends to require or to enforce substantial conformity. The typical political issue must be decided "yes" or "no"; at most, provision can be made for only a fairly limited number of alternatives. The number of separate groups that can, in fact, be represented in political channels is narrowly limited, enormously so by comparison with the proportional representation of the marketplace—where everyone has a vote by the use of his or her dollars. More important, the fact that the final outcome through political interaction generally must be a law applicable to all groups rather than separate legislative enactments for each "party" represented—otherwise there are severe constitutional questions—means that proportional representation in its political version tends toward ineffectiveness and fragmentation. It thereby operates to destroy any consensus on which unanimity without conformity can rest.

This use of political channels to resolve economic questions strains the social cohesion essential for a stable society. The strain is less if agreement for joint action need be reached only on a limited range of issues on which people have common views. But, every extension of the range of issues for which explicit agreement is sought strains further the delicate threads which hold society together. If it goes so far as to touch an issue on which men feel deeply yet differently, it may well disrupt the society. Fundamental differences in basic values can seldom if ever be resolved at the ballot box. They can only be resolved through increased awarenesses, understanding, and knowledge. Otherwise they are resolved by conflict—nonviolent or violent—but conflict nonetheless. This is exactly why we should prefer market solutions—why we should prefer the economic arena.

ECONOMIC AND POLITICAL FREEDOMS ARE INALIENABLE

This characteristic of the marketplace also has implications that go far beyond the narrowly economic. An awareness of this among the Framers of our Declaration of Independence is why they set forth in that Declaration their belief that rights are inalienable—indivisible—that political rights cannot be separated from economic rights and vice versa.

Political freedom means the absence of coercion. The fundamental threat to freedom is power to coerce—be it in the hands of a monarch, a dictator, an oligarchy, a momentary majority, or a bureaucracy. The preservation of freedom requires the elimination of such concentrations of power to the fullest possible extent and then the dispersal and distribution of whatever power cannot be eliminated. This is what we call a system of checks and balances.

By removing the organization of economic activity from the control of political authority, the market eliminates this source of coercive power. It enables economic strength to be a check to political power rather than a reinforcement of it.

It is against this background that we see more clearly the parallels between 1776 and 1976.

THE BASIC QUESTIONS IN 1776 AND IN 1976

The events which historians will some day associate with 1976 are of no less importance than those now associated with 1776.

In 1776 the question was whether a band of relatively united men and colonies for which they spoke could forge a successful union.

In 1976 the question is whether we know the lessons of 1776 well enough to heed them and to preserve and nurture our strengths into renewed successes. I speak in particular about the relationship between individuals and Government.

Whether it is 1776 or 1976 or 2176, the task of preserving individual freedom should not be subordinated to any priorities of Government which may infringe upon them.

Let me speak for a moment to this point.

The most common ways in which any government advances its own interests were spelled out quite clearly in the Declaration of Independence: Burdensome taxes, excessive regulation, creation of a multitude of offices and appointments of agents, altering the government, frustration of the people's aspirations, regarding rights as alienable, depriving people of much of their earnings, and in undermining that "pursuit of happiness" to which the Declaration refers.

There is a very familiar ring in 1976 to those points. Instead of being the principal means of protecting individual freedom, government has become the means by which it is most often infringed. Instead of facilitating the pursuit of happiness, it has become a burden to be borne by the people. And this has come as a product of the growth of government and the pursuit of government's own self-interests.

We see more clearly every day that the vision of the government in Washington as a benevolent, grandfather-image Uncle Sam—acting always in the best interests of the people—is out of touch with the reality of a government there increasingly serving its own ends. And those ends are reinforced through a triangular power structure—the majority party leadership of the congressional committees, the bureaucracy, and the special interests. And, there is little input by either the people, or by the President, or even by a majority of Members of Congress irrespective of party.

HOW FREEDOM IS BEING LOST TODAY

When government reaches the point that it is more to be tolerated than to be supported, something is wrong with the relationship between the people and government—regarding their relative positions as to which is the master and which is the servant. This is 1976.

There has been an erosion of freedom within the United States. It has been gradual, but it seems to be gathering momentum.

A gradual erosion is freedom's most effective enemy. Freedom is not generally lost by the forces of violent attack. Those specific incidents when revolution and upheaval did quickly destroy freedom were preceded by an intellectual evolution which made those acts both possible and allowable.

The danger to freedom is not as obvious as it was in 1776. Today the enemy is not resplendent in bright Redcoat uniforms. The outcome is not as definitive as to be measured in terms of "liberty or death."

These less immediately obvious threats must, therefore, be a cause of great concern among all who cherish freedom. The nature of the remainder of our natural lives and those of future generations will be governed in great degree by our present ability to perceive these threats and to undertake successfully those efforts required to restrain them. These are the efforts which ought to form the basis for a renewed American spirit.

We must remember that when government intervention is sought, freedom runs that risk of further decline to which I have already made reference. And, inasmuch as those within government—elected or appointed—too often regard their roles as, and measure their successes through, the promulgation of government initiatives, the results should be obvious. More and more government. Less and less freedom.

Through the enactment of a multitude of program activities, Government has taken unto itself the exercise of functions once regarded as the province of private conduct. And, whether one regards a specific government intervention or influence as good or bad, one still ought to weigh the impact of the totality of extensive and still growing government regulation over the exercise of personal freedom.

Unfortunately, this process of rapid and substantial growth of government is not diminishing. It is not even slowing.

Look at the controls over our lives—and our economy—which this funding and this bureaucracy sustain. The United States Code Annotated, the basic compilation of congressionally enacted statutes, now totals more than 55,000 pages. The Code of Federal Regulations—consisting of the rules and regulations which carry those statutes into effect and which have the same full force of law—totals hundreds of thousands of pages. The Internal Revenue Code—the tax laws under which we all live—is now nearly 1,900 pages long, and the regulations which carry those tax laws into effect constitute another 4,500 pages. In addition, one is governed by the rulings and regulations of a myriad of Federal agencies, bureaus, departments, commissions, administrations, offices and boards, as well as the rulings of our vast court networks.

We have come a long way since Moses brought the Ten Commandments down from the Mount—only 10 rules to govern our lives.

WHAT MUST BE DONE TO REVERSE THE TREND

It is time to begin the reversal of these trends, and this ought to be the Bicentennial commitment of the Congress to the people. It would most certainly be supported by the people. And welcomed.

There are already mechanisms available to us to meet these tasks. We should avail ourselves of them and put these measures on the agenda for the current session, measures to move us toward less government instead of more.

In a moment I will offer what I believe ought to be the major components of that program, but since the program is best understood in a frame of reference, let me try to put this proposed program into such a context, into such a frame of reference. Let me do this, first, by discussing what we have learned since 1776 about assuring a higher standard of living, and, second, by discussing what some of the basic, fundamental causes of our problems and our discontent with government might be.

1776: THE DECLARATION OF INDEPENDENCE, THE WEALTH OF NATIONS AND THE SUCCESSFUL USE OF THE STEAM ENGINE

Three things of monumental importance happened in 1776. It was no coincidence at all that 1776 was the year of our Declaration of Independence—the greatest single statement of political freedom and guarantor together with the Bill of Rights of personal freedom, the year of Adam Smith's "The Wealth of Nations"—the greatest single statement of economic freedom and means of assuring economic growth, and the year of James Watt's first successful use of the steam engine, the benchmark from which most measure the true beginning of the industrial age and our unparalleled material progress. Those three events were not accidental, nor were they unrelated. They were specifically related through attitudes concerning the essential, concomitant nature of political and economic freedom and of political and economic progress.

We can too easily overlook what the leaders of that period were telling their fellow citizens—and us as the heirs of the same traditions. These events were reflections of the general will, of a consensus of views strongly held.

The Declaration of Independence certainly broke new ground by fostering the first break of a colony away from a mother country in modern history, but its declarations both of grievances against the state and of the means of best protecting freedom were little more than codifications, no matter how bold to put them into print, of prevailing intellectual and popular opinion.

Adam Smith may have broken new ground—he certainly is regarded as a principal founder of the free market school—but his conclusions were quite obviously based on an accurate reading of prior economic history.

And while James Watt was an inventor, and therefore was the first at doing what he did, his invention was in response to a widespread recognition that quantum jumps in material progress would come only through devising means of power other than humans and draft animals and to awarenesses on his part that, first, his creativity would be rewarded by profit and, second, the engine could be manufactured through investing enough front-end capital.

They told us they knew the relationship between liberty and economic growth themselves.

Jefferson said:

> Agriculture, manufacture, commerce and navigation—the four pillars of our prosperity—are the most thriving when left most free to individual enterprise.

And he knew quite well the restraints on growth caused by excessive taxation and regulation when he said:

> It is in the natural course of events that liberty recedes when government grows.

Jefferson summed it up most dramatically when he said, in the Declaration, that our rights are inalienable—that they are indivisible—that an infringement on one is an infringement on all. Liberty is important as an economic resource too; as a matter of fact, it can be considered a factor of production.

Benjamin Franklin reflected these sentiments in an expression that we all use but seldom appreciate:

> A penny saved is a penny earned.

Now, how is a penny saved an earned one? By becoming the savings, the investment money, from which additional income can be produced, can be earned.

And Adam Smith put it in economic terms understandable to all of us. As he put it:

> Every man, as soon as he does not violate the laws of justice, is left perfectly free to pursue his own interests in his own way, and to bring both his industry and his capital into competition with those of any other man or order of men. To prohibit a great people from making all that they can or every part of their own produce, or from employing their capital and industry in the way that they judge most advantageous to themselves, is a manifest violation of the most sacred rights of mankind.

The concept he propounded complemented both James Watt's plans to harness energy and the truths of the Declaration. He proposed to energize economic society by developing the potential of individual initiative of free men. He propounded the idea that in society the sum total of individual economic initiatives of free men far exceeds any potential which would arise from the guidance of a selected few—selected by the King then or elected by the people today.

This is what the American Revolution was mostly about—protecting the means—our rights—through which political, social and economic progress of the individual could be best assured—most typically against the restraints of government. This was taken so much for granted that there was not even any debate on freedom of enterprise. No one proposed that the Government assume the responsibility of assuring economic progress, of providing jobs. There was the broadest possible agreement on this point, and the consensus provided the base for unparalleled growth.

1776 AND 1976: THE DIFFERENCE IN LIVING STANDARDS

Look at the difference between 1776 and 1976. Compare the living standard today with then. Men and women were working 12 to 18 hours a day and 6 or more days a week. Child labor was the norm; as a matter of fact, children had to work for families to survive. Horses and oxen were plowing the fields and pulling wagons and carts. Electrical power consisted of Benjamin Franklin pondering over the effects of his kite in an electrical storm. The internal combustion engine was a hundred years away from even being invented. Machines were in their infancy. Sail and flowing water were the means of waterborne commerce. No running water in homes. It was a hard life by today's standards even for the wealthiest.

We know what we have today by contrast. Prosperity has reached a level never known in the world's history. Workers' real wages have reached a level unprecedented in any economy. We produce in 1 hour the wheat it took them 1 week to produce. We travel in 5 hours the distance across America it took them 2 full seasons to travel. Instead of a campaign to open the Appalachians, we have walked on the moon. Of all the figures one can recite, the most revealing is this: One-half of all the goods produced in the past 10,000 years, from the beginning of man's quantifiable economic history in 8000 B.C., have been produced in the United States in the past 200 years.

We had the material resources, our vast quantities of natural resources. We had human resources, the never-ending flow of immigrants that came to America because of its vision and its living standards. And, we had sufficient capital—money for the investment essential to assure continued growth in jobs and productivity. And, this is what distinguished us from all the rest—our use of capital.

THERE ARE TWO WAYS TO GUARANTEE PRODUCTIVITY AND PROSPERITY

There are two ways to guarantee the productivity and prosperity essential to guaranteeing more jobs. On one hand, the workers can work longer and harder. On the other, we can have more and better tools—equipment and facilities.

The means through which we have more and better tools is capital—the funds with which to build plants and buy and replace equipment. It is capital and its system—capitalism—which have helped more than any other factor to improve our living standard. Without that capital, the American worker would not produce more and better things per hour of work than the serfs of feudal days. He would not earn more, and, like them, would live on the thin line of existence.

We do not need to return to the feudal period to prove this point. We have more recent examples. Two in particular are West Germany and Great Britain during the postwar period.

In 1948 our so-called economic experts went to West Germany to investigate their conditions and to make recommendations on fiscal, economic policy. What did they recommend? They insisted the only way out for Germany was to adopt inflation. They said that Germany had an "excessive concern for price stability," and that "a rate of interest high enough to stimulate any large volume of personal savings would seriously curtail investment." In other words, the U.S. experts called upon Germany to adopt all the Keynesian principles. Economics Minister and subsequent Chancellor, Ludwig Erhard, would have nothing to do with the recommendations. He even threatened to resign if these views were forced upon him. The Americans backed away.

We all know what did happen. The German Government insisted upon the opposite course—upon the maintenance of a sound currency, a balanced budget, the elimination of price controls, instituting incentives to business and individuals to save and invest, and encouragement of private enterprise. The rest is history. West Germany went on to become the most prosperous nation in Europe, one of the success stories of modern history, and the last to even be affected by the present recession. All of this is in stark contrast to what the British did after the war.

England did not need an American commission of economic experts to tell it what to do wrong. Its leaders did it themselves. They adopted the policies which West Germany rejected. They spent much more than they took in, and the currency and the economy foundered. Inflation—the inevitable product of consistently spending more than you take in—was the result, and the response was another bad one: Wage and price controls, but mostly price controls. Nationalization took one industry after the other, and productivity dropped to among the lowest rates in the world. Britain today is on the verge of complete collapse—of bankruptcy.

These two examples—West Germany and Great Britain—show the importance of carrying out economic policy from the right set of principles. We cannot expect policymakers or the public for that matter to act properly as to economic policy and programs unless they have adequate knowledge, understanding, and the right attitude.

LET US TALK MORE ABOUT WHAT IS RIGHT WITH AMERICA

What is it that we must have to reinstill that spirit of America to which I believe the energies of the Congress ought to be tied—especially during this Bicentennial period?

Until recently there seemed to be a rough consensus on certain values and ideals in American life, even when we differed on the program, political parties, and means to achieve them. That consensus was expressed principally as a commitment to the democratic process and its procedural mechanisms of registering freely given consent—a consent freely given because it included the right to dissent. It was a commitment to the rights of individuals, and where rights conflicted and could not otherwise be resolved—as they sometimes do—to their resolution in the light of the common good—individually through the judicial process and collectively through the legislative process.

The disorder of our times is largely the consequence of the erosion of these basic values and ideals, and the inescapable and resulting consequence of four things: abandoning the rational processes of debate and reform, the resort to means that subvert the legal and moral ends of a free society, and the emergence not only of violence but of attitudes that encourage resort to violence and to threats of same.

One of our country's leading social commentators has said that the destiny of any society is finally determined by the capacity of its citizens to control their own demands upon government and to thereby rightly understand their enduring common interests. I can think of few things more important for special interests in this country to understand today than their capacity to render asunder the common interests of our people.

This apocalyptic style of recent politics has been costly. It has worn out its welcome. Already one can sense the Nation turning away from important matters that it was patiently, and on the whole successfully, working at. If nothing is ever achieved, what, then, is the point of trying? That is the question which pessimism, cynicism, and the apocalyptic style of politics inevitably produces in a society.

This is the danger of dwelling only—or mainly—on the Nation's troubles. To recognize and acknowledge success, however moderate, is fundamental to the practice of government. It is a first principle of leadership in a democracy, where loyalty must be directed more to institutions than to individuals. In any event, it is certainly no way to summon the social energies needed to set things right again.

REGAINING OUR SENSE OF OPTIMISM

A redirection in the mood of the country must be our first priority. I believe it is a precondition to the success of other efforts to restore America's greatness. That greatness can be restored, and we can proceed farther than we ever have before.

This will happen if we regain a spirit of optimism about our future—about the Nation's future, freedom's future, our own futures—all be they in a context of the possible.

We know on which foundation stones to build toward this restoration. The majority of the American people believe in setting limits on government power and authority. They believe in the integrity and worth of the individual. We know they try to order their lives around certain values. They recognize the effective limits of politics. And they have sensibly resisted their government's impulse to politicize every human problem and concern.

RESTORING THE PRIMACY OF THE INDIVIDUAL

Restoring the primacy of the individual has much to do with the frame of mind from which we approach decisionmaking in the future. It has to do with a basic set of questions revolving around which interest shall be primary—that of the individual or that of government. In what direction will a legislative initiative on any subject take us—toward more or less government, toward more or less individual freedom?

If we were to develop a legislative program around this question of how best to assure the primacy of the individual, there are some specific points which come to my mind.

Having greater concern over the rights of the victims of crime than those who commit crime.

Assuring freedom of choice in education.

Removing arbitrary quotas in hiring from our businesses and in admissions from our universities. Allowing merit to speak for itself.

Assuring the individual that government will not take a greater percentage of his income—his livelihood—this year than it did last.

Giving greater financial security through maintaining economic stability.

Maintaining the constitutional right to keep and to bear arms.

Reinforcing the right of privacy against intrusions by government.

These are but a few, although I think they would be the mainstays of such a program.

What the people need to feel and to know is that their elected representatives are looking after the people's interests, instead of those of government. This is something which will take time. It is not a chore to be reckoned with in a few months or even a few years. Attitudes, like habits, are not easily changed. It will take time to convince many that their elected representatives can act again in their behalf. It will take time to show them that we have made the shift from concentrating government power and decisionmaking to dispersing it. Such things cannot be done or seen overnight. But it is time to begin. And, this program for the Bicentennial can give it a start.

A RETURN TO FISCAL SANITY IN THE AFFAIRS OF GOVERNMENT

I can think of very few things which have disrupted American life in recent years more than the lack of sanity in the fiscal affairs of the Federal Government. Spending has soared. Deficits have grown at a pace unparalleled in our history. Inflation has been the direct byproduct of that deficit spending. Inadequate capital for investment for expansion and growth in the private sector has been another. Measures set in place to deal with inflation produced both shortages and unemployment.

The belief—the unfortunate present policy of government—that it can do what no American family can do—spend money it does not have year after year—has shown itself for what it really is—a political and an economic fraud upon the people.

This Nation cannot endure with the growth of government, in relation to all other segments of our society, continuing as it has in recent decades. Government at all levels will take half of our income by 1985—50 cents out of every dollar we earn—unless the current trend in the growth of taxes is slowed. Economists estimate it will take nearly 67 percent of our income by the year 2000. Of course we will not reach such a percentage, for government will bankrupt itself first. The people cannot endure such burdens and have a way of life as we know it today.

This specter of bankruptcy ought to impose a kind of self-discipline among the people and in government. The Government can go bankrupt only once. Yet, far too many Members of Congress who spoke convincingly against the profligacy of a bankrupt New York City apparently fail to see the inevitable consequences of the Federal Government pursuing the same kind of reckless fiscal and political policies.

There are many things which we need to do to bring sanity back to the affairs of government—to restore our Government's fiscal integrity.

A MORATORIUM ON NEW FEDERAL PROGRAMS

We need a moratorium on all new Federal programs until the economy recovers enough to produce enough growth in revenue to balance the budget.

Thereafter, any new Federal program concept should be tested on a limited basis for no less than 2 years before it becomes fully operational and applicable to the whole Nation. If a program is not going to work, or if it is going to have unforeseen offsetting secondary and tertiary consequences, let us find out through a test program, not after it has become the law of the land applicable to everyone and with a built-in special interest group dependent upon its continuation and politically active to guarantee it. It will also give us the opportunity to see what the program really accomplishes—in contrast to what politicians told us it would accomplish.

There is precedent for this. The income maintenance program in New Jersey in the late 1960's and early 1970's is an example. It is an important example too—because those studies showed the welfare plan proposed by the administration would not work. This saved the taxpayers billions in the long run.

ADOPT ZERO-BASED BUDGETING AND SUNSET LAWS

We need to institute an approach to each fiscal year's budget which requires each existing Federal program to either rejustify itself or go out of existence. This is known as zero-based budgeting and these are known as "sunset" laws. Far too many Federal programs continue year after year solely on momentum—sustaining the bureaucracy set in place to administer them or catering to a special interest whose real needs have changed. Each and every program of Government having to rejustify itself each year would eliminate outdated programs, excessive bureaucracy, substantial spending, and inevitably taxes.

SPENDING AND INFLATIONARY IMPACT STATEMENT

We need to require every bill introduced in the House and Senate to have an impact statement showing how it would affect the average American taxpaying family—both as to the taxes it would require from that family and the inflation it would cause to be suffered by that family. This "average taxpaying family" impact statement would cause legislators to think long and hard about proposing new programs. It would also show their constituents what it would cost them.

INDEXING INCOME TAXES

We need to "index" our internal revenue code—our Federal tax laws. Government presently derives an actual benefit from inflation. It, unfortunately, has a motive in fostering it.

As inflation occurs, demands are created within the work force for higher wages. When those wages are obtained—although they are just to keep pace with the rate of inflation and with no real increase in purchasing power—the wage earner will rise from a lower rate of taxation to a higher one.

Government reaps a benefit in two ways. First, since more money is being earned, there is more base to tax. Second, as a person rises from one bracket to another, he moves into a higher rate of taxation because of the progressive nature of our tax laws—the more money you earn, the higher the percentage rate you pay in income taxes.

The way to avoid this inequity is by indexation of income taxes. The tax rates and brackets would move up with the rate of inflation, so no one would be paying a rate higher than the rate prior to the inflation. This would put a halt to Government benefiting from a problem—inflation—it created in the first place.

BALANCED BUDGETS AND LIMITATIONS ON FEDERAL REVENUE

The most important thing we can do to restore sanity to the fiscal affairs of Government is to enact matching limits on revenue and expenditures of the Federal Government each year. No appropriation could be made in excess of such revenue and expenditure limitations—except in cases of national emergencies declared by two-thirds vote of each House of Congress.

From the first year of operation of such a measure, a ceiling on the size of Government—determined in relation to total personal income in the country—would be established. As the economy grew, new dollars would be available for existing or new programs, but a greater percentage of the people's income would not be available to Government.

In the legislation which I have introduced, there would be an immediate reduction in the percentage of Government revenues borne to total personal income by two-and-a-half percent in the first year and one-fourth of 1 percent in each year thereafter for another 20 years. Thus, over 21 years the percentage of Federal Government expenditures in relation to total personal income would decline by at least 7½ percent.

It should be noted that a cut in outlays would be accompanied by a cut in revenue—and vice versa—so that cutting revenue will not result in creating more of a deficit—as is now the danger—and cutting outlays should result in a cut in taxes.

A surplus would be automatically applied to the Federal debt, for no carryover of any annual surplus to cover expenditures in a succeeding year would be permitted. There are other safeguards to protect the integrity of the program also.

The importance of this legislation cannot be overstated. The growth of government has been at the heart of most of our problems in the past half century. I think I have documented that point this afternoon. This legislation goes to the heart of the matter—the growth in Government and how much that growth takes away from what every man and woman in this country earns—taking increasing portions of their livelihoods away first through the visible, known taxes, then through the hidden tax of inflation.

TRUTH-IN-GOVERNMENT ACCOUNTING

We have on the law books today a number of "truth-in" laws—truth in lending, truth in securities, truth in negotiations. I have always found it very interesting that the same Government which has insisted upon these "truth in" laws has not also sought the enactment of truth in Government laws.

In few areas do we need a truth law more than the way in which Government keeps track of its spending and its accounting—in essence of what it tells the people about how much of their tax money—this year's and next—they are spending. The Government's accounting practices are inaccurate, primarily because they fail to report a number of major obligations. They do not reflect all of the obligations being made by the Government—obligations which have to be paid for like all others.

We should require the Federal Government to use an accrual accounting method. This way, we would know exactly to what the Government had committed itself—even if some of it does not have to be paid until a following year.

ASSURING REAL AND SUSTAINED ECONOMIC GROWTH

What this country must also have is an alternative to our present economic policies. We need an alternative which will let us eliminate the Government-caused business cycles which result from fighting unemployment with inflation and inflation with unemployment. We need an alternative which will get us off the horns of the dilemma posed by how to fight unemployment without fueling inflation and how to fight inflation without creating additional unemployment.

Such a program already exists. It is the Jobs Creation Act, most recently reintroduced as H.R. 13399 and S. 2465. I introduced the first draft of this measure on March 13, 1975, and it now has 124 cosponsors in the House and Senate.

The Jobs Creation Act would increase the savings available for investment by:

One. Providing tax credits for increases in qualified savings in commercial or mutual savings banks, savings and loans, building and loans or similar associations, credit unions, and life insurance or mutual companies and in qualified bonds and common and preferred stock in domestic corporations;

Two. Enlarging the dollar amount for individual retirement accounts, savings and bonds;

Three. Excluding from gross income the dividends received from domestic corporations;

Four. Excluding the first $1,000 of capital gains;

Five. Reducing the corporate normal tax from 22 to 20 percent on a permanent basis;

Six. Reducing the corporate surtax from 26 to 22 percent on a permanent basis;

Seven. Increasing the corporate surtax exemption to $100,000 on a permanent basis;

Eight. Increasing the investment tax credit to 15 percent for investment over $50,000, 20 percent for investment from $25,000 to $50,000, and 25 percent from zero dollars to $25,000 and making these changes permanent;

Nine. Allowing the owners to defer capital gains taxes on the sale of small businesses if the gain is reinvested in 1 year in another small business;

Ten. Increasing the ADR range from 20 to 40;

Eleven. Providing for a new alternative system of capital recovery allowances;

Twelve. Providing for a 1-year write-off of mandated pollution control facilities;

Thirteen. Allowing the interest exclusion on industrial development bonds for issues up to $10,000,000;

Fourteen. Incorporating the President's estate tax proposals for family-owned small businesses and farms.

Dr. Norman Ture, an economic consultant and George Washington University professor and former Director of Tax Studies for the National Bureau of Economic Research, has undertaken an econometric simulation of the effects on the economy of the Jobs Creation Act. He concludes that by reducing the tax bias against saving and investment, the act would so stimulate production that over a 3- to 5-year period we would have a $600 billion increase in GNP, a $230 billion increase in capital outlays, and a $45 billion increase in Federal revenues over what would otherwise occur. The result of this tremendous stimulation to production is the creation of millions of new jobs and higher real wages.

The Jobs Creation Act will help measurably to turn this country and our economy around. It is preferable, by far, to the so-called Tax Reform Act passed by the House late last year and now pending in the Senate. And, it is certainly preferable to the so-called full employment bills being aired before our committees and touted through the press.

REAL REGULATORY REFORM; NOT JUST REORGANIZATION OF AGENCIES

Reform of our regulatory agencies is of crucial importance. But, there is a tendency among far too many—in and out of Congress—to regard simple reorganization of functions within and amongst the agencies as reform. This is not what we should mean by regulatory reform. We should work for both a change of the process by which rules and regulations are promulgated and a substantial lessening of the burden of regulation of our lives and businesses.

It is centrally important to meeting the objectives of real regulatory reform to understand more fully the impact upon our institutions of rulemaking by instruments of government insulated from direct accountability to the people. This is a central issue.

There is not an effective means through the ballot box for the people to pass judgment on the acceptability of how the bureaucracy attempts to govern their lives. This produces frustration, and that frustration can be released only by the people voting against those few upon which they can have an influence through the ballot box—a Congressman, a Senator, a Presidential candidate—no matter how much those few may have disagreed with and fought against the decisions of the bureaucracy giving rise to those frustrations.

Our Declaration of Independence exhorts us to remember that to secure the rights of life, liberty, property, and the pursuit of happiness governments are instituted among men which derive their just powers "from the consent of the governed." Grievances arise among the people when they feel their consent is not obtained or, once obtained, is frustrated. This frustration probably differs very little in intensity or tone whether directed at a titled and governing aristocracy, bureaucrats in a relatively free society, or socialist managers. What does differ is the ability of the people to elect representatives to act in their, the people's interest, and not those of government and to turn them from office if they do not.

Another focus should be the total impact of regulation upon the economy, our living standard, our technology, our way of life. We know regulation slows and therefore decreases production. We know that it drives up costs to the consumers. We know it slows the attainment of economic and social goals. The only question left to be resolved is how much in each instance.

The opportunity for real regulatory reform is found in the Regulatory Reform Act, S. 2792 and H.R. 11026, and in similar legislation. I am pleased to be a cosponsor of the House measure.

The Regulatory Reform Act would—

Require the House and the Senate to approve every major regulation proposed by the agencies before it would become operative;

Require every Federal agency to demonstrate to the Congress that the economic benefits of a proposed rule or regulation would exceed its anticipated costs to the public;

Relieve persons from liability for noncompliance with agency standards when they can show that their violation was necessitated by compliance with other rules and regulations promulgated by the same or by another Federal agency;

Make employers and employees jointly responsible for seeing to it that regulations are complied with, and would protect an employer from prescribed legal sanctions where he can demonstrate that a violation has been caused by acts of negligence or omission on the part of others;

Terminate unnecessary paperwork, report filing and recordkeeping requirements; and

Would do away with costly redtape and bureaucratic delay by requiring an agency to complete its findings and make its final determination within 6 months from the date a proceeding is initiated. If the agency fails to make its findings and reach a decision by that time, the Federal Government must then reimburse the applicant and other aggrieved parties for costs, plus estimated loss of revenues, attributable to the agency's inability to take timely action. The lack of adequate institutional means for holding the bureaucracy accountable to the people should cause us to put into place a new process requiring that no major rules or regulations made by the bureaucracy go into effect until action has been taken on them by the elected representatives of the people.

The growth of government regulation does restrict the exercise of free choice and that, by definition, restricts the exercise of rights.

WE MUST BEGIN THE REPRIVATIZATION OF FUNCTIONS ASSUMED BY GOVERNMENT

Another factor in slowing the growth of our economy has been the increased assumption of once-private sector activities by Government, by the public sector. This ranges from the Government taking over garbage collection in the cities to Government trying to take over the creative characteristics endemic to research and development.

A byproduct of the national debate over the fiscal distress of New York City has been a reexamination—although not yet as thorough as it should be—of whether Government ought to have the sole responsibility of providing basic services in our cities. This reexamination is now going on throughout the country. It is unfortunate that it took the near collapse of the fiscal integrity of the Nation's largest city to bring about this scrutinizing of municipal service responsibilities, but it is a very good thing for the taxpayers that our cities and other instruments of Government are taking a renewed look at this matter.

The consensus which should be emerging from these analyses is that money-short cities can both cut costs and operate more efficiently by letting private companies compete in providing basic services in our cities. This competition should drive down the real prices and drive up the quality of service, for higher costs—no matter how well disguised through taxes—and diminished quality are the inevitable consequences of Government-run monopolies in municipal services.

I have been deeply involved on a Federal level in seeking a reinstitution of the same principle within the Federal Government—that it ought to be the policy of the Federal Government to rely upon private commercial sources for the goods and services required to meet Government needs. House Joint Resolution 818 and related resolutions now have nearly 40 cosponsors in the House, and there is a Senate companion measure as well.

TEACHING FREE ENTERPRISE ECONOMICS

We need to add the teaching of free enterprise economics to the curriculum of every school in America.

The need is manifest.

Surveys have shown that people believe the average manufacturer's after-tax profits on sales are 33 percent. In reality, they are 5.2 percent. People believe the average auto company's profit on sales to be 39 percent. The reality is 1.9 percent. People believe the oil companies make a 61-percent profit on sales, when in reality they are 7.2 percent. Misguided corporate PR and accounting methods which overstate profits during inflation, and thus mislead the company along with the tax collector about profits, must take some responsibility for such a badly misinformed public.

As long as the work force has the mistaken belief, as surveys have shown, that the money available for division between employees and projects is split 75 percent for profit and 25 percent for employees, workers will continue to make wage demands that overprice labor and require the Government to compensate by inflating the money supply to avoid the unemployment that results from overpricing. Inflation, in this case is used by the Government to prevent unemployment by wiping away any wage gains that are not justified by productivity. The result is that although the money wage may greatly increase, the real wage does not rise beyond productivity gains.

I believe that working Americans would cease trying to get more than their fair share of the national income if more were made aware that 76 percent of the national income is paid in wages, salaries, and benefits to employees—up from 66 percent in 1946. Corporate profits before taxes constitute only 8 percent of the national income, and rental income constitutes only a scant 2 percent of national income. The non-corporate business sector receives 5 percent, and 7 percent is paid in interest, more than a third of which is interest paid on the Federal debt.

THE REFORM OF SOCIAL BENEFIT PROGRAMS

The welfare caseload has risen dramatically in recent years. A system of special exemptions and loopholes, combined with loose definitions of such terms as "continued absence" and "work related expenses," add up to a tremendous cost to the taxpayer.

We should, therefore, tighter up exemptions, limit eligibility to the truly needy, and redefine the basic terms in the program. The National Welfare Reform Act of 1976 does all this, with a resultant savings of $2.2 billion in taxpayers' money, and I am pleased to be a cosponsor of it.

Numerous loopholes also exist in the present eligibility standards in the food stamp program. These loopholes permit people quite capable of self-sufficiency to be carried at the public expense. Lax income and asset tests worsen the problem. Insufficient cash and coupon accountability causes loose handling of the funds and stamps. Opportunities for fraud and theft continue unabated.

We should, therefore, reduce high income eligibility, close the numerous loopholes, stiffen work requirements, streamline program administration, institute management improvements, and curtail opportunities for criminal activity. I am pleased to be a cosponsor of a measure which would make these changes in the program.

We need to address ourselves to something else, too—the way in which our laws too often treat our senior citizens as second-class citizens. For example, persons between the ages of 65 and 72 are severely penalized by the social security system. For every dollar that a person in this age group earns in outside income above a ridiculously low limit of $2,760, $1 is deducted from benefits. Not only is this unfair, but it discourages these people from engaging in productive activities. Also, a married woman with a career may receive fewer benefits than she would if she were single or without a career.

We should, therefore, remove the earnings limitations and these discriminatory clauses from our social security laws.

ASSURING A DEFENSE ADEQUATE TO PROTECT OUR FUTURE

Last of all, we need a strong national defense, one second to none, and we need a manifest will to use it in the interest of peace.

No amount of economic progress is going to do us any good, if we are not here as a free people to benefit from it.

Détente—or whatever it is to be called—must be a two-way street if it is to remain our policy with respect to the Soviet Union. It must be both a carrot and a stick approach—incentives but penalties, too.

It is time for America to reassert its leadership in the world community, too. It is time to stop compromising away the massive foreign debts owed to us, debts which if paid would reduce the tax burden of the American people. It is time to stop being pushed around as if we were not even a major power in the world community. It is certainly time to stop the self-fulfilling prophecy that because we may not have the initiative we cannot assert it, for if we do not assert it, we certainly do not have it.

A TIME TO RESTORE THE AMERICAN SPIRIT

Mr. Speaker, I have this afternoon outlined a program—in principle and in terms of specific legislation—to get America back on its feet again—in terms of our economy, our prosperity, our posterity; in terms of restoring the primacy of the individual; in terms of protecting our interests in the world community.

It is time to get back onto the road to freedom.

STATUS OF THE PUBLIC LAW 480 RICE EXPORT PROGRAM AS OF APRIL 14, 1976

The **SPEAKER**. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

Mr. **ALEXANDER**. Mr. Speaker, today I want to make a part of the CONGRESSIONAL RECORD the third of my weekly reports on the status of the progress the administration is making toward reaching the objective established last year for exporting U.S. rice under Public Law 480—food for peace—programs. These exports have played a major role in the marketing of rice grown by American farmers and are, therefore, of special interest to the rice producers and merchants.

Based on the administration's budget estimates for fiscal year 1976, the Congress appropriated sufficient funds to export 850,000 metric tons of rice during the current marketing year. In view of the decreases in rice prices, it is now estimated that the appropriated funds are sufficient to export 1 million tons under the Public Law 480 program in the 1975–76 marketing year. Therefore, I would again urge the administration to raise their objective and commit all the available funds as promptly as possible.

Unfortunately, there has been little change since I reported on the status of this program last week. Instructions to begin formal negotiations for the sale of 100,000 metric tons of rice to Indonesia have been issued. The actual sale of the equivalent of 52,000 tons of milled rice to South Korea has progressed to the point that bids have been received, but final approval for the purchase has not been given the the U.S. Department of Agriculture. Bids on this purchase were opened yesterday, but USDA must complete its price review procedures.

The following is a chart giving the current status of Public Law 480 rice export activity during the 1975–76 marketing year:

STATUS OF PUBLIC LAW 480 RICE PROGRAM, 1975–76 MARKETING YEAR—CURRENT THROUGH APR. 14, 1976

[In thousands of metric tons]

	Bangladesh	South Korea	Portugal	Zaire	Guinea	India	Indonesia	Syria	Totals
Allocations approved by Interagency Staff Committee:									
Date									
Amount									
Negotiations initiated:									
Date		Mar. 4, 1976				Mar. 22, 1976	Apr. 12, 1976	Mar. 10 and Mar. 18, 1976.	
Amount		[1]52			10	200	100	50	412
Agreements signed:									
Date	Mar. 30, 1976								
Amount	50								50
Purchase authorizations issued:									
Date			Mar. 26, 1976	Apr. 5, 1976					
Amount			[1]45	27					72
Invitations for bid issued:									
Date		Apr. 8, 1976							
Amount		[1]52							52
Programs completed: Amount	170	[1]60							230
Total	220	[1]164	[1]45	27	10	200	100	50	816

[1] Both South Korea and Portugal normally buy brown rice. These figures are the milled equivalent based on the USDA formula of 90-percent extraction from brown rice. The rice industry uses an 85-percent extraction formula.

ENERGY ACTION NO. 1

The **SPEAKER**. Under a previous order of the House, the gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes.

Mr. **ECKHARDT**. Mr. Speaker, because I do not believe it possible to underestimate the importance of the action that the House took yesterday in failing to disapprove energy action No. 1, transmitted to the Congress on March 29, 1976, I wish to set out today in more detail precisely what the deregulation proposal was and how it fit into a total package of FEA action which would go far to dismantle the entire price control program.

First let me explain our procedural posture: Under the Emergency Petroleum Allocation Act each House has 15 days during which to veto changes in Federal Energy Administration regulations, which regulations would have the effect of exempting a class of petroleum products from either price or allocation controls, or both. Energy action No. 1, transmitted to the Congress on March 29, 1976, informed Congress that FEA would exempt residual fuel oil, a petroleum product, from both price and allocation controls on June 1, 1976. The veto provided for under the Energy Petroleum Allocation Act took the form of a resolution disapproving such exemption. House Resolution 1135 was such resolution of disapproval.

Because of the limited time given the House to consider FEA's proposal to deregulate residual fuel oil—15 days—the 15th day being April 13, the Committee on Interstate and Foreign Commerce did not have time to report a resolution of disapproval to the House. The major barrier to committee action had been the committee rule requiring that, in the event of the reporting of such a resolution, the minority be given 3 days to file dissenting views.

Also, it was apparent in committee on April 13 that time would not permit considered passage of a resolution of disapproval. Debate and discussion of the subject of the decontrol resolution ran into the time for the convening of the House, and the ranking minority member made a point of order that a quorum was not present, which was well taken, and the committee adjourned.

I have described the FEA as an army whose only strategy is retreat, not just orderly retreat but retreat that leaves the implements of war in the field available to the enemy. There can be no better example of this than energy action No. 1. It was admitted in the hearings that once price controls are taken off residual fuel oil, that if the price goes up, such will skew the market with respect to products such as No. 2 and No. 4 fuel oil, which would be left under control. Certain mixes of such fuel oils can be used as substitutes for resid and would be so substituted if they were cheaper. Therefore, removal of price controls from resid would leave weapons in the field for the oil companies to use to further combat controls on the very vital No. 2 fuel oil.

Now, as you must know, No. 2 fuel oil is what is called home heating oil. It is vital to New England and to most of the Northern States. It is a product which has from time to time been in short supply. Let me discuss briefly how its supply and price may be affected if refiners are left free. Outside the small amount of resid produced from a barrel of crude oil, the other products which constitute almost all the produce of the barrel of crude are divided about 50–50 between gasoline and middle distillates. Middle distillates include such things as home heating oil, jet fuel and diesel. All of these are subject to very rigid demand, that is, because, though you may drive less, you cannot heat your house much less and you cannot avoid the pass-on of costs of diesel fuel in the delivery of products to the marketplace. Airlines may not fly less to save money on jet fuel without losing trade.

Of this portion of the barrel, refineries normally break the barrel at about 45 percent middle distillates and about 55 percent gasoline. If uncontrolled, they may run more of the barrel to gasoline—as they always do in summer anyway. They may run short on home heating oil, as they did in the winter of 1973. Even if they do not run short, if there are no price controls; there are ways that a vertical oligopoly, like the so-called Seven Sisters, may drain off its profits at the refining level in middle distillates rather than from earnings on its crude or on gasoline.

The total package, then, is this:

First, the FEA provided certain changes giving a sweetener to Caribbean refineries and foreign importers of residual fuel oil to Petroleum Allocation District 1—generally called PAD 1. For the first time a product entitlement of from 80 to 90 cents was given to importers of foreign oil and to the Caribbean refiners which together supply about 57 percent of the residual fuel oil used in the United States. The foreign oil from which resid is made for these importers and refineries is priced at about $13, the world price. Presently, with its approximate $3 per barrel entitlement advantage, Hess has an effective price of $9.80 for the crude from which it produces its 13 percent of the resid market in the United States. The same is true of other domestic refineries which have about 30 percent of the U.S. resid market. So the weighted average cost of crude oil from which resid is made is about $11.62, a very high price.

It is because this price is not very far below the world price and because, for a variety of reasons, there is a plentiful world production of resid, that the allocation program is no longer needed. Indeed, the removal of price controls may not have much effect presently because most resid is produced from foreign oil and, as we have seen, the average price of crude of which resid is a product is relatively high.

Thus, the first part of FEA's package contains the bait and honey for New England and the Atlantic seaboard. It is argued that the 90 cents product entitlement applicable to 57 percent of the resid supply will help New England get residual fuel oil cheaper for the fueling of its electric utility plants. Of course, it would also tend to run up the price of resid from Hess, because Hess would be cut down to about 50 percent of its present entitlement, or $1.50. instead of $3 for the crude which is used to make resid flow into PAD 1. The two changes, one granting a new sweetener and another reducing Hess' entitlement, are about a "wash."

This entitlement change was not subject to the congressional veto. The congressional veto would only have stopped location and price controls on resid. The changes in the entitlements program can be done without congressional approval, but these changes are an essential part of the whole package: the sweetener and the bait for New Englanders who have justly feared the removal of price controls generally.

The second part of the package is, of course. the removal of allocations and controls on resid. The evidence before our subcommittee supported removal of allocations but did not support removal of controls. Only removal of allocations was necessary to permit market competition to perhaps bring the price down—arguably as the result of the entitlements change.

But the removal of price controls is another matter. Governor Carey of New York has rightfully recognized that such removal of price controls is improvident. There have been recent rumors of a general increase of 45 cents in residual fuel oil. Through this is now but a rumor, there is evidence that merchant shipping is being threatened by a $3 increase in the cost of bunker oil. Bunker oil, resid used in ships, sells for about $10 so this would be a whopping 30-percent increase.

As can be seen, there may be justification for removal of allocation controls, but the removal of price controls is risky business. FEA said price controls can be reinstated, but now Congress has given FEA authority to remove them, Congress has no further power to direct FEA except by passing a law. I would like to do that and have introduced H.R. 13165, which would prevent FEA from submitting to Congress deregulation of price controls but permitting deregulation respecting allocations. But such legislation takes time, and, in my opinion, it is very improvident to give FEA the authority which was sought here, and which will be broadened later by a request for decontrol of middle distillates.

And that leads me to the third part of the package. I have been told by FEA Administrator Frank Zarb that the agency is now considering removal of price and allocation controls on middle distillates.

He says the FEA will make a recommendation in the latter part of May. I anticipate that the recommendation will be that it is no longer necessary to control price and allocation of middle distillates. This would go far toward the destruction of any control of the major oil companies in the field of petroleum prices. The major companies can drain off profits at the product level and forget about controls on the cost of crude. They could do so even if they are permitted to raise only the price of about half the produce of the barrel, but there is also indication that the FEA will then consider removal of price and allocation controls from gasoline.

If all three elements of this package—the adjustment of the entitlements program, the removal of controls from resid, and the removal of controls from middle distillates and possibly gasoline—were put into effect, such would leave all of what we have done in passing the Energy Conservation and Policy Act a sort of mockery, because it might well be used by the majors simply to get crude oil cheaply from the nonintegrated producers of oil. In addition, refineries, depending heavily on domestic oil, would be paying importers to bring in foreign oil to the United States markets.

For these reasons, I refuse to be a part of a program designed to dismantle effective price control of oil in the United States.

RESULTS OF SOCIAL SECURITY POLL OF KIDNEY DISEASE PATIENTS

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr Speaker, recently, I received the results of a survey that was conducted by the Bureau of Health Insurance of the Social Security Administration which was undertaken in response to a request made several months ago by the Ways and Means Oversight Subcommittee for information on end-stage renal disease patient treatment costs not covered by medicare.

I feel, however, that the findings of the survey must be accepted with a great deal of hesitation, since the usable patient responses only totaled 77 of the 145 patients queried. This is less than half of 1 percent of the entire ESRD patient population, which is presently 23,492. Of those patients that responded, 44 were center dialysis patients, 15 were home dialysis patients and 18 were transplant recipients. The findings of this survey are questionable not only because so few patient responses were received, but also because the percentage of patients responding in each of the three categories of treatment do not correspond with the percentage of all ESRD patients in each mode of treatment.

Because the patient sample poorly reflects the entire ESRD patient population, I have examined carefully the conclusions reached by HEW so that we are not misled in our efforts to improve the program by findings which are based on limited data.

The Social Security Administration—SSA—asked each of the 44 hospital or dialysis center patients who responded to the survey:

> If you do not dialyze at home, would you dialyze at home if you received 100% reimbursement for all supplies and equipment used in connection with home dialysis?

Social Security reports that 80 percent of the patients responding would not go home. These findings parallel the results of a similar survey conducted by the National Association of Patients on Hemodialysis and Transplantation—NAPHT—a patient organization. NAPHT concluded that the reason for this high percentage of center dialysis patients refusing to go home, even when provided with an incentive such as 100-percent coverage, was that like any chronically ill patient, the ESRD patient who is settled in a mode of treatment with which he is familiar and comfortable and which has provided him with success in his struggle for life, does not want to switch his mode of treatment.

This is a very important point, and one that we must recognize and understand if we are to succeed in encouraging increased home dialysis—a mode of treatment which saves medicare approximately $12,000 per patient per year over the cost of treatment at a hospital or dialysis center. In short, we must educate patients and physicians to the possibilities of home treatment and encourage the patient and physician together to consider home dialysis at the very beginning of treatment. This will not be possible for all patients. Home treatment can be very disruptive to the home and can result in unacceptable anxieties in the patient and his family. But medical experts who have testified before the Oversight Subcommittee indicate that a much higher level of home treatment can be achieved than is presently being obtained.

Therefore, rather than polling patients who have an already established course of treatment, it might be more useful to poll patients who have just encountered the disease and are in the process of making their very first contacts with physicians and hospitals. It is possible that the offer of 100 percent reimbursement would make a significant difference in the treatment decisions of these patients. On the other hand, due process would require that patients currently being treated at home also receive 100-percent reimbursement. While this expansion of benefits to present patients would increase the cost of the program, an increase in the number of new patients going home for treatment would very rapidly result in enormous savings for the program.

Mr. Speaker, I believe that more research is needed on this point, and I am asking the Social Security Administration to devise a method of polling new patients to determine whether the 100 percent reimbursement provision would make a major difference for this patient group.

Despite the disappointing response that 80 percent of the center dialysis patients would not try treatment at home even at the 100-percent reimbursement level, it is interesting that 5 of the 44 center patients (or 11 percent) indicated that they would try home treatment—the remaining 9 percent did not respond.

The cost savings implications of even this low figure are interesting. For example, in the survey, there were already 15 patients being treated at home. If the average cost of home treatment is $6,000 per year, extending Medicare coverage to 100 percent of costs would increase Federal expenses by $18,000—15 times 20 percent of $6,000. The addition of 5 patients on home dialysis would be a total cost of $30,000. However, assuming center/hospital costs per patient of $18,000 per year, of which medicare's share would be $14,400, the cost of 5 patients is $72,000 per year. Therefore, in this small example, the savings of 100-percent coverage would still be $24,000 or $4,800 per patient moving to treatment at home.

The June 1975, National Dialysis Register reported that 3,879 patients out of a total of 15,429—about 25 percent—were on home dialysis. If we could achieve an 11-percent increase in home dialysis or a change in treatment of 1,697 patients, the potential savings would be $8.1 million per year.

Obviously, if we can achieve an even higher level of home treatment among patients first beginning dialysis, the potential for savings will be multiplied.

The survey result also reveals another reason why we should not be overoptimistic about the effect that 100-percent coverage of home treatment costs provides. From the survey, it appears that 83 percent of the respondents have coverage in addition to medicare. In other words, for most patients, the 20 percent not covered by medicare may be covered by private insurance or other Federal and State programs. Increasing medicare coverage to 100 percent will mean little or nothing to these individuals.

The answers to the Social Security Administration's question raises another concern in my mind. Is offering home dialysis patients 100-percent coverage the direction we should take? After carefully examining the ESRD program, I question the idea of complete coverage for home dialysis patients. The purpose of such a provision is to remove present financial disincentives which may discourage patients from undertaking this form of treatment and to provide an incentive for patients to move into home dialysis. I fear if we move to 100-percent coverage for home patients, we will remove any effort on the patient's part to keep down his costs and we will find that home dialysis expenses will rise rapidly.

I firmly believe that we should remove any disincentives, especially financial, which may prevent an individual from undertaking home dialysis. I believe the way we should do this, however, is by offering to reimburse 80 percent of all home dialysis costs including obtaining, installing, operating, and maintaining necessary dialysis equipment. At present, medicare only covers 80 percent of these costs directly connected with the operation of the machine. It will not pay for any of the ancillary items that are necessary for actually operating the dialysis machine.

Such a plan as I have suggested not only removes any financial disincentive from choosing one mode of treatment over another, but it has the additional advantage that it encourages the patient to keep down his costs since he shares the responsibility for them.

In short, the survey provides some useful cautions about the impact of 100 percent coverage and warns us of being overly optimistic about changing modes of treatment.

The survey has raised points that have concerned the Oversight Subcommittee. The first is how much contact a patient has with his doctor and the second is whether home dialysis patients own or rent their dialysis equipment.

The Social Security Administration reports that 3 of the 15 home dialysis patients who responded to their survey saw their physicians once every 3 months. Ordinarily this might not seem unusual or questionable. However, at present, physicians are being allowed $140 per month per patient on home dialysis. This is a sort of retainer provision, which is very costly and which the subcommittee has questioned. In this survey, 3 patients—or 20 percent of the respondents—were in essence paying $420 per doctor's visit—3 months times $140 per month.

This raises the most serious questions as to the propriety and effectiveness of such a payment system.

The Social Security Administration survey also indicated that approximately 40 percent of the patients who responded that are dialyzing in a facility are not seeing their physicians each dialyzing session. If these patients' physicians are on either the initial method of payment or the alternative method, they are receiving approximately $12—$20 per dialysis. Yet in 40 percent of the cases, the patients do not even see a physician. Hopefully, he is somewhere in the general vicinity of the dialysis facility. Of course, there are patients who have an especially difficult time in dialysis and the physician may spend abnormal amounts of time with that patient.

Once again, these responses raise the issue of the need to reexamine the physician reimbursement system.

With regards to the purchase versus the rental of a dialysis machine, SSA's survey found that only 2 patients out of 15 had purchased a dialysis machine for home dialysis. The rest of the home dialysis patients rented their equipment. The Oversight Subcommittee has found that medicare is able to pay off the cost of a machine through rental payments in about 1½ to 2 years. A machine is said to last for 5 years. In that time, medicare has paid two to three times the cost of the machine through rental payments. The present law, however, blocks medicare from the outright purchase of durable medical equipment—DME—which costs more than $50. Therefore, medicare—and certainly most patients—are unable to purchase dialysis machines. If a patient wishes to own a dialysis machine, he must purchase it with his own funds. Medicare over a series of small monthly payments will reimburse him 80 percent of his costs.

Most patients, as the survey indicated, cannot afford to purchase a $5,000 piece of equipment at a time when they have just incurred major medical expenses. In a program that is already costing $448 million per year and is expected to reach $1 billion by 1984, it would seem that purchase rather than rental of DME is one way that we might be able to save money.

Mr. Speaker, I recently introduced a bill, H.R. 12012, whose purpose is to amend the ESRD program to help eliminate the problems which HEW's survey pointed out. My bill is based on recommendations for improving the ESRD program which were made by the Oversight Subcommittee after an extensive examination of this program.

The Oversight Subcommittee undertook this investigation last May. Although we contacted HEW on several occasions for data which could help the investigation, we were repeatedly informed that they were still in the process of gathering such information. Finally, 10 months after the subcommittee's investigation began, we have received this first raw data; however, it can only be used with a great deal of care since it represents so few patients.

SSA's ESRD program has been in effect since July 1, 1973. It is a sad commentary that in the 2¾ years since its inception, only limited data has been collected and organized to help determine how the program can best be improved.

During the next several months the Oversight Subcommittee will continue to look at this program. It is my sincere hope that in the future the Social Security Administration will be able to provide us with additional data to help our continuing investigation.

JERRY WAGNER NAMED NATIONAL VICE PRESIDENT OF AMERICAN JEWISH CONGRESS

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, I would like to take this opportunity to congratulate Jerry Wagner, a close personal friend, who has been named a national vice president of the American Jewish Congress.

Jerry has long been active in Jewish community affairs, both in Connecticut and on a national level. He is president of the Greater Hartford men's division of the American Jewish Congress and a member of the AJC's national governing board and national executive committee. He is treasurer of the National Jewish Community Relations Advisory Council and vice president of the United Synagogue of America.

Jerry has served as a representative to the Connecticut General Assembly and is a lecturer at the University of Connecticut Law School. He is a member of the Connecticut Bar Association's Professional Ethics and Legislative Committees.

I am sure my colleagues will want to join me in congratulating this distinguished citizen for his latest achievements.

HONORABLE JOSEPH E. KARTH

(Mr. FRENZEL asked and was given permission to address the House for one minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, yesterday St. Paul Pioneer Press carried an article stating that our distinguished colleague, JOE KARTH, would not seek reelection to the House. It said he would make an official announcement in St. Paul tomorrow.

JOE KARTH has spent 26 effective years serving the people of his district and of the State of Minnesota. Of these 8 were in the Minnesota Legislature and 18 were right here in this House.

The JOE KARTH story is well-known. His leadership on the Science and Astronautics Committee in the early, exciting days of space exploraiton, was extraordinary. After his space achievements, he was appointed to the Ways and Means Committee where he soon become one of Congress leading tax experts.

His work in the field of tax reform, of taxation of foreign income, of building incentives to develop American jobs has been particularly evident this year.

But the best thing about JOE KARTH is that he has been a legislative leader of steady good judgment. JOE has a strong philosophical orientation, a little different from mine, but he has demonstrated an open mind, and a willingness to seek practical solutions.

This House will miss JOE KARTH. The State of Minnesota will miss him. I will lose a good friend and trusted adviser. I wish he could be persuaded to run again, but I have learned that JOE usually knows best. I wish him a happy and successful new career, whatever it may be.

THOMAS W. HIGGINS

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, when a group of businessmen in Syracuse decided to hold a tribute dinner party for retiring banker, civic leader Thomas W. Higgins, they decided to print their own letterhead for the occasion.

As the list of committee members was assembled and printed it totaled 782, so many that the names had to be set in 6-point type—and on both sides of the letterhead.

That is an indication of how much they think of Tom Higgins in Syracuse. A leading figure in central New York banking, politics, and civic affairs for over 40 years, Mr. Thomas Higgins is the retiring board chairman of Merchants National Bank & Trust Co. of Syracuse.

The dinner, thanking him for his 40 years of constructive involvement in the community, will be held April 22, 1976, at Hotel Syracuse. Almost a thousand men and women from all over New York State will attend.

A 1931 graduate of Georgetown University, Thomas Higgins is a native of Worcester, Mass., and holds a master's degree from the Wharton School of Finance at the University of Pennsylvania.

Tom Higgins came to Syracuse on November 3, 1937, as assistant cashier at Merchants Bank.

Since that date his participation in the mixture of life that makes a city like Syracuse thrive has ranged from a committee to revive the defunct St. Patrick's Day parade downtown to the Charter Review Commission for Onondaga County.

In addition he enjoys membership on the board of trustees of LeMoyne College and the Onondaga County library board and terms as president of the Syracuse Public Library's board of trustees, director of the Metropolitan Development Association, and treasurer of the Herald-Journal Charity Fund.

Noting that over the past 40 years Higgins has devoted "his time, talent, enthusiasm and energy, wit and wisdom—to say nothing of his money—to every worthwhile cause that has come along in Syracuse," the dinner organizers said Higgins will be joined by "his multitude of friends in saying thanks loud and clear at a fun dinner."

The dinner is being planned by a committee headed by Stephen Rogers and E. R. Vadeboncoeur and assisted by longtime Higgins friends William D. Cotter, Robert T. Hennessey, W. Melvin Street, Spencer M. Wallace, Jr., and Henry J. Wilson.

May I add, Mr. Speaker, that as one who has known him personally for the past 25 years, no one deserves the title of "Mr. Syracuse" more than Thomas W. Higgins.

LITHUANIAN INDEPENDENCE

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the Record.)

Mr. STRATTON. Mr. Speaker, February 16 marked the 58th anniversary of the declaration of the free and independent Republic of Lithuania. Although the date has passed, I nevertheless wish to take this time to salute the brave and wonderful Lithuanian people, and to hail the freedom which they no longer enjoy but which they continue to seek with all their hearts, even after 58 years of Soviet domination. As Members will recall, Lithuania formally declared its independence on February 16, 1918. On March 3 of that same year Lithuania was also recognized as an independent nation under the Treaty of Brest-Litovsk by the Russians. The Republic of Lithuania was formally accepted as a full-fledged free and independent member of the League of Nations in 1921.

The ensuing 20 years were devoted to the heroic effort to build a free and prosperous country. Then suddenly in 1940 free Lithuania succumbed to the overwhelming forces of the Soviet Union. This forceable military occupation and subsequent incorporation of Lithuania as one of the Soviet Republics stands in history as another classic example of what have come to be known as the captive nations of the post-war world.

Mr. Speaker, a glance back over the past 75 years points up the many new nations once under colonial rule who today exercise the powers of free and independent states. The dissolution of colonial empire came at the expense of distant rulers who realized too late that those in one part of the globe cannot indefinitely control those with whom they share no common heritage and no common future. Similarly the forced occupation and rule of small and defenseless nations by a large and powerful neighbor exercising military force, as we have seen in the case of Lithuania, must ultimately suffer the same fate as those colonial empires that sought to preserve their position through force of arms.

History clearly teaches that man deeply values freedom, the right to choose and make his own destiny, and the right not to be dictated to by foreigners. The Lithuanian people have an ancient heritage and a longstanding tradition of freedom. We have seen visible evidence of this great tradition in the case of Simas Kudirka the Lithuanian seaman and patriot who finally succeeded in gaining his freedom last year from Soviet captivity and now lives here in America. His perseverance stand as a shining symbol of what man is willing to endure in order to be free.

Mr. Speaker, the tragic fact today is that the assurances of the Helsinki Conference are being deliberately ignored and violated by the Soviet Union. For that reason I am proud to be a sponsor of House Concurrent Resolution 492, expressing the sense of Congress that the signing by the United States of the Final Act of the Helsinki Conference on Security and Cooperation in Europe did not in any way change the status of Lithuania or any other captive nation of the Baltic.

INTRODUCING A RESOLUTION CALLING ON THE SOVIET UNION TO FREE DISSIDENT BAPTIST LEADER GEORGI VINS AND TO ALLOW HIM AND OTHER BELIEVERS TO WORSHIP GOD ACCORDING TO THEIR CONSCIENCES

(Mr. BUCHANAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BUCHANAN. Mr. Speaker, the Soviet Union has imposed outrageous restrictions on Christians and other religious believers who try to carry on activities of their churches. A notable example of the persecution endured by some of them is found in the case of Georgi Vins, 48, a Kiev pastor serving a 5-year sentence at hard labor in Siberia, to be followed by 5 more years in exile, for ministering to the Christians who elected him to be their leader.

Last week, the leadership of the House of Representatives from both parties joined me in introducing a resolution calling on the Soviet Union to release Georgi Vins and to allow him and others their right guaranteed under the Soviet Constitution to worship without restrictions.

Today, 24 other Members have joined me in introducing this resolution. Still other Members have asked to join in sponsoring the resolution when it is again introduced.

It is my hope that the weight of public opinion here and in Europe can cause the Soviet Union to free Georgi Vins. It is important that that country's leaders know the Congress of the United States is watching with great interest what happens to this minister, who is suffering from several serious physical ailments which could take his life if he is not immediately released to the care of doctors and his family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. Myers of Pennsylvania) and to revise and extend his remarks and include extraneous matter:)

Mr. Kemp, for 1 hour, today.

(The following Members (at the request of Mr. McDonald of Georgia) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Alexander, for 10 minutes, today.
Mr. Eckhardt, for 5 minutes today.
Mr. Vanik, for 5 minutes, today.
Mr. Cotter, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous matter:)

Mr. Kemp in three instances.
Mr. Cohen.
Mr. Whalen.

(The following Members (at the request of Mr. McDonald of Georgia) and to include extraneous matter:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Burke of Massachusetts.
Mrs. Burke of California.
Mr. Van Deerlin.
Mr. Baucus.
Mr. Bedell.
Mr. McDonald of Georgia.
Mr. Badillo in two instances.
Mr. Fauntroy.
Mr. Mitchell of Maryland.
Mr. Ottinger.
Mr. Derrick.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 532. An act to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers; to the Committee on Agricluture.

ADJOURNMENT TO MONDAY, APRIL 26, 1976

Mr. McDONALD of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER. In accordance with Senate Concurrent Resolution 111, the Chair declares the House adjourned until 12 o'clock noon on Monday, April 26, 1976.

Thereupon (at 10 o'clock and 10 minutes a.m.), pursuant to Senate Concurrent Resolution 111, the House adjourned until Monday, April 26, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3029. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to provide improved and expedited procedures for foreclosure of single-family mortgages owned or held by the United States pursuant to the National Housing Act and other Federal laws; to the Committee on Banking, Currency and Housing.

3030. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to provide improved and expedited procedures for foreclosure of multifamily mortgages owned or held by the United States pursuant to the National Housing Act and other Federal laws; to the Committee on Banking, Currency and Housing.

3031. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed cost accounting standard entitled "Part 410—Allocation of Business Unit General and Administrative Expenses to Final Cost Objectives," pursuant to section 719 (h)(3) of the Defense Production Act, as amended; to the Committee on Banking, Currency and Housing.

3032. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3033. A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes; to the Committee on International Relations.

3034. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Motor Vehicle Information and Cost Savings Act of 1972 to authorize appropriations for fiscal year 1978; to the Committee on Interstate and Foreign Commerce.

3035. A letter from the Administrator, Federal Energy Administration, transmitting a report on change in market shares for petroleum products for the months of November and December 1975, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

3036. A letter from the Assistant General Counsel for international, conservation and resource development programs, Federal Energy Administration, transmitting notice of a meeting related to the international energy program, pursuant to section 252(c)(1)(A)(i) of Public Law 94–163; to the Committee on Interstate and Foreign Commerce.

3037. A letter from the Assistant Secretary of the Army (Civil Works), transmitting volumes II through V of appendix F of the report on the national program of inspection of dams, containing the inventory of dams in the United States, pursuant to section 5 of Public Law 92–367; to the Committee on Public Works and Transportation.

3038. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period July–December, 1975, pursuant to 10 U.S.C. 2304(e); to the Committee on Science and Technology.

RECEIVED FROM THE COMPTROLLER GENERAL

3039. A letter from the Acting Comptroller General of the United States, transmitting a report on how the Department of Transportation could improve its internal auditing; jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOLEY: Committee on Agriculture. H.R. 8410. A bill to amend the Packers and Stockyards Act of 1921, as amended, and for other purposes; with amendment (Rept. No. 94–1043). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. Breaux, and Mr. Zeferetti):

H.R. 13256. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. ANDERSON of California (for himself, and Mr. Long of Maryland):

H.R. 13257. A bill to provide for the competitive movement at fair and equitable rates and charges of household goods shipments moving in the foreign commerce of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BAUCUS:

H.R. 13258. A bill to amend the Forest and Rangeland and Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35); to the Committee on Agriculture.

By Mr. BRINKLEY (for himself, Mr. Mann, Mr. de Lugo, Mr. Regula, Mr. Gilman, and Mr. Hungate):

H.R. 13259. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

By Mr. BRINKLEY (for himself, Mr. Landrum, Mr. Flynt, Mr. Stuckey, Mr. Mathis, Mr. Ginn, Mr. Young of Georgia, Mr. Levitas, and Mr. McDonald of Georgia):

H.R. 13260. A bill to designate the new general medical and surgical Veterans' Administration hospital to be located adjacent to the Medical College of Georgia in Augusta, Ga., as the Robert G. Stephens, Jr. Veterans' Administration Hospital; to the Committee on Veterans' Affairs.

By Mr. BUCHANAN:

H.R. 13261. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. MEYNER (for herself, Mr. Jones of North Carolina, Mr. Hightower, Mr. Jenrette, Mr. Lujan, Mr. Bowen, Mr. Rose, Mr. O'Hara, Mr. Andrews of North Dakota, Mr. Oberstar, Mr. McClory, Mr. Broyhill, Mr. Vigorito, Mr. Gilman, Mr. Bedell, Mr. Fithian, Mrs. Chisholm, and Mrs. Heckler of Massachusetts):

H.R. 13262. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 13263. A bill to establish the Minnesota River Valley National Wildlife Refuge, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PAUL:

H.R. 13264. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

By Mr. ROGERS:

H.R. 13265. A bill to amend the Public Health Service Act to provide additional personnel positions for the Department of Health, Education, and Welfare; jointly to the Committees on Interstate and Foreign Commerce, and Post Office and Civil Service.

By Mr. CLANCY:

H.J. Res. 922. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence, to prohibit compelling assignment of teachers or students to schools, classes, or courses for reason of race, religion, sex, or national origin and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. BUCHANAN (for himself, Mr. Rodino, Mr. Quie, Mr. Addabbo, Mr. Biaggi, Mr. Bonker, Mr. Clay, Mr. Collins of Texas, Mr. Downey of New York, Mr. du Pont, Mr. Esch, Mr. Gude, Mr. Kemp, Mr. McClory, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Ottinger, Mr. Pepper, Mr. Peyser, Mr. Scheuer, Mr. Schulze, Mr. Waxman, Mr. Whitehurst, Mr. Wright, and Mr. Yates):

H. Con. Res. 617. Concurrent resolution to urge the Soviet Union to release Georgi Vins and permit religious believers within its borders to worship God according to their own conscience; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

359. The SPEAKER presented a memorial of the Legislature of the State of California, relative to revenue sharing; to the Committee on Government Operations.

PETITIONS, ETC.

Under clause 1 of rule XXII,

443. The SPEAKER presented a petition of the Cardinal Glennon Division Two, Ancient Order of the Hibernians, St. Louis, Mo., relative to aid from citizens of the United States to the Irish Republican Army, which was referred to the Committee on International Relations.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of April 13, 1976, page 10844.

HOUSE BILLS

H.R. 12756. March 24, 1976. Banking, Currency and Housing. Amends the National Housing Act to authorize the Government National Mortgage Association to make monthly housing investment interest differential payments to lenders in order to stimulate housing purchases.

H.R. 12757. March 24, 1976. Ways and Means. Amends the program of Grants to States for Services of the Social Security Act to allot funds not used by some of the States to States which have a need for additional funds for social services.

H.R. 12758. March 24, 1976. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to require that the employment of individuals previously employed by selling railroads, by acquiring railroads, shall be governed by the collective bargaining agreement that is in effect on the line of the acquiring railroad, unless a previous agreement has been made between representatives of such employer and the acquiring railroad. Requires the acquiring railroad to afford such employees, and its own employees adversely affected by such acquisition, the employee protection and benefits specified in such Act.

H.R. 12759. March 24, 1976. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on (1) articles assembled abroad with components produced in the United States, and (2) certain metal articles manufactured in the United States and exported for further processing.

H.R. 12760. March 24, 1976. Judiciary. Authorizes the Secretary of the Treasury to reimburse State and local governments for expenditures made at the request of the United States Secret Service for the protection of any person the Service is authorized to protect.

H.R. 12761. March 24, 1976. Interstate and Foreign Commerce. Prescribes minimum national standards for utility rate structures in order to alleviate burdens imposed on low-income consumers. Establishes requirements for full evidentiary hearings on proposed rate increases, with adequate representation of consumer interests.

Establishes an Electric Utility Ratemaking Assistance Office within the Federal Energy Administration to provide assistance with respect to ratemaking procedures.

Amends the Federal Power Act to require utilities to comply with standards designed to assure a reliable supply of electric energy.

Authorizes appropriations for grants to State regulatory authorities. Establishes procedures for planning and coordination in the siting of bulk power facilities.

H.R. 12762. March 24, 1976. Judiciary. Makes individuals meeting specified criteria eligible for the award of reasonable attorney fees, expert witness expenses, and other costs reasonably incurred in connection with paricipation in any rulemaking, licensing, adjudicatory, or other proceeding conducted by a Federal agency. Entitles prevailing plaintiffs in actions to review such proceedings to the award of similar participation expenses. Sets forth proceedures for the payment of such awards.

H.R. 12763. March 24, 1976. Post Office and Civil Service; Agriculture. Terminates the duty of the Secretary of Commerce to take agricultural, drainage, and irrigation censuses. Directs the Secertary to continue the statistical classification of farms which was in effect on January 1, 1975, until June 30, 1976.

Directs the Secretary of Agriculture to collect comparable information on agriculture, drainage and irrigation on a sample basis.

H.R. 12764. March 24, 1976. Public Works and Transportation. Terminates the authorization of the navigation study and survey of the Wabash River, Indiana.

H.R. 12765. March 24, 1976. Judiciary. Directs that venue for Federal administrative hearings concerning a single local governmental unit, geographic area, or State shall be such unit, area, or State.

H.R. 12766. March 24, 1976. Education and Labor. Amends the Older Americans Act of 1965 to entitle handicapped dependents of eligible individuals to participation in the nutritional progress for the elderly established under such Act.

H.R. 12767. March 24, 1976. Veterans' Affairs. Stipulates that recipients of veterans' pensions and compensation shall not have the amount of such pension or compensation reduced because of specified increases in monthly social security benefits.

H.R. 12768. March 24, 1976. Judiciary. Replaces Federal criminal statutory provisions penalizing "rape" and "carnal knowledge of females under 16" with provisions penalizing "sexual assault". Designates guilty of sexual assault any person who knowingly engages in sexual contact or penetration of another person without such person's consent.

H.R. 12769. March 24, 1976. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress.

H.R. 12770. March 24, 1976. Ways and Means. Allows a general estate tax credit of $30,000 under the Internal Revenue Code.

H.R. 12771. March 24, 1976. Ways and Means. Allows an estate tax credit under the Internal Revenue Code. Authorizes the executor of an estate to elect an additional credit if 65 percent or more of the adjusted gross estate is attributable to a qualifying small business.

Provides a reduction of such additional credit by a percentage of the amount by which the value of the taxable estate exceeds $300,000.

H.R. 12772. March 24, 1976. Veterans' Affairs. Creates certain presumptions of disability for any veteran who was a prisoner of war for not less than six months, and deems such veteran to have a permanent service-connected disability rating of 50 percent.

H.R. 12773. March 24, 1976. Veterans' Affairs. Revises the procedures relating to the construction, alteration, and acquisition of Veterans' Administration medical facilities.

H.R. 12774. March 24, 1976. Ways and Means. Amends the Internal Revenue Code to allow a State, a possession of the United States, any political subdivision of any of the foregoing, or the District of Columbia, to elect to issue taxable obligations, the interest of which will be included in the gross income of the recipient.

Directs the Secretary of the Treasury to pay without condition or requirement a percentage of the interest yield on each obligation for which the election of taxability has been made.

H.R. 12775.—March 24, 1976. Public Works and Transportation. Directs the Secretary of the Army, acting through the Chief of Engineers, to design and develop a swimming beach area at the Shenango River water resources development project in Pennsylvania.

H.R. 12776.—March 24, 1976. Post Office and Civil Service. Includes as Federal Service, for purpose of Federal employee unemployment compensation, service performed in Guam in the employ of the United States or an instrumentality thereof.

Directs the Secretary of Labor to pay unemployment compensation to a Federal employee or former member of the armed forces who files a first class claim while residing in Guam in the same amounts, on the same terms, and subject to the same conditions as would be paid to such individual under the unemployment compensation law of the District of Columbia if such individual's Federal service and Federal wages had been included as employment and wages under such law.

H.R. 12777.—March 24, 1976. Agriculture. Establishes a food stamp program for the United States. Prohibits the distribution of Federal surplus foods in areas where a food stamp program is in operation.

Sets forth standards of eligibility for participation in such program.

Establishes the value of a food stamp allotment as 70 percent of the cost to an eligible household of a nutritionally adequate diet.

Promulgates requirements for State agencies conducting the State food stamp program.

Establishes criminal procedures for fraudulent activities connected with the program.

H.R. 12778.—March 24, 1976. House Administration. Authorizes the Secretary of the Interior to permit the removal of the Statue of John Witherspoon presently located in the District of Columbia to the National Presbyterian Center, Washington, District of Columbia, and to transfer title to such statue to the National Presybterian Church, Incorporated without compensation.

H.R. 12779.—March 24, 1976. Judiciary. Authorizes the admission of a certain individual to the United States for permanent residence.

H.R. 12780. March 25, 1976. House Administration. Amends the Internal Revenue Code to authorize and establish procedures for publicly financing general election campaigns of candidates for election to Congress. Establishes the Congressional Election Payment Account, out of which qualified candidates are entitled to payments in an amount equal to that raised through private contributions.

H.R. 12781. March 25, 1976. Veterans' Affairs. Increases the limitation with respect to direct loans to veterans for purchase of a home in a rural area or small town or city where adequate credit is otherwise unavailable.

H.R. 12782. March 25, 1976. Banking, Currency and Housing. Prohibits States and political subdivisions from discriminating against low- and moderate-income housing. Grants a priority in determining eligibility for assistance under various Federal programs to political subdivisions which submit plans for the inclusion of low- and moderate-income housing in their development.

H.R. 12783. March 25, 1976. Interstate and Foreign Commerce. Directs the Federal Energy Administrator to contract with the Tennessee Valley Authority for the operation of an experimental rate design pilot project.

H.R. 12784. March 25, 1976. Rules. Requires review of Federal programs to determine if they warrant continuation. Directs the President to conduct such review of programs covered by the annual budget. Requires Congress to make such review every 4 years.

H.R. 12785. March 25, 1976. Government Operations. Requires the Office of Management and Budget to study the efficiency and effectiveness of all Federal agencies every 10 years.

Terminates such agency 10 years after the submission of such report to the President and Congress unless Congress acts to continue such agency.

H.R. 12786. March 25, 1976. Agriculture. Directs the Secretary of Agriculture to establish standards governing timber sales in national forests consistent with multiple use sustained yield principles. Requires consideration of environmental, biological, engineering, and economic factors prior to large timber sales.

Requires the imposition of limits on clearcutting, cutting of unmarked trees, and cutting of immature trees in national forests. Requires the preparation of management plans for the national forests.

H.R. 12787. March 25, 1976. Science and Technology. Directs the Administrator of the Energy Research and Development Administration to establish an energy conservation research, development, and demonstration project designed to increase energy use efficiency in industrial, commercial, residential, agricultural, and governmental sectors.

Establishes procedures for the development of energy efficient equipment and processes in accordance with criteria set by the Administrator.

H.R. 12788. March 25, 1976. Banking, Currency and Housing. Amends the Housing and Community Development Act of 1974 to provide supplementary community development block grant assistance to communities with high unemployment. Provides for the allocation of these funds.

H.R. 12789. March 25, 1976. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to prohibit the issuance of solid waste management regulations with respect to the sale or distribution of beverage containers at Federal facilities.

H.R. 12790. March 25, 1976. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer to deduct so much of the taxes assessed against local benefits of a kind tending to increase the value of the property assessed as is properly allocable to the construction, reconstruction, or erection of treatment works or to the retirement of indebtedness attributable to any such construction, reconstruction, or erection.

H.R. 12791. March 25, 1976. Public Works and Transportation. Exempts from the motor vehicles provisions of the Interstate Commerce Act motor vehicles used in the transportation of members of any religious organization exempted from the Internal Revenue Code.

H.R. 12792. March 25, 1976. Post Office and Civil Service. Authorizes the head of each Federal agency to employ interpreting assistants for deaf employees.

Renders applicable to the United States Postal Service provisions relating to the employment by Federal agencies of reading assistants and interpreters for blind and deaf employees.

Directs each agency to incrementally increase the number of positions classified to authorize the employment of such reading assistants and interpreters.

H.R. 12793. March 25, 1976. Public Works and Transportation. Amends the Interstate Commerce Act with respect to (1) rate bureaus; (2) aircraft exemption; (3) private and contract carriers; (4) commercial zones; (5) new plants; (6) private carrier leases to common carriers; (7) entry; (8) dual operation; (9) suspension of common carrier motor rates; (10) common carrier compensatory rates; (11) commodity and route restrictions; (12) discrimination; (13) back hauls; (14) State filing requirements; (15) motor carrier safety; and (16) mergers.

H.R. 12794. March 25, 1976. Ways and Means. Provides an additional 26 weeks of unemployment benefits (presently limited to 26 weeks) under the Emergency Unemployment Compensation Act of 1974.

H.R. 12795. March 25, 1976. Education and Labor. Directs the Secretary of Labor to establish a program to provide financial assistance to State and local governments and private organizations for programs of training and employment for individuals between the ages of 16 and 24 inclusive.

Establishes in the Department of Labor a National Youth Full Employment Board and a Youth Job Guarantee Office.

H.R. 12796. March 25, 1976. Judiciary. Creates a charitable body corporate to be known as the National Opportunities Camps for the purpose of establishing and operating camps for disadvantaged children. Grants such corporation the exclusive right to the name "National Social Conditioning Camps".

H.R. 12797. March 25, 1976. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on articles assembled abroad with components produced in the United States.

H.R. 12798 March 25, 1976. Government Operations. Directs the Secretary of Transportation to grant a release to the city of Galveston, Indiana, from all of the restrictions in the deed conveying specified real property to such city for airport purposes.

H.R. 12799. March 25, 1976. Agriculture. Amends the Forest and Rangeland Renewable Resources Planning Act of 1974 to direct the Secretary of Agriculture to include in the Renewable Resource Program, national program recommendations which take into account specified policy objectives.

Requires the Secretary to provide for public participation in the formulation and review of proposed land management plans and to promulgate regulations for their development and revision.

Revises provisions relating to the sale of timber found on National Forest Service lands.

H.R. 12800. March 25, 1976. Interior and Insular Affairs. Directs the Secretary of the Interior to develop a comprehensive plan for the development of hydroelectric power in Alaska. Requires the development of a comprehensive plan for the construction of direct current lines from Alaskan sources to the transmission system of the Bonneville Power Administration.

SENATE—*Wednesday, April 14, 1976*

The Senate met at 10:30 a.m., and was called to order by Hon. JOHN C. CULVER, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, who has brought us to this holy season, be with us this day until our work in this place is done. Guide us in the work we do elsewhere. Then lead us once more to the cross, that by faith we may see again its meaning in history, its meaning for our world, and its meaning in our own lives. May the spirit of the self-giving Saviour enter our homes, our hamlets, our cities, and our Nation with forgiveness and healing. Bring us and our fellow citizens to the day of resurrection with a new heart and mind and soul, ready to serve Thee more perfectly, to walk in the ways of righteousness, and to face the future bright with the prospect of Thy coming kingdom.

We pray in the name who is the resurrection and the life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 14, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN C. CULVER, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CULVER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, April 13, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, in view of the situation which confronts the Senate today, instead of asking that only certain committees may meet during the session of the Senate, I ask unanimous consent that all committees may meet today during the session of the Senate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

JOINT REFERRAL OF A COMMUNICATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a communication transmitted by the Secretary of Transportation, relative to amending section 25 of the Deepwater Port Act of 1974 by providing a permanent authorization of appropriations be referred jointly to the Committees on Commerce, Interior and Insular Affairs, and Public Works.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER AUTHORIZING COMMITTEES TO FILE REPORTS BETWEEN 10 A.M. AND 3 P.M. ON FRIDAY, APRIL 23, 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that committees be authorized to file reports between 10 a.m. and 3 p.m. on Friday, April 23, 1976.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar under new reports.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

U.S. ARMY

The second assistant legislative clerk read the nomination of Melvin Zais, Army of the United States, to be placed on the retired list in the grade of general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. NAVY

The second assistant legislative clerk read the nomination of Forrest S. Petersen, U.S. Navy, for appointment to the grade of vice admiral.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the Marine Corps placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I request that the President be notified of these confirmations and those confirmations of yesterday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

SENATE ACHIEVEMENTS—JANUARY 19 THROUGH APRIL 14, 1976

Mr. MANSFIELD. Mr. President, before recessing for Easter, I shall comment briefly on the work of the Senate this year. Statistics indicate that this has been an unusually productive 3 months. The Senate in 1976 has been in session more days, passed more measures, ratified more treaties, enacted more public and private laws and recorded more votes than in the similar period in the last 2 years. I might also add that there have been four times as many vetoes this session—with promise for more. The vetoes have totaled 48 during the year and a half of the Ford administration. A look at the list of 21 bills vetoed during the 94th Congress illustrates the difference between Congress and the Executive. The President has vetoed measures to curb strip mining, to improve health services and nurse training, to stimulate the depressed housing industry and to help people to buy homes. He has vetoed the school lunch program extension and the permanent authorization for the school breakfast program. He has vetoed $36 billion for major health and social services programs. He has vetoed $6 billion to States to finance construction of public works projects and thereby increase employment especially in areas where unemployment is 6½ percent or higher. He has vetoed $125 million to aid States in complying with standards for federally funded day care centers. In contrast, Congress by a two-thirds vote in each house overrode his veto of special education appropriations and appropriations for major health and education programs. We overrode his veto of expanded health services and nurse training programs. We also overrode his veto of the school lunch program. Persisting even further, Congress took 10 other vetoed bills, rewrote them and repassed them.

The Senate has also moved ahead under the new budgetary process. We have demonstrated our willingness to make the difficult decisions about how revenue should be spent among various programs. We are now looking at the entire budget in making decisions about its integral parts. We are also making better judgments in carrying out our constitutional responsibilities.

The Senate has debated and passed this year numerous other measures of broad impact to the Nation. I refer to the reform of the food stamp program, the extensive revision of the copyright laws, the toxic substances control bill, the 200-mile fisheries management zone, home insulation—energy conservation standards, additional district court judgeships, amendments to the campaign financing act, airport-airways improvement, and appropriations for public employment, summer youth employment and innoculation against the swine flu virus. A more complete account of measures which the Senate has acted on this year is contained in the report prepared by the staff of the Democratic Policy Committee. I ask unanimous consent that this report and index, as well as other statistical information, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE ACTIVITY AS OF APRIL 14 FOR 1974, 1975, AND 1976

	1974	1975	1976
Days in session	47	49	52
Hours in session	263:19	257:19	287:24
Measures passed	141	103	213
Private laws	6	0	10
Public laws	16	15	60
Treaties	2	0	5
Record votes	138	138	150
Vetoes	1	1	4
Average attendance	88.33%	90.91%	87.10%
Saturday sessions	0	1	0
Sessions after 8 p.m.	1	6	4
Sessions prior to 10 a.m.	2	8	11

STATUS OF PRESIDENTIAL VETOES AS OF APRIL 14, 1976

94TH CONGRESS TOTAL: 21

Vetoes Overridden (4)

1. H.R. 5901, Education Appropriations. Vetoed July 25, 1975. House overrode veto on September 9, 1976. Senate overrode veto on September 10, 1975. Became Public Law 94-94.

2. S. 66, Health Services—Nurse Training. Vetoed July 26, 1975. Senate overrode veto on July 26, 1975. House overrode veto on July 29, 1975. Became Public Law 94-63.

3. H.R. 4222, School Lunch Program. Vetoed October 3, 1975. House and Senate overrode veto on October 7, 1975. Became Public Law 94-105.

4. H.R. 8069, Labor—HEW Appropriations, 1976. Vetoed December 19, 1975. House overrode veto on January 27, 1976. Senate overrode veto on January 28, 1976. Became Public Law 94-206.

Vetoes for which modified versions have been repassed (10)

5. H.R. 25, Strip Mining. Vetoed May 20, 1975. House sustained veto on June 10, 1975. (Comparable provisions in S. 391 which passed the Senate on July 31, 1975, and passed the House amended January 21, 1976.)

6. H.R. 4481, Emergency Employment Appropriations. Vetoed May 28, 1975. House sustained veto on June 4, 1975. (Less comprehensive measure, H.J. Res. 492 became Public Law 94-36. Public Law 94-41 contained funds for this purpose.)

7. H.R. 4485, Emergency Middle-Income Housing. Vetoed June 25, 1975. House sustained veto on June 25, 1976. (Less comprehensive measure, H.R. 5398, became Public Law 94-50.)

8. H.R. 1767, Oil Import Fees, President's authority to impose. Vetoed March 4, 1975. Referred to House Ways and Means Committee. (Relevant provisions contained in H.R. 4035, which was also vetoed and S. 622 which became Public Law 94-163.)

9. H.R. 4035, Oil Policy. Vetoed July 21, 1975. Referred to House Interstate and Foreign Commerce Committee. (Related provisions in S. 622 which became Public Law 94-163.)

10. S. 1849, Oil Price Controls. Vetoed September 9, 1975. Senate sustained veto on September 10, 1975. (H.R. 9524 extending controls to December 15, 1975, became Public Law 94-133. Comparable provisions are contained in S. 622 which became Public Law 94-163.)

11. H.R. 5357, Tourism Promotion. Vetoed May 28, 1976. Referred to House Interstate and Foreign Commerce Committee. (Similar measure S. 2003 became Public Law 94-55.)

12. H.R. 12, Executive Protective Service. Vetoed November 29, 1975. Referred to House Public Works and Transportation Commit-

tee. (Similar provisions are contained in H.R. 11184 which became Public Law 94–196.)

13. H.R. 5559, Tax Reduction. Vetoed December 17, 1975. House sustained veto on December 18, 1976. (Almost identical bill, H.R. 9968 became Public Law 94–164.)

14. H.R. 5247, Public Works Employment. Vetoed February 13, 1976. House overrode veto on February 19, 1976. Senate sustained veto on February 19, 1976. (Comparable provisions are contained in S. 3201 which passed the Senate on April 13, 1976.)

Other Vetoes (7)

15. H.R. 4296, Agricultural Price Supports. Vetoed May 1, 1975. House sustained veto on May 13, 1975. (Secretary of Agriculture will hold quarterly oversight meetings with Agriculture Committees on subject.)

16. H.R. 9497, Tobacco Price Supports. Vetoed September 30, 1975. Referred to House Agriculture Committee.

17. S. 2350, National Security Council Membership. Vetoed December 31, 1975. Senate overrode veto January 22, 1976. House referred to Armed Services Committee January 26, 1977.

18. H.R. 5900, Common Situs Picketing—Collective Bargaining. Vetoed January 2, 1976. House referred to Education and Labor Committee.

19. S.J. Res. 121, Milk Price Supports. Vetoed January 30, 1976. Senate sustained veto on February 4, 1976.

20. H.R. 9803, Child Day Care Staffing Standards. Vetoed April 6, 1976. House to consider May 4, 1976.

21. H.R. 8617, Hatch Act Revision. Vetoed April 12, 1976. House to consider April 29, 1976.

SENATE LEGISLATIVE ACTIVITY INDEX

(94th Congress—2d Session)

(By Senate Democratic Policy Committee)

AGRICULTURE

Agriculture Department Employees' Dependents Orientation (S. 3052).

Agricultural Census (H.R. 7824, P.L. 94–).

Agricultural Loans for Losses due to Toxic Chemical Contamination (S. 2578).

Agricultural Pest Control (S. 1617, P.L. 94–231).

Farmer Elected Committeeman System (S. Res. 272).

Food Stamp Reform (S. 3136).

Food Stamp Vendors (S. 2853).

*Milk Price Supports (S.J. Res. 121).

Peanut Allotments (S. 1545, P.L. 94–247).

Potash Supplies (S. Res. 403).

Rice Production (H.R. 8529, P.L. 94–214).

Rural Development Programs (H.R. 6346, P.L. 94–259).

Tobacco Allotments (S. 700).

Watershed Projects Loans Limitation (S. 2484).

Wool Act Payments (S. 532).

APPROPRIATIONS

Fiscal 1976 and Transition Period:

Continuing (H.J. Res. 857, P.L. 94–254).

Defense (H.R. 9861, P.L. 94–212).

Foreign Aid (H.R. 12203).

*Labor-HEW (H.R. 8069, P.L. 94–206).

Supplemental (H.J. Res. 890).

Supplemental Railroad (H.J. Res. 801, P.L. 94–252).

Supplemental Legislative (H.J. Res. 811, P.L. 94–226).

BUDGET

Deferrals—1976:

Army Corps of Engineers (S. Res. 408).

Indian Health Facilities (S. Res. 366).

Indian Public School Construction (S. Res. 388).

Youth Conservation Corps (S. Res. 385).

Rescissions—1976:

Consumer Product Safety, Interior, Park Service, Selective Service, and State (H.R. 11665, P.L. 94–249).

Resolutions—1976:

First Budget Resolution (S. Con. Res. 109).

CONGRESS

Congressional Tax Liability (S. 2447).

Inaugural Committee (S. Con. Res. 90).

Joint Committee on the Bicentennial (S Con. Res. 103).

Magna Carta Delegation (S. Con. Res. 98).

Professional Societies Fellowship Programs (S. Con. Res. 100).

CONSUMER AFFAIRS

Consumer Food Act (S. 641).

Consumer Leasing (H.R. 8835, P.L. 94–240).

Consumer Product Safety (S. 644).

Equal Credit Opportunity (H.R. 6516, P.L. 94–239).

Motor Vehicle Information and Cost Savings (S. 1518).

CRIME-JUDICIARY

Bankruptcy Referees Salary (H.R. 6184, P.L. 94–217).

Copyright Revision (S. 22).

District Court Judgeships (S. 287).

Drug Enforcement Administration Agents (S. Res. 391).

Lotteries H.R. 1607, P.L. 94–).

Parole Reorganization (H.R. 5727, P.L. 94–233).

Patent Laws Revision (S. 2255).

Territorial Judges Cost-of-Living Adjustment (S. 14).

U.S. Magistrates Jurisdiction (S. 1283).

U.S. Magistrates Salary (S. 2923).

DEFENSE

Armed Forces Per Diem Allowance (H.R. 8089).

Assistant Commandant of the Marine Corps (S. 2117, P.L. 94–225).

Carbonyl Chloride (H.R. 9570, P.L. 94–251).

Defense Production — Voluntary Agreements (H.J. Res. 784, P.L. 94–221).

Department of Defense Employees Oath Authority (H.R. 508, P.L. 94–213).

Household Goods Shipments (S. 2023).

Reservists Active Duty (S. 2115).

DISTRICT OF COLUMBIA

Southeastern University (S. 611, P.L. 94–250).

ECONOMY-FINANCE

Bankruptcy of Major Municipalities (H.R. 10624, P.L. 94–260).

*Child Day Care Staffing Standards (H.R. 9803).

Library of Congress Trust Funds (S. 2619), (S. 2620).

New York City Retirement Systems (H.R. 11700, P.L. 94–236).

Pension Plans Tax-Free Rollover (H.R. 12725, P.L. 94–).

Public Debt Limit Increase (H.R. 11893, P.L. 94–232).

State Taxation of Depositories (S. 2672, P.L. 94–222).

EDUCATION

Allen J. Ellender Fellowships (H.J. Res. 491, P.L. 94–).

Indochinese Refugees Educational Assistance (S. 2145).

ELECTIONS

Federal Election Commission—Campaign Financing (S. 3065).

Political Campaigning (S. Res. 419).

EMPLOYMENT

*Public Works Employment (H.R. 5247).

Public Works Jobs (S. 3201).

ENERGY

Coal Leasing—Strip Mining (S. 391).

Coastal Zone Management (S. 586).

Energy Conservation in Buildings (H.R. 8650).

ERDA Supplemental Authorization (S. 3108).

International Petroleum Exposition (S.J. Res. 59, P.L. 94–227).

Naval Petroleum Reserves Production (H.R. 49, P.L. 94–258).

ENVIRONMENT

Blackbird Control (H.R. 11510, P.L. 94–207).

Environmental Research Authorization (H.R. 7108).

Killer Whales (S. 3130).

Scrimshaw Art Preservation (S. 229).

Toxic Substances Control (S. 3149).

Water Quality Report (H.R. 12193, P.L. 94–238).

GENERAL GOVERNMENT

Animal Welfare (S. 1941).

Bicentennial Flag Display (S. 3161).

Daylight Saving Time (S. 2931).

Federal Trade Commission Authorization (S. 2935).

Fiscal Year Adjustment (S. 2445, P.L. 94–).

Fiscal Year Transition (S. 2444, P.L. 94–).

Library of Congress James Madison Memorial Building (H.R. 11645, P.L. 94–219).

Mariana Islands (H.J. Res. 549, P.L. 94–241).

NASA Authorization (H.R. 12453).

National Portrait Gallery (S. 1657, P.L. 94–209).

*National Security Council (S. 2350).

National Study Commission on Records and Documents of Federal Officials (S. 3060, P.L. 94–261).

Presidential Recordings and Materials (S. Res. 428).

Science Policy (H.R. 10230).

Small Business Amendments (S. 2498).

Smithsonian Institution—National Museum (S. 2945).

Trust Territory of the Pacific (H.R. 12122, P.L. 94–255).

White House Conference on Handicapped (S.J. Res. 154, P.L. 94–224).

GOVERNMENT EMPLOYEES

*Hatch Act Revisions (H.R. 8617).

Secret Service Director's Salary (S. 3028).

HEALTH

Alcohol Abuse, Prevention and Treatment (S. 3184).

Communicable Disease Control—Consumer Health Education (S. 1466).

Drug Abuse Office and Treatment (S. 2017, P.L. 94–237).

Heart, Lung and Blood Research—Health Services (H.R. 7988, P.L. 94–).

Lead-Based Paint Poisoning Prevention (S. 1664).

Medical Device Safety (S. 510).

Rehabilitation Act Extension (H.R. 11045, P.L. 94–230).

HOUSING

Housing—Flood Insurance (H.R. 9852).

INDIANS

Indian Claims Commission (S. 2981).

Indian Crimes (S. 2129).

Palms and Cabazon Mission Indians (H.R. 1465, P.L. 94–).

Pueblo Indians New Mexico (S. 2129).

INTERNATIONAL

Brussels Conference (S. Con. Res. 93).

Discriminatory Trade Practices of EEC (S. Con. Res. 108).

Foreign Military Aid and Sales (S. 2662).

Guatemala Relief Authorization (S. 3056).

Guatemalan Earthquake (S. Res. 390).

Inter-American Development Bank—African Development Fund (H.R. 9721).

Inter-American Development Bank—African Development Fund (H.R. 9721).

Laotian Refugees (S. 2760).

Lincoln Statue (H.J. Res. 406, P.L. 94–208).

State Department Authorization (S. 3168).

Treaties:

Inter-American Women's Rights Convention (Ex. D, 81st–1st).

Radio Regulations Revision (Ex. G, 94th–1st).

Telecommunications Convention (Ex. J., 93d–2d).

Telegraph and Telephone Regulations (Ex. E, 93d–2d).

Women's Political Rights Convention (Ex. J, 88th–1st).

U.S. Winter Olympic Team (S. Res. 386).

U.S.I.A. Authorization (H.R. 11598, P.L. 94–).

Wilma Rudolph Film (H.R. 6949, P.L. 94-218).

MEMORIALS, TRIBUTES AND MEDALS

Charles Carroll Medals (H.R. 3427, P.L. 94–257).

Clarence M. Mitchell, Jr. (S. Res. 353).

Commercial Aviation 50th Anniversary (S. Res. 381).

International Astronautical Federation (S. Res. 412).

Jerry L. Pettis Memorial Veterans' Hospital (H.R. 40434, P.L. 94–246).

Library of Congress Thomas Jefferson Building (S. 2920, P.L. 94–264).

Lincoln Memorial (S. 64).

101st Airborne Memorial (S. 1847, P.L. 94–211).

William A. Barrett, Death of (S. Res. 433).

Wright O. Douglas (S. 2742).

Wright Patman, Death of (S. Res. 402).

NATURAL RESOURCES—NATIONAL HISTORIC SITES

Chickasaw National Recreation Area (H.R. 4979, P.L. 94–235).

Fire Island National Seashore (S. 867).

National Parks Mining Regulations (S. 2371).

National Resource Lands Management (S. 507).

National Wildlife System Administration (H.R. 5512, P. L. 94–223).

Reclamation Projects Authorization (S. 151, P.L. 94–228).

Santa Monica Recreation Area (S. 1640).

Wetlands Loan Extension (H.R. 5608, P.L. 94–215).

Wilderness Areas:

Bristol Cliffs Wilderness (S. 2308, P.L. 94–).

Eagles Nest Wilderness (S. 268).

Shenandoah National Park (S. 885).

Wilderness Area Studies:

Kaiser Roadless Area (S. 75).

NOMINATIONS—ACTION BY ROLLCALL VOTE

George Bush to be Director of Central Intelligence.

Willie J. Usery to be Secretary of Labor.

PROCLAMATIONS

Bald Eagle Days (S. Res. 347).

Beta Sigma Phi Week (S.J. Res. 76).

Employ the Older Worker Week (S.J. Res. 35, P.L. 94–).

Family Week (S.J. Res. 101, P.L. 94–).

Fourth of July Holiday (S.J. Res. 151).

Knights of Columbus Day (S.J. Res. 183).

Tennis Week (S.J. Res. 172).

Thomas Jefferson Day (H.J. Res. 670, P.L. 94–263).

World Habitat Day (S. Res. 398).

SENATE

Cloture Rule (S. Res. 268).

Commission on the Operation of the Senate (S. Res. 410) (S. Res. 423).

Oklahoma Senate Contest.

Select Committee on Intelligence (S. Res. 377) (S. Res. 414).

Select Committee on Committees (S. Res. 109).

TRANSPORTATION-COMMUNICATIONS

Airport and Airway Development (H.R. 9771).

Alaska Highway (S. 2071).

ConRail Acquisition of Bankrupt Rail Property (H.R. 12490, P.L. 94–253).

ConRail Stock (S.J. Res. 184, P.L. 94–248).

Federal-Aid Highway Authorization (H.R. 8235, P.L. 94–).

Fisheries Management—200 Mile Limit (H.R. 200, P.L. 94–265).

Rail Negotiations (S. Con. Res. 97).

Railroad Revitalization (S. 2718, P.L. 94–210).

VETERANS

American Battle Monuments Commission Travel Expenses (H.R. 8507, 94–256), Veterans' Insurance (S. 1911).

SENATE LEGISLATIVE ACTIVITY

(94th Congress, 2d Session)

(By Senate Democratic Policy Committee)

Days in session	52
Hours in session	287:24
Total measures passed	213
Private laws	310
Public laws	60
Treaties	5
Confirmations	14, 461
Record votes	150
Vetoes	4

Symbols: (VV)—Passed by Voice Vote; numbers in paranthesis indicate number of record vote on passage, conference report, or reconsideration—* numbers indicate vote occurred 1st session of 94th Congress (1975).

AGRICULTURE

Agriculture Department employees' dependents orientation.—Authorizes the Secretary of Agriculture to use appropriated funds for the orientation and language training of dependents of officers and employees of the United States Department of Agriculture who have foreign assignments. S. 3052—Passed Senate March 16, 1976. (VV)

Agricultural census.—Amends section 142, title 13, U.S.C. to change the reference years and the years for taking the census of agriculture to coincide with the economic census of manufacturing, mining, and industry which is taken every 5 years and refers to the years the last numericals of which are "2" and "7" in order to provide comparable data for evaluating the Nation's economic and agricultural status and to avoid the heavy workload in the Bureau of the Census when the agricultural census is taken in the same year as the decennial census; changes the definition of the term "farm" for census purposes to include only places which produce at least $1,000 worth of agricultural goods a year instead of, as at present, any place which produces agricultural goods selling for at least $250 in a year or a place measuring at least 10 acres and producing at least $50 in agricultural goods; and postpones until June 30, 1976, the effective date of the change in the term "farm" to give Congress an opportunity to study the possible effects of the change before it becomes effective. H.R. 7824—Public Law 94–229, approved March 15, 1976. (VV)

Agricultural loans for losses due to toxic chemical contamination.—Requires the Secretary of Agriculture to make loans to bona fide farmers and ranchers who suffer losses on or after January 1, 1973, through no fault of their own due to toxic chemical contamination of their agricultural commodities or livestock; limits the amount of any loan to an individual agricultural producer to $100,000, the cost of replacing the condemned livestock or products, or the noncompensated share of the condemned products or livestock; places a 7-year maximum term on the loan at a rate of interest reflecting the cost of money to the Government; and authorizes the Secretary to grant a grace period for principal payments and the majority of interest for up to 3-years if individual circumstances warrant. S. 2578—Passed Senate March 10, 1976. (VV)

Agricultural pest control.—Broadens and strengthens the authority of the Secretary of Agriculture to control and eradicate agricultural pests by (1) permitting the Secretary to carry out eradication and control programs with respect to plant pests not now covered by the Organic Act of 1944 including spider mites, slugs, and snails; (2) extending the Secretary's authority to cooperate with foreign governments including governments of the Western Hemisphere, Canada, Mexico, Central America, Colombia, the Bahama Islands, the Greater Antilles, the Lesser Antilles, and international organizations and associations in carrying out eradication and control programs; (3) making discretionary the Secretary's authority to provide phytosanitary inspection and certification service for domestic plants and plant products for export, and extending such authority to inspection and certification of any plants or plant products offered for export or transiting the United States; (4) repealing provisions of the Act of October 6, 1917, for cooperation with Mexico and adjacent States in the extermination of pink bollworm infestations near the U.S. border in which authority is now contained in the Organic Act; and (5) clarifying the Secretary's authority to cooperate with certain Western Hemisphere countries, the Bahama Islands, the Greater Antilles, the Lesser Antilles and international organizations and associations with respect to animal disease control and the carriers of animal diseases. S. 1617—Public Law 94–221, approved March 15, 1976. (VV)

Farmer elected committeeman system.—Expresses Senate support for the participation of farmers in the programs of the Department of Agriculture through the farmer elected community committeeman; urges the Secretary of Agriculture to take the actions necessary to provide for increased involvement of farmers in the policy and decision-making operations of the Department of Agriculture; and requests the Secretary to discontinue any actions designed to eliminate or reduce the community committeeman program administered by the Stabilization and Conservation Service of the Department of Agriculture. S. Res. 272—Senate adopted February 5, 1976. (VV)

Food stamp reform.—Makes changes in the food stamp program relating to eligibility to participate, the benefits available, administration of the program, and the penalties applicable to violations as follows:

Changes affecting eligibility

(1) Eliminates the present system of allowing varying, itemized deductions from gross income in determining household income for purposes of the food stamp program and replaces it with a standard deduction of $100 a month for the 50 States and the District of Columbia and of $60 a month for Puerto Rico, the Virgin Islands and Guam, and provides an additional standard deduction of $25 a month in the case of a household with one or more members 60 years of age or older, or any household with earned income of $150 a month or more;

(2) Defines "gross income" as including (but not limited to) all money payments (including payments made pursuant to the Domestic Volunteer Services Act of 1973) and payments in kind, excluding: (a) medical costs payments; (b) earned income of child under 18; (c) payments received under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; (d) infrequent or irregular income not exceeding $30 during any 3 month period; (e) all loans, scholarships, fellowships, grants, and veterans' educational benefits, except those deferred to the extent they are not used for tuition and mandatory fees;

(f) housing vendor payments to landlords; (g) payments under the supplemental food program for women, infants, and children (WIC); (h) payments in kind from government benefit programs, including, but not limited to, school lunch, medicare, and elderly feeding programs, and any payments in kind which cannot be reasonably and properly computed; (i) the cost of producing self-employed income; (j) Federal, State, and local income tax refunds, Federal income tax credits, and retroactive payments under the Social Security Act provided that these amounts shall be included under household resources for eligibility purposes; and (k) income specifically excluded by other Federal laws;

(3) Bases eligibility on income received during the 30 days prior to application;

(4) Provides for semi-annual adjustment of the standard deduction and of the income poverty guidelines according to changes in the Consumer Price Index, with the first adjustments effective July 1, 1977;

(5) Freezes existing assets eligibility standards (presently set by regulation) until 60 days after a report on asset holding has been submitted to Congress;

(6) Eliminates present automatic eligibility for persons eligible for welfare programs and requires them to apply and demonstrate eligibility just as nonwelfare persons;

(7) Excludes from eligibility college students who are or can legally be claimed as tax exemptions by families which are themselves not eligible for food stamps;

(8) Excludes from eligibility those who terminate employment voluntarily, unless previously eligible; strengthens work registration requirements for persons under 60 years of age; requires a person with a child age 12 or over (instead of age 18 or over) to meet the work registration and acceptance requirements for eligibility; and makes other changes;

Changes affecting benefits

Changes the purchase-price requirement from the present varying rate based on household size and income using basis-of-issuance tables established in 1971 to a uniform price rate of 25 percent of net income as determined under the Food Stamp Act; defines a "nutritionally adequate diet" as one that is based on the thrift food plan developed in 1975 by the Department of Agriculture and provides that the cost of such diet shall be the basis for uniform coupon allotments; provides that the minimum benefit for single-person and two-person households shall be $10 per month; and allows a household to file for lost benefits due to administrative error not later than 3 months after learning of the error, and limits the cash payment for lost benefits to bonus value of its allotment for a 3-month period;

Changes affecting administration

Requires States to certify applicants and issue authorization to purchase cards within 30 days of receiving the application; gives each State the option, instead of the present requirement which would have become effective beginning October 1, 1976, to decide whether to establish a system where a household may elect to have its purchase price charge for the coupons withheld from its public assistance check; allows all food stamp recipients who are housebound, feeble, physically handicapped, or otherwise disabled, as well as all those over age 60, to use food stamps for meals-on-wheels with stamps; authorize a pilot project on elimination of the purchase price requirements; provides that a household may be disqualified for fraudulent participation but must be found guilty in a court or by a State welfare agency, after a proper hearing; and makes other changes;

Changes affecting penalties for violations

Establishes criminal penalties for food stamp vendors who fraudulently mishandle receipts; requires timely and verified reports of receipts and deposits by vendors; reduces the maximum penalty for certain misdemeanor violations from $5,000 to $1,000 so as to permit such misdemeanors to be prosecuted before magistrates under the Federal Magistrates Act; and makes other changes. S. 3136—Passed Senate April 8, 1976. (138)

Food stamp vendors.—States that receipts from the sale of food stamps are Federal funds and that any vendor using such funds for his own benefit would be guilty of embezzlement, punishable by a fine of not more than $10,000, or a sum equal to the amount embezzled, or imprisonment for up to 10 years, or both; requires timely, verified reports of receipts and deposits by vendors to state agencies responsible for the administration of the program and to the Department of Agriculture; and directs the Secretary of Agriculture to establish procedures to monitor the inventories of food stamps held by vendors and to provide standards to safeguard them against misuse by vendors. S. 2852—Passed Senate April 8, 1976. (139)

Milk price supports.—Establishes the support price for milk at 85 percent of the parity price effective on the date of enactment and ending on March 31, 1978. S.J. Res. 121—Vetoed January 30, 1976. Senate sustained veto February 4, 1976. (27)

Peanut allotments.—Authorizes the Secretary of Agriculture, for 1976 and subsequent years, to permit the transfer of all or part of the peanut acreage allotments for any farm located in an area having suffered a natural disaster which would prevent the planting of peanuts on a timely basis to another farm engaged in the production of peanuts. S. 1545—Public Law 94-247, approved March 25, 1976. (VV)

Potash supplies.—Expresses as the sense of the Senate that: the Department of State should express concern to the Canadian Government and the Government of the Province of Saskatchewan that supplies of the critical plant nutrient, potash, not be disrupted: the Department of State should determine the exact objectives and likely conclusions of the proposed takeover of the potash industry by the Government of the Province of Saskatchewan; and the Department of Agriculture should develop contingency plans to assure an adequate supply of potash for American agriculture in the event that supplies from Saskatchewan should be temporarily or permanently disrupted. S. Res. 403—Senate adopted March 17, 1976. (VV)

Rice production.—Contains provisions effective for the 1976 and 1977 crops of rice; suspends marketing quotas and authorizes unrestricted planting of rice; establishes a national acreage allotment of 1.8 million acres, which is to be used only for determining program benefit recipients and amounts;

Establishes a price of $8 per hundredweight for the 1976 crop, adjusted to reflect changes in the index of prices paid by farmers for production items, interest, taxes and wage rates beginning on the date of enactment and ending July 31, 1976; provides that the established price for the 1977 crop would be the 1976 price, adjusted for changes in the index during the previous 12-month period, and that such established prices for both corps may be further adjusted for changes in yields;

Provides a 1976 loan rate of $6 per hundredweight, adjusted as in the case of the established price, and for a 1977 loan rate adjusted to reflect any change in the established price;

Authorizes payments if the 5-month average market price received by producers falls short of the established price (if the market price is higher than the established price, no payments are made);

Authorizes disaster payments, limited to $55,000 per person, under certain conditions; authorizes sales, leases, and transfers of allotments and a rice research program; and contains other provisions. H.R. 8529—Public Law 94-214, approved February 16, 1976. (23)

Tobacco allotments.—Permits the lease and transfer of all types of flue cured tobacco farm acreage allotments or marketing quotas across county lines in any State where a majority of the producers of flue-cured tobacco, voting in referendum, approve; and excludes North Carolina from the provisions of the bill. S. 700—Passed Senate January 26, 1976. (VV)

Watershed projects loans limitation.—Amends the Watershed Protection and Flood Prevention Act, as amended, to increase from $5 million to $10 million the limitation on any single loan or advancement for watershed works of improvement. S. 2484—Passed Senate April 13, 1976. (VV)

Wool act payments.—Authorizes the Secretary of Agriculture to amend retroactively the regulations governing the computation of price support payments under the National Wool Act of 1954 for the marketing years 1969 through 1972 to permit making Wool Act payments to certain farmers and ranchers who failed to receive the full proceeds from their sale of wool because of defaults in payments by their marketing agency; and provides that the computation be based on the lesser of (a) the net sales proceeds based on the price the farmer or rancher would have received had there been no default or payment or (b) the fair market value of the wool at the time of sale. S. 532—Passed Senate April 13, 1976. (VV)

APPROPRIATIONS

1976 and Transition Period:

Continuing.—Extends the continuing resolution (Public Law 94-159) which expires on March 31, 1976, until September 30, 1976, to provide obligational authority for programs funded under the foreign assistance and District of Columbia Appropriations Acts which have not yet been enacted; extends authority for certain programs for the Department of Health, Education, and Welfare and the Corporation for Public Broadcasting; and includes $175,000 for the National Commission on Water Quality to complete its final report. H.J. Res. 857—Public Law 94-254, approved March 31, 1976 (VV)

Defense.—Appropriates $90,721,789,000 for fiscal year 1976 and $21,849,816,000 for the transition period July 1–September 30, 1976, for the military functions of the Department of Defense including pay, operations and maintenance, procurement, research and development, intelligence functions, and funds for the Central Intelligence Agency; prohibits the use of funds under this Act for any activities involving Angola other than intelligence gathering and contains other provisions. H.R. 9861—Public Law 94-212, approved February 9, 1976. (*505,*602)

Foreign aid.—Appropriates $5,328,640,909 in new budget (obligational) authority for Foreign Assistance Act activities, foreign military credit sales, foreign assistance and other programs and for activities of the Export-Import Bank for fiscal year 1976 and $978,179,000 for these activities for the transition period; prohibits assistance to North or South Vietnam, Cambodia, or Laos; and prohibits aid to any nation which is in default on payments of U.S. loans for more than 1 year. H.R. 12203—Passed House March 4, 1976; Passed Senate amended March 23, 1976; Conference report filed. (90)

Labor-HEW.—Appropriates $36,073,748,318 for fiscal year 1976 and $8,953,070,000 for the transition period July 1–September 30, 1976, for the Departments of Labor, and Health, Education, and Welfare (HEW), and related agencies; includes programs for comprehensive manpower assistance and public service employment, occupational health and safety (OSHA), maternal and child health, emergency medical services, Public Health Service hospitals, National Institutes of Health (NIH) research, alcohol, drug abuse, and mental health programs, public assistance, human development, and community services programs;

Increases funds for OSHA to provide 333 additional compliance officers; directs the Department of Labor to take the following actions in the area of occupational safety and health: (1) upgrade the skills of OSHA inspectors through intensive retraining, (2) review and simplify existing OSHA standards and eliminate standards which do not deal with workplace conditions that are clearly hazardous to the health or safety of workers or are more properly under the jurisdiction of State departments of public health; (3) redirect enforcement programs to place increased emphasis on problems related to worker health; (4) redirect inspection efforts away from industries with good worker health and safety records so as to permit increased inspection in industries with the greatest health and safety problems; and (5) develop fine-free on-site consultation programs to advise employers of the application of OSHA standards in their workplace; requires the Secretary of Labor to report to the Senate and House Appropriations Committees 30 days prior to the first day of a scheduled hearing what actions have been taken to comply with these directives; and

Prohibits the use of funds contained in the Act to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home and which offers the courses of study pursued by the student in order to comply with title VI of the Civil Rights Act of 1964. H.R. 8069—Vetoed December 19, 1975. House overrode veto January 27, 1976; Senate overrode veto January 28, 1976. Became Public Law 94–206, without approval January 28, 1976. (*423,15)

Supplemental.—Appropriates $2,242,384,000 in emergency supplemental appropriations for fiscal year 1976 to the Department of Labor ($522,420,000 for summer youth jobs, $1.2 billion for public service employment, and $55.9 million for part time jobs for low-income older persons); HEW ($135,064,000 for a nationwide influenza immunization program to prevent an expected swine flu epidemic and $23 million for Summer Youth Recreation and Transportation and the National Youth Sports Programs); and includes $300 million to liquidate obligations made under the Environmental Protection Agency's waste treatment construction program. H.J. Res. 890—Public Law 94– , approved 1976. (142)

Supplemental legislative.—Appropriates $33 million for fiscal year 1976 to complete the construction of the Library of Congress James Madison Memorial Building; retitles the Senate position of Procurement Officer, Auditor, and Deputy Sergeant at Arms to Deputy Sergeant at Arms and Doorkeeper; and increases the maximum salary which the Sergeant at Arms and Doorkeeper may fix for the position from $35,298 to $39,909 with the provision that such authority does not supercede any order of the President pro tempore of the Senate authorizing a higher salary or an adjustment under section 4 of the Federal Pay Comparability Act of 1970. H.J. Res. 811—Public Law 94–226, approved March 9, 1976. (VV)

Supplemental railroad.—Makes supplemental appropriations of $587 million for fiscal year 1976, $4.25 million for the transition period July 1–September 30, 1976, $995.3 million for fiscal year 1977, and $176 million for fiscal year 1978 to implement the reorganization of the bankrupt Penn Central Railroad and 6 other railroads servicing a 17-State region in the northeastern and midwestern portion of the Nation. H.J. Res. 801—Public Law 94–252, approved March 30, 1976. (50)

BUDGET

Deferrals—1976:

Army Corps of Engineers.—Disapproves the proposed deferral of $700,000 contained in the Public Works Appropriations Act of 1976 (Public Law 94–180) for the United States Army Corps of Engineers to plan and design hopper dredges which was recommended by the President in his message of January 23, 1976. S. Res. 408—Senate adopted April 14, 1976. (VV)

Indian health facilities.—Disapproves the proposed deferral of $14,908,000 contained in the Department of the Interior and Related Agencies Appropriations Act of 1976 (Public Law 94–165) for Indian Health Facilities which was recommended by the President in his messages of July 26, 1975, and January 23, 1976. S. Res. 366—Senate adopted March 9, 1976. (VV)

Indian public school construction.—Disapproves the proposed deferral of $10,881,000 contained in the Department of the Interior and Related Agencies Appropriations Act of 1976 (Public Law 94–165) for construction grants to public schools in Indian reservation areas which was recommended by the President in his message of February 6, 1976. S. Res. 388—Senate adopted March 9, 1976. (VV)

Youth Conservation Corps.—Disapproves the proposed deferral of $23,680,000 contained in the Department of the Interior and Related Agencies Appropriations Act of 1976 (Public Law 94–165) for the Youth Conservation Corps which was recommended by the President in his message of February 6, 1976. (VV) S. Res. 385—Senate adopted March 9, 1976. (VV)

Rescissions—1976:

Consumer product safety, Interior, Park Service, Selective Service, and State.—Rescinds $75,831,000 of the $83,506,000 recommended by the President in his message of January 23, 1976, as follows: $2,656,000 for salaries and expenses of the Consumer Product Safety Commission; $1,775,000 for salaries and expenses of the Selective Service system; $4.9 million for the Department of Interior Bureau of Land Management, public lands development roads and trails; $58,-500,000 for road construction of the National Park Service; and $8 million for road construction of the National Park Service; and $8 million for educational and cultural exchange activities of the Department of State. H.R. 11665—Public Law 94–249, approved March 25, 1976. (VV)

Resolutions—1976:

First budget resolution.—Sets the level for total budget outlays at $412.6 billion, for total new budget authority at $454.9 billion, for the deficit at $50.2 billion, for Federal revenues at $362.4 billion and for the public debt at $711.5 billion with an increase in the temporary statutory limit on the public debt of $65.3 billion;

Sets the total levels for outlays for the major functional categories in the budget at $412.6 billion as compared to the President's budget recommendation as revised in the spring update of March 25, 1976, for outlays of $395.2 billion, as follows (figure are in billions of dollars):

National defense: $100.9 as compared to $101.1;

International affairs: $7.0 as compared to $6.9;

General science, space, and technology: $4.5 as compared to $4.5;

Natural resources, environment, and energy; $15.6 as compared to $13.8;

Agriculture: $1.9 as compared to $1.9;

Commerce and transpotation: 18.6 as compared to $16.4;

Community and regional development: $7.8 as compared to $5.7;

Education, training, employment, and social services: $21.2 as compared to $17.6;

Health: $37.6 as compared to $35.5;

Income security: $140.1 as compared to $136.5 (adjusted to exclude earned income tax credit);

Veterans benefits and services: $19.3 as compared to $17.2;

Law enforcement and justice: $3.4 as compared to $3.4;

General government: $3.6 as compared to $3.6;

Revenue sharing and general purpose fiscal assistance: $7.4 as compared to $7.4;

Interest: $40.4 as compared to $41.3;

Allowances: $0.7 as compared to $1.5; and

Undistributed offsetting receipts: a minus $17.4 as compared with a minus $18.4. S. Con. Res. 109—Senate adopted April 12, 1976. (148)

CONGRESS

Congressional tax liability.—Amends title 4, U.S.C., to make it clear that Members of Congress may not, for the purposes of State income tax laws, including those of the District of Columbia, be treated as residents of any State than the State from which they were elected; and provides equal treatment for delegates from the District of Columbia, Guam and the Virgin Islands and the Resident Commissioner from Puerto Rico. S. 2447—Passed Senate February 18, 1976. (VV)

Inaugural committee.—Authorizes a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House respectively, to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect on January 20, 1977. S. Con. Res. 90—Senate adopted January 29, 1976: House adopted February 18, 1976. (VV)

Joint Committee on the Bicentennial.—Amends S. Con. Res. 44 which established the Joint Committee on Arrangements for Commemoration of the Bicentennial to grant the Committee the power to enter into contracts for food, restroom, first aid, and informational facilities and to accept for transmittal to the Treasury whatever profits might be derived from such arrangements. S. Con. Res. 103—Senate adopted March 16, 1976; House adopted March 18, 1976. (VV)

Magna Carta delegation.—Provides for a delegation of 25 Members of Congress consisting of the Speaker of the House, 12 members appointed by the Speaker, and 12 members appointed by the President of the Senate (upon the recommendation of the Majority and Minority Leaders) to go to the United Kingdom, at the invitation of the two Houses of Parliament, to accept a 1-year loan of an original copy of the Magna Carta for display in the Rotunda of the Capitol in connection with the Bicentennial. S. Con. Res. 98—Senate adopted March 4, 1976; House rejected March 9, 1976; House reconsidered and adopted amended March 17, 1976; Senate agreed to House amendment April 5, 1976 (VV)

Professional societies fellowship programs.—Expresses the appreciation of the Congress to the following scientific and engineering societies for their Congressional Science and Engineering Fellowship Programs: The American Association for the Advancement of Science, The American Physical Society, The Institute of Electrical and Electronic Engineers, The American Society of

Mechanical Engineers; The American Psychological Association, The American Institute of Aeronautics and Astronautics. The Optical Society of America, and The Federation of American Societies for Experimental Biology; gives special thanks to The American Association for the Advancement of Science for its role in coordinating the fellowship programs of the various societies; and encourages the scientific and engineering communities to continue to expand this public service activity. S. Con. Res. 100—Senate adopted March 10, 1976. (VV)

CONSUMER AFFAIRS

Consumer Food Act.—Requires food processors to develop, implement, and maintain adequate safety assurance procedures, and empowers the Secretary of Health, Education, and Welfare to develop and enforce safety assurance standards for procedures and systems that fail to provide adequate protection against unreasonable risks of adulteration; seeks to upgrade the Nation's food safety and sanitation programs by requiring food recall coding, by providing a national registration program for food processors, and by extending the Food and Drug Administration's inspection authority to include records maintained by food processors; and requires food manufacturers to provide complete, and in some cases quantitative, food ingredient information, open dating information, and information regarding the nutritional value of food products. S. 641—Passed Senate March 18, 1976. (86)

Consumer leasing.—Amends the Truth in Lending Act to make the provisions of the Act applicable to leases of consumer durables (such as automobiles and household goods) with a total contractural obligation not exceeding $25,000, to protect consumers against iadequate and misleading leasing information, to limit ultimate liability in connection with the leasing of such property, and to provide consumers with more meaningful information about the component and aggregate costs so that they can make better informed choices between leases, and between leases and credit sales. H.R. 8835—Public Law 94–240, approved March 23, 1976. (VV)

Consumer product safety.—Authorizes $51 million for fiscal year 1976, $14 million for the transition period July 1-September 30, 1976, and $55 million for fiscal year 1977 to implement the Consumer Product Safety Act; contains provisions concerning the jurisdiction of the Consumer Product Safety Commission which: (1) eliminates pesticides from the Commission's jurisdiction under the Poison Prevention Packaging Act of 1970 as being duplicative of the Environmental Protection Agency's authority under the Federal Environmental Pesticide Control Act of 1972 to enforce pesticide-related packaging standards for the purpose of child protection; (2) provides that the Commission has no jurisdiction to regulate tobacco or tobacco products as being a "hazardous substance" under the Federal Hazardous Substances Act, but provides that the Commission may regulate tobacco and tobacco products under the Consumer Product Safety Act to the extent that such products present an unreasonable risk of injury as a source of ignition; (3) provides that the Commission, under the Hazardous Substances Act, may not regulate ammunition as a "hazardous substance" but may continue to establish and enforce cautionary labeling requirements relative to storage in a household, and may continue to regulate fireworks as a "hazardous substance"; prohibits political clearance by the Executive Office of the President, the Office of Management and Budget, or other executive agencies of any employee whose principal duties would involve significant participation in the determination of major Commission policies or who would serve as a personal assistant or adviser to any Commissioner; requires, in order to facilitate the identification of potential product hazards, that a product liability insurer or an independent testing laboratory which discovers a substantial product hazard in the course of its business must report that finding to its insured or its client and inform him of his obligations, if any, under the law; enlarges the enforcement authority of the Commission; provides a uniform Federal preemption clause for the Federal Hazardous Substances Act, the Flammable Fabrics Act and the Consumer Product Safety Act which provides that if the Commission has requirements in effect for a product, State or local requirements must conform to the Federal standard unless the State requirement does not cause the product to be in violation of the Federal standard and provides a significantly higher degree of protection without unduly burdening the manufacture or distribution of products in interstate commerce; gives courts the discretion to award attorney's fees to persons involved in obtaining judicial review under the Consumer Product Safety Act; and contains other provisions. S. 644—Passed Senate July 18, 1975; Passed House amended October 22, 1975; House agreed to conference report April 13, 1976. (*297)

Equal credit opportunity.—Amends title VII of the Consumer Credit Protection Act to expand the prohibitions aganst discrimination in credit transactions to include age, race, color, religion, national origin, receipt of public assistance benefits, and exercise of rights under the Act; provides that a rejected credit applicant may, upon request, obtain a statement giving the specific reasons credit was refused; creates a Consumer Advisory Council in the Federal Reserve Board to advise and consult with the Board concerning its supervisory functions under the Act and phases the existing Truth in Lending Advisory Committee into the Council; clarifies the relationship of this Act to existing or future State law dealing with credit discrimination, while generally allowing the State law to remain in effect if it is not inconsistent with this Act; strengthens the enforcement mechanisms in present law by continuing the present limits on punitive damages of $10,000 for individual actions and $100,000 for class actions and raising the ceiling for class action recoveries of civil penalties from the present formula of the lesser of $100,000 or 1 percent to the lesser of the $500,000 or 1 percent of the creditor's net worth; and empowers the U.S. Attorney General to bring enforcement actions, either on referral from other agencies or on his own initiative, where there are patterns or practices in violation of this Act. H.R. 6516—Public Law 94–239, approved March 23, 1976. (VV)

Motor vehicle information and cost savings.—Amends the Motor Vehicle Information and Cost Savings Act to authorize additional appropriations to implement the four titles of the bill for fiscal year 1976, the transition period July 1-September 30, 1976, and fiscal year 1977 respectively, as follows: Title I, which requires the Secretary of Transportation to promulgate bumper standards applicable to all passenger motor vehicles: $500,000, $125,000 and $500,000; Title II, which provides for an automobile consumer information program: $2 million, $650,000 and $4 million; Title III, which provides for diagnostic inspection demonstration projects: $5 million, $1.5 million, $7.5 million; and Title IV, which sets odometer requirements: $450,000, $100,000 and $650,000; redefines the special motor vehicle diagnostic inspection demonstration project under title III to assure that the project will be designed for use by States for high volume inspection facilities to evaluate conditions of parts, components and repairs required to comply with State and Federal safety, noise and emission standards and to assist the owner in achieving the optimum fuel and maintenance economy and authorizes an additional $7.5 million for fiscal year 1978 to implement this program; provides the Secretary with additional authority to enforce the odometer anti-tampering provisions; and imposes a civil penalty of not to exceed $10,000 for each violation and criminal penalties of not more than $50,000 and/or 1 year in prison. S. 1518—Passed Senate June 5, 1975; Passed House amended January 22, 1976. (VV)

CRIME-JUDICIARY

Bankruptcy referees salary.—Amends the procedure for fixing the salaries of bankruptcy referees and implements the Congressional Salary Adjustment Act (Public Laws 90–206 and 94–82); restores to Congress the sole authority to fix salaries of full-time bankruptcy referees which are set at $36,000 per year subject to adjustment pursuant to Public Laws 90–206 and 94–82; sets the maximum salary of a part-time bankruptcy referee at $18,400 subject to adjustment of the Judicial Conference; and provides that a retired referee may be called upon by a referee of a court of bankruptcy, and if willing, perform the duties of a bankruptcy referee within the jurisdiction of the court at the same compensation as the assigned referee serving the territory to which the retired referee is assigned. H.R. 6184—Public Law 94–217, approved February 27, 1976. (VV)

Copyright revision.—Makes a general revision of the copyright law including: a lengthening of the period of a copyright from 56 years (28 years plus an allowed renewal of 28 years) to the lifetime of the author plus 50 years; the establishment of a Copyright Royalty Tribunal in the Library of Congress, which would set royalty rates, to be reviewed and changed every 10 years, for the use under a system of compulsory licenses of copyrighted works by cable television systems, public broadcasting stations, and certain jukebox owners; a requirement that jukebox owners, presently exempt from royalty payment requirements, must pay a royalty of $8 annually per machine; provisions permitting libraries to reproduce or distribute not more than one copy of a copyrighted work, which must include a notice of the copyright; and contains other provisions. S. 22—Passed Senate February 19, 1976. (40)

District court judgeships.—Provides for the creation of 45 additional district court judgeships in 40 judicial districts located in 28 States and Puerto Rico so as to enable the district courts to handle more efficiently and expeditiously the increased volume of cases brought before them; reallocates the 7 judgeships authorized for the 3 judicial districts in the State of Oklahoma to provide a more equitable workload; converts the temporary judgeship in the middle district of Pennsylvania to a permanent judgeship; and contains other provisions. S. 287—Passed Senate April 1, 1976. (113)

Drug enforcement administration agents.—Authorizes the Permanent Subcommittee on Investigations, at the discretion of its chairman, to provide the Drug Enforcement Administration with any information in its possession relevant to alleged illegal activities of certain agents of the Drug Enforcement Administration. S. Res. 391—Senate adopted February 17, 1976. (VV)

Lotteries.—Amends titles 18 and 39, U.S.C., to make the present exemption which permits a newspaper published in a State with a State-conducted lottery to contain lottery information concerning that State's lottery, also apply to a newspaper published in an adjacent State in order to permit it to carry such lottery information provided the adjacent State also had a State-conducted lottery thus providing an exemption for newspapers with the same scope as that now applied to radio and television stations. H.R. 1607—Public Law 94- , approved 1976. (VV)

Parole reorganization.—Reorganizes the Federal parole structure by abolishing the present U.S. Board of Parole and replacing it with a 9-member U.S. Parole Commission as an independent agency attached to the Department of Justice (one to serve as Chairman, three to serve as members of a National Appeals Board, and five to serve in the five regions around the country); provides that the Commissioners shall be appointed by the President with the advice and consent of the Senate for 6 year terms except that no one may serve more than 12 years; provides for panels of hearing examiners, operating under guidelines adopted by the full Commission, to conduct parole hearings and recommend decisions subject to review by regional commissioners and the National Appeals Board before becoming final; provides an internal process by which the Attorney General or the offender may trigger a review by the National Appeals Board of any decision made by a regional commissioner; gives the Chairman the necessary administrative powers to keep the decision-making machinery of the Parole Commission operating on a timely basis; provides a procedure to insure better opportunities for decision-making and fairness in parole interviews; requires that the revocation process whereby a parolee is returned to prison for violating the conditions of his parole not based on a new criminal conviction must contain certain procedural safeguards set forth by the Supreme Court in Morrissey v. Brewer, 408 U.S. 471 (1972) and Gagnon v. Scarpelli, 411 U.S. 778 (1973), and in the case of a parolee charged with a new criminal conviction, the parole revocation process must satisfy the probable cause requirement set forth in U.S. v. Tucker, F.2d 77 (Fifth Cir. 1975); provides a process of appeal where conditions were imposed on a parole or release has been modified or denied or parole revoked with review of decisions upon written request; and provides that an offender who has demonstrated by his conduct that he has rehabilitated himself could be discharged from supervision by the Parole Commission. H.R. 5727—Public Law 94–233, approved March 15, 1976. (VV)

Patent laws revision.—Provides for the general revision of the United States patent system including: duties and procedures of a generally administrative nature imposed on or carried out by the Patent and Trademark Office; substantive and procedural provisions regarding the obtaining of patents; rights of a patent holder and their enforcement; and implementation of the Patent Cooperation Treaty. S. 2255—Passed Senate February 26, 1976. (VV)

Territorial judges cost-of-living adjustment.—Amends section 373, title 28, U.S.C., to grant to eligible judges the same cost-of-living adjustments in their retirement compensation as is given to annuitants under the civil service retirement fund as provided and computed in section 8340 (b) title 5, U.S.C.; limits the total amount payable by any cost-of-living adjustment to 95 percent of the salary payable to a U.S. district court judge in regular active service; and excludes any life-tenure district court judge who retired by resigning the office in which event he receives the salary he was receiving at the time of his resignation for the remainder of his life. S. 14—Passed Senate February 4, 1976. (VV)

U.S. magistrates jurisdiction.—Amends section 636(b), title 28, U.S.C., to clarify and further define the additional duties which may be assigned to a U.S. Magistrate in the discretion of a judge of the district court including the power to hear and determine certain pretrial motions and to hear and recommend disposition motions; provides that the order or recommendation of a magistrate is subject to final review by a judge of the court; and provides that a magistrate may be assigned any other duty not inconsistent with the Constitution and laws of the United States to enable the district courts to continue innovative experimentations in the use of the magistrate. S. 1283—Passed Senate February 5, 1976 (VV)

U.S. magistrates salary.—Amends title 28, U.S.C., to provide that full-time U.S. Magistrates shall receive the same salary as full-time referees in bankruptcy and adjusts the salary of part-time magistrates to up to one-half of the amount received by full-time magistrates instead of the fixed amount of $15,000 contained in present law, thus giving the Judicial Conference of the United States, which sets the salary of magistrates, the authority necessary to fix the salary of full-time magistrates at $36,000 per year, the current statutory maximum for referees in bankruptcy. S. 2923—Passed Senate February 5, 1976. (VV)

DEFENSE

Armed services per diem allowance.—Amends section 404(d) of title 37, U.S.C., to increase the maximum rate of per diem allowance for uniformed services personnel traveling on official business from $25 to $35 and from $40 to $50 for travel to "high cost" areas under "unusual circumstances". H.R. 8089—Passed House November 17, 1975; Passed Senate amended March 31, 1976. (VV)

Assistant commandant of the Marine Corps.—Authorizes the Assistant Commandant of the Marine Corps to have the permanent grade of General, at the discretion of the President, with the advice and consent of the Senate, without regard to the overall strength of the Marine Corps instead of, as provided in present law, if the overall strength of the Marine Corps exceeds 200,000; and provides that the Secretary of Defense rather than the service Secretary must determine the disability retirement of general officers and medical officers. S. 2117—Public Law 94–225, approved March 4, 1976. (VV)

Carbonyl chloride.—Grants the Secretary of Defense authority to sell, within the United States, all stocks of the chemical labeled carbonyl chloride (also named phosgene) or any of its commercial derivatives procurred by the Department of Defense for use as a chemical warfare agent notwithstanding the provisions of section 409 of Public Law 91–121, as amended, or section 506 of Public Law 91–441 which prohibit disposal of a chemical warfare agent before it has been detoxified (unless immediate disposal is clearly necessary, in an emergency, to safeguard human life) or transport of a chemical to or from any military installation in the United States unless the Secretary determines that it is in the interest of national security. H.R. 9570—Public Law 94–251, approved March 29, 1976. (VV)

Defense production—voluntary agreements—Amends the Defense Production Act, as amended (Public Law 94–153), to make the provisions relating to voluntary agreements developed in support of the national defense effort or the International Agreement on an International Energy Program effective 120 days after the effective date of the Act (November 30, 1975) in order to afford certain agencies adequate time to prepare voluntary agreements which conform to the new provisions. H.J. Res. 784—Public Law 94–220, approved February 27, 1976. (VV)

Department of Defense employees oath authority.—Amends section 303, title 5, U.S.C., to authorize civilian employees of the Department of Defense to administer oaths to witnesses while conducting official investigations. H.R. 508—Public Law 94–213, approved February 13, 1976. (VV)

Household goods shipments.—Empowers the Federal Maritime Commission to investigate and suspend non-compensatory rates submitted by movers to the Department of Defense when those rates are submitted under a traffic allocation system such as the "Okinawa Trail" which denies the opportunity for other movers to bid for the traffic within a period of time. S. 2023—Passed Senate March 29, 1976. (VV)

Reservists active duty.—Authorizes the President, if he determines it is necessary to augment active forces for operational missions, to authorize the Secretaries of Defense or Transportation (in the case of the Coast Guard) to order the involuntary active duty of a maximum of 50,000 Selected Reservists for a limited 90-day period, without a declaration of war or national emergency; prohibits the call-up of reservists to perform functions relating to insurrection or enforcement of State laws or to assist Federal or State Government in time of disaster, accident, or catastrophe; excludes members called up from computation of active duty strength and grade structure; requires the President to submit to the Speaker of the House and the President of the Senate a written report stating the circumstances necessitating the call up of reservists and the anticipated use of them; provides that the service of all units so called up may be terminated by order of the President or by passage of a concurrent resolution by the Congress; reaffirms that nothing contained in its Act shall be construed as amending or limiting the application of the provisions of the war powers resolution; and entitles any reserve member ordered to active duty to the same reem- nothing contained in this Act shall be con- ployment rights and benefits currently provided reservists ordered to initial active duty for training for 3 months or more. S. 2115—Passed Senate January 26, 1976. (VV)

DISTRICT OF COLUMBIA

Southeastern University.—Insures the continued eligibility of Southeastern University for the benefits of the several acts providing for aid to higher education; amends its Charter to make possible the continued operation of the University as a nonprofit, tax-exempt educational institution under the provisions of section 501(c)(3) of the Internal Revenue Code; and makes provisions of Federal law relating to the audit of accounts of private corporations apply to the University. S. 611—Public Law 94–350, approved March 29, 1976. (VV)

ECONOMY-FINANCE

Bankruptcy of major municipalities.—Amends Chapter IX of the Bankruptcy Act to change the procedure by which the debts of political subdivisions and public agencies and instrumentalities are adjusted to enable a city to continue to function in an orderly manner while an adjustment or extension of its debts is negotiated with its creditors; provides that a legislature, or a governmental officer or organization empowered by State law is authorized to file a petition stating its eligibility to file, its inability to pay its debts as they mature, and its desire to effect a plan of composition or extension of its debts; provides that an entity is not eligible for relief unless (1) it has successfully negotiated a plan of adjustment of its debts with creditors holding at least a majority in amount of the claims of each class which are claims affected by that plan, (2) it has negotiated in good faith with its creditors and has failed to obtain, with respect to a plan of adjustment with its debts, the agreement of creditors holding at least a majority in amount of the claims of each class which are claims affected by that plan, (3) such negotiation is impracticable, or (4) it has a reasonable fear that a creditor may attempt to obtain a preference; provides that the filing of the petition would operate as a stay of the commencement or continuation of any court or other proceeding against the debtor; provides that while the city is negotiating with its creditors so as to work out a suitable plan, the city would remain under the management of whatever form of government is provided by State law; authorizes the city to issue certificates of indebtedness to supplement available funds on a short-term basis for essential governmental services; and requires that a final proposed plan be approved by more than 50 percent of all creditors and by creditors holding two thirds of the amount. H.R. 10264—Public Law 94–260, approved April 8, 1976. (*575)

Child day care staffing standards.—Delays the date for State compliance with Federal child care staffing standards from February 1, 1976, to July 1, 1976; increases Federal funding for social services programs by $62.5 million in fiscal year 1976 and $62.5 million for the transition quarter which is to be used only for child care expenditures and would be allocated on an 80 percent matching basis; reserves 20 percent of the additional Federal funding for allocation to States having particular funding problems related to complying with Federal child care standards; authorizes a tax credit for employing welfare recipients in child care; permits, on a temporary basis until September 30, 1976, the waiver of child care standards if the children receiving federally funded care represent no more than 20 percent of the total number of children served, or in the case of a center, no more than 5 such children, provided that it is not feasible to place the children in a facility which does meet the Federal requirements; modifies, also temporarily until September 30, 1976, the limitation on the number of children who may be cared for in a family day care home by not counting the family day care mothers own children if they are under age 6; and makes permanent certain social services provisions related to addicts and alcoholics. H.R. 9803—Vetoed April 6, 1976. House to consider May 4, 1976. (20,92)

Library of Congress trust funds.—Increases the amount of interest paid on the trust funds deposited with the United States Treasury by the Library of Congress Trust Fund Board to a rate which is the higher of the rate of 4 percent per annum or .25 percent less than a rate to be determined by the Secretary of the Treasury based on the current average market yield on the outstanding long-term marketable obligations of the United States having the longest periods of maturity adjusted to the nearest ⅛ of 1 percent. S. 2619—Passed Senate December 1, 1975; Passed House amended February 2, 1976; Senate agreed to House amendment with an amendment March 16, 1976. (VV)

Increases the amount of interest paid on the Library of Congress Trust Fund deposited with the United States Treasury under the Act of August 20, 1912 (Bequest of Gertrude M. Hubbard, a perpetual trust, for the purpose of adding to the Gardiner Greene Hubbard collection of engravings), to a rate which is the higher of the rate of 4 percent per annum or .25 percent less than a rate to be determined by the Secretary of the Treasury based on the current average market yield on the outstanding long-term marketable obligations of the United States having the longest periods adjusted to the nearest ⅛th of 1 percent, with such interest, as income, subject to disbursement for the purposes authorized and provided in the bequest. S. 2620—Passed Senate December 1, 1975; Passed House amended February 2, 1976; Senate agreed to House amendment with an amendment March 16, 1976. (VV)

New York City retirement systems.—Allows five New York City pension funds to participate in the plan worked out in November of 1975 between the city and its municipal employee unions and pension funds to purchase city notes without bringing to bear certain provisions of the Internal Revenue Code which affect the tax status of beneficiaries of such pension funds; provides that the Secretary of the Treasury may disapprove any amendment which the banks' Municipal Assistance Corporation may make to the Agreement if he feels it is not consistent with the purpose of this bill; and requires that reports on the financial condition of the funds be submitted to the Treasury and the Ways and Means and Finance Committees of the House and Senate respectively. H.R. 11700—Public Law 94–236, approved March 19, 1976. (VV)

Pension plans tax-free rollover.—Provides for a tax-free rollover treatment to an employee who receives a payment on account of a termination of his employer's retirement plan or a complete discontinuance of contributions under such a plan, and in certain situations involving sales of subsidiaries and divisions of corporations; requires, generally, that the payment be reinvested by the employee in a qualified plan or individual retirement account within 60 days; and makes these provisions applicable to payments received on or after July 4, 1974. H.R. 12725—Public Law 94– , approved ——— 1976. (VV)

Public debt limit increase.—Increases the temporary debt limit by $32 billion for a total temporary and permanent debt limit of $627 billion until June 30, 1976. H.R. 11893—Public Law 94–232, approved March 15, 1976. (VV)

State taxation of depositories.—Extends from January 1, 1976, to September 12, 1976, the moratorium on interest taxation of depositories to allow Congress a full year to consider the recommendations of the Advisory Commission on Intergovernmental Relations whose report was not submitted to the Congress until September 12, 1975; adds Connecticut, Rhode Island, Maine and Vermont to the list of States allowed NOW accounts; amends the Truth in Lending Act to provide that discounts offered by merchandisers for cash purchases would not, for truth in lending disclosure purposes, constitute interest or a finance charge under the State usury or time-price differential laws; places a 3-year limit on the ban against surcharges to give Congress an opportunity to review the matter during that time; and authorizes the Federal Reserve Board to delegate to its staff, the authority to issue interpretations or approvals that would have binding effect in subsequent litigation over violations of the Truth in Lending Act. S. 2672—Public Law 94–222, approved February 27, 1976. (VV)

EDUCATION

Allen J. Ellender fellowships.—Extends for 4 years, through fiscal year 1980, the Allen J. Ellender Fellowship Program authorized by Public Law 92–506 which provides fellowships to disadvantaged secondary school children; increases the authorization therefor from $500,000 annually to $750,000 for fiscal years 1977 and 1978, and $1 million for fiscal years 1979 and 1980; eliminates the present limitation on the number of fellowships to be awarded annually to accommodate the increased funding; amends that section of the Program which sets forth requirements for the program to ensure that students and teachers from rural communities and small towns, as well as teachers from urban areas, will be adequately represented among the fellowship recipients. H.J. Res. 491—Public Law 94– , approved ———, 1976. (VV)

Indochinese refugees educational assistance.—Authorizes $125.5 million to reimburse (on a 100 percent basis the first year and a 50 percent basis the second year) local educational agencies for costs incurred in educating Indochina refugee children through a basic cost of education grant plus a $300 per refugee child payment for supplementary assistance; and amends the Adult Education Act to direct the Commissioner to operate a program of grants to State and local governments for adult education programs for refugees with such funds to be appropriated from existing authorizations. S. 2145—Passed Senate October 29, 1975; Passed House amended January 19, 1976; Senate requested conference April 1, 1976. (VV)

ELECTIONS

Federal Election Commission—campaign financing.—Amends the Federal Election Campaign Act to provide for a Federal Election Commission composed of the Secretary of the Senate and the Clerk of the House of Representatives, as ex officio and non-voting members, and eight members appointed by the President by and with the advice and consent of the Senate, to replace the present Commission, which is composed of the Secretary of the Senate and the Clerk of the House of Representatives, as ex officio and non-voting members, and six members, two appointed by the President pro tempore of the Senate, two by the Speaker of the House of Representatives, and two by the President, in order to meet the constitutional objections stated by the Supreme Court in *Buckley* v. *Valeo,* decided January 30, 1976, to the delegation of the administration and enforcement of the Act, which constitute executive branch functions, to officers appointed by the legislative branch instead of by the President as required under the Appointments Clause of the Constitution;

Provides that not more than three appointed members of the Commission may be of the same political party and that at least two members shall not be affiliated with any political party; sets terms of eight years for the members, except that of the members first appointed, two are to be appointed for terms ending April 30, 1977, two for terms ending April 30, 1979, two for terms ending April 30, 1981, and two for terms ending April 30, 1983, and provides that none of the two shall be affiliated with the same political party;

Gives the Commission exclusive and primary jurisdiction for civil enforcement of the Act and of the provisions of the Internal Revenue Code regarding public financing of Presidential campaigns; requires the affirmative vote of five members of the Commission to establish guidelines, initiate civil actions, render advisory opinions, make regulations, conduct investigations, or report apparent violations of law;

Makes various reporting and definitional changes, which include a requirement that (1) records be kept by political committees only on contributions in excess of $100, instead of in excess of $10 and (2) corporations, labor organizations and other membership organizations report expenditures over $1,000 per candidate per election for communications to stockholders or members advocating the election or defeat of a particular candidate; permits corporations and labor organizations to make two written solicitations per year from stockholders, officers, and employees;

Restructures the penalty provisions of the law to provide criminal penalties for substantial violations and civil penalties and disclosure for less substantial violations, as well as protection for persons who enter into and adhere to conciliation agreements with the Commission;

Prohibits the use of the franking privilege for general mass mailings made less than

60 days prior to any primary or general election in which a Senator or Representative is a candidate, instead of 28 days prior as at present;

Retains the present $5,000 limit per candidate per election on contributions by a multi-candidate political committee to a candidate and his authorized political committees, and places a limit of an aggregate amount of $25,000 per year on contributions by a multi-candidate political committee to any political party committee which is not the authorized committee of any candidate, and an aggregate limit of $10,000 on such contributions to any other political committee; permits the Republican and Democratic Senatorial Campaign Committees and the national committee of a political party to contribute up to $20,000 to a candidate for nomination or for election to the U.S. Senate; treats as a single political committee all committees established by a single person or group of persons, and provides that these limits do not apply to transfers between national, State, District or local political committees, or to joint fundraising efforts;

Requires that any printed or broadcast communication which expressly advocates the election or defeat of a clearly identified candidate and which is disseminated to the public must contain a notice that it is authorize by a candidate or is not authorized by a candidate;

Prohibits a Presidential candidate who accepts public financing from spending more than $50,000 from his own personal funds or the funds of his immediate family in connection with his campaign; provides for termination of public financing for Presidential candidates for lack of demonstrable support;

Provides a 15 legislative day or 30 calendar day period, whichever is later, for Congressional review of rules or regulations proposed by the Commission instead of the present limit of 30 legislative days;

Establishes a Bicentennial Commission on Presidential Nominations to study the Presidential nominating process; requires government employees receiving annual salaries exceeding $25,000 in 1976 or thereafter or any person who becomes a candidate for Federal office to file a financial statement with the Comptroller General which is to be kept as a public record open for inspection; repeals all limits on honoraria which may be accepted by Federal officials; and contains other provisions. S. 3065—Passed Senate March 24, 1976; Passed House amended April 1, 1976; in conference. (96)

Political campaigning.—Condemns the conduct of certain people toward Governor George Wallace of Alabama and Senator Henry Jackson of Washington while campaigning in Wisconsin; states that such conduct, wherever it should occur, is un-American, undemocratic, and violates the principles of free speech and fair play; and declares that any loyal and patriotic citizen has the right to seek the office of President and present his or her views to the American people without fear of harassment or of bodily harm. S. Res. 419—Senate adopted March 31, 1976. (VV)

EMPLOYMENT

Public works employment.—Authorizes the Secretary of Commerce to make grants to State and local governments for the total cost of construction, renovation, repair or other improvement of public works projects, to make supplemental grants for the purpose of increasing the Federal contribution to 100 percent of the cost of public works projects authorized by any other Federal law where the Federal assistance is available and construction has not started, and to make grants for all or any portion of the State or of the local share cost of any public works project authorized by any State or local law where construction has not yet started;

Assures that at least ½ of 1 percent but not more than 10 percent of funds appropriated will be granted within any one State and groups Guam, the Virgin Islands and American Samoa together for this purpose; requires the Secretary, as long as the national unemployment rate is 6½ percent or more, to give priority to applications from areas in excess of the national rate and thereafter to give priority to areas in excess of 6½ percent but less than the national unemployment rate; requires that 70 percent of the funds must be used for the first priority category; authorizes up to $2.5 billion to carry out this title for the period ending September 30, 1977;

Authorizes, in title II, funds for financial assistance to State and local governments for each of 5 succeeding calendar quarters (beginning April 1, 1976) of $125 million when the national seasonally adjusted unemployment rate reaches 6 percent plus an additional $62.5 million for each one-half percentage point over 6 percent which on an annual basis means $500 million would be authorized when the national rate reaches 6 percent and an additional $250 million would be authorized for each percentage point that the rate rises over 6 percent; authorizes assistance from these amounts to States and local governments based upon their unemployment rate and level of tax revenue, as measures of recessionary impact and the level of services provided;

Amends, in title III, section 201(c) of the Public Works and Development Act of 1965 to increase the authorization for fiscal year 1976 from $75 million to $200 million, and authorizes under this section payment during the calendar year ending December 31, 1976, of interest supplements sufficient to reduce the interest up to 4 percentage points on loans guaranteed by the Secretary in order to aid firms needing financial assistance to continue current operations;

Authorizes the Secretary to designate as a redevelopment area cities of 50,000 or more and to make grants to cities with approved development programs; authorizes $50 million for fiscal year 1976 and $50 million for the transition period for this purpose;

Authorizes $500 million for fiscal year 1976 and makes the funds available for obligation until September 30, 1976, for supplementing existing programs; authorizes $1,417,968,050 for the fiscal year ending September 30, 1977, for grants for the construction of publifcly owned wastewater treatment works pursuant to title II of the Federal Water Pollution Control Act; and contains other provisions. H.R. 5247—Vetoed February 13, 1976. House overrode veto February 19, 1976; Senate sustained veto February 19, 1976. (*348,41)

Public works jobs.—Amends the Public Works and Economic Development Act of 1965 to provide $2.5 billion for anti-recessionary public works authorizations, of which (1) $2 billion is for grants to State and local governments for public works projects, (2) $125 million is for an increase for working capital loans to prevent the loss of jobs in the private sector, and (3) $375 million is for the Job Opportunities Program (title X), to accelerate the job-creating impact of various Federal, State and local programs; authorizes $1.375 billion for countercyclical assistance to State and local governments; and makes additional authorizations of $1.4 billion for waste treatment works construction grants under the Federal Water Pollution Control Act. S. 3201—Passed Senate amended April 13, 1976. (150)

ENERGY

Coal leasing—strip mining.—Makes basic changes in the Mineral Leasing Act of 1920 governing leasing of Federally owned coal which constitutes almost 50 percent of the recoverable coal reserves in the United States; provides that all leasing shall be done under a 5-year program to be developed by the Secretary of the Interior and designed to meet national needs for Federal coal in a manner consistent with (a) timely and orderly development of Federal coal resources, (b) environmental protection, and (c) receipt of fair market value for public resources; provides that leases may be issued only by competitive bidding on either a royalty or bonus bidding basis in order to permit a wider opportunity for competition for Federal coal leases;

Requires the preparation of land use plans where the United States owns both the surface and subsurface prior to sale of leases, and provides that, in cases where the surface is not Federally owned, no lease sale shall be held if the Secretary determines that development of such coal deposits would be inconsistent with any applicable State or local land use plan except where the Secretary finds that such development would be in the national interest;

Eliminates prospecting permits and preference right leases to prospectors as no longer appropriate or necessary since considerable information has been accumulated since 1920 about Federal coal resources which provides an adequate basis for leasing decisions; provides that coal leases shall be for a specified term of 20 years and so long thereafter as coal is produced instead of for indeterminant periods dependent upon diligent production as at present; requires a lessee, within 3 years after obtaining a coal lease and before significant environmental disturbance, to formulate and submit for approval a development plan which must show the work to be done, the manner of extraction, how applicable environmental and health and safety standards as well as reclamation standards set out in title II are to be met;

Increases by 22½ percent (from 37½ to 60 percent) the share of lease revenues to the State in which the lease is located and specifies that the additional 22½ percent shall be used for planning, construction and maintenance of public facilities, and provision of public services in those areas suffering impact problems as a result of energy development;

In title II, the Federal Lands Surface Mining Control and Reclamation Act of 1975, applies to Federal lands and Federal coal the basic surface coal mining and reclamation standards of the vetoed strip mining bill (H.R. 25); requires the Secretary to issue regulations for a Federal program implementing this Act; requires after enactment of this Act that persons wishing to conduct any surface mining operations on Federal lands must obtain a permit from the Secretary; specifies the permit application information that must be given to demonstrate that the environmental protection provisions of this Act can be met, which includes submission of a reclamation plan; provides for giving public notice and holding public hearings in regard to an application; and contains other provisions. S. 391—Passed Senate July 31, 1975; Passed House amended January 21, 1976. (*364)

Coastal zone management.—Amends the Coastal Zone Management Act to assist States facing Outer Continental Shelf (OCS) oil and gas development or other energy-related developments and facilities affecting the coastal zone; provides assistance in the form of grants or loans to coastal States from a new coastal energy facility impact fund, which is to be available to States receiving or anticipating impacts in their coastal zones from the exploration, development, and production of energy resources, or from the location, construction, expansion or operation of any energy facility requiring a Federal license or permit; authorizes moneys for the fund at $250 million per year for 3 fiscal years and the 1976 transition period; provides that up to 20 percent of the moneys may be used for planning grants with the balance to be used for efforts to reduce or ameliorate adverse impacts from energy exploration and development or to provide public facilities and services necessitated by such activity; requires as a condition of eligibility the provision of public facilities and services necessitated by such activity; requires as a condition of eligibility for assistance from the fund that the State must participate in a coastal zone management program and must experience or anticipate a temporary or net adverse impact or have experienced an adverse impact within the 3 years prior to enactment; authorizes automatic grants payable from the general treasury to any State where OCS oil or natural gas is being directly landed (brought ashore); provides a Federal guarantee for State or local government bonds issued to pay for measures needed to reduce adverse coastal impacts; contains provisions to clarify that Federal leases must be consistent with approved coastal zone management programs of the affected States; raises the Federal share for coastal zone management funding from 66⅔ percent to 80 percent; amends the Mineral Leasing Act of 1920 to increase from 37½ percent to 60 percent the amounts returned to the States as reclamation funds from royalties paid to the Federal Government by mining companies extracting federally-owned minerals; and contains other provisions. S. 586—Passed Senate July 16, 1976; In conference. *NOTE:* (Impact fund provisions are also contained in S. 521, Outer Continental Shelf Management, which passed the Senate July 30, 1975.) (*291)

Energy conservation in buildings.—In title I, authorizes the Federal Energy Administration to make grants to States for financing residential insulation improvements for low-income persons; provides an authorization of $55 million annually for fiscal years 1976, 1977, and 1978, with the funds to be used chiefly for purchasing insulation materials to be installed in dwelling units occupied by persons with incomes not exceeding 50 percent of the median income for the area; includes among insulation materials items which improve the thermal efficiency of a dwelling and caulking and weather stripping but excludes all mechanical equipment costing more than $50 per dwelling unit; provides that the program shall utilize, insofar as possible, the services of volunteers and persons employed under other Federal, State and local programs such as manpower program trainees and public service employees;

In title II directs the Secretary of Housing and Urban Development to establish energy conservation standards for new residential and commercial buildings and to facilitate State and local adoption and implementation of such standards within a reasonable period of time; provides that the Secretary shall develop minimum performance standards for such structures in consultation with the Federal Energy Administration, the National Bureau of Standards, and the General Services Administration, and publish them within a period of 36 months after the date of enactment; provides that the standards shall become effective after an additional period, not exceeding 18 months, for a review and adoption by State and local governments; defines a minimum performance standard as a standard which establishes an energy efficiency goal for a particular type of building, under varying conditions, such as climate, without specifying the means to reach that goal; allows an additional 6 months for promulgation of the standard, if needed; allows a period of 12 months for States and localities to adopt standards in their building codes that meet or exceed Federal standards; prohibits, effective one year after promulgation of the Federal standards Federal loan and grant assistance and the extension of credit by Federally supervised financial institutions for new residential and commercial construction in areas which do not adopt equivalent or stricter standards; authorizes the Secretary to make grants not to exceed $5 million in fiscal year 1976 to assist States in meeting the costs of developing performance standards and certification procedures for implementing them; and contains other provisions. H.R. 8650—Passed House September 8, 1975; Passed Senate amended March 9. 1976; In conference. (54)

ERDA supplemental authorization.—Authorizes to the Energy Research and Development Administration supplemental appropriations of $34 million for fiscal year 1976 and $23 million for the transition period July 1–September 30, 1976, in budget authority and $26.5 million and $17.5 million in budget outlays for the respective periods to provide a balanced nuclear weapons research, development, and testing program, a capability to verify the peaceful nuclear explosive agreement now being negotiated with the Soviet Union as part of the Threshold Test Ban Treaty and to purchase, at reduced cost, a computer now being leased for the Lawrence Livermore Laboratory. S. 3108—Passed Senate March 24, 1976; Passed House amended April 6, 1976. (VV)

International petroleum exposition.—Authorizes the President to invite the several States and foreign nations to participate in the International Petroleum Exposition at Tulsa, Oklahoma, from May 16 through May 22, 1976, for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production and marketing oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products. S.J. Res. 59—Public Law 94–227, approved March 11, 1976. (VV)

Naval petroleum reserves production.—Transfers, effective June 1, 1977, jurisdiction of Naval Petroleum Reserve No. 4 in Alaska from the Secretary of the Navy to the Secretary of Interior and redesignates it the "National Petroleum Reserve in Alaska"; provides for continued petroleum exploration of this reserve but prohibits development and production until authorized by Congress.

Amends chapter 64, title 10, United States Code, to provide for the full exploration and development of the naval petroleum reserves and to permit limited production of Naval Petroleum Reserves No. 1—Elk Hills in California, No. 2—Buena Vista in California, and No. 3—Teapot Dome in Wyoming, within 90 days of enactment, under the authority of the Secretary of the Navy; defines "national defense" for the purposes of permitting such production in terms broad enough to permit production to offset a situation such as the Arab embargo of 1973; provides that production will not exceed the efficient rate determined in accordance with sound oilfield engineering practices for a period of 6 years with provision for 3 year extensions thereafter; authorizes the President at his discretion to direct that all or any part of oil produced from the naval petroleum reserves be placed in a strategic reserve or be exchanged for petroleum of equal value to be so stored; waives, for the period of production, the requirement that the Secretary consult with the Congress on every contract; retains the requirement that the sale of oil be by competitive bidding for periods of not more than 1 year; prohibits the sale of more than 20 percent of the estimated Federal share of petroleum produced from Elk Hills to any buyer in a single year; requires that pipelines and facilities at this reserve be capable of handling 350,000 barrels of oil a day not later than 3 years after enactment; establishes a special account in the Treasury to offset outday requirements for continued exploration and development, construction and filling of a strategic reserve and for operations in the Alaska reserve; requires that pipelines operate as common carriers; and contains other provisions. H.R. 49—Public Law 94–258, approved April 5, 1976. (*342)

ENVIRONMENT

Blackbird control.—Waives certain provisions of the National Environmental Policy Act of 1969, the Federal Environmental Pesticide Control Act and other provisions of law to permit the Secretary of the Interior, to treat with chemicals registered for bird control purposes, "blackbird roosts" in Kentucky and Tennessee determined through normal survey practices of the Department of the Interior to contain in excess of 500,000 birds and upon prior certification by the Governor of the respective State that the roost is a hazard to human health unless the Secretary determines that treatment of a particular roost would pose a hazard to human health, safety, or property. H.R. 11510—Public Law 94–207, approved February 4, 1976. (VV)

Environmental research authorization.—Provides a separate authorization for fiscal year 1976 and the transition period July 1–September 30, 1976, with respect to the research programs of the Environmental Protection Agency (EPA) under the Noise Control Act ($2.11 million and $527,505), Federal Insecticide, Fungicide, and Rodenticide Act ($14,047,000 and $3,511,970), Public Health Service Act—Section 301 ($2,115,000 and $528,750), Safe Drinking Water Act ($12,789,200 and $3,197,800), Clean Air Act ($148,194,700 and $37,048,675), Solid Waste Disposal Act ($13,534,300 and $3,383,575), and Federal Water Pollution Control Act Amendments of 1972 ($148.7 million for fiscal year 1976 only) in order to conform the environmental research authorizations to committee jurisdictional responsibility in the House of Representatives and to synchronize their expiration; limits to 10 percent the amount of funds that may be transferred to or from particular categories; specifies that no appropriation may be made to EPA for environmental research, development, or demonstration after September 30, 1976, unless previously authorized by Congress; directs the Administrator to submit to Congress a 5-year plan for environmental research, with such plan revised yearly; and requires that whenever funds are appropriated in any fiscal year above the President's budget request for fiscal year 1977, the first $3 million of any excess for EPA shall be used to assure the adequacy, reliability and quality of the testing of chemicals and the first $25.280 million of any excess for the Federal Drug Administration shall be used to maintain and assure the preclinical and clinical adequacy, reliability, and quality of the testing of drugs, food additives, devices, and cosmetics. H.R. 7108—Passed House July 10, 1975; Passed Senate amended April 13, 1976. (VV)

Killer whales.—Amends the Marine Mammal Protection Act of 1972, as amended, to prohibit the Secretary of Commerce from issuing any permit for the taking of any marine mammal of the orcinus orca species (or killer whale) except for scientific research purposes which shall be conducted without removing the mammal from the water or endangering its health or welfare. S. 3130—Passed Senate March 29, 1976. (VV)

Scrimshaw art preservation.—Permits the

Secretary of Commerce, who administers the Endangered Species Act with respect to whales, to grant exemptions for a limited period of time for the sale of finished scrimshaw (etched designs and carvings from whale bone) products in interstate commerce. S. 229—Passed Senate April 14, 1975; passed House amended February 17, 1976. (VV)

Toxic substances control.—Directs the Environmental Protection Agency (EPA) to require testing of a chemical substance or mixture if its commercial use might present "an unreasonable risk" of injury to health or environment and if there were insufficient data to judge the effects upon health and the environment or if its use would cause wide exposure to humans and the environment and there were insufficient data available;

Establishes a Federal advisory committee of 8 members with testing expertise to develop a priority list of chemicals for testing and gives EPA 12 months after a substance is listed to begin either rulemaking proceedings to require testing or to publish its reasons for not acting;

Requires manufacturers of new chemical substances to give notification to EPA 90 days in advance of first manufacture and to supply test data along with that notification if required by EPA; provides that this requirement does not apply to research chemicals unless EPA specifically includes any such chemical;

Requires manufacturers and processors of chemical substances to maintain certain records and reports to enable the Administrator to determine if unreasonable risks exist as well as health and safety studies conducted which the Administrator is authorized to require submission of;

Authorizes EPA to take immediate action—such as seizure and condemnation—against chemicals that posed an "imminent hazard" to human health and the environment; and provides civil and criminal fines for violations of the act;

Exempts from the law pesticides, tobacco or tobacco products, nuclear materials, firearms and ammunition, and food, drugs, cosmetics and medical devices;

Prohibits discriminations against employees for participating in enforcement of the law and authorizes the Labor Department to hold hearings on alleged violations;

Authorizes citizens to bring suits to enjoin certain violations and to require the Administrator of EPA to perform his mandatory duties; and contains other provisions. S. 3149—Passed Senate March 26, 1976. (103)

Water quality report.—Amends the Federal Water Pollution Control Act to increase from $17 million to $17.25 million the authorization for the National Study Commission to complete its report on water quality. H.R. 12193—Public Law 94–238, approved March 23, 1976. (VV)

GENERAL GOVERNMENT

Animal welfare.—Brings interstate carriers, intermediate handlers and terminal facilities under the regulation of the Animal Welfare Act; requires that they adhere to standards promulgated by the Secretary of Agriculture with respect to the transportation in commerce of all animals protected by the act, including standards for containers, feed, water, rest, ventilation, temperature, and handling; requires dealers, exhibitors, auction sale operators, and Federal, State and local agencies to obtain a veterinarian's certificate before delivering any dog, cat, or other animal designated by the Secretary for transportation in commerce; prohibits the transportation of dogs, cats and other animals at less than the minimum age established by the Secretary; prohibits C.O.D. transportation of animals unless the shipper guarantees payment of roundtrip fare and any out-of-pocket expenses of the carrier or intermediate handlers and carriers and authorizes the Secretary to impose upon such handlers and carriers a civil penalty of up to $1,000 for each violation of the standards for humane care; revises the present penalty provisions and provides a uniform civil penalty of up to $1,000 for violations by any person regulated under the statute; adds a new section which makes it a crime punishable by a $5,000 fine and/or of 1 year's imprisonment to sponsor knowingly, participate in, or use the mails to promote fights between live dogs or other mammals, except man; prohibits, with limited exception, such activities in connection with fights between gamefowl and other live birds; and authorizes $400,000 per year to enforce this section. S. 1941—Public Law 94– , approved 1976. (121)

Bicentennial flag display.—Permits the Secretary of the Interior to erect and maintain flag poles on the Capitol Grounds adjacent to the Union Station Plaza to fly the flags of the 50 States of the United States and its territories and possessions. S. 3161—Passed Senate March 18, 1976. (VV)

Daylight saving time.—Temporarily supersedes certain provisions of the Uniform Time Act of 1966 and places the nation on daylight savings time for 7 months, from the second Sunday in March to the second Sunday in October for a period of two years, instead of the present 6 month period beginning the last Sunday in April and ending the last Sunday of October; continues the present authority of States to exempt themselves from periods of advanced time by State law; directs the Federal Communications Commission to minimize the impact of the time change on daytime broadcasters; and directs the Department of Transportation to study the effects of the extended advanced time periods for the next 2 years. S. 2931—Passed Senate February 25, 1976. (47)

Federal Trade Commission Authorization.—Increases the authorization for the Federal Trade Commission (FTC) not to exceed the following amounts: $54 million for fiscal year 1976, $13.5 million for the transition period July 1–September 30, 1976, $70 million for fiscal year 1977, and $85 million for fiscal year 1978 of which not to exceed $25 million, $6.25 million, $35 million and $45 million for the above fiscal years shall be for the purposes of maintaining competition; authorizes the FTC to appoint 25 attorneys, economists, special experts and outside counsels for the FTC's responsibilities with regard to maintaining competition; requires the simultaneous transmission of budgetary and legislative recommendations to the President or the Office of Management and Budget and the Congress; limits appeals of Commission orders to the court of appeals for the circuit within which the resident resides or maintains its principal place of business in order to prevent "forum shopping" on appeals of Commission orders; expands the Commission's jurisdiction authorized by the Clayton Act from "in commerce" to "in or affecting commerce"; makes orders of the Commission effective 60 days after their issuance subject to a stay issued by the Commission or the appropriate court of appeals, or the Supreme Court when an applicable petition for certiorari is pending; improves the Commission's ability to obtain information by compulsory process by imposing penalties for failure to reply in a timely manner with the Commission's processes and by providing statutory amendments reflecting current decisional law on the issue or ripeness of suits to enjoin enforcement of the Commission's compulsory processes; requires that the Commission grant or deny petitions for issuance, amendment, or repeal of rules within 120 days after the date the petition is received by the Commission; creates a 3-year program of assistance and grants to States to improve their antitrust capabilities and authorizes therefor not to exceed $10 million for each of fiscal years 1976, 1977, and 1978 and $2.5 million for the transition period; makes technical amendments to the Wool Products Labeling Act and the Fur Products Labeling Act; and amends the Textile Fiber Products Identification Act to continue the exemption of outer coverings of furniture, mattresses, and box springs from the provisions of the Act but permits the FTC to require care labeling with respect to outer coverings of furniture. S. 2935—Passed Senate March 18, 1976. (VV)

Fiscal year adjustments.—Amends existing law to change the dates of various provisions of law which require the submission of reports and other actions based on the present fiscal year system to conform to the new fiscal year dates of October 1–September 30 pursuant to the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344)—S. 2445—Public Law 94– , approved 1976. (VV)

Fiscal year transition.—Amends existing law to insure the continuation of Federal programs and activities, based by statute on the present fiscal year, through the fiscal transition period of July 1–September 30, 1976. S. 2444—Public Law 94– , approved 1976. (VV)

Library of Congress James Madison Memorial Building.—Amends the Act of October 19, 1965, as amended, to provide an additional authorization of $33 million for completion of the Library of Congress James Madison Memorial Building thus making a total authorization of $123 million. H.R. 11645—Public Law 94–219, approved February 27, 1976. (VV)

Mariana islands.—Approves the text of the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" providing for the creation of a Commonwealth of the Northern Marianas under U.S. sovereignty, local self-government including the adoption of a local constitution by the residents of the Northern Mariana Islands, granting of citizenship or national status to the residents of the Commonwealth, and the extension of the provisions of the U.S. Constitution, treaties, and statutes with some limitation to the Commonwealth. H.J. Res. 549—Public Law 94–241, approved March 24, 1976. (44)

NASA authorization.—Authorizes $3,696,850,000 for fiscal year 1977 to the National Aeronautics and Space Administration of which $2,759,125,000 is for research and development, $123,670,000 is for construction of facilities and $184,055,000 is for research and program management; includes funding for: continued development of the Space Shuttle; a solar maximum mission to measure solar activity during the peak period of maximum solar activity 1979–1980; development of the thematic mapper used for earth surveys; a magnetic mapping satellite to be used for the location of mineral resources; construction of a new transonic wind tunnel designed to support national aeronautical research and development needs; the initiation of an aircraft energy technology development project to provide the technology base for a 50 percent improvement in fuel economy in commercial transports; support of ongoing flight projects in space science and applications; and continuation of a series of research tasks in aeronautical and space research designed to provide a base for future undertakings, the construction of and/or modifications and upgrading of facilities to support these programs, and a highly technical staff to conduct research and manage these multidisciplinary activities; and contains other provisions. H.R. 12453—Pasesd House March 22, 1976; Passed Senate amended April 1, 1976; House requested conference April 7, 1976. (VV)

National Portrait Gallery.—Amends the National Portrait Gallery Act of 1962 to redefine the term "portraiture" to permit the National Portrait Gallery to acquire photographs and other portrayals of individuals in addition to "painted or sculpted likenesses". S. 1657—Public Law 94-209, approved February 5, 1976. (VV)

National Study Commission on Records and Documents of Federal Officials.—Extends for 1 year, until March 31, 1977, the life and reporting date of the National Study Commission on Records and Documents of Federal Officials which is charged with studying problems relative to the control, disposition and preservation of records and documents of Federal officials; authorizes the Chief Justice of the United States to appoint a member of the Federal judiciary to serve on the Commission instead of a justice of the Supreme Court as is now provided; and corrects a reference to a provision in the law relating to payment of travel expenses for official travel by Commission members. S. 3060—Public Law 94-261, approved April 11, 1976. (VV)

National Security Council.—Amends the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council. S. 2350—Vetoed December 31, 1975. Senate overrode veto January 22, 1976. (1)

Presidential recordings and materials.—Disapproves certain regulations proposed by the Administrator of General Services on October 15, 1975, under section 104 of the Presidential Recordings and Materials Preservation Act which involve: the composition of the Presidential Materials Review Board, responsible for the final archival decisions regarding the disposition of the Nixon tapes and other materials; the adequacy of the provisions giving notice to affected individuals prior to the opening of these files to the public; the procedures to be followed by the Administrator in considering petitions to protect certain legal or constitutional rights by limiting access to specified materials; the procedures for allowing reproduction of the tapes; and two provisions relating to the restriction of materials which are personal in nature or which would result in a defamation of character. S. Res. 428—Senate adopted disapproval resolution April 8, 1976. (VV)

Science policy.—Establishes a framework for the formulation of national policy and priorities for science and technology; establishes an Office of Science, Engineering, and Technology Policy in the Executive Office of the President to be headed by a Director with up to four Associate Directors, appointed by the President with the advice and consent of the Senate: directs the Office to prepare and update annually a 5-year forecast of Federal investment in science and technology including the allocation of Federal funds among the major expenditure areas and an estimate of options for various levels of Federal investment and to furnish the list of options to the Office of Management and Budget for use in developing budget recommendations to the President;

Directs the President to appoint an Advisory Committee of from 9 to 15 members, including the Director of the Office, to conduct a comprehensive survey of Federal science and technology, and to submit a report of its findings to the President within 1 year;

Redesignates the Federal Council for Science and Technology as the Federal Coordinating Committee for Science, Engineering, and Technology, and gives it the statutory authority to coordinate Federal plans and programs in science and technology; designates the Director of the Office as Chairman of the Committee;

Establishes an Intergovernmental Science, Engineering, and Technology Advisory Panel to advise the Director in establishing priorities for addresing civilian problems at State, regional, and local levels which science and technology can help solve; establishes a State Science, Engineering, and Technology Program within the National Science Foundation to make grants of up to $200,000 to any State, on a 80 percent Federal-20 percent State matching basis, to enable it to establish or strengthen offices of science, engineering, and technology within the executive or legislative branches of State governments; and

Authorizes therefor $4 million for fiscal year 1976, $1.5 million for the transition period July 1-September 30, 1976, and $12 million for fiscal year 1977. H.R. 10230—Passed House November 6, 1975; Passed Senate amended February 4, 1976; In conference. (VV)

Small business amendments.—Establishes an Office of Export Development in the Small Business Administration (SBA) to provide information and assistance to small businesses which have an export potential; increases the funds available for the lease guarantee program from $10 million to $25 million and establishes a program to allow small businesses to finance the leasing of pollution control equipment through the sale of tax-exempt industrial revenue bonds; increases the amount which regular small business investment companies (SBIC's) may borrow from the government from 200 to 300 percent of private capital and increases the amount "venture capital" SBIC's may borrow from the government from 300 to 400 percent of private capital; extends leverage increase to certain SBIC's and eliminates the maximum leverage ceiling for all SBIC's; permits SBIC's to guarantee 100 percent of the borrowings of small business concerns; allows SBIC's to be unincorporated entities; permits banks to own 100 percent of SBIC's voting common stock; permits SBA loans to local development companies for the acquisition of existing plant facilities and increases the maturity on such acquisitions and construction SBA loans from 15 to 20 years; increases the maximum amount of economic opportunity loans from $50,000 to $100,000; increases the maximum amount of local development company loans from $350,000 to $500,000; increases the maximum amount of regular SBA loans from $350,000 to $500,000; extends SBA loans to farmers and ranchers; authorizes a comprehensive review of all Federal disaster loan authorities by April 30, 1976; establishes a National Commission on Small Business in America to make a comprehensive and coordinated study of all the factors affecting small businesses and to make reports and legislative recommendations to the Congress; and authorizes the President to appoint its 11 members, the Chairperson and Executive Director who shall be confirmed by the Senate. S. 2498—Passed Senate December 12, 1975; Passed House amended December 17, 1975; In conference. (*589)

Smithsonian Institution—National Museum.—Authorizes $1 million annually for fiscal years 1978 through 1980 to the Smithsonian Institution for carrying out the purposes of the National Museum Act of 1966 through which the Smithsonian assists museums with specific reference to the continuing study of museum problems and opportunities, training in museum practices, preparation of museums publications, research in museum techniques, and cooperation with agencies of the government concerned with museums. S. 2945—Passed Senate April 6, 1976. (VV)

Trust Territory of the Pacific.—Provides the following authorizations for the continuance of civil government for the Trust Territory of the Pacific Islands: $80 million for fiscal years 1976 and 1977; $15.1 million for the transition period July 1-September 30, 1976, plus such amounts authorized but not appropriated in fiscal year 1975; $1.8 million for human development projects in the Marshall Islands; $8 million for the construction of facilities for a 4-year college to serve the Micronesian community but provides that no appropriation may be made until the President has made a study concerning the educational needs and concepts of such a college and transmitted the study to the House and Senate Interior Committees which will have 90 calendar days to review the study; and the continuation of an authorization up to but not exceeding $10 million to offset reductions in or the termination of Federal grant-in-aid programs; and provides for the extension to Guam of those laws of the United States made applicable to the Northern Marianna Islands by the provisions of Public Law 94-241, except for the provision extending certain social security act programs. H.R. 12122—Public Law 94-255, approved April 1, 1976. (VV)

White House Conference on Handicapped.—Extends from 2 to 3 years the period during which the President is authorized to call a White House Conference on Handicapped Individuals pursuant to Public Law 93-516. S.J. Res. 154—Public Law 94-224, approved February 27, 1976. (VV)

GOVERNMENT EMPLOYEES

Hatch Act Revisions.—Amends present law to permit active participation by Federal employees in political processes at all levels of government, effective January 1, 1977: retains existing prohibitions on political contributions and other political activities for employees of the Internal Revenue Service, the Central Intelligence Agency, and the Justice Department except for (1) employees in non-sensitive positions, (2) employees in sensitive positions when the agency head determines that their political activity would not adversely affect public confidence and Congress does not disapprove within 30 days, and (3) Presidential appointees who determine national policies; contains provisions to protect employees from influence or coercion regarding political support and financial contributions; prohibits political activity on duty, in Federal buildings, or in uniform; establishes an independent Board on Political Activities of Federal Employees to adjudicate promptly alleged violations of the Act; mandates a 30 day suspension of any employee convicted of violating the prohibitions against use of official information or authority; provides that an employee may campaign for public elective office during his spare time or by utilizing accrued annual leave; exempts certain White House personnel from the prohibition against political activities while on duty, on government property, or in uniform but states that this exemption is not an authorization for such activity; and contains other provisions. H.R. 8617—Vetoed April 12, 1976. House to consider April 29, 1976. (69,109)

Secret Service Director's Salary.—Amends sections 5315 and 5316, title 5, U.S.C., to place the Director and the Deputy Director of the Secret Service in levels IV and V of the executive schedule of pay, respectively. S. 3028—Passed Senate February 26, 1976. (VV)

HEALTH

Alcohol Abuse, Prevention and Treatment.—Extends for 3 years, through fiscal year 1979, and increases the authorizations for programs administered by the Secretary of Health, Education and Welfare through the National Institute of Alcohol Abuse and Alcoholism with particular emphasis on: increased Federal assistance for States adopting the basic provisions of the Uniform Alcoholism and Intoxication Treatment Act, expanded and improved alcoholism research programs, and the provision of services to currently underserved populations. S. 3148—Passed Senate March 29, 1976. (VV)

Communicable Disease Control—Consumer Health Education.—Revises and extends expiring communicable and other disease control programs and the venereal disease prevention and control programs; and authorizes consumer health education and promotion programs through the establishment of an Office of Consumer Health Education and Promotion within HEW. S. 1466—Passed Senate July 30, 1975; P/H amended April 7, 1976. (VV)

Drug Abuse Office and Treatment.—Continues the current authorization of $45 million through fiscal year 1979 for drug abuse prevention and treatment programs; increases from $100 million to $200 million the figure used to determine the minimum formula grant to any State (currently $66,666, which would increase to $133,333 if there is no change in the ratio of actual to authorized appropriations); recognizes narcotic addiction and drug abuse as a serious, long-term problem requiring continuous effort; authorizes a scaled-down Office of Drug Abuse Policy in the Office of the President, to be headed by a director appointed with the advice and consent of the Senate, which will replace the Special Action Office for Drug Abuse Prevention; authorizes the Director to make recommendations to the President with respect to policies for, objectives of, and establishment of priorities for Federal drug abuse functions and make recommendations for the coordination of the performance of such functions by Federal Departments and agencies; authorizes $2 million annually to support the activities of the Office; transfers from the Special Action Office to the National Institute on Drug Abuse responsibility for the encouragement of certain research and development at a yearly authorization of $7 million through fiscal year 1978, and adds "less addictive" replacements for opium and its derivatives to the list of priority areas for research; extends the National Advisory Council for Drug Abuse until January 1, 1976; bars hospitals receiving Federal funds from discrimination in admissions and treatment of drug dependent persons and directs the Administrator of Veterans' Affairs to prescribe such regulations for veterans health care facilities; requires States to provide reasonable assurances that programs have proposed performances standards to measure their own effectiveness; and contains other provisions. S. 2017—Public Law 94–237, approved March 19, 1976. (VV)

Heart, Lung, and Blood Research.—Extends for 2 years the authority of the Department of Health, Education and Welfare to conduct research, experiments and demonstration programs regarding heart, lung, blood and blood vessel diseases; changes the name of the National Heart Lung Institute to the National Heart, Lung and Blood Institute and provides explicit authority for the Institute to conduct programs with respect to the use of blood products and the management of blood resources; amends existing law to authorize the development of 30 centers for research, training, and demonstrations (10 centers for heart diseases, 10 centers for lung diseases; and 10 centers for blood, blood vessel diseases, research in the use of blood products, and research in the management of blood resources); requires the National Heart, Lung and Blood Advisory Council to submit a report by November 30 each year to the Secretary for simultaneous transmittal to the President and Congress on the progress of the National Heart Blood Vessel, Lung and Blood Disease Program during the preceding fiscal year with the transition period July 1–September 30, 1976, to be considered as a fiscal year for such reporting purposes; and authorizes $10 million for fiscal year 1976 and $30 million for fiscal year 1977 for prevention and control programs, and $339 million for fiscal year 1976 and $373 million for fiscal year 1977 for the national heart, blood vessel, lung and blood diseases and blood resources program;

Extends for 2 years, through fiscal year 1977, the authority of the Secretary of HEW to provide awards to individuals and institutions for biomedical and behavioral research training and authorizes therefor $165 million for fiscal year 1976 and $185 million for fiscal year 1977; changes the manner in which interest accrues on National Research Service Awards to make interest on the award computed from the time the United States becomes entitled to recover all or part of the award;

Requires that the President's Panel on Biomedical Research and the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research each conduct studies on the implications or disclosure to the public of information contained in the NIH research grants or contracts;

Expands the Director of NIH's authority to conduct research into genetic diseases including but not limited to sickle cell anemia, Cooley's anemia, Tay-Sachs disease, cystic fibrosis, dysautonomia, hemophilia, retinitis pigmentosa, Huntington's chorea, and muscular dystrophy; and authorizes the Secretary to award grants and contracts for research projects with respect to such diseases;

Contains provisions relating to regulation of vitamin and mineral products under the Federal Food, Drug and Cosmetic Act;

Amends the National Arthritis Act to clarify the definition of arthritis and to raise the authorizations under the act;

Extends the expiration date of the National Diabetes Commission (Public Law 93–354) to September 30, 1976;

Amends the Public Health Service Act to add ambulatory surgical services as a supplemental health service which could be offered by migrant health and community health centers; permits the Indian Health Service to utilize non-profit recruitment agencies to assist in obtaining personnel for the Public Health Service;

Prohibits consideration of political affiliation in making appointments to advisory committees established to assist the Secretary in implementing the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, and the Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970;

Equates active service of commissioned officers of the Public Health Service with active military service in the Armed Forces for the purposes of all rights, privileges, immunities, and benefits provided under the Soldiers' and Sailors' Civil Relief Act of 1940;

Authorizes the Secretary to make awards to outstanding scientists who agree to serve as visiting scientists at institutions of postsecondary education which have significant enrollments of disadvantaged students with the amount of the award commensurate with the salary or renumeration which the individual had received from the institution with which he has, or had, a permanent or immediately prior affiliation; and

Extends the authorizations for physician shortage area scholarships at $3.5 million for fiscal year 1975 and $2 million for fiscal year 1976, and for health professions student loans, at $60 million for fiscal year 1976. H.R. 7988—Public Law 94– , approved 1976. (*578)

Lead-Based Paint Poisoning Prevention.—Authorizes $91.5 million for 3 years for programs under the Lead-Based Paint Poisoning Prevention Act (Public Law 91–695) designed to: (1) provide assistance for protecting against the lead-based paint poisoning hazard in homes where cases of childhood lead-based paint poisoning have been actually identified; (2) authorize the Department of Health, Education and Welfare to safeguard against the application of lead-based paints to any cooking, drinking or eating utensil; (3) authorize the Department of Housing and Urban Development to restrict the application of lead-based paint in residential structures constructed or rehabilitated by the Federal government, or with Federal assistance; (4) authorize the Consumer Product Safety Commission to prohibit the application of lead-based paints to any toy or furniture article; and (5) limit the amount of lead contained in residential interior paints to no more than .06 percent, unless a majority of the members of the Consumer Product Safety Commission agrees to another level, not to exceed one half of one percent lead by weight, within 6 months of enactment of the bill. S. 1664—Passed Senate February 19, 1976. (42)

Medical Device Safety.—Authorizes the Food and Drug Administration to regulate the development and marketing of medical devices; requires that medical devices used in life-supporting situations, including all implanted medical devices such as a heart valve, pacemaker or interuterine device (IUD), shall be subject to premarket scientific testing; authorizes the Secretary of Health, Education and Welfare to establish protocols for testing medical devices and requires that test data be submitted to HEW when a manufacturer seeks approval of a lifesupporting medical device for marketing; provides that medical devices for which experts agree standard-setting is sufficient to protect the public health and safety need only meet performance standards; provides that the third classification of devices which are generally safe when used in accordance with their instructions, such as a tongue depressor, is exempted from either procedure; and contains other provisions. S. 519—Passed Senate April 17, 1975; Passed House amended March 9, 1976; In conference. (*139)

Rehabilitation Act Extension.—Extends the authorizations for vocational rehabilitation services, research and training, grants for construction of rehabilitation facilities, vocational training for handicapped individuals, the National Center for deaf-blind youths and adults, and other programs under the Rehabilitation Act until September 30, 1977, with an additional 1-year extension if Congress fails to act on legislation extending the authorizations for programs under the Act by April 15, 1977. H.R. 11045—Public Law 94–230, approved March 15, 1976. (VV)

HOUSING

Housing—Flood Insurance.—Permits homeowners interest subsidies under Section 235 of the National Housing Act to be extended to owners of two modular mobile homes; increases the mortgage limits eligible for insurance under Section 235 from $21,600 to $25,000 and from $25,200 to $29,200 in any geographical area where the Secretary of Housing and Urban Development (HUD) finds that cost levels so require, and from $25,200 and $28,800 to $29,200 and $33,400 respectively for a dwelling for a family with five or more persons; extends the expiration date for this program from June 30, 1976, to June 30, 1977; transfers all insurance obligations under the section 221 housing programs for moderate income and displaced families Below-Market-Interest-Rate program from the General Insurance Fund to the Special Risk Insurance Fund;

Amends Section 244 co-insurance program to (1) clarify the authority of the Secretary to co-insure mortgages on a basis which might require the "top" assumption of loss by the mortgagee with subsequent loss shared on a percentage or other basis with the Federal Government, (2) make the 20 percent limitation on co-insurance of mortgages or loans inapplicable where the lender is a "public housing agency", (3) authorize the Secretary to co-insure mortgages on projects which are under construction in those cases where public housing agencies are lenders, and (4) provide that the term "public housing agency" for the purpose of section 244 has the same meaning as it does in section 3(6) of the Housing Act of 1937;

Provides that assistance payments made with respect to a dwelling under the Housing Act of 1937 shall not be considered as income or as a resource for the purposes of determining eligibility under the Social Security Act or any Federal law; authorizes the section 8 subsidy housing program enacted under the Housing and Community Development Act of 1974, under which HUD pays the housing owner the difference between the tenant contribution and the approved rent a maximum of 20 years to be made available to units in rural areas financed under the Farmers Home Administration section 515 rural rental program for the full period of the FmHA mortgage, which is generally 40 years;

Authorizes Federal savings and loan associations to invest in the share capital and capital of the Inter-American Savings and Loan Bank;

Provides that in the event of a short-fall in funding for the community development program in fiscal year 1977 that the shortfall in hold-harmless funds shall be distributed equitably among all urban counties and all large metropolitan cities in order to minimize the total loss to any single jurisdiction and establishes a set-aside for discretionary balances to insure small cities access to the program;

Amends the National Flood Insurance Act to correct certain inequities resulting from the general statutory prohibition against federally supervised conventional mortgage lending in identified flood hazard areas of communities not participating in the national flood protection and insurance program, which requires compliance with HUD land use and construction standards as a prerequisite for obtaining Federally subsidized flood insurance as follows: (1) extends to nonparticipating communities the existing exception which permits conventional mortgage loans to be made for the purchase of existing, previously occupied residential dwellings, and broadens the exception to include the purchase of existing small business properties and to permit present owners of residential dwellings to extend, renew or increase the financing on their homes; (2) authorizes the making of conventional loans to finance improvements to existing residential structures up to an aggregate of $10,000 per dwelling; (3) permits the making of conventional loans to finance improvements or additions to an existing farm for non-residential agricultural purposes; and (4) eliminates the existing prohibition on Federal disaster assistance to non-participating communities which suffer disasters not involving flooding;

Amends the Securities and Exchange Act to clarify the authority of State or political subdivisions to tax stock transfers; and contains other provisions. H.R. 9852—Passed House October 20, 1975; Passed Senate amended January 23, 1976; Senate requested conference January 23, 1976. (VV)

INDIANS

Indian Claims Commission.—Authorizes $1.65 million for fiscal year 1977 to the Indian Claims Commission; extends the life of the Commission until September 30, 1980, to enable it to adjudicate the 155 claims which are presently pending; provides that if the Commission feels a pending case can be handled more expeditiously by the Court of Claims, the Commission shall certify the case to the Court subject to its approval; provides that any case still pending on September 30, 1980, shall be transferred to the Court of Claims for final adjudication; prohibits the Commission from conducting any hearings or initiating any proceeding during the last 9 months of its existence to allow the Commission 5½ months to complete final action on a claim prior to its expiration date, except that hearings or proceedings leading to a compromise settlement of a claim will be permitted; and requires the Commission to submit a semi-annual report to Congress on the progress and status of all remaining cases along with a projected completion date for each case. S. 2981—Passed Senate April 9, 1976. (VV)

Indian Crimes.—Amends the Indian Major Crimes Act (title 18, U.S.C.) which designates major crimes triable in Federal courts when committed by an Indian in Indian country to insure that Indian defendants accused of committing such crimes are treated the same as non-Indian defendants charged with the same crime. S. 2129—Passed Senate February 4, 1976. (VV)

Palms and Cabazon Mission Indians.—Directs the Secretary of the Interior to convey the beneficial interest in 240 acres of land held in trust jointly by the Cabazon and Twenty-nine Palms Bands of Mission Indians, to the Twenty-nine Palms Bands of Mission Indians, and to distribute from the tribal fund of the Cabazon Band to the Twenty-nine Palms Bands the sum of $2,825 plus interest collected as payment for a storm channel right-of-way. H.R. 1465—Public Law 94– , approved 1976. (VV).

Pueblo Indians, New Mexico.—Repeals a 1926 statute which subjects Pueblo tribal lands to condemnation pursuant to State law. S. 217—Passed Senate May 21, 1975; Passed House amended February 2, 1976. (VV)

INTERNATIONAL

Brussels Conference.—Expresses the solidarity of the American people with the efforts to enlarge human freedom by the participants in the Second Brussels Conference on Soviet Jewry to be held February 17 to 19, 1976. S. Con. Res. 93—Senate adopted February 5, 1976; House adopted February 10, 1976. (VV)

Discriminatory Trade Practices of EEC.—States the sense of the Congress that the President seek immediate elimination of the discriminatory trade regulations approved by the Council of the European Economic Community (EEC) which require a surety deposit and certification system on all imported vegetable protein products thus directly affecting U.S. export of soybeans and violating certain provisions placing no duty on soybeans; and directs the President, in the event that the Community fails to eliminate these regulations, to obtain full compensation for such actions under Article XXIII of the General Agreement on Tariffs and Trade. S. Con. Res. 108—Senate adopted March 31, 1976. (VV)

Foreign Military Aid and Sales.—Authorizes appropriations for security assistance and related programs of $3,049,900,000 for fiscal year 1976 and $762,475,000 for the transition period July 1-September 30, 1976, with countries in the Middle East scheduled to receive about 71 percent of the total programs authorized;

Contains provisions in regard to the grant military assistance program which require a phaseout of the general foreign military grant assistance program by October 1, 1977, except for programs subsequently authorized on a country-by-country basis; terminates U.S. military missions and similar groups abroad by October 1, 1977, unless continuation of a specific mission is subsequently authorized by law; allocates authorizations for military grant assistance, other than training assistance, on a country-by-country basis for all major recipients; restricts the President's authority to draw on Department of Defense stocks for military assistance purposes unless he finds that such assistance is "vital" to U.S. security; sets forth a procedure for terminating grant military assistance and prohibiting credits or guarantees to or for any county which violates the provisions of military aid or sales agreements; establishes an antidiscrimination policy applicable to the military grant aid, Government and commercial military sales programs, and export licenses pertaining to discrimination on the basis of race, religion, national origin, or sex; establishes a human rights policy with provision for the Congress to restrict or terminate security assistance to countries which engage in gross violations of human rights; prohibits further military or related assistance to Angola unless the President requests Congress for such aid and neither House rejects the proposal within 30 days thereof; provides for termination of assistance to countries aiding terrorists unless required by national security; and permits Government cash sales to Turkey if not transferred to Cyprus;

Contains provisions regarding Government military sales and commercial exports of arms which place emphasis on public disclosure of arms sales matters and bringing about of restraint in the international trade in arms; revises and combines statutory requirements for controls over commercial and Government military exports under a new Arms Export Control Act; applies all restrictions on government-to-government sales (i.e. prohibition on third country transfer without U.S. approval) to commercial sales; requires that all sales of major defense equipment items totaling $25 million or more must be made through government-to-government channels; places restrictions on sales to foreign governments from U.S. military stocks, with reports to Congress required on all sales which would impair U.S. combat readiness; requires the President to submit an annual country-by-country justification to Congress for the Government military sales program; provides that government-to-government sales contracts shall be publicly available to the fullest extent possible consistent with national security; allows Congress to reject certain proposed export licenses for commercial sales, as it may now do on government-to-government sales; expands and improves reporting procedures for military sales and exports, and requires reports on all agreements to pay agents' fees in connection with military sales abroad, both Government and commercial; gives the Congress the right to reject proposed transfers of certain military equipment of U.S. origin from the original recipient to third countries;

Contains miscellaneous provisions including a prohibition on military grant assistance and Government and commercial sales to Chile, an expression of the sense of Congress in support of negotiations to limit military deployments in the Indian Ocean, a prohibition on the engagement of U.S. personnel in police actions in foreign countries in connection with narcotic control efforts, and expression of the sense of Congress concerning strife in Lebanon, and a modification of the restrictions in existing law relating to stockpiles intended or earmarked for use by foreign countries; and contains other provisions. S. 2662—Passed Senate February 18, 1976; Passed House amended March 3, 1976; Conference report filed. (36)

Guatemala Relief Authorization.—Amends the Foreign Assistance Act of 1961 to authorize $25 million for fiscal year 1976 (which shall remain available until expended) for relief and rehabilitation assistance to the people of Guatemala who were victims of the earthquakes which occurred in February of 1976; limits to $4 million the amount which may be used for rebuilding the Puerto Barrios Highway and encourages the use of seismic-resistant materials in the rebuilding of housing; requires that such assistance be subject to the policy and general authority of section 491 of the Foreign Assistance Act of 1961 which provides a consolidated body of legislation on disaster relief and assistance; authorizes the transfer of funds only to reimburse appropriation accounts from which initial relief funds were drawn; directs that to the maximum extent practicable assistance is to be distributed through United States voluntary relief agencies and other international relief and development organizations; and requires the President to submit to the Congress a report 60 days after enactment and quarterly thereafter on the programing and obligation of funds provided under this act. S. 3056—Passed Senate March 5, 1976; Passed House amended March 22, 1976; House agreed to conference report April 12, 1976. (VV)

Guatemalan Earthquake.—States the sense of the Senate that the executive branch be urged to develop, in cooperation with governmental and private donors, programs to assist the people of Guatemala in their efforts to relieve the suffering caused by the recent earthquake and to rehabilitate their nation from the damage inflicted; and extends deepest sympathy to the President and the people of Guatemala in their hour of suffering and distress. S. Res. 390—Senate adopted February 17, 1976. (VV)

Inter-American Development Bank—African Development Bank.—Authorizes $2.25 billion as the U.S. share of a replenishment of the funds of the Inter-American Development Bank (IDB) to be paid out in installments over a 3 and 4 year period; authorizes the U.S. Governor of the Bank to vote in favor of (1) resolutions increasing the authorized capital stock of the Bank to $5.303 billion and the resources of the Fund for Special Operations to $1.045 billion (includes therefor authorizations of $1.650 billion and $600 million respectively as the U.S. subscription for these increases) and admitting nonregional countries (10 European plus Japan and Israel) and the Bahamas and Guyana to membership in the Bank; and (2) amends to the Agreement Establishing the Bank which provide for the creation of a new class of stock designated as Inter-Regional Capital Stock and for Bank lending to the Caribbean Development Bank; instructs the U.S. Executive Director of the Bank to propose a resolution providing for the development utilization of intermediate technologies as major facets of the Bank's development strategy and to report progress of the resolution to Congress;

Authorizes $25 million for U.S. participation in the African Development Fund (AFDF) to be paid in three annual installments of $9 million (1976), $8 million (1977) and $8 million (1978); instructs the Executive Director representing the U.S. in the AFDF to vote against loans to countries involved in unsatisfactory expropriations disputes with the United States; prohibits the use of funds under this Act for loans to Uganda and directs the U.S. Governor to promptly notify the Senate Foreign Relations and the House Committee on International Affairs of any application made by Uganda for loans or other financial assistance;

Instructs the Executive Directors representing the U.S. in the IDB and AFDF to oppose loans to countries engaging in a consistent pattern of gross violations of human rights unless they directly benefit needy people; and

States the sense of the Congress that the President should furnish assistance to foreign countries and international organizations for the investigation and planning for the control of swine influenza. H.R. 9721—Passed House October 8, 1975; Passed Senate March 30, 1976. (VV)

Laotian Refugees.—Amends the Indochina Migration and Refugee Assistance Act of 1975 (Public Law 94–23) to make Laotian refugees eligible for the same types of assistance as are now authorized for Vietnamese and Cambodian refugees. S. 2760—Passed Senate February 16, 1976. (VV)

Lincoln Statute.—Authorizes the President to accept, on behalf of the United States, a statute of Abraham Lincoln from its owners, Leon and Ruth Gildesgame, of Mount Kisco, New York, for presentation to Israel. H.J. Res. 406—Public Law 94–208, approved February 4, 1976. (VV)

State Department Authorization.—Authorizes $1,364,020,953 for fiscal year 1977 for the operations of the State Department (including the Office of Foreign Buildings), the United States Information Agency and the Board for International Broadcasting which makes grants to Radio Free Europe and Radio Liberty;

Extends to State Department medical personnel malpractice protection similar to that now available to employees of the Public Health Service and the Veterans Administration; removes the existing prohibition against the State Department's development of a new Travel Document and Issuance System;

Places into law the principles governing broadcasts which are in the charter of the Voice of America; calls for the U.S. Ambassador to the United Nations to seek such changes in the U.N. system for apportioning rates of assessment as are necessary to assure that the rates are closely correlated to each nation's relative ability to pay; bars use of funds authorized by this or any other act for the benefit of any country which aids or abets international terrorism, permits use of its territory as a haven for international terrorists, or cooperates with or serves as a host to military forces from other nations seeking to carry out aggression against any other nation;

Establishes a Commission on United States Participation in the United Nations which is to study and report on the United Nations and the nature and extent of United States participation therein; prohibits the giving of gifts valued at over $50 which are paid for from appropriated funds or of appropriated funds in excess of $50 to any person of a foreign country; prohibits the acceptance by U.S. employees of gifts from persons of a foreign country, and requires a yearly report by the President on the gifts given;

Adds a new title to the Foreign Service Act to equate Foreign Service retirement benefits to civil service retirement benefits; provides that not less than 75 percent of the total number of positions of ambassador which are occupied shall be career personnel in the Foreign Service; requires the Secretary of State to transmit to Congress a comprehensive plan for improvement of the State USIA personnel system; and requires the President to transmit to Congress a report on projected U.S. needs for international broadcast facilities and ways in which existing facilities can be put to more efficient use. S. 3166—Passed Senate March 29, 1976. (105)

TREATIES

Inter-American Women's Rights Convention.—Provides that the right to vote and to be elected to a national office shall not be denied or abridged by reason of sex. Ex. D, 81st–1st—Resolution of ratification agreed to January 22, 1976. (2)

Radio Regulations Revision.—Updates the Radio Regulations to take account of present technology and deals with such items as the reallocation of frequency channels for radiotelephone or for narrow-band direct printed telegraphy and fascimilies (maps), for intraship radio communications and the like, plus power limitations for such channels; contains a U.S. reservation in the final protocol concerning one of the revision's frequency allocation plans, which was felt to be incompatible with the official and public correspondence needs of the United States; and contains other provisions. Ex. G, 94th–1st—Resolution of ratification agreed to January 22, 1976. (6)

Telecommunications Convention.—Abrogates and replaces the International Telecommunications Convention of 1965; generally follows the provisions of the 1956 *Montreux* Convention, but includes a considerable number of minor improvements and a few major modifications; contains an agreement recognizing the International Telecommunications Union as a United Nations specialized agency; makes major changes in the organizaion of the International Telecommunications Union and the functions of its subordinate agencies; increases the Administrative Council's membership from 29 to 36 seats with the understanding that there be no provision for rotation of members; continues the membership at five of the International Frequency Registration Board; deletes from the new Convention the territories of Portugal, Spain, the United Kingdom, France, and the United States as members of the Union; and changes the financial contribution of the United States from 11½ percent of the total contribution to 7 percent. Ex. J. 93d-2—Resolution of ratification agreed to January 22, 1976. (4)

Telegraph and Telephone Regulations.—Simplifies and completely revises versions of the 1958 Telegraph and Telephone Regulations to make it easier for the international business system guided by the Regulations to keep pace with rapidly advancing telecommunications technology; provides the same substantive framework for continued international traffic in both telegraph and telephone service which requires that (1) sufficient international systems be maintained (2) specified services be provided to users, (3) certain operating procedures be followed, and (4) determination of rates and charges and the accounting of the collection of same follow standardized practices; prohibits rebates on rates set by the general official tariff list and grants the right to terminal and transit telegraph offices to stop certain private telegrams, subject to reference to appropriate authorities, but not safety-of-life service of government telegrams; adds 2 reservations on the final protocol which make it clear that telegraph and telephone service on the North American continent is generally considered to fall within the scope of domestic service and is not governed by these regulations in order to insure that aeronautical service which is primarily a private communications service, and operational communications of the airline industry are exempt; contains 2 Appendices on Payment of Balance of Accounts for converting currencies for the balances of international telecommunications accounts together with an escape clause which provides that the prescribed settlement procedures need not be observed should there be a "radical change in the international monetary system". Ex. E, 93d-2—Resolution of ratification agreed to January 22, 1976. (5)

Women's Political Rights Convention.—Provides that women shall be entitled to vote in all elections on equal terms with men, without any discrimination; that women shall be eligible for election to all publicly elected bodies, established by national law, on equal terms with men, without any discrimination; and that women shall be entitled to hold public office and to exercise all public functions, established by national law, on equal terms with men, without any discrimination. Ex. J, 88th-1st—Resolution of ratification agreed to January 22, 1976. (3)

United States Winter Olympic Team.—Expresses pride in and gratitude for the conduct and achievement of the athletes, coaches, trainers and Committee members of the 1976 United States Winter Olympic Team for their excellent performance at the XII Winter Olympic Games. S. Res. 386—Senate adopted February 16, 1976. (VV)

United States Information Agency (U.S.I.A.) Authorization.—Authorizes $266,777,000 for fiscal year 1976 and $71,900,000 for the transition period July 1–September 30, 1976, to the United States Information Agency which conducts cultural informational programs. H.R. 11598—Public Law 94– , approved 1976. (VV)

Wilma Rudolph Film.—Authorizes the United States Information Agency to make available to Cappy Productions, Inc., of New York City, a master copy of the film "Wilma Rudolph Olympic Champion" in order that portions of the film may be used in a television program entitled "Women Gold Medal Winners", which will be used to promote the 1976 Olympic Games. H.R. 6949—Public Law 94–218, approved February 27, 1976. (VV)

MEMORIALS, TRIBUTES, AND MEDALS

Charles Carroll Medals.—Directs the Secretary of the Treasury to strike and furnish to the Baltimore Museum of Art, Baltimore, Maryland, not more than 50,000 national medals commemorating the 200th anniversary of the signing of the Declaration of Independence by Charles Carroll of Carrollton, Maryland. H.R. 3427—Public Law 94–257, approved April 1, 1976. (VV)

Clarence M. Mitchell, Jr.—Honors Clarence M. Mitchell, Jr., for his contributions to the establishment of justice and equality in America by his service as Director of the Washington Bureau of the NAACP, Legislative Chairman of the Leadership Conference on Civil Rights, and various Government posts, and expresses gratitude for his efforts to improve the quality of life for all Americans. S. Res. 353—Senate adopted January 26, 1976. (VV)

Commercial Aviation's 50th Anniversary.—Provides recognition for the 50th anniversary of American commercial aviation. S. Res. 381—Senate adopted March 31, 1976. (VV)

International Astronautical Federation.—Recognizes the importance of the 27th Congress of the International Astronautical Federation (which is a federation of societies devoted to fostering the exploration of space through space science and the development of space technology and law) to be held in Anaheim, California, from October 10 through October 16, 1976; commends the Federation and its affiliated organizations for selecting the United States as the location for its Congress in recognition of the Bicentennial; and commends the U.S. host organizations for sponsoring the Congress. S. Res. 412—Senate adopted March 24, 1976. (VV)

Jerry L. Pettis Memorial Veterans' Hospital.—Designates the Veterans' Administration hospital in Loma Linda, California, as the "Jerry L. Pettis Memorial Veterans' Hospital". H.R. 4034—Public Law 94–246, approved March 25, 1976. (VV)

Library of Congress Thomas Jefferson Building.—Renames the building known as the Library of Congress Annex as the Library of Congress Thomas Jefferson Building. S. 2920—Public Law 94–264, approved April 13, 1976. (VV)

Lincoln Memorial.—Authorizes the Secretary of the Interior to inscribe the names of Alaska and Hawaii on the walls of the Lincoln Memorial in a manner and style consistent with the names of the other 48 States and upon approval of the design and plans for the inscription by the National Capitol Planning Commission, the Commission of Fine Arts, and the Advisory Council on Historic Preservation; and authorizes therefor such sums as necessary. S. 64—Passed Senate April 6, 1976. (VV)

101st Airborne Memorial.—Authorizes the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia in honor of the "Screaming Eagles" of the 101st Airborne Division, United States Army, and requires approval of the Mayor if the selected site is under his jurisdiction. S. 1847—Public Law 94–211, approved February 6, 1976. (VV)

William A. Barrett, Death of.—Expresses the sorrow of the Senate over the death of Representative William A. Barrett, of Pennsylvania. S. Res. 433—Senate adopted April 14, 1976. (VV)

William O. Douglas.—Dedicates the Chesapeake and Ohio Canal National Historical Park in the District of Columbia and Maryland to Justice William O. Douglas and requires that the words "Dedicated to Justice William O. Douglas" be prominently displayed on all existing and future signs bearing the name Chesapeake and Ohio Canal National Historical Park. S. 2742—Passed Senate February 4, 1976. (VV)

Wright Patman, Death of.—Expresses the sorrow of the Senate upon the death of Congressman Wright Patman, of Texas. S. Res. 402—Senate adopted March 9, 1976. (VV)

NATURAL RESOURCES—NATIONAL HISTORIC SITES

Chickasaw National Recreation Area.—Establishes the Chickasaw National Recreation Area in southern Oklahoma consisting of the Platt National Park and the Arbuckle reservoir, plus certain connecting lands, to protect mineral springs and other natural features and to provide increased outdoor recreation opportunities. H.R. 4979—Public Law 94–235, approved March 17, 1976. (VV)

Fire Island National Seashore.—Amends the Act establishing the Fire Island National Seashore to increase the authorization for land acquisition relating to the Seashore from $16 million to $18 million. S. 867—Passed Senate April 7, 1976. (VV)

National Parks Mining Regulations.—Repeals the laws permitting mineral development under the Mining Law of 1872 in the 6 areas of the National Park System where such mining is presently permitted: Crater Lake and the Mount McKinley National Parks; Death Valley, Glacier Bay and Organ Pipe Cactus National Monuments; and Coronado National Memorial; provides express and broad authority for management by the Secretary of the Interior of mineral development on patented and unpatented mining claims within all areas of the National Park System; and imposes a 4-year moratorium on further surface disturbance within Death Valley and Organ Pipe Cactus National Monuments and Mount McKinley National Park in order to give the Secretary of the Interior an opportunity to determine the validity of existing mining claims and Congress an opportunity to decide whether to acquire any valid mineral rights in order to prevent further damage to these areas. S. 2371—Passed Senate February 4, 1976. (25)

National Resource Lands Management: Provides the first comprehensive, statutory statement of purposes, goals, and authority for the use and management of about 448 million acres of federally-owned lands administered by the Secretary of the Interior through the Bureau of Land Management, which constitutes the largest system of Federal lands and comprises 20 percent of America's land base and 60 percent of all federally owned property;

Requires that the national resource lands be managed in accordance with the principles of multiple use and sustained yield and defines those principles; establishes the policy that, except where disposal is consistent with the purposes and conditions of the Act, the national resource lands will be retained in Federal ownership; includes, among other policies set by the Act, a fair return to the United States for the use of the national resource lands, full public participation, including hearings and the use of advisory boards, in decisionmaking concerning those lands, and coordination of the decisionmaking with State and local land use planning;

Repeals a number of the 3,000 public land laws which are either obsolete or conflict with the provisions of the Act; and contains other provisions. S. 507—Passed Senate February 25, 1976. (49)

National Wildlife System Administration.—Amends the National Wildlife Refuge System Administration Act of 1966 to provide that all areas included in the System as of January 1, 1975, shall continue to be a part of the System and cannot be transferred or otherwise disposed of except by an Act of Congress; or in the case of lands acquired with duck stamp receipts, without the approval of the Migratory Bird Conservation Commission; and requires the Secretary of the Interior to administer the areas through the U.S. Fish and Wildlife System. H.R. 5512—Public Law 94–223, approved February 27, 1976. (VV)

Reclamation projects authorization.—Authorizes the Secretary of the Interior to construct, operate, and maintain (1) the Polecat Bench irrigation project of the Shoshone extension unit of the Pick-Sloan Missouri Basin program in northwest Wyoming, and (2) the Pollock-Herreld irrigation project in South Dakota; provides authority for the Secretary to modify the spillway of the existing Dickenson Dam in North Dakota to increase conservation storage and authorizes the construction of a new spillway to assure the safety of the dam from floods; and reauthorizes the existing McKay Dam in Oregon to increase the capacity of the spillway for safety purposes and to include flood control, fish and wildlife, and recreation as project functions. S. 151—Public Law 94–228, approved March 11, 1976. (VV)

Santa Monica recreation area.—Provides for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California; creates a Federal land use planning commission composed of members chosen by the State and local governmental subdivisions with jurisdiction over the area to ensure that local governments, which will have the ultimate responsibility for implementing a land use plan will have, in fact, drawn the plan; requires that the Commission develop a comprehensive land use plan which will achieve certain stated objectives of preservation, resource protection, and access; requires that the plan inventory and classify lands within the area, indicate the permissible uses for such lands, specify the land use controls to insure such uses and prevent nonconforming uses, and identify the unit of Federal, State, or local government responsible for implementing the plan; provides for approval of the plan by the Secretary of the Interior to guarantee that the plan will meet the objectives in the legislation, that the identified units of Federal, State, or local government have the necessary auhority to implement the plan and are willing to do so, and that there has been full public participation in the development of the plan; authorizes Federal grants in the total amount of $50 million for the acquisition of land and/or interest in land to assist State and local governments in implementing the plan; and assures California landowners affected by this bill due process through the State of California Federal circuit court system. S. 1640—Passed Senate February 6, 1976. (VV)

Wetlands loan extension.—Extends from June 30, 1976, until September 30, 1983, the period during which the Department of the Interior can acquire wetlands for migratory waterfowl and increases therefor the authorization under the Wetlands Loan Act of 1961 from $105 million to $200 mililon; delays from July 1, 1976, until October 1, 1983, the date when repayment for advance loans from duck stamp receipts would begin; and changes the name of the "Migratory Hunting Stamp" to the Migratory Bird and Conservation Stamp". H.R. 5608—Public Law 94-215, approved February 17, 1976. (VV)

WILDERNESS AREAS

Bristol Cliffs Wilderness.—Modifies the boundaries of the Bristol Cliffs Wilderness Area, located in the Green Mountain National Forest, Vermont, by eliminating all privately owned lands and approximately 720 acres of noncontiguous National Forest lands thus reducing the size of the area from 6,500 acres to 3,775 acres. S. 2308—Public Law 94-   , approved ——— 1976. (VV)

Eagles Nest Wilderness.—Designates a 128,084 acre area in the Arapaho and White River National Forests, Colorado as the Eagles Nest Wilderness. S. 268—Passed June 5, 1975; Passed House amended April 6, 1976. (VV)

Shenandoah National Park.—Designates 79,019 acres in the Shenandoah National Park, Virginia, as wilderness under the provisions of the Wilderness Act of 1964. S. 895—Passed Senate April 7, 1976. (VV)

WILDERNESS AREAS STUDIES

Kaiser Roadless Area.—Directs the Secretary of Agriculture to review an approximate 28,000 acre area in the Sierra National Forest, California, known as the Kaiser Roadless Area, for possible inclusion in the National Wilderness Preservation System, and to report his findings to the President within 2 years from the date of enactment. S. 75—Passed Senate April 8, 1976. (VV)

NOMINATIONS

(Action by Rollcall Vote)

George Bush, of Texas, to be Director of Central Intelligence.—Nomination confirmed January 27, 1976. (10)

Willie J. Usery, of Georgia, to be Secretary of Labor.—Nomination confirmed February 4, 1976. (26)

PROCLAMATIONS

Bald Eagle Days.—States the sense of the Senate that the people of the United States observe the weekend beginning January 30, 1976, which is designated as "Bald Eagle Days", to recognize the national symbol of the United States. S. Res. 347—Senate adopted January 21, 1976. (VV)

Beta Sigma Phi Week.—Designates the seven day period beginning on April 30 of each year as "National Beta Sigma Phi Week". S.J. Res. 76—Passed Senate March 31, 1976. (VV)

Employ the Older Worker Week.—Designates the week beginning March 13, 1977, as "National Employ the Older Worker Week". S.J. Res. 35 Public Law 94-   , approved 1976. (VV)

Family Week.—Designates the week beginning on November 21, 1976, as "National Family Week". S.J. Res. 101—Public Law 94-   , approved 1976. (VV)

Fourth of July Holiday.—Designates July 2, 1976, as an official holiday to create a 4-day holiday for the Bicentennial. S.J. Res. 151—Passed Senate March 31, 1976. (VV)

Knights of Columbus.—Designates March 29, 1976, as "National Knights of Columbus Day". S. J. Res. 183—Passed Senate March 18, 1976. (VV)

Tennis Week.—Designates the fourth week in June as "National Tennis Week". S.J. Res. 172—Passed Senate March 31, 1976. (VV)

Thomas Jefferson Day.—Designates April 13, 1976, as "Thomas Jefferson Day". H.J. Res. 670—Public Law 94-263, approved April 13, 1976. (VV)

World Habitat Day.—Designates February 29, 1976, as "World Habitat Day". S. Res. 398—Senate adopted February 25, 1976. (VV)

SENATE

Cloture Rule.—Provides that, except by unanimous consent, no amendments shall be proposed after the cloture vote unless they have been submitted in writing to the Journal Clerk prior to the end of the vote. S. Res. 268—Senate adopted April 6, 1976. (VV)

Commission on the Operation of the Senate.—Authorizes the Secretary of the Senate to advance sums to the Chairman of the Commission on the Operation of the Senate for expenses of the Commission not involving personal services. S. Res. 410—Senate adopted March 23, 1976. (VV)

Extends from September 30, 1976, to December 31, 1976, the date for the Commission to submit its final report. S. Res. 423—Senate adopted April 6, 1976. (VV)

Oklahoma Senate Contest.—Senate tabling of S. Res. 356, relating to a determination of the contested 1974 Oklahoma Senate election involving Senator Henry Bellmon and former Representative Ed Edmondson. Subsequently the Senate agreed to a motion to seat Senator Bellmon unconditionally.

Select Committee on Intelligence.—Amends S. Res. 21 to extend to March 15, 1976, the date for the Select Committee to submit a final report of the results of the investigation and study conducted by it with respect to intelligence activities; provides that the committee shall cease to exist on May 31, 1976; and authorizes an additional $300,000 for the 3-month period, March 1 to May 31, 1976, of which not to exceed $10,000 shall be for the procurement of consultants. S. Res. 377—Senate adopted March 1, 1976. (VV)

Amends S. Res. 377 to increase the authorization for the 3-month period March 1, to May 31, 1976, from $300,000 to $350,000 of which not to exceed $15,000 shall be for the procurement of consultants. S. Res. 414—Senate adopted March 31, 1976. (VV)

Select Committee on Committees.—Establishes a temporary select committee of the Senate to conduct a study of the Senate committee system composed of 12 Members of the Senate (6 from the Majority party and 6 from the Minority party) appointed by the President of the Senate upon the recommendation of the majority and minority leaders; directs the Committee to conduct a thorough study of the Senate committee system including structure, jurisdiction, number and optimum size of committees, number of subcommittees, committee rules and procedures, media coverage of meetings, staffing, and other facilities and to make recommendations which promote optimum utilization of a Senator's time, optimum effectiveness of committees in the creation and oversight of Federal programs, clear procedures for the referral of legislation falling within the jurisdiction of two or more committees, and workable methods for the regular review and revision of committee jurisdictions; requires the Committee to submit a final report of its findings by February 28, 1977, with authorization to submit such interim and supplemental reports as it deems appropriate and authorizes therefor $275,000 of which not to exceed $30,000 shall be for the procurement of the services of individual consultants or organizatioins. S. Res. 109—Senate adopted March 31, 1976. (VV)

TRANSPORTATION-COMMUNICATIONS

Airport and Airways Development.—Authorizes the Secretary of Transportation to make airport development grants of $540 million for fiscal year 1976, $580 million for 1977, $620 million for 1978, $660 million for 1979 and $700 million for 1980; authorizes $250 million for each of the fiscal years 1976 through 1980 for acquiring, establishing and maintaining air navigation facilities and $50 million annually for research, development and demonstration projects with specific reference to research on a fog dispersal system;

Increases the obligational authority for airport development grants for the 10 year period ending September 30, 1980 from $2.5 billion to $4.695 billion;

Amends the definitions in the Airport and Airway Development Act of 1970 to permit grants to be made not only for airfield projects but also for terminal area development such as for snow removal equipment, noise suppression barriers, devices and noise suppression landscaping on airport property, purchasing of land adjacent to airports as a noise buffer area, and the development of multimodal passenger terminals which aim to provide a common interchange point with several modes of public transportation;

Provides for the development of a revised national airport system plan to provide a basis for planned, orderly airport development throughout the nation;

Authorizes utilization of surplus Airport and Airway Trust Fund monies to maintain air safety equipment;

Changes the formula by which airport development grant funds are to be apportioned by increasing the Federal share to 90 percent with 10 percent local funding on all projects except at large hub airports which will receive 75 percent matching funds; provides that all projects involving terminal area development or improvements—as contrasted with airfield development—will receive funds based on a 50 percent Federal and 50 percent local formula; and contains other provisions. H.R. 9771—Passed House December 18, 1975; Passed Senate amended March 25, 1976; In conference. (101)

Alaska Highway.—Authorizes $70 million in addition to sums otherwise made available to Alaska under title 23, U.S.C., and section 7(b) of the Federal-Aid Highway Act of 1966 for repair of highways in the State which are facing substantial deterioration because of construction of the Trans-Alaska pipeline, and directs the Secretary of Transportation to report to Congress by January 1, 1977, the feasibility of Alaska repaying, out of future mineral revenues it receives, any sums paid to the State pursuant to appropriations authorized by this Act. S. 2071—Passed Senate January 26, 1976. (VV)

ConRail Acquisition of Bankrupt Rail Property.—Provides that pursuant to the final system plan formulated by the United States Railway Association (USRA) to restructure the midwest and northeast railroad system, the transfer of the rail properties of 11 insolvent railroads along with their subsidiaries and affiliates to ConRail shall not result in the recognition of gain or loss to the transferor companies and that the shareholders and security holders of the transferors will not recognize gain or loss on exchanging their existing interest for ConRail stock and USRA certificates of value; provides that the basis of the assets transferred to ConRail is to be the same for ConRail as the transferor; provides that no net operating losses are to be transferred from the transferors to ConRail; and contains a provision that net operating losses eligible for carry over to years after the date of the transfer are to be kept alive for tax purposes beyond their normal expiration date, but only for use by the transferor against any future income arising from awards of the courts (and the redemption of certificates of value) with respect to the transfer of their rail assests to ConRail. H.R. 12490—Public Law 94–253, approved March 31, 1976. (VV)

ConRail Stock.—Amends the Regional Rail Reorganization Act of 1973, as amended, to change language describing the process of making adjustments to reflect stock splits, stock combinations, reclassifications and similar transactions that might occur after the time of the distribution of the securities pursuant to the provisions of the Act; sets the initial authorized number of series B preferred stock at 35 million; and provides that the Corporation may issue initially, for the purpose of the required deposit, such numbers of series B preferred and common stock as the Association shall certify to the Special Court including any modifications in the numbers of shares as may be ordered by the Special Court. S.J. Res. 184—Public Law 94–248, approved March 25, 1976. (VV)

Federal-Aid Highway Authorization.—Authorizes appropriations for the interstate system of $3.625 billion for each of fiscal years 1980 interstate system of $3.625 billion for each of fiscal years 1980 through 1990; provides authorizations out of the Highway Trust Fund for fiscal years 1977 and 1978, for various highway programs, including authorizations of $1.35 billion for each of these years for the Federal-aid primary system in rural areas, the extensions of the system in urban areas, and the priority primary routes, and $800 million for each of these years for the Federal-aid urban system; amends the Interstate transfer provision to allow funding of highway projects on the Federal-aid primary, secondary or urban systems in lieu of a non-essential Interstate link and to provide that the nationwide aggregate costs of substitute projects shall not exceed the nationwide aggregate costs of withdrawn routes, with the costs to be adjusted to the date of enactment of this act; requires States to spend 30 percent of their interstate funds during fiscal years 1978 and 1979 for the completion of intercity projects that would close essential gaps in the system; provides for increased transferability of funds between categories of highways; expands the carpool program to make it permanent and to include van pools, the purchase of vehicles, and carpooling opportunities for the elderly and handicapped within the program; authorizes a traffic control signalization program for demonstration of new technology, and a demonstration project for use in urban mass transportation of the Automated Guideway Transit system now in operation at the Dallas/Fort Worth Regional Airport; changes the apportionment for the primary system to a formula weighted two/thirds to the existing primary formula and one/third to the ratio of population in all urban areas, which reflects the change in the Federal-aid primary system to include urban extensions;

Contains authorizations for fiscal years 1977 and 1978 for programs carried out by the National Traffic Highway Safety Administration and by the Federal Highway Administration; prohibits the requiring of a State to adopt or enforce a motorcycle law requiring motorcycle operators or passengers 18 years of age or older to wear a safety helmet; and contains other provisions. H.R. 8235—Public Law 94– , approved 1976. (*585)

Fisheres Management—200-mile limits.—Establishes, in title I, effective March 1, 1977, a fisheries conservation zone contiguous to the U.S. territorial sea and extending for 200 nautical miles from the U.S. coasts; provides exclusive fishery management jurisdiction to the U.S. within this zone over all fish (except highly migratory species) and beyond this zone, over anadromous species of fish (e.g. salmon that spawn in U.S. rivers and streams and migrate to ocean waters, and over U.S. Continental Shelf fishery resources; declares Congressional intent that this legislation support and encourage continued U.S. efforts to obtain an internationally acceptable treaty which provides for effective fishery conservation and management; and grants the Secretary of Commerce authority to conform regulations issued pursuant to this Act to the fishery management jurisdiction provisions of an international fishery agreement that may result from any U.N. Conference of the Law of the Sea once that agreement has been ratified by the U.S.;

Authorizes, in title II, foreign fishing for species and resources under the exclusive fishery management authority of the United States pursuant to (1) an international fishery agreement which is in effect as of the date of enactment of this legislation pending renegotiation (in the case of a treaty) or expiration (in any other case) and (2) a "governing international fishery agreement"; states the sense of the Congress that a governing international fishery agreement between the U.S. and a foreign nation shall contain specified provisions essential to the conservation and management of fishery resources and shall not become effective until it has been submitted to and received by Congress; sets the total allowable level of foreign fishing with respect to any fishery under exclusive U.S. jurisdiction at that portion of the optimum yield which will not be harvested by U.S. vessels; prohibits a foreign fishing vessel from fishing within the U.S. fishery conservation zone after February 28, 1977, unless it has, on board the vessel, a valid permit issued by the Secretary of Commerce through the Secretary of State; authorizes the Secretary of the Treasury to embargo seafood from nations which the Secretary of State certifies bars U.S. fishing vessels from its waters, subjects them to conditions and restrictions unrelated to fishery conservation and management, or seizes U.S. fishing vessels in violation of or without authorization under agreement;

Establishes, in title II, a national fishery management program for the conservation and management of fishery resources subject to exclusive U.S. jurisdiction which would establish national standards for fishery management; establishes eight Regional Management Fishery Councils which are empowered to recommend management plans and regulations to the Secretary of Commerce who is authorized to regulate fisheries within the expanded U.S. jurisdiction to prevent overfishing, rebuild overfished stocks, and insure conservation; contains provisions on prohibited acts, civil penalties, criminal offenses, civil forfeiture, and enforcement;

Amends, in title IV, the Fishermen's Protective Act, the Marine Mammal Protection Act of 1972, and the Atlantic Tunas Convention Act of 1975; repeals the Acts of May 20, 1964 (Bartlett Act) and October 14, 1966; and authorizes $5 million for fiscal year 1976, $5 million for the transition period July 1–September 30, 1976, $25 million for fiscal year 1977; and $30 million for fiscal year 1978 to the Secretary of Commerce to carry out the provisions of the Act. H.R. 200—Public Law 94–265, approved April 13, 1976. (14)

Rail Negotiations.—Expresses the sense of the Congress that the public interest requires that the Chessie and Southern Railway Systems and the Railway Labor Organizations should resume negotiations forthwith with the assistance of the Secretaries of Labor and Transportation and exercise unusual diligence to resolve their differences to assure the acquisition and rehabilitation of properties currently owned by bankrupt railroads in the Midwest and Northeast Region pursuant to the final system plan developed by the Consolidated Rail Corporation (ConRail), S. Con. Res. 97—Senate adopted March 4, 1976; House adopted March 9, 1976. (VV)

Railroad Revitalization.—Provides the means to rehabilitate and restore the financial stability of the railway system of the United States; in title II, amends part I of the Interstate Commerce Act to provide for an extensive overhaul of railroad rate regulation by the Interstate Commerce Commission (ICC), which includes the establishment of new standards for determining whether a railroad rate is just and reasonable and the modification of the power of the Commission to suspend proposed railroad rates which are alleged to be unlawful; in title III, contains provisions to reform and improve the process by which the ICC regulates the railroad system; in title IV, contains provisions designed to expedite and rationalize Commission action on applications for mergers and consolidations of rail services;

In title V, establishes in the Treasury a Railroad Rehabilitation and Improvement Fund to be administered by the Secretary of Transportation for the purpose of providing the capital necessary for rehabilitation and improvement of railroads, including ConRail; directs the Secretary to issue and sell Fund anticipation notes to the Secretary of the Treasury who is to buy the notes to the extent of appropriated funds; provides that the proceeds are to be used by the Secretary of Transportation to purchase "redeemable preference shares" issued by railroads whose applications for financing are approved by the Secretary; authorizes $600 million for the Fund through September 30, 1978;

In title VI, provides for the implementation of the Final System Plan for the Northeast/Midwest Regional rail system; authorizes the United States Railway Association to purchase up to $2.1 billion of ConRail securities unless the Association's Finance Committee (composed of the Secretaries of Transportation and the Treasury and the Chairman of the Association) makes an affirmative finding that ConRail has not fulfilled a commitment to the Association, has failed to obtain the overall operating and financial results projected in the Final System Plan, or cannot achieve the results without requiring the Federal assistance substantially in excess of that authorized by this act; provides that an affirmative finding by the Committee to cut off funds for ConRail will become effective after 30 calendar days of continuous session of Congress unless either House passes a resolution of disapproval; authorizes $230 million for pre-conveyance loans by the Association to ConRail to purchase material, supplies and services in anticipation of its operation;

In title VII, provides for the implementation of the Northeast Corridor project for establishment of high speed intercity rail passenger service in the heavily populated eastern seaboard, which includes the States of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland and the District of Columbia; provides that the project is to be funded by the Secretary of Transportation in order to achieve within 5 years the establishment of regularly scheduled intercity service operating on at least a 3 hour and 40 minute schedule between Boston and New York City and a 2 hour and 40 minute schedule between New York City and Washington; authorizes $1.75 billion to meet this goal; sets as other goals the improvement of service on routes from the Northeast Corridor main line, improvement of stations, rail commuter service, rail freight service, and passenger radio telephone service; directs the Secretary to report to Congress in 2 years on the results of the project and on the practicability of establishing passenger service between Boston and New York City on at least a 3 hour schedule;

In title VIII, clarifies the ICC's authority over railroad abandonments and discontinuances; establishes a local rail service assistance program on a nationwide basis and authorizes $360 million for this purpose over a 5 year period; makes several changes in the local rail service assistance program for the northeast/midwest region originally provided in the Regional Rail Reorganization Act of 1973; contains various miscellaneous provisions in title IX, including the requirement of a study by the Secretary of the American Rail System and an analysis of Federal rail assistance; and contains other provisions. S. 2718—Public Law 94–210, approved February 5, 1976. (*552, *609, 16)

VETERANS

American Battle Monuments Commission Travel Expenses.—Authorizes members of the American Battle Monuments Commission (which was established after World War I to provide plans and cost estimates for suitable memorials to commemorate the services of the American Armed Forces on foreign soil), when traveling outside the continental United States, variable per diem rates identical to those authorized for members of the uniformed services in special status, and makes a technical amendment consistent with the changes made by the Travel Expense Amendments for Government employees (Public Law 94–22) concerning travel by members of the Commission, within the continental United States. H.R. 8507—Public Law 94–256, approved April 1, 1976. (VV)

Veterans' insurance.—Amends title 38, U.S.C., to permit any Veterans insured under Servicemen's Group Life Insurance (SGLI) the right to convert to an individual policy of commercial life insurance including a term policy; permits Veterans insured under Veterans' Group Life Insurance when exercising their conversion privilege the right to choose an individual commercial policy of term insurance (convertible at a time specified in the policy to a permanent plan of insurance) or a whole life policy; extends for 1 year after enactment the period during which veterans extended retroactive eligibility by Public Law 93–289 for Veterans' Group Life Insurance may apply for such policies; and makes technical amendments to chapter 19, title 38, U.S.C., to clarify language, restructure sections and eliminate unnecessary gender references. S. 1911—Passed Senate March 15, 1976. (VV)

Mr. HUGH SCOTT. Mr. President, I share with the distinguished majority leader the pride in the accomplishments of the Senate. There has been much work before us. Much has been done; much remains to be done.

I feel constrained to point out that when the President vetoes a bill, he does this under his constitutional authority. The Founding Fathers intended that the President have the right to use this power and that he use it whenever he sees fit.

What is the meaning of a veto, other than to say to Congress, under the Constitution: "Just wait a cotton-picking minute. Look this thing over and see whether or not you weren't a little too rash or a little too expensive or possibly even a little too unconstitutional the first time around." That has had a considerable beneficial effect for the people of the Nation.

This President has vetoed many bills. I am sure there will be others he will feel compelled to veto.

On most of those occasions, I have tried to support and sustain the veto. On some of those enumerated by the distinguished majority leader, I voted to override the veto, because I believed that, at that time, and under those circumstances, to be in the best interests of the Nation, and they do include such matters as the school lunch program.

The interesting thing to me in the majority leader's point—because it sustains what I am saying—is that of 10 vetoed bills, they were reviewed and repassed by Congress. That is exactly why they were vetoed. When they were reviewed and repassed, they were reviewed and repassed by a lower figure.

On an earlier occasion, the President has pointed out that the results of his vetoes have saved the taxpayers of this country $13 billion. If that money had not been saved, our budget deficit this year of approximately $50 billion would have been $63 billion.

Governors, such as the Governor of California and the Governor of Massachusetts, are realizing that you cannot cure all problems by throwing an excessive amount of money at them. We have discovered that some of the Great Society programs did not achieve all that was intended for them to achieve and that some were, in fact, positively counterproductive.

Therefore, the right of veto and the use of the veto is beneficial. It does help to save money. It does not mean that the President voted against school lunches for children or breakfast programs or aid to education or anything of the sort. What it means is that the President has said that if you cannot live within your income—and Government at the moment cannot—you should live as nearly within your income as you can; you should divide the Government's resources fairly among the people; you should see that those who are deserving of help from the Federal Government get it; but you should not go so rampant in the sum totals you vote as to do it merely for the political effect or for the opportunity of saying that the President is against something.

It should be pointed out here, in conclusion, that the amounts which the President has supported and signed into law in almost every area of the public interest have been greater by considerable sums than the amounts which were existing in previous legislation. I am saying that we have voted more for veterans than ever before. We have voted more for education than ever before. We have voted more for aid to children than ever before. We have voted more welfare than ever before. We have voted more for food stamp programs—and I supported the Dole-McGovern bill—than ever before.

In just about every field, Congress has extended Federal largess at a higher figure, and that higher figure remains true even after the veto, followed by the review and repassing, followed by the signature of the President.

So it is a legitimate argument to say that you disagree with the President; but I do not believe the argument holds water that the President of the United States is against people because he thought in any given instance that $30 billion was enough rather than $33 billion. When he has saved the people $13 billion and has saved that much on their income taxes, he has performed a service for the people, and that is why I think we should take note of it.

Mr. MANSFIELD. Mr. President, I want to discuss the matter which the distinguished Senator has called to the attention of the Senate, which I began.

A veto was intended by the Founding Fathers to afford the Chief Executive the authority to prevent an unconstitutional action by the legislative branch of Government. It was not intended by the Founding Fathers to give the Chief Executive's personal viewpoints on policy and prevailing judgment over the elected legislature.

I admit that the use of the veto has been extended well beyond the intention of the Founding Fathers; but when the distinguished Republican leader mentions the intent of the Founding Fathers with respect to the veto, I think the record should be clear.

Mr. HUGH SCOTT. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. HUGH SCOTT. I want the record to show that I cannot agree, as a constitutionalist, that the only function of the veto in the Constitution is to veto unconstitutional measures. The purpose of the veto is to return to Congress and thereby require a two-thirds vote on something which heretofore had required only a majority vote.

Mr. MANSFIELD. I would not disagree with the Senator from Pennsylvania, the Republican leader, but I point out that Presidents in recent years, both Democratic and Republican, have gone far beyond the Constitution in exercising the right of the veto, and some of them have become veto-happy.

DEATH OF REPRESENTATIVE WILLIAM A. BARRETT OF PENNSYLVANIA

Mr. HUGH SCOTT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Resolution 1154.

The PRESIDING OFFICER laid before the Senate a resolution (H. Res. 1154) which was read as follows:

> *Resolved*, That the House has heard with profound sorrow of the death of the Honorable William A. Barrett, a Representative from the State of Pennsylvania.
>
> *Resolved*, That a committee of 73 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.
>
> *Resolved*, That the Sergeant at Arms of the House be authorized and directed to

take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. HUGH SCOTT. Mr. President, the Senate has heard with profound sorrow the announcement of the death of the Honorable William A. Barrett, late a Representative from the Commonwealth of Pennsylvania.

I have known Bill Barrett ever since he came to Congress. I have had occasion to work with him on many matters of interest to the Nation and to our Commonwealth and to our city of Philadelphia.

He alone, I believe, among the Members of Congress, returned to his district every night when Congress was in session and visited with and aided the people from his district in every thought and manner of problem which they brought to him.

He will be missed in Congress, and I am sure that all of us who knew him feel that we have lost a friend.

Mr. President, I submit a resolution on behalf of Senator Schweiker and myself and, without at this point yielding the remainder of my time, I ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be read.

The resolution (S. Res. 433) was read, considered by unanimous consent, and unanimously agreed to, as follows:

S. Res. 433

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable William A. Barrett, late a Representative from the State of Pennsylvania.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate adjourns today, it adjourn as a further mark of respect to the memory of the deceased Representative.

GRAIN INSPECTION REFORM ACT OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 713, S. 3055, a bill to provide for U.S. standards and a national inspection system for grain and for other purposes, be laid before the Senate and made the pending business.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HUGH SCOTT. This bill affects the Senator from Kansas. It is being laid before the Senate today, under an order to take it up at 1 p.m. on April 26. Is that all right with the Senator?

Mr. DOLE. That is satisfactory to the Senator from Kansas.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 3055) to provide for U.S. standards and a national inspection system for grain, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert the following:

That the United States Grain Standards Act (82 Stat. 761–770; 7 U.S.C. 71, 74–79, 84–87, and 87a–87h) is hereby amended to read as follows:

"SHORT TITLE

"Section 1. This Act may be cited as the 'United States Grain Standards Act'.

"DECLARATION OF POLICY

"Sec. 2. Grain is an essential source of the world's total supply of human food and animal feed and is merchandised in interstate and foreign commerce. It is declared to be the policy of the Congress, for the promotion and protection of such commerce in the interests of producers, merchandisers, warehousemen, processors, and consumers of grain, and the general welfare of the people of the United States, to provide for the establishment of official United States standards for grain, to promote the uniform application thereof by official inspection personnel, to provide for an official inspection system for grain, and to regulate the weighing and the certification of the weight of grain shipped in interstate or foreign commerce in the manner hereinafter provided; with the objectives that grain may be marketed in an orderly and timely manner and that trading in grain may be facilitated. It is hereby found that all grain and other articles and transactions in grain regulated under this Act are either in intertsate or foreign commerce or substantially affect such commerce and that regulation thereof as provided in this Act is necessary to prevent or eliminate burdens on such commerce and to regulate effectively such commerce.

"DEFINITIONS

"Sec. 3. When used in this Act, except where the context requires otherwise—

"(a) the term 'Secretary' means the Secretary of Agriculture of the United States or his delegates;

"(b) the term 'Administrator' means the Administrator of the Federal Grain Inspection Agency established by section 4 of this Act or his delegates;

"(c) the term 'Department of Agriculture' means the United States Department of Agriculture;

"(d) the term 'Agency' means the Federal Grain Inspection Agency established by section 4 of this Act;

"(e) the term 'person' means any individual, partnership, corporation, association, or other business entity;

"(f) the term 'United States' means the States (including Puerto Rico) and the territories and possessions of the United States (including the District of Columbia);

"(g) the term 'State' means any one of the States (including Puerto Rico) or territories or possessions of the United States (including the District of Columbia);

"(h) the term 'interstate or foreign commerce' means commerce from any State to or through any other State, or to or through any foreign country;

"(i) the term 'grain' means corn, wheat, rye, oats, barley, flaxseed, sorghum, soybeans, mixed grain, and any other food grains, feed grains, and oil seeds for which standards are established under section 5 of this Act;

"(j) the term 'export grain' means grain for shipment from the United States to any place outside thereof;

"(k) the term 'official inspection' means the determination (by original inspection and, when requested, reinspection and appeal inspection) and the certification, by official personnel, of the kind, class, quality or condition of grain, or the condition of vessels and other carriers or receptacles for the transportation of grain insofar as it may affect the quality or condition of such grain, under standards provided for in this Act; or, upon the request of the interested party applying for inspection, other facts relating to grain under other criteria approved by the Administrator under this Act (the term 'officially inspected' shall be construed accordingly);

"(l) the term 'official personnel' means employees of the Agency, a State under agreement with the Administrator, or an official contractor licensed or otherwise authorized by the Administrator pursuant to section 13 of this Act to perform all or specified functions involved in official inspection, or official weighing, or in the supervision thereof, or in monitoring activities in foreign ports, with respect to grain regulated under this Act;

"(m) the term 'official mark' means any symbol prescribed by regulations of the Administrator to show the official determination of official inspection or official weighing;

"(n) the term 'official grade designation' means a numerical or sample grade designation, specified in the standards relating to kind, class, quality, and condition of grain, provided for in this Act;

"(o) the term 'official contractor' means a State or person who has entered into a contract with the Administrator authorized by sections 8, 9, and 11 of this Act for the conduct of official inspection (other than appeal inspection) or official weighing under this Act at a point designated by the Administrator (the term 'official contract' will be construed accordingly);

"(p) the terms 'official certificate' and 'official form' mean, respectively, a certificate or other form prescribed by regulations of the Administrator under this Act;

"(q) the term 'official sample' means a sample obtained from a lot of grain by, and submitted for official inspection by, official personnel (the term 'official sampling' shall be construed accordingly);

"(r) the term 'submitted sample' means a sample submitted by or for an interested person for official inspection, other than an official sample;

"(s) the term 'lot' means a specific quantity of grain identified as such;

"(t) the term 'interested person' means any person having a contract or other financial interest in grain as the owner, seller, purchaser, warehouseman, or carrier, or otherwise;

"(u) the verb 'ship' with respect to grain means transfer physical possession of the grain to another person for the purpose of transportation by any means of conveyance, or transport one's own grain by any means of conveyance;

"(v) the terms 'false', 'incorrect', and 'misleading' mean, respectively, false, incorrect, and misleading in any particular;

"(w) the term 'deceptive loading, handling, weighing, or sampling' means any manner of loading, handling, weighing, or sampling that deceives or tends to deceive official personnel, as specified by regulations of the Administrator under this Act;

"(x) the term 'export elevator' means any grain elevator, warehouse or other grain storage and handling facility in the United States as determined by the Administrator, from which grain is shipped from the United States to an area outside thereof;

"(y) the term 'major inland terminal elevator' means any terminal grain elevator, warehouse or other grain storage and handling facility in the United States, other than an export elevator, as determined by the Administrator, located in a terminal marketing area in the interior of the United States at which over 50,000,000 bushels of grain are officially inspected in an average year;

"(z) the term 'official weighing' means the determination and the certification by official personnel of the quantity of a lot of grain under standards provided in this Act, based on the actual performance of weighing or the physical supervision thereof, to include the physical inspection and testing for accuracy of the weights and scales and (where the weighing is done in an elevator or warehouse) the physical inspection of the elevator or warehouse premises and the monitoring of the flow of grain into and out of the elevator or warehouse (the term 'officially weighed' shall be construed accordingly).

"ESTABLISHMENT OF FEDERAL GRAIN INSPECTION AGENCY

"SEC. 4. There is created and established in the Department of Agriculture an agency of the United States to be known as the Federal Grain Inspection Agency, all the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary, who shall be appointed by the President by and with the advice and consent of the Senate, for a term of ten years. The Administrator shall be responsible for the administration of this Act and for the establishment of policies, guidelines, and regulations by which the Agency is to carry out the provisions of this Act.

"STANDARDS

"SEC. 5. (a) The Administrator is authorized to investigate the handling, weighing, grading, and transportation of grain and to fix and establish (1) standards of kind, class, quality, and condition for corn, wheat, rye, oats, barley, flaxseed, sorghum, soybeans, mixed grain, and such other grains as in his judgment the usages of the trade may warrant and permit; and (2) standards for accurate weighing and weight certification porcedures and controls including safeguards over equipment calibration and maintenance, for grain shipped in interstate or foreign commerce; and the Administrator is authorized to amend or revoke such standards whenever the necessities of the trade may require.

"(b) Before establishing, amending, or revoking any standards under this Act, the Administrator shall publish notice of the proposal and give interested persons opportunity to submit data, views, and arguments thereon and, upon request, an opportunity to present data, views, and arguments orally in an informal manner. No standards established or amendments or revocations of standards under this Act shall become effective less than one calendar year after promulgation thereof, unless in the judgment of the Administrator, the public health, interest, or safety require that they become effective sooner.

"OFFICIAL INSPECTION AND WEIGHING REQUIREMENTS

"SEC. 6. (a) Whenever standards are effective under section 5 of this Act for any grain—

"(1) no person shall ship from the United States to any place outside thereof any lot of such grain, unless such lot is officially weighed and officially inspected (on the basis of official samples taken after final elevation as near the final spout through which the grain passes as physically practicable as it is being loaded aboard, or while it is in, the final carrier in which it is to be transported from the United States) in accordance with such standards, and unless a valid official certificate showing the official grade designation and certified weight of the lot of grain has been provided by official personnel and is promptly furnished by the shipper, or his agent, to the consignee with the bill of lading or other shipping documents covering the shipment: *Provided, however*, That the Administrator may waive this requirement with respect to shipments from or to any area or any other class of shipments when in his judgment it is impracticable to provide official inspection or official weighing with respect to such shipments;

"(2) all other grain transferred out of and all grain transferred into an export elevator shall be officially weighed in accordance with such standards;

"(3) all grain that is officially inspected as it is being transferred into or out of a major inland terminal elevator shall also be officially weighed in accordance with such standards: *Provided, however*, That the Administrator may waive this requirement in emergency or other circumstances which would not impair the objectives of this Act; and

"(4) whenever the same lot of grain is both officially inspected and officially weighed, an official certificate shall be issued showing both the official grade designation and the certified weight of the lot of grain.

"(b) All official inspection and official weighing, whether performed by authorized Agency employees or any other person licensed under section 13 of this Act, shall be supervised by representatives of the Administrator, in accordance with such regulations as he may provide.

"REQUIRED USE OF OFFICIAL GRADE DESIGNATIONS AND PROHIBITION OF CERTAIN ACTS WITH RESPECT TO CERTAIN GRAIN

"SEC. 7. (a) Whenever standards relating to kind, class, quality, and condition of grain are effective under section 5 of this Act for any grain, no person shall in any sale, offer for sale, or consignment for sale, which involves the shipment of such grain in interstate or foreign commerce, describe such grain as being of any grade in any advertising, price quotation, other negotiation of sale, contract of sale, invoice, bill of lading, other document, or description on bags or other containers of the grain, other than by an official grade designation, with or without additional information as to specified factors: *Provided*, That the description of such grain by any proprietary brand name or trademark that does not resemble an official grade designation, or with respect to interstate commerce, by the use of one of more grade factor designations set forth in the official United States standards for grain, or by other factor information shall not be deemed to be a description of grain as being of any grade.

"(b) No person shall, in any sale, offer for sale, or assignment for sale, of any grain which involves the shipment of such grain from the United States to any place outside thereof, describe such grain by any official grade designation, or other description, which is false or misleading.

"OFFICIAL INSPECTION AUTHORITY

"SEC. 8. (a) The Administrator is authorized, upon the request of any interested the standards provided for in section 5 of this Act, in accordance with such regula- to be officially inspected as provided in section 6 of this Act, in accordance with such regulations as he may prescribe.

"(b) The Administrator is further authorized, upon request of any interested person, and under such regulations as he may prescribe, to cause official inspection to be made with respect to any grain whether by official sample, submitted sample, or otherwise, within the United States under standards provided for in section 5 of this Act, or upon request of the interested person, official inspection under other criteria approved by the Administrator for determining kind, class, quality, or condition of grain, or other facts relating to grain, whenever in his judgment providing such service will effectuate any of the objectives stated in section 2 of this Act.

"(c) The regulations prescribed by the Administrator under this Act shall include provisions for reinspections and appeal inspections; cancellation and surrender of certificates superseded by reinspections and appeal inspections; and the use of standard forms for official certificates. The Administrator is authorized to provide by regulation that samples obtained by or for employees of the Agency for purposes of official inspection shall become the property of the United States, and such samples may be disposed of without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.).

"(d) Official certificates setting out the results of official inspection, issued and not canceled under this Act, shall be received by all officers and all courts of the United States as prima facie evidence of the truth of the facts stated therein.

"(e) The Administrator shall cause all official inspection at export elevators and major inland terminal elevators for grain required or authorized to be inspected by this Act to be performed by official personnel employed by the Agency. The Administrator is authorized to provide that grain loaded at any interior point in the United States into a rail car, barge, or other container as the final carrier in which it is to be transported from the United States shall be inspected in the same manner.

"(f) With respect to official inspection other than at export elevators or major inland terminal elevators at locations which the Administrator determines official inspection is needed for grain required or authorized to be inspected by this Act, the Administrator is authorized to cause such inspection to be performed by official personnel employed by the Agency or enter into a contract with any State or person for the conduct of all or specified functions involved in official inspection (other than appeal inspection) as provided in section 11 of this Act.

"(g) The Administrator is authorized to cause official inspection under this Act to be made, as provided in subsection (a) of this section, in Canadian ports of United States export grain transshipped through Canadian ports, and pursuant thereto the Secretary is authorized to enter into an agreement with the Canadian Government for such inspection.

"(h) No State or person other than an employee of the Agency shall perform any official inspection functions for the purposes of this Act except in accordance with the provisions of a valid official contract.

"OFFICIAL WEIGHING AUTHORITY

"SEC. 9. (a) The Administrator is authorized to cause official weighing under standards provided for in section 5 of this Act to be made of all grain required to be officially weighed as provided in section 6 of this Act, in accordance with such regulations as he may prescribe.

"(b) The Administrator is further authorized, upon the request of any interested person, and under such regulations as he may prescribe, to cause official weighing under standards provided for in section 5 of this Act, to be made with respect to any grain that is officially inspected as provided in section 8 of this Act or at any elevator, warehouse, or other grain storage and handling facility at which official inspection is provided, pursuant to the provisions of this Act.

"(c) The Administrator is further authorized to cause official weighing under standards provided for in section 5 of this Act to be made at elevators not subject to subsections (a) and (b) of this section, upon request of such elevator and in accordance with such regulations as he may prescribe. Such official weighing service shall not be provided for periods of less than one year; and the fees therefor shall be set separately from those fees provided for in section 12 of this Act and shall be reasonable, nondiscriminatory, and equal, as nearly as possible, to the cost of providing such services.

"(d) The Administrator shall cause all official weighing at export elevators and major inland terminal elevators for grain required or authorized to be officially weighed by this Act to be performed by official personnel employed by the Agency: *Provided, however,* That, with respect to official weighing other than at export elevators, the Administrator is authorized to enter into an agreement with a State for the conduct of such activities under the supervision of the Agency, with respect to elevators and warehouses subject to its jurisdiction if the Administrator finds that the State in which the weighing is done, conducts weighing under procedures equivalent to those prescribed under this section.

"(e) With respect to official weighing other than at export elevators or major inland terminal elevators, at locations with respect to which the Administrator has not entered into an agreement with a State for the conduct of official weighing as provided in subsection (d) of this section, for grain required or authorized to be weighed by this Act, the Administrator is authorized to cause such weighing to be performed by official personnel employed by the Agency or enter into an official contract with any State or person for the conduct of all or specified functions involved in official weighing, as provided in section 11 of this Act.

"(f) The Administrator is authorized to cause official weighing under this Act to be made, as provided in subsection (a) of this section, in Canadian ports of United States grain transshipped through Canadian ports; and pursuant thereto the Secretary is authorized to enter into an agreement with the Canadian Government for such official weighing.

"(g) Official certificates setting out the results of official weighing, issued and not canceled under this Act, shall be received by all officers and all courts of the United States as prima facie evidence of the truth of the facts stated therein.

"(h) No State or person other than an authorized employee of the Agency shall perform official weighing for the purposes of this Act except in accordance with the provisions of an agreement as provided in subsection (d) of this section or a valid official contract.

"(i) Notwithstanding any other provision of law, no person shall weigh, or state in any document the weight of, any lot of grain shipped in interstate or foreign commerce, in any State of the United States, except in accordance with any such regulations and procedures described in this section that may apply to such lot of grain unless such jurisdiction is enforcing equivalent procedures under its laws pursuant to an agreement under subsection (d) of this section.

"(j) The provisions of this section shall not limit any authority vested in the Secretary under the United States Warehouse Act (39 Stat. 486, as amended; 7 U.S.C. 241 et seq.).

"(k) The representatives of the Administrator and persons employed by a State under an agreement or an official contractor shall be afforded access to any elevator, warehouse, or other grain storage and handling facility from which grain is delivered for shipment in interstate or foreign commerce or to which grain is delivered from shipment in interstate or foreign commerece and all facilities therein for weighing grain, for the purpose of providing official weighing or performing supervision thereof under this section.

TESTING OF EQUIPMENT

"SEC. 10. (a) The Administrator shall provide for the testing of all equipment used in the inspection, grading, and weighing of grain located at all elevators, warehouses, and other grain storage and handling facilities at which official inspection or official weighing is provided under this Act, to be made on a random and periodic basis, but at least twice annually and under such regulations as the Administrator may prescribe, as he deems necessary to assure the accuracy and integrity of such mechanical equipment.

"(b) Notwithstanding any other provision of Law, the Administrator is authorized to supervise the testing, by States, political subdivisions thereof, and private persons, of equipment located at any grain elevator, warehouse, or other grain storage and handling facility from which grain is shipped in interstate or foreign commerce under such regulations as he may prescribe and at such intervals as he deems necessary to assure the accuracy and integrity of such equipment.

"(c) Notwithstanding any other provision of law, no person shall use any equipment disapproved by the Administrator.

"CONTRACTING AUTHORITY

"SEC. 11. (a) The Administrator shall, prior to entering into a contract with a State or person for the performance of official inspection or official weighing functions as provided in sections 8 and 9 of this Act, make a determination that—

"(1) such State or person—

"(A) has adequate facilities and qualified personnel for the performance of such official functions;

"(B) will conduct such training and provide such supervision of its personnel as are necessary to assure that they will provide official inspection or official weighing in accordance with this Act and the regulations and instructions thereunder;

"(C) or employees thereof do not have any conflicts of interest prohibited by subsection (b) of this section, and section 16 of this Act;

"(D) will maintain complete and accurate records of its organization, staffing, official activities, and fiscal operations, and such other records as the Administrator may require by regulation;

"(E) will comply with all provisions of this Act and the regulations and instructions thereunder;

"(F) meets other criteria established in regulations issued under this Act relating to the performance of official inspection or official weighing;

"(G) will provide for the periodic rotation of official personnel at the various elevators for which the State or person provides inspection or weighing, or both, as is necessary to preserve the integrity of the official inspection system; and

"(2) The applicant is better able than any other applicant to provide official inspection or official weighing service.

"(b) The Administrator shall not contract for the performance of these official functions as provided in sections 8 and 9 of this Act with (1) any person who owns, operates, or is employed by a commercial grain elevator or warehouse, is currently engaged in the merchandising of grain or is financially interested in (directly or otherwise) any business entity which owns or operates any commercial grain elevator or warehouse, or is currently engaged in the merchandising of grain; or (2) any corporation, partnership, association, or other business entity owned (fully or otherwise), operated, or managed by such person.

"(c) Official contracts shall include provisions that permit employees of the Agency authorized to supervise the official inspection or weighing of grain to supervise the activities of the official contractor in such manner as the Administrator deems necessary.

"(d) Official contracts shall terminate at such time as specified by the Administrator but not later than at the end of five years and may be renewed in accordance with the criteria prescribed in this section. Official contracts may be amended at any time upon application by the official contractor if the Administrator determines that the amendment will be consistent with the provisions and objectives of this Act; and such a contract will be canceled upon request by the official contractor with ninety days written notice to the Administrator. A fee as prescribed by regulations of the Administrator shall be paid to the Administrator for each such amendment to cover the costs incurred by the Agency in connection therewith, and it shall be deposited in the fund provided for in section 12.

"(e) The Administrator may revoke an official contract whenever, after opportunity for hearing is afforded the official contractor, the Administrator determines that the official contractor has failed to meet one or more of the criteria specified in subsection (a) of this section or the regulations under this Act for the performance of functions under this Act, or otherwise has not complied with any provisions of this Act or any regulation prescribed or instruction issued to such contractor under this Act, or (with respect to a person contracting with the Administrator) has been convicted of any violation of other Federal law involving the handling, weighing, or official inspection of grain: *Provided,* That the Administrator may, without first affording the official contractor an opportunity for a hearing, suspend an official contract pending final determination of the proceeding whenever the Administrator has reason to believe there is cause for revocation of the official contract and considers such action necessary to effectuate the objectives and purposes of this Act. The Administrator shall afford such person an opportunity for a hearing within thirty days after temporarily suspending such contract.

"FEES FOR SERVICE

"SEC. 12. The Administrator shall, under such regulations as he may prescribe, charge and collect fees for the performance of official inspection and official weighing in the United States and for United States grain transshipped through Canadian ports and testing of equipment. The fees authorized by this section shall be reasonable, nondiscriminatory, and as nearly equal as possible in each geographic area of the United States and, after taking into consideration any proceeds from the sale of samples, cover the costs of the Agency incident to the performance of these services and supervisory and administrative costs directly related thereto, except as provided in section 26 of this Act: *Provided, however,* That the amount of such fees shall not be increased during the course of any fiscal year more than 10 per centum over the amount of the fee in effect at the end of the previous fiscal year without the express authorization of the Administrator. Fees collected pursuant to an official contract shall include amounts to cover Agency supervision of the activities of the official contractor, except as provided for in section 26 of this Act. Such fees, and the proceeds from the sale of samples obtained for purposes of official inspection which become the property of the United States, shall be deposited into a fund which shall be available without fiscal year limitation for the expenses of the Agency incident to providing services under this Act.

"LICENSES AND AUTHORIZATIONS

"SEC. 13. (a) The Administrator is authorized to (1) issue a license to any individual upon presentation to him of satisfactory evidence that such individual is competent, and is employed by an official contractor, to perform all or specified functions involved in official inspection or official weighing of grain; (2) issue a license to any individual upon presentation to him of satisfactory evidence that such individual is competent, and is employed by a State with whom the Administrator has entered into an agreement pursuant to this Act, to perform official weighing of grain; (3) authorize any competent employee of the Agency to (i) perform all or specified original or appeal inspection functions involved in official inspection of grain, (ii) perform official weighing of grain, (iii) supervise the official inspection or official weighing of grain or the testing of equipment, and (iv) perform monitoring activities in foreign ports with respect to grain officially inspected and officially weighed under this Act; (4) contract with any person to perform specific sampling or laboratory functions involved in the official inspection of grain; and (5) contract with any person for the performance of monitoring activities in foreign ports with respect to grain officially inspected and officially weighed under this Act. No person shall perform any official inspection or official weighing function for purposes of this Act unless he holds an unsuspended and unrevoked license of authorization from the Administrator under this Act.

"(b) All classes of licenses and authorizations issued under this Act shall terminate triennially on a date or dates to be fixed by regulation of the Administrator. *Provided,* That any license or authorization shall be suspended automatically when the licensee or authorized person ceases to be employed by the Agency or under an official contract or agreement, for the conduct of any official function under this Act: *Provided further,* That subject to subsection (c) of this section, such license or authorization shall be reinstated if the licensee or authorized person is employed by the Agency or an official contractor or a State under an agreement, within one year of the suspension date and the license or authorization has not expired in the interim.

"(c) The Administrator may require such examinations and reexaminations as he may deem warranted to determine the competence of any applicants for licenses, licensees, or employees of the Agency to perform any official inspection or official weighing function under this Act.

"(d) Persons employed by an official contractor to perform official inspection or official weighing functions or by a State under an agreement to perform official weighing and persons performing specified sampling or laboratory functions under contract with the Administrator as provided in subsection (a) of this section shall not, unless otherwise employed by the United States Government, be deemed to be employees of the United States Government: *Provided, however,* That such persons shall be considered, in the performance of any official inspection or official weighing function as prescribed by this Act or by the regulations of the Administrator, as persons acting on behalf of the United States for the purpose of determining the application of section 201 of title 18, United States Code, to such persons.

"(e) The Administrator shall provide for the periodic rotation of supervisory personnel and official personnel employed by the Agency as he deems necessary to preserve the integrity of the system for official inspection and official weighing provided by this Act.

"(f) The Administrator shall develop and effectuate uniform standards for the recruiting, training, and supervising of official personnel and work production standards for such personnel, which shall be applicable to the Agency and all official contractors and all persons licensed or authorized to perform official functions under this Act: *Provided, however,* That persons licensed for authorized as of June 1, 1976, to perform any official function under this Act, shall be exempted from any of the uniform recruiting and training provisions of this subsection or regulations or standards issued pursuant thereto if the Administrator determines that such persons are technically and professionally qualified for the duties to which they will be assigned and they agree to complete whatever additional training the Administrator deems necessary.

"REFUSAL OF RENEWAL, OR SUSPENSION OR REVOCATION, OF LICENSES AND AUTHORIZATIONS

"SEC. 14. The Administrator may refuse to renew, or may suspend or revoke, any license or authorization issued under this Act whenever, after the licensee or authorized person has been afforded an opportunity for a hearing, the Administrator shall determine that such licensee or authorized person is incompetent, or has inspected or weighed grain for purposes of this Act by any standard or criteria other than as provided for in this Act, or has issued, or caused the issuance of, any false or incorrect official certificate or other official form, or has knowingly or carelessly inspected or weighed grain improperly under this Act, or has accepted any money or other consideration, directly or indirectly, for any neglect or improper performance of duty, or has used his license or authorization or allowed it to be used for any improper purpose, or has otherwise violated any provision of this Act or of the regulations prescribed or instructions issued to him by the Administrator under this Act. The Administrator may, without first affording the licensee or authorized person an opportunity for a hearing, suspend any license or authorization temporarily pending final determination whenever the Administrator deems such action to be in the best interest of the official inspection system under this Act. The Administrator may summarily revoke any license whenever the licensee or authorized person has been convicted of any offense prohibited by section 18 of this Act or convicted of any offense proscribed by title 18, United States Code, with respect to performance of official duties under this Act.

"REFUSAL OF OFFICIAL INSPECTION OR OFFICIAL WEIGHING AND CIVIL PENALTIES

"SEC. 15. (a) The Administrator may (for such period, or indefinitely, as he deems necessary to effectuate the purposes of this Act) refuse to provide official inspection or official weighing otherwise available under this Act with respect to any grain offered for inspection or weighing, or owned, wholly or in part, by any person if he determines (1) that the individual (or in case such person is a partnership, any general partner; or in case such person is a corporation, any officer, director, or holder or owner of more than 10 per centum of the voting stock; or in case such person is an unincorporated association or other business entity, any officer or director thereof) has committed any violation of section 18 of this Act or has been convicted of any violation of any other Federal law involving the handling, weighing, or inspection of grain, or that official inspection or official weighing has been refused for any of the above-specified causes (for a period which has not expired) to such person, or any other person conducting a business with which the former was, at the time such cause existed, or is responsibly connected; and (2) that providing official inspection or official weighing with respect to such grain would be inimical to the integrity of the official inspection and official weighing service. In addition to, or in lieu of, penalties provided under section 19 of this Act, the Administrator may refuse to provide official inspection or official weighing in accordance with this section or assess against the responent a civil penalty not to exceed $100,000 for each such violation, or both, as the Administrator determines is appropriate to effectuate the objectives stated in section 2 of this Act.

"(b) For purposes of subsection (a) of this section a person shall be deemed to be responsibly connected with a business if he was or is a partner, officer, director, or holder or owner of 10 per centum or more of its voting stock, or an employee in a managerial or executive capacity.

"(c) Before official inspection or official weighing is refused to any person or a civil penalty is assessed against any person under subsection (a), such person shall be afforded opportunity for a hearing in accordance with sections 554, 556, and 557 of title 5, United States Code: *Provided,* That the Administrator may, without first affording the person a hearing, refuse official inspection or official weighing temporarily pending final determination whenever the Administrator has reason to believe there is cause for refusal of inspection or weighing and considers such action to be in the best interest of the official inspection and official weighing system under this Act. The Administrator shall afford such person an opportunity for a hearing within seven days after temporarily refusing inspection or weighing.

"(d) Moneys received in payment of such civil penalties shall be deposited in the general fund of the United States Treasury. Upon failure to pay the penalties assessed under this section, the Administrator may request the Attorney General of the United States to institute a civil action to collect the penalties in the appropriate court identified in subsection (f) of section 22 of this Act for the jurisdiction in which the respondent is found or resides or transacts business, and such court shall have jurisdiction to hear and decide any such action.

"PROHIBITION ON CERTAIN CONFLICTS OF INTEREST

"SEC. 16. No person licensed or authorized by the Administrator pursuant to section 13 of this Act to perform any official function under this Act, or employed by the Administrator in otherwise carrying out any of the provisions of this Act, shall, during the term of such license, authorization, or employment, (a) be financially interested (directly or otherwise) in any business entity owning or operating any grain elevator or warehouse or engaged in the merchandising of grain, or (b) be in the employment of, or accept gratuities from, any such entity, or (c) be engaged in any other kind of activity specified by regulation of the Administrator as involving a conflict of interest: *Provided, however*, That the Administrator may license qualified employees of any grain elevator or warehouse to perform official sampling functions, under such conditions as the Administrator may by regulation prescribe, and the Administrator may by regulation provide such other exceptions to the restrictions of this section as he determines are consistent with the purposes of this Act.

"RECORDS

"Sec. 17. (a) Every official contractor and every person licensed to perform any official inspection or official weighing function under this Act shall maintain such samples of officially inspected grain and such other records as the Administrator may by regulation prescribe for the purpose of administration and enforcement of this Act.

"(b) Every official contractor required to maintain records under this section shall keep such records for a period of five years after the inspection or transaction, which is the subject of the record, occurred: *Provided, however*, That grain samples shall be required to be maintained only for such period not in excess of ninety days as the Administrator, after consultation with the grain trade and taking into account the needs and circumstances of local markets, shall prescribe; and in specific cases other records may be required by the Administrator to be maintained for not more than three years in addition to said five-year period whenever in his judgment the retention of such records for the longer period is necessary for the effective administration and enforcement of this Act.

"(c) Every official contractor required to maintain records under this section shall permit any authorized representative of the Secretary or the Administrator to have access to, and to copy, such records at all reasonable times.

"(d) Every State, political subdivision thereof, or person who is the owner or operator of a commercial grain elevator or warehouse or is engaged in the merchandising of grain other than as a producer, and who, at any time, has obtained or obtains official inspection or official weighing shall, within the five-year period thereafter, maintain complete and accurate records of purchases, sales, transportation, storage, weighing, handling, treating, cleaning, drying, blending, and other processing, and official inspection and official weighing of grain, and permit any authorized representative of the Secretary or the Administrator at all reasonable times, to have access to, and to copy, such records and to have access to any grain elevator or other facility used by such person for handling of grain, pursuant to sections 21 and 22 of this Act.

"PROHIBITED ACTS

"Sec. 18. (a) No person shall knowingly, intentionally, recklessly, or negligently—

"(1) falsely make, issue, alter, forge, or counterfeit any official certificate or other official form or official mark;

"(2) utter, publish, or use as true any falsely made, issued, altered, forged, or counterfeited official certificate or other official form or official mark, or possess, without promptly notifying the Administrator or his representative, or fail to surrender to such a representative upon demand, any falsely made, issued, altered, forged, or counterfeited official certificate or other official form, or any device for making any official mark or simulation thereof, or possess any grain in a container bearing any falsely made, issued, altered, forged, or counterfeited official mark without promptly giving such notice;

"(3) cause or attempt (whether successfully or not) to cause the issuance of a false or incorrect official certificate or other official form by any means, including but not limited to deceptive loading, handling, weighing, or sampling of grain, or submitting grain for official inspection or official weighing that has been deceptively loaded, handled, weighed, or sampled;

"(4) alter any official sample of grain in any manner or if an official sample has been altered, thereafter represent it as an official sample;

"(5) use any official grade or weight designation or official mark on any container of grain by means of a tag, label, or otherwise, unless the grain in such container was officially inspected on the basis of an official sample taken while the grain was being loaded into or was in such container or officially weighed, respectively, and the grain was found to qualify for such designation or mark;

"(6) make any false representation that any grain has been officially inspected, officially weighed, or officially inspected or officially weighed and found to be of a particular kind, class, quality, condition, or quantity, or that particular facts have been established with respect to grain by official inspection or official weighing under this Act;

"(7) engage in the falsifying of the weight, quality, or grade of any grain shipped in interstate or foreign commerce by any means, including, but not limited to, the use of inaccurate, faulty or defective testing equipment;

"(8) forcibly assault, resist, oppose, impede, intimidate, or interfere with any person licensed to perform official inspection or official weighing in, or on account of, the performance of his duties under this Act;

"(9) falsely represent that he is licensed or authorized to perform an official inspection or official weighing function under this Act;

"(10) use any false or misleading means in connection with the making or filing of an application for official inspection or official weighing; or

"(11) violate any provision of section 6, 7, 8, 9, 10, 13, 16, or 17 of this Act.

"(b) No person licensed or authorized to perform any function under this Act shall knowingly, intentionally, recklessly, or negligently—

"(1) commit any offense prohibited by subsection (a);

"(2) perform improperly any official sampling, inspection, weighing, or other official function under this Act; or

"(3) execute or issue any false or incorrect official certificate or other official form.

"PENALTIES

"Sec. 19. (a) Any person who knowingly or intentionally commits any offense prohibited by section 18 shall be guilty of a felony and shall, on conviction thereof, be subject to imprisonment for not more than five years, a fine of not more than $10,000, or both such imprisonment or fine.

"(b) Any person who recklessly or negligently commits any offense prohibited by section 18 shall be guilty of a misdemeanor and shall, on conviction thereof, be subject to imprisonment for not more than nine months, a fine of not more than $5,000, or both such imprisonment or fine.

"(c) Nothing in this Act shall be construed as requiring the Administrator to report minor violations of this Act for criminal prosecution when he believes that the public interest will be adequately served by a suitable written notice of warning, or to report any violation of this Act for prosecution when he believes that institution of a proceeding under section 15 of this Act will obtain compliance with this Act and he institutes such a proceeding.

"RESPONSIBILITY FOR ACTS OF OTHERS

"Sec. 20. When construing and enforcing the provisions of this Act, the act, omission, or failure of any official, agent, or other person acting for or employed by any association, partnership, or corporation within the scope of his employment or office shall, in every case, also be deemed the act, omission, or failure of such association, partnership, or corporation as well as that of the person.

"GENERAL AUTHORITIES

"Sec. 21. (a) The Administrator is authorized to conduct such investigations, hold such hearings, require such reports from any official contractor, licensee or other person, require by regulation as a condition for official inspection or official weighing, among other things, the installation of specified sampling, weighing, handling, and monitoring equipment in grain elevators and approval of the condition of carriers and containers for transporting or storing grain, and prescribe such other rules, regulations and instructions as he deems necessary to effectuate the purposes or provisions of this Act. Whether any certificate, other form, representation, designation, or other description is false, incorrect, or misleading within the meaning of this Act shall be determined by tests made in accordance with such procedures as the Administrator may adopt to effectuate the objectives of this Act, if the relevant facts are determinable by such tests. Proceedings under section 14 of this Act for refusal to renew, or for suspension or revocation of, a license, shall not, unless requested by the respondent, be subject to the administrative procedure provisions in sections 554, 556, and 557 of title 5, United States Code.

"(b) The Administrator is authorized to investigate reports or complaints of discrepancies and abuses in the official inspection and official weighing of grain under this Act. He shall prescribe by regulation procedures for (1) promptly investigating (i) complaints of foreign grain purchasers regarding the official inspection or official weighing of grain shipped from the United States, (ii) the cancellation of any contract for the sale of grain required to be inspected or weighed under this Act, and (iii) any complaint regarding the operation or administration of this Act or any official transaction with which this Act is concerned, and (2) taking appropriate action on the basis of the findings of any investigation of such complaints. The Administrator shall report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry at the end of every three-month period with respect to investigative action taken on complaints, during the immediately preceding three-month period.

"(c) The Administrator is authorized to cause official personnel to monitor in foreign nations which are substantial importers of grain from the United States, grain imported from the United States upon its entry into the foreign nation, to determine whether such grain is of a comparable kind, class, quality, and condition after considering the handling methods and conveyance utilized at the time of loading, and the same quantity that it was certified to be upon official inspection and official weighing in the United States.

"(d) The Office of Investigation of the Department (or such other organization or agency within the Department which may be delegated the authority, in lieu thereof, to conduct investigations on behalf of the Department) is authorized and directed to conduct such investigations regarding the operation or administration of this Act or any official transaction with which this Act is concerned, as the Director thereof deems necessary to assure the continued integrity of official inspection and official weighing under this Act.

"(e) The Administrator is authorized to conduct, in cooperation with the Department of Agriculture and other agencies within the Department of Agriculture, a continuing research program for the purpose of developing methods to improve accurancy and uniformity in grading grain.

"(f) To assure the normal movement of grain at all inspection points in a timely manner consistent with the policy expressed in section 2 of this Act, the Administrator shall, notwithstanding any other provision of law, provide adequate personnel to avoid delay that might be caused by the additional inspection requirements of this Act.

"ENFORCEMENT PROVISIONS

"SEC. 22. (a) For the purposes of this Act, the Administrator shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any person with respect to whom such authority is exercised; and the Administrator shall have power to require by subpena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation by the Administrator, and may administer oaths and affirmations, examine witnesses, and receive evidence.

"(b) Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated place of hearing. In case of disobedience to a subpena the Administrator may invoke the aid of any court designated in subsection (f) of this section in requiring the attendance and testimony of witnesses and the production of documentary evidence.

"(c) Any such court within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any person, issue an order requiring such person to appear before the Administrator or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(d) Witnesses summoned before the Administrator shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses from whom depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

"(e) Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce documentary evidence, if in his power to do so, in obedience to the subpena or lawful requirement of the Administrator, shall be guilty of a misdemeanor, and upon conviction thereof be subject to imprisonment for not more than six months, a fine of not more than $3,000, or both such imprisonment and fine.

"(f) The United States district courts, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other territories and possessions of the United States shall have jurisdiction in cases arising under this Act.

"REPORTING REQUIREMENTS

"SEC. 23. (a) On December 1 of each year, the Administrator shall report to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture and Forestry of the Senate, regarding the effectiveness of the official grain inspection system under this Act for the prior fiscal year, with recommendations for any legislative changes he believes are necessary to accomplish the objectives stated in section 2 of this Act.

"(b) The Administrator shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate (1) of any complaint regarding faulty grain delivery made to the Department by a foreign purchaser of United States grain, within thirty days after a determination by the Administrator that there is reasonable cause to believe that the grain delivery was in fact faulty, and (2) within thirty days after receipt by him or the Secretary of the cancellation of any contract for the export of more than one hundred thousand metric tons of grain.

"(c) On December 1 of each year, the Administrator shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate a summary of all other complaints from foreign purchasers and prospective purchasers of United States grain, and other foreign purchasers interested in the trade of grain received by the Department of Agriculture and the resolution thereof during the prior fiscal year: *Provided*, That the summary shall not include a complaint unless reasonable cause exists to believe that the complaint is valid, as determined by the Administrator.

"REGISTRATION REQUIREMENTS

"SEC. 24. (a) The Administrator shall provide, under such regulations as he may prescribe, for the registration of all persons engaged in the business of buying grain for sale in interstate or foreign commerce, and in the business of handling, weighing, or transporting of grain for sale in interstate or foreign commerce. This section shall not apply to—

"(1) any person who only incidentally or occasionally buys for sale, or handles, weighs, or transports grain for sale and is not engaged in the regular business of buying grain for sale, or handling, weighing, or transporting grain for sale;

"(2) any producer of grain who only incidentally or occasionally sells or transports grain which he has purchased;

"(3) any person who transports grain for hire and does not own a financial interest in such grain;

"(4) any person who buys grain for feeding or processing and not for the purpose of reselling and only incidentally or occasionally sells such grain as grain; or

"(5) any merchandiser of grain who sells less than two million five hundred thousand bushels of grain in a calendar year, or owns, operates, or otherwise controls grain elevators with total storage capacity of less than one million bushels.

"(b(1) All persons registered under this Act must submit the following information to the Administrator:

"(A) the name and principal address of the business,

"(B) the names of all directors of such business,

"(C) the names of the principal offices of such business,

"(D) the names of all persons in a control relationship with respect to such business,

"(E) a list of locations where the business conducts substantial operations, and

"(F) such other information as the Administrator deems necessary to carry out the purposes of this Act.

"(2) For purposes of subparagraph (D) of paragraph (1), the word 'person' shall mean any individual or any business entity of whatever form.

"(3) For purposes of subparagraph (D) of paragraph (1), a person shall be deemed to be in a 'control relationship' with respect to a business required to register under subsection (a) if—

"(A) such person has an ownership interest of 10 per centum or more in such business, or

"(B) a business or group of business entities, with respect to which such person is in a control relationship, has an ownership interest of 10 per centum or more in such business.

"(4) For purposes of subparagraph (A) and (B) of paragraph (3) above, a person shall be considered to own the ownership interest which is owned by his or her spouse, minor children, and relatives living in the same household.

"(c) The Administrator shall issue a certificate of registration to persons who comply with the provisions of this section. The certificate of registration issued in accordance with this section shall be renewed annually. If there has been any change in the information required under subsection (b), the person holding such certificate shall, within thirty days of the discovery of such change, notify the Administrator of such change. No person shall engage in the business of buying grain for sale in interstate or foreign commerce, and in the business of handling, weighing, or transporting of grain in interstate or foreign commerce unless he has registered with the Administrator as required by this Act and has an unsuspended or unrevoked certificate of registration.

"(d) The Administrator may suspend or revoke any certificate of registration issued under this section whenever, after the person holding such certificate has been afforded an opportunity for a hearing, the Administrator shall determine that such person has violated any provision of this Act or of the regulations promulgated thereunder, or has been convicted of any violation involving the weighing, handling or inspection of grain under title 18 of the United States Code. The Administrator may, without first affording such person an opportunity for a hearing, suspend any certificate of registration temporarily pending final determination whenever the Administrator deems such action to be in accordance with the purposes of this Act, except that the Administrator shall afford any such person an opportunity for hearing within thirty days after temporarily suspending such certificate of registration.

"(e) The Administrator shall charge and collect fees from any person registered pursuant to subsection (a). The amount of such fees shall be determined on the basis of the costs of the Administrator in administering the registration directed by subsection (a). Such fees shall be deposited in, and used as part of, the fund described in section 12 of this Act.

"RELATION TO STATE AND LOCAL LAWS; SEPARABILITY OF PROVISIONS

"SEC. 25. (a) No State or subdivision thereof may require the inspection or description in accordance with any standards of kind, class, quality, condition, or other characteristics of grain as a condition of shipment, or sale, of such grain in interstate or foreign commerce, or require any license for, or impose any other restrictions upon, the performance of any official inspection or official weighing function by persons licensed or authorized under this Act. Otherwise, nothing in this Act shall invalidate any law or other provision of any State or subdivision thereof in the absence of a conflict with this Act.

"(b) If any provision of this Act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

"APPROPRIATIONS

"SEC. 26. There are hereby authorized to be appropriated such sums as are necessary for research and development as provided in section 21; development and issuance of rules, regulations, and instructions; establishment of the fund authorized in section 12 of this Act; monitoring in foreign ports grain officially inspected under this Act; other initial Federal costs for implementing a system for Federal official inspection and official weighing for United States grain; improvement of inspection and weighing procedures and equipment, and other activities authorized by section 5 of this Act; those Federal administrative and supervisory costs not directly related to the official inspection or official weighing of grain; the purchase or lease of any buildings, other facilities, or equipment; and any other expenses necessary to carry out the provisions of this Act to the extent that financing is not obtained from the fees and sale of samples as provided for in section 12 of this Act. Such facilities and equipment may be provided by the Administrator for the use of official contractors under arrangements whereby the cost thereof will be amortized and reimbursed to the current appropriation for administration of this Act from fees collected by such contractors over a reasonable period of time determined by the Administrator.".

SEC. 2. Section 5316 of title 5, United States Code, as amended, is amended by adding at the end thereof a new paragraph to read as follows:

"(137) Administrator, Federal Grain Inspection Agency, Department of Agriculture.".

SEC. 3. Notwithstanding the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) and section 302 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490), the Administrator of the Federal Grain Inspection Agency is authorized to negotiate for and purchase or lease, from any person licensed or designated (on the date of enactment of this Act) to perform official inspection functions under the United States Grain Standards Act, at fair market value, any facilities or equipment which the Administrator determines to be necessary for the conduct of official inspection.

SEC. 4. (a) The Administrator of the Federal Grain Inspection Agency is authorized to hire (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service) as official personnel any individual who (on the date of enactment of this Act) is licensed, authorized, or otherwise certified as qualified under the United States Grain Standards Act as amended by this Act, or by a State or a political subdivision thereof, to perform such functions and is performing functions which will be assumed by the Federal Grain Inspection Agency under the United States Grain Standards Act as amended by this Act: *Provided*, That the Administrator determines that such individuals are technically and professionally qualified for the duties to which they will be assigned.

(b) With respect to persons hired under the provisions of subsection (a) of this section who prior thereto had been employed by a State or political subdivision thereof, the following additional provisions will apply—

(1) Notwithstanding section 5333 of title 5, United States Code (pertaining to new appointments), and section 5334 of title 5, United States Code (pertaining to pay on change of position), the basic pay of an appointee shall be at that rate of grade of his position which is equal to his rate of compensation from the State, or political subdivision thereof on the last day of his employment prior to his appointment, or, if there is no such rate, then at the rate which exceeds his former rate by the least amount. If there is no rate within the grade of his position which equals or exceeds his former rate, he shall receive basic pay at his former rate until such time as he otherwise qualifies for an increased rate. The period of service required for an appointee to qualify for the benefits of section 5335 of title 5, United States Code (pertaining to periodic step increases), shall be computed from the date of appointment.

(2) In determining the length of the appointee's service to be credited for the purposes of the Civil Service Commission regulations pertaining to career tenure, probationary period, rate of annual leave accrual, group life or health insurance, and retention credit in reduction-in-force, full credit shall be given for service with the State, or political subdivision thereof by which the appointee was employed on the last day of his employment prior to his appointment.

(3) An appointee shall be credited with sick leave equal to the balance of sick leave outstanding, in the service of the State or political subdivision thereof by which the appointee was employed, on the last day of his employment prior to his appointment, except if he has been compensated for that sick leave, or if it has been applied so as to increase the actuarial value of any vested interest of the employee in a retirement system of that State or political subdivision. Sick leave so credited shall not be credited as unused sick leave for the purposes of section 8339 of title 5, United States Code (pertaining to the computation of annuity), and shall be available for use as sick leave by the appointee only after he has exhausted any accruals of sick leave under section 6307 of title 5, United States Code. An appointee who is separated from Federal civil service with a balance of sick leave so credited shall not, during any subsequent period of Federal civil service employment, be recredited with any portion of that balance.

(4) Notwithstanding provisions to the contrary of section 8332 of title 5, United States Code (pertaining to creditable service), for the purposes of the annuity computed under section 8339 of title 5, United States Code, an appointee eligible therefor shall be credited with any service with the State, territory, or political subdivision thereof by which he was employed on the last day of his employment prior to his appointment except if the appointee has qualified for or is eligible to qualify for an annuity or other payment on the account of retirement (for reasons of age or disability) from such State or political subdivision thereof in consideration of such service, then such appointee must transfer to the Federal Government of the United States the benefit of such annuity or payment in writing, in order to qualify for the provisions of this section.

SEC. 5. Section 1114 of title 18 of the United States Code, as amended, is amended by inserting after "animal diseases", the following: "any employee of the Federal Grain Inspection Agency of the Department of Agriculture assigned to perform official inspection or official weighing, or the supervision thereof, under the United States Grain Standards Act,".

SEC. 6. In order to assure that producers, handlers, and transporters of grain are encouraged and rewarded for the production, maintenance, and delivery of high quality grain, the Administrator of the Federal Grain Inspection Agency is hereby authorized and directed to conduct a study regarding the adequacy of the current grain standards, established under the United States Grain Standards Act. The study shall address specifically, but is not limited thereto, the tasks of determining (i) if standards may be developed that would reduce grading errors and remove, where possible, subjective human judgment from grading by increased utilization of mechanical, electrical, and chemical means of grading; (ii) whether grain should be subclassed according to color or other factor not affecting the quality of the grain; (iii) whether the protein factor should be included in the standards; and (iv) whether broken grain should be grouped together with foreign material. On the basis of the results of such study, the Administrator shall, in accordance with section 5 of the United States Grain Standards Act, make such changes in the grain standards as he determines necessary and appropriate, and, not later than two years after the enactment of this Act, submit a report to the Congress setting forth the findings of such a study.

SEC. 7. The powers, duties and authorizations established by this Act for the Administrator of the Federal Grain Inspection Agency shall in all instances be exercised, in the interim between the effective date of this Act and the appointment of the Administrator, by the Secretary of Agriculture of the United States.

EFFECTIVE DATE

SEC. 8. This Act shall become effective thirty days after enactment hereof, except that any State or person then providing official inspection service or weighing services to be assumed under the provisions of this Act in any area and licensees employed thereby, may continue to operate in the area, subject to the rules and regulations issued by the Administrator of the Federal Grain Inspection Agency, until whichever of the following events occurs first:

(1) with respect to export elevators, the expiration of a reasonable period, not to exceed six months, specified in a notification issued to the State or person that official inspection and official weighing at the elevator involved will be provided under this Act; or

(2) the Administrator determines that official inspection or official weighing in an area serviced by such person shall be performed by Federal employees permanently under this Act or pending performance of such functions under a contract or official weighing by a State pursuant to an agreement with the Administrator under this Act; or

(3) such persons, or two or more members or employees thereof, have been convicted of any offense involving the handling, weighing, or inspection of grain or with respect to performance of official duties under the United States Grain Standards Act as amended by this Act, proscribed in title 18, United States Code; or of a violation of any provision of the United States Grain Standards Act in effect immediately prior to the date of enactment hereof; or of a violation of any provision of the United States Grain Standards Act as amended hereby: *Provided, however*, That the Administrator is authorized and directed to cause official inspection and official weighing of grain to be performed by authorized employees of the Agency under this Act, to begin immediately thereafter such effective date, at those export elevators at which the Administrator determines that such performance by employees of the Agency is necessary to effectuate the provisions of section 2 of the United States Grain Standards Act as amended by this Act: *And provided further*, That in no event shall any State or person then providing official inspection in any area or weighing services to be assumed under this Act at any export elevator or major inland terminal elevator be authorized to officially inspect grain under the United States Grain Standards Act or provide such weighing of grain except pursuant to a contract or an agreement with the Administrator, after the expiration of two years following the date of enactment hereof.

SHORT TITLE

SEC. 9. This Act may be cited as the "Grain Inspection Reform Act of 1976".

AMENDMENT OF INTERNAL REVENUE CODE OF 1954

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senate proceed to the consideration of H.R. 12725, which I understand has been cleared all around, and which is now at the desk.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The Acting President pro tempore laid before the Senate H.R. 12725, a bill to amend the Internal Revenue Code of 1954 to permit tax-free rollovers of distributions from employee retirement plans in the event of plan termination.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be considered as having been read twice, and the Senate will proceed to its immediate consideration.

H.R. 12725—PENSION PLAN TAX-FREE ROLLOVERS

Mr. LONG. Mr. President, this bill is a technical bill which broadens the situations where a distribution from a tax-qualified pension, profit-sharing, or stock bonus plan can be rolled over, tax free, into an individual retirement account or to another qualified plan.

Under the 1974 Pension Act, a lump sum distribution to an employee from a tax-qualified plan is eligible for tax-free rollover into an individual retirement account or to a qualified plan only if the distribution is made on account of the employee's separation from service or death, or after the employee has attained age 59½ or has become disabled.

However, there are numerous situations where complete distributions are made from pension plans for other reasons. For example, where the employer terminates its pension plan, it is likely to distribute all the assets to the plan participants, even though those employees cannot have tax-free rollover treatment under present law. Those employees have to pay taxes on such distributions even if they want to keep the money set aside for retirement. Likewise, where the employees of a subsidiary corporation are covered under the pension plan of the parent corporation and the parent sells the subsidiary, there is also likely to be a distribution even though the employees are not eligible for tax-free rollover treatment. This same problem can occur where the employer is a member of a controlled group and the affiliation with the controlled group is ended or where the employee works for a branch or division which is sold to another corporation. In all of these cases, distributions to an employee are taxed immediately under current law and are not given tax-free rollover treatment even though the employee did not wish to receive the distribution at that time.

The Committee on Finance believes that a person who receives distributions of funds that were accumulated for retirement in a qualified plan in the cases I just mentioned should not be taxed immediately if the employee continues to commit those funds for retirement.

In order to achieve this result, H.R. 12725 would permit complete distributions to an employee on account of a termination of the employer's qualified plan, or on account of a complete discontinuation of contributions under the employer's plan, to qualify for tax-free rollover treatment. In addition, this tax-free rollover treatment is to be available in the other situations I described—where a corporate group is broken up or a branch or division is sold.

Because this bill is intended to broaden the tax-free rollover provisions to situations which should have been covered by the 1974 Pension Act, the bill applies to distributions made on or after July 4, 1974. In order to permit beneficiaries to be put in approximately the same position they would have been if they were covered by the 1974 act, the bill contains special provisions to permit tax-free rollovers for people who had paid tax because they did not then qualify for tax-free rollover treatment and to people who had sold the property they received in such distributions in the meantime.

Mr. President, although the problem is one of the matters covered by the Tax Reform Act that passed the House last year, there are increasing numbers of employees who need immediate relief and cannot wait for our conclusions on matters of general tax revision. The House has again approved this proposal. The Senate Committee on Finance approved the bill at its session yesterday. Also, the committee approved essentially the same proposal last December. Moreover, I am not aware of any opposition to this bill. Accordingly, I urge its approval now by the Senate.

Mr. FANNIN. Mr. President, I support H.R. 12725 and urge its prompt passage. This bill is supported by the Administration and was informally but favorably considered by the Committee on Finance.

The purpose of this bill is to permit an employee whose employer-sponsored retirement plan is canceled to receive his share of the plan's assets on a tax-free basis if he invests that distribution in a tax-qualified individual retirement account or other retirement plan within 60 days. Similar treatment is applied in cases where the employer has a retirement plan for his employees and, while the plan is not terminated, all contributions to the plan are terminated. Finally, this tax-free rollover treatment is also applied in certain situations involving sales of subsidiary corporations and divisions of corporations.

Absent this legislation, distributions from retirement plans to employees are generally taxable unless they qualify as a so-called lump-sum distribution. These lump-sum distribution rules are frequently not satisfied in cases such as those covered by this bill. This bill is therefore necessary to permit employees whose retirement plans are terminated to invest in an individual retirement account without having to first incur a tax.

The Ways and Means Committee and the House concluded that the substance of this bill would have been included in the Employee Retirement Income Security Act of 1974—ERISA—had the issue been presented at that time. Accordingly, this bill makes the tax-free rollover rule retroactive so as to achieve as nearly as practical the results which would have been achieved had this problem been dealt with in ERISA.

This bill thus covers a technical tax problem which nevertheless is quite important to those employees who find themselves with a retirement plan about to be terminated or where contributions are no longer being made to the plan. I urge its prompt passage.

Mr. MONDALE. Mr. President, I thank Senator MANSFIELD—our very distinguished majority leader—for bringing this bill up at this time. I also thank Senator LONG—the senior Senator from Louisiana and the distinguished chairman of the Finance Committee—for his cooperation in this regard.

I think that this is an excellent bill. It remedies a significant oversight in our pension law, which I became aware of about a year ago.

Under present law when a qualified pension, profit sharing, or stock bonus plan is terminated the proceeds from these distributions are generally treated as taxable income.

What this means is that when a plan is terminated, not only will the employer no longer be contributing to the employee's retirement but the contributions that have already been made will now be partially taxed away. This clearly violates one of the major goals of the pension law which Congress passed in 1974—that Congress facilitate the accumulation of retirement savings by individuals. Recognizing this, both tax writing committees of Congress have concluded that this problem represented an oversight, and that it should be corrected.

That is the purpose of this bill. It would allow distributions that resulted from plan terminations or from complete discontinuance of contributions to be rolled over tax-free into another qualified plan as long as the distribution consisted of the balance to the credit of an employee, and is paid within 1 taxable year. Also, for the purpose of this bill, if an employee of a subsidiary corporation or a corporation which is a member of a controlled group of corporations receives a distribution from the plan of the parent corporation or another member of the controlled group in connection with the liquidation, sale or other means of terminating parent-subsidiary or controlled a group relationship, the distribution can be treated as if it were made on account of the termination of the plan, and could be eligible for tax-free rollover treatment. Similarly, if a corporation sells to another corporation the assets it uses in a trade or business—what is usually described as a branch or division—and the employees of the seller become the employees of the buyer, then a distribution from the seller's plan to those employees could be eligible for the tax-free rollover treatment.

The bill takes effect as of July 4, 1974, in order to correct as much as possible for the congressional oversight when the Employee Retirement Income Security Act was passed.

The effect of this bill is to preserve the assets that had been built up for retirement until retirement actually takes place. This is not just a hypothetical problem. Adverse economic conditions, changes in top executive positions and corporate mergers are causing many plans to be terminated. I have received estimates that there were about 5,600 terminated plans in 1975, affecting about 168,000 individuals. I am told that in Minnesota alone, there are 5,000 people who have discovered that part of what they had thought was safe for their retirement now has to go to the Federal Treasury. This is an unconscionable situation.

Therefore, I wholeheartedly endorse this bill. It is substantially the same as a printed amendment which I offered last November. I felt that the problem was acute at that time, and I feel that it is even more pressing now. I am glad to note that not only has this idea been endorsed by the both tax writing committees of Congress, and by the full House, but that it has administration support as well. Therefore, I am pleased to support the proposal, and ask the Senate to pass this measure promptly.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 12775) was ordered to a third reading, was read the third time, and passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FANNIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Missouri is recognized for a period not to exceed 15 minutes.

THE NUCLEAR MARCH TO ARMAGEDDON

Mr. SYMINGTON. Mr. President, for some years I have been presenting to the Senate the greatest security problem this country and the world face today—the steady increase in the number of nations capable of building nuclear weapons.

Others are also bringing attention to that danger. The distinguished senior Senator from Connecticut, Senator Ribicoff, wrote an interesting and constructive article which appeared in the New York Times on March 26.

I ask unanimous consent that this article, "Trading in Doom," be included in the Record at the conclusion of these remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. SYMINGTON. At one time, the United States was the only nation possessing nuclear weapons. Later they were produced and tested by the Soviet Union; and thereupon the resulting danger was described as "two scorpions in a bottle."

Now we know there are at least six scorpions in that bottle, in all probability more; and it would seem certain that, in the not too distant future, there will be many more.

Under the atoms for peace effort, nuclear know-how and equipment has been spread throughout the world.

Many of the nations we have helped are today themselves nuclear exporters; and unfortunately some of their policies in this area have not been as restrictive as ours.

Over strong objections from many countries, including the United States, two nations in particular, France and Germany have sold reprocessing and enrichment facilities; that is, have sold for profit the means to produce nuclear weapons.

It has been suggested that in order to force these countries to stop these dangerous exports, the United States stop supplying them with enriched nuclear fuel. Whether such action would achieve its desired purpose is questionable, however, because France and West Germany already have access to other nuclear fuel facilities, and are capable of expanding their own.

France possesses its own enrichment plants. Germany, through its involvement in the Uranium Enrichment Corporation—Urenco—a consortium of British, Dutch, and German interests, also has access to nuclear fuel.

Moreover, for some time Germany has been working on the so-called Beacker nozzle process, a possible addition to the enrichment art.

So while a ban on nuclear fuel to those two nations may have a short-term impact, it would not appear to achieve its desired effect. Moreover it could result in both countries acquiring larger uranium enrichment facilities of their own, thereby becoming ever greater nuclear competitors of the United States.

Let us note also that such a ban could violate certain provisions of our own adherence to the Nonproliferation Treaty, as well as agreements with Euratom. In addition, it might violate other specific contracts with foreign utilities.

The organization often cited as the possible cure-all for nuclear proliferation is the International Atomic Energy Agency—IAEA—with its headquarters in Vienna.

That Agency, however, has neither the authority nor the capability to do the job the world has been led to believe it is doing—namely, stopping proliferation.

The IAEA can possibly detect, but cannot prevent, the diversion or theft of nuclear material to weapons development. It is strictly an inspection and accounting organization for the nations under its jurisdiction, by virtue of their membership in the Nonproliferation Treaty, or their adherence to the terms of certain commercial nuclear contracts.

IAEA could well be useful to verify honesty—but it cannot stop a nation that is bent on obtaining nuclear weapons.

Under the IAEA charter, sanctions are the responsibility of the United Nations. That latter organization, however, would not appear either determined, or equipped to deal with the problem.

So far as the IAEA is concerned, the way that organization recently handled a series of important developments illustrates its inherent weakness, and makes one wonder whether it is more interested in promoting, rather than preventing, nuclear proliferation.

As but one example: A letter from the Energy Research and Development Administration—ERDA—to the Joint Committee on Atomic Energy discusses some of the proceedings of the IAEA's Board of Governors meeting held last February 24–25. The two most important topics discussed at this meeting were the safeguards agreements to be applied to the sale of a "complete nuclear fuel cycle" to Brazil by West Germany, and the sale of a plutonium reprocessing plant to Pakistan by France.

The dangers inherent in these two deals were and are obvious. They were widely publicized in the press.

Nevertheless, we are told there was little or no discussion of these dangers at the IAEA Board meeting.

Possibly this was because, surprising as it may sound, that Board has no authority to judge the merits of a transaction, let alone to prevent dangerous transactions from occurring.

Only the presumed adequacy of the so-called safeguards it plans to apply are reviewed by the IAEA Board.

In addition, to the best of our knowledge, the German and French deals in question have not been subjected to review in any other international forum.

After studying this matter over a period of years, it is our considered opinion that any hope for a realistic constraint on nuclear proliferation must begin with open discussions by the supplier nations on the real issues involved.

All we hear about today, however, are secret nuclear meetings, secret nuclear deals, inadequate controls—politics which, in themselves, would appear to defeat the very purpose of preventing further proliferation.

One proposal which would seem to have merit is an agreement among the nuclear supplier nations not to export enrichment or reprocessing equipment to any individual country.

Such action would not deny a nation the benefit of nuclear power through the sale or leasing of nuclear reactors and fuel; but it would arrest the spread of facilities that are essential for nuclear weaponmaking. We have it on good authority that the United States, the Soviet Union, and several other supplier nations are willing to accept such a ban; but other countries not only are opposed; they desire to keep their opposition secret from their own people. This of course means from the people of the rest of the world.

That secrecy is totally unjustifiable. In itself it is a growing danger to civilization.

We understand the supplier nations will be meeting again in June for further discussion of these export matters; hopefully to make substantial progress toward a meaningful agreement, openly arrived at and of substance. That would be well, because elimination of this unnecessary secrecy would allow all peoples to understand just what must be accomplished if we are to slow down the current march towards Armageddon.

Exhibit 1

[From the New York Times, Friday, March 26, 1976]

Trading in Doom

(By Abraham A. Ribicoff)

Washington.—Thirty years ago, when Hiroshima and Nagasaki were freshly imprinted on the mind of a war-weary world, Bernard Baruch presented the United Nations with our nation's plan for peacefully harnessing the atom. "We are here to make a choice between the quick and the dead," he admonished. "That is our business."

That is still our business today. The potential for a holocaust-producing showdown between the superpowers is the most immediate nuclear danger, but the greater danger may lie in the spread of nuclear weapons to many nations, even to terrorists, through the export of civilian nuclear technology.

In 1946, the Soviet Union's refusal to restrict its own development of atomic weapons prevented the United Nations from placing all dangerous nuclear activities and stockpiles under international ownership and control. Today, the refusal of France and West Germany to restrict their civilian nuclear exports poses the greatest obstacle to curbing dangerous nuclear trade.

The French and Germans, seeking to pull multibillion-dollar reactor sales away from the United States, offer an option that we do not—the facilities needed by a nation to produce and process its own reactor fuel. The problem is that these facilities—uranium-enrichment and plutonium-reprocessing plants—produce material suitable for making atomic bombs as well as reactor fuel. Therefore, they constitute the essential component of any nuclear-weapons-development program. Furthermore, these facilities are much harder to safeguard against theft than reactors, and they cannot be operated economically except in industrial nations with very large reactor programs.

For all of these reasons, the United States exports reactors and fuel that is unsuitable for weapons-making—but not fuel facilities capable of producing weapons-grade material.

The French and Germans have rejected our proposals for banning the export of nuclear-fuel facilities.

They also have blocked diplomatic efforts to bar nuclear sales to nations that refuse to ratify the treaty for the nonproliferation of nuclear weapons or that refuse to agree to place all their nuclear activities under the safeguards of the International Atomic Energy Agency.

The French and Germans suspect that our warnings about weapon's proliferation are a smokescreen for protecting our pre-eminent nuclear industry. The Germans approved the export of enrichment and reprocessing plants to Brazil as part of a major reactor deal over strong United States objections. But this action came shortly after the West German Government learned that an American company was trying to sell Brazil an enrichment plan—and this at the very time our diplomats in Bonn were saying that policy prohibits such sales.

Similarly, the French are not prepared to forfeit their technological lead in plutonium reprocessing because the United States objects to the export of these plants. France is going ahead with the shipment of such a plant to Pakistan despite our objections.

These exports are particularly dangerous because Brazil and Pakistan, which refuse to ratify the nonproliferation treaty, are free to have unsafeguarded nuclear activities and set off nuclear explosions.

Unfortunately, the United States, as exporter of 70 percent of the freeworld civilian nuclear technology is also the biggest supplier of nations that are treaty signatories. Thirteen of the 29 countries to which we make nuclear sales refused to ratify the treaty—not a good example for the French and Germans to follow. Moreover, our current and planned nuclear exports extend to most countries suspected of having atomic-weapon intentions, among them India, South Korea, Taiwan, South Africa, Brazil, Argentina, Iran, Israel and Egypt.

Our explanation for exporting to non-treaty nations and to otherwise suspect nuclear customers is the same as that of France and Germany: "If we don't, they will." The difference is that we will not export fuel facilities—only reactors.

The United States must persuade France and West German not to engage in dangerous nuclear trade. We should set a nonproliferation example they can follow, and we should remind them that they still depend heavily on us for the technology, components, and particularly the fuel used in their own ambitious nuclear programs.

Our greatest, and perhaps last, opportunity for persuasion is immediately at hand. For at least the next four years, the United States and the Soviet Union will be the sole sources of enriched-uranium fuel for France and West Germany. Furthermore, the Russians seem to be as concerned as we are about the spread of nuclear weapons—the one issue on which the two superpowers have a strong identity of interest. It provides an excellent opportunity, therefore, to breathe new life into détente.

However, Secretary of State Henry S. Kissinger refuses to approach the Russians on pointly applying pressure on France and West Germany through the denial of nuclear fuel. I agree with Mr. Kissinger that this would be drastic action—even blackmail—but I also believe that drastic action will not be necessary once it is clear that the United States is prepared to act to stop the spread of nuclear weapons.

Therefore, I propose the following steps for the United States.

1. We should immediately explore with the Russians whether a common position can be reached in support of a ban on the export of nuclear fuel facilities to nonnuclear-weapons countries, and on all nuclear exports to non-treaty nations.

2. If a common position can be reached, it should be announced at the next meeting of the nuclear supplier nations, in June, and France and West Germany should be asked to announce their positions.

3. At the same meeting, we should demonstrate our good faith by offering to enter into a cooperative arrangement with the other suppliers, including France and West Germany, that will guarantee each supplier a minimum number of reactor sales a year. A "market share" arrangement among the suppliers may be our best hope for eliminating cut-throat competition in the sale of reactors and for promoting fuel arrangements that will discourage production and stockpiling of weapons-grade materials outside the supplier nations.

4. If agreement on strict export controls and market-share arrangements cannot be reached, the United States should announce that future supply of enriched-uranium fuel and of all other nuclear assistance will be made only to nations that join in meeting these nonproliferation objectives.

If all else fails, the United States should stop supplying reactor fuel to the Germans and French. This would make them wholly dependent on the Soviet Union. I do not believe that France and Germany are prepared to rely solely on the Russians.

RECOGNITION FOR MFA AND FRED HEINKEL

Mr. SYMINGTON. Mr. President, Missouri Farmers Association, one of the most highly regarded farmer cooperatives in the Nation, has been singly honored this year for its outstanding contribution to the economic development of our State.

The award, presented by Gov. Christopher Bond of Missouri at the Annual Missouri Industrial Development Conference, recognized MFA's devotion to the economic well-being of its members, its employees, and the citizens of Missouri.

Both producers and consumers benefited greatly last year from MFA's half billion dollar volume of business in all phases of agriculture. Agriculture is Missouri's most important single industry with over $2.5 billion in farm marketings last year.

The 5,000 MFA employees provide 163,000 farmer-members with services that are essential to maintaining agricultural productivity; also in meeting the growing world demand for food.

Fred V. Heinkel, one of the most highly respected national farm leaders, has been president of the MFA for more than 30 years. His host friends both in the Senate and House, will welcome, as we of Missouri do, the well-deserved recognition given to Missouri Farmers Association in its home State, and to its great leader, Fred Heinkel.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed beyond the hour of 1 p.m. with statements therein limited to 5 minutes.

The Senator from Maryland is recognized.

NATIONAL TAX FREEDOM DAY

Mr. BEALL. Mr. President, I am today introducing legislation to designate May 1, 1976, as "National Tax Freedom Day." It is on this day that the average American taxpayer finishes working to pay for his 1976 Federal, State and local taxes, and for the first time in the year begin to work for himself.

I think it is particularly appropriate that such legislation be introduced today, on the eve of the April 15 tax filing deadline. The tax burden of the average American family in the last 20 years has increased by over 98 percent in terms of the percentage of personal income paid for taxes, and, through this legislation, I hope to focus attention on the ever-increasing load that each one of our citizens must carry.

The Tax Foundation, Inc., a publicly supported, nonprofit organization located in New York City, is responsible for computing this date. I have previously proposed that April 28 be Tax Freedom Day. However, that date was based on early 1975 figures. In studying the 1976 figures, we find that the burden for taxpayers has grown even larger, and the data has now reached May 1. For the average American, everything earned up until that date goes to the Government and only after that date do people start working for their own benefit.

On a daily basis, according to the Tax

Foundation, the average American employee has to work 2 hours and 39 minutes to meet his or her tax bill. That breaks down to about 1 hour and 41 minutes for Federal tax and 58 minutes for State and local taxes.

Of course, this tax burden is directly related to the massive spending policies of government at all levels.

Over the years, government—Federal, State, and local—has shown no hesitancy in digging deeper and deeper into the pockets of its citizens. We have sought to solve every problem by throwing money at it.

Those old solutions of massive spending will not work any longer.

We have got to bring a new word into the vocabulary of Government spending, and that word is " No."

We must say "No" to new programs which will burst the budget, whether that budget is Federal, State, or local.

And we must say "No" to the expansion of many existing programs which are good but nonetheless threaten the very solvency of our operations.

In the past, Government has had a "tax mentality." It has opted for expensive programs, and then paid for them either by imposing new taxes or through borrowing, which led to that most insidious form of taxation—inflation.

In my judgment, the day of this "tax mentality" is past.

No longer can we ask our citizens to pay more and more taxes.

Instead, Government must decide, like any American family or business, what it can afford, and then stick to it.

It must decide not only what it realistically can do within its limited resources, but, even more importantly, what it cannot do because of a lack of those same resources.

At long last, we are doing that in Congress. The new budget process is enabling us for the first time to look at the budget in its entirety and weigh it against anticipated revenues.

On Monday, the Senate passed the first concurrent resolution for fiscal year 1977 and the transition quarter. Under that resolution, we set a budget outlay at $412.6 billion. This leaves us with a projected deficit, based on revenue of $362.4 billion, of $50.2 billion.

However, these figures are difficult to comprehend by most Americans, and so I have computed the "cost per taxpaying family" for each functional area in order that we might better estimate the cost to each American family of the proposed fiscal year 1977 budget. I ask unanimous consent that this table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Functional categories	Appropriation level (in billions)	CPTF (cost per tax paying family)
National defense (050):		
New budget authority	113.0	$1,363.40
Outlays	100.9	1,217.42
International affairs (150):		
New budget authority	9.1	109.77
Outlays	7.0	84.46
General science, space and technology (250):		
New budget authority	4.6	55.50
Outlays	4.5	54.30
Natural resources, environment and energy (300):		
New budget authority	18.0	217.18
Outlay	15.6	188.22
Agriculture (350):		
New budget authority	2.3	27.75
Outlays	1.9	22.92
Commerce and transportation (400):		
New budget authority	16.1	194.26
Outlays	18.6	224.42
Community and regional development (450):		
New budget authority	7.4	89.29
Outlays	7.6	91.70
Education, training, employment and social services (500):		
New budget authority	22.4	270.27
Outlays	21.4	258.20
Health (550):		
New budget authority	40.4	487.45
Outlays	37.6	453.67
Income security (600):		
New budget authority	163.7	1,975.13
Outlays	140.1	1,690.39
Veterans benefits and services:		
New budget authority	20.0	241.31
Outlays	19.3	232.87
Law enforcement and justice (750):		
New budget authority	3.3	39.82
Outlays	3.4	41.02
General Government (800):		
New budget authority	3.7	44.64
Outlays	3.6	43.44
Revenue sharing and general purpose fiscal assistance (850):		
New budget authority	7.3	88 08
Outlays	7.4	89.29
Interest (900):		
New budget authority	40.4	487.45
Outlays	40.4	487.45
Allowances:		
New budget authority	.6	7.24
Outlays	.7	8.45
Undistributed offsetting receipts (950):		
New budget authority	17.4	209.94
Outlays	17.4	209.94
Transition quarter:		
New budget authority	95.8	1,155.88
Outlays	102.2	1,233.10

Mr. BEALL. Mr. President, government at all levels must begin focusing on the tax burden carried by American families. I believe the creation of "National Tax Freedom Day" is one way to begin to increase the awareness of the burdens imposed on the taxpayer by government at all levels.

GRAIN INSPECTION REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 3055) to provide for U.S. standards and a national inspection system for grain, and for other purposes.

AMENDMENTS NOS. 1603 THROUGH 1605

Mr. DOLE. Mr. President, I strongly oppose S. 3055, which will be before the Senate on April 26, Monday, the so-called grain inspection bill.

There is no doubt about it, the grain inspection system needs improving. Buyers and sellers need the assurance that sampling, grading, and weighing are done honestly and completely.

But this Senator believes the proposed legislation goes too far in federalizing the system. Farmers do not want or need this. Hence, I am submitting three amendments:

The first amendment does three things: first, it deletes the provision for Federal takeover of grain inspection activities at 25 major inland terminals; second, it allows sufficient increases in fees at ports to defray any unanticipated cost for supervision; third, it authorizes contracting State and private agencies to retain fees stipulated in their contract for operating expenses and requires them to submit only fees in excess of that amount to the revolving fund for supervisory costs.

The second amendment deletes the provision for a separate Federal Grain Inspection Agency.

The third amendment strikes the section providing for registration of all large grain companies and cooperatives as an enforcement measure.

INVESTIGATIONS CONDUCTED

During the past 18 months there has been widespread publicity concerning fraudulent grain inspection in the United States. The Agriculture Committees in both the Senate and House have held extensive hearings. The General Accounting Office has completed an investigation and made recommendations.

INSPECTION PROBLEMS AT EXPORT POINTS

Without exception, all proven cases of malfeasance and indictments resulting therefrom have been at major export terminals. Some 40 defendants have pleaded guilty to various charges. While their actions have been deplorable, we must be careful not to indict the entire system because of their action. At the present time, there is no evidence that corruption is pervasive throughout all grain inspection activities in the United States. We have heard accusations that there might be problems beyond the export terminals, but as yet there has not been a single indictment at any of the 25 major inland terminals. Simply stated, why should the entire system be radically changed when problems appear to be concentrated in a small part of the system?

PROSPECTS FOR PASSING S. 3055

Mr. President, it is significant that the other body has already passed a grain inspection bill—by an overwhelming vote of 246–33—which does not include the provisions this Senator suggests be deleted from S. 3055. Moreover, the President indicated over the weekend that "I strongly oppose the so-called Humphrey-Clark bill which would federalize the U.S. Grain Inspection Service. I favor instead an approach which provides for more careful Federal supervision of grading and weighing our grain for export." This indication of a veto should be a consideration in our deliberations on the bill.

AMENDMENT TO MAINTAIN STATE AND PRIVATE INSPECTION AT MAJOR INLAND TERMINALS

Mr. President, the Senator from Kansas rises to propose an amendment to section 8 of S. 3055. This amendment would delete the requirement that the Federal Government take over inspection at the major inland terminals. The amendment also provides for sufficient increases in fees at ports to cover increased supervision costs and allows contracting State and private agencies to retain such funds as needed for day-today operation before submitting the remainder to cover supervisory costs.

Major inland terminals are the intermediate link in a marketing system which supplies grain to both domestic and foreign markets.

A terminal is considered major by the grain trade when it handles at least 50 million bushels of grain annually. At present there are 25 major inland terminals, with a heavy concentration in the major grain producing States of the Midwest. Mr. President, I ask that a listing of these terminal locations be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

25 MAJOR INLAND TERMINALS

Kansas: 1. Kansas City, 2. Topeka, 3. Wichita, 4. Salina, 5. Hutchison.

Oklahoma: 6. Enid.

Iowa: 7. Cedar Rapids, 8. Davenport, 9. McGregor, 10. Des Moines, 11. Sioux City.

Nebraska: 12. Hastings, 13. Lincoln, 14. Omaha.

Missouri: 15. Kansas City, 16. St. Louis.

Illinois: 17. Peoria, 18. Decatur, 19. Kankakee.

Ohio: 20. Cincinnati, 21. Columbus.

Colorado: 22. Denver.

Minnesota: 23. Minneapolis.

Texas: 24. Amarillo, 25, Ft. Worth.

The amendments are as follows:

AMENDMENT No. 1603

On page 47, strike out lines 14 through 21.

On page 47, strike out "z" and insert in lieu thereof "y".

On page 50, line 20, insert the word "and" immediately after the semicolon.

On page 50, beginning with line 21 strike out all down through line 2 on page 51.

On page 51, line 3, strike out "4" and insert in lieu thereof "3".

On page 53, line 23, strike out the words "and major inland terminal elevators".

On page 54, line 7, strike out the words "or major inland terminal elevators".

On page 56, lines 4 and 5, strike out the word "and major inland terminal elevators".

On page 56, beginning with line 7, strike out all following the word "Agency" down through the word "section" on line 15.

On page 56, strike out line 16 through line 2 on page 57, and insert in lieu thereof the following:

"(e) With respect to official weighing other than at export elevators, at locations at which the Administrator determines that official weighing as authorized by this section shall be provided, the Administrator is authorized to (i) cause such official weighing to be performed by official personnel employed by the Agency, (ii) enter into an agreement with a State for the conduct of such official weighing under the supervision of the Agency, with respect to elevators and warehouses subject to its jurisdiction if the Administrator finds that the State in which the weighing is done, conducts weighing under procedures equivalent to those prescribed under this section, or (iii) enter into an official contract with any State or person for the conduct of all or specified functions involved in official weighing, as provided in section 11 of this Act."

On page 63, line 9, insert immediately following the word "fees", the words "to be charged other than at export elevators".

On page 63, line 21, insert immediately after the period the following sentence: "The Administrator is authorized to enter into agreements with official contractors for the collection and retention of fees by the official contractor necessary for operating expenses, in advance payment for the performance of official inspection or official weighing under an official contract, and for the disposal of samples by the contractor on behalf of the Agency."

AMENDMENT No. 1604

On page 82, beginning with line 23, strike out all down through line 15 on page 86.

On page 86, line 18, strike out "25" and insert in lieu thereof "24".

On page 87, line 10, strike out "26" and insert in lieu thereof "25".

AMENDMENT No. 1605

On page 43, strike out lines 17 through 19.

On page 43, line 20, strike out "(c)" and insert in lieu thereof "(b)".

On page 43, strike out lines 22 and 23.

On page 43, line 24, strike out "(e)" and insert in lieu thereof "(c)".

On page 44, line 3, strike out "(f)" and insert in lieu thereof "(d)".

On page 44, line 7, strike out "(g)" and insert in lieu thereof "(e)".

On page 44, line 10, strike out "(h)" and insert in lieu thereof "(f)"

On page 44, line 13, strike out "(i)" and insert in lieu thereof "(g)".

On page 44, line 16, strike out "5" and insert in lieu thereof "4".

On page 44, line 18, strike out "(j)" and insert in lieu thereof "(h)".

On page 44, line 20, strike out "(k)" and insert in lieu thereof "(i)".

On page 45, line 5, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 45, line 7, strike out "(*l*)" and insert in lieu thereof "(j)".

On page 45, line 8, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 45, lines 8 and 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 45, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 45, line 10, strike out "13" and insert in lieu thereof "12".

On page 45, line 15, strike out "(m)" and insert in lieu thereof "(k)" .

On page 45, line 16, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 45, line 19, strike out "(n)" and insert in lieu thereof "(*l*)".

On page 45, line 23, strike out "(o)" and insert in lieu thereof "(m)".

On page 45, lines 24 and 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 45, line 25, strike out "8, 9, and 11" and insert in lieu thereof "7, 8, and 10".

On page 46, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 46, line 5, strike out "(p)" and insert in lieu thereof "(n)".

On page 46, line 7, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 46, line 8, strike out "(q)" and insert in lieu thereof "(o)".

On page 46, line 12, strike out "(r)" and insert in lieu thereof "(p)".

On page 46, line 15, strike out "(s)" and insert in lieu thereof "(q)".

On page 46, line 17, strike out "(t)" and insert in lieu thereof "(r)".

On page 46, line 21, strike out "(u)" and insert in lieu thereof "(s)".

On page 47, line 1, strike out "(v)" and insert in lieu thereof "(t)".

On page 47, line 4, strike out "(w)" and insert in lieu thereof "(u)".

On page 47, line 8, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 47, line 9, strike out "(x)" and insert in lieu thereof "(v)".

On page 47, lines 11 and 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 47, line 14, strike out "(y)" and insert in lieu thereof "(w)".

On page 47, lines 17 and 18, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 47, line 22, strike out "(z)" and insert in lieu thereof "(x)".

On page 48, strike out lines 9 through 21.

On page 48, line 23, strike out "5" and insert in lieu thereof "4".

On page 48, line 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 49, lines 7 and 8, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 49, line 11, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 49, line 18, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 49, line 22, strike out "6" and insert in lieu thereof "5".

On page 49, line 23, strike out "5" and insert in lieu thereof "4".

On page 50, line 13, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 50, lines 24 and 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 51, line 8, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 51, line 9, strike out "13" and insert in lieu thereof "12".

On page 51, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 51, line 15, strike out "7" and insert in lieu thereof "6".

On page 51, line 17, strike out "5" and insert in lieu thereof "4".

On page 52, line 15, strike out "8" and insert in lieu thereof "7".

On page 52, line 15, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 52, line 17, strike out "5" and insert in lieu thereof "4".

On page 52, line 18, strike out "6" and insert in lieu thereof "5".

On page 52, line 20, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 52, line 25, strike out "5" and insert in lieu thereof "4".

On page 53, line 2, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 53, line 7, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 53, lines 11 and 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 53, line 13, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 53, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 53, line 25, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 54, line 1, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 54, line 8, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 54, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 54, line 12, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 54, line 15, strike out "11" and insert in lieu thereof "10".

On page 54, line 16, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 54, line 24, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 55, line 4, strike out "9" and insert in lieu thereof "8".

On page 55, line 4, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 55, line 5, strike out "5" and insert in lieu thereof "4".

On page 55, line 7, strike out "6" and insert in lieu thereof "5".

On page 55, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 55, line 17, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 55, line 12, strike out "5" and insert in lieu thereof "4".

On page 55, line 14, strike out "8" and insert in lieu thereof "7".

On page 55, line 18, strike out "5" and insert in lieu thereof "4".

On page 55, line 24, strike out "12" and insert in lieu thereof "11".

On page 56, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 56, line 7, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 56, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 56, line 11, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 56, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 56, line 18, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 56, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 56, line 24, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 57, line 2, strike out "11" and insert in lieu thereof "10".

On page 57, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 57, line 14, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 58, line 5, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 58, line 15, strike out "10" and insert in lieu thereof "9".

On page 58, line 15, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 58, line 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 58, line 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 59, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 59, line 12, strike out "11" and insert in lieu thereof "10".

On page 59, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 59, line 15, strike out "8 and 9" and insert in lieu thereof "7 and 8".

On page 60, line 2, strike out "16" and insert in lieu thereof "15".

On page 60, line 6, strike ou the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 60, line 22, strike out "8 and 9" and insert in lieu thereof "7 and 8".

On page 60, line 20, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 60, line 22, strike out "8 and 9" and insert in lieu thereof "7 and 8".

On page 61, line 7, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 61, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 61, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 61, line 16, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 61, lines 19 and 20, strike out the word "Administrator and insert in lieu thereof the word "Secretary".

On page 61, lines 20 and 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 61, line 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 61, line 22, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 61, line 24, strike out "12" and insert in lieu thereof "11".

On page 61, line 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 2, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 15, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 18, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 22, strike out "12" and insert in lieu thereof "11".

On page 62, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 63, line 6, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 63, line 8, strike out "26" and insert in lieu thereof "25".

On page 63, lines 12 and 13, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 63, line 14, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 63, line 20, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture."

On page 63, line 23, strike out "13" and insert in lieu thereof "12".

On page 63, line 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 64, line 6, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 64, line 8, strike out the word "Agency" and insert in lieu thereof the word "Secretary".

On page 64, line 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 64, line 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 65, line 1, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 65, line 4, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 65, line 8, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 65, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 65, line 15, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 65, line 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 66, line 2, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 66, line 6, strike out the word "Administrator" and insert in lieu thereof the word " Secretary".

On page 66, line 8, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 66, line 11, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 66, line 14, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 66, line 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 66, line 24, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 67, line 3, strike out "14" and insert in lieu thereof "13".

On page 67, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 67, line 7, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 67, line 19, strike out the word "Administrator" each time it appears and insert in lieu thereof the word "Secretary".

On page 67, line 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 67, lines 24 and 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 68, line 2, strike out "18" and insert in lieu thereof "17".

On page 68, line 7, strike out "15" and insert in lieu thereof "14".

On page 68, line 7, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 68, line 19, strike out "18" and insert in lieu thereof "17".

On page 69, line 5, strike out "19" and insert in lieu thereof "18".

On page 69, line 5, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 69, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 69, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 69, line 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 70, lines 3 and 4, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 70, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 70, line 13, strike out "22" and insert in lieu thereof "21".

On page 70, line 18, strike out “16” and insert in lieu thereof “15”.

On page 70, lines 18 and 19, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 70, line 19, strike out “13” and insert in lieu thereof “12”.

On page 70, lines 20 and 21, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 71, line 3, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 71, line 5, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 71, line 7, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 71, line 8, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 71, line 13, strike out “17” and insert in lieu thereof “16”.

On page 71, line 17, strike out the word ‘Administrator” and insert in lieu thereof the word “Secretary”.

On page 71, lines 24 and 25, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 72, line 3, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 72, line 10, strike out “or the Administrator”.

On page 72, line 22, strike out “or the Administrator”.

On page 73, line 2, strike out “21 and 22” and insert in lieu thereof “20 and 21”.

On page 73, line 4, strike out “18” and insert in lieu thereof “17”.

On page 73, line 12, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 75, lines 11 and 12, strike out “6, 7, 8, 9, 10, 13, 16, or 17” and insert in lieu thereof “5, 6, 7, 8, 9, 12, 15, or 16”.

On page 75, line 24, strike out “19” and insert in lieu thereof “18”.

On page 75, line 25, strike out “18” and insert in line thereof “17”.

On page 76, line 5, strike out “18” and insert in lieu thereof “17”.

On page 76, line 10, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 76, line 15, strike out “15” and insert in lieu thereof “14”.

On page 76, line 18, strike out “20” and insert in lieu thereof “19”.

On page 77, line 2, strike out “21” and insert in lieu thereof “20”.

On page 77, line 2, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 77, line 16, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 77, line 18, strike out “14” and insert in lieu thereof “13”.

On page 77, line 23, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 78, line 11, strike out the word “Administration” and insert in lieu thereof the word “Secretary”.

On page 78, line 17, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 79, line 10, strike out the word “Administrator” and insert in lieu thereof the word ‘Secretary”.

On page 79, line 17, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 79, line 22, strike out “22” and insert in lieu thereof “21”.

On page 79, lines 22 and 23, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 80, line 1, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 80, line 5, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 80, line 10, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 80, lines 17 and 18, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 80, line 22, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 81, line 6, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 81, line 18, strike out “23” and insert in lieu thereof “22”.

On page 81, lines 18 and 19, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 82, line 1, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 82, line 6, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 82, line 9, strike out “him or”.

On page 82, lines 12 and 13, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 82, line 22, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 82, line 24, strike out “24” and insert in lieu thereof “23”.

On page 82, line 24, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 83, line 24, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 84, line 10, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 85, line 4, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 85, line 10 and 11 strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 85, line 15, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 85, line 18, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 85, line 21, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 86, line 1, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 86, line 4, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 86, lines 5 and 6, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 86, line 9, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 86, line 12, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 86, line 14, strike out “12” and insert in lieu thereof “11”.

On page 86, line 18, strike out “25” and insert in lieu thereof “24”.

On page 87, line 10, strike out “26” and insert in lieu thereof ”25”.

On page 87, line 12, strike out “21” and insert in lieu thereof “20”.

On page 87, line 14, strike out “12” and insert in lieu thereof “11”.

On page 87, line 19, strike out “5” and insert in lieu thereof “4”.

On page 88, line 1, strike out “12” and insert in lieu thereof “11”.

On page 88, line 2, strike out the words “Administrator” and insert in lieu thereof the word “Secretary”.

On page 88, line 7, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 88, strike out lines 8 through 12.

On page 88, line 13, strike out “3” and insert in lieu thereof “2”.

On page 88, lines 16 and 17, strike out the words “Administrator of the Federal Grain Inspection Agency” and insert in lieu thereof the words “Secretary of Agriculture of the United States”.

On page 88, line 22, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 88, line 24, strike out “4” and insert in lieu thereof “3”.

On page 88, lines 24 and 25 strike out the words “Administrator of the Federal Grain Inspection Agency” and insert in lieu thereof the words “Secretary of Agriculture of the United States”.

On page 89, line 8, strike out the words “Federal Grain Inspection Agency” and insert in lieu thereof the word “United States Department of Agriculture”.

On page 89, line 10, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 92, line 3, strike out “5” and insert in lieu thereof “4”.

On page 92, lines 5 and 6, strike out the words “Federal Grain Inspection Agency of the”.

On page 92, line 10, strike out “6” and insert in lieu thereof “5”.

On page 92, lines 13 and 14, strike out the Inspection Agency” and insert in lieu thereof the words “Secretary of Agriculture of the words “Administrator of the Federal Grains United States”.

On page 93, line 2, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 93, line 3, strike out “5” and insert in lieu thereof “4”.

On page 93, strike out lines 8 through 13.

On page 93, line 15, strike out “8” and insert in lieu thereof “6”.

On page 93, line 21, strike out the words “Administrator of the Federal Grain Inspection Agency” and insert in lieu thereof the words “Secretary of Agriculture of the United States”.

On page 94, line 3, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 94, line 8, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 94, line 20, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 94, line 23, strike out the word “Agency” and insert in lieu thereof the words “United States Department of Agriculture”.

On page 94, line 25, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 95, line 1, strike out the word “Agency” and insert in lieu thereof the word “Department”.

On page 95, lines 10 and 11, strike out the word “Administrator” and insert in lieu thereof the word “Secretary”.

On page 95, line 14, strike out “9” and insert in lieu thereof “7”.

STATE-PRIVATE SYSTEM EFFICIENT

Mr. DOLE. Though those responsible for grain inspection at the major inland terminals believe they conduct inspections on a more timely and efficient basis than the Federal Government could, the State and private inspection agencies, to their credit, have asked for more Federal supervision. Provisions for such supervision is included in another section of S. 3055. This is an indication that the current State and private inspection agencies want to do everything possible to protect the integrity of the system.

Last fall, Chairman TALMADGE and I appeared before the Senate Appropriations Subcommittee on Agriculture and were successful in obtaining $5 million for the Department of Agriculture to increase its supervisory activities during the current fiscal year. Training of additional supervisors is underway. More supervisors will serve not only in an oversight capacity for the State and private agencies, but will also be more readily available for appeals by either buyers or sellers.

FEDERAL TAKEOVER COSTLY

Section 8 of the bill would add substantially to the Federal payroll, especially in the changeover phase from the current system to an all Federal system. The Department of Agriculture has estimated changeover costs could be as high as $35 million. Moreover, higher on-going costs of Federal inspection would eventually be paid for by farmers through lower prices received for their grain.

FEE PROVISIONS

Even without Federal takeover of the 25 major inland terminals, it is quite reasonable to expect increased costs as Federal supervision expands. S. 3055 prohibits fee increases amounting to more than 10 percent during any given year. Yet no one knows exactly how much this additional supervision will cost. If relief is needed, the 10-percent limitation on fees should be rescinded at the export points. This would insulate producers as much as possible from increased supervision costs.

If State and private agencies are allowed to maintain their inspection activities under contract with the Federal Government at the major inland terminals, inspection fees to pay for day-to-day operations should be retained by the individual agencies. This would be much more convenient and efficient than first remitting the fees to the Federal Government and then having them reimbursed.

AMENDMENT TO DELETE CREATION OF SEPARATE GRAIN INSPECTION AGENCY

Mr. President, section 4 of S. 3055 provides for a separate Federal Grain Inspection Agency to administer the amended U.S. Grain Standards Act. This amendment would delete the separate agency provision from the bill.

DUPLICATION OF SERVICES

The amendment is offered because a new agency would mean needless duplication of services already under the jurisdiction of the Agricultural Marketing Service—AMS—of the U.S. Department of Agriculture.

Duplication inevitably results in needless overhead requiring additional manpower and expense. For example, some functions in the grain and transportation and warehouse divisions in AMS would have to be retained there as well as included in the new agency. Additional administrative costs for this new agency would be at least $1.5 million per year according to USDA. The split proposed would require coordination between AMS and the new agency, even though the two agencies would have different overall responsibilities and program objectives. Inefficiencies which are so prevalent in other areas where Federal programs overlap should be sufficient evidence that it would be unwise to do the same thing in grain inspection.

AMS HAS NECESSARY PERSONNEL

The AMS at present is responsible for several acts which relate to grain. These include the U.S. Grain Standards Act, the U.S. Warehouse Act, the Federal Seed Act, the Plant Variety Protection Act, and certain provisions of the Agricultural Marketing Act of 1946. But a new agency such as one proposed in section 7 would require manpower for three service divisions—personnel, administration and finance—which are already at least partially available in AMS. Current estimates are that 100 new service personnel would be needed if the Federal Government takes over inspection and weighing activities and administers it through AMS. A new agency would require 160 additional service personnel.

ADDITIONAL BUREAUCRACY

Currently, there are separate grain divisions in a number of the individual agencies in the Departmena of Agriculture. Each carries out important functions relative to grain. A fourth grain division so isolated would add complexity to the current coordination efforts and decisionmaking. In the future, under this provision, coordination with other commodity functions for efficiency and effectiveness would necessitate congressional change in the law.

Finally, the Federal Government already has inspection responsibilities for other agricultural commodities such as meat, dairy products, and fruits and vegetables. Experience with these commodities would indicate there is no need to establish a near-autonomous agency for grain, since inspection for other commodities has proceeded with relative efficiency within the current USDA structure.

AMENDMENT TO DELETE REGISTRATION OF GRAIN FIRMS

Mr. President, this amendment would strike out section 24 of the bill which provides for the registration of all persons or firms engaged in the business of buying grain for sale in interstate or foreign commerce and those handling, weighing, or transporting grain for sale. The proposal would cost $1,630,000 and would require approximately 87 manyears per year according to the Department of Agriculture. The cost involves preliminary registration, followup to assure accuracy of registration, and enforcement. The requirement would add additional Federal employees who are not justified from an efficiency standpoint and will not materially add to the efficient and effective marketing, handling, inspection, and weighing of grain in the United States.

REGISTRATION BENEFITS ELSEWHERE

It appears that the benefits anticipated in this section are effectively derived from section 17, which requires grain firms to keep records and allows Federal access to such records; from section 21 which authorizes Federal authorities to investigate foreign complaints: from section 22 which gives USDA subpena authority; from section 15 which authorizes the withholding of services and provides civil penalties; and from section 16 which prohibits conflicts of interest. The requirement for registration is an additional infringement imposed on the industry which appears to be unnecessary. The authorities in other sections of the bill should be sufficient to enforce the provisions of the act by grain firms without harassing the industry with the additional registration.

FEC CONFERENCE REPORT

Mr. GRIFFIN. Mr. President, this morning the Washington Post published a story reporting that the conferees working on legislation entitled "The Federal Election Campaign Amendments for 1976," have reached agreement.

I was interested and disappointed to find in the story this sentence:

> Common Cause, the so-called citizens' lobby, strongly supporting the bill said the conference agreement "creates a strong and effective Federal Election Commission and closes key loopholes in the 1974 law."

Mr. President, it is truly amazing that an organization which claims to be a citizens' lobby could say something like that, if they are correctly quoted, because this compromise legislation does not create a strong and effective FEC, and it does not close loopholes. Instead, it opens up big loopholes and seriously undermines, weakens, and makes dependent an agency of Government that is supposed to be independent, particularly from the Congress.

For example, one hobbling provision in this compromise agreement gives a new "item veto" to each House of Congress, allowing either House to disapprove rules and regulations promulgated by the Federal Election Commission. Under the compromise legislation either House could disapprove such rules or regulations "in whole or in part." Nothing quite like this has ever come to my attention before.

Putting aside the question of constitutionality, it does not take much wisdom to observe that such a provision hardly strengthens or makes more effective the FEC.

How can Common Cause possibly term the FEC strong and independent in light of such provision?

Another emasculating provision in this conference agreement is the requirement that all Federal Election Commission's advisory opinions of general applicability must also be submitted to Congress for possible veto by either House.

Thus, the advisory opinion—which should be helpful to those running for Federal office—will largely be lost as a tool of election reform.

In addition, under the agreement, the Commission will be required to completely rewrite and reissue approximately 140 advisory opinions already rendered. The Commission will have to rewrite and reissue them in the form of rules and regulations for submission to, and possible veto by, the Congress.

At the height of an election campaign, the commission will be required now to stop and redo most of what it has already done.

This conference agreement stands in sharp contrast to the request of President Ford that the Congress simply extend the life of the Federal Election Commission in a constitutional way and keep the independence and power of the Commission intact. One must ask: Why didn't Common Cause activity support this position?

It is incredible to me that Common Cause did not loudly and strongly support the President's request, instead of lending support to this bill which guts the Federal Election Commission and greatly erodes its independence.

One can only conclude that Common Cause's leadership made some kind of deal with the leaders of organized labor, thereby abandoning responsibility to the constituents the organization claims to represent, the citizens of the United States.

I ask unanimous consent that an article from the Washington Post of April 14, 1976 be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Conferees Agree on Election Bill

(By Mary Russell)

House-Senate conferees reached agreement on a bill reconstituting the Federal Election Commission yesterday, but not in time for Congress to pass it before adjourning this afternoon for its Easter recess.

Final agreement by the conference is expected on April 26, the day Congress returns, and swift approval by House and Senate is predicted. But presidential candidates will be unable to receive the FEC's matching funds until the President signs the bill into law, reappoints the commissioners and they are confirmed by the Senate.

Presidential candidates have received no federal matching money since March 22, the deadline set by the Supreme Court for Congress to reconstitute the commission with presidential appointees instead of unconstitutional congressional appointments. The court ruled that the FEC must suspend the funding until Congress acts.

After yesterday's conference, Senate Minority Leader Hugh Scott (R-Pa.) said, "The bill is still subject to a considerable risk of veto," but Rep. Charles Wiggins (R-Calif.) said, "The prospects of a veto are considerably dimmed because of the conference action."

Wiggins said he was "pleasantly surprised" at the progress made in the conference and called the result "a significant compromise on both sides." He said the bill was "superior to the House bill and in some respects superior to the Senate bill."

Common Cause, the so-called citizens lobby strongly supporting the bill, said the conference agreement "creates a strong and effective FEC and closes key loopholes in the 1974 law," and declared:

"President Ford should immediately make clear his intention to sign this bill. There is no justifiable basis for vetoing this legislation and such an act could only result in chaos in the presidential primaries."

A Common Cause spokesman said such a statement by the President would increase the possibilities that the presidential candidates could get bank loans in the meantime, using the prospective federal money as collateral.

The White House had been making veto signals because of its concern that corporate political committees would be banned from soliciting contributions from workers as well as from management and stockholders.

It was also concerned that the House bill gave Congress too much control by forcing the commission to submit all regulations and opinions to Congress for review and item veto.

All of those issues were significantly compromised by the conference.

The House bill prohibited any solicitation by corporations of workers below the management level, but the conferees accepted a Senate version that allowed both corporations and unions, through their political committees, to solicit contributions twice a year from all workers, as well as stockholders and management. At other times a union's political committee could solicit its members and corporate political committees could solicit stockholders, executive officers or administrative personnel having policy, managerial, professional or supervisory responsibilities.

The House compromised by allowing advisory opinions on a specific factual situation—but not of a general nature—to be delivered by the FEC without submitting them to Congress. The House also softened its item-veto provision.

The conference closed an important loophole by requiring labor unions and corporations to report to the FEC how much they spend in communicating with their employees or members to advocate election or defeat of a candidate if it comes to over $1,000 per candidate per election.

One of the hardest fought conference battles was over a Senate provision removing the limits on the amount of honorariums a senator or representative could receive in one year. The limit had been set at $1,000 per appearance and a total of $15,000 per year, but several senators, active on the lecture circuit, campaigned to have the limit removed. The House bill maintained the limits, since representatives are rarely that popular on the lecture circuit.

In conference, the House proposed a $2,000 per fee limit with a ceiling of $20,000. Yesterday a compromise was reached setting the limit at $2,000 per fee, $25,000 per year, but allowing deductions for booking agents' fees, travel expenses, subsistence and expenses for an aide or a wife to accompany the speaker. So the net limit will be considerably over $15,000.

In other action, the conferees permitted the Republican and Democratic Senate campaign committees to contribute $17,500 to a Senate candidate during an election year, rather than the present $5,000 per election.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Culver) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON INCREASE IN AMOUNT DEFERRED FOR THE DEPARTMENT OF THE INTERIOR'S PROGRAM TO DEVELOP ROADS AND TRAILS ON PUBLIC LANDS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Culver) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Interior and Insular Affairs, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report an increase of $3.9 million in the amount previously deferred for the Department of the Interior's program to develop roads and trails on public lands.

The details of the revised deferral are contained in the attached report.

Gerald R. Ford.

The White House, *April 13, 1976.*

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that he had approved and signed the following acts:

April 11, 1976:

S. 3060. An Act to amend chapter 33 of title 44, United States Code, to change the membership and extend the life of the National Study Commission on Records and Documents of Federal Officials, and for other purposes.

April 13, 1976:

S. 2920. An Act to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building.

MESSAGES FROM THE HOUSE

At 10:33 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8235) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 644) to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission, to authorize new appropriations, and for other purposes.

The message further announced that the House has agreed to House Resolution 1154, with respect to the death of the Honorable William A. Barrett, a Representative from the State of Pennsylvania.

The message also announced that the House has passed the bill (H.R. 12725) to amend the Internal Revenue Code of 1954 to permit tax-free rollovers of distributions from employee retirement plans in the event of plan termination, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the enrolled bill (S. 3056) to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. CULVER).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 13, 1976, he presented to the President of the United States the following enrolled bill:

S. 2920. An act to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building.

The Secretary of the Senate reported that on today, April 14, 1976, he presented to the President of the United States the following enrolled bills:

S. 1941. An act to amend the act of August 24, 1966, as amended, to increase the protection afforded animals in transit and to assure humane treatment of certain animals, and for other purposes.

S. 3056. An act to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. CULVER) laid before the Senate the following letters, which were referred as indicated:

COMMENTS ON SPECIAL MESSAGE TRANSMITTED BY THE PRESIDENT RELATING TO IMPOUNDMENT ACTIONS

A letter from the Acting Comptroller General of the United States, commenting, pursuant to law, on the 12th special message from the President of the United States, submitted to Congress on March 18, 1976, transmitting six new deferrals and one revised deferral (with accompanying papers); to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, the Committee on Commerce, the Committee on Armed Services, and the Committee on Labor and Public Welfare, jointly, pursuant to the order of January 30, 1975.

CUMULATIVE REPORT ON RECISSIONS AND DEFERRALS

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, April 1976 (with an accompanying report); to the Committee on Appropriations, the Committee on the Budget, the Committee on Government Operations, the Committee on Agriculture and Forestry, the Committee on Commerce, the Committee on Public Works, the Committee on Labor and Public Welfare, the Committee on Banking, Housing and Urban Affairs, the Committee on Interior and Insular Affairs, the Committee on Foreign Relations, the Committee on Finance, the Committee on Armed Services, the Committee on the Judiciary, and the Committee on Aeronautical and Space Sciences.

PROPOSED SUPPLEMENTAL APPROPRIATION FOR THE FEDERAL ELECTION COMMISSION

A letter from the Chairman, Federal Election Commission, transmitting a proposed supplemental appropriation for an additional amount for the Federal Election Commission's data processing needs and for the National Clearinghouse on Election Administration, $250,000 (with accompanying papers); to the Committee on Appropriations.

PROPOSED LEGISLATION TO AMEND THE DEEPWATER PORT ACT

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend Section 25 of the Deepwater Port Act of 1974 by providing a permanent authorization of appropriations (with accompanying papers); to the Committee on Commerce, the Committee on Interior and Insular Affairs, and the Committee on Public Works, jointly, by unanimous consent.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McINTYRE, from the Committee on Banking, Housing and Urban Affairs, without amendment:

S. 3312. An original bill to reorganize the National Credit Union Administration (Rept. No. 94–751).

By Mr. METCALF, from the Committee on Government Operations, with amendments and an amendment to the title:

H.R. 8948. An Act to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms, together with minority views (Rept. No. 94–753). Referred to the Committee on Finance for a period not to extend beyond May 20, 1976.

By Mr. STENNIS, from the Committee on Appropriations, without amendment:

S. Res. 408. A resolution disapproving the proposed deferral of budget authority for the United States Army Corps of Engineers to plan and design hopper dredges, together with views of the Committee on the budget (Rept. No. 94–753).

By Mr. METCALF, from the Committee on Interior and Insular Affairs, with amendments:

S. 713. A bill to provide the Secretary of the Interior the authority to promote the conservation and orderly development of hard mineral resources of the deep seabed, pending adoption of an international regime therefor (Rept. No. 94–754). Referred to the Committee on Armed Services, the Committee on Commerce, and the Committee on Foreign Relations, jointly, for 30 days, pursuant to previous order.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. McINTYRE (from the Committee on Banking, Housing and Urban Affairs:

S. 3312. An original bill to recognize the National Credit Union Administration. Placed on the calendar.

By Mr. MANSFIELD:

S. 3313. A bill for the relief of Sister Maria Lucila Santos. Referred to the Committee on the Judiciary.

S. 3314. A bill for the relief of Sister Isidaria Avaricio. Referred to the Committee on the Judiciary.

S. 3315. A bill for the relief of Sister Lina Afinidad. Referred to the Committee on the Judiciary.

By Mr. DOLE (for himself, Mr. PERCY, Mr. BEALL, Mr. JAVITS, and Mr. STAFFORD):

S. 3316. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the modification of certain facilities and vehicles so as to remove architectural and transportational barriers to the handicapped and elderly. Referred to the Committee on Finance.

By Mr. TAFT (for himself, Mr. DOMENICI, Mr. GRIFFIN, Mr. NELSON, and Mr. RANDOLPH):

S. 3317. A bill to amend the Occupational Safety and Health Act of 1970 to further encourage industrial safety, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. GARY HART:

S. 3318. A bill to establish a pilot system for the periodic review and for the termination, continuation, or reestablishment of Federal agencies and independent regulatory agencies. Referred to the Committee on Government Operations.

By Mr. GLENN:

S. 3319. A bill to amend the Emergency School Aid Act to provide innovative desegregation programs and procedures, and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 3320. A bill for the relief of Afaf Yassine and her children, Najla Yassine, Walid Yassine, Mona Yassine, and Maher Yassine. Referred to the Committee on the Judiciary.

By Mr. METCALF:

S. 3321. A bill to amend section 133(e) of the Legislative Reorganization Act of 1946 in order to provide for individual views in Senate committee reports in lieu of supplemental views. Referred to the Committee on Government Operations.

By Mr. CRANSTON:

S. 3322. A bill to enlarge the Sequoia National Park in the State of California by adding to such park the Mineral King Valley area, to provide for certain planning respecting the management of such addition, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S.J. Res. 189. A joint resolution authorizing and requesting the President to issue a proclamation designating May 1, 1976 as "National Tax Freedom Day". Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. PERCY, Mr. BEALL, Mr. JAVITS, and Mr. STAFFORD):

S. 3316. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the modification of certain facilities and vehicles so as to remove architectural and transportational barriers to the handicapped and elderly. Referred to the Committee on Finance.

BARRIER REMOVAL TAX INCENTIVE

Mr. DOLE. Mr. President, the Senator from Kansas is introducing today a bill to provide an income tax incentive to individuals and corporations that remove architectural or transportational barriers from their property. I am pleased to be joined in introducing this bill by the Senator from Illinois (Mr. PERCY), the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. JAVITS), and the Senator from Vermont (Mr. STAFFORD).

PURPOSE

This legislation would allow individuals and corporate taxpayers to deduct qualified architectural and transportational barrier removal expenses that are incurred in making facilities and vehicles more accessible to handicapped and elderly people.

The concept of this legislation is simple. The vast majority of facilities in our great private sector continues to have physical barriers to the handicapped—in spite of some previous legislative efforts by Congress to address the problem.

This bill is designed to address more effectively the barrier problem by giving every private enterprise an economic incentive to take their own initiative in removing barriers to the handicapped and the elderly. It is my belief that providing an incentive is the most effective way to deal with this kind of situation.

THE PROBLEM

The National Center for Health Statistics reports that 21,984,000 Americans have some type of physical disability. These data mean that 1 in 10 Americans, or 10 percent of our population, have physical limitations, and circulate, if at all, with difficulty and determination.

In addition, many of the 20 million Americans aged 65 and over, have similar mobility problems resulting from their advancing years.

Circulation within society is complicated, or sometimes denied, for the disabled by a maze of physical barriers. The able-bodied man or woman might be aware of some barriers if temporarily disabled when carrying bags and babies, or when nursing broken bones. But, after the restriction is lifted, the memory is often forgotten. Not so for the handicapped and elderly—their immobility continues.

PAST LEGISLATION

Past legislation has attempted to address this very problem of architectural and transportational barriers. While progress has been made, widespread obstacles still exist.

The Housing Act of 1964 required HUD housing projects for the elderly to have 10 percent of their units be accessible to the handicapped.

Public Law 90–480, the Architectural Barriers Act of 1968, stated that buildings financed with Federal funds must be barrier free, as determined by standards put out by the Administrator of General Services Administration, the Secretary of the Department of Defense, and the Secretary of the Department of Housing and Urban Development. To insure that such standards were being met, in 1973, the Rehabilitation Act created the Architectural and Transportation Barriers Compliance Board.

More recently, the Housing and Community Development Act of 1974 contained requirements for barrier-free architecture and site design, and additional provisions for the funding of such.

The bill which I am introducing will encourage further breakdown of barriers by allowing expenses incurred for the removal of barriers to be taken as a deduction and not chargeable to capital account. This is intended to carry barrier removal over into the private sectors of commerce and industry.

This concept was originated several years ago by the distinguished Senator from Illinois (Mr. PERCY), although the Senate has never acted on it, hopefully we can consider this measure this year.

EFFECT ON FEDERAL REVENUE

The Joint Committee on Internal Revenue Taxation estimated that an immediate deduction for expenditures to remove barriers would mean about $10 million in lost revenue during the first year.

The Senator from Kansas has been greatly concerned about the size of our Federal deficit. As the recent votes on the budget resolution showed, a great many other Senators have determined to have a fiscally responsible budget policy. So I am concerned about the relative net loss or gain in Federal revenue if this bill is enacted—even though $10 million is a relatively small amount in the context of our Federal budget.

We have attempted to determine what positive benefits would result from enactment of this bill. To the best of my knowledge, no precise quantifiable indicators have been developed. It seems clear, however, that there would be a positive revenue effect in at least three ways.

First, more handicapped people would be employed as a result of barrier removal. There would be an increase in Federal revenue from taxes on the income of employed handicapped people.

I would just like to cite an example, where the city of Winston-Salem, N.C., spent $2,500 in removing barriers from their city hall. As a direct result, two handicapped workers were able to be employed. The two workers paid $2,019 yearly in Federal income taxes, and $504 yearly in State income tax. In 1 year alone, they paid more in taxes than was spent for the alteration.

Had this been a corporation, the loss in Federal revenue due to the deduction allowed in this bill would have been less than half the barrier removal expense. So the benefit for our Federal budget and national debt situation would have been an improvement of nearly 2 to 1.

In addition, the projects with industry organization reports that the 1,500 workers employed through their program earn about $7½ million yearly, and pay $1½ million in taxes. Another example of handicapped power is Disney World in Florida. Since it made its facilities barrier free, it has attracted 17,000 handicapped persons annually. When travel, lodging, dining, and entertainment expenses are computed, this group is a considerable source of revenue to the area. Similar results can be expected elsewhere if the disabled are not held back from circulation.

The Senator from Kansas would not anticipate such a positive benefit in the case of every corporation that might use this deduction. However, the end result would almost certainly be a net gain in our revenue intake.

The Rehabilitation Services Administration estimated a net benefit of 2 to 1 for taxpayers for every Federal dollar spent in the vocational rehabilitation of handicapped people. The net benefit to handicapped clients is about 17.8 to 1.

While the benefit and cost ratios would not be the same, there clearly would be a positive effect on the employment of handicapped people from the removal of barriers under this bill.

The added employment of handicapped people would also reduce the expenditure of tax dollars presently used to sustain handicapped people. This is a second positive effect of the Federal revenue picture.

As of January 1974, about 2 million handicapped individuals were drawing disability checks averaging about $183 a month under the regular social security program. Some 1.3 million persons were drawing Federal checks under a supplemental security income program. Average payment is a little over $106 a month, augmented in many cases by payments from State welfare programs.

Hopefully, a substantial portion of these expenditures could be reduced by opening up private commercial facilities so that handicapped people can get off welfare and earn a better living for themselves.

A third source of increased Federal revenue may come from taxes on the increased business private companies will do when they remove architectural barriers to handicapped and elderly people.

Other positive effects on the Federal revenue balance sheet could develop from this legislation. But the essential point is that this bill would not be an additional burden on the taxpayer.

It will be a net benefit to the Federal budget, and to handicapped and elderly people as well. As the barriers are removed, the handicapped and elderly can be participants in society as consumers, workers, and clients. The possibilities are limitless, providing that the handicapped are not imprisoned by constructional restriction.

NEED

The need for legislation of this type becomes continually more pressing. Largely through modern medical attainments, the number of elderly and handicapped persons is increasing. Some facts are:

Before 1940, no one with a severed spinal cord lived over 6 months. Today, a man who severed his spinal cord in 1945 is still alive.

Once children with cystic fibrosis died before reaching school age. Today, one cystic fibrotic victim lived to be 22 years old, and had graduated from college and begun teaching school before he died.

In 1950, the average U.S. life expectancy was 62 years—today it is 70½ years.

It is predicted that by 1980, the number of physically impaired persons will increase by 20 percent.

Eighty-seven percent of the catastrophically disabled veterans, such as paraplegics and quadraplegics, are unemployed.

Better health services are enabling infants with birth defects to live, when once they died. Similarly, more and more persons injured through wars, auto accidents, occupational injuries, and sport mishaps are being pieced back together, and are living.

The handicapped need to be able to enter buildings, for their educational and financial levels are considerably lower than the general population's. Consider that: 22 percent of the handicapped failed to finish the eighth grade, as compared with 14 percent of the total population; 5 percent of the handicapped finished 4 years of college, as compared with 9 percent overall; 15 percent of the handicapped are classified as "poorest of the poor," as compared to 8 percent of the general public; 42 percent of the handicapped are employed, as compared to 59 percent of the total adult population.

These statistics make it clear that the handicapped are in a lower-than-average category in many areas. The removal of physical barriers is needed to increase their access to jobs, to better education, and to more active economic, social, and cultural roles.

SUPPORT

Many varied groups have recognized the need for an income tax incentive to be given to individuals and corporations that remove their barriers.

The North and South Carolina Legislatures in 1971 and 1973 respectively, passed laws granting an income tax incentive to encourage businesses to remove their architectural barriers.

In the House of Representatives, there are six similar bills with almost 100 cosponsors which have been introduced. In addition, interested organizations, such as the Paralyzed Veterans of America and the National Rehabilitation Association, have contracted my office offering support of this proposal.

PROTECTION AGAINST ABUSE

The Senator from Kansas is concerned that this bill not be used as a tax loophole for persons seeking ways in which to pay lower taxes. Accordingly, we have tried to design this bill to avoid abuse.

There is incorporated into the bill a 3-year limitation which will allow Congress the opportunity to review the provision and its effectiveness. After 3 years, the results of the bill can be studied, and a decision made as to whether or not it should be extended.

Also, those corporations and individuals using the deduction must meet the barrier removal standards cited in the bill before being allowed the deduction. And, of course, all persons declaring the deduction would be subject to tax audit.

Finally, there will be somewhat of an inherent incentive for businesses to hold down expenditures under this provision. The deduction only would allow something less than half of the barrier removal expense to be offset by a lower tax payment. The taxpayer would still have to bear at least half of the cost. So, while there would be an incentive, it would not be the same as a full Federal subsidy, and there would be an economic need for taxpayers to hold down their costs.

INCENTIVE FOR SOCIAL RESPONSIBILITY

Once the private business sectors are motivated to delete barriers which restrict the handicapped and the elderly from participating in accustomed activities, the disabled will be permitted to achieve their own level of rehabilitation. But to limit arbitrarily with physical barriers their level of rehabilitation is inexcusable. These and all citizens should be allowed the right of circulation within society. Denial of this places needless, even cruel, restraints on their liberty.

When entrance is gained, these persons are then ready to be contributing elements of society as clients, as consumers, and as candidates for employment, for once they can come inside a building, they may become an integral, contributing component in the economic network. It seems that as lawmakers, our responsibility is to see that all persons have equal opportunity to achieve and to excel. Providing incentives for the removal of architectural barriers will help equalize opportunities for millions of disabled Americans.

This Bicentennial Year seems an especially fitting time to declare independence for our elderly and handicapped citizens from architectural barriers. I am reminded that Stephen Hopkins, a man afflicted with cerebral palsy, said as he signed the Declaration of Independence, "My hand may tremble but my heart does not."

May our hearts tremble with shame if we continue to preclude persons like Stephen Hopkins from being active participants in our society because of neglecting to tear down architectural barriers.

SUGGESTIONS INVITED

In introducing this bill, it is my intention to leave it flexible and subject to improvement. The wording used in the bill introduced today is tentative wording, and may be revised as improvements are seen.

I have invited input from handicapped organizations as to ways in which to strengthen and improve the wording of this bill, and already have received helpful suggestions and enthusiastic support.

Also, in introducing this bill, I hope it can be incorporated later as an amendment to the Tax Reform Act of 1976.

Mr. President, I request unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) In General.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 189. EXPENDITURES TO REMOVE ARCHITECTURAL AND TRANSPORTATIONAL BARRIERS TO THE HANDICAPPED AND ELDERLY.

"(a) TREATMENT AS EXPENSE.—

"(1) IN GENERAL.—A taxpayer may elect to treat qualified architectural and transportational barrier removal expenses which are paid or incurred by him during the taxable year as expenses which are not chargeable to capital account. The expenditures so treated shall be allowed as a deduction.

"(2) ELECTION.—An election under paragraph (1) shall be made at such time and in such manner as the Secretary or his delegate prescribes by regulations.

"(b) DEFINITIONS.—For purposes of this section—

"(1) ARCHITECTURAL AND TRANSPORTATIONAL BARRIER REMOVAL EXPENSE.—The term 'architectural and transportational barrier removal expense' means an expenditure for the purpose of making any facility or public transportation vehicle owned or leased by the taxpayer for use in connection with his trade or business more accessible to, and usable by, handicapped and elderly individuals.

"(2) QUALIFIED ARCHITECTURAL AND TRANSPORTATIONAL BARRIER REMOVAL EXPENSE.—

"(A) The term 'qualified architectural and transportational barrier removal expense' with respect to any such facility means an architectural or transportational barrier removal expense with respect to which the taxpayer establishes, to the satisfaction of the Secretary or his delegate, that the resulting removal of any such barrier meets the standards set forth by the Administrator of the General Services Administration, the Secretary of Defense, and the Secretary of Housing and Urban Development under the Act entitled 'An Act to insure that certain buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped', approved August 12, 1968 (82 Stat. 718; 42 U.S.C. 4151)."

"(B) The term 'qualified architectural or transportational barrier removal expenses with respect to any such public transportation vehicle means a transportational barrier removal expense with respect to which the taxpayer establishes to the satisfaction of the Secretary or his delegate, that the resulting removal of any such barrier meets the standards set forth in regulations prescribed by the Secretary or his delegate after consultation with the Architectural and Transportation Barriers Compliance Board.

"(c) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such part VI is amended by adding at the end thereof the following new item:

"SEC. 189. Expenditures to remove architectural and transportational barriers to the handicapped and elderly.".

(2) Section 263(a)(1) of such Code (relating to capital expenditures) is amended—

(A) by striking out "or" at the end of subparagraph (D) thereo,

(B) by striking out the period at the end of subsection (E) thereof and inserting in lieu thereof a comma and the word "or", and

(C) by adding at the end thereof the following new subparagraph:

"(F) expenditures for removal of architectural and transportational barriers to the handicapped and elderly which the taxpayer elects to deduct under section 189.".

(c) EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after December 31, 1976, and before January 1, 1980.

By Mr. TAFT (for himself, Mr. DOMENICI, Mr. GRIFFIN, Mr. NELSON, and Mr. RANDOLPH):

S. 3317. A bill to amend the Occupational Safety and Health Act of 1970 to further encourage industrial safety, and for other purposes. Referred to the Committee on Labor and Public Welfare.

INDUSTRIAL SAFETY ENCOURAGEMENT ACT OF 1976

Mr. TAFT. Mr. President, I am today introducing the Industrial Safety Encouragement Act of 1976.

During the past year, my office has been literally deluged with complaints from machine tool builders and other capital equipment manufacturers in Ohio about the serious situation which has developed in the capital goods industry. It is a problem which warrants the immediate attention of Congress.

Workers who are injured in industrial accidents collect their workers' compensation benefits and then frequently bring product liability actions against the manufacturers of the machines upon which they were injured. This is as it should be. No one wants to prevent injured workers from pursuing any right of action against any third party defendant, whose act of commission or omission may have caused his or her injury.

However, many of these industrial accidents have been caused by the employer's failure to maintain a safe workplace—to properly guard or keep up the often complicated machinery or to properly instruct or monitor his employees in its safe operation.

Nevertheless, the equipment manufacturer may not defend himself by bringing a negligent or unsafe employer into the action. In some States, I am told, the machinery manufacturer may not even introduce evidence of the employer's unsafe practices.

Furthermore, even an unsafe or negligent employer has open to him the doctrine of subrogation, under which he—through his workers' compensation insurance carrier—is entitled to recoup, via a third party action brought in the name of his injured employee against the machinery manufacturer, the amount of his "loss" suffered through hospitalization, rehabilitation, and wage replacement benefits paid to the injured employee.

Subrogation has resulted in many employers encouraging their injured employees to bring lawsuits against equipment manufacturers. As soon as the lawsuit is filed, the employer—or his insurance carrier—files a subrogation lien against whatever award the injured employee may recover against the third party defendant.

All of this has resulted in an intolerable situation for the machinery manufacturer. Many of the machines in question are very old and have gone through several owners. They may not be properly guarded nor maintained by the employer. Yet the machinery manufacturer may neither look to an unsafe employer for the contribution or indemnification—because of the exclusivity provision in State workers' compensation laws; nor may he raise the employer's unsafe practices in a subrogation action.

Therefore, the insurance industry has seen fit to either cancel product liability insurance for machinery manufacturers altogether; or to offer insurance at such high premium rates that many small and medium-sized machinery builders in Ohio and elsewhere are unable to afford it. I am told that one small manufacturer in Minnesota has already liquidated his business, because of the extremely high insurance rates; and that many others are on the brink of financial disaster.

The other practical result of the current situation is that it operates as a disincentive for some employers to maintain a safe workplace. If an unsafe employer can shift the entire burden for industrial accidents on old, obsolete machinery with inadequate safety guards to the machinery manufacturer—what economic incentive is there for him to start obeying OSHA and other safety codes and to stop maiming his workers through unsafe work practices?

This shocking situation was detailed in recent workers' compensation hearings before the Subcommittee on Labor, of which I am a member, by a witness from the National Machine Tool Builders' Association—NMTBA. NMTBA members are heavily concentrated in my home State. Ohio is the largest machine tool State, comprising about 22 percent of the U.S. industry. I ask unanimous consent that the pertinent portions of NMTBA's testimony which highlight the problem be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Excerpts From Testimony of James H. Mack, Public Affairs Director, NMTBA

NMTBA has consistently supported legislation to improve industrial safety—both for our own employees and for the employees of those who operate the equipment we produce. Last fall, we submitted a written statement to this distinguished committee in response to Chairman Williams' request for comments on S. 2018.

The product liability exposure of the machine tool industry in particular (and the capital equipment manufacturing industry, in general) is enormous. Workers who are injured in industrial accidents collect workers' compensation payments from their employers and then frequently sue the manufacturer of the machines they were injured on.

We are submitting for the record an August, 1975 study conducted among builders of mechanical power presses. This study shows first the dramatic increases these eleven companies have experienced in product liability insurance. One power press manufacturer has seen his product liability insurance premiums go up from $3,024 in 1968 to $168,659 in 1975. Another builder has had an increase from $15,000 in 1968 to $400,000 in 1975. Still another builder has had his premium increase from $125,000 in 1968 to $600,000 in 1975. This pattern is typical in our industry. Early this year many of our members have had their product liability insurance cancelled, and those who are able to purchase coverage have seen last year's premiums doubled, tripled, or increased even higher over 1975 premium rates, which, as we have noted, were already oppressive. One small press manufacturer in Minnesota—not a member of NMTBA—has liquidated his business because he could not afford to pay the excessive insurance rates.

Second, this study shows that these eleven press builders have received reports that some 1,361 machines (less than one-half of one per cent of the 338,199 presses they have manfactured over the years) have been involved in some sort of industrial accident. Of these reported accidents, about two-thirds have been reported in the past six years.

A little less than half of these reported accidents have been converted into lawsuits—615 have been filed to date. About half these law suits have been adjudicated—our members won 62; the plaintiffs won 18; and 214 have been settled out of court.

This leaves 321 lawsuits still pending against these eleven companies—on the average of about 29 or 30 lawsuits pending against each one of these relatively small or medium-sized machine tool builders. Added to these pending lawsuits are the 746 additional accidents, most of which are "ticking time bombs", waiting to explode in the form of another visit from the deputy sheriff with a summons or complaint in his hand.

How did these accidents occur? According to our members' records, one out of every seven law suits involves a machine that is over forty years old. One out of every four involves a machine over thirty years old. And almost half involve machines over twenty years old. Less than 3% of the pending or adjudicated law suits involve machines built since 1970—the year that OSHA was created under the leadership of this distinguished committee and its chairman.

Close to 85 per cent of these accidents occurred when the injured employee was manually feeding the power press. We know of 551 accidents which occurred in operations requiring the workers' hands to be placed in the point of operation of the power press. Where we have been able to determine the cause or alleged cause of the accident, we have found that in only 27.7 per cent of these accidents, some sort of case might be made for a mechanical failure of the power press itself. And please keep in mind that almost half these machines are over twenty years old. Many of them have been sold, resold, junked, resurrected from the junkyard, and placed in operation in the plant of the employer of the person who was unfortunate enough to get himself or herself permanently maimed.

Most of the machines have been modified one or more times by the employer and/or the person or persons he bought the machine from. The study shows that over one-fourth of these machines were poorly maintained by the employer. Over one-fifth of the time, the employer either failed to properly guard the machine, or he failed to make sure that his employee used the appropriate safety device.

What all this adds up to is a situation in which unsafe work practices in unsafe workplaces, maintained by unsafe employers, are causing working men and women to lose fingers and hands. . . . or worse. . . . and *our members are paying for it*.

They are paying for it in the form of court judgments, out-of-court settlements, and scandalously high insurance premiums.

Under present law, virtually every state workers' compensation status (and/or its court interpretation) bars recovery or indemnification from the employer by an equipment builder, no matter how negligent the employer may have been in failing to properly guard and maintain the machinery or in failing to properly instruct and monitor his employees in how to use the machinery. Minnesota is the only state which currently permits the equipment manufacturer to recover all his damages from the employer.

Thus, injured workers (and/or workers' compensation insurance carriers as subrogees) sue builders of machinery in product liability actions, and the builders cannot defend themselves by bringing negligent employers into the action. NMTBA members and their counterparts in other capital equipment industries are, in effect, paying the entire cost of many industrial accidents, while many users of the equipment are completely relieved of financial responsibility. Subrogation actions relieve these users of even the impact of workers' compensation awards, which in many states are less than adequate.

The practical result is that, for some employers, it is cheaper to run a "butcher shop" than it is to provide a safe workplace. *One employer's facility in New Jersey, for example, is the site of nine accidents, which have resulted in the filing of product liability claims against machine tool builders.*

In another New Jersey case, an employer's workers' compensation carrier is openly encouraging and financing a third party action against one of our members and another equipment supplier. This case involves a machine which the employer substantially modified and has admitted was operated negligently and in violation of state safety codes. The machine caught fire, burning three employees—one of them fatally. Not only is the employer not liable for his own negligence, but his insurance carrier is seeking to recoup his workers' compensation losses from the equipment manufacturer through the vehicle of a third party action by the injured employees. Neither justice nor common sense are served by permitting this situation to continue by operation of law.

The problems created for machinery manufacturers by the exclusivity provisions of state workers' compensation laws are aggravated and extended by the operation of the doctrine of subrogation, under which, in most states, the employer or his workers' compensation insurance carrier succeeds to the rights of the injured employee to the extent the employer or the carrier has provided compensation.

In effect, subrogation shifts the financial burden of job injuries from the employer to the third party. As in the contribution area, most courts have held that any third party recourse against the employer is barred. Thus, the employer's own negligence is not a defense to a subrogation suit.

NMTBA's response to this problem has been to recognize that the only effective way to prevent product liability suits is to prevent the accidents which give rise to them.

One of the surest ways to increase employer safety awareness and reduce employee accidents would be to place the full economic burden of such accidents upon the party or parties who are at fault, whose act or failure to act caused the employee injury. That party also is likely to be in the best position to eliminate hazards, and placing the economic burden on his shoulders will insure that he has the greatest incentive to do so.

One effective means of achieving this result and placing the economic burden for job-related hazards on those responsible for their existence would be to remove the bar of state workers' compensation statutes in those cases where an employer's violation of safety standard contributed to an employee injury and resulted in a successful employee suit against a manufacturer. In addition, a subrogation action should be defeated by proof of the employer's violation.

Let me emphasize that *the legal rights of the injured employee would in no way be affected by this readjustment of responsibility among the employer and the third party.*

The overall effects of our proposal would be first, by means of federal preemption of conflicting state law provisions, to place employers and capital goods (and other) manufacturers on an equal legal footing in cases where an injured employee seeks economic recovery for a severe disabling injury. The party at fault would be required to pay damages according to the degree of his fault, without the benefit of any artificial restriction on financial responsibility. Second, by tying financial responsibility directly to violation of state and federal safety laws and regulations, the proposal would encourage compliance with those requirements, perhaps to a far greater degree than OSHA itself since the potential economic costs of compliance would be much greater than they are at present. Third, our amendment would in no way clog up already crowded court calendars. The Minnesota rule, which we seek to mandate nationally by inclusion in S. 2018, permits the third party defendant to bring an indemnification or contribution action against an allegedly negligent employer. The two actions are tried concurrently before the same judge and jury.

We are joined in this proposal by the Woodworking Machinery Manufacturers of America; by the producers of plastic injection molding equipment, whose problem is similar to ours; and by the Packaging Machinery Manufacturing Institute. In addition, the Paper and Pulp Machinery Manufacturers Association has expressed interest in our proposal and may be submitting a statement of their own at a later date.

Mr. TAFT. Mr. President, the NMTBA has documented a problem which deserves our immediate attention. In a 1970 Northwestern University Law Review article, Dr. Arthur Larson, a former Under Secretary of Labor, Director of USIA, counselor to two American Presidents, and the leading authority on workers' compensation law in America today, wrote:

> The usual rule that contribution by the negligent employer is impossible because conceptually he cannot be a joint tort-feasor, or that his negligence is not a defense in a third-party action, is too absolute a victory for the employer, who actually comes out ahead by being reimbursed for his compensation outlay.

The bill I introduce today, remedies this inequity, which Dr. Larson calls to our attention. In addition, passage of this bill will go a long way toward reducing industrial accidents by removing a substantial disincentive for maintaining a safe workplace. I ask unanimous consent that the text of the bill be printed in the RECORD, as well as an article entitled, "Let the Negligent Be Held Liable," reported in the February 9th edition of Business Insurance magazine.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 3317

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 4(b) (4) of the Occupational Safety and Health Act of 1970 is amended by adding at the end thereof the following new proviso:

"*Provided,* That in any case where an employer's failure to comply with any provision of this chapter or any standard promulgated thereunder or to comply with any state statutory, administrative or common law requirement relating to industrial safety causes or contributes to an accident resulting in bodily injury, no provision of any workers' compensation law or similar state statute shall be construed to bar an action or third-party complaint for contribution or indemnification or other relief in the nature thereof under an otherwise applicable statute or principles of common law against such employer by a person liable or alleged to be liable for such injury or to limit recovery in any such action; nor in any action by an employer for subrogation under a workers' compensation law or similar state statute shall the defendant be prevented from raising as a defense the employer's contributory fault where such fault involves failure to comply with the Occupational Safety and Health Act or any standard promulgated thereunder or failure to comply with any state statutory, administrative or common law requirement relating to industrial safety."

[From the Business Insurance, Feb. 9, 1976]

LET THE NEGLIGENT BE HELD LIABLE

When machinery makers met in Massachusetts recently to thrash out their monumental product liability problems and launch efforts to change the tort liability system, they also came out strongly in support of federal workers' compensation reform.

A major part of the lawsuits against machine builders, they believe, can be attributed to workers' compensation statutes in some states providing benefits so low that an injured worker has no alternative but to seek additional recompense from the manufacturer of the machine that injured him.

Is this purely a products liability problem? We don't think so. Safety and employers' liability appear to us to be key issues. The vocal opposition to OSHA and federal workers' compensation reform lead us to believe too many employers aren't facing up to their responsibilities to create and maintain safe facilities, foster attitudes in workers which prevent injury, and compensate fairly for injuries when they do occur.

It's well known that lobbying by metalworking companies and other manufacturers forced amendment of OSHA, relaxing the requirements that safety equipment be installed on presses, among other things. Stampers and other metalworking firms pleaded that they couldn't afford to retrofit machines with safety equipment. They convinced the politicians in Washington that thousands if not millions of workers would be thrown out of work if employers' backs were broken by unreasonable government regulations.

What's happened is that political influence has prevailed over logic. The tort laws favor machine users, who outnumber machine builders and have more political clout.

Employers won't have enough incentive to operate safe plants until somebody holds them accountable, say the machine builders. The way the system presently works is that an employer, an injured worker and the work comp insurer profit by sueing the machine builder. Their product liability charges ignore the employer's negligence, the worker's negligence, working conditions, age of the machine or any alterations of the machine over its useful life.

We've heard grisly tales such as one about an employer with fewer than 200 workers who racked up a tally of 9 disabling injuries in a couple of years. Then there's one about the company whose output was reduced by costly guards placed on all the old machines (partially paid for, incidentally, by the machine builder). The factory owner allegedly encouraged his foremen and workers to circumvent the safety devices and push productivity back up to earlier levels. A machine builder was held liable for a subsequent disabling injury to an experienced machine operator.

Whatever changes are going to be made, someone's ox is sure to be gored. Business is fighting business on this issue. Many employers don't want to see workers' compensation statutes reformed, because they stand to lose money if they are made to pay more for what happens in their workplaces.

The recent victories of the metalworking industry, which forced rollbacks in OSHA regulations and prevented workers' compensation reform, may be shortlived.

A broad spectrum of producers currently benefit from the services of a fragmented and highly competitive machinery industry. But if small, undercapitalized machine builders continue to be penalized, they may be forced out of business in greater numbers.

The net result will be a highly concentrated machine tool industry that can defend itself in court and cover its legal defense costs by making all machine buyers pay for the negligence of what we prefer to believe is a small minority.

We agree with many machine builders that they should be allowed better defenses through countersuits against negligent employers, and through changes in the tort system. And we agree with these machine builders that liability should be apportioned between the parties involved in these workplace injuries—the builders of machines, the users of machines, and the employes themselves—according to the negligence of each.

By Mr. GARY HART:

S. 3318. A bill to establish a pilot system for the periodic review and for the termination, continuation, or reestablishment of Federal agencies and independent regulatory agencies. Referred to the Committee on Government Operations.

FEDERAL AGENCY PILOT TERMINATION AND REVIEW ACT OF 1976

Mr. GARY HART. Mr. President, today, today I am introducing legislation which offers a pragmatic and promising approach to the problem of an increasingly overgrown and unresponsive Government. "The Federal Agency Pilot Termination and Review Act" will allow a practical test to determine the effectiveness of the "Sunset" procedure in cutting away the bureaucratic sprawl that has plagued so many Federal agencies.

The Sunset concept involves setting fixed dates for the automatic termination—or "Sunset"—of Government agencies and programs in order to force their full-scale review. If they have served the purposes for which they were created, then positive legislative acts would be required to reestablish them. If however, they are deemed no longer responsive, useful or necessary, then they would be modified or simply allowed to lapse.

The Sunset approach was pioneered by the Colorado Common Cause and, with broad-based support from the entire political spectrum, is on its way to becoming law in Colorado.

This mandatory review process is also essential on the Federal level to curb bureaucratic sprawl and to overcome governmental inertia. All bureaucracies seem to acquire a life of their own. Even if they were originally set up with a narrowly defined purpose, they seem to generate new functions and responsibilities almost by an unconscious reflex action. Over time, what was once a responsive and flexible agency can become a tangled labyrinth, ensnarled in its own complexity and buried beneath the weight of proper procedures. The Government has become so complex that we have had to create additional offices simply to explain to people where to go to get help. Americans are understandably beginning to feel that they are becoming the servants and not the beneficiaries of our form of Government.

The bill that I am offering today is an effort to come to grips with the problem of the Government's accountability to its citizens. The bill calls for the initiation of this automatic termination and review process on a trial run basis for six Federal agencies, the Civil Aeronautics Board, the Federal Aviation Administration, the Occupational Safety and Health Administration, the Federal Maritime Commission, the Federal Energy Administration, and the Interstate Commerce Commission. The two agencies responsible for civil aviation were chosen to test the Sunset process as a way to eliminate unnecessary duplication of effort. Any other agencies could have been chosen to demonstrate the effectiveness of this approach.

My distinguished colleagues, Senator PERCY and Senator MUSKIE have already introduced two excellent legislative proposals that would establish the Sunset process. The most important feature of my bill, Mr. President, and its major difference from the forward looking and imaginative proposals of Senators PERCY and MUSKIE, is that it sets out a pragmatic series of steps that will allow the practical introduction of the Sunset concept. It implicitly recognizes the enormity of the task of implementing this approach and the very limited facilities presently available to the Congress for that purpose. It calls for a trial run that will allow a measured and orderly adoption of the Sunset approach.

Like the Colorado bill, my bill would require the automatic termination and review of the selected agencies. Prior to the public review, the Office of Management and Budget, the Congressional Budget Office, and the General Accounting Office would each prepare a separate evaluation report on each agency. These reports would assess the agency's performance in light of the purposes for which it was created.

The OMB, CBO, and GAO reports would be available to the Senate legislative or oversight committees responsible for the agencies or offices at least 3 months before a committee's mandatory public review. After public testimony, the committee could then recommend that the agency be reestablished or modified by act of Congress, or simply be allowed to lapse. Under this bill, the renewed agency would automatically be subject to the same termination and review process after 6 years.

The Federal Agency Pilot Termination and Review Act presumes that the appropriate legislative or oversight committees of the Congress would initiate the review process well before each agency's or office's schedule termination. This way, decisions to reform, to continue, or to terminate the agency permanently could be made in an orderly and expeditious way. However, the bill provides an entire year of continued life for the agency after its automatic termination date in case the Congress has not been able to act or in case the public disagrees with the decision that the Congress has made. This would leave ample time to reconsider any decision before facing the prospect of reconstituting an already disbanded office.

If an agency is disbanded, the bill provides for equitable treatment of the civil servants affected, under the supervision of the Civil Service Commission.

In addition, the Attorney General would assume the responsibility for any agency actions pending on the date of termination to see those actions through to a satisfactory resolution.

Mr. President, bureaucratic complexity and unaccountability has become an increasingly critical problem. Basic questions about the relationship between people and their Government need to be asked and this bill provides practical steps that will apply the most promising answer.

By Mr. GLENN:

S. 3319. A bill to amend the Emergency School Aid Act to provide innovative desegregation programs and procedures, and for other purposes. Referred to the Committee on Labor and Public Welfare.

SCHOOL INTEGRATION INNOVATION ACT OF 1976

Mr. GLENN. Mr. President, today I rise to introduce S. 3319, the School Integration Innovation Act of 1976.

S. 3319 extends the Emergency School Aid Assistance Act—ESAA—through August 31, 1978, at an authorized funding level of $1 billion per year. The bill also amends the ESAA by clarifying and adding to the activities for which ESAA funds can be used by communities implementing both court ordered and voluntary desegregation plans. Specifically, S. 3319 would provide for funds to support:

First. The construction and/or operation of "magnet" schools;

Second. The pairing of schools and programs with specific colleges and universities and with leading businesses;

Third. The construction and development of education parks and neutral site schools;

Fourth. Education programs especially designed to improve the quality of education in inner city schools.

My bill provides that nothing in this act shall be construed in a manner that is inconsistent with the full enforcement of the 5th and 14th amendments to the Constitution and of title VI of the Civil Rights Act of 1764.

Mr. President, I introduce this legislation with a sense of urgency because I would like to provide a positive direction and some practical solutions in the overheated area of school desegregation. Debate on this issue has now deteriorated to irrationality and emotionalism when the discussion should be on how best to provide a good education for all students and at the same time desegregate our schools under the law. Basically our thrust should be—and this is the central purpose of S. 3319—to design and develop schools that will be so attractive to whites, blacks, and other racial groups that school integration will occur naturally rather than through the mandatory busing of schoolchildren. While that objective will be difficult to achieve—and perhaps impossible to achieve totally—it is worth striving for to the maximum extent possible.

My home State of Ohio now has pending seven major school desegregation lawsuits and roughly 30 additional desegregation investigations. The seven lawsuits involve over 400,000 students. Soon, it is likely that communities in Ohio will be faced with the implementation of desegregation plans. Emergency school aid assistance money will be needed by those communities to pay for new educational programs related to those plans. My bill would provide that assistance.

Mr. President, rhetoric on the desegregation issue has grown most shrill where the question of busing has been raised. Busing is an issue that has been bent and torn every way in this political year. Under the name of the busing issue we have seen assaults made upon many of the hard-won constitutional protections that blacks now have.

Since coming to the Senate, I have resisted all efforts to set back school desegregation and to undermine the constitutional and Civil Rights Act protections of black citizens. Busing has been a way of achieving desegregation in our schools, and, despite the inconvenience and expense, it must be preserved as one remedy for segregation, where needed.

There are, of course, other means of desegregation, but many of these have not been used effectively over the years. These methods—magnet schools, neutral site construction, educational parks, and business-school pairings to name a few—traditionally have not received adequate Government financial assistance, even where they could have provided appropriate solutions to segregation problems.

S. 3319 would provide additional assistance for these other valuable desegregation methods. The bill would not reduce current authority to require busing or to provide assistance in conjunction with busing. It would insure, however, that where more effective desegregation options are available, they will not fail for lack of funding.

Mr. President, the Emergency School Aid Act of 1972 became law as part of the Education Amendments of 1972 (P.L. 92–318). This act provides money to assist school districts in the implementation of court-ordered desegregation plans. It also assists districts with de jure or de facto racial segregation which choose voluntarily to implement plans for desegregation and for overcoming the effects of racial isolation. Implementation of the act has operated in roughly this way. Approximately 87 percent of the ESAA appropriation is allocated to the States based upon the number of minority group children aged 5 through 17 in the State. Thirteen percent of the ESAA appropriation is reserved for special programs and projects, educational television projects and evaluations. The special programs and projects section is designed to help fund programs especially designed to complement larger programs and projects carried out by local education agencies.

It is these larger basic grants, Mr. President, to which my legislation is primarily addressed. I am impressed with the present range of innovative programs by local educational agencies that the existing law encourages. They include remedial and tutorial service programs, in-service teacher training, curriculum innovation and much more. Additionally, section 709 of this act addresses itself to such metropolitan area projects as the planning and construction of education parks.

So, Mr. President, this is a laudable and educationally sound program. It recognizes that areas undergoing desegregation have special needs and require extra assistance. Furthermore, this program encourages localities to grapple with the special problems attendant both to school desegregation and to poor quality schools in the inner city.

EDUCATION IN THE INNER CITY

My bill would add to the list of programs and plans for which ESAA assistance may be given under section 707(a) of the act, specific language that would cover innovative school desegregation measures, including programs and plans especially designed to improve the quality of education in inner city schools. I believe that it is time to consider the improvement of inner-city schools as a vital component of any plan dealing with the vestiges of segregation, either de facto or de jure.

Improving inner-city schools as part of a plan for school desegregation makes sense. Such improvement makes transportation over long distances in search of good schools less necessary. Also, it is of vital importance to the stability and coherency of the inner city itself that there be strong, high quality, educational institutions there. Such schools provide a focal point for community pride and leadership. They should not be neglected in the name of integration; they should be strengthened and improved. The Third Interim Report of the National Advisory Council on Equality of Educational Opportunity, the panel charged with evaluating the ESAA program, in its June 1975 report, has recommended that Congress recognize the importance of improving the educational quality of "minority impacted" schools. I believe that my bill is consistent with this recommendation made by a panel of very distinguished individuals within the field of education.

Let us begin to look at what is offered educationally in the inner city. Is the faculty strong? Are the facilities substantial? A physically integrated or physically all-black school are both still "segregated" if school systems have allowed poor quality schools in black areas. My bill would serve to improve schools in both white and black neighborhoods irrespective of whether or not busing is involved. My bill would also serve to increase the likelihood of integration in all neighborhoods irrespective of any considerations of busing. Thus, in the circumstances mentioned in Ohio, whether courts order busing as a part of desegregation plans or not, my bill would do two things: First, encourage the improvement of education for all children in all areas; and second, promote integration. My bill is intended to be complementary to any plan for desegregation which might be devised.

OTHER INNOVATIVE METHODS OF SCHOOL DESEGREGATION

Of the other methods of desegregation which are available to school districts, I am particularly impressed with the possibilities offered by "magnet" schools. The concept has been much talked about politically, but little initiative has been taken to encourage its implementation. Yet magnet schools offer an excellent way to work to eliminate much of ordered busing, to improve the quality of education and to aid in desegregating the schools.

A magnet school is a school established, either on a city-wide basis or within a zone, that has a special education offering, an offering students of whatever racial background are "attracted to" and want to attend. Such a special offering might take the form of a specialized program offered at designated schools open to anyone. One specialized program might be oriented toward high academic achievements in general while another might be oriented toward a particular vocational skill. The designated schools might be located in white neighborhoods, black neighborhoods, or perhaps, best of all, at schools whose location might be considered "neutral."

My point, Mr. President, is that here is an innovative way by which the need for busing may be reduced without any adverse effect on the attainment of desegregation and quality education objectives. The idea has worked in several places where magnet schools are perceived as being of high quality and are in convenient locations. At the end of my statement I would like to insert into the Record relevant articles on magnet schools that indicate that the concept can work to induce voluntary integration, to reduce racial tensions and to provide popular, high quality education.

Mr. President, magnet schools are just one of the positive innovative methods that my bill would encourage. The bill would also fund the development of plans for, and the construction of, schools at "neutral sites," so as to minimize the need for large-scale, long-distance busing. Such schools might be in central locations much like shopping centers. These schools would not be "neighborhood schools" in the traditional sense; they would be metropolitan schools capable of drawing from black and white neighborhoods. Such schools, aside from their "neutral siting," might also adopt features that would classify them as "magnets." This concept has long been a feature of many court-ordered integration plans and is in my view a sound, workable principle.

The bill would also provide aid to districts for the planning, construction or development of education parks, or clusters of schools of a wide variety located on a common site. Indianapolis, Ind., has such a complex that has proven popular and accessible. This is another innovative idea that could be made part of a desegregation plan.

In addition, the bill would encourage cooperative education magnetism such as the pairing of schools and programs with specific colleges and universities or with leading business organizations. This idea has been tried and has experienced some success in the troubled Boston community. At the end of my statement, I will submit a listing of some of the types of cooperative "pairings" which are possible. Pairing is particularly attractive as a concept because it brings the wider community into an active civic involvement in helping to solve its own problems. The alliances can serve to magnetize a school, that is, to make it very attractive to members of all races by giving significant and exciting educational offerings and generally improving the quality of education in the affected schools.

Mr. President, I feel certain that increased use of the above methods can cut down significantly on our reliance on busing to achieve desegregation and can greatly enhance the effectiveness of our educational systems. The U.S. Commission on Civil Rights March 1975 report "Twenty Years After Brown: Equality of Educational Opportunity" at page 63 states:

> By examining alternative methods of school desegregation that rely upon a minimum of busing, busing to provide almost complete desegregation can be as little as ⅓ to ¼ of the amount estimated by conventional rule of thumb techniques.

A study by the Lambda Corporation, "School Desegregation with Minimum Busing," commissioned by HEW, further documents that desegregation is possible with a minimum amount of busing. Accomplishing this takes imagination, strong local leadership and resources. My bill is designed to encourage all three.

FISCAL ASPECTS

The authorization of ESAA expires June 30, 1976. The present spending level for ESAA is $241 million, and the Administration has requested the same amount for the next fiscal year. The authorization, however, has been $1 billion per year over the past few years. My bill would extend the authorization of ESAA through September 30, 1978, authorizing $250 million for the transition quarter of July 1, 1976 through September 30, 1976, and $1 billion each for the 1977 and 1978 fiscal years. This represents no change over present authorization levels. ESAA appropriations should be permitted to increase, however, to the full authorized level of $1 billion annually. We should not delude ourselves by thinking that we can tackle this problem without giving it some significant priority and proper funding.

THE BUSING ISSUE

Mr. President, we are all aware of the historic and momentous 1954 Supreme Court decision of Brown against the Board of Education which held that State-sanctioned separation of the races in the public schools is inherently unequal and is violative of the equal protection clause of the 14th amendment. Subsequent court cases and the Civil Rights Act of 1964 have served to speed up the school desegregation process in both North and South. I need not dwell on the legal and constitutional history of this process since it is well known.

Mr. President, due particularly to the residential patterns of our cities, which are most often racially separate, and to the school attendance zones attached to those patterns, courts that have found the existence of a segregated school system have acted to dismantle the dual system of schools by requiring the transportation of students.

It is at this point, Mr. President, that the turmoil surrounding this issue has begun. Many opponents of integration and equality of opportunity have made "forced busing" and its attendant image of chaos, violence and disruption synonymous with integration. Thus, many people, whites and black, who do not particularly like the idea of busing are locked into a no-win position in which they must embrace an idea they don't like—busing—in order to continue to strongly support the larger ideas of equal protection, an integrated society and equality of opportunity for everyone.

Mr. President, this is not right. We must not be pushed into a situation of equating integration with busing—of having to tinker with the civil rights laws and with hard-won constitutional protections as the only means of reducing the inconveniences of busing.

In analyzing the question of busing we should begin by asking exactly why it has become so controversial an issue. Aside from the fact that it has been seized upon for use as an emotional weapon by many who are opposed to equal opportunity, there are some legitimate reasons for the concern about busing. Let me outline several of the more substantive concerns that are most typically expressed by both black and whites.

First. Busing might be disruptive to a student. It takes the child out of his or her neighborhood and into a neighborhood or school that is often hostile, has a crime problem and so on.

Second. Often, the school to which the student is bused is a poor quality school, a physically unfit school, or school lacking in resources.

Third. Some busing has been inconvenient, excessively long and time-consuming, requiring transfer, and so forth.

Beyond these types of legitimate concerns, however, can be found a considerable amount of anti-equality sentiment masquerading as opposition to busing. We should be candid enough to state openly that the mob that last week viciously attacked an innocent black citizen in front of Boston's City Hall, beating him with an American flag, was not antibusing but antiblack. Busing for this mob was only the pretext for carrying out criminal acts reminiscent of some of the worst days of the civil rights movement in the 1950's and 1960's. That type of activity has no place in this Nation.

Yet, I know from personal experience and contacts, that there are many blacks who oppose massive ordered busing on the merits of busing alone and that there are whites who oppose massive ordered busing on the merits of busing alone. These blacks and whites are not Uncle Toms, nor are these whites racists. I believe that these people, grassroots people, white and black people who believe in equality of opportunity and in integration, have been lost in the shuffle as the busing debate has deteriorated into an "either/or" battle. I have absolutely no sympathy for someone who is throwing bricks at schoolchildren or who wants the clock turned back on race relations. But, I do not believe that these extremists are accurately representative of the genuine concerns many people have over ordered busing.

Many rightfully feel that busing represents several things that are vital.

First, it is often a constitutionally required remedy to overcome racial discrimination.

Second, and perhaps most important, it has become a symbol to many people of the Nation's commitment to ending racial discrimination. Many have stated that a retreat on busing, particularly by interference with the courts and with constitutional rights and protections, would signal a retreat from equal opportunity.

Let us look for a moment at why busing was ordered so heavily for school integration purposes in the first place. It was done because school districts had purposefully discriminated against blacks. Busing was designed to remedy this discrimination. Progress has been made in school desegregation, and busing has been useful to that progress.

As has been discussed, objections have been raised against this tool. But the best response to those objections is not to get rid of the tool and of constitutional protections. The best solution is for local school authorities to be imaginative enough to lawfully desegregate their schools and to improve their quality to the point where busing, if needed, can be kept as a small-scale complement to a plan with many other aspects to it.

Mr. President, what is needed and what has been lacking in the national discussion of busing is a clear and forthright restatement of our national commitment to equality of opportunity and at the same time the development of imaginative, constructive innovative methods at the Federal and local levels to reduce the need for mandatory busing to accomplish desegregation. There must also be a commitment, to greatly enhance the quality of education in the inner city. The intent of this bill is to articulate these commitments.

PROBLEMS WITH S. 3319

I realize, Mr. President, that S. 3319 will not "solve" the "busing problem." I am hopeful, however, that it will help to provide a positive thrust. I know that many will say that new construction is impractical in days of declining school enrollments and that moneys are inadequate. In response, I can say that surely construction would not be appropriate in all places undergoing school desegregation. However, in some places construction might indeed be one component of an overall plan, just as "magnetizing" existing schools might be another. The purpose of the bill is, to the extent possible, to help provide for and encourage a range of desegregation remedies which are suited to the particular locale. Again, I stress that my bill adds to the practical range of education methods that can accomplish integration.

Also, there is no guarantee that magnets and the other innovative methods will work, but the point is to encourage the effort to try a full range of devices and methods rather than to rely exclusively on the busing remedy.

I ask unanimous consent that this bill be printed in the RECORD, along with accompanying articles and statistics on past use of ESAA funds nationally and in Ohio.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "School Integration Innovation Act of 1976."

SEC. 2. Section 707(a) of the Emergency School Aid Act is amended by adding after paragraph (12) of such section the following new paragraphs:

"(13) Construction and operation of 'magnet schools'.

"(14) The pairing of schools and programs with specific colleges and universities and with leading businesses.

"(15) The development of plans for and the construction of 'neutral site' schools.

"(16) Construction and development of education parks.

"(17) Education programs especially designed to improve the quality of education in inner city schools, and the general use of 'education magnetism'."

SEC. 3. Nothing in this Act shall be construed in a manner inconsistent with the full enforcement of the Fifth and Fourteenth Amendments to the Constitution of the United States and Title VI of the Civil Rights Act of 1964.

SEC. 4. Section 704(a) of the Emergency School Aid Act is amended by adding after the second sentence thereof the following new sentence: "There are further authorized to be appropriated $250,000,000 for the period beginning on July 1, 1976 and ending on September 30, 1976; $1,000,000,000 for the fiscal year 1977; and $1,000,000,000 for the fiscal year 1978."

NUMBERS AND PERCENTAGES OF BLACK STUDENT ENROLLMENT IN OHIO'S 5 LARGEST CITIES INVOLVED IN INTEGRATION CASES, OCTOBER 1975

City	Enrollment		Black (percent)
	Total	Black	
Cleveland	129, 109	74, 108	57. 4
Columbus	95, 799	30, 491	31. 8
Cincinnati	68, 546	35, 028	51. 1
Dayton	45, 181	22, 116	48. 9
Youngstown	21, 117	10, 229	48. 4
Total	359, 752	171, 972	

OTHER MAJOR OHIO CITIES

City	Total	Black	Black (percent)
Toledo	56, 903	17, 118	30. 1
Akron	48, 415	15, 009	31. 0

OHIO EMERGENCY SCHOOL AID GRANTS FOR FISCAL YEARS 1973, 1974, AND 1975

The Emergency School Aid Act (ESAA) is a discretionary grant program that provides financial assistance to school districts to meet the special needs incident to the implementation of a plan to eliminate or reduce minority group isolation. The Act provides for an initial apportionment to each state. After the needs of all eligible fundable applicants have been met any state balance is reapportioned among those states with unmet needs.

The state apportionment for Ohio and the amount of grant awards made to eligible fundable applicants is given in the table below.

The Emergency Special Projects portion of the Act is not part of the state apportioned funds. These funds are for school districts receiving Court ordered desegregation plans too late to apply for regular ESAA assistance. Dayton, Ohio received an award under Emergency Special Projects in 1974 and because of a new Court order is also eligible to apply in 1975. The deadline for receipt of applications is November 14, 1975. Dayton has also indicated they will apply for ESAA assistance in the regular funding cycle for 1976. The deadline for receipt of applications in the regular cycle is mid February, 1976.

Category	1973		1974		1975	
	State apportionment	Grant award	State apportionment	Grant award	State apportionment	Grant award
Basic	4, 248, 793	695, 765	4, 643, 436	1, 408, 549	4, 190, 376	1, 071, 238
Pilot	1, 080, 201	921, 781	1, 180, 532	697, 276	1, 065, 325	658, 483
Nonprofit	576, 107	15, 428	629, 611	404, 999	568, 070	585, 028
Special projects				287, 676		(1)

[1] The deadline for receipt of emergency special projects was Nov. 14, 1975.

The following is a list of applicants by category for fiscal years 1973, 1974, and 1975.

1973

Category and Applicant	*Grant awards*
Basic:	
Warren City School	$262, 612
Warrensville Heights City Schools	245, 004
Xenia City School	188, 149
Pilot:	
East Cleveland City School	496, 781
Jefferson Township School District	425, 000
Nonprofit:	
Jefferson Township Development Council (Dayton)	15, 428
Total	1, 632, 974

1974

Basic:	
Cleveland Heights-University Heights School District	484, 969
Warren City School District	270, 015
Warrensville Heights City School District	403, 000
Xenia City School District	250, 565
Pilot:	
East Cleveland Public School	445, 702
Jefferson Township Local School District (Dayton)	251, 574
Nonprofit:	
Community School Association (Cincinnati)	122, 569
Jefferson Township Development	82, 940
Urban League of Greater Cleveland	159, 450
Xenia Health and Welfare Planning Council	40, 040
Emergency Special Projects:	
Dayton City School	287, 676
Total	2, 798, 500

1975

Basic:	
Warrensville Heights City School	390, 004
Xenia City Schools	261, 557
Warren City Schools	284, 407
Shaker Heights City Schools	135, 270
Pilot:	
East Cleveland Public Schools	380, 283
Jefferson Township Local School District	278, 200
Nonprofit:	
Dayton Urban-Rural Joint Task Force	325, 462
Community School Association	155, 352
Urban League of Greater Cleveland	104, 214
Total	2, 314, 742

It should be noted that all eligible school districts in Ohio that were eligible and submitted an application of sufficient merit to warrant funding received a grant award. This is in contrast to many States where the combined total of unmet needs (eligible fundable applications) exceeded $80 million.

Ohio and the Emergency School Assistance Act, fiscal years 1973–75

FISCAL YEAR 1975 AS OF SEPTEMBER 10, 1975

Received—9 awards.

Basic grants	1, 071, 238
Pilot projects	658, 483
"NPO" (Nonprofit organization grants)	585, 028
Total	2, 314, 749
Basic:	
Shaker Heights City	135, 270
Warren City	284, 407
Warrensville Heights City	390, 004
Xenia City	261, 557
	1, 071, 238
Pilots:	
East Cleveland	380, 283
Jefferson Township	278, 200
	658, 483
NPO:	
Community School Association	155, 352
Dayton Urban Rural Joint Task Force	325, 462
Urban League of Greater East Cleveland	104, 214
	585, 028

FISCAL YEAR 1974

Received—11 awards.

Basic grants	1, 408, 549
Pilot projects	697, 276
NPO	404, 999
	2, 798, 500
Basic:	
Cleveland Heights University Heights School District	484, 969
Warren City School District	270, 015
Warrensville Heights City School District	403, 000
Xenia City School District	250, 565
	1, 408, 549
Pilot project grants:	
East Cleveland Public Schools	445, 702
Jefferson Township Local School District (Dayton)	251, 574
	697, 276
Nonprofit organization grants:	
Community Schools Association (Cincinnati)	122, 569
Jefferson Township Development Council (Dayton)	82, 940
Urban League of Cleveland	159, 450

Xenia Health and Welfare Planning Council	40,040
	404,999
Part B—Emergency special projects:	
Dayton City Schools	287,676

FISCAL YEAR 1973

Received—Grants.

Basic grants	695,765
Pilot projects	921,781
Nonprofit organization grants	15,428
	1,692,968
Basic:	
Warren City Schools	262,612
Warrensville Heights City Schools (Cleveland)	245,004
Xenia City Schools	188,149
	695,765
Nonprofit organization grants:	
Jefferson Township Development Council (Dayton)	15,428
Pilot projects:	
East Cleveland City Schools	496,781
Jefferson Township School District (Dayton)	425,000
	921,781

Activity use—ESAA funds in Ohio for fiscal year 1975

OHIO BASIC FISCAL YEAR 1975

(Activity use in percent)

Activity:	
Special remedial services	55.0
Staff training	13.0
Guidance and counseling services	8.0
Curriculum development	0
Career education services	0
Innovative interracial programs	9.0
Community activities	1.5
Administrative and auxiliary services	13.0
Planning and evaluation	0.5
Facility repair	0

Grant awards

Shaker Heights City, SD	$135,270
Warren City, SD	284,407
Warrensville Height City, SD	390,004
Xenia City, SD	261,557
Total	1,071,238

OHIO PILOT FISCAL YEAR 1975

Activity:	*Percentage*
Special remedial services	76
Staff training	6
Guidance and counseling services	2
Curriculum development	9
Career education services	2
Innovative interracial programs	0
Community activities	0
Administrative and auxiliary services	4
Planning and evaluation	1
Facility repair	0

Grant awards

East Cleveland P.S	$380,283
Jefferson Township SD	278,200
	658,483

OHIO NPO FISCAL YEAR 1975

Activity:	*Percentage*
Community information services	4
Home-focused programs	0
Cultural enrichment activities	0
Interracial social and recreational services	0
Interracial educational enrichment programs	3
Career orientation activities	0
Dropout prevention programs	5
Supplemental remedial services	88

GRANT AWARDS

Community School Association, Cincinnati	$155,352
Dayton Urban Joint Task Force, Dayton	325,462
Urban League of Greater Cleveland, Inc. (East Cleveland)	104,839
	585,653

LIST OF COLLEGE-PUBLIC SCHOOL PAIRINGS IN BOSTON, MASS., DESEGREGATION PLAN

a. Boston College will work with Community School District 3, West Roxbury, at all school levels from kindergarten through Roslindale High. It will collaborate with Harvard in the District's relation to the new Southwest 1 citywide high school.

b. Boston State College will work with Community School District 6, the Burke District, at all levels, including the Jeremiah Burke High School. In addition, Boston State College would work with Boston High School, a citywide magnet school.

c. Boston University will work with the Brighton-Mission Hill Community School District 1 and with the development of a citywide high school in human movement and dance for the Commonwealth Armory. In addition, it will continue its support and assistance to the Bilingual Hispanic programs located throughout the city.

d. Brandeis University will work intensively with the citywide magnet English High School, which will be both a comprehensive four year high school and a specialty school for the arts.

e. Bunker Hill Community College will work with the Charlestown school components of the Madison Park Community School District 8, giving special emphasis to the development of cooperative programs between Charlestown High and the College.

f. Emerson College will work intensively with the citywide magnet Copley Square High School.

g. Emmanuel College will work with the Hyde Park Community School District 4 at all levels, including Hyde Park High.

h. Harvard University will work intensively with the staff and students of Roxbury High School. It will share fully in the later transition into Madison Park Campus High. Harvard will also work intensively to support development of citywide Southwest 1 High School.

i. Massachusetts Institute of Technology will work intensively to redesign East Boston High School into the citywide East Boston Technical High School and with the Barnes Middle School, a new citywide magnet middle school. Both schools will stress aspects of environmental protection engineering and aviation maintenance technology.

j. Northeastern University will work with the Madison Park Community School District 8 at all levels. It will aid in the planning and development of programs for the new citywide Madison Park Campus High School.

k. Regis College will work intensively with the citywide magnet Boston Latin Academy, formerly known as the Girls Latin School.

l. Simmons College will work with Jamaica Plain High School, giving intensive attention to the modification in their vocational education program as set forth in the Court Plan.

m. Suffolk University will work to support and assist the schools included within the Title 1 Model Subsystem. It will also assist citywide Boston Trade School.

n. Tufts University will work intensively with the citywide magnet Boston Technical High School.

o. University of Massachusetts, Boston, will work with Community School District 7, South Boston, at all levels from South Boston High to elementary schools. This support includes help in developing the McCormack Middle School into a citywide magnet middle school featuring Basic and Remedial instruction in reading, writing, and mathematics.

p. Wellesley College will work intensively with citywide magnet Boston Latin School.

q. Wheelock College will work with Community School District 2, Jamaica Plain, at the kindergarten through middle school levels.

LIST OF BUSINESS—PUBLIC SCHOOL PAIRINGS IN BOSTON, MASS.

The list of businesses which have agreed to assume a responsibility for a specific school and the tentative pairing with high schools is as follows:

a. Prudential Insurance Company—Boston High School.

b. Federal Reserve Bank—Boston Latin School.

c. Boston Edison Company—Boston Technical High School.

d. Ledgemont Laboratories (Kennecott Copper)—Boston Technical High School.

e. Honeywell Inc.—Brighton High School.

f. Liberty Mutual Insurance Company—Charlestown High School.

g. National Shawmut Bank—Copley High School.

h. New England Telephone Company—Dorchester High School.

i. Massport Authority—East Boston High School.

j. John Hancock Insurance Company—English High School.

k. International Business Machines—Boston Latin Academy (formerly Girl's Latin School).

l. First National Bank of Boston—Hyde Park High School.

m. Boston Gas Company—Jamaica Plain High School.

n. Traveler's Insurance Company—Jamaica Plain High School.

o. N. E. Mutual Life Insurance Company—Jeremiah Burke High School.

p. Blue Cross Blue Shield—Occupational Resource Center.

q. State Street Bank—Roxbury High School.

r. New England Merchants Bank—Roslindale High School.

s. Gillette Safety Razor Company—South Boston High School.

[From the Washington Post, Nov. 2, 1975]

A "MAGNET" SCHOOL IN BOSTON UNAFFECTED BY RACIAL STRIFE

(By Lee Daniels)

BOSTON.—In contrast to the tension and uncertainty in many public schools affected by the desegregation court order here, it's been business as usual at English High school.

One of 22 "magnet" schools established in Boston as a means of making desegregation attractive to all races, English High has been so peaceful the police who patrol outside do nothing more strenuous than direct traffic.

School officials hope that the quality of education available in the magnet schools, designed to draw students from all over the city (and thus achieve desegregation) by offering distinctive programs will blunt the impact of busing students to them.

(Each magnet school is paired with a local college which helps develop and sustain such programs.)

From all indications, that hope appears well-founded. The percentage of students attending the magnet schools consistently has topped that of the entire school system since school opened Sept. 8.

For example, according to figures released by the school department, in early October just over 83 per cent of the 15,732 students enrolled in magnet schools attended school. School officials said 70 percent of the 54,085 students in regular public schools attended school.

At English High, 60 per cent of the school's 2,500 students attended class. School officials said the percentage of students attending the school has fluctuated between 60 and 70 per cent since school opened, a figure higher than for nonmagnet high schools.

English High students interviewed said busing is no problem there.

Gail Lindsay, a white 16-year-old junior from Boston's West Roxbury section, chose two years ago to be bused to English because "all my friends were coming and I wanted to come."

Gail, an officer in the school's National Honor Society, added that this year she again chose to be bused to the school.

Carmen Toon, a black 17-year-old senior from Mattapan, quipped that although not assigned to be bused, she rides a school bus instead of public transportation because "I get to school quicker and it's free."

Relations between students once they reach the school appear equally free of tension. "I don't have any problems with anybody," Jesus Urialte, a 17-year-old junior bused from Jamaica Plain said. "I don't see anything wrong with black and white kids going to school together."

Those interviewed attributed the relaxed atmosphere at English High, the nation's oldest public school, to its modern quarters, the success of its athletic teams, and the "human relations" work of just about the entire school community.

The school, a new 10-story glass and concrete structure in the Fenway section, looks like a modern office building and has such amenities as escalators, a library and media center where students can produce their own films, and an Olympic-size swimming pool.

"The building's so nice we don't want to mess it up," Toon said.

Robert Peterkin, the school's young, black principal, said that last year, except for one fight in October, the school escaped serious racial incidents.

Peterkin said the successes of the school's soccer team, its girls' athletic teams, and its boys' basketball team, state champions for two straight years, contributed to the racial peace.

Toon said, "We had 400 students out for some of the girls' games and blacks and whites came to watch the basketball team. We were all cheering the same team after school and that made it hard to fight each other during school."

Shirley Judge, a white West Roxbury parent whose daughter is bused to the school and who is active in school affairs, said that parents, teachers, and about 200 students held a human relations workshop "to discuss things and get to know each other."

"The attitude (at English) is very good," Judge said. "The discipline is firm, but not extreme, and we've got good teachers. We feel it's our school and it's up to us to take care of it."

English offers or is developing programs in physical education and health, the performing arts, visual and communicative arts, urban studies and humanities, in addition to its general education and college prep courses.

Other magnet school programs include a bilingual elementary school program teaching Spanish or English as a second language, another elementary school program emphasizes general and applied science, and another stressing creative writing and mathematics.

[From the New York Times, July 3, 1975]

CITY'S "MAGNET" HIGH SCHOOLS ARE PULLING

(By Leonard Buder)

The "magnet" high school, a new version of an old idea, may be setting a pattern for the future of secondary education in the city.

The magnets, theme-centered schools or institutes, emphasizing such areas as oceanography or communications, grew out of attempts in recent years to meet mounting demands for greater relevance in education and to find ways to attract white students to heavily black schools.

From the educational standpoint, officials say, the magnets have worked out very well. The special programs have added new dimensions to the secondary-school curriculum. Student attendance rates in the programs, one yardstick of success, are relatively high. But as a means of furthering integration, the magnets have had little impact on a school system that is now more than two-thirds black and Hispanic.

"Magnet schools are no panacea for all our problems," said James F. Regan, the former high-school teacher and dean who served as president of the Board of Education during 1974–75. "But at a time when we are trying to provide more educational options and alternatives, they appear to be one of our most promising developments."

A NEW CONCEPT

Although magnet schools as such are a relatively new development—the term "magnet" only recently entered the educational vocabulary—they are based on the simple and far from from new idea that special programs will attract students, even those who live a considerable distance away, who would normally go elsewhere or might drop out of school altogether.

The city now has four high schools that are designated as magnet schools: August Martin (aerospace) and Beach Channel (oceanography) in Queens and Clara Barton (health professions) and Edward R. Murrow (communications arts and other options) in Brooklyn. A dozen other academic and comprehensive schools have magnet components—special institutes or schools-within-schools.

Two magnet schools are scheduled to open this fall. One, named in memory of a former president of the Board of Education, is the Murry Bergtraum High School for Business Careers in downtown Manhattan. The other is the Boys and Girls High School in Brooklyn, which will offer students a range of course options in urban planning, building and related fields.

PROGRAM EXTENDED

In September, the magnet school concept will be tried for the first time on the middle-school level in an attempt to bring a degree of racial balance to Mark Twain Junior High School in the Coney Island section of Brooklyn. Under a Federal Court-approved integration plan, Mark Twain, which is now predominantly black, will become a magnet school for gifted pupils.

The city's long-established special academic schools, such as the Bronx High School of Science and the Fiorello H. LaGuardia High School of Music and the Arts, are, in sense, magnet schools even though they are not categorized as such. So is Brooklyn's young and well-regarded experimental John Dewey High School, which features individualized programming, flexible schedules and independent studies.

Magnet schools receive no special budget allocation because they are magnets. But education officials noted that the allocation formula tries to take into consideration special school features. The few city schools that have extended school days, including August Martin, also receive an additional amount to cover the extra operating expense.

Apart from their special programs, magnet schools differ from most other schools in that they draw students on a voluntary basis from a much wider area, often the entire borough and sometimes the whole city. This gives these schools a broader geographic mix of students and is the reason why they are regarded, at least theoretically, as a means of promoting better racial balance.

"I take two buses and two trains to get here for a total daily travel time of three hours," said Kathleen Assevera, a 15-year-old sophomore at Samuel J. Tilden's School of Law, Politics and Community Affairs.

Kathleen lives in Jamaica, Queens, and Tilden is in the East Flatbush section of Brooklyn. But the long trip, she said emphatically, "is worth it—I like the school." As the result of interests kindled by her studies, Kathleen is thinking about a possible career in law.

MORE SCHOOLS PLANNED

Samuel Polatnick, the head of the Board of Education's high school division, said that the future trend in secondary education here would be "more and more" to magnet schools and special programs, even though they may not all carry such a designation.

"Virtually every high school in the city," he said in an interview at central headquarters, "will some day emphasize a special theme or area of interest."

New York City's first magnet high school—August Martin—was opened in 1971 and its experiences have demonstrated what magnets can accomplish in the way of education and what they may not be able to do in the area of social change.

Martin occupies a modern red-brick building in predominantly black South Jamaica that had formerly housed Woodrow Wilson Vocational and Technical High School. Wilson had been shunned by white students who did not want to attend a "black" school and by black students who objected to attending what they regarded as a school that was educationally inferior as well as racial segregated.

In 1970, with the enrollment down to few hundred students, the decision was made to transform Wilson into a comprehensive school that would be geared largely to the aerospace field. The school was also renamed in memory of a black American pilot who was killed while flying a relief mission to Biafra in 1968.

Martin uses aerospace as the "motivational" theme in the academic as well as career areas, Dr. Lawrence Costello, the principal, said recently. Math and science classes, for instance, often draw examples from the field of aviation. The career-related courses include airport maintenance, aerospace medical technology, meteorology, airline administration, flying, travel and tourism.

SEVEN-HOUR DAY

"Our magnet is seven hours a day," Dr. Costello said. This gives Martin a longer day than most schools have. Some students find the hours and the pace too difficult and they leave. "They don't drop out of school, they just return to their neighborhood school," the principal remarked.

But the majority remain and they attend regularly. Martin's student attendance rate—consistently around 90 percent—is among the best in the city. The average academic high school attendance rate is 10 percentage points lower.

The early hope that the school might attract a racially balanced enrollment has not been fulfilled. Blacks make up 85 percent of the current student body of 1,500.

"In spite of magnets and everything else we try," said one high-ranking headquarters official, who preferred not to be identified, "we still can't overcome that fact that many white parents will not voluntarily send their children to a school in a minority area."

Attempts to promote integration—usually as the result of court mandates—have been behind the moves to magnet schools in several other cities, among them Boston, Detroit, Houston and Chicago. In cities where magnets are now operating their effectiveness as an integration technique has generally been a matter of debate.

Detroit's magnet high-school program, established four years ago, has been "utterly and completely a failure," according to Dr. Cornelius J. Golightly, the president of that city's Board of Education.

While the magnet schools have not had the integration effects originally hoped for, some aspects of the idea have been adapted in the special programs for regular schools. Erasmus Hall High School's Institute of Performing Arts is an example of a magnet program functioning within a larger school.

A public secondary school since 1896, Erasmus Hall was founded as a private academy in 1787, which makes it the oldest secondary school in the state and one of the oldest in the country. The old academy building, now a museum, stands in the school's quadrangle.

PERFORMING-ARTS PROGRAM

The school enrollment went from 10 per cent black and Hispanic in 1962 to 57.9 per cent minority in 1972 as white families moved from the racially changing Flatbush neighborhood or sent their children to other schools. In an effort to stem the enrollment trend, the Board of Education decided to establish a performing-arts program at Erasmus Hall.

It now seems obvious that those who thought the institute, which started with 150 students and now has 580, could alter the racial balance of a school with 5,000 students had simply expected too much. As it turned out, the ethnic composition of the institute now matches that of the school—both are 78 per cent black and Hispanic.

"Integration is no longer a primary objective," said Fred Levenson, the assistant principal in charge of the institute. "The objective now is a viable school with interested kids in the arts."

That goal seems attainable. A total of 1,500 students interested in music, art, dance and drama applied for admission this fall. Of this number, 350 were accepted.

EXTRA CLASSES

Students in the institute attend school for an extra two periods, or 80 minutes, daily. Additional time is devoted to their special interest. They also have a heavy schedule of after-school activities which often includes performing in the community.

The dropout rate for students in the institute is relatively low—somewhere between 5 and 8 per cent, according to Harriet Oxman, the principal. The majority of students in the program, she added, are headed for college and many members of last month's first grauating class from the institution won full-tuition art and music college scholarships.

SOME CONCERNS

With all the enthusiasm they have sparked, the magnet schools and programs have also stirred some concerns.

One is that they will draw the best and most-motivated students away from the regular schools, which still educate the bulk of the city's 305,000 high school students.

Another is that the magnets could become havens for white students seeking to flee regular schools with higher minority enrollments. This is not regarded as a serious problem now, since most magnets are in heavily minority schools, but there is some feeling that it could be a factor in the future as more magnets are established.

School Chancellor Irving Anker has a further concern.

"There is a tendency in education," he said, "to oversell promising programs to the public—to give people the idea that they can accomplish everything. We feel that the magnets are an excellent concept, but we want people to understand what magnets can and cannot do."

[From the Akron Beacon-Journal, Nov. 2, 1975]

MAGNET SCHOOLS . . . CHILDREN SEEM TO LIKE THEM

(By Shelly Cohen)

BOSTON.—Jimmy and Susan missed the bus that usually takes them to Ohrenberger Elementary School, but that didn't stop them. They walked the three miles to their class at one of Boston's 22 "magnet" schools.

The two black youngsters marched through white neighborhoods, through traffic and along highways to get to "their" school.

U.S. District Judge W. Arthur Garrity Jr. has called the magnet schools "the crux and magic" of his integration plan for the school system in Boston, where forced busing has resulted in street violence and absenteeism. Jimmy, Susan and many of the 15,000 children attending the magnet schools (17 percent of Boston's school population) testify to their magic.

"My father says I've learned more here than anywhere," says Tracy Jackson, 9, a fourth grader. "He can't keep me in books anymore. I read too fast."

But as a tool of integration, magnet schools—schools that attract students by offering special programs—have a spotty record of success. Despite that record, they are being seized upon by courts and school officials as a possible alternative to forced busing.

In Philadelphia, where magnets were conceived 10 years ago as a way to revitalize inner city schools, they have improved attendance and reduced discipline problems, but have failed in most cases to increase integration. The Philadelphia school board is now under a court desegregation order.

New York City officials, after four years of magnet schools, also report better than average attendance and few discipline problems. The program serves 19,000 students, about 6 percent of total enrollment was achieved.

"It has had some effect (on integration)," says Samuel Polatnick, executive director of the Office of Specialized High Schools for New York City. "But I'd be dishonest if I said it solved the problem." The pull of neighborhood schools, particularly in white neighborhoods, remains stronger, Polatnick says.

But in a Minneapolis high school district and in the Dallas suburb of Richardson, magnets have worked to bring black and white students together without violence, without protest.

The magnet program at the Minneapolis school, started in 1970, reversed a declining white enrollment. In Richardson, the all-black elementary school became a magnet this year, and 50 percent white enrollment was achieved.

In Boston, eight magnet schools, among them Ohrenberger, were established before the courts ordered the school system integrated last year. Their original purpose was to serve bright children, black and white, and they are successful at this today. But at some of the 14 new magnet schools opened this year by Judge Garrity, attendance figures show some resistance to integration.

Magnet schools take as many forms as there are cities using them. Some are for bright students, others for those with special interests such as art or music or science, and still others are for the poorly motivated, who otherwise might drop out.

What they all have in common is that students attending magnets have volunteered to do so, and the schools draw from outside the neighborhoods in which they are located.

Despite the resistance to integration in Boston, Trotter Elementary in the largely black Roxbury section has had no trouble attracting 51 percent whites. Parents seem eager to send their children to what they believe is a progressive school with such programs as open classrooms and team teaching.

The Richardson district, an upper middle-class white suburb of Dallas, was given two weeks by a federal court this August to attract 250 white pupils to Hamilton Park School.

School officials came up with a magnet program in drama and music, special gymnastics courses, and a 16–to–1 pupil-teacher ratio. By the deadline, 289 white students were signed up to balance the school's 265 black pupils.

Ohrenberger, in Boston's white West Roxbury section, is now in its fourth year as a magnet school and has a minority enrollment of 42 percent.

"Their attitude toward school is just a little different," Mary Connolly, the principal, said of the youngsters. "And that makes the relationships between parent and teacher different."

While white parents in some sections of Boston marched near schools to protest forced busing, parents at Ohrenberger were on hand to greet the buses the first day of school, to welcome the new pupils.

In his appraisal of one of the city's magnet schools, a white Boston cab driver said, "My daughter's taking hairdressing and psychology and all kinds of crazy things, but at least she's going to school."

The cabbie's daughter goes to Copley Square High School, downtown. It has been a magnet school for nearly 10 years. Formerly, most of the students were black, but now 50 percent are white.

In Philadelphia, where it all began, school board members are taking another look at magnet schools because of the court desegregation order.

"The magnet school was not conceived of as a device for integration, but as a way of improving education without destroying the concept of neighborhood schools," said Eunice Clarke, now an assistant vice president at Temple University.

Dr. Clarke, an expert in urban education, was among the educators and city officials who proposed the magnet idea in the early '60s. It was seen then as a preventive measure, a way of discouraging white flight to the suburbs, she said.

"We thought that by providing specialties, you would automatically get a mix and prevent that kind of split. But they never became what they should have been.

"What is essential in a magnet school is that it not be viewed as a gimmick," Dr. Clarke advised. "If they are designed solely to integrate the system, that does a disservice to the concept. If they are designed to integrate the system and in the process improve education, then that's cause to rejoice."

[From the St. Louis Globe Democrat, Dec. 25, 1975]

NO-BUSING SCHOOL DESEGREGATION PLAN WILL GO IN EFFECT NEXT FALL

(By Kathryn Waters)

Desegregation of the St. Louis public schools without forced busing and with the opening of magnet elementary schools and specialized high schools will begin in September.

The desegregation plan was drawn up by attorneys for the St. Louis Board of Education and a group of black parents who sued the board nearly fours years ago, charging it with "perpetuating racial segregation and discrimination."

A consent decree setting the agreement in motion was signed Wednesday by U.S. District Judge James H. Meredith.

"The agreement may be an alternative to the type of plan which is causing so much confusion in other parts of the country," Meredith said in a reference to turmoil in Boston and Louisville, Ky., caused by court-ordered busing. "Hopefully, it is an innovation that will be successful."

The agreement, he said, "does not and will not include busing."

The consent decree, which means both sides agreed to it, says that "segregation is present, as a matter of fact, in the public school system of the City of St. Louis."

And it says the school board shall take

action to assure that black children have the right to "attend racially nonsegregated and nondiscriminatory schools" and that they have a right to "equal opportunities for an education in a nonsegregated and nondiscriminatory school district."

All of the steps in the desegregation plan will be taken with an eye to "reducing racial isolation in the schools and with the goal of desegregating the school system."

In September, the consent decree says, no fewer than 10 per cent of the staff at each school will be a different race from the majority of students at that school. The minimum percent of minority staff will increase to 20 and 30 per cent in the 1977–78 and 1978–79 school years, respectively.

Currently, about 70 per cent of the students attending the city's public schools are black, as are about 60 per cent of the teachers.

The decree also calls for a study of how the establishment of magnet schools and specialized high schools will increase integration. Magnet elementary schools would have open enrollment and specialized curriculums designed to make them so attractive that students of both races from all areas of the city would want to attend them.

The specialized high schools would have courses of study in such areas as the performing arts, mathematics and sciences and also would be open to students from throughout the city by application.

Although the agreement does not specifically spell it out, Meredith said he expects the magnet schools and the specialized high schools to be in operation in September.

Before the 1977–78 school year, the decree says, the board will study the realignments of all elementary feeder schools and their attendance boundaries to reduce racial isolation and segregation in the high schools.

The school board currently maintains five subdistricts. Each has two high schools, which in turn are fed by 20 to 28 elementary schools. Currently, 3 of the district's 10 academic high schools are completely black and 2 others are more than 90 per cent black.

Only 18 of the city's 135 regular elementary schools have student bodies that are not at least 90 percent black or white, court records show.

Any new schools or new classroom space will be located "with the objective eradicating the effects of past and present segregation in the public schools," the decree says.

It also calls for a study of curriculum improvements and "other changes" to improve educational quality.

Meredith said a court hearing on the agreement will be held Jan. 23. Citizens must file any written objections by Jan. 16.

The decree sets up specific times when the board must report to the court on its desegregation progress in the areas covered by the decree. Meredith said he would retain jurisdiction until "things are on an even keel."

The Rev. James L. Cummings, school board president, described the agreement as a "sound decision that can be implemented with common sense and one that the community can participate in responsibly. It will help bring about integration in our system without hostility."

Mrs. Minnie Liddell, leader of the group of black parents who filed the suit, said the parents are "very happy" with the first phase of the settlement.

She said they would wait and see how it is implemented—"then we'll decide whether we're happy or not."

James Johnson, president of the St. Louis Teachers Union, declined comment on the agreement until the union executive board could study it and draw up a position.

However, he said the union would "insist on due process for all teachers in the case of transfers" required by the agreement.

No spokesman for the St. Louis Teachers Association could be reached for comment.

The Rev. Donald E. Mayer, board vice president, said, "This is the first really headline good news about the St. Louis school system in a number of years. I think there is the possibility of lots of good things coming out for the whole system as far as improving the quality of education."

"The biggest problem," according to board member Lawrence Moser, "is going to be to get the story across that this is an alternative to cross town busing. It's a very healthy thing. The community will get an opportunity to work positively to integrate the schools on a realistic basis."

Paul B. Rava, attorney for the school board, said the emphasis of the agreement is the shift "from compulsory to voluntary action, which is better than when it's mandated from outside."

[From Phi Delta Kappan magazine, April 1976]

MAGNET SCHOOLS IN A BIG-CITY DESEGREGATION PLAN

(By Daniel U. Levine and Connie C. Moore)

During the past few years, the magnet school approach has received a great deal of attention in planning and carrying out school desegregation efforts in big cities. Examination of the magnet schools in Houston (described at length in the preceding article) is particularly instructive for educators elsewhere, because this approach appears to have been soundly implemented there. At the same time, the account illuminates a number of basic issues in urban education. Our commentary will focus first on identifying policies and practices which may have been crucial to successful implementation or may have contributed notably to it. Second, we shall describe several interrelated issues raised in the course of establishing the magnet school program in Houston.

IMPLEMENTATION

Internal Planning and Selection of Principals—Following the goals and objectives of the Task Force for Quality Integrated Education, the Administrative Task Team prepared the actual plan for magnet schools. The team consisted of persons within the system, several of whom were released from other duties and all or nearly all of whom were able to spend a great deal of time in planning activities after March 24, 1975. Members were knowledgeable about programs and personnel in schools throughout the district, and thus were able to determine whether magnet concepts might work well in a given school. In particular, team members and other Houston central office personnel were willing and able to select building administrators likely to provide strong leadership in carrying out the plan in the schools.

Top Management Support—Equally important, top management consistently articulated and demonstrated strong commitment to the project, particularly in the form of support from the general superintendent and top-level administrators (who served as the Project Management Committee[1]), as well as from assistant area superintendents and central office personnel, who provided various forms of coordination and backing.[2]

The importance of this vigorous support can be illustrated in one of the most serious problems in a magnet school approach: persuading or preventing principals in the "regular" schools from subverting recruitment of students. (Outstanding principals may be even less willing than others to see some of their best students transfer to allegedly more "attractive" schools.)

On the one hand, top management helped select some magnet school principals willing to spend long hours recruiting eligible students; on the other hand, they have taken actions to help in communicating with and gaining access to potential students.

Incentive for Participating Magnet Schools—Related to this, schools in the magnet program received schoolwide benefits such as increased materials, smaller class size, and other gains, and their principals frequently exercised leadership in showing regular (i.e., non-magnet) faculty that they too could benefit from the program. At one time district officials considered the possibility of financially or otherwise rewarding home schools which had sent students to the magnet schools. While this idea eventually was discarded, it may be worth consideration later in Houston as well as in other districts designing magnet schools.

Resources for Planning—The Administrative Task Team was given isolated space where meetings and planning activities could go on uninterrupted, with resources for duplicating materials, clerical help, communications, and related services, so that work could proceed rapidly and efficiently.

Sufficient Planning Time—The approximately five months of time between appointment of the Administrative Task Team and the beginning of the school year proved sufficient—but just barely—for planning and implementation. In this regard it should be noted that the Houston plan is relatively unambitious in the sense that the magnet schools constitute a small fraction of the schools and only a few thousand students have changed schools. (The plan is ambitious however, with regard to objectives focusing on fundamental changes and innovation in instructional arrangements in some of the participating schools.)

In addition, it should be emphasized that the HISD already had completed a major school-level needs assessment, in which principals had worked with their communities to identify future goals and programs. Had this not been previously accomplished, or had the plan involved a total-district integration effort directly affecting a majority of the district's pupils, five months would have proved grossly inadequate for planning and implementation.

Similarly, Houston, officials already had considerable experience in implementing "majority-to-minority" transfer arrangements, and these transfers were used to advantage by incorporating many majority-to-minority transfers into the magnet schools and by transporting others in magnet school vehicles. Had this not been possible, the number of students transferred to magnet schools might have been much smaller, and transportation would have been less efficient.

Acceleration of Regular Procedures—Serious obstacles related to time limitations almost destroyed chances for success in many schools during the crucial planning and implementation stages. For example, supplies and materials which had to be put on bid frequently were not available when school opened, the logistics of transporting pupils (some of whom travel as much as 25 or 30 miles) proved not only enormously difficult but very nearly overwhelming, and uncertainty regarding student assignment was rampant up to and after the opening of school.

In the end, vigorous action—such as occasional circumvention of normal communications channels, state department of education help in gaining priority for bids, and switchover to 16-passenger vans rather than regular school buses—overcame the obstacles.

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[1] Included the superintendent for instruction, the executive deputy superintendent for instruction, the deputy superintendent for general instructional services, the deputy superintendent for administration, and the deputy superintendent for occupational and continuing education.

[2] John Brandstetter, Alvin Frankel, Paul Campbell, and several other veteran-administrators worked overtime for months to coordinate development of the magnet plan.

To avoid such "touch and go"—and frequently "no go"—situations in the future, educators must try to gain more time and resources for planning, as Houston officials are doing this year. Whether this can be done in other districts contemplating magnet schools will depend on court approval, which in turn will depend to some extent on the prior and current "good faith" shown by school officials. The courts could help through such key actions as mandating additional state funds for implementing integration plans and, if possible, temporarily waiving existing regulations in matters involving bidding and purchasing.

In sum, we believe that a magnet approach such as Houston has developed is dependent on strong administrative leadership, substantial resources, and a good deal of time for planning and implementing each stage in the development process. Such generalizations are of course neither startling nor original, but they do highlight some prerequisites for the success of a big-city magnet school approach. If confusion and conflict are widespread within the education staff or between educators and other participants such as school board members, teacher union officials, or community leaders, or if bureaucratic procedures are too rigid to allow for quick responses, the program can easily bog down. If this happens, a magnet plan that looked good on paper will fail to achieve its stated goals.

ISSUES IN URBAN EDUCATION

Racial Integration—As Houston school officials are the first to point out, the magnet school program there is not a racial integration plan for the district as a whole. It is an attempt to move toward integration on a small scale, following a program of court-mandated pairing of 22 schools which wound up with too few nonminority students to be considered successful as a desegregation plan.

The Houston experience suggests that the magnet school approach can help achieve some movement toward stable integration in a big-city district. During the current school year, for example, 587 minority students (black and brown) and 670 white students had transferred (as of December 12, 1975) into magnet schools which had enrollments between 25% and 75% minority during the previous year. One school changed from 1½% to 9½% white and another from 13% to 28% white, at least partly as a result of participation in the magnet program. While some of these transfers probably are attributable to white transfers from increasingly minority schools and to middle-class minority flight from low-status schools, they do represent gains in integration as compared with the situation that developed in the originally paired schools.

However, it should be noted that many of the magnet school concepts in Houston provide for very limited contact between pupils of differing social and ethnic backgrounds. At the elementary level for example, a large proportion of the students in the magnet school program (i.e., students in cluster school programs) join students of differing backgrounds for only one week a year. This contact may well be useful in acquainting students with others from differing groups, particularly if they have additional opportunity for contact outside the school (e.g., in neighborhood settings, at athletic events, and summer recreation). It should be clear, on the other hand, that such an approach cannot be considered a promising "remedy" for the learning problems of masses of low-status students in inner-city schools (see Inner-City Education and Upward Mobility, below).

Economic Integration—Because participation in the magnet schools is voluntary and because only a relatively small number of students are reassigned and transported, integration in the magnet schools probably is most usefully discussed in terms of bringing together middle-status and upwardly mobile minority and nonminority pupils, who are most likely to request and meet eligibility requirements for participation. For example, students in the relatively elite School Within a School programs—approximately 3,500—are separated from the total student body in these schools for about 60% of the time. Similarly, at the high school level many of the students in the magnet curricular are in selective programs which existed before the magnet plan was implemented. However, there is little doubt that the magnet plan as it is developing in Houston is increasing opportunities for contact between minority and nonminority students outside inner-city schools (i.e., schools with a large proportion of poverty pupils from neighborhoods high in social disorganization).

Inner-City Education and Upward Mobility—The magnet school approach as developed in Houston is not designed to bring about substantial improvements in most inner-city schools, in which achievement is abysmally low and teaching/learning conditions are extremely difficult. However, it is possible that a magnet school approach could have some success in bringing about improvement in inner-city education, particularly if, as in Houston, it is closely tied to questions of staff selection and resource allocation, and helps open up situations in which outstanding principals and teachers can work together in a new learning setting.

Nevertheless, we do not know of schools in Houston or in other cities where the magnet school concept per se has demonstrably resulted in systematic reform in the organization and administration of inner-city schools. And the approach being followed in Houston has limitations, related to its emphasis on selectivity, which will prevent expansion to encompass all or most of a district. When some of the best students have been reassigned to magnet programs, class size may have been reduced elsewhere, but school officials then are faced with the problem of systematically reforming inner-city instruction with fewer of the leadership components necessary to accomplish the task.

Houston school officials are well aware of this situation, and, as in other cities, many are working to improve instruction in the inner city. They are also aware that some of the magnet programs are in predominantly inner-city minority schools with remote chances of attracting nonminority students. The hope is that the magnet curricula in these schools will improve education there.

As implied above, the magnet school approach at this time in Houston provides an opportunity for talented minority and low-status students to escape from schools which are not functioning well. Thus it exemplifies traditional mobility patterns wherein the most talented of the newcomers or the depressed groups in big cities can rise to success through education. Some school officials in Houston believe this does not necessarily harm regular inner-city schools, because it provides a chance for new groups of talented students to replace those going into magnet schools.

This may or may not prove to be true in Houston and other cities; in any case, minority and low-income communities in Houston appear to have generally accepted this traditional approach to opportunity and mobility.

However, such acceptance may be related to tendencies for minority leadership to be middle class or upwardly mobile, and to Mexican-American parents' desires to remove their children from predominantly black schools; children from these families are among the first to take advantage of magnet opportunities. Such acquiescence may not characterize other big cities with predominantly minority and/or low-status populations. In some of them, militant groups are grasping desperately for any remedy, such as districtwide reassignment of students, which they hope will somehow "integrate" and thereby "equalize" all schools in the district.

Education and Big-City Development—From a long-range view, the most important contribution of the magnet school approach in Houston may lie in its potential for helping to shape the city's future constructively. Whereas the pairing arrangements which it replaced apparently had accelerated middle-class and white withdrawal from the district schools and the city, the magnet approach can help stabilize and revive deteriorating neighborhoods, particularly where residents, both minority and nonminority, already are working to achieve stable integration but fear that local schools will be inundated with lower-status pupils.

In Houston, for example, young middle-status families are beginning to move into several older neighborhoods which they hope to restore and renew; this movement could become much more pronounced when relatively selective magnet schools are available, for these schools signify and provide "middle-class" opportunities. Similarly, several largely black and/or Chicano neighborhoods have substantial middle-status populations and may remain viable despite the threatened encroachment of lower-status families, provided that special magnet opportunities for academically talented students are easily available within or near these middle-status centers. In time, stabilization of integrated neighborhoods and middle-status minority neighborhoods could provide a nucleus around which other parts of the city can be renewed on a still more substantial scale, given proper coordination between the public schools and other government agencies.

[From the Wall Street Journal, May 19, 1976]

Boston Ghetto School Uses Academic Merit as Integration Lure

(By Liz Roman Gallese)

Boston.—Since the founding of the William Monroe Trotter School here five years ago, the waiting list for admission has grown to 235 white students.

It's not that the elementary school is an exclusive private refuge from the city's school integration upheaval, because the institution is neither private nor segregated. Indeed, Trotter's enrollment is 60% black, and it is located in Roxbury, Boston's worst ghetto.

But Trotter just happens to be considered about the best elementary school in Boston. So some white parents from townhouses on Beacon Hill, middle-class houses in Hyde Park and the working-class triple-deckers of South Boston and Dorchester are willing to wait two or three years to enroll their children in Trotter's two-year kindergarten and five grades.

Trotter was established 10 years ago by the Boston School Department with the idea of attracting whites to the ghetto-area school for quality education. A middle school and high school were set up in other areas of the city, but Trotter has proved to be the most successful of the three "magnet" schools.

PRINCIPLES OF MAGNETISM

The concept of magnet schools with the educational excellence to draw enough white students to accomplish voluntary integration has shown such promise that it is being viewed as a way to help Boston out of its school busing brouhaha.

Until last year, Boston's public schools were in fact largely segregated. Then, touching off an explosion that is still rumbling, Judge W. Arthur Garrity last June ordered 80 of the city's 200 schools to start busing 20,000 children last September to achieve integration. He also directed that the other 120 schools must fall in line in September 1975.

With the start of the busing last fall came angry demonstrations, violence in the schools and heavy absenteeism. Today, the incidents continue, and absenteeism remains around 25%, with some students staying away out of fear of violence and others out of opposition to busing.

In an attempt to avoid some of these problems this fall, Judge Garrity recently disclosed a plan for September that includes a citywide network of 22 magnet schools that students can choose voluntarily. Magnet schools were the key element of a proposal drawn up by four court-appointed masters and two desegregation experts advising the judge.

JUDGE'S APPROVAL

Judge Garrity has called magnet schools the "crux and magic" of Boston's new integration proposals, saying they would provide "an enormous safety valve." He added. "There's less likelihood of a rumble in the cafeteria" when students come voluntarily to a superior, though racially mixed, school.

Moreover, the magnet-school program is being viewed as a model for other areas of the nation. William J. Leary, Boston's outgoing school superintendent, envisions city and suburban schools that will attract "exchange" students from wide areas by offering special programs in such things as science and performing arts. "Over the long term, the entire country will have to look at such exchanges," he says. "If suburbs and cities don't share the goodies, we'll have more uprisings."

Marion Fahey, Boston's associate superintendent who will succeed Mr. Leary when his terms expires Aug. 31, hasn't yet voiced her views of magnet schools. But Houston's public schools expect some 81,000 of the city's 210,000 public-school students to be attending 46 new or expanded magnet-school programs by September 1976. The magnet programs substitute for court-ordered busing of students between paired schools—a program that is blamed for driving many white families from Houston since it began five years ago.

If the Trotter School is any gauge, the magnet-school program will be eminently successful. Trotter's attractions include special music and art programs, guidance for children with problems and involvement by parents, who are allowed to visit the classrooms at will, for example.

White and black parents send their children for the same reason, "a better education," says Laura Horne, the school's liaison with parents. "We aren't promising we'll produce geniuses, but we won't produce dropouts," she says.

The new Trotter building was constructed near the old Boardman School site in 1969 for $2.7 million. Named after a local journalist and civil-rights leader of the early 20th Century, Trotter was the first school completed after the state's Racial Imbalance Law was enacted in 1965. The law, largely ineffective until this year because of suits and appeals, prohibited any school from having a nonwhite enrollment of over 50%.

REJECTING BLACKS TO ADMIT WHITES

Following the letter of the law, Trotter recruited a 50% white enrollment from as far as 30 miles away, even though some black children in the immediate neighborhood had to be turned away. (Judge Garrity's Boston desegregation order ironically brought the black enrollment up to 60% last fall by redrawing Trotter's district lines but allowing children from the old district to remain.)

Trotter started with 26 white and 18 black teachers, chosen with care, and tried to get parents involved by explaining the school's goals at afternoon teas. It hired Roxbury residents as aides, and these neighborhood people often become Trotter boosters.

At the outset, Trotter's enrollment included an inordinate number of children with problems, including half the white students. Many of these were sent by parents hoping Trotter's special programs would benefit the problem children.

HEXAGONS, PODS AND CENTERS

"We broke every rule in the book, and people said this place was a funny farm," Mr. Howard, the ex-principal says. "But our philosophy was to send home happy kids." (With the rise of the school's reputation, the number of problem pupils has declined, and now the ratio at Trotter is in line with the city's average.)

Sprawled over 2½ acres in a rundown neighborhood of storefronts and tenements, the brick-and-concrete school is a series of five two-story hexagonal buildings connected by corridors. The typical hexagonal "pod" has a "learning center" surrounded by six classrooms. In each learning center, two supplementary teachers help pupils from the adjoining classrooms by giving reading help to slow learners and courses in everything from mythology to map-reading to brighter children.

Modern techniques are also used in the classrooms. All classrooms except kindergarten are composed of two grade levels, such as third-fourth grades or fourth-fifth grades, with slow fourth graders in the former and advanced fourth graders in the latter, for example.

In a fourth-fifth grade class in one room recently, Barbara Sherman taught the metric system to a group of four children in a quiet corner. Meantime, two boys fed the class guinea pig, four children worked quietly at their desks and two boys practiced a puppet show they had written to help younger children learn multiplication tables.

Such decentralization in classrooms lessens pressure on children, a key Trotter aim. "There's no pressure to compete because they're all doing different things," Miss Sherman says. Pressure is further reduced because grades indicate only "good," satisfactory" or "needs improvement." Poor work means a conference with parents rather than an "F." Miss Sherman keeps things organized by passing out "contracts" for work each child must complete while she teaches others in small groups.

FEWER PUPILS PER TEACHER

Trotter s use of "open classrooms," electronic devices and other modern methods isn't unique by any means. These techniques became widespread in the 1960s and continue to be used in at least some classrooms in perhaps 75% of Boston's 135 elementary schools. But Trotter is firmly committed to many of the concepts, and is equipped to implement them. And Trotter's complement of 26 classroom teachers (for classes averaging 26 pupils) and 18 specialty teachers represents an overall teacher-student ratio that is better than the Boston average of one teacher for 22 children.

Teachers at Trotter often link classroom lessons to field trips to museums and other Boston attractions. Miss Sherman's students explored the open-air Haymarket when they studied consumerism and went to the Museum of Fine Arts when they studied Egypt.

All children also take one-hour art and music lessons at least once a week with separate teachers in special classrooms. And physically or perceptually handicapped children get special help during part of the day in three "resource rooms."

Despite the educational benefits at Trotter, the school hasn't managed to bring its children's reading scores quite up to the national norm, so Principal Barbara Jackson is setting up a "transitional first grade" to catch poor readers early.

"We've done much to get children to like school and have good attitudes, but we can do more in the cognitive areas," she says. Two assistants help Miss Jackson—Iabella Ravenell keeps track of enrollment, while Archie Macdonald makes sure busing runs smoothly.

Trotter's guidance counselor, John Fleming, has helped design programs to spark children's interest. His use of closed-circuit TV so motivated fourth graders in a summer program that Trotter hired a full-time television teacher who plays back children's book reports and gets the children to do news programs and quiz shows that tap what they've learned.

When a Boston clinic asked him to provide candidates to test new ways to teach reading, Mr. Fleming readily complied. Not only did those 20 children improve, but he got to refer 10 others. As a result, psychiatrists from the clinic now help teachers handle problem children. "When one child recently threatened to harm himself, they had someone here within two hours," he says.

USE OF PARENTS' RESOURCES

Despite its amenities, Trotter cost Boston only $1,103 a pupil last year, slightly above the average of $969 for all the city's schools. Trotter gets $738 of federal funds for each of the 264 pupils who come from "disadvantaged" areas, compared with a high of $515 for other Boston schools. But those funds have been pared in recent years and will be cut further next year.

Trotter pupils' parents obviously enjoy the role they themselves play. Parents have their own office at Trotter, and they frequently take advantage of their right to wander in and out of classrooms. Arlaine Bryant, a former teacher, spends Wednesdays helping her son's first-grade teacher with science lessons, and she built an aquarium in the class. "It's wonderful that a school can use parents' resources," she says. And the children like it so much that "if you're there more than five minutes, one will jump in your lap," she says.

Trotter parents also played an important role last summer after the court's desegregation order tipped the school's 50–50 racial balance. The court also ordered 15 of Trotter's 18 black teachers to report to schools with far fewer black teachers. Parents eventually got back six of the 15 teachers but failed to keep the student black-white balance from slipping to 60–40.

INTEGRATION EDUCATION

The school's racial balance itself is an attraction to many families. "Integration works," says Arthur Eskin, a white attorney from Boston's affluent West Roxbury section, who sends his two children to Trotter although a neighborhood school is minutes away from his home. "Education is more than book-learning," he adds. "It's learning about people."

Trotter evolved from the W.L.P. Boardman School, an archetypal ghetto school with 98% black enrollment in a dilapidated eight-room red-brick building. It was so bad that over half of the parents began boycotting it. In 1965 the Boston School Department funded Boardman as a model school, named a new principal and gave him carte blanche to hire and fire teachers.

Within two years the new program, which featured "open classrooms" where children could work independently or in small groups, was faring so well that it had a waiting list. "It was winked on, frowned on, suspected as too innovative, but something was happening to turn parents on."

Parents now are hoping to prevent any further transfers of students or teachers that could result from the pending new court order. But Thomas Welch, president of the Trotter Parent Association isn't overly optimistic, suggesting, "Its becoming more and more a fireman's type of job."

By **Mr. CRANSTON:**

S. 3322. A bill to enlarge the Sequoia National Park in the State of California by adding to such park the Mineral King Valley area, to provide for certain planning respecting the management of such addition, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to add the area known as Mineral King to Sequoia National Park, Calif.

Mineral King is a 15,600-acre area within the Sequoia National Forest. It currently is designated as the Sequoia National Game Refuge. Located in the Sierra Nevada Mountains in south-central California, Mineral King is about 65 miles east of Visalia, 228 miles north of Los Angeles, and 271 miles southeast of San Francisco.

Mineral King contains superb scenic and natural resources equal to that of Sequoia National Park which adjoins it on three sides. Aspen and alder are found along the streambeds. Stands of pine and fir are further up the slopes. The terrain is barren and rocky above the timber line. The main feature of the area is Mineral King Valley which is surrounded by spectacular mountain peaks rising to over 12,000 feet.

Mineral King was named for the mining activity which took place there in 1870's and 1880's. Because of this mining and the area's potential for further mineral development, Mineral King was not included in Sequoia National Park although both topographically and ecologically the area belongs to the park.

Today there is no commercial mining in the area. The current predominant use of Mineral King is recreation.

Because of its easy accessibility and proximity to the rapidly growing population centers of southern California, Mineral King is attracting over 200,000 visitor-days of use each season. The area clearly has the potential for additional public recreation.

Since 1949 the U.S. Forest Service has been proposing development of Mineral King as a year-round recreation area. In 1965, the Forest Service selected Walt Disney Productions to develop Mineral King's outstanding recreation potential. The final environmental impact statement on the proposed development was filed with the Council on Environmental Quality on February 26, 1976.

The Forest Service plan calls for year-round high intensity use—skiing, sledding, and skating in the winter; camping, fishing, hiking, and horseback riding in the summer. Eighteen ski lifts, six campgrounds, lodging accommodations, restaurants, shops, and other support facilities are proposed. The Forest Service estimates peak capacities of 8,000 in the winter and 6,000 in the summer.

Serious questions have been raised about the compatibility of the Forest Service proposal with Mineral King's natural values and its game refuge status. The development presently is blocked by a lawsuit filed by the Sierra Club.

In the meantime, Mineral King is not being properly managed to meet public needs and protect the area. There is inadequate parking in the valley. The vegetation is being damaged and the river polluted. This deterioration of the Mineral King area must cease.

Mr. President, the bill I am introducing today takes Mineral King out of the Forest Service's jurisdiction and places it under the Interior Department as part of Sequoia National Park. I believe that as a part of the national park system the wildlife habitat and scenic and natural values of Mineral King can best be protected and preserved.

The bill also directs the Secretary of Interior within 2 years to develop a comprehensive management plan for Mineral King consistent with these objectives, taking into consideration the need for additional recreational opportunities. The bill provides that there will be full public participation in the development of this management plan. Should the plan call for concessions, facilities, or services, no party including Disney Productions, would be excluded from competing for a contract.

There are approximately 730 acres of private land within the boundaries of Mineral King. The legislation stipulates that the private lands be acquired for the public and authorizes $1.5 million for this purpose. The bill gives private property owners a lifetime estate in their improved residential property or use up to 25 years, whichever is later.

There are also 67 summer cabins in Mineral King on leased national forest land. The bill provides that the leases remain in effect under the terms and conditions set therein.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3322

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds that—

(1) the Mineral King Valley area contains superb natural and scenic resources which should be preserved and protected;

(2) the Mineral King Valley area has outstanding potential for year-round recreational opportunities;

(3) because of its easy accessibility and proximity to the rapidly growing population centers of Southern California, Mineral King Valley is much-visited;

(4) present management of the Mineral King Valley area is inadequate both to meet public needs and to prevent deterioration of the area;

(5) the Mineral King Valley area is an integral part of Sequoia National Park and was excluded due to its potential for mineral development; and

(6) the Mineral King Valley area has not in this century produced any commercial ore, and the current predominant use of the area is recreation.

PURPOSES

Sec. 2. It is the purpose of this Act to assure the preservation for this and future generations of the area known as Mineral King Valley and presently designated as the Sequoia National Game Refuge and to enhance the ecological values and public enjoyment of such area by adding such area to the Sequoia Nationl Park.

Sec. 3. (a) In order to carry out the purposes of this Act, all lands, waters, and interests therein, constituting approximately 15,600 acres, identified as the Sequoia National Game Refuge on the map entitled "Boundary Map, Sequoia-Kings Canyon National Park", numbered 102-90,000 and dated April 1975, are hereby added to Sequoia National Park (hereinafter in this Act referred to as "the Park"). A copy of such map shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior. After advising the Committees on Interior and Insular Affairs of the United States House of Representatives and the United States Senate in writing, the Secretary of the Interior (hereinafter referred to as "the Secretary") is authorized to make minor revisions of the boundaries of the Park when necessary by publication of a revised map or other boundary description in the Federal Register.

(b) Effective on the date of enactment of this Act, the Sequoia National Game Refuge is abolished and the Secretary of Agriculture shall transfer, without consideration, to the administrative jurisdiction of the Secretary of the Interior the area constituting such refuge.

ACQUISITION OF LANDS

Sec. 4. (a) Within the exterior boundaries of the area added to the Park by this Act, the Secretary is authorized to acquire land and waters, and interests therein, by donation, purchase with donated or appropriated funds, exchange, or transfer.

(b) The owner of improved property on the date of its acquisition by the Secretary under this Act, may as a condition of such acquisition, retain for himself and his heirs and assign a right of use and occupancy of improved property for noncommercial residential purposes for a definite term of not more than twenty-five years or, in lieu thereof, for a term ending at the death of the owner or the death of his spouse, whichever is later. The owner shall elect the term to be reserved. Unless the property is wholly or partially donated to the United States, the Secretary shall pay the owner fair market value of the property on the date of acquisition minus the fair market value on that date of the right retained by the owner. A right retained pursuant to this section shall be subject to termination by the Secretary upon his determination that it is being exercised in a manner inconsistent with the purpose of this Act, and it shall terminate by operation of law upon the Secretary's notifying the holder of the right of such determination and tendering to him an amount equal to the fair market value of that portion of the right which remains unexpired.

(c) The term "improved property" as used in subsection (b) means a detached noncommercial residential dwelling, together with not more than three acres of land on which the dwelling is situated, the said land being in the same ownership as the dwelling.

(d) If any individual tract or parcel of land acquired is partly inside and partly outside the boundaries of the Park the Secretary may, in order to minimize the payment of severance damages, acquire the whole of the tract or parcel.

(e) In exercising his authority to acquire property under this Act, the Secretary shall give prompt and careful consideration to any offer made by an individual owning property within Mineral King Valley to sell such property if such individual notifies the Secretary that the continued ownership of such property is causing, or would result in, undue hardship.

(f) The Secretary, within the thirty-six month period following the date of the enactment of this Act, shall report to the Congress the action taken by him pursuant to this section. Such report shall contain information sufficient to inform the Congress (1) the acquisitions made by him pursuant to this section during the period covered by such report; (2) his reasons why all of such property authorized to be acquired and not so acquired as of the date of such report, if any, have not been acquired; and (3) his schedule of a timetable for the acquisition of such property referred to in clause (2).

ADMINISTRATION

SEC. 5. (a) The area added to the Park by this Act shall be administered, protected, and developed in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. and following) and the Act of September 25, 1890 (26 Stat. 473; 16 U.S.C. 41 and following). Any other statutory authority available to the Secretary for the conservation and management of wildlife, wildlife habitat, and natural resources may be utilized to the extent he finds such authority will further the purposes of this Act.

(b) Except in the case of a valid existing lease which the Secretary determines to be incompatible with the administration of the Park, any lease of Federal land within the area added to the Park by this Act which is in effect on the date immediately before the date of the enactment of this Act shall continue in effect pursuant to its terms and conditions following the addition of such area to the Park by this Act.

MANAGEMENT PLAN; PUBLIC PARTICIPATION

SEC. 6. (a) Within 2 years from the date of enactment of the Act, the Secretary shall develop and submit to the Committee on Interior and Insular Affairs of the United States Senate and House of Representatives a comprehensive management plan for the area added to the Park by this Act. In developing such plan, the Secretary shall, to the extent consistent with the purposes of this Act, provide for additional recreational opportunities and other public uses.

(b) (1) In preparing the comprehensive management plan required by this section, the Secretary shall provide for full public participation and shall consider the comments and views of all interested agencies, organizations, and individuals.

(2) For purposes of insuring such full public participation, the Secretary shall provide reasonable advance notice to State and local governments, interested Federal agencies, private organizations and the general public of hearings, workshops, meetings and other opportunities available for such participation. Such notice shall be published in newspapers of general circulation in the localities affected by the development and management of the Park, published in the Federal Register, and communicated by other appropriate means. The Western Regional Advisory Committee of the National Park Service (or a subcommittee thereof) shall also be utilized for purposes of facilitating public involvement.

(3) The Secretaries or Directors of all Federal departments, agencies, and commissions having a relevant expertise are hereby authorized and directed to cooperate with the Secretary in his development of such plan and to make such studies as the Secretary may request on a cost reimbursable basis

(4) If such plan provides for concessions, or facilities, services, or other accommodations for the public, the Secretary, notwithstanding any other provision of law, or regulation, or any agreement or other arrangement entered into pursuant thereto, shall not grant or recognize any privilege, lease, permit, or contract, or enter into any contract, agreement, or other arrangement, providing for concessions, or facilities, services, or other accommodations for the public within such area added to the Park by this Act, unless he has first given reasonable public notice, after the submission of such management plan, of his intention to do so and has considered and evaluated all proposals received as a result thereof, and acts on the basis thereof.

AUTHORIZATION

SEC. 7. There is hereby authorized to be appropriated not to exceed $1,500,000 for the acquisition of land, waters, and interests therein, under section 4 of this Act.

REPEAL OF CERTAIN LAWS APPLICABLE TO THE GAME REFUGE

SEC. 8. Effective upon the transfer referred to in section 3(b), the Act of August 14, 1958 (72 Stat. 604; 16 U.S.C. 45a–3), and section 6 of the Act of July 3, 1926 (44 Stat. 821; 16 U.S.C. 688) are hereby repealed. The repeal of such section 6 shall not be construed to prohibit or prevent the Secretary from exercising any authority applicable to the National Parks respecting the protection of birds, game, or other wild animals.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2475

At the request of Mr. Hugh Scott, the Senator from Tennessee (Mr. Baker), the Senator from Oklahom (Mr. Bartlett), the Senator from Massachusetts (Mr. Brooke), the Senator from Nebraska (Mr. Curtis), the Senator from Hawaii (Mr. Fong), the Senator from Alaska (Mr. Gravel), the Senator from Michigan (Mr. Griffin), the Senator from Wyoming (Mr. Hansen), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Nebraska (Mr. Hruska), the Senator from Hawaii (Mr. Inouye), the Senator from Montana (Mr. Mansfield), the Senator from Idaho (Mr. McClure), the Senator from Wyoming (Mr. McGee), the Senator from Alaska (Mr. Stevens), the Senator from Illinois (Mr. Percy), the Senator from Ohio (Mr. Taft), and the Senator from South Carolina (Mr. Thurmond), were added as cosponsors of S. 2475, a bill to modify the distribution requirements of private foundations under Section 4942 of the Internal Revenue Code.

S. 2547

At the request of Mr. McGovern, the Senator from Utah (Mr. Moss), was added as a cosponsor of S. 2547, a bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of registered dietician.

S. 2631

At the request of Mr. McIntyre, the Senator from New York (Mr. Javits), was added as a cosponsor of S. 2631, the National Consumer Cooperative Bank Act.

S. 2784

At the request of Mr. Hatfield, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 2784, a bill to amend the Central Intelligence Agency Act of 1949.

S. 3091

At the request of Mr. Humphrey, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 3091, a bill to amend the Forest and Rangeland Resources Planning Act.

S. 3173

At the request of Mr. Glenn, the Senator from Montana (Mr. Mansfield) and the Senator from Minnesota (Mr. Humphrey) were added as cosponsors of S. 3173, a bill to amend the antidiscrimination provisions of the State and Local Assistance Act of 1972.

S. 3262

At the request of Mr. Javits, the Senator from Ohio (Mr. Taft) was added as a cosponsor of S. 3262, a bill extending and amending the emergency unemployment compensation program.

S. 3273

At the request of Mr. Robert C. Byrd (for Mr. Church), the Senator from Wyoming (Mr. Hansen) was added as a cosponsor of S. 3273, a bill to authorize a study for the purpose of determining the feasibility and desirability of designating the Nee-Me-Poo Trail as a National Scenic Trail.

S. 3303

At the request of Mr. Stevens, the Senator from Illinois (Mr. Percy) was added as a cosponsor to S. 3303, a bill to authorize the Secretary of State to provide financial assistance for the Eighth Pan American Games to be held in Puerto Rico.

S. RES. 406

At the request of Mr. Cranston, the Senator from Delaware (Mr. Biden), the Senator from Illinois (Mr. Percy), the Senator from New York (Mr. Javits), the Senator from South Dakota (Mr. McGovern), and the Senator from Minnesota (Mr. Humphrey) were added as cosponsors to Senate Resolution 406, expressing the importance of sound relations with the Soviet Union.

S. RES. 421

At the request of Mr. Brock, the Senator from Oregon (Mr. Hatfield), was added as a cosponsor of Senate Resolution 421, requiring limitation and disclosure of the use of Senate facilities for official business and reimbursement by Senators for unofficial use of Senate computer materials, and for other purposes.

S.J. RES. 182

At the request of Mr. Huddleston, the Senator from California (Mr. Tunney), the Senator from Ohio (Mr. Taft), the Senator from Maryland (Mr. Mathias), the Senator from Kentucky (Mr. Ford), the Senator from Tennessee (Mr. Baker), and the Senator from Maryland (Mr. Beall) were added as cosponsors to Senate Joint Resolution 182, designating the week beginning May 9, 1976, as "National Horse Week."

SENATE RESOLUTION 434—SUBMISSION OF A RESOLUTION RELATING TO THE TREATY POWERS OF THE SENATE

(Referred to the Committee on Foreign Relations, the Committee on the Judiciary, the Committee on the Budget, and the Committee on Rules and Administration, jointly, by unanimous consent.)

Mr. CLARK submitted the following resolution:

SENATE RESOLUTION 434

Resolved, That this resolution may be cited as the "Treaty Powers Resolution".

PURPOSE, FINDINGS, AND DECLARATION

SEC. 2. (a) It is the purpose of this Resolution to fulfill the intent of the Framers of the Constitution and to insure, through use of the legislative power of the Senate, that no international agreement constituting a treaty will be implemented by the Senate without its prior advice and consent to ratification of that agreement.

(b) The Senate finds that—

(1) article 2, section 2, clause 2 of the Constitution empowers the President "by and with the advice and consent of the Senate to make treaties, provided two-thirds of the Senators present concur";

(2) the requirement for Senate advice and consent to treaties has in recent years been circumvented by the use of "executive agreements,"; and

(3) the Senate may, for its part, refuse to authorize and appropriate funds to implement those international agreements which, in its opinion, constitute treaties and to which the Senate has not given its advice and consent to ratification.

(c) The Senate declares that, under article 2, section 2, clause 2 of the Constitution, any international agreement, which involves a significant political, military, or economic commitment to a foreign country constitutes a treaty and should be submitted to the Senate for its advice and consent.

ADVICE

SEC. 3. It is the sense of the Senate that, in determining whether an international agreement constitutes a treaty under section 2(c) of this resolution, the President should, prior to and during the negotiation of such agreement, seek the advice of the Committee on Foreign Relations.

CONSENT

SEC. 4. (a)(1) The Senate may, by resolution, find that any international agreement hereafter entered into which has not been submitted to the Senate for its advice and consent constitutes a treaty under section 2(c) of this resolution.

(2) Any such resolution shall be privileged in the same manner and to the same extent as a concurrent resolution of the type described in section 5(c) of the War Powers Resolution is privileged under section 7(a)-(b) of that law.

(b) It shall not be in order to consider any bill or joint resolution or any amendment thereto, or any report of a committee of conference, which authorizes or provides budget authority to implement any international agreement which the Senate has found, pursuant to subsection (a) of this section, to constitute a treaty under section 2(c) of this Resolution unless the Senate has given its advice and consent to ratification of such agreement.

(c) Any (1) committee of the Senate which reports any bill or joint resolution, and (2) committee of conference which submits any conference report to the Senate, authorizing or providing budget authority to implement any such agreement, shall so indicate in the committee report or joint statement filed therewith, as the case may be.

Mr. CLARK. Mr. President, in 1973 the Congress took a major step toward reclaiming its constitutional share of the warmaking power through enactment of the War Powers Resolution. In 1974, the Congress recovered lost constitutional ground in the area of budget formulation by enactment of the Budget and Impoundment Control Act. One major power is yet to be recovered from the executive branch, however—the treaty power.

The Constitution empowers the President "by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." However, that requirement of Senate advice and consent has, of late, been more honored in the breach than in the observance. With distressing frequency in recent years, the treaty clause has been circumvented by the use of "executive agreements"—agreements neither expressly authorized nor even mentioned by the Constitution. Following is a list of the number of treaties and executive agreements entered into by the United States:

Year	Treaties	Executive agreements
1789–1839	60	27
1839–89	215	238
1889–1929	382	763
1930	25	11
1931	13	14
1932	11	16
1933	9	11
1934	14	16
1935	25	10
1936	8	16
1937	15	10
1938	12	24
1939	10	26
1940	12	20
1941	15	39
1942	6	52
1943	4	71
1944	1	74
1945	6	54
1946	19	139
1947	15	144
1948	16	178
1949	22	148
1950	11	157
1951	21	213
1952	22	291
1953	14	163
1954	17	206
1955	7	297
1956	15	233
1957	9	222
1958	10	197
1959	12	250
1960	5	266
1961	9	260
1962	10	319
1963	17	234
1964	3	222
1965	14	204
1966	14	237
1967	18	223
1968	18	197
1969	6	162
1970	20	183
1971	17	214
1972	20	287
1973	17	241
1974	13	230
Total	1,254	7,809

Numbers do not tell the whole story, however. In recent years a number of particularly significant agreements have been entered into as executive agreements. These include base agreements with Spain in 1970 and Portugal and Bahrain in 1972; the Salt I agreement; economic commitments made by the executive branch to the Soviet Union in 1972; and the secret Sinai agreements. At the same time the treaty form has been used for a shrimp agreement with Brazil, an agreement with Poland to avoid double taxation, an agreement regarding an uninhabitated coral reef in the Caribbean, and an agreement revising radio regulations. The domocratic process established by the Constitution has been honored in the case of relatively unimportant agreements but sidestepped for significant ones.

A number of measures have been proposed, both in the Senate and the House of Representatives, which attempt to rectify this regrettable situation. A bill which has the sponsorship of two-thirds of the House International Relations Committee is fairly typical in its approach. The bill, H.R. 4438, would allow the Congress to apply a concurrent resolution veto to all executive agreements falling within a definition contained in that bill.

I commend the sponsors of this legislation for their effort to come to grips with this problem, but I believe that this particular approach raises two serious constitutional problems.

First, the approach makes it necessary to determine, statutorily, whether the President possesses an inherent constitutional power to enter into certain international agreements by himself and, if so, the scope of that power. It thus raises the question of whether the Congress is attempting to contract by statute a power granted by the Constitution.

Second, this approach represents a clear invasion of the treaty power of the Senate. The authority to advise and consent to international agreements—or to refuse to do so—is conferred by the Constitution only on the Senate, not on the House of Representatives. The advice-and-consent power was placed "in the branch of the Government where there may be a majority of States without a majority of the people," as one participant in the Constitutional Convention put it. The framers realized that the two-thirds requirement could prove "embarrassing," as another participant put it, but nonetheless rejected an approval by a majority of the Senate, because that margin offered "less security." They envisaged a treaty-making process in which the Senate would operate, in the words of President Wilson, "in the spirit of an executive council."

This is the Constitution that this Nation was given by the Convention of 1787. The effect of the House bill, however, would be to amend that Constitution by statute by allowing both Houses of the Congress to exercise, jointly, a power granted only to the Senate. This is not acceptable, for several reasons. First, the Constitution can be amended only through the process which it itself provides. It was proposed at the Constitutional Convention—by James Wilson, on September 7, 1787—to include the House in the advice-and-consent procedure. That proposal was rejected. Thus the express intent of the framers is embodied in language in the Constitution, and that provision cannot be overturned by statute. Second, if the President is without the authority to enter into certain international agreements—which seems to be an implicit premise underlining the House bill—then it must be because his authority is limited. The provision of the Constitution which limits that authority is the treaty clause. This being the case, however, it follows that a defect in that authority can be remedied only by the remedy provided by the treaty clause; namely, the advice and consent of the Senate. Third, it is inconsistent for proponents of this procedure of joint approval to argue that that procedure has been legitimatized by custom and practice. If custom and practice have altered the constitutional allocation of power to that drastic extent, it is only one small step to argue that custom and practice have had the effect claimed by the executive branch--namely, of eliminating altogether the legal requirement of congressional participation.

An appropriate remedy, therefore, should have three characteristics: it should be exercisable solely by the Senate; it should be effective; and it should rest on a plenary congressional power so as to avoid any constitutional challenge.

The "Treaty Powers Resolution" passes muster on all three counts. It is a simple Senate resolution which, if agreed to, would cause a point of order to lie in the Senate against the consideration of any bill, joint resolution, or conference report which authorizes or appropriates funds to implement any agreement which the Senate by simple resolution finds to constitute a treaty. It is thus effective in that it rests on existing Senate powers—the rulemaking power and the Senate's share of the legislative power. And it is unquestionably constitutional since it involves not the slightest invasion of executive power. It is patterned, in fact, after the House germanous rule, which has taken on "extraterritoriality" all too familiar to Senators who have served on conference committees.

The resolution would establish a three-step procedure.

First, the President is given guidelines as to what the Senate regards as constituting a treaty. A treaty is defined as any international agreement which "involves a significant political, military, or economic commitment to a foreign country." The sense of the Senate is expressed that the President should, in determining whether any particular agreement falls within that definition, consult with the Committee on Foreign Relations. The resolution would thus breathe life into the "advice" part of the treaty clause, which has long been overlooked but which was intended by the framers to insure that the President and the Senate, as Corwin put it, "will be associated throughout the entire process of making a treaty." The President should, in Wilson's words, seek "veritable counsel and a real accommodation of views."

Second, in the event the Senate believes that the President has improperly failed to submit an agreement for Senate advice and consent, the Senate may, at any time by simple resolution designate any executive agreement hereafter entered into as constituting a treaty, and thus requiring Senate advice and consent. All executive agreements are already required to be submitted to the Senate within 60 days under the Case Act.

Third, if such a resolution is agreed to, at any time thereafter a point of order may be made against the consideration of any measure which authorizes or provides budget authority to implement that agreement. The point of order can be avoided by including in such a measure language which prohibits the use of funds authorized or appropriated—as the case may be—therein to implement the international agreement in question unless and until Senate advice and consent is given.

The effectiveness of this procedure derives from the fact that virtually every agreement involves some funding requirement. The funding cutoff may not be immediate, since funds would be available under legislation enacted prior to adoption of the resolution which gives rise to a point of order against such legislation. But the executive branch will be placed on notice that, somewhere down the line, it may face an empty wallet if it fails to meet its constitutional obligations.

The proposed resolution does not make explicit reference to executive agreements authorized by existing statutes. This is not necessary for the following reason. If a majority of the Senate has already agreed that a particular agreement may be submitted for the approval of both Houses—rather than by two-thirds of the Senate—then it is exceedingly unlikely that that same majority will later turn around and require a two-thirds approval by the Senate alone. Nevertheless, the possibility of such a reversal should not be precluded altogether, for a situation may always arise in which the President exceeds his statutory authority. This resolution provides the means of proceeding in that event.

I am aware also that section 102 of the Trade Act of 1974 requires that trade agreements be submitted to the Congress for approval, and that certain difficulties have arisen as a result of the President's failure to do so in every instance. This is a separate problem which is not addressed by the treaty powers resolution. The adoption of this resolution will not in any event prejudice efforts to bring about the submission of such agreements.

The treaty powers resolution will, in short, put an end to cocktail party treaty-making by establishing a framework for enforcing the advice-and-consent power, a framework which can be put into effect by the exclusive action of the same body in which the framers intended that that power exclusively reside—the U.S. Senate.

Mr. GLENN subsequently said: Mr. President, I ask unanimous consent that the resolution introduced earlier by Senator CLARK relative to the treaty power of the Senate be referred jointly to the Committees on Foreign Relations, Judiciary, Budget, Appropriations, and Rules and Administration.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENTS SUBMITTED FOR PRINTING

GRAIN INSPECTION REFORM ACT OF 1976—S. 3055

AMENDMENTS NOS. 1603 THROUGH 1604

(Ordered to be printed and to lie on the table.)

Mr. DOLE (for himself, Mr. YOUNG, and Mr. BELLMON) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 3055) to provide for U.S. standards and a national inspection system for grain; and for other purposes.

AMENDMENT NO. 1605

(Ordered to be printed and to lie on the table.)

Mr. DOLE (for himself and Mr. YOUNG) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 3055), supra.

(The remarks of Mr. DOLE when he submitted the above amendments appear earlier in today's RECORD).

TAX REFORM ACT OF 1976—H.R. 10612

AMENDMENT NO. 1606

(Ordered to be printed and referred to the Committee on Finance.)

Mr. FORD submitted an amendment intended to be proposed by him to the bill (H.R. 10612) to reform the tax laws of the United States.

FEDERAL ENERGY ADMINISTRATION ACT AMENDMENTS—S. 2872

AMENDMENT NO. 1607

(Ordered to be printed and referred to the Committee on Government Operations.)

Mr. GLENN submitted an amendment intended to be proposed by him to the bill (S. 2872) to amend the Federal Energy Administration Act of 1974 to extend the expiration date of such law until September 30, 1979, and for other purposes.

Mr. GLENN. Mr. President, today I am submitting an amendment to S. 2872 the so-called FEA reauthorization bill which is designed to strengthen the Agency's and the Nation's efforts to reform existing electric utility rates. The purpose of the amendment is to provide the needed guidance and encouragement to State utility commissions so that they will, to the greatest extent possible, approve innovative electric utility rate structures which are more nearly cost-based, energy conserving, encourage more efficient use of our overall electric generating capacity, and are more equitable among different classes of customers. It is expected that if State utility commissions do implement innovative electric utility rate structures, such as peak load pricing, and seek to achieve more effective utility load management, significant savings will result that will translate into lower utility bills.

I feel, Mr. President, that it is time to act so as to reverse the trend toward higher and higher electric utility bills. These bills have become a burden which few can easily bear.

The electric utility rate structure policies of the past must be revised so as to reflect the realities of the present: High prices and scarce fuel. In the high-growth years of the 1950's and 1960's both investment capital and energy were plentiful and inexpensive. This environment created a wasteful demand for greater capital growth of electric generating capacity. The structure of electric utility rates was the primary factor which encouraged greater usage of electricity. That structure was the declining block rate, a rate by which the price per unit decreases as the number of units increases. Now with the costs of construction, capital and fuels at such high levels, we can no longer afford to encourage the use of electric power. In order to reverse the trend of high demand growth in this area, the existing pricing policies of the electric power industry must be revised so that capital requirements are reduced and energy is conserved.

Presently, with the declining block rate structure, electricity rates are not strictly correlated with costs. This violates the basic economic principle of the marketplace that the price of a given unit of production should be based on the cost of producing the next unit. When this is not the case, inequities and inefficiencies occur.

The declining block rate structure does not give the customer any indication of what cost is incurred in producing his incremental unit of electricity. Consumers who contribute to the demand for electricity at peak hours are not now charged an additional amount to reflect the increased cost of service to provide the power at that time. The declining block rate structure does not distinguish between times of peak demand and slack demand. Hence there is presently no incentive to reduce electricity consumption at any particular time of the day.

A very key part of this proposed legislation deals with the fact that it is essential to provide an incentive to reduce electricity consumption in order to "shave" the peak, thereby reducing the need for new generating capacity and the resultant higher utility bill. The growth in demand for electricity at peak times has been much greater than the overall demand for electricity. Since utilities must have sufficient generating capacity to meet the peak demand, a great deal of resources must be expended in order to build generating capacity for that purpose alone. The FEA estimates that in 1974 an average of only 49 percent of electric utility capacity was fully utilized. If the peak demand for electricity could be reduced by effective load management, existing electric generating capacity could be more fully utilized, scarce fuels could be conserved through the lessened use of inefficient generating equipment used at peak times, and capital requirements could be significantly reduced. The FEA estimates that if the 49-percent capacity utilization is increased to 56 percent by 1985, the need for new installed generating capacity could be reduced by $50 to $120 billion. Further, 200,000 barrels of oil per day could be saved. This result would substantially moderate the need for the increasingly frequent and burdensome rate increases and would also conserve energy.

The use of peak load pricing, it is expected, will reduce the demand for power at peak times and thereby produce these beneficial consequences. Peak load pricing and load management techniques have been used in Europe for some time with good results. In this country only a relatively few States and electric utilities have departed from the traditional declining block rate structure by implementing peak load pricing and load management techniques. The State utility commissions have simply not been moving as quickly as they reasonably could to restructure electric utility rates. These State commissions are either not aware of the latest information regarding the potential and application of innovative rate structures and load management techniques, do not have the staffing and technical capacity to implement them, or lack the inclination to do so.

My amendment addresses this problem. The amendment requires FEA to prepare and publish voluntary guidelines which will provide needed guidance and encouragement to State utility commissions so that they will approve innovative electric utility rate structures. The guidelines are to set the parameters within which State utility commissions should structure electric utility rates.

With wide dissemination of these guidelines, it is hoped that State utility commissions will voluntarily comply with the courses of action prescribed.

For those State utility commissions which may wish to innovate their electric utility rate structures but are constrained due to the lack of staffing and technical expertise, my amendment authorizes funds so as to enable FEA to provide technical assistance to those commissions.

To further facilitate the establishment of desired rate structures, the amendment will also provide financial assistance to State utility commissions to enable them to initiate electric utility rate structure and load management demonstration projects. FEA is presently funding 10 demonstration projects.

My amendment will authorize FEA to continue the ongoing projects and initiate new ones. Ohio is one of the States which received one of the initial FEA demonstration project grants. Under the direction of the Public Utilities Commission of Ohio, Dayton Power & Light, Toledo Edison Co., and Buckeye Power are studying and test sampling time-of-day pricing characteristics and load management techniques utilizing both the residential and commercial sectors. It is hoped that the results from the Ohio and other State demonstration projects will be as favorable as the preliminary reports from the front-running Vermont project. The demonstration project in Vermont utilizes two innovative residential rate structures: peak load pricing with a dual register meter, and an interruptible tariff. As a result of the use of these load management techniques, participating customers in Vermont have benefited from savings which have averaged 15 percent on their electric bills.

State utility commissions in many cases have not moved toward the implementation of innovative rate structures not only because they lack the proper information or capability but also because of a lack of desire to initiate such change. My amendment is designed to encourage State utility commissions to make the necessary effort by providing for the publication of the FEA guidelines, the authorization and funding for FEA intervention in utility rate cases, and the reporting to Congress on the extent of voluntary compliance with the guidelines and on the necessity, if any, for stronger Federal legislation.

It is my hope that the amendment which I introduce today will fulfill the need to provide State utility commissions with the tools and the incentives to revise electric utility rate structures so that utility bills will be cut, the necessity for investment capital will be reduced, and scarce fuels will be conserved.

Mr. President, I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT NO. 1607

On page 1, between lines 2 and 3, insert the following:

"TITLE I

"FEDERAL ENERGY ADMINISTRATION ACT AMENDMENTS".

On page 1, line 3, strike out "Section 1." and insert in lieu thereof "Sec. 101.".

On page 2, line 3, strike out "Sec. 2." and insert in lieu thereof "Sec. 102.".

On page 2, line 21, strike out "Sec. 3." and insert in lieu thereof "Sec. 103.".

On page 3, line 3, strike out "Sec. 4." and insert in lieu thereof "Sec. 104.".

On page 4, line 1, strike out "Sec. 5." and insert in lieu thereof "Sec. 105.".

On page 4, line 5, strike out "Sec. 6." and insert in lieu thereof "Sec. 106.".

On page 4, line 14, strike out "Sec. 7." and insert in lieu thereof "Sec. 107.".

On page 4, line 19, strike out "Sec. 8." and insert in lieu thereof "Sec. 108.".

On page 4, after line 21, insert the following:

"TITLE II

"ELECTRIC UTILITY RATE REFORM ACT OF 1976

"Sec. 201. That this title may be cited as the 'Electric Utility Rate Reform Act of 1976'.

"FINDINGS OF FACT AND DECLARATION OF POLICY

"Sec. 202. Congress hereby finds and declares that—

"(1) there is great potential for reduction in the cost of electric utility services to consumers, energy conservation, and relief from the current and projected shortage of capital in this Nation in the development and implementation by State regulatory commissions of innovative electric utility rate structures;

"(2) as a rule, State regulatory commissions have not taken sufficient action to realize this potential by revising the rate structures of electric utility companies subject to their jurisdiction;

"(3) efforts in this regard can be promoted by requiring the Federal Energy Administration to set utility rate structure guidelines for State regulatory commissions and to report to Congress on the progress of such commissions in adopting and using such guidelines;

"(4) such efforts can be further encouraged by providing the Federal Energy Administration with funds to be used specifically for utility rate demonstration projects, technical assistance to State regulatory commissions in the area of rate reform, and intervention in the proceedings of such commissions for the purpose of promoting the implementation of federal guidelines; and

"(5) if such measures fail to produce the desired movement of State regulatory commissions in the direction of innovative rate structures, it will be appropriate for Congress then to consider the enactment of more stringent directives to such commissions.

"DEFINITIONS

"Sec. 203. As used in this title—

"(1) 'Administrator' means the Administrator of the Federal Energy Administration;

"(2) 'electric utility company' means any person, who owns or operates facilities used for the generation, transmission, or distribution and sale of electric energy for use other than resale;

"(3) 'State regulatory commission' means the agency, commission, or establishment of any State, which has the responsibility for establishing and administering rules and regulations relating to the operation of and rates charged by an electric utility company; and

"(4) 'State' means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, and the Trust territories of the Pacific.

"ELECTRIC UTILITY RATE GUIDELINES

"Sec. 204. (a) The Administrator shall prepare voluntary guidelines establishing the parameters within which State regulatory commissions should structure electric utility rates in order to encourage State regulatory commissions to utilize innovative electric utility rate structures.

"(b) The guidelines established under subsection (a) shall provide for rate structures which to the extent feasible are cost-based, energy conserving and equitable in their operation and effect upon different classes of customers for electric utility service.

"(c) The guidelines prepared under subsection (a) shall be published in the Federal Register not later than one year after the date of enactment of this title, and shall be reviewed, revised, and republished at least annually thereafter.

"(d) The Administrator directly shall distribute copies of all such guidelines to State regulatory commissions together with a written request for cooperation in the use and implementation of, and voluntary compliance with, the guidelines.

"ASSISTANCE TO STATE REGULATORY COMMISSIONS

"Sec. 205. (a) The Administrator is authorized in addition to assistance or authority provided or available under the Federal Energy Administration Act—

"(1) to provide financial assistance to State regulatory commissions to enable them to initiate innovative electric utility rate structure and load management demonstration projects;

"(2) to provide technical assistance to State regulatory commissions to enable them to establish innovative electric utility rate structures; and

"(3) to intervene in such State or Federal administrative or court proceedings as the Administrator may deem to be appropriate for the purpose of advancing the use of electric utility rate structures which comply with the guidelines established under section 204 (a).

"(b) Assistance may be furnished under subsections (a) (1) and (2) pursuant to an application submitted by a State regulatory commission and approved by the Administrator. In such application, the applicant shall—

"(1) certify that it is a State regulatory commission within the meaning of this title;

"(2) describe, in such form and detail as the Administrator may by regulation require, a program for the development of an innovative electric utility rate structure or load management demonstration project, in the case of applications under subsection (1) (1), or for the establishment of innovative electric utility rate structures, in the case of applications under subsection (a) (2); and

"(3) furnish such assurances as the Administrator may require to assure that funds made available under this title will be in addition to, and not in substitution for, the amount of funds made available to any such State regulatory commission from other sources.

"REPORTS

"Sec. 206. Not later than the last day in December in each year following the date of enactment of this title, the Administrator shall transmit to the Congress a report containing—

"(1) the guidelines published in that year pursuant to section 204;

"(2) the nature and location of testimony given in interventions pursuant to section 205(a) (3);

"(3) a description of the adoption and use by State regulatory commissions of the rate structure voluntary guidelines; and

"(4) recommendations as to the need for and types of further Federal legislation.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 207. There are authorized to be appropriated not to exceed $12,000,000 in fiscal year 1977 for the purpose of carrying out the provisions of section 205(a)."

CLEAN AIR ACT AMENDMENTS OF 1976—S. 3219

AMENDMENTS NOS. 1608 THROUGH 1610

(Ordered to be printed and to lie on the table.)

Mr. GARY HART submitted three amendments intended to be proposed by him to the bill (S. 3219) to amend the Clean Air Act, as amended.

NOTICE OF HEARING

Mr. PELL. Mr. President, I wish to announce that the Subcommittee on Education will hold a hearing on the subject of the collection and distribution of student fees by institutions of higher education, and the amendment concerning student fees proposed to the Committee on Labor and Public Welfare during its markup of S. 2657, the Education Amendments of 1976, on Friday, May 7, 1976, at 10 a.m. in room 4232, Dirksen Senate Office Building.

Those interested in submitting statements for the record should contact Mrs. Jean S. Frohlicher, Counsel, Subcommittee on Education, room 4230 Dirksen Senate Office Building, Washington, D.C. 20510 (area code 202–224–7666).

ANNOUNCEMENT OF HEARINGS

Mr. METCALF. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

April 23: Energy Research and Water Resources Subcommittee, 10 a.m., Pacific University, Forest Grove, Oregon. Field hearing on S. 2301, a bill concerning the Tualatin Second Phase reclamation project, Oregon.

April 24: Energy Research and Water Resources Subcommittee, 9:30 a.m., Yamhill County Courthouse, McMinnville, Oregon. Field hearing on S. 3228, a bill concerning Carlton Division, Willamette River Project, Oregon.

April 27: Joint Business Meeting—Interior and Agriculture Committees, 10 a.m., Room 324, Russell Office Bldg., Markup S. 2926, S. 3091, and S. 2851, legislation addressing issues raised by recent court decisions affecting timber cutting practices in national forests.

April 28: Full Committee, 10 a.m., Room 3110, Business meeting pending calendar business.

April 29: Joint Business Meeting—Interior and Agriculture Committees, 10 a.m., Room 324, Russell Office Bldg. Markup, S. 2926, S. 3091, S. 2851, legislation addressing issues raised by recent court decisions affecting timber cutting practices in national forests.

April 30: Environment and Land Resources Subcommittee, 10 a.m., Room 3110, Hearing, S. 3071, grazing fees legislation.

April 30: Energy Research and Water Resources Subcommittee, 10 a.m., Room to be determined, Hearing, S. 3145, the Energy Conservation Institute bill, and S. 3259, the Energy Extension bill.

May 3: Indian Affairs Subcommittee, 10 a.m., Room 3110, Hearing; Oversight hearing on Quechan Tribe Land issue.

May 4: Indian Affairs Subcommittee, 10 a.m., Room 3110, Hearing; S. 2780, a bill to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes.

NOTICE OF HEARING TIME CHANGE

Mr. METCALF. Mr. President, I would like to announce for the information of my colleagues and the public that the field hearing scheduled by the Subcommittee on Energy Research and Water Resources of the Senate Interior and Insular Affairs Committee to be held on Friday, April 23 at the University Center, Pacific University, Forest Grove, Oregon, will begin at 1:30 p.m. in lieu of 10 a.m., as originally scheduled, to hear testimony on S. 2301, the Tulalatin Project bill.

Those planning to attend this field hearing will want to make a note of this time change, and any other questions you may have should be directed to Mr. Russell Brown, Professional Staff Member at 224–1076.

ADDITIONAL STATEMENTS

GENOCIDE CONVENTION REPORTED OUT BY SENATE FOREIGN RELATIONS COMMITTEE

Mr. PROXMIIRE. Mr. President, I am delighted to report that the Senate Foreign Relations Committee yesterday, in executive session, agreed to report out the Genocide Convention.

Recently the Defense Department and the American Bar Association, both formerly opposed to U.S. ratification of the treaty, endorsed Senate ratification of the convention.

I am extremely gratified that, after almost a quarter century of inaction on the Genocide Convention, headway is being made on approval of this very basic guarantee of human rights. For many years I have been an ardent proponent of positive action on the treaty. Yet the call for ratification by myself and so many others has gone unheeded until now.

Mr. President, the time for our approval of the Genocide Convention has been delayed far too long, and the opportunity has now presented itself for prompt and decisive action. Let us not delay any longer.

VOLUNTARY SELF-HELP AND PERSONAL INVOLVEMENT

Mr. BUCKLEY. Mr. President, on a few, all too rare occasions, each of us will hear an address that bears reading and rereading.

I heard such a one on St. Patrick's Day last from an eminent New Yorker, President William J. McGill of Columbia University. It was a gracefully witty, affectionate reflection on the New York in which he grew up and on the city in its current time of trial.

In it he wove a plea for the revival of the spirit of "voluntary self-help and personal involvement" that is today one of our central needs; and he warned against our reliance on a "faceless, loveless and bureaucratically impenetrable mechanism of social services" as a substitute for the sense of individual responsibility on which our Nation was built.

Mr. President, I ask unanimous consent that Dr. McGill's remarks be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE 192D ANNUAL DINNER, FRIENDLY SONS OF ST. PATRICK, MARCH 17, 1976

(By William J. McGill)

Mr. President, your Excellencies, distinguished guests and members of the Society of the Friendly Sons of St. Patrick.

We are gathered this evening to celebrate the 192nd Annual Dinner of the Friendly Sons of St. Patrick. Since this year also marks the Bicentennial of the United States, elementary arithmetic reveals that the Society has managed to miss not very much of the nation's history.

I cannot resist observing that despite Columbia's origin in 1754 as a College named in honor of the King and sponsored by the Church of England, a number of our most distinguished faculty members during the revolutionary era were Irish immigrants. Dr. Samuel Clossy, the son of a successful Dublin merchant, was educated in medicine at Trinity and was prominent in the Dublin medical community. He arrived in New York in 1763 and later became a professor in the medical department of King's College where he taught anatomy and pathology.

I should also mention the Reverend William Cochran, another Trinity graduate from County Tyrone who emigrated from Ireland in 1783. He took charge of the preparatory students in King's College as the latter was being reorganized into Columbia College, and soon became a full fledged Columbia professor.

Of course the Reverend Cochran was not your ordinary Irish immigrant. Among other things he was an Anglican churchman. Fortunately, my sainted mother passed to her heavenly reward before she discovered that her son was mixed up with a college so deeply rooted in the Church of England. She never took kindly to the ecumenical tendencies of our time. When I was a boy my mother used to caution me against entering the Cathedral of St. John the Divine. She would say to me: "They look like us, Billy, and there are candles on the altar, but don't let them fool you; they are Protestants!" God only knows what she would have thought if she had learned that her only son not only visits St. John the Divine, but even serves as a Trustee of that beautiful cathedral of the Episcopal Archdiocese of New York.

What a distance we have traveled in the 192 years since 1784 when this Society was founded and Reverend William Cochran first joined the faculty of Columbia College! The immigrant Irish were the cheap labor and the cannon fodder of the nineteenth century. Yet somehow they managed to keep their faith and their dreams, building for their children a place in America which they themselves could never enjoy.

Today we celebrate the traditional feast of Saint Patrick. It is a day that never fails to evoke a flood of associations on the history of the American-Irish, the role of the Church in our lives, the days of our youth in New York City and the United States, and all the traditions that have formed our character.

The Roman god Janus, the god of beginnings, is depicted with two faces looking in opposite directions. Tonight I rise before you in the spirit of Janus looking to the past—to our youth and our memories, but also to the future—to our unrealized hopes and aspirations.

Forty-two years ago in the depths of the great depression, I served mass in St. Francis de Chantel Church in the Throgs Neck area of the Bronx. The Holy Name Society attended the eight o'clock mass on the first Sunday of each month and the place was always jammed. Those long lines of men filled the aisles of the church as far as the young eye could see. Communion was an endless process to a boy hungry for breakfast. But the Sisters of the Divine Compassion stood in the back of the church holding out the children of the parochial school whose mass was at nine o'clock. They never failed to observe any sign of sloppiness on the part of the altar boys. Next day we heard about dishonoring God's house, and were threatened with loss of the special privileges we enjoyed in serving so close to the altar. And of course that also meant the loss of time off from class for funeral masses as well as the expected one dollar tip from the funeral director. Consequently we behaved like angels when the sisters were watching.

I can remember singing midnight mass with the eighth grade in the choir loft at St. Francis de Chantel. Sister Mary Regis played the organ. I can still see her beautiful face wincing as the young male voices, changing with the onset of puberty, occasionally cracked, making a shambles of the Latin carol "Adeste Fidelis" which she had taught us so patiently in three-part harmony. Even now the smell of pine needles and incense, the rustle of the robes of the nuns, and the bright faces of my school friends are so fresh in my memory that I can close my eyes and almost touch them.

Later my family moved to Fordham Road in Our Lady of Mercy Parish. It was a flourishing church and school ministered to by Msgr. Patrick O'Leary, one of the great managers and fund raisers of the Archdiocese forty years ago.

In those days boys and girls were educated separately in order to keep the Devil at bay. It was considered unduly erotic if the sexes were inadvertently to encounter one another during the process of their schooling. The sisters did their level best to keep us apart—a foredoomed scrupulosity in the face of the beautiful biological attractions that drew us together at every opportunity.

On Sunday mornings the school hall was used for communion breakfasts. I would listen to the speakers on such occasions with either reverence or boredom as circumstances decreed. There was no eloquence to match either Father Robert L. Gannon or Msgr. Fulton J. Sheen in their classic form at a communion breakfast. There was also no tedium to compare with one of the church ushers, red-eyed from a late Saturday night, trying to emulate Fulton Sheen from the head table.

When I was sixteen, I was chosen to be sent downtown to Cathedral Boys' High School on East 76th Street operated by the Archdiocese and taught by the LaSalle Christian Brothers. The Brothers were young men generally fresh from a tour of duty at the Catholic Protectory, a reform school in the Bronx. They drove us unmercifully in Latin, Greek, Math, French, History, English and Science. We were bright and the brothers knew it. So we studied long hours into the night shaking with fear that if we were to miss an answer the next day, Brother might dust us off with a chalk-filled eraser, or, worst of all, invite us down to "The Hole" as the school basement was called, to put on the gloves for a needed boxing lesson and a lecture on the virtue of obedience. I can still feel my blood run cold at the thought of Brother Augustine writing a Latin declension on the board, and sighting a whisperer through the reflection from the back of his glasses pulled far down on the tip of his nose. He would suddenly point a finger of doom at the miscreant, rasping out "You with the mouth, shut your trap!"

Woe to any erring young villain who poked fun at Shakespeare while at Cathedral Boys. It was a certain trip to "The Hole" with a boxing lesson accompanied by Polonius' speech to Laertes. At the climactic moment of—

"This above all: to thine own self be true,
And it must follow as the night the day,
Thou canst not then be false to any man"—

a hard left to the breadbasket followed by a right cross to the jaw, and the young critic of Shakespeare would be resting his hindquarters on the dirty canvas, acknowledging a newfound respect for the great Bard.

Oh, they were tough! They played no favorites but slowly we came to understand that they loved us in the stern Christian way of the Brothers, and we began to reciprocate. I can remember saying to one of my classmates about Brother Augustine, "Be careful of him, that SOB has eyes in the back of his head."

I graduated from Cathedral Boys in 1939. There were eight New York State Regents Scholarship winners in our high school class of forty students. We were just behind Stuyvesant High School, the best in the New York City system, enrolling more than a thousand. The Brothers sometimes frightened us out of our wits, but they took us from the streets of the City and gave us not only an introduction to learning but a pride about learning that has remained with me all my life.

This was the world in which I grew to adulthood. It was dominated by the unremitting and always inadequate efforts of our parents to find enough money to feed and clothe us. It was illuminated by the Church, whose schools and teachers gave us our first clear vision of what we might achieve with our lives. It was graced by the fresh-faced boys and girls whose lives we shared.

New York City was a wonderful city in the years just before World War II. We were poor, but the City gave us work and even an opportunity for dazzling success if we proved adequate to its demands for excellence. We were ignorant, but the City and the Church taught us not only the beauties of scholarship, but also how we might use our education to overcome prejudice.

New York City is a very different place now. The New York Irish have made it in a big way and have led the exodus into Westchester, Nassau County, and lower Connecticut. There are new minorities and new problems in the City.

Of course Morningside Heights is probably still the Acropolis of America as it was said to be in Nicholas Murray Butler's time, but the ambiance is now very different. In the days shortly after World War I, the President's House at Columbia was the scene of elegant parties. Great artistic and political figures of the world were asked to dinner by Mr. Butler and most of them accepted. An invitation from Nicholas Murray Butler was the ultimate in social climbing in a city peopled by master practitioners of the art.

Today the campus is caught up in the ferment of the Left-Bank environment of the upper West Side. It is an area crammed with prostitutes, gay people, poets, students, writers, union organizers, and a goodly number of stark raving lunatics attracted to our neighborhood by its colorful ethos.

Now the demonstrators come over to the President's House periodically at night to ring the doorbell and shout epithets. They represent every cause imaginable from gay liberation to freedom for the opponents of the Shah of Iran. We have become so inured to it all that I no longer go downstairs to argue with them and my wife no longer shakes her fist from the upstairs window. We simply pull down the shades, turn up the hi-fi, and resume our reading. We have even wired the doorbell so that it can be turned off from inside the house. Butler built his house like a fortress, and there are times when the McGills are grateful.

The Roman god Janus, with one face turned to the past, and the other toward the future, could not fail to recognize the destructive changes that have taken place in the City during our lifetime. The streets of the City are potholed and crime-ridden, the courts are non-functional, and the schools do not teach. These things, of course, most of them are minor irritants but somehow they are symbolic of a more general and more pervasive decadence. The churches, once jammed are now lightly attended. The Holy Name Society, so important in my youth, has virtually disappeared. The priesthood, once confident about its leadership, now searches for new ways to adapt its teaching to young people whose life styles and religious depth seem shallow and flawed. The schools of the City, once the best in the world, have spiralled downward as pupils have become harder to teach and teachers have become unionized. Nothing seems to be working properly.

As we have sought to deal with increasingly serious divisions in our society during the years since World War II, I am afraid that an attitude has been cultivated among our people saying, in effect, that large societal problems: the support of the elderly, the protection of children, education, the welfare of those unable to cope with modern life, and, of course, the health care needs of our people; that these large problems can be addressed only by government.

What began several generations ago as a warm-hearted and liberal-spirited attempt by the United States to care for the essential needs of our people has proceeded by a series of swift extrapolations to a dismaying form of social fragmentation in which a portion of our society has become acutely dependent on government support and bitterly demands more, while a different segment of our society is heavily taxed in order to provide the benefits and bitterly resents it. Neither segment feels any particular loyalty to the other. The entire mechanism of social services has become faceless, loveless, and bureaucratically impenetrable.

I am sure that none of this was ever intended. No one would deliberately set out to construct a national program for addressing critical human needs with the intention of seeing it end in such chaos. Now the City is overextended, unable to meet its commitments for rendering social services, unable to borrow, facing instantaneous and excruciating painful budgetary contraction with all the bitterness that such measures entail. But because of the prevailing attitude that these problems are only the government's problems, many of us now seem ready to stand by, accepting the role of passive observers.

There is little recognition of the elementary truth that our future safety and well being are in our own hands. If we remember what our parents and grandparents achieved, how can we accept such passivity when the City is in such trouble?

Our own families overcame problems just as serious as these three generations ago. Of course we cannot go back to the gentler times of our youth. It is the stuff of memories. But we can decide and must decide that we have a vital stake in what happens to New York City from this point on.

Voluntarism, self help, and personal involvement succeeded in building New York to a position preeminent in the world. The churches, schools, hospitals, and social agencies that were created by our predecessors were able to raise people up without robbing them of their basic dignity and without destroying their basic incentives. We need to restore that idea.

New York needs a rebirth of such voluntary effort. If the law makes it difficult, we must change the law. We must take our own neighborhoods and begin the process of uplifting by any means available. We must rebuild our churches, our schools, our hospitals, our social agencies with our own hands if we are to rebuild the strength of our City. Faceless bureaucracy and the philosophy that I will get mine no matter what happens to anyone else have led us unerringly to mutual hostility and near fiscal suicide. Let us accept that, learn from it, and begin once again patiently the reconstruction of the basic institutions of our neighborhoods.

New York City and the Catholic Church gave many of us our educations. The City and the Church taught us to revere scholarship and art, as well as to love those whose race or religion might be different from our own. The City also taught us how to fight. I want to give back something of what has been given to me by helping to make the upper West Side a better place in which to live.

In the long run that giving will become a source of great satisfaction and personal peace for all of us. It is also the path to heaven, something my mother taught me although she disapproved of my giving anything to St. John the Divine. God knows what she might have felt about the Jewish Theological Seminary.

My mother was all wrong about that. We are going to need one another more than ever in the days to come. A great deal remains for us to do. We must set about that work soon if we are to keep faith with the dreams of our parents and grandparents. They were equal to the problems of their times, and they would expect no less of us.

NEW YORK CITY PENSION PLAN—A BRIGHT SPOT AMID THE CLOUDS

Mr. PROXMIRE. Mr. President, as chairman of the Senate Banking, Housing, and Urban Affairs Committee I have been deeply involved with the fiscal affairs of New York City over the past several months. The Banking Committee, the Treasury, and others have each done its share of cajoling, criticizing, and urging New York City to put its fiscal affairs back in shape so that it can get back into the bond market and be self-sustaining.

Sometimes we become so critical we fail to give credit where credit is due. Such is the case with New York City's pension plan.

Mr. Richard Shinn, president of Metropolitan Life Insurance Co., is the chairman of a panel under Mayor Beame to examine New York City's pension plans and funds. Mr. Otto Kinzel heads New York State's Permanent Commission on Public Employee's Pensions. Independently they have come to some very interesting conclusions.

First, the funding of the five municipal pension plans is at a level twice as secure as that of the U.S. civil service retirement fund.

Second, they are more secure than many cities.

Third, they are more secure than many private plans.

This does not mean that everything is fine. Reforms need to be made. But it does put New York's pension plan problem in perspective.

Mr. President, I ask unanimous consent that two editorials from the New York Times of today on this subject be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

Runaway City Pensions

The need to put a brake on the runaway growth in the cost of municipal pensions is incontroverible, as Mayor Beame's Management Advisory Board has now proven.

On the basis of an actuarial study impressive for its freedom from partisanship or politics, the board concludes that the cost of the present multilayered retirement system—a cost that exceeds 40 percent of basic payroll—is far beyond anything in private industry and much too heavy a burden for this near-bankrupt city.

The reform recommendations by the Mayor's panel, under chairmanship of Richard R. Shinn, president of Metropolitan Life, run remarkably parallel to those made independently last month by New York State's Permanent Commission on Public Employee Pensions, headed by Otto Kinzel. They are, if anything, more stringent, than those of the Kinzel group. There can be no excuse for foot-dragging by the State Legislature this year on Albany action to implement both reports.

The Shinn analysis shows that in the last three years, despite a legislative moratorium on liberalization of existing programs, New York City's contribution to support of its retirement systems more than doubled to a current annual total of slightly over $1 billion.

Even with this mushrooming of city outlay, an additional $208 million a year is required to meet the full demands of solvency under the updated actuarial assumptions incorporated in the new study. These replace assumptions which in many cases had remained unrevised since World War I and, for the first time, inject realism into projections of what funding must be provided to guarantee civil service workers the benefits they are promised.

It is a measure of the detachment with which the panel executed its mission that the new funding requirements are at once reassuring and disturbing. They spike fears that the five municipal pension funds are so grossly underfunded that they are in danger of collapse. Rather, the overall funding is at a level twice as secure as that of the United States Civil Service retirement fund.

With assets equal to 42.5 percent of their accrued liabilities, the city's programs are on a par with many—though by no means all—major private funds. They are incomparably better off than the pension systems of cities and states that are on the roller-coaster of pay-as-you-go pension financing.

How To Control Them

But if that is good news, there is nothing pleasurable in the accompanying disclosure that another $208 million is needed to fund all liabilities over a forty-year period—the longest stretchout consistent with responsible fiscal management. The board wants to phase in this extra cost over a five-year period, beginning 1977, and to have the money come out of employee paychecks rather than out of the overstrained city treasury. Both proposals are sound.

The Shinn panel is also on the right course in urging that the city's own pensions be integrated with Social Security benefits, as suggested by the Kinzel commission. From the standpoint of equity, such integration would be preferable to going forward with the Mayor's present plan to pull out of Social Security altogether at the end of the current two-year notice period.

The basic need remains to rationalize a structure that gives municipal workers more money in retirement than they take home when they are employed. Even the most prosperous of cities could not support such a program. New York needs relief of the kind this excellent report proposes.

ENERGY DAY

Mr. STEVENS. Mr. President, yesterday my distinguished colleague from the State of Delaware, Senator Roth, addressed a group of public and private officials attending "Energy Day" at the University of Delaware in Newark. I was very impressed by the Senator's review of our progress toward energy independence and would commend his remarks to the attention of the other Members. I take special note of Senator Roth's view that the energy crisis presents a unique opportunity for States which are aggressive and single minded enough to seize the initiative. It is obvious that if the Senator has his way, his State will play a major role in the years to come.

Mr. President, I would ask unanimous consent that the Senator's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Speech by Hon. William V. Roth, Jr.

Dr. Trabant, ladies and gentlemen, thank you for the opportunity to discuss with you some aspects of the nation's energy crisis, especially as they affect Delaware.

I think it is fair to say that the welfare of the United States depends on how well we cope with the energy crisis. Inherent in the crisis is a threat to our standard of living, our economy, and our political and social systems, the very fabric of our society. Since we recognize the danger, we are not in immediate jeopardy. But there is enormous potential for harm if we fail to respond vigorously and responsibly.

We have taken the first steps. The Congress established the Energy Research and Development Administration, whose assistant administrator Austin Heller, is with us today. Then, in the space of three years, we established a multi-billion dollar program to explore every aspect of the energy crisis. Led by ERDA, the Federal government spent $2.5 billion on energy research in 1975 while private industry spent $800 million. Even now the first alternate energy devices are being marketed. One is the battery charger now being sold commercially which was developed here at the University of Delaware. Earlier, we saw an experimental electric car.

But these are only the first, modest steps. We have far to go. Our ultimate task is to find one or more environmentally safe energy sources adequate to meet the needs of the United States. We must explore the alternative sources, focus on one or more, develop the best prospects, and implement new systems. In those few words, I have just described what, in the perspective of hindsight, we may realize was a revolution. Our task is monumental.

Even the most modest projections assume that in order to maintain a healthy economy, our energy consumption must continue to grow at a rate of 2 percent per year. This would be a dramatic reduction from the present rate of about 3.6 percent, but a 2 percent growth rate still means that our energy consumption doubles in 35 years.

The easy way to double our energy is to increase imports. But we all recognize the foolhardiness of this. We are already vulnerable to the economic blackmail of an oil embargo. To expose ourselves further would be folly.

Nevertheless, the stark reality is that our domestic oil production is down 10 percent in the last three years; our natural gas production is down almost as much; and coal production shows only the slightest of increases. Indeed, the only statistic which seems to show an increase is the percentage of petroleum which we import. At the time of the embargo, we imported 35 percent of our petroleum. Today, despite efforts at energy independence, the figure stands at 41 percent.

We must reverse this short-term course.

Without going into too much detail, I see five additional sources of energy available to the United States at this time: conservation; bioorganic sources, such as wood or methane produced from fermented vegetable matter; solar and geothermal energy; other fossil fuels, such as coal; and, nuclear energy.

Conservation is an attractive option because it simultaneously reduces our energy needs and preserves our environment. Also, we realize immediate benefits from it. We have made some progress in this area through lowered speed limits and thermostats. But the great savings will be realized by increasing energy efficiency.

According to figures from the Joint Committee on Atomic Energy, about 50 percent of our energy production goes into waste heat. For instance, vehicles operate at only 15 to 20 percent efficiency and electrical generating plants operate at only 35 to 40 percent efficiency. Increasing these efficiencies is a technical problem that can and will be solved through the application of engineering expertise. Much work, I hope, will be done here at the University where a research and demonstration program is underway.

Perhaps our most novel experiments are in the field of bioorganic energy sources. In some projects, experimenters are producing hydrogen through photosynthesis. In others, methane, which is essentially the same as natural gas, is generated through fermentation.

Delaware is seeking to develop a program that combines both conservation and bioorganic experimentation. Some of you have no doubt read of our proposal to convert waste and refuse into energy. Over the past three years, the proposal has encountered one obstacle after another, but it now looks as if it will become reality.

We are also among the first to experiment with solar energy generation, thanks principally to Dr. Trabant and others. They were farsighted enough to recognize the potential of solar energy long before the rest of the Nation.

Because of their foresight, we are now a step or two ahead of the pack. Although there are many states and cities which want to establish solar energy research centers, our prospects are among the best. I am personally anxious to see us build on this early lead and use it for a springboard into all energy fields. But for the moment, we are concentrating on improving the solar facilities. Based on the many meetings I've had with ERDA officials, I think we stand an excellent chance at becoming a prime research center.

The uses of solar energy fall into two broad categories, space heating and cooling, and, the generation of electric power. As some of you may have already learned, 23 percent of our energy in the United States is consumed for residential and commercial space heating. If we can substitute solar energy for the current sources of that heating and cooling power, we can realize enormous savings. Our principal difficulty in utilizing solar power for these purposes is in storage, since the sun is not a continuous energy source. The University is making progress in both these areas. I personally expect solar energy's share of energy loads to increase through this decade and into the eighties. Indeed, as I said earlier, some devices are already on the market, including a battery charger developed here at the University.

Solar energy to generate large quantities of electricity presents more severe problems than using it for space heating. For instance, estimates are that under the very best solar circumstances, such as the perenially sunny southwest, we would have to install three square miles of solar collectors to equal the electricity production of an average central power station. Moreover, the ideal locations for solar generating plants are hundreds of miles from the areas needing the electricity. Consequently, the transmission lines would be very long, and the power loss very high.

For these reasons, it seems unlikely to me that large, central power stations will be available within the next few years. But smaller, central power stations could be put into operation within the 1970's. They can join wtih coal to start us on the road to energy independence.

So much has been written and said about the nation's vast coal reserves that I hesitate to dwell on this alternative. Suffice it to say that although estimates vary, most persons believe we can satisfy our energy needs for several lifetimes from domestic coal reserves.

Before we can use the coal, however, the nation must overcome substantial problems of production, transportation, and consumption. We presently are not geared up to produce large quantities of coal, nor are our rail facilities adequate for its transportation. Even assuming we can overcome these obstacles, there remains the major problem of consumption.

Three decades ago, coal was a major fuel source and most industries and many homes were equipped to burn it. Today, however, our homes and industries are designed and equipped to burn oil or gas. Before we can return to coal as a major energy source, we must convert our industries.

Secondly, we must take care to ensure that a step forward in energy independence is not a step backwards in cleaning up the environment. Put at its simplest, strip mining for coal devastates the land and reckless burning of it could seriously diminish our air quality. I am convinced that we can develop coal as a viable energy source, but we must not permit ourselves to be stampeded into giving up what we have worked so hard to obtain in the past decade.

Fossil fuels other than coal include oil shale and oil sands. But their production requires special technologies that would require years to develop. These technologies are already in place with regard to coal.

The coal technology not in place is being developed, both here and elsewhere. The University has a $200,000 grant from ERDA, in addition to $80,000 from the National Science Foundation. All of this is to help develop coal as a viable resource.

The technologies are also in place for some nuclear power. As you know, nuclear reaction is of two types, fission and fusion. Fission plants to generate electricity have been in use since the 1950's and are becoming more and more common today. Although the natural fuel for fission plants is uranium, only a small part of uranium is used. That is Uranium 235. Uranium 235 is scarce and, just as with oil, its supply is finite. Therefore, the contribution of fission plants is limited by the supply of uranium.

There are two potential solutions to this nuclear dilemma: the breeder reactor and fusion power. Fusion power is, unfortunately, three or more decades from reality. But breeder reactors can be on line in a matter of years. Put simply, a breeder reactor produces fuel while generating electricity. It produces more fuel than it burns, so a power industry based on the breeder reactor could supply all of our electrical energy demands in the foreseeable future. But many problems remain to be solved before the breeder reactors can be placed on line. Not the least of these is safeguarding the high-grade fuel from theft. I personally am gravely concerned by this danger.

Whether it's the atom, the sun, or coal, that supplies the power, finding and developing energy alternatives to oil and gas is but the start of our problems.

The United States' vast stock of equipment to transport and process energy products and equally vast stock of conversion equipment—turbines, motor vehicles, kitchen ranges, etc.—locks the nation into prevailing patterns of energy consumption in terms of both the source of primary energy (conventional hydrocarbons) and the form in which it is used (largely liquids and gases). Last year, coal accounted for only 18 percent of the total energy consumed in the U.S., with more than two-thirds of it used by electric utilities. Oil accounted for 46 percent of energy consumed, natural gas 30 percent, nuclear power 2 percent and hydroelectric power 4 percent. The relative importance of these several sources of primary energy changes very slowly. Conversion from one primary source to another will be slow due to the need to amortize many billions of dollars worth of capital equipment and durable consumer goods, problems in obtaining delivery of the involved new capital goods, limitations on private industry's ability to finance conversion, pollution control standards and restrictions, siting problems and the long-time lag between the initiation and completion of major projects. For nuclear power plants, the current time lag is about 10 years.

Until we can make the changeover, our first priority must be maximizing the oil and gas reserves of the United States. We are now doing this. The Alaska oil pipeline is nearing completion and construction should start on the natural gas pipeline in the relatively near future. Simultaneously, we are preparing to explore for oil and gas along the Continental Shelf. The Department of the Interior expects to sell the first leases sometime this summer. Since the first tests indicate that extensive oil reserves are located in the mid-Atlantic, we could see the first petroleum from these areas within a couple years. In addition, some of the Naval Reserve fields have been opened up, so they soon should start contributing to the flow.

If we can successfully balance these approaches—maximizing oil and gas production while increasing non-petroleum energy substitutes—we stand a good chance of stabilizing our economy and maintaining our standard of living. It will require years of hard work and sacrifice, but the end will be worth it. And throughout the years, but especially now, there will be opportunities, both for the Nation and Delaware.

Of all the States, Delaware is best situated to take advantage of the great changes which will flow from our national efforts. And from Delaware's combination of resources, the Nation itself can profit.

As many of you know, Delaware has more scientists and engineers per capita than any other State in the Nation. One of every two hundred Delawareans is a doctoral level scientist or engineer. That is more than twice the per capita ratio of our nearest rival, which is New Mexico, where they have extensive Federal research facilities. Below the doctoral level, Delaware has an equally great pool of engineers. Just within a few miles, at DuPont's Louviers site, there are 1500 engineers.

Similarly, our research and industrial facilities are among the best—there are many who would say they *are* the best—in the world. Between the DuPont, Hercules, and ICI Corporations we have 31 major laboratories in Delaware. Those laboratories and other facilities, combined with the capabilities the Universities and our cadre of colleges provide us with unparalleled capabilities.

Delaware Technical and Community College, Wesley College, Delaware State, Brandywine and Wilmington Colleges all have excellent facilities and people.

But Delaware has more than mere research capabilities. We possess an attitude of cooperation between the public and private sectors, a recognition that each has something to contribute. That is extraordinarily important, because in the long run we must rely upon private enterprise to manufacture and market our energy devices. Although it has now been more than thirty years ago, I believe the Federal government recognized this unusual capacity when it selected DuPont to manage the Manhattan Project. That the attitude still exists is shown by the fact that the University's ideas in solar energy are not developed and allowed to die. Rather, they are molded into marketable projects, such as the battery charger.

The new industries which are spawned by energy research will be clean and responsible, the kind we have always sought and always welcomed. They are also the kinds of industries which will take the lead in solving the energy problems of the United States.

The Federal government would, I believe, do well to look to Delaware for cooperation in the energy effort. But we Delawareans cannot expect opportunity to come to us. We must seek it out, aggressively and vigorously.

To help coordinate these efforts, I organized a task force on energy a couple years ago. The members, who include a representative of the University as well as those from industry, have met regularly and worked selflessly without recognition. I would like to take this opportunity to recognize them:

Former Senator J. Caleb Boggs;

Dr. Monroe Sadler, Assistant Director of the Central Research and Development Department of DuPont;

Dr. Ralph K. Gottshall, Chairman of the Task Force, former board chairman of Atlas Chemical Company, now ICI, and present member of the board of ICI;

Dr. Irvin Greenfield, Dean of the Engineering Department of the University of Delaware;

Mr. John Jardine, Vice President of Dover Gas Division of Chesapeake Utilities Corporation;

Dr. Donald E. Ross, President of Wilmington College.

In addition to these members Mr. Gottshall will soon be appointing additional members including a representative of the Governor.

Today's meeting results, at least in part, from the efforts of the Task Force.

After the Task Force was formed, we must list a number of ERDA officials, including ERDA Administrator Robert Seamans and the Assistant Administrator, Austin Heller. As many of you may recall, Dr. Heller is a Delawarean and former Secretary of the Department of Natural Resources. I might add that he did a commendable job.

We were actually meeting with Dr. Seamans and Dr. Heller to assure, insofar as possible, that the University was included in Federal plans for solar energy research. During the course of one meeting, Dr. Heller suggested a Statewide meeting of public and private officials interested in Delaware's role in the energy crisis. Heeding his suggestion, we approached the University. Today is the result.

I want to be sure however, that today's meeting is the beginning, not the end. Those of us here today are a nucleus who can help our State seize the opportunity presented by the energy crisis. I will help whenever and wherever I can. I will open doors or close doors, bend ears, write letters, push or pull as far and as hard as I can ethically and legally. But the initiative must be taken by each and every one of you.

Delaware seems to be at about the same point now that it was several years ago with respect to marine and coastal affairs. Our marine studies program at the University was small. Our commercial fishing industries had withered and almost died. Our wetlands and marshes, beaches and oceans were threatened. Now, about ten years later, we have a vigorous, healthy college of marine studies, one of the best in the nation.

Thanks to energies of its faculty members, together with the understanding and hard work of government and industry, our water-related businesses are returning, our beaches are the envy of our neighbors, and our marshes and wetlands remain in a natural state. This turn-around was the result of aggressivenes, hard work, and imagination. When the opportunity arose for me to help—by opening a door in Washington, or otherwise—I did. So did others.

Those same qualities of aggressivenes, cooperation, and hard work can be exercised to place Delaware in a position of national leadership in the field of energy. This is a tremendous challenge and a great opportunity. Now we must seize it.

EROSION OF THE INVESTOR-OWNED-UTILITY TAX BASE

Mr. METCALF. Mr. President, it was my privilege to be presiding over the Senate yesterday when a good deal of the discussion on tax policy and tax reform took place. I join my colleagues in applauding the Senator from Massachusetts (Mr. KENNEDY) for organizing the discussion at this very sensitive tax time, just before the final date for payment of Federal income taxes.

Several of the Senators yesterday mentioned the erosion of the tax base and the resultant shift of the incidence of tax upon individual taxpayers. This shift has been noted by others in the course of the discussion, but I repeat it here in order to contrast the rise in contribution by the individual taxpayer and the decrease in like contribution by the largest industry in the United States, the so-called investor-owned utilities, the IOU's.

According to the Library of Congress, Federal income taxes paid by individuals accounted for 61.7 percent of total income taxes collected by the Federal Government in 1955. By 1965, the proportion of Federal income taxes paid by individuals had risen to 65.7 percent. Last year individuals paid a whopping 75.1 percent of the total income taxes collected by the Federal Government.

On the other hand, in 1955, the utilities paid a little over $1 billion in Federal income taxes on total revenues of $6.9 billion. They paid 14.7 percent of their revenues in Federal income taxes while earning profits of 10.8 percent as a return on shareholders' equity.

The most recent available data shows that, by 1974, investor-owned electric utility revenues had increased over six-fold to $42.2 billion while retaining their level of earnings at 10.8 percent return on shareholders' equity. Yet the IOU's paid Federal income taxes of only $528 million in 1974 on net income of $5.3 billion. In other words, while still earning the same level of profit on vastly increased amounts of shareholder equity, the IOU's managed to pay only 1.3 percent of their revenues in Federal income taxes compared to the 14.7 percent of revenues that went to Federal income taxes in 1955.

Over one-third of the major electric utilities paid no Federal income taxes at all in 1974. Instead, they accumulated tax credits totaling more than $218 million.

Mr. President, the legal tax evasion of the investor-owned electric utilities is without equal, even among such notable tax dodgers as banks and oil companies. Any discussion of the corporate tax base must include an acknowledgment of the freedom from Federal income taxes achieved by the IOU's.

I also want to make a special comment about another matter of tax shelter, that is tax-loss farming. Several years ago in this Chamber I lost my fight to close the tax loss farming loophole. In 1966, this tax shelter saved $72 million for taxpayers, some of whom had incomes of over $100,000.

The failure of Congress in 1969 to enact this reform was an immense encouragement to an infant industry—the farm tax shelter business. According to a study prepared last September for the use of the Committee on Ways and Means, the fast growing business aggregated "tax shelter" offerings in partnership form registered with the National Association of Securities Dealers was $942,424,000 in cattle feeding and breeding ventures, and $166,575,625 in vintage and other farming shelters.

A loss to the Treasury of only $72 million from the richest taxpayers in 1966 grew, with the help of the industry, to $188 million in 1972.

Apart from the losses from this advance skimming of Treasury receipts is the substantial competitive advantage to the taxpayer that has a direct and highly adverse consequence for his neighbors who are not similarly placed. We have a practice that permits an investor with a large nonfarm income to buy into a cattle feeding syndicate or vineyard, or other shelter, for the express purpose of offsetting that nonfarm income, his embarrassment of riches, for up to as much as 100 percent of it.

His investment—with those of his partners—directly affects the price his neighbor receives for his cattle or calves, the prices he pays for feed and all of those things associated with production, including the cost of land. His investment affects the return to the real farmer on his investment—for the worse.

Such a man has two enormous advantages over the working farmer; he may artificially defer income and he may convert his income to capital gains. He is able to deduct from current income expenses associated with improvement to a property that, when it becomes too profitable, he sells as a capital gain. If he is in the cattle business, the breeding expenses that relate to income to be realized in a future year are currently deducted against nonfarm income.

Such a man courts losses on his farm operation. What does he care if the bottom falls out of the market? What does he care about inflated land prices? He is saving taxes.

A bona fide cattle producer in the cow-calf business cannot compete with the man who makes a way of life of losses. For him, there is no such thing as an artificial loss; they are all too real and painful. While the tax loss farmer accumulates capital out of current receipts, the real farmer borrows it. Where the latter must sell his crop, at a fair price, the tax loss cultivator can bide his time, take a loss, and put red ink to work on an oversize income from other sources and thrive. When the market is right, he sells and pays a capital gain, subject only to a very limited recapture under section 1251.

The real farmer cannot compete against the syndicate or the individuals who make it up, nor can he compete against the corporate farm.

Mr. President, I ask unanimous consent to place in the Congressional Record at this point in my remarks the text of a timely article on this issue from the latest edition of AGBIZ Tiller, an article written by A. V. Krebs.

There being no objection, the article was ordered to be printed in the Record, as follows:

In California the large corporate domination of agribusiness has become a way of life. There, Tenneco, Inc., seeks to establish its control of food, in the words of one of its corporate executives, "from seedling to supermarket."

Tenneco, Inc., a pipelines system, oil operations, chemicals, manufacturing, shipbuilding, packaging, agricultural and land development corporation, earned in Fiscal 1975 over $5 billion and boasted a profit of $321.5 million. Its assets total $6.4 billion; its rank among all U.S. corporations and its rankings in various agribusiness categories make it a formidable economic and political power in just about any area of business it chooses to enter.

Tenneco executives, while speaking fondly of their "seedling to supermarket" goal, at the same time also strongly deny that they are a vertically integrated operation. They claim their Sun Giant Products subsidiary does not buy its pesticides from the chemical division or its tractors from the J. I. Case subsidiary, or its packaging material from Packaging Corporation of America.

Given its intricacies of corporate bookkeeping, which are well shielded by the dim light cast on them by our present disclosure laws, it would be difficult to prove Tenneco right or wrong on its claim. Yet, even if it is true, the pervading role Tenneco maintains in the agricultural production sector and the agriculture input and output industries, gives it so much economic control that in practice it is a vertically integrated agribusiness corporation.

Mr. **METCALF**. Tenneco can shrug off sizable farm losses while family farmers, selling in the same market, would fail. Family farmers are being driven off the land in increasing numbers and it has grown almost impossible for a young man to enter farming. The principal barrier is the inflated cost of the land, costs that have been forced up by the tax shelter and integrated food industries.

We may talk of relief in the form of an increased estate tax exemption, and I am cosponsoring legislation for this purpose, even though the hobby farmer, who does not need it, will benefit with the real farmer, who does. We may work for a Young Farmers Homestead Act, after the Canadian model, legislation introduced by Senator McGovern that I am cosponsoring.

We may support measures to increase low interest loans for farmers within the framework of the Farmers Home Administration. But all of these measures taken together, however worthy, are not directed to the source of the inequities that are rapidly making family farming a thing of the past.

Mr. President, if we agree that under current law and a hostile Department of Agriculture the economy of rural America is threatened, we must end the practice that above all others fosters this condition.

Congress must close the shelters in existing tax law for tax loss farmers, and for investors in tax shelter syndicates; we must sharply limit the amount of nonfarm income that may be offset; we must limit artificial losses; we must end the accounting advantages by which, according to the committee print prepared by staff of the Joint Committee on Internal Revenue Taxation, both "farmers and farm investors can shelter not only their nonfarm income—by preproductive period cost deductions—but also part of their annual farm income from crop sales after the property reaches its productive period." We must revise or replace section 1251 of the Tax Reform Act of 1969 so that the taxes intended to be recovered are in fact recaptured. Except for subchapter S or family corporations, we must require all corporations to use the accrual method of accounting for farm operations, so that a conglomerate taking losses on its subsidiary farm operation that is on the cash accounting basis may not use those losses to offset the profits of another subsidiary that is on the accrual basis.

I hope the Senate will support this necessary reform.

Mr. President, I ask unanimous consent that an excerpt from a report prepared for the use of the Committee on Ways and Means of the House of Representatives entitled "Tax Shelters: Farm Operations" be printed in the Record.

There being no obection, the excerpt was ordered to be printed in the Record as follows:

GENERAL

Farm operations generally involve raising animals and plants to provide food and fiber in the United States and abroad. As with other businesses, most taxpayers are engaged in farming operations principally in order to derive economic profits from them. Some taxpayers, however, acquire farms or ownership interests in farm activities because several special tax rules that apply to farm operations can be used to shelter income earned in other economic activities. The major tax advantages are a deferral of tax payments for one or more years, deferral until the taxpayer's taxable income falls to a lower marginal tax bracket, or conversion of the income (and the tax rate) from ordinary income to capital gain.

Tax deferral usually results from the current deduction of costs which are associated with the income which will not be reported until a later taxable year. Examples of costs which can be deducted before the related income is recognized are feed costs for animals which will not be sold until the next taxable year and costs of developing breeding animals, vineyards, and orchards.

Conversion occurs where capital and development costs have been deducted in the year incurred against ordinary income from other sources (instead of being capitalized and depreciated) and then in a later year the fully developed farm operation is sold at a capital gain.

Farm operations vary in size from small family farms to large multi-unit farms. The types of ownership in which taxpayers engage in farming vary from sole proprietorships, family partnerships and family corporations to large corporations and nationally syndicated limited partnership with passive investors.

Farm operations are governed by special tax rules, many of which confer tax benefits on farming activities and on persons who engage in farming. Some of these special rules reflect an historical intent to simplify recordkeeping for farmers; other rules provide incentives for farmers to engage in land improvements and other activities. Still other farm rules are intended to correct abuses of the special farm tax rules. These corrective rules have been added (particularly in the Tax Reform Act of 1969) because in recent years high-bracket taxpayers such as business executives, doctors, lawyers, entertainers, athletes, and other investors whose principal occupations are outside of farming, have invested in farming operations that generate farm "tax losses" which they use to shelter nonfarm income.[1]

Where individual investors with large nonfarm incomes begin farming on a part-time basis or become passive investors in farm activities, certain deductions, which are currently allowed under the special farm rules, become attractive. These deductions, which are deliberately sought by nonfarmer investors are used to reduce their income from other sources. Furthermore, when the property stops providing tax losses and starts producing taxable income, many investors in farm syndicates dispose of their investments.

Like the outside investor, many "full-time" farmers or ranchers (that is, those individuals whose principal occupations are farming) also have other sources of income (from investments, from nonfarm employment or from nonfarm businesses) and can also utilize farm "tax losses" to shelter their nonfarm income.

PRESENT LAW

Use of the Cash Method Without Inventories:

Taxpayers engaged in farming may report their income and expenses from farm operations on the cash method of accounting, without accumulating inventory costs. Farmers may also deduct the cost of seeds and young plants purchased in one year which will be sold as farm products in a later year.[2] This rule contrasts with the tax rules which govern nonfarm taxpayers engaged in the business of selling products, who must report their income using the accrual method of accounting and must accumulate their production costs in inventory until the product is sold.[3]

The special inventory exception for farmers was adopted by administrative regulation more than fifty years ago. The primary justification for this exception was the relative simplicity of the cash method of accounting which, for example, eliminates the need to identify specific costs incurred in raising particular animals.

In cases where inventory costs are deducted in a year earlier than the year in which the related income is received, such accelerated deductions create a "loss" which is used to offset a taxpayer's other income When the income related to these accelerated deductions is realized in a later year, it will be in a greater amount than if the accelerated deductions had been deferred and matched against the income. The net effect of the acceleration of these deductions is the deferral of taxes on the taxpayer's other income.

Current Deduction for Development Costs of Business Assets:

The Treasury has long permitted farmers to deduct currently many of the costs of raising or growing farm assets (such as costs related to breeding animals, orchards and vineyards) which are held for the production of income. In similar nonfarming businesses (such as manufacturing), these costs generally are treated as capital expenditures and are depreciated over their useful lives.[4] Typically, the development costs of certain farm assets can be expensed. These assets are used in a taxpayer's business and may eventually be sold at a gain which is taxed at the lower capital gain tax rate. Since development costs can be deducted before the income is realized from the sale of livestock or crops, the development costs may offset a farm investor's income from other sources such as salaries, interest, professional fees, etc.

Current Deduction of Certain Land Improvement Expenses:

Certain provisions of present law allow specific types of capital improvements to farmland to be deducted when the taxpayer pays them. These costs include soil or water conservation expenditures (sec. 175), fertilizer costs (sec. 180), and land clearing expenses (sec. 182). Similar capital expenditures in a nonfarm business would be added to the basis of the property and, since land is nondepreciable, could be recovered only out of the proceeds when the land is sold.

Capital Gain Treatment for Sales of Assets Developed Through Deductible Expenditures:

Capital gain treatment is generally available on the sale of depreciable assets used in farming (as well as on the sale of the underlying farmland itself), even though these assets or land may have been developed or improved by expenditures which were deducted against ordinary income.[5] Thus, an investor or farmer can combine deductions from ordinary income for expenses of raising the livestock or developing an orchard or vineyard with capital gain treatment when he sells the breeding animals, orchards, or vineyards. (Capital gain treatment is not available to the extent that various recapture rules of present law are applicable.)[6]

Accelerated Depreciation: After breeding animals, vineyards or orchards reach maturity and are held for the production of annual crops, farmers and farm investors continue to receive tax benefits through deductions for accelerated depreciation. For example, an investor or rancher can deduct his costs of raising breeding animals (but not the purchase price) and, after purchased animals reach maturity, he can use 200 percent declining balance depreciation on the purchase price of the animals which he originally purchased for the herd.[7]

Under the Asset Depreciation Range System (ADR), the depreciable lives of farm assets are relatively short. For breeding or dairy cattle, the ADR range is 5.5–8.5 years. For breeding or work horses, the ADR class life is 8–12 years; for breeding hogs, 2.5–3.5 years; for breeding sheep and goats, 4–6 years; and for farm machinery and equipment, 8–12 years.

Accelerated depreciation under a 150-percent declining balance method is also available for new farm buildings and for the costs of purchased vineyards and orchards. The capitalizable costs of vineyards and orchards planted by the taxpayer may be depreciated on a 200-percent declining balance method.[8]

The opportunity to claim accelerated depreciation on breeding animals, orchards and other farm capital assets which have reached maturity means that farmers and farm investors can shelter not only their nonfarm income (by preproductive period cost deductions) but also part of their annual farm income from crop sales after the property reaches its productive period.[9]

Investment Credit: The investment credit is available to farmers and farm investors for personal property used in farming. Livestock (except horses) held for the production of income, orchards and vineyards, and other tangible property such as fences, drain tiles, paved barnyards, water wells and storage facilities may qualify for the investment credit.

Leverage:

A taxpayer who invests directly in a herd of feeder cattle, a vineyard, or other farm property (including investment through agency relationships where the taxpayer signs a management contract with another person to operate the business on his behalf) can take advantage of leveraging to increase the amount of his deductions in a farm investment. Thus, if the taxpayer can borrow funds to pay for deductible expenses he may deduct amounts in excess of his equity capital in the farm operation.

Similarly, if an investor becomes a partner in a farming partnership, he may be able to deduct amounts in excess of his equity capital in the partnership if the partnership is financed in part by nonrecourse obligations.[10]

Expenses of Syndication:

Until recently, in the case of a farming partnership, as in the case of tax shelters generally, it has been the common practices for limited partners to deduct the payments made to the general partner for services in connection with the syndication and organization of the limited partnership. However, in Rev. Rul. 75–214 (I.R.B. 1975–23, 9), the Service ruled that such payments to general partners constitute capital expenditures which are not currently deductible. Nevertheless, because of the past practice of taxpayers deducting these payments, it might be appropriate to clarify the law in this area.

TAX REFORM ACT OF 1969

In the Tax Reform Act of 1969, Congress made several changes in the tax law that were designed to reduce the deferral and conversion benefits for farm investors.

Recapture of Certain Farm Losses:

Section 1251 requires a limited recapture as ordinary income (rather than capital gain) of previous farm tax losses whenever assets used in a farming business are sold or disposed of. If, in previous years, an individual taxpayer whose nonfarm income exceeded $50,000 in a year used the cash method of accounting and incurred a farm loss larger than $25,000 in the same year, the farm loss in excess of $25,000 must be recorded in an "excess deductions account (EDA). Any gain that would otherwise be treated as capital gain on the later sale of farm assets must be reported as ordinary income to the extent of the balance in the taxpayer's EDA account at that time.

A farmer who elects to report his farm operations on an accrual method of accounting (and who thus uses inventories) is not subject to the EDA rules.[11]

This provision continues to allow a farm investor who uses the cash method of accounting to defer current taxes on his nonfarm income. It merely places a potential limit on the amount of ordinary nonfarm income which may be converted to capital gain in a future year. Thus, even where an EDA account must be maintained, this provision reduces conversion benefits but does not affect the time value of deferring taxes on nonfarm income or (in the case of depreciation deductions) on annual farm crop income.

Recapture of Improvements to Farm Land:

Section 1252 recaptures amounts previously deducted as soil and water conservation and land clearing expenses if farmland is sold within 5 years after acquisition. If the land is held for a longer period, the amount recaptured is reduced by 20 percent for each year over 5 years that the property

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Footnotes at end of article.

is held. Thus, if the land is held more than 10 years, there is no recapture.

As in section 1251, this provision prevents (to some extent) farm investors from converting nonfarm income (previously offset by ordinary farm deductions) into capital gain when farmland is sold. This provision does not, however, prevent the initial deferral of taxes on nonfarm income.

Capitalization of Development Costs of Citrus and Almond Groves:

Section 278 contains a special rule which requires the capitalization of all amounts attributable to the planting, cultivating, maintaining or developing citrus groves incurred during the first four years after the grove was planted.

This provision was enacted as a result of a concern that tax-shelter syndicates were engaging in citrus grove operations primarily to obtain current deductions for development expenses, and that the influx of these ventures into the citrus growing industry distorted the economics of the industry to the detriment of full-time citrus growers. For example, since a portion of the syndicate's return was in the form of tax benefits, it could accept lower prices for the sale of the crop than full-time farmers.

The Revenue Act of 1971 extended this capitalization rule to almond groves.

Lengthened Holding Periods for Noninventory Livestock:

The holding period for long term capital gain treatment of cattle and horses held for draft, breeding, dairy, or sporting purposes (such as horse racing) was lengthened to 24 months (sec. 1231(b)(3)). The minimum holding period for other livestock held for such purposes was lengthened to 12 months.[12]

One effect of this rule is that many sales of "culls" from a breeding herd (animals originally held for breeding purposes but eliminated from the herd) are taxable at ordinary income rates, since many culls are sold within 24 months.

Depreciation Recapture for Livestock:

Livestock depreciation after 1969 was made subject to recapture when the animal is sold (sec. 1245). This rule has little adverse effect on the fulltime rancher, who typically raises most of his own livestock and therefore has no depreciable cost basis in most of his animals. This rule adversely affects those farm investors, however, who purchase breeding animals out of a short-term preoccupation with accelerated depreciation deductions.[13]

Tax-Free Exchange of Livestock:

The statute was also amended in 1969 to prevent tax-free exchanges of livestock of different sexes (sec. 1031(e)). Such exchanges had previously been used to enable a rancher (or ranch investor) to build up his herd free of current tax by exchanging bull calves, most of which are not used for breeding purposes, for heifer calves which could be used to increase the size of the herd.

Activities Not Engaged in for Profit:

This provision limits the current deduction of expenses in an activity which a taxpayer engages in other than "for profit" (sec. 183). Although section 183 is not limited to farm investors, it may adversely affect high-bracket taxpayers who enter farming chiefly as a tax shelter. The rule attempts to separate activities which a taxpayer carries on principally as a hobby or for personal purposes and those which he intends to conduct as a profitmaking business. A taxpayer is presumed to be engaged in an activity for profit if the activity shows a profit in at least two of five consecutive years.[14] If an activity is found not to be engaged in for profit, expenses can be deducted only to the extent that income derived from the activity exceeds deductible interest, taxes and casualty losses.

ADMINISTRATIVE RULINGS

After a period of litigation over its authority to implement its ruling position on prepaid feed, the Internal Revenue Service has recently published a revenue ruling setting forth administrative criteria under which taxpayers on the cash method of accounting can deduct payments for feed not consumed during the taxable year of payment. Revenue Ruling 75–152, I.R.B. 1975–17, 15, states that, in order to be deductible, the payment must not be a deposit; there must be a business purpose for the timing of the feed purchase; and the deduction must not create a material distortion of income. If any one of these tests is not satisfied, the Service will permit the deduction only as the feed is consumed by the livestock.

The Internal Revenue Service has also published various administrative positions (which are also common to other tax shelters) relating to the deductibility of prepaid interest, to the treatment of certain nonrecourse obligations as equity investments rather than debt, and to the classification of certain partnerships as corporations. The administrative positions are summarized in the staff's pamphlet on the *Overview of Tax Shelters*. One of the most important of these rulings for farm operations (as well as tax shelters generally) is in Rev. Proc. 74–17, 1974–1 C.B. 438, where the Service set forth certain guidelines which it will apply for advance ruling purposes in determining whether the formation of a limited partnership is for the principal purpose of reducing Federal taxes.

If the requirements of the Revenue Procedure are not satisfied, no ruling letter will be issued. However, the taxpayer is still free to argue (with an Internal Revenue agent, or before a court) that he is entitled to the deductions claimed in connection with the partnership.

The Service guidelines are as follows:

(1) All of the general partners, in the aggregate, must have at least a one percent interest in each material item of partnership income, gain, loss, deduction or credit.

(2) The aggregate deduction of the limited partners during the first two years of the partnership's existence cannot exceed the amount of the equity investments in the partnership.

(3) No creditor who makes a nonrecourse loan to the partnership may acquire, as a result of making the loan, any direct or indirect interest in the profits, capital, or property of the limited partnership, other than as a secured creditor.

PROBLEM

Impact of the 1969 Changes:

Despite the restrictions imposed by the Tax Reform Act of 1969, a large increase occurred after 1969 in the use of farm tax rules to shelter nonfarm income. In particular, the number and volume of publicly syndicated investments in almost all areas of agriculture increased substantially. Farm tax benefits have been effectively packaged and sold to high-bracket taxpayers through limited partnerships and management contracts for investments in cattle feeding, cattle breeding, tree crops, vegetable and other field crops, vineyards, dairy cows, fish, chickens and egg production. Sales and leasebacks of existing farmlands by fulltime farmers to outside investors have also been offered. During the five and one-half years between January 1, 1970, and July 1, 1975, the dollar amount of tax shelter offerings in partnership form registered with the National Association of Securities Dealers was $942,424,000 in cattle feeding and breeding ventures and $166,575,625 in vintage and other farming shelters.[15] (There are many more public and private syndications which are not required to be registered.)

From another viewpoint, Table 1 shows the average farm loss reported for tax purposes since 1969 by individual taxpayers in different income brackets. This table shows that farm losses have increased as taxpayers' income levels have increased, and that this trend has remained consistent during the three years covered by the table. The fact that the largest farm losses are concentrated in income levels over $100,000 suggests that high-bracket taxpayers have continued to make use of the special farm tax rules to shelter nonfarm income.

Since deductions from tax shelters (from farming or other investments) reduce a taxpayer's adjusted gross income. Table 1 does not show the full extent to which farm losses are being used by wealthy taxpayers to shelter nonfarm income.

TABLE 1.—NET FARM LOSSES BY SIZE OF ADJUSTED GROSS INCOME

Adjusted gross income	1970		1971		1972	
	Number of returns showing farm loss	Average farm loss	Number of returns showing farm loss	Average farm loss	Number of returns showing farm loss	Average farm loss
All returns—total	1, 234, 092	($2, 350)	1, 290, 203	($2, 540)	1, 171, 591	($2, 758)
Total net farm loss (thousands)		(2, 899, 513)		(3, 277, 548)		(2, 230, 956)
Under $5,000	485, 531	(2, 659)	475, 983	(2, 969)	363, 492	(3, 281)
$5,000 under $10,000	379, 947	(1, 576)	385, 338	(1, 664)	325, 492	(1, 879)
$10,000 under $20,000	284, 652	(1, 669)	327, 808	(1, 822)	354, 754	(1, 852)
$20,000 under $50,000	63, 949	(4, 202)	78, 358	(4, 087)	100, 840	(3, 894)
$50,000 under $100,000	14, 697	(9, 473)	16, 575	(9, 527)	19, 642	(9, 607)
$100,000 under $500,000	5, 012	(21, 016)	5, 787	(20, 903)	6, 941	(21, 784)
$500,000 under $1,000,000	210	(43, 143)	252	(52, 516)	301	(50, 296)
$1,000,000 or more	94	(128, 149)	102	(134, 069)	129	(170, 481)

Source: U.S. Treasury Department, Statistics of Income—Individual Income Tax Returns, 1970, 1971, 1972.

Footnotes at end of article.

Table 2 shows the impact of the farm loss recapture rules of section 1251 of present law. In terms of numbers of returns, the returns which show nonfarm income of $50,000 and higher and a net farm loss of $25,000 or more have generally been less than one percent of all returns which report both nonfarm income and farm losses. In terms of the dollar amount of farm losses which are required to be placed in an EDA account, Table 2 also shows that section 1251 affects no more than 8 percent of all farm losses reported on returns which show both nonfarm income and farm losses.

TABLE 2.—IMPACT OF SEC. 1251 OF PRESENT LAW[1]

[Money amounts in thousands of dollars]

	1969		1970		1971	
	Number of returns	Net farm loss	Number of returns	Net farm loss	Number of returns	Net farm loss
Returns showing nonfarm adjusted gross income—total	1,128,413	$2,465,610	1,202,914	$2,776,871	1,288,185	$3,184,109
Farm loss under $25,000	1,119,693	1,993,499	1,913,262	2,281,637	1,277,582	2,602,966
Farm loss $25,000 or higher	8,720	472,111	9,652	495,234	10,603	581,143
Effect of existing farm recapture rule (sec. 1251):						
Returns showing nonfarm income $50,000 and higher and net farm loss of $25,000 or more	5,251	328,833	5,228	319,433	5,810	373,752
Less $25,000 exemption per return		131,275		130,700		145,250
Amount of farm losses subject to potential § 1251 recapture		197,558		188,733		228,502
Percentage of total net farm loss subject to recapture		8		6.8		7

[1] Sec. 1251 of present law requires that taxpayers engaged in farming establish an excess deductions account containing the portion of any farm loss above $25,000. This account must be established only if the taxpayer's nonfarm adjusted gross income exceeds $50,000 in the same year. The figures above show the effect of these limitations in relation to total net farm losses shown on all returns reporting nonfarm income.

Source: U.S. Treasury Department, Statistics of Income—Business Income Tax Returns, 1969, 1970, and 1971. The figures shown cover individuals receiving farm income and who filed Schedule F (farm income and expenses).

Deferral Shelters Generally:

High-bracket taxpayers have continued to use farm tax rules to shelter nonfarm income because, except for citrus and almond groves, the restrictions in present law do not prevent the initial deferral of taxes on nonfarm income by means of accelerated deductions incurred in farm activities. Present law focuses largely on recapturing some deductions which otherwise would be used to convert ordinary income into capital gain, and on denying capital gain treatment by increasing the holding periods for farm assets. However, farm expenses are still deductible as they are paid, under the cash method of accounting. The time value of deferring taxes on nonfarm income remains a strong attraction for "outside investors" to invest in farming and to use as much borrowed money as possible to create farm "tax losses."

The tax benefits of deferral are less attractive to taxpayers in lower marginal tax brackets because each dollar of deductions results in a smaller amount of taxes being deferred. A taxpayer who is in the 50-percent marginal tax bracket because of the maximum tax on earned income provision, in particular, may be reluctant to use a deferral shelter since the income reportable in later years may well be taxed in higher brackets than the income offset by the farm tax losses. Assuming a rate of return of 7 percent tax-free on the deferred taxes, a taxpayer would have to shelter income for 5 years to offset the increased tax due to an amount being taxed in the 70-percent bracket rather than the 50-percent bracket.

From a tax shelter point of view, farm investments offer deferral of taxes on nonfarm income where deductible expenses are incurred in the year or years prior to the years when the revenu associated with them is earned.[17] This type of deferral occurs regardless of whether the proceeds upon the later sale of the underlying farm products are taxed at ordinary income rates or at capital gain rates.

The period of deferral can be relatively short, involving expenses incurred at the end of one calendar year and sales of the farm product during the next year, or relatively long (where trees or vines take 7–10 years to reach a fruit-bearing stage). Where the deferral period is short, the transaction is often referred to as a "rollover" because the taxpayer merely delays (or rolls over) the tax on his nonfarm income from one year to the next.

Footnotes at end of article.

A. Cattle feeding

Cattle feeding offers one of the best known and, until recent downturns in the farm economy, most widely used deferral shelters.

Typically, the investment is organized as a limited partnership or as an agency relationship (under a management contract) in which a commercial feedlot or a promoter agrees to act as an agent for the investor in buying, feeding and managing cattle. Cattle usually weighing 400–750 pounds are purchased and then fed special grains and other rations in order to increase their weight gain. After being fed a specialized diet for four to six months so that their weight increases to about 900–1,200 pounds, the cattle are sold at public auction to meat packers or food companies.

A cattle feeding venture is typically formed in November or December, and utilizes leveraging and the cash method of accounting to permit taxpayers with income from other sources to defer taxes otherwise due on such income by deducting expenses for prepaid feed, interest, and management fees in that year. Usually the amount borrowed by the syndicate is sufficient to create tax losses which allow the taxpayer to deduct 100 to 150 percent of his own cash investment.

Income is realized in the following year when the fattened cattle are sold. At that time, the bank loans are repaid and any unpaid fees due the feedlot (or promoter) are deducted. The balance is distributed to the investors. Since feeder cattle are held for sale to customers, sales of the animals produce ordinary income. If the investors were to reinvest their profit from one feeding cycle into another one, they could theoretically defer taxes indefinitely on the nonfarm income which they sheltered originally. (To shelter nonfarm income from subsequent years, an additional investment would be required.)

The following example shows how cattle feeding can benefit a taxpayer in the 70-percent marginal tax bracket even if the program operates at a break-even point economically.[18] Assume that taxpayer T invests in a cattle feeding venture on December 15, 1975, and that the fattened cattle are sold six months later on June 15, 1976. T's share of the deductible expenses incurred in 1975 is as follows:

Initial investment—1975

Cash investment by taxpayer	$100,000
Borrowings (nonrecourse loans)	250,000
Total funds available to buy and feed cattle	350,000
Purchase price of cattle (750 head at $280 each, not deductible)	210,000
Deductions:[1]	
Prepaid feed for 6 months	$105,000
Prepaid interest at 12 percent for 6 months	15,000
Management fee paid to feedlot operator	20,000
Tax loss—1975	(140,000)
Tax deferred—1975 (70 percent)	98,000
Investor's unrecovered equity[2]	2,000

SALE OF THE CATTLE—1976

Tax results:	
Selling price of cattle[3]	$350,000
Less: basis	210,000
Ordinary gain	140,000
Tax liability (70 percent)	98,000
Cash flow:	
Cattle sales proceeds	350,000
Less:	
Loan repayment	250,000
Tax on sale (due Apr. 15, 1977)	98,000
After-tax cash to investor	2,000

[1] Solely for purposes of illustration, it is assumed that the amounts shown as deductions are deductible under present law in 1975. (To be deductible, each of the items must meet certain administrative tests. Thus, for example, to the extent it represents a prepayment for services to be rendered in 1976, the management fee might not be deductible in 1975.)

[2] $100,000 cash investment less $98,000 tax deferral in 1975.

[3] The selling price per head is assumed to be $466.67.

These figures show that the amount of tax which T owes at the end of the deferral period equals the amount of his previously deferred tax ($98,000), plus a current tax on any profit which he makes on the sale or minus a tax reduction due to any loss which he suffers.[19]

In order to show the time value to T of having deferred $98,000 in taxes on his income for one year, assume that he invests his 1975 tax saving in an industrial development bond paying 7 percent interest tax free. The tax-free interest earned over the one-year period from April 15, 1976 (when T's return for 1975 is due) to April 15, 1977 (when his return for 1976 is due) would be $6,860. Another way to express this benefit is that even though the investment broke even economically, T's average annual rate of return on the cash which he invested has been 20.38 percent.[20]

Since the EDA account rule of section 1251 of present law only recaptures capital gain on the sale of farm assets, it has no effect on the deferral benefit obtained by the taxpayer in this example. The portion of the tax loss incurred in 1975 which exceeds $25,000 would result in an addition to the EDA of $115,000 but the $140,000 of farm ordinary income reported in 1976 would reduce the EDA to zero with no adverse effect on the taxpayer.

Prepaid fee deductions.—Since many, if not most, investors in cattle feeding shelters buy in at the end of the calendar year, deductions for prepaid feed for the cattle have been central to the creation of tax losses in that year. In recent years, the Internal Revenue Service has questioned deductions for prepaid feed claimed by taxpayers using the cash method of accounting. The Service (in Rev. Rul. 75–152) has prescribed several technical criteria and relied on its general authority to recompute a taxpayer's income if the taxpayer's method materially distorts his income. However, investors in cattle feeding shelters may still circumvent the administrative criteria in order to justify deductions for prepaid feed. (There may be legitimate business reasons for buying feed late in the calendar year).

The tax-saving aspects of a cattle feeding program will make such a program appear to be a relatively better investment, when compared with an investment without similar tax advantages, than the nontax economic considerations would warrant. In addition to the recent recession, artificially induced overcapacity may have been partially responsible for the severe downturn in cattle feeding. The losses resulting from overcapacity in cattle feeding would most affect lower bracket farmers who are in cattle feeding solely as a business and not the tax shelter investor who will have 70 percent of his loss (after guarantees, if any) absorbed by the Treasury.

It has been argued that the livestock industry needs outside capital and that the tax rules should not be changed to make the attraction of new capital more difficult during this depressed period. However, it also has been argued that, in view of present concern over funds for capital formation, this is an appropriate time to require all investment alternatives to compete for investors' funds on the basis of the earnings from the economic activity rather than earnings after special advantages from tax shelters.

B. Shell eggs

Another deferral shelter which gives even greater writeoffs per investment dollar than cattle feeding is the production and sale of eggs. In egg shelters, the entire amount invested and borrowed can be spent on deductible items in the first year. Those items include poultry flocks, prepaid feed, and a management fee to the person who operates the program for the investors (to the extent that it is otherwise deductible). Under present law amounts paid for egg-laying hens which are commonly kept for only one year from the time they start producing are allowable deductions in the year the poultry is purchased.[21]

In one recent syndicated offering of $6 million in limited partnership interests in a shell egg operation, the partnership proposed to borrow an additional $6 million (in the form of a nonrecourse loan) and to spend the proceeds in December of the first year as follows:

Purchase of flocks	$5,400,000
Purchase of feed, medication and supplies	6,120,000
Initial management fee to general partner (not to be claimed as a deduction)	480,000
Total	12,000,000

Thus, $11,520,000 of the $12,000,000 would be paid for currently deductible items.

The availability of writeoffs of this magnitude in egg production has attracted numerous outside investors in recent years. Many full-time farmers have objected to this introduction of outside investors into egg production, arguing that shelter-minded investors have distorted the economics of the egg industy and produced instability in egg prices.[22]

C. Winter vegetables and other plant shelters

Shelters involving the growing of winter vegetables operate in essentially the same method as cattle feeding and egg production shelters. Invested capital is leveraged to the greatest extent possible and deductible expenses, consisting of the costs of seeds and young plants, planting and cultivation expenses, interest, rent, and management fees, are incurred in one year, while the related income is realized in margin the following year.

Similar deferral shelters can be found in the raising of horticultural plants where significant expenses are incurred in one year and the related income is realized in the following year. For instance, programs for raising azaleas and rosebushes have also been used as rollovers to defer taxes on nonfarm income from one year to another.

Deferral and Conversion Shelters:

A deferral and conversion shelter offers an investor an opportunity not only to defer taxes but also to convert ordinary income into capital gain. The manner in which these benefits are obtained is by deducting development costs of section 1231 property (breeding cattle, orchards, vineyards, etc.) and capital gain property (farmland) from ordinary income and selling the assets developed after holding them long enough to qualify for capital gain tax rates. Since the recapture rules which apply to these deducted development expenses are much more limited in scope than depreciation recapture rules generally, many farm operations can be structured so that there will be little or no recapture of previously deducted development costs.

A. Cattle breeding

Livestock breeding offers taxpayers the opportunity to defer taxes over a period of two or more years and also to convert ordinary income to capital gain.

In general, breeding operations organized to provide tax shelters rely on current deductions for prepaid expense items; current deductions for expenses of raising young animals to be used for breeding, dairy, draft or racing purposes; the investment credit; accelerated depreciation and additional first year depreciation on purchased animals and equipment; and capital gain when the mature animals are eventually sold.

Although cattle is the most widely used breeding shelter, there have been investments offered for the purchase, breeding and sale of horses, (discussed below), fur-bearing animals (such as mink, chinchilla and beaver), other types of farm animals (such as dairy cattle and hogs), and some kinds of fish or shellfish.

In the cattle breeding operation, a herd of heifers and cows is maintained by the investors. The cows in the herd are bred each year and a calf crop of 75 to 95 percent is typical. In general, most of the bull calves produced each year are sold (often to a feedlot). The rancher retains most of the heifer calves, which, after about two years are used for breeding. In addition to the bull calves sold, the venture will periodically sell heifer calves not wanted or needed for breeding operations as well as "culls" (animals which for age or other reasons are not needed or suited to the herd.) The operation derives its periodic revenue from the sale of some of these cattle each year.

The cycle of a breeding herd is about 5–7 years. At the end of that period of time, the herd will normally have grown, its quality strains will have been established and most of the costs to raise the animals will have been deducted as the investors paid them. The investor can then sell his raised breeding animals and obtain capital gain with no recapture of either depreciation (since the raised animals had a zero basis) or of previous development costs (if the investor kept his annual farm losses under $25,000). Only the investor's profit on his sale of purchased breeding animals will be subject to recapture of previous depreciation deductions.

Table 3 illustrates the substantial tax benefits which a high-bracket taxpayer can obtain on a break-even cattle breeding operation conducted over a five-year period. Assume that T, a taxpayer in the 60-percent marginal rate bracket, enters into a management contract on November 1, 1975, with a professional rancher for the purchase and maintenance of a herd of cattle to be raised for breeding purposes. The basic costs in 1975 are as follows:

Cash investment by T in 1975	$27,200
Borrowed funds	46,800
Total funds available	74,000
Purchase cost of breeding animals (200 head at $260 each)	52,000
Deductible expenses (1975): Interest, feed and other maintenance expenses, management fees	22,000

T will also have to invest additional amounts in the program as follows: 1976, $9,800; 1977, $11,000; 1978, $11,400; and 1979, $9,700.

The loan bears 9 percent interest with principal payments of $5,200 due in each of 9 years. The breeding herd is assigned a 6-year useful life for purposes of depreciation and the investment credit. First-year additional depreciation of $4,000 is taken in 1975. The herd is depreciated under a 150-percent declining balance method.

The operating results of the herd on an annual basis in over five years might typically be as shown in Table 3.

Footnotes at end of article.

TABLE 3.—CATTLE BREEDING PROGRAM

	1975	1976	1977	1978	1979	1980
Income:						
Steer sales [1]	0	$11,200	$9,400	$8,200	$10,600	$25,000
Sales of breeding cattle [1]	0	4,800	5,000	5,600	6,800	73,100
Less basis of purchased cattle sold	0	(7,820)	(4,830)	(2,838)	(1,901)	(6,652)
Gross income	0	8,180	9,570	10,962	15,499	91,448

Footnotes at end of table.

TABLE 3.—CATTLE BREEDING PROGRAM—Continued

	1975	1976	1977	1978	1979	1980
Deductible expenses [2] (interest, maintenance expenses and management fees)	$22,000	$20,600	$20,200	$20,000	$21,900	$3,000
Depreciation:						
Additional first year depreciation	4,000					
150 percent declining balance depreciation	2,000	9,545	6,003	4,118	2,293	0
Taxable income (loss)	(28,000)	(21,965)	(16,633)	(13,156)	(8,694)	[4] 88,448
Cumulative taxable income (loss)	(23,000)	(49,965)	(66,598)	(79,754)	(88,448)	0
Investment credit [3]	3,467					
Investment credit recapture		589	485	381	156	728
Tax increase or reduction—60 percent bracket taxpayer:						
Annual effect on taxes	(20,267)	(12,590)	(9,495)	(7,513)	(5,060)	38,430
Cumulative effect	(20,267)	(32,857)	(42,352)	(49,865)	(54,925)	(16,495)

[1] This example assumes that 90 percent of the cattle of breeding age give birth to live calves; all bull calves are sold each year; 10 percent of all heifers are culled each year; 15 percent of all breeding cows are culled each year; and that after 5 years, the entire herd is sold for an amount which enables the operation to break even.

[2] 1 yr. interest and maintenance costs are prepaid annually as is 1 yr management fee except in 1980 when the cattle are sold. Maintenance expenses and management fees are based on figures circulated by a promoter. The total amount of these deductions tends to decrease annually because interest costs decrease as the loan is paid off, but this decrease is offset to some degree by the costs of maintaining an increasing number of animals. Soley for purposes of illustration, it is assumed that these expenses are deductible when paid.

[3] Useful life 6 yr. Computation of investment credit: 10 percent of (⅔ of $52,000) equals $3,467.

[4] The income realized (in 1980 equals the losses suffered in prior years. Of this income, the amount which is ordinary income is computed as follows:

Income from sale of animals held less than 2 yr	$25,000
Depreciation recapture on purchased animals still in herd	15,952
EDA recapture (balance in EDA account from 1975 addition)	3,000
Less deductible expenses	(3,000)
Ordinary income	40,952

Note: The remainder of the income attributable to the sale of the breeding herd, of $47,496, is capital gain.

Assuming that this investment qualifies as an activity carried on for profit, T would reduce his total tax liability by $16,495 (the sum of the $54,925 in tax reductions in 1975 through 1979 less the $38,430 in taxes due in 1980), on an investment which has neither made nor lost money apart from taxes. In addition, T has deferred taxes on his nonfarm income in the amount of $54,925 (of which $38,430 is only deferred and is repaid in 1980). If the amounts deferred were invested in 7 percent tax-exempt industrial development bonds until the taxes for 1980 became payable, T would have obtained a benefit of $15,589 by the time value of delaying payment of taxes on his nonfarm income. The total benefit from conversion and deferral so computed is $32,084 ($16,495 plus $15,589) on a breakeven project.[23]

This example also shows the limited scope of the farm loss recapture rules of section 1251 of present law. In the first year of this investment only $3,000 (the excess of the farm loss over $25,000) need be added to an EDA account. Although farm tax losses are incurred in four additional loss years, nothing more has to be added to the account because the annual losses are less than $25,000. On the facts of this example, the EDA rules recapture only $3,000 of the farm deductions; an additional $47,496 of development costs has been converted from ordinary income into a capital gain.

B. Horse operations

Although there appear to be fewer syndicated tax shelters in horse breeding and racing than in cattle feeding or breeding, two formats can be used by taxpayers seeking tax shelter in horse operations. In one format, an investor or group of investors buys mares (female horses) and conducts a breeding operation. Such an operation can take advantage of accelerated deductions, principally the current deduction of breeding fees (which are paid to another party to breed the mares to a stallion); expenses during the preproductive period of raising the foals; and acceleated depreciation (including first year depreciation) on purchased mares. The foals are in some cases retained for racing purposes or sold to others, usually as yearlings.

Income from such sales is ordinary income, since yearlings are by definition held for less than 24 months. However, the income is not matched with the expenses of raising the foals (since the breeding fees and maintenance expenses were deducted in a prior year). Capital gains can be generated in a breeding operation when brood mares which have been held for more than 24 months are sold. If the mare had been purchased, any gain would be recaptured to the extent of the depreciation taken on it. If the mare sold had been born to another mare in the investor's herd, it would have no basis since all the costs incurred in breeding the mare and raising her would have been deducted previously. Consequently, under present law there would be no depreciation recapture and all the proceeds of sale would be capital gain except to the extent that the EDA rules of section 1251 apply.

In the other format, an individual (or group of individuals) buys a mare and breeds it to a stallion. The breeding fee is deducted when paid (usually upon successful breeding or upon birth of a live foal), and the costs of raising the foal are deducted when they are paid. Alternatively the investors may buy a stallion or undivided interests in a stallion and then claim depreciation deductions.

The horse is not generally ready to race until he becomes at least two years old. The income derived from racing is ordinary income, but, again, it is not matched with the costs of developing the income-producing assets. If the owner sells his race horse after or during its racing career, capital gain may be realized. An exceptionally successful horse may generate substantial breeding fees (which are ordinary income to the owner). Or the owner may syndicate interests in the horse to a group of investors who desire to obtain breeding rights to the horse (such as the syndicate in the case of Secretariat). Amounts received by the owner on such a syndication have been held entitled to capital gain treatment. (*Harry F. Guggenheim*, 46 T.C. 559 (1966)).

C. Orchards, groves and vineyards

An investment in an orchard, vineyard or grove involves a "tree crop" as distinct from a "field" crop such as vegetables. The list of tree crop partnerships covers virtually anything grown in an orchard or vineyard in the form of trees or vines which produce annual crops of fruits (e.g., apples and avocadoes), nuts (e.g., pecans, pistachios, walnuts), or grapes. As indicated earlier, citrus fruits and almonds are generally no longer suited to tax shelters because of the cost capitalization rule of section 278.

Tree crops offer investors both tax deferral on their nonfarm income and potential conversion to capital gain if and when the underlying vineyard is sold (or the investor sells his interest in a syndicate). During the development period of the trees or vines, the owners obtain deductions from cultivating, spraying, fertilizing and irrigating the tree or vine to its crop-producing stage. They also depreciate farm machinery, irrigation equipment, sprinkler systems, wells and fences which they install on the property. They can also obtain the investment credit; and deductions may also be available for interest, fees and some prepaid items. (In some cases, the investors lease the land on which the vineyard operation is conducted, thereby substituting deductible ground rents for nondeductible purchase price dollars.)

After the trees start producing fruit or nuts, the owners can depreciate the costs of the seedlings and their original planting which were capitalized when incurred.[24] Such depreciation can partly shelter the annual crop income. Income from the crop sales is ordinary income. Capital gains is also available when the underlying land and the orchard are sold (except to the extent that various recapture rules come into play).

Table 4 illustrates the shelter available through a limited partnership formed to acquire farm land for planting and developing a grape vineyard. The crop will include wine and variety grapes which will be marketed as table grapes, crushed into wine or dried into raisins. The transaction shown is based on an actual limited partnership offering which is representative of many vineyard syndications.[25] In this offering, limited partnership shares are sold for $10,000 per unit of interest up to a maximum of 225 Units. The limited partners buy in during September of the first year and contribute a total of $2,250,000 equity. The corporate general partner (representing the promoter) contributes his property rights, including options to acquire the land on which the vineyard will be developed.

Annual profits and losses will be allocated entirely to the limited partners during the first seven years; thereafter, the annual allocation will be 10 percent to the general partner and 90 percent to the limited partners.

The partnership will purchase 1500 acres of farm land for $3.5 million, paying $500,000 down and financing the balance by a nonrecourse 9 percent purchase money mortgage. Principal payments will not begin until the fourth year of operations; in that year, principal payments will begin in annual installations of $150,000 for ten years, after which the annual installments increase under a schedule until the unpaid balance is paid in full.

The partnership plans to elect the cash method of accounting and to use maximum allowable depreciation of buildings, sprinkler systems, wells, pumps, stakes and the grape

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Footnotes at end of article.

vines. (Vines become eligible for depreciation and for the investment credit in the year that grapes are first produced in commercial quantities.)

Each limited partner's tax basis for his partnership interest includes his share of the nonrecourse mortgage. Table 4 shows the projected tax losses and positive taxable income during the first seven years of operations. (Grapevines generally bear commercial quantities of fruit in their third year and mature by the seventh year. In this example, since the syndicate will begin at the end of the first year, crop revenues begin in the fourth year.)

TABLE 4.—GRAPE VINEYARD PROJECTIONS

Year	1	2	3	4	5	6	7
Crop revenue				$680,000	$1,020,000	$1,200,000	$1,400,000
Expenses:							
Cultivation costs[1]	$75,000	$260,000	$260,000	265,000	280,000	295,000	305,000
Harvesting[2]				40,000	48,000	56,000	66,000
Administrative costs[3]	8,000	20,000	20,000	20,000	20,000	20,000	20,000
Management fee[4]	42,500	42,500	42,500	42,500	42,500	42,500	42,500
Property taxes[5]	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Interest[6]	337,500	270,000	270,000		256,500	243,000	229,500
Loan origination fee[7]	30,000						
Depreciation[8]	248,000	218,000	125,000	216,000	192,000	170,000	152,000
Total expenses	765,000	834,500	741,500	607,500	863,500	850,500	839,000
Taxable income (loss)—partnership	(765,000)	(834,500)	(741,500)	72,500	157,000	349,000	561,000
Taxable income/(loss) per unit	(3,400)	(3,709)	(3,296)	322	698	1,551	2,493
Tax saving per unit—70 percent bracket	2,380	2,596	2,307				
Add: Investment credit per unit[9]	298	111		356			
Cash flow:							
Crop revenues				680,000	1,020,000	1,200,000	1,400,000
Less:							
Expenses other than depreciation	517,000	616,560	616,500	391,500	671,000	680,500	687,000
Mortgage principal				150,000	150,000	150,000	150,000
Total	517,000	616,500	616,500	138,500	199,000	369,500	563,000
Cash available for distribution—per unit				616	884	1,642	2,502

[1] Includes materials, supplies, and labor used in cultivating and maintaining the vines; e.g., irrigating, fertilizing, insect and pest control, weeding, pruning, tying, and vine training. Does not include cost of the vine seeds and planting the vines.

[2] Covers costs of picking, packing, storing, and selling the yearly grape crop.

[3] Includes utilities, bookkeeping and secretarial salaries.

[4] Payable to an affiliate of the general partner at $38 per acre. Includes arranging for renting tractors and other farm machinery, field supervision and "extraordinary" services such as replacing dead or unhealthy vines.

[5] Estimates used, but no effect is given to the projected value of capital improvements to the property.

[6] 1st year includes interest for ¼ of the year ($67,500) plus prepaid interest for the 2d year ($270,000). Interest shown in later years is based on the unpaid balance of the mortgage at the start of those years.

[7] Payable to the lender under the existing 1st mortgage encumbering the land.

[8] Based on capital improvements included in the purchase price of the land and to be installed by the seller. Includes installing frost control sprinkler systems, wells, tanks, reservoirs, stake, and posts. Wells, etc., are depreciated over years under the 200 percent accelerated method, plus 1st year "bonus" depreciation. Sprinklers and stakes are depreciated over 15 years under the 200 percent method plus bonus depreciation. Vine depreciation begins in year 4 and is spread over 25 years under the 200 percent declining balance method.

[9] Credit claimed on various-machinery and equipment and on the vines themselves when they became income-producing in the 4th year.

Table 4 shows how maximum advantage is taken of cash method deductions for cultivation costs as the vineyard matures from planting to full production and, after the productive life begins, of deductions for depreciation and the investment credit (which help shelter part of the annual grape revenues). During the first three years, no revenue is expected from the young vines. Growing costs, depreciation and interest deductions (magnified by leverage) create tax losses which flow through to the limited partners and shelter their income from other sources. Since the investors buy in late in the first year, they pay interest for 3 months of that year and also prepay the interest relating to year two. The projections also assume (solely for purposes of illustration) that the expenses shown are otherwise deductible when paid. During this period, tax losses totalling $10,405 are available for each $10,000 unit.

For an investor in the 70 percent bracket, this means total tax savings of $7,283, which leaves only 27 percent of each original unit unrecovered from tax savings. The investment credit further increases the effective deferral of taxes on each investor's nonfarm income and further reduces his cash left at risk.

As grape revenue begin coming in, the venture "crosses over" to producing positive taxable income and increasing amounts of cash flow from annual sales are distributed to the partners. A further investment goal not reflected in the table is capital appreciation of the underlying land. The value of the property, with maturing vines beginning to produce major amounts of income, is expected to increase. The general partner begins to receive a percentage of net profits and the syndicate begins repaying the mortgage, thereby increasing its equity in the property.

The investors will begin deciding whether to remain in the venture or to sell their interests. If an investor sells his interest in the partnership, or if the partnership sells the entire farm (including the land and the vines), the investor will be entitled to capital gain treatment of any gain he realizes on the land and the vines, except to extent that recapture is required for previous depreciation (sec. 1245), cultivation expenses (sec. 1251), or soil and water conservation or land clearing expenses (sec. 1252).[26]

D. Ranchland leases

Individual investors and syndicates have often obtained deferral and conversion benefits by investing in ranchland which the owners then lease to a local farmer or cattleman. In this type of transaction, the investors become absentee owners of the underlying farm land but do not conduct their own farm business. Some public offerings have been structured basically as a sale-leaseback under which an existing farmer sells his farm to outside investors who then lease the land back to the farmer at a specified rental. Often, the seller/rancher is given an option to repurchase the property at the end of the lease at a price which will give the investors some profit (and capital gain).

Under this format, the investors usually use a large proportion of borrowed funds to make their initial purchase and to pay many of the deductible expenses which they will incur during the term of the lease. In this way the investors obtain the advantage of leverage: deductions greater than the amount of their own cash investment and deductions for interest prepayments (to the extent these are available under present law). During the lease, the investors typically upgrade the land and obtain special deductions for soil and water conservation expenses, fertilizer and land clearing costs. They also deduct property taxes, maintenance costs and depreciation on barns, silos, corrals, fencing and other improvements. Sometimes, the promoters of syndicates of this kind act as managers of the farm for the investors and charge a management fee, which can also be deducted when paid by the investors (provided the payment is for current services).

Under present law, the EDA rules of section 1251 may not apply at all to this transaction, since the investors might be considered to be engaged in real estate rather than in farming. The investment interest limitation in section 163(d) does not apply if the lease is not a net lease, and many ranchland leases are not net leases. (That is, the owners rather than the tenant pay most of the operating expenses.) The farm land recapture rules of section 1252 of present law might reduce the investors' capital gain if and when they sell the land, but this provision would not affect their initial deferral of taxes by means of tax losses.

E. Timber and Christmas trees:

Timber has some of the characteristics of annual crops such as vegetables and fruits, and of minerals extracted from the ground (such as gas and oil). It is unlike short-term crops, however, in that timber does not replace itself quickly; it is unlike minerals in that it does replace itself eventually and, being located above ground, it is relatively easy to find. Timber growers are permitted to claim capital gain treatment on the portion of their income which can be attributed to the increase in value of the trees while the trees are growing and before they are cut.[27]

In addition to capital gain, some of the current costs of growing timber are deductible currently as paid. These include interest on financing an investment in timber, expenses for estimating the inventory of uncut trees, for salaries and other costs of managing a tree farm (such as clearing unwanted trees and brush), and property taxes. To the extent that expenses of growing and carrying timber are deducted currently, while the in-

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Footnotes at end of article.

come which the expenses help produce is recognized when the timber is later sold, a mismatching of income and expense occurs. This permits deferral of taxes on a timber owner's income from other sources and eventual conversion of the tax rate on such income by the capital gain rate for the grown trees. In addition, the time value of the deferral is magnified by the long period between the taking of the deductions and the receipt of the income.

The growing and selling of Christmas trees is the most frequent form of timber tax deferral shelter. Capital gain is not available if Christmas trees are not over six years old when they are cut. Under present law, however, costs for shearing, pruning, shaping, weeding and thinning trees being grown as Christmas trees have been held to be deductible as incurred.[28]

ALTERNATIVE APPROACHES

There are a number of alternative approaches that the committee could consider to deal directly or indirectly with tax shelters in farm operations. If the committee believes that certain incentives are not longer desirable or that the tax benefits are greater than they need be, the particular provisions could be eliminated or the preference cut back to some extent. Thus, for example, the committee could require accrual accounting and inventories for all farm operations or for all farm operations over a particular size (measured by assets or receipts) or type. The committee also could require capitalization of development costs, such as reproductive period expenses of orchards, vineyards and animals held for draft, dairy, breeding, or sporting purposes.

Even if full accrual accounting is not required, the committee could require capitalization of the costs of assets used in the trade or business whose useful lives are less than one calendar year if their useful lives overlap two taxable years. Similarly, the committee could require the inventorying of plants and seeds if they are planted in one taxable year and the products are sold in a later year. Where seasonal growing or similar requirements place the operating year in two successive calendar years, the taxpayer could be required to adopt an appropriate fiscal year. Also, the committee could consider disallowing any deduction for feed until it is consumed.

With respect to animals held for draft, dairy, breeding or sporting purposes, the committee could require that the animals actually have been used for such purposes to qualify for a capital gains treatment. Alternatively, the holding period for such animals could be lengthened or measured only from the date the animal was first actually used for one of these purposes.

In addition, the committee could reduce accelerated depreciation and repeal the special deduction provisions for soil and water conservation expenses, fertilizer expenses, and land clearing expenses. If these special deductions are not repealed, the recapture provision for soil and water conservation expenses and land clearing expenses could be modified to eliminate the phaseout of recapture.

If the committee believes that incentives should be continued but that the tax benefit involved should not be available to offset income unrelated to that particular activity, then the committee could limit the tax writeoffs to income from that particular activity, thus not allowing any excess deductions to be used to shelter nonfarm income. This is the approach that the administration made in its limitation on artificial loss (LAL) approach which was essentially adopted by the committee (with certain modifications and exceptions) in its 1974 tax reform bill as described below.

Also, if the committee believes that a significant problem is the use of funds borrowed on a nonrecourse basis to generate deductible expenses, it could limit a taxpayer's deductions in a particular activity to the amount at risk in the form of capital contributions and recourse borrowings. This type of a limitation was adopted with respect to livestock operations in the committee's 1974 tax reform bill.

Another approach to deal with farm tax shelter investments could be considered if the committee decided against all of the above approaches; that is, if the committee believes that continuing the tax incentives achieves desirable objectives and that revising the provisions directly or applying an LAL approach or an "at risk" limitation would unduly restrict their purpose, then the committee could consider dealing indirectly with the preferences, such as by broadening the minimum tax.

If the committee feels that deferral should continue to be permissible but that conversion of ordinary income into capital gain should be more closely circumscribed, the EDA provisions could be modified by reducing the amount of nonfarm income allowable before an EDA account must be maintained and the amounts of farm losses which must be added to the EDA could also be increased.

Following is a summary of the committee's decisions with respect to farming operations in its 1974 tax reform bill, Mr. Ullman's proposals, and alternative proposals by other committee members.

Limitation on Artificial Losses:

A. 1974 Committee Bill

Last year the committee's bill would have applied the LAL approach to certain farm deductions in order to limit the extent to which a tax loss produced by certain "accelerated deductions" could offset (and shelter) nonfarm income. Under last year's bill, accelerated deductions in the farm area were:

(1) preproductive period expenses of growing an agricultural crop (not including such expenses in the case of livestock); and

(2) prepaid feed, seed, fertilizer and similar farm supply expenses.

Under the provision, deductions otherwise allowable for these expenses could continue to be deducted against the taxpayer's net related income for the same year from the farm property in which the deductions were incurred, and also from other farm properties in which he may have invested. (Net related income would be the gross income from the farm property less the nonaccelerated deductions incurred in operating the property during the same year.) The accelerated deductions in excess of net related income from the entire "class" of farm properties in which the taxpayer has invested would be required to be suspended in a "deferred deduction account." The deferred deductions would be allowable in a later year when the taxpayer has net related income (in excess of accelerated deductions in that year) from the group of farm properties which he owns at that time. Special rules were provided for releasing deferred expenses from the suspense account when a taxpayer sells or otherwise disposes of the underlying farmland, orchard, or vineyard, etc., and when feed whose cost was prepaid is consumed by the taxpayer's animals.

The LAL limitation would not apply to losses which represent true economic losses not attributable to accelerated deductions; thus these losses could continue to be deducted currently.

The 1974 decisions would not have included under LAL the costs of raising animals (as distinct from agricultural crops), other than prepaid feed costs. The deductible costs of raising livestock would have been subject to a different limitation under the 1974 bill (that limitation is discussed further below).

The treatment of crop preproductive period expenses as accelerated deductions would not have included taxes, interest, depreciation or expenses incurred on account of a casualty loss or on account of disease or drought.

To a limited extent, the 1974 bill would have allowed a tax loss produced by accelerated deductions from a class of farm properties to be deducted against nonfarm income. An "artificial loss" could shelter up to $20,000 of nonfarm income, but if a taxpayer has nonfarm income over $20,000, the amount of an artificial farm loss which could shelter nonfarm income would be reduced from $20,000 on a dollar-for-dollar basis, for each dollar of nonfarm income in excess of $20,000. This means that no artificial farm losses could be taken as deductions currently by the taxpayers with nonfarm income of $40,000 or more.

The 1974 bill would have applied to individuals, estates and trusts and to corporations which were excepted from the provision in the 1974 bill requiring farm corporations to use the accrual method of accounting for their farm operations.

B. Mr. Ullman's Proposal

Mr. Ullman would apply the LAL provision as outlined above, except that he would apply LAL separately to each farm. In addition, Mr. Ullman would apply LAL to:

(1) preproductive period expenses of raising livestock, and to

(2) depreciation of livestock after they have begun to be productive in the taxpayer's business.

C. Mr. Corman

Mr. Corman would provide that farm losses can be deducted against nonfarm income only to the extent of $10,000 a year. Any amount of a farm loss disallowed under this provision would be treated as an expense of farming in the following year. This limitation on the deduction of a farm loss would not apply to a taxpayer whose nonfarm income is less than $20,000.

D. Messrs. Waggonner and Conable

The proposal would apply LAL to the entire group of farm activities which the taxpayer owns or in which he has invested.

E. Mr. Helstoski

The proposal would apply LAL in the case of farm operations on an aggregate basis and, in addition, would calculate the dollar limitation (instead of using the flat nonfarm income limit of $20,000) on the basis of a percentage of total income (such as 20% from nonfarm sources).

F. Mr. Stark and Mrs. Keys

For farmers with nonfarm income of more than $20,000, their proposal would apply LAL but phase out the use of farm losses to shelter nonfarm income so that no farm losses could be applied against nonfarm income in excess of $30,000.

Limitation of Tax Losses Incurred in Livestock Enterprises to the Amount for Which the Taxpayer Is at Risk:

A. 1974 Committee Bill

Last year the committee's bill would have provided that in the case of feeder cattle and livestock used for breeding, draft, dairy, or sporting purposes, deductions for losses would not be allowed in excess of the amount of capital or credit of the individual which is at risk in the venture for the same taxable year. A taxpayer would not be considered "at risk" in the case of a nonrecourse loan or to the extent that he has a right to be reimbursed for any loss on the investment, such as by reason of a "stop loss" or a guaranteed repurchase agreement, insurance, or other similar arrangement.

Unlike the LAL approach, this rule would

Footnotes at end of article.

have applied to a tax loss (arising from a livestock investment) regardless of the kind of current expense deductions which produced the loss. This rule would also have applied to tax losses incurred during the period of raising livestock to maturity and to tax losses incurred while the livestock are being productively used in the taxpayer's business. The latter category would, for example, include depreciation deductions on a breeding herd. The rule would not limit the calculation of the amount of depreciation otherwise allowable for the year, but would limit any tax loss (i.e., excess of deductions over income) from the business from being offset currently against the taxpayer's income from other sources.

Any amount of a tax loss which could not be deducted currently because of this limitation could be carried over and deducted in a later year if the taxpayer's risk investment in the business at that time is large enough to absorb the previously unused loss.

This rule would have applied separately to each livestock business in which a taxpayer has invested.

B. Mr. Ullman

Mr. Ullman's proposal is the same as the rule in the committee's 1974 bill.

C. Mr. Pickle

Mr. Pickle would limit farm losses to the amount of the taxpayer's capital at risk in the business. (Presumably, this is a substitute for the application of LAL.)

Accrual Accounting for Corporations:

A. 1974 Committee Bill

In 1974 the committee proposed to require all corporations (except subchapter S corporations and family corporations), and all partnerships in which a corporation had a 5-percent interest, to use the accrual method for farm operations.

The rationale for this decision was that most corporations are business entities which can keep the records and make the allocations required under the accrual method. However, the committee recognized that many farm operations carried on in corporate form are relatively small operations. Consequently, Subchapter S corporations, which by definition can have no more than 10 shareholders, and certain family-owned corporations were excepted from the requirement of accrual accounting.

A family corporation was defined as a corporation in which 75 percent of the total combined voting power of all classes of stock entitled to vote, and at least 75 percent of the total number of shares of all other classes or stock, are owned by an individual, his brothers, sisters, ancestors and lineal descends, a spouse of any of them and the estate of any of them. For purposes of the family corporation rules, stock owned by a partnership or trust would be treated as owned proportionately by its partners or beneficiaries.

The "family corporation" exception did not provide for attribution of stock of personal holding companies or discretionary trusts, and did not include cousins as members of the family.

B. Mr. Ullman

His proposal is the same as that in the 1974 committee bill.

Activities Not Engaged in for Profit:

Mr. Archer

In giving the taxpayer an opportunity to determine whether the rule of present law limiting deductions incurred in an activity which is not engaged in for profit applies to him (sec. 183) on the basis of his experience in a 5- or 7-year period, the proposal would limit the waiver of the statute of limitations in these cases so that the waiver does not apply to unrelated items on the taxpayer's return.

Repeal of Farm Excess Deductions Account:

A. 1974 Committee Bill

Because farm losses were included in the limitation on artificial losses, the 1974 committee bill would have repealed the provisions relating to farm excess deduction accounts (sec. 1251).

B. Mr. Ullman

His proposal is the same as that in the 1974 committee bill.

FOOTNOTES

[1] Under present law, the special tax rules available to farmers can be utilized by both full-time farmers and by high-bracket taxpayers who participate in farming as a sideline. Part-time farmers are entitled to use the special farm rules even if they are absentee owners who pay agents to operate their farming activities and regard their own participation (such as being limited partners in a nationwide syndicate) as a completely passive investment.

[2] However, a farmer may not deduct the purchase price of livestock, such as cattle, which he intends to fatten for sale as beef.

[3] Under the cash method of accounting, all items which constitute gross income are reported in the taxable year in which actually or constructively received, and expenses are deducted in the taxable year in which they are actually paid. The primary advantage of the cash method is that it generally requires a minimum of recordkeeping; however it does not match income with related expenses.

A primary goal of the accrual method of accounting is a matching of income and expenses. Under this method, income is included for the taxable year when all the events have occurred which fix the right to receive such income and the amount can be determined with reasonable accuracy. Under such a method, deductions are allowable for the taxable year in which all the events have occurred which establish the fact of the liability giving rise to the expense and the amount can be determined with reasonable accuracy. Also under the accrual method where the manufacture or purchase of items which are to be sold is an income-producing factor, inventories must be kept and the costs of producing the merchandise must be accumulated in inventory (rather than deducted when incurred). These costs may be deducted only in the year the merchandise is sold. Regs. § 1.446–1(a) (4) and (c).

Use of the cash method without inventories gives a taxpayer the opportunity to control the timing of deductions to a much greater extent than does the accrual method.

[4] Thus, if a taxpayer builds a factory to be used in his manufacturing business, he is required to capitalize all the costs attributable to construction of the factory. Such costs will be recovered over the useful life of the building.

There are certain exceptions to the requirement that costs attributable to business assets be capitalized. Thus, under section 174, a taxpayer may elect to deduct currently research and experimental expenditures.

Of course, not all costs relating to development of farm assets are currently deductible. A farmer is required to capitalize costs of water wells, irrigation pipes and ditches, reservoirs, dams, roads, trucks, farm machinery, land and buildings.

[5] Under section 1231, a taxpayer who sells property used in his trade or business obtains special tax treatment. All gains and losses from section 1231 property are aggregated for each taxable year and the gain, if any, is treated as capital gain. The loss, if any, is treated as an ordinary loss. Machinery, equipment, buildings, and land used by a taxpayer in this business are examples of section 1231 property.

[6] This capital gain benefit has been described in the staff's overview pamphlet on tax shelters as a "conversion" of the rate of tax on income offset by the early development deductions from ordinary income to capital gain. In effect, the taxpayer's nonfarm income which is initially sheltered by accelerated farm deductions is transformed into added capital value of the farm asset and taxed as part of that value when the farm capital assets (vineyard, breeding animal, farmland, etc.) are later sold.

[7] If the rancher purchased cattle which had been used for breeding by a previous owner, the cattle can be depreciated on the 150 percent declining balance method. The offspring of purchased animals cannot be depreciated, since the owner is considered to have no cost basis in such animals. However, as indicated earlier, the cost of raising such offsprings can be expensed.

[8] Under the ADR system, the useful lives of farm buildings range from 20 to 30 years. Although there are no ADR guidelines, taxpayers are currently using useful lives for fruit trees which vary from 15 to 30 years, depending on the type of trees and on different climate conditions.

[9] The latter benefit is especially valuable to farm investors who are primarily interested in the appreciation in value of the underlying ranch land on which they maintain a breeding heard vineyard or orchard.

Many such taxpayers regard cattle as a cash crop which helps them carry the land by providing annual income to pay the underlying mortgage and real estate taxes. Sheltering the cash flow from the property itself is as important to such investors as it is to the owners of a rental apartment house who use accelerated depreciation to shelter their annual rental income.

[10] The amount of loss a partner may deduct is limited to the amount of his adjusted basis in his interest in the partnership (sec. 704(d)).

Generally, the partner's basis in his partnership interest is the amount of his cash and other contributions to the partnership (sec. 722). If a partner assumes liability for part of the partnership debt, this also increases his basis. However, under the regulations where the partnership incurs a debt, and none of the partners has personal liability (the "nonrecourse" loan), then all the partners are treated as though they shared the liability in proportion to their profits interest in the partnership (Regs. § 1.752–1(e)). For example, if a partner invested $10,000 in a partnership, in return for a 10 percent profits interest, and the partnership borrowed $100,000 in the form of a nonrecourse loan, the partner's basis in the partnership would be $20,000 ($10,000 of contributions to the partnership, plus 10 percent of the $100,000 nonrecourse loan to the partnership).

[11] It is immaterial what specific farm deductions produce a net farm loss. The EDA is a running account from year to year and is reduced by the amount of net farm income which the taxpayer may have in later years.

Corporations (other than Subchapter S corporations) and trusts must establish an EDA account for the full amount of their farm losses regardless of size and regardless of the amount of their nonfarm income. A Subchapter S corporation is governed by the same dollar limitations that apply to individuals, except that the corporation must include in its nonfarm income the largest amount of nonfarm income of any of its shareholders.

[12] Before the 1969 Act, the minimum holding period had been 12 months in the case of livestock held for draft, breeding, or dairy purposes and 6 months for other livestock (including race horses) used in a trade or business.

[13] Investors who purchase breeding animals as a long-term investment may escape much of the burden of depreciation recapture, because as their herd grows larger an increasing proportion will consist of raised offspring which have no depreciable basis. Eventually, most of the herd can be sold at capital gain rates with little depreciation recapture.

[14] This presumption is liberalized to two of seven consecutive years in the case of the breeding, training, showing or racing of horses.

[16] **More detail on these figures appears in the staff pamphlet containing an overview of tax shelters.**

[17] As indicated earlier, where accelerated depreciation is available on breeding herds and orchards used in producing annual crops, depreciation can also shelter the investor's farm income from sales of the annual crop.

[18] Solely for purposes of illustration, it is assumed that the program operates at a breakeven point. It should be noted, however, that until recent economic conditions, many syndications were structured on the assumption that three of every four breeding cycles would be profitable.

[19] Some feedlot operators who promote cattle feeding programs offer to guarantee that they will purchase an investor's equity for a specified percentage of his original investment, or will reimburse him for a percentage (often as high as 80 percent) of any economic loss which the investor may suffer if cattle prices should fall. By such a "stop-loss" guarantee, the investor's risk of a declining cattle market is reduced.

[20] The annual rate of return is computed by dividing $6,860 by the sum of the amounts invested times the periods over which the amounts were invested. T is out-of-pocket $100,000 from December 15, 1975, until April 15, 1976, when his 1975 return is due. From April 15, 1976, until June 15, 1976, T has only $2,000 invested ($100,000 less $98,000 in tax reduction).

[21] Rev. Rul. 60–191, 1960–61 C.B. 78. The purchase cost of this poultry may be deducted currently if the farmer consistently does so and if the deductions clearly reflect his income).

[22] See Tax Reform Hearings, 94th Cong., 1st Sess., 213 (July 15, 1975) (Statement of John Wallace, President, United Egg Producers).

[23] In computing the tax benefits it is assumed that all deductions from farming in 1975 through 1979 offset nonfarm income which would otherwise be taxed in the 60-percent bracket. In computing the taxes in 1980, it is assumed that the ordinary income is taxed in the 62-percent through 68-percent brackets. The ordinary income is taxed in brackets higher than the 60-percent bracket because it is bunched in one year. It is also assumed that T has no other capital gains during 1980, so that he can use the alternative tax on capital gains (a flat 25-percent rate). Further, it is assumed that invesment credit is recaptured because the purchased animals were not held for 60 months.

[24] Trees and vines must be depreciated over their useful lives in the business. The useful life is often determined by average industry experience. In some regions, for example, apple trees are depreciated over 18 years, fig trees over 25 years, walnut trees over 33 years, and grape vines over 20–30 years.

[25] Grape harvests are currently at record high levels, particularly in the case of wine grapes. The result is expected to be a period of price reductions for various domestic wines until demand catches up with the current oversupply. Since grapevines take about 4 years to become productive, some part of the current harvests can probably be traced to plantings by tax shelter syndicates during the early 1970's.

[26] The dollar limitations on the EDA rules (sec. 1251) apply separately to each partner in a partnership. Therefore, whether any partner must set up an EDA account depends on whether he has nonfarm income of more than $50,000 and whether he owns enough units so that his share of the partnership's tax losses during years 1–3 exceeds $25,000.

[27] The capital gain preference for timber permits an owner to elect to treat his cutting of standing timber as giving rise to capital gain even though he has not actually sold the timber. The gain is measured by the difference between the cost of the timber cut and its fair market value on the first day of the taxable year in which it is cut (sec. 631 (a)). Any amount realized in excess of the fair market value, such as from converting the cut timber to logs, or resulting from increases in value after cutting, is taxed as ordinary income.

[28] See, e.g., Daniel D. Kinley, 51 T.C. 1000 (1969), affirmed 70–2 U.S.T.C. Par. 9462 (2d Cir. 1970); Rev. Rul. 71–228, 1971–1 C.B. 53.

MATERIALS SHORTAGES

Mr. HATFIELD. Mr. President, among the many ripples following the oil embargo was the question of materials shortages. Tied closely to this is the entire issue of interdependence.

A task force of the U.S. Chamber of Commerce recently released a review of this issue that merits the attention of people interested in this issue, both here in Congress and elsewhere. The report reviews policy considerations and offers policy recommendations for dealing with materials shortages.

Just as this report does not represent the official chamber position on all the points raised, I do not know that I agree with all the recommendations. Nonetheless, it is a document that addresses a very serious issue, and an issue that warrants more attention that it has received.

I ask unanimous consent that this report, by a task force of the chamber, chaired by Dan Goldy, be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[A Report of the Task Force on World Shortages, March 1976]

MATERIALS SHORTAGES: POLICY CONSIDERATIONS AND RECOMMENDATIONS

PREFACE

For more than six decades, the Chamber of Commerce of the United States has been harnessing and channeling the creativity of the private sector toward anticipating and meeting the challenges posed by aspirations for socio-economic development and progress in the United States and in other nations.

During this period, the Chamber has helped usher in a new era of global trade and investment marked by increasing economic interdependence among nations.

The fact of economic interdependence embodies both opportunities and problems. Interdependence has contributed to raising standards of living around the world and has opened up numerous doors to greater social and economic development. Interdependence has also created new problems, particularly in a community of nations whose members enjoy disparate levels of socio-economic development.

Certainly, one of these critical problems is the question of raw materials shortages.

In an effort to contribute constructively to the debate on this issue, the Chamber, in 1974, appointed an interdisciplinary task force to examine the problems and to suggest possible solutions.

The task force was chaired by Daniel L. Goldy, chairman of the Chamber's International Committee, a Chamber director and regional vice chairman, and president of International Systems and Controls Corporation. John L. Caldwell, director of the Chamber's Center for International Business Relations, served as the task force's staff director.

The report which follows contains an overview of the problems, as perceived by this task force, a framework for dealing with them, and suggestions for national and international policies that bear on what we believe will be the dominant economic issue facing the world for the balance of the century.

The Chamber's Board of Directors approved publication of this report in February 1976 not necessarily as reflecting National Chamber policy, but in the hope that the views expressed in the report could play a constructive role in the current public debate on the issues addressed by the Task Force on World Shortages.

RICHARD L. LESHER,
President, Chamber of Commerce of the United States.

FOREWORD

Under the international rules of the game formulated for access to markets—and monitored by GATT (General Agreement on Tariffs and Trade)—world trade has grown to enormous proportions and the world has prospered.

Now—midway into the decade of the 1970's—the nations of the world are faced with a new challenge. This challenge can be as crucial for the future peace and prosperity of the world as was the one creating the post-World War II international trading system based on freer trade and comparative economic advantage.

The new challenge arises from a dawning realization that many of the world's basic resources are finite in amount and may not always be immediately available in the quantities and locations required; and that many of the critical raw materials needed by modern industrial societies are located in developing countries whose aspirations for rapid economic development at home and the exercise of political power abroad can bring them into conflict with the developed countries.

Indeed, the developing countries have expressed their desires for a larger share in the management of, and in the benefits of, global economic growth by calling for the establishment of a "new international economic order." They have exercised their numerical majority in the United Nations to adopt a new Charter of Economic Rights and Duties of States which appears to potential investors from the industrialized countries as jeopardizing investments they might make in the developing countries.

To some students of international economic events, the evolving confrontation between the industrialized countries and the developing countries rich in resources—sometimes referred to as the North/South confrontation—is of much greater significance than the economic issues between East and West.

The economic issues between consuming and producing nations have been sharpened by recent events. The emergence of OPEC (Organization of Petroleum Exporting Countries) as an effective cartel capable of reducing the flow of oil to markets and hiking the price—notwithstanding the existence of an enormous overhang of potential supply—has spurred other countries possessing critical raw materials to organize for similar purposes. It is clear that in the absence of new international arrangements some developing countries will seek to achieve their aspirations through the exercise of "commodity power." It is highly likely that they will have every opportunity to attempt to apply "commodity power" in the months ahead as the economies of the developed countries emerge from recession and resume more normal growth patterns. A strong and simultaneous upturn in the economies of the U.S., Japan and the European Community countries would exert great pressure on available supplies of resources and commodities, and the resulting shortages could be severe.

Similarly, the fluctuations in food harvests around the world put intermittent, but serious, pressures on food supplies. It will require the full cooperation of developed and developing countries in the pursuit of agricultural goals to avert devastating famine.

To cope with these problems, new international approaches and understandings must be worked out among the developed and developing countries. These approaches must be based on a perceived mutuality of interests. The developing countries have access to critical raw materials which they can offer—and the principles governing this access must be embodied in some fair and reasonable international rules of the game, in much the same way as rules were evolved to govern access to markets. The developed countries have to offer access to their markets on the basis of generalized trade preferences, technology, managerial assistance, credits, arrangements for stabilizing the earnings of the developing countries, and food.

If the proper bargain can be struck, the world will continue to grow on the basis of greater, mutually beneficial economic interdependence. If efforts to achieve an accommodation fail, there could well be economic chaos in which case all countries would be the losers.

The U S. must play a leadership role in achieving this new international system to replace confrontation with cooperation. It must do so not only because it can command the moral force, but also because it, too, is directly involved in the results. Long accustomed to a perceived abundance of raw materials supplies, Americans must now be made more aware that the U.S. is not self-sufficient in resources, and that the goal of self-sufficiency cannot be attained without greatly distorting the economy. The U.S. is increasingly dependent on foreign sources for critical raw materials, and is destined to become much more so in the next decade. **(See Table 1, page 2.)**

Consequently, the U.S. must also strengthen its ability to compete effectively in the marketplace for raw materials, increase its domestic production capabilities, and develop effective conservation policies so as to eliminate waste and utilize resources wisely.

To achieve these goals, U.S. governmental structures must be made more efficient so as to enhance the capabilities of government for formulating and implementing coherent foreign and domestic economic policies.

Failure to resolve these issues could result in major additional intrusions by government in the marketplace to allocate resources in short supply. Conceivably, the system of free markets and private enterprise as we have known it could be jeopardized.

The U S., in cooperation with other nations, should be able to find new ways to develop and make available the resources needed to sustain, and indeed expand, socio-economic development on a global basis.

The interrelated policies and actions required to achieve these goals will necessitate changes in the lifestyles of the American people and in business practices. But, if these changes are implemented wisely and incisively, severe dislocations and a reduction in living standards can be avoided.

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Policy Considerations For Dealing With Materials Shortages

THE SETTING

Mankind has faced, and lived through, several historical periods in which resource scarcity was a problem of major concern. In each instance, a combination of factors including geographical and technological discoveries and developments deflated the fears of the pessimists. At the present time, it is difficult to predict with much confidence whether we are simply experiencing another cyclical phase of raw materials scarcity, or whether we are actually on the threshold of a secular trend toward increasing raw materials shortages. There are thoughtful and cogent arguments supporting both points of view.

In an effort to examine and understand this exceedingly complex, multi-dimensional issue, the Task Force on World Shortages sought to delineate its parameters; delve into its nature; assess its implications; and, finally develop some suggested approaches that would better equip the United States and other countries in dealing more effectively with potential, or relative, shortages of resources and essential materials as they may arise in the future—whether from price and production manipulations by a cartel or from simultaneous economic booms that place too much sudden pressure on available resources by consumer nations. The task force focused on international and domestic actions that would help to alleviate the shortages problem, considering both to be equally important.

The task force members, after much debate and careful deliberations over a fifteen-month span of time evolved with a consensus on several major considerations as a prelude to developing its recommendations:

First: The problem for the future—at least until the end of this century—does not lie in a physical depletion of resources. Several authoritative studies by various U.S. Government agencies have been completed in recent years demonstrating that fossil and non-fossil fuels and minerals exist in sufficient quantities to satisfy worldwide demand, certainly to the year 2000. In addition, there are potentially significant—and, in some cases, infinite—sources of alternative forms of energy and materials that can be harnessed to satisfy future demand. But, there will be periods when demand will exceed available supplies; when capital may not be available in the quantities or in the places needed to develop necessary supplies; situations in which some countries may enjoy surpluses while others are experiencing shortages of these same supplies, as a result of varying economic, geographic and political factors. Virtually no studies attempt to forecast the supply-demand equation beyond the end of this century, which suggests that a long-range projection should be attempted. Moreover, unless current population growth rates are restrained, the pressures on available resources—especially food—could exceed the potential capabilities of nations to deal with supply problems.

Second: The oil embargo of 1973, coupled with the quadrupling of oil prices, signaled the end of an era of low-cost energy. The general dependence of most economies of the developed and developing countries on oil as a primary energy source; the rapidity with which the price of oil rose; and for a time, the interruption of the availability of oil; plus the relative paucity of readily available alternative sources of energy all combined to create considerable apprehensions about the ability of most nation-states to cope with a dramatically new global situation. This new situation has set in motion forces that will profoundly affect all national economies and fundamentally alter the structure of world economic power.

Already, these events have caused serious dislocations in the developed countries of the world; they have impacted on the socio-economic development aspirations of the resource-poor developing countries; and they are causing major imbalances in the world economic system.

Third: Concomitantly, certain producers of other primary materials*—prompted by understandable aspirations to generate increased earnings to finance their development objectives and to strengthen their voice in the management of the world economy—have intensified efforts to emulate the successful example set by the Organization of Petroleum Exporting Countries (OPEC). While OPEC-type conditions are unlikely to exist with respect to other commodities and it is improbable—even if they did exist—that the impact of a bauxite or tin cartel would be as severe as the oil cartel has been, the growing trend among producing countries to exercise "commodity power" has placed countries dependent on foreign sources of supplies in potentially vulnerable economic positions—at least while they develop alternative sources, or otherwise adjust to the new economics necessitated by these relatively sudden developments—and has caused many to fear that we are on the threshold of an era of contrived shortages created by forces that will affect the price, production and distribution of resources.

Fourth: The vulnerability of consuming nations stems largely from the fact that, accustomed to relatively cheap and abundant supplies of energy and other resources, they pursued economic growth policies during the 1960's that resulted in high worldwide demand for basic resources. As a result, the industrialized economies increasingly relied on foreign raw materials. This, in turn, set the stage for the owners of these materials to seek to exercise greater leverage on price and production decisions. Over the past two years, recessionary forces have dampened demand in most of the world's economies. However, as countries seek to reestablish normal growth paths, demand will rise again, thus creating renewed pressures on available supplies.

In this context, it would seem not only desirable but essential that the producers and consumers of primary materials strive to achieve a new multilateral framework in which both sets of countries can obtain mutually beneficial access to supplies and markets. Such a framework should be conceptually based on the principles of the marketplace so that the market price system—among other things—can be used to perform its essential function of reducing the use of higher cost commodities and encouraging the use of lower cost commodities.

In view of the understandable and historic efforts of the so-called Third and Fourth World countries to improve their terms of trade in ways that developed countries perceive as violating the principles that underpin the post-World War II international economic system, it is particularly important that new rules of the game should be developed to help ensure that the international flow of goods and services be as unrestricted as possible.

Assuming that such a body of rules could be agreed upon, a parallel effort would have to be made to assure that the capital necessary for the development and distribution of adequate resources to meet world demand is committed at the right time and in the right places. This will require, of course, a much closer degree of cooperation among consumers and producers than is presently evident on the world scene to maintain open access to supplies and markets within an accepted international system.

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*Products for which varying degrees of collusive arrangements exist include: bauxite, phosphates, copper, tin, iron ore, mercury, coffee and bananas. There are other primary products, including tropical timber, natural rubber, nickel, tungsten, cobalt, columbium, tantalum, pepper and quinine, for which effective collusion among producing countries is distinctly possible. For some of these commodities, producer organizations, such as the Association of Natural Rubber-Producing Countries and the Asian Pepper Community, already exist.

The capital and technological requirements for rational and effective development of the world's resources will further, necessitate international acceptance of the need to facilitate and encourage flows of transnational licensing transactions and investments. The need for such acceptance is particularly urgent since the main engines of technological and investment flows—transnational corporations—are facing mounting psychological and political obstacles at the very time when their contributions to socioeconomic progress are most needed.

Potential dangers

In the absence of a new international framework designed to spur the freer flow of goods, commodities and services; an international monetary system that facilitates such flows; international agreements that encourage international movements of technology and investment; and support for the constructive role of transnational enterprises, the world economy would suffer serious setbacks.

Furthermore, failure on the part of the developed countries to respond more fully to some of the legitimate social, political and economic aspirations of the developing nations can only result in deepening international aggravations leading, among other manifestations, to increasing reliance on the exercise of "commodity power," and, possibly, the proliferation of cartel arrangements.

Historically, attempted cartel arrangements have shared a common characteristic—lack of success—as ultimately they have succumbed to the pressures of market forces. Nevertheless, their life-span has usually been long enough to cause adverse impacts on certain economies.

Since the world today is far more interdependent than in the past, the impact of cartels, even for a temporary period of time, can be far more damaging, particularly for the consumers, but inevitably for the producers as well. To avert the emergence of cartels and the potentially damaging use of "commodity power," it is imperative that developed and developing countries strive to achieve a greater degree of accommodation among their respective economic interests.

The need for such an accommodation will be particularly pressing as the economies of the world strive to resume their normal growth patterns. When they do, demand for raw materials will be pressing heavily against available supplies. This circumstance would conceivably help to create the necessary conditions of dependence for producers of a commodity to attempt a cartel arrangement. Once in place, a cartel arrangement can cause serious economic dislocations before market forces eventually defuse it.

There are at least four significant danger areas that could result from such a scenario.

First, the developed and developing consuming countries, at the present time, are insufficiently prepared to cope effectively with commodity cartels. These shortcomings, as illustrated in a dramatic way by the oil crisis, cause affected countries initially to react independently, rather than in concert, to the price and production decisions of a cartel. The difficulties of mounting a common response by consuming countries and the consequent lag in their ability to respond to these decisions could enable a cartel to exercise leverage over a sufficiently long period of time so that the higher prices for a commodity are translated into the cost structures of the consuming countries. Once cost structures are fundamentally altered, a ripple effect pervades an entire economy and impacts on an infinite range of products, services and life styles. In this context, affected countries are obliged to invest significantly in the development of alternative sources of supplies if they wish to reduce their vulnerability to further price increases. Once such a course of action is pursued, pressures arise to protect such investments, particularly against predatory pricing efforts on the part of the producing countries.

Second, the threat of supply interruptions inevitably causes consuming countries to seek ways to become self-sufficient. Depending upon the degree and location of supply concentration of a given commodity and the possibilities of stockpiling it, such action can entail building higher costs into economies, which must then be protected against external influence. Policies designed to achieve self-sufficiency can thereby lead to entrenched autarkic positions—a situation which to a considerable extent created the national rivalries that eventuated in two world wars in the first half of the 20th century.

Third, until a variety of adjustments can be implemented to cope with higher prices for a commodity, affected countries may experience, among other distortions, trade and balance of payments deficits. In an effort to restore equilibrium in their international balances, affected countries may well attempt to solve their problems by resorting to protectionist trade policies and/or competitive devaluations. On a widespread basis, such actions could lead to a breakdown of the international trading system that has been painstakingly constructed over nearly three decades.

Finally, every consuming country's economic structure and orientation can be deeply affected by the actions of a commodity cartel. For example, the way in which the U.S. Government responds to cartel actions and to the kinds of problems they generate could have a profound effect on the viability of the private enterprise system in the U.S. Inevitably, the need to deal with crises caused by shortages of critical materials will inject government intervention into the market-place in ways that erode economic freedoms and, eventually, political freedoms.

The task force believes that the marketplace has considerable capacity to discipline cartels that exceed the optimum price level for commodities and that where major structural changes are required—such as in shifting from a low-cost abundant energy and resource economy to one predicated on high-cost and increasing scarcities—the market mechanism offers the best tool to facilitate the necessary adjustments and to harness the cooperative efforts of the millions of businesses and individuals through whom, in the final analysis, these adjustments can be brought about.

Need for a broad program of action

In studying the problem from this perspective, it became clear to the task force that the issues involved are exceedingly complex and obviously do not lend themselves to easy solutions.

Rather, they call for a comprehensive and carefully coordinated plan and a broad program of action—the essential elements of which must include:

Improving cooperation and strengthening economic interdependence among consuming and producing nations;

Improving existing and adopting new international measures to facilitate access to supplies and markets to the long-term mutual benefit of consumers and producers—including efforts to stabilize the income of developing countries which are dependent on one or more basic resources, without interfering unduly with market forces;

Utilizing the substantial economic inducements that the developed, industrialized countries can provide to encourage their policies and actions according to internationally accepted norms—and to dissuade them from violating the rules of fair and equitable international behavior;

Adopting agreed-upon conservation goals and programs to conserve the world's supplies of essential materials and intensifying international efforts to develop new and alternative sources of energy and raw materials;

Establishing a cooperative international program (an early alert system) to identify—and to stimulate action to avert—potential shortfalls of critical materials;

Developing larger sources of investment capital to bring on-stream alternatives and increased amounts of resources;

Achieving a balance between population pressures and resources—especially food supplies;

Strengthening existing international rules governing trade so that countries seeking to resolve their balance of payments and trade deficits do not resort to such actions as restrictive trade policies and competitive devaluations; and

Reorganizing and coordinating U.S. governmental policy-making activities so that in the future the U.S. can act incisively, in concert with other countries, to anticipate and minimize, if not preclude, the adverse effects of commodity shortages.

POLICY RECOMMENDATIONS FOR DEALING WITH MATERIALS SHORTAGES

The preceding section of this report has sought to cast a conceptual framework for dealing with actual and potential shortages of basic resources.

Part II seeks to identify and discuss in a more specific way certain short- and long-range international and internal policies and measures that should be developed and implemented (or, in certain instances, continued) to enable the U.S. to cope more effectively with shortages problems.

The recommendations developed in this section do not purport to be all-inclusive. Rather, in the judgment of the task force, they are indicative of the direction the U.S. should pursue, not only to help alleviate the present shortages situation, but, equally important, to enable the U.S.—in close cooperation with other countries—to anticipate and, hopefully, prevent shortages and their potentially adverse consequences from occurring in the future.

The task force recommends that the U.S. should pursue, develop and implement the following policies and actions:

International Policies and Actions

Continue efforts to build a consensus among developed and developing countries on the essentiality of pursuing national policies and participating in international undertakings that contribute toward the growth of and access to markets and supplies and that expand the international flow of technology, goods (including agricultural commodities and primary materials), services and capital.

Over the course of history, human progress and development has been achieved, in large measure, by the interchange of ideas and concepts as well as by the exchange of economic resources and wealth. The flow of goods, services, capital and people across national boundaries has stimulated social, political and economic development in all countries. As the nations of the world become increasingly interdependent, the overall benefits that can be derived from these exchanges over the long term can be eroded by restrictive policies and practices. While completely free trade, like a purely free market, may never fully be achieved, the twin goals of freer trade and markets are certainly worthy objectives to pursue.

Continue efforts aimed at building conditions of greater economic interdependence among developed and developing countries.

The prospects for relative peace and prosperity within the community of nations will be enhanced by a higher degree of global economic interdependence. It is in this context that over the long run a sound and balanced international economic order will be achieved. Developed countries must respond effectively to the legitimate socioeconomic aspirations of the develcping countries, thereby dampening their propensity for pursuing policies to achieve their aspirations by economic force that are perceived by the developed nations as being inimical to world economic stability.

With this objective in mind, the consumer-producer dialogue—at both private and public sector levels—must be intensified to generate a better understanding of the dynamics of economic interrdependence and, more specifically, to bring about a greater awareness on the part of producers and consumers of the stake they have in an international economic order that both find mutually beneficial. Each needs the other. Producing countries have the raw materials and the expanding markets that the consuming countries need, or at least want. The consuming countries, on the other hand, have markets, technology, manufactured goods, services and food—all of which in varying degrees the producing countries need and want. This mutual condition of needs and desires should be accentuated in efforts to redress actual and avert potential disequilibria in the international economy.

Ways to inject a greater degree of competition in current patterns of international trade in commodities, especially oil, should be devised.

The large and sudden increases in the price of energy supplies, particularly petroleum, that have occurred since 1973 have contributed to the inflationary and recessionary conditions that exist in most countries of the world. This situation, in turn, has reduced energy demand and is in large measure responsible for the present unutilized oil-producing capacity in most OPEC countries. This spare capacity could provide an opportunity for achieving lower petroleum price levels, if means could be developed to introduce a greater degree of producer competition into the world oil market.

Hopefully, the operation of such competitive market forces would achieve a price level for oil that would both satisfy the legitimate economic development goals of the OPEC countries and reduce the adverse economic impact that higher prices have had on consuming countries. However, OPEC members are still seeking to maintain the current level of higher prices and, in addition, to increase them at least enough to maintain OPEC purchasing power in world markets. The economic recovery that appears to be developing throughout the world can be expected to increase demand for energy. Therefore, the development of additional sources of energy and the intensification of conservation programs must be high priority undertakings in the United States and other consuming countries. Equally important, the consuming countries must reduce their demand for OPEC oil, recognizing, of course, that any drastic action to reduce demand for imported oil would have adverse effects on already weakened economies in the consuming countries.

Continuing efforts by oil-consuming countries to reduce demand should enlarge the present overhang of supplies. Increasing the competitive effect of market forces, given an enlarging supply overhang, could exert downward pressure on prices.

Under the aegis of the International Energy Agency, continue to develop comprehensive programs for dealing with oil supply and price problems and other energy problems. Specifically, the U.S. should fully support and participate actively in:

An emergency "oil-sharing" arrangement,

Vigorous and coordinated conservation programs,

National and international petroleum stockpiles,

Research and development in new and alternative sources of energy.

The success of the oil-consuming nations in establishing the International Energy Agency under the umbrella of the Organization for Economic Cooperation and Development (OECD) is commendable and should be fully supported by the United States. An agreement has now been reached on an emergency oil-sharing plan among consuming nations. For its part, the United States must develop effective stand-by programs which could be triggered during an emergency.

Obviously, the threat of another embargo remains a serious concern. A second major concern is the present uncertainty about the magnitude of payments for oil that consuming nations may have to make at a future date and the balance of payments and other economic implications that such currency transfers will have on paying countries. The oil-consuming nations should continue to monitor the impact of higher petroleum bills on their economic well-being and should prepare contingency plans so that they can act decisively should the magnitude of currency outflows to the oil-exporters reach a level that endangers the solvency of the consuming nations.

In collaboration with consuming and producing countries, undertake efforts to monitor more effectively supply-demand trends for other natural resources, so that severe shortages can be averted, and to enable both consumers and producers to manage the production, distribution and consumption of world resources more rationally and effectively.

Serious consideration should be given to increasing the availability of supply and demand data so that producing and consuming countries are alerted to potential shortage situations early enough in their development for countries to take appropriate preventive or remedial action. An informational exchange procedure and consultative mechanism could help to reduce the danger of countries being caught unprepared to deal with a shortage situation, and, possibly, help avert the occurrence of shortages of vital materials. In this connection, attention must also be given to the physical availability of critical materials beyond the year 2000—the threshold that existing studies so far have not yet passed.

The United States should participate in international financial arrangements designed to provide reasonable stability in the export earnings of developing countries which are dependent on one or more basic resources for their livelihood.

Traditionally, the United States has opposed international commodity agreements because they distort the workings of the marketplace and because most international commodity agreements (notably for wheat) ultimately have failed to achieve their intended purpose: the stabilization of earnings. Over the past several years, developing countries have intensified their efforts to encourage developed countries to enter into international commodity arrangements despite the poor record of such agreements. Recently, there has been some response. Last year, the European Community and 46 developing nations signed the Lomé Agreement which, among other things, provides for an income stabilization scheme based, in part, on a special buffer fund to offset temporary shortfalls in export earnings. The U.S. also has made a number of proposals for increased aid and liberalized compensatory financing facilities.

Schemes to stabilize earnings, rather than prices, combined with various forms of aid and market access, could provide positive inducements on the part of both the producing and consuming countries to sustain the economic development process and help to ensure a more smoothly functioning international economic system.

Joint efforts between consumers and producers are the appropriate means of coping with specific commodity problems. Such efforts should be aimed at improving and strentghening the market-oriented system. We must resist any generalized system of commodity agreements aimed at fixing prices.

A more detailed analysis of this issue and a set of recommendations to deal with it is contained in a statement adopted by the National Chamber's Board of Directors in November 1975 titled "World Trade in Commodities: Analysis and Policy Proposals."

New rules and procedures for access to markets and supplies should be negotiated in the multilateral trade negotiations now taking place under the aegis of the General Agreements on Tariffs and Trade (GATT).

The Tokyo Round of multilateral trade negotiations now underway in Geneva can, if successful, result in agreements that will facilitate world trade flows by removing or, at least, reducing impediments to market and supply access and improve the terms of trade for developing countries by providing them easier access to industrial world markets.

The new round offers the international trading community an opportunity to resume progress toward expanding access to markets, principally through a combination of tariff reductions and the elimination of certain non-tariff barriers that affect both industrial and agricultural trade.

Recent fears about possible raw material supply interruptions have prompted a view that GATT rules governing access to supplies should be strengthened. Bearing in mind that the GATT system, as it is now constituted, could neither negotiate nor administer an agreement involving such fundamental, sovereign rights and interests as control over natural resources, nevertheless it should be possible, and certainly desirable, to negotiate an agreement that could (1) establish criteria that set forth the circumstances under which the use of export controls conforms to internationally accepted standards; (2) provide advance warning about the imposition of export controls; and (3) establish limits, or rules, on discrimination in access to natural resources.

Progress in at least these three areas would help to provide a necessary degree of reassurance to the international trading community and ought to establish the basis for further efforts to enable nations to enjoy freer access to supplies.

In addition, this round of negotiations would be an appropriate forum in which to develop better ways to improve the terms of trade of the developing and, particularly, the resource-poor nations of the world.

In this connection, the negotiations should focus on the essentiality for reciprocity in market and supply access. The corollary to easier and continued access to the markets, supplies and technology of the industrialized countries by the nonindustralized nations should be the easier and continued access to the supplies and the markets of the developing countries by the developed nations.

Failure to achieve progress on these interrelated fronts could result in a breakdown of the international trade system that for the past three decades has contributed significantly to world economic growth and progress.

Initiate actions to redress the growing imbalance between population pressures and resource availabilities, especially food supplies.

By the turn of this century—in just 24

years—the world's population is estimated to double to approximately 7–8 billion. This expected population growth will place severe strains on the world's capacity to supply resources and to produce and distribute food.

Already, the gap between the amount of food the developing countries can produce and what they need currently amounts to 25 million tons. At current rates of production and population growth, that gap is expected to double or triple in ten years. Unless action is taken now, on the one hand, to improve and significantly expand agricultural production, stockpiles and distribution on a global basis, and, on the other, to encourage curbs on excessive population growth, the world may face a series of increasingly unmanageable food crises within the next quarter century.

This situation, as the World Food Conference emphasized, will call for international collaboration on: food aid programs to deal with emergency conditions; the generation of the capital required to increase production and improve distribution systems; the development of long-term food strategies, coupled with more effective agricultural policies and practices; and the creation of an international system of nationally-held grain reserves.

The developing countries, with their considerable potential for internal agricultural development, possess the greatest potential for increasing worldwide food production. Therefore, they should pursue policies and implement measures to raise production, expand storage facilities, improve distribution networks and, importantly, create the necessary environment to attract foreign investment and technology to realize their capacity to increase the global availability of food.

Concurrently, unless ways and means are developed to convince the people and the governments of the world that current population growth trends must be drastically reduced, millions of people may starve by the year 2000. In this connection, the National Population Commission estimates that millions of people will be starving within the next 3 to 5 years.

The problem of overpopulation and its relationship to supplies of renewable and nonrenewable resources will, if anything, become more acute unless equilibrium is promptly restored.

Internal policies and actions

International responses and initiatives to deal with global shortages of energy and other resources, of course, must be complemented by national programs and actions. Accordingly, the U.S. should focus its attention on the following principal areas:

The U.S. must increase the productivity and efficiency of its consumption of resources, and convert the present semi-controlled domestic price situation in some resources to free market conditions—taking into account the need to minimize economic distortions—so that market forces can be harnessed to achieve necessary reductions in consumption and to develop new and alternative sources of energy, especially coal and nuclear power. Specifically, the U.S. needs to open for exploration and development as soon as possible its potential offshore oil and gas provinces, eliminate the existing disincentives to natural gas exploration and development, and reopen the leasing of federal coal lands.

The new higher prices for all forms of energy, as well as higher prices for other primary materials, will have major long-range impacts on the societies and the economies of energy and resource-intensive nations, such as the United States.

The U.S. economy, more so than that of any other major consuming nation, has been predicated upon abundant supplies of relatively cheap energy and natural resources. Energy and resource use per dollar of GNP in the U.S. is among the highest in the developed world. The reason is fairly simple; energy and resource prices have been lower in the United States than in most other nations. Now, faced with dramatic rises in the price of fuels, energy and other basic materials, the U.S. must increase the productivity and efficiency of its energy and resource uses. In the case of energy, the industrial/commercial sector of the economy has been, and will continue to be, the first sector to reflect this new priority. Higher energy prices have caused businesses to undertake cost-effective steps to reduce energy consumption. Reports of 10–20% energy savings are not unusual.

Changes towards more efficient use of energy and resources in the United States will occur over a longer time period. Many of these changes—development of mass transit systems, more fuel-efficient private transportation, altered community development patterns, new technologies, etc.—involve a long lead time. Additionally, while energy and resource conservation at the industrial level translates easily into dollars and cents, much of the discretionary use of energy and other resources by the public translates into convenience—and habits of convenience are tough to break.

These fundamental changes can be brought about, in large part, through market forces. Therefore, demand reduction for all energy forms and other resources, to the extent possible, should be brought about through the price mechanism.

Energy use within any society is an economic decision, not a moral issue. As the cost of energy and other resources increases, users of energy and other resources will respond to the price mechanism by devising ways and means to reduce their consumption of scarce and higher-cost materials, thereby facilitating the necessary transition toward the development of alternative sources and a more rational use of available resources.

Government agencies, together with public and private organizations, must undertake extensive and concerted public education efforts to encourage energy and resource conservation, and to explain the need for such conservation. Such efforts to inculcate a strong conservation ethic in the American people would complement the economic incentives that must be used to reduce demand and eliminate wasteful uses of scarce resources.

Over the long term, the best energy conservation measure is to have the price of energy reflect not only all the *costs* of its development and production, including the costs of environmental safeguards, but also its replacement cost.

Over the short term, demand for energy and certain other resources may be relatively inelastic and respond slowly to price increases. Therefore, every effort must be made to achieve the necessary balance between supply and demand of energy and other resources through voluntary restraints on consumption. The government can help in providing the necessary climate for such conservation.

Affirmative action must be taken to overcome the impediments to resource recovery (the use of reclaimed materials).

For at least as far ahead as the end of this century, a potential physical shortage of minerals does not appear likely. While many of the high grade ore deposits now being mined have a limited lifespan, there are many options which could assure an adequate supply of minerals (though most likely at higher costs) in the absence of any producer cartels, capital shortages, or barriers being erected to investments and development. Unfortunately, some or all of these problems are likely to exist; therefore, actual shortages will probably occur and they may be severe in their effects.

New discoveries, use of low-grade ores, and resource recovery will be the principal sources of mineral supply in the future. The use of recovered resources is hampered by a number of regulatory, institutional and psychological factors. A comprehensive study of the impediments to resource recovery should be undertaken, to be followed by positive action to overcome such impediments. In addition, consideration should be given to positive incentives, such as tax incentives and preferential freight rates, to encourage greater use of "secondary materials".

The United States must take appropriate steps to encourage the development of deep seabed mineral resources by establishing a policy which will permit private industry to produce seabed minerals.

Seabed minerals have been shown to be a potential major resource and a future source of a number of metals and minerals. An internationally accepted law of the sea, which would facilitate the development of deep seabed resources, is urgently needed. Pending the completion of such an agreement, the U.S. Government should establish an operative policy to permit private industry to make the investments necessary to acquire reserves and recover minerals from the seabed in an orderly fashion and allow industry to develop and "mine" deep seabed minerals for U.S. and world metal requirements.

Expand the U.S. export program and strengthen such institutional aids as the Export-Import Bank to enable the U.S. to pay the higher costs of its imports of energy and natural resources.

The United States is dependent on imported basic raw materials to support its industrial base. It needs to sell abroad to pay for what it *must* purchase from foreign countries. Quite apart from consumer preferences for some foreign manufactured products, the increased prices of basic commodities produced abroad make export expansion a necessary and important goal.

With its enormous domestic market, the nature and meaning of exporting has often been misunderstood in the United States. It is not sufficiently appreciated that exporting and the development of markets abroad cannot be accomplished overnight, and the flow of products cannot be expected to be turned on and off like a water faucet.

In order to expand U.S. exports, American business must be able to rely on adequate sources of financing at competitive rates. Similarly, foreigners, purchasing American exports, require reasonable certainty that their sources of supply in the United States will continue to be reliable and regular. This calls for a stable and continuing commitment both by government and business to seek and obtain market positions abroad regardless of whether business is depressed or booming at home.

To generate capital for and stimulate investment in the development of potential sources of energy and raw materials, the U.S. should change and modernize its tax laws, and encourage foreign investment into the U.S.

The American economy is faced with a vast shortage of capital funds, especially to help produce the energy and raw materials it needs to stimulate socio-economic development and growth, and to produce 10 million new jobs by 1980. According to some estimates, the U.S.—in the next decade—will require $4.5 trillion for investment in energy and other resources—more than three times the current U.S. Gross National Product.

Through the federal taxing system, American business can be encouraged to spend the huge sums of money necessary to help solve the nation's materials and energy shortages and its unemployment problems. Alternatively, tax disincentives can impede the increased development, production and conservation of essential materials and energy supplies, and can retard growth in job opportunities.

U.S. tax laws should be regarded as an appropriate and necessary tool to encourage investment in the development of new and alternative resources, the replacement of obsolete plants and equipment to promote conservation, efficiency ad productivity, the exploration for and the discovery and development of needed natural resources, research and development of new technology, and to encourage American business to operate in world markets so as to earn abroad what the U.S. needs to pay for its imports and to compete for foreign materials and resources.

In addition to tax inducements, U.S. capital requirements can be generated through foreign investment. Huge amounts of capital are now being transferred to the producers of materials that the U.S. imports—notably OPEC oil. The Treasury Department conservatively forecasts that OPEC reserves will amount to at least $250 billion by 1980. This estimate assumes that worldwide oil use will rise only 2% annually over the next five years and that the high 1974 rate of OPEC imports from the oil-consuming countries will continue.

Actually, as the industrialized economies recover from the current recessionary situation, it will become very difficult to hold down oil consumption to a 2% annual growth rate. Also, there are signs that the high OPEC imports of 1974 included a number of one-time major purchases that will not be duplicated, at least not for several years. Moreover, with any increase in OPEC oil prices between now and 1980, OPEC reserves would exceed the $250 billion estimated by the Treasury Department.

Whatever their magnitude, these funds should and can be "recycled" by, among other means, attractive, long-term investment opportunities in the U.S., thereby helping to ease America's growing capital shortage.

To the degree that the OPEC countries recognize that their long-term welfare is dependent upon stronger economic performance by oil importers, to that degree will OPEC investment tend to flow into longer-term, productive ventures.

Therefore, a guiding principle in the international economic relations of oil-importing nations—particularly the United States—should be a constant effort to induce and encourage OPEC members to make productive, long-term investments in the borrowing countries, in the context of international rules and standards.

The U.S. should continue policies that welcome foreign direct and indirect investment in the United States on a basis of national treatment and nondiscrimination.

And, finally, in recognition of the fact that the U.S. is not self-sufficient, that it will be importing progressively larger quantities of essential materials and resources, as well as other goods and services, and that it must pay for these imports with foreign earnings which can only be derived from exports to and investments in overseas markets, the U.S., as was stated above, must mount a stronger national export expansion program and facilitate transnational investment.

Create stronger and more effective institutional and policy coordination of those functions of government that bear on natural resources and international trade and investment.

The ability of the United States to deal effectively with shortages problems has been and continues to be handicapped by the absence of a coherent, internally consistent and carefully orchestrated governmental infrastructure for developing interrelated national and international economic policies.

Government institutions and agencies must be able to deal more effectively with the complex web of interrelated problems that bear on the goal of ensuring an adequate supply of essential materials.

Domestic efforts to make maximum use of energy and natural resources are insufficiently coordinated. This existing organization deficiency is not the result of any dereliction on the part of the Executive Branch or the Congress. Rather, it results from the legislative origins of existing resource development programs. Each, initially, was oriented to the problems of developing a single resource—oil, gas, coal, atomic energy, minerals, etc. At separate points in time when these programs were started, an overall shortage of materials was not perceived as a problem. Now, attempts to solve the problem are leading to conflicts between departments and agencies over land use policies, tax policies, regulatory policies, environmental issues, etc.

Consequently, attaining the goal of increased development of energy and natural resources requires the coordination of related government programs. The U.S. Chamber has been on record, for some time, in favor of action to deal with this problem.

Similarly, far better government coordination of U.S. international economic activities at the cabinet level is essential.

As in the case of resource development programs, international economic policies and programs have evolved, one by one, from historic circumstances. Responsibilities for international economic policy and activities are diffused throughout the Cabinet departments and diverse and disparate specialized government and quasi-governmental agencies. A recent study by a Congressional committee estimated that more than 60 government agencies were involved in various aspects of international economic and commercial activities.

The Council on International Economic Policy which was created in 1971 to coordinate the international economic interests of the government has not succeeded in fulfilling this objective. And, of course, it has not been able to serve as an effective forum for resolving problems related to the international dimensions of energy and materials shortages.

Each international economic policy activity within the Executive Branch is separated from the others by structural barriers—the laws which establish the missions of the departments and agencies, the policy processes which involve consideration by the departmental executives and the several Congressional committees, as well as the budget process in which spending authorizations are considered through separate channels.

Unless international trade, investment and monetary policies are coordinated and linked to similarly coordinated energy and resources policies, the present disjointed approach to these interrelated problems is likely to prevail and make more difficult the task of dealing with the complex problems and issues related to materials shortages.

In this connection, it is relevant to note that the U.S. is unique among the major countries of the world by the absence of a clearly recognized administrative focus for some of these key policy areas. Virtually every other developed country, for example, has a department, or a ministry, whose principal responsibilities are concerned with international trade and investment.

Recognition of the need for a stronger focus on these issues and for more effective coordination of foreign economic policy has been reflected by several Administrations and high-level advisory groups, including, most recently, the Ash Council and the Williams and Murphy Commissions. The U.S. Chamber has consistently recommended that more effective coordination of foreign economic policy is needed.

A cabinet-level officer should have responsibility for the effective determination and coordination of the international economic and commercial policy interests of the U.S.

This is the recommendation of a Subcommittee on Government Organization for International Economic Policy established by the Chamber's International Committee. The Subcommittee indicated that further study was needed to determine whether its conclusion should be accomplished through creation of a new department, or transfer of appropriate functions to the Commerce Department, or reorganization of existing departments or agencies.

The Subcommittee also recommended that the Council on International Economic Policy in the White House should be strengthened organizationally, provided with a clearer presidential mandate, and chaired by a full-time cabinet-level person of substantial stature and experience in the field reporting directly to the President. The Subcommittee also recommended that provision be made for an effective mechanism for private sector input into the government's international economic policy coordinating process.

Implementation of these recommendations would provide for a Cabinet Secretary who measures his success or failure in terms of how well he fosters U.S. trade and investment interests—interests that now represent 21 percent of the U.S. Gross National Product. With such a cabinet-level claimant representing the international trade and investment interests of the United States, a strengthened Council on International Economic Policy could play its proper role in balancing, reconciling and orchestrating foreign economic and commercial policy with foreign political policy, security policy, monetary policy and with domestic economic policy.

Encourage closer business-government cooperation in resource development at home and abroad by revising regulatory processes that impede resource development and hinder the role of the private sector in developing and distributing resources.

Assuming that better order can be brought out of government efforts to ameliorate the effects of shortages experienced at home and abroad, the private sector has a key role to play in complementing these efforts.

That element of the business community which is most heavily involved in international trade and investment—the multinational corporation—has served and is serving a vital purpose by locating, developing, processing and marketing resources on a global scale, based on highly specialized and technical know-how. Many of these companies are now applying greater proportions of their management skills and investment capabilities toward the task of developing new and alternative sources of energy and other resources.

In further support of these efforts, the U.S. Government, in close consultation with the business community, should carefully review the impact of certain regulatory statutes and procedures on the private sector's ability to develop natural resources—domestically and internationally.

Such a review should encompass particularly the regulation of natural gas in relation to other energy resources, the extraterritorial application of U.S. antitrust laws which is hampering the ability of U.S. firms to compete worldwide with non-U.S. consortia engaged in the development of primary materials, certain unnecessary environmental constraints on the development of resources, the moratorium on coal leasing of federal lands and administrative delays in leasing the outer continental shelves.

A variety of other regulatory statutes unnecessarily restricts the ability of the private sector to develop resources and materials that are critical to the U.S. and other economies. Many of these regulatory requirements, especially those which result in significant nonproductive corporate capital outlays, should be rescinded or reduced.

CONCLUSION

This report presents a series of recommendations on which prompt action is urged in order to foster a sound, smoothly functioning and viable international economic system.

At the present time, a growing number of relatively resource-rich developing countries are seeking to exercise varying degrees of "commodity power" to help bring about a "new international economic order." The industrialized countries, also in varying degrees, are seeking to resist the changes and the adjustments that inevitably would result from the kind of international economic system that the developing countries perceive. Unless ways are developed to accommodate the different and, at times, conflicting socio-economic interests of nation-states, the level of confrontation that now exists on the international scene could heighten to the detriment of both the developed and developing countries.

The task force is convinced that opportunities exist for resolving present conflicts—through approaches that emphasize the mutuality of interests—rather than the conflicts of interests—between the industrialized and nonindustrialized countries of the world.

The developed countries can and should respond more fully to the legitimate aspirations of the developing countries for a higher standard of living and a greater role in the management of the world economy.

This objective, among other things, calls for the prompt development and implementation of new international arrangements that would strengthen international economic interdependence by facilitating the international flow of goods, services, technology and capital. Over the long term, all countries of the world stand to benefit from such freer flows.

In order for the United States to be in a position to participate effectively in the new international economic arrangements that will be required, the U.S. Government—through more streamlined and efficient organizational structures—must improve its overall policy coordination and achieve a greater capability for developing and implementing a carefully coordinated and integrated foreign economic policy.

Failure to take these and other steps recommended in the report could lead to serious shortages of critical materials and consequent government intervention in the marketplace in ways that would impact adversely on the functioning of the private enterprise system.

Clearly, these challenges and our response to them will create by the next century a world that is markedly different from the one we know today. Such a significant change, however, need not adversely affect human progress and prosperity, provided that we act decisively now to meet the challenges and address the problems that are emphasized in this report.

FREE PRESS WINS IN THE COURTS—ALMOST

Mr. PROXMIRE. Mr. President, the U.S. Court of Appeals for the District of Columbia Circuit this week decided, 2 to 1, that press conferences and non-studio debates by political candidates are bona fide news events.

I applaud the decision.

The first amendment question in the equal-time case was never raised. Thus it was not addressed. And that is the way our court system works. I cannot argue otherwise.

Nevertheless, the opinion of the appeals court along with the dissent points up an intriguing aspect of our legal system. It is so complex and interwoven that obvious questions can be passed over without a blink.

The opinion upheld a Federal Communications Commission interpretation of the equal-time law which upset a previous interpretation by the FCC. So, the natural thing for men of law to do was to attack the case on the basis of legislative history, administrative law, due process, and the like.

But at stake is the control of the content of the press by the Government.

And that is clearly a constitutional question. For the first amendment says that Congress shall make no law abridging the right of a free press. Broadcasting is part of the press. And law concerning the content of broadcasting ought to inspire someone to ask: "How does that square with the first amendment?"

But no. Our legal system is so specialized, so intricate, that narrow questions can be asked and answered without noticing an overriding constitutional problem.

We are so immersed in mechanics that we can ignore basic principles.

Oh, sure, there may be an appeal to the Supreme Court. The Supreme Court has the power to raise the constitutional question if it wishes. But the methodology of the law suggests that is highly unlikely.

In the 37 pages of the opinion and in the 67 pages of the dissent there is barely an oblique reference to the first amendment. That is true despite the opening sentence of the majority opinion:

> This case concerns perhaps the most important interpretation of the equal time provision of the Communications Act of 1934 . . . which has arisen in the past decade.

Governmental control over the content of the press—especially the electronic press—is an insidious thing.

Let me demonstrate that beguiling legalistic attitude by quoting from the dissent. The dissenter, Judge J. Skelly Wright, says in his third paragraph:

> I do not doubt that the Commission's current position on Section 315 [the equal time provision upheld by the majority opinion] represents its best judgment of where the public interest lies, nor do I find the policy arguments in favor of the Commission's approach unconvincing. But sincere beliefs cannot substitute for a grant of authority, and frustration with the deliberateness of the legislative process cannot excuse failure to comply with the requisites of the administrative process. . . . In this case I am convinced that the Commission, in rejecting its own prior opinions as to the intent of Congress in passing the 1959 amendment to Section 315, has substituted its own judgment for decisions made by Congress, and has acted without regard for the procedures it was required to follow.

If I read Judge Wright correctly, he is saying that although he might agree with the final result, he does not believe it was arrived at legally.

And yet, what was arrived at was a decision—although limited—that broadcast newsmen may judge for themselves whether a Presidential press conference or a debate between candidates for a city council job is a news story; that it is not for a Government agency to make such a judgment.

Now to me that squares with the Constitution. Yet, because of a law and rules and regulations dealing with its administration, the bigger constitutional problem did not have to be considered. The trees blocked out the forest.

On page 58 of his dissent, Judge Wright writes:

> . . . even if consideration of all the relevant information led the Commission to conclude that it ought to adopt a policy of deference to broadcaster judgment, the information obtained in a rule-making proceeding would allow formulation of appropriate guidelines for exercise of that discretion.

I quote that sentence to show how the constitutional question gets snowed under by legalisms. How can there be governmental "guidelines" for the exercise of "discretion" about editorial judgments? That is contradictory.

"Discretion" is defined in my dictionary as "the power or right to decide or act according to one's own judgment."

If there are any "guidelines" there can be no power or right to decide according to one's own judgment.

Judge Wright did not slip up there. On page 61 there is a footnote which reads:

> The Commission's discretion must be exercised within the bounds established by Congress.

This is not nitpicking. Words and their definitions are important under the law, and must be.

What has happened is that the majority—and I agree with the opinion—and the dissenter both stick to legal precedent and bypass the central issue: that of the constitutionality of governmental controls over the press.

Congress has done that, too.

The executive has done it as well.

The public and Congress decried the abuses of Watergate. But it is too easily forgotten that those abuses included attempts to control the press—the press that was protected by the Constitution for the purpose of being an additional check on the three official branches of Government that are designed to check each other.

I say "was" protected by the Constitution because one is constrained from using the present tense under today's circumstances.

This problem of governmental control over the broadcast press has got to be debated.

The printed press shows little desire to do so, although it can be searched out. Competition from broadcasting might be the reason for the lack.

The broadcast press devotes almost no air time to the question even though it is directly affected. It probably abstains because that kind of discussion could offend its governmental keepers.

That leaves us politicians. And we—let us face it—like the Government to protect us from our challengers at the polls.

That leaves it up to the people to discuss the constitutional question.

If they do, we will listen.

But will they speak out to protect themselves?

Mr. President, I ask unanimous consent that a news story on the court decision from the Washington Post of April 13 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 13, 1976]

COURT BACKS EQUAL-TIME EXEMPTION

(By Timothy S. Robinson)

Radio and television stations can broadcast debates and news conferences by political candidates—including those of an incumbent President who is running for reelection—without giving free air time to their opponents, the U.S. Court of Appeals ruled here yesterday.

The 2-to-1 ruling upholds a 1975 decision by the Federal Communications Commission that had exempted live coverage of some debates and news conferences from the "equal time" provisions required of the stations. The FCC's findings last year had reversed political "equal time" practices required by the agency for the past decade.

Among the groups challenging the FCC decision before the appellate court was the Democratic National Committee.

The committee's attorneys argued that an incumbent President uses his heavily covered news conferences to make political campaign speeches, and that his opponents should be given a chance to put forth their side of the issues.

Committee attorney Marcus Cohn said an appeal of the ruling is being considered. He said the problem presented by the ruling is that an incumbent President such as Gerald R. Ford is "wearing two hats" when he holds a news conference.

"The President can make a political speech under this exemption" without any equal time being required, Cohn said.

In a 37-page opinion written by U.S. Circuit Court Judge Edward A. Tamm, the appeals court said the decision to cover "bona fide news events" such as news conferences and political debates sponsored by someone other than broadcast stations themselves should be left up to the broadcasters.

"This conclusion is consistent with the commission's new position that, absent evidence of broadcaster intent to advance a particular candidacy, the judgment of the newsworthiness of an event is left to the reasonable news judgment of professionals," Tamm said. Agreeing with him was U.S. Circuit Court Judge Malcolm R. Wilkey.

U.S. Circuit Court Judge J. Skelly Wright dissented in a 67-page opinion. Wright said he believes the appellate ruling "effectively repeals" equal-time legislation approved by Congress.

The commission concedes that under its ruling broadcasters may now pick and choose as to which candidates' debates they will put on the air without restraint from the equal-time law," Wright wrote.

Loren A. Smith, general counsel of the Citizens for Ronald Reagan presidential campaign, said he had not read the opinion yet and that it was "too early" to speculate about its effect on the campaign.

However, he said campaign officials have previously expressed a "general feeling that it's very important for all presidential candidates to have equal access to the airwaves.

Pointing out that an incumbent President seeking re-election has a unique advantage in obtaining air time by holding news conferences, Smith said that "to further extend that advantage is unwise."

A spokesman for Democratic presidential hopeful Sen. Henry M. Jackson of Washington, said he did not think the ruling would have any great influence in the remaining Democratic primaries.

"The President has an advantage, obviously. His press conferences get greater play and attention than his challengers'," said Jackson spokesman Brian Corcoran.

The FCC ruling also had been challenged by Rep. Shirley Chisholm (D–N.Y.) and the National Organization for Women.

The 1975 FCC ruling came after the Aspen Institute Program on Communications and Society and CBS has asked for a re-examination of the agency's previous decisions concerning news conferences and debates.

CBS specifically had pointed out the "equal time" problems created by an incumbent President such as Mr. Ford who announced his candidacy 15 months before the Nov. 2, 1976 election date.

In accepting CBS's argument the appeals court noted in passing that there are 52 presidential and vice presidential candidates "both serious and 'fringe'—who had filed reports with the Federal Election Commission.

"Based thus on the broad intent of Congress to maximize coverage of political events and to increase broadcaster discretion . . ., we conclude that the commissions recent opinion appears consistent" with congressional statutes concerning equal-time provisions," Tamm said.

SINGLES TAX REVISITED

Mr. PACKWOOD. Mr. President, it is time Congress remedied an unfair situation. Three and a half years ago, the Senate agreed to the amendment I introduced to give single taxpayers the same tax rates as married persons filing joint returns. Over half the Senate supported this amendment to correct the discrimination against singles which exists in the tax code. Unfortunately, this amendment was dropped in conference with the House. I say "unfortunately" because millions of our taxpayers have continued to suffer; the laws have not been changed. We are still discriminating against taxpayers who are single or unmarried heads of household.

Four years ago, I testified before the Ways and Means Committee to protest the unfar tax burden placed on unmarried individuals. In May of 1972, I argued that unmarried people should be viewed as equals to married couples in the eyes of the Internal Revenue Service. Now, in 1976, taxes paid by an unmarried individual still exceed the tax levied against a married couple filing a joint return by up to 20 percent. Or, to put it another way, singles are forced to pay up to 20 percent more in taxes than their married counterparts on the same amounts of taxable income.

Four years since my first testimony on the subject, the arguments remain basically the same: we are still 20 percent wrong in our treatment of unmarried taxpayers. We are still only granting 80 percent tax equality to our unmarried citizens.

Although the arguments for tax equality are basically the same as they were in 1972, the pressures for reform are even greater in 1976 because of two factors. First, the numbers have changed dramatically. In 1972 we were talking about 29 million of our citizens who classified as "single" taxpayers. Now, in 1976, we are talking about 31 million, an increase of 2 million. In addition, we must add 5 million taxpayers who qualify as heads of household. This group is also discriminated against. Back in 1972, we were talking about a group of people big enough to populate 15 States the size of Oregon. Now, we are talking about enough people to populate 18 States the size of Oregon.

The group of "singles" still includes the widows and widowers, the unmarried men and women, and the divorced of this great Nation. This group, including some least able to pay, is forced to assume a disproportionate share of the tax burden, and hence the cost of running our Government. Back in 1972, the discriminatory "surtax" on single people was estimated to be about $1.6 billion. Now, 4 years later, that surtax burden has risen to $4.8 billion.

Let me cite two examples of the inequitable situation that results from the presence of the various tables in the Internal Revenue Code.

A single taxpayer having a taxable income of $8,000 pays $1,590 in Federal income taxes. By contrast, a married taxpayer having the same taxable income of $8,000 will pay only $1,380—a difference of $210.

In another instance, a single taxpayer having a taxable income of $14,000 will pay $3,210 in Federal income taxes compared to the $2,760 paid by his married friend living next door. That comes down to a single-person surtax of $450.

Multiply those surtax figures by 31 million singles, and you get a graphic portrayal of the extent to which the Federal tax law still discriminates against single taxpayers.

Apart from the increased numbers, a second major factor since 1972 which focuses the need for reform of the single surtax has been changes in deductions and exemptions. The argument that the Federal tax laws should recognize the varying living costs between a family and a single individual has been dealt with. Back in 1972 some argued that the income tax laws should adequately reflect such differences in conditions and responsibilities by allowing responsible deductions and exemptions. In the Tax Reduction Act of 1975, we did just that. We increased the minimum standard deduction from $1,300 to $1,600 for single persons, and to $1,900 for married couples filing joint returns. In addition, the maximum percentage standard deduction of 15 percent of adjusted gross income—up to a maximum of $2,000—was increased to 16 percent of adjusted gross income up to a maximum of $2,300 for single persons and $2,600 for married couples filing joint returns. We also added a $30 tax credit, on top of the $750 personal exemption deduction, for each taxpayer, spouse, and dependent.

Thus we have adequately compensated for differences between families and individuals even before we come to the tax rates. Having already accounted for different family responsibilities through deductions and exemptions, we have no excuse for continuing our current discrimination between taxpayers of differing marital status with identical amounts of taxable income.

This is the crux of the issue. Once taxable income is determined, the same rate should apply to all who have the same income, regardless of their marital status. To achieve this desirable end, we must reorient our thinking and adjust the focus of our tax laws.

There are those among our colleagues who would have us believe that such unfair treatment is justified on the basis of the additional burden of married life. Let us, for the moment, assume that such a consideration is justified—mind you, I am not suggesting that it is—but let me just assume for the sake of the debate that it is. How then can we explain this discrimination to the 5 million taxpayers who file their taxes as heads of household?

These taxpayers must meet all of the responsibilities of a married couple with a family. In fact, I would suggest that a head of household bears a greater burden in the raising of his or her family. This is so for a number of reasons—the most obvious being that with only one adult present, the potential income production of the family unit is half that of a married couple with a family, and that additional expenses are incurred in caring for the family while the sole wage earner plies his or her trade.

Mr. President, it occurs to me if our tax laws are to discriminate in favor of any class of taxpayers, we might logically conclude that the favored group would be those taxpayers who bear the burden of raising a family alone. But logic is not one of the characteristic features of our Federal tax laws; for these "parents without partners," as they are sometimes referred to, are not given preferential treatment, they are not even given equal treatment as compared with married couples. They, too, are discriminated against most unfairly by our tax laws. Granted, they pay only half the penalty single persons do—with a maximum of 10 percent more in taxes than a married couple with an identical amount of taxable income. Still, this is a most unfair burden to ask these 5 million taxpayers to bear.

Let us look for a moment at the dollars and cents translation of this inequitable treatment of a head of household by our tax law. A head of household with taxable income of $8,000 pays $1,480 in taxes, his married neighbors—whether or not they have assumed the responsibility of raising a family—pay $1,380 for a net surtax of $100 levied against the unmarried family head. When the taxable income doubles to $16,000, a head of household pays $3,540; his married neighbors pay $3,260; a net surtax of $280. This unfair treatment of these unmarried taxpayers must be stopped now.

Four years ago, I was content to compliment the progress made toward viewing unmarried people as equals to married couples in the eyes of the IRS. But, that was back in 1972. The year 1972 was not far from the first major revision of singles' taxes in 1969, which knocked the 40-percent singles surtax down to 20 percent. 1972 was the year of the successful Senate passage of my amendment which would have accorded equal tax treatment to singles and marrieds alike. No positive action toward eliminating the singles surtax has occurred since.

Mr. President, 4 years is a long time to subject nearly one-seventh of our citizens to discriminatory tax laws. As the Ways and Means Committee proceeds to reform our tax laws into a more equitable system—tightening loopholes and recognizing special burdens of the poor—I would hope that the committee would consider those 36 million Americans who are discriminated against simply because, either by choice or by chance, they are unmarried.

UNITED STATES GRANTED 1972 EXEMPTION TO CONCORDE

Mr. BAYH. Mr. President, once again, evidence has surfaced that the Nixon administration acted directly against the best interests of the American people in its efforts to make sure that the Anglo-French Concorde would be allowed to land in the United States.

An article printed in the Washington Post last week reveals that in 1972 the administration, in secret meetings, eliminated two proposed FAA noise regulations which would have virtually prohibited U.S. airlines from purchasing the Concorde.

One of these was the fleet noise rule which would have required airlines to progressively reduce their total noise. The penalty for flying the Concorde would have been prohibitive.

The other rule would have extended the existing noise regulations for subsonic jets to supersonic jets. Concorde is conceded by everyone, including its makers, to be incapable of meeting the present U.S. noise rules for subsonic aircraft.

The disclosure of documents relating to the elimination of these rules comes on the heels of revelations that former President Nixon wrote secret letters to the leaders of Britain and France promising that U.S. noise regulations would not discriminate against the Concorde. When Secretary of Transportation William Coleman ruled in February that the Concorde would be allowed to land at Dulles and Kennedy airports for a period of 16 months the administration loudly proclaimed that the decision was based on the merits of the Concorde alone, and was in no way influenced by the actions of the previous administration.

Mr. President, the most recent disclosure of documents lends further support to what I have been saying all along about the Concorde. The decision to allow it to land in this country was not made on the merits alone. Representations were made by the Nixon administration which influenced the course of U.S. policy on the Concorde. The documents discussed in the Washington Post article show that not only were proposed FAA noise regulations eliminated by the administration, but the regulations were shown to an Anglo-French team in 1972 before they were even made public. There was clear concern that the impact of the rules would close the Concorde to U.S. sales.

The public interest is clearly ill-served by such behavior.

Mr. President, I ask unanimous consent that the article written by Douglas B. Feaver and published in the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

UNITED STATES GRANTED 1972 EXEMPTION TO CONCORDE

(By Douglas B. Feaver)

The Nixon administration eliminated two proposed noise rules in 1972 that would have virtually prohibited U.S. airlines from purchasing the Concorde supersonic jet transports, according to confidential documents released yesterday by the Department of Transportation.

The effect of that action was to leave the U.S. market open for the Anglo-French Concorde. It also set the stage for President Nixon's now-public letters to the leaders of Britain and France promising that U.S. rules would not "discriminate" against the European plane.

The exemption for Concorde, however, was in direct opposition to the recommendation of then Transportation Secretary John Volpe. In a memorandum dated three days before a White House meeting on Concorde, Volpe said that two noise rules proposed by the Federal Aviation Administration "should be published as soon as possible . . . without any specified exemption for the Concorde."

The White House action and Volpe's memorandum are but part of a foot-thick stack of Concorde-related documents that the Transportation Department released yesterday at the request of Rep. Lester L. Wolff (D-N.Y.).

Because of the time it will take to digest the documents, Wolff said, his House International Affairs Subcommittee postponed its hearings with Transportation Secretary William T. Coleman Jr. from next Tuesday until sometime in May.

Coleman ruled Feb. 24 that the Concorde can provide passenger service to Dulles International Airport here and Kennedy Airport in New York for a 16-month trial period while environmental tests are made. British Airways and Air France plan to start service here May 24. Service to New York is tied up in court.

The documents released yesterday are certain to provide fodder for those on Capitol Hill and elsewhere who believe that Coleman's decision was foreordained in the Nixon years.

Coleman has said on many occasions that he made his decision entirely on the basis of the public record. In a letter to Rep. Wolff, Coleman's general counsel, John Hart Ely, said that Coleman "has not yet reviewed or heard summaries of the documents relating to events prior to his tenure which we are providing you today." Coleman took office March 7, 1975.

In addition to the memos on noise rules, the documents also contain a number of references to questions about the safety of the plane—many of which have been discussed in the most recent debates.

One that has escaped public attention, however, concerns the Concorde's fuel tanks and the susceptibility of the fuel or its fumes to explosion. Tanks on U.S. jets are vented, and a rule under consideration would require use of an inert gas in tanks to prevent fuel explosions.

Concorde has a somewhat different venting system for its fuel from the one used in more conventional jets, and there is no way to make the fumes inert. Such questions would have to be resolved, according to an

FAA spokesman, if a U.S. airline were to purchase Concorde and seek FAA certification. As long as the plane is operated only by foreign carriers, however, the FAA accepts the foreign certification.

But noise has been the central concern from the beginning. The documents show that an Anglo-French team was invited in 1972 to review proposed U.S. noise rules before they were made public. There was clear concern that their impact would close the Concorde to U.S. sales.

Peter M. Flanigan, a long-time Nixon deputy and a special assistant to the President, circulated a memorandum in November, 1972, citing two proposed FAA noise rules.

One, called the fleet noise rule, would have required airlines to progressively reduce their total noise. The penalty for flying the Concorde would have been prohibitive.

The other would have extended the existing noise rules for subsonic jets to supersonic jets. Concorde is conceded by everyone, including its makers, to be incapable of meeting the present U.S. noise rule for subsonics.

Volpe, in his memo two weeks later, said the two rules "clearly have significant international repercussions. However, they were developed to deal with domestic issues which we believe appropriately should be given priority consideration . . ." He proposed that both rules go forward, without exemption for Concorde.

But the minutes of a White House meeting on Dec. 11, 1972, chaired by Flanigan, state tersely that those present "unanimously approved" redrafting the fleet noise rule to exempt the Concorde and delay the extension of existing noise rules to supersonics.

The fleet noise rule was publicly proposed in April, 1973, and died a natural death in the hearing process. The extension of the existing rules to supersonics has never been proposed in that form.

EUROPE'S IDENTITY CRISIS

Mr. HATFIELD. Mr. President, the countries of the Common Market have been slower than the United States in beginning to come out of the recession. While currency problems have received the most attention of late, numerous problems confronting the EEC members continue to cause concern for the future of this union. The recession accentuated latent problems as it generated new ones. It remains to see if improving economic conditions will reweave the fabric of cooperation, or if the splits are of a more serious nature.

In a perceptive article in the February 21, 1976, New Republic, Daniel Yergin examines the current state of relations among the EEC members, and looks at the structure of the EC itself. I commend this article to my colleagues and to those interested in European affairs.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HALTING STEPS TOWARD AN UNCERTAIN COAL—EUROPE'S IDENTITY CRISIS

(By Daniel Yergin)

United Europe, the Europe of the Nine, is in crisis—"a crisis of confidence, a crisis of will, a crisis of lucidity," in the words of Commission President Francois Xavier Ortoli. But when was the Community not in crisis? For crisis is the inevitable companion for a venture of such unclear boundaries—the attempt to create a new political and economic system on the back of six or nine old ones, to do so without the sanction of force or disaster, but rather by consensus and conscious will, all in the direction of a goal that is uncertain in outline and legitimacy.

Still, just as the current world recession is deeper and different from other postwar recessions, so this crisis in the Community is more intense, and unlike previous crises. Indeed, Gaston Thorn, the new president of its Council, recently announced that the Community's only achievement in 1975 was that it did not fall apart. The Nine are like kin, arguing ever more sharply about how they are related, and what obligations they bear to each other and to the entire family, and whether they should do anything about any of it, in any event.

One senses around the Berlaymont, the triangular glass skyscraper in Brussels that is the Community's headquarters, the frustrations of those who want to feel themselves a part of a government, but realize they are not, and begin to feel they may never be. The resulting discouragement only makes matters worse, for the fuel of European integration is political will.

To help sort out the mess, the Community more than a year ago commissioned the Belgian Prime Minister Leo Tindemans to undertake a vast survey of the state of the Community. Last month, he finally produced his report. Considering that it is supposed to be a landmark, it was greeted with muted fanfare, but then it is a muted report, concentrating on procedural matters, leaving the grand vision for another day—if there is still a grand vision.

The refrain of those committed to the European idea is that there is no choice; integration must proceed; the will must be found. But there are alternatives, three alternatives. One, not very palatable to the "Europeans," is for the Community to remain what it is today—essentially, a common market with agricultural policy and some antitrust procedures. The second alternative involves a change of character, with a redirection away from the creation of an "automatic" community, to a less-reassuring voluntary community, a bloc, a confederation, an affiliation of like-minded states that continue to insist upon the trappings of sovereignty. The third is for the Community to fall apart, an occurrence that, despite all the discouragement, must be discounted, in the face of 19 years of association and institutional interweaving.

Whatever the course, it will be shaped by the European response to a number of pressing problems.

COPING WITH CONTRACTION

The first decade-and-a-half of the Community's lifetime was also a period of prosperity and rapid growth. In the early 1970s, instability began to interfere with economic processes, culminating in the present slump of unprecedented severity in postwar experience. This slump has placed considerable pressure on the Community, which has been bereft of effective cooperation. Each nation is waiting for another's recovery. There is a lack of common prescriptions, a lack of common outlook among the Nine as to what is tolerable in inflation and unemployment. In some ways the countries have been working against each other. Contraction eliminates the margins that normally exist in government budgets and in sectors of the economy that can cushion painful readjustments; it increases the sensitivity of pressure groups, reduces the time horizons of governments, and thus puts them in a position of having to choose between their communitarian values and constituent interests. They can no longer calm those interests by promising that integration will promote overall growth. It gets increasingly difficult to resist demands of domestic groups, even demands that run counter to the concept of a free trade Community: France slaps a border tax on Italian wines, Britain institutes selective import controls, and it gets harder for other countries to say no to their constituents.

Germany, whose wealth has put it in the position of Community paymaster but which in the face of rising budget deficits is trying to practice austerity at home, has become critical of the growth of the Community's budget, especially that of the common agriculture policy. Discord feeds upon itself. "What we feel in the German attitude is a kind of intolerance of everybody else," observed one senior Italian official. "They feel they can do everything better by themselves. Of course, they are wealthy, they export, they have a strong balance of payments and low inflation, they are well organized. But they underestimate the advantages of one European market—they benefit almost as much as French agriculture."

Contraction also causes the Community international complications. Reduction of trade barriers, or even the maintenance of present barriers, depends upon a certain finessing, again, on that margin to cushion shock. The margin has shrunk between the United States and the Community, resulting, since the middle of 1975, in a trade skirmish, principally over automobiles and steel.

The best solution to this challenge would, of course, be economic recovery. Prospects for recovery, unfortunately, remain uncertain. A good deal of the power to affect it is not in European hands, although the Germans could do more. The Nine are left with the less than satisfying program of merely coping—realizing that such pressures will mount, working to minimize them, and remembering that they do not mean that dissolution is imminent.

ESTABLISHING LEGITIMACY

The European Community involves nine democratic countries but is itself only indirectly democratic. In recent years, it has come to resemble more and more a confederation of associated states, an entente with a secretaria, rather than an entirely new political entity. The Commission, the civil service in Brussels, has suffered a relative loss of independent authority since the middle 1960s, and it has become more clearly subordinated to national governments, rather than an alternative to them. The Council, the forum for the individual governments, has become more visible and active; the heads of government meet at least three times a year. The foreign ministers are expanding their supervisory role. Such a development of course satisfies the desire of the national governments to maintain their own positions. The French have seen this as an alternative to economic integration. The reconfirmation of British membership has contributed to this direction.

European purists object to this nationalization" of the Community. The remain attracted by the concept of "spill-over," in which—according to theory—the extension of authority in one area automatically creates other problems, which in turn demand a further extension of authority. Such, so the theory went, would inevitably bring about the desired goal, the withering away of the national state.

Developments have not followed theory; and, in fact, there is much to recommend the alternative of nationalization. After all, here is where habit does change reality; this very orientation indicates a commitment of the nine governments to act together in a Community, and it promotes continuously close contacts at functional levels among the countries' political leaders and foreign and civil services. Bureaucracies move closer in such a confederal process. But at the same time, it does tend to freeze the Community at a certain level and emphasizes the consensual rather than "organic" character of the Community. It is also a potentially reversible process, especially if one of the three major countries should be led by a would-be De Gaulle.

This last possibility points up the importance of the further development of the European Parliament. Now that the United Nations has turned into a confrontation between "producers" and "consumers" (as though the consumers were not also producers), interrupted only occasionally by dialogues between producers and consumers and by efforts of dictatorships to denounce or expel democracies, the European Parliament may well have become the most interesting multinational assembly in the world. Despite the awkward and somewhat playful names of the parties (*e.g.* European Progressive Democrats, European Conservative party), it is a far more serious organization than one might think. Many of the 198 legislators, who are selected from the membership of their national parliaments, easily spend 150 days a year in the sessions (in Luxembourg and Strasbourg) and committee meetings (in Brussels) of the European Parliament. It has limited but growing budget powers, the right to force the Commission and the Council to reconsider matters, and the influence to spotlight positions and issues.

Today the parliament is an assembly of Europeans, not Europe's parliament. Its real importance is that it can become the latter and thus gain legitimacy for itself and for the Community. The current proposals provide for direct elections to be held in May 1978 to an enlarged parliament of 355 people. These elections raise a number of problems with important consequences. For instance, can candidates continue to be members of national parliaments as well? If not, will participation in the European Parliament, as one German official put it, "be worthwhile not just for third rate experts on milk prices?" Low turnout and lack of attention would certainly diminish the "will" towards integration. But if elections are taken seriously, then there will be opposing candidates, and they will have to find issues to separate them from their opponents, and the Community's affairs will become politicized, a subject of contention at mass levels, and not merely that of elites and specific interest groups at specific times.

The national governments have endorsed direct elections with varying degrees of reservation, for as H. R. Nord, the secretary-general of the European Parliament, pointed out, "You cannot have a Community without stepping on the toes of national sovereignty." Direct elections will increase the power of the European Parliament *vis-à-vis* national parliaments, and some interesting constitutional clashes are inevitable. But the fact cannot be escaped; the Community makes decisions affecting people's lives, and that is the stuff of politics and elections.

At the end of 1969, the year De Gaulle left power, the heads of government began to move toward a political role for the Community in world affairs, that Europe start "to speak with one voice." There were a number of reasons for this effort. Economics was indeed becoming high politics, and the Community itself, as primarily an economic institution, would be involved in more controversial issues. The very existence of the Community with the magnetic attraction of its economic power, made it a factor in international politics. Enlargement, by involving Britain, the third major state of Western Europe, would automatically add an extra foreign policy dimension; and the Nine could certainly have more influence speaking in one voice in world affairs than in nine voices. "In foreign affairs, sovereignty is the ability to influence the external world," explained one Italian official. "If you can't do that, what does sovereignty mean; If we Europeans want to establish a presence in foreign affairs, the way to do it is to unite."

The Political Cooperation Effort is essentially intergovernmental, without legal treaty foundation, running parallel to the Commission's work. It works on consensus, and any one government can wield a veto, but knowing that a veto threatens the whole effort. All the governments currently seem to find an interest in maintaining the momentum. The effort involves a coordination of viewpoints through regular consultations, three times a year for the heads of government, more frequently for foreign ministers, and even more frequently for political directors and specialists from the various foreign offices.

Its most notable achievement to date has been the coordination of policy on Portugal (relatedly) and in the European Security Conference, where the Nine worked out, in the first instance, the Western policy positions. They also worked up a European position at the seventh special session of the United Nations General Assembly last September. Though not political cooperation strictly speaking, the Europeans managed to establish a foreign policy presence through the so-called Lomé Convention, which provides tariff advantages and export income stabilization to 46 developing nations. Less promising is the Euro-Arab dialogue, stalled because of the all-consuming Arab interest in pushing the Europeans to an anti-Israel position.

This political cooperation effort is going to face even more challenging tests in framing a specifically European effort, which is what is necessary, to deal with the new Spain and also with the succession crisis that is near in Yugoslavia. The US has not welcomed the development of this cooperation, which is a pity since it does add a strong force committed to common values; but that opposition is likely to be temporary, the product of the now receding monopoly over policy enjoyed by a virtuoso Secretary of State.

STRUCTURE

With what kind of structure shall the Community seek unity? There is still some question as to whether Britain is committed to further integration; no doubt it will take at least another year or two to know whether Britain's membership is serious. Even before Britain is completely digested, more nations are trying to serve themselves up. The most eager is Greece, an associate member since 1961, which applied for full membership in June, 1975. The Nine have formally approved. The reasons for agreement on both sides are the same—participation in the Community will help underwrite continued democracy in Greece. Yet Greek participation would raise many problems. There is reason to question whether Greek industry and agriculture and its civil service could cope with the pressures of membership. Greek membership would dilute the political force of the Community, and add another economic "sick man" to the list that currently includes Britain, Italy and Ireland, putting further strains on the agricultural and regional funds. Similar considerations will be involved with future applications from Turkey, Portugal and Spain. Such a prospect certainly makes the integration process more difficult and runs the risk instead of turning the Community into a more neutral extended free trade area. The answer may be a new intermediate status between full and associate membership.

It is ironic that European leaders should be talking about integrating nations into a larger polity when the nation-states themselves are under pressure, not merely from the new forces of transnationalism, but also from a revival of old forces, nationalism, or, more properly, subnationalism. If the Community is eroding national sovereignty on one side, then these subnationalisms—reflecting a renewal of old conflicts that, as so often is the case, are tied to language—are doing much the same on the other, most noticeably in the United Kingdom, France, Belgium and perhaps Italy. The sanction of force cannot be easily applied, as it can be in Eastern Europe. The separatist movements in turn see the European Community as their ally and talk about a "Europe of Regions." That may be a possibility in the longer term, but it is hard to see how it can be achieved, for if the national governments perceive the Community as an ally of the separatists, then they will step back from participation in it.

INTEGRATION

The heart of the effort to create not merely an affiliation of nine sovereign countries, a kinship community, but a supranational entity is the process of integration—of economies, laws and institutions. The work still goes on, chipping away at non-tariff barriers, harmonizing company laws and taxes, making it possible for a lawyer in one country to practice in another. But it is a slow process, and the very slowness causes despair. A small example. The largest Dutch brewer, Heineken, has for years included in its home division not merely the Netherlands but also the rest of the European Community countries. But the company has recently concluded that the "harmonization" of duties, laws and standards is still so far away that it is reorganizing; now the other eight countries will become part of the company's international division. The explanation of the managing director might sound like an epitaph: "The problem of managing our interests in the EEC countries apart from Holland are much more similar to those of territories outside Europe than the problems we meet in the Netherlands." The integration process has one success to its recent credit, the establishment of the Regional Development Fund, which is intended to help modernize backward and retarded areas (primarily Ireland, Southern Italy and the north of Britain) as a counterweight to the Community's tendency to accentuate differences between rich and poor regions.

Against this achievement must be matched two large and prominent failures. In 1972 Andrew Shonfeld speculated: "The problem of how to reinforce the Community's capacity for decisive action remains. No doubt, a manifest crisis, requiring a joint policy in a hurry, would be a good help—a military threat, or the prospect of a world slump or perhaps some critical shortage of a commodity like oil putting our whole economic system at risk." Slump aside, the shortage occurred, but the opposite has happened. The energy crisis has emphasized differences in outlooks and problems of the members, and promoted fragmentation rather than concert. European energy policy means primarily parallel, but still individual, policies of individual countries, while coordination goes on within the 18-nation International Energy Agency, in which the United States plays a leading role. Finally at the December 1975 summit, the leaders of the Nine did, belatedly, agree in principle to an emergency oil sharing scheme and to a floor price for oil. But, in terms both of Community action, and strengthening the Community this is still little and late.

The great failure has been on the question of fundamental forward movement—toward what has been called Economic and Monetary Union. As outlined in the years 1969–71, it was to be achieved in three steps by 1980. What was to be achieved beyond the first step of monetary unification was never clearly delineated. And that's just as well, for that first step of monetary unification collapsed quickly enough. Inflation and slump provided a bad era for attempting to mate currencies. Moreover currency is both a symbolic and practical demonstration of sovereignty. The governments were unwilling to surrender it, especially when other aspects of economic life remain unintegrated. This failure has resulted in a widespread feeling that future integration is impossible. On the contrary, small steps toward integration, though with realistic expectations of their overall impact, remain an important part of the process towards the European goal. There remains the task of identifying areas in which the Community's competence can be extended. Terrorism, for example, provides room for Commission action, for coordination among interior ministries, and for the Community to take a foreign policy position toward countries that on the one hand want preferred access to Europe but on the other provide succor and support for groups carrying out terrorist activities in Europe.

In his year of peregrinating from city to city in Europe, in effect taking depositions, Belgian Prime Minister Tindemans had ample opportunity to hear the complaints that arise from all these problems, and his proposals are meant as a response. Instead of a grand blueprint for Europe United, decorated with dates and pious declarations, he has offered up a series of smaller, but still significant goals, of a practical and procedural nature: closer integration of foreign policies, including the removal of the veto; Community responsibility for crises in the "region" of Europe; expanded powers for the European Parliament; the appointment of one spokesman to deal with the United States in a "dialogue based on equality"; joint weapons buying; closer links among all Community currencies.

His most controversial proposal is for a kind of two-tier Community, in which those with stronger economies like France and Germany march quickly towards further integration, while countries with weaker economies like Britain and Italy are left behind, to catch up when and as best they can. Such a proposal could be ultimately self-defeating; for it could create an Inner Market very much different from an Outer Market, the latter in effect nothing more than a customs union adjunct.

But whether this report actually leads to a stronger Community depends upon another factor, to which Tindemans alluded when he criticized the "lack of political will" on the part of Europe's leaders. For finally it is only conscious political will that can bridge problems. "Will" means a commitment to the ideology of unity, to the European Idea, and that in turn raises the fundamental problem—that the European Idea may be exhausted, in part by its own successes.

The impetus behind this idea was a desire to reform Europe, in particular to resolve the conflict between France and Germany. Here the Community succeeded. The other reasons? To create a counterweight against Soviet power in the East—another goal achieved. And the economic reasons? That an expanded market would promote prosperity and prevent return to the autarkic economic policies of the 1930s. Another success, the current recession notwithstanding. All three reasons are still valid, though less clearly obvious.

Another strong impetus was the fact that the United States wanted a united Europe. Indeed, the best "Europeans" were the Americans, and European integration was a major policy goal, vigorously pursued from the first post-World War II days.

In the past several years, however, it has no longer been clear that current US leaders still want a united Europe that could become an unmanageable ally and a new rival. Certainly such suspicion is rife in Europe. "The basic problem is that the United States did good work after the war to help establish a kind of community in Europe," observed a German diplomat. "But the Europeans now feel that the Americans are astounded by the result and are saying 'we didn't mean it this way'. They had a love affair with the idea, but they won't acknowledge the child. Now we're grown up, nearly an equal."

Hard as it may be for some Americans and even Europeans to believe, the United States is far less central to the entire enterprise, and its wishes will increasingly account for less, especially now that Britain is part of the Community and the "special relationship" fades into the past. "I often think," speculated a British official assigned to Brussels, "that the best way to get the Nine to agree on a position today is for the United States to oppose it."

The European generations that, from their own adult experience, were deeply committed to the European Idea are passing from the scene; the gains from further integration are not altogether obvious to their successors. But there are cogent new arguments. The range and scale of emerging problems like energy can best be met in a European framework. Acting in concert, the Europeans can establish a foreign policy presence of major benefit to the individual countries.

"I keep thinking we did take on quite a lot, trying to change course from a thousand years of history," observed H. R. Nord, of the European Parliament, whose own conversion to the European Idea occurred during World War II. "I'm not too frustrated after 19 years." But it should also be said that the easier things were done first, in easier times. It does no good to predict on the basis of logic or trends that there will be a united Europe. If there is any rule, it is 'otherwise: whether Europe is ready for unity, whatever the methods, depends upon only one factor—whether the Europeans want it.

CIVIL PREPAREDNESS

Mr. PROXMIRE. Mr. President, this year the Joint Committee on Defense Production is undertaking a comprehensive review of the Nation's industrial, economic and civil readiness—the first such congressional review in over 25 years.

It is a particularly appropriate time for this evaluation of our civil preparedness posture. There are increasingly disturbing reports of the deterioration of the industrial mobilization base. A reduction in available productive capacity has resulted from the purchase of ever fewer weapon systems at an ever higher unit cost.

Other factors contributing to this decline are increasing reliance on overseas producers for components and the inability of small or medium businesses to compete for military subcontracts.

At the same time, defense analysts in and out of the Pentagon have recently been highlighting the breadth and depth of Soviet civil defense programs, raising the question of a possible "civil defense gap." There have been suggestions, too, by Defense Department officials that the United States lags behind the Soviet Union in dispersing and hardening key industrial facilities in expectation of nuclear counterforce attacks.

Perhaps more importantly, the advent of the new strategic doctrine of "limited" or "controlled" nuclear war has once again raised the specter of fallout shelters, strategic evacuation plans, and governmental relocation centers as necessary evils in the nuclear age.

Yet just this year the Defense Department recommended deep cuts in the budget of the Defense Civil Preparedness Agency. This seems to indicate serious differences of opinion on these matters within the Government and within the many agencies responsible for preparedness planning and programs.

To some, these cuts are also symbolic of a dangerous imbalance between military preparedness and industrial preparedness. This imbalance results from spending too much on weapon systems and too little on assuring that there is adequate productive capacity to back up our forces in being in the event of war.

It is to these questions of fundamental national importance that the joint committee's review will address itself.

I am pleased to announce that four distinguished physical and social scientists long associated with strategic planning have agreed to give the joint committee the benefit of their views on these issues in hearings beginning at 10 a.m. on Wednesday, April 28, in room 1318 of the Dirksen Senate Office Building. Our guests will include: Mr. Herman Kahn, author of "On Thermonuclear War" and "Thinking About the Unthinkable"; Dr. Albert Wohlstetter, who wrote the epochal strategic study, "The Delicate Balance of Terror"; Dr. Wolfgang H. K. Panofsky, director of the Stanford Linear Accelerator; and Dr. Richard Garwin, senior scientist at IBM's Thomas Watson Research Laboratory.

These gentlemen will be able to provide us informed and independent views as to what kind of war the country should prepare for and how this can best be done.

In later hearings, the joint committee will examine State and local disaster programs, which are the crucial link in an effective national preparedness effort. We will look also at the effectiveness of Federal preparedness organizations and programs and at the condition of our industrial base.

There has been no broad-gage, independent evaluation of these issues since the fallout shelter controversy of the early 1960's. Nor has there been any significant progress toward nuclear arms reductions. Indeed, strategic weapons inventories and technology are growing faster than ever. It is fitting, therefore, that the Congress and the public take a close look at our preparedness posture and at the possible effects of limited nuclear war.

TAX REFORM

Mr. TAFT. Mr. President, the biennial song of the election year tax reformer has been heard oft of late in the Senate Chamber. This species of warbler follows a peculiar migratory pattern, appearing in Washington every second spring, and then leaving for parts unknown for another 2 years.

Do not confuse this species with the rare, nearly extinct, tax reducer, whose song is "Reduce and Simplify, Reduce and Simplify." The song of the election year tax reformer is quite different: "Sock It to the Bad Guys, Sock It to the Bad Guys."

The point of all of this is that tax reform too often means tax increases. Once we take that route, each Senator has a list of favorite targets to attack, and favorite causes to protect. It becomes almost impossible to arrive at a consensus to increase some group's taxes, especially in an election year.

The chairman of the Budget Committee, Senator Muskie, has correctly pointed out that loopholes or so-called tax expenditures, those special treatment provisions in the Tax Code, have many drawbacks. Although they are a form of subsidy, they are not subject to the normal appropriations process, and are not annually scrutinized and debated. They are "back door" subsidies. Furthermore, they are frequently inefficient subsidies. It may cost the Treasury $1 to give 50 cents worth of incentive to a given activity. Lastly, they may be ineffective, failing to provide the impetus to the subsidized activity that the Congress intended. Commendably, after so clearly explaining the problem, Senator Muskie did not then present us with his own particular list of targets for attack.

If all this is the case, then something must be done. And it can be done, if the problem is approached properly. Those who approach tax reform by seeking a $2 billion increase in taxes are likely to fail. Yet they could have tax reform tomorrow. Let the majority party put together a significant tax reduction package lowering marginal tax rates and hold expenditures in line to avoid inflationary consequences. Tax loopholes that would normally be fought for, lobbied for, begged for, and screamed for would be thrown over at once in exchange for an across-the-board reduction in tax rates. Most loopholes could be obsolete under lower marginal rates. Those that were not would be "bought back" by the Congress in exchange for lower taxes in general.

Prof. Milton Friedman points out, in a recent Newsweek article, that under current exemptions, a flat tax rate of 16 percent would yield revenue equal to current revenue, and stimulate the economy by eliminating most of the disincentive effects on output that high tax brackets produce.

Obviously, we are not going that far. But the fact remains that tax reform via tax reduction and simplification would make it a lot easier to abolish the loopholes. In addition, such a reform would stimulate the economy, as was done by the tax cuts of the early 1920's, under Republicans, and in the early 1960's, as recommended by President Kennedy. The growth that would occur as a result of such a tax cut would, in the end, yield even more Government revenue than was lost by the tax cut. This is a tried and true method for lowering unemployment and raising living standards. Since it would also improve the equity of the tax system, it would be an admirable move on all counts.

Professor Friedman considers this sort of tax reform to be an impossible dream. He says:

> But this reform . . . has no chance of being enacted The vested interests of lawyers, accountants, civil servants and legislators in our present complex and inequitable personal income tax is simply too great.

I hope the professor is wrong about that.

I ask unanimous consent that this startling and eye-opening article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Tax Reform: An Impossible Dream

(By Milton Friedman)

That time of year is here again when millions of us wrestle with our records, our memories, and our consciences, and curse at the complexity of the tax laws. Much of this pain, suffering and expenditure of time is utterly unnecessary. It could be eliminated without reducing tax revenue to the government or raising the cost to the taxpayer. The only victims would be tax lawyers, accountants, civil servants, and legislators—which is why tax reform will remain an impossible dream.

LOWER RATES

To illustrate this conclusion, let me suggest an absurdly simple change in the tax law that would produce all these eminently desirable results—yet that is not politically feasible: leave the present personal income tax law exactly as it is except replace every tax rate above 25 per cent by a 25 per cent tax rate.

If—and as we shall see this is a big if—everyone reported precisely the same income, the same deductions and so on as he does now, this change would mean less revenue to the government Some people would pay less, nobody more. The reduction in revenue can be computed for past years by simple arithmetic. For 1972, the last year for which complete data are available, revenue would have been reduced by 7½ per cent. The result is about the same for other years.

But, of course, taxpayers would not report precisely the same income, the same deductions and so one as they do now when the maximum rate is 70 per cent. At a maximum rate of 25 per cent, it would not pay to buy tax shelters that cost, say, 50 cents to reduce taxable income by $1, as many now do, or to adopt elaborate schemes for converting ordinary income into capital gains or for shifting income from one year to another or to employ many of the other dodges that are the lifeblood of tax lawyers and accountants. It would not pay to keep elaborate records to document any and all possible deductions.

I hasten to add that I do not criticize anyone for using these arrangements. As the famed Justice Learned Hand wrote, "There is nothing sinister in so arranging one's affairs as to keep taxes as low as possible. . . . Nobody owes any public duty to pay more than the law demands: taxes are enforced exactions, not voluntary contributions. To demand more in the name of morals is mere cant."

The extra amount of taxable income that would have to be reported to make up the hypothetical 7½ per cent revenue loss equals 4 per cent of adjusted gross income reported on all returns. It could also be stated as 6 per cent of net income subject to tax, 32 per cent of income now paying a rate of 25 per cent or more or 28 per cent of total itemized deductions. If the law were changed, a much greater increase seems highly likely.

It is worth noting that extra taxable income could come not only from the reduced attractiveness of tax shelters and deductions but also from extra income earned in response to the high marginal incentive. For example, one reason for the do-it-yourself explosion has been the high marginal tax rate. A man who must earn $50 to pay a plumber $25—of which the plumber may get to keep only $12.50—has a powerful incentive to mend his own leaks. At a 25 per cent rate, it would pay more people to hire specialized workers and stick to their own tasks.

HIGHER REVENUE

Even more striking evidence comes from past experience. In 1929, the top rate was 25 per cent. It applied to net taxable income in excess of $100,000. Nearly 15,000 returns were filed reporting net taxable incomes above $100,000. The total amount of taxable income reported on these returns was $4.4 billion. To convert these numbers into their 1972 equivalents, we must allow for the growth in population and in average income. The population was 1.72 times as large in 1972 as in 1929, so the equivalent number of returns would be more than 25,000 (15,000 x 1.72). Average income was 6.4 times as large in 1972 as in 1929 (about half real, half because of higher prices), so $640,000 in 1972 would be equivalent to $100,000 in 1929. Finally, taxable income reported should have grown for both reasons, so $48 billion in 1972 would be equivalent to the $4.4 billion reported in 1929 (4.4 x 1.72 x 6.4).

In fact, the number of returns filed in 1972 reporting an adjusted fross income of $500,000 or more—let alone of $640,000 or more*—was less than 4,000 instead of 25,000. And income subject to tax reported on these returns totaled $4.1 billion rather than $48 billion. This difference alone is nearly twice as much as the extra income required to make up the hypothetical revenue loss.

And this is only the tip of the iceberg. Today, the tax rate goes above 25 per cent at a taxable income of $10,000 for a single taxpayer, of $16,000 for a joint return. These are the levels—not $640,000—above which extra income would be reported if the maximum rate were 25 per cent.

The change from 1929 to 1972 may partly reflect a reduction in the inequality of income. But it is inconceivable that that is the whole answer. It must reflect mostly the development of devices for avoiding income tax under the incentive of punitive rates of taxation.

How can the government receive more, yet every taxpayer be better off? The answer is that the taxes received by the government constitute only part of the cost to the taxpayer. In addition, he pays the costs of arranging his affairs so as to reduce his tax payment. Let the maximum tax rate be 25 per cent, and many a taxpayer will reduce the total cost of tax compliance by paying more tax to the government but bearing lower costs in other ways. This point is almost invariably overlooked in discussions of so-called tax loopholes. It is almost always assumed that the "loss" of revenue to the government is equal to the "gain" to the taxpayer. It is not. The taxpayer gains far less than the Treasury loses.

THE POLITICAL OBSTACLE

Why cannot my simple reform be enacted? Because lawyers and tax accountants and government civil servants would lose if it were enacted—and they are the ones who effectively write the tax law. Less obviously, legislators would lose. Of what value is the power to grant "relief" (i.e., enact "loopholes") from a 25 per cent rate compared with the power to grant "relief" from a 70 per cent rate?

An even better proposal than my simple reform would be to replace the present tax by a flat rate on all income above personal exemptions less only strictly occupational expenses. For present exemptions, that would require a rate of at most 16 per cent to yield present revenue. But this reform too has no chance of being enacted. The vested interest of lawyers, accountants, civil servants and legislators in our present complex and inequitable personal income tax is simply too great.

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*Unfortunately, 1972 data are available only for adjusted-gross-income classes and 1929 figures only for net-taxable-income classes, so these figures are not directly comparable. However, correction for this defect would reinforce the conclusion in the text, since an adjusted gross income of $500,000 would correspond to a lower net taxable income.

TRIBUTE TO PHIL ESKEW

Mr. BAYH. Mr. President, it will interest my colleagues in the Senate that after serving for 14 years as commissioner of the Indiana High School Athletic Association, Phil Eskew will leave his post on June 30.

Since he took over as its commissioner, the IHSAA has become one of the finest high school athletic programs in the Nation. Under Phil Eskew's guidance, student participation in Indiana high school athletics has increased from 40,000 to 157,000 athletes. When there were six State championship tournaments before he became IHSAA commissioner, there are now 17, both male and female. Phil should take particular pride in his football and baseball championships, and the first State tournament in girl's basketball.

For 47 years, Phil Eskew has worked with young people as teacher, coach, principal, school superintendent, basketball official, and as commissioner. He has made countless speeches telling the story of the IHSAA, and his good nature and sharp wit have made him a popular and sought-after speaker.

Due to the efforts of men like Phil Eskew, the IHSAA is recognized nationally for the excellence of its programs. His career is an example to all Hoosiers who appreciate the importance of high school athletics for our young people. I feel fortunate to have known Phil Eskew for many years. He is a close personal friend, and I am pleased to be able to commend him for his successful career as IHSAA commissioner. We all owe him a debt of gratitude. I know I speak for all Hoosiers in wishing him a happy and successful retirement.

"NOT SO CLEAR-CUT"

Mr. GARN. Mr. President, last August, the Fourth Circuit Court in Richmond delivered an opinion on timber management which could have far-reaching and deleterious effects on the Nation's forests. The decision, known as the Monongahela decision, provides an excellent example of judicial activism. Rather than relying on accepted silvicultural practices and the precedent of almost 80 years of forest mnagement, the court chose to interpret the 1897 Organic Act, which provides for the management of the National Forests, in a rigidly literal manner. The result has been to threaten the silvicultural practice of "clearcutting," which is widely accepted as a necessary forest management tool.

For instance, Mr. President, the Organic Act requires the Forest Service to cut only "mature" trees. By "mature," the court meant "physiologically mature," that is, no longer growing. Now that is something almost impossible to determine, and quite unnecessary besides. The court further held that when the law says trees to be cut must be "marked," that each individual tree had to be physically marked. The Service was not allowed to indicate a general area, or mark the trees that were not to be cut; the law had to be followed literally.

Mr. President, two general legislative approaches have been taken in the wake of the Monongahela decision. One, the Randolph bill, S. 2926, would essentially extend the Monongahela restrictions to the entire Nation. The other, the Humphrey bill, S. 3091, would provide some general guidance to silvicultural practice, but would allow the techniques of management developed since 1897, including clearcutting in some cases, to be used.

My own preferences, Mr. President, are on the side of flexibility. I do not believe that rigid, narrow rules designed for one area should be imposed uniformly on the entire Nation. Geographical conditions vary; meteorological conditions vary; the nature of the forests varies. Good management practice requires that these variances be taken into account, and has to vary along with them. It is clear to me that the approach taken by Senator HUMPHREY is vastly superior to that taken by the court in the Monongahela Decision.

Incidentally, the effect of a nationwide application of the Monongahela decision would be much more harmful to small timber interests than it would be to the large companies, such as Weyerhauser and Boise Cascade. That is so because these larger companies own more of their own timber land; the smaller companies are more likely to use the national forests. This harmful impact on small companies is clearly evident from a table included in an article on the Monongahela decision from the April 15 issue of Forbes magazine.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOT SO CLEAR-CUT

Hunters and fishermen in West Virginia were outraged in 1964 when clear-cut areas began to appear in the Monongahela National Forest. Around the same time, people who frequented the Bitterroot National Forest in Montana were similarly upset as were those near 153 other national forests. What had happened was that the Forest Service updated its forest management techinques and began using clear-cutting. The Forest Service argued that the new methods of management were better for the forests; the environmentalists chose to attribute the change to greed. Anticlear-cutting letters poured into Congress and into state legislatures. The Sierra Club and the Izaak Walton League rose in righteous indignation against clear-cutting on federal lands.

Last August the anticlear-cutting forces won a great victory. The U.S. Fourth Circuit Court in Richmond, Va. handed down a decision that stopped the Forest Service in its tracks. The court didn't exactly prohibit clear-cutting; it prohibited modern forestry. The court went even further. It said the Forest Service could sell only trees that were dead, mature or large and that were individually marked. Forest Service Chief John McGuire promptly reduced timber sales in the affected district—West Virginia, Virginia, South and North Carolina—from 285 million board feet a year to 30 million.

The so-called Monongahela decision was a bitter blow to the $35-billion forest products and paper industry, which now counts on trees harvested from government lands for 27% of its raw material. If the industry is deprived of this raw material, the Forest Service estimates that the wholesale price of lumber would increase 15%. The environmentalists' victory—if victory it be—will be paid for by American consumers in higher prices for housing and paper products. Thousands of businessmen and workers may lose their livelihood as sawmills and paper plants close. U.S. balance of payments will suffer: Wood fiber imports last year cost the U.S., one of the world's best forest-growing areas, $3.5 billion.

Ironically, the forests themselves and wildlife could suffer from the Monongahela decision. Most forestry experts believe that clear-cutting is *good* for the woods. It permits the growth of many valuable species—hardwoods and Douglas fir, for example—that cannot grow in the dense shade of an existing forest; they can only be grown in clear-cut areas. Moreover, the extra light let into the clear-cut areas helps existing trees in adjacent uncut areas. And, finally new growth in the cleared areas provides forage for wildlife, which often finds slim pickings in dense woods.

The Monongahela decision at the moment affects only a limited area, but it may easily spread. The Forest Service and the Justice Department have decided not to appeal for fear the Supreme Court might uphold the decision, thus making its limitations nationwide. Instead the Government is going to Congress—where it hopes that interests of consumers and of workers will get equal consideration with the aesthetic preferences of so-called environmentalists.

The law the environmental groups are using is the 1897 Organic Act, under which the national forests are administered. The law, of course, is subject to interpretation. The Forest Service interpreted the word "mature," for example, to mean mature enough to be put to use. The courts have said it means physiologically mature, that is, "no longer growing." According to Forest Service Chief John McGuire, "physiological maturity isn't always easy to determine without boring into the tree." The law says trees to be cut must be marked. The Forest Service believed it could mark the boundary, mark trees not to be cut, or trees to be cut. The courts have said not so. You must mark each one that you want to take down individually. Th Forest Service has estimated that would increase its costs—which now run $47 million annually—about 150%.

The courts have not necessarily been captured by environmentalist extremists. But they have been interpreting the old law in an absolutely literal way. Recognizing the conflict between the letter of the law and the rights of consumers and of the industry, the courts have suggested that new legislation is needed.

The Forest Service and the industry are united in supporting a bill introduced in March by Senator Hubert Humphrey. It would establish a guiding policy but leave its implementation to the Forest Service. But Senator Jennings Randolph (Dem., W. Va.) has introduced a much rougher bill that reflects the preference of his hunting and fishing constituents. It would in effect, write into law exactly how the forests are to be managed. Hearings have been held on both bills, but Congress may decide not to tackle a hot issue like this in an election year.

Meanwhile, gloom is growing in the forest products industry. Environmentalists in Alaska have taken to court Ketchikan Pulp Co., jointly owned by FMC Corp. and Louisiana-Pacific. The Alaska District Court went even further than the Monongahela decision. It banned the harvesting of timber the Forest Service had *already* sold unless the tests were met. If the decision sticks, when Ketchikan reopens in the spring it may have to curtail production and employment—though it was first invited in by the federal government to create jobs in an underdeveloped area.

The parties to this dispute are hesitant to appeal even to the circuit court. If the Ninth Circuit Court agrees with the Fourth, Forest Service sales in the entire Pacific Northwest will be affected.

But suits of a similar nature are pending in many other places. Unless Congress acts fairly soon, the matter seems destined for the Supreme Court. If the Supreme Court interprets the law the way lower courts have been doing, tree harvesting in national forests will be cut in half. The giant forest products companies will get off relatively lightly (*see table*). Most of them own vast forests of their own. But many small companies will be forced out of business. Maybe that ought to give an idea to the legal zealots who are fighting clear-cutting on federal lands. Once they've won their battle there, they can turn antitrust lawyers and go after the giant companies they helped to monopolize the industry.

IN THE SAME BOAT

On the face of it the Monongahela decision would seem a good thing for the giant forest product and paper companies. The value of their timber will increase if the Forest Service's supply is curtailed. Their market share will increase if the little lumbermen who are dependent on the Forest Service go out of business.

But the big companies are backing the Forest Service and speaking out on behalf of the little guys. No, it's not just public relations. The big producers fear they may be next.

If the environmentalists win this round they're not likely to stop. They will be calling for regulation of timber harvests on private lands.

There's already a law in California that points the way. The California Forest Practices Act requires anyone who wants to harvest timber to submit his logging plans to a state committee—which, of course, can say, "We don't like this plan, try again."

At a recent hearing in Washington, D.C., James Moorman, a Sierra Club attorney, suggested that federal regulation of timber harvests on private lands might be "absolutely necessary."

VULNERABLE

Who would be hardest hit if National Forest Service timber reserves were effectively closed? In the main, most of the larger companies in the industry would be immune, as the table below makes clear. The smaller companies are especially dependent, but so are some important middle-sized companies like Southwest Forest Industries and Fibreboard Corp.

Company	Millions of board feet purchased from National Forest Service	Percent of total timber needs from Forest Service Lands	1975 sales (millions)
Boise Cascade	454.0	19	$1,400
Louisiana-Pacific	356.9	20	460
Southwest Forest Industries	297.4	90	473
Champion International	259.5	15–20	2,500
Simpson Timber	256.6	75	250
Edward Hines Lumber	214.5	55	170
Publishers Paper Co.[1]	148.8	75	179
American Forest Products[2]	146.4	70	225
Sierra Pacific	110.5	80	120
Crown-Zellerbach	106.2	[3] 5	1,700
Brooks-Scanlon	103.3	[4] 70	42
Potlatch	87.3	20	488
Fibreboard	78.1	80	294
St. Regis Paper	73.9	10–15	1,400
Diamond International	71.3	28	779
Weyerhaeuser	53.0	0	2,700
International Paper	53.0	[3] 5	3,000
Kimberly-Clark	51.5	(5)	1,400
Willamette Industries	47.9	35	388

[1] Times-Mirror subsidiary.
[2] Bendix subsidiary.
[3] Estimate.
[4] Logs selectively.
[5] Minimal.

CEREMONY DESIGNATING THE SEWALL-BELMONT HOUSE, A NATIONAL LANDMARK

Mr. METCALF. Mr. President, April 7, 1976, I had the pleasure of participating in the ceremonies designating the Sewall-Belmont House, the home of the National Woman's Party, as a national landmark. A cooperative agreement between the National Park Service and the National Woman's Party was signed, as provided in Public Law 93–486.

The Sewall-Belmont House was the home of Albert Gallatin, Secretary of the Treasury during the administrations of Jefferson and Madison. When Lewis and Clark came to the headwaters of the Missouri River they found that three rivers flowed together to make the source of the Missouri and they named these three rivers in western Montana, the Jefferson, the Madison, and the Gallatin.

Inasmuch as Miss Jeanette Rankin was the first woman elected to Congress and was one of the outstanding suffragettes of her time, I was especially pleased to participate in the dedication.

The remarks of Mrs. Elizabeth Chittick, president of National Woman's Party, on this historic occasion will be of interest to all Senators since the Sewall-Belmont House is our closest neighbor and will remind us constantly of the importance of the women's movement in America.

It is my hope that Sewall-Belmont House will continue to be the headquarters of the women's movement and that at some future time soon I hope it will be selected as the site of the issuance of the Presidential proclamation of the passage of the equal rights amendment.

I ask unanimous consent that Mrs. Chittick's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

WELCOME ADDRESS AT CEREMONY DESIGNATING THE SEWALL-BELMONT HOUSE, A NATIONAL LANDMARK, AND SIGNING A COOPERATIVE AGREEMENT, APRIL 7, 1976

Senator Metcalf, Director of National Park Service *Eberhart*, Director of National Capital Parks *Fish*, Superintendent *Hutchison*, distinguished guests, members and friends of the National Woman's Party. I extend to each and everyone of you a hearty welcome on this historic occasion.

This is truly an historic occasion, not only for the signing of the Cooperative Agreement with the National Park Service, but also for the presentation of the National Landmark designation. I would like to emphasize that the Landmark designation does not lie in the architecture of the Sewall-Belmont House but in its historical association, not only for the history of such activities as its being the only house offering resistance to the British in the War of 1812, or the house where the first Secretary of the Treasury, Albert Gallatin, resided and worked on the Louisiana Purchase, but it is also the house from which the fight for the Equal Rights Amendment was conducted. This Landmark designation was given for socio-humanitarian reasons, it being the only house left standing where the comtemporary women's rights movement went forward under the leadership of Alice Paul, the founder of the National Woman's Party.

Alice Paul, the leader of the Suffragist movement, along with many other suffragists went to jail in the District of Columbia for the enfranchisement of women. In their dedication to the cause of suffrage, they went on a hunger strike and were forced fed. Alice Paul's militancy was indispensible to the passage of the suffrage act for women, the 19th Amendment to the U.S. Constitution. In 1923 the National Woman's Party held a convention at Seneca Falls to commemorate the passage of suffrage. They passed a resolution to further the rights demanded by Elizabeth Cady Stanton and Lucretia Mott at the first equal rights convention held here in 1848.

Alice Paul wrote the Equal Rights Amendment in 1923. Under her leadership the Amendment was introduced in every Congress for 49 years. Over the years the National Woman's Party diligently kept the fires burning for this Amendment, educating other organizations, publishing bulletins and maintaining an instant information bureau where anyone interested in the Equal Rights Amendment could obtain the exact status of its progress and sponsors day or night. In the beginning, the National Woman's Party was alone. As years passed, more and more organizations sponsored the Amendment. From 1929 to 1972, in this Sewall-Belmont House, Alice Paul conducted all of these activities.

It seems appropriate that within this historic building there will be a blending of the history of our nation with the women's rights movement. The National Woman's Party feels that this Landmark, now designated the Sewall-Belmont House, is a living monument to the work and leadership of Alice Paul. It is filled with the memorabilia of suffrage and equal rights. We wish to share this historic site with the world and especially women, as we believe it is the only place where women can come and dwell on the history of the past as well as the contemporary women's rights movement.

I express my sincere gratitude to all the women's organizations, the historical societies, the National Trust for Historic Preservation and all the individuals who supported the bill to declare this house an historic site in Congress. This day demonstrates what women can do when they work together in the spirit of cooperation. I would be remiss if I did not also express my gratitude to all the men who made this day possible. We need not be reminded that the support of men is also needed to achieve our goals. Equal rights is not only equal rights for women, but equal rights for men. It is the perfect blending of men and women working together for one cause, "equality under the law." I believe this partnership of men and women would be the answer to the dreams of

Susan B. Anthony and Alice Paul. This magic combination will eventually give us "equality under the law" and place the Equal Rights Amendment in the U.S. Constitution.

I would like to publicly thank Senator Jackson for his sponsorship of the bill which culminates in the signing of this Cooperative Agreement today. Also many thanks to Senators Bible, Metzenbaum, Case, Congressman Taylor and all the other Senators, Congressmen and Congresswomen who co-sponsored the bill. My gratitude is extended to Senator Byrd and Congresswoman Yates for their support in appropriating the necessary funds to implement this cooperative Agreement. In addition, there are very special people here today who deserve recognition for their help in obtaining passage of this bill, Mary Gereau and Jerry Gereau. I welcome my friends from the White House, State Department, Labor Department, Bicentennial Commission, the President's International Women's Year Commission and ERAmerica.

As President of the National Woman's Party, I am grateful for your friendship and support. My heartfelt welcome to everyone.

CHINA'S NEED FOR MODERN ARMS

Mr. TAFT. Mr. President, I bring to my colleagues' attention an article in the Baltimore Sun of April 13 entitled, "China Arms Believed Out-of-Date." This article notes that most of the arms now in the forces of the Peoples' Republic of China are badly out of date, compared with those of the Soviet forces which threaten China. Despite the progress which the People's Republic has made in many technological fields the Chinese arms industry is not equal to a contest with the vast and sophisticated arms complex of the Soviet Union. The Sun article quotes Deputy Assistant Defense Secretary Morton I. Abramowitz as stating that "most of (China's) equipment is obsolescent—some of it is 10 to 20 years behind the times—and only recently has China begun to move into systems that go beyond available Soviet design."

An examination of China's defense forces confirms Mr. Abramowitz' observation. The few tanks China has—about 8,500, compared to 40,000 for the Soviet Union—include even World War II-built T-34's, and the best Chinese-built tank, the T-59, is based on a Soviet design of the 1950's. Soviet tanks are in effect two generations newer. China has only 3,600 armored personnel carriers, again of old types, compared to 35,000 for the Soviet Union. The Soviet BMP armored personnel carrier is not only superior to anything in China's defense forces, it is better than anything the United States possesses.

The Chinese Air Force is based mainly on MIG-17 and MIG-19 fighters, the MIG-17 dating from the Korean war and the MIG-19 from the mid-1950's. The Soviets not only have over 1,300 MIG-21's but they have new models such as the MIG-23. In terms of air defense missiles, China has only a few obsolete SA-2 missiles.

The Chinese Navy is well configured for coastal defense, but it has no capability to prevent the powerful Soviet Navy from cutting off China's trade.

It is my belief that it is in the interest of the United States and of world peace for China to maintain her freedom from Soviet hegemony. To do that the Chinese must have a credible defense. That, in turn, requires modern defensive arms.

The West has recently made a good start in helping China to resist Soviet hegemony. Great Britain has agreed to sell the Rolls Royce Spey jet engine to China, apparently to power a new Chinese fighter.

But the United States should also take an active role in preparing China to resist aggression. We should offer to sell modern defensive arms to China, for both air and ground defense. The Chinese would of course have to decide what arms they needed most, but such equipment as modern jet fighters for air defense, antiaircraft missiles such as the Hawk, and antitank weapons such as the TOW missile would be logical candidates to sell to the Chinese. The United States should take the initiative in offering to sell these weapons to China. We must not let trivial objections stand in the way of preserving Chinese independence from the Soviet Union, which is of great importance to all those nations and peoples which seek to resist Soviet hegemony.

Mr. President, I ask unanimous consent that the article, "China Arms Believed Out of Date" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, Apr. 13, 1976]

CHINA ARMS BELIEVED OUT OF DATE

(By Charles W. Corddry)

WASHINGTON.—China has a new missile that could strike targets "close to Moscow" but most of its military equipment is outdated, some of it as much as 10 to 20 years behind the times, according to recent Defense Department testimony.

There was no suggestion in the testimony, or in official quarters here yesterday, that the government is actively considering military sales to China. But the condition of China's forces, as described in the testimony, indicated ample reasons that Peking might want to buy arms.

The policy of self-reliance that China adopted after its quarrel with the Soviet Union "has been a powerful political and economic tool but it will be insufficient to modernize her armed forces," Morton I. Abramowitz, deputy assistant defense secretary, told a panel of the House International Relations Committee a week ago.

In other words, for the more sophisticated weapons of today, China would have to turn abroad. It has, in fact, ordered jet engines recently from Britain, as Mr. Abramowitz noted. They are the same type engines which power Britain's version of the American F-4 Phantom jet fighter.

Attention focused anew on the question of possible United States aid to China when James R. Schlesinger, the former secretary of defense, said on a Sunday television program (ABC, Issues and Answers) that the matter had been discussed within the government but "there was never a formal addressing of the issue." He said he personally "would not reject it out of hand."

Mr. Abramowitz said yesterday that Peking had not requested military aid, though it had sought certain high-technology equipment from the U.S.

He also told a reporter there was evidence of an upturn in Chinese military spending in the past year after a fall-off from 1971 onward. The latter has been attributed by some analysts to the aborted coup attempt of the late Lin Piao, then defense minister, when in 1971 led to a reduction of military influence.

Mr. Abramowitz, in his congressional testimony, said China had made strides in military production—turning out nuclear weapons, radar, jets, missiles and tanks but "most of her equipment is obsolescent—some of it's 10 to 20 years behind the times—and only recently has China begun to move into systems that go beyond available Soviet design."

China's problem, experts say, is to shift from relatively inexpensive forces built around huge ground elements to expensive, technologically advanced modern defenses.

Mr. Abramowitz, for example, said China's small but growing nuclear force, including both fission and fusion weapons, depends on 60 medium-range bombers and a "modest number" of missiles of 600- and 1,500-mile range. Moving slower than expected, it has now a new 3,000-mile range missile—able "to strike targets in the western part of the U.S.S.R. close to Moscow"—and a true intercontinental missile that will not become operational for several years.

"Their apparent objective," he said of the Chinese, "is a limited but impressive deterrent force."

He testified that two-thirds of the Chinese army and half of the air force are deployed to defend North and Northeast China.

Across the border on the Russian side, he said, the Soviet Union has deployed forces exceeding what would be needed "to stop a Chinese attack."

This necessity for Chinese defense, limiting Peking's options as well as Russia's, Mr. Abramowitz said, has been a major factor in muting Chinese hostility to an American military presence in Asia.

DAIRY COOPERATIVES AND MILK MARKETING

Mr. TALMADGE. Mr. President, the attention of Congress has been drawn in recent weeks to a series of columns by Sylvia Porter which were critical of the role of dairy cooperatives and Federal milk marketing orders.

In an effort to add to the public knowledge of this highly complex and controversial issue, the National Milk Producers Federation today convened a Symposium on Cooperatives, Milk Marketing, and Market Regulation.

It was my pleasure, as chairman of the Committee on Agriculture and Forestry, to be the leadoff speaker at this meeting earlier in the day.

I ask unanimous consent that the text of my remarks to the dairy symposium be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR HERMAN E. TALMADGE OF GEORGIA

I appreciate very much this opportunity to take part in your Symposium on Cooperatives, Milk Marketing, and Market Regulation. I am especially glad that you have asked me to talk about agricultural policy in its broad perspective.

There is no doubt that this meeting will be valuable. Certainly it will benefit all of you who are participating. But even more important, I hope that this meeting will be helpful to all of agriculture—and, as a matter of fact, to the entire Nation.

There should be more meetings like this. Agriculture has an exciting story to tell, and it must be told over and over, if the people of America are to understand your contribution—to understand the complexity of your problems.

What is agricultural policy? Who does it affect? Is a farm policy really necessary? Is it in the best interests of this Nation? These and other questions have been debated in and out of Congress, for as long as I can remember.

During the 1920s, in the face of drastically depressed prices, farm organizations and farm publications went on the offensive. They urged farmers to control production on a voluntary basis. We saw the farmers holiday strike. During the 1930s and 1940s Congress became involved directly—legislating programs to give price and income protection to our Nation's farmers. During the 1950s and 1960s, the questions revolved around how well the programs worked—and how much they cost.

But we are well into the 1970s. And the questions today are new. They are more difficult. Today, the debate has assumed a broader nature. With increased world demand, with higher prices, the questions today relate to the very adequacy of our food supplies over the coming years.

While the questions may have shifted a little, the basic reasons for Federal concern remain the same. The same reasons for yesterday's farm programs are the reasons behind today's debate over a national farm and food policy.

This Nation—and our people—must be assured of an abundance of food and fiber at reasonable prices. That is basic. It always has been. Our export market must be served. And we have a national goal—to provide the means whereby every citizen can obtain adequate nutrition. But there is a basic, underlying fact behind all of these goals—and that is a strong and viable agriculture. Without a prosperous and productive agriculture, none of these goals could be met.

Simply put, the complex of legislation that is generally referred to as "farm policy" has a clear purpose. That purpose is to assure the continued production of adequate food and fiber for the markets of this nation.

In addition, Congress has tried to assist in the development of marketing systems which are, at the same time, efficient and responsive to the needs of producers and consumers.

There is another, a very necessary, element to all of this. A significant part of this legislative complex has been aimed at assuring that rural areas have electricity, telephone service, medical care, fire protection, sewer and water service—and all the other supporting services that improve the quality of life, and make productive effort more effective, more efficient.

And while we have tried to establish the right conditions for production and marketing, Congress also has acted to assure that the food which reaches the consumer will be pure and wholesome. Meat and poultry inspection, pure food laws, and a variety of activities at the Federal, State and local levels are designed to assure this.

These programs and activities are part of a total framework that seeks to accomplish the specific objectives that I have outlined.

The price support programs have provided a degree of stability and price assurance for producers. They have given them the encouragement to make the investment and assume the risks of production. Without assurances like these, the level of production would not be as high, or we would be faced alternately with periods of great overproduction and periods of great surplus in particular commodities.

Neither course is acceptable. Excessive production adds to government costs, and indicates a mis-allocation of resources. On the other hand, shortages mean a loss to consumers through greatly increased prices, and pressures on our foreign markets.

Other legislation has served to provide stability and continuity to our agricultural markets. They assure producers and consumers of fair and reliable grades and weights, and equal access to available markets.

As important as price support programs may be, the assurance of stable markets for farm products is even more important. It is the market system that moves the bounty of our farms to the tables of our consumers. The transportation, the processing, the packaging operations—all of these are parts of the marketing system that place the product in the place and the form the consumer wants.

We have adopted food programs to improve the level of nutrition of all our people. The child nutrition programs, the special milk program, the food stamp program—all of these are designed to help assure that everyone has access to adequate nutrition. Conservation programs seek to assure the continued productivity of agriculture for future generations. Food inspection programs assure the wholesomeness of the product offered the consumer. Research and education programs seek to reduce the cost of production, increase output and to improve quality.

The list is seemingly endless. In total, it does provide the basis for a rational, continuing food policy.

Let us look at the record in terms of the real cost of food in this country, in terms of the contribution of the United States in providing food and fiber to domestic and foreign markets, or by any other measure. From all those standpoints, we have to acknowledge that these efforts have been successful.

It is often charged that these programs are expensive in tax dollars—or that they have resulted in higher food costs than we might otherwise enjoy. But this is not a real measure of accomplishment.

The expenditure of tax dollars on these programs are, in the strictest sense, an investment in the continuing ability of the farmers of this Nation to meet food and fiber needs of consumers—at home and abroad, now and in the future.

Food costs in the United States take a smaller proportion of disposable income than in any other developed country in the world.

Looking specifically at dairy price support and marketing legislation, the question can be raised, "Have these programs met or are they meeting a need?"

Through the dairy price support program, Congress has sought to assure the continued production of adequate supplies of milk for this market at reasonable prices. The program is designed to provide a level of price assurance that will permit dairy farmers throughout the country to plan their operations with confidence.

The Secretary of Agriculture is given the authority to set the price support level within a specified range. On several occasions during the last two years, Congress has passed legislation increasing the price support level. We did this because we recognized that current milk production was not meeting our needs and that the continuing departure of dairy farmers from the business would only worsen the problem.

The problem with dairying, like much of agriculture, is that when real shortages occur, additional production is neither immediate nor assured. What we have tried to accomplish with the dairy price support program is to provide the basis for an adequate productive capacity.

Milk market orders, as well as cooperatives, have received widespread criticism recently. The Department of Justice, the President's Council on Price and Wage Stability, the Federal Trade Commission and others have all been critical of one phase or another of the operations of cooperatives and certain aspects of marketing orders.

A report by the staff of the Federal Trade Commission released last year was highly critical of certain commodity cooperatives and marketing orders. The report contended that some cooperatives helped both producers and consumers. But on the other hand it indicated that other cooperatives dominated certain product areas, such as milk and some fruits, vegetables, and nuts. Further, it tied cooperatives and marketing orders into a package when it concluded that the market power of many of these cooperatives appears to be enhanced by Federal and State marketing orders.

Let us not close our eyes. Some of these criticisms are valid. And I think it incumbent upon us to strive to put our own house in order.

Much of the criticism, I am afraid, springs from a misunderstanding of the nature of cooperatives or what market orders attempt to do. But this is partly our own fault also. We just have not spent the time or taken the trouble to get our own story across.

There are many things we can do and I hope that this symposium can point the way. Neither cooperatives nor market orders are basically anticompetitive in nature. They do seek to establish uniform conditions of competition in the market. Milk production is marked by a very definite seasonal pattern, whereas the demand for milk and milk products is quite stable throughout the year. In the absence of some systematic regulation, the farmer could find his price during the months of high production sink to disaster levels.

Similarly, during the periods of low production, milk prices would be bid up sharply as processors bid for available supplies. Market orders help ease these pressures. They assure farmers equal access to the market and handlers equal access to available supplies. In that way, market orders proved the stability that results in a level of production that can and does meet the needs of consumers, and avoids these great swings in price which benefit no one.

The need for a sound agricultural policy is probably greater today than ever. The demands placed on our food production capacity in the last few years are unprecedented. At the same time, production and marketing costs have risen drastically.

American agriculture, more than ever, has become a matter of national and international concern. As a Nation, we cannot afford to take the chance that there will be enough production to meet demand. We must use our policy making powers to assure this is done.

The basic strength of our Nation depends upon it. This is what we have sought to do over the years. It is an effort that must continue.

REMOVAL OF LIMITATION ON SMALL WATERSHED PROJECT LOANS—S. 2484

Mr. HATFIELD. Mr. President, yesterday the assistant majority leader called up S. 2484, legislation introduced by Senator Packwood and myself to remove the present limitation on FHA loans to the sponsors of Public Law 566 small watershed projects conducted under the auspices of the Soil Conservation Service. Two amendments proposed by Senator Bumpers were accepted, and the bill was passed.

I regret acceptance of the Bumpers amendment establishing the loan ceiling at $10 million, double the present ceiling of $5 million, even though I had introduced legislation earlier in this Congress to do just that. Construction costs have tripled since the loan limitation was set, Mr. President, and I do not believe the Government should impede the construction of congressionally approved projects by imposing an arbitrary and outdated limitation on FHA loans to local sponsors. As for the objection that the limitation is needed to keep this a small watershed program in fact as well as in name, I would point out that Public Law 566 projects are already limited in size by a restriction on the size of the watershed affected—250,000 acres—and the size of the reservoir—25,000 acre-feet.

Nevertheless, Mr. President, I am pleased that the loan limitation has been raised so that a number of projects can proceed without hindrance. I hope the House will take prompt action.

DEEP SEABED MINERALS: CONGRESS STEAMS TO THE RESCUE

Mr. METCALF. Mr. President, late last month, Washington, D.C., again was host to the American Oceanic Organization, a group representing those concerned with finding, recovering, and processing the resources of the oceans.

Among the speakers was Mr. Northcutt Ely, a Washington attorney recognized as an authority on deep seabed minerals. He presented his own views under the title: "Deep Seabed Minerals: Congress Steams to the Rescue."

In his own view the United Nations Conference on the Law of the Sea, now in its third substantive session in New York City, is dominated by a vast majority of nations dedicated to the formation of a cartel with the authority to control operations and production and provide for exactions by the proposed international authority. If a treaty embodying these views were in existence, "all prospects of deep seabed mining would evaporate," Mr. Ely said. "No mining company, no bank, could put a dime into a venture subject to these hazards."

"It is high time, in my opinion, for Congress to rescue the executive department from the tar baby which it helped design and to which it still clings."

Mr. Ely supported the principle of deep seabed mining bills which "differ in several respects," now moving along in both bodies of this Congress.

Mr. President, I commend Mr. Ely's address of March 23, 1976, to those sincerely interested in obtaining for the consumers of the entire world minerals basic to their economies, minerals which are available in manganese nodules on the deep ocean floor. I ask unanimous consent that Mr. Ely's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

DEEP SEABED MINERALS: CONGRESS STEAMS TO THE RESCUE

(By Northcutt Ely)

American consumers, like the consumers of all nations, have an immense stake in the minerals of the deep seabed. By "deep seabed" we mean the areas seaward of the limits of national seabed jurisdiction, whether these limits are assumed to be the continental shelf, the continental margin, or a 200-mile zone. The minerals of immediate interest are the hard minerals found in the so-called manganese nodules. The nodules themselves are strange potato-shaped little pieces of rock scattered over thousands of square miles of seabed, under 12,000 to 20,000 feet of water. They contain a score or more of minerals, but the ones of greatest value, taking into account their relative percentages in the ore, are manganese, copper, nickel and cobalt.

These four minerals are essential to American industry. They are of immense present concern to American consumers because we are dependent for all of them on foreign sources, many of them politically undependable.

We now import 100 percent of our manganese, 88 percent of our nickel, 100 percent of our cobalt, 20 percent of our copper. Over 90 percent of those imports originate in nine countries. Our current supplies are thus vulnerable to price-fixing and curtailment through cartels, governmental and private. OPEC has taught a lesson, not only to us but also to these nine dominant hard-mineral producing countries. The Assembly of the United Nations, in its "Charter of Economic Rights and Duties of States," in 1974, spelled out this lesson. It pontificated:

"All States have the right to associate in organizations of primary commodity producers in order to develop their national economies, to achieve stable financing for their development and, in pursuit of their aims, to assist in the promotion of sustained growth of the world economy, in particular accelerating the development of developing countries. Correspondingly all States have the duty to respect that right by refraining from applying economic and political measures that would limit it."

Translated, this means that the consumers of the world not only must accept price fixing by more OPEC's; it is unlawful for them to dislike it. So says the United Nations. Quite naturally, of the nine countries that I mentioned, not one joined the United States in voting against this U.N. resolution. Cartels, in various degrees of maturity, now exist among producers of petroleum, copper, iron ore, bauxite, tin, cadmium, mercury, phosphate rock, and tungsten. The yellow pages will soon bulge with more.

This brings us to the importance of preserving American access to the minerals of the deep seabed. American companies have developed the technology to recover the manganese nodules, lift them to the surface, transport them to on-shore refineries, process them, and recover their metals, on an economic basis. This is our last great reserve of key minerals, free of control by other nations. The U.S. Department of the Interior has estimated that by 1990 the United States can totally eliminate all imports of nickel, copper, and cobalt, and can reduce imports of manganese to 23 percent of consumption, provided that the American mining industry proceeds with its deep sea mining operations now. Production at these rates can be sustained indefinitely, so large are the prolific areas. Over 100 separate deposits of nodules have been identified in the Pacific Ocean alone.

There is room enough for every nation that can develop the technology as Americans have done, and that is willing to take the financial risks that American industry is prepared to do. These risks are very large. A typical operation will require $200 million to $400 million of capital, divided between ocean mining and on-shore refining. Some five to ten years' lead time is required to map a particular deposit, design and manufacture equipment for that mine site, and design and build a processing plant for those particular ores. Decisions must be made now.

Conceivably, development of deep seabed minerals might go forward under one of three legal regimes.

The first would be laissez faire, simply the exercise of the freedom of the seas under existing international law, without the creation of any new governmental regulatory machinery. The second would be a treaty. The third would be reciprocal domestic legislation enacted by the States capable of carrying on deep seabed mining.

First, as to laissez faire:

The right to mine manganese nodules of the deep seabed, beyond the limits of the continental margins, is unquestionably one of the freedoms of the high seas, available to all nations so long as other reasonable uses of the ocean are not interfered with. While American companies have spent as much as $100 million to date in exploration and the design and testing of equipment and processes, they have hestitated to commit themselves to the hundreds of millions more of expenditures which would be required for full-scale commercial development. The reason is that the mining industry, unlike the petroleum industry, is not able to generate all the necessary capital internally, and must borrow heavily to go into production of deep seabed minerals. The bankers have testified that they are prepared to lend the needed money, but first want some assurance, either through a treaty or domestic legislation, against claim jumping, and, more important, against the possible retroactive effect of an adverse treaty which would bring about limitations on production or fixing of prices and markets, or imposition or prohibitive fees and taxes.

The second possibility, a treaty, is a mixed bag. On the one hand, a treaty among the dozen or so nations whose nationals have the technical and financial capability for deep seabed mining might be a very good thing. It presumably would include limitations on the area to be included in a mining claim, set up an international registry office to publicize locations and dates of discovery, give reciprocal recognition to claims formalized in this way, set standards of diligence to deter speculative claims, and perhaps provide a pool into which each nation would deposit contributions related to production under its licenses, for assistance to less-developed countries. Such a treaty—we are still talking about a good treaty, not the one now being negotiated—could prohibit price fixing, production controls, and other forms of agreements in restraint or trade. No elaborate administrative machinery would be required. Let us call this a consumers' treaty.

Or, on the other hand, we could have the kind of treaty currently being proposed by the block of 107 nations that dominate the on-going Law of the Sea negotiations. Their proposals, in various forms, all contain these elements: First, the creation of a new maritime supergovernment, comprising the three branches of government—a two-house parliament, consisting of a council of 30 States and an Assembly of all 150 signatories, a Secretariat, and a Tribunal. Second, vesting in this "apparat" the exclusive authority to carry on deep sea mining, either directly, or, in its discretion, to do so through contracts with mining companies, provided that full authority to control operations and production is retained by the international authority. Various criteria are stated, including the requirement that the revenues of the land-based mineral-producing States must be protected. For convenience, we can refer to this as the anti-consumer concept, or the anti-American treaty. If such a treaty were in existence, all prospects of deep seabed mining would evaporate. No mining company, no bank, could put a dime into a venture subject to these hazards.

And the very fact that such a gremlin is trying to move into the neighborhood will keep investors out until it is exorcised, if that is how you get rid of gremlins. Unfortunately, the American negotiators for six years now have been cultivating this gremlin instead of chasing it out of town. In 1970 the State Department offered a draft treaty which proposed a council, a secretariat, three commissions, and a tribunal, to control deep seabed mining as well as exploitation of the continental margins. The Group of 107 can say with some justification that the United States, not they, dredged up this sea monster out of Foggy Bottom. And, before leaving the 1970 draft treaty which got us into this mess, let us remember that it also proposed that all coastal States donate 50% to 66⅔% of the government's revenues from the continental margin beyond the 200 meter depth line to this new international organization. Naturally, no one else voted for this, but all seized with delight on the idea of the international parliament, which could control or prevent the achievement of American hard mineral independence.

Congress gave the Nixon administration advance notice that its 1970 treaty proposal was not acceptable. On July 21, 1970, the ranking members of the Senate Committee on Interior and Insular affairs wrote the Secretary of State:

"In the short time that our members have had access to the sixty-six page draft, the Subcommittee is unanimous in expressing grave doubts about so many of its provisions. Therefore, we strongly urge that you prevent its presentation at the U.N. Seabeds Committee session next week at Geneva, and instead respectfully suggest that you direct that it be substantially revised."

The reasons, among others:

"Various provisions of the draft treaty would establish an international organization potentially so vast as to make the size of the United Nations pale by comparison. The organization would include an Assembly, a Council, a Tribunal, three Commissions, and a Secretariat. Present leasing activities beyond the 200 meter depth limit could not generate sufficient revenues to begin to fund such an organization. More importantly though, considering at best such a massive organization as a possible result of many concessions in the international negotiating process, one staggers at the thought of the immensity of the organization which would result from negotiations if the United States opened discussions by supporting the creation of the monolith contained in the draft treaty."

Despite this warning, the draft treaty was submitted anyhow, with no major changes.

The deep seabed mining bills now before Congress, five years later, simply go to show that while the mills of Congress grind slowly, they grind exceedingly fine. I will come to those bills in a moment.

The earnest and diligent group of American negotiators, who have given the treaty negotiations a life of its own, remind of the movie, the Bridge on the River Kwai. They have become dedicated to designing and building a top heavy power structure—I call it the floating Chinese Pagoda—that the national interest dictates should never be built at all.

There are, of course, features of the proposed treaty to which the United States might well agree—for example, freezing territorial sea claims at 12 miles if unimpeded passage through straits and archipelagos is assured, confirming the coastal States' limited resource jurisdiction out to 200 miles and no farther, clarifying pollution control responsibilities and the status of scientific research, and so on. They are mostly in the nature of self-restraints, as were the four 1958 Geneva conventions. Even if there is no treaty or "family" of treaties, to borrow Dean Rusk's expression, these concepts, if widely accepted, will pass into customary international law. They do not require a new maritime parliament. Neither does deep sea mining. We can agree with our neighbors that the kids won't ride bicycles through their flower gardens, without moving a policeman into the spare bedroom.

And it must be borne in mind that whereas the Assembly of the United Nations, which has been churning out anti-American resolutions on its production line, only pretends to be a parliament—to borrow Ambassador Moynihan's expression—the new seagoing parliament would be a real one, with power to legislate and to enforce its legislation. It would not be subject to any veto, its charter would be non-repealable, and indeed the treaty could be amended by a two-thirds vote of the signatory States at any time to give the new apparatus more powers. We could and would object to legislation we did not like, but it would be instant international law, and countries that did not conform would be international outlaws—or so the anti-American chorus would happily chant. Why should we do this to ourselves? Why impose new barriers to American access to vitally needed minerals?

It seems unnecessary to add that the odds against our making believers of the 107 countries that want this anti-American treaty, and converting them to the cause of writing a consumers' treaty, are exactly 107 to 1. That, coincidentally, was the vote against us on a resolution in the U.N. Assembly condemning our country for its presence in Guam. On that vote, our allies all abstained.

This was one of a long series of such showdowns, in which a hundred or more countries, most of them beneficiaries of millions of dollars of American foreign aid, voted solidly against us. Whatever justification there may have been for the naivete which prompted the 1970 draft State Department treaty, we should have grown up by now. As Mr. Moynihan told us, in his article "The United States in Opposition" in Commentary Magazine (quoting a Chinese statement in 1974):

"These days, the United Nations often takes on the appearance of an international court with the Third World pressing the charges and conducting the trial."

Mr. Moynihan goes on:

"Clearly at some level—we all but started the United Nations—there has been a massive failure of American diplomacy."

He speaks of the

". . . blind acquiescense and even agreement of the United States which kept endorsing principles for whose logical outcome it was wholly unprepared with which it could never actually go along."

This is his crusher, which would be a fitting epitaph for the American Law of the Sea negotiating policy:

"In Washington, three decades of habit and incentive have created patterns of appeasement so profound as to seem wholly normal. Delegations to international conferences return from devastating defeats proclaiming victory. In truth, these have never been thought especially important. Taking seriously a Third World speech about, say, the right of commodity producers to market their products in concert and to raise their prices in the process, would have been the mark of the quixotic or the failed."

Perhaps it is time to take Ambassador Moynihan's advice:

"What then does the United States do?

"The United States goes into opposition." (His emphasis.)

This, it would seem, is the advice that Congress is about to take.

During the week of March 15, 1976, deep sea mining legislation moved a step forward in both houses of Congress.

On March 16 the Subcommittee on Oceanography of the Committee on Merchant Marine and Fisheries reported favorably H.R. 11879, and on March 18 the Senate Committee on Interior and Insular Affairs ordered S. 713 reported. The bills differ in several respects, but they have the same purpose and the same constitutional basis. That basis is the Commerce Clause, the power of Congress to control the activities of U.S. nationals and vessels engaged in foreign commerce on the high seas. Congress does not grant any real estate; no one owns the deep seabed. The purpose of these bills is to assure continuing American access to the minerals of the seabed, as a freedom of the seas, and free of foreign domination, control, or veto. The technique is as follows.

The bills would step up a system of licensing of American individuals and corporations, and prohibit deep sea mining by such American nationals except pursuant to a license to be issued under the Act. By this device, Congress would impose controls, not now existing, on the exercise of the freedom of the seas, but they are established by an American legislature, not a foreign one. These controls, among others, would relate to the area to be claimed, diligence requirements, environmental safeguards, the obligation to process and refine all recovered minerals in the United States, to conform to the Jones Act, which requires transportation in U.S. vessels. Only United States nationals, including U.S. corporations, would be eligible for licenses, but foreign investments in U.S. corporations would not disqualify them. The operation, at sea and on shore, would of course be subject to all applicable United States laws, including those relating to taxation, anti-trust, export of strategic minerals, environmental standards, judicial review, and so on.

In return, the United States would recognize the miner's title to the minerals he recovers and afford his operations diplomatic protection. It would assure him compensation if the United States should later enter into a treaty which diminishes his rights or increases his obligations. If commercial insurance against harassment and claim jumping is not obtainable, the United States, for appropriate premiums, would provide insurance, comparable to that given against expropriations on land. The legislation would offer reciprocal treatment to licenses issued by nations that enact similar legislation and which respect our own government's licenses.

These movements in Congress should go forward to early enactment. They state the essential requirements for the recovery of American mineral independence. These bills are a plain signal to our own negotiators as well as to our opponents. They run almost exactly counter to the disastrous "single negotiating text" that came out of the treaty negotiations at Geneva and counter to the continuing objectives of the nations that control the negotiations now in progress. The so-called "compromises," the "glimmer of hope," that the American negotiators have disclosed to Congress in the last few weeks simply reconfirm these carnivorous objectives.

It is high time, in my opinion, for Congress to rescue the Executive Department from the tar baby which it helped design and to which it still clings.

THE DOMESTIC INTERNATIONAL SALES CORPORATION—DISC—INCENTIVE IS A CRUCIAL FACTOR IN OUR INDUSTRIAL ECONOMY

Mr. FANNIN. Mr. President, the Domestic International Sales Corporation—DISC—export incentive was first proposed by the Treasury Department as part of the Revenue Act of 1971. The then Secretary of the Treasury urged its adoption on three grounds: First, to stimulate a reversal in the declining trend of U.S. share of the world's export market; second, to help achieve long-term trade balance in light of growing U.S. imports of foreign produced commodities; and third, to provide an alternative to those U.S. firms which found it necessary to invest in foreign-based plants and equipment in order to compete effectively in many of the major markets of the world.

There was a compelling justification

for such an incentive since foreign governments had, over a period of many years, granted a variety of tax incentives and direct subsidies to encourage production for exports. At the same time they had imposed a variety of border taxes and nontariff barriers to discourage competition by U.S. producers and others who sought to sell competitively in their domestic markets.

Although the powerful U.S. industrial economy might be able to absorb handicaps for many years, the economy would suffer serious and irreparable damage if some semblance of equilibrium was not reestablished.

The DISC legislation was an integral part of the Revenue Act of 1971 and is now contained in sections 991 through 997 of the Internal Revenue Code. That legislation authorized a U.S. exporter to establish a highly restricted domestic corporation, known as a DISC, which receives a limited tax deferral that serves as an incentive for the exporter to increase its export sales by selling through the DISC.

To qualify as a DISC, a corporation must be organized under the laws of any State or District of Columbia, have at least $2,500 in outstanding capital stock, elect to be treated as a DISC, and satisfy the "gross receipts" and "gross assets" tests.

The gross receipts test requires that at least 95 percent of the corporation's gross receipts consists of "qualified export receipts." In general, qualified export receipts are receipts from the sale or lease for use outside the United States of "export property"—defined as property produced, grown or manufactured in the United States—or from the furnishing of services related to the sale or lease of export property. A DISC may act as principal or commission agent. It may not engage in the producing, growing or manufacturing of export property.

The gross assets test requires that at least 95 percent of the corporation's assets be "qualified export assets." In general, qualified export assets are inventories of export property, necessary operational equipment and supplies, trade receivables from export sales, producers loans, and Export-Import Bank obligations.

If a corporation qualifies as a DISC, it is not subject to Federal income taxation. However, the shareholders of a DISC are deemed to receive an annual dividend equal to one-half of the DISC's taxable income. If the DISC retains the remaining one-half of its taxable income, Federal income taxation of that one-half is deferred until such time as it is distributed to the DISC's shareholders, the shareholder sells the stock, the corporation is liquidated, or the corporation's DISC election is terminated or revoked.

The DISC legislation achieves its objective of increasing exports by making U.S. exporters more competitive with those foreign-owned exporters that benefit from extensive foreign export incentives, and by more closely equating the U.S. taxation of export sales with the U.S. taxation of the sales income of the foreign subsidiaries of U.S. companies.

Increased U.S. exports resulting from the DISC deferral incentive provide favorable stimulation for the U.S. trade balance, for the creation of U.S. jobs, for the encouragement of small- and medium-sized U.S. companies to enter or increase their position in the export market, and for the construction of new U.S. production facilities to meet the increased demand for exports.

The tax incentives available to many foreign-owned exporters located abroad are well established and extensive. Exporters located within the Common Market—EEC—are exempt from the value-added tax—VAT—on exports to locations outside the EEC; where indirect taxes, such as VAT, are major revenue sources, an export exemption from the VAT can provide a material export incentive. Exports within the Latin America Free Trade Association—LAFTA—are subject to lower import duties than are exports from outside LAFTA. To a lesser extent the same favorable duty rate structure exists for trade within the EEC.

DISC was designed to allow U.S. exporters to receive an after-tax return from export sales more closely approximating the after-tax profits of foreign-owned exporters located abroad and the foreign subsidiaries of U.S. companies producing and selling abroad.

Since its first year of effective operation in 1972, the DISC tax deferral provisions have stimulated increases in U.S. exports far beyond the expectations of those who advocated enactment in 1971.

Amendments to DISC legislation contained in H.R. 10612 provide for a new incremental or base period method of computation of DISC benefits which would be required with respect to taxable years beginning after December 31, 1975. In general, DISC benefits would be allowed only to the extent that the DISC's export gross receipts for the taxable year exceed 75 percent of its base period export receipts. For the years 1976 through 1980, the base period would be the taxable years 1972, 1973, and 1974. Beginning in 1981, the base period would move 1 year forward each year.

The incremental approach as contained in H.R. 10612 is unacceptable for several reasons. From an economic standpoint the incremental approach would substantially reduce an incentive which has had a positive impact on the U.S. economy. The Treasury has estimated that DISC legislation has been responsible for increased U.S exports which have resulted in more US. jobs, contributed to a positive balance of trade, and helped increase the gross national product. Changes in DISC legislation, such as the incremental approach contained in H.R. 10612, would reduce those economic benefits and consequently should not be enacted. In addition, the incremental approach is unacceptable, because it results in unfair treatment for those companies which have increased their export sales dramatically since the enactment of DISC. The DISC incentive has induced many U.S. companies to expand their capacity in order to serve export markets and to utilize existing excess capacity. However, foreign competition, foreign currency or import controls, market saturation or depressed conditions in export markets may not allow U.S. exports to continue to grow as rapidly as they have since the enactment of DISC. Thus, some companies may now find that their export sales will grow less rapidly or that they may reach a plateau. Such companies would incur a reduction or elimination of the DISC deferral if the incremental approach is adopted. The incremental or base period approach appears to be an attempt to "Index" the DISC deferral benefit. "Indexing" of the deferral benefit refers to the notion that the benefit should not be allowed to the extent that an increase in exports is attributable to inflation rather than the quantity of goods exported. The use of a moving base results in income eligible for the benefit being stated in constant dollars. However, all activities of a business which result in the taxable income of the enterprise are valued by current dollars. To value the DISC benefit in an approximation of constant dollars would be inconsistent with the remainder of the Internal Revenue Code.

Congressman JOSEPH E. KARTH, who as a member of the House Ways and Means Committee was instrumental in proposing the incremental method of computation of DISC benefit, testified that he now recommends that the present law be retained. Having attended the GATT meeting in Europe where foreign nations complained that DISC was a "subsidy" in violation of the GATT agreement, he became vividly aware of how DISC is assisting our U.S. businesses abroad to retain a competitive position with foreign businesses. Congressman KARTH would now recommend the incremental method only as an alternative if the present law cannot be retained.

The 1974 annual report on DISC has just been completed by Treasury. That report states that total U.S. exports have increased dramatically in recent years, from $43 billion in 1971 to $106 billion in 1975, and the U.S. share of the exports of industrialized countries has grown from 18.2 to 20.2 percent in this period. DISC has contributed to this growth in U.S. exports, and has helped expand our position in world markets. Treasury estimates suggest that the total DISC effect in the period covered by the report was an export stimulus of $4.6 billion. Their projections indicate that the effect of DISC on exports in 1976 could be as large as $9 billion. The employment associated with these additional exports in 1976 is estimated at as much as 300,000 jobs. These additional exports and jobs come at a time when we are experiencing unutilized economic capacity.

The export figures reported by Secretary Simon in the 1974 annual report on the operational effect of DISC make a convincing case for concluding that the 1971 tax rules for DISC corporations have clearly fulfilled their original congressional objective: to stimulate U.S. exports and related investment in the United States. Since the 50-percent deferral right is available only on conditions that involve use of 95 percent or more of the deferred income on export-related inventories, equipment, and so forth, it is difficult to take seriously the accusations by some that DISC rules have had no effect in stimulating U.S. exports. The figures clearly demonstrate otherwise and the intrinsic operation of DISC rules could have no other possible effect. There is no cause whatsoever to curtail this highly successful stimulus to U.S. exports.

As Secretary Simon aptly stated:

> Any curtailment of DISC would be particularly unfortunate at this time, when the economy is in the midst of a recovery. It would increase our present problem of capital formation by raising the taxes on capital at a time when they should be lowered. It would hit hardest those companies who have been doing the most to help our export efforts. We shouldn't alter DISC until there is agreement in the multilateral trade negotiations concerning uniform rules for taxation of exports.

The repeal or reduction of the DISC program would adversely affect exports and the associated employment. DISC has encouraged firms to invest in the United States. We have had extensive testimony before the Senate Finance Committee which opposes the repeal of DISC. Each of those testifying have indicated with statistics the need for retaining DISC and the substantial favorable effect of that legislation on U.S. exports. At a time when unemployment is of utmost concern in this country, it is important to note that DISC has created a substantial number of jobs here in the United States and will in the future create many more jobs if our businesses abroad continue to increase exports as they have with the benefit of DISC since 1971.

The National Machine Tool Builders' Association composed of 111 machine tool companies of which 41 companies are currently using DISC testified before the Senate Finance Committee that export shipments of machine tools increased from $267.7 million in 1971—the year the DISC was enacted—to $567.6 million in 1975. That increase in exports accounts for over 8,500 additional jobs in their industry today.

From 1964 through 1971, FMC Corp., a diversified producer of machinery and chemical exports grew at an average rate of 11 percent per year. From 1972 through 1975, with DISC, they have been growing at the rate of 40 percent per year. During the period when DISC has been in effect, their export sales have increased four-fold, from under $100 million to $403 million, and they are projecting that the rate of growth under DISC will continue to increase impressively. FMC's increased exports during the past 4 years have led to the creation of about 4,500 new FMC jobs related to export sales, for a total of about 8,100 export-related jobs. That is actually a conservative figure as it does not include the additional jobs created by their supplier companies, many of which are smaller firms.

Motorola, Inc., reported that the repeal of DISC could mean as much as 1,000 jobs being impacted in Arizona, Illinois, Florida, Texas, and New York. They join with other companies in urging the continuation of DISC in the present law.

Stauffer Chemical Co.'s DISC began operations in April of 1972. From that date to the end of 1975 Stauffer Chemical Co.'s domestic jobs directly related to its export sales and foreign operations have nearly doubled from 837 to 1,495, and Stauffer Chemical Co.'s contribution to the U.S. trade balance has increased by almost three times during that same period—from less than $45 million to over $122 million.

The increase in Stauffer Chemical Co.'s domestic jobs noted above was only those jobs directly related to its export sales and foreign operations. Under the most widely accepted assumption, there are an equal number of domestic jobs with those companies providing Stauffer Chemical Co. with goods and services that are required by Stauffer Chemical Co.'s export sales and foreign operation—giving a total of almost 3,000 U.S. jobs whose existence depends upon those activities. During that same period of time, Stauffer Chemical Co.'s jobs related to its other domestic operations has actually decreased.

The Department of Treasury strongly opposes any change in the DISC provision and expressly opposes the incremental approach of H.R. 10612. The rejection of the incremental approach is essentially one of equity. The problem is similar to that posed by excess profits tax legislation. Inevitably, any base period will lead to unfairness. The new entrant will have an undue advantage, and the company with declining sales will have no incentive to slow the trend. An already complex statute will be rendered increasingly unworkable to the detriment of the U.S. exports and jobs. For these reasons, I urge my colleagues not to amend the law governing the operation of DISC.

THE FEDERAL HIGHWAY ACT OF 1976

Mr. McGOVERN. Mr. President, I am very pleased that the conference report on the Federal Highway Act of 1976 was approved by the Senate by voice vote yesterday. This action reaffirms our ongoing commitment to provide the American people with the world's finest road and highway system.

I am also pleased that the conferees chose to retain and the Senate to approve section 132, which originated on the House side. This section, captioned "Highways Crossing Federal Projects," was intended from the beginning to provide relief to States which have experienced difficulties in repairing or replacing bridges over Federal water resource development projects, particularly those constructed by the Army Corps of Engineers and authorized before the Federal Government begin to accept responsibility for replacement and reconstruction costs.

Yesterday the distinguished Senator from Tennessee (Mr. BAKER) observed on the floor that the Tennessee-Tombigbee Waterway project in Mississippi and Alabama is a good example of a situation to which this section can apply. It is my clear understanding, however, that the language of this provision was purposely written and retained in general terms in order to cover problems of this kind nationally, rather than to restrict access to any one project or region.

As my friend and colleague, Representative JAMES ABDNOR, pointed out during the House debate on this conference report, we in South Dakota welcome inclusion of section 132 in the Highway Act, because it clearly makes our State eligible for Federal assistance in reconstructing the two vital highway bridges on U.S. Routes 12 and 212 which cross the Oahe Reservoir project on the Missouri River at Forest City and Mobridge.

Mr. President, on February 17, I wrote to the distinguished chairman of the Committee on Public Works to explain South Dakota's interest in relation of the House provision which became section 132. I ask unanimous consent that this letter, and Chairman RANDOLPH's response, with regard to section 132 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
February 17, 1976.

Hon. JENNINGS RANDOLPH,
Committee on Public Works, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: When the Conference Committee reconvenes to consider the Federal Aid Highway Act of 1975, I hope that you will give the most serious consideration to retaining Section 123 of the House bill in the Conference report.

As you know, Section 123 of H.R. 8235 authorizes the Secretary of Transportation "to construct and to reconstruct any public highway or highway bridge across any Federal public works project . . . where there has been a substantial change in the requirement and costs of such highway or bridge since the public works project was authorized and where such increased costs would work an undue hardship upon any one State". The sum of $100,000,000 is authorized to be appropriated for fiscal 1976 to carry out this section.

The language of this section applies directly to a most severe problem confronting my State. If retained, it would make South Dakota eligible to apply for Federal assistance to repair the two vital U.S. Highway Bridges at the Highway 12 and 212 crossings over the Lake Oahe Reservoir, a major project at the main stem of the Missouri River constructed by the Army Corps of Engineers.

Because the bridges were constructed by the Corps, the State may not now apply for funds administered by the Federal Highway Administration to make repairs without which the bridges may soon have to be closed. The Corps, meanwhile, has refused to take responsibility for the repairs despite the fact that expansion and construction of the volume of water in the reservoir by the Corps itself has caused the geological formations in which the bridges are anchored to shift. This shift has led to deterioration and unsafe conditions.

The State of South Dakota has no option but to find some way to keep those bridges open. With an annual State Budget of less than $100 million for all purposes, however, it is clear that South Dakota will suffer great difficulty if the States alone is required to bear the approximately $8 million estimated cost for the repairs. South Dakota faces the kind of "undue hardship" to which the section is designed to respond.

I am informed that other States face identical or very similar problems. I hope, therefore, that you will keep these special needs in mind when you take up this section.

With every good wish, I am,

Sincerely,

GEORGE MCGOVERN.

WASHINGTON, D.C.,
February 25, 1976.

Hon. GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR GEORGE: Thanks for your letter of February 17 urging Senate conferees to support Section 123 of the House version of the Federal-Aid Highway Act. As you know, the Senate bill contains no comparable provisions to this bill. Senate conferees, however, are aware of the problems incurred by State and local communities in providing costly bridges across Federal public works projects. As you observed, such structures crossing Corps of Engineer projects are not now eligible for Federal-aid highway funds. The rising costs of this type of construction requires that we give careful consideration to the Senate provision.

I anticipate a satisfactory resolution of this problem and appreciate your sharing your thoughts with me.

With kind personal regards, I am,

Truly,

JENNINGS RANDOLPH,
Chairman.

DOMESTIC NONRUBBER FOOTWEAR INDUSTRY

Mr. BROCK. Mr. President, a number of my colleagues joined me recently in a letter to President Ford urging prompt action to help the beleagured domestic nonrubber footwear industry. Imports the International Trade Commission tells us, are seriously affecting American jobs and the total industry. Mr. President, I ask unanimous consent that the letter to the President be printed in the RECORD to bring to light the seriousness of this problem.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 27, 1976.

Hon. GERALD FORD,
President, United States of America, The White House, Washington, D.C.

DEAR MR. PRESIDENT: We have all reviewed the determination of the International Trade Commission in the Escape Clause case on non-rubber footwear. The unanimous finding of the Commission that the domestic non-rubber footwear industry is being seriously injured by imports supports the position which the domestic industry and the Congress have taken over the years. We are pleased that this position has been fully upheld by the Commission.

The matter is now before you for action. Certainly, if this industry is to survive and if lost jobs are to be restored, it is essential that prompt and effective action be taken by you to implement a remedy which will limit the flow of non-rubber footwear imports into this market.

The Trade Act of 1974, which you supported when you were a Member of the House and which you signed as President, was written to allow industries which have been seriously injured by imports, such as the nonrubber footwear industry, to secure relief. The International Trade Commission conducted an intensive investigation over a period of six months. Public hearings were held at which all interested parties, including retailers, importers, foreign shoe manufacturers, and consumer interests, presented their views fully. The Commission has now made its determination. Unless effective action is taken to stem the flow of imports, the entire escape clause procedure laid out in the Trade Act will be called into question by American industry and its workers. We strongly urge that you act promptly to put into effect a remedy which will be consistent with the unanimous finding of the Commission with regard to the serious injury faced by this industry.

Sincerely,

Bill Brock, Thomas J. McIntyre, Edward M. Kennedy, Richard S. Schweiker, Edmund S. Muskie, Thomas F. Eagleton, Charles McC. Mathias, Jr., Howard Baker, J. Glenn Beall, Lowell Weicker, Jr., William D. Hathaway, Dale Bumpers, John A. Durkin, Stuart Symington, Claiborne Pell, Hugh Scott, Edward W. Brooke, Birch Bayh, Henry M. Jackson, John L. McClellan, Gaylord Nelson, Ted Stevens, Ernest F. Hollings, James O. Eastland, Robert Morgan, Jesse Helms, Dick Stone, Jennings Randolph.

TRIBUTE TO THREE BROTHERS

Mr. TALMADGE. Mr. President, I would like to offer a tribute to three brothers from my State of Georgia who played a significant part in building the United States as we know it today, and in helping our country win World War II.

O'Neal Gordon, who died March 31, was the third brother in a family raised by Johnnie Crawford Gordon, a widowed mother in Calhoun, Gordon County, Ga. All three brothers were distinguished civil engineers whose work remains after them as monuments to their hard work, skill, and dedication.

O'Neal attended Georgia Tech, but had to suspend his studies because his family needed the money he could earn working for the Florida Highway Department.

He was later city engineer in Winter Park, Fla., and an engineer for the South Carolina Highway Department. In 1929, he joined the Standard-Vacuum Oil Co. and was sent to the Orient where he became chief engineer in South China for the company's overseas engineering department. He worked during the 1930's in Hong Kong, Luchow, Indochina, and Java. In China he was one of a group of oil company engineers which included Jimmy Doolittle, who helped set up that country's oil business. He also helped build refuelling bases across the Pacific for the Pan American China Clipper air routes.

In 1941, Mr. Gordon was on leave in New York when Pearl Harbor was attacked. He was chosen by the Army Air Transportation Command to lay out and build airfields across Africa, on the wartime air route which ran from the United States via Brazil, Africa and the Near East to Egypt and India.

After World War II he was made director of European marketing for Socony-Mobil, successor to Standard-Vacuum. He retired in 1960, and lived in St. Petersburg, Fla., for the last 14 years of his life.

O'Neal Gordon's brothers, Joseph Gordon and Capt. Rob Gordon, were also civil engineers who studied at Georgia Tech. Joe Gordon helped build Rockefeller Center and the George Washington Bridge in New York, the New Jersey Turnpike, the Richmond-Petersburg Turnpike, in Virginia, the Indiana Turnpike, and California rocket test facilities. His last job was Dulles International Airport, where he was chief consulting engineer until his death in 1964.

Capt. Rob Gordon worked for the Georgia State Highway Department until World War II, when he joined the Navy Seabees. He designed and built many of the Pacific bases which supported General Douglas MacArthur's island-hopping strategy. His last Navy assignment was as senior officer in charge of construction for Rota, the U.S. Air and Naval base near Seville, Spain. He died in 1972.

These brothers came of a family that has lived in what is now Gordon and Bartow Counties for 300 years. Their story is one of a struggle from poverty to success, and of service to their country.

WEAKNESSES OF CHILD AND FAMILY SERVICES ACT

Mr. BUCKLEY. Mr. President, thousands of New Yorkers have written to my office expressing their concern over S. 626, the Child and Family Services Act. This enormous volume of mail exceeds the correspondence I am presently receiving on nearly every other issue, and I am sure that my experience is not an isolated example of public alarm over this legislation.

The impetus behind this campaign appears to be a leaflet that distorts the contents of S. 626. Other Senators, Representatives, and newspaper editorials have pointed out that many of the allegations contained in the leaflet are incorrect and misleading. Although the misrepresentations are many, I believe that one, in particular, needs a response. It should be stressed that the so-called child advocacy clause, which would allegedly create a children's bill of rights that would make them independent of their parents, is not incorporated into this legislation.

I emphasize that there are very real problems with this legislation. The misconceptions about the content of this bill are especially unfortunate because they obscure the fact that these problems do exist. Although many of my constituents have been victimized by false information, their concern about this legislation is justified, for it is simply not a good bill.

It has been alleged that the Child and Family Services Act would undermine the role of the family in raising children. Proponents of S. 626 point out that the bill states—

> The family is the primary and most fundamental influence on children.

But every American family already knows this, and it is indicative of the problems inherent in this type of legislation that this fundamental truth has to be reaffirmed.

The formally stated purpose of the Child and Family Services Act is to build on and strengthen the family's role in raising children. Yet, as I mentioned in my testimony last year before the Senate Subcommittee on Children and Youth, Federal child care proposals carry an implicit endorsement of institutional day care for this country's children. That has been unequivocally opposed by a group of eminent child psychiatrists who testified before the subcommittee.

Every concerned parent knows that Government child care can never replace the family in the rearing of children. Family life is the cornerstone of any free and civilized society. Its importance is underscored by the fact that, throughout history, repressive governments have always attacked the family structure in their efforts to gain total control over their people. I wanted to take this opportunity to assure my constituents that I could never support legislation that would, even inadvertently, undermine the family's role in American life.

OVERREGULATION OF SMALL BUSINESS

Mr. McINTYRE. Mr. President, on April 26 I will convene the first of a series of hearings on overregulation of small business through my Subcommittee on Government Regulation of the Select Committee on Small Business. The hearing, scheduled for 9:30 a.m. in historic Faneuil Hall, which the subcommittee is using courtesy of the city of Boston, Mass., should provide the subcommittee and the Senate with significant information about the high level of Government regulation and how regulation is affecting small business.

Witnesses at the hearing will include representatives of small business, big business, the academic community, the Senate, the House of Representatives, and the executive branch.

I have invited a wide spectrum of persons to present their views. They include: Oliver Ward, president of the Smaller Business Association of New England, which represents 1,200 small businesses throughout the six-State region; George C. Seybold, president of the William Underwood Co., Westboro, Mass., a company founded in 1822 which is still privately owned and operating, though no longer a small business; Dr. Richard S. Bowers, Lean E. Williams, professor of finance and managerial economics at the Tuck School of Business Administration at Dartmouth College in my home State of New Hampshire; Donald Shoup, a small business management consultant who is also president of Winnipesaukee Aviation from Laconia, N.H., the executive director of the Massachusetts Broadcasters Association, Douglas Rowe; a representative of the National Funeral Directors Association who specifically asked for permission to tell of the burdensome regulations under which his industry is operating, and finally, representatives of the Small Business Administration. Several Senators and Members of the House of Representatives will also present statements at the hearing.

THE BICENTENNIAL AND REGULATION

This year of 1976, the Nation's Bicentennial provides us with a good reason to look at the state of regulation and its effects on small business.

Way back in 1776 the Nation was exclusively a country of small businesses and small farmers; the largest city was Philadelphia with a population of 100,000. In my State of New Hampshire, population was significantly lower, about 70,000, and in some parts of the New England region, population was minuscule.

What Government regulation there was, however, was the subject of the revolution. I do not need to remind the Senate that the regulations imposed by the government of King George III were directly responsible for the Revolutionary War.

But as our society became more complex, and as our industries multiplied and diversified, the need for public oversight has grown accordingly—thus child labor legislation, wholesome meat regulations, antitrust regulations. Now we have occupational safety and health regulations, environmental regulations, consumer product safety regulations, transportation regulations, and so on, all drafted by well-meaning Congresses and signed by well-meaning Presidents to protect the American public. But some of these regulations have neither helped nor protected the American people.

We have produced such a web of regulations they are in frequent conflict. In some cases, we have regulated ourselves into such boxes that only the phrase "overregulated" can accurately describe the result.

DO REGULATIONS HELP?

It is time we started to explore what regulations are unnecessary. What regulations hold up prices rather than letting the market of businesses and consumers compete? What regulations fly in the face of commonsense? What regulations are so complex and so badly enforced that they are ignored? What regulations are totally unnecessary? What regulations help destroy the quality of our life?

Coming from a State which has little big business, coming from a State where the people are traditionally self-reliant, I am constantly besieged by complaints about regulations that appear to do little to enhance public welfare, that lessen competition, and tighten Government control over the lives of our citizens.

With these thoughts in mind, I felt that it was time for the Subcommittee on Government Regulation to come to grips with these problems, come up with ways to cut through the high level of Government intervention, and thus reassure the American people that the Government is not determined to strangle inventiveness, is not really bent on turning the country over to the big bureaucrats in Washington, and is not really trying to make sure that everything is so regulated the common man has no chance to impact on the governmental process. At the same time I want the people to realize that the Government is trying to protect the quality of life.

Let me cite some examples of the negative results of overregulation:

Without legislation for a uniform tax form throughout the country, many of the 50 States require that small businesses operating outside their States fill out forms for business they do in the State. This is not a simple matter. One company, for instance, notes that it spends $70,000 per year filling out forms for States where it sells but does not produce anything. Another company president provided information that he simply ignores the State tax forms until the State tax collector requires that he fill them out.

In another area, Government regulation in the pricing of airline flights has resulted in high prices for businessmen traveling around the country, while other citizens, on pleasure trips or able to lengthen their stay at their destination, receive a wide variety of price cuts, often more than 30 percent off the list price of the airline ticket. But airlines operating in an intrastate market, such as Texas or California, are able to offer significantly lower prices on identical routes on a first-come, first-served basis.

Further, many commuter airlines find they are unable to through-ticket passengers from small towns to big cities with an intermediate stop to change to a giant airline because of Government regulations. These regulations not only make it difficult for small airlines to provide good service, but cause inconveniences to passengers who must reticket themselves when reaching the first destination.

Clearly, this type of Government regulation, holding up prices, costing small business large amounts of money for compliance, is bad. I am sure that witnesses at the hearing on April 26 will have additional statements along these lines.

SOME REGULATION IS GOOD

Conversely, some Government regulation is good. As cochairman of the Commission on Federal Paperwork, I have consistently noted that some Government regulation is absolutely necessary for the proper operation of the U.S. Government.

For instance, regulations governing the health and welfare, the quality of life, of our citizens are absolutely essential. No one will dispute that.

The question of overregulation comes up more when Government regulation unnecessarily impedes the operation of free enterprise, when it unnecessarily burdens the citizen and the small businessman.

It is at that point when the Government loses the faith of its citizens. In the area of occupational safety and health, for instance, citizens told me of being forced to repaint pipes just to comply with regulations of the Government. In the area of the employee pension plans, Government regulations were so severe at first that many companies merely canceled their plans rather than comply.

These regulations did nothing to improve the quality of American life.

It comes as no surprise to know that many giant companies enjoy regulation. They feel that regulations insure them profit, and insure the continued operation of their businesses away from competition. The Nation's oil companies, for instance, have enjoyed huge tax benefits permitting profits without competition.

Other companies are the same. The telephone company vigorously fought an end to controls on the interconnection of new and sometimes better equipment to their lines in businesses and homes. Utilities have so enjoyed the benefits of regulation that they want to pass on the costs of building new powerplants to consumers before consumers even receive any power from the new plants.

With all this in mind, I want to explore several questions in this hearing:

First. What should be the basis for Government regulation?

Second. What type of regulation is necessary?

Third. What can we, as Members of the U.S. Senate, do to abolish counterproductive regulations? And,

Fourth. What can we do to insure that deletion of the counterproductive regulations do not in any way undermine the legitimate Federal intent to protect and improve the quality of life?

I would hope that this hearing, and further hearings I plan over the next few months, will help us come up with the answers.

Two hundred years ago our people fought for freedom from oppression and the right to determine their own future. We should not rob them of that freedom and that right as the Nation enters its third century.

BALTIMORE COUNTY PROGRAM—A MODEL FOR THE NATION

Mr. BEALL. Mr. President, the Baltimore Sunday Sun, on February 16, 1976, featured an article, entitled, "Three-Pronged Attack on Sickness," by Gerri Kobren. This is an excellent article describing a successful program in my State, a program which rightfully has attracted considerable national attention and support and a program which deserves to be emulated elsewhere.

This program involves the participation of three institutions—the Franklin Square Hospital, the Baltimore County Eastern Regional Health Center, and the Essex Community College—all of which are located on the Essex campus. Through this joint venture and effort, they have been able to achieve considerably more than acting alone. In recognition of the outstanding effort, a number of foundations, including the W. K. Kellogg Foundation and the Robert Wood Johnson Foundation, have awarded this consortium significant grants.

On August 19 of last year, I had the pleasure of visiting these facilities. I was impressed then, and I believe even stronger now, that the efforts underway there make a great deal of sense and will be extremely beneficial to the citizens of Baltimore County.

Mr. President, so that the rest of the country might be aware of the potential of such cooperative efforts, I ask unanimous consent that the Baltimore Sun article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THREE-PRONGED ATTACK ON SICKNESS

(By Gerri Kobren)

There isn't anything particularly new about women's cancer screening clinics, or about offers of free hypertension and gonorrhea testing. What is exciting about the program beginning February 23 at Baltimore country's Eastern Regional Health Center on Franklin Square drive—and continuing every Monday morning and Tuesday afternoon through April 27—is not what's going on, but who is doing it.

With students in the allied health career programs at Essex Community College doing the actual examinations and tests and patients with abnormal findings being referred to physicians at Franklin Square Hospital, this attempt to provide primary-medical care to the community is being coordinated, publicized and budgeted by the 2½-year-old Health and Education Council, with funds filtered from the federal government through the state and county.

This is the kind of thing for which the council was created in 1973 by the three participating institutions: the hospital, the college and the county health department. David Sapadin, director of HEC admits such consortiums aren't new in the health field, this one, he claims, is unusual because it integrates the staff, facilities and programs of three separate institutions which share a campus, its board of directors includes the two top executives of each of the participating units, and the thrust is multiphasic. Health care delivery is only part of it. Council efforts are directed at career, consumer and continuing education as well.

GREW FROM INFORMAL LIAISON

The Health and Education Council grew out of a less formal liaison between hospital, college and health department in the talking stage since the late Fifties. The two-year college, operating from scattered rooms and trailers, but planning a building complex in this part of eastern Baltimore country, approached the hospital with the suggestion of a cooperative venture; hospital and school brought the health department into it.

"Everyone said it couldn't be done," recalls Sanford Kotzen, executive director of the hospital.

Yet according to Dr. Vernon Wanty, president of the college, this integration of public and private resources is entirely logical: "We have a common goal—to serve the public."

And apparently it has been working. Essex provides career oriented curricula in a variety of medical subjects, graduating nurses, physicians' assistants, dental hygienists, mental health assoicates, laboratory, X-ray and nuclear medicine technicians with the kind of clinical experiences an isolated community college could not provide. The chiefs of every medical service represented in the hospital also serve on the school's faculty.

Franklin Square, an easy walk from the school's buildings, benefits from the free labor of the students, who work in the hospital on an education "practicum," and form the pool of new graduates in medical back-up professions. The school's physical facilities—its auditoriums, classrooms, audio-visual equipment and extensive food-service capability are also available to the hospital which saves an enormous amount of money by not having to pay for its own.

Moreover, while the Essex students are rotating through the hospital, hospital residents are gaining community experience in the clinics at the nearby health department. The health department, in turn, has the services of the young doctors and the Essex students and can call on the established physicians at the hospital and the instructors at the college when outside expertise is needed.

With the council coordinating and integrating the services, programs and projects, the three institutions hope to do all these things more efficiently, cutting out duplication and mounting quick responses to the needs of this particular area, which has the fastest growing population in Baltimore county along with one of the lowest physician-patient ratios in the state.

The establishment of the council has brought another benefit to its constituent organizations: money. Each of the three contributes to HEC's support, providing the kind of permanent, reliable "seed money" that attracts outside financing. There has been a large financial return to the three on a relatively small investment by each, said Dr. Donald Roop, director of the Eastern Health Center.

The most recent, and the largest, is a three-year grant of $401,154 awarded by the W. K. Kellogg Foundation, of Battle Creek, Mich., for the development of programs of continuing education for health workers at all levels. This grant would not have been made to any of the institutions alone, Mr. Kotzen said. Staff is being recruited; courses will be offered, by and for doctors and for holders of the two-year associate degree, starting this summer.

Also geared to continuing education for health workers is a phone-in project developed with $14,180 from the American Lung Association. Using the college's dial-access system, registrants can call at any time of the day or night for a 15-minute taped lecture on occupational lung disease, 2 a week for 10 weeks. Those who listen to all 20, in their own homes and at their own most convenient times, and answer the accompanying questions will earn a credit in fulfillment of continuing education requirements.

FOCUSES ON PRIMARY CARE

Approaching the Kellogg grant in size, but focusing directly on delivery of primary care, is a three-year grant of $261,503 from the Robert Wood Johnson (of Bandaid fame) Foundation. This will enable the council to coordinate care for patients who use the health department clinics. Hospital staffers, bound by hospital quality control, will see them there for diagnosis, and provide continuity of care should they have to be hospitalized, avoiding the kind of fragmentation that occurs when people move from the public to the private sector for medical care.

Working in reverse as well, this will provide follow-up and supervision for the patient who no longer needs in-patient care—the stroke victim, for instance, who might need speech therapy—in one smooth, continuous operation.

In addition, a computerized, joint access records system will be developed to provide immediate information to workers at the hospital or the county clinics for any patient who has been treated or received medication at either place in the past.

The council is looking at programs of community education as well, planning to begin a series for heart patients and their families, teaching cardio-pulmonary resuscitation, diet, exercise and stress reduction. It is also considering education programs directed at people who operate restaurants and nursing homes and must meet health department requirements for licensure.

With all of this there is both a snowball and feedback effect. As physicians attend professional-level programs in the college building and interact both professionally and informally with members of the college community, they begin to see the school as an appropriate education resource. At the same time, the general public, also invited for courses and lectures presented by physicians at the college, begin to look to these institutions as a health center for their own community.

The council, getting input from its constituent agencies, has an overview as well which should enable it to assess current needs more accurately and project for the future. Coordinating activities under the Johnson grant, Mr. Sapadin hopes to learn why some patients go to health department clinics while others use the hospital's. HEC should then be able to eliminate duplication, plug the gaps where no appropriate services exist and place new services in the situation where they will do most good.

Staffing the programs with people who are already on the joint campus—doctors, Essex graduates and students—the council can also determine areas in which there is an over- or under-supply, urge modifications of the curriculum at the college accordingly. At the same time, the allied health workers prove, by their employment in HEC programs, their value in extending professional medical capacity, presumably leading to increased demand for their services elsewhere.

"Our ability to interact is almost unique," said Louis Albert, chairman of the division of allied health at the college and member of HEC's board of directors. "Too often education is separate from health care delivery, but in this situation we can modify curriculum to meet needs experienced directly in the community."

SENATOR HARTKE ADDRESSES NATIONAL LEGISLATIVE COMMITTEE OF THE VETERANS OF FOREIGN WARS

Mr. RANDOLPH. Mr. President, as a part of the annual VFW Washington Conference, the National Legislative Committee, chaired by VFW past commander-in-chief, Ted C. Connell, held its meeting at the Sheraton Park Hotel Sunday afternoon, March 7, 1976. At that time, the able chairman of the Senate Veterans' Affairs Committee, Senator Vance Hartke, addressed a large gathering of the VFW national leadership. He was given a most gracious introduction by our former colleague in the House of Representatives and past commander-in-chief of the VFW, James E. Van Zandt. Senator Hartke presented a cogent analysis of the status of veterans' benefits, the Veterans' Administration budget, and contemplated actions of our committee.

Mr. President, the Senator from Indiana (Mr. Hartke) is an effective advocate and leader in the development of programs for veterans and his remarks are both timely and forthright. I ask unanimous consent that they be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Text of Remarks of Senator Vance Hartke Before the Mid-Winter Conference of the Veterans of Foreign Wars

Fellow veterans and fellow Americans, it is a great pleasure and a high honor to meet with you once again today at the National Midwinter Conference of the Veterans of Foreign Wars, an organization which for more than three-quarters of a century has been in the vanguard of advocacy on behalf of those who have borne arms in defense of our Nation.

Speaking before you today, here in early March of our Bicentennial Year, I am reminded that our country has been preserved and will remain strong because men, such as yourself, have answered the Nation's call in time of need.

I am reminded that thirty years ago today Adolf Hitler ordered his troops to march into the Rhineland breaking the peace, ultimately requiring America to come to a beleaguered Europe's aid. Americans heeded the call of their country and eight years later on this, the seventh day of March in 1944, the United States First Army crossed the Rhine River at Remagan. The First Army troops had found a bridge that crossed the Rhine still intact. German troops tried to destroy the bridge but not all the charges exploded. First Army units battled across setting up a bridgehead east of the Rhine.

And when those men of the First Army came home, when the war was over, when the fighting stopped, when I and all my World War II comrades returned, the VFW was there to fight for adequate benefits and services for veterans, and I am proud to say that the VFW continues to be a leader in the fight for adequate veterans benefits.

Since World War II, America has been involved in two conflicts where Americans had to be sent overseas. And each time that GIs have come home, the VFW has been invaluable working on behalf of veterans for better veterans benefits.

Under the able leadership of "Pete" Walker, your national commander, Cooper Holt, your executive director, and your national legislative director, Don Schwab, and their overworked staffs you have continued this important work.

And now, more than ever, a concerted effort is needed by all of us to make sure that America never forgets its veterans and what they have done to preserve our freedom and way of life.

I'm afraid that there are some who are beginning to forget the Nation's veterans. I am aware that during this past year the VFW was refused the courtesy of presenting the mandates of the delegates to the national convention to the President.

And there are very real problems with the veterans budget proposed by the President for this year. But before I talk with you about that, it would be useful to closely examine the health and vitality of veteran programs. To be candid, significant challenges face us this coming year. We face a difficult fight to maintain an adequate level of benefits and services for those who have served their country.

Last year, the committee spent a large amount of time engaged in oversight and general review of veterans' programs to see if veteran programs were being implemented in the manner intended by Congress. As you know, Washington bureaucrats often have a way of doing what they want rather than what the people want.

As a result of our review several areas of concern which required immediate action became apparent. We found that inflation was continuing to erode the purchasing power of disabled veterans receiving compensation. As a result, Congress passed the Veterans Disability Compensation and Survivor Benefits Act of 1975 last summer. The measure provided 10 to 12 percent increases in monthly disability compensation effective last August. Although I was disappointed that the increase was less than the amounts which I proposed and which passed the Senate, the act did provide needed relief. In view of the continued increases in the cost of living, I plan to review compensation benefits again this year. And at this point, it is becoming increasingly obvious to me, at least, that another increase will be needed this year—probably in the range of 8 percent.

A second area of concern in 1975 involved the VA hospital system. Quality care for VA hospitals was threatened last year by the growing numbers of physicians who were leaving the VA system as a result of low pay. It became obvious that if VA hospitals were going to provide care "second to none" salaries for doctors had to be increased to make them competitive with other Federal physicians. As a result, legislation providing increases was passed by the Congress and signed into law last summer. This act should help the VA recruit and retain quality physicians.

I might mention that we are currently considering veterans omnibus health care legislation to strengthen the VA health care system to resist those who would either starve the system or take it over. As you know, besides being chairman of the Veterans' Affairs Committee, I am also a senior member of the Finance Committee which will consider any national health care legislation.

I want to assure you that as long as I am chairman and a member of the Finance Committee, no legislation will be considered which would threaten the integrity and independence of our veterans hospitals.

A third area of concern to me is the VA pension program. The plight of needy older and disabled veterans and survivors is a condition of our society which we should not be proud of. I was shocked by a congressionally directed study which revealed large numbers of veterans and survivors whose income, despite receipt of the veterans pension, is less than even the poverty level. At a minimum, a veteran's pension should assure a standard of living that allows all veterans and their widows to live out their lives in dignity. It has become apparent to me that the present pension system is not working as it should. No veteran should ever be forced to resort to welfare. And too often pensions are reduced when they should not be. Thus, joined by 40 of my colleagues, I introduced the Veterans and Survivors Pension Reform Act. I am pleased to report to you that on December 15 the Senate unanimously passed my bill. Significantly, under the new system, automatic adjustments are included which insure that no veteran will ever sustain the first penny of a reduction in pension income whenever social security, railroad retirement, or civil service cost-of-living increases occur. This provision is important to me: I am committed to lead the fight for a pension system which provides adequate benefits and which fully reflects increases in the cost of living. Although the Pension Reform Act does not provide all that I want, I believe it is an important first step. With your help we will be able to build on that program. Presently, the bill is pending before the House Veterans' Affairs Committee.

While my pension program is pending, Congress, in December, passed, and the President signed, the Veterans' and Survivors' Interim Adjustment Act of 1975. This act provides an average increase of 8 percent in pension rates and a $300 increase in annual income limitations. Obviously this measure was not enough and is only a stop-gap effort, until the new pension system can be enacted.

The year 1976 has just begun and the tasks that lay before us, though seemingly not as monumental as those tasks which lay before the Founding Fathers 200 years ago, are important nonetheless. For example, young veterans have an unemployment rate of greater than 20 percent—a rate nearly twice as great as similarly-aged nonveterans.

There is a demonstrated need to improve and expand veterans benefits. Yet for this coming year the budget proposed by the administration would reduce current year expenditures by $1.8 to $2.5 billion depending upon final 1976 spending totals. These reductions represent cuts of from 10 to 13 percent in the total VA budget, as well as a decline in the veteran's share of the Federal budget. Veterans' benefits and services would decline to only 4.3 percent of the total Federal budget. This percentage would be the lowest in the past twenty years.

In 1956, for example, veterans benefits and services accounted for over seven cents of every tax dollar. Thus in a twenty year period that has witnessed an increase in our veteran population by over 30 percent, the veteran share of the Federal budget has decreased by 38 percent

Now, you hear a good deal of talk today from both the administration and from some in Congress that we've got to control spending in veteran programs. But when I look at the figures—when I look at the increase in the number of veterans and the decrease in their share of the Federal budget, I don't understand those who argue that we've got to keep veteran spending down. Perhaps it's the new math. I know it isn't any kind of math I learned in school.

The other day I heard the President speak about veterans' benefits. He said, and I quote. "And every American citizen, I think, agrees with me. You (veterans) deserve nothing less and we will do all that we can to make certain that you receive nothing less." The President's budget, however, would do just that. His budget proposes to cut pensions to 1975 levels on October 1, 1976. Veterans and widows receiving pension will, in fact, have their pensions cut eight percent if the budget is not changed.

If our Government is devoted to seeing that veterans receive "nothing less" then I do not understand why the administration refuses to recommend cost-of-living increases for veterans receiving pension, for disabled veterans receiving compensation or for Vietnam veterans training under the GI bill. Everyday inflation erodes the purchasing power of these benefits. Without an adjustment in these benefits we are allowing veterans less than they had before. In the coming year, with your help, I hope to achieve cost-of-living increases for veterans receiving educational benefits, compensation and pension. I will continue to work for job opportunities for all veterans, but especially for those younger veterans who are suffering such high unemployment rates. I want to continue to push for the improvement of care in VA hospitals. There are many unfinished tasks before us. But I welcome these challenges particularly when they concern those who answered the Nation's call when needed.

I began this speech by referring to events that have occurred in this Nation's history on this very same date. I am one that does not like to live in the past; history is fine but we here today must live for today, building for tomorrow. I am fully in agreement with that poster which proclaims that "today is the first day of the rest of your life," let us remember that. Let us go forward to face the challenges before us. We must go forward with legislation and implementation which will assure veterans of, at a minimum, an adequate level of benefits.

Thank you for the opportunity to appear here today. Our success in the coming year will depend, as it has in the past, upon the organized voices of those in the VFW to ensure that those who have served, those who have defended, those who have sacrificed, are not forgotten. Let us work together—today is the first day of all our lives and there are challenges before us.

THE FUTURE OF FREE ENTERPRISE: MORALITY IN THE MARKETPLACE

Mr. BUCKLEY. Mr. President, Mayo J. Thompson, attorney and former Commissioner of the Federal Trade Commission, has been named 1976 Champion of Free Enterprise, by the Direct Selling Association, DSA. As the recipient of this award in 1973, I was pleased to be present at the opening dinner of the Direct Selling Association's first Washington caucus with government and to present this year's citation to Mr. Thompson.

The Direct Selling Association is a national trade association representing approximately 90 of the Nation's leading manufacturers and distributors of products sold directly to the consumer in the home by some 2 to 3 million sales people. Direct sellers are individual entrepreneurs and the industry offers income opportunities to all Americans regardless of race, sex, marital status, economic position, or educational background. The industry stands as a primary example of the opportunities and liberties enjoyed in our free enterprise system.

The Champion of Free Enterprise Award is presented by DSA to an individual who has advanced the principles underlying the competitive economic system. In giving this award to Mr. Thompson, DSA has recognized his efforts to preserve our free market economy by supporting regulatory reform measures while promoting responsible consumer protection activities.

Upon his receipt of the Champion of Free Enterprise Award for 1976, Mr. Thompson delivered a challenging speech, "The Future of Free Enterprise: Morality in the Marketplace." I think the observations he made and the points he raised deserve the attention of this body and I ask unanimous consent that the full text of Mr. Thompson's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

The Future of Free Enterprise: Morality in the Market Place

(By Mayo J. Thompson)

As some of you may know, I rather recently moved to Washington, in mid-1973 to be exact. Now, there are some good things and there are some not-so-good things about moving to Washington. First, the good part. The work I first did was exciting. My then employer, the Federal Trade Commission, is an agency that deals with some very interesting questions. Monopolies, merger, price-fixing, and false advertising, for example, are a pretty regular part of the FTC's day-by-day agenda and the FTC digs into a wide array of different industries in different parts of the country.

I especially want to mention, though, that I learned a complete new vocabulary, one that allows me to say the simplest and most common-sense things in some of the biggest and fanciest words you ever heard. When three or four guys have a business pretty much to themselves, that's called an "oligopoly." (For you fellows from down at the fork of the creek, that's a Greek word that means "few sellers.") When those few sellers have figured out a way to prevent anybody else from getting into the trough with them, that's called an "entry barrier." If their particular entry barrier happens to be that they're just more efficient than anybody on the outside could be unless he was as big as they are, it's called "economies of scale." And if they are lucky enough to be selling a product that consumers would be willing to pay a much higher price for than the price they're now paying without cutting down much on the volume bought, that's called "inelastic demand."

Now it won't come as a surprise to any of you that some markets are sewed up by a few sellers, that some are guarded day and night to keep out the poachers, that expanding the size of a business firm tends to lower per-unit costs, and that raising prices will be profitable or unprofitable depending on what happens to volume after this has been done. You might know all this, but can you say it in all these four-bit words? As I say, there's a lot to be learned in Washington.

The really special pleasure of being a member of an important regulatory agency in Washington, however, is that it automatically makes you an authority on a wide variety of business and economic subjects. You are given the title and, after a few weeks, you have the vocabulary to go with it. Presto, your credentials are unchallengeable. You are now authorized to go out and hold forth on any subject you can get two or more people to listen to you on.

But before I turn to the text of my sermon, I want to mention a couple of aspects of the Washington scene that I'm still trying to get fully adjusted to. The first one has to do with the people you meet there. It's not that I don't like the people I've met in Washington. I do. But Washington is a city that's unlike any other city in the country. A lot of power is centered here. And the struggle to get and keep power apparently does strange things to certain kinds of men. The openness we're used to in Texas, the candor, the lack of guile, the willing disclosure of how one really feels about a person or an idea, is not a universal trait in the nation's capital. The struggle for power, influence, advantage—however one wants to phrase it—evidently requires some degree of caution in speaking one's mind.

I was a bit slow in understanding some of this caution, though. Not everyone who listens to you in Washington really wants to understand what you're saying. If they have an ideology that differs from yours, you may find yourself being quoted selectively rather than fully. Shortly after arriving at the FTC I gave an interview to a reporter for a trade publication, for example, one that had previously given a lot of emphasis to a statement of mine on what I thought was wrong with the FTC staff's approach to its merger and monopolization cases. To make sure he got my position straight that second time around, I gave him two memos I had written to the FTC staff, memos that set out my position on the FTC's work in that and a number of other areas with what I thought was careful, deliberate precision. Needless to say, he ran out of paper and wasn't able to publish those two memos. The trouble with them, from his standpoint, I suppose, was they made a self-confessed conservative, a man who admitted to being pro-business, also sound like a human being with some real concern for the public interest. Conservatives don't get to sound like that in the press in Washington.

The second thing about Washington that I have found a bit disturbing—and one that is related to this first item I've mentioned—is what seems to me like a higher percentage of people who don't share my enthusiasm for free-enterprise. I think well of business and of businessmen. I also think well of labor and of consumers. But a lot of people in Washington won't believe you when you say you are both pro-business and pro-consumer. If you're "fer" the one, you're "agin" the other, and that's all there is to it. Businessmen, you are told in Washington, are the people who raise prices, degrade the product, stifle competition, pollute the country's air and water, and debase its morals with its false advertisements and shady business practices.

Now this kind of criticism of business comes from several kinds of people, including those who want to overthrow the system and those who want to reform it. The first group is small but of course very vocal and it calls for an end to capitalism in America and the beginning of public ownership of the means of production. These are the real "radicals" and are not to be confused with the larger group of reformers, those whose quarrel is not with capitalism as a system but with certain activities of a relatively small group of particular capitalists.

I don't have to tell this audience that business is not well regarded in the United States in 1976. Survey after survey shows, for example, that the American people have a low opinion of business enterprise. I might add that the business community is not alone in this, but has plenty of company. It is believed that business enterprise cheats them, deceives them, and fosters selfish and materialistic values. They blame the business community for such enormous economic ills as inflation and unemployment.

Many young people tend to think the word "profit" is among the most obscene words in our whole lexicon. We are pointed to numerous instances in which individual businessmen have been convicted of illegal and unethical acts and practices. Corporate criminality is believed to be widespread. "Crime in the suites" has become a popular catch-phrase. A businessman's word—especially if given to a customer—is hardly considered as good as his bond today. In short, the Nation's reservoir of faith in the integrity of its business system appears to be ebbing steadily lower year by year. If this process continues—and I emphasize the word if—the consequences could be incalculable.

What is the cause of it all? What is the cure? I think the country's business community has been remiss both in its preachin' and its practicin'. I believe it has tried to sell our economic system on its least appealing feature—economic efficiency—rather than on its most attractive one, its role in preserving human liberty. And I believe far too many businessmen have individually failed to live up to the kind of strict moral code that I believe a free-market economy requires if it is to keep the respect of the public and thus retain its freedom from government control.

It is of course true that, in terms of economic efficiency, no other economic system can equal a free-market economy. Our production each year is approximately twice that of the Soviet Union and we do it with a labor force that is nearly a third less than theirs. But our young people are not apt to be impressed with statistics on the gross national product or the efficiency with which our industrial giants are filling up the world with mechanical gadgets for our creature comforts and pleasures. They keep reminding us that man does not live by bread alone. They are looking for significance in their lives, for some sense of what it all means. They are searching for the key to man's spiritual life, to that which lifts him above himself. They try very hard to search out and emulate good men. Eastern gurus—and western ones, for that matter—are everywhere drawing enormous crowds of young people who are trying to find somewhere—anywhere—some evidence that man has a higher mission than just producing and consuming material goods.

How did so many of our young people come to believe that business is inherently immoral, that "profit" is a dirty word? They have heard it from their "gurus," they have read it in the books they circulate among themselves. The current cultural hero is the so-called "new man" that has recently been discovered by western observers in China, the creation of Chairman Mao. The streets are clean in Peking. There is no crime there, no beggars on the streets, no poverty, no hunger, no selfishness, no greed—and, alas, no freedom either. The Chinese are supposed to be the most moral people on the face of the earth. But they are also one of the least free. Immorality has been stamped out but at a terrible cost.

What do these young people, and many older ones as well, admire so much about China's "new man"? Certainly not his efficiency in producing economic goods. The average Chinese produces and consumes a quantity of material goods and services that is a tiny fraction of what the average American produces and consumes. No, it is not the economic achievements of China that is found so appealing, but its alleged success in stamping out greed and selfishness—in a word, its alleged moral achievements. Mao has succeeded, we are told, where all the religious leaders before him failed. He is credited by a fairly substantial segment of Americans with having produced, almost single-handedly, 800 million genuinely moral human beings, people with no desire to take from, cheat, or otherwise exploit their fellow human beings. What we think of as "human nature" in this country—a certain amount of aggressiveness, competitiveness, even avarice—has supposedly been changed completely by Chairman Mao and his lieutenants.

Nothing of the sort has in fact happened in China. The "new" Chinese man has had his overt behavior changed, not his "nature." Even the most ardent admirers of Mao's new China agree that he has put together one of the most coercive societies in human history. Occupational choice is nil there. Even intimate matters as courtships and family size are regulated by the state. And erroneous political beliefs are grounds for assignment to a state farm for a period of time sufficient to let the truth of Mao's teachings sink firmly into the mind of the misguided citizen. When he emerges from this political rehabilitation center, he will see things the way the state wants him to see them, or he won't emerge at all.

Now the important question here for you and me is this: What is there about this "new" Chinese society that is so exciting to our young people that they are willing to overlook this small matter of sacrificing virtually every meaningful aspect of human liberty? In short, what is it they purport to value above even freedom itself? They believe a way has been discovered to make men moral. Whether they want to be moral or not. They are so hungry for sheer human goodness—for, if you will, a higher level of morality than they have seen in their own society—that they are willing, at least in their own minds, to sacrifice liberty itself to get it. It is a terrible comment on the prevailing level of integrity in America, at least as it has been seen by its own young people.

There is something equally revealing in our young people's understanding of how Chairman Mao has brought this moral miracle to pass in his great spiritual kingdom. He did it, they say, by changing his country's economic system, by stamping out capitalism and replacing it with socialism. Capitalism, according to our young radicals, is inherently immoral. In order to make a living in America and other capitalist countries, a man must be aggressive, competitive, grasping, quick to take the bread from the mouths of his neighbor's children. In a socialist economy, on the other hand, the guiding principle is "from according to his ability, to each according to his needs." Everyone is taken care of. Self-aggrandizement is forbidden and the desire for it slowly withers away. The result, we are assured, is that removing capitalism from a society automatically removes immorality from it. Take away the need for selfishness as a condition for survival and the greed itself vanishes, leaving the completely moral man.

Now it is of course true that we have too much poverty in America. We have crime both in the streets and in the suites. We certainly have a lot of grabbing and grasping. We have not stamped out greed, the desire to get ahead, the impulse for self-advancement at the expense of others. All of the Biblical sins are, like the poor, still very much with us. But with all our faults—and they are certainly many—we have something more precious than all the tea—or all the pseudo "morality"—in China or anywhere else. We have something called *freedom*. Granted, the price is high, freedom to pursue one's own ends means the freedom to ignore, if one wishes, the needs of others. Freedom to strive for economic rewards means that some will end up with more than others. Freedom to develop and use one's natural endowments means that the gifted, the energetic, and the creative will achieve more—and receive more—than the dull and the lazy.

And one does not have to take too seriously the claims of our more radical youngsters that they would personally like to *live* the kind of regimented society that exists in China today. It is hard to conceive of any human being who has lived in a society as free as the United States finding a Chinese commune anything less than horrifying after a few months or years. So the important issue in all of this is not that we are in any *immediate* danger of seeing our children use their vote to convert America into a China. The insight we are being offered here is something different, a glimpse of how terribly immoral our adult American society appears to one especially articulate group of the country's most sensitive and intelligent youngsters. They are more horrified by our lack of moral character than by Chinese society's lack of human freedom.

What can we do about this problem? How can we staunch this steady loss of confidence in the integrity of our economic and political system? We can teach by word and by deed. Our children are not intellectual dullards. If we have the wit to put together a decent brief for our system, we can rest assured that they will have the wit to follow our arguments. And if we can muster the moral strength to actually *practice* what we preach, I am confident that this country will remain both free and prosperous unto all the generations you and I can conveniently imagine here tonight.

What can we tell our youngsters about a free-market economy that they haven't been told already? Don't tell them how efficient it is. The evidence of our productivity is all around them, pouring over them in such abundance that some of them think the adults that run things are sorcerers' apprentices, people who know how to turn *on* the country's magical industrial machine but don't know how to turn it *off*.

Tell them something else for a change. Tell them that men can be both good and free at the same time. Tell them that a man doesn't have to be a slave in order to be a good man. Tell them that "morality" that can only be produced and maintained by tyranny is a contradiction in terms—that a coerced morality is no morality at all—that a people that can only be kept moral by the coercion of the state still has immorality in its heart—and that when the coercion is removed, as it will be some day in China as elsewhere, the problem of greed and avarice in the human heart will still be very much with them and us.

We don't claim that our economic system is letter perfect. We do have some monopolies in America. We do have false advertising and other unethical business practices. But these things are cancers on a free-market economy, not an inherent part of it. There is a moral case against monopoly. And there is a moral case against deceptive advertising and other such shady business practices. But there is no moral case against a free-market economy as such. Any economics student in a good university can demonstrate that, under free and open competition, product quality will be maximized, price will be minimized, and the personal freedom of every member of society—business, labor, and consumers—will be as high as is attainable in any imaginable social arrangement.

We have to concede that a market economy does not produce all these happy results, however, when competition is eliminated. Then prices get too high. Product quality starts to fall off. The seller with an effective monopoly starts to get arrogant with his customers, to limit their choices to what suits his convenience. It is actual or threatened competition—the fear that the consumer will take his business elsewhere—that has carried the burden of keeping prices low, quality high, and sellers courteous to their customers. Without competition, there is nothing to keep economic man "honest" but his personal sense of fairness and morality. With effective competition, on the other hand—and this is the most important principle in any economics textbook—a free-market economy has a built-in "fail safe" mechanism. A businessman operating in a genuinely competitive market can't overreach his customers even if he wants to. Only a monopolist can raise his prices too high, shade the quality of his product, and insult the customers; in a competitive market, a firm that does any of these things is simply abandoned by the consumers, his swift bankruptcy being a punishment that eminently fits the crime.

But who or what is to assure that this key ingredient in the free-enterprise system, effective competition, is going to be maintained in good working order? That's where the government comes in. If every business firm in America was run by men who lived by the kind of moral code you and I think we all ought to live by, there wouldn't be any need for such government interference. I am sad to say, however, that we have not yet reached that point in our moral development.

There are a few businessmen who grasp hard for monopoly power and who do in fact get and use it to injure the consumer and the working man. And there are some others who seem to exist only by practicing various kinds of fraud and deception. So long as there are those who will not listen to the small voice of conscience within, then the policeman must stand ready on the outside.

But I am an optimist. To me, the free-enterprise system is more than just an arrangement for the production of goods and services. I see it as part and parcel of the total bundle of liberties that go to make up a free society. A man who is not free to pick his job or occupation, or to go into business for himself if he can raise the necessary resources, is not a free man. A man who cannot buy the products he wants at a price set in an open competitive market is not a free man. A man who cannot join his capital with that of others in a joint undertaking, or his labor with that of others in such an effort, is not a free man.

The man who does enjoy all these liberties, however, is free in more than just the economic sense of that word. A man expresses much of himself in his work. A business enterprise or a labor organization is an act of creation, the mirror of some man's—or some men's—vision, intelligence, and creativity. Not all art is done with a paint brush, or musical instrument, or stone chisel. A tool, an extension of a man's hand and his brain, can be a thing of exquisite beauty. The machines modern man has devised to ease his labor and to magnify hundreds of times over the force and guidance of his God-given intelligence have been devised by some of the most brilliant, creative, and humane men our society has produced. Many of our business and labor organizations are models of cooperative effort by groups of men to do together what they could not possibly do separately.

All this I would tell our youngsters if I had the pulpit. And to our businessmen and labor leaders, I would add this message: a good example is better than all the theoretical arguments in the world. I look forward to the day, then, when not just some but all of this country's businessmen and labor representatives will be individually and personally seen by their customers, their neighbors, and above all by their children as men of the highest integrity—as men who would no more cheat or overcharge a customer, or an employer or employee, than they would betray their country. Then free enterprise will be safe for our posterity—and justly so.

PROBLEMS IN AGRICULTURE EXPORT TRADE

Mr. CLARK. Mr. President, the Subcommittee on Multinational Corporations of the Foreign Relations Committee is planning hearings for later this spring on the operations of companies involved in the export of American farm produce. The subcommittee will be looking primarily into the activities and procedures of the small number of companies which control the world grain trade.

I have asked the subcommittee chairman, Senator Church, to include in these forthcoming hearings an investigation of certain apparent anomalies in the export of farm products in general. The Des Moines Register of March 21 and 25, carried articles by George Anthan, of its Washington bureau, giving details of some of these questionable practices. These articles stated that the U.S. Government has paid the cost of rebates to some exporters of U.S. agricultural products and that some companies discussed in advance bids they would submit in export transactions. These articles point out some serious problems in the agricultural export trade; and I ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Rebates Paid on U.S. Exports by Government—Transactions Called Bribery Mechanism

(By George Anthan)

Washington, D.C.—The U.S. government has paid the cost of "rebates" or "discounts" given by some exporters of American agricultural commodities to foreign buyers, according to records at the U.S. Department of Agriculture (USDA).

The records indicate that, in several cases, the rebates were demanded by the foreign buyers in their negotiations with the American sellers.

Because the commodities—cotton and tobacco in the cases cited—were being shipped overseas as part of a U.S. subsidy program, the American firms were reimbursed by the government for the total sale, including the cost of the rebates.

The situation currently is being studied by the USDA's lawyers to determine if the government can take action to retrieve the money which was used for overseas rebates or discounts.

A congressional investigator working on international grain trade practices said of the practice of rebates and discounts:

"I hear it's common. But everybody's happy with it. That's the thing. It's got great potential for all involved. It's a way of moving money into private coffers; it's a bribe mechanism. But it also distorts prices. So, who's to complain? The farmer doesn't know about it, and everybody else is happy."

A GENERAL PRACTICE?

The USDA auditors who uncovered the practice studied only a limited number of cases involving rebates, but investigators at the U.S. General Accounting Office (GAO) said they believe the situation is general and that overseas agents who represent the businessmen who eventually process and otherwise utilize American agricultural commodities often demand and receive payments.

They said that in most cases these payments would be handled privately, paid by the U.S. exporters out of their own funds.

But the cases uncovered by the USDA auditors involve a complicated and little known subsidy setup known as the Barter Export Program.

It was set up by Congress in the late 1940s to facilitate the export of surplus U.S. commodities and also to enable the Defense Department and the Agency for International Development (AID) to carry out overseas programs without using U.S. dollars.

This is the way it works:

Say the Defense Department installations in Taiwan want to buy $1 million worth of local goods or products they need for their operations. Instead of paying U.S. dollars and hurting the balance of payments, the U.S. government contracts with an exporter to sell $1 million worth of agricultural commodities to Taiwan. The U.S. government pays the exporters the $1 million plus a so-called "barter fee" or subsidy for handling the deal. The importer in Taiwan then gives the Defense Department $1 million in local currency with which to buy what it needs in Taiwan.

The deal thus accomplishes several objectives. The Defense Department gets the products it needs without removing any dollars from the U.S. and some American agricultural commodities are exported.

The barter subsidy program was temporarily suspended in 1973 because of growing demand for U.S. grains and other commodities, but there have been indications it will be reinstated for such items as rice, tobacco and cotton.

In the five years from 1969 through 1973, the barter program resulted in export of $3.8 billion worth of U.S. commodities, and the government paid subsidies totaling $57 million to American exporters for handling the deals.

In 1974, the year after the barter program was suspended, the USDA's Office of Audit undertook the first comprehensive investigation of the situation since the early 1950s.

The auditors stated that "several cotton contractors and exporters noted that they were being asked by foreign buyers in Taiwan to increase their invoice value by certain amounts and then rebate the difference to them in the U.S. or in Taiwan by a U.S. dollar check."

The auditors stated that the U.S. government should not be billed for such extra costs, and recommended close monitoring in any future program.

The auditors listed 16 different cotton contracts between American exporters and importers in Taiwan in which the importing agent requested that the price be increased by two cents a pound, with the difference being sent to the agent in a U.S. dollars check.

GSO investigators said U.S. firms exported $597 million worth of tobacco under the subsidized barter program in the four years from 1969 through 1972, and reported that the so-called discounts may have amounted to several hundred thousand dollars.

The USDA officials who managed the barter program contend that there can be no accurate estimate on such discounts or rebates financed by the government unless there is an audit of all tobacco export contracts involved.

The auditors stated, however, "A determination should be made whether claims action should be taken against tobacco contractors for overstating their exchange (contract) value."

The audit also notes that in a sale of tallow to Turkey, the Bunge Corp. was reimbursed by the U.S. government for $19,050 more than the actual export price of the product.

The audit stated that Astra Tobacco Corp. "overstated" by $29,793 the value of an export contract involving an Austrian buyer.

The USDA audit also reports that the Austin Carolina Co., Inc., passed a discount on to a German importer on several government-subsidized tobacco contracts by issuing separate checks to the importer or by depositing funds into the importer's bank account. This money, totaling $78,269 on the contracts studied, was included in the amount submitted by the American exporter to the USDA for reimbursement, the audit states.

The audit states that on several contracts between the J. E. Bohannon Co., Inc. and a German importer, the so-called discount totaled $32,786.

The USDA auditors stated that on several contracts involving government-backed exports by the Universal Leaf Tobacco Co., discounts passed on to foreign buyers totaled $42,707.

Report Firms Talked in Advance About Export Bids

(By George Anthan)

Washington, D.C.—Government records indicate that some companies discussed in advance among themselves the bids they would submit to the U.S. Department of Agriculture (USDA) for selection as exporters of subsidized commodities.

USDA records also reveal that some companies received advance information from department officials that enabled the firms to gain a competitive advantage in submitting bids.

USDA investigators stated in reports on the operation of the subsidized export program that after obtaining government contracts, many large grain, cotton or tobacco export firms "sold" their contracts to a company with little experience in agricultural exporting.

ENGELHARD FIRM

This firm, Engelhard Minerals and Chemicals Corp., handled from 35 per cent to 41 per cent of the multi-billion-dollar subsidized export program from 1969 through 1972. Ranking far below Engelhard in participation in the program were such grain trade giants as Cargill, Inc., and Continental Grain Co. However, USDA investigators stated that some of the contracts originally awarded to Continental and other agricultural commodity export firms later were transferred by these companies to Engelhard.

These are some questionable aspects of the expensive but little-known barter export program that was operated by the USDA from 1949 until 1973, when it was temporarily suspended.

A report on the barter program was completed by the USDA office of audit last year and the investigators raised serious questions about the propriety of some of the practices.

The records indicate that in some cases, bids to the USDA were discussed also with the overseas firms that would be buying the commodities involved.

"BIDS TO SELL"

In one case, the auditors stated that an overseas buyer was "submitting bids to itself" through an American subsidiary.

Under the barter exchange program, the USDA paid export companies to deliver to a foreign buyer agricultural commodities of a given value. The overseas buyer, instead of paying for the commodities, would deliver goods or supplies of the same value to a U.S. defense installation in the country involved. The program was designed to allow the Defense Department to obtain needed supplies without paying for them in U.S. dollars.

The subsidy was in the form of a payment by the USDA to a U.S. company to handle the deal. The firm that submitted a bid for the lowest subsidy, figured as a percentage of the total deal, was supposed to receive the contract.

The audit report states: "There appears to be a certain amount of interplay between contractors concerning bids to be offered. Contractor relationships do not always present a facade of independence in the bidding process. There are indications that some barter offers may not have been determined independently."

The report continues that investigators believe there are indications of "a certain amount of interaction between contractors which could affect the bidding process—independence of bids."

The investigators said they interviewed officials of one U.S. export company located in the southeast but which handled its barter program bids out of its New York office so as to be able to "have consultation with the trade."

The report notes that several U.S. export companies submitting bids to the USDA are "subsidiaries and/or affiliates of one another."

CASE CITED

The report cites the case of Jugoexport, a government-connected firm in Yugoslavia. USDA officials said Jugoexport would buy American agricultural commodities under the barter program, then pay for them by delivering fresh meat to U.S. troops in part of Europe.

The audit report states, however, that a major bidder in the U.S. for the USDA's subsidized exports of these agricultural commodities was a company called Yugoexport, Inc., U.S.A., a wholly-owned subsidiary of Jugoexport.

In what is referred to as a "complicated system of financial arrangements," Yugoexport would successfully bid for a USDA barter contract, then assign the pact to Continental Grain as its agent. Continental then would assign the contract to Engelhard as sub-agent. Engelhard then would handle the actual exports to Jugoexport in Yugoslavia.

The report states that bids to be submitted to the USDA in some cases were discussed in advance by Yugoexport, Engelhard and Continental Grain in the U.S. with Jugoexport in Yugoslavia.

However, the audit report states, there were indications that "all the decisions" relating to the deal to be submited to the USDA under sealed bid were made in Yugoslavia.

The audit report contains examples of a series of communications among Continental Grain, a division of Engelhard called Philipp Bros., Yugoexport in the U.S. and Jugoexport in Yugoslavia.

The cables and letters include information on bids to be offered by the various U.S. firms.

The audit report states that based on the examples of communications between various prospective bidders, "as well as direct relationships" involved, there was little question as to which American company would get the contract to export commodities whenever Jugoexport of Yugoslavia was the firm which would receive the shipment, as buyer.

"We question the sincerity of bids submitted by the other firms," the report states. The bid award system . . . is a denigration of the competitive bid system. Yugoexport would always be the lowest offeror. In essence, Jugoexport is submitting bids to itself through Yugoexport."

Engelhard handled 35.1 per cent of the $272 million in barter contracts in 1969, 41 per cent of $487 million in 1970, 41.2 per cent of $909 million in 1971 and 40 per cent of $889 million in 1972.

OTHER FIRMS

However, the audit report states that in many cases the USDA originally had signed barter export contracts with other firms, which later assigned the contracts to Engelhard or to its Philipp Bros. division.

The report states, "It is hard to ignore the possibility of Engelhard bidding through other contractors (export companies) in order for it to appear on the surface as having participated in a much lesser degree."

The auditors noted that within the USDA, there appeared to be "some concern" over export companies, immediately after being awarded a government barter contract, assigning it to Engelhard.

An Engelhard spokesman in Washington said of the firm's Philipp Bros. division: "They are merchants, really, in many, many commodities and more in minerals than in agricultural commodities. Their expertise is in three-sided deals, where, for example, you take soybeans and ship them to Pakistan, where they give you some uranium which you ship to England for some North Sea oil, which you take to Japan for yen."

The government investigators stated in their report on the barter program, "We could not always reconcile why prime contractors who are exporters of agricultural commodities would appoint Engelhard as agent since Engelhard is not an exporter of agricultural commodities. . . ."

The audit report cites a 1970 USDA barter contract for $31 million with Universal Leaf Tobacco Co. Universal was awarded the contract by the USDA on Dec. 8. On Dec. 9, according to the audit report, there was a letter from Engelhard to Universal confirming sale of the contract to Engelhard "as previously agreed upon by telephone."

In this situation, Universal sold Engelhard $21 million of the USDA barter contract for a total of $22,125,000. Engelhard received $516,180 in USDA barter subsidies, according to the report.

COMMISSION TO MONITOR COMPLIANCE WITH THE HELSINKI ACCORDS

Mr. CASE. Mr. President, the Senate Foreign Relations Committee's approval yesterday of a special commission to monitor compliance with the 1975 Helsinki Accords is an important step in the efforts to foster greater respect for human rights.

The Foreign Relations Committee approved by voice vote legislation establishing an 11-member commission to scrutinize compliance with the human rights and other sections of the Helsinki agreement.

The legislation was introduced in the House of Representatives by Congresswoman Millicent Fenwick, Republican of New Jersey. I introduced it in the Senate (S. 2679) after the United States, the Soviet Union, and other Warsaw Pact and European nations signed the agreement last August. The agreement, known as the Final Act of the Conference on Security and Cooperation in Europe, contains the so-called "third basket" of provisions which pledge signatory nations to lower the barriers against reunification of families, travel by citizens of their countries, and contacts between religious organizations.

I believe it is essential that an independent commission, free of the restraints of day-to-day diplomacy, help the Congress and the President monitor the compliance with the Helsinki Accords. The Senate Foreign Relations

Committee's approval of the Commission is an important step in the efforts to foster greater respect for human rights. It is a welcome reaffirmation of the concern for human rights as previously reflected in congressional approval of human rights amendments in the foreign aid bills this year.

The Soviet Union had been eager to win approval of the Helsinki Accords, which were signed by Moscow and 33 other nations. Despite Moscow's signature, there have been repeated reports of human rights problems.

By approving the Commission, we are making clear that we will not be silent on the human rights issue.

The original legislation, introduced in November, was modified yesterday with an amendment by Senator Claiborne Pell, Democrat of Rhode Island, requiring a semiannual report by the President on compliance with the Helsinki Accords. The Pell amendment also expands the scope of the proposed Commission to monitor and encourage Government and private programs to fulfill provisions of the Accords dealing with both humanitarian problems and a greater exchange of people and ideas between the East and West.

The Case-Pell-Fenwick legislation establishes a commission composed of four Members of the Senate, four Members of the House of Representatives, and three members of the executive branch appointed by the President.

SENATE CONSIDERATION OF THE B-1 BOMBER

Mr. CULVER. Mr. President, the Senate Armed Services Committee yesterday approved procurement funds for the B-1 bomber totaling over $1 billion. While there was strong support for this action, there was also considerable support for a proposal which I offered to defer the production decision until next February. In a 9 to 6 vote, my proposal was also supported by the distinguished Senators from Missouri (Mr. Symington), from Washington (Mr. Jackson), from Georgia (Mr. Nunn), from Colorado (Mr. Gary Hart), and from Vermont (Mr. Leahy).

As a result of this vote, I plan to offer the same proposal for the entire Senate to decide. Regardless of how one feels on the ultimate desirability of acquiring the B-1 bomber, I believe that we should insist that all testing be completed before production contracts are signed and we should give the person elected President in November the freedom of decision on this matter. Otherwise, the funds will have been obligated and the nearly irrevocable commitment made to buy these planes in large quantities.

Mr. President, this proposal for a 2 to 3 months' slippage in the procurement plan would permit the newly elected President to review all the test results, consider less expensive alternatives to perform the same strategic mission, and take into account the international situation and budget priorities before deciding on this very costly—$21.4 billion—program.

Testing right now is only about one-third complete. And problems and flaws, described by the Air Force as normal for a test program, have been encountered. Thus, even if the Congress wishes to assume success and authorize the planned procurement, it would be prudent to defer final authority to spend these vast sums until February.

Mr. President, today's New York Times contains an interesting commentary on the B-1 program which raises doubts about the economic effect of the B-1 in providing additional employment. I ask unanimous consent that "The B-1: A Dissent" be printed in the Record.

There being no objection, the article was ordered to be printed to the Record, as follows:

The B-1: A Dissent

(By Gordon Adams)

Congress is considering the largest peacetime military budget in American history, $113 billion for the coming fiscal year. Under the pressure of election-year rhetoric and warnings about estimates of the level of Soviet defense spending, it may well be approved.

The B-1 strategic bomber is the single most significant item in the budget. This year's request of $1.5 billion would permit the Air Force to move from research and development to production this fall. At an officially projected cost of $21.4 billion for 244 of the bombers, the B-1 is the costliest weapons system ever; it may also be one of the least necessary.

The B-1 is the successor to the B-52 as a manned strategic bomber, complementing the Minuteman (land-based) and the Poseidon (sea-based) missiles as means for delivering nuclear weapons on the Soviet Union and deterring an attack.

Does the United States need all three systems? In a nuclear war, a subsonic bomber like the B-1 would arrive in enemy territory after as many as six exchanges of nuclear missiles. The Soviet Union has not had a strategic bomber for years and relies on ballistic missiles for its deterrent.

The B-1's superiority over the B-52 is unclear. Its weight has increased over the five years of research and development to the point where it is little faster than a rocket-assisted B-52 would be at taking off and getting out from under an enemy attack. The B-1 is designed to fly into enemy territory close to the ground (roughly 100 to 300 feet above the terrain), escaping enemy detection. The B-52 already has some low-flying capability, and the Air Force has proposed adapting it to the point where it can almost match the B-1. Improved Soviet air defenses, however, could seriously limit the effectiveness of any bomber.

The Brookings Institution has challenged the Air Force assertion that the B-1 adds to United States deterrence or war-fighting capabilities. The program will have a high price tag for such minimal advantages. The Air Force cost projection is a low estimate, considering past contract performance. Overruns of more than 60 percent have already occurred in the research and development program. Although the Pentagon and Rockwell International, the B-1's prime contractor, attribute most of this to inflation, they have never given Congress or the public the detailed cost information that would allow an intelligent evaluation of their assertion.

Moreover, the projected cost is not the cost of the full system. It does not include the B-1's weapons or the cost of operating and maintaining the fleet. The Air Force is also asking for a new tanker whose primary task would be to refuel the B-1. Estimates for all these items, added to the projection for the B-1, could bring the total bill to over $100 billion during the plane's lifetime.

Rockwell is the major beneficiary, and it labored long and hard to win the contract (now worth $1.9 billion), which it got in 1970, and to maintain it.

Since 1970, Rockwell has lobbied hard to increase support for the B-1, in the face of Congressional criticism of the cost control. For example, the firm created an internal planning group, "Operation Common Sense," which spent the early 1970's arranging local programs to support the B-1 and targeting key members of Congress for political pressure. Subcontracting has also been a major focus of Rockwell's effort. Subcontractors and suppliers, in 48 states, exceed 5,000.

Despite the subcontracting effort, the economic impact of the B-1 will be minimal, perhaps negative. A Chase Econometric Associates study of the economic impact of the B-1, commissioned by Rockwell, shows that other areas of public expenditure have as beneficial an impact on the gross national product as the bomber program. Moreover, contracts and subcontracts follow the concentration of the aerospace industry: Los Angeles; Seattle; Evendale, Ohio, and Long Island, As a result, most states pay out more tax money toward the B-1 than they receive in contract funds.

The B-1 does not create new jobs; it only slows their disappearance in the declining aerospace labor market. Almost any equivalent expenditure—housing, public works, mass transit—would create more jobs, since these industries are more labor-intensive. The Chase study confirms the weak job impact of the program. Since only 13,000 workers are currently employed on the B-1, retraining and relocation aid would be an inexpensive alternative.

The House of Representatives has already authorized limited B-1 production funds, but other key votes in both houses are necessary. As Congress votes in the coming weeks, it will be making a choice among priorities: real economic benefits for the public versus the most expensive weapons system in the history of man simply to replace an aging, but ungradable strategic bomber fleet.

PUBLIC WORKS EMPLOYMENT ACT OF 1976

Mr. BUCKLEY. Mr. President, yesterday when debate began on the Public Works bill (S. 3201), I was fully prepared to argue for adding to it the countercyclical revenue-sharing measure which I had earlier cosponsored with the Senator from Maine (Mr. Muskie), the measure for which I had fought in conference, and in support of which I voted to override the President's veto of the otherwise extravagant public works bill that had emerged from conference.

When I arrived on the floor yesterday I found, however, that what the Senator from Maine was offering was not a countercyclical revenue-sharing amendment, but a broad gaged add-on to general revenue sharing that did violence to the carefully targeted, countercyclical funding that I had championed. Moreover, the Muskie amendment incorporated $1.4 billion in additional funding for waste water treatment that was not justified by the needs formula adopted by the Public Works Committee and wholly unrelated to the creation of jobs in areas of high unemployment.

The original countercyclical revenue-sharing concept targeted funds where they were most needed, and it did so in the most equitable manner by utilizing a formula for distribution that incorporated the following features:

First. It directed the funds exclusively to communities having rates of unemployment in excess of 6½ percent;

Second. It took into consideration the extent to which unemployment had grown within those communities since the inception of the recession; and

Third. It gave special recognition to those communities who had already, through their own tax effort, done their best to raise funds locally to meet their needs.

All of these features, which were what made the original proposal countercyclical in its effect, were thrown out the window. The net result of these changes in formula is that New York State, which is among the hardest hit by the recession, is to receive $80 million less than originally contemplated, of which $58 million is attributable to a 42-percent reduction in what New York City would have received under the original countercyclical formula.

With the adoption of the Muskie amendment, Mr. President, we ended up yesterday with a bill that constituted still another "rip-off" of the hard-pressed taxpayers of New York State. New Yorkers not only bear the Nation's highest per capita burden of State and local taxes, but although representing 8 percent of the population, they contribute more than 10 percent of total Federal revenues.

What this means is that if the bill which the majority adopted yesterday becomes law, New Yorkers will end up contributing about $400 million to the total cost of programs from which they can expect to receive no more than $300,000,000 in benefits. This is the way the Senate is treating a State that is particularly hard hit by unemployment, all in the name of creating employment. If anything should teach New Yorkers the questionable wisdom of looking to Washington for help, this bill should be it.

COMMEMORATION WEEK FOR THE HOLOCAUST VICTIMS

Mr. PHILIP A. HART. Mr. President, the week of April 18 through 25 marks the 33d anniversary of the uprising against the Nazi occupation forces by the outnumbered but determined Jews of the Warsaw Ghetto. Facing almost certain death, these heroic people fought for their freedom and dignity, and in so doing gave inspiration to free men everywhere.

This event, and such horrors as the execution of 6,000,000 Jews in World War II are not easy to look back upon, but it is important that we do so. It serves as a reminder, a reminder of the evil man can produce. It gives a dreadful specific to the counsel to be vigilant.

The observance of the anniversary of the Warsaw Ghetto uprising should include the remembrance of all those who died in the holocaust throughout Europe. Nothing will ever erase this deplorable chapter in our history, but remembering those who died may prevent repetition of such horrors. This next week, Holy Week in the Christian world, is "Commemoration Week for the Holocaust Victims." I hope all will participate.

FISCAL FACT AND FICTION

Mr. BROCK. Mr. President, the Senate has recently passed the first concurrent budget resolution. Within that resolution was a budget of $412.6 billion with a deficit of over $50 billion. That size deficit is still too high and in the long run could be costly to the average American.

The St. Louis Globe Democrat recently had an editorial entitled "Fiscal Fact and Fiction," which I think points up some of the difficulties presented by deficits. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FISCAL FACT AND FICTION

One economic myth is the belief that budget deficits do no real harm because a deficit is only money the people owe to themselves. The fact is that federal deficits have been recorded in 16 of the past 17 years, with the one for fiscal 1976 projected at $76 billion, a record.

A deficit harms the economy because it limits the fiscal flexibility of the government as interest payments soar on the mounting federal debt. In the last decade the debt has jumped from $320 billion to $570 billion, with the annual interest payment amounting to an estimated $38 billion—or almost 10 per cent of all budgeted expenditures in the current fiscal year, [Treasury Secretary William E.] Simon points out.

Deficits force the treasury to compete with private investors for the available supply of savings, causing interest rates to climb and crowding out other potential borrowers, including prospective homeowners and businessmen in need of funds for plant modernization that would expand job opportunities.

Unfortunately, deficits come back to the people—but not as benefits. They return as higher interest rates and surging inflation.

Another fallacy is the notion that defense outlays account for the sharp rise in the budget. The fact is that for more than a decade the segment of the budget earmarked for defense has declined substantially while nondefense spending has increased.

Defense expenditures, which accounted for 50 per cent of the budget in fiscal 1960, represent only 25 per cent of the current budget. In that same period nondefense spending has grown from 50 per cent to 75 per cent. "Significantly, a rising share of the defense budget has not been going for weapons, planes and ships but for payroll, pensions and related personnel costs," the secretary said. Such costs climbed from 43 per cent in fiscal 1964 to 52 per cent in the current year.

Another misconception is the assumption that the growth of government spending is no greater than the growth of the nation's expanding economy. The fact is that in the past 20 years annual federal spending has jumped about 430 per cent while the Gross National Product has risen only 288 per cent. Total government—federal, state and local—also shows a similar growth from 21.3 per cent of the GNP in 1950 (and 12 per cent in 1930) to 35 per cent last year.

If the present and projected government spending continues unabated, experts fear that total government spending might equal to 55 to 60 per cent of the GNP by the end of the century.

Simon draws a disheartening picture of life under such conditions:

"This would necessarily involve a major transfer of decision-making from the private sector . . . Individual freedoms and personal spending decisions would be increasingly restricted as larger portions of paychecks go to support an ever-expanding government. More power for a ballooning bureaucracy would mean increased regulation and a far less efficient economy, plus a smothering of incentives for businesses and individuals alike, whose freely made decisions in the marketplace have brought America an unmatched prosperity."

TOMMY WALTON AND HIS "UNIQUE CAREER ADVANCEMENT PROGRAM"

Mr. TALMADGE. Mr. President, in 1960, the late Senator Richard B. Russell, instituted a unique program involving the bringing to Washington each year an outstanding 4-H Club member to work for 9 months as a patronage employee of the Senate.

The initial program was so successful that Senator Russell expanded his use of 4-H Club members in his allotted patronage positions, and from the very beginning of the program, Senator Russell worked very closely with Dr. Tommy Walton and the Georgia 4-H Council.

In 1972, I followed the example of Senator Russell, and to date he and I have had a total of 30 outstanding young Georgians spend a few months with us, working and learning, in Washington. The program is highly successful and is a living monument to Dr. Tommy Walton, the Georgia 4-H Club Director at the time of the institution of this special arrangement between the 4-H Club and Senator Russell and me.

Because this program has been so uniquely successful in Georgia, and because I want to share its benefits with my colleagues, I ask unanimous consent that there be printed in the RECORD a news release outlining the goals and accomplishments of the program and paying tribute to Dr. Walton.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

TOMMY WALTON AND HIS "UNIQUE CAREER ADVANCEMENT PROGRAM"

ATHENS, GA.—"Based on your application and the high recommendation of Dr. Tommy Walton and the Georgia 4-H Council, I am pleased to offer you a patronage position."

Eddie Pullen's assessment of that sentence, which was written February 15, 1968, is, "Everyday words, arranged to shape the life of a young man."

The words were written by the late Senator Richard B. Russell, and from 1960 through 1968, 25 other young Georgians received similar messages from the Senator.

And since 1972, five young men from Georgia got the same good news—the offer of a patronage position—from Senator Herman E. Talmadge.

The Dr. Walton referred to in Senator Russell's letter to young Pullen is the recently retired assistant director, 4-H and youth development, of the University of Georgia Cooperative Extension Service.

Walton claims all 31 of the 4-H patronage participants as "his boys." And rightfully so, for it was he, in cooperation with William Jordan, administrative assistant to Senator Russell, who started the 4-H patronage program over 15 years ago.

Only the participants don't particularly like the name, "patronage program." Donald J. Johnson, one of the first, now director of resources for the National 4-H Council in Chicago and Washington, remembers it as "a unique career advancement program."

Walton's "boys" are now doctors, lawyers, engineers, businessmen, district attorneys, executive secretaries to governors, county and municipal managers. . . . They live in Washington, D.C., Illinois, California, North Carolina, South Carolina, Louisiana—as well as Georgia.

Early this year 23 of them "came home to Athens-town" to stage the Tommy L. Walton Appreciation Dinner at the local Holiday Inn. Those who could not make it joined the others in putting their thanks and reminiscences in letters which they bound and presented to Walton.

In the letters and at the dinner, they said, in one way or another, what Eddie Pullen said in his correspondence about everyday words arranged to shape a young man's life.

"Dr. Walton, I thank you."

The dinner was the inspiration of the National 4–H Council's Donald Johnson, and Robert Dixon, '66 participant, and now a youth and educational services representative with Georgia Power Company.

Appreciation was their No. 1 objective, but there was also a secondary motive. "We would like to see 4–H members in every senator's office in Washington," said Johnson, "and we aim to market that dream."

Two men who can help the young Georgians make their dream come true were guests at the dinner: Norman Mindrum, executive vice president of the 4–H Council, Chicago, and Dean Vaughn, assistant administrator, 4–H and youth development, Extension Service-U.S. Department of Agriculture, Washington.

Both Mindrum and Vaughn commended "Walton's boys" and pledged their support in making the patronage program a national effort.

No doubt about it, the program has had a direct effect on the lives of 31 young men over a 15-year period. And if more can have the opportunity, not only in Georgia, but in other states as well, it sure will make Al Wall happy. He participated in 1962.

"In that year," said Albert M. Wall, M.D., Stanford University Medical Center, Stanford, Calif., "I was allowed to view integrity in its purest and most powerful forms through friendship with Senator Russell and close association with his superb and dedicated Washington staff. That year was my first experience outside Georgia, and it initiated me to new horizons and potentials which I still continue to discover. The influence of my Washington year did, indeed, cause me to attempt things beyond those expected of a Georgia farm boy.

"My only regret," Dr. Wall added, "is that so few of us had that opportunity."

All that may change, for the program is continuing with Senator Talmadge, and talks are under way with Sam Nunn, Georgia's junior senator, to see if he wants to get involved with Georgia 4–H'ers. And 98 other U.S. senators are likely to find Tommy Walton's "boys" pretty good salesmen.

The appreciation dinner's printed program said 4–H patronage "has provided an extraordinary opportunity for young men to have a close view of the United States Senate," and added, "All of the participants are quick to acknowledge the pronounced effect the year in Washington had upon their career choices, attitudes, outlook, and entire life."

Career choices?

Listen to George W. (Buddy) Darden: "During the summer of 1962, after one year of college, I had no serious or definite plans as to what direction my career would take. I was working at the Rock Eagle 4–H Center as a counselor and had planned to return to North Georgia College in the fall.

"Dr. Walton provided for me perhaps the most significant opportunity a young man of 18 could have. Through his efforts I was employed by Senator Russell in Washington. . . . It was during that year that I became convinced I wanted to participate in the field of law and government."

Today Buddy Darden is district attorney of the Cobb Judicial Circuit, in one of Georgia's largest counties, adjoining Fulton County and Atlanta.

Then there is W. Proctor Jones, patronage participant that first year (1960) with Donald Johnson, Dan Minchew, and Jerry Payne.

"Participation in Senator Russell's 4–H patronage program led to more than ten years of association and work with a great and noble American statesman and patriot," he said. Jones was a special assistant to Senator Russell for ten years and is now on the staff of the Senate Appropriations Committee in Washington.

"No single event had more impact on my attitude toward the future," said the 4–H Council's Johnson. "Pursuit of excellence wasn't the 4–H theme in 1960," he continued, "but I am confident that each person who participated in the 4–H patronage program had that as his overriding theme. Senator Russell lived that. It was contagious to those who worked with him. I appreciate the opportunity to catch it."

Johnson now heads up the division of the National 4–H Council which raises some $7 million needed annually from the private sector to support America's 4–H program.

Frank Stancil, Jr., doesn't believe he could have "gained much insight into the workings of the legislative branch of our government any other way. Books, lectures, and courses on government rarely come close to the true mechanics of government in action," he said.

For William C. Warren, the patronage year with Senator Russell was the beginning of many years of work and study in Washington.

"And I am still here," he said. "After leaving the Senate patronage job, I went over to work in the House of Representatives post office under the patronage of Congressman Phil Landrum. I worked on the early morning shift for three years while attending George Washington University."

Bill Warren got his degree, in law, and today is associated with the firm of Steele & Utz, handling mostly public relations and Washington lobbying accounts.

J. Kenneth Luke remembers his patronage duty as "a valuable experience in becoming independent and finding my own way for a year. It was a rare privilege for college kids to be able to work in one of the most prestigious and highest offices of government and observe the wheels of our national government turn. Especially for a farm boy from Georgia."

Luke was a sophomore at the University of Georgia when he was invited to participate in the program in 1968. "I had changed my college major once and did not have a firm idea of what my career goals were. After returning from Washington, I had the desire to enter some type of government service. I completed college in 1970 with a political science degree."

Today Kenneth Luke is assistant county executive in Greenville County, S.C.

Some of the participants remember the year as an opportunity to see history in the making and to meet the people who were making it.

Barry E. Mansell, Southern Bell manager at Newnan, Ga., said one of his lasting impressions of 1963 was the "opportunity to know Senator Russell and see firsthand the admiration and respect that others in Washington had for him.

"This was also the year President Kennedy was assassinated. I will never forget the funeral procession in Washington and the thousands of people who came through the rotunda of the Capitol.

"Seeing the president, senators, congressmen and various heads of states was hard to get used to at first," Mansell remembers.

Then he learned an important lesson shared by all of the patronage participants. "However," he said later, "since I saw them pretty often, I finally realized they were human, too."

Dan Minchew got in on the patronage only because Dr. Walton gave him a second chance. In his letter to the 4–H leader, Minchew said, "Your understanding and willingness to consider recommending me to Senator Russell, even though I had initially expressed disinterest, made a big difference in my life."

Minchew says today that "my entire career orientation was altered, and I think improved, as a result of the opportunity you, the 4–H Club, and Senator Russell gave me in 1960." He is vice chairman of the United States International Trade Commission in Washington.

Some of the participants got unexpected bonuses. Especially H. Mell Wells. "My Washington experience is very special to me because I met my future wife while working for Senator Russell. In September, 1962, I met Virginia Skipper from Myrtle Beach, South Carolina, who worked on the staff of Senator Strom Thurmond. We were married on June 6, 1964, at Capitol Hill Methodist Church in Washington, D.C."

Today, Mr. and Mrs. Wells live in Watkinsville, Ga., with daughters Caroline and Susan, and Mell is vice president of Ivey & Company, realtors/insurors in Athens.

At least one of the "boys" didn't see the patronage program as having any dramatic influence on his life. Tom W. Cofer ("class" of '61) does admit that the experience "gave me a broader base of background than would have been possible had I continued through the University of Georgia as I had planned.

"Though I did not change my major or decide on a life of politics, the many people in this program who did, and have since made government service their life's work, is adequate testimony to the significance of the program that you developed," he said to Dr. Walton.

All Tom Cofer did was become a medical doctor and start healing the sick in Aiken, S.C.

Not only did the 4–H'ers enjoy, and benefit from, the patronage program. Senator Russell liked it, too.

Troy Riberon, 1966 participant, remembers, "Several times during our frequent trips to Georgia, Senator Russell expressed to me his pleasure in dealing with you (Dr. Walton) on staffing the patronage jobs, and his personal confidence in the young men you recommended. He generously praised the success of the program."

Senator Talmadge, who has been involved with 4–H patronage five years now, could not attend the dinner, but a letter from him was included in the volume Dr. Walton received. He said, "Through the 4–H patronage program, initiated by you and the late Senator Richard B. Russell, which I now have the honor of continuing, and your leadership in every aspect of 4–H activities, there are legions of people in Georgia and in important positions throughout the nation who are testimony to your hard work and inspiration."

Some younger 4–H'ers also hold Dr. Walton in awe. Alex Booth, one of the more recent patronage participants ('74), said to him, "You are the only person I know whose recommendation alone is sufficient for the hiring of thirty Senate employees."

Could be.

But it was left to Dr. Henry W. Garren, dean and coordinator of the University of Georgia College of Agriculture, to sum up Walton's career in 4–H leadership in general, and the 4–H patronage program in particular. He said, "Not only is the generation assisted benefited, but the benefits accruing to that generation are passed on to the next and then to the next and so on. In this regard, one could say that you have been involved in a positive domino effect."

To say the least, it's been a "Unique Career Advancement Program."

JUDGE WILLIAM MILLER

Mr. BAKER. Mr. President, I was saddened to hear yesterday that the Nation has lost one of its finest and most highly respected jurists, Judge William E. Miller of the U.S. Sixth Circuit Court of Appeals, who died Tuesday in Cincinnati.

Prior to his appointment to the circuit court in 1970, Judge Miller served from 1955 on the U.S. District Court for the Middle District of Tennessee, and as chief judge of that court from 1961 until 1970. He was a graduate of the University of Tennessee and the School of Law of Yale University. For many years he practiced law in his native east Tennessee and was a member of the bar of Johnson City.

Judge Miller's distinguished service as a Federal judge cannot be accorded justice in the course of these brief remarks because in addition to the many learned decisions that he authored in over 21 years of service on the Federal bench, he was also responsible for a number of landmark and historic decisions that have changed the course of Federal jurisprudence and altered for the better the face of the Nation itself.

In the first, he authored the plan that first truly implemented the principle of "one man, one vote" that is the essence of our democratic system. In the second, he developed the "stairstep" school desegregation plan which without the tragedy and violence that still haunts other areas of the country today, led the South in correcting the inequities of racially segregated schools. In addition, Judge Miller presided over the trial of Teamster President Jimmy Hoffa, which ultimately resulted in his conviction on charges of jury tampering.

Throughout his career, first as a lawyer and then as a Federal judge, Judge Miller was admired not only for his scholarly knowledge of the law, but for his ability to apply that knowledge to the problems before him with a deeply ingrained sense of fairness and wisdom. The Nation was well served by Judge William E. Miller, and he will be sadly and sorely missed.

I ask unanimous consent that an editorial that appeared in the Nashville Tennessean be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Judge William Miller: Legal Scholar, Jurist

U.S. Court of Appeals Judge William E. Miller, one of the most outstanding jurists produced by the state, is dead at the age of 68.

Judge Miller, a native of Johnson City and son of a judge, had a long and distinguished career in the law—both in private practice and on the bench.

After graduating from the University of Tennessee, he obtained his law degree from Yale University and entered private practice in Johnson City.

His first experience on the bench was as chancellor of the state's first chancery division, to which he was appointed by the governor in 1939.

After three and a half years in the Army Air Corps during World War II—during which he was assigned to try numerous court martial cases—Judge Miller returned to Tennessee and resumed a career which was to propel him into consideration for a seat on the U.S. Supreme Court.

He was appointed judge of the Middle District of Tennessee in 1955 by President Eisenhower, and it was in this spot that he compiled the greater part of his outstanding record as a jurist.

Judge Miller presided over the conspiracy trial of ex-Teamsters Union Boss James R. Hoffa, which led to Mr. Hoffa's being charged with jury tampering in Judge Miller's court. It was through Judge Miller's determination to protect the integrity of his court—after he learned of the jury-tampering efforts—that the facts were brought out and Mr. Hoffa and others were tried and convicted of the charges in Chattanooga.

Although Judge Miller decided many cases involving legislative reapportionment, congressional redistricting, and others, he said at a celebration of his 20th year on the federal bench that the Hoffa case was the most dramatic to come before him.

Judge Miller was appointed to the Sixth U.S. Circuit Court of Appeals in Cincinnati in 1970. At about the same time, he was being mentioned prominently for a vacancy on the Supreme Court. He remained in contention for that seat until shortly before a nomination was made.

Judge Miller was an outstanding legal scholar, a dedicated citizen and valued neighbor. He will not only be missed in his community and state, but the vacancy he leaves in the judiciary will be extremely difficult to fill.

REBUILDING AMERICA'S CITIES—A NEW URBAN POLICY

Mr. HUMPHREY. Mr. President, last Thursday, I had the privilege of addressing the Conference of Democratic Mayors in New York City. In my speech I outlined a comprehensive program for redeveloping and revitalizing our Nation's major urban centers. I suggested that a new partnership be established, involving all levels of government and the private sector, to correct many of our major urban problems. I called for a commitment, equal in scope and in vision, to the famous Marshall plan which restored European cities.

As part of this new partnership, I outlined a seven-point program of Federal Government activity.

First. A binding commitment to maintain full employment in the Nation and our cities. This commitment involves both monetary and fiscal policy and specific economic development programs for the cities.

Second. Acceptance of primary responsibility by the Federal Government for financing welfare and health programs to aid the disadvantaged.

Third. A permanent system of antirecession programs to assist State and local governments whenever the Federal Government fails to maintain full employment.

Fourth. A public works investment program to revitalize and rehabilitate public infrastructure such as transportation, housing, sewerage and day care facilities.

Fifth. Immediate renewal of the general revenue sharing program and the incorporation of incentives to encourage regional tax base sharing.

Sixth. Use of Federal Government procurement and employment expenditures to aid the economies of declining and depressed areas.

Seventh. Greater coordination of Federal, State and local government economic policies and further incorporation of State and local government opinions into the Federal Government budget process.

Mr. President, since many of my colleagues are interested in revitalizing our major urban centers, I ask unanimous consent to incorporate the full text of my remarks to the Democratic mayors at this point in the Record.

I further ask unanimous consent that an article from U.S. News & World Report, entitled "Are All Big Cities Doomed," be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Urban Policy Forum

(Remarks of Senator Hubert H. Humphrey to the National Conference of Democratic Mayors, New York, N.Y., April. 1, 1976)

It is a pleasure and an honor to be here today with my good friends from the National Conference of Democratic Mayors.

We have fought side by side in all of the great battles for social and economic justice in America over the last three decades. We have shared glorious triumphs and painful setbacks. But we always have given our best and we always stick together.

Today is a landmark in the history of the Democratic Party. For the first time the leaders of our Nation's greatest cities have called the aspirants to the Democratic nomination before them to exchange views on crucial national issues.

The Mayors have eloquently expressed the hopes, concerns, frustrations, and needs of our Nation's cities. And the candidates have presented their policies and programs for revitalizing our major urban centers.

We all have been educated, the level of debate has been elevated, and the Democratic Party has been strengthened. It has been a productive day and I applaud Mayor Beame, Mayor Maier, and the National Conference of Democratic Mayors for taking this important initiative.

This Urban Policy Forum demonstrates once again that ours is the Party of creativity, compassion, and commitment.

I am here to speak with you of opportunity and hope for our great urban areas. Too often our attention is so taken with the tragic problems in our cities that we fail to look at their great strength. An objective dialogue on urban America in the 1970's is truly a "Tale of Two Cities."

Our cities represent the best and the worst that American society has to offer. They are the pinnacle of American culture—containing the great orchestras, the theaters, the great libraries and universities. They are the vibrant centers of world commerce and industry. They are the great gathering places for the American people—the plazas and market places of 20th century America.

Our cities are wealthy, they are powerful, they are fascinating, they are cosmopolitan and, most of all, they are tolerant.

Yet in the shadow of these great accomplishments lies the shame and despair of America. Ugly slums, overcrowded housing, poor schools, rampant crime, malnutrition, drugs and widespread human suffering—all untouched by the grandeur and splendor that stand a few short blocks away.

Our nation cannot afford this paradox any longer. The sunshine of social betterment and economic development must burn away the clouds of squalor that hang over large portions of our cities and inflict untold misery on our people.

Eight years ago this month, the National Advisory Commission on Civil Disorders issued its final report. That report should have changed the direction of America's urban policies. Every chapter, every page, every word of that report cried out for action.

It described in shocking detail the conditions that precipitated violence and disorder in our cities. As mayors, many of you must live with these conditions every day—abject poverty, widespread unemployment, deteriorated housing, disintegrating families, and worst of all, broken promises and shattered dreams.

Eight years ago, the members of that Commission reached a sad but prophetic conclusion. They said, "Our Nation is moving toward two societies, one black, one white—separate but unequal."

But the members of that Commission realized that this conclusion was not an irreversible truth. They knew that America was at a crossroads with two possible paths to the future.

One was the path of neglect, abandonment, and decline. The signposts along that path were a cold shoulder from the Federal Government, a fanatical worship at the altar of the "free market forces," and a continuation of oversold but underfunded social programs. In all fairness, many of the programs that are being criticized today were never given a chance. They were underfunded and after 1969, there seemed to be a deliberate effort to sabotage them.

The other path would be the path of revitalization, enrichment and conservation. This path would be marked by a commitment of resources equal to the problem, by an unwillingness to tolerate the waste and indignity of unemployed people and resources, and by a commitment to make good the promises of American democracy to all citizens—urban and rural, black and white.

Eight years ago, this choice was presented to the American people and to their leaders.

Since then, our nation and our cities have not fared too well. Unemployment in our cities has soared, inflation has ravaged family and city budgets, the quality of public services has declined, and middle income families and jobs have left our cities, leaving behind ever greater concentrations of low income families.

Where have the leaders of our nation been during this period?

The Nixon-Ford Administration simply sat on its hands with cruel and callous indifference. "After all," they asked, "what could we do, this simply is 'the market' at work—tough luck if you get hurt."

In this blind ideological determination to let "nature take its course," the White House has vetoed every major effort by the Democratic Congress to improve conditions in our cities. We have suffered seven sad years of conscious and official neglect of urban America.

The time has come to return to the high road of revitalization and recovery. We cannot shy away from that challenge. We cannot allow this Nation to crumble and decay as its cities are abandoned.

The problems aren't going to disappear by themselves. They aren't going to be solved just because someone says, "We need less government" or "Let's blame it on Washington." These problems must be attacked by every level of government working closely in a partnership with the private sector. Jobs must be provided, poverty must be eliminated, slums must be rehabilitated, discrimination must be halted, neighborhoods must be restored, social services must be revitalized, hope must be returned to our cities. Nothing less will do. There are no more easy choices.

In attacking these problems, there is much we can learn from our previous experience. In the 1960's a compassionate and energetic Federal Government plunged headlong into the battle against our urban problems. In this historic experiment in social change, the Federal Government identified the problems, it made the commitment and it proposed the solutions.

Most of these programs were well conceived. They were all well intended and most of them were successful. A few were less successful than others. But even the failures did not result solely from poor program design. Most of these were less successful due to poor administration, others due to gross underfunding, and some because the programs were not effectively coordinated among responsible levels of government. In the 1960's we clearly learned that the Federal Government could not do it alone.

But we have learned an equally important lesson in the 1970's under the so-called "New Federalism." And the problems we see in Detroit, New York, Boston, Milwaukee and many other large and small cities are part of that lesson.

We've learned that rhetoric about "local control" is worthless without a coordinated plan of action involving all levels of government; that talk of local discretion is pointless without a commitment of funds from the Federal and State Governments that is sufficient to meet the needs. Rhetoric won't pay the policemen and firemen, rhetoric won't operate the school system, and rhetoric won't meet local housing needs. We have learned that state and local governments cannot do it alone either. We've learned that the people's government, the Federal Government, must join the fight, become the leader, and actively bear its fair share of the burden.

Let's take a look at what has happened to the dollar since the so-called "New Federalism" was instituted.

From 1950 to 1972, Federal grants-in-aid grew every year until they represented almost 25 percent of all domestic outlays. Since 1972, the numbers tell another story. In Fiscal Year 1977, grants-in-aid will be only 21 percent of domestic outlays, the fifth straight year of decline.

The "New Federalism" of Nixon and Ford is nothing more than a conscious and designed policy to reduce the Federal Government's commitment to our cities and to the millions of American citizens who live in them. And who are many of these millions? The poor, the elderly, the sick, the handicapped, the unemployed, the black, the brown, the Puerto Ricans, the American Indians—the people who most need a government that cries out for justice and understands human need. At this very hour, Federal Government policies discriminate against these people.

The challenge that we now confront is to develop a comprehensive national urban policy that combines the commitment of the 1960's with a *New Partnership* that actively involves all levels of government in close cooperation with all elements of the private sector.

The Federal Government must accept its responsibility to maintain full employment and reasonable price stability and to provide income assistance to families that do not participate fully in our economic system. If Arthur Burns can tell us that the Federal Government should be the employer of last resort and that the Federal Government should set specific goals and priorities, then Democrats, citizens, Members of Congress and presidential candidates should listen. We should accept that advice.

The States must make sure that their political off-spring, the cities, have sufficient financial resources to provide essential services.

And the local governments must marshal their resources frugally so that they can provide essential services without driving out middle income families and jobs.

This is not an easy task. It involves changes in both the institutions and the policies of government. But it is a challenge we must accept. It is the highest priority for a Democratic president and a Democratic administration.

We recognize that a New Partnership cannot be built on empty promises or unsupported dreams. A massive commitment is needed. I remind you that when this Republic was started, people committed their lives, their fortunes and their sacred honor. They didn't commit one hour a week, they didn't commit ten percent of their fortune, and they didn't commit just a little bit of their honor. They committed it all—and because they made that commitment, this Nation has survived. We need that commitment again. A commitment that possesses all the scope, the vision, the financial backing, and the spirit that the Marshall Plan embodied. We need a new partnership—the Federal Government, state governments, local governments, business and labor, all working together; a new partnership of the people with their government.

A New Partnership requires coordinated planning by all levels of government. It means that ideals must flow from the bottom up, as well as from the top down. It means goals and priorities must be carefully set and examined by all levels of government. It means that resources must be made available on a continuing basis—not in a stop and go manner.

The New Partnership means planning, goals, commitments, consistency, and adequate resources. All are necessary and all are required.

This is the way we put a man on the moon. We planned our space program. We set goals and a time frame. We committed resources. We never back away from that commitment. We didn't hesitate, we completed the task. We did the same in Europe under the famous Marshall Plan. We planned the recovery of Europe and we made the commitment. And it is the miracle of the twentieth century. Why is it that America can plan to rebuild Berlin? Why is it that we can plan to rebuild London? Why is it that we can rebuild Rome? Why is it that we can rebuild the cities of Germany, and of Italy, and of England, but we can't rebuild the cities of America?

If this New Partnership is to become a reality, the Federal Government must undertake several actions.

First and foremost, we must make a binding commitment to maintain full employment in our nation and its cities. That is the only premise on which we can build recovery. We simply cannot afford the catastrophic waste of unemployed workers and capital that we have experienced in the last two years.

The entire economic terrain is littered with the casualties of Nixon-Ford economic mismanagement.

Seven million people are now officially unemployed. Another three million have dropped out of the full-time labor force.

Some $27 billion in revenues was lost by state and local governments in 1975 alone.

Over $400 billion in output and income has been lost due to this recession. That's waste.

Yet these national figures mask even greater hardship and suffering in our central cities.

While the "official" national unemployment rate is 7.6 percent, it is 20 percent in Newark, 17 percent in Detroit, 12 percent in Cleveland, 12 percent in Boston, 11 percent in New York and 10 percent in Philadelphia. National figures tell us very little. You've got to look where the people live.

It is time that we accept the fact that the major long-term solution to our urban problems is full employment in our cities.

A true full employment program must start with sound monetary and fiscal policies. That means getting the Federal Reserve to be part of this government and not allowing it to stand in the corner as if it had national sovereignty. But these policies alone will not be enough. Their impact just doesn't trickle down into the pockets of high unemployment in our central cities.

National economic policies must include economic development programs designed specifically to create new private sector jobs in our central cities.

We need a National Domestic Development Bank. We have over $9 billion worth of commitments this year for international economic development. These are long-term loans with low rates of interest. Yet we have no banking system to meet the financing needs of our states and municipalities. We need long-term low interest loans to encourage businesses to locate in central cities and to help state and local governments build the infrastructure necessary to attract new industry. And we need selective tax credits that make investing in high unemployment areas more attractive.

There are some people in this Nation that say we can't afford full employment. They are concerned that full employment can only be achieved at the expense of price stability.

They are wrong. We have seen that as employment increases inflation is reduced.

But even if they were not wrong, I could not accept their philosophy. No national economic policy should ask millions of American families to suffer the hardship of unemployment so that the majority of Americans can experience the pleasure of price stability. That's wrong and morally unacceptable.

We once had an economic system in this country where the few suffered for the benefit of the many. But we ended that system 113 years ago with the Emancipation Proclamation.

It is time to provide that same freedom to those enslaved by unemployment.

Second, the Federal Government must accept primary responsibility, once and for all, for financing welfare and health programs for disadvantaged American families.

No state or local government should be driven to bankruptcy by welfare expenditures because a large share of the Nation's poor have chosen that city or state as a place in which to live. Nor should any state or local government be forced to bear a disproportionate share of the burden of providing essential health services to the poor.

The health and welfare of individual American citizens always has been and should remain a chief concern of the Federal Government. There is nothing wrong with a government by the people, of the people, and for the people being concerned about the people's health, education and well-being.

Third, we need a permanent system of anti-recession programs ready and in place whenever the unemployment rate rises above full employment levels.

There should be two elements to this anti-recession strategy—emergency public service jobs and emergency budget support grants.

The concept is quite simple. The Federal Government has an obligation to maintain full employment. When it fails, it should provide assistance to cities that experience excessive unemployment. These programs will allow cities to maintain essential services.

Fourth, we need a major public works investment program to modernize and replace deteriorating infrastructure. For too long, our Nation has been privately rich and publicly poor.

It is time to make a major commitment to revitalize our transportation systems, to improve our sewage treatment facilities, to upgrade our housing stock, and to provide day care centers for pre-school education. People say, "We can't afford this Mr. Humphrey." But I remind you that every project is job-producing; every project is revenue-producing. The only programs that do not produce jobs, revenue, and income are welfare and unemployment compensation. This country was built on hard work, not welfare and unemployment compensation. And people still want to work. They are crying out for a chance to do something. I think it's our job to make sure they have that opportunity.

We must identify all major public investment needs and begin to meet these needs with consistent funding and a permanent program.

We also should identify an inventory of individual projects that could be taken off the shelf quickly if the unemployment rate starts to rise. These should be important projects that can be started and completed rapidly. We then would be prepared to swing into action quickly with useful projects if we enter another recession. It's very simple—we just do a little planning ahead.

Fifth, the revenue sharing program must be renewed immediately to allow cities to plan next year's budgets. And it must be renewed on a long-term basis so cities can plan for future years.

In the future, however, I believe we should consider the desirability of using revenue sharing to encourage regional tax base sharing. One of the major problems confronting some of our older cities is that they are islands of urban poverty in a sea of suburban wealth. Revenue sharing could be used to encourage suburban jurisdictions to share a small portion of this wealth with the central city on whom their future viability relies.

The Twin Cities area in my home state of Minnesota already has developed an extremely effective tax sharing scheme. Other regions should be encouraged to do the same.

I also believe we should consider adjusting the revenue sharing formula to reflect more adequately the number of low income families that reside within each jurisdiction.

Sixth, we must utilize Federal Government procurement and employment expenditures to bolster the economies of depressed cities and areas. At present, the Federal Government is spending three and four times more per person in growing areas than in declining areas. Where the money should be spent, it is not being spent. And where the money is not needed, it is being poured in.

Finally, we must re-examine our institutions for formulating economic policy and for coordinating federal, state and local government activities. At present there is no systematic institution through which states and cities can make their concerns known. Nor is there any method for coordinating federal, state and local government policies. Mayors and governors quite frankly are on the outside looking in.

This relationship should be changed in several respects.

First, the Vice President should become a permanent liaison with state and local government officials—their man or woman in Washington. You need someone that you can go to, someone that understands. The Vice President should be the spokesman for state and local governments in the President's Cabinet. When I was Vice President, governors and mayors regularly were consulted on major policy decisions and they had direct access to the White House through my office. Now, they're lucky if they get a peek at federal policy after it has been released to the press.

Second, a system of permanent regional councils should be established. These councils would be composed of state and local government elected officials and a representative of the Federal Government. The President would use the regional councils to become acquainted with the unique concerns of each region. The Federal representative would be an official just below Cabinet rank, who would act as the eyes and the ears of the President. The Federal representative would report directly to the President and the Vice President, and not through the Cabinet.

Finally, State and local government officials should be included in the Federal budget process before the budget is signed, sealed, and delivered. At present, they are invited for a little party in the White House after the budget is released.

Our Nation's cities represent the best of times and the worst of times—the hope and despair—of 20th century America. The poverty of the ghetto languishes next to the affluence of Park Avenue. Pockets of 30 and 40 percent unemployment are just a few short blocks from the plush offices of the captains of American industry. Luxurious townhouses cast shadows over crumbling slum tenements. Open spaces and parks are fed by rubbish-strewn streets. And tightly knit ethnic neighborhoods are surrounded by pockets of alienation.

In many senses our cities represent the apex of American achievement, that portion of society that results from our hardest work and that which is most worth saving. But in other respects, the shame of our cities is the largest scar on the national body politic, that portion of society that is most in need of work so that it can be saved.

It is that task—turning despair into hope, promises into results, opportunities into accomplishments—to which we must be willing to commit ourselves and our Party today.

I'm reminded of the words of the great Victor Hugo. He said the future has several names. "For the weak, it is the impossible. For the faint-hearted, it is the unknown. For the thoughtful and valiant, it is the ideal."

We face an enormous job. It will require a great deal of the human energy and financial resources of the American people. But it is a job that we simply cannot afford to put off until tomorrow.

[From U.S. News & World Report,
Apr. 5, 1976]

ARE ALL BIG CITIES DOOMED?

It's no news that America's major cities, on which so much of the nation's growth depended for the last 200 years, are in decline. The challenge is whether this decline can be halted, or whether *all* big cities are to falter and eventually become ghosts of their once-thriving selves.

The situation as it stands: Many of the most famous centers of industry, culture and government are losing people. And the ones they're losing are mostly their solid taxpayers—middle-income families whose breadwinners have technical and professional skills.

Companies, too, are leaving, and with them, jobs.

Left behind are increasing proportions of the poor, the badly educated, the unskilled, the unemployed and those on welfare—people who cannot leave if they want to.

Reasons for decline: The pages that follow make clear some major causes of the decline—the interstate-highway system, other technological changes, crime, poor schools, heavy taxes, high living costs, and budgets that now have less leeway for attacking the problems.

The figures on pages 50 and 51 make it clear that the problem is most acute in the Northeastern quadrant of the U.S. But they also show that declining cities are not limited to this older industrial region. Moreover, some urban experts are predicting that the process of decay will in time engulf other cities that are still growing and prospering.

Others suggest that the decline will even make for better cities—less congested, with more open space for parks and other uses. But that leaves unanswered the question of how the cities, with fewer taxpayers, shrinking property values and tax rates already high, are to foot the bills.

A number of solutions are being urged.

It's proposed that financial distress in some cities, such as New York, Detroit and St. Louis, could be eased if they became parts of areawide metropolitan governments. Then, middle-class families and industries that have moved to the suburbs would pay a larger—some urbanologists say a "fairer"—share of inner-city costs. The effect would be somewhat similar to the process of annexation that helps keep Houston and Charlotte growing.

But that idea appeals to few suburbanites. And there are city bosses, too, who lack enthusiasm. The suburbs could easily overwhelm their political machines. So this idea usually leads to suggestions for a major change in federal-State relations, not something that is going to happen soon.

Welfare reform, often urged for other reasons, has its save-the-cities aspect. Mayors and Governors would like the Federal Government to take over the entire cost, and some suggest setting more-uniform standards for relief across the nation. That would take a load off the budgets of New York and many other cities, and give the poor less reason to stay in places where living costs are high. Financial and social burdens would be distributed more evenly.

But the budget benefit would be limited. Some big cities—Chicago and Los Angeles are examples—already have little expense for welfare, which in their case is mostly a State or county function. And the Federal Government, it own books badly out of balance, is trying to reduce its outlays for welfare, not add to them.

The federal deficit also makes it unlikely the cities will get substantially larger amounts for revenue sharing, community development and other block grants. Indeed, the way the revenue-sharing formula works, a city that loses population also loses some of its allocation.

PRESIDENT'S STAND

In short, no big federal rescue is in the making. The Ford Administration's policy: Let each city work out its own salvation with such help it now gets from Washington, and without anything extra for inflation.

Even so, the outlook is not all dark. In most cities, the revival of some decaying neighborhoods indicates what might happen if a formula is found to win back more upper and middle-income families. Business and government, too, are building new offices, hotels and sports and cultural centers, hoping they will attract more patrons instead of merely luring them from other declining downtown areas.

Finally, there is this overriding fact: Big cities still are the centers of finance, commerce and government, the focal points for the arts, the homes of eminent universities and research hospitals. Those functions are likely to remain, no matter how the metropolitan areas change in the nation's third century. That's the best guarantee that American cities will not be allowed to become ghost towns.

BIG CITIES: BEHIND THE GROWING CRISIS—THE FACTS AND FIGURES

Big cities are losing people—

Population change since 1970—

People living in big cities—down 1.9%.

People living in suburbs—up 8.4%.

People living in small towns and rural areas—up 5.0%.

POPULATION IN EASTERN HALF OF UNITED STATES

Among biggest cities	Population decline, 1970–73 (percent)	Population is now the lowest since—
Minneapolis	12.0	1920
St. Louis	10.3	1890
Cleveland	9.6	1910
Atlanta	8.9	1950
Fort Worth	8.6	1960
Detroit	8.4	1920
Buffalo	8.1	1910
Pittsburgh	7.8	1900
St. Paul	7.3	1930
Louisville	7.2	1940
Chicago	5.8	1920
Cincinnati	5.6	1920
Seattle	5.2	1950
Philadelphia	4.5	1920
Oakland	4.3	1940
San Francisco	3.9	1940
Kansas City, Mo	3.8	1960
Milwaukee	3.7	1950
Newark	3.7	1910
Boston	3.6	1900
Dallas	3.4	1960
New Orleans	3.4	1950
Long Beach, Calif	3.4	1960
New York	3.2	1940
Baltimore	3.1	1940
Washington	3.0	1940

Source: U.S. Bureau of the Census.

CITIES VERSUS SUBURBS: DIFFERENCES IN THEIR POPULATION

	Cities	Suburbs
Median family income	$11,343	$14,007
Proportion of blacks (percent)	22.3	5.0
Proportion of families headed by women (percent)	18.9	9.5
High-school graduates [1] (percent)	59.8	68.5
College graduates [1] (percent)	13.1	16.2

[1] Among persons aged 25 and over.

Source: U.S. Bureau of the Census.

Crime inside cities: far more common than outside.

Number of crimes per 1,000 of population at latest official count

In cities	52.1
In suburbs	36.1
In rural areas	15.9

HOW CRIME INCREASED IN MAJOR CITIES

[Based on serious crimes as reported by the Federal Bureau of Investigation]

	Change from 1970–74 (percent)	Number per 1,000 residents
United States as a whole	Up 26.6	41.3
Atlanta	Up 77.7	99.9
Austin	Up 182.0	56.9
Baltimore	Up 22.7	78.1
Birmingham, Ala	Up 74.4	67.3
Boston	Up 71.6	84.9
Buflalo	Up 38.0	53.6
Charlotte	Up 76.5	56.5
Chicago	Up 90.0	67.6
Cincinnati	Up 77.1	67.8
Cleveland	Up 16.7	62.1
Columbus	Up 52.5	57.9
Dallas	Up 63.2	85.6
Denver	Up 26.2	85.4
Detroit	Up 9.1	85.2
El Paso	Up 157.6	56.8
Fort Worth	Up 62.2	60.5
Honolulu	Up 172.5	104.8
Houston	Up 52.1	62.4
Indianapolis	Up 35.3	40.7
Jacksonville	Up 62.4	66.4
Kansas City, Mo	Up 40.3	66.3
Long Beach	Up 65.1	68.8
Los Angeles	Up 22.7	77.1
Louisville	Up 4.8	50.6
Memphis	Up 132.1	65.1
Miami	Up 60.4	85.8
Milwaukee	Up 67.2	44.2
Minneapolis	Up 43.7	86.8
Nashville	Up 51.7	57.8
Newark	Up 2.9	84.8
New Orleans	Up 9.9	61.4
New York	Up 0.4	62.2
Oakland	Up 41.1	120.2
Oklahoma City	Up 140.7	61.8
Omaha	Up 101.7	56.4
Philadelphia	Up 78.7	38.8
Phoenix	Up 162.3	96.8
Pittsburgh	Up 3.0	54.7
Portland, Oreg	Up 79.7	96.7
St. Louis	Up 44.6	114.4
St. Paul	Up 38.2	67.7
San Antonio	Up 85.7	57.2
San Diego	Up 127.5	60.2
San Francisco	Down 2.1	83.7
San Jose	Up 176.6	67.9
Seattle	Up 47.6	80.1
Toledo	Up 121.0	63.1
Tucson	Up 235.4	68.5
Tulsa	Up 88.6	55.4
Washington	Down 7.9	69.5

Note: In some cases, unusually high increases in crime may be due to annexation by cities of surrounding territory.

Job market is shrinking in many cities

From 1970 to 1974, even before the wave of recession layoffs, employment was declining in major cities—at a time when jobs in U.S. as a whole increased by 9.3 per cent. Among big cities losing jobs—

PEOPLE AT WORK

	1970	1974	Change (percent)
Detroit	577,000	470,000	Down 18.5.
St. Louis	224,000	183,000	Down 18.3.
Baltimore	353,000	308,000	Down 12.7.
Philadelphia	776,000	682,000	Down 12.1.
Washington	342,000	307,000	Down 10.2.
Chicago	1,364,000	1,249,000	Down 8.4.
New York	3,131,000	2,932,000	Down 6.4.
San Francisco	454,000	443,000	Down 2.4.
Los Angeles	1,282,000	1,273,000	Down 0.7.

Source: U.S. Department of Labor.

The bigger the city, the heavier the financial burden

Taxes

Average revenues per capita from local sources, in cities with populations of—

1,000,000 and over	$426.90
500,000 to 1,000,000	285.47
300,000 to 500,000	231.37
All U.S. cities	208.58

Debt

Average local debt per resident in cities with populations of—

1,000,000 and over	$1,052
500,000 to 1,000,000	569
300,000 to 500,000	526
All U.S. cities	464

Source: U.S. Bureau of the Census.

NEW YORK: WHERE ALL THE PROBLEMS ARE PRESSING IN

NEW YORK.—The financial and social ills of America's big cities are nowhere so painful as in this, the biggest of them all. And it's hard to see how things are going to get better here.

New York's festering fiscal crisis has forced Mayor Abraham Beame to slash millions of dollars and thousands of jobs from the city budget. Taxes are up.

The result is a speedup in New York's decline as an attractive place to work and live. Businesses and taxpayers are fleeing to the suburbs.

A year after the start of the emergency here, officials are worried that the patchwork plan to save New York may unravel, plunging the city into full-fledged default.

For people in other big cities, New York's crisis stands as a warning of the direction in which they may be headed. For New Yorkers, the crisis of the cities is already a day-to-day reality.

In municipal hospitals, 750 nurses have been lopped off staffs. At one institution, that means a lone nurse and an aide must care for each 43 patients. Visitors frequently perform vital chores for patients that once were part of the nurses' routine. Some city hospitals are being closed.

Schools are victims: Massive layoffs in the schools have forced teachers to take on larger classes, while a shorter class day gives students less time to learn. Vandalism at school buildings has climbed since 50 per cent of the security personnel were dismissed.

Criminals and prostitutes ply their trades more blatantly, now that the city's police force has been reduced by 12 per cent.

The cutback has hampered the city's drive to clear the Times Square area of pornography shops and massage parlors.

Libraries have shortened their hours. Some galleries in museums are closed because the staff of guards is too small to keep an eye on all the art works.

In the last 14 months, the city has eliminated 44,275 public jobs, or 15 percent of the municipal work force. Private industry pulled 100,000 more jobs out of the city last year, bringing to 500,000 the number of positions lost since 1969.

Industry is leaving largely because taxes, wages and prices in New York are too high for many companies to bear profitably. But the city's decline plays a part. For example, the president of a company that moved to suburban Long Island explained:

"The last straw came when one of my executives was mugged and knifed while riding his bicycle in Central Park during daylight hours on Sunday."

A symbol, moving van: As life in the city deteriorates and job openings disappear—464,000 of them in the last five years—many New Yorkers are leaving the city.

Felix Rohatyn, chairman of the Municipal Assistance Corporation, put it this way: "Every week, almost 2,000 New Yorkers who could not be replaced called the moving van."

Many who stay behind are out of work. Unemployment hovers at 12.2 per cent in New York City, despite big improvements in most of the country.

The exodus of businesses has strangled New York's once high-flying real-estate industry.

Companies occupying the newest buildings, such as the giant World Trade Center, are leaving older buildings vacant—even the Chrysler Buiilding, with its landmark stainless-steel top.

Now, office construction has all but come to a halt

Inflated costs have also slammed into rent controls on apartment buildings, limiting construction in that sector and spurring many landlords to abandon their buildings rather than to take a financial beating on them.

Property-tax delinquencies rose last year to 7 per cent of the tax base. For the first time in 33 years, the assessed value of real property in New York is expected to fall in 1976.

Another sign of decline: A survey by Helmsley-Spear, Inc., found that the number of hotel rooms in New York dropped for the eleventh straight year in 1975.

No new hotel rooms were added in the city last year.

Limited tax break: Reasons for optimism about this city's future are hard to track down. For one, Mayor Beame has inaugurated a program of limited property-tax relief to lure private developers to build in the city.

If construction or other investment takes place on city-owned property, developers may opt for a special break on leasing costs

Among the first to make use of the plan is a group that intends to reconstruct a 1,400-room hotel near Grand Central Station.

The city also plans to expand port facilities in New York harbor and to add a new industrial park in the south Bronx to the five that are already owned by the city.

Tourism is climbing in New York, and the theater is enjoying a renaissance.

But the pluses do not outweigh the minuses in New York's future, in the view of most experts.

How did the city get into such a fix? Like most cities, New York has been caught between rising demands for city services and growing resistance to tax hikes from the companies and individuals who foot the bill.

According to Juan de Torres, economist at the Conference Board, New York's big mistake was to give priority to spending for the poor while ignoring the outflow of taxpaying businesses and residents and the deterioration of its stock of taxable housing.

The city has not been a profligate spender, compared with other cities on a service-by-service basis. But New York has paid for costly programs that no other city offers. Among these are a free-tuition university, an extensive hospital system, a big welfare-benefit program, transit-fare subsidies and housing aid for low and middle-income groups.

New York's budget is still 12.3 billion dollars for the 1975–76 fiscal year, among the largest government-spending packages in the U.S.

To keep up with rising outlays, taxes have mushroomed. From 1964 to 1974, for instance, the bite from the city's major taxes jumped from 7.6 to 10.2 per cent of personal income. Total take from these taxes doubled.

Put together, the State and local tax burden on New Yorkers is the heaviest in the nation, 24 per cent more than that of the next highest State and 55 per cent above the national average.

Decline in advantages: The tax load increased just at a time when many of the advantages of locating in New York were slipping away.

A case in point is the securities industry, which traditionally has been tied to Wall Street.

Nine dealers deserted New York for New Jersey when the latest round of taxes on securities trades was announced. They were able to leave because electronic communications have made proximity to the stock and bond-trading floors unnecessary.

New York's crisis has been exacerbated by the city's failure to follow basic budgetary rules. Officials hid problems from taxpayers for years, running the city deeply in the red through budget trickery that evaded the spirit, if not the letter of the law.

One example: Despite rules requiring the city to review pension liabilities periodically, no big changes were made for years in several of the programs. Pension costs were vastly understated as a result. Revised estimates show that the city has promised future benefits of 6 billion dollars for which no money is set aside.

Proposals for lifting New York out of its financial mess abound.

Further budget trimming seems inevitable. For instance, discussions about taking another whack at university expenditures are under way.

Rent controls are being challenged, although Mayor Beame has opposed any outright lifting of the ceiling on rental increases.

Officials also have decided that most city workers will drop out of Social Security on March 31, 1978, something local-government employes are able to do under the law. The city figures to save 200 millions annually by leaving the system.

Major savings could come if New York can shift to the federal or State governments such expenses as welfare, costs of the city court and prison systems or outlays for City University.

Mayor Beame has also proposed a major program to enlist volunteers to clean up parks and streets and to perform other neighborhood services. But unions are worried that the plan may take jobs from city employes.

Projects to increase the space for industrial parks in the city and to offer incentives for companies locating in New York also figure in the city's efforts to reinforce the sagging economy.

Spreading impact: Such efforts alone may not be enough to cure the present crisis. Money troubles have spread from New York to other cities and the State government. Their problems will make it even harder for New York to meet the terms of the package of federal loans and private aid that bailed the city out in December.

Even if New York City avoids default, it faces the arduous task of rebuliding its economy.

The struggle is costing the city much of the glitter that once made it this nation's premier city.

CITIES ARE BECOMING DUMPING GROUNDS FOR POOR PEOPLE

Interview With Pierre de Visé, Professor of Urban Sciences, University of Illinois at Chicago.

Critical questions for the nation's decaying cities: Is the decline fated to continue? What can be done to arrest the downslide? A prominent urbanologist gives his views on these and other problems.

Q. Professor de Visé, why is it so many large and famous American cities—and some of their suburbs, too—have stopped growing and are losing population?

A. We no longer need very large cities. We developed these behemoths like New York, Chicago and Philadelphia on the basis of late nineteenth-century transportation and technology.

The railroad, for instance, was important not only in the development of the large cities but also in the concentration of industry near the downtown. After supplies got to the railroad terminal, it was literally a matter of using horses and carts to get them to the industries that needed them. This kind of central location is no longer justified for most industries. They're better off in the suburbs because of the need for more land, more floor space, and off-street parking for employes.

Also, business organization itself has changed. Today, the large holding companies that used to operate giant factories in the central city operate out of many small, dispersed plants.

I really see little in the cards that will make the city attractive again to industry.

Q. Is part of the problem that the industries that were important to the older cities are growing less rapidly?

A. Yes. Chicago's economy was based largely on steel production and fabrication. Now steel is being replaced by other metals and plastics—and even though the need for steel is still growing, the industry is highly automated, so that there has been a constant attrition in the work force.

Tax rates are another problem. Generally, industries, retailers and services get a much better tax rate in a suburb.

Q. Why is that?

A. Because city areas have a superabundance of poverty relative to the number of schoolchildren. The mix of residential and nonresidential property is also a factor. Some districts in Cook County, Ill., outside of Chicago, have $300,000 of assessed valuation per pupil. Other districts, including the city, have $30,000.

As a result, we find that the average property-tax cost in a Chicago industrial suburb is about 40 cents per square foot a year, and inside Chicago it's about $1.80.

Q. What accounts for the flight of middle-income families from the cities?

A. Crime, the sense of danger, is generally regarded as the No. 1 problem when urban residents are polled with regard to their perception of problems in the city. To some extent, crime is a surrogate for race. That is, you almost never find racism or fear of blacks cited among the top problems, but when people say crime, many of them really mean blacks.

The school situation is generally the No. 2 reason and this refers to the quality of education and also to the fear of schools in which there are high proportions of blacks.

Q. Does that mean that programs to integrate schools have worked against the cities?

A. De facto segregation, the heavy concentration of blacks in some neighborhoods, is the real problem. The typical adjustment is that within two years in a racially changed community, white parents will pull their kids out of public schools; and within five years, they will move.

There's also this: Americans have always preferred small-town living. Most Americans have accommodated this preference by moving to a low-density suburb where they can have some vestiges of small-town living but also have the economic and cultural advantages of a large urban area.

Q. Will large cities continue to lose population?

A. I think the decline will continue. Given the greater mobility of Americans, the growing viability of small cities, and the preference many people show for places with warmer climates, the migration will go on.

I don't foresee any great resurgence of industry or commerce in the city. What we're seeing to some extent is equalization of population and employment. The huge concentration of people and jobs in the Northeastern part of the country is diminishing.

The distribution of income also is being equalized. Some of this is due to the push of congestion, of high wage costs and labor-union activity in the big cities, and some is due to the pull of areas in the South and Southwest that have less congestion, lower wages, and lots of unorganized labor.

Eventually, that's going to change. Wages in those areas will go up. Unions will organize. But for the present, we're talking of a deconcentration in which the less-developed portions of the nation and the less-developed portions of the urban areas are going to get a little more population, a little more income, a little more employment at the expense of those portions that are already well-endowed.

Q. Do you feel that the declining cities are becoming less and less attractive as places in which to live and work?

A. Paradoxically, I think city life has improved constantly in recent years. First of all, the density of the center cities has gone down; they have become less congested.

Q. So losing population can be a good thing—

A. In one sense, yes; but it's a bad thing, too, because the city loses some of its revenue base, and it loses jobs. But most people, looking at the inner city and comparing it with 10 years ago, will find that there is less crowding. And the data we have also suggest that the quality of the air has improved, noise pollution is down, and the water is better.

Q. On the other hand, didn't you suggest that cities are becoming more dangerous, as indicated by rising crime rates?

A. That's largely a reflection of change in population. If poor blacks are more likely to commit economic or violent crimes, then as the proportion of poor blacks increases, the crime rate is bound to go up.

Homicides doubled in Chicago and other large cities between 1965 and 1970, but that is not a very good indicator of crime in general, because murder is mostly a crime of passion that takes place between acquaintances or blood relations. A better indication is the fact that vandalism, thefts and other crimes have considerably increased in the schools.

Those are about the only hard data we have. The so-called major-crime index isn't very helpful, because we know that only a fourth or a fifth of all crimes are actually reported. An increase in the index may merely indicate better reporting, while a decrease may mean that the police department is tailoring its figures to indicate it is doing a better job of controlling crime.

Q. You talked about less polluted cities. But aren't cities becoming more littered with trash?

A. A neighborhood that experiences drastic racial or economic change tends to become dirtier, because the production of litter is greater in places that have less sophisticated populations.

The basic problem is this: The cities are becoming dumping grounds for minority people, poor people, and people who are not in the labor force but are dependent on welfare.

Historically, poor people were drawn to the city because their labor was needed. That need no longer exists. Now some are being attracted by the fact that the levels of welfare are more respectable in the North, and because the large cities have the public housing, the model-cities programs, the neighborhood health centers, and a plentiful supply of housing. In addition, there is the natural increase—the fact that there are a lot more births than deaths.

Q. Can anything be done to keep the cities from becoming overloaded with poor people?

A. One way would be to try to stop the migration of the poor by establishing national standards for welfare. The standards should allow for some differences in living costs from one part of the country to another, but they should be uniform within each State, so that there would be a strong incentive for poor people not to live in the high-cost areas like the big cities.

There's a need, too, for more birth control, but this is politically sensitive. Generally, second and subsequent births have been reduced tremendously. But the rate of initial births has not gone down at all, and most surveys show that only about 10 per cent of low-income people use birth control, not through any lack of desire for controlling birth, but because of a sad lack of knowledge. It would mean teaching birth control and making it available to 12-year-olds and 13-year-olds.

Q. Is there anything the cities can do to lure middle-income families back from the suburbs?

A. The energy crisis has been of some help, because the natural-gas shortage is making it more difficult for industries to build in the suburbs. And it would be possible to equalize tax rates between the cities and the suburbs if the States took over a larger part of the school costs.

But the big things that would induce people to come back into the city are changing the crime picture and changing the school picture—and nobody knows how to do this because, to an important extent, there is a 1-to-1 association between crime and quality of schools on the one hand and the concentration of minority people on the other. We don't know how to reduce crime and improve schools without eliminating the poor blacks. At least that's the way the middle-income whites perceive the problem.

Q. What about the idea that education will, in time, provide the needed uplift for the poor?

A. I'm not sure we should give up on that, but we are getting smarter about how difficult the problem is. Regardless of how many dollars you pour into a local community—into schools, health facilities, and so on—the fact that that neighborhood is isolated from middle-class communities is going to make it almost impossible for the people in it to become educated, skilled and assimilated into middle-class society.

There have been many attempts to provide standard education for low-income kids—and no success. We're not even sure what the problem is. Some educators say it has to do with the quality of teaching. Others say it's the peer group that is important, or the family environment. Still others contend that schools have little to do with the quality of education—that most of what you learn you learn in the street and at home.

Q. Some cities, like Chicago, seem to cope with budget problems that grow out of these changes much better than others, such as New York. Why is that?

A. The major reason is that Chicago's municipal government handles only about a fourth of the activities that are handled by the city government of New York. Welfare comes under the Illinois department of public aid; health is handled by the health and hospitals governing commission; transportation is under the regional transportation authority; recreation under the Chicago park district; schools under the Chicago board of education, and housing under the Chicago housing authority. So the general government in Chicago is doing fine, but these separate taxing and spending authorities, by and large, are bankrupt.

At the same time, the mayor of New York and his predecessor have been much more concerned with the welfare of the poor and minorities insofar as there is a conflict of interest between them and the middle class and the affluent, whereas in Chicago it's the other way around. That's an admirable policy for New York City to adopt, but it can't afford it. It's self-defeating, because if you develop a national reputation for being generous to poor people, you're going to attract more poor people.

New York is also more of a dumping ground than other cities, because it's a point of entry for Puerto Ricans and immigrants from abroad. So I think that city has to be given support, even at the price of greater State and federal control over the city's policies.

Downtown's "unique activities"

Q. Do you think that big cities will just fade away?

A. Not entirely. There are, I think, two important functions of downtown and the central city:

One is for unique activities, of which there can be only one in an urban area—a first-rate symphony, a major art museum, an opera company, a ballet. In some metropolitan areas, these activities can take place somewhere other than in the center—along a suburban beltway, for example. But in others, like Chicago, all major roads lead to the center.

There are a number of other activities that have got to be next to each other, and this is where the downtown really is at—the seat of government, the news media, the courts of law, the lawyers, business headquarters. For many decades, most of these functions are going to remain in a central location, in spite of the revolutionary changes that are coming in communications.

Q. How will the cities be able to support these functions if they continue to lose industry and taxpayers?

A. That calls for tax-pooling and equality of public services at the level of the county or multicounty area.

Here in the Chicago area, we're dealing with Cook County, which is 950 square miles, and with six counties and 250 municipalities. I've called for a countywide school district with open attendance throughout, and for a second tier of government consisting of local community councils that would have some voice in decision-making. In effect, the affluent suburban ring of large urban areas should help to subsidize the center cities.

Q. Do you see much prospect of this kind of areawide government in view of the opposition from the suburbs?

A. No, but this is a process by which the cities were allowed to grow until around the turn of the century. If the boundaries of the city of Chicago had been fixed as they were in 1888, when they enclosed only 36 square miles, instead of encompassing 230 square miles as they do today, Chicago would have gone down the drain 20 years ago, because almost all of the city would now be a poverty area. And if the multicounty metropolitan government which is New York City had been allowed to continue to annex counties, it would not be bankrupt today. So it seems to me that what we are really asking for is a resumption of nineteenth-century policies of annexation of contiguous suburbs, which are still in effect in some parts of the country.

Q. How do you expect your own city, Chicago, to change in the years ahead?

A. My projections for the year 2000 indicate the city proper will have a lot fewer people, possibly 2 million compared with slightly over 3 million now, and a peak of 3.7 million about the middle of the 1950s.

Q. Will the Chicago metropolitan area continue to grow?

A. Mostly through the natural excess of births over deaths, less perhaps a million outmigrants in the next 25 years. I foresee about 8 million people in the standard metropolitan statistical area by the year 2000, somewhat below the official forecasts which range between 9 and 10 million.

Q In the city itself, what other changes do you see?

A. The city will be increasingly bifurcated between the rich and the poor. The affluent will have a base in town and a permanent residence in the suburbs. Or if they're without children—the young and the elderly—they will live in a lake-front community in the city.

There will also be some pockets of detached, single-family housing occupied by the white middle class, almost all restricted to the far northwest section of the city—a much smaller area than now.

About 60 per cent of the population will be black, perhaps 20 per cent Latino, and 20 per cent English-speaking white. And most of that last 20 per cent will be people without schoolchildren.

Q. Do you think the city will look very different?

A. Much of the present housing will have been demolished. Some of the vacant land will be turned into small parks, but much of it will be taken over by institutional activities—education, government and the like.

The ghetto's vicious circle

Q. Why do you expect a great deal of housing to be torn down, when there seems to be a need for more good housing in the cities?

A. Whites are leaving the inner city—the areas peripheral to the black ghetto—faster than blacks take their places. The blacks move into the better housing the whites leave, and then the price of housing goes down in the old ghetto, until landlords can no longer cover expenses. Chicago's 1960 ghetto lost a third of its housing in this process.

In the metropolitan areas of this country, we have excessive housing construction. In the Chicago area, 1.7 new housing units have been built for every new family that has been formed since 1960.

Q. Do you see much hope of reclaiming the abandoned housing, as some cities are trying to do?

A. It's terribly expensive. There's no problem about rehabilitation in a community where there's an active demand. But if you're talking about rehabilitation for the kind of people who are concentrated in the cities—people who can't pay more than $100 a month rent for an apartment—the cost is prohibitive.

Q. Will the same broad changes show up in other cities?

A. Chicago and New York are better off than many other large cities, because they are regional capitals. Newark falls in the shadow of New York City and cannot get the national-office functions that New York City can get. Detroit and Cleveland fall under the shadow of Chicago. So I think that most other large urban areas in the Northeast will probably not do as well as Chicago.

WHY SOME PEOPLE LEAVE, AND SOME COME BACK—SIX FAMILIES TELL THEIR STORIES

(NOTE.—America's big cities are becoming more and more dominated by two types of residents:

(Well-to-do couples, usually with grown children, who can afford expensive apartments or houses in choice locations.

(Poor people trapped in the cities by rising costs, which prevent them from fleeing to the suburbs.

(Those who seek to escape consistently cite two principal reasons for wanting to leave—inner-city crime and deteriorating school situations.

(Those who elect to stay, or to return from the countryside, are drawn by the convenience of urban attractions.

(To find out more about this ebb and flow to big-city residents, U.S. News & World Report interviewed six Chicago-area couples about their experiences.)

"We Just Became Prisoners in Our Home": It was a bitter and difficult decision for Steve and Joyce Lemons to move away from the neighborhood where they both were raised on Chicago's North Side. They had hopes of raising their two daughters in the same community where they had roots.

About six years ago, the Lemonses began to have doubts about the quality of life in their old neighborhood. Long-established families, mostly whites, but blacks and Latin Americans as well, began moving away. Friends disappeared.

Many homes were put up for sale. Often they were converted into rental units or apartments. Property deteriorated as welfare recipients and illegal aliens from Mexico flooded into the neighborhood. Crime increased.

"There were as many as 12 or 13 of them living in a small apartment," Steve Lemons recalls. "On Sunday morning, we would have to call the police to come take the drunks from in front of our door so we could go to church. I couldn't even keep my own property looking neat, even though I had put up a fence. I had to pick up beer cans in my yard every morning. Once, I planted a shrub that was stolen from my yard the same night. We gave up trying to raise flowers."

Joyce Lemons remembers this:

"In the last year or so we just became prisoners in our home. We never knew what was going to happen, there was so much crime in the area. Houses were being burned all the time. We always had our doors and windows closed and locked."

Burglaries, vandalism, harassment and shooting became commonplace, and the Lemonses became increasingly dismayed.

Any toys left outside were stolen, their swimming pool was "poked full of holes and my new car was shot up all over with BB guns," says Steve.

"I kept asking myself, 'Why work like a dog every day only to come home and lock yourself up in your home?' I never knew what to expect in the neighborhood, and I was always tense about my family's safety. I was getting an ulcer from living in a constant state of fear."

Worth the costs: In June, 1975, the Lemonses made their long-awaited escape. They bought a home 25 miles outside the city, in a neighboring county. It is situated on several acres of land, which Joyce calls "our own small corner of the world, where no one bothers us."

Steve, who earns $16,000 a year as an auto-parts salesman, says his house payment is three times more than his city rent, "but it's well worth it." Also, he's closer to his work. He adds:

"Never under any circumstance would I move back into the city. I would change jobs and leave the State first. I was raised in a nice, clean neighborhood, but what I left was a ghetto.

"I don't have the answers to Chicago's problems, but I do know that a lot of the people who helped make the city's neighborhoods strong are now leaving."

"We Feel More Like a Family": When Mr. and Mrs. Edward Cox decided to move into a lake-front condominium in Chicago, they wondered if they were making life more difficult for their sons, ages 6 and 10. The boys were used to a large house, a yard, a good public school and friends who all lived close by in South Holland, Ill.

The Coxes' fear proved unfounded, they say. The boys have enjoyed their seven months in Chicago's luxurious downtown area. They swim in an outdoor pool at their building and in a nearby indoor pool in bad weather. They have made friends quickly, play in the huge lake-front park and take art courses sponsored by the park board. The public school they attend is rated as one of Chicago's best.

Mrs. Cox says she actually feels safer in their new home, as compared with South Holland, where she was afraid to go out walking alone after dark.

"Here, streets are well-lighted and there are always policemen visible," she says. "The fact that people are active at all hours in this area makes you feel safe."

Mr. Cox is marketing director of the real-estate company that owns the condominium the family lives in. He hated commuting from South Holland, a 90-minute drive to his city office.

Before moving to Chicago, he was considering building a larger home farther out in the country. But then he began thinking about the yard work and commuting time and decided to see if city life agreed with the children.

Easier living: Grocery shopping is easier now for Mrs. Cox. A store in the apartment building provides immediate needs, although prices are a little high. Costs are more reasonable at a supermarket that's within walking distance.

"We sold our second car," says Mrs. Cox. "I walk everywhere and so do my sons. I think it's healthy. In the suburbs I was always driving them somewhere. There wasn't much time to develop my own interests."

The Coxes find living expenses to be lower in the city. And both parents have more time to spend with their sons.

"We feel more like a family, now," says Mrs. Cox.

"It Costs Us More . . . but It's Safer": When Joshu and Manju Patel and their two young children moved into Chicago's Rogers Park area in 1973 and rented an apartment, they did so with the thought that they would someday buy a home in the city. But they found that wasn't to be.

Rogers Park seemed like a safe neighborhood, and it wasn't far from Chicago's

Loop, where Joshu worked as a consulting engineer. Their daughter's school was highly rated and they were close to shopping and entertainment centers.

But it wasn't long before the Patels, both natives of India, began to have second thoughts.

"There is a lot about Chicago that I like," says Mr. Patel. "It is a good city with lots to do. It has a good mayor and the government is good. But, my family comes first—especially when their safety is involved."

In the winter of 1974, the Patels were still deliberating over where and when they would buy their home. They had hoped to find a quiet neighborhood with room for their children to play without danger—something similar to one they formerly occupied in Springfield, Ill.

"An incident that occurred that winter made up our minds for us," Joshu relates. "Our home was broken into during the daytime when my wife and son were home alone."

The burglar first broke the glass in an apartment door and, when he couldn't reach the lock, broke the door down. Mrs. Patel screamed, and the man fled.

They found a home in Palatine, a suburb about 35 miles outside the city, and bought it.

There's much about Chicago that the Patels miss. They find it more costly to live in the suburbs, especially if you are a homeowner. And for Joshu, the expense of commuting is an extra.

"There's no question that it costs us more and is less convenient, but it is safer," says Mr. Patel. "Now my wife is happier, even though she might have to go to work to help out.

"Now, Manju can actually watch our daughter Jane walk all the way to her school from our house. And the kids have room to play in the yard.

"Our moving from the city just boils down to the family coming first, I guess. The problem of crime was the deciding factor with us for leaving the city."

"I make Less Money Than I Did in Mexico"; Until about a month ago, 22-year-old Raul Orozco was employed as a busboy in a prestigious hotel in Mexico City. He earned the equivalent of $30 a day in salary and tips from free-spending American tourists.

Because he had learned English in school, he could act as a tour guide on week-ends. He brought home $1,000 a month in total pay. His small apartment cost only $40 a month.

Then Raul met and married an American tourist. His wife, Mary, whose Mexican parents had raised her in Chicago, tried life in Mexico for almost a year. Then she convinced Raul he could do better financially in Chicago.

Here, Mr. Orozco has another job as a busboy in a luxury hotel. But he laments the switch to urban America:

"Some days I feel really rotten. In Chicago, I make less money than I did in Mexico. I am treated like I was stupid. I am given only work that nobody else wants."

Keeping cool: Raul has had to settle for a wage of $14 a day "and almost no tips." His hours are long and irregular and, he says, "There's no way I could hold down a second job or go to school." Besides, he feels disdained.

"I have learned, as you say, to cool it when people are putting me down," he observes. I know people think I am dumb and lazy and not fit for good work. But I will prove them wrong."

The belief that he can do better is what keeps Raul here. He and his wife live with her mother in the western part of Chicago, paying a small rent. Mrs. Orozco works as a mail clerk. They save whatever money they don't need for food and transportation. Someday they hope to go back to Mexico, start a small business and raise a family.

Mary Orozco now prefers Mexico because "the people are more friendly. The weather is beautiful. But the poor people have little chance to make money. And there is no Social Security."

She still has an optimistic attitude toward life, which she explains this way:

"There is this firm belief in our minds that if we work hard and have a little luck, eventually we will have a better life and be able to have our own little business and family. That is what keeps us going."

"My Boys Now Have Friends of Both Races": Claudia Slater and her husband Ronald are black. They want their children to grow up in a neighborhood with both blacks and whites. The Slaters have four youngsters at home from two marriages. Before her remarriage in 1973, Mrs. Slater lived in a mixed neighborhood on Chicago's South Side.

She paid $140 a month for an apartment in a federal housing project for herself and her two sons.

The area was "peaceful and friendly," she recalls. Transportation to her job in downtown Chicago was only a 20-minute train ride and not too costly at $25 a month.

Then the neighborhood deteriorated. Blacks moved into most of the housing. Her children were offered drugs and solicited by prostitutes. She watched other children fighting with knives. Gangs sprung up and provoked skirmishes with each other.

Mrs. Slater's 13-year-old son, who had been a good science student, began to lose interest in school as classes became overcrowded. Parents seemed reluctant to discuss ways to improve the community and the schools.

At that time, Claudia moved into the white, blue-collar suburb of Batavia, and found a job in a Government laboratory. She also met and married Ronald, a sales engineer with two children. But her sons resented not having friends of their own race in the vicinity.

Two years ago, the Slaters bought a house in suburban Aurora, where there is a black community. The expenses for their $32,000, four-bedroom home have turned out to be less than living in an apartment and commuting.

"It takes me 10 minutes to drive to work," says Mrs. Slater. "My husband works at home. Things are working out well." She explains:

"My boys now have friends of both races. The older one was really resenting the other suburbs, where he found no one to identify with. Of course, he wants both races as friends."

"The Suburbs Just Weren't for Us"; Dr. David Axelrod and his wife have moved from Chicago to the suburbs and back again. They have decided city life works out best for them, after all.

In 1972, with their son still in high school, the Axelrods lived in a luxury apartment in the heart of the city. "We moved out for all the usual reasons that people flee a big city," says Dr. Axelrod, "the crowding and the pollution and the unfriendliness. But we found out that the suburbs just weren't for us."

They bought a large house on an acre of land in Olympia Fields. However, Mrs. Axelrod didn't like the work of managing a big house. And her husband didn't enjoy puttering in the yard, nor the lengthy commuting to the hospitals in Chicago where he sees the majority of his patients.

"I'd spend an hour driving into Chicago," he remembers. "Sometimes in one night, I'd get called into the city four different times and I'd put in 210 miles and innumerable driving hours. This was right in the middle of the fuel shortage, and my fuel bills were very high."

So when the Axelrods' son left for college, they decided to forsake the suburbs for a condominium in Chicago.

Now, they are close enough to the city's hospitals that Mrs. Axelrod occasionally can help out in her husband's office.

The Axelrods spend their spare time sailing. They have a 37-foot boat on nearby Lake Michigan, where they are active in a local yacht club and participate in sailing races every year.

The doctor and his wife found it difficult to make new friends in the suburbs, where almost everybody was interested in tennis, rather than boating.

The Axelrods also are dedicated to civic activities. Mrs. Axelrod often drove into Chicago three or four nights a week in order to attend meetings of the planned parenthood organization and their yacht club. She found few people in Olympia Fields with common interests.

More to spend: By living in the city with lower gas and car-repair expenses, they estimate they have $500 more a month to spend on their hobby and themselves. The interest rate on their condominium is high, but the upkeep of a big house was even higher.

"We are saving money and still spending more on ourselves," says Dr. Axelrod.

The discomforts of overcrowding and pollution still are present in Chicago. "But the problems of city life don't seem nearly as bad when you consider that there are more opportunities to develop your own interest and live your own life style in Chicago," Dr. Axelrod says.

RECYCLING SLUMS—A SPARK FOR REVIVAL IN DECAYING AREAS

It's a struggle, but blighted neighborhoods in many cities, including some of the most troubled, are being brought back to life.

Move across the country and you find abandoned houses being renovated, vacant factories and warehouses being turned into shops and apartments.

A survey by the Urban Land Institute indicates that this kind of rejuvenation, based largely on private investment, is to be found in some neighborhoods in almost half of the 260 American cities of more than 50,000 population.

That does not mean that decay in the cities is being halted. Far from it. But the process does suggest that cities have a potential for recovery, if they can win back the middle and upper-income people they've been losing.

In St. Paul, Minn., the Historic Hill district, on a bluff a few blocks from downtown, once housed railroad barons, financiers and merchants. The area had become badly rundown. Now the old spacious homes with big lawns are again attracting affluent families in large numbers.

Fading "hippie" culture: San Francisco's Haight-Ashbury section, recently notorious as the haunt of a "hippie" youth culture, is returning to middle-class status through renovation. Cincinnati's Mount Adams area, once in decline, also is being rejuvenated.

In Baltimore, "urban pioneers" are paying bargain prices for run-down eighteenth and early nineteenth-century houses at Fells Point in an old harbor area and fixing them up. Across the water on Federal Hill, larger homes of the same period bring higher prices.

In such smaller cities as Savannah, Ga., Annapolis, Md., and Charleston, S.C., restoration is so extensive that the old areas are becoming major tourist attractions.

But the biggest supply of old housing is in the New York City brownstones. An estimated 50,000 remain in Manhattan, often in disrepair, converted into rooming houses or even vacant. Thousands more are in Brooklyn.

"The brownstone is a house very solidly built for an affluent middle class, with four stories and enough room so you can live in part of it and rent out the remainder," says Everett H. Ortner, president of the

Brownstone Revival Committee of New York. who lives in a brownstone in Brooklyn's Park Slope neighborhood. "They are well-insulated, cheap to live in."

Despite the steady decline of New York City, many brownstones have been fixed up as homes by middle and upper-income families in a movement that now is accelerating.

Typically, the urban pioneers move into an old declining neighborhood, populated mainly by blacks or varied ethnic groups, adjacent to downtown or within easy commuting distance. As the new owners fix up, paint and improve their houses, others join in. Property values rise. Sometimes speculators move in, too, but most often the activity is by owner-occupants.

Swift turnaround: "In the last two years, there has been a definite change in attitude here in Baltimore," says Roger M. Windsor, director of that city's home-ownership development program. "People boast about buying a house in the inner city for rehabilitation. Their friends buy, and then there is a spurt for a few blocks. Neighborhoods have a way of turning around almost overnight."

In Philadelphia, Society Hill's comeback was triggered by urban renewal. Now that success is spurring revival of adjacent areas.

In Washington, D.C., rehabilitation has spread beyond the Capitol Hill area into sections wrecked by the 1968 riots. City assessors say the average Capitol Hill house, which cost $36,600 in 1970, sold for nearly $70,000 last year.

Baltimore and St. Louis are using urban homesteading as part of their strategy to get middle-income families to restore vacant houses. In this plan, the city sells an empty, often vandalized house, for $1 to a buyer who agrees to rehabilitate it and live in it. Renovation costs seldom come to less than $10,000 and often are much higher. A bachelor who bought a $1 house near Federal Hill in Baltimore figures his costs will total about $40,000.

St. Louis is using urban homesteading in two historic areas, Lafayette Park and the Soulard district, where restoration is already under way but where vacant homes create serious problems.

Schools, hotels, too: In some cities, not only houses are being recycled, but also old schools, churches, hotels, breweries, office buildings, warehouses and factories. Many are being converted into apartments, shops and restaurants.

Life has no romance or character for a couple living in an apartment in the suburbs," says Edward N. Kelley, a Chicago-area property-management consultant. "They are tired of slick walls, and they crave nooks, crannies and woodwork in an old building that has character and maybe a freight elevator."

In Boston, waterfront warehouses and factories are being converted into apartments in a downtown urban renewal area. The old granite and brick structures have shops and restaurants on lower levels. Residents keep their boats alongside their apartment houses.

In the waterfront project, mainly vacant structures were used to create a new residential community. In other run-down neighborhoods, conflicts can develop when the higher-income families begin to move in.

That is happening, residents say, in Boston's South End. A decade ago, this area was about 40 per cent black, with the balance of the population consisting of ethnic groups, the elderly and other poor whites.

Lingering tensions: Thanks to reclamation, house prices in the area are now so high that even middle-income families cannot afford to live there any more. There is a sharp cleavage between the new upper-income inhabitants and the remaining poor families.

Similar tensions are reported between the new arrivals and the long-time Italian residents in the North End, near center-city Boston, and also the Irish residents of Charlestown, across the Mystic River.

"What you do about lower-income people is the unanswered question," says Mr. Ortner of New York's Brownstone Revival. "If you took totally vacant areas, nobody would complain. If you let these communities get that bad, usually nobody wants them, not even the poor. But if you intervene at any point before the neighborhood hits bottom, then this problem arises."

Few cities have a good answer to the problem. And what seems to be developing now is an emphasis on preserving viable neighborhoods—long before they hit bottom—and less stress on helping the worst areas.

The key is getting private investment in areas that can be saved, says Secretary of Housing and Urban Development Carla A. Hills, adding:

"We know that these potential new urban dwellers gravitate to historic neighborhoods, neighborhoods around colleges and universities, neighborhoods with unusual architectural styles and neighborhoods near public squares and parks. . . . Restoration thrives in these neighborhoods, and once begun, spreads to contiguous, less remarkable neighborhoods."

Job base important: Perhaps even more important, however, is a strong job base downtown. Says Robert C. Embry, Jr., Baltimore's commissioner of housing and community development, "If our jobs hold up, then people want to live close to downtown. If they work in the suburbs, they are more likely to want to live there."

Several factors are credited with the growing interest in rehabilitation. For one thing, high prices on new houses now make it harder for young families to buy in outlying areas.

At the same time, the potential market for homes is changing. Nearly half of family units today consist of adults with no children under 18, and this proportion is growing. Many young adults reared in suburbia now want to try city living.

Older homes are more acceptable to these families, and often they can find bargains in close-in areas—houses that many think are more soundly built than much of the new construction.

Finally, more mortgage money is becoming available to inner-city areas, partly because lenders are impressed with the successes in rehabilitation and partly because of pressure from local officials and federal agencies.

To encourage renovation, many cities are now providing low-interest loans, helping to arrange private financing and giving other aid. They see this as one way to lure back affluent families.

So far, it is working, says Lewis Bolan, vice president, Real Estate Research Corporation, who lives in a renovated house in Washington's Capitol Hill area. He explains:

"Back-to-the-city must be viewed as a very positive force. It is basically white, middle class—young professionals with no kids, singles, some empty-nesters. The cities probably never will get back the typical couple with two or more children that moved to the suburbs to raise their family. There is a question whether the core city really wants these people. No community, in terms of revenues, makes a profit on a family with many children. They need too many services. Those now returning pay more taxes, demand fewer services and are best in most ways for downtown."

Mr. Bolan says it is not clear how big an impact this movement will have on troubled cities. He adds: "In most places, it is just a drop in the bucket in terms of what needs to be done."

ON THE WAY UP: FOUR CITIES SHOW HOW IT CAN BE DONE

(Note: Not all U.S. cities are in a "decline and fall."

Throughout a recession, some have maintained growth, prosperity and a contented populace. Some have felt hard times—but are making a comeback. Still others are just now coming to realistic grips with metropolitan problems, with the promise that they will be overcome.

(Correspondents of *U.S. News & World Report* surveyed four such cities that, among others, are examples of an "upbeat" attitude toward the future. Many of the direction they are taking may give meaningful clues to cities in trouble.)

Houston: Standing on the Verge of Greatness

As older cities of the industrial Northeast begin to creak with age and fiscal infirmities, Houston, still a lusty adolescent, stands ready to take its place among the great cities of the world.

"Houston is *the* city of the second half of the twentieth century," declares Ada Louise Huxtable, the architecture critic of the *New York Times*.

Writer Kirkpatrick Sale has anointed Houston the capital of the so-called Southern Rim, a sunbelt running from the Carolinas to California where much of the nation's growth is occurring.

The basis of such pronouncements is Houston's phenomenal and unconventional growth in the past decade. The steamy metropolis on the Texas Gulf Coast has literally exploded in every direction.

With a current population of more than 1.3 million and growing at a rate of 1,000 new residents per week, the Houston could leapfrog over Detroit and Philadelphia to become the nation's fourth largest city by 1980.

Some demographers believe Houston, ranked No. 6 in 1973, will become the second largest city in the U.S. by the year 2000 if the current trend continues.

Climate for business: Along with population growth has come economic prosperity. With no corporate or personal income taxes and with property taxes far below the national average for big cities, Houston is considered to have one of the best business climates in the country.

More than 150 companies, some of them fugitives from the problems and high taxes of New York City, have relocated in Houston since 1970. The city is now the home of nine firms listed in *Fortune* magazine's 500 largest corporations. Ten years ago, it had only one.

Dozens of new office towers have been erected in the downtown area and in office parks during the past 10 years to house these corporate newcomers. Houston now has twice as much office space as it had in 1970.

Economic growth added more than 70,000 new jobs in the past two years, with 29,000 opening up last year during the worst of the recession. Many companies still suffer from shortages of skilled workers, and the unemployment rate is 4.6 per cent.

Analyzing some of the reasons for Houston's growth and prosperity, Ben Love, chairman of the Texas Commerce Bank, says: "We still believe in the free-enterprise system. We think healthy, growing businesses are the source of jobs, not government. We try to keep our budgets balanced and taxes low to give business the incentive to expand. We don't necessarily believe profit is a dirty word."

Some think Houston is an excellent laboratory to test the validity of conservative economic theory. With low taxes and one of the lowest living costs of any major city, Houstonians probably have more real disposable income to spend.

This is cited as one reason that retail sales remained so healthy during the recession.

Business expansion is aided by the absence of zoning laws, which some urban experts contend has kept land prices from escalating as rapidly as elsewhere.

Whether this probusiness philosophy is

the answer to all urban ills is debatable, but in Houston it seems to work.

The ever-expanding tax base has put the city, county and local school districts in excellent financial condition. All possess top bond ratings. For example, because of increased property values, ad valorem tax collections jumped 14.9 million dollars in 1975 without a rate hike.

No worry of "white flight": Freely allowed annexation has permitted the city to retain a solid base of white, middle-income families despite the spread of suburbs and the increasing number of poor minorities ringing the downtown area.

"We don't worry about so-called white flight to the suburbs, because we know we'll eventually annex them into the city," declares Mayor Fred Hofheinz. Houston already encompasses 503 square miles.

As population and economic growth continue, so do the amenities which make urban areas so attractive. Houston now has professional football, basketball, baseball and hockey teams, all playing in modern stadiums and arenas.

The Houston Grand Opera has received national recognition for its performances and innovative work. It has premiered several operas.

Houstonians have become so accustomed to rapid change that few recognized the symbolic significance of events which unfurled on a downtown street in early March.

As thousands of horses ridden by whooping cowboys paraded to open the annual rodeo and livestock show, they passed a gleaming, modern symphony hall where rehearsals were under way for Carlisle Floyd's "Bilby's Doll," a special work commissioned by the opera company with a federal grant.

Nearby, working in the shadows of a recently completed skyscraper, a Hollywood crew was filming a new movie.

Its title: "Future World."

Charlotte: Building, Growing and Booming

Charlotte prospers, many believe, because of a liberal annexation law that keeps it from getting hemmed in, and because of its strength as a financial and distribution center for a booming North Carolina manufacturing region.

But, further: It managed to resolve the busing-for-integration issue before the city was torn apart.

Unlike other cities being strangled by rigid geographical limits, State law allows Charlotte to annex contiguous urbanized areas without a vote by those inside or outside. Since 1960, the city has added 42 square miles this way.

"We don't have that white noose around the neck of the central city that's happened in a lot of Northern cities and large urban areas," notes black City Councilman Harvey B. Gantt. "People who move in to take advantage of the city also have to pay their fair share of the costs."

City Finance Director John B. Fennell agrees that the law has contributed to Charlotte's sound financial position.

He says Charlotte has seen its property-tax base rise from 3.6 billion dollars in 1975 to 4.4 billion in 1976. Instead of increasing tax rates, Charlotte has lowered them, from a rate of $1.02 per $100 to 88 cents today.

Keeping downtown "viable," Charlotte has a diversified economy and serves as a financial and distribution center for the heavily textile Carolinas and to some extent the Southeast. Trucking here is second only to Chicago's.

Growth has been rapid and forecasts are it will continue.

The population rose to 284,738, up 3.7 per cent, from 1970 to 1973. By 1995, a planning study predicts, the county's population of 397,850 will almost double.

Unlike many large cities, the downtown area remains viable. Not only does a quarter of the county's population work here, but ties to downtown have tightened.

Since 1970, about 185 million dollars has been invested in the central city, including two office-banking towers in 1974. Construction still goes on as work is done on a 5.7-million-dollar county Hall of Justice and a 15-story, 15.5-million-dollar hotel.

Increasingly seen as a boon to the city is Charlotte's desegregation program, one of the toughest in the nation and employing massive court-ordered busing.

Working with school officials last year, the Citizens Advisory Group—interested parents, school and civic representatives—helped devise a plan widely viewed as being more fair and stable than previous attempts.

J. Dennis Lord, a professor at the University of North Carolina at Charlotte says: "White flight has not been a disaster."

Growing, renovating: Charlotte's growth and prosperity have not been without growing pains, a grappling to preserve quality of life.

"When I moved here 10 years ago, it seemed to me Charlotte desired more than anything else to be a junior Atlanta.' What seemed to be the panacea for life and vibrance in the inner city was a strong convention trade," says Dennis Rash, dean of students at UNC in Charlotte, and chairman of Friends of the Fourth Ward, a preservation group. He senses a change.

For example, local banks have worked to develop a unique financing plan to begin renovation of the fourth ward—a 28-square-block area a few minutes from downtown which in the 1920s and '30s was the "in" place to live. The area is now 50 per cent vacant and deteriorating with only 600 residents, but Mr. Rash predicts 8,500 in 10 years, many of them in new townhouses.

Many people view Charlotte as a big small town that's turning into a truly urban, big city.

James L. Cox, director for urban studies and community services at UNC in Charlotte, says of the city:

"I think Charlotte has potential, a chance to avoid many of the problems faced by other cities. It's really a question of whether it can deliver on that potential."

Kansas City: Shedding Its "Cow Town" Image

Kansas City, Mo., is often touted as one of the bright stars among American cities—and for many reasons.

The once-famous "cow town" is still closely tied to agriculture, a fact which has been an economic blessing over the years. While the city has a good diversification in its economy, a large share of its commercial activity services the huge surrounding farming industry.

The bulk of wheat sold to Russia under grain deals, for example, has been marketed through Kansas City. The city's stockyards still do a brisk business, but Kansas City has outgrown the cow-town image. Its growth as an industrial and financial center has dwarfed the cattle industry.

But there's much more to Kansas City's advancement than that. In many ways, it is light-years ahead of larger, older cities in warding off urban malaise.

During the early 1950s, the Kansas City government began a period of progressive reform that has continued with few interruptions to the present.

While pulling itself back up by its bootstraps, Kansas City took steps that have proved farsighted. Among these was a judicious diversification of the city's revenue sources and an ambitious program of annexing available land to the city.

Under a tax-reform program in the 1950s, Kansas City began reducing its reliance on the property tax by creating new taxes. Today, the city relies on property taxes for only 11 per cent of its total revenue. Compare this with that of other cities: New York, 21 per cent; Minneapolis, 28 per cent; San Francisco, 23 per cent; Dallas, 34 per cent.

Consider also the following per capita property-tax costs: Kansas City, $43.99; Boston, $503.16, and San Francisco, $234.26. It is not difficult to imagine what this means when individuals and corporations are making decisions as to where to locate.

Better way of life: Besides economic assets. Kansas City also boasts a better quality of life. It is a clean town, crossed with freeways, and remarkably easy to travel around in without becoming snarled in traffic.

There are 150 parks in easy reach of the 500,000 residents of the city and 800,000 others who live in the metropolitan area. The entertainment and cultural agenda will equal any city twice its size.

Kansas City was built with an eye for esthetics. The city claims it is second only to Rome in the number of fountains that garnish its parks and boulevards.

Another area hard to measure but equally important to municipal well-being: Kansas City has long benefited from a sense of civic responsibility and confidence in municipal government on the part of local businessmen.

A salesman recently visited Kansas City and was staying at the city's new 350-million dollar Crown Center. He commented: "Kansas City is just nothing like you would expect. The downtown is a thriving place. It has new convention centers, new basketball and ice arenas, a new twin football and baseball stadium. What really surprises you is all this is going on in Kansas City."

"All this" is part of a 5.3-billion-dollar city renaissance that also includes a new international airport, a foreign-trade zone, 148-acre amusement park, a new medical school and hospital, community colleges, grade schools, and the restoration of an "old town" along the Missouri River waterfront. Local businesses will pay for 75 per cent.

Reluctance to borrow. Among Kansas City's conservative fiscal policies has been a tenacious resistance to over-indebtedness. General obligation bonds now total 97 million dollars which is 189 million short of its legal limit. The result of such solvency has been an AA rating for most Kansas City bonds. Investors are being attracted away from other cities. The rate of interest Kansas City has had to pay on bonds is declining. On a recent issue it was only 4.97 per cent.

Aggressive annexation carried out in the 1950s and the '60s has also paid off. Says A. G. Hays, assistant director of finance: "Even back then the city council saw that many other cities were getting sealed off by suburbs and they took steps to prevent Kansas City from becoming a victim of the same problem."

Though Kansas City has a population of just under 500,000, it is the country's eighth largest in land size. From 62 square miles in 1950, it went to 130 square miles in 1960 and to 316 today. For decades, the city will be able to absorb residential and commercial expansion within its boundaries and, thus, avoid loss of assessed valuation.

Summing up the success of Kansas City, Charles N. Kimball, president of the Midwest Research Institute, says: "We are blessed in Kansas City with a do-it-yourself-minded establishment that can produce a multibillion-dollar building boom and still not lose sensitivity to the need to solve human problems. We have learned from mistakes of older cities. Growth here is being managed; it won't be allowed to destroy the way of life."

Mr. Kimball admits that Kansas City is considered an unlikely place for such success because its area encompasses two cities, two States, seven metropolitan counties and 30 other governmental bodies.

"We should be engulfed in red tape, but we aren't," Mr. Kimball asserts. "Kansas City is like a bumblebee: It shouldn't fly, but it does."

Boston: Looking to a Better Future

Boston generally is suffering from all the ailments and crippling restrictions that have brought other older and larger cities to their knees. And yet—

Boston is viewed by many as a bright spot emerging on the Northeastern horizon.

One reason is its continued power as a major center of finance. Another is simply physical renewal. Ten years ago, the city had a downtrodden air. Today it is pleasantly attractive, with a new government center, the new Prudential complex, Bicentennial programs under way and development along the waterfront to attract city dwellers.

Despite a myriad of Statewide problems, the 46-square-mile center city is buoyed by the combined concern of businessmen and local officials. Says Gerald W. Blakeley, Jr., president of Cabot, Cabot & Forbes Company, a major Boston construction firm with offices nationally:

"I genuinely feel that, because of the crisis in New York, Boston is going to see the things that the politicians just refused to see in the past. And, with the realization that what has happened in New York could happen here, they are going to work realistically to avoid it."

Among Boston's still unsolved problems:

According to Robert Wood, president of the University of Massachusetts, one is "the absence of any genuine regional government that includes both the central city and suburbs, and in which the suburbs have to share the cost."

According to James Young, Boston's Treasurer: "We're limited in revenue structure to the real-estate tax. And the real-estate tax base is not growing as fast as city expenses."

According to grim statistics: Although Boston center city holds 16 per cent of the metropolitan-area population, half the people who work in the city live outside it. Housing construction has been troubled by high interest rates, rising costs and the difficulty of selling bonds.

What's being done: In response to an estimated 25-million-dollar deficit for the year ending June, 1976, plans are under way to lay off 600 city workers, reduce appropriations by 13 million and effect other economies. As a result, the deficit is expected to be cut to 6 million, or 1 per cent of the operating budget.

One who is optimistic about the city's future is Alexander Ganz, Boston's chief economist. He says that a benefiting trend is the growth in service industries, in which Boston has a broad base. He explains:

"During the period 1963 to 1975, Boston had 80,000 new jobs in service activities. This growth more than compensated for the 40,000 jobs lost in manufacturing and trade." Major developments under way, costing 2.5 billion dollars, "signify the creation of 25,000 new permanent jobs, partly in office building, higher education, medical institutions, a public-transit-investment program and retail revival."

In addition to a turnaround in unemployment, the city's population, which declined 3.6 per cent from 1970 to 1973, now shows a 2½ per cent increase from 1971 to 1975.

But there's the busing-for-integration issue, and it's causing deep concern. Officials note the departure of many white families to the suburbs, and estimates of a 20 per cent reduction in school enrollment.

Says one Back Bay resident: "The busing bit has really made for a much more unpleasant mood than existed two or three years ago. Most people who favor integration have decided busing doesn't work."

On balance, however, most Bostonians seem to have an optimistic feeling about their city's future and enjoy its many assets. One is Robert Manning, editor-in-chief of the Atlantic Monthly and a city dweller. He says:

"I like the combination of a very physically attractive city and a very, very intelligent community with interesting and exasperating politics, which amuses me.

"And the people are felicitous. Boston is the only place where I've found that kind of mix."

TROUBLE AT THE HACIENDA

Mr. BROCK. Mr. President, it is incumbent upon us to look to our neighbors for support, needs, and in most cases, friendship. We must take to heart their problems and their needs. Mr. Otis Carney recently wrote in the Wall Street Journal an article which I commend to you. Therefore, I ask unanimous consent that Mr. Carney's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TROUBLE AT THE HACIENDA

(By Otis Carney)

CULIACAN, MEXICO.—At night, without warning, grime-faced invaders swoop down on some irrigated field in the state of Sinaloa, spear it with Mexican flags, throw up tents and shacks, and dare the owners or authorities to put them off.

The invaders calling themselves the UGOCM (Union General de Obreros y Campesinos), are led by articulate youths from universities who tell them—as the revolution has been telling them since 1917—that because they are Mexican, they're entitled to a piece of land. Any land: big or small private farms, city lots, ejido communal property of other agrarians, federal land.

During the past few months, in over 50 separate invasions, the invaders have seized 25,000 acres of Sinaloa and Sonora in northern Mexico; and brought Mexico's richest agricultural state to a knuckle-white showdown.

Obviously concerned, President Luis Echeverria flew to Sinaloa in early March, saying: "I come with the law in my hands." He ordered his Minister of Agriculture to remain in the state until the problem is solved.

Bwena suerte—good luck, say embattled tomato farmers like Bernardo Mora. As we flew in his Cessna over the amazing productivity that's been beaten out of this desert, Mora added: "What's being decided here is whether we have private property anymore in Mexico."

Invaders have already moved into the cities—Mazatlan, Acapulco, Monterrey—getting an unexpected assist in December when the Mexican congress rammed through two land-use control laws by which the government can confiscate property for "social needs." In February, President Echeverria announced a 15-year economic plan, reported by the AP as: "Mexico stakes its future on a continued swing to the left."

Fearful of losing the whole enchilada, worried Mexican citizens have begun squirreling money into the U.S. Bankers from El Paso to San Diego tell of hasty deposits made from shopping bags and shoe boxes, stuffed with big bills.

"These politicians of ours are radishes!" scoffs a Mexican-Greek tomato farmer. "Red on the outside, white inside. If going left means they can grab more money and power, left they go."

"Sure," answers Guillermo Millan, publisher of Culiacan's "El Diario," "some politicians have made fortunes, but so have these big farmers. If they're not willing to work for Mexico, let them take their money and get out."

Under land laws from the Revolution, no individual can farm more than 250 acres. But, to make efficient economic units, farmers and ranchers have long been putting additional 250 acre parcels in the names of their many relatives. Inevitably, Millan feels, the government will end these family enterprises; agribusiness will then become a cooperative of stock companies and ejido communal farms. Will there be violence in the breakup? Millan shakes his head. "It's too late for that."

The same afternoon, a minor government official demands from Mora an $8,000 bribe (*"motivacion"* the polite new term) or he'll recommend that a parcel of Mora's land be confiscated into an ejido.

Forty-four years earlier lands and a house belonging to the Mora family for over a century were similarly taken. The Moras then moved to a dry plain, leveled ramas (brush), drilled wells, built concrete ditching to join the remarkable skein of hydroelectric power that federal agencies had carved out of the Sierra Madre. As workers flocked in, Mora built a town, school, church, providing free water and electricity which the government then seized, without compensation. Indeed, it now charges Mora's workers $18 per month, usually to run several light bulbs and, if they're lucky, a TV set.

But Mora's town—call it Estacion Canal—began to lay golden eggs: tomatoes, peas, melons grown for a booming U.S. market. Now, he operates 70 large tractors, 12 Caterpillars, employs 3,000 pickers for six months in the fields, 5,000 during melon season, and hundreds more in the clanking conveyor belts of the packing sheds, refrigerated rooms, even a box factory.

Multiply Mora's operation by dozens of bigger ones, you get a Sinaloa-Sonora agribusiness estimated at 2.8 million acres planted yearly, almost half Mexico's total. Sinaloa's vegetables are Mexico's number one agricultural export: $176 million last year, 83% of which is produced by private farms, though they hold only 28% of Sinaloa's cropland.

"It's crazy," Mora says, "the politicians telling us we can be in business with outsiders, but not our families. How else can we raise the needed capital: $10,000 to get one acre of tomatoes to the States? Sure, there's profit some years; others, frost, wind, market break, we're wiped out. If the government takes these farms, are they going to risk that kind of money? Where will they get it? Right now they can't finance half the ejidos they've already given to the people."

And, in most cases, ejido farming is so inefficient that Mora often ends up trading them good lands he's developed, for those that they've made worthless.

Mora's efforts have built him a dazzling white hacienda, tennis court, pool, peacocks on the lawn. And he lives behind a high brick wall, locked gates, guards. Says Dolores ("Lolis") Mora, his wife: "We used to feel we were so loved here, needed. Not anymore."

In the early 1970s, guerrillas, many trained in Russia or North Korea, struck Mexico's heartland. Big farmers of Sinaloa were hauled out of their pickups or seized at payroll time (Mexican law demands that farm workers be paid in cash), held for ransoms of $80,000 to $400,000. Too often, even with payment, the victims came home feet first.

Farmers like Mora could only inspect their lands by air, and with guns. When the Mora children rode horseback, they had to stay within the hacienda wall, machine gun-carrying guards trotting after them. The children were finally sent to the States. The kidnappings dwindled away in mysterious silence; then, the invaders came.

Last December the farmers retaliated, hauling 7,000 tractors out of the fields and parking them along the highways. All growing would end unless private landowners were guaranteed legal title and protection. When Sinaloa Governor Alfonso G. Calderon announced that he wouldn't use public force to remove the invaders, a showdown seemed imminent. Then an angered President Echeverria formed a hasty committee of growers, agrarians, invaders, and uneasy production resumed.

But no real peace. Government reprisal down here can turn out the lights of your farm, or on you, which is why Bernardo and Lolis Mora asked me not to use their real names. "Use *my* name, damn it!" said an agricultural supplier, with no land to lose. "That's the trouble with Mexico. We're all too afraid." It took his American wife to talk him out of it, remembering a friend who was stomped by mysterious assailants.

So the social life has ended on the farms, no one daring to drive dark roads. Hacienda Mora is a bank vault of locks. When my wife and I went to bed in a spacious second floor suite, the Moras made us double bolt our door. *Buenas noches.*

"You Americans aren't stupid," cried a Sinaloa agronomist. "You're going to have a Cuba here with a 2,200 mile common border. Wake up!"

One thing is sure: the time bomb ticks in the Estacion Canales, where the workers' adobes huddle against the hacienda wall. They earn $5.60 a day. Echeverria won the raise for them recently. But up in California, wetbacks tell of being paid $30–$40 a day for the same job. And there, too, is the good life and the folks on TV. So how you gonna keep 'em picking the peas, after they've seen "Mary Hartman, Mary Hartman"?

That's the revolution now, media exploding over basically uneducated people; they sell chairs to their TVs for 50 cents, go to the fields with transistors in their pockets, tinning a constant symphony of protest from communications that are mostly government controlled. Sixty-two million Mexicans now, doubling within 20 years: inflation 20%, unemployment near 50%. No wonder the natives are restless, demanding land and a decent life style at last.

But the good land is practically all gone, and to return to the individual hillside of beans is the wrong direction anyway. Courageous, far-sighted Mexicans know they must industrialize, and do it fast. Because out there, Big Brother is clunking around: organizers whipping up the city barrios; bookstores loaded with Lenin, Che and obscure Soviet economists; yawningly dull documentaries on world communism. And a weekly favorite out in the tanktowns: a TV serial on Zapata, burning haciendas and taking the land.

The day we left sunny Culiacan, the week's second machine gun massacre took place, while up in the hills they arrested some types in military uniforms who had apparently performed countless rapes, murders and, naturally, drug sales. Culiacan residents used to call their fair city "Little Chicago" until the comparison got ridiculous. It's Thompson town now, center of the billion dollar drug industry, heroin labs, fleets of shiny American cars standing in front of adobes that couldn't support a burro. Stir in tomatoes, invaders, and you've got some strange ducks flying around. Sad ones, if you love Mexico as I do.

TRIBUTE TO THOMAS JEFFERSON

Mr. HARRY F. BYRD, JR. Mr. President, Henry J. Taylor, the able newspaper columnist, penned an excellent tribute to Thomas Jefferson on the 233d anniversary of his birth April 13.

I ask unanimous consent that Mr. Taylor's tribute be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON THE ANNIVERSARY OF HIS BIRTH, A TRIBUTE TO JEFFERSON

(By Henry J. Taylor)

CHARLOTTESVILLE, VA.—For 26 years I have been a trustee of the Thomas Jefferson Memorial Foundation, a nonprofit organization that restored Monticello and maintains it as a national shrine. On Jefferson's birthday (April 13, 1743) each year, the trustees dine at Monticello and that is why I am here.

Each year's invitation, in Jefferson's own script surrounded by the circle he used, reads: "Th. Jefferson presents his compliments and requests the favor of your company to dinner at Monticello on April 13 at seven in the evening."

The dinnerware is Jefferson's, the flowers are his choice and we serve the same menu he selected (venison featured) when he invited the Marquis de Lafayette there for dinner. Since Jefferson was an excellent violinist, chamber music usually follows, including scores Jefferson wrote. His own music stand is part of the Foundation's Monticello restoration.

Jefferson, 6 feet 2 inches tall, straight as the spire of the Washington Monument, large-boned, slim, slightly redheaded, was a delightful and congenial companion; always hopeful, a good talker, a good listener, treasured as a friend. His wine celler was one of the best in the Western world.

Jefferson's library became the nucleus of the Library of Congress. His book on gardens remains in print—a classic. Monticello abounds with his amazing inventions. Jefferson was a superb rider, and his favorite horse, Caracatacus, stood at the top of all racing horses in Virginia.

He was a prince of all trades and master of all, and what keeps coming through to you at Monticello is the man himself.

Jefferson had the Leonardo seed—a Renaissance man, really.

Albemarle County was in the Virginia wilderness, and it took Jefferson 25 years to build this world-famous architectural masterpiece a mile or so from his birthplace at Shadwell. He was Monticello's designer, draftsman, architect, engineer and landscape genius as well. The timber was cut and the stone hewn from his mountaintop itself, the beautiful bricks were made in his kilns, the nails in his nailery.

Jefferson obtained his first architectural book when a student at William & Mary College—bought from an old cabinet-maker near the college gate. This first book seems to have developed his passion for architecture and building. But how anyone innocent of apprenticeship or training could achieve such a classic is beyond understanding.

Jefferson started leveling his mountaintop in 1768 and began building in 1769. On Feb. 14, 1772, he brought his bride—charming Martha Wayles Skelton, a childless widow of 23—to his unfinished home. He was then only 29. He was, of course, only 33 when he wrote the Declaration of Independence on the remarkably inventive candlelit desk of his own design which you can see today at Monticello.

Martha was Jefferson's Galatea—their married life was extremely happy. But only two daughters of their six children survived infancy, and Martha herself died within 10 years. Jefferson never remarried.

Monticello was at that time nearly finished, except for the second-story portico. Jefferson was too disconsolate to proceed, nor did he until returning from the presidency.

Voltaire said, "The man who thinks makes others think." Jefferson was first and predominantly an intellectual, and it is utterly natural that his last act was to create the University of Virginia.

Widely called the most beautiful assembly of academic buildings in the world, the university remains to this day the lengthened shadow of Jefferson—its architect, builder and first rector.

In Italian, "Monticello" means "Little Mountain" and, incidentally, Jefferson always used the Italian pronunciation—like the musical instrument. He occupied it 53 years. As President, Jefferson reduced the national debt. But as a generous host at Monticello, a father, a father-in-law and a grandfather, his hospitality was so boundless that he died $100,000 in debt.

Jefferson had said: "All my dreams end where I hope my days will end, at Monticello." They did. He died there, age 83, on July 4, 1826—precisely the 50th anniversary of the Declaration of Independence.

PEACEFUL VALLEY

Mr. BAKER. Mr. President, a short article written by Larry Van Goetham appeared this morning in the New York Times. For reasons that will appear obvious, I invite the attention of my colleagues to it and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REFLECTIONS ON A PEACEFUL VALLEY

(By Larry Van Goetham)

MILWAUKEE.—There is a haunted house near us, but it is peopled with memories not ghosts. Memories are forbidding enough.

The gray, old farmhouse lurks behind four tall white pine trees whose spreading branches conceal a low stone wall that stands stolidly against the north horizon.

The house seems to sink into the low hill. The meadow about it drops sharply in the rear to a kettle hole through which an old wagon road winds.

The lane is gullied deeply by rain. The house is no less wrinkled. Nobody goes there anymore. We pass such abandoned homesteads these days in a hurry to get somewhere. Take time now and come with me.

The people who lived here had faith, the faith of their fathers, in the land, in origins and the redemption beyond the grave. Sometimes that was all they had.

They lived harsh lives on the outback of the nation, and they labored seven days a week, with time off for Sunday worship, to survive in a land whose largesse they sought to give them sustenance beyond the grave.

They are remembered for what little they left. They left their homes to weather slowly in the long years that saw carefully planted apple trees and lilac bushes spread gnarled, black branches that sprout new life.

They left the remains of out-buildings now invaded by animals, buildings whose doors shudder in the south wind, whose jagged windows reflect a broken sky, that nobody here looks at anymore.

They left an outdoor toilet where a bird nests. They left their marks upon the houses, initials carved crudely on doors, cheap cotton curtains splashing tattered color a rusted pump spouting water on command. They left their marks away from the house.

Across the hill, in a fallow place overgrown by aspen trees and bramble bushes and grazed occasionally by deer lies a record of their lives, the family cemetery. There are eleven stones, six of them very small, one a flat river stone rudely inscribed: SON.

The stones are imbedded in the hill like the underlying bedrock. They sink or sag as if drawn to the remains below. They bespeak an inexpressible weariness, the boneless fatigue of persons who went confidently, if not willingly, to their Maker.

The legends record lives for which each stone seems a tiny punctuation mark—shall we call it a period or a comma?—amid the centuries.

The stores are silent. Only the trees have a voice. Aspen and pine whisper in the breeze. The grass slthers. But if you listen hard you may hear a silent granite murmur. Here is a stone rising like a spire of the nearby country church:

BELOVED WIFE
GEB
APRIL 3, 1867
GAST
JAN. 15, 1919

She died, as they say, in the dead of winter. Several of her sons preceded her. Why do I pause, and look about? Why does the old house seem to be peering at me here? I see only windows. The woodland is silent.

Unless they leave a living legend—a great deed, battle, book, song or poem—most men and women leave their firmest farewells in the graveyards.

But no good can last forever. Some of the stones' inscriptions are worn and beyond reading.

Now the graying sky sinks down upon the hills. The ridge line of the Wolf River looms under the falling sun. Across the valley a dog barks, cowbells tinkle, a Soo Line freight train rumbles south toward the river, a hawk floats on an updraft.

The day wind falls as twilight descends. The air turns suddenly cold and the peace of the day is gone. The house looms dark and sinister, but it has no presence we don't award it. We are our own haunting.

We have a tendency, all of us, to view the lives we are living as something apart from the earth, something somehow separate from nature.

We establish ourselves in judgment and fear on a planet upon which we are the only aliens, and we cannot escape the awful reality that every step we take is made toward the grave, beyond the stones.

There comes no time when we can escape this end except when we sleep, and then we may dream. We breathe the air once exhaled by a Caesar, dust once part of another man in another time, another place.

Away in a field a robin is singing his heart out, singing a song of this place, this house where men and women and children were born, baptized, married and buried, this place where people once laughed, loved, wept and dreamed, this cold house once so warm.

This restless eternity.

GRAIN RESERVES AND FOOD PRICES

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an article by Lewis Beman entitled "A New Case for That Old Ever-Normal Granary," in the April 1976 issue of Fortune magazine.

In this very informative article, the author covers the story of what has happened since 1972 with the Soviet purchases and the depletion of our reserve grain stocks. He details what has happened since then in terms of reduced crops because of bad weather and food shortages throughout the world.

The author also goes into some detail in explaining the impact of a reduced grain crop on the United States as compared to a country like India where most grain is consumed directly by people. Americans consume just 20 percent of their grain in the form of bread and cereals with the bulk going to feed animals. In India, the author explains that "a 20 percent drop in grain consumption could be accomplished only by something approaching mass starvation."

He also points out that there have been major increases in production costs in recent years which means that farmers are less likely to invest that extra amount of fertilizer to secure the maximum level of production. The article also indicates the great investment required to open up new land for production or to sustain normal operations—for example, $500,000 in capital is required for a normal Great Plains wheat farm operation.

The issue of sales to the Soviet Union and exports in general is the major uncertainty in our grain markets. The author feels that the recent agreement with the Soviet Union is better than ad hoc purchases, "but it remains to be seen how effective such arrangements will be under actual circumstances of short supply."

The author comes down to the very important conclusion that grain stocks will be required in order to prevent additional bursts in consumer prices. He clearly recognizes that who should carry the stocks and how much we need are essentially political questions. However, he is certain that such excess capacity is a necessary investment in disaster insurance that this country can ill afford to do without.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW CASE FOR THAT OLD EVER-NORMAL GRANARY

(By Lewis Beman)

For all the attention given OPEC's quadrupling of the price of oil, the near trebling of U.S. grain prices was a more immediate cause of the tremendous surge of inflation that nearly overwhelmed the American economy in 1973 and 1974. Transmitted quickly through the complex supply chain that links together what is still the nation's largest industry, the runaway cost of grain pushed the price of bread, meat, and other essentials to heights undreamed of by even the most pessimistic housewives. And, being directly responsible for more than one-third of the total increase in the consumer price index, higher retail food costs played an even larger role in the public's growing sense that things were getting out of control.

In a country where farm surpluses have long been considered a major national problem, the sudden appearance of agricultural shortages was something of a cultural shock. In conjunction with the nearly simultaneous discovery of unsuspected capacity limits in basic industries such as steel and chemicals, the experience has resulted in a considerably greater appreciation of the economics of supply—an important corrective in an age when economists have focused too exclusively on government management of aggregate demand.

It is hard to be very optimistic about the chances of riding out the rest of the decade without another food-price explosion. Agricultural accidents, such as the drought that hit this year's winter wheat crop, seem to be particularly characteristic of the Seventies, and we now have less than half the grain reserves that we had four years ago as insurance against disaster. After decades of trying to prevent American farmers from producing too much, in short, we are still woefully unprepared for a new era in which they do not seem able to produce quite enough.

SPILLING OUT OF THE TENTS

The new era arrived with a dramatic swiftness that no one could have anticipated. Until 1972, the most obvious thing about U.S. agriculture was what a book published in that year called "the overproduction trap." As they had for generations, American farmers regularly refuted Thomas Malthus by increasing the yields of wheat and feed grains at a rate more than twice that of population growth. Even with steady increases in per capita food consumption and growing export markets, only rigid controls on acreage seemed to stand in the way of ever larger surpluses.

To most people concerned with agricultural policy, the experience of the late 1950's had been instructive. Although Ezra Taft Benson had come up with a "soil bank" program that kept an average of 24 million acres out of production, a generous price-support program encouraged farmers to pile on more fertilizer and forced the federal government to act as buyer of last resort for a good part of the resulting crop.

By 1961, the federal government was the not-very-proud owner of some 100 million tons of grain, equal to more than 60 percent of annual consumption. Representing an investment of about $5 billion and costing some $40 million a year in storage charges, the grain hoard was quite literally too big for the government to contain: it was spilling out of the tents that were being used as temporary granaries.

Over the next decade, reduction of grain reserves became an urgent task of government. A whole series of allotment schemes was adopted that diverted an average of 40 million acres a year into "set-aside" programs. This held production at just about the level demanded by the market. Some 150 million tons of grain were either given away or sold on concessionary terms abroad through Public Law 480, a program that combined self-interest and humanitarian impulses. By the early 1970's government stocks were down to about 50 million tons, the equivalent of 25 percent of yearly consumption.

On the whole, however, government officials were not particularly happy with the liquidation effort, which cost $11.5 billion over the course of the decade. Stocks were still about twice as great as the grain trade required for working balances, and farmers quite routinely disappointed the planners by producing another record yield per acre every time acreage allotments were cut back. It sometimes seemed as if natural disasters were the only crop controls that worked. Agriculture Secretary Earl Butz was thus acting well within the tradition of his office when, as a worldwide pattern of freakish weather developed in 1972, he saw it mainly as a golden opportunity to dishoard grain. So as not to spoil the chances, the Agriculture Department announced a further tightening of acreage controls on July 17, 1972. That was just ten days after the soon-to-be-infamous Russian wheat deal.

A RECORD RUN OF BAD LUCK

In the past, the United States had generally benefited from the misfortunes of others. After widespread crop failures in Asia in 1965, for example, American grain exports had risen by more than 25 percent in one year to a 50-million-ton record that was to stand for six years. In 1972, however, the U.S. was to discover that its position as the world's residual food supplier sometimes imposed economic shocks that it no longer had the capacity to absorb—at least not without a serious impact on domestic prices and food consumption.

As expected by the weather-watchers, 1972 brought large crop losses in India and China. This, together with a drought in the Soviet Union and mediocre crops in Canada, Argentina, and Australia, reduced total world grain production by 2.6 percent—the largest shortfall in a decade. Also as expected, customers came flocking to the United States in record numbers, including, of course, those highly skilled negotiators from the Soviet Union.

The size of the export surge was not expected nor in retrospect was it particularly welcome. Grain shipments abroad increased by 70 percent to a record rate of 72 million tons between mid-1972 and mid-1973. Stocks *were* reduced to a twenty-year low of 42 million tons. But, on the other hand, grain prices went up 75 percent—the first real farm boom since the end of World War II.

There is still considerable controversy among economists as to why grain prices rose so far so fast. Although the 27-million-ton gap between current output and demand was high by historic standards, it was only about nine million tons more than the shortfall in the corn-blight year of 1970 when prices behaved much more gracefully. One new element was devaluation, which raised the dollar cost of grain by more than its foreign-currency cost. Less measurable was the impact of the Russian grain deal. Not only do markets normally react to such concentrated buying with a more than proportional price rise, but such transactions also tend to create a sense of excitement in the futures market, drawing in more speculators. Another element, overlooked in the enthusiasm for grain-reserve liquidation, was that the drawdown of stocks to near pipeline requirements encourages the private holding of grain for speculative purposes. This was a new source of demand that was bound to put just that much more pressure on price.

"FENCE ROW TO FENCE ROW"

The rapid increase in price eventually persuaded the Agriculture Department to change its mind about that tightening of acreage controls. Rather than increasing set-aside requirements on grain land, Butz cut them to a sixteen-year low of about 17 million acres. The crop was a near record, up about nine million tons over 1972. But since exports were still running strong, demand exceeded production by about 15 million tons. Washington could then announce that it was getting out of the storage business. Less than 30 million tons of surplus grain remained, and private companies were perfectly willing to hold them as normal business inventories. Celebration of this new era of free-market agriculture was marred, of course, by a continuation of the price surge.

As part of its free-market policy, the Agriculture Department also lifted nearly all acreage controls. Secretary Butz accompanied this action with the request that farmers plant "fence row to fence row." But 1974 was this country's turn for inconvenient weather. After a serious drought in the corn belt, domestic grain output fell by 34 million tons to the lowest level since the corn blight of 1970. By this time, of course, there were no reserve stocks, and reduced output required a similar reduction in sales. Grain exports fell but only by eight million tons, to a level that was still about 50 percent higher than in 1971. The balancing act was accomplished by a 37-million-ton decline in U.S. grain consumption.

In a country like India, where most grain is consumed directly, a 20 percent drop in grain consumption could be accomplished only by something approaching mass starvation. But Americans consume just 20 percent of their grain in the form of products like bread and cereals. The bulk of it is fed to animals, which eventually wind up in the kitchen as hamburger and bacon. So a decline in grain consumption here means that less corn and oats are fed to livestock, with consumers ultimately making the adjustment by eating less meat.

But while the adjustment process may not entail much more than inconvenience for the consumer, it involves considerable economic trauma for the livestock producer. As students of elementary economics have learned for generations, there is a corn-hog cycle. When the price of corn goes up unexpectedly, a farmer's first reaction is to increase his slaughter rate, adding to the pork supply on the butcher's counter. Not until about six to nine months later, when there are fewer new hogs to slaughter, do pork prices go up. In the intervening period, the hog producer tends to face sizable losses, since the cost of feeding goes up faster than the price of meat. On the other hand, hog farmers can make a windfall profit when the price of corn goes down. The length of the cycle depends on the amount of time it takes to bring animals to market weight. There is a longer corn-cattle relationship and a shorter corn-chicken cycle. Demonstrably, the size of the potential loss varies directly with the length of the feed-livestock cycle.

Through this complex chain, the increased profits of the corn producers were reflected initially in huge losses for the livestock raisers. Many cattle feedlots actually went bankrupt. According to figures compiled by the Department of Agriculture, the cattle industry took a capital loss of about $15 billion in 1973 and 1974. Since some of the losses represented equity put in by private investors as part of tax-shelter programs, one might even speculate that consumers paid for the grain price surge not only through higher meat prices but also through increased fees charged by lawyers and doctors trying to replace their lost nest eggs.

THE PHANTOM ACRES

The production shortfall from 1972 through 1974 amounted to about 95 million tons—less than the size of that huge 1961 grain stockpile. It would have cost more than $2 billion in extra storage charges to have maintained the grain reserve at the 1961 level, but considering the economic chaos caused by the shortage, the added expense would have been justified.

As things seemed to stand in 1972, however, an even larger reserve, in theory at least, was available at a year's notice. This was the 60 million acres that had been held back from production through the government set-aside program. Had all this land been brought back in 1972—and had it produced at that year's average yield of about 60 bushels an acre—it would have added some 90 million tons to available supplies. This was about three times what was needed to serve the unexpected demand of those hungry foreigners.

It is obviously impossible to gauge precisely the contribution these reserve acres actually made to the easing of the grain shortage. But the evidence is that it has been minimal. In 1972, with favorable weather and one-third of the nation's available grain acreage deliberately withheld from production, total grain output was 224 million tons. Last year, with equally good weather and farmers free to plant as much as they wanted, total grain production was less than 10 percent higher. By this rough measure at least, much of what we had been counting on as "excess capacity" four years back had simply vanished into thin air.

Part of the explanation lies in the 20-million-acre difference between the amount of land withheld from production by government order in 1972 and the amount of land that had been added to planted acreage three years later, after all restrictions had been lifted. Referring to this land somewhat ruefully as "phantom acres," Agriculture Department officials concede that it probably did not exist as productive cropland in 1972, although it was technically counted as such. They prefer to forget that taxpayers forked over more than $650 million that year to prevent farmers from using the spectral acreage to produce what would in any case have been equally illusory surpluses.

PUTTING ONE OVER ON THE CITY SLICKERS

Naturally, there is considerable curiosity about the physical manifestations of these phantom acres. And the Agriculture Department may eventually get around to asking county agents to make a direct comparison between the 1972 maps of local allotment committees and maps showing actual plantings in 1957. Until this is done, officials can only speculate on how farmers put one over on the city slickers.

An Agriculture Department official acknowledges that "there was a lot of monkey business in our land-retirement program." Administered by local committees, it was run with an extremely tolerant eye toward the self-interest of participants, and some farmers apparently went so far as to list drainage ditches, roads, and barnyards as part of their "diverted cropland." In a somewhat grayer area, some farmers seemingly made it a practice to list as controlled acreage fields that were to be left fallow anyway to collect moisture—part of the normal routine of dryland cultivation in some parts of the country.

A more charitable view is that many farmers used the set-aside program as a sort of unconscious retirement plan for economically obsolete acreage. Required only to place a certain proportion of their land into reserve, farmers naturally tended to divert the least productive part. Only when they were allowed to bring it back under the plow did they have to make the judgment that it was not worthwhile to do so. There is, interestingly enough, a rough analogy here to one of the explanations for the 1973 crunch in industrial capacity—namely, that plant managers tended to list over-age equipment as part of the factory's capital stock until it was actually on the way to the scrap heap. The impact on economic planners was about the same: a misjudgment about how much room we had for expansion.

The fact that farmers tended to put their least productive land into a set-aside program also suggests a partial explanation of why the 1975 grain harvest was 55 million tons short of what it should have been on the basis of the long-term trend in yields. The addition of the previously diverted acres may simply have lowered the average yield per acre.

Lower yields were also to be expected, however, because in 1975, for the first time in years, farmers cut back their use of fertilizer.

The past three years have, in fact, been a unique period in the history of modern American agriculture—the only time that farmers have increased output by plowing up more land rather than by piling on more fertilizer. Between 1952 and 1972, crop production rose some 40 percent while the amount of cropland in use fell by more than 12 percent. Much of the 58 percent increase in yields resulted from the near doubling of fertilizer consumption. As this year's crop is being planted, one of the major questions about the nation's agriculture capacity is whether fertilizer usage will recover from its 1975 slump.

THE LAST FEW BUSHELS ARE RISKY

Fertilizer use long ago passed the point of diminishing returns in the physical sense—that is, each additional ton of fertilizer that a farmer uses on his field tends to bring less of an increase in yield than the previous one. As long as fertilizer prices remained low, however, it paid farmers to keep adding more, since they generally could expect more than a dollar in additional receipts for each dollar invested in fertilizer. For this reason, a decline in fertilizer prices, after the overly ambitious expansion in fertilizer production at the end of the Sixties, gave an added push to consumption—and an unexpected acceleration of yields that added considerably to farm surpluses.

But the explosion in grain prices was quickly followed by a similar eruption in fertilizer prices. Farmers paid as much as $265 for a ton of anhydrous ammonia that had previously cost about $90. Although Edwin M. Wheeler, president of the Fertilizer Institute, calls 1975 "the year when we misjudged our farmers," the result was eminently predictable: for the first time in twenty years, total fertilizer consumption actually fell. Fertilizer application rates for corn dropped nearly 10 percent below 1972's peak level. According to one rough estimate, this reduced production by seven million tons.

It may be that, as most people in the fertilizer industry assume, farmers just need a little time to get used to the high prices—which are no higher now than they were in the Sixties, relative to the price of grain. But with federal support levels now generally below the cost of production, a farmer is assuming an unaccustomed risk when he plunks down $10,000 to fertilize a 320-acre cornfield. So it is not surprising that many farmers now see less merit in the attempt to squeeze out a few more bushels per acre.

To be sure, recent declines in fertilizer prices are an encouraging sign for those concerned about the trend in application rates. But there is not too much hope of a significant downward movement over the course of the next five years. Natural gas is the critical raw material in the making of anhydrous ammonia, which accounts for nearly half of all fertilizer sales. And with some sort of decontrol of natural gas almost inevitable, the cost of producing fertilizer could go up significantly. Moreover, a good many of the industry's current expansion plans may be shelved until the natural-gas supply situation is clarified—and until it is clearer that additional capacity is actually needed.

LAND THAT MAY NEVER SEE THE PLOW

Even aside from the high price of fertilizer, however, there are other reasons to doubt that yields will increase as rapidly over the next five years as they did in the Sixties. Some farm experts have warned of an impending "technology gap." Improvements such as hybrid corn have already been fully exploited, and there are no developments of similar economic importance far enough along to make much of a difference in the immediate future. Meanwhile, environmental considerations are reducing the speed at which new technology is adopted and, on occasion, are forcing the elimination of pesticides. Some climatologists think that there was unusually favorable weather in the Fifties and Sixties, giving us exceptionally generous yields.

There is also reason to doubt that we will get much help over the rest of the decade from an increase in cropland. The Department of Agriculture can point to something like 265 million acres of potential cropland that is now either used for something else or idle. But at closer look, this huge reserve—enough to increase our present cropland base by more than 50 percent—seems perhaps as illusory as those "phantom acres."

The Agriculture Department, which conducted a massive survey of the nation's land resources in 1967, concedes that most of this potential cropland will probably never see the plow, either because of erosion problems or because it is simply not suitable to modern machinery. Some of it is also located in the western states, where there is a scarcity of water.

But even the 100 million acres that department experts see almost immediately available for cultivation does not look like a promising source of additional production by the end of the decade. More than half of this land is currently being used for cattle grazing in the Great Plains and in the former dustbowl areas of Texas and Oklahoma. Most of the rest is productive pastureland and woodland—in the Corn Belt and surrounding states, and in some areas of the East Coast, particularly the Piedmont region.

Agriculture Department economists speculate that the land could represent the potential for an enormous increase in major crops: a twofold increase in plantings of grain sorghum (a feed grain); a two-thirds increase for cotton and citrus fruits; a 50 percent increase in wheatland; a one-third gain for soybeans; and a 20 percent rise in corn acreage. But it takes only one question to squelch all of this easy optimism: if the land is so good, why hasn't the owner already seen the prospects? That, unfortunately, is a question that Agriculture Department only two years away from acreage controls, has just begun to investigate.

A good bit of new cropland has always been brought in almost routinely every year, partially offsetting fields that have become economically obsolete. In recent years, about 2.7 million acres per year has been removed from the cropland rolls, mainly in the east and in the Oklahoma-Texas plains. About 1.3 million acres per year has been developed in a few areas; land reclaimed through irrigation and drainage projects in Florida and the Mississippi Delta; newly irrigated grassland in the Texas High Plains and in Nebraska; the development of a whole new wheat area in northern Montana.

RANCHERS ARE SLOW TO CHANGE

Despite the excitement of the farm boom, there is every indication that this pattern has pretty well continued undisturbed. There has probably been less land abandoned over the past three years than previously, and land was apparently cleared and drained at a much more rapid rate than usual in the established farming areas. But nowhere is there a sign of any significant move to bring in enough new land to make a significant difference in national crop production.

One reason, quite simply, is that the existing owners of the land are probably quite happy in their own line of business. It is, after all, rather difficult to turn a rancher into a wheat farmer—regardless of the fact that he might make higher profits by switching. Generally it is only when the current owner dies or retires that land is converted from one use to another. And even then it is very difficult for a new farmer to get started unless he has substantial resources behind him. The normal scale of operation for a Great Plains wheat farm requires upwards of $500,000 in capital.

Doubtless the previous trend of cropland losses will be reversed, with less abandonment and more new fields. But the process is inevitably slow and laborious. And it will be surprising if we see enough new land by the end of the decade to make up for the acres we once thought we had.

In themselves, the adverse trends in farm efficiency and the difficulty of bringing in new cropland would not necessarily be worrisome. For with population growth now running below 1 percent a year, it does not take much of an increase in food production to serve our own needs. Indeed, the "baseline" forecast at the Department of Agriculture is for food prices to rise no more than the general rate of inflation for the rest of the decade, with 20 million fewer acres harvested in 1980 than there were in 1975. We would, in effect, have about a third of our previous "excess capacity" back again.

CARRYING RUSSIA'S BURDEN

Behind this pleasant prospect, however, lies a rather fragile assumption: that exports will not rise much above their current levels. With a somewhat more realistic "high demand" scenario, exports would expand by about 4 percent a year. In this case, Agriculture Department economists anticipate, food prices would again lead the general trend of inflation, and the 1980 price of wheat would be about 25 percent higher, in real terms, than the 1974 peak of better than $4 a bushel. Interestingly, the 15 percent increase in exports over the baseline forecast would require only a 3 percent increase in output because higher prices would reduce domestic consumption enough to fill in the remaining gap. Hence, even under this "high demand" scenario, about six million fewer acres would be harvested in 1980 than were in 1975.

Anything but alarmist, the Agricultural Department projections still have some rather disturbing implications. For even by this optimistic assessment, we are now so close to the margin that virtually any increase in exports is automatically translated into additional inflationary pressures. In the past, with large grain reserves and a fair amount of excess capacity, we could easily play the role of the world's residual food supplier, filling in the gaps caused by foreign crop failures. Now, however, free access to the American market for any country that is temporarily short of grain means that price stability in the U.S. depends largely on fortuitous developments in the world's weather.

One irony of the present situation is that the agricultural failures of the leading Communist country—the Soviet Union—can impose real economic burdens on the leading capitalist country, the United States. Most of the erratic movements of U.S. exports in recent years have been the result of Russian crop failures. In 1972, for example, a 13-million-ton decline in Soviet wheat production led to a 9.5-million-ton increase in Soviet wheat imports from the U.S. This means that, in the end, American consumers paid for Russian production deficiencies.

SHADES OF HENRY WALLACE

There is, unfortunately, no easy way to solve the problem of unstable export demand—and no way at all without intervention by the federal government. As attractive as it is in theory, a totally free market for agricultural products involves just too much instability to be acceptable in the long run for most Americans. That is, of course, what Henry Wallace argued fifty years ago. Remember the ever-normal granary?

One approach that has been tried recently is for the federal government to simply shut off exports when they threaten to get out of hand. This was done in 1973 in the case of soybean shipments and again last year with the temporary embargo on grain sales to Russia and Poland. The results were not uncertainty both for American farmers and for foreign customers.

The recently negotiated long-term arrangements with both Russia and Japan are obviously better than ad hoc purchases. But it remains to be seen how effective such arrangements will be under actual circumstances of short supply. The Soviet Union, for example, has agreed to purchase grain from the United Staes over the next five years within a range of six million to eight million tons. But in the event of a future crop failure, there is nothing to prevent the Russians from buying grain from other producers like Canada or Australia, forcing these countries' normal customers into the U.S. market. The result could be about the same as if the Russians had directly exceeded their quota.

In the end, the question almost inevitably comes down to reserves—having enough grain on hand somewhere in the world to make up for the vagaries of nature. Aside from the tricky issue of who should own the reserves, the process of accumulating large enough stocks is itself a difficult undertaking in the present circumstances. The current level of world stocks is somewhat short of what has generally been considered a normal working balance. Economists have calculated that it would take an additional reserve of about 70 million tons to handle most foreseeable shortfalls in production.

The additional supply will have to come from the six or seven countries that are exporters of grain. And since the U.S. accounts for more than half of the international grain trade, this probably means that the U.S. will have to supply something like 40 million tons either directly or indirectly. This is equal to about 15 percent of our annual grain output, so there is obviously no way that such amounts can be accumulated within a year or two under any circumstances. Adding 40 million tons to world reserves even by the end of the decade will put an additional strain on U.S. agricultural capacity. Such a program would upset the Agriculture Department's baseline forecast of stable food prices, even if normal export demand does not increase above the current level.

LET THE CUSTOMER PAY

The question of who should accumulate the stocks is essentially a political one. Although Secretary Butz has argued that the private sector would be able to carry the entire burden, it is rather illogical to expect it. Grain storage is expensive, with commercial rates averaging 20 cents per bushel per year, or around $7.75 a ton. The only reason a grain company would carry an inventory in excess of its own pipeline requirements would be in the expectation that prices would rise enough in the future to justify the expense. And, of course, the main reason for having buffer stocks in the first place is so that prices will not rise rapidly.

All of this implies, of course, that the reign of free-market agriculture may prove to be very short-lived. There is no reason, however, simply to go back to the old system of supply control that was so unpopular in the past. After all, the reason for accumulating the stockpile is not to prop up the income of farmers but to ensure the stability of domestic prices.

Who should pay the bill for a stockpile that will have to be about as large as it was in 1972? Since a major reason for the reserve is to ensure a stable source of exports supply, there is a good argument for making foreign customers pay part of the cost, perhaps through an export fee system. Indeed, it would probably be a good idea to encourage grain-importing countries to set up additional storage themselves.

One unfortunate side effect of the accumulation of grain reserves is that farm prices will be that much higher in the short run. Yet it is not a persistent upward pull of food prices that is the major problem; such a pull will over time bring offsetting increases in supply. The danger is the possibility of another food-price explosion like the one in 1973–74—an explosion that disrupts the economy but does little to encourage additional output. To prevent a similar occurrence will not be as costly as the programs that in the past were performing the task inadvertently. But whatever the cost, such "excess capacity" is a necessary investment in disaster insurance that the country can ill afford to do without.

LOCKS AND DAM NO. 26 CLOSED

Mr. SYMINGTON. Mr. President, as of 8 o'clock this morning, April 14, 87 towboats and 805 barges carrying 800,000 tons of grain, coal, petroleum, chemicals, fertilizers, and other vital products were tied up at the Mississippi River locks and dam No. 26 just above St. Louis.

Reliable estimates place the value of the equipment and cargo alone at well over $200 million and average daily operating expenses for labor and other costs at more than $300,000. This does not begin to take into consideration the huge additional costs the delay in moving this freight will mean to farmers, laborers, business organizations and consumers.

For years we have all known that locks and dam No. 26 at Alton, Ill., is the gateway to the North and South for hundreds of millions of dollars in products which are transported by barge on our national system of waterways.

Efforts by the Corps of Engineers to build a vitally needed replacement for the old locks were blocked last year by a group of railroad and environmental organizations, who took the matter to court and got an injunction against what the corps and Congress felt was badly needed repair and maintenance.

We have been on notice that this 38-year-old installation was in bad condition and that further deterioration could close this structure for an indefinite time. The economic effect of such a blockage, as has been repeatedly pointed out, could be disastrous.

The adverse consequences of inaction are now upon us. The Corps of Engineers reports the tieup is the worst ever experienced on the river.

The problem began March 18 when a lower cell in the guidewall leading to the main chambers of the larger of the two locks collapsed. The channel on the south side of the lock was blocked by stones.

Barge traffic was slowed but engineers were able to repair the damage using a huge steel plate.

Unfortunately, on April 8 a towboat snagged on that plate and tore it loose—again blocking the channel. But this time the lock had to be closed. And since then, the backup has become worse each day.

Mr. President, I bring this matter to the attention of my colleagues because I am concerned about both the immediate crisis at Locks and Dam No. 26 and the need to come up with a permanent solution there.

Hopefully, the immediate crisis will be resolved with the repair and reopening of the river for transportation later this week.

But the real problem at Locks and Dam No. 26 only will be resolved by replacing the crumbling structure with a new lock.

The Corps of Engineers, in answer to some of the opposition, has now proposed that one 1,200-foot lock be built at Alton, instead of the two 1,200-foot locks originally proposed.

That most recent corps suggestion is now being studied by all concerned parties. When the plan is approved, we may have to reaffirm the authorization of the project for the construction of a replacement because the original authorization has been placed under a cloud by an opinion of a Federal district court here in the District of Columbia.

I urge that the question of authorization be resolved in this session of the Congress.

A great deal is at stake here. More than 50 million tons of vital cargo pass through Locks and Dam No. 26 each year. That figure will continue to rise over the years.

It is of vital concern to the Nation that the shipments now stopped on the Mississippi River be moved again as rapidly as possible and that this bottleneck be removed in the breadbasket of the Nation.

I ask unanimous consent that two articles from today's St. Louis Globe-Democrat and St. Louis Post-Dispatch describing this situation be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat, Apr. 14, 1976]

TEMPERS RISE OVER RIVER BACKUP

(By Bill Cole)

With almost 800 barges jammed at the damaged Alton locks, on the Mississippi River, angry towboat operators lashed out at environmentalist and railroad interests who for years have fought plans to replace the 38-year-old structure.

"It's one hell of a mess," said Tom Gladders, president of G. W. Gladders Towing, Inc. "To say that we are annoyed is putting it mildly."

William A. Creelman, president of the Transport Division of National Marine Service, Inc., said: "It's just evidence of the continuing deterioration of the structure and it just increases our impatience with what appears to be a coming transportation disaster on the greatest waterway in the world."

The effect has been, he said, "like tying a knot in a garden hose."

Eighty-six towboats hauling 789 barges are waiting to get through the main lock while contractors for the U.S. Army Corps of Engineers work around the clock to repair a collapsed cell in the locks' guidewall.

It is expected that about 100 towboats will be standing in line by the weekend. Delay costs are already estimated at about $300,000 but the effect on industry and shippers could multiply that amount.

"This is the worst backup that I can ever recall," said Ken Long of the Corps of Engineers.

The Corps had been beseiged with calls from shippers and industry in New Orleans, Chicago and St. Paul.

Twenty to 25 towboats normally pass through the locks each day. At present only a quarter of that number are able to pass through a small auxiliary lock. The average wait is about eight days. Delays between New Orleans and the Upper Mississippi could increase to 17 days.

"It's going to cause disruption and delay up and down the river," said a spokesman for the Regional Commerce and Growth Association.

The cost could run into millions. Gladders said that for the first two months of this year delays cost industry almost $3.5 million.

There are 51 towboats and 500 barges—300 of them carrying cargo—waiting to go north and 35 towboats and 289 barges—200 of them loaded—waiting to go south.

They are carrying thousands of tons of grain, coal, fuel and chemicals.

The National Marine Service has two costly cargoes of anhydrous ammonia—refrigerated fertilizer material—standing in line.

"It is refrigerated at 28 degrees below (zero) and the equipment is complex and expensive," Creelman said. "Naturally it involves enormous cost."

The Corps of Engineers says it expects to have the locks repaired by Saturday but rivermen are skeptical.

"I think they are being overly optimistic," Gladders said. "And even if they do it's going to take a week to 10 days to get back to normal.

"Certainly it highlights a situation that we have been complaining about for years.

There's a general understanding that a replacement is needed. This simply wouldn't have happened if there had been a new lock in place."

Creelmon said: "It's one more symptom of a longstanding problem which is reaching critical proportions. This deteriorating structure is of critical importance to the use of this great natural resource. Yet this one lock is simply crippling the waterway. Environmental arguments are specious.

"We are growing impatient with the repetition of specious arguments about a facility which must inevitably be replaced because of its economic importance and we deny that there is any serious environmental effect involved in what we are doing. We are as much in favor of clean water and a healthy environment as anyone else."

In answer to the criticism, John Cunningham, chairman of the Upper Mississippi Task Force of the Ozark Chapter of the environmentalist Sierra Club, said:

"Our view has been that if a new lock was constructed with a larger navigational capacity than the present lock it would be detrimental to the environment. We have never been opposed to a simple replacement structure which in our definition would be a locks and dam of the same navigational capacity."

[From the St. Louis Post-Dispatch, Apr. 14, 1976]

Tie-up at Alton Lock Angers Towboat Skipper

(By Linda Lockhart Jones)

"If they had had any sense, they would have built a new lock 10 years ago," said the skipper of the towboat H. K. Thatcher as he waited last night to get through a river traffic jam on the Mississippi at Locks and Dam 26 in Alton.

One of the two locks is closed for repairs. Since last week, all river traffic has been squeezed into the remaining lock, the smaller one.

"We have had to wait before, but never anything like this," said the Thatcher's skipper, whose last name is Lotz. He is better known as "Jelly." He added, "If we could see that something like this was coming, it seems that it should have been noticed by somebody else too.

"With the way river traffic has been picking up over the years, they should have recognized the need for the new locks years ago instead of waiting for the one they have to fall apart on them," he said.

Lotz was among the lucky ones. His boat and barges moved through last night, and his only loss was in time; he had been waiting to pass through the lock since Friday night.

But the owners of the boats and barges say they are running up heavy losses.

Thomas Barta, president of Valley Line Co. of St. Louis, said he was losing from $50,000 to $60,000 each day that his cargo had to wait.

"At this point, we certainly can't fault the Army Corps of Engineers because they are doing the best they can under the circumstances," he said. "Once it gets to a point like this, there just isn't too much we can do."

The operations division of the Corps of Engineers here reported today that 86 towboats with 794 barges were jammed up on the river waiting to pass through the single lock. Thirty-six tows were going downriver and 50 upriver, the corps said.

Only six boats are being allowed to pass through the lock each day; at that rate, two weeks must pass before all the boats can go through. That's not counting new arrivals.

The Corps says it expects to have the problem lock repaired and operating within about a week. But by that time traffic will be backed up to the point it may take another two to three weeks before traffic is moving at a normal pace.

The National Gateway, a towboat with two barges of anhydrous ammonia, shortened its wait by two days by trading places with another boat that needed repairs.

"We've been waiting since Saturday morning," said the Gateway's skipper, Capt. James Benoit. "I've never seen anything like this in all the years I've spent on the river. They need a new lock—a bigger one—and that's all there is to it."

The Corps wants to build a new lock but a coalition of environmentalists and railroads has challenged the plan in the courts. At any rate, building a new lock is a 10-year project. For now, the present 38-year-old facility will have to suffice, despite traffic jams and the resulting losses.

Peter Franchie Jr., president of Federal Barge Lines, Inc., of St. Louis, had two tows waiting yesterday. He put his losses in the range of $50,000 a day.

"With something like this, when you can't do anything about it, you might as well not even bother to get upset about it," he said. "But what we should be doing is taking steps to make sure it doesn't happen again."

The immediate problem was caused when part of a wall leading to the chamber of the main lock collapsed March 18, spilling boulders into the channel. It was temporarily repaired. But last Thursday, a towboat hooked a steel plate at the same spot, tearing it loose and again blocking the channel.

S. 885—SHENANDOAH WILDERNESS BILL

Mr. HARRY F. BYRD, JR. Mr. President, the Senate last week approved S. 885, a bill to create a wilderness area of 79,000 acres within the Shenandoah National Park.

This marks the third Congress in which I have introduced this legislation and the second time the Senate has passed it.

The efforts and understanding displayed by my distinguished colleagues, Senator J. Bennett Johnston, chairman of the Subcommittee on Parks and Recreation, and Senator Clifford P. Hansen, ranking minority member of that committee, are much appreciated. I would like to thank them for their diligence in this matter and for the accommodation and courtesy they so characteristically displayed to the many witnesses who testified on this legislation on February 5, 1976.

I would say, just in passing, that they carry on a tradition of statesmanship and skillful public service which was displayed by our esteemed former colleague, Senator Alan Bible, who chaired this subcommittee and its predecessor for so many years.

The committee and the Senate approved my amendments to S. 885. These amendments, I believe, will improve the overall plan. Specifically, the legislation approved by the Senate designates four major, heavily travelled trails in the Old Rag Mountain area as nonwilderness corridors.

Such a designation will allow these trails to be maintained the same way they are now.

The hearing record on this point is specific: The purpose of these nonwilderness corridors is not to provide for development or to seek limitations on access but, rather, to insure that our grandchildren will have the opportunity to have access, by properly maintained trails, to the grandeur of this heavily frequented area of the Shenandoah National Park.

The legislation approved by the Senate provides for a preservation of the status quo, without doing any violence to the original purposes, language or legislative history of the Wilderness Act of 1964.

I might also add that the hearing on this bill brought forth a unanimity of thought which heretofore had not been achieved. It signals, I believe, a common understanding that the time for passage of this wilderness legislation for the Shenandoah is now; that delay can only work to the detriment of protecting and preserving an area which has so clearly demonstrated the healing capacities of nature.

As Hugh Crandall termed it in "Shenandoah: The Story Behind the Scenery," Shenandoah is a "recycled park." Prior to the park's creation, this area of the Blue Ridge had been badly abused by man and nature.

It had been extensively logged and most of its virgin hardwood removed or stripped for tan bark. The thin, rocky soil had been tenaciously farmed by people as rugged as their homeland until the once clear streams ran muddy with silt from each rainfall. And most devastating of all, the chestnut blight in the 30 years from 1900 to 1930 eliminated every mature chestnut tree in this country.

In the Blue Ridge, that meant every fourth tree was lost, and with them a livelihood for many and incomparable beauty for all.

Yet, when Assistant Secretary of the Interior Nathaniel P. Reed testified on the Indiana Dunes legislation last May, he told the House Subcommittee:

> I couldn't help last night, while waiting to get a statement cleared for this Committee, to think that we have sent this Committee a wilderness recommendation for 80,000 acres of land in Shenandoah in 1975. It has been pit mined, cut and charcoaled, and that 80,000 acres of it now shows no touch of human hand, and will come before this Committee as our recommendation for wilderness.

Returned, too, are flocks of wild turkeys and the beaver, which had departed with the prepark blights of man and nature. All of these attest to the restorative processes of nature which occur if only man will permit them the time.

I would like to salute, too, the splendid residents of Madison and Rappahannock Counties, who took such an active interest in the formulation of this legislation, and to the many dedicated citizens from across the State who worked to develop the wilderness idea into a legislative reality.

The 12 citizens who testified on February 5 came from varied backgrounds and expressed differing points of view. But the record shows that they are united in a common bond of love and respect for this beautiful land.

To me, wilderness is not merely an untouched, impenetrable thicket. It is, rather, an accessible area with access adequate. The corridors surrounded by wilderness will allow that access.

I intend by this legislation to allow for more recreational use of the beautiful Shenandoah, not less; to provide a wider range of experiences and to give one—the wilderness experience—a degree of permanency which it might not otherwise enjoy.

We approach the 50th anniversary of the date of authorization of the Shenandoah National Park—May 22, 1926. I hope that the House of Representatives will act in time to make this legislation a most fitting commemoration of that event.

FOOD STAMP ACTION AND OLDER AMERICANS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Idaho (Mr. CHURCH).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CHURCH

On April 8 the Senate passed the National Food Stamp Reform Act of 1976 (S. 3136). This act was the culmination of extensive deliberations by the Agriculture and Forestry Committee and the Senate. The result is a compromise bill which includes specific changes in the Food Stamp Program, particularly affecting eligibility.

As Chairman of the Senate Committee on Aging I have heard firsthand about the benefits of the Food Stamp Program from older Americans. The Committee on Aging has also received numerous requests from practitioners in the field of aging about the impact of S. 3136 upon elderly participants. In response to such requests, I ask unanimous consent that a staff analysis of the Food Stamp Reform Act be printed in the Record.

DEFINITION OF ELDERLY PERSONS

Under the Senate bill, an elderly person would be defined as "a person 60 years of age or over who is not a resident of an institution or boardinghouse."

PURCHASE PRICE

The Senate bill provides a 25 percent purchase requirement. This would mean that all households participating in the Food Stamp Program would pay 25 percent of their net incomes for food stamp coupon allotments. This purchase price requirement is a compromise, replacing the Committee's recommendation of 27.5 percent and an effort to eliminate the purchase requirement entirely.

ELIGIBILITY LEVELS

The poverty line would be used for the net income eligibility limit for the elderly, as well as for all participants. The poverty threshold is projected to be approximately $5,500 on April 1. It would be adjusted every six months to reflect the changes in the Consumer Price Index.

STANDARD DEDUCTIONS

Households participating in the Food Stamp Program would be allowed a $100 standard deduction per month from their gross incomes. Households with at least one person 60 and over would be allowed an additional $25 deduction per month. The standard deductions would be adjusted every six months in accordance with the Consumer Price Index.

INCOME

Income under the Senate bill would be defined as gross income with specified exclusions. Those *exclusions* which would relate to the elderly include but are not limited to:

(a) payments for medical costs made on behalf of the household;

(b) infrequent or irregular income of a household which does not exceed $30 during any three-month period;

(c) housing vendor payments made directly to landlords under programs administered by the Department of Housing and Urban Development;

(d) payments "in kind" derived from government benefit programs, such as, Medicare, elderly nutrition programs, and "any benefits which cannot reasonably and properly be computed"; and

(e) Federal, State, and local income tax refunds, Federal income tax credits, and retroactive payments under the Social Security Act.

Working households would also be permitted to deduct Federal, State, and local income taxes and Social Security taxes from their gross incomes:

ASSETS

The Senate bill prohibits the Secretary of Agriculture from making any changes in the current assets rules until the Congress has an opportunity to review the USDA study of the assets issue. Under existing law, the asset limitation is $1,500 for each household and $3,000 for households with at least one member who is 60 years of age or over.

Income tax refunds and tax credits and retroactive Social Security and Supplemental Security Income (SSI) payments would be counted as *assets* and not as income. S. 3136 would also adjust the assets limitation semiannually in accordance with the Consumer Price Index.

SSI RECIPIENTS

The Senate bill would require that food stamp eligibility for Supplemental Security Income (SSI) recipients be determined on the basis of income. This would apply to all States except those retaining a "cash-out" provision for SSI food stamp participants.

Under existing law, all public assistance recipients, including SSI recipients, are automatically eligible for food stamps.

S. 3136 would permit SSI recipients to apply for food stamps at their local or district Social Security office. The States would have the option to place trained food stamp personnel in the SSI quarters to assist SSI applicants and recipients in applying for food stamps.

WORK REGISTRATION

The Senate bill would lower the age for work registration from 65 to 60. This would mean that "able-bodied adult persons" would not be required to register for work under the Food Stamp Program after age 60.

TITLE VII NUTRITION PROGRAM RECIPIENTS

Households with a member participating in the Title VII Nutrition Program for the Elderly would not be required to have cooking facilities.

Elderly persons would be allowed to use food stamps to purchase meals served under Title VII programs. These meals could be either congregate meals or home-delivered meals.

30 DAY RETROSPECTIVE ACCOUNTING PERIOD

Eligibility for the Food Stamp Program would be based upon household income for the previous 30 days. Under current law, food stamp eligibility is based on the household's actual current need.

ILLEGAL NARCOTICS TRAFFIC

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Texas (Mr. BENTSEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. BENTSEN

I have long been deeply concerned about the alarming growth in illegal narcotics traffic in this country and Mexico with whom my State of Texas shares a 2,000 mile long border. In 1970 just over 30 percent of the heroin seized in the U.S. was known to have come from Mexico but since that time the figure has tripled to about 90 percent, or some ten tons per year. In view of the fact that the major heroin supply route runs from Northern Mexico directly through Texas to the western and midwestern United States, where key distribution points are located, I am concerned that the U.S. Government place the highest priority on working with the Government of Mexico on eradicating the sources of this supply. To illustrate the gravity of the situation, I draw my Colleagues' attention to the fact that in the past year alone 102 planes involved in the illegal drug trade have crashed along the U.S.-Mexican border. This shocking statistic reflects the enormity of the problem facing our government.

This week I received a most interesting briefing from the Administrator of the Drug Enforcement Administration, Mr. Peter Bensinger. I was informed that the Government of Mexico has embarked on a major program of poppy field eradication in Mexico in cooperation with the U.S. Drug Enforcement Administration. Although the eradication program has only just been initiated, there have been encouraging results. In the past few months 18,000 poppy fields spread over a 5,000 acre area have been destroyed through the use of herbicides. Although the average size of the individual poppy field is one acre or smaller, this statistic clearly reflects the positive results of our own two Governments' cooperative efforts to destroy the source of illegal heroin.

In addition, a joint prosecution technique between U.S. and Mexican law enforcement agents and prosecutors is being expanded in order to insure greater prosecution.

Perhaps one of the facets of the joint U.S.-Mexican drug enforcement program of most interest to Texans is the route interdiction program along the border. Last year the Drug Enforcement Administration's efforts removed 2,459 pounds of heroin from the international market, twice the amount removed in 1974. In conjunction with the Interdiction effort, DEA is expanding its cooperation with the U.S. Customs Service and this effort has seen a substantial increase in intelligence cooperation between these two domestic agencies.

I am pleased at the cooperation we are seeing between the Mexican Government and the DEA and I hope the Administration will continue to pledge all possible assistance to this effort. Certainly our border monitoring system is an integral part of this bi-national effort and I intend to continue my own efforts to obtain adequate personnel and funding for this program.

INFORMATION AND THE FUTURE

Mr. HUMPHREY. Mr. President, this week the American Society for Information Science is holding its Bicentennial Meeting in Washington, D.C. The theme of the conference is America in an Information Age. I had the privilege of addressing this group on the first day of the conference, April 12, and can attest to the significant role this society plays in grappling with the complex problems of our computer age.

On April 13, the Senator from Massachusetts (Mr. KENNEDY) addressed this group, with his remarks entitled: "Information and the Future." I believe his remarks will be of interest to the Senate, and I ask unanimous consent that the text be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR EDWARD M. KENNEDY TO THE AMERICAN SOCIETY FOR INFORMATION SCIENCE

INFORMATION AND THE FUTURE

I am honored to have this chance to open the discussion today on America in the information age. For I fully agree with the theme of this conference—that America is immersed in a sea of information, which we must learn to channel toward human purposes.

The information explosion in recent decades has shattered society even more than the splitting of the atom. For while a nuclear exchange is a threat we must always guard against, the information explosion is an overpowering reality we must deal with each day.

The extent of this problem is best seen in science. For information is both the raw material and end product of all research. Each experiment draws on existing information, and through its results, creates new information to add to the storehouse of knowledge. Thus, studies have shown that the average scientist spends over half his time in various forms of communication.

This leads to the publication of over 30,000 journals, with over one million scientific papers each year. To help the scientist digest this vast outpouring of information, there are over 300 abstract journals and over 400 specialized information centers. But even with these aids, few, if any, scientists can keep up with all of the new research relevant to their work.

While not as extreme, the same situation prevails in government, industry, and consumer affairs. In the Congress we are literally inundated with information—from thousands of groups and individuals wanting special attention to their concerns. Our problem is not to get enough information, but to sort through the sea of data for what is relevant and clear.

In the executive branch, there are thousands of special programs, involving conflicting mandates and missions, with little coordination among departments, or even within agencies.

In industry, the spectacular increase in the use of the computer has made the control of information the key element in management strategy. And in citizen affairs, computerized information systems affect banking and credit, health insurance reimbursement, and police surveillance of suspects.

Thus, as agriculture, commerce, and industry have dominated earlier periods of history—so do we today live in an age of information. Recent studies have shown that upwards of half the U.S. work force are engaged in knowledge producing or data processing activities. And all U.S. citizens are vitally affected by these pursuits.

As with all major social and economic developments, the information explosion poses both great problems and opportunities. The problems occur in the legal system, the economy, and in the society at large.

Thus, what is the value of a copyright, when every library has a coin-operated xerox machine?

How crucial is a patent, when most innovations occur in software systems, rather than patentable hardware?

What kinds of incentives do we need to motivate an information economy?

How do we preserve the privacy of the individual, when data on his education, health care, finances, and personal tastes are fed into computer networks?

How do we prevent the depersonalization of our society, when consumers increasingly find themselves communicating with computerized bureaucracies, rather than accountable individuals?

And how do we design and manage a national information network, in partnership between government, universities, industry, and the public?

These are some of the problems we must solve. But the opportunities that come along with them are well worth the challenge. These opportunities arise in science, industry, the quality of life, and the nature of our democratic system.

Thus, in science, we can greatly increase the value of our R&D effort through better management of scientific and technical information. If scientists are kept better informed of relevant research results, they can avoid unnecessary duplication and sometimes find significant breakthroughs in their work. If engineers are aware of relevant research findings, they can put those results to work in practical applications. And in the management of science, we can use new techniques, like the citation index, to supplement established methods of evaluation, like the peer review system.

In industry, we can use our new computer capabilities to automate much of the drudgery of work, and upgrade the professional level of the workforce.

And the quality of life can be significantly improved through better use of our information techniques. For example, advanced technology can upgrade the quality of rural life in America, through better education, medical care, and leisure time programs.

But most important, in my view, is the potential impact of information science on our democratic system. A perfect example of this is the use in this conference of syncon panels.

With advanced communications technology, you are able to structure a conference in which the panels can interact with one another, and the public can fully participate. So the end result can be a real synthesis of the varied points of view presented by the speakers, panelists, and members of the public.

The same techniques can be applied to bring political representatives into closer contact with their constituents. Through telecommunications networks, the representative can better understand the needs and concerns of the citizen; and the citizen can directly input his ideas into his representative's decisions.

Thus, modern information science opens the prospect of a return to the New England town meeting approach on a national level. This is the most exciting prospect I know of for strengthening our democratic system, and you in this audience hold the key responsibility for making such experiments a success.

To meet these problems and opportunities, we must recognize that information is a major national resource—and that we must plan, conserve, and manage its utilization.

To do this, we must establish an information Magna Carta, which spells out the relative rights and responsibilities of Government, industry, and the individual in dealing with this information resource.

Such a charter must be based on the following principles:

(1) Responsibility of the Federal Government to design and coordinate a national information network in science and technology, including standardization of hardware components and software whenever feasible;

(2) Full partnership between Government, technical associations, universities, and industry, with appropriate aids and incentives to foster the diffusion of technical information and innovation throughout the economy;

(3) Protection of the individual's right of privacy vis a vis Government and industry information systems;

(4) Strengthening of the citizen's right of access to Government and relevant, nonproprietary business information; and

(5) Full public participation in policy decisions by Government agencies and legislative bodies.

These principles are difficult to achieve in practice, but there are a number of specific actions I have been involved in, which are steps in that direction.

Thus, last November I introduced the Federal Domestic Assistance Information Act. This bill establishes a national information center to serve as a source of timely information for State and local governments on all Federal domestic assistance programs. Under this bill the Government would maintain a comprehensive, computerized data file covering all Federal domestic assistance programs. The file would be updated on a frequent basis, and would be accessible from anywhere in the country, by computer terminal or telephone. Users would be charged between one and two dollars per search, far less than they now pay for the assistance of Washington representatives or consultants.

The Federal Government spends about $60 billion a year in grants, loans, loan guarantees, and other forms of assistance for State and local governments. Yet the yards of red tape surrounding these programs often prevent their proper use.

Thus, a city seeking Federal aid to build a hospital, school, or sewage treatment plant may spend weeks to identify the appropriate Federal program, and then additional weeks to complete the application. By the time the city has worked its way through the bureaucratic maze, the deadline may have passed, or the funds may have already been committed.

Through the proposed legislation—at miniimal cost to the taxpayer—Federal domestic assistance will be brought into the information age; and all states and cities will be on an equal footing in benefiting from these programs.

Another step toward better access to information, stems from the amendments to the Freedom of Information Act which I introduced in 1973, and which were enacted in 1974. These amendments make it possible for ctizens to have real access to information in government files.

The executive branch is still lagging in its observance of this law. But through court suits and congressional oversight by my subcommittee on administrative practice and procedures, and other committees, we are slowly making citizen access to government files a reality.

Another important step toward better management of information, is the current bill re-establishing a White House science office. Having worked on this legislation since 1970, I am very pleased to announce this morning that the House and Senate conferees have reached final agreement on the bill. Since the President has already indicated his acceptance of its provisions, we expect to have it signed into law by the beginning of next month. This means that the President will once again have ready access to top-level scientific advice.

The bill contains a number of features of special significance to this forum. First, its preamble highlights "information handling." Second, "information dissemination" is identified as one of the areas from which the members of the President's advisory committee on Science and Technology are to be drawn. Third, the committee is given the task of conducting a comprehensive survey, including "improvements in existing systems for handling scientific and technical information on a government wide basis, with consideration of the appropriate role to be played by the private sector."

And fourth, the bill establishes as national policy that "it is the responsibility of the Federal government to promote prompt, effective, reliable, and systematic transfer of scientific and technological information . . . and to facilitate the close coupling of scientific research with the commercial application of the useful findings of science."

The bill also provides that the science adviser will serve as a member of the domestice council and a statutory adviser to the National Security Council; and gives him a crucial role in the development of the Federal R&D budget. The bill also requires that he prepare an annual report on science and technology for submission by the President to Congress. And the bill makes the science adviser responsible for five-year planning for Federal R&D.

Under the bill, the science adviser and his four associate directors would all be top-level White House aides appointed by the President with Senate confirmation.

Another pending bill of direct concern to this forum is the National Science Foundation Authorization Act, which includes a "continuing education in science" program. This provides $3.5 million for fellowships to experienced scientists and engineers to bring them up-to-date in their fields, or to broaden their skills in interdisciplinary areas. This would be the first explicit recognition in national legislation of the dynamic nature of scientific and technical information, and the continual need for professionals in these fields to bring themselves up to speed on new developments.

The NSF Subcommittee took another step in this direction when it commissioned the STINFO report by the Congressional Research Service, which was published in February. This report—which was coauthored by your conference chairman, Bob Chartrand—examines the lead role of NSF in Federal Management of Scientific and Technical Information (STINFO). The report proposes the establishment of a STINFO panel reporting to the President's science adviser. This panel would monitor and evaluate STINFO programs, taking account of quality, costs, and competition, as well as user needs. The panel would also foster STINFO R&D, and develop policies designed to ensure reasonable balance between Federal funding of government and private sector information services. As soon as the new White House science office is in being, I intend to request its review and recommendations regarding this report.

Another vehicle for approaching these goals is the Congressional Office of Technology Assessment (OTA). Established in 1973, OTA is designed to provide Congress with its own source of technical expertise.

OTA now has major assessments underway in energy, materials, transportation, health, food, and ocean resources. The results of these studies go directly to the relevant congressional committees to help shape pending legislation.

A unique feature of OTA's program is the involvement of the public in all phases of each assessment. Thus, OTA advisory panels consist not only of technical experts, economists, lawyers, and doctors, but also of representatives of the groups that would be affected by technical change—labor leaders, environmentalists and consumers.

Moreover, in our ocean resources assessment, we have been conducting an experiment to communicate back and forth with affected public groups in New Jersey and Delaware, where the project is taking place. This communication process has had a major effect on the design, evaluation and impact of the assessment.

The newest OTA program should be of special interest to this forum since it involves a continuing assessment of national R&D policies and priorities, including consideration of scientific and technical information.

This program, which will be complementary to the new White House science office, is being guided by our advisory council, with Jerome Wiesner and Harold Brown in the lead roles. In addition, three principal panels are being formed under the chairmanship of Harvey Brooks, Lewis Branscomb, and Edward Wenk. With the aid of these panels, OTA will reexamine the entire national system of science and technology; how scientific results are applied to national problems and industrial innovation; and how decisions are made on R&D policies and priorities.

The issues to be considered include: The patent system, scientific and technical information services, the balance between Government, university, and industry programs, and incentives to foster industrial innovation.

From such studies, we hope to develop pragmatic criteria for evaluating R&D budgets and legislative initiatives. Although this is viewed as a long-term program, we expect it to begin having some impact on pending legislation by the start of the next Congress.

From my dealing with the information problem—and with science and technology policy in general—one theme emerges clearly: the need to set future goals, to assess alternative ways of reaching them, and to experiment with specific courses of action.

This is what OTA must help Congress do. This is what the science adviser must help the President do. And this is what society itself must learn to do.

If one lesson has become abundantly clear, it is that one of us has all the answers, or even many of them. We must be willing to experiment with institutional change. And we must be willing to make mistakes and learn from them.

If we take this approach, we can help shape the future we want. We are all familiar with Santayana's warning: "Those who do not remember the past are condemned to relive it."

But in this bicentennial year, the time has come to turn that statement around and say: "Those who actively anticipate the future are empowered to reshape it."

In this effort, you in this audience have a special role to play. For in the post-industrial world in which we live—information is the key to the future.

MATTHEW DeMORE: "WE SHALL MISS HIM GREATLY"

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Idaho (Mr. Church), and the material attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CHURCH

Matthew DeMore, known to so many of us in Congress first as a leader in trade unionism and then as a senior citizen activist, is gone. His recent death causes a sense of loss which only memories can help relieve.

We remember Matt as one of the men who came up from the ranks to help in the International Association of Machinists. His final position in the IAM, from 1965 to 1969, was that of IAM General Secretary-Treasurer. We also remember him as a very busy "retiree" who served as First Vice-President of the National Council of Senior Citizens and then as Chairman of the Concerned Seniors for Better Government.

In all the positions he held, Matt kept in touch with great public issues in very human terms. He cared about people, and he showed his concern by his words and by his actions.

AFL–CIO President George Meany and Secretary Treasurer Lane Kirkland put it well when they said of Matt:

"His lifetime of strong and wise leadership in the labor movement was crowned by even greater achievement in leading concerned seniors toward more effective and fruitful political action. We shall miss him greatly."

Mr. President, the April 1976 issue of *Senior Citizen News*—the official publication of the National Council of Senior Citizens—included an article which described Matt's life and deeds. It is a warm tribute and an impressive chronicle of achievement.

The article ordered to be printed in the Record is as follows:

MATT DEMORE DIES—WAS NCSC VICE PRESIDENT

Matthew DeMore, First Vice President of the National Council of Senior Citizens and long a leader in the International Association of Machinists, AFL–CIO, died March 17, 1976, at George Washington University Hospital in Washington, D.C., after a long illness. He was buried in his native Cleveland, Oh., after a Requiem High Mass there March 24.

DeMore, who would have been 73 on April 5, had served as NCSC First Vice President since his retirement in 1969 as General Secretary-Treasurer of the International Association of Machinists (IAM).

Nelson Cruikshank, NCSC President, paid tribute to DeMore upon hearing of his death.

"In the death of First Vice President Matthew DeMore, the National Council of Senior Citizens has lost an able and dedicated leader and all of us who knew and worked with him have lost a loyal and devoted friend.

"From humble origins brother DeMore rose to a position of national eminence in the Machinists Union. But he never lost the common touch and the deep sense of brotherhood with the plain people whom he served.

"I never knew a man who had less concern for rank, or title, nor more respect for people. We shall miss him mightily. I know I speak for the official family and the entire membership of the National Council in extending sincere sympathy to his family."

AFL–CIO President George Meany and Secretary-Treasurer Lane Kirkland added their tribute to DeMore in a telegram to NCSC.

"His lifetime of strong and wise leadership in the labor movement was crowned by even greater achievement in leading concerned seniors toward more effective and fruitful political action," the AFL–CIO leaders said. "We shall miss him greatly."

Also mourning DeMore's passing, NCSC Executive Director William R. Hutton praised him for "dedicated service to older Americans," and characterized DeMore as a "remarkable man whom we shall all miss greatly."

Born in Cleveland, Ohio, in 1903, DeMore attended public schools. He became a newsboy at age nine and a part-time worker in a hardware store when only 11 years of age.

He left school when 16 to work as a blacksmith helper for the Michigan Central Railroad at Detroit.

When 18, he returned to Cleveland where he worked first as a maintenance machinist for the Electric Vacuum Cleaner Co., now a division of the General Electric Co.

He became a motorman for the Cleveland Street Railway Co., where he was when the Great Depression hit. Realizing that his seniority with the transit system was not sufficient to enable him to earn enough to support his growing family, DeMore returned to the Electric Vacuum Cleaner Co., as a maintenance machinist.

DeMore joined an independent union, the Mechanics Educational Society, and in 1935 he and other employees formed Lodge 439, International Association of Machinists. He served as shop steward for the union and in 1936 was elected president of Lodge 439.

In 1938, DeMore was elected President of IAM District Lodge 54 for the Cleveland area. He was reelected each year for 22 years, serving until he was elected in 1961 as IAM General Vice President. He was elected IAM General Secretary-Treasurer in 1965, serving until he retired in 1969.

DeMore became Chairman of the Concerned Seniors for Better Government, a political organization working with trade union retirees and their families. He was still Chairman at his death.

With NCSC, DeMore also served as Chairman of the Legislative Constitutional Convention and Conference Planning Committees and was co-Chairman of the convention's Resolutions Committee in 1974.

In addition to his wife, Mary, DeMore leaves a son and four daughters, 19 grandchildren, and three great grandchildren.

ANOTHER EARTHQUAKE HITS LOS ANGELES

Mr. CRANSTON. Mr. President, on Thursday, April 8, a moderate earthquake rolled through the quiet streets of the northern San Fernando Valley—a grim reminder of the monstrous forces that may be building beneath the well-manicured lawns and paved streets of modern Los Angeles.

Fortunately, the earthquake, which measured 4.7 on the Richter scale of magnitude, caused no serious damage. Its epicenter was apparently very near the epicenter of the 6.5-magnitude, San Fernando earthquake which killed 65 people and caused $500 million in property damage on the early morning of February 9, 1971.

Small earthquakes are felt in the Los Angeles area all the time. But since the discovery of the land uplift along a 100-mile stretch of the San Andreas fault near Palmdale, Calif., public concern about a major damaging earthquake has reached a new level of consciousness. While we simply do not know whether the April 8 earthquake is related to the Palmdale bulge, it should be heeded as one more reminder of the need to take preventive actions now. Much can be done in advance of an earthquake that could save many lives and much property in the event of an earthquake.

The Los Angeles Times of April 8 published an excellent editorial discussing a number of public policy strategies that can be implemented now to reduce substantially the risk of death and injury in Los Angeles should a major earthquake be in our future. I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

Last Thursday's earthquake in Los Angeles is also yet another reminder why the Congress needs to pass my bill, S. 1174, the Earthquake Disaster Mitigation Act, now pending in the Senate Commerce Committee. It would establish a coordinated national earthquake program which would pump $50 million a year over the next 10 years into a national effort to reduce the risk of life loss and property damage from future earthquakes.

Mr. President, we in the United States have been extraordinarily lucky so far. We have not suffered a major damaging earthquake in a major population center. But the day will come—perhaps tomorrow, perhaps in 30 years—when that destructive earthquake will hit a major population and industrial center. The human tragedy would be incalculable. But the economic repercussions from such an event would leave no person in the United States untouched.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Apr. 8, 1976]

THE BUBBLE IN OUR MIDST

The recently discovered swelling of the land along the San Andreas Fault has earthquake experts interested and puzzled. Such bulging sometimes precedes a big earthquake. Sometimes it doesn't. The seismologists are candidly uncertain about what this new bulge may mean, and about all they can do is watch it.

The rule seems to be that the bigger an earthquake, the longer it takes to build up—sometimes years, or even decades. During this period, the developing earthquake provides clues that seismologists have been learning to decipher. The crustal blister that runs for about 100 miles along the San Andreas Fault, and that is most notable in the Palmdale area, could be such a clue. But no one is certain.

If more signs of a future earthquake are found along what one watcher calls the Palmdale Bubble, a forecast might be possible of the time, location and magnitude of a future tremor. Even if the bulge proves not to be a precursor of an earthquake, we can expect to see earthquake forecasts from other sites before long. Seismologists are steadily moving toward that achievement. What must now be determined as a matter of public policy is what use their information should be put to.

The value of earthquake forecasting is that it can save lives by providing time to take defensive measures—in the home, the workplace, the community. Precautionary steps can include such things as lowering water levels behind dams, putting disaster-relief equipment where it would most likely escape damage, and evacuating unsafe structures.

Most Southern Californians live in frame-and-stucco structures that have proved comparatively safe in earthquakes.

But 75,000 to 100,000 persons in Los Angeles live in older, unreinforced-masonry buildings considered highly vulnerable to earthquake damage. There are about 14,000 of these buildings within the city limits. Unless strengthened, at a cost of millions, they could collapse in a major quake, and the death toll could be high.

Given that risk, we think the choice before local government is clear: require that the buildings be strengthened, or that they be demolished.

The time is rapidly approaching when, because of scientific forewarning, much can be done to mitigate the consequences of an earthquake. The changes in building codes that have taken place over the years to reflect seismic safety needs have been a major start. Now more precise planning by government and industry to prepare for and respond to a major earthquake is becoming feasible as forecasting techniques advance.

There is a further need, as emphasized by Ralph H. Turner, chairman of the UCLA sociology department, and that is for a program of public education to alert people to what they should and should not do when a major quake hits.

People should know, for example, that most structures, like most of the outdoors, are probably safe in an earthquake, though some places in those structures are safer than others. They should know about turning off gas in the event of a line rupture, and about having an emergency supply of water available.

Adequate information on these and other precautionary actions is vital, and should contribute to reducing panic, and saving lives as the time approaches when we will know how to predict earthquakes.

REPRESENTATIVE WILLIAM BARRETT

Mr. HUMPHREY. Mr. President, with the death of Representative William Barrett, the House of Representatives—and indeed the entire Congress—has lost one of its most outstanding Members.

As chairman of the crucially important Subcommittee on Housing and Community Development of the Banking, Currency and Housing Committee, Bill Barrett provided the leadership required to move major legislation to final enactment. Among his accomplishments during the 10 years he served as chairman of the subcommittee are:

The Housing and Urban Development Act of 1965;

The Demonstration Cities Act of 1966;

The Housing and Urban Development Act of 1968;

The Housing and Urban Development Act of 1969;

The Emergency Home Finance Act of 1970;

The Housing and Community Development Act of 1974; and

The Emergency Housing Act of 1975.

As the titles of these important measures indicate, no one demonstrated more concern about the need of low- and moderate-income families for decent housing or the need to plan and rebuild the inner cities of the Nation. Urban America will bear the signature of Bill Barrett for decades to come.

Mr. President, every Member of Congress knows that these housing and community development measures are highly complex pieces of legislation which require an enormous investment of time and effort to bring to the final stage of drafting and enactment in the committee and on the House floor.

Bill Barrett more than met the demands of such legislation. Throughout his tenure as Housing Subcommittee chairman he conducted lengthy hearings and markup sessions with determination tempered with courtesy. He dealt with witnesses and with his fellow committee members in a fair, evenhanded and calm manner.

The only persistent demand he made to subcommittee members and to witnesses who appeared before him throughout the years was that they be willing to reason together to find solutions to the Nation's gigantic housing and community development problems. And in this he achieved measurable success because of his talent for bringing out the best in people.

The constancy of his gentle manner was equalled only by his loyalty to the Democratic Party and the party's legislative policies and programs. In this connection, Bill Barrett always showed himself to be unhesitatingly ready to work without reservation with the House leadership which owes him a large debt of gratitude.

But surpassing all of these accomplishments and characteristics was his total and legendary dedication to the needs of the people of his South Philadelphia district. In this, Bill Barrett was unique among Members of Congress. At the end of each legislative day he journeyed home to South Philadelphia and every evening until late into the night, he kept his office open to assist his constituents. Every night his office waiting room was filled with people seeking help from the one man they knew was more likely to provide it than anyone else. He helped the unemployed find jobs. He helped to settle family and neighborhood disputes. To a degree matched by few other public officials, Bill Barrett kept himself informed about his district and its people. He did this every day throughout the nearly 30 years he served in the House of Representatives.

He would say that "I do this because I love people," a remark that was not in anyway diminished by his simultaneous acknowledgment that if his efforts "have a practical political result, that's fine too."

Mr. President, his efforts did have a practical political result. Support for Bill Barrett became so strong and so widespread in his district that no one could seriously challenge him for his seat in Congress. In effect, be came a political power in Philadelphia, but it was power that was openly earned in the successful pursuit of the interests of the people he represented.

His record in this regard is unequalled in Congress and is likely to remain that way. We will not see his like again and we are the lesser for it.

WHO IS THE COAL INDUSTRY?

Mr. METCALF. Mr. President, the Department of the Interior has in recent months repeatedly stated that there is a need to lease more Federal coal. They indicate that there is a heavy demand for coal leases by the coal industry.

At the hearings held by the Subcommittee on Minerals, Materials, and Fuels on February 16, I asked the Department to respond to the following question:

> In the Northern Great Plains Region what are the areas of greatest interest in and out of the Department for renewed leasing? How were these areas identified?

Among other things, their response indicated that "industry has indicated very heavy interest in obtaining coal leases in the Powder River Basin in Wyoming." The two specific examples of "very heavy interest" by the "industry" were E. L. Lockhart and Eugene Stevens.

This response intrigued me so I asked the Department who Messrs. Lockhart and Stevens were—coal companies or agents of coal companies. The full text of the Department's response follows:

> Eugene Stevens is an individual who has been active in the acquiring of coal preference right lease applications in Wyoming. Mr. Stevens does not develop leases himself but sells or transfers them to coal companies. Western Fuel has recently purchased, or is negotiating, for some of his preference right lease applications for Federal coal.
>
> There is indication that Coal Conversion Corporation is in the process of buying some of E. L. Lockhart's preference right lease applications for Federal coal. Lockhart does not operate any coal mines that we know of.

Mr. President, this answer speaks for itself. The Interior Department equates coal speculators with the coal industry. This does not seem consistent with Secretary Kleppe's recent statement that the Department would lease coal for development and not speculation.

NATIONAL URBAN GROWTH POLICY AND HABITAT

Mr. HUMPHREY. Mr. President, on April 13 I had the pleasure of addressing a 1-day symposium on "National Urban Growth Policy and Habitat." This symposium will play an important role in developing the U.S. presentation at Habitat—the United Nations Conference on Human Settlements to be held in Vancouver, Canada, in June 1976. Habitat will focus the attention of the international community on the complex problems connected with massive urbanization in all countries.

Mr. President, if America is to escape an endless series of booms and busts in housing, urban development, and national economic policy, we must more consciously focus attention on urban growth policy. This is all the more important when viewed in the context of world habitat needs for the rest of this century. The World Bank estimates another 3 billion persons will be added to our 4 billion world population by the year 2000. The population expansion will create over 200 cities exceeding 1 million in population and several cities exceeding 20 million each. Even more staggering, 700 million new homes will be needed.

Mr. President, a decent home in a suitable living environment is not just an American goal but a worldwide human yearning. Habitat presents an opportunity for all of us to rise to this challenge, to channel our Nation's abilities and energies to the achievement of this most fundamental human need.

Mr. President, I ask unanimous consent that my remarks to the Symposium on National Urban Growth Policy and Habitat be printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD as follows:

NATIONAL GROWTH POLICY AND HABITAT

(Remarks of Senator HUBERT H. HUMPHREY)

It is a pleasure to be here and to join with you in examining the future human environment of both our people and those throughout the world.

The upcoming United Nations Habitat Conference on Human Settlements is indeed an ambitious and worthwhile undertaking—one which I not only support, but believe essential to future human progress.

Hopefully, Habitat will build upon and further expand what we already have learned from the UN Conferences held in Stockholm, Bucharest, Rome and Mexico City relating to man's natural environmental, population growth, food and the role of women in the world.

While much has been learned in recent years about the importance of reconciling man's "built" environment with his "natural" environment, little has been done to translate such knowledge into providing a suitable living environment for most people on this earth.

To merely survive, man must have food for his body to grow and to maintain life. He also must have shelter and clothing to protect himself from the natural elements.

But obviously, if we believe in the "dignity of man" we must believe that he was meant to have and enjoy more than mere survival. We must believe that he has certain inalienable human rights which entitle him to develop his mind and talents within a framework of responsible freedom and personal liberty.

And we must believe that governments are to serve him, not to dominate or dictate to him.

As his numbers have increased, man has had to learn more about how to live in harmony with his natural environment and with others—not only to survive, but to create and shape an acceptable living environment for himself and succeeding generations.

And in his historic quest to achieve that acceptable living environment, he has, among other things, created "the city" which today represents both the best and the worst of what he has to offer.

Cities here and elsewhere in the world continue to be of various sizes and shapes, ranging from small rural hamlets to huge metropolitan areas. They have served man well throughout history as gathering places and as centers of commerce, education, and cultural opportunity. But today, many cities, due to their rapid and unplanned growth, threaten the lives of their inhabitants with crime, slums, drugs, overcrowding and human suffering.

The continued growth and changes that are occurring in large urban places throughout the world today probably present man with one of his greatest and most serious challenges in his quest to achieve or maintain a suitable living environment.

We, and the other nations of the world, must meet this challenge head-on. The sunshine of social betterment and economic development must burn away the clouds of squalor that hang over large portions of our cities here and throughout the world, inflicting untold misery on people.

While rural-to-urban migration shifts and growth in overall population in this country have slowed considerably in recent years, major population shifts from center-city to suburbia and from our nation's northern and eastern regions to our southern and western regions continue to accelerate.

By the year 2000, it looks as if we will add another 50 million people to our nation's population, 85 percent of whom likely will be living in cities with populations of 50,000 or more.

By the year 2000, upwards to three billion people are likely to be added to the world's current four billion population. According to the World Bank, this would create over 200 cities exceeding one million each, and several over 20 million each.

And hidden behind these numbers is the fact that most of this growth and population concentration is likely to occur in the developing nations, many of whom already are falling behind in meeting even the most basic of human needs, such as food and shelter, for their present populations.

The creation of a desirable or suitable human environment within our nation requires that people be provided with the opportunity to develop life-styles and surroundings of their own choice, consistent with environmental integrity and the economic management of natural reosurces.

The intensifying debate between the advocates of "no growth" versus "growth at any price" within our country is an attempt to force Americans today to make a simple choice of accepting one or the other. However, I believe they will accept neither. Rather, I believe the American people, as they look anew at what kind of future they now are creating for themselves and future generations, will begin to move toward the goal of human relationships that is based upon the Greek idea of "balance".

Growth is seen by many as the opposite of stability. Yet both are desired. Novelty is prized, but man is overwhelmed by too much change. Technology is both feared and indispensable.

Liberty versus tranquillity, defense versus welfare, present versus future, use versus preservation, are dichotomous or contradictory terms reflecting the on-going contest stimulated by the demands of growth in America's history upon the achievement of national goals and the preservation of national ideals.

Our challenge then is to reach out for the "balance" in human relationships that many of us believe attainable:

Beween growth and stability; between individual free-choice and the common good; between economic needs and environmental protection; between rich and poor, rural and urban, young and old; and between international, national and local goals.

But "how" and through what "means" can we reach out for that "Balance?" What mechanisms and processes do we now have, or need to develop, that will encourage and help us and the rest of mankind to avoid and correct those imbalances that act as impediments to the attainment of a suitable human environment?

In our country, it is through our national, state and local government, of the people, by the people and for the people—operating as a part of a capitalistic, free enterprise society.

Internationally, it is through sovereign nation states and their governments, and the international organizations of which they are members, such as the United Nations, and through international trade and commerce.

But the fundamental problem that we must answer for ourselves today was posed sharply over a century ago by Abraham Lincoln in his famous "House Divided" speech:

"If we would first know where we are, and whither we are tending, we could then better judge what to do and how to do it."

At this critical stage in our national and international development we must create the means and institutional processes within government required to identify at an early point the vital questions likely to confront us as the future unfolds, so that we might better understand, anticipate, and yes, plan for bringing about orderly change in a peaceful manner.

In short, we must create a policy planning capability at the highest levels of our national government, based upon sound information and expert analysis, and assuring the involvement of our nation's citizenry and their state and local governments.

It must address all combinations of political, economic, social and environmental concerns.

It must help public and private decision makers improve their insights and understandings of the immediate and long-term implications of proposed actions.

And it must help them to better understand the "general" impacts of specialized policy proposals, or what some call their "cross-impacts".

Putting it in the words of our young people, it's time, "to get-it-all-together."

This is good advice, both for our nation and the rest of the world.

The major product of national policy planning—or "getting-it-all-together"—can and should be the development of a national growth policy, which among other things, should spell out our nation's policies and goals relating to urban growth and to our nation's rural areas.

We must develop a comprehensive national urban policy that combines the commitment of the 1960's with a New Partnership that actively involves all levels of government and the private sector. Such a partnership cannot be built upon empty promises or unattainable aspirations. It must be based upon a solid and massive commitment that possesses all of the scope, the vision, the financial backing and spirit that the Marshall Plan embodied.

A New Partnership, a Marshall Plan for American Cities, requires coordinated planning at all levels of government. It means that ideas must flow from the bottom up as well as from the top down. And it means that promises made must be promises kept, especially as it relates to resources being made available on a continuing basis—not in a stop and go manner.

If our nation's cities are to have a future, we must make a binding commitment to the people who live in them that their government, working in cooperation with the private sector, will maintain full employment.

There are other essential parts of a comprehensive national urban policy:

We must have a steady and expansive monetary policy.

We must reduce mortgage interest rates to make home ownership available to a larger number of American families.

We also must make it possible for young families and low and moderate-income families to acquire a decent home.

We need community development as well as housing and economic development.

We need loans and grants to rehabilitate and repair existing housing and community infrastructure, as well as programs to build new facilities.

In short, we must arrest present policies which encourage the throw-away city, and embark on a new conservation approach: conservation of housing; conservation of neighborhoods; conservation of infrastructure; and yes, conservation of cities.

Now let us turn our attention to our nation's rural areas, which continue to suffer from englect and decline.

During the period of the 1930's to the 1960's, 30 million Americans left our nation's farms and countryside for the bright lights and sidewalks of Urban USA.

This massive fight of largely young adults from our nation's rural areas left those areas with a reduced labor force and tax base, the essential elements for sustaining growth and community services.

It also left these areas with the very young and the very old to care for, and as I said before, with less tax revenue.

As a result, we find that two-thirds of our nation's substandard housing today exists in our rural areas and communities.

We find doctors and adequate health care difficult, if not impossible, to obtain in many of these communities.

We find quality education lacking.

We find central water and sewer systems and solid waste disposal facilities in thousands of these communities either non-existent or totally inadequate.

We find the availability of credit, on reasonable terms, very difficult to obtain, especially to buy a new home, or to start a new business.

And the list goes on!

Here again, as is the case with our nation's great cities, a New Partnership must be formed between government at all levels and the private sector to meet these essential needs of our rural citizenry.

I must remind you that our rural citizenry, while very small in number, are of enormous importance to all of us. They produce the food we eat, the fiber we wear, the timber for our homes, the minerals for our machines, and the chemicals for our medicines, paints and plastics.

Therefore, rural Americans are entitled to a suitable living environment as are urban Americans.

As so often is the case, we now have programs to help accomplish such objectives on our nation's law books—programs both for urban and rural people. But they are not being implemented, or if so, only halfheartedly.

The Rural Development Act of 1972, of which I was the chief sponsor, is a classic example. Only a few of its provisions are being adequately funded or implemented today.

"Getting it all together" then, to secure a suitable living environment for all our citizens—urban and rural—requires:

New leadership; new national policy planning processes; new commitments, and a New Partnership of national, state and local governments, the private sector and the involvement of our nation's citizens.

"Getting-it-all-together" to secure a suitable living environment for people throughout the world requires:

A new leadership of the type that will be provided through Habitat, and that already has been provided through recent similar UN Conferences;

A new partnership within and among the have and have-not nations to attack basic causes of hunger, disease, ignorance and poverty:

A new international understanding of our interdependencies relating to such things as energy, food, capital, minerals and technology;

A new commitment to bring about orderly change in a peaceful manner through government and international trade; and, finally,

A new international effort to anticipate and plan for the future of mankind.

At this critical stage in man's development we must provide the means and institutional processes required to answer the classic problem stated by Abraham Lincoln, to identify at an early point the vital questions likely to confront the world as the future unfolds with its potent and rapid changes resulting from exploding population growth and from the onrush of science and technology.

Time, said Saint Augustine, is a threefold present; the present as we experience it, the past as present memory, and the future as present expectation.

"By this criterion", stated Daniel Bell, "the world of the year 2000 has already arrived, from the decisions we make now, in the way we design our environment and thus sketch the lines of constraints, the future is committed . . . for the future is not an overarching leap into the distance, it begins now!"

THE RUSSIAN GRAIN DEALS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Idaho (Mr. Church).

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Church

THE RUSSIAN GRAIN DEALS

Mr. President, this is, of course a special year for America in that it is the two hundredth anniversary of the forging of our union. It is also a crucial year for the future of that union, for it is a year of critical policy decisions. Chief among these decisions is the allocation of our scarce resources in a world filled with deficiency, poverty, and want.

In January, President Ford praised the spirit of the U.S. farmer in a speech before the American Farm Bureau Federation in St. Louis. At that meeting, the President pointed out that "our earliest heritage as a nation was created by farmers."

On October 20, 1975—less than three months before his policy address in St. Louis—Mr. Ford announced the conclusion of a long-term bilateral grain agreement between the U.S. and the U.S.S.R.. This agreement, which established guidelines for Soviet purchases of American wheat and corn over the next five years, was made without the advice and counsel of the Special Representative for Trade Negotiations. It was agreed to without the direct participation of the Secretary of Agriculture. And more importantly, its terms were formalized without adequately consulting the farmers who actually grow the grain.

In October, the President agrees to sell American grain to the Soviet Union at what will undoubtedly be near-giveaway prices, and before the ink on the agreement is barely dry, he pauses in January to pay tribute to the "embattled farmers" who "fired the shot heard 'round the world."

As agriculture leaders across the country have pointed out, the farmer faces in 1976 a battle every bit as tough as the ones his forefathers fought at Bunker Hill or Yorktown. However, this time he isn't fighting King George the III and his legions of "lobster-backs." Instead, he is fighting to remain in business. This would be an uphill battle even if the farmer had the full cooperation of the U.S. Department of Agriculture. In reality, he is faced with an administration that seems to consider the interests of the farm community as an item of last priority.

In August 1975, the National Farmers Union in a white paper titled: "Sell Grain? Of Course!", made an even stronger statement about the Ford Administration:

"The food and agriculture policies conducted by Secretary of Agriculture Earl Butz have been reckless, irresponsible, wasteful, and destructive to the point of scandal. They have brought the world to the raw edge of famine—needlessly. They have confronted American consumers with violent swings in prices and supplies of basic foods. They have brought hundreds of thousands of farm families who produce meat, milk, poultry, and cotton to the brink of economic ruin, suffering losses mounting to tens of billions of dollars in the space of a few short years. They have exposed grain and other crop farmers to the frightful risk of economic disaster."

We have all witnessed the after-effects of the so-called "Russian grain deals" of 1972 and 1975. In the first instance, American farmers, consumers, and taxpayers were, according to one observer, "short changed because of the failure of the Department of Agriculture to properly assess the rising world demand for wheat." In 1972, it was the Soviets who benefitted most from this "deal" and it appears that in 1975 as well, the Soviet Union will reap the largest gains.

Mr. President, much misunderstanding has surrounded the U.S.-U.S.S.R. grain deals. Before proceeding further with an analysis of the issues raised by these agreements, a historical background will help to put the present issue in context.

A HISTORY OF UNITED STATES-U.S.S.R. GRAIN TRADE

Historically, the federal government has favored an agricultural policy which maximizes exports. However, since World War Two, trade with Russian and the Eastern European countries has been regulated because of political considerations. From the end of the war through the 1950's, all trade with these Soviet Bloc countries was restricted by federal regulations. In the early sixties this strict policy was eased somewhat, and in 1963 the Commerce Department was authorized by President Kennedy to issue export licenses for certain agricultural commodities including wheat. Concurrently, the Administration at the urging of labor and maritime leaders imposed a cargo preference requirement that 50 percent of all such commodities shipped to Russia or Eastern Europe had to be shipped on U.S. flag vessels. Because of high carriage charges resulting from the cargo preference requirement, little American grain was shipped to the Soviet Union during the 1960's.

Late in 1971, the Soviets purchased a large quantity of U.S. corn. After this purchase, the Soviet Minister of Agriculture announced publicly that the U.S.S.R. would import grain from the United States at least through 1980. However, a long-term agreement to facilitate these sales was not discussed further.

In 1972, the Nixon Administration initiated negotiations for a major sale of grain to the Soviet Union. The three year sale was formally signed on July 8, 1972. Under the terms of this agreement, the Soviets agreed to purchase at least $750 million of U.S. grain between August 1972 and August 1975. In return for this commitment, the United States agreed to make available up to $750 million in credit to the Russians through the Commodity Credit Corporation on standard terms and at the going interest rate. The total outstanding CC credit was not to exceed $500 million at any one time.

The agreement also amended the cargo preference requirement established in the 60's, reducing the amount to be hauled on ships under the U.S. flag to one-third of the total.

When this agreement was signed, the U.S. government expected the Soviets to purchase mostly feedgrains, such as corn which in turn were expected to be used for the expansion of Russian livestock production. It was also expected that these purchases would be spread out over the three years of the agreement. However, because of unusually poor weather conditions in the Ukraine, Soviet winter and spring wheat production fell and large secret purchases of U.S. wheat (mostly) and feedgrains were made beginning in July and August of 1972. The six largest American grain exporters were thus able in mid-1972 to negotiate with Soviet buyers the sale of over 19 million metric tons of wheat, corn, and soybeans, valued at over $1 billion. CCC credit was used to finance roughly half of this amount.

The USDA grain export subsidy system in effect at that time was designed to allow the sale of American wheat in the world market even though the domestic price might be higher than the world price. Under ordinary circumstances, this meant that the federal government would contribute a few cents per bushel toward the sale of wheat abroad. This export subsidy was justified on the basis that it was more profitable to export wheat at cheap prices than to pay for the storage of excesses or to pay large sums to farmers not to grow more of it. However, when the news of the immense sales to Russia hit the wires on August 2, the price of domestic wheat shot up and the federal subsidy paid to the exporters went up with it.

The world market price of wheat was concurrently held down to artificially-low levels by the payment of these subsidies. This resulted in the low price at which U.S. grain was sold to the Soviets, at the expense of American grain farmers and the federal government. Through this system, the United States paid out more than $300 million in export subsidies to the large U.S. grain traders before the subsidy was abolished by the USDA, acting under pressure from the Office of Management and Budget and the White House, on August 29, 1972.

By keeping these transactions secret, until most of their buying was finished, the Soviets were able to effectively mask the volume of the purchases they were making. This enabled them to corner more than a quarter of the U.S. wheat crop at extremely low prices and thus reduce the world's remaining reserve of grain.

All of us remember the rise in the price of bread in the grocery store which began in 1972. However, little has been said about the farm value of the wheat present in a loaf of bread, which is perhaps the best indicator of how these grain sales effected domestic bread prices.

During the first three years of this decade, the retail price of a one pound loaf of white bread remained close to 25 cents. It moved up to 32.8 cents in the first quarter of 1974, when farm wheat prices rose to a high of $5.52 a bushel. At that time, the farm value of wheat in a one pound loaf was 6.4 cents. From the peak wheat price in the first quarter of 1974—when the farm value was 6.4 cents—the farm value dropped to 4.7 cents in the first quarter of 1975, but the retail price went up almost 5 cents. In December 1975, the last month for which figures are available, the farm value of wheat in a loaf of bread had continued to drop down to 4.1 cents, while the retail price rose to 35.1 cents. The relationship of wheat prices to the retail cost of bread in the years 1971–1975 is summarized in Table 1, below.

FARM VALUE OF WHEAT IN A LOAF OF WHITE BREAD (1-LB LOAF)

[In cents]

	Average-			1st quarter		December
	1970–72	1973	1974[1]	1974	1975	1975
Retail price	24.6	27.6	34.5	32.8	37.3	35.1
Farm value of wheat in loaf	2.7	4.1	5.4	6.4	4.7	4.1

[1] In the 1st quarter of 1974, the farm price of wheat reached a peak of $5.52 per bushel. Since that time, the farm value of wheat has declined by 36 percent, but the retail price of a loaf of bread had advanced by 6 percent.

Source: "Sell Grain? Of Course"; A White Paper on Grain, Bread and Jobs, National Farmers Union, August 1975 (December, figures added.)

The chief reason why American surpluses of grain were substantially reduced by the time of the massive Soviet purchases in 1972, was that federal payments to farmers for holding cropland out of production reached an all-time high in that year, totalling nearly $4 billion.

These payments were completely eliminated in 1974 and 1975. However, the removal of this system has failed to bring back most of the 80 million acres by which America's cropland has shrunk.

Contrary to some reports, that insisted the sales were a "one shot deal," the Russians did continue to buy American grain after mid-1972. Table 2 below, gives a rough breakdown of the amount of both U.S. wheat and feedgrains purchased by the Russians during the years 1971–1976.

TABLE 2.—UNITED STATES GRAIN PURCHASED BY THE U.S.S.R. 1971–76

	Fiscal year—				
	1972	1973	1974	1975	1976[1]
Feed grains (MMT)	2.935	3.955	4.610	1.261	9.402
Wheat (MMT)	.3	9.468	2.725	.978	3.825

[1] These figures are projections.

This then, brings us to the events which led to the signing of the 1975 US-USSR grain agreement on October 20.

With the abandonment in 1974 of the production control programs established under the Agricultural Adjustment Act of 1933, the American farmer was encouraged by the government to increase production. As an added inducement, the President and Secretary of Agriculture repeatedly assured farmers—even after they placed an embargo on soybean exports in 1973—that the farmers would continue to have access to world markets.

However, in October of 1974, the White House requested two major grain trading companies to voluntarily withhold sales of wheat and corn under contracts the two had just concluded with the Soviets. Later in 1974, the USDA established an export approval system under which exporters were asked to obtain the approval of the Department prior to entering into any contracts for the exportation of significant volumes of grain.

During the summer and early fall of 1975, several important events occurred. First, the International Longshoremen's Association indicated that unless the US negotiated a new shipping agreement with the USSR, and unless there were concrete assurances that the anticipated sales would not cause retail food prices to increase sharply, then their union would not load cargoes bound for the Soviet Union. Although there were a few boycotts, the grain already purchased by the Russians was eventually loaded after the courts stepped in and issued injunctions against the strikers.

Secondly, the Ford Administration obtained the cooperation of the US grain exporters in imposing a moratorium on further sales to the Soviet Union. Later, the Polish government agreed not to purchase American grain until suitable arrangements governing trade with that country could also be worked out. Originally, this moratorium was slated to last until the outcome of the US corn harvest could be determined in the September 11 Crop Production Report. In the meantime, the US and the USSR began negotiating a long-term grain agreement, and the moratorium was extended for the duration of those negotiations.

The moratorium on grain sales to Poland was lifted after a framework outlining the terms of future Polish grain purchases was agreed to on October 10.

On October 20, after 40 days of negotiations conducted under the direction of Under Secretary of State Charles Robinson, President Ford announced formally the five-year agreement on purchases by the Russians of US grain. The agreement is to run between October 1, 1976, and September 30, 1981 and as outlined by the White House:

(1) Commits the Soviet Union to purchase a minimum of six million metric tons of wheat and corn annually.

(2) Permits the USSR to purchase an additional two million tons annually without Government to Government consultation.

(3) The U.S. Government agrees to facilitate Soviet purchases under the agreement and not to exercise its authority to control shipments of these amounts except that it may reduce the quantity to be sold in any one crop year if the estimated total U.S. grain supply is less than 225 million tons in that crop year.

The agreement also provides for consultations by the two Governments in advance of purchases in excess of eight million tons of wheat and corn in any one crop year. Shipment of grain under the agreement is to be in accord with the U.S.-USSR Maritime Agreement.

Mr. President, much has already been said and written about the U.S.-Soviet grain sales and agreements of 1972 and 1975. I would, however, like to make some observations about what went "wrong" in both instances with the hope of suggesting ways that the United States could avoid such "mistakes" in the future.

THE MISTAKES OF 1972

Perhaps the biggest error made in 1972 was the inadequate assessment by the USDA of the potential of massive wheat purchases by the Soviet Union. A 1973 report released by the General Accounting Office showed that: (1) as early as January, 1972, the U.S. Embassy in the Netherlands commented that U.S. wheat dominated the market because of competitive pricing; (2) the Russians began to purchase wheat in March at approximately the same time both Canada and Australia—the principal U.S. competitors—began to reduce their exports; (3) the U.S. agricultural attache stationed in Moscow began saying on February 18, that the Soviet wheat crop would be damaged from adverse weather conditions; and (4) USDA officials knew that the Russian leaders had made a commitment to their people to increase the protein component of their diet and that increased foodstuffs would be needed to fulfill this commitment.

This inadequate prediction of Soviet wheat requirements by the USDA meant that "farmers were not provided timely information with appropriate interpretative comments to help them make sound marketing decisions." As a result, the GAO report said, despite massive sales to Russia, the farmers sold according to traditional selling patterns. Some even sold before their normal time because of the projected market conditions.

The USDA also claims to not having been aware of the purchases made by the USSR, even though Continental Grain—one of the large US grain exporters involved in the sales—is quoted by Representative John Melcher as having said that both the USDA and the FBI knew that large quantities of grain were involved when the first sale was made early in July of 1972. It is disturbing that even though Department of Agriculture officials had wind that sales were being made to the Soviets, they stated to the GAO that ". . . they did not know the magnitude of the sales made and did not attempt to find out," even though such information obviously was of great importance to wheat sellers.

Additionally, the Russian sales of 1972 magnified imperfections in the management of the wheat export subsidy program, which according to the GAO, lacked adequate administrative controls. By being assured of subsidies from the government, the major US grain exporters were able to offer lower prices to the Soviets than otherwise would have been possible. Given the needs of the Russians, there is reason to believe that they would have purchased large quantities of grain at that time, even had prices been higher. Thus, the US could have saved as much as $300 million in needless subsidies. Fortunately, these export subsidies were suspended in August of 1972.

1975

The National Association of Wheat Growers, meeting at their 26th Annual Convention on January 22, 1976, passed a resolution which directed the NAWG Executive Committee to "take such legal and legislative action deemed necessary and appropriate . . . to ensure free access of U.S. wheat to world markets."

The association, representing over 82,000 wheat growers, has retained counsel for the purpose of analyzing the 1974–75 moratoria and the 1975 U.S.–U.S.S.R. long-term agreement.

In testimony before the Senate Finance Committee in February 1976 during hearings on U.S. Foreign Trade Policy and Administration of the Trade Act of 1974, Don Woodward, President of the National Association of Wheat Growers, reported their counsel had made the following findings:

". . . substantial legal grounds exist for challenging the legality of the October 1975 Soviet Grain Agreement as well as certain actions arising out of the moratorium on grain sales to the Soviet Union, which was arranged by the Executive Branch in July 1975.

"In this regard, Counsel indicated the following legal conclusions:

"In their view, the President and other Executive Branch officials did not have authority under either the Constitution or existing legislation to enter into the Soviet Grain Agreement.

"The 'prior approval' system of export licensing put into effect in October 1974 and the moratorium on sales to the Soviet Union in the summer and fall of 1975 were inconsistent with specific provisions of the Export Administration Act, which is the law passed by Congress regarding export controls.

"Conduct engaged in by grain trading companies and Executive Branch officials to implement the 1975 moratorium on sales may have violated the anti-trust laws of the United States.

"Thus, it is our observation that the Administration has used makeshift controls to restrict U.S. Grain exports over the past 1½ years for basically domestic political purposes. These steps were of questionable legality and were taken without consultation with farm groups, public input or discussion."

Whether the Ford Administration acted outside the law in imposing the moratoria on sales to Poland and the U.S.S.R. or had the authority to enter into the October 1975 agreement are matters which must now be settled by the courts.

However, several other aspects about the moratoria and long-term agreement merit discussion.

First, was the embargo on sales to the Soviets actually necessary given the record crops of wheat and feedgrains produced in 1975? At the time the embargo was imposed, the 1975 production figures for wheat and other small grains were almost precisely known. Estimates of the corn crop always have a higher potential variation than the wheat estimates, but even these figures were solidified after the USDA compiled its September 11 report.

When the embargo which had first been imposed voluntarily in 1974 was reinstated on August 11, 1975, the Soviets had already purchased 10 million tons of American grain, and they had terminated grain exports to their Eastern European satellites. Although there was some public concern over the possibility of large additional sales and shipment of grain to the USSR, the point was rather moot, because the limited capacity of Russian ports precluded their receipt of such additional shipments.

When the final figures are in for this market year, the Soviets are expected to have purchased some 13.7 million metric tons of wheat and feedgrains, or about the amount they bought in the 1972–73 market year. However, since 1972, American production of wheat for example has risen by 28%.

The grain crops produced in 1975, added to the "carry-over" from previous crops, resulted in huge supplies, which were more than adequate to meet all needs, including the purchase by the Soviets—if they so desired—of several additional million metric tons. Our carry-over this year is expected to range between 13.9 MMT and 14.5 MMT. This represents an increase of 56–63% over the 8.9 MMT reserves held by the U.S. last year, at a time when Russian purchases of U.S. stocks were at their lowest point in five years.

The effect of this embargo was to force the Soviets to look elsewhere for the grain needed to meet her immediate needs. This has resulted in the continuation of the decline in prices paid to the U.S. farmer and an increase of our carry-over.

It thus appears to me, that the imposition of this embargo was chiefly a political move by the Ford Administration which was based on considerations other than a projected shortage of domestic supplies of grain.

The second point I want to make about these moratoria concerns the extension of the embargo to Poland.

On September 23, 1975, after the State Department had asked Poland to suspend its purchases of American grain, Great Plains Wheat, Inc. quotes the Department of Agriculture as saying that "so far as it is concerned, there is no ban on further sales to Poland." Joseph Halow, Executive Secretary of Great Plains Wheat, commented on this situation saying, "This leaves one wondering seriously, who is in charge? Such contradictory statements coming from the two agencies can only create greater confusion and uncertainty in world markets." As in the case of the embargo on USSR purchases, extension of the embargo to Poland appears to have been based on political rather than inventory considerations.

That brings me to a third point, namely, who should control agricultural policy within the government: the Department of Agriculture, or the Department of State? It was the State Department who extended the embargo to Poland, and it was a member of the State Department who led the delegation which negotiated the October agreement.

At the same time, it appears that the Secretary of Agriculture was excluded from these discussions because of heavy outside influences. That action was unacceptable to me, and I wrote to President Ford saying, in part: "Secretary Butz, as chief spokesman for the agricultural community, must be allowed to play an active role in all decisions affecting American farmers, such as the sales policies of U.S. grain exports. Too often the crucial decisions affecting the livelihood of the American farmer are made not by the Department of Agriculture, but by other departments of the Federal Government, or even special interest groups. The input of the farmers—the very people who toil from daybreak to sunset to produce these commodities—does not receive proper consideration."

I felt, and still feel, that the problems associated with sales of American grain to the Soviet Union should be handled by both the Departments of Agriculture and State, working in close cooperation.

The final point I would like to make concerns the necessity of the 8 MMT limit on sales imposed in the October agreement. Because of this limit and also because of their experiences during the past five years, the USSR cannot have the greatest confidence in the United States as a dependable supplier of grain. This limit will undoubtedly dampen Soviet intentions for buying grain from the United States. As a consequence, the Soviets will probably reduce over the long term their livestock production or, at least stop increasing it.

The problem with this export ceiling is that it is not the "free market" promised by Secretary Butz. It is, rather, a regulated market which does not allow farmers to sell their crops for a higher price when demand is up, but does leave them "free" to suffer the consequences of a price "bust" when supplies are ample.

I feel that it would have been more beneficial all around to seek a US–USSR agreement to provide better and more timely exchange of information regarding crop production and associated data on crop conditions, supplies, port capabilities and import requirements, rather than an agreement limiting grain commerce.

Mr. President, regardless of what action the courts may take with regard to the questions of legality of the latest grain deal, several things are clear. According to the Ford Administration some days the American farmer can sell wheat to the Russians and some days he can't. Nobody in the White House seems to care how this hurts the farmer. This type of attitude is wrong. It's wrong to say to the farmer, "grow as such as you can," and then slap limits on how much he can sell.

It's wrong to make deals in secret that affect the prices received by millions of farmers and paid by millions of consumers. Any new administration should remember that agriculture is the backbone of this nation's economy and our greatest asset in world markets. To break faith with America's farmers is to break faith with all Americans.

MANAGEMENT AND TECHNOLOGY ASSISTANCE TO SMALL BUSINESS MEN AND WOMEN

Mr. HATHAWAY. Mr. President, earlier this month I chaired hearings of the Select Committee on Small Business concerning Federal programs to provide management and technology assistance to small business men and women. These hearings highlighted the needs of small business for increased assistance in these areas and the potential benefit such assistance can provide the businesses affected and ultimately the economic well-being of the Nation as a whole.

I would, therefore, like to share with my colleagues a portion of the testimony received in the course of these hearings. The testimony of Thomas McGillicuddy, district director, Small Business Administration for the State of Maine, Dr. John Bay, dean of the School of Business and Economics, University of Maine at Portland-Gorham, and Stuart Ferris, chairman, Penobscot Bay Chapter of the Service Corps of Retired Executives, when viewed together, indicate what can be accomplished within one State to provide needed management skills and expertise to businesses which are just starting up or trying to maintain or regain a workable market position.

Mr. President, I ask unanimous consent this testimony be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Statement by Thomas A. McGillicuddy

Senator Hathaway, it is a pleasure to appear before the full Senate Select Committee on Small Business. Previously, I gave testimony before your subcommittee on problems facing small businesspeople in Maine and SBA's role in helping to overcome those problems. I have also given testimony on what the SBA has done to help Maine's fishermen, loggers and farmers.

Today, I have been asked to testify on SBA's Management Assistance program with particular emphasis on how it is workinig in Maine. Let me start with a brief history of Management Assistance within SBA. I will then list and describe the array of MA programs. I would then like to tell you something about our Management Assistance Officers; special projects they conduct and extra efforts to help veterans, women and minorities. I will conclude with an example of how our many programs interface and a description of a proposed new Agency program.

In 1954, the Agency's management assistance activities were begun with two management courses and publication of the first management aid. Since then, many new programs have been added and expanded to meet the needs of small business .

Management Assistance programs and Procurement Assistance programs were operated within a single division until three years ago. In 1973 Management Assistance was established as a separate division and was staffed nationwide with some 400 employees.

SBA recognized that it is not enough to provide financial assistance, procurement assistance and surety bonding. Dun and Bradstreet states that over 90% of all business closings are due to "management failures." SBA has adopted a positive approach by offering Management Assistance to any small businessperson or prospective small businessperson who desires help, whether or not the small businessperson is an SBA borrower. Management Assistance takes many forms which include but are not limited to: (a) pre-business workshops; (b) management seminars coverinig 21 subjects; (c) specialized courses in recordkeeping, taxes, marketing or any other subject for which a demand exists; (d) counseling on an individual basis by volunteers from SCORE (Service Corps of Retired Executives)/ACE (Active Corps of Executives); (e) contracts with professional consultants through the 406 Program; (f) counseling through the Small Business Institute Program; (g) publication and distribution of Management Aids and (h) consulting with the Management Assistance Officers (MAO's) who have had special training to help the small businessperson.

Because of the high failure rate among new businesses and the evident need for training before going into business, the pre-business workshop program was introduced in 1963. Designed for persons seriously intending to go into business or those in business for a year or less, the workshops provide an orientation to the principal factors important in small business management, stressing the need for adequate preparation and indicating sources of information and help.

One of the greatest benefits of the pre-business workshops has been the realization of unqualified people that they should not go into business at that time. We believe that discouraging people who lack the necessary experience, ambition or capital from starting a business results in keeping many of them from becoming a D&B failure statistic.

In fiscal 1975, the Agency conducted 953 pre-business workshops for 34,524 small businesspeople. During this fiscal year the Augusta District Office will hold 15 pre-business workshops in 7 Maine communities with some 525 fledgling businesspeople in attendance. Written comments from participants attest to the fact that pre-business workshops are providing vital guidance to new business owners.

We also conduct specialized courses throughout Maine that run from one to three days. Some 700 to 800 Maine business owners are expected to attend specialized courses this fiscal year.

Last month we cosponsored with the Portland SCORE Chapter and the Portland Rotary Club a very successful three day marketing and advertising seminar. A unique feature of this seminar was that all speakers except one were Rotarians.

Management seminars typically run seven weeks with three semesters required to cover 21 core subjects. Subjects include: sources of capital funds, recordkeeping, business law, key success and failure factors, advertising and marketing. These courses are designed to provide small businesspeople with practical information and ideas that can be readily applied to their businesses. Instructors include lawyers, accountants, bankers and successful small business owners who talk the language of the participants.

The Agency has been successful in obtaining cosponsorships from colleges, universities, Chambers of Commerce, trade and professional organizations, local business groups and other government agencies.

Last year, SBA conducted 1,336 management courses for 34,710 attendees. The Augusta District Office expects approximately 2,000 small businesspeople will attend these seminars at 10 to 12 locations during this fiscal year.

Recognizing that a few SBA personnel could not possibly provide all the management counseling required by small businesspeople, SBA established SCORE in 1964. Present nationwide membership including ACE is over 7,000 and growing. Maine's membership has grown from 65 in 1973 to 152 today.

The typical SCORE volunteer is a person who successfully ran his own business or who comes from middle and upper levels of management in business or government. He (or she) is usually a person who feels that this country has been good to him and he wants to help others to be successful.

SCORE counseling is often conducted at Chambers of Commerce and consists of advising people who wish to go into business and discussing specific problem areas with existing small business owners.

I am pleased to report that a growing number of SCORE volunteers are committing themselves to long term in depth counseling with our clients. For example, one of our Portland volunteers who was a Zone Manager for General Motors for many years has made ten visits to a local automotive parts manufacturer. He has helped management to create a new organization structure, write job descriptions and design an inventory control system.

In 1969, ACE was established as a companion organization to SCORE. This group consists of executives who are still working, but are willing to spend some time in small business assistance.

Nationwide, SCORE/ACE volunteers are expected to counsel 70,000 business concerns in FY 1976. In Maine, we expect to counsel 675 to 700 businesses this year.

As Stu Ferris, Chairman of the Penobscot Bay SCORE Chapter, will point out, SCORE/ACE volunteers are also actively engaged in many other Management Assistance programs.

SBA augments the SCORE/ACE volunteer counseling with professional consultants under Section 406 of the Equal Opportunity Act. The Augusta Office uses this program when a special expertise involving some 3 to 12 man days of work is required. We have used professional consultants 26 times during the last year for minority and disadvantaged business concerns. The 406 program provided specialized management assistance last year to 2,843 small businesses that could not otherwise afford it.

The Small Business Institute is one of the Agency's most innovative and productive programs. From a pilot project in 1972, the SBA program has grown to encompass some 20,000 counselors in 385 schools.

The Augusta District Office has contracts with the four fully accredited business colleges in Maine. Student counselors will provide consulting services to 65 Maine businesses this fiscal year.

The typical SBI student in Maine is a senior business major, a high grader, an overachiever who has a strong desire to gain "hands-on" business experience. In addition to helping many standard type small businesses, Maine SBI students have provided counseling services for such diverse entities as a regional blood bank, a Goodwill Industries plant and an Indian owned furniture factory.

A key factor in the success of the SBI program has been the volunteer cooperation of more experienced advisors. For example, students in Dr. John Bay's SBI at the University of Maine at Portland-Gorham receive guidance from SCORE volunteers, many faculty members, associates of the Center for Research and Advanced Study and SBA personnel.

An attestation to the success of the program is that several students have obtained full time employment as a direct result of their SBI involvement. The highest starting salary for a Portland-Gorham business graduate last year went to an SBI student who was hired by the firm which he counseled.

SBA has some 300 titles in publication including booklets and leaflets under the following series: Management Aids for Small Manufacturers, Small Marketers Aids, Small Business Management Series and Starting and Management Series. These are practical guides on how to apply the best modern management techniques to small businesses.

With a distribution of over 5,000,000 per year, these publications make a positive impact on the small business sector. Currently we are working with the National Federation of Independent Business to provide our publications to their membership of 436,000 businesses.

All of Maine's Management Assistance activities are handled by only two professionals and one clerk. Fortunately, they are exceptional people.

Perhaps it would be meaningful to give the backgrounds of our MA professionals. Assistant District Director Bill Clifford started with IRS in 1934 and was a financial analyst for the S.E.C. He later was an Area Chief for SBA's SBIC program. Mr. Clifford is a CPA who was managing partner of an accounting firm and was Chairman of the Board and President of a truck body manufacturing business employing 250 people. SBA and the Maine small business community are fortunate to have a man of Bill's exceptional abilities.

Management Assistance Officer Harvey Bryant has a background as a small business manager and bank branch manager. Mr. Bryant was a loan officer in the Community Economic Development Division for two years and a Portfolio Management loan officer for three years before transferring to Management Assistance two years ago.

Even with these credentials, we believe that continued training is required to stay current with modern management practices. Since transferring to Management Assistance Mr. Bryant has attended courses on Advanced Analysis of Financial Statements, Personnel Supervision, Federal Productivity, Marketing, Advanced Technical Writing and Management by Objectives.

In addition to the responsibilities described above, I frequently assign special projects to Messrs. Clifford and Bryant. During the last year they have: coordinated Maine's involvement with a Multi-Agency Conference in Springfield, Mass.; planned a most successful Procurement Assistance Conference sponsored by Senator Hathaway; given many civic club speeches on SBA activities; participated in bank and congressional aides seminars and made many field visits for Portfolio Management.

We continue to make special efforts to help groups who need extra assistance. For example, over 300 veterans have attended our workshops so far this fiscal year.

An increasing number of women participate in our workshops. We expect to enroll over 200 women by the end of this fiscal year. On April 22, we will hold a special prebusiness workshop for women only. Most of the speakers will be women.

As a percentage of the total state population, ten times as many minorities attend our workshops compared to majorities.

By combining our programs, we have been able to achieve a synergistic effect whereby the combined result is more beneficial than the individual efforts. For example, we have worked closely for several years with a minority general contractor. He is an 8A contractor who has had two SBA loans and several surety bond guarantees. He has also received 406 consulting and currently is receiving SCORE counseling. His business has grown and prospered as a direct result of our association. Next year we expect that this contractor will graduate from the 8A program.

Let me comment on a new Management Assistance Program. It is the University Business Development Center (UBDC). A UBDC will provide a comprehensive program for the expansion of existing businesses and the establishment of new enterprises.

The concept would correlate the efforts of several Government agencies now conducting programs on university campuses throughout the country. Mutually supportive, sometimes overlapping, existing Federal and state programs would be gathered together into a cohesive master plan for increased efficiency and greater leveraging of resources. At the same time, agencies such as HEW, SBA, NSF, Commerce (EDA and OMBE), the Bureau of Standards, and others would maintain their separate identities and independence of administration.

Through a UBDC, a business owner or potential entrepreneur would find the opportunity for analysis and understanding of his or her abilities, business skills, and an opportunity to develop them. Facilities for complete analysis of a business plan, product or idea would be available. The UBDC would provide technology utilization services, assist in capital formation; and it would provide entrepreneurs with knowledgeable on-the-job student and volunteer help to implement center findings while the business owner or manager developed his or her skills through center training.

SBA also proposes that existing resources, such as the SBI Program on nearly 400 campuses, the more than 7,800 volunteer SCORE and ACE counselors, and the many short courses in small business management for active entrepreneurs already being offered by many schools, be expanded and intensified so the functions and services envisioned for the C/BED can be successfully implemented.

None of the resources discussed are new. Each of them exists somewhere. But, UBDC, by combining the existing multiple resources of academia, Federal and State agencies, and volunteer organizations into a university-coordinated delivery system, is the best means for promoting broad scale business growth in our country today.

I would like to conclude my remarks by stating that Management Assistance is the single most important form of assistance that the Agency provides to small businesspeople. Throughout my testimony, attention is called to the great success SBA has enjoyed in leveraging our resources through the aid of others, many of them unpaid volunteers. One of my greatest satisfactions as a District Director has been to witness the unstinting commitment of volunteers to help struggling small businesspeople.

STATEMENT BY DR. JOHN W. BAY

It is a pleasure to be here today and have this opportunity to attest to the effectiveness of the Small Business Institute, a management assistance program sponsored by the Small Business Administration at the University of Maine at Portland Gorham.

BACKGROUND

Small business represents a vital and significant force in the American economy. In 1776 all businesses were small by present standards. In 1876 there were approximately 300,000 businesses in the United States, most of them being small firms.[1] Even though the twentieth century has recorded a substantial growth in large firms, small business is still a very important part of our economy. Of the more than nine million businesses in the United States, almost ninety-five percent are small concerns. In a state such as Maine, nearly all firms in the entire state are classified as small businesses. As a source of employment, small businesses provide jobs for about one-half of the American work force. They account for over forty percent of gross national product.[2] They contribute nearly twenty percent of all business taxes paid.[3] In summary, it is clear that small businesses have been and are currently a vital and significant factor in our economy.

The philosophy of small business is a factor to consider as well as the economics. Our two hundred year history reflects this. It is traditional in America to associate certain emotional aspects with small business. Small business provides the vehicle for fulfilling the entrepreneurs aspirations and objectives.

Concern for small business is not a recent phenomenon. The Sherman and Clayton Acts were designed to prevent undue concentration of economic power. Judge Learned Hand wrote in the United States vs. Aluminum Company of America, "It is possible, because of its indirect social or moral effect, to prefer a system of SMALL producers, each dependent for his success upon his own skill and character, to one in which the great mass of those engaged must accept direction of a few."

Congress, aware of and concerned about bigness and the future of small business, in 1953, created the Small Business Administration. The Small Business Administration, through its affiliates—SCORE, ACE, and SBI, provides managerial assistance programs to small business.

The requirements for success call for balanced managerial skills. The small business entrepreneur is a generalist but has to make decisions in all the specialized areas of business, ranging from accounting, production, selling, financing, etc. In most cases their exposure to all these required functions is limited. In most instances their resources are limited and this precludes the hiring of staff specialists or outside consultants. Ninety-three percent of small business failures are management failures.[4] This revealing statistic reaffirms the need for managerial assistance in upgrading the skills of the small business entrepreneur.

THE SBI PROGRAM AT UMPG

Our experience at the University of Maine at Portland-Gorham with the Small Business Institute indicates that this program of the Small Business Administration can provide much needed managerial assistance to small businesses.

Our association with the Small Business Institute commenced in the spring semester 1974. At the conclusion of the 1976 spring semester, we will have had six semesters in the program (including the summer session 1975). We will have counseled fifty-six clients utilizing ninety-eight student counselors.

Students, primarily seniors, are selected for the program by a faculty screening committee. Good academic standing, maturity, and experience such as work, military, hobbies, etc. are the selection criterion. Although not a prerequisite, many of the students have had a course in "The Problems of Small Business." Students receive three credit hours for their work in this program. Students are required to devote about nine hours a week to the SBI program, approximately the amount of time required of an advanced business course. Our experience to date shows that the average amount of time per student per week is fourteen hours. This attests to the enthusiasm, interest, and appreciation that students have for this valuable experience.

An excellent orientation to counseling, for the students, is provided on campus by SBA personnel from Augusta. In addition, the School of Business and Economics provides each counselor with a handbook, "A Guide and Aid to Management Counseling—Strengthening Small Business Management."

The SBI program is directed by a faculty member and is set up as a field experience free from formal class requirements. It is felt that this provides the greatest benefits to all parties, especially the clients. Students present a weekly progress report to the faculty director and a final summary report at the end of the semester. During the semester, a steering committee of SBA personnel and certain UMPG faculty meet with the students to review the problems and progress in the cases and to make suggestions for the dealing with the various problems encountered.

Cases are assigned to the University by the SBA. The faculty project director reviews the cases with SBA endeavoring to match students' major interests, e.g. accounting, marketing, etc., with what appears to be clients' major problems. This has worked well.

A prime ingredient for success in the program are the cases both as to quality and mix. Many people, even natives, think of the Maine economy as being based on fishing and tourism. However, manufacturing, in 1973 contributed twenty-eight percent to the gross state product. Of the six major manufacturing communities in the state, three are in the Greater Portland area.[5] We are fortunate to get a share of these manufacturing companies where the management problems are more diversified and often more complex. This gives the SBA greater flexibility in assigning cases to us, e.g. more sophisticated cases.

Another major ingredient for success in the program is the willingness of faculty to work with the students on their cases. Five School of Business and Economics faculty members are active participants, serving as consultants to the students on various problems they encounter. On one case, an entire marketing class was used where the time frame was critical for the client in identifying a seasonal market.

Other resources at the University have been brought in to deal with a client's problems. On occasion our computer facilities have been used to deal with inventory problems. Personnel from the Center for Research and Advanced Study have been very helpful to students. The Center, through Project New Enterprise, has a common interest in strengthening management in small businesses.

An excellent working relationship has been established this year with the Greater Portland SCORE Chapter. The exchange of case data and counseling has added another valuable dimension to our program.

How the program actually functions might best be illustrated by presenting a case study.

Company A was founded in the 1850s and was family owned and operated until sold in the late 1960s upon the owner's death. During the last ten years of family operations, sales volume and profits were deteriorating. In 1967 the business was sold and in mid 1968 it failed. New owners purchased the business in 1969 but could not operate it profitably and the firm once again was sold in 1975. Thus there were three changes in ownership within eight years.

In September 1975, this company was one of the SBI cases assigned to the University by the Small Business Administration. An SBA management assistance officer and the University SBI Director met with the new owner and discussed in depth the role of the SBI program. At this meeting an attempt was made to define the main and most urgent problem areas. It was resolved that concentration in the accounting field, especially cost accounting was paramount.

Two senior accounting majors, who had been through the SBA counseling orientation, were briefed and assigned to the case.

The company employs thirteen full time people. Gross sales for the six month fiscal period ended September 30, 1975 were $131,000. Estimated gross sales for the fiscal year ending September 30, 1976 are $360,000. The firms objectives, to realize this goal, are to specialize in gears, sprockets, and heat exchanges. About seventy-five percent of total gross sales is anticipated to come from job orders and the balance from production to stock. The paper industry in Maine is the prime target market.

Problem areas observed by counselors in an orientation to the business with the owner were:

1. Absence of adequate records:

(a) No cost accounting system.

(b) No separation of fixed and variable expenses—hence—breakeven point unknown.

(c) No method for allocation of factory burden or for general administration and selling expenses.

(d) No realistic pricing policy.

(e) Inventory-purchasing controls all done by the engineer. No accurate beginning or ending inventory figures available.

2. Production problems:

(a) Shop is primarily a job shop. Excessive idle time a prime factor in slack periods.

(b) Labor costs excessive in materials handling. Main shop has a wooden floor which cannot support heavy equipment, e.g. fork-lifts. Indirect Costs are high because labor is needed to move heavy articles over this area. The heavy permanent gear machinery, etc., sets on cement pads which are poured right into the floor.

In reviewing the above problem areas, the owners and counselors agreed on the priority need of developing a cost system for pricing.

RECOMMENDATIONS

Counselors with assistance from company employees prepared a flow chart for a job order system. They then examined the accounting records in detail, breaking out overhead, selling and administration expenses and direct and indirect labor costs including all fringes.

The next step was to prepare schedules that would consolidate total costs for pricing. Working with a cost accounting faculty member, they devised ten simple schedules that the bookkeeper could understand and record on a monthly basis. This was approved by the owner.

In early December a recommended cost system, which had been tried for a month, and provided solutions to costing, was presented to the owner and his outside accountant. The system was accepted and implemented on December 15, without modifications.

During the cost analysis, it was found that one third of the job orders classified as small orders, were under priced and losing money. These orders were being charged $12.00 per hour, a flat rate (someone's guess). The actual charge should have been in excess of $14.00. The big orders were actually carrying an inordinately high proportion of the costs—distorting the overall profit picture.

The firm now has a sound method for determining the price for each job that heretofore did not exist. The owner now knows his breakeven points and how to competitively and profitably price small and large jobs.

Although the students are not currently enrolled in the SBI program, they continue to visit the company and check on the system and recommend modifications as needed.

Footnotes at end of article.

Last reports were that the system is functioning well.

The receding case illustrates some of the problems SBI counselors have encountered and how they have dealt with them. An analysis of our overall counseling reports reveals that clients have benefited in the following areas:

1. Improved record keeping that has provided greater control over assets, e.g., accounts receivable, inventories.
2. Implementation of credit policies.
3. Establishing breakeven points.
4. Costing for pricing.
5. Market surveys and measuring advertising effectiveness.
6. Developing job descriptions and job specifications.
7. Flow charting production operations.

In many instances the above tasks have required extensive research that the business could not devote the time to or could not afford a paid consultant.

Of the fifty-six clients we have counseled, *twenty* have requested further counseling. Each semester we get an increasing number of inquiries from non SBA clients as to how they can qualify for the benefits of the program.

The student benefits are highly visible. It provides an opportunity to apply academic theory to real-world business problems. It builds confidence. They find that they can transfer theory to practice—properly tailored to fit the small business problems and situations. It is a relevant experience. It has focused direction to careers in small business that might not otherwise have developed. In fact, a number of students have taken employment in small firms.

Below are two unsolicited student testimonials taken from their final reports.

"My work with the client and with the Small Business Institute has been the most rewarding experience in my college career. Not only have I gained valuable experience, but have profited from the personal relationships, knowledge and confidence only actual field experience can provide. I can express nothing but praise for the program and for the invaluable help from the SBE faculty members, without whom the program could not be as successful as it is."

"I wish I could have participated for another semester in the SBI program. The past semester has made me seriously consider a career in consulting in the small business sector."

The SBI program is a natural program for a state university. The program provides a viable and tangible way for the University to meet part of its public service obligations. In our case we have served clients throughout southern Maine.

The program also enables the Small Business Administration to expand services that are sorely needed in Maine at cost/benefit ratio. It offers an expanded base for recruitment for career personnel for SBA.

The key to success in this program is commitment on the part of the University and the SBA. We are fortunate to have had an excellent working relationship between the faculty at UMPG and the SBA, and thereby, providing excellent managerial assistance to small businesses.

FOOTNOTES

[1] "Small Business Management", Wadsworth Publishing Company, Inc., Belmont, California, 1973, p. 1.

[2] *Small Business Administration Annual Report,* Vol. 1, 1973, p. 3.

[3] *U.S. Bureau of the Census.* Statistical Abstract of the United States, 1974, 95th edition, Washington, D.C.

[4] *The Business Failure Record,* 1973, Dun & Bradstreet, Inc., N.Y., p. 12.

[5] *Facts About Industrial Maine,* Maine State Development Office, State Capital, Augusta, Me. 301–10/75.

STATEMENT BY STUART C. FERRIS

Good morning, my name is Stuart Ferris, a retired insurance man residing in the small town of Camden, Maine on Penobscot Bay. I am Chairman of the Penobscot Bay Chapter of SCORE. My entire business career of thirty-three (33) years was spent in the life, health, pension and group insurance sales management field except for five years spent in the Field Artillery as an officer in WWII.

I consider it an honor to appear before you on behalf of a most worthy organization, SCORE/ACE and by association, an organization I have grown to admire greatly, the Small Business Administration.

I have been asked to discuss SCORE/ACE in Maine and to give you a brief picture of our Chapter's operation.

Gentlemen, I can assure you SCORE/ACE is alive and well in Maine. From two chapters in 1972 we have grown to eight; from 65 counselors in 1972, we have grown to 152, of whom 65 are ACE; in consulting cases we have gone from 162 to 572 and this is ever increasing.

But counseling is only one part of our activities. Our efforts in the educational field are noteworthy. Pre-business workshops for those contemplating or newly in business for themselves are held frequently throughout the state. Seminars on marketing, financial controls, accounting and bookkeeping are held statewide.

The continuing education programs of the SBA, usually sponsored by colleges and universities is a most vigororus endeavor. We in SCORE often co-sponsor these and participate as guest lecturers. For instance, last week I lectured to 55 businessmen and women at Thomas College in Waterville, Maine on the subject, "Why customers buy or don't buy".

In 1972, 203 businessmen or women attended educational courses in the state. By contrast, in 1975 over 1700 attended.

Things are popping all the time.

I want to stress that these impressive increases in numbers and activity could not have come about were it not for the great backing SCORE has received from SBA. When Tom McGillicuddy, our District Director, came on the scene in September 1973, the change was from night to day. He really got behind the Management Assistance Program (among other things), doubling its staff from one to two Management Assistance Officers plus a full time secretary. He gives the MAO's and SCORE 100% backing. He is interested, knowledgeable, concerned and involved and best of all has created a "sense of urgency". "Let's get it done" is the theme.

I think it important to realize that Maine, like Vermont and New Hampshire, is populated primarily by small business and distances are great. Thus it is not uncommon for an MAO to drive four hours to visit a Chapter Chairman or University Extension. Frankly, the MAO's are "straight out" running hard all the time and honestly overworked. As for SCORE Chapters, with the exception of the Portland, Lewiston and Bangor Chapters, the rest of us are pretty rural and our membership spread among numerous small towns.

My Chapter of 19 members is spread from Searsport south to Wiscasset, a distance of 65 miles. Our largest town is Rockland with a population of 8,300. So our challenges or problems are different than those of the big city chapters.

Most of our counseling is done at our client's place of business, over a table in a coffeeshop or at our homes. About 50% of our counseling cases come from SBA, either because people have asked for help, are applying for loans or are borrowers. The other 50% are "home generated" by publicity, word of mouth, references from bankers, lawyers or accountants and from the cocktail circuit.

We have no need for a central office or fulltime secretarial help. If we need things typed or reproduced, I mail it to the SBA in Augusta, or in an emergency, have a local business service help out. Each chapter has a small kitty as the result of pre-business workshops and we just take care of things. For instance, week before last we ran a one day pre-business workshop in Rockland attended by 30 businessmen and women. After expenses, including lunches, we still netted something over $100.

We received wonderful cooperation from the various Chambers of Commerce in cosponsoring events, doing mailings and providing a center for telephone calls when needed. Similarly, when we need to advertise workshops (etc.) the banks are happy to sponsor (pay for) these to help the business community. People like to help people who are contributing to the well-being of their communities.

Sure we need funds provided by the SBA. We need (and receive) reimbursement for travel expenses. It is rare that a simple visit to a client entails less than twenty or thirty miles round-trip, and often more. Those of us who are retired and we are the majority, in most cases live on fixed incomes, incomes whose purchasing power is being badly eroded by inflation.

SCORE also needs the funds which enable it to have National and Regional Workshops. These are terribly important for communication, instruction and inspiration. I have attended three National Workshops and benefitted greatly from association with so many dedicated men and women. One of man's greatest needs is a sense of belonging—besides the worthwhile training, this need for being part of something worthwhile is provided at these workshops. Don't let them go by the boards.

And now a special plea for funds. To expect chairmen who attend National or Regional Workshops to return, gather their chapter together and train and inspire them—well it just doesn't work in smaller, rural type chapters. The individual members need to attend a workshop where they get training firsthand—get a sense of belonging—find out how the other guy is doing it.

Thus, in Maine (and probably in Vermont, New Hampshire, Idaho, the Dakotas, etc.), we need at minimum a yearly statewide get together of two or three days so that the majority can participate, be involved, get inspired by association. They can't afford the travel and lodging expense. Please make sure SBA has the funds to carry out this type of function.

SCORE/ACE is alive and well in Maine and in the Penobscot region.

Thank you for listening.

SUPPORT FOR HOUSE JOINT RESOLUTION 890: TITLE IX SENIOR SERVICE EMPLOYMENT PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Idaho (Mr. CHURCH).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CHURCH

As Chairman of the Senate Committee on Aging, I am pleased that the Congress approved an amendment I sponsored with Senators Eagleton and Brooke to provide $55.9 million for the Title IX Older American Community Service Employment program.

In recent months the unemployment situation has improved. But it is still at an unacceptably high level: 7.5 percent, with more than 7 million Americans unemployed.

Despite an overall improvement, the situation has worsened for persons aged 55 and above. In fact, the number of unemployed individuals in this age category has actually increased by 34,000—at a time when the joblessness level for those under 55 declined by almost one-quarter million.

Under existing manpower programs, the needs of older workers have been largely overlooked or ignored. Persons 55 or older, for example, account for only about 3 percent of all participants in the Comprehensive Employment and Training Act public service jobs and training programs. Yet, they represent almost 10 percent of the total unemployment, 15 percent of the long-term joblessness (15 weeks or longer), and 16 percent of the very long-term unemployment (27 weeks or longer).

Title IX, however, provides a jobs program tailor-made for the needs of low-income persons 55 or older.

It also offers a dignified way for the elderly poor to work their way out of poverty while helping others in their communities at the same time.

Older persons do not want a handout. But those who are able to do want an opportunity to move off the unemployment rolls and on to the payrolls.

Many elderly persons—particularly those struggling on limited incomes—need to work to supplement their Social Security.

For many older Americans, Title IX provides a new and rewarding second career.

Nearly 12,400 now participate in the program. And, the funding level in the Committee bill can enable 15,000 older workers to engage in productive and fulfilling work. This represents a 20 percent increase in the participation level.

Mr. President, I am also hopeful that this appropriation can support new Title IX programs, as well as expand existing ones.

In addition, I urge the Administration to increase the funding levels of the national programs conducted by the National Council on the Aging, the National Council of Senior Citizens, the National Farmers Union, and the National Retired Teachers Association-American Association of Retired Persons.

These programs—such as Green Thumb, Senior AIDES, Senior Community Service Aides, and the Senior Community Service program—have proved to be extraordinarily effective.

And, they should be expanded.

For these reasons, I reaffirm my support for H.J. Res. 890.

RESOLUTIONS OF THE KENTUCKY GENERAL ASSEMBLY

Mr. HUDDLESTON. Mr. President, I wish to join with my colleague, Senator FORD, and ask unanimous consent that the following resolutions, passed during the recent session of the Kentucky General Assembly, be printed in the RECORD.

Mr. FORD. Mr. President, I wish to join with my colleague, Senator HUDDLESTON, in asking unanimous consent that the following resolutions, passed during the recent session of the Kentucky General Assembly, be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS

SENATE RESOLUTIONS

S. Res. 1—Right of the states to govern their inhabitants.

S. Res. 6—Increase the tariff on imported burley tobacco.

S. Res. 9—Declaring February as "Respect for Life Month".

S. Res. 16—Request for Congress to take action for the control of pest birds.

S. Res. 23—Propose amendment to U.S. Constitution that total federal appropriations not exceed total of estimated federal revenues in any fiscal year.

S. Res. 26—Maintain present system of not allowing the transfer of tobacco allotments among counties.

S. Res. 28—Concern over nuclear power plant construction on the Ohio River.

S. Res. 31—Investigate impact of fluorocarbons on the ozone layer.

S. Res. 60—Investigate policies and practices of the TVA. (2 copies)

SENATE RESOLUTION NO. 1

Whereas, this nation's heritage is based upon the fundamental and inalienable right of individual choice, self determination and the democratic process which is being denied to the American people by the federal government's preempting the power of the states; and

Whereas, historically the states of these United States have ably demonstrated their capabilities to govern their inhabitants and retain the right to do so today; and

Whereas, legislators, state agencies and private citizens find it increasingly burdensome to cope with ever increasing mounds of red tape, countless complex forms, duplicative inspections, conflicting standards, and insurmountable regulations reaching into every aspect of human activity; and

Whereas, the enactment and signing into law of legislation requiring the promulgation of countless regulations has resulted in an alarming growth in the federal and state bureaucracies;

Now, therefore, be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

SECTION 1. That the President and the United States Congress cease usurping the authority of the states by passing and signing into law legislation requiring inspections and establishing standards which are duplicative of existing state laws and regulations.

SEC. 2. That the federal government curtail the excessive promulgation of rules and regulations which necessitate the further growth of federal and state bureaucracies.

SEC. 3. That the President and the United States Congress respect the separate powers reserved by the states and the right to individual freedom of choice by every citizen.

SEC. 4. That the Clerk of the Senate transmit a copy of this Resolution to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States and each member of the Kentucky Congressional delegation.

SENATE RESOLUTION NO. 6

Whereas, imports into the United States of burley and flue-cured tobaccos for consumption have increased from about 6 million pounds in 1973 to 42 million pounds in 1975, an increase of 600 percent in two years; and

Whereas, burley and flue-cured tobaccos were imported into this country in 1975 at a total cost of about 67¢ per pound compared to an equivalent cost of about $1.20 per pound for dried, domestically grown burley tobacco; and

Whereas, the average selling price per pound of domestically grown burley tobacco in 1975 was about 7¢ less than in 1974, while the expense of growing burley increased by about five percent during that year; and

Whereas, the wage paid to the foreign laborer growing tobacco in competition with domestic burley is about $2.50 per day compared to about $3.00 per hour in this country; and

Whereas, the tariff policy of this country should not encourage foreign sweatshop labor in competition with domestic burley production; and

Whereas, the Federal Trade Act of 1974 provides for relief from injury caused by competition from imports; and

Whereas, Section 201(b)(1) of the Trade Act of 1974 provides that, upon the request of the President, or the Special Representative for Trade Negotiations, or the Committee on Finance of the U.S. Senate, or the Committee on Ways and Means of the U.S. House of Representatives, the U.S. International Trade Commission ". . . shall promptly make an investigation to determine whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article"; and

Whereas, the Trade Act of 1974 provides that the International Trade Commission shall report to the President within 6 months after the request is filed and that the President shall make a determination within 60 days after receiving the Commission's report; and

Whereas, if the President determines to provide import relief, he may proclaim an increase in the duty on the article causing or threatening to cause serious injury to the industry, or the President may impose any quantitative restriction on the import, or the President may negotiate orderly marketing agreements with foreign countries limiting the import into this country;

Now, therefore, be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

SECTION 1. That the Committee on Finance of the U.S. Senate and the Committee on Ways and Means of the U.S. House of Representatives resolve that the U.S. International Trade Commission investigate whether the importation of burley tobacco into the United States is a substantial cause of serious injury, or the threat thereof, to the domestic production of burley tobacco.

SEC. 2. In the event that import relief under the terms of the Trade Act of 1974 cannot be provided the domestic burley industry, that the Congress take appropriate action to intercede in the General Agreement on Tariffs and Trade to either increase the tariff on imported burley tobacco or to otherwise reduce the quantity of burley tobacco imported into this country.

SEC. 3. That copies of this resolution be sent to the President, to Kentucky's congressional delegation, to the chairman of the Committee on Ways and Means of the U.S. House of Representatives, to the chairman of the Committee on Finance of the U.S. Senate, to the Special Representative for Trade Negotiations, to the chairman of the U.S. International Trade Commission, and to the Secretary of Agriculture.

SENATE RESOLUTION NO. 9

Whereas, the principles which the United States Constitution fosters herald the preservation and protection of human life; and

Whereas, the righteousness of these ideals on which our founding fathers conceived our nation must prevail and insure that the right of life remain the liberty of all Americans; and

Whereas, in order to insure that the right to life remain the liberty of all Americans, compassionate and dedicated endeavors should be undertaken to reinvigorate the meaning of humanity, and efforts should be directed toward rectifying all injustice and inequality wherever it exists; and

Whereas, in dedicating our minds, hearts and abilities to advancing the respect for all human life, it is recognized that this basic right of life must be insured to all innocent human beings, regardless of their age, health, race, sex, religion, circumstance or condition of dependency, including the young and the old, the born and the unborn, the rich and the poor, and the incompetent, impaired and incapacitated, as well as the healthy;

Now, therefore, be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That February is declared "Respect for Life Month," and that all citizens of the Commonwealth of Kentucky are urged to commemorate "Respect for Life Month" with appropriate observances, to inform themselves conscientiously concerning these vital issues, and to promote personally and collectively through word and deed respect for all human life.

Sec. 2. That the clerk is directed to forward a duly attested copy of this resolution to all members of Congress from the Commonwealth of Kentucky.

Senate Resolution No. 16

Whereas, the concentration of starlings, grackles, blackbirds, and other pest birds constitute a hazard to human health and safety, livestock, grain, and property in the Commonwealth;

Now, therefore, be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section. 1. That the United States Congress act at once to permit the use, on an emergency basis, of chemicals registered for bird control in areas affected by starlings, grackles, blackbirds, and other pest birds.

Sec. 2. That copies of this resolution be sent to Kentucky's congressional delegation, to the Secretary of the Interior, and to the Secretary of Agriculture.

Senate Resolution No. 23

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, and constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, Article V of the Constitution of the United States provides that amendments to the constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, and we believe such action is vital;

Now, therefore, Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That Congress is requested to adopt a resolution proposing an amendment to the Constitution of the United States to require that, in the absence of a national emergency, the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Sec. 2. That the Clerk of the Senate is directed to send copies of this resolution to the presiding officers of both houses of the legislature of each of the other states in the union, the Clerk of the United States House of Representatives, the Secretary of the United States Senate, and to all members of Congress from the Commonwealth of Kentucky.

Senate Resolution No. 26

Whereas, 66 percent of all farms in Kentucky with burley tobacco allotments have allotments of 2,500 pounds or less; and

Whereas, these burley tobacco farms are located in every county in the Commonwealth; and

Whereas, these burley tobacco allotments stimulate the local economies throughout the state; and

Whereas, the technology for producing burley tobacco on a highly mechanized basis is not currently available, thereby making the transfer of allotments among counties to achieve economy of scale impractical; and

Whereas, there is great concern throughout the nation over preserving the vitality of the family farm; and

Whereas, the transfer of burley tobacco allotments among counties would encourage the concentration and growth of large burley tobacco growing operations; and

Whereas, the transfer of burley tobacco allotments among counties would increase the administrative problems and cost of operating the price support system for burley tobacco; and

Whereas, burley tobacco allotments may presently be transferred within a county;

Now, therefore, be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Congress and the U.S. Department of Agriculture not permit the transfer of burley tobacco allotments among counties.

Sec. 2. That a copy of this resolution be sent to Kentucky's congressional delegation and to the Secretary of Agriculture.

Senate Resolution No. 28

Whereas, spiraling construction costs and shortages of uranium have faded the cost advantages of generating electricity with atomic reactors; and

Whereas, Donald C. Cook, retiring chairman of American Electric Power Company, Incorporated, says that coal has the same cost advantage in generating power as compared with nuclear reactors; and

Whereas, the engineers who helped design and build nearly 100 nuclear power plants for General Electric have resigned from the company, saying nuclear power is too dangerous for futher development; and

Whereas, the possibility of terrorist sabotage and of catastrophic accidents are very real concerns; and

Whereas, Kentuckians are aware of the possible pollutant effect on the future water supply from atomic power plants; and

Whereas, metropolitan areas that have power needs and desire nuclear power should proceed to build atomic power plants adjacent to their own geographical areas;

Now, therefore, be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Congress and President of the United States are hereby memorialized to consider very carefully the total impact of nuclear power plant construction on the Ohio River.

Sec. 2. That a copy of this resolution be sent to Kentucky's congressional delegation, Energy Research and Development Administration, Nuclear Regulatory Commission, and the President of the United States.

Senate Resolution No. 31

Whereas, a number of prominent scientists are concerned about the impact of fluorocarbons used as propellants in aerosol sprays causing a possible thinning of the ozone layer and greater concentration of ultraviolet light reaching Earth; and

Whereas, a reduction in the ozone could adversely affect the environment or increase the incidence of skin cancer; and

Whereas, one major corporation has already discontinued use of fluorocarbons as propellants for its products; and

Whereas, the present research efforts of the industry and government should be expanded to provide prompt and decisive answers to the potential problem;

Now, therefore, be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Congress and the President of the United States are hereby petitioned to investigate the impact of fluorocarbons on the environment and health of our nation.

Sec. 2. That a copy of this resolution be sent to the Environmental Protection Agency, the Kentucky Congressional delegation, and to the President of the United States.

Senate Resolution No. 60

Whereas, the Tennessee Valley Authority provides electrical power to five rural electric cooperatives and thirteen municipal systems in the Commonwealth of Kentucky; and

Whereas, the Tennessee Valley Authority operates two major power generating plants in Kentucky and purchases a substantial amount of Kentucky coal resulting in a profound impact in the social, environmental and economic well being of the Commonwealth; and

Whereas, the local and state governmental organizations in Kentucky have no direct input into the policies and practices of the Tennessee Valley Authority by virtue of it being a federal agency; and

Whereas, the citizens of the Commonwealth of Kentucky are desirous of having a direct voice in the management and operation of the Tennessee Valley Authority;

Now, therefore, be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Public Works Committee of the United States Senate is urged to hold committee hearings on the policies and practices of the Tennessee Valley Authority with the purpose of determining:

(1) whether past and present policies and practices have been and are in the best interests of the citizens of the seven states served by the Tennessee Valley Authority;

(2) whether the Tennessee Valley Authority should be placed under the jurisdiction of the Federal Power Commission; and

(3) whether the Tennessee Valley Authority should be required to adhere to the provisions of the Federal Administrative Procedures Act.

Sec. 2. That the Clerk of the Senate of the Commonwealth of Kentucky shall forward immediately copies of this resolution to members of the Public Works Committee, United States Senate and to the Kentucky and Tennessee Congressional Delegations.

HOUSE RESOLUTIONS

H. Res. 13—Reverse Supreme Court's ban on prayer and Bible reading in public schools.

H. Res. 2—Declare February as "Respect for Life Month".

H. Res. 29—Immediate action for control of pest birds.

H. Res. 34—Prohibit federal funding of the People's Bicentennial Commission.

H. Res. 44—Limit beef import.

H. Res. 75—Ratifying the 13th, 14th, and 15th amendments to the U.S. Constitution.

H. Res. 83—Relating to coad roads.

H. Res. 103—T.V.A. policies.

H. Res. 135—Provide protection for landowners from the potential infringement on their rights by Land Conservations and Development Commission.

H. Res. 142—Amend existing federal law concerning Highway Beautification.

House Resolution No. 13

Whereas, the formation of this great nation is rich indeed in religious reference, with the Declaration of Independence actually referring to the Supreme Being on four occasions; and

Whereas, the children of this country should have the right to learn and practice the patriotic religious heritage left to them by their forefathers; and

Whereas, the Supreme Court's ban on prayer and Bible reading in the public school has denied students the opportunity to exercise what is considered to be essential components of American tradition and education by the majority of American citizens; and

Whereas, this ban on voluntary prayer and Bible reading has been supported by a narrow and oblique interpretation of a Constitution that was actually founded on a belief in prayer and the Bible; and

Whereas, because of the destructive forces that are tearing society apart, today's youth are particularly in need of the regenerative power of prayer and the inspiration provided by the reading of the Bible; and

Whereas, this Bicentennial Year is indeed the appropriate time to restore these voluntary expressions of religious principles on which this country was founded;

Now, therefore, be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Congress of the United States be charged with the following responsibilities:

(1) Explore all statutory and Constitutional means needed to reverse the Supreme Court's ban on voluntary prayer and Bible reading in the public schools;

(2) Take whatever means necessary to implement statutory and Constitutional changes that would restore voluntary prayer and Bible reading in the public schools.

Sec. 2. That a duly attested copy of this resolution be transmitted to the Secretary of the Senate, the Clerk of the House of Representatives and each member of Congress from the Commonwealth of Kentucky.

House Resolution No. 22

Whereas, the principles which the United States Constitution fosters herald the preservation and protection of human life; and

Whereas, the righteousness of these ideals on which our founding fathers conceived our nation must prevail and insure that the right of life remain the liberty of all Americans; and

Whereas, in order to insure that the right to life remains the liberty of all Americans, compassionate and dedicated endeavors should be undertaken to reinvigorate the meaning of humanity, and efforts should be directed toward rectifying all injustice and inequality wherever it exists; and

Whereas, in dedicating our minds, hearts and abilities to advancing the respect for all human life, it is recognized that this basic right of life must be insured to all innocent human beings, regardless of their age, health, race, sex, religion, circumstances or condition of dependency, including the young and the old, the born and the unborn, the rich and the poor, and the incompetent, impaired and incapacitated, as well as the healthy;

Now, therefore, be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That February is declared "Respect for Life Month," and that all citizens of the Commonwealth of Kentucky are urged to commemorate "Respect for Life Month" with appropriate observances, to inform themselves conscientiously concerning these vital issues, and to promote personally and collectively through word and deed respect for all human life.

Sec. 2. That the clerk is directed to forward a duly attested copy of this resolution to all members of Congress from the Commonwealth of Kentucky.

House Resolution No. 29

Whereas, the concentration of starlings, grackles, blackbirds, and other pest birds constitute a hazard to human health and safety, livestock, grain, and property in the Commonwealth;

Now, therefore, be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the United States Congress act at once to permit the use, on an emergency basis, of chemicals registered for bird control in areas affected by starlings, grackles, blackbirds, and other pest birds.

Sec. 2. That copies of this resolution be sent to Kentucky's congressional delegation, to the Secretary of the Interior, and to the Secretary of Agriculture.

House Resolution No. 34

Whereas, the so-called Peoples Bicentennial Commission exhibits in its documents and propaganda a view and philosophy contrary to all cherished American beliefs in free enterprise, private wealth and freedom of choice; and

Whereas, this self-designated organization, without official sanction whatsoever, has relied upon its chosen label in this bicentennial year of the United States to dupe the public as to its official status, and has by this means purveyed to public schools and libraries across the country over 100,000 copies of its publication called "Common Sense II;" and

Whereas, by such identical misnomer and illusion the Peoples Bicentennial Commission has obtained from the National Endowment for the Humanities, a federally funded association, a grant of some $394,000 to use in advancement of its collectivist proposals;

Now, therefore, be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Congress of the United States be and it hereby is urged, beseeched and implored to prevent any further or subsequent use of public tax moneys for support of the Peoples Bicentennial Commission.

Sec. 2. That the Clerk be directed to transmit a copy of this resolution to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to each member thereof from the Commonwealth of Kentucky.

House Resolution No. 44

Whereas, depressed prices have characterized the beef industry in recent years; and

Whereas, the high level of beef imports increases the supply and forces down the price received by American beef operators; and

Whereas, a continuation of these abnormally low prices will force many of our farmers out of business and create further disturbances in our economic system; and

Whereas, the American consumer can ill afford greater dependence in future years on foreign supplies of products as illustrated by the recent experience with the oil crisis;

Now, therefore, be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Congress and President of the United States are hereby memorialized to develop appropriate steps to insure the viability of the American beef industry by limiting beef imports.

Sec. 2. That a copy of this resolution be sent to the President, Kentucky's Congressional delegation, and the Secretary of Agriculture.

House Resolution No. 75

Whereas, the thirteenth, fourteenth and fifteenth amendments of the United States Constitution have been duly ratified and have been a part of the United States Constitution since 1865, 1868 and 1870 respectively; and

Whereas, Kentucky rejected the fourteenth amendment on January 10, 1867 and has not ratified the thirteenth and fifteenth amendments; and

Whereas, the thirteenth amendment abolishes slavery; the fourteenth amendment grants citizenship to all persons born or naturalized in the United States, guarantees due process of law and equal protection under the law to citizens of the United States; and the fifteenth amendment requires that no person be denied the right to vote on account of race or color; and

Whereas, Kentucky is long overdue in ratifying these amendments so vital to our democracy, although, fortunately, the effectiveness of these amendments does not depend on Kentucky's ratification or lack of it; and

Whereas, this Bicentennial Year is an appropriate time to erase this shadow on Kentucky's history;

Now, therefore, be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the thirteenth amendment to the Constitution of the United States, which reads as follows, is hereby ratified:

(1) Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

(2) Congress shall have power to enforce this article by appropriate legislation.

Sec. 2. That the fourteenth amendment to the Constitution of the United States, which reads as follows, is hereby ratified:

(1) All person born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

(2) Representatives shall be apportioned among the several states according to their respective numbers, counting the whole number of persons in each state, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice-President of the United States, representatives in congress, the executive and judicial officers of a state, or the members of the legislature thereof, is denied to any of the male inhabitants of such state, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such state.

(3) No person shall be a senator or representative in congress. or elector of President and Vice-President, or hold any office, civil or military, under the United States, or under any state, who, having previously taken an oath, as a member of congress, or as an officer of the United States, or as a member of any state legislature, or as an executive or judicial officer of any state, to support the constitution of the United States, shall have engaged in insurrection or rebellion against

the same, or given aid or comfort to the enemies thereof. But congress may by a vote of two-thirds of each house, remove such disability.

(4) The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any state shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

(5) The congress shall have power to enforce, by appropriate legislation, the provisions of this article.

Sec. 3. That the fifteenth amendment to the Constitution of the United States, which reads as follows, is hereby ratified:

(1) The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of race, color, or previous condition of servitude.

(2) The congress shall have power to enforce this article by appropriate legislation.

Section 4. That the Secretary of State shall cause certified copies of this resolution to be sent to the President of the United States, the Administrator of General Services of the United States, the Secretary of State of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States.

House Resolution No. 83

Whereas, the United States today must continually find ways to meet our modern energy needs; and

Whereas, coal is a vital source among the available energy supplies; and

Whereas, coal producing areas have borne the burden of supplying roads for the transportation of this coal; and

Whereas, Kentucky is a leader among the coal states and therefore is knowledgeable of the requirements for successful coal production;

Now, therefore, be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Congress of the United States be, and hereby is, petitioned and urged to provide funds for the improvement of roads in coal producing states.

Sec. 2. That the Clerk of the House of Representatives shall transmit copies of this resolution to the Secretary of the Senate of the United States, the Clerk of the House of Representatives, and each member of the Congress from this state.

House Resolution No. 103

Whereas, the Tennessee Valley Authority provides electrical power to five rural electric cooperatives and thirteen municipal systems in the Commonwealth of Kentucky; and

Whereas, the Tennessee Valley Authority operates two major power generating plants in Kentucky and purchases a substantial amount of Kentucky coal resulting in a profound impact in the social, environmental and economic well being of the Commonwealth; and

Whereas, the local and state governmental organizations in Kentucky have no direct input into the policies and practices of the Tennessee Valley Authority by virtue of it being a federal agency; and

Whereas, the citizens of the Commonwealth of Kentucky are desirous of having a direct voice in the management and operation of the Tennessee Valley Authority;

Now, therefore, be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Sec. 1. That the Public Works Committee of the United States Senate is urged to hold committee hearings on the policies and practices of the Tennessee Valley Authority with the purpose of determining:

(1) Whether past and present policies and practices have been and are in the best interests of the citizens of the seven states served by the Tennessee Valley Authority;

(2) Whether the Tennessee Valley Authority should be placed under the jurisdiction of the Federal Power Commission; and

(3) Whether the Tennessee Valley Authority should be required to adhere to the provisions of the Federal Administrative Procedures Act.

Sec. 2. That the Clerk of the House of Representatives of the Commonwealth of Kentucky shall forward immediately copies of this resolution to members of the Public Works Committee, United States Senate and to the Kentucky and Tennessee Congressional Delegations.

House Resolution No. 135

Whereas, there is constant pressure being applied to create a Land Conservation and Development Commission which will make plans and create guidelines by regulation of land privately owned by citizens of this commonwealth and this country; and

Whereas, this pressure is being applied by people other than those free citizens who own the land, and who have attained such land according to the constitution of this commonwealth and these United States; and

Whereas the development of such a commission or regulations and laws pertaining to same, create danger to these individuals rights by incorrect information from unreliable sources, misleading information, lack of adequate participation by the people who own land; and

Whereas, it is the privilege and the responsibility of the legislative branch of government to provide by law for the protection of each citizen basic right to land ownership;

Now, therefore, be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Congress of the United States be, and hereby is, petitioned and urged to provide protection from these potential dangers to the right to land ownership and the privilege of use of such land by the owners and that this assembly has recently and many times in the past stood up against this danger.

Sec. 2. That the Clerk of the House of Representatives shall transmit copies of this resolution to the Secretary of the Senate of the United States, the Clerk of the House of Representatives, and each member of the Congress from this state.

House Resolution No. 142

Whereas, the government of the United States has amended the Federal Highway Beautification Program in such a manner as to effectively eliminate billboard advertisements along Kentucky's major highways, and

Whereas, this state is forced to amend the Kentucky Revised Statutes to accomplish this objective of eliminating billboard advertising along major highways or face the loss of significant, much needed, federal funds, and

Whereas, this sort of federal compulsion to change state law is unacceptable to free-willed Kentuckians, and

Whereas, sensibly utilized billboard advertising services the needs of tourists in this great and popular tourist state, and

Whereas, this restrictive policy limits the use of and control over privately owned, taxable land in Kentucky;

Now, therefore, be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body hereby voices its objection to the above mentioned portion of the Highway Beautification Program and that the Governor of this great state and the Congressional delegation representing the people of Kentucky make every effort to amend the Highway Beautification Program.

Sec. 2. That copies of this resolution be forwarded by the Clerk of the House of Representatives to the Governor and to the members of the Kentucky Congressional delegation.

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENS. Mr. President, because of longstanding commitments I made which required my presence in Alaska and at a seminar on Canadian-American relations at St. Lawrence University, I was unable to participate in the rollcall votes on April 8, April 9, and April 12 regarding the National Food Stamp Reform Act and the first congressional budget resolution. For the record, I would like to indicate how I would have voted had I been present.

I. Votes on S. 3136, the National Food Stamp Reform Act.

Vote No. 137: Dole substitute amendment No. 1571—yea.

Vote No. 138: S. 3136, final passage—yea.

II. Vote on S. 2853.

Vote No. 139: S. 2853, final passage—yea.

III. Votes on first congressional budget resolution.

Vote No. 140: Cranston amendment No. 1585, motion to table—yea.

Vote No. 141: Long amendment No. 1584, motion to table—yea.

IV. Votes on H.R. Res. 890, urgent supplemental appropriation.

Vote No. 142: Final passage—yea.

V. Votes on first congressional budget resolution, Senate Concurrent Resolution 109,

Vote No. 143: Bayh amendment No. 1588—nay.

Vote No. 144: Buckley amendment No. 1589—nay.

Vote No. 145: Modified Bayh amendment No. 1592—nay.

Vote No. 146: Modified Huddleston amendment No. 1591—nay.

Vote No. 147: Unnumbered modified Kennedy amendment—nay.

Vote No. 148: Final passage first congressional budget resolution, Senate Concurrent Resolution No. 109—yea.

ORDER FOR RECORD TO REMAIN OPEN FOR STATEMENTS UNTIL 4 P.M. TODAY

Mr. GLENN. Mr. President, I ask unanimous consent that the Record remain open for statements until 4 p.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR COMMITTEES TO HAVE UNTIL 4 P.M. TODAY TO FILE REPORTS

Mr. GLENN. Mr. President, I ask unanimous consent that all committees have until 4 p.m. today to file reports.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from Connecticut (Mr. RIBICOFF) to attend the U.N. Conference on Trade and Development—UNCTAD—to be held in Nairobi, Kenya, May 3 to 28, 1976.

The Chair, on behalf of the Vice President, pursuant to Senate Concurrent Resolution 98, appoints the following Senators to attend the presentation of the Magna Carta to the people of the United States, to be held in London, England, May 23 to 28, 1976: the Senator from Montana (Mr. MANSFIELD), the Senator from Connecticut (Mr. RIBICOFF), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Delaware (Mr. BIDEN), the Senator from North Carolina (Mr. MORGAN), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Texas (Mr. TOWER), the Senator from Kansas (Mr. PEARSON), the Senator from Massachusetts (Mr. BROOKE), and the Senator from Oregon (Mr. PACKWOOD).

ORDER FOR REFERRAL OF BILL AND FILING OF REPCRT—H.R. 8948

Mr. GLENN. Mr. President, I ask unanimous consent that when the report is filed on H.R. 8948, a bill to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms, the bill be referred to the Committee on Finance with instructions to report not later than May 20, 1976.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ESTIMATED BUDGET DEFICITS

Mr. GRIFFIN. Mr. President, during the recent Senate debate on Senate Concurrent Resolution 109, some argued that the deficit contemplated in the Senate Budget Committee's first concurrent resolution for fiscal year 1977 is "very close" to the deficit projected by President Ford in his January budget message.

After carefully studying it, the Office of Management and Budget advises that spending in accordance with Senate's budget resolution actually would result in a deficit for fiscal year 1977 of $54 billion—which is $10 billion more than the President's budget estimate.

I ask unanimous consent that a chart reflecting differences between the President's budget and the figures used in the Senate's budget resolution be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

THE SENATE BUDGET TOTALS

	[In billions] Receipts	Outlays	Deficit
Senate Committee totals as provided	$362.4	$412.6	−$50.2
Adjustments included in the Senate Committee totals that do not represent program or policy changes:			
Estimating differences (net)	−3.9	−2.6	−1.3
Assumed enactment of tax reform	−2.0	-----	−2.0
Technical treatment of earned income credit	.6	.6	-----
Senate Committee total should be	357.1	410.6	−53.6
Deletion of changes by the Senate Committee in the President's tax and program proposals	−5.8	−16.4	−10.6
President's January budget totals	351.3	394.2	−43.0

SOURCE.—Office of Management and Budget.

LEAVE OF ABSENCE FOR SENATOR ABOUREZK

Mr. ROBERT C. BYRD. Mr. President, in accordance with paragraph 1 of rule V of the Standing Rules of the Senate, I ask unanimous consent that the Senator from South Dakota (Mr. ABOUREZK) be granted a leave of absence from the Senate from April 12 to April 28—most of which time will be consumed by the the recess in any event—because he is on a misson as a member of the Committee on the Judiciary attending meetings in the Middle East.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY TO RECEIVE MESSAGES FROM THE HOUSE OF REPRESENTATIVES DURING THE ADJOURNMENT OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the House of Representatives during the adjournment of the Senate over to Monday, April 26.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR THE PRESIDENT OF THE SENATE TO SIGN ENROLLED BILLS AND RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Vice President, the President of the Senate pro tempore, and the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions during the adjournment of the Senate over to April 26.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CULVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 3055

Mr. CULVER. Mr. President, a number of clerical and typographical errors were made in the printing of the report of S. 3055, report No. 94–747. In order to correct the errors, I ask unanimous consent that the report be star printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CULVER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING SENATORS UNTIL 5 P.M. TODAY TO INTRODUCE STATEMENTS IN THE RECORD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 p.m. today to introduce statements into the RECORD, bills and resolutions, et cetera.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT NO ROLLCALL VOTES OCCUR BEFORE 4 P.M. ON APRIL 26, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur on Monday, April 26, prior to 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISAPPROVAL OF THE PROPOSED DEFERRAL OF BUDGET AUTHORITY FOR THE U.S. ARMY CORPS OF ENGINEERS TO PLAN AND DESIGN HOPPER DREDGES

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 408, which was submitted by Senator STENNIS on behalf of himself and Senators BELLMON, JOHNSTON, MAGNUSON, STEVENS and me, and reported earlier today.

The PRESIDING OFFICER. The resolution will be stated by title.

The second assistant legislative clerk read as follows:

A resolution (S. Res. 408) disapproving the proposed deferral of budget authority for the United States Army Corps fo Engineers to plan and design hopper dredges.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution which had been reported by the Committee on Appropriations.

Mr. HATFIELD. Mr. President, this is a deferral resolution that was unanimously ordered reported by the Senate Committee on Appropriations on Thursday. Under our procedures now, the resolution was also referred to the Committee on the Budget. The views of the Committee on the Budget were received last night, and are included herewith in the Report of the Committee on Appropriations. This impoundment resolution disapproves the proposed deferral of budget authority in the amount of $700,000. It is reported by the Committee on Appropriations to the Senate under the provisions of title X of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–334 approved July 12, 1974), together with the views of the Committee on the Budget. The overturning of this proposel deferral of $700,000 provides for the Corps of Engineers to proceed with plans and designs of hopper dredges.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to as follows:

S. RES. 408

Resolved, That the Senate disapproves the proposed deferral numbered D76–96, as set forth in the President's special message of January 23, 1976 (S. Doc. 94–151), transmitted to the Congress under section 1013 of the Impoundment Control Act of 1974.

Mr. HATFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–753), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Presidential rationale for proposed deferral:

JUSTIFICATION

Funding in the amount of $700,000 was provided in Public Works Appropriation Act, 1976, for the design of three hopper dredges. Hopper dredges are ocean-going vessels used to increase the depth of channels in unprotected waters.

It is the Administration's policy to encourage the private sector to design, construct, and operate hopper dredges, activities presently dominated by the Federal Government. The private dredging industry has several hopper dredges in design or construction at this time, precluding the need for further Federal investment while the intent and ability of the dredging industry to enter the field is being assessed. These funds are proposed for deferral through June 30, 1976, or, if appropriate legislation is enacted, through September 30, 1976.

ESTIMATED EFFECTS

Deferral of the funds added for design of the three hopper dredges will delay the eventual construction of three Federal (Corps of Engineers) hopper dredges by approximately the period of the deferral and thus potentially strain the capacity of the existing Federal fleet if compensating non-federal capacity is not provided. The Administration believes, however, that the private sector can provide the necessary capacity and should be given the opportunity to assume the dredging workload anticipated for these three ships.

Committee recommendation and rationale:

The Committee recommended and the Congress passed a fiscal year 1976 appropriation of $700,000 and a transition period appriation of $950,000 to the Revolving Fund to provide for the design and construction of hopper dredges, as shown in the following tabulation:

HOPPER DREDGE DESIGN AND CONSTRUCTION FOR FISCAL YEAR 1976 AND THE 1976 TRANSITION QUARTER

Type of hopper dredge	Fiscal year 1976	Transition quarter
West Coast, shallow draft:		
Design	$300,000	$200,000
Construction	-------	500,000
Total	300,000	700,000
Medium class: Design	300,000	100,000
Lower Mississippi River: Design	100,000	150,000
Grand total	700,000	950,000

In recommending the disapproval of this proposed deferral, the Committee restates the position taken in the Public Works Appropriation Act, 1976. That action was clearly stated in Senate Report 94–505, as follows:

BACKGROUND

The U.S. Army Corps of Engineers is responsible for maintaining 22,000 miles of inland waterways; 3,000 miles of intracoastal channels; 107 commercial port facilities and approximately 400 smaller ports and harbors throughout the nation.

Domestic waterborne commerce, including inland barge and Great Lakes traffic, presently moves one-sixth of the nation's cargo that travels between cities by all methods of transportation. And the traffic on waterways continues to increase at a compound rate of slightly more than 5 percent per year. It is predicted that the volume of this traffic, such as grains, ores, chemicals, fuels and construction materials, will increase from four to six times in the next 50 years.

The continued economic and population growth requires continued expansion of port and related facilities. In the 27-year period ending in 1972, individual ports in the United States, Puerto Rico and Canada, invested almost $4 billion in marine terminal facilities. The projected annual rate of investment for these purposes in the 1973–1977 time frame is $341 million. The development of service facilities for offshore oil terminals may add another $500 million to this investment.

The viability of the economy of the United States is clearly dependent upon our ability to keep the channels of our waterways, ports and harbors open to navigation.

That requires dredging. The volume of material removed from our waterways annually is approximately 380 million cubic yards, including maintenance dredging and new work. The present cost to the federal government for waterways dredging is about $200 million a year, with $155 million of this for maintenance dredging and $45 million for new work.

Approximately 45 per cent of the maintenance dredging is performed by the Corps' hopper dredges and dustpan dredges with the remainder by contract. Approximately 87 per cent of new work dredging is done by contract.

REQUIREMENT FOR HOPPER DREDGES

Dredging requires equipment, and in extensive testimony before the Committee over the past several years the Corps of Engineers has described a rapidly deteriorating situation with regard to their ability to maintain the coastal navigation projects around the country. Aside from budgetary constraints and other limitations placed upon the Corps by the Administrations over the past years, this situation is most directly caused by a shortage of the required modern equipment. Congress has assigned the responsibility of maintaining the Nation's waterways to the Corps, and there just must be adequate equipment to do the job, whether by government plant or private industry plant.

Seagoing hopper dredges are desgined to operate in ocean and exposed waters and thus are the most efficient type of equipment to maintain the offshore entrance channels to the major ports of the country. The total number of hopper dredges available to serve this purpose has been reduced from 20 in 1951 to the current level of 15, due to sinkings and obsolescence. The existing Corps hopper dredges have an average age of about 30 years. In view of the shortage of this type of equipment and the advanced age of the existing Corps equipment, measures must be taken by the industry and the Corps to assure restoration of an adequate national hopper dredge capability.

For many years the industry in the United States has not operated seagoing hopper dredges. The Committee is encouraged by recent announcements that the Industry has under construction a medium class hopper dredge (3,640 cubic yards) and is actively designing for the construction of an additional hopper dredge (6,000 cubic yards). The entry of the Industry into the hopper dredge field is desirable to overcome the shortage of this type of equipment in the United States. Besides helping to meet the domestic need, it will enable the Industry to compete for a portion of the significant international hopper dredging workload.

COMMITTEE ACTION

The Committee has encouraged private industry efforts in the past and continues to do so, and welcomes the significant steps taken thus far. At the same time, the Committee believes that the Corps must be provided the necessary resources to proceed in FY 1976 with the design of the three types of hopper dredges (as identified in the above tabulation) for the contingency that industry efforts may not be sufficient or timely.

It is the sense of the Committee that there should be established a policy for private industry to assume to the maximum extent possible the dredge workload, including hopper dredge work now performed by government plant, as rapidly as industry develops the capability; and for the corps fleet to be sustained, at a minimum, as a residual fleet of a small number of hopper dredges, as soon as practicable, for use in emergencies and the national defense.

The Committee recommendation provides for an appropriation to the Revolving Fund for the preparation of plans and design of a medium class hopper dredge, and a lower Mississippi River hopper dredge for its residual fleet and to insure the early availability of additional government capability in the event private industry does not fulfill its commitments.

Based on the testimony and the capability of the corps to initiate construction of a medium class hopper dredge as a replacement for the *MacKinze* which sank last year, the initial Committee action provided for proceeding with immediate construction of this type dredge. The House provision likewise provides for construction of a medium class hopper dredge within available funds under the Operation and Maintenance account. On reconsideration in light of advice and information that a private industry contractor in the New Orleans area has made substantial progress toward the imminent construction of a 6,000 cubic yard hopper dredge, the Committee has instead provided funds for the construction of a small, shallow draft hopper dredge. The Committee reconsidered its initial action specifically to demonstrate and assure private industry of its desire to encourage private industry efforts to the maximum extent possible.

The Committee recommendation includes an amount of $500,000 to initiate construction of a small, shallow draft dredge. Current private industry commitments or plans do not provide for this type hopper dredge.

Inasmuch as construction cannot proceed, pending completion of design of these dredges prior to next year's hearings, the Committee will monitor the plans and efforts of private industry and will consider this matter further in connection with the ensuing appropriation bills.

REPORT BY THE SENATE COMMITTEE ON THE BUDGET

Mr. HATFIELD. The Senate Committee on the Budget, to which was referred a resolution (S. Res. 408), disapproving the proposed deferral of budget authority numbered D76–96, as set forth in the President's special message of January 23, 1976 (S. Doc. 94–151), transmitted to the Congress under section 1013 of the Impoundment Control Act of 1974, having considered the same, reports as follows:

The matters contained in Senate Resolution 408 do not appear to have significant macroeconomic effects, nor do they significantly affect national priorities. The committee therefore has no recommendation on this resolution.

I thank the Chair. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene again on Monday, April 26, 1976, at 12 noon.

After the two leaders or their designees have been recognized under the standing order, Mr. PROXMIRE will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements limited therein to 5 minutes each.

At 1 p.m. the Senate will resume consideration of S. 3055, Calendar Order No. 713, the grain inspection bill under a time agreement. I would anticipate rollcall votes on amendments and motions in relation to that measure and hopefully on final passage thereof that day.

Beyond the grain inspection bill, the following measures, but not necessarily in the order listed, will be coming up, and the list is not confined to the measures that I shall enumerate.

Senate Resolution 104, a resolution to Select Committee on Small Business; S. 3219, a bill to amend the Clean Air Act, as amended, which incidentally, at the present time, is scheduled for consideration on May 4; S. 3295, a bill to extend the authorization for annual contributions under the United States Housing Act of 1937, to extend certain low-income housing programs under the National Housing Act; the conference report on the Federal Election Commission bill; the conference report on foreign aid; the conference report on consumer product safety, the second supplemental approriations bill, and other appropriations bills.

ADJOURNMENT UNTIL MONDAY, APRIL 26, 1976, AT 12 O'CLOCK MERIDIAN

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of Senate Concurrent Resolution 111, and pursuant to Senate Resolution 433, as a further mark of respect to the memory of the deceased Hon. William A. Barrett, late a Representative from the Commonwealth of Pennsylvania, that the Senate stand in adjournment until the hour of 12 o'clock noon on April 26, 1976.

The motion was agreed to, and at 12:08 p.m., the Senate adjourned until Monday, April 26, 1976, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 14, 1976:

IN THE JUDICIARY

Harlington Wood, Jr., of Illinois, to be U.S. circuit judge for the seventh circuit vice John Paul Stevens, elevated.

IN THE JUDICIARY

Robert M. Takasugi, of California, to be U.S. district judge for the central district of California vice E. Avery Crary, retired.

CONFIRMATIONS

Executive nominations received by the Senate April 14, 1976:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Melvin Zais, [redacted] Army of the United States (major general, U.S. Army).

IN THE NAVY

Rear Adm. Forrest S. Petersen, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE MARINE CORPS

Marine Corps nominations beginning Leslie C. Garrison, to be second lieutenant, and ending Wade Yoffee, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 22, 1976.

Marine Corps nominations beginning Daniel L. Amoroso, to be first lieutenant, and ending Darryl D. Wisniewski, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 29, 1976.

EXTENSIONS OF REMARKS

PART I: SUPPRESSION OF INNOVATION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 13, 1976

Mr. SYMMS. Mr. Speaker, as many of my colleagues are aware, I have introduced legislation to stimulate drug innovation in this country and enlarge upon the freedoms granted individual health care consumers and their physicians to use the drugs they feel will provide the best therapeutic results.

Prof. William Wardell of the University of Rochester has been an outspoken critic of the 1962 Amendments to the Food and Drug Act. He argues convincingly that these amendments have suppressed drug research and innovation in the United States, to the untold detriment of Americans who might have benefited from new drugs not available in this country.

The following is an excerpt from a paper which Professor Wardell presented last December at the Second Seminar on the Economics of Pharmaceutical Innovation sponsored by American University, Washington, D.C.:

THE INTENT OF CONGRESS

In some of its aims Congress has been conspicuously successful in the legislation it has created and in the effects of the resulting regulations. The abolition of patent medicines is an outstanding example, as is control over the accuracy of claims made for drugs. Since the 1962 Amendments, the advertising of prescription drugs has been effectively controlled to a greater extent than in most other countries. Untested new medicines are now a thing of the past; all the new drugs introduced since 1962 have some proof of efficacy, so that totally ineffective medicines are now a historical curiosity.

The price of medicines was a special concern of Senator Kefauver. In terms of what the patient pays for benefits attainable with drugs, today's patient is probably getting better value for his money than at any time in the past (if only because more drugs actually capable of conferring benefit are continually being developed). Whether this is a result of legislation is a complex question. Peltzman's careful study of the effects of the 1962 Amendments suggests that any improvement has occurred in spite of the regulations, not because of them. That is, according to Peltzman, the new laws have increased the cost of drugs without helping to increase their benefits to any appreciable extent. In any case, it is true to say that legislation has never been aimed at increasing the benefits achievable by drugs: Its main thrust has always been to eliminate negative attributes such as toxicity or ineffectiveness. Positive results have not been specifically emphasized by the legislation or the regulators, although neither have they been proscribed. This fact will be dealt with in more detail later.

In other important respects, Congress has been conspicuously unsuccessful. The requirement that drugs should be *tested* has not made them intrinsically safer. As we shall see, no premarketing tests of safety can substitute for postmarketing surveillance. While premarketing requirements in the U.S. have become ever more costly and stifling, postmarketing surveillance here is one of the weakest of any civilized country. The U.S. has been forced to rely heavily on other countries' surveillance systems. There is no evidence that the safety of *early* drug investigation in man has been improved by the 1962 Amendments either. As we shall describe later, early drug testing in man is a relatively safe process.

Another concern of Congress has been the perceived need to prevent monopolies in the pharmaceutical industry. Enforcement of the 1962 Amendments might, if anything, have entrenched the positions of the biggest firms since the cost of the drug development process is now such that small companies rarely contemplate the development of new products. Any attempts to reduce monopolistic tendencies by undermining patent protection could endanger the development of new drugs by allowing profits on existing drugs to be reaped by companies that have no intention of originating new agents.

In addition, there are at least two important consequences of its actions that Congress probably did not bargain for. The first of these concerns the development of effective new drugs. By eliminating totally ineffective drugs, the 1962 Amendments have ensured that the available drugs are, on the average, more effective. But this did not ensure that more effective drugs would become available. In fact, the opposite has happened, with the result that the United States has come to lag appreciably behind other countries in the introduction of effective new therapies. While it is not possible entirely to untangle legislative, regulatory, industrial and other causative factors in this process, there is no doubt that legislative and regulatory factors, either directly or indirectly, have been a substantial cause of the U.S. drug lag, a point made by the Food and Drug Administration itself. How much frank *suppression* of innovation there has been in the U.S. is unknown. One of the prime things the patient needs from the drug industry is the development of new and more effective medicines. The creation of conditions inimical to this end was presumably an unintentional step by Congress and the regulatory agency to which it delegated implementation, but a serious consequence nevertheless.

The other consequence Congress may not have bargained for was the fact that, inevitably, government is beginning to participate in (some would say interfere with) the practice of medicine as never before. As we shall see, attempts to pass judgment on the safety and efficacy of medicines inevitably lead to the assumption of decisions at a national level by committees of experts about matters that were formerly regarded as the sole preserve of the physician and his patient. Congress initially wished to exert control over the technology of drug assessment. This, however, is inextricably intertwined with the practice of medicine. Inexorably, action designed to control the technology of drug assessment has intruded into the practice of medicine. Denying a physician access to a drug (by preventing it from being marketed) is one such example of this; the concept of approved uses is another.

Participation of government and committees in these matters is not automatically a bad thing; many advantages of such participation can be conceived of, and we shall describe later a closely controlled national system in which distinct benefits can be perceived. Such participation is not, however, the sort of thing that is best implemented by adventitious spinoff from Congressional action aimed at other ends. This is an area that deserves much informed study.

THE NEEDS OF PATIENTS

The primary need of a sick patient is to have a competent, sympathetic and knowledgeable physician who can make best use of the diagnostic, therapeutic and general resources available in the current state of the art of medicine and who can bring them to bear on the particular needs of that patient. For the purpose of this analysis, we shall confine ourselves to the patient's therapeutic needs, specifically those involving drugs. The patient's overriding and immediate need is that a highly effective agent for his illness should be available, carrying an acceptable degree of risk for the likely benefit to be obtained; and that this drug will be used appropriately by his physician.

The patient also has a longer-term but equally direct need, namely the development of new therapies and safer and more effective ways of using old ones. It is in every patient's interest, and thus ought to be the intent of Congress, to foster conditions for this. Less pressing requirements are that drugs should be readily and widely available, and not disproportionately expensive for the benefits they confer.

Since in the practice of medicine the patient has necessarily to delegate expert decisions about therapy to this physician, the remaining of this discussion will deal with what a physician needs from drugs in order to treat his patients most effectively. Although in this discussion we shall continue to confine ourselves to drug-related therapeutics, it should be borne in mind that the issue is wider than drugs alone, since regulatory control is being extended over many other therapeutic and diagnostic procedures and devices. The issues we are dealing with thus affect a large part of medical practice.

Physical properties. An area where the physician obviously needs third-party assistance is in ensuring that the chemical received by the patient corresponds to the one he prescribed. There has been a long history of valuable assistance from the pharmacy profession to ensure accuracy in dispensing and to battle against adulteration. In the present century, federal controls have arisen to ensure that the drug dispensed is of defined chemical composition, high purity, and correct weight or potency. The need for federal controls in this area is not seriously questioned by anyone. The achievements of the present legislation and the regulations designed to enforce it, together with the cooperation of industry to achieve these goals, reflects credit on all parties.

Formulation. In similar fashion, the physician should be able to rely on a third party to ensure that the dosage form of the drug prescribed is not intrinsically hazardous, that the dosage form is appropriate for the intended use, and that it will deliver the drug reliably in a known amount and manner. Here again, federal control has proved welcome for the most part. There is one area however where not all would agree, and that is in getting standards for bioavailability, i.e., the amount of active drug made available to the body from a given dosage form and the way in which it is released. Problems arise when a drug's patent expires and other manufacturers seek to market generic forms of it. The biopharmaceutics of a generic manufacturer's product will seldom be identical with those of the original manufacturer's: The generic products may release more or less of their drug, and the resulting blood concentration profile may vary in a number of ways from that of the original. The question is, how close to the original should generics be? Should tolerances be set? Should a generic with *superior* bioavailability be permitted on the market? While it is tempting to impose tolerances (for example, to prevent gross deviations in total bioavailability), the fundamental problem is that the science of clinical pharmacology has not yet been able to elucidate good correlations for most drugs between different blood-level profiles and clinical effect. It is, therefore, too early to be able to legislate comprehensively about tolerances for generic products; for the present, common sense should apply.

A suggestion has been made that instead of bioavailability, proof of clinical efficacy should be demanded of prospective generic candidates. Even in theory this is not an ideal solution since the statistical power of most clinical studies is so low that only the grossest differences between active medications would (at least with studies of the size customarily feasible) ever be detected. Furthermore, the vast expense involved in this activity would tend to vitiate the cost savings which are the main object of encouraging generic competition.

Thus, details of bioavailability would seem to be an area where, while federal controls are desirable in principle, more scientific underpinning is necessary before sensible and beneficial controls can be worked out.

Efficacy and toxicity. Information about a drug's efficacy and hazards should be known as much as is reasonably possible and should be freely and readily available to the physician, with expert interpretation if necessary to maximize his ability to choose wise and appropriate therapy for his patients. Furthermore, the drug's potential benefits should be enough to outweigh its hazards in at least some patients.

The collection of information about a drug's efficacy and hazards, and its communication to physicians, must obviously be undertaken on a national scale. Whether it requires federal legislation is another matter. The efforts of the American Medical Association in this field, long before the federal government had any meaningful programs, show that these functions need not necessarily entail legislation. Furthermore, the current contrast between the dull, sometimes irrelevant (and, in the case of toxicity data, unbalanced to the point of misleading) information contained in the federally controlled package inserts, and the more realistic descriptions in the AMA's Drug Evaluations and in independent publications from other countries, illustrates the vast gulf between legal (or quasi-legal) documents and medically meaningful information.

Decisions on how to balance a drug's benefits against its disadvantages are the fundamental issues in the present debate. Ultimately these decisions must be made in the context of an individual patient being treated by an individual physician. Since a national body cannot anticipate all the situations that will arise, any action to exclude or delay the access of a potentially useful drug to the market will inevitably infringe upon the rights of some physicians and their patients.

It is not always appreciated that a fundamental distinction exists between the technology of drug assesment and the practice of medicine. These two issues are fundamentally dissimilar, since (at least as presently conceived) the first focuses on the evaluation of drugs in populations whereas the second deals with the management of individual patients. The practice of medicine for individual patients should not absolve physicians of the need to consider scientific data about the drugs they use; but, conversely, society's urge to codify the technological aspects of drug assesment should not interfere with the fact that it is ultimately individual patients who need to be treated. The significance of this dichotomy should not be underestimated. It is the fundamental cause of the trouble that this debate is about.

APPROPRIATENESS AND FULFILLMENT OF CONGRESSIONAL AIMS

Since Congress should be responding to the needs of patients, its intent and the needs of the sick are compatible in principle. No one would deny that the provisions of the 1938 law governing tests of safety prior to marketing, and the provisions of the 1962 Amendments governing investigational plans, proof of efficacy and control over advertising, are in principle and intent compatible with the need of the patient to obtain maximally effective and safe therapy.

But are these two aims being reconciled in practice? What is good for the majority is not always compatible with the needs of any given citizen, and problems have arisen in the way in which the law has come to be implemented by regulations. One problem, as we shall see, is the inadequacy of the present scientific state of the art of clinical pharmacology in determining what is meant by the terms "safety" and "efficacy." There has been even more difficulty in deciding, in the absence of rigorous and absolute definitions of safety and efficacy, how much is "enough" of either quality. Even if such scientific decisions could be made easily, there remains a fundamental problem, the sometimes irreconcilable conflict between the needs of a particular individual at a specific time, and the needs of the whole society at all times. (For example, there is the problem of what to do about drugs that are essential to a few people but have a high incidence of adverse reactions.) For these reasons, it cannot be expected that any given policy of implementation will perfectly carry out the intent of Congress.

There is considerable evidence, however, that the current state of affairs may not, on balance, be in the best interests of society, and may not even be the best way of reconciling what is possible with what was intended. The key issue is the "setting" of the "thermostat" which regulates the point where trade-offs are made between safety and efficacy in the approval of drugs for the market. The main problem is how to obtain maximal benefit and safety with existing drugs while preserving the incentives and capacity for the pharmaceutical industry to innovate and create better ones. There are many variants of this problem. What should be done about the lack of incentive for industry to develop new drugs which may be major breakthroughs but which can only apply to a very small market? What should be done with older drugs: Should money and effort be expended on evaluating them to the same standards of efficacy as would be required for totally new drugs? What would be the benefit to society of requiring massive expenditure on this task which would divert funds from discovering and evaluating new and possibly more useful drugs: to waste those funds on pedestrian and questionably desirable activity? Similar questions apply to combination drugs and over-the-counter preparations.

SIGNIFICANCE OF PALM SUNDAY

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 14, 1976

Mr. HARRY F. BYRD, JR. Mr. President, on Saturday, April 11, the Winchester, Va., Evening Star turned over much of its editorial page to area residents in order that they might submit for publication personal expressions of the significance of Palm Sunday.

I was especially impressed with the comment of Mr. J. G. Cartwright of Winchester.

I ask unanimous consent that his statement be printed in Extensions of Remarks.

There being no objection, the comment was ordered to be printed in the RECORD, as follows:

[From the Winchester Evening Star, April 10, 1976]

HAD TO DO WITH PEOPLE

(By J. G. (Joe) Cartwright)

On Palm Sunday Jesus rode toward Jerusalem on a colt with people singing and shouting and waving palm branches.

When he came in sight of the City he cried over it because the people didn't recognize God's moment when it came.

He rode in to the City not as a leader of a big Church or a small Church but as a human being concerned about other human beings.

When he looked into the faces of the crowd going before him, he didn't see white or black faces, Jewish faces or non-Jewish faces, religious faces or non-religious faces. He saw human faces created in the image of God's face.

Some of those faces were happy faces—glad that he had come faces.

Some of those faces were children's faces—playing a game faces.

Some of those faces were troubled faces—mad that he had come faces.

Some of those were puzzled faces—confused about why he was there faces.

But they were all human being faces—just like yours and mine faces.

And each year he rides again toward towns like Winchester and each year he weeps because a lot of people still have not recognized God's moment when it came. Jesus was not concerned about changing religious people as long as they were concerned about other people. But when they didn't care about other people it made him sad enough to want to cry.

I don't know what Palm Sunday is supposed to mean in Churches today. Some Churches don't even observe it. I only know that it must of had something to do with people, human beings like you and me, because a parade wouldn't have made Jesus cry. Only people he loved but who didn't understand him would make him sad enough to cry.

Palm Sunday should have made Jesus happy. Maybe it still can.

CONGRESS ALWAYS DOES WHAT'S BEST

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. OTTINGER. Mr. Speaker, I would like to share with my colleagues a column written by Art Buchwald which, underneath its humor, is especially relevant in light of the recent ratings which were given out by groups such as Environmental Action, the League of Women Voters, Americans for Constitutional Action, and Americans for Democratic Action:

CONGRESS ALWAYS DOES WHAT'S BEST

(By Art Buchwald)

WASHINGTON.—House Minority Leader John J. Rhodes of Arizona is fuming mad because he was listed by a group called "Environmental Action" as one of the "Dirty Dozen" congressmen who have consistently voted against environmental bills.

He also got a very low rating by the "National Council of Senior Citizens." Rhodes was so angered he released a letter signed by 77 congressmen (mostly Republicans) calling on the Fair Campaign Practices Committee to "expose" what they called the most flagrantly unfair and perverse of all campaign practices the publication of ratings of public interest groups based upon votes of narrowly selected bills.

Rhodes is right. There should be an investigation of any organization that monitors the voting record of congressmen. A congressman's vote is a private matter between him and his wife, and should not be revealed by any public interest group whose sole purpose is to defeat him in an upcoming election.

Anyone who lives in Washington is aware that Congress knows what is good for the people and if they vote against environmental issues or senior citizens, they are doing it only because it is for the best interests of the country. You don't have to take my word for it—ask any congressman or senator and he will tell you the same thing.

Rhodes said the House Republican Research Committee is reviewing rating practices of special interest groups and may recommend legislation to restrict them.

This is the best way to deal with the matter. If Congress cares about its integrity, it must pass a law to prevent organizations in this country from publicizing the voting records of its representatives.

I think the bill should impose stiff criminal penalties, as well as large fines, against any group of citizens who disclose, verbally or in print, the vote of any elected official of the legislative branch of government.

They should lose all voting privileges for five years and be sentenced to read the Congressional Record from the first page to the last for one year.

This may sound tough, but there is a credibility gap in the country now and people are very suspicious of their politicians. One of the reasons for this is that we are being told how they vote.

> I usually don't like to take sides, but I hate to see anyone, Republican or Democrat, put on a list called the "Dirty Dozen."
>
> It makes you lose faith in the First Amendment and the whole principle of "the public's right to know."

SERIOUS LIVESTOCK DISEASE

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. BEDELL. Mr. Speaker, recent correspondence from veterinarians and livestock producers has called my attention to an alarming incidence of a serious and growing livestock disease—pseudorabies. The costly impact of pseudorabies has been felt not only in my own congressional district, but also in a six State region of the Midwest, with losses ranging from the near elimination of some small herds to the death of 7,000 swine on one Illinois farm.

The disease, a virus fatal to cattle and hogs, and other domestic and wild animals, often induces its victims to self-mutilation and may spread among live animals or be contracted from the carcasses of infected livestock. Although there were less than 10 known cases in Iowa before 1970, 16 cases were reported from 1971 through 1974, and 30 additional outbreaks were confined in 1975 alone. In the first quarter of 1976, 11 swine herds in northwest Iowa have been quarantined in whole or in part as a result of pseudorabies, thus preventing their owners from marketing their livestock.

It is my understanding that in the most recent outbreak of this disease, an Iowa farmer lost all of his cows, calves, and baby pigs. In yet another instance, a young Iowa farm couple lost a significant portion of their hog and dairy herd and were forced to sell a number of the remaining livestock at well below market price. Such losses, especially when inflicted upon the small, family farmer, constitute major financial setbacks that can threaten the viability of such operations.

At present, the only means available to the producer for combatting pseudorabies are eradication methods utilizing precautionary management techniques. Thus far, such methods have met with little success and are oftentimes futile. Funds are needed to provide research to develop a serum or vaccine to defeat this disease.

Wide agreement among industry spokesmen has underscored the need for development of such a serum or vaccine as the only effective means of halting the rapid growth of pseudorabies and bringing about its eventual elminination.

Unfortunately, however, development of a serum or vaccine has been retarded by the high cost of production.

In light of this overall situation, I was disturbed to learn that the administration and the Department of Agriculture did not request any funds for fiscal year 1977 for research on pseudorabies. In my view, this decision is inherently shortsighted. We cannot afford to further ignore the implications of this potent disease.

I have thus urged the Department of Agriculture to give full recognition to the serious problem which pseudorabies poses for the livestock producer and to consider the possibility of diverting certain funds already designated for agricultural research to discovering the cause and cure of this disease. I hope that my colleagues will also recognize the need for attention to and action on this disturbing and far-reaching matter.

MONSIGNOR EDWARD J. DEKEYSER: "A GENTLE MAN"

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. O'HARA. Mr. Speaker, in this year of the Bicentennial when we honor the men whose ideas and actions shaped the character of our Nation, it is also fitting to pay tribute to a man, who by his record of public service, has carried on the noble traditions set by our Founding Fathers.

Such a man is Monsignor Edward J. DeKeyser, of St. Lawrence Parish in Utica, Mich., who on May 9, 1976, will celebrate 50 years of life as a priest.

In 1935, 10 years after leaving St. Mary's Seminary in Cincinnati, Ohio, Edward DeKeyser—son of a Michigan blacksmith, educated at Assumption College—Windsor, Canada—was appointed resident pastor of the sprawling St. Lawrence Parish, which at the time encompassed 80 square miles. This same area would later be divided into five separate parishes.

Inheriting but a rectory and small school, the young priest had a dream to fulfill. Today in this spot stands an ecumenical complex: The transformation of dream into reality took place as Father DeKeyser, working alongside his parishioners, constructed a new church, school, convent, gymnasium, and auditorium.

A true Christian, Monsignor DeKeyser's ecumenical spirit knows no bounds of religious denomination or affiliation. He has worked actively to enhance the quality of education in his community, and in recognition of this lifelong dedication, one Michigan public school now bears his name—DeKeyser Elementary.

Monsignor DeKeyser's goal—to improve the quality of life of his fellow man—is exemplified by his interest in civic and community affairs. In 1939, he was elected Rotary Club president; he also organized the Utica Goodfellows, a group of concerned citizens who organize business ventures in order to share the profits with those in need.

Monsignor DeKeyser retired from active duty at St. Lawrence Parish in June 1971. However, as pastor emeritus, he continues to reside at the rectory, sharing his retirement with the people to whom he has devoted his life.

When asked to describe this man, one of his parishioners answered, simply and unhesitatingly: "He is a gentleman. It is an honor to know him."

A higher tribute could not be uttered.

INTRODUCTION OF LEGISLATION TO REPEAL FOREIGN OIL OPERATION TAX LOOPHOLE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. VANIK. Mr. Speaker, in the spring of 1975, the Congress passed a Tax Reduction Act which provided a great deal of tax relief to individuals and corporations. It also contained provisions which amended the tax treatment of income from oil operations overseas. Included in the amendment was a provision which had not been included in either the House or Senate-passed versions of the Tax Reduction Act. It is still a mystery to me how this provision, how this new language, was added to the Internal Revenue Code.

In a previous speech in the House of Representatives on December 2, 1975—page 38259—I described the strange circumstances involving the inclusion of this language in the Tax Code. It appears that this language provides a tax loophole, or break, of up to $30 million to certain oil companies with foreign oil source income. As I stated in my previous speech, it would seem that one of the prime beneficiaries of this loophole would be Aramco and its giant American oil parents.

I believe that this loophole should be repealed, not only because it is a loophole which further helps remove the giant oil companies from the lists of taxpayers, but also because of the very method by which it was added to the code—a method in which there was no debate or understanding by the membership of either the House or Senate.

Therefore, I am today introducing legislation to repeal the language which was so improperly added to our Nation's tax laws. During the last several weeks, Congressman FRASER and myself have written to several Members of the Senate regarding this provision and I am pleased to report that my good friend from Minnesota, the Honorable HUBERT HUMPHREY, has introduced legislation in the other body to repeal this language. In addition, Congressman FRASER has also introduced a bill to remove this most questionable section from the Internal Revenue Code.

Mr. Speaker, I hope that these repeal bills will be approved, both as a matter of equity to the American taxpayer and as a matter of honor to the legislative process.

Mr. VANIK's bill follows:

H.R. —

A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain domestic corporation dividends as foreign oil-related income

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 907(c) of the Internal Revenue Code of 1954 (relating to foreign income definitions and special rules) is amended—

(1) by striking out paragraph (B) of paragraph (3), and by redesignating subparagraphs (C) and (D) thereof as (B) and (C), respectively, and

(2) by striking out "and dividends described in subparagraph (B)" in the text of paragraph (3) following subparagraph (D).

(b) The amendments made by subsection (a) apply to taxable years ending after December 31, 1975.

STATEMENT ON THE SOLAR ENERGY FOR HOMES ACT OF 1976

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. BAUCUS. Mr. Speaker, we Montanans are rightly proud of the many bounties which our treasure State has to offer. Unfortunately, certain programs of the Federal Government discriminate against Montanans who wish to make use of one of our most abundant treasures—sunlight. Citizens of Great Falls, for example, receive an average of over 230 days of sunshine every year, according to the 1975 Statistical Abstract of the United States. Yet, a Great Falls resident who wanted to place a solar heating unit in his home would find that Federal housing programs make no recognition of the higher initial costs which solar systems involve. Unless a Montanan was willing to forego the benefits of Federal financing programs, he would have to settle for a conventional heating system and lose the use of Montana's abundant sunshine.

Systems of heating and cooling with solar energy, once installed, have the potential of operating at a cost of a few dollars a year. However, the initial cost of their purchase and installation is significantly higher than that of conventional systems. In order to be affordable, this initial cost must be amortized over several years. However, limits on Federal loan and insurance programs are based on the lower costs of conventional systems, and homeowners who wish to install solar energy systems in their new or existing homes must shoulder the added costs without the help of Federal programs which are available to those who prefer conventional systems.

Considering the goals of energy independence which the Federal Government has set, it is inappropriate that we should discourage homeowners who wish to heat and cool their homes with solar energy. Nonpolluting, inexhaustible, and powerful solar rays strike the Earth for a long enough period of time each year to make solar energy systems viable at nearly every location in America. Every home heated and cooled by solar energy will reduce our dependence on foreign sources of fossil fuels. Yet, the Federal Government discourages homeowners from placing solar energy systems in their homes.

In spite of national energy goals, the Government opposes any change in the limits on Federal loan and insurance programs to allow for increased solar energy utilization. Basically, the reason for this opposition is that Government is "studying the issue." Under Public Law 93–409, the Government is conducting a solar heating and cooling demonstration program. This program will lead to the formulation of production standards for solar energy systems which will then enable the Government to more actively pursue programs of solar system construction. The Government position of "wait and see" is summarized in a letter from HUD to the chairman of the House Committee on Banking, Currency and Housing. HUD admits that interim standards are available, but concludes that "operational experience with these criteria in the demonstration programs is necessary before we can prepare definitive criteria." These "definitive criteria" will be available in 3 to 5 years. Unfortunately, while homeowners who cannot afford solar systems under existing arrangements wait for final standards, precious fossil fuels are lost. These fuels might have been saved by solar systems which the homeowners would have purchased, given an equitable program of financing.

If solar energy equipment and sytems were not available, it would be understandable that the Government would not want to finance them. However, in a remarkable pamphlet entitled "Residential Energy From the Sun," HUD admits:

> Technology for solar space and hot water heating is proven and available; for solar space cooling, some added development is required, but no new scientific breakthroughs seem necessary. . . .

If the technology and the interim standards exist, why must we wait to extend Federal program benefits to those who wish to incorporate solar systems into their homes?

All across Montana, homeowners are proving the viability of solar energy systems. In Bozeman, Mike Hruska and Harvey Lee have built a solar home in which the solar system is estimated to provide 80 percent of the heat. In Butte, Prof. Charles Herndon of Montana Tech heads a project which is equipping a small college-owned residence with solar and wind heating systems. Dr. Glenwood Epling is constructing a solar-heated home near Roundup. Bill Derrenger's home in Billings is being heated by a solar furnace which can be purchased from a company in Colorado. It would be interesting to see how many other Montanans would be installing solar systems in their new or existing homes if the same Federal programs which fund conventional systems were available to them.

In response to the need to provide the same financing benefits to homeowers who want to use solar power to heat and cool their homes as others get, I introduced, on April 10, H.R. 13143, the Solar Energy for Homes Act of 1976. The bill would extend the limits on Federal housing loan and insurance programs to take into account the increased initial cost of purchasing and installing solar energy systems. The bill does not presume to require or even to actively encourage solar energy conversion; it simply allows those who want to use solar energy systems in their homes to enjoy the same benefits as those who prefer conventional heating and cooling systems. And it does so without additional burdens on the Federal Treasury, since the programs involved guarantee private loans and do not provide direct Federal loans.

Montanans, indeed all Americans, should not be discouraged from using the sunlight which could warm and cool their homes. My bill will allow them to reap the full benefits of the power of solar rays.

ACCOMPLISHMENTS OF CITIZENS AND PATRIOTS

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. EVANS of Indiana. Mr. Speaker, in the celebration of our Bicentennial Year, I have found a growing awareness and interest of local residents throughout our Nation in the accomplishments of past citizens. Today, many of our community minded citizens are doing extensive research into the deeds of former local citizens who have made positive contributions to their community, State, Nation, and in general, our way of life.

The Sixth District of Indiana is fortunate to have many such people working on the performances of our patriotic Americans. I would like to bring to the attention of this House one such individual from my district, Becky Hardin of Mooresville. Ms. Hardin has done a considerable amount of research into our State's history and is presently in the process of publishing a book on origins and the historical nature of the State flag of Indiana. Its designer, the late Paul Hadley, also lived in the town of Mooresville. It is my understanding that this publication will not only be most informative about our State flag, but also a detailed synopsis of Paul Hadley and his input into the history of both Mooresville and the State of Indiana.

I look forward to reviewing this publication, and I would like to salute Becky Hardin and many other Americans who are digging into our history in order to bring light to the worthy accomplishments of many of our late citizens and patriots.

TURKISH BASES AGREEMENT: THIS YEAR OR NEXT?

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. FASCELL. Mr. Speaker, recently the Washington Post carried a most thoughtful editorial on the recent agreement between the United States and Turkey with respect to our use of certain military bases and facilities in that country. The editorial suggests that perhaps the best course would be for the administration to make haste slowly in seeking congressional approval of the treaty and necessary implementing legislation.

As a member of the Committee on International Relations, which will have to act on the legislation implementing the treaty, I must say that there is a great deal to be said for the point of view expressed in the editorial. The failure of Congress to approve the agreement, a likely outcome this year, could well irreparably damage our relations with our important Turkish ally and eliminate our own ability to constructively influence events on Cyprus where progress toward a solution has not been satisfactory. It certainly seems to me that the rationale set forth in the Post's editorial should be seriously considered, both within the administration and the Congress.

Text of editorial follows:

THE NEW TURKISH BASES AGREEMENT

Did the administration really have to sign a new bases agreement with Turkey at this time? Or, having signed one, cannot the administration just let it lie there, without putting full vigor into efforts to gain Hill approval? We ask because a renewal of the executive-congressional battle on this issue is one of the most certain and least attractive prospects on the Washington political horizon. It is hard to see how anyone could benefit from letting the battle proceed.

Consider the scenario likely to unfold when the administration formally asks Congress to make a four-year $1-billion military aid authorization so that the United States can reopen the 26 Turkish installations closed last year in retaliation for the temporary American arms embargo. All the old wounds will be reopened. Turkey and its supporters in the American bureaucracy will be accused of trampling on Cyprus, whose partial occupation by Turkey remains the basic source of the dispute, and of further alienating Greece. Greece and its supporters in the American electorate will be accused of undermining vital American strategic interests. The Secretary of State will let it be known that the basic issue is whether the executive is to be allowed to conduct any foreign policy at all. His critics will resharpen their interpretations of his character and psyche. Everybody will start explaining the unwarranted political considerations motivating the fellows on the other side.

No doubt some Turks are eager to have the matter thrashed out. It would be a boon to Turkish national pride and a coup for the Turkish government to restore firm relations with the United States and to gain a pledge of long-term military aid, without having to make concessions on Cyprus. Some in Anakara may even feel the administration can deliver. We suspect, however, that thoughtful Turks understand how harmful to Turkey it would be if the Congress rejected the bases agreement. At the moment, this seems likely: Not only is there strong congressional sentiment for prior Turkish movement on Cyprus but there are objections to the length of the aid authorization and to the amount of aid. Simple prudence gives the Turks reason to wait at least until after the American elections, rather than to submit some substantial part of their fate to a harsh debate in an American presidential campaign. The possibilities for reactivation of the NATO bases in Turkey, and for NATO supply of pressing Turkish military needs, ought to be more fully explored.

The critical requirement, of course, is for progress on Cyprus. It is going on two years since Turkey conducted its two-stage intervention: the first and legitimate stage to protect the threatened Turkish minority, the second and unjustifiable stage to expand and tighten the Turkish hold. In the interim, the Greek Cypriots, consciously passing up the "Palestinian" option of letting their refugees fester, have built a new community life in their (southern) part of Cyprus. In the north the Turkish Cypriots have been hindered in any similar effort by the heavy-handed occupation policies of the Turkish military. The Greek side, we surmise, would welcome a decent political compromise if one were offered. But the Turkish side continues to demand terms tantamount to Greek humiliation.

Given the failure of both the imposition—and the lifting—of the arms embargo to move the Turks, no one can confidently say what will now work. We think the best chance for progress on Cyprus, however, lies in cultivating an atmosphere in which the United States is not seen as winking at the occupation and appeasing the Turkish side. That is the best argument for making haste slowly on the new bases pact.

RUBBISH ABOUT RUBLES

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. MARTIN. Mr. Speaker, recent discussions of the relative military strength of the United States and the Soviet Union have helped to alert our Nation that the Soviet Union is rapidly building its forces and we are not. They are building tanks, planes, artillery, submarines, and ships at a far faster rate than we, exceeding our production by factors of 3 to 6 in every category except helicopters. Thus we look stronger in planning future wars fought entirely from helicopters. Russian uniformed personnel have climbed above 4 million while ours declined below 2 million.

Congressional consideration of this vital issue has just led to House passage of a bill to advance our timetables for development and purchase of weapons systems to maintain the needed balance. Very few were fooled by the counterargument of chronic defense critics that our forces only appear to be behind when the two countries are compared in U.S. dollars, and that a comparison in rubles puts us ahead. The fact that we use different currencies cannot obscure the fact that they are exceeding us. The fact that they pay their soldiers less simply means they get more divisions for their money—which gives then an advantage, not a disadvantage. The valid comparison is not in terms of dollars versus rubles, but in terms of weapons and manpower. Look at those growth figures and you will agree that it is time for us to stop daydreaming.

DR. ALFRED PASTERNAK AND THE AMERICAN DREAM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. ANDERSON of California. Mr. Speaker, during my years in the U.S. House of Representatives, I have on occasion paid tribute to outstanding American citizens. But few occasions have given me such pleasure.

Today, I have the privilege of sharing with my colleagues a brief glimpse at the life of Dr. Alfred Pasternak of Los Angeles, Calif. On May 18 of this year, Alfred Pasternak will be presented with the Flame of Truth Award by the Fund for Higher Education in Israel. Dr. Pasternak is being presented this award in recognition of his dedication and commitment to the goal of the fund, making higher education available to the youth of Israel. The testimonial dinner-dance is being held in his honor to establish a wing in the Center for Hormone Research at the Weizmann Institute of Science in Rehovat, Israel.

I will share some highlights of Alfred Pasternak's life with my colleagues, because his life reflects the true spirit of America. Alfred Pasternak was not born in this country; he adopted America as his homeland.

Dr. Pasternak was born in Hungary, the son of Simon Pasternak, a successful self-made businessman, and a prominent leader of many civic, social, and philanthropic organizations—he was also a Jew.

Alfred was 13 when the Germans occupied Hungary.

From that dreadful day forward he was forced to wear the yellow Star of David on his chest. He knows what it is to tolerate the humiliation, the cruel teasing, and the physical abuse of being a second-class citizen. A few months after the German occupation, the successful Pasternak family was moved into a ghetto, and from there they were deported to Auschwitz, the most feared German concentration camp. In Auschwitz, and later in Dornhan, Alfred Pasternak experienced the horror of which we have all read and heard. He was stripped of his name as well as his dignity, being known only as No. 41820.

On May 9, 1945, following a long series of miracles, Dr. Pasternak became one of the few to be liberated from Hitler's concentration camps. He left there with the deepest possible human understanding of equality, individual rights, and human dignity—an understanding that would later foster his very deep and special love for America, and his compassion for all oppressed people.

The joy of emancipation was unfortunately short lived for the Pasternak family and all Hungarian ciitzens. In 1949, the Communist takeover erased all hopes for a free life. The son of a prominent capitalist, Alfred Pasternak was again marked as an enemy of the state. His determination for a free existence led to his participation in the unsuccessful revolution of 1956. Even though Hungary was crushed by Soviet force, Alfred Pasternak and the immediate members of his family managed to escape.

In 1957, the Pasternak family emigrated to the United States. Alfred had no knowledge of English, but in view of past obstacles, he was not to let that remain a barrier for long. Overcoming the many obstacles which face foreign medical graduates, Alfred Pasternak was soon a practicing obstetrician and gynecologist in Los Angeles, where he became active in various community organizations.

As a Jew, Dr. Pasternak has witnessed the shameful and frightening persecution of his people. Such a past would make most of us bitter human beings, but it has made Alfred Pasternak a man of great compassion for all human beings.

Alfred Pasternak has devoted his recent efforts to the work of the Fund for Higher Education in Israel. He is firmly convinced that as education is the foundation which has made America great, so too is education a requisite for the continued survival of Israel.

Alfred Pasternak's first allegiance is to the safeguarding of individual rights and dignity for all human beings, a concept which is at the core of America's spirit. It is in this sense that the great democracies of the United States and Israel are so firmly united in spirit. I see a bright future for the free world because of men like Alfred Pasternak.

Mr. Speaker, my wife, Lee, and I are privileged to call ourselves friends of Dr. Alfred Pasternak. Together, we congratulate this outstanding American, and his family, on receiving this honor which he so richly deserves.

TAX EQUITY FOR RENTERS

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. VAN DEERLIN. Mr. Speaker, across the country some 36 percent of our citizens live in rented dwellings. Under the tax laws, they are almost forgotten citizens, since a disproportionate share of tax benefits accrue to homeowners.

In my own district, close to half of the people are renters. Yet these individuals are entitled to none of the special deductions for depreciation, mortgage interest charges, local property taxes, and other expenses associated with owning or maintaining homes.

Our colleague, Mr. HARRIS, has introduced a bill, H.R. 10219, which I feel would go a long way toward ending at least one of these glaring inequities in our tax code, by allowing tenants, instead of landlords, to claim a Federal income tax deduction for the portion of local property tax included in their own rent payments. What the bill proposes, in other words, is simply to give renters just one of the several tax advantages now enjoyed by homeowners.

I will include an article, at the end of these remarks, showing how rising mortgage and building costs have put owning a new home beyond the means of most Americans. Many persons rent because they have no alternative. They should not have to carry an unfair share of the tax burden.

While benefiting renters, Mr. HARRIS' bill would also deal fairly with landlords. The bill would not affect such landlord tax breaks as the depreciation allowance, or the deduction for mortgage interest costs. It would also actually reduce the taxable income of landlords, since they no longer would have to count the money used to pay property taxes.

As matters now stand, renters often have no idea how much of their rent is used by property owners to pay property taxes. I am told it is not unusual for 25 to 30 percent of this money to be siphoned off for taxes. If the tenants really knew the size of their stake in local affairs, they would doubtless be more active and interested in exercising the rights and responsibilities of citizenship.

Mr. HARRIS' legislation is sound and constructive. It would offer no special treatment to renters, simply a measure of equity. I am glad to become a cosponsor of this legislation, and I hope that hearings can be scheduled at an early date by the Ways and Means Committee.

An article from the San Diego Union discussing the increasingly prohibitive price, for many Americans, of homeownership follows:

NEW HOUSE STILL A DREAM

(By James J. Mitchell)

Because of sharp increases in mortgage rates and the cost of housing, between half and two-thirds of all American families are now unable to afford new homes, according to two economists for the U.S. League of Savings Associations.

The situation is almost as unfavorable for existing homes, said Kenneth J. Thygerson, economist for the league, and Dennis Jacobe, assistant economist.

If Thygerson and Jacobe are right, the old American dream of having one's own house may go the way of trolleys and soda fountains.

A weak rebound in housing construction would also, of course, have an impact on the strength of the current economic recovery.

The economists presented their analysis of the cost of housing in the most recent issue of the Savings & Loan News, the foremost periodical of the savings and loan industry.

According to their data, the average sales price of new homes sold in 1965 was $22,900, compared with $42,600 in the third quarter of 1975. The average interest rate on a conventional loan with a 20 per cent down payment jumped from 5.81 per cent in 1965 to 9.17 per cent in 1975.

What this meant, Thygerson and Jacobe said, was a staggering increase in monthly payments.

If a buyer of the average new home sold in 1965 put 20 per cent down and borrowed the remainder with a 25-year conventional mortgage, the monthly payment was $115.92. By 1975, the monthly payment for the same type of mortgage on the average house jumped to $290, a whopping 2.5 times the 1965 payment. With a 30-year mortgage, the 1975 monthly payment for the same house was about $278.

Using the traditional rule of thumb of having a mortgage payment equal to no more than 25 per cent of gross monthly income, to make a monthly payment of $290 a homebuyer should earn almost $14,000 a year.

Yet, according to the economists, nearly 43 per cent of all American working households earned less than $10,000 in 1975. Nearly two-thirds of the households earned less than $15,000, they said.

These figures do not only mean that most American families cannot buy the "average" new home. They also indicate that many families cannot afford any—new or existing—home that costs more than $30,000.

For according to Thygerson and Jacobe, in order to finance a $30,000 home with a 20 per cent down payment and a 25-year, 9.25 per cent mortgage, the buyer would have to make monthly payments of $206. Using the 25 per cent of gross income rule of thumb, this means the buyer must have an annual income of about $10,000.

To buy a $40,000 home with the same type of mortgage, the homebuyer would have to afford monthly payments of about $274, which requires an income of more than $13,000. The monthly payments would be slightly lower with a 30-year mortgage, but the difference would not be significant.

"Thus, as a conservative estimate, somewhat between one-half to two-thirds of American families could not swing the financing on last year's average new home priced at $42,600," the economists said. "The picture is not much brighter in the existing housing market, where the average sales price hit $38,000 last year."

Thygerson and Jacobe point out that while higher interest rates play an important role in the rise of monthly payments, the most important factor has been the higher cost of houses.

The effect of rising interest rates, the economists said, would increase the monthly payments on a $22,900 house (the average sales price of a new home in 1965) from $115.92 to $155.88. That is an increase of 34 per cent.

But if the 1965 average interest rate of 5.81 per cent is kept constant, while the new home prices are allowed to rise from $22,900 to $42,600, the monthly payment jumps from $115.92 to $215.64, or 86 per cent.

That is almost three times the rate of increase from higher interest rtaes. And, Thygerson said in an interview, the effect of financing would be even smaller if the comparison took into account the fact that 30-year mortgages, relatively rare in 1965, are common today. Lengthening the mortgage period reduces the monthly payment.

Thygerson and Jacobe blame the unfavorable housing situation on the country's recent bout with inflation, which they said was caused by "fiscal and monetary irresponsibilities of the past.

"A change in these policies could do more than any other government action to relieve the housing depression in the years ahead," they said. "Responsible monetary and fiscal policies would result in lower mortgage rates and at least a significant slowing in the escalation of new house prices.

"The combined impact of such beneficial trends would increase new housing availability for all Americans."

NOTES ON MEXICO'S LEAP TOWARD COMMUNISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. McDONALD of Georgia. Mr. Speaker, with regard to my remarks on the floor, I should like to make available certain documentation with respect to the present situation in Mexico.

The proposed, or recently passed, laws which have generated broad opposition within Mexico are best described in a booklet entitled, "La Ley General de Asentamientos Humanos," published by the Instituto de la Opinion Mexicana, Taxco 14–405, Mexico, D.F. It contains a wide range of Mexican legal opinions on these revolutionary new laws.

The public statement of Mrs. Hortensia Allende, on April 4, was made in Toluca and carried in El Occidental of Guadalajara on April 5. Mrs. Allende stated that the Law of Urban Reform was identical to one which her husband intended to impose in Chile.

A description of the official position created for foreign Communists by President Luis Echeverría is contained in Novedades, a Mexico City daily, dated May 14, 1975. The Centro de Investigación y Docencia Económicas was created to allow these people to "serve" Mexico as they have served so many other countries, and "to fill a vacuum at the continental level." Noted Reds from the Allende government to be found therein include Pedro Vuskovic, Armando Arancibia, Eduardo Novoa, Luis Maira, and Fernando Fainzylber. Ranking Reds from other countries include Marcos Kaplan of Argentina and Samuel Lichtensztejn of Uruguay. This is, in short, an international Marxist "think tank" intended to produce measures by means of which to convert Mexico into another Chile.

By deliberately creating insecurity of land tenure, making all property rights subject to Marxist notions of overriding state interest, the Mexican Government has caused endless, needless difficulties for the productive economic sector. Mexican newspapers are filled with paid advertisements appealing for relief, inserted by beleaguered businessmen and farmers, while the news columns give accounts of land seizures by hundreds and even thousands of people organized and led by Communists. The victims rightly question why they receive little or no protection from the government.

While accounts of this resultant instability are to be found in Mexican newspapers over the past half-year, the furor caused by the amnesty proposal has erupted only in late March, when the bill was revealed. The text is quoted in El Día for March 26, and a partial but nonetheless rather lengthy list of those to be amnestied appears in La Prensa for March 28. El Sol, on the same date, quoted Arnoldo Martinez Verdugo, Secretary General of the Partido Communista Mexicano, stating that the Amnesty Law "constitutes a triumph for the democratic and progressive forces" and that "this attitude of the government opens the gates to the way of political struggle" in Mexico.

Earlier, on the 13th and 16th of October, La Prensa detailed the rewards, in terms of public office, given to the relatives of Lucio Cabañas, one of Mexico's most active Communist guerrillas before he was killed in 1974.

Further details of rural violence in Mexico will be provided when Congress reconvenes.

CONGRESSIONAL BLACK CAUCUS LEGISLATIVE AGENDA—PART IV

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. MITCHELL of Maryland. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD, the fourth part of the Congressional Black Caucus Legislative Agenda for the second session of the 94th Congress. Included herein are the agenda sections dealing with economic development and aid to minority businesses and with the economy:

ECONOMIC DEVELOPMENT AND AID TO MINORITY BUSINESSES

Blacks have only recently begun to gain a foothold in America's economic mainstream. An essential part of that process has been the development of small minority-owned businesses. Even more than other small businesses, the minority-owned companies have suffered from current economic conditions.

Presently, many minority businesses are being liquidated because of inability to repay federal loans. In the face of a bleak future for minority enterprise and economic development, the response of the federal government has been nominal. The unwillingness of the banking community to finance small businesses has sharply decreased the Small Business Administration's guarantee loan program. From July to December 1974, SBA guaranteed over 2,300 loans to minority business, totalling $94.4 million. However, this represented an appreciable decline from the loans worth $143.5 million guaranteed in the similar 1973 period. Thirteen out of the 100 largest black firms in 1972 have gone out of business.

We recommend a one-year moratorium on federal loan repayments. There should be a significant increase in set-asides and subsidies to minority business persons.

A system of tax concession for financial institutions and other investors should be developed immediately. Such loans and investments should be made available for business development and mortgage financing in black and other poverty communities.

There are several federal programs that have begun to work effectively in minority communities to aid in the economic and business development of rural and urban low-income communities. Minority Enterprise Small Business Investment Corporations (MESBICs) and Community Development Corporations (CDCs) have been primary mechanisms for providing an economic base for these areas. A commitment must be given to these enterprises in order that they may play a greater role in resolving the dual problems of inflation and unemployment.

There should be created an independent agency for minority business development. This agency should combine the functions presently undertaken by the Small Business Administration, the Commerce Department's Economic Development Administration and its Office of Minority Business Enterprise. At the same time, there must be a new commitment by the Federal Government to increase the number of financial institutions that are managed and controlled by minorities.

In addition, stepped-up efforts must be made to give procurement and service contracts through Federal agencies to minority businesspersons. It should be recognized that many majority businesspersons depend on government contracts to support their modest and large businesses. Minority businesspersons need that same secure base from which to operate. It should also be recommended that advertising in minority publications by public and private agencies is vital to the financial health of those publications.

Also, the ceiling for 8(a) set-asides should be increased to include minority businesses which are reasonably successful but which need additional assistance.

Finally, we endorse the concept of the creation of a Minority Business Investment Corporation, capitalized in the amount of $100,000,000 and financed by a consortium of the major corporations, religious bodies and foundations in the United States.

While special legislation will not be necessary to create the Corporation, it will require endorsement of the Administration to most successfully acquire financing to existing and new minority businesses as well as management assistance and advice and will discount notes or debentures held in MESBIC portfolios and other investing institutions.

THE ECONOMY

The nation's economy has created and continues to perpetuate a two-class society consisting of a large proportion of fairly comfortable persons and an underclass perpetually living on the thin edge of subsistence—the haves and the have-nots.

The current economic crisis has made the first group more aware of the impact of joblessness and inflation, and we believe that our legislative proposals for full employment, welfare reform and social insurance including tax reform, discussed earlier, reach to a fundamental ill of our economy.

There are, however, a number of other fundamental changes in our economic structure which must be made to better the conditions of all of our citizens. First, the concentration in industry and the power of the multi-national corporations is immense and deserves continued evaluation. The monopoly power must be evaluated.

We call for a significant effort to reform and enforce our antitrust laws. Companies which have a monopolistic control of the market destroy the free enterprise system and build invincible empires. Legislation supported by the Congressional Black Caucus was passed last year which eliminated the exemption in the Sherman Anti-Trust Act for State fair trade laws. These so-called fair trade laws have permitted manufacturers to fix prices on certain products at will. The elimination of fair trade laws was a long overdue step which will result in visible savings for consumers.

ENERGY

The energy crisis has receded somewhat since the long gas lines. We have seen energy prices rise and recognize that the problem of supply and cost of energy continues. At the same time, however, we have seen reported shortages of oil and natural gas disappear as new supplies are suddenly discovered. We have therefore, for the most part, voted against efforts to decontrol oil and natural gas prices.

Legislative solutions are still being formulated. We believe that energy conservation and the development of new energy sources provide the best solution to the energy shortages.

FEDERAL SPENDING

The new budget process has provided a handle for the Congress on federal spending policies. However, the budget committees have failed to take a firm grasp of the opportunity to address the issue of national priorities. Rather than view the budget and national needs and recommend major spending priority alternatives, the budget committees of each House have simply gathered data on legislating committees' plans and incorporated them into a budget that too closely resembles the Administration's own budget.

The legislating committees, themselves, must further monitor domestic assistance programs so as to ensure that the intended beneficiaries are the actual beneficiaries of these programs.

FLORIDA MASONS ACHIEVE NEW HEIGHTS OF SERVICE UNDER GRAND MASTER BILL HILL

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. FUQUA. Mr. Speaker, never in the history of this great land have the problems seemed more complex and the solutions to the things that trouble our national conscience seemed more elusive. There is a great yearning on the part of the American people for a return to a day when we seemed to have more drive and purpose, a simpler time when a man or woman felt he or she could come to grips with their individual problems and wrest out the answer.

That was a time when the major problem seeemed to be wresting a living from the soil, when our frontiers seemed boundless and our natural resources inexhaustible.

That time is now past as we approach the 200th birthday of our beloved land. In just a few short months we will pause to remember and pay homage to those who have gone before and particularly we will remember the tens of thousands who were denied the privilege of raising a family and living a normal life because they were struck down in places like the Argonne, Iwo Jima, Saipan.

One group that has not forgotten our heritage and who still believe that we are one nation blessed by God and who teach the simple moral virtues that are timeless are the Masons, and I take pride in paying them tribute just prior to the convening of the Grand Lodge of Florida.

Under the leadership of my good friend, William C. Hill, as their grand master, Florida Masons have not forgotten their heritage nor have they forgotten that with all our manifest blessings comes a corresponding obligation.

Recently I had an opportunity to be present with Grand Master Hill as he presented a copy of the Declaration of Independence and a copy of the American Creed to Senate Minority Leader MIKE MANSFIELD.

Bill Hill said something at the time that I will long remember. He said that—

> Participation means involvement . . . involvement means contact . . . contact means to get out and get the job done . . . that is what Masonry is doing.

We have a great annual event in our State called "Masons for America."

In other words, this is a group that is involved, that is doing something and they need to be recognized for these significant contributions as we approach the Bicentennial.

When Grand Master Hill opens Grand Lodge, he will call attention to a very special flag which I have had flown over the U.S. Capitol especially for my Florida Grand Lodge. It is a replica of the Betsy Ross Stars and Stripes, one of our Nation's first flags. This is a special time and this is a very special flag. When signifying the past, it is a call to the opportunities and challenges we have for the future.

Mr. Speaker, I would like to say a few words about my good friend, Bill Hill, for I believe he typifies something that is good about this country. He is a successful businessman, but he knows what it is to work. He is successful because he took advantage of the opportunities which this land affords and he has found time to give of himself to others.

Bill is a native of St. Louis, Mo., born there on July 8, 1919, missing our Nation's birthdate by 4 days. He attended public schools in Indiana, moving to Tampa in 1926. He began as a driver for Central Truck Lines and then gained a position with a firm titled St. Johns River Lines, whose business was transporting by ship. World War II was to change the direction of a young man's life, as it did for so many thousands of others. Calling on his experience, Bill worked for the Office of Defense Transportation before entering the U.S. Naval Construction Battalion in 1943. From there it was to Guam where it was service with the Seabees until the end of the war.

It was in 1945 that Bill moved to Ocala where he was to work with a meatpacking firm, serving as plant manager, until January of 1951 when he went back to his first love—trucking.

With one truck and his lovely wife, Gladys, serving as office manager and secretary, Hill's Van Service was begun. He could not have known at the time just how successful a young couple willing to work and who had dreams could be.

That truck became two a few years later and then came the time for the big step when they bought their first tractor and trailer. Hard work and drive brought more and more business to Hill, who was never too busy to offer his services for the benefit of his community.

Seeing a need for warehouses for the storage of household goods in the Ocala area, he built his first warehouse of 10,000 square feet in 1959. Since then there have been two additions to that facility along with the construction of two additional warehouses. In 1963, Hill opened a branch in Gainesville and that too has continued to grow, the warehouse there having been expanded twice.

It is a family operation with his four sons now assuming the major day-to-day operation of the business. William Kenneth, James Michael, Jerry Eugene, and Joseph Donald have presented the Hills with their pride and joy, 10 grandchildren.

One of the things that has given Bill the most pleasure and pride is the fact that all four sons are Masons.

It seems remarkable that this busy man would have been able to devote so much of his time in service to others.

One of the great honors which he has received was the National Medallion of Honor for his work as president of the Ocala Boys Club. That is pretty significant when you realize only one such award is given nationally each year.

Seeing that most of his friends are Masons, he petitioned Marion Dunn Lodge in Ocala and was made a Master Mason in August of 1948. His rise in Masonic circles was predictable as year after year this affable gentleman was called upon for service in the most responsible positions.

Perhaps the most enjoyable and beneficial period has been his service on the board of trustees of the Masonic Home since 1965. This is the home operated by the Masons of Florida and tremendous progress has been made in its renovation and upgrading over the past decade—a tribute to Hill and all of the other Masons who have given so unselfishly of their time and talents to make it the institution of service it is today.

It was natural that Bill should be called to the highest office of the fraternity and it was 4 years ago that he was elected to the office of junior grand warden, where advancement is automatic by tradition. It has been a priceless period of service, culminating in Tampa the last of this month where he presides as grand master.

Bill is a 33d Degree Scottish Rite Mason, holds the York Rite honor of Red Cross of Constantine, has received the DeMolay Legion of Honor, and has held numerous offices such as worthy patron of his Eastern Star Chapter and royal patron of the Order of Amaranth Chapter. He has been active in the work of the Shrine, heading his Shrine Club in 1959.

Professionally, he is a member of the Florida Trucking Conference and has served three terms as chairman of the Florida Movers Conference. He was president of the very active Ocala Lions Club in 1968 and has held other positions of civic responsibility in the hometown he loves so much.

Hill's Van Service serves as agents for Fogarty Brothers Transfer of Tampa, Fla., and business continues to grow. While Bill looks down the road to turning everything over to "my boys," it is hard to imagine this big man—in heart and stature—inactive.

He is an example of what an American can achieve. Nobody ever gave him anything. America just gave a fine young couple an opportunity and they did the rest. And, none of it would have been worthwhile without Gladys. She is one lady that everyone loves. She has been a constant compass whenever the seas were stormy and her sense of humor has kept a very busy husband on an even keel.

As Florida Masons meet once more to review the past and plan for the future, I pay this tribute: Bill Hill has been faithful to the trust which has been reposed in him and he will pass the torch to other willing hands.

I think he and this organization say much that should be said about this great land of ours. An organization is only as good as its individual members, a nation is only as viable as its individual citizens.

Many of the most prominent founders of this Nation were Masons. By example of good works, they have added contribution after contribution to the foundation which was laid a long time ago.

Today, in this Bicentennial Year, let us remember those contributions and move boldly to met the challenges of tomorrow.

THE SUPPLEMENTAL DISCLOSURE STATEMENT OF HON. MORRIS K. UDALL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. UDALL. Mr. Speaker, public faith in government begins with the assurance that public officials are not using their positions of trust for private gain.

I have long believed that the personal finances of Members of Congress and other Federal officials should be a matter of public record. In addition to cosponsoring H.R. 5250, the Financial Disclosure Act, in the 94th Congress, I have made periodic public accountings of my own finances since 1963.

I am continuing that practice today, by placing in the Record my 1975 tax return and a supplement to the April 30 report to the Committee on Standards of Official Conduct required by rule XLIV.

Those statements follow:

Supplemental Disclosure Statement—Calendar Year 1975—Representative Morris K. Udall

For more than ten years I have been advocating and supporting broad disclosure legislation for Members of Congress and other officials of the federal government. In the 94th Congress I co-sponsored with Rep. Kastenmeier H.R. 5250, which would improve and extend existing disclosure laws.

During my congressional service I have tried to set an example and encourage legislation by making complete voluntary disclosures at regular intervals (i.e., Congressional Record, January 10, 1967, p. 77, and April 29, 1971, p. 12503). Beginning 13 years ago (Congressional Record, April 10, 1963, p. 5845, 88th Congress), I have periodically made disclosures, and in the last four years I have made it a practice to attach a supplemental statement to the April 30 report to the Committee on Standards of Official Conduct, and I am doing so again this year.

In accordance with this policy and in connection with my report for 1975, I am submitting certain additional information and hereby request the Committee on Standards of Official Conduct to attach it to Part A of my report so that it will be available to the public:

1. The 1975 income tax form filed by Mrs. Udall and me (Form 1040).
2. Other schedules attached cover reimbursements for expenses exceeding $100, all sources of royalties and honoraria, outside income items exceeding $100, stock ownerships with approximate values, current interests in real estate, and a list of major items of personal property.

This year, I am again placing my disclosure statement in the Congressional Record.

U.S. INDIVIDUAL INCOME TAX RETURN

Name: Morris K. and Ella R. Udall.

Present home address: 301 W. Congress St. No. 6—C, Tucson, Ariz. 85701.

Your social security number: [redacted].

Spouse's social security number: [redacted].

Occupation: Yours—U.S. Congressman; Spouse's—Housewife.

In what county and State do you live?—Pima, Ariz.

Exemptions: 3.

9. Wages, salaries, tips, and other employee compensation, $42,850.

10a. Dividends, $696.33, less exclusion $200., balance, 496.33.

11. Interest income, $5,317.18.

12. Income other than wages, dividends, and interest, $22,333.24.

13. Total, $70,996.75.

14. Adjustments to income, $5,448.13.

15. Subtract line 14 from 13, $65,548.62.

16a. Tax, $15,803.93.

b. Credit for personal exemptions, $90.

18. Balance, $15,713.93.

19. Other taxes, $965.45.

20. Total, $16,679.38.

21a. Total Federal income tax withheld, $10,378.10; 1975 estimated tax payments, $1,050; total, $11,428.10.

23. Balance due IRS (Incl. penalty, $79.68), $5,330.96.

INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

29a. Net gain or (loss) from sale or exchange of capital assets, $3,741.01.

30. Net gain or (loss) from Supplemental Schedule of Gains and Losses, $324.

35. Other "M–1" attached—Timber sold, $200; stationery reimbursed, $1,246.29; $16,821.94; $1,446.29.

36. Total, $22,333.24.

ADJUSTMENTS TO INCOME

39. Employee business expense, schedule "A–3", $5,448.13.

TAX COMPUTATION

43. Adjusted gross income, $65,548.62.

44(a). Itemize deductions, $15,810.77.

45. Subtract line 44 from line 43, $49,737.85.

46. Multiply total number of exemptions claimed on line 7, by $750, $2,250.

47. Taxable income, $47,487.85.

OTHER TAXES

59. Self-employment tax, $965.45.

SCHEDULE OF DEDUCTIONS

Medical expenses—State

Dr. A. Crain, $20. Dr. Prominski, $41. Dr. F. Chucker, $210. Dr. Amoroso, $130. Dr. J. L. Thompson, $78. Dr. MacDonald, $91.

Hospitals, $316.90.

Medical insurance, $259.85.

Hearing aid, glasses, etc. $244.78.

Total medical expenses, $1,392.13.

Federal medical expenses

Medical insurance, $129.93.

Taxes

Real estate tax, $2,926.60.

Gasoline tax, $110.

Sales tax, $820.

Auto license, $267.43.

State income tax, $2,073.95.

Total, $6,197.99.

Taxes—Federal

Real estate tax, $2,926.60.

Gasoline, $70.

Sales tax, $820.

Auto license, $243.43.

State income tax, $2,073.96.

Total, $6,133.99.

Contributions—Federal and State

Schedule "A–2" attached, $676.

Interest—Federal and State

Home mortgage, $2,163.03.

Other: James Autrey, $264.

Gooney Creek Mtge. Co., $88.

Transamerica Title Co., $579.

Total interest, $3,094.03.

Miscellaneous deductions—Federal and State

Income prod. dues and subscriptions, $180.

Income tax return preparation, $390.

Misc. bus. travel exp., $200.

Collection suc. fees, $31.95.

Accounting fees, $66.87.

Trust fees and commissions, $715.75.

Schedule "A–3" attached, $4,192.25.

Total Federal miscellaneous, $5,776.82.

Total State miscellaneous, $5,776.82.

Total deduction this schedule (State), $17,136.97.

Total deduction this schedule (Federal), $15,810.77.

STOCK OWNERSHIPS, APRIL 1, 1976

Company, Shares, and Approximate Equity Value

Fidelity Trend Fund, 64, $1308.16.

Massachusetts Investors Growth Fund, 188, $1983.40.

UB Financial Corporation, 101, $1100.00.

Catalina Savings & Loan, 9002, $36,000.00.

Cessna Aircraft, 42, $662.78.

Hemisphere National Bank (Mrs. Udall), 75, $1025.00.

Total, $42,079.34.

1975 OTHER INCOME

Reimbursements for Expenditures Exceeding $100

American Friends of Hebrew University, travel $493.34.

American Trial Lawyers Assn., travel $644.

Tulane Educational Fund, travel $268.21.

Georgia Conservancy, travel $132.

American Program Bureau, travel $343.33.

University of Arizona, travel $413.36.

American Federation of Government Employees, travel $1054.

AMR International, travel $1000.

Udall 76 Committee, travel $264.42.

Udall 76 Committee, travel $420.

Udall 76 Committee, travel $100.

Stationery Room Reimbursements, $1246.29.

Total, $6378.95.

INTERESTS IN REAL ESTATE

Approximate equity value

Home in McLean, Va., jointly owned by Rep. and Mrs. Udall. Mortgage balance about $31,000. Estimated equity above mortgage, $50,000.

Partial interest in 40-acre tract near Broadway & Houghton, Tucson, $30,000.

28-acre unimproved tract (vacant) near Front Royal, Va., $8,000.

9-acre unimproved vacant tract, Snyder Road, Tucson, $18,000.

Half interest, 40-acre unimproved vacant tract near Red Rock, Ariz., $8,000.

Half interest, 40-acre unimproved vacant tract near Nutrioso, Ariz., $11,000.

Third interest in 23-acre tract in Sec. 22 T11S, R13E (La Cholla Airpark), Tucson, $8,000.

Total, $133,000.

PERSONAL PROPERTY, MAJOR ITEMS

1970 and 1975 automobiles, $6,000.

Interest in Notes & Mortgages Payable: half interest in notes & mortgage on property in Blk 19, El Sahuaro subdivision, Tucson, payable in installments. Principal due me, approximately $25,490.

10% interest in note and mortgagee of

property in Sec. 32 T13S R16E, Tucson, payable in installments. Principal due me, approximately, $13,000.

Total, $44,490.

Approximate cash on hand and in savings, $13,000.

Note: The above figures and items include both properties and interests owned by me individually, by my wife, Ella R. Udall, and by the two of us in joint ownership.

Note: I participate in the Congressional Retirement system. As of December 31, 1975, I had paid in $38,355.05.

1975 OTHER INCOME—HONORARIA, ROYALTIES AND WRITER'S FEES

Grocery Manufacturers of America—honorarium, $547.40.

Tulane Educational Fund—honorarium, $500.

Georgia Conservancy—honorarium, $300.

Dartmouth College—honorarium, $250.

National Council of Jewish Women, Peninsula Section—honorarium, $500.

Calvin Bullock Forum—honorarium, $250.

Grinnell College, honorarium, $100.

National Town Meeting—honorarium, $500.

National Review—honorarium, $250.

Hillcrest Jewish Center—honorarium, $1,000.

American Program Bureau—honorarium, $1,000.

DFL-Senate Committee, Minnesota—honorarium, $500.

International Paper Company—honorarium, $1,000.

Brotherhood of Railway, Airline and Steamship Clerks—honorarium, $500.

University of Arizona—honorarium, $1,000.

Claremont College—honorarium, $100.

AMR International—honorarium, $500.

American University—honorarium, $350.

American Federation of Government Employees—honorarium, $1,000.

West Publishing Co.—royalty, $665.88.

New York Times—Writer's Fee (2) $300.

Total, $11,113.28.

ENERGY ANTICS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I have good news for the followers of the adventures of "Alice in Wonderland." Lewis Carroll is not dead. He is alive and directing the Project Independence Evaluation System of the Federal Energy Administration, and the queen of hearts is at his side.

On February 12, the FEA said that the House action on H.R. 9464, dealing with the proposed deregulation of natural gas would cost this country 1 million barrels per day of domestic oil production, and the oil equivalent of 2.5 to 5.5 million barrels per day in natural gas production. This presumed effect would extend to 1985. We were told that the bill's effects would result in lower gross marketed production of natural gas by 1985, and specifically, much lower than under other legislative proposals being considered.

Mr. Speaker, in the words of one gifted in the art of plain talk: "It ain't necessarily so."

On the contrary, in building its case for deregulation of natural gas and in lobbying for its adoption, the Federal Energy Administration has apparently tripped over its extrapolations, and fallen on its assumptions.

Commissioner Don S. Smith, Vice Chairman of the Federal Power Commission, has pointed out a number of inconsistencies of method, of projections, and of conclusions reached by the FEA, and notes why he is reluctant to accept the FEA analysis of the comparative effects of two of the deregulation bills considered by the Congress. At this point, I would like to insert his letter of April 8, 1976, to me into the Record, for I am sure my colleagues will find his comments incisive if not indicting.

Mr. Speaker, given hard facts with which to work, this Congress will produce sound energy policy, beneficial to industry, to commerce, and to the consumer. The important condition, however, of getting the facts still lies before us, and the need to recognize fiction is at hand. We are all in debt to Commissioner Smith for having brought a number of Carroll-like qualities out into the open for our attention.

The letter follows:

Federal Power Commission,
Washington, D.C., April 8, 1976.

Hon. William S. Moorhead,
Chairman, Subcommittee on Conservation, Energy, and Natural Resources, Committee on Government Operations, U.S. House of Representatives, Washington, D.C.

Dear Chairman Moorhead: I am replying to your letter of February 26, 1976, requesting comments on the FEA's preliminary analysis of H.R. 9464 (Smith bill) and S. 2310 (Pearson-Bentsen bill). As noted in your letter, the FEA analysis concludes that gross marketed production of natural gas would be significantly lower in 1985 under H.R. 9464 than under the Senate bill.

The Commission's staff has reviewed the FEA document. They are unable to analyze the gas supply projections in the document, however, because the projections are based upon an in-house gas supply model that is part of the Project Independence Evaluation System (PIES model). The general description of the model in Technical Report FEA 76–3 does not provide sufficient information to enable the Commission staff to evaluate the construction of the model and the reliability of the mathematical equations used to project gas reserve additions and marketed production at various assumed prices. Moreover, our staff does not have access to the data base and computer programs used by FEA.

Commenting more generally on the FEA analysis, our staff economists are concerned over the reliability of any gas supply projections which rely upon historical relationships between wellhead prices and drilling activity or between drilling activity and finding rates derived from recent American Gas Association (AGA) reserves data. The wellhead prices used in the projections (*e.g.*, a deregulated price of $2.40 per Mcf) are so far outside of the range of historical experience that we must be skeptical of any projections that are mechanical extrapolations of that experience. As for the finding rates, I would note that the Commission has questioned the representativeness of the AGA data for recent years. For example, in Opinion No. 699–H, issued December 4, 1974 (p. 25), the Commission stated:

"In summary, we conclude that reserve additions for the most recent years are understated due to negative revisions relating to the updating of reserve estimates for older reservoirs to reflect 'continuing production experience', and a lower than normal level of new field and new reservoir discoveries resulting from decreasing leasing in the offshore Federal domain in the late 1960's."

Moreover, the Commission has an ongoing investigation into possible underreporting by AGA of offshore reserve additions in recent years. On June 13, 1975, in Docket No. RM75–14, the Commission issued an order continuing its investigation into the reliability of this data series.

Two other areas of concern are first, the assumption in the FEA analysis that the continuance of FPC regulation over offshore gas will restrict the development of offshore reserves and, second, the assumption that as much as 70 percent of the new onshore gas supply will be subject to FPC ceilings under the Smith bill. As for offshore gas, it would seem that the bonus payments in the lease sales provides a cushion to absorb the effects of the FPC ceilings—in other words, in the absence of any ceilings, it is possible that most of the additional gas revenue would be paid to the Treasury in the form of higher bids for the leases. While it may be argued that with a relatively low FPC ceiling, some marginal offshore properties will not attract any bids, that effect could be offset by accelerating the lease sales. In the case of onshore gas, one of the purposes of the Smith bill is to provide an incentive for small producers to provide an increased portion of new gas supply. Thus, it may be inappropriate to apply the 70 percent figure, which is based on the major producers' share of flowing gas volumes, to new gas supply.

There is, of course, another aspect of the FEA analysis that also is questionable; namely, its assumption that the FPC ceilings under the new criteria in the Smith bill will not exceed $1.00 per Mcf (in constant dollars) during the period through 1985. In the pending rulemaking to review the national new gas rate, the Commission is presented with rate recommendations that are far higher than $1.00 per Mcf. While I cannot speculate on the outcome of that proceeding, I would simply note that the upper limit of $1.00 is quite arbitrary, particularly when we recognize that it is assumed to remain in effect (apart from adjustments to keep pace with inflation) for as long as 10 years. Much of the FEA analysis hinges on the disincentive effect of the assumed FPC ceilings, thus ignoring the Commission's responsibility to establish ceilings which will be effective in eliciting new supplies both offshore and onshore.

I hope that these comments will serve to indicate the reasons why I am reluctant to accept the FEA analysis as indicating the comparative effects of the two deregulation bills.

Sincerely yours,

Don S. Smith,
Commissioner.

PLACE OF SENIOR CITIZENS IN THE UNITED STATES

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. COHEN. Mr. Speaker, from time to time during the past few months I have called the attention of my colleagues to newspaper columns written by Dr. William Peirce Randel, professor emeritus of the University of Maine, on the place senior citizens occupy in the United States in the Bicentennial Year.

Professor Randel's columns, which are sponsored by the National Council on Aging, Inc., and funded by the National

Endowment for the Humanities, should provide considerable food for thought for all Americans concerned about the plight of our older citizens. They are important reading for all who try to look beyond the glitter and ceremony of the Bicentennial to find the lessons of America's first two centuries.

Professor Randel's columns for March and April follow the topics of the American Issues Forum of the American Revolution Bicentennial Commission, "America in the World" and "Growing Up in America." I urge all my colleagues to read these columns closely.

The columns follow:

AMERICA IN THE WORLD

(By William Peirce Randel, Professor Emeritus, University of Maine)

Wherever cruise ships put in at foreign ports, older Americans provide an object lesson of staggering impact. In countries with shorter life expectancies than ours, and where very few old people have any choice other than to stay at home, well dressed older Americans, alert, active, and free with their money, are as striking a spectacle as the hippies waiting at banks and travel agencies for remittances from indulgent parents.

The travelers create a general impression of a United States where people grow old in good health, with money enough to travel and spend freely, and apparently without cares or inhibitions. Affluent elderly tourists are only a small fraction of our population, but they do project in the countries they visit a vivid image of aging in America.

Other Americans abroad, especially USIA employees and exchange teachers, may shudder when a cruise ship, or tour bus, disgorges its passengers. Creating a balanced picture of our national culture is not easy. In recent years the difficulty has been increased by the closing of USIA libraries in many countries. Those that are still maintained, moreover, provide little information about what are sometimes called the "sunset years." Facts are plentiful about pre-natal care in the United States, birth, early childhood, adolescence, courtship and marriage, and family living—but not about retirement and old age. The American newspapers and popular magazines on the racks do offer glimpses of life in retirement communities, but only in the seductive language of advertising.

GERONTOLOGY—A GROWING FIELD

The selection of books and periodicals for information libraries abroad can only reflect the dominant scholarly and popular interests that librarians are expected to serve. Gerontology, the scientific study of aging, is not yet one of these. It has only recently received much attention in academic circles. A stimulus has been federal money. First federal funds came as a result of The Older Americans Act of 1965. Other funds joined these to develop gerontological centers for teaching and research. By 1973 there were 47 such centers on American campuses, serving upwards of 2,000 students in regular courses on aging and giving several thousand other people short-term training.

While hardly yet one of the glamor fields in higher education, gerontology is steadily gaining ground as a respectable and important subject. It is safe to predict that continuing research in the field, and increasing publication of the research findings, will gain international attention of the sort now accorded our academic contributions to nuclear physics and other so-called "hard sciences." When that happens, we'll no longer have reason to worry about the limitations of our information libraries abroad.

These libraries might well follow the lead of public libraries, in many American cities, in programs exclusively for older people. The "Never Too Late Group" at the Boston Public Library is one conspicuous example. This group of more than 200 men and women over 60 meets weekly for informal educational programs in the library lecture hall, and participates in excursions and other activities in and near Boston.

Federal encouragement of gerontology is welcome. A desirable next step would be growth of comparable interest among the nation's foundations. Their relative indifference is easily demonstrated. During 1972, according to Foundation News, of about $800 million in total grants, only $2 million went for anything related to aging—less than three cents out of every ten dollars. Youth agencies received ten times as much support.

One expert on aging attributed this discrepancy to "ageism," with its avoidance of the realities of growing old and dying. It could just as well reflect the fact that the problems of youth have attracted public interest—and foundation dollars—far longer than the problems of age. More private money spent on aging would, of course, accelerate the research and the flow of its results to the rest of the world.

Old age need not be an unhappy stage of life. For the majority of our elderly, somewhat to their own surprise, it proves quite the opposite. This and the less welcome facts about aging in America ought to be much more generally distributed than they now are. They will be as we continue to broaden the research on the subject.

As a nation, however, we haven't yet had much to say about aging to the rest of the world, which has learned to look to us for pioneering studies and research breakthroughs in so many fields of knowledge. If we should falter now, and revert to sweeping old age under the rug of "ageism," or if we continue glorifying youth as if the young were forever immune from chronological aging, there would be little hope for our helping other nations cope with their unsolved problems of aging.

We are not morally bound to lead the world in everything, or even to make the effort. Yet we do share a very strong concern for the world's disadvantaged.

Children everywhere who lack the minimum essentials for survival have our deep sympathy and receive unstinting aid, through UNICEF and various other agencies. It would seem just as easy and natural to extend our humane impulses to the world's aged.

MANY CAN HELP

What is beneficial to older Americans may not always be of equal benefit to the aged in the rest of the world; but until we learn more about the subject we cannot be sure of how best to help or what to stress. Research is not the only resource, however. All segments of society can contribute by stepping up their present activities on behalf of their oldest members—religious denominations, labor unions, ethnic groups, and the like. Industry has a special interest, which it has not yet fully appreciated. Once it begins to recognize the vast new market of our own elderly, the life-easing products it can develop and sell may be as welcome abroad as at home.

On a different front, we might press for much greater input by older citizens into governmental planning and practice. No statistical evidence is needed to support the statement that older people resent decision-making, on their behalf, by committees and agencies made up exclusively of people younger than 65. In this connection, the executive order permitting Arthur Flemming to continue beyond age 70 as Commissioner on Aging is heartening, and might serve as a precedent.

As our elderly continue their present steady progress toward becoming a well-organized group with political muscle, they will undoubtedly gain substantial influence on the thinking of elected and appointed officials, and on bureaucrats, at both the national and state levels. In the course of pushing their own interests, we cannot expect them to plead for their chronological equals around the world. But whatever victories they chalk up will serve as models and inspiration to the elderly everywhere.

The Senate and the House of Representatives both now have committees on aging, a very hopeful sign. It would help if White House Conferences on Aging were held more often than once in every decade. Although the United Nations has no old-age counterpart to UNICEF, several of its policy-making agencies are concerned, directly or indirectly, with various aspects of aging. These can be powerful allies in our expanding campaign. The triennial meetings of an independent world group are potentially more important. The Tenth International Congress of Gerontology was held less than a year ago, in Jerusalem, June 22–27, 1975.

If the United States can contribute, it can also learn much at world gatherings of this sort. Details of Scandinavian housing for the aging, for example, can be an inspiration—or a worrisome reminder of how far we lag behind in providing comfortable living quarters. The emphasis in Scandinavia is on staying at home, with provision for home care and services on a regular basis. Denmark has one helper (or home aid) for every 87 old people, Norway one for every 176, and Sweden (where they are called "Home Samaritans") one for every 320. The comparable ratio in the United States has been estimated as one for every 4,766 old people.

Of other steps that might deserve consideration, the successful use of older people in the Peace Corps suggests the feasibility of an international exchange on the lines of the Smith-Mundt and Fulbright-Hays teacher programs.

Some of our older citizens are knowledgeable in the field of aging, experienced in living abroad, fully able to travel, and to teach in foreign languages, highly articulate, and well endowed with tact and diplomatic sensitivity. If some of these could be persuaded to go out as emissaries of our millions of older citizens, not only to offer courses to enrolled students but also to talk directly with people their own age, to confer with responsible local officials, to make suggestions to our own cultural affairs officers and overseas librarians, and to gather facts about the national treatment of old people to report after returning home, the positive results might be of value almost too great to measure.

GROWING UP IN AMERICA

(By William Peirce Randel, Professor Emeritus, University of Maine)

We begin to age at birth. The rate of aging varies. Some individuals grow old, as the saying goes, before their time. This is almost never a compliment. It is the condition of no longer "growing up." Growing old is our common destiny as natural beings. Growing up, especially after reaching physical maturity, is a privilege distinctive to being human.

Growing up continues as long as individuals remain open-minded, adaptable, eager to add to their knowledge, curious about the unfamiliar, able and willing to form new friendships, and protected by an inner resiliency against the hard knocks endemic to existence. While we might imagine an enviable stage of being fully grown-up, what means more in practice is the unending process, at 91 no less than at 19, of growing up.

PROSPECTS AT RETIREMENT

If this is an ideal, if we agree that growing up should keep pace with growing old, what conditions in American society serve to help or to hinder? For example, can anything be done to ease the abrupt transition from employment to retirement, commonly at age 65? In some cases, doing nothing at all might be the best course. It is certainly the easiest.

Being forced at 65 to adjust to the unfamiliar conditions of retirement, without any help from others, might have value as a test of individual adaptability, that major facet of growing up—if a test of such magnitude is itself desirable. Failure to pass the test, always a possibility, might have very serious results, including loss of the will to continue growing up.

Doing nothing at all to ease the transition from employment to retirement would be considerably better than what much of American society does now. Far from providing positive help, or even standing aside, as a people we put roadblocks and booby traps in the way of unsuspecting retirees.

Some far-sighted companies, labor organizations and other groups are running programs to help workers prepare for retirement. Some of these programs start when the worker is relatively young—early enough to carry out financial plans.

Research has shown that individuals who have changed careers during their active working years adapt more easily to the new "career" of retirement than those who have always kept to one kind of work. Instead of encouraging changes in occupation, business and industry commonly set penalties—among others, termination or reduction of pensions. Many self-reliant, adventurous people will shift careers. Changing circumstances—such as plant closings, layoffs,—force others to change careers. Much of what passes as work, moreover, especially at the manual level, is dull and repetitious, hardly good preparation for the unknown conditions of retirement. Leaves of absence, to refresh workers and give them a taste of how it will be for them after 65, are rare.

Retirement income, from pensions and Social Security, should be welcomed as providing freedom to continue the process of growing up, or to accelerate it. Unfortunately, society has seen fit to inhibit this freedom by accepting and applying the myth that has been called "ageism." Its various facets, in the form of the stereotypes that blanket all older people, have an adverse effect on their drive for self-fulfillment, for further growing up.

Youth has no monopoly on experiment, but what the young do, especially in far out rebellion and the adoption of radical new life styles, is taken seriously, while novel ventures by the elderly are discounted as eccentricities. Meanwhile the substantial contributions to humanity that gifted elders make as they continue to grow up get far less attention than they deserve—less, for example, than events of ephemeral interest in the sporting world.

An alternate approach to this vast and complex topic is to think of growing up as an endless education, continual learning. Many Americans now 65 and older began life in "extended" families with one or more resident grandparent whose input to the education of the young is lacking in the currently standard family of a couple and their children. This loss of direct familiarity with older people, in recent decades, has a good deal to do with the readiness of young people to accept the current stereotypes about the aging. A deferred result may well be that when today's young people reach their 60s their transition to retirement will be particularly difficult.

A TIME TO . . .

For many Americans retirement is a time to do some traveling, to hunt and fish, to return to a more rural setting, to devote more time to a favorite hobby or to develop a new hobby. It is a great chance to do oft-postponed activities. If the work years and the years of rearing a family have been hectic, there can be great satisfaction in quiet pursuits.

Other Americans view retirement as a time for more structured education. Many have an eagerness for more learning and this has brought about a spectacular expansion in adult education.

Some individuals master the art of self-education. Many people among those now past 65 had to drop out of school when they were quite young and are virtually self-educated. They may continue this self-education in retirement. Others may want to try such self-improvement and should be encouraged to do so.

However, most who want more study profit by the teacher-student relationship, whether on a one-to-one basis or in the more usual combination of an instructor and a group of students.

About two-thirds of the population 65 and older never completed high school before entering the work force. A sizable number—roughly two million—had so little schooling as to be classified as "functional illiterates." Now, thanks to Social Security and company pensions, many of those who have the desire have the leisure to catch up on their interrupted studies, or extend them.

It is their further good luck that educational opportunities have been proliferating rapidly in the last half century. In addition to extension courses for credit offered by high schools, community colleges, and universities, special training is now available through churches, business firms, labor unions, museums, libraries, Senior Centers, and various organizations for older people. The programs are so numerous and so varied, that the United States Office of Education has undertaken an evaluation survey with the goal of assuring quality education for all.

Providing structured education to older people is easiest where they are concentrated, as in retirement communities. A highly successful example of what such a community can do is Port Charlotte University, well down the Gulf Coast of Florida. Its history, however, suggests that facilities of this sort cannot be created overnight.

A SUCCESSFUL ANSWER

Planning began in 1960; the original complex—library, auditorium, a dozen classrooms, and offices—was ready for use early in 1968. At intervals since, other classrooms, a craft center, and a senior lounge have been added. The library, with six full-time professionals and more than 30,000 volumes, was built and is maintained by the county, with some federal seed money. The land—eight acres in the heart of Port Charlotte—was donated by the General Development Corporation. Donations and volunteer earnings have become the major source of subsequent funds, providing over the years more than half a million dollars.

The instructional program is self-supporting. Tuition (called "registration donation") in five dollars for each two-hour course in a ten-week term. Instructors, all residents of Port Charlotte, pocket a term stipend of five dollars. During the four terms each year, class enrollments, mostly of retirees living in Port Charlotte, exceeded 10,000, in such subjects as sewing and knitting, ceramics, seamanship, climatology, shorthand and typing, wood carving, needlework, interior decorating, basic electricity, law for the laymen, German and Spanish, and English as a second language.

The majority of older Americans, though, do not choose or cannot afford to live in retirement areas such as Port Charlotte. Senior centers offer these people many opportunities.

Senior centers, located in communities all over the country, have educational courses, classes in arts and crafts and other activities. The education available, the facilities and the opportunity to meet with other people, combine to make the Senior Centers truly centers of growth—or the continual growing up—for many older Americans.

Nothing so blights the last years of life as emptiness. The retiress at Port Charlotte, and in other retirement communities with comparable programs, are lucky. People who make use of their local Senior Center or who have access to similar programs are also lucky. So too are those who have worked out by and for themselves a satisfying way of life.

However, the sorry fact remains that despite all that we have done, a substantial number of our oldest citizens lack the means of filling the emptiness. Herein is a real challenge to American society, to create for all what it takes to avert the hell of growing old but no longer growing up.

"FAIR REVENUE SHARING"

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. FASCELL. Mr. Speaker, the need for reform of the general revenue sharing program is recognized by those in the press, public interest organizations, and others who have examined its performance over the past few years.

As the sponsor of legislation to achieve such reforms as greater citizen participation, less discrimination in the use of funds, and more equity in funds distribution among governmental entities, I would like to call the attention of our colleagues to an editorial which recently appeared in the New York Times.

The editorial follows:

[From the New York Times, Mar. 22, 1976]

FAIR REVENUE SHARING

The joint meeting of the National League of Cities and the United States Conference of Mayors in Washington last week, complete with a Presidential speech lambasting Congress for inaction on general revenue sharing, indicates that the great push for extending that legislation has now begun.

The major question in this election year seems no longer to be whether Congress will extend the program or not, but whether it has the will to improve it and make it conform more closely to the original legislative intent. It is clear that Congress intended four years ago to put "the money where the needs are." It is equally clear, after four years of experience, that the effort was not entirely successful.

The need element in the formula for distributing revenue-sharing funds—the per capita income in the locality—is inadequate. It averages income over an entire jurisdiction in a way that sometimes conceals intense pockets of poverty within that jurisdiction. A much more accurate indicator—the percentage of poverty residents in the locality—was substituted for per capita income in a bill introduced by Representative Dante Fascell of Florida. This measurement coincides with such indicators of real local need as high rates of infant mortality, large quantities of substandard housing and high crime rates.

A substitution of the Fascell formula for that contained in the current legislation would serve to direct more revenue-sharing money both to poor urban areas and to pockets of rural poverty. Thus, old cities with many poor residents such as New York, Baltimore and Milwaukee would gain $380 million annually. By the same token, states such as Georgia and Mississippi where rural poverty is widespread would also receive significant increases.

So far, a subcommittee of the House Government Operations Committee has resisted the Fascell formula. Few issues before this session of Congress are more important than improving this massive piece of domestic legislation. And, few improvements rank higher in usefulness than revising the distribution formula to make the program more responsive to the will of Congress and to the needs of the nation's most severely burdened localities.

CONGRESSIONAL BLACK CAUCUS LEGISLATIVE AGENDA, 94TH CONGRESS, 2D SESSION

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mrs. BURKE of California. Mr. Speaker, at the beginning of the 94th Congress, the Congressional Black Caucus presented its first formal legislative agenda, which set forth the primary legislative issues jointly supported by our 17 members. During the 1st session of the 94th Congress, we were successful in seeing some of our legislative goals met, but to a large extent we were disappointed that the Congress did not act more aggressively to provide remedies for our Nation's major bills.

I am inserting into the RECORD, along with several of my colleagues in the caucus, our legislative priorities for the 2d session of the 94th Congress. Many of these priorities continue the issues of the 1st session, but we have added a number of significant items to our agenda. I hope that we can gain the support of House and Senate Members for these legislative initiatives as well as the support of candidates for elective public office in this election year. We believe that the priorities speak to the needs not only of black Americans, but also to those of all others who face the problems of poverty, joblessness, and discrimination.

The first portion follows:

CONGRESSIONAL BLACK CAUCUS LEGISLATIVE AGENDA: 94TH CONGRESS, 2D SESSION

INTRODUCTION

Last year, the Congressional Black Caucus presented its first formal *Legislative Agenda*. Our hopes were high that a more aggressive Congress, supported by a more enlightened and effective electorate, would pass far-reaching legislation to meet the nation's most serious problems.

The optimism of the first few days of the new Congress was not fulfilled. We were faced by a vetoing President who seemed unable to perceive a nation beyond the best neighborhoods of Grand Rapids, Michigan and Alexandria, Virginia. To compound the problem, we were faced by a conservative minority in the Congress that kept us from overriding many of those vetoes. We were faced with the myths which preserve a bloated military establishment, while treating those deprived of essentials, such as food, jobs and housing as expendable.

There were rays of light. The House did pass an extension of the historic Voting Rights Act of 1965, a high priority on last year's agenda, by an overwhelming vote of 341–70. This margin was unimaginable ten years ago, and we believe it demonstrates the political strength of the new constituency created by the Voting Rights Act itself.

The House did override a presidential veto of the School Lunch and Child Nutrition Programs by a resounding 397–18. It did override a presidential veto of the 1976 Education Appropriations bill by a resounding 379–41. It did make some inroads on tax preferences for the rich.

Nevertheless, the 1st Session of the 94th Congress failed to act on the Caucus' highest priority legislative proposal, the Equal Opportunity and Full Employment Act, and it failed further to act on national health care, welfare reform, education programs and the essential postcard registration bill.

The Caucus has met with leaders of the Congress, labor, industry, civil rights and other organizations and we believe that the commitment is there to pass a full employment bill by the Spring of this year. That legislation *must* be passed and the President *must* understand that the people will not stand for a veto of such vital legislation. It is clearly imperative that this bill be enacted this year along with other important pieces of legislation outlined in this agenda.

The Caucus believes that it will be passed because we see developing across the country the likeness of the new constituency that gave the Voting Rights its overwhelming victory. We see blacks, browns, reds, yellows and poor working class whites asking their elected officials 'how are you voting on issues that affect me? We see church leaders making the right to a job a moral issue and labor leaders asserting forcefully their support for full employment.

Equally important, we see increasing understanding of the simple fact that most Americans are not rich. The majority of the *American families earn less then $13,000 per year*, hardly a comfortable standard of living for a family in most areas in the country. The majority of Americans are beginning to understand in the most direct way that when their elected officials vote against education programs, or jobs programs, or child care programs, that *those elected officials are voting directly against their economic and personal interests.*

There has been much talk lately that money does not solve problems, that somehow money will not do for the weaker members of our society what it has done for the stronger. When the military tells us that they would like less money to build our defense, when corporations tell us that they need no more tax "incentives" and federal guarantees to increase the nation's productivity; when the wealthy tells us that they need no tax shelters to protect their wealth, then and only then will we believe that the poor no longer need programs assisting them to gain jobs and earn a decent living for their families.

We agree that there must be a critical review of the effectiveness of programs, but that review must serve to *improve, rather than reduce domestic assistance programs.* More effective government works to the benefit of minorities and the poor. A review of Congress' actions last year makes clear that many of the key votes are focused on increasing or decreasing program appropriations. Congress must act responsibly on these decisions. The Caucus' analysis of the President's proposed fiscal year 1977 budget, which we released on February 6, 1976, indicates our views on funding for many programs for FY 1977.

The Caucus' Legislative Agenda for this Bicentennial year calls for legislative action in ten basic areas. Many of these issues were on the Caucus' agenda last session, and they are on our agenda again this session because they are *fundamental issues* which must and will be acted upon by the Congress.

Ten Major Congressional Black Caucus Issue Concerns:

Full Employment
Health Care
Urban Revitalization
Rural Development
Civil and Political Rights
Education
Welfare Reform/Social Insurance
Economic Development/Aid to Minority Businesses
The Economy
Foreign Policy

Under each of these areas are broad and far-reaching proposals, such as national health security, as well as more limited purpose proposals, such as a bill to fund mobile health units.

These are issues not only for the Congress to act upon, but they are also election year issues for candidates, particularly presidential candidates, to address. We believe that the black community and those with lower incomes will agree with our positions and insist that the candidates must take sound positions on the issues to merit the support of their constituency.

The Caucus does not believe that these issues are all-inclusive. As healthy political dialogue of this election year develops, others in our community will speak from their own perspective. Nevertheless, the key items on our agenda have been endorsed by the many participants at the *Third National Institute of Black Elected Officials*, held in Washington in December 1975.

Clearly there is a unity of thought in the black community on the major issues, and political leaders, black and non black are beginning to understand that fact well.

FULL EMPLOYMENT

The passage of legislation providing meaningful employment for every person willing and able to work had the highest priority on the Congressional Black Caucus' Legislative Agenda for 1975 and it remains our *top priority for 1976.*

What is viewed as a recession by the nation is a virtual Depression in Black and poor communities. In fact, the Black unemployment rate has not been below 6 percent since 1954—a level considered serious for the nation as a whole. In March 1976, unemployment was at the high rate of 7.5 percent, by the government's measure. Black unemployment is at 12.5 percent according to the government.

We believe that the unemployment rate, taking into account those employed part-time but seeking full-time work, those too discouraged to be seeking employment who are not counted as unemployed is much higher. The National Urban League estimated in its December 1975 Quarterly Economic Report on the Black Worker that the true black unemployment rate is over 25 percent. In our view, there is no tolerable rate of unemployment.

Understanding the need to build broad public support for the Full Employment legislation, the Caucus undertook a number of steps in that direction last year. In May 1975, the Caucus held a major Full Employment Forum at which Vice President Nelson Rockefeller, Senate co-sponsor Hubert H. Humphrey, House Speaker Carl Albert, Senator Edward Brooke, and many union, civil rights and other organizational supporters spoke. At the September workshop preceding the Caucus' Annual Dinner, another discussion session was held on Full Employment legislation.

In the past several months, we have met with the House Leadership, top union leadership, corporate and civil rights leaders. In response to this extensive input, the Full Employment Act has been introduced in amended form in March 1976 as the Full Employment and Balanced Growth Act, H.R. 50. We expect that bill to be passed by Congress in June 1976 and it must be passed with a margin to tell the President that a veto will be overridden.

The Full Employment Bill secures the right to a job to every person willing and able to work. *The bill is a general economic policy measure which would make basic reforms in the management of the economy.* It would create a new economic framework and process *under which the President, the Congress and the Federal Reserve would be required to develop each year common economic goals and priorities.* By law, these policies would be required to result in an *unemployment rate of no more than 3 percent in 4 years.*

To accomplish this, the bill requires the following:

That the President must prepare a full employment and balanced growth plan to within 4 years, with further reductions thereafter.

Where the private sector is unable to hire the unemployed, the federal government would serve as employer of last resort, maintaining a Job Guarantee Office.

A permanent countercyclical grant program would serve to stabilize State and local budgets during recessionary periods.

Supplementary employment policies are established to address structural unemployment and youth unemployment.

A systematic annual evaluation of federal regulations and programs to determine if they are still workable and effective is mandated.

In line with this effort, we must *also focus,* until the Full Employment Act is passed, *on the new congressional budget process to implement full employment.* The House Budget Resolution passed in November 1975 projected unemployment at 7.5 percent in one year, clearly an unacceptable figure.

Other Employment Measures

While passage of the Full Employment Bill is our highest priority, there is a continuing need for detailed legislative programs until that legislation is in effect. The Full Employment Act itself contemplates additional supplemental legislation.

There is an immediate need, notwithstanding the effort for full employment legislation, for the creation of additional public service jobs. *The Emergency Employment Project Amendments of 1976,* which has passed the House, would provide approximately 200,000 additional public service jobs, while authorizing the funding of Emergency Employment Projects which may be run by private nonprofit organizations, educational institutions or community-based organizations. This program is at variance with the *President's budget,* which would reduce the current job level by about 15,000 in the next six months with further reductions until the temporary employment program is phased out by late 1976 or early 1977. This effort must be resisted.

During 1975, 4.5 million unemployed Americans exhausted all regular state unemployment benefits for weeks 1 through 39. Another one million people exhausted their Federal Supplemental Benefits. It has been estimated by the Department of Labor that in 1976 three million people will exhaust all benefits. The situation portrayed by these figures is certainly worse for those persons who are without permanent coverage. The Congressional Black Caucus is cognizant of the fact that the *Unemployment Compensation Amendments* will provide some additional hope through:

Extending coverage to farm, domestic and State and local government revenues for Unemployment Compensation benefits paid to CETA public service employees;

Prohibiting disqualification for Unemployment Compensation solely on the basis of pregnancy; and increasing the taxable wage base from $4,200 to $8,000 as of January 1977.

The Congressional Black Caucus also recognizes that many of the gains recently made for workers who had been excluded from the coverage under the Fair Labor Standards Act could be erased overnight if the Congress enacts inflationary wage increases that force small employers to cut their payrolls in order to meet them. The Caucus will support those increases which will not force people out of needed jobs.

Many Black and minority workers who already labor at the very bottom of the wage scale are rendered destitute as a result of work related injuries or disability. At present each state is responsible for setting its standards for Worker's Compensation. The report of the Commission on State Worker's Compensation has recommended 19 essential elements necessary to correct existing inequities. The Congressional Black Caucus feels that *legislation presently pending before the House must be as responsive as possible to the needs of these often forgotten* Americans.

Finally, we also continue our support for passage of the *Part-time Career Opportunity Act, which provides flexible working hours in the federal government for persons unable to work full time, standard hours.* The Senate passed similar legislation in July 1975.

NATIONAL HEALTH CARE

National Health Care legislation can be passed this year. The skeptics tell us that it is too costly, that the lobbies are too strong against it, that the Congress does not have the will to act.

We believe that the Congress will act if it hears from the American people that they consider health care a fundamental right. The Congress will act if it hears that it is more costly—both in terms of our personal health and in terms of the payments that are already made for health insurance and health services—not to have a system of comprehensive health security.

It is tragic that *the United States remains the only industrialized nation in the world without a comprehensive health care system.* According to the Library of Congress, one out of every four persons had no private coverage against the costs of in-patient hospital care in 1973. Worse still, only 33.5 percent had coverage against the costs of physicians' services in the office or home and less than 60 percent had coverage for drugs and visiting nursing services.

Although the United States has been ranked number 1 in military power, it fell to fifteenth among nations in infant mortality and twenty-sixth in life expectancy in the early 1970's.

The Congress has begun to move forward to pass national health care legislation. The Health and Environment Subcommittee of the Interstate and Foreign Commerce Committee and Health Committee of the Ways and Means Committee are holding hearings on this topic. Interest among the American people has increased because of extensive education campaigns and a recognition of the simple fact that illness knows no bounds of race, sex, age or wealth.

Major health care legislation has been introduced by Caucus members and others. We believe that any legislation passed must be comprehensive, including preventive and educational services as well as treatment, rehabilitative services as well as mental health care. It must have progressive trust fund financing so as to ensure an adequate level of financial support, and there must be involvement by the consumers in the program operation at the national and local level.

We believe that the mental health care coverage must stimulate the growth and development of community mental health centers, promote an integrated and coordinated system of mental health service delivery and cover inpatient as well as outpatient and private consultative services.

Finally, any national health security program passed must contain a strong research, planning and administrative component.

The bills *H.R. 6283, the Health Care Bill,* and *H.R. 22/S. 3 the Health Security Bill,* which have already been introduced in Congress meet these standards and are endorsed by the Caucus.

This year, the President, some medical organizations and some Members of Congress are urging passage of so called "catastrophic" health insurance. Such a program would only cover financial costs in the case of extremely serious illnesses and accidents. We believe that this proposal is unsatisfactory and that it must be opposed because it dilutes and diverts attention from the truly comprehensive health care program that is needed.

OTHER HEALTH CARE LEGISLATION

The *Mobile Health Units Act* should be passed to provide health care delivery assistance to medically underserved urban and rural areas through special project grants for the purchase of mobile health units.

While the Heart and Lung bill passed last year provides funds for additional research into birth defects, there remains the need for *legislation to assist lower-income pregnant women to utilize amniocentesis,* an expensive examination needed to detect and treat birth defects.

Narcotics traffic remains a deep concern of the Caucus. Negotiations with the Administration have led to increased enforcement efforts to stem the flow of heroin and other drugs from foreign countries. As a result of legislation passed last year, the *National Institute for Drug Addiction in the National Institutes of Health now administers most drug addiction prevention and treatment programs* and *it must be provided adequate appropriations to attain its goals.*

The Social Security Act should be amended to provide for coverage under the Medicare program for routine Papanicolaou (*Pap*) *tests for the diagnosis of uterine cancer.*

Even the most far-reaching health care legislation will require health professionals and paraprofessionals, particularly from minority groups. We call for the establishment of a number of *additional medical schools attached to predominantly black colleges* so as to ensure a greater supply of minority physicians. There must also be adequate financing available for low-income students to attend medical school.

PICKING LINCOLN'S POCKETS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. FINDLEY. Mr. Speaker, it had been a busy Friday. Visitors had come and gone, correspondence had been read, newspapers perused and clipped, and a Cabinet meeting conducted. It was just after 8 in the evening. The final visitor of the day, former Congressman George Ashmun, had just left. Abraham Lincoln hastily grabbed his hat and hurried to join his wife in their carriage. The President and Mrs. Lincoln had a theater engagement. They were late.

As postmaster of New Salem, Ill., Lincoln was noted for his casual habit of keeping letters in his hat and filing other items in his pockets. Indeed, throughout his life Lincoln was known for habits that were casual if not downright untidy. It is hardly surprising that on that fateful Friday night, President Lincoln's pockets were cluttered with accumulated debris as well as the day-to-day objects anyone might carry.

Several letters had been thrust this time in his pockets, not his hat. Newspaper clippings had been carefully filed in his wallet. In addition, there were the inevitable pocketknife, handkerchief, some spectacles, a watch fob, and a few other items—a common lot of common objects, imbued with extraordinary interest and value only because of their owner.

What is surprising, however, is that these items were destined for a long and strange journey and still make news 111 years later.

It was late when the Lincolns arrived at Ford's Theater. The first act of "Our American Cousin," was well underway but was interrupted briefly for a tribute to the President. The Lincolns and their guests, Maj. Henry Rathbone and Miss Clara Harris, then settled back to enjoy the comedy. For an hour and a half the evening was largely uneventful, punctuated only by an occasional guffaw from the audience.

In act 3, scene 2 of the play, there is a moment when only one actor is on the stage. In the role of Asa Trenchard, he delivers a line which is designed to provoke laughter: "Well, I guess I know enough to turn you inside out, you sockdologizing old man trap." These were the last words Lincoln heard. As the audience laughed, a shot rang out. John Wilkes Booth had fatally wounded the President.

For a few moments confusion and chaos reigned. Many startled theatergoers thought the shot was part of the play and the man limping across the stage one of the actors. That notion was soon disabused by hysterical screams from the Presidential box. A physician in the audience pushed through the bedlam to the Presidential box. Hurriedly, he opened the President's collar and shirt cuffs, shoving the President's cuff links into one of Lincoln's pockets. He saw that the wound was fatal and called for men to help carry the dying President to a more comfortable place.

Willing hands gently carried the stricken giant down the narrow corridor and steps, out the main entrance, and through the crowd that had gathered in the street. They took him to the unpretentious Peterson house directly across 10th Street from the theater. During the short journey, several letters slipped from the President's pocket. An alert New Hampshire army officer in the entourage, Capt. E. E. Bedee, stooped and picked them up.

The President was carried up a half-flight of stairs and down the hall to a small rear bedroom. Ever so carefully, his long lean body was placed diagonally on the too-small bed. Doctors, friends, cabinet members, and family crowded together around the bed to mark the passing of Lincoln's last hours.

In another small room across the hall, War Secretary Edwin M. Stanton busily interviewed witnesses and directed the pursuit of Lincoln's assassin as well as an unknown assailant who had tried simultaneously to murder Secretary of State William H. Seward. Also present in the house was Lincoln's intimate friend and private secretary, John Hay. In this maelstrom of activity, Captain Bedee sought some authority to whom he could turn over the letters he had picked up.

Since John Hay was Lincoln's secretary, Bedee thought he was the most logical person. The secretary was busy, however, and did not have the time to consider the captain's request. Instead, he told him to return the next morning and turn over the letters.

Bedee dutifully did so, but by then Hay had departed. Captain Bedee faced a dilemma. He was under orders to return to his regiment without further delay but still had not fulfilled the assignment Hay had given him. He decided to give the letters to Secretary of War Stanton who remained on duty at the Peterson house. Satisfied that he had fulfilled his obligation, the captain left to rejoin his troops in Virginia.

Earlier that morning, at 7:22, the President had died. In the turmoil that followed the tragedy, arrangements for the return of Lincoln's personal belongings—his clothes and the items from his pockets—were not recorded. It seems likely, however, that a War Department functionary bundled them up and had them sent to the White House, there delivering them either to a family member or Judge David Davis, administrator of the Lincoln estate.

In the meantime, John Hay had remembered the letters Captain Bedee had promised to turn over to him. The captain could not be located in Washington, of course, and an order for his arrest was issued. The captain was apprehended, confined in jail for a night, and then questioned. Understandably indignant, he told his interrogator that he had turned the papers over to Stanton. The confusion was thus resolved and the captain released. Subsequently he received a profuse apology for his undeserved and ignominious jailing.

Secretary Stanton and John Hay met to dispose of the letter. Those that were purely personal were turned over to Hay and later to Judge Davis. Letters pertaining to official business were retained for inclusion in the War or State Department records, but Hay was given copies. The copies would presumably have also been later turned over to Davis.

These letters were probably added to the collection of Lincoln papers Davis retained, and which were given to the Library of Congress by Robert Todd Lincoln. No particular notice identifying these letters was ever made and they are now doubtless irretrievably mixed in with the thousands of other documents in the collection.

The other items from Lincoln's pockets on the night of the assassination were retained by the family. Robert Todd Lincoln placed them in a small blue cardboard box, wrote in his own hand an identifying card and pasted it on the top of the box and put it in a safe along with Mrs. Lincoln's pearls, the family Bible, Queen Victoria's letter of condolence to Mrs. Lincoln, and several other pieces. These narrowly escaped being lost in 1925. Robert Todd Lincoln donated the safe to Ekwanok Club in Manchester, Vermont. When the safe was opened by his lawyer in the club, the mementoes were discovered and returned to him.

When Robert Todd Lincoln died in 1926, all of these relics were passed on to his oldest daughter, Mrs. Mary Lincoln Isham. In 1928, Mrs. Isham executed a codicil to her will providing for the bequest of several Lincoln items to the Smithsonian Museum. Included was the box of items from Lincoln's pockets.

In 1937 Mrs. Isham changed her mind and presented the relics to the Library of Congress. At a personal meeting with Librarian Herbert Putnam on October 27, 1937, Mrs. Isham relinquished the box. In their brief interview, Mrs. Isham expressed fears, apparently fears that had been shared by her mother, that the items associated with the assassination might lend themselves to sensation-mongering. Several instances were probably in her mind at the time. For example, a few strands of bloodsoaked hair from Lincoln's head had been encased in a ring. This grisly souvenir had been presented to Theodore Roosevelt by John May. The coat Lincoln wore that evening was a treasured display in the Chicago Historical Society. Similar reminders of the tragic assassination were on display in other public institutions.

Librarian Putnam, anxious to assuage Mrs. Isham's fears, offered to place a restriction on the relics. He proposed they be placed in the Librarian's safe and no publicity be given to the acquisition. Under these conditions, the articles from Lincoln's pockets were added to the Library collections.

In 1944 F. Lauriston Bullard, a personal friend of Mrs. Isham, wrote to Librarian of Congress Archibald MacLeish asking him to confirm information he had received that no letters were in the blue cardboard box. The Library, in keeping with its promise to Mrs. Isham, maintained a discreet silence.

Nevertheless, in the June 1944 issue of the Lincoln Herald, Bullard declared that the Library of Congress possessed the items from Lincoln's pockets. In the wake of Bullard's disclosure, the Library sought to be released from its pledge of secrecy. On August 4, 1944, Mr. MacLeish wrote the request to Lincoln Isham, Mrs. Isham's son. No response was received. In 1947—the year the Lincoln papers were opened to the public—the Library again tried to obtain permission to display the items. Mrs. Jessie Lincoln Randolph, Lincoln Isham's sister, steadfastly refused to release the Library from its pledge of secrecy.

On several other occasions over the years, the Library renewed its effort to release information about the relics, but the heirs continued their opposition. Nevertheless, word of the Library's ownership had spread. Queries, scholarly and otherwise, were received by the Library. Despite newspaper accounts, mention in magazines, and other publicity, the Library responded to all queries with noncommital replies. In 1959, the year marking the sequicentennial of Lincoln's birth, the Library once more pleaded for release from its pledge of secrecy. It was still to no avail.

At long last on Lincoln's birthday in

the Nation's Bicentennial year the silence was broken. A month ago, on February 12, Daniel Boorstin, newly installed as Librarian of Congress, decided the time had come. The Lincoln heirs to whom the pledge of silence had been made were deceased. Boorstin inserted an old-fashioned key in a black strongbox and opened it. Inside was the small blue cardboard box. Still pasted on the top was Robert Todd Lincoln's identifying note. Boorstin opened the box and removed the contents.

It was an occasion with no fanfare. A few representatives of news services were present but, for the most part, the event appeared to be a casual anticlimax. In truth, it was a moment of high drama in the long and exciting chronicle of the Lincoln saga.

In the years since his death historians by the hundreds have scoured for every bit of information related to his life, and especially to his final 12 hours. Now, suddenly, the discovery of a veritable vein of pure gold—the contents of his pockets the night he died.

After the opening, the items, together with the cardboard box and the metal strongbox, were transferred by Boorstin to the Rare Book Division of the Library for permanent custody. The first step was public display under a heavy glass case on the second floor of the Library. The display will continue until April 30. Then the items will be stored in a manner to minimize deterioration from light, air, and handling.

I had my first look at the display Friday, March 19, and thanks to Library officials had the chance to examine the items at close range. Six husky Library employees loosened and removed the heavy case to make the examination possible.

Included were two pairs of spectacles. One was a gold-rimmed pair given Lincoln by his burly Illinois friend and bodyguard, Ward Hill Lamon. One of the screws holding the bows to the frame was missing. A crude repair had been made with string, miraculously threaded through the tiny passage intended for the screw, with the ends brought together in a knot outside. Was this ingenious repair by Lincoln himself? My answer is a resounding affirmative. Who else but the unpretentious Chief Executive would have settled for a repair so informal.

Regardless of who made the repair, Lincoln was known to prefer this pair for reading. Doubtless he used them while seated in the box at Ford's theater to read the play bill handed him as he entered, then later to read a dispatch brought to him by a messenger.

These spectacles, I mused, had enabled Lincoln first to pen and then to read the greatest of all state papers, the Second Inaugural.

The reading occurred just 5 weeks before his assassination. The ceremony occurred at the east front of the U.S. Capitol. A photograph taken that day shows the assassin-to-be, John Wilkes Booth, standing on a portico less than 50 feet from Lincoln.

I must admit my fingers trembled as I held the spectacles. A Library official estimated that less than a dozen people—at the most—had touched the spectacles since Lincoln himself last used them. It was touching greatness in a very personal and exhiliarating way.

The other pair of spectacles was in a small silver case. Each bow was hinged in the center and so was the nose bridge.

Another item was a lens cleaner, consisting of two pads of chamois brought close to each other by a metal frame. Obviously it enabled Lincoln to clean both sides of eye glasses simultaneously.

An ivory pocketknife with silver mountings was there. So was a very large white Irish-linen handkerchief, with the name "A. Lincoln" embroidered in red crosstitch. It was neatly folded, soiled only lightly along the edges of the folds. Another item was a pendant-like watch fob of gold quartz, but no watch with it. Perhaps it was a souvenir kept in his pocket from some unrecorded occasion when a watchchain broke. One of the sleeve buttons removed on the night of the assassination was there.

A brown leather wallet—still like new and lined in purple silk—yielded several items: a thin pencil designed to fit in a wallet fold, several newspaper clippings, and a Confederate $5 bill. The clippings included articles on discontent in the Southern Army, emancipation in Missouri, the Lincoln-Johnson campaign platform, and John Bright's observations on the American Presidency—random bits of news that doubtless had caught and pleased the Chief Executive's eye. Each report was favorable to his administration. The Confederate currency was probably a souvenir of Lincoln's trip to Richmond a few days earlier.

These were the commonplace objects carried by the uncommon President on the night he met a cruel death.

Time has softened the pain of his death but it has not diminished the inspiration of his life. To the hundreds of thousands of people the world over who are devoted to Lincoln, the pocket revelations add a new human dimension that is warm and comforting. The spectacles repaired with string, the watchless fob, the friendly press clippings, the Confederate currency, the neatly folded embroidered handkerchief, and the pocketknife bring him back from marble and bronze to commonplace terms we all can understand and cherish.

MONTGOMERY COUNTY HISTORICAL SOCIETY TO RECEIVE TORAH SCROLL

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. WHALEN. Mr. Speaker, in conjunction with the celebration of our Nation's Bicentennial, Temple Israel, on behalf of the Jewish community of Dayton, Ohio, is presenting a sacred Torah Scroll to the Montgomery County Historical Society.

The sacred Torah is the bedrock of Jewish ethics, justice, religion, and education. It is the wellspring of the concepts and beliefs of Judaism.

Christians, too, look to these sacred writings for guidance and instruction. They share the Five Books of Moses as the first Five Books of the Holy Bible. Thus, the Torah is a vital link between Jews and Christians in the worship of the same God and the practice of love toward their fellow men and women.

The presentation of this revered object to the Montgomery County Historical Society is, in effect, the giving of a summation of the most cherished ideals of the Dayton Jewish community to be shared with all of the area's residents. The presence of the Torah will be symbolic of the aspirations and contributions of all of the Jewish citizens who have lived in the community.

It is fitting that this embodiment of the spirit and work of the Jewish community in the Dayton area is enshrined for the benefit of all of our citizens by the Montgomery County Historical Society.

In our Bicentennial Year, it should be noted that our Founding Fathers chose a verse from the Torah to be inscribed in the Liberty Bell:

> Proclaim liberty throughout all the land unto all the inhabitants thereof. (Leviticus 25:10).

May this gift of the sacred Torah proclaim the contributions, hopes, and ideals of our Jewish citizens to all the inhabitants of the Dayton area.

ISRAELI ADMINISTRATION OF THE ARABS

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mrs. MEYNER. Mr. Speaker, the results of the municipal elections on the West Bank, Monday, deserve the careful attention of everyone who is concerned about peace in the Mideast. Palestinian nationalists won control of the governments of the first, second, and fourth largest towns in the Israeli-occupied West Bank. The semiofficial Israeli state radio admitted that the heavy voting in 22 towns and villages represented a strong protest against the occupation and showed strong support for the PLO.

These election results come soon after widespread rioting by Palestinians in the occupied territories and within the boundaries of Israel itself. In response to these disturbances, an editorial appeared in the Trenton Sunday Times-Advertiser that I found most thoughtful and provocative. Although I do not expect all of my colleagues to agree with its conclusions, I am sure that everyone will find it interesting reading:

Something New Under the Israeli Sun

The recent disturbances pitting Israeli Arabs against police in Galilee—leaving six Israeli Arabs dead and scores wounded—adds a somber new dimension to the Arab-Israeli confrontation.

The Israeli Arabs—those who remained within the borders of Israel after the first Arab-Israeli war in 1948—number some 450,-

000 and form one-seventh of Israel's population. Generally better-educated and more prosperous than their fellow Arabs in neighboring states, they have tended to be politically quiescent during the past 28 years.

Now the Israeli Arab demonstrations in Galilee—sparked by an Israeli plan to expropriate, although with compensation, land for more Jewish settlement—shows what any student of group relations would have known: What looks to a dominant group like the relative advantage of its minority strikes that same minority as relative deprivation.

Israel's Arabs, although citizens, do not serve in the army. They are woefully underrepresented in Israeli politics and administration. They have fewer educational or economic opportunities than Jews. There is no crude legal discrimination, but the Israeli Arabs remain hostages to the interminable Arab-Israeli conflict. The Jews of Israel worry about them as a potential fifth column while politically-active Palestinians distrust their political quietism.

Israel's Arabs can live in peace and equality with Israel's Jews only when the latter can live in security and mutual acceptance with Israel's Arab neighbors.

No people and no state in the Middle East will be secure until the regional political leadership learns to tolerate diversity within its own borders and beyond. This is the ultimate lesson of Jews and Arabs in Israel, of Israel and its Arab neighbors, of Muslims, Christians and Druzes in Lebanon, of Arabs and Kurds in Iraq, Greeks and Turks in Cyprus . . .

In an atmosphere of regional peace Israel's Arabs can be loyal and fully participating members of the Israeli political system without bearing the stigma of religious or cultural disloyalty to fellow Arabs beyond Israel's borders. Without such peace, they can only be second-class citizens.

What then is to be done? All parties appear bogged down in a sincere but misguided belief that the fault lies with others and that the next initiative must come from others. Israel, the victor in four different Arab-Israeli wars, is smitten with the military Midas touch. Victory brings neither peace nor security. Instead, defense spending has more than doubled in the past decade and total full-time military forces increased by roughly 50 per cent.

Since the June 1967 war Israel has enjoyed the dubious advantage of being an occupying power over about one million Arabs living on the West Bank and in Gaza. This huge mass of defeated, occupied people, with no desire or chance to integrate into an Israeli political community—added to the 450,000 Israeli Arabs—brings Israel perilously close to being an "imperial" power just as her Arab enemies have long insisted.

Israel's leaders clearly intended to use the 1967 territorial gains as bargaining chips forcing the Arabs to a negotiated settlement. There was nothing unreasonable about this, but events since 1967—especially the brutal October 1973 war—show that the tactic has not worked. American-mediated shuttle diplomacy also appears to have faltered.

This being the case, something new must be tried. Israel, stronger and more cohesive than any of her neighbors, can best take the initiative. Israel, the victor in four wars, can best make the *beau geste*.

Now it is time for a proposal worthy of Hertzl or Ben-Gurion: Israel should announce unilaterally its intention to return the lands occupied in 1967 to any group (including the PLO) willing to recognize and live in peace with Israel.

In so doing Israel would abandon a bargaining position that has brought nothing but grief in favor of a dynamic policy calculated to smoke out the moderates among the Arabs (including elements in the PLO). Even if no Arab response follows, Israel will have restored its now badly-damaged international standing and affirmed a sense of national self-purpose unsullied by doubts about dominating others.

Before dismissing the idea as impractical, just remember that Israel was built by dreamers. It's time for another dream—of Arab-Israeli amity.

A BICENTENNIAL MESSAGE

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. COCHRAN. Mr. Speaker, in our Bicentennial Year, our National, State and local governments are preparing a multitude of activities to celebrate the 200th anniversary of the founding of the Republic. Our country has made many contributions to mankind, but it is the American spirit, the American way of doing things that we are celebrating as well. A well known and respected Mississippian, Mr. Alex McKeigney of Jackson, has composed a Bicentennial message which expresses the American experience as eloquently as any I have found. I am privileged to share this message with my colleagues and I commend it to their attention:

I AM THE UNITED STATES OF AMERICA

(By Alex McKeigney)

I am the United States of America—the blessed land of liberty. I was born a long time ago, because, you see, liberty was born when God, the Creator, first breathed life into man, created him in His own image, and breathed into him the spirit of liberty.

I am the dreams, the plans and the work of men and women who have loved freedom down through all the ages.
I am the first settlers who landed in Virginia and at Plymouth Rock;
I'm the Red man, the Black and Yellow man—I'm millions of people from all across the earth who came to this good land to live, to work, to dream, to build—
And to die, if need be, that liberty might still live.

I'm the surging tides of New England, the corn fields of mid-America;
The wheat fields of the plain states; the tall trees of the great West;
I am the cattle grazing on matchless hills and prairies;
I'm the Grand Canyon and painted deserts, the magic of ten thousand rivers, twisting streams, and sky-blue lakes, large and small.
I'm the cotton fields of Dixie, white sand beaches, mighty oceans and the moonlit Gulf;
I'm Rocky Mountain grandeur and limitless treasures beneath the earth.

I am country music, opera and symphony, great books and simple rhymes.
I'm mighty industries, financial institutions, busy streets and highways—
Arts and crafts and shops and stores, motion pictures, little theatre, countless festivals.

I am men and women in field and factory, in laboratories, in hospitals, in communications media;
Teachers in classrooms; people in professions; men in space, walking on the moon.
I am an athlete in a crowded stadium or a hunter at early dawn;
I am a minister proclaiming God's Holy Word, and a mighty choir.
I am countless public servants—most of them little known—working at the many tasks of government all across the land;
Whatever the task—large or small—I'm someone there, carrying the load.

I am the right to free speech, to own property and direct enterprise;
I am the right to worship God, the Creator, and to live life abundantly in the spirit of Him who gave life eternal.

I answered freedom's call at Lexington and Concord town, prayed with Washington in the snow at Valley Forge; I was at Yorktown and New Orleans, in countless battles on the seas, and later in the air;
I fought at the Alamo and Chapultepec, rode with Lee and Jackson,
Stood with Grant at Vicksburg and Meade at Gettysburg; I charged with the Rough Riders, fought at Belleau Wood, landed in the hell of Normandy and a score of Pacific islands—
Stood the test in frozen Korea and steaming Vietnam—
I gave my blood that the blood of others might run free.
I'm all these and much, much more in these United States in this 200th year of liberty;
But more than anything else I am the heart and soul of free men and women and little children, who love their God and this good land, and
Who know that in Him there is strength and courage and love to light the way.
Yes—I am the United States of America—and under God forever I will be!

STATE SENATOR WALTER GIVHAN DEAN OF ALABAMA LEGISLATURE

HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. FLOWERS. Mr. Speaker, on February 17, Senator Walter Givhan, a great man and native of Safford, Ala., was taken from among us by death. During his 73 years, he participated in many worthwhile endeavors—practically everything that is good in our society. "Mr. Walter," as he was affectionately known to all, was gentle and kindly with an inner strength which made him an outstanding leader. Everything he did, he did to perfection and he enjoyed the admiration and respect of his fellow man.

He was the dean of the Alabama Legislature and was serving his sixth consecutive term, having spent 38 years in the legislature, longer than any other man in the history of our State. The plight of the farmer was his foremost interest, and his record of service and accomplishments in the field of agriculture will memorialize Senator Walter Givhan for all time.

He will be greatly missed by his family and all who knew him, but our State will be a better place because of his great interest and dedicated work.

In tribute to his memory, I insert the following articles from our district newspapers to be printed in the Record at this point:

[From the Selma (Ala.) Times-Journal, Feb. 19, 1976]

Givhan: The End of an Era in Alabama Politics

(By Nikki Davis Maute)

Veteran Sen. Walter Givhan's death Wednesday night at his beloved Safford home ends an era in Alabama politics. The man recognized as the dean of the Alabama Legislature died at 73.

He was pronounced dead on arrival at New Vaughan Memorial Hospital at about 9:30 of an apparent heart attack.

Funeral services are scheduled for Friday at 3 p.m. at his Safford residence. Burial will be in New Live Oak Cemetery.

A champion of the farmer, Givhan was instrumental in establishing a system of trade schools and junior colleges throughout the state and in fighting for better highways.

The Dallas County lawmaker, who had served in the legislature for more than 38 years, was responsible for passage of many of the agriculture benefits written into Alabama law.

A Perry County native, Givhan—who along with his family farmed some 6,000 acres in Dallas and Perry Counties—had a personal understanding of agriculture.

He had returned to his native county Wednesday afternoon where he was honored at Marion Institute for his contributions to the state. Review was held in the senator's honor.

He was elected to the senate in 1954 and served continuosly until his death.

Reporters covering the Capitol remember the senator best for his homily: "All this old bill does is help the poor farmer."

Evidently, the one-liner worked, because every major piece of legislation in the last quarter century or more that had a bearing on farmers of the agri-business carried the unmistakable Givhan stamp.

"Never go back on an old friend to make a new one," was a Givhan motto he said he practiced rigidly. A modest man, he preferred to"work quietly in the background."

He was instrumental in establishing an inland docks system for the state with one located near Selma.

Local officials paid tribute to the dean and his colleague in the senate, Walter Mitchell, was "shocked and saddened to learn of the Senator's death.

"Sen. Givhan was one of the closest and most respected advisors I had in the senate. I looked to him as a man with wisdom. I always sought out his counsel," Mitchell said.

Selma Mayor Joe Smitherman termed Givhan's death the "passing of an era in state politics."

"So many will miss him as the dean of the legislature and having more tenure than anyone in the history of the state, he exemplified humility, dignity, representation and statesmanship to all sectors of the areas he represented as well as the state as a whole.

"I will miss him as a personal friend as I was an ardent supporter of him," Smitherman said.

Lt. Gov. Jere Beasley, presiding officer of the senate, called Givhan "one of the most respected men in the legislature" and said that his death is "a personal loss."

"He has probably contributed more to the agricultural industry than anyone in the history of the State of Alabama," Beasley said. "You can't replace a man like Walter Givhan, these folks just come along occasionally. He was sort of a legend in his own time."

Survivors include his wife, Geneva Y. Givhan of Safford; a daughter, Mrs. Helen W. Lyons, Selma; six sons, Walter H. Givhan and Samuel P. Givhana and James E. Whidby, all of Safford; Frank T. James, Birmingham; Joseph H. James of Alexandria, Va.; and Glenn K. James of Uniontown; three brothers, Edward H. Givhan of Rainsville; Joseph P. Givhan of Mobile and John A. Givhan of Safford; nine grandchildren, Walter Douglas Givhan, Marcus Givhan, Kirsten Callen Givhan, Samuel Houston Givhan, David Bennett Givhan, Godfrey D. Lyons, Donna H. Lyons, Mrs. Nell W. Mooney and James D. Whidby; three great-grandchildren, Neil and James Mooney and Allyson Whidby.

[From the White Bluff (Ala.) Chronicle Feb. 26, 1976]

A Real Friend of Marengo—Senator Givhan Dies

State Sen. Walter C. Givhan died Wednesday, Feb. 18, of a heart attack in a Selma Hospital.

Givhan, a former Linden resident, lived at Safford at the time of his death.

He had served in the Alabama ligislature many years and was considered a friend of the agricultural interests of this entire section. His political career began in 1930 in the House for one term. In 1942 he returned to the House and moved to the Senate in 1954 where he served until his death.

Alabama Gov. George Wallace has set the special election to fill the vacancy Aug. 31. The Democratic primary for this special election will be May 4 the date of the regular Democratic primaries.

Givhan, dean of the Alabama legislature, was praised by both state and national officials for his outstanding work and service in Montgomery. When, due to the federally ordered redistricting of Alabama, Marengo County was added to the district which Givhan served, officials suddenly found themselves with a strong representative in Montgomery, to whom they often turned. Givhan was available to all the citizens of Marengo County who sought and needed representation in the Senate.

At 73, his age apparently was not a factor in his readiness to listen to the problems of Marengo County's public officials or private citizens. He not only welcomed his constituents, Walter Givhan would come to the county and ask if there was anything that needed to be done.

Services were held at the Givhan home in Safford at 3:00 p.m. Friday, Feb. 20. Burial followed in Selma. He is survived by his wife Geneva and two sons.

[From the Centreville (Ala.) Press, Feb. 26, 1976]

Senator Walter Givhan

(By Jim Oakley)

I lost a personal friend and Bibb County lost a friend last week in the death of Senator Walter Givhan. For 8 years he represented Bibb County as part of his district. Monuments to this man stand all around the county. There are those yet unfinished projects that I mentioned here just two weeks ago, that his friends must see that are completed. The literally hundreds of people representing all walks of life and of different races, that attended his funeral at his home last Friday bore testimony that he was admired, respected and appreciated. As the minister who conducted his funeral said, "He belonged to the people." For over 38 years, much longer than any other person, he did belong to the people. He worked hard and knew no regular hours. He looked and acted much younger than his 73 years. There were times when the legislature was locked up and the sessions lasted all night. He was right there because as he told me once, "I know how to pace myself." He did, too. Wide open. It would be foolish for me to even begin to mention the good he did for agriculture alone in this state. I will close my chapter on Senator Walter Givhan by saying it will always be a privilege for me to have known a real statesman and gentleman. My sympathy to his fine family who unselfishly shared him with us.

[From the Selma (Ala.) Times-Journal]

Givhan's Legacy Continues To Live

The dean of Alabama's legislature—Sen. Walter Givhan—is dead but he will live on through a legacy of better education, improved highways and agricultural reform.

It is always difficult to lose a leader but it is fitting that his death should occur shortly after he was honored in his native county at Marion Institute.

Alabama farmers, particularly, have lost dearly. Givhan had a very personal attachment for the farmer and his family farms some 6,000 acres in Perry and Dallas Counties.

For more than a quarter of a century he was involved in every major piece of farm legislation.

Lt. Gov. Jere Beasley had high words of praise for the veteran of 38 years in the legislature, referring to him as "one of the most respected men in the legislature."

It is the end of an era and his family may know with pride that his contributions shall always be a part of the history of Alabama.—Bruce Morrison.

CONGRESSIONAL BLACK CAUCUS LEGISLATIVE AGENDA, 94TH CONGRESS, 2D SESSION—PART III

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. FAUNTROY. Mr. Speaker, I am inserting into the Congressional Record, the third part of the Congressional Black Caucus legislative agenda for the 2d session of the 94th Congress. Included herein are the agenda sections dealing with civil and political rights, education, and social insurance/welfare:

Civil and Political Rights

In 1976, our Bicentennial year, the scourge of racism should have been eliminated from the nation's life. It has not been. Instead, there has been a lessening of concern, attention and response to the discrimination against blacks and other minorities—Hispanics, Indians, Asian Americans and women (who do not consider themselves a minority) who are forced to compete openly and hostily for too few resources. These wrongs persist, and they persist in the difficult context of a recession with high unemployment which creates increased competition for fewer places.

There is no major legislative initiative in terms of affirmative action and civil rights programs. The primary need is for a commitment to firm, effective enforcement of the laws on the books. At the same time, there is a need to explicitly place the protections of Title VI of the 1964 Civil Rights Act in every piece of legislation which involves the distribution of federal funds. Title VI prohibits discrimination in programs in which federal funds are involved.

There must be a firm commitment to affirmative action coordinated through the White House. Guidelines should be issued by the EEOC to prescribe an orderly procedure that would avoid many layoffs and assure fairness to all workers. There must be a fair balance between the rights of seniority and protection for the last-hired minorities. There is also a strong need to recognize that in such areas as university admissions and job selection, preferences have been traditionally based on region, family relationships and other arbitrary personal characteristics. Providing for representation of minorities who have historically been discriminated against is neither unusual or undesirable.

The Ford Administration appears to be heading toward a major program shift on affirmative action in higher education. There is no evidence which warrants the exemption of academic institutions from meaningful enforcement of civil rights guidelines on equal employment opportunity, and to do so would create a dangerous precendent for other institutions to claim special status. The Congressional Black Caucus is vehemently opposed to this trend and believes that institutions of higher education must meet their affirmative action obligations as aggressively and forcefully as other segments of society.

In the federal government, itself, affirmative action in hiring and promotion has not been adequately enforced by the Civil Service Commission. The Commission has failed to require accountability of agency heads and continues to use the PACE examination, which has not been validated as job-related, for entrance to federal service.

POSTCARD VOTER REGISTRATION

The Congressional Black Caucus has taken a strong stand in favor of legislation to institute voter registration by mail in federal elections, and as a postcard registration bill is about to be acted upon by the House and Senate, we reaffirm that position.

Voter registration by blacks and other minorities has continued to lag behind the nationwide rate, which itself has been declining over the past decade. In the 1972 presidential elections, only 55 percent of all Americans eligible to vote went to the polls. For blacks, the figure was roughly 10 percent lower. In off-year elections, registration and participation was much lower still.

We believe that registration by postal card permits a simple, effective and accurate means of registering voters. The experience in about 15 states which use postcard registration for state and local elections confirms that belief.

The concern is that the President will veto the postcard bill because of concern that those who will register will not vote for his party. The essence of democracy is full participation by the electorate and competition by the parties and the candidates for all of the votes.

Further it must be noted that in 1974, the House voted on a rule for a postcard registration bill, and the rule failed by a vote of 197–204. Southern Democrats, for the most part, teamed up with Republicans to defeat the rule. It is in the South that voter registration has been and continues to be lowest despite significant strides since passage of the Voting Rights Act in 1965. That region's representatives have every reason to support means to simplify voter registration.

VOTING REPRESENTATION FOR THE DISTRICT OF COLUMBIA

The Congressional Black Caucus has been a strong supporter of voting representation for the District of Columbia in the U.S. House of Representatives and U.S. Senate. Our support of a constitutional amendment to this end is based not only on the fundamental right of representation with taxation, but also because a large proportion of the disenfranchised persons in the District of Columbia are black. The history of limitation of D.C. citizens' voting rights, both in the Congress and in Home Rule has been intricately tied to that fact.

In March of this year, the House failed to provide the necessary 2/3 margin for a constitutional amendment which would have given the District of Columbia a single voting representative in the House of Representatives. A new effort to gain the necessary support for full voting representation will take place in the next Congress with our strong support.

MARTIN LUTHER KING BIRTHDAY NATIONAL HOLIDAY

The Congressional Black Caucus has advocated several years, the designation of the birthday of the late Dr. Martin Luther King, Jr. as a national holiday. We believe that would be a fitting tribute to a great American leader, and the first national holiday for a black leader.

The bill, H.R. 1810, presently has nearly 100 co-sponsors and at least one day of hearings has been held before the Census and Population Subcommittee of the House Post Office and Civil Service Committee. The need is to persuade other Members of Congress to co-sponsor the bill so as to persuade the Subcommittee to move forward and report the bill out.

REGULATORY AGENCY REFORM

Legislation should be passed requiring the President to submit to Congress a regulatory reform proposal in 5 different jurisdictional areas in each of the years 1977–1981. The federal regulatory agencies created as part of the reforms of the New Deal, have in many ways become bureaucratized and counterproductive to their original purposes. Regulatory activities, by the major agencies have suffered a similar fate. The bill, H.R. 11450, calls for five regulatory reform plans from the President, one in each of the following five areas:

1) banking and finance, 1977
2) energy and environment, 1978
3) commerce, transportation and communications, 1979
4) food, health and safety, and unfair or deceptive trade practices, 1980; and
5) labor, housing government procurement and small business, 1981.

OTHER CONCERNS

The Caucus continues its support for legislation to provide for a single category of military discharge, thereby eliminating dishonorable discharges, and for legislation providing amnesty for those failing to comply with any requirement of, or relating to service in the Armed Forces during our Indochina involvement.

Also, legislation prohibiting brain surgery for behavior modification performed in federally connected health care facilities should be passed.

EDUCATION

HIGHER EDUCATION

Higher Education has been and continues to be for black Americans the primary means for achieving professional advancement and increased earnings potential. We stress higher education this year at last because Congress still has not acted on the renewal of major legislation for assistance to students and institutions of higher education.

The Federal Government's responsibility to assist the neediest of students financially for attending college has been recognized for many years, first through federal loan programs and more recently through direct federal grants to low-income students. The Basic Educational Opportunity Grants (BEOG) and the Supplemental Education Opportunity Grants (SEOG) must be supported and expanded, with sufficient funds appropriated to assure that every student will receive the full grant justified by the cost of attendance and family contribution.

The work study program is a valuable aid to students and deserves continuation and expanded appropriation levels. Loans should be the resource of last resort for the lowest income students, for these are most likely to find the burden of substantial loans a serious problem as they later enter the job market.

The survival of black colleges is another vital aspect of black educational opportunity. Although many of the black students in higher education attend predominantly white institutions, most of the baccalaureate degrees received by blacks come from black colleges. The conclusion is inescapable: black colleges play an essential part in increasing the number of blacks in this country who obtain higher education degrees.

Black colleges face many of the same financial pressures of other small colleges, with the additional burden in most instances of inadequate or non-existent endowment funds. The financial assistance which has been provided these schools through the Developing Institutions title of the Higher Education Act should be continued and expanded upon.

ELEMENTARY AND SECONDARY EDUCATION

The elementary and secondary education needs of black and poor children cannot be addressed entirely through federal program efforts and federal funds. Many of the vital decisions about the education of our children must be made at the local and state level. Nevertheless, the federal government does have an important role to play in elementary and secondary education, particularly as it provides leadership for efforts to meet the special educational needs of children from lower-income families. This was recognized in the enactment of Title I of the Elementary and Secondary Education Act of 1965 and continues to be an essential component of the Federal role in education.

The impact-aid program provides valuable funds for those communities which have concentrations of, among others, children residing in public housing. This represents an appropriate federal participation in increasing educational opportunity for children from low-income families. Recent Administration efforts to undermine this program demonstrate to black Americans that national leadership and commitments to the education needs of children from black and low-income families are woefully inadequate.

PRE-SCHOOL EDUCATION

The education of our children begins much earlier than their entry into elementary school. The pre-school years are vital to the intellectual and social development of children. For this reason, national policies relating to pre-school care for children must be viewed as inherently educational in their impact. A top priority of the national government must be the passage and implementation of legislation to create a comprehensive child day care and family services program which addresses both the educational needs of pre-school children and helps parents whose job responsibilities necessitate day care arrangements for their children.

PUPIL TRANSPORTATION

The current busing controversy has shifted national attention away from the essential thrust and purpose of school desegregation to improve access for all children to equal educational opportunity. An ill-advised effort to move toward a constitutional amendment on school busing was defeated at the end of last year.

The record show that school segregation is not accidential. In case after case, the courts have found that school officials have deliberately and systematically constructed and operated their school systems so as to segregate black and white children. The technique of busing, while not the only one available to correct the effects of such policies has been used frequently in communities across the country—and has in many instances proven successful.

Despite reservations some feel about busing, a commitment to the Constitution, a respect for the courts and above all, a conviction that their children shall continue to participate in the educational process, have characterized the black response to this difficult issue. We expect no less of those who this country. It is not enough to say that busing should be a remedy of last resort. Most busing supporters welcome alternative means of achieving school desegregation but we must recognize that in some communities busing will continue to be necessary.

WELFARE REFORM/SOCIAL INSURANCE

A humane society protects those of its citizens least able to gain life's basic necessities for themselves. While most would agree that our present welfare system does not meet that end, the discussion of welfare reform is most frequently an attack on the welfare recipients, those who receive the meager benefits of the programs. They are depicted as chiselers unwilling to work, and simply looking to the government for a free handout.

WELFARE REFORM

The negative view is untrue for the vast majority of welfare recipients, for they are heads of single-parent households, frequently with young children. Moreover, in the current economic recession, with high unemployment rates, talk about unwillingness to work and forced work requirements is simply absurd in the absence of jobs or serious training programs.

It is particularly important that in this election year candidates speak out to correct the misimpressions deliberately put in the public mind and that they create a climate of understanding conducive to reforming our welfare system.

Fundamental reform of the welfare system must take place. The federal government must assume a large share of the welfare burden. There must be a guaranteed annual income. There must be incentives to work instead of punitive measures that would punish the victims of our economic system. Counter-productive punitive measures previously weighed down attempts to reform our welfare system and this must not happen again.

FOOD STAMPS

During the past several months, food stamps have been made a political football in even greater measure than welfare. Candidates for elective office must speak out against the deceptions and misrepresentations about the food stamp program.

It has been claimed by the present Administration that the food stamp program is out of control and has grown "47,000 percent" since 1962.

The truth of the matter is that in 1962 only a small pilot program of commodity distribution existed and it served only 8 counties in the nation. Between 1971 and 1974, when the program had become fully established, the user population remained stable at about 15 million persons. Participation rose when unemployment jumped sharply in 1975, and it is now declining.

Our Treasury Secretary says that the food stamp program is a "well-known haven for chiselers and rip-off artists."

The truth of the matter is that the Department of Agriculture, itself, estimated in May that only 0.08 percent of households were getting food stamps fraudulently.

It charged that many middle-class families participate in the food stamp program.

The truth of the matter is that 87 percent of those participating earned under $6,000 per year and that nearly all families above the level were at least 5-person families.

There are several clear principles which must be incorporated in reform of the food stamp program:

(1) The requirement that a cash outlay be made to purchase food stamps should be eliminated. Stamps in the amount of the subsidy should be given to the eligible persons.

(2) The income level for eligibility must not be lowered and the sliding scale for eligibility must be retained to protect large families.

(3) There should be a standard deduction of not less than $125/month to protect working families. The deduction should be based on net income rather than on gross income.

(4) Eligibility should be determined based on current income status, rather than over a period of time which might include the period just prior to employment termination.

(5) There should be more effective administration to decrease the red tape connected with the program and mechanisms of legislative oversight over food stamp dispensing organizations to insure that the primary beneficiaries of food stamp dollars are food stamp recipients themselves.

TAX REFORM

In 1975, the Congress attempted major tax reform, but ended up with some relatively minor, though not insignificant changes. The oil depletion allowance has been virtually eliminated.

Also, in the tax rebate legislation early in the year, the important principle of decreasing benefits to higher income levels was established.

Much remains to be done. The tax shelters and loopholes provide to the wealthy the same benefits as a cash grant. This foregone revenue has been labeled "tax expenditure." The Congress must scrutinize tax expenditures as carefully as budget items.

Finally, there must be a clear understanding that along with the excess expenditures on defense, tax loopholes are the source of the major amount of lost revenues which could be used to finance our major domestic assistance programs.

SOCIAL SECURITY COVERAGE FOR HOMEMAKERS

Household employees should be recognized as self-employed workers and provided with equivalent social security coverage and benefits as other workers.

TESTIMONY ON H.R. 50

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Ms. ABZUG. Mr. Speaker, today I had the opportunity to testify before the House Subcommittee on Manpower, Compensation, Health and Safety on H.R. 50, The Full Employment and Balanced Growth Act of 1976. I wholeheartedly support this important legislation and have offered some suggestions to further strengthen the bill. I would like to take this opportunity to insert my insert into the RECORD:

TESTIMONY OF REPRESENTATIVE BELLA S. ABZUG

Mr. Chairman, members of the subcommittee, I welcome this opportunity to testify before you on H.R. 50, the full employment and balanced growth act of 1976. I would like to commend Rep. Hawkins for his dedication to bringing the bill to fruition. He has developed this bill, once considered impractical, into a piece of legislation that is now recognized as the best method for dealing with our unemployment crisis. Full employment is no longer a far-off vision. It is on the agenda of this Congress. It is a central issue in the Presidential campaign, and, in every public opinion poll, it is the stated objective of most Americans.

In 1944, President Roosevelt presented an economic bill of rights to Congress. Legislation to provide the sixty million jobs needed for a civilian economy at that time was never enacted. The bill that was passed, the Employment Act of 1946, established policies to promote more employment. This measure established the structure for formulation of Federal economic policy and a new direction for our Nation. It contained the foundation for most of the Hawkins-Humphrey bill. In recent years, we have suffered under an administration that has deliberately promoted mass unemployment as a matter of policy. We have had to wait a long time for the next step to fulfill our dream of a guaranteed right to a job for what now approaches 100 million workers.

Unemployment is the central cause of our domestic discontent, our fears and suspicions, our debilitating urban crisis. It casts its shadow of hopelessness over the young and old, minorities and women. skilled and unskilled. A program to provide millions of jobs for our people is the long-awaited solution, and it is finally within our grasp.

To the compassionate perspective of this bill, we should contrast the views of the present administration. Last week. Assistant Secretary of Labor William H. Kolberg warned you that this bill "would create expectations that cannot be met." He cautioned that "the guarantee of lucrative employment . . . would be attractive to many individuals who would not otherwise be in the labor force." And he made clear that this administration prefers to deal with the effects of unemployment through the veto of the public works programs passed by the Congress and through the food stamps, unemployment and welfare programs that the President regularly denounces. While endorsing the abstract "goal of full employment" the Ford administration continues through vetoes, regulations, and public statements, to impede any steps to realize the goal.

We have to face the administration's charges squarely, and respond that we welcome the challenge to provide jobs for all Americans. We encourage those presently outside the workforce to abandon their poverty and hopeless despair. To those who are "not actively seeking employment," and to those who never expected to ever find a job, we can say, "there is a place for you."

Unemployment has an extraordinary cost, both in monetary and in human terms. It has been estimated that every percentage point of unemployment costs the economy sixteen billion dollars in lost revenues. Unemployment is widely regarded as a primary factor in crime, mental illnes, family breakdown, and countless other manifestations of human suffering which result from unwilling idleness.

I would like to focus on the significance of full employment for the nation, particularly those who have been at a disadvantage in the labor market in the past. In the first quarter of 1976, unemployment has finally begun to decline; however most realistic forecasts indicate that we will continue to suffer intolerable levels of unemployment and great production deficiencies for many years to come—unless we undertake fundamental reform.

Women, minorities, youth, and older persons have suffered the effects of the recent recession most acutely, and these groups have the most to gain from a commitment to true full employment. Unemployment among white women is now 7.5%. Among black women, approximately 10% are now jobless. More alarmingly, unemployment among nonwhite teenagers is now 35.9%. These figures are in sharp contrast to the 5.1%, unemployment rate among white males in the labor force. In addition, these figures represent only officially reported rates of unemployment. Figures which include those who have become discouraged in their search for work would be much higher.

As a result of a scarcity of employment, the gains that disadvantaged groups have made in the past decade are being quickly eliminated. Women and minorities have only recently gained access to non-traditional occupations, yet they have the least seniority and thus are the first to be laid-off in hard times. For example, New York City recently lost half of its Spanish-speaking workers, 40% of its black males and one-third of its female workers. High unemployment has a disproportionate impact on women and minorities.

While we have been writing, talking and organizing support for H.R. 50, few of us in Congress, I believe, have sufficiently recognized the impact that jobs for all Americans will have on every facet of life. With passage of this measure, we will have to cope with new pressures on our institutions. We will have to continually improve and respond as we gain experience. Since I know that the sponsors and cosponsors have considered the successive drafts of H.R. 50 as "bills-in-progress," as starting points for a process of legislation and social transformation, I would like to address myself to both the improvements that have been made and the improvements still to be made in the recent March 10, 1976, revision.

This measure has been strengthened by the addition of fiscal and monetary mechanisms to ensure balanced economic growth and to avert uncontrolled inflation. However, I have never accepted the argument that full employment is inflationary. The policies that have followed from this point of view have been immensely destructive. Dr. Leon Keyserling has convincingly shown that the best route to a balanced budget is through full employment and tax reform. It is obvious that with sustained prosperity, increased investment in our economy and full utilization of our productive capacity, our society can produce enough goods so that rising demand can be met with increased goods and services, and with full production, we will have lower prices.

H.R. 50 strengthens the ability of the executive and legislative branches to exercise some long-needed coordination and control through the available economic tools. It now incorporates as well some of the budgetary and credit allocation mechanisms suggested by the current debate over national planning. Although the bill as written provides no means to examine or control the plans, prices and profits of our major corporations, whose monopolistic practices have greatly contributed to inflation, the bill takes major steps toward democratic national planning for human needs.

The provisions for counter-cyclical programs and grants to state and local governments, for specific regional and urban programs, and the comprehensive youth employment provisions, are all welcome improvements. They go a long way toward meeting the needs of specific parts of our society that have been terribly wounded by the prolonged recession.

Most of these provisions are important additions to H.R. 50. However, other equally important provisions contained in the earlier drafts have been removed. I would like to suggest eight additions that will further strengthen the bill and urge this subcommittee to reconsider some of the provisions in these earlier drafts which are essential to achieving a full employment policy.

At the heart of the Hawkins-Humphrey bill is a commitment to the expansion of economic freedom for all Americans. My greatest concern today is whether this bill firmly establishes the right of full employment for all, or whether it is limited to some Amercans. I am equally concerned that this bill provide full administrative and legal machinery to ensure that this right becomes a reality.

The previous draft contained a clear definition of full employment: sec. 3(b)(1): "Full employment goals, defined as the number of full-time and part-time jobs to be provided for all adult Americans able and willing to work (including those not in the labor force as customarily measured) . . ." In the new revision, this definition has been circumscribed in several ways: First, the addition of the phrase "seeking to work" and the elimination of the reference to those not in the official labor force perpetuates the artificial distinction between the active workforce and the undifferentiated, general labor pool. This group includes a minimum of four million adults who have dropped out, been kept out, and been pushed out of the labor force. It includes women and minorities who have been discriminated against and older workers whose desire for continued employment is not seriously recognized.

Second, the definition now assumes that it is impractical to reduce unemployment below an official 3% rate. 3% is no longer an interim target for the first 18 months, but the final goal to be attained within four years and maintained thereafter.

I believe that in making these changes, the drafters have seriously undermined the basic thrust of this measure. The right of all Americans to a guarantee of some job is universally understood to be the effect of this bill. It is not the right of some Americans to a job. It is not "full employment, but . . ." It is plain and simple: Full employment for all.

There are a number of difficulties with the use of 3% as an index of full employment. Even when the overall unemployment figure is 3%, it is much higher among certain disadvantaged groups. This problem was raised to the Equal Opportunities Subcommittee a year ago in testimony by economists Bertram M. Gross and Stanley Moses. In Jan. 1975, when the official unemployment rate was 8.2%, the addition of involuntary part-time employees, and discouraged workers revealed a "real unemployment" rate of 16.5%. It raised the real unemployment total from 7.5 million to 16 million. In 1951, when unemployment was 3.3%, the rate for white males was 2.6% while the rate for white females was 4.2%. The statistics for black workers, male and female were significantly higher with black males experiencing 4.9% and black females 6.1%. In the mid-sixties, the last time the unemployment rate was below 4%, the "official" rate for nonwhites was over 6%, and for teenagers over 12%.

Half of the black teenagers in our central cities are now unemployed, and they are bound to ask, "What good is a national unemployment goal of 3% for us?" This bill directs the President to develop youth employment programs but it provides no ultimate goal for youth unemployment.

A "tolerable" average level of unemployment at 3% would mean that 6% is tolerable" for minorities and over 12% is "tolerable" for teenagers. These groups will never reach even 3% unemployment if that is to be the ultimate average goal.

Moreover, the unique problems of the over 40 workers are ignored. Despite the 1967 age discrimination in employment act and the on-the-job experience which these workers have, these workers face considerable barriers to obtaining new employment. In 1975, unemployment averaged 1.6 million for the middle-aged and older workers. This is the highest level in history. It is estimated that 1 million formerly employed men and women between the ages of 40 and 62 have given up the active search for work. Despite these grim statistics, the over 40 unemployed have been consistently ignored by federal programs. To meet the special needs of this segment of our society, I have introduced H.R. 12375, the middle aged and older Americans act of 1976 which provides for training, counseling, part-time and full-time work opportunities. I urge this subcommittee to consider including some provisions for this group.

The Hawkins-Humphrey bill is both an imaginative and a realistic measure. It says that we have never tried hard enough to make our system work. It says, "We have met the challenge in wartime, so why can't we do it in peacetime?" This bill acknowledges that everyone dreams of having a decent productive job, and that the dream is valid.

I have heard the warning that if this bill is passed, "people will come out of the woodwork looking for jobs." To the extent that this is true, it is a condemnation of our past policies of neglect. We now have an opportunity to revitalize our society, and to achieve the goals we have postponed.

In the 1960's, we discovered "the other America." We made great strides in enfranchising and educating our minorities. We found that the handicapped could be employed. We found that many older Americans wanted alternatives to forced retirement, and were happier and healthier when they could continue working. We found that more and more women wanted or needed to work.

Many Americans have had to accept intermittent or part-time jobs because full-time employment is not available and more are not even counted as part of the official labor force. Throughout their adult lives, these people have carried the discomfort and blame, the distress and insecurity that are felt by the laid-off worker. Let us not be misled: these are the ones who will be overlooked in a bill that provides more employment, but not full employment. They will be employed only through a federally guaranteed right to a job. I can regretfully accept a decision to extend the period of implementation to four years; that is a technical question upon which social scientists may disagree. But I cannot see this bill limiting the promise of full employment to the official workforce. Therefore, I propose that the right to full employment be extended to all Americans able and willing to work, and that 3% be defined as an interim goal that does not preclude further efforts.

The March 1975 draft of the Hawkins-Humphrey bill made specific reference to many groups not part of the official workforce. It courageously included reference to former drug addicts and released convicts. Throughout that draft, the prevailing assumption was that:

Sec. 5 (g) "From the purposes of this act, any jobseeker who presents himself or herself in person at the job guarantee office shall be considered prima facie 'willing and able' to work at some appropriate type and duration of work and some appropriate rate of compensation."

The effect of limiting the right to a job is seen in Sec. 206 (e) which establishes "priority criteria" to determine those most in need of employment. Factors include an individual's household income, how long he or she has been unemployed or without unemployment insurance, who else in the household works, and whether the person is the head of the household. Such eligibility categories would discriminate against women, minorities, the very young and the very old worker. These groups are most often denied employment opportunities and these priorities perpetuate such discrimination.

For women in particular, Sec. 206 (e) would be devastating. Women seek work for the very same reasons that men do, out of economic need. Women have entered the workforce in increasing numbers and are just beginning to gain access to new fields and higher level positions than in the past.

However, seniority provisions that exist mainly because jobs are not guaranteed have worked consistently against the interests of women. In New York City, one-third of the women municipal workers have already lost their jobs. Unemployment and underemployment continue to be higher for women than for men. In 1974, a quarter of a million unemployed women were family heads.

In recent years more and more married women have entered the labor force. In 1974, 58% of all working women were married and living with their husbands, and nearly all of the husbands were also gainfully employed. Under the terms of this section, women could be denied the right to work unless they are the sole support of their family, or they meet specified income requirements. We ought to work towards a society in which women and men do not have to compete for too few jobs.

Older workers and young people would also be harmed by Sec. 206(e) because they rarely have dependents to support and thus would receive less priority for employment. In 1974, 10% of all working families had some member other than the wife as an additional worker, probably a child or an older relative who contributed income to the family. This provision would deprive such persons of equal access to employment opportunities.

The right to employment should not be contingent upon these factors. Sec. 206(e) would allow the establishment of a means test to differentiate beween those that "need" a job and those that do not.

This provision is inconsistent with the spirit of the Hawkins-Humphrey proposal. Although it may have been conceptualized as an interim program to deal with a flood of jobseekers after the enactment of the bill, it now stands as a new government impediment to full employment. If the section is not deleted, it may doom H.R. 50 to the loss of support by disenchanted groups and individuals who were its first and most enthusiastic supporters.

There is no necessity to have a bureaucracy determine the jobworthiness of any individual if all Americans are to have the right to a job. As my second specific proposal, I suggest that the subcommittee eliminate the need for this burdensome means test by deleting this section altogether and replacing it with a locally administered appeals process for those who have been denied the opportunity to obtain a job.

The bill in its present form does not provide sufficient participation for localities in determining those in which jobs could be established under the measure. Section 104 (g) provides for optional reports by the governors. If the governors choose to comment on the full employment and balanced growth plan, they must hold public hearings. As my third suggestion, I urge this subcommittee not only to require such reports but to mandate the establishment of permanent local advisory boards with regular public hearings.

In every part of my state, there are things to be done, and people to do them. New York state's unemployment rate has stabilized at an appallingly high 10–11%. New York City's rate is over 12%. Since last July, over 150,000 state residents have exhausted all unemployment benefits. The Buffalo area has over 15% unemployment—one of the highest rates in the nation. We want to put people to work in the Niagara region, in the southern tier, in the St. Lawrence Valley, in Westchester and on Long Island, and in the south Bronx. Our New York communities can help the federal full employment office by pointing out the projects that are most needed.

Although many full employment goals are national in scope, they will be implemented in every city, town, and small community in the nation, and it is essential to design programs on a human scale.

Decentralization and community input should be encouraged, as my fourth proposal, I urge you to enlarge the specifications in sections 102(A), 109(B), and 109(D), to include, in addition to "industry, agriculture, and labor," participation by state and local governments and consumer interests where they are not mentioned, and "women, minorities, handicapped, senior citizens, public interest and community groups" in all these sections.

The enactment of full employment legislation will result in fundamental changes in our society. This measure will transform education and training policies, it will decrease the population receiving public assistance, it will influence the expectations of children now growing up. In short, this measure will affect every American. It would be unrealistic to take such a step without providing mechanisms for evaluating and monitoring the programs of this act as they progress.

Earlier drafts of this bill have tried to provide such mechanisms; the present draft delegates only minimal information-gathering functions to the Congressional Budget Office and the Joint Economic Committee. As my fifth proposal, I suggest the establishment of a full employment research bureau, to study and report on relevant issues, and to organize an annual public evaluation of our progress. This bureau, which would exist as a separate institution or under the Council of Economic Advisers, would incorporate the work of social scientists from all disciplines and its functions would also include an examination of the interrelationship between income maintenance and full employment. I suggest that provisions for this bureau replace section 207 of the present draft.

necessity to coordinate the efforts of all agencies of the Federal Government. To make this goal a reality, as my sixth proposal, I urge you to mandate all executive agencies

Section 102 of this bill emphasizes the and independent commissions, in addition to the Federal Reserve Board, to adjust their goals so they conform with our National priority of full employment. If we accept full employment as our goal, it makes no sense to have the separate parts of our Government pursuing conflicting objectives.

The purpose of the entire bill concededly is to provide jobs. However, I believe a discussion of the relative emphasis on public vs. private sector cannot be resolved at this time. I am convinced that in the long run the Federal Government must begin to see itself not only as employer of last resort, but in many cases, as employer of first resort. Leon Keyserling has summarized this point:

"The Federal budget is to allocate to the people the goods and services they need that cannot be provided by State or local government and by private enterprise."

In recent years, despite massive subsidies, the private sector has again and again proven itself incapable of building decent housing for our people, providing health care at reasonable prices, finding jobs for our young people, running our railroads or providing us with low-cost energy. I believe if we are to have full employment, we will eventually need a standby job corps and other expanded public programs, but we don't have to delay this bill until there is agreement.

There are specific changes regarding the nature of job priorities that I would urge this subcommittee to consider. Section 104 (e) mandates "a full employment program that provides productive non-wasteful jobs and that reorder national priorities and employ the jobless in the production of goods and services which add to the strength of the economy, the wealth of the nation, and the well-being of the people." In the course of summarizing vital areas of production, two vital areas have been omitted: "improvement, expansion, or new development . . . of mass transit" and "the development of artistic, esthetic, cultural, and recreational activities in all areas of the country."

As a representative of the city and the state of New York, which has 40% of the nation's mass transit passengers, and which is a national center for culture and the arts, I know that these two areas contain some of the most labor-intensive and low-cost jobs that exist. They are also among the most personally and socially beneficial activities. As my seventh proposal, I urge that you include these areas for priority programs.

Given the strong emphasis on productive, economy-strengthening jobs, it is not appropriate to enshrine "national defense" as one of the five principal categories. I hope it is no one's intention to reach full employment by increasing the amount military production or the size of our army. Therefore, my eighth proposal is that conversion of some of our military facilities to productive Federal use be listed as priority area number four. The technology we have developed for air war can produce non-polluting rapid mass transit systems; our chemical and biological warfare research can be redirected towards the improvement of health facilities.

It is my firm conviction that H.R. 50 will be strengthened by acceptance of my eight proposals. I would like to emphasize that, in spite of my criticisms of certain sections, I am very encouraged by the attention this measure is receiving.

President Truman appreciated the visionary importance of full employment and he understood the dangers as well. In his last economic report, in January 1953, he wrote:

"We cannot assume that henceforth what needs to be done to promote the maintenance of full employment will be done. None of us—regardless of party—should let the idea of full employment degenerate into a slogan bandied for narrow political advantage. Like freedom, it needs to be guarded zealously and translated into action on a continuing basis. Moreover, if we fail in this, our very freedom may be placed in jeopardy."

I strongly hope that this bill will be enacted, and that our nation will be revitalized by the challenge. Let us shape the future by shaking off the pessimism and resignation of recent years and by building a national campaign in support of full-employment.

PROPOSED AMENDMENTS TO THE LAND AND WATER CONSERVATION FUND ACT OF 1965 (PUBLIC LAW 88–578)

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. MAGUIRE. Mr. Speaker, the Land and Water Conservation Fund Amendments of 1976 will be coming to the floor shortly after the Easter recess. This bill is certainly one of the most important pieces of environmental legislation that we will be considering this year; it sigficantly increases the funding that will be available for acquisition and development of National Park lands, and will also increase the money available for what has become—in most States—the most important source of funds for preserving and developing State parks and recreation lands.

Because of the importance of this fund, I believe that we must make certain that it is spent in such a manner as to provide a maximum of recreational opportunity to the greatest possible number of people. Despite the striking success of the fund in some areas, it has proved seriously deficient in meeting the needs of many of our citizens, particularly in congested urban areas and less affluent rural communities. To meet these deficiencies, I will be proposing amendments to the bill when it comes to the floor.

The following statement explains some of the current problems of the fund, and the corrective measures that I propose be taken:

STATEMENT OF CORRECTIVE MEASURES

WHAT IS THE FUND?

The Land and Water Conservation Fund (The Fund) was established in 1965 to provide support for the States and Federal Government in outdoor recreation acquisition and development. The Fund is administered by the Department of the Interior's Bureau of Outdoor Recreation (B.O.R.). Revenues are derived from Federal motorboat fuel taxes and the Outer Continental Shelf mineral receipts. During the next 10 years the size of the Fund is expected to increase substantially as off-shore oil drilling accelerates.

The breakdown of the distribution of the Land and Water Conservation Fund is as follows:

Federal Land Acquisition and Development, 40%.

State Grants for Acquisition, Development and Planning, 60%.

Distributed equally among the States (40%).

Prorated to 55 "States" on the basis of total population (30%).

Prorated to 55 "States" on the basis of population residing in SMSA's (25%).

Contingency and special allocations (5%).

The Fund is divided into what are generally referred to as its "sides." The "Federal side" provides for the acquisition and development of national recreation lands, national parks, seashores, etc. These areas are administered by the Department of the Interior's National Park Service, Bureau of Land Management, and Bureau of Sport Fisheries and Wildlife, and the Department of Agriculture's Forest Service.

The "State side" is channeled through the B.O.R. program to the States and their political subdivisions (cities, counties, towns, etc.) for the acquisition and development including renovation of public outdoor recreation facilities.

Project grants must be matched by the States or political subdivisions on a 50–50% basis. To qualify, the State must develop a comprehensive outdoor recreation plan which is approved by B.O.R. No State can receive more than 7% of the total amount of the State "side" of the Fund.

A report by the Center for Growth Alternatives, "Recreation in the Cities: Who Gains from Federal Aid?" (1974) has highlighted this inequitable distribution. Over the life of the Fund, for example, Wyoming has received $29.50 per capita and New York only $3.79.

Furthermore, because the Fund is administered by the States in whatever manner they determine, the program has suffered from an inadequate State planning requirement. The result has been a general unresponsiveness to unmet priority recreation needs. Many cities receive very little assistance with local outdoor recreation projects. As of May 1975, Chicago had received $.76 per capita; Detroit, $.30; New York City, $1.74; and Newark, $1.09.

2. Less affluent communities cannot meet the 50–50% matching formula requirements.

In many cases the communities most in need of assistance for land acquisition and development cannot meet their share of the project cost and therefore cannot qualify for Federal funds under this program. The 50–50% matching formula is at the very low end of Federal reimbursement programs; some mass transit and pollution control projects receive funding as high as 90–10%.

In recent years communities have been hit particularly hard by the abolition of the HUD Open Space, Neighborhood Facilities, and Urban Beautification Programs, all categorical grants which were consolidated within the Housing and Community Development Act of 1974. However, since this Act was designated principally for low and moderate housing and housing-related programs, most local parks agencies are finding it impossible to get reasonable funding allocated to recreation facilities and open space acquisition. In New York City during the first year of the Community Development funding, 5% was used for recreation and open space projects; during the second year, only 1.9%.

In open space acquisition, development and renovation B.O.R. is the "only game in town."

3. The Fund has made arbitrary and unwarranted distinctions between the desirability of outdoor vs. indoor recreation.

While land acquisition, development and renovation for outdoor facilities has been allowed, it is not permitted where facilities are covered. As noted above, 40% of the State "side" is divided equally among the States which results in gross inequities for the more populous States.

WHAT IS WRONG IN GENERAL WITH THE FUND?

The original intent of the Fund was to acquire outdoor recreation resources. Congress, in its amendments to the program, has expanded the intent to include the conservation and development of these resources by both the Federal Government and the States. In operation 60% of the State side has been used over the life of the Fund for development projects reflecting the real recreation needs of the nation's states and localities.

Virtually every study of the Fund has recommended substantial changes to make it more equitable and increase benefits for urban areas. In a report to Congress by the General Accounting Office (October, 1972) entitled "Greater Benefits To More People Possible by Better Uses of Federal Outdoor Recreation Grants", the Comptroller General recommended

(a) increased apportionments to the most densely populated states; and

(b) a flexible matching formula.

(At this time the Department of Housing and Urban Development provided assistance for indoor facilities.)

In September, 1974 the U.S. Senate Committee on Interior and Insular Affairs printed a previously suppressed Report to the President (March 1970) and Congress called "The Recreation Imperative" or informally, "The Hickel Report." It called for:

Land and Water Conservation Fund grants to be expanded and redirected to correct the imbalances in recreation opportunity in and near the nation's large cities;

procedures to be developed whereby Fund grants could be used for expanded recreation facilities at neighborhood centers in cooperation with the then existing HUD Neighborhood Facilities Program which covered indoor facilities;

an expenditure of $12–13 billion dollars to meet the nationwide need for recreation opportunities.

In 1974 the Senate Committee issued its own report, "A Nationwide Outdoor Recreation Plan", which called for

(a) greatly expanding outdoor recreation opportunities near metropolitan areas, and

(b) raising the funding level to meet the nationwide need.

WHAT ARE SOME OF THE WORST SPECIFIC PROBLEMS WITH THE EXISTING LAW?

1. The formula for distributing funds discriminates severely against heavily populated States.

During fiscal year 1975–76 approximately $300,000,000 was allocated in the country.

Many of the nation's older communities developed year-round recreation centers during the 1920's and 30's which today require a major conservation effort. These centers serve millions of inner-city Americans and are a vital national recreation resource for those who cannot afford to travel to inaccessible outdoor locations.

Communities in the northern, southern and southwestern parts of the country are particularly hurt by the prohibition on using the Fund for any indoor facilities. Inclement weather in these areas requires that certain recreation facilities be heated or air conditioned to insure their usefulness for many months of the year. At present, B.O.R. assistance is available to build an outdoor pool in Wisconsin to operate 2–3 months per year but will not permit that facility to be covered to provide 12-month service.

WHAT IS BEING PROPOSED TO CORRECT THESE PROBLEMS?

H.R. 12234, the Interior Committee bill, will be introduced on the floor of the House on or shortly after April 27, 1976. This bill addresses some of the problems cited above but does not go nearly far enough. Therefore, these amendments will be offered to strengthen this bill which will:

1. Change The Formula and Apply It Immediately.

H.R. 12234:

The Committee's version of the bill establishes a new distribution formula for the State side:

20% will be distributed equally to the States.

75% will be distributed on the basis of need (similar to the existing administration of the Fund).

5% will be kept for contingencies and emergencies.

But this new formula will not go into effect until the overall Fund increases to $400,000,000 with $240,000,000 allocated to the State side. It may be years before this overall funding level is realized.

Proposed mendment:

The proposed Amendment would begin the new distribution formula as soon as there is any increase in the State "side" from the present level of $180,000,000. Funding for all States would continue to grow; all states would be held harmless and would receive their present level of funding at $180,000,000 plus the amount distributed under the new formula. Those states with an inequitable share would receive a greater share from the increase than those not receiving the highest per capital allocation.

In other words, this Amendment simply begins to redress a grievance now rather than some indefinite time in the future.

2. Improve State Planning and Introduce Flexibility in Matching Requirements.

H.R. 12234:

The Committee's version of the Bill does not contain improvements in state planning processes and does not change the 50–50% matching formula or allow any flexibility to the States to aid less affluent communities.

Many communities, both rural and urban, cannot fund 50% of the project cost now required. Some hard-pressed cities have even indicated that unless this provision is made more flexible they will not be able to benefit from an increased funding level for their states.

This Amendment would require the states to identify areas of highest unmet recreation needs and give funding priority to those areas in the design and implementation of statewide recreation programs. To encourage the funding of areas lacking in recreation resources flexibility would be given to B.O.R. to waive part of the 50% local matching share where recreation need is great and where ability to provide matching funds is minimal.

3. Permit Conservation of Urban Resources Through Renovation of Public Indoor Recreation Facilities.

H.R. 12234:

The Committee Bill proposes that up to 25% of any State's allocation could be used to cover swimming and ice skating facilities where the Secretary of the Interior feels climatic conditions warrant. However, no provision is made either for development or renovation of other kinds of indoor recreation facilities. This will produce the rather absurd situation of allowing the renovation of an existing indoor pool in a recreation facility and the roof above it, but not the gymnasium, the craft rooms, the auditorium areas, etc. which may be housed in the same building.

Proposed amendment:

This Amendment will permit up to 25% of a State's funds to be used both for covering swimming pools and skating rinks and for renovation of recreation facilities through renovation of indoor recreation centers. This provision is expected to benefit State and City park systems throughout the country.

WAR CLOUDS OVER SOUTHERN AFRICA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. CRANE. Mr. Speaker, in the aftermath of successful Communist intervention in Angola, it is well for us to reflect on the future of southern Africa. With speculation mounting every day about the possibility of Cuban intervention in Rhodesia and the probability of a bloodbath in that country, our options as leader of the free world become troublesome. On the one hand, there is no escaping the essentially undemocratic nature of the Rhodesian Government, but on the other hand the awful specter of a bloodbath, the implications of further Communist intervention on U.S. foreign policy, and the basely undemocratic nature of those nations agitating for change in Rhodesia cannot simply be ignored. The options may not be pleasant but, like it or not, we can expect facing up to them in the not-too-distant future.

In recent weeks and months, there has been a lot written, and much said, about Rhodesia, not all of it accurate. Due to the complex nature of the situation there, many perspectives have to be considered. Accordingly, I would like to recommend, for the benefit of my colleagues, an article that appeared in the March 5, 1976 edition of the Wall Street Journal. It has some useful insights and I include it in the RECORD:

[From the Wall Street Journal, Mar. 5, 1976]

WAR CLOUDS OVER SOUTHERN AFRICA

(By Ray Vicker)

SALISBURY, RHODESIA.—Standing beside a Toyota pickup truck on a busy street here, one lanky tobacco farmer scowls as he talks about Rhodesia's political future. He pats his chest, where a bulge shows beneath his safari jacket and says: "If terrorists think blood is the answer, they might find it is their own, I'm never without a gun anymore, and I won't hesitate to use it and anything else to defend my home."

His is a frightening reminder that southern Africa is fast moving toward its time of decision. That black-white war long forecast for this part of the world may be almost upon us, perhaps hastened by Mozambique's recent mobilization against Rhodesian "aggression" and its sealing the border with this nation.

Any outbreak of hostilities could have dire repercussions not only for southern Africa but for the whole Western world. It also raises questions about American policy, or lack of it in Africa. Debate in Paris at the North-South economic conference last December had the same rhetoric one hears at an Organization of African Unity meeting in Addis Ababa.

Another factor should be apparent, too. Any black-white confrontation is unlikely ever to occur without substantial outside help to blacks. If it does start, it will be blacks with Communist allies who are doing the attacking.

Today, summer rains have transformed the land along the Rhodesian-Mozambique border into a green jungle where dense vegetation hides a man only yards from a road. Behind that natural screen black nationalist guerrillas assemble for attacks upon white supremacist Rhodesia, back by the leftist Frelimo government in the ex-Portuguese colony. Their aim is to establish a black government in Rhodesia.

In Angola, the South West African Peoples Organization has established base camps for raids into South West Africa, or Namibia, seeking to install themselves as black overlords, replacing South Africans.

The goal of other black nationalists is to install black majority rule in South Africa.

All these campaigns are likely to be damp squibs, without massive weapons, food, medical supplies, training and ammunition from outside. Even that may not be enough without the Cuban mercenaries who are paying their debts to Karl Marx with rifles while drawing pay from the ideological satisfaction certain people get from killing people who don't agree with their political views.

America must shoulder some blame for the way events have occurred: The Russian-Cuban incursion into Angola, the collapse of Mozambique into anarchistic Communist rule and the developing black-white confrontation.

A MEANINGLESS SLOGAN

Few in America have had the courage to stand up and say that black is not always beautiful. Nor have there been many who will admit that "one man one vote" is a meaningless slogan if it is applied only to countries with white minorities and not to black independent nations. And there seems to be no realization that the African who spouts that "one-man-one-vote" slogan at one conference may be condemning America at another.

The best hope for the Western world of which America is a part, is for black-white cooperation in southern Africa, attained in an evolutionary manner. Only in that way will democracy have a chance in this part of the world. Only in that way can the abundant minerals and enormous agricultural resources of southern Africa be used for the benefit of all its citizens, both black and white.

Yet America, along with Britain and much of the United Nations, has consistently pressed for anti-minority solutions that are almost guaranteed to bring about a bloodbath which no civilized man, black or white, should be relishing.

It may be late in the game for America to develop an African policy which best protects its political and economic interests, a policy that seeks to avoid war. Still it should be tried, for the benefit of the black majority as well as the white minority.

Yet even at this late stage there are voices in America crying that the U.S. "should work much closer with black African nationalists on the African continent." So who are some of these "black African nationalists"?

Well, there is Idi Amin of Uganda, the dictator whom Pat Moynihan termed a "racist murderer." Then you have Sekou Toure in Guinea, a black dictator who rules with a gun.

Angola has its Augustinho Neto, a Marxist who makes no secret of his aim of making a Socialist state of his country. Mozambique has its Samora Machel, Another Marxist, who has even nationalized homes owned by citizens, while creating concentration camps for anyone who objects.

This, by the way, is the same Frelimo black leader who was supported financially by certain religious groups in the West. They might be interested in knowing that black Mozambique now incarcerates more political prisoners than did Portugal even at the height of its power in Africa. And most of those prisoners are black.

You may never have heard of Macias Nguema. But he is an African nationalist, too, as well as life president and minister of defense and foreign affairs of Equatorial Guinea, Harken to what one refugee from his land says: "Macias runs the country like his personal estate. His troops knock on doors of private homes at midnight and take citizens away on all sort of pretexts. Many are never seen again."

So should America really be following the lead of these nationalists in Africa?

Certainly there are praiseworthy African nationalists. President Kenneth Kauda of Zambia labors hard to improve the lot of his countrymen. In Kenya, President Jomo-Kenyatta has fostered multiracialism and brought prosperity to his country, even though he may not be too diligent in fighting internal corruption.

The examples of Zambia, of Kenya, of the Ivory Coast, of Liberia and some other nations merely emphasize that African nationalism has many faces.

We should no more support black nationalism everywhere than should we be trying to introduce our form of democracy into every cranny of the world. We shouldn't support black nationalism at all unless what it has to offer is likely to improve the lot of peoples upon whom it might be applied.

It may be claimed rightly that the black Zambian is better off under black nationalism than under colonialism. It is doubtful that the same can be said about the Angolan or the Mozambiquan of today. Still, there are Africans who urge us to accept Neto in Angola as a friend and to admit that Secretary of State Henry Kissinger's opposition to communism in Angola has been in error.

These are the same people who used to tell us that Cuba's Castro wasn't really a Communist, he was driven leftward by American policy. (This paper doesn't run photographs, else this might be a good time to insert that recent one of Castro standing on the podium at the 25th congress of the Communist Party in Moscow.)

Certainly the whites of Rhodesia, South West Africa and South Africa are not convinced that they will be better off under black nationalism, not even when the alternative presented to them may be that bloodbath.

One might say, of course, that the whites of southern Africa haven't behaved in a manner that merits much concern. That attitude reflects that same pigeonholing of entire races into derogatory slots, and that is the mark of intolerance and bigotry.

GETTING ACQUAINTED

Get acquainted with white Rhodesians, South Africans and South West Africans and you find some awful people, but also many good people who want to preserve order and not necessarily white domination. And the blacks basically are friendly—just as anxious, generally, to avoid any bloodbaths as are whites.

This visitor encountered no trouble at all driving rented automobiles into remote sections of six southern African countries. Stops at black villages usually produced invitations to tea, to quaff some native beer and once to share an illicit leg of gazelle. It might be indicative of something that the noblest and most selfless character encountered during this journey was a Zulu witch doctor.

Admittedly, if white domination seems to be the only way to maintain order, then the majority of whites in southern Africa is for it. The problem is to induce them to accept changes and to convince blacks that they must accept responsibilities. That can only be done gradually, not by revolution. Revolutions in Africa have only produced bloodbaths in which mostly black blood was spilled.

The propaganda and cant of black nationalism has created a widely distorted picture of southern Africa. This is unfortunate, for now more than ever America should understand the price we may pay in lost raw materials and leadership should southern Africa be lost to the West.

Take Rhodesia, for instance. This is a political problem that should never have developed in the first place. Today, nationalist diatribes picture Rhodesia's Prime Minister Ian Smith as a devious, stubborn fascist. Stubborn he is. But he met his match in deviousness in Britain's Prime Minister Harold Wilson.

This reporter was in Salisbury in October, November 1965, reporting the Wilson-Smith negotiations that led to Rhodesia's unilateral declaration of independence. Mr. Wilson's ambiguities and double talk concerning a royal commission for arbitrating issues did as much as anything else to convince Rhodesians that they should go it alone.

Moreover, at this late date, not much is said about the fact that Rhodesia's blacks were offered a qualified voting constitution in 1961 which would have them in control today had it been accepted.

This would have given voting rights to blacks possessing certain educational and property-owning qualifications. Increased educational opportunities and economic development would have enabled many more blacks to qualify.

African nationalists fought that constitution with their "one man one vote" slogan even harder than did right wing whites.

Now we see a somewhat similar situation developing in South West Africa. There discussions already have started toward initiating a constitution that would lead to eventual independence. Radical African nationalists attack it—and attack all blacks or whites who support it.

Before we rush to follow every black nationalist campaign, we first should analyze what it might mean to peoples of the area involved, and to America's own interests.

In some situations, qualified voting might be one way of introducing evolutionary change; after all, U.S. women didn't vote until 1920, 144 years after the Declaration of Independence. Some blacks in the American South didn't get to vote until the 1960s, although certainly that is nothing to be proud of. But no responsible African suggests that any voting qualifications be frozen.

The peoples within a country should effect changes, not such outsiders as Cuban cossacks. Outsiders certainly have every right to persuade, but boycotts are often a futile, clumsy weapon which usually hurt the wrong people.

As for that "new economic order," the U.S. should have the courage to tell the truth. Colonialism isn't responsible for the poverty of the Third World.

Geography may play an important role. So does misgovernment. Lack of educations and unwillingness to accept change also play a part. Landlocked Niger in the Sahel, for instance, is likely always to be a poor nation. South West Africa, which has a declining water table with an expected 15 years life, will be economically dependent for a long while. So it goes.

Sooner or later we are likely to face a tough decision too, and it is likely to be centered on where we draw the line against Soviet imperialism, which, despite all the ballyhoo about detente, seems bent upon world domination?

If that is a global rather than an African question, it merely stresses that Africa's problems can't be viewed in isolation from the rest of the world.

ADOPTION OF THE AMENDMENT TO FULL FUND EDUCATION FOR THE HANDICAPPED AND THE BASIC EDUCATION OPPORTUNITY GRANTS

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. EARLY. Mr. Speaker, with the adoption of the amendment sponsored by Mr. Obey, Mr. Stokes, Mr. Roybal, Mr. Patten, Mr. Conte, and myself, the House, by a vote of 318 to 68, has provided the necessary moneys to continue the basic education opportunity grants program and the education for the handicapped program at adequate support levels through the remainder of fiscal 1976.

The additional $315 million for BEOG's will insure that the levels of support for disadvantaged higher education students will not be reduced for the coming school year. Likewise, it will insure that the new fourth class of students becoming eligible for BEO grants will receive those grants at the same level as students before them. In a year when the cost of higher education will increase by 7 to 9 percent this Congress could not afford to reduce BEOG's by 30 percent. But, without this amendment, that is exactly what would have happened—and it would have happened to 2,000 to 3,000 people in every congressional district throughout the country.

No one can dispute the fact that there are problems in the BEOG's program. GAO has acknowledged that the processing of applications must be simplified, as must the cash disbursement system. The program should have an earlier deadline for receipt of applications. The backlog of financial reports submitted by institutions must be reduced and so must the backlog of unresolved program audits. But, the way to accomplish these administrative goals is certainly not to reduce the appropriation for the program. Only the students and their families suffer from that kind of a negative incentive.

The same holds true for education for the handicapped. This Congress just passed legislation mandating all States to identify and educate all handicapped children. What we added to accomplish those lofty goals was $60 million—to support a program that in January we estimated would realistically cost $2.8 billion. That does not appear to me to be overfunding by any stretch of the imagination.

In my State of Massachusetts we have a State law, not unlike the new Federal law, requiring, to as great an extent as possible, the identification of and the subsequent education of all handicapped children in the State. There is only one catch—and not surprisingly, it is remarkably similar to the catch in the Federal bill—Massachusetts does not have the money to carry out the intent of its law. If the Federal Government chooses to require States to launch a massive campaign to identify and educate their handicapped residents, then I believe it has an obligation to assist the States in carrying out that mandate. There are somewhere between 8 and 9 million handicapped persons in the United States. Less than half of those persons have been identified. We—the Federal Government—are paying only 4 percent of the bill for education of the handicapped. With this increase we will be contributing a very modest 7 percent. I do not believe that is asking too much of the Federal Government—to be truthful, I believe it is asking very little.

There is no doubt in my mind that the House did the right thing in adopting this amendment and I was very proud to have been associated with it.

JUSTICE DEPARTMENT OFFICIAL TAKES A REALISTIC VIEW OF HISPANIC PRESENCE IN THE UNITED STATES

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. BADILLO. Mr. Speaker, I would like to call the attention of my colleagues to an article that appeared in the New York Times on Friday, April 9, 1976, discussing the need for a national assessment of the impact of Hispanic Americans on the United States. The article makes an important and realistic assumption that the persons in our country without proper immigration documentation are here to stay. While I disagree with the numbers of persons in the country without documentation, I do concur with the view that we will not deport the millions of individuals living in our country. This conclusion is based on the opinion that to deport these individuals would cost millions of dollars, untold grief to many American families, and require losses of traditional American freedoms to all Americans. Finding the individuals will require Gestapo-type police investigations and the use of citizen documentation that runs contrary to 200 years of American tradition.

I also concur with Mr. Benjamin Holman's opinion that there are 20 million Hispanic Americans in the United States. I reach my estimate via a different formula than the one expressed by Mr. Holman, but we reach the same conclusion—that 10 percent of the population of our country is of Hispanic origin.

Mr. Holman's belief that school boards should insist that urban teachers be bilingual and urban planning should take into account the particular needs of Spanish-speaking has long been my conviction. I welcome Mr. Holman's realistic outlook and hope other Members will reach the same conclusions.

[From the New York Times, Apr. 9, 1976]

Official Urges National Assessment as Hispanic American Population Rises Sharply

(By Ernest Holsendolph)

Washington, April 8.—The nation's Hispanic-American population, increasing sharply in the last two decades, is approaching 20 million, raising broad and complex implications for the society that planners and policy makers have scarcely begun to assess, according to the Community Relations Service.

The service, a Justice Department agency, says that the ethnic group includes 11.2 million Hispanic-Americans accounted for by the Census Bureau last year, as well as almost all of more than eight million "illegal" aliens estimated by the Immigration and Naturalization Service—whose exact numbers may never be known.

Five years earlier, in 1970, the Census Bureau's estimate of the number of Hispanic-Americans was 10 million.

The majority of the new residents are of Mexican origin, the service says; others are Puerto Ricans, Cubans and persons from Central and South America. The Census Bureau figures do not include residents of Puerto Rico itself.

The Hispanic-Americans are settling not only in such familiar areas as New York City, Miami and Los Angeles but also in a great tree-shaped sector with its thick trunk in Texas and its broad branches spreading up through the nation's center and outward along the Great Lakes.

In a speech prepared for delivery tomorrow in New York City. Mr, Holman describes the migration as a "blown tide" that resembles the movement of Southern blacks to Northern urban centers in the 1930's and 1940's, but with important differences.

Just as the huge migration of blacks was little-noticed by a preoccupied nation 40 years ago in the Depression, the Hispanic-American migration today constitutes "an evolving internal problem with both national and international consequencies that gets little attention from the thoughtful, concerned citizens and enlightens leadership sectors of our society," Mr. Holman says.

Mr. Holman's speech was prepared for a luncheon meeting of the American Immigration and Citizenship Conference at the Plaza Hotel.

The consequences of neglecting to monitor and sort out the new population phenomenon could have "unimagined implications for the maintenance of social order in our country," he states, "or [be] a golden opportunity for us to start planning, organizing and devising the future scheme of things."

POPULATION SAMPLING

The Community Relations Service was created in 1964 to serve as the mediator to smooth over the process of the integration of public accommodations. Since then it has played a conciliation role in community conflicts arising out of school integration and easing local problems involving racial and ethnic groups.

The Census Bureau will conduct its first direct count of Hispanic-Americans in 1980. In 1970 an official estimate was made for the first time by taking a 5 percent population sampling. The estimate was updated last year.

The official Census Bureau estimates, Mr. Holman says, indicate the following:

While 60 percent of the people of Spanish origin live in the five Southwestern states of Arizona, California, Colorado, New Mexico and Texas, New York City has the largest concentration of them, with estimates running from 1.5 million to 2.5 million.

In the Chicago-Great Lakes area alone, there are more Hispanic-Americans than in the states of Arizona, Colorado and New Mexico combined.

Among 80.8 percent of the native-born and foreign-born Hispanic-Americans combined, Spanish was the most common language spoken, indicating to the C.R.S. study that a growing number of communities are likely to become bilingual and bicultural. Underlining this development, Mr. Holman said, are the increasing number of businesses in some cities, including New York, that display signs stating, "English spoken here."

Although some of the new migrants are professionals and businessmen, including many of the Cuban refugees in Miami and in Greater New York, most tend to be poorer and less educated than the national average.

Because of the youthfulness of the Hispanic-American population, its relatively high fertility rates and the prospect of continued population "pressure" from Mexico, the service concluded that this sector would outpace the rest of the nation.

EXCEPTION IS CITED

the black migration, has done little to acmodate or adjust to the new migration, Mr. Holman says. One exception was legislation passed by Congress last year to protect the voting rights of citizens of Spanish origin.

Hispanic migrants, even more than the rest of the nation, tend to be concentrated in the cities. The 1970 Census estimates indicate that 83 percent live in urban areas.

With high unemployment nationally and a jobless rate among Hispanic-Americans that is double the national average, there have already been instances of friction between the newcomers and others, Mr. Holman indicates.

There have been a growing number of "confrontations" between the police and Hispanic-Americans, he says, and the police have been hampered by not having officers familiar with the new residents, their language and their cultures.

Mr. Holman emphasizes that the increase in Hispanic-Americans is a broad one.

"Cubans are now found in great numbers in Elizabeth, N.J., Puerto Ricans in Chicago are outnumbering white ethnics in what were once exclusive neighborhoods for Czechs, Poles and Lithuanians," he says. "Chicanos outnumber Indians in Utah. And our agency gets calls from Hispanics for assistance in such places as Burley, Idaho; Lancaster, Pa., and Omaha, Neb."

Mr. Holman believes that a number of changes are worth considering to avert problems.

He contends that school boards should insist that urban teachers be bilingual, that is, "that they not only speak but also understand Spanish," and teachers colleges should require Spanish language training for all teaching personnel.

Urban planning should take into account the particular needs of Spanish-speaking citizens and should include Hispanic leaders among the planners where possible, he says.

And Mr. Holman, who is black, chided social planners by sayings, "We should stop doing any more demographic studies of our cities that project the needs of blacks or poor whites only."

ALIENS IN NEW YORK

As much as 80 percent of the estimated 1.5 million illegal aliens in the New York metropolitan area are from South America, Central America and the Caribbean, according to officials of the Immigration and Naturalization Service here.

Other nationalities represented, they said, include Chinese, Greeks (mostly crew members who have jumped ship), Filipinos and Italians.

The considerable growth in illegal aliens here of Hispanic origin has occurred since 1965. Before that time, a citizen of a country in the Western Hemisphere could migrate to the United States by demonstrating to an American consul that he could support himself in this country.

Since 1965, however, there has been a ceiling of 120,000 immigrants each year from the Western Hemisphere, as well as other regulations that make emigration to the United States more difficult.

The effect of these changes, which mostly had led to a 2½ year waiting period for emigration from anywhere in the Western Hemisphere, has been to increase the number of aliens who either come, or remained here, illegally, most immigration experts agree.

CONGRESSIONAL BLACK CAUCUS LEGISLATIVE AGENDA, 94TH CONGRESS, 2D SESSION—PART II

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. RANGEL. Mr. Speaker, I am inserting into the RECORD the second part of the Congressional Black Caucus legislative agenda for the 2d session of the 94th Congress. Included herein are the agenda sections dealing with urban revitalization and rural development.

URBAN REVITALIZATION

The physical living conditions of black and poor Americans is central to the continuing domestic crisis in America. From dilapidated housing to run-down central business districts, and inadequate transportation and recreation, the elements of the urban dilemma are clear and its impact on the overall metropolitan environment can be devastating.

The problem has been that changes requires commitment and change requires money. The phrase, "a Marshall plan for the cities" has been with us for several years and it epitomizes what needs to be done to provide a decent standard of life for all of our urban dwellers. We were able, following the Second World War, to make that commitment and build much of war-torn Europe.

To begin that process in our own cities, the Congressional Black Caucus calls for the creation of an urban development bank for the revitalization of our inner cities. The urban development bank would be an independent public corporation able to facilitate and stimulate private development of housing and commercial-industrial facilities which cannot be readily developed without special assistance.

It is not expected that the development bank would operate any facilities of its own; rather, it is expected that the development bank would aid local development finance corporations, raise money on the private market with and without federal investment guarantees, and service loans which may be basically sound but which may be faced with problems of current repayments.

The development bank would be able to bridge that gap between local government—where the power of planning and land assembly resides, and private enterprise where the powers of development rests and the federal government, which has the unique ability to raise capital.

The basic problem in providing housing is money, and as the National Rural Housing Coalition has pointed out, our federal govenment provides financial assistance primarily through tax subsidies to the wealthy. The one percent of the population with incomes above $50,000 per year receive $1.4 billion per year, or 10 percent of all housing subsidies. Those earning less than $3,000 per year—14 percent of the population—received only 7 percent of the housing subsidies, or $0.9 billion per year.

According to the Department of Housing and Urban Development, there are 1.5 million households with incomes below $1,000 who are eligible for housing subsidies, but for whom there are no housing subsidies available, there are 3.1 million such families with incomes between $1,000 and $2,000 per year, 3.6 million such families with incomes between $2,000 and $3,000 per year, and 3.2 million between $3,000 and $4,000 per year. It could be about as expensive for the federal government to house our nation's poor families decently as it is to provide tax subsidies for the affluent.

The Emergency Low Income Housing Act, H.R. 6240 provides funds for 3 million additional housing units over the next 3 years—one million units of public housing, one million units of subsidized rental housing under Sections 236, 202 housing for the elderly, and Section 515 of the 1949 Housing Act for rural housing. The use of existing housing programs is a stop-gap, but necessary measures. The Administration has finally begun to lift the tragic freeze which had been placed on all subsidized housing programs except for the ineffective Section 8 program. It is a step in the right direction, but it is too little, too late.

Last year, the Congress passed and the President signed legislation requiring disclosure of mortgage loans by census tract. This is intended to provide the facts about the practice of red-lining, or failing to make mortgage loans in central city, largely black and poor, areas. The Congress should carefully scrutinize the facts that are developed through the requirements of this legislation and ensure non-discriminatory lending by enforcement or, if necessary, further legislation.

The Caucus also urges passage of the National Condominium Act to provide national condominium standards for condominium projects utilizing federal funds and create the post of Assistant Secretary of HUD for Condominiums to administer the protections with respect to condominiums.

Legislation should also be passed to extend the 518(b) program, which provides for payment to home purchasers for structural defects in homes purchased under certain FHA programs, to homeowners under all FHA programs regardless of date of purchase. This program is due to expire early in 1976 unless it is extended.

GENERAL REVENUE SHARING

Last year, the Congressional Black Caucus, in its Legislative Agenda for the First Session of the 94th Congress, took what can best be described as a skeptical position on the issue of general revenue sharing. We were concerned about the issues that had been raised by a large number of critics of the program. These issues had become clear early in the program's life and the question has been whether the facts would substantiate the initial concerns.

Many of these concerns address themselves to the benefits of general revenue sharing for minority groups and lower-income persons in our society. The heart of the question has been "who benefits from the expenditure of those federal funds which are known as general revenue sharing money?"

The rationale and rhetoric put forth in support of the revenue sharing program goes to the heart of our entire system of federal government assistance for domestic needs. The debate has in fact been a political debate which went far beyond a simple new program of relatively modest size.

The Federal government bears the responsibility to spend federal funds in a manner which, in the words of the Preamble to the Constitution, to "promote the General Welfare . . ." The federal government cannot divorce itself from the responsibility of seeing that certain public policies are carried out with the money it spends, whether that money is spent directly or through local governments.

Any legislation continuing the general revenue sharing program must make several basic changes to ensure that the program better serves the need of those with the greatest need.

First, the formula must be altered so as to allocate the funds more toward communities with the greatest need. The present formula is the product of political compromise, and despite the statement that it contains a 'poverty factor', studies have shown that the per capita income factor as presently used is not sufficient to allocate the funds in adequate measure to the communities with the greatest needs.

Second, there is extensive evidence that, as the Report by the Center for National Policy Review put it, "the civil rights enforcement program of the Department of the Treasury is seriously deficient, both taken as a whole and in most of its important parts." This record must be changed and it must be changed by changing the legislative provisions for civil rights enforcement.

We agree with the recommendations of the Subcommittee on Constitutional Rights of the House Judiciary Committee, especially those recommending that the prohibition against discrimination under the Act should be broadened to cover all activities of a recipient jurisdiction and to require automatic deferral of funds pending the outcome of an administrative hearing.

Third, the general revenue sharing statute should be amended to require a separate annual public hearing with adequate public notice for expenditure of general revenue sharing funds.

Finally, there must be firmer means of ensuring that funds be provided within categories of greatest need. There should be reporting requirements asking for narrative on the overall impact of revenue sharing funds on a State or locality's budget. There should be language calling for expenditures across the categories authorized in such a manner as to give adequate attention to social programs.

In sum, we must pierce the rhetorical veil surrounding revenue sharing and the "New Federalism" and work to enact programs which benefit those persons whose needs are the greatest.

THE CENSUS

The Census Bureau's own report that in 1970 it undercounted blacks in the country by 7.7 percent, missing an estimated 1.8 million persons, raises serious questions about the use of that data for purposes ranging from the allocation of funds to policies which flow from studies based on those data.

Studies by the Stanford Research Institute and the Joint Center for Political Studies have shown that adjustments can and should be made in the allocation of general revenue sharing funds to correct for the census undercount. We believe that this should be done administratively for general revenue sharing as well as for other formula-based allocations of federal funds.

We support passage of a bill which would require federal agencies to correct for the census undercount in fund allocations.

It is also imperative that legislation be passed instituting a national population census every five years. The present decennial census is simply inadequate to provide data to reflect the rapidly changing demographic make-up of our country. As blacks, we are particularly concerned about accurate information as to the location, size and characteristics of the black population.

CRIME

No group suffers the impact of crime in greater numbers or in larger proportion than blacks. Nonetheless, this year, as in the past, presidential candidates in particular are trying to use the crime issue demagogically simply to win votes. We recognize the serious nature of the crime problem. We have stated and continue to believe that crime is the symptom of our social ills, which must be cured to make real progress against the crime problem. We further recognize that when individuals are continually denied an investment in a society they cannot feel a sense of responsibility for that society. There is indeed a direct correlation between idleness and wickedness.

In this regard, we also recognize the need for moral leadership by blacks to condemn crime. Criminal activity is not to be condoned in any form, and we must continue to stress this message throughout our communities.

In the Congress, there are several issues which will face us this year. The Criminal Code Revision, known as S. 1, which has been pending in the Senate is a dangerous threat to the nation's freedoms. Its provisions would proscribe many of the methods of mass nonviolent protest on which the civil rights movement has relied, limit severely the ability of the press to expose official malfeasance, increase wiretapping, provide a mandatory death penalty, emphasize long jail sentences over efforts at rehabilitation, and institute a broad range of other totally unacceptable methods of dealing with crime.

There should be a careful look at any attempts to effect a compromise with respect to S. 1 to ensure that the many objectionable features of that bill do not remain.

Also this year, the legislation which created the Law Enforcement Assistance Administration and its programs will expire. We believe that the evidence will show the LEAA to have been ineffective in reducing crime. Over $4 billion has been spent—$700 million for each of the last 7 years—has been spent to improve the administration of injustice and reduce crime. In the early years we saw much of the money going for the purchase of hardware. There remains an emphasis on "gadgets" with questionable value in crime prevention and little use of the funds for major court and other innovative criminal system reforms.

It must be recognized that the LEAA funds represent only about 5 percent of a State's total crime budget and that the minimal amount of federal oversight through this block grant-type program has contributed to its limited effectiveness. There must be legislative changes to encourage the use of LEAA funds as leverage to bring about more fundamental state reforms, and there must be increased oversight both by the federal government and by the States, which distribute the money to localities, to ensure greater effectiveness of the LEAA programs. Specifically, strong civil rights language must be included in any bill extending the programs.

The Caucus continues to express its support for the passage of the strongest possible gun control bill. This includes banning the manufacture, sale, importation, purchase, transfer, transportation, receipt or ownership of handgun, with exceptions for certain legitimate purposes. The gun lobby, which has stymied effective congressional action must be countered by the expression of support for gun control legislation by citizens concerned about guns and crime.

There is legislation pending, as well, for reform of the Grand Jury System. It provides rules and safeguards assuring the appearance of witnesses, protecting their constitutional rights and apprising grand jury members of their inquiry powers. A witness could be given immunity and a corresponding order to testify only if he or she agrees to this exchange. A favorable vote by a grand jury majority would be necessary to subpoena a witness and to request a contempt citation. Use immunity should be eliminated.

A number of other criminal justice reforms should be made. "Dum-Dum", or hollow-head bullets which cause great injury with no law enforcement value should be banned. Citizens should be enlisted in war against crime through such programs as citizens patrols and block security programs. Criminal offenses, especially in non-violent crimes should be redefined. Programs of deferred prosecution in federal criminal cases should be created. A federal grand jury investigating executive branch officials should have the opportunity to appoint a special prosecutor if it is felt that he invesigation is being compromised. Also, an independent third-party system for investigating and arbitrating complaints of both inmates and the staffs of the federal prison system and those who are under the direction of the federal parole board should be established. This would be an office known as the Federal Correctional Ombudsman.

Rural Development

The Congressional Black Caucus has a special concern about the problems faced by those who live in rural areas and small towns. Although our members come from large urban centers, we recognize that majority of blacks live in the South, many in rural and small town areas, and that a large number of the nation's poor live in these same areas.

Poverty in rural areas is different in nature, but not in severity, from poverty in the cities. The crowded slums have their equal in dilapidated shacks. Poor plumbing and other utilities have their equivalent in the total absence of water and sewer systems in many communities. Poor mass transit is matched by no transportation at all for many rural areas.

The solutions again require commitment and money. The Rural Development Act of 1972 has the potential for alleviating some of the poverty and despair. However, according to a study by the Congressional Research Service, "it seems clear . . . that the Administration and the Secretary of Agriculture do not believe in strong Federal leadership in connection with rural development." We agree with the Congressional Research Service recommendation that the Rural Development Act be amended to require the Department of Agriculture, which administers the Act, to establish qualitative goals for progress under the Act. These goals should cover community services and facilities, education, employment, energy, environmental protection, financial resources and credit requirements, health, housing, income, occupational training, population, sewage treatment, water and sewer facilities, social services and transportation for rural development.

The Secretary of Agriculture should also be required to submit to the Congress each year a report detailing progress made toward the goals set.

We have called, in our section on Urban Revitalization for implementation of existing housing programs to provide an additional 3 million units nationwide during the next 3 years. An equitable share of these units should go to small towns and rural areas.

Further, the Congressional Black Caucus endorses the specific proposals in the National Rural Housing Coalition's 1976 Legislative Program. In particular, necessary legislative changes to provide grants to low-income homeowners for home improvement should be made and the Farmers Home Administration should not be limited in the amount of unsubsidized loans it may make or guarantee through the Rural Housing Insurance Fund so long as other requirements are met.

Finally, we call for the establishment of an independent Federal agency for rural affairs to give rural matters the emphasis and visibility which they deserve. Short of this, an Assistant Secretary for Rural Affairs should be established both in the Department of Agriculture and Department of Housing and Urban Development.

PROPOSALS AIMED AT SOLVING FOREST MANAGEMENT ISSUES

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. BAUCUS. Mr. Speaker, virtually everyone agrees that the Nation needs a new forest management policy. Interest groups representing various constituencies agree that Congress must legislate that policy. Beyond these points, agreement evaporates into stormy controversy.

Environmentalists, forestry professionals, economists and the wood products industry disagree loudly over the substance of new legislation, its timing and its purpose. Avalanches of studies, reports and letters stream into congressional offices every day, supporting or rebuking legislative proposals aimed at solving forest management issues.

Most notable of these proposals are S. 2926, the National Forest Timber Reform Act—introduced by Senator JENNINGS RANDOLPH—and S. 3091, Amendments to the Forest and Rangeland Renewable Resources Planning Act—introduced by Senator HUBERT HUMPHREY. Much has been said about these two approaches, particularly in Montana's heavily forested western congressional district where the annual timber harvest exceeds 1 billion board feet, where more than half of all personal income is either directly or indirectly related to production of wood products, where fractional changes in the timber harvest affect thousands of jobs. Awareness of Federal forest management issues is acute since three-quarters of Montana's forested land is federally owned. Montanans thus have an enormous stake in the Federal management controversy surrounding S. 2926 and S. 3091.

Both bills are viewed by their supporters as "remedial legislation." The Randolph bill emerged in response to recent court interpretations of the Organic Act of 1897. The Monongahela and Tongass decisions interpreted the Organic Act as prohibiting sale of federally owned timber that is not "dead, matured or large growth." Moreover, the courts held that the Forest Service must "mark and designate" each tree prior to sale in conformance to the Organic Act.

The court decisions have far-reaching effects within their jurisdictions. Clearcuts of mature even-aged stands are prohibited unless the Forest Service marks every tree—an expensive procedure. Removal of poorly stocked, immature or low-quality trees to provide space for better, more vigorous trees is prohibited. Promoting maximum growth of high-quality trees by commercial thinning in young stands is prohibited. Similar young-stand thinning aimed at improving food supplies for livestock and wildlife is likewise prohibited.

JENNINGS RANDOLPH told the Senate on February 4, 1976, that his bill is intended to "clarify the law and to place the timber management of the national forests on a new basis." The thrust of this bill is "timber management reform" through specific management prescriptions written in statute.

The Humphrey bill emerged as the second phase of legislative responsibility that Congress carved for itself by enacting the Forest and Rangeland Renewable Resources Planning Act of 1974—RPA. The RPA mandated formulation of both short- and long-term management goals with maximum emphasis on use of scientific data, public participation, and multiple use of forest resources.

HUBERT HUMPHREY's S. 3091 expands and refines the reporting, planning and public participation aspects of the RPA. It focuses on all forest resource systems—outdoor recreation and wilderness, timber, range, land, water, and wildlife. While the Randolph bill deals with means, the Humphrey bill deals with ends.

Both bills were conceived by thoughtful and concerned professionals who recognize that forest management policy is failing. Proponents of the Randolph bill view timber management reform as the key to effecting a new policy that serves the national interest. Supporters of the Humphrey bill, in varying degrees, are mindful of the RPA and the need to deal with all forest resources equally.

I have joined in cosponsorship of the Humphrey bill in the House, H.R. 12663. I did so not because I believe that the bill is the perfect solution to management issues. Rather, I believe that H.R. 12663 provides a suitable vehicle for effecting the kinds of long-term change needed to ensure that our forests remain productive. The goal must be productivity in terms of all resource systems. Reaching that goal requires management that is conscious of all forest resources—not just timber or wildlife or aesthetics—if future generations are to benefit from those resources.

Sweeping change cannot be accomplished overnight. The RPA accounted for this fact and established a realistic timetable for administrative and legislative action. The first administrative requirement on the timetable, a Renewable Resource Assessment—an inventory of all the Nation's renewable resources—was completed by the Forest Service and was submitted to Congress in late 1975. A second requirement, however, ran into a snag. A management plan based on the Assessment, according to the RPA, was to be formulated by the Department of Agriculture for presentation to Congress by January 1, 1976. Congress would then approve, disapprove or amend the management plan.

January came and went. The Ford administration could not agree internally on the provisions of the management plan. February came and went. The administration still had presented no management plan.

On March 5, Senator HUMPHREY—one of the principal authors of the RPA—introduced S. 3091. The bill resulted from extensive dialog between both Houses of Congress, the Forest Service, environmentalists and the wood products industry. S. 3091 filled the vacancy created by the Ford administration's lack of action toward a management plan.

Supporters of the Randolph bill express concern over the lack of specific forestry prescriptions in the Humphrey bill. I share many of those concerns and believe that the Humphrey bill should be amended to provide greater specificity in several areas. Presented here is an amended version of the Humphrey bill which I hope will provide to the House Agriculture Committee some ideas for discussion in its deliberation on a forest management bill.

Of major concern in formulating a management plan for a given area is the nature of inventory data on renewable resources within that area. The Randolph bill gives special attention to soil conditions. Included in the new version is a requirement that special emphasis be placed on soil, water, fish and wildlife resources, and that pertinent maps and other aids be developed to identify potential hazards attendant to any planned management activity. The purpose of this provision is to insure that the land be managed according to its suitability as determined by proper attention to its resource systems.

Another matter that deserves the committee's attention is management involving conversion of plant and animal communities from one species to another. The new bill suggests setting guidelines for determining the suitability of an area for such conversion before a management plan is implemented.

Up-to-the-minute scientific data on forest resources means little unless used. Another amendment provides for continual review of forest management practices on the basis of the latest scientific data.

The size of timber harvest areas for the purpose of regeneration in a given stand of trees is of major concern. One amendment would provides for setting guidelines within specific areas. The upper limits of these guidelines could not be exceeded without adequate public notice and review under the National Environmental Policy Act—NEPA. The limits would not apply, however, to harvests undertaken in response to natural catastrophes such as fire, windstorm, or attacks by insects or disease.

To maximize public review and participation in the timber management aspect of forest policy, the new version contains a provision to make available to the public all timber maps and prospectuses.

Another amendment would limit the length of timber sales to 10 years and would tighten the procedure for granting exemptions to contract time limitations. The purpose of this amendment is to insure orderly harvesting.

Proper utilization of harvest material is a concern I share with supporters of the Randolph bill. Another amendment broadens the Randolph provision to establish utilization standards for removal of trees, portions of trees and other forest products to provide optimum use of wood material. In setting such standards, regional considerations and species characteristics would be considered to insure management compatible with the doctrine of multiple use.

Other amendments deal with funding. One provision would safeguard congressional intent with respect to adequate management of specific resource systems. This means that administrative decisions could not completely pre-empt expenditures for wildlife—for example—in favor of timber. Provisions are made for adequate funding for reforestation and seedling production through direct appropriations. The effect would be an increase in payments to the counties since timber sale revenues would no longer be diminished by reforestation deductions. Provisions are also made to fund management of logged and grazed lands to insure their future productivity.

A provision is included to increase the percentage of nontimber purchaser financed road construction to at least 30 percent by fiscal year 1978, to 40 percent for fiscal year 1979, and to 50 percent for fiscal year 1980 and thereafter. Section 9 of the RPA calls for implementation of a national forest transportation system to meet anticipated needs on an "economical and environmentally sound basis." The act also requires that the method for financing the system be one which enhances local, regional, and national benefits. Present forest development road construction—excepting maintenance and engineering—is financed primarily through purchaser credit in timber sale contracts. This inherent cost factor in timber harvesting reduces stumpage value and bites into the 25-percent receipt payments to States. The new funding provision is designed to achieve the balance sought by the RPA in road construction financing while increasing the States' share of timber sales.

Undoubtedly, other improvements to the Humphrey bill can be made. I do not presume to have all the answers. My purpose in offering this amended version is to stimulate discussion and debate on matters of concern to Montanans.

Establishment of realistic goals in forest management cannot take place without sound scientific knowledge and public participation. New legislation must maximize the attainment of both. Achieving the scientific knowledge will provide to forest managers the tools they need. Public participation will provide the direction and the definition of needs.

I cannot in good conscience pass judgment on statutory management prescriptions such as those contained in the Randolph bill at this time. I have little faith in Congress' ability to enforce and oversee such prescriptions. I have much greater faith in the public, providing that the public is given the means to supply its wishes, needs, and observations. An amended version of the Humphrey bill would accomplish this end:

H.R. 13258

A bill to amend the Forest and Rangeland and Renewable Resources Planning Act of 1974 (88 Stat. 476) and the Act of June 4, 1897 (30 Stat. 35)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476; 16 U.S.C. 1601) is amended by inserting "(a)" immediately after the word "That" and by adding a new subsection (b) as follows:

"(b) The Congress finds that—

"(1) the management of the Nation's renewable resources is highly complex and the uses, demand for, and supply of the various resources are subject to change over time;

"(2) the public interest is served by the Forest Service, Department of Agriculture, in cooperation with other agencies, assessing the Nation's renewable resources, and developing and preparing a national renewable resource program, which are periodically reviewed and updated;

"(3) to serve the national interest the renewable resource program must be based on a comprehensive assessment of present and anticipated uses, demand for, and supply of renewable resources from the Nation's public and private forests and rangeland, thorough analysis of environmental and economic impacts, coordination of multiple use and sustained yield opportunities as provided in the Multiple Use Sustained Yield Act of 1960 (74 Stat. 215; 16 U.S.C. 528–531), and public participation in the development of the program;

"(4) the new knowledge derived from coordinated public and private research programs will promote a sound technical and ecological base for effective management, use and protection of the Nation's renewable resources;

"(5) the majority of the Nation's forest and rangeland is under private, State and local governmental management and the Nation's major capacity to produce goods and services is based on these non-Federally managed renewable resources, the Federal Government should be 'a catalyst' to encourage and assist these owners in the efficient long-term use and improvement of these lands and their renewable resources consistent with the principles of sustained yield and multiple use; and

"(6) the Forest Service by virtue of its statutory authority for management of the National Forest System, research and cooperative programs, and its role as an agency in the Department of Agriculture, has both a responsibility and an opportunity to be a leader in assuring that the Nation maintains a natural resource conservation posture that will meet the requirements of our people in perpetuity."

SEC. 2. Section 3 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (83 Stat. 477; 16 U.S.C. 1602) is amended by striking out the word "and" at the end of paragraph (3); striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon and the word "and"; and by adding the following new paragraph:

"(5) national program recommendations which—

"(A) evaluate objectives for the major Forest Service programs in order that multiple use and sustained yield relationships among and within the renewable resources can be determined;

"(B) explain the opportunities for various owners of forest and rangeland to participate in various programs to improve and enhance the condition of the land and the renewable resource products therefrom;

"(C) recognize the fundamental need to assure soil, water, and air resources; and

"(D) state national goals that recognize the interrelationships between and interdependence within the renewable resources."

SEC. 3. Section 5 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 477; 16 U.S.C. 1604) is amended by adding the following subsections:

"(c) In the development and revision of land management plans, the Secretary shall provide for public participation in the formulation and review of proposed plans.

"(d) Within two years after enactment of this Act the Secretary shall, in accordance with the procedures set forth in section 553 of title 5, United States Code, promulgate regulations, under the principles of the Multiple Use Sustained Yield Act of 1960 (74 Stat. 215 et seq.; 16 U.S.C. 528–531), that set out the process for the development and revision of the land management plans, and the guidelines and standards prescribed by this subsection. Said regulations shall include, but not be limited to—

"(1) Specifying how the interdisciplinary approach, as required by subsection (b) of this section, will be implemented;

"(2) Specifying the type or types of plans that will be prepared and the relationship of those plans to the program developed pursuant to section 3;

"(3) Specifying procedures to insure public participation, as required in subsection (c) of this section;

"(4) Specifying procedures to insure that plans are prepared in accordance with the National Environmental Policy Act of 1969, including, but not limited to, the preparation of an environmental impact statement required under section 102(2)(C) of that Act;

"(5) Specifying guidelines for land management plans, which—

"(A) identify the suitability of lands for resource management including *guidelines for the development of inventory data on the various renewable resources with special emphasis on soil, water, and fish and wildlife resources, based on pertinent maps, graphic material and other aids needed to develop* *sound land management plans, such data shall identify special conditions or situations involving hazards to the various resources and the interrelationship with planned activities;*

"*(B) provide for plant and animal communities based on the suitability and capability of the specific land area;*

"(C) (i) prescribe, according to geographic area forest types, or other suitable classifications, the system or the systems of silviculture which include, but are not restricted to, forest management, intermediate thinning, harvesting of trees and products, regeneration, and other treatment methods; *(ii) insure consideration of all systems of renewable resources management, including the related systems of silviculture* and protection of forest resources, *methods to provide* for outdoor recreation (including wilderness), range, timber, watershed, wildlife and fish, *provide evaluation of the effects of each management system in use or proposed for use, and provide for the modification or discontinuation of a management system or methods when research or evaluation establishes that a management system or method is producing substantial impairment to the productivity of the land;* (iii) recognize the requirements necessary to coordinate the multiple uses applicable to special or unique management areas; (iv) recognize the need for special provisions to protect soil, water, aesthetic, and wildlife resources where conditions are critical for tree regeneration within a reasonable period of time either by natural or artificial means, or where the size of a timber sale, cutting areas, or stand size and species composition are critical in terms of multiple use impacts; *and (v) establish, according to geographic areas, forest types, or other suitable classifications, the maximum size limits for areas to be harvested or the proportion of a stand that may be removed in one harvest operation to secure regeneration, including provision to exceed the established limits or proportions after appropriate public notice and review by the responsible Forest Service officer one level above the Forest Service officer who normally would approve the harvest proposal. Provided, That, such limits or proportions shall not apply to areas harvested as a result of natural catastrophic conditions such as fire, insect or disease attack or windstorm; and*

"(D) assure a sustained yield of the various resources on the national forests *at a level consistent with the biological capability of the land and resources in a manner consistent with multiple use requirements;* and

"(6) Specify guidelines to be followed in the preparation and revision of resource plans using an interdisciplinary review.

"(e) Resource plans and permits, contracts, and other instruments for the use and occupancy of National Forest System lands shall be consistent with the land management plans. Those resource plans and permits, contracts, and other such instruments currently in existence *shall be revised as soon as practicable to be made consistent with such plans.* When land management plans are revised, resource plans and permits, contracts, and other instruments, when necessary, shall be revised as soon as practicable. *Any revision in permits, contracts, and other instruments made pursuant to this section shall be subject to valid existing rights.*

"(f) Land management plans and revisions shall become effective thirty days after completion of public participation and publication of notification by the Secretary as required under Section 5(d)(3) of this Act.

"(g) The Secretary shall within ninety days after the enactment of this Act adopt interim procedures to guide the land management planning process set forth in section 5(d) of this Act.".

Sec. 4. Sec. 7(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 674; 16 U.S.C. 1606), is amended by striking out the word "sixty" and inserting in lieu thereof the word "ninety" and by adding the following sentences at the end thereof:

"There is authorized to be appropriated such sums as may be necessary to carry out the recommended Renewable Resource Program as modified by the President's Statement of Policy and subsequent action by the Congress. Such authorization shall be for each of the fiscal years in the 4- or 5-year period prior to the adoption of the next scheduled Program or Program update. Provided, That to insure multiple use balance in the management of the various renewable resources, the proportional level of financing set forth in the budget request between the renewable resource systems shall not vary more than 10 percent from the ratio existing in the Renewable Resource Program adopted by the Congress. To provide the balance sought by Sec. 9 of this Act and to meet the similar goals in the Act of Oct. 13, 1964 (16 U.S.C. 535) for construction of roads as between timber purchaser roads as authorized by clause (2) of Sec. 4 of the Act of Oct. 13, 1964, and roads financed by other methods, budget requests for construction by other methods shall be at least 30 percent of the total for construction for the fiscal year 1978, 40 percent for the fiscal year 1979, and 50 percent for the fiscal year 1980 and thereafter.".

Sec. 5. The eleven undesignated paragraphs under the heading "Surveying the Public Lands: in the Act of June 4, 1897 (30 Stat. 35, as amended: 16 U.S.C. ——), are hereby redesignated as paragraphs "(1) through (11)".

Sec. 6. The Twelfth undesignated paragraph under the heading "SURVEYING THE PUBLIC LANDS" in the Act of June 4, 1897 (30 Stat. 35, as amended; 16 U.S.C. 476), is hereby amended by striking out the same and inserting in lieu thereof the following paragraphs:

"(12) For the purpose of achieving the policies set forth in the Multiple Use Sustained Yield Act (74 Stat. 215; 16 U.S.C. § 28–§ 31) and the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476; 16 U.S.C. 1601–1610), the Secretary of Agriculture may sell at not less than appraised value, trees, portions of trees, or forest products located on National Forest System lands.

"*(13) All advertised timber sales shall be designated on maps and a prospectus shall be available to the public and interested potential bidders.*

"*(14) The length and the other terms of the contract shall be designed to promote orderly harvesting consistent with the principles set out in Sec. 5 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 477; 16 U.S.C. 1604), as amended by Sec. 3 of this Act. Sales contracts shall be for a period not to exceed 10 years; Provided, however, That such period may be adjusted at the discretion of the Secretary to provide additional time due to time delays caused by an act of an agent of the United States, or by other circumstances beyond the control of the purchaser. The Secretary shall require the purchaser to file as soon as practicable after execution of a contract for an advertised sale with a term of two years or more, a plan of operation, which shall be subject to concurrence by the Secretary. The Secretary shall consider diligent performance under a plan of operation in application for extension of a contract period.*

"(15) The Secretary of Agriculture shall advertise all sales unless he determines that extraordinary conditions exist, as defined by regulation, or that the appraised value of the sale is less than $10,000. If, upon proper offering, no satisfactory bid is received for a sale, or the bidder fails to complete the purchase, the sale may be offered and sold without further advertisement.

"*(16) The Secretary of Agriculture, under such rules and regulations as he may prescribe, is authorized to dispose of, by sale or otherwise, trees, portions of trees, or other forest products related to research and demonstration projects.*

"(17) Designation, marking when necessary, and supervision of harvesting of trees, portions of trees, or forest products shall be conducted by persons employed by the Secretary. Such persons shall have no personal interest in the purchase or harvest of such products and shall not be directly or indirectly in the employment of the purchaser thereof.

"*(18) Utilization standards and methods of measurement shall be established for the removal of trees, portions of trees, or forest products to provide for the optimum practical use of the wood material. Such standards shall reflect consideration of opportunities to promote more effective wood utilization, regional conditions, and species characteristics and shall be compatible with multiple use resource management objectives in the affected area.*

Sec. 7. Timber sales made pursuant to the Act of June 4, 1897 (30 Stat. 35, as amended; 16 U.S.C. 476) prior to the date of enactment of this Act are hereby validated.

Sec. 8. The Multiple Use Sustained Yield Act of 1960 (74 Stat. 215; 16 U.S.C. 528–531) and all related Acts which use the terms "multiple use" and "sustained yield" are amended to be printed "MULTIPLE use" and "SUSTAINED yield" and the Act is retitled "An Act for the Development and Administration of Renewable Surface Resources for MULTIPLE use and SUSTAINED yield of Products and Services".

Sec. 9. *The Act of June 9, 1930 (46 Stat. 527; 16 U.S.C. 576–576b) is hereby repealed and the following is enacted in lieu thereof: "(a) Of the moneys received from the sale of trees, portions of trees, or products, during each fiscal year there shall be available when appropriated by Congress, to be available until expended, under such rules and regulations as the Secretary of Agriculture shall prescribe, the portion of such moneys that are needed to protect and improve the future productivity of the renewable resources of the forest land on such sale area. The sums appropriated may be used for sale area improvement operations, maintenance and construction, reforestation and forest habitat management.*

"*(b) The Secretary is authorized to establish forest tree nurseries and do all other things necessary to provide trees, seeds and seedlings for planting on the National Forests, including site preparation and care of the growing forest in order to improve the future productivity of the renewable resources of the forest land. The Secretary is authorized, upon the application of the head of another Federal Department or agency, to furnish seeds or trees at cost, for planting on other Federal land."*

Sec. 10. *Sec. 12 of the Act of April 24, 1950 (64 Stat. 82; as amended; 16 U.S.C. 580h) is hereby repealed and the following is enacted in lieu thereof: "(a) Of the moneys received from grazing fees by the Forest Service during each fiscal year there shall be available when appropriated by Congress, to be available until expended, under such rules and regulations as the Secretary of Agriculture shall prescribe, the portion of such fees that are required in order to protect and improve the future productivity of the renewable resources of the rangeland improvement operations, maintenance and construction including revegetation and habitat management.*

"*(b) The Secretary is authorized to establish nurseries and do all other things necessary to provide seeds and plants for planting on the National Forests, including site preparation and care of the rangeland in order to improve the future productivity of the renewable resources of the rangeland. The Secretary is authorized, upon the application of* *the head of another Federal Department or agency, to furnish seeds or plants at cost, for planting on other Federal land."*

SEC. 11. *Sec. 11 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 674; 16 U.S.C. 1610) is amended by striking out the period at the end of that section and inserting in lieu thereof the following "and on the date of enactment of any legislation amendatory or supplementary thereto."*

ENVIRONMENTAL PROTECTION AGENCY DISCHARGING EVERYTHING BUT ITS RESPONSIBILITY

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. BAUMAN. Mr. Speaker, the Environmental Protection Agency continues to allow the dumping of waste material in ocean waters despite mounting evidence that such practices have disastrous ecological consequences.

Recently, officials from the Maryland Department of National Resources stated that a polio virus had been discovered at the ocean dump site used by the cities of Philadelphia, Pa., and Camden, N.J., which is located only a short distance off the coast of Maryland and Delaware.

I requested the Administrator of EPA, Russell Train, to immediately halt this method of disposal and received from Mr. Train a letter which indicated that the EPA did not consider the latest evidence of sufficient import to halt the offshore dumping of waste material.

Mr. Warren K. Rich, assistant attorney general for the State of Maryland's Department of Natural Resources has responded to the EPA's comments on this matter. Mr. Rich asserts and I agree, that the discovery of polio virus 2 in the previously uninfected ocean disposal area is a plain indication that the EPA is in violation of its own statutory mandate which prohibits the dumping of any materials which degrade previously uncontaminated areas or extend the range of biological viruses.

EPA has not fulfilled its statutory obligations. It is time for Congress to undertake a full investigation in an effort to determine whether or not the existence of the agency in its present form is required any longer. I insert at this point a copy of my letter to Russell Train, his response to me, and the rebuttal which has been offered by Mr. Rich. I include also a copy of an editorial dealing with this problem which has recently appeared in the Maryland Coast Press:

[From the Maryland Coast Press, Apr. 8, 1976]

PROTESTING WON'T STOP OCEAN DUMPING NEITHER WILL AN ACT OF CONGRESS

The Environmental Protection Agency (EPA) will hold public hearings on Philadelphia's sludge dumping on April 28. But all the protesting in the world won't stop the EPA from granting Philadelphia another interim permit to dump its pollutant and disease ridden waste off the coast of Ocean City.

EPA has already decided that they will issue the interim dumping permit to Philadelphia despite the protests of coastal citizens and despite findings that the sludge contains polio viruses and is laden with poisonous metals and chemicals.

The April 28 hearing, to be held in Delaware, has been scheduled because at a January hearing it was disclosed that EPA had found a polio virus near the dump site and had not advised anyone concerned with the dumping of its findings. In fact EPA did not include the listing of the polio virus in its notice of public hearing and the virus was not publicized until Warren Rich, Maryland's assistant attorney general, charged that EPA had covered up the polio virus findings.

EPA says the polio found in samples taken near the dump site are harmless, and didn't consider the virus find important enough to notify the general public of its existence. EPA officials say it's nothing to worry about, merely a harmless strain of a polio vaccine flushed down the toilets and into Philadelphia's sewage system. However, other experts, some of the country's best virologists and the manufacturer of the polio vaccine are much more skeptical then EPA. Some of them say that if the polio virus can live through the secondary treatment given Philadelphia's sludge and survive in the ocean then there's reason for concern. The manufacturer of the polio virus ensures that none of the polio virus enters the sewage system at the point of manufacturing because of the uncertainty of the virus's potential danger to human life.

EPA's investigation of the polio virus and other potential viruses—measles, hepatitis—in Philadelphia sludge is subject to suspicion. Instead of ensuring that the virus and other poisonous elements in the sludge present no danger to the health of man or health of the fishing and clamming sites near the dumping site, the EPA contends that the waste can be dumped until it is determined that the sludge is harmful. In other words, if it's harmful, prove it instead of, no dumping until it's proven that it's safe.

Unfortunately the EPA has been empowered by Congress to protect the environment from unnecessary pollution and damage and it is the only agency authorized to stop the ocean dumping. But the EPA has already determined that the dumping continues until 1981 until somebody convinces it that the waste should be completely harmless, not just assumedly harmless, before it is dumped off the coast of Ocean City.

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 22, 1976.

Hon. RUSSELL E. TRAIN,
Administrator,
Environmental Protection Agency,
Washington, D.C.

DEAR RUSS: Mr. Warren K. Rich, Assistant Attorney General for the Maryland Department of Natural Resources, testified at a recent EPA ocean dumping hearing in Rehoboth, DE that traces of an infectious polio virus have been found on samples taken from the ocean site off the coast of Maryland used for the disposal of sludge.

This finding confirms the worst fears that have been expressed by those of us who are opposed to ocean disposal methods and appears to confirm the assertion of EPA officials that tests conducted during the past year revealed the presence of chemical pollutants in the material which had previously been disposed of in ocean waters. Even more disturbing, however, is the possibility that the EPA has been aware of this evidence and has made no attempt to bring an immediate halt to such dumping practices while an investigation is made into the matter.

The Subcommittee on Oceanography of the House Committee on Merchant Marine and Fisheries will be holding oversight hearings on the Marine Protection, Research and Sanctuaries Act during the weeks of January 19 and January 26, 1976. I respectfully request that you or your representative be prepared to answer the serious questions which have been raised by Mr. Rich at these or subsequent hearings.

Until these questions have been answered and your agency has conducted an extensive investigation into the matter, I again urge you to immediately halt all ocean dumping practices.

Faithfully yours,
ROBERT E. BAUMAN,
Member of Congress.

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C., March 11, 1976.

Hon. ROBERT E. BAUMAN,
House of Representatives,
Washington, D.C.

DEAR BOB: This is in response to your leter of January 22, 1976, in which you expressed concern that traces of an infectious poliovirus have been found in samples taken from the ocean site off the coast of Maryland used for disposal of sludge.

We believe that the discovery of the poliovirus does not pose an imminent threat to human health and further, there is substantial doubt as to whether the source of the virus was sludge dumped into the Philadelphia dump site.

The water sample which contained a small number of poliovirus 2, 3 PFU's of virus to be exact, was one of fifteen samples taken in the course of an EPA monitoring cruise of the Philadelphia dump site. The cruise was conducted from August 12, 1974 through August 15, 1974. While the polioviruses were infectious, all viruses by nature are infectious. The test used to identify the viruses did not distinguish between the attenuated vaccine strain, which is harmless, and the virulent strain, which may be capable of producing paralytic disease. However, in the many years since the introduction of attenuated live-virus polio vaccines in this country, the number of polioviruses found in human sewage has increased greatly because viruses are excreted by newly vaccinated individuals. For this reason, the discovery of poliovirus 2 was not unusual. In fact, anywhere that human waste is discharged into water, it is common that a number of poliovirus 2 will be found.

The health significance of the discovery of the viruses diminishes further when the location of the discovery is considered. The water sample was taken about ten miles southwest of the Philadelphia dump site, a distance of forty miles seaward from the Maryland-Delaware shoreline. Because of the distance from shore, it is improbable that the polioviruses could have reached recreational beaches where bathers could have ingested them. With the minute chance of human contact, the health risk imposed by the viruses, even if they were virulent, was equally minute.

Moreover, bathers are exposed to far greater health risks from polioviruses transmitted from other bathers or that exist in land based water pollution sources such as ocean outfalls, than from the 3 PFU's of poliovirus in issue. Even these risks are minimal.

Not only did the polioviruses not present an imminent health hazard, but the source of the viruses cannot be established. In your letter you assumed that the source of the polioviruses was sludge dumped at the Philadelphia dump site. While the Philadelphia dump site is the largest source of human waste in the area in which the polioviruses were discovered, other possibilities exist. For example, the area where the polio viruses were discovered is traversed by tankers, fishing vessels and other commercial vessels. Human wastes discharged from one such vessel could have contained the small number of polioviruses that were discovered. It also is possible, although unlikely because of the distance involved, that the polioviruses flowed from some source on shore.

Indeed, one factor suggests that the dump site was not the source of the polioviruses. The six samples taken during the August 1974 monitoring cruise from water and sediment within the geographical confines of the dump site contained no viruses. If viruses of any variety including poliovirus 2 were present in any quantity at the dump site, this would have been reflected by these samples.

In an earlier letter (December 12, 1975) you expressed your very strong opposition to the decision of EPA Region III changing the limiting criteria in the Philadelphia ocean dumping permit from gallons to pounds. I regret that I cannot agree with your criticism. As discussed in the recommendation of the Hearing Officer, a copy of which was furnished to your office in December, the revised poundage limit in the Philadelphia ocean dumping permit represents less solid material than has been dumped in prior years even though the volume may increase. Therefore, we feel that the new poundage criteria gives EPA better control over the City of Philadelphia's dumping activities.

Until the use of the Philadelphia dump site is discontinued in 1981, the Environmental Protection Agency will continue its monitoring efforts at the dump site to insure that the health and well-being of the citizens of Delaware's and Maryland's coastal communities are not adversely affected.

Sincerely yours,

RUSSELL E. TRAIN.

DEPARTMENT OF NATURAL RESOURCES,
Annapolis, Md., April 6, 1976.

Hon. ROBERT E. BAUMAN,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BAUMAN: This is in response to your letter of March 31, 1967, asking that we comment on Russell Train's letter of March 11, 1976.

In brief, Mr. Train misses the point in his discussion concerning the presence and virulence of the polio virus 2 isolated from the ocean water sample by his Cincinnati laboratory. This was a chance encounter with a virus since the Cincinnati laboratory had requested a limited number of small samples just as an aside when the cruise was embarked upon. The isolation of any virus is extremely difficult and the fact that polio virus 2 was isolated and identified raises the logical inference that a great many other viruses are presently persisting in that ocean environment.[1] The mere fact that the laboratory did not isolate any virus in the other samples *does not* mean none were there. It only meant *none were found*. The actual finding of any virus under these "strained" conditions is all the more remarkable.

I am enclosing copies of a number of pages from a deposition taken of Dr. Rita Colwell which indicates the main thrust of the State's concern which is the contamination of an uncontaminated area with sewage sludge.

Polio virus 2, whether natural or attenuated, is not naturally found in the ocean environment; nor are pathogenic bacteria or large concentrations of heavy metals such as those contained in the Philadelphia sludge. The EPA has chosen to contaminate a new area and the most recent expression which evidences this contamination is in the March 23, 1976 memorandum from the director of the Annapolis field office of the EPA to his boss, Dan Snyder. Based on their most recent analysis, they have pinpointed an accumulation of sludge (sludge blanket) off the coast of Maryland. This blanket appears to be at least 2 to 4 miles wide and 10 miles long. The authorization of ocean dumping up until 1973 caused the closing down of shellfish areas off the coast of Delaware, and now the EPA is in the process of transferring that contamination to a previously uncontaminated site off the coast of Maryland.

The thought expressed by Mr. Train that the polio virus originated from a passing ship must be categorized as scientifically improbable. Representatives of the Cincinatti lab have not really challenged the scientific probability that the polio virus emerged frem the sludge plume created by the Philadelphia/Camden dumping at the subject site.

In addition to Dr. Colwell's testimony, I wish to call your attention to excerpts from a report by Doctors C. P. Gerba, C. Wallis and J. L. Melnick of the Department of Virology and Epidemiology, Baylor College of Medicine, Houston, Texas. This report should be helpful in offering some indication of the potential virus hazard of sludge. The EPA has already identified an area of at least 1,000 square miles impacted by these dumping operations on the basis of heavy metals buildup in shellfish. We are concerned about the potential for infestation of the nearer shore shellfishing areas by the viral, bacterial and other pests present in the sludge. The virus, in particular, can survive for long periods in the ocean environment.[2]

The EPA is violating its own regulations which state in § 227.36:

It is prohibited to dump any material which would:

(a) Extend the range of biological pests, viruses, pathogenic microorganisms or other agents capable of infesting, infecting or altering the normal populations of organisims.

(b) Degrade uninfected areas, or

(c) Introduce viable species not indigenous to an area.

Mr. Train will now assert that an actual infestation of the resident species of shellfish or finfish must occur for the prohibition to be considered. On that basis, the EPA has sanctioned the dumping of millions of these pathogenic viral bodies into the ocean. In the past, the EPA has not even tested for virus except on that one occasion.[3] We have taken certain sludge samples from both Philadelphia and Camden and the Maryland State laboratory will be reporting on the virus levels by the middle of the coming week.

With respect to Mr. Train's demurral on the volume/poundage issue, it is our understanding that Philadelphia was allowed to increase the volume to accommodate disposal of sludge digester supernatant thereby reducing the oxygen demanding load to the Delaware River. In short, it was a trade off which would avoid a serious problem in the Delaware River under current enforcement action by EPA Region III, but would add these liquid oxygen depleting pollutants to the ocean.

Yours very truly,

WARREN K. RICH.

EARTH WEEK AND ENVIRONMENTAL EDUCATION

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. BRADEMAS. Mr. Speaker, for the past 6 years, a period has been set aside in April to draw attention to environmental problems.

This observance has been of significant help in educating Americans, especially schoolchildren, on the need to preserve and strengthen the resources which sustain life.

I am pleased to note that this year the week of April 22 through April 28 will again be observed as "Earth Week."

We are all, in Archibald MacLeish's term, "riders on the earth." The quality of our lives is inextricably bound to our relationships with our physical environment and "Earth Week" reminds us of these relationships.

ADMINISTRATION HOSTILITY TO ENVIRONMENTAL EDUCATION

Mr. Speaker, as chairman of the House Subcommittee on Select Education of the Education and Labor Committee, the subcommittee with jurisdiction over environmental education programs, I am concerned by the negative attitude of the Ford administration toward environmental education programs. I am particularly dismayed by the administration's proposal to terminate the environmental education program by, once again, failing to request an appropriation for this significant activity.

The Environmental Education Act became law in 1970 over the objections of the Nixon administration. The act was renewed in 1974 despite the continuing, vigorous opposition of the Ford administration. During the hearings on the Environmental Education Amendments of 1974, the administration took the position that the purposes of the 1970 legislation had been accomplished. The Education and Labor Committee found that the administration's position was not based on evaluation, study or research; it was simply an assertion, unsubstantiated by any evidence.

Those of us who have supported environmental education efforts are strongly committed to the development of new and improved curricula which will encourage an understanding of ways to enhance environmental quality and to maintain ecological balance. The need to continue environmental education programs has heightened since the energy crisis and more than ever before we need a citizenry informed about the nature of our environmental problems.

A MULTIDISCIPLINARY APPROACH TO ENVIRONMENTAL EDUCATION

Mr. Speaker, Earth Week is a reminder to Americans of the dimensions of the ecological challenge. But we must throughout the year teach children to respect and conserve our precious natural resources.

Mr. Speaker, I would like to insert at this point in the RECORD a brief article from the February 1976 issue of Environmental Education Report. The article, by Dr. Richard J. Baldauf, professor of biology and director of education at the Kansas City Museum of History and Science, describes a multidisciplinary approach to environmental education, utilizing the resources of museums:

MUSEUMS OFFERED EE VARIETY

(By Richard J. Baldauf)

Look around and you will probably find a museum in your city; the bigger the city the more museums you can find. Museums are unusual institutions, including probably the greatest array of talent to be found in all of human activity. Museums employ secretaries, model makers, bookkeepers, teachers, biologists and other scientists, curators and conservators, exhibit designers, photographers, artists, writers, public relations people, and others.

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[1] For instance, consider a seeded sample with 10 virus in it. The *best* that a virologist can expect to do in recovery of these virus using the most advanced techniques is about a 40% recovery rate. The "normal" water sample for virus testing ranges from 55 gallons to 100 gallons or more. Since the actual samples collected were only 1400 cc. (about 1.5 quarts), the chances of finding a virus were reduced by at least a factor of 140.

[2] Dr. Colwell estimated that virus can survive in an ocean environment up to 18

[3] Virus testing had not been a part of the surveying program.

The number and kind of people employed at a museum depends on its size. Museums range from one-person operations specializing in grandpa's guns to multi-faceted institutions with hundreds of professional people. Each museum offers its particular diversity of human talent, collections, and programs.

Any museum exists as an educational institution, and programs vary from simple classroom techniques to mind-bending experiences for children, adults, handicapped children, senior citizens, and other specialized audiences. Many classes are conducted at the museum; others are conducted elsewhere, as the museum tries to reach into its community; and others are in the form of field trips.

Hundreds of children's or junior museums also exist in the United States. Sometimes these are the full purpose of the museum; in other cases a junior museum may be a part of a larger, more interdisciplinary facility. Children's museums are generally nature oriented.

The initial teaching device of museums are exhibits, and while these are still important they are taking on new form and function. Museums are visited by people who represent the greatest possible array of interests.

Years ago, even the great exhibits of the greatest museums were behind glass, with a message. One could view such an exhibit for the mere enjoyment of seeing a mounted animal in a diorama depicting the natural habitat, the genuine golden amulet of an Egyptian pharaoh or an original piece of fine art by a Renaissance master. Such exhibits could be examined in the inspiring atmosphere of a great museum hall with the purpose of learning about the subject, for entertainment on a Sunday afternoon or for the purpose of having a real educational experience. But museum personnel always hope (or wish) that people visit their institution for more than just entertainment. In many cases, such a wish is pure folly, since we all have been conditioned to expect entertainment.

INVOLVEMENT COMPLEMENTS EE

Old glassed-in dioramas still give the ecological information needed to understand the principles of life systems, but now museums design exhibits to involve the public. The "Do Not Touch" signs are changing to "Please Touch." Young people in particular respond to such techniques, because they are not afraid to get involved. They have not lived long enough to conjure reasons for not being involved. And in our "liberated" society, even older members of our population are starting to respond to such freedoms.

The multidisciplinary facets of environmental education offer excellent opportunities for involvement. In fact, this is the secret to good, effective, responsible EE. There must be a commitment and a ready cause for becoming concerned not with a "worlds of fun" philosophy, but with a desire for a "world of life."

Some museums offer nature study classes for the purpose of stimulating an appreciation for the natural beauty of our planet Earth. Such classes teach children and adults to consider the options: to walk across a field and stomp down everything in sight, or to kneel down to study through a hand lens the beauty of a grass head or a green clover caught by an early autumn frost.

Museums offer classes in ecology and related topics for all ages. But even these often serve to instill in the uninitiated a love of life and ecological principles that can be used to explain urban problems, social and economic stress, and the general degradation of the quality of life. The real bonus to a museum-oriented course in such subjects is found in the collections. Museums usually have good examples of the very subjects included in their classes.

Many museums of various sizes are involved in innovative EE programs. To name a few would be unfair to the others. Making an inquiry at a local museum, you will likely find something you want to include in your own program. The chances are also good that you will want to contribute some of your time and talent to help your local museum conduct such programs. Museums depend on volunteers; ask how you can help. If, by chance, you find that your museum does not conduct programs in EE, you have done its director a great favor by calling it to his attention and can perhaps help get something underway.

While it is not difficult to find EE programs in natural science museums, it is unusual to find EE programs in museums oriented toward the fine arts and the humanities. But don't let that stop you—use your imagination, because most such facilities are involved in environmental affairs. They just don't know it.

A NEW ANGLE ON MUSEUM EE

Art museums have people concerned with conservation, but in this case it pertains to conserving manuscripts, oil paintings, marble and bronze statuary, and many more kinds of exquisite artifacts. When you walk into an art gallery on a hot, sultry summer day you may walk into an air-conditioned building. It's air-conditioned not for you, but instead to control relative humidity and, hopefully, to remove various air pollutants. A relative humidity that is too high or too low has its effect on items contained in the museum collections. What effect does it have? What is the daily chemistry involved "in" an oil painting exposed to atmospheric contaminants, for example?

What happens when a raindrop falls toward the earth and travels through a mass of sulfur oxides or nitrogen oxides? It is obvious that no longer do we have plain distilled water falling on us. Drops of water may combine with air pollutants to produce sulfuric or nitric acid and a host of other compounds, depending on the kind of pollution. The problem of such "acid" rain is now a real one. It explains why statues dissolve; it suggests indoor conditioned exhibition rooms rather than outdoor statuary gardens; it also suggests the multidisciplinary nature of environmental problems. People may not be interested in air pollution until they learn it is destroying the very art they appreciate and collect.

Museum conservators are multifaceted people, with combined backgrounds in chemistry, metallurgy, geology, art, history, and other subjects treated by a particular museum. A conservator must know how to curate artifacts and why it must be done. To know the "why" of conservation is to know the environment and its effect on artifacts.

Museum News, the official publication of the American Association of Museums, carries articles on the effect of ultra-violet radiation on paper; fumigants; the effect of relative humidity on leather; problems of heat-production on the inside of exhibit cases; and a host of other topics. Such information may add a whole new dimension to your EE program, particularly because it relates environmental problems to a local museum and its collections—something your fellow-citizens perhaps never considered.

As the EE movement has grown in the United States, numerous lists of resource people and organizations have been compiled. Such lists include teachers, amateur and professional naturalists, libraries, and special leaders of youth groups. Does such a resource list exist for your area and does it include the conservator in your art museum?

The interdisciplinary nature of EE leaves open countless options for incorporating new resources, new people and new angles into existing programs. Museums have far more than stuffed animals in glass cases to offer environmental educators.

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STATUS REPORT ON THE FISCAL YEAR 1976 CONGRESSIONAL BUDGET

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 14, 1976

Mr. DERRICK. Mr. Speaker, on behalf of the House Committee on the Budget, I rise to inform my colleagues about the status of the fiscal year 1976 congressional budget. This report reflects yesterday's action of Congress to approve the conference report on H.R. 8235—Federal Aid Highway Act. Since the scorekeeping procedures count bills only when both Houses of Congress adopt the conference agreement, we have not counted yesterday's House-passed 1976 spring supplemental. This report is part of the Budget Committee's routine notification to the House on a weekly basis about where Congress stands in relation to the budget authority and outlays ceiling and revenue floor adopted in House Concurrent Resolution 466 for this fiscal year. With regard to these figures, as of the close of business yesterday, April 13, 1976, the current level of spending stood as follows:

STATUS OF FISCAL YEAR 1976 CONGRESSIONAL BUDGET REFLECTING COMPLETED ACTION AS OF APRIL 13, 1976

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	408,000	374,900	300,800
Current level	402,190	371,667	301,100
Amount remaining	5,810	3,233	300

Effect of changes to the amount remaining on the fiscal year 1976 congressional budget as of April 13, 1976

[In millions of dollars]

H.R. 8235, Federal Aid Highway Act:	
Budget authority	1,650
Outlays	-----

I must remind my colleagues in the House that three major spending bills yet remain to be adopted by the Congress: Appropriations for the 1976 spring supplemental which is currently pending before the Senate, the conference report on the 1976 foreign assistance appropriations bill which the House will consider after the Easter recess, and the 1976 appropriation bill for the District of Columbia.

In addition to these bills, the pressures of changing economic conditions continue to make the budget vulnerable to increased spending.

In summary, Mr. Speaker, I must warn my colleagues in the House that the current level of spending leaves little room for new legislation of either the President or Congress which was not contemplated in this year's budget resolution.

I include the following:

WASHINGTON, D.C.,
April 14, 1976.

Hon. CARL ALBERT,
Speaker, U.S. House of Representatives.

DEAR MR. SPEAKER: In my letter of January 30, 1976, I outlined the procedures which the Committee on the Budget has adopted in connection with its responsibilities under Sec. 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting a revised status report reflecting completed action as of April 13, 1976.

With warm regards,

BROCK ADAMS,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1976 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CONCURRENT RESOLUTION 466

REFLECTING COMPLETED ACTION AS OF APRIL 13, 1976

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	408,000	374,900	300,800
Current level	402,190	371,667	301,100
Amount remaining	5,810	3,233	300

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $5,810 million for fiscal year 1976, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 466 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $3,233 million for fiscal year 1976, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 466 to be exceeded.

REVENUES

Any measure that would result in a revenue loss exceeding $300 million for fiscal year 1976, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 466.

April 14, 1976.
WASHINGTON, D.C.,

Hon. BROCK ADAMS,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for these items contained in the most recently agreed to concurrent resolution of the 1976 budget. This tabulation is as of close of business April 13, 1976.

The change from my previous report is due to the conference agreement on the Federal Aid Highway Act (H.R. 8235) which adds $1,650 million in budget authority.

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted	387,212	361,601	301,100
Entitlement authority and other mandatory items requiring further appropriation action	7,128	7,875	-------
Continuing resolution authority	4,196	1,882	-------
Conference agreements ratified by both Houses	3,654	309	-------
Current level	402,190	371,667	301,100
Second Concurrent Resolution	408,000	374,900	301,100
Amount remaining	5,810	3,233	300

Sincerely,

ROBERT A. LEVINE,
Deputy Director.

PARLIAMENTARIAN STATUS, REPORT SUPPORTING DETAIL FISCAL 1976, AS OF CLOSE OF BUSINESS APR. 13, 1976

[In millions of dollars]

	Budget authority	Outlays
I. ENACTED		
Permanent appropriations and trust funds	196,578	182,992
Previously enacted appropriations and other spending authority	117,425	136,509
Offsetting receipts	−53,881	−53,881
Enacted this session:		
Appropriation legislation:		
Defense (Public Law 94-212	90,467	64,704
Labor, Health, Education, and Welfare (Public Law 94-206)	36,074	30,721
Legislative branch supplemental 1976 (Public Law 94-226)	33	---------
Supplemental railroad appropriation, 1976 (Public Law 54-252)	587	545
Rescission/deferral legislation:		
Deferral resolutions (H. Res. 1058, S. Res. 366, 385, and 388)		16
3d budget rescission bill, 1976 (Public Law 94-249)	−71	−5
Subtotal, enacted	387,212	361,601
II. ENTITLEMENT AUTHORITY AND OTHER MANDATORY ITEMS REQUIRING FURTHER APPROPRIATION ACTION		
Public assistance (AFDC)	843	843
Pay supplementals	2,106	1,927
Child nutrition programs	223	36
Military retired pay	440	438
Foreign service retirement	2	2
Coast Guard retired pay	8	8
Liquidating cash:		
Highways		1,350
Urban mass transit		100
Maritime operating differential subsidies		12
Medicaid	607	607
Social services	761	761
Veterans compensation, pensions and readjustment benefits	1,350	1,240
Civil service retirement and health	483	246
Postal fund, Federal payment	103	103
Claims and judgments	202	202
Subtotal, entitlement authority	7,128	7,875
III. CONTINUING RESOLUTION AUTHORITY		
Foreign assistance	3,054	1,361
District of Columbia	385	324
Labor-HEW items not considered	[1] 757	197
Subtotal, continuing resolution authority	4,196	1,882
IV. CONFERENCE AGREEMENTS RATIFIED BY BOTH HOUSES		
Vetoed, pending override attempt:		
Social services—increase funding for child care services (H.R. 9803)	62	62
Emergency supplemental appropriations, 1976 (H.J. Res. 890)	1,942	247
Federal Aid Highway Act (H.R. 8235)	1,650	---------
Subtotal, conference agreement	3,654	309
Total, current level, as of Apr. 13, 1976	402,190	371,667
2D concurrent resolution	408,000	374,900
Amount remaining:		
Over ceiling		
Under ceiling	5,810	3,233

[1] This change is due to the inclusion of additional health programs under the provisions of the further continuing resolution (Public Law 94-254).

HOUSE OF REPRESENTATIVES—*Monday April 26, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord is my Shepherd; I shall not want.—Psalms 23: 1.

O Thou Shepherd of our souls who art seeking to lead us beside the still waters of prayer where our minds can be restored, we would quiet our hearts in Thy presence and rest our souls in the assurance of Thy sustaining strength.

As we face the tasks of this week grant us wisdom for our minds, love for our hearts, courage for our spirits, and strength for our hands that we may do our duties and serve our country faithfully and fairly and fully. May the record of service we are now writing be worthy of the Book of Life.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Roddy, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On April 11, 1976:

H.R. 1466. An act to convey certain federally owned land to the Twentynine Palms Park and Recreation District.

On April 13, 1976:

H.J. Res. 670. Joint resolution to designate April 13, 1976, as "Thomas Jefferson Day";

H.R. 200. An act to provide for the conservation and management of the fisheries, and for other purposes; and

H.R. 4941. An act for the relief of Oscar H. Barnett.

On April 15, 1976:

H.J. Res. 890. Joint resolution making emergency supplemental appropriations for public employment programs, summer youth programs, and preventive health services for the fiscal year ending June 30, 1976, and for other purposes; and

H.R. 12725. An act to amend the Internal Revenue Code of 1954 to permit tax-free rollovers of distributions from employee retirement plans in the event of plan termination.

On April 21, 1976:

H.J. Res. 491. Joint resolution to extend support under the joint resolution providing for Allen J. Ellender fellowships to disadvantaged secondary school students, and for other purposes;

H.R. 1465. An act to provide for the division of assets between the Twentynine Palms Band and the Cabazon Band of Mission Indians, California, including certain funds in the U.S. Treasury, and for other purposes; and

H.R. 11598. An act to authorize appropriations for the U.S. Information Agency for fiscal year 1976 and for the period July 1, 1976, through September 30, 1976.

On April 22, 1976:

H.R. 7988. An act to amend the Public Health Service Act to revise and extend the program under the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, and to establish a national program with respect to genetic diseases; and to require a study and report on the release of research information.

MESSAGES FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7108. An act to authorize appropriations for environmental research, development, and demonstration.

The message also announced that the Senate had passed bills and resolutions of the following titles, in which the concurrence of the House is requested:

S. 2484. An act to amend Public Law 566, Watershed Protection and Flood Prevention Act, as amended, to raise the limitation on any single loan or advancement for watershed works of improvement;

S. 2511. An act to authorize the Secretary of Agriculture to convey certain lands in the State of Idaho, and for other purposes; and

S. 3201. An act to amend the Public Works and Economic Development Act of 1965, to increase the antirecessionary effectiveness of the program, and for other purposes.

S. RES. 408

Resolved, That the Senate disapproves the proposed deferral numbered D76–96, as set forth in the President's special message of January 23, 1976 (S. Doc. 94–151), transmitted to the Congress under section 1013 of the Impoundment Control Act of 1974.

S. RES. 433

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable William A. Barrett, late a Representative from the State of Pennsylvania.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate adjourns today, it adjourn as a further mark of respect to the memory of the deceased Representative.

The message also announced that the Vice President, pursuant to Senate Concurrent Resolution 98, appointed Mr. MANSFIELD, Mr. RIBICOFF, Mr. MCGOVERN, Mr. BIDEN, Mr. MORGAN, Mr. HUGH SCOTT, Mr. TOWER, Mr. PEARSON, Mr. BROOKE, and Mr. PACKWOOD to attend the presentation of the Magna Carta to the people of the United States in London, England, May 23 to 28, 1976.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
April 14, 1976.

Hon. CARL ALBERT,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on April 13, 1976, the Clerk has received this date the following message from the Secretary of the Senate:

That the Senate passed the bill H.R. 12725, An Act to amend the Internal Revenue Code of 1954 to permit tax-free rollovers of distributions from employee retirement plans in the event of plan termination.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By BENJAMIN J. GUTHRIE,
Assistant to the Clerk.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Tuesday, April 13, 1976, he did on Wednesday, April 14, 1976, sign the following enrolled bills: H.R. 8235 and H.R. 12725.

APPOINTMENT OF DELEGATION TO ATTEND CONFERENCE OF INTERPARLIAMENTARY UNION IN MEXICO

The SPEAKER. Pursuant to the provisions of section 204(b), Public Law 94–141, the Chair did on Wednesday, April 14, 1976, appoint as members of the delegation to attend the conference of the Interparliamentary Union in Acapulco and Mexico City April 19 to April 24, the following Members on the part of the House: The gentleman from Indiana (Mr. HAMILTON), the gentleman from Virginia (Mr. SATTERFIELD), the gentleman from Oklahoma (Mr. JARMAN), the gentleman from Illinois (Mr. DERWINSKI), the gentleman from Ohio (Mr. CLANCY), and the gentleman from Illinois (Mr. MCCLORY).

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
April 19, 1976.

Hon. CARL ALBERT,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 10:30 A.M. on Monday, April 19, 1976, and said to contain a message from the President concerning his determination with regard to adjustment assistance to the U.S. footwear industry.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ADJUSTMENT ASSISTANCE TO U.S. FOOTWEAR INDUSTRY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–458)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

As required by Section 203(b)(2) of the Trade Act of 1974, I am transmitting this report to the Congress setting forth my determination to provide adjustment assistance to the U.S. footwear industry producing footwear covered by the affirmative finding of February 20, 1976 of the United States International Trade Commission (USITC) under section 201 (d)(1) of the Trade Act. As my decision does not provide import relief to that industry, I am setting forth both the reasons why I have determined that import relief is not in the national economic interest and other actions I am taking to help the footwear industry and workers.

I have decided, considering the interests of both the American consumers and producers, that expedited adjustment assistance is the most effective remedy for the injury to the U.S. footwear industry and its employees as a result of imports.

My decision was based upon my evaluation of the national economic interest. A remedy involving import restraints would have lessened competition in the shoe industry and resulted in higher shoe prices for American consumers at a time when lowering the rate of inflation is essential. Footwear makes up 1½ percent of the Consumer Price Index.

Import restraints would also have exposed industrial and agricultural trade to compensatory import concessions or retaliation against U.S. exports. This would have been detrimental to American jobs and damaged U.S. exports.

Adjustment assistance will benefit the many smaller enterprises which have been seriously injured, whereas the USITC report casts grave doubt on import relief as an effective remedy for these firms; import relief would disproportionately benefit the 21 larger firms which produce 50% of domestic output, but which have been found to be competitive with imports.

Adjustment assistance is consistent with the President's efforts to control inflation, including costs to all consumers, which import restrictions would raise.

The U.S. footwear industry is benefitting from a substantial increase in production, shipments, and employment as a result of the economic recovery. Additionally, a number of plants have reopened, order backlogs of domestic manufacturers have increased, and profitability has improved.

As the U.S. economy recovers from the recession, domestic production of nonrubber footwear is rising significantly. In February 1976 (the latest month for which data are available) the output was 41,137,000 pairs. This is up from 40,985,000 in January, and is the highest monthly production figure since May 1974. The monthly average for 1976 to date is 41,106,100; for the year 1974, 37,750,000; for 1975, 36,143,000.

U.S. employment in the industry, which has also been steadily declining over recent years, also shows signs of picking up. The total average monthly employment for the industry in 1975 was 163,000 workers, compared to 178,000 for the year 1974. For the first two months of 1976 the monthly average is 172,000, the highest since July 1974.

Meanwhile, imports of the nonrubber footwear covered by the USITC recommendation (all except zoris and paper slippers) have been leveling off. In February, 1976, there were 29,238,000 pairs, down from 32,200,000 in January.

In considering the effect of import restraints on the International economic interests of the United States, as required by the Trade Act of 1974, I have concluded that such restraints would be contrary to the U.S. policy of promoting the development of an open, nondiscriminatory and fair world economic system. The goal of this policy is to expand domestic employment and living standards through increased economic efficiency.

I have directed the Secretaries of Commerce and Labor to give expeditious consideration to any petitions for adjustment assistance filed by footwear firms producing articles covered by the USITC report, and their workers. I have also instructed the Secretaries to file supplementary budget requests for adjustment assistance funds, if necessary, to carry out my program.

I have also directed the Special Representative for Trade Negotiations to monitor U.S. footwear trade, watching both the levels and quantities of imports as well as of domestic production and employment. If significant changes occur, they will be reported to me with appropriate recommendations.

Gerald R. Ford.

The White House, *April 16, 1976.*

REQUESTING RETURN OF H.R. 8235 AND DIRECTING ITS REENROLLMENT

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 618) requesting the return of H.R. 8235 and directing its reenrollment.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. HARSHA. Mr. Speaker, reserving the right to object, will the gentleman explain the concurrent resolution?

Mr. HOWARD. I will be happy to explain it, if the gentleman will yield.

Mr. HARSHA. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, Concurrent Resolution 618 is a technical corrective measure. Due to an oversight in the enrollment of H.R. 8235, the Federal-Aid Highway Act of 1976, the bill which was sent to the President for signature does not contain a title which had earlier passed both Houses and which was inadvertently not included in the final version of the legislation when the bill was enrolled.

In order to correct the oversight, this resolution recalls the bill from the President's desk, invalidates the signatures of the President of the Senate and the Speaker of the House, and directs that the bill be properly enrolled for resubmission to the President.

Mr. HARSHA. Mr. Speaker, I rise in support of the resolution. There is no need at this time to go into the substance of H.R. 8235 since the House has already considered and debated this matter twice at some length. The support in the House for the conference report on H.R. 8235, on April 13, 1976, was overwhelming and indeed it passed on a resounding voice vote.

The sole purpose of today's resolution is to correct a technical deficiency in the procedure by which the bill was sent to the President and to assure that the entire bill including "Title III, Extension of the Highway Trust Fund and Certain Related Provisions," is engrossed along with titles I and II and sent to the White House for the President's signature in a complete act.

I urge my colleagues to adopt this measure.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 618

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is requested to return to the House of Representatives the enrolled bill (H.R. 8235) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. If and when such bill is returned by the President, the action of the Presiding Officers of the two Houses in signing such bill shall be deemed rescinded; and the Clerk of the House of Representatives is authorized and directed to reenroll such bill with the following correction: At the end of the bill add the provisions of TITLE III—EXTENSION OF HIGHWAY TRUST FUND AND CERTAIN RELATED PROVISIONS—as set forth in the bill as it passed the House and the Senate.

The concurrent resolution was agreed to.

A motion to reconsider was laid upon the table.

APPOINTMENT AS CONFEREE ON H.R. 8650

The SPEAKER. The Chair appoints the gentleman from Georgia (Mr. Stephens) as a conferee on the bill H.R. 8650 to fill the existing vacancy thereon.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the chairman of the Committee on Public Works and Transportation, which was referred to the Committee on Appropriations:

Washington, D.C., *April 16, 1976.*

Hon. Carl Albert,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Public Works and Transportation has approved the work plans transmitted to you which were referred to this Committee. The work plans involved are the following:

STATE, PROJECT, EXECUTIVE COMMUNICATION, AND DATE APPROVAL

Minnesota: Canby Creek, 808, April 13, 1976.
Texas: Leona River, 808, April 13, 1976.
Texas: Paluxy River, 808, April 13, 1976.
Texas: San Felipe Creek, 808, April 13, 1976.
South Carolina: Rabon Creek, 1635, April 13, 1976.
Texas: Red Deer Creek, 1635, April 13, 1976.

Kansas: Sand Creek, 1635, April 13, 1976.

With warm person regards, I am,

Sincerely,

ROBERT E. JONES.

DEADLINE FOR FILING FINANCIAL DISCLOSURE REPORTS

(Mr. FLYNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLYNT. Mr. Speaker, I take this time to remind my colleagues that Friday of this week, April 30, is the deadline for filing financial disclosure reports with the Committee on Standards of Official Conduct pursuant to rule XLIV of the House of Representatives. Many Members, designated employees, and certain employees of committees have not returned the completed report forms to the committee office in room 2360 of the Rayburn Building. The committee staff is available to help individuals prepare the reports. Your cooperation will be appreciated.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 198]

Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Archer
Aspin
AuCoin
Badillo
Baldus
Bell
Bergland
Bevill
Biester
Boland
Bolling
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Burton, John
Burton, Phillip
Byron
Carney
Clay
Cochran
Conlan
Conte
Conyers
Cornell
Danielson
de la Garza
Dellums
Dent
Dickinson
Diggs
Dingell
Dodd
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Eilberg
Esch
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Evans, Colo.
Fish
Fithian
Flood
Foley
Ford, Tenn.
Fraser
Gaydos
Gibbons
Gilman
Gonzalez
Green
Gude
Hayes, Ind.
Hébert
Heinz
Helstoski
Hinshaw
Holt
Hungate
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Karth
Kastenmeier
Kazen
Krueger
Litton
Lott
Lujan
McCloskey
McDade
McEwen
McHugh
McKay
Macdonald
Madden
Martin
Melcher
Mikva
Mills
Minish
Morgan
Mosher
Murphy, N.Y.
Neal
Nix
Nolan
Obey
O'Hara
O'Neill
Patten, N.J.
Pepper
Peyser
Pickle
Pike
Railsback
Rees
Rhodes
Roberts
Rodino
Roncalio
Rosenthal
Rostenkowski
Roybal
Ruppe
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schulze
Shuster
Skubitz
Slack
Solarz
Staggers
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Stokes
Stuckey
Sullivan
Symington
Taylor, Mo.
Teague
Udall
Vander Jagt
Vanik
Vigorito
Waxman
Weaver
White
Wilson, Tex.
Winn
Yates
Yatron
Young, Ga.
Young, Tex.

The SPEAKER. On this rollcall 286 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SIXTH ANNUAL REPORT ON GOVERNMENT SERVICES TO RURAL AMERICA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–459)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed with illustrations.

To the Congress of the United States:

I am transmitting herewith the sixth annual report on Government services to rural America, as required by the Agricultural Act of 1970.

GERALD R. FORD.

THE WHITE HOUSE, *April 26, 1976.*

ELEVENTH ANNUAL REPORT OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing:

To the Congress of the United States:

I am transmitting today to the Congress the Eleventh Annual Report of the Department of Housing and Urban Development, describing its activities for the calendar year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *April 26, 1976.*

REPORT OF THE 1974 UPLAND COTTON PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Agriculture:

To the Congress of the United States:

In accordance with the provisions of Section 609, Public Law 91–524, 91st Congress, as extended by the Agriculture and Consumer Protection Act of 1973, I transmit herewith for the information of the Congress the report of the 1974 upland cotton program.

GERALD R. FORD.

THE WHITE HOUSE, *April 26, 1976.*

PROVIDING FOR CONSIDERATION OF H.R. 12838, ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT OF 1976

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1143 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1143

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12838) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challange grant program, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said amendment shall be read by titles instead of by sections. It shall be in order to consider without the intervention of any point of order the text of the bill H.R. 1885 if offered as an amendment inserting a new title at the end of the committee amendment in the nature of a substitute. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1143 provides for the consideration of H.R. 12838, the Arts, Humanities and Cultural Affairs Act of 1976, a bill reported by the House Education and Labor Committee. The resolution provides an open rule with 1 hour of general debate to be equally divided between the chairman and ranking minority member of the Committee on Education and Labor. After general debate has been completed, the resolution provides that the bill will be considered for amendment under the 5-minute rule. It would be in order to consider the committee amendment in the nature of a substitute, which is printed in the bill as an original measure, for amendment and to read it by titles instead of by sections.

The rule also makes in order the consideration of an amendment which I shall offer, to create the Office of Poet Laureate of the United States.

At the conclusion of the consideration of H.R. 12838 for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may then demand a separate vote in the

House on any amendment adopted in committee to the bill or to the amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

House Resolution 1143 would waive points of order under House rule XI, clause 2(1)(6), the 3-day layover rule. H.R. 12838 was reported by the Education and Labor Committee on Friday, April 9, and scheduled for House action on April 13, only 2 days after the report was filed. Since the bill was not considered on that day, the waiver is no longer required.

Basically, H.R. 12838 would extend the National Foundation on the Arts and the Humanities Act of 1965, a program which has proven to be highly successful during its first decade. In addition, two new programs would be added to the Arts and Humanities Act—a museum service program and a challenge grant program. The museum services program recognizes the contributions to our cultural heritage made by museums throughout the country. In a very real sense, museums are the preservers of our historic and cultural heritage. Implementation of the proposed new museum services program would enable them to better carry out this function.

The other proposed new program, the challenge grant program, is designed to stimulate private contributions to the programs of the National Foundation on the Arts and the Humanities. Under the proposal, the Federal Government would provide $1 for every $3 raised in the private sector.

Finally, I would like to say a brief word about my own proposed amendment, although I will speak on it at length during consideration of the bill. I am proposing a new title IV for H.R. 12838, which would establish the office of Poet Laureate of the United States. I have introduced similar bills in every Congress since 1968, often with cosponsors. The measure provides that a Poet Laureate shall be appointed by the President after consideration of recommendations received from the National Council on the Arts. It would permit the President to set a modest annual stipend for the Poet Laureate, who would serve for a period of 5 years. In a previous Congress, I suggested that a stipend of $25,000 per year would be appropriate for the Poet Laureate. I have, however, deleted that specific figure, and I envision the office as one which will be primarily honorary. The duties of the Poet Laureate would be primarily to promote and stimulate interest in poetry, but he could be assigned specific duties by the President as long as they did not interfere with his creative work.

I believe that the bill, as reported by the House Education and Labor Committee, and my proposed amendment merit the strong support of my colleagues and I therefore urge that House Resolution 1143 be adopted so that the bill can be considered.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Hawaii (Mr. MATSUNAGA) has gone into considerable detail on the provisions of this bill and also the provisions on the rule and therefore I shall not dwell on them other than to point out to the gentleman who will offer the amendment to establish the office of Poet Laureate—which I opposed in the Committee on Rules and certainly will oppose here on the floor—that the Library of Congress now has a poet in residence and that individual is paid some $18,000 a year. According to the amendment that the gentleman from Hawaii will offer, that amendment will provide for the appointment of a Poet Laureate of the United States with a salary to be established by the President. A similar amendment offered by the gentleman from Hawaii in 1968, set the salary at $25,000 per year.

This is just one of the ways in which this bill would escalate and shows how we can go beyond the budget. Tomorrow we will be discussing the budget resolution, and also on Wednesday, and we will be looking for ways to reduce the budget rather than to increase it.

I might say, Mr. Speaker, that the administration opposes H.R. 12838 for several reasons, the primary reason being that it exceeds the budget request. The administration requested $189 million in appropriations and here we have this request coming forward for $250 million. In fiscal year 1976 the appropriation was only $161.5 million.

So, as I say, this is just typical of the ways we can get in trouble, budgetwise, here in the Congress of the United States and yet we are always looking and pointing the finger at somebody else, and saying, "Look at what the administration is doing," and yet here we are attempting to increase the amount of money to be authorized and to be appropriated.

The administration also opposes the museum program provided for in this bill and the challenge grant program for which authority already exists.

There is also some question whether this bill if passed in its present form can ever become law.

Mr. Speaker, I have no requests for time and I reserve the balance of my time.

Mr. MATSUNAGA. Mr. Speaker, I have no requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 12987, EMERGENCY JOB PROGRAMS STOPGAP EXTENSION

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1144 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1144

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12987) to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes, and all points of order against section 3 of said bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1144 provides for the consideration of H.R. 12987, a bill reported by the House Committee on Education and Labor which would extend title VI of the Comprehensive Employment and Training Act through the transition quarter.

House Resolution 1144 provides an open rule with 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Education and Labor Committee. After general debate, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

H.R. 12987 is an emergency measure. Funds for title VI of CETA—the vitally important public service jobs program—will be exhausted on June 30 of this year. Under the circumstances, the Rules Committee granted the request of the Education and Labor Committee for a rule which waives the points of order against section 3 of the bill for failure to comply with House rule XXI, clause 5, which prohibits appropriations in a legislative bill. Section 3 of the bill increases the percentage of funds which may be utilized to pay administrative costs of public service jobs programs, and it expands the definition of "administrative expenses." Funds already in the pipeline could be utilized for administrative activities would be so classified should this bill pass, and the funds previously appropriated for them could be utilized for "administrative expenses." Under the House rules, whenever authorizing legislation changes the conditions under which funds are to be spent, it constitutes a reappropriation. Hence the need for a waiver of points of order. The waiver request received bipartisan support, both in the Education and Labor Committee and in the Rules Committee.

The House has already passed legislation to reauthorize the Comprehensive Employment and Training Act in fiscal year 1977. The pending bill, H.R. 12987, would extend the public service jobs program—title VI of CETA—through the end of the current fiscal year and through the transition quarter. Authority to appropriate funds for the program expired on June 30, 1975, and the program's existing funds will be exhausted by June 30 of this year. Layoffs are already beginning in the public service jobs program. Between April 1 and April 15, 9,000 CETA workers were slated for layoff. Between April 16 and April 30, another 12,000 employees will be laid off. Should the bill not pass, over 115,000 people now engaged in worthwhile public service employment will be jobless by mid-June. Even in areas where the layoffs have not actually started, such as my own State of Hawaii, there is widespread public concern over what will happen if Congress fails to extend the program. Inasmuch as Hawaii's unemployment rate is now 9.3, well above the national average, there is little hope for those workers who lost their public service jobs.

The changes in administrative costs proposed by the Education and Labor Committee are relatively minor and would, I believe, improve the public service jobs program.

I believe that prompt, favorable action should be taken by the House on H.R. 12987, and I urge the House to adopt House Resolution 1144 so that the bill can be considered.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as explained by the gentleman from Hawaii this rule provides for 1 hour of general debate on H.R. 12987, the emergency job programs stop-gap extension, and that the bill shall be open to all germane amendments.

Mr. Speaker, this rule does contain a waiver of points of order against section 3 of the bill for failure to comply with clause 5 of rule XXI, which is the rule prohibiting appropriations on a legislative bill. Section 3 increases the amount of money available to pay administrative costs. There may be funds in the pipeline which, but for this increase could not be used for administrative costs, thus constituting an appropriation. In addition, administrative costs are defined to include certain items for which payment might be prohibited under existing law. This constitutes a reappropriation and violates the rules.

The administration opposes enactment of this bill to reauthorize the temporary public service jobs program. In line with the improvements in the economy the administration has proposed a supplemental appropriation of $1.7 billion under existing authority to maintain most of the temporary jobs through 1976 and to phase out the program by September 30, 1977.

Mr. Speaker, I have no request for time and I reserve the balance of my time.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT OF 1976

Mr. BRADEMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12838) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Indiana.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12838, with Mr. MURTHA in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Indiana (Mr. BRADEMAS) will be recognized for 30 minutes and the gentleman from Minnesota (Mr. QUIE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Chairman, I yield myself such time as I may consume.

I rise to urge my colleagues to give their strong support to H.R. 12838, as amended, the Arts, Humanities and Cultural Affairs Act of 1976, a bill extending the National Foundation on the Arts and Humanities Act; to provide for the improvement of museum services; and to establish a challenge grant program.

Before explaining this bill, Mr. Chairman, I would like to thank the distinguished chairman of our committee, Mr. PERKINS, for his support of the subcommittee's efforts. I would also like to thank the distinguished ranking minority member of the Education and Labor Committee, Mr. QUIE, for his contributions to the bill.

Mr. Chairman, both majority and minority members of the Subcommittee on Select Education, which I have the honor to chair, have worked hard and long on this legislation and I would like to thank them for this effort.

SUMMARY

Briefly, Mr. Chairman, the bill would:

First. Extend support for each of the Endowments, both Arts and Humanities, for 4 more years at $100 million for fiscal year 1977, $113.5 million for fiscal year 1978, and such sums as Congress finds necessary for fiscal years 1979 and 1980.

Second. Establish a new Institute of Museum Services in the Department of Health, Education, and Welfare to provide help to museums for exhibits, educational programs, professional curatorial training, conservation of collections, traveling programs and for operating expenses generally. The Institute would be administered by a Director with the advice of a board broadly representative of all types of museums including science, history, technology and art. The bill authorizes $15 and $25 million, respectively, for the first 2 years of the program and such sums as Congress may determine for 1979 and 1980.

Third. Authorize the National Endowments for the Arts and Humanities to operate a new program of "challenge grants" which would be available to cultural institutions in great need. The challenge grant concept is one that provides $1 Federal for each $3 of private money. The challenge grant program would be authorized at $15 and $20 million, respectively, for fiscal years 1977 and 1978.

Fourth. Allow the funding of State humanities councils, whether created as a State agency or a voluntary organization, and require that at least $200,000 for each State program, or 20 percent of all humanities endowment moneys, go to support such State humanities programs. This set-aside is identical to that provided for State arts programs in the present act.

Mr. Chairman, the National Foundation on the Arts and Humanities Act was established in 1965, and has been amended three times since that first act, in 1965, in 1970, and in 1973.

The Subcommittee on Select Education, which I have the honor to chair, held 7 days of hearings on this measure, 3 days in joint hearings with the Special Subcommittee on Arts and Humanities, chaired by Senator CLAIBORNE PELL of Rhode Island, of the Senate Committee on Labor and Public Welfare.

Mr. Chairman, the testimony we heard, from administration witnesses, representatives of State arts and humanities programs, as well as from public witnesses, including distinguished artists and scholars, emphasize the progress made since 1965 by both endowments. And the testimony indicated, as well, that both endowments have developed the capacity to fully utilize increased funding, and, indeed, that increased funding is essential if we are adequately to stimulate the kinds of artistic and scholarly activities supported by the endowments.

Mr. Chairman, I would like briefly to discuss some of the major provisions of the bill before us.

MAJOR PROVISIONS

AUTHORIZATIONS

First, Mr. Chairman, I would like to speak of the authorizations in the bill. The authorization of $100 million proposed for each of the existing endowment programs for the next fiscal year is less than the present fiscal year 1976 authorization of $113.5 million and less than the administration's recommendation of $113.5 million.

In fact, Mr. Chairman, the total authorization proposed for both endowments including several new initiatives for fiscal year 1977, $250 million, is $2 million below the amount authorized in the current fiscal year—1976—and below the amount requested by the administration's own bill.

The fiscal year 1978 authorizations are

slightly larger because of these new initiatives but I would point out that even here we are talking about only $45 million more than authorized in 1976 than was requested by the administration in 1977.

As I have noted, Mr. Chairman, the modest increases in authorizations which come about in fiscal year 1978 are aimed at supporting several new initiatives.

These include funding for a new museum services program and a challenge grant program. Neither of these items is extravagant, and each merits the modest amounts of moneys authorized to carry them out. Indeed, I would like to point out that, in the case of the challenge grant program, 3 private dollars will be generated in support of every Federal dollar spent. This is the type of funding the Federal Government should encourage.

MUSEUM SERVICES

Second, Mr. Chairman, I would address myself to a significant new provision in the bill, the museum services program.

Over the past 4 years the Subcommittee on Select Education has been studying the changing role of museums in American life and the financial situation of museums in this country. In 1972, 1974 and 1975 we conducted extensive hearings on the subject of museum services in Washington, D.C.; Chicago, Ill.; Los Angeles, Calif.; San Francisco, Calif.; Boston, Mass.; Fort Worth, Tex.; Brooklyn, N.Y., and New York, N.Y.

In examining the role of museums in our society, we found that the pressures, both of an increasing population and the rising interest of Americans of all kinds in seeing works of art, historic objects and scientific collections in American museums, have pushed them to their limits in meeting the rising costs of their services. Museums are building new audiences. For example, "Museums U.S.A.", a survey conducted by the National Endowment for the Arts in fiscal years 1971 and 1972, reported that 31 percent of all museums had developed programs to attract senior citizens and that 27 percent had made efforts to attract economically disadvantaged groups.

In examining the changing role of museums, one soon learns that museums are no longer regarded simply as the depositories of the past but as growing centers of learning that make positive contributions to the communities of which they are a part. A 1974 Harris poll indicated that 90 percent of the public agrees that museums are an important resource for the whole community. A majority of the public, in the same poll, chose museums over dance, plays and opera as those activities important to young people.

I must point out, Mr. Chairman, that increased requests for services, especially educational services, have been creating financial strains on our museums and that increased costs for training staff, guards, guides, acquisitions, maintenance, exhibits, and buildings have stretched the financial resources of many institutions.

In a report made on September 27, 1975, by the Council on Federations to the National Council on the Arts, concerning a survey on the relative impact of inflation on opera, theater, museums, symphony, dance and other arts activities, attention was called to the severe financial strains confronting the museums sampled in the survey:

> Last and most serious are the museums. We are all aware of the cutbacks in their access to the public in a number of places.

To quote again from the survey:

> The future will truly be problematic if municipal support continues to be cut and endowment income falls. . . . The situation as a whole must still be judged "stable" but it is a stability fraught with unstable variables, any one of which could seriously damage or compromise the integrity of the museums in the sample and their counterparts elsewhere.

The rise in expenditures of museums has necessitated cutbacks in services, staff or facilities in over one-third of the Nation's museums. For example, the Metropolitan Museum in New York is now open only 5 days a week, and this great museum has been constrained to reduce its education and community programs and its exhibition schedules. Sixty-six percent of all museum directors questioned in the "Museums U.S.A." survey agreed that their current operating budgets did not permit full utilization of facilities, exhibits, collections, staff, and other museum resources.

Witnesses testifying at our hearings have stated that the only possible source for additional assistance for the operating needs of museums is the Federal Government.

I urge my colleagues, Mr. Chairman, to support this measure today which would provide significant Federal assistance to enable all types of museums to meet their responsibilities. The Federal Government currently contributes only a small portion to the total support of the operating costs of American museums. The study "Museums U.S.A.," noted that among the sources of income to museums, the Federal Government provided 12 percent of the total income for the 1,821 museums, but that 78 percent of that Fedaral money went to Federal museums.

Mr. Chairman, I applaud the efforts of both Endowments over the past few years in assisting museums with grants for "special projects," and I expect that there will be no lessening of the financial assistance and effort of the Endowments to extend this important support to museums. However, most of the concern of the two endowments has been for museums of history and art and is limited to "special projects." The measure before us today would support a broader purpose. Assistance under the Museums Services Act would concentrate on operating programs as distinguished from "special projects." In addition, support would be available to all types of museums including those of technology, science, art and history, and to zoos and botanical gardens as well.

CHALLENGE GRANT PROGRAM

Mr. Chairman, grants awarded under the new challenge grant program are intended to help our cultural institutions raise their levels of financial support and increase the number of sources of financial assistance.

The program would provide that every Federal dollar expended under the challenge grant program must be matched by three non-Federal dollars.

The challenge grant program represents an idea developed during the course of our hearings and one that was received warmly by the endowments.

The expenditures of both the endowments in their first decade have been a significant catalyst to generating new and increased funding as well as maintaining ongoing support from other public and private sources. Indeed, the ability of cultural organizations to generate matching funds for endowment grants has been a welcome sign of the effectiveness of these and the growing appreciation of the public of the importance of the arts and humanities. Rather than dominating, Federal funds have been a way to help insure the pluralism of support essential to the vitality of cultural pursuits. This pluralism grows ever more important as the number of cultural institutions increases and participation in their activities extends more widely among our citizens.

The new challenge grant program will enable the Arts and Humanities Endowments to develop more flexible programs for existing cultural and humanities institutions.

STATE HUMANITIES COUNCILS

Mr. Chairman, the provision in H.R. 12838 for funding State humanities councils is intended to help these groups develop adequate programs within their various jurisdictions. The assurance of a minimum of Federal funds available to States for these purposes should provide the State programs a greater degree of stability.

I want to assure my colleagues that this provision guaranteeing funds for State humanities councils will leave in place those voluntary organizations working in this capacity in many States. The measure before us today would provide grants to State humanities councils, whether created as voluntary organizations or as State agencies, leaving the councils more flexibility in their structures.

Indeed, Mr. Chairman, this provision would give the guaranteed 20 percent or $200,000 per State, which has been available to State arts programs for the past 7 years, to the humanities councils.

While guaranteeing the stability and assurance of Federal funds to carry out humanities programs in each State, this will in no way dictate what type of organization is to carry out the programs. The issue of mandating State humanities councils similar to those mandated in the law creating State arts councils was discussed but the Committee chose to allow the Chairman of the Humanities Endowment to fund whatever programs he determined would best serve the needs of a particular State.

The State humanities organizations are now primarily operated through voluntary organizations and the committee is aware of their constructive endeavors.

This measure also directs the State humanities councils to rotate their memberships in order to assure a broad public representation and to encourage coordination of humanities activities with other appropriate agencies and officials in each State.

CONCLUSION

Mr. Chairman, I urge my colleagues to join me in supporting the bill before us today.

The bill is the result of extensive deliberation on the part of the Subcommittee on Select Education as well as the Committee on Education and Labor.

The bill provides a much needed increase in funds to help stimulate artistic and scholarly endeavors.

This measure builds solidly on the achievements on existing State arts and humanities programs and adds new incentives for humanities programs by assuring them of yearly funding.

Finally, Mr. Chairman, the bill has received impressive bipartisan support, having been reported out of the subcommittee with no dissenting votes and out of the Committee on Education and Labor by a vote of 29 to 0.

Mr. Chairman, legislation for the arts and humanities has always enjoyed support from both sides of the aisle.

Mr. Chairman, I am not one of those who believes that Government should support the arts and humanities providing there is money left over, for there will never be money left over.

Mr. Chairman, the arts are important to the lives of every person, as was expressed so well by Maurice Abravanel, conductor of the Utah Symphony Orchestra.

> Even the poorest man sees to it that the little lawn in front of his own house does have flowers because it makes the entire difference in his mood when he gets up in the morning. This is what arts are doing.

Mr. Chairman, I urge my colleagues to support the measure before us today, not because the arts and humanities deserve token support, but because they are, in their own right, essential to the human spirit.

Mr. Chairman, I now yield to the distinguished chairman of the committee, the gentleman from Kentucky (Mr. Perkins).

Mr. PERKINS. Mr. Chairman, I thank the distinguished chairman of the subcommittee, the gentleman from Indiana (Mr. Brademas), for yielding.

Mr. Chairman, the National Foundation on the Arts and Humanities was established in 1965 with the enactment of Public Law 89–209. Since that time the act has been extended—and expanded—to meet the ever-increasing public demand for exposure to culture, the arts, and the humanities.

And Mr. Chairman, the Foundation by and large, has met these challenges in an effective way. The Foundation has become the success that it has because of outstanding leadership—in the Congress and in the programs themselves. Our colleague, Mr. Brademas, has provided great leadership in the developme ment of this legislation and in monitoring the programs of the Foundation. Under his guidance, and with the cooperation of the members of the Committee on Education and Labor, we have an excellent bill before us today.

Mr. Chairman, the bill before us received the benefit of joint hearings with the Senate, in addition to hearings held by our Subcommittee on Select Education in Washington and in key areas across the Nation. The bill was put together in subcommittee—and reported to the full committee unanimously. The full committee amended the legislation and reported it to the House unanimously. That, Mr. Chairman, is a solid endorsement.

H.R. 12838—in addition to extending the existing programs in the arts and the humanities—provides for new programs which hold considerable promise, in my judgment, for opening up the world of culture to even more Americans. Highlights of the bill before us include the following—

The legislation extends both the National Endowment for the Arts and the National Endowment for the Humanities for 4 additional years. Specific authorizations are provided for fiscal year 1977—$100,000,000 for each endowment—and for fiscal year 1978—$113,500,000 for each endowment—with such sums as Congress may determine necessary for fiscal year 1979 and 1980.

An Institute of Museum Services is established in the Department of Health, Education, and Welfare to assist museums in exhibits, educational programs, professional curatorial training, conservation of collections, traveling programs, and operating expenses. The committee has noted—in its study of this subject over the last several years—the changing role of museums in American life. There is a rising interest on the part of Americans in museum activities, and the activities of the museum world is changing also—bringing about a dramatic, dynamic, and different role influencing our daily lives. It is my opinion that the creation of this Institute will do much for the people who in the past have not had ready access to exhibits of art and artifacts, plays, drama, and other cultural events. I know my constituency in Kentucky will benefit greatly from the scope of activities envisaged under the Institute's work. Included in the bill is funding levels for fiscal year 1977 of $15,000,000 and fiscal year 1978 of $25,000,000, with such sums for the following 2 years.

H.R. 12838 contains another provision which has come about in part as a result of the good work accomplished in Kentucky through its innovative Governor's challenge grant program. The bill before us authorizes both the Endowments to establish a new program of "challenge grants"—providing one Federal dollar for every three dollars of private money. These grants would be available to cultural institutions in great need throughout the Nation. Fifteen million dollars is provided for fiscal year 1977; $20 million for fiscal year 1978, and such sums for the following 2 years.

Another important provision of H.R. 12838, Mr. Chairman, allows for the funding of State humanities councils, similar to authority presently in the arts program. These councils work to provide adequate programs of culture in their respective States. At least $200,000 must be set aside from each State's allotment for programs of the councils.

Mr. Chairman, there are other important provisions in H.R. 12838, which I shall not take the time to mention here. However, it should be noted that authorizations for fiscal year 1977 amount to $250,000,000—less than what was authorized in the current fiscal year. Specific authorizations for fiscal year 1978 amount to $297,000,000.

Mr. Chairman, for the quality and kinds of programs that have come about or have been strengthened as a result of the creation of the National Foundation for the Arts and the Humanities since its inception, the authorizations are modest indeed.

As I have said, the legislation has received unanimous approval by the Committee on Education and Labor. I urge all of my colleagues to vote for H.R. 12838.

Mr. BRADEMAS. Mr. Chairman, I thank the distinguished chairman of the committee, the gentleman from Kentucky (Mr. Perkins).

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Arts, Humanities, and Cultural Affairs Act of 1976 (H.R. 12838) a bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes.

Libraries are among the great cultural institutions of our Nation. Not only do libraries house books, films, recordings, prints, and paintings for the public to borrow, but they serve as major community resource centers for information about a wide range of topics. The public library, accessible to the public at large, is a source of new ideas and a repository of the old eternal ideas that give perspective and understanding to modern day life.

With assistance from the Library Services and Construction Act (Public Law 91–600) and occasionally with assistance from the National Endowments for the Arts and the Humanities, public libraries throughout the country have developed programs and services to involve a wide spectrum of the public in greater understanding of and appreciation for all fields of art and the humanities.

But many of our greatest public libraries are today in trouble. Severe budget cutbacks have forced them to curtail purchases of books and other library materials for the use of the public. For example, the acquisitions budget of the Detroit Public Library has been cut from $1 million to only $382,000. This concerns me greatly, because once allowed to deteriorate markedly, a cultural institution such as a library quickly becomes a second-rate institution. Moreover, library collections cannot be compressed in lean years and expanded in good years, for books and journals go out of print and if not acquired when relatively new, may never be acquired at all.

The Library Services and Construction Act has done much to assist libraries in extending their service to the unnificantly expand their service to the handicapped, the aging, the bilingual, and other groups outside the mainstream of society. But the Library Services and Construction Act was never intended to deal with the emergency budget reductions some of our great libraries are now grappling with. In Detroit, for example, all branches of the Detroit Public Library were temporarily closed earlier this month because of insufficient funds to keep them open. Similar branch closings and staff layoffs have occurred in New York City and elsewhere.

The Arts, Humanities, and Cultural Affairs Act we consider today could provide at least the beginnings of a solution to the problems of foundering cultural institutions, through its challenge grant program authorized by title III. The challenge grant program is a modest one indeed, authorizing no more than $15 million for fiscal year 1977, $20 million for fiscal year 1978, and such sums as necessary for the following 2 fiscal years. Moreover, every Federal dollar spent under this program would have to be matched by three non-Federal dollars.

The importance of the challenge grant program is that it is aimed at assisting those of our Nation's cultural institutions in great need. It is designed to help them broaden their base of support. The program would provide contracts and grants-in-aid to public agencies and private nonprofit organizations for the following purposes: First, to enable cultural institutions to raise their levels of financial support; second, to provide for the improvement of the administration and management of cultural institutions; third, to aid cultural organizations in increasing audience participation in, and appreciation of, their various programs; fourth, to stimulate cooperation among cultural organizations; and fifth, to foster greater citizen involvement in planning the cultural development of a community.

It is my hope that the challenge grant program will assist cultural institutions such as libraries to increase their levels of support, thus creating a more effective public-private partnership in cultural activities. While the program is clearly too small to help a great number of institutions, I hope that it will at least provide a few successful examples of libraries in great need which were enabled through this program to broaden their base of support and increase their funding levels accordingly.

As a member of the Education and Labor Committee which has jurisdiction over library programs, I will be watching with interest in the months ahead to see whether the new program of challenge grants is living up to its potential. It is an approach worth trying.

Mr. BRADEMAS. Mr. Chairman, I thank the gentleman for his contribution.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I am glad to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I listened carefully to the gentleman's very lucid explanation of the content of this legislation. The bill does, of course, con- workers in support of cultural institu- tain an authorization of roughly a quarter of a billion dollars for these various programs.

The gentleman has correctly stated that is $2 million less than the authorization for the previous fiscal year, but it is also $60 million more than the actual appropriation requested last year by the administration. I would assume that the administration, in making this request and in looking over the budget priorities, obviously felt that this is one area in which substantial reductions in spending could be made at a time when we are facing for the second year in a row an enormous budget deficit.

Mr. BRADEMAS. Mr. Chairman, I might say in answer to the gentleman from Maryland that we want to be clear as to just what we mean when we talk about the administration's request. I am sure that my friend, the gentleman from Maryland, would agree to the fact of the matter that the administration requested in terms of authorization a figure of $252 million, and that is $2 million more for fiscal year 1977 than the bill under consideration. And indeed the authorization amount in the bill under consideration is less than that in the bill that was originally introduced in the House by the gentleman from California (Mr. BELL) and myself and less than the amount authorized for fiscal year 1976.

Mr. BAUMAN. Mr. Chairman, I would say to the gentleman, if he will yield further, that the gentleman's statement in no way contradicts the fact that this Congress appropriated $60 million less than this pending bill for the same programs for the last fiscal year. Perhaps the gentleman from Minnesota (Mr. QUIE) can elaborate on that in his remarks.

Mr. Chairman, I wish to ask the gentleman one other question. I notice on page 23 of the committee's report indicating the changes in existing statutes that we are removing the present requirement that the grants made by the National Council on the Arts be made only for projects within the United States.

Could the gentleman explain to me why it is necessary for authority to be granted to make grants of Federal taxpayers' money for cultural activities abroad?

Mr. BRADEMAS. Mr. Chairman, I would be glad to comment on that.

One of the distinguishing characteristics of the legislation under consideration since its inception has been that an effort has been made, although not always effectively, to provide that the humanities endowment and the arts endowment would be similarly treated by the Congress, and in respect to the matter under consideration and to which the gentleman refers, that authority has already existed and continues to exist in present law within the Humanities Endowment.

Therefore, by making this modification we simply remove that limitation with respect to activities that would be supported by the Arts Endowment. I frankly would not anticipate any very zealous use of that authority.

Mr. BAUMAN. The change in the served. It has enabled libraries to sig- law, then does not contemplate the financing by the Federal Government of foreign projects extraneous to American cultural activities?

Mr. BRADEMAS. The gentleman is correct.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for his explanation.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I wish to compliment the gentleman from Indiana for an excellent job done with respect to this whole area over the entire period of time that he has been handling this important legislation. I think the additions that the gentleman has reported to us today are very worthwhile.

I do have one concern. In reading the hearings regarding this legislation and in reviewing the problems in the field of arts and humanities, I note that there has been a very serious problem with respect to employment of persons in the arts.

As a result of the recession, the unemployment problem has intensified. I also note that the subcommittee, in its hearings has frequently discussed the necessity to do something specifically and directly about employment conditions in the arts; and yet, I find no specific attention paid to special employment provisions which have been proposed and which are based upon proposals that were indeed made by Actors Equity, the American Federation of Radio and Television Artists, and the Association of the Council of the Arts.

Can the gentleman explain to me why the legislation does not include a mechanism whereby, if the national unemployment rate exceeds 6.5 percent, there would be a special grant-in-aid system to be administered by the States for projects and productions of general artistic and cultural interests which could deal directly with the artist and which could deal directly with the performer, so that we could make certain that those people who were suffering so badly in this recession might get some of the benefit of this tax dollar that is so important in the arts?

Mr. BRADEMAS. Yes. I would be glad to comment on the observation of the gentlewoman from New York (Ms. ABZUG).

I thank her for her gracious remarks and commend her for her interest in this particular problem. As the gentlewoman knows, I am most sympathetic with the concern she has expressed, namely, about the question of assuring employment for artists who are out of work.

I would say that there are a couple of reasons that the committee did not include the kind of amendment to which the gentlewoman from New York refers. I, for one, may say that I am very sympathetic with the purpose of the amendment, but there were really two or three reasons for not considering it.

First of all, since the enactment of CETA, the Comprehensive Employment and Training Act, in the summer of 1973, there have been over 2,500 artists and tions who have become employed in public service programs.

I hope that kind of support will continue; and indeed, it seems to me that the kind of amendment to which the gentlewoman from New York refers, which would single out still more precisely unemployed artists for work, would more properly come as an amendment to the CETA bill, which is scheduled for consideration upon completion of this bill. Therefore, if the gentlewoman from New York would wish to offer it at that time, I would be glad to give it my support. This brings me to the second reason that the subcommittee and the committee did not include the very laudable amendment to which the gentlewoman refers, sympathy for which I have already indicated; and it is that since there are included two new initiatives in the bill under consideration, namely, the museum services and the challenge grant program, and given the fiscal restraints with which all of us in this committee are familiar, we felt that it would not be wise to include this provision in this particular bill and thereby whet the appetite of an already veto-prone President still more.

That is the most candid reply I can give to my friend, the gentlewoman from New York (Ms. ABZUG), whose proposed amendment, I think, as I have already said, I am in sympathy with.

Ms. ABZUG. I appreciate the concern that we have about our legislation passing the House and surviving vetoes, although I do recall that on the floor of this House, before our President ascended to that position, he said he was a very strong supporter of this kind of legislation. I am looking forward to his continuing support in that connection.

Mr. BRADEMAS. If the gentlewoman from New York (Ms. ABZUG) will permit me to interrupt, both she and I were involved in the subcommittee on this question. I remember it was raised when we considered the authorization bill which we are now considering, and I remember that the then distinguished minority leader, the gentleman from Michigan, Mr. Gerald R. Ford, rose to say that he would work for and he had become enthusiastic about this program.

He pointed out particularly that he had become a convert and he made public confession of his sins and shortcomings and said he was supporting the program. He said the immediate cause of his change of heart was that there had been erected in his hometown of Grand Rapids a work of art by the great sculptor, Calder. And the minority leader at that time said:

> I suppose a lot of you here don't know what a Calder is.

And my friend, the distinguished gentlewoman from New York (Ms. ABZUG), who was sitting immediately behind me here, as I remember full well, came halfway out of her chair and said, to my delight and with her customary accuracy and wit, "Some of us do, Jerry; some of us do."

Mr. QUIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I, too, rise in support of H.R. 12838 which will extend and amend the National Foundation on the Arts and Humanities.

As has been indicated, the gentleman from Indiana (Mr. BRADEMAS), has been working on this legislation for a long period of time and I think this has given continuity to it as well as the opportunity to have watched it operate through the years. I recall my skepticism when this program was first enacted. I really was concerned about the Federal Government involving itself in the arts and humanities, and fearful of the kind of Government domination that can occur in fields where free men really excel. It seemed to me after seeing the domination of some governments in Europe and Asia in times past that there was a danger that might exist here in this country. But after watching this program operate for 10 years, I do not have those concerns or reservations any more. I am confident that this is an excellent program. It is one where freedom does exist, I believe as well or better because of the programs funded by the National Foundations.

Art and humanistic efforts today are important because they represent the full value of our culture as well as our value system. Freedom of expression is the hallmark of a free society and the ability to create and to think in an unrestricted manner and share skills and talents with others is of utmost importance. A society without art, or with restrictions $7.2 million for the Arts and $3.8 million on art, and a society without thought, literature, or ethics is a society without values.

It is for these reasons that I believe the Arts and Humanities legislation is important and in many ways it is the only reason why it should exist. But I am a realist and I recognize the financial problems that individuals and institutions are having.

In the last few years there has been a substantial increase in the amount of money appropriated to the endowments. As the Members know, from the very beginning the Nixon administration advocated substantial increases and we have seen the amount rise as much as $35 million additionally in 1 year over a previous year, as has been occurring during recent years.

The commitment made by the Federal Government over the last few years in actual appropriations has grown from $7.2 million for the Arts and $3.8 million for the Humanities in fiscal year 1968, to a projected $79.5 million for each in fiscal year 1976, which reflects the generally positive attitude for both programs. I think the Federal Government reflects our feeling that the programs appear to be working well and have grassroots support throughout the country.

I am inserting at this point a table showing the history of authorization and appropriations for both the National Foundation for the Arts and the National Foundation for the Humanities through fiscal year 1976:

	Arts		Humanities	
	Authorization	Appropriation	Authorization	Appropriation
Fiscal 1966:				
Program funds	$5,000,000	$2,500,000	$5,000,000	$2,500,000
Funds to match private donations	2,250,000	34,308	5,000,000	
Subtotal	(7,250,000)	(2,534,308)	(10,000,000)	(2,500,000)
Fiscal 1967:				
Program funds	5,000,000	4,000,000	5,000,000	2,000,000
State agencies (bloc)	2,750,000	2,000,000		
Funds to match private donations	2,250,000	1,965,692	5,000,000	106,278
Subtotal	(10,000,000)	(7,965,692)	(10,000,000)	(2,106,278)
Fiscal 1968:				
Program funds	5,000,000	4,500,000	5,000,000	3,500,000
State agencies (bloc)	2,750,000	2,000,000		
Funds to match private donations	2,250,000	674,291	5,000,000	325,257
Subtotal	(10,000,000)	(7,174,291)	(10,000,000)	(3,825,257)
Fiscal 1969:				
Program funds	6,000,000	3,700,000	8,000,000	3,700,000
State agencies (bloc)	2,000,000	1,700,000		
Funds to match private donations	3,375,000	2,356,875	3,375,000	1,262,473
Subtotal	(11,375,000)	(7,756,875)	(11,375,000)	(4,962,473)
Fiscal 1970:				
Program funds	6,500,000	4,250,000	9,000,000	6,050,000
State agencies (bloc)	2,500,000	2,000,000		
Funds to match private donations	3,375,000	2,000,000	3,375,000	2,000,000
Subtotal	(12,375,000)	(8,250,000)	(12,375,000)	(8,050,000)
Fiscal 1971:				
Program funds	12,875,000	8,465,000	17,000,000	11,060,000
State agencies (bloc)	4,125,000	4,125,000		
Funds to match private donations	3,000,000	2,500,000	3,000,000	2,500,000
Subtotal	(20,000,000)	(15,090,000)	(20,000,000)	(13,560,000)
Fiscal 1972:				
Program funds	21,000,000	20,750,000	26,500,000	24,500,000
State agencies (bloc)	5,500,000	5,500,000		
Funds to match private donations	3,500,000	3,500,000	3,500,000	3,500,000
Subtotal	(30,000,000)	(29,750,000)	(30,000,000)	(28,000,000)
Fiscal 1973:				
Program funds	28,625,000	27,825,000	35,500,000	34,500,000
State agencies (bloc)	6,875,000	6,875,000		
Funds to match private donations	4,500,000	3,500,000	4,500,000	3,500–000
Subtotal	(40,000,000)	(38,200,000)	(40,000,000)	(38,000,000)
Fiscal 1974:				
Program funds	54,000,000	46,025,000	65,000,000	44,500,000
State agencies (bloc)	11,000,000	8,250,000		
Funds to match private donations	7,500,000	6,500,000	7,500,000	6,500,000
Subtotal	(72,500,000)	(60,775,000)	(72,500,000)	(51,000,000)
Fiscal 1975:				
Program funds	*90,000,000	*67,250,000	90,000,000	67,250,000
Funds to match private donations	10,000,000	7,500,000	10,000,000	6,500,000
Subtotal	(100,000,000)	(74,750,000)	(100,000,000)	(73,750,000)
Total	313,500,000	252,246,166	316,250,000	225,754,008
Fiscal 1976:				
Program funds	113,500,000	72,000,000	113,500,000	72,000,000
Funds to match private donations	12,500,000	7,500,000	12,500,000	7,500,000
Subtotal	(126,000,000)	(79,500,000)	(126,000,000)	(79,500,000)
Total	439,500,000	331,746,166	442,250,000	305,254,008

At least 20 percent for State arts agencies and regional groups.

A question was raised during a colloquy with the gentleman from Indiana (Mr. BRADEMAS) of whether this was a wise authorization or not. I might remind the Members that when this bill was extended the last time that I raised the question then of authorizing beyond what could be expected to be appropriated. While we were closer on appropriations and authorizations in this legislation than we were in many others that come out of the Committee on Education and Labor, I still felt that we were authorizing beyond that which we had any chance of appropriating. However, that has been changed in this bill.

As the Members will note, on page 14 of the committee report, the authorization in 1977 for the Endowment for the Arts has been dropped from $113.5 million in 1976 down to $100 million for 1977, and the same with the Endowment for the Humanities.

The $25 million matching grant proposal has been dropped from $25 million in 1976 to $20 million in 1977, bringing it in line with what I would hope would be the appropriations that we will grant this year.

Mr. Chairman, at this time focusing on the legislation before us today, let me say the basic programs are good, and appear to be working, so we have not changed them. We have merely extended them 4 more years. In doing so I think the committee provided authorizations which are responsible and reachable. I would like to point out that the first and most important thing that the committee did was to insure parity of funding between the two Endowments. We did so by providing identical authorizations. I am aware that humanists who are concerned with education and knowledge are not always as visible as artists, but I believe that the public's need of humanists' activity is clearly as great as its need of the creative and performing arts and I recognize that the needs of our humanistic institutions—libraries, educational organizations, historical societies, and scholarly institutions, clearly have as many financial needs as arts organizations.

Mr. Chairman, the committee amended the existing law to add a few new sections. These provisions although new, I believe will greatly enhance the legislation and will expand the scope of the legislation with only a minimal investment. The first item is the challenge grant program. As my colleagues know, the arts and humanities in America are undergoing financial difficulties at this time and although virtually every institution is taking significant steps to secure additional funds, new ideas and sources are always needed. One which has proven to be incredibly successful is the so-called challenge grant. Both Endowments have tried it on an experimental basis. The challenge grant is in the form of a contract or grants to public agencies and private nonprofit organizations and used primarily to raise their financial level of support. The program works with the grantee being "challenged" to raise three new dollars for every Federal dollar that is put up. In this way, fresh sources of public and private support are generated.

Regarding the Institute for Museum Services, at one time the gentleman from Indiana and I talked of placing it under the Endowment of the Arts. But as we went through the whole logic of the concept, it seemed to me that the conclusion he had reached when he introduced the Institute was a wiser conclusion, and that it should be an Institute in HEW. In this way it would have the kind of close relationship to the whole education. Museums go beyond the realm of responsibility of the arts and humanities and I do not believe there should be competition between the two endowments by giving one a responsibility that the other one does not have. Therefore, I have come to the conclusion that the Institute that we have included in title II is a wise inclusion. Whether we will be appropriating it at $15 million this year or not is hard to tell.

I believe that as we look at this through the appropriation process, we may well want to appropriate at that level, but it at least is one that I believe is not beyond the realm of possibility and of wisdom.

Title II establishes a new Institute of Museum Services in the Department of Health, Education, and Welfare. The Institute will be in HEW rather than in either Endowment. After long hours of consideration about the matter, I concluded that support in the manner in which we authorized it in this bill was necessary and that the only question in my mind was where to place the program. I reached the conclusion as did the gentleman from Indiana (Mr. BRADEMAS) that to place it in either Foundation would only increase rivalry and would not be particularly productive for the museums we hope to reach with this legislation. Because of the vastness of the museum world, it seemed to me that the Department of Health, Education, and Welfare was the logical choice.

Mr. Chairman, the museums in America represent our most significant and irreplaceable national treasures. The educational, cultural, and scientific materials that are collected, preserved, interpreted, and utilized by the Nation's museums provide a vast reservoir of resources for more than 390 million visitors who go to them annually.

When the subject of museums first came up, many had a very narrow view of what a museum was: The term "museum" represents far more than a gallery with paintings and sculpture. In fact, there are more "museums" devoted to science, history, and technology than there are to art. Zoos and botanical gardens also fall under the "museum" category.

Increasingly, the American public has been looking toward museums to fulfill the unmet educational needs of society. Millions of our citizens; young, old, rich, poor, recognize that museums give an added dimension and meaning to their lives. Statistics reveal that the museum audience represents various age groups, multiple socioeconomic levels, and a broadly based geographic distribution of visitors. Museum visitors represent all segments of the population and a wide variety of local, State, and regional jurisdictions.

Museum attendance is breaking all records. Science museums, the most popular kind of museum, reported a 44-percent increase in attendance recently. Science museums are the forerunners in nontraditional forms of education and are introducing unique participatory, audience-interactive types of exhibits which enhance the public's understanding and appreciation of science.

Rising educational demands on museums also present challenges and financial burdens. When the country is suffering from a moral dilemma, can we afford not to support one of the strongest educational pillars of the society?

Museums represent our heritage and legacy to civilization. They have made it possible for Americans to interpret the present in the dynamic context of the past and to prepare for the uncertainties of the future.

Finally, Mr. Chairman, the last major change in the law that we made pertains to the State humanities councils. Throughout this bill, the committee took particular care to insure that the legislation for the humanities would be comparable to the legislation for the arts because it was our feeling that each has intrinsic value and should be equal. Therefore, we added language which will insure that each State would be entitled to receive $200,000, or 20 percent of any moneys appropriated for the Humanities Endowment. It is comparable to the existing law as it relates to the arts. We also require that the membership of States humanities councils be broadly based to insure that all segments of the public including representatives of each State, shall have membership on the councils. One difference between the two Endowments was to maintain the voluntary nature of State-based humanities programs and not replace them with official State agencies as with the arts. The committee concluded that the present structure, because it has been highly successful in reaching the grassroots and more importantly, generated millions of private dollars at the local level, should be maintained. I believe that the committee bill strengthens these structures while the changes go a long way to assuring accountability to the public they serve.

Mr. Chairman, I commend to my colleagues a good piece of legislation and hope that we adopt this and provide for the extension and expansion of this worthwhile endeavor in our Nation's life, because when we get through and look at the background of our history, I do not believe we will be pointing to our armed might as really the strength of this Nation; we will not be pointing back at the wealth and affluence that we enjoy now; but rather we will be pointing to the works which is produced by the American people. These works fall into the realm of the arts and humanities.

Now in the Bicentennial, we look to the heritage of 200 years which really inspires people. I am impressed with the sense of design evidenced by antiques from 200 years ago. Just in that aspect we see the importance to the spirit of the people. We read of the works of that time in our history, of our Founding Fathers, and we are influenced by their visions, plans, and hopes for the new Nation. I believe that any encouragement of the arts and humanities that we can be a part of now is going to be worthwhile not only for our people but especially for those who come after.

Mr. Chairman, I would like to take this opportunity to extend my sincerest praise to the gentleman from Indiana (Mr. BRADEMAS), for the leadership he has shown in the development of this legislation and most importantly, his desire to develop a bill which could be supported by all Members.

I urge all of my colleagues to support this bill today.

Mr. MATSUNAGA. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 12838 and commend the gentleman in the well and the gentleman from Indiana, the Chairman of the subcommittee, and the full committee for reporting this measure out.

I had intended to offer an amendment to provide for a title IV providing for the creation of an Office of Poet Laureate. However, I, after discussing the matter with the Chairman of the subcommittee, have agreed not to offer the amendment, for one thing, out of fear that the amendment might give cause to the President to veto the measure, and I certainly would not wish to be the cause of the veto.

If the gentleman will yield further, I would like to pose a question to the Chairman of the subcommittee.

Mr. QUIE. I will yield for that purpose.

Mr. MATSUNAGA. As I understand it, the Chairman does intend to hold hearings on a bill now in his subcommittee to create a position of Poet Laureate of the United States?

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, may I interject first that I want to commend the gentleman in the well, the gentleman from Minnesota (Mr. QUIE), for what I believe is one of the most eloquent statements in support of this legislation that I have heard made here.

I think the gentleman from Hawaii (Mr. MATSUNAGA) can count on there being hearings conducted in this session of the Congress on his bill to establish the position of Poet Laureate. We have not in our committee held hearings on this imaginative proposal and I am pleased to assure the gentleman we will be holding such hearings and I will be pleased to consult with the gentleman from Hawaii with respect to witnesses to be called for those hearings.

Mr. MATSUNAGA. Mr. Chairman, if the gentleman will yield further, I thank the gentleman and will look forward to those hearings.

Mr. QUIE. Mr. Chairman, if the gentleman will permit me to say, I will be glad to have those hearings also because I have some pretty grave reservations about that amendment right now. I need some enlightenment if we are ever going to have that. I have asked the Library of Congress about poet laureates in England and they gave me the following information:

POET LAUREATE IN ENGLAND

In early use poet laureate was a title given generally to eminent poets and sometimes conferred by universities. In Great Britain, in particular, the term referred to a title given to a poet who receives a stipend as an officer of the Royal Household, and one who writes court odes. Some sources indicate that perhaps the original poet laureate was the Ango-Saxon "scop," the individual whose office it was to sing and recite before the king as the quote from *Beowulf* describes "Swutol sang scopes."

In 1616 James I conferred on Ben Johnson by Letters Patent a pension "in recognition of the literary services to the court."[1] This may mark the beginning of an era of laureateship although there is no documentation to show that James I formally appointed Ben Jonson to the office. The first actual recorded appointment by authority to the office of Poet Laureate was a warrant for a grant to Dryden in 1668 which was confirmed by patent in 1670.

The following description from the new, *"Century Handbook of English Literature,"* gives some insight into the position of Poet Laureate:

"... Formerly a poet who had been publicly crowned with laurel by a sovereign or some other eminent person in recognition of his merits; also, a student in a university who had been so crowned on receiving a honorable degree in grammar including poetry and rhetoric; now in Great Britain, a salaried officer of the royal household, of whom no special duty is required, but who formerly was expected to furnish an ode annually for the sovereign's birthday, and to celebrate in verse great national events. The office of poet laureate seems to have existed with interruptions from the time of Edward III or IV, but John Dryden was the first poet to be officially accorded the title and the generally lifelong appointment."

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, I strongly commend the gentleman in the well on his statement and I agree thoroughly with him that these are the kinds of works which this Nation will ultimately best be known for.

I also would like to take the occasion to express my strong appreciation and commendation to the gentleman from Indiana. Clearly no one has worked longer or harder or more tirelessly in support of this legislation than the gentleman from Indiana (Mr. BRADEMAS).

As one of the original cosponsors with the gentleman from Indiana (Mr. BRADEMAS) I think our early expectations for the arts and humanities have been fully justified and that they will even be increased by the passage of this legislation which now takes on a very important aspect of aiding museums across the Nation.

I am particularly gratified that by this legislation and the funding thereof the arts and the humanities have found their way into the areas of the Nation which never had the opportunity before to witness plays, to hear symphonies, and to see the paintings which have been done under the auspices of those people working under this act.

I think of all the pieces of legislation which we have considered this is by far one of the more important.

Mr. Chairman, I rise in support of the Arts, Humanities, and Cultural Affairs Act of 1976, H.R. 12838. I was involved with the original legislation back in 1965, and I feel my early enthusiasm has been more than justified. The National Endowments for the Arts and the Humanities have contributed greatly to both the expansion and the diffusion of cultural life in America.

This bill today, in addition to continuing support for the arts and humanities endowments, provides some much-needed help to a segment of the arts world that is most likely to affect the lives of the average American citizen. I am speaking of the new Institute of Museum Services which will provide help to museums for, not only exhibits but educational programs, professional training for curators, conservation of collections and operating expenses generally.

Museums are becoming more and more part of the community life even in relatively small towns and in less populated areas of our country. I am especially proud of the Bellingham Museum in my own district, which has, in addition to preserving the original town hall and restoring it to its Victorian splendor—first buildings in our area are not all that old by eastern standards—also has been a focal point in developing and supporting a wide range of cultural projects involving a considerable spectrum of the community. Local artists are being encouraged; old photographs of the early days in the pioneer Northwest are being collected, preserved, cataloged, and displayed; music programs are arranged under the museum's auspices; in short, the museum has become a real center of community life and I like to think this is the way it should be. Today's bill will add to the Federal support for such ventures around the country, and allow more museums to improve the quality of their contribution to the communities they serve.

Additionally, this bill provides for "challenge grants" to cultural institutions with demonstrated need. This will provide one Federal dollar for each $3 raised by the private sector, and will have the effect of greatly increasing the community support for arts and humanities.

My personal bias in favor of the Arts and Humanities Act is most strongly supported by the belief that it is important to break away from the domination of the arts' community by the large Eastern population centers. Those of you who represent some rural areas, as I do, must share this concern. I have on occasion taken the Endowment to task for not spreading their support into the remoter areas more than they have, but, on balance, there has been considerable progress.

Let me quote briefly from a letter from Seattle:

> The development of the arts and humanities in the state of Washington has received unprecedented support from local and

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[1] W. Forbes Gray. The Poets Laureate of England: Their History and Their Odes. London, 1914, p. 20.

> state governments in recent years, and the National Endowment for the Arts and Humanities has been an important catalyst in this revolutionary change by providing the funds necessary to stimulate local and state response. The creative arts and the humanities must, I believe, be appreciated and regarded by society in general and by each of us individually as essential to our well being, growth and maturity as a society and a nation. I cannot urge too strongly that you vote to provide the support necessary . . . .

I heartily concur with the sentiments expressed by that Washington State resident, and urge this body to support this bill, H.R. 12838.

Mr. LEHMAN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Florida.

Mr. LEHMAN. Mr. Chairman, I rise in support of this legislation and in support of the statements of the gentleman from Minnesota (Mr. Quie) and in commendation of the gentleman from Indiana for his effort in behalf of this legislation.•

Mr. Chairman, I would first like to associate myself with the remarks of the distinguished gentleman from Minnesota and thank him for yielding me this time. I would also like to offer my highest commendation to our subcommittee chairman, John Brademas, for the very fine job he has done in bringing this bill before us.

All of us here recognize the importance of a lively cultural life to our Nation, especially as we watch the outpouring of cultural events during this Bicentennial Year and the extraordinary response of audiences nationwide. This country has a great wealth of imagination and talent, and vast numbers of people who find a whole range of new experiences and emotions in being touched by artists, writers, actors, musicians, and their works.

The arts and humanities, moreover, may be seen as the new growth industry. Audience interest and attendance are rising dramatically, even in areas usually considered elite or "highbrow"—the ballet, to name only one—and new artists and performing groups are bursting into flower in communities across the Nation. This not only brings increased audience pleasure, but also jobs, even beyond the immediately evident ones in building, operating, and maintaining new facilities and in mounting new productions. Restaurants enjoy increased patronage and people begin going out more in the evening to participate in other community cultural and recreational resources.

This bill will increase and expand Federal support for this important cultural growth. Without providing the massive state subsidies for the arts and humanities so evident in European countries, and continuing to rely on private support for the major portion of financing our arts, we can still, through this bill provide incentive and encouragement for continued development and vitality in our cultural life.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I rise in support of this legislation and commend the distinguished gentleman from Indiana and the distinguished gentleman from Minnesota for the great work they have done in this field.

Mr. Chairman, I feel it is appropriate that the House should consider important legislation affecting the arts in this Bicentennial Year. H.R. 12838 contains many important provisions that would be beneficial to the museum, film makers, artists and various cultural organizations of America.

As we celebrate this country's 200th birthday, we must not forget the important role the arts have played in making our culture rich and worthwhile. With this bill we have the opportunity to insure the continuation of our fine tradition in the arts.

One provision of particular value is the establishment of the Institute of Museum Services. This Institute would be of great help in the establishment of new exhibits, preservation of existing exhibits, and arrangement of cultural exchange programs.

I also believe the establishment of Federal challenge grants, which would provide matching Federal funds for privately raised funds, would be a great boon to local projects. These grants would be a great incentive for local organizations in their efforts to raise money.

Mr. Chairman, I would like to take this opportunity to commend Congressman Brademas for his work with the Arts, Humanities and Cultural Affairs Act. His eloquent support of the acts over the years has done much to insure the continuation of many fine artistic and cultural programs. Also to be commended is Congressman Albert Quie for his strong support of arts and humanities programs. This bipartisan support of this legislation is indicative of the importance and value of this legislation.

I would also like to take this opportunity to commend the Chairman of the National Endowment for the Arts, Nancy Hanks, on the fine job she has done.

Mr. Chairman, American leadership in many areas has helped to make this country vital and strong. I believe the arts and humanities should be no exception. With the innovative Arts, Humanities and Cultural Affairs Act of 1975, the Congress has a chance to insure the growth and development of many fine projects and organizations in fields related to the arts. I urge support for H.R. 12838.

Mr. HAGEDORN. Mr. Chairman, an editorial in this morning's Wall Street Journal points out well the natural antipathies between the artist and the state. In commenting upon the emigration from his native Sweden of the world famous film director, Ingmar Bergman, the Journal states:

> The state has a way of expanding its paternalism until it reaches the point of manacling great artists for minor sins.

I agree with this. To inject the Federal Government still deeper into the cultural sphere is, I believe, to blur necessary distinctions between the state and society. To create a whole class of artists dependent on the largesse of the state is to impose a very genuine form of censorship upon these artists, for the power to confer grants upon artists, writers, and innovators implies necessarily the power to deny grants to those whose work is not approved by the state. It is not the state's business to subsidize the arts; that is the business of the individual and the private sector. Because it is a nonpriority use of taxpayer money, and because it represents a genuine long-term, potential threat to the independence of the genuine artist and creator. I strongly oppose H.R. 12838.

Mrs. MINK. Mr. Chairman, H.R. 12838 authorizing the extension of the National Endowments for the Arts and Humanities, reorganizing the museum services program and establishing the challenge grants program, is before us today. I urge my colleagues to give this measure their wholehearted and vigorous support.

In this, our Bicentennial Year, we are more conscious than ever before of our heritage and hopes, our past and future. The Arts and Humanities Endowments have played a significant role in arousing our awareness and disseminating our cultural and intellectual achievements. It is fitting that the opportunity to extend their role for another 4 years falls due during our Bicentennial celebration.

One of the most exciting aspects of recent American history has been the new vitality and creativity in American arts and letters. Perhaps the most encouraging aspect of all of this has been the broad and diverse composition of their new audience. Proud recognition of folk and ethnic traditions and a conscious effort to reach all the people have made American arts and letters highly accessible forms of expression and enjoyment.

The Endowments have also provided opportunities to view the Chinese archeological exhibit, just one of several extraordinary NEH museum programs to draw enormous crowds throughout the country. Likewise the American Film Institute, with Endowment support, has done important work in preserving American films and developing film education materials.

H.R. 12838 will extend the Endowments' authorization for 4 years with modest increases in authorized funding levels. Titles II and III of H.R. 12838 represent a reorganization of museum services and a new provision for "challenge grants."

Under title II museum services will be reorganized under a single office, an Institute of Museum Services to be located within HEW. This single office will resolve jurisdictional disputes among different types of museums and insure that the needs of popular museums such as science and technology museums are adequately funded.

The challenge grants title has been added to address the urgent needs of established cultural institutions currently experiencing financial difficulties. Emphasis in title III has clearly been placed upon stimulating non-Government support for these institutions. With one Federal dollar matching every three raised in private funds, challenge grants will provide a catalyst rather than a subsidy.

The Endowments have played a vital role in the geographic and socioeconomic dispersion of arts and letters in America. They have encouraged community theater and dance companies, assisted local orchestras and artists and provided forums for vital topics of discussion. Perhaps the Endowments' greatest contribution has been toward putting the American people in touch with themselves, stimulating awareness and pride in a varied heritage and cultural experience.

In the 11 years since the founding of the Endowments we have seen a rapid dispersal of the "cultural monopolies" long exercised by large urban centers. Certainly our cities retain some of the world's finest orchestras, museums, theater and dance companies. But smaller cities, towns, and rural communities are no longer content to defer cultural pursuits to the big cities. Communities are sponsoring their own activities and groups; American arts and letters have returned to the grassroots with unparalleled fervor and dynamism.

For countless small communities and struggling groups, the Endowments have made the difference. On a national basis the Endowments have offered high-quality PBS programing, including the very successful "Adams Chronicles" and several series on classic silent and foreign cinema. The Endowments' PBS programing has vividly demonstrated that art and entertainment do indeed mix.

Throughout its 11 years the Endowments have been a creative, dynamic force. Early on, fears had been expressed that the Endowments would subsidize the arts and humanities in America and dampen individual and community initiative. The Endowment's whole history provides decisive proof to the contrary. The Endowments have consistently stimulated greater interest in and support for arts and humanities to an extent we never dreamed possible in 1965. I urge you to join with me today in approving the Arts, Humanities, and Cultural Affairs Act of 1976.

Mr. BIAGGI. Mr. Chairman, as an original cosponsor of H.R. 12838, I rise in full support and urge its swift passage by the House today. It is fitting that in this, our Bicentennial Year, we are providing new funding for the Federal agency dedicated to preserving and expanding the rich cultural life of this Nation, the National Endowment for the Arts and Humanities.

This bill will provide funds for the Endowments through fiscal year 1980. Specifically, $100 million for each Endowment will be provided in fiscal year 1977 and $113.5 million in fiscal year 1978. Such sums as may be necessary will be provided in the 2 succeeding fiscal years. In an effort to gain the participation of the States in the programs of the Endowment, the bill provides that at least 20 percent of the Endowment's funds be spent supporting State programs.

This bill will also establish a new and desperately needed Federal assistance program to aid our Nation's museums. Many people in this Nation take museums for granted oftentimes failing to recognize that they, too, may be suffering adversely from our current economic problems. In reality, many museums are becoming hard pressed economically and some have had to close their doors to the public. The bill will set up an Institute of Museum Services comprised of 15 members which will award grants to museums so that they may increase and improve their services. These funds can be used to help defray costs of showing exhibits and also to hire specialized staff as well as conserve artifacts and art objects.

Another new innovative feature of this legislation is the providing of $35 million over the next 2 years for the Endowment to make special challenge grants to assist cultural institutions in financial need.

I would also like to add my support to an amendment which my colleague from Hawaii, Mr. MATSUNAGA intends to offer, to establish the office of Poet Laureate of the United States. This Nation has been blessed with many outstanding poets, like Walt Whitman, Robert Frost, and Marianne Moore, just to name a few, yet we have never fully recognized their talents. This amendment would correct this injustice and allow contemporary poets to be justly honored by this Nation.

Throughout its history, the National Endowment for the Arts and Humanities has done a superb job in aiding the cultural awareness and growth of this Nation. It has funded numerous projects of merit by individuals and groups. It has presented artists with new opportunities to develop their work unobstructed by financial limitations. It has allowed this Nation to reflect on its past and plan ahead for a rich cultural future.

In the words of Matthew Arnold, "Men of culture are the true apostles of equality." Let us continue to promote the culture of our Nation.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of the legislation before us, Arts, Humanities, and Cultural Affairs Act of 1976. I support this bill fully and I direct your attention to the section of the bill which establishes a new Institute of Museum Services within the Department of Health, Education, and Welfare. I have worked toward this goal ever since the committee first held field hearings back in 1972. I applaud the effort of the committee and its chairman in drafting this legislation.

Population increase and the rising interest of the American people in seeing works of art have put a tremendous strain on the operation of our many and varied museums. This legislation will allow us to help our museums of art, history, science, and technology remain open and vibrant forces in their communities.

Mr. QUIE. Mr. Chairman, I have no further request for time.

The CHAIRMAN pro tempore. All time has expired.

Pursuant to the rule, the Clerk will now read by titles the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Arts, Humanities, and Cultural Affairs Act of 1976".

TITLE I—ARTS AND HUMANITIES

STATE HUMANITIES COUNCILS

SEC. 101. (a) Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new subsection:

"(f)(1) The Chairman, with the advice of the National Council on the Humanities, is authorized to establish and carry out programs of grants-in-aid in each of the several States in order to support not more than 50 per centum of the cost of existing activities which meet the standards enumerated in subsection (c), and in order to develop programs in the humanities in such a manner as will furnish adequate programs in the humanities in each of the several States.

"(2) In order to receive assistance under this subsection in any fiscal year, any person or entity desiring to receive such assistance shall submit an application for such grants at such time as shall be specified by the Chairman and accompany such applications with a plan which the Chairman finds—

"(A) provides that funds paid to the grant recipient will be expended solely on programs which carry out the objectives of subsection (c);

"(B) establishes a membership policy which is designed to assure broad public representation with respect to programs administered by such grant recipient;

"(C) provides a nomination process which assures an opportunity for nomination to membership from various groups within the State involved;

"(D) provides for the rotation of the membership and officers of such grant recipient on a regular basis;

"(E) establishes reporting procedures which are designed to inform the chief executive officer of the State involved, and other appropriate officers and agencies, of the activities of such grant recipient;

"(F) establishes procedures to assure public access to information relating to such activities;

"(G) provides that such grant recipient shall make reports to the Chairman from time to time, in such form and containing such information as the Chairman may require; and

"(H) provides that two members of the executive body of such grant recipient shall be appointed by an appropriate officer or agency of the State involved.

"(3) Of the sums available to carry out this subsection for any fiscal year, each grant recipient which has a plan approved by the Chairman shall be allotted at least $200,000. If the sums appropriated are insufficient to make the allotments under the preceding sentence in full, such sums shall be allotted among such grant recipients in equal amounts. In any case where the sums available to carry out this subsection for any fiscal year are in excess of the amount required to make the allotments under the first sentence of this paragraph—

"(A) the amount of such excess which is no greater than 25 per centum of the sums available to carry out this subsection for any fiscal year shall be available to the Chairman for making grants under this subsection to persons and entities applying for such grants;

"(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under subparagraph (A) shall be allotted among the grant recipients which have plans approved by the Chairman in equal amounts, but in no event shall any grant recipient be allotted less than $200,000.

"(4) (A) That part of any allotment made under paragraph (3) for any fiscal year—

"(i) which exceeds $125,000, but

"(ii) which does not exceed 20 per centum of such allotment,

shall be available, at the discretion of the Chairman, to pay up to 100 per centum of the cost of programs under this subsection if such programs would otherwise be unavailable to the residents of the State involved.

"(B) Funds made available under this subsection shall not be used to supplant non-Federal funds.

"(5) All amount allotted or made available under paragraph (3) for a fiscal year which are not granted to any person or entity during such fiscal year shall be available to the National Endowment for the Humanities for the purpose of carrying out subsection (c).

"(6) Whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

"(A) a grant recipient is not complying substantially with the provisions of this subsection;

"(B) a grant recipient is not complying substantially with terms and conditions of its plan approved under this subsection; or

"(C) any funds granted to any person or entity under this subsection have been diverted from the purposes for which they are allotted or paid,

the Chairman shall immediately notify the Secretary of the Treasury and the grant recipient with respect to which such finding was made that no further grants will be made under this subsection to such grant recipient until there is no longer a default or failure to comply or the diversion has been corrected, or, if the compliance or correction is impossible, until such grant recipient repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.

"(7) The Chairman may not make grants to more than one person or entity in any State.".

(b) The amendment made by subsection (a) shall be effective with respect to fiscal year 1977 and succeding fiscal years.

SCOPE OF PROGRAMS CARRIED OUT BY CHAIRMAN OF NATIONAL ENDOWMENT FOR THE ARTS

SEC. 102. Section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by striking out "in the United States".

ALLOTMENTS FOR PROJECTS AND PRODUCTIONS RELATING TO THE ARTS

SEC. 103. Section 5(g) (4) (A) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting immediately after "(4) (A)" the following new sentence: "The amount of each allotment to a State for any fiscal year under this subsection shall be available to each State, which has a plan approved by the Chairman in effect on the first day of such fiscal year, to pay not more than 50 per centum of the total cost of any project or production described in paragraph (1).".

APPOINTMENT OF MEMBERS OF NATIONAL COUNCIL ON ARTS AND NATIONAL COUNCIL ON HUMANITIES

SEC. 104. (a) The first sentence of section 6(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting ", by and with the advice and consent of the Senate," immediately after "President".

(b) The first sentence of section 8(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting ", by and with the advice and consent of the Senate," immediately after "President".

PAYMENT OF PERFORMERS AND SUPPORTING PERSONNEL

SEC. 105. Section 7 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 101(a), is further amended by adding at the end thereof the following new subsection:

"(g) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection.".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 106. (a) (1) (A) Section 11(a) (1) (A) of the National Foundation on the Arts and the Humanities Act of 1965 is amended to read as follows:

"SEC. 11. (a) (1) (A) For the purpose of carrying out section 5, there are authorized to be appropriated $100,000,000 for fiscal year 1977, and $113,500,000 for fiscal year 1978; and there are so authorized such sums as may be necessary for the fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 5(g).".

(B) Section 11(a) (1) (B) of such Act is amended by striking out all that follows "Humanities" and inserting in lieu thereof the following: "$100,000,000 for fiscal year 1977, and $113,500,000 for fiscal year 1978; and there are so authorized such sums as may be necessary for the fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 7(f).".

(2) Section 11(a) (2) of such Act is amended (A) by striking out "July 1, 1976" and inserting in lieu thereof "October 1, 1980"; and (B) by striking out all that follows "not exceed" and inserting in lieu thereof "$20,000,000 for the fiscal year ending September 30, 1977, $25,000,000 for the fiscal year ending September 30, 1978, and such sums as may be necessary for the fiscal years ending September 30, 1979, September 30, 1980.".

(b) The amendments made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

APPOINTMENT OF MEMBERS OF NATIONAL COUNCIL ON ARTS AND NATIONAL COUNCIL ON HUMANITIES

SEC. 103, (a) The first sentence of section 6(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting ", by and with the advice and consent of the Senate," immediately after "President".

(b) The first sentence of section 8(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting ", by and with the advice and consent of the Senate," immediately after "President".

TITLE II—MUSEUM SERVICES

SHORT TITLE

SEC. 201. This title may be cited as the "Museum Services Act".

PURPOSE

SEC. 202. It is the purpose of this title to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and post-secondary education and with programs of nonformal education for all age groups; to assist museums in modernizing their methods and facilities so that they may better be able to conserve our cultural, historic, and scientific heritage; and to ease the financial burden borne by museums as a result of their increasing use by the public.

INSTITUTE OF MUSEUM SERVICES

SEC. 203. There is hereby established, within the Department of Health, Education, and Welfare, an Institute of Museum Services (hereinafter in this title referred to as the "Institute"). The Institute shall consist of a National Museum Services Board (hereinafter in this title referred to as the "Board") and a Director of the Institute (hereafter in this title referred to as the "Director").

NATIONAL MUSEUM SERVICES BOARD

SEC. 204. (a) The Board shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate. The members of the Board shall be broadly representative of various museums, including museums relating to science, history, technology, and art, and including zoos and botanical gardens, of the curatorial, educational, and cultural resources of the United States, and of the general public.

(b) The term of office of members of the Board shall be five years, except that—

(1) any such member appointed to fill a vacancy shall serve only such portion of a term as shall not have been expired at the time of such appointment; and

(2) in the case of initial members, three shall serve for terms of four years, three shall serve for terms of three years, three shall serve for terms of two years, and three shall serve for terms of one year, as designated by the President at the time of nomination for appointment.

Any member who has been a member of the Board for more than seven consecutive years shall thereafter be ineligible for the reappointment to the Board during the three-year period following the expiration of the last such consecutive year.

(c) The Chairman of the Board shall be designated by the President from among the members of the Board. Eight members of the Board shall constitute a quorum.

(d) The Board shall meet at the call of the Chairman, except that—

(1) it shall meet not less than four times each year;

(2) in cases where the Director determines that a meeting of the Board is necessary, it shall meet whenever one-third of the total number of members request a meeting in writing, in which event one-half of the total number of members shall constitute a quorum; and

(3) whenever one-third of the members request a meeting in writing, it shall meet in which event one-third of the members shall constitute a quorum.

(e) Members of the Board who are not in the regular full-time employ of the United States shall receive, while engaged in the business of the Board, compensation for service at a rate to be fixed by the President, except that such rate shall not exceed the rate specified at the time of such service for grade GS-18 set forth in section 5332 of title 5, United States Code, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed in Government service.

(f) The Board shall have the responsibility for the general policies with respect to the powers, duties, and authorities vested in the Institute under this title. The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

DIRECTOR OF THE INSTITUTE

SEC. 205. (a) The Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Director shall perform such duties and exercise such powers as the Board may prescribe.

(b) There shall be a Deputy Director of the Institute who shall be appointed by the President and shall serve at the pleasure of the President. The Deputy Director shall exercise such powers as the Director may prescribe, and the Deputy Director shall serve as Director during the absence or disability of the Director, or in the event of a vacancy in the office of Director.

ACTIVITIES OF THE INSTITUTE

SEC. 206. (a) The Director, subject to the advice of the Board, is authorized to make grants to museums to increase and improve museum services, through such activities as—

(1) programs to enable museums to contract or install displays, interpretations, and exhibitions in order to improve their services to the public;

(2) assisting them in developing and maintaining professionally trained or otherwise experienced staff to meet their needs;

(3) assisting them to meet their administrative costs in preserving and maintaining their collections, exhibiting them to the public, and providing educational programs to the public through the use of their collections;

(4) assisting museums in cooperation with each other in the development of traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;

(5) assisting them in conservation of artifacts and art objects; and

(6) developing and carrying out specialized programs for specific segments of the public such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions.

(b) Grants under this section may not exceed 75 per centum of the cost of the program for which the grant is made.

CONTRIBUTIONS

SEC. 207. The Institute shall have authority to accept in the name of the United States, grants, gifts, or bequests of money for immediate disbursement in furtherance of the functions of the Institute. Such grants, gifts, or bequests, after acceptance by the Institute, shall be paid by the donor or his representative to the Treasurer of the United States whose receipt shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Institute for the purposes of each case specified.

FUNCTIONS OF FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

SEC. 208. Section 9(c) of the National Foundation on the Arts and the Humanities Act of 1965 is amended—

(1) by redesignating paragraph (2) through paragraph (4) as paragraph (3) through paragraph (5), respectively, and by inserting immediately after paragraph (1) the following new paragraph:

"(2) advise and consult with the National Museum Services Board and with the Director of the Institute of Museum Services on major problems arising in carrying out the purposes of such Institute;";

(2) in paragraph (3) thereof, as so redesignated by paragraph (1), by striking out "and" immediately after "Arts" and inserting in lieu thereof a comma, and by inserting "and the Institute of Museum Services," immediately after "Humanities,"; and

(3) in paragraph (4) thereof, as so redesignated by paragraph (1), by inserting "and the Institute of Museum Services" immediately after "Foundation".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 209. (a) For the purpose of making grants under section 206(a), there are hereby authorized to be appropriated $15,000,000 for fiscal year 1977, $25,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980.

(b) For the purpose of enabling the Institute to carry out its functions under this title, during the period beginning on the date of enactment of this Act and ending October 1, 1978, there is authorized to be appropriated an amount equal to the amount contributed during such period to the Institute under section 207.

DEFINITION

SEC. 210. For purposes of this title, the term "museum" means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or aesthetic purposes, which, utilizing a professional staff, owns or utilizes tangible objects, cares for them, and exhibits them to the public on a regular basis.

TITLE III—CHALLENGE GRANT PROGRAM

ESTABLISHMENT OF PROGRAM

SEC. 301. The National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new section:

"CHALLENGE GRANT PROGRAM

"SEC 12. (a) The Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Arts and the National Council on the Humanities, are authorized, in accordance with the provisions of this section, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations for the purpose of—

"(1) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the program of such organizations or institutions;

"(2) providing administrative and management improvements for cultural organizations and institutions, particularly in the field of long-range financial planning;

"(3) enabling cultural organizations and institutions to increase audience participation in, and appreciation of, programs sponsored by such organizations and institutions;

"(4) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located; and

"(5) fostering greater citizen involvement in planning and cultural development of a community.

"(b) The total amount of any payment made under this section for a program or project may not exceed 50 per centum of the cost of such program or project.

"(c) In carrying out the program authorized by this section the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities shall have the same authority as is established in section 10.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 302. Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new paragraph:

"(3) (A) There are authorized to be appropriated for each fiscal year ending before October 1, 1981, to the National Endowment for the Arts and the National Endowment for the Humanities an amount equal to the total amounts received by each such Endowment for the purposes set forth in section 12(a) pursuant to the authority of section 10(a) (2), except that the amount so appropriated to both such Endowments for any fiscal year shall not exceed the following limitations: $15,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978. Such sums as may be necessary are authorized to be appropriated for fiscal years 1979 and 1980.

"(B) Sums appropriated pursuant to subparagraph (A) for any fiscal year shall remain available for obligation and exenditure until expended. Sums available to either such Endowment under subparagraph (A) for any fiscal year may be transferred for use by the other Endowment upon the mutual agreement of both such Endowments.".

Mr. BRADEMAS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

AMENDMENT OFFERED BY MS. ABZUG

Ms. ABZUG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. ABZUG: Page 34, after line 11, insert the following new title:

TITLE IV—EMERGENCY PROGRAM FOR THE EMPLOYMENT OF ARTISTS

ESTABLISHMENT OF PROGRAM

SEC. 401. (a) The Congress of the United States recognizes the contributions which artists make to the cultural life of each community throughout the Nation as well as to the Nation as a whole; and that the talents and skills of these professional workers—painters, musicians, actors, writers, and others—make up a part of the national wealth which the Nation cannot afford to lose; and that in a period of economic decline, private and individual support for the arts contracts causing great numbers of persons in artistic occupations to become unemployed; and that there is a record of highly successful artistic contributions to public works projects.

(b) The National Foundation on the Arts and Humanities Act of 1965, as amended by section 301, is further amended by adding at the end thereof the following new section:

"EMERGENCY PROGRAM FOR EMPOLYMENT OF ARTISTS

"SEC. 13. (a) The Chairman of the National Endowment for the Arts with the advice of the National Council on the Arts, shall carry out a program, directly and through grants-in-aid to States, during any fiscal year in which the seasonally adjusted national rate of unemployment published by the Bureau of Labor Statistics of the Department of Labor exceeds 6.5 per centum as determined by the Chairman, of employment of unemployed artists in projects or products in which—

"(1) funds under this section will not be used to pay artists employed in jobs in such projects or productions at a rate in excess of $10,000 per year,

"(2) no funds received under this section will be used to hire any artist to fill a job opening created by the action of an employer in laying off or terminating the employment of any regular employee not supported under this section in anticipation of filling the vacancy so created by hiring an employee to be supported under this section.

"(3) not less than 90 per centum of the funds received under this section for each such project or production shall be expended only for wages and employment benefits to artists employed in jobs in such project or production,

"(4) a substantial number of the artists employed in jobs in each such project or production shall be artists of recognized artistic ability, as determined under standards established by the Chairman of the National Endowment for the Arts, and

"(5) such standards for such projects or productions as the Chairman of the National Endowment for the Arts deems appropriate are met.

The program carried out under this section shall include a national program of projects and productions directly carried out by the Chairman of the National Endowment for the Arts, which shall include projects and productions in commemoration of the bicentennial of the American Revolution.

"(b) In carrying out the program under subsection (a), the Chairman of the National Endowment for the Arts shall coordinate such program with programs for public service employment under the Comprehensive Employment and Training Act of 1973 and with other appropriate public programs providing employment for unemployed individuals.

"(c) For purposes of this section, the term 'artist' means any individual who, under regulations established by the Chairman of the National Endowment for the Arts, is normally employed in the production of any one or more of the arts, and the term 'unemployed', when used with respect to an artist, means an artist who is an underemployed person or an unemployed person as defined in sections 701(a)(11) and 701(a)(12) of the Comprehensive Employment and Training Act of 1973, respectively.

"(d) There is hereby authorized to be appropriated for purposes of this section $10,000,000 for the fiscal year ending September 30, 1977.".

Ms. ABZUG (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

POINT OF ORDER

Mr. QUIE. Mr. Chairman, a point of order.

The CHAIRMAN pro tempore (Mr. KOCH). The gentleman will state the point of order.

Mr. QUIE. Mr. Chairman, reading the amendment, I question the germaneness of this amendment. The jobs provision added into the Arts, Humanities, and Cultural Affairs Act, it seems to me fits better in the next bill coming up, the emergency job programs bill, and I raise a point of order on germaneness.

The CHAIRMAN pro tempore. Is the gentleman objecting to the request to dispense with the reading of the amendment?

Mr. QUIE. Mr. Chairman, not to it being considered as read, but I want to make my point of order in time so that I have a chance to speak on the point of order.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from New York to consider the amendment as read?

There was no objection.

The CHAIRMAN pro tempore. The gentleman may state the point of order.

Mr. QUIE. Mr. Chairman, this amendment is not germane to the bill before us. It has to do with providing additional jobs of a public service nature. It fits more in the legislation next on the agenda. I do not see that it fits within the purview of the legislation we have before us.

The CHAIRMAN pro tempore. Does the gentlewoman from New York desire to be heard on the point of order?

Ms. ABZUG. Mr. Chairman, I disagree. I think it is germane to the purposes of this act. This act recognizes the contributions which artists make to the cultural life of the communities throughout the Nation.

Mr. Chairman, what this amendment does is to provide for the employment of artists in the program which is to be conducted and determined, the eligibility for which programs as well as the employment in the programs is determined by the Chairman of the National Endowment for the Arts. I think it is germane.

The CHAIRMAN pro tempore. Does the gentleman from Minnesota wish to be heard further?

Mr. QUIE. Yes; Mr. Chairman, just a further comment. In reference No. 2 on page 4 on the amendment to the Comprehensive Employment and Training Act of 1973, in two instances is an indication to me that it belongs in that legislation and not in this legislation.

Ms. ABZUG. Mr. Chairman, I might add that all that does is talk about the definition of an unemployed person and the reference in one act to another act for definition purposes does not make the germaneness which does exist here any less germane.

The CHAIRMAN pro tempore (Mr. KOCH). The Chair is prepared to rule. The Chair has examined the "Ramseyer" in the committee report on page 23. Title I of the committee amendment extends the law which provides subsidies for projects and productions which would otherwise be unavailable for economic reasons and which will encourage and assist artists and enable them to achieve wider distribution of their works, to work in residence at an educational or cultural institution, or to achieve standards of professional excellence. That is a general purpose of the bill and the amendment provides a specific program of grants through the Chairman of the National Endowment for the Arts to accomplish that .

The amendment is germane as a new title to the bill which presently contains three diverse titles and the gentlewoman from New York is recognized for 5 minutes.

Ms. ABZUG. Mr. Chairman, I offer this amendment to the legislation, because I think we need an emergency program for the employment of artists during the years when national unemployment exceeds 6.5 percent; this amendment provides for this type of program.

This would provide a mechanism to employ these artists and their skills in periods of economic decline, such as we are now experiencing. It would establish a grant-in-aid system to be carried out by the chairman of the National Endowment for the Arts. Eligible recipients would include all those presently eligible under the Arts and Humanities Act. The criteria for both employment and project standards are to be determined by the Chairman of the National Endowment for the Arts.

This provision has been endorsed by Actors Equity, American Federation of Radio and Television Artists, as well as the Associated Council for the Arts. We have to examine what it is we hope to accomplish by funding the arts and humanities. One of the major concerns that, in fact, was noted by Nancy Hanks, Chairwoman of the National Endowment of the Arts, in her testimony before the subcommittee, was the plight of individual artists. Their condition today is so severe that the Associated Council of Arts, which is a professional association, devoted its entire annual conference this year to the problems which individual artists face as a result of this recession.

What is the point in our funding the arts if we cannot fund the artists in a way that will stimulate their employment? Mr. Lon Harris, president of the Associated Council of the Arts, who testified before the joint hearings of the House Subcommittee on Select Education and the Senate Special Subcommittee on Arts and Humanities, called for the creation of a $30 million program similar to the one which this amendment would provide. He noted that the arts are labor intensive industries, and as such they create a beneficial ripple effect throughout the economy. Indeed, this amendment would provide that 90 percent of the funds that would be used in this special program for the voted projects would have to be used for actual employment and payment of salaries.

A study that his organization had undertaken, to which he referred in his testimony, demonstrated that employment of artists had a ripple effect on the economy, and that $1.50 would be generated in ancillary activities for every dollar spent upon the arts directly by Government.

H.R. 12838 does go very far in supporting the arts, but it fails to take into consideration the plight of the artists, who is the key to the development of the arts and humanities in this country. I think it is very important to add amendments, as we have to this bill, to increase the capacity of museums to exhibit and to increase the capacity of museums to expand the area of education; but I think that an arts and humanities program must also adapt to this particular period where there is wholesale and very intensive unemployment of the artists themselves. The addition of a $10 million grant program which takes effect when the unemployment rate exceeds 6.5 percent nationally, I believe, would help much more directly to assist the arts and humanities activities, and would much more directly guarantee the communities of this country, and the country itself, in an enhanced artistic program that will improve the overall quality of community life.

Mr. Chairman, I urge support of this amendment.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the Endowment for the Arts was just for the purpose of giving artists an opportunity to be employed, I think there would be a point to the gentlewoman's amendment, but that is not the case.

Now, if we look at the National Endowment for the Arts program guide, we find that it provides grants to individuals and to organizations. I look through here, and there are choreography fellowships and project grants. If Members would look further they will see fellowships for art, fellowships for artists, fellowships for craftsmen, fellowships for photographers, fellowships for print making and drawing.

The Endowment is filled with programs to help artists to be employed in the work that they enjoy and are trained for. If we changed to a public service employment type job title, with all of the control and stringent requirements that accompany that program, I believe that it is going to throw the entire Endowment for the Arts into a situation that no longer has as its main purpose the aim of helping people and providing for individuals around the country to enjoy and benefit from what they are doing. This amendment would merely provide employment for employment's sake.

That is not the thrust of this legislation. It is totally unwise. If we change the law to provide public service employment similar to make work program as we knew in the past, it is going to change the entire essence of the Foundation.

I believe that this is not the place to put any amendment like this, even if one is in support of it. This amendment ought to be to the Comprehensive Employment and Training Act. We do not have to wait for another date. There is a bill that is going to be up today on the floor to which an amendment of this nature could be offered.

Mr. Chairman, I think the amendment is totally unwise and I believe the House ought to vote down the amendment.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. I thank the gentleman for yielding.

Mr. Chairman, I think it is true that the program as it has been advanced has given grants to artists. There is no question about that. But what I am suggesting is another criteria for the giving of grants, and that is the employment criteria. Right now one is granted assistance because he wants to do some work or the committee feels it is noteworthy, and I do not depreciate that. What I am suggesting is that we could create a greater vitality in the program if it deals with the artist with the ability and the need, and that is the need of employment, which I think can create even better art and a greater humanity program in this country.

So if we have such an amendment to this particular legislation, there would be obviously emphasis on projects which employ larger numbers of people and it would be reaching the largest numbers of public audiences. I think it would be a laudatory addition to our response to artists in this country. The fact that it has an emphasis on insisting that 90 percent of the funds have to be paid out in salaries I do not think changes its objective, and that is to promote artistic endeavors in this country through the specific artist who is unable to do that if he has no funds and is unable to get a grant. What would be the reality in the picture?

Mr. QUIE. The question here is the essence of the program. Is it going to be one to expand opportunities for the people of this country to enjoy and benefit from the arts, which is the main thrust of it now, or is it going to be turned around and be one primarily for artists and their employment, and if some people happen to benefit, then it will be well and good?

I just disagree with this change in thrust.

Mr. BRADEMAS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is not easy to resist the blandishments of my beloved friend, the gentlewoman from New York (Ms. ABZUG), and I have already made clear that I support the purpose of her amendment and I will support the amendment and speak in support of the amendment if and when it is offered to the CETA bill, which is next scheduled for consideration. But for the reasons I assigned earlier, Mr. Chairman, I think the amendment would be more appropriately offered to the other bill. I do not want, as chairman of the subcommittee, to see it added to the bill under consideration because, to be very blunt about it, I do not want to give further encouragement for the consideration of a veto for this very important legislation.

So, I am in support of the purpose of the amendment offered by the gentlewoman from New York and I will support her amendment if it is offered to the CETA bill; but I hope it will not be included in the bill under consideration.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was interested in the remarks made by the gentlewoman from New York (Ms. ABZUG) that this would protect the employment of our most talented artists.

It seems to me that, by the very nature of the arts, the most talented will be employed even during recession time, and what we would be doing would be to guarantee employment of marginally acceptable artists rather than the most talented.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Pennsylvania. I yield to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. I thank the gentleman for yielding.

Mr. Chairman, I would like to address myself to that. I am not suggesting anything like that. There are standards for projects and productions in which these artists would be employed which would have to be set by the Chairman of the National Endowment for the Arts. The amendment itself provides that they have to be artists of recognized artistic ability as determined by the standards established by the Chairman of the National Endowment for the Arts.

So in no way would this provision sully the standards that have been set today for grants that have already been provided under this legislation.

Mr. MYERS of Pennsylvania. Mr. Chairman, it just seems to me that perhaps a performance might come about as the result of a CETA-type opera, for instance, that might be less than acceptable by the general public if we are just trying to design an opera or a performance in order to bring into play people who cannot get employment in other locations. It seems to me this is just not a practical application at all in considering the question of employment.

Ms. ABZUG. Mr. Chairman, if the gentleman will yield further, I might just make one suggestion to the gentleman, and I can only make the suggestion because I am a good deal older in years than is the gentleman. The suggestion is that we have in the history of this country and in the history of the arts programs in this country some very fine productions which were created by artists who were unemployed during the times of our other depression, and they are productions which have stood up to the test of time. So I would not be concerned with that aspect of the matter.

As we know, many of us who have had some connection with the theater in one place or another, we have had many fine productions which have been developed in areas where there is much less funding than might be available in the large commercial activities with which we might be familiar. So I do not think that is the issue, particularly since we do provide for standards of performance criteria to be governed and determined by the Board of the National Foundation.

Mr. MYERS of Pennsylvania. Mr. Chairman, the thing that does concern me is that they would be looking for unemployed directors and unemployed artists and they would have to make an attempt to come up with a cast which would be acceptable to the general public. That does not seem to me to be a reasonable proposition.

Mr. Chairman, I yield back the balance of my time.

Mr. THOMPSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like first to commend my very great friend, the gentleman from Indiana (Mr. BRADEMAS), who is the chairman of the subcommittee, for the work that he has done over the years on this legislation.

I had the privilege of being the original sponsor of the legislation, and I can assure the Members who were not here in those days that that was anything but an easy task. The concept of the arts and humanities assisted by the Federal Government was derided.

One need only look at the debate in 1955 to see the tenor of it, and one need only look back over the years since the inception of the program to see what a spectacular success the National Endowment for the Arts and Humanities has been and to see that it has been wholeheartedly accepted. The fact is that now each one of our 50 States has an arts council.

The establishment of the foundations has had the very real effect of bringing about a renaissance in the arts, if indeed one could call it a renaissance. It is more a beginning in this Nation, this Nation being the last civilized country to have the Government participate in the arts.

Mr. Chairman, I am in very complete sympathy with the principles of the amendment offered by the gentlewoman from New York (Ms. Abzug). However, I think if she would have conferred with me on the matter, I would have said, as the gentleman from Indiana (Mr. Brademas) pointed out, that it would be beter placed elsewhere than in this bill. I am very much aware of the history of this effort, having seen in my district many of the beautiful results of the work during the depression years and having had the privilege and honor of being a personal friend of the late great Ben Shahn, whose widow still lives in my district, and having seen his work in our public buildings and post offices. I could not be in more complete agreement with the purpose of the gentlewoman from New York (Ms. Abzug), but I would certainly hope that we can work together, as I would assure her I will do, to implement her meritorious suggestion in other legislation.

Ms. ABZUG. Mr. Chairman will the gentleman yield?

Mr. THOMPSON. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I appreciate the statements made by my colleague, the gentleman from New Jersey (Mr. Thompson) as, indeed, I do with respect to the comments of the chairman of the subcommittee and others who have addressed themselves to this issue. I appreciate their support for the amendment, and I also consider their suggestion desirable that perhaps it more correcty belongs in CETA, which they suggest is more suitable than in this bill.

Mr. Chairman, in view of the recommendations and the statements made by several of my colleagues that we will work together in trying to find a way to include that in the CETA legislation, I would at this time, Mr. Chairman, ask unanimous consent to withdraw my amendment.

The CHAIRMAN pro tempore (Mr. Koch). Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. THOMPSON. Mr. Chairman, I would like to express my deep appreciation to the gentlewoman from New York (Ms. Abzug), and I would like to assure her that I shall help to the extent I can so as to implement her idea in the CETA legislation.

Mr. Chairman, I simply would like to conclude, if I may, by expressing an accolade not only to the gentleman from Indiana (Mr. Brademas), but to the distinguished ranking minority member of our subcommittee, the gentleman from Minnesota (Mr. Quie), for their help over the years in the development, in the sustenance, and in the strengthening of the Foundations.

I have some criticism, albeit only mild, as to the number of personnel involved. I think that we ought to take a look in the future at the size of the respective endownments, their efforts, and their energies.

I had hoped this year to add a title to the bill to preserve railway depots throughout the United States for cultural purposes.

The CHAIRMAN pro tempore. The time of the gentleman from New Jersey (Mr. Thompson) has expired.

(By unanimous consent, Mr. Thompson was allowed to proceed for 1 additional minute.)

Mr. THOMPSON. To continue, Mr. Chairman, on reflecting on that problem, although I am still terribly enthusiastic about it, I think that the undertakings now are so vast that railroad depot cultural centers should be the subject of legislation in the future. If I am here in the future, I intend to pursue that at that time.

Thank you, Mr. Chairman.

The CHAIRMAN pro tempore. Are there any further amendments?

If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Koch, Chairman pro tempore of the Committee of the Whole House on the State of the Union reported that that Committee having had under consideration the bill (H.R. 12838) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes, pursuant to House Resolution 1143, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 279, nays 59, not voting 94, as follows:

[Roll No. 199]

YEAS—279

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Bafalis
Baucus
Beard, R.I.
Bedell
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Brademas
Breaux
Breckinridge
Brodhead
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Davis
Delaney
Derrick
Diggs
Dingell
Downey, N.Y.
Drinan
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
English
Erlenborn
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Giaimo
Gilman
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Hawkins
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Lagomarsino
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Madigan
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Randall
Rangel
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Ruppe
Russo
Santini
Sarasin
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Sikes
Simon
Sisk
Smith, Iowa
Smith, Nebr.
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waggonner
Walsh
Wampler
Whalen
Whitehurst
Whitten
Wilson, Bob
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Alaska
Zablocki
Zeferetti

NAYS—59

Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bennett
Brinkley
Burleson, Tex.
Burlison, Mo.
Butler
Clancy
Clawson, Del
Collins, Tex.
Crane
Daniel, Dan
Daniel, R. W.

Derwinski
Devine
Dickinson
Downing, Va.
Emery
Ginn
Hagedorn
Hansen
Harris
Harsha
Henderson
Holt
Hutchinson
Hyde
Ichord
Jarman
Kelly
Kemp
Ketchum
Kindness
Landrum
Latta
McCollister
McDonald
Michel
Miller, Ohio
Mills
Montgomery
Nichols
O'Brien
Paul
Poage
Robinson
Rousselot
Runnels
Satterfield
Schneebeli
Shipley
Shuster
Snyder
Symms
Treen
Winn
Young, Fla.

NOT VOTING—94

Anderson, Calif.
Andrews, N.C.
Archer
Aspin
AuCoin
Badillo
Baldus
Bell
Bergland
Bevill
Biester
Bolling
Bowen
Brooks
Brown, Calif.
Burton, Phillip
Byron
Conlan
Danielson
de la Garza
Dellums
Dent
Dodd
Duncan, Oreg.
Eckhardt
Eilberg
Esch
Eshleman
Evans, Colo.
Flood
Ford, Tenn.
Gaydos
Gibbons
Green
Gude
Hayes, Ind.
Hébert
Heinz
Hinshaw
Hungate
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Karth
Krueger
Litton
Lujan
McEwen
McKay
Macdonald
Madden
Martin
Mathis
Morgan
Mosher
Nix
Nolan
Pepper
Peyser
Pickle
Railsback
Rees
Rhodes
Roberts
Rodino
Roncalio
Roybal
Ryan
St Germain
Sarbanes
Schulze
Skubitz
Slack
Solarz
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Symington
Taylor, Mo.
Thornton
Udall
Vander Jagt
Vigorito
Waxman
Weaver
White
Wiggins
Wilson, C. H.
Wilson, Tex.
Yatron
Young, Ga.
Young, Tex.

The Clerk announced the following pairs:

Mr. Sarbanes with Mr. Karth.
Mr. Hayes of Indiana with Mr. Jones of Oklahoma.
Mr. Badillo with Mr. Thornton.
Mr. Dellums with Mr. Brown of California.
Mr. Ford of Tennessee with Mr. Archer.
Mr. Hébert with Mr. Baldus.
Mr. Symington with Mr. Esch.
Mr. Waxman with Mr. Roybal.
Mr. de la Garza with Mr. Bell.
Mr. Macdonald of Massachusetts with Mr. Aspin.
Mr. Solarz with Mr. Johnson of Pennsylvania.
Mr. Young of Georgia with Mr. Charles Wilson of Texas.
Mr. Krueger with Mr. Andrews of North Carolina.
Mr. Byron with Mr. Lujan.
Mr. White with Mr. Slack.
Mr. Udall with Mr. Biester.
Mr. Bevill with Mr. Duncan of Oregon.
Mr. Brooks with Mr. Gude.
Mr. Phillip Burton with Mr. Eckhardt.
Mr. Danielson with Mr. Johnson of Colorado.
Mr. Dent with Mr. Conlan.
Mr. Eilberg with Mr. Evans of Colorado.
Mr. Flood with Mr. Heniz.
Mr. Gaydos with Mr. Hungate.
Mr. Dodd with Mr. Martin.
Mr. Green with Mr. Wiggins.
Mr. Rodino with Mr. Litton.
Mr. St Germain with Mr. Mosher.
Mr. James V. Stanton with Mr. Madden.
Mr. Vigorito with Mr. Eshleman.
Mr. Charles H. Wilson of California with Mr. McKay.
Mr. Yatron with Mr. Roberts.
Mr. Young of Texas with Mr. Vander Jagt.
Mr. Morgan with Mr. Roncalio.
Mr. Nix with Mr. Ryan.
Mr. Pepper with Mr. Peyser.
Mr. Nolan with Mr. Stephens.
Mr. Mathis with Mr. Steiger of Arizona.
Mr. Pickle with Mr. Schulze.
Mr. Rees with Mr. Railsback.
Mr. Brown with Mr. Taylor of Missouri.
Mr. Bergland with Mr. McEwen.
Mr. AuCoin with Mr. Weaver.
Mr. Anderson of California with Mr. Skubitz.
Mr. Jones of North Carolina with Mr. Steelman.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill (H.R. 12838) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 618. Concurrent resolution requesting the return of H.R. 8235 and directing its reenrollment.

CHANGE IN LEGISLATIVE PROGRAM

(Mr. PERKINS asked and was given permission to address the House for 1 minute.)

Mr. PERKINS. Mr. Speaker, the bill (H.R. 12987), known as the emergency job programs stopgap extension, will not be considered this afternoon and will not be called up because we feel the bill is of such tremendous importance that virtually the full House should be present. We hope to have it programed for later in the week.

AUTHORIZING CLERK TO RECEIVE MESSAGES AND SPEAKER TO SIGN BILLS AND JOINT RESOLUTIONS NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until tomorrow, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT ON H.R. 10230, NATIONAL SCIENCE AND TECHNOLOGY POLICY, ORGANIZATION, AND PRIORITIES ACT OF 1976

Mr. TEAGUE submitted the following conference report and statement on the bill (H.R. 10230) to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 94-1046)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10230) to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "National Science and Technology Policy, Organization, and Priorities Act of 1976".

TITLE I—NATIONAL SCIENCE, ENGINEERING, AND TECHNOLOGY POLICY AND PRIORITIES

FINDINGS

SEC. 101. (a) The Congress, recognizing the profound impact of science and technology on society, and the interrelations of scientific, technological, economic, social, political, and institutional factors, hereby finds and declares that—

(1) the general welfare, the security, the economic health and stability of the Nation, the conservation and efficient utilization of its natural and human resources, and the effective functioning of government and society require vigorous, perceptive support and employment of science and technology in achieving national objectives;

(2) the many large and complex scientific and technological factors which increasingly influence the course of national and international events require appropriate provision, involving long-range, inclusive planning as well as more immediately program development, to incorporate scientific and technological knowledge in the national decision-making process;

(3) the scientific and technological capabilities of the United States, when properly fostered, applied, and directed, can effectively assist in improving the quality of life, in anticipating and resolving critical and emerging international, national, and local problems, in strengthening the Nation's international economic position, and in furthering its foreign policy objectives;

(4) Federal funding for science and technology represents an investment in the future which is indispensable to sustained national progress and human betterment, and there should be a continuing national investment in science, engineering, and technology which is commensurate with national needs and opportunities and the prevalent economic situation;

(5) the manpower pool of scientists, engineers, and technicians, constitutes an invaluable national resource which should be utilized to the fullest extent possible; and

(6) the Nation's capabilities for technology assessment and for technological planning and policy formulation must be strengthened at both Federal and State levels.

(b) As a consequence, the Congress finds and declares that science and technology should contribute to the following priority goals without being limited thereto:

(1) fostering leadership in the quest for international peace and progress toward human freedom, dignity, and well-being by enlarging the contributions of American scientists and engineers to the knowledge of man and his universe, by making discoveries of basic science widely available at home and abroad, and by utilizing technology in support of the United States national and foreign policy goals;

(2) increasing the efficient use of essential materials and products, and generally contributing to economic opportunity, stability, and appropriate growth;

(3) assuring an adequate supply of food, materials, and energy for the Nation's needs;

(4) contributing to the national security;

(5) improving the quality of health care available to all residents of the United States;

(6) preserving, fostering, and restoring a healthful and esthetic natural environment;

(7) providing for the protection of the oceans and coastal zones, and the polar regions, and the efficient utilization of their resources;

(8) strengthening the economy and promoting full employment through useful scientific and technological innovations;

(9) increasing the quality of educational opportunities available to all residents of the United States;

(10) promoting the conservation and efficient utilization of the Nation's natural and human resources;

(11) improving the Nation's housing, transportation, and communication systems, and assuring the provision of effective public services throughout urban, suburban, and rural areas;

(12) eliminating air and water pollution, and unnecessary, unhealthful, or ineffective drugs and food additives; and

(13) advancing the exploration and peaceful uses of outer space.

DECLARATION OF POLICY

Sec. 102. (a) Principles.—In view of the foregoing, the Congress declares that the United States shall adhere to a national policy for science and technology which includes the following principles:

(1) The continuing development and implementation of strategies for determining and achieving the appropriate scope, level, direction, and extent of scientific and technological efforts based upon a continuous appraisal of the role of science and technology in achieving goals and formulating policies of the United States, and reflecting the views of State and local governments and representative public groups.

(2) The enlistment of science and technology to foster a healthy economy in which the directions of growth and innovation are compatible with the prudent and frugal use of resources and with the preservation of a benign environment.

(3) The conduct of science and technology operations so as to serve domestic needs while promoting foreign policy objectives.

(4) The recruitment, education, training, retraining, and beneficial use of adequate numbers of scientists, engineers, and technologists, and the promotion by the Federal Government of the effective and efficient utilization in the national interest of the Nation's human resources in science, engineering, and technology.

(5) The development and maintenance of a solid base for science and technology in the United States, including: (A) strong participation of and cooperative relationships with State and local governments and the private sector; (B) the maintenance and strengthening of diversified scientific and technological capabilities in government, industry, and the universities, and the encouragement of independent initiatives based on such capabilities, together with elimination of needless barriers to scientific and technological innovation; (C) effective management and dissemination of scientific and technological information; (D) establishment of essential scientific, technical and industrial standards and measurement and test methods; and (E) promotion of increased public understanding of science and technology.

(6) The recognition that, as changing circumstances require periodic revision and adaptation of title I of this Act, the Federal Government is responsible for identifying and interpreting the changes in those circumstances as they occur, and for effecting subsequent changes in title I as appropriate.

(b) Implementation.—To implement the policy enuniciated in subsection (a) of this section, the Congress declares that:

(1) The Federal Government should maintain central policy planning elements in the executive branch which assist Federal agencies in (A) identifying public problems and objectives, (B) mobilizing scientific and technological resources for essential national programs, (C) securing appropriate funding for programs so identified, (D) anticipating future concerns to which science and technology can contribute and devising strategies for the conduct of science and technology for such purposes, (E) reviewing systematically Federal science policy and programs and recommending legislative amendment thereof when needed. Such elements should include an advisory mechanism within the Executive Office of the President so that the Chief Executive may have available independent, expert judgment and assistance on policy matters which require accurate assessments of the complex scientific and technological features involved.

(2) It is a responsibility of the Federal Government to promote prompt, effective, reliable, and systematic transfer of scientific and technological information by such appropriate methods as programs conducted by nongovernmental organizations, including industrial groups and technical societies. In particular, it is recognized as a responsibility of the Federal Government not only to coordinate and unify its own science and technology information systems, but to facilitate the close coupling of institutional scientific research with commercial application of the useful findings of science.

(3) It is further an appropriate Federal function to support scientific and technological efforts which are expected to provide results beneficial to the public but which the private sector may be unwilling or unable to support.

(4) Scientific and technological activities which may be properly supported exclusively by the Federal Government should be distinguished from those in which interests are shared with State and local governments and the private sector. Among these entities, cooperative relationships should be established which encourage the appropriate sharing of science and technology decision-making, funding support, and program planning and execution.

(5) The Federal Government should support and utilize engineering and its various disciplines and make maximum use of the engineering community, whenever appropriate, as an essential element in the Federal policymaking process.

(6) Comprehensive legislative support for the national science and technology effort requires that the Congress be regularly informed of the condition, health and vitality, and funding requirements of science and technology, the relation of science and technology to changing national goals, and the need for legislative modification of the Federal endeavor and structure at all levels as it relates to science and technology.

(c) Procedures.—The Congress declares that, in order to expedite and facilitate the implementation of the policy enunciated in subsection (a) of this section, the following coordinate procedures are of paramount importance:

(1) Federal procurement policy should encourage the use of science and technology to foster frugal use of materials, energy, and appropriated funds; to assure quality environment; and to enhance product performance.

(2) Explicit criteria, including cost-benefit principles where practicable, should be developed to identify the kinds of applied research and technology programs that are appropriate for Federal funding support and to determine the extent of such support. Particular attention should be given to scientific and technological problems and opportunities offering promise of social advantage that are so long range, geographically widespread, or economically diffused that the Federal Government constitutes the appropriate source for undertaking their support.

(3) Federal promotion of science and technology should emphasize quality of research, recognize the singular importance of stability in scientific and technological institutions, and for urgent tasks, seek to assure timeliness of results. With particular reference to Federal support for basic research, funds should be allocated to encourage education in needed disciplines, to provide a base of scientific knowledge from which future essential technological development can be launched, and to add to the cultural heritage of the Nation.

(4) Federal patent policies should be developed, based on uniform principles, which have as their objective the preservation of incentives for technological innovation and the application of procedures which will continue to assure the full use of beneficial technology to serve the public.

(5) Closer relationships should be encouraged among practitioners of different scientific and technological disciplines, including the physical, social, and biomedical fields.

(6) Federal departments, agencies, and instrumentalities should assure efficient management of laboratory facilities and equipment in their custody, including acquisition of effective equipment, disposal of inferior and obsolete properties, and cross-servicing to maximize the productivity of costly property of all kinds. Disposal policies should include attention to possibilities for further productive use.

(7) The full use of the contributions of science and technology to support State and local government goals should be encouraged.

(8) Formal recognition should be accorded those persons whose scientific and technological achievements have contributed significantly to the national welfare.

(9) The Federal Government should support applied scientific research, when appropriate, in proportion to the probability of its usefulness, insofar as this probability can be determined; but while maximizing the beneficial consequences of technology, the Government should act to minimize foreseeable injurious consequences.

(10) Federal departments, agencies, and instrumentalities should establish procedures to insure among them the systematic interchange of scientific data and technological findings developed under their programs.

TITLE II—OFFICE OF SCIENCE AND TECHNOLOGY POLICY

SHORT TITLE

Sec. 201. This title may be cited as the "Presidential Science and Technology Advisory Organization Act of 1976".

ESTABLISHMENT

Sec. 202. There is established in the Executive Office of the President an Office of Science and Technology Policy (hereinafter referred to in this title as the "Office").

DIRECTOR; ASSOCIATE DIRECTORS

SEC. 203. There shall be at the head of the Office a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The President is authorized to appoint not more than four Associate Directors, by and with the advice and consent of the Senate, who shall be compensated at a rate not to exceed that provided for level III of the Executive Schedule in section 5314 of such title. Associate Directors shall perform such functions as the Director may prescribe.

FUNCTIONS

SEC. 204. (a) The primary function of the Director is to provide, within the Executive Office of the President, advice on the scientific, engineering, and technological aspects of issues that require attention at the highest levels of Government.

(b) In addition to such other functions and activities as the President may assign, the Director shall—

(1) advise the President of scientific and technological considerations involved in areas of national concern including, but not limited to, the economy, national security, health, foreign relations, the environment, and the technological recovery and use of resources;

(2) evaluate the scale, quality, and effectiveness of the Federal effort in science and technology and advise on appropriate actions;

(3) advise the President on scientific and technological considerations with regard to Federal budgets, assist the Office of Management and Budget with an annual review and analysis of funding proposed for research and development in budegts of all Federal agencies, and aid the Office of Management and Budget and the agencies throughout the budget development process; and

(4) assist the President in providing general leadership and coordination of the research and development programs of the Federal Government.

POLICY PLANNING, ANALYSIS, AND ADVICE

SEC. 205. (a) The Office shall serve as a sources of scientific and technological analysis and judgment for the President with respect to major policies, plans, and programs of the Federal Government. In carrying out the provisions of this section, the Director shall—

(1) seek to define coherent approaches for applying science and technology to critical and emerging national and international problems and for promoting coordination of the scientific and technological responsibilities and programs of the Federal departments and agencies in the resolution of such problems;

(2) assist and advise the President in the preparation of the Science and Technology Report, in accordance with section 209 of this Act;

(3) gather timely and authoritative information concerning significant developments and trends in science, technology, and in national priorities, both current and prospective, to analyze and interpret such information for the purpose of determining whether such developments and trends are likely to affect achievement of the priority goals of the Nation as set forth in section 101(b) of this Act;

(4) encourage the development and maintenance of an adequate data base for human resources in science, engineering, and technology, including the development of appropriate models to forecast future manpower requirements, and assess the impact of major governmental and public programs on human resources and their utilization;

(5) initiate studies and analyses, including systems analyses and technology assessments, of alternatives available for the resolution of critical and emerging national and international problems amenable to the contributions of science and technology and, insofar as possible, determine and compare probable costs, benefits, and impacts of such alternatives;

(6) advise the President on the extent to which the various scientific and technological programs, policies, and activities of the Federal Government are likely to affect the achievement of the priority goals of the Nation as set forth in section 101(b) of this Act;

(7) provide the President with periodic reviews of Federal statutes and administrative regulations of the various departments and agencies which affect research and development activities, both internally and in relation to the private sector, or which may interfere with desirable technological innovation, together with recommendations for their elimination, reform, or updating as appropriate;

(8) develop, review, revise, and recommend criteria for determining scientific and technological activities warranting Federal support, and recommend Federal policies designed to advance (A) the development and maintenance of broadly based scientific and technological capabilities, including human resources, at all levels of government, academia, and industry, and (B) the effective application of such capabilities to national needs;

(9) assess and advise on policies for international cooperation in science and technology which will advance the national and international objectives of the United States;

(10) identify and assess emerging and future areas in which science and technology can be used effectively in addressing national and international problems;

(11) report at least once each year to the President on the overall activities and accomplishments of the Office, pursuant to section 209 of this Act;

(12) periodically survey the nature and needs of national science and technology policy and make recommendations to the President, for review and transmission to the Congress, for the timely and appropriate revision of such policy in accordance with section 102(a)(6) of this Act; and

(13) perform such other duties and functions and make and furnish such studies and reports thereon, and recommendations with respect to matters of policy and legislation as the President may request.

(b)(1) The Director shall establish an Intergovernmental Science, Engineering, and Technology Advisory Panel (hereinafter referred to as the "Panel"), whose purpose shall be to (A) identify and define civilian problems at State, regional, and local levels which science, engineering, and technology may assist in resolving or ameliorating; (B) recommend priorities for addressing such problems; and (C) advise and assist the Director in identifying and fostering policies to facilitate the transfer and utilization of research and development results so as to maximize their application to civilian needs.

(2) The Panel shall be composed of (A) the Director of the Office, or his representative; (B) at least ten members representing the interests of the States, appointed by the Director of the Office after consultation with State officials; and (C) the Director of the National Science Foundation, or his representative.

(3)(A) The Director of the Office, or his representative, shall serve as Chairman of the Panel.

(B) The Panel shall perform such functions as the Chairman may prescribe, and shall meet at the call of the Chairman.

(4) Each member of the Panel shall, while serving on business of the Panel, be entitled to receive compensation at a rate not to exceed the daily rate prescribed for GS-18 of the General Schedule under section 5332 of title 5, United States Code, including traveltime, and, while so serving away from his home or regular place of business, he may be allowed travel expenses, including per diem in lieu of subsistence in the same manner as the expenses authorized by section 5703(b) of title 5, United States Code, for persons in government service employed intermittently.

FIVE-YEAR OUTLOOK

SEC. 206. (a) Within its first year of operation, the Office shall, to the extent practicable, within the limitations of available knowledge and resources, and with appropriate assistance from the departments and agencies and such consultants and contractors as the Director deems necessary, identify and describe situations and conditions which warrant special attention within the next five years, involving—

(1) current and emerging problems of national significance that are identified through scientific research, or in which scientific or technical considerations are of major significance; and

(2) opportunities for, and constraints on, the use of new and existing scientific and technological capabilities which can make a significant contribution to the resolution of problems identified under paragraph (1) of this subsection or to the achievement of Federal program objectives or national goals, including those set forth in section 101(b) of this Act.

(b) The Office shall annually revise the five-year outlook developed under subsection (a) of this section so that it takes account of new problems, constraints and opportunities and changing national goals and circumstances, and shall extend the outlook so that it always extends five years into the future.

(c) The Director of the Office shall consult as necessary with officials of the departments and agencies having programs and responsibilities relating to the problems, constraints, and opportunities identified under subsections (a) and (b) of this section, in order to—

(1) identify and evaluate alternative actions that might be taken by the Federal Government, State and local governments, or the private sector to deal with such problems, constraints, or opportunities; and

(2) ensure that alternative actions identified under paragraph (1) of this subsection are fully considered by departments and agencies in formulating their budget, program, and legislative proposals.

(d) The Director of the Office shall consult as necessary with officials of the Office of Management and Budget and other appropriate elements of the Executive Office of the President to ensure that the problems, constraints, opportunities, and alternative actions identified under subsections (a), (b), and (c) of this section are fully considered in the development of the President's Budgets and legislative programs.

ADDITIONAL FUNCTIONS OF THE DIRECTOR; ADMINISTRATIVE PROVISIONS

SEC. 207. (a) The Director shall, in addition to the other duties and functions set forth in this title—

(1) serve as Chairman of the Federal Coordinating Council for Science, Engineering, and Technology established under title IV; and

(2) serve as a member of the Domestic Council.

(b) For the purpose of assuring the optimum contribution of science and technology to the national security, the Director, at the request of the National Security Council, shall advise the National Security Council in such matters concerning science and technology as relate to national security.

(c) In carrying out his functions under this Act, the Director is authorized to—

(1) appoint such officers and employees as

he may deem necessary to perform the functions now or hereafter vested in him and to prescribe their duties;

(2) obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate prescribed for grade GS–18 of the General Schedule by section 5332 of title 5 of the United States Code; and

(3) enter into contracts and other arrangements for studies, analyses, and other services with public agencies and with private persons, organizations, or institutions, and make such payments as he deems necessary to carry out the provisions of this Act without legal consideration, without performance bonds, and without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

COORDINATION WITH OTHER ORGANIZATIONS

SEC. 208. (a) In exercising his functions under this Act, the Director shall—

(1) work in close consultation and cooperation with the Domestic Council, the National Security Council, the Council on Environmental Quality, the Council of Economic Advisers, the Office of Management and Budget, the National Science Board, and the Federal departments and agencies;

(2) utilize the services of consultants, establish such advisory panels, and, to the extent practicable, consult with State and local governmental agencies, with appropriate professional groups, and with such representatives of industry, the universities, agriculture, labor, consumers, conservation organizations, and such other public interest groups, organizations, and individuals as he deems advisable;

(3) hold such hearings in various parts of the Nation as he deems necessary, to determine the views of the agencies, groups, and organizations referred to in paragraph (2) of this subsection and of the general public, concerning national needs and trends in science and technology; and

(4) utilize with their consent to the fullest extent possible the services, personnel, equipment, facilities, and information (including statistical information) of public and private agencies and organizations, and individuals, in order to avoid duplication of effort and expense, and may transfer funds made available pursuant to this Act to other Federal agencies as reimbursement for the utilization of such personnel, services, facilities, equipment, and information.

(b) Each department, agency, and instrumentality of the Executive Branch of the Government, including any independent agency, is authorized to furnish the Director such information as the Director deems necessary to carry out his functions under this Act.

(c) Upon request, the Administrator of the National Aeronautics and Space Administration is authorized to assist the Director with respect to carrying out his activities conducted under paragraph (5) of section 205(a) of this Act.

SCIENCE AND TECHNOLOGY REPORT

SEC. 209. (a) The President shall transmit annually to the Congress, beginning February 15, 1978, a Science and Technology Report (hereinafter referred to as the "Report") which shall be prepared by the Office, with appropriate assistance from Federal departments and agencies and such consultants and contractors as the Director deems necessary. The report shall draw upon the information prepared by the Director pursuant to section 206 of this Act, and to the extent practicable, within the limitations of available knowledge and resources, discuss such issues as—

(1) a review of developments of national significance in science and technology;

(2) the significant effects of current and projected trends in science and technology on the social, economic, and other requirements of the Nation;

(3) a review and appraisal of selected science- and technology-related programs, policies, and activities of the Federal Government;

(4) an inventory and forecast of critical and emerging national problems the resolution of which might be substantially assisted by the application of science and technology;

(5) the identification and assessment of scientific and technological measures that can contribute to the resolution of such problems, in light of the related social, economic, political, and institutional considerations;

(6) the existing and projected scientific and technological resources, including specialized manpower, that could contribute to the resolution of such problems; and

(7) recommendations for legislation on science- and technology-related programs and policies that will contribute to the resolution of such problems.

(b) In preparing the Report under subsection (a) of this section, the Office shall make maximum use of relevant data available from the National Science Foundation and other Government departments and agencies.

(c) The Director shall insure that the Report, in the form approved by the President, is printed and made available as a public document.

TITLE III—PRESIDENT'S COMMITTEE ON SCIENCE AND TECHNOLOGY

ESTABLISHMENT

SEC. 301. The President shall establish within the Executive Office of the President a President's Committee on Science and Technology (hereinafter referred to as the "Committee").

MEMBERSHIP

SEC. 302. (a) The Committee shall consist of—

(1) the Director of the Office of Science and Technology Policy established under title II of this Act; and

(2) not less than eight nor more than fourteen other members appointed by the President not more than sixty days after the Director has assumed office (as provided in section 203 of this Act).

(b) Members of the Committee appointed by the President pursuant to subsection (a)(2) of this section shall—

(1) be qualified and distinguished in one or more of the following areas: science, engineering, technology, information dissemination, education, management, labor, or public affairs;

(2) be capable of critically assessing the policies, priorities, programs, and activities of the Nation, with respect to the findings, policies, and purposes set forth in title I; and

(3) shall collectively constitute a balanced composition with respect to (A) fields of science and engineering, (B) academic, industrial, and government experience, and (C) business, labor, consumer, and public interest points of view.

(c) The President shall appoint one member of the Committee to serve as Chairman and another member to serve as Vice Chairman for such periods as the President may determine.

(d) Each member of the Committee who is not an officer of the Federal Government shall, while serving on business of the Committee, be entitled to receive compensation at a rate not to exceed the daily rate prescribed for GS–18 of the General Schedule under section 5332 of title 5, United States Code, including traveltime, and while so serving away from his home or regular place of business he may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703(b) of title 5, United States Code, for persons in Government service employed intermittently.

FEDERAL SCIENCE, ENGINEERING, AND TECHNOLOGY SURVEY

SEC. 303. (a) The Committee shall survey, examine, and analyze the overall context of the Federal science, engineering, and technology effort including missions, goals, personnel, funding, organization, facilities, and activities in general, taking adequate account of the interests of individuals and groups that may be affected by Federal scientific, engineering, and technical programs, including, as appropriate, consultation with such individuals and groups. In carrying out its functions under this section, the Committee shall, among other things, consider needs for—

(1) organizational reform, including institutional realinement designed to place Federal agencies whose missions are primarily or solely devoted to scientific and technological research and development, and those agencies primarily or solely concerned with fuels, energy, and materials, within a single cabinet-level department;

(2) improvements in existing systems for handling scientific and technical information on a Government-wide basis, including consideration of the appropriate role to be played by the private sector in the dissemination of such information;

(3) improved technology assessment in the executive branch of the Federal Government;

(4) improved methods for effecting technology innovation, transfer, and use;

(5) stimulating more effective Federal-State and Federal-industry liaison and cooperation in science and technology, including the formation of Federal-State mechanisms for the mutual pursuit of this goal;

(6) reduction and simplification of Federal regulations and administrative practices and procedures which may have the effect of retarding technological innovation or opportunities for its utilization;

(7) a broader base for support of basic research;

(8) ways of strengthening the Nation's academic institutions' capabilities for research and education in science and technology;

(9) ways and means of effectively integrating scientific and technological factors into our national and international policies;

(10) technology designed to meet community and individual needs;

(11) maintenance of adequate scientific and technological manpower with regard to both quality and quantity;

(12) improved systems for planning and analysis of the Federal science and technology programs; and

(13) long-range study, analysis, and planning in regard to the application of science and technology to major national problems or concerns.

(b)(1) Within twelve months from the time the Committee is activated in accordance with section 302(a) of this Act, the Committee shall issue an interim report of its activities and operations to date. Not more than twenty-four months from the time the Committee is activated, the Committee shall submit a final report of its activities, findings, conclusions, and recommendations, including such supporting data and material as may be necessary, to the President.

(2) The President, within sixty days of receipt thereof, shall transmit each such report to each House of Congress together with such comments, observations, and recommendations thereon as he deems appropriate.

CONTINUATION OF COMMITTEE

SEC. 304 (a) Ninety days after submission of the final report prepared under section 303 of this Act, the Committee shall cease to exist, unless the President, before the expiration of the ninety-day period, makes a determination that it is advantageous for the Committee to continue in being.

(b) If the President determines that it is advantageous for the Committee to continue in being, (1) the Committee shall exercise such functions as are prescribed by the President; and (2) the members of the Committee shall serve at the pleasure of the President.

STAFF AND CONSULTANT SUPPORT

SEC. 305. (a) In the performance of its functions under sections 303 and 304 of this Act, the Committee is authorized—

(1) to select, appoint, employ, and fix the compensation of such specialists and other experts as may be necessary for the carrying out of its duties and functions, and to select, appoint, and employ, subject to the civil service laws, such other officers and employees as may be necessary for carrying out its duties and functions; and

(2) to provide for participation of such civilian and military personnel as may be detailed to the Committee pursuant to subsection (b) of this section for carrying out the functions of the Committee.

(b) Upon request of the Committee, the head of any Federal department, agency, or instrumentality is authorized (1) to furnish to the Committee such information as may be necessary for carrying out its functions and as may be available to or procurable by such department, agency, or instrumentality, and (2) to detail to temporary duty with the Committee on a reimbursable basis such personnel within his administrative jurisdiction as it may need or believe to be useful for carrying out its functions. Each such detail shall be without loss of seniority, pay, or other employee status, to civilian employees so detailed, and without loss of status, rank, office, or grade, or of any emolument, perquisite, right, privilege, or benefit incident thereto to military personnel so detailed. Each such detail shall be made pursuant to an agreement between the Chairman and the head of the relevant department, agency, or instrumentality, and shall be in accordance with the provisions of subchapter III of chapter 33, title 5, United States Code.

TITLE IV—FEDERAL COORDINATING COUNCIL FOR SCIENCE, ENGINEERING, AND TECHNOLOGY

ESTABLISHMENT AND FUNCTIONS

SEC. 401. (a) There is established the Federal Coordinating Council for Science, Engineering, and Technology (hereinafter referred to as the "Council").

(b) The Council shall be composed of the Director of the Office of Science and Technology Policy and one representative of each of the following Federal agencies: Department of Agriculture, Department of Commerce, Department of Defense, Department of Health, Education, and Welfare, Department of Housing and Urban Development, Department of the Interior, Department of State, Department of Transportation, Veterans' Administration, National Aeronautics and Space Administration, National Science Foundation, Environmental Protection Agency, and Energy Research and Development Administration. Each such representative shall be an official of policy rank designated by the head of the Federal agency concerned.

(c) The Director of the Office of Science and Technology Policy shall serve as Chairman of the Council. The Chairman may designate another member of the Council to act temporarily in the Chairman's absence as Chairman.

(d) The Chairman may (1) request the head of any Federal agency not named in subsection (b) of this section to designate a representative to participate in meetings or parts of meetings of the Council concerned with matters of substantial interest to such agency, and (2) invite other persons to attend meetings of the Council.

(e) The Council shall consider problems and developments in the fields of science, engineering, and technology and related activities affecting more than one Federal agency, and shall recommend policies and other measures designed to—

(1) provide more effective planning and administration of Federal scientific, engineering, and technological programs.

(2) identify research needs including areas requiring additional emphasis.

(3) achieve more effective utilization of the scientific, engineering, and technological resources and facilities of Federal agencies, including the elimination of unwarranted duplication, and

(4) further international cooperation in science, engineering, and technology.

(f) The Council shall perform such other related advisory duties as shall be assigned by the President or by the Chairman.

(g) For the purpose of carrying out the provisions of this section, each Federal agency represented on the Council shall furnish necessary assistance to the Council. Such assistance may include—

(1) detailing employees to the Council to perform such functions, consistent with the purposes of this section, as the Chairman may assign to them, and

(2) undertaking, upon request of the Chairman, such special studies for the Council as come within the functions herein assigned.

(h) For the purpose of conducting studies and making reports as directed by the Chairman, standing subcommittees and panels of the Council may be established.

ABOLITION OF FEDERAL COUNCIL FOR SCIENCE AND TECHNOLOGY

SEC. 402. The Federal Council for Science and Technology, established pursuant to Executive Order 10807, issued March 13, 1959, as amended by Executive Order 11381, issued November 8, 1967, is hereby abolished.

TITLE V—GENERAL PROVISIONS

AUTHORIZATION

SEC. 501. (a) For the purpose of carrying out title II of this Act, there are authorized to be appropriated—

(1) $750,000 for the fiscal year ending June 30, 1976;

(2) $500,000 for the period beginning July 1, 1976, and ending September 30, 1976;

(3) $3,000,000 for the fiscal year ending September 30, 1977; and

(4) such sums as may be necessary for each of the succeeding fiscal years.

(b) For the purpose of carrying out title III of this Act, there are authorized to be appropriated—

(1) $750,000 for the fiscal year ending June 30, 1976;

(2) $500,000 for the period beginning July 1, 1976, and ending September 30, 1976;

(3) $1,000,000 for the fiscal year ending September 30, 1977; and

(4) such sums as may be necessary for each of the succeeding fiscal years.

STATUTORY REPEAL

SEC. 502. Sections 1, 2, 3, and 4 of Reorganization Plan Numbered 2 of 1962 (76 Stat. 1253) and section 2 of Reorganization Plan Numbered 1 of 1973 (87 Stat. 1089) are repealed.

AMENDMENT

SEC. 503. Section 4 of the National Science Foundation Act of 1950 (42 U.S.C. 1863) is amended by striking out subsection (g) and by redesignating subsections (h), (i), and (j), and all references thereto, as subsections (g), (h), and (i), respectively.

And the Senate agree to the same.

OLIN E. TEAGUE,
DON FUQUA,
JIM SYMINGTON,
MIKE MCCORMACK,
RAY THORNTON,
C. A. MOSHER,
MARVIN L. ESCH,
Managers on the Part of the House.

TED KENNEDY,
WARREN G. MAGNUSON,
FRANK E. MOSS,
WALTER F. MONDALE,
JOHN V. TUNNEY,
WENDELL H. FORD,
BARRY GOLDWATER,
J. GLENN BEALL, JR.,
PAUL LAXALT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10230) to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause in the House bill and substituted new language. The Committee of Conference agreed to accept the Senate amendment with certain amendments and stipulations proposed by the conferees.

The substantive changes made by the Senate amendment, together with further amendments and modifications by the Committee of Conference are as follows:

TITLE I—NATIONAL SCIENCE, ENGINEERING AND TECHNOLOGY POLICY AND PRIORITIES

Both versions of the bill contained comprehensive statements designed to establish a national science and technology policy. The statements were similar in many respects and often duplicative.

The Committee of Conference substituted a compromise which (1) follows the Senate title, (2) adopts the House style and format, and (3) contains all the significant substantive elements of the policy findings and declarations of each bill.

TITLE II—THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY

This title establishes an Office of Science and Technology Policy within the Executive Office of the President. House and Senate versions differed, and have been resolved, in the following ways.

1. *Associate Directors*—The House bill authorized the President, at his discretion, to appoint up to four Assistant Directors for the new office. The Senate amendment differed in that it designated the four as "Associate" Directors and required that they be confirmed in office by the Senate. The managers on the part of the House concurred in the Senate change. [Sec. 203]

2. *Annual Report*—The House required "timely" reports from the new office on its activities and on issues or problems involving important scientific and technological considerations. The Senate amendment required "annual" reports in this area. Managers on the part of the House concurred in the Senate amendment with minor editorial changes. [Sec. 209(a)]

3. *Civil Service Requirements*—The bill

passed by the House stipulated that the appointment of officers and employees by the Director of the Office conform to Civil Service requirements. The Senate amendment contained no such requirement. In conference, the managers on the part of the Senate accepted the House provision. [Sec. 207(c)]

4. *Contract and Hearing Authority*—The Senate amendment contained broader consultant and contract authority for the new office than did the House bill; it also gave the Director authority to obtain information through the conduct of hearings, which the House bill did not. The managers on the part of the House concurred in the Senate position. [Sec. 208(a) (2) and (3)]

5. *National Security Council and Domestic Council*—The House bill provided that the Director of the new Office should advise the President on, among other things, scientific and technological considerations involved in national security. The Senate amendment removed this provision, but provided that the Director serve as advisor to the National Security Council when requested by the Council to do so. The Senate amendment also provided that the Director of the Office be made a member of the Domestic Council. The conferees settled these differences by incorporating all three provisions with such editorial changes as were necessary to prevent duplication or conflict. [Sec. 204(b)(1); Sec. 207(a)(2) and (b)]

6. *Five-Year Outlook*—The Senate amendment contained a provision calling for a five-year outlook, or projection, of scientific and technological issues, situations and conditions likely to warrant special attention within that period, and for appropriate inputs to the Office of Management and Budget and the executive departments and agencies in the formulation of Administration budgets with respect to research and development. The outlook would be updated annually. The House bill did not contain a similar provision. Managers on the part of the House agreed to accept the Senate provision with minor modifications. [Sec. 206]

TITLE III—PRESIDENT'S COMMITTEE ON SCIENCE AND TECHNOLOGY

1. *Title*—The House bill had entitled this special study group as a "Survey" committee. The Senate amendment re-titled it as an "Advisory" committee. Conferees agreed to compromise on the title indicated above.

2. *Mandatory Provisions*—The House bill contained a mandatory requirement that the Committee be set up as specified. The Senate amendment made the Committee's creation optional with the President. The managers on the part of the Senate concurred in the House provision. [Sec. 302(a)]

3. *Membership Qualifications*—Both House and Senate versions specified qualifications for membership on the Committee, but the Senate amendment contained broader language and more specific considerations. The conferees agreed to keep the House language but added the specific categories for balanced membership as set out in the Senate version. [Sec. 302(b)]

4. *Lifetime and Continuation of Committee*—The House bill provided that the Committee have a lifetime of two years and that the President review and submit the Committee's report—directed toward the examination and analyzation of the total Federal science and technology effort with appropropriate findings and recommendations—to the Congress within 60 days, together with his own comments and recommendations. The Senate amendment was essentially the same, except that it provided for a one-year study and also permitted the President to extend the life of the Committee as he saw fit. The conferees agreed to the two year House plan, but provided for an interim report after one year and a final report after two years. Conferees also agreed to the Senate provision for extension of the Committee's lifetime at the discretion of the President. [Sec. 303(b) and Sec. 304]

TITLE IV—FEDERAL COORDINATING COUNCIL FOR SCIENCE, ENGINEERING AND TECHNOLOGY

This title was not in the House bill but was added by the Senate amendment.

The effect of this title is to make the existing Federal Council for Science and Technology, set up by Executive Order in 1959, a statutory body with the Director of the new Office as chairman. The current Council is an interdepartmental group representing all Federal agencies with significant research and development missions, whose function is to maintain general liaison of the overall government effort in science and technology. The title adds no new functions. It does change the name of the present Council, emphasizes its mission, and places it on a statutory basis. In interpreting this title, reference should be made to the following statement from the Senate Report (94–622): "These functions are purely advisory in nature and involve no exercise of authority over the participating agencies, whose participation is governed by their applicable statutes." Managers on the part of the House agreed to accept this title.

TITLE V—GENERAL REVISIONS

1. *Authorization*—The House bill provided only general authorization of such sums as might be necessary to carry out the provisions of the Act. The Senate amendment authorized a total of $1,250,000 for Fiscal Year 1976 and the transitional quarter (July 1, 1976–September 30, 1976), and $3,000,000 for Fiscal Year 1977 for Title II of the Act; it authorized a total of $1,250,000 for Fiscal Year 1976 and the transitional quarter, and $1,000,000 for Fiscal Year 1977 for Title III of the Act. Conferees agreed to the Senate total authorization figures for titles II and III for Fiscal Year 1976, the transitional quarter, and Fiscal Year 1977. Beyond that period, however, conferees agreed to authorize such sums as might be necessary. [Sec. 501] It should be noted that the sums authorized parallel closely those which the Administration has indicated it plans to expend for these areas in the next two years.

2. *National Science Foundation Act*—The House bill repealed one clause in the Organic Act of the National Science Foundation which requires an annual report from the National Science Board on the status of science and technology in the United States. The Senate amendment did not contain this provision. Managers on the part of the Senate agreed to the House provision. [Sec. 503]

OTHER SUBSTANTIVE DIFFERENCE

State and regional science and technology

The Senate amendment contained a separate title comprised of two principal elements. The first of these was a 52 member inter-governmental advisory panel to assist the Director of the new Office in his duties by providing special inputs relative to State and local needs and issues. The panel was to be composed of the Director of the Office, the Director of the National Science Foundation, and one member appointed by the Governor of each State. The second element was a Federal grant program, to be administered by the National Science Foundation, to assist the States in forming or strengthening a science, engineering and technology advisory mechanism within State governments. Each State could receive a maximum of $200,000 for this purpose upon proper application.

The House bill contained no similar title.

The Committee of Conference agreed to drop the title, as such, but to incorporate into Title II a scaled-down version of the inter-governmental panel. The panel's function shall be to (1) identify and define civilian problems at the State, regional and local levels which science, engineering, and technology may assist in resolving or ameliorating; (2) recommend priorities for addressing such problems; and (3) advise and assist the Director in identifying and fostering policies to facilitate the transfer and utilization of research and development results so as to maximize their application to civilian needs. [Sec. 205(b)]

At the same time, conferees agreed to express their unanimous conviction (1) of the soundness of the concept that State and local governments would profit from their own science advisory systems; (2) that such systems could be made more effective through appropriate liaison with the Federal government, and (3) that greater cooperation and improved financial arrangements between the States and localities and the National Science Foundation are in order, including adequate additional financial support of programs designed to increase a State's capacity for wise application of science and technology to State and local needs.

Conferees further agreed to recommend to the appropriate committee members of both the Senate and House that immediate consideration be given to effecting these matters at the earliest opportunity. Such consideration should include the current annual authorization for the National Science Foundation, which has not yet been reported from the Committee on Labor and Public Welfare of the Senate.

"Engineering" terminology

The House bill, in its general terminology, used the phrase "science and technology" throughout as reference to the generic matter with which it was dealing. The Senate amendment employed the phrase "science, engineering and technology" for the same purpose.

The Committee of Conference agreed that the judicious use of each phrase was appropriate in accordance with the particular subject matter being described. Consequently, the term "engineering" was employed in certain areas and omitted in others, as follows:

1. "Engineering" has been retained in Title I, which deals with general national policy and priorities, and in Title IV which deals with all Federal research and development activities on a government-wide basis. It has not been used in either Title II or Title III, both of which deal with entities that are limited to the functions, administration and discretion of the President's immediate Executive Office.

2. The term "engineering" has also been employed in all instances where the Act is concerned with manpower, with human resources or with education, training or retraining of scientific personnel.

3. Engineering has been included in those critical parts of the Act where qualifications for offices created by the legislation are involved. It has also been incorporated into the State-advisory panel established by the new Policy Office [Sec. 205(b)] and into the operation of the President's Committee on Science and Technology with reference to its two-year survey of Federal science operations. [Sec. 303]

4. The "manpower" clauses, which the Senate amendment contained and which were designed in part to emphasize the Nation's engineering needs, have also been retained by the conferees. [Sec. 101(a)(4) and (5);] An important new clause to ensure appropriate inputs from the engineering community into the Federal policy-making process has been added. [Sec. 102(b)(5)]

5. In most other parts of the Act, the House terminology has been retained.

Olin E. Teague,
Don Fuqua,
James W. Symington,
Mike McCormack,
Ray Thornton,
Charles A. Mosher,
Marvin L. Esch,
Managers on the Part of the House.

Edward M. Kennedy,
Warren G. Magnuson,
Frank E. Moss,
Walter F. Mondale,
John V. Tunney,
Wendell H. Ford,
Barry Goldwater,
J. Glenn Beall, Jr.,
Paul Laxalt,
Managers on the Part of the Senate.

MORE EFFECTIVE DISASTER RELIEF LAWS

(Mr. MEEDS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MEEDS. Mr. Speaker, I would like to take this opportunity to briefly summarize legislation I have introduced today designed to make the disaster-relief laws in this country much more effective.

As I am sure many of you know, Washington State suffered one of the most devestating floods in its history last December. Millions of dollars of damage resulted, as homes, crops, livestock, and businesses were either destroyed or damaged in the face of the rising waters. Upon the urging of the Washington State congressional delegation and Gov. Dan Evans of our State, much of the State was declared a disaster area, including most of the counties within my own congressional district.

The residents of Washington State were, of course, very relieved when this declaration was made and the promise of Federal help was extended to thm.

But despite the promises of the Government, many individuals found only frustration when they actually tried to get this help. They were met with mountains of paperwork, bulky regulations, unrealistic prerequisites to the aid, and general lack of compassion and cooperation among those who administered the laws. Confronted by these obstacles, many decided not even to apply. They came to the conclusion that the Federal Government really did not care. That it was more interested in paperwork and regulations than in really helping those who needed it.

Therefore, considering these problems and the intense frustration that occurred among disaster victims as a result, I have spent the past few months studying these laws and have come up with suggestions that I believe will make them much more effective.

Among other things, the legislation would lower interest rates on relief loans, broaden insurance coverage of crop and cattle losses, and provide additional tax deductions for disaster-related losses. All of the bills are in the form of amendments to current legislation regarding disaster assistance.

BROADER INSURANCE COVERAGE

One of the bills, an amendment to the Federal Crop Insurance Act, would extend insurance coverage to all agricultural commodities such as berry crops and dairy cattle that may be destroyed or harmed during a disaster. Currently, the law allows for this kind of coverage only in certain parts of the country, not including counties in western Washington.

This has presented a serious hardship for farmers in the Pacific Northwest who are currently unable to insure their capital investments in crops and livestock—which often run into the tens of thousands of dollars—through this program.

Under this new piece of legislation, farmers in my part of the Nation could insure their cattle herds and crops from disaster damage through a provision of the Crop Insurance Act. I am a firm believer that financial ruin that resulted from the last flooding disaster can, in many cases, be averted in the future under this new legislation. The farmers who live in our river valleys throughout western Washington and the whole State, could receive substantial protection against very costly losses to dairy herds and berry crops.

In an effort to make this protection available to as many persons as possible, the new legislation will require the Federal Government to pay 50 percent of the premium costs of this insurance.

EASIER TERMS ON DISASTER LOANS

I have also introduced legislation that would make disaster-assistance loans more readily available to victims by removing a number of restrictive prerequisites to obtaining the loans.

The bill would amend the Consolidated Farm and Rural Development Act by setting the interest rate on loans at only 5 percent instead of the current lending rate and it would also defer payments for a year after the loan was made. In addition the legislation would no longer require victims to be turned down by two banks before becoming eligible for such a loan.

Present law requires that an applicant first be turned down by two banks, which would doubtless charge 8 to 10 percent interest on these loans. My question: Who needs help from the Government if they can qualify to pay such interest rates? I think we either must improve the law or get rid of it, and I certainly believe that this new legislation would improve it substantially.

Additionally, I have also introduced an amendment to the Small Business Act to bring loans under this program into agreement with the changes I have suggested in the Consolidated Farm and Rural Development Act.

INCREASED TAX DEDUCTIONS FOR FLOOD VICTIMS

I have also introduced a bill that would allow disaster victims to claim tax deductions for damages done to their cattle herds and crops as a result of a natural disaster, thereby substantially broadening the current law. The legislation would allow for the fair market value deductions for commodities, less the amount of insurance payments or compensation.

As the law stands right now, a person who has a car wreck can write off the loss, but the person who just lost an entire herd of cattle or an entire crop cannot. That just does not make sense. And how can anybody be expected to pay taxes on cattle or other commodities that were totally wiped out in a disaster?

CHANGE IN DISASTER RELIEF ACT

Finally, I have also introduced an amendment to the Disaster Relief Act that would give the Secretary of Commerce authority to establish disaster recovery planning, a program that would see to it that both physical and financial recovery continues after the immediate disaster assistance has been completed.

Often the damage resulting from a natural disaster is so extensive that it takes years to repair completely. Stricken regions must often go back to the very beginning and reestablish their entire economic and resource base. This kind of council would be very helpful in the planning of this process.

The current law vaguely leaves this authority with the President. I believe the chances for establishment of such a planning program would be increased if specifically designated as a duty to the Secretary of Commerce.

In conclusion, I would like to say that the last disaster in Washington State was a warning that the disaster relief laws needed some serious change. I believe that these are some of the changes that are needed.

It was also pointed out by those who administered these disaster-relief laws that they definitely needed much more flexibility. I believe these changes will answer those problems.

But the best laws can be administered so as to frustrate their intended purposes. Unfortunately, I found far too many negative attitudes among those administering the laws at the time of the disaster. Hopefully, these changes will convince them the laws are intended to bring compassion and understanding at a time of disaster, rather than bureaucratic redtape and foot dragging.

TOWARD URBAN SURVIVAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 60 minutes.

Mr. REUSS. Mr. Speaker, there follows a copy of my remarks on "Toward Urban Survival" given to the Cornell University School of Architecture as the Third Russell Van Nest Black Lecture, Cornell University, Ithaca, N.Y., on April 15, 1976:

Toward Urban Survival

We are brought here tonight by our common concern for the problems of the cities. You view them as architects and planners, I as a legislator, but our perspectives are powerfully interrelated. Tonight I will comment on the present state of urban thinking, and then discuss the national policies that, it seems to me, we must effect if urban planning is ever to make a serious contribution to the survival of the American city.

Pessimism in recent years has settled over urban policy like a fog. The era of big dreams has past: in almost every discussion of America's future one hears of lowered expectations, limited resources, diminished government and uncertain growth. The decline of the American city, once thought reversible, is now widely seen as an inevitable trend. Full employment without inflation, which was once the economic norm, now appears to be a receding memory at best. The administrators of economic and social policy in the Nixon-Ford Administration, having successfully reversed the social gains of the previous eight years, now lecture apologetically about the "inherent" limitations of government. While they fiddle, New York burns and Philadelphia, Newark, Boston and Detroit approach the flash-point. Even the optimists who peopled the Kennedy and Johnson administrations are disillusioned, and now spend their days spreading the hard-bitten doctrine of retrenchment on the college campuses where they have taken refuge.

Nowhere is pessimism more entrenched than among urban planners. From my discussions with the veterans of planning's brief heyday in the Sixties, I know of no group that is less sure of its premises, less certain of its prospects, or more agnostic about the worth of its programs.

There is uncertainty about the relevance of urban planning. Confronting the elegant vision of the planner, there is the bleak reality of the city itself. Planners have long been taught to pursue a grand conception, to assume away political obstacles of various kinds, to strive for large social, environmental or physical gains. The techniques of planning often seem better adapted to abstract development on a clean blackboard than to the task of ressurrecting a decrepit, obstructive urban infrastructure that is already in place. Measured against its goals, the physical achievements of urban planning in this country are modest: a Government Center in Boston, a waterfront district in St. Louis, perhaps a Rockefeller Center during happier years in New York. The intangible achievements of urban planning—improved decision-making at the local level, or a more rational bureaucratic structure—are precisely that: intangible. They give cold comfort to those who seek to document the contribution of the planner to American life.

Urban planners have suffered perhaps as much mental anguish as any other group from the stymied expectations of the Sixties. Planners threw themselves into the Great Society, the War on Poverty, Model Cities and many other programs in the hope of capping two decades of peace with a burst of social and physical improvement. When that dream fell apart—through bureaucratic difficulty, political obstruction, the Vietnam War, and a diminishing national commitment to the great social goals, it provoked a profound reassessment of what could and could not be done.

Like other downtrodden minorities, the planner has been forced to retrench. I'll bet there's not a single person here tonight who expects to transform Urban America as a program administrator for the Department of Housing and Urban Development. Too many grandiose visions have been shattered by inadequate funding, local resistance, bureaucratic ineptitude, or the planner's own failure to take account of neighborhood needs. Experience has taught planners a bitter lesson: know your resources, and know your capabilities, before you act.

Coupled with forced retrenchment has come a new ideology of urban planning, aptly summed up in the expression "think small". It is in pursuing limited objectives, with limited but assured resources, that planners now seek to make their mark. Today, when we think of the fruits of "planning", it is in terms of projects which redevelop a single city block or perhaps effect a modest improvement in urban administration or finance. Washington's L'Enfant Plaza, or Boston's mini-city halls, or the regional tax-sharing programs of Minneapolis-St. Paul come to mind. When we think of the creations of architects, it is single buildings which stand out: I.M. Pei's World Trade Center or his unfortunate John Hancock Building in Boston, for example. No one today expects to become a Pierre L'Enfant laying out the streets of Washington, or Baron Haussmann imposing a bold design of broad boulevards on Paris. Where we have tried to build planned communities in the past decade or so, it has been on a relatively small scale: Columbia, Maryland, and Reston, Virginia, for example, or the remarkable architecture brought to Columbus, Indiana through the philanthropy of J. Irwin Miller. Today, few would think it wise to follow the dictum of Frederick Law Olmsted, who implored us to "make no little plans".

But the small-scale planner, whether public or private, is at the mercy of his environment. He cannot hope to solve—or even address—the monumental social problems of the region within which he works. While he may minimize political opposition to his objectives and overcome bureaucratic roadblocks in his own organization by operating on a small scale, he is ever more susceptible to being swept away on currents of social change that he can neither influence nor control. Thus the World Trade Center, conceived in a troubled city and built in competition with dozens of equally unneeded structures, has contributed to a massive glut of office space in Manhattan. The planner labors under a double dilemma: he can "think big" and be brought down by direct opposition from those who might be hurt by his plans, or he can "think small" and succumb to greater social forces.

My theme tonight is that government must reassume its responsibilities if the city is to have a future. Thinking small, however necessary for the individual planner in this day and age, is not an acceptable policy for the government of this nation. Our urban problems must be addressed in the broadest possible perspective—one that transcends the disciplinary boundaries of the planner. Only if we assure our cities a future—through national social policies which give the residents of those cities a future—will you as planners be more than corks riding the ebb and flow of economic and social events far beyond your control. No simple urban bail-out program will do the trick. What is required are three measures: a national policy of full employment and production, a reallocation of federal expenditure toward true social priorities, and a serious effort to rationalize the structure of federal, state and local government units.

Before looking at these cures, let us attempt to elucidate the illness. The so-called "urban problem", it will immediately be seen, is not one problem but three:

It is partly a "metropolitan problem". The central city is simply no longer as efficient an economic unit as it once was. It is in general cheaper, more convenient and more pleasant for those who can afford to do so to live on the outskirts of the city. Industry, too, can find more room for expansion on the edge of town than in a cluttered, decaying center. Rigid local boundaries enable the rich to avoid paying taxes to support services for the poor. With the automobile and the commuter highway, the convenience of urban mass transit or even of walking to work or to the store is no longer so important. So for these and other reasons, the city is in decline relative to its own suburban region.

Second, what we commonly call the "urban problem" is in large part the "regional problem" of the North and East. These regions have accumulated, over time, much of the industrial wealth of the United States. Now they are losing that wealth to the rising "sun belt"—where costs are lower, labor cheaper, and the climate less harsh and demanding. As people and industries emigrate to the new lands of opportunity, the declining regions find they can no longer afford the amenities which their previous advantage had permitted.

Third, the urban problem is perhaps in greatest part simply the latent manifestation of America's "poverty problem". The poor, the blacks, and the Puerto Ricans were attracted to New York, much as the Okies were attracted to California four decades ago, by the lure of jobs. Now the jobs, the affluent and the mobile are leaving, and the poor populations who remain form an increasing, and increasingly visible, proportion of the whole.

But it is the national economic policies of recent years that have delivered the coup de grace to the older cities. During the Nixon-Ford years of stagflation, high unemployment, social program austerity, and low urban investment, the cities have suffered doubly. Inflation raises costs, unemployment reduces tax revenues and increases welfare spending. Cities have been forced either to cut services or to raise taxes, or both, thereby accelerating their own decline. Increasingly, our cities are repositories of poor people, pollution, shabby buildings, and echoing streets at night.

In a recession, it is the marginal economic activity that gets cut first; more and more, these marginal activities are those carried out in the old, high-cost factory by the relatively highly-paid worker in the old, highly-taxed city. In January, 1976 (the most recent month for which preliminary comparative data are available), when unemployment was 8.8 per cent nationally, it was 13.3 per cent in Detroit, 11.9 per cent in New York, and 10.0 and 9.9 per cent even in such relatively new cities as Los Angeles and Seattle, respectively. In a squeeze, cities quickly fall victim to their own standard of living: they cannot compete with the lower-cost, higher-profit work force of the hinterland.

The deliberate use of unemployment as an economic policy tool is a major, perhaps the major, source of urban blight. It transfers the cost of fighting inflation from the corporate balance sheet to the marginal employee, who is too often young, black and urban. Unemployment raises city expenditures for welfare and related subsidies at the same time it cuts deeply into the city tax base. Perhaps more important, unemployment also contributes to increases in crime, drug abuse, vandalism and other activities which have heavy social as well as financial costs.

The inflation of oil and food prices in 1973 and '74 was also a brutal blow to the cities. On one hand, our own farmers got rich, albeit after long years of relative hardship, and food processors got richer still, at the expense of the urban dweller. On the other, the Arabs helped themselves to the wealth of the American North and East, whose heating requirements were irreducible and could not be met from any other source. The city was defenseless before this double onslaught, having little or nothing in the way of economic power with which to fight back. The cost of living in the cities rose sharply, triggering automatic welfare rises and negotiated wage increases, but the revenues to pay these rising obligations was diverted to resource producers thousands of miles away.

High costs—as distinct from rising costs—cut sharply at the competitiveness of the city as well. In 1974, it cost a family of four 22.6 per cent more than the national average to live comfortably in New York City. Boston was 18.9 per cent above average, Seattle 19.3 per cent, San Francisco 5.8 per cent. The cost of government is higher: there are more services associated with high-density living—such as police and fire protection—more welfare, and more problems than in outlying areas. Taxes to pay for that government are high: a family of four earning $15,000 pays $225.20 in municipal income taxes in New York, but nothing at all in neighboring Greenwich, Connecticut. Municipal workers have become accustomed to high wages and high levels of fringe benefits. Not surprisingly, many of the affluent choose to "vote with their feet"—and move to the more pleasant and economical suburbs, or to the booming "sunbelt". The truly poor remain, and the city faces an accelerating gap between its obligations and its resources.

This is the fiscal bind in which our cities are so tightly caught—by unemployment, inflation, and a failure to adjust to increasing competition from their own suburbs or the growth regions of the South and West. It is a no-win situation, and one which the cities cannot possibly break out of on their own.

So what can be done to revive our urban centers?

Let me start with two things that *cannot* be done. We cannot stand, like King Canute, and order the tides of demographic and social change to halt. We cannot arrest the adjustment which is shifting economic activity from the North and East in favor of the South and West. It would be foolish and counterproductive to try. Foolish, because to subsidize industry and people to live and work where they don't want to live and work is simply to tax everyone to stop a few from doing the sensible, economic thing. Counterproductive, because such measures lessen the efficiency of our industry, institutionalize excessive costs, and retard the natural process of adjustment. We can be sure that as the wealth of the South and West increases, wages there will rise, and the working poor—many of whom are, after all, only recent arrivals in our now decaying Eastern urban centers—will stream out in pursuit of those wages. At that time our cities, with their fabulous stock of fixed capital, could once again become places of opportunity for the imaginative.

Second, we cannot change altogether our middle class life-style. The car and the private home—perhaps in smaller, lighter, more economic versions—are here to stay. What we can do, however, is attempt to provide a stable *alternative* technological life-style—an urban life-style, based on multi-family housing, urban and inter-urban mass transit, and stable employment in the urban center. The two can and should be made to coexist, giving a real freedom of choice to the American family.

Where do we start? First, let me disclaim any pretensions to having a one-stop solution to the urban problem. Let me speak only as a federal legislator, whose main concern is to evolve a federal framework within which urban problems may best be seen and combatted. I see three elements:

1. AN EFFECTIVE NATIONAL ECONOMIC POLICY

The most immediate problem confronting the cities is the economy. Our cities cannot survive if 7 per cent unemployment or worse remains the national norm. They cannot outlast steady inflation of 6 per cent or higher. They cannot adapt to long-term idleness of more than one-half of our national productive plant, much of it within city borders. Under these conditions, urban *revival* is even more completely out of the question.

The federal government has had the responsibility in law since 1946 to pursue policies leading to maximum employment without inflation—a responsibility which has not been met during the past eight years. How do we reach this goal?

Full economic recovery is the first step toward *full employment*. Correctly-targeted fiscal stimulus and adequate money supply growth are our primary tools in this endeavor. But even a healthy economy may leave hundreds of thousands of city residents by the roadside. We need special programs to provide jobs directly to those seeking work (through public service employment, Neighborhood Youth Corps), and to match workers with jobs in the private sector (manpower training, national and regional labor exchanges, cash assistance for those who must relocate to find work). By happy coincidence, many of these private-sector and public-sector jobs will lie in the rehabilitation, rebuilding, and running of our cities. It is time that there was an explicit federal commitment to provide a job for every person who wants one (as H.R. 50, the Hawkins-Reuss-Humphrey Full Employment bill would provide). This is a logical extension of the Employment Act of 1946 and, I believe, a necessary precondition for urban viability.

Achieving *stable prices* is an even more difficult goal. Economic recovery and sensible fiscal and monetary policies will do part of the job, but more specific measures may also be required. A carefully constructed price and incomes policy, politically unpopular at present, may prove economically indispensable in the future. Needed also is a mechanism to control prices in concentrated industries, together with a social contract with labor to avoid inflationary wage increases in return for full employment, price stability, and equality of burden-sharing.

Restoring a healthy economy is the first thing the federal government can and must do to help the cities. It will not, by itself, make cities economically competitive again, but it will ensure that they are not strangled by the wasteful use of unemployment to combat inflation. Once such stone-age, anti-urban economics are safely behind us, we can consider how to transform the city from its current status of mendicant to that of productive particpant in the national economy once again.

2. THE EFFICIENT USE OF FEDERAL RESOURCES

Popular wisdom has it that the federal government under Lyndon Johnson spent too much on the cities, that the programs were disastrous failures, and that anyone today who suggests appropriating so much as a cent for the cities has Missed the Point, which is, allegedly, that the federal government has no role to play in solving urban problems.

I disagree with both premise and conclusion. There were certainly some conspicuous lemons among the Great Society programs. The underlying problem, however, was not too *great* a federal commitment to urban problems but too *little*. There was little understanding of what the federal government could do effectively in the area and what was best left to state and local government; there was little coordinated knowledge of what the federal government was already doing through tax subsidies, housing and highway incentives, and government procurement, to name only a few areas, to affect the cities; there was little appreciation of the fact that change takes time; and many programs were simply not well run. We had, and have today, no coherent national policy for urban growth or urban revitalization.

It is easy enough to see why the issues have not been more sharply delineated. In a practical, political sense, the resources of the federal government are not infinite. Giving to the big cities means taking away from someone else—the suburbs, developing regions of the southwest, the well-to-do.

These are difficult choices, but they can be fuzzed no longer. The near-collapse of New York City will be repeated elsewhere unless federal spending priorities can be reordered promptly, along the following lines:

a. *Efficient income redistribution*. The biggest problem confronting most of our biggest cities is simple: they are full of poor people. And poor people are getting poorer these days. The most recent Census statistics show that while the poorest two fifths of American families had 18.0 percent of total family income in 1968, their share had shrunk to 17.4 percent in 1973, a mere five years later.

Poor citizens are very expensive citizens. New York City, admittedly the extreme case, spent one billion dollars of local tax revenues in 1975 on welfare. Collectively, we spent an estimated $27.6 billion on welfare as a nation last year, of which $7.9 billion was raised by state and local governments. In effect, states with large numbers of poor citizens raised revenues with regressive sales and property taxes to support income maintenance services to the very poorest. A system that taxes the working poor to support the even poorer is not an effective reallocator of income.

No municipal or state government should have to pay for welfare. The factors that account for poverty are not within the control of local government, and neither are the resources to relieve it. To assure all citizens a decent standard of living is a federal responsibility—a principle that we have already recognized in other income maintenance programs. Veterans do not depend on states to which they return for their benefits, nor do senior citizens go to Town Hall for their Social Security checks. The parallel, while not exact, is fairly clear. Poverty, like aging or national defense, is a national problem. The federal income tax, loophole ridden though it is, is the most progressive and comprehensive revenue-raiser we have. It is the obvious vehicle through which income redistribution should be carried out.

Federal assumption of state and local welfare costs would be achieved by substituting a simple negative income tax for the profusion of federally mandated welfare programs now in existence. One such proposal, H.R. 6430, of which I am a cosponsor, would replace the federal Aid to Families with Dependent Children and food stamps with a basic annual payment which would vary with family size and income. The cost to the federal government is sizable—some $13.6 billion extra a year net of savings on eliminated programs—but the merits of the suggestion are even greater:

Reduced costs to state and local governments.

More equitable distribution of benefits among the needy than the current system of overlapping programs permits.

More efficient and streamlined administration.

Increased mobility for the poor now concentrated in high-benefit northeastern cities.

Fiscal flexibility for cities in spending their own revenues.

A more balanced population mix and community life within and without the older cities.

Health is another major expenditure of the cities. In fiscal 1975, cities and states spent an estimated $16.1 billion on health care. Once again, lower levels of government have had to shoulder—at crippling expense—a burden which rightfully belongs to the federal government. Decent health should not be the exclusive prerequisite of those who already have all the prerequisites, but, to the extent that nature permits, should be within the grasp of all citizens.

To design a comprehensive system of national health insurance is no easy trick. Since the end of price controls in April, 1974, medical costs have consistently outpaced the average rate of inflation, rising 12.5 per cent in 1975 compared to an 11 per cent rise in consumer prices. Americans spent $118.5 billion on health care in 1975, of which about $69 billion came from private pockets. To federalize those expenses present serious problems of demand management and of cost control. A well-designed national health insurance system must combine private provision of health care with control of costs and provisions to ensure that facilities are not swamped by frivolous complaints. This will be difficult—and it is possible that none of the health insurance proposals so far introduced has filled the bill—but it is essential.

The federalization of welfare and national health insurance are "big-ticket items", and they will encounter serious political opposition. They must be paid for in part by cutting back on other expenditures—tax loopholes, shipbuilding subsidies, unnecessary military hardware—which have old and established constituencies. It will not be easy to effect these changes. But until the national government accepts responsibility for the poor of this country, cities cannot extricate themselves from their present fiscal morass.

b. *Revenue sharing and block grants.* Beyond the direct federal responsibility I have just outlined, there is a host of other basic urban problems in which the federal government has a legitimate interest. Low- and moderate-income housing, mass transit, sanitary facilities, crime prevention, and education are in this category. Experience has shown, however, that direct administration by Washington of categorical grant programs in these areas often leads to bureaucratization, destructive "grantsmanship", and distortion of true local needs.

The public controversy over general revenue sharing epitomizes this dilemma. Hailed at its inception as a revolution in intergovernmental finances, revenue sharing was expected to correct the imbalance of taxing capacity between the federal government and state and local governments; return decision-making to lower levels of government for innovative solutions to local problems; smooth out unequal fiscal capacity among local jurisdictions and regions; and modernize state and local government. Revenue sharing expires at the end of 1976. Some $30.5 billion has been spent. Yet we see that important categorical programs were sacrificed to finance the "revolution"; innovative solutions were conspicuously lacking; rich areas did surprisingly well under the distribution formula; and functionless, moribund local government units were snatched from the jaws of death to receive their quarterly revenue-sharing checks.

Where to now? Should we scratch revenue-sharing, help out state and local governments through federalizing welfare and a national health insurance program, and stick to categorical grants? I think not, partly for political reasons. There is still much to be said for the concept of revenue sharing, and an increasing number of "new radicals" like Governors Jerry Brown and Michael Dukakis to say it. The trick is to redesign revenue sharing, by having the formula take greater account of poverty, or by eliminating the 20 per cent floor which enriched Westchester County and the 145 per cent ceiling which short-changed New York City. In the long run, revenue sharing will not survive unless state and local governments can be encouraged to undertake substantial reforms of which more later.

Block grants—funds allocated by formula to state and local governments to be used for a general program area, more or less at the direction of the local government but subject to federal guidelines—are subject to much the same criticism as revenue sharing. To the extent that the federal government allows local governments to make their own spending decisions, it relinquishes the power to ensure that those decisions conform to national objectives. And under present conditions, as an urban affairs expert commented recently, "unleasing the creativity of state and local governments is like unleashing Chiang Kai Shek".

I think that block grants may prove to be the best solution, nonetheless, to many urban problems. Certain things must change. The federal government *must retain* enough control, in spite of all difficulties, to make sure that the grants (1) benefit those who most need help, namely, poor and moderate-income people; (2) do not contribute to the de facto racial discrimination which exists and may be worsening in most cities; and (3) are employed in ways which will make the most of scarce resources like land and energy. State and local governments, again, *must* be induced to modernize procedures and jurisdictions. With these improvements in the system, block grants can make a major contribution to the problems of the cities. We are still experimenting—the Housing and Community Development Act is only a year and a half old, the Comprehensive Education and Training Act in the manpower field only two and a half years old—and future directions in federal spending will undoubtedly depend on the success or failure of these and similar programs.

c. *Federal procurement and housekeeping policies.* The preceding programs reflect deliberate evaluation, for better or for worse, of national spending priorities. But the Washington bureaucracy also has tremendous influence on urban growth and decay through its spending in the course of programs not normally associated with "the urban problem". Defense procurement, the location of military bases, the location of federal bureaus and regional agency subdivisions, GSA procurement, all pump billions of dollars into the economy and may mean the difference between economic vitality and stagnation for a region. The shift of defense procurement from the Northeast to the Midwest and the Southwest has been a large factor in the decline of the old manufacturing belt. The shift of the Brooklyn Navy Yard, for example, placed part of the borough on the Economic Development Administration's list of economically distressed areas. On a smaller scale, a recent decision to relocate the expanding SEC from its downtown Washington address to a site in an urban redevelopment area would have turned the local development plan upside down, usurped land set aside for open space, and plumped several thousand government workers in the middle of an industrial area with no commercial facilities had not protest forced the government to reverse its decision.

The point is not that it is wrong to close bases or wrong to relocate government agencies, but that it is wrong to neglect the impact of such moves on the cities left behind. In the absence of a coherent national urban policy, the federal government can and often does blunder absent-mindedly in urban affairs. Such an urban policy must be developed, and federal housekeeping functions, like all other spending, must be corrected accordingly.

3. RATIONALIZED STATE AND LOCAL GOVERNMENT

The pathos of the legislator's situation is that while he may conceive the greatest programs on earth, they are realized through the actions, first, of the executive branch, and second, of state and local government. Of the first problem I shall say little, except that when President and Congress are of different parties, the chances of their working in concert for the greater good of a given program are slim indeed. In recent years, we have seen badly-needed new programs vetoed, housing funds impounded, price controls mis-administered, manpower grants regulated almost out of existence. This is a political, not a theoretical, dilemma, and, one hopes, not one that will recur soon.

Of the second problem, however, there is much to say, most of it highly controversial. The federal system is a cherished constitutional legacy, and I would be the last to challenge it. But recent events make one wonder whether federalism as we now know it has much future. As one recent study of revenue sharing concluded, "the federal spigot . . . is pouring water through the leaky sieve of obsolete state and local government structures."

The New York City crisis is the exemplar of so much that is fundamentally wrong in the way that cities, suburbs, counties, and states relate to one another. There we see a city paying the highest percentage of the highest welfare burden in the country, the residents of which pay the highest taxes in the country, surrounding suburbs which have sucked both industry and solvent citizens out of the municipal tax base, and a state which has refused to raise adequate revenues, or to distribute them according to need.

Is it any wonder that the country's most important city almost went down the drain? Is it any wonder that the mayors of Newark and Detroit are predicting imminent demise?

Or look again at the overlapping jurisdictions, special purpose government units, enclaves of cronyism, and out-of-date financial practices which characterize thousands of local governments less conspicuous than New York. How can there be an effective federal urban framework when the agents of its policy—state and local governments—are in such a mess?

To be honest, the federal government is also not without responsibility in this regard. We have tended most times to give money to established governments, regardless of their efficiency and responsiveness to the people. General revenue sharing is an example of this tendency. At other times we have bypassed the chief executive of local government and dealt directly with functional bureaucracies with narrowly focused responsibilities: highway aid, hospital grants and urban renewal are examples. The result has been to encourage the confusion and inefficiency already endemic to the state and local scene.

Changes must be made at each level if the federal system is to channel federal resources effectively to the cities.

States. The states, and I speak here in general, have a lot to be humble about. True, many of them have tried through state housing agencies and urban affairs departments to play an active role. But by and large, they have failed to raise and distribute revenues fairly, to provide equal education, housing, and job access for minorities, to draw city and area-wide jurisdictions in a rational manner, to require land use, planning, and environmental protection on the part of subordinate governments. They have occasionally demonstrated unconscionable rivalry towards major cities within their jurisdiction (again, see New York). They can be said, in short, to have abdicated their responsibilities to the federal government, on the one hand, and to their local governments on the other.

But whatever their shortcomings, states retain a vital role in the solution of urban problems. It is they must institute comprehensive changes in government structures and procedures to help the cities. For example:

a. consolidation of overlapping, inefficient, special purpose government units (water boards, school boards, road commissions, and the like).

b. developing better methods of coordination of existing local governments in a metropolitan area: formation of area councils or even metropolitan governments.

c. enactment of a substantial revenue-raising, progressive income tax, accompanied by reduction in regressive sales and, to a lesser extent, property taxes.

d. better distribution of revenues according to need, so that cities with large problems and large costs get large amounts of state aid.

e. enforcement of anti-discrimination provisions in housing and education to prevent white-flight suburbs.

f. greater consideration of state and local planning agencies' recommendations, and encouragement of area development plans generally.

Cities. A fundamental problem which most cities are encountering is divergent trends pointing toward metropolitan government, on the one hand, and toward neighborhood government, on the other. Can they be reconciled and fused in the process of rationalizing city government?

The first trend is best summed up in George Romney's old distinction between the "legal" city and the "real" city. The legal city is confined within *municipal* boundaries, financed by property and people within its borders (which at times includes commuters), and run from City Hall, with the help of half a dozen school boards, sewer commissions, public health district officials, etc. The real city is a metropolitan area, including suburbs which may spill over into separate countries and even separate states. The difficulty with this divergency is that the problems have stayed municipal while the potential solutions have gone metropolitan (if not national) as fast as possible.

Reform at the city level must clearly attempt to juxtapose resources and needs. Rich and poor must be in the same taxing jurisdiction, black and white must share housing and schools, jobs must be equally available to central city resident and suburbanite. This is easy to say; but how do we get there?

Three or four years ago, I probably would have lectured you on the eternal verity of metropolitan area-wide government. Today, alas, I must say that metropolitan government consolidation on any sweeping scale is an idea whose time has come—and gone, perhaps for good, without leaving too much to show for itself. In 1972, describing the wave of interest during the late 1960's and early 1970's, *New County, USA* called consolidation "the rarest of butterflies (pursued) by scores of communities". Since 1972, however, only two city-county consolidations have been approved, while fifteen have been rejected by the citizens. Until crime and poor public education are licked, there is little chance of this trend reversing.

We must therefore look to more specific, pragmatic forms of rationalization. Partial success can be realized through metropolitan revenue sharing, along the Twin Cities, Minnesota, lines, or through commuter and user taxes; informal bargaining between cities and surrounding suburbs (scattered public housing in the suburbs in exchange for easier commuter access to the city's business district, for instance) can help bring about de facto coordination. Such forms of cooperation will become more frequent if the cost of providing services càn be shown to decrease, and the quality of the services provided to increase, through conglomeration. So far, there is some evidence that labor-intensive services suffer from enlargement beyond a certain point (roughly 350,000 inhabitants), while capital-intensive services, as is logical, are cheaper per capita with enlargement of the service area. By whatever means, city governments must seek to equate the metropolitan area within which services are provided with the metropolitan tax base necessary to support the services. This is both fair and sensible, and states have to play a part in bringing such arrangements into being.

The second trend—the trend toward greater neighborhood identification—appears to contradict this metropolitan focus. The roots of this movement lie in the alienation which most of us feel in the face of bigness of all kinds. Neighborhoods are more manageable than cities, and block meetings permit more self-expression for most people than City Hall public meetings. Smaller communities have fought for their own interests by organizing over such issues as zoning, redlining, trash collection, schools, and crime, and will doubtless find other rallying cries. In an increasingly atomized society, neighborhood identification is clearly here to stay, and must be used as a building block in the progress toward overall metropolitan coordination.

Two final words are in order about the *people* who run city government. Changing structures will not mean much if the same old people stay around with the same old ideas. We need a rather different spirit in City Halls across the country. We need administrators with the vision to make their cities socially viable and economically sound, with the solid managerial skills to run a vast enterprise, and with enough feeling of public accountability to adopt meticulous budget procedures punctuated by regular external audits. We need municipal employee unions which combine a just appreciation of cost-of-living requirements with a sense of responsibility for keeping the cost-of-government down. We need elected officials who see their primary mission as instilling civil pride and cooperation in the citizens of their city, not as enriching a handful of friends and relatives. There are dedicated people in every city in this country; but there are also too many hacks. Without a new spirit of this kind, no amount of external reform will make much difference.

The federal government. The above recommendations for reform would be impossibly visionary if left to the initiative and enthusiasm of state and local governments. With a few exceptions, existing structures and procedures reflect a working compromise among competing interests: minorities who can dominate a narrowly-defined municipal government, non-city conservatives who enjoy their preserves in state capitals, suburbanites who are frightened of big-city crime but unamored of big-city employment and entertainment. It will take the federal government to act as a catalyst for change by tying revenue sharing or other consolidated forms of federal aid to modernization, or to the preparation of a plan for modernization, or to a requirement that the existing metropolitan and regional planning agencies (those recognized by the federal government as "A-95" agencies) present annually to their state legislatures an analysis of regional problems and proposals.

An effective national economic policy, efficient use of federal resources, and rationalization of state and local government—these are the three elements essential to a framework for national urban survival. Recent history has been hard on our old and glorious cities, and has left them with problems beyond their present ability to solve. The federal government must do what it can, and do it well.

We cannot reverse history. But we *can* rectify some of our own mistakes, chief among them the lack of an integrated urban policy. We can learn to think neither big nor small, but realistically and steadily. It will take a thorough commitment of men, money, and creative energy; it will mean willingness to change and to experiment; it will require the haves to give up something to the have-nots; but we can create the national framework within which to pull our cities through.

MAJORITY WHIP JOHN J. McFALL SAYS THE PEOPLE WILL CREDIT CONGRESS FOR THE ECONOMIC RECOVERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFall) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, I would like to commend to my colleagues an excellent column by Hobart Rowen in Sunday's Washington Post, pointing out that President Ford—as well as the people—is benefiting by the economic recovery measures that Congress has forced upon him.

Mr. Rowen points out that without the tax cut extension, which Congress repassed last December after President Ford had vetoed an earlier bill, the 7.5 percent first-quarter growth rate in gross national product would have been aborted.

He said that the aid to New York City, which the President fought for months, rescued the country from a crisis of confidence. He pointed out that the energy bill, over which the President agonized and finally signed, and good luck on food prices explain the spectacularly low 3.7 percent inflation rate.

Mr. Rowen quotes Otto Eckstein, former member of the Council of Economic Advisers, as saying:

> The Democrats put the fuel in the tank, and the Republicans are enjoying the ride.

On this point I disagree with the column. The people are certainly aware enough to know that it has been the Democratically controlled Congress that initiated the economic recovery measures. They are not going to be fooled by claims for credit from anyone on the other side. The people understand that the positive initiative has come from the Congress, that all the measures mentioned by Mr. Rowen and other recovery measures were originated by the Congress. The people realize that congressional initiative inspired the economic recovery and forced the Government to act to get us out of the economic doldrums.

The people's votes in the next election are going to reflect their appreciation and their confidence in the good job that Democratic leadership had been doing for them and for the Nation.

The following is the complete text of the column from the April 25, 1976, Washington Post:

Ford's "Defeats" May Clinch Victory on Economy Issues

(By Hobart Rowen)

Harvard Professor Otto Eckstein has been saying that a Democratic Congress has assured the election of President Ford by defeating him on all economic issues that could have hurt him. Exaggeration? Maybe not.

The key to economic recovery has been the extension of the 1975 tax cut into this year (originally vetoed), the federal bail-out of New York City and an energy bill that—at least temporarily—is keeping a lid on petroleum prices.

Without the tax cut extension, the smart first-quarter annual growth rate of 7.5 percent in the gross national product, of which Mr. Ford is now so proud, would have been aborted by the equivalent of a tax increase.

Aid to New York City, which President Ford fought for months, rescued the country from the depths of a crisis of confidence. And the energy bill, over which the President agonized and finally signed despite his distaste for controls—along with good luck on food prices—explains the spectacularly low 3.7 per cent inflation rate.

"The Democrats put the fuel in the tank," says a former Johnson administration official, "and the Republicans are enjoying the ride."

But the public has a short memory. So as the President campaigns around the country claiming that his "steady" hand on the economy should get the credit for recovery and lessened unemployment, there is little doubt that he is scoring points.

The economic mismanagement of the Nixon-Ford years is consigned to history. If the Democrats should win, it will be despite economic recovery, not because the nation suffered the worst recession in 1974-75 since the Big Depression.

The important economic question is what lies ahead. There can be little doubt that the news is going to be mostly good for the rest of this year and well into 1977.

The duration of four post-war recoveries (omitting an extraordinary cycle covering the Vietnam period) averaged 36 months. Should the present recovery last that long it would carry through the first three months of 1978.

But the good news that lies immediately ahead will be in terms of growing GNP, increased production and sales, and booming corporate profits. The same pace won't necessarily hold for jobs.

Consider this: A solid 7 per cent expansion in the economy for 1976 as a whole would produce a GNP annual rate of about $1.3 trillion in the fourth quarter, $60 billion over the pre-recession peak of $1.24 trillion in the fourth quarter of 1973.

But the unemployment rate, according to revised administration projections, still would be about 7 per cent, compared with 4.8 per cent in that peak fourth quarter in 1973.

Let's assume that the administration has a private, even more optimistic scenario, showing unemployment down to 6.5 per cent by year's end. Why hasn't the jobs recovery paralleled the upturn in the gross national product?

The persistence of unemployment is testimony to the terrible cost of recession in a steadily expanding population and labor force.

Over the three-year period to the end of 1976, real GNP had to grow about 13 per cent just "to stand still." But actual growth, assuming a continued upturn, will have been only 5 per cent.

It will take another 2 to 2½ years of economic expansion at an unprecedented 7 per cent or better each year to bring the unemployment rate down to where it was late in 1973.

So, euphoria over what is unquestionably a good first-quarter report should give way to a calm perspective. Half of the fast-paced growth, after all, was in inventory building rather than final consumption. There was zero growth in real government spending.

The pace of inflation, moreover, doubtless will quicken as recovery continues. That's only natural. But pressures from the union wage side could worsen the trend. Some economists, notably Pierre Rinfret, believe that industrial capacity bottlenecks are likely to develop more quickly than Federal Reserve Board figures show. Treasury Secretary William E. Simon, briefed by Rinfret, tends to agree.

The President is placing all his bets for a sustained recovery in 1977 on a booming private economy. But even if such a scenario pans out, the jobless rate is likely to hang high, without an additional government spur.

And that, essentially, is what divides the Republicans from the Democrats. The G.O.P. would settle for a slow recovery and sticky unemployment rates to insure no recurrence of a serious inflation. Democrats, looking at the jobless levels, would play the risks the other way.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. AUCOIN (at the request of Mr. O'NEILL), for today, on account of recovery from surgery.

Mr. JONES of North Carolina (at the request of Mr. O'NEILL), for this week, on account of official business.

Mr. RAILSBACK (at the request of Mr. MICHEL), for today, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mrs. PETTIS) to revise and extend her remarks and include extraneous matter:)

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

(The following Members (at the request of Mr. ZEFERETTI) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mrs. MEYNER, for 5 minutes, today.

Mr. FORD of Tennessee, for 5 minutes, today.

Mr. REUSS, for 60 minutes, today.

Mr. MCFALL, for 5 minutes, today.

Mr. MATSUNAGA, for 60 minutes, April 28, 1976.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ZEFERETTI), and to include extraneous matter:)

Mr. BROOMFIELD.
Mr. HARSHA.
Mr. MICHEL in three instances.
Mr. CRANE.
Mr. DERWINSKI in four instances.
Mr. FRENZEL in three instances.
Mr. KETCHUM.
Mr. COCHRAN.
Mr. BELL.
Mr. HYDE.

(The following Members (at the request of Mr. ZEFERETTI) and to include extraneous material:)

Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. ANNUNZIO in six instances.
Mr. EDWARDS of California.
Mr. RANGEL in 10 instances.
Mr. CARNEY.
Mr. BAUCUS.
Mr. NOLAN.
Ms. ABZUG.
Mr. NOWAK in five instances.
Mr. OTTINGER.
Mr. WOLFF.
Mr. ROGERS in five instances.
Mr. TRAXLER.
Mr. ENGLISH.
Mrs. BURKE of California.
Mr. O'HARA.
Mr. EVINS of Tennessee in six instances.
Mr. MATSUNAGA.
Mr. HARRIS.
Mr. JOHNSON of California.
Mr. RIEGLE.
Mr. FAUNTROY.
Mr. STUDDS.
Mr. MEZVINSKY.
Mr. ROSENTHAL.
Mr. DE LUGO.
Mr. METCALFE.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2484. An act to amend Public Law 566, Watershed Protection and Flood Prevention Act, as amended to raise the limitation on any single loan or advancement for watershed works of improvement; to the Committee on Agriculture.

S. 2511. An act to authorize the Secretary of Agriculture to convey certain lands in the State of Idaho, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 8235. An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; and

H.R. 12725. An act to amend the Internal Revenue Code of 1954 to permit tax-free rollovers of distributions from employee retirement plans in the event of plan termination.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on April 14, 1976, present to the President, for his approval, bills of the House of the following title:

H.R. 8235. An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; and

H.R. 12725. An act to amend the Internal Revenue Code of 1954 to permit tax-free rollovers of distributions from employee retirement plans in the event of plan termination.

ADJOURNMENT

Mr. ZEFERETTI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 16 minutes p.m.) the House adjourned until tomorrow, Tuesday, April 27, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3040. A letter from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1976 and the transition quarter and budget amendments for fiscal year 1977 for the Department of the Treasury (H. Doc. No. 94–460); to the Committee on Appropriations and ordered to be printed.

3041. A letter from the President of the United States, transmitting an amendment to the request for appropriations for the transition quarter and a proposed technical change in fiscal year 1976 appropriation language for the District of Columbia (H. Doc. No. 94–461); to the Committee on Appropriations and ordered to be printed.

3042. A letter from the President of the United States, transmitting a budget amendment for the Department of Health, Education, and Welfare for fiscal year 1977 (H. Doc. No. 94–462); to the Committee on Appropriations and ordered to be printed.

3043. A letter from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1976 and the transition quarter and a budget amendment for fiscal year 1977 for the Department of Justice (H. Doc. No. 94–463); to the Committee on Appropriations and ordered to be printed.

3044. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting five plans for works of improvement in various watersheds, none of which involves a project with a structure which provides more than 4,000 acre-feet of total storage capacity, pursuant to section 5 of the Watershed Protection and Flood Prevention Act as amended [16 U.S.C. 1005]; to the Committee on Agriculture.

3045. A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Food Stamp Act of 1964, as amended, for the purpose of authorizing appropriations through fiscal year 1979; to the Committee on Agriculture.

3046. A letter from the Deputy Secretary of Defense, transmitting two reports of violation of the Anti-Deficiency Act, pursuant to section 3679(1)(2) of the Revised Statutes; to the Committee on Appropriations.

3047. A letter from the Acting Assistant Secretary of Defense (Comptroller), transmitting a report covering the second quarter of fiscal year 1976 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, material, and for expenses involving the production of lumber and timber products, pursuant to section 712 of Public Law 94–212; to the Committee on Appropriations.

3048. A letter from the Chairman, Defense Manpower Commission, transmitting the final report of the Commission, pursuant to section 707 of Public Law 93–155; to the Committee on Appropriations.

3049. A letter from the Deputy Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made of the lands in the North Loup Division, Pick-Sloan Missouri Basin program, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 83–172; to the Committee on Appropriations.

3050. A lettter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend chapter 3 of title 37, United States Code, to provide a subsistence allowance for members of the Armed Forces enrolled in certain officer candidate programs, and for other purposes; to the Committee on Armed Services.

3051. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Army Reserve, and of the cancellation or deletion of various other such projects, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

3052. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment during the quarter ending March 31, 1976, pursuant to section 201(h) of the Federal Civil Defense Act, as amended (50 U.S.C. App. 2281(h)); to the Committee on Armed Services.

3053. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing two proposed transactions with Bank Handlowy w Warszawie S.A. (Poland) which exceed $60 million, pursuant to section 2(b)(3) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Currency and Housing.

3054. A letter from the Acting Chairman, Federal Home Loan Bank Board, transmitting the annual report of the Board for calendar year 1975, pursuant to section 17(b) of the Federal Home Loan Bank Act; to the Committee on Banking, Currency and Housing.

3055. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 1–102, "To extend the authorization of appropriation for the provision of legal defense to indigent persons in the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3056. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 1–105, "To extensively revise the child labor laws in the District of Columbia, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3057. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 1–106, "To provide additional revenue for the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3058. A letter from the Assistant Secretary of Agriculture, transmitting the final report of the Delivery Systems Evaluation of the Special Supplemental Food Program for Women, Infants and Children (WIC), pursuant to section 17(e) of the Child Nutrition Act of 1966, as amended [42 U.S.C. 1786]; to the Committee on Education and Labor.

3059. A letter from the Assistant Secretary for Education, Department of Health, Education, and Welfare, transmitting the first annual report of the Advisory Council on Education Statistics, pursuant to section 443 (a) of the General Education Provisions Act, as amended [20 U.S.C. 1233b(a)]; to the Committee on Education and Labor.

3060. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the metric education program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3061. A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, proposed final regulations for bilingual vocational training, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3062. A letter from the Executive Secretary, Department of Health, Education, and Welfare, transmitting proposed final regulations governing part B of the Indian Education Act, pursuant to section 431(d) of the General Education Provisions Act; to the Committee on Education and Labor.

3063. A letter from the Director, Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting notice of priorities for funding proposals for fiscal year 1976 for the foreign language and area studies research program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3064. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President transmitting, a report on recommendations contained in the report of the National Advisory Council on Education Professions Development entitled "Vocational Education: Staff Development Priorities for the 70's," March 25, 1974, and actions taken thereon, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

3065. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendation contained in the report of the President's Labor-Management Committee entitled "National Energy Policy Report," December 30, 1974, and actions taken thereon, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committeen on Government Operations.

3066. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations, and actions related thereto, contained in the Annual Report of the National Advisory Council on Vocational Education dated March 1975, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

3067. A letter from the Freedom of Information Officer, Environmental Protection Agency, transmitting a report on the activities of the Agency under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3068. A letter from the Attorney General, transmitting notice of a proposed new system of records for the Criminal Division of the Department of Justice, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3069. A letter from the Acting Secretary of Agriculture, transmitting notice of a proposed change in a Farmers Home Administration records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3070. A letter from the Assistant Secretary for Administration and Management, Department of Health, Education and Welfare, transmitting notice of three proposed new systems of records for the National Institutes of Health, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3071. A letter from the Administrator of Veterans' Affairs, transmitting notice of a proposed new system of records for the Veterans' Administration Voluntary Service, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3072. A letter from the Secretary, Posta Rate Commission, transmitting a report on the Commission's implementation of the Privacy Act during calendar year 1975; to the Committee on Government Operations.

3073. A letter from the Chairman, Pennsylvania Avenue Development Corporation, transmitting the annual report of the Corporation for 1976, pursuant to section 11 of Public Law 92–578, as amended; to the Committee on Interior and Insular Affairs.

3074. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize special agents of the Department of State to make arrests during the investigation of passport and visa law violations and to carry firearms; to the Committee on International Relations.

3075. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Frank E. Maestrone and Ambassador-Designate John H. Reed and their families, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

3076. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Export Administration Act of 1969, as amended; to the Committee on International Relations.

3077. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on activities under title XII, "Famine Prevention and Freedom from Hunger," of the Foreign Assistance Act of 1961, as amended, pursuant to section 300 of the act (89 Stat. 866); to the Committee on International Relations.

3078. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report that funds available for the contingency fund have not been programed or obligated through the quarter ended March 31, 1976, pursuant to section 451(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

3079. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the international disaster assistance program for the quarter ended March 31, 1976, pursuant to section 492 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

3080. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112 (b) of Public Law 92–403; to the Committee on International Relations.

3081. A letter from the Administrator, Federal Energy Administration, transmitting a report on petroleum reserves entitled "Early Storage Reserve Plan," pursuant to section 155(c) of Public Law 94–163; to the Committee on Interstate and Foreign Commerce.

3082. A letter from the Chairman, Federal Power Commission, transmitting a report on programs for additional savings in energy consumption by persons regulated by the Commission, pursuant to section 382(a)(2) of Public Law 94–163; to the Committee on Interstate and Foreign Commerce.

3083. A letter from the Assistant General Counsel for International, Conservation and Resource Development Programs, Federal Energy Administration, transmitting notice of a meeting related to the International Energy Program, pursuant to section 252(c)(1)(A)(i) of Public Law 94–163; to the Committee on Interstate and Foreign Commerce.

3084. A letter from the Chief Justice of the United States, transmitting amendments to the Federal Rules of Criminal Procedure, Rules and Forms governing proceedings under sections 2254 and 2255 of title 28, United States Code, Rules and Forms governing proceedings under chapters VIII and IX of the Bankruptcy Act, and Rules and Forms amending certain previously prescribed Rules and Forms under the Bankruptcy Act, together with excerpts from the report of the Judicial Conference of the United States containing the Advisory Committee Notes submitted to the Court, pursuant to 18 U.S.C. 3771 and 28 U.S.C. 2075 (H. Doc. No. 94–464); to the Committee on the Judiciary and ordered to be printed.

3085. A letter from the Deputy Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend chapter 313 of title 18 of the United States Code; to the Committee on the Judiciary.

3086. A letter from the Deputy Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend section 1332(a)(1) of title 28, United States Code, relating to the jurisdiction of the U.S. district courts in suits between citizens of different States; to the Committee on the Judiciary.

3087. A letter from the Secretary-Treasurer, Congressional Medal of Honor Society of the U.S.A., transmitting the annual financial report of the society for calendar year 1975, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

3088. A letter from the Secretary of the Foundation of the Federal Bar Association, transmitting the audit report of the Association for the fiscal year ending September 30, 1975, pursuant to section 14, Public Law 83–662 (68 Stat. 800); to the Committee on the Judiciary.

3089. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the appropriations authorization for fiscal years 1977 and 1978 in order to carry out the provisions of title III relating to marine sanctuaries; to the Committee on Merchant Marine and Fisheries.

3090. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Central, Western, and South Pacific Fisheries Development Act to extend the appropriation authorization through fiscal year 1979, and for other purposes; to the Committee on Merchant Marine and Fisheries.

3091. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting 11 plans for works of improvement in various watersheds, each of which involves a project with at least one structure which provides more than 4,000 acre-feet of total storage capacity, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended [16 USC 1005]; to the Committee on Public Works and Transportation.

3092. A letter from the Secretary of Transportation, transmitting the semiannual report on the effectiveness of the civil aviation security program for the period July 1–December 31, 1975, pursuant to section 315 (a) of the Federal Aviation Act of 1958, as amended (88 Stat. 415); to the Committee on Public Works and Transportation.

3093. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on Saw Mill River at Elmsford and Greenburgh, N.Y. (H. Doc. No. 94–465); to the Committee on Public Works and Transportation and ordered to be printed with illustrations.

3094. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Dallas, Tex., Federal Building, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3095. A letter from the Administrator of General Services, transmitting a report of a building project survey for Albuquerque, N. Mex.; to the Committee on Public Works and Transportation.

3096. A letter from the Administrator, Energy Research and Development Administration, transmitting the first of two volumes containing the annual report updating the comprehensive national plan for energy research, development, and demonstration, pursuant to section 6(a) of Public Law 93–577; to the Committee on Science and Technology.

3097. A letter from the Deputy Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for July–January 1975, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

3098. A letter from the Secretary of Commerce, transmitting the 37th Annual Report of the Foreign-Trade Zones Board for the fiscal year ended June 30, 1975, together with reports of activities during the same period for Zones 1, 2, 3, 5, 7, 8, 9, 10, 12, 15, 17, and subzones 3A and 9A, pursuant to section 16 of the Foreign-Trade Zones Act of June 18, 1934, as amended; to the Committee on Ways and Means.

3099. A letter from the Chairman, International Trade Commission, transmitting the annual report of the Commission on the operation of the trade agreements program, covering the calendar year 1974, pursuant to section 402(b) of the Trade Expansion Act of 1962; to the Committee on Ways and Means.

3100. A letter from the Administrator, Federal Aviation Administration, transmitting a report on proposed programs for aviation energy savings, pursuant to section 382(a)(2) of Public Law 94–163; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

3101. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to authorize the Judicial Conference of the United States to fix fees and costs in the U.S. district courts and for other purposes; jointly to the Committees on the Judiciary, and the District of Columbia.

Received from the Comptroller General

3102. A letter from the Comptroller General of the United States, transmitting a report that the failure of the Department of Housing and Urban Development to implement the program of operating subsidies under section 212 of the Housing and Community Development Act of 1974 constitutes a rescission of budget authority which has not been reported to the Congress by the President, pursuant to section 1015(a) of the Impoundment Control Act of 1974 (H. Doc. No. 94–466); to the Committee on Appropriations and ordered to be printed.

3103. A letter from the Comptroller General of the United States, transmitting the annual summary of open GAO recommendations for legislative action (H. Doc. No. 94–467); to the Committee on Government Operations and ordered to be printed.

3104. A letter from the Comptroller General of the United States, transmitting a list of reports of the General Accounting Office for the month of March 1976, pursuant to section 234 of the Legislative Reorganization Act of 1970, as amended; to the Committee on Government Operations.

3105. A letter from the Comptroller General of the United States, transmitting a report on the impact of the Revenue Sharing Fund on Midwestern Townships and New England Counties; to the Committee on Government Operations.

3106. A letter from the Acting Comptroller General of the United States, transmitting a report on the problems and limitations of using minicomputers in the Federal Government; to the Committee on Government Operations.

3107. A letter from the Comptroller General of the United States, transmitting a report on the cost and the amount of military personnel movement resulting from the overseas rotation system; jointly, to the Committees on Government Operations, and Armed Services.

3108. A letter from the Comptroller General of the United States, transmitting a report on the problems in implementing the national flood insurance program; jointly, to the Committees on Government Operations, and Banking, Currency and Housing.

3109. A letter from the Comptroller General of the United States, transmitting a report summarizing the results of a review of the acquisition of public buildings by leasing and purchase contracting by the General Services Administration; jointly, to the Committees on Government Operations, and Public Works and Transportation.

3110. A letter from the Comptroller General of the United States, transmitting a report on Federal efforts to extend winter navigation on the Great Lakes and the Saint Lawrence Seaway; jointly to the Committees on Government Operations, and Public Works and Transportation.

3111. A letter from the Comptroller General of the United States, transmitting a report on NASA's space transportation system; jointly, to the Committees on Government Operations, and Science and Technology.

3112. A letter from the Comptroller General of the United States, transmitting a report on the need for improvements in the Small Business Administration's financial management, pursuant to Public Law 93–386; jointly, to the Committees on Government Operations, and Small Business.

3113. A letter from the Comptroller General of the United States, transmitting a report on the advantages and disadvantages of the 4¼-percent interest rate limitation on long-term Treasury debt; jointly, to the Committees on Government Operations, and Ways and Means.

3114. A letter from the Comptroller General of the United States, transmitting a report on the methodology used in the 1974 Project Independence Evaluation System; jointly to the Committees on Government Operations, Science and Technology, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on April 14, 1976, the following conference report was filed on April 15, 1976*]

Mr. **POAGE**: Committee of conference. Conference report on H.R. 7656 (Rept. No. 94–1044). Ordered to be printed.

[*Submitted April 26, 1976*]

Mr. **HENDERSON**: Committee on Post Office and Civil Service. H.R. 12882. A bill to amend chapter 83 of title 5, United States Code, to discontinue civil service annuity payments for periods of employment as a justice or judge of the United States, and for other purposes; with amendment (Rept. No. 94–1045). Referred to the Committee of the Whole House on the State of the Union.

Mr. **TEAGUE**: Committee of Conference Conference report on H.R. 10230 (Rept. No. 94–1046). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 13266. A bill to establish reasonable loan levels and target prices for the 1976 and 1977 crops of wheat and feed grains, and for other purposes; to the Committee on Agriculture.

By Mr. BAUCUS:

H.R. 13267. A bill to amend medicare and medicaid provisions as they relate to rural health care facilities; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 13268. A bill to amend the Elementary and Secondary Education Act of 1965 to provide emergency financial assistance to local education agencies in order to maintain essential elementary and secondary education services at a quality level; to the Committee on Education and Labor.

By Mrs. BOGGS:

H.R. 13269. A bill to amend the Small Business Act to provide that determinations by the Administration of the reasonable assurance of repayment of prospective loans be made on a case-by-case basis and to clarify the eligibility of small business homebuilding firms for assistance under the Small Business Act; to the Committee on Small Business.

By Mr. CARTER (for himself, Mr. Howard, Mr. Lehman, Mr. Pressler, Mr. Broomfield, Mr. Blanchard, Mr. Ginn, Mr. Andrews of North Carolina, Mr. Oberstar, Mr. Allen, Mr. Hayes of Indiana, Mr. Ford of Tennessee, Mr, Dodd, and Mr. Emery):

H.R. 13270. A bill to establish the National Diabetes Advisory Board and to take other actions to insure the implementation of the long-range plan to combat diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. COCHRAN:

H.R. 13271. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. Vander Jagt, Mr. Burke of Massachusetts, Mr. Karth, Mr. Pickle, Mr. Rangel, Mr. Jacobs, Ms. Keys, Mr. Fisher, and Mr. Bafalis):

H.R. 13272. A bill to amend section 407 of the Social Security Act to eliminate the present prohibition against payment of aid in the case of a family with an unemployed father who receives unemployment compensation, and, where possible, to eliminate the necessity of more than one registration for employment by an unemployed person; to the Committee on Ways and Means.

By Mr. DAN DANIEL:

H.R. 13273. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL (for himself and Mr. Ottinger):

H.R. 13274. A bill to provide for a program of financial assistance by the Secretary of Labor to small business concerns for the establishment of new jobs to be filled by unemployed individuals; to the Committee on Small Business.

By Mr. HARRIS (for himself, Ms. Abzug, Mr. John L. Burton, Ms. Chisholm, Mr. Conte, Mr. Fish, Mr. Howard, Mr. Hungate, Mr. Hyde, Ms. Keys, Mr. LaFalce, Mr. Lehman, Mr. McHugh, Mr. Maguire, Mr. Moakley, Mr. Pattison of New York, Mr. Pepper, Mr. Rangel, Mr. Roe, Mr. Solarz, Ms. Spellman, Mr. Stark, Mr. Stokes, Mr. Van Deerlin, and Mr. Charles H. Wilson of California):

H.R. 13275. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 13276. A bill to amend title 39, United States Code, to provide that the nature of services provided by any post office facility may not be changed without the approval of a majority of the patrons of the facility, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON of California (for himself, Mr. Carney, Mr. Dent, Mr. Andrews of North Dakota, Mr. Spence, Mr. Steiger of Arizona, Mr. Breaux, Mr. Breckinridge, and Mr. Howe):

H.R. 13277. A bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35); to the Committee on Agriculture.

By Mr. KARTH (for himself and Mr. Oberstar):

H.R. 13278. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. Edwards of California, Mr. Mikva, Mr. Moffett, Mr. Ottinger, Mr. Scheuer, and Mr. Yates):

H.R. 13279. A bill to codify, revise, and reform title 18 of the United States Code; to make appropriate amendments to the Federal Rules of Criminal Procedure; to make conforming amendments to criminal provisions of other titles of the United States Code; and for other purposes; to the Committee on the Judiciary.

By Mr. KREBS (for himself, Mr. Roybal, Mr. Van Deerlin, Mr. Edwards of California, Mr. Phillip Burton, Mr. Brown of California, Mr. Ryan, Mr. Stark, Mr. Leggett, Mr. Mineta, Mr. Miller of California, Mr. Hannaford, Mr. Patterson of California, Mr. Dellums, Mr. John L. Burton, Mr. Corman, Mr. Waxman, Mr. Bingham, Mr. Seiberling, Mr. Kastenmeier, Mr. Howe, Mr. Carr, Mr. Long of Louisiana, Mr. Dodd, and Mr. D'Amours):

H.R. 13280. A bill to enlarge the Sequoia National Park in the State of California by adding to such park the Mineral King Valley area, to provide for certain planning respecting the management of such addition, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Interior and Insular Affairs.

By Mr. LANDRUM:

H.R. 13281. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interests; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MATSUNAGA:

H.R. 13282. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes; to the Committee on the Judiciary.

By Mr. MEEDS:

H.R. 13283. A bill to amend the Federal Crop Insurance Act, and for other purposes; to the Committee on Agriculture.

H.R. 13284. A bill to amend the Public Works and Economic Development Act of 1965 to provide for authorization of disaster recovery planning by the Secretary of Housing and Urban Development; to the Committee on Public Works and Transportation.

H.R. 13285. A bill to amend the Small Business Act and the Consolidated Farm and Rural Development Act to provide for reduced interest rates on disaster loans under the Small Business Act, and for other purposes; to the Committee on Small Business.

H.R. 13286. A bill to amend the Internal Revenue Code of 1954 to permit the deduction of certain farm losses in disasters; to the Committee on Ways and Means.

H.R. 13287. A bill to amend the Consolidated Farm and Rural Development Act and to assist farmers in disasters; jointly to the Committees on Agriculture and Banking, Currency and Housing.

By Mr. MILLER of Ohio:

H.R. 13288. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 13289. A bill to amend the Internal Revenue Code of 1954 to modify the charitable distribution requirements imposed upon foundations; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mr. BEARD of Rhode Island, and Mrs. SPELLMAN):

H.R. 13290. A bill to establish energy conservation research, development, and demonstration institutes, to create a cooperative energy extension service, to promote a more adequate national program of research, development, and demonstration in technologies related to energy conservation, and for other purposes; to the Committee on Science and Technology.

By Mr. OBERSTAR:

H.R. 13291. A bill to amend the Immigration and Nationality Act to permit adoption of more than two children; to the Committee on the Judiciary.

By Mr. RICHMOND:

H.R. 13292. A bill to require the Secretary of Agriculture to establish a special supplemental food program and medical assistance program for older Americans, and for other purposes; jointly, to the Committee on Agriculture, Interstate and Foreign Commerce and Interior and Insular Affairs.

By Mr. ROYBAL:

H.R. 13293. A bill to extend for 3 additional years the provision which exempts from taxation amounts received under certain medical scholarships; to the Committee on Ways and Means.

By Mr. SHRIVER:

H.R. 13294. A bill to provide for the striking of medals commemorating the American Indian heritage; to the Committee on Banking, Currency and Housing.

By Mr. BELL:

H.J. Res. 923. Joint resolution to save the great whales from extinction by amending the Fishermen's Protective Act of 1967 to impose an embargo on the products of certain foreign enterprises engaged in commercial whaling; jointly, to the Committees on Merchant Marine and Fisheries, and Ways and Means.

By Mr. BROYHILL:

H. Res. 1159. Resolution in support of continued U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

By Mr. KETCHUM (for himself, Mr. COLLINS of Texas, Mr. COHEN, Mr. GREEN, Mr. HOWARD, Mr. BROOMFIELD, Mr. MCKINNEY, Mr. BROWN of Michigan, Mr. KINDNESS, Mr. HYDE, Mr. SEBELIUS, Mr. FRENZEL, Mr. ROBINSON, and Mr. KELLY):

H. Res. 1160. Resolution to amend the Rules of the House of Representatives to transfer jurisdiction over Federal impact aid programs from the Committee on Education and Labor to the Committee on Ways and Means; to the Committee on Rules.

By Mr. PATTERSON of California:

H. Res. 1161. Resolution to amend Rule XLIII of the Rules of the House of Representatives to provide that the salaries of Members convicted by a court of record for a crime for which a sentence of at least 2 years' imprisonment may be imposed shall have their salaries held in an escrow account by the Sergeant-at-Arms; to the Committee on Standards of Official Conduct.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

360. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to the food stamp program; to the Committee on Agriculture.

361. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to the Food Stamp Act of 1964; to the Committee on Agriculture.

362. Also, memorial of the Legislature of the Senate of the Commonwealth of Massachusetts, relative to maintaining jurisdiction of natural-disaster assistance within the Defense Civil Preparedness Agency; to the Committee on Armed Services.

363. Also, memorial of the Legislature of the State of New York, relative to reinstating the award of the Congressional Medal of Honor to Dr. Mary Edwards Walker; to the Committee on Armed Services.

364. Also, memorial of the Legislature of the State of Wisconsin, relative to establishing a National Consumer Cooperative Bank; to the Committee on Banking, Currency and Housing.

365. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to the District of Columbia commuter tax proposal; to the Committee on the District of Columbia.

366. Also, memorial of the Legislature of the State of Wisconsin, relative to securing the release of Katherine Zenz and Jo Ann McDaniel from imprisonment in Turkey; to the Committee on International Relations.

367. Also, memorial of the Legislature of the State of Wisconsin, relative to preserving rail transportation; to the Committee on Interstate and Foreign Commerce.

368. Also, memorial of the Legislature of the State of Hawaii, relative to establishing adjustable quotas for immigration; to the Committee on the Judiciary.

369. Also, memorial of the House of Representatives of the State of Hawaii, relative to immigration quotas; to the Committee on the Judiciary.

370. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to creating a national cemetery at Quantico, Va.; to the Committee on Veterans' Affairs.

371. Also, memorial of the Legislature of the State of Hawaii, relative to the Unemployment Compensation Trust Fund; to the Committee on Ways and Means.

372. Also, memorial of the Legislature of the State of Kansas, relative to the Federal estate tax law; to the Committee on Ways and Means.

373. Also, memorial of the Senate of the State of Wisconsin, relative to the Arctic gas project; jointly, to the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, and Public Works and Transportation.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

444. By the SPEAKER: Petition of William L. Long, Lafayette, Ind., relative to the House Committee on Appropriations hearings on the Lafayette Lake project; to the Committee on Appropriations.

445. Also, petition of Frank J. Kelly, Annandale, Va., relative to investigating Russia's use of electronics in collecting intelligence; to the Committee on International Relations.

446. Also, petition of the board of directors, National Association of Maronites, Youngstown, Ohio, relative to relief for Lebanon; to the Committee on International Relations.

447. Also, petition of Trueman E. Chase, San Diego, Calif., relative to redress of grievances; to the Committee on the Judiciary.

448. Also, petition of Marius F. Pointelin, Kansas City, Kan., and others, relative to gun control; to the Committee on the Judiciary.

449. Also, petition of Geraldine E. Laudon, Fraser, Mich., relative to amnesty for military evasion or desertion; to the Committee on the Judiciary.

450. Also, petition of the King County Council, Seattle, Wash., relative to supporting pending legislation concerning airport and airway development; to the Committee on Public Works and Transportation.

451. Also, petition of the legislative council of the State of Arkansas, Little Rock, Ark., relative to the Federal estate tax exemption and the Federal revenue sharing program; to the Committee on Ways and Means.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of April 14, 1976, page 10912.

HOUSE BILLS

H.R. 12801. March 25, 1976. Post Office and Civil Service. Prohibits the United States Postal Service from closing any post office which serves a rural area or small town unless (1) a majority of the persons regularly served by such post office approve the closing, (2) it establishes a rural station or branch which provides the same postal services as the post office and does not result in any change in the address of persons served by such post office, or (3) it establishes a rural route to serve the area. Allows the Postal Service to establish a rural route as a substitute for an existing post office upon making specified determinations.

H.R. 12802. March 25, 1976. Ways and Means. Amends the Internal Revenue Code to: (1) allow a limited tax credit for qualified savings deposits and investments; (2) increases the maximum tax deduction for retirement savings; (3) exclude from gross income dividends received from domestic corporations; (4) allow a limited tax exclusion for capital gains income; (5) provide benefits of nonrecognition of gain on the sale or exchange of qualified small business property; (6) allow the payment of the estate tax in installments in the case of an interest in a closely held business; and (7) reduce the corporate normal tax rate, the surtax rate, and the surtax exemption.

H.R. 12803. March 25, 1976. Post Office and Civil Service. Entitles community block associations to reduced postal rates as nonprofit organizations.

H.R. 12804. March 25, 1976. Ways and Means. Revises the Internal Revenue Code to provide that the allowable dollar amount of the tax deduction taken for a charitable contribution which is a musical, artistic, or literary composition shall be the fair market value of such property at the time of contribution.

Excludes from the coverage of such provision any charitable contribution of any writing, memorandum, or similar property the production of which was related to, or arose out of, the performance of the duties of any office held under the Government of the United States or of any State or any political subdivision thereof.

H.R. 12805. March 25, 1976. Public Works and Transportation. Authorizes the State of Tennessee to erect a memorial sign for the Sam Rayburn Bridge at each end of such bridge on Interstate 40 in Kingston, Roane County, Tennessee.

H.R. 12806. March 25, 1976. Ways and Means. Authorizes the balance to the credit of an employee who is a beneficiary of an exempt trust or annuity, under the Internal Revenue Code, to be paid within one taxable year of the employee, on account of a termination of the employee benefit plan, without inclusion in the gross income of such employee if such benefit payment is transferred to an individual retirement annuity, account, or bond within 60 days.

H.R. 12807. March 25, 1976. Ways and Means. Amends the Internal Revenue Code to disallow the foreign tax credit for any income, war profits, or excess profits taxes paid or accrued to any foreign country with respect to foreign oil-related income.

H.R. 12808. March 25, 1976. Agriculture. Amends the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 to establish a farm acreage allotment marketing quota and price support level for the 1977 crop of peanuts. Directs the Commodity Credit Corporation to make warehouse storage loans available to marketing associations and requires such associations to establish pools of such commodity for purposes of sale.

H.R. 12809. March 25, 1976. Agriculture. Amends the Watershed Protection and Flood Prevention Act to increase the dollar amount of estimated Federal contribution which will exempt projects under the Act from Congressional review and approval procedures.

H.R. 12810. March 25, 1976. Interior and Insular Affairs. Provides for a nonvoting Delegate to the House of Representatives from American Samoa.

H.R. 12811. March 25, 1976. Veterans' Affairs. Allows an eligible veteran who is pursuing a program of education at the close of the ten-year delimiting period to continue to receive educational assistance in specified circumstances.

H.R. 12812. March 25, 1976. Ways and Means. Provides that in any legal action initiated by the Government, or in any action instituted by a taxpayer contesting the accuracy of a deficiency or claiming a refund of taxes paid where the taxpayer prevails or substantially prevails, the Government shall be liable for the reimbursement in full of all reasonable litigation expenses incurred by the taxpayer as a consequence of legal defense, under the Internal Revenue Code.

H.R. 12813. March 25, 1976. Post Office and Civil Service. Repeals the Postal Reorganization Act. Reenacts those provisions relating to the postal service which were in effect immediately prior to the enactment of such Act.

H.R. 12814. March 25, 1976. Education and Labor. Provides, under the National Labor Relations Act, that it shall not be an unfair labor practice for an employer engaged primarily in the performing arts to make an agreement covering employees engaged in the performing arts with a labor organization of which performing artists are members because (1) the majority status of such labor organization has not been established, or (2) such agreement requires membership in the organization as a condition of employment.

H.R. 12815. March 25, 1976. Ways and Means. Amends the Internal Revenue Code to allow certain otherwise tax exempt organizations to operate a public entertainment activity in conjunction with a National, State, local, or international fair or exposition without losing their tax exempt status, by excluding such public entertainment activity from the definition of the term "unrelated trade or business".

H.R. 12816. March 25, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 12817. March 25, 1976. Ways and Means. Amends the Social Security Act by including the services of optometrists under the Medicare supplementary medical insurance program.

H.R. 12818. March 25, 1976. Ways and Means. Amends the Internal Revenue Code to deny a tax deduction as an ordinary and necessary business expense for any amount paid or incurred in connection with lobbying expenses with respect to legislation or proposed legislation before Congress or any legislative body of a State.

H.R. 12819. March 25, 1976. Government Operations. Requires that meetings of Federal agencies be open to the public except as stipulated in this Act. Requires agencies to make a public announcement, at least one week before the meeting, of the date, place, and subject matter of the meeting, and whether it is to be open or closed to the public. Requires that edited transcripts of all meetings be made available to the public. Prohibits ex parte communications during on-the-record agency meetings.

H.R. 12820. March 25, 1976. Ways and Means. Amends the Internal Revenue Code and the Social Security Act to exclude the service performed by an individual on a vessel used in catching fish or other marine animal life wherein such individual receives as compensation a portion of such vessel's catch, from the definitions of "employment" and "self-employment" for the purposes of deductions, contributions, and benefits under such Acts.

H.R. 12821. March 25, 1976. Interior and Insular Affairs. Directs the Secretary of Agriculture to review the suitability of specified lands in the Mark Twain National Forest, Missouri, for preservation as wilderness.

H.R. 12822. March 25, 1976. Education and Labor. Authorizes the National Labor Relations Board, under the National Labor Relations Act, to direct an election by secret ballot to resolve issues relating to appropriate collective bargaining units. Provides remedies for the loss of economic benefits or business opportunities resulting from unfair labor practice violations.

H.R. 12823. March 25, 1976. Government Operations. Requires that any proposed Federal legislation or regulation which may have a significant impact on costs to consumers must be accompanied by a statement describing such impact to assure that only legislation or regulations having a reasonable relation between consumer benefits and costs are adopted.

H.R. 12824. March 25, 1976. Agriculture. Directs the Secretary of Agriculture to make loans available to agricultural producers who suffer losses as a result of having their agricultural commodities or livestock quarantined or condemned because such commodities or livestock have been found to contain toxic chemicals dangerous to the public health.

H.R. 12825. March 25, 1976. Agriculture. Amends the Consolidated Farm and Rural Development Act with respect to maximum loan amounts and interest rates for specified loans available under such Act. Provides for Congressional authorization of program levels under such Act.

H.R. 12826. March 25, 1976. Small Business; Banking, Currency and Housing. Establishes an Office for Minority Business Development and Assistance in the Department of Commerce.

Transfers the functions of the Small Business Administration to the Secretary of Commerce, and stipulates that the Director of the Office of Management and Budget shall transfer to the Secretary any separable function of any Federal department or agency which the Director determines relates primarily to the development or assistance of minority business enterprises.

H.R. 12827. March 25, 1976. Judiciary. Directs that certain licensees of the Agricultural Marketing Service in the United States Department of Agriculture be extended credit for employment for specified periods for purposes of civil service retirement benefits.

H.R. 12828. March 25, 1976. International Relations. Authorizes a certain member of the United States Naval Fleet Reserve, subject to the approval of the Secretary of the Navy, to accept employment with the Government of Canada and to be compensated therefor.

H.R. 12829. March 25, 1976. Judiciary. Deems a certain retired Air Force officer to have held a certain rank at the time of retirement for purposes of computation of retired pay.

H.R. 12830. March 25, 1976. Judiciary. Allows a certain retired Air Force officer credit for various Air Force Reserve activities during a specified period for purposes of retirement pay.

H.R. 12831. March 25, 1976. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 12832. March 25, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12833. March 25, 1976. Judiciary. Permits a certain individual to remain in the United States until January 1, 1978, under the Immigration and Naturalization Act.

H.R. 12834. March 25, 1976. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

HOUSE JOINT RESOLUTIONS

H.J. Res. 885. March 24, 1976. Agriculture. Prohibits, during a specified period, the Secretary of Agriculture or any other Federal official from reducing services provided by offices of the Farmers Home Administration, the Agricultural Stabilization and Conservation Service, or the Soil Conservation Service in any county in any State until a proposed plan for reducing such services in that State has been published, hearings have been held on it, and a final plan has been adopted and published.

H.J. Res. 886. March 24, 1976. Post Office and Civil Service. Authorizes the President to issue annually a proclamation designating the seven-day period commencing on April 30 of each year as "National Beta Sigma Phi Week".

H.J. Res. 887. March 24, 1976. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation designating the week beginning on November 7, 1976, as "National Respiratory Therapy Week".

H.J. Res. 888. March 30, 1976. Judiciary. Proposes a constitutional amendment which prohibits compelling a student to attend a public school other than the one nearest his residence.

H.J. Res. 889. March 30, 1976. Education and Labor. Authorizes the Commissioner of Education to provide financial assistance in accordance with the provisions of this joint resolution to assist in establishing the Wayne

Morse Chair of Law and Politics at the University of Oregon, Eugene, Oregon.

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 594. March 24, 1976. Science and Technology. Expresses the appreciation of the Congress of the United States to specified professional societies for their participation in the science and engineering congressional fellowship program.

H. Con. Res. 595. March 29, 1976. International Relations. Expresses the objection of Congress to the proposed sale to Egypt of C–130 aircraft as described in transmittal number 76–47.

HOUSE RESOLUTIONS

H. Res. 1105. March 24, 1976. Judiciary. Provides that Richard M. Helms, Ambassador to Iran, is impeached of high crimes and misdemeanors.

H. Res. 1106. March 24, 1976. Post Office and Civil Service. Designates the week beginning April 4, 1976, as "National Rural Health Week."

H. Res. 1107. March 24, 1976. Rules. Sets forth the rule for the consideration of H.R. 9725.

H. Res. 1108. March 24, 1976. Sets forth the rule for the consideration of H.R. 12262.

H. Res. 1109. March 25, 1976. Rules. Amends the Rules of the House of Representatives to assure and to regulate television and radio coverage of the House of Representatives.

H. Res. 1110. March 25, 1976. Rules. Requires the report of the Select Committee on Intelligence, filed on January 29, 1976, be referred to the Committee on House Administration, and such Committee shall follow the procedures agreed to between the Select Committee and the President with respect to the disclosure of classified information transmitted to such select committee. States that after such procedures have been complied with, such report, as it may be altered in accordance with such procedures, shall be printed as a House document.

H. Res. 1111. March 25, 1976. House Administration. Permits each Member of the House of Representatives to hire a Vietnam veteran as a congressional intern.

H. Res. 1112. March 25, 1976. Rules. Directs the House Committee on Appropriations and the Committee on International Relations to begin a study of the relationship between the United States and the United Nations.

H. Res. 1113. March 29, 1976. Rules. Establishes in the House of Representatives the Select Committee on Nuclear Proliferation and Nuclear Export Policy.

H. Res. 1114. March 29, 1976. Sets forth the rule for the consideration of H.R. 12388.

H. Res. 1115. March 29, 1976. Sets forth the rule for the consideration of H.R. 12406.

SENATE—*Monday, April 26, 1976*

The Senate met at 12 noon and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

In the morning and the evening and the noonday, we praise Thee, O God.

The world about us proclaims the beauty and the wonder of Thy Creation.

And we who are created in Thy image, would make known Thy wisdom and Thy power in our daily lives.

Fit us, O Lord, for the work before us.

Order our lives according to the pattern of Him who went about doing good.

Watch over this Nation, ever guiding by Thy higher wisdom, the President, the Congress, the judiciary and all whom we have set in authority over us, to the end that we may be a people mindful of Thy favor, obedient to Thy law and glad to do Thy will.

Through Him, in whose service is perfect freedom. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, April 14, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Select Committee To Study Governmental Operations With Respect to Intelligence Activities be authorized to meet during the session of the Senate today.

Mr. President, I ask unanimous consent that all other committees be authorized to meet until 1 p.m. or the end of morning business, whichever comes later.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR PROXMIRE AND SENATOR GOLDWATER ON FRIDAY, APRIL 30, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday, after the two leaders or their designees have been recognized under the standing order, Mr. PROXMIRE and Mr. GOLDWATER be recognized, each for not to exceed 15 minutes, and in that order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to waive the call of the calendar under rule VIII.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Pennsylvania desire recognition?

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that I may yield the time usually allotted to me at this period to the distinguished Senator from Arizona (Mr. GOLDWATER) should he need it.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUGH SCOTT. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Does the Senator from Arizona desire the time at this time?

Mr. GOLDWATER. I wish to reserve the time allotted to me until my proper time.

The ACTING PRESIDENT pro tempore. Yes, that is what the Chair understood.

Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

B–1 BOMBER, PART 1: COSTS RISE AND PERFORMANCE SLIPS

Mr. PROXMIRE. Mr. President, with $24 billion at stake, it is essential that the American public have a balanced view of the B–1 bomber program. Therefore, I will give a series of six speeches in the Senate on the B–1 and invite the Air Force to comment on each. I sent a copy of this speech to them 2 or 3 days ago. I have received a reply, and I will place their response in the RECORD following my speech.

Today begins the first on the subject of B–1 costs and performance slippage.

The goal is to have a public debate without recourse to exaggeration or distortion.

I expect the Air Force to disagree with my analysis. They favor the B–1. I oppose it.

The public is entitled to make up its own mind. I hope that in this exchange the American public will be presented with enough information to form independent conclusions and let the Congress know how to vote on this controversial weapons system.

Mr. President, the materials for my speeches have been collected, analyzed, and prepared by a group of aerospace scientists and engineers who have working familiarity with the B–1 bomber program. I appreciate their cooperation in this effort.

I. B–1 COSTS AND PERFORMANCE SLIPPAGE

B–1 costs have shot up from an initial estimate of $35–40 million [1] per plane to a current estimate of $84.3 million.[2] And senior defense officials have told Congress that the bomber is expected to cost more than $100 million each.[3] This would put total B–1 program costs at more than $24 billion, nearly three times the original program estimates. The Air Force claims that simple inflation is responsible for almost all of this 300 percent cost growth. But simple inflation is not the only factor responsible for the B–1's skyrocketing costs. Rather, the technological difficulty of producing such an unnecessarily sophisticated aircraft has been an important factor in pushing costs up. This cost of $84.3 million can be expected to increase before long, or the capibilities of the B–1 will be further degraded, as the problems that crop up during the test program force modifications in the plans for the production aircraft.

The high cost of the B–1 is disturbing enough. Yet these escalating costs have

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Footnotes at end of article.

been accompanied by a stream of performance degradations in an attempt to hold down costs. These degradations make the B–1 much inferior to the bomber the Air Force discusssed 6 years ago. If the Air Force had to build the B–1 to meet the specifications that seemed so necessary 6 years ago, the B–1 cost would jump far beyond $100 million per plane. Thus, the Air Force has sought to hide cost growth by tolerating a continuing decline in the performance of the B–1.

A partial list of these performance slippages is:

Reduced range and/or payload;
Increased weight;
Reduced maximum speed;
Longer required takoff distance;
Lower refueled altitude;
Increased landing distance;
Increased dependency upon tankers;
Reduced number of R. & D. aircraft;
Elimination of infrared suppression devices;
Elimination of self-contained crew capsule;
Elimination of low light level TV;
Reduced avionics; and
Reduced use of titanium.

These reductions in performance and structure detract from the B–1's ability to perform its basic mission. They also diminish whatever margin of advantage the B–1 has over other bomber alternatives. It is no wonder that the GAO found the B–1 to have incurred significant reduction in planned performance and was behind schedule 12 months or more.[4]

It is interesting to compare the B–1 as envisioned by the Air Force in 1969, when the sizable funding requests began with the B–1 that is now likely to emerge:

> So all in all, we think that the airplane is very close to the airplane that we had in mind in 1970 when we began the program.*

B–1 PERFORMANCE REDUCTIONS SINCE 1969
[Superscripts refer to references listed below]

	1969	1975
Range	10,000 mi.[1]	6,100 mi. or less [3] [4]
Take-off weight	370,000 lb.[1]	395,000 lb.[5]
Take-off distance	2,500 ft.[1]	7,500 ft.[2]
Penetration speed	Mach 1.2 [1]	Mach 0.85 [7]
Advanced avionics	Yes [1]	No, off-the-shelf [7]
SRAM's carried	32 [1]	24 [3]
Infra-red suppression devices	Yes [2]	No [2]
Separate crew module	Yes [7]	No [7]
Low light level TV	Yes [2]	No [2]
Number of prototypes	7 [2]	3–4 [2]
Top speed	Mach 2.2 [7]	Mach 1.6 [6]
Payload	100,000 lb. [1]	50,000 lb.[7]

[1] Space Aeronautics, January 1970, page 69.

[2] Senate Armed Services Committee Hearings, FY 1976. Volume 10.

[3] "Gallery of USAF Weapons," Air Force magazine, May 1975, page 112.

[4] Bisplinghoff Report.

[5] Aerospace Daily, May 15, 1975, page 19.

[6] Aviation Week and Space Technology, June 16, 1975, page 18.

[7] "B–1 Strategic Bomber Program," I.B. 15040, Congressional Research Service, June 12, 1975.

B–1 PERFORMANCE SLIPPAGE

A. RANGE

How serious are these performance reductions? One of the most serious is the range reduction. According to the panel of experts assembled at the request of the Secretary of the Air Force, the subsonic range of the B–1 will most probably be reduced by 11 to 18 percent from its design specification and may even be reduced by 20 to 29 percent.[5]

A 29-percent range reduction amounts to reducing the B–1's range from 6,100 [6] to 4,330 nautical miles. This would almost make the B–1 a medium-range bomber. It should be noted that the range of the much-maligned FB–111 is 4,100 nautical miles.

The B–1's range reduction detracts from its target coverage ability, limits its evasive maneuvering capability, slashes its loiter time at the fail-safe point, makes the B–1 ever more dependent upon potentially vulnerable tanker support, and virtually eliminates the ability of the B–1 to ever use its fuel-hungry supersonic capability. As this shows, range is a critically important parameter for a strategic bomber. Some of this range reduction can be restored, but only by sacrificing generous portions of its payload weight or by increasing its dependence upon substantial tanker support. And higher payload was supposed to have been one of the advantages of the B–1 over the B–52 that justified expending billions of dollars for the new bomber.

In contrast to the B–1's shrinking range, the B–52 as it currently exists is the world recordholder for unrefueled range, at 12,500 statute miles.[7] Of course, in a strategic mission its range would be less than this, but it is probably greater than that of the B–1. It is noteworthy that the Air Force does not claim that the B–1 range matches that of the B–52.

And this B–52 critical range superiority does not take into account the significant increase in B–52 range which the Air Force admits can be gained by fitting it with new jet engines.[8] The same kind of engines that contribute to the performance of the 747 and other wide-body transports can increase the range of the B–52 by 20 to 30 percent, judging from the improvement in thrust specific fuel consumption of the new engines. This would give the B–52 a maximum unrefueled range of 16,000 statute miles and a similar increase in mission range. This would not just reduce the B–52's need for tanker support, it would virtually eliminate it.

Thus a reengined B–52 would not require a new tanker at all, saving additional billions of dollars. The Air Force could thus use many of SAC's KC–135's for other important military uses. One such use could be to use the KC–135's or other wide-bodied jets as standoff bombers themselves. They are capable of carrying long-range cruise missiles and thus would provide a low-cost improvement to our strategic forces.

One might well ask how it is that, with a $20 billion program price tag, the B–1 will not have a significantly greater range than the B–52. There are several answers for this, but the primary reason is the B–1's unnecessary supersonic capability. By making the B–1 supersonic the Air Force was forced to compromise the B–1's all-important subsonic performance. Wing, fuselage, and especially engine design all suffered, since the design requirements of supersonic and subsonic flight differ substantially. The result was degraded range.

B. TAKEOFF WEIGHT

The B–1 takeoff weight has increased from a planned 360,000 pounds to a current 395,000 pounds.[9] This heavier weight reaches the design limit of the structure and landing gear of the plane for takeoff and taxi operations.[10] Thus, because the B–1 has reached its structural weight limitation, there is no potential for adding more avionics or weapons without further reductions in the presently planned range and payload capability or without increased tanker dependence.

In fact, the weight problem for the B–1 is already so critical that when it is fully loaded with 24 SRAM's—this would exceed the maximum takeoff gross weight if it is fully fueled.[10a] And the current B–1 avionics package, which is pushing up against this weight limit, has been described as austere.

C. SPEED

The Air Force notified Congress in 1975 that the top speed of the B–1 was being dropped from 2.2 times the speed of sound—mach 2.2—to mach 1.6. This means that the Air Force is giving up exactly half of the B–1's supersonic capability. Unfortunately this change comes much too late in the program for the overall design requirements to be relaxed so as to significantly reduce program costs.

D. INCREASED TAKEOFF DISTANCE

The 15-percent increase in takeoff distance of the B–1 reported by the Air Force [11] will reduce its dispersability and hence its prelaunch survivability. The B–1's takeoff distance of 7,500 feet is not appreciably less than the B–52's 9,580 feet.[12] Thus another supposed advantage of the B–1 over the B–52 appears to be melting away.

E. INCREASED TANKER DEPENDENCE

The decreasing range of the B–1 increases its need for refueling and thus its dependence on tanker support. Therefore the B–1's survivability will depend even more upon the survivability of the tanker fleet.

F. AVIONICS REDUCTION

Mr. President, another B–1 capability that was slashed for cost reasons is much of its electronic countermeasures equipment—ECM included in the term "avionics." Avionics equipment is used to jam the enemy's radar, confuse their efforts to track and destroy the B–1, and improve its flight characteristics, especially "on the deck"; that is, flying close to the ground to avoid enemy radar.

On the importance of ECM to a penetrating bomber, the Air Force Joint Strategic Bomber Study concluded:

> The ECM suit for both the B–52 and the B–1 were shown to be effective, but the extreme sensitivity of the performance of the penetrating bomber to the quality of its ECM was manifest. This sensitivity is so crucial that continuous re-evaluation of ECM interactions are required over the long term.[13]

Back in 1970 the Air Force was still in the process of deciding how much avionics they could include in the proposed B–1 design without driving the cost of the B–1 up to even more embarrassing heights.

The ultimate decision was to use a potpourri of avionics equipment from existing aircraft rather than to develop new avionics based on the latest technological advancements. The bomber would be all new but its critically important avionics systems would be borrowed.

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*Statement of Secretary of the Air Force John L. McLucas before the Senate Armed Services Committee, February 1975, page 853.

Footnotes at end of article.

> Relative to the B-1's avionics systems, it should be noted, that when the programme was first conceived, an ambitious parallel avionics development was envisaged to push the state of the art to match that of the high performance aircraft. This was abandoned because of soaring costs and the B-1 instead been/sic/ designed with "off the shelf" avionics systems, many of them from the FB-111, F-14 and A-7.[14]

Consequently, the B-1 will be built with only 60 percent of its potential avionics capacity and this will consist largely of off-the-shelf items.[15]

The Air Force has attempted to turn a deficiency into an advantage by arguing that this gives the B-1 reserve capacity for later weight growth in avionics. Certainly, growth potential is important, but in terms of avionics, the $100 million bomber as procured will offer little advantage over the current B-52. In view of the critical dependence of a bomber's penetration ability on its avionics, this raises some question as to how much better a penetrator the B-1 will be compared to the B-52.

G. ADDITIONAL COSTS

The $84.3 million price tag on each B-1 is only part of the cost picture. The Air Force has defined the B-1 program cost to the Congress in such a way as to exclude several major cost elements which will be incurred if the B-1 is produced and flown. These additional lifecycle costs are addressed below, and total to the staggering sum of over $40 billion.

Full life-cycle costs, and not just simple procurement costs, need to be considered by the Congress. As the GAO reported to the Congress in 1974:

> The costs of additional pilots, navigators, mechanics, training, facilities, aircraft, operation, and maintenance are needed in order to have meaningful comparative costs of the (bomber) alternatives. Consideration also should be given to "full-force" life-cycle costing; i.e., including the cost of the tankers needed under each alternative and the cost of the missile payload.[16]

1. WEAPONS PAYLOAD COSTS

The B-1 price does not include the cost of the weapons it will carry. Each B-1 will carry 24 SRAM's or ALCM's. At $500,000 each,[17] the B-1 weapons cost will be an additional $12 million per plane and $3 billion for a fleet of 243. For SRAM this includes the costs required to reopen the SRAM production line.

2. OPERATIONS AND MAINTENANCE

The B-1 will not be costless to operate and maintain. Assuming that B-1 direct O. & M. costs are 3 percent annually of program unit costs,** the 10-year direct operating costs for the B-1 will be $26 million per plane and $6.3 billion for the program as a whole. This assumes that the B-52 is kept in the inventory even after the B-1 is procured, which Air Force officials have stated in the past will occur.[18]

There are indirect costs associated with the B-1, such as aircrew, and personnel training, depot operation, and personnel medical care. Estimating these at half the direct operating costs or 1.5 percent annually, the 10-year indirect operating costs for the B-1 will be $13 million per plane and $3.1 billion for the program as a whole. The above figures for direct and indirect operating costs are lower than those cited elsewhere.[19]

3. TANKER COSTS

Another important aspect of the B-1 cost picture is the question of tanker costs. Since the B-52G/H will be retained in the SAC inventory through the 1990's, the introduction of the B-1 will require additional tanker support.

The Air Force often argues that the B-1 does not need a new tanker. What they really mean is that the B-1 is compatible with the existing KC-135 tankers. However, the B-1 does need additional tanker support, and desperately so. In spite of the deletion of 75 B-52D/F's, the addition of 241 B-1's to SAC will result in our strategic bomber force requiring more tankers than is now the case. To get that additional tanker support we must procure new tankers and KC-135's are no longer in production. Hence, it is accurate to say that we will need a new tanker if the B-1 is purchased.

New tankers will be required at a bomber/tanker ratio of between 1:1 and 2:1. The type of new tanker usually discussed is a modified version of either the 747 or DC-10. At a unit cost of $45 million for the 747,[20] tanker procurement for the B-1 would run $10.8 billion for 240 tankers or $5.4 billion for 120 tankers. Assuming the same 3 percent and 1.5 percent of procurement price direct and indirect annual operation and maintenance costs for the tankers, adds another $2.4 to $4.9 billions for 10-year tanker O. & M. Taking the average of these figures gives tanker 10-year life-cycle costs of $11.7 billion.

If the B-1 is not procured, new tankers for SAC will not be required for another decade, thus avoiding a sizable cost. And if the B-52's are modified with new engines, as the Air Force proposes for the KC-135, many of SAC's existing tankers could be applied to tactical requirements, since the B-52 would then require little or no tanker support.

4. FUTURE COST INCREASES DUE TO AVIONICS

The B-1 as proposed will carry only 60 percent of its potential avionics payload, and this will consist of a collection of off-the-shelf items, rather than the best systems that current technology can provide for the B-1.[21] It is inevitable that after the production decision is made the Air Force will need and request new avionics for the B-1, if it is to be effective until the end of its useful life, 2010.

If the full avionics payload is filled this will amount to an additional 4,000 pounds. A conservative estimate of avionics cost is $1,000 per pound.[22] At this rate the Air Force will need $4 million more per airplane or a total of about $1 billion in total program cost.

Mr. President, in my closing minutes I want to summarize the Air Force rebuttal to my speech.

First, the Air Force argues that the B-1 program is well-managed and that cost growth is within reasonable limits—11 percent since 1970 not counting inflation. Thus in constant dollars, the program has little cost increase.

Second, the Air Force disagrees with a number of the performance degradations cited in my speech. These are detailed in the accompanying letter from Secretary of the Air Force Thomas Reed, which I will include in the Record.

Mr. President, these arguments are very interesting but they do not dispell my primary concerns. Unfortunately, the Congress does not appropriate in constant dollars. And the taxpayers of this country do not pay taxes in constant dollars. If only we could. We have to pay in real year dollars. That means we have to pay for inflation—like it or not. And the B-1 has grown so inordinately expensive that it is draining resources away from other Air Force projects. The Air Force does not deny that the B-1 will cost over $21 billion or $84 million for each aircraft.

Likewise, the Air Force does not disagree that a number of performance indicators have been degraded since the original proposal was presented to Congress.

The Air Force Secretary then states that these particular performance criteria are not as important as the mission of the B-1 and how it is carried out. That seems to be a reasonable point and one that I will address in detail in the next B-1 bomber speech.

Mr. President, the Air Force reply raises a number of other questions. For example, they say that only some B-1 bomber characteristics have been degraded. My question is which ones had how much?

They argue that the official performance requirements are different than those cited in various aerospace magazines. In that case, let us have a chart with the original performance statistics with the current statistics side by side so we can see the differences.

They say that modifying the B-52's with new engines will somewhat improve its range. In that case, how much improvement and what would it cost? What studies have been done and are they publicly available?

They say that the KC-135 could not be used as a standoff bomber platform. If that is the case, then does the same argument hold for modified 747's or wide-bodied jets?

They argue that my life cycle costs are too high. In that case, I hope the Air Force will supply the exact life cycle costs of the B-1 including all of the specific items I mentioned.

Mr. President, I have a number of other questions about this statement including issues the Air Force has extracted without my qualifications. But I want to thank the Air Force Secretary for making it available to me. Perhaps in this exchange of questions and answers, point and counterpoint, the full B-1 bomber story will be made public.

Mr. President, I ask unanimous consent that certain footnotes, a letter I wrote to the Secretary of the Air Force, the reply of the Secretary of the Air Force to my speech, together with material detailing and describing the position that I take and that the Air Force takes in rebuttal, a point-by-point re-

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** This figure agrees with the current bomber support costs of $740 million annually, which is $2 million per B-52. (HASC No. 94-8, p. 510.)

Footnotes at end of article.

buttal which they have offered, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

FOOTNOTES

[1] In 1970 dollars including total program RDT&E of $1.8 billion *Astronautics and Aeronautics*, June 1971, page 6, Congressional Record, June 2, 1969, page S5871.

[2] *Armed Forces Journal International*, April 1975, page 22.

[3] *Aviation Week*, 24 March 1975, page 19.

[4] ". . . Schedule Slippages/Performance Degradations Reported," Defense/Space Daily, February 10, 1975, page 23.

[5] Report of Ad Hoc Management Review Committee on the B–1 to the Air Force Secretary McLucas, November 1973.

[6] "Gallery of USAF Weapons," *Air Force Magazine*, May 1975, page 112.

[7] *Jane's All The World's Aircraft 1963—1964; Modernizing the Strategic Bomber Force*, A. H. Quanbeck, A. L. Wood, (1976), page 25.

[8] Senate Armed Services Committee Hearings, FY 1976, page 5616.

[9] *Interavia*, February 1975, page 134.

[10] Fiscal Year 1975 Authorizations for Military Procurement, Part 7, pages 3979–3980; also special GAO report on B–1.

[10a] Sen. Goldwater, Senate Armed Services Committee Hearings, March 4, 1975, page 2013

[11] Senate Armed Services Committee, FY 1976 Hearings, page 5559.

[12] *Standard Aircraft Characteristics: B–52H*, USAF, June 1969, (unclassified).

[13] Statement by Malcolm R. Currie before the Senate Armed Services Committee, 1975.

[14] *Interavia*, page 136, 2/1975, "Rockwell International's B–1 Bomber at a Critical Point." J. Philip Geddes.

[15] Astronautics and Aeronautics, June, 1971, page 7; Senate Armed Service Committee, Part 10, FY76, page 5579.

[16] Comptroller General's Report to the Congress, "Study of Alternative Courses of Action for the Strategic Manned Bomber, Department of the Air Force B-178845," 17 April 1974.

[17] *Modernizing the Strategic Bomber Force*, Quanbeck and Wood, Brookings Institution, 1976, page 31.

[18] Department of Defense Appropriations, 1975 Hearings, Part 4, page 572.

[19] Quanbeck and Wood, op. cit., page 26.

[20] *Aviation Week and Space Technology*, "Tanker Selection," April 28, 1975, page 30.

[21] Senate Armed Services Committee, Part 10, page 5578, FY76.

[22] Ibid., page 5579.

April 21, 1976.

Hon. Thomas C. Reed,
Secretary of the Air Force,
Washington, D.C.

Dear Mr. Secretary: Beginning on Monday, April 26th, I will be making a series of six speeches in the Senate on the issue of the B-1 bomber. My objective is to present the concept of the supersonic manned bomber and the alternatives to it before the American public in such a form that enlightened decisions can be made.

I know you share these objectives, although you undoubtedly would disagree with my conclusions with regard to specific B-1 arguments.

In order for the public to have all sides of the issue discussed, I invite you to respond to my speeches in writing. I will then put your response in the Congressional Record so that it has the same exposure as my remarks.

It is my intent to carry out this public debate in an objective manner based on facts available in the open literature. There may be items on which I am mistaken. Likewise I may disagree with Air Force conclusions or data. But the point is that a rational debate would serve the purposes of all parties.

I hope you will want to cooperate in this spirit.

Sincerely,

William Proxmire,
U.S. Senator.

Department of the Air Force,
Washington, D.C.

Hon. William Proxmire,
U.S. Senate.

Dear Senator Proxmire: From my study of your April 26th speech, I would summarize the major thrust of your remarks as follows. You claim a threefold increase in program cost, with other "hidden" costs still to come. You then cite a number of purported performance degradations which raise questions in your mind as to the B–1's capability to perform its mission. You conclude from these arguments that the B–1 should not be produced. I have attached to this letter detailed responses to your individual arguments, but I would like to address these major premises explicitly.

Implicit in your cost analysis is a criticism of program management which I feel must be corrected. The B–1 program costs have increased over the years. However, measured in constant uninflated dollars—the only fair measure of management-related cost control—the program has increased from $9.9B to $11.1B. Most of this overall growth occurred in the early years of the program as experience with new technology modified our earlier parametric calculations. Since December of 1973, the program costs have been stabilized in real terms. This average growth of 2% per year since 1970 marks the B–1 as one of the best managed programs in DOD history, especially when the size and complexity of the development tasks are considered. As did the rest of society, the Air Force underestimated the impact of inflation, which has driven the dollar cost of the B–1 program to $21.6B. Of the total increase, however, 89% is solely attributable to inflation while real cost growth accounted for 11%.

With regard to the B–1 performance, the majority of the changes in specifications occurred in prior years, mostly in 1973. As with costs, the test program has stabilized and, according to Major General Tom Stafford (former Apollo Commander and now in charge of the Air Force Flight Test Center) is "the most successful of any test program the Flight Test Center has seen to date."

Some of the performance changes you cited were accurate; many were not. However, I would suggest that the relevant point for productive debate is not the number of adjustments made, nor even their absolute magnitude, but rather the capability of the production aircraft to perform its design mission. Regardless of historical information and despite marginal engineering and performance changes, the production B–1 will be able to take off safely from the same operational bases, fly the same speed and altitude profile on its low altitude penetration mission, deliver the same payload on the same targets with the same accuracy and reliability as the aircraft Congress approved for development in 1970.

Moreover, many of the performance criteria used for comparison in your speech were extracted from sources such as magazine articles and differ sharply from the performance objectives provided to Congress in the initial B–1 submission. I question the appropriateness of basing operational comparisons on such unauthoritative data, as well as comparing performance of aircraft in widely different configurations and profiles. For example, you relate the B–52 unrefueled range of 12,500 statute miles at one point and elsewhere stipulate a B–1 range in nautical miles well below that which is being attained. Range comparisons expressed in such different units could confuse the observer since a nautical mile is longer than a statute mile. Also, implying a comparison between an aircraft primed for a high altitude record run with a tailwind and another fully loaded aircraft flying a low altitude combat profile could detract from the objective public analysis of the facts in which both of us are interested.

In sum, I remain convinced that B–1 program costs are stabilized and well managed. The money spent on the B–1 will procure a strategic capability essential for our national security. The B–1 will be a formidable and highly capable element in our deterrent arsenal, one which hopefully will assure that it need never be used in war.

I look forward to continuing dialogue on this critically important subject.

Sincerely,

Thomas C. Reed,
Secretary of the Air Force.

SENATOR PROXMIRE	FACTS
B–1 program cost has increased 300%.	In real terms, B–1 Program cost has increased 12% since 1970. There has been zero real cost growth since 1973. Inflation accounts for additional growth of 81%.
Performance has been degraded to the point that the B–1 is no longer effective in its design mission.	The B–1 can effectively perform the same combat mission as originally required. Same mission profile. Same penetration altitude and speed. Same accuracy. Same payload. Completely covers the target structure of the future.
Cites Space Aeronautics, Jan. 70 as source of original requirement.	Official performance requirement and estimate submitted to Congress in 1970 are substantially different than cited by the Senator. For example: range requirement was approximately 6000NM as opposed to magazine quote of 10,000NM.
Implies that B–1 range has been reduced to the point it is not much more than FB–111 range which he quotes as 4100 NM.	The paper reduces the range of the B–1 well below what is being demonstrated today. An erroneously degraded range is used to compare the B–1 on its combat profile (carrying a heavy payload and with extensive low altitude, high speed flight) with the FB–111 at its maximum possible range which is flown at high altitudes with no weapon payload.

SENATOR PROXMIRE	FACTS
States that the B-52 range is far greater than that of the B-1 and cites the 12,500 statute mile B-52 record as proof. Also states that new engines would give the B-52 16,000 statute mile range.	The range capabilities of the B-52 and the B-1 are very comparable when performing the same combat mission. The 12,500 statute miles figure is very misleading. This was established on a record run by weight reduction, fuel conserving techniques, no payload, high altitude and insuring a tailwind. This in no way is representative of the way the B-52 would be flown on a combat mission. But the speech then compares this B-52 flight with a B-1 combat profile with a very large payload. Modifying the B-52s with a new engine would somewhat increase its range. More importantly this would not improve the most critical parameters: nuclear hardness, flyout speed, penetration speed, radar cross-section, payload, and growth potential—all of which are inherent design features of the B-1. Such an alternative has been studied in detail, but clearly has been demonstrated not to be cost effective.
Suggests that KC-135s could be used as standoff bombers at low cost.	This proposal is not practical. The KC-135 has most of the fuel for transfer within the fuselage. Furthermore, the KC-135 requires the use of the full runway lengths at virtually every base. A modification to carry a standoff missile would be very expensive, requiring extensive rework of the aircraft. The result would be an aircraft with greatly degraded takeoff and range capabilities and would carry only a few missiles.
Life cycle costs need to be considered. In B-1 cases they would add 40 billion dollars to the program. A new tanker will be required.	We agree that life cycle costs should be an important factor in any weapon system; however, the figure $408B is grossly overstated. For example, the 8 to 16 billion dollar price tag attributed to the air refueling force is actually 4 to 8 times what will be required. When the total cost of ownership is considered, the B-1 clearly demonstrates its cost effective advantages over any alternative examined. When measured in real terms (inflation eliminated), the cost of ownership of the B-1 force during its lifetime will be substantially less than that for the B-52 force, a force which has made a very cost effective contribution. Deployment of B-1 will not require procurement of additional tankers. Furthermore, the B-1 is more efficient than B-52 in deep penetration mission.
Avionics reductions compromise mission.	No compromise on B-1 mission has been made. The B-1 avionics will provide the required navigation, weapons delivery, and penetration capability. The B-1 ECM equipment will incorporate the latest state-of-the-art capability.
The supersonic capability is not needed and degrades range.	The supersonic capability preserves the high-altitude, high-speed penetration option and thereby complicates and stresses the enemy defenses. The B-1 will have sufficient range with the supersonic features to effectively perform its combat mission; most supersonic features are required for efficient operation at high subsonic speeds at low altitude—i.e. swept wing and "low" by-pass engines.
The change in supersonic capability from 2.2 Mach to 1.6 Mach comes too late to be of significance in redesign.	1.6 Mach stresses the enemy defenses nearly as much as 2.2 Mach. Design changes are nominal and the 2.2 Mach potential is retained and can be restored for 1% of program costs if this becomes desirable.
The B-1s takeoff distance is not appreciably less than the B-52s.	The difference is very significant. The B-52G takeoff distance of 10,500′ is 40% greater than the B-1 takeoff distance of 7,500′. A very large number of airfields are in between these lengths. The B-1 will be able to use twice as many runways as the B-52.
The B-1 has increasing reliance on tankers; therefore, survivability will depend even more on survivability of tanker.	The statement is incorrect. The B-1 can deliver its payload on most critical targets without refueling—refueling provides better tactics and deeper penetration. Tankers are important but their loss doesn't make B-1 ineffective.

Mr. PROXMIRE Mr. President, I yield the floor.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order entered at the request of the Senator from Pennsylvania, the Senator from Arizona is recognized for 10 minutes.

Mr. GOLDWATER. I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, would the Senator need any additional time?

Mr. GOLDWATER. I doubt it very much. I do not believe I have 10 minutes.

Mr. ROBERT C. BYRD. Very well. My thought was I would yield additional time to the Senator.

Mr. GOLDWATER. I thought I had some time on my own.

The ACTING PRESIDENT pro tempore. The Senator had 5 additional minutes on morning business and that will be the next order.

Mr. GOLDWATER. Well, I think we are in good shape.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield 5 minutes of the majority leader's time to the Senator to make it 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GOLDWATER. I thank my friend from West Virginia.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 15 minutes.

THE B-1 BOMBER

MR. GOLDWATER. Mr. President, I am very happy that Senator PROXMIRE has decided to open a formal debate on the B-1. I am very happy that he is sending a copy of his proposed remarks to the Secretary of the Air Force so that the Secretary may have an opportunity to answer.

As he might suspect, I am also privy to these remarks and I intend to formally answer each morning after he has finished his remarks.

Mr. President, Senator PROXMIRE has indicated in his first speech that the materials for his speeches have been collected, analyzed, and prepared by a number of aerospace scientists working independently of the Department of Defense. I think it is absolutely necessary that the Senator name these scientists, name their backgrounds, and credentials and, most importantly, have they ever seen the B-1? I suggest this because I intend to answer each speech of the

Senator's and my material will be supplied by experts in the Air Force, experts with Rockwell International and others, including those men who have been test flying the aircraft and who have been doing the maintenance work on it for the past period of a year, and from the fact that I have been associated with this development ever since its inception. I have not only seen the aircraft, I have flown it.

In fact, it was my pleasure during the Easter vacation to have flown this aircraft and to have spent about 4 hours on the ground visiting in detail with the so-called problems of this particular aircraft.

For example, the material prepared for me by the Air Force did not include some answers to some very glaring mistakes made by the Senator in his first speech. Let us take a look at a few of them. On page 3 of his remarks he claims that takeoff distance was once suggested as 2,500 feet. I will remind the Senator that very few private aircraft can take off in that distance and the B–1's takeoff distance is between 5,500 and 7,500 feet—which, in my opinion, with this type of aircraft, its weight, and its thrust, is remarkable.

The separate crew module has been eliminated because of expenses and because of some question as to its aerodynamic capability once it is released.

Mr. President, the fight on that over 6 years ago pointed out the instability of the capsule, that it would contain four to six men, and could very well tumble so fast that not a man in it could survive. So after ship No. 1, the aircraft ejection will be up to the individual person. It saves about $1 million an airplane.

Neither infrared suppression nor low light level TV are definitely eliminated from this aircraft. He must keep in mind that the first test model probably has no avionics aboard except normal ones and those used for telemetry.

I will confirm that by saying that the only avionics aboard No. 1, which is being flown now, are those avionics necessary for normal flight and they provide telemetry back to the base to tell what the aircraft is doing.

When you speak of penetration speed the Senator should talk about altitude, and I remind him that mach 1 in any aircraft is hardly attainable below 10,000 feet but, mach 0.85 is and I have achieved it at 500 feet above the ground.

The aircraft has not been flown at its highest mach number, but I have every reason to believe that it will go to mach 1.2. At another place in his paper he indicates that the B–52 would have an unrefueled range of 12,500 statute miles.

A B–52 took off from Guam and flew to Spain without refueling, a distance of 12,500 miles, but let me remind the Senator that this aircraft was completely empty, was completely filled with fuel and flew at the benefit of the great prevailing jetstream that can reach well over 200 miles an hour. If you want to fly the B–1 empty I imagine the range could go up to close to 9,000 miles. I might remind the Senator that one of the great deficiencies in our entire aircraft production today is a deficiency in new engines and this hurt across the board, so there are no new engines for the B–52 or, for that matter, any other aircraft we are working on.

I might add before getting into a general discussion of his comments that I have observed tanker hookups with the KC–135 and have performed one dry run with the same aircraft, and there is absolutely no trouble in doing this and there is no need for additional tankers if we consider the B–1 alone. It is just that the Air Force needs additional cargo aircraft which could double as refueling ships, and we are talking about them but we do not need them specifically for the B–1.

At the outset, so there will be no misunderstanding, I will state that the B–1 can accomplish the strategic deterrent mission it was designed for. Any allegations that the Air Force has allowed the operational capability of the aircraft to deteriorate to the point that its ability to perform its mission is in question are simply not true.

The Air Force has succeeded in controlling cost on this program. The real cost of the program, expressed in constant dollars in order to measure program management and not general economic conditions, rose about 12 percent from 1970 to 1973. As the idea of a B–1 in 1970 turned into sets of engineering drawings and pieces of metal in 1973, the estimated cost also evolved from a paper estimate to a much more finely tuned evaluation. In 1973, the total program was priced at $11.1 billion in constant 1970 dollars. Now, almost 2½ years later, the cost estimate remains the same. This is a remarkable achievement. It is even more remarkable when the effects of congressional reductions are taken into account. Our activities—cuts of $25 million in fiscal year 1974, $54 million in fiscal year 1975, and $135 million in fiscal year 1976, and the transition quarter—have actually kept the Air Force from reducing the program cost growth.

But wait, detractors state—the 1976 aircraft is not the same as the 1973 or the 1970 aircraft. They are correct. But the Air Force continually evaluates the cost of different capabilities of the aircraft and the contribution of that capability to the performance of the overall mission. It takes development work to identify the cost of a particular capability. As this development work occurs, estimates of the defenses the enemy will display against the aircraft become firmer and technology becomes clearer. If the cost of the particular capability does not justify its presence in the aircraft, or the defense has changed to the point where it is not needed, or new technology is available to replace it with a less costly substitute, the Air Force makes the appropriate changes. This is the challenge to Air Force management—make the hard decisions to delete marginal capabilities that, although very desirable, do not pay their way in effectiveness.

I might interject, Mr. President, the fact that to obtain the 2.3 mach speed the President spoke of would have meant about an additional $1 million by providing flexible intakes for the engine. These have now been provided in No. 1. They will not be provided in follow-on aircraft unless the tactical and strategic needs show that we must have them.

We in the Congress want them to make these choices. We have railed against inclusion of unnecessary capabilities in weapons systems and now, when the Air Force takes some equipment out because its contribution proves too expensive as conditions change, we complain again. We cannot have it both ways.

The measurement of bomber capability is a very complicated process and there are many, and sometimes conflicting, measures of merit. Looking at individual performance parameters in isolation can be very misleading. The whole aircraft must be measured. If an aircraft can fly long distances but at a speed and altitude which makes it very vulnerable to enemy defense, it does not measure up—it is not effective. The B–52 was and is a fine aircraft. It will not, however, be able to effectively penetrate heavy enemy defenses in the mid-1980's without suffering severe losses. This is why the B–1 is required. Its combination of speed, low altitude, range, payload, avionics equipment, and hardness to nuclear effects will allow it to defeat the enemy threat. Extensive studies have shown that the B–1 is the most effective alternative for modernizing the strategic bomber force.

The Senator from Wisconsin compares the current B–1 performance parameters to those listed in an article in a 1969 magazine. Those parameters are not the ones decided upon and contracted for by the Air Force. Senators can look at a real performance comparison in the B–1 selected acquisition reports which are submitted quarterly to the Congress.

A comparison was made between the range record achieved by the B–52 and the B–1 range. This is like comparing a car prepared for the Mobil Oil gas economy run to a car being driven in Washington's rush hour traffic. The B–52 which established this mark was a new aircraft, it carried no weapons, it was prepared by experts and flown at the optimum speed and altitude for maximum range. The B–1 range is based on a typical combat configured aircraft, prepared by good men, full of weapons, and flown at speeds and altitudes necessary to avoid enemy defenses, not fly long distances.

The Senator contends that the supersonic capability is not needed and degrades range. Actually, the supersonic capability was added to allow the B–1 to take advantage of any weakness which occurs in the enemy defenses. Right now he is weakest against aircraft penetrating at low altitudes. At a future date he may become more vulnerable to high-level attacks. The B–52 was designed as a high-altitude penetrator but it had the flexibility to penetrate at low altitude when that opportunity presented itself. Rather than having to build another aircraft, the B–52 was used. The B–1 also has this flexibility—which will allow it to be used for many years. The B–1 was designed for the primary low-altitude mission, and deletion of the supersonic capability, even if it was feasible at this time, would not significantly increase its performance in this role.

The Senator states that the B-1 has an increasing reliance on tankers and that it will require more and better tankers. Actually, the B-1 makes more effective use of the current tanker force than a B-52 performing the same mission and, when the role of the B-52 is changed from deep penetration to attack of fringe or less heavily defended targets, tankers will be freed for B-1 support. New tankers are not required to support the B-1.

The Senator indicates that the use of off-the-shelf avionics will compromise the mission of the B-1. The decision to use equipment already in being was carefully made. It was done only in those cases where it would be effective. Navigation equipment was found to be available from other aircraft and, in conjunction with new computer programs which link the various pieces, will provide the accuracy required.

I might add when this aircraft was in the design stages, even when it was in its basic test stages, we did not know of the Soviet SA-6 or SA-7. We now know of them. We now know of their highly created and highly developed ability to change frequencies at will. Our electronic countermeasures equipment have to be able to identify the change, isolate the change, and take proper action with weapons. That is another case where buying special avionics would have been a mistake.

In the case of the defensive avionics equipment—the ECM—an entirely new development is being accomplished using the most advanced technology available so that as the B-1 is deployed, it will possess the latest and best in electronic countermeasures equipment.

Finally, the life cycle cost figures cited in the Senator's remarks are grossly overstated. More important, the B-1 force will cost substantially less than the B-52 force to maintain and fly over the course of its lifetime.

In summary, the Air Force has done a fine job in developing an aircraft which will be able to perform its mission under extremely demanding circumstances. The aircraft will do its job better than any other and will be a cost-effective addition to our strategic forces.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a further breakdown on the analysis and some added material pertaining to remarks made by the Senator from Wisconsin.

I repeat that I am glad that the Senator has opened this series of debates. I look forward with a great deal of pleasure of standing here in the Chamber and discussing with him this aircraft which is so vitally needed by the United States.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator Proxmire	Facts
B-1 program cost has increased 300%.	In real terms, B-1 Program cost has increased 12% since 1970. There has been zero real cost growth since 1973. Inflation accounts for additional growth of 81%.
Performance has been degraded to the point that the B-1 is no longer effective in its design mission.	The B-1 can effectively perform the same combat mission as originally required. Same mission profile. Same penetration altitude and speed. Same accuracy. Same payload. Completely covers the target structure of the future.
Cites Space Aeronautics, Jan. 70 as source of original requirement.	Official performance requirement and estimate submitted to Congress in 1970 are substantially different than cited by the Senator. For example: range requirement was approximately 6000NM as opposed to magazine quote of 10,000NM.
Implies that B-1 range has been reduced to the point that it is not much more than the FB-111 range which he quotes as 4100 NM.	The paper reduces the range of the B-1 well below what is being demonstrated today. An erroneously degraded range is used to compare the B-1 on its combat profile (carrying a heavy payload and with extensive low altitude, high speed flight) with the FB-111 at its maximum possible range which is flown at high altitudes with no weapon payload.
States that the B-52 range is far greater than that of the B-1 and cites the 12,500 statute mile B-52 record as proof. Also states that new engines would give the B-52 16,000 statute mile range.	The range capabilities of the B-52 and the B-1 are very comparable when performing the same combat mission. The 12,500 statute miles figure is very misleading. This was established on a record run by weight reduction, fuel conserving techniques, no payload, high altitude and insuring a tailwind. This in no way is representative of the way the B-52 would be flown on a combat mission. But the speech then compares this B-52 flight with a B-1 combat profile with a very large payload. Modifying the B-52s with a new engine would somewhat increase its range. More importantly this would not improve the most critical parameters: nuclear hardness, flyout speed, penetration speed, radar cross-section, payload, and growth potential—all of which are inherent design features of the B-1. Such an alternative has been studied in detail, but clearly has been demonstrated not to be cost effective.
Suggests that KC-135s could be used as standoff bombers at low cost.	This proposal is not practical. The KC-135 has most of the fuel for transfer within the fuselage. Furthermore, the KC-135 requires the use of the full runway lengths at virtually every base. A modification to carry a standoff missile would be very expensive, requiring extensive rework of the aircraft. The result would be an aircraft with greatly degraded takeoff and range capabilities and would carry only a few missiles.
Life cycle costs need to be considered. In B-1 cases they would add 40 billion dollars to the program. A new tanker will be required.	We agree that life cycle costs should be an important factor in any weapon system; however, the figure $40B is grossly overstated. For example, the 8 to 16 billion dollar price tag attributed to the air refueling force is actually 4 to 8 times what will be required. When the total cost of ownership is considered, the B-1 clearly demonstrates its cost effective advantages over any alternative examined. When measured in real terms (inflation eliminated), the cost of ownership of the B-1 force during its lifetime will be substantially less than that for the B-52 force, a force which has made a very cost effective contribution.

Senator Proxmire	Facts
	Deployment of B-1 will not require procurement of additional tankers. Furthermore, the B-1 is more efficient than B-52 in deep penetration mission.
Avionics reductions compromise mission.	No compromise on B-1 mission has been made. The B-1 avionics will provide the required navigation, weapons delivery, and penetration capability. The B-1 ECM equipment will incorporate the latest state-of-the-art capability.
The supersonic capability is not needed and degrades range.	The supersonic capability preserves the high-altitude, high-speed penetration option and thereby complicates and stresses the enemy defenses. The B-1 will have sufficient range with the supersonic features to effectively perform its combat mission; most supersonic features are required for efficient operation at high subsonic speeds at low altitude—i.e. swept wing and "low" by-pass engines.
The change in supersonic capability from 2.2 Mach to 1.6 Mach comes too late to be of significance in redesign.	1.6 Mach stresses the enemy defenses nearly as much as 2.2 Mach. Design changes are nominal and the 2.2 Mach potential is retained and can be restored for 1% of program costs if this becomes desirable.
The B-1s takeoff distance is not appreciably less than the B-52s.	The difference is very significant. The B-52G takeoff distance of 10,500′ is 40% greater than the B-1 takeoff distance of 7,500′. A very large number of airfields are in between these lengths. The B-1 will be able to use twice as many runways as the B-52.
The B-1 has increasing reliance on tankers; therefore, survivability will depend even more on survivability of tanker.	The statement is incorrect. The B-1 can deliver its payload on most critical targets without refueling—refueling provides better tactics and deeper penetration. Tankers are important but their loss doesn't make B-1 ineffective.

Senator Proxmire. It is interesting to compare the B-1 envisioned by the Air Force in 1969, when sizable funding requests began, with the B-1 that is now likely to emerge. (A table containing a "1969" column and a "1975" column is included.)

Air Force Comment. The 1969 performance parameters shown in Senator Proxmire's statement do not represent an aircraft ever approved by the Air Force for inclusion into the strategic forces. It has never been envisioned that a single aircraft could simultaneously embody all of the characteristics listed in the "1969" column. After an intensive process of conducting cost, performance, and schedule trade-offs, a realistically attainable aircraft emerged in 1970 and this aircraft bore scant resemblance to that described in the "1969" column.

While the specifications under "1975" are not completely accurate—and the exact figures are in some cases classified—they do approximately describe the current B-1, an advanced high-quality aircraft eminently capable of performing its strategic mission.

Senator Proxmire. Air Force Bisplinghoff review group stated B-1 subsonic range could be reduced by up to 29%.

Air Force Commment. The Bisplinghoff Committee assessed the expected performance of the B-1. To convey the range of uncertainly that existed in its estimates, the committee outlined three levels of performance: a "Possible" Status, a "Most Probable" Status, and a "Reasonably Adverse" Status. The worst case estimate indicated possibly an 18% total reduction in subsonic mission range. The Bisplinghoff Committee agreed that there were no technical reasons why the B-1 could not carry out its strategic mission, nor were there any technical problems which would preclude B-1 development and production. The Air Force thoroughly analyzed the impact of the committee's assessments and determined that even under the Reasonably Adverse case, the aircraft could strike its intended targets without a substantial reduction in probability of survival.

But the "Reasonably Adverse" case has not occurred. The B-1 has remained solidly ahead of the Bisplinghoff Most Probable estimate of subsonic range. The current subsonic range estimate shows a degradation from 1970 of only 7 to 9%.

Senator Proxmire. "The B-1's range reduction detracts from its target coverage ability . . .," limits maneuvering, slashes loiter time, makes B-1 more tanker dependent, eliminates ability to use supersonic capability. Some range reduction can be restored by reducing payload or increasing dependence on tankers.

Air Force Comment. Sufficient flexibility is available through operational trades such as tanker allocation, tanker and bomber basing, and mission planning to negate the effects of insignificant reductions in range. In fact, for the overall bomber force, greatly enhanced capability will occur in all the areas cited by Senator Proxmire as being degraded. For example, B-52s are now required to penetrate to deep targets. These aircraft are much less efficient than B-1s and therefore require considerably more tanker support. When the B-1 enters the operational force, the B-52s will require less tanker support for the less demanding peripheral target role. The B-1 will assume the more demanding, deep penetration mission, since it is more efficient in that role.

Neither has the B-1's secondary supersonic capability been eliminated. In fact, with operational trades available to the military planner, the original supersonic mission can be retained.

Senator Proxmire. "In contrast to the B-1's shrinking range, the B-52 as it currently exists is the world's record-holder for unrefueled range, at 12,500 statute miles . . . the Air Force does not claim that the B-1 range matches that of the B-52."

Air Force Comment. Using data from a record setting B-52 flight to compare with an aircraft in an operational mission environment using strict tactics and guidelines is very misleading. This record run was established by weight reduction, fuel conserving techniques, low payload, flown all at high altitudes where the fuel consumption is less and with the assurance of a tail wind. Moreover, the distance expressed for the B-52 is in statute miles. This is in no way representative of today's B-52 and its range/payload capability. Modifications to the B-52 over the years have reduced its range considerably by degradations such as external protrusions on the aircraft.

In any event a more meaningful expression of B-52 range on a mission comparable with the B-1 would be about 5,400 nautical miles. Not only is this less range than the B-1's capability, but the B-52 would carry only ½ the payload at substantially lower penetration speed and a higher, more vulnerable altitude than the B-1. Thus, a B-52 which accomplishes a mission approximating the range of the B-1, does so with ½ the payload and a significantly lower probability of survival.

Senator Proxmire. Giving the B-52s the kind of engines used by the 747 and other wide-body transports can increase range by 20-30%. "This woud not just reduce the B-52's need for tanker support, *it would virtually eliminate it.*"

Air Force Comment. The Air Force examined the performance of re-engined B-52s in the Joint Strategic Bomber Study (JSBS). Refueling support is decreased, not eliminated. Furthermore, merely re-engining the B-52 does nothing about its lower speed, small weapons load and enormously larger radar cross section. The JSBS showed that the B-52 (re-engined B-52) would suffer very high attrition and that its marginal capability against advanced threats was about ⅕ that of the B-1. The re-engined B-52 is obviously not a very effective choice, regardless of its increased range.

Senator Proxmire. Suggested that KC-135s could be used as standoff bombers providing a low-cost improvement to the strategic forces.

Air Force Comment. Aside from the questionable effectiveness of cruise missiles in penetrating targets defended by low-altitude surface-to-air missiles, a KC-135 configured as a standoff bomber would not provide an improvement to our strategic forces. The KC-135 is configured internally so that it is not practical to carry missiles within the fuselage. A Boeing 707, after a high-cost modification, could probably be configured to carry several internal SRAM racks. In addition, two external SRAM racks could be installed. However, the substantially increased drag and weight would require a 14,000 foot take-off roll (virtually no runways have this length) and extract a range degradation of approximately 2000 NM. An aircraft with these characteristics would have very limited survivability and utility.

Senator Proxmire. One might well ask how it is that, with a $20 billion program price tag, the B-1 will not have a significantly greater range than the B-52. There are several answers for this, but the primary reason is the B-1's unnecessary supersonic capability. By making the B-1 supersonic, the Air Force was forced to compromise the B-1's all-important subsonic performance. Wing fuselage, and especially engine design all suffered, since the design requirements of supersonic and subsonic flight differ substantially. The result was degraded range.

Air Force Comment. The supersonic capability does not significantly degrade range. The B-1 has much more efficient fuel consumption than the B-52. However, by design, it is smaller than the B-52, and devotes more of its internal space to weapons than does the B-52. Consequently, while the B-52 is one-third larger, the B-1 can carry twice the payload of the B-52. The range figure cited for the B-52 is a high altitude range, a figure which is essentially meaningless at low altitude because the B-52's must penetrate to reach their targets.

The B-1's wing, fuselage, and engine design reflect a careful balancing of performance features. If we wanted maximum range, we would have designed it differently. The key design features were maximum launch survivability and penetration capability—not range. The second balance was struck in allocating internal space between fuel capacity and payload. Thus, the B-1 has an overwhelmingly superior capability to penetrate enemy defenses, with twice the number of weapons, at about the same range as the B-52. When longer ranges are required, additional fuel can be carried in weapons bay tanks in lieu of weapons.

The Air Force believes that the supersonic capability of the B-1 is required. A modern bomber for the 1980's and beyond requires the speed and altitude versatility to provide a broad range of operational tactics, to counter future threat uncertainties, to hedge against degradations in penetration aids effectiveness, and to be capable of all probable bomber tasks. A subsonic-only design would never allow supersonic operations, regardless of how desirable the tactic could become in the future. The supersonic capability of the B-1 complicates the defensive problem and increases the cost of enemy defenses, since defenses optimized to counter high altitude supersonic penetrators are ineffective against low altitude attacks. If the supersonic capability were removed, enemy resources required for defense against this capability could be applied in other areas.

The impact of the supersonic requirement on the design of the B-1 was not great. The basic requirements for fast takeoff and high speed low altitude penetration dictated the fundamental design of this aircraft. The engine was also optimized for these two basic mission capabilities. Removal of the supersonic features would change low altitude, high subsonic speed engine performance by an insignificant amount.

The Air Force estimates that the supersonic capability represents less than 15% of the cost of the B-1. On this basis, the Air Force believes that incorporating the supersonic capability into the B-1 design was a cost-effective decision.

Senator PROXMIRE. B-1 takeoff gross weight is established at 395,000 pounds and thus will have no potential for additional avionics or weapons carriage.

AIR FORCE COMMENT. In all weapon systems, adjustments in weapon load and/or avionics are made as tradeoffs against fuel or other variable weight elements. In the case of the B-1, the design gross weight for takeoff purposes is reached before the aircraft is fueled to its maximum capacity. All air refuelable aircraft are limited to something less than a full fuel load for ground handling operations when carrying a maximum load of weapons and avionics. Thus, the stated limitation is not unique to the B-1 but a normal design characteristic.

The 395,000 lbs is a weight limit for ground operation only. It does not eliminate the potential to carry additional avionics or fuel, since the B-1 can be refueled inflight to a gross weight substantially in excess of 400,000 pounds. In addition, the aircraft has the flexibility to convert one or more of its weapons bays to carry additional fuel or avionics with a reduced weapons load.

Senator PROXMIRE. The Air Force notified Congress in 1975 that the top speed of the B-1 was being dropped from 2.2 time the speed of sound (Mach 2.2) to Mach 1.6. This means that the Air Force is giving up exactly half of the B-1's supersonic capability. Unfortunately this change comes much too late in the program for the overall design requirements to be relaxed so as to significantly reduce program cost.

AIR FORCE COMMENT. The reduction in the supersonic speed of the B-1 was based on a cost-effectiveness analysis. As the design of an aircraft evolves, the cost of individual components can be precisely defined. In the B-1 aircraft, it was found that the engine inlet control system, which allows efficient flight at the higher supersonic speeds, could be simplified and production cost savings would result. After study of the utility of the increase to the B-1's capability provided by the additional supersonic speed, the simplification was found to be cost effective.

The inlet control system is installed on the test aircraft and higher supersonic speeds are being demonstrated in the test program. Should threat conditions change so that the higher supersonic speed capability is again required, the inlet control system can be installed in the production aircraft for about 1% of the program cost.

The Mach 1.6 capability cannot be ignored by the Soviet Union. They cannot abandon their efforts to build defenses against high altitude supersonic penetration in the face of this threat.

Senator PROXMIRE. "The 15% increase in take-off distance of the B-1 reported by the Air Force will reduce its *dispersability* and hence its pre-launch survivability."

AIR FORCE COMMENT. The pre-launch survivability of the B-1 is not impacted at all by the increase in take-off distance. The take-off distance of the B-1 is significantly less than that for the B-52. The B-1 can operate fully loaded from twice the number of available military and civilian airfields as the B-52. The number of primary airfields in the United States which are continuously available to the B-1 is about one hundred. Under emergency dispersal conditions the number of available airfields can be increased to approximately three times that number, allowing more than one airfield per B-1.

Senator PROXMIRE. "The B-1's takeoff distance of 7500 feet is not appreciably less than the B-52's 9580 feet."

AIR FORCE COMMENT. Takeoff distance for the B-52G is 10,500 feet which is 40% greater than the B-1's maximum gross weight takeoff distance of 7500 feet. This difference is indeed significant in that it permits the B-1 to operate from twice the number of U.S. bases as the B-52.

Senator PROXMIRE. "The decreasing range of the B-1 increases its need for refueling and thus its dependence on tanker support. Therefore, the B-1's survivability will depend even more upon the survivability of the tanker fleet."

AIR FORCE COMMENT. The capability of any strategic bomber is dependent to some extent on tanker survivability; some obviously more than others. Because of its greater overall efficiency and operational flexibility, the B-1 is the least dependent. Even without refueling, the B-1 can reach most of the critical targets in the Soviet Union. The slight decrease in the B-1's range does not significantly alter its survivability. And, in fact, as the Joint Strategic Bomber Study showed, the presence of the B-1 in the bomber force—because the B-1 can take off at substantially closer intervals and reaches escape range much more quickly—enhances the overall survivability of the force, including the tankers.

Senator PROXMIRE. Another B-1 capability that was slashed for cost reasons is much of its electronic countermeasures equipment (defensive avionics); . . . offensive avionics are borrowed from other aircraft and not good enough; . . . the B-1 aircraft will only use 60% of its potential avionics.

AIR FORCE COMMENT. The B-1 avionics approach places first priority on mission success. The new defensive system, which incorporates the most advanced ECM technology, complements the basic B-1 penetration characteristics of low altitude, low radar cross section and high speed—all designed to get the B-1 to the target. Offensive avionics include both proven, off-the-shelf components and new systems for accurate navigation and precise weapon delivery. Off-the-shelf systems were selected when their known performance reliability contributed to mission success. Provisions for growth were intentionally included recognizing that an airplane designed for thirty years' use would be modified with later technology systems as they become available and as the threat and need dictate.

This approach represents a careful blend of new technology where needed, proven systems when they did the job—designed to balance performance with cost to buy and to operate—yet still provide for the future.

Senator PROXMIRE. The Air Force has defined the B-1 program cost in such a way as to exclude several major cost elements which will be incurred if the B-1 is produced and flown. These additional life cycle costs are addressed below, and total to the sum of over $40 billion.

AIR FORCE COMMENT. The Air Force has defined the B-1 the way it traditionally has defined aircraft program elements. There are so-called "additional" life cycle costs, but these are nearer $8B than $40B. Cost of the SRAM for the B-1 has been shown distinct from those for the B-52 and life cycle costs have been furnished Congress upon request.

Senator PROXMIRE. Each B-1 will carry 24 SRAMs or ALCMs. At $500,000 each, the B-1 weapons' cost will be an additional $12 million per plane and $3 billion for a fleet of 243.

AIR FORCE COMMENT. The B-1 will be capable of carrying 24 SRAMs or a mixture of SRAMs and gravity weapons. The planned procurement level of SRAM missiles for the B-1 is less than $1.3 billion in escalated dollars, which is about $5 million per plane for the total force of 244 B-1s.

Senator PROXMIRE. The 10-year direct operating costs for the B-1 will be $26 million per plane and $6.3 billion for the program as a whole. The 10-year indirect operating costs for the B-1 will be $13 million per plane and $3.1 billion for the program as a whole.

AIR FORCE COMMENT. The direct and indirect costs quoted by Senator Proxmire are grossly overstated. For example, the $39 million-per-plane price tag for direct and indirect operating cost is double the estimated requirement. When measured in real terms, the cost of ownership of the B-1 force during its lifetime will be substantially less than for the B-52 force which is recognized for its outstanding cost-effectiveness.

Senator PROXMIRE. Deployment of the B-1 will require additional tanker support.

AIR FORCE COMMENT. Deployment of the B-1 does not require tanker resources above the levels currently employed in support of the existing strategic bomber force.

Although a simple comparison of numbers of bombers now to numbers following full deployment of the B-1 would superficially indicate the need for a corresponding increase in tanker, closer examination reveals this impression to be inaccurate. There are several real life, operational factors which must be considered in arriving at even a rough estimate of refueling requirements. One of the most important of these is the method of employing the bomber force against the enemy target system. Today's bomber tactics and resulting tanker demands are a direct function of the aircraft characteristics, capabilities and existing weapons. B-52's are required to attack the most heavily defended areas as well as the targets located deep within enemy territory. The extended low altitude penetration required to meet this demanding task results directly in increased tanker support requirements, and, many of today's bomber sorties would require two or more KC–135's to fly their planned missions.

Deployment of the B–1 will provide not only a vast improvement in bomber force survivability and penetration effectiveness—it will allow selective routing and targeting of the B–52 force—both enhancing B–52 effectiveness and reducing their tanker demands. Targets requiring extended high speed, low altitude penetration to degrade enemy defenses and penetrate deep within enemy territory can be targeted by the B–1 which possesses superior penetration effectiveness and low altitude range payload characteristics. B–52s could then be employed against lesser defended and shallower targets. The efficiency afforded by this type of employment is graphically demonstrated when the tanker demands of a B–52G and B–1 are compared for an identical sortie (total and low-altitude range) in which each aircraft is loaded with a typical weapons load and employs its designed penetration air speed and tactics. For such a mission requiring one KC–135 to support the B–1, two would be required for the B–52 (to deliver fewer weapons). More simply stated, the B–1 could deliver more than two and one-half times as many weapons per pound of fuel off-loaded during air refueling than would the B–52.

The KC–135 force is capable of supporting the 1980s bomber force, the B–1 does not require additional tankers and there is no Air Force program to procure additional tankers for the strategic offensive mission.

Senator Proxmire. New tankers will be required at a bomber/tanker ratio of between 1:1 and 2:1.

Air Force Comment. No new tankers are required for the B–1. Therefore, the marginal cost of tankers for the B–1 is nil. When all B–1s are in the force, their share of the KC–135 direct and indirect costs (O&S) will be $2B over a full ten years or $8.2 million per B–1. However, this is not additive to the cost of present strategic forces as this cost is now borne by the current force.

Senator Proxmire. States B–1 off-the-shelf avionics are not adequate. Insists that new avionics will be needed to be effective to the year 2010 and will amount to $4 million per airplane.

Air Force Comment. The suggested change-out of off-the-shelf offensive avionics is neither planned for thirty years from now, nor can it be ruled out. However, the current avionics suit and its capability are highly adequate against the projected threat. In fact, the B–1 with its cost-effective avionics approach is unequalled in accuracy by any long range strategic system.

As accurately as the Air Force can project into the future, the B–1 avionics design with growth provisions will accomplish the strategic mission. Analysis has repeatedly indicated that our approach is cost effective. Looking back over the past twenty years reveals that systems with growth potential, like the B–52, have the ability to adapt to changing threats or mission requirements, thereby extending their useful life. This is far less costly than continuously replacing a complete weapon system when a minor portion of it becomes obsolescent.

Mr. PROXMIRE. Mr. President, I shall be brief.

I congratulate the Senator from Arizona. It is characteristic of the Senator and his fine career in the Senate that he has taken the time to come to the Chamber to discuss a matter about which he is certainly a top expert. I am very happy that he decided to join me in this debate. Discussion certainly greatly improves the quality and balance of the debate.

I might say it is a little bit overwhelming, however, that we have not only the distinguished Senator from Arizona but also the Secretary of the Air Force replying, but I think that the arguments are strong on our side.

I shall say very briefly in rebuttal that I think the fundamental criticisms I made this morning stand up and stand up very well. The fact is that this weapons system has increased enormously in cost, as I stated, between $45 million and $40 million apiece to $84 million, perhaps $100 million, for each copy, and the program will cost at least $20 billion as the Air Force concedes.

It is true that most of this increase is caused by inflation, but not all of it by any means. The Senator from Arizona has conceded about 12 percent of this was a rise in real costs in spite of the fact that we are not getting the plane that we were expected to get in 1969. In every significant regard it is a deteriorated plane—takeoff weight, takeoff distance, penetration speed, advanced avionics, and so forth, right down the line. This is the plane which was expected to be of higher quality and greater performance capability than it is.

Tomorrow, I expect to discuss what is one of the points that I think is really at the heart of it, and that is the mission of the B–1 bomber. Do we really need a B–1 bomber, or are there other more effective ways for achieving that mission for which the B–1 bomber presumably was designed?

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes each.

COMMENTS ON THE VICE PRESIDENT'S OFF-THE-RECORD ALLEGATIONS

Mr. MANSFIELD. Mr. President, 4 years ago this coming October I was in Montana, in Missoula, my hometown, when I became cognizant of the fact that a series of allegations had been made during the Presidential political campaign affecting the integrity of three of my Democratic colleagues.

There was the phony "Canuck" letter attributed to Senator Muskie of Maine. There were charges made against Senators Humphrey and Jackson involving sexual matters which were totally false, totally unfounded.

On that occasion, addressing a gathering in Missoula, I stated that on my return to Washington it would be my intention to ask that an inquiry be undertaken by either the Judiciary Committee or a select committee into these charges against three of our most highly respected colleagues.

When I came back to Washington I brought these allegations to the attention of my colleagues at the first Democratic Conference and they unanimously agreed that an inquiry should be undertaken not only into the allegations against these three Senators, but also—and I forgot to mention this in my earlier remarks—an inquiry concerning the Watergate break-in. After the Democratic Conference took that action, the Senate followed suit.

On the basis of that senatorial initiative the so-called Watergate Committee, under Senator Ervin, came into being. I had no idea, at that time, that the allegations involving the break-in at the Watergate headquarters of the Democratic National Committee would expand into what eventually became a whole series of charges, many of them true and proven, some of them yet to be proven.

May I say further that last October, after reading in the press about allegations being made about Communists or agents of the KGB being employed on Senate committees and on Senate staffs, I directed a communication to Senator Church of Idaho, the chairman of the select committee looking into intelligence activities, which likewise was generated in the Senate, and asked him to investigate these allegations and to notify me if there were any truth in them.

He acknowledged my letter. He indicated that something on the order of 50 House Members had made the same request and in his acknowledgement, under date of October 30, 1975, he enclosed a letter from the Director of the FBI to Frank Church, chairman, Select Committee To Study Governmental Operations With Respect to Intelligence Activities. In part, the letter stated:

> The Seminar was advised that the FBI has no information indicating that Soviet KGB officers have infiltrated any congressional staffs.

Furthermore, Mr. Kelley states:

> If the FBI did obtain such information indicating infiltration of a congressional office or staff, such information would be promptly furnished to the appropriate Senator or Congressman.

I ask unanimous consent that this correspondence and a letter to Senator Church from Mr. Clarence M. Kelley, Director of the FBI, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

October 31, 1975.

Hon. Mike Mansfield,
Russell Office Building, Washington, D.C.

Dear Senator Mansfield: Since receiving your request, I have directed the staff to investigate the allegations that the KGB had infiltrated Congressional staffs. In the course of that investigation, the Staff Director, William G. Miller, received a briefing from the FBI about KGB activities on the Hill. The FBI said, during the briefing, that it has no evidence at this time of any infiltration or penetration of Congressional staff.

Today I received from the Director of the FBI the enclosed letter and "confidential" memorandum. These outline in greater detail the briefing received by the staff from the Senate Select Committee.

Recently I received a letter from fifty Congressmen asking my Committee to investigate the allegation of KGB infiltration. I think it would be a service to put this rumor to rest. Therefore, I am planning to release publicly Director Kelley's letter to me, after replying to the Congressmen.

The memorandum, as opposed to the letter, is classified "Confidential" and appropriate safety precautions should be taken to protect this classification. I am asking the Bureau to declassify the memorandum if possible. Should this effort to declassify be successful, I will inform you at that time.

Sincerely,

FRANK CHURCH,
Chairman.

OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., October 30, 1975.

Hon. FRANK CHURCH,
Chairman, U.S. Senate Select Committee on Intelligence Activities, Washington, D.C.

DEAR SENATOR CHURCH: This is in reference to a letter dated October 28, 1975, from Mr. John Eliff of your Committee staff to Assistant Bureau Director W. Raymond Wannall of the Intelligence Division concerning allegations that the Central Intelligence Agency was in possession of information indicating that there are Soviet agents on certain Senators' staffs. In his letter Mr. Elliff requested that the Bureau provide the Senate Select Committee with a brief written statement of the FBI's position regarding these allegations.

Attached and transmitted herewith is a letter from Director Kelley and a memorandum classified Confidential prepared by the Federal Bureau of Investigation in response to Mr. Eliff's request.

Sincerely,

MICHEL E. SHAHEEN, Jr.,
Special Counsel for Intelligence Coordination.

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., October 30, 1975.

Hon. FRANK CHURCH,
Chairman, Select Committee to Study Governmental Operations With Respect to Intelligence Activities, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Under date of October 28, 1975, Mr. John T. Elliff, Director, Domestic Intelligence Task Force, addressed a communication to Assistant Director W. Raymond Wannall of this Bureau, Mr. Elliff advised that your Committee has recently learned of allegations that the Central Intelligence Agency is in possession of information indicating that there are Soviet agents on seven Senators' staffs. Mr. Elliff requested that the Committee be given a brief written statement of the FBI's position regarding these allegations which may be made public by the Committee. Moreover, Mr. Elliff requested that the Committee be furnished the substance of a briefing which was afforded to Mr. William G. Miller, Staff Director of the Select Committee, and himself several weeks ago. The latter item was requested for the Select Committee's confidential consideration.

On October 9, 1975, accompanied by Assistant Director Wannall, I appeared before the Congressional Seminar on Intelligence and Internal Security sponsored by the American Conservative Union in Washington, D.C. During the question and answer period following my prepared remarks, several Seminar participants asked for clarification and comment regarding a reported statement by Senator Barry Goldwater that KGB intelligence officers had infiltrated seven Congressional or Senate staffs. The Seminar was advised that the FBI has no information indicating that Soviet KGB officers have infiltrated any Congressional staffs. Mr. Wannall stated that it was not a case of infiltration but "more of an effort on the part of hostile intelligence services to make contacts not only on Capitol Hill but elsewhere with individuals who are in positions of influence or in a position to furnish information which is of value to the hostile intelligence services." Mr. Wannall continued that if the FBI did obtain such information indicating infiltration of a Congressional office or staff, such information would be promptly furnished to the appropriate Senator or Congressman.

Pursuant to the request of Mr. Elliff, there is attached a memorandum summarizing the briefing that was afforded to members of your staff on August 7, 1975.

Sincerely yours,

CLARENCE M. KELLEY,
Director.

Mr. MANSFIELD. Mr. President, last week, a Senator, once again Mr. JACKSON was accused of having or at least was alleged to have a Communist on his staff, and I believe certain questions were raised about Miss Dorothy Fosdick. Anyone who knows Senator JACKSON and the care with which he conducts the affairs of his office must be aware that these allegations, to say the least, were highly dubious.

Dorothy Fosdick, whom I have known for 30 years, is in my opinion an outstanding staff member of the Senate, and I think her record is unblemished. As far as her association with Alger Hiss was concerned, I talked to Dorothy last weekend and she said she had no direct connection with Mr. Hiss, that she worked at that time under another member of the State Department and did so in relation to setting up the United Nations, I believe in San Francisco.

Everyone in this Chamber knows Dorothy Fosdick, knows of her integrity and dedication, and knows also that she was the first woman appointed to the policy planning staff in the State Department and has since that time been in Government service either downtown or here on the Hill, most of the time on Senator JACKSON's staff.

As far as a Communist on the Senator's staff is concerned, I do not know of one. If there is one I think he or she should be named by those who make allegations of this kind which are most serious.

I rise at this time in my capacity as majority leader and on my responsibility in behalf of the entire Senate, of my colleagues, Republican and/or Democratic, who may be subject to allegations or malicious innuendoes.

Senator JACKSON and Miss Fosdick are fully capable of taking care of themselves. But in this alleged background conference or off-the-record conference, according to the Atlanta Journal, the Vice President:

> Reportedly told the Republicans that one would have to be naive to believe that among 535 Members of Congress and their thousands of employees there weren't some working for interests other than the United States.

If there are any such persons, their names should be laid out and the facts should be made available to the Senate as a whole, Otherwise, speculation by one who, under the Constitution presides over the Senate, serves only to denigrate and to raise unwarranted doubts among the people on the entire membership.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes, indeed.

Mr. GOLDWATER. The Senator may recall that following the death of Chiang Kai-shek last year, at which time Vice President ROCKEFELLER and I traveled to China for the ceremonies, I reported back to the Select Committee on Intelligence, of which I am a member, that the Vice President had told me, in front of witnesses, that seven or nine—I forgot the number—offices on the Hill had been infiltrated.

I think it was the distinguished majority leader who demanded of Senator CHURCH that an investigation be held of this.

Mr. MANSFIELD. The Senator is correct.

Mr. GOLDWATER. The FBI thoroughly investigated the entire Hill and came up with the answer that there were no known Communists or Communist sympathizers in any office on the Hill.

I merely wanted to refresh the majority leader's mind on that.

Mr. MANSFIELD. I appreciate the remarks of the distinguished Senator from Arizona. As did the distinguished Senator from Wisconsin, I thank him for clearing the record and setting forth the facts as they are and as he knows them, especially as a member of that committee.

However, as I said, Senator JACKSON can speak for himself. Dr. Fosdick can speak for herself. I am sure that if there is any indication of impropriety, or of any member of that staff or any other staff in the Senate working for interests other than the United States, those names will be forthcoming.

I think it should be pointed out that Senator JACKSON and I served together in the House for 10 years and came to the Senate together, as the distinguished Senator from Arizona and I did, because we were all in the same class. The Senator from Washington is my friend, a man whose integrity and patriotism I have never doubted. While we have differed on matters and issues, that in no way has disturbed our personal relationship.

I point out that there are stringent precautions in the Senate to assure that the national security is protected. Senate employees who deal with security matters are required to obtain security clearance from the executive branch.

In any event, if there were any aberrations or any violations, the proper means would be to consult with the joint Senate leadership, so that we could look into these matters. It should not be done through allegations which may or may not be proved but which create impressions which are harmful to the Senate as a whole.

As I say, Senator JACKSON can take care of himself, and he can take care of his staff. But so far as allegations affecting Congress and the Senate are concerned, I think that covers a wider area; and the joint leadership has a responsibility to see to it that the integrity, the dedication and the patriotism of Senators and their staffs are reiterated time and time again. Furthermore, if there is deviousness, if there are any Communists, if there are any people working for interests other than those of the

United States, those names should be laid out on the table, for all to see.

There is a smudge in the sky at the present time, and I think that smudge should be cleared away and the integrity of Senators and the Senate and Congress should be reestablished

These allegations may or may not have been made; I do not know, because they were on the basis of an off-the-record conference. I hope that some way would be found to do away with off-the-record conferences, because it appears to me that out of the many times comes only trouble. I believe that the sunshine law, as advocated by Senator CHILES and Senator STONE and others, should be extended to areas outside the Senate as well. We should get away from the subterfuge of a background conference, an off-the-record conference, and lay it all out, for all to see.

I hope that if there is any validity to the allegations—and I repeat the word "allegations"—they will be cleared up immediately. If they are not, I hope that appropriate steps in response will be forthcoming, so that the integrity and reputations of the people involved will not be tarnished and this matter will be laid to rest.

Mr. ROBERT C. BYRD. Mr. President, I associate myself with the very appropriate remarks that have just been made by the distinguished majority leader.

I think that the reported statement by Mr. ROCKEFELLER, if true as reported, was reckless at best. It is highly unbecoming of the No. 2 public official in this country to make such a careless statement, if he, indeed, made such. If he did not make such a charge, then he should say so. If he has any evidence to produce with respect to Communists on the staffs of Members of the Senate or the House, he should produce it. Such a cloud over the Senate should not be permitted to linger.

As the majority leader said, let it be laid out on the table, and then appropriate actions can be taken. If there are any Communists employed, get rid of them. If the Vice President does not have such evidence, then he should apologize, and his apology should extend beyond Senator JACKSON and go also to the members of Senator JACKSON's staff, and to the Senate.

These kinds of charges, whether unfounded or founded, ought not be the subject of off-the-record conversations with reporters. They ought to be made in the open if they can be substantiated. If the Vice President does not apologize and does not issue any evidence, then the President of the United States should disassociate himself from this statement by the Vice President.

I hope that Mr. ROCKEFELLER will make an apology. If he can produce evidence—which I would strongly doubt—that is quite another thing, but I do not believe that he can. If there were only one Senator in this body who has consistently taken positions exactly counter to what one might expect would be taken by an individual sympathetic toward the Communists or under any influence by any Communist member of any staff, it would be Senator JACKSON. He has spoken out in opposition to détente as it is being implemented presently. He has taken tough stands with respect to the Soviets. He has taken tough stands with respect to the SALT talks. I think there is every indication to the contrary of what has been implied in the reported statements emanating from Mr. ROCKEFELLER.

So I think Mr. ROCKEFELLER owes it not only to Senator JACKSON, not only to Senator JACKSON's staff, but also to the Senate of the United States, over which the Vice President presides, and also to the American people. I hope that the apology will be forthcoming.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 12 o'clock noon tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow after the two leaders have been recognized under the standing order, and after any orders for the recognition of Senators are completed, if such orders are entered, there be a period for the transaction of routine morning business for not to extend beyond 1 p.m., with statements limited therein to 5 minutes each.

The PRESIDING OFFICER (Mr. HATHAWAY). Without objection, it is so ordered.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FANNIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

ENROLLED BILL SIGNED

Under authority of the order of April 14, 1976, a message from the House of Representatives was received stating that the Speaker had signed the enrolled bill (H.R. 8235) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. METCALF).

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order entered on April 14, 1976, the following reports of committees were submitted on April 23, 1976:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with amendments:

S. 2679. A bill to establish a Commission on Security and Cooperation in Europe (Rept. No. 94–756).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

H.R. 12226 An act to amend further the Peace Corps Act (Rept. No. 94–757).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. Res. 406. A resolution expressing the importance of sound relations with the Soviet Union (Rept. No. 94–758).

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with an amendment:

S 1526. A bill to make additional funds available for purposes of certain public lands in northern Minnesota, and for other purposes (Rept. No. 94–759);

S. 2004. A bill to eliminate a restriction on use of certain lands patented to the city of Hobart, Kiowa County, Okla. (Rept. No. 94–760); and

S. 2555. A bill to establish a National Rangelands Rehabilitation and Protection Program (Rept. No. 94–761).

By Mr. PASTORE, from the Joint Committee on Atomic Energy, with amendments:

S. 3105. A bill to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomice Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes (Rept. No. 94–762). Referred to the Committee on Interior and Insular Affairs, pursuant to previous order.

FINAL REPORT OF THE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES—REPORT SUBMITTED DURING ADJOURNMENT (REPT. NO. 94–755)

Under authority of April 14, 1976, the Select Committee To Study Governmental Operations With Respect to Intelligence Activities, on April 23, 1976, submitted its final report, which was ordered to be printed.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. METCALF) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILLS AND JOINT RESOLUTIONS

A message from the President of the United States announced that he had approved and signed the following bills and joint resolutions:

On April 16, 1976:

S. 719, An act granting a renewal of patent numbered 92,187 relating to the badge of the Sons of the American Legion.

S. 720, An act granting a renewal of patent numbered 54,296 relating to the badge of the American Legion.

S. 721, An act granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary.

S. 804, An act for the relief of Zoraida E. Lastimosa.

S. 832, An act for the relief of Kristen Marisol Kneebone.

S. 2308, An act to provide for the modification of the boundaries of the Bristol Cliffs Wilderness Area.

S. 3108, An act to amend Public Law 94-187 to increase the authorization for appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

On April 19, 1976:

S.J. Res. 101, Joint resolution to authorize the President to issue a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

On April 21, 1976:

S.J. Res. 35, Joint resolution to provide for the designation of the week beginning March 13, 1977, as the "National Employ the Older Worker Week."

S. 2444, An act to provide for the orderly transition to the new October 1 to September 30 fiscal year.

S. 2445, An act to provide permanent changes in laws necessary because of the October-September fiscal year.

S. 3056, An act to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala.

On April 22, 1976:

S. 1941, An act to amend the Act of August 24, 1966, as amended, to increase the protection afforded animals in transit and to assure humane treatment of certain animals, and for other purposes.

REPORT ON REVISIONS TO DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following message from the President of the United States, which was referred jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Labor and Public Welfare, and Finance:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report revisions to two deferrals previously transmitted.

A deferral for the Department of Health, Education, and Welfare's overseas program of scientific activities has been increased by $10.7 million. In compliance with a court order, another revenue sharing payment—this one for $18.7 million—to the city of Chicago has been deferred by the Department of the Treasury.

The details of each revised deferral are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *April 26, 1976.*

REPORT ON THE TRADE AGREEMENTS PROGRAM—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Finance:

To the Congress of the United States:

In accordance with the provisions of section 163(a) of the Trade Act of 1974, I am pleased to submit herewith a report on the trade agreements program and on import relief and adjustment assistance for workers, firms, and communities under the Act in calendar year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *April 26, 1976.*

REPORT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

I am transmitting today to the Congress the Eleventh Annual Report of the Department of Housing and Urban Development, describing its activities for the calendar year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *April 26, 1976.*

REPORT OF THE 1974 UPLAND COTTON PROGRAM—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Agriculture and Forestry:

To the Congress of the United States:

In accordance with the provisions of Section 609, Public Law 91-524, 91st Congress, as extended by the Agriculture and Consumer Protection Act of 1973, I transmit herewith for the information of the Congress the report of the 1974 upland cotton program.

GERALD R. FORD.

THE WHITE HOUSE, *April 26, 1976.*

REPORT ON GOVERNMENT SERVICES TO RURAL AMERICA—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Agriculture and Forestry:

To the Congress of the United States:

I am transmitting herewith the sixth annual report on Government services to rural America, as required by the Agricultural Act of 1970.

GERALD R. FORD.

THE WHITE HOUSE, *April 26, 1976.*

ADJUSTMENT ASSISTANCE TO THE U.S. FOOTWEAR INDUSTRY—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following message received on April 19, 1976, from the President of the United States, which was referred to the Committee on Finance:

To the Congress of the United States:

As required by Section 203(b)(2) of the Trade Act of 1974, I am transmitting this report to the Congress setting forth my determination to provide adjustment assistance to the U.S. footwear industry producing footwear covered by the affirmative finding of February 20, 1976, of the United States International Trade Commission (USITC) under section 201 (d)(1) of the Trade Act. As my decision does not provide import relief to that industry, I am setting forth both the reasons why I have determined that import relief is not in the national economic interest and other actions I am taking to help the footwear industry and workers.

I have decided, considering the interests of both the American consumers and producers, that expedited adjustment assistance is the most effective remedy for the injury to the U.S. footwear industry and its employees as a result of imports.

My decision was based upon my evaluation of the national economic interest. A remedy involving import restraints would have lessened competition in the shoe industry and resulted in higher shoe prices for American consumers at a time when lowering the rate of inflation is essential. Footwear makes up 1½ percent of the Consumer Price Index.

Import restraints would also have exposed industrial and agricultural trade to compensatory import concessions or retaliation against U.S. exports. This would have been detrimental to American jobs and damaged U.S. exports.

Adjustment assistance will benefit the many smaller enterprises which have been seriously injured, whereas the USITC report casts grave doubt on import relief as an effective remedy for these firms; import relief would disproportionately benefit the 21 larger firms which produce 50% of domestic output, but which have been found to be competitive with imports.

Adjustment assistance is consistent with the President's efforts to control inflation, including costs to all consumers, which import restrictions would raise.

The U.S. footwear industry is benefitting from a substantial increase in production, shipments, and employment as a result of the economic recovery. Additionally, a number of plants have reopened, order backlogs of domestic manufacturers have increased, and profitability has improved.

As the U.S. economy recovers from the recession, domestic production of nonrubber footwear is rising significantly. In February, 1976 (the latest month for which data are available) the output was 41,137,000 pairs. This is up from 40,985,000 in January, and is the highest monthly production figure since May, 1974. The monthly average for 1976 to date is 41,106,100; for the year 1974, 37,750,000; for 1975, 36,143,000.

U.S. employment in the industry, which has also been steadily declining over recent years, also shows signs of picking up. The total average monthly employment for the industry in 1975 was 163,000 workers, compared to 178,000 for the year 1974. For the first two months of 1976 the monthly average is 172,000 the highest since July, 1974.

Meanwhile, imports of the nonrubber footwear covered by the USITC recommendation (all except zoris and paper slippers) have been leveling off. In February, 1976, there were 29,238,000 pairs, down from 32,200,000 in January.

In considering the effect of import restraints on the International economic interests of the United States, as required by the Trade Act of 1974, I have concluded that such restraints would be contrary to the U.S. policy of promoting the development of an open, nondiscriminatory and fair world economic system. The goal of this policy is to expand domestic employment and living standards through increased economic efficiency.

I have directed the Secretaries of Commerce and Labor to give expeditious consideration to any petitions for adjustment assistance filed by footwear firms producing articles covered by the USITC report, and their workers. I have also instructed the Secretaries to file supplementary budget requests for adjustment assistance funds, if necessary, to carry out my program.

I have also directed the Special Representative for Trade Negotiations to monitor U.S. footwear trade, watching both the levels and quantities of imports as well as of domestic production and employment. If significant changes occur, they will be reported to me with appropriate recommendations.

GERALD R. FORD.

THE WHITE HOUSE, *April 16, 1976.*

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 13069. An act to extend and increase the authorization for making loans to the unemployment fund of the Virgin Islands;

H.R. 13172. An act making supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The message also announced that the House has agreed to the concurrent resolution (H. Con. Res. 618) requesting the return of H.R. 8235 and directing its reenrollment, in which it requests the concurrence of the Senate.

At 2:12 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has appointed Mr. STEPHENS as a manager on the part of the House in the conference on the disagreeing votes of the two Houses on the bill (H.R. 8650) to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy-conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards, to fill the existing vacancy thereon.

The message also announced that the Speaker appointed as members on the part of the House of the delegation to attend the conference of the Interparliamentary Union in Acapulco and Mexico City Mr. HAMILTON, Mr. SATTERFIELD, Mr. JARMAN, Mr. DERWINSKI, Mr. CLANCY, and Mr. MCCLORY.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following letters, which were referred as indicated:

Proposed Supplemental Request for the Department of Agriculture—(S. Doc. No. 94-175)

A communication from the President of United States transmitting an amendment to a proposed supplemental request for the fiscal year 1976 in the amount of $750,000 for the Department of Agriculture (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

Proposed Supplemental Appropriation for the International Fund for Agricultural Development (S. Doc. No. 94-173)

A communication from the President of the United States transmitting a proposed supplemental appropriation for the fiscal year 1976 in the amount of $200 million for the International Fund for Agricultural Development (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Proposed Supplemental Appropriations for the Department of Agriculture—(S. Doc. No. 94-174)

A communication from the President of the United States transmitting a proposed supplemental appropriation for the fiscal year 1976 in the amount of $5,985,000 for the Department of Agriculture (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Report of the National Aeronautics and Space Administration

A letter from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report with respect to contracts negotiated by NASA for the period July 1, 1975 through December 31, 1975 (with an accompanying report); to the Committee on Aeronautical and Space Sciences.

Proposed Upstream Watershed Protection Work Plans

A letter from the Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, on proposed work plans for upstream watershed protection; to the Committee on Agriculture and Forestry.

Payments Under Contracts by Currencies of Foreign Countries

A letter from the Assistant Secretary of Defense, reporting, pursuant to law, that no use was made of funds appropriated in the Defense Appropriation Act and the Military Construction Appropriation Act, 1976, during the period July 1–December 31, 1976, to make payments under contracts for any program, project, or activity in a foreign country except where, after consultation with a designee of the Secretary of the Treasury, it was determined that the use, by purchase from the Treasury, of currencies of such country acquired pursuant to law was not feasible for the reason that the Treasury Department was not holding excess foreign currencies in the country involved; to the Committee on Appropriations.

Certification as to Adequacy of Soil Survey and Land Classification

A letter from the Deputy Assistant Secretary of the Interior, reporting, pursuant to law, on certification as to adequacy of soil survey and land classification as required by the 1954 Appropriation Act—Lands Serviceable by the Second Bacon Siphon and Tunnel for completion of the Columbia Basin Project, Washington (with accompanying papers); to the Committee on Appropriations.

Rural Electrification Administration Loans

A letter from the Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of an REA insured loan in the amount of $13,500,000 to Buckeye Power, Inc., of Columbus, Ohio; to the Committee on Appropriations.

A letter from the Acting Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of an REA insured loan to Southern Maryland Electric Cooperative, of Hughesville, Md., in the amount of $5,221,000 (with accompanying papers); to the Committee on Appropriations.

A letter from the Acting Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of an REA insured loan to Clay Electric Cooperative, of Keystone Heights, Fla., in the amount of $7,160,000 (with accompanying papers); to the Committee on Appropriations.

Report on the Defense Industrial Reserve

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, the second annual report on the Defense Industrial Reserve (with an accompanying report); to the Committee on Armed Services.

Report on Military Pay Raise

A letter from the Acting Assistant Secretary of Defense (Manpower and Reserve Affairs), reporting, pursuant to law, on the adequacy of pays and allowances of the uniformed services (with accompanying papers); to the Committee on Armed Services.

Proposed Federal Single Family Mortgage Foreclosure Act

A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to provide improved and expedited procedures for foreclosure of single family mortgages owned or held by the United States pursuant to the National Housing Act and other Federal laws (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Proposed Federal Multifamily Mortgage Foreclosure Act

A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to provide improved and expedited procedures for foreclosure of multifamily mortgages owned or held by the United States pursuant to the National Housing Act and other Federal laws (with accompanying papers); to the Committee on Housing and Urban Development.

Comments on Allocation of Business Unit General and Administrative Expenses to Final Cost Objectives

A letter from the Chairman, Cost Accounting Standards Board, transmitting, pursuant to law, comments on allocation of business unit general and administrative expenses to final cost objectives (with an accompanying document); to the Committee on Banking, Housing and Urban Affairs.

Report of the Effect of the Absence of Fixed Rates of Commissions

A letter from the Commissioner, Securities and Exchange Commission, transmitting, pursuant to law, a report on the effect of the absence of fixed rates of commissions (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

National Railroad Passenger Corporation Additional Appropriations

A letter from the President, National Railroad Passenger Corporation, transmitting, pursuant to law, a request for additional capital grant appropriations necessary to provide for the fiscal year 1976 transition period and fiscal year 1977 financial requirements of the agreements reached between Amtrak and ConRail for Amtrak purchase of the Northeast corridor and certain "off-corridor" rail properties (with accompanying papers); to the Committee on Commerce.

Proposed Legislation To Amend the Motor Vehicle Information and Cost Savings Act

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Motor Vehicle Information and Cost Savings Act of 1972 to authorize appropriations for fiscal year 1978 (with accompanying papers); to the Committee on Commerce.

Reported Actions by the Council of the District of Columbia

Three letters from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, certain actions taken by the Council (with accompanying papers); to the Committee on the District of Columbia.

Proposed Aid to Families With Dependent Children Amendments of 1976

A letter from the Under Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to improve and simplify the program of aid to families with dependent children (with accompanying papers); to the Committee on Finance.

Report on the Operation and Effect of the Domestic International Sales Corporation Legislation

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on the operation and effect of the domestic international sales corporation legislation (with an accompanying report); to the Committee on Finance.

Proposed International Security Assistance Act, Fiscal Year 1977

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

Proposed Amendment of the Articles of Agreement of the International Monetary Fund

A letter from the Chairman, National Advisory Council on International Monetary and Financial Policies, Department of the Treasury, transmitting, pursuant to law, a special report on the proposed amendment of the Articles of Agreement of the International Monetary Fund and on the proposed increase in quotas in the International Monetary Fund (with an accompanying report); to the Committee on Foreign Relations.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on contractors' use of altered work schedules for their employees, Department of Labor (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on opportunities for improving internal auditing, Department of Transportation (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report discussing how the Department of Defense has managed its drug and alcohol control programs (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on maintaining a military presence in an industrial environment—issues and costs, Naval Weapons Support Center, Crane, Ind., Department of Defense (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report describing actions that the Department of Health, Education, and Welfare could take to develop a system for evaluating the well-being of children and the impact of relevant federally supported programs, Social and Rehabilitation Service, Department of Health, Education, and Welfare (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report on the need to control Federal warning system proliferation (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report discussing the less than satisfactory results achieved when Law Enforcement Assistance Administration (LEAA) funds were applied to the renovation or construction of local jails, Law Enforcement Assistance Administration, Department of Justice (with an accompanying report); to the Committee on Government Operations.

Report of the Office of Management and Budget

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report on Presidential Advisory Committee Recommendations (with an accompanying report); to the Committee on Labor and Public Welfare.

Reports of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a list of reports of the GAO for the month of March 1976 (with accompanying papers); to the Committee on Government Operations.

Proposed Act of the Council of the District of Columbia

A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a draft of an act adopted by the Council (with accompanying papers); to the Committee on the District of Columbia.

Published Regulation of the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a published regulation of the Department relating to discretionary grant programs (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Legislation of the Secretary of Commerce

A letter from the Secretary of Commerce transmitting a draft of proposed legislation to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended (with accompanying papers); to the Committee on Commerce.

Construction Projects of the Army Reserve

A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, notification of 11 construction projects to be undertaken by the Army Reserve (with accompanying papers); to the Committee on Armed Services.

Report of the Defense Civil Preparedness Agency

A letter from the Director of the Defense Civil Preparedness Agency reporting, pursuant to law, on property acquisitions of emergency supplies and equipment; to the Committee on Armed Services.

Report of the Foreign Claims Settlement Commission

A letter from the Chairman of the Foreign Claims Settlement Commission transmitting, pursuant to law, a report on the Freedom of Information Activities of the Commission during the calendar year 1975 (with an accompanying report); to the Committee on the Judiciary.

Report of the Export-Import Bank

A letter from the Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on the activities of the Bank during February 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation by the Department of State

A letter from the Assistant Secretary of State transmitting a draft of proposed legislation to authorize Special Agents of the Department of State to make arrests during the investigation of passport and visa law violations and to carry firearms (with accompanying papers); to the Committee on Foreign Relations.

Report of the Pennsylvania Avenue Development Corporation

A letter from the Chairman of the Pennslyvania Avenue Development Corporation transmitting, pursuant to law, the annual report of the Corporation dated January 29, 1976 (with an accompanying report); to the Committee on Interior and Insular Affairs.

Reports of the Comptroller General

Eleven letters from the Comptroller General of the United States each transmitting a report entitled as follows: (1) Rotation Policies and Practices Have Been Changed for the Better—But Room for Improvement Remains;" (2) "Formidable Administrative Problems Challenge Achieving National Flood Insurance Program Objectives;" (3) "Uses of Minicomputers in the Federal Government: Trends, Benefits, and Problems;" (4) "Revenue Sharing Fund Impact on Midwestern Townships and New England Counties;" (5) "Summary of Open GAO Recommendations for Legislative Action;" (6) "Status and Issues Relating to the Space Transportation System;" (7) "The Congress Should Consider Repealing the 4¼ Percent Interest Rate Limitation on Long-Term Public Debt;" (8) "Acquisition of Public Buildings by Leasing and Purchase Contracting;" (9) "Federal Efforts To Extend Winter Navigation on the Great Lakes and the St. Lawrence Seaway—Status and Problems To Be Resolved;" (10) "Review of the 1974 Project Independence Evaluation System" (with accompanying reports); to the Committee on Government Operations; and a report entitled "Need for Improvement in Small Business Administration's Financial Management" (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation by the Administrative Office of the U.S. Courts

A letter from the Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation to authorize the Judiciary Conference to fix fees and costs in the U.S. District Court for the District of Columbia (with accompanying papers); to the Committee on the Judiciary.

Report of the Environmental Protection Agency

A letter from the Freedom of Information Officer of the Environmental Protection Agency transmitting, pursuant to law, a report on the operation of freedom of information activities during the calendar year 1975 (with an accompanying report); to the Committee on the Judiciary.

Report of the Attorney General

A letter from the Attorney General transmitting, pursuant to law, a report of the Department of Justice relating to its intention to establish a new system of records (with an accompanying report); jointly, by unanimous consent, to the Committee on Government Operations and the Committee on the Judiciary.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a communication from the Attorney General, relative to a Justice Department report on establishing a new system of records, be referred jointly to the Committee on Government Operations and the Committee on the Judiciary.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Government Operations, with an amendment, and an amendment to the title:

S. 2477. A bill to provide more effective disclosure to Congress and the public of certain lobbying activities to influence issues before the Congress, and for other purposes (together with additional views) (Rept. No. 94–763).

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, with an amendment:

S. 1737. A bill to amend the Public Health Service Act to encourage the establishment of uniform standards for licensing and regulation of clinical laboratories, and for other purposes (Rept. No. 94–764).

SCIENCE AND TECHNOLOGY POLICY (H.R. 10230) CONFERENCE REPORT (REPT. NO. 94–765)

Mr. KENNEDY submitted a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10230) to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes, which was ordered to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 13069. An act to extend and increase the authorization for making loans to the unemployment fund of the Virgin Islands; to the Committee on Finance.

H.R. 13172. An act making supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; to the Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BURDICK:

S. 3323. A bill to amend title 5 of the United States Code to provide for the collection of State taxes by the withholding, by Federal agencies, of State taxes from the pay of Federal employees if a State provides that any employee may voluntarily elect the withholding. Referred to the Committee on Finance.

By Mr. SPARKMAN:

S. 3324. A bill for the relief of Gonzalo A. Aguilar. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 3325. A bill for the relief of Adolf Richard Pichler. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 3326. A bill to authorize the construction of a water diversion structure on the Potomac River, Md., subject to execution of an agreement providing for equitable allocation of available water during low flow periods of the Potomac River. Referred to the Committee on Public Works.

By Mr. METCALF (for Mr. JACKSON, and Mr. FANNIN) (by request):

S. 3327. A bill to authorize loan funds for the Government of the Virgin Islands and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. STONE:

S. 3328. A bill to amend the Internal Revenue Code of 1954 to exempt certain State and local government retirement systems from taxation, and for other purposes. Referred to the Committee on Finance.

By Mr. BAYH (for Mr. HARTKE), (for himself, Mr. PHILIP A. HART, Mr. PERCY, Mr. MONDALE, Mr. JACKSON, Mr. HUMPHREY, and Mr. STEVENSON):

S. 3329. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BURDICK:

S. 3323. A bill to amend title 5 of the United States Code to provide for the collection of State taxes by the withholding, by Federal agencies, of State taxes from the pay of Federal employees if a State provides that any employee may voluntarily elect the withholding. Referred to the Committee on Finance.

Mr. BURDICK. Mr. President, I feel very strongly that we should make every effort to give Federal employees the benefit of Federal laws which most other working Americans enjoy. As many of my colleagues know, this has been a goal for which I have worked since coming to the Senate in 1960. This has been a goal of mine during my years of service on the Senate Post Office and Civil Service Committee.

Today, Mr. President, it is my pleasure to introduce legislation which will, if enacted, go one step further in equalizing the tax treatment of Federal civil servants. Many Federal employees in several States have discovered at tax time that State income taxes have not and cannot be withheld from their paychecks. As a result, these individuals are confronted with lump sum State tax obligations on April 15 of each year.

I am introducing this legislation not because civil servants are unable to budget so as to meet their obligations; this, for the most part, is not so. Rather, the primary motivation for this legislation is the need for the Congress to clarify its intent regarding title 5 of the United States Code, section 5517. The Federal Government should provide all Federal civil servants the privilege of voluntary withholding of State income taxes, a privilege enjoyed by most other working Americans.

Mr. President, many States have laws on the books mandating the withholding of State income taxes. The Department of the Treasury has had no problem in instituting procedures for withholding of State income taxes in these States. However, in those States where withholding of State income taxes is voluntary, the U.S. Civil Service Commission has interpreted section 5517 of title 5 of the United States Code to prohibit withholding of State income taxes from Federal employee paychecks.

My staff and I, along with several other individuals, have been working on this matter over a period of years. Most helpful has been the staff of the Joint Committee on Internal Revenue Taxation, especially Mr. Laurence Woodworth, chief counsel, and Mr. Mike Bird, staff attorney with the joint committee. Messrs. Woodworth and Bird report that the Treasury Department has no objection to amending the law to require withholding of State income taxes in those States where withholding is voluntary. Furthermore, the Civil Service Commission has suggested legislative clarification of this matter. In addition, I have had letters from several Federal employees asking for such a change. In my mind, this is a wholly reasonable and equitable proposal. I ask, Mr. President, that every consideration be given so as to expedite this matter.

Mr. President, I ask unanimous consent that correspondence giving background on this legislation be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MARCH 17, 1967.

Mr. A. R. HAUSAUER,
Income Tax Deputy, North Dakota Tax Department, Bismarck, N. Dak.

DEAR MR. HAUSAUER: This refers to your letter dated March 10, advising that the 1967 legislature has passed a non-resident withholding law, and that you would like to enter into an agreement with the Secretary of the Treasury for the withholding of State income tax from the compensation of Federal employees under such law. You also mentioned that the general withholding law passed in 1965 was defeated in a general election.

The Secretary of the Treasury pursuant to the Act of July 17, 1952 (66 Stat. 765; 5 U.S.C. 84b) and Executive Order 10407, is authorized to enter into an agreement with a State for the withholding of State income tax from Federal employees where (1) the law of such State provides for collection of a tax by imposing upon employers generally the duty of withholding sums from compensation of employees, and (2) the duty to withhold is imposed generally with respect to the compensation of employees who are residents of such State. Accordingly, there is no basis for entering into an agreement with the State of North Dakota for the withholding of State income tax from the compensation of only non-resident Federal employees.

Please be assured that if a general withholding law is enacted in North Dakota, your request for a withholding agreement will receive prompt attention.

Very truly yours,

——— ———,
Commissioner of Accounts.

North Dakota American
Postal Workers Union,
September 23, 1974.

Senator Quentin N. Burdick,
Senate Office Building,
Washington, D.C.

Dear Senator Burdick: The federal government says that the North Dakota income tax law is discriminatory. As a federal employee, I would like to have state income taxes withheld from my check and in checking with the state tax department, I was given the following explanation. Anyone from out of state working in North Dakota must have his taxes withheld by the employer. Residents have the option of having the tax withheld provided the employer agrees. On this basis, the federal government has ruled that government employees cannot have the option because the tax law is discriminating.

At our last state convention of the postal clerks, a resolution was passed to see if we could get this changed. I have made 3 trips to the tax department in Bismarck. They have no objection to withholding, however I don't think the climate is right to try to get a law passed although I have made arrangements to have such a bill introduced at the next session.

I would like from you if at all possible, a copy of the federal law which states that our state law is discriminatory or at least some more information on it. It is not fair that the federal employee cannot have the option at least of having their tax withheld. That to me is discriminatory.

Respectfully Yours,

Mike Carroll,
President, American Postal Workers Union.

American Postal Workers
Union, AFL–CIO,
Minot, N. Dak., January 25, 1975.

Hon. Quentin Burdick,
Senate Office Building,
Washington, D.C.

Dear Senator Burdick: I have written you previously concerning the withholding of North Dakota State income taxes for federal employees. In your letter of October 17, 1974, you included a letter from the Internal Revenue Service which stated if North Dakota would pass a general withholding law, then federal employees could have state taxes withheld as non-federal employees do.

During the past 2 weeks, I have contacted members from this legislative district, spoken to the state tax department and tried to get the present law amended to provide for general withholding. All told me that it would be next to impossible to pass a law providing for mandatory withholding. The tax department suggested I contact you in an attempt to have the federal law amended.

I am enclosing a copy of the federal statue that explains the procedure whereby the federal government will enter in to an agreement with any state that complies with the federal statute.

We would like to have the federal statute amended to provide for the withholding of state taxes without the present requirements. We feel that it is unfair and discriminatory for the federal employee not to be able to have state taxes withheld as other employees do. I would deeply appreciate any thing that you could do to help us.

Respectfully Yours,

Mike Carroll,
President, North Dakota American Postal Workers Union.

Minot, N.D.,
February 18, 1975.

Hon. Quentin N. Burdick,
U.S. Senator, Senate Office Building,
Washington, D.C.

Gentlemen: Since this is the income tax season, I have been talking with a number of postal and other federal employees who, like myself, are interested in trying to get approval from somewhere to have a voluntary system whereby North Dakota state income tax may be withheld from U.S. Postal Service and other Federal payroll checks.

We would appreciate your investigation into this matter to see how it might be accomplished.

Sincerely,

James A. White.

U.S. Civil Service,
Bureau of Policies and Standards,
Washington, D.C., January 21, 1976.

Mr. W. Wasserstein,
Director, Government Accounting Systems Staff, Bureau of Government Financial Operations, Department of the Treasury, Washington, D.C.

Dear Mr. Wasserstein: We have reviewed your proposal that the Civil Service Commission consider amending its voluntary allotment regulations to extend coverage to the two States with which you are unable to enter into agreement for tax withholding under the law administered by your Department.

We have concluded that it would not be appropriate for us to recommend to the Commissioners a change in the regulations of the nature you suggest.

The current laws in these two states extend the tax to non-residents only (New Jersey) or provide for mandatory withholding only for non-residents (North Dakota). While the Commission has provided in its regulations for withholding of State taxes for residents who work outside the State, it would seem to us to be inconsistent with the intent of the law to provide for withholding taxes from non-residents when residents, for whom the mandatory withholding provision of the law was specifically intended, have no taxes withheld.

We have, furthermore, received no indication that there is any significant support among employees for an extension of the voluntary withholding regulations to the circumstances you describe and I think we could very probably find that, if the regulations were amended to permit this withholding, the provision would be little used.

The Congress having acted on the matter of tax-withholding, we believe an extension of the sort discussed here should properly be a matter for its consideration. Accordingly, it is our opinion that should you desire to pursue this matter further you may wish to seek an amendment to the law.

Sincerely yours,

Arch S. Ramsay,
Director.

Congress of the United States,
Washington, D.C., January 23, 1976.

Hon. Quentin N. Burdick,
U.S. Senate,
Washington, D.C.

Dear Senator Burdick: This is to inform you of our action in regard to your request concerning the feasibility of the Federal Government withholding State income taxes in those States where withholding is optional.

We have discussed this with the Treasury Department which has, in turn, been working with the Civil Service Commission to see if it would be possible to work out a voluntary withholding arrangement under existing law. Treasury would prefer to do it that way if possible because of its concern over the precedent for subsequent Federal Government withholding where it is voluntary at the local level if the law were so modified. The Civil Service Commission is still working on this. I will check further on it and let you know when we get some results.

If such an accommodation is not possible, the Treasury has no basic objection to changing the law to Federal withholding of State income taxes in cases where withholding is voluntary if it is limited to the States. I think such an amendment would be appropriate but agree with Treasury that it would be desirable to hold off action on this until we can try and reach a similar result without legislation.

Sincerely yours,

Laurence N. Woodworth.

Congress of the United States,
Washington, D.C., March 6, 1976.

Hon. Quentin N. Burdick,
U.S. Senate,
Washington, D.C.

Dear Senator Burdick: Treasury Department has responded to our inquiry and transmitted a report by the Civil Service Commission which says the Commission does not believe that under existing law it could implement Federal withholding of State income taxes in those States where withholding is voluntary. A copy of the letter from Mr. Arch S. Ramsay, Director, Bureau of Policies and Standards, Civil Service Commission, is enclosed.

David Mosso, Fiscal Assistant Secretary of the Treasury Department has said that the Treasury Department has no objection to amending the law to require Federal withholding of State income taxes in those States where withholding is voluntary.

If you would like me to prepare legislation to achieve this result, I would be glad to do so.

Sincerely yours,

Laurence N. Woodworth.

By Mr. BEALL:

S. 3326. A bill to authorize the construction of a water diversion structure on the Potomac River, Md., subject to execution of an agreement providing for equitable allocation of available water during low flood periods of the Potomac River. Referred to the Committee on Public Works.

Mr. BEALL. Mr. President, I am sending to the desk a bill which would, if enacted, provide the Washington Suburban Sanitary Commission, which serves a significant portion of the Washington metropolitan area, an adequate pool of water for water supply intake. It is important to note, Mr. President, that this action will require absolutely no Federal funding.

The bill would authorize the construction of a Potomac River weir in the Watkins Island area; provided that an agreement is executed to insure the equitable allocation of available water during low flow periods of the Potomac River.

Mr. President, because of the obvious importance of providing the Washington area with an adequate and equitably allocated water supply, I urge the Water Resources Subcommittee of the Public Works Committee to hold hearings on this bill at the earliest possible date and that the full committee act favorably upon it.

By Mr. METCALF (for Mr. Jackson and Mr. Fannin) (by request):

S. 3327. A bill to authorize loan funds for the Government of the Virgin Islands and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. METCALF. Mr. President, by request, I send to the desk, on behalf of the Senator from Washington (Mr. Jackson) and the Senator from Arizona (Mr. Fannin), a bill to authorize loan funds for the Government of the Virgin Islands and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the executive communication accompanying the proposal from the Secretary of the Interior be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C.

Hon. Carl B. Albert,
Speaker of the House of Representatives, Washington, D.C.

Dear Mr. Speaker: Enclosed is a draft bill "To authorize loan funds for the Government of the Virgin Islands and for other purposes."

We recommend that the bill be referred to the appropriate Committee for consideration and that it be enacted.

At present there is a fiscal crisis confronting the territorial Government of the Virgin Islands. This crisis is due to the state of the economy and government revenue collection capability. Tourism—the largest industry and major contributor to the gross domestic product of the Virgin Islands—has declined over the past three years. This decline was caused by the worldwide recession, local disturbances, and the reduced attraction of the islands' freeport status. The latter was the result of the devaluation of the U.S. dollar and the lowering of tariff barriers on the mainland United States. The decline in tourism precipitated the reduction of public revenues from this industry.

In addition to this revenue decline, the Tax Reduction Act of 1975 (and the amendment which extended it) with its rebate provisions, negative income tax, liberalized investment credits, and other tax reduction features, further reduced the revenues available to the Virgin Islands Government.

The purpose of the Tax Reduction Acts was to stimulate the economy. While this was achieved in the continental United States, the Acts had the opposite result in the Virgin Islands.

In practice, under the Tax Reduction Acts, people would have more money to spend, which would improve the demand for goods and services. This would have a multiplier effect on the economy, and thus it would improve. Such was true in the United States. However, most of the goods and services in the Virgin Islands come from the continental United States. The new money in the Virgin Islands quickly went to the mainland without improving the Virgin Islands economy. Estimated losses of Virgin Islands Government revenues as a result of these Acts approximate $15 million.

The loss of government revenues meant a corresponding reduction in expenditures. Since the taxing authority and public indebtedness of the Virgin Islands is, by law, far more restricted than that of the U.S. Government or many States, the Virgin Islands cannot compensate for the loss of revenues.

At the beginning of fiscal year 1976 the revenues projected for the Government of the Virgin Islands exceeded $132 million. Proposed expenditures for government operating costs were equal to that amount. That revenue amount included $20 million in anticipated receipts from custom duties on petroleum products imported into the United States from the Virgin Islands. However, the Department of Justice has ruled that there is no legal authority in the U.S. to make these payments, and thus, they are not available. Actual receipts for the first half of fiscal year 1976 suggest maximum receipts of $92.5 million from all taxes, fees and fines, including moneys collected from hospital operations. Executive action such as reducing expenditures and increasing revenues yielded a balanced budget of $117.1 million.

This included the transfer into the operating budget of capital improvement funds in excess of $25 million, a severe curtailing of government services, and a personnel reduction of 346 employes. The government is the primary employer in the Virgin Islands and the rate of unemployment prior to the government layoff already exceeded 9% of the work force.

In the areas of health and education these reductions have been most pronounced. The reductions in health personnel required reducing the number of hospital beds and limited the service capability of the Virgin Islands' two hospitals.

The schools are understaffed and overcrowded. In 1970 the school system admitted all non-citizen (alien) school-age children legally residing in the Virgin Islands. The enrollment increase since then had been 58.3%, with a serious impact on education services.

To meet its service responsibilities to its citizens, the Government of the Virgin Islands has, from 1971 through 1975, deferred $31 million worth of capital improvement projects to make these moneys available for operating expenses. Without financial relief, an additional $30 million in capital projects will have to be deferred in fiscal years 1976 and 1977. This is a total of $61 million for the period fiscal years 1971 through 1977.

The Government of the Virgin Islands needs legislation and Federal assistance through loans to stimulate the economy. Such assistance will allow the territory to balance the operating budget at an acceptable level of services by fiscal year 1979.

The attached draft bill would deal with the effects of the Tax Reduction Acts and the deferred capital improvements projects. Section 1 would amend the Act of July 14, 1921, to authorize the Government of the Virgin Islands to levy a surtax, not to exceed 10%, on the future income taxes payable to the Government of the Virgin Islands. The 1921 Act provides that the income tax laws in force in the United States shall be likewise in force in the U.S. Virgin Islands, except that the proceeds of Virgin Islands taxes shall be paid into the Virgin Islands Treasury. This amendment would enable the Government of the Virgin Islands to respond to changes in the income tax laws of the United States. Along with the present estimated $15 million loss in revenues, the Virgin Islands expects to lose $5 million annually in future revenues under the Tax Reduction Acts.

Section 2 would authorize loans up to $15 million to supplement the operations budgets of the Government of the Virgin Islands for their fiscal years 1977 and 1978. Their operating expenditures for fiscal year 1975 amounted to $117 million; fiscal year 1976 expenditures are projected at $117.1 million. The Government of the Virgin Islands has proposed an austerity budget of $118.6 million for fiscal year 1977 but estimates revenues at only $110.1 million. There is a shortfall of $8.5 million. Given the effects of inflation and past cuts in expenditures, government services are already at unacceptably low levels. A loan of $15 million would allow the balancing of local 1977 and 1978 budgets at acceptable levels of services. These loans for operations taken together with the economic recovery stimulated by the capital improvement program loans proposed in section 3 would result in increased revenue collections by the government. It would then be capable of balancing its fiscal year 1979 budget without further assistance.

Section 3 would authorize $61 million in loans to bring the Virgin Islands long-delayed capital improvement program up-to-date. How quickly these funds are requested for appropriation will depend upon review of proposals by the Government of the Virgin Islands, however the legislation would allow the funding to be spread out over five years. The Virgin Islands cannot borrow for non-revenue producing purposes under the Revised Organic Act of the Virgin Islands. Thus, if the capital improvement program is to be implemented at this time, the Virgin Islands will need a Federal loan.

Section 4 would provide the conditions and repayment provisions for the loans authorized pursuant to sections 2 and 3. Amortization of the loans would begin July 1, 1982 and be paid back over 10 years, with interest equal to the average yield of outstanding marketable obligations of the United States of comparable maturities. In our judgment, since funds will become available to the Virgin Islands through the expiration of certain industrial tax exemptions in 1978 and 1981, the government will be readily able to amortize any debt incurred through this provision. It is anticipated that after 1981 the Government of the Virgin Islands will benefit from up to $100 million annually in additional revenues due to the expiration of these exemptions.

Under section 5 of the draft bill, the Secretary would be able to place any stipulations he deems appropriate on the loans to the U.S. Virgin Islands.

The Office of Management and Budget has advised that there is no objection to the presentation of this legislative proposal from the standpoint of the Administration's program.

Sincerely yours,

——— ———,
Secretary of the Interior.

By Mr. STONE:

S. 3328. A bill to amend the Internal Revenue Code of 1954 to exempt certain State and local government retirement systems from taxation, and for other purposes. Referred to the Committee on Finance.

LEGISLATION TO PROTECT STATE PENSION PLANS

Mr. STONE. Mr. President, I am today introducing legislation which would correct a possible, unintended result following the enactment of the Pension Reform Act of 1974. Some Internal Revenue Service interpretations of section 501 and section 6058 of the Internal Revenue Code, as amended by the Pension Reform Act of 1974, have raised the distinct possibility that State pension plans would be subject to Federal income taxation and be burdened by certain Federal Government reporting requirements.

Having reviewed the history of the Pension Reform Act of 1974, I am convinced that Congress did not intend either of these results. Taxation of State pension fund income by the Federal Government would threaten the financial viability of these employee-pension plans and would be contrary to the constitutional principle of nontaxation by the Federal Government of State property and income.

This problem has been considered by the National Governors Conference and the National Conference of State Legislatures. It is my understanding that a number of present State pension plans face the threat of Federal taxation of their income unless legislation is enacted to correct these recent IRS rulings.

The legislation I introduced today would simply exempt State and local government retirement systems from Federal income tax liability and the burden of unnecessary reporting requirements. I urge the Senate Finance Committee to review this matter carefully and expeditiously. The integrity of our State pension plans and the future economic security of their beneficiaries are at stake.

Mr. President, I ask unanimous consent that the text of the bill I am introducing today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3328

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 501(c)(11) of the Internal Revenue Code of 1954 (relating to teachers' retirement fund associations) is amended to read as follows:

"(11)(A) Retirement systems, trusts, or funds of a State, a political subdivision of a State, or an agency or instrumentality of a State or a political subdivision of a State.

"(B) Teachers' retirement fund associations of a purely local character, if—

"(i) No part of their net earnings insures (other than through payment of retirement benefits) to the benefit of any private shareholder or individual, and

"(ii) the income consists solely of amounts received from public taxation, amounts received from assessments on the teaching salaries of members, and income in respect of investments.".

(b) The amendment made by subsection (a) shall apply to taxable years beginning after September 2, 1974.

SEC. 2. (a) Section 6058 of the Internal Revenue Code of 1954 (relating to information required in connection with certain plans of deferred compensation) is amended by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection:

"(d) Exception.—This section shall not apply with respect to plans maintained by a State, a political subdivision of a State, or an agency or instrumentality of a State or a political subdivision of a State.".

(b) The amendment made by subsection (a) shall apply with respect to plan years beginning after September 2, 1974.

By Mr. BAYH (for Mr. HARTKE, himself, Mr. PHILIP A. HART, Mr. PERCY, Mr. MONDALE, Mr. JACKSON, Mr. HUMPHREY, and Mr. STEVENSON):

S. 3329. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. BAYH. Mr. President, northwestern Indiana, bordering the southern tip of Lake Michigan, contains unique natural formations of sand dunes and ridges which were shaped over the 15,000 years since the retreat of the ice-age glaciers. Ten years ago, Congress enacted legislation to protect a substantial portion of this natural area and establish the Indiana Dunes National Lakeshore. Today, I am pleased to introduce for Senator HARTKE, myself, and several other of my distinguished colleagues a bill which will expand the authorized boundaries of the existing Indiana Dunes National Lakeshore and insure the protection of remaining pristine and environmentally significant areas.

The bill introduced today represents the culmination of over 25 years of efforts to preserve the natural state of the unique Indiana dunes topography. In 1964, the Senate passed legislation which would have established an 11,000-acre national lakeshore, similar to that which will be completed with the passage of this bill. Necessary compromises ultimately resulted in the enactment in 1966 of the existing 5,600-acre Indiana Dunes National Lakeshore. Since that time, many people have continued to toil long and hard in order to make it possible to complete the work left unfinished 10 years ago.

The provisions of the bill which we are offering are intended to achieve several diverse but interrelated goals. First, permanent protection will be afforded to presently vulnerable natural areas. This protection will insure the preservation of these areas for the enjoyment of the millions of people who will visit the national lakeshore annually and for the geologists, archeologists and other scholars for whom the study of these unique areas is important to achieving a better understanding of the history of our world.

Second, this bill will provide the over 7 million residents of northern Indiana and the greater Chicago metropolitan area with largely expanded recreational facilities. As many of my colleagues may recall, the original Indiana Dunes National Lakeshore Act represented the first empirical application of the concept of creating national recreational areas in heavily urbanized areas. The 10 years since have demonstrated the viability of that concept and the need to expand the existing lakeshore facilities.

Third, many of the areas in the existing lakeshore are not adequately protected from the degradation which is a result of the surrounding urban environment. This expansion bill is designed to afford necessary and reasonable protection to those areas and to create boundaries which the National Park Service will be able to more easily manage.

Finally, we have incorporated in our expansion bill provisions essential to the continued vitality of Northwestern Indiana. Acreage necessary to continued economic development has not been included in the boundaries of the national lakeshore. In several instances, special provisions have been drafted to enable the inclusion of environmentally significant acreage without the disruption of adjoining commercial and industrial operations and without endangering the safety of persons visiting the national lakeshore. We have also maintained provisions in the original Indiana Dunes National Lakeshore Act which were intended to enable residential property owners within the boundaries of the authorized lakeshore to continue to live in their homes for a reasonable period of time. This has been accomplished through the suspension of the Government's condemnation authority over residential property until such time as the title to such property is transferred.

As many of you know, the House of Representatives has already passed legislation to expand the existing Indiana Dunes National Lakeshore. While that bill, H.R. 11455, is a step in the right direction, I believe the bill we are offering today is a far better one. In addition to 4,325 of the 4,340 acres included in the House passed bill, we are proposing the addition of approximately 330 additional acres of extremely significant natural areas. The inclusion of this additional acreage will be accomplished without infringing on areas which are essential to the continued existence of industry in the area. Also, we have included provisions to expand the options offered residential property owners within the lakeshore boundaries in order to insure preservation of area support for the national lakeshore and an orderly and acceptable property acquisition policy.

Mr. President, I would like to urge my colleagues to consider the Indiana Dunes National Lakeshore expansion bill which I am introducing today in light of our Nation's growing awareness of the need to preserve the increasingly scarce unique natural areas that have always made this one of the, if not the most, diverse, and beautiful countries in the world. The Indiana dunes is such an area and deserves the expanded protection to be afforded by this bill.

Mr. President, I ask unanimous consent to include in the RECORD a statement by the distinguished senior senator from Indiana (Mr. HARTKE).

Mr. President, I also ask unanimous consent to include in the RECORD the text of the Indiana Dunes National Lakeshore expansion bill we are introducing today.

There being no objection, the statement and bill were ordered to be printed in the Record, as follows:

Statement of Senator Vance Hartke

I am today introducing a bill to expand the Indiana Dunes National Lakeshore by 4,686 acres for myself and my distinguished colleagues, Mr. Bayh, Mr. Hart of Michigan, Mr. Mondale, Mr. Jackson, Mr. Percy, Mr. Humphrey, and Mr. Stevenson.

The history of the creation and expansion of the Lakeshore is indeed lengthy and complex. My involvement with the Lakeshore dates back to 1959, when I first entered the Senate. In 1961, I introduced legislation to create the Lakeshore—the principle behind the bill was that recreation and industry could exist side-by-side in the Lake Michigan Shoreland with each in its own place. I am pleased that that same principle is reflected in the bill I propose today to expand the Lakeshore.

The existing Lakeshore is located on the southeastern shore of Lake Michigan, amidst one of the most highly industrialized areas in the nation. Within a one and one-half hours drive are approximately 10 million people—people who will increasingly need the advantages that this beautiful natural resource, with its white, sandy beaches, wooded dunelands, valuable wetlands, stream valleys, and native grasses, affords.

The original proposal for the Indiana Dunes National Lakeshore was to include over 11,000 acres. Time and compromise resulted in a reduction of that figure to approximately 5,600 acres in 1966 when the Lakeshore was established. Expansion legislation is long overdue. The House recently passed expansion legislation to include valuable and precious areas into the Lakeshore—the first time that body has passed expansion legislation related to the Lakeshore. Therefore, we are closer now to preserving this area than ever before. Expansion of the Lakeshore enjoys the strong support of area residents and virtually every major environmental organization in the State of Indiana. Numerous local governmental officials and many labor, professional and civic associations have joined forces to urge the preservation of this treasured resource. The time to act is now to protect what has already been achieved and to preserve what could be lost forever.

The sponsors of this bill have four broad purposes in mind as we propose expansion. First, we wish to preserve additional areas of unique and outstanding character which are presently outside the boundaries of the Lakeshore. Secondly, it is necessary, in some instances, to acquire additional land to keep the parkland safe from further encroachment. Thirdly, our bill is intended to bolster the recreational potential of the Lakeshore by adding lands particularly suited for that purpose. Finally, to ensure the continued vitality of Northwest Indiana, we have excluded certain acreage essential to the continued economic development of the area.

I would like now to provide information regarding those parcels which we propose which are additional to those contained in HR 11455, the expansion bill recently passed by the House. We would add 346 acres to the 4,340 proposed by the House measure. A breakdown of that acreage follows.

In Unit I–B East, we propose that a 40-acre tract be acquired. This land represents the best of high duneland in the 201-acre area proposed in previous expansion legislation. We have included a provision for industry, namely Midwest Steel which owns lands immediately north and south of this area, to retain access across the area.

In Unit IV–B, 141 acres of the eastern section of the Little Calumet River area which is unchannelized would provide for hiking and seasonal white water canoeing.

In Unit II–C exist three small parcels intended for inclusion in 1966 totaling approximately 60 acres which would round out the park's southern boundary in this area and bring it in conformance with the natural edge of the dunes topography.

In Unit II–A, in the Northern Indiana Public Service Company "Greenbelt" area, we would add approximately 30 acres of the area which is immediately adjacent to the existing Lakeshore where that utility maintains ash dumping sites which threaten Cowles Bog, a National Natural Landmark within the Lakeshore. Provision is made in the legislation to assist the utility in identification of acceptable areas outside the boundaries of the Lakeshore for the disposal of their industrial solid wastes.

In Unit I–A East we would add 24 acres of wooded duneland to the buffer zone in the Ogden Dunes area. This acreage, which is now threatened with development, will serve to help absorb what will be the heaviest recreational use in the entire dunes system, the adjacent West Beach unit.

We propose the inclusion of the 98-acre Unit VI–A, the Nipissing Dune Ridges and Swale. While this is a detached area, the sponsors believe that the quality of the combination of long, narrow dune ridges and meadows which display unique prairie grasses and wildflowers more than justify its inclusion within the Lakeshore.

Also included in the legislation is a provision which suspends the Secretary of the Interior's authority to acquire residential property by condemnation. I do not believe that residents should be forced to sell their properties or lose their homes. However, should an owner wish to sell his or her property, it must first be offered to the National Park Service at a price not to exceed the fair market value. Should the National Park Service refuse to purchase the property, the owner may then sell to whomever he or she wishes. We have also included that such right of first refusal need not be offered to the Park Service in the case of transfer of title solely from the owner or joint owners to his or her spouse.

At this time I wish to commend Congressman Floyd Fithian, whose dedication to and intense interest in striking a just balance of those interests involved in this difficult expansion issue, are reflected in the bill which he introduced. Many difficult compromises were reached by Congressman Fithian only after conducting hearings and weighing many hours of debate.

I also wish to thank Congressmen Ed Roush, John Brademas and Ray Madden for their active support, interest and dedication to the preservation of these areas.

With the exception of two of the three small parcels in area II–C, the areas which are included in the bill I am introducing today are areas which were proposed for addition to the Lakeshore in the Senate in 1974. The value of these lands make them essential for preservation. This bill is now some 600 acres smaller than the bill we submitted only two years ago and, as such, should be considered a minimal proposal. The opportunity to preserve this unequaled natural resource for the present and the future exists now, but, if lost, will not come again.

S. 3329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes", approved November 5, 1966 (80 Stat. 1309), as amended (16 U.S.C. 460u), is further amended as follows:

(1) The last sentence of the first section of such Act is amended by striking out "'A Proposed Indiana Dunes National Lakeshore' dated September 1966, and bearing the number 'LNPNE–1008–ID'" and inserting in lieu thereof "'Boundary Map, Indiana Dunes National Lakeshore', dated April 1976 and bearing the number '626–91005'".

(2) Section 3 of such Act is amended by inserting the following at the end of the first sentence: "By no later than January 1, 1977, the Secretary shall publish in the Federal Register a detailed description of the boundaries of the lakeshore and shall from time to time so publish any additional boundary changes as they may occur.".

(3) The first sentence of section 4(b) of such Act is amended by inserting immediately after "was begun before" the following: "February 1, 1973, or, in the case of improved property located within the boundaries delineated on a map identified as 'A Proposed Indiana Dunes National Lakeshore', dated September 1966, and bearing the number 'LNPNE–1008–ID', which map is on file and available for public inspection in the office of the Director of the National Park Service, Department of the Interior, before".

(4) Section 4 of such Act is amended by inserting the following new subsection (c):

"(c) The suspension of the Secretary's authority to acquire improved property by condemnation as provided in this section is contingent upon the Secretary being given the first opportunity to purchase such property or interests therein, at a price not to exceed the fair market value of such property, prior to the consummation of any transfer of the title to such property, except that the Secretary need not be given such opportunity to purchase when title is transferred solely from the owner or joint owner to his or her spouse: *Provided,* That such first opportunity to purchase is held open for a period of four months from the date the Secretary is notified by the property owner of any contemplated or necessary transfer of title.".

(5) (a) Section 6(a) of such Act is amended by revising the first sentence thereof to read as follows: "Any owner or owners, having attained age of majority, of improved property on the date of its acquisition by the Secretary may, as a condition to such acquisition, retain the right of use and occupancy of the improved property for noncommercial residential purposes for a term ending on the death of the owner or the death of his or her spouse, whichever occurs last, or for a term of twenty-five years, or for such lesser term as the owner or owners may elect at the time of acquisition by the Secretary.".

(b) Section 6 of such Act is further amended by inserting the following new subsection (c):

"(c) Nonpayment of property taxes, validly assessed, or any retained right of use and occupancy shall be grounds for termination of such right by the Secretary. In the event the Secretary terminates a right of use and occupancy under this subsection he shall pay to the owners of the retained right so terminated an amount equal to the fair market value of the portion of said right which remained unexpired on the date of termination.".

(6) (a) Section 8(b) of such Act is amended (A) by striking out "seven members" and inserting in lieu thereof "eleven members", and (B) by striking out "and" immediately after "State of Indiana;", and (C) by striking out "Portage," immediately after "Dune Acres," and (D) by inserting immediately after "designated by the Secretary" the following: "; (7) one member who is a year-round resident of the city of Gary to be appointed from recommendations made by the mayor of such city; (8) one member who is a year-round resident of the towns of Highland, Griffith, or Schererville to be appointed from recommendations made by the board of trustees of such towns; (9) one member who is a year-round resident of the city of Portage to be appointed from recommendations made by the mayor of such

city; and (10) one member who holds a reservation of use and occupancy and is a year-round resident within the lakeshore to be designated by the Secretary.".

(b) Section 8 of such Act is further amended by inserting the following new subsection (f):

"(f) The Advisory Commission is authorized to assist with the identification of economically and environmentally acceptable areas, outside the boundaries of the lakeshore, for the handling and disposal of industrial solid wastes produced by the coal-fired power plant located in Porter County, Indiana, section 21, township 37 north, range 6 west, as designated on map numbered 626–91005.".

(7) Section 10 of such Act is amended to read as follows: "There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not more than $93,381,900 for the acquisition of lands and interests in lands, and not more than $8,500,000 for development. By December 31, 1978, the Secretary shall develop and transmit to the Committees on Interior and Insular Affairs of the United States Congress a final master plan detailing the development of the national lakeshore consistent with the preservation objectives of this Act, indicating:

"(1) the facilities needed to accommodate the health, safety and recreation needs of the visiting public;

"(2) the location and estimated cost of all facilities, together with a review of the consistency of the master plan with State, areawide, and local governmental development plans;

"(3) the projected need for any additional facilities within the national lakeshore; and

"(4) specific opportunities for direct citizen participation in the planning and development of proposed facilities and in the implementation of the master plan generally.".

(8) Such Act is amended by adding at the end thereof the following:

"SEC. 11. (a) With respect to those portions of the lakeshore authorized for acquisition by the Ninety-fourth Congress any acquisition of lands or interests therein shall not diminish any existing (as of March 1, 1975) rights-of-way or easements which are necessary for high voltage electrical transmission, pipelines, water mains, or line-haul railroad operations and maintenance.

"(b) Subject to such regulations as the Secretary deems advisable to protect the natural and recreational values for which the lakeshore was established, he may permit widening of rights-of-way or easements existing on the date of enactment of this section across areas II–E and II–F as designated on such map numbered 626–91005 for State, county, city or private roads; or for electric utilities, pipelines, water mains, or conveyors.

"SEC. 12. (a) Nothing in this Act shall be construed as prohibiting any otherwise legally authorized cooling, process, or surface drainage into the part of the Little Calumet River or Burns Waterway located within the lakeshore.

"(b) The authorization of lands to be added to the lakeshore by the Ninety-fourth Congress, as indicated on map numbered 626–91005 and the administration of such lands as part of the lakeshore shall in and of itself in no way operate to render more restrictive the application of Federal, State or local air and water pollution standards to the uses of property outside the boundaries of the lakeshore, nor shall it be construed to augment the control of water and air pollution sources in the State of Indiana beyond that required pursuant to applicable Federal, State, or local law.

"SEC. 13. (a) The Secretary shall be authorized to acquire, by donation, or negotiated purchase agreeable to all parties, the remaining lands and waters between Burns Waterway and the eastern boundary of area I–C within section 25, township 37 north, range 7 west, as designated on map numbered 626–91005. The authority of the Secretary to acquire such lands and waters by condemnation shall be suspended on the condition that the Secretary is given the first opportunity to purchase such property or interests therein at the stated price, not to exceed fair market value.

"SEC. 14. The Secretary shall construct an adequate safety fence along the eastern edge of area I–C, within section 25, township 37 north, range 7 west, as designated on map numbered 626–91005, at the time that said land is acquired.

SEC. 15. Within one year after the date of the enactment of this section, the Secretary shall submit, in writing, to the Committees on Interior and Insular Affairs and to the Committees on Appropriations of the United States Congress a detailed plan which shall indicate—

"(1) the lands which he has previously acquired by purchase, donation, exchange, or transfer for administration for the purpose of the lakeshore, and

"(2) the annual acquisition program (including the level of funding) which he recommends for the ensuing five fiscal years.

"SEC. 16. (a) the Secretary may acquire only such interest in the right-of-way designated 'Crossing A' on map numbered 626–91005 as he determines to be necessary to assure public access along the banks of the Little Calumet River within fifty feet north and south of the centerline of said river.

"(b) The Secretary may acquire only such interest in the right-of-way designated as 'Crossing B' on map numbered 626–91005 as he determines to be necessary to assure public access across said right-of-way: *Provided*, That the landowner of said right-of-way shall enter into a cooperative agreement with the Secretary. Such agreement shall provide that any roadway constructed by the landowner south of U.S. Route 12 within said right-of-way shall include grading, landscaping and plantings of vegetation designed to prevent soil erosion and to minimize the aural and visual impacts of such construction, and of traffic on such roadway, as perceived from adjacent lands administered by the Secretary.

"SEC. 17. The Secretary shall enter into a cooperative agreement with the landowner of those lands north of the Little Calumet River between the Penn Central Railroad bridge within area II–E and 'Crossing A' within area IV–C. Such agreement shall provide that any roadway constructed by the landowner south of United States Route 12 within such vicinity shall include grading, landscaping, and plantings of vegetation designed to prevent soil erosion and to minimize the aural and visual impacts of such construction, and of traffic on such roadway, as perceived from the Little Calumet River.

"SEC. 18. After notifying the Committees on Interior and Insular Affairs of the United States Congress, in writing, of his intention to do so and of the reasons therefor, the Secretary may, if he finds that such lands would make a significant contribution to the purposes for which the lakeshore was established, accept title to any lands, or interests in lands, located outside of the boundaries of the lakeshore but contiguous thereto or to lands acquired under this section, such lands the State of Indiana or its political subdivisions may acquire and offer to donate to the United States or which any private person, organization, or public or private corporation may offer to donate to the United States and he may administer such lands as a part of the lakeshore after publishing notice to that effect in the Federal Register.

"SEC. 19. With respect to the property identified as area VI-B on map numbered 626–91005, the Secretary shall proceed with the acquisition of said property only after entering into a cooperative agreement with the State of Indiana which shall specify that 50 per centum of the purchase price of the property, exclusive of the administrative costs associated with its acquisition, shall be borne by the State. Notwithstanding any other provision of law, the Secretary may accept title to the property with the restriction that said title shall revert to the ownership of the State if the property ceases to be used for the purposes of the national lakeshore. The Secretary may enter into a cooperative agreement whereby the State, any political subdivision thereof, or any nonprofit organization, may undertake to manage and interpret such area in a manner consistent with the purposes of this Act. The Secretary shall consult the State with respect to the management and operation of area VI-B.".

"SEC. 20. The Secretary shall construct adequate safety fences along the western edge of area I-E and eastern and southern edges of area I-A East, as designated on map numbered 626–91005, at the time that said land is acquired.".

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2475

At the request of Mr. HUGH SCOTT, the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Kansas (Mr. DOLE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Minnesota (Mr. HUMPHREY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Oregone (Mr. PACKWOOD), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2475, a bill to modify the distribution requirements of private foundations.

S. 2635

At the request of Mr. BAYH (for Mr. HARTKE), the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 2635, a bill to amend title 38, United States Code, to modify the pension program for veterans of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era and their survivors, and for other purposes.

S. 2910

At the request of Mr. SCHWEIKER, the Senator from Michigan (Mr. PHILIP A. HART) was added as a cosponsor of S. 2910, a bill to establish the National Diabetes Advisory Board.

S. 3138

At the request of Mr. RIBICOFF, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 3138, a bill to deny certain benefits to taxpayers who participate in the boycott of Israel.

S. 3192

At the request of Mr. BAYH (for Mr. HARTKE), the Senator from Wyoming (Mr. HANSEN), the Senator from Wyoming (Mr. MCGEE), the Senator from Alabama (Mr. SPARKMAN), the Senator from Mississippi (Mr. EASTLAND), the Senator from South Dakota (Mr. McGOVERN), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 3192, the Consumer Communications Reform Act, a bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes.

S. 3209

At the request of Mr. Humphrey, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 3209, a bill to establish fiscal incentives for the conversion of existing oil-fired and gas-fired powerplants and industrial boilers and heat devices to coal as a primary energy source, and for other purposes.

S. 3226

At the request of Mr. Burdick, the Senator from New Jersey (Mr. Williams) was added as a cosponsor of S. 3226, a bill to amend title 38 of the United States Code.

S. 3227

At the request of Mr. Humphrey, the Senators from North Dakota (Mr. Young and Mr. Burdick), the Senator from Indiana (Mr. Bayh), the Senator from Nevada (Mr. Cannon), the Senator from New Jersey (Mr. Case), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Alabama (Mr. Sparkman) were added as cosponsors to S. 3227, a bill to accelerate solar energy research and development within the Energy Research and Development Administration, and for other purposes.

SENATE JOINT RESOLUTION 95

At the request of Mr. Baker, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of Senate Joint Resolution 95, designating the month of September as National Gospel Music Month.

SENATE RESOLUTION 401

At the request of Mr. Clark, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of Senate Resolution 401, expressing the advice and consent of the Senate to ratification of the Treaty of Friendship and Cooperation between the United States of America and Spain, and related instruments.

SENATE RESOLUTION 413

At the request of Mr. Ribicoff, the Senator from California (Mr. Cranston) was added as a cosponsor of Senate Resolution 413, to assure freedom of the press at the Olympic games.

SENATE RESOLUTION 420

At the request of Mr. Bayh (for Mr. Hartke), the Senator from Indiana (Mr. Bayh) was added as a cosponsor to Senate Resolution 420, a bill commending the Indiana University basketball champions.

SENATE RESOLUTION 435—SUBMISSION OF A RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES

(Referred to the Committee on Rules and Administration.)

Mr. SCHWEIKER (for Mr. Church) submitted the following resolution:

Senate Resolution 435

Resolved, That section 2 of Senate Resolution 377, 94th Congress, agreed to March 1, 1976, is amended by striking out "$450,000" and inserting in lieu thereof "$515,000".

NOTICE OF HEARINGS ON S. 2762—A BILL TO ESTABLISH A NATIONAL COURT OF APPEALS

Mr. BURDICK. Mr. President, as chairman of the Judiciary Subcommittee on Improvements in Judicial Machinery, I wish to announce that open public hearings will be held for the consideration of S. 2762, a bill to establish a National Court of Appeals.

The hearings will be held on May 19 and 20, 1976, in room 2228 of the Dirksen Senate Office Building, commencing at 10 a.m., and on subsequent dates to be announced later.

Persons who wish to testify or submit a statement for inclusion in the Record should communicate, as soon as possible, with the subcommittee office, 6306 Dirksen Senate Office Building, telephone 224-3618.

NOTICE OF HEARING ON S. 1130—A BILL RELATING TO SERVICE AS CHIEF JUDGE OF A U.S. DISTRICT COURT

Mr. BURDICK. Mr. President, as chairman of the Judiciary Subcommittee on Improvements in Judicial Machinery, I wish to announce that an open public hearing will be held for the consideration of S. 1130, a bill relating to service as Chief Judge of a U.S. District Court on May 18, 1976.

The hearing will be held in room 6202, Dirksen Senate Office Building, commencing at 10 a.m.

Persons who wish to testify or submit a statement for inclusion in the Record should communicate, as soon as possible, with the subcommittee office, 6306 Dirksen Senate Office Building, telephone 224-3618.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, May 3, 1976, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nominations:

George C. Pratt, of New York, to be U.S. district judge for the eastern district of New York, vice Anthony J. Travia, resigned.

Ross N. Sterling, of Texas, to be U.S. district judge for the southern district of Texas, vice Allen B. Hannay, retired.

Any persons desiring to offer testimony in regard to these nominations shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee will consist of the Senator from Arkansas (Mr. McClellan), the Senator from Nebraska (Mr. Hruska), and myself as chairman.

NOTICE OF HEARINGS ON BILLS TO PROVIDE A FEDERAL DEATH BENEFIT TO THE SURVIVORS OF PUBLIC SAFETY OFFICERS

Mr. McCLELLAN. Mr. President, I wish to announce for the information of the Members and the public that the Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary will hold open hearings on May 4, 1976, on bills S. 1527 and S. 2572 to provide a Federal death benefit to the survivors of public safety officers.

The hearings will begin at 10 a.m. in room 2228, Dirksen Senate Office Building.

Additional information on the hearing is available from the staff in room 2204—DSOB, telephone area code 202-224-3281.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Eldon L. Webb, of Kentucky, to be U.S. attorney for the eastern district of Kentucky for the term of 4 years, vice Eugene E. Siler, Jr., resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, May 3, 1976, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ANNOUNCEMENT OF HEARINGS

Mr. METCALF. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

April 27: Joint business meeting, Interior and Agriculture Committees, 10 a.m., room 324, Russell Office Bldg., markup, S. 2926, S. 3091, and S. 2851, legislation addressing issues raised by recent court decisions affecting timber cutting practices in national forests.

April 28: Full committee, 10 a.m., room 3110, business meeting. Pending calendar business.

April 29: Joint business meeting, Interior and Agriculture Committees, 10 a.m., room 324, Russell Office Bldg., markup, S. 2926, S. 3091, S. 2851, legislation addressing issues raised by recent court decisions affecting timber cutting practices in national forests.

April 30: Environment and Land Resources Subcommittee, 10 a.m., room 3110, hearing. S. 3071, grazing fees legislation.

April 30: Energy Research and Water Resources Subcommittee, 10 a.m., room to be determined, hearing. S. 3145, the Energy Conservation Institute bill, and S. 3259, the energy extension bill.

May 3: Indian Affairs Subcommittee, 10 a.m., room 3110, hearing. Oversight hearing on Quechan Tribe Land issue.

May 3: Energy Research and Water Resources Subcommittee, 10 a.m., room 1228 DSOB, business meeting. S. 3105, the ERDA authorization bill.

May 4: Indian Affairs Subcommittee, 10 a.m., room 3110, hearing. S. 2780, a bill to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes.

May 5: Full committee, 10 a.m., room 3110, business meeting. Pending calendar business.

May 6: Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, hearing. Oroville-Tonasket Reclamation project, S. 3283.

NOTICE OF HEARINGS ON MONETARY POLICY

Mr. PROXMIRE. Mr. President the Committee on Banking, Housing and Urban Affairs will hold 3 days of public hearings on the conduct of monetary policy on May 3, 4, and 5, each day at 10 a.m. in room 5302 of the New Senate Office Building.

All persons wishing to testify should contact Mr. John Henderson, room 5300, New Senate Office Building, telephone: 224–0893.

FARMERS HOME HEARING SCHEDULED

Mr. CLARK. Mr. President, on May 1, the Rural Development Subcommittee of the Committee on Agriculture and Forestry will hold a field hearing in Bondurant, Iowa, to review Farmers Home Administration operations in the State. This hearing is part of a comprehensive, 2-year subcommittee study of FmHA intended to identify the Agency's strengths and weaknesses, and to improve management and services where needed.

I have invited both State and national officials of FmHA to testify as well as Iowa farmers and rural community leaders. Public witnesses are also welcome to attend and submit testimony either orally or in writing.

The hearing will be held at the Bondurant Community School auditorium from 11 to 3. Prior to the hearing, I, along with local officials, will conduct a tour of Bondurant's FmHA-assisted municipal water systems to demonstrate the kinds of projects possible through Farmers Home. Witnesses and the public are invited to participate in this tour which will leave from the school at 10 a.m.

ADDITIONAL STATEMENTS

THE RETIREMENT OF JOSEPH J. SISCO

Mr. HARRY F. BYRD, JR. Mr. President, Under Secretary of State for Political Affairs, Joseph J. Sisco, plans to retire from Government service at the end of June, a decision the Senator from Virginia regrets.

Secretary Sisco has been a State Department official for more than 25 years and is one of the ablest of the many able persons in our Foreign Service. He is a man of ability, courage, and integrity.

Former Ambassador Henry J. Taylor, the noted columnist, had an excellent piece on Mr. Sisco which was published in the Richmond Times-Dispatch of Friday, April 16.

I ask unanimous consent that Mr. Taylor's commentary be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOSEPH SISCO, UNSUNG HERO

(By Henry J. Taylor)

The departure of Under Secretary of State for Political Affairs Joseph J. Sisco, the department's No. 2 man, strikes a heavy blow. This remains a world of men and decisions. Sisco weighs things; he is on top of everything. Unsung Sisco is absolutely indispensable.

He has been a State Department official since 1951—more than 25 years—and on Jan. 1, 1974, he privately told Secretary Kissinger that the time had come for him to leave. Scholar (A.B., M.A., Ph. D. and Phi Beta Kappa) as well as statesman, Sisco was offered the presidency of Hamilton College.

Sisco knows the Middle East like he knows the back of his hand: the presidents, premiers and whatnot and their personalities and rivalries in an area which is seldom quite what it seems. He has negotiated repeatedly and intimately with Israeli Premier Rabin and Egyptian President Sadat. He operates as well through our embassy in Israel and through able, Arabic-speaking U.S. Ambassador to Egypt Hermann F. Eilts, a tower of strength in the Mideast who served six years as our ambassador to Saudi Arabia.

Secretary Kissinger personally persuaded Sisco not to leave at that time and, instead, offered him the department's No. 2 place. But now the trustees of the American University in Washington have asked Sisco to take the presidency, and at long last he is leaving.

Sisco is a fog-cutter in the face of the department's layer upon layer of committee's superimposed one on the other and intertwined one inside the other like Chinese ivory balls. Each day the department's communications center sends and receives an average 200,000 words overseas. This is more than the combined daily wordage of United Press International and the Associated Press.

These messages frequently end up in committees about which within the department you hear a famous saying: "The committees are there so that most everyone can duck the blame if something goes wrong."

Next, there are the interdepartmental clearances. Behind the scenes, President Ford or Secretary Kissinger make few, if any, foreign policy decisions that are not interdepartmentalized. Making foreign policy is a collective process. It usually involves many departments and agencies and many anonymous U.S. officials, sometimes as many as 500 of them.

This extends overseas. We have 115 embassies. At the end of World War II, there were fewer than half that many. Today, incredibly, four-fifths of the people in our embassies belong to other U.S. government departments or agencies. For example, a full 800 of the 1,000 staff in London report to agencies other than the State Department.

Astoundingly, at least 44 U.S. government departments and agencies are concerned with forming and implementing foreign policy.

Kissinger and Sisco are often as disarmed and as defused as Samson with his hair gone.

Once the State Department finally completes its internal clearances, there must frequently be clearance from the Defense Department, the CIA, the Treasury or Commerce Department and, finally, the National Security Council. A month or more may be consumed before the matter ever reaches the desks of Kissinger or Sisco.

This whole ball of wax is a system unique in all the world.

The State Department has only about 25,000 full-time employes. (Only the Labor Department has fewer.) Something like 1,000 are foreign nationals. Tragically, there are only about 3,500 Foreign Service officers of all grades. They must man the State Department in Washington and all 263 U.S. diplomatic posts throughout the world, including our consulates.

Moreover, a little-known quirk in the law has the effect of increasing their pensions if they end their careers earlier than normal. More than 100 top, seasoned Foreign Service officers—true departmental linchpins—plan to retire early.

Meanwhile, contrary to popular impression, the State Department is all but penniless. Its budget, worldwide, is only about $500 million. This is not even one half of one per cent of the 1976 national budget.

Unsung Joseph Sisco leaves our country in his debt.

FREDERICK, MD., "ALL-AMERICA CITY"

Mr. MATHIAS. Mr. President, the city of Frederick, Md., has been designated an "All-America City" by the National Municipal League. It is one of the 10 cities so honored with an award that has special meaning in this Bicentennial Year. I know that my colleagues join me in saluting all 10 of these all-American cities, but I hope I may be forgiven for noting with special pride the selection of my home town, Frederick, for this honor. Mr. President, the Frederick News-Post commented on the all-America award in editorial in its April 16 issue. The editorial was entitled "Hour of Triumph," and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOUR OF TRIUMPH

The momentous tidings that Frederick has won the status of an "All-America City" in the all-important Bicentennial year awakens us to a great hour of triumph. It is what the poet called an "instant made eternity" in which our historic city radiates as a cynosure of this great nation.

It is no chance victory such as a lottery win. Neither is it a gracious gift handed out of courtesy. It is a prize we have won, an honor we have deserved, a glory we have earned through years of tenacious reflection, concerted campaign and assiduous endeavor. The achievement, unique as it is, entitles every citizen of Frederick to pause for a moment to brag to his countrymen and—with equal propriety—to his ownself.

The Fredericktonian deserves to felicitate himself because, as Mayor Ronald N. Young aptly put it yesterday: "The recognition is a real tribute to the city and to the great number of citizens who get involved and worked hard for the betterment of this community." In fact, the saga of this proud city of Francis Scott Key-Barbara Fritchie-Thomas Johnson has been, to quote Mayor Young again, "a story of a city made great by its people—both past and present."

But it bears mention here that the recognition which the city has earned owes mainly to what has been done and is being done by the "present" generation at the present time. To what more can a history-conscious generation aspire than a reassurance that it is worthy of its illustrious forebears?

The yardstick with which the awards jury selected the 10 "All-America Cities" of the year is "citizen activism." Their decision was based on the success of public participation in the improvement of quality of life, completion of community-serving projects and pursuit of ideals of local self-government. Frederick, as also nine other successful cities, has apparently demonstrated outstanding records of conformity with these standards of the National Municipal League.

The Aladdin's lamp of today's citizen action in this city, it is pertinent to recall, is the corollary of a long drawn-out process. It marks the culmination of an organized journey from despair to hope—a movement galvanized by groups and organizations some of which were itinerant, others enduring. They range from the ephemeral Fredericktown Association of 1961 to the seemingly solidified Frederick Improvement Foundation, Inc., of today. And their diverse ideas and experimentations were manifest in the untried Marcou, O'Leary plan of mid-1960s to the enthusiastically-pursued building renovation program of Operation Town Action of the past year.

The glory conferred upon this city is a tribute to all those group efforts, regardless of the success they scored or frustration they suffered. For, all major human achievements are, in the final analysis, products of trial and error.

It is well nigh impossible to cite all the individuals and organizations that contributed to this checkered march from the morass of desperation to the threshold of recovery, and insure fair play to all. And yet, one would be equally unfair not to pay tribute at least to the few dedicated persons who are identified with the current flurry of citizen action in Frederick.

Mayor Young was correct to say "it's a tribute to the ctiy," in that the present upsurge of revitalization effort synchronized with the induction of the present mayor and Board of Alderman. Downtown revitalization was one of their foremost election pledges and they have proved true to their word and equal to the onerous task it entails.

No less important a role was played in the so-called "renaissance" by the leaders of Operation Town Action, which was utilized "as an umbrella" for public involvement in the various rejuvenation projects. Town Action has, in fact, come to epitomize citizen action in Frederick.

While an episode of history is wrought by numerous humans, it usually is symbolized by one single hero, who provides its leadership and its sheet-anchor. The resurgent Frederick of today doubtless identifies this helmsman in Ronald Young, who has finally beckoned this pre-Revolutionary city to one of its finest hours ever. Young deserves a special congratulation not only because he is in the vanguard of the town revitalization effort, but also because he has had to take all the heat and odium of those affected adversely by the changes or disagreed with their rationale.

No tribute can, perhaps be greater to Young than the note of reminder: The future will little note nor long remember what his critics said yesterday, but can never forget what he helped to achieve for them today.

The occasion, elating though it is, also calls for a moment of reflection. And it would be frankly self-deluding if we try to shut our eyes to the less pleasant realities of the city life while rejoicing over accomplishment.

The whole purpose of the award is, according to the NML chairman, "to encourage citizen-initiated, community goal-setting probem solving." The idea behind is to help the winning communities reach greater peaks of success. The objective of the honors will be lost should we become too self-complacent to continue our effort for further betterment of the community.

We can ill-afford, for instance, to blink the fact that the business conditions in downtown Frederick is still less than very encouraging. The city is already dotted with a host of empty stores, while others are planing to leave downtown. We should also note that the city's financial capacity to undertake any more major uplift plan has almost been exhausted, while citizens are chafing under an all-time high tax rate.

What the award signifies in practical terms is the beginning—and not the culmination—of an era that we all hope will greet us with progress and prosperity. In other words, the trophy we have won is meant to be a means to a greater end. To construe it as an end in itself will defeat its purpose—and boomerang.

VIETNAMESE ELECTIONS, APRIL 25, 1976

Mr. McGOVERN. Mr. President, yesterday voters in North and South Vietnam went to the polls to elect representatives to the new national assembly. This election represents the political reunification of the two sections of Vietnam. Some 492 members from North and South Vietnam will be elected to the national assembly.

It is significant that persons who fought on both sides of the recent military struggle in Vietnam are participating in the election. Former Gen. Duong Van Minh who surrendered South Vietnam to the Communist forces on April 30, 1975, not only participated in the election but urged other citizens to join him in voting for a unified Vietnam. South Vietnam's distinguished Foreign Minister Nguyen Thi Binh described the election as "The most important day in the history of our country." Government officials reported a turnout of some 90 percent of all citizens above the age of 18.

Mr. President, as one who has long favored a political rather than a military settlement of the problems of Vietnam, I am pleased that the scheduled elections have gone forward. I wish the people of Vietnam well in their efforts to establish a unified, independent nation.

I ask unanimous consent that articles appearing in today's New York Times under the bylines of Mr. Fox Butterfield and the UPI be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 26, 1976]

HANOI GENERAL WAS SURPRISED AT SPEED OF SAIGON'S COLLAPSE

(By Fox Butterfield)

HONG KONG, April 25.—North Vietnam's leaders did not expect their offensive last year to achieve complete victory and were surprised by the speed of Saigon's collapse, according to a lengthy new account by Hanoi's Chief of Staff of the war's final battles.

Gen. Van Tien Dung, the Chief of Staff, reported that when hundreds of thousands of South Vietnamese troops and civilians fled in panic from Pleiku in the Central Highlands, beginning that rout, he was almost incredulous.

"Why such a retreat? And who had given the order for it?" he writes, Hanoi's Politburo and top generals had planned only a series of attacks that would set the stage for a general offensive and uprising in 1976 to "completely liberate the South."

General Dung's disclosure is contained in a remarkably detailed and candid account of how Hanoi planned and achieved its final victory in South Vietnam last year. The report, written in the first person, is being carried in serialized form by two of Hanoi's official newspapers, Nhan Dan and Quan Doi Nhan Dan, under the title "Great Spring Victory—A Summation of Senior General Van Tien Dung of the Combat Situation in the Spring of 1975."

So far nine installments totaling about 40,000 words have appeared, bringing the narrative up to the sudden abandonment of Pleiku on March 16, six weeks before the fall of Saigon. It is not known how many more articles will appear.

General Dung's account is evidently timed to coincide with the first anniversary of the Communists' triumphant entry into Saigon on April 30 and with today's election in North and South Vietnam for a unified national assembly.

General Dung and Vo Nguyen Giap, North Vietnam's Minister of Defense, jointly published last July a much shorter and less detailed report of the victory.

DIRECTED FROM HANOI

Apparently because the Communists have now essentially achieved reunification of the North and the South, General Dung makes no effort to preserve Communist statements that there was a separate movement in the South, which they called the National Liberation Front and Americans termed the Vietcong.

On the contrary, General Dung, who is a member of the Politburo of the Lao Dong or Workers' Party, provides a vivid description of how the Politburo and the Central Military Party Committee, operating from what he calls "Dragon House" in Hanoi, directed the war.

For instance, the general reports that to supply their forces in the South 30,000 North Vietnamese troops and "Shock youths," including women, built a network of roads inside South Vietnam after the 1973 Paris peace agreement ended American bombing. The new network, which he says was 12,000 miles long replaced the less convenient Ho Chi Minh Trail farther west in Laos and Cambodia.

Included in the new system were one 25-foot-wide highway from the North Vietnamese border to Loc Ninh near Saigon, 3,000 miles of oil pipelines and a cable-telephone system linking Hanoi with Loc Ninh. As a result of this system, General Dung says, when the 316th North Vietnamese Division was ordered to move from North Vietnam to the Central Highlands in the South, it was transported directly in 500 trucks.

General Dung, a 59-year-old native of North Vietnam, records that he was relegated by the Politburo to go to the South to take personal command of the main part of the 1975 campaign, which was to be launched in the Highlands.

SOUTHERNERS CALLED TO HANOI

To conceal his involvement and to prevent American or South Vietnamese intelligence from discovering that a major offensive was about to occur, General Dung took elaborate precautions. His personal Soviet-made Volga sedan continued to make its regular rounds to his house and office after his departure, and "late in the afternoon, the troops would come to the courtyard at my house to play volleyball as usual, because I have the habit of playing volleyball after the afternoon working hours with them."

The general's secretary, who accompanied him to the South, feigned illness and was taken by ambulance to a hospital, from which he could leave without his neighbors suspecting anything.

General Dung makes several other disclosures and important points.

Hanoi reached its decision to attack in the Central Highlands, and to begin with an assault on the town of Ban Me Thuot, at a series of Politburo meetings from Dec. 18 to Jan. 8. The senior Communist officials in South Vetnam, including Pham Hung, the fourth-ranking member of the Politburo, and Gen. Tran Van Tra, whom recent Communist articles have identified as the southern military commander, were called to Hanoi to attend the meetings.

The Central Highlands and particularly Ban Me Thuot were selected as the theater of battle, General Dung related, because Hanoi had learned that President Nguyen Van Thieu believed the Communists would attack Tay Ninh, near Saigon, and had stationed fewer troops in the highlands than in any other area.

Moreover, Saigon's commander in the highlands, Gen. Pham Van Phu, "miscalculated" that if the Communists did attack in the highlands, they would strike Kontum and Pleiku farther north and he had left only one regiment at Ban Me Thuot. But General Dung says that he secretly concentrated three divisions at Ban Me Thuot alone.

NOTES U.S. REDUCTIONS

General Dung confirms statements by President Thieu and American officials that reductions ordered by Congress in American aid seriously impaired the South Vietnamese Army's ability to fight. By General Dung's estimate, Saigon's firepower was cut by 60 percent because of lack of bombs and ammunition, while its mobility was reduced by half, "due to lack of aircraft, vehicles and fuel." "Nguyen Van Thieu was then forced to fight a poor mans war," the general wrote.

Throughout the fall of 1974, Hanoi's leaders "heatedly discussed" whether the United States would intervene again if the Communists staged a new offensive. Finally, Le Duan, the first secretary of the party, concluded that "having already withdrawn from the south, the United States could hardly jump back in." General Dung says that the Watergate scandal and America's economic troubles were important factors in Hanoi's thinking.

COLLECTIVE LEADERSHIP

The general's account of lengthy meetings adn lively debate seems to confirm what specialists have long believed, that Hanoi's leaders do function collectively and that Mr. Le Duan, while the most powerful figure in the North, is far from being a dictator. General Dung says that "unanimity" had to be before the campaign could be put into operation, and he describes a military meeting at which Le Duc Tho, a civilian member of the Politburo came in unexpectedly to check on what targets were being selected.

General Dung himself frankly admits that despite the communists' quick victory in seizing Ban Me Thuot, some mistakes were made. One problem was the habit of caution developed after years of fighting against overwhelming American airpower and artillery.

"Our side, before launching an attack still proceeded with the full routine, made night time preparations and waited till morning to attack," he wrote. "Though the enemy air force made only limited attacks, flew at a high altitude and dropped bombs inaccurately our troops were not allowed to move about in daytime but were compelled to wait, delay and waste time."

When the South Vietnamese unexpectedly began to flee Pleiku on March 15 before it had been attacked and headed toward the coast over an old, abandoned road, General Dung blamed the commander of the 320th Division, whose troops were in the area, for not heading off the enormous column of trucks, carts and bicycles.

A REPROACHABLE MISTAKE

The Chief of Staff relates that he called the officer, whom he identifies as Comrade Kim Tuan, on the telephone and said: "This is a shortcoming, a reproachable mistake. At this time the slightest hesitation, mistake, fear of hardship or delay would mean failure. If the enemy escapes, you will be responsible."

In fact, the Communist failure to act faster against the refugee column gave the South Vietnamese troops and civilians a few extra days, but the group bogged down at a river crossing, which the South Vietnamese Army took almost a week to cover with a bridge. Few escaped in the end.

General Dung narrates dramatically his efforts to insure that the movements of the three North Vietnamese divisions—the 10th, the 316th and the 320th—around Ban Me Thuot would be kept secret. On March 5 a South Vietnamese unit captured a Communist artillery officer who was on a reconnaissance mission, along with his dairy.

"We will attack Ban Me Thuot within four days," General Dung decided.

MISTAKEN INTELLIGENCE

Actually, American and South Vietnamese intelligence officers had been aware of the Communist troop movement for some time, but they assumed that they were either going to cut the few highland roads, which they also did, or move farther south to assault the town of Gia Nghia.

General Dung's own efforts to gather intelligence on Ban Me Thuot were not entirely successful either. Although Ban Me Thuot was a sleepy provincial town of fewer than 100,000 people, one Communist agent returned and reported that it was "very large, as large as Haiphong." Haiphong is North Vietnam's major port and second largest city.

When General Dung's troops overran Ban Me Thuot on March 10, he immediately dispatched a cable to Defense Minister Giap in Hanoi. In it he proposed to move north toward Pleiku, the major city of the Central Highlands.

But before he could move, President Thieu, in a move still not fully understood, ordered his forces to abandon the highlands.

General Dung, meeting with his aides outside Ban Me Thuot, was surprised. "Why such a retreat?" he wondered. "The Enemy had again made another grave strategic mistake."

[From the New York Times, Apr. 26, 1976]

EXCERPTS FROM HANOI GENERAL'S ACCOUNT OF DRIVE

HONG KONG, April 25.—Following are excerpts, in unofficial translation, from the account of North Vietnam's Chief of Staff, Gen. Van Tien Dung, of the spring offensive of 1975 that led to the Communist victory in South Vietnam.

From July through October 1974 the General Staff agencies were busily and urgently working. The battlefield situation was changing to our advantage.

The morale and combat strength of the puppet troops were clearly declining. Since early that year, 170,000 men had deserted. Their total manpower had decreased by 15,000 men since 1973, with a heavy loss in combat strength.

In fiscal 1972–73 the United States had given the puppet troops $2.168 billion in military aid. This aid was reduced to $964 million in fiscal 1973–74 and to $700 million in 1974–75. Nguyen Van Thieu was then forced to fight a poor man's war.

Enemy fire power had decreased by nearly 60 percent. Its mobility was also reduced by half. The enemy had to shift from large-scale operations and helicopter-borne and tank-mounted attacks to small-scale blocking, nibbling and searching operations.

STRATEGY CONFERENCE

The cool fall weather of October 1974 reminded our military cadres of the coming campaign. The Political Bureau and Central Military Party Committee held a conference to hear the General Staff present its strategic combat plan.

At this conference a problem was raised and heatedly discussed: Would the United States be able to send its troops back to the South if we launched large-scale battles that would lead to the collapse of the puppet troops?

After signing the Paris agreement on Vietnam and withdrawing U.S. troops from Vietnam, the United States had faced even greater difficulties and embarrassment. The internal contradictions within the U.S. Administration and among U.S. political parties had intensified. The Watergate scandal had seriously affected the entire United States and precipitated the resignation of an extremely reactionary President—Nixon. The United States faced economic recession, mounting inflation, serious unemployment and an oil crisis.

Comrade Le Duan drew an important conclusion that became a resolution: Having already withdrawn from the South, the United States could hardly jump back in, and no matter how it might intervene, it would be unable to save the Saigon administration from collapse.

The conferees unanimously approved the General Staff's draft plan which chose the Central Highlands as the main battlefield in the large-scale, widespread 1975 offensive.

Many meetings preceeded the Political Bureau's extremely important conference lasting from 18 December 1974 to 8 January 1975.

GREAT NEWS FROM SOUTH

While the Political Bureau was meeting, great news came from the South: The main-force units in Eastern Nam Bo [the three around Saigon], in cooperation with the provincial forces, had attacked and liberated Phuoc Binh City and all of Phuoc Long Province. This was the first province in the South to be completely liberated.

The Political Bureau was resolved to mobilize the greatest efforts by the entire party and all troops and people in both parts of the country during the 1975–76 period, to step up the military and political struggle in coordination with the diplomatic struggle with a view to quickly and comprehensively changing the balance of power in our favor.

This strategic determination was reflected in the two-year 1975–76 strategic plan. According to this plan, widespread, large surprise attacks would be launched in 1975, creating conditions for the general offensive and uprising in 1976. Thus in 1976 we would launch the general offensive and uprising to completely liberate the South.

On Jan. 9, 1975, one day after the conclusion of the Political Bureau conference, the standing body of the Central Military Party Committee went into session.

While in session, we received reports that the enemy had dispatched an airborne division from the Central Highlands to Da Nang. This indicated that the enemy had not yet discovered the presence of our forces and our preparations in the Central Highlands. Only at this conference of the standing body of the Central Military Party Committee did the idea about mounting an attack on Ban Me Thuot become clear-cut.

ENEMY MISJUDGED

The enemy misjudged our designs. He believed that if we attacked the Central Highlands we would attack its northern part. Therefore he concentrated forces to defend Pleiku and Kontum. He left lesser forces in Darlac in the southern Central Highlands. Ban Me Thuot City, the Darlac provincial capital, with a population of 150,000, was a political and economic center of the enemy, and the 23d Division headquarters was located there. The enemy was also mistaken in his assessment of us. He believed that in 1975 we were not strong enough to attack major provincial capitals and cities and that even if we attacked them we would not be able to defend them from counterattack. Therefore, although Ban Me Thuot was a vitally important position, prior to our attack the enemy had not deployed very strong forces there, and those that were there had many gaps.

When the decision to attack Ban Me Thuot was definitely taken, I hastily prepared to go to the front.

I promptly organized a group of cadres to accompany me to the western Highlands. The group had the code name A–75. Due to the importance of the campaign, my movements had to be kept under the strictest secrecy and everything had to be done to distract the enemy's intelligence. According to plans, after my departure the press would carry a number of reports on my activities as if I were still in Hanoi. Daily, the Volga sedan would make the trips from my house to the general headquarters at 7 A.M. and 2 P.M. and from the general headquarters to my house at 12 noon and 5 P.M. sharp. Late in the afternoon the troops would come to the courtyard at my house to play volleyball as usual, because I have the habit of playing volleyball after the afternoon working hours with them.

A PRETENDED ILLNESS

My personal secretary, who lived with his family in a community area, would pretend serious illness on the eve of the departure. An ambulance would bring him to a hospital, and the next morning he would begin his journey from the hospital. According to what had been decided upon, in all communications, information, liaison and discussions during this campaign, Comrade Vo Nguyen Giap would be referred to as Chien, and I as Tuan.

According to our intelligence reports, on 9 and 10 December 1974, on the fourth story of the Independence Palace, Thieu held a meeting with the commanders of army corps of military regions of the puppets so as to assess our activities in 1975. They arrived at the following conclusion:

In 1975 we might fight on a scale larger than that of 1974, but it would not be as large as that of 1968 and would be less than that of 1972. We still were incapable of striking at big provincial capitals or cities, and even if we did strike at them we would be unable to hold them. We were only able to attack small and isolated provincial capitals such as Phuoc Long and Gia Nghia.

Our aim was to achieve success to pressure them to implement the Paris agreement on Vietnam. They believed that in early 1975 our direction of attack would be to strike at the Third Military Region, mainly Tay Ninh, in an attempt to use Tay Ninh as the capital of the P.R.G.S.V. [Provisional Revolutionary Government of South Vietnam].

30,000 BUILT ROAD

Because of this assessment, they did not change their strategic deployment of maintaining strength at two ends—the first and third tactical zones. Neither did they greatly reinforce the second tactical zone that included the western Highlands.

The strategic route east of the Truong Son [Annamite] range, which was completed in early 1975, was the result of the labor of more than 30,000 troops and shock youths. The length of this route added to that of the other old and new strategic routes and routes use during various campaigns built during the last war, is more than 20,000 kilometers. The eight-meter-wide route of more than 1,000 kilometers, which we could see now, is our pride. With 5,000 kilometers of pipeline laid through deep rivers and streams and on mountains more than 1,000 meters high, we were capable of providing enough fuel for various battlefronts. More than 10,000 transportation vehicles were put on the road.

As for us, we continued to go farther into the area our vehicle's number plate was repainted and the marking TS–50 was added to it. This marking meant priority No. 1 for the Truong Son troops.

On the way, we met Division 316 going on a military operation. This was the first time this division had used 500 trucks to move its men and equipment to the battlefront. An order had been given to this division: From the time its men set out until the time they opened fire, they must have absolutely no radio contact, so as to keep their operation secret. We intercepted an enemy radio message saying Division 316 could no longer be seen and no one knew where it was going.

LEAVES AND ELEPHANTS

On arrival in the Central Highlands, I established the command post west of Ban Me Thuot, near the headquarters of the front command. Our residence was in a green forest adjacent to a forest. The dry leaves of the trees covered the ground like a yellow carpet. Whenever someone walked on these dry leaves, they cracked as crisp griddle-cakes do, and the noise could be heard in every part of the forest. A small spark might set the forest afire. Combatants of signal and communications units had to work hardest here. Whenever a fire broke out and destroyed communication wires, these combatants set out to quench the fire and returned with their bodies as black as coal miners'. Another problem was caused by herds of 40 to 50 elephants which snapped communication wires, even though some of these had been hung on high tree branches.

A comparison with the enemy over the entire area of the campaign showed that our infantry was not much superior to the enemy's. However, because we concentrated the majority of our forces in the main area of the campaign, we achieved superiority over the enemy in this area. As for infantry, the ratio was 5.5. of our troops for each enemy soldier. As for tanks and armored vehicles, the ratio was 1.2 to 1. In heavy artillery, the ratio was 2.1 to 1.

The enemy had not yet clearly realized that our forces were on this side of Ban Me Thuot since he could not detect our movements. In the coming days it would be necessary to continue to make the enemy believe that our main thrust would be toward Kontum and Pleiku to provide an opportunity for our plan. It would be necessary to intensify activities in Kontum and Pleiku in the coming days to further confirm the enemy's mistaken belief.

By maintaining the element of surprise concerning the target, the time and the fighting method, isolating the enemy and bringing into play a decisively superior force without the enemy's knowledge, we would insure fewer losses and quicker victory in battle.

A LOST DIARY

The front command reported that a group of officers of our artillery regiment had had an engagement with the enemy west of Ban Me Thuot on 5 March while on a reconnaissance mission. One of our combatants was wounded and captured with his diary. I thought: "We will attack Ban Me Thuot within four days. What will the enemy do in the coming days? So far, he has misunderstood us as far as our main offensive target is concerned, but if similar incidents revealing our secrets continue to occur, the enemy will certainly reassess the situation. He is now intensively seeking to understand our intentions." I telephoned comrade Vu Lang to remind him to closely check the implementation by each soldier of all regulations on the preservation of secrecy.

At 0200 sharp on the morning of 10 March, the offensive on Ban Me Thuot was heralded by the fire from sapper units directed against the Hoa Binh and city airfields. Long-range artillery began destroying military targets in the city. From a point 40 kilometers from Ban Me Thuot, our tank unit started their engines, cut through trees and headed for Ban Me Thuot. Modern ferryboats were rapidly assembled, while tanks, armored vehicles, antiaircraft guns and anti-armored car guns formed queues to cross on the ferries. The mountains and forests of the Central Highlands were shaken by a fire storm.

From the command post, I could clearly hear the regular and rapid explosion of our shells. I called Hoang Minh Thao and we talked over the telephone. Here is a report on some aspects of the situation that day.

No sooner had the artillery opened fire than the lights in the city went off. The city airfield was ablaze, and so was the airfield depot. Tanks were moving under trees and waiting. Sappers had occupied the city airfield.

"THE BATTLE IS OVER"

Basically, the battle was over by 1030 on 11 March 1975. "Basically, the battle is over" these words were jotted down on the incoming message record by an operations cadre at our command post. Our men's elation cannot be described. I told our men present at the command post: The fact that it took us only a little more than a day and a night to attack and occupy so large a city proves that the enemy can find no means to resist our strength.

On 15 March and on the morning of 16 March we received a number of technical news items and some comments by Western radio stations. For example, a United States news agency reported that on 15 March the price of a Pleiku-Saigon air ticket rose to as much as 48,000 piasters. Why were there so many people competing for air tickets to Saigon on 15 March?

At 1500 on 16 March Hanoi sent a message saying that the forward command post of the enemy in III Corps had moved to Nha Trang.

At that time we were still concentrating on Ban Me Thuot.

ENEMY RETREATING

At 2100 on 16 March the Comrade on alert duty received the news that the enemy was retreating from Pleiku: A convoy of trucks had passed the Vinh Thanh crossroads to move along Route 7. The ammo dump in Pleiku was exploding, fires had broken out in the city. Our command headquarters was alive with activity. A map of communications lines in the Central Highlands was spread out on the table. Flashlights and magnifying glasses were traced along Routes 19, 14 and 7 on the map to determine blockade points, shortcuts and attacking directions, and the nearest units and Route 7 were calculated to set the time for action.

Our unit had not yet any concrete information about this route and had yet to enter into close pursuit of the enemy. I severely criticized the top unit leader. I emphatically told the Comrade Kim Tuan: "This is a shortcoming, a reproachable mistake. At this time the slightest hesitation, mistake, fear of hardship or delay would mean failure. If the enemy escapes, you will be responsible."

Now a whole regular corps of the puppets was hastily fleeing in retreat, abandoning the Central Highlands—a strategically important region.

Why such a retreat? And who had given the order for it? Was it true that the thunderous blow we had delt at Ban Me Thuot had produced such a shattering impact on the enemy? It was true that the enemy had been stunned and rendered strategically confused. The enemy had again made another grave strategic mistake.

Vietnamese Voters Elect a New Joint Assembly

Saigon, South Vietnam, April 25.—Sirens called North and South Vietnamese voters to the polling places today to elect a joint National Assembly for this divided nation's first unified government in 30 years.

The assembly elections were the first to be held throughout the country since 1946 when Vietnam declared its independence from France and protracted war enveloped Indochina.

All but a few people over the age of 18 were eligible to vote for 492 National Assembly members from North and South Vietnam. In Saigon there were 44 men and women candidates for 35 seats. The assembly will have no opposition members.

The real power will continue to rest with the Politburo of the Lao Dong, or Workers Party in Hanoi.

"We are waiting only for the results of the elections to seal the reunification of the North and South," the Saigon radio said in special broadcasts that replaced regular news programs.

Duong Van Minh, the former general who surrendered South Vietnam to the Communists last April 30, walked with his wife from his retirement home in Central Saigon to a voting booth two blocks away.

"I would like everyone to do his duty as a citizen and vote for a unified Vietnam," General Minh told reporters.

"This is the most important day in the history of our country," said South Vietnam's Foreign Minister, Nguyen Thi Binh. The official radio reported that Mrs. Binh was the first voter in her ward in Saigon, which the new Communist regime calls Ho Chi Minh City.

WORKERS GIVEN DAY OFF

Sirens sounded the call to the polls, persons who normally worked today were given a day off and the Archbishop of Saigon asked Roman Catholics to attend Sunday services on Saturday to avoid interfering with the voting.

The Government reported "A massive turnout," about 90 percent in some wards. The radio repeated Ho Chi Minh's slogan, "Vietnam is one, the people of Vietnam are one."

Traditional songs with revolutionary lyrics celebrated the Communist forces' defeat of the United States-backed regime a year ago. "This is the time of independence, freedom and socialism," one refrain said.

"We are going to the voting booths to return our national leadership to the people from the former French colonialists and the U.S. imperalists," singers sang to the accompaniment of bamboo flute music.

OLIVER H. PARKS, SKIPJACK CAPTAIN

Mr. MATHIAS. Mr. President, the skipjack is a waterman's workboat unique to the Chesapeake Bay. The men who sail the skipjacks are of an era that is fast becoming history. Thus, there was special reason to mourn the death April 13 of one of the best known skipjack captains, Oliver H. Parks.

Captain Parks lived in Dorchester County, on Maryland's Eastern Shore, where the Chesapeake Bay is a way of life. His death was noted in the press on the shore and beyond, for Captain Parks and the way of life he represented were of more than local interest. It was on his native Eastern Shore, however, that the death of Captain Parks was felt most deeply. Of the many tributes that were paid to him, two—published in the Cambridge Daily Banner and the Easton Star-Democrat—perhaps best characterized Captain Parks and all he meant. I ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Cambridge Daily Banner,
Apr. 14, 1976]

Captain Parks

A legend died when Capt. Orville H. Parks Sr. drew his last breath at Dorchester General Hospital early Monday morning. At the helm of his skipjack, the "Rosie Parks" the Cambridge skipper consistently showed his stern to the best workboats on the Chesapeake. After suffering a serious heart attack which forced him to sell his boat, Capt. Parks came out of retirement last fall to sail the "Rosie" to its final Chesapeake Bay victory under his hand.

The "Rosie Parks" is a tradition in its own right. Named after the captain's mother, it was one of the last bay skipjacks fashioned by his late brother Bronza Parks of Wingate who was later murdered in his Wingate boatyard. The "Rosie Parks" was no prima donna. She dredged her share of oysters during most of the 20 years Captain Parks owned her. Finally, she was sold to the Maritime Museum in St. Michaels where many of Dorchester's nautical treasures have a way of winding up.

A number of years ago, we sat down with Capt. Parks aboard his boat in Cambridge Harbor to talk about the recently finished oyster season. Under a warm spring sun, the tanned veteran of a lifetime on the water talked about his career and expressed pungent personal views on increasing government encroachment into the lives of private citizens. Capt. Parks made it clear modern oystermen find today's rules, regulation, forms, reports, inspections and taxes ad infinitum increasingly arduous. The bureaucratic burdens, he found, are more difficult for men of spirit to bear than are the perils of the sea. He felt a whole way of life was coming to an end.

Capt. Parks was one of that independent breed of which Dorchester County is proud. Widely known wherever men sail, he will be greatly missed by his fellow citizens here at home who admire men of character and fortitude.

[From the Star-Democrat Apr. 14, 1976]

Capt. Orville Hilson Parks, Sr.: A Very Personal Memoir

(By Ann Stinson)

The death of Captain Orville Hilson Parks, Sr., legendary skipper of the Skipjack Rosie Parks, is an occasion for reflection.

John Donne wrote in 1623. "Each man's death diminishes me".

In a true sense, the death of Captain Orville, as he was universally known, is a loss to everyone who loves the Bay as he did, and cherishes its traditions, which he lived and helped perpetuate. He was probably the best known and best sailor among the dwindling breed of men who dredge for oysters with America's last commercial sailing fleet. His fame was not merely local: thousands of visitors to the dredge boats races at Chesapeake Appreciation Day each fall watched him maneuver the Rosie Parks in friendly competition against other skipjack captains, more often than not to victory.

He was born and lived in Dorchester County all his life, but in a sense, his real home was on the water. It has been said of him that he knew, better than any other man, the tides and currents around the oyster bars, the sure touch that made his boat best use the wind in fair weather and foul.

Aside from his skill and fame, there was a personal touch of courtesy and gallantry about Captain Orville.

Many will mourn him, and recall their favorite stories about him. My own grief is touched with a crowd of memories of his kindness.

On board the Rosie Parks in a mist so thick the sky and the Choptank River were welded without a seam, and from the cabin of the Rosie Parks the smell of bacon and coffee, and Captain Orville at the wheel, sharing his love of the early morning.

Other days, when the wind dropped to zero, and only a dredge let out as anchor kept the Rosie from moving with the tide. We sat on deck in the sunshine like passengers on a cruise ship while he filled the waiting with tales of the old days. Winter tales, like the big blow in 1939, a February that was engraved on his mind. In the terrible storm of Feb. 3 that year, nine men lost their lives on boats near him in a wind that came from nowhere.

He told of World War I, when the Dorchester boys, of whom he was one, went to Camp Meade and almost bypassed the usual firearms training because they'd grown up pass shooting at the waterfowl that poured South Dorchester skies from the time they were old enough to lift a gun.

On other days, other trips, he recalled courting his wife across the Honga River from his home in Wingate, sailing over to Lower Hoopers Island to call on the young schoolteacher.

In the snug harbor at Cambridge Creek where the Rosie Parks berthed at night, he was on board in the early morning light, eager to be under way; it was a privilege and a pleasure to see him then, before the heart attack that cut short his dredging career. He was 78 years old, and he hated to quit.

"I know when November rolls around, I'm going to wish I was back on her," he said when he told me of his decision to sell the Rosie Parks to the Chesapeake Bay Maritime Museum in St. Michaels. "The doctor told me, 'If you go out again, buy yourself a box to come home in', he said.

He sailed the Rosie around from Cambridge to St. Michaels, with a solicitous group on board, anxious that he not overextend his strength. He was a happy man. Only when she was docked at St. Michaels did he show a reluctance to let go, to relinquish a part of his life that he loved. He lingered, loathe to step ashore and say goodbye.

Now he is gone, and something very special is gone with him.

Future newspaper writers will most likely refer to him as "the Grand Old Man of the skipjack days." He was never old, but he was grand, in the sense that he was one of the finest gentlemen I ever knew.

He will be missed.

Capt. Orville Parks, whose fame spread across the Chesapeake Bay as one of the best Skipjack captains, died Tuesday morning at Dorchester General Hospital. He was a patient for a week.

Capt. Parks won just about every workboat race on the Bay at the wheel of the Rosie Parks which was built by his late brother Bronza, the boat now is at the Maritime Museum at St. Michaels.

The native of Wingate was a waterman all his life, and retired in December of 1974.

Sailing in the Chesapeake Appreciation Day races, Capt. Parks won ten out of eleven races. In the Deale Island races, the 80 year old waterman was the winner in every race except two.

He was an active member of Zion United Methodist Church, where he served a term as head usher, and was also a member of the Mens' Bible Class of that church.

He was a member of Dorchester Post No. 91, American Legion. Choptank Memorial Post No. 7460, Veterans of Foreign Wars, Chesapeake Barracks No. 128, Veterans of World War I, and the Chesapeake Seafood Association.

He is survived by his wife, two daughters, Mrs. Joy A. Cox, of San Diego, Calif., Mrs. Wilma A. Willey, of Cambridge, two sons, Hubert H. Parks, of St. Leonard, Md., and Orville H. Parks, Jr., of Bowie, Md., 9 grandchildren, one brother, Rosen W. Parks, of Milford, Del.; five half sisters, Mrs. Marie Jones, Mrs. Alma Wheatley, Mrs. Mildred Hubbard and Mrs. Janie Bloodsworth, all of Cambridge, and Mrs. Pauline Lloyd, of Miami, Fla., and several nieces and nephews.

Two brothers, Robert Parks and Bronza Parks, predeceased their brother.

Funeral services will be held at 2 p.m. Thursday from Zion United Methodist Church, with Rev. William H. Owens, and Rev. Earl L. Joplin officiating. Interment will follow in Dorchester Memorial Park, where full military rites will be accorded.

Friends will be received by the family at the Thomas Funeral Home on Wednesday evening from 7:30 to 9:00 o'clock.

It is the request of the family that expressions of sympathy be made in the form of contributions to the St. Michaels Maritime Museum, at St. Michaels, Md.

NOTES ON A VISIT TO ROBERT E. LEE

Mr. HARRY F. BYRD, JR. Mr. President, on Thursday, April 15, 1976, the South Boston, Va. Gazette-Virginian, published a remarkable essay by the Academy Award-winning actor George C. Scott.

Entitled "Notes on a Visit to Robert E. Lee," the Scott film-essay was broadcast by NBC–TV on April 9, the 111th anniversary of Appomattox. It was beautifully done by George C. Scott, a native of Wise County, Va.

The text of the essay probes with concise clarity the qualities of character displayed by General Robert E. Lee which should guide us today.

The publisher of the South Boston Gazette-Virginian is Mr. O. L. Shelton.

I ask unanimous consent that the Scott essay, as published in the Gazette-Virginian be printed in the Record.

There being no objection, the essay was ordered to be printed in the Record, as follows:

[From the South Boston (Va.) Gazette-Virginian, Apr. 15, 1976]

Leaves From a Reporter's Notebook

This essay was written by George C. Scott, the Academy Award-winning actor who is also, a serious Robert E. Lee scholar. "Notes on a Visit to Robert E. Lee" was developed as a feature broadcast by NBC–TV on the "Today" show April 9. Most of the filming was done on the campus of Washington and Lee University; Lee was president of the institution (then Washington College) from 1865 until his death in 1870. Mr. Scott gave Washington and Lee permission to reproduce his remarkable script.

By GEORGE C. SCOTT

(This is Main Street, Lexington, Virginia. On Sept. 19, 1865, a big, sandy horse with a dark mane and tail strode effortlessly down this street. He carried a tall, stooped man with a pearl-white beard who might have been taken for a farmer—the muddy boots, the faded, literally colorless riding coat, the sweat-brown, broad-brimmed hat.)

But he was not an ordinary citizen bent on some mundane domestic chore. Neither ordinary—nor a citizen.

. . . On that pleasant fall morning, 11 years before America would celebrate her Centennial year, R. E. Lee was about to become president.

Obviously, and some say unhappily, the presidency was not that of the United States, Rather, it was as chief administrator of tiny, impoverished Washington College that Lee had come to serve.

He was a paroled prisoner of war under indictment for high treason. Reviled by many as the Prince of Rebellion, he was totally disenfranchised—unable either to vote or to hold any public office.

But he was also beloved to the point of mythology by millions of his countrymen—and among these were the trustees of Washington College. They borrowed the trainfare and a suit of clothes to send Judge J. W. Brockenbrough to offer . . . the chair of the president and an annual salary of $1,500.

Broken in health and fortune, looking a decade older than his 58 years, Lee was apprehensive to accept. He knew very well his years were waning. But he wanted desperately to be of use to what he always termed the "rising" generation of his country. And when Judge Brockenbrough insisted that his acceptance would "evince a mind superior to despair," he gratefully agreed.

About the only recreation President Lee enjoyed during those last few years was taking daily rides through the surrounding countryside on that great grey horse, Traveller. One of the places he visited frequently was the hillside gravesite of Thomas J. "Stonewall" Jackson.

Prior to the war, Jackson had been a professor at nearby Virginia Military Institute. Lee probably stood at that grave and spoke quietly to his eccentric, strait-laced old comrade. Jackson, even to this day internationally recognized as one of the profound tactical geniuses of all time, was known to some of his men as "School Marm."

And Lee probably joked softly with him that they were both school marms now.

Undoubtedly, since they were religious men, Lee knelt here and prayed for both their souls. And he probably assured "Stonewall" that they would be united again before very long.

But bitterness and morbidity were foreign to Lee's Nature. And so was looking backwards. He worked diligently, even in rapidly failing health, and the college prospered—three days after his death becoming Washington and Lee University.

. . . At breakfast with his son Robert on the morning of his murder, Abraham Lincoln looked at a portrait of Robert E. Lee and said, "It is a good face. I am glad the war is over at last."

It was indeed a good face. Was it not—indeed, is it not still—the face of a good man?

Edward Valentine, who had sculpted a likeness of Lee from life, said: "An artist, above all other men, is quick to observe the faintest suggestion of posing. The slightest indication of movement of expression that smacks of vanity, he is sure to detect. Such weaknesses (which, as far as I know, are shared by many who are called great ones of the world) were totally lacking in General Lee."

This is Bicentennial America.

This is Election-Year America.

This is 20th-century, thermo-nuclear, porno-liberated, cokeyalky, oligarchy. In order-to-get-mine-I-gotta-grind-you America.

What are you and I supposed to learn from or feel about the world and the character of a man like R. E. Lee?

He's cold. We're cool.

He's passes. We're avant.

He's out of it. We're up to here in it.

Well, there are a few qualities this remarkable creature had which may serve us too, if we consider them.

Patience—quiet good humor—adoration of children—loyalty—respect for hard work—dedication to an ideal—love of animals—appreciation of duly constituted authority coupled with an abhorrence of authoritarianism—a devotion to history, for, as General Lee said, "It is history that teaches hope"—gentleness and the aspiration to achieve gentlemanliness—understanding of the state of being young—courtesy toward the conditional frailty of advanced age.

Acceptance of responsibility.

Personal integrity.

CONGRESSMAN KARTH RETIRES

Mr. HUMPHREY. Mr. President, I was saddened to learn during the Easter recess that my good friend and colleague, Representative Joseph E. Karth of Minnesota's Fourth District will retire at the end of this term.

Congressman Karth, who has served his State and Nation with great distinction for 26 consecutive years, indicated that the principal reason for his retirement is his desire to devote more time to his wife, Charlotte, and their three sons.

I know this must have been a most difficult decision for him to make. He has dedicated most of his life to public service; first, as a Member of the Minnesota House of Representatives, and for the last 18 years as a distinguished Member of Congress serving the people of St. Paul and Ramsey County.

For the greater part of his time in Congress, Joe Karth served on the House Committee on Science and Astronautics. Since 1973, he has been a member of the House Ways and Means Committee.

Joe Karth is respected as a workingman's Congressman. He is a patient but tough legislator who has mastered perhaps the most difficult and intricate area of congressional responsibilities: The setting of our Nation's tax policies. He has authored major legislation in the areas of trade and multinational corporations while serving on Ways and Means subcommittees on trade, social security and public assistance.

He always has taken seriously his important service as a Representative. Perhaps there is no better tribute to and confirmation of this then the resounding margins he has achieved in being returned to Congress eight times.

In announcing his retirement KARTH talked about his relationship with his constituents. They are words each of us should consider:

> I have been privileged to serve them and the nation in the world's most important law-making body, a privilege which makes me both proud and humble. These have been hectic years on Capitol Hill, but more important they have been years of major economic, social and political decision-making that will help shape our nation's future. The responsibilities and legislative burdens have been huge, but it is always a source of abiding gratification when you, as a member of Congress, have reason to know that you have had an opportunity toward the setting of a course that will help insure our country's future, its security and progress and the expansion of its economic and political democracy.

Those of us in Congress know that the nature of public life makes inordinate demands on persons who seek to provide the best possible representation to their constituents. It can be as trying as it is essential.

JOE KARTH is the senior member of our Minnesota congressional delegation, and we know it has been a distinct privilege to serve with him. He has distinguished himself as a brilliant legislator, a man of great personal integrity, and as one who has earned the great trust, admiration and affection of a generation of Minnesotans.

I know he will find similar success and fulfillment in the years to come.

Mr. President, I ask unanimous consent that recent editorials on Representative KARTH, appearing in the St. Paul Dispatch and the Minneapolis Tribune, be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

Karth Retires

If there is anyone in Congress with a guaranteed return ticket to Washington, it's Joseph Karth. He liked to "run scared" every two years, but there never was a serious challenge to his incumbency, and there was not the likelihood of one in the discernible future.

That is one of the reasons Joe Karth's decision not to continue in the House of Representatives after his current term is up next January comes as such a surprise. That Karth would be the "next" congressman from the Fourth District had long since come to be taken for granted.

Another reason for surprise is that Karth was just rounding into his most effective years in a body where enormous emphasis is placed on seniority. After years as an effective member and subcommittee chairman on the Space Sciences and Aeronautics Committee, where he had displayed high technical competence and had been a tough-minded watchdog over the immense expenditures of the American space effort, he was honored by his colleagues by election, by acclamation, to the top committee of all, prestigious Ways and Means. Election to that committee by acclamation is a rare occurrence and was a measure of the respect in which his colleagues held him.

On Ways and Means, Karth quickly came to be known as a member who did his homework, and who was independent-minded. The Wall Street Journal characterized him in a 1975 article as one of the four or five most influential Democrats on the committee, "bright, hard-working, effective."

A former union international representative, and always backed staunchly by organized labor, Karth was not afraid to antagonize labor bosses if he thought their policies counter to the greater public interest. In fighting for tough energy legislation, for example, he was highly critical of the United Auto Workers leadership for its attitudes on the manufacture of big, gasoline-guzzling cars.

Consistently liberal without being doctrinaire, Karth could speak out against "wild-eyed reform." At the same time, he used his position on Ways and Means in a diligent pursuit of meaningful and far-reaching tax reform.

One regrets the loss to Congress of so valuable a member, but must respect the reasons he gives for retirement. In 26 years of public life—18 in Washington, eight in the Minnesota Legislature—he has had virtually no time for a private family life.

There have been hints, too, that Joe Karth is a bit disappointed and disillusioned with Congress' shortcomings, its seeming failure to provide the effective leadership he feels it owes the nation.

The congressman has said he will support the candidacy of Robert Hess, his administrative assistant, to succeed him. Hess has had a lot of Washington experience, but it can be hoped that Karth's designation of him as heir-apparent does not foreclose the prospects of others. Seats in Congress should not be looked upon as dynastic properties.

Karth Steps Down

Rep. Joseph Karth's decision to quit public life after 18 years in Congress will mean a loss for Minnesota. The Fourth District DFLer has served his constituents well, working quietly, never spectacularly, but always diligently and effectively. "Bright, hard-working and effective" is how the Wall Street Journal characterized him last year in an article on the Ways and Means Committee. His election to the committee by acclamation was one indication that Karth's colleagues share that view.

Characteristically, Karth contributed to the public dialogue even as he announced his decision to leave Congress. During 26 years in public office—eight in the Legislature, 18 in Congress—he and his family have never had a private life, he explained. That meant no time with his eldest son while the son was growing up, Karth said. And it means that time to spend with two younger sons is fast running out. "Since you can't have a private life when you serve in elected public office, there's only one way to have it," Karth said, "and that's to not ask for any more public life."

Public office has always been demanding. But if holding office now requires incumbents—and their families—to give up their private lives, perhaps the demands have got out of hand.

BENJAMIN LEE SHUFF

Mr. MATHIAS. Mr. President, on April 4 the city of Frederick, Md., lost one of its most beloved and able citizens. Benjamin Lee Shuff was a friend of mine, and a source of strength to all who knew him.

Mr. Shuff was one of Maryland's best known bankers. He was chairman of the board of the Farmers & Mechanics Bank, a position he had held with distinction since 1971. He spent his entire career at the Farmers & Mechanics National, beginning in 1921 as a young man of 20. His rise was steady: He was elected to the board in 1944, and became president in 1955.

Mr. Shuff was born on a farm at Middlepoint, Md., one of 10 children. He attended country public schools. From his boyhood, he had an easy way with people of all kinds and, as a result, many came to him for help. Many successful businesses now exist because he found a way to respond to these appeals. His sense of humor was famous. To most people who knew him, he was "Mr. Ben."

On April 9, the Frederick Post paid tribute to Mr. Shuff in an eloquent editorial. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Benjamin Lee Shuff

One of Frederick's most beloved citizens—Benjamin Lee Shuff—is no longer in our midst. He is only missing in person—it will be many years before all of those who knew him—who loved him—who were indebted to him for countless courtesies, words of advice and acts of great assistance are no longer around to remind others of his honesty, his friendship, his sincere interest in people.

Benjamin Lee Shuff was first and above all a sincere friend to thousands. He gave them his word—and he stuck by it. He expected the same from those to whom he gave so much.

Benjamin Lee Shuff was a brilliant and astute banker. On December 5, 1971, he was honored with a dinner at the Red Horse celebrating his 50 years of service at the Farmers and Mechanics National Bank. And while tributes poured from the Maryland Bankers Association, the Maryland State Banking Commission, the Comptroller of the Treasury, Maryland's own Louis L. Goldstein, U.S. Senators J. Glenn Beall and Charles McC. Mathias and Congressman Goodloe E. Byron, thousands more came from his friends and business associates in the country. He was a member of the 50 Year Club of the Maryland Bankers Association.

Benjamin Shuff was born on May 27, 1901, on a farm at Middlepoint, near Wolfsville, the son of the late William H. and Linnie E. Barkman Shuff. He was one of ten children. He attended public school in Wolfsville and graduated from Middletown High School class 1920. Later he studied for four years in accounting and certified public accounting work and spent a comparable period of time taking correspondence courses in banking and economics.

After being employed at the Curtis Bay Copper and Iron Works, Curtis Bay, Maryland, during part of 1919, and with the Poole Engineering and Machine Company, Baltimore, in 1920 as assistant auditor, Mr. Shuff went to Fort Meade as a stenographer in the Quartermaster Corps of the United States Army.

In 1921 Mr. Shuff became employed at the Farmers & Mechanics National Bank as a messenger and clerk. He worked his way up gradually through the minor and major offices of the institution and became considered a capable executive. He was elected a director on June 27, 1944 and in 1948 was named Executive Vice President, a newly-created position. On August 23, 1955 at the meeting of the board of directors of the bank, Mr. Shuff was named President to succeed the late Robert E. Delaplaine.

Prior to becoming president, Mr. Shuff played a prominent role in the consolidation of Farmers and Mechanics with the Citizens National Bank of Frederick on January 31, 1953, under the title of Farmers and Mechanics–Citizens National Bank of Frederick. Thereafter, expansion of the bank continued at an unprecedented pace and became the largest national bank in Maryland, outside of Baltimore with total resources in 1955 of $28,373,862. Under his leadership and vision and assisted by a rapid economic growth, the F&M Bank expanded its services to twelve locations.

In 1971 Mr. Shuff was chosen Chairman of the Board and Chief Executive Officer. He personally insisted on dropping the title of Chief Executive Officer because of his failing health and his desire to make room for new executives coming up the ladder of leadership.

Mr. Shuff had served as a director in the following organizations: Frederick Gas Company, subsidiary of Washington Gas Light Company; Investors Loan Corporation, Development Credit Corporation of Maryland and Carmack's Grocery, Inc.; Ox Fibre Brush Co.; El Dorado Products, Inc.; Silver Chamberlain Brush Co. N.Y.; Vindobona, Inc., Price Electric Corp., chairman of the Board of Trustees of Hood College, Hospital Aid, Inc. and W. A. Riddell, Inc. of which firm he was also president.

He was a member of St. Mark's Lutheran Church, Wolfsville, Frederick Lodge No. 684 B.P.O.-Elks, Catoctin Club, Inc. and the Loyal Order of Moose. He was a member of long standing of the Chamber of Commerce of Frederick County, the International Platform Association and the Francis Scott Key Memorial Foundation.

Surviving besides his beloved wife, the former Elizabeth C. Herwig whom he married on July 31, 1933 are two sisters, Mrs. Eva Stottlemyer, Middletown, Mrs. Pauline A. Brown, Cascade, one brother William H. Shuff, Wolfsville and a number of nieces and nephews.

Benjamin Lee Shuff was a man who appreciated life and enjoyed a good sense of humor.

Frederick County owes you an irredeemable debt of gratitude. The community is a better place to live because of what you have given. Mr. Ben—may you rest in peace!

THE 1977 BUDGET AND HEALTH CARE

Mr. CLARK. Mr. President, for the sixth consecutive year, the coalition for health funding has produced an informative booklet that discusses the funding of Federal health programs for the coming fiscal year.

The coalition for health funding represents over 50 national organizations that are dedicated to uplifting the level of health care in this Nation. The coalition annually publishes an analysis of the President's health budget and proposes alternatives to this budget.

The 1977 report cites the inadequacy of the President's recommendation to reduce health spending from the 1976 level of $5.5 billion to $4.8 billion. This $700 million reduction would affect various health programs, but by far the most disastrous cuts are in the area of health services. Whereas the health services appropriation for the current fiscal year is $1.2 billion, the President proposes to spend only $900 million for these programs in the next fiscal year.

Community health centers would suffer a loss of about $40 million. These neighborhood clinics, operating in medically underserved urban and rural locales, provide family oriented primary care services to almost 2 million Americans. The health revenue sharing program, which finances preventive health activities by the States, would lose all of its funding if the President's plan were enacted. Programs in maternal and child health and in family planning would be forced to sharply curtail their activities.

The Federal effort to help those with mental health and alcoholism problems would also be undermined, as these two programs would lose more than one-third of their funding. Although the Congress made a firm commitment to community-based treatment of mental illness and alcoholism, the 1977 budget reflects an abandonent of this mandate.

Many of this Nation's health manpower programs would not escape the scissors of the budget cutters. Direct financial assistance to medical students would be reduced by two-fifths, while the nurse training program would be forced to absorb a cut of 65 percent. Federal funding for health facilities construction would be terminated entirely if the President's recommendations took effect.

The coalition for health funding concluded that the President's health budget would have a "devastating effect on the Nation's health." The organization notes that—

> At a time when the Bureau of Labor Statistics estimates the increase in the medical care component of the Consumer Index to be 10.3%, . . . the administration proposes to reduce Federal health spending by some 11.4%. At a time when many of the Nation's urban centers answer the threat of virtual bankruptcy with drastic budget cuts, the administration proposes that the States and localities pick up a greater share of the health funding tab. At a time when an ever increasing number of poor, aged, and disabled citizens must rely on direct health care services provided by the Federal Government as the sole source of such services, the administration proposes to reduce the funding level of these services to a point where most of them would be rendered ineffective.

The coalition recommends that all controllable health programs be restored to their fiscal 1976 operating levels, and it places a high budget priority on breakthrough research, essential training, comprehensive planning and development, and direct community services.

There are a few bright spots in President Ford's 1977 health budget. Proposed increases in the National Health Service Corps, National Health Service scholarships, and nurse practitioner training would help to improve the access to health care in rural areas. However, the support for rural health programs is significantly eroded by proposed cutbacks in funding for community health centers and for emergency medical services.

Other programs that would receive increased funds under the President's budget are the Indian health service, community programs of drug abuse prevention, and health manpower capitation grants.

The coalition for health funding has decided that $5.8 billion is needed to maintain current Federal initiatives in health services, research, and training that are so essential to our Nation's well-being. This assessment is in accordance with the first 1977 budget resolution that passed the Senate in April. The resolution allocated $6 billion for this health funding.

I request unanimous consent that a table outlining several health budget proposals be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

FEDERAL HEALTH FUNDING

[In billions of dollars]

	1976 appropriation	President's 1977 budget	First 1977 budget resolution	Coalition for health funding 1977 budget
Health Services Administration	1.2	0.9	1.3	1.2
National Institutes of Health	2.5	2.3	2.8	2.5
Alcohol, Drug Abuse, Mental Health Administration	.8	.8	.9	1.0
Health Resources Administration	1.0	.9	1.0	1.1
Total	5.5	4.9	6.0	5.8

Mr. CLARK. Mr. President, I hope that careful consideration will be given to the excellent analysis provided by the coalition. Federal health spending should not be reduced, and I am confident that the Congress will concur with this view.

Mr. President, I ask unanimous consent that a list of the organizations that comprise the coalition for health funding be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

REGULAR MEMBERS

American Academy for Cerebral Palsy.
American Academy of Child Psychiatry.
American Academy of Pediatrics.
American Assn. for Study of Liver Diseases.
American Assn. of Colleges of Nursing.
American Assn. of Colleges of Osteopathic Medicine.
American Assn. of Colleges of Pharmacy.
American Assn. of Colleges of Pediatric Medicine.
American Assn. of Dental Schools.
American Assn. of Psychiatric Services for Children.
American Congress of Rehabilitation Medicine.
American Dental Hygienists' Assn.
American Diabetes Assn.
American Federation of State, County & Municipal Employees, AFL–CIO.
American Nurses' Association.
American Occupational Therapy Assn.
American Optometric Assn.
American Orthopsychiatric Assn.
American Pediatric Society.
American Psychiatric Assn.
American Public Health Assn.
American Society of the Allied Health Professions.
American Speech and Hearing Assn.
Arthritis Foundation.
Assn. of American Medical Colleges.
Assn. of Independent Research Institutes.
Assn. of Mental Health Administrators.
Assn. of New York Neighborhood Health Centers.
Assn. of Pediatric Pulmonary Centers.
Assn. of Schools & Colleges of Optometry.
Assn. of Schools of Public Health.
Assn. of University Programs in Health Administration.
Citizens Committee for the Conquest of Cancer.
Citizens for the Treatment of High Blood Pressure.
City University of New York.

Council for the Advancement of the Psychological Professions & Sciences.
Council of State Administrators of Vocational Rehabilitation.
Endocrine Society.
Group Health Assn. of America.
Human Growth Foundation.
National Assn. of Social Workers.
National Committee Against Mental Illness.
National Council of Community Mental Health Centers.
National Foundation/March of Dimes.
National Health Education Committee.
National League for Nursing.
National Medical Assn.
National Student Nurses' Assn.
Planned Parenthood/World Population.
State University of New York.
United Auto Workers.
United Steelworkers of America.

THEODORE R. DANKMEYER

Mr. MATHIAS. Mr. President, on April 4 I was grieved to learn of the death of my good friend, Theodore R. Dankmeyer.

Mr. Dankmeyer was a nationally known authority on maritime and shipping law, and had a distinguished career as a lawyer in Baltimore. He was an editor of maritime law books, and an aesthete who loved the theater. Throughout his long career, he gave faithful service to the city of Baltimore, the American and Maryland Bar Associations, and the Lutheran Church.

On April 5, Mr. Dankmeyer's death was reported in the Baltimore Sun. The obituary conveys the breadth of his career, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

THEODORE R. DANKMEYER, MARITIME LAW EXPERT, DIES

Theodore Rognald Dankmeyer, an expert on maritime and shipping law, died yesterday at Union Memorial Hospital following a heart attack.

Funeral services for Mr. Dankmeyer, who was 73 and lived at 9 Wendover road, will be held at 10 A.M. Wednesday at the First English Lutheran Church, Charles and 39th streets.

Mr. Dankmeyer was counsel to the law firm of Niles, Barton and Wilmer, in which he had been a partner for many years.

He was also the president and editor-in-chief of "American Maritime Cases" a law book published in Baltimore since 1923.

Mr. Dankmeyer was also a former member of the board of the Baltimore Life Insurance Company and Schenuit Industries, Inc.

A former trustee of the School of the Chimes and the Lutheran Hospital, he had also served on the council of the First English Lutheran Church.

Long interested in the theater, he had served as president of the Vagabonds.

Mr. Dankmeyer belonged to the American, Maryland and Baltimore bar associations, the American Judicature Society, the Maritime Law Association of the United States, the Inter-American Bar Association, the Navy and the Propellor Club.

He is survived by his wife, the former Anne Burrier; two daughters, Mrs. Samuel Hopkins, of Baltimore, and Mrs. Gretchen D. Stock, of Bethesda; a son, T. Rognald Dankmeyer, Jr., of Monte Sereno, Calif.; a sister, Mrs. Walter E. Grempler, of Baltimore, and five grandchildren.

SMALL BUSINESS AND THE FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1976

Mr. HUMPHREY. Mr. President, the question of whether this Nation will achieve and sustain a full employment economy turns on the vitality of the small business sector.

Small business constitutes about half of the Nation's business economy.

There are 9.7 million commercial and industrial entities in the United States and 9.4 million of them, 97 percent of the total, fall within the category of small business as defined by the Small Business Administration—manufacturing firms with 1,500 employees or less wholesale businesses with gross annual sales receipts of $15 million or less, and retail and service firms with gross annual sales receipts of $5 million or less.

Some 55 percent of all nonfarm workers are employed by small businesses.

Of the Nation's total gross national product—the value of all goods and services—43 percent is provided by small businesses.

Small commercial and industrial enterprise is the well spring for most of the new ideas that must continually be fed into our economic system if we are to develop new products and techniques for the production of goods and services, utilize our limited resources with greater efficiency and, above all, constantly upgrade levels of competition.

The existence of Xerox copiers, Polaroid cameras, and pocket computers are but three examples of the tremendous contributions made by small business enterprise in recent years.

By the same token, it is far more likely that radically new advances in duplicators, cameras, and miniature digital computers will be made, not by these now giant corporations currently dominating their markets, but by small firms struggling to present new ideas to American consumers. Large companies, once having achieved success, often have a built-in bias against changes that would mean scrapping concepts, production methods, and marketing techniques that have been years in development.

Innovation and invention, for the most part, must come from small firms organized by ambitious persons determinedly seeking market access for the products of their imagination and skill. This is the key to American enterprise.

Yet, this vast segment of the Nation's economy is chronically starved for credit and the situation is getting worse. Moreover, a credit crisis has always existed concerning the availability of capital to establish and sustain firms bringing new products and services to the marketplace:

Flow of funds data compiled by the Federal Reserve discloses that in 1953 gross private domestic investment totaled $34.6 billion. Of this, $7.5 billion was channeled into small business. In other words, big business received 78.6 percent of the investment pie while small business, which occupies roughly half of the Nation's business and industrial economy, received 21.4 percent.

Things have gone downhill for small business since then. Twenty years later, in 1973, the small business share of gross private investment amounted to $16.5 billion. In that year, big business, comprising 3 percent of all commercial and industrial nonfarm entities received 89.5 percent of the funds invested while small business representing 97 percent of all nonfarm commercial and industrial entities, obtained only 10.5 percent of the total funds invested.

That is a 50-percent reduction in the small business share of gross private domestic investment in two decades.

Moreover, the capital formation demands of the American economy in the 12-year period, 1974–85, will be nothing short of staggering, according to studies conducted by the New York Stock Exchange. Gross private domestic investment needs during this period are estimated at $4.5 trillion. But the study concluded that investment funds available will fall short of this mark by $650 billion. The small business share of that total shortfall will be about $71 billion or $6 billion a year.

The chief source of credit for the Nation's small businesses are commercial banks. Yet of the 14,000 commercial banks in the United States, less than 600 have 10 or more loans outstanding to small business under the SBA's guarantee loan program, and less than 125 have 50 or more loans outstanding to such commercial and industrial enterprises through the SBA program.

This chronically unfavorable situation deteriorates even further during tight money periods. Between 1973 and 1974, for example, the number of SBA guaranteed loans fell by one-third, from 33,000 to 22,000.

The total volume of commercial bank loans to small business has been growing but at a painfully slow rate. Commercial bank loans to small business totaled $777 million at the end of 1946, a figure which was 21.4 percent of $3.6 billion in total credit market debt instruments outstanding to small business at that time. Twenty-five years later, at the end of 1971, commercial bank loans to small business amounted to $13.9 billion or 35.6 percent of the outstanding debt to this sector of the economy.

During this same time frame, from 1945 to 1975, high interest finance company loans to small business rose more than 600 percent, from $1.2 to $7.7 billion, and represented nearly 20 percent of the total credit market debt outstanding to this area at the end of this period.

Among other things, it is evident that the desperate search for credit and capital by small business has forced these firms to turn in growing numbers to the often intolerably high cost loans available from finance companies.

The future promises to be far more bleak for small business absent any change in the policies by which credit is allocated to this priority area of the Nation's economy.

James J. Needham, chairman of the New York Stock Exchange, has said:

> The financing problems of small business will be greatly affected by the severe deterioration in the balance sheet positions of

> major corporations. In particular, as larger companies turn increasingly to commercial banks for funds—which should happen as the economy picks up steam—smaller borrowers may find themselves pushed even further to the rear of the borrowing queue . . . Small companies are always last in line in the credit markets. In the face of an inadequate supply of investment capital, the smaller firm will be left out in the cold.

The scenario presented by Needham, is to say the least, discouraging, when it is acknowledged that small manufacturing companies rely on commercial bank credit far more heavily than is the case with the larger counterparts. Commercial bank borrowing by small manufacturing companies was at a rate which was 14 percent of assets during the first half of 1975. By comparison, commercial bank loans to large manufacturing companies amounted to 5 percent of total assets during the same period.

During 1975 and even more so at present, a strong conservative trend has become established throughout much of the Nation's commercial banking industry, particularly among the largest commercial banks which command the bulk of the Nation's loan funds. To acquire loan funds, these financial institutions have been increasing their short-term debt through the sale of high-yielding certificates of deposits which rose from $40 billion in 1972 to $80 billion in just 2 years. This has occurred at a time when an increasing number of the Nation's largest banking organizations were being placed on the problem lists of Federal bank regulatory agencies due to poor loan practices and undercapitalization. The result has been a sour market for the sale of bank stock a step that might otherwise have been taken in order to increase capitalization and financial strength. In what has been described as a "flight from risks," commercial banks have increasingly channeled available loan funds into the purchase of short-term Treasury debt paper at the expense of other borrowers, particularly small business.

Just as small companies are always last in line in the credit markets, so too are they the hardest hit in terms of unemployment and bankruptcies during inflationary, tight money, high interest rate periods.

For example, in September of 1975, the national unemployment rate was 8.3 percent when 7.8 million people were out of work. However, industries having substantial small business employment were hit harder than the national average figure indicates. Unemployment in the construction industry, which includes all small homebuilders, was 14.3 percent during that month. The jobless rate in the retail trade industry was 9 percent, and was the fourth highest industry unemployment rate in the Nation.

According to the Small Business Administration:

> The vast majority of failing firms are small businesses, indicated by the fact that 96 percent of those failing in the first eight months of 1975 had liabilities of under $1 million, averaging $107,765.

With the exception of June when it was 36.5, the rate of business failures for the first 8 months of 1975 ranged from 43.4 per 10,000 firms to 49.1 per 10,000 firms, far higher than the failure rates of 38.3, 36.4, and 38.4 for 1972, 1973, and 1974 respectively. Failures in personal service firms were up 47 percent and bankruptcies among construction firms increased 42 percent during the first 8 months of 1975. As indicated above, both types of industries have large concentration of small enterprises.

Mr. President, all of this constitutes a graphic illustration of the urgent need to develop new policies and mechanisms by which to allocate adequate credit on reasonable terms to small business and to other priority areas of the Nation's economy.

The vehicle to do this. S. 50 and H.R. 50, the Full Employment and Balanced Growth Act of 1976, stands ready for consideration by the Congress. In effect, this measure establishes a new framework to achieve maximum coordination between the Congress and the administration for the development and implementation of fiscal and monetary policies to reach and sustain maximum full employment, production, and antiinflationary goals. Full employment is defined as a jobless rate of 3 percent or less of the adult work force, a goal which the bill requires be met within 4 years from the date of enactment. The President would be required to propose supplementary job creation policies and programs to reduce and ultimately eliminate any shortfall in job opportunities.

Mr. President, any effort to achieve a full employment economy must be fully cognisant of the financial needs of small business. As I indicated earlier, over half—55 percent—of all nonfarmworkers in the Nation are employees of small business. Despite the large sector of the economy occupied by small business, such firms are highly vulnerable to shifting economic conditions. In a very real sense, the impact of the Full Employment and Balanced Growth Act of 1976 will be as great or greater on small business than on any other segment of the economy. This is as it should be since the vitality of the Nation's economy—indeed the prospects for a viable prosperous future with stable prices for the country—depend largely on the condition of small business.

WHY EDUCATION R. & D.?

Mr. JAVITS. Mr. President, I am pleased to bring to the attention of my colleagues a recent article in the HEW publication, American Education, by Dr. Harold L. Hodgkinson. Dr. Hodgkinson, who serves as the Director of the National Institute of Education, presents a sound case for the fundamental importance of an applied approach and a problem-solving approach to education research. He goes on to outline the role and activities of NIE which are trying to meet this need.

I agree with this point of view, and am pleased to note that the Committee on Labor and Public Welfare has recognized the need for an expanded Federal investment in education research. In its report to the Senate Budget Committee on the proposed levels for the fiscal year 1977 budget, the committee stated its concern for adequate funding for NIE. I ask unanimous consent that the full statement in that document be printed in the Record.

Mr. President, I believe Dr. Hodgkinson's remarks warrant the full attention of all those who are interested in the improvement of American education, and I ask unanimous consent that the article be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Report of the Senate Committee on Labor and Public Welfare to the Committee on the Budget, March 1976

The Committee is concerned that an insufficient investment is being made in research to solve fundamental and persistent educational problems. In such areas as health, agriculture and energy, the Federal Government has a unique role in supporting research because the benefits typically accrue nationally, not to state and local governments or to individuals who are willing or able to make necessary investments. Thus, educational research requires a federal investment because there is no sufficient alternative source of funding. Education is currently estimated to be a $120 billion annual enterprise in America. Yet fundamental questions, such as how to adequately teach young people to read and write and how to prepare all persons regardless of age for successful and rewarding careers, remain elusive to adequate solution. While the Federal Government pours large percentages of available Federal funds into research in areas like health, agriculture and energy, there is chronic Federal underinvestment in educational research. Although we have not yet solved our fundamental educational problems, we remain reluctant to provide adequate resources in educational research to achieve necessary breakthroughs. When established in 1972, the National Institute of Education combined programs which were operating at an annual rate of $140 million. The three-year authorization in the original bill provided for expenditures of $550 million. Unfortunately less than half of this authorization has been appropriated, and there have been several years of serious underfunding. In recognition of the need for Federal support of education research and recent underfunding of this important investment, the Committee recommends a total of $200 million (p. 25).

Why Education R. & D.?

(By Harold L. Hodgkinson)

(The director of the National Institute of Education talks of problems that vex education researchers and believes that a breakthrough is close at hand.)

Research and development is one of the most misunderstood and neglected elements of American education.

When a discussion turns to education R&D, the picture that often come to mind is that of a professor sitting in an office, surrounded by piles of obscure journals and perhaps talking to himself as he writes a scholarly dissertation. This image of the "ivory tower intellectual" is all too easy to conjure up. It's also far from accurate.

Education research is, or should be, the systematic investigation and solution of critically important problems affecting what and how our children learn. This is a complex undertaking—given the size and complexity of American education. Close to eight percent of America's gross national product—

$119 billion per year—is invested in education, and it is the major occupation of more than 62 million people. Considering the plethora of vocational training, adult education, and enrichment programs available in addition to traditional schooling, the pursuit of education is probably the Nation's foremost business.

Our educational system is, in many ways, second to none. This is not to say that it is perfect or, in some respects, even satisfactory. Despite our best efforts to date, the following situations prevail:

Employers complain that many high school graduates cannot read or write well enough to function effectively on the job.

Many children are denied equal education opportunities because the language they learned at home is not the language used in the schools.

Many students leave school without the knowledge or skills they need to choose and pursue a career.

America's schools are caught in a crunch of rising costs, declining enrollments, and constant demands for better performance.

At the same time, more and more students of all ages are questioning the real worth of education. Where, they ask, is the motivation to do well in school, to acquire post-secondary degrees, when a street sweeper in California makes $13,000 a year and an assistant professor in that State's college system makes $12,500? It's become obvious that education is now only one of a number of routes to economic security.

These problems are critically important, and the Nation cannot deal effectively with them on a stopgap, local basis.

But the Nation *can* do something about them by supporting a systematic, national effort to examine problems scientifically, develop and test solutions, and see to it that the final results reach those who can make use of them.

This process of scientific inquiry into educational problems extends more than 100 years into the past. Scholars like Henry Barnard, William James, John Dewey, and Edward L. Thorndike are as eminent in the field of education as are Joseph Lister, Alexander Fleming, or Jonas Salk in the field of medicine.

However, research in the social sciences and especially in education poses problems very different from those in the physical sciences. Perhaps the most obvious are in development and evaluation. The research engineer designing Detroit's newest car has a definite advantage over the social scientist developing a new reading curriculum. That prototype car can be given a field test and evaluation rather quickly (perhaps by simply driving it down the road); if it falls apart or won't stay on the road, it's obvious that there is something wrong. If it works, the Detroit engineer knows he has a worthwhile product. He also knows that when the car comes off the production line, it will fulfill an existing demand.

But the social scientist faces several pitfalls. Not only is it often harder to evaluate the long-term effects of his product, but is usefulness hinges directly on the stability of the target population. All too often a good research program will develop useful curriculum materials that produce demonstrable results, only to have the socioeconomic population change drastically. After what may have been a five-year research effort, the researchers are left with a variety of materials and techniques that were designed specifically for one population but simply do not work for another.

Then, too, the payoff and impact of successful research efforts in the physical sciences can be far more immediate and spectacular. The search for a cure for polio took decades, even though it was a multimillion-dollar effort involving hundreds of scientists pursuing thousands of different lines of inquiry. Yet the final payoff was worth that investment: The Salk vaccine has made the incidence of polio in this country almost nonexistent.

The success of post-World War II research and development in the physical sciences led to a growing faith in R&D as an effective instrument of social progress. This optimism reached its peak in the early 1960s, with a huge upsurge in support for social action programs. The Office of Economic Opportunity was created to eradicate poverty in this country; programs like Head Start, Upward Bound, and Follow-Through were created by very optimistic people as a rapid way to equalize educational opportunity.

Because of this deep emotional commitment, the sponsors of such programs were not entirely receptive to research evidence that might throw doubt on a program's success. Most of these social action programs, therefore, did not build in an adequate research or evaluation component but rather tacked it on later.

The mixed success such programs achieved indicates that there are few easy solutions to educational problems. For all of the optimism and resources invested in massive social action programs, most problems are still with us. It simply isn't possible to design a single method of instruction, or a single textbook on mathematics or grammar that will work for all students.

Too many people still tend to look at education research and say it isn't useful because instead of simplifying the problems it only makes them more complicated. In medicine it is acceptable to have 50,000 people working on a cure for cancer; that means that we've got 50,000 chances of finding a cure. However, to support 50 different approaches to solving the problem of why some youngsters can't read, is, to many people, a waste of effort and money.

There is also a question of time, a far more critical factor in the social sciences than in the physical sciences. The electronic heart pacemaker, for example, took 32 years between the original conception of the idea and the first workable model. That sort of time lag in most of the social sciences would likely make the final product worthless.

There's a strong tendency to believe that education research should be able to produce cut-and-dried single solutions. Unfortunately, it is rarely that easy. For example, it is not difficult to find two schools in the same area serving the same type of population that nonetheless have entirely different problems. The schools may offer identical curriculums, yet one may have tensions and severe discipline problems while the other operates in peace and harmony. Something must account for that difference, but what? By studying only what goes on in the schools, the chances are that it will never be uncovered. Educators—researchers included—need to revise their expectations of what the educational system can do and admit that families, churches, neighborhoods—in fact the whole range of factors that form an individual's environment—have a critical role to play in the total development of the young.

It's equally important to think about what the function of the school really is. Willard Waller, one of the first educational sociologists, described the school as a "museum of virtue"—a place to exhibit all the virtues that nobody wants to practice anymore, but that everyone feels are somehow important. Sociologists usually split the school's functions into two: the manifest functions (to teach our children, to improve their character, to serve as a social hub) and the latent functions, (to introduce youth to competition to keep youth out of the labor market, to select the meritorious and weed out the unfit, to serve as a juvenile detention center for those who don't seem to make it very well in society, and, by bringing young folk together, to convenience matchmaking).

Every organization has such manifest and latent functions. In order to change or improve them, we must first be able to identify them. One of the responsibilities of education research must be to place schools in a realistic perspective as a part of a total environment affecting what children learn, how they learn it, and what kinds of values they place on particular types of knowledge. Education research is just beginning to produce studies on this. One of the most significant of recent findings in higher education has to do with the importance of a student being in a residential atmosphere. It's quite clear that such an atmosphere is critical in helping people develop in terms of self-reliance, initiative, and basic maturity.

Again, it's a matter of considering the total environment of the student rather than simply an isolated portion of it. To assume that there is only one aspect that need be considered is to miss a great deal of the picture.

For a good many years, education research was almost exclusively involved with the psychology of learning. From Skinner's studies in the 1930s to Thorndike, Lindquist, Tyler, and Maslow, psychologists tended to be the leaders in education research. This leadership has given us important new information about how organisms learn new things and a few insights into how they adapt to their environments, but it hasn't told us that much about why some things take place in and outside the school and others don't.

Political scientists are just now beginning to get into educational questions. Texts on education organization and administration are being written by political scientists, and that's a big change. History, anthropology, and sociology are a few of the other disciplines that have a great deal to offer education. But it's a slow process. A look at people who have been trained as education researchers in schools of education will indicate that about 85 percent of them still are psychologists. We need more of a balance.

It's also important that we link education R&D more directly to the world of practice, to what's actually going on in schools. In the past, education research has been charged, perhaps justifiably, with "tunnel vision." To many education policymakers in the early 1960s, education change took place in a relatively linear fashion. Basic research was conducted on problems posed largely by the current state-of-the-art in a particular discipline; the results of that research were then applied to develop products; and the final products were delivered to the schools, which would faithfully adopt them.

This view projected a rather passive or compliant role for those in the schools, both in deciding what problems should be addressed and in developing solutions. That's a highly unrealistic view, and one that is rapidly changing. The elitist notion of several years ago that research could be done only by highly trained scholars is no longer supportable. There is now a much stronger acceptance of the proposition that the teacher, the school administrator, and even local citizens must be involved, and in fact, are likely to have some good ideas about how research can improve education.

When the National Institute of Education (NIE) was created in 1972, its four-part Congressional mandate essentially gave the Institute the leading Federal responsibility for studying the most critical problems in education and helping teachers, school administrators, and education policymakers determine the most promising solutions and apply them in the schools. We at NIE see that mandate as a partnership. We are firmly convinced that State departments of education, local school systems, and professional associations should be our indispensable colleagues in any effort to improve education. We believe that they must be involved, not only in disseminating the final product, but also in setting the research agenda and conducting and evaluating the work itself.

This is not an easy task, especially when the Nation commits less than one-half of one percent of its total education expenditures to efforts to find out what works and what does not. By way of comparison, agriculture spends 3.2 percent of its total resources on research and development, and health spends 3.6 percent.

To bring about the most effective research payoff possible within the means given it, NIE has concentrated its efforts on five areas of particular importance: basic skills; educational equity; education and work; school finance, productivity, and management; and the dissemination of research results and innovative practices. These areas were by no means random choices. They reflect several years of planning sessions, meetings, conferences, and the like involving NIE staff, chief State school officers, teachers, school administrators, education researchers, and policymakers at all levels. They further reflect the expressed intent of Congress that our activities be "goal oriented," emphasizing the dissemintion of research and development results to those in the schools.

Of course, involving all sectors of the education community isn't that simple. In this country there are more than 18,000 bodies responsible for making decisions about elementary, secondary, and postsecondary education. By way of comparison, there is only one decision-making body for education in France.

Which is more efficient? Perhaps the French, on a day-to-day basis. But the type of pluralism we have allows us to adapt or adjust the system far more quickly when there's a crisis.

On the whole, I think we in America are better off, even though our number and variety of policymakers make jurisdictional conflicts endemic. Teachers, superintendents, parents, principals, school boards, State legislatures, State boards and departments of education, the courts, and the Federal Government all have a voice in what goes on in any given school on any given day. And all have views—sometimes very conflicting—about what education is and should be.

An examination of public opinion polls, such as the 1972 Harris poll, will show that Americans' faith in many social and political institutions has dropped noticeably since 1967. Nor have industry and the professions escaped this loss of confidence. Certainly the education system has come under strong criticism.

People are unhappy; they want more control over their lives, and one of the areas in which they have the best chance to get it is in the education of their children. This has made parents a much more vocal group than ever before as is evident in the disputes over busing, in the increasing numbers of school bond issues that are voted down, and in the growing desire on the part of many people to somehow go "back to basics." This "back to basics" drive doesn't necessarily mean that people want to give up the things they like about contemporary public schools. It's more of a yearning for that safe, clean, pure environment that never was, but that people think they remember.

But parent participation is not a fad. It is going to be an increasingly important aspect of education decision-making over the decade. Parents will be holding educators increasingly accountable for the type and quality of education their children receive.

This makes NIE's role all the more critical. Some of the programs now under way at the Institute have a tremendous potential for improving education. For example, the Education Amendments of 1974 authorized NIE to conduct an intensive study of the effectiveness of compensatory education programs, including the $15 billion Federal investment in programs for disadvantaged children Title 1 of the Elementary and Secondary Education Act. This will be the first comprehensive study of compensatory education and should provide some very important information about the kinds of schools or school programs that successfully deal with the problems of underachieving children.

The Institute is also developing appropriate instructional goals and curriculum materials for bilingual education. An estimated five million students in this country come from families in which English is not the language used at home. To date we know very little about the social and cultural processes influencing these children, which suggests that this research has considerable payoff potential.

In the next few years, we should also have a much better idea about at what stage of their lives people make career decisions, and what triggers those decisions. People used to think that, at age 18, a high school student would magically decide to be a doctor or a lawyer or a garage mechanic. Now it is clear that career possibilities are bouncing around in people's heads almost from birth; this makes it very important to know more about the whole sequence of events that produces a career decision. Regardless of whether it's at age two or 55.

Finding the solutions to these and other problems will not, of course, make education perfect, or even as good as it should be. I don't believe that will happen until some kind of common vision for the education system as a whole is developed. I am, however, convinced that the vision may be just around the corner, and that it will be based on the provision of a quality education for every American regardless of age, race, or sex.

We have at our disposal today the technical and economic means of making it a reality. And right now we are gathering the knowledge needed to put that vision into effect. It's a matter of choosing to do so and committing the necessary resources to the effort.

THE CHILEAN COUP REVISITED

Mr. McGEE. Mr. President, I bring to the attention of my colleagues a couple of reports which I believe contribute to a better, more balanced understanding of the developments in Chile which surrounded the downfall of the Allende government in September 1973.

I realize that a great deal has already been said on this subject. However, too much of it, I believe, has tended to disregard the role played by Chileans—Chilean politicians, Chilean military officers, the Chilean people. What Chileans did in the fall of 1973 and why they did it has frequently been overlooked here in the United States, where the emphasis has been on the CIA's involvement and other external factors. My remarks should, in no way, be interpreted as support for what the CIA did or the role of ITT. I did not at the time, nor do I today, condone such activities. Nevertheless, this focus has produced something of a "foreign-demon theory" to explain the demise of the so-called Popular Unity Government.

Mr. President, this theory may make for fascinating reading, but it simply overlooks, in a patronizing fashion, the principal actors in the Chilean political tragedy; namely, the Chileans themselves.

To help fill this gap, I am calling attention to two reports. The first, entitled "Military Government in Chile, Part I: The Coup," is the work of Dr. Thomas G. Sanders of the American University Field Staff. Dr. Sanders is a former associate professor of religious studies at Brown University.

The Sanders report offers a brief but illuminating study of the Chilean military, tracing its development from the 1920's. From his study of Chile's military leaders and institutions, Dr. Sanders concludes with the following observations:

> The September 11 coup transformed Chile from Latin America's most lively democracy into one of its most repressive regimes. The conditions for this change can be traced to the 1960s, but they intensified between 1970 and 1973 as the country deteriorated economically and polarized politically. The military, at the time of Allende's election, considered themselves professionals despite their personal convictions, but they were gradually drawn deeper into the political process by the pressure of civilian political leaders who considered them a stabilizing force. When they finally intervened, they made their own institutional decision, but they were guided in their analysis by the views of the civilian opponents of the administration. The overthrow of Allende (contrary to the views of those who ascribe it to foreign influence) resulted from internal developments in the Chilean political process, and the actors in the coup were the nation's Armed Forces and Police.

The second report, "Chile: Left to Right," offers an overview of the coup, before and after. The report was prepared by Robert Dockery of the Foreign Relations Committee staff, who visited Chile in January of 1974. Mr. Dockery's report was circulated privately in February 1974 to members of the committee. His examination of the Allende period and the subsequent military intervention is, I think, a very balanced one, as evidenced by his concluding remarks:

> The outlook for Chile is certainly less than promising. The new credits, the debt-rescheduling, the belt-tightening—none of these will resolve Chile's political dilemma of how to slice the economic pie in such a way that a majority of Chileans find it acceptable. Allende went to one extreme. The junta has gone to the other—and then some. Neither extreme deserves support.

Mr. President, both reports deserve serious consideration. I ask unanimous consent they be printed in the RECORD.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

MILITARY GOVERNMENT IN CHILE: PART I: THE COUP

(By Thomas G. Sanders)

More than two years have now passed since the Chilean Armed Forces overthrew the leftist coalition government headed by Salvador Allende. During this period the Military Junta which seized power on September 11, 1973, has been frequently criticized for violently interrupting the Chilean political process, instituting a repressive regime, and violating human rights.[1]

Almost nothing systematic, however, has

Footnotes at end of article.

been written about the characteristics of the new government as a distinctive authoritarian and military regime. The neglect of Chile is due largely to the relatively short period the military have held power, but it contrasts with the abundant interpretive material on Brazil and Peru, where the military took over in 1964 and 1968, respectively. Inasmuch as the Chilean Armed Forces, like those in Brazil and Peru, will probably be in power for some time to come, the background of the intervention and the characteristics of the regime they established deserve examination. The present article traces military thinking from the 1960s through 1973, and describes their increased involvement in politics and the reasons they gave for carrying out the coup. Part II of this series focuses on the political, ideological, and economic characteristics of the system which was established after the coup and presently governs Chile, with special emphasis on relations between the Armed Forces and civilian supporters.

THE CHILEAN MILITARY BEFORE THE INTERVENTION

In 1970, when Allende became president, the Chilean Armed Forces were considered the most "professional" or nonpolitical in Latin America. They had not intervened since the turbulent period between 1924 and 1932, which was marked by the ascent of the middle class to power and the economic problems of the World Depression. Frederick M. Nunn has shown that military intervention at this time was part of a progressive but authoritarian "young officers' movement," led by Colonel Carlos Ibanez, who was elected president from 1927 to 1931 and who guided the nation through necessary constitutional and social reforms. After Ibanez was driven from office, however, the country was torn by a series of military coups and countercoups which led to a public reaction in favor of civilian government. In 1932, the military turned government control over to civilians and did not resume control until 1973.[2]

The period before 1952 witnessed several unsuccessful military movements which were minor, antidemocratic and usually favored Ibanez, a perenial aspirant to the presidency. In 1952, after a series of Popular Front governments based on the Centrist Radical Party had resulted in a deterioration of party structure. Ibanez was re-elected as a populist who attracted support from all sectors, including the far left and the far right. Many of his supporters wanted him to be a strong man (like Peron in Argentine) and establish a dictatorship, but when his administration ended in 1958 after six years of economic incompetence, inactivity, and public disillusionment, a new political spectrum emerged which was to dominate through 1970. It consisted of three more or less equal parts: the Liberals and Conservatives (who later joined together to form the National Party) on the right; the Christian Democrats on the center-left; and the Communists and Socialists on the Marxist left.

The period was one of great change and political struggle in Chile. The Armed Forces maintained a strictly nonpolitical role as an institution, the only exception being a minor rebellion in 1969, the Tacnazo, which had as its objective higher salaries. Armed Forces professionalism passed its most severe test in 1970 by abstaining from interference in Allende's victory, though some were involved as individuals in unsuccessful plots to prevent him from taking office.

While the Chilean Armed Forces played an essentially nonpolitical role in recent decades, this does not mean that individual personnel had no political opinions. To the contrary, they voted and frequently discussed politics among themselves, which was and continues to be a leading national indoor sport. Moreover, they tended to retain the biases of their class origins. Naval officers, for example, came largely from the upper class, were conservative, Catholic (in a traditional or Integralist way), and sympathized with the National Party. The officers of the Army and Air Force had a totally different social origin and political orientation, having come largely from the middle class. Their fathers had been Armed Forces officers, public functionaries, or small businessmen. Most of them were Masons, and their sympathies lay with the Radical Party, which (before joining the Unidad Popular in 1970) was anticlerical, mildly progressive, and representative of middle-class and professional interests. A few officers were Christian Democrats, and a few supported the Marxist parties.

Very few Armed Forces officers attended universities; their education was based on techniques of national defense which they learned in the Service Academies and abroad, especially in the United States. Chile had no institution comparable to Brazil's Higher War College or Peru's Center of Advanced Military Studies, where military intellectuals could receive an education in national economic, social, and political problems. As an institution, Chile's Armed Forces were totally lacking in a coherent body of thought about national directions and policies. They envisioned themselves as professionals in security, leaving politics to the politicians in Chile's effervescent party system.

Understanding the distinctive interpretation of recent history that developed in the military is essential to understanding many Armed Forces actions after 1973. During the '60s many military men came to hold a skeptical, critical view of political processes, which they shared with many other individuals of all classes. Conditioned by their profession to act according to discipline, obedience to higher authorities, and unquestioned patriotic ideals, they disliked the personal ambition, self-interest, compromises, and opportunism that were characteristic of partisan politics.

Nearly all outsiders, including myself, have considered the 1960s a period of progress. For some of us the Christian Democratic administration (1964–1970) represented a constructive advance over the "traditional" parties that had dominated Chilean politics because it initiated a variety of structural reforms, made greater use of public power to further development, and improved the condition of marginal groups. Other analysts inside and outside Chile have emphasized the contradictions in the Christian Democratic performance, the changes which it did *not* carry out, and have interpreted the election of a Marxist-dominated administration as an inevitable outcome.

A third view, which was common among Chilean military officers and some others, received less attention in the rapid flow of events in Chile after 1969. According to this view, Chile's increasingly populist-style politics had resulted in a swollen bureaucracy, a social security system which reflected special group interests, and economic irresponsibility manifested in high rates of inflation and increased indebtedness through deficit spending. Most of the military were not Christian Democrats and did not share the views of the Frei government about reforms and development. And because they were not intellectuals, they had no alternate development model in mind, but rather held the moralistic, antipolitical views that were common in the middle class. Like many others in their social category, they were frustrated and unhappy over increased taxes, the constant erosion of purchasing power from unending inflation, low salaries, and what they pejoratively called *"politiqueria."* The Tacnazo was a symbol of their discontent. Though it involved only a small group among the military, Frei considered it sufficiently important to grant substantial salary increases.

The military considered themselves very patriotic and very Chilean. Their training conveyed a strong sense of identity with Chilean culture and history, especially the decisive and heroic events which shaped the nation. But this orientation was lacking in the nation's contemporary political debate, which centered around the future options defended by the Christian Democrats and the Marxists.

The vast bulk of the Armed Forces leaders were also strongly anti-Marxist. To men with such a patriotic perspective, the two principal Marxist parties were anathema, the Communist Party because they were an instrument of Soviet foreign policy and the Socialist Party as sympathizers with a Cuban solution to Chilean problems. In the international communist movement, few parties stuck as closely to the Soviet line as the Chileans. They were immediate and enthusiastic defenders, for example, of the Soviet intervention against the Dubcek reforms in Czechoslovakia. And the Chilean Socialist Party, though its members held various points of view, had adopted by the late 1960s a position favoring armed struggle as the only way to achieve socialism in Chile. The military also found distasteful the *bon vivant* lifestyle of socialist leaders, such as Allende and Senator Carlos Altamirano.

Though most of the Armed Forces officers probably voted for Frei in 1964 (since he was the only viable alternative to Allende), their subsequent sympathies came to focus on former President Jorge Alessandri, whose campaign got under way in 1968 and seemed headed for victory in 1970. Alessandri's discipline, austerity, and personal integrity seemed cut in the military mold of virtue. Furthermore, he was a staunch anti-Marxist. (In contrast, Radomiro Tomic, the Christian Democratic candidate in 1970, had originally tried to form an alliance with the Communist Party but had been rebuffed.) In the campaign of 1970 Alessandri gathered around himself a strong following which included most military officers and was both anti-Christrian Democrat and anti-Marxist. Though Alessandri received 34.98 per cent of the vote in the three-way race, Allende won with 36.3 per cent.

Allende's victory was a source of deep concern to many military officers because they feared that he would undermine Chilean institutions and establish a Marxist system. At the time of the election, the Commander-in-Chief of the Army was General Réne Schneider, an exceptionally strong defender of military professionalism who transmitted his views to the other officers. When Schneider was murdered during a kidnap attempt aimed at provoking a military coup to prevent Allende from taking office,[3] he was succeeded by General Carlos Prats, who upheld without compromise what came to be known as the "Schneider doctrine" of military professionalism.

Despite considerable misgivings, the military went along with the new government. They were encouraged because the Christian Democrats extracted a guarantee of basic liberties and the professional character of the Armed Forces as a condition for ratifying Allende's election in Congress. Allende himself soothed them by choosing as his first Minister of Defense a member of the Radical Party and the principal non-Marxist component in the Unidad Popular (UP), by granting the military an increased role in development, and by increasing their salaries. But some younger officers, at about the level of captain, were not convinced. They believed that Allende had bought off the higher officials by giving them attention and increased salaries, and from 1970 on, they considered the possibility of intervening to save Chile from Marxism.

Footnotes at end of article.

Within a year, by late 1971, higher ranking officers were also thinking about intervention. Their initial concern stemmed from the upsurge of parallel armed groups tolerated by the government. Allende organized his bodyguard from the Movement of the Revolutionary Left (MIR), a group so radical that it opposed participating in elections and favored a violent revolution. The MIR also encouraged armed invasions of land by peasants. Thousands of leftist foreigners entered Chile, and some received weapons. The MIR and the Socialist Party later established industrial "belts" and "communal commands," armed with weapons secretly imported from Cuba, to defend the revolution. The Intelligence Services of the three Armed Forces kept a close tab on these developments.

On April 13, 1972, Army Intelligence elaborated the first contingency plan for containing an outbreak of violence by these groups. The plan considered several possibilities. One anticipated that the MIR supported by other leftist groups, might carry out rural and urban subversion which the police could not control, thus requiring the Armed Forces "to intervene in support of the legally constituted government." A second was the possibility that the Executive and the Congress (where the Opposition had a majority) might so polarize political sentiment that partisan groups might engage in violent armed action and even civil war which would require the participation of the Army. A third possibility was that the President's supporters might attempt a "conquest of power by force . . . or elimination of the Marxist government by the opposing bloc." The plan concluded with a recognition that such a polarization could affect the Armed Forces and compel them to initiate some form of defensive reaction to save the country.[4]

This contingency plan, which was later revised, was to provide the basis for eventual military intervention. On July 9, 1972, according to a government document which may magnify the role of the Army and of General Pinochet, who was Army Chief of Staff at the time, a secret Memorandum was drawn up which shifted the contingency plan from defense to offense. The potential for disruption grew as Chile's serious inflation and shortages were intensifying polarization between the Executive and various opposition groups. Army Intelligence was preoccupied with the arming of workers in factories and lower class *problaciones* (residential areas). The new contingency plan considered the possibility of "using units for action against squatter settlements and/or marginal urban *problacioners*."[5]

In early November, Allende persuaded the three Armed Forces chiefs to enter the Cabinet, initiating a new stage in which the military role changed from bystander to active participant in the political process. The immediate cause of Allende's invitation was a crisis in the commercial supply system, which had begun with business shutdowns in August and culminated in the first truckers' strike, which started in October, lasted 24 days, and was at least partly financed by the CIA. The breakdown of the supply system exacerbated the already serious problems of shortages and the black market. At this time, some medium-grade officers entered into contact with civilian opponents of Allende about the possibility of a coup.

The Armed forces defined their participation in the Cabinet as nonpolitical. They hoped to defuse the polarization by settling the truckers' strike, to return the country to normalcy, and to guarantee that the congressional elections, scheduled for March would be conducted honestly. Their presence had a calming effect on the country: the truckers' strike was settled almost immediately; Allende went on a long trip abroad, leaving Prats, the Minister of Interior, in charge; and Chileans turned their attention to the congressional elections. The Armed Forces officers insisted that their period in the Cabinet be temporary since in Prats' words at the time, "it is dangerous for the Armed Forces to appear linked to a government whose ideological lines are so clearly defined."[6]

Prats, who is said to have voted for Alessandri in 1970, gradually became a sympathizer with the government and with Allende. His military professionalism and his apparent belief that the government's policies were beneficial for Chile led him to keep hands off the political process. Through his five-month term as Minister of the Interior, the most important post in the Chilean system, he was converted into a political figure. Indeed, the Communist Party even began to promote him as a possible successor to Allende.

Many military officers felt that Allende was using the Armed Forces to give legitimacy and a period of stability to what they considered to be an illegitimate and chaotic regime. The vast majority of the Army officers were also opposed to Prats' political role, which, they felt, was compromising the professional character of the Armed Forces. Nevertheless, as long as Prats was Commander-in-Chief, the Army as an institution adhered to the principle of military hierarchy and obeyed, though some individuals in the military were plotting to overthrow the regime.

The elections of March only confirmed the deadlock between the President and the Opposition-dominated Congress. Worse, both leftist and rightist groups had now given up on the system and increasingly had begun to use violence. The Armed Forces left the Cabinet on March 23, having fulfilled their mission of guaranteeing elections, but they continued to be at the center of all political discussion until the coup. Moderates in the UP and leaders of the Opposition considered them the only means of shoring up the government, given the deteriorating, polarized, and increasingly violent situation.

The Armed Forces leaders would not, however, sanction the UP policies and participate in the Cabinet without setting prior conditions, which also coincided with the Opposition's main criticisms. The conditions included promulgation of a constitutional reform limiting the area of State control in the economy (which Congress had passed and Allende had ignored), repression of the parallel armed groups, strict adherence by the government to the Constitution and the laws, and respect for Congress, the Judiciary, and the Controller (Allende had ignored judgments by the Supreme Court and the Controller that certain of his actions were unconstitutional). In April a group of high officers, despite Prats' disapproval, protested to Allende against a proposed unification of the national educational system within a "socialist" and "revolutionary" orientation.

The socialists and other leftist groups in the UP, such as the Movement of Unitary Popular Action (MAPU) and the Christian Left, did not want the Armed Forces in the Cabinet and were willing to accept them only if they abandoned all prior conditions. These groups had already concluded from the election results that they could not establish socialism in Chile by institutional means and were arming their supporters to seize power by insurrection. To counteract them, the military now had a weapons control law, which they had pushed through during their stay in the government, giving them the right to search residences and other places for arms.

On June 29, an unsuccessful coup called the Tancazo (not to be confused with the Tacnazo) was attempted by an Army tank regiment supported by a civilian anti-Marxist group, Patria y Libertad. No other military units participated. Allende called on workers to occupy factories and offices to defend the government. Though the insurrection was rapidly defeated, the display of weapons, especially in the industrial belts around Santiago, Valparaíso, and Concepción, disturbed the Armed Forces and led them to intensify their search for arms. To stabilize the situation, Allende again requested that the Armed Forces join the Cabinet, but when UP leaders turned down their conditions, Allende had to form yet another civilian Cabinet.

The assassination of Allende's naval aide by Patria y Libertad, the principal violent group on the right, finally led the military commanders and the head of the police to associate themselves with a Cabinet of "National Security" on August 9, through the left wing of the UP insisted at the time that "national security depends on the revolutionary force of the workers." Prats became Minister of Defense, Air Force General César Ruíz Minister of Public Works and Transport, and Admiral Raul Montero, Minister of Finance. By this time production in industry, agriculture, and mining was dropping, the country was almost paralyzed by strikes of workers, professionals, shopkeepers, and truckers, inflation exceeded 350 per cent annually, and political violence was commonplace.

After 12 days, Ruiz resigned, charging that the UP would not give him the necessary authority to settle the truckers' strike. Because Allende considered him a *golpista* (favorable to the coup), he forced him also to resign as head of the Air Force, with General Gustavo Leigh replacing him. Air Force officers declared their unanimous support for General Ruíz, and appealed to Prats, but when he said he could do nothing because the UP parties were the arbiters, the Air Force placed its personnel on alert, and apparently a coup almost began. Rumors of serious discontent in the Army also circulated widely.

On August 23, Prats resigned from the Cabinet and the Army. This move was precipitated by a demonstration against him in front of his home, in which the wives of several generals participated. Two days after the demonstration most of the generals confronted Prats with their consensus that he should choose between the Cabinet and his Army post. Prats resigned both, indicating that he did not want to be "a factor of rupture of institutional discipline and of the State of Law, nor serve as a pretext to those who seek the overthrow of the constitutional government."[7] The next two ranking generals, who were sympathetic to Prats, also resigned, and General Augusto Pinochet took over the top position (Allende was convinced that Pinochet was loyal to his government.) Shortly thereafter, Admiral Montero also resigned his hopeless task of doing something about the economy.

On August 28, Allende again managed to bring the Armed Forces into what was to be his final Cabinet. This time, however, the members were lower ranking officers who did not represent any institutional commitment to the regime. And the top officers were free to finalize their plans for overthrowing the government.

THE PROBLEM OF LEGITIMIZING INTERVENTION

The military takeover in Chile was not a simple coup carried out for the sheer desire to assume power. The Armed Forces were a modern and professional institution, committed in principle to abstention from the political process and cognizant of its lack of qualifications for governing. Between 1970 and 1973, they gradually changed their views and concluded that they had to intervene for the national interest. The interruption of a democracy as deeply rooted as that in Chile and in a fashion that was certain to cost many lives required an intense level of conviction.

The Constitution of 1925 says very little about the functions of the Armed Forces.

Footnotes at end of article.

The only relevant section, Article 22, states that "the public force is essentially obedient. No armed body can deliberate." Chileans commonly recognized, though, that the military had a role of defending the Constitution. When Allende was elected and many people feared that he would violate the Constitution, it was frequently alleged that the Armed Forces provided a check against obviously unconstitutional actions, but this vague hypothesis was far from being a specific constitutional guarantee.

Two factors that preconditioned the Armed Forces against the Allende government have been noted: their dislike of Marxism, and their association with the middle and upper classes, who, in large part, became progressively more hostile to the regime. Other factors, however, were added during the period 1970–1973 and prompted the Armed Forces gradually to abandon their professional role and finally to act to overthrow the government. Judging from their statements before and after the coup, four central problems gave them motivation:

(1) An early and continuing concern with parallel armed groups, which the military feared would resort to violence and try to gain power by extraconstitutional means, and which they would be unable to control without civil war.

(2) Economic deterioration, conflict between the social classes, and political polarization.

(3) Unconstitutional actions by the Executive.

(4) Marxist infiltration in the Armed Forces.

All these problems reached an intense pitch in the last six months of the Allende government.

According to the Pinochet-oriented account, "At the end of March 1973, General Pinochet was absolutely convinced that for Chile there existed no other way than to occupy the Government by force of arms." [8] On May 28, while Prats was traveling abroad, the "Generals of the Army" met and brought the contingency plan of national security up to date.[9] Since one of the plan's options was the overthrow of the government if the UP resorted to violence, and since this possibility undoubtedly dominated the thinking of the military, they decided to limit the number of officers who knew of the updated plan and to insist on absolute secrecy until they could complete preparations.

The Tancazo of June 29 was an amateurish plot that took place outside the contingency plan. Army Intelligence knew in advance of a conspiracy against the government by young officers and detained some of them. The Second Armored Regiment, however, apparently had not been detected and was able to carry out its attack. The leaders of the future coup noted carefully the response of their troops to orders and also the disposition of the "popular" forces when Allende called on them to defend the government.

Although private conversations about the condition of the country and the need to do something were commonplace, the Army could not participate in any action until Prats resigned. On August 27, almost immediately after the General's resignation, the Director of Operations submitted a memorandum on the "National and Institutional Situation." The memo deserves attention as a reflection of how the military saw the situation about two weeks before the coup.[10]

The first paragraph referred to the "division of the citizenry into openly antagonistic political and social groups," and subsequent paragraphs spelled out the forms of their disunity, including the divisions in the UP itself and the hostility between the UP and the Opposition which impeded effective government. The administration, the memo charged, had failed to satisfy the aspirations of the majority of the people and instead had fomented class struggle and instigated an economic attack on the middle class "for representing the great obstacle to achieving the dictatorship of the proletariat." It went on to say that "reduced groups of theoretical, ultra-radical, and unscrupulous politicians organized politically, trained, and armed the working classes, leading to lack of discipline and responsibility among them." The students were also politicized and had forgotten "their principal responsibility: to study." Workers and peasants were not doing their jobs. Terrorism had increased beyond the control of the government: not only public facilities but also persons were attacked.

The memo said that the country was in "the worst [economic] crisis . . . in the last 40 years," with drops in production in all sectors, uncontrolled inflation, a prevalent black market "with the benevolence of the government," lack of investment, increased imports of food and other nonproductive goods, increased external debt, and loss of creditworthiness. Simultaneously, Chile was being isolated from the countries that could aid it economically, since the UP policy was hostile to the United States and favored links with the socialist nations, "which do not have the capital to aid the country."

The memo referred to the "irresponsibility" of the political parties "with respect to the interests of the nation" and the government's lack of will to end extremism. "The desired and hoped-for peace does not come from the government and its followers."

In conclusion, the document set out its justification for armed intervention:

"The essence of the existence of the Armed Forces is rooted in the survival of the nation. This fact alone concedes to these institutions a moral authority over political parties, *gremios*, professional and religious associations, when these have failed to fulfill their national tasks.

"Their ancient tradition, their decision to confront responsibilities in critical moments, their efficient professional preparation, their identification with all the Chilean people, and their democratic sentiment, make them constitute the ultimate bastion of support for the Fatherland. . . . The Armed Forces and Police of Chile are by construction contrary to Marxist doctrine and procedures. Ideologically they are antagonistic and irreconcilable. . . . The confrontation has passed to a new stage in which the Armed Forces have been attacked and penetrated [a reference to infiltration]. Non-conventional war has already begun."

The radio message of September 11 repeated many of the memo's points, but it gave additional emphasis to violations of the Constitution by the Allende government.[11] The first paragraph within the text of the September 11 proclamation referred to violation of the freedom of expression, instruction, assembly, strike, petition, property, and the right "to dignified and secure existence." Five more of the 12 articles referred to such unconstitutional actions as intentionally distorting the law and the Constitution, failing to carry out laws, ignoring decisions of the Congress, Judiciary, and Controller, accumulating excessive political and economic power in the hands of the Executive, and undermining the presidential character of the government by submission to pressures from political groups.

The radio proclamation reflected the influence of a resolution by the Chamber of Deputies, adopted on August 22 by a vote of 81 to 44, which referred precisely to these systematic violations of the Constitution. The resolution charged that the UP from the beginning intended to seize power and set up a totalitarian state opposed to the democratic system established by the Constitution.[12]

The September 11 proclamation also gave a more precise justification for intervening than had the memorandum of August 27.

"All the antecedents [cited] are sufficient to conclude that the internal and external security of the country are endangered, that the existence of our independent state is jeopardized, and the maintenance of the government is inconsistent with the high interests of the Republic and its sovereign people. . . . These antecedents . . . are sufficient to justify our intervention to depose the illegitimate, immoral, and non-representative government, avoiding in this way the greater evils which the actual power vacuum can produce. . . . The Armed Forces . . . have assumed the moral responsibility which the Fatherland imposes on them of removing the government, which though initially legitimate, has fallen into flagrant illegitimacy, and have decided to assume Power for the period that circumstances require . . . to reestablish the economic and social normality of the country, and the peace, tranquility, and security which have been lost."

I have quoted these documents extensively because it is difficult for any military government to legitimate itself, but it was especially so in Chile since the Allende government had been elected constitutionally but the Junta that replaced it broke the constitutional tradition completely, making no effort to establish its legitimacy by adaptation to the previous system.

Of the various justifications for their intervention, the activities of parallel armed groups need further elaboration because it took an especially serious turn before the coup, when radical elements in the UP began infiltrating the Armed Forces with the aim of subverting them. As political and social polarization intensified after the elections, and especially after the Tancazo, the UP increased its efforts to form a parallel people's army, and rightists likewise engaged in violence. And as the Armed Forces more vigorously applied the weapons control law against the left (but not the right), the UP, especially its more radical components, retailiated by labeling certain military officials *golpista* and urging enlisted men not to obey them.

On August 7, the Navy announced the discovery of subversive cells on two of its ships. Shortly thereafter reports spread that the 23 men involved had implicated high leaders of the UP; and on August 30, Vice Admiral José Toribio Merino, the Naval Judge who would later become head of the Navy and join the Junta, initiated a process against Senator Carlos Altamirano, Secretary General of the Socialist Party (the largest in the UP), and Oscar Garretón, chief of MAPU. In response, the Executive Committee of the UP, a coordinating organization of all the government parties, expressed its solidarity with the Naval personnel being processed, "whose only attitude was to defend the Constitution and the Law and to reject those who intend to commit the Navy to *golpismo*." [13]

The alignment of the government parties against the principles of Naval hierarchy and discipline was a serious challenge to the Armed Forces. The government was correct that a coup was being planned, but one of the military's basic justifications for the coup was the deliberate attempt of the government to create its own army and neutralize the Constitutional Armed Forces.

In a public address to the Socialist Party on September 8, Altamirano admitted his complicity and gave the military the excuse they would need shortly to intervene:

"I attended [he said] a meeting to which I was invited to hear the complaints of a subofficial and some sailors against subversive acts supposedly perpetrated by officers of that armed institution, and I will attend whenever they invite me to denounce actions against the Constitutional Government

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Footnotes at end of article.

of Salvador Allende. . . . The coup is not combatted with dialogues, but with the force of the people, its industrial belts, its peasant councils, its organization. And the civil war is attacked by creating a true power of the people. . . . In this hour unity is more necessary than ever to defend the program of the UP, which says that transformations can only be made if the people seize power."[14]

During these turbulent last days of the Allende government, according to the official interpretation, no direct coordination or communication took place between the Armed Forces' leaders, though it was tacitly understood in all branches that the officers wanted to remove Allende. On September 5, Pinochet, the Army Commander-in-Chief, decided to schedule the secret Army plan for the 14th, when troops were to gather in Santiago to practice for a parade five days later.

On September 9, while Pinochet was meeting with General Leigh to discuss Air Force participation in the coup, two high Naval officers entered with a document that announced the Navy was going to begin action on the 11th and asked the Army to join them. Pinochet changed plans, he and Leigh agreeing to the Navy proposal. To allay suspicion, the Navy left for maneuvers and then returned early on the 11th. Pinochet, in turn, secured permission from the Minister of Defense to put the Army troops on alert, should some violence result from Altamirano's speech.[15]

As is now well known, the military intervention took place on September 11, the Presidential Palace was bombed, and Allende committed suicide. The original Army plan had assumed that the Battle of Santiago alone would take at least five days, but except for a scattering, resistance was overcome in one day. The "popular" forces did not resist to the degree that both the UP and the military anticipated.

Two final points for interpreting the coup should be mentioned. According to Carlos Briones, Allende's last Minister of the Interior and an opponent of such radicals as Altamirano, Allende had planned on September 11 to announce a plebiscite on whether or not he should resign.[16] Since Allende discussed this in private with Briones on the 10th, it is doubtful that the military knew anything about it. Second, in October the Junta made public a "Plan Z," according to which the UP, stimulated by Cubans, had planned to murder the top military chiefs on September 19 and take power. The "White Book" of Plan Z, however, is not convincing, though the materials do show that the UP also had a contingency plan directed against a military coup and had been arming frantically to prepare for it.

The September 11 coup transformed Chile from Latin America's most lively democracy into one of its most repressive regimes. The conditions for this change can be traced to the 1960s, but they intensified between 1970 and 1973 as the country deteriorated economically and polarized politically. The military, at the time of Allende's election, considered themselves professionals despite their personal convictions, but they were gradually drawn deeper into the political process by the pressure of civilian political leaders who considered them a stabilizing force. When they finally intervened, they made their own institutional decision, but they were guided in their analysis by the views of the civilian opponents of the administration. The overthrow of Allende (contrary to the views of those who ascribe it to foreign influence) resulted from internal developments in the Chilean political process, and the actors in the coup were the nation's Armed Forces and Police.

FOOTNOTES

[1] The most illuminating analysis of the ideological and political process within the Allende government is Genaro Arriageda Herrera, *De la Via Chilena a la Via Insurreccional* (Santiago: Pacifico, 1974). Cf. also Thomas G. Sanders, *The Process of Partisanship in Chile* [TGS-1-'73], Fieldstaff Reports, West Coast South America Series, Vol. XX, No. 1, 1973.

[2] Frederick M. Nunn, *Chilean Politics, 1920-1931: The Honorable Mission of the Armed Forces* (Albuquerque: University of New Mexico Press, 1970).

[3] As a result of the failure of this coup, Patria y Libertad, a "nationalist" organization committed to overthrowing the Allende government, was formed. It apparently had some contact with military officers and by violence and disruption hoped to provoke a coup.

[4] *La Acción del Ejército en la Liberación de Chile* (Historia inédita), pp. 13-16. This is a pamphlet distributed by government sources with no publisher or date indicated. It is very helpful for understanding Army attitudes, but may give biased emphasis to the Army, to Pinochet, and to military duty as contrasted with plotting. It has no reference to any pre-coup contacts with civilians.

[5] *Ibid.*, pp. 17-20.

[6] *Ercilla*, No. 1989 (August 29-September 4, 1973), p. 7.

[7] *Ibid.*, p. 8.

[8] *La Acción del Ejército en la Liberación de Chile*, p. 22.

[9] *Ibid.*, p. 23.

[10] The text of the memorandum is in *ibid.*, pp. 32-37.

[11] The text of the September 11 pronouncement is in *Algunos Fundamentos de la Intervención Militar en Chile: Septiembre 1973* (Santiago: Gabriela Mistral, 1973), pp. 131-33.

[12] The text of the August 22 resolution is in *ibid.*, pp. 13-19.

[13] Arriagada, *De la Via Chilena a la Via Insurreccional*, pp. 319-20.

[14] *Ibid.*, pp. 320-21.

[15] These events are discussed in *La Acción del Ejercito en la Liberación de Chile*, pp. 39-45. The coordination of the coup as a last minute decision seems confirmed by a statement of General Leigh in an interview with the Brazilian magazine *Visão* (February 25, 1974). "Things were being precipitated, until on Saturday, the eighth, Altamirano, leader of the Socialists, pronounced a violent discourse calling the workers to arms and admitting that he had met with the sub-officials of the Navy. It was insurrection. There the thing broke out. We talked, the four chiefs of the Forces, about the possibility of ending with this. It was the first time that we talked without inhibitions, because General Prats had also left his position on the 23rd of August."

[16] The Briones interview was given to the London *Times*, but appears also in *Ercilla*, No. 1999 (November 21-27, 1973), p. 12. According to Briones, in the last days of Allende, "There was such a climate of political irrationality that it appeared to be taken from the best theater of the absurd."

CHILE: LEFT TO RIGHT

SUMMARY

Political developments in Chile over the last two years reflect little, if any, credit on that country's political leaders, its military chiefs, or its government officials in general. Installed in 1970, the Allende regime sparked an ideological binge which in three years time brought Chile to the brink of civil war. And the binge goes on—despite the military's intervention in September, 1973, and its avowed apolitical stance. If the junta continues on its present course, civil war could well be in the offing again—maybe in less than three years.

In the past year, Chile has simply shifted its political gears from the far left to the far right, but in neither case have there been any increased lasting benefits for the average Chilean. Under the Allende regime, he eventually had to face rampant inflation, bread lines and civil disorders of all stripes and varieties. Under the military junta, he must now contend with deflation, unemployment and strict social regimentation. A majority of Chileans will not suffer either extreme gladly—as the Allende government found out too late and as the present government has yet to discover.

In explanation of what went wrong, Allende's supporters have repeatedly emphasized external factors—CIA plots, Yankee imperialism, the "invisible financial and economic blockade" as Allende himself contended. Not surprisingly, perhaps, the junta uses a similar explanation to justify its actions: the international communist conspiracy, KGB agents, Fidel Castro. As one Chilean military official told me, "Depending on the results of the upcoming presidential election in Colombia, Chile could well be the only country on the West Coast of South America outside the communist camp. Ecuador and Peru have already been 'lost.'" Just as the search for "foreign demons" did not save Allende, so, too, it is unlikely that the junta's search for external villains will prove to be its salvation. The search is certain to be intensified at the first signs of organized terrorist activity—which all observers are agreed is just a matter of time.

Insofar as United States policy toward Chile is concerned, there are no easy choices. But the choosing is made easier by the fact that the U.S. has no overriding national interest in Chile, regardless of who's running the country. If this is so, the U.S. should probably accord the junta the same treatment accorded Allende, otherwise we run the risk—in the eyes of the world—of placing greater emphasis on the protection of property rights than on the protection of human rights. From a policy standpoint, we should give equal weight to both.

But if the U.S. Embassy in Santiago has its way, a "modest" bilateral aid program will be initiated in the next few months and military training and sales will continue as in the past. In the final analysis, however, the existence of these programs is no more likely to bolster the current regime than the lack of them served to undermine the last one. Nevertheless we will pay a political price for any assistance, direct or indirect, which we extend to the junta, despite the fact that our influence on it is probably marginal at best.

For better or worse, the future of Chile, like the past, will be decided by Chileans.

By mid-afternoon it was virtually over. La Moneda, the presidential palace, was in partial ruins; inside, former president Allende was dead; outside, Chile's best military units continued to "mop-up." The Chilean Armed Forces had engineered Chile's first successful military coup in more than forty years.

The coup had actually started in the early morning hours of September 11 in Chile's principal seaport Valparaiso, where naval units secured the town before dawn. Allende received word of the Navy's action and went immediately from his private residence in the Santiago suburbs to the presidential palace in the heart of the city. He arrived there about 7:30 a.m., surrounded by an entourage of bodyguards. Within an hour or so, armored units surrounded the palace and heavy street-fighting errupted, as quasi-military units and government employees loyal to Allende tried to defend the Moneda and other government buildings in the immediate vicinity.

Throughout the late morning hours, so the official story goes, the leaders of the coup were in frequent contact by phone with Allende, urging him to surrender. Allende steadfastly refused. The refusal lead to an ultimatum: surrender or the palace will be bombed, starting at 11:00 a.m. Allende again refused. The military delayed the bombing order until after the noon hour, just about the time Chileans normally prepare for a leisurely lunch. Waiting no longer, the order was given: two British Hawker Hunters streaked over downtown Santiago and rocketed the palace with incredible accuracy. "They delivered those rockets right through the front doors of the palace," was the way one official observer explained it to me. Chileans themselves jokingly explain that because of the accuracy required—and achieved, the rocketing of the palace must have been performed by the Blue Angels. (Drawing further on this incident and combining it with Allende's reputation as a drinker, Chilean humor has produced the story that the ex-president's last drink was "scotch on the rockets.")

In retrospect there is little doubt that the coup was well-planned, well-coordinated and well-executed. The basic strategy, according to most accounts, involved little more than reversing the National Defense Plan which the military had developed for use in the event of a national emergency. Reversing the plan meant that instead of defending the government radio station, it would be captured; instead of using the Hawker Hunters defensively, they would be employed offensively, and so on. Whether or not this is true, the fact remains the coup was conducted with a remarkable degree of precision. One military expert summed it up this way, "From a strictly military standpoint, it was beautiful."

According to the textbooks, Chile's military coup of September 11, 1973, was never supposed to happen. One standard authority presents the case this way:

"In its political history, Chile has a record of stability unique in Latin America. Since 1830 presidents have served their allotted terms (with the few exceptions already noted) without the uprisings, unseatings and assassinations which have been the rule in some other nations. A few Chilean presidents have ruled arbitrarily, but, since the days of Portales, dictatorships have been rare. At times political dissenters have been jailed or exiled, but they have never been submitted to sadistic torture or summary execution. Since 1833 Chile has lived under two constitutions, while most of the other republics have had a dozen or more. As an independent state, Chile has been relatively decorous and orderly, and during recent years, stoutly democratic." *

Recent events in Chile have shattered this image almost beyond recognition: The executions, the jailings, the bookburnings—the military junta is guilty of all of them and more. There is no justification for the atrocities, even though there appears to have been considerable justification for the decision to intervene. In all likelihood, civil war was the only alternative.

By the middle of 1973, it was obvious to the vast majority of Chileans, if not to Allende, that the socialist dream had become an economic and political nightmare. The galloping inflation. The daily strikes and demonstrations. The empty shops and stores. The black market. And the seemingly endless lines—bread lines, milk lines, cigarette lines, gasoline lines . . . . Stories abound about youngsters being sent out at 3:00 and 4:00 in the morning to get a good spot in line; or about doctors, lawyers and other professionals spending their weekends running down leads on meat or sugar; or there are the stories about going to the local restaurant and having to take a grocery sack full of money to pay the check; or there's the one about the family who bought a used car and it took more than three hours just for the seller to count out the bills received in payment.

Chile's economic indicators for last year give added truth to these stories, beginning with a record-setting annual rate of inflation of 508 percent. The old record, established the year before was 163 percent as compared to 22 percent in 1971; and 35, in 1970, the last year of the Frei government.

The year before Allende took office, industrial production increased by 4.3 percent. In 1973 industrial produtcion declined across the board by 3.5 percent. Selectively, the copper industry, Chile's principal foreign exchange benefactor, didn't do a great deal better, but at least the statistics remained positive. Copper production in 1970 measured 688,000 metric tons; for 1973 it was 725,000 metric tons, even though the price of copper on the international market was near record levels, eighty cents a pound. However, throughout 1972 and 1973 there was considerable labor unrest in the mines, largely due to the state's intervention in the management of them. At Chuquicamata, Chile's largest copper mine, 84 strikes were registered in 1972 alone.

Agriculture fared worst of all. Using 1970 as the base year (100) agricultural output dropped to an estimated 71 in 1973, with reductions of 4 percent in 1971; 15 percent in 1972 and 13 percent (estimate) in 1973. Not surprisingly, Chile's food import bill rose from $235 million in 1970 to $607 million in 1973.

When the Allende administration entered office, the Chilean government had on hand $340 million in net international reserves; three years later, the marker in the till read minus $475 million. Deficit spending during the Allende years went from 1.7 billion escudos in 1970 to 143.7 billion escudos in 1973, or 48 percent of government expenditures.

Despite its very serious economic situation by the middle of 1973, the Allende government still had more credit offered to it that year than it did during its first full year in office, $200 million in 1971 versus $475 million for the nine months it was in office in 1973.

While it is doubtful that the controversy over foreign credits (or the lack of them) and the toppling of the Allende regime will ever be settled conclusively, a fair reading of the situation would seem to indicate that the credits were not of critical importance to the survival of Allende's Popular Unity Government. At most, additional foreign credits would have done little more than prolong the day of reckoning—given the economic course chartered by the communist/socialist coalition and the unwillingness of a majority of Chileans, moderates and the traditional right alike, to accept it. Foreign credits were simply not the answer to the dissension and opposition which the Allende policies generated among a majority of Chileans.

Allende's economic policies were aimed at achieving two things: holding down prices and managing production through state intervention. Both were achieved—but the achievements were illusory. For example, as late as August 1973, the official price of gasoline on the free market was still a few cents a gallon despite the 500 percent inflation rate. But as a practical matter, gasoline was not available on the free market or the amount that was available from time to time was so limited as to be insignificant when compared to total demand. Hence, probably more gasoline was sold on the black market than on the free market. To one degree or another, the entire range of consumer goods met a similar fate, with the result that by the middle of 1973, free market goods were virtually non-existent.

The failure of the price control policy reflected what had happened on the supply side of the economic equation. With prices being maintained at artificially low levels, producers had few incentives to produce and little, if any, incentive to make new investments. State intervention in industrial management acted as an additional brake on the flow of new investment capital from the private sector. In the end, several hundred enterprises were "intervened" by the Allende government but with no appreciable increase in production. In fact the opposite occurred in 1973 when industrial production actually declined, despite substantial gains in the final quarter following the September coup.

As production fell, deficit spending increased and galloping inflation was on its way. The more money the government printed, the more it had to print. The "drug-addict syndrome" set in and few escaped the repercussions.

While most observers agree that lower income groups lived better than ever before during the first two years of the Allende administration, they also agree that the higher standard of living was bound to be short-lived. So long as there was unused capacity and hard currency in the bank, the government could afford to subsidize basic commodities and make them available at greatly reduced prices.

But once the till was empty and the government turned to the printing presses, reality appeared and it probably struck hardest at the groups Allende had hoped to help the most: the wage earners and slum dwellers could least afford to pay the prices on the black market.

On the political front, the failures were just as evident. Although the Chilean constitution leans in the direction of a strong executive, Allende never had control of the executive branch, let alone the government as a whole, or even his own coalition for that matter. The Popular Unity banner, which Allende headed, was composed of six left-of-center parties, the principal ones being the Socialist Party and the Communist Party. The two differed substantially in terms of political strategy.

The Chilean Communist Party, the more moderate of the two, advised Allende to go slowly; to build one step at a time; to avoid drastic measures; and to lay the groundwork for another election victory in 1976. The Socialist Party (Allende himself was a Socialist) counseled him in the opposite direction: to move as fast as possible; to control every facet of government and key areas of the economy; to keep the right off-guard, less it have time to organize. Socialism now!

"These differences alone," according to one respected observer, "were enough to make Allende's job impossible. But in addition he had to contend with the opposition-controlled Congress, the military, the courts, the Comptroller General's Office, the business community, the *gremios* (professional and trade associations) and the oligarchs in general. No man can walk that kind of tightrope for six years."

And so Allende couldn't. Said one Chilean of him, "No matter how divided his supporters, he was always vain enough to believe that he could bring them together to get the job done. Until 1973, he had always been able to deliver."

There are those who say that by September Allende realized there was no way out other than to make a deal with Frei and the Christian Democrats. He had, they say, planned to announce such a deal on a nationwide T.V. address scheduled for September 10. The timing of the speech was changed at the last minute. By September 11, it was too late.

In the end, surprisingly few chose to oppose the military's intervention. "The Popular Unity Government," said one Chilean, "may have passed out a lot of weapons to its supporters, but when the showdown came, they didn't have the will to resist, probably because deep down they, too, recognized that Allende had failed. No one escaped the shortages, the long lines."

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*Hubert Herring. *A History of Latin America*, Second Edition. Alfred A. Knopf, New York, 1961.

Even those who now have serious misgivings about the military government firmly maintain that the "great majority" of Chileans either actively urged military intervention or wholeheartedly supported it when it came. "Eighty percent of the population applauded the military's decision. And keep in mind that even the Concepción, where Allende's support was greatest, there was no resistance at all; not a single shot was fired." If the Chileans with whom I spoke are right, the 80 percent figure is not that far off. No one suggested a figure below 75 percent.

While I have no reason to doubt that the great majority of Chileans supported the coup (in fact I personally am inclined to think that's quite true), there was a "blank" spot in my conversations with Chileans: I was unable to talk to any notable Allende supporters because most, if not all of them, are either in hiding, in exile, in prison or in graves.

If the Chilean military deserves high marks for skillfully toppling the Allende regime, its performance since then has not been nearly so impressive and in the particular area of human rights, it has been nothing short of outrageous.

Despite the fact that there was relatively light resistance to the coup, thousands have died since then. Some say no more than 2,000; others, 3,000 to 5,000. One highly respected Chilean put it this way, "Look, if you told me 10,000 have died since September 11, I wouldn't be surprised." One official told me he really didn't have a clue to the actual number, but he added, "Out near where I live, there's an Army post, and for several weeks after the coup the intermittent firing began every morning just as regular as clockwork—and there ain't no target range out there."

Regardless of the numbers, there's not much doubt that this grisly business is still going on in Chile. Those suspected of "subversive intent" are still being picked up. Some of them are questioned and let go almost immediately; others are questioned and released two or three months later or simply held indefinitely. Still others are questioned, tortured and executed.

At the present time, there are six known facilities where political prisoners are being held: Santiago Military Academy; Estadio Chile (a small sports stadium in Santiago); Chacabuco Mining Camp near Antofagasta; Naval facilities at Valparaiso; Quiriquina Island near Concepcion; and Dawson Island in the Straits of Magellan. The estimated total political prisoner population at these detention camps is 3.500. In addition, it is estimated that some 2,000 more are under "house arrest while their cases are being investigated."

With respect to Chilean nationals who have fled the country for fear of political persecution, there are no reliable estimates on the total number. Certainly, thousands of Chileans have left already and more are sure to follow. Several hundred Chileans per week are still going to the Canadian Embassy, for example, to fill out visa applications.

As for the number of refugees, the U.N. High Commissioner's Office told me that as of January 22, 1974, it had registered 3,341. Of the total, 1,687 had already departed from Chile and 271 more were ready to leave and just awaiting flight space. Of the approximately 1,400 remaining, about half are being processed, and the other half, according to the U.N., probably have either left the country on their own or changed their mind and decided to stay. At the height of the U.N.'s refugee program in Chile, it operated a total of six "safe haven" refugee centers. That has now been reduced to two. New refugee applicants are running about eight to ten per week.

An estimated 3,900 refugees and Chilean nationals took refugee in foreign missions. All but about 200 have been given safe conduct passes and have left the country, largely through the efforts and arrangements made by the various diplomatic missions, as well as the U.N. (in the case of refugees).

The Chilean military junta is composed of three career military officers and the chief of the Carabineros (the national police force). By name and rank, they are Army General Augusto Pinochet; Navy Admiral Jose Toribio Merino; Air Force General Gustavo Leigh; and General Cesar Mendoza. Pinochet is the President of the Junta.

From all accounts, none of these men relished the idea of leaving the barracks to take control of the government. "The people begged us to do it; they pleaded with us. Finally, at the 'eleventh hour' we did what had to be done in order to avoid civil war." These are the standard phrases that one hears from those close to the junta as justification for the military takeover. A great many people believe it, probably because it comes pretty close to the truth.

There is, however, a more official explanation given by the junta itself. It goes something like this: Last year, Chile's military intelligence services uncovered a plot (Plan Z) by extremists in the Allende camp to assassinate various government officials and military leaders. This would quickly pave the way for a socialist dictatorship.

Hence, to prevent the *putsch* from taking place, the military stepped in. Apparently, only the military believe the story, or at least no one else seems to, the principal reason being (as one foreign observer told me): "The Allende regime leaked like the proverbial sieve; if there had been such a plot, military intelligence would not have had to discover it, they would have been able to read about it in the newspaper."

If the military was reluctant to move against the Allende government, it is now determined to stay in power "until the job is done." Doing the job means three things: First, eliminating subversion; second, modernizing the armed forces; and third, restoring the economy. These are the junta's political objections; and its politics, like its official explanation for the coup, are fairly straightforward, if not simple and crude.

The purpose of the first objective is to make the country internally secure. Anything that detracts from the country's internal security is closed down, shut down or locked up. Similarly, anybody who is deemed a threat is "investigated," imprisoned or eliminated. Military officers now hold practically all the major government posts, as well as a great many minor ones. Military tribunals have largely replaced the civilian judicial system. Congress has been put out of business. The six political parties that formed the Allende coalition have been declared illegal; all the others have been "recessed" indefinitely. The press has been subjected to strict censorship; labor unions have been shut down. The Chilean constitution has been declared null and void. And, last but not least, there have been the executions, the jailings, and the book-burnings.

All of these things have been done and are being done in the name of "internal security." Where it all ends, naturally, remains to be seen. But the task is all-encompassing and it is expressed in thoughts like these: "All elements dangerous to the future of Chile must be eliminated." "The country must be re-educated." "A new attitude must be developed." "Politicians brought this country to the verge of civil war; never again will that be allowed to happen." As one local observer explained, "Joe McCarthy couldn't hold a candle to these guys (the Chilean military), not the way they define 'subversion.'"

Turning to the junta's second objective, the primary reason for modernizing the armed forces is so that Chile will be in a position to cope with the "Peruvian threat." This threat has been perceived to exist ever since the late 1800's when Chile fought a war (The War of the Pacific) against Peru and Bolivia and beat both of them, taking important territory away from each. The present threat is much greater, in the eyes of the Chilean military, because the military junta running Peru has been doing business in the Soviet Union, where it recently purchased a few hundred new tanks. This, along with the Peruvian junta's "left-wing" stance, adds up to the international communist conspiracy at work, according to Chile's military leaders.

To counter the perceived threat, Chile can be expected to make some major weapons purchases as soon as a little of the sag is gone from her economy. Already she has expressed strong interest in acquiring a number of F-5Es (the Freedom Fighter) through the Foreign Military Sales Program.

Restoring the Chilean economy is the most difficult task facing the military leaders. And to do the job the junta is relying largely on a group of Chicago University-trained Chilean economists. The basic idea is to undo the Allende economic program and return to the "free market" (something which Chile has probably not had in this century). Price controls on some items were removed almost immediately; on others they are being removed gradually. Private companies which were intervened during the Allende years are being returned to their original owners, providing they agree to accept all debts and liabilities. Ten American companies have already been returned. Copper companies are the principal exception; they will remain under the control of the Chilean government but the junta has said it will enter negotiations for just compensation.

Recently, the junta sent its economic wizards off to Washington to talk to IMF officials and the heads of the other international financial institutions. The expectation is that the Fund will provide about $100 million in stand-by support and that the other institutions, along with bilateral lenders (including the U.S.), will come in with additional credits.

In return, the Chileans will promise "to deflate" their economy as quickly as possible (largely by holding wages well below increases in the cost of living). Already the Chilean government is claiming that it can reduce the inflation rate to 100 percent by the end of 1974 (versus the 500 percent rate registered in 1973). While many doubt this can be done, few doubt the effort will be made.

Then comes the debt-rescheduling—a truly monumental task . . . .

The outlook for Chile is certainly less than promising. The new credits, the debt-rescheduling, the belt-tightening—none of these will resolve Chile's political dilemma of how to slice the economic pie in such a way that a majority of Chileans find it acceptable. Allende went to one extreme. The junta has gone to the other—and then some. Neither extreme deserves support.

SENATOR PASTORE'S ADDRESS ON THE PEACEFUL USES OF ATOMIC ENERGY

Mr. BAKER. Mr. President, I sincerely commend Senator PASTORE for his leadership in the area of peaceful uses of nuclear power—both as a member of and as Chairman of the Joint Committee on Atomic Energy. Many of the accomplishments in this area, as well as the challenges which remain, were covered in an address by Senator PASTORE on April

22, 1976, before the Fiftieth American Assembly. I believe the speech to be a valuable one which should be of great interest to the Congress and the public.

Mr. President, I ask unanimous consent that the address by Senator Pastore to the Assembly be printed in the Record.

I will continue to work with Senator Pastore and my colleagues on the committee and in Congress to assure that this country will receive the full benefit of safe and reliable nuclear power, as well as the other energy sources which the Nation will need for it to continue to be strong at home and abroad.

There being no objection, the address was ordered to be printed in the Record, as follows:

SAFE AND RELIABLE NUCLEAR POWER: PROMISES FULFILLED—CHALLENGES REMAINING

(Remarks of U.S. Senator John O. Pastore)

I deeply appreciate your invitation to share this occasion with you. I am sure that your Association and those who are here this evening are dedicated to the betterment of community and country and are deeply concerned with the destiny of America.

In this Bicentennial Year, our citizens are able to look back with pride on the almost unbelievable accomplishments of America.

One such accomplishment occurred in 1942 when Enrico Fermi and his co-workers unlocked the secrets of the atom by achieving the first self-sustained fission chain reaction.

This was civilization's most exciting scientific discovery.

It unleashed a physical force greater than that discovered by man in all of recorded history.

In the short time of just nearly thirty-four years since Fermi's historic achievement, nuclear power has emerged as the dominant factor in the great human equation and as undoubtedly the single most important factor determining the course of international relations.

This is so because the atom can be used as a weapon to destroy the human race or it can be used to provide a safe, reliable and boundless source of usable energy to the benefit of hopeless and distressed people everywhere on the planet.

In view of the origin of its birth, it is natural that the world thought then, and even now, of atomic energy primarily as a weapon of destruction—Fermi and his associates and the thousands of dedicated workers who followed them were aware of the other side of the atom—the vision of the untold benefits to our civilization from its peaceful use.

For the past twenty years, I have been a member and Chairman of the Joint Committee on Atomic Energy. My attraction to this responsibility has been the peaceful atom. As I remarked at the celebration of the 25th Anniversary of the Atomic Energy Act, if my responsibility as a member of the Committee was only to make a better and bigger bomb, then I would have had no part in it. Unless we can put this tremendous power at the disposal of man for his enrichment, I must say tonight that it would be far better if this great achievement had never occurred.

The fact is that the peaceful atom, primarily through the safe and reliable generation of electricity, offers an opportunity to help achieve what I believe is the fundamental desire of people everywhere—the vision for a better life for our children and those who follow.

At the outset, I emphasize safety because safety is an indispensable essential in nuclear power.

Although I will have more to say about safety later, the fact is that reactors of the type now in use in this country have proven themselves as safe, reliable and economic sources for the generation of electricity. The commercial nuclear safety record is excellent.

But we all know that the benefits of nuclear power necessarily involve some risks, as does every other industrial activity, including every known means to generate electricity in large amounts.

While past experience, including that gained during the demonstration stages of a new technology, provides a large measure of assurance and confidence that the risks are minimized and should be acceptable, this experience can not, and must not be allowed to reduce the emphasis and eternal vigilance which is being placed on safety and environmental considerations.

JCAE EXPERIENCE

I do not reach any conclusion about reactor safety based on any pretension or expertise of my own.

I am not a scientist or an engineer. My conclusion is based on the favorable operating experience to date and the overwhelming views expressed in testimony before the Joint Committee in hearing after hearing conducted during the past twenty-five years.

Members of this Committee have studied these matters over the years with the intensity of a physician studying a patient with a rare or puzzling ailment. I might also add that the Committee itself has been studied by some with the same intensity and interest.

This is as it should be in view of the tremendous responsibility in the field of atomic energy of the Joint Committee to the Congress and to the American people.

The accomplishments which have already been achieved in the use of commercial nuclear power and its promise for the future did not just happen. It required a long and difficult effort requiring close cooperation and partnership between the Executive Branch, the Congress, universities, national laboratories and industry.

Over the years the Joint Committee has recommended to the Congress and the Congress has enacted legislation authorizing and appropriating funds for research, development and demonstration of commercial nuclear power.

These programs—once established by the Congress—were followed closely by the Committee. Battle after battle was fought with budgeteers who short-sightedly tried to slash a modest program that has already saved our people hundreds of millions of dollars and, in the long run, will save billions of dollars.

Nuclear power has been developed—to the point where it is now generating large quantities of safe, reliable, and economic power—by a few short years of dedicated effort and modest, well-paced demonstration programs, most through cooperative arrangements with industry. The total Government costs for these programs have been approximately $2½ billion. This contrasts with our present annual costs of over $25 billion for imported oil.

I don't want to leave you with the impression that correct decisions were made regarding all of these problems. I will frankly tell you later on where I believe programs, perhaps, could have been handled a little differently.

My point simply is that any long-term member of the Joint Committee—even though not a scientist or engineer—certainly is in a position to evaluate thoroughly the public policy issues relating to the benefits of nuclear power and the paramount importance of safety in the commercial applications of that technology.

I would not want any citizen to doubt for one moment, regardless of what past and present critics might have said or written, that the Joint Committee would tolerate anything less than the highest quality regulation of nuclear power and full and open communication to the American people on the risks involved.

COMMERCIAL NUCLEAR POWER

Several very important factors influenced progress on the way to the development and demonstration of safe and competitive nuclear power.

First of all, industry was being asked to participate with the Government in a new technology under a new law, the Atomic Energy Act of 1954, which provided for the first time the authority under which industry could participate in the commercialization of the atom.

Another factor was the abundance of natural resources with which this country was blessed. Many did not realize then that the resources were finite, and that liquid and gas fossil fuel supplies were rapidly being diminished. There was, therefore, a lack of sense of urgency to meet the challenges of source from a new technology.

Radiation from fallout of atmospheric weapons tests was the safety concern of that era. The primary criticism, however, probably came from those who became disillusioned because their once extravagant hopes for the atom were not realized fast enough.

I, too, was concerned about the progress being made in the development of commercial nuclear power. In the Fall of 1961, I met with President Kennedy and discussed with him the importance of having a definitive assessment and understanding of our domestic needs and prospects for atomic power.

Thereafter, President Kennedy asked Dr. Glenn T. Seaborg, then Chairman of the Atomic Energy Commission, to take a new and hard look at the role of nuclear power in our economy. The study was submitted to President Kennedy on November 22, 1963. This authoritative report provided an overall comprehensive plan for the development of nuclear power in the United States.

The report concluded in part:

"Nuclear energy can and should make an important and, ultimately, a vital contribution toward meeting our long-term energy requirements, and, in particular that: The development and exploitation of nuclear electric power is clearly in the near- and long-term national interest and should be vigorously pursued."

This conclusion has been emphatically confirmed by the significant events affecting our available energy sources which occurred subsequently.

The report laid out four basic objectives which, in the succeeding years, have charted the course for the development of nuclear power in this country. The report called for:

"The demonstration of economic nuclear power by assuring the construction of plants incorporating the presently most competitive reactor types.

The early establishment of a self-sufficient and growing nuclear power industry that will assure an increasing share of the development costs.

The development of improved converter and, later, breeder reactors to convert the fertile isotopes to fissionable ones, thus making available the full potential of the nuclear fuels.

The maintenance of U.S. technological leadership in the world by means of a vigorous domestic nuclear power program and appropriate cooperation with, and assistance to, our friends abroad."

EARLY PROGRESS IN THE DEVELOPMENTAL EFFORT

The year 1957 is significant in the development of commercial nuclear power because it was then that the Government-owned demonstration plant of 60 megawatts was placed in operation in Shippingport, Pennsylvania.

This was the Nation's first large scale civilian nuclear reactor. It has operated safely and reliably in the succeeding two decades.

The years 1957 to 1963 saw the initial operation of several demonstration nuclear plants with power outputs of 200 megawatts, such as the Yankee Reactor in Massachusetts and the Dresden Reactor in Illinois. They are still operating with a safe record.

I wish to reiterate that these were demonstration plants, a primary purpose of which was to learn more about the art of nuclear technology.

From the construction and operation of such plants have come much experience and data which provide additional support for the extraordinarily high degree of safety which is present.

The next phase in the demonstration program involved plants above 400 megawatts, such as the Connecticut Yankee plant and the San Onofre, California, plants, which also have operated safely.

The increase in plant size to the 400 megawatt range, together with competition between the two largest atomic equipment companies, enabled nuclear powerplants to compete with fossil fueled plants without Government assistance.

It became clear in 1965 that the utility industry considered competitive nuclear power near at hand.

The first large wave of nuclear power plant orders began in 1965 and continued until by the end of 1974 some two hundred and eleven plants, with a total capacity of around 205,000 megawatts, had been ordered. Virtually all of the capacity ordered involved reactors ranging in size from 400–1300 megawatts.

The significant increase in the number and size of nuclear reactors is cause for particular vigilance in their design and construction so they will operate with a high degree of reliability.

A number of these plants have been successfully placed in operation. Around seventy of them are under construction. As a result primarily of recession-related reductions in electricity use and the general conditions of the money-market, approximately 23 of these plants were cancelled outright and nearly a hundred have been deferred.

I wrote each of the utility executives involved in the cancellations and deferrals so that I and the Committee would know whether those actions were based in any measure on any lack of confidence in either the safety or reliability of nuclear technology.

The responses were unanimous in expressions of complete confidence in the safety and reliability of nuclear power.

As far as I have been able to determine, the commitment to nuclear power in the long run remains a reality. What has happened is that the tremendous and sudden escalation in the nuclear orders starting in 1965 from almost zero has now settled down to more realistic and orderly demands.

Although I deeply regret the economic conditions which caused this to happen, the stretch-out may be beneficial if the additional time is used by both the Government and industry to proceed with research and development programs which should further improve the reliability of reactors.

ECONOMIC BENEFITS BEING RECEIVED FROM NUCLEAR POWER

Substantial economic benefits are already being gained from the number of nuclear plants now in operation. A 1,000 megawatt nuclear plant saves the equivalent of approximately 10 million barrels of oil annually.

In 1974 less than 50 nuclear plants supplied just under 8 per cent of the electricity generated in the United States. That use of nuclear power saved customers approximately $810 million in fuel costs. It saved the equivalent of approximately 185 million barrels of oil or some 45 million tons of coal.

The benefits were even greater in 1975. Approximately 57 nuclear plants supplied around 9 per cent of the electricity generated in this country. They saved over $2 billion in fuel costs and over 200 million barrels of oil or some 55 million tons of coal.

In certain parts of the country, nuclear plants generate even greater percentages of the electricity used with corresponding benefits to the regions served by those plants.

In 1975 nuclear power counted for 35 per cent of the electricity generated by that utility which services the Chicago metropolitan area. During 1975 nuclear power saved that utility approximately 37 million barrels of oil.

Nuclear plants generated 28 per cent of the electricity used in New England in 1975. If those plants were not in operation, New England utilities would have had to burn an additional 34.9 million barrels of oil at a cost to the consumer of $400 million.

The Energy Research and Development Administration estimates that there are about 93,000 people working in the private nuclear industry. There are about another 50,000 construction workers involved in building nuclear power plants. An additional 110,000 people are employed by ERDA's contractors in nuclear related activities. Approximately $100 billion has been invested to date by the private sector in commercial nuclear power.

PROJECTIONS FOR THE FUTURE

According to some of the most current projections, nuclear energy could represent about 26 per cent of electric power generation in 1985. However, the nuclear power projections account for a 30 per cent smaller contribution than earlier projections due to the utility cancellations and deferrals caused primarily by uncertainty in demand growth, financial difficulties and the long lead-time involved in bringing a nuclear power plant into operation.

In addition to the 58 nuclear plants now licensed to operate, there are now 69 nuclear power plants for which a construction permit has been granted. The Nuclear Regulatory Commission estimates that in 1976 operating licenses will be issued for about 10 units and that construction permits will be issued for about 34 units.

There are presently seventy-one additional plants which are under construction permit review, 17 are on order, and 21 others committed by utility announcements of intent. All of these figures represent a total of 236 plants with a capacity of 236,000 megawatts—a little more than one-half of nuclear power commitments in the world.

By the middle of the next decade, if all of these plants are on the line to generate electricity, they should over their lifetime represent the equivalent of about 65 billion barrels worth of petroleum generating capacity. This is about six times the estimated reserves of the Alaskan North Slope. Even at the present price of oil per barrel, the cost of such an oil replacement, assuming its availability, will be approximately $25 billion annually.

The availability of these nuclear plants would reduce our dependency on oil imports which have increased substantially since the oil embargo in 1973 to the point where they are sometimes in excess of domestic production.

Moreover, their availability would result in the conservation of petroleum, the supply of which is finite and which has a multiplicity of essential uses other than to produce electricity.

WORLD WIDE COMMITMENT TO NUCLEAR POWER

Other industrialized countries of the world now have some 273 nuclear power plants in operation, under construction or on order which would produce a total of 165,000 megawatts of electricity.

Even though we possessed a monopoly on the technology at the close of World War II, this science did not remain in our domain. In the Geneva Conference of August 1955, I saw the surge of a new spirit of atomic development. Here scientists were gathered from every corner of the earth exploring what to do to make the atom a servant of man for a brighter and better future. The Russians were there with evidence of their atomic power reactor which they said had been in operation for more than a year. The British were there also and their showing was centered around atomic power to generate electricity.

Even then, there was an awareness of a keen competitive interest in the atom by our friends as well as our adversaries.

Since those early days, particularly when President Eisenhower delivered his speech in December 1953 before the General Assembly of the United Nations urging the establishment of the International Agency for Atomic Energy, the development of atomic energy for peaceful purposes essentially became and has subsequently remained a vital part of our foreign policy.

As long as it so remains, it behooves this Government to work with private industry and with other countries in the development of this source of power so that we can win and hold the hearts and minds of people all over the globe who look to us for help and for hope.

It was my privilege to be selected by President Eisenhower as a delegate to the U.S. Mission to the Tenth General Assembly of the United Nations. It was also my privilege to advance, on behalf of our Government, the draft resolution that led to the creation of the International Atomic Energy Agency in 1957.

In 1966, I introduced S. Res. 179, the first Senate Resolution supporting the nuclear Non-Proliferation Treaty. That resolution passed the Senate by a vote of 84–0.

On July 1, 1968, President Johnson signed the Treaty on Non-Proliferation. That document, together with a strong International Atomic Energy Agency, provide an international framework under which the countries of the world can act in partnership to achieve the benefits of the atom while doing everything possible to assure that atoms for peace are not diverted to atoms for war.

Our policy from the start recognized that there would be in the world an increasing number of nuclear suppliers and recipients and, therefore, it would be in this Nation's interest to develop a safeguards system administered by a strong international organization of broad membership.

The fact is, however, that the power of international control of sovereign countries is not without practical limitations. But, the answer is not to abandon the sought-after goal of international control but to do all within our power to assure that it is strong and effective.

Providing international control to assure that the benefits of the peaceful atom are achieved without proliferation of nuclear weapons represents one of the greatest challenges which faces the leaders of the world today. This is a challenge which I do not believe will be met by any precipitous action on the part of our Nation. It is one which will require constant vigilance and patience in trying to have the leaders of the world, especially those of the supplier nations, exercise their influence and restraint.

Such an approach, through communication and understanding, seems to me is the course which is most likely to assure that the human mind which created this technology also has the wisdom to understand the absolute necessity of the need to prevent the proliferation of nuclear weapons.

This is exactly what Senate Resolution 221, which I introduced and which the Senate passed on December 12, 1975, urges our President to do.

The leaders of the world must realize that the atom is with us for good or for evil and that only in the hands and minds of humans can this miracle of science remain a positive contribution to the human race.

OTHER CHALLENGES WHICH REMAIN

In view of the current energy situation which this country now faces and will face for years to come, it would seem to me that greater reliance on nuclear power is essential.

Our domestic supplies of oil and natural gas are being rapidly diminished. The United States will need increasing supplies of all available sources of energy, and clearly it would seem that both the coal industry and the nuclear industry will have their hands full in meeting their full share of the demand.

Nevertheless, there are challenges that are now being faced by the nuclear industry. Perhaps the most important of these challenges is the public acceptance of nuclear power.

From the beginning of the commercial nuclear power program, the Congress has insisted that the regulation of the commercial nuclear industry be conducted openly, with opportunity for public participation. This is as it should be in a society of free people—for without public support, little can really be accomplished.

Although the accomplishments through the dedicated efforts of many people can be pointed to as a source of pride, in many parts of the country there are aggressive campaigns being waged against the continued development of commercial nuclear power.

The points about nuclear power which seem to continue to worry people the most are:

1. What is the possibility of a very serious accident to a nuclear plant and how serious will the consequences be to the public?

2. What will be done about radioactive wastes and, in view of the long periods of its radioactivity, will we ever be able to dispose of this waste without a continuing concern for its potential effect on public health and safety?

3. Can the nuclear material, such as plutonium, be safely handled and adequately safeguarded so that it cannot be diverted by terrorist groups?

These are all legitimate questions to which the public is entitled to have answers.

Our Committee, too, has been concerned with these questions and we have continually and constantly urged upon the various agencies to come up with definitive plans and adequate budget requests to solve the problems.

Public debate began with some intensity for the first time in the late 1960's and has continued. Because of the questions being raised, I decided several years ago to discuss these problems with Dr. James Schlesinger, who was then the distinguished Chairman of the Atomic Energy Commission.

I suggested that a study be conducted of reactor safety which would render the answers to these and other questions to the American public. I also suggested that prompt consideration be given to the establishment of a separate independent agency to regulate the commercial atom so that there would no longer be a basis for the charges being made that the quality of regulation was being influenced by promotional considerations.

A new independent Nuclear Regulatory Commission came into being on January 19, 1975, under the aggressive leadership of its first Chairman, William A. Anders.

One of the very first actions of that new Commission required safety inspections which resulted in the shutdown of certain nuclear power plants because of the discovery of a hairline crack in some of the piping.

I publicly commended the Commission for its action. Frankness must always prevail on such issues and the facts developed so that the American people will have a clear understanding of what actually is involved from the standpoint of risks to them.

That and subsequent actions by the Nuclear Regulatory Commission have demonstrated to my satisfaction that this country has a strong agency which is carrying out its responsibilities to regulate the commercial atom.

I might add that the regulatory system established by the Congress in the Atomic Energy Act of 1954 provides for multiple reviews by qualified experts with opportunity for public participation before independent licensing boards.

The agency's decision is subject to judicial review. I am pleased to note that the quality of the regulatory decisions which have been reviewed by the courts has not been found by them to be lacking.

As far as I am aware, no other industry anywhere in the world has been the subject of more research, more scrutiny and regulation than has nuclear power technology. This, of course, is as it should be in view of its complexity and the awesome power which is involved.

Another striking point in my judgment is that the development and application of nuclear power is one of the first, if not the first, major example of considering in detail environmental and public health issues in advance of industrial application.

The regulatory system complies with both the letter and the spirit of the National Environmental Policy Act of 1969. The track record, in other words, has been good.

With the establishment of the Nuclear Regulatory Commission and the Energy Research and Development Administration, substantial additional emphasis has been placed on research and development to assure that the quality of the regulatory review and the safety of the technology are even further improved.

As long as this technology is used there will always be a continuing search for additional information so that the technology which has already been demonstrated to be safe can be further understood and improved.

As far as public acceptance is concerned, full and frank information to the public on the risks involved is the most essential ingredient for insuring the ability of a democratic government to deal with this technology.

I believe that the public can now have confidence that the commercial nuclear power program is being closely supervised and regulated with every reasonable assurance of safety.

Of course, no one can say that this or any other technology is completely without risk. We all knew this from the very beginning. Any new accomplishment which holds promise of substantial benefits also comes with some risks. The Congress insisted, however, from the outset that safety was of paramount importance. Without safety there is no question but that the economic benefits of the atom should not and can not be available for our people.

The regulatory system which the Congress has established for commercial nuclear power was tested recently with the allegations made by four individuals who formerly occupied positions of responsibility in and out of Government.

I promptly decided that a complete and exhaustive investigation should be made of the allegations and that a formal report should be made to the Congress and the American people upon the completion of that investigation.

Although I do not for a moment question the sincerity of these individuals, I can say now after listening to their testimony and that of officials of the Nuclear Regulatory Commission and the independent Advisory Committee on Reactor Safeguards that the established regulatory system can and does work.

If those allegations or any future information reveal that the system should be strengthened or changed, this I assure you will be done promptly.

The high quality of regulation needed for nuclear power as well as public confidence in the regulatory system is, of course, enhanced by responsible and constructive criticism of that system.

The Nuclear Regulatory Commission and the Joint Committee must always listen to such criticism and act promptly and responsibly to correct any deficiencies. All public officials should welcome this participation as a helpful contribution to the carrying out of their responsibilities under the law.

CONCLUSION

Nuclear energy must be made to be the salvation of free nations in helping to alleviate the hunger and the hopelessness of distressed people everywhere.

Many challenges have been successfully faced—domestically and internationally—in only a very short time.

There are still areas in which the Government, in cooperation with industry, must accomplish even more. This is needed, not to benefit utilities or to benefit industries, but needed in the public interest. The people of this Nation are the ultimate beneficiaries.

The discovery of this new technology occurred at a time when the world's deepest despair was with man's utter helplessness against the furies and hates of man for man. Out of that crucible the beneficial uses of the technology have come at a time to offer an abundant source of energy. The human race now has within its power the opportunity to determine whether this technology shall carry man on to greater achievements or whether it shall be a means of destruction.

These tremendous accomplishments did not just happen. There was a lot of hard, patient work by trained and dedicated people. I have every reason to believe that the challenges which we now face, both domestic and international, can be met by similar dedicated efforts by people of good will everywhere.

WEST GERMAN AND FRENCH NUCLEAR EXPORTS POSE A DIRECT THREAT TO WORLD PEACE

Mr. RIBICOFF. Mr. President, the time has come to sound an alarm that the nuclear export programs of West Germany and France pose a direct threat to world peace.

These are harsh words to be applied to two of our closest allies, but I am concerned that unless the danger is stated bluntly, a climate conducive to establishing a nuclear world order cannot be achieved in time to prevent a rapid, global spread of nuclear weapons.

By a "nuclear world order," I mean cooperative arrangements among the nuclear supplier nations, and between the suppliers group and recipient nations, that will promote the sale of reactors for generating electricity without promoting the production and stockpiling of weapons-grade nuclear material in nations not now possessing atomic bombs.

It would seem, Mr. President, that achieving such an international system would be in everyone's interest—particularly in the interest of advanced industrial nations which have the most to lose in the event of nuclear warfare or nuclear terrorism. But recent diplomatic efforts by the United States to achieve this goal, in the wake of India's "peaceful" nuclear explosion in 1974, have been blocked by the Germans and the French.

Last year's meetings of the principal nuclear suppliers in London failed to produce an agreement on limiting "sensitive" nuclear exports because of German and French opposition. These exports involve facilities for producing plutonium and uranium in a form suitable for making atomic bombs as well as reactor fuel.

The United States, as a matter of policy, does not export these facilities—plutonium reprocessing and uranium enrichment plants. Instead, we export reactor fuel in a diluted form unsuitable for weaponsmaking. We also impose tight restrictions on the separation of plutonium from the spent fuel of the reactors we sell abroad. Plutonium, a waste product of reactors, is atom bomb material in its pure, separated form. Therefore, we have not permitted any of our customers to separate plutonium because of the obvious danger and because there is no economic need for recycled plutonium as reactor fuel at this time.

The Germans and the French, however, are offering to sell dangerous nuclear-fuel production facilities as an incentive for potential customers to buy their reactors instead of reactors sold by the United States. This is a form of cutthroat competition that must be stopped before the world is put in peril.

Earlier this year, the United States applied sufficient pressure on South Korea to cause a cancellation of a Korean order for a plutonium reprocessing plant from France. But France is proceeding with an agreement to sell a reprocessing plant to Pakistan over U.S. objections.

Last year, Germany pulled a multibillion-dollar reactor deal with Brazil away from the United States by offering, in addition to the reactors, a complete nuclear fuel cycle—that is, uranium enrichment and plutonium reprocessing plants. Germany ignored objections raised by Secretary of State Kissinger in a meeting in Washington last June with Foreign Minister Genscher. In fact, just 8 days after that meeting, German Chancellor Schmidt said at a press conference in Bonn that he had not heard "a word of criticism" from the United States. "Nobody protested against it in any way at any time," Chancellor Schmidt was quoted as saying.

One possible explanation of the German refusal to heed or even acknowledge our objections was that the German Government learned of a last-ditch effort by the Bechtel Corp., an American reactor construction firm, to sell Brazil an enrichment plant. This was learned at the time our diplomats in Bonn were saying that U.S. policy prohibits such sales. The Bechtel action was seen by the Germans as proof that the United States was using nonproliferation as a smokescreen for expanding American domination of the world reactor market.

Now, Mr. President, there are deeply disturbing reports that Germany, emboldened by its success in Brazil, is prepared to offer an equally dangerous deal to Iran. This time, however, there can be little confusion as to U.S. intentions. It is known that our diplomats have been strenuously trying to convince the Iranians not to insist on enrichment or reprocessing plants as part of the reactor deals they are now negotiating with us, as well as with Germany and France. At the very least, we are trying to persuade Iran not to build these fuel plants on a national basis, but rather to join in multinational nuclear fuel ventures. This diplomatic effort is being undermined by Germany, which seems as determined to inject nuclear weapons capability in the Middle East as it did in Latin America. Israel's reported nuclear weapons capability was made possible by the export of an unsafeguarded research reactor by France in the early 1960's.

Recent articles in the New York Times and in the West German news magazine Der Spiegel, give details of this latest German effort to promote their reactor sales by offering enrichment and reprocessing plants.

On April 17, the Times reported that German-Iranian talks will begin next month in Teheran. The article included the following indication that the Germans are subjecting themselves to few constraints:

> "There is nothing concrete yet," said Dr. Wolf J. Schmidt-Kuster of the Ministry of Research and Technology, "but no area of technology has been excluded from the discussions, including reprocessing." Earlier this year, West Germany and Iran reached tentative agreement on an outline for a nuclear cooperation agreement, but did not make it public.

The Der Spiegel article of March 15 explains why the German Government has been so secretive about its dealings with Iran:

> "The public was not to be informed for the time being", it says bluntly in a Cabinet bill on a cooperation agreement with Iran, which was approved by the [West German] Federal Government on January 14, 1976. The reason for this secretiveness: The text of the agreement and its provisions "do not preclude any and all criticism by world opinion."

The German magazine was critical of overall German nuclear export policy:

> The responsible politicians are concerned little, mostly not at all, about the fact that, along with the sale of complete nuclear plants, production techniques and raw materials for atom bombs are exported, and that nations with a highly dubious reputation are being served bomb technology on a silver platter.

Der Spiegel also reported that at a cabinet meeting last October it was decided that, in the words of Research Minister Matthofer, German atomic plants are to be delivered to any country on earth "if they can pay for it." But the article also noted that the Bundestag has not been informed of this policy:

> The Bundestag held a four-hour debate on nuclear energy on January 22, but didn't say a word about the export of the dangerous commodity. The Government is careful not to impart to the Deputies even a little awareness of the problems that are involved.

Mr. President, I ask unanimous consent that the New York Times article of April 17 and a translation of the Der Spiegel article of March 15, which was prepared at my request by the Library of Congress, be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. These reports indicate, Mr. President, that West Germany is not of a mind to forego lucrative nuclear exports simply because they are dangerous. French efforts to sell reprocessing plants on the world market indicate that they are of the same persuasion as the Germans. The German and French position became clear at the nuclear suppliers conference when the United States explored the possibility of banning the export of enrichment and reprocessing plants to individual nations.

The best that could be achieved at the suppliers conference was an agreement to extend the safeguards of the International Atomic Energy Agency, IAEA, to any such exported facility, and to any facilities that a recipient country may build on its own utilizing the technology of the original exported plant. There is considerable export opinion, however, that these safeguards are inadequate, incomplete and subject to manipulation or outright abrogation by the recipient country. There is also the concern that these safeguards will be used to justify the widespread export of facilities that will, in turn, cause stockpiles of atom bomb material to crop up throughout the world.

Mr. President some simple nuclear arithmetic makes clear the magnitude of the danger. The average reactor exported today produces, in addition to a billion watts of electricity, about 500 pounds of plutonium a year. This is enough electricity to provide for a city of 1 million people. It is also enough plutonium to devastate several cities of that size. Ten pounds of plutonium, once separated from spent reactor fuel, is enough for one Nagasaki-scale bomb.

By 1990, reactors in the developing world alone will be generating 30,000 pounds of plutonium annually—the equivalent of 3,000 atomic bombs. By the end of the century, nuclear powerplants throughout the world will be generating enough plutonium to produce between 100,000 and 200,000 atomic bombs a year. If each nation has its own stockpile, even assuming that the stockpile is declared for peaceful purposes under IAEA safeguards, the normal events of history—revolution, terrorism, regional conflicts and mad dictators—will take on an added nuclear dimension. The danger should be clear for all to see.

Why, then, are Germany and France intent on exporting the facilities that will make these stockpiles possible?

Clearly, their need to export, so as not to lose billions of dollars and tens of thousands of jobs to the United States in a high-technology area, is a key factor here.

But the key to the dangerous turn that international nuclear competition has taken can be found in several aspects of our own atoms for peace program. As the source of 70 percent of the civilian nuclear technology being used in the world today, the United States bears a heavy responsibility for its potential misuse for weapons purposes.

First, there is a terrible irony in the fact that the reactors now being sold by Germany and France in competition with our own reactors are based on designs that American companies, principally Westinghouse and General Electric, sold to German and French manufacturers. These exports of our reactor technology were approved by the old Atomic Energy Commission without requiring, as a condition of sale that the Germans and French not engage in their present practice of offering nuclear-fuel production facilities as an incentive to buy their reactors. The fact that French and German reactors are virtually identical to U.S. reactors—even to the extent that they will use fuel and parts made in the United States of America—serves to add insult to injury.

Second, the United States has not increased its uranium enrichment capacity to keep pace with the expanding world demand for reactor fuel, thereby injecting a note of uncertainty in continued fuel supplies. This shortsightedness on our part has had the effect of encouraging the development of independent enrichment and reprocessing capability in other countries and of helping to justify the sale of these plants by the Germans and the French.

Third, although the United States has been a principal supporter of the IAEA and of the Treaty for the Non-Proliferation of Nuclear Weapons, NPT, we continue to export our reactors and reactor fuel to nations that refuse to ratify the NPT, refuse to accept IAEA safeguards on all their nuclear activities, and refuse to pledge not to set off nuclear explosions. The low-enriched fuel we export is not suitable for weapons, but the spent fuel removed from the reactor contains large quantities of plutonium that can be separated into explosive material by means of reprocessing plants exported by Germany and France. As noted above, we must give permission for separation of plutonium from U.S.-supplied fuel, but we would find it difficult to deny permission for plutonium separation in a facility safeguarded by the IAEA—particularly one operated by a party to the NPT.

Fourth, although the United States has been the world's leading nuclear technology nation, we have not developed material accounting and physical security safeguards capable of reducing risks of diversion, theft and sabotage to acceptable levels. Nuclear material accounting is particularly primitive, and several experts consider it not difficult to divert small, but strategically significant, amounts of weapons-grade material under the measurement and bookkeeping systems presently used by the United States and the IAEA.

Several of the developing nations now seeking to establish nuclear programs, complete with their own fuel facilities, are suspected of having weapons intentions either because they have refused to ratify the Treaty for the Non-Proliferation of Nuclear Weapons—Argentina, Brazil, India, Pakistan, Egypt, and Israel—or because of national security considerations that could override their obligations under the NPT—South Korea, Iran, Libya, and Taiwan.

Mr. President, little time remains to correct the present dangerous situation. There is still time so long as most of the plutonium produced in civilian power reactors remains unseparated in spent fuel.

An international system must be devised that encourages the sale of reactors to meet legitimate energy needs without proliferating the capability to develop nuclear weapons. Although the United States does not have the leverage that it had in the recent past to bring about such a system, it still retains considerable influence and power to attain nonproliferation objectives.

What is lacking is a plan that will be both fair and effective. It must be fair to convince other nuclear suppliers that we are not using nonproliferation as a smokescreen to protect U.S. dominance of the world reactor market, and to convince the developing world that we are not engaging in a form of technological imperialism that denies them access to facilities and material that are freely available to the industrialized countries. It must be effective to reassure even the most skeptical and antagonistic nations that loopholes cannot be found to permit the spread of nuclear weapons capability through civilian nuclear exports.

Mr. President, I have proposed that when the suppliers meeting reconvenes in June, the United States offer to enter into a market-sharing arrangement with the other suppliers to guarantee each supplier a minimum number of reactor sales a year. This would eliminate the cutthroat competition that has led Germany and France to sell fuel facilities that will result in the widespread production and stockpiling of weapons-grade nuclear material. This arrangement would permit a combined multinational and bilateral approach among the suppliers to provide nuclear fuel services to recipient countries on a cheap, reliable, and nondiscriminatory basis. Such an arrangement can be designed with symmetry to keep the special privileges of the supplier countries to a minimum and to promote maximum involvement of the recipient countries.

Most important, is the question of access to weapons-grade material, particularly plutonium. If the recipient countries are to be denied access to separated plutonium, why should the supplier nations have access to it before it is commercially needed as a reactor fuel? Plutonium will not be required commercially until such time as the breeder reactor achieves commercial application—probably at least 10 to 20 years from now. The wisest course may be for the suppliers to agree not to reprocess plutonium until that time. Or, the supplier countries could reprocess plutonium from spent fuel and then immediately mix it with natural uranium for use as diluted reactor fuel that is unsuitable for weapons purposes.

Such even-handedness by the suppliers would go far toward reassuring the recipient nations without in any way crippling the present commercial nuclear program. The safest place for plutonium is in the highly radioactive and inaccessible spent fuel, and this should be shipped back to the original fuel supplier for safe storage under multinational control.

The United States should consider utilizing the soon-to-be-completed reprocessing plant at Barnwell, S.C., for these purposes under multinational management and IAEA safeguards.

Hopefully, Mr. President, there would be sufficient economic incentives to win the participation of the other suppliers, particularly France and Germany, in these cooperative arrangements. But the United States should be prepared to use whatever leverage is still available to insure their participation.

The implied threat to use such leverage must be credible. The only credible threat still available to the United States involves the cutoff of enriched uranium fuel to supplier nations that refuse to join in meeting basic nonproliferation objectives.

The two most troublesome nuclear suppliers, France and West Germany, are developing their own uranium enrichment capability, as noted above. However, these facilities will not be in full production until the early 1980's, and current data indicates that these facilities will produce only enough enriched uranium to fuel their own domestic reactors through 1990. It appears, therefore, that France and Germany will require outside sources of enriched uranium in order to engage in a reactor export program.

If the United States should cut off enriched uranium to France and Germany, the only alternative supplier would be the Soviet Union. The United States has not determined whether the Soviet Union would cooperate in an embargo of reactor fuel shipments to France and Germany in order to achieve nonproliferation objectives. Even if the Soviet Union would not cooperate in such an effort, it seems unlikely that France and Germany are prepared to rely solely on the Russians. Furthermore, the French and German Governments would have to explain to their own people why defiance of the United States on nonproliferation policy warrants reliance on the Soviet Union for a vital fuel.

A cut-off of nuclear fuel by the United States should be unnecessary once France and Germany are convinced that we are prepared to act in order to attain our nonproliferation objectives. If the threat is credible, it should not be necessary to carry it out.

An integrated worldwide nuclear market, as I have proposed, should make it possible to develop an effective system of sanctions against nations that choose to operate their nuclear programs outside of the system. A broad consensus on sanctions should grow out of a strong mutual interest in developing cheap nuclear energy without the danger of weapons spread. Nations that insist on operating unsafeguarded reactors and fuel facilities, and on developing nuclear explosion programs, will be easily identifed as having nuclear weapons intentions. Nuclear trade and general commercial embargoes can be imposed against these nations to isolate them from the world community.

Such embargoes, if applied universally to cover all technology items, would make it extremely difficult, if not impossible, to develop an indigenous nuclear program.

The strong consensus underlying an integrated market approach to controlling nuclear proliferation would also permit a more effective system of IAEA safeguards than is now possible for detecting diversions and weapons activities.

It is essential, Mr. President, that we win the cooperation of our allies, France and West Germany, if the atom is to be controlled for peaceful purposes. Without their cooperation, the prospect is for a world of nuclear anarchy, which in turn can only lead to widespread nuclear violence.

I am convinced that nuclear proliferation can be controlled, if we have the will and the wisdom to do so.

Exhibit 1

[From the New York Times, Apr. 18, 1976]

Bonn's Atom Offer to Iran Stirs a Debate on Sharing

(By Craig R. Whitney)

Bonn, April 16.—Early next month, a negotiating team of West German and Iranian atomic-energy specialists will meet in Teheran to discuss a question that is likely to be a point of conflict between the United States, its European allies, and the developing countries for decades.

The question is whether industrialized countries like West Germany should share with third-world countries like Iran the nuclear science and techniques that could be used for nuclear weapons.

The United States, has in effect a ban on "sensitive" exports. But the West Germans will discuss this area with Iran and actually made a comprehensive nuclear export agreement with Brazil last year.

Iran wants nuclear technology, not just one or two atomic reactors to generate electricity, but the whole range of equipment, scientific techniques and nuclear knowledge needed to realize Shah Mohammed Riza Pahlevi's plans to make his country a major modern industrial power.

The full technology includes "sensitive" processes for enriching uranium and reprocessing the fuel elements of a nuclear reactor, removing plutonium and other byproducts of atomic reaction. This technology could be used to make atomic bombs.

Although Iran signed the nuclear nonproliferation treaty and is committed not to develop nuclear explosives, the Shah could not get "sensitive" nuclear technology from the United States. As a matter of policy, the Administration does not permit the export of equipment and techniques that could be used to make bombs, no matter what the buyer promises.

But the West Germans say they are willing to discuss any area of technology, placing their faith in tight controls and international supervision of the "sensitive" installations they export to the developing world.

Exports are the heart of the West German economy, and the Germans feel they simply cannot afford to be cut out of the high-technology export field. "They missed out on aerospace and computer technology," an American businessman here commented, "and they see nuclear technology as the big area of the future—they're just not willing to lose this one."

The French are engaged in an equally vigorous nuclear export drive, reportedly involving the sale of plutonium-reprocessing plants to such countries as South Korean and Pakistan. Under American pressure, South Korea decided not to go through with the deal, but the French are as eager as the West Germans not to lose a share of the nuclear technology market.

A HUGE STAKE

Billions of dollars and tens of thousands of jobs—even the economic future of Western Europe—are at stake, they feel.

And as an official of Kraftwerk Union, the seven-year-old West German manufacturer of nuclear power plants, explained, "Wherever we look—in Italy, Spain, Sweden, Thailand, South Korea—the Americans have already been there. The third world is the only open market left."

The United States will meet with six other nuclear-supplier countries in London in June, and Secretary of State Henry A. Kissinger said the central issue would be that of exporting reprocessing plants. The United States believes that they should be under multinational control; West German experts say this would be unrealistic in the case of countries like Iran that are in politically unstable regions.

What the West German negotiators will agree on in Teheran next month is unclear. It is certain, the West Germans say, that if any comprehensive nuclear agreement is reached with Iran it would be tightly controlled.

"There is nothing concrete yet," said Dr. Wolf-J. Schmidt-Küster of the Ministry of Research and Technology, "but no area of technology has been excluded from the discussions, including reprocessing." Earlier this year, West Germany and Iran reached tentative agreement on an outline for a nuclear-cooperation agreement, but did not make it public.

Sensitivity about the risk of an uncontrollable spread of nuclear weapons is running so high in the United States that Washington and Bonn nearly clashed openly last June when West Germany signed the world's first complete nuclear-technology export agreement, with Brazil.

The weekly news magazine Der Spiegel attacked the Government last month with a long article that said in part: "The responsible politicians seem to worry little, if at all, about the danger that states with a highly doubful reputation are being helped to effortless acquisition of nuclear-weapons technology."

But after the Brazilian experience, according to Government and industry officials interviewed for this article, the West Germans have become not only sensitive but also acutely defensive about the issue.

The issue is one that will not be dismissed by the controls, safeguards and international supervision that the West Germans tied into the agreement with Brazil and will tie into any other nuclear cooperation treaty, as Dr. Schmidt-Küster emphasized.

KISSINGER UNHAPPY

Despite the controls, to be carried out by the Vienna-based International Atomic Energy Agency, Secretary Kissinger was known to be unhappy about West Germany's agreement with Brazil. On Capitol Hill there were calls for the United States and the Soviet Union to agree to cut off France and West Germany from supplies of enriched uranium for their own nuclear-power plants unless they agree not to export to "untrustworthy" countries.

Since Brazil, the West Germans have been more circumspect. For example, after Egypt's President Anwar el-Sadat, ended his visit here April 1 he toured the 1,200-megawatt nuclear-power plant at Biblis. Both Iran and Brazil have already each ordered two like it.

Mr. Sadat was given a gold-plated hard hat as a souvenir, but he took little else away from the visit. Even though the Biblis pressurized-water reactors contain little militarily useful technology, the West German Government had assured Washington in advance that Bonn did not plan to sell any nuclear reactors to Egypt until the United States did.

According to the experts, however, reactors are not the main problem—the "sensitive technology" used in enriching the uranium fuel and recovering plutonium and uranium-235 from spent fuel cells poses the danger. Plutonium has no present practical use, American experts say, except in bombs.

But American efforts within the group of nuclear-supplier nations have failed so far to get the Germans and the French to agree not to export enrichment and reprocessing devices.

There is an enormous amount of suspicion here that behind the U.S. drive for tighter controls is a desire to corner the vast world nuclear-technology market for American companies like Westinghouse and General Electric.

Joachim Hospe, an official of Kraftwerk Union, said in Frankfurt: "To fully exploit our nuclear power plant capacity, we have to land at least three contracts a year for delivery abroad. The market here is about saturated and the United States has cornered most of the rest of Europe, so we have to concentrate on the third world."

Operating within the framework of the nuclear-cooperation agreements West Germany has with Brazil, Canada, Rumania, Pakistan, India, Iran and Chile (the last one dormant since the military coup there) Kraftwerk Union now has 27 power-plant orders on its books. It is big business: the average price for a 1,200-megawatt nuclear plant is about $600 million.

Kraftwerk Union also bid to build two nuclear plants in South Africa, where it is in competition with both American and French concerns. But according to some West German officials Chancellor Helmut Schmidt may veto any deal with South Africa because the white minority Government there is politically offensive to many members of his Social Democratic Party.

Another proposal, a three-year-old plan to build a nuclear-power plant at Kaliningrad for the Soviet Union, fell through last month after the Russians refused to let the electric-transmission lines run through East Germany to supply West Berlin.

"It's too bad," Mr. Hospe said, "Russia could have been a market. You see that the developing countries are now really all we have."

The controversial treaty with Brazil was signed here last June 27, and Karl-Heinz Scholtyssek, an official of the Foreign Ministry, described it in an interview as "a model."

The agreement provides for exploration for uranium ore in Brazil to supply West Germany's needs, now met largely by supplies from the United States and the Soviet Union.

In return, the West Germans will give Brazil access to the separation-nozzle uranium-enrichment process developed here, and build a pilot reprocessing plant in Brazil. The installation is capable of separating and extracting weapons-grade plutonium from used reactor fuel elements—a "complete nuclear fuel cycle," in other words.

"The Brazilians want to buy as many as eight large pressurized-water power-plant reactors from us," Mr. Schmidt Küster said, "and if they have that many, by 1990, they will need their own facilities for enriching and reprocessing the fuel. Otherwise they'd have to be transporting this dangerous material thousands of miles across the ocean, to Germany, and there are objections all the time to doing that sort of thing here."

Mr. Scholtyssek pointed out that the Brazilians pledged in the treaty not to use either the equipment or the technology they get from West Germany for any kind of nuclear explosive device even a "peaceful" one. And, he pointed out, an integral part of the agreement was that Brazil had to submit to supervision and control by the International Atomic Energy Agency. The agency and the Governments of Brazil and West Germany signed a treaty insuring these controls on Feb. 26.

"The technology, in addition to the equipment, is explicitly included in the controls," Mr. Scholtyssek said, "and the trilateral agreement cannot be unilaterally abrogated. It lasts as long as the equipment does." Critics like Der Spiegel assert that equipment the Brazilians develop later with German technology can not be controlled, an assertion Mr. Scholtyssek denies.

The American Government's attitude is that avoiding the export of sensitive technology like reprocessing and enrichment is better than controls, as Mr. Kissinger said in a Senate hearing on March 9.

[From the Library of Congress, Congressional Research Service, Washington, D.C., Source: Der Spiegel, Mar. 15, 1976]

Booming Business or Business With the Bomb

Up to now, Bonn has put over DM 17 billion into nuclear research. The investment has paid off: nuclear reactors are rated among the export hits of West German industry. Yet the explosive trade has brought the Federal Republic under suspicion of aiding and abetting certain developing countries in making atom bombs.

The tables seemed to have been turned: Hardly had the peripatetic Economics Minister Hans Friderichs landed in Teheran, where he wanted to discuss oil and gas supply to Germany, that the Shah conveyed his wishes to the gentleman from Bonn: Nuclear power plants "made in Germany" for Iran.

Not much later—last fall—the same thing happened in the desert emirate of Kuwait: The rulers over oil and sand would like nothing better than to order immediately a "Biblis"-type nuclear reactor. But Friederichs had to disappoint them: The German 1,200 MW atomic pile, the most efficient in the world, is much too big for the small country on the Persian Gulf (population: 880,000).

The pressure water reactor Biblis, which has from the small town in Hessen since the spring of 1975 been supplying power to industrial plants and about two million inhabitants, is well on the way to becoming the export hit of German industry.

The top sales representatives of the manufacturer, Kraftwerk Union (KWU), Klaus Barthelt and Hans Hirschmann, live out of their suitcases: They jet from Iran to South Africa, from the Soviet Union to Brazil, from Japan to the People's Republic of China. Berthelt: "I have to negotiate even on Saturdays".

Kraftwerk Union, the subsidiary of the two electrical groups Siemens and AEG, can deliver per year six nuclear power plants ready for operation and has, with DM 28 billion, the fattest wad of orders of all German industrial enterprises. Its shares, so far still completely in German hands, are in demand worldwide, ranging from the French mixed group Saint-Gobain-Pont-à-Mousson to the Shah of Iran. With the nuclear agreement between the Federal Republic of Germany and Brazil, the KWU bagged the biggest deal in German foreign trade history: It will deliver eight reactors and will help with the building of nuclear plants valued at DM 12 billion.

Our domestic atomic technology, as the "Deutsche Atomforum", an organization of the Atomic Lobby, exclaims, has opened up a "new dimension"; Economics Minister Hans Friderichs: the reactor builders have managed to "break through into the world market": Research Minister Hans Matthöfer: they even "made the future safe".

A booming business? Or perhaps doing business with the bomb?

The atomic technology for peaceful purposes is 95% identical with the atom bomb manufacturing process. According to a study of the renowned Massachusetts Institute of Technology, it is possible to make one bomb per week from the waste alone of the reactors that are to be put into service in the next two decades.

On May 18, 1974, India showed the last doubter the trend: On that day the land of famines and flood disasters detonated its first atomic bomb—made of plutonium that had been obtained by operating an ordinary atomic power plant.

Since that time international demand for Candu-type reactors, which the Canadians had sold to India, has been rising by leaps and bounds; Argentina, Pakistan, and South Korea have ordered this reactor. And the intelligence services and the military have been expecting ever since the next atomic blast in one of those countries that are generally considered underdeveloped and that want to sneak into the big league through a prestige-detonation: will it be Argentina, Pakistan, Korea, Iran; will it be Israel or Brazil?

The gentlemen in Bonn don't seem to care. The responsible politicians are concerned little, mostly not at all, about the fact that, along with the sale of complete nuclear plants, production techniques and raw materials for atom bombs are exported, and that nations with a highly dubious reputation are being served bomb technology on a silver platter.

By acquiring forward-looking nuclear know-how from West Germany, the apartheid-Republic of South Africa is being given new survival chances. The Brazilian military régime is securing its leading position in South America thanks to German atomic aid. It is possible that German technology may help the Shah, with his great-power illusions, to rise from the political doldrums to atomic superman stature.

The West German Government, grateful in a period of worldwide recession for any large foreign order garnered by its industry, hesitates to limit the freedom of action of businessmen by imposing restraints on them. What applies to weapons—self-restraint in exports as per Cabinet decision—doesn't apply to atomic facilities; this is the inviolable preserve of private enterprise, and even Parliament is bypassed.

The gentlemen in Bonn are content with the Nonproliferation Treaty, which places the export of nuclear technology under international control. Yet a number of countries didn't sign the Nonproliferation Treaty—they include South Africa and Brazil, as well as most of the other potential bomb makers, called "Schwellenmächte" [threshold powers] in German diplomatic lingo. An additional alibi for the fact that the West German Government is giving its atom industry completely free rein in international transactions is offered only privately. Foreign Minister Hans-Dietrich Genscher: "Any country that wants the bomb can make it. For that it doesn't need our help."

It's correct, however: With reactors alone, without a complete grasp of nuclear technology, one can't make a bomb.

That is why all experts are agreed that any improper use of the fuel delivered for peaceful purposes can only be prevented by effective controls. But the West Germans aren't too fussy about this very point.

The ones getting all worked up about this most are the Americans: "If Bonn brings down this nightmare on the world, it will jeopardize three decades of effort to win the respect of its neighbors and allies", the distinguished New York Times raged upon the closing of the KWU transaction with Brazil last year and called the deal sheer "atomic madness". U.S. Senator John Pastore invoked the Atlantic Pact because the Germans "make trouble in our backyard".

Washington's irate reaction was unquestionably due not merely to concern about world peace. The Americans were mad about their enterprises, which had for years dominated the atomic world market, having missed out on the super-deal. It just seems plenty irresponsible to dismiss this American criticism exclusively as an ingenious conspiracy of the eliminated U.S. competitors General Electric and Westinghouse, as Foreign Minister Genscher ("Westinghouse is a subcommittee of the U.S. Congress") and Research Minister Matthöfer ("professional jealousy") did.

The order from Brazil was for Westinghouse, which is already building nuclear reactors in that Latin American nation anyhow, a practically sure thing, you know. The U.S. group had to pass only when the Brazilians demanded more than reactors—plants for enriching uranium and for reprocessing nuclear fuels.

For the export of plants for manufacturing such sensitive material is prohibited by U.S. legislation—and with reason: Any country having an enrichment plant can produce as much charge material for making atom bombs as it likes. And any country having a reprocessing plant has access to the bomb base, plutonium.

While in the past the Americans were only too glad to export reactors and all necessary, even enriched fuels, strict clauses in the delivery contracts forced the receiving countries to ship the use-up fuel rods back to the USA for processing and checking. Nobody was to be able to tap reactor-produced plutonium or highly enriched uranium for other purposes.

The Germans, with their Brazil package deal providing for delivery of a complete reprocessing plant, were the first to have broken through the nuclear supply monopoly of the Americans. And in the future, as decided at a Cabinet meeting called by Helmut Schmidt in the chancellery last October, German atomic plants are to be delivered to any country on earth, "if they can pay for it" (Matthöfer).

The first to benefit by the Cabinet order will be South Africa, which has invited bids for two reactor units for a power plant in Koeberg. "We cannot", FDP economics spokesman Count Otto Lambsdorff concluded, "mean to deliver to the Soviet Union a reactor for Königsberg, but not one for Koeberg just because we don't like the government there." Except: The Soviets already have the bomb, the South Africans still want to make it.

The atomic laissez-faire of the gentlemen in Bonn doesn't only aim at promoting the sales of West German plants. Through a generous supply policy, the West German Government hopes for better access to the atomic raw material, uranium, which is in fact as short in supply worldwide as any other energy carrier.

There isn't enough uranium as yet to supply the 5–14 reactors planned in the world by 1990. The presently known world reserves will last until 1988. An exploration of the still uneconomical occurrences would pay only if the present uranium price of DM 104.00 per kg. were to rise to at least DM 160.00.

Because some uranium producers, such as the USA and Australia, are already quotating their deliveries and because, on the other hand, with the increase in reactor numbers the demand for the rare element is increasing by leaps and bounds, Bonn and Brasilia have agreed upon a seemingly reasonable commercial clause in a secret supplementary agreement: The Brazilians will receive their enrichment plant, but will, in exchange, supply the Germans with the desired raw material under precisely stipulated contract terms.

The catch: The Brazilian uranium will still have to be found. Heinz Schulte, chief of the Essen energy producer Steag, which will deliver the enrichment plant: "Geologically there is many a reason to believe that they have uranium". According to past experience, however, eight years will go by between acceptance and mining. Until then the check of the Brazilians will remain uncovered.

In order to help the South American customer with the strange "goods-on-presumption-of raw-material" transaction, throngs of prospectors of the Frankfurt "Urangesellschaft" are exploring the jungles of the Amazon [river] basin. German experts are prospecting also in Canada, Niger, Togo, and Mali; they even made a strike once in Namibia, formerly German Southwest Africa.

For their search the prospecting companies—in addition to the "Urangesellschaft" also the Bonn "Uranerzbergbau"—receive subsidies to the tune of 80% from the [West German] Federal Treasury, subvention that brings the two private firms close to the risk-free public enterprises. And the government even generously covers the risk balance.

The [West German] Federal Government only benefits by private prospecting, by venturesome business ties: It keeps its cover. The businessmen prepare the deal privately, present the government, as in the case of Brazil, with agreements virtually ready for signature, and then Bonn has to give its O.K. in the interest of full employment and of a flourishing industry.

"They exert pressure, and we don't mind being pressured", as Friderichs' confident Dieter Vogel describes the leeway available to the authorities.

The president of the Bundesverband der Deutschen Industrie, Hans-Günther Sohl, goes even further. "All efforts to improve trade should, in the last analysis, be welcomed also in the interest of [foreign] policy. Misunderstandings must be put up with."

But how far should misunderstandings be allowed to go? Should pressure for trade expansion be allowed to cramp the politicians' freedom of action to such an extent that in the end industry will lay down the guidelines of German foreign policy?

The politicians are conducting themselves thus far entirely as desired—especially after the blow dealt them by the oil embargo and the economic crisis. Because the greatest good of the nation, prosperity, is at stake, the authorities seem to feel that in the case of ticklish business activities the best thing to do is "not to make any deliberate top-level decision, but to let industry and a few secretaries of state have their way" (SPD Bundestag member Harold Schäfer). If some project turns out badly, the alibi is obvious: Neither the government leadership, the administration nor the coalition knew anything about it.

Not even the parliamentary committee charged with giving consideration to matters of this kind was afforded an examination of the agreement with Brazil and of the insufficient controls built into this arrangement. The Bundestag was bypassed also in the decision to construct, jointly with Great Britain and the Netherlands, a centrifugal uranium enrichment plant costing at least DM 600 million.

The committee members found out in the newspapers that the government-owned "Gesellschaft für Kernforschung" (GfK) of Karlsruhe has an atomic cooperation arrangement with South Africa; and they found out purely by chance that the Soviet Union, which is enriching natural uranium for German reactors under the collective pay agreements system, secured a federally guaranteed escalator clause, possibly obligating public funds: Even the [West German] Federal Budget makes no mention of it, though this would be required.

"The public was not to be informed for the time being", it says bluntly in a Cabinet bill on a cooperation agreement with Iran, which was approved by the [West German] Federal Government on January 14, 1976. The reason for this secretiveness: The text of the agreement and its provisions "do not preclude any and all criticism by world opinion".

Yet, clever civil servants know how to circumvent not only Parliament and the public, but sometimes even the responsible Minister himself. Thus, Matthöfer ordered, immediately after taking office in May 1974, a stop to the DM 500 million government subsidies to the research institute in Karlsruhe for the extremely costly enrichment process based on the separation nozzle principle (SPIEGEL No. 26, 1975). Fifteen months later Matthöfer had to find out that the federal aid had, at the recommendation of his Secretary of State Hans-Hilger Haunschild, continued flowing. This very process, however, is being applied in South Africa and is to be used in Brazil.

Overlapping responsibilities in the Bonn seat of government further obscure the transactions: For granting export permits for nuclear power plants the Ministry of Economics is responsible; arrangement concerning possible controls are watched over by the Foreign Office; the Ministry of the Interior examines questions of safety in transport and operation; the Research Ministery, finally, coordinates the exchange of scientists, initiates contacts, and organizes, jointly with the governments of other nations, mixed commissions in which the big deals are hatched.

SPD Bundestag member Harald Schäfer got a taste of this tangled mass of responsibilities when he asked his fellow party member Hans-Jügen Kischnewski, secretary of state in the Foreign Office, for an answer to a specific question. He referred him, for responsibility's sake, to party member Volker Hauff, secretary of state in the Research Ministry. But Hauff, too, played possum: He suggested in his written answer to Schäfer that he had best submit his problem to Wischnewski: That's where the Deputy gave up.

Considering such a hodge-podge of governmental coordination, it's small wonder that the application of funds in the government-owned Jülich and Karlsruhe nuclear research institutes occasonally gets the better of efficiency. Besides the DM 600 million laid out by Bonn via Jülich for the construction of an enrichment plant based on the centrifugal separator principle, Karlsruhe got DM 50 million for continuing to fiddle with the competing separation nozzle principle, which has already proved uneconomical.

Just under one-third of the governmental research funds is channeled into atomic science each year—no wonder atomic technologists from all over the world travel to the German atomic workshops to participate, uncontrolled, in the gravy and know-how.

Meanwhile, the German atomic know-how is considered a prime mover of business transactions. Bonn has made agreement on technological cooperation in the nuclear area with 32, mostly underdeveloped, nations. In the last five years alone, 50 scientists from South Africa perfected their skills in German labs. Last week Minister Mathöfer went to Peking to negotiate with the People's Republic of China the 33d agreement.

The 17 billions thus far laid out by the gentlemen in Bonn for atomic research are, of course, to yield profit. This gets the government obviously "into a corner from which escape is no longer possible for us" (SPD Bundestag member and atomic technologist Frank Haenschke)—after the motto. The government aids research, the result of this effort must be sold, must be expressed in terms of investments and jobs. Where and at what political price then becomes secondary.

Tacitly covered by Bonn the managers of the inscrutably interlocked German atomic industry (see graphic representation at the end) can engineer their super-deals—without any political risk, subsidized by governmental research millions. And most of the time everything remains nicely within the scope of legality; for the laws afford plenty of leeway, as demonstrated by the business transactions with South Africa and Brazil.

On August 15, 1973, Steag, of Essen, a subsidiary of the almost 50% federally owned Ruhrkohle AG, which had acquired the separation-nozzle enrichment process, invented by the Karlsruhe research institute, for commercialization, concluded an agreement with the Atomic Energy Board of South Africa. Contents of the arrangement: The apartheid régime secures a sublicense to use the German know-how and pays for it with enriched uranium. The fuel is to be produced in the plant previously constructed by South Africa with German participation.

The Economics Ministry had no legal objections to the agreement: According to the Foreign Trade Act, the export of blueprints and construction data is not subject to license. Only the transport of material requires the approval of Bonn. The German Atomic Act reads similarly: Only the export of nuclear fuels has to be licensed, but not the export of technological know-how.

The Nonproliferation Treaty, of course, ratified also by Bonn, does prohibit the passing on of nuclear know-how to nations not submitting to the controls of the Vienna Atomic Energy Agency (IAEA).

When Steag in 1973 had dealings with South Africa, the treaty, though signed by Bonn, had not yet been put into effect. Therefore, the political authorities wouldn't have had any grounds anyhow for taking action against Steag. When the Nonproliferation Treaty finally—on May 2, 1975—entered into effect, it was too late. A few days before, Pretoria's atomic researchers Abraham Roux and Walter Grant had announced the development of a "process of their own", which they now wanted to translate into action "with international participation". The blueprints from Essen and Karlsruhe had done their bit.

Now, however, things aren't quite as legal any more. For Steag has secured by agreement a 20% quota of the uranium enriched in South Africa. This clause violates the Nonproliferation Treaty so long as no international controls of the Pretoria plant are agreed upon. And this is what South Africa is balking at and probably with reason.

The contract between German and Brazilian company and government representatives, under which both sides had come to terms about the biggest atomic transaction of all time, is likewise incompatible with the Nonproliferation Treaty so long as no valid controls are put into effect.

Playing it cozy, the governments are doing a publicity job that conceals more than it reveals: The Latin American nation, though opponent to the Nonproliferation Treaty, has agreed to even "stricter controls" of German atomic deliveries than had been provided by this treaty—thus the official Bonn phraseology as announced by Hans-Dietrich Genscher.

Genscher's Brazilian interlocutor Azeredo [?] da Silveira confirmed that his country had finally even signed the Treaty of Tlatelolco, which provides for a non-nuclear zone in Central and South America. Signed, yes; but never ratified.

And the "stricter controls" which Bonn carried through—they merely affect the exports of German firms. Not controlled, however, are any plants that Brazil will construct in the next few years without using German materials, but after German construction data, although inspection is provided for under the Nonproliferation Treaty. State Secretary Volker Hauff, unconcerned: "The German cooperation with Brazil is a model for cooperation with other countries."

When Genscher ("I don't bother about controls, I leave that to the experts") did notice, after all, the flaw in the Treaty, it was too late. His request submitted in Brasilia in mid-November of last year, to the effect that the hosts should allow the Vienna Agency to inspect all atomic plants in their country, was rejected by the opposite numbers.

A tripartite agreement between Brazilians, Germans, and Vienna Atomic Agency, signed on February 27 of this year, permits the nuclear controllers only to inspect the German deliveries to Brazil. The Brazilian emulations continue to be kept out.

The West Germans of all people, who exercise exemplary restraint in arms exports, can then pride themselves on having set new landmarks in international business ethics.

No doubt: The West German industry must become intermixed with the promising atomic business if it wants to keep its technological standing in the export markets. Yet: Do the West Germans have to apply laxer standards to specifications and controls than the USA for instance?

It may be that the global proliferation of technology needed for tinkering with homemade bombs can no longer be checked and that, in the wicked competition, involving billions, for the atomic clientèle, the restraining threshold necessarily slides lower and lower. Yet: Does the Federal Republic have to play the outrider?

National restraint seems all the more necessary as international control is, in spite of the Nonproliferation Treaty, extremely inadequate. The Vienna International Atomic Energy Agency, whose 87 examiners are meantime spot-checking the fuel lists of 117 reactors, shares the fate of other world organizations: It has no executive authority, let alone executory powers. It can "determine ex post facto that somewhere fissionable material has been diverted, but it can't, however, take steps against it" (SPD Bundestag member Haenschke).

And Werner Ungerer, ex-leader of the German delegation to the Vienna Agency, had to find out: "It's unlikely that an optimal control system, to which all nuclear material and all countries would be subject, could ever become a reality".

The world's seven leading atomic nations (USA, Great Britain, France, Soviet Union, Canada, Japan, and the Federal Republic of Germany) that have merged into the Nuclear Suppliers Group and have been meeting since 1965 in strict secrecy at Grosvenor Square, London W1, passed a moral code "on export behavior in the area of peaceful use of nuclear energy". The fourth of the total of 10 rules: Exceptions from control "will be granted", it says simply and vaguely, "following consultation of the Suppliers partners". If an importer doesn't wish an inspection, the exporter merely needs to give advance notification thereof—that's all.

The Bonn Foreign Office thereupon took delight in a memo to the files, intended for the Cabinet, stating that the London document "marked out the minimum range of measures to be agreed upon in the case of deliveries of nuclear technology and material". And, as the official summed up, obviously relieved: The "relatively high American (safety) demands failed to prevail".

With the passage of their code, which lays down similar competitive terms at a minimum safety level, the world suppliers wiped off the table a proposal submitted by U.S. Secretary of State Henry Kissinger who wanted to establish multinational "regional centers" for enrichment and reprocessing. Kissinger's aim: Improved control, prevention of plutonium thefts, exclusively peaceful use of the material.

The Americans, up to now decried by members of the West German Government as ruthless atomic exporters, are drawing their conclusions from their defeat in London. A committee of the U.S. Congress, which in recent years has transferred more and more power from the Executive to the Capitol, is planning drastic legislation to make the export of atomic material from the U.S. more difficult for us or to cut it off entirely until new international controls have staved off the dangers of nuclear disasters throughout the world.

In Bonn, however, Parliament and Government played possum. The Bundestag held a four-hour debate on nuclear energy on January 22, but didn't say a word about the export of the dangerous commodity. The Government is careful not to impart to the Deputies even a little awareness of the problems that are involved.

Thus, the proposal formulated by senior atom-diplomat Werner Ungerer remained unnoticed. "Nations that are unwilling to submit their total nuclear energy activities to international safeguards should be excluded on principle from the opportunity to secure their know-how for building up a fuel cycling system of their own (from other countries)".

These demands that hurt business might well be shelved by the government—further warnings by Ungerer against the Brazil deal and other transactions are not to be expected: The atomic expert was transferred from Vienna to the Consulate General in New York.

J. HOMER REMSBERG

Mr. MATHIAS. Mr. President, on April 13, we lost a distinguished author, community leader, and Maryland farmer, my good friend J. Homer Remsberg.

Mr. Remsberg was the first native of Frederick County to attend the University of Maryland School of Agriculture. After he was graduated, he served the country as a naval flight instructor in World War I, then came home to Middletown to commence a luminous career in agriculture.

He was a breeder of the famous Holstein-Friesian cattle, many of which he exported to Turkey and South America. He wrote a book on Holstein cattle that has become a standard reference. He farmed land that his family had tilled since 1790.

On April 15, the Frederick Post devoted an editorial to Mr. Remsberg, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Frederick (Md.) Post, Apr. 15, 1976]

J. HOMER REMSBERG

One of Maryland's best known and respected agricultural leaders, J. Homer Remsberg passed away Tuesday at Frederick Memorial Hospital.

Mr. Remsberg was born on February 15, 1897 to the late Albert S. and Clara R. Remsberg, and for most of his 79 years he led a very busy and constructive life. He was a scholar, a Navy Pilot, a Naval Flight Instructor, a highly successful farmer, an author, an organizer of dairy and farm groups and associations, a breeder and developer of the highly productive Holstein-Friesian cattle, a major leader in the Farm Credit System, having spent three years as chairman and a total of nine years on the board of directors of the Farm Credit Banks of Baltimore. This District is composed of the States of Pennsylvania, Maryland, Delaware, Virginia, West Virginia, Washington, D.C. and Puerto Rico.

With what little spare time he must have had, he served as an Elder in the Evangelical and Reformed Church (United Church of Christ) in his hometown of Middletown, and served as choir director for 35 years and served as director of music in the Sunday School.

Mr. Remsberg was the first boy from Frederick County to attend the University of Maryland's School of Agriculture where he graduated with a B.S. Degree in Dairy Husbandry. From 1930 to 1945 he was an instructor in vocational agriculture at Middletown High School.

His list of past presidency and past chairman posts of various organizations is great. His great friendship with the late Dr. Harry "Curly" C. Byrd, past president of the University of Maryland, kept him very active in the Alumni Association of the College of Agriculture where he served as one of its presidents as well as having served as past president of the distinguished University of Maryland Terrapin Club.

Mr. Remsberg was the father of four children by his first wife, the late Abby McCardell Remsberg. They are Mrs. Daniel H. (Carol) Bare; Mrs. Robert E. (Joyce) Shank; J. Homer (Jack) Remsberg Jr.; and Adrian M. (Mac) Remsberg. He also leaves behind his wife Mrs. Sarah Leiter Remsberg whom he married after the death of his former wife.

In 1962 a family corporation was formed and the farming operations on the two farms—one of which was the old family farm which Homer bought in 1926 and became the fifth straight generation of the family to operate this farm which was first established in 1790. Both his sons, Jack and Mac, graduated from the University of Maryland and have followed in their father's footsteps as successful operators of large acres of farmland.

His work with and for such organizations as the Frederick County Holstein-Friesian Association; Maryland State Holstein Association; Purebred Dairy Cattle Association of America; Atlantic Dairy Association; North Eastern Dairy Conference; Dairy Council of Greater Metropolitan Washington, D.C. and the Maryland and Virginia Milk Producers Association; the National Milk Producers Federation as well as the National Dairy Council of Chicago, Ill. have brought him many credits awards and personal friends.

Mr. Remsberg's work in breeding and developing Holstein cattle in his herd for export to many South American Countries, Mexico and Turkey and his many trips to these far away places, made him truly an ambassador of Good Will. These, along with his other efforts, had as an objective a more profitable and happier living for farm families everywhere.

In 1965 Mr. Remsberg published a 232-page illustrated book titled "History and Development of Holstein Cattle in Frederick County, Md. 1922–1965" which has become an agricultural reference book everywhere and in 1972 he authored a twenty-five year "History of the Terrapin Club."

Two or three years ago, Mr. Homer Remsberg had a sale and disposed of all his own cattle and farm equipment. It was a sad day for those who knew him and had watched him plowing, seeding, harvesting over many, many years. But, indeed, he had done his share and has given to the agricultural interests of most of the world much knowledge and sound advice.

He has helped make Frederick County—and particularly its Middletown Valley and the hundreds of herds of Holstein cattle—famous not only in the State but in many parts of the world into which his avocation and interests brought him. May he rest in peace!

WHO CONTROLS AGRICULTURE?

Mr. McGOVERN. Mr. President, efforts to answer the question in the above headline started making the rounds of both Washington and the farm community last year when the administration embargoed grain shipments to both the Soviets and to Poland, because several labor leaders refused to load the ships. The National Association of Wheat Growers is attempting to find out the answer by raising a million dollars to finance a searching lawsuit against the Government claiming that the embargoes cost American farmers as much as $12 billion. Whenever I go home to South Dakota, my farmer constituents literally bombard me with questions about who in the Government is juggling the product that the President and the Secretary of Agriculture implored them to raise in great abundance.

So that the administration can be under no delusion about the sentiment on these issues in the farm community I ask unanimous consent that the letter to the editor of the Dakota Farmer from Elmer E. Lemke of Bentley, N. Dak., entitled "Who Controls Agriculture?" be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

[From the Dakota Farmer, April 1976]

Who Controls Agriculture?

Do you know who dictates United States food policy? Do you know who makes the decisions for the United States Department of Agriculture? Do you know who is really the spokesman for the United States Department of Agriculture?

An edition of Newsweek magazine noted "Not until Henry Kissinger discovered that food aid could be an important foreign policy tool was a powerful voice raised in favor of more food for peace." Is this what farmers want to do? Do you want to have prices below the cost of production and the depletion of our precious farm land in order to supply the State Department with another weapon for its negotiating arsenal?

Farmers hold the key to fair prices for farm products. In 1974 when President Ford put export controls on wheat and prices fell more than $1 a bushel, I was determined to let him know that farmers were angry and determined to take a stand against the State Department if they were given the opportunity. That is when I prepared a document that would petition the government that unless export controls are removed immediately, and all farm products prices were restored to not less than guaranteed 100 percent parity, farmers signing these petitions would cut their production. These petitions were used in North Dakota, South Dakota, Minnesota and in many other grain producing states as well. They proved to be an overwhelming success. The following item in the Bismarck Tribune in March 1975 reads as follows:

THREATENED GRAIN CUTBACKS CAUSE INTERNATIONAL STIR

Jamestown (AP). E. W. Smith, president of the North Dakota Farmers Union, said Friday the world grain market is "becoming nervous about the movement among American farmers to cut back in their production and marketing of corn, wheat and soybeans this year."

Smith said the farm group has received a report from a Farmers Union representative in London which pointed out that a successful cutback in United States grain crops could reverse the present slump in prices.

Smith said the National Farmers Union secretary, Robert G. Lewis, was in London to confer with farm leaders from 12 European countries and to explore world farm commodity market conditions.

Smith related that the Lewis report said, "World grain stocks are the smallest since more than 20 years ago when world population was little more than half that of today. In this situation, the sharp plunge of grain prices during the recent months is surprising. Market watchers remember that a similar price slump last year was turned around suddenly and dramatically when bad weather in the United States reversed the much advertised prospect of a huge crop. Now news of the production cutback movements among American grain farmers has added a new element of uncertainty to the grain buyer's eternal worry about the weather."

It appears that the petitions for production cutback forced the hand of the State Department.

It appears when Henry Kissinger became aware of the fact that the drive to have farmers cut their production was indeed more than he expected, he went to the president and urged him to do something.

In the spring of 1975, President Ford gave the farmers his promise not to put export controls on again, and encouraged them to go for all out production.

I am sure these words are still ringing very clearly in every farmer's ears. Almost before the last drills were out of the fields, President Ford again put on export controls. This was the second time in only a few short months the State Department gave farmers the axe.

Farmers, do you want fair prices for farm products? It will not make any difference what your farm organizations, senators or representatives say or do, they will still be unable to get fair prices for farm products. Only farmers, with their land and production, have the power to demand and enforce fair prices for farm products.

What must farmers do? How will farmers get a fair price for their products? First we must try to get a contract guaranteeing us cost of production plus a reasonable profit. For this we must have something to use as leverage. This we do have with contract petitions which we have prepared. Farmers would sign these contract petitions and send them to their senators or representatives. These contract petitions would give your senator or representative a powerful tool to take before the urban congressmen and President and say, "Look here, these are my farmers, I know them, I know what they will do, either you guarantee them a fair price for their production (100 percent parity) or they will go on strike."

Farmers, when you arm your senators and representatives with these contract petitions, and let them know that you are determined to enforce them, they can go before the urban congressmen and also Butz, Kissinger and Ford, and knock them right out of their plush padded seats.

We must get these contract petitions to the farmers so they can get them to their congressmen as soon as possible because we have only a short time before spring work begins.

If we do not get a contract guaranteeing cost of production plus a reasonable profit by a set date, then we strike.

Farmers, are you ready to take a stand and say to the State Department "STOP! This is it, I have had it with you, no more. Either I get a contract guaranteeing a fair price for my production or I won't produce."

Farmers, if you are ready, let me know, I would like the opportunity to explain these contract petitions to you.

Elmer E. Lemke,
Bentley, N. Dak.

A MUSICAL BICENTENNIAL TRIBUTE

Mr. RIBICOFF. Mr. President, throughout the year numerous events will be conducted to mark the 200 years of our Nation's history. The vast majority of these observances—parades, concerts, lectures, athletic events, sound and light programs—will be held in the cities, towns, and villages of the United States and they will frequently mark some particular aspect of the Bicentennial or the story of America.

One of the most unique and appropriate celebrations of our 200th birthday was recently conducted by a group of young people from Fairfield, Conn. Forty students of the Andrew Warde High School in Fairfield traveled to the home community of their school's namesake in England and played a concert as a gesture of friendship to the British. Through their own efforts these fine students brought the message of America's Bicentennial to the nation which once ruled the 13 original colonies. I am very proud of these young people for their initiative and dedication and commend them for their outstanding contribution to world understanding and the maintenance of cordial relations with our English friends.

I ask unanimous consent to have printed in the Record an article from the New York Times which describes the trip of the Andrew Warde band to Colchester and London, England.

There being no objection, the article was ordered to be printed in the Record, as follows:

40 Yankees Doodle Dandily in Old London

London, April 14.—A high school band from Fairfield, Conn., made a bow to history today and created a bit of its own when it played a lunchtime concert near St. Paul's Cathedral as a gesture of friendship to the British in the Bicentennial year.

The 40 players from Andrew Warde High School, ranging in age from 15 to 18, serenaded a large and appreciative crowd with "God Save the Queen" and Broadway show music and became the first school band, and perhaps the first foreign band, to play by St. Paul's.

On Monday the students, who worked for two years to finance their trip here, gave a concert in the Roman town of Colchester, 52 miles east of London, where Andrew Warde, for whom their school is named, is thought to have come from.

Before they played, they were received in the Mayor's Parlor by Mayor William Ladbrook, who was bedecked for the historic occasion and wore his gold chain of office.

"The whole trip has been fantastic," said Douglas Coventry, an 18-year-old horn player. "The history! The beauty!"

"Worth every cent," chimed in Scott Thornton, a 16-year-old trombonist, and the other musicians, wearing red blazers and white pants, agreed.

Two years ago the students decided to do something special for the approaching Bicentennial, and their thoughts settled on Warde, who was one of the founders of the state of Connecticut and of the town of Fairfield.

He came from Essex in eastern England, but researchers could not pin down his birthplace. However, they did discover that he was married to a Colchester girl, Hester Sherman. So they offered their musical gesture of friendship to the 80,000 people of Colchester, and they were invited to come.

The trip cost $630 apiece. Most of the students were helped by their parents, but they stressed that the bulk of the money was raised independently. They washed cars, gave concerts, held flea markets and sold thousands of candy bars, according to Lynne Kassay, 16.

The Town Hall, in which they took coffee with the Mayor, is relatively new, having been built in 1843. It replaced one built in the 12th century. The Norman castle above the park in which they performed was built in the 11th century and is still in good shape.

A Bicentennial, of course, does not seem such a long time to Colchester, which proudly displays Roman mosaic floors from around 50 A.D. This aspect intrigued the students, and they showed it. Everything was "fantastic."

About a dozen parents were on the trip. They, and Mike Vargas, a teacher in the Fairfield junior high school, who went along as percussionist, seemed no less impressed.

The Colchester audience was thin on a blustery afternoon. The local schools were out for Easter, and the event had received no noticeable publicity.

But today in Paternoster Square, the pedestrian precinct adjoining St. Paul's Cathedral in the heart of London, the large crowd applauded warmly after Michael German, the school's music director, started the performance with "God Save the Queen," in line with British custom.

In summer months pukka British service bands play frequently in the square, but no one could remember when a foreign band had last performed there, and everyone was certain that no school band ever had.

INTERNATIONAL CORN AND WHEAT IMPROVEMENT CENTER (CIMMYT)

Mr. HUMPHREY. Mr. President, I wish to share with this body a recent article in the publication "War on Hunger" which is prepared by the Agency for International Development.

In this article, the story of CIMMYT is outlined as it was developed in Mexico over 35 years ago. This beginning was the start of the new miracle seeds and the much discussed "green revolution." This center has been the focal point of the food production revolution and in developing new seeds and carrying out the research which has had a major impact on a worldwide basis. Since that time other research centers have sprung up throughout the world to carry on this research and attack other problems relating to major crops not included in the Mexican operation.

This is the famous Center where Dr. Norman Borlaug played such a major role in helping expand wheat production and thereby helping feed the hungry of the world.

Mr. President, I wish to share this informative article on the accomplishment of the now-world-famous Center. Accordingly, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

International Maize and Wheat Improvement Center Centro Internacional de Mejoramiento de Maiz y Trigo

A little over 35 years ago, on February 3, 1941, two distinguished scientists from the Rockefeller Foundation called on U.S. Vice President Henry A. Wallace in Washington, D.C. Dr. Raymond B. Fosdick, President of the Rockefeller Foundation, and Dr. John A. Ferrell of the Foundation's International Health Division sought the Vice President's advice on a request they had received from the Mexican Government for technical assistance in agriculture. Mexico's Minister of Agriculture, Don Marte R. Gomez, phrased the objective as an "agricultural revolution."

Henry Wallace expressed considerable interest in the request. As Secretary of Agriculture from 1933 to 1940 he had seen what agricultural research on just one crop, corn, could do for U.S. farmers in a relatively short period of time. The widespread commercial adoption of improved varieties of corn in the United States during the 1930s had extended the corn belt some 500 miles northward and achieved significant increases in average yields for the country as a whole. Moreover, the Vice President had recently returned from an official visit to Mexico where he had met leading government officials and become familiar with some of the country's problems in agriculture. He believed that the help which the Rockefeller Foundation was already extending to Mexico through a health program should be expanded to include nutrition. And to do this, he reasoned, it would be necessary to improve agriculture in Mexico.

Henry Wallace's encouragement helped convince the men from the Rockefeller Foundation to look into the request further. A Survey Commission was appointed with the mandate: "Go to Mexico and find out whether you think the Foundation could make a substantial contribution to the improvement of agriculture, and if so, how?" The three commission members—Dr. Richard Bradfield of Cornell, Dr. Paul C. Mangelsdorf of Harvard, and Dr. E. C. Stakman of the University of Minnesota—spent two months in 1941 traveling some 5,000 miles by airplane, truck, and muleback through the Mexican countryside to form as complete a picture as possible of the condition of agriculture in Mexico.

The Survey Commission's report observed that "the people were hungry for food and the land that produced it." They noted that although Mexico had a great deal of land, too little of it was good farm land. In addition the efficiency of both crop and animal production was low. The Commission concluded that "the acute and immediate problems, in approximate order of importance, seen to be the improvement of soil management and tillage practices; the introduction, selecting or breeding of better-adapted, higher-yielding and higher-quality crop varieties; more rational and effective control of plant diseases and insect pests; and the introduction or development of better breeds of domestic animals and poultry, as well as better feeding methods and disease control."

The recommendation of the Commission was that the Foundation send a working commission to Mexico composed of an agronomist and soils expert, a plant breeder, an expert in crop protection, and an animal husbandman to work with the Ministry of Agriculture. In 1943, Dr. J. George Harrar went to Mexico as the Director of such a commission. The U.S. scientists' collaborative research, training and extension work with their Mexican colleagues over the next 10 years marked the beginnings of the agricultural revolution which was sought by Mexico. The Mexican experience in turn sparked similar efforts elsewhere in Latin America and other parts of the developing world. In a very real sense, the Rockefeller-Mexican Government project served as the model for today's international agricultural research centers. One of these, the International Maize and Wheat Improvement Center, evolved directly from the Mexican program when it was formally established in 1966 as an autonomous organization with an international board of directors.

BLEND OF OLD AND NEW

Scarcely 25 miles from the horn blast and engine growl cacophony of traffic caught in the concrete and glass conglomeration that is modern Mexico City, CIMMYT scientists and trainees from every continent of the world devote their attention to some of the oldest crops in the world. The test fields of corn and wheat that are spread out over the 150 acres on which CIMMYT's headquarters are located seem almost incongruous in such close proximity to one of the world's largest cities. But ultimately, of course, research that can lead to increased food production is as much a concern of the urban worker as the rural farmer. And CIMMYT's simply stated but hugely complex purpose is to help raise world cereal yields, primarily those of maize and wheat. Barley, sorghum, and the "man-made" cereal, triticale, also are included in the scientists' work at CIMMYT.

The Center's activities include:

Evaluation of genetic resources;

Breeding and testing of new grain varieties;

Agronomic research;

Biochemical and nutritional analysis of grain protein;

Assistance to food production programs and consultation on agricultural policies in developing countries;

Development of crop resistance to plant diseases and pests;

Training of future wheat and maize specialists; and

Exchange of scientific information and participation in cooperative programs with other research institutions and international centers.

In addition to the facilities at its headquarters in El Batan outside Mexico City, CIMMYT uses six experiment stations within Mexico for testing crop varieties and new lines in its breeding programs. The stations range in altitude from sea level to over 8,500 feet and afford a wide testing range in temperature, moisture and radiation. These enable the plant breeder to stimulate the major environmental conditions that exist in the maize and wheat growing areas of the developing world where CIMMYT is concentrating its major efforts.

THE MAIZE PROGRAM

CIMMYT's emphasis on maize is both a legacy of the joint Rockefeller-Mexican program of the 1940s and 1950s—which saw the improvement of maize quality and on-farm production practices as fundamental to any effort to improve agriculture and nutrition in Mexico because of the crop's central role in the economy and diet of the majority of the population—and a recognition of the importance of maize to large numbers of rural people outside of Mexico—in Central and South America, and parts of Asia and Africa.

Maize is the world's third largest cereal crop after rice and wheat. Although close to 60 percent of the total annual world production in actual crop weight occurs in the temperate climate countries of the northern hemisphere, where most of it is used as animal feed, the greatest acreage planted to maize is in the developing countries where it is most often used directly as human food. Thus it is in the developing countries that yields most need to be increased and where improvements in the nutritional quality of the grain can have the greatest impact on hunger.

The thousands of varieties of maize that have evolved over centuries through the repeated process of farmers preserving and perpetuating those strains which performed best for them offer both a challenge and promise to the breeders because of their sensitivity to environmental conditions and day length. The challenge is to increase the adaptability of those lines that have been identified with good characteristics, such as high yield or specific disease resistance. The promise lies in the wealth of resources inherent in so many lines.

It is not surprising then that the heart of CIMMYT's maize breeding program is in its germ plasm bank. With 12,000 accessions it is the largest maize collection in the world. Its basic service is to provide breeders with a continuous flow of selected and classified germ plasm and it does this by collecting and growing out seeds from maize varieties from all over the world. To date, 8,700 accessions have been multiplied and are currently used for distribution to breeders at CIMMYT and in other countries. Since CIMMYT was established in 1966, the bank has sent out more than 500 shipments of germ plasm to more than 70 countries.

Dr. Mario Gutierrez, a geneticist who heads up the staff of the maize germ plasm bank, views its role as two-fold: to preserve genetic variability and to provide these genetic resources for breeders on request. He notes that "materials from the bank have served as key sources of resistance to insects and plant diseases throughout the world, in both less developed regions such as East Africa and also in developed countries, including the United States."

Entries in the bank are still being planted and tested. In 1974, 2,000 items were tested at low altitudes and 1,000 items at high altitudes.

Dr. Gutierrez says that some of the new materials being tested have yielded as well or better than materials in the advanced breeding program. Those that show promise are propagated and tested more widely and in some cases may be entered immediately in CIMMYT's breeding program.

Two cold chambers preserve the bank's inventory under carefully controlled temperature and humidity conditions, A fail-safe system of human and mechanical checks has been devised to insure that these conditions are constantly maintained. But Dr. Gutierrez is always on call at the slightest hint of trouble, for as he emphasizes, the bank is an invaluable resource for the future:

"With the variation that exists in maize we are more than likely to be able to meet whatever disease or insect challenge that might arise from within the species through one or more of the lines that are preserved here. This is for the future. These are resources that must be saved."

SIGNIFICANT ADVANCES

The need for specific combination of traits in maize to suit it to a given locality made it necessary in early phases of the breeding program to develop improved varieties incorporating higher yield and disease resistance traits separately for high and low altitudes and for early, intermediate, and late maturity. However, CIMMYT scientists now believe they are drawing closer to a significant breakthrough in breeding short-statured plants with wide adaptation, multiple disease and pest resistance, and high protein quality. The structural changes in the maize plant that have already been achieved are similar to those which were accomplished in the Green Revolution rice and wheat plants of the 1960s.

"Dwarfing," or shortening of the maize plant through selection and crossing efforts, has resulted in the development of varieties with low ear placement and upright leaves that can be planted in population densities twice those of traditional varieties. Thus a farmer could increase the number of plants per hectare (2.47 acres) on his farm from 50,000 of a traditional variety to more than 100,000 of the new. Moreover, the shorter plants show less tendency to topple over when the grain ripens and they can absorb more fertilizer and use it to manufacture grain. The thicker stands of plants also use solar energy and soil nutrients more efficiently and compete successfully against weeds. Yields of experimental varieties in the highland tropics as well as in the lowland humid tropics have been as much as double those of traditional varieties.

The research techniques that are being used to develop the new varieties of maize center on the planting together of from 20 to 5,000 plants of similar aspect but with different genetic make-up. The proximation of the plants allows natural mixing and the resulting mix is tested under varying conditions so that plants exhibiting desirable traits can be retained. These then form a superior population that will have wide adaptability and a broad genetic background incorporating a variety of disease resistance and high yield traits.

The population approach offers particular advantages to the farmer in his constant battle with disease and insect infestation. If he plants a population of 20 similar but genetically varied lines, only one or two of these may be susceptible to an attacking disease or insect. Moreover, the interspersing of plants from other lines between the susceptible lines will retard the spread of the infestation to the vulnerable plants. For the subsistence farmer, the difference between an entire field planted to one particular variety of maize that may be wiped out by disease or a field in which only some of his plants may be affected is a difference that may well be measured in terms of his own or his family's life.

Yet the scientists' work is by no means completed. They continue to seek wider adaptation to altitude and broader disease and insect resistance in tropical maize. CIMMYT also is making a special breeding effort to upgrade the protein quality of maize (see page 15).

CIMMYT does not itself name or release new varieties. Rather it provides promising populations to requesting countries and the national programs of these countries select and release those populations or varieties which they find best suit their particular needs.

COOPERATIVE RESEARCH ON SORGHUM

CIMMYT also has a project on breeding sorghum for cold tolerance, an important factor in Central and South America as well as in East Africa. The program operates in cooperation with another international agricultural research institute, the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) in India, with the objectives of achieving for a cold-tolerant sorghum:

Higher yield,

Field resistance to important diseases and insects,

Early maturity,

Wide adaptation and stability of production,

Higher protein quantity and quality,

Resistance to bird damage, and

Diversity of agronomic types and kernel types.

CIMMYT uses a collection of some 3,500 families of sorghum in its breeding program and tests crosses of these at six different sites in Mexico which offer differing temperatures, moisture conditions, and disease-insect environments. In 1974, 44 new sorghum families were introduced to the CIMMYT collection from Ethiopia to broaden the breeding base for cold-tolerant sorghums. These are in the process of being dwarfed to fit the shorter growing season in Mexico and will be used in the breeding program along with another group of high lysine Ethiopian sorghums that hold promise for improving the protein content and quality of the grain. Laboratory results to date indicate that 15-18 percent protein content can be achieved in normal kernels but no cross thus far has been able to combine both high lysine and high protein content.

Dr. Shree P. Singh, CIMMYT's principal sorghum breeder, notes that a primary problem with sorghum has been that the types tested have not set seed at altitudes over 6,500 feet, apparently because of low nighttime temperatures. Yet sorghum holds promise of being more drought resistant at these altitudes than maize. Initial success in the CIMMYT program was gained by crossing material from East Africa with short duration material from Texas to produce lines that would grow in Mexico above 6,500 feet.

Dr. Singh points out that, "in East Africa and Yemen there are highland sorghums which exhibit cold resistant characteristics, but they grow in areas that are close to the Equator where day length is much the same year around and therefore the growing season is longer. To adapt these varieties of sorghum to conditions in Mexico and Central and South America, we have to build photo period insensitivity into them."

THE WHEAT PROGRAM

The high-yielding dwarf varieties of wheat developed at CIMMYT during the early 1960s were major components of the Green Revolution. They offered wide environmental adaptability and out-performed traditional varieties even under dryland conditions. Under irrigation and cultivated with the recommended levels of fertilizer and other inputs, the yields of the new varieties were indeed "revolutionary". By 1970, almost 25 million acres were planted to the high yielding wheats, up from only 22,000 acres in 1966. India, Pakistan, and Turkey grew the largest acreages of the new varieties, enabled in large measure to adopt the agricutural technology of the Green Revolution by the extensive financial and technical assistance efforts of AID and other assistance agencies.

Today, CIMMYT's wheat breeding program continues unabated. The priorities a decade after the initial breakthroughs include greater stability in disease resistance, broader extension of the use of improved seed and agronomic practices, breeding for higher protein and lysine levels, and a search for sources of drought tolerance. All are important for a crop which is estimated to provide 20 percent of total world food calories, second only to rice at 21 percent. For over a third of the world's population, wheat is the main staple food.

TOWARD BETTER DISEASE RESISTANCE

Greater stability in disease resistance is being sought by the scientists at CIMMYT through two main approaches. The first involves crosses between high yield varieties and wheats that have demonstrated consistent resistance to rusts. The second also utilizes varieties with proven stability in disease resistance but includes a number of these to develop a mixture of seeds from lines that are almost genetically identical except that they have different genes for rust resistance. The result, termed a multiline variety, gives the farmer greater protection against new or mutant races of rust since the chances are that no more than one or two lines in the variety will be susceptible. In 1974, a multiline variety trial consisting of 250 lines was sent to 30 locations around the world for testing. Such trials help to indicate which lines do well in each location and which mixtures of the lines offer the greatest protection.

A large scale crossing program between spring and winter wheats also has been launched at CIMMYT to interchange desirable features of these wheats. Some varieties of winter wheats, for example, have genes for resistance to *septoria* disease not found in spring wheats, a high degree of drought tolerance and cold tolerance, and a wider range of maturities. Spring wheats, on the other hand, demonstrate greater nitrogen response, rust resistance and better breadmaking quality. The development of varieties of both types of wheat with transferred characteristics will offer farmers greater versatility in their crops and could open up new lands, especially dryland areas, to wheat production.

As a part of its effort to help the national programs of developing countries improve their own breeding programs, CIMMYT distributes seed from early crosses that have been classified for potential disease resistance. In addition, CIMMYT has developed a crossing block, or mini-bank of germ plasm, which consists of varieties from throughout the world which have been selected for at least one or two special characteristics. The 300 to 400 entries that make up the crossing block are sent out around the world so that breeders can evaluate them under local conditions, use them in their own breeding programs, or even release them directly to farmers if they perform well enough.

ALTERNATIVE CROPS

Two other crops fall under the aegis of the wheat improvement program at CIMMYT: barley and triticale, alternative cereal crops for areas that are marginal for wheat growing. In response to requests from several North African countries where barley is widely used in local diets and the rain-fed agriculture is suitable to its cultivation, CIMMYT undertook a barley program in 1972 with the aim of producing varieties with good adaptability, disease resistance, and yield. The program also seeks to improve barley's generally poor protein content and quality as well as breed the desired characteristics into a hull-less grain. Although barley is eaten by some 200 million people, most research in the past has centered on hulled types that are used for animal feed or for brewing. However, in the short time that the CIMMYT program has been operating, barley lines that can be used for breeding have been identified with high protein and lysine levels as well as good agronomic characteristics. When developed, improved barley varieties will be important in areas of North Africa, the Near East, the Himalayas and Andes, and Eastern Europe.

The breeding of triticale, a "man-made" cross between wheat and rye, has advanced substantially in recent years with the success of plant breeders in overcoming a problem of sterility in the original crosses. Currently, CIMMYT triticale breeders are concentrating on "dwarfing" the triticale plant to achieve the same high yield and good agronomic characteristics which this obtained in wheat varieties. Disease resistance and wide adaptability also are being sought for triticale through the breeding program. The new grain offers advantages over wheat in its greater tolerance of cold and drought as well as its resistance to aluminum toxicity, a major problem in large areas of a number of developing countries. In addition, some triticale lines have produced grain with higher protein and lysine levels than either wheat or rye and an important breakthrough has been achieved in obtaining kernels with good milling qualities from some experimental varieties.

INTERNATIONAL TRIALS AND THE EXTENSION SPECIALIST

Two major programs backstop and complement the crop research work at CIMMYT. Both the maize and wheat programs operate international trials or nurseries where promising varieties and new lines are grown and tested under widely different environmental conditions in countries all over the world. The network of cooperating research institutions and scientists developed through these international trials is essential to both CIMMYT's research and assistance purposes.

Dr. Maximino Alcala, in charge of CIMMYT's international wheat nurseries program, points out: "We are the linkage between the wheat breeders here at CIMMYT in Mexico and the cooperators in other countries. This is definitely a two-way relationship. The cooperators want to try out our best lines to sees if there is something there they can use in their own national breeding programs—a line that exhibits resistance to a disease that currently threatens wheat crops in their country or region, for example.

"On the other hand, the breeders here need to know if a variety that did well in Mexico did just as well or poorly in Pakistan, or Turkey, or North Africa. Without that information, they would end up working in the dark. The communication and cooperation has to go both ways . . . and it pays dividends both ways."

The other major program that is central to CIMMYT's declared purpose—"to assist nations throughout the world to increase the production of wheat and maize"—is the provision of training for research and crop production specialists from the developing countries. Courses last from three months to one year, but the principal production courses are for six months (maize) and nine months (wheat), the times required for complete planting-to-harvest cycles.

The "course work" is quite different from what would be offered in many countries, observes maize training agronomist Dr. Alejandro Violic.

"What we try to do," he says, "is put the trainees in touch with reality."

Most of the trainees are scientists holding a first degree in agriculture. But the "reality" which Dr. Violic refers to is that of the field. The trainees spend as much as 85 percent of their time at CIMMYT working with staff members in the test fields and laboratories. The other 15 percent of their time that is spent in lectures is designed "just to emphasize what we are teaching in the field."

The emphasis in training at CIMMYT is on production. Dr. Violic notes that in most parts of the world good varieties of corn have been developed but the total production picture basically has remained unchanged. "The problem," he asserts, "is to transfer the technology from the experiment station to the farmer."

To accomplish this, trainees are taught how to lay out agronomic trials on private farmers' fields where they can demonstrate through simple experiments what is needed to compose a production package. This will include the selection of a variety, use of the correct fertilizer, proper weed control, and counter-measures against insect infestation.

One way that CIMMYT staff suggests that production specialists show the farmer what they mean is to set up four test plots on land the farmer is willing to put aside for the demonstration. One plot is planted by the farmer using his traditional variety and methods of cultivation. Another is planted with the recommended variety but the farmer still uses his traditional methods of cultivation. On the third plot the farmer plants his traditional variety but uses the recommended package of inputs and means of cultivation, while the fourth plot is planted with the recommended variety and cultivated with the recommended production package. The results in the four plots will then offer a very practical lesson in the gospel of crop production that is being preached by the extension agent.

KNOWING AND DOING

There is no question that specialists who have been trained at CIMMYT actually know how to plant such demonstration plots themselves. All trainees do in fact plant, cultivate, and harvest a test plot on their own or with the assistance of other trainees during the time they are at the Center. Wheat training agronomist John Lindt puts it succinctly:

"Our emphasis is on how to do things. We don't care what the trainees can write about. We want them to show us how it's done."

Emphasis on the practical also is stressed by CIMMYT Deputy Director-General Dr. Keith W. Finlay in describing CIMMYT's role as an international agricultural research center.

"At one end of the spectrum, we have a responsibility to conduct basic research. At the other, we believe we must serve the needs of the farmer in less developed countries. Our research therefore is production oriented. That is to say that we believe the small farmer can—in fact has to be able—to produce more. We can provide the material from our research effort that will out-produce traditional materials—higher yielding wheat or corn, for example But this material has to be of value in a developing country. It has to be adaptable to that country's specific environmental conditions, such as climate, soils, and diseases. It also requires that the agronomic practices that help to make that material superior are practical and transferable to the country.

"Getting the material out to the less developed countries in itself demands a real missionary kind of effort. This involves our training program for agricultural scientists, managers and extension agents from the developing countries. It includes our assignment staff in less developed countries, and it is a very important part of our nursery program which actually grows out promising varieties within these countries to test their adaptability. The nursery program offers a good showcase for our materials and works especially well for the more advanced of these countries that have developed agricultural research expertise because they can select the most promising varieties of strains for their own breeding programs and carry the ball forward themselves. The least developed countries that lack this research capability on their own are the ones that need the most help."

Dr. Finlay points out that one of the most persistent problems still remains after new or experimental agricultural materials reach a country where they might have potential. It is "getting the material over the experiment station fence." But he adds:

"We believe that this is still part of the research function. Because we have to know what the farmer will use. The feedback from the farmer is a vital research input and for this we have to have our material grown on-farm under the real conditions that confront a farmer in his own field.

"The production extension man is what is needed now to adequately extend information to the farmer. We're looking to in-country training programs built around on-farm crop trials to produce these kind of personnel. We hope that they will in turn train others.

"This is part of the multiplier effect that we are looking for, and it applies in particular to the training programs we have here at CIMMYT. We view these young men and women who come here from Africa, Asia, and Latin America as the initial trainees who will return to their countries to become trainers of others. There is no way that CIMMYT or the other international centers can train all of the agricultural extension or research personnel that the developing countries must have if they are to approach self-sufficiency in food production."

CIMMYT is putting new emphasis on regional programs, Dr. Finlay notes, as a means of moving on to the next step of building up the infrastructure of trained personnel within the developing countries. Regional representatives of CIMMYT will help meet the need to train crop production extension and research specialists within their own countries, or at least within the region. The regional representatives also will be better able to monitor national crop production programs receiving CIMMYT advisory assistance.

In 1974, CIMMYT headquarters staff put in almost seven man years—2,500 man days—on travel to countries requesting their advisory services. Yet, with all this travel, they still lacked opportunities in many cases to check back and see whether follow-up advice was needed. It is hoped that the regional representatives will be able to take some of this load off the core research and training staff at El Eatan.

Dr. Finlay points out that the broader CIMMYT's outreach activities become, the broader becomes the responsibility of the Center's core staff. More basic research is needed to make the initial breakthroughs in knowledge that make resolutions possible to the problems of increasing agricultural productivity. Some are new problems, perhaps second or third generation problems following on the technology of the Green Revolution. Others are as old as man't drive to make the earth yield his livelihood. But whether it is discovering the right genetic combination for a high yield wheat or determining what variety of maize can best withstand drought in a hungry land, results of CIMMYT's work have a very practical significance.

More food . . . in a world which needs much more.

WYOMING LENDS A "HAND"

Mr. McGEE. Mr. President, Wyoming has always had a hand in the history of the Nation. With the Bicentennial celebration of that history, my State is "lending another Hand" to mark the occasion as well as to note the influence Wyoming has had in other areas of the country.

Manus Hand from Laramie, Wyo., will be treking across the land in search of something. The rest of his story is explained in articles which appeared recently in the Casper Star Tribune. I ask unanimous consent that the articles be printed in the Record along with a request for the whereabouts of any "Wyoming" my colleagues may know of in their home States.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Herschler Gives Matching Grant

Cheyenne.—Gov. Ed Herschler approved a $1,200 matching state grant for an unusual Bicentennial odyssey.

Wyoming Bicentennial Commission executive director Pat Hall Wednesday confirmed that the governor has okayed the state funds to finance a cross-country good-will visit to towns and counties named Wyoming.

The project was the brainchild of 12-year-old Manus Hand, a sixth grade student at University Prep School in Laramie.

The Bicentennial Commission earlier approved a $1,200 federal grant for the mission.

One purpose of the trip will be to attempt to find out the origin of the name Wyoming, said the youngster's father, Jim Hand, a Legislative Service Office research assistant and attorney at Cheyenne.

In 1972 and 1973 Manus wrote to communities bearing the name of Wyoming in a frustrating effort to determine where the name came from, Hand said.

"The major answer was 'we don't know,'" he said Wednesday.

He said the Hand family—himself, his wife, Manus and five younger children—will travel in one car beginning June 11 to visit 14 towns and counties named Wyoming in ten states and in Ontario, Canada.

Hand said they will be travelling as the governor's emissary and will deliver proclamation plaques to other Wyomings, offering them honorary Bicentennial friendship with the State of Wyoming—"the Big Wyoming."

Another goal will be to find out the contributions of residents of the communities.

Manus, he said, will make a historical record with slides of the 21-day journey for the Wyoming Archives and Historical Dept.

One target is Philadelphia June 22 when the Laramie County Mounted Posse is scheduled to be there for a rodeo.

The family plans to arrive in Washington, D.C. June 24 and remain there the following day. Hand said he hopes a meeting can be arranged with at least one member of Wyoming's Congressional delegation and perhaps a brief picture-taking session with President Ford.

The emissaries will stop at Wyomings—towns or counties—in Minnesota, Michigan, Ontario, Canada, New York, Pennsylvania, Rhode Island, Delaware, West Virginia, Ohio, Illinois and Iowa.

Research has already shown, he said, that Wyoming, Iowa, was named after Wyoming, N.Y., and that Wyoming, Minn., was settled by former residents of Wyoming, Pa.

Hand said this will be a people-to-people project and there are considerable details to be worked out to insure participation by the other Wyomings.

And Hall said the project should generate considerable publicity for the state.

James Hand Family Adds to Travel List

Cheyenne.—Four more towns named Wyoming have been added to the Bicentennial trip itinerary of the James Hand family of Laramie.

The trip, originaly dreamed up by 12-year-old Manus Hand, a 6th grade student at University Prep School in Laramie, is being financed by a $1,200 federal Bicentennial grant and a matching $1,200 grant from the state.

Jim Hand, a Legislative Service Office research assistant, and attorney said Thursday that his son is continuing to make arrangements for the June trip across the nation, and noted that he is receiving an enthusiastic response from communities named Wyoming.

Hand said they recently have located an apparently abandoned town named Wyoming on the eastern edge of Nebraska, five miles north of Nebraska City; two Wyoming towns in Wisconsin, plus a Wyoming Valley, none of them shown on state maps, and another apparently abandoned town in the southeast corner of Marshall County in northeast Kansas, where there also apparently once was a Wyoming Valley located near the Union Pacific Railroad.

He said that if anyone else knows of any other towns or counties named Wyoming, he'd like them to contact him or his son, because they don't want to leave any out.

One purpose of the trip, in addition to trying to visit all the Wyomings in the nation, is an attempt to discover the origin of the state's name.

SOUTH DAKOTAN NAMED OUTSTANDING YOUNG FARMER

Mr. McGOVERN. Mr. President, annually the National OYF Congress names several Outstanding Young Farmers for commendations. For the 1975–76 year at its annual meeting in Starkville, Miss., Albert A. Wipf of Frankfort, S. Dak., received one of four Outstanding Young Farmer Awards.

Albert Wipf is truly an outstanding young farm operator. His farming practices are outlined in the April issue of the Dakota Farmer and to note my recognition of this accomplishment, I ask unanimous consent that the article "South Dakotan Named Outstanding Young Farmer" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Dakota Farmer, April 1976]

Albert Wipf—South Dakotan Named Outstanding Young Farmer

Midwestern and Western farmers have made a clean sweep of the top four Outstanding Young Farmers for 1975–1976 awards. One of the four is Albert A. Wipf, Frankfort, S.D.

Wipf and the three other winners, Brent Call, Rigby, Idaho; Duane Meeker, Logansport, Ind.; and John Abraham, Byron, Wyo., were named Outstanding Young Farmers for 1975–1976 during ceremonies at the National OYF Awards Congress in Starkville, Miss. They were selected from a field of 38 state winners.

Wipf, 34, operates a 960-acre grain and livestock operation near Frankfort, S.D. Among his accomplishments, he has done considerable work with irrigation and has been recognized as one of the state's top authorities on both irrigation and corn production. The extension service in South Dakota has featured several of his articles written on these subjects.

Wipf entered farming in the mid-50's at the age of 14. Through private finances sources, he obtained his first quarter of land and traded labor for the use of his father's machinery until he could buy his own equipment.

Call, 35, began his agricultural career in 1960 at the age of 20 when he used an $800 loan to purchase 40 acres of farmland. Since then, he has built his farm near Rigby, Idaho, into a 3,000-acre spread. He has been quite successful in the area of fertilizer experimentation and has been able to raise certified seed grains.

Meeker, 35, began farming on a 618-acre rented farm in 1966. He presently manages a 2,068-acre swine and custom farming operation near Logansport, Ind. With a BS degree in agricultural engineering from Purdue University, Meeker combines farming with his off-farm job as agri-engineering consultant. He is also the author of several published works and is listed in the 1975 edition of Who's Who In The Midwest.

Abraham, also 35, started farming during his high school days, but didn't make it a profession until 1961. At that time, his goal was to have "the largest dairy herd in the state of Wyoming." As sole proprietor of 59,700 acres near Byron, Wyo., he has more than realized that dream. He now plans to expand into new areas of swine and poultry along with his present dairy, beef and crop production activities.

Contestants for the Outstanding Young Farmer awards are judged on the basis of progress achieved in the agricultural career; advances made in production and net worth; and contributions made to community state and nation.

RURAL BRANCH LINES—ESSENTIAL TO THE NATION'S ECONOMY

Mr. HUMPHREY. Mr. President, recently 75 Minnesota farmers, businessmen, legislators, and concerned citizens traveled to Washington at their own expense to explain and speak out about the need to rebuild rail branch lines in Minnesota. They met with officials from the U.S. Department of Agriculture and the Interstate Commerce Commission.

I had the pleasure of joining these concerned people in pointing out to the Honorable George C. Stafford and several of his key staff members of the ICC the increasingly negative impact that most of the approved railroad abandonments represent, not just for agriculture, but also for the rural community and total economy.

This meeting was an outstanding example of bringing the people's concerns to the officials who make the decisions. Senator WALTER MONDALE and Congressmen RICHARD NOLAN, TOM HAGEDORN, and AL QUIE also participated.

Among the many who testified was Mr. Jon Wefald, commissioner of agriculture for the State of Minnesota. Mr. Wefald outlined in his statement the adverse effects continued rail abandonments have on our State.

Only five other States in the entire Nation produce more food and fiber than Minnesota. Each Minnesota agricultural county currently produces more than 1 million tons of raw food products each year. This is twice as much food as was produced in 1960.

Agricultural inputs have also increased sharply. The volume of fertilizer alone used by Minnesota farmers has increased by over 6½ times. Since Minnesota has no commercial fertilizer resources located in the State, much of it must be brought to rural distribution points that are on branch railroad lines.

Minnesota agriculture is being penalized already by the forced increase in reliance on the trucking industry and our limited highway system for moving bulk materials involved in its agricultural production. A special study by the Minnesota Planning Agency found that in most cases the cost to provide commercial highways for year-round service to the communities affected by proposed abandonments is 10 times the estimated cost for rehabilitation of the railroad for class II rail service.

Mr. President, the remarks of Commissioner Wefald summarize the varied problems we face as we make decisions on transportation priorities which will affect our Nation for many years. I ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY STATEMENT ON RURAL BRANCH LINE RAIL ABANDONMENT IN THE STATE OF MINNESOTA

(By Jon Wefald)

It is an honor to have this opportunity, as a concerned official of the State of Minnesota and as a spokesman for our important industry of agriculture, to present testimony on specific railroad abandonment petitions in Minnesota that are pending decisions by the Interstate Commerce Commission.

As the Minnesota Commissioner of Agriculture, I am very concerned about the increasingly negative impact that most approved abandonments represent, not just for agriculture, but for the rural community and the total economy.

My opposition to the railroad petitions for abandonment remains firm.

Today, I want to suggest that new circumstances, at both the national and Minnesota levels, require that the Interstate Commerce Commission should depart from its traditional approach to railroad abandonment applications—to the maximum extent allowable under the present laws and regulations.

The continued dismantling of Minnesota's and the nation's rural railroad system is contrary to the public interest.

There is significant new evidence to support the need and justification for a national moratorium on railroad abandonments.

The major reason is the still unsolved energy crisis, and its implications not only for commercial transportation, but indeed for the whole national economy.

A second major reason for a national moratorium on pending railroad abandonment applications is the action taken in 1975 by the United States Congress to authorize and fund a major program for railroad rehabilitation.

Congress has recognized that the nation's railroad system will be increasingly important in meeting the commercial transportation needs of this nation and its growing population and productivity, particularly in this era of energy shortages.

Importantly, the State of Minnesota in a just completed Legislative Session has taken companion action to that taken by Congress—namely to authorize and fund a major rural railroad rehabilitation program.

With the action taken by the United States Congress and the State of Minnesota, we believe the Interstate Commerce Commission should not permit any more railroad petitions for abandonment in Minnesota—at least not until the State of Minnesota can determine which branch lines must be saved and rebuilt under the two new programs.

As Minnesota Governor Wendell R. Anderson recently stated, "Every great country in the world, except America, provides good, clean, prompt rail service for its people and their goods."

The last 25 years of American history, and particularly in Minnesota, have demonstrated that Americans are becoming more and more dependent on airplanes and trucks—and far less dependent on rail service.

This trend has only led to the dissipation of both economic and energy resources.

The fact remains that railroads are the most energy-efficient and economical land transportation resource, second only among all transportation resources to river barges and ocean vessels

Various authorities differ only on the degree of railroad energy-efficiency in ton miles—compared to other modes. It is obvious, except for extremely short hauls of bulk materials, that at least twice as much freight can be moved per unit of energy as compared to trucks, and several times as much by train compared to moving freight by airplane.

Just this past month, industry and federal spokesmen confirmed that for the first time in history the United States imported more oil than it produced. Our dependence on imported oil resources is increasing, not decreasing.

We are told by every authority from the President of the United States down to the lowest level of government and energy utility management that energy conservation is a must.

Railroad abandonments that are approved defeat this national priority on energy conservation, now and in the future.

Existing railroad right-of-way and facilities, while in many cases seriously deteriorated by serious negligence on maintenance, must be retained intact in an emergency transportation reserve.

We know that the present transportation resources are barely adequate to meet current needs. We know that inflation and the energy crisis have seriously braked our highway improvement program.

We know that the increased volume of production and the increased shifting of that volume to our highway system have created enormous new economic and logistic problems even for highway and street maintenance

Railroad deterioration and abandonment is the very heart of this problem.

The vast bulk of the total natural resource production in the United States is food and fiber.

Food and fiber in raw form must move from rural communities to the marketing and processing centers, and again moved through the marketing channels to the ultimate retail outlets and consumers.

Transportation costs for marketing farm foods have skyrocketed. In 1974 this represented over 8 per cent of the food marketing costs between the farmer and consumer. That was the third highest share of the consumer food dollar—behind only labor and packaging.

Minnesota is a major agricultural state. Only five other states in the entire nation produce more food and fiber.

There are at least 19 pending applications for railroad abandonment in Minnesota's agricultural heartland . . . part of the nearly 400 additional miles of rural trackage the railroads seek to add to the economic graveyard that has already claimed more than 680 miles of railroad branch lines in Minnesota in just the past 9 years.

Each Minnesota agricultural county currently produces more than 1-million tons of raw food products each year. That is nearly twice as much food as was produced in 1960.

Combined input and output of Minnesota agriculture is easily ten times the freight volume that required commercial transportation when the railroad system was developed throughout rural Minnesota.

In 1973 Minnesota's agricultural production—just the output side—totaled more than 43-million tons of food and fiber, according to the official published estimates.

These estimates are by no means complete, omitting scores of specialty crops that in aggregate could increase the total by upwards of another 1-million tons.

That is 58 per cent more tonnage than this state's agriculture industry produced only 20 years ago . . . an increase of over 16-million tons.

The transportation logistics required to move Minnesota's farm production is significant, and continuing to increase.

If Minnesota's farm output each year were to be moved at one time it would require: 2,152,116 semi-trailer trucks of 20-ton load capacity . . . a single caravan bumper to bumper that would stretch more than 22,400 miles . . . nearly once around the earth . . . or enough trucks to fill two lanes solid on Minnesota's total state trunk highway system of 11,474 miles; or

478,248 railroad freight cars with an average load capacity of 90 tons . . . a single train over 5,435 miles long . . . or 9,565 unit trains of 50 cars each, which would be equivalent on a daily basis of at least 26 such unit trains each and every day of the year.

Agricultural inputs also have increased sharply during the past two decades.

The volume of fertilizer alone used by Minnesota farmers has increased by over six and one-half times and now represents nearly 2-million tons used annually . . . All of this must be transported into Minnesota, much of it to rural distribution points that are on the branch railroad lines. Minnesota has no commercial fertilizer resources located within the state, and is entirely dependent upon imports of these products.

Fertilizer is just one measurable input for food and fiber production. Minnesota farmers have increased the amount of land under cultivation by over 16 per cent in just the past three years. This means a comparable increase in other inputs such as seeds, pesticides, bigger and heavier tractors, combines and other crop implements, commercial livestock and poultry feed supplements and facilities, machinery repair parts, hardware, grain and milk storage, increased quantities of petroleum fuels and lubricants. . .

Increased food and fiber production in Minnesota also requires more equipment and supplies for the allied marketing, processing and distributing industries that are involved between the farmer and the consumer. All of this material, too, requires some mode of commercial transportation.

Minnesota agriculture is being penalized already by the forced increase in reliance upon the trucking industry and our limited highway system for the movement of the massive quantities of bulk materials that are involved in food and fiber production. Transportation costs are a major reason why Minnesota farm commodity prices and net farm income are consistently lower than the national average.

Economists are forecasting that American agricultural production may have to increase by as much as 25 per cent in the next decade to meet the food and fiber needs of the growing world population. These questions are in order:

Can we move the additional bulk by truck and airplane?

Can we afford the major expansion and increasingly expensive maintenance of our farm-to-market highway system? . . . or airport freight terminals?

Can we afford the continued deterioration of our rural community economy?

Can we afford the continued dissipation of our depleting energy resources?

These are some of the very serious questions the Interstate Commerce Commission, the Congress, and the State of Minnesota must be prepared to answer.

Another important question that must be answered is how the coal will be distributed to the bulk of Rural America not situated on the important Mississippi Waterway or on railroad main lines. By train, truck or pipeline?

Coal transportation by rail is certainly economical and energy-efficient, according to the studies we have seen.

Minnesota is concerned about future deliveries of coal to meet projected petroleum and oil cutbacks.

John Millhone, Director of the Minnesota Energy Agency, estimated that the state's dependency upon coal will triple present consumption to some 26-million tons by 1985, mainly due to construction of coal-fired electricity generation plants and the planned expansion of Minnesota's expanding sugar beet industry.

The focus on coal has been forced by programmed curtailments of natural gas supplies to about 17 per cent of Minnesota's expanded energy needs by 1985, compared to the 30 per cent share of this state's 1975 energy consumption. Coal consumption in 1975 was only 17 per cent of Minnesota's energy resources, and this now is projected to at least 34 per cent dependency on coal by 1985.

This direct energy factor also underscores the need for more time to fully evaluate the consequences of any major change in our commercial transportation resources . . . particularly the one most feasible and energy-efficient—the railroad system.

Congress has strengthened the required consideration of the social-economic impact of railroad abandonments in the new federal railroad rehabilitation program.

Railroad abandonments, in those areas without alternative rail service or year-around commercial highways, have stifled economic growth, reduced job opportunities and have in many cases actually depressed local services and sales.

A special study by the Minnesota Planning Agency found that in most cases the cost to provide commercial highways for year-around service to the communities affected by proposed railroad abandonments is ten times the estimated cost for rehabilitation of the railroad for Class II rail service.

For these reasons and many more, we hope that the Interstate Commerce Commission will deny the pending abandonment applications in the State of Minnesota.

Denial of these abandonment applications is especially important at this time, not merely from the standpoint of the adverse economic impact upon the local communities involved, but to grant the time that local, state, and federal authorities need to make sound decisions on transportation priorities that will best serve the public interest in the years ahead.

MATT JOHNSON, A WYOMING HERO

Mr. McGEE. Mr. President, a commendable program called No Greater Love with home run king Hank Aaron as its president, will be holding an awards ceremony in the Capitol May 19, to note significant contributions made by Vietnam veterans to their local communities. One of the six finalists, I am proud to announce, is Mr. Matt Johnson of Wheatland, Wyo.

I ask unanimous consent that a profile of Mr. Johnson's deeds one night in the darkness of Wyoming mountains be printed in the Record.

He is, indeed, a hero.

There being no objection, the profile was ordered to be printed in the Record: as follows:

PROFILE OF AN EDITORS' CHOICE FINALIST

(Matt Johnson, Wheatland, Wyo., nominated by Robert J. Dreher, publisher, Platte County Times Record, Wheatland, Wyo.)

A vehicle accident in the mountains above Wheatland had left a woman dead and a man severely injured with a broken back. His condition ruled out a bumpy trip down the mountain road. Radio messages crackled back and forth as the day lengthened into night.

The darkness and the treacherous mountain peaks were decided to be too risky for a military helicopter evacuation. Who could help? The local Sheriff's Department remembered ex-Navy Lt. Matt Johnson, a pilot, owned a plane.

Matt Johnson was at a family dinner party when the call came. Sure, he'd try, the Naval Reservist said. His family tried to dissuade him, for it was now night, but Matt persisted. Accompanied by a physician, he flew his Cessna into the mountains, landing on a narrow strip of level land, illuminated by automobile headlights.

A spark of life flickered in the injured man. Matt and his helpers removed a bulkhead from the interior of the aircraft, braced the victim securely with sandbags, and, by the light of the headlights, rolled down the strip to take off. The heavily-loaded plane lurched into the air, banked and flew east toward Cheyenne. By now, it was not known whether the injured man was still alive, and as they touched down in Cheyenne, he roused briefly, and in his delirium, spoke for the first time. Matt's mission of mercy had succeeded. He hadn't even known the name of the man whose life he saved.

Matt Johnson served in the Navy four-and-one-half years, including carrier duty off Vietnam. He now operates the family's Bard Arrow Ranch near Wheatland, is married and the father of two children.

CAMPAIGN FINANCING

Mr. McGOVERN. Mr. President, Richard C. Wade, a distinguished professor of history at the Graduate Center of the City University of New York and consultant to the Democratic Party's commission on delegate selection in 1969 and 1971, which I chaired, authored an article which appeared in the Nation presenting an innovative and constructive approach to campaign financing.

I think Mr. Wade's suggestion for a $25 contribution limit and tax credit merits careful consideration as we continually reevaluate our approach in this area.

I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Nation, Mar. 27, 1976]

CAMPAIGN FINANCING: TWENTY-FIVE-DOLLAR DEMOCRACY

(By Richard C. Wade)

The recent Supreme Court ruling on campaign financing has understandably depressed those who have sought for so long to reduce the power of money in our political system. Wealthy office seekers will continue to have unconscionable advantage over those of lesser means. People with money to play with can still exercise a fuller freedom of speech than the rest of us. Most of the spending ceilings have been broken. Yet all is not lost. The Court did sustain the principle of public financing of election, and the right of Congress to force disclosure and set limits on contributions. Since the Court has pretty well shattered the present legislation, it is not too soon to think of alternatives which employ the remaining tools. Indeed, there is no reason why election financing should not become an important campaign issue within both parties.

Even before the Supreme Court decision, the new legislation was not very satisfactory. It still allowed big contributors to exercise inordinate influence in choosing and electing candidates. To be sure, it prohibited them from contributing the kind of money that has bought embassies and agencies in the past, but they can still dispense large sums. A single donor can give up to $25,000, though only $1,000 to any one candidate. Moreover, he is free to spend as he sees fit on most state elections, where limitations are weak and enforcement haphazard. The restraints are even fewer and more fragile on local elections. As Sen. Henry Jackson put it so elegantly in New York recently, "It's still cash in the bank that counts."

The great problem with the present approach to election financing is that it is obsessed with ceilings and limiting the influence of the few (which it does not), rather than encouraging the participation of the many. A more promising route for reform begins at the other end of the process. The following proposal is, I think, simple, equitable, easily monitored and clearly constitutional. It calls for new federal legislation to give each *registered* voter a $25 tax credit *every year* for political contributions. Voters are free to give it to a candidate, a committee or a party. Each voter can award it in a lump sum or divide it. But no voter, and no one else, can give more. The limitation may seem small, but if most of the registered voters used the credit, more than $500 million a year would be available to support our political system at every level across the nation. A sustained campaign of public education would help to assure that voters did indeed take advantage of the tax credit to support the parties and candidates of their choice. Nor is the $25 ceiling constitutionally in doubt: the Supreme Court decision clearly sustained the right of Congress to limit the level of individual contributors.

This proposal has many advantages over the present system, while avoiding most of the dangers of the new legislation with its Court deletions:

It eliminates the large contributor altogether. There are no loopholes; no dummy committees; no under-the-table transactions. It is simply illegal for anyone to give more than $25 a year for political purposes. Union members and corporate employees are still free to give their contributions to union or corporate committees, but they may also give directly to a candidate. But neither the union nor the corporation can give funds independently of the limited contributions of its members. The recipient of a contribution would be obliged to give the donor a receipt, which would be filed with the tax return, and to send a duplicate of the receipt to the Internal Revenue Service. Illegal contributions would show up immediately at IRS.

It provides a serious candidate with all the money necessary to run a decent campaign. Any aspirant who cannot attract enough support translated into contributions ought not be running anyway. Margial candidates, maintained by mysterious money, would disappear; "spoilers" who run to defeat others rather than elect themselves would be exposed.

It disposes of one of the most difficult problems of public financing—some kind of necessarily artificial formula for distributing tax funds to candidates. Under this proposal, incumbents and challengers, party members and independents, will have equal access to financial support, though newcomers, as they do now, will have the initial problem of making their views known. The voters, by their contributions, will define a "major" candidate or a "serious" party. It is worth noting that in its recent decision, the Supreme Court assumes that we have a two-party system and other efforts are to be considered irregular and evanescent. This comes as a surprise to historians and surely complicates the analysis of, say, the elections of 1860 and 1912, usually considered important by most scholars.

It provides a strong incentive for registration because the credit is available *only* to registered voters. Coupled with mail registration, this system could stem the embarrassing decline of voter participation.

It is easily administered and monitored; the machinery is already in place, but instead of the present $1 credit, the allowance is simply increased.

It builds accountability into campaigning. Those who contribute will soon, no doubt, want to know from the candidate where the money went. At present, a donor has no idea. Usually, a disproportionate amount goes to support bloated staffs at unnecessary headquarters, or is thrown into "programmed" advertising dreamed up by hired public relations firms, or is swallowed by what is euphemistically called the "expenses" of the candidate's managers.

It would end the demeaning and time-consuming part of the candidate's chores of fund raising. Instead of submitting to the brutality of endless rounds of cocktail parties and dinners, candidates could spend their time persuading ordinary voters of the importance of their efforts.

Perhaps most of all, it frees candidates to propose what they want and to say what they believe. Candidates would no longer have to trim their opinions to suit the views of a relatively few wealthy contributors.

Moreover, since it operates at state and local levels, it affects all elections, not just federal ones. This is important because most candidates accumulate their political debts at the local level long before they run for federal offices. It doesn't take much money to help out someone running for the city council or the state legislature, and by the time the candidate heads for the federal stage the "contracts" have all been let.

It also encourages elected officials to keep their constituents informed and serviced, because a voter could choose to give to an incumbent even if that incumbent were not running in a particular year.

In short, the $25 tax credit equalizes voters and brings them all into the financing of the political process. If there is to be public financing, and that is inevitable, what better way than to broaden participation in this crucial area? Under this proposal, all serious candidates, no matter how modest their personal resources, would have a sporting chance of getting nominated and elected. And those who have exerted inordinate influence by making substantial contributions will become ordinary citizens again, using their $25 a year to sustain a genuinely democratic political system. In this Bicentennial year, it would be well to get rid of the funding fathers and get back to the principles of the founding fathers.

EQUITABLE'S INEQUITY

Mr. METCALF. Mr. President, the April 1976 issue of the Insurance Forum reports the adoption in New York of a disturbing new dividend policy by the Equitable Life Assurance Society of the United States.

The new dividend scale will pay higher dividends on life insurance policies issued by Equitable since 1967. Owners of policies issued before 1967 will continue to receive dividends at the old rate.

The payment of higher dividends on newer policies is apparently an attempt by Equitable to obtain an advantage in selling new life insurance policies. The result could be the eventual adoption by other insurance companies of dividend scales which discriminate against old policyholders.

I am alarmed by the prospect of complicated dividend formulas which will be used to increase returns on new policies in order to spur sales. Concerned policyholders and public officials should give some new thought to the adequacy of the regulatory process which permitted this discriminatory dividend policy to be adopted without public scrutiny.

Mr. President. I ask unanimous consent that the relevant excerpt from the Insurance Forum be printed in the Record, along with a letter sent to State insurance commissioners by Prof. Joseph M. Belth, editor of the Insurance Forum, Box 245, Ellettsville, Ind. 47429.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Insurance Forum, April 1976]

GREAT NEWS—EXCEPT FOR EQUITABLE'S OLD POLICYHOLDERS

In April 1975, I wrote to the New York Insurance Department asking whether the Department had ever approved the use of the so-called investment-year method of allocating investment income (which is widely used in the pension business) in the determination of dividends on individual life insurance policies. I had heard that some companies were using some sort of investment-year or investment-generation approach. In response, Alvin H. Alpert, chief of the life bureau of the Department, wrote as follows:

"To date no life insurance company using the investment-year method has requested approvel to use this method within the ordinary life branch. On a purely theoretical basis, there does not appear to be anything objectionable to such an approach. From a practical standpoint, any company attempting this would have a monstrous and costly task even with a new generation computer. A company would have to calculate separate investment-year rates for each year it was using this method and each rate would have to be applied to a portion of the initial policy reserve for the current year. Because of the difficulties that would be encountered in examining the complex calculations of the interest contribution factor portion of the dividend and the possibility of errors and manipulation, if such an approach were ever adopted, the Life Bureau would insist upon extensive safeguards and would possibly wish to review the feasibility of auditing the computer program."

In the January 1, 1976 issue of *Probe* in an article entitled "Good-bye Portfolio Rate and Mutuality," Halsey D. Josephson gave an example of a company's 1976 dividend scale announcement that "the scale recognizes that the rate of investment return is greater on funds that support recently issued policies than it is on funds supporting older ones." I wrote Mr. Josephson to ask what company's announcement he had quoted from, and he said it was The Equitable Life Assurance Society of the United States. Meanwhile, also in January 1976, Mr. Alpert informed me that "the Equitable had recently requested approval for a change in its investment-year method filing, to allocate investment income within the ordinary life and individual annuity lines of business, in order to be able to use different dividend interest rates, depending on policy year of issue. After a considerable amount of discussion, the company was granted an approval on a conditional basis. The approval was limited to one year, and furthermore, was subject to being withdrawn by this Department at any time, without notice, if it is determined that the method of investment income allocation is inequitable. With respect to the replacement problem, we were satisfied that the method of determining the divided interest rates would not encourage older policyholders to replace their policies."

The Equitable has estimated that its new dividend scale will result in about $253 million in individual life insurance and annuity dividends in 1976—about $12.9 million more than in 1975. Of the increase, about $8.7 million is a result of more insurance being in force, and about $4.2 million is a result of the change in the dividend scale. The new scale results in substantially improved dividend illustrations for new business. Dividends are substantially improved for policies issued in 1971 and later. Dividends are improved somewhat on policies issued from 1967 to 1970. And there is no change in the dividend scale for policies issued prior to 1967. In short, the $4.2 million of improvement in the 1976 dividend scale is being used solely for the benefit of policies issued in 1967 and later. Furthermore, for policies issued in 1971 and later, and for dividend illustrations, the improvement in dividends is greater for policies of $25,000 or more, than for policies smaller than $25,000.

I wrote to the Equitable about the change, and a company actuary explained in general terms the nature of the 1976 dividend scale. He implied that the change was consistent with the principles of equity, since the new scale "was developed after elaborate investment year calculations that show the rate of interest earned on funds that support policies issued in different issue years." He made no reference in his letter to marketplace considerations, although the improved dividend illustrations were the subject of such nuggets as these, which appeared in promotional literature distributed late in 1975 to agents of the company:

> Announcing the biggest and best dividend scale in Equitable history—a competitive breakthrough.
>
> A history-making change to reflect current investment yields in illustrating dividends, plus outstanding investment performance, combine to produce dramatic competitive gains.
>
> The greatest competitive advance is in the biggest and best market—the $25,000 and larger permanent insurance policies.
>
> Great news! Dramatically improved net insurance cost illustrations put Equitable in forefront of industry competitively.
>
> Illustrations of the already-popular Executive policy will make it virtually unbeatable in competition with similar policies.
>
> In the business insurance market, where competition is most keen, the new scale will allow higher illustrations on Split Dollar, Deferred Compensation, Sole Proprietor, Stock Redemption, Partnership Plans.
>
> Timely illustrations of tax-saving Individual Retirement Account plans can help boost year-end sales and lay the groundwork for gains in 1976.

In my opinion, the Equitable's 1976 dividend scale represents a major development in the life insurance industry. Although the actuaries may be able to defend it as an improvement in equity, I fear that it is fundamentally an expedient way to deal with temporary market conditions, and that it will come back to haunt the life insurance industry. Furthermore, I am concerned about the speed with which the New York Insurance Department capitulated on this issue. And finally, I am troubled by the fact that the details of the change have been shrouded in secrecy. I asked the New York Insurance Department for a copy of the company's request and a copy of the Department's approval of the request. Mr. Alpert responded as follows:

"It is the decision of the Department that, primarily for the reason that the company's request contained information relative to that company's internal procedures and our reply to the company refers in detail to this information, we cannot properly release this material to other parties. Should we at any time in the future decide to use such material as the basis for industry-wide procedure or regulation then we would make the details and procedure available to all concerned. We have no objection, however, to having you obtain this material directly from the company, if they wish to provide it."

I wrote to the Equitable, quoted the above statement from Mr. Alpert, and asked for the material. The request was denied. Until such time as the New York Insurance Department and the Equitable make a full disclosure of the details of the company's 1976 dividend scale, I believe observers are justified in viewing this important development as an example of the way in which old policy holders are thrown to the wolves in the race for sales volume.

[From the Insurance Forum]

MEMORANDUM

APRIL 12, 1976.

To: State Insurance Commissioners.
From: Joseph M. Belth.
Subject: Dividends on Participating Life Insurance Policies.

Please refer to the article entitled "Great News—Except for Equitable's Old Policyholders" in the enclosed April 1976 issue of the Insurance Forum.

It is my understanding that numerous companies are using some sort of investment year method in the determination of dividends on individual life insurance policies and individual annuities. However, I believe that the Equitable is the first company to do so with the expressed approval of a regulatory agency. Furthermore, an Equitable executive has stated that the company believes the change will provide a competitive advantage to the Equitable for only one year, because other major companies are expected to follow suit.

I urge your close attention to this development, which in my opinion is the most significant and far-reaching development concerning surplus distribution in life insurance companies since the introduction of tontine policies (ironically, by the Equitable) in 1868. It involves highly complex issues. Boiled down to its essentials, however, it means that dividends will be larger for recent buyers and smaller for long-time policyholders than would have been the case under the previous method. It is particularly significant that the details of this development have been shrouded in secrecy by the Equitable and by the New York Insurance Department.

The May 1976 issue of the Insurance Forum will contain another article about this development. Also, the Drake Law Review article referred to in "What Is 'Rigorous' Disclosure?" in the enclosed issue contains a discussion of periodic disclosure after the sale, which is one way in which to alert long-time policyholders to what is happening. I would be pleased to send you a complimentary copy of the May 1976 issue of the Insurance Forum and a complimentary reprint of the Drake Law Review article if you would like to see them. Just drop me a line and ask for them.

NO URGENCY TO B-1 PROGRAM

Mr. CULVER. Mr. President, this morning's New York Times has an excellent editorial on the B-1 bomber.

Calling President Ford's statement on this program last week a "substitution of political 'wisdom' for sound defense judgment," the Times says that there is no urgency to the B-1 program which would justify a go-ahead decision at this time.

"In these circumstances," the editorial concludes, "the Senate will be derelict in its duty if it fails to delete B-1 production funds from the defense budget or, at a minimum, forbid their expenditure until the next administration can review the facts early in 1977."

Mr. President, I believe that the person elected President next November deserves a free choice on this costly and controversial program, a decision which should take into account all of the test results and the budget priorities at that time. It would be wasteful if a billion dollars from our taxpayers is irrevocably committed to this program, when a sober, post-election judgment might be different.

In order that the President next February may have that freedom of choice on this program, I intend, if the Senate prefers to continue the B-1, to offer an amendment to forbid obligation of procurement funds until and unless the President in February 1977, decides that the program is in the national interest.

Mr. President, I ask unanimous consent that the New York Times editorial to which I referred be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 26, 1976]

B-1 POLITICS

President Ford's decision to proceed with the building of the controversial B-1 supersonic strategic bomber is the substitution of political "wisdom" for sound defense judgment.

Testing and development of the plane is not even to be completed before November; the decision on whether to go into production was supposed to be taken then. Mr. Ford's perceived need to rebut former Governor Reagan's attacks on his defense program is what undoubtedly has led him now to jump the gun. The projected fleet of 244 B-1 bombers is estimated to cost the staggering sum of $21.4 billion.

The Congress, however, has the real power of decision—the power of the purse. Mr. Ford's premature announcement last week provides added reason for the Senate to withhold the $948 million in production funds requested in the Administration defense budget and approved by the House for the fiscal year beginning Oct. 1 on assurance that this expenditure would await satisfactory completion of the test program.

The Pentagon itself is divided over the B-1. Former Defense Secretary Schlesinger was known to prefer a much cheaper "standoff" bomber, designed to fire cruise missiles from a distance rather than to penetrate Soviet air defenses, a solution that would save $10 billion to $15 billion over the next decade compared to the B-1.

There is no urgency to the B-1 program that would justify Mr. Ford's decision. The existing B-52 strategic bombers have at least another decade of life and late-model B-52's will remain structurally sound into the 1990's. The Pentagon plans in the early 1980's to equip many of them with long-range cruise missiles, now under stepped-up development, and Moscow has agreed that limited but substantial numbers will be permitted under the projected SALT II treaty.

In these circumstances, the Senate will be derelict in its duty if it fails to delete B-1 production funds from the defense budget or, at a minimum, forbid their expenditure until the next Administration can review the facts early in 1977.

FARMERS SHOW THEY CAN MOVE EXPORT GRAIN

Mr. McGOVERN. Mr. President, earlier this year on March 4 I inserted a news story from the NFO Reporter, the official newspaper of the National Farmers Organization, telling of that organization's efforts to move 350,000 bushels of quality soybeans down the Mississippi River, load them for overseas shipment at New Orleans without going through any terminal elevator, and send them on their way to Rotterdam.

The April issue of the NFO Reporter carries a story of what happened on the other end. The able president of the NFO, Oren Lee Staley, went to Rotterdam to inspect the quality of the product and to oversee the unloading. The cargo arrived in excellent condition and was well received by the purchasers on the other side of the Atlantic.

Mr. President, I think that as the Senate proceeds to consider grain inspection legislation it is timely for the RECORD to contain two stories from the April issue of the NFO paper, and I ask unanimous consent that an article entitled

"NFO's Export Cargo Arrives OK" and a further article entitled "The President's Messsage" be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

NFO'S EXPORT CARGO ARRIVES OK; STALEY TELLS BUYERS WE MAY HAVE MORE

NFO's first cargo of export soybeans has been delivered in excellent condition at Rotterdam and NFO officials who were there have, as a consequence, met many European buyers to tell them "there's more quality grain and beans where those beans came from."

President Oren Lee Staley and Fred Olson of the NFO Grain Department flew to Rotterdam to open the ship's hatches on the NFO beans and contact potential buyers. They met with buyers at the ship, at lunches and dinners and in their offices at Rotterdam, the Hague and London.

Meantime, NFO members have been delivering Montana wheat and Midwest corn, sold to Japanese and Netherlands buyers, to move by rail to Seattle, Wash., and Houston, Tex, for export.

The corn, originally scheduled to be on a boat headed to Europe by now, has been delayed for more than 10 days by railroad embargoes of shipments into the Port of Houston. The port is crippled and can't load ships as fast as grain is arriving by train. An elevator that handled 30% of the Houston volume recently exploded and another is partially crippled by a fire, slowing movement of all grain scheduled for export through the city.

The Montana wheat was enroute to Seattle as this reporter went to press April 19. It is scheduled to be aboard ship May 7.

New offers of grain and soybeans for direct export have now been made by the NFO Grain Department. Offers are made only after members have signed to deliver production for export and blocks large enough to fill a sizeable order have been assembled and can be moved without delay.

THE PRESIDENT'S MESSAGE

(By Oren Lee Staley)

I have just returned from Europe having followed our first shipment of direct farm export grain, which was soybeans.

The shipment of soybeans arrived in excellent condition.

The purpose of the visit was to get a first hand understanding of the movement of grain in Europe, to look over the delivery system in Europe and to contact potential buyers.

Fred Olson of the NFO Grain Department, who has broad experience in handling grain, went with me. Foreign buyers are deeply concerned about the quality and grading of grain. I assured them that American farmers are deeply concerned about the same matter because they know the grain they produce is of good quality and they can't understand why the grain delivered to our export customers is of such poor quality.

The grain imported by Europe is transported internally from the docks where it is unloaded in small boats on a canal and waterway system to processing plants and to feed compounders. Mosts of the feed used in Europe is put into pellets in the form of complete rations and bulk delivery is made to the farms.

We were able to visit with the various buyers throughout most Europe. Through past contacts I was able to visit with European farm leaders and spent some time visiting with actual farmers.

Farmers are the same there as they are here and they are faced with the same problems. I felt that my own farming experience gave me the necessary background to communicate with buyers and farm leaders because the grain that goes into livestock feed and to dairy producers has a value based on its nutritional contents.

We had long discussions on how new formulations of determining value of grain can be put into effect. We will be keeping in close contact with the foreign buyers as we prove our capabilities of delivering a quality product. We must remember the unpleasant reputation that the USA has now concerning poor quality grain. The foreign buyers will not pay premiums for quality until they are sure that top quality is being delivered and that there is a big volume of production available for delivery.

To correct the problems that have grown in grain marketing is going to take time. As we prove ourselves by proving our capabilities both as to quality and volume, we will be able to make progress toward greatly improving the marketing of grain. This will have a two-pronged effect. Over a period of time we will be able to take step by step advances toward pricing our grain at the cost of production plus a reasonable profit. And every time that farmers deliver top quality grain to foreign buyers it will mean that present companies selling to foreign buyers will have to improve their quality.

NFO will probably not get credit for bringing about improvement, but we have already caused many changes to come about in marketing and I am very confident after having studied the movement of grain, the facilities and the needs of the foreign buyers that we can arrive on new formulations of pricing grain that will change the whole marketing pattern of grain to the benefit of farmers.

We have more grain ready to move for direct farm export. Everytime we move out a volume of grain it will mean that domestic prices will be affected because when grain moves into new marketing patterns everybody has to bid up. Now we will have the alternative of going domestic or farm export. It's exciting, it's dynamic and it requires understanding.

We must not take our eyes off the goals of the NFO. And that is farmers pricing their grain and their products at the cost of production plus a reasonable profit.

I heard a discussion of how the oil companies priced oil out of the Middle East so they could get their investment money back and make a profit.

This ties in with an impression and facts that stand out in my mind. Everywhere I went I could feel the impact of our nation. I saw a system, extended from the USA, where everybody prices their products except farmers and everybody else wants to get hold of farmers' products and make a profit off of them. It became clearer and clearer to me how impossible it will be for farmers to survive in the future without a nationwide structure with the capabilities of pricing our products based on the cost of production plus a reasonable profit.

It hasn't been easy to get where we are. It won't be easy from here on in. But we are a long ways up the hill and if we keep driving ahead and uniting our strength the end result will be equity and justice for the farmers in this nation.

JOINT ECONOMIC COMMITTEE HOLDS HEARING ON THE BUSINESS OUTLOOK

Mr. HUMPHREY. Mr. President, on March 5 the Joint Economic Committee concluded its annual hearings on the Economic Report of the President with a hearing on the business outlook. We received testimony from two distinguished members of the business community, Mr. James Needham, chairman of the board and chief executive of the New York Stock Exchange and Mr. Charles G. Bluhdorn, chairman of Gulf and Western Industries.

Mr. Needham expressed concern that in the years ahead, a shortage of investment capital could "readily thwart the longrun solutions needed to help create the millions of permanent new jobs needed to keep an expanding labor force actively and productively employed." He stressed that even if private business raises $25 billion a year through the issuance of common stocks in the next decade, there will still be a capital shortage of aproximately $650 billion.

Mr. Needham believes that there is presently some concern in the business community about the Federal Government's fiscal policies. Mr. Needham's belief that businesses are unwilling to increase investment expenditures is based on the assumption that the business community perceives large Federal deficits as the cause of inflationary pressures and as a major factor in crowding private business out of the financial markets. Mr. Needham stressed that present Federal regulatory investment requirements, present withholding taxes on foreign portfolio investments in U.S. securities, and capital gains tax laws also have discouraged business from expanding investment expenditures.

We all recognize the need for more capital investment if the Nation's economy and labor force are to grow and if we are to achieve price stability, but I do not accept Mr. Needham's argument that the present Federal deficit is inflationary and that the fiscal problems facing this Nation are quickly approaching a crisis stage.

The main reason for the increase in the Federal debt and the growth in Federal outlays is the recession. Every 1 percent of unemployment costs the Federal Government as much as $17 billion in lost revenues and increased costs. If the economy were operating at 90 percent of capacity, I might agree that a large Federal deficit would be inflationary. But with an economy operating at much less than full capacity and with close to 10 million people unemployed or wanting full-time work, we certainly are not going to experience demand-pull inflation.

Mr. Bluhdorn testified that he sensed a psychology of confidence in the economic recovery, but he cautioned that the recent downward trends in the unemployment and inflation rates could be reversed. He believes that undue wage increases could upset the economic recovery and stressed that "it is incumbent on all parties concerned to exercise the maximum amount of restraint in asking for and granting wage increases in order to insure continued forward progress of the present psychology of confidence." I would like to emphasize that the factor which could have the greatest effect in encouraging moderation in wage settlements would be confidence that the rate of increase in consumer prices will continue to decline. An effective price-incomes policy, of which I have long been a strong advocate, would be the surest way of achieving this goal.

Mr. Bluhdorn also gave some interesting testimony concerning the destabilizing potential on our economy that the OPEC nations still possess. He emphasized that the OPEC nations are a "stubborn cancer" which has not been removed. He believes that these nations will capitalize on and obstruct our recovery by raising oil prices. He stressed his belief that "if nothing is done about the cartel, they could raise their prices to $15 a barrel by 1980 and with a continuation of trends in consumption, this would cost our Nation $60 billion a year."

Mr. President, I ask unanimous consent that the statements of Mr. Needham and Mr. Bluhdorn be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

STATEMENT BY JAMES J. NEEDHAM

My name is James J. Needham. I am Chairman of the Board of Directors and Chief Executive Officer of the New York Stock Exchange, Inc. I appreciate the opportunity to appear before this Committee to discuss the outlook for business in the years ahead.

I would like to focus on what the Exchange views as the major long-term problem facing the business sector—and the economy as a whole: the prospect that, in the decade through 1985, the demand for capital in this country will exceed the supply of savings needed to meet it.

To be sure, this nation has many more immediately pressing and urgent economic problems. Unemployment is still unacceptably high, even though the ½-point drop in the unemployment rate in January is a welcome improvement. Inflation is still with us, though here, too, gratifying progress has been made. The country still does not have a comprehensive energy policy, nor a viable program to deal with the financial and social problems of our major urban areas.

However, a shortage of investment capital in the years ahead could readily thwart the long-term solutions needed to help create millions of permanent new jobs to keep an expanding labor force actively and productively employed; to keep recession and inflation from taking larger and larger bites out of everyone's standard of living; to make it possible for America to achieve self-sufficiency in energy—and excellence in environmental control; and to bring our cities back from the brink of bankruptcy.

At present, there is considerable slack in the capital goods industries. Needed investments are being deferred because of adverse economic conditions and disincentives to productive investment. If we are to meet our long-term investment goals, we must begin now to promote increased capital formation and economic growth. "Later" and "too late" can prove to be the same thing.

THE CAPITAL SHORTAGE ISSUE IN PERSPECTIVE

As many members of this Committee know, the New York Stock Exchange was among the first to warn that the nation's economic and financial resources are limited, and that unless we, as a people, either scale back some of our loftiest aspirations or consciously redesign some key saving and investment patterns, we must face the reality of a serious capital shortage. Exchange economists have projected a "capital gap" of $395–$690 billion, with $650 billion emerging from alternative scenarios as the "most likely" dimension.

Our initial study was followed by three others focusing on the financing needs of American corporations—particularly in terms of future requirements for equity capital—and the international implications of a United States capital shortage. Copies of all four reports will be submitted for the record.

Several prestigious research organizations—among them Data Resources, Inc. and the Brookings Institution—and such widely respected academicians as Benjamin Friedman and Andrew Brimmer—both at Harvard University—have independently examined the capital shortage issue in some detail. Their findings tend to support the thrust—though not necessarily all the particulars—of the Exchange's research.

In recent testimony before the House Committee on the Budget, Henry C. Wallich, Member of the Board of Governors of the Federal Reserve System, expressed concern that America's capital needs may outstrip the nation's saving capacity.

"The financial and real resources needed to bring about higher rates of private investment in an economy approaching high capacity utilization will have to come from higher rates of saving. It is not certain that private saving will be adequate, particularly if savings rates return to more traditional levels. The Federal Government thus may be called upon to play a vital role in bridging the gap between private saving and desirable levels of investment."[1]

The Annual Report of the Council of Economic Advisers gave unprecedented attention to the question of capital sufficiency. The Council's analysis indicated that, to meet national goals for environmental protection and energy self-sufficiency, and to keep up with technological innovation, a decided upward shift in the ratio of business fixed investment to Gross National Product will be required between now and 1980. Specifically, over the next four years, this ratio would have to be well over 12%, as compared with 10.4% during 1971–74. The Council indicated that "to achieve this goal, increased savings incentives may have to supplement increased investment incentives once the economy's resources are utilized more fully." In other words, the Council of Economic Advisers has also concluded that, unless actions are taken to promote increased saving and investment, America may not be able to meet its capital requirements.

It is not really germane to these warnings that the nation experienced no symptoms of a capital shortage in 1975. As we, all too well know, last year was a period of depressed economic activity. Recession years typically cause curtailment of business loan demands to finance inventories, working capital, and capital investments. Housing activity also drops sharply, and weakness in consumer demands limits the expansion of installment loans. Indeed, capital shortages will not occur in every year between now and 1985. The Exchange's projections simply point to the distinct likelihood that major financial disruptions will occur over the next decade—similar to and perhaps worse than the severe capital shortage situations experienced in 1966, 1969 and 1974.

Recent events suggest that a willingness to accept slower economic growth rates may ameliorate somewhat the impact of prospective capital insufficiency. This is another way of saying that if we agree to settle for less, our goals will be easier to attain. However, the attractiveness of this alternative is considerably dimmed by the realization that lessened growth means reduced employment opportunities, rising social pressures and reduced levels of living for most Americans.

Recent economic disruptions seem to have prompted new attitudes of caution. The discussion of prospective capital shortages itself has alerted some users of funds to the risks involved in taking on excessive debt obligations, quite apart from a growing reluctance among lenders to provide the funds.

The evils of inflation are more clearly perceived today than they were as recently as two years ago. The devastating impact of double-digit inflation has led to more conservative practices. The "growth at any price" syndrome is disappearing from the national scene, in terms of both government policies and business objectives.

State and local expenditures are coming under increasingly searching scrutiny. The debacle in New York City and New York State has awakened the conscience of citizens around the country and pointed up the advantages of fiscal conservatism.

At the Federal level too, the notion that we can deficit finance almost without limit seems to be losing adherents. Blind dedication to Keynesian economic policies is no longer the rule. It seems likely that in the future, government policy-makers will give closer attention to the possibility of slowing economic growth as a means of avoiding surging inflation.

Does all this mean we can ignore the prospect of future capital shortages? Certainly not. But if awareness of a problem is the first step toward its solution then we at least have taken that first step. A fundamental economic principle has been rediscovered: there is no such thing as a free lunch. It takes work, sacrifice, and savings to generate economic growth.

THE NEED FOR EQUITY CAPITAL

While the threat of a general capital shortage is of long-term concern, the continuing critical shortage of equity capital requires immediate attention. Corporate growth cannot continue to be supported and sustained by piling new debt on the volume of debt already outstanding. Interest payments are already claiming a disproportionate share of corporate profits—and, overall, the corporate financing structure becomes increasingly shaky with each new decision to rely on more debt financing.

The continuing deterioration of key financial ratios underscores the precariousness of the financial situation at many corporations. The debt-equity ratio for manufacturing corporations rose to 43.7% in 1975, compared with 42.3% a year earlier and 30.1% just ten years ago.

Interest coverage—the measure of a corporation's ability to meet interest payments on its debt—fell to a record low of only 4.6 times pre-tax profits in 1975, compared with 5.8 for 1974 and 11.8 a decade ago.

Clearly, the accelerating reliance on debt financing must be braked—and ways must be found to attract the unprecedentedly large amounts of equity capital that will be needed in the decade ahead. In this regard, Exchange economists have projected that, on average, $23 billion in net equity funds will have to be raised in each year between 1975 and 1985. That amount is roughly twice the record of $11.7 billion raised by non-financial corporations in 1971. In 1975, net new issues of corporate stock totaled approximately $9.2 billion, up significantly from the depressed level of $4.3 billion in 1974. The excellent performance of the market, to date, suggests that corporate stock offerings may further increase in 1976. But I would not want to predict that the total—all other things remaining equal—is likely to reach $23 billion this year.

While recent developments are certainly to be welcomed, they do not suggest that the equity problems of America's corporations are on the verge of being resolved. Unfortunately, the dearth of equity in the capital structure of many corporations—and in the portfolios of individual investors—stems not from transitory cyclical factors, but rather, from basic structural deficiencies in this nation's tax laws.

Corporations today have precious little incentive to issue common stock—even at relatively high price-earnings ratios. The reason is simple enough: stock dividends must be paid out of after-tax income—while interest payments are deductible expenses.

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[1] Statement by Henry C. Wallich, Member, Board of Governors of the Federal Reserve System, before the Committee on the Budget, House of Representatives, Washington, D.C., February 6, 1976, p. 10.

Moreover, present capital gains taxes unduly hamper the mobility of capital. What may seem to be an attractive investment switch can lose its appeal to an investor when the tax cost of the transfer is considered. The illogical treatment of capital gains and losses further reduces incentives to take risk. And the double taxation of corporate profits distributed as dividends significantly reduces potential after-tax yields, especially for those in the higher income brackets. The lack of effective incentives may be one reason why individuals have been net sellers of common stocks in every year since 1958.

Because of high debt totals and inadequate supplies of equity, corporations are now looking to the quality of their assets and the adequacy of their cash flow. They are budgeting to conserve assets, to reduce short-term debt, and to increase their equity base by retaining profits. This new climate has reduced the venturesomeness of new as well as old businesses and promises to restrain our rate of economic growth. This may be good in the sense that it moderates the claims on our financial resources and reduces the magnitude of a potential capital shortage. But, as I sugegsted earlier, reliance on this alternative is almost certain to produce a disappointing rate of new job creation, and force postponement of some of our social goals.

POLICY RECOMMENDATIONS

What then can be done to encourage saving and investment? What policies are needed to promote increased levels of equity financing—for issuers and purchasers alike?

The most direct way in which this nation can increase the flow of savings in the economy is for Congress and the Administration to join together to hold down the rate of growth in government spending. The Exchange strongly supports the President's efforts to hold the fiscal 1977 budget deficit to $43 billion. The mushrooming growth in Federal outlays—up 39% in just two years—and the alarming increases in privately held Federal debt—up $138 billion in this same period—suggest that the fiscal problems facing the nation are fast approaching a crisis stage.

To be sure, deficit spending in periods of recession may well be necessary as a means of stimulating economic activity and reducing unemployment. However, huge deficits in periods of economic expansion only serve to fuel inflationary fires and make it more difficult for the private sector to tap the financial markets.

Related to the need to hold down government spending is the necessity of bringing the capital requirements of the off-budget agencies under some control. These quasi-governmental entities have borrowed, on average, more than $11 billion a year during 1970–1975. Though it appears that their borrowing may have declined during 1975—as a consequence of the recession—in 1974, the amount raised in the credit markets by sponsored agencies was a staggering $22.1 billion. Clearly, every dollar these agencies borrow places additional strains on the ability of the private sector to secure needed funds.

As I pointed out to this Committee at hearings several months ago on the problems of small business, it is generally the newer and smaller businesses, rather than the larger and better established companies, that are squeezed out of the credit markets during periods of financial stringency. If these companies are forced to the wall for lack of capital, the competitive fabric of our economy will be weakened, and its innovative capacity eroded. And, in large part, the innovative spirit of small business is what creates new jobs, boosts productivity, and helps America maintain its position as the world's premier economic power.

Congress could make a second useful contribution toward ensuring the efficient use of available capital resources by closely re-examining the regulatory investment requirements now imposed on many corporations. These mandated investments—many in the environmental area—have not been subjected to rigorous cost-benefit analysis. The result is a significant diversion of scarce funds into activities which do not generate more productive capacity. It is difficult to justify expensive Federal regulatory requirements when their costs demonstrably exceed their value to society.

Clearly, one of the ways to help overcome deficiencies in domestic saving is to stimulate foreign investment. Foreign inflows would help put the full productive capacity of the country to work, creating additional jobs and economic opportunities. In order to stimulate foreign capital inflows, the Exchange has been recommending repeal of the present withholding tax on foreign portfolio investment in U.S. securities. This tax now acts as a disincentive to such investment, especially where the 30% withholding rate has not been modified by treaty agreements. Significantly, no such treaties have been negotiated with the capital-exporting Middle East nations. Elimination of the withholding tax would have only a minor impact on tax revenues which would be more than offset by increased revenues resulting from higher domestic incomes and profits generated by added foreign investment. A fact sheet, detailing the major reasons for elimination of the withholding tax on foreign portfolio investment, is attached to this statement.

In the area of domestic tax reforms to promote additional saving and investment, the Exchange has recommended to Congress a number of basic modifications to U.S. tax law, ranging from a complete overhaul of capital gains taxation to partial deductibility of dividends as a business expense to issuing corporations. I described the Exchange's proposed tax program at hearings held some months ago by the House Ways and Means Committee. A copy of the material submitted at that time will be provided to this Committee.

Another useful suggestion for increasing the flow of saving in the economy—and directing those savings into equity capital—is embodied in President Ford's plan to provide up to a $1,500 tax deferral for investment in common stocks. Since the details of the President's plan are still under study by the Treasury Department, it would be somewhat premature to venture any specific comments about it. As a general observation, however, I believe it would be ill-advised to require a holding period as long as seven years for securities purchased under such a program. That would tend to lock capital into established firms and make it more difficult for emerging companies to tap the equity markets. On the whole, however, we endorse the general purpose of the President's proposal.

CONCLUSION

Let me conclude on an optimistic note. Over the past several years, the stock market has had deep concerns about inadequate supplies of capital, about mounting corporate debt and deteriorating balance sheets, about sharply rising interest rates and inflation, and about declining real profits. Suddenly, the stock market has surged ahead, undoubtedly for many reasons. But above all, there seems to be greater optimism that we will not push economic expansion too hard and too fast, and that we will not tolerate another round of escalating inflation and interest rates. Inflation is down from 12% to 6%, and interest rates have fallen far faster than had been predicted just a few months ago. Investors now seem increasingly confident that inflation and interest rates can be held down and that the recovery, although gradual, will prove to be durable.

The President's Council of Economic Advisers expects a prolonged period of measured economic growth with a lessened pace of inflation. Specifically, the Council expects both real growth and inflation to stabilize at around 6% per annum. More stimulative policies, the Council argues, would restore the stop-go cycles which gave us boom and recession, high inflation and unemployment, and peak interest rates. I agree with that assessment. Apparently, the stock market does too. The expectation that the economy will break away from the inflationary, high interest rate patterns of recent years explains much of the present bullish mood of the market.

What is needed now is positive action to support our national economic policies with adequate capital investment. This nation's long-term economic growth will depend on whether capital investment and equity financing are stimulated by appropriate incentives. That is the road to less inflationary and more sustainable economic growth, to more jobs, and to rising longer-run prosperity.

MAJOR REASONS FOR ELIMINATION OF THE WITHHOLDING TAX ON FOREIGN PORTFOLIO INVESTMENT

(1) Elimination of the withholding tax would help meet America's urgent need for capital by stimulating foreign investment. The tax now acts as a distincentive to such investment, especially where it is not modified by treaty agreements. Significantly, no such treaties have been negotiated with the capital-exporting Middle East nations.

(2) The direct revenue loss from eliminating the withholding tax would be slight and would, in any case, be more than offset by increased tax revenues resulting from greater domestic incomes and profits generated by added foreign investment. In addition, employment would be stimulated and the nation's over-all balance-of-payments position would be improved.

(3) Elimination of the withholding tax would erase the discrimination between countries with which the U.S. has tax treaties and those with which it does not. It is an accepted principle of international taxation that individuals should be subject to tax in their own country of residence/nationality. Moreover, tax treaties already in effect reduce or eliminate U.S. taxes for foreign residents in most major industrial countries.

(4) The withholding tax has been used by other nations to influence foreign investment flows. For example, Canada has recently announced plans to stimulate foreign investment through selective exemption from its withholding tax on foreign portfolio investment.

(5) Elimination of the withholding tax would enhance the ability of U.S.-based multinational corporations to raise capital from abroad, reducing their demands on domestic sources of funds. Repeal of the tax would improve the United States' position as the center for international finance, as U.S. securities would become more competitive with Eurodollar and Eurobond instruments.

(6) Elimination of the withholding tax would not stimulate tax evasion by Americans sending their money overseas. Appropriate legislation could be drafted so that the withholding tax would be reapplied to countries unwilling to exchange relevant tax information with the U.S.

STATEMENT OF MR. CHARLES G. BLUHDORN

Mr. Chairman and Members of the Committee: There can be no doubt but that there has been a substantial improvement in the outlook for the nation's economy in the last few months. The fact that both inflation and interest rates have been reduced has combined to restore the confidence factor that was sadly lacking throughout the country only very recently.

Consumer habits are based to a large degree on psychology. Words of doom and gloom have been replaced by a feeling of optimism as reflected in the performance of the stock markets in the last few months. All of this is bound to give comfort to a previously disspirited public which is rediscovering America.

I have always been the greatest optimist on America. In the moments of greatest darkness and fear I have said loud and clear that America is here to stay, and anyone who does not believe that fact had better give up on the free enterprise system, not only in our country but throughout the Free World.

Having been a most vocal supporter of our system and a firm believer in the inherent value of American capitalism, please forgive me if at this moment when we have a achieved the kind of confidence that was missing for all too long, I respectfully indulge in some cautious warnings about the future. Neither unemployment nor inflation are diseases that disappear overnight. In the case of unemployment no one in this room can be satisfied to any degree, even with the improved figures that have been forthcoming. Much determined effort must be yet brought into play to get that figure down in order to restore real health to our nation.

With respect to inflation, I submit that this monster has been only temporarily contained and can come out of hiding quickly and without forewarning.

We are facing the prospect of many wage settlements in 1976 and the progress of these negotiations between management and labor will be a high determining factor in whether or not prosperity will lead to another round of inflation, bringing with it all the self-doubt and fears of the past. Thus it is incumbent on all parties concerned to exercise the maximum amount of restraint in order to insure continued forward progress of the present psychology of confidence.

At this point permit me to reiterate my oft-expressed fear of the Organization of Petroleum Exporting Countries, commonly known as OPEC, and all that this infamous cartel stands for. I admit that this is the last thing that anyone wants to talk about now. I freely concede that I am a voice in the wilderness when it comes to this touchy subject. But someone must remind us all that this cancer has not gone away. It is still with us. Is political expediency the solution to this terminal disease?

Let me remind you of a couple of facts. When OPEC first invoked its embargo and then raised prices 400 percent, a lot of people said we would fight these fellows tooth and nail with a policy of both conservation and development of our own energy resources right here in the United States of America.

Here we are now in 1976 and I see absolutely no progress whatsoever on the part of the Congress and the Administration to get together on a meaningful wartime-like action to get our country moving away from submission to blackmail.

Far from developing and expanding our own resources, which is a matter every bit as important as our military defense budget, we are playing every day more and more into the hands of these blackmail artists.

While the nation suffered from the severest recession since 1929, the consumption of oil went down and so did the imports. But now we are going to be caught in the vicious cycle of gaining the benfits of a new prosperity and on the other hand having to pay the penalty of exuberance and forgetfulness. This will invariably lead to higher consumption of oil products in the U.S. while our own domestic production is steadily deteriorating.

During this last year we were subjected to the ridiculous situation of a ten percent increase by OPEC which was greeted with relief by most economists in the Western world. Recently a less than one percent reduction was applauded almost hysterically and taken to be the long-awaited break-up of OPEC. Nothing could be further from the truth. OPEC is stronger today than it has been since its inception. OPEC has been waiting for our prosperity to return. OPEC will use the first opportunity to hit us hard on top of the head with new increases when they see that they again have us firmly in their grasp. And what will we do?

Let's face it. We have been lousy poker players all along. We will again submit because we will be scared to death of what an effective protest could do to our resurging economy.

The most pathetic and sad part of it all is that recent reports from the automobile industry are actually indicating the fact that the American public is returning to the usage of big gas-guzzling automobiles and are spurning gas-saving small cars and mass transportation. In other words, we have learned nothing and what is actually happening is that business is back to normal. And this has got to be welcome news for all of the boys at OPEC who have just been biding their time for precisely this type of reaction.

I know all too well that there will be many economists who will point out that OPEC has actually done some good for us. Firstly, it is argued that even though we have to pay them a high price, they are buying more from us now. And then it is stated almost gleefully that some of them are running up actual deficits this year. This is causing fear to some American companies who are afraid that they will lose business in those countries. But what kind of business are they going to lose? I submit mostly monkey business.

The big export item has been military hardware, and here we are engaged in a clearly devious race with the Russians to supply the Middle East with the largest stockpile of military weapons ever assembled in one single location in the world. It has now gotten down to the point where we are also paying petrodollars to some of those fellows so they can use the money to pay off the Russians for the armaments they have been shipping in there at the same time. Don't we realize the dimensions of a powder keg explosion if someone goes insane in that area of the world or if one of the governments is overthrown by extreme radical leftists who will then be in possession of our latest military technological weapons?

What is so sad about all this that there would at least be some rhyme and reason to this cartel if they used the proceeds to help first of all alleviate the poverty of their own people, and also did something meaningful to offset the disaster they have brought upon small Third World nations that are becoming their satellites, burdened as they are by oil bills that in some cases are simply strangling them to starvation levels.

In fact, there is no human equation for all of this. Most of these conspirators are living in such unheard-of splendor as to make the fantasies of the Arabian Nights look mediocre by comparison.

May I quote from a press item that appeared in the New York Times on Saturday, February 7th: "Empress Farah of Iran has returned to Teheran after a three-week vacation in Europe. Her special jetliner from Paris was followed Thursday by an Iranian Army Boeing 707, carrying three tons of French rose marble for a new swimming pool for the royal family."

Fortunately she can afford the oil bill of her personal airplane while our own airlines have been suffering enormous deficits. I just hope that these fellows don't put machine guns in their million dollar rose marble swimming pools. If they should electrocute themselves in the process we, of course as usual, will be the ones to take the blame also for that.

I don't want you to think that everyone is tranquil about this. On July 25, 1975 two distinguished lawyers, Mr. Whitney North Seymour, Sr. and Mr. Arthur Liman, petitioned the Attorney General of the United States on our behalf, charging the OPEC countries with blatant violations of the Sherman Act. I am sad to say that we have not even received an acknowledgement. Are we living today by the double standard where the voice of Americans in protest is not heard while the red carpet is laid out in Washington for any little nation that specializes in insulting or blackmailing us on an almost daily basis. Is this what American pride is all about?

If we don't do something about this cartel, they could raise the price of oil to $15.00 a barrel by 1980 which, if trends of consumption continue, could cost us an astronomical $60 billion a year, and you can imagine what that would do to our Balance of Payments and our economy as a whole. And that is not all. Who would have dreamed of $11.00 a barrel in 1970. And who is to say that the tag could not go to $20.00 a barrel in 1980. I say that this threat is every bit as serious to our nation as was Pearl Harbor in 1941. The only difference is that this one is creeping and seemingly invisible. The other one was sudden and visible and we reacted then as Americans do when they really see a crisis for what it is.

Some years ago Mr. Khrushchev said he would bury us. Until a few days ago we had a new word in our vocabulary called "detente" which was anyway a mistake because the French President recently decreed that all Anglo-Saxon words were to be eliminated from the French vocabulary.

Since we are letting the Corcorde in, at least we should repay them in kind when it comes to sophisticated vocabulary.

Now Mr. Kosygin said the other day at the 20th party Congress that the Soviet Union is out-producing us all over the place. He also proclaimed the fact that Soviet industrial output was more than six times the annual rate of the United States and Western Europe. And he lectured us on the destructive vices of the capitalistic system. Pretty amusing, coming from a fellow who is Prime Minister of a nation that has been running around in circles trying to buy up all of our so-called second-rate technology.

Now we don't have people banging shoes on desks any more. Instead they are putting their arms around our shoulders. There is nothing like being used and abused by a nice, good-natured chap like Brezhnev, who was hailed the other day by his associates for his "excessive modesty, spiritual beauty and personal charm." It was said that he had created "a pure and cloud-like sky above us" meaning, in case you don't know, that perfect Motherland called Russia.

Now their oil production is increasing while ours is decreasing. Their oil price is conveniently pegged to OPEC. Our grain is sold at a free market price under the Free Market system, which they so richly criticize but enjoy all the benefits of. I personally can't see anything wrong with swapping these fellows one bushel of our wheat against one barrel of their oil on a government-to-government basis. Just why do we always have to be the suckers?

I believe in our system of government and I believe in the free enterprise system, and I know that the Russians will never bury us—not in this century or in any other century to come. Our people have always been the best and the strongest when they have not had blindfolds covering their eyes. The shock of the last 2 or 3 years brought a lot of us to our senses and made us tighten our belts and through hard discipline restore credibility to our country. Let us not now get lost on the road to progress by forgetting the things that must be remembered and dealt with if we are to survive and be a strong and free nation not subject to the whim of others.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, in continuing my unending support for the U.S. ratification of the Genocide Convention, I would like to clarify article VIII of the convention in order to eliminate the confusion that appears to exist concerning its intent.

The article states that Contracting Parties desiring to may—

> Call upon the competent organs of the United Nations to take such action under the Charter of the United Nations as they consider appropriate for the prevention and suppression of acts of genocide or of any of the other acts enumerated in Article III.

Many people feel that the scope of power of the United Nations will broaden because of this article. That is a totally absurd conclusion.

Should a mass murder jeopardize the human rights of others or threaten world peace then certainly that would require the attention of the United Nations. The article specifically says that it applies only to "action under the Charter of the United Nations" by which it limits its own realm of power. Article II of the charter includes the clause, "proscription against intervention 'in matters which are essentially within the domestic jurisdiction of any state.'" This is another piece of evidence which shows that the United Nations does not seek to overstep its limits of power.

Mr. President, as Rita Hauser once pointed out,

> Massive horror anywhere affects all the world and is usually associated at some point with threats to or breaches of international peace and security.

In this year, the 200th annual celebration of our triumph for human freedom and peace in the world, let us reaffirm our belief in the importance of that freedom and peace by ratifying the Genocide Convention.

WATER RIGHTS IN ARIZONA

Mr. GOLDWATER. Mr. President, recently Senator TED KENNEDY of Massachusetts introduced a bill that would bear very heavily upon the relations of the Indians of Arizona with the non-Indians of Arizona. It would likewise bear heavily upon the water rights of these Indiana tribes, that have been recognized in perpetuity by Arizona and other basin States, as not only being recognizable but legitimate. Whoever convinced Senator KENNEDY, a resident of Massachusetts that he should get into an ancient problem in Arizona is beyond me—but somebody has sold him a bill of goods. I think as time goes on, Senator KENNEDY is going to be very sorry that he ever got into it.

First of all, before I would ever introduce a bill that had something to do with the people of Massachusetts, I would confer with both of their Senators. When I first heard of the possibility of his introducing this bill that would affect all of the citizens of Arizona, I conferred with him. He told me that he would keep me posted and would do nothing without consulting me. However, he did not do this and I do not mind saying that I do not like it, because if there is one thing that should exist between the Members of Congress, it is a desire to level with each other relative to what might be done about legislation to be introduced concerning someone else's State.

I know that Senator KENNEDY is a particularly highly educated man, probably having a background covering the entire United States above any other Member of Congress, but when he injects himself into a problem that Arizonans and their Indians have long ago solved, he is doing one of two things—exposing a complete lack of knowledge on the subject or exposing himself to the pressures exerted from certain Indian lawyers who get paid a major fee of 20 percent on whatever the Indians be granted. If Congress wants more information on what these earnings might be, particularly by formers Members of this body, I might just be inclined to introduce them into the RECORD. Maybe the Senator from Wisconsin could give them the Golden Fleece Award of the Century.

Mr. President, I ask unanimous consent that an editorial appearing in the Phoenix Gazette entitled "No Friend of Arizona" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Phoenix Gazette, April 16, 1976]

NO FRIEND OF ARIZONA

With a friend like Sen. Ted Kennedy, Arizona certainly doesn't need any enemies. A bill he has introduced with the hollow promise of expediting completion of the Central Arizona Project threatens instead to pit Arizonans against one another in a fight that could endanger the project.

If Arizonans continue to stick together as they have over a half-century during the hard struggle for the CAP, however, they will prosper together. By engaging in the fratricidal fight Sen. Kennedy apparently would like to see, Arizonans may wind up doing without Colorado River water.

In a shocking breach of faith, Sen. Kennedy introduced a bill to delineate Indian water rights here within the framework of the Central Arizona Project. He offered the bill to the surprise of Arizona's senators despite a promise to consult with them before introducing such a measure.

Kennedy plainly enough is trying to enhance his image as the champion of minorities at the expense of Arizonans, Indian and non-Indian. Under terms of the legislation, five central Arizona tribes would share rights to far more water than they could realistically use. There may even be more water than could be used on arable Indian lands.

The Indians would get the scarce water, of course, at the expense of non-Indian farmers. The bill even envisions abandonment of the mammoth Wellton-Mohawk Project, a move that would devastate the economy of southwestern Arizona. Plainly, Sen. Kennedy does not understand that Indian and non-Indian economies in Arizona are linked, and Indians will not prosper if the non-Indian economy in the rest of the state sags.

The bill is so poorly conceived that it stands no real chance of passage. Not a single member of the Senate Interior Committee would have anything to do with it. But the bill can be an irritant—unless Arizonans, Indian and non-Indian, are wise enough to ignore it, and settle the matter reasonably among themselves.

E PLURIBUS UNUM: BICENTENNIAL CHALLENGE

Mr. ALLEN. Mr. President, in conjunction with the Nation's Bicentennial Celebration, the Huntsville, Ala., Chapter of the Association of Retired Federal Employees heard an address by Mr. Kenneth N. K. Abel on the subject "E Pluribus Unum: Bicentennial Challenge".

Mr. Abel is a former professor of economics who, before his retirement from civil service, held a number of responsible positions as an economist for agencies of the Federal Government. His specialty was in fiscal and monetary analysis and in economic stabilization, and he has written historic accounts of World War II and Korean war tire rationing and price control programs. He has continued his writing through contributions to various Government publications, to the Encyclopaedia Britannica, and his paper "Stabilization of the American Economy, 1974–76" was published in the "Report on the Financial Conference on Inflation."

Mr. President, I ask unanimous consent that Mr. Abel's speech on the Bicentennial be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

E PLURIBUS UNUM: BICENTENNIAL CHALLENGE

(By Kenneth N. K. Abel)

The Bicentennial year, through which we are presently passing, will climax on 4 July 1976, the 200th anniversary of the adoption by the Second Continental Congress of the Declaration of Independence. The climactic day will doubtlessly be one of outstanding pyrotechnic celebration, appropriate, of course, to the occasion. We shall, however, short-change both ourselves and our descendants if we fail to make sure that the Bicentennial observance goes beyond mere mindless celebration.

In this brief lull, before the sound and fury of partisan campaign oratory reaches a crescendo in the summer and fall of 1976, we should pay a debt to ourselves by refreshing both recollection and understanding of the efforts through which a scattering of aggrieved colonial subjects asserted their right to shape their own destiny and then exercised that right by developing a new government, a new nationality, and a new civilization. Such a quest for historical significance and contemporary relevance, as distinguished from simple-minded theatrics, dictates the review of developments over a 27-year period, in which the Declaration is the pivot in the march from discontent to fulfillment.

As a first approximation and starting point, let us indulge in a very broad-brush survey of major developments in the American experience from 1764 to the establishment of a true national identity in 1791.

TOWARD INDEPENDENCE

After providing loyal support to the British Crown during the Seven Years' War (commonly known in this country as the French and Indian War) through 1763, the American colonists were stunned and angered by British enactment in 1764 of the Sugar Act and Currency Act and by the decision of the British Chancellor of the Exchequer to enforce various restrictive trade laws, long-ignored under a previous policy of "salutary neglect."

Over the ensuing decade, the anger of the colonists progressed into bitterness, defiance, and alienation as subsequent acts of harassment were imposed by the British government and as colonial protests were disregarded. In an atmosphere of mounting tension, incident followed incident—the quartering of British troops in New York (1766), the stationing of British troops in Boston (1768), a general colonial boycott of British goods (1769), the Boston Massacre (1770), the burning of the British customs schooner Gaspee (1772), the Boston Tea Party conducted by the Sons of Liberty (1773), further tea "disorders" in New York and Annapolis harbors (1774).

In reprisal for the Boston Tea Party, the British Parliament, at the urging of King George III, adopted in 1774 a series of four "Coercive Acts," including one to close the port of Boston. These punitive acts against Massachusetts. taken together with the Quebec Act of the same year, were regarded by the several Colonies as "Intolerable Acts." The resulting widespread indignation led to the calling of the First Continental Congress, which met in Philadelphia in September-October, 1774. This Congress declared the Intolerable Acts to be unconstitutional, petitioned the King to rescind them, and resolved to meet again on 10 May 1775 (as the Second Continental Congress) if by that date there had been no redress of grievances.

Instead of any effort toward reconciliation, the Parliament, in March, 1775, enacted a law barring the New Englanders from the North Atlantic fisheries and forbidding those Colonies from trading with any nation but Britain; one month later these restrictions were made applicable to five more of the Colonies.

In April, 1775, the British General Gage received orders to use force if necessary to enforce the "coercive" and other restrictive acts. Gage thereupon ordered the ill-fated march on Lexington and Concord to destroy the military stores of the Massachusetts militiamen—and, if possible, to capture the patriot leaders, John Hancock and Sam Adams.

On the heels of the disaster visited upon the British troops returning from Concord to Boston, the Massachusetts militiamen laid siege to the British forces occupying Boston. And, in short order, Ethan Allen and his Green Mountain Vermonters captured the forts and cannon at Ticonderoga and Crown Point on 10 May 1775.

Meeting in Philadelphia on the same day, 10 May 1775, the Second Continental Congress acted to constitute the militia forces besieging Boston as the Continental Army. On 15 June, by unanimous vote, the Congress designated one of their own members, George Washington, as Commander-in-Chief of the Continental Army. Washington formally accepted the appointment on the following day and offered to serve without pay. The day after Washington's acceptance in Philadelphia, the battle of Breed's and Bunker Hills was fought—two weeks before Washington was able to reach the Boston area to take formal command of the 14,000-man Continental Army.

In July, 1775, the Congress addressed the "Olive Branch Petition" to King George, in what was to be the final colonial effort to effect a peaceful reconciliation. In rejecting this petition in November, 1775, the King proclaimed the American Colonies to be in open rebellion and then followed this with a proclamation closing the Colonies to all commerce, effective 1 March 1776.

These Royal actions, followed on 15 January 1776 by publication and by subsequent wide distribution of Thomas Paine's pamphlet "Common Sense," produced a rapid crystallization of public sentiment in favor of complete independence from Britain. By 15 May, North Carolina and Virginia had authorized their representatives in the Congress to vote for a declaration of independence. On 11 June, the Congress appointed a committee—consisting of Thomas Jefferson, Benjamin Franklin, John Adams, Robert Livingston, and Roger Sherman—to prepare a draft of such a declaration to justify the act with an explanation of reasons. On 2 July, the Congress took from the table and adopted without dissent the simple resolution which had been introduced by Richard Henry Lee on 7 June, that the United Colonies "are, and of right ought to be, free and independent States."

The Congress next took up for consideration the form and content of the draft Declaration, which had been prepared by Jefferson with a few changes offered by Adams and Franklin. After voting several further changes to the draft, the Congress, on July 4th, voted, without dissent, but with New York's delegates abstaining, to adopt the amended Declaration of Independence.

The Declaration was first publicly proclaimed in Philadelphia on 8 July and was read before General Washington and his troops in New York City on the following day—on which day the New York Provincial Congress voted to endorse the Declaration. On 19 July, the Congress ordered that the Declaration be engrossed on parchment for the signature of the delegates. On 2 August, most of the 55 signatures were affixed. At the signing of the Declaration, Benjamin Franklin made the classic observation, "We must all hang together, or assuredly we shall all hang separately." (This remark must be understood as something more than mere whimsy when it is recalled that when General Gage offered amnesty to all militiamen who would lay down their arms and reaffirm allegiance to the Crown just before the Battle of Bunker Hill, he made two specific exceptions to the offer of amnesty: Sam Adams and John Hancock. John Hancock, who served as president of the Second Continental Congress was, of course, the first to sign the Declaration of Independence. Sam Adams was also a signatory.)

FROM INDEPENDENCE TOWARD NATIONHOOD

The immediate and primary concern of the day was independence, but also, of necessity, union. The thirteen colonies had laid claim to being "sovereign States." By the Articles of Confederation, drafted in July, 1776, by a committee headed by John Dickinson, but not finally ratified until 1 March 1781, these sovereign States were associated together in a "firm league of friendship" and "perpetual union." By 1782, the idea of American nationhood had gained sufficient strength that the design of the "Great Seal of the United States," adopted in that year, would depict an American eagle, holding in its beak a ribbon bearing the motto, "E Pluribus Unum"—"Out of Many, One."

Growing dissatisfaction with the lack of unity among the States and with the weakness of the central government under the Articles of Confederation, led to a call by the Congress of the Confederation, inviting all the States to send delegates to a convention in Philadelphia on 14 May 1787 for the purpose of revising the Articles of Confederation. Upon meeting, the Convention elected George Washington as their presiding officer. Conceiving their task to be "to form a more perfect union," the delegates proceeded to develop a constitution for a strong Federal Union. The draft Constitution was approved by the convention delegates on 15 September 1787 and ordered to be engrossed. After the reading of the engrossed copy two days later, Benjamin Franklin made a strong appeal to each delegate to "doubt a little of his own infallibility, and to make manifest our unanimity, put his name to this instrument." Thirty-nine of the fifty-five delegates subscribed their names.

As reported by James Madison—"Whilst the last members were signing, Dr. Franklin, looking towards the president's chair, at the back of which a rising sun happened to be painted, observed to a few members near him, that painters had found it difficult to distinguish, in their art, a rising from a setting sun. 'I have; said he, 'often and often, in the course of the session, and the vicissitudes of my hopes and fears as to its issue, looked at that behind the president, without being able to tell whether it was rising or setting; but now, at length, I have the happiness to know that it is a rising, and not a setting sun.' "

On 28 September 1787, the Congress of the Confederation voted to refer the proposed Constitution to the State legislatures for submission to special ratifying conventions. The immediately ensuing campaign for adoption was spearheaded by James Madison, Alexander Hamilton, and John Jay, in the form of a series of 77 essays, known as the "Federalist Papers" and signed in all cases by the fictional "Publius."

During the month of December, 1787, three of the nine States needed for adoption voted to ratify—Delaware, Pennsylvania, and New Jersey, in that order. By 7 February 1788, three more States had ratified—Georgia, Connecticut, and Massachusetts. By 21 June of that year, ratification by the required nine States was completed by the favorable action of Maryland, South Carolina, and New Hampshire. Virginia and New York followed suit within another month. This left only two States still undecided, as of August 1788; of these two, North Carolina voted ratification on 21 November 1789 and Rhode Island belatedly ratified on 29 May 1790.

On 2 July 1788, Cyrus Griffin, the President of the Congress of the Confederation, announced that the Constitution had been ratified by the required nine States, and, on 13 September, the retiring Congress selected New York as the site of the new government and, likewise, set the dates for the election and installation of the new President and Congress.

The Presidential electors, selected in January 1789, cast their votes on 4 February for President and for Vice-President. On 6 April 1789 the ballots were counted in the newly elected Senate, and the results were announced—George Washington elected President by unanimous choice (69 votes); John Adams elected Vice-President (34 votes). John Adams assumed office on 21 April. George Washington was inaugurated as the first President of the United States on 30 April 1789.

AN AMERICAN NATION

As the Revolutionary War was concluding, an English view of the future of America was aptly expressed by an English clergyman, Josiah Tucker:

"As to the future grandeur of America, and its being a rising Empire under one Head, whether Republican or Monarchical, it is one of the idlest and most visionary notions that was ever conceived even by writers of romance . . . The Americans will have no Center of Union among them, and no common interest to pursue, when the power and government of England are finally removed. Moreover, when the intersections and divisions of their country by great bays of the sea and by vast rivers, lakes, and ridges of mountains—and, above all, when those immense inland regions beyond the back settlements, which are still unexplored, are taken into the account, they form the highest probability that the Americans never can be united . . . under any species of government whatever. Their fate seems to be—a disunited people, till the end of time."

Although, at that time, there was ample reason for a pessimistic view of the future of America as a united and successful nation-state, it is ironic that this literate and articulate Englishman should have placed such great and mistaken emphasis upon geographic factors. In point of fact, the greatest obstacle to American unity posed by a geographic factor lay in the territorial disputes among several of the American States in regard to jurisdiction and ownership of great expanses of land west of the Appalachians. Yet, this problem proved speedily solvable even under the Confederation, which climaxed its brief career by adoption of the Northwest Ordinance on 13 July 1787, while the Constitutional Convention was in progress. The lack of a "Center of Union" was the more formidable problem. But that obstacle was also overcome by the development and adoption of the Constitution, providing for a strong Federal Government with limited but direct authority over its citizens.

In the short space of six years, following the successful conclusion in 1783 of the War for Independence, the "disunited" Americans had paved the way for career development of a strong American nation. This was accomplished because there was a *will* among the people for American unity and an American identity—an American *national* identity.

As late as 1790, the year of the first U.S. Census, only 60 percent of the American population was of English stock; as much as 25 percent was of non-English-speaking stock—German, Dutch, French, Swedish, Spanish, and "other." Before the Revolutionary War, Benjamin Franklin, viewing a Pennsylvania that was roughly half German, was apprehensive about the divisive potentialities of language differences. This ethnic and language diversity could have been a very substantial bar to the development of American nationality, but it yielded to the popular will to become American and to become *just* American—without a hyphenated prefix like "German-," or "French-." (My own forefathers exemplified this spirit.)

Religious diversity—always plentiful in the American scene—was reduced to manageable size as a potential for division and disunity by adoption of the First Amendment to the Constitution on 15 December 1791, less than three years after effectuation of the Constitution.

Until the very recent years of the "Warren Court," the personal rights and liberties guaranteed by the First Ten Amendments to the Constitution were interpreted by the Supreme Court in a common-sense manner which strengthened and enhanced the sense of pride in American nationality and the sense of loyalty to its distinctive civilization.

The will and the drive toward American unity and identity has been, at least until the very recent years of "quality education," aided and reinforced by the development of a strong, secular, public-school system. At least until very recent years, the public school contributed immeasurably toward the development of a constructive and capable democratic citizenry—not alone by achieving out of linguistic diversity the world's model of a massive common-language area, but also by actively inculcating an understanding of—and respect for—our political and social institutions.

The result of this American drive has been the most meteoric development of the flourishing civilization the world has ever witnessed.

WHAT OF THE FUTURE?

If the Bicentennial is to have meaning—and not simply be debauched by windy political rhetoric—it should be attended by a re-dedication to the heritage blessed to our use by our founding fathers. That re-dedication must inspire an active will to protect and sustain the sense of American identity and the spirit of assimilation into the American model of civilization. What kind of mockery will we make of our Bicentennial Anniversary if we continue, by our passivity, to permit and encourage the unhealthy growth of ethnic "subcultures" and even "countercultures"? What kind of civilization will we live to see—and regret—if we continue to accept without active protest the implementation of "new thought," that loafers and dead-beats should be handsomely supported and that brutal criminals should not be punished but should be afforded new opportunities.

Is it not timely, on the occasion of the Bicentennial, that an aroused citizenry should bestir itself to demand of our elected officials a more zealous protection of our great American heritage if we are to reward them with re-election to office? Does postal card registration of voters sound like good sense? And, how about printing American ballots in foreign languages? Ask yourself and others, also, whether intolerable mismanagement of the national economy—combining unacceptable levels of inflation with unacceptable levels of unemployment—should be excused and overlooked. Likewise, is it really serving America to impoverish us with ever larger inflationary Government deficits by giving more and more billions of dollars to the Second, Third, and Fourth Worlds?

America was built by do-ers. It is in the process of being un-done by "new thinkers," by special pleaders, and by the heartless, brainless, spineless, and gutless politicians who are allowed to perpetuate themselves in office by serving every welfare except the general welfare.

If we are something more than mere "summer patriots"—to borrow Thomas Paine's epithet—should we not be putting some effort and voice where our mouth is? Is this not the challenge of the Bicentennial, and would it not be the most eloquent expression of the true American spirit—e pluribus unum?

MRS. WILLIAM FRANK BUCKLEY—SOUTH CAROLINA MOTHER OF THE YEAR

Mr. THURMOND. Mr. President, on April 14, 1976, the State of South Carolina honored a most gracious and charming lady by recognizing her as South Carolina Mother of the Year for 1976.

Mrs. William Frank Buckley of Camden, S.C., is the proud mother of 10 children, grandmother of 50, and great grandmother of 10. She is most deserving of this title.

Furthermore, Mrs. Buckley is justified in taking pride in her children. Their handiwork is well documented in the newspapers, television broadcasts, and bookstores of our Nation. On the floor of the U.S. Senate, for example, is one of her sons and one of our distinguished colleagues, Senator JAMES BUCKLEY of New York. In a list of corporate presidents, certainly the name of Mrs. Buckley's eldest son, John, would be among the leaders.

Journalism, literature, and the arts have been special areas of interest to the Buckleys. The other sons and daughters of this eminent family are William F. Buckley, Jr., publisher, television host, and author; Pricilla Buckley, managing editor of National Review; F. Reid Buckley, novelist; Patricia (Mrs. Brent Bozell), editor and publisher; Maureen (the late Mrs. Gerry O'Reilly); Carol (Mrs. Raymond Learsy) of New York, N.Y.; Aloise (Mrs. Benjamin Wade Heath) who died in 1967; and Jane Buckley Smith, associate editor of the National Review.

Prompted by ill health and seeking a warmer climate, the late Mr. Buckley and his wife moved to Camden in the 1930's. After remaining in Camden for several months and meeting its friendly people, Mrs. Buckley states that "we got sand in our shoes and decided to buy a home."

A devout Catholic, Mrs. Buckley has been selected as Catholic mother of the year and will be so recognized in New York City on May 3. She has also been twice named a mother of the year by the Second Presbyterian Church of Camden. She is very active in church and civic activities of her community. Additionally, she has particular interest in the Historical Society and the preservation and restoration of landmarks.

Mr. President, South Carolina is inindeed fortunate to have such a fine lady as its mother of the year. Several articles and tributes to her have appeared in South Carolina newspapers, and I ask unanimous consent that a few of these accounts be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Columbia (S.C.) State, Apr. 5, 1976]

MRS. WILLIAM F. BUCKLEY NAMED MOTHER OF YEAR

CAMDEN.—Mrs. William F. Buckley has been named the South Carolina Mother of the Year for 1976.

Mrs. Buckley will be honored April 14 at the Governor's Mansion.

Mrs. Buckley and her late husband are the parents of 10 children, including well-known writer-editor William F. Buckley Jr. of New York, and Sen. James Buckley, C-N.Y.

She is the second Camden resident in recent years to receive the title.

[From the Camden Chronicle (S.C.), Apr. 9, 1976]

MRS. W. F. BUCKLEY, SR.: CHILDREN ARE JEWELS TO STATE'S MOTHER

Mrs. William Frank Buckley, proud mother of ten children, grandmother of 50, great-grandmother of ten little ones, richly deserves the title—South Carolina's Mother of the Year, 1976.

She wears her mantle of honor lightly however saying it's "still a puzzlement" why she was selected. "I've wondered myself," she chuckles.

One has only to pick up a newspaper, turn a radio dial, or glance at a list of bestsellers, to realize that she is much too modest. Her children are bright stars in the field of journalism, politics, literature and the arts.

Mrs. Buckley will be honored as South Carolina's Mother of the Year on April 14th in Columbia. She'll be awarded a pin and a plaque at the Governor's office at three in the afternoon after which a reception at the Governor's Mansion will compliment her.

Mrs. Buckley has also been selected for a National award—Catholic Mother of the Year—and she'll be recognized on May 3rd in New York City in this capacity.

Being Mother of the Year is not exactly a new experience for Mrs. Buckley. She was twice tapped for this award in years past by the Second Presbyterian Church of Camden. And she shares a delightful anecdote about this: She practiced her acceptance speech in the privacy of her bathroom (or so she thought). Imagine her surprise when, upon completing her speech, she heard applause outside the door! From her husband and four of her children. ("I forgot everything I knew!")

The former Aloise Steiner of New Orleans, La., she was married to the late William Frank Buckley, a lawyer and Texas oil man, who passed away in 1958.

A deep vein of humanitarianism and a sense of noblesse oblige permeates the motivation of their children who have been prominent in the civic, cultural and social life of our country and abroad. The Buckleys' children: Aloise (the late Mrs. Benjamin W. Heath); John—president of the Catawba Corporation, New York City; Priscilla—managing editor of the National Review and a resident of New York City; James—Senator from New York state, practicing attorney, author of "If Men Were Angels"—lives in Washington, D.C.; Jane—Mrs. Jane Buckley Smith of Sharon, Conn.; W. F. (Bill) Buckley, Jr.—publisher of the National Review, host of the acclaimed Firing Line television program, author of the best-seller "Saving the Queen" and now working on another book at the request of the Putnam Company—he lives in Stamford, Conn.. and New York City; Patricia—Mrs. Brent Bozell, lives in Huntly, Va., where she and her husband publish a Catholic periodical; Reid—author-lecturer, lives in Camden, his latest book is "Servants and Their Master"; Maureen (the late Mrs. Gerry O'Reilly); Carol—Mrs. Raymond Learsey, New York City.

Affectionately known as "Mimi" to her children and grandchildren, Mrs. Buckley has a down-to-earth philosophy on child rearing. "We tried never to quarrel in public or in front of our children. We taught them first of all to love God, then their country—to love one another and their families." She remembers Mr. Buckley stressing to the children "You can criticize one another but don't let anyone else do it."

Mrs. Buckley says her philosophy has "worked beautifully"—the success of her children points up this fact.

Pneumonia and other forms of ill health prompted Mr. and Mrs. Buckley to find a warmer climate back in the 1930's. They came to Camden from their home in Sharon, Conn. (which she still maintains as a summer residence) and stayed at the Kirkwood Hotel for awhile.

"After we'd been in Camden two months, we got sand in our shoes," she chuckles.

Following this experience, they had a warm place in their hearts for Camden—but fate intervened and, instead of moving to Camden, the Buckley family went to Europe to live for five years or so.

Living in Europe gave the children "the chance to speak French and Spanish," according to the gracious little lady. Since her husband had his own ideas on education, he secured youngsters—one to teach them proper English, another for art instruction, another for music. "And since we had an excellent French governess, they became familiar with that language," she recalls.

As the months passed, the older children were sent to boarding school in England. Meanwhile, Maureen and Reid were born in France.

It was 1938 before the Buckleys were able to put the wheels in motion to establish a residence in Camden. They bought the antebellum estate, Kamschatka (which had only one bath and "almost no electricity" at that time) and began renovating and restoring it. The family moved in 1941 and it's been home ever since for a large part of the year.

"I fell in love with Camden and its friendly people right away. Mr. Buckley loved this place, too," remarks the articulate Mother of the Year.

Next to her family and her beloved Catholic Church, Mrs. Buckley has been interested in the Historical Society here and concerned with the preservation and restoration of landmarks.

Her hobbies in the earlier years: "having ten children and raising them; traveling—we were always busy, packing and unpacking."

Among today's hobbies are her family and friends and playing bridge.

A warm and friendly person, Mrs. Buckley has graciously opened her home to area residents and tour guests many times.

When chatting with this lovely lady, you find yourself leaning forward so as not to miss a word (spoken so clearly in that marvelous Buckley accent). Her eyes sparkle as she talks, she gestures delightfully with her hands and sprinkles her conversation with anecdotes of family doings over the years.

As I rode home from my interview, feeling reluctant to leave, I was reminded of Cornelia, mother of Rome's most famous tribunes in the second century, who, when asked to display her ornaments said, pointing to her children, "There are my jewels."

To Mrs. William Frank Buckley, our South Carolina Mother of the Year, her children are, indeed, her jewels.

[From the Columbia Record. Apr. 19, 1976]

ALOISE STEINER BUCKLEY

CAMDEN.—"No one has a right to have had as happy a life as I've had," Aloise Steiner Buckley said.

Mother of ten, grandmother of 49 and matriarch of America's leading conservative family, Mrs. William F. Buckley richly deserves the accolade of South Carolina's Mother of the Year for 1976.

Though only a part-time resident of Camden (the Buckley's family mansion is Great Elm in Sharon, Conn.) her heart is in the South. With exceeding candor she admits "the sooner we move away from Connecticut the better." She follows the statement with a laugh, then begrudgingly admits Sharon isn't "so bad" in the summer.

"But, I do so love Camden," she says. "I don't think there is any place lovelier, and my dear, the people here are absolutely the kindest in the world."

Mrs. Buckley sat in the exquisitely furnished drawing room of the Buckley's winter home, Kamtchatka. The three story, wisteria clad home was built by Col. James Chesnut in 1854 and purchased by Mrs. Buckley and the late Mr. Buckley in 1938. "I remember Will came home one day from a trip and said 'My dear, there is the loveliest little town with the most charming motel that you must see.' " She recalled. It wasn't much later he bought the ailing house and together they turned it into a home of elegance and grace.

"After my husband died, I was afraid I would be lonely here, but my youngest son, Reid, and his wife have moved into one of our cottages. I've really been so lucky," she said.

Mrs. Buckley was born in New Orleans in 1895 and schooled in the Southern graces. She attended Sophie Newcomb College until her education was interrupted by romance in the form of Will Buckley. He asked for her hand after one week of courtship, and, when the Buckley and Steiner families had discreetly checked each other out, they were married.

Her Husband, William Frank, Sr., grew up and prospered in the lawless Mexico of the late eighteen- early nineteen-hundreds. From the law firm Buckley, Buckley and Buckley he went into a lucrative oil business, only to lose everything he owned in a hopeless insurrection (led by him) against then revolutionary president of Mexico, General Obregon.

He was forced to flee Mexico under condemnation of death upon his return. He moved to Sharon and worked towards amassing another fortune while Aloise had babies.

The Buckley children dote on their mother, by their own admission. In order of age they are: Aloise (Mrs. Benjamin Wade Heath) who died in 1967; John, manager of a family business in oil exploration and development; Priscilla, managing editor of National Review magazine; James, U.S. Senator from New York; Jane, mother of six and associate editor for National Review; William, editor of National Review, syndicated columnist and host of "Firing Line"; Patricia (Mrs. Leo Brent Bozell), mother of ten and grandmother of four; Reid, novelist and lecturer; Maureen (Mrs. Gerald O'Reilly) who died in 1964 and Carol (Mrs. Raymond Learsy).

"One thing about mother," youngest daughter Carol said, "She is always fun to be with. It is an enjoyable experience, never pressure filled. I try to be that way with my children. They love her too. Every grandchild tries to spend at least half an hour alone with her every time they visit."

Mrs. Buckley is fun to be with. Her relaxed and gracious manner puts a reporter at ease just as it does her family.

"Will and I were always quiet and gentle with the children," she tells. "But more so, we were quiet and gentle with each other. All parents should be that way. When the children see the mother and father love one another well, with a closeness and devotion to each other, it affects them equally well."

Son James, Republican Senator from New York, described his mother as a splendid experience. "She has such a sense of fun and enormous amounts of wisdom, he said. "I hope I am as effective a conveyor belt of fundamental values to my children, as my mother was to hers. By her example and explanations, she forced us to think about values. She's a splendid person."

And a disciplinarian too. "Mother had no patience with a bare-faced liar," daughter Priscilla told. "If we got in trouble she would be very understanding, if we told her the truth. But she had contempt for sneaking, tattletales or malingering. Most of all, though, she's fun."

Mrs. Buckley says the secret to her wonderful life is her faith. She is Catholic, as is the rest of the family. "Once, a sister-in-law observed our mother for a period of time and then announced that mother spent half her time on the scales and the other half on her knees," Priscilla related, laughing. It describes well the tiny, utterly feminine woman who says her family is her life.

"My faith is very strong," Mrs. Buckley

said. "Will used to say if I ever lost my faith, he'd lose his because mine was so strong it affected him.

"Whenever he had trouble with a business deal, we would both pray. One time, he called me in New York and told me one of our biggest deals had fallen through, I went immediately to St. Patrick's Cathedral and prayed 'Lord, Will doesn't know what to do, I don't know what to do—only You know what to do.' I left it in His hands, and the next day, we got financial backing to go on with the deal."

Her children describe her as omni-competent, able to run a household and a large family, yet with the ability to give individual attention to each of the children.

"If you had a problem, or if something was complicated, she would give you a hard-headed way to approach it. If something was unpleasant, she said tackle it immediately or else it becomes worse," Priscilla said. "She acted upon that herself, and everytime I've failed to, I've been in worse trouble."

She is not one to preach, Carol says. "My mother has influenced me by not preaching, but by setting an example. She taught us never to be afraid of making a decision and taking the responsibility for it. If we made the wrong decision, she treated it with a laugh. Now, if our problem is very serious, there is no one better to discuss it with."

The entire family still gets together, grandchildren and all, as often as they can—but especially on Thanksgiving at their Connecticut home.

"Aren't my children lovely?" Mrs. Buckley asks and answering her own question says "Yes, we're a lovely family."

LOWER CONSUMER ENERGY COSTS ARE POSSIBLE THROUGH COAL CONVERSION

Mr. RANDOLPH. Mr. President, coal conversion can reduce consumer electric costs as well as promote greater energy independence. In a report I received on Friday, April 23, from FEA Administrator Frank Zarb, electric utility fuel costs can be reduced in 1980 by approximately $1.74 billion as a result of coal conversion orders issued in 1975 by the Federal Energy Administration. The coal conversion orders were issued pursuant to the Energy Supply and Environmental Coordination Act of 1974, which was recently extended for 2 years by the Energy Policy and Conservation Act.

In response to my letter of March 31, 1976, Administrator Zarb provided me with a progress report concerning implementation of this program, passed by the Congress in response to the October 1973, oil embargo. The importance of this program to the achievement of energy self-sufficiency is set forth in this report, which states:

> It was, and is, clear that the reduction in dependence upon foreign energy is necessary and just as clear that the coal conversion provisions of ESECA are an important tool in regaining this Nation's energy independence. ESECA is based upon expanding the use of U.S. reserves of coal, considering the environmental consequences of that use, and recognizing that, in some cases, previous environmental requirements may unnecessarily preclude the use of coal. Because of these potentially conflicting objectives, ESECA has required close coordination and cooperation between the Federal Energy Administration (FEA) and the Environmental Protection Agency (EPA).

The report also reviews the status of the FEA prohibition orders issued on June 30, 1975, to 74 existing or planned electric powerplants located in 32 generating stations owned by 25 electric utility companies. On April 16, 1976, the Environmental Protection Agency issued proposed compliance date extensions or notification of certification on compliance with air pollution control requirements affecting 21 of these 74 powerplants.

Mr. President, in addition to the fuel cost savings, these coal conversion orders, when implemented, will increase coal demand by an estimated 79 million tons, with an accompanying annual oil savings of 287 million barrels, In addition, approximately 104 billion cubic feet of natural gas will be freed for such other purposes as industries facing curtailments and residential uses. The specifics on these coal conversion orders are set forth in the FEA's April 1976 report.

Summary information also is presented on facilities under consideration for coal conversion orders between now and June 30, 1977. Currently under evaluation are some 169 existing or planned electric powerplants as well as some 560 existing or planned major industrial installations. The FEA's estimate of the potential fuel costs savings for these installations from coal conversion by 1980 could run as high as $2.6 billion annually. This would be accompanied by an increased coal demand of 120 million tons per year, while oil consumption could be further reduced by 1980 by an estimated 387 million barrels annually. In addition, approximately 373 billion cubic feet of natural gas might be made available for other uses.

Mr. President, the importance of coal conversion to reducing consumer energy costs as well as fostering greater energy independence is cogently set forth in the April 1976 report of the Federal Energy Administration. While capital investments will be necessary, this report demonstrates that coal conversion cannot only be cost-effective, but anti-inflationary.

Mr. President, because of the importance of this coal conversion program for American consumers, I ask unanimous consent that the FEA report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[From the Office of Coal Utilization, Federal Energy Administration]

IMPLEMENTING COAL UTILIZATION PROVISIONS OF ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT, APRIL, 1976

The purpose of this report, as was the case in the first formal report to Congress in April 1975, is to review the status and current strategy of FEA's program for implementing the coal utilization provisions of the Energy Supply and Environmental Coordination Act of 1974 (ESECA) (P.L. 93–319) as amended by the Energy Policy and Conservation Act (EPCA) (P.L. 94–163).

This report is organized into three basic sections: introduction and background, activities to date, and near and middle term anticipated activities. The latter two sections are subdivided into utility and non-utility discussions.

I. INTRODUCTION AND BACKGROUND

As stated in the 1975 report, ESECA was passed in response to the October 1973 oil embargo. It was, and is, clear that the reduction in dependence upon foreign energy is necessary and just as clear that the coal conversion provisions of ESECA are an important tool in regarding this Nation's energy independence. ESECA is based upon expanding the use of U.S. reserves of coal, considering the environmental consequences of that use, and recognizing that, in some cases, previous environmental requirements may unnecessarily preclude the use of coal. Because of these potentially conflicting objectives, ESECA has required close coordination and cooperation between the Federal Energy Administration (FEA) and the Environmental Protection Agency (EPA).

The Act, by providing FEA with the authority to require the use of coal by existing and future electric utility powerplants and other major fuel burning installations (MFBI's), will result in a significant decrease in the use of petroleum and natural gas and an increase in the use of our most abundant domestic energy resource.

The potential oil/gas savings associated with each phase of FEA's order issuance authorities are shown in Tables I–1 and I–2. The projections are based upon a moderately funded program compatible with methodologies and procedures developed under the original statute, and are not indicative of the universe susceptible to conversion.

ESECA authorities

Section 2 of ESECA requires FEA to prohibit a powerplant, and provides discretionary authority to prohibit an MFBI, from burning petroleum or natural gas (under certain defined conditions) (i.e. "Prohibition Order"). It also allows FEA to order powerplants and MFBI's in their "early planning process" to be designed and constructed with the capability to use coal as their primary energy source (i.e., "Construction Order"). In addition, and to the extent necessary to carry out the purpose of the Act, FEA also has authority to allocate coal.

The above authorities to issue orders expire June 30, 1977, and the authority to amend, rescind, modify, and enforce such orders expires December 31, 1984.

Section 3 of ESECA amended the Clean Air Act to require the Environmental Protection Agency to participate in the above process to ensure that the burning of coal would not be detrimental to air quality.

Prohibition orders

Before FEA can issue a Prohibition Order, it must determine that the powerplant or MFBI possessed the necessary equipment and capability to burn coal on June 22, 1974, or acquired it thereafter. In making that determination, FEA assesses among other things, the existence of certain necessary coal handling facilities and appurtenances such as adequate facilities for the storage of coal, and equipment such as a boiler, unloaders, conveyors, crushers, pulverizers, scales, burners, soot blowers, and special coal burning instrumentation and controls. The absence of any one or combination of these facilities or equipment is not conclusive that the powerplant or MFBI lacks the capability and necessary equipment to burn coal. In addition to that determination, FEA must also find that:

The burning of coal at the facility is practicable and consistent with the purposes of ESECA;

Coal and coal transportation facilities will be available for the period the order is in effect; and

In the case of a powerplant, the order will not impair the reliability of service in the area served by the converting powerplant.

The formal proceedings that result in the issuance of a Prohibition Order are initiated by the publication in the Federal Register of a "Notice of Intention to Issue Prohibition Orders" (NOI). The purpose of the NOI is to provide the utility or MFBI owner, and other interested persons, with the opportunity to make written and oral comments on FEA's findings. The NOI contains the proposed findings and supporting rationale, as well as instructions for the submission of written comments and the date, time and place of the public hearing.

After considering the information submitted in response to the NOI, FEA determines whether it should issue the Prohibition Order, and then issues the order if appropriate.

Procedures for making the prohibition order effective

The Prohibition Order, and the resultant required burning of coal, does not become effective until the issuance of a "Notice of Effectiveness" (NOE). That NOE cannot be issued until; (1) the Administrator of the EPA, pursuant to section 3 of ESECA, either (a) notifies the FEA that the powerplant or MFBI will be able on and after July 1, 1975, to burn coal and to comply with all applicable air pollution requirements, without a compliance date extension, or (b) certifies the earliest date that the powerplant or MFBI will be able to burn coal and comply with all applicable air pollution requirements of section 119 of the Clean Air Act (section 3 of ESECA); and (2) FEA has completed the environmental analysis required by the National Environmental Policy Act of 1969 (NEPA). The Environmental Protection Agency's authority to grant compliance date extensions under ESECA expires January 1, 1979.

As part of the certification process mentioned above, ESECA may require EPA, to issue a "compliance date extension" to a recipient of an FEA Prohibition Order. The issuance of a compliance date extension means that the powerplant or MFBI will not, until January 1, 1979, be prohibited by reason by the application of any air pollution requirement, from burning coal available to it.

A compliance date extension may be issued to a powerplant or MFBI that receives an FEA order and is converting to coal only if:

EPA finds that the powerplant or MFBI is not able to burn coal available to it in compliance with all applicable air pollution requirements without a compliance date extension;

EPA finds that the powerplant or MFBI will be able to meet emission limitations imposed by section 119 of the Clean Air Act during the period of the compliance date extensions; and

The powerplant or MFBI has submitted a compliance plan that the EPA has approved and that will insure the achievement, upon expiration of the compliance date extension, of the most stringent degree of emission reduction that would have been required under the State Implementation Plan (SIP) in effect on the date that the powerplant or MFBI submitted its application for the compliance date extension.

Within 90 days of the issuance of a Prohibition Order, the powerplant or MFBI must submit to EPA either an application for a compliance date extension together with a prepared plan that includes the necessary steps that must be taken to meet all applicable air pollution requirements, or documentation that the powerplant or MFBI will be able to burn coal and comply with all applicable air pollution requirements without a compliance date extension. Thereafter, EPA must:

Issue a notification that the plant can burn coal on and after July 1, 1975, without a compliance date extension;

Issue a certification that the plant will be able to burn coal in compliance with all applicable air pollution requirements at a specified date on or after January 1, 1979; EPA will not enforce compliance, and FEA will assume the compliance enforcement function; or

Publish a notice in the Federal Register of a proposed compliance date extension.

Before issuing the compliance date extension, EPA must afford an opportunity for the oral and written presentation of data, views and arguments regarding such compliance date extension. At the conclusion of the proceeding EPA must certify the earliest date that the powerplant or MFBI can meet the applicable requirements of section 119.

Section 119 further establishes the procedures and authorities for EPA to enforce the provisions of its notification/certification and provides that EPA shall certify to FEA that the Prohibition Order will not be in effect during a period for which EPA finds that: "the burning of coal by the powerplant or MFBI will result in an increase in emissions of any air pollutant for which national ambient air quality standards have not been promulgated (or an air pollutant that is transformed in the atmosphere into an air pollutant for which such standard has not been promulgated), and that such increase may cause (or materially contribute to) a significant risk to public health." (The pollutants that could be involved in this restriction include sulfate particles, sulfuric acid aerosols, nitrates, cadmium, particulate polycyclic organic matter, and arsenic).

Construction orders

FEA may require powerplants or MFBI's in the early planning process (other than combustion gas turbines or combined cycle units) to be designed and constructed so as to be capable of using coal as the primary energy source.

However, no such order may be issued if FEA finds that (a) in the case of a powerplant, such order is likely to impair the reliability or adequacy of service, or (b) an adequate and reliable supply of coal is not expected to be available.

Furthermore, in considering the desirability of issuing such an order, FEA must consider the existence and effects of any contractual commitment for the constuction of such facility, and the ability of the owner to recover any capital investment made as a result of a Construction Order. NEPA requirements must be met before Construction Orders may be made effective, although EPA certification is not required.

NEPA requirements

Section 102(2)(C) of NEPA requires Federal agencies to prepare an Environmental Impact Statement (EIS) for "major Federal actions significantly affecting the quality of the human environment." Because a Prohibition Order is not effective until and unless an NOE is issued, FEA has determined that for purposes of its environmental analysis, the major federal action with respect to a Prohibition Order or Construction Order is the issuance of an NOE.

In regulations published on May 9, 1975 (10 C.F.R. 305.9), which implemented FEA's grant of authority under section 2 of ESECA, FEA stated the procedures it will follow to insure that the process of issuing and making effective Prohibition Orders complies with NEPA. As required by the regulations, a programmatic EIS has been prepared for the coal utilization program (FES 75-1, April 25, 1975). The EIS deals with the environmental impact of the program as a whole.

The regulations provide that FEA will conduct a site-specific environmental analysis of the impact of each NOE. The product of the analysis will be either (1) a declaration that a specific Prohibition Order or group of Prohibition Orders will not, if made effective by a NOE, be likely to have a significant impact on the quality of the human environment; or (2) an EIS covering those significant site-specific impacts, not adequately discussed in the programmatic EIS, which would likely result from making effective a Prohibition Order or group of Prohibition Orders.

This methodology for ensuring NEPA compliance was developed after consultation with representatives of the President's Council on Environmental Quality (CEQ), the EPA, the Department of the Interior, and the Department of Commerce. The full description of the NEPA procedures was published in the *Federal Register* on August 14, 1975 (40 F.R. 34194).

Coal allocation orders

FEA may allocate coal (a) to any plant to which a Prohibition Order has been issued or (b) to any other person to the extent necessary to carry out the purposes of the Act. In addition, if EPA issues a "fuel exchange" order for the purpose of avoiding or minimizing adverse impacts on public health and welfare of certain actions under ESECA and the Emergency Petroleum Allocation Act, FEA must exercise its coal allocation authority in order to require the exchange, unless FEA finds that the costs or consumption of fuel would be excessive.

TABLE I-1.—COAL CONVERSION PROGRAM IMPACT

Utility	Orders issued: Number of sites	Orders issued: Number of units	Impact of orders: Capacity affected mWe	Savings per year[1]: Oil (10^6 barrels)	Savings per year[1]: Natural gas (10^9 ft^3)	Equivalent coal demand (10^6 tons per year)	Conversion cost (million)	Fuel savings per year (million)
Prohibition	32	74	11,300	77	104	26	$300	$570
Construction	47	74	25,000	[2] 210		53	0	[2] 1,170

	Number of sites	Number of units	Capacity affected mWe	Savings per year[1]: Oil	Savings per year[1]: Natural gas	Equivalent coal demand	Conversion cost	Fuel savings per year
Potential orders by June 30, 1977:								
Prohibition	39	69	9,100	74	11	21	970	460
Construction	60	100	30,000	[2] 252		63	0	[2] 1,390
MFBI:								
Prohibition	160	425	16,300	50	240	25	570	520
Construction	50	135	7,100	11	122	11	890	[2] 230

[1] Annual savings by 1980.

[2] Equivalent all oil fired (some plants were previously scheduled for coal capability).

TABLE I-2.—TOTAL ESECA ORDER UNIVERSE

Utility	Number of sites	Number of units	Capacity affected mWe	Savings per year [1]		Equivalent coal demand 10^6 tons per year	Conversion cost (million)	Fuel savings per year (million)
				Oil 10^6 barrels	Natural gas 10^9 ft^3			
Prohibition	71	143	20,400	151	115	47	$1,270	$1,030
Construction	107	174	55,000	[2] 462		116	0	2,560
Subtotal	178	317	75,400	613	115	163	1,270	3,590
MFBI:								
Prohibition	160	425	16,300	50	240	25	570	520
Construction	50	135	7,100	11	122	8	890	230
Subtotal	210	560	23,400	61	362	33	1,460	750
Total	388	877	98,800	674	477	196	2,730	4,340

[1] Annual savings by 1980.

[2] Equivalent all oil fired (some plants were previously scheduled for coal capability).

II. FEA ACTIVITIES TO DATE

FEA's initial ESECA efforts have been directed toward the accomplishment of three general program objectives. The first activity was to conduct the background engineering, environmental, and economic analyses required to implement the Act. FEA relied upon expert consultants to supplement its own expertise in the development of analysis methodologies and data. The second broad objective was to develop and promulgate regulations required by the Act, and the third was to publish a Programmatic Environmental Impact Statement. The proposed regulations were published in the *Federal Register* on February 5, 1975; and the final regulations were published on May 9, 1975. The final Environmental Impact Statement was made available to the public on April 25, 1975.

The background analyses were based upon the four different types of savings that could be achieved by: (1) converting existing powerplants from oil and gas to coal, (2) ensuring that existing powerplants do not convert from coal to oil, (3) requiring utility powerplants in the "early planning process" to have the capability to burn coal as their primary energy source, and (4) converting other major fuel burning installations to coal. For each of the four areas, the background analyses focused on (a) the potential oil savings, (b) the findings FEA would have to make to issue an order (e.g., practicability, reliability, coal supply), and (c) an assessment of the environmental effects of such orders.

Ordering activities

Converting Existing Powerplants From Oil and Gas to Coal. The potential savings from converting existing powerplants from oil and gas to coal is significant.

Through a lengthy review of data relating to the 725 generating stations which responded to a Federal Power Commission's Emergency Fuel Convertibility Questionnaire, the FEA identified units located at eighty (80) stations which were currently burning oil or gas but capable of burning coal as a primary energy source.

On June 30, 1975, FEA issued Prohibition Orders affecting seventy-four (74) powerplant units located at thirty-two (32) generating stations owned by twenty-five (25) utility companies. As of April 16, 1976, EPA has issued proposed compliance date extensions or notifications/certifications affecting 21 of the 74 powerplants. The status of EPA action under section 3 of ESECA for the powerplants is as follows:

Notices of proposed rulemaking for compliance date extensions affecting 6 powerplants have been published in the *Federal Register*;

Final notifications/certifications affecting 15 units have been issued by EPA. FEA presently plans to meet its NEPA responsibility by issuing seven site-specific EIS's and preparing twenty-five Environmental Assessments to determine whether EIS's are appropriate. The tentative schedule for issuance of Notices of Effectiveness (NOE's) anticipated for the 74 Prohibition Orders is:

NOE's affecting 17 units at 10 stations (that can be fully converted and burning coal by January 1, 1979) issued by October 1976;

Depending upon the timeliness of rulemaking actions discussed above, NOE's affecting approximately 33 units at 12 stations (which can probably be converted prior to January 1, 1979) could be issued by FEA beginning October, 1976;

NOE's affecting 24 units located at 10 stations (which could not convert until after January 1, 1979) probably cannot be issued until FEA regulations are modified to permit FEA enforcement of ESECA beyond January 1, 1979. Accordingly, best estimates as to NOE timing for these units is March, 1977.

Ensuring that Existing Powerplants Do Not Convert From Coal to Oil. During the late 1960's and early 1970's, many powerplants converted from coal to oil, particularly on the East Coast. Since EPA cannot issue compliance date extensions under ESECA to facilities currently burning coal, ESECA is ineffective to prevent such coal to oil switches before they occur.

Requiring New Powerplants To Have The Capability To Burn Coal. During those late 1960's and early 1970's, while coal-fired powerplants were being converted to oil, utilities were also building new plants to burn oil. In 1970, only 40 percent of new boiler orders provided for coal firing capability. In 1974, however, in response to the natural gas shortages and increased price of oil, 97 percent of new boiler orders provided for coal firing capability.

To avoid further deterioration in coal firing capability, FEA, on June 30, 1975, issued Construction Orders affecting 74 powerplants at 32 generating stations requiring that upon commencement of operations the units be fully capable of utilizing coal as a primary energy source.

Converting MFBI's From Oil and Gas to Coal. Unlike the utility powerplant sector, data indicating the location of MFBI's of certain size categories and their convertibility to coal firing was not readily available to FEA. Therefore, FEA began its MFBI program from ground zero. The following is indicative of the activity to date:

For the purposes of ESECA, FEA has determined an MFBI to be a unit or facility other than an electric utility powerplant where the design firing rate is equal to or in excess of 100,000,000 Btu/hr.

The far reaching data system necessary to support the selection and analysis of MFBI candidates has been established through the development and promulgation of an industrial coal capability questionnaire. The data base presently contains information pertaining to the convertibility of 6300 individual MFBI units and 3500 facilities exceeding the established firing rate threshold. This study, by necessity, included a variety of activities, ranging from establishment of contacts with trade organizations, the American Boiler Manufacturers Association, the National Association of Manufacturers, and a host of other groups, to obtain their views on the questionnaire, to a detailed analysis of the 3500 installation. The data system and candidate selection methodologies are discussed in greater detail in Section III of this report.

As a natural spin-off of the non-utility universe definition, FEA has compiled an extensive inventory of federal facilities and is proceeding with analysis of these sites. Further, the FEA is working closely with representatives of various federal agencies to expedite increased coal consumption at existing federal facilities and to ensure that future installations are designed with an ability to utilize coal as a primary energy source.

In summary, the FEA has taken a complex, totally new program and is implementing it in what it feels is the most expeditious method possible. Much progress to data has by necessity been foundational or procedural. The sections which follow will detail the results that can be expected from that preliminary effort.

III. ANTICIPATED ACTIVITIES

A. Utility powerplant future activities

Prohibition Orders

Future activities in implementing FEA's renewed ESECA authority through the issuance of orders prohibited certain categories of electric utility powerplants from burning natural gas and oil as a primary energy source are a continuation of the original ESECA efforts.

After the President signed the Energy Policy and Conservation Act (EPCA), FEA began actions necessary to continue the implementation of the ESECA Program through the issuance of additional Prohibition Orders.

Those actions are specifically:

1. To conduct the necessary engineeering, environmental, and economic analyses to support the previously stated findings:

That the plant (or unit) had as of June 22, 1974, or thereafter acquired, the capability and necessary equipment to burn coal;

That the burning of coal is practicable and consistent with the purposes of the Act;

That coal and coal transportation facilities will be available during the period the order is in effect; and

That a Prohibition Order will not impair the reliability of electricity service.

2. To review findings and to make selection of candidates to receive Notices of Intent and subsequent Prohibition Orders. The selected candidates fall into two categories based on the difficulties of the anticipated conversion.

The first category consists of powerplants that are able to convert to coal prior to December 1, 1978. These are generally powerplants that can burn low sulfur coal or have adequate precipitators to ensure that Federal and State air quality standards and emission limitations are not violated. These plants are scheduled to receive Notices of

Intent to Issue Prohibition Orders in the summer of 1976. Following regional hearings, a public comment period, and a reconsideration of findings in light of new information developed during this period, Prohibition Orders will be issued where appropriate.

The second category is composed of plants that will not be able to convert to coal burning until after December 31, 1978, due to construction lead times, equipment availability, and coal supply problems. Plants in this second category cannot meet Federal and State air quality standards without substantial investment and construction efforts needed to equip the powerplants with new precipitators or flue-gas desulfurization systems. These powerplants are scheduled to receive NOI's in the fall of 1976. Again, following required hearings and a public comment period, FEA will make a final analysis prior to issuance of a Prohibition Order.

Construction Orders

On June 30, 1975, the FEA issued Construction Orders to 41 companies requiring that 74 proposed new powerplants at 47 generating stations be built with the capability to burn coal as the primary energy source. These 74 units of 25,000 MW capacity are expected to burn 53 million tons of coal per year when they are operational. This amount of coal is equivalent to approximately 210 million barrels of oil per year. Construction Orders affecting the 74 units are under study by the FEA in compliance with the National Environmental Policy Act (NEPA). Upon completion of this analysis, the FEA will issue the appropriate Construction Order recipients Notices of Effectiveness (NOE's) that will name the date at which each unit must be capable of burning coal as the primary energy source. The FEA is also studying the issuance of Prohibition Orders to the Construction Order recipients to provide assurance that coal will be burned at these units.

In addition, the FEA is proceeding with the necessary analysis prior to issuance of a second round of Construction Orders. The list of candidates have been developed from three sources: (1) continued review of the Form C-603-S-O, "Identification Report of Powerplants in the Early Planning Process," received last year and used primarily to identify Round I candidates; (2) Federal Power Commission listings of projected powerplants in various stages of construction planning based primarily on Form R-362, Form 12E, and Form 67; and (3) information reported to the National Electric Reliability Council (NERC).

Certain Construction Order candidates have indicated intent to burn oil, gas, or a combination. Each of these units will require an in-depth analysis of the effects that issuance of a Construction Order and the Notice of Effectiveness will have. If a Construction Order is to be issued, the primary findings that will have to be established by the FEA are that:

There is not likely to be an impairment of the reliability or adequacy of service to be provided by the powerplant; and

There is reasonably expected to be an adequate and reliable supply of coal and coal transportation facilities available.

Several other important considerations are taken into account by the FEA before making its decision:

The existence and effects of any contractual commitment for the construction of the powerplant;

The capability of the powerplant to recover any increase in projected capital investment required as a result of a Construction Order;

The potential loss of revenue resulting in a delay in the commencement of the sale or exchange of electric power; and

The relevant regulations or policies of any State or local agency with jurisdiction over the sale or exchange of electric power by powerplants.

Construction Orders issued to units previously intending to burn oil, gas, or a combination of oil and gas might require EIS's to comply with the requirements of the National Environmental Policy Act.

Certain candidates are expected to be coal-fired plants. Issuance of a Construction Order will assure that the construction plans are not substantially altered away from coal burning.

The units presently being studied for Round II Construction Orders will involve a total of 30,000 MW's requiring approximately 63 million tons of coal per year. This amount of coal is equivalent to about 252 million barrels of oil per year.

It is anticipated that analyses to support the required ESECA findings will be complete this summer in order to issue second round Construction Orders.

Other major Construction Order related efforts under way in the Office of Coal Utilization are:

An update of FEA regulations to reflect the extended order issuance and enforcement authorities and other new authorities granted by the Energy Policy and Conservation Act.

A reconsideration of the legal definition of "combined cycle."

The design of a system of routine reporting for identification of powerplants in the early planning process.

Historical Coal Burners

In order to comply with environmental regulations, powerplants which have traditionally been coal burners are inclined to convert to oil rather than undertake the required investment in pollution control equipment. Tight capital markets which limit the availability of investment capital, and the ability to pass oil prices through to the electricity consumer, contribute to this situation.

The Office of Coal Utilization is establishing procedures to identify powerplants which may be inclined to convert from coal to oil. In coordination with the EPA, we are attempting to remove the incentive for these conversions, encourage the investment in pollution control equipment, and encourage modification of fuel adjustment clauses to permit the utility company to retain fuel costs savings to offset the necessary investment. In addition, we are establishing procedures to add powerplants which do switch from coal to oil to our list of future oil to coal conversion candidates, and subject them to the ESECA process.

B. Major fuel burning installation (MFBI) future activities

Introduction

The major thrust of FEA efforts to date in the MFBI area has been to evaluate and assess the responses from industrial and federal facilities to the 1975 MFBI questionnaire. The MFBI survey was initiated with the primary purposes of establishing estimates of potential oil and gas savings in the industrial sector through implementation of the ESECA program and of identifying potential candidates for Prohibition Orders.

While the question of extension or expansion of FEA's order-issuing authority was debated from July to December, 1975, the MFBI survey was being analyzed to identify the scope and difficulties of implementing any such program.

MFBI Survey Findings

Universe:

822 parent companies responded to the survey, identifying 3482 installations and 6289 MFBI combustors (i.e., with a design firing rate of 100 million Btu/hr or more).

Fuel use and selection patterns:

Of all combustors reported on the survey, 47% burn natural gas, 20% oil, 19% coal, and 14% select an "other" fuel as a primary energy source.

For fossil-fuel combustors reported on the survey, natural gas accounts for 52.5% of consumption, coal for 27%, and oil for 20.5%.

Over 89% of the oil and natural gas burned in coal-designed units is used as boiler fuel. The remainder is consumed in industrial processes.

MFBI combustor characteristics:

Type. Boilers constitute 67% of all MFBI combustors reported on the survey, and represent 83% of surveyed combustors that are designed for coal use.

Size. Over 80% of all MFBI combustors reported on the survey have a design firing rate of 300 million Btu/hr or less.

Of 131 combustors reported to be independently planning conversions to coal (not all of which are coal-capable), more than 80% have a firing rate capacity of less than 250 million Btu/hr.

Age. About 50% of the MFBI's reported on the survey have been installed since 1960, and more than 20% of all units have been installed in the 1970's alone. Over 400 coal-designed MFBI units built before 1940 are still in operation.

Geographic considerations: Concentrated Consumption.

Six states account for 52% of the total fossil-fuel consumed by MFBI combustors surveyed.

Three states account for 53% of the natural gas consumed by MFBI combustors surveyed.

Five states account for 54% of the coal consumed by MFBI combustors surveyed.

Ten states account for 53% of the oil consumed by MFBI combustors surveyed.

Industry considerations.

Primary metals, chemicals, and petroleum refining consume 53% of all MFBI fossil fuels.

"Primary metals" consume the highest portion of coal (20%) among the MFBIs, "paper" burns 20% of the oil, and "chemicals" consume almost one-fourth of the natural gas.

Prohibition of oil and gas:

Of all combustors reported on the survey 947 were designed or modified to burn coal but did not burn it as a primary fuel in 1974. (hereafter referred to as "coal-capable" units).

The 947 combustors annually consume 66 million barrels of oil and 292,801 million cubic feet of natural gas, or the equivalent of 325,000 barrels of oil per day.

Coal-capable combustor trends.

Coal-capable combustors are considerably older than the average MFBI combustor; almost half of the coal-capable units were built before 1950.

Only 4.7% of combustors built in the 1970's selected coal as their primary fuel, and only an additional 2.4% installed the capability to burn coal as an alternate fuel.

Analysis of Survey Findings

The MFBI study indicates that the potential gas and oil savings in industry through an order-issuing program could make a significant contribution to the goal of energy independence, although individual, in-depth studies may result in the elimination of a large number of potential candidates from consideration, due largely to environmental, economic, technical, and coal supply and transportation factors.

Two current trends affecting potential oil and gas savings in industry deserve attention. First, among existing MFBIs, declining availability of natural gas as a viable energy source for many industrial applications may adversely impact attempts to increase national energy self-reliance. The overwhelming propensity among industrial gas consumers to install oil-firing as their alternate capability (if they have not already done so) has been identified not only in the MFBI survey but also in independent studies of the industrial sector.

A second trend is the declining rate of new MFBI combustors built to include coal-firing capability. Tables III–1 and III–2 map the decade-by-decade decline in both the installation of coal designed units and coal consumption in the MFBI sector. The disproportionately older age of most coal-designed units in industry strongly suggests that, other factors remaining equal, future demand for oil and gas will be increasing as the aging coal units are retired. The implementation of EPCA authorities permitting FEA to issue Construction Orders mandating the installation of coal-firing capability in the MFBI sector for combustors and installations in the "early planning process" should be instrumental in substantially reversing this trend.

Coal is the most frequent substitute for oil and gas in industry and, by and large, served as the focus of the MFBI survey. Nevertheless, the primary objective of an ESECA-styled program is the prohibition of the use of two scarce fuels and not the dictated use of any one alternative energy source. Almost 15% of all MFBI combustors currently utilize something other than fossil fuels for their primary fuel. The use of municipal wastes, wood products, waste heat recovery systems, industrial by-products, etc. should be considered as alternatives to oil and gas where it is in the best interests of the installation.

Planned Prohibition Orders

FEA is currently undertaking in-depth technical, financial, and environmental analyses of a selected group of industrial facilities under consideration for Prohibition Orders. Having reduced the original MFBI universe of 6500 combustors (at 3500 sites) to 947 units (at 350 sites) capable of conversion to coal, FEA is focusing its initial series of site-specific studies on approximately 425 combustors at 160 sites. The projected annual savings achievable in converting these units is approximately 50 million barrels of oil and 240 billion cubic feet of natural gas by 1985.

FEA has sent a questionnaire, designed to obtain detailed information from the 160 sites, to GAO for review. While awaiting their formal approval, FEA is further refining the list of potential candidates through the application of a matrix of variables intended to rank-order the industrial facilities. Approximately 40 sites will be added to the list of potential candidates as additional criteria are applied. Concurrently, FEA regional offices will begin coordinating with EPA regional and state environmental agency officials to identify state and local environmental regulations applicable to the potential candidates.

Following receipt of responses to the questionnaire from the 200 sites, FEA will assign contractors to begin site-specific analyses. The results of these efforts will form the factual basis for final candidate selection. Publication of the first MFBI Notices of Intent (approximately 80) and the accompanying findings is anticipated before the end of the calendar year.

Federal facilities are also being carefully examined to identify existing sites and combustors capable of using fuels other than natural gas or petroleum products. FEA is currently meeting with officials from various federal agencies to establish timetables for conversion away from these scarce fuels.

Construction Orders

The Energy Policy and Conservation Act granted FEA the authority to issue orders to MFBIs in the "early planning process" mandating that they include the capability to burn coal as their primary energy source. Approximately 250 new MFBI-sized combustors are installed each year, representing a maximum annual potential savings of the equivalent of 31 million barrels of oil if all petroleum and natural gas consumption by these units were diverted to alternate fuels.

FEA has taken steps to implement this new authority by distributing a draft "early planning process" questionnaire to industrial concerns and other federal agencies for comment as required under GAO regulations. Their remarks are now being collected and incorporated into a new version of the questionnaire scheduled for delivery to GAO in late May. Administrative procedures capable of expeditiously handling the responses from industry (once the questionnaire has received GAO approval) are now being established

Discussions with other federal agencies have revealed their strong commitment to install coal-firing capability in new units wherever feasible. For example, the General Services Administration has recently filed with FEA their intention to install a coal- and paper-fired capability in two of their new units designed for installation in 1979 at the Washington, D.C. Central Heating Plant.

Historic Coal Burners

The requirement to comply with federal and state environmental regulations constitutes an important consideration in the conversion of industrial sites away from coal. FEA has identified 35 combustors undergoing such a conversion and has initiated steps to categorize them as potential candidates for Prohibition Orders. There are undoubtedly many more such units, however, and FEA is currently establishing means by which to identify them.

WHY SMALL BUSINESS MAY FIND FEDERAL AID HARDER TO GET

Mr. SPARKMAN. Mr. President, the Select Committee on Small Business, on which I am privileged to serve as ranking majority member, and in accordance with its oversight responsibilities, has been undertaking a complete review of each program of the Small Business Administration. In the past 12 months, 20 oversight hearings have been held by the committee on this agency, with an additional dozen or so to come. Together with other members of the committee, I will be cochairing at least six of the hearings during the next several months.

The major financial assistance program of the SBA is its 7(a) program, which the committee continued reviewing this year. During the February 23 session on 7(a) oversight, the committee received testimony on an investigative report by the General Accounting Office of this particular program. Further hearings on the 7(a) overview will be held on May 14 and 21, 1976.

Mr. President, in this connection an excellent article in the U.S. News & World Report of May 3, 1976, entitled "Why Small Business May Find Federal Aid Harder To Get" is most timely, as the Select Committee on Small Business continues its oversight hearings of the Small Business Administration.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the U.S. News & World Report, May 3, 1976]

Why Small Business May Find Federal Aid Harder To Get

Loans that went sour . . . Abuses by banks . . . Subsidies for the rich—after millions in losses, the U.S. gets tough on big lending program.

With the economy perking up, more small businessmen will want Government-backed loans to start up companies or expand them in coming months.

But Uncle Sam will be a lot more leery than in the past about who gets this aid.

Congressional auditors have just blasted the Small Business Administration for its lax handling of loans.

They questioned an array of lending practices that may already have cost taxpayers many millions of dollars.

The SBA is an independent agency designed to help small business. One way is by guaranteeing bank loans that private financiers consider too risky to make on their own.

The agency can back up to 1.5 billion dollars a year in its largest program, called "7(a) loans."

Investigators of the General Accounting Office randomly reviewed 980 of these 7(a) loans approved by 24 SBA offices from July, 1970, to June, 1974.

They found that things had gotten out of hand.

Examples are packed into a 120-page report which the Comptroller General delivered to Congress.

CREDIT-ABILITY GAP

Nearly 9 percent of SBA loans go sour, the report claims. The figure would look even worse except that SBA tends to keep a lot of uncollectible loans on its books, instead of promptly charging them off as losses.

As of last June, 8.8 percent—or 344.1 million dollars—of the SBA's outstanding loans were in the "trouble area." That means they were delinquent by at least 60 days or were actually being liquidated. Later figures show problem loans grew still more by the end of January of this year, to 9.2 percent of some 85,000 loans of the 7(a) type.

Such loss and trouble rates "would be intolerable for a commercial lending institution," the GAO declared.

In about 1 of every 5 loans, the study continues, the SBA failed to size up adequately the financial shape of the borrower.

Many loans went to relatively wealthy businessmen—people who could have borrowed from other sources but instead turned to the SBA to get loans at lower interest rates.

These rates currently have a lid of 10½ per cent a year and often go much lower. The average interest rate on a nonguaranteed loan by a bank to its best small-business customers is below the SBA ceiling, but loans to high-risk borrowers are usually much costlier.

Applicants for SBA-backed loans are supposed to prove they cannot scrape up the money elsewhere.

One man with a net worth of about a million dollars got a guaranteed loan of $70,000. His bank already had O.K.'d a regular loan of that amount, but he went to the SBA in order to get a lower interest rate.

In another case, a taxpayer-backed loan of $120,000 went to a small manufacturing partnership. The partners had annual incomes of $91,000 and $80,250. Their combined personal net worth was $870,313. And they had cash and marketable securities totaling $60,181.

Questionable approvals of financial aid to unreliable applicants also were noted. Loans were made even when there was serious doubt they would be paid back.

An electrician, whose personal expenses and obligations exceeded income by about

$122 a month, got an SBA loan of $156,645 to buy a tavern.

Profit projections that the electrician included with his application made no subtractions for taxes, depreciation or withdrawals by the owner. But the projections were not questioned. The SBA eventually had to write off the loan.

Government-backed loans did not always go for what they were assigned, either. The SBA, it turned out, verified the use of only 1 of every 7 loans.

The agency, which usually assumes 90 per cent of the loss from a borrower's default, relied mostly on banks to decide whether borrowers had sufficient collateral and to check on whether they actually used the money as intended.

Many persons borrowed for what appeared to be legitimate purposes, then used the funds for other things: to cover their living expenses in some cases, to pay off bank loans in others.

BANK ABUSES

Government investigators unfurled plenty of evidence that commercial banks used the SBA, in effect, as a way of bailing out their own bad decisions on loans.

Banks got some of their shakiest borrowers to draw SBA-type credit for such things as "machinery" or "inventory."

Then the banks creamed off enough of the funds to recover their own credits. In many cases, the borrower went broke, leaving the SBA and the taxpayer holding the bag.

Of the 980 loans sampled by GAO probers, 202 were used to repay debts owed to banks participating in the loans. An additional 217 loans were used to pay debts owed other creditors, including nonparticipating banks.

The GAO report tells how a bank president wrote three Congressmen complaining that the SBA refused to approve a loan to a proprietor of a grain elevator on the ground that the applicant lacked ability to repay.

The Congressmen relayed the letters to SBA officials. The SBA then reversed itself and guaranteed a $300,000 loan, even though no additional evidence was furnished to show that the proprietor could repay.

The borrower used nearly half of the money to pay off notes and interest to the bank that had appealed to the Congressmen—this, even though the loan application listed the debt to that bank as only $10,000. A year and three months after SBA approved credit to the grain-elevator man, the loan was placed in liquidation.

GAO's comment: "In our opinion, the approval of this loan resulted in a bank bailout."

Many beginning entrepreneurs could have been rescued from financial peril, the report claims, but the agency gave them only slipshod help in managing their firms.

SBA officials concede that the bulk of the accusations against them are valid. But they say it is unfair to compare the default record of SBA-backed loans with those of commercial lenders. Government-backed loans are intended for the higher risks that cannot get credit readily without federal help.

Further, SBA officials argue, Congress overburdened the agency with programs at a time when SBA staffs were being reduced.

Scores of SBA employes were diverted from the shepherding of 7(a)-type loans to the handling of special loan programs for victims of Hurricane Agnes during the period examined.

TIGHTER CONTROLS

Today, officials insist, the SBA is a different agency with many new faces, including a new Administrator, Mitchell P. Kobelinski. He formerly was a director of the Export-Import Bank of the United States.

SBA's full-time staff has been expanded by 200 over the past two years to a total of 2,400. Officials expect to add another 250 employes in the fiscal year that begins July 1. Training programs have been improved.

Also, SBA has started up programs at 385 colleges to help keep SBA borrowers afloat. Some 25,000 students and 2,000 professors volunteer their skills in many management areas, such as accounting, finance and modern decision-making techniques. The agency is changing its tactics in other ways, too. Officials vow that future guarantees of loans will go only to qualified businessmen for legitimate purposes.

Controls have already been tightened, these officials say. Special inspectors are now assigned to each of the 91 cities where the SBA has field offices. A team of roving portfolio reviewers has been expanded to keep loan officers on their toes.

Other steps are being planned. And an SBA aide promises: "The next time Congress or anybody checks up on us, they'll get a picture that's much more appealing."

None of this means that the SBA is going to choke off credit to truly deserving firms, the agency asserts.

SBA loans fell off considerably during the recession. But for a year now, the agency has been issuing approvals at a rate of about 128 million dollars a month, close to its limit.

The business recovery is expected to spark much more demand for credit, so the SBA is hoping Congress will give it additional funding for the rest of this year and raise its loan ceiling in July.

SENATE WIVES SPONSOR SEMINAR ON CANCER PREVENTION AND CURE

Mr. RANDOLPH. Mr. President, we know that despite the monumental advances in medical technology and health care, the vast improvements in our Nation's health would be impossible without the dedicated efforts of millions of volunteers.

One example of this devotion to the collective well-being of our fellow citizens occurred here last Friday, April 9, when many of our colleagues and their wives joined in tribute to those who fight against cancer. Seventeen Senators and 16 Senate wives gathered at the Capitol to learn of the progress being made in cancer control. We received reports from leading cancer specialists affiliated with the National Cancer Institute and the American Cancer Society.

What we learned will allow us to spread the message to our constituents on the importance of regular health checkups for the early detection and cure of cancer.

Dr. Benjamin F. Byrd, Jr., president of the American Cancer Society and distinguished cancer surgeon of Nashville, Tenn., provided a hopeful report when he told the group:

> At this very moment, there are 1.5 million Americans alive and well five years after cancer treatment without any residual signs of disease. In general, those patients who are alive and well without residual signs of disease after 5 years are accepted as cured. There are another 1.4 million American men, women, and children who have been treated and are waiting to reach that five-year mark, and many of them will make it.

Chairman of the event was Mrs. Ernest F. Hollings, supported by Mrs. Birch Bayh, Mrs. James L. Buckley, Mrs. Jake Garn, Mrs. Patrick Leahy, Mrs. Ted Moss and Mrs. Harrison A. Williams.

It was the first such event sponsored by the wives of all the Senators. As good will ambassadors from their home States, the ladies seek to inform themselves first hand on cancer control so that they may advise and encourage all women in their various States to have regular checkups in the early detection and cure of cancer.

Special guests, in addition to Dr. Byrd were:

Dr. LaSalle D. Leffall, Jr., chairman, Department of Surgery, Howard University; Dr. Vincent F. DeVita, director, division of cancer treatment, National Cancer Institute; Dr. Gio Gori, deputy director, Division of Cancer Cause and Prevention, NCI; and Dr. Marget H. Sloan, Division of Cancer Control and Rehabilitation, NCI.

Dr. Byrd's remarks were timely and informative, and his message should be more widely shared by those who are touched by the fears and demoralizing effects of this dreadful disease. I ask unanimous consent that Dr. Byrd's message be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Dr. Benjamin F. Byrd, Jr., President of American Cancer Society

It is my great privilege to speak with you today on behalf of 2.3 million American Cancer Society volunteers throughout the nation who are working towards a single goal—a world free of cancer.

At this very moment, there are 1.5 million Americans alive and well five years after cancer treatment without any residual sign of disease. In general, those patients who are alive and well without residual signs of disease after five years are accepted as cured. And there are another 1.4 million American men, women, and children who have been treated and are waiting to reach that five-year mark, and many of them will make it.

I am speaking in terms of millions, but we in the American Cancer Society don't think that way. We think in terms of the individual, and that is why in planning this rather unusual gathering, we thought you would be interested in the Society's educational message—how to protect yourself against cancer. We hope that you will ask questions of our experts and familiarize yourself with the life-saving importance of early detection and prompt treatment. We hope that you will remind yourself and your loved ones to have checkups, including cancer tests, regularly.

Then, we hope that you will do us the great service of becoming ambassadors for cancer control in your home states and help save lives while research continues to find the big answers.

I myself have been committed to the problems related to breast cancer for much of my professional life. By the time that breast cancer patients come to treatment, one-half of these patients have advanced disease which constitutes an almost insurmountable threat to survival. As most of you know, the American Cancer Society and the National Cancer Institute are sponsoring 27 Breast Cancer Detection Demonstration Projects, including one here at Georgetown University. In these projects we are using sophisticated techniques to find cancer in the earliest possible stage, before the appearance of a breast lump or swelling; in this stage the chances of cure are excellent. Among the 245,000 women who are participating in this five-year program, there have been no reported deaths from breast cancer. There have been no deaths recorded at the two centers where we are three years into the program and where more than 120 breast cancers have been found. And out of this group of more than 120 breast cancers, there have been only two recurrences of the disease, both highly unusual cases.

We know that today there are a quarter of a million American women with a breast cancer at some stage of growth that may not be detected by customary means until 1977–'78–'79 or later. Our projects are teaching us many things—including ways of determining who may be at the highest risk of developing breast cancer, and therefore who needs the most careful monitoring.

We have the potential of saving half the people dying of cancer today—338,000 people—if we can translate what we know about cancer prevention, early diagnosis and prompt treatment into reality. Research gave us the priceless Pap test, capable of finding cervical cancer before the appearance of a single symptom, when the disease is almost 100% curable—yet thousands of women still die because they either fail to take a Pap test or fail to take it regularly.

Research has taught us that most lung cancer could be prevented if cigarette smoking could be eliminated, yet this country is experiencing an epidemic of lung cancer deaths—84,000 this year alone. It is with great alarm that I report that our most recent surveys show cigarette smoking on the rise among teenage girls, and a great rise in heavy smoking among young women. In the twenty-year period from 1951–53 to 1971–73, Lung cancer deaths among women jumped 173%, and lung cancer is already the greatest cancer killer of American men.

What will happen in the future when the young smokers of today reach the high risk lung cancer years?

It's a frightening prospect. This dilemma has its irony because as we all know, young people today care about ecology and the dangers of pollution and cigarette smoking is certainly the most lethal form of internal pollution that we know. In fact, cigarette smoking is the greatest known environmental cause of cancer.

The environment is of course a major concern to those of us in the cancer battle. It may possibly be the enemy around us. While this appears to be news to others, it is an old story to the ACS. Our scientists pinned down the cigarette hazard more than 20 years ago and we were among the first to establish the relationship between asbestos particle inhalation and the onset of tumors. And there are an estimated million American workers at this risk today.

When it comes to a possible hazard as huge as our total environment, we must establish priorities—eliminate or control the known carcinogens such as cigarette and vinyl chloride, and develop fast effective means of screening old and new chemicals for cancer potential.

We ask much of research, and much has been delivered. At the end of the Second World War there was almost no cancer research. A child stricken with acute leukemia was dead within weeks of diagnosis; a Hodgkin's disease patient was considered hopeless; we had surgery and radiation but cancer drugs were a dream. All that has changed dramatically. We have a battery of 50 drugs that affect cancer and we can use them in dynamic ways, combining them with each other or surgery or radiation. We have the aid of the immunotherapist, trying to prod the cancer patient's own ability to fight disease to throw off cancer. That has been one of the mysteries—why does our immune system fail us when it works so splendidly against other diseases?

Obviously, there is much more to tell you and I ask that you lend us your capability for leadership. But I am also here to thank you for your concern and interest, and to ask that you lend us your leadership.

I can say most truthfully, you are in a position to make a difference—a big difference.

CONSUMERS UNION PETITION TO FDA

Mr. KENNEDY. Mr. President, Consumers Union has been an active participant in a number of agency proceedings in Washington. In each case, it has provided the agency with the perspective of the general consuming public—a viewpoint which all too often is not otherwise heard, as industries and trade associations flood the agencies with petitions and pleadings on behalf of special interests.

Consumers Union recently proposed that the Food and Drug Administration utilize its inherent authority to reimburse eligible advocates for reasonable costs of participating in formal FDA proceedings. This authority, which the Comptroller General has found to exist at the Federal Trade Commission and the Nuclear Regulatory Agency even in the absence of specific statutory language, is concomitant to the agency's power to insure the integrity, fairness, and completeness of its decisionmaking processes.

The Subcommittee on Administrative Practice and Procedure which I chair has recently reported S. 2715, to provide legislative reaffirmation of this authority of agencies to award costs of participation to certain eligible intervenors in agency proceedings. A portion of the Consumers Union's proposal tracks the language in my bill. It contains a constructive and tightly drawn approach to allowing agencies to supplement the records of their proceedings by supporting greater public participation. S. 2715, of course, applies to all agencies and provides a specific authorization for funds; it also authorizes court awards of attorneys' fees and other participation costs in appropriate cases.

Mr. President, the Consumers Union petition to the FDA provides an informative argument and analysis of the need for agencies directly to support greater citizen involvement in administrative proceedings. I ask unanimous consent that the petition be printed in the RECORD.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

CITIZEN PETITION

Consumers Union[1] submits this petition pursuant to Section 4(d) of the Administrative Procedure Act [5 U.S.C. 553(e)] and § 2.7 of FDA's Administrative Practices and Procedures (40 Fed. Reg. 406721) to request the Commissioner of Food and Drugs to issue a regulation under Section 701(a) of the Federal Food, Drug and Cosmetic Act [21 U.S.C. 371(a)] amending §2.51 of the Administrative Practices and Procedures[2] to provide for compensation of certain participants in FDA hearings, in view of FDA's statutory obligation to conduct fair and balanced hearings.

A. THE PROPOSED REGULATION[3]

§2.151(a) (1) The Commissioner may provide compensation for reasonable attorneys' fees, expert witness fees, and other reasonable costs of participation incurred by eligible participants in any rulemaking or adjudicatory proceeding conducted pursuant to Subparts B, C, D, and E of these regulations, whenever public participation in such a proceeding promotes or can reasonably be expected to promote a full and fair determination of the issues involved in the proceeding.

(2) Any person is eligible to receive an award under this section for participation (whether or not as a party) in a rulemaking or adjudicatory proceeding if—

(i) the person represents an interest the representation of which contributes or can reasonably be expected to contribute substantially to a fair determination of the proceeding, taking into account the number and complexity of the issues presented. The importance of public participation, and the need for representation of a fair balance of interests; and

(ii) (a) the economic interest of the person in the outcome of the proceeding is small in comparison to the costs of effective participation in the proceeding by that person or, in the case of a group or organization, the economic interest of the individual members of such group or organization is small in comparison to the costs of effective participation in the proceedings; or

(b) the person demonstrates to the satisfaction of the Commissioner that such person does not have sufficient resources available to adequately participate in the proceeding in the absence of an award under this section.

(3) (i) In order to facilitate public participation, the Commissioner shall make a determination of the eligibility of a person for an award under this section, and the amount of such award, prior to the commencement of any proceeding, unless the Commissioner makes an express written finding that such a determination cannot practically be made at that time.

(ii) Payment of fees and costs under this section shall be made within 90 days of the date on which a final decision or order disposing of the matters involved in the proceeding is made by the Commissioner. If an eligible person establishes, in a manner to be prescribed by the Commissioner, that its ability to participate in the proceeding will be impaired by the failure to receive funds prior to the conclusion of the proceeding, then the Commissioner shall make advance payments to permit the person to participate or to continue to participate in the proceeding.

(iii) Reasonable attorneys' fees, expert witness fees, and other reasonable costs of participation awarded under this section shall be based upon prevailing market rates for the kind and quality of service provided, but in no event shall exceed the rate of compensation (including fringe benefits and overhead) paid to FDA's attorneys, expert witnesses, and other personnel with comparable experience and expertise.

B. STATEMENT OF THE GROUNDS

Representation of diverse points of view, including the traditionally under-represented consumer viewpoint, is essential to fair and balanced decision-making by the Food and Drug Administration. However, the high costs of participation in administrative proceedings precludes effective participation in agency proceedings by nonindustry groups in the absence of financial assistance from FDA. FDA has inherent authority, even in the absence of explicit statutory sanction, to compensate certain participants for attorneys fees and other costs of participation, in view of its broad regulatory powers and the statutory requirement that FDA conduct public hearings with respect to certain regulatory actions.

1. Financial Assistance Is Necessary for Effective Public Participation and Advocacy of Diverse Points of View Before the FDA

Public participation is an essential element of a sound, balanced administrative decision-

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Footnotes at end of article.

making process. An imbalance in the advocacy of diverse points of view before regulatory agencies is likely to produce an imbalance in the decisions which are ultimately reached by agency officials. As Roger Cramton,[4] a former chairman of the Administrative Conference of the United States, has written, "The cardinal fact that underlies the demand for broadened public participation is that governmental agencies rarely respond to interests that are not represented in their proceedings."[5]

It is no longer an accepted notion that the agency can itself perform as the advocate for the "consumer interest," as distinct from the interest of the regulated industries. Judge Warren Burger, now Chief Justice of the Supreme Court, cast aside such thoughts with respect to the Federal Communications Commission nearly a decade ago in *Office of United Church of Christ* v. *FCC* when he wrote:

> "The Commission of course represents and indeed is the prime arbiter of the public interest, but its duties and jurisdiction are vast, and it acknowledges that it cannot begin to monitor or oversee the performance of every one of thousands of licensees . . .
>
> The theory that the Commission can always effectively represent the listener interests in a renewal proceeding without the aid and participation of legitimate listener representatives fulfilling the role of private attorneys general is one of those assumptions we collectively try to work with so long as they are reasonably adequate. When it becomes clear, as it does to us now, that it is no longer a valid assumption which stands up under the realities of actual experience, neither we nor the Commission can continue to rely on it." 359 F.2d 994, 1003 (1966).

His remarks apply with equal logic to representation of diverse interests before FDA. At present advocacy before FDA follows the usual pattern:

> [Governmental agencies] are exposed, with rare and somewhat insignificant exceptions, only to the view of those who have a sufficient economic stake in a proceeding or succession of proceedings to warrant the substantial expense of hiring lawyers and expert witnesses to make a case for them.[6]

Although the interests of the food, drug, cosmetic and medical devices industries are frequently at odds with the interests of consumers of these regulated products, consumer advocacy before FDA is rare, sporadic, and virtually always underfinanced, while the regulated industries maintain continuous and well-financed advocacy directly and through their trade associations.[7]

Yet Congress clearly intended that, in exercising its extensive regulatory powers, FDA fully consider the interests of those who consume the products regulated by the agency, as well as the interests of those who produce them. With regard to certain actions of FDA, Congress directed FDA to conduct hearings upon objection by "any person who will be adversely affected" by such orders, and explicitly stated that "any interested person" may be heard at these hearings. Addressing itself to similar language in the Atomic Energy Act,[8] the Nuclear Regulatory Commission recently stated that such language "(p)resumably . . . reflects a Congressional emphasis on the importance of hearings and of broad participation in the [licensing] process.[9]

Consistent with its statutory mandate, FDA has removed formal obstacles to public participation in its proceedings by adopting broad rules of standing for both initiation of and participation in formal agency proceedings.[10] In the Preamble to its Administrative Practices and Procedures, FDA has adopted a broad interpretation of the statutory language of Sec. 701(e) as follows:

> The terms "interested person" and "any person who will be adversely affected" are defined very broadly to mean *any person who wishes to participate in any proceeding* of the Food and Drug Administration. There is no requirement that such person exhibit any particular interest, or show any specific economic or other harm or other indicia of "standing." Since Food and Drug Administration activities directly affect all members of the public, all members of the public who wish to participate are "interested persons" and "adversely affected" by definition. The courts have ruled that all citizens who wish to challenge agency actions affecting food and drugs are "adversely affected" and thus may properly submit objections and otherwise participate in administrative proceedings where the statute requires such a showing. See *Reade* v. *Ewing*, 205 F. 2d 630 (2d Cir. 1953) (emphasis supplied).[11]

While advocates of consumer interests thus enjoy broad rights of participation at FDA, as a practical matter these are hollow rights in the absence of adequate funding for the costs of preparing and presenting effective testimony.[12] As the Administrative Conference has recognized, "(t)he cost of participation in trial-type proceedings can render the opportunity to participate meaningless."[13] As Simon Lazarus and Joseph Onek have stated:

> Assuring the legal rights of public interest representatives to participate in regulatory proceedings is a vital first step. It is, however, only a first step. Without further affirmative action to assure that public representatives actually appear, the legal right to participate will be largely a symbolic—perhaps merely a comestic—advance.[14]

Ernest Gellhorn put it more strongly: "If public participation is in fact a 'right' which agencies have a mandate to foster, failure to render some assistance amounts to a practical subversion of that mandate."[15]

So-called "public interest" organizations generally operate under strict financial constraints,[16] and have little or no funding available for intervention or participation. Many such groups operate with volunteer labor and little or no legal assistance. Others possess some legal capability but little or no in-house scientific expertise. Even larger organizations are unable to afford participation in most of the agency proceedings which affect the health and safety of their memberships or constituencies. Despite the limited monetary and manpower resources, however, many of these groups represent memberships or constituencies of substantial size.

FDA's Administrative Practices and Procedures rules permit a participant who is "indigent" and whose participation has a "strong public interest justification" or one whose participation "can be considered primarily as benefiting the general public" to petition *in forma pauperis* for an exemption from the filing and service requirements of the rules. § 2.151 of the Administrative Practices and Procedures. While reducing duplicating and mailing expenses associated with participation is desirable, these cost savings represent but a tiny fraction of the actual costs incurred by intervenors in FDA proceedings and will not induce a group to participate fully in a proceeding it cannot otherwise afford.

While the actual costs of participation will of course vary with the nature and length of the proceeding, the complexity of the issues and the extent of the participation, Cramton has estimated that the "cost of active participation in an FDA rulemaking proceeding is in the range of $30,000-$40,000."[17] This estimate is based upon Administrative Conference staff interviews with "informed persons, including agency staff members, public interest lawyers, and private practitioners."[18] It was made in 1972. The cost of living having increased 35% since then, the current figures are closer to $40,000-$54,000. Costs for participation in a more complex rulemaking or adjudicatory hearing could entail substantially greater expense.

In summary, while the Act sets forth the rights of any aggrieved person to request and receive a public hearing, and for any interested person to be heard at such hearing, virtually no non-industry persons have been able to invoke these rights. In practical effect, these rights of participation are hollow and the record upon which FDA ultimately bases decisions directly affecting the public is thereby impoverished and untested. As a practical matter, systematic advocacy of diverse points of view is likely to occur only if FDA actively encourages participation by those who are likely to contribute to a fuller fairer, and more balanced record by reducing the financial barriers to such participation.[19]

2. Authority to compensate intervenors is inherent in FDA's statutory mandate

FDA's broad regulatory powers,[20] and the procedural requirements attendant to the exercise of those powers (see *supra* at 6) are sufficient to permit FDA to compensate intervenors who can be expected to contribute to the fairness and balance of FDA proceedings. Indeed, FDA possesses not only the *ability* to compensate such intervenors but may well have a *duty* to do so where compensation is necessary to develop a fair and balanced record. 21 U.S.C. § 371(e). As the Court of Appeals for the Second Circuit has stated, an agency (in that case, the Federal Power Commission) "must see to it that the record is complete. [The agency] has an affirmative duty to inquire into and consider all relevant facts."[21]

In February, 1976, the Comptroller General of the United States removed any vestige of doubt that an agency may use funds which Congress appropriates for "necessary expenses" to compensate indigent intervenors, *even in the absence of explicit statutory authority for compensation.*[22] Responding to an inquiry from the General Counsel of the Nuclear Regulatory Commission as to the NRC's authority to reimburse for attorneys fees, expert witness fees, and related expenses of participants in nuclear licensing and rulemaking proceedings, the Comptroller General concluded that NRC has the legal authority to compensate indigent intervenors with funds generally appropriated for "necessary expenses" if the agency determines, as a matter of discretion, that compensation is "necessary" to meet its statutory obligation to conduct public hearings.[23]

The Comptroller General's opinion states:

> While 31 U.S.C. § 628 (1970) prohibits agencies from using appropriated funds except for the purposes for which the appropriation was made, we have long held that where an appropriation is made for a particular object, purpose or program, it is available for expenses which are reasonably necessary and proper or incidental to the execution of the object, purpose or program for which the appropriation was made, except as to expenditures in contravention of the law or for some purpose for which other appropriations are made specifically available. (Cites omitted).
>
> The question, of course, *is whether it is necessary to pay the expenses of indigent intervenors in order to carry out [the agency's] statutory functions* . . . We believe only the administering agency can make that determination . . .[24]

Addressing more directly the question of whether compensation of intervenors might constitute a "necessary expense", the Comptroller General referred to provisions of the Atomic Energy Act which mandate that, in licensing matters, NRC "shall grant a hearing upon the request of any person whose interest may be affected by the proceeding,"[25] and concluded that:

Footnotes at end of article.

". . . if NRC in the exercise of its administrative discretion, determines that it cannot make the required determination unless it extends financial assistance to certain interested parties who require it, and whose participation is essential to dispose of the matter before it, we would not object to the use of appropriated funds for this purpose. This is essentially the same rationale we followed in our decision B-139703, July 24, 1972, in which we held that the Federal Trade Commission (FTC) had authority to pay certain expenses incurred by indigent respondents and intervenors appearing before the Commission in adjudicative proceedings." [26]

FDA, like NRC, receives substantial appropriations for "necessary expenses, not otherwise provided for." [27] Clearly, under the rationale set forth by the Comptroller General with respect to NRC, the Commissioner has authority to determine whether compensation of certain intervenors is "necessary" for a fair and balanced hearing, and if he so determines, to award compensation to these participants.[28]

The courts, too, have long recognized that an agency has inherent authority to take actions which it deems necessary and appropriate to carrying out its explicit statutory responsibilities. As the Court of Appeals for the Seventh Circuit observed in *Northern States Power Co.* v. *FPC*.[29]

> If [the agency] is intelligently to exercise its extensive regulatory and supervisory power, it must have been intended that it shall have power to do everything essential to the execution of its clearly granted powers and the achievement of the purposes of the legislation.

The Second Circuit Court of Appeals has stated, "It has been the law at least since *McCulloch* v. *Maryland*, 4 Wheat. 316, 4 L. Ed. 579, that the lawful delegation of a power carries with it the authority to do whatever is reasonable and appropriate properly to effectuate the power." [30] While *McCulloch* v. *Maryland* dealt with delegation of authority by the states to the federal government, the general reasoning of that decision nonetheless applies to delegation of authority by Congress to the regulatory agencies and to the "implied powers" which petitioner urges FDA to recognize. Justice John Marshall reasoned as follows:

"[I]t may, with great reason be contended that a government entrusted with such ample powers . . . must also be entrusted with ample means for their execution. The power being given, it is in the interest of the nation to facilitate its execution. It can never be their interest, and cannot be presumed to have been their intention, to clog and embarrass its execution by withholding the most appropriate means . . ." [31]

Compensation of intervenors has been deemed by several agencies to be an "appropriate means" for responding to the dilemma of how to widen participation in agency proceedings in the face of exorbitant costs to participants.[32] In fact, FDA has made some modest strides toward assisting intervenors by reducing costs, apparently on the assumption that such actions are within the agency's inherent authority. First, indigents may apply to participate in formal proceedings *in forma pauperis*, thereby reducing filing and duplicating costs, which are absorbed by FDA. (See *supra* at 8). Secondly, participants in any FDA proceeding, formal or informal, may request that outside independent experts be consulted by the presiding officer, as witnesses, at FDA expense.[33] Such mechanisms, while helpful, are not adequate to effectively encourage public participation, as is clearly evidenced by the paucity of such participation in FDA proceedings. Direct reimbursement of costs, including attorneys fees, would be the appropriate next step, still within FDA's inherent authority, to insure fair and balanced hearings.

Finally, as the Comptroller General's recent opinion makes clear, the absence of explicit statutory authority to compensate intervenors in no way implies that compensation is inappropriate. Indeed, on at least one occasion, Congress has expressly stated as much. In deleting Senate-approved financial assistance language from the Energy Reorganization Act of 1974,[34] a Conference Committee took pains to explain the limited impact of that action. The Report of the conference committee states:

> The deletion of [the financial assistance provision] is in no way intended to express an opinion that parties are or are not now entitled to some reimbursement for any or all costs incurred in licensing proceedings. Rather, it was felt that because there are currently several cases on this subject pending before the [Atomic Energy] Commission, it would be best to withhold Congressional action until these issues have been definitively determined. The resolution of these issues will help the Congress determine whether a provision similar to Title V is necessary since it appears that *there is nothing in the the Atomic Energy Act, as amended, which would preclude the Commission from reimbursing parties where it deems it necessary*. (Emphasis supplied).[35]

Surely if affirmative Congressional action to delete a provision authorizing reimbursement is not to be construed as an expression of Congressional intent that reimbursement is unauthorized, then mere science cannot be so construed, particularly in light of the inherent authority of the agency to affect such reimbursement.

CONCLUSION

Thus, it is clear that FDA has ample power to compensate legitimate and prudent expenses of intervenors whose participation is likely to result in fairer, more balanced decision making by FDA. Compensation would further the important regulatory goals of facilitating responsible and productive public participation and providing a broader base upon which to rest crucial decisions affecting the consumers of foods, drugs, and other products regulated by FDA.

Authority to compensate intervenors is inherent in FDA's broad regulatory powers, its Congressionally mandated hearing procedure, and the wide discretion afforded in its appropriations legislation. It is barred neither by FDA's authorizing legislation nor its appropriations authority.

The undersigned certifies that, to the best of her knowledge and belief, this petition includes all data, information and views on which petitioner relies, and that it includes representative data and information known to the petitioner which are unfavorable to the petition.

FOOTNOTES

[1] Consumers Union is a nonprofit membership organization chartered in 1936 under the laws of the State of New York to provide information, education and counsel about consumer goods and services and the management of the family income. The Washington office of Consumers Union is engaged in advocacy of consumer interests before the courts and regulatory agencies, including FDA. Consumers Union's income is derived solely from the sale of *Consumer Reports* (magazine and TV) and other publications. Expenses of occasional public service efforts may be met, in part, by nonrestrictive, noncommercial grants and fees. In addition to reports on Consumers Union's own product testing, *Consumer Reports*, with its almost 2 million circulation, regularly carries articles on health, product safety, marketplace economics, and legislative, judicial and regulatory actions which affect consumer welfare. Consumers Union's publications carry no advertising and receive no commercial support.

[2] Although FDA's Administrative Practice and Procedures remain in proposed form, it is nonetheless appropriate to petition for amendment of the proposal, and to cite the proposal as a statement of current agency policy. The proposal is substantially a compilation and codification of existing practices and procedures at FDA. Although adoption of the proposal as a final regulation was delayed by judicial action, FDA made clear its intention to operate in compliance with many of the provisions of the proposal. See *American College of Neuropharmacology* v. *Weinberger et al*, Civil Action No. 75-1187 (D.D.C. 1975) and the Preamble to the proposed regulations, 40 Fed. Reg. 40682 et seq. (September 3, 1975).

Petitioner urged adoption of the substance of this petition in brief comments on the proposed regulations submitted pursuant to the Federal Register notice of September 3, 1975. However, because the recommendation that FDA authorize reimbursement of certain participants in its proceedings raises significant policy issues, petitioner believes that these issues merit consideration independently of other issues raised by the proposed regulations.

[3] See Appendix A for explanatory material.

[4] The importance of public participation in administrative proceedings has been acknowledged by the President, by Congress, by the Courts, by the Administrative Conference of the United States, and by various commentators. See, e.g., letter from President Ford to Senator Ribicoff, Rep. Brooks, and Rep. Staggers, April 17, 1975 (released to press by White House); Federal Trade Commission Improvements Act, 15 U.S.C. § 57(a)(h) (compensation for attorneys fees in rulemaking proceedings); Hearings on S. 2715 before the Senate Subcommittee on Administrative Practice, 94th Cong., 2d Sess. (Jan. 30, 1976 and Feb. 6, 1976) (Kennedy bill providing for reimbursement of costs of participation); *National Welfare Rights Organization* v. *Finch*, 429 F. 2d 725 (D.C. Cir. 1970); *Office of Communications of United Church of Christ* v. *F.C.C.*, 359 F. 2d 994 F. 2d 608 (2d Cir. 1965); Recommendation 28, 2 Recommendations and Reports of the Administrative Conference of the United States 35 (1970-1972), reprinted in 30 Ad.L.2d 121 (1972); Cramton, "The Why, Where and How of Broadened Public Participation in the Administrative Process," 60 Geo.L.J. 525 (1972); Gellhorn, "Public Participation in Administrative Proceedings," 81 Yale L.J. 359 (1972); Lazarus and Onek, "The Regulators and the People," 57 Va.L. Rev. 1069 (1972); Note, "Federal Agency Assistance for Impecunious Intervenors," 88 Harv. L. Rev. 1815 (1975).

[5] 60 Geo. L.J., *supra* at n. 4, at 529.

[6] *Id.*

[7] One measure of this imbalance is FDA's Public Calendar, which indicates constant and routine contacts between members of the regulated industries, and only occasional contacts with nonindustry spokespersons.

[8] The Atomic Energy Act provides that "The Commission shall grant a hearing upon the request of any person whose interest may be affected by the proceeding, and shall admit such person as a party to such proceeding." 42 U.S.C. § 2239.

[9] In *the Matter of Consumer Power Co.* (Big Rock Point Nuclear Plant) Docket 50-155 (Memorandum and Order, November 21, 1974), at 5.

[10] See § 2.3(12), § 2.110(3), § 2.117, § 2.130, § 2.155 of the Administrative Practices and Procedures.

[11] 40 Fed. Reg. 40683 (Sept. 3, 1975).

[12] Although the extent of participation varies from proceeding to proceeding, effective participation will usually involve extensive investigatory work, surveying, case preparation and the testimony of experts who serve as consultants and/or witnesses. Public interest representatives "cannot merely rely on legal arguments that certain interests be taken into account but must develop an affirmative case of their own." Cramton, *supra*, at 539. That is expensive, well beyond the means of advocates of consumer interests. See *infra*, pp. 8–9.

[13] Recommendation 28, *supra*.

[14] 57 Va.L.Rev., *supra*, at 1096.

[15] Yale LJ., *supra*, at 389.

[16] The phrase "public interests" is a term of art, suggesting a group that represents diffuse non-commercial interests which traditionally have not received direct representation in the courts, agencies, or legislature.

[17] 60 Geo. L. J., *supra*, at 538.

[18] *Id.* a 538, n. 31.

[19] The Supreme Court has recognized approvingly the ability of agencies to encourage or discourage certain activities by adjusting the costs attendant to these activities. In *National Cable Television Association* v. *U.S.*, 415 U.S. 336 (1974), the Court stated: "The lawmaker may, in light of the 'public policy or interest served' make the assessment heavy if the lawmaker wants to discourage the activity; or it may make the levy light if a bounty is to be bestowed . . ." 415 U.S. at 1149.

Although these comments were made in relation to direct assessment of fees by an agency against a regulated industry, they apply with equal logic to the unavoidable "assessment" of costs against those who wish to take part in agency proceedings. Interestingly, the Court further stated that, to the extent the benefits of certain agency actions accrue principally to the public, private parties should not be made to bear the costs of such actions, 415 U.S., at 1150. By analogy, where non-industry advocates bear the burden of preparing and presenting an effective case, which aids FDA in reaching a decision which benefits the public health and welfare, it is appropriate that the public bear a portion of the expense.

[20] Congress vested in FDA responsibility for protecting consumer health, safety, and, to a limited extent, economic wellbeing, in the purchase and use of foods, drugs, cosmetics and medical devices. 21 U.S.C. § 321 *et seq.;* 15 U.S.C. § 1451 *et seq.* FDA's extensive regulatory powers include the authority to approve drugs before they can be marketed; to set standards of identity and quality for food products; to require ingredient, warning or other labeling of products within the agency's jurisdiction; and to remove from the marketplace products which are misbranded, adulterated, or otherwise in violation of the requirements of the Act.

[21] Scenic *Hudson Preservation Conference* v. *FPC*, 354 F.2d 608, 620 (1965), and cases cited therein.

[22] Comptroller General's Opinion B–92288 (Feb. 19, 1976), attached hereto as Appendix B.

[23] The Comptroller General's opinion was sought by the General Counsel of NRC, following a determination by members of the Commission that they are "tentatively inclined to the conclusion" that the agency does have authority to assist intervenors financially and a published notice seeking comment on the issue. See *In the Matter of Consumer Power Co.* (Big Rock Point Nuclear Plant), Docket No. 50–155, Memorandum and Order (Nov. 21, 1974) at 5; and 40 Fed. Reg. 37056 (Aug. 25, 1975).

[24] Comptroller General's Opinion, *supra*, at 3. (Emphasis supplied). In a previous opinion, the Comptroller General made similiar statements with respect to FTC's authority to spend its general statements with respect to FTC's authority to spend its general appropriated funds to compensate intervenors:

> The appropriations for the Commission are normally available for "necessary expenses." While the Commission submits budgets to the Congress prior to the passage of the appropriation acts, the appropriations are enacted in the form of lump sums with no specific limitations as to use. Thus, *the determination of what constitutes "necessary expenses" is left to the reasonable discretion of the Commission.*

Comptroller General's Opinion B-139703, July 24, 1972, reprinted at Pike & Fischer, Ad.L.2d at 424 and as addendum to 60 Geo. L.J. 525.

With respect to FTC, the Comptroller General was asked to assess the authority of the agency to reimburse for transcript costs, attendance fees, mileage and subsistence expenses of witnesses or respondents, travel and other connected expenses of the intervenor's attorney and traveling and subsistence expenses incident to his own appearance.

[25] Opinion B–92288, *supra*, at 3, citing 42 U.S.C. § 2239(a).

[26] *Id* at 4. The Comptroller General's opinion on FTC's authority to compensate indigent intervenors addressed this point as follows:

> Insofar as intervenors are concerned, section 5(b) of the Federal Trade Commission Act, as amended, 15 U.S.C. 45(b) specifically authorizes the Commission to grant intervention "upon good cause shown." Thus, if the Commission determines it is necessary to allow a person to intervene in order to properly dispose of a matter before it, the Commission has the authority to do so. As in the case of an indigent respondent, and for the same reasons, appropriated funds of Commission would be available to assure proper case preparation.

[27] Pub. L. No. 94–122, Title 5, Slip. Op. at 25.

[28] Neither *Alyeska Pipeline Service Co.* v. *Wilderness Society*, 421 U.S. 240 (1975), *Turner* v. *FCC*, 514 F.2d 1354 (D.C. 1975), nor *Greene County Planning Board* v. *FPC* are applicable with respect to the relief sought by this petition. As the Comptroller General stated in his NRC opinion:

> In both the *Alyeska* and *Turner* cases, plaintiffs, the prevailing parties, sought to force their adversaries to pay their costs, including reasonable attorneys' fees. All the court did, in our view, is to uphold the "American rule," that in the absence of a statutory provision to the contrary, neither a court nor a regulatory commission may shift the costs from one litigant to the other. In the *Greene County* case, the court said it had no power to *order* either the opposing litigants or the agency to pay the costs of the intervenors.
>
> In the matter before us, we are not considering whether [the agency] has the authority to determine whether one participant in its proceedings should pay the expenses of the other, nor are we concerned with whether the persons to whom financial assistance is extended prevail. There is also no question of *compelling* [the agency] to pay the expenses of any of the parties. (Emphasis original). Comptroller General's opinion, *supra*, at 7.

[29] 118 F.2d 141, 143 (1941), citing *Clarion River Power Co.* v. *Smith*, 61 App. D.C. 186, 59 F.2d 861 (1932). In that case, the Court held that the FPC could require its licensee to adopt a particular accounting procedure, in the absence of explicit statutory authority to do so. The ability to require such procedures was held to be "the necessary implication of the [Federal Power] act." *Id.*

[30] *Gallagher's Steak House* v. *Bowles*, 142 F.2d 530, 534 (1944).

[31] 4 Wheat. 316, , 4 L.Ed. 579,

[32] The Consumer Product Safety Commission, for example, agreed to reimburse a public interest witness for the costs of travel to a hearing on fireworks when consumer representatives petitioned the agency claiming that such travel expenses were beyond the means of representatives of their point of view. The Commission ruled that: Should the Presiding Officer consider it necessary to a *full and complete hearing* to have the Commission provide for a representative of those parties in favor of the proposed rule or a stricter rule to appear at the Commission expense in Kansas City and Honolulu, then he may so rule. *In Re Fireworks Devices*, CPSC Docket No. 74–3.

More recently, the CPSC ruled that it had authority to pay for the counsel of an indigent respondent and to reimburse those expenses of respondents "reasonably necessary to make meaningful the representation by counsel." *In the Matter of Esquire Carpet Mills, Inc.*, FTC Docket No. 8013 (CPSC June 2, 1975), Slip Op. at 3.

[33] Letter from Peter Hutt, then General Counsel of FDA, to Tersh Boasberg, Esq. May 12, 1975. See also § 2.151 and §   of the Administrative Practices and Procedures.

[34] This provision sponsored by Senator Kennedy, would have allowed the Nuclear Regulatory Commission to "reimburse eligible parties for the cost of participation, including reasonable attorneys' fees . . ." See Senate debate, 120 Cong. Rec. § 15050–15054 (daily ed. *August 15, 1974*).

[35] H. Rep. 93–1445, 93rd Cong., 2d Sess. 37 (1974). In reference to this conference report language, the Comptroller General has stated:

> We do not agree that the deletion of the Senate amendment indicated congressional intent to deny the NRC authority to reimburse intervenors. On the contrary, it appears that the members of the conference committee felt that although they wished to await NRC's final position on the matter, quite possibly specific legislation would not be necessary to authorize such financial assistance since they believe that the Atomic Energy Act as amended already contains the necessary authority. Opinion B–92288 (February 19, 1976), at 6. (Emphasis added)

Appendix—Explanatory Material

The proposed regulation is an adaptation of the proposed Public Participation in Government Proceedings Act[1] and the compensation provision of the proposed Consumer Food Act of 1976, as reported by the Senate Labor and Public Welfare Committee and the Senate Commerce Committee.[2] Petitioner selected these models as the basis for the proposed regulation because they include improvements which experience under the FTC Improvement Act, 15 U.S.C. § 557(a)(h) and the regulations pursuant thereto[3] has shown to be warranted.

Under the proposed regulation, applicants for compensation must meet both an "interest" test and an "economic" test before funds may be awarded.

It is petitioner's intention that under the "interest" test [§ 2.151(a)(2)(i)], compensation will be awarded to applicants who represent interests which can reasonably be expected to contribute to the fairness and balance of a proceeding, but only if the applicant has an ability to adequately represent that interest, given appropriate financial assistance.[4]

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[1] S. 2715, 94th Cong., 1st Sess.

[2] S. 641 and S. Rep. 94–684. The fact that Congress is considering statutory language to authorize agencies, including FDA, to compensate intervenors does not imply that agencies lack authority to so provide by regulation. As the Comptroller General has stated with respect to enactment of the FTC Improvement Act, "[w]e do not feel that enactment of this provision was intended to overrule or modify the basis of our 1972 decision so as to reflect on its precedent value in dealing with agencies for which Congress has not enacted a similar statutory provision." Comptroller General's Opinion B–92288, at 5.

[3] 16 C.F.R. § 1.117.

The "economic" test (§ 2.151(a)(2)(ii)) is stated in the alternative and is intended to permit compensation—both of applicants who cannot afford the costs of participation, and of applicants who represent interests which would contribute to the fairness and balance of the proceeding but who lack the economic stake in the outcome of the proceeding to justify the substantial costs of participating in it. In assessing the *interest* (i.e., the economic stake in the outcome of the proceeding) of an applicant which is a group or organization, the size of the economic stake of the organization's members, taken individually, is to be considered. When assessing the *resources* of an applicant, consideration is to be given to the resources which are available for purposes af advocacy. The consumer interest often can best be represented by organizations which, although not "indigent" in any technical sense, have very limited funds available for advocacy activities. Such organizations, including Consumers Union, differ from industry organizations in this respect and also in that the interests of their members as consumers are diffused among hundreds of proceedings in a multitude of agencies, while industry groups generally need to monitor only one or two agencies and select the few proceedings that directly affect their own or their members' profits. To disqualify these organizations on the basis of non-indigency may in effect remove those advocates who are best equipped to present the consumer point of view at particular proceedings.

KINDS OF PROCEEDINGS

Petitioners have requested that reimbursement be authorized for all proceedings defined in Subpart B (formal evidentiary public hearings), Subpart C (public hearing before a public board of inquiry), Subpart D (public hearing before a public advisory committee), and Supart E (public hearing before the Commissioner) of the Administrative Practices and Procedures. It is petitioner's intention that reimbursement of costs be authorized for all types of hearings for which public notice is required and an opportunity for public participation is available.

REIMBURSABLE COSTS

The proposed regulation limits reimbursement to reasonable attorneys fees, expert witness fees, and other reasonable costs of participation incurred by eligible participants. (§ 2.151(a)(1)) These costs are intended to include the costs of preparing oral or written testimony, surveys and other submissions, fees for consultants, travel and administrative cost, and miscellaneous expenses. It is intended that costs incurred in preparing an application for funds would be reimbursable under the proposed regulation, in cases where funds for participation are ultimately awarded.

As a rule, applicants are to be notified before the proceeding in question begins as to whether or not they will be compensated for their costs of participation, although payment is to be made within 90 days after final disposition of the matter involved in the proceeding. However, interim advance payments are to be authorized where the participant has demonstrated that his participation will be impaired unless this manner of payment is adopted.

Petitioners further intend that a participant who has not applied for funds initially but finds during or after the proceeding that unanticipated and burdensome expenses have been incurred, may apply for compensation. At this point, of course, the Commissioner could judge the *actual* contribution of the applicant to the fair balance of the proceeding. Similarly, the proposal would permit persons to apply after commencement of a prceeding for funding to participate at one of the later stages of the proceeding.

PLAYING POLITICS WITH HEALTH

Mr. CURTIS. Mr. President, when medicare and medicaid were adopted, solemn promises were made that the practice of medicine would not be regulated. The people were promised that nothing would be allowed to interfere with the private practice of medicine and the doctor-patient relationship.

Those promises should be redeemed. Today these programs are not limited to assisting citizens financially with their health problems. We have Government managed and run medical care. It is no wonder that we are running into all sorts of problems. On April 15, 1976, the Chicago Tribune published an editorial entitled "Playing Politics With Health," which merits our attention, as well as a response to such editorial published in the same paper on April 24, 1976, by Frank K. Woolley, executive director of the Association of American Physicians and Surgeons, Inc. Mr. President, I ask unanimous consent that both of these articles be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Chicago Tribune, April 15, 1976]

PLAYING POLITICS WITH HEALTH

The City of Chicago has won its hotly contested bid to become the local Health Systems Agency [HSA]—opening the way for the Daley administration to control the powerful, new organization that will eventually direct the spending of up to $1 billion a year in public and private health care money here. It's like putting the fox in charge of the hen house.

Chicago's HSA is going to be a tempting hen house, indeed, and the Daley administration has made no secret of its intentions to play politics with the vast amount of money and clout involved. Chicago's HSA will approve or disapprove all federal grants, loans, and contracts for health care in the city. No one can spend $100,000 or more—even private funds—for a hospital, clinic, or private medical facility without the approval of the HSA. Previous federal aid, like the Hill-Burton hospital building program, will funnel through HSA. And should Congress ever pass any form of national health insurance, that money, too is expected to go through HSA.

The network of 202 local HSAs being set up by the Department of Health, Education, and Welfare, under a 1975 law is supposed to see that the enormous sums spent on health care are used wisely. HSAs are mandated to prevent costly duplication of medical facilities, to coordinate regional health planning, to prevent waste, and to give consumers some voice in health care.

But all that money and power are irresistibly tempting to politicians, including the Daley administration, which has been busy seeing that the HSA hen house here is built to its specifications. First, Daley's forces persuaded HEW to designate the City of Chicago itself as a separate HSA area, rather than being combined with the rest of Cook County, or more sensibly, with the whole metropolitan region. Suburban Cook County has now been combined with DuPage County in another HSA. Lake, McHenry, and Kane Counties have an HSA. So will Will, Grundy, Kankakee, and Kendall counties. This makes regional planning difficult.

Next, the Daley administration used expensive consultants to draft its complex HSA application. According to HEW officials here, the Daley plan comes closer, point by point, to meeting HEW requirements than a competing proposal submitted jointly by two nonprofit, private groups, Comprehensive Health Planning, Inc., and the Chicago Community Health Planning Coalition.

The Daley administration's bid leaves no doubt that it sees Chicago's HSA as a political opportunity. Federal law calls for each HSA to be governed by a board made up of "consumers" and "providers." Chicago's application includes a proposed slate of 30 board members, heavy with well-known Daley loyalists in both categories. For example, one "consumer" is Ald. Adeline J. Keane [31st]; her husband, former Ald. Thomas Keane, was considered Mayor Daley's second in command until his conviction for mail fraud.

HEW did put six conditions on its approval of Chicago's HSA bid, some of them concerned with the eligibility of its "consumers" and "providers." But its doubts were not serious enough to cause it to turn down the application or withhold approval until a revised plan was made. HEW did reject the single application for the Will-Grundy-Kankakee-Kendall HSA and two bids for the suburban Cook-Du Page HSA.

The whole HSA concept would command more confidence here than it does had HEW been less eager to approve the Daley bid immediately, despite its reservations. HEW emphasizes that by law approval of an HSA remains conditional for a year and that it will monitor the Chicago situation carefully. But HEW could have insisted on changes before approval; better, it should have turned down the city's obviously political proposal and called for a revision of the competing application, if necessary.

As it is, legal challenges now being mounted against the HSA program here and elsewhere have considerable merit. George Dunne, Cook County Board president, is seeking legal action to sever DuPage from suburban Cook County as an HSA. Comprehensive Health Planning, Inc., is suing to have suburban Cook County reunited to Chicago as a single HSA. The American Medical Association is expected to join a North Carolina case attacking the whole HSA plan. And legislation to repeal the whole program has been introduced in Congress.

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[4] This test is a modification of the "interest" test adopted by the Federal Trade Commission, 40 Fed. Reg. 33968 (August 13, 1975). The FTC test provides (1) that the interest represented must "be necessary for" a fair determination of the proceeding (the "necessity test") and (2) that such interest would not otherwise be represented in the proceeding (the "uniqueness test"). Although Consumers Union has been awarded compensation from the FTC under this test, it has been the experience of Consumers Union and other non-industry groups that this formulation is extremely burdensome to applicants and very difficult to administer. First, it requires that an applicant have knowledge of any other advocate who may be considering participation in a particular proceeding, and the probable content of that person's presentation. As a practical matter, "public interest" applicants are not likely to have such knowledge, as they have no formal network or body to serve the coordinating function performed by industry trade associations. Furthermore, there may be instances where FDA wants to encourage participation by an outside advocate, although some information that the outsider proposes to present may already be available to FDA staff.

Recent Medicare and Medicaid cheating scandals have done nothing to assure the public that the federal government can run health care programs efficiently and well. Already HEW is showing that it can't stand up to political pressure in the HSA program. Before we get mired any deeper in a vast political boondoggle in the name of health care, we should take a long, hard look at what's happening in Chicago.

[From the Chicago Tribune, April 24, 1976]

MEDICINE, POLITICS DON'T MIX

(By Frank K. Woolley)

It is encouraging to note from the April 15 editorial, "Playing politics with health," that The Tribune recognizes that medicine and politics don't mix. The health planning act which created the Health Systems Agency [HSA] that set Mayor Daley and his political henchmen drooling after the money and power involved is one more proof that political medicine is bad medicine.

Granting politicians the power to control development of health facilities gives them the power to deny necessary services to the people and to award contracts on the basis of political cronyism. It's an open invitation to corruption.

The health planning act was devised to establish a governmental monopoly over the development and expansion of hospitals and other medical facilities throughout the United States. Government monopoly is by far the worst kind, because it deprives private citizens of liberty to provide for their own needs as they judge best and substitutes the use of coercive, police-state dictatorial authority to enforce its programs and to obliterate competition.

The Tribune is quite right in observing that the federal government has done nothing so far to assure the public that it can run health care programs efficiently and well. Health systems agencies, manipulated as they will be for political purposes, will destroy freedom of competition, the foundation of our economic system.

As a newspaper invested with an obligation to clarify public issues, The Tribune should early recognize and point out that planning, in the lexicon of government bureaucrats, is synonymous with control. Planning that is not oriented toward authoritarian controls over private affairs is unthinkable to the bureaucrat. The health planning act should be repealed before it results in another oppressive, entrenched federal monopoly.

The Tribune has done a service in pointing out how bad this program will be. It can do a greater service by pointing out how disastrous national health insurance would be.

TAX SHELTERS: WHERE WILL THEY END?

Mr. KENNEDY. Mr. President, tax shelter activities constituted one of the major areas of tax abuse dealt with by the House-passed tax reform bill, H.R. 10612, now pending in the Senate Finance Committee. The principal technique to bring these flagrant tax avoidance schemes under control is the limitation on artificial losses—LAL—provision in the House bill.

Basically, LAL would provide that a high-bracket individual could not use accelerated deductions from one activity—for example, oil—to reduce income taxes on income from entirely different activity—for example, his corporate salary or his medical or legal fees. Accelerated deductions from the tax shelter investment could only be used to reduce income from that investment. I believe that, with the improvements I have suggested to the Finance Committee, LAL is an appropriate and effective response to the tax shelter abuse.

But, Congress must recognize that the ingenuity of tax shelter entrepreneurs is limitless. LAL in the House-passed bill would apply to six major types of tax shelter operations—real estate, oil and gas, equipment leasing, motion pictures, sports franchises, and farm operations. But there are new tax shelters being created every day.

The Wall Street Journal recently carried items concerning two more tax shelter operations—one in antiques and classic cars and the other in book publishing. We can be sure that if LAL is passed, tax shelter syndicates will quickly dream up still more new tax shelter deals outside the six areas specified in the House bill. Congress cannot be placed in a position where we have to enact a new LAL rule every time a new tax shelter is uncovered.

It is therefore essential that when Congress enacts LAL, it should provide authority for the Treasury to issue regulations to apply appropriate LAL rules to tax shelter transactions other than the six now specified in the House bill. Congress employed a similar technique in 1969 in passing rules governing stock dividends, when it empowered the Treasury to issue regulations covering other tax avoidance techniques in the stock dividend area as they were discovered.

Congress must bring an end to tax shelter-tax avoidance devices. To accomplish that objective, we must be sure that tax shelter manipulations are put on notice that the antitax shelter rules will be applied promptly to any new device concocted by these merchants of tax avoidance schemes.

Mr. President, I ask unanimous consent that two items from the Wall Street Journal of April 13, 1976, may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 13, 1976]

UNIQUE OPPORTUNITY FOR TAX SHELTER PERSON

Unique opportunity for polished tax shelter pro to get in on the ground floor in the lucrative Antique and Classic Cars tax shelter and invest. credit area: High commission and possible equity participation. Send resume to Box O-431, Wall Street Journal.

[From the Wall Street Journal, April 13, 1976]

STEIN & DAY, PUBLISHER, SEEKS FINANCING THROUGH TAX-BREAK PLAN USED BY MOVIES

(By Stephen Grover)

NEW YORK.—While Congress investigates alleged abuses in the use of tax-shelter money to finance movie production, book publishers are beginning to seek such funds to help finance their own operations.

One of the first to do so is Stein & Day Inc., a Briarcliff Manor, N.Y., concern that publishes 80 to 90 books of general interest a year. Sol Stein, president, said he will invite private investors to put their money into a limited partnership that will help his company finance both its spring and fall lists next year.

As do most of the movie companies that have turned to outside funds to help finance their production lineups, Mr. Stein dislikes the use of the expression "tax shelter." "It's really a tax deferral," he says. Unlike some movie financing—of the kind that has come to the attention of Congress—the funds wouldn't be invested for tax purposes in projects that don't stand a chance of making money. "The fact is," Mr. Stein says, "that over the years over 80% of all our books make money. So the plan has economic viability and would stand up under government scrutiny."

The general belief among other publishing houses, especially those that aren't subsidiaries of major corporations, is that if Mr. Stein's plan is successful there may in the years ahead be widespread use of outside funds in the publication of books rather than of internal funds.

MECHANICS OF PLAN

In general, here's how the limited partnership would work. The partnership would set up an editorial and production service company that would have the task of acquiring manuscripts, editing them and designating the packets or, as Mr. Stein notes, "doing everything up to the point where the book is ready to go to the printer." The editorial and production company—the partnership—would have an exclusive contract with Stein & Day under which the latter, says Mr. Stein, "takes the manuscript, produces the book and sells subsidiary rights—such as book club, paperback and movie rights—to third parties." He adds: "The subsidiary rights are the most profitable part of the project." The company would distribute the books in hardcover (and softcover where those rights weren't sold).

Investors would supply a part of the funds needed for the activities of the partnership while the remainder would be borrowed from a bank or banks as a nonrecourse loan guaranteed by Stein & Day. A nonrecourse loan is one in which the borrower doesn't assume any liability.

Just as in the financing of movies by this means, investors would be able to deduct a pro-rata share of the nonrecourse loan, along with their own investment, from current income. Taxes then would be paid on future receipts.

Mr. Stein says the investment units in the partnership "would probably be about $50,000, and the actual amount of the loan—which would be equivalent to about 150% of the money invested by the partners—would probably be about $900,000." An investor who put up $50,000 would actually get a deduction of slightly more than $100,000 in the year of investment. But once the book began to produce revenue, the investor would be liable to taxes on the returns.

ENTIRE LINEUP OF BOOKS

Mr. Stein said the financing so arranged would be applied to the company's entire lineup of books next year "so that the risk involved is spread across the line." Mr. Stein also said it was his experience as an investor in movies last year that prompted him to see if this kind of financing could be successfully applied to publishing.

The alleged abuses prompting Congress to investigate tax-shelter financing (in other industries as well as motion pictures) usually involve—in the case of movies, at least—the acquisition by private interests of U.S. rights to foreign movies that stand next-to-no-chance of success at the box office in this country. Investors in such movies generally act in the knowledge that their money won't be returned; they make the investment solely for tax advantages.

The problem, though, is that in an industry where the risks are unusually high, most of the major motion picture companies have also employed the use of tax-shelter money—or "venture capital," as they prefer to call it—to finance their production lineups. These studios include Columbia Pictures Industries Inc., Warner Communications Inc., Paramount Pictures (a subsidiary of Gulf & Western Inc.), Allied Artists Industries Inc. and United Artists Corp. (a subsidiary of Transamerica Corp.).

The film companies are upset because they are afraid that the abuses of those who have invested in motion pictures solely for tax considerations may lead Congress to go as far as banning the use of all tax-shelter money in movie production. If it does, they maintain, it could lead the U.S. studios to transfer the production of many movies abroad where tax-shelter financing is permitted.

What the movie companies would like to see is a tightening of securities laws so that only serious investors—those with an honest hope of making money on their investment—would be interested in motion picture production. Burton Marcus, vice president and general counsel of Columbia Pictures, notes that "our investors have got back more money than they invested. We consider such financing a viable investment, not a tax shelter. And that's the orientation of the responsible companies."

As a means of minimizing the risks to investors, Columbia—and other U.S. motion picture producers—have also extended the risks involved from one picture to several. If one of them fails, the others could more than offset the loss.

ALTERNATIVE ENERGY RESOURCES

Mr. BAYH. Mr. President, one of the most important and seriously neglected areas of our national energy policy is the development of alternative energy resources. In spite of constant talk about the need to break away from unreliable sources of energy, the Ford administration has been content to allow major oil companies to charge OPEC level prices for domestic fuel, and has consistently opposed price controls for oil and gas.

The single energy source that the past two Republican administrations has supported as a viable alternative to the use of fossil fuels is nuclear power. However, there are still many unanswered questions of health, safety, and environmental problems associated with the operation of nuclear powerplants.

Obviously we need to seek maximum production of fossil fuels consistent with economic and environmental considerations. But it is equally obvious that we must step up effective research on new energy sources, particularly solar, geothermal, and fusion power.

For this reason I am pleased to join the list of cosponsors of the Solar Energy Act of 1976, introduced by the Senator from Minnesota (Mr. HUMPHREY).

This excellent bill authorizes demonstration projects for the use of solar power and will fund both residential and commercial heating and cooling demonstration programs.

The act also provides for a sharp rise in funding for the technical development of different types of solar energy production facilities. Solar energy research funding is now being severely shortchanged by the Ford administration. The administration's budget for fiscal 1977 submitted to Congress in January allocates only 2.2 percent of the entire Energy Research and Development Administration's budget to solar energy research. This approach to energy R. & D. reflects precisely the priorities of the major energy companies, 16 of which own uranium deposits in the United States. The nuclear portion of the ERDA budget, not counting weapons research, is more than 15 times the solar energy budget.

Opposition to the lack of funding for solar energy has emerged from within the ranks of the administration itself. According to a recently published article in the Wall Street Journal, one of the reasons that John M. Teem, former assistant administrator for solar, geothermal, and advanced energy systems at ERDA, resigned his post early this year, was his significant differences with the White House on the extent and speed with which the Government should develop solar energy. Mr. Teem said that he favored accelerating ERDA programs to bring solar energy to the marketplace as quickly as possible. He was unsuccessful in his efforts however, and consistently faced opposition by the administration to increasing the ERDA solar energy budget. Mr. Teem said he favored a wider role for, and faster organization of, a planned solar energy research institute within ERDA than was acceptable to the White House. I ask unanimous consent to insert the Wall Street Journal article by Les Gapay in the CONGRESSIONAL RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAYH. Given the potential value of solar power as an alternative energy source, it is vitally important that we in Congress work to substantially increase the ERDA appropriation for its development. Conservative estimates indicate that the United States could use solar energy for the equivalent of 500,000 barrels of oil in 1980, and 5.5 million barrels by the year 2000, if quick action is taken on solar power research and development.

Mr. President, the Solar Energy Act of 1976 is an important first step towards the development of solar power technologies. Of the 500 to 1,000 bills relating to energy matters that are pending in the committees and subcommittees of the House and Senate, this is certainly one of the most important. I hope that we can add this legislation to the list of accomplishments of the 94th Congress.

EXHIBIT 1

[From the Wall Street Journal, Feb. 26, 1976]

SOLAR-ENERGY PLANNING IS BEING SLIGHTED BY FORD, FORMER CHIEF OF PROGRAM SAYS

(By Les Gapay)

WASHINGTON.—The Ford administration isn't giving solar-energy development the priority it deserves, charged the recently resigned head of the government's solar program.

The official, John M. Teem, former assistant administrator for solar, geothermal and advanced energy systems at the Energy Research and Development Administration, said in an interview that he had significant differences with the White House on the extent and speed with which the government should develop solar energy.

Mr. Teem said that President Ford's budget request to Congress last month for solar programs was far less than the ERDA wanted, and that he also disagreed with the scope and pace assigned by the White House to some of the agency's key solar programs.

"PERSONAL REASONS"

The White House on Jan. 30 routinely announced Mr. Teem's resignation for "personal reasons," and the disagreements on solar policy weren't disclosed.

Mr. Teem said in the interview his resignation wasn't directly because of the disagreements, and that he had several reasons. He added, however, that he differed with officials in the White House and the Office of Management and Budget. "My sense of job satisfaction decreased in view of the detailed management viewpoints being brought into the solar programs by OMB," he said. The management office's heavy involvement in solar energy policy decisions "affected the timing of my resignation," Mr. Teem added.

Mr. Teem said he favored accelerating ERDA programs to demonstrate solar energy in the heating and cooling of buildings; in agricultural areas, such as crop drying, and in various industrial processes.

He also said he was unsuccessful in efforts to increase the ERDA's role in disseminating information on solar technology to industry and the public to speed "bringing solar to the marketplace." Also, Mr. Teem said he favored a wider role for, and faster organization of, a planned solar-energy research institute within ERDA than was acceptable to the White House.

COMMERCIAL STIMULUS

In essence, Mr. Teem said his proposals would have resulted in more government stimulation of the private sector for commercialization of solar energy than the White House and the budget office wanted.

President Ford's budget request for solar research and development programs in ERDA for fiscal 1977, starting Oct. 1, asked for a congressional authorization of $160 million, with projected outlays during the year of $116 million. Mr. Teem said that the ERDA had requested the budget office to ask for $255 million in budget authority and $201.6 million in outlays. In the current fiscal year, the ERDA has a budget authority for solar programs of $115 million and estimated outlays of $86 million. By contrast, the ERDA's requested budget outlays for nuclear programs for fiscal 1977 total $1.7 billion.

Mr. Teem said that solar work in heating and cooling of buildings and in agricultural and industrial processes is scientifically advanced enough so that demonstration programs "could proceed at a more rapid pace" than the budget request outlines. Mr. Teem says that those programs show the most short-term promise for solar-energy use and that "even within a constrained budget" they could have been given more priority.

PROGRAMS CRITICIZED

Congress' Office of Technology Assessment similarly criticized the ERDA's solar programs in a report last October, saying too much emphasis was being put on long-term, space-age type solar research programs at the expense of areas that can become practical sooner.

Mr. Teem said that there is the view at the budget office and the White House that because of advances in solar technology, "the private sector is in a position to undertake more programs now" without government stimulus.

A solar research institute within the ERDA was authorized by a 1974 law to do technical and analytical work to support the agency's solar-energy programs. The National Academy of Sciences had recommended to the ERDA that the institute be given a wide research role, a staff of about 1,500 and an annual budget of about $50 million. ERDA sources said that a compromise had been reached with the budget office on the size and scope of the institute, which won't be on the scale envisioned by the NAS. The sources said the institute will first only do studies, and that its actual laboratory research role will remain undefined for the first few years of operation.

FREEDOM OF INFORMATION ACT

Mr. KENNEDY. Mr. President, despite the strict time limits and expanded disclosure standards contained in the 1974 Amendments to the Freedom of Information Act, which I drafted, the agencies of the Federal Government have by and large made sincere, dedicated efforts to comply with the law. The effect has been visible on almost a daily basis in news reports, based on information released under the Freedom of Information Act, which discuss various aspects of the operations of our Government. That is what the Freedom of Information Act was intended to do.

Every so often, however, I run across an agency which has yet to understand the letter, much less the spirit, of the Freedom of Information Act. My Subcommittee on Administrative Practice and Procedure receives extensive correspondence from the public and maintains continuing liaison with the agencies on problems that might arise over administration of the act. One correspondent recently brought to my attention a letter he received from the Selective Service System denying his request for their annual freedom of information report. Let me quote the entire text of that letter, signed by Mr. Peter T. Straub, General Counsel of the Selective Service System:

> This will acknowledge receipt of your note dated March 8, 1976, requesting a copy of our report to Congress on the activities of the Selective Service System under the Freedom of Information Act.
>
> The document requested is a statutory agency report required to be submitted to the Congress. As such, it does not constitute, in our opinion, public information as contemplated by the Freedom of Information Act. We do not believe that the release of such report by this agency would be proper. Your request is therefore denied.
>
> You may appeal this denial to the Director of the Selective Service System.
>
> The name and title of the person responsible for this denial is Lieutenant Colonel Robert J. Murphy, Jr., Assistant General Counsel, Selective Service System, acting for Mr. Peter T. Straub, General Counsel.

Mr. President, seldom do we run across so blatant a disregard of the law by an executive branch official. It is precisely for instances such as this that the 1974 amendments contained procedures for the initiation of Civil Service sanctions against agency officials denying information arbitrarily and capriciously. So far this sanction has not been imposed; if the Selective Service System does not change its position in this case, and the requester has to sue the agency, I expect this sanction provision will receive its first test.

Why have I reached this conclusion? Let me take Mr. Straub's points in order. First, he says that since the document requested is a "statutory agency report," it does not constitute public information. Is it not an agency record? The Attorney General acknowledged, in his memorandum on the act, that the term "records" be defined in accordance with section 1, 57 Stat. 380, 44 U.S.C. (1964 Ed.) 366 as follows:

> The word "records" includes all books, papers, maps, photographs, or other documentary materials, regardless of physical form or characteristics, made or received by any agency of the United States Government in pursuance of Federal law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the Government or because of the informational value of data contained therein.

How a document can be transformed into "noninformation" by some magic of nomenclature is beyond my comprehension.

Second, Mr. Straub concludes that "we do not believe that the release of such report by the agency would be proper." I have reexamined the nine exemptions from mandatory disclosure under the Freedom of Information Act—exemptions which are exclusive, and beyond which courts have found even they have no equitable power to allow withholding of information by an agency. And nowhere do I find an exemption for records, the release of which the Agency does not consider "proper." Such a standard suggests to me, Mr. President, that the Assistant General Counsel who takes responsibility for the denial has never taken the time to read the Freedom of Information Act.

Finally, section 552(6) (A) (i) explicitly requires that—

> Each agency, upon any request for records made under paragraph (1), (2), or (3) of this subsection, shall—determine within ten days (excepting Saturdays, Sundays, and legal holidays) after the receipt of any such request whether to comply with such request and shall immediately notify the person making such request and of such determination and the reasons therefor.

If this response by the Selective Service System conforms to that requirement to provide "reasons" for withholding the material, then we might as well tear up the law and go back to 1965, when agencies were completely unaccountable and could withhold anything they pleased from public view. I commend this example to all the agencies of the government as illustrative of what not to do in implementing the Freedom of Information Act.

HOUSING AMENDMENTS OF 1976

Mr. GARN. Mr. President, Senator Tower has requested that Secretary Hills give her views on S. 3295, the Housing Amendments of 1976. Secretary Hills has responded with a detailed analysis of her objections to this legislation. Senator Tower could not be here at this time, but he has requested that I submit a copy of Secretary Hills' letter for the Record.

As can be seen, HUD has very strong objections to this legislation, not on one but on several grounds. If the bill goes to the President in its present form, the Secretary will recommend to the President that he veto it.

I ask unanimous consent that a copy of Secretary Hills' letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Secretary of Housing and Urban Development,
Washington, D.C., April 24, 1975.
Hon. John G. Tower,
U.S. Senate,
Washington, D.C.

Dear Senator Tower: In response to your request, I have reviewed S. 3295, the proposed "Housing Amendments of 1976" as reported earlier this month by the Committee on Banking, Housing and Urban Affairs. In my judgment, the bill is unacceptable in its present form.

Our mutual purpose should be to provide decent, safe and sanitary housing for our low-income citizens. We should provide this through sensible, flexible and consistent programs. This bill, with its set-asides and mandates, would severely disrupt program delivery, would not expeditiously produce adequate shelter for its intended beneficiaries, and would undermine the local flexibility which was the keystone of the 1974 Housing and Community Development Act.

SUBSIDIZED HOUSING

The Senate bill would alter dramatically the mix of Federal housing programs in a way which is likely to impact negatively both on the dollar effectiveness of those programs and on the timely delivery of housing assistance to low and moderate income families.

The bill would reactivate the conventional low rent public housing program at the highest level of activity in its 40 year history, only two years after Congress itself determined to replace that program with a new rental assistance mechanism. The disadvantages of conventional low rent public housing, which led to its abandonment as a major Federal housing program, have been catalogued so often as scarcely to need repetition. A nineteen-fold increase in operating subsidies, the concentration of social problems, the exclusion of private sector involvement or private market discipline from the program's operation, and its horizontal inequities have all been well documented.

The proposed resurrection of public housing takes place largely at the expense of the Section 8 program, which was drafted to avoid the failings of public housing and is just beginning to demonstrate its true potential. Section 8 can deliver housing to needy families far more quickly than conventional low-rent public housing. For example, from reservation of funds to completion, conventional low-rent public housing takes up to 46 months versus 24 months for Section 8 New. Lower income families most in need of immediate housing assistance will be adversely affected by the bill's precipitous reversal of the Section 8 program.

Moreover, the bill's set-aside within the housing program destroys the 1974 Act's flexibility to adapt Federal housing assistance to the particular conditions and needs of individual communities. The Section 8 program requires communities to assess their housing needs in their Housing Assistance Plans. Narrow mandates for new construction eliminate this local discretion.

Also, the bill's heavy emphasis on newly constructed housing greatly increases the cost of housing our lower income citizens. First, public housing construction is more staff intensive than Section 8. Second, the bill's five separate set-aside would create an administrative nightmare. The administrative controls necessary to assure compliance, ranging from funds assignments to program reports, would constitute a morass of paper shuffling, which will slow down production and delay program delivery. Third, budget authority would be increased by more than $3.8 billion dollars. Each unit of mandated new public housing construction displaces two units of Section 8 existing housing that could be provided to lower income families, even where use of existing housing best meets local needs. The additional Federal borrowing required by this mandate will bring with it the usual inhibiting effects on private housing production.

MODERNIZATION FUNDS

While HUD has requested an authorization to continue the modernization program, the bill provides a $60 million setaside which triples that request. That $60 million setaside—which translates into an $840 million increase in the budget authority—is more than LHAs can absorb. A program of that magnitude would be unmanageable both by HUD and LHAs. The result of this excess will be the funding of marginal projects or the inadequate implementation of projects which do address legitimate needs.

Our experience with the modernization program demonstrates the limited capacity of its participants to absorb these funds. From 1968 through 1975, HUD provided $1.5 billion in assistance to local housing authorities for capital expenditures. As of June 30, 1974, less than $870 million had actually been advanced to housing authorities which, in turn, have disbursed only $675.5 million.

The more realistic $20 million level proposed in the Administration's budget proposal will fund $215 million in LHA capital costs.

SECTION 235

The authorization of $200 million for Section 235, which would require budget authority of $6 billion, is unnecessary at this time. The Department has just recently implemented the revised Section 235 program and plans on an annual reservation level of 100,000 units, for which the Department already has sufficient funds. With the proposed additional authorization, the Department would be expected to reserve 325,000 units in 1977. This would represent an unprecedented level of activity. Moreover, such production levels would require over 1,200 additional staff years for processing alone. This does not include workload related to inspection during construction or management and servicing once the units are completed.

Aside from staff needed for the Section 235 program, the imposition of such a volume of work could undermine quality processing. I genuinely fear that the result would be the dreadful situation we have had in recent years, the consequences of excessive production levels and hasty, poorly conducted processing.

The program we have planned for 1977—100,000 units—is a reasonable level, which can be accomplished without a sacrifice of quality. We are optimistic that we can meet this production target while avoiding the pitfalls of the original program.

EXTENSION AND EXPANSION OF 518(B)

Section 9 of the bill would make 518(b) a permanent part of the National Housing Act with expanded programmatic parameters. The original 518(b) was enacted to deal with problems associated with lapses in FHA processing affecting lower income home purchasers; the extension in the 1974 Act maintained this basic focus. Section 9 would now expand this program to a general, permanent feature of the FHA operation, without regard to whether there has been a showing of comparable need or whether the 518(b) approach is an appropriate way of dealing with the need.

It could make the taxpayer liable for a claim made by the purchase of any home more than 1 year old covered by FHA mortgage insurance, based on failure of the appraiser to detect any structural or other major defect affecting use or livability. The claims may be retroactive to January 1973.

The problems with this provision extend beyond its cost and staffing implications, which are difficult to estimate with any reasonable precision. The continuation and expansion of 518(b) in the form in which it appears in the bill will add a new element to FHA insurance which will add to costs and complicate processing without providing to homeowners the benefits of true insurance. In the long run this can only weaken further the role of the basic FHA insurance program in relation to other forms of home financing. In this respect, I think it is particularly inappropriate for the Congress—with no showing of emergency need—to enact such a major change in the FHA basic program in advance of the Congressional review of the role and future of FHA which I hope will take place next year.

SECTION 202—HOUSING FOR THE ELDERLY AND HANDICAPPED

The approval of an additional $2.5 billion in direct loan authority as included in section 11 of the bill imposes an unrealistic goal. This level of authority would provide for an additional 100,000 units which, in terms of processing requirements, would necessitate an additional 300 staff years in excess of the level included in the budget for this function. Budget authority and staffing increases of this magnitude place an intolerable burden on limited budgetary resources.

The budget recommends our proceeding with a Section 202 program in the form of a permanent loan program as directed by the Congress last year. The level proposed in the budget—$375 million—is a reasonable one which balances our staff resources with the popularity of the program.

It should also be noted that, although the program has been arbitrarily removed from budget totals, it still impacts on Treasury borrowings and on interest rates in the same fashion as if it were in the budget. This legislative "closing of the eyes" does not change reality.

COMMUNITY DEVELOPMENT

The philosophical basis for Title I of the Housing and Community Development Act of 1974 was that within broad guidelines local governments should set their own community development priorities. As compared with the categorical programs it replaced, the community development block grant program is more flexible, easier for local government to understand and work with, and less staff intensive at the Federal level.

The bill would represent a substantial reversion to the categorical approach. Section 12 would reestablish the Section 312 rehabilitation loan program at a funding level of $150 million, despite the fact that in 1975, block grant communities targeted 9% or more than $230 million, of the block grant funds for rehabilitation activities. This is more than triple the reservation level we have experienced under the 312 program. The funds under the 312 program will be spent in accordance with a Federal rather than a local priority and will divert the Department's community development staff from the block grant program.

The expansion of the Section 701 comprehensive planning program by Section 13 of the bill raises similar problems. The Department has proposed that $25 million be available under this program for units of local government which do not receive funds under the block grant program. But expanding the program to $100 million and thereby enlarging the class of eligible communities is once again to assert Federal over local priorities and to separate the funding and administration of planning from the community development activity which ought to be the end product of the planning process.

To perpetuate categorical programs when the purposes they were designed to serve are better achieved under the block grant program is particularly inappropriate in light of the fact that funding under the block grant program will be $446 million more in FY 1977 than it was in FY 1976.

Finally, depending upon unit mix and contractual terms, implementation of the bill would require an increase in budget authority of between $12.9 billion and $17.7 billion. Such an increase would be wasteful and fiscally irresponsible. For the reasons outlined in this letter, among others, it will not provide local government or low income persons with the benefits intended by the 1974 Act.

Accordingly, I would recommend that the President veto S.3295 if enacted in its present form. The Office of Management and Budget has advised that it would concur in this recommendation.

Sincerely,

CARLA A. HILLS.

"ALCOHOL: WHAT'S IN IT FOR ME?"

Mr. BAYH. Mr. President, as chairman of the Subcommittee to Investigate Juvenile Delinquency, I have become increasingly distressed over the alarming escalation of alcoholism among our young people. Alcoholism has been called this country's largest untreated, treatable illness. Alcohol, of course, is a drug with a high potential for addiction and it affects old and young alike. Recent studies, in fact, show that 1 teenager out of every 20 has a drinking problem. The National Council on Alcoholism reports that in 1972 the age of the youngest alcoholic who came to their attention dropped from 14 to 12. It is vitally important that our young people are educated and informed of the consequences of the use of alcohol.

Maurice and Blanche Frink of Elkhart, Ind., have produced a film entitled, "Alcohol: What's In It For Me?" which I wish to bring to the attention of my colleagues. Without preaching or philosophizing, this innovative and important educational film is designed especially for youngsters 11 to 14 years old. By considering the nonharmful effects of controlled use, the film allows the viewer to draw his or her own conclusions. It warns of the dangers, admits the beneficial possibilities, and suggests social and individual approaches to the U.S. problem of young alcoholics.

The Elkhart Community School system provided valuable cooperation, facilities, and students for Maurice and Blanche Frink's production along with other concerned Elkhart citizens, churches, and government agencies. Dr. Frank A. Seixas, Medical Director of the National Council on Alcoholism; Dr. Patricia O'Gorman, NCA Director, Department of Prevention and Education; and Edward G. Albright, teacher and coach, Brookdale Junior High School, Elkhart, Ind., served as script consultants and advisors. The film will be distributed by Perennial Education, Inc. of Northfield, Ill.

Alcohol abuse and alcoholism annually sap $25 billion from the economy in lost worktime, for health and welfare services, for medical expenses, property damage, and other costs. Alcohol is a major factor in more than half the highway deaths each year, accounting for 28,000 fatalities, with even a higher ratio among young people. Alcoholism cuts 10 to 12 years from the drinker's expected life span. Alcohol abuse and alcoholism account for more than one-third of all arrests. Alcohol abuse is often a major factor in crimes of violence. These are grim and sobering statistics, but most depressive and grim is the fact that each alcoholic directly affects four other persons adversely. Even if we accept the conservative estimate that 10 million Americans suffer directly from the disease of alcoholism, we are then confronted with an additional 40 million family members, coworkers, and costudents also affected by the serious alcohol problem in this country. Awareness and understanding of the problem of alcohol abuse and alcoholism can help some people, and to that end, "Alcohol: What's In It For Me?" is dedicated.

RESOLUTION OF THE POCKET VETO CONTROVERSY

Mr. KENNEDY. Mr. President, on April 13, 1976, the Department of Justice announced that it would no longer oppose the lawsuit I had brought to settle the scope of the President's pocket veto power under article I, section 7, clause 2 of the Constitution.

Henceforth, according to the decision made by President Ford, a pocket veto will be used only during the sine die adjournment of Congress at the end of its second session. During all other adjournments—including intrasession adjournments, such as the recent Easter recess and the summer adjournment, and the intersession adjournment between the first and second sessions of a Congress—the President will use a normal or return veto, not a pocket veto. That is, the President will return the bill to Congress, so that Congress will have the opportunity to override the veto.

According to the Department of Justice annnouncement, the only requirement for the use of normal vetoes during an adjournment is that the Senate or House must designate officers to receive a vetoed bill during the adjournment. In recent years, the Senate and House have routinely made such designations during adjournments and the practice will certainly continue.

President Ford's recent action is a generous and complete vindication of the rights of Congress and its role in the enactment of Federal legislation, and I welcome the President's decision.

The current controversy began in 1970, when President Nixon used a pocket veto to nullify the Family Practice of Medicine Act during the 5-day Christmas recess of Congress that year. In August 1974, in a lawsuit I initiated, the U.S. Court of Appeals for the District of Columbia Circuit ruled that this pocket veto was unconstitutional. See *Kennedy v. Sampson*, 511 F.2d 430 (1974).

President Ford's recent action involves a second law suit I had brought, which was pending before Judge John J. Sirica in the U.S. District Court for the District of Columbia. That suit concerned a pocket veto by President Nixon during the intersession adjournment of Congress in January 1974, and a pocket veto by President Ford during the 31-day intrasession adjournment for the congressional elections in November 1974. The Department of Justice has filed a statement with the court consenting to the entry of a judgment in my favor in this litigation, and Judge Sirica has now ordered the judgment to be entered.

Over the years, many Senators and Congressmen have supported the effort to limit the use of the pocket veto. In particular, Senator Sam J. Ervin, Jr. of North Carolina was especially active in defending the role of Congress in this area, and I am pleased to pay tribute at this time to his strong leadership in protecting this important aspect of the legislative prerogatives of Congress under the Constitution. I also commend the Senate and House leadership for their strong support during the litigation and for the effective steps taken to insure that the pocket vetoes in question could be successfully challenged in the courts.

I think I speak for many members of both the House and Senate in saying how pleased I am that this decades-old controversy between Presidents and Congresses over the scope of the pocket veto power is now finally ended.

Mr. President, I ask unanimous consent that the Department of Justice announcement of April 13, 1976, the Department's statement filed the same day in the District Court, and the order of Judge Sirica of April 21, 1976 may be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Department of Justice—April 13, 1976

The Department of Justice announced today that it will no longer oppose a suit questioning the scope of Presidential authority to use the pocket veto.

Attorney General Edward H. Levi said the action was based on a Presidential decision concerning the use of the pocket veto.

Vetoes are provided for in Article 1, Section 7 of the Constitution.

That section requires the President to act on a bill within 10 days, Sundays excepted. He may sign it into law. Or he may return it with his objections to whichever chamber it originated in, which constitutes the usual, or "return," veto. If Congress remains in session and the President does not act within 10 days, the bill becomes law.

A "pocket" veto occurs when the President fails to sign a bill within that period and the Congress, by its adjournment during that period, prevents its return. It takes its name from early references to a President putting unwanted legislation in his pocket.

The present suit was filed January 29, 1974, by Senator Edward M. Kennedy (D. Mass.), raising the question whether two bills passed by Congress but not signed by the President had become law.

One of the bills amended the Urban Mass Transportation Act of 1964 to permit buses purchased under that Act to be used to provide charter bus services. The time for Presidential approval of that bill expired during an intra-session adjournment of Congress.

The other bill amended the Vocational Rehabilitation Act by extending the authorization of appropriations for certain programs for the handicapped for one year, making certain changes in federal programs for blind persons, and providing for the convening of a White House Conference on Handicapped Individuals. The time for Presidential approval of that bill expired during an intersession adjournment of Congress.

The substantive provisions of these bills have been superseded by subsequent enactments.

The Attorney General said, in announcing the Department's position, that:

"President Ford has determined that he will use the return veto rather than the pocket veto during intra-session and intersession recesses and adjournments of the Congress, provided that the House of Congress to which the bill and the President's objections must be returned according to the Constitution has specifically authorized an officer or other agent to receive return vetoes during such periods."

[U.S. District Court for the District of Columbia, Civil Action No. 74–194]

Statement

Edward M. Kennedy, Plaintiff, versus Thomas M. Jones and Jack M. Eckerd, Defendants.

Defendants hereby consent to the entry of a judgment as prayed for in the supplemental complaint and in plaintiff's motion for summary judgment.

Respectfully submitted,

Rex E. Lee,
Assistant Attorney General,
Earl J. Silbert,
U.S. Attorney,
Stuart E. Schiffer,
Attorney, Department of Justice Attorneys for Defendants.

[U.S. District Court for the District of Columbia, Civil Action No. 74–194]

Order

Edward M. Kennedy, Plaintiff, versus Thomas M. Jones and Jack M. Eckerd, Defendants.

The Court having considered the plaintiff's supplemental complaint and plaintiff's motion for summary judgment, and the entire file in this case; and the defendants having filed a statement of consent to entry of judgment with the Court on April 13, 1976, it appears to the Court that the plaintiff is entitled to entry of judgment.

It is therefore this 21st day of April, 1976,

Ordered that plaintiff's motion for summary judgment be, and the same hereby is, granted; and it is

Further ordered that judgment be entered for the plaintiff in the above entitled matter.

John J. Sirica,
U.S. District Judge.

THE MIDDLE EAST: 1976

Mr. BAKER. Mr. President, in February of this year, my good friend and colleague Senator Adlai Stevenson visited the Middle East as a member of the Senate Committee on Banking, Housing, and Urban Affairs, and as the chairman of the Subcommittee on Finance. During the course of his visit, he met with the heads of state and government officials in Egypt, Saudi Arabia, Syria, Lebanon, Iraq, Iran, and Israel. Senator Stevenson thoughtfully provided me with a copy of his report of this trip, filed with the chairman of the committee; and I commend this report to the attention of my colleagues.

I suppose it has become a cliche to say

that the Middle East is a mystifying area fraught with danger, complexity, and promise. Less than a year ago, I, too, traveled to the Middle East; and I am initmately familiar with the difficulties involved in reducing the myriad impressions received there in a short span of time to a collection of cogent and meaningfully analytical observations. The Senator from Illinois has done just that, and I believe that his report constitutes an extremely valuable addition to the public fund of knowledge available on the Middle East.

In this brief statement, I could not hope to do justice to the broad range of observations offered by this most thoughtful analysis; however, I would like to quote a small segment of this report which, to me, indicates the depth of Senator Stevenson's perception of this troubling and complex area of the world. In his opening remarks, he says, and I quote:

> The rhetoric of the Middle East, some of it heard in the U.S., enlarges for all its passionate participants an already large and dangerous conflict. An outsider is struck by the convergence of interests recognized in private and concealed in public. A peaceful resolution of the differences in the Middle East will require the intercession of outside influences uninflamed by imagined, as well as real, differences.

In our continuing consideration of the many issues involved in the Middle East, I believe we would be well advised to keep in mind that quote, as well as the balance of this most valuable report.

Mr. President, I ask unanimous consent that the conclusion of Senator Stevenson's report "The Middle East; 1976" be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Some Conclusions

If there is a single message to be found in the foregoing observations, drawn from a day, or two, or three in each of six Middle Eastern capitals and Tehran, it is that there are no ready answers to any of the policy questions in this politically complex, economically rich, and emotionally charged area of the world. Step-by-step diplomacy has run its course. The impasse has resumed. Each of the parties assumes that time is on its side. Each is probably wrong.

Both sides can lose should there be another round of fighting, and always lurking in the wings is the brutal threat of Great Power confrontation. One of the end-products of step-by-step diplomacy has been to raise the level of American commitment in the area and to limit the options as tension heightens. A continued impasse favors radical elements and increases the opportunity for Soviet exploitation of a mounting crisis. A new constellation of forces, disturbing in its implications, is emerging.

President Sadat, a moderate, has lost his position of leadership in the Arab world. If he and his government are to survive, he will have to show concrete achievement as a result of the Sinai gamble. His ties to the Soviet Union are cut. For some of his needs he is relying upon the United States. If he fails, he will be replaced by more radical leadership. Egypt's return to the Soviet orbit will then become more likely.

Syrian President Hafez Assad has been pushed into the ascendency by the Sinai Accords. His sphere of influence now includes Lebanon.

The influence of King Hussein, another moderate, is correspondingly diminished. He and Assad are currently engaged in cooperative maneuvering the implications of which are not at all clear.

The Palestinians are by general agreement the nub of the problem.

Although badly divided, they have steadily increased in numbers, economic and military strength, and seriousness of purpose. They cannot be left out of any Middle East settlement. Their lack of unity is reflected in the lack of unity within the top ranks of the PLO, but there is no organization other than the PLO with a broadly recognized claim to represent the Palestinians.

The rich Arab states of the Gulf can provide almost limitless financial support to any movement they choose and are now capable of throwing military power onto the scales as well.

Israel, as always, bears heavy burdens, and looks to the United States to assume over $1 billion of a $2 billion budget deficit by writing off repayments for arms deliveries, as well as by maintaining the flow of support through bond subscriptions and other massive private efforts by the Jewish community. An Israeli government with a precarious majority is too weak to prevent certain actions by Israeli citizens which are highly provacative to the Palestinians, such as the establishment of new settlements on the West Bank. The Sinai Accords are unpopular in Israel, and the government is accused of giving up Sinai oil and strategic passes in exchange for Egyptian commitments, such as rights of Suez Canal passage for Israeli cargoes, which can be revoked at any time. Even the modest, indeed almost meaningless, proposal that the United States, on Israel's behalf, sound out in neighboring capitals the possibility of a "termination of the state of war" touched off a heated debate in the Israeli Cabinet.

Time is running out—again. It is widely believed that United States is paralyzed by its election and Israel will be paralyzed by its own elections in 1977. It would be tragic to let this happen. A new order of statesmanship is required from both the Executive and the Legislative Branches. For too long Congress has meddled or gone along without any real understanding of Middle Eastern politics. Neither the United States, nor Israel, nor any of the Arab states will be served by continued ignorance or the expediencies of election year politics.

A way must be found to harness the common interests of all of the people of the Middle East to the search for peace. All of them, Arabs as well as Israelis, value national independence. All fear Soviet influence or, as some would put it, Russian imperialism. All attach a high priority to internal development. (Even the Iraqis took pains to suggest that political and commercial relations are separable.) Continued hostilities are inconsistent with the aims of all states for independence and their own national development. It is hard to see how anyone benefits from continued political instability in the Middle East, except possibly the Soviet Union.

The views of respected authorities who regard the option of war as the only way out are deeply depressing. They see a war as perhaps better sooner rather than later because the level of potential violence only increases as arms are prefected and stockpiled. Such a war would, according to this argument, bring the United States and the Soviet Union so frighteningly close to the brink that they would accept the alternative of enforcing a dictated peace upon the conflicting parties.

The attitudes of the Soviet Union are not a matter of public record. It may see its interests as best served by continuing instability in the Middle East. It may also see that such instability will inevitably lead to a confrontation with the United States which would serve no one's interest. Soviet performance should be viewed within the context of détente. Its interests can be well served by playing a constructive role in the Middle East. It can enjoy the benefits of détente if it begins in this part of the world to accept the responsibilities of détente. One of the difficulties with the Sinai Accords was the virtuoso role of the Secretary of State which accompanied its formulation. Soviet sensibilities, bruised then, could be assuaged by a role with the United States in the formulation of a negotiating process and the principles to govern an overall settlement.

It is an avenue which should be explored. If the Soviet Union should agree to a joint search for a settlement in the Middle East, it should be possible to develop an agreement on the general principles of such a settlement and the multilateral process for reaching it. If a return to the Geneva Conference should be blocked by quarrels over Palestinian representation, then the questions of representation might be left to negotiation. But the other elements of a settlement, including Israeli withdrawals and guarantees of territorial integrity, are capable of rough definition in principles for negotiation.

All parties to the decades-long Middle Eastern conflict have something to gain from a negotiated solution, whether the objectives are guaranteed national security, the lifting of embargoes, freedom of trade and navigation, freedom of emigration, recovery of occupied territory, a homeland, or unrestricted access to places of worship. The United States, deeply and inextricably involved in the conflict since the establishment of the State of Israel, has its own stake in a settlement—a much more important stake than oil or export markets. Americans may not see the issues as those of life or death, as they are seen by the direct participants in the confrontation, but another Arab-Israeli war risks the danger of war with the Soviet Union and virtually assures a depression in the West. This is the fatal direction in which a continued Middle Eastern impasse leads us.

PASSIVE RESTRAINTS

Mr. MOSS. Mr. President, for more than a decade now, the Department of Transportation's National Highway Traffic Safety Administration has been evaluating the benefits that would accrue to the public from passive restraint systems in general and the air cushion restraint system in particular.

Unfortunately, that is all the Department has been doing—evaluating the benefits of the airbag system. While it is true that for more than 7 years now the Department's standards have sought to make passive restraints the law of the land, motor vehicle manufacturers are not yet required to install these lifesaving systems. I understand that the Department of Transportation is on the verge once again of embarking on a new initiative to require passive restraint systems. I await this new action and am looking forward to the day when each member of the public will have access to this lifesaving technology.

The April 1976 issue of "Consumer Reports" contains an outstanding article which summarizes the state of airbag technology and the advantages of the airbag versus seatbelt systems. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

WHAT EVER HAPPENED TO AIR BAGS?

It was in 1969 that the Federal Government first proposed mandatory "passive restraints"—safety devices that operate in a crash without any action on the part of the car's occupants. In the seven years since, the data that has been accumulated on the effectiveness of air bags, the most developed passive-restraint idea, indicates that they could save thousands of lives each year. Yet the proposal for mandatory passive restraints remains just a proposal. It has been studied, restudied, postponed, and postponed again.

As this issue goes to press, it's understood the National Highway Traffic Safety Administration (NHTSA) has laid before Secretary of Transportation William T. Coleman Jr. several options that could eventually put a passive restraint in every new car. Sources in Washington characterize the NHTSA options as being most easily met by the gradual phase-in air bags over a number of years, perhaps starting with the driver's side of large cars in 1980.

CU believes that passive restraints are essential now that Detroit has begun a major, and necessary, redesign of cars to make them smaller, lighter, and therefore more energy-efficient. Without new safety devices, smaller cars will inevitably lead to a higher rate of deaths and serious injuries resulting from automobile accidents. As the accompanying report details, small cars are simply less safe than big ones, other things being equal.

Air bags can't change that equation. But they can make all cars, large and small, much safer. For one thing, air bags provide more protection than seat belts in head-on crashes, the cost common type of accident. And they protect against injuries in more severe accidents—that is, accidents occurring at higher speeds. And air bags will protect more occupants, since one needn't do anything to gain their protection in a crash. (For maximum protection, however, lap belts should be worn even in a car equipped with air bags, to hold you in place during rollovers, and to position you to retain control of the car during sharp accident-avoidance maneuvers.)

Air bags have been proved effective in big cars; General Motors already offers them as options in some models. Small cars have presented greater technical difficulties, since an air bag must deploy faster in a small car and in less space. Manufacturers of air bag components say the state of the art is such that air bags can now be installed even in subcompacts. CU has learned that General Motors has experimented with air bags in the *Chevette*, the smallest American car, and considers the experiment a success. Last May at a Government-sponsored safety conference, a GM spokesman said, "Certainly we believe [air bags] are reliable or we would not be selling them." Ford Motor Co., which has equipped 831 of its 1972 *Mercurys* with air bags, reported that there have been "no known system malfunctions in accident situations, nor any occurrences of inadvertent deployment" in the estimated 30 million miles these cars have traveled.

Nevertheless, one can expect the automakers to lobby vigorously in an attempt to persuade Congress to overrule any Department of Transportation action. Detroit may gain a sympathetic ear among Congressmen, who well remember the public outcry in 1974 against the safety-belt interlock system—the system that prevented a driver from starting the engine until safety belts were fastened. Congress reacted not only by banning the interlock but by requiring the NHTSA to delay final rules on passive restraints until Congress reviewed the proposals.

Defenders of the interlock say that no matter how onerous it was, at least it forced more people to buckle up. Although more people buckled up in 1974 models than in earlier cars with safety belts, the interlocks may have had less to do with that advance than is generally thought. Late last year the NHTSA sponsored a study involving large-scale roadside observations of occupants in 1974 cars, all of which had the interlock, and in 1975 cars, almost all of which lacked interlocks. The study showed that 40 per cent of the occupants of 1974 cars were belted. In 1975 models, in which there is no compulsion to wear belts, an even higher percentage (45 per cent) of occupants were belted.

Those results suggest that it wasn't the interlock alone that resulted in wider use of belts; it was also the increasing convenience and comfort of the belts themselves. It was in the 1974 model year that the three-point lap-and-shoulder belt system, which you can put on by making a single connection, replaced the tangle of unconnected belt sections installed in most earlier domestic models. It was in that year, too, that the inertia reel, which permits relative freedom of movement, came into wide use in domestic cars. Some of the newer American models, including the *Cadillac Seville*, the *Chevrolet Chevette*, the *Dodge Aspen*, and the *Plymouth Volare*, incorporate still more comfortable safety-belt systems.

WHY AIR BAGS?

With the design of belts improving and holding out the promise of greater public acceptance, why now encourage the added expense of air bags?

Since the states appear unwilling to pass laws requiring the occupants of cars to wear belts, it's likely that large numbers of auto occupants will remain unprotected, a danger to themselves and others on the road. Air bags, in contrast to safety belts, are always in place, ready to protect front-seat occupants from the most common crashes with no action on the occupants' part.

Crash tests have demonstrated that an average person in a properly adjusted belt system is on the threshold of serious injury when the car hits a solid, fixed barrier head-on 30 mph. (Such a 30-mph crash is equivalent to two cars of the same size crashing head-on, each going 30 mph, or to one car crashing straight into a parked car at 60 mph).

In general, today's air bags are considered to provide good protection up to a "barrier-equivalent velocity" of 40 mph. Researchers working on advanced air bag systems say it may be possible to provide protection up to 50 mph. An NHTSA safety official says that humans crash-testing cars with safety belts reach their limit of tolerance for discomfort at a barrier-equivalent speed of about 14 or 15 mph. But, he notes, "even with GM air bags that are now considered obsolete, volunteers have gone 30 to 35 mph, and there was no physiological indication they were reaching a limit; it was just that the test protocol didn't call for more severe crashes."

Some automakers, such as Volvo, have worked extensively on air bag development and designed their cars to be fitted with air bags without major modifications. Other automakers have ignored air bags. Manufacturers of air bag components have legitimately refused to invest in production facilities until they know what the Government will require. So although air bags are technologically feasible today, it will take at least two or three years to start up the production lines. That's why any Government proposal is expected to be gradual

WHAT'S AVAILABLE NOW?

A consumer who wants the considerable protection of an air bag now has but two choices. One is to buy a new *Buick, Oldsmobile,* or *Cadillac* and order the $315 air bag that General Motors offers as optional equipment on its big cars only. If you intend to buy a large car anyway, the availability of air bags on these GM cars is definitely a factor worth considering. The GM air bag protects both the driver and the passenger in the front seat.

But there's another choice for those who aren't in the market for a big car or for any new car. A small Florida company called Control Laser Corp. sells air bags that can be installed on the driver's side for most cars. Price: $75, plus $2 for shipping.

The National Highway Traffic Safety Administration tested Control Laser air bags in two 1972 *Mercury Montereys* equipped with instrumented dummies and automatic crash recorders. Control Laser states its air bags will not deploy in fixed-barrier crashes at speeds up to 15 mph; the Control Laser device did not deploy in a crash test at 12 mph.

The bags did inflate, as they should, during two barrier crashes at higher speeds. At 30.8 mph, the recorded forces on the dummy's head indicated that an average person should have escaped serious head injury in such a crash. Injuries in a crash at 41.1 mph would probably have been severe, but much less severe than if there were no protection at all. Thus, the device seems to meet Control Laser's claim that it will protect drivers in a crash equivalent to a 30 mph barrier crash.

Control Laser says it has no reports of accidental deployments of any of the 3000 air bags it has sold in the three years it has been making them. It should also be noted that the Control Laser device is small enough so that you can see the road and grip the steering wheel even during a deployment.

CU ordered two Control Laser air bags anonymously to check on installation difficulties. The air bag is compact (6¼ inches in diameter) and does not require electrical connections. You install it on the hub of the steering wheel with an adapter; the adapter replaces the nut that holds the steering wheel on. A mechanical sensor inside the device's vinyl cover responds to the force of a major crash by driving a firing pin into a cartridge, releasing gases that inflate the bag. (GM's air bags use electronic sensors built into the car.)

It was easy to install a Control Laser bag on our 1976 *Dodge Aspen Special Edition* following the manufacturer's instructions. All it took was a Phillips screwdriver, a socket wrench, and an Allen (hexagon key) wrench.

The installation was more difficult on our 1976 *Chevelle Malibu Classic*, because the cover for the hub of the steering wheel also contains the horn control. That took some cutting and rewiring. Either installation would be a simple job for an auto mechanic, and, considering how important it is that the device work right the first time it's needed, it should be worth the extra money to have a mechanic do the job. Control Laser says the device has a life of at least three years.

When you order one, Control Laser sends forms asking for the year, make, model, and color of your car and for your signed assurance that you understand that the device must be used with a lap belt. When you return the forms, the company ships the bag with instructions for installation.

The Control Laser device should be of special interest to those who find their shoulder belts too uncomfortable to use or those in cars that lack shoulder belts. Control Laser is located at 1800 S.W. Seventh Ave., Pompano Beach, Fla. 33060. The telephone number is (305) 781-3113.

FEA OIL PRICE REEVALUATIONS

Mr. JOHNSTON. Mr. President, since December 1975 when President Ford signed the Energy Policy and Conservation Act—EPCA—the Federal Energy Administration—FEA—has been charged with the task of implementing the oil pricing concepts adopted by the Congress.

The act granted the Administrator of the FEA broad discretion to establish a pricing regime for domestic crude oil which will maximize the incentive for producers of crude oil subject to the pricing limitations contained in the act. FEA has been actively engaged in several rulemaking proceedings to implement this authority:

First, to establish regulations for the transition from the system of regulation authorized under the Emergency Petroleum Allocation Act of 1973;

Second, to establish a set of pricing tiers for categories of crude oil. Congress intended to provide strong incentive for increasing production and developing new fields while placing a ceiling on domestic oil prices;

Third, to specify the rate of price escalation in the various categories of production in accordance with domestic inflation and to grant special incentives for the most promising areas of new production; and

Finally, to carry out a thorough reevaluation of the basic regulation governing crude oil and product allocation and the passthrough of crude oil, other feedstock and nonproduct costs to consumers in the prices of refined petroleum products.

FEA rulemaking in the first two of these areas is now complete. In other areas, proposed rules are part of the public record but have not yet been made final. Other proposals are in the discussion stage only.

It has been the intention of the Senate Committee on Interior and Insular Affairs to hold oversight hearings on all significant FEA rulemaking proposals, and, in fact, such oversight hearings have been scheduled by the committee on two occasions prior to the recent congressional recess. However, these hearings were not held due to scheduling difficulties with the FEA Administrator, Frank Zarb.

I am still hopeful that the committee, the Congress, and the public will have the opportunity to review the record of congressional oversight hearings at which the responsible administration witnesses are available for detailed questioning on the issues. We will explore the possibilities for holding these hearings in the future.

In the meantime, however, significant decisions involving important questions of public policy are being implemented. It is important that the administration's position on these issues be clarified.

Therefore, on April 13, I wrote to Mr. Zarb, in behalf of the committee, asking a number of specific questions concerning regulations which implement the Energy Policy and Conservation Act. The FEA response to these questions should be available on or before May 1. Hopefully, these responses will result in substantial clarification of a number of issues which are raised by FEA actions—both those which have been implemented and those which are proposed.

Mr. President, I ask unanimous consent that my April 13 letter to Frank Zarb and the questions which accompanied it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *April 13, 1976.*

HON. FRANK G. ZARB,
Federal Energy Administration,
Washington, D.C.

DEAR MR. ZARB: I have been disappointed that it has not been possible to arrange a date at which you could appear before the Senate Committee on Interior and Insular Affairs to discuss the implementation of the oil pricing provisions of the Energy Policy and Conservation Act by the Federal Energy Administration. The FEA regulations establishing price controls on the sale of domestic crude oil and detailing the operation of the program to equalize crude oil costs among domestic refiners are very complex. I had hoped that the Interior Committee would be able to review these regulations with you in person.

The Committee may seek an opportunity to hold such a hearing at a later date. In the meantime, I have attached to this letter a list of questions regarding the FEA petroleum pricing regulation. I would appreciate your prompt response. The target date for the Committee to receive your answer is May 1, 1976 and I hope that you will be able to meet that target date.

Sincerely,

J. BENNETT JOHNSTON,
U.S. Senator.

CRUDE OIL AND REFINED PETROLEUM PRODUCT PRICING

1. Explain FEA's rationale for the allocation of allowed price under EPCA as between lower and upper tier oil.

(a) What incentives to increase domestic oil production are embodied in the Phase I FEA regulation for producers of existing properties, new properties and properties in which enhanced recovery methods, including waterflooding, steamflooding and more exotic techniques are used?

(b) What incentives to producers of upper and of lower tier oil are embodied in FEA's allocation of the inflation and 3 percent incentive adjustment to the domestic average composite price which is authorized under EPCA?

(c) What are FEA's projections of lower tier, upper tier and total domestic crude oil production by quarter for the 40 month period during which EPCA price controls are authorized? What is the basis for these projections? How much production from new discoveries, expanded development of existing fields and institution of enhanced recovery is projected by FEA? What are now considered the most promising sources of new domestic oil? How does the FEA's crude oil price regulation match with these expectations and projections?

(d) How does FEA plan to assign price ceilings to crude oil production from properties on which production began after 1975?

(e) Describe the definition which FEA has used for a "property" for purposes of determining levels of production and the allocation of oil production as new and old oil. Explain the April 13, 1976, FEA proposed rulemaking on the "property" definition, including the rationale and the impact of the proposed rulemaking.

2. Does FEA intend to propose to the Congress amendments to the crude oil pricing regulation which would result in an increase in the composite domestic average price above ten percent per year? If so, when will this proposal be made?

3. Which statistics give us the best indications of the level of exploratory and development activity in the United States? How have these indicators changed since 1973? 1974? 1975? Is there any evidence that the pricing policy under EPCA has had any impact on the level of exploratory and development activity?

What has been the historic lag-time between shifts in exploratory activity and changes in patterns of actual production? When does FEA anticipate that new production will begin to show up as a result of increased exploratory and development effort?

4. What are the assumptions and what is the basis for assumptions which FEA is now using about the world price of crude oil at the end of 1976? 1977? 1978? 1979? the 40-months period provided in EPCA? What is the likelihood that domestic prices and world price will reach parity by the end of the 40-month period?

5. Is the Administration's energy goal still "energy independence" by 1985? If so, what does "energy independence" mean in this context?

Does the concept of energy independence include development of sufficient domestic refining capacity to match the domestic need for the full range of refined petroleum products? What role does the Administration intend that foreign refining capacity play in meeting these needs? Which FEA policies specifically encourage the development of domestic refining capacity?

6. What incentives are embodied in the FEA crude oil entitlements program which encourage domestic refiners to make maximum use of domestic crude oil supplies and thereby reduce imports?

Will this policy tend to maximize domestic oil production within the framework of EPCA? What is the added cost of this policy to domestic refiners who do not now have access to domestic oil supplies?

According to recent trade press accounts the "three-tier" price structure which FEA is adopting for the purposes of determining entitlement revenue could lead to higher feedstock costs for refiners using domestic oil than for those using imports. Is this true? If it is, do you plan to alter the policy? How?

7. (a) As FEA understands the provisions of the so-called "small refiner exemption" in EPCA, is it intended that small refiners who are sellers of entitlements shall have their costs increased as a result of the operation of the exemption? Has this in fact happened?

(b) What changes, if any, in the present small refiner exemption does FEA plan to make to equalize competitive advantages of small refiner sellers of entitlements with respect to small refiner buyers? What will be the resulting "bias" in the regulation with respect to the position of small refiners vis-a-vis the major oil companies?

(c) What is the role and importance of the "small refiners" as defined in EPAA and EPCA and the independent refining sector generally in producing the refined petroleum products which the domestic economy uses?

8. I understand that certain producers of old oil in California, among them the City of Long Beach, are required by FEA regulations to sell this oil for an average of $4.21 per barrel.

I have assumed that the national average old oil price is $5.25. Is this true? Do you have data which shows the distribution of prices around the $5.25 average?

What is the reason that the California average price for old oil is held so low? Will producers find it profitable to continue production in these fields at this price? What has been the production curve, and what production curve is FEA projecting, for these California fields?

Has FEA gathered any information or conducted any investigations to determine whether the treatment of these California producers of old oil is equitable in comparison with treatment of producers of old oil of comparable grade and quality elsewhere in the U.S.? What did these investigations show?

Does FEA plan regulatory action to adjust treatment of these fields? When?

9. (a) What procedures does FEA allow to ensure a fair hearing for all those who come before it?

Does FEA provide the same procedural guarantees for all the various forms of relief available?

When does FEA provide for a public hearing?

What are the differences between a "conference", "hearing" and "public hearing"?

How does FEA decide when to grant a conference, but not a hearing? A hearing, but not a public hearing? What is the difference between a "formal" and "informal" conference? Who makes these decisions? Can they be appealed?

9. (b) With the increasing availability of petroleum products, many people are seeking *exception* relief from the inflexible provisions of the regulations. How does FEA conduct these proceedings?

Does FEA follow its own case precedent?

Does one person make all the decisions?

How does FEA assure uniform decisions on similar cases?

How does FEA gather evidence?

Is a record kept of all contracts by interested persons?

Is that record, if any, part of the total evidentiary record?

If so, then is it available to parties for examination in preparing or conducting an appeal?

How does FEA determine who should be notified of a proceeding?

Are all proceedings given public notice?

Are these contacts reflected in the agencies decisions?

Is an evidentiary record maintained? What is included in the record?

Is cross-examination ever permitted? Why or why not?

How are contested proceedings handled? [i.e. proceeding where two opposing parties may be before the agency on a single issue?]

If someone gets an adverse decision, who can he appeal to?

10. An increasing number of refining/marketing companies are complaining, in their public statements, about the lack of profitability. Yet, in a recent proposal, dealing with the market for residual fuel oil on the East Coast, FEA indicated a compulsion to amend the Entitlement Program to ease the competitive pressures felt by certain foreign refiners. Isn't it ironic that FEA feels compelled to assist these foreign refiners at the expense of an under-utilized domestic refining industry? What has been the role of the FEA, of the State Department and of U.S. policy towards Venezuela in the development of this regulatory action?

11. (a) Please briefly review the status and volumes of exports of crude oil to the United States announced by the Canadian government and FEA's program to allocate these crudes.

What is the volume of heavy crude oils currently available from Canada?

Isn't it generally felt that the volumes of heavy crudes are likely to increase, and is it possible or even probable that heavy crudes will continue to be exported from Canada even after the announced expiration date for exports?

(b) If the flow of heavy crudes to the United States were to be reduced, do all the Northern Tier refiners have alternative future economic sources of supply?

Do your allocations to northern refineries include heavy oils even though the refineries can't refine heavy oils? If so, why?

(c) What encouragement is being given to Canada now to increase its production of heavy oils for export to the United States?

What can FEA do to assure a continued market of heavy crude in the United States in order that Canada's production of these crudes can be stimulated and long-term supplies developed that will benefit our Northern Tier refineries?

12. It has come to my attention that a proposal has been made to FEA to provide an exemption from refiner price regulations for small-business refiners. I understand that this proposal would not affect crude oil price regulations at all. I also understand that, provided a small business refiner were defined as one with capacity less than 50,000 b/d, the effect of this proposal would be to remove 77 percent of U.S. refining companies from regulation while retaining controls on 90 percent of domestic refinery capacity. What is FEA's view of this proposal? What would be the impact of the proposal on competition, prices and incentives to build new refining capacity? Does EPCA provide FEA with the flexibility to implement such a proposal? What administrative problems would it cause? Does FEA plan any action on this proposal?

VA DEPARTMENT OF MEDICINE AND SURGERY LOSES TOP AIDE

Mr. CRANSTON. Mr. President, we on the Senate Veterans' Affairs Committee and all of America's veterans lost a dear friend and valued advisor this month when Dr. Joseph J. Baker, Director of the Mental Health and Behavioral Sciences Service of the Veterans' Administration's Department of Medicine and Surgery, died suddenly of a heart attack.

Joe Baker was a graduate of Temple University Medical School, a veteran of World War II, a distinguished hospital administrator and State health official in Tennessee. Since 1970, he has been a high-ranking officer in the VA's health care program.

Dr. Baker also served as a faculty member at Brown University, and later at the George Washington University Medical School. He was a consultant to the American Medical Association, a member of the accreditation council of the Joint Commission on Accreditation of Hospitals, and a fellow of the American Psychiatric Association and the American College of Physicians.

During his tenure of service with the VA he provided guidance and wisdom on a wide range of difficult medical-legal issues. His field—mental health and behavioral sciences—generated some very complex policy problems in such areas as behavior modification, alcoholism and drug abuse, veterans readjustment problems, and many others. His most enduring contribution was his leadership in developing the multidisciplinary approach to patient care that is now a hallmark of the VA hospital system. We who worked closely with Dr. Baker on these issues came to admire his dedication and to depend on his counsel.

On behalf of my colleagues on the committee, and particularly its Subcommittee on Health and Hospitals, I would like to express our sincere condolences to Joe's wife, Judy, and to their three children. His extraordinary medical career and the compassion and dedication of his 6 years of service here in Washington won him many friends and admirers in this Chamber, and his contributions will be remembered by those who knew and worked with him.

DOMESTIC URANIUM RESERVES INADEQUATE TO FUEL MORE REACTORS

Mr. GRAVEL. Mr. President, above and beyond the safety problems, the radioactive waste problems and the weapons proliferation problems of nuclear power, another constraint on the development of atomic energy is now coming to light.

It is the simple fact that we do not have enough uranium to fuel a large number of reactors.

Considering our domestic reserve of economically viable uranium alone, we may well already be building and operating more light water reactors than we have fuel for. Naturally, more uranium exists overseas—but to plan to rely on imported uranium for our nuclear power plants is a strange way to achieve energy independence, which is the rallying cry of many of the supporters of nuclear power.

Authorities throughout the Western world are now recognizing that a shortfall in uranium supply is likely as early as 1980.

The Committee for Nuclear Responsibility has just published two new papers on the uranium fuel situation: "The Nuclear Fuel Scandal," by Egan O'Connor; and a flier entitled "Nuclear Power: Bad for Jobs." These papers draw together in a very concise way the evidence showing that, because of the small amount of usable uranium ore, nuclear power cannot contribute significantly to our long-term energy needs.

I would like to note the directorship of the Committee for Nuclear Responsibility:

John W. Gofman, Professor Emeritus of Medical Physics, University of California at Berkeley.

Richard E. Bellman, Professor of Mathematics, University of Southern California.

Ramsey Clark, former Attorney General.

John T. Edsall, Professor of Biochemistry, Harvard.

Paul R. Erlich, Professor of Biology, Stanford.

David R. Inglis, Professor Emeritus of Physics, University of Massachusetts.

Eloise W. Kailin, American Board of Allergy and Immunology.

Richard Max McCarthy, former Congressman.

Ian McHarg, Chairman, Department of Landscape, Architecture and Regional Planning, University of Pennsylvania.

Lewis Mumford, author and Honorary Fellow, Science Policy Foundation.

Linus Pauling, Nobel laureate, Professor of Chemistry, Stanford.

Harold Urey, Nobel laureate, Professor Emeritus of Chemistry, University of California at San Diego.

George Wald, Nobel laureate, Professor of Biology, Harvard.

James D. Watson, Nobel laureate, Professor of Biology, Harvard.

Mr. President, I ask unanimous consent that the Committee for Nuclear Responsibility papers be printed in the RECORD.

There being no objection, the papers

were ordered to be printed in the RECORD, as follows:

THE NUCLEAR FUEL SCANDAL

(By Egan O'Connor)

The U.S. is already building nuclear power plants for which there exists no known U.S. fuel supply.

All authorities (including ERDA and the U.S. Geological Survey) agree that proven uranium reserves in the U.S. total only 600,000 tons of yellowcake (U_3O_8) from ores richer than 200 parts per million; all additional tons in that class are only "potential", "possible", "probable", "speculative", "assumed", and "estimated"—the epithet depending on the particular document in hand.

But to fuel the 700 large American reactors which have been touted as major contributors to our energy supply in the next 25 years (supposedly producing 30% of our energy by the year 2000, if only we would stop objecting to them on safety grounds), it would require not a pitiful 600,000 tons of uranium oxide/yellowcake, but rather about 7,800,000 tons of it if there is no fuel reprocessing, or about 5,800,000 tons if there is successful reprocessing.

As for 600,000 tons—they are sufficient to fuel only 54 of the thousand-megawatt plants for their lifetimes, or 73 plants if we assume reprocessing of used fuel. (See calculations and assumptions spelled out in "Nuclear Power . . . a Trivial Source of Energy", CNR 3/76).

In other words, Congress and the press and the American voters are being sold "pie in the sky" when it comes to nuclear power. There is nothing but an imaginary supply of fuel for the program.

As for gobs of nuclear power in the next century via the nuclear breeder—which is getting about 7 times more tax-money than solar energy—let's wait to see if they can show us how a few Light Water Reactors can produce enough plutonium for a breeder program of *any* energy significance in the next 50 years. Robert Seamans, ERDA's chief, talks about the "myth" that solar energy can provide a significant amount of energy before the year 2000; suppose the real myth is that the breeder can provide a significant amount of energy before the year 2100?

TEN AUTHORITIES DESCRIBE THE NUCLEAR FUEL SHORTAGE

(1) Dr. Chauncey Starr, former Chairman of Engineering at UCLA and now head of the utilities Electric Power Research Institute, says that over the next 25 years, we will need to find from 4 to 8 times as much uranium as the present U.S. total of proven reserves. (In *Fortune* magazine, "We May Find Ourselves Short of Uranium, Too," by Dr. Ralph Lapp, Oct. 1975).

(2) Warren I. Finch, chief of the U.S. Geological Survey's Branch of Uranium Resources, says the U.S. will need five times more uranium than has been found so far "if the nuclear power industry is to survive on domestic fuel." (Dec. 9, 1975, at a USGS uranium conference in Colorado).

Note: The difference between our calculation that 9.6 to 13 times more uranium would be needed, and their 4 to 8-fold figure, arises largely from their overestimate of how much energy (kilowatt-hours) a Light Water Reactor can produce from a ton of uranium oxide (yellowcake). Our calculation is performed in "Nuclear Power . . . a Trivial Source of Energy" 3/76, and provides a probable theoretical *maxim*. Examination of *actual* energy output per ton in Light Water Reactors so far shows even *less* energy, according to a report by Morgan Huntington (see paragraph #4.).

(3) Siegfried Muessing, Getty Oil's uranium expert, says, "In spite of increased knowledge of the way uranium occurs, the ore bodies are getting harder and more expensive to find . . . This results not only from the increased depth at which (ore) targets must be sought, but perhaps also from an increasing scarcity of these targets." (The Fortune article, Oct. 1975).

(4) Morgan Huntington, mining engineer with the U.S. Bureau of Mines, has shown that the discovery rate of uranium per foot of exploratory drilling has dropped more than 4-fold since 1948. Extension of the curve derived from actual drilling-experience suggests that only 744,000 tons of uranium (from ores richer than 200 ppm) are all that will ever be found. Most uranium ore below 200 ppm will yield less energy via Light Water Reactors per ton than a ton of coal. (And few people would seriously propose that we mine 2 tons of uranium-bearing shale to get the same energy we could get from mining 1 ton of coal). (From the report, "How Good Are Our Energy Reserve Estimates, and How Much of This 'Energy Reserve' Can Be Made Available to the Economy as Net Usable Energy?", 2/13/76, by Morgan Gurdon Huntington, Woodfield Rd., Galesville, MD 20765.)

Note: Great credit is due to Morgan Huntington, who was the first to raise and answer many of the nuclear fuel-supply questions.

(5) Robert Nininger, uranium expert for ERDA, says, "No major uranium-producing areas or potential areas have been identified in this country during the past 17 years." (The Fortune article, Oct. 1975).

(6) Dr. Ralph Lapp, physicist and consultant to the utility industry: "The lack of major discoveries is clearly bad news." (From his article in Fortune, Oct. 1975).

(7) Hans Adler, of ERDA's Nuclear Fuel Cycle and Production Division, says, "Demand . . . is projected to be far greater than any resource estimates that can be made on the basis of present factual information . . . a number of predictions, based on largely statistical treatment, have accorded the eastern half of the U.S. the same degree of favorability for uranium discovery as the western half. Such treatment . . . appears to be contrary to available geological evidence . . ." (His report, "Geological Aspects of Foreign & Domestic Uranium Deposits and Their Bearing on Exploration", presented to the Grand Junction Uranium Industry Seminar, 1975.)

Note: Over 90% of proven U.S. uranium reserves are in the west. (*Not Man Apart*, 12/75).

(8) The U.S. Government Accounting Office, in its preliminary report to Members of Congress on the U.S. uranium shortage, "confirms my initial fear that our nation is in serious danger of running short of uranium within the next 10 years," says U.S. Rep. Ron Mottl from Ohio, February, 1976. (See "Critical Mass", 2/76).

CAN AMERICA IMPORT NUCLEAR FUEL?

(9) C. R. Lattanzi, Canadian geologist, says, "Analysis (suggests) that potential supply from known reserves of uranium is insufficient to satisfy projected demand in the Western World as a whole beyond 1979 . . . Very large shortfalls in supply may be anticipated in the first half of the eighties." (Speech to the World Nuclear Fuel Market annual meeting, in Washington, D.C., Sept. 1975).

Note: The fuel situation is not as limiting for Canadian CANDU Heavy Water Reactors as for the American Light Water Reactors.

(10) Sir John Hill, chairman of the United Kingdom Atomic Energy Authority, says, "The world's proved resources of uranium in the grades presently exploited are not large, and all these will be committed to conventional reactors ordered up to the end of this year (1975)". (In *Atlas* magazine, "Do We Need Nuclear Power?", 1/76).

IS FISSION FINISHED?

The U.S. Federal Energy Administration announced March 4, 1976, a 30% reduction in President Ford's "plan" to get 200 nuclear plants on line by 1985. Although the FEA did not blame the fuel shortage, perhaps this is a signal that (only privately) the government has recognized the fuel scandal, and is backing off President Ford's "plan" to get 700 or 800 nukes into operation by the year 2000!

Meanwhile, the Florida Public Utilities Commission has opened an investigation into the future costs and availability of nuclear fuel. The Florida Power Corp. announced in early January that it would build no more nukes because of the uncertainty of obtaining fuel. On the other hand, Florida Power & Light is still planning to build 4 more nukes in the next 10 years . . . In Connecticut, the Public Utilities Control Authority has started hearings on several issues including the shortage of nuclear fuel. (See "The Power Line", Feb. 1976, from the Environmental Action Foundation).

NUCLEAR POWER . . . BAD FOR JOBS

Quite in addition to the hazards of nuclear power for this generation and thousands of generations to come, there is also a severe shortage of nuclear fuel in the U.S. for the nuclear plants which utilities plan to build;

The severe shortage of nuclear fuel for our light-water nuclear plants has been acknowledged by the federal ERDA, the U.S. Geological Survey, and the utilities;

The U.S. is already importing nuclear fuel to stretch our own supply. But the U.S. should not put itself at the mercy of another set of foreign fuel-owners. Besides, the known uranium reserves of the whole Western World may not satisfy projected demand beyond 1979;

The construction of nuclear power plants which could not be fueled would deal a horrible blow to the American economy by using up scarce capital and energy which are needed elsewhere for jobs . . . and by causing the cost of electric power to rocket out of sight;

It would be reckless to allow utilities to build highly expensive nuclear plants when they can not be sure of a supply of fuel for the lifetime of each plant; such building would represent gross economic irresponsibility;

U.S. utilities have already built or started to build the equivalent of 98 thousand-megawatt nuclear plants, which are MORE than can be fueled with certainty;

For these economic reasons, quite in addition to the many other dangers of nuclear power, no more nuclear power plants should be started or planned anywhere in the U.S.

U.S. policy-makers must stop promoting nuclear power as a significant energy source to "tide us over" the next 25 years. FACT: the amount of energy which can be won with light-water nuclear plants from our total known fuel supply is trivial.

Reliance on nuclear power plants which could not be fueled would lead to real power shortages and unemployment. For jobs and reliable energy, introduction of solar power now would be a much more prudent policy.

SHORTAGE SOURCES

ERDA (Energy Research & Development Admin), Report #48, a National Plan for Energy RD & D, June 28, 1975, and ERDA Market Survey, Spring 1975; EPRI (Elec. Power Research Inst.) President, Dr. Chauncey Starr, as quoted by Dr. Ralph Lapp in Fortune magazine, October, 1975; U.S. Geological Survey's uranium experts, Dr. Frank Armstrong and Warren Finch, speaking in Colorado to a USGS conference on uranium supplies, Dec. 9, 1975; C. R. Lattanzi, consulting geologist to Robertson & Assoc. (Canada) in speech Sept. 1975 to the annual meeting of the World Nuclear Fuel Market; also Sir John Hill, Chairman of Britain's Atomic Energy Authority, in his presentation, "Do We Need Nuclear Power?", reprinted in Atlas magazine, Jan. 1976.

HOW MANY NUKES WE CAN FUEL

Stated known U.S. uranium supply: usable ore containing 600,000 tons U_3O_8.

This resource can fuel only 54 thousand-megawatt LWR nukes (light water reactors) if we assume plants operate at 70% of their rated capacity (80% was promised) for 40 years each, and used fuel rods are not reprocessed.

In LWR technology, a ton of U_3O_8 can yield 22 million kwh/electrical without reprocessing, and 30 million kwh/e with reprocessing. A thousand-megawatt nuke operating at 70% capacity needs enough fuel to generate 6.132 billion kwh/e per year, or 245.3 billion kwh/e over 40 years. Division by 22 million gives 11,150 tons U_3O_8 required per plant. Division of 600,000 known tons by 11,150 gives 53.8 plants fuelable. The same calculation gives 73 plants fuelable if we assume reprocessing of used fuel rods.

If we dare assume that the U.S. will have 1,000,000 tons of U_3O_8, that quantity could fuel 90 plants without reprocessing, and still only 122 with reprocessing.

NUKES AS A TRIVIAL SOURCE OF ENERGY

One ton U_3O_8 via LWR (light water reactor) technology yields 22 million kwh/e without reprocessing, and 30 million kwh/e with reprocessing. The above statement assumes:

(1.) a 33% loss of U_{235} (left in the tails) during the enrichment process.

(2.) a 15% loss of U_{235} in the reactor by neutron-capture, producing unfissionable U_{236} or U_{237}.

(3.) a yield of 22,000 kwh/thermal from the fission of one gram U_{235}.

(4.) a 43% energy bonus per U_{235} fission, mostly from the fissioning of Pu_{239}.

(5.) in one cycle, a 70% burn-up of the U_{235} in the fuel.

The yield from 1 ton of U_3O_8 via LWR, or 22 million kwh/e, is the equivalent of 225 billion BTU's/thermal. Multiplication by 600,000 tons = 135 quadrillion BTU's/t or 135 "Quads" thermal (135×10^{15} BTU's/t). The same treatment, if reprocessing of used fuel rods is assumed, gives a figure of 184 Quads/thermal available energy.

Both figures represent gross potential energy yield via LWR technology, not the net yield. No deductions have been made for the energy used up by the nuclear power industry itself.

135 Quads/t or 184 Quads/t, used over the 40-year lifetime of LWR nukes, represent gross energy contributions of only 3.4 Quads/t per year or 4.6 Quads/t per year. Compared with U.S. energy consumption of about 70 Quads/t per year now, and 120 Quads/t expected in the year 2000 even with elimination of much waste, nuclear power represents a trivial source of energy.

ESTATE TAXES INCREASINGLY SERIOUS FARM PROBLEM

Mr. BURDICK. Mr. President, the other day I came upon an excellent article in the April 4 Fargo Forum written by one of North Dakota's outstanding reporters, Mr. Jim Baccus. Mr. Baccus' article entitled "Estates Taxes Increasingly Serious Farm Problem" documents in a very thorough way the need for a serious reexamination of the Federal estate tax law.

I know that many other Members of Congress have sponsored legislation similar to my bill which would update the Federal estate tax. In light of this interest, I know that my colleagues will benefit from the cogent analysis as presented by Mr. Baccus.

Mr. President, I ask unanimous consent that this article by Jim Baccus be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ESTATE TAXES INCREASINGLY SERIOUS FARM PROBLEM

(By Jim Baccus)

Not long ago a North Dakota grain farmer died unexpectedly, leaving behind a 2,300 acre farm, mortgage free, but very little cash.

His son wants to operate the farm. His daughters, in their 40's, naturally want to be beneficiaries.

The Internal Revenue Service (IRS), calculating the estate taxes, sometimes called death taxes, has set the taxable value of the farm at $1,885,000 using the "fair market value," based on prices for other land in the area.

IRS experts use the phrase "willing buyer-willing seller at date of death." But the son doesn't want to sell. He wants to farm.

The tax on the adjusted gross estate has been figured by IRS at $821,939.

However, if the appraisal had been on the basis of the earning ability of the land averaged over a five-year period—based on the productive capacity of the land for agricultural purposes—the taxable value of the farm would be $1,054,939.

The estate tax would be, not $822,000, but $418,413.

The family now has two choices. It can sell enough of the land to pay the taxes, which would cut the farm-size in two.

Or it can borrow the money. If it borrowed the $822,000, figuring a modest six per cent return on its investment in its million dollar farm ($63,000 annually) and put all of the return against the debt, it would still take over 45 years to repay the loan.

For family members in their '40s, it's an impracticality.

But if the tax obligation was only $418,413, the family could borrow it at nine per cent, use all of the farm income to retire the debt and have the farm free again in just over 10 years.

Take another case. The farmer, in his early '50s, died suddenly, leaving a widow and a son who wants to work the 1,000 acre family farm.

Again the farmer left only a small amount of cash but a considerable tax carryover, since he had stored his 1975 crop into '76, using his deferred payment privilege—with heavy tax consequences.

The IRS has set the farm's value at $800,000, based on "fair market value," and the tax bill at $180,000.

The family figures it needs $240,000 to provide a new house for the widow (so the son can take over the farmstead) and meet the carryover tax obligations.

It can sell 300 acres of land and pay the government, or can borrow the $240,000. With an annual income of $30,000 from the farm, $8,000 of which goes to the widow and $22,000 against the debt, it will still take over 40 years to free the farm, at nine per cent mortgage interest.

Again—an impracticality.

These and dozens of other examples can show how inflation, pushed-up land values and the eroding dollar have threatened farm, ranch and closely held business ownership.

On the death of a farmer or rancher, many families have found themselves faced with such high estate taxes that they are forced to sell the farm or ranch, despite their desire to keep it.

A realization that the value of the estate tax exemptions have been eroded by inflation has led to a massive campaign to have the tax law changed. Some say the chances now are that Congress and the U.S. Treasury will have to go along.

Almost 100 congressmen have endorsed such legislation. The House has completed two weeks of hearings. The Senate will take up the matter when its Finance Committee begins hearings Monday.

Dozens of farm and business organizations have endorsed the many bills before Congress, "Something must be done," Senator Quentin Burdick, D-N.D., said recently in a Senate speech.

"The present operation of the federal estate tax is challenging a basic idea . . . the right to pass the private ownership of property from one generation to another."

The present law has a specific exemption of $60,000, with a marital deduction (the "widow's tax" exemption) set at 50 per cent of the adjusted gross estate. Land appraisal is set at that so-called "highest potential use."

A few definitions will help you understand the tax law changes that are now being proposed.

The adjusted gross is that amount of the taxable estate after such things as bills of last illness, funeral expenses, attorney's fees, charitable gifts or estate administration costs have been deducted.

The marital deduction, against the amount of tax on the transfer of estates between spouses on the death of one, was added to the law in the interest of fairness among all the states. Some states had adopted community property laws, a 50–50 division of property between spouses.

The estate tax should not be confused with inheritance taxes. The estate tax taxes the right to give, while the inheritance tax taxes the right to receive.

Minnesota has an inheritance tax system, plus a supplemental estate tax in case the total amount of the inheritance tax does not equal the credit allowed on the federal estate tax return for state death taxes paid.

Minnesota has divided its rate schedule into various classes of kinship and in each class the rates are progressive. The result is an assessment almost impossible to complete without legal help.

Last July the North Dakota estate tax was "federalized," with estates given the present $60,000 specific exemption. The taxable estate is similar to the federal, less any property not located within North Dakota.

An insurance exemption of $25,000 was removed, the federal estate tax paid was made and allowable state tax deduction and the marital deduction was also "federalized."

The North Dakota tax rate is two percent of the estate on the first $30,000, then rising to a set amount plus a percentage of the excess over the set amount.

The tax on a $1 million estate is $106,800, plus 17 percent of any excess up to $1.5 million.

The North Dakota rates are about 15 percent lower than the federal rates, according to Pamela K. Anderson, probate officer for the Merchants National Bank and Trust Co. in Fargo. After 15 months, a 12 percent interest rate is applied to any unpaid tax.

The federal system requires filing within nine months, with interest of seven percent and a penalty of five percent a month for late filing unless an extension is granted.

In addition to all these taxes, it is necessary to consider another—the federal gift tax. These taxes are about 25 percent lower than the estate rates on comparable amounts of transfer.

A return is not required if the total value of the gift made to each person during the calendar year does not exceed $3,000. The donor may make as many of these gifts as he chooses and they should not be confused with the allowable charitable deductions by which Americans help finance good works.

In addition, each donor carries a lifetime exemption of $30,000, which means that his gift total in excess of the $3,000 may be carried tax-free against his lifetime exemption—until the $30,000 has been used up.

IRS says: "The (lifetime) exemption may be taken in the full amount in a single calendar year, or it may be spread over a period of quarters or years in any amount chose . . ."

Between husband and wife, both of whom have the $30,000 lifetime exemption, the $60,000 can be "borrowed," or co-joined or split between them.

According to Ralph D. Stenseth, program manager, estates and gift taxes, IRS Fargo, two parents could thus give away $66,000 during one year, using up their two lifetime exemptions, plus their annual $3,000 exemption privileges.

It is not possible to avoid estate taxes by suddenly transferring one's property to another. Such property is taxable if transferred within a three-year period preceding death, "if such transfer was made in contemplation of death."

The law applies when the transfer has been made (as IRS says) for "less than full and adequate consideration in money or money's worth."

This is the setting under which the Senate Finance Committee will consider new legislation—changes which would apply to all estates, rural and urban and which are found generally in bills sponsored by Rep. Omar Burleson, D-Tex., and by Sen. Carl T. Curtis, R-Neb.

Federal rates on taxable estates are stiff. They range from three per cent of the gross estate whose value is not over $5,000 up to 77 per cent on estates whose value is over $10 million. The tax on a gross estate of $10 million or better is $6,088,200.

The tax on a gross estate of $1 million but not more than $1.25 million (not unusual in the Great Plains) is $325,700 or 39 per cent.

The Senate committee is sure to hear that the loss to the U.S. Treasury if the laws are changed will be severe.

In fiscal 1975, federal revenues from estate and gift taxes amounted to $4.6 billion, or 2.5 per cent of the $187.5 billion the government received in general revenues.

Mitchell E. Primes, District IRS director in Fargo says in fiscal 1974, the government received $8,138,000 in estate taxes from North Dakota; $147,510,000 from Minnesota; $8,-933,000 from South Dakota.

Last week the House Ways and Means Committee was told the Administration has a different plan.

Under the Ford plan, the personal (specific) exemption would rise by $18,000 a year, to $150,000 in five years.

Lower-bracket rates of tax on estates from three to 28 per cent would be eliminated. The first bracket of assets, in excess of the exemptions, would be taxed at 30 per cent.

Gifts and bequests between husbands and wives would be free of tax, without limit. To ease strain, no payment and no interest would be levied for five years after death of the donor. In special cases, the payments could be stretched out over a period of 20 years, with interest at four per cent.

Generally, that privilege would extend to the first $300,000 in value of the farm or business. Enterprises of $600,000 or more would not have that extension privilege.

Pamela Anderson, who holds a master's degree in economics from the University of North Dakota, in 1974 prepared a thesis on the subject of death taxes in North Dakota. The thesis opens with a quote from the Minnesota Tax Commission, made in 1910:

"This method (estate taxes) of increasing the public revenue is wise, simple and effective. Wise because it does not touch private property during the life of the owner and thus places no burden on business activity. Simple because the tax is easily ascertained and collected while estates are in the probate court; effective, because by the application of progressive rates, it adds no burden to the poor, but permits those who have much to contribute to the government somewhat in proportion to their ability to pay . . ."

ANTIBUSING LEGISLATION

Mr. BEALL. Mr. President, we are all aware of the leadership of my distinguished colleague, Senator Roth, in antibusing legislation. The senior Senator from Delaware recently authored an excellent article on busing which appeared in the Wilmington News Journal of April 3. I commend this article to my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Too Many Judges Stress Racial Mix in Schools

(By Senator William V. Roth, Jr.)

Too many judges today believe they have a moral or legal obligation to require, by any means necessary, a "proper" racial mix in our public schools.

In ordering sweeping changes in our school systems for this purpose, without regard for costs or the disruptions caused, these judges ignore several basic social and legal facts:

1. Concentrations of blacks in our schools—or, for that matter, concentrations of Irish, Italians, Germans, or any other ethnic groups—reflect residential concentrations that have always existed in American cities and towns. They are not the result of discrimination alone. They are a natural outgrowth of group loyalties, cultural bonds, similar income and educational labels, and so on.

For most groups, these residential concentrations have usually brought increased political and economic influence. Today, for example, many blacks feel that gaining a larger voice in the operation of inner-city schools is more important than achieving racial balance.

The Constitution does not require that ethnic or racial communities be destroyed. It requires only that no individual be confined to them by law. Our whole history has been to allow individuals full freedom to maintain or abandon their ties with such communities.

2. In assigning students to schools solely on the basis of race, the courts are standing the Constitution on its head. The landmark desegregation ruling of 1954 held that no child could be excluded from a public school on account of race. But the courts today are declaring that the Fourteenth Amendment, far from prohibiting the assignment of students on the basis of race, actually demands it. From an effort to expand the freedom of one group, they have gone far beyond the Constitution to arrive at a point where they are restricting the freedoms of other groups. From a position that the Constitution is color-blind, they have moved to a preoccupation with race, creating a tangled web of statistical requirements based solely on group affiliation.

3. No hard evidence can be found to support claims that the educational achievement of either black or white children is improved when they are shuttled from school to school to promote racial balance.

In truth, it is a form of racism to assume that blacks must share classrooms with whites in order to learn, or to assume that every black school is inferior to every white school. By some measures, blacks have made greater educational and economic progress in recent years than some white ethnic groups.

The courts, in ordering massive busing, have cited social theories and assumptions that have come into serious question. Among those who believe the courts have erred grievously are such leading social scientists as James S. Coleman, the University of Chicago sociologist whose earlier studies were cited by the courts as justification for busing, and Nathan Glazer of Harvard.

Instead of promoting better race relations, compulsory busing has bitterly divided communities. It has set back race relations by creating new tensions, and has led to greater separation of races as middle-income whites have fled to other school districts or systems.

4. By seeking to promote special benefits for one group, the courts are penalizing other groups and creating understandable resentment and hostility. In the 1960s there was a clear consensus in this country that Jim Crow laws must be eliminated. This has been achieved, and immense gains have been made by blacks. But public support has declined sharply as the courts have gone far beyond constitutional requirements to the dubious use of statistical distributions as the test of discrimination.

Forced busing creates bitter opposition because it denies many families a cherished part of the American dream: the right to improve their lot, live in as desirable a neighborhood as they can afford, and send their children to good schools of their own choice where the parents can have a voice in how they are run. This is extremely important to people. It is one thing for children to be bused if that is obviously necessary to get them to the nearest school or to the school of their choice, but it is quite another thing if the purpose is simply to provide a racial mix.

Bitter resentment over this prospect is the most common element of the letters I receive on the subject. Many parents are also fearful that racial busing will expose their children to trouble. Their resentment is increased by the knowledge that many of the most ardent advocates of busing shelter their own children in private schools.

Despite intense opposition by whites and the absence of any strong black support, the courts have repeatedly ordered massive busing. Despite the Congress' opposition to the use of any sort of racial quotas, the courts have set statistical requirements for compliance with antidiscrimination laws.

Many judges seem convinced that all racial concentrations are the result of unlawful public actions and thus must be eradicated. In some instances, judges have even chastised black teachers and principals for wanting to devote themselves to the service of black youngsters in black schools. With almost missionary zeal, judges have felt duty bound to seek a perfectly random distribution of blacks and whites.

In the current judicial climate, it has become nearly impossible for local and state agencies to convince the courts, as they are required to do, that every action at every stage was free of any discriminatory intent.

It is especially unfortunate, it seems to me, that the courts have been unwilling to accept voluntary means of promoting a greater racial mix, summarily dismissing them as mere evasions. Many people believe that given a fair trial, "freedom of choice" plans, for example, would produce a greater mix. Here is what Nathan Glazer says:

"Freedom of Choice" was given a bad name in the South when it was instituted as the least demanding response to the requirement to dismantle dual school systems, and when it was often combined with intimidation of black parents and children. But there have been many legitimate efforts to use freedom-of-choice to create a large measure of integration.

"An examination of these efforts shows that, if they are administered effectively, substantial numbers of black parents will take advantage of them and that a greater measure of desegregation will be brought about than through racially neutral neighborhood zoning. Whatever else the conclusion of the constitutional debate on busing, we should all be able to agree that we should move as far as possible toward an even racial distribution through measures that permit free choice before we impose compulsion."

In our own desegration case here in Delaware, the special three-judge court has an opportunity to exercise badly needed leadership on the bench by setting a new course in such cases. The easy course would be to ignore all alternatives but forced busing. The more difficult decision would be to break new ground.

The court could renounce the use of heavy-handed compulsion, which has generated so much turmoil and bitterness. It could instead provide the opportunity to test the effectiveness of more sensible alternatives, such as "freedom of choice."

Earlier this week in Boston, Prof. Coleman urged consideration of a program requiring suburban school systems to accept student volunteers from city schools, up to perhaps 15 per cent of the total student population. At the same time, he said, city schools should seek to attract suburban students by offering specialized educational programs. In addition, "magnet schools" could be established to provide classes in the arts or languages which would attract students, black and white alike, from throughout the whole county.

I believe such an approach would gain the widest possible support in our community. It would draw the community together instead of bitterly dividing it. With such a decision, the court could even start this country down the road to a truly color-blind society, while expanding the basic freedoms of all Americans, irrespective of race, color or creed.

THE MIRACLE OF A SEVERELY RETARDED CHILD

Mr. GARN. Mr. President, one of the most touching of all problems modern society is faced with is the problem of the retarded child. No one can be unmoved when faced with the struggles of these children to exist, or by the difficult decisions faced by their parents. The costs involved alone are enormous, and the emotional disruption caused by pressures to place such children in special training schools, which are often no more than maintenance facilities, is horrendous. These problems are at least partly behind the decisions some have taken to support abortions, although in my view that is a false answer to a very real problem.

The costs of maintaining retarded children are almost beyond belief to those of us who do not experience them directly. These costs have led most people to conclude that the State should undertake the care and maintenance of all retarded children. However, there are individuals who would like to maintain their children themselves, and who are in a financial position to do so. Nonetheless, our present tax laws make such efforts extremely difficult.

One such parent from the State of Utah is Dr. Blake Gammell, of Springville. Dr. Gammell has a retarded child of 8, for whom he has established a trust, the primary asset of which is the dental office where Dr. Gammell practices. Unfortunately, State and Federal taxes have in the past taken nearly 30 percent of the earnings of this trust, leaving too little to provide for the support of Dr. Gammell's son John. No administrative relief is possible, but with the dedication Dr. Gammell has for his son, he undertook to change the law.

In the case of the State of Utah, he has succeeded. The Utah State Legislature recently enacted legislation providing that when a trust is set up for the purpose of caring for a retarded child, its earnings are not taxable by the State.

At the Federal level, my colleague Senator Moss has introduced a similar bill, S. 1960, which I wholeheartedly support. Passage of this bill would encourage more parents to provide for the well-being of their own seriously retarded children, and would have enormous benefits both for the children and for the State. Institutional care for one child is estimated to cost over three-quarters of a million dollars over his lifetime; allowing parents to establish tax-free trusts for their retarded children would relieve the State of this burden.

And my personal belief is that the children would have a much better chance of growing and progressing if they were left with their parents where the parents have that desire and that capacity. As a testimony to that fact, I ask unanimous consent to have printed in the RECORD an account of the life of his son John written by Dr. Blake Gammell. It is truly a touching account of the wonders dedicated parents can work with their own children, children who might otherwise vegetate in maintenance facilities.

There being no objection, the account was ordered to be printed in the RECORD, as follows:

THE MIRACLE OF A SEVERELY RETARDED CHILD—THE STORY OF JOHN GAMMELL—8 YEARS OLD

(By Dr. Blake Gammell, April 1976)

This is the story of my son, John Gammell, eight years old. I am very proud of my son. Already, I feel that he has accomplished more and has been able to help and influence the lives of others more than I will ever be able to do. At first glance, this isn't such a different statement. All parents are proud of their children. John is different—he was born severely retarded. I would like to tell you about his life.

Three days after birth, in the middle of the night, our family physician and myself rushed John from the Payson Hospital to the Primary Children's Hospital in Salt Lake City. He was having seizures, was in a coma, and lost his ability to suck. For the next two weeks, he was critical. We did not know whether or not he would live. My brother-in-law, a pediatrician and a pediatric neurologist took excellent care of him.

How happy my family was to have the opportunity to care for one of God's children. This was especially true in my family because just six months before John's birth, we had a 16 year old son die of cancer of the bone. This son, Bill, fought this horrible disease for eight years. The last year and a half he was confined to his bed due to pathological fractures. During this time, it was necessary for him to lie on his back all the time.

John grew at a normal rate physically, but by the time he was 10 months old, we realized something was wrong with his mental development. Another horrible situation occurred in my family. Four months after John's birth my wife had surgery. Thirteen inches of her large colon was removed because of a malignant tumor.

The next two years were spent taking John to other doctors not only in our state, but to specialists in the surrounding states. We were trying to find a cause for his condition and see if there was anything we could do to help him.

When he was three years old, we finally had to come to the realization—John was severely retarded. And we could find no medical help for him.

At this time we had a complete recheck of all the tests done previously at the John F. Kennedy Research Center which is a part of the Medical School in Denver, Colorodo. This Center specializes in the diagnosis and treatment for retarded children.

When the results of these many tests were completed, the chief doctor of the Center had us come into his office for a consultation. He was so very compassionate with my wife and I, but had to tell us there was nothing medically that could be done for our child. Since he was an expert in this field, I asked him how much we could expect John to develop mentally. He took a long time to answer, but finally said, he thought John would have the capacity of a 6 month to a year old baby.

We left the center at 5 p.m. and drove all night, 550 miles, to our home in Springville, Utah. It was a horrible night for my wife and I. Hope for our child had finally been taken from us. Complete despair once again consumed our family.

In the weeks that followed, we realized John's hopeless condition. Let me try to describe his condition at three years of age: he could not sit except by putting pillows around him. He rarely cried—never from pain. I could pinch him real hard, and he would not show any response. He responded to nothing we would do to him. He would sit in his high chair, head down for hours. We wondered if he were deaf and blind. His arms were ankylosed. He was like a vegetable.

All the doctors, without exception, we had contacted suggested we put him in our state institution for the retarded at American Fork, Utah. We considered this very strongly. Finally, we took him to Dr. Jack Madsen, Medical Director for the Institution. He examined him at the University of Utah Medical School and concurred with the opinion of the other doctors. We contacted the Training School at American Fork and learned the procedure for admitting a child. At this point of great decision, it became very easy for us to stall. John was so very very helpless and needed us. Every time the subject of his commitment came up either my wife or I would find a reason to wait just a little while longer. Always in our mind was the statement from our doctors—that to have such a child in our home would not be fair to our other children. It would be impossible for them to live normal lives. We loved our other children and didn't want to subject them to any more unhappiness. It seemed to us, at this time, that something seriously wrong in our home was all they had known.

On one of our trips to the Primary Children's Hospital in Salt Lake, someone mentioned a psychologist in California was having some success working with children like John. It was Dr. Clara Lee Edgar at Pacific State Hospital in Pomona, California. I called her and described John to her asking if she would see him. She consented, and the next week we were in her office.

She examined John and, then, had an attendant take care of him while she took us to a ward in the hospital. She took us into several rooms where one lady was working with about 6–8 children. They were all walking and doing simple tasks that required different skills. We observed with great intensity. I asked if these children were like John. She said, "Yes, when I started the program three years ago." With great emotion I asked her if she thought

John had the ability to develop as far as these children had. Tension overpowered us. With a smile on her face she told us for certain she felt John had the same capabilities as these children. I wish I could explain the exaltation my wife and I felt. Finally, after so many years we heard news we so desperately craved to hear. It was as if the whole world had changed about us. Suddenly there was hope for this little child of God.

After we calmed down and were able to speak, we began to question her about what would have to be done. At this time the work she outlined for us was strange and seemed like an insurmountable task. We questioned if we had the ability. Dr. Edgar then suggested we may be able to move to California to become residents in order to commit him to the Pacific State Hospital.

At this time, the most wonderful thing that could happen was to have John be able to walk. I asked Dr. Edgar how long she thought this would take if we committed him to their hospital. She very quickly without hesitation said about a year and a half. At this time some of the joy of this moment began to disappear. We were back to the same feeling we had in the past. How could we desert this helpless child in his greatest hour of need.

We told Dr. Edgar we would think about it and let her know the next day. That night, we discussed our problem from every angle and tried to come up with the best solution.

The following day, we asked her if she thought we could do it ourselves. She told us she didn't know because we were not familiar with her work and it was so very time consuming. The children at the hospital were worked with by three different people during all their waking hours.

We told her we would like to try, but if we failed we would move to California. She outlined the things we should start doing. She also insisted we contact Mrs. Clara Chaney in Colorado upon our return home.

Here, I think I should tell you something about this wonderful person, Dr. Clara Lee Edgar, and how she is able to perform miracles with these children.

Dr. Newell C. Kephart spent most of his adult life as a professor at Purdue University. He was a genius and pioneer in his field—the learning disabled child or the slower learner in our public schools. He was an authority on the diagnosis and treatment of these children. He has written many books on this subject, his books are used in many universities in the training of school teachers. Dr. Edgar was a student of his. And, upon graduation from Purdue, she was employed at Pacific State Hospital. Her task was working with the retarded. Being a very intelligent person, she decided she would like to try some of Dr. Kephart's theories on the profoundly and severely retarded. She adapted his ideas and procedures, working very hard to put a program together. She convinced people of the worth of her program and was able to receive some government grants. She trained personnel, faced many problems, tried new things, and achieved some unbelievable results. Her work is called, "Sensory Motor Training." A child must be able to learn to move in order to move to learn as Dr. Kephart has said.

To observe this work, I would simply say it is structured play. She teaches the student to do everything a normal child does. The big difference is in order for a retarded child to master a skill, the child has to do it hundreds of times; where the normal child develops the skills after only a few learning experiences. However, the important thing is—all children regardless of ability can achieve their potential, if exposed to the learning experience in the proper way.

When Dr. Edgar learned of our decision, I think she was concerned. I'm sure she wondered if we had the ability and determination to do the job. Also, I think she wondered if she would have the time to instruct us. However, like that old saying, "Fools rush in where angels fear to tread," we started on our endeavor.

Dr. Kephart had retired from teaching and returned to Colorado to do writing and continue his research in learning disabilities. Dr. Edgar called him and asked if he would see John. As soon as we returned home, we drove to Colorado and spent three days with Dr. Kephart. Mrs. Clara Chaney, Dr. Kephart's lifelong secretary and co-author of several books worked with us and John.

Upon our arrival home, I called Dean Jones who had just been made Asst. Superintendent of the Training School at American Fork. He showed great interest in our experiences in California and Colorado and came to our home and spent several hours discussing their programs with us. How surprised I was when I walked with him to his car to find he had left his engine running for about three hours.

During the next year, we went back to California several times for help. Dean Jones flew down to see first hand what Dr. Edgar was doing. He was very impressed and convinced the administration at the Training School they should start a program like hers. A young employee, Jim Jex, was put in charge of the new program with about 10 children to begin with. He flew down to Pomona to see Dr. Edgar's program and learn how to begin.

In my discussions with Mr. Jones, we felt it of great importance to get Dr. Edgar and some of her staff to come to Utah and give a workshop. Due to prior approval of the merit of this program, and because it was necessary to get state funds appropriated it was 1 year and 2 months before Dr. Edgar came to Utah for a workshop.

Educators in the field of retardation from all over the State were in attendance at the workshop. We had been working with John for over a year. He had made some improvement and we were thrilled. But, to the people in this field, I'm sure they felt he was a hopeless case. Dr. Edgar used him to demonstrate many of her methods.

For the next year, my wife took John to the Training School in American Fork. She faithfully went every day carrying John and the many things she needed to work with him. John was a big boy now, and it was all she could possibly do to carry him. By this time, John had learned to crawl, but not in the correct way. This achievement thrilled us, but Dr. Edgar informed us all his future development would depend on his learning to crawl correctly. My wife and Mr. Jex spent months working with him and were about ready to give us when, finally he began to crawl in the correct pattern. After John began to crawl, it was only 2 or 3 months before he began to walk. He was 4½ years old.

Everyone who knew John was thrilled to see and hear of his development. He had shown by example the severely retarded could learn to walk. I was the proudest father you can imagine. He became my constant companion when I was not working in my office. What a joy it was to see him begin to develop a personality and show an interest in life.

Interest at the training school increased. Dr. Edgar and some of her staff came up more often. More of the Training School personnel were sent to Pomona for training. The School increased its knowledge and ability, and as they did so, they realized how much more there was to learn. Finally, the decision was made to hire the most knowledgeable person in this field they could get, Mrs. Betty Kessterson, Dr. Edgar's right hand during the many years of her experimental program. She started last November, 1975. Dr. Edgar is committed to the State of California and is doing a terrific job training all the technicians she can on a workshop basis.

Mrs. Kessterson and the administration at the Training School now have a positive direction in where they are going and what they are going to achieve. Last month, a man with a great deal of experience and terrific ability came to the School from Fairview State Hospital in California on a special assignment to diagnose, put into groups according to their ability, and outline how these older residents should be started on a learning program. These people I am talking about number about 150 who without this help would be destined to spend the rest of their lives in a stainless steel crib. How grateful I am for the wonderful things our own School is now doing, because this is the ward my son would be in if he had been committed. The people who work there are very special people. They work so hard to achieve so little from their efforts. It would discourage most people.

With John's ability to walk, a whole new world was opened for him. As proud parents, we started to look around for a school for him so he could not only improve his motor skills, but also his learning in other areas as well as his social skills. He loves and enjoys being with other people.

After he was able to locomote, we approached the Communicative Disability Dept. at the B.Y.U. They were working with many younger, pre-school age children in communication and speech development. We were told John did not have the ability to fit into their program. We next learned of the B.Y.U. Demonstration School on the lower campus of the B.Y.U. This school is operated by the Nebo School District and Provo District in conjunction with the B.Y.U. About 55 students from the two districts make up the student body. They range in age from 5 to 21 and are divided into 5 classrooms. The teachers and principal of this school are very skilled people. They have the duty not only to teach the children, but also, to train teachers studying at the B.Y.U. These teachers are the hope of the retarded in the future.

My wife and I approached this school to see if they would accept John. Because of his limited motor ability and understanding, we could tell they were real reluctant and hesitant. Finally, a very special person, Mrs. Barbara Merrell, consented to accept him on a six week trial basis during the summer school session. Now, two other wonderful people entered John's life—Mrs. Barbara Merrell and Mrs. Helen Wilkie, teacher aide for Mrs. Merrell.

My wife cried many times during those six weeks. She could see that John was performing on a much lower level than the other children. We both felt perhaps we were being cruel to expect so much from him. Not only did these two wonderful women work with him intensively, but something very unexpected occurred. Help came from a source we didn't think of—the other retarded children in the school sensed John's helplessness and aided him in every one of his endeavors. As time has passed, this help from the other students has continued, Mrs. Merrell has had to pin a note on John saying "Don't help me" in order for him to do the things for himself. John showed some progress, so the school decided to accept him on a full time basis.

Mrs. Merrill, Mrs. Wilkie, B.Y.U. student teachers, his fellow students, and Dr. Glen Thomas, the school principal, have all been wonderful to help in the development of this special son of mine. Recently, Mrs. Merrell paid him a very special compliment. She said John was developing as fast as any student in his class.

How thankful my family is to have been privileged to have God lead us to the many people I have spoken about. Especially his adorable mother. She has worked with him thousands of hours and has showed determination that only a mother is capable of.

God has been kind to spare her in order to help him achieve so he could show others the way to follow. Without their help John would have been nothing and lived a miserable, frustrating existence.

Yes, we have been blessed to have been able to experience one of God's miracles here on earth.

Now, I would like to talk about a problem that has developed because of our decision not to commit John to the State Training School. My wife and I are 51 years old, we realize we are quickly approaching the later part of our lives. We feel as long as we live John can be taken care of in our home, but a tremendous worry is shared by both of us concerning his care after we are gone.

To help solve this problem we have created a Trust. To give this trust assets, we have given a two unit dental office where I practice. I had planned to use this asset for my own retirement, but somehow things change in one's life. I began to pay rent again in John's building.

As the years have gone by, I am amazed at the taxes this Trust has to pay. For example: in 1974 the taxable income from the Trust was $3,500.00, Utah State taxes were $128.00, Federal taxes $608.00 and property taxes were $336.00. Nearly 30 percent of the income from this Trust is paid out every year in taxes. This fact disturbed me, and I knew that, against such odds, I could not succeed in my goal. We want to take care of John as long as he lives.

I called the Internal Revenue Service, and they kindly explained the only way to change this is to get new laws passed.

Having no experience in this field, I didn't even know exactly how laws were created and passed. I went to an attorney and explained my desire. He looked at me and advised that in his opinion it would be impossible for one man to get a law through the State Legislature.

One of my philosophies has been: "The only real failure in life is the person who quits trying." With this determination, I approached the State Legislature when it began its 1975 session.

A bill was written. Senator Ernest Dean sponsored the bill. He and his good secretary, Mrs. Goates, patiently explained the long procedure. They also gave encouragement. Mrs. Elaine Sharpe helped with endless hours of explaining the importance of such a bill. My wife and I spent every Wednesday and every spare moment for the next 2½ months explaining our problem to these dedicated men. It is hard to realize the pressure these men work under. Somehow most of them found the time to listen. They were convinced of the merit of this bill and it is now a law in the State of Utah. Senate Bill 304 states when a Trust is set up to provide care for a retarded person, the money it creates is not taxed by the State.

We pay taxes on the money that goes into this Trust. Now isn't it right for the recipient, who will never be able to support himself, not to have to pay taxes on this income? With this law, many retarded people will be able to live with dignity and not be forced to ask for State or Federal aid. I, also, feel this bill will encourage more people to keep their children at home—saving the taxpayer a large sum of money each year.

The next thing we did was to make appointments with Senator Ted Moss, Senator Jake Garn, Rep. Gunn McKay and Rep. Alan Howe. Without exception all of these men said they would do all they could to get a bill through the United States Congress.

On June 17, 1975 S. 1960 was introduced in the United States Senate. It was sponsored by Senator Moss and Senator Hubert Humphrey and co-sponsored by Senator Jake Garn and many others.

On September 19, 1975 a similar bill H.R. 9736 was introduced into the House of Representatives by Rep. McKay, Rep. Howe, Rep. Santini, and Rep. Evans of Colorado.

I wish I could explain how proud I am of this great country of ours and the constitution that guides it. Where else on earth would the needs of a little helpless boy way out in a small town in Utah be considered by leaders who have the great task of governing this Nation?

Since these bills were introduced, one was sent to the Ways and Means Committee and the other has been sent to the Finance Committee. I have written letters and all four of our Utah delegation to Washington have tried to get these bills out of committee. Now, I am becoming fearful these bills will die in committee. Even though I do not have the time to go back to Washington due to making a living and working on other projects for the retarded, I feel I must. This I know, if I can get those hundreds of men to listen to the plight of John Gammell and the thousands like him, I feel confident they will find time in their busy schedule to pass the needed legislation.

Many times I have tried to completely comprehend the complex problem a retarded citizen experiences. Try as I may I cannot fully understand the problems they face here on earth. They are truly the most helpless people on earth. They are the only segment of our society who cannot express in words the horrible existence many of them experience while here on earth.

I pray that many more men, women, and nations will continue to work for the benefit of these helpless people.

THE GOVERNMENT ECONOMY AND SPENDING REFORM ACT OF 1976

Mr. WEICKER. Mr. President, I am pleased to join with Senators MUSKIE and ROTH in cosponsoring S. 2925, the Government Economy and Spending Reform Act of 1976. This bill would establish a 4-year cycle for the review and evaluation of Federal programs by Congress and the executive branch with the help of the Government Accounting Office and the Congressional Budget Office.

Through S. 2925, the Congress and the executive branch will be charged with conducting a zero base budget review of all Federal programs instead of the hodgepodge, limited, budget review that exists now. Zero base review is a new budgeting technique which will require all Federal programs to justify their existence before they are reauthorized. Such a review will require the identification of costs and objectives of programs and evaluations of the effectiveness of these programs. Furthermore, S. 2925 will establish a procedure for eliminating inactive and overlapping Federal programs. Clearly, zero base review will be a large step toward bringing Government accountability back to the people.

It is my belief that in the year 1976, America has reached the watershed of an era. The 1960's gave the United States some of the most innovative, technological, and compassionate human service programs of the century. If we are to continue and extend these programs, we are going to have to do some house cleaning. For example, there are presently close to a thousand Federal domestic assistance programs. The duplicative efforts and the mismanagement of some domestic programs serve not only to hurt the taxpayer but, more importantly, the recipients of the program benefits. Efficient use of overhead costs could be used to reach more program recipients. So instead of throwing the baby out with the bath water, let us, the legislative and executive branches of this Government, begin to exercise more effective and efficient oversight of Federal programs.

I do not think it will come as a surprise to any politician in 1976, that the American people are disenchanted with the workings of their Government. A recent Harris poll showed that 72 percent of the public feels that they do not get good value from their tax dollars. That statistic is a clear message from the heartland to Washington "to clean up its act." I believe that S. 2925 will be the beginning of that ong road back from public dissatisfaction and lack of confidence with the new dirty word "Washington." This legislation seeks to achieve what every government should strive for—effective and efficient use of the taxpayers' money.

AN ALL-AMERICAN CITY

Mr. PERCY. Mr. President, the most significant thing to come out of the American Revolution in terms of continuing impact on the American experience was the enunciation of the doctrine of human equality. The idea that all human beings are created equal means that they are equal not by decree of the Government, nor even by membership in the body politic, but simply by virtue of being born.

We can be proud that this discovery of the doctrine of human equality was uniquely American. No other nation had ever been founded on such a principle, and the application of this doctrine of equality has been the essence of our history.

The Revolutionary generation did not work out the full implications of this doctrine, nor have we worked them out fully to this day. However, we are trying, and as long as we continue to try, the values of the Revolution will live.

One city, Oak Park, Ill., is a prime example of a community which is united in its effort to make the doctrine of human equality a reality for its citizens. It was recently recognized by the National Municipal League as an All-American City for 1975–76.

One of the many initiatives which has helped Oak Park to achieve this goal is the Oak Park Housing Center, which provides a list of housing to prospective residents as a way of integrating the community in an orderly fashion.

An editorial which appeared in the Chicago Daily News on April 16, 1976, said that—

> The agency has proved that Oak Park can maintain racial diversity without the trying confrontations so characteristic of other changing communities.

Mr. President, I am very encouraged by the progress being made in this community to make the precept of human equality a timeless truth. It is my hope that the many achievements of Oak Park will be held up as exampes for other communities to follow.

I ask unanimous consent that the full context of the editorial on Oak Park be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OAK PARK GETS ITS DUE

Oak Parkers, always thought their city was a grand place to live. They even advertise in Chicago-area publications to attract new residents. So it comes as no surprise that the National Municipal League recognized Oak Park as an All-American City for 1975–76.

The recognition is particularly gratifying as an endorsement of Oak Park's effort to preserve the racial diversity and cosmopolitan atmosphere in the suburb. It wasn't too long ago that many expected Oak Park to become nothing more than an extension of Chicago's West Side ghetto.

Oak Parkers responded to that problem with a variety of projects, and one of the most important has been the private Oak Park Housing Center. The agency maintains a list of housing and makes it available to prospective home buyers in an effort to integrate Oak Park in an orderly, stable manner. The agency has proved that Oak Park can maintain racial diversity without the trying confrontations so characteristic of other changing communities.

A new downtown mall has done much to vitalize business and has become a bonafide focal point for citizen recreation and gatherings. A recent plan for school integration, developed with the broadest possible community participation, holds promise for addressing educational problems before they reach crisis proportions.

Chicago-area people have always known that Oak Park is an All-American city, and not the only one around here, either. Still it is nice to have the word spread by Oak Park's latest honor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. If there be no further morning business, morning business is closed.

GRAIN INSPECTION REFORM ACT OF 1976

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 1 p.m. having arrived, the Senate will now resume consideration of the unfinished business, S. 3055, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 3055) to provide for United States standards and a national inspection system for grain, and for other purposes.

The PRESIDING OFFICER. Time for debate on this bill is limited to 3 hours to be equally divided and controlled by the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Kansas (Mr. DOLE); that there is a time limitation of 1 hour on any debatable motion, appeal or amendment; and a time limitation of 20 minutes on any point of order which is submitted on which the Chair entertains debate.

Mr. FANNIN. Mr. President, I ask unanimous consent that Kathryne Bruner of my staff be accorded the privilege of the floor during the debate and consideration of S. 3055.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that during the debate on S. 3055 Mr. Bill Taggart, Mr. Roy Frederick, and Mr. Claude Alexander, members of the committee staff and of my staff, be permitted access to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I ask unanimous consent that Mr. Doug Jackson of my staff be permitted access to the floor during the debate on the bill under consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask that time on a quorum call which I shall suggest not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION REQUESTING THE RETURN OF H.R. 8235 AND DIRECTING ITS REENROLLMENT — HOUSE CONCURRENT RESOLUTION 618

Mr. ROBERT C. BYRD. Mr. President, I yield myself 1 minute on behalf of Mr. HUMPHREY.

I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 618. It is my understanding that in the enrollment of H.R. 8235 title III of the bill was left out. I therefore present a concurrent resolution and ask for its immediate consideration so that this error may be corrected.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

House Concurrent Resolution 618 requesting the return of H.R. 8235 and directing its reenrollment.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The question is on agreeing to the resolution.

The resolution (H. Con. Res. 618) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and I ask that the time be charged equally to both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

GRAIN INSPECTION REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 3055) to provide for U.S. standards and a national inspection system for grain, and for other purposes.

Mr. CLARK. Mr. President, I ask unanimous consent that Andrew Loewi and William Motes of my staff be granted privilege of the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. With the time to be equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that Mary Sullivan and Herbert Jolovitz of my staff be granted privilege of the floor during any votes or debate on the grain bill this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. With the time to be equally charged to either side, without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry and Nelson Denlinger, of my staff, be granted privilege of the floor during consideration of S. 3055, including all rollcall votes thereon: Michael R. McLeod, Carl P. Rose, Henry J. Casso, James C. Webster, William A. Taggart Roy Frederick, Phillip L. Fraas, and Steven E. Storch.

Also, Mr. President, I ask unanimous consent that Mr. Bert L. Williams and Hugh Williamson of the General Accounting Office be granted privilege of the floor during consideration of S. 3055, including all rollcall votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, so as to expedite our consideration here today of the legislation before us, I ask unanimous consent that the amendment of the Committee on Agriculture and Forestry to S. 3055 be agreed to and the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in the RECORD of April 14, 1976, at page 10934.)

Mr. HUMPHREY. Mr. President, it is my privilege to handle the proposed legislation, as floor manager of the bill, to reform the U.S. Grain Standards Act as reported by the Senate Committee on Agriculture and Forestry. In May of last year, I requested that the Committee on Agriculture and Forestry conduct a thorough investigation of the grain inspection scandal. It was at that time that reports and allegations were beginning to surface of massive irregularities in export grain shipments from the United States, of serious shortcomings in the existing national system of official inspection with respect to those shipments, and of customer dissatisfaction overseas with the quality of American export grain.

I was extremely concerned then, as I am now, about any loss of world confidence in the quality of our grain exports or the integrity of our grain inspection and grade certification procedures. Either of these could have a disastrous effect on the ability of American farmers to market their crops, and on the prices they receive.

Also, grain exports are crucial to the maintenance of a healthy economy for all the people of the United States. During fiscal year 1975, the United States exported $21.6 billion worth of agricultural products, with a net balance of trade surplus for such products of $12 billion. Grain played a major role in reaching that favorable balance, as $12.5 billion of the agricultural export total was in grain.

Since last May, the initial reports and allegations of wrongdoing have been substantiated in the criminal courts—over and over again.

There have been over 38 indictments returned primarily in the gulf area involving, at last count, over 60 persons, including three of the world's largest grain firms. One of the indictments against a grain firm involved not only its gulf operations, but its Kansas City and St. Louis officers as well.

All but one of these many persons have been found or have pled nolo contendere; and investigative efforts are continuing on other significant cases.

These indictments cover a wide range of crimes and fraudulent schemes. Boiled down to their essentials, however, they all involved either massive thefts of grain, repeated and routine violations of the provisions of the U.S. Grain Standards Act, or, most critical, the corruption of licensed grain inspectors. Some cases involved all three.

These indictments and convictions by themselves serve as a powerful argument for the need for reform of our grain inspection system. But, the story is probably not yet complete, and there will likely be even further cases arising in the courts after investigation by the appropriate Government offices.

Much time is necessary to develop the types of criminal cases involved in these indictments because they involve complex schemes, difficult to prove. In fact, the investigative efforts necessary to bring about the New Orleans indictments and prosecutions have been underway for 2 years. The committee has learned there are investigative efforts now underway in several other locations in the country but they are just in the preliminary stages. So, no one can say with certainty at this point that the criminal cases are behind us, or are restricted to only one area or one group of grain inspectors. Only with time will we learn the full magnitude of corruption within the grain inspection system.

Also, it is important to note that all these indictments involve criminal cases, which, for a verdict of guilty, require proof beyond a reasonable doubt. We know that the authorities have just started to turn their attention to the civil cases arising out of the already proven corruption. Civil cases do not involve such a difficult burden of proof as criminal cases. So, if these civil damage cases are pursued and liability proven, they could very well produce additional results in the form of recovery of millions of dollars that the U.S. Government may have been defrauded of in its subsidy and food-for-peace programs.

As to the existence of customer dissatisfaction, the General Accounting Office interviewed 68 regular buyers of substantial amounts of American grain in nine foreign countries last year.

Let me digress to say that, as chairman of the subcommittee, in cooperation with the distinguished ranking minority member, the Senator from Kansas (Mr. DOLE) and Chairman FOLEY of the House Agriculture Committee, we called upon the General Accounting Office to make a thorough investigation for the committee. We also called upon the Federal Bureau of Investigation to assign some of its best investigators.

We also called upon the Inspection Division of the Department of Agriculture to step up its investigative activities. We provided our subcommittee with additional staff in the form of investigators and legal counsel so that a broad-scale investigation was undertaken by several agencies of government: The General Accounting Office, the Federal Bureau of Investigation, the U.S. district attorney's office in the Justice Department, the Department of Agriculture Inspection Service, and the Senate Committee on Agriculture and Forestry through its own investigative personnel and legal counsel.

I want to pay special tribute to the distinguished Senator from Iowa (Mr. CLARK) for his vigilance, for his perseverance, for his investigation, and for his attention to every detail in this matter that is before us.

The GAO found that 53, or 78 percent, of the 68 foreign buyers had experienced problems with many U.S. grain shipments. The GAO concluded, based on these interviews, that purchases of grain from the United States have been reduced as a result of problems with inferior quality grain and short weights. A few buyers said they had stopped buying U.S. grain altogether. Some said they had shifted their purchases of soybean and corn to Brazil; wheat to Canada; and corn to Argentina, France, and South Africa. Import statistics furnished to the GAO for one country showed a trend toward procuring grain from other countries. Some buyers said they would stop buying U.S. grain if supplies were available elsewhere.

This kind of a record, Mr. President, spells trouble for the American farmer. That farmer produces a quality product. That product should be quality when it is sold, shipped, and delivered.

We are not talking just about whether a grain inspector of the Federal Government was doing his job. We are not even talking about the types of activities in which some of the companies were engaged. We are talking about what has happened to the American farmer who depends upon export markets in an ever-increasing degree. That farmer today is being penalized because, first of all, the Department of Agriculture did not do its job. I charge here they have been negligent of doing their job of inspection under the Grain Standards Act. Only recently have they shown any enthusiasm at all, and within the past week apparently some renewed enthusiasm for the job as we get ready to debate this measure. As in the instance of the food stamp plan when we had legislation coming up to revise the food stamp program, immediately the President issues a set of regulations which are supposed to supersede anything we can do.

Mr. President, this is an old game and some of us who have been around here a long time have seen it played before. All I am saying is that the renewed activity on the part of the Department of Agriculture this past week with the assignment of new inspectors does not in any way diminish the need for corrective legislation.

I would also note, when the Department testified before us when we were complaining that they had refused to hire inspectors even though this Senate under the instigation of Senator TALMADGE and myself insisted upon $5 million more money for that division, what was the response from the Department of Agriculture? They said it took time to train these inspectors; that they could not do it in less than a year. They apparently found out recently that there were some instant training programs. And just as we get ready to debate this measure an effort is being made now to prove to the public that a whole new breath of fresh air has come into the grain inspection service and there is really no need for basic reform.

I intend to prove today that as commendable as these measures are on the part of the Department of Agriculture to activate its inspection system, to improve that system, to add additional inspectors, all of which we have asked for, all of which we have been pleading for, is not sufficient. What is needed are basic changes in the law, and then we need to hold the departmental officials, who are in charge of these particular activities, responsible for the full enforcement of that law.

American farmers grow and ship high quality grain from the rural counties throughout America. Yet, it is now evident that the quality of much of that grain is being lessened as it moves through the merchandising chain to the ultimate consumer. Shortcomings in the existing grain inspection system are, I believe, a large part of the explanation of how such dilution of quality can occur. Unscrupulous practices will occur in any industry, trade, profession, and under any set of laws. I believe that the grain trade does not differ substantially from any other type of business and is composed primarily of honest and law-abiding businessmen.

I think it should be clear that with all of the problems that we have discovered with the violations of law that have been revealed that with the tremendous volume of shipments of grain from this country, most of the activities, by far the largest portion of the activities, our grain business has been legitimate and above board and within the law. However, the existing laws are simply not strong enough to hold in check those few who want to make a fast buck to the detriment of the American farmer and might I say to the injury of the American business system.

It would seem that, on the contrary, the present law encourages the proliferation of shady practices in the industry.

The Subcommittee on Foreign Agricultural Policy, which I am privileged to chair, and the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, chaired by the senior Senator from Kentucky (Mr. HUDDLESTON), immediately began last June a thorough investigation to determine the extent of these problems for the committee. The investigative activity we instituted has been prodigious and thorough. I have already indicated what we have tried to do in terms of adding investigative personnel.

We have held 10 days of hearings and heard many witnesses representing all points of view. The staff has interviewed hundreds of people and examined official inspection operations across the country and in Canada. We have been thoroughly briefed on the extent of the criminal activities in the gulf area by the men who have led the investigation down there from its inception. We have heard detailed testimony from several of the convicted criminals and others who actually witnessed the criminal activity, relating to the pervasiveness of the corruption.

As we began looking into the problems last year, we quickly realized that our task would be most difficult and would tax the resources of the committee staff to the limit. Therefore, I, as I indicated, along with Congressman THOMAS FOLEY, chairman of the Committee on Agriculture of the House of Representatives, requested last June that the General Accounting Office assist us in our investigation.

They responded admirably and made this assignment a top priority. They committed over 40 agents to the investigation and in February submitted a 118 page detailed "Report on Irregularities in the Marketing of Grain."

This report confirmed what we had been hearing from other witnesses who testified. The very first sentence in the report started out by stating:

> Serious problems exist in the national grain inspection system authorized by the U.S. Grain Standards Act.

A little further in the opening "Digest"—reprinted on page 12 of the report on S. 3055 we have before us—the GAO went on to say—

> Weaknesses in the national inspection system have led to criminal abuses * * *

And, further—

> Action is needed to restore credibility in the system * * * fundamental changes are required * * *

Then, they went on to lay out their recommendations for reform based on their exhaustive study. I believe their conclusions are essentially soundly based, and in fact most of them in the committee have incorporated many of their recommendations in S. 3055, as it is reported from the Senate committee.

Many have objected to the GAO's recommendation for an essentially all-Federal inspection system for the whole country which would include approximately 25 of the largest major inland terminal areas within a Federal inspection system as well as the export areas; although almost no one would quarrel with the need for some sort of Federal inspection system of export elevators.

I point out that GAO found that there were serious problems at these major inland areas that impelled them to make that recommendation. The GAO found that country elevator operators expressed extensive dissatisfaction with destination grades and weights assigned by terminal elevators. The GAO found that there was an unacceptably high percentage of inaccurate grading of grain and wasteful duplicative and multiple inspections occurring at the major inland terminal elevators. But, more importantly, the GAO emphasized that actual and potential conflicts of interest exist inland as well as at export elevators.

Also, many people have expressed skepticism about the figures the GAO found on error rates, arguing that these figures are misleading. In this regard, I note that, according to GAO, the Department of Agriculture did not gloss over or ignore these error rates, rather they found them "highly significant" rates of error.

It is true that the precise grading of grain is at best very, very difficult. However, we should pursue that line of reasoning. If grading were an easy thing to do maybe we could live with a second-class inspection system, such as the one we have today which, by the way, is loaded with conflict of interest: Inspectors are employees of boards of trade, inspectors are directly related to the very companies and businesses that are being inspected, State inspection agencies are less than adequate, but primarily as to the private inspection system, some of which are good, most of which are inadequate.

So I repeat, if the precise grading of grain is at best difficult, then indeed we need the best of inspection.

Along with the investigative work performed by our committee and the GAO study that we requested, I also introduced very early in our investigation, an emergency resolution in the Senate (S.J. Res. 88) which was to serve as a stopgap temporary shoring up of the present system while Congress examined more clearly the extent and nature of the problems in the system. This emergency legislation, Senate Joint Resolution 88, took a twofold approach:

First, it made certain permanent changes in existing law to protect Federal grain inspectors, made the bribery of an inspector a felony, and increased the penalties for violations of the Grain Standards Act.

Second, it provided 1-year emergency authorities for the Secretary of Agriculture to take certain steps to strengthen the grain inspection system in the Department of Agriculture.

This resolution which I had introduced, with several amendments, was reported favorably in the Senate on September 23, 1975, and was passed by the Senate on September 25, 1975. It was referred to the House Committee on Agriculture which has taken no favorable action on it.

The fact that this resolution has not been adopted—that we have not been given, in effect, any breathing space—means that now we must act decisively after considering the merits of the bill before us.

We were more successful last year, with regards to appropriations legislation. In September, Congress passed and the President approved a budget measure which gave the Department of Agriculture a supplemental appropriation of $5 million for fiscal year 1976 to spend on increasing Federal supervision of the grain inspection system.

I might add that was not requested by the administration despite the flagrant abuse of the grain inspection system. That $5 million supplemental appropriation was initiated by the Senator from Georgia (Mr. TALMADGE) and myself as a result of what we had discovered which surely was obvious to the Department of Agriculture as well.

The Department has used these funds to hire over 200 more inspectors which are just now beginning their work.

In working on permanent legislation, the subcommittees had several good bills to consider. Five bills for permanent reform were introduced by members of the subcommittees, and represented a wide range of approaches.

We reviewed the provisions of each of those bills, point by point, in subcommittee markup. The consensus of the subcommitees at that markup was to accept S. 3055 with several amendments embodying some of the concepts contained in the other bills, and several new amendments. At committee markup, debate centered on issues which will likely be discussed here today. Several amendments offered by Senator DOLE were adopted which I believe improve the bill, and the committee voted to favorably report the bill as amended.

Thus, are we here today to consider passage of S. 3055. The committee has studied the problem long and hard, and we have obtained the best information available on the needs of farmers and their customers who depend on the continued viability of the American grain marketing system. All our work, in every instance, has led us, I believe, to the same conclusions: First, the problems are inherent in the system; second, they are real, are dangerous, and will not go away; and third, what is needed is nothing less than, as the GAO put it, "fundamental changes."

At this point, I note that the Department of Agriculture's position today is that S. 3055 goes too far, that the sort of bill that passed the House of Representatives calling for a Federal/State/private "mix" of grain inspection services, is more suited to the needs of the grain marketing system. Frankly, I do not think the House bill goes far enough, although it does incorporate many of the provisions contained in Senate Journal Resolution 88.

But, the point I make is this: Six months ago, the Department was then taking the position that even the weaker provisions, such as the House recently adopted, would have been much too much, an overreaction to the problem. The testimony reveals the accuracy of that statement. They also took that position on Senate Journal Resolution 88.

In other words, with widespread scandal that was obvious to the most casual observer, the Department said:

> Don't be in a hurry. Don't panic. Let's not do too much. Just hold on.

In other words, in every step we took, they said it is unnecessary. And before that, long before the grain scandal first became public, but long after the Department became aware or should have become aware of the existence of serious problems and large-scale corruption, the Department did not apparently believe that the situation was serious enough to come to the Congress with either proposals for remedial legislation or supplemental funds to attack the problem. In fact, the Department has in recent years—during the time that the problem was becoming more and more ominous—requested less and less money and people per bushel of grain inspected, to supervise the grain inspection system.

That is what they call economy—costing the American taxpayer hundreds of millions of dollars in lost exports, bringing doubt upon the integrity of our grain export system, losing customers; and all the time these investigations were underway, the Department says it knew about the investigations, but it did little or nothing to upgrade its inspection to ask for fewer people. They asked for 12 fewer inspectors than they had in the previous year. In short, although the Department is now belatedly recognizing the existence of a problem, I submit that their track record clearly shows that in every instance their response has always been two or three steps behind the facts and behind the Congress.

S. 3055 is a strong bill. It makes the fundamental changes in the present system that the GAO recommended. Those are changes which testimony indicated were necessary.

The major changes it makes in the U.S. Grain Standards Act relate to: first, increased Federal authority and responsibility; second, increased civil and criminal penalties; third, required registration of grain dealers; and fourth, studies and reports.

It also goes not only to the matter of grain standards and inspection but also weighing, because we have discovered a pattern of short weights. In other words, people buy a certain amount and receive less. A despicable pattern of activity of that kind has now been brought to the surface.

As to the first point: Why should we want increased Federal authority and responsibility? Why should the Federal Government get so deeply involved in the inspection process in the ways I have enumerated in S. 3055?

Grain inspection requires a national system, uniformity, a national direction, and a national responsibility. Since it is the U.S. Government that will be certifying to foreign customers that lots of grain are of the quality called for in contracts, export inspection should be performed by the Federal Government.

Further, of key importance in understanding the approach adopted in S. 3055 is to realize that with the current system there are 110 separate, unrelated, and relatively independent official inspection agencies that provide all inspection, at 183 designated inspection points. They also supposedly operate under the Grain Standards Act; but when we look at the pattern, they apparently cannot read the same language.

This makes administering and enforcing present law and regulating the activities of agencies most difficult, if not impossible. In addition, under the present system, these agencies operate almost totally without control by the Department of Agriculture.

The following problems with the present system, which were pointed out in the GAO report, give an indication of some of the weaknesses that flow from diversity and lack of control.

First. Independent agencies are generally unwilling to cooperate fully with the Department of Agriculture in the administration of the system and often have resentment toward Federal supervision. The documentation and the testimony reveal that.

Second. Some independent agencies tend to circumvent or compromise prescribed procedures and regulations as quickly as the Department writes them or prescribes them.

Third. It is impractical for the Department to provide centralized training for inspection personnel working for the agencies.

Fourth. Agencies are unable or do not choose to provide extensive rotation of personnel.

Fifth. There are indications that shipments to major inland and export elevators from rural or smaller elevators are graded and weighed discriminatorily against these shippers, who are not present to witness the activity.

Sixth. There are wasteful duplication and multiple inspections.

Seventh. The Department has not been able to prevent easy circumvention by elevators of controls designed to insure honest and accurate grain inspection.

Eighth. The fault throughout the system is in the development of intimate relationships and mutuality of interest between grain companies and the inspection agencies. Thus, many inspection personnel feel that their loyalty is to the grain company they are supposed to be supervising and not to the United States.

Also, as to weighing, right now there is essentially no Federal standard, authority, or regulation for the weighing of grain. We have a complex system that is known worldwide for determining the quality of grain; yet, we have no system that applies to determining the quantity of grain.

Under the current system, the grain is weighed in many instances by grain company employees. This is an inherent conflict of interest.

Although State and independent organizations supervise grain weighing at most locations, this supervision is inadequate because: first, there are no national standards and procedures to obtain uniformity; second, it is generally performed on only 25 percent of the grain weighed; and third, it is only effective if a State has strong supervision of the weighing of grain.

The many indictments and other documented cases of weighing irregularities include the short-weighing of grain both in-bound and out-bound, the theft of grain, and complex methods to divert grain from scales or from being loaded into vessels. All these violations and problems demonstrate the need for Federal control and supervision of grain weighing.

Also, the General Accounting Office in its report recommended that weighing be coordinated with the inspection process, to increase the integrity of inspection.

In response to this litany of problems the bill would do the following:

Establish the Federal Grain Inspection Agency headed by an administrator who would administer this act under the general direction and supervision of the Secretary of Agriculture.

But that Federal inspection agency headed by an administrator would be directly responsible to the Congress. His appointment would be confirmed by the Senate so that it would be a high level type of appointment.

The bill would provide that all grain inspections at export elevators and major inland terminal elevators are to be made by Agency employees. With this provision S. 3055 takes a major step toward restoring integrity and credibility to the grain inspection system. Since these export and major inland terminal elevators handle about 85 percent of the official inspection performed in the United States and are a relatively concentrated, small number of elevators, Federal inspection and weighing at these elevators can provide an essentially "all-Federal" system at a reasonable cost.

The bill provides that all grain transferred into or out of export elevators be officially weighed and all grain officially inspected at major inland terminal elevators be officially weighed—when feasible—and provides further that all grain weighed at export elevators be weighed by Agency employees and all grain weighed at major inland terminal elevators be weighed either by Federal employees or by State employees under Federal supervision.

The bill eliminates "official inspection agencies" over which the Secretary of

Agriculture has exercised little control under present law.

Those official inspection agencies are nothing more or less than private groups that are designated by the Secretary of Agriculture as official inspection agencies and after he has designated them, that is it. From there on out, they have generally gone their own way.

The administrator may "contract" with a State or person, under S. 3055, for the performance of official inspection or official weighing at minor inland terminals and country elevators; but, before doing so, he would have to determine that the State or person is capable and qualified to perform these functions.

He would not be allowed to contract with Boards of Trade or other business entities directly involved in the grain trades. The bill would thus eliminate any of the inherent conflicts of interest mentioned at our hearings and in the GAO report.

The bill extends the requirement that exported grain sold by grade be inspected, to include all exported grain, whether sold by grade or not; and further requires that it also be officially weighed.

It authorizes the administrator to provide for periodic testing of all equipment used in the inspection, grading, and weighing of grain.

Might I add, that is a very important feature, because some of the equipment is not kept up to standard. Some of it is old and out of date.

The bill also provides for the periodic rotation of personnel of the agency as the administrator deems necessary to preserve the integrity of the inspection system.

This, by the way, gets over that little habit of coziness that seems to have grown up between the inspection officials and the companies to be inspected.

The bill requires the Administrator to set and implement uniform standards for recruiting, training, and supervising official personnel and work production standards.

The bill authorizes the Administration to require by regulation as a condition for official inspection, the installation of specified sampling and monitoring equipment in elevators, and the approval of the condition of carriers and containers for transporting and storing grain.

The bill requires the Administrator to develop regulations prescribing procedures for promptly investigating complaints and taking action on complaints.

I underscore the word "promptly."

The bill empowers the Department's Office of Investigation to make such independent investigations into grain inspection and weighing under the Act as the Director thereof deems necessary.

In sum, this bill will accomplish the following:

Greater uniformity and consistency in inspection procedures and operations;

Placement of inspectors under direct control of the Department of Agriculture to provide more effective authority to deal with inspection deficiencies;

Establishment of an independent system to eliminate actual and inherent conflicts of interest;

Development of an inspection force which conforms to uniform hiring and training requirements; and

Rotation of the inspection force among specific locations.

Many have expressed objection to having inspection and weighing performed by Federal employees, under a unified, Federal system. The arguments in support of this position appear to me to be largely philosophical and political. Some hold, quite rightly, that the Federal Government should reduce its regulatory role rather than increase it. However, we must remember that Federal systems are usually not installed unless the systems they are replacing are very weak—which is the present case.

Some argue that several States would lose a substantial part of their present inspection responsibility and the related revenue they may be earning from such operations; and that since these States have been "doing a good job," they would be penalized by Federal takeover.

I note that, although GAO did not visit all States, it made a random sample of all inspection points, including States, and the GAO report documents widespread problems and deficiencies at essentially all locations visited including State-operated inspection points. Further, it is questionable whether States should be earning revenue on inspection services.

Indeed, they could earn revenue enough to pay for the service, but not as a revenue-producing tax.

Some say that Federal employees may not be fully committed to expeditious grain handling—they may slow things down.

This, I submit, is an argument that can be made, but it is a speculative argument. There is no evidence that this happens in other USDA inspection programs.

Finally, some might note that other USDA inspection programs made by its Federal employees have had problems also. This may be true, but Federal systems appear to be superior to the ones they replaced.

I would mention at this point that according to the GAO report even the Department candidly admits that the present hodge-podge system is a failure. The GAO noted that the Department is being confronted with many pressures to maintain a comparative status quo in the organizational structure of the national grain inspection system for those currently involved in the system do not want to lose their agencies and their incomes. Even so, USDA officials conceded to GAO that if the present system were not already in place, they would not recreate it in its present form and that, from a management control standpoint, "a federally controlled and operated system would be best."

Above all, integrity and competence of individual inspection personnel together are the foundation and pivotal point of a grain inspection system, whether it be Federal, State, or privately operated. No amount of increased Federal supervision, short of unwarranted and costly duplication of effort, can guarantee integrity and competence of others or the circumvention of the system by persons so inclined.

Taken by itself, integrity can be assured insofar as possible most simply through elimination of the possibility of conflicts-of-interest; rotation of personnel; and penalties for wrongdoing. Competence can be best assured through adequate and uniform recruiting, training, and supervision.

The simplest, the least costly, and the most logical way to accomplish these tasks of assuring integrity and competence is through the use of a single Federal system of inspection, wherein the inspectors are free from possible conflict-of-interest, can be easily rotated, and will be uniformly recruited, trained, and supervised—in short, a Federal inspection system such as I have proposed in S. 3055.

To protect State civil service employees, who have performed diligently over many years and who may have built up substantial benefits under a State system, the bill would allow the administrator to take into Federal service qualified State employees whose jobs would be eliminated. In going into Federal service, their pay rate, position in grade, pension and sick leave rights, and seniority would also be transferred intact.

As to increased civil and criminal penalties, the bill would—

Classify all violations under this act as either knowing, intentional, reckless, or negligent violations—for the purpose of determining the applicable penalty.

Remove the prohibition against assaulting or impeding Department employees from this act and place it within the more stringent prohibitions of the U.S. Criminal Code.

Delete the bribery section in conjunction with another amendment to the act placing official personnel within the stricter bribery prohibitions of the U.S. Criminal Code.

Increase maximum penalties as follows:

For knowing or intentional violations, the maximum—felony—penalties would be: 5 years imprisonment, a $10,000 fine, or both; and

For reckless or negligent violations, the maximum penalties would be: 9 months imprisonment, $5,000 fine, or both—section 19.*

Add a prohibition against falsifying weights or grades by any means, including the use of inaccurate, faulty, or defective equipment.

Permit the Administrator to refuse inspection or weighing to any person who he finds has violated the provisions of the act. In addition to or in lieu of refusal, he is also authorized to assess a civil penalty—maximum: $100,000—as he deems necessary to effectuate the objectives of the act.

Extend the Administrator's authority with regard to refusal of inspection so that he may temporarily suspend the provision of inspection services for up to 7 days, pending a hearing.

Authorize the Administrator to revoke summarily the license of any licensee convicted of a crime prohibited by this act or relating to his duties under this act.

No one seriously questions the need for these tougher penalties. When a person, as demonstrated in the New Orleans indictments, can gain many thousands of dollars through short-weighing or improperly grading grain, a 6-month jail term or a $3,000 fine is not much of a deterrent. I note that in this regard we even got the Department to agree to our increased penalties.

The registration provision of the bill is very important to the whole design to reform the system, and its requirements are not onerous to private enterprise.

I recognize that this provision, by the way, was hotly debated in the committee and, I think, we have an amendment relating to it.

Almost all major export grain companies are private companies and, therefore, do not have to file reports concerning their organization or business operations with the Securities Exchange Commission or any other Federal Agency. When violations of the law or other irregularities occur, it is most difficult to determine who is responsible and who benefits from the illegal acts.

The bill would provide for minimal information such as ownership, names of directors, and locations where the business has substantial grain operations. The liimted amount of information required does not encroach upon trade secrets and other properly private information. The type of information required is necessary to enforce effectively the provisions of the bill.

This registration requirement applies only to merchandisers who sell more than 2,500,000 bushels of grain in a calendar year or operate grain elevators with total storage capacity of more than 1 million bushels. It generally excludes producers and others who only occasionally sell or transport grain.

This provision provides an important enforcement tool because those companies who are substantial dealers in grain must have a registration certificate from the Administrator to operate their facilities. If they commit a violation of the act, the Administrator is authorized to suspend or revoke that certificate and thereby stop operations of the facility. This enforcement tool will have a much greater impact in discouraging illegal operations than the civil and criminal fines which can be imposed.

To insure that an orderly and equitable transition to this strengthened system is achieved and the timely and orderly marketing of grain continues, the bill allows from 6 months to 2 years to phase the system into operation.

Finally, the bill authorizes a study and makes several reporting requirements. The study would look into the adequacy of current grain standards. It would specifically address: removal of subjective human judgment from grading; subclassing grain by color; protein as a factor; and grouping broken grain with foreign material.

I believe I am correct that the distinguished Senator from Oklahoma (Mr. BELLMON) was primarily responsible for these much needed features in the bill.

On the basis of the results of the study, the Administrator is directed to make such changes in the grain standards as he determines necessary and appropriate.

The reporting requirements, together with the creation of a new Agency, which puts one man in charge who would be directly responsible to the public and to the Congress, should greatly enhance our ability to oversee the operations of the grain inspection system.

Might I say that this system of ours is one of the biggest businesses of this country. An export level of $21 billion requires the most high level type of Government supervision.

The reporting requirements, briefly are as follows:

The Administrator would be required to report the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry every December 1:

First, regarding the effectiveness of the official grain inspection system under the Act for the prior fiscal year; and

Second, giving a summary of all complaints—and the resolution thereof—received by the Department from foreign customers for U.S. grain.

The Administrator would be required to report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry within 30 days regarding:

First, any complaint from a foreign purchaser concerning a shipment of U.S. grain, after he determines that there is reasonable cause to believe the grain delivery was in fact faulty; and

Second, the cancellation of any contract for the export of more than 100,000 tons of grain.

The Administrator would be required to report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry every 3 months with respect to investigative activity taken into complaints of improper activity and abuses in the official inspection of grain under the act.

This is a comprehensive and, I believe, responsive bill; it is the right bill. It has been shaped and designed in committee with great care and attention to fully come to grips with the problems we face in grain inspection. In a sense, it may be said that this bill is strong medicine. But it represents the only possible realistic response to the problem.

If we water this bill down in the Senate today, it will likely never have the chance to be reconstituted. The House bill, which is less strong, has already been passed in that Chamber, and the administration position in favor of a weaker response is clear. Therefore, I believe it is vitally important that the Senate vote favorably on this bill as reported. It represents the only chance to end the irregularities of the present system, which have hurt our producers and consumers.

I am sure every Member of this body knows that when we go to conference we have to settle our differences with the other body, and if we weaken this bill in this Chamber we will go to conference only to find out that we have a very weak bill as a final product.

We will have the Department of Agriculture, as they have already, insist that the Senate provisions be modified and weakened. But I want to say again, Mr. President, that the Department of Agriculture has been dragging its feet. It has been behind—and I mean it has been two to three steps behind every need that was demonstrated. It has not come in here for additional personnel or increased appropriations. The Department of Agriculture did not institute any request for a change in the basic law. Everything has had to come from the work of the House and the Senate committees, and primarily from the committee here in the Senate.

So I am not impressed by the fact that the Department of Agriculture feels this bill is too strong. As far as the Department of Agriculture was concerned, they did not ask for any bill. They opposed the emergency legislation; they opposed even the supplemental appropriation which gave them the additional inspectors.

We have had to drag them in by the nape of the neck screaming and hollering in order to get any action out of them.

Mr. President, I hope we will see fit to give the American farmer the kind of protection and support to which he is entitled, a farmer who produces the highest quality of product only to find the product is either diluted or in some way adulterated by a faulty system of grain inspection in which private companies and designated officials have violated the law. We cannot permit that to happen.

Mr. President, I ask unanimous consent that a short summary of the major provisions of this bill and a list of 25 major inland terminal areas to be affected by this bill be printed in the RECORD.

There being no objection, the summary and list were ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS OF THE BILL

[The section references that are starred are references to the United States Grain Standards Act as amended in its entirety by section 1 of S. 3055.]

The bill being reported by the Committee makes major changes in the United States Grain Standards Act relating to (1) increased Federal authority and responsibility, (2) increased civil and criminal penalties, (3) required registration of grain dealers, and (4) studies and reports.

INCREASED FEDERAL AUTHORITY AND RESPONSIBILITIES

The bill—

1. Establishes the Federal Grain Inspection Agency headed by an Administrator who is to administer the Act under the general direction and supervision of the Secretary of Agriculture (sec. 4*).

2. Provides that all grain inspections at export elevators and major inland terminal elevators are to be made by Agency employees (sec. 8(e)*).

3. Provides that all grain transferred into or out of export elevators be officially weighed and all grain officially inspected at major inland terminal elevators be officially weighed (when feasible) (sec. 6(a)*).

4. Provides that all grain weighed at export elevators be weighed by Agency employees and all grain weighed at major inland terminal elevators be weighed either by Federal employees or by State employees under Federal supervision (sec. 9(d)*).

5. Eliminates "official inspection agencies" over which the Secretary of Agriculture has exercised little control under present law by

requiring inspection in rural and other inland areas (where inspection by Agency employees is not required) to be made by Agency employees or a State or persons under contract with the Administrator (sec. 3(1)* and (o)* and sec. 8(f)*). Before the Administrator may contract with a State or person, he must determine that the State or person is capable and qualified (sec. 11(a)*).

6. Extends the requirement that exported grain sold by grade be inspected, to include all exported grain, whether sold by grade or not; and further requires that it also be officially weighed (sec. 6(a)*).

7. Requires that a certificate be issued showing the official grade and weight of all grain export (sec. 6(a)*).

8. Authorizes the Secretary of Agriculture to enter into an agreement with Canada to provide for the required inspection and weighing of export grain transshipped through Canada (sec. 8(g)* and sec. 9(f)*).

9. Authorizes the Administrator to provide for periodic testing of all mechanical equipment used in the inspection, grading, and weighing of grain (sec. 10(a)*).

10. Expands the Administor's licensing authority to include (a) persons performing official weighing, (b) persons monitoring grain shipments overseas, and (c) States employees performing functions under a cooperative agreement to perform official weighing (sec. 13*).

11. Provides for the periodic rotation of personnel of the Agency as the Administrator deems necessary to preserve the integrity of the inspection system (sec. 13(e)*).

12. Requires the Administrator to set and implement uniform standards for recruiting, training, and supervising official personnel and work production standards (sec. 13(f)*). Further, to the extent that the bill will take over weighing and inspections now performed by States, the bill would allow the Administrator to take into Federal service qualified State employees whose jobs would be eliminated. In going to Federal service, their pay rate, position in grade, pension and sick leave rights, and seniority would also be transferred intact (sec. 4).

13. Authorizes the Administrator to require by regulation as a condition for official inspection, the installation of specified sampling and monitoring equipment in elevators and the approval of the condition of carriers and containers for transporting and storing grain (sec. 21(a)*).

14. Requires the Administrator to develop regulations prescribing procedures for promptly investigating complaints and taking action on complaints (sec. 21(b)*).

15. Empowers the Department's Office of Investigation to make such investigations into grain inspection and weighing under the Act as the Director thereof deems necessary (sec. 21(d)*).

INCREASED CIVIL AND CRIMINAL PENALTIES

The bill—

1. Would classify all violations under the Act as either knowing, intentional, reckless, or negligent violations—for the purpose of determining the applicable penalty (sec. 18*).

2. Remove the prohibition against assaulting or impeding Department employees from the Act and place it within the more stringent prohibitions of 18 U.S.C. 111 and 1114 (sec. 18* and sec. 5).

3. Would delete the bribery section in conjunction with another amendment to the Act (sec. 13(d)*) placing official personnel within the stricter bribery prohibitions of 18 U.S.C. 201.

4. Would increase maximum penalties as follows:

For knowing or intentional violations, the maximum (felony) penalties would be: 5 years imprisonment, a $10,000 fine, or both; and

For reckless or negligent violations, the maximum penalties would be: 9 months imprisonment, $5,000 fine, or both (sec. 19*).

5. Would add a prohibition against falsifying weights or grades by any means, including the use of inaccurate, faulty, or defective equipment (sec. 18(a)(7)*).

6. Would permit the Administrator to refuse inspection or weighing to any person who he finds has violated the provisions of the Act. In addition to or in lieu of refusal, he is also authorized to assess a civil penalty (maximum: $100,000) as he deems necessary to effectuate the objectives of the Act (sec. 15(a)*).

7. Extends the Administrator's authority with regard to refusal of inspection so that he may temporarily suspend the provision of inspection services for up to 7 days, pending a hearing (sec. 15(c)*).

8. Authorizes the Administrator to revoke summarily the license of any licensee convicted of a crime prohibited by the Act or relating to his duties under the Act (sec. 14*).

REQUIRED REGISTRATION OF GRAIN DEALERS

The bill—

1. Would require (with certain exceptions) the registration of any person engaged in the business of buying grain for sale in interstate or foreign commerce *and* in the business of handling, weighing, or transporting of grain for sale in interstate or foreign commerce.

The registration requirement does not apply to:

(a) a person only incidentally or occasionally involved in the grain trade;

(b) producers of grain who are only incidentally or occasionally involved in the grain trade;

(c) persons who transport grain for hire and have no financial interest in the grain;

(d) persons who buy grain for feeding and processing and not for the purpose of reselling; or

(e) any merchandiser of grain who sells less than 2,500,000 bushels of grain in a calendar year, or owns or operates grain elevators with total storage capacity of less than 1,000,000 bushels (sec. 24(a)*).

2. Would require that persons to be registered submit the following information:

(a) the name and principal address of the business;

(b) the names of all directors of the business;

(c) the names of the principal officers of the business;

(d) the names of all persons in a control relationship with respect to the business;

(e) a list of locations where the business conducts substantial operations; and

(f) such other information as the Administrator deems necessary (sec. 24(b)*).

3. Would require the Administrator to issue a certificate to those businesses that comply with the registration requirements. The certification must be renewed annually, and the registrant must notify the Administrator of any changes in information within 30 days (sec. 24(c)*).

4. Forbids any persons to engage in the business of buying grain for sale in interstate or foreign commerce and in the business of handling, weighing, or transporting of grain in interstate or foreign commerce unless he has registered and has an unsuspended or unrevoked certificate of registration (sec. 24(c)*).

5. Authorizes the Administrator to suspend or revoke any certificate of registration under this section when, after affording the registrant an opportunity for a hearing, the Administrator determines that the registrant has violated any provision of the Act or the regulations, or has been convicted of any violation under the U.S. Criminal Code involving the weighing, handling, or inspection of grain. The Secretary may temporarily suspend certificates without a hearing for up to 30 days, pending his final determination, if he deems such action to be in accordance with the purposes of the Act (sec. 24(d)*).

STUDIES AND REPORTS

The bill—

1. Authorizes and directs the Administrator to perform a study regarding the adequacy of current grain standards. The study is to address specifically: removal of subjective human judgment from grading; subclassing grain by color; protein as a factor; and grouping broken grain with foreign material. On the basis of the results of the study, the Administrator is directed to make such changes in the grain standards as he determines necessary and appropriate, and, not later than two years after the enactment of the legislation, submit a report to the Congress on the findings of the study (sec. 6).

2. Would require the Administrator to report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry every December 1st:

(a) regarding the effectiveness of the official grain inspection system under the Act for the prior fiscal year (sec. 23(a)*); and

(b) giving a summary of all complaints (and the resolution thereof) received by the Department from foreign customers for United States grain. The summary is not to include complaints that the Administrator determines have no reasonable basis (sec. 23(c)*).

3. Directs the Administrator to report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry within 30 days regarding:

(a) any complaint from a foreign purchaser concerning a shipment of United States grain, after he determines that there is reasonable cause to believe the grain delivery was in fact faulty; and

(b) the cancellation of any contract for the export of more than 100,000 tons of grain (sec. 23(b)*).

4. Directs the Administrator to report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry every three months with respect to investigative activity taken into complaints of improper activity and abuses in the official inspection of grain under the Act (sec. 21(b)*).

TWENTY-FIVE MAJOR INLAND TERMINALS

KANSAS

1. Kansas City.
2. Topeka.
3. Wichita.
4. Salina.
5. Hutchison.

OKLAHOMA

6. Enid.

IOWA

7. Cedar Rapids.
8. Davenport.
9. McGregor.
10. Des Moines.
11. Sioux City.

NEBRASKA

12. Hastings.
13. Lincoln.
14. Omaha.

MISSOURI

15. Kansas City.
16. St. Louis.

ILLINOIS

17. Peoria.
18. Decatur.
19. Kankakee.

OHIO

20. Cincinnati.
21. Columbus.

COLORADO

22. Denver.

MINNESOTA

23. Minneapolis.

TWENTY-FIVE MAJOR INLAND TERMINALS—Con.

TEXAS

24. Amarillo.
25. Ft. Worth.

Mr. HUMPHREY. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. FANNIN). The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I yield 10 minutes to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, at the outset I wish to say that I do not very often disagree with my friend from Minnesota (Mr. HUMPHREY). On this, we have some small differences of opinion.

Mr. President, over a year ago, many reports started appearing in the press involving scandals in shipping our grain to foreign countries.

The Senate Agriculture Committee is deeply concerned about these reports and made a very thorough investigation at the various ports involved.

The problem seems to be centered mostly in the ports of New Orleans, Houston, and Galveston.

We had a very similar problem in these same three ports 20 years ago. There were convictions and guilty pleas then.

At that time, too, the Senate Agriculture Committee was involved in a thorough investigation and thought the action it had taken would solve this problem.

It is obvious now that the measures taken then were inadequate.

The U.S. attorney in the New Orleans area, Mr. Gerald J. Gallinghouse, made a thorough investigation of the problems there in recent months.

As a result, many indictments were returned. Some pled guilty and other cases are still pending.

In the cases that have come before the courts thus far, there have been over 70 individual indictments issued and 7 indictments involving grain firms.

Unfortunately, as is so often the case, these scandals involving polluting of grain, inaccurate weighing, and other violations are greatly exaggerated.

For example, the General Accounting Office conducted a thorough investigation on grain marketing and inspection in recent months.

According to the GAO report, most of the problems occurred at the southern ports of Houston, Galveston, and New Orleans.

The GAO found no serious problem with respect to northern export points such as Duluth, Superior, and Portland, Oreg., where most of the exports originate for the spring wheat and durum area, as well as much of the winter wheat from the Pacific Northwest and some of the North Central States.

The point I am trying to make, Mr. President, is that as bad as the scandalous grain inspection problem is, for the most part it only involved three of our major southern ports.

Unfortunately, because of the serious problems at these ports, the press, and even some Members of Congress implied that most of the grain we exported was polluted, misweighed, or involved in other scandalous export procedures.

Great Plains Wheat, Inc., dealt with this problem in an accurate and appropriate way, as stated in their news release dated April 15, 1976, a portion of which I would like to quote:

> Foreign buyers continue to express surprise that the United States seems so intent on finding fault with its grain inspection system, stated a group of grain buyers from Belgium and the Netherlands.

What I would like to point out, Mr. President, is that the grain we export is of far better quality than is implied by a great amount of publicity.

The Great Plains Wheat news release went on to further state that the importers in this group found the United States a very adequate source of grain and, too, our grain is of high quality.

Mr. President, I request this news release be included in its entirety in the RECORD at the conclusion of my comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. YOUNG. Mr. President, this release substantiates my claim that many of the reports concerning polluting grain were the result of overreaction to stories carried by the press.

Because of the serious problems at some ports, particularly Houston, Galveston, and New Orleans, our grain inspection system must be tightened up so that scandals such as those that have occurred in the past several months will not occur again.

This is what the Senate Agriculture Committee is determined to do.

Mr. President, while the Humphrey bill has great merit, I cannot help but feel it goes too far. The grain inspection system over most of the United States has been operating quite satisfactorily.

I see no need to abolish all local and State inspection and replace it with Federal inspection.

For example, Mr. President, if grain shippers are dissatisfied with local or State inspection, they can always appeal to a Federal inspector and have it reexamined if they want to. This is often done. That is the practice now.

We have enough Federal bureaucracy with our hordes of inspectors now, without providing more.

Mr. President, I believe that the amendments sponsored by the distinguished Senator from Kansas and the ranking minority member of the Senate Agriculture Committee, Mr. DOLE, of which I am a cosponsor, are much more preferable to the bill offered by my distinguished colleague from Minnesota, Mr. HUMPHREY.

Mr. President, I believe there is a better solution to this problem.

We should require that all exported grain come under Federal inspection.

This would mean every bushel of grain leaving the United States would be federally inspected.

Under the Dole proposal, local and State inspection would be continued as it should be.

It should not be abolished when there is no serious problem involved.

The Dole proposal would also do away with the provision in the Humphrey bill that would require setting up a separate grain inspection agency in the U.S. Department of Agriculture.

Another provision in the Dole proposal would eliminate requirements in the committee bill that all grain buyers and firms buying grain for sale in interstate or foreign commerce and those handling, weighing and transporting grain for sale, must register with the Department of Agriculture.

Mr. President, I do not believe these three provisions of the Humphrey bill are necessary at this time.

They would impose more restrictions and cause more unnecessary problems especially for country grain buyers where all of our grain originates.

Mr. President, I support the amendments offered by Senator DOLE and have joined as a cosponsor.

Mr. President, I state further, there is one serious problem I do not believe this bill deals with adequately, that of grain grade standards.

For example, No. 3 amber durum wheat and the same thing applies to other types of grain, has too much tolerance. No. 3 grain can have a tolerance of 3 percent, beside that it can have 3 percent of other types of wheat in it. There is nothing illegal for an exporting firm now, adding to No. 1, the hard spring wheat, 8 percent of screenings or even foreign material. There can be other types of wheat mixed with it up to 3 percent. There is no penalty for doing that now. It is nothing illegal.

We find now that the Common Market countries of Europe as well as Italy, because of certain import restrictions, are buying or ordering mostly No. 2 and No. 3 wheat. They rarely order No. 1 that has practically no dockage at all. They can get clean wheat if they buy No. 1 wheat.

As long as they persist in ordering lower grade wheat, they are bound to get some dockage, screenings or even foreign material in the wheat.

I believe we have found most of these countries are surprised at our own criticism of the quality of our own wheat. Most importers find it to be excellent.

EXHIBIT 1

[From Great Plains Wheat, Inc.]

NEWS RELEASE, APRIL 15, 1976

WASHINGTON, D.C.—"Foreign buyers continue to express surprise that the United States seems so intent on finding fault with its grains inspection system," stated a group of grain importers from Belgium and The Netherlands.

The members of the group were impressed by the fact that customers abroad appear to be more satisfied with the quality of the merchandise which they receive from the U.S. than are the U.S. critics of the system. "The unbelievable amount of publicity the United States gives to irregularities in its system is damaging U.S. interests abroad," asserted the team members.

The members of the group, visiting the United States on the invitation of Great Plains Wheat, have spent two weeks inspecting U.S. wheat production, handling and shipping facilities. They have also spent time with U.S. government and trade officials, to discuss U.S. wheat exports to the European Community.

There is an occasional problem with shipments from any origin, they stated, but by far the majority of the shipments arrive in excellent condition and correspond to what the buyer has ordered. They indicated that buyers had found the United States a very dependable supplier with regard to both grain quality and consistency in marketing. They pointed out that although the United States had applied embargoes on two occasions the embargoes had been of brief duration and did not create any shortages of commodities abroad. They noted that other suppliers are out of the market often for months, so that wheats from other sources are frequently not available. "The United States wheats are available at all times, and foreign millers tend to want to continue to use wheat to which they and their flour customers have become accustomed," they stated.

Great Plains Wheat, Inc., is the foreign market development organization representing the wheat producers in Colorado, Kansas, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Washington.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield 5 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 minutes.

Mr. CURTIS. Mr. President, I am of the opinion that we should have some legislation on the subject of grain inspection. I believe if we look at the situation realistically we will find that, contrary to the impression that might have been conveyed by the media, the great bulk of our grain trade has not been riddled with scandal.

It has been confined, to the greatest extent, in our export, and as the distinguished Senator from North Dakota has said, it has not been all of the export terminals where they have had violations, wrongdoing and dishonesty.

Those places where we have had wrongdoing, it has been serious. I am glad that there have been indictments. I hope if the individuals are guilty, they will be convicted—if they have not already been found guilty.

Mr. President, I think there are some things that are quite self-evident, and should be, to the Congress. One is that we cannot, for every problem that arises, create a new agency and turn a new function over to the Federal Government. Sometimes we have to do that if the problem is spread across the land and applies everywhere uniformly. Certainly, we should not do it for a problem that exists at certain spots only in the grain trade.

Therefore, at this time I feel it would be a mistake to change the long-established system and establish a total Federal inspection system in the 25 major inland terminals. I do not think that is necessary. By the very nature of these transactions, the problem arises in connection with exports. The Government has been involved in exports. In some of our exports under the Public Law 480 program the Government is very much involved. That program has attracted some fast buck artists. At times it has loaded a burden on some of these exporting facilities that they were not used to. There is where the real problem was.

I favor the Federal Government establishing an inspection service for our exports. I do not think it is either wise or necessary to go beyond that, certainly not at this time.

I favor provisions of the Dole amendments. I think we should remove from the scope of this bill 25 major inland terminals.

I am also of the opinion that we should not create a separate agency.

I realize it is said that that agency will be in the Department of Agriculture. Actually, that is just for housing purposes. The individual head of it will have his own jurisdiction and his own responsibility to the Congress and to the appointing officer.

At a time when we should be consolidating agencies and limiting them, I believe we should not create additional separate agencies unless we face an extreme situation where there is no other way. I do not believe we face an extreme situation in regard to a great portion of our exports. There are some of the ports which have not been involved in the scandal at all. I believe that our major inland terminal inspection points have operated not perfectly but in a very credible way.

We should also keep in mind that under our private enterprise system the purchaser of grain has something to say about it. If he buys grain that has been poorly inspected or underweighed, he is not going to do it again. He wants to buy the best grain he can obtain for his flour mill or his other processing plants. So we have a built-in check and balance that makes it unnecessary for the Federal Government to be involved and look over everybody's shoulder all the time.

The situation is quite different with reference to exports, particularly since in part of these exports the Government is a financial partner.

Therefore, Mr. President, I hope this bill will be amended before it is enacted.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield 5 minutes to the distinguished Senator from Oklahoma (Mr. BELLMON).

Mr. BELLMON. I thank the distinguished Senator from Kansas, the ranking Republican on the Agriculture and Forestry Committee.

I want to add my compliments to those which have already been stated this afternoon about the fine work which has been done on this legislation by the Senator from Minnesota (Mr. HUMPHREY), the Senator from Iowa (Mr. CLARK), the Senator from Kansas (Mr. DOLE), the Senator from North Dakota (Mr. YOUNG), and others.

The members of the Committee on Agriculture and Forestry fully realize this is an extremely important area as far as the Nation's commerce is concerned. We realize that we need a grain inspection system that is trustworthy, one that is flexible enough to meet the demands of the grain trade which is frequently confronted with seasonally heavy volumes of business and then which may go for months when there is a relatively small amount of business.

All of us are appalled at the reported cases of law violations which have apparently occurred at certain ports.

The interesting thing to me, Mr. President, is that during Senator HUMPHREY's remarks he was exteremely critical of the USDA. I believe those of us who have observed the things that happened at some of our ports realize that the major problem there was that the U.S. Department of Agriculture fell down in its responsibility as a supervisor of the Nation's grain inspection system. This bill which is before us would turn the entire grain inspection system over to the very agency that has failed so miserably in its responsibilities in the past.

It is hard for me to understand how Senator HUMPHREY could in one breath be critical of the USDA in the way it has failed the Nation's farmers and our foreign customers and then turn right around and proposed a bill that puts all other grain inspection service out of business and turns the entire system over to the USDA.

To me, this bill, which gives full responsibility to the USDA, is an overreaction to a problem that can be dealt with much more simply and still leave the grain inspection system far more viable than will be the case if we federalize every inspection of grain in this country.

I deplore any fault in our grain inspection system which deprives American grain producers of markets. This Nation is the breadbasket of the world. We produce grain that is badly needed to feed hungry people in all parts of the globe. To get that grain from the American producers to the foreign customers does require a marketing system and a grading system that is dependable and which people will trust.

I am very much in favor of creating that kind of a system, but I am afraid this bill goes in exactly the opposite direction.

The problem is, Mr. President, that under this system there is simply no way to make certain that the Federal grading system will not become corrupt. If it does become corrupt who is going to be around to catch the Federal crooks?

The system we have now, if it operates properly, involves Federal supervisors who are in a position to watch the State or private grain graders to make certain that they are honest and that they do their work properly. On the other hand, if we go the direction that S. 3055 would take us we make it impossible for anyone except one Federal official to watch another.

The dangers in this system are pointed out by what has already happened in the U.S. meat inspection programs. I have before me an article from the Monday, April 5, 1976, issue of the New York Times which points out that Federal investigations have uncovered evidence of widespread payments by meatpackers and processors to U.S. Department of Agriculture food inspectors in the New York area, a corrupt practice which has been going on for years.

The story further points out that inspectors were taking home enough meat each week to stock a wholesale butcher shop, according to one private investigator.

Mr. President, I ask unanimous consent that this entire article be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BELLMON. The problem here is that we have a Federal meat inspection system and yet there are still corrupt inspectors. If we get the same sort of corruption in a nationwide grain inspection system, the damage done to American producers and our foreign customers would be irreparable.

Mr. President, there are going to be some amendments offered to this bill later this afternoon which I intend to support. I believe those amendments would clean up the overreaction that is inherent in the bill as it is presently written.

There is much in the bill that is good. There is much here that has needed to be done for a long time. But my objection lies in those features which would totally federalize the grain inspection system and make it impossible, at least in my judgment, for it to ever be properly policed. It might be ultimately necesssary to make such a step. Frankly I do not think it would. But I believe we should preserve the elements of the present system that have served this Nation's food consumers and food producers so well in the past and not simply, because of what happened in one or two locations, throw out an entire program that could easily be cleaned up and made function in a proper fashion.

I believe sincerely that this Nation has the foundation already in place for a good grain inspection system, that if we will tighten down the Federal supervision, provide for proper funding of the supervision responsibility through a fee system that we will then have remedied our weaknesses and have preserved the system in its most effective and most workable form.

Mr. President, I intend to support the Dole amendment to S. 3055, and, if they are approved on that basis, to support the bill.

Mr. STENNIS. Mr. President, will the Senator yield for a question if he has time?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. Mr. President, will the Senator yield him 1 minute.

Mr. DOLE. I yield 1 minute.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. I would like to know if the Senator from Oklahoma supports the Dole amendment to the extent that this would be left in the hands of privately employed inspectors or private inspectors. I will call it; that is, neither Federal nor State. It seems to me as though we must move into this in some way. Will the Senator express himself on that point?

Mr. BELLMON. Mr. President, in those cases where the private inspectors meet the Federal standards, as is the case in my own State of Oklahoma where we have private inspectors at the terminal in Enid, Okla., then the amendments that I would support would leave those private inspectors in place. If they fail at any time to meet the Federal standards then they could be replaced by Federal inspectors. I see no reason at this time to put them out of business because when up to now they have been doing their work without any criticism or any law violations.

Mr. STENNIS. Would they be operating under the general supervision or observation of the Federal inspectors?

Mr. BELLMON. Yes, Mr. President, they would. They would be supervised by Federal authorities.

Mr. STENNIS. I thank the Senator.

Exhibit 1

[From the New York Times, Apr. 5, 1976]

Payoffs to U.S. Meat Inspectors Are Found Common in City Area

(By Selwyn Raab)

Federal investigators have uncovered evidence of widespread payments by meat packers and processors to Agriculture Department food inspectors in the New York area—a corrupt practice that apparently has been going on for years.

So far, there is no indication that the payoffs have led to the approval or distribution of tainted or substantial meat. The payments, in money or gifts, assertedly were made to overlook minor sanitary violations at packing and processing plants, according to sources familiar with the investigation.

Several inspectors and officials of meat companies are cooperating with the inquiry, which is being conducted by the offices of the United States Attorneys in the Southern and Eastern Districts of the State.

Meat company officials who have admitted making payments have told investigators that they did so to prevent what they described as "costly harassment" by inspectors, who have the power to halt or delay operations at their plants. These officials maintained that they had acted under coercion and that unless they had met the demands of the inspectors their plants would have been hit with unjust violations and possible work interruptions.

According to reliable sources, these officials further asserted that inspectors could pressure them through delays in the lifting of violations even after the problems had been corrected. Work stoppages caused by these violations could cost a plant as much as $5,000 a day, industry officials contend.

The payments are believed to have varied from $10 to $100 weekly in either money or gifts. The gifts sometimes included expensive meat products.

"One inspector was taking enough in meat each week to stock a wholesale butcher shop," an investigator said privately.

A high official in Food Inspectors Local 538 of the American Federation of Government Employees, acknowledged that "there may be some validity" to the corruption charges. But the official, who asked for anonymity, said that, "except for a few rotten apples," he doubted that there was any large-scale graft.

The union official also said that he believed that the initiative for bribes came from plant owners.

"There are a lot of sharpshooters in this business who want to cut corners by not meeting all the regulations," he continued. "The vast majority of our men are honest and legitimate packers, and processors can easily appeal to a higherup if they think they're being harassed or treated unfairly."

MONEY AND GIFTS BARRED

Federal law prohibits inspectors from accepting money or gifts from companies they are regulating. It is also illegal for company officials to offer anything to inspectors. Criminal charges could be brought against the inspectors, the officials who made the payments and their companies.

According to authoritative sources, the investigation began last winter when agents of the Federal Bureau of Investigation discovered that there was an organized—almost routine—system of payments at many plants in the city and suburbs.

Much of the most substantial evidence is believed to involve companies in the Fort Greene and Williamsburg sections of Brooklyn.

Last January, 52 inspectors who at some time had been assigned to Brooklyn were subpoenaed by the United States Attorney's office in Brooklyn and compelled to have their photographs taken. The mass photo session was believed to have been conducted in an attempt to help meat company officials identify inspectors suspected of having accepted payments.

A Federal grand jury in Brooklyn is expected to begin hearing evidence soon, possibly this month. It is uncertain when evidence will be presented to a grand jury covering plants in Manhattan and the Bronx.

David Trager, the United States Attorney for the Eastern District, confirmed that the investigations had begun, but they declined additional comment.

The regional director of investigation for the Agriculture Department, Michael S. Lonergan, said that his unit "is involved," but he too refused to discuss the inquiry.

There are about 450 meat packing and processing plants in the city and suburbs, and their combined business volume is more than $1 billion annually, according to the Agriculture Department. A total of 150 inspectors and supervisors are assigned by the department to certify that the plants comply with Federal food and sanitary codes.

The plants vary from those that store and distribute kosher and nonkosher beef to supermarkets, butcher shops and restaurants, to those that prepare such products as frankfurters and bologna for interstate distribution.

SALARIES UP TO $19,270

All of the inspectors here are part of the Meat and Poultry Division of the Agriculture Department. Their annual salaries range from $12,222 for newcomers to $19,270 for top supervisors. Most get less than $17,000.

George J. Puchta, assistant supervisor of meat inspectors in the metropolitan area, said most of them were reassigned to different plants once a year. Asked if this was done to prevent corruption, Mr. Puchta replied: "By rotating people we are less apt to run into problems."

The investigations here could lead to the second major corruption problem in less than a year for the Agriculture Department. A broad Federal inquiry into graft and other irregularities in the grain industry started last year.

In New York, the most recent meat scandal occurred in 1966, when uninspected horse meat was used by the now defunct Merkel Meat Company in Queens.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield 2 minutes to the distinguished Senator from Idaho.

Mr. CULVER. I thank the Senator for yielding.

Mr. President, I wish to commend my colleague from Iowa (Mr. Clark) and the other sponsors of S. 3055 for the expertise and hard work which produced the legislation before us.

It represents, I believe, the most direct, equitable, and intelligent solution to a serious and dangerous problem. I hope that the Senate will act act speedily and affirmatively on the bill.

Although attention about grain inspection abuses has necessarily centered in those cities where grand juries have returned indictments, the significance of this bill is not limited to those places.

It is crucial for grain growers and dealers in Iowa and other producing States who have had no part in the violations but who have been cheated by the illegal practices.

It is critical to our national sense and system of justice which have been threatened by revelations that conspiracy, bribery, and other crimes could possibly become standard operating procedure in the handling of grain exports.

Finally, it is vital to the future of our national economy. The backbone of America's performance in her international trade has long been the outstanding record of our agricultural exports. Without a continued strong performance from this sector, our balance of payments will seriously deteriorate. A GAO study of grain inspection showed that the abuses of our inspection system have grown so serious that foreign buyers are cutting back on purchases of American grain. We can ill afford to allow this to continue.

For all of these reasons, a decisive approach to the grain inspection problem is essential. I believe that this bill offers such an approach. I commend the sponsors of the bill for providing it, and I urge that the Senate adopt it.

I thank the Senator for yielding.

Mr. DOLE. Mr President, I yield myself such time as I may require.

Mr. President, on April 14, just prior to the Easter recess, the Senator from Kansas submitted three amendments to S. 3055, the grain inspection bill, which we are considering today.

These amendments were proposed because of the strong objections this Senator has to several sections of S. 3055.

Amendment 1603 deletes the provision for Federal takeover of grain inspection activities at 25 major inland terminals. Let me state at the outset that, as a member of the Committee on Agriculture and Forestry and as one who has been concerned with grain inspection, S. 3055 contains a great number of provisions strongly supported by this Senator and every Senator on the Senate Agriculture Committee as well as members on the House Agriculture Committee, where their bill has similar provisions.

But there are a few areas where there is strong disagreement, and one of those areas is whether or not we should have a Federal takeover, a complete takeover of grain inspection.

This Senator comes from a wheat-producing State, the State of Kansas. It would affect five terminals in the State of Kansas, but beyond this, it would affect thousands and thousands of farmers, and I point up that in all the scandals we have had in port facilities, particularly in the Port of New Orleans, about 95 percent of those had to do with corn, not wheat. In addition to that, there has been no evidence at this time that there is any great abuse at inland terminals.

It seems to this Senator that there is a rather weak need to extend the Federal takeover to every major inland terminal because of the mistakes, abuses, and fraud on the part of some.

So my amendment, and I will modify the amendment at the desk at a later time, would limit my first amendment to simply striking those provisions that would provide Federal takeover of grain inspection at 25 major inland terminals.

The second amendment to be offered would strike the section providing for registration of all large grain companies and cooperatives as an enforcement measure. I think perhaps that there should be some registration. But again the President talked about overregulation. We have all talked about the paperwork. We have even provided by law a Commission on Paperwork. I assume everyone voted for it in this Senate and in the House, but now we are suggesting in this legislation that every grain operator and every grain elevator should file some report if he takes in a certain number of bushels of wheat.

It would affect about 170 elevators in the State of Kansas. It seems to me that this information is already provided. It is another place where we ask for duplicate forms to be provided for no good reason at all. I can understand the purpose of the amendment. I think insofar as the giant or major grain exporting companies are concerned, the information should be furnished. I do not think it is too difficult to find out the ownership in some of the grain firms in my State who operate on a very small scale.

The Senator from Minnesota very realistically said, "Well, we are going to conference, we have got to keep this bill strong because the House bill is weak." This Senator is not so certain that the House bill is weak. It passed by a very healthy margin in the House, I think 246 to 33.

President Ford has indicated in a recent speech in Texas, where he speaks frequently these days, that he would veto the Senate bill in its present form. This Senator thinks he would be wise to veto the bill if it passed in the Senate, and the Senate version is agreed to in conference, and sent to the President.

Last week I received a letter from the Under Secretary of Agriculture—the Secretary is out of the country, so I received a letter from the Under Secretary of Agriculture—detailing the administration's objection to S. 3055. The Under Secretary did not state he would support S. 3055 if certain changes were made but he did express strong reservations and expressed those reservations on behalf of the Department.

The letter outlines the Department's support for the three amendments that I have submitted as necessary improvements to S. 3055. It indicates a further amendment concerning provisions of section 4 pertaining to the right of hiring independent or State-employed inspectors. The Senator from Kansas will submit that amendment later for consideration, and I trust that some compromise may be worked out.

Since the amendments have been submitted, the House Committee on Appropriations—specifically, the service and investigations staff of the Committee on Appropriations—has made its report on the grain inspection system. This report, at least insofar as this topic is concerned, was made in December of 1975.

There has been a great deal of talk about the GAO report, and this Senator understands that the measure before the Senate is a direct result of that GAO study. I commend the GAO for their efforts, but I also suggest that they are not perfect.

I suggest that it is easy to say, "Let's turn it over to the Federal Government if we find anything wrong."

An arm of Congress made this investigation. A subcommittee staff investigated grain inspection and many other aspects of that part of the grain industry, and they came up with different conclusions. I believe it is appropriate to comment on that report, since many references have been made and will be made to the GAO study.

This Senator was one of those who urged the GAO study, so I do not condemn it. I commend it. But I suggest that it is not the only evidence we have as to the need for this legislation.

This report, the one referred to by the House Appropriations Subcommittee, does make a strong recommendation for tightening up the system. It does not recommend an all-Federal grain inspection system as provided for in S. 3055.

DECLINE IN SUPERVISORY INSPECTIONS

The House report indicates that between 1966 and 1975 there was a dramatic decline in the number of supervisory inspections performed by USDA agricultural commodity graders, ACG's. Supervisory inspections are defined as the separate grading by ACG's of the original sample or of a USDA sample from the same lot for comparison with the grade and factors reported by the State or private licensed inspector. They exclude appeal inspections which are often done simultaneously with the original inspection and with the knowledge of the licensed inspector. The number of supervisory inspections decreased 57.5 percent from 1966 to 1975, due to an increase in the number of requested simultaneous appeal inspection and an increase in the number of ACG's for these purposes. This decline in supervision was during a period of increase of 10 percent in volume of grain inspected.

This decrease took place in spite of a growing knowledge on the part of the USDA of irregularities in the inspection and grading of grain. This lack of adequate supervision played a major part in creating conditions conducive to fraud.

MORE SUPERVISION REQUESTED

Without exception, persons involved in trading of grain told the House investigative staff of the need for much closer USDA supervision of grading. Even the licensed inspectors and designated inspection agencies argued for closer supervision of their work. USDA was described as "an absentee parent" in recent years.

Mr. President, I ask unanimous consent that the table from the report, showing changes in supervisory inspection be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Fiscal years]

	1966	1975	Percent change
Bushels of grain receiving original inspections (billions)	8.3	9.1	+9.6
Original inspections (millions)	3.6	3.4	−5.6
Supervisory inspections	143,566	61,000	−57.5
Percent of supervisory inspections	3.9	1.8	−53.8
Licensed inspectors	768	815	+6.1
USDA agricultural commodity graders	300	226	−24.7

Supervisory inspections are those in which USDA agricultural commodity graders actually "work" grain samples to determine grade and factors. They are made on samples drawn by USDA employees or by mechanical samplers, or on official file samples in possession of licensed agencies. Supervisory inspections do not include "over the shoulder" inspections nor appeal inspections.

INLAND TERMINALS VERSUS EXPORT POINTS

Mr. DOLE. Mr. President, early in the investigative staff's inquiry, a field office supervisor on temporary loan to New Orleans made the plea, "Don't judge the whole inspection system by what you find in New Orleans. The situation is different inland." The investigative staff did find distinct differences between the export points and the inland points. Certain checks and balances exist at inland points, such as Kansas City, Omaha, and Minneapolis, which do not exist at export locations. The grain trade can better police itself at a grain exchange where the buyer and seller meet face to face to determine the price of a carload of grain based on an official inspection certificate.

At export locations, the elevators, which are generally owned by the company selling the grain, are loading huge quantities into ships to fulfill contracts negotiated earlier by cable, or overseas, or in New York. The exporter has specific contract conditions to meet—not necessarily the same specifications outlined in the Grain Standards Act—and these ships hold a volume equivalent to hundreds of truck or freight cars. He does this by blending—as referred to by the distinguished Senator from North Dakota earlier—which is totally legal. He does this by blending different quantities of grain as the ship is loaded. Export sales are made on "certificate final" conditions and the buyer has little real recourse if he finds, perhaps weeks later, the grain he received did not meet contract specifications.

The opportunity for fraud or other irregularity is much greater at export locations than at inland locations where the quantities traded are much smaller and therefore an immediate appeal inspection is possible as the transactions are being made. Also, much of the grain handled inland goes to large domestic processors who again grade it on receipt and who can quickly identify irregularities in the system when they occur.

MISMANAGEMENT BY USDA

Proponents of S. 3055 tell us that complete Federal takeover of grain inspection is necessary to solve the problems.

I suggest that that is the answer some have for every problem: Let the Federal Government do it. Let the Federal Government regulate it. Let the Federal Government take it over.

The Senator from Oklahoma referred a few minutes ago to a program which has been taken over by the Federal Government, meat inspection, and he inserted in the RECORD an article which appeared in the New York Times on Monday, April 5, bearing the headline "Payoffs to Meat Inspectors Are Found in City Area." So the Senator from Kansas merely points out that whether or not it is a Federal system or a State system or a private system, that does not insure the integrity of the system. There is substantial evidence that the major deficiency is that the Federal Government has not done an adequate job implementing the responsibilities it already has under the U.S. Grain Standards Act.

It seems to me that we should encourage, mandate, and require, where we can, a more adequate job being done by those in charge now, rather than to have a wholly new system and a wholly new blanket over the present system.

Rumors implying malfeasance in grain inspection and bribes being accepted from exporters have been surfacing since, at least 1966, so it is not a new problem.

The USDA Office of Audit in May 1973 completed a nationwide audit of the USDA grain division. The audit indicated that some needed regulations for which the Department had the authority had not been implemented, and delay from taking such action was caused by the pressure of other work with supposedly higher priorities. I suggest, in defense of the grain inspection division, that exports have been increasing, as we all desire, and that makes it more difficult to meet some of the work pressures.

At that time, in 1973, it was suggested that overall management could be strengthened by taking positive and timely action to issue and update instructions, make decisions, and initiate needed action to correct problems involving the grain inspection programs.

The Office of Audit noted in its review that some regulations had been officially postponed by announcement in the Federal Register while others, after publication, had been neither officially postponed nor implemented. Further difficulty had been encountered in getting instructions written and/or released. The overall system for issuing, reviewing, and rescinding instructions was inadequate, and the audit revealed that additional instructions were needed in some areas to provide more uniformity among the 32 different field offices.

During the last 6 months, Federal employees in the field offices indicated that improvement was still needed in the grain division's overall system for issuing, reviewing, updating, and rescinding instructions according to the report of the surveys and investigation staff. There is considerable confusion among field level employees because written instructions are not always available or current, or are difficult to locate, when guidance is needed. Some employees noted that the instructions are ambiguous or legalistic in language, resulting in a lack of uniformity from field office to field office, and inspection point to inspection point in application and interpretation.

Complete Federal takeover of grain inspection is not needed; our present system needs to be tightened up to insure its integrity for all parties. That process has already begun in at least two important ways.

TIGHTENING OF CURRENT SYSTEM

Last fall—the Senator from Minnesota mentioned this in his remarks, and I am certain others may—a number of us, particularly Senator TALMADGE and I, the chairman and ranking minority member of the Committee on Agriculture and Forestry, appeared before the Senate Appropriations Subcommittee and were successful in obtaining $5 million in supplemental appropriations for the Department of Agriculture to increase its supervisory activities during the current fiscal year. That amount of money was appropriated. At the present time, 171 new employees are involved in on-the-job training to become supervisors. A large share of these will be assigned to field offices, such as New Orleans, where major problems have been identified. Mr. President, I ask unanimous consent that the field office assignments of these additional USDA employees be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Agriculture's assignment of commodity graders to field offices, Grain Division AMS

Baltimore	5
Beaumont, Tex	5
Cedar Rapids	2
Chicago	6
Duluth	5
Fort Worth	2
Grand Forks	1
Houston	11
Indianapolis	1
Kansas City	4
Minneapolis	2
Mobile	7
New Orleans	75
Norfolk	4
Omaha	3
Peoria	3
Philadelphia	6
Portland	9
St. Louis	3
Sacramento	2
Seattle	4
Spokane	3
Toledo	5
Wichita	3
Total	171

These are in addition to those already assigned.

Mr. DOLE. Second, the U.S. Department of Agriculture has proposed new administrative regulations which will give the Department a stronger hand in dealing with the grain inspection agencies it designates and with members of the grain trade who use inspection services.

REGULATIONS UPDATED IN FEBRUARY

It is my opinion that the new regulations proposed in February 1976 will clarify and simplify the responsibilities of all those involved in grain inspections.

The proposed changes in inspection regulations would avert potential conflicts of interest by prohibiting ownership of grain inspection agencies by boards of trade or any other similar organizations whose membership includes grain companies or grain company officials; make clear that each grain inspection agency is fully responsible for the conduct of its employees; provide for USDA to temporarily suspend the designation of a grain inspection agency without first affording an opportunity for a hearing. Officials pointed out the suspended agencies would be able to file an answer and have a hearing after suspension and before any permanent revocation of their authorization to inspect grain; provide that AMS approve the schedule of fees each inspection agency charges for its grain inspection services; and require an independent annual audit of how each inspection agency uses the fees it collects.

With respect to buyers and sellers, the new regulations would delete some requirements and change time limitations to make it easier for domestic and foreign buyers to obtain reinspection and appeal inspection. For example, file samples could be used for reinspections and appeal inspections after a ship or other carrier has been loaded or after it arrives at the port of destination.

A present requirement of the seller's approval for use of file samples in reinspections and appeal inspections would be dropped. The new regulation would limit the use of "lake port" certificates when export grain is transshipped through Canadian ports; specify that inspection service could be denied whenever AMS determines that providing it would adversely affect the official inspection system: require export elevators to set up laboratory space or special monitoring equipment for licensed inspection personnel so that they can clearly view loading while performing laboratory tests; allow AMS to require installation of surveillance equipment—including closed-circuit television systems—at export elevators when needed to effectively monitor sampling and the movement of grain in the elevator during loading; and require that, in export inspections, the mechanical sampler be placed near the end of the loading conveyance, unless otherwise approved by AMS. Such approval would only be granted when AMS officials are positively satisfied grain being loaded aboard a ship is the grain which has ben sampled and inspected. The changes will go a long way toward correcting the problems we have identified. These and other regulations, I think, indicate at least a move in the right direction, however belated, by the Department of Agriculture.

BRIBERY AND STORAGE EXAMINATIONS

Of the 58 firms and individuals indicted during fiscal year 1975 and the first quarter of fiscal year 1976 on 287 counts of violations involving grain grading and shipments, 227 of these violations were for either offering or accepting bribes in connection with stowage examinations of ships. This included all indictments in Houston, Tex., and Portland, Oreg., and many of those in New Orleans.

It is not surprising that so many of the indictments have centered around the examination of ships and shipholds. The financial impact of a ship being declared unfit to receive grain is not apparent until all costs incurred and potential losses associated with making the vessel worthy again are considered.

First, the ship line would have to pay to have the holds cleaned, fumigated, sandblasted, chipped, scraped, or painted to correct the objectionable condition. In major ports, such as Houston and New Orleans, when a vessel is not approved to take on cargo, it must return to the end of the line of ships waiting for dock space. Such delay could cause the ship line or other contracting parties to incur additional costs and fees—reportedly as high as $5,000 to $10,000 per day or higher for certain huge bulk carriers—and possible financial losses incident to delay in meeting contracted delivery dates for the cargo.

All considered, the potential loss to a ship line due to its vessel not passing a grain stowage examination is enormous. The circumstances and a system which make it possible to avoid substantial losses by giving a low or moderately paid inspector several hundred or several thousand dollars creates abundant inducement to offer a bribe and a compelling urge to accept. Lack of supervision, lack of uniform instructions, and penalties amounting to a "slap of the hand" further fostered the practice.

It was in this atmosphere that bribes related to stowage examinations thrived.

I was encouraged by the comments by the distinguished senior Senator from North Dakota, reading from the Great Plains Wheat News release, that generally our customers are satisfied. That is the case, as indicated in a letter from the Japanese Embassy, which was made a part of the RECORD, indicating that they are generally satisfied with the grain they receive from the United States.

There is no evidence now available that shows that current prosecutions have lowered the total export sale of grain, although it is said the foreign importers have used the prosecutions in trying to bargain for better prices. Trade sources advise that foreign importers can buy whatever quality of U.S. grain they are willing to pay for, but they are primarily "price" buyers and will pay for only the medium or lower grades of grain.

On the contrary, the U.S. share of world wheat and flour imports by the 20 leading importers rose from 27 percent to 41 percent in the 3 crop years ending in 1975. The U.S. share for corn increased from 51 percent to 69 percent for the same period. For soybeans, the picture is somewhat different. U.S. exports of soybeans to the 20 leading import countries for calendar year 1974 accounted for 80.4 percent as compared to 83.6 percent in 1973, a drop of 4 percent. Although U.S. exports increased they did not increase as rapidly as Brazil's, which was said to be due at least in part to lower Brazilian prices for most of the year.

Mr. President, I ask unanimous consent that tables showing the pattern of exports for wheat, corn, and soybeans be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. SHARE OF WHEAT AND FLOUR EXPORTS FOR THE TOP 20 WORLD IMPORTERS

Crop year	Total imported (1,000 metric tons)	U.S share (1,000 metric tons)	Percent U.S. share of total imported
1969-70	36, 145	9, 327	25
1970-71	34, 883	11, 308	31
1971-72	36, 919	8, 366	22
(3-yr total)	(107, 947)	(29, 001)	(27)
1972-73	54, 999	22, 863	42
1973-74	48, 214	20, 696	44
1974-75 (preliminary)	44, 787	17, 197	38
(3-yr total)	(148, 000)	(60, 756)	(41)

U.S. SHARE OF CORN EXPORTS FOR THE TOP 20 WORLD IMPORTERS

Crop year	Total imported (1,000 metric tons)	U.S. share (1,000 metric tons)	Percent U.S. share of total imported
1969-70	25, 238	15, 046	60
1970-71	25, 576	11, 916	44
1971-72	28, 479	13, 206	46
(3-yr total)	(79, 293)	(40, 168)	(51)
1972-73	36, 197	26, 167	72
1973-74	45, 273	33, 056	73
1974-75 (preliminary)	40, 176	25, 146	63
(3-yr total)	(121, 646)	(84, 369)	(69)

SOYBEAN EXPORTS FROM THE UNITED STATES AND BRAZIL FOR CALENDAR YEARS 1973 AND 1974

[In thousands of metric tons]

	1973	1974	Increase	Percent of increase
United States	13, 220	13, 941	+721	5. 5
Brazil	1, 786	2, 706	+920	51. 5

Mr. DOLE. I hasten to add that I do not suggest that because exports have not fallen, we do not need a tighter inspection system. I offer that to combat some of the misimpressions that somehow our exports have dropped rapidly because of the quality of the grain.

There is other evidence to indicate that foreign buyers are still generally happy with U.S. grain. During the last 2 weeks, a group of importers from Belgium and the Netherlands have been visiting the United States. Their message has been that "by far the majority of the shipments arrive in excellent condition and correspond to what the buyer has ordered." They indicated that buyers had found the United States a very dependable supplier with regard to both grain quality and consistency in marketing. These importers also stated that "foreign buyers continue to express surprise that the United States seems so intent on finding fault with its grain inspection system."

Mr. President, citizens of this country—especially our grain farmers—and our foreign customers deserve a grain inspection system that is honest, efficient, and unbiased. The problems that have been exposed must be dealt with quickly and fairly.

But I believe that a close examination of the problems indicates that the reforms in S. 3055 go much further than necessary. A better approach would be to take favorable action on the amendments that have been proposed, and perhaps others; then, after we have reformed S. 3055 to that degree, send it to conference in hope that we can come up with an improved grain inspection system.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I yield myself 15 minutes.

Mr. President, as we begin consideration of the Grain Inspection Reform Act of 1976, the Senate finds itself faced with a simple and very direct challenge.

It has been almost a year since James Risser of the Des Moines Register first reported on the Federal investigation into grain trade corruption centered in New Orleans. Since that time, we have seen 40 Federal indictments returned, alleging nearly 300 criminal violations of the U.S. Grain Standards Act and related statutes by 61 different individuals and 4 companies. Three of those companies are major grain companies in the United States, major multinational companies. All but 5 of the 61 individuals who were indicted have pled guilty and all 4 companies have pled guilty. In fact, the five individuals who have not yet pled are inspectors whose trials have not yet occurred. It is my understanding that more indictments are imminent.

Under the able leadership of Chairman TALMADGE and Senator HUMPHREY, we have had the benefit in our committee of 10 days of hearings. Indeed, we have heard Federal grain inspectors, we have heard supervisors, we have heard the individuals who have been indicted and pled guilty before the committee. We have had hearings both in Washington and in the field. And we have had the benefit of a special investigating staff on the Senate Committee on Agriculture.

We have seen the results of an exhaustive investigation by the General Accounting Office, an investigation covering 7 months, involving more than 40 GAO staff members and, indeed, costing more than $0.5 million. It is the most complete study of its kind ever undertaken. That is the kind of evidence we are dealing with.

And we have read article after article by Mr. Risser, by William Robbins of the New York Times, and others. Detailing the pervasive nature of corruption in the grain trade. Personally, I have gone to New Orleans, watched the system work at the major elevators, talked to inspectors who admit under oath that misgrading and shortweighing is a regular way of doing business. I have talked with U.S. Attorney Gallinghouse who knows more, perhaps, than any other individual about how this system works.

So we have not come to this legislation lightly. In fact, it is hard to imagine more extensive investigations, more careful consideration of legislation that has come before this body. It is hard to imagine legislation with more evidence in support of its adoption. If there has been a single case or occurrence of corruption which has produced more indictments and more guilty pleas in recent history then I am certainly not aware of it.

We have before us today a bill that squarely addresses the problems that have been so clearly identified: The corruption and conflict of interest, the waste and inefficiency, the incompetence and neglect. S. 3055 has been carefully drafted by two agriculture subcommittees, under the direction of Senators HUMPHREY and HUDDLESTON, and has the support of the majority of the full Agriculture Committee.

Mr. President, this, then, is the challenge the Senate faces this afternoon: Are we to pay heed to the overwhelming preponderance of evidence by thoroughly overhauling our Nation's scandal-ridden grain inspection system, or are we to bow to the pressures of the giant grain companies and their allies by defeating or emasculating this legislation?

Mr. President, the opponents of S. 3055 have charged that this legislation goes too far, that it "uses a shotgun to kill a fly." They point out that criminal wrongdoing in grain inspection has emerged only in New Orleans and other gulf ports, while S. 3055 would reconstruct the entire inspection system.

Perhaps no one is more qualified to answer that charge than U.S. Attorney Gerald J. Gallinghouse, who, along with his assistant, Cornelius Heusel, has spearheaded the Federal investigation in New Orleans. During his testimony before the Agriculture Committee, I asked Mr. Gallinghouse whether he thought this was simply a problem of "A few rotten apples," or whether the system itself was at fault.

He replied as follows:

> Senator, we have given that some very serious thought. We have concluded the fault is within the system. The difficulties that we have experienced are within the system. It would sadden us, as law enforcement authorities, to be frustrated in our efforts to clean up a situation if the same system that has allowed these deplorable conditions to exist for so long is not corrected by reform legislation. . . .
>
> We think there are such inherent conflicts within the system as provided in the U.S. Grain Standards Act and the implementing regulations that you cannot hope that it is going to go away and be solved by law enforcement alone. It is like putting hot poultices on gangrenous parts of a body. That is the way I see it.
>
> Please forgive me for putting it so simply, but I would think that is about it. It requires major legislative surgery to reform the system that we have seen.

That comment, as I say, comes from a person who knows more about the situation in New Orleans, the indictments, the guilty pleas, the convictions, than anyone else in this country. He recommends major reform.

The General Accounting Office report makes clear that the problems we face cannot be viewed solely on the basis of criminal indictments. Those indictments merely have called attention to the major structural weaknesses—as they call it—of the entire grain inspection system.

The distinguished floor manager of the bill, Senator HUMPHREY, has already outlined in detail the deficiencies of our present grain inspection system, and what S. 3055 could do to correct them.

Reduced to its essential elements, the problem is this: Everyone agrees that we must have national standards for grain quality—such standards have been in effect since 1916. But must we not also insure that these national standards shall be applied and adhered to and enforced on a uniform, consistent basis—on a national basis? Must we not also insure that U.S. No. 2 yellow corn will be the same in Iowa and California and Minnesota and Louisiana?

Why should it be different? Why should it be applied differently?

Unfortunately, the House of Representatives has chosen to ignore this essential problem. For reasons never adequately explained, the House Committee on Agriculture turned its back on the recommendations of the GAO report, a report it had requested jointly with our committee. The bill passed by the House would eliminate private agencies from export grain inspection, but it would do little else to change the basic structure of our bankrupt and discredited inspection system. And like an old tire, that system has gone too many miles beyond the point where patchwork solutions might have been effective.

I must say, in listening to the debate already today, I find it somewhat ironic that the critics of a Federal system at the largest inland terminals voted for a Federal system at the ports. Now why is Federal inspection desirable in one place and not the other? I think that distinction has to be made more clearly if that argument is to stand. If it is good to have Federal inspection at the ports—and I think everyone on our committee voted for it—why should we short-change the major 25 inland terminals?

Well, in spite of the House's action, I am optimistic that if the Senate passes S. 3055, as reported, a Senate-House conference committee would be able to produce a strong and effective reform measure. Then, only one obstacle would remain—the President of the United States.

In my judgment, it is most unfortunate that, in this election year, President Ford has decided to cast his lot with the major grain dealers who, quite understandably, wish to preserve a system which allows them to operate without effective restraint or accountability.

Mr. Ford's position should come as no surprise. His advice, of course, comes from the Department of Agriculture, where strong grain company influence is well known and, indeed, very well documented. It is the same department that consistently has ignored evidence of grain trade corruption, and the musical chairs game that goes on and on between the highest officials of the Department of Agriculture and the highest officials of the major grain companies of this country is well known to all of us.

Little wonder that the position of the Ford administration, even after all we have seen in this past year, is to make a few cosmetic changes in the inspection system and to hire a few more Federal supervisors. Federal supervisors, more Federal supervision, will solve the problem, they claim. Again it seems a little hard to understand how the critics of a Federal system can argue consistently that all we need is a little more Federal supervision to solve the problem.

In my judgment, the administration proposal would only exacerbate the current problems of waste and inefficiency at an increased cost to the taxpayer. But the position of the administration was, perhaps, best characterized by the following passage from the GAO report:

> We recognize that USDA may be confronted with many pressures to maintain a comparative status quo in the organizational structure of the national grain inspection system. Those currently involved in the system do not want to lose their agencies and their incomes. There are concerns also about expanding the Federal bureaucracy and the number of Federal employees at the expense of the States and private enterprise, concerns about problems of finding a sufficient number of qualified staff or hiring currently licensed inspectors who subsequently may have to be discharged as a result of expanding criminal investigations, and other varied concerns and problems about dislocations which would be involved in any transition to a Federal system. We believe, however, that too much of the National Interest is at stake for continued primary reliance on more formidably written Government regulations and procedures backed up by more government supervisors and investigators . . .
>
> The present system with some modifications has been in operation for 60 years and the administration's proposal would retain many of the fundamental disadvantages and limitations of this system. The deeply entrenched and pervasive problems of the past and present will not, in our opinion, yield easily under this system.

Now, this is the General Accounting Office, the investigative arm of the Congress, which did a study at our request, the most exhaustive and complete study ever undertaken on this subject.

Mr. President, I think too much of the national interest is at stake. S. 3055 does not deal only with the parochial concerns of a few farm-State Senators.

It deals with a problem of great importance to our entire economy, for grain is this Nation's No. 1 export commodity—No. 1. In fiscal year 1975, almost $22 billions in farm exports—primarily grain—paid for virtually all the oil we imported, and grain exports alone more than offset our nonagricultural trade deficit. That is how important it is to this country.

But the declining quality of U.S. grain—due in large part to the weaknesses of our inspection system—poses a severe threat to the continued vitality of our export trade. Already, some foreign customers take their business to the United States only as a last resort.

Once again, the General Accounting Office traveled abroad and asked specific questions of our foreign buyers. What is the evidence?

The GAO, as part of its investigation, interviewed 68 grain buyers in 9 foreign countries, and their answers were shocking. Because of the problems of misgrading and short weighing, 6 buyers said they have halted purchases from the United States altogether, while 21 others have made significant reductions. Their message is as clear as its implications to our economy are frightening.

If there are Senators here who believe that our grain trade has not been affected seriously, it seems to me that they ought to deal with the GAO report.

What is the evidence that this report is in error?

We have statistics, we have evidence, we have the interviews.

I know that some countries have indicated that they are satisfied—some buyers.

The Senator from Kansas introduced a letter from the Japanese Embassy confirming their satisfaction with the commodities they buy.

Perhaps one reason that the Japanese are satisfied with the soybeans they buy, which are their major purchase, is that they appeal, automatically, every single soybean that leaves this country because they do not trust the private system.

They have a working arrangement whereby every single load of soybeans is automatically appealed to a Federal supervisor because they have learned the hard way they cannot trust a private inspection system. They believe in a Federal inspection system 100 percent, and that is why their commodities are good.

I have no doubt that our foreign customers are watching with great interest to see whether this Congress is going to act to restore confidence and integrity in the Nation's grain trade.

I want to conclude, Mr. President, by commenting on the charge that S. 3055 somehow represents a massive new intrusion by the Federal Government into the private or State sectors.

A Federal role in grain inspection has been well established for more than 60 years when we established national standards. Yet for all this time, the Federal Government has allowed its duties to be performed by State and private agencies. The result has been chaos—a system riddled with illegality and inefficiency.

Every shipment of grain carries a certificate—a certificate of the U.S. Government—stating the grade, or quality, of that grain. Yet that grade is assigned, not by a Federal employee, but by an inspector whose loyalties often are to the company whose grain he inspects, and not to the United States.

I hope later in the debate we can get into some specific examples about how these grain inspection agencies in many cases were formed, where they borrowed the money to begin, and who they owe their allegiance to.

Do Federal employees have a monopoly on honesty? Of course not. No one who has lived through the traumatic events of the last few years could make that claim, that somehow if one works for the Federal Government he is bound to be honest, he is never going to do anything wrong, or violate any laws. No one maintains that. But a unified inspection system manned by Federal civil servants would almost certainly limit the potential for abuse.

Of course there will be bribes in meat inspections, in grain inspections, in Federal inspections. No one can entirely eliminate that. But certainly we can deal with the conditions that encourage corruption, and that is what we are doing in this legislation.

Are we creating yet another wasteful and expensive Federal program? Clearly, we are not, for almost the entire cost of the system would be paid for by inspection fees. And, as the GAO report pointed out:

> We believe that an efficient and effective Federal system can be developed which would afford ample opportunity for efficiencies and economies not currently realizable under the present system in which Federal supervision overlaps designated agencies, a number of which are operated for profit.

That goes, by the way, not just for private inspection agencies, but some of the State inspection agencies which are also operated for profit.

Mr. President, it would be tragic indeed if the current clamor against the Federal Government were to stand in the way of this much needed reform.

Once again, I believe that U.S. Attorney Gallinghouse most eloquently expressed the need for a Federal grain inspection system when he testified before the Agriculture Committee last September. In response to a question from Senator DOLE, he said:

> You suggested that I seemed to be talking about a federalized system. I want to make it clear, and I think you should know this so you could evaluate my observation, I am not one who believes that the arm of the Federal Government is long enough or strong enough to reach out into every part of the country and solve all the problems. I am not suggesting that the people in federal government have a monopoly on integrity. Basically, my philosophy is if we

can do something through private enterprise, local or State government, we should try to do it and not extend the authority of the Federal Government.

I can tell you this, speaking as a man who has some pretty conservative philosophical viewpoints; and, I have studied government carefully and thoroughly. I have been a State official. I can tell you if I have ever seen anything that requires a national strategy, a national system, a national direction, and a national responsibility, it is in this very sensitive grain-handling area.

Mr. President, as we open this debate, let us remember what is at stake here: not only grain exports, not only farm income, but also the integrity of the American system of doing business.

No one in this country who has studied the problems of our present grain inspection system doubts for one moment that misgrading and shortweighing has become a way of doing business. We have heard witness after witness after witness involved in inspecting, in misgrading and in shortweighing who came before our committee and testified to that effect.

In my judgment, the Grain Inspection Reform Act, S. 3055, would go a long way toward restoring the integrity of a very important part of that system, the grain trade. Our farmers produce the highest quality grain in the world. They should be paid for that quality and we should be delivering that quality in the marketplace. Why should we not?

S. 3055 will help see that we do it, and I urge its adoption.

Mr. President, S. 3055 and the concept of Federal grain inspection has received broad support from farm and commodity groups and in the press. I ask unanimous consent that letters from the National Farmers Organization, the National Corn Growers Association, the National Farmers Union, and editorials from the Des Moines Register, the Cedar Rapids Gazette, the New York Times, the Washington Post, and the Washington Star be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

April 23, 1976.

Hon. Dick Clark,
U.S. Senate,
Washington, D.C.

Our national board of directors unanimously supports and appreciates your efforts on behalf of S. 3055 on grain inspection.

We are urging other Senators support you on the floor, April 26th, and resist all amendments. Thanks for your efforts up to this point. We are confident you can pass a good bill and retain some of the strong provisions in conference with the House.

Promise of better supervision by those responsible for current operation is not adequate. The system is faulty and S. 3055 is needed regardless of some selfish regional influences.

Sincerely,

Oren Lee Staley,
President, National Farmers Organization.

National Corn Growers Association,
Boone, Iowa, April 21, 1976.

Senator Dick Clark,
Senate Office Building,
Washington, D.C.

My Dear Senator Clark: National Corn Growers Association strongly supports the Grain Inspection Reform Act (S. 3055) as reported to the full Senate by the Senate Agriculture Committee.

When it is considered by the Senate the week of April 26, we urge you to vote for the bill and request that you vote against any weakening amendments.

As important as honest weights and quality certificates are in foreign competition to the U.S. corn farmer who now must export one-fourth of all he raises under the present government policy of "all out production", the U.S. consumer and our government also have a big stake in the $23 billion in foreign exchange that our U.S. agricultural exports earn, since we are importing about $11 billion in food and agricultural products annually from other countries as well as vast amounts of petroleum.

Most sincerely,

Walter W. Goeppinger,
Board Chairman.

National Farmers Union,
July 7, 1975.

Hon. Hubert H. Humphrey,
U.S. Senate,
Russell Office Bldg.,
Washington, D.C.
Hon. Walter D. Huddleston,
U.S. Senate,
Dirksen Office Bldg.,
Washington, D.C.

Dear Senators Humphrey and Huddleston: This letter is in response to your recent announcement of further hearings on irregularities in the nation's grain inspection system. I request that it be made a part of the record of hearings which will begin on July 8.

The evidence developed in the hearings of your agricultural subcommittees on June 19 clearly documents the need for extensive corrections in the nation's grain inspection system.

The Farmers Union recommends that a Federally operated grain inspection and grading service should be established immediately with an explicit legislative mandate from Congress. We believe that a Federal system of grain inspection and grading is necessary to correct the shocking corruption and other irregularities which have been so widely publicized in recent weeks.

Our present-day grain market is not only inter-state commerce; it is inter-national commerce. The need and the Constitutional sanction for a unified, uniform, and reliable Federal grain inspection and grading system is beyond question. Farmers need and deserve to know and to believe that the integrity of the grades on which they are paid at markets in the hinterland will be preserved and honored faithfully when the grain is transferred to foreign customers in our ports. We are sick and tired of hearing foreign buyers complain that grain from the United States is delivered to our overseas customers in far worse condition than it was when it left our combines and bins and local elevators.

We further urge that the Committee lend its support to a review of grading standards with a view of up-dating and correcting any inadequacies and deficiencies that may be found. There is a question, for example, as to whether cracked kernels should be regarded as "foreign matter" in No. 2 grade yellow corn. The newer methods of harvesting and drying of grain have resulted in more cracked kernels. Although it is clear that the grading standards need to reflect the extent of cracked kernels, it appears to us that such kernels, which are useable for many purposes, should be differentiated from other kinds of "foreign matter" in the grading of grain.

Sincerely,

Tony T. Dechant,
President.

[From the Des Moines Register, Apr. 8, 1976]

NOT GOOD ENOUGH

The U.S. House of Representatives has taken a major step toward reform of the grain inspection system by approving a bill to abolish private inspection at export points. The measure takes a tough stand against conflicts-of-interest by private inspection agencies at inland points and addresses other inspection problems.

Much of the corruption in grain inspection has involved the inspection by private agencies of grain for export. The bill's substitution of federal inspection for private inspection is an essential step to restore the image of U.S. grain in overseas markets.

Conflicts-of-interest in private agencies at inland points also are a major source of abuse. The bill tries to insure integrity in the inspection of grain for domestic use by eliminating such conflicts.

But the bill falls short of creating the uniform inspection system needed to eliminate the inaccuracies in grain grading, weighing and sampling that have plagued inspection at export and inland points.

The House bill would eliminate private inspection of export grain but it would allow state inspection agencies approved by the U.S. Department of Agriculture (USDA) to continue inspecting export grain. The General Accounting Office has found that state inspection agencies generally are unwilling "to cooperate fully [with the USDA] in the proper administration of the inspection system," and often "resent . . . federal supervision."

The provision to permit private inspection at inland points would add to the inspection hodgepodge.

The responsibility for supervising the grain inspection system would rest under the House bill with the USDA, even though the department has compiled a sorry record in attacking inspection abuses and inadequacies.

The major weaknesses of the House bill would be overcome by a bill by Iowa's Senator Dick Clark approved by the Senate Agriculture Committee. The Senate bill would federalize grain inspection at all export points and at major inland terminals. Responsibility for the system would rest with a new federal grain inspection agency, which would be largely independent of the USDA.

A federal inspection system run by an agency independent of the USDA offers the best hope of correcting shortcomings in grain inspection.

[From the Cedar Rapids Gazette, Apr. 20, 1976]

GRAIN INSPECTION DEBATE

Iowa's six representatives commendably voted "yea" April 2 when the house passed (246–33) a bill allowing grain inspection by either federal, or state employes at export port locations. But Fifth district Democrat Thomas Harkin did so with strong reservations. "What this bill is like is putting a Band-Aid on a gaping wound," Harkin said. "(It) needs to be strengthened."

While they supported the house bill, farm state legislators generally are hoping the senate produces a stronger bill. Indeed, Iowa's five Democrats supported an unsuccessful amendment which would have given the feds 100-percent control of grain inspection and weighing. (Republican Charles Grassley opposed the amendment.)

Among several other amendments shot down enroute to the consensus agreement was a Harkin proposal to eliminate a "gag rule" provision hindering inspectors from providing information to congress, the media and the public. As passed, the bill makes it unlawful to disseminate any information obtained under the grain standards act without the authority of the agriculture secretary or a congressional committee, unless the person "reasonably believes" unlawful activity has occurred.

Harkin's frustration is understandable. A General Accounting Office (GAO) investigation has shown that grain inspection practices have been so corrupt that they defy moderate reforms. Only by giving public servants purview over grain inspection and weighing can the government rebuild confidence in the American grain market. The more openness there is in reporting, the quicker credibility can be restored.

Whatever grain inspection reform plan rolls off Capitol Hill, it is nearly certain to meet a presidential veto. GAO findings notwithstanding, the administration is convinced that modest reforms are sufficient to eliminate scandal's taint. Under the current system, grain inspectors are licensed by the agriculture department but are hired by state agencies, grain trade associations and private inspection agencies. The administration's bill would apply reform pressure at notorious trouble points, but would stop far short of creating another bureaucratic layer.

It is doubtful that the administration's mild inspection reform plan would rid the system of inherent conflicts of interest. Hence, demands for our nation's products would not be increased. In that light, the President's pitch can be viewed as false economizing. The hope here is that congress bats it down in favor of tough grain expert surveillance.

[From The New York Times, Mar. 9, 1976]

Grain Scandals

Scandals have disfigured this nation's grain sales to the Soviet Union and other foreign nations. Shipments have included defective and contaminated grain. When cargo ships were hard to get, dirty, ill-maintained vessels have been pressed into service.

These abuses could occur because the inspection system is seriously deficient. Except for state-run inspection systems that vary in size and competence, grain inspectors have been licensed employees of private firms in the grain trade. The opportunities for conflict of interest and corruption were numerous. A spate of indictments suggests some inspectors were quite willing to exploit these profitable opportunities at the expense of foreign consumers and of America's good name.

In the wake of these scandals, Congress has been considering remedial legislation. There is strong support in the Senate for a bill introduced by Senators Clark of Iowa and Humphrey of Minnesota to establish a Federal inspection service at all seaports and at the 25 largest inland terminals. At smaller terminals, the Agriculture Department would be authorized to contract out the inspecting responsibility to the states and to private individuals. These provisions of the Humphrey-Clark bill are in accord with the findings of a General Accounting Office report on the grain inspection scandals in New Orleans and other major ports.

Unfortunately, the House of Representatives is likely to act on this problem first; and the bill now being drafted in final form in the House Agriculture Committee is significantly weaker. It purports to ban conflict-of-interest situations and would permit Federal inspectors to make spot checks on their own initiative without waiting, as they are now required to do, for an appeal by one of the interested parties. But, in deference to the parochial traditions in the grain trade, the bill would allow state inspectors and licensed private individuals to continue to do most of the work as long as they met Federal standards.

The boom in grain exports in recent years caused, in part, by the huge, unanticipated Russian purchases had the unintended effect of calling public attention to some shoddy, indefensible practices. The House cannot blink these disclosures away. A completely independent Federal inspection service, as envisaged in the Humphrey-Clark bill, is essential to genuine reform.

[From The Washington Post, April 17, 1976]

Integrity and Grain Exports

Foreign buyers of American grain, among them some of our closest allies, have been getting what can be fairly described as a dirty deal from the grain exporting system. The pervasive corruption of that system has become an international scandal; buyers who pay premium prices for corn, wheat and soybeans instead receive grain containing gravel, moisture that increases its weight, broken corn kernels and extraneous matter.

Largely because of diligent investigation by the New Orleans U.S. Attorney and newspaper reporters and an extensive international inquiry by the General Accounting Office, the Senate Agriculture Committee reported out a bill last week intended to tighten up on the grain game, action much needed, and long overdue.

GAO investigators visited American grain customers in India, Israel, Italy, Japan, the Netherlands, Spain, Great Britain and West Germany to learn about their experiences with American shipments. They were told by the purchasers that the grain received was consistently lower in quality than what was paid for; that wheat and corn frequently contained foreign matter and showed signs of heat damage; that soy meal was laden with excessive foreign matter and was very low in protein content. Foreign grain importers said the problems they experienced with grain from other countries were minor compared with American grain.

Not all of these problems have their origin in the grain inspection system, but many of them do, which is why the Senate Agriculture Committee's remedies are so important. Many of the grain inspectors, who are the last link between American grain and its foreign ports of entry, are private contractors over whom federal or state supervision could be said to be light. So light in fact is that oversight that GAO was able to identify instances in which the principals in private grain inspection companies were also principals in the grain exporting companies whose output they were charged with judging. Rampant bribery also has been uncovered. The result, inevitably, was a series of practices that cost overseas importers money, sent the foreign grain trade to other markets and embarrassed the United States in the eyes of its allies.

The Senate Agriculture Committee proposes the creation of an independent agency within the Department of Agriculture. It would be called the Federal Grain Inspection Agency and it would be modeled in structure after the Rural Electrification Agency. Its administrator would be appointed for a 10-year term, subject to Senate confirmation, and would work under the general supervision of the Secretary of Agriculture. Furthermore, the firms that sell grain in interstate and international commerce would be required by the act to register and disclose the names of these principal officials. The firms would be certified by the administrator of the grain inspection agency and that certification could be revoked upon a determination, after a hearing, of violation to the grain trading laws.

The new legislation, introduced by Sens. Dick Clark of Iowa, Hubert H. Humphrey of Minnesota, Herman Talmadge of Georgia and George McGovern of South Dakota, all Democrats, would establish federal grain inspection at all major inland grain elevators and all export elevators. The federal inspectors would supplant the private inspectors and the state inspectors who have been handling major interstate and international grain commerce.

The evidence is that these reforms are long overdue. Shoddy practices in the grain trade reflect poorly on a nation of laws and can harm international trade and the domestic farm economy. Naturally, a market that can operate free of government oversight is to be preferred, but the scandal of the grain market demonstrates that it is past that point.

[From The Washington Star, Jan. 26, 1976]

Policing Grain Exports

The General Accounting Office is expected to recommend a network of federally employed inspectors to assure the proper quality and quantity of grain shipped abroad. This would appear to be the surest way of combatting the problem of cheating in the filling of orders for foreign purchases of American agricultural staples.

Recent scandals, particularly at Gulf ports, have involved grain that was subject to certification by privately employed, federally licensed inspectors or by inspectors working for state agencies. Through whatever combinations of venality, conflict of interest and intimidation, the system did not work. Supervision of the inspectors by the U.S. Department of Agriculture was not up to the task. Complaints by foreign buyers that they were not getting what they paid for became a serious embarrassment to this country in its program of building foreign markets for American agricultural products—a big element in our currently healthy trade balance.

The Ford administration says that tougher federal supervision of the private and state inspectors is all that is needed. We are persuaded that a more radical reform is needed, because mere supervision failed in the past and the pattern of corruption has been so pervasive in some grain-shipping areas.

The GAO investigators, answerable to Congress, are reported to have concluded that, for supervision to be effective, a federal supervisor would have to be assigned to watch every inspector. If this is only half true, it would be far more efficient to have the inspection itself done by federal employes beholden only to the government and the public. Even so, stern measures would be necessary to make these inspectors bribe-proof and protect them from pressures to fudge their findings or turn a blind eye to abuses.

The United States' reputation in international commerce is too important to allow it to be damaged further by shortweighting, misgrading and even the deliberate contamination of grain exports. If it takes a closely controlled, all-federal inspection system to put an end to the abuses, this should be provided.

Mr. CLARK. I reserve the remainder of my time.

Mr. TALMADGE. Mr. President, I rise in support of S. 3055. The provisions of this bill are responsive to the demonstrated problems in the U.S. grain inspection system and are the end product of months of hard and intensive work by the Committee on Agriculture and Forestry.

Mr. President, I believe that S. 3055 illustrates that the Congress can conduct an investigation of a scandal in an evenhanded, thorough manner and write corrective legislation in a minimum amount of time. The only legitimate purpose of an investigation by the Congress is to gather information needed to write corrective legislation. It is not within the responsibility or the power of the Congress to prosecute criminal acts. It is not the proper role of the Congress to dredge up scandal for no good purpose.

I think that the majority of the American people are tired of the Congress coming up with one exposé after another.

That is why I am glad that the Committee on Agriculture and Forestry conducted an investigation that produced legislation rather than headlines.

Members of the committee first became aware of the possible existence of grave irregularities and abuses within the grain inspection system in late May of last year. We acted immediately at that time to develop appropriate legislative responses to the perceived problem.

Senator HUMPHREY introduced Senate Joint Resolution 88 in June. This emergency legislation would have provided temporary authorities to the Secretary of Agriculture so he could immediately begin taking steps to clean up the system.

At the same time, the committee sought and received from the Senate a very small budget to conduct an investigation of the grain inspection scandal.

We held hearings in June and July on Senate Joint Resolution 88. The committee favorably reported the resolution to the Senate in September, and it was passed by the Senate on September 25, 1975.

By this time, our investigation was in full swing and we had enlisted, along with the Committee on Agriculture of the House of Representatives, the assistance of the General Accounting Office. GAO's cooperation was invaluable to us: they assigned over 40 personnel to help the committee study all aspects of the problem.

Also, during this same time period last summer, I recommended and the Congress approved a supplementary appropriation of $5,000,000 for the Department of Agriculture. These funds were appropriated for the hiring of additional supervisory grain inspectors so that the Department could begin taking steps, under existing law, to correct the deficiencies in the present grain inspection system. Even today, as we consider this reform legislation, the Department has already trained these new supervisors and assigned them to their duty stations.

Needless to say, our first analysis of the seriousness of the situation and our aggressive response later proved justified when, in August of 1975, the bulk of the New Orleans indictments against grain inspectors and grain companies for large-scale theft and corruption were returned.

Over the course of the last winter, the committee continued its work on grain inspection irregularities. We have conducted and have completed, with the outstanding assistance of the General Accounting Office, what I believe is an extremely thorough investigation; without, I might add, any long, drawn-out exercises in the airing of dirty linen that do not serve any valid legislative purpose. Most importantly, the committee has also produced, in a minimum amount of time, a sound bill based on this investigation which provides for a major reform of the grain inspection system.

I have never been a person who believes in massive expenditures of money and effort by the Congress to conduct its investigations. I am happy to note that this investigation was conducted with a minimum cost and with minimum addition of personnel. Rather than hire a huge staff we made extensive use of the investigative resources of the General Accounting Office.

The Committee on Agriculture and Forestry has, I believe, done its part. It has produced major reform legislation for the Senate to consider. It is now for the Senate as a whole to act as decisively as the committee.

This bill is sound legislation calling for substantive changes in the law. Of course, we will have to make concessions and accept some of the provisions of the House bill, H.R. 12572. With its passage here, we will have a strong bill as we go into conference with the House of Representatives. I commend its passage to every Member of the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Kansas has 37 minutes. The Senator from Iowa has 12 minutes.

Mr. DOLE. Mr. President, I suggest the absence of a quorum, with the time to be equally charged.

The PRESIDING OFFICER. Without objection it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. DOLE. Will the Senator from Montana enlighten those of us present on the schedule for the remainder of the week?

LEGISLATIVE SCHEDULE

Mr. MANSFIELD. First, let me say that I hope it will be possible to dispose of the pending business today. We have a good turnout on both sides.

Then, following the disposal of the business at hand, though not necessarily in that order, will be Calendar No. 645, Senate Resolution 104, a resolution relative to Select Committee on Small Business; also, Calendar No. 714, S. 3295, a bill to extend the authorization for annual contributions under the U.S. Housing Act of 1937, to extend certain low-income housing programs under the National Housing Act, and so forth.

There will also be Calendar No. 715, S. 3312, a bill to authorize the National Credit Union Administration; Calendar No. 716, S. 2679, a bill to establish a Commission on Security and Cooperation in Europe; Calendar No. 717, H.R. 1226, an Act to amend further the Peace Corps Act; Calendar No. 718, Senate Resolution 406, a resolution on the importance of sound relations with the Soviet Union; Calendar No. 719, S. 1526, a bill to make additional funds available for purposes of certain public lands in northern Minnesota, and for other purposes; Calendar No. 720, S. 2004, a bill to eliminate a restriction on use of certain lands patented to the city of Hobart, Kiowa County, Okla., and Calendar No. 721, S. 2555, a bill to establish a national rangelands rehabilitation and protection program.

Furthermore, I think it should be called to the attention of the Senate that it is anticipated that we will have conference reports on the Federal Election Commission and the foreign aid bill. As soon as the Federal Election Commission conference is ready it will be called up in the Senate and hopefully agreed to, and it is the intention of the joint leadership at that time, if the conference report is agreed to, to immediately go to the naming of the six appointees by the President of the United States to be confirmed by the Senate.

So we have a pretty full dish for this week and next week.

Next Tuesday we will turn to the consideration of Calendar No. 685, S. 3219, a bill to amend the Clean Air Act, as amended.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. What did the Senator list for the Friday session?

Mr. MANSFIELD. Practically the rest of the calendar. It all depends on what progress we make as we go along. If we have no business, we will not be in; but if we have business, we will be in, and perhaps on Saturdays from now on, because, as the distinguished Senator from Minnesota is aware, under the Budget Act, all authorizing legislation calling for appropriations must be reported to the floor of the Senate by May 15.

Mr. DOLE. I thank the distinguished majority leader.

GRAIN INSPECTION REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 3055) to provide for United States standards and a national inspection system for grain, and for other purposes.

Mr. DOLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 47, strike out lines 14 through 21.

On page 47, strike out "z" and insert in lieu thereof "y".

On page 50, line 20, insert the word "and" immediately after the semicolon.

On page 50, beginning with line 21 strike out all down through line 2 on page 51.

On page 51, line three, strike out "4" and insert in lieu thereof "3".

On page 53, line 23, strike out the words "and major inland terminal elevators".

On page 54, line 7, strike out the words "or major inland terminal elevators".

On page 56, lines 4 and 5, strike out the words "and major inland terminal elevators".

Mr. DOLE. Mr. President, on April 14, the Senator from Kansas, together with the Senator from Oklahoma and the Senator from North Dakota, submitted amendment No. 1603, which would delete the requirement that the Federal Government take over inspection at the major inland terminal points. That amendment, as printed, also provided for sufficient increase in fees at ports to cover increased supervision costs and allowed contract and State and private agencies to retain such funds, as needed for day-to-day operation, before submitting the remainder to the USDA to cover supervisory costs.

I have deleted the fee section and have sent to the desk an amendment which would simply delete the requirement that the Federal Government take over inspection at the major inland terminal points. I do this to avoid any possible confusion. I think the issue is clearly drawn. The issue is well understood. There is a strong feeling on each side. The Senator from Minnesota said earlier that it is philosophical. I do not agree that it is political, but it is philosophical.

There has been some suggestion that if it is good enough for the ports, it is good enough for the inland terminals and that we should not deprive the inland terminals of Federal inspection.

The Senator from Kansas refers again to the report by the House Appropriations Subcommittee, by the staff investigating committee, which investigated thoroughly.

There has been a great deal of reference to the GAO report, but I call attention to the report made this past December by the House Investigation Committee of the entire grain grading system, in which they suggest there is a vast difference between the need at port facilities and inland terminals.

The Senator from Kansas can profess to having some parochial interest in this legislation. If that somehow runs against the grain of this body, the Senator from Kansas freely confesses that this will affive terminals. It is because, as the Senator from Kansas attempted to point out earlier, this Senator sees no reason for more Federal regulation and for complete Federal takeover.

There has been great effort in the press and some effort in this body to indicate that everyone in this business is tainted with fraud or suspicion and that to avoid that suggestion, we need a total Federal system. This Senator is convinced that most business people, whether in the grain business or some other business, and most farmers and almost everyone else in this country are men and women of honesty and integrity. We do not need Federal legislation every time something goes wrong or every time some indictment is issued. We should not run to Congress and call for legislation. We have had spokesmen of both parties and Members of Congress talking about less regulation, somehow streamlining the regulatory process and regulatory bodies. But we still have not avoided the impulse to enact more legislation when something happens.

Granted, the U.S. Department of Agriculture has been less than diligent in this matter. It is true of this administration, and it has been true of past administrations, when it comes to grain standards.

There was a time, 8 or 10 years ago, when there was a great hue and cry not only in this country but also abroad about the quality of our exports, and the grain standards were amended and some improvements were made. Exports continue to grow. As the Senator from Minnesota accurately pointed out, they amount to some $21 billion, and it is by far the largest export we have. It should be preserved. It should be strengthened. But in the process, this Senator sees no reason to step out and create another Federal agency. Another amendment will attempt to strike out the need for another Federal inspection system.

The Senator from Kansas makes the point that there is no evidence at the present time, but this Senator does not suggest that everything with respect to the inland terminals is totally clean and above board. There may be abuses; there may be mistakes; there may be certain areas where indictments may be issued. This Senator does not know. At the same time, we find that in our State and in most States, the private inspection systems work well, as do the State inspection systems, and there is no need for some new Federal program.

As the Senator from Oklahoma pointed out, Federal programs and Federal inspection systems are not without fault, and he made reference to the Federal meat inspection program in New York City.

Last fall, Chairman TALMADGE and I appeared before the Senate Committee on Appropriations; and with the help of the Senator from Minnesota, the Senator from Iowa, and other Senators interested in this subject, we were able to obtain $5 million to increase supervisory personnel. This has been of some assistance.

There has been some discussion by the Department of Agriculture of the cost of the Federal takeover. That does not impress the Senator from Kansas. They can come up with all sorts of increases in cost. I do not say that we should have a Federal system because of the cost. I doubt that the USDA figures are accurate, in the first place, because it is difficult to be accurate in this area; that is to determine what the cost may be next year or 5 years from now. We have also had some recent experience with their cost estimates with respect to the food stamp program, which varied $1 billion or $2 billion. I do not suggest that the costs are accurate or that this should be the basis for a decision, because we are entitled and the farmers are entitled and the purchasers are entitled to a system that does provide the best possible quantity and quality.

This amendment simply is to delete that provision which would bring in the inland terminals.

I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, this amendment is one that was discussed in committee, and it was decided by a close vote. I think that is a fair statement.

I know that the Senator from Kansas wants a good inspection system. And some of the State inspection systems do very well. There are also some of the private systems that have done well. But I think it would be better to have a uniform system among the major 25 inland terminals and the export points. And I will tell the Senate why.

Today, we have more than 100 separate inspection systems, a good deal of duplication, a lack of uniformity of uniformity of standards. The GAO report brought this to our attention. I do not say that the GAO has some kind of unique wisdom in these matters, even though they brought in some good experts to aid them in the compilation of their report and their study.

The GAO found that 41 percent of the country elevator operators—that is, 41 percent of those polled—indicated dissatisfaction with weights and grades they received at the major inland terminals.

So here we have a substantial number of country elevator operators, who are very close to the farm producer, who say that the current system of State and private inspection at inland terminals is not satisfactory and that it has been a source of difficulty and trouble for them.

I indicated a moment ago that the key problem with the present system is that it is being operated by more than 100 separate and unrelated State and private inspection agencies. The Department of Agriculture told us in testimony, in reference to the argument that merely increasing the Federal supervision will improve performance at major inland terminals, that effective supervision would require almost one supervisor for every inspector. In other words, if you had private or State inspection, you would have to have one supervisor for every inspector. I am not sure the Department is right. We have to make a decision as to whether we want a program that has uniformity. The 25 major terminals feed most of this export grain into the export points.

We are not talking about Federal inspection back here, now, in the smaller terminals, but 85 percent of all the grain that moves in international trade comes through these 25 terminals. I think that it is related directly to what happens at the export point, wherever those ports may be.

So, without trying to prolong the argument, I hope that we shall stand with what the bill has in it. Since the export at 25 major terminals in inland areas account for 85 percent of all inspections performed and the elevators at these locations are concentrated at relatively small areas, easy to service, a Federal inspection service covering these areas can provide essentially all service at all the 138 inspection points, some of which are relatively inactive.

We have information of a tentative nature that indicates that there are some problems regarding grain overages at the export points. There also may be implications for the interior points. I have hesitated to put all that information in the RECORD, Mr. President, because I believe that some of the companies may not have had a chance to fully respond. I believe that there ought to be fairness in this debate. However, there are indications from the inspection office, the Office of Investigation of the U.S. Department of Agriculture, that records show that there has been shortweighting of very serious consequence and there have been falsifications of export weight and grade records. I think that the evidence indicates that we ought to take remedial action.

Mr. CLARK. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CLARK. Mr. President, this amendment would delete the requirement that the Federal Government inspect grain at major inland terminals. It would provide that State and private agencies provide inspection at these crucial, intermediate links in our domestic and foreign grain marketing system. The amendment flies in the face of the major recommendations of the General Accounting Office, and the U.S attorney in New Orleans who has brought this corruption to light.

The 25 major inland terminals are a vital link in our commerce in grain. Virtually all grain for export, and a major share of our domestic grain as well, passes through these terminals. There is widespread agreement that we need Federal inspection of grain at export terminals.

As I said earlier, if it is appropriate, if it is the best system at the export points, there is little reason to believe that a system that would work there would not work just as well in the interior areas. I think the GAO report would substantiate that.

The Senator from Kansas has mentioned that the State that he represents has five major inland terminals. The State that I represent also has five major inland terminals—indeed, 10 of the 25 are in those 2 States. That is exactly why I favor Federal inspection at these inland terminals. I think that the State I represent is entitled to the very best inspection possible, and the best inspection possible would be the system that we all agree here needs to be established at the export points.

If Federal inspection is appropriate and important at export points, then it is appropriate to have it here, in our judgment.

Federal inspection is necessary at the major inland terminals as well as at the export points because of the number of problems the GAO has found. GAO found little difference in the high error rates for grain samples taken both in interior terminals and at export points. Inspectors at both face the same temptations and the same pressures, and they operate under the same system.

Mr. President, the export points have been investigated first; naturally, the indictments and convictions to date have been at the export points. But the Federal investigation into grain trade corruption is far from complete. More indictments are expected in the near future that could well involve abuses at the interior markets. There is every reason to believe that the same system that has bred corruption at the ports has had difficulties at the inland terminals as well.

Mr. President, there is widespread agreement that uniform standards are essential to an efficient system of commerce. No. 2 yellow corn must mean exactly the same product everywhere in this Nation, and everywhere overseas where our grain is sold and it must mean the same thing time after time. We must always be able to depend on that. Presently, we cannot. There are over a hundred different systems now in existence—it is a hodge-podge.

The question is, How will these standards be applied? Those of us who support S. 3055 are saying that the grain trade is so important to our economy that we should develop the most specific and reliable set of standards we can, and ensure that those standards are uniformly applied nationwide.

Can we depend on a system of State and private inspection agencies to provide the uniform application we need? That is essentially the system we have now, and the GAO has found that system inadequate and unreliable, and there is a good bit of evidence outside the GAO report.

In proposing this amendment, the argument has been made that, while some individuals have been found to be corrupt, "we must be careful not to indict the system." In effect, however, the system itself has been indicted by the GAO. Their report concludes that it is weaknesses in the system that have led to extensive criminal abuses, and that Federal inspection at both the export ports and major inland terminals is needed if we are serious about correcting the problem. Comptroller General Staats, in his February 20, 1976, testimony before our committee concluded:

> Basically, the problems can be attributed to the way in which the system has been designed to operate, and has operated, through more than 100 widely dispersed state and private agencies and trade associations, without procedures, controls, or lines of authority.

It is certainly true that there are many honest and able people who are employed in State and private grain inspection. But the system in which they operate is woefully inadequate, and it must be replaced. It is no reflection on the honesty of these individuals to point out the difficulties of ensuring uniformity among dozens of private and State agencies.

The fact is that continued reliance upon all these separate agencies makes uniformity virtually unattainable. Can we achieve uniformity when we depend on separate agencies with different administrative systems, rates of pay, and standards of employment and training? Some States, for example, do not have civil service systems; there we have State grain inspectors appointed because of political patronage. Other States and private firms pay so poorly that their employees are especially vulnerable to bribery.

Are these agencies capable of resisting the pressures exerted by some of the largest multinational firms, which stand to gain millions of dollars by a favorable grading decision? There is little reason to think they could resist that pressure. The evidence certainly is on the other side.

Is the State-private system really the most cost-effective system? That would hardly seem possible. It requires a separate level of Federal supervisory personnel—to watch over the inspectors and conduct appeals when their work is challenged. And to do that job well would actually require one supervisor for every State and private inspector. Further, as the GAO report points out:

> Under the present system, grain is often inspected at both origin and destination. The duplicate inspections are often made because buyers and sellers lack confidence in the accuracy and uniformity of inspections at other locations. If a highly reliable inspection service were established at major destination points, the need for origin inspections should diminish. This workload reduction, in turn, would reduce the number of personnel needed.

When representatives of the GAO testified before the Agriculture Committee, they were specifically asked about the need for Federal inspection at the inland terminals. Mr. Eschwege of the GAO responded as follows:

> Our problem, as I have indicated briefly before, is that you still would be dealing with many different agencies, whether they are State or private, and you would not have a unified system. They would all hire their own people at their own salaries that they have established for these people. There would be a lack of uniformity in the way they operate; and this question of rotation which we are talking about, you could not implement rotation except within that State.

In all respects, the evidence is compelling: the private-State system has been inadequate, and will continue to be inadequate. We need Federal inspection at the major terminals. Perhaps Mr. Hirshhorn of the GAO put it best:

> Mr. Chairman, we feel that it is basically a weakness in the system and the same deficiencies that we found at the ports we also found inland. So, we found the same conditions to exist throughout the country. I would like to reinforce the statement of Mr. Eschwege that to look merely at the indictments would be a mistake because it is the weaknesses that exist that are important. It is the indictments that call our attention to it.

A final word, Mr. President, being realistic, we face a very touch conference with the House of Representatives, which unfortunately passed a very weak bill. I do not know what kind of bill will emerge from that conference.

But I do know this: If the Senate should weaken S. 3055 by adopting this amendment, if the Senate should overturn the judgment of the majority of the Agriculture Committee, which has studied this problem thoroughly for almost 1 year, the prospects for getting a decent reform bill out of that conference will be greatly diminished.

After all we have learned about the grain trade in the last year, that would be tragic, and I strongly urge my colleagues to reject this amendment.

I think, in conclusion, that after all we have learned about the grain trade in the last year, it would be tragic, indeed, if we do not maintain the bill which has been presented to the Senate. I strongly urge my colleagues to reject the pending amendment. I support the bill as it stands, unamended.

Mr. President, one additional point. I would like to insert a story by Mr. James Risser which appeared yesterday in the Des Moines Register.

The proponents of this amendment contend that nothing has gone wrong in the interior. That is very much in doubt.

I ask unanimous consent that the article appear at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, Apr. 25, 1976]

GRAIN PROBE WIDENS—NEW INDICTMENTS EXPECTED SOON

(By James Risser)

WASHINGTON, D.C.—As the U.S. Senate prepares to vote Monday on a sweeping reform of the nation's grain inspection system, a federal grand jury investigating corruption in the export grain trade is reported to be on the verge of issuing more criminal indictments.

In addition, sources here said U.S. Department of Agriculture (USDA) auditors have uncovered evidence that seems to indicate past patterns of "short-weighting" of grain at both export elevators and large inland elevators.

The information was said to have been referred to Justice Department attorneys to determine whether criminal prosecutions are warranted in various parts of the nation.

The forthcoming grand jury indictments are expected at New Orleans, La., where the grain inspection scandal has centered so far. Officials here have been told the indictments could come at any time.

LOOKING AT TWO COMPANIES

The New Orleans grand jury, which already has indicted more than 50 individuals and companies, has been examining operations of Cook Industries, Inc., and Continental Grain Co., two of the giants of the international grain trade.

Investigators reportedly have found patterns of "overages" of grain at New Orleans-area export elevators run by the two firms—that is, more grain than should be in the elevators according to receiving and shipping records.

"Overages" can be an indication that outbound shipments from an elevator have been short-weighted so that less grain is shipped than the buyer is billed for. The short-weighting results in grain, which supposedly has been shipped, remaining in the elevator where is can be sold a second time.

The Register reported last February that possible misweighing of grain at the Continental elevator was under investigation. The Register also reported in June 1975, that records of the Cook elevator seemed to show that the firm had shipped more grain than it possessed.

Gerald J. Gallinghouse, U.S. attorney at New Orleans, declined to discuss any pending indictments. "We have a continuing investigation, and it would be improper for me to comment," he said.

In a letter last week to their Senate colleagues urging approval of a tough grain inspection bill, four Democratic senators said "more indictments are expected in the near future." The letter was signed by Dick Clark of Iowa, Hubert H. Humphrey of Minnesota, Walter D. Huddleston of Kentucky, and George McGovern of South Dakota.

DUE BY EARLY MAY

Other sources confirmed that some indictments are expected by the end of the month or in early May.

Separate indications of misweighing at export elevators in other parts of the country and at major inland grain terminals are contained in studies made by the USDA Office of Investigation and Office of Audit, The Register was told.

"There seems to be a pattern of unaccounted inventory gains, in enormous quantities and at nearly every major company," one source said. The gains, which could indicate shortweighting of shipments, involve "millions of bushels," another source said.

There are said to be indications of misweighing of grain received by inland terminals from farmers and country elevators, as well as misweighing of outgoing grain shipments.

It could not be learned whether any active criminal investigations of the matter are under way.

In its report to Congress on "deeply entrenched and pervasive problems" in grain inspection, the U.S. General Accounting Office (GAO) warned in February that the same potential for abuse exists at inland grain terminals as has been shown at export elevators.

The House of Representatives already has approved a grain inspection bill that federalizes inspection at ports, but gives the USDA the power to delegate the duties to state agencies.

The measure scheduled for debate Monday in the Senate is more stringent. It federalizes inspection at ports and at the 25 largest inland grain terminals, with no provision for delegating the inspection to state officials.

The Senate bill also calls for federal weighting of grain, bars conflicts-of-interest between grain firms and the private inspection agencies that would remain at smaller grain elevators, provides tougher penalties for violations of grain laws, sets up a new grain inspection agency with partial autonomy from the USDA, and requires large grain firms to register with the government and provide information on their ownership.

A group of Republican senators, led by Robert Dole of Kansas, and backed by the Ford administration, has been drumming up support for an amendment that would knock out federal inspection at the big inland grain terminals.

They also want to eliminate the provision for a new inspection agency and remove the company registration requirement.

They are getting support for their amendments from state secretaries of agriculture, from private grain inspection agencies, and from some grain firms.

Also, the American Farm Bureau Federation has written a letter to each senator urging him to "support amendments which would avoid the creation of an essentially all-federal grain inspection system either at export points or interior points."

The Farm Bureau letter, signed by Washington director John C. Datt, says the milder House bill "provides the flexibility that is needed to adjust the inspection system to the conditions prevailing at individual inspection points."

"ABSOLUTELY ESSENTIAL"

In their "Dear Colleague" letter, Clark, Humphrey, Huddleston and McGovern contend the Senate bill, as approved earlier by the Senate Agriculture Committee, "is absolutely essential to restoring the integrity of one of America's most important businesses."

"Much of the controversy," they said, "has centered around the inadequacy of the present grain inspection system, a confused hodge-podge of federal, state, and private inspection agencies.

"The increasing loss of confidence in the inspection system has undermined our reputation abroad as the world's leading—and most reliable—grain export nation," they said.

The four senators have the support of Agriculture Committee Chairman Herman Talmadge (Dem., Ga.), who will be influential in securing the backing of conservative and southern Democrats.

But the Dole forces have been lobbying hard, and a Clark aide said, "A lot of people here don't understand this bill. We're scared of what might happen Monday."

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield 3 minutes to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I can see where there could be considerable uniformity in grades established for corn. We have an entirely different problem for wheat. For example, we may have some sprouted wheat in a sample. That percentage could vary just a little bit; or the dockage could vary just a little bit or the protein could vary just a little bit. Right now there is a premium for hard spring wheat with 16 protein, a premium of 40 cents a bushel over 14 protein wheat.

One machine used by a Federal grader or a local grader could easily vary half a percent or even 1 percent.

The percent of moisture could affect and it does affect the grain grades. The mixture of other grains in a sample of wheat could affect the grade.

So with all these problems and many more, there is no way that I can see where either Federal inspectors or other inspectors can always come up with exactly the same grade in every case.

So I do believe we have a different problem, considerably different problem, with respect to wheat than we do with respect to corn.

In markets like the upper Midwest, to, we have the Farmers Union Grain Terminal Association, a big co-op. They compete with the regular grain commission firms. You have that competition down to the local level. If you do not like one market source, you can go to the other.

In Kansas they have Farm Marco, a very large cooperative. There too, there is strong competition.

So I believe so far as grain handled locally within the United States, we have about as good a system as we can have now.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. YOUNG. Yes.

Mr. HUMPHREY. I do not disagree with what the Senator said about the problem of arriving at an accurate standard evaluation. In other words, there are problems of moisture, there are problems of subjective analysis, there are problems of equipment.

I think the argument we are making here, may I say to the Senator, is whether or not the inspection, no matter how it comes out, ought to be conducted by State and private groups, a hundred and some independent agencies, or whether there ought to be a uniform system of Federal inspectors.

I am not saying that Federal inspectors are always better than State inspectors.

I do think it is fair to say, however, that despite the problems of the meat inspection in New York, which is a rather unique situation, that there are very few Members of Congress who do not believe—in fact, they all came to an understanding, as we passed legislation accordingly—that there should be Federal inspection of all meat plants. We just had to come to it, and we had to come to Federal inspection of poultry plants. We simply had to come to it.

I remember the distinguished former Senator from Delaware, Mr. Williams, and I worked together on the matter of the poultry inspection legislation.

Mr. YOUNG. I just wanted to say this: The Presiding Officer at the present time, Senator BELLMON, is a wheat grower from Oklahoma. I have been in the wheat business all my life. Somehow we do not like too many Federal inspectors when they are not absolutely necessary.

Mr. HUMPHREY. The Senator does not want to have a program without inspection, and he would not want less adequate inspection by State and private than by Federal.

I think we have a question here of who should be doing the inspecting. But I hope we are not saying that we ought not to have the best of standards and not the best of inspection.

Might I say when it comes to rules and regulations, local inspectors, private inspectors, can write as many of them as the Federal inspectors. It is simply a question of uniformity. It is a question of where you might get the better fulfillment of standards.

There is an honest difference of opinion here, a difference of perspective, but I believe that what we found in the meat inspection service over the long run was the necessity of having federalized inspection. There undoubtedly is some slipup from time to time. There is undoubtedly an inspector here or there who might not do his job properly. But I have yet to find anyone in Congress who has advocated over a consistent period of time that we ought to abolish Federal inspection of our meat plants. In fact, what we have had lately is a demand that the inspection be improved at the Federal level.

No one is advocating that we go back to what we once had, for example, even in the intrastate plants, and those have all been federally inspected now both on poultry, pork, and beef products.

Mr. DOLE. Mr. President, the time agreement is 30 minutes to a side; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DOLE. Mr. President, I will not take but 1 or 2 minutes.

First, I ask unanimous consent that Mr. Warren Sawall of Senator NELSON's staff be permitted to be present on the floor during the consideration of S. 3055, including all rollcall votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I appreciate the tenor of the debate. I think there is an honest difference of opinion. As the Senator from Kansas indicated earlier it is, perhaps, one of philosophy. But it is also, perhaps, one of practicality.

Knowing we are going to go to conference, and this provision is not in the House bill, and it would be in the Senate bill, we could come up with something in between. But the Senator from Kansas cannot find anything in between that looks interesting. The Senator from Minnesota may have a different view as weeks progress. He may have a lot of different views in the next few weeks. [Laughter.]

Mr. HUMPHREY. Would the Senator like to spell that out? [Laughter.]

Mr. DOLE. But in any event, there has been some discussion of why we need different rules in inland terminals than we have at export points.

I would only make reference to the staff report, the investigation report, by the House Appropriations Subcommittee chaired by Congressman WHITTEN, where the staff said:

> Don't judge the whole inspection system by what you find in New Orleans. The situation is different inland. The investigative staff did find distinctive differences between the export points and the inland points. Certain checks and balances exist at inland points, such as Kansas City, Omaha, and Minneapolis, which do not exist at export locations. The grain trade can better police itself at a grain exchange where often the buyer and seller meet face to face to determine the price of a carload of grain based on an official inspection certificate. This is also true at a country elevator where the farmer generally has the option of selling or storing his grain depending on his evaluation of the adequacy of the unofficial grades arrived at by the elevator and the current price offered versus future prices less cost of elevation, cleaning, drying, and storage. Or he can take it to another elevator for sale.

If he wants to he can take it some other place, and that is not true at the ports.

Mr. President there is wide support for deleting this provision from the bill. I would point out that I do not suggest that we not listen to our constituents but the National Corn Growers Association, headquartered in Iowa, is for the Clark bill, and I can understand why he would be opposed to striking that out. But it just happens in Kansas the Wheat Growers Association, as well as many others in agriculture, do not want Federal inspection. Therefore, the Senator from Kansas believes it is not in the interest of Kansas, and it is not in the interests of the rest of the Nation.

There may be, as the Senator from Minnesota pointed out, some abuses found at inland terminals. The Senator from Kansas does not know that to be a fact, but I assume this could be. When that happens we can address ourselves to that point.

It just appears to this Senator that we are overreacting. Yes, there has been great abuse and some fraud and some indictments and many have pleaded guilty. That does not mean we indict the entire system. The same has happened in labor unions, and we have not yet indicted the entire system.

There is strong support for deleting this provision, support expressed by the American Farm Bureau Federation, the Midcontinent Farmers Association, Fred Henkel, a very good friend of the Senator from Minnesota; and I suggest that in the interest of getting good legislation, of tightening up the program, of assisting and benefiting the buyers of our products, of our exports, our commodities, and to benefit the trade and the farmers, that we adopt the amendment offered by the Senator from Kansas the Senator from North Dakota, and the Senator from Oklahoma.

ADDITIONAL STATEMENT SUBMITTED ON MR. DOLE'S AMENDMENT

Mr. BELLMON. Mr. President the Dole amendment deletes the Federal inspection at the 25 major inland terminals provision from S. 3055.

Past experience has shown that placing an individual on a Federal payroll does not make him any more honest. The evidence clearly shows that the Federal Government failed in its role as supervisor of the Nation's grain inspection service. It defies reason to now completely federalize the system and reward past failures with total Federal takeover. With only Federal employees involved, a serious question arises as to who will catch the Federal violators in the future.

Under the current system, private and State inspectors grade wheat and feed grains under Federal Government supervision. At Enid, Okla., wheat is graded by private grain inspectors. There are no known violations of the U.S. Grain Standards Act by private inspectors in Oklahoma nor for that matter at any other inland terminal. The General Accounting Office clearly stated that there have been no indictments of grain inspectors or even allegations of corruption at the inland terminals.

Mr. President, under the present grain inspection system, if a private inspector makes an honest mistake grading grain or if he purposely falsely grades grain, the Federal supervisor will catch the inspector that consistently misgrades grain. Under the proposed all Federal system, there will not be anyone to catch the Federal "crooks" or the mistakes of the honest inspectors.

Mr. President, there is no basis to federalize grain inspection in Oklahoma and other inland States based upon corruption of grain inspection in New Orleans and Houston. Grain inspection at the inland terminals has been honest and reliable. There is no good reason to increase the Government bureaucracy when grain sellers and buyers have a dependable inspection system. I urge approval of the Dole amendment.

Mr. THURMOND. Mr. President, the legislation before the Senate today is of paramount importance to American grain farmers and to our foreign grain customers. It is a recognition of the seriousness of past problems with our grain inspection and weighing system primarily associated with the major grain export terminals. In light of the widespread corruption, involving more than 40 indictments of major grain firms and grain inspection officials, it is necessary that Congress and the U.S. Department of Agriculture take prompt, effective steps to restore integrity to the grain inspection and weighing system.

Toward that end, much has already been done. Many of those who have committed criminal violations have been brought to justice. Other suspected wrongdoers are in the process of being brought to trial and investigations are continuing. Swift and effective punishment for those who run afoul of the law has always been the best method of dealing with dishonesty, bribery and corruption. If justice is fairly metered out to offenders in these instances involving grain inspection, weighing and shipping, I believe it will serve as an effective deterrent to future abuses.

In addition to these judicial actions, USDA has already substantially increased its grain inspection supervisory personnel. These officials are expected to more actively oversee State and private grain inspection agency employees and to resolve appeals by either grain buyers or sellers.

Mr. President, I would also like to commend the Members and staff of the Senate Agriculture and Forestry Committee for diligently pursuing a thorough investigation of the grain marketing system during the past 18 months. Likewise, the General Accounting Office deserves commendation for their investigative work in this area.

Mr. President, I am sure all Members of the Senate desire to do everything necessary to restore integrity to our grain marketing process. We owe that to our hardworking grain farmers, to the buyers of our grain exports, and to those connected with the grain inspection and weighing operations at elevators and terminals throughout the Nation. Yet, Mr. President, I reject the hypothesis that a virtually complete federalization of the grain inspection system and a new, separate Federal bureaucracy within USDA are necessary and desirable to accomplish these objectives.

It seems that nearly every time a problem comes to light in this country, Congress feels that it has to pass a new law and create another bureaucracy to deal with the situation. When are we going to learn that bigger Government does not automatically translate into better Government? Past experience should have taught us that more Federal bureaucracy usually adds to our problems.

Despite the seriousness of these grain inspection problems, I am not at all convinced that we need to substitute Federal employees for nearly all private and State agency grain inspectors, or that we need to create a separate Federal Grain Inspection Agency to administer the U.S. Grain Standards Act. The committee bill makes many need improvements in this act, but these particular provisions are without proven need. They would be costly to the taxpayers and would substantially inflate grain marketing costs. Complete federalization of the grain inspection system would remove flexibility that is needed to adjust the inspection system to conditions prevailing at individual inspection points. Federal preemption would also eliminate desirable checks and balances from the present system.

Senators should be mindful of the fact that President Ford has stated his opposition to the kind of complete Federal takeover provided for in S. 3055. Furthermore, the House has already rejected the federalization approach in the bill it passed on April 2, 1976 (H.R. 12572). With these facts in mind, it is my understanding that the Senator from Kansas, Mr. Dole, will offer several amendments to S. 3055 to more closely conform it to the provisions of the House-passed bill and to the kind of bill that the administration can accept. I urge support for these needed changes.

Mr. President, the Farm Bureau is intimately involved in grain marketing in South Carolina, as well as in other States. This, the largest farm organization, strongly supports effective reforms of the grain inspection system which will prevent future irregularities. However, the Bureau also feels that integrity can be restored to the system without injecting more Federal bureaucracy. I believe the Bureau's position is wise in this instance, and I hope my Senate colleagues will see wisdom in it.

Mr. President, I ask unanimous consent that a letter which I received from the South Carolina Farm Bureau Marketing Association this morning be placed in the Record following my remarks.

South Carolina Farm Bureau,
Columbia, S.C., April 23, 1976.

Senator Strom Thurmond,
Senate Office Building,
Washington, D.C.

Dear Senator Thurmond: It is our understanding that S. 3055, The Grain Inspection Bill, is scheduled on the Senate floor on April 26th. S. 3055 (Humphrey, D-Minn.) would establish a new separate inspection agency and federalize grain inspection at all export points and at 25 inland terminals. Senator Dole (R-Kan.) has proposed (Congressional Record, April 14, 1976) three amendments:

The first amendment deletes the provision for federal takeover at the 25 inland terminals, it allows sufficient increases in fees at ports to defray any unanticipated cost for supervision, and it authorizes contracting state and private agencies to retain fees stipulated in their contract for operating expenses and requires them to submit only fees in excess of that amount to the revolving fund for supervisory costs.

The second amendment deletes the provision for separate federal grain inspection agency.

The third amendment strikes the section providing for registration of all large grain companies and cooperatives as an enforcement measure.

We are greatly concerned over the provisions of S. 3055, and we are opposed to it as presently written. We feel that a federalization of grain inspection would be very detrimental to our Charleston facility operation . . . as well as others. Our present joint state-federal inspection service is working very well, and we desire to keep it intact.

The Dole amendments would not clear-up S. 3055 to an acceptable degree from our standpoint . . . since export facilities, including Charleston would still be federalized from the grain inspection standpoint. However, the Dole amendments would move the bill in the direction of H.R. 12572—the House-passed version. If the Dole amendments are passed the differences between S. 3055 and H.R. 12572 would be greatly reduced except for the federal inspection at export ports. We hope that this difference could be eliminated in the conference committee and that the final bill would conform to the House-passed version.

We urge your support of the Dole amendments as a measure to move toward passage of H.R. 12572. We are unequivocally opposed to the federalization of grain inspection service at any and all points, and need your support in keeping the state-federal program which has proved so successful in our operations.

Sincerely,
SCFB Marketing Association,
Board of Directors: Ray V. Segars, Jr., President; Wesley K. Wannamaker, Vice President; Heyward Dantzler, Secretary; Harry S. Bell, Walter P. Rawl, O. H. Wienges, Jr., C. A. Harvin, Jr., Milton Clemons, J. Rut Connor, Jr., Parker Bowie, John Nance, William F. Davis, Robert A. Youmans, Henry L. Parr.

Mr. DOLE. Mr. President, I ask unanimous consent that the list of 25 major inland terminals which would have been affected by my amendment be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the list was ordered to be printed in the Record, as follows:

25 MAJOR INLAND TERMINALS

KANSAS

1. Kansas City
2. Topeka
3. Wichita
4. Salina
5. Hutchison

OKLAHOMA

6. Enid

IOWA

7. Cedar Rapids
8. Davenport
9. McGregor
10. Des Moines
11. Sioux City

NEBRASKA

12. Hastings
13. Lincoln
14. Omaha

MISSOURI

15. Kansas City
16. St. Louis

ILLINOIS

17. Peoria
18. Decatur
19. Kankakee

OHIO

20. Cincinnati
21. Columbus

COLORADO

22. Denver

MINNESOTA

23. Minneapolis

TEXAS

24. Amarillo
25. Ft. Worth

Mr. DOLE. Mr. President, I ask unanimous consent that the names of the Senator from Nebraska (Mr. Hruska) and the Senator from North Dakota (Mr. Burdick) may be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I yield back the remainder of my time.

Mr. HUMPHREY. I do not believe there is any further debate here, and I yield back the remainder of our time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Texas (Mr. Bentsen), the Senator from Delaware (Mr. Biden), the Senator from Florida (Mr. Chiles), the Senator from Idaho (Mr. Church), the Senator from Missouri (Mr. Eagleton), the Senator from Kentucky (Mr. Ford), the Senator from Indiana (Mr. Hartke), the Senator from Hawaii (Mr. Inouye), the Senator from Washington (Mr. Jackson), the Senator from Louisiana (Mr. Long), the Senator from Washington (Mr. Magnuson), the Senator from New Mexico (Mr. Montoya), the Senator from Rhode Island (Mr. Pell), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Colorado (Mr. Haskell) is absent on official business.

I further announce that, if present and voting, the Senators from Washington (Mr. Magnuson) and (Mr. Jackson) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bartlett), the Senator from New York (Mr. Buckley), the Senator from Hawaii (Mr. Fong), the Senator from Wyoming (Mr. Hansen), the Senator from Oregon (Mr. Hatfield), the Senator from Nevada (Mr. Laxalt), the Senator from Idaho (Mr. McClure), the Senator from Alaska (Mr. Stevens), and the Senator from Texas (Mr. Tower) are necessarily absent.

I further announce that the Senator from New Mexico (Mr. Domenici) is absent on official business.

I further announce that, if present and voting, the Senator from New Mexico (Mr. Domenici), the Senator from Oregon (Mr. Hatfield), and the Senator from Texas (Mr. Tower) would each vote "yea."

The result was announced—yeas 36, nays 38, as follows:

[Rollcall Vote No. 151 Leg.]

YEAS—36

Allen
Baker
Beall
Bellmon
Brock
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Curtis
Dole
Eastland
Fannin
Garn
Goldwater
Griffin
Hart, Gary
Helms
Hruska
Mathias
McClellan
Morgan
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stone
Symington
Taft
Thurmond
Young

NAYS—38

Bayh
Brooke
Byrd, Robert C.
Case
Clark
Cranston
Culver
Durkin
Glenn
Gravel
Hart, Philip A.
Hathaway
Hollings
Huddleston
Humphrey
Javits
Johnston
Kennedy
Leahy
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Nunn
Pastore
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Talmadge
Weicker
Williams

NOT VOTING—26

Abourezk
Bartlett
Bentsen
Biden
Buckley
Chiles
Church
Domenici
Eagleton
Fong
Ford
Hansen
Hartke
Haskell
Hatfield
Inouye
Jackson
Laxalt
Long
Magnuson
McClure
Montoya
Pell
Stevens
Tower
Tunney

So Mr. Dole's amendment was rejected.

The PRESIDING OFFICER (Mr. Curtis). The bill is open to further amendment.

May we have order in the Chamber? Will those Senators wishing to converse retire from the Chamber?

Mr. MOSS. Will the Senator yield?

Mr. HUMPHREY. Mr. President, may I take just a moment to yield to the Senator from Utah?

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATIONS

Mr. MOSS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 12453.

The PRESIDING OFFICER (Mr. Curtis) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 12453) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MOSS. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Moss, Mr. Stennis, Mr. Ford, Mr. Goldwater, and Mr. Domenici conferees on the part of the Senate.

GRAIN INSPECTION REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 3055) to provide for U.S. standards and a national inspection system for grain, and for other purposes.

Mr. HUMPHREY. Mr. President, I believe there are amendments which are ready. Does the Senator from Kansas have his amendment ready?

The PRESIDING OFFICER. The Senator from Kansas is recognized.

The Senate will be in order. The Senator is entitled to be heard.

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Kansas (Mr Dole), on behalf of himself and Senators Hruska and Burdick, proposes and amendment.

Mr. DOLE. Mr. President I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 83, line 2, strike out "interstate or".

On page 83, lines 3–4, strike out "interstate or".

On page 84, between lines 11 and 12, insert the following: "Persons required to register under this section shall also submit to the Administrator the information specified in clauses (A) through (F) of this paragraph with respect to any business engaged in the business of buying grain for sale in interstate commerce, and in the business of handling, weighing, or transporting of grain for sale in interstate commerce, if, with respect to such business, the person otherwise required to register under this section is in a control relationship."

On page 85, line 12, strike out "interstate or".

On page 85, line 14, strike out "interstate or".

On page 83, line 17, strike out "grain; or" and insert in lieu thereof "grain.".

On page 83, strike out lines 18 through 22.

On page 84, strike out lines 15 through 18, and insert in lieu thereof the following:

" '(3) For purposes of this section, a person shall be deemed to be in a "control relationship" with respect to a business required to register under subsection (a) and with respect to applicable interstate businesses if—' ".

Mr. DOLE. Mr. President, S. 3055 as reported to the Senate requires that all persons—with certain exceptions—engaged in the business of buying grain for sale in interstate or foreign commerce, and in the business of handling, weighing, or transporting of grain for sale in interstate or foreign commerce: First, register with the Administrator of the Federal Grain Inspection Agency; and, second, submit certain itemized information to the Administrator.

This amendment would limit the registration requirement to persons engaged in the business of buying grain for sale in foreign commerce. However, any person exporting grain and otherwise required to register would be required to disclose their interest in domestic grain companies if their ownership interest was 10 percent or more.

Mr. President, I have discussed this amendment with the distinguished Senator from Minnesota and the distinguished Senator from Iowa. It replaces amendment No. 1604, which the Senator from Kansas had proposed to offer at an earlier time.

It is my understanding the amendment is acceptable and can be acted upon.

Mr. HUMPHREY. Mr. President, speaking for the Senator from Iowa and myself and very much interested in the bill as amended as we were in the bill, we feel that this amendment, proposed by the Senator from Kansas and others, is a very constructive amendment and will be very helpful, and we are prepared to accept it.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CLARK. Mr. President, I think it strengthens the registration provision; I think it is a good amendment.

Mr. DOLE. Mr. President, before all time is yielded back, the Senator from Kansas said that earlier today we do not object to the thrust of this amendment, but what the Senator from Kansas objects to and many Members object to is the requirement that everyone who had an elevator and bought a certain amount of grain had to file a report; and this will take care of the so-called country elevators and small elevators all across the country at the same time, satisfying the desire of the Senator from Iowa, myself, and the Senator from Minnesota.

Mr. HUMPHREY. I think it is a good amendment.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. DOLE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I believe the Senator from Louisiana has an amendment.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 89, line 22, before "State" insert "private inspection agency or the".

On page 89, line 23, after "thereof" insert the following, "at not to exceed maximum rates set by the Administrator."

On page 90, line 15, before "State" insert "private inspection agency or the".

On page 90, line 20, before "State" insert "private inspection agency or the".

On page 91, line 17, before "State" insert "private inspection agency or the".

On page 91, line 22, before "State" insert "private inspection agency or".

Mr. JOHNSTON. Mr. President, what this amendment does is provide to the employees of private industry, whose jobs will, in effect, be expropriated by this amendment, the same protection that employees of State agencies, whose jobs are expropriated, would have under the bill as presently written.

Under the bill as presently written an employee of a State agency, whose job is taken away by the effect of this law, would be entitled to retirement benefits. In other words, he would be able to change over to the Federal Government the same number of years he has with the private agency, provided he pays into the Federal Government the amount of money in his retirement account, his other seniority rights, his right to sick leave, insurance, et cetera.

The bill was silent as to employees of private inspection firms. What this amendment does is simply give to the employees of the private inspection firm that same right, subject to one caveat, and that is that the administrator has the right to set maximum rates pay at which they would transfer over; that is to say, that the administrator need not employ anyone from private industry; he can pick and choose among the employees those whom he wishes to employ, but if he does employ someone, then he must employ him at the same rate of pay that he had under the private inspection firm, provided that he has a right to set a maximum rate so that those who have excessive rates of pay may not be able to transfer over an excessive rate with the Federal Government.

Mr. HUMPHREY. May I say that the reason for that proviso is that in some of the private inspection firms there were individuals who earned $50,000 or $60,000, or more, a year.

Mr. JOHNSTON. That is correct.

Mr. HUMPHREY. What the Senator is saying here is now that the responsible officer, the secretary or the administrators who we have under the bill, has the power to set maximum pay levels.

Mr. JOHNSTON. That is correct.

So, for example, with middle-income people, let us say a man is making $15,000 now with a private firm. If he is employed by the Federal Government inspection agency, then he would be entitled to that $15,000. On the other hand, if he were making $70,000, to pick a figure, then the administrator would have the right to set a maximum rate which, let us say, might be $25,000, and the $70,000 man would not be entitled then to the $70,000 if he were employed.

Mr. HUMPHREY. We have discussed this amendment with members of the committee and also it has been gone over with by our technical people on the staff.

I do not know what the Senator from Kansas feels about it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOLE. With the addition of the words "not to exceed a maximum rate set by the administrator," it is acceptable to the Senator from Kansas. With that addition we eliminate what could be a very serious problem because, as the Senator from Minnesota properly pointed out, some are making on a commission basis $40,000, $50,000, or $100,000 a year.

Mr. HUMPHREY. It is my understanding the Senator from Louisiana has also discussed this matter with the distinguished Senator from Iowa (Mr. CLARK).

Mr. JOHNSTON. That is correct, and the distinguished Senator from Iowa is in favor of it.

Mr. PASTORE. Mr. President, may I ask this? Out of whose pocket will the pay come?

Mr. DOLE. The taxpayers.

Mr. HUMPHREY. The pay will come out of the fees that will be charged for the inspection service, because ultimately this service will pay for itself. There are charges made for the inspection.

Mr. PASTORE. Until we get to "ultimately," does it mean the taxpayers' money?

Mr. HUMPHREY. Each year there will be fees collected to pay for whatever service is required.

Mr. PASTORE. I see. But you say they could be making $25,000. What if they made it $60,000? Then who pays the bill?

Mr. HUMPHREY. May I say that they could not do that, because that would mean that all the Federal levels would have to come up to that maximum level, and there are rates already established under the classifications of the Civil Service, and those rates would be the maximum.

Mr. PASTORE. Do I understand that we have this guarantee irrespective of this amendment?

Mr. HUMPHREY. That is correct.

Mr. JOHNSTON. That is precisely what the proviso is for. The proviso says this "at not to exceed maximum rates set by the Administrator." So the Administrator sets the maximum rates of pay and cannot go beyond that.

Mr. HUMPHREY. Those maximum rates of pay have to be within the Civil Service system.

Mr. JOHNSTON. It is expected that would be, yes.

Mr. HUMPHREY. Of course. It has to be within the Civil Service Commission.

Mr. PASTORE. Why do we not say consonant with the Civil Service Commission rates? I mean, because the way this amendment is written the sky could be the limit. The sky could be the limit.

Mr. JOHNSTON. No. It says——

Mr. PASTORE. There is no inhibition in going any distance as far as I understand the amendment. So the Senator says not to exceed the top rates predicated by the Civil Service Commission?

Mr. HUMPHREY. So we completely understand what we are talking about, the rates are paid for and there is a schedule for inspectors already set in public law, and there is that maximum rate. What the Senator is saying is what private employees who are presently in the inspection system if brought into the Federal system would be eligible to come up to the maximum rate that is in the current law as to pay scales for inspectors in the Federal inspection system.

Mr. PASTORE. I did not understand the amendment that way.

Is that what the amendment does?

Mr. JOHNSTON. That is correct. In other words, they will be within the Federal structure and within the maximum permissible rates. We do not want someone who is now making $15,000 a year, who has done a good job all the while and wants to come into the Federal system, to be told he has to take a pay cut for the privilege of having his job expropriated and brought over into the Federal service. That is all this does.

We are not trying to take care of anyone at $50,000, $60,000, or $70,000, and that is the reason for the proviso. So the administrator sets the maximum rate.

Mr. PASTORE. Will the Senator read his proviso?

Mr. JOHNSTON. Yes. "At not to exceed maximum rates set by the administrator."

Mr. HUMPHREY. And those rates set by the administrator must be within the salary structure that is applicable under current law relating to Federal inspectors.

Mr. PASTORE. With this understanding, I have no objection.

Mr. JOHNSTON. The administrator need not employ these men as well; so there is double protection so far as that is concerned.

Mr. HUMPHREY. But if he does employ them, he will employ them in the rate structure, and they will not be penalized simply because they were in the private structure.

Mr. JOHNSTON. That is correct.

Mr. HUMPHREY. I thank the Senator from Rhode Island for his intervention, because it clarified a matter which I think needs legislative history.

Mr. President, on behalf of the committee, I am prepared to accept the amendment as we have discussed it and as it has been specified here, and I am prepared to yield back the remainder of my time. I believe that all other Senators on the committee feel the same.

Mr. JOHNSTON. I thank the distinguished Senators from Minnesota, Kansas, and Iowa; and several hundred employees in Louisiana do the same.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, does the Senator from Kansas have an amendment?

AMENDMENT NO. 1605

Mr. DOLE. Mr. President, I call up amendment No. 1605.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and Senator YOUNG, Senator BURDICK, and Senator HRUSKA, proposes amendment No. 1605.

The amendment is as follows:

On page 43, strike out lines 17 through 19.

On page 43, line 20, strike out "(c)" and insert in lieu thereof "(b)".

On page 43, strike out lines 22 and 23.

On page 43, line 24, strike out "(e)" and insert in lieu thereof "(c)".

On page 44, line 3, strike out "(f)" and insert in lieu thereof "(d)".

On page 44, line 7, strike out "(g)" and insert in lieu thereof "(e)".

On page 44, line 10, strike out "(h)" and insert in lieu thereof "(f)".

On page 44, line 13, strike out "(i)" and insert in lieu thereof "(g)".

On page 44, line 16, strike out "5" and insert in lieu thereof "4".

On page 44, line 18, strike out "(j)" and insert in lieu thereof "(h)".

On page 44, line 20, strike out "(k)" and insert in lieu thereof "(i)".

On page 45, line 5, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 45, line 7, strike out "(l)" and insert in lieu thereof "(j)".

On page 45, line 8, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 45, lines 8 and 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 45, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 45, line 10, strike out "13" and insert in lieu thereof "12".

On page 45, line 15, strike out "(m)" and insert in lieu thereof "(k)".

On page 45, line 16, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 45, line 19, strike out "(n)" and insert in lieu thereof "(l)".

On page 45, line 23, strike out "(o)" and insert in lieu thereof "(m)".

On page 45, lines 24 and 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 45, line 25, strike out "8, 9, and 11" and insert in lieu thereof "7, 8, and 10".

On page 46, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 46, line 5, strike out "(p)" and insert in lieu thereof "(n)".

On page 46, line 7, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 46, line 8, strike out "(q)" and insert in lieu thereof "(o)".

On page 46, line 12, strike out "(r)" and insert in lieu thereof "(p)".

On page 46, line 15, strike out "(s)" and insert in lieu thereof "(q)".

On page 46, line 17, strike out "(t)" and insert in lieu thereof "(r)".

On page 46, line 21, strike out "(u)" and insert in lieu thereof "(s)".

On page 47, line 1, strike out "(v)" and insert in lieu thereof "(t)".

On page 47, line 4, strike out "(w)" and insert in lieu thereof "(u)".

On page 47, line 8, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 47, line 9, strike out "(x)" and insert in lieu thereof "(v)".

On page 47, lines 11 and 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 47, line 14, strike out "(y)" and insert in lieu thereof "(w)".

On page 47, lines 17 and 18, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 47, line 22, strike out "(z)" and insert in lieu thereof "(x)".

On page 48, strike out lines 9 through 21.

On page 48, line 23, strike out "5" and insert in lieu thereof "4".

On page 48, line 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 49, lines 7 and 8, strike out the word "Administrator" and insert in lieu thereof the word "Secretary."

On page 49, line 11, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 49, line 18, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 49, line 22, strike out "6" and insert in lieu thereof "5".

On page 49, line 23, strike out "5" and insert in lieu thereof "4".

On page 50, line 13, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 50, lines 24 and 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 51, line 8, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 51, line 9, strike out "13" and insert in lieu thereof "12".

On page 51, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 51, line 15, strike out "7" and insert in lieu thereof "6".

On page 51, line 17, strike out "5" and insert in lieu thereof "4".

On page 52, line 15, strike out "8" and insert in lieu thereof "7".

On page 52, line 15, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 52, line 17, strike out "5" and insert in lieu thereof "4".

On page 52, line 18, strike out "6" and insert in lieu thereof "5".

On page 52, line 20, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 52, line 25, strike out "5" and insert in lieu thereof "4".

On page 53, line 2, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 53, line 7, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 53, lines 11 and 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 53, line 13, strike out the word "Agency" and insert in lieu thereof the word "Department of Agriculture".

On page 53, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 53, line 25, strike out the word "Agency" and insert in lieu thereof the word "Department of Agriculture".

On page 54, line 1, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 54, line 8, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 54, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 54, line 12, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 54, line 15, strike out "11" and insert in lieu thereof "10".

On page 54, line 16, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 54, line 24, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 55, line 4, strike out "9" and insert in lieu thereof "8".

On page 55, line 4, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 55, line 5, strike out "5" and insert in lieu thereof "4".

On page 55, line 7, strike out "6" and insert in lieu thereof "5".

On page 55, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 55, line 17, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 55, line 12, strike out "5" and insert in lieu thereof "4".

On page 55, line 14, strike out "8" and insert in lieu thereof "7".

On page 55, line 18, strike out "5" and insert in lieu thereof "4".

On page 55, line 24, strike out "12" and insert in lieu thereof "11".

On page 56, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 56, line 7, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 56, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 56, line 11, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 56, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 56, line 18, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 56, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 56, line 24, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 57, line 2, strike out "11" and insert in lieu thereof "10".

On page 57, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 57, line 14, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 58, line 5, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 58, line 15, strike out "10" and insert in lieu thereof "9".

On page 58, line 15, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 58, line 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 58, line 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 59, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 59, line 12, strike out "11" and insert in lieu thereof "10".

On page 59, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 59, line 15, strike out "8 and 9" and insert in lieu thereof "7 and 8".

On page 60, line 2, strike out "16" and insert in lieu thereof "15".

On page 60, line 6, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 60, line 20, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 60, line 22, strike out "8 and 9" and insert in lieu thereof "'"7 and 8".

On page 61, line 7, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 61, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 61, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 61, line 16, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 61, lines 19 and 20, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 61, lines 20 and 21, strike out the word "Administrator" and insert in lieu thereof the word "'"Secretary".

On page 61, line 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 61, line 22, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 61, line 24, strike out "12" and insert in lieu thereof "11".

On page 61, line 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 2, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 15, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 18, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 62, line 22, strike out "12" and insert in lieu thereof "11".

On page 62, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 63, line 6, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 63, line 8, strike out "26" and insert in lieu thereof "25".

On page 63, lines 12 and 13, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 63, line 14, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 63, line 20, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 63, line 23, strike out "13" and insert in lieu thereof "12".

On page 63, line 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 64, line 6, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 64, line 8, strike out the word "Agency" and insert in lieu thereof the word "Secretary".

On page 64, line 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 65, line 1, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 65, line 4, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 65, line 8, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 65, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 65, line 15, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 65, line 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 66, line 2, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 66, line 6, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 66, line 8, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 66, line 11, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 66, line 14, strike out the word "Agency" and insert in lieu thereof the words "Department of Agriculture".

On page 66, line 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 66, line 24, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 67, line 3, strike out "14" and insert in lieu thereof "13".

On page 67, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 67, line 7, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 67, line 19, strike out the word "Administrator" each time it appears and insert in lieu thereof the word "Secretary".

On page 67, line 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 67, lines 24 and 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 68, line 2, strike out "18" and insert in lieu thereof "17".

On page 68, line 7, strike out "15" and insert in lieu thereof "14".

On page 68, line 7, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 68, line 19, strike out "18" and insert in lieu thereof "17".

On page 69, line 5, strike out "19" and insert in lieu thereof "18".

On page 69, line 5, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 69, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 69, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 69, line 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 70, lines 3 and 4, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 70, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 70, line 13, strike out "22" and insert in lieu thereof "21".

On page 70, line 18, strike out "16" and insert in lieu thereof "15".

On page 70, lines 18 and 19, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 70, line 19, strike out "13" and insert in lieu thereof "12".

On page 70, lines 20 and 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 71, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 71, line 5, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 71, line 7, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 71, line 8, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 71, line 13, strike out "17" and insert in lieu thereof "16".

On page 71, line 17, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 71, lines 24 and 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 72, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 72, line 10, strike out "or the Administrator".

On page 72, line 22, strike out "or the Administrator".

On page 73, line 2, strike out "21 and 22" and insert in lieu thereof "20 and 21".

On page 73, line 4, strike out "18" and insert in lieu thereof "17".

On page 73, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 75, lines 11 and 12, strike out "6, 7, 8, 9, 10, 13, 16, or 17" and insert in lieu thereof "5, 6, 7, 8, 9, 12, 15, or 16".

On page 75, line 24, strike out "19" and insert in lieu thereof "18".

On page 75, line 25, strike out "18" and insert in lieu thereof "17".

On page 76, line 5, strike out "18" and insert in lieu thereof "17".

On page 76, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 76, line 15, strike out "15" and insert in lieu thereof "14".

On page 76, line 18, strike out "20" and insert in lieu thereof "19".

On page 77, line 2, strike out "21" and insert in lieu thereof "20".

On page 77, line 2, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 77, line 16, strike out the word

"Administrator" and insert in lieu thereof the word "Secretary".

On page 77, line 18, strike out "14" and insert in lieu thereof "13".

On page 77, line 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 78, line 11, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 78, line 17, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 79, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 79, line 17, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 79, line 22, strike out "22" and insert in lieu thereof "21".

On page 79, lines 22 and 23, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 80, line 1, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 80, line 5, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 80, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 80, lines 17 and 18, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 80, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 81, line 6, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 81, line 18, strike out "23" and insert in lieu thereof "22".

On page 81, lines 18 and 19, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 82, line 1, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 82, line 6, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 82, line 9, strike out "him or".

On page 82, lines 12 and 13, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 82, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 82, line 24, strike out "24" and insert in lieu thereof "23".

On page 82, line 24, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 83, line 24, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 84, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 85, line 4, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 85, lines 10 and 11, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 85, line 15, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 85, line 18, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 85, line 21, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 86, line 1, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 86, line 4, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 86, lines 5 and 6, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 86, line 9, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 86, line 12, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 86, line 14, strike out "12" and insert in lieu thereof "11".

On page 86, line 18, strike out "25" and insert in lieu thereof "24".

On page 87, line 10, strike out "26" and insert in lieu thereof "25".

On page 87, line 12, strike out "21" and insert in lieu thereof "20".

On page 87, line 14, strike out "12" and insert in lieu thereof "11".

On page 87, line 19, strike out "5" and insert in lieu thereof "4".

On page 88, line 1, strike out "12" and insert in lieu thereof "11".

On page 88, line 2, strike out the words "Administrator" and insert in lieu thereof the word "Secretary".

On page 88, line 7, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 88, strike out lines 8 through 12.

On page 88, line 13, strike out "3" and insert in lieu thereof "2".

On page 88, lines 16 and 17, strike out the words "Administrator of the Federal Grain Inspection Agency" and insert in lieu thereof the words "Secretary of Agriculture of the United States".

On page 88, line 22, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 88, line 24, strike out "4" and insert in lieu thereof "3".

On page 88, lines 24 and 25, strike out the words "Administrator of the Federal Grain Inspection Agency" and insert in lieu thereof the words "Secretary of Agriculture of the United States".

On page 89, line 8, strike out the words "Federal Grain Inspection Agency" and insert in lieu thereof the words "United States Department of Agriculture".

On page 89, line 10, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 92, line 3, strike out "5" and insert in lieu thereof "4".

On page 92, lines 5 and 6, strike out the words "Federal Grain Inspection Agency of the".

On page 92, line 10, strike out "6" and insert in lieu thereof "5".

On page 92, lines 13 and 14, strike out the words "Administrator of the Federal Grain Inspection Agency" and insert in lieu thereof the words "Secretary of Agriculture of the United States".

On page 93, line 2, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 93, line 3, strike out "5" and insert in lieu thereof "4".

On page 93, strike out lines 8 through 13.

On page 93, line 15, strike out "8" and insert in lieu thereof "6".

On page 93, line 21, strike out the words "Administrator of the Federal Grain Inspection Agency" and insert in lieu thereof the words "Secretary of Agriculture of the United States".

On page 94, line 3, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 94, line 8, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 94, line 20, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 94, line 23, strike out the word "Agency" and insert in lieu thereof the words "United States Department of Agriculture".

On page 94, line 25, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 95, line 1, strike out the word "Agency" and insert in lieu thereof the word "Department".

On page 95, lines 10 and 11, strike out the word "Administrator" and insert in lieu thereof the word "Secretary".

On page 95, line 14, strike out "9" and insert in lieu thereof "7".

Mr. DOLE. Mr. President, section 4 of S. 3055 provides for a separate Federal grain inspection agency to administer the amended U.S. Grain Standards Act. This amendment would delete the separate agency provision from the bill.

DUPLICATION OF SERVICES

The amendment is offered because a new agency would mean needless duplication of services already under the jurisdiction of the Agricultural Marketing Service—AMS—of the Department of Agriculture.

Duplication inevitably results in needless overhead requiring additional manpower and expense. For example, some functions in the grain and transportation and warehouse divisions in AMS would have to be retained there as well as included in the new agency. Additional administrative costs for this new agency would be at least $1.5 million per year according to USDA. The split proposed would require coordination between AMS and the new agency, even though the two agencies would have different overall responsibilities and program objectives. Inefficiencies which are so prevalent in other areas where Federal programs overlap should be sufficient evidence that it would be unwise to do the same thing in grain inspection.

AMS HAS NECESSARY PERSONNEL

The AMS at present is responsible for several acts which relate to grain. These include the U.S. Grain Standards Act, the U.S. Warehouse Act, the Federal Seed Act, the Plant Variety Protection Act, and certain provisions of the Agricultural Marketing Act of 1946. But a new agency such as one proposed in section 7 would require manpower for three service divisions—personnel, administration, and finance—which are already at least partially available in AMS. Current estimates are that 100 new service personnel would be needed if the Federal Government takes over inspection and weighing activities and administers it through AMS. A new agency would require 160 additional service personnel.

ADDITIONAL BUREAUCRACY

Currently, there are separate grain divisions in a number of the individual agencies in the Department of Agriculture. Each carries out important functions relative to grain. A fourth grain division so isolated would add complexity to the current coordination efforts and decisionmaking. In the future, under this provision, coordination with other commodity functions for efficiency and effectiveness would necessitate congressional change in the law.

Finally, the Federal Government already has inspection responsibilities for other agricultural commodities such as meat, dairy products, and fruits and vegetables. Experience with these commodities would indicate there is no need to establish a near-autonomous agency for grain, since inspection for other commodities has proceeded with relative efficiency within the current USDA structure.

Mr. President, the Senator from Kansas emphasizes that what we are suggesting is that we stop some of the duplication of the Federal Government. Almost every Member of this body has said at some time in this session that we should cut down duplication, cut down the costs, cut down overhead. At the same time, we trot in with one bill after another to create a new division within an agency or some new agency.

The Senator from Kansas does not believe that a new agency is needed. I am simply suggesting and hoping that the Senate will act in accordance with my suggestion and strike out the provision for a separate grain inspection agency and leave it in the hands of the AMS, the Agricultural Marketing Service. So far as this Senator knows, there has been no complaint about the Agricultural Marketing Service. There is no indication that they would not administer properly whatever law is passed by Congress. It seems to me that it is not in the interest of budgetary responsibility to add another layer.

I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, again, this is a matter that was discussed in committee; and like most of the provisions in this bill that have been controversial, there is merit on both sides of the question.

The reason why the committee finally came down for the separate, independent, or autonomous administrator for grain inspection is because of the history of grain inspection activities within the Agricultural Marketing Service.

So that our colleagues may understand, as the Senator from Kansas has stated, the Agricultural Marketing Service has inspection responsibilities over a number of commodities. But it should be noted that the AMS was very derelict insofar as the inspection service was concerned with respect to grain. That record speaks for itself. The Agricultural Marketing Service is basically a very good instrumentality of our Department of Agriculture. But when it came to its inspection responsibilities for grain, which is by far the largest export commodity, it did not fulfill its responsibilities as we have every right to expect it should have.

It should be borne in mind that of the $21 billion of exports of American agricultural products for last year, $12.4 billion to $13 billion was in the field of grain alone, and this is a very big responsibility.

What we have proposed in this bill would not add many new Government officials. We are proposing a reorganization within the Agricultural Marketing Service. We are proposing an administrator for the purpose of grain inspection and weighing along the lines of the Administrator for rural electricity. The REA Administrator is appointed by the President, and his nomination is confirmed by the Senate. He would have a special, autonomous relationship within the Department of Agriculture, under the general supervision of the Secretary of Agriculture; but his nomination must be brought to the Senate, and there must be hearings and confirmation. He is accountable to Congress because of his very special functions in the field of REA, and this administrator would be accountable to Congress because of the unique problems to relate to grain inspection. It would be a reorganization within the Department of Agriculture, establishing an administrator for grain inspection, the Federal Grain Administrator. That man and his division would have the sole responsibility for establishing the training, for establishing the recruiting, for establishing the supervision of all Federal inspection employees. That administrator would have the responsibility to Congress to give us periodic reports, as I indicated in my opening statement, so that we would know what the compaints are, so that we would know how those complaints were being disposed of and how they were being reconciled or settled. We would have a much better control over the situation.

While I recognize that the Senator from Kansas would like to leave it in the AMS as now constituted, I think that to do so would be to fail to come to grips with what has been developed as a very serious problem of supervision and inspection. In the bill as written, this administrator will have many responsibilities. He will have responsibilities for terminal elevators. He will have responsibility for the export ports. He will have responsibility for recruitment and training, for supervision. He will have responsibility for the promulgation of regulations that will relate to the smaller elevators, where there are private inspectors as well as State inspectors.

I believe we need an administrator who is independent, who is able to do his job without any political interference, who has a responsibility to the farmers, who has a responsibility to the export markets, who has a responsibility to our foreign customers, and, above all, who is accountable to Congress.

I hope that the amendment of the Senator from Kansas will be rejected.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CLARK. Mr. President, this amendment would delete from the bill the provision for a separate grain inspection agency. It would leave the administration of this critically important grain inspection function in the Department of Agriculture. Let us look at the justifications that have been offered here on the floor and in the report for striking this separate agency.

One reason that has been given is that this separate agency would cause needless duplication of services that are already provided by the Agricultural Marketing Service of the Department. Proponents argue further that "a fourth grain division in the USDA, so isolated, would add complexity to the current coordination and decisionmaking functions." They argue further that experience indicates no need for a separate agency for grain, since inspection of other commodities has proceeded with relative efficiency within the current structure. Let us analyze those very briefly.

Is anyone persuaded that we need no separate agency for grain inspection because inspection of other commodities has no such agency? There is in fact a separate agency for meat and poultry inspection. This service also was once in AMS and was shifted to a new agency, the Animal and Plant Health Inspection Service, several years ago.

The proponents of the amendment are fearful of duplication and overlap. Mr. President, we are attempting to take forceful and meaningful steps to deal with a system ridden with scandal and incompetence. To do so, it is necessary to elevate the importance of this function so that it is a full-time responsibility of a high Federal officer, one who has access to the Secretary and to the Attorney General, if necessary, and who, in turn, is accessible and responsible to Congress, as the manager of the bill has indicated. This responsibility if far too great to be left to middle management in one of the vast bureaus of the USDA.

If we are serious about this effort to restore credibility to the U.S. grain trade, we need an agency with the kind of independence necessary to enforce the law in this very sensitive area. Mr. President, we have not had such enforcement in the past. That is clear. We need it badly, and we shall never get it if we delegate grain inspection to the depths of the bureaucracy, as AMS has done and as proponents of this amendment would do.

It is instructive, in fact, to look at how far down the chain the Secretary of Agriculture has delegated responsibility for grain inspection, even today, more than a year after the system was found to be full of scandal and incompetence. One would think he would pull that responsibility into his own office, to be sure that it is now, at least, being properly done. He has not. In fact, let us look to see where the responsibility in the present system really lies.

First, the Secretary now delegates that authority to the Assistant Secretary for Marketing and Consumer Services, who, in turn, delegates it to the Administrator of the AMS, who, in turn, delegates it to the Director of the Grain Division, who in turn, delegates it to the chief of the Grain Inspection Branch, who is supposed to do the job. So grain inspection is now four steps removed from the Secretary's office. Mr. President, after all we have seen, and given the critical importance of the grain trade to our economy, that is just not good enough. Grain inspection must be the sole concern of a new agency.

The proponents of this amendment say the agency would be a vast new bureaucracy. In fact, it would have a charter similar to the REA, as Senator HUMPHREY has said, which has worked very well for more than 40 years. Many members of the new agency would be employees of the USDA in any case, transferred from the present Grain Division. The cost would be similar, either with or without the new agency. We are not creating any new bureaucracy. We are simply instituting a sensible and essential reorganization in the USDA to handle new authorities and deal more effectively with this critical area.

So, Mr. President, we must remember that grain is, by far, our most important export commodity. It is by far our most troubled commodity. It clearly deserves the special attention that only a separate agency can provide. I strongly urge the defeat of this amendment.

Mr. DOLE. Mr. President, this amendment was considered in the committee. As the Senator from Kansas suggested, in line with the previous statement of the Senator from Iowa, if it is so good for the ports, it ought to be good for the inland terminals. If it is so good to have a separate grain inspection agency, we ought to apply it to rice, cotton, and tobacco. I do not want to apply it just to the wheat States. I want to apply it also to the rice States, the cotton States and the tobacco States. Maybe we ought to apply it to potato States also.

It seems to me, as was said at the outset, that the current organization of AMS, I think, offers the most economical and functional unit possible.

The Department of Agriculture—and I do not suggest they are always right, but neither are they always wrong—suggests that if we do this, we are talking about 5 new divisions: 2 program divisions, weighing and inspection, and 3 service divisions—personnel, administrative services, and financial services—as well as special staffs. To do this, we are going to add at least 160 new personnel.

Assuming that everything is as bad as the Senator from Iowa says it is, and I doubt that, but assuming everything in the grain inspection service is as bad as the Senator from Iowa suggests, we hope to correct it by passing this legislation. It should be tightened up, it should be strengthened. But it is not the disaster painted by the Senator from Iowa.

If we are going to revamp every agency and every department every time somebody is indicated, we are going to spend all of our time in this Chamber changing everything in Government and some things outside of Government. If it is such a great idea to have such an agency as a separate grain inspection agency, then the Senator from Kansas will offer an amendment to let it apply to rice, tobacco, cotton, and everything else in this country.

I find that sometimes we are accused of protecting our parochial interests. It seems to this Senator that it is about time to protect some of the interests from more and more Federal Government. Here we have a classic example of a problem which we are trying to meet by the creation of another agency. The Senator from Kansas does not read that to the trend in America today or the philosophy or attitude of the American people. But it still prevails by a very narrow margin, as I look at the last vote in this body.

I hope that the amendment will be adopted.

I share the view of the Senator from Iowa (Mr. CLARK), and certainly Senator HUMPHREY, Senator BELLMON, and some of the other members of the committee, that we need to tighten up the system. We want to prevent abuses and fraud, protect the producer, protect the consumer, and protect the buyer overseas. But I am not willing to collapse because there have been some indictments and let the Federal Government do everything. It just does not seem possible for this Senator to paint such a rosy picture of what we can accomplish if we establish just one more Federal agency, when we have probably gotten to the root of the problem.

The difficulty now is that there have been so many different divisions and agencies within agencies and departments within the Department of Agriculture that that is probably the difficulty today. Let us not create another one. Let us give everyone a chance at least to improve the present program or improve the legislation which passes Congress and is signed by the President.

As this Senator said earlier. President Ford said recently in his speech in Texas—and he makes a number of those speeches in Texas these days—that he would veto S. 3055 in its present form, the so-called Humphrey-Clark bill. I commend President Ford for that. He wants to tighten up the system; we all want that. But let us not, in the process, create another Federal bureaucracy.

I yield back the remainder of my time.

Mr. HUMPHREY. May I say to the Senator, I do not want to get into an argument here about what President Ford is going to do. He has had plenty of time to do a lot about that inspection system. But we will debate that in time.

I love to argue with my friend from Kansas. He is a brilliant speaker, a tremendous advocate for his party's point of view. It is just too bad he does not have more facts on which to base the rhetoric. But on the basis of what I just said, and the Senator is willing to yield back the rest of his time, if it will expedite the action of the Senate, I yield back my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DOLE. Mr. President, I share the sentiment expressed by the Senator from Minnesota. But he said we will debate later. Let us debate now. He may not be here later.

Mr. HUMPHREY. I shall be here.

Mr. DOLE. The Senator may be running.

Mr. HUMPHREY. I am not even walking now.

Mr. CLARK. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. FORD), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from New Mexico (Mr. MONTOYA), the Senator from Rhode Island (Mr. PELL), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from New York (Mr. BUCKLEY), the Senator from Hawaii (Mr. FONG), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. HATFIELD), the Senator from Nevada (Mr. LAXALT), the Senator from Idaho (Mr. MCCLURE), the Senator from Alaska (Mr. STEVENS), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that the Senator from New Mexico (Mr. DOMENICI) is absent on official business.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI), the Senator from Oregon (Mr. HATFIELD), and the Senator from Texas (Mr. TOWER) would each vote "yea."

The result was announced—yeas 34, nays 39, as follows:

[Rollcall Vote No. 152 Leg.]

YEAS—34

Allen
Baker
Beall
Bellmon
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Case
Curtis
Dole
Fannin
Garn
Goldwater
Griffin
Hart, Gary
Helms
Hruska
Javits
Mathias
McClellan
Morgan
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Taft
Thurmond
Weicker
Young

NAYS—39

Bayh
Bumpers
Byrd, Robert C.
Cannon
Clark
Cranston
Culver
Durkin
Eastland
Glenn
Gravel
Hart, Philip A.
Hathaway
Hollings
Huddleston
Humphrey
Johnston
Leahy
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Nunn
Pastore
Proxmire
Randolph
Ribicoff
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Williams

NOT VOTING—27

Abourezk
Bartlett
Bentsen
Biden
Buckley
Chiles
Church
Domenici
Eagleton
Fong
Ford
Hansen
Hartke
Haskell
Hatfield
Inouye
Jackson
Kennedy
Laxalt
Long
Magnuson
McClure
Montoya
Pell
Stevens
Tower
Tunney

So Mr. DOLE's amendment (No. 1605) was rejected.

Mr. HUMPHREY. Mr. President, I

move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of myself, Senator BURDICK, and Senator HRUSKA and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 93, line 24, strike out "six months" and insert in lieu thereof "one year".

Mr. DOLE. Mr. President, I think the Senator from Kansas can say this in one sentence. This amendment would simply lengthen the period for the enactment of the federalization of inspection at all ports from 6 months to 12 months.

It occurs to the Senator from Kansas that the present provisions of S. 3055 pertaining to the federalization of inspection and weighing at all ports would become effective in October or November during the feedgrain harvest. Mr. President, there is genuine concern that transition to Federal inspection and weighing at that time could provide considerable confusion and possibly costly delays that would force down the prices paid to farmers.

For years, during harvest periods, whether wheat or feed grains, we have all seen the shortage of boxcars and other transportation equipment. If this transition to Federal jurisdiction should further complicate such delays, it could be disastrous to farm prices. My amendment would merely delay enactment of this federalization for an additional 6 months in order to assure an orderly transition and I would hope the Department of Agriculture would see to it that the transition would be accomplished as early next year as possible between the two harvest periods.

Mr. HUMPHREY. Mr. President, this amendment has a value in the sense that the 6-month period might interfere with the harvest.

We will take this amendment to conference. I want the Senator to understand that it may be necessary for us to alter that amendment in conference. But the purpose of the amendment, I think, is very legitimate.

Mr. President, I yield back the remainder of my time.

Mr. DOLE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. CRANSTON. Mr. President, the Grain Inspection Reform Act of 1976, S. 3055, is a good bill overall. It makes major needed reforms in our grain inspection system which has been characterized recently by the General Accounting Office as: First, operating without effective controls, procedures, or lines of authority; second, tolerating conflicts of interest between grain inspection and merchandising operations; and third, not responsive to the limited Federal supervision currently provided by the USDA's Agricultural Marketing Service.

Grain exports are a major factor in the U.S. balance-of-trade position. During fiscal year 1975, U.S. exports of grain subject to inspection totaled $12.5 billion.

The GAO has further noted:

> Weaknesses in the national inspection such as intentional misgrading of grain, system have led to extensive criminal abuses, shortweighing, and using improperly inspected carriers. Disclosure of these matters in the world press and in congressional hearings has resulted in an erosion of confidence in the system in the United States and internationally.

I believe it is especially important that the Senate take action today that can end the past abuses and restore national and international confidence in our grain inspection and export system. I will, therefore, vote for the committee bill.

I do have, however, one major reservation about S. 3055 as reported by the Senate Agriculture Committee. I believe that provision should be made to authorize the continuation of State inspection programs, under Federal supervision if necessary, where those programs are shown to be more economical and efficient. California's inspection system has worked well for our State and for export grain flowing through California.

The director of the California Department of Food and Agriculture, Mr. L. T. Wallace, has provided me information showing that total Federal takeover would cost more than allowing a continuation of the State inspection system in California. For example, California's inspection fees are in most cases considerably below those charged by the USDA:

	USDA	*California*
Hopper cars	$15.00	$8.00
All other rail cars	10.00	6.00
Truck lots	9.00	4.50
Submitted samples	6.00	3.00
Ship lots per 1000 bushels (corn)	2.25	*2.24
Hourly services	12.20	10.00
Hourly services, overtime	18.30	12.00

*$.08 per ton converted to bushels.

This adds up to an increased cost for a total Federal takeover in 1975–76 of $460,000. If the Federal takeover were to affect only export locations—excluding inland terminals—the increased cost would still amount to $325,000. While this figure is not, standing alone, an overwhelming cost increase, it nevertheless points to an important consideration in resolving this important issue of assuring renewed confidence in our grain inspection systems. I believe that the State of California has conducted an efficient, economical, and uncorrupt State inspection system and that provision should therefore be given, in the conference, to retaining the use of existing State inspection systems in cooperation with the new Federal inspection system established by S. 3055.

Mr. HUDDLESTON. Mr. President, S. 3055, the Grain Inspection Reform Act of 1976, responds to a set of serious problems that endanger our grain trade.

Anyone who has followed the press reports or the hearings of the past year knows that there are problems which simply must be rectified in order to put our grain trade back on the right track.

My Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices has held joint hearings with Senator HUMPHREY's Subcommittee on Foreign Agricultural Policy into the grain inspection scandal. Having been involved in the investigations from the beginning, I can say with certainty that this legislation is the result of extensive, exhaustive, and at times exasperating efforts by the committee.

No one appreciates the difficulties of finding solutions to marketing system problems more than I do. As chairman of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, I have devoted untold days to hearings, field investigations, and study into the intricacies of the overall agricultural marketing system.

Two years ago my subcommittee began looking at grain marketing systems from the country elevators in Minnesota and the Dakotas; to the inland terminals at Kansas City to the ports on the gulf. We held field hearings in Colorado, Texas, and Kentucky where we examined the production, processing, and distribution sectors at first hand.

The overall marketing system for agriculture is a hallmark of efficiency. However, the lesson I learned time after time is that this efficiency occurs only when there is market integrity. Fairness, honesty, and consistency are imperative at every stage of the marketing channel to achieve the efficient marketing of any product.

Producers, brokers, and buyers must all have faith in the grades and standards. They must be able to count on consistency in the application of those grades and standards and consistency in weights and measures.

Unfortunately this vital ingredient has been lost in our grain trade. Example after example of impropriety has been demonstrated in grain inspection, weighing, and marketing. S. 3055 will respond to these problems by:

First, instituting Federal inspection and supervised weighing of all grain exports and at the largest inland terminals.

Second, establishing a Federal Grain Inspection Agency in USDA. The administrator would be appointed by the President with the advice and consent of the Senate.

Third, providing for the elimination of actual and potential conflicts of interest in the inspection process, and for tough new civil and criminal penalties for violations of the act, and

Fourth, requiring large grain companies to provide for the first time basic information on their ownership and operations.

The proposed legislation is comprehensive. However, the grain trade system involved is complex; the problems as varied as the system is complex. And, band-aids are inadequate where compound fractures are evident.

The critics are arguing that this is further encroachment by the Federal Government on private enterprise. They suggest that the legislation seeks to destroy the profit motive which is the driving force of our economy. They suggest that we are vindictively punishing hundreds of hard-working, honest people.

Mr. President, I respect the profit motive but we must recognize that an unregulated profit motive can lead men and corporations into temptation, and beyond, as our investigations show.

Admittedly, this bill would displace a few private grain inspection firms. But, the State programs and personnel that would be displaced would in all likelihood be transferred to Federal service.

Finally, I want to stress the basic propriety of Government inspection because of the great disparity in economic power between the giant grain companies and our agricultural producers. They are not equal. The producers cannot expect equitable treatment without a neutral intermediary.

The idea of unfair competition finds its origins in the free enterprise sector, not in the Government. Today we have unfair competition in the grain industry because of unequal market power. This threatens the integrity of the entire grain system. It must not be allowed to prevail and thereby undermine the cases of free enterprise in that system.

Mr. President, I believe that S. 3055 is absolutely essential to restoring the integrity of one of America's most important businesses—the grain trade.

I urge my colleagues to support this legislation.

THE URGENT NEED FOR GRAIN STANDARDS LEGISLATION

Mr. McGOVERN. Mr. President, the legislation we are considering today did not come before this body in any hasty or ill-conceived manner. More than a year ago the Senate Committee on Agriculture and Forestry, principally through the efforts of the senior Senator from Iowa (Mr. CLARK) who journeyed to New Orleans for personal investigations, and the temporary legislation (S.J. Res. 88) introduced by Senator HUMPHREY and subsequently passed by the Senate, brought heavy focus to a problem of outlandish abuses in the inspection of grains. These abuses were bringing shame on our national reputation as an international shipper of agricultural commodities and reflected unfavorably on the integrity of the product of American farmers who have long been the envy of the civilized world.

During this period the Nation's attention was continually focused on the enormity of the problem largely through the able investigative reporting of James Risser of the Des Moines Register and William Robbins of the New York Times, two respected reporters writing in widely read newspapers. To add to the compendium of evidence of widespread corruption in the grain trade, the General Accounting Office on February 12, 1976, issued a report of the Comptroller General entitled "Assessment of the National Grain Inspection System" upon which the legislation we are considering today was largely based. Efforts to further underscore the need for action were undertaken by the Senate committee in establishing a special task force which went to New Orleans and conducted countless interviews which served as the basis for the committee hearings earlier this year.

As a result of this exhaustive background, Senator HUMPHREY, Senator CLARK, the distinguished chairman, Senator TALMADGE, and I introduced S. 3055. It was carefully considered in committee before being reported to the Senate.

Mr. President, last year we exported nearly $23 billion in agricultural products, more than half of which represented grain exports. There is clear evidence that many foreign importers are deserting us because the product they are receiving is adulterated, filled with cracked and broken kernels, or short-weighted. They are going to places like Brazil, Canada, Argentina, or Australia to fill orders that could be supplied by this country. Farmers are in a state of unrest because they fear the loss of markets and they also feel that the system has destroyed the integrity of a product which left their fields and combines in quality condition. The time to act is now and I urge every Member of this body to carefully consider these and other arguments in favor of the bill before casting their votes.

Mr. President, in conclusion, let me offer an editorial from the largest daily newspaper in South Dakota, the Sioux Falls Daily Argus-Leader which appeared on March 29, 1976, entitled "Pass Senate Grain Inspection Bill." I ask unanimous consent that the editorial be printed at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PASS SENATE GRAIN INSPECTION BILL

Three South Dakota, Iowa and Minnesota United States Senators are among the cosponsors of the new, tough Senate bill designed to reform grain inspection in this country.

The chief author of the measure is U.S. Senator Dick Clark (D-Iowa). His bill is cosponsored by Senators George McGovern (D-S.D.), Hubert Humphrey (D–Minn.) and Herman Talmadge (D-Ga.)

Humphrey's agriculture subcommittee approved the bill last week. It will go before the full Senate Agriculture Committee April 7, where a hard fight is expected on the measure.

The bill would federalize inspection at all export elevators and federal agents would also handle inspection duties at 25 major inland grain terminals in 10 states. The bill is designed to combat the scandals uncovered in handling of grain for export. Investigations thus far have resulted in indictments against 62 individuals and firms, on criminal charges which include misweighing, misgrading, grain theft, conspiracy, bribery and income tax invasion.

A much milder bill has been approved by the House Agriculture Committee.

The Ford Administration opposed the provision in the Senate bill which would set up terminals, and also the language in the measure which would set up a new, semi-independent federal grain inspection agency within the U.S. Department of Agriculture.

The grain trade, private agencies which handle inspections now and state departments of agriculture oppose federalization. They all want to keep their roles in the present inspection system.

Congress should enact a measure that will remove a blight on American agriculture: United States grain have been cheated on weights, quality, etc. The buyer in Europe or Asia now can't be sure they'll get what they order from United States firms.

We believe that the federalization approach taken by Clark, McGovern, Humphrey, and Talmadge is on the mark. Congress should pass the Senate measure—and the Ford Administration should lend its assistance to the effort.

United States grain exports amount of $12 billion a year—the largest source of income from overseas. Serving that market well is essential to the future of South Dakota and other farmers in the nation. The United States' credibility as a nation which will not tolerate cheating in export shipments is also at stake.

Mr. MANSFIELD and Mr. HUMPHREY. Third reading.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of H.R. 12572 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 12572) to amend the United States Grain Standards Act to improve the grain inspection and weighing system, and for other purposes.

The PRESIDING OFFICER. Without objection, the committee is discharged from further consideration of the bill, and without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. HUMPHREY. Mr. President, I move to strike all after the enacting clause of H.R. 12572 and insert therefor the language of S. 3055 as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on passage. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. FORD), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from New Mexico (Mr. MONTOYA), the Senator from Rhode Island (Mr. PELL), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Colorado (Mr. HASKELL) is officially absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BARTLETT), the Senator from New York (Mr. BUCKLEY), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. HATFIELD), the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Alaska (Mr. STEVENS), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that the Senator from New Mexico (Mr. DOMENICI) is absent on official business.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI), the Senator from Oregon (Mr. HATFIELD), and the Senator from Texas (Mr. TOWER) would each vote "nay."

On this vote, the Senator from Tennessee (Mr. BAKER) is paired with the Senater from Arizona (Mr. GOLDWATER). If present and voting, the Senator from Tennessee would vote "yea" and the Senator from Arizona would vote "nay."

The result was announced—yeas 52, nays 18, as follows:

[Rollcall Vote No. 153 Leg.]

YEAS—52

Bayh
Bellmon
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Durkin
Eastland
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hathaway
Hollings
Huddleston
Humphrey
Javits
Johnston
Leahy
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Talmadge
Weicker
Williams
Young

NAYS—18

Allen
Beall
Byrd, Harry F., Jr.
Curtis
Dole
Fannin
Garn
Griffin
Helms
Hruska
McClellan
Packwood
Pearson
Percy
Roth
Scott, William L.
Taft
Thurmond

NOT VOTING—30

Abourezk
Baker
Bartlett
Bentsen
Biden
Buckley
Chiles
Church
Domenici
Eagleton
Fong
Ford
Goldwater
Hansen
Hartke
Haskell
Hatfield
Inouye
Jackson
Kennedy
Laxalt
Long
Magnuson
Mathias
McClure
Montoya
Pell
Stevens
Tower
Tunney

So the bill (H.R. 12572), as amended, was passed, as follows:

That the United States Grain Standards Act (82 Stat. 761–770; 7 U.S.C. 71, 74–79, 84–87, and 87a–87h) is hereby amended to read as follows:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'United States Grain Standards Act'.

"DECLARATION OF POLICY

"SEC. 2. Grain is an essential source of the world's total supply of human food and animal feed and is merchandised in interstate and foreign commerce. It is declared to be the policy of the Congress, for the promotion and protection of such commerce in the interests of producers, merchandisers, warehousemen, processors, and consumers of grain, and the general welfare of the people of the United States, to provide for the establishment of official United States standards for grain, to promote the uniform application thereof by official inspection personnel, to provide for an official inspection system for grain, and to regulate the weighing and the certification of the weight of grain shipped in interstate or foreign commerce in the manner hereinafter provided; with the objectives that grain may be marketed in an orderly and timely manner and that trading in grain may be facilitated. It is hereby found that all grain and other articles and transactions in grain regulated under this Act are either in interstate or foreign commerce or substantially affect such commerce and that regulation thereof as provided in this Act is necessary to prevent or eliminate burdens on such commerce and to regulate effectively such commerce.

"DEFINITIONS

"SEC. 3. When used in this Act, except where the context requires otherwise—

"(a) the term 'Secretary' means the Secretary of Agriculture of the United States or his delegates;

"(b) the term 'Administrator' means the Administrator of the Federal Grain Inspection Agency established by section 4 of this Act or his delegates;

"(c) the term 'Department of Agriculture' means the United States Department of Agriculture;

"(d) the term 'Agency' means the Federal Grain Inspection Agency established by section 4 of this Act;

"(e) the term 'person' means any individual, partnership, corporation, association, or other business entity;

"(f) the term 'United States' means the States (including Puerto Rico) and the territories and possessions of the United States (including the District of Columbia);

"(g) the term 'State' means any one of the States (including Puerto Rico) or territories or possessions of the United States (including the District of Columbia);

"(h) the term 'interstate or foreign commerce' means commerce from any State to or through any other State, or to or through any foreign country;

"(i) the term 'grain' means corn, wheat, rye, oats, barley, flaxseed, sorghum, soybeans, mixed grain, and any other food grains, feed grains, and oil seeds for which standards are established under section 5 of this Act;

"(j) the term 'export grain' means grain for shipment from the United States to any place outside thereof;

"(k) the term 'official inspection' means the determination (by original inspection and, when requested, reinspection and appeal inspection) and the certification, by official personnel, of the kind, class, quality or condition of grain, or the condition of vessels and other carriers or receptacles for the transportation of grain insofar as it may affect the quality or condition of such grain, under standards provided for in this Act; or, upon the request of the interested party applying for inspection, other facts relating to grain under other criteria approved by the Administrator under this Act (the term 'officially inspected' shall be construed accordingly);

"(l) the term 'official personnel' means employees of the Agency, a State under agreement with the Administrator, or an official contractor licensed or otherwise authorized by the Administrator pursuant to section 13 of this Act to perform all or specified functions involved in official inspection, or official weighing, or in the supervision thereof, or in monitoring activities in foreign ports, with respect to grain regulated under this Act;

"(m) the term 'official mark' means any symbol prescribed by regulations of the Administrator to show the official determination of official inspection or official weighing;

"(n) the term 'official grade designation' means a numerical or sample grade designation, specified in the standards relating to kind, class, quality, and condition of grain, provided for in this Act;

"(o) the term 'official contractor' means a State or person who has entered into a contract with the Administrator authorized by sections 8, 9, and 11 of this Act for the conduct of official inspection (other than appeal inspection) or official weighing under this Act at a point designated by the Administrator (the term 'official contract' will be construed accordingly);

"(p) the terms 'official certificate' and 'official form' mean, respectively, a certificate or other form prescribed by regulations of the Administrator under this Act;

"(q) the term 'official sample' means a sample obtained from a lot of grain by, and submitted for official inspection by, official personnel (the term 'official sampling' shall be construed accordingly);

"(r) the term 'submitted sample' means a sample submitted by or for an interested person for official inspection, other than an official sample;

"(s) the term 'lot' means a specific quantity of grain identified as such;

"(t) the term 'interested person' means any person having a contract or other financial interest in grain as the owner, seller, purchaser, warehouseman, or carrier, or otherwise;

"(u) the verb 'ship' with respect to grain means transfer physical possession of the grain to another person for the purpose of transportation by any means of conveyance, or transport one's own grain by any means of conveyance;

"(v) the terms 'false', 'incorrect', and 'misleading' mean, respectively, false, incorrect, and misleading in any particular;

"(w) the term 'deceptive loading, handling, weighing, or sampling' means any manner of loading, handling, weighing, or sampling that deceives or tends to deceive official personnel, as specified by regulations of the Administrator under this Act;

"(x) the term 'export elevator' means any grain elevator, warehouse or other grain storage and handling facility in the United States as determined by the Administrator, from which grain is shipped from the United States to an area outside thereof;

"(y) the term 'major inland terminal elevator' means any terminal grain elevator, warehouse or other grain storage and handling facility in the United States, other than an export elevator, as determined by the Administrator, located in a terminal marketing area in the interior of the United States at which over fifty million bushels of grain are officially inspected in an average year;

"(z) the term 'official weighing' means the determination and the certification by official personnel of the quantity of a lot of grain under standards provided in this Act, based on the actual performance of weighing or the physical supervision thereof, to include the physical inspection and testing for accuracy of the weights and scales and (where the weighing is done in an elevator or warehouse) the physical inspection of the elevator or warehouse premises and the monitoring of the flow of grain into and out of the elevator or warehouse (the term 'officially weighed' shall be construed accordingly).

"ESTABLISHMENT OF FEDERAL GRAIN INSPECTION AGENCY

"SEC. 4. There is created and established in the Department of Agriculture an agency of the United States to be known as the Federal Grain Inspection Agency, all the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary, who shall be appointed by the President by and with the advice and consent of the Senate, for a term of ten years. The Administrator shall be responsible for the administration of this Act and for the establishment of policies, guidelines, and regulations by which the Agency is to carry out the provisions of this Act.

"STANDARDS

"SEC. 5. (a) The Administrator is authorized to investigate the handling, weighing, grading, and transportation of grain and to fix and establish (1) standards of kind, class, quality, and condition for corn, wheat, rye, oats, barley, flaxseed, sorghum, soybeans, mixed grain, and such other grains as in his judgment the usages of the trade may warrant and permit; and (2) standards for accurate weighing and weight certification procedures and controls including safeguards over equipment calibration and maintenance, for grain shipped in interstate or foreign commerce; and the Administrator is authorized to amend or revoke such standards whenever the necessities of the trade may require.

"(b) Before establishing, amending, or revoking any standards under this Act, the Administrator shall publish notice of the proposal and give interested persons opportunity to submit data, views, and arguments thereon and, upon request, an opportunity to present data, views, and arguments orally in an informal manner. No standards established or amendments or revocations of standards under this Act shall become effective less than one calendar year after promulgation thereof, unless in the judgment of the Administrator, the public health, interest, or safety require that they become effective sooner.

"OFFICIAL INSPECTION AND WEIGHING REQUIREMENTS

"SEC. 6. (a) Whenever standards are effective under section 5 of this Act for any grain—

"(1) no person shall ship from the United States to any place outside thereof any lot of such grain, unless such lot is officially weighed and officially inspected (on the basis of official samples taken after final elevation as near the final spout through which the grain passes as physically practicable as it is being loaded aboard, or while it is in, the final carrier in which it is to be transported from the United States) in accordance with such standards, and unless a valid official certificate showing the official grade designation and certified weight of the lot of grain has been provided by official personnel and is promptly furnished by the shipper, or his agent, to the consignee with the bill of lading or other shipping documents covering the shipment: *Provided, however*, That the Administrator may waive this requirement with respect to shipments from or to any area or any other class of shipments when in his judgment it is impracticable to provide official inspection or official weighing with respect to such shipments;

"(2) all other grain transferred out of and all grain transferred into an export elevator shall be officially weighed in accordance with such standards;

"(3) all grain that is officially inspected as it is being transferred into or out of a major inland terminal elevator shall also be officially weighed in accordance with such standards: *Provided, however*, That the Administrator may waive this requirement in emergency or other circumstances which would not impair the objectives of this Act; and

"(4) whenever the same lot of grain is both officially inspected and officially weighed, an official certificate shall be issued showing both the official grade designation and the certified weight of the lot of grain.

"(b) All official inspection and official weighing, whether performed by authorized Agency employees or any other person licensed under section 13 of this Act, shall be supervised by representatives of the Administrator, in accordance with such regulations as he may provide.

"REQUIRED USE OF OFFICIAL GRADE DESIGNATIONS AND PROHIBITION OF CERTAIN ACTS WITH RESPECT TO CERTAIN GRAIN

"SEC. 7. (a) Whenever standards relating to kind, class, quality, and condition of grain are effective under section 5 of this Act for any grain, no person shall in any sale, offer for sale, or consignment for sale, which involves the shipment of such grain in interstate or foreign commerce, describe such grain as being of any grade in any advertising, price quotation, other negotiation of sale, contract of sale, invoice, bill of lading, other document, or description on bags or other containers of the grain, other than by an official grade designation, with or without additional information as to specified factors: *Provided*, That the description of such grain by any proprietary brand name or trademark that does not resemble an official grade designation, or with respect to interstate commerce, by the use of one or more grade factor designations set forth in the official United States standards for grain, or by other factor information shall not be deemed to be a description of grain as being of any grade.

"(b) No person shall, in any sale, offer for sale, or consignment for sale, of any grain which involves the shipment of such grain from the United States to any place outside thereof, describe such grain by any official grade designation, or other description which is false or misleading.

"OFFICIAL INSPECTION AUTHORITY

"SEC. 8. (a) The Administrator is authorized to cause official inspection under the standards provided for in section 5 of this Act to be made of all grain required to be officially inspected as provided in section 6 of this Act, in accordance with such regulations as he may prescribe.

"(b) The Administrator is further authorized, upon request of any interested person, and under such regulations as he may prescribe, to cause official inspection to be made with respect to any grain whether by official sample, submitted sample, or otherwise, within the United States under standards provided for in section 5 of this Act, or upon request of the interested person, official inspection under other criteria approved by the Administrator for determining kind, class, quality, or condition of grain, or other facts relating to grain, whenever in his judgment providing such service will effectuate any of the objectives stated in section 2 of this Act.

"(c) The regulations prescribed by the Administrator under this Act shall include provisions for reinspections and appeal inspections; cancellation and surrender of certificates superseded by reinspections and appeal inspections; and the use of standard forms for official certificates. The Administrator is authorized to provide by regulation that samples obtained by or for employees of the Agency for purposes of official inspection shall become the property of the United States, and such samples may be disposed of without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.).

"(d) Official certificates setting out the results of official inspection, issued and not canceled under this Act, shall be received by all officers and all courts of the United States as prima facie evidence of the truth of the facts stated therein.

"(e) The Administrator shall cause all official inspection at export elevators and major inland terminal elevators for grain required or authorized to be inspected by this Act to be performed by official personnel employed by the Agency. The Administrator is authorized to provide that grain loaded at any interior point in the United States into a rail car, barge, or other container as the final carrier in which it is to be transported from the United States shall be inspected in the same manner.

"(f) With respect to official inspection other than at export elevators or major inland terminal elevators at locations which the Administrator determines official inspection is needed for grain required or authorized to be inspected by this Act, the Administrator is authorized to cause such inspection to be performed by official personnel employed by the Agency or enter into a contract with any State or person for the conduct of all or specified functions involved in official inspection (other than appeal inspection) as provided in section 11 of this Act.

"(g) The Administrator is authorized to cause official inspection under this Act to be made, as provided in subsection (a) of this section, in Canadian ports of United States export grain transshipped through Canadian ports, and pursuant thereto the Secretary is authorized to enter into an agreement with the Canadian Government for such inspection.

"(h) No State or person other than an employee of the Agency shall perform any official inspection functions for the purposes of this Act except in accordance with the provisions of a valid official contract.

"OFFICIAL WEIGHING AUTHORITY

"SEC. 9. (a) The Administrator is authorized to cause official weighing under standards provided for in section 5 of this Act to be made of all grain required to be officialy weighed as provided in section 6 of this Act, in accordance with such regulations as he may prescribe.

"(b) The Administrator is further authorized, upon the request of any interested person, and under such regulations as he may prescribe, to cause official weighing under standards provided for in section 5 of this Act, to be made with respect to any grain that is officially inspected as provided in section 8 of this Act or at any elevator, warehouse, or other grain storage and handling facility at which official inspection is provided, pursuant to the provisions of this Act.

"(c) The Administrator is further authorized to cause official weighing under standards provided for in section 5 of this Act to be made at elevators not subject to subsections (a) and (b) of this section, upon request of such elevator and in accordance with such regulations as he may prescribe. Such official weighing service shall not be provided for periods of less than one year; and the fees therefor shall be set separately from those fees provided for in section 12 of this Act and shall be reasonable, nondiscriminatory, and equal, as nearly as possible, to the cost of providing such services.

"(d) The Administrator shall cause all official weighing at export elevators and major inland terminal elevators for grain required or authorized to be officially weighed by this Act to be performed by official personnel employed by the Agency: *Provided, however,* That, with respect to official weighing other than at export elevators, the Administrator is authorized to enter into an agreement with a State for the conduct of such activities under the supervision of the Agency, with respect to elevators and warehouses subject to its jurisdiction if the Administrator finds that the State in which the weighing is done, conducts weighing under procedures equivalent to those prescribed under this section.

"(e) With respect to official weighing other than at export elevators or major inland terminal elevators, at locations with respect to which the Administrator has not entered into an agreement with a State for the conduct of official weighing as provided in subsection (d) of this section, for grain required or authorized to be weighed by this Act, the Administrator is authorized to cause such weighing to be performed by official personnel employed by the Agency or enter into an official contract with any State or person for the conduct of all or specified functions involved in official weighing, as provided in section 11 of this Act.

"(f) The Administrator is authorized to cause official weighing under this Act to be made, as provided in subsection (a) of this section, in Canadian ports of United States grain transshipped through Canadian ports; and pursuant thereto the Secretary is authorized to enter into an agreement with the Canadian Government for such official weighing.

"(g) Official certificates setting out the results of official weighing, issued and not canceled under this Act, shall be received by all officers and all courts of the United States as prima facie evidence of the truth of the facts stated therein.

"(h) No State or person other than an authorized employee of the Agency shall perform official weighing for the purposes of this Act except in accordance with the provisions of an agreement as provided in subsection (d) of this section or a valid official contract.

"(i) Notwithstanding any other provision of law, no person shall weigh, or state in any document the weight of, any lot of grain shipped in interstate or foreign commerce, in any State of the United States, except in accordance with any such regulations and procedures described in this section that may apply to such lot of grain unless such jurisdiction is enforcing equivalent procedures under its laws pursuant to an agreement under subsection (d) of this section.

"(j) The provisions of this section shall not limit any authority vested in the Secretary under the United States Warehouse Act (39 Stat. 486, as amended; 7 U.S.C. 241 et seq.).

"(k) The representatives of the Administrator and persons employed by a State under an agreement or an official contractor shall be afforded access to any elevator, warehouse, or other grain storage and handling facility from which grain is delivered for shipment in interstate or foreign commerce or to which grain is delivered from shipment in interstate or foreign commerce and all facilities therein for weighing grain, for the purpose of providing official weighing or performing supervision thereof under this section.

"TESTING OF EQUIPMENT

"Sec. 10. (a) The Administrator shall provide for the testing of all equipment used in the inspection, grading, and weighing of grain located at all elevators, warehouses, and other grain storage and handling facilities at which official inspection or official weighing is provided under this Act, to be made on a random and periodic basis, but at least twice annually and under such regulations as the Administrator may prescribe, as he deems necessary to assure the accuracy and integrity of such mechanical equipment.

"(b) Notwithstanding any other provision of law, the Administrator is authorized to supervise the testing, by States, political subdivisions thereof, and private persons, of equipment located at any grain elevator, warehouse, or other grain storage and handling facility from which grain is shipped in interstate or foreign commerce under such regulations as he may prescribe and at such intervals as he deems necessary to assure the accuracy and integrity of such equipment.

"(c) Notwithstanding any other provision of law, no person shall use any equipment disapproved by the Administrator.

"CONTRACTING AUTHORITY

"Sec. 11. (a) The Administrator shall, prior to entering into a contract with a State or person for the performance of official inspection or official weighing functions as provided in section 8 and 9 of this Act, make a determination that—

"(1) such State or person—

"(A) has adequate facilities and qualified personnel for the performance of such official functions;

"(B) will conduct such training and provide such supervision of its personnel as are necessary to assure that they will provide official inspection or official weighing in accordance with this Act and the regulations and instructions thereunder;

"(C) or employees thereof do not have any conflicts of interest prohibited by subsection (b) of this section, and section 16 of this Act;

"(D) will maintain complete and accurate records of its organization, staffing, official activities, and fiscal operations, and such other records as the Administrator may require by regulation;

"(E) will comply with all provisions of this Act and the regulations and instructions thereunder;

"(F) meets other criteria established in regulations issued under this Act relating to the performance of official inspection or official weighing;

"(G) will provide for the periodic rotation of official personnel at the various elevators for which the State or person provides inspection or weighing, or both, as is necessary to preserve the integrity of the official inspection system; and

"(2) The applicant is better able than any other applicant to provide official inspection or official weighing service.

"(b) The Administrator shall not contract for the performance of these official functions as provided in sections 8 and 9 of this Act with (1) any person who owns, operates, or is employed by a commercial grain elevator or warehouse, is currently engaged in the merchandising of grain or is financially interested in (directly or otherwise) any business entity which owns or operates any commercial grain elevator or warehouse, or is currently engaged in the merchandising of grain; or (2) any corporation, partnership, association, or other business entity owned (fully or otherwise), operated, or managed by such person.

"(c) Official contracts shall include provisions that permit employees of the Agency authorized to supervise the official inspection or weighing of grain to supervise the activities of the official contractor in such manner as the Administrator deems necessary.

"(d) Official contracts shall terminate at such time as specified by the Administrator but not later than at the end of five years and may be renewed in accordance with the criteria prescribed in this section. Official contracts may be amended at any time upon application by the official contractor if the Administrator determines that the amendment will be consistent with the provisions and objectives of this Act; and such a contract will be canceled upon request by the official contractor with ninety days written notice to the Administrator. A fee as prescribed by regulations of the Administrator shall be paid to the Administrator for each such amendment to cover the costs incurred by the Agency in connection therewith, and it shall be deposited in the fund provided for in section 12.

"(e) The Administrator may revoke an official contract whenever, after opportunity for hearing is afforded the official contractor, the Administrator determines that the official contractor has failed to meet one or more of the criteria specified in subsection (a) of this section or the regulations under this Act for the performance of functions under this Act, or otherwise has not complied with any provisions of this Act or any regulation prescribed or instruction issued to such contractor under this Act, or (with respect to a person contracting with the Administrator) has been convicted of any violation of other Federal law involving the handling, weighing, or official inspection of grain: *Provided,* That the Administrator may, without first affording the official contractor an opportunity for a hearing, suspend an official contract pending final determination of the proceeding whenever the Administrator has reason to believe there is cause for revocation of the official contract and considers such action necessary to effectuate the objectives and purposes of this Act. The Administrator shall afford such person an opportunity for a hearing within thirty days after temporarily suspending such contract.

"FEES FOR SERVICE

"Sec. 12. The Administrator shall, under such regulations as he may prescribe, charge and collect fees for the performance of official inspection and official weighing in the United States and for United States grain transshipped through Canadian ports and testing of equipment. The fees authorized by this section shall be reasonable, nondiscriminatory, and as nearly equal as possible in each geographic area of the United States and, after taking into consideration any proceeds from the sale of samples, cover the costs of the Agency incident to the performance of these services and supervisory and administrative costs directly related thereto, except as provided in section 26 of this Act: *Provided, however,* That the amount of such fees shall not be increased during the course of any fiscal year more than 10 per centum over the amount of the fee in effect at the end of the previous fiscal year without the express authorization of the Administrator. Fees collected pursuant to an official contract shall include amounts to cover Agency supervision of the activities of the official contractor, except as provided for in section 26 of this Act. Such fees, and the proceeds from the sale of samples obtained for purposes of official inspection which become the property of the United States, shall be deposited into a fund which shall be available without fiscal year limitation for the expenses of the Agency incident to providing services under this Act.

"LICENSES AND AUTHORIZATIONS

"Sec. 13. (a) The Administrator is authorized to (1) issue a license to any individual upon presentation to him of satisfactory evidence that such individual is competent, and is employed by an official contractor, to perform all or specified functions involved in official inspection or official weighing of grain; (2) issue a license to any individual upon presentation to him of satisfactory evidence that such individual is competent, and is employed by a State with whom the Administrator has entered into an agreement pursuant to this Act, to perform official weighing of grain; (3) authorize any competent employee of the Agency to (i) perform all or specified original or appeal inspection functions involved in official inspection of grain, (ii) perform official weighing of grain, (iii) supervise the official inspection or official weighing of grain or the testing of equipment, and (iv) perform monitoring activities in foreign ports with respect to grain officially inspected and officially weighed under this Act; (4) contract with any person to perform specified sampling or laboratory functions involved in the official inspection of grain; and (5) contract with any person for the performance of monitoring activities in foreign ports with respect to grain officially inspected and officially weighed under this Act. No person shall perform any official inspection or official weighing function for purposes of this Act unless he holds an unsuspended and unrevoked license or authorization from the Administrator under this Act.

"(b) All classes of licenses and authorizations issued under this Act shall terminate triennially on a date or dates to be fixed by regulation of the Administrator: *Provided*, That any license or authorization shall be suspended automatically when the licensee or authorized person ceases to be employed by the Agency or under an official contract or agreement, for the conduct of any official function under this Act: *Provided further*, That subject to subsection (c) of this section, such license or authorization shall be reinstated if the licensee or authorized person is employed by the Agency or an official contractor or a State under an agreement, within one year of the suspension date and the license or authorization has not expired in the interim.

"(c) The Administrator may require such examinations and reexaminations as he may deem warranted to determine the competence of any applicants for licenses, licensees, or employees of the Agency to perform any official inspection or official weighing function under this Act.

"(d) Persons employed by an official contractor to perform official inspection or official weighing functions or by a State under an agreement to perform official weighing and persons performing specified sampling or laboratory functions under contract with the Administrator as provided in subsection (a) of this section shall not, unless otherwise employed by the United States Government, be deemed to be employees of the United States Government: *Provided, however*, That such persons shall be considered, in the performance of any official inspection or official weighing function as prescribed by this Act or by the regulations of the Administrator, as persons acting on behalf of the United States for the purpose of determining the application of section 201 of title 18, United States Code, to such persons.

"(e) The Administrator shall provide for the periodic rotation of supervisory personnel and official personnel employed by the Agency as he deems necessary to preserve the integrity of the system for official inspection and official weighing providing by this Act.

"(f) The Administrator shall develop and effectuate uniform standards for the recruiting, training, and supervising of official personnel and work production standards for such personnel, which shall be applicable to the Agency and all official contractors and all persons licensed or authorized to perform official functions under this Act: *Provided, however*, That persons licensed or authorized as of June 1, 1976, to perform any official function under this Act, shall be exempted from any of the uniform recruiting and training provisions of this subsection or regulations or standards issued pursuant thereto if the Administrator determines that such persons are technically and professionally qualified for the duties to which they will be assigned and they agree to complete whatever additional training the Administrator deems necessary.

"REFUSAL OF RENEWAL, OR SUSPENSION OR REVOCATION, OF LICENSES AND AUTHORIZATIONS

"SEC. 14. The Administrator may refuse to renew, or may suspend or revoke, any license or authorization issued under this Act whenever, after the licensee or authorized person has been afforded an opportunity for a hearing, the Administrator shall determine that such licensee or authorized person is incompetent, or has inspected or weighed grain for purposes of this Act by any standard or criteria other than as provided for in this Act, or has issued, or caused the issuance of, any false or incorrect official certificate or other official form, or has knowingly or carelessly inspected or weighed grain improperly under this Act, or has accepted any money or other consideration, directly or indirectly, for any neglect or improper performance of duty, or has used his license or authorization or allowed it to be used for any improper purpose, or has otherwise violated any provision of this Act or of the regulations prescribed or instructions issued to him by the Administrator under this Act. The Administrator may, without first affording the licensee or authorized person an opportunity for a hearing, suspend any license or authorization temporarily pending final determination whenever the Administrator deems such action to be in the best interest of the official inspection system under this Act. The Administrator may summarily revoke any license whenever the licensee or authorized person has been convicted of any offense prohibited by section 18 of this Act or convicted of any offense proscribed by title 18, United States Code, with respect to performance of official duties under this Act.

"REFUSAL OF OFFICIAL INSPECTION OR OFFICIAL WEIGHING AND CIVIL PENALTIES

"SEC. 15. (a) The Administrator may (for such period, or indefinitely, as he deems necessary to effectuate the purposes of this Act) refuse to provide official inspection or official weighing otherwise available under this Act with respect to any grain offered for inspection or weighing, or owned, wholly or in part, by any person if he determines (1) that the individual (or in case such person is a partnership, any general partner; or in case such person is a corporation, any officer, director, or holder or owner of more than 10 per centum of the voting stock; or in case such person is an unincorporated association or other business entity, any officer or director thereof) has committed any violation of section 18 of this Act or has been convicted of any violation of any other Federal law involving the handling, weighing, or inspection of grain, or that official inspection or official weighing has been refused for any of the above-specified causes (for a period which has not expired) to such person, or any other person conducting a business with which the former was, at the time such cause existed, or is responsibly connected; and (2) that providing official inspection or official weighing with respect to such grain would be inimical to the integrity of the official inspection and official weighing service. In addition to, or in lieu of, penalties provided under section 19 of this Act, the Administrator may refuse to provide official inspection or official weighing in accordance with this section or assess against the respondent a civil penalty not to exceed $100,000 for each such violation, or both, as the Administrator determines is appropriate to effectuate the objectives stated in section 2 of this Act.

"(b) For purposes of subsection (a) of this section, a person shall be deemed to be responsibly connected with a business if he was or is a partner, officer, director, or holder or owner of 10 per centum or more of its voting stock, or an employee in a managerial or executive capacity.

"(c) Before official inspection or official weighing is refused to any person or a civil penalty is assessed against any person under subsection (a), such person shall be afforded opportunity for a hearing in accordance with sections 554, 556, and 557 of title 5, United States Code: Provided, That the Administrator may, without first affording the person a hearing, refuse official inspection or official weighing temporarily pending final determination whenever the Administrator has reason to believe there is cause for refusal of inspection or weighing and considers such action to be in the best interest of the official inspection and official weighing system under this Act. The Administrator shall afford such person an opportunity for a hearing within seven days after temporarily refusing inspection or weighing.

"(d) Moneys received in payment of such civil penalties shall be deposited in the general fund of the United States Treasury. Upon failure to pay the penalties assessed under this section, the Administrator may request the Attorney General of the United States to institute a civil action to collect the penalties in the appropriate court identified in subsection (f) of section 22 of this Act for the jurisdiction in which the respondent is found or resides or transacts business, and such court shall have jurisdiction to hear and decide any such action.

"PROHIBITION ON CERTAIN CONFLICTS OF INTEREST

"SEC. 16. No person licensed or authorized by the Administrator pursuant to section 13 of this Act to perform any official function under this Act, or employed by the Administrator in otherwise carrying out any of the provisions of this Act, shall, during the term of such license, authorization, or employment, (a) be financially interested (directly or otherwise) in any business entity owning or operating any grain elevator or warehouse or engaged in the merchandising of grain, or (b) be in the employment of, or accept gratuities from, any such entity, or (c) be engaged in any other kind of activity specified by regulation of the Administrator as involving a conflict of interest: *Provided, however*, That the Administrator may license qualified employees of any grain elevator or warehouse to perform official sampling functions, under such conditions as the Administrator may by regulation prescribe, and the Administrator may by regulation provide such other exceptions to the restrictions of this section as he determines are consistent with the purposes of this Act.

"RECORDS

"SEC. 17. (a) Every official contractor and every person licensed to perform any official inspection or official weighing function under this Act shall maintain such samples of officially inspected grain and such other records as the Administrator may by regulation prescribe for the purpose of administration and enforcement of this Act

"(b) Every official contractor required to maintain records under this section shall keep such records for a period of five years after the inspection or transaction, which is the subject of the record, occurred: *Provided, however*, That grain samples shall be required to be maintained only for such period not in excess of ninety days as the Administrator, after consultation with the grain trade and taking into account the needs and circumstances of local markets, shall prescribe; and in specific cases other records may be required by the Administrator to be maintained for not more than three years in addition to said five-year period whenever in his judgment the retention of such records for the longer period is necessary for the effective administration and enforcement of this Act.

"(c) Every official contractor required to maintain records under this section shall permit any authorized representative of the Secretary or the Administrator, to have access to, and to copy, such records at all reasonable times.

"(d) Every State, political subdivision thereof, or person who is the owner or operator of a commercial grain elevator or warehouse or is engaged in the merchandising of grain other than as a producer, and who, at any time, has obtained or obtains official inspection or official weighing shall, within the five-year period thereafter, maintain complete and accurate records of purchases, sales, transportation, storage, weighing, handling, treating, cleaning, drying, blending, and other processing, and official inspection and official weighing of grain, and permit any authorized representative of the Secretary or the Administrator at all reasonable times, to have access to, and to copy, such records and to have access to any grain elevator or other facility used by such person for handling of grain, pursuant to sections 21 and 22 of this Act.

"PROHIBITED ACTS

"SEC. 18. (a) No person shall knowingly, intentionally, recklessly, or negligently—

"(1) falsely make, issue, alter, forge, or counterfeit any official certificate or other official form or official mark;

"(2) utter, publish, or use as true any falsely made, issued, altered, forged, or counterfeited official certificate or other official form or official mark, or possess, without promptly notifying the Administrator or his representative, or fail to surrender to such a representative upon demand, any falsely made, issued, altered, forged, or counterfeited official certificate or other official form, or any device for making any official mark or simulation thereof, or possess any grain in a container bearing any falsely made, issued, altered, forged, or counterfeited official mark without promptly giving such notice;

"(3) cause or attempt (whether successfully or not) to cause the issuance of a false or incorrect official certificate or other official form by any means, including but not limited to deceptive loading, handling, weighing, or sampling of grain, or submitting grain for official inspection or official weighing that has been deceptively loaded, handled, weighed, or sampled;

"(4) alter any official sample of grain in any manner or, if an official sample has been altered, thereafter represent it as an official sample;

"(5) use any official grade or weight designation or official mark on any container of grain by means of a tag, label, or otherwise, unless the grain in such container was officially inspected on the basis of an official sample taken while the grain was being loaded into or was in such container or officially weighed, respectively, and the grain was found to qualify for such designation or mark;

"(6) make any false representation that any grain has been officially inspected, officially weighed, or officially inspected or officially weighed and found to be of a particular kind, class, quality, condition, or quantity, or that particular facts have been established with respect to grain by official inspection or official weighing under this Act;

"(7) engage in the falsifying of the weight quality, or grade of any grain shipped in interstate or foreign commerce by any means, including, but not limited to, the use of inaccurate, faulty or defective testing equipment;

"(8) forcibly assault, resist, oppose, impede, intimidate, or interfere with any person licensed to perform official inspection or official weighing in, or on account of, the performance of his duties under this Act;

"(9) falsely represent that he is licensed or authorized to perform an official inspection or official weighing function under this Act;

"(10) use any false or misleading means in connection with the making or filing of an application for official inspection or official weighing; or

"(11) violate any provision of section 6, 7, 8, 9, 10, 13, 16, or 17 of this Act.

"(b) No person licensed or authorized to perform any function under this Act shall knowingly, intentionally, recklessly, or negligently—

"(1) commit any offense prohibited by subsection (a);

"(2) perform improperly any official sampling, inspection, weighing, or other official function under this Act; or

"(3) execute or issue any false or incorrect official certificate or other official form.

"PENALTIES

"SEC. 19. (a) Any person who knowingly or intentionally commits any offense prohibited by section 18 shall be guilty of a felony and shall, on conviction thereof, be subject to imprisonment for not more than five years, a fine of not more than $10,000, or both such imprisonment or fine.

"(b) Any person who recklessly or negligently commits any offense prohibited by section 18 shall be guilty of a misdemeanor and shall, on conviction thereof, be subject to imprisonment for not more than nine months, a fine of not more than $5,000, or both such imprisonment or fine.

"(c) Nothing in this Act shall be construed as requiring the Administrator to report minor violations of this Act for criminal prosecution when he believes that the public interest will be adequately served by a suitable written notice of warning, or to report any violation of this Act for prosecution when he believes that institution of a proceeding under section 15 of this Act will obtain compliance with this Act and he institutes such a proceeding.

"RESPONSIBILITY FOR ACTS OF OTHERS

"SEC. 20. When construing and enforcing the provisions of this Act, the act, omission, or failure of any official, agent, or other person acting for or employed by any association, partnership, or corporation within the scope of his employment or office shall, in every case, also be deemed the act, omission, or failure of such association, partnership, or corporation as well as that of the person.

"GENERAL AUTHORITIES

"SEC. 21. (a) The Administrator is authorized to conduct such investigations, hold such hearings, require such reports from any official contractor, licensee or other person, require by regulation as a condition for official inspection or official weighing, among other things, the installation of specified sampling, weighing, handling, and monitoring equipment in grain elevators and approval of the condition of carriers and containers for transporting or storing grain, and prescribe such other rules, regulations and instructions as he deems necessary to effectuate the purposes or provisions of this Act. Whether any certificate, other form, representation, designation, or other description is false, incorrect, or misleading within the meaning of this Act shall be determined by tests made in accordance with such procedures as the Administrator may adopt to effectuate the objectives of this Act, if the relevant facts are determinable by such tests. Proceedings under section 14 of this Act for refusal to renew, or for suspension or revocation of, a license, shall not, unless requested by the respondent, be subject to the administrative procedure provisions in sections 554, 556, and 557 of title 5, United States Code.

"(b) The Administrator is authorized to investigate reports or complaints of discrepancies and abuses in the official inspection and official weighing of grain under this Act. He shall prescribe by regulation procedures for (1) promptly investigating (i) complaints of foreign grain purchasers regarding the official inspection or official weighing of grain shipped from the United States, (ii) the cancellation of any contract for the sale of grain required to be inspected or weighed under this Act, and (iii) any complaint regarding the operation or administration of this Act or any official transaction with which this Act is concerned, and (2) taking appropriate action on the basis of the findings of any investigation of such complaints. The Administrator shall report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry at the end of every three-month period with respect to investigative action taken on complaints, during the immediately preceding three-month period.

"(c) The Administrator is authorized to cause official personnel to monitor in foreign nations which are substantial importers of grain from the United States, grain imported from the United States upon its entry into the foreign nation, to determine whether such grain is of a comparable kind, class, quality, and condition after considering the handling methods and conveyance utilized at the time of loading, and the same quantity that it was certified to be upon official inspection and official weighing in the United States.

"(d) The Office of Investigation of the Department (or such other organization or agency within the Department which may be delegated the authority, in lieu thereof, to conduct investigations on behalf of the Department) is authorized and directed to conduct such investigations regarding the operation or administration of this Act or any official transaction with which this Act is concerned, as the Director thereof deems necessary to assure the continued integrity of official inspection and official weighing under this Act.

"(e) The Administrator is authorized to conduct, in cooperation with the Department of Agriculture and other agencies within the Department of Agriculture, a continuing research program for the purpose of developing methods to improve accuracy and uniformity in grading grain.

"(f) To assure the normal movement of grain at all inspection points in a timely manner consistent with the policy expressed in section 2 of this Act, the Administrator shall, notwithstanding any other provision of law, provide adequate personnel to avoid delay that might be caused by the additional inspection requirements of this Act.

"ENFORCEMENT PROVISIONS

"SEC. 22. (a) For the purposes of this Act, the Administrator shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any person with respect to whom such authority is exercised; and the Administrator shall have power to require by subpena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation by the Administrator, and may administer oaths and affirmations, examine witnesses, and receive evidence.

"(b) Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated place of hearing. In case of disobedience to a subpena the Administrator may invoke the aid of any court designated in subsection (f) of this section in requiring the attendance and testimony of witnesses and the production of documentary evidence.

"(c) Any such court within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any person, issue an order requiring such person to appear before the Administrator or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(d) Witnesses summoned before the Administrator shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses from whom depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

"(e) Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce documentary evidence, if in his power to do so, in obedience to the subpena or lawful requirement of the Administrator, shall be guilty of a misdemeanor, and upon conviction thereof be subject to imprisonment for not more than six months, a fine of not more than $3,000, or both such imprisonment and fine.

"(f) The United States district courts, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other territories and possessions of the United States shall have jurisdiction in cases arising under this Act.

"REPORTING REQUIREMENTS

"SEC. 23. (a) On December 1 of each year, the Administrator shall report to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture and Forestry of the Senate, regarding the effectiveness of the official grain inspection system under this Act for the prior fiscal year, with recommendations for any legislative changes he believes are necessary to accomplish the objectives stated in section 2 of this Act.

"(b) The Administrator shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate (1) of any complaint regarding faulty grain delivery made to the Department by a foreign purchaser of United States grain, within thirty days after a determination by the Administrator that there is reasonable cause to believe that the grain delivery was in fact faulty, and (2) within thirty days after receipt by him or the Secretary of the cancellation of any contract for the export of more than one hundred thousand metric tons of grain.

"(c) On December 1 of each year, the Administrator shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate a summary of all other complaints from foreign purchasers and prospective purchasers of United States grain, and other foreign purchasers interested in the trade of grain received by the Department of Agriculture and the resolution thereof during the prior fiscal year: *Provided*, That the summary shall not include a complaint unless reasonable cause exists to believe that the complaint is valid, as determined by the Administrator.

"REGISTRATION REQUIREMENTS

"SEC. 24. (a) The Administrator shall provide, under such regulations as he may prescribe, for the registration of all persons engaged in the business of buying grain for sale in foreign commerce, and in the business of handling, weighing, or transporting of grain for sale in foreign commerce. This section shall not apply to—

"(1) any person who only incidentally or occasionally buys for sale, or handles, weighs, or transports grain for sale and is not engaged in the regular business of buying grain for sale, or handling, weighing, or transporting grain for sale;

"(2) any producer of grain who only incidentally or occasionally sells or transports grain which he has purchased;

"(3) any person who transports grain for hire and does not own a financial interest in such grain; or

"(4) any person who buys grain for feeding or processing and not for the purpose of reselling and only incidentally or occasionally sells such grain as grain.

"(b)(1) All persons registered under this Act must submit the following information to the Administrator:

"(A) the name and principal address of the business,

"(B) the names of all directors of such business,

"(C) the names of the principal officers of such business,

"(D) the names of all persons in a control relationship with respect to such business,

"(E) a list of locations where the business conducts substantial operations, and

"(F) such other information as the Administrator deems necessary to carry out the purposes of this Act.

Persons required to register under this section shall also submit to the Administrator the information specified in clauses (A) through (F) of this paragraph with respect to any business engaged in the business of buying grain for sale in interstate commerce, and in the business of handling, weighing, or transporting of grain for sale in interstate commerce, if, with respect to such business, the person otherwise required to register under this section is in a control relationship.

"(2) For purposes of subparagraph (D) of paragraph (1), the word 'person' shall mean any individual or any business entity of whatever form.

"(3) For purposes of this section, a person shall be deemed to be in a 'control relationship' with respect to a business required to register under subsection (a) and with respect to applicable interstate businesses if—

"(A) such person has an ownership interest of 10 per centum or more in such business, or

"(B) a business or group of business entities, with respect to which such person is in a control relationship, has an ownership interest of 10 per centum or more in such business.

"(4) For purposes of subparagraphs (A) and (B) of paragraph (3) above, a person shall be considered to own the ownership interest which is owned by his or her spouse, minor children, and relatives living in the same household.

"(c) The Administrator shall issue a certificate of registration to persons who comply with the provisions of this section. The certificate of registration issued in accordance with this section shall be renewed annually. If there has been any change in the information required under subsection (b), the person holding such certificate shall, within thirty days of the discovery of such change, notify the Administrator of such change. No person shall engage in the business of buying grain for sale in foreign commerce, and in the business of handling, weighing, or transporting of grain in foreign commerce unless he has registered with the Administrator as required by this Act and has an unsuspended or unrevoked certificate of registration.

"(d) The Administrator may suspend or revoke any certificate of registration issued under this section whenever, after the person holding such certificate has been afforded an opportunity for a hearing, the Administrator shall determine that such person has violated any provision of this Act or of the regulations promulgated thereunder, or has been convicted of any violation involving the weighing, handling or inspection of grain under title 18 of the United States Code. The Administrator may, without first affording such person an opportunity for a hearing, suspend any certificate of registration temporarily pending final determination whenever the Administrator deems such action to be in accordance with the purposes of this Act, except that the Administrator shall afford any such person an opportunity for hearing within thirty days after temporarily suspending such certificate of registration.

"(e) The Administrator shall charge and collect fees from any person registered pursuant to subsection (a). The amount of such fees shall be determined on the basis of the costs of the Administrator in administering the registration directed by subsection (a). Such fees shall be deposited in, and used as part of, the fund described in section 12 of this Act.

"RELATION TO STATE AND LOCAL LAWS; SEPARABILITY OF PROVISIONS

"SEC. 25. (a) No State or subdivision thereof may require the inspection or description in accordance with any standards of kind, class, quality, condition, or other characteristics of grain as a condition of shipment, or sale, of such grain in interstate or foreign commerce, or require any license for, or impose any other restrictions upon, the performance of any official inspection or official weighing function by persons licensed or authorized under this Act. Otherwise, nothing in this Act shall invalidate any law or other provision of any State or subdivision thereof in the absence of a conflict with this Act.

"(b) If any provision of this Act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

"APPROPRIATIONS

"SEC. 26. There are hereby authorized to be appropriated such sums as are necessary for research and development as provided in section 21; development and issuance of rules, regulations, and instructions; establishment of the fund authorized in section 12 of this Act; monitoring in foreign ports grain officially inspected under this Act; other initial Federal costs for implementing a system for Federal official inspection and official weighing for United States grain; improvement of inspection and weighing procedures and equipment, and other activities authorized by section 5 of this Act; those Federal administrative and supervisory costs not directly related to the official inspection or official weighing of grain; the purchase or lease of any buildings, other facilities, or equipment; and any other expenses necessary to carry out the provisions of this Act to the extent that financing is not obtained from the fees and sale of samples as provided for in section 12 of this Act. Such facilities and equipment may be provided by the Administrator for the use of official contractors under arrangements whereby the cost thereof will be amortized and reimbursed to the current appropriation for administration of this Act from fees collected by such contractors over a reasonable period of time determined by the Administrator.".

SEC. 2. Section 5316 of title 5, United States Code, as amended, is amended by adding at the end thereof a new paragraph to read as follows:

"(137) Administrator, Federal Grain Inspection Agency, Department of Agriculture.".

SEC. 3. Notwithstanding the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) and section 302 of the Federal

Property and Administrative Services Act of 1949 (40 U.S.C. 490), the Administrator of the Federal Grain Inspection Agency is authorized to negotiate for and purchase or lease, from any person licensed or designated (on the date of enactment of this Act) to perform official inspection functions under the United States Grain Standards Act, at fair market value, any facilities or equipment which the Administrator determines to be necessary for the conduct of official inspection.

SEC. 4. (a) The Administrator of the Federal Grain Inspection Agency is authorized to hire (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service) as official personnel any individual who (on the date of enactment of this Act) is licensed, authorized, or otherwise certified as qualified under the United States Grain Standards Act as amended by this Act, or by a State or a political subdivision thereof, to perform such functions and is performing functions which will be assumed by the Federal Grain Inspection Agency under the United States Grain Standards Act as amended by this Act; *Provided,* That the Administrator determines that such individuals are technically and professionally qualified for the duties to which they will be assigned.

(b) With respect to persons hired under the provisions of subsection (a) of this section who prior thereto had been employed by a State or political subdivision thereof, the following additional provisions will apply—

(1) Notwithstanding section 5333 of title 5, United States Code (pertaining to new appointments), and section 5334 of title 5, United States Code (pertaining to pay on change of position), the basic pay of an appointee shall be at that rate of grade of his position which is equal to his rate of compensation from the private inspection agency or the State, or political subdivision thereof at not to exceed maximum rates set by the administrator on the last day of his employment prior to his appointment, or, if there is no such rate, then at the rate which exceeds his former rate by the least amount. If there is no rate within the grade of his position which equals or exceeds his former rate, he shall receive basic pay at his former rate until such time as he otherwise qualifies for an increased rate. The period of service required for an appointee to qualify for the benefits of section 5335 of title 5, United States Code (pertaining to periodic step increases), shall be computed from the date of appointment.

(2) In determining the length of the appointee's service to be credited for the purposes of the Civil Service Commission regulations pertaining to career tenure, probationary period, rate of annual leave accrual, group life or health insurance, and retention credit in reduction-in-force, full credit shall be given for service with the private inspection agency or the State, or political subdivision thereof by which the appointee was employed on the last day of his employment prior to his appointment.

(3) An appointee shall be credited with sick leave equal to the balance of sick leave outstanding, in the service of the private inspection agency or the State or political subdivision thereof by which the appointee was employed, on the last day of his employment prior to his appointment, except if he has been compensated for that sick leave, or if it has been applied so as to increase the actuarial value of any vested interest of the employee in a retirement system of that State or political subdivision. Sick leave so credited shall not be credited as unused sick leave for the purposes of section 8339 of title 5, United States Code (pertaining to the computation of annuity), and shall be available for use as sick leave by the appointee only after he has exhausted any accruals of sick leave under section 6307 of title 5, United States Code. An appointee who is separated from Federal civil service with a balance of sick leave so credited shall not, during any subsequent period of Federal civil service employment, be recredited with any portion of that balance.

(4) Notwithstanding provisions to the contrary of section 8332 of title 5, United States Code (pertaining to creditable service), for the purposes of the annuity computed under section 8339 of title 5, United States Code, an appointee eligible therefor shall be credited with any service with the private inspection agency or the State, territory, or political subdivision thereof by which he was employed on the last day of his employment prior to his appointment except if the appointee has qualified for or is eligible to qualify for an annuity or other payment on the account of retirement (for reasons of age or disability) from such private inspection agency or State or political subdivision thereof in consideration of such service, then such appointee must transfer to the Federal Government of the United States the benefit of such annuity or payment in writing, in order to qualify for the provisions of this section.

SEC. 5. Section 1114 of title 18 of the United States Code, as amended, is amended by inserting after "animal diseases", the following: "any employee of the Federal Grain Inspection Agency of the Department of Agriculture assigned to perform official inspection or official weighing, or the supervision thereof, under the United States Grain Standards Act,".

SEC. 6. In order to assure that producers, handlers, and transporters of grain are encouraged and rewarded for the production, maintenance, and delivery of high quality grain, the Administrator of the Federal Grain Inspection Agency is hereby authorized and directed to conduct a study regarding the adequacy of the current grain standards, established under the United States Grain Standards Act. The study shall address specifically, but is not limited thereto, the tasks of determining (i) if standards may be developed that would reduce grading errors and remove, where possible, subjective human judgment from grading by increased utilization of mechanical, electrical, and chemical means of grading; (ii) whether grain should be subclassed according to color or other factor not affecting the quality of the grain; (iii) whether the protein factor should be included in the standards; and (iv) whether broken grain should be grouped together with foreign material. On the basis of the results of such study, the Administrator shall, in accordance with section 5 of the United States Grain Standards Act, make such changes in the grain standards as he determines necessary and appropriate, and, not later than two years after the enactment of this Act, submit a report to the Congress setting forth the findings of such a study.

SEC. 7. The powers, duties and authorizations established by this Act for the Administrator of the Federal Grain Inspection Agency shall in all instances be exercised, in the interim between the effective date of this Act and the appointment of the Administrator, by the Secretary of Agriculture of the United States.

EFFECTIVE DATE

SEC. 8. This Act shall become effective thirty days after enactment hereof, except that any State or person then providing official inspection service or weighing services to be assumed under the provisions of this Act in any area and licensees employed thereby, may continue to operate in that area, subject to the rules and regulations issued by the Administrator of the Federal Grain Inspection Agency, until whichever of the following events occurs first:

(1) with respect to export elevators, the expiration of a reasonable period, not to exceed one year, specified in a notification issued to the State or person that official inspection and official weighing at the elevator involved will be provided under this Act; or

(2) the Administrator determines that official inspection or official weighing in an area serviced by such person shall be performed by Federal employees permanently under this Act or pending performance of such functions under a contract or official weighing by a State pursuant to an agreement with the Administrator under this Act; or

(3) such persons, or two or more members or employees thereof, have been convicted of any offense involving the handling, weighing, or inspection of grain or with respect to performance of official duties under the United States Grain Standards Act as amended by this Act, proscribed in title 18, United States Code; or of a violation of any provision of the United States Grain Standards Act in effect immediately prior to the date of enactment hereof; or of a violation of any provision of the United States Grain Standards Act as amended hereby: *Provided, however,* That the administrator is authorized and directed to cause official inspection and official weighing of grain to be performed by atuhorized employees of the Agency under this Act, to begin immediately thereafter such effective date, at those export elevators at which the Administrator determines that such performance by employees of the Agency is necessary to effectuate the provisions of section 2 of the United States Grain Standards Act is amended by this Act: *And provided further,* That in no event shall any State or person then providing official inspection in any area or weighing services to be assumed under this Act at any export elevator or major inland terminal elevator be authorized to officially inspect grain under the United States Grain Standards Act or provide such weighing of grain except pursuant to a contract or an agreement with the Administrator, after the expiration of two years following the date of enactment hereof.

SHORT TITLE

SEC. 9. This Act may be cited as the "Grain Inspection Reform Act of 1976".

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further consideration of S. 3055 be indefinitely postponed.

The PRESIDING OFFICER (Mr. CULVER). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendment to H.R. 12572.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I move that the Senate insist upon its amendment and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. TAL-

MADGE, Mr. McGOVERN, Mr. HUMPHREY Mr. HUDDLESTON, Mr. CLARK, Mr. DOLE, Mr. YOUNG, and Mr. BELLMON conferees on the part of the Senate.

Mr. HUMPHREY. Mr. President, I shall take just this very brief moment to pay my respects and thanks to the staff of the Committee on Agriculture and Forestry and those who were particularly assigned to the work of this legislation. I consider their work to be of the highest professional caliber. They spent many hours to carry out the investigation that had to go into this study and the preparation of the legislation which has been adopted here by the Senate.

So I express thanks particularly to the chief of staff, Mr. Michael R. McLeod, and to all of his associates, and I shall include them by name in the RECORD: Carl P. Rose, William A. Taggart, and James C. Webster. I express thanks to the following personnel of the grain investigation staff: Phillip L. Fraas, Bert L. Williams, Hugh M. Williamson, and Ann C. Bond. And I also wish to thank Nelson Denlinger of my staff for his help.

I express our thanks to the General Accounting Office for the study carried out which was of major importance in this investigation.

I also pay special recognition to those in the media, particularly in the press corps, who did such an excellent job of reporting the developments in the grain inspection difficulties and scandal. I think this was very instrumental in bringing to the public's attention some of the mistakes that were being made and some of the difficulties that we were encountering. I express to them our sincere thanks.

I also express thanks to our colleagues.

This legislation, at least legislation of this kind, with whatever differences we may have, is needed.

The Senator from Kansas (Mr. DOLE) has been a tremendous help in the preparation of legislation. He disagreed with the final bill, but he and I both know that we will work out some of these differences in conference.

I also say that every member of the two subcommittees, and the subcommittee chaired by Mr. HUDDLESTON and the subcommittee that I am privileged to chair, worked long hours over many months to perfect this legislation. So, I express my thanks to our colleagues.

Mr. DOLE. Mr. President, let me express my appreciation to the distinguished Senator from Minnesota, the staff, and others who have brought this to light and worked on legislation.

Let me also add, as the view of the Senator from Kansas, that the bill passed by the Senate will never become law, and it is the view of the Senator from Kansas that we may now go to conference and come up with some semblance of good legislation.

There has never been any difference of opinion in the committee about the need for tightening up the program. I guess the only questions raised are in which direction we go, whether we go for a Federal takeover or at least a Federal-State-private working relationship. That is the position the Senator from Kansas holds.

For that reason, the Senator from Kansas voted against final passage but, as indicated, it is the prediction of this Senator that when we go to conference it is going to be a very tough conference. The House of Representatives has some very strong reservations about many provisions in the Senate bill, but it is the view of the Senator when we come from conference we will have a bill that can be supported unanimously by the Senate.

I yield the floor.

ORDER OF BUSINESS

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FEDERAL ELECTION CAMPAIGN ACT

Mr. HELMS. Mr. President, the conference on the Federal Election Campaign Act met this afternoon, as I understand it; and, as I further understand, the conference will meet again tomorrow.

This committee may or may not bring forth a finished report on the bill. Without seeing the finished text, it is fairly obvious from what we already know that no report can emerge from the conference which is worthy of approval by the Senate. However, in the event that the Senate does approve this bill in the form in which I understand it will be presented to the Senate, I hope that the President of the United States will veto it.

Mr. President, it has been reported widely in the news media—and I am certain that the reports are accurate—that the Presidential candidates are clamoring for quick passage of this bill so that the Federal Election Commission may be reconstituted and that distribution of the taxpayers' funds now being held up by the U.S. Supreme Court decision will be resumed as soon as possible. But there is at least one candidate for President, I say to the distinguished Presiding Officer, who is not clamoring for this legislation. I talked with Ronald Reagan today, and he informed me in no uncertain terms that he is full-out opposed to the bill as it now stands.

He would much rather have the President veto this bill, even though obviously there would be practical disadvantage to the financial structure of the Reagan campaign. The Reagan campaign is experiencing financial difficulties, as I understand the other are experiencing. The Reagan campaign could use the money. But as Governor Reagan put it in our telephone conversation today, this bill involves too high a price to pay for the money involved.

I compliment the distinguished former Governor of California for his stand in this matter, because the Senator from North Carolina never has favored the distribution of the taxpayers' money for political campaigns. I voted against the concept. I am unalterably opposed to it. I consider it a rip-off of the taxpayer.

So I say again, Mr. President, that I commend Ronald Reagan for his stand; and I hope there may be some other candidates who will take a like position. But in the event that Congress does approve this bill, as I understand it to be, I hope the President of the United States will veto it. He will be well advised to do so.

QUORUM CALL

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSING AMENDMENTS OF 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed, without further action to be taken thereon, to the consideration of S. 3295.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 3295) to extend the authorization for annual contributions under the United States Housing Act of 1937, to extend certain low-income housing programs under the National Housing Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? The Chair hears none, and it is so ordered.

ORDER FOR RECOGNITION OF MR. HELMS ON TOMORROW AND WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow and on Wednesday, after the two leaders or their designees have been recognized under the standing order, Mr. HELMS be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 12 o'clock noon.

After the two leaders or their designees have been recognized under the standing order, Mr. HELMS will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, not to extend beyond 1 p.m., with statements therein limited to 5 minutes each.

At 1 p.m., by unanimous consent, the Senate will resume consideration of the then unfinished business, S. 3295.

Rollcall votes are expected on amendments thereto and on final passage.

Other measures which will be coming along, beginning with tomorrow and later in the week, have been outlined earlier today by the distinguished majority leader.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and at 5:46 p.m. the Senate adjourned until tomorrow, Tuesday, April 27, 1976, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate April 26, 1976:

In the Judiciary

Ralph B. Guy, Jr., of Michigan, to be U.S. district judge for the eastern district of Michigan, vice Frederick W. Kaess, retired.

Department of State

Francis E. Meloy, Jr., of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lebanon.

Department of State

John H. Reed, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sri Lanka, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Maldives.

In the Judiciary

Laughlin E. Waters, of California, to be U.S. district judge for the central district of California, vice Jesse W. Curtis, retired.

In the Judiciary

Richard A. Revell, of Kentucky, to be U.S. district judge for the western district of Kentucky, vice James F. Gordon, retired.

Department of Justice

Frank S. Spies, of Michigan, to be U.S. attorney for the western district of Michigan for the term of 4 years, vice John P. Milanowski, resigned.

Department of Justice

Bruce R. Montgomery, of Tennessee, to be U.S. marshal for the eastern district of Tennessee for the term of 4 years, vice Leon B. Sutton, Jr., resigned.

Department of Labor

John Conyers Read, of Virginia, to be an Assistant Secretary of Labor, vice Paul J. Fasser, Jr., resigned.

Central Intelligence

E. Henry Knoche, of Virginia, to be Deputy Director of Central Intelligence, vice Lt. Gen. Vernon Anthony Walters, U.S. Army.

Federal Reserve System

David M. Lilly, of Minnesota, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1964, vice Robert C. Holland, resigned.

Mississippi River Commission

Brig. Gen. Elvin Ragnvald Heiberg III, Corps of Engineers, to be a member of the Mississippi River Commission under the provisions of section 2 of the act of Congress approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642). vice Brig. Gen. Wayne S. Nichols, retired.

National Commission on Libraries and Information Science

The following-named persons to be members of the National Commission on Libraries and Information Science for the terms indicated:

For the remainder of the term expiring July 19, 1977:

Ralph A. Renick, of Florida, vice Harold C. Crotty, resigned.

For terms expiring July 19, 1980:

Frederick H. Burkhardt, of Vermont (reappointment).

Marian Pollensky Leith, of North Carolina, vice W. O. Baker, term expired.

Mildren E. Younger, of California, vice Leslie W. Dunlap, term expired.

National Institute of Building Sciences

The following-named persons to be members of the Board of Directors of the National Institute of Building Sciences for the terms indicated commencing on the date of incorporation (new positions):

For a term of 1 year:

Robert J. Brungraber, of Pennsylvania.
Leo J. Cantor, of Virginia.
Jodie R. Johnson, of Mississippi.
Joseph H. Newman, of New Jersey.
Charles H. Pillard, of Maryland.
Robert F. Schmitt, of Ohio.

For a term of 2 years:

William F. Floyd III, of Georgia.
Jasper S. Hawkins, of California.
Warner Howe, of Tennessee.
Charlene F. Sizemore, of West Virginia.
S. Peter Volpe, of Massachusetts.
Jeremiah T. Walsh, of New York.

For a term of 3 years:

O. M. Mader of Pennsylvania.
Robert A. Georgine, of Maryland.
Rudard A. Jones, of Illinois.
David S. Miller, of Ohio.
Glen R. Swenson, of Utah.
Herbert H. Swinburne, of Pennsylvania.

National Oceanic & Atmospheric Administration

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be lieutenants

William J. Lounsbery.

To be lieutenants (junior grade)

David L. Gardner.
David C. McConaghy.

In the Army

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

Lt. Gen. William Allen Knowlton, [redacted] Army of the United States (major general, U.S. Army).

In the Air Force

The following Air Force officer for reappointment to the active list of the Regular Air Force in the grade indicated, under the provisions of sections 1210 and 1211, title 10, United States Code:

LINE OF THE AIR FORCE

To be captain

Johnson, Robert W., [redacted].

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be captain

Briccetti, Albert B., [redacted].

DENTAL CORPS

To be captain

Huggins, Guy H., [redacted].

To be first lieutenant

Frost, David E., [redacted].

JUDGE ADVOCATE

To be captain

Anderson, Perry L., [redacted].

The following Air Force officers for appointment as permanent professors, U.S. Air Force Academy, under the provisions of section 9333(b), title 10, United States Code:

Rokke, Ervin J., [redacted].
Williams, John W., Jr., [redacted].

The following officer for promotion in the Regular Air Force under the appropriate provisions of chapter 835, title 10, United States Code as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Captain to major

Schruefer, Robert J., [redacted].

The following persons for appointment as a Reserve of the Air Force in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Applestein, Bruce, [redacted].
Beardsley, Earl M., [redacted].
Beirne, Clinton G., [redacted].
Beirne, Gilbert A., [redacted].
Brada, Donald R., [redacted].
Budding, Jacobus, [redacted].
Caillouet, Gilbert E., [redacted].
Cubberley, David A., [redacted].
Deatrick, Richard W., [redacted].
Delcampo, Enrique J., [redacted].
Downing, Donald D., [redacted].
Gretchen, Edward A., [redacted].
Lansford, Doyle K., [redacted].
Ransmeier, Robert E., [redacted].
Reaves, Charles E., [redacted].
Schaefer, Norman E., [redacted].

DENTAL CORPS

To be lieutenant colonel

Banks, Rill G., [redacted].
Bryan, Edward P., [redacted].

The following persons for appointment as temporary officers in the U.S. Air Force, in the grade indicated, under the provisions of sections 8444 and 8447, Title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Bailey, George O., [redacted].
Beardsley, Earl M., [redacted].
Beirne, Clinton G., [redacted].
Beirne, Gilbert A., [redacted].
Budding, Jacobus, [redacted].
Caillouet, Gilbert E., [redacted].
Gifford, Joseph C., [redacted].
Cubberley, David A., [redacted].
Deatrick, Richard W., [redacted].
Delcampo, Enrique J., [redacted].

Downing, Donald D., [redacted].
Fajardo, Manuel M., [redacted].
Gretchen, Edward A., [redacted].
Herrick, Kenneth R., [redacted].
Lee, Thomas C., [redacted].
Machowski, Roman J., [redacted].
Madoff, Lawrence, [redacted].
Messer, Henry H., [redacted].
Poulsen, Alden L., [redacted].
Ransmeier, Robert E., [redacted].
Rodriguez, Augusto P., [redacted].
Sanders, Lawrence T., [redacted].
Wang, George Y.M., [redacted].
Warness, Richard E., [redacted].
Wright, George D., [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 8376 and 593, Title 10, United States Code:

LINE OF THE AIR FORCE

Major to lieutenant colonel

Billett, David L., [redacted].

MEDICAL CORPS

Boytar, Alexander A., [redacted].
Dunn, Latimer E., [redacted].
Fry, Delos H., [redacted].
Johnson, Douglas N., [redacted].
Kopp, Lamonte P., [redacted].
Livonia, Robert A., [redacted].
Murdoch, Donald J., [redacted].
Pritchett, Paul E., [redacted].
Roldan, Erlinda C., [redacted].
Sinder, William J., [redacted].
Sorgen, Robert W., [redacted].
Woddell, William J., [redacted].

NURSE CORPS

Meister, Joan, [redacted].

BIOMEDICAL SCIENCES CORPS

Arnold, Eugene L., [redacted].
Davison, Robert L., [redacted].

IN THE ARMY

The following-named scholarship students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2107, 3283, 3284, 3286, 3287, 3288, and 3290:

Abbott, Verlin L., [redacted].
Abe, Gary K., [redacted].
Abreu, Michael H., [redacted].
Adame, Pedro C., [redacted].
Adamson, John D., [redacted].
Adams, James C., Jr., [redacted].
Adams, Stephen C., [redacted].
Adelizzi, Michael A., [redacted].
Adkins, Richard W., [redacted].
Africa, Thomas C., [redacted].
Alexander, Steven M., [redacted].
Allen, Jake J., [redacted].
Allen, Kenneth D., [redacted].
Alston, Keith W., [redacted].
Altland, John T., [redacted].
Anderson, Robert B., Jr., [redacted].
Anderson, Steven H., [redacted].
Anderson, James D., [redacted].
Anderson, James R., [redacted].
Andraschko, Steven L., [redacted].
Antee, Terry G., [redacted].
Anton, Henry G., [redacted].
Arciero, Robert A., [redacted].
Arnone, Robert F., [redacted].
Arny, Jan W., [redacted].
Askins, Thomas R., [redacted].
Asp, Arnold A., [redacted].
Atterbury, Robert T., Jr., [redacted].
Aubry, Paul J., [redacted].
Austin, Maynard A., Jr., [redacted].
Babich, Ronold P., [redacted].
Baggott, John E., Jr., [redacted].
Baker, Allen S., [redacted].
Bales, James A., [redacted].
Ball, Charles R., [redacted].
Ball, John E., [redacted].
Banks, Gregory S., [redacted].
Barbaro, Richard R., [redacted].
Bardsley, Lance W., [redacted].
Barker, Devlyon S., [redacted].
Barletta, Dennis M., [redacted].
Barnes, Mabra C., [redacted].
Bartz, Timothy J., [redacted].
Bauman, John M., [redacted].
Bearup, Wylie K., [redacted].
Beckham, Ricky L., [redacted].
Bergeron, Noel B., [redacted].
Berkstresser, Robert L., [redacted].
Bertram, Kenneth A., [redacted].
Bielefeldt, Kurt O., [redacted].
Biestek, Frederick A., Jr., [redacted].
Biose, Todd E., [redacted].
Bissel, Rodney C., [redacted].
Blackmon, Irvin R., [redacted].
Blankinship, Bruce T., [redacted].
Block, Dennis C., [redacted].
Blue, Rayford O., Jr., [redacted].
Bodenhamer, Nancy W., [redacted].
Bohle, Franklin C., [redacted].
Boles, Vincent E., [redacted].
Boll, Kenneth H., Jr., [redacted].
Bolton, Edwin A., [redacted].
Bondy, Frank R., [redacted].
Boor, Wayne A., [redacted].
Borg, Axel E., [redacted].
Borrowski, Stephen D., [redacted].
Borrell, Ronald A., [redacted].
Borzcik, Michael A., [redacted].
Bosco, Don M., [redacted].
Boughton, David C., [redacted].
Bourgoine, Daniel J., [redacted].
Bowerman, Richard D., [redacted].
Bowman, Robert L., [redacted].
Boyd, Herchell A., [redacted].
Bracht, Gary A., [redacted].
Bragg, Philip C., [redacted].
Brakefield, Arthur C., [redacted].
Brame, William L., Jr., [redacted].
Brenes, Julio, [redacted].
Brian, John J., [redacted].
Brogden, Theodore E., [redacted].
Brooke, James L., [redacted].
Brown, Kenneth R., [redacted].
Brown, Leonard W., [redacted].
Brown, Mark L., [redacted].
Brown, Michael T., [redacted].
Brown, Thomas G., [redacted].
Bryant, Dennis A., [redacted].
Bryant, Guy R., [redacted].
Bryant, Monte E., [redacted].
Buckingham, Andrew L., [redacted].
Buckley, Michael B., [redacted].
Buckstad, Robert D., [redacted].
Buck, Larry W., [redacted].
Budrus, Wayne E., [redacted].
Buechler, Nicholas J., [redacted].
Bulger, James D., [redacted].
Bunch, Harold G., [redacted].
Burdette, Randall P., [redacted].
Burke, Charles S., [redacted].
Burks, Larry, [redacted].
Burnette, Ollen L., III, [redacted].
Burr, Edward L., [redacted].
Bussey, James L., [redacted].
Buterbaugh, Roger W., [redacted].
Butts, Steven J., [redacted].
Buxton, Richard B., [redacted].
Cambria, Salvatore F., [redacted].
Campbell, Douglas W., [redacted].
Canale, Steven J., [redacted].
Carey, Richard S., Jr., [redacted].
Carrle, Gunther O., [redacted].
Carter, Robert D., [redacted].
Cartner, Bruce W., [redacted].
Caskey, John T., [redacted].
Casmus, David, [redacted].
Cavender, Thomas I., [redacted].
Cervantes, Arturo, [redacted].
Cessna, Marion L., [redacted].
Chadderdon, Able R., [redacted].
Chadwick, Charles R., [redacted].
Chambers, Edward T., Jr., [redacted].
Champagne, Peter M., [redacted].
Chaney, Anthony W., [redacted].
Chastain, Kenneth W., [redacted].
Checketts, Chad A., [redacted].
Childers, Darrell W., [redacted].
Chilton, James Y., [redacted].
Citizen, Gregory D., [redacted].
Clapp, Randy M., [redacted].
Clark, Joseph W., [redacted].
Clark, Michael J., [redacted].
Clemence, Neil J., [redacted].
Cline, Robert A., [redacted].
Cody, Michael H., [redacted].
Coleman, Michael J., [redacted].
Coletta, Robert D., [redacted].
Colvard, David O., [redacted].
Comeford, Lawrence D., [redacted].
Conn, Richard L., [redacted].
Considine, Timothy P., [redacted].
Cooksey, Otis E., [redacted].
Cook, Hugh T., [redacted].
Cortner, Scott C., [redacted].
Coulter, Robert N., [redacted].
Cox, Donald H., [redacted].
Cox, Stephen M., [redacted].
Crafton, John B., [redacted].
Crotteau, Craig A., [redacted].
Crowe, Mark A., [redacted].
Curlee, Steven A., [redacted].
Curl, William W., Jr., [redacted].
Dalena, Stephen J., [redacted].
Danielson, Scott G., [redacted].
Davies, Dale T., [redacted].
Davies, John H., [redacted].
Davis, Gregory A., [redacted].
Davis, Harold, Jr., [redacted].
Davis, Harry Q., III, [redacted].
Davis, William H., Jr., [redacted].
Davgren, John E., [redacted].
Day, Jesse L., [redacted].
De La Pena, Rene G., [redacted].
Dees, Robert N., [redacted].
Dehler, Mark F., [redacted].
Dejohn, Michael A., [redacted].
Delaney, Michael A., [redacted].
Del Do Louis J., Jr., [redacted].
Devlin, Mark J., [redacted].
Dietzmann, Ronald R., [redacted].
Dixon, James C., [redacted].
Doherty, Stephen F., [redacted].
Dolan, John J., [redacted].
Dombroski, Kenneth R., [redacted].
Dooley, Michael J., [redacted].
Dorsett, Cecil R., Jr., [redacted].
Douthit, Evan A., [redacted].
Dowell, James D., [redacted].
Doyle, James P., Jr., [redacted].
Drake, William L., II, [redacted].
Drury, David K., [redacted].
Dubbe, Daniel B., [redacted].
Dudley, Marcus G., [redacted].
Dukanauskas, Daniel A., [redacted].
Dunn, James L., [redacted].
Dunn, Robert M., [redacted].
Durbin, John B., [redacted].
Durkee, Wentworth X., Jr., [redacted].
D'Andrea, Paul M., [redacted].
Easter, Rocky G., [redacted].
Eaves, Royce L., Jr., [redacted].
Ehret, Robert S., [redacted].
Ellison, Charles A., [redacted].
Ellis, Donald C., [redacted].
Ellis, Kennieth W., [redacted].
Ellis, Samuel G., [redacted].
Emard, Wayne F., [redacted].
Engelbrektsson, Eric O., [redacted].
English, James V., [redacted].
Esper, Michael H., [redacted].
Evans, David F., [redacted].
Evans, Jeffrey C., [redacted].
Falkner, William C., [redacted].
Fanelli, Richard P., [redacted].
Faust, James T., [redacted].
Favier, William R., [redacted].
Fensterer, John F., [redacted].
Fields, Chester M., [redacted].
Fil, Joseph F., Jr., [redacted].
Finney, Jerrold M., [redacted].
Firth, Mark R., [redacted].
Fleming, Gary A., [redacted].
Fletcher, Charles E., [redacted].
Fogle, Stephen R., [redacted].
Folkerth, Richard E., Jr., [redacted].
Folsom, Rick W., [redacted].
Ford, Christopher M., [redacted].
Forney, Rex, [redacted].
Fortune, Anthony W., [redacted].
Forystek, Wesley P., [redacted].

Foster, Michael J., [redacted].
Fowler, Chester D., [redacted].
Fowler, Elton L., [redacted].
Freeman, Bradley D., [redacted].
Fronzaglia, Robert J., [redacted].
Fuller, Nancy C., [redacted].
Fulmer, Roland R., II, [redacted].
Funderburg, Michael E., [redacted].
Furst, Gregory S., [redacted].
Gabriel, Peter H., [redacted].
Gaines, David P., [redacted].
Gaither, Neal S., [redacted].
Galbreath, Durward H., [redacted].
Gambino, Paul V., [redacted].
Garthwaite, Carl D., [redacted].
Gatrell, Garth B., [redacted].
George, Sherrie D. R., [redacted].
Georgulas, George P., III, [redacted].
Gerrity, John L., [redacted].
Giampetruzzi, Robert F., [redacted].
Gibson, Virgil E., [redacted].
Giles, Charles M., [redacted].
Gillespie, Phillip K., [redacted].
Gillick, Paul E., [redacted].
Gilman, David R., [redacted].
Gilyard, Jackie L., [redacted].
Gladkowski, Joseph, [redacted].
Gleason, William L., [redacted].
Goertz, Charles R., [redacted].
Golob, Michael P., [redacted].
Gomez, Gary R., [redacted].
Gordon, Tommy D., [redacted].
Goring, Joseph M., [redacted].
Gottschalk, Gary M., [redacted].
Gourley, Scott R., [redacted].
Graves, Alexander F., III, [redacted].
Greco, Stephen B., [redacted].
Greene, Lawrence R., [redacted].
Greene, Michael L., [redacted].
Green, Halstead N., [redacted].
Green, John G., [redacted].
Green, Michael, [redacted].
Greer, Paul D., Jr., [redacted].
Greetham, Geoffrey L., [redacted].
Griffith, Kenneth C., [redacted].
Grow, James L., [redacted].
Grunkemeyer, Robert C., [redacted].
Gullett, Kevin E., [redacted].
Gurley, Kenneth G., [redacted].
Haase, Randall R., [redacted].
Hadley, Charles E., [redacted].
Haffenden, Charles S., [redacted].
Hagmann, John H., [redacted].
Haines, David E., [redacted].
Hale, Timothy M., [redacted].
Hall, John M., [redacted].
Hall, William D., [redacted].
Hamilton, Gordon T., [redacted].
Hampel, David C., [redacted].
Ham, Carter F., [redacted].
Hansen, Albert L., [redacted].
Hansen, James S., [redacted].
Hanson, Craig E., [redacted].
Harthcock, Kerry A., [redacted].
Hart, Donald P., [redacted].
Hash, John P., [redacted].
Hazen, Lester B., [redacted].
Heiman, Howard, [redacted].
Helge, John M., [redacted].
Helton, Michael D., [redacted].
Hennekey, Joseph F., [redacted].
Henry, Frank J., [redacted].
Henry, Thomas W., [redacted].
Hernandez, Charles L., [redacted].
Heslop, Jeffery L., [redacted].
Hester, Robert D., Jr., [redacted].
Hestir, William R., [redacted].
Hevenor, Michael B., [redacted].
Hiles, John M., [redacted].
Hill, Dale R., [redacted].
Hill, Donald L., [redacted].
Hill, Gregg L., [redacted].
Hill, James C., II, [redacted].
Hill, Lamont A., [redacted].
Hlass, David R., [redacted].
Horky, Glen T., [redacted].
Hotchkiss, Donald L., Jr., [redacted].
Housand, Mark A., [redacted].
Howell, Phillip D., [redacted].
Hudson, James C., [redacted].
Hughes, Glenn C., II, [redacted].
Hume, Roderick F., Jr., [redacted].
Hurley, Paul V., [redacted].
Hutter, Paul J., [redacted].
Iarrusso, Henry J. P., [redacted].
Ivey, James W., [redacted].
Jackson, Alfred M., [redacted].
Jackson, Danny L., [redacted].
Jackson, Ralph A., [redacted].
Jaegle, Timothy R., [redacted].
Jenkins, Christopher E., [redacted].
Johnson, Clarence D., [redacted].
Johnson Douglas B., [redacted].
Johnson John P., [redacted].
Johnston, David J., [redacted].
Jones, Alfred P., Jr., [redacted].
Jones, Harry D., Jr., [redacted].
Jubok, Christian, [redacted].
Jurden, Darrick H., [redacted].
Justice, Benny R., [redacted].
Kaake, Norman B., [redacted].
Kaigler, Timothy J., [redacted].
Kamiya, Jason K., [redacted].
Kane, James M., [redacted].
Kaniss, Richard C., [redacted].
Kawalek, Mark W., [redacted].
Kelley, Lawrence L., [redacted].
Kelly, Kevin J., [redacted].
Kelly, Thomas M., [redacted].
Kentch, Christopher S., [redacted].
Kerr, Richard E., Jr., [redacted].
Kilgore, Joe E., Jr., [redacted].
Kilmer, Robert A., [redacted].
King, Raymond D., Jr., [redacted].
Kinsch, Nicholass L., [redacted].
Kiser, John D., [redacted].
Kline, Edward F., III, [redacted].
Kloster, William J., [redacted].
Knack, David J., [redacted].
Knight, Gary L., [redacted].
Knight, Phillip J., [redacted].
Knoblauch, Karl B., Jr., [redacted].
Koenig, Wayne L., [redacted].
Koopman, Sandra J., [redacted].
Kovac, Robert S., [redacted].
Koziarski, Marek A., [redacted].
Krause, Steven C., [redacted].
Kreis, Frank M., [redacted].
Krempel, James A., [redacted].
Kron, Arthur S., [redacted].
Kruse, Fred A., Jr., [redacted].
Kruse, Richard W., [redacted].
Kuberek, Keith W., [redacted].
Kuehn, Michael T., [redacted].
Kuhn, David A., [redacted].
Kunkel, Timothy E., [redacted].
Lacroix, Richard W., [redacted].
Lagrone, William R., [redacted].
Lamb, Michael D., [redacted].
Landry, Theodore P., [redacted].
Langley, Michael L., [redacted].
Lantzer, Norrell E., [redacted].
Larsen, Lawrence M., [redacted].
Latham, Mark B., [redacted].
Laughlin, Michael A., [redacted].
Lavache, Joseph L., [redacted].
Laverdure, Richard P., [redacted].
Lawhorn, Donald W., [redacted].
Laymon, Paul W., Jr., [redacted].
Lazarevich, Miodrag, [redacted].
Lazzaro, Thomas A., III, [redacted].
Leach, Dana R., [redacted].
Leblanc, Arthur J., [redacted].
Lecraw, Scott T., [redacted].
Lee, Daron L., [redacted].
Lee, David G., [redacted].
Lee, Richard C., [redacted].
Leik, Daniel L., [redacted].
Lemoine, David M., [redacted].
Leonard, John W., [redacted].
Lesikar, James D., II, [redacted].
Lewandowski, Alan G., [redacted].
Lindsay, Timothy C., [redacted].
Little, David R., [redacted].
Little, John P., [redacted].
Lockett, Herbert M., [redacted].
Lopez, Albert, [redacted].
Lorah, John A., [redacted].
Lott, Alfred D., [redacted].
Loudermilk, Stephen K., [redacted].
Loughlin, James C., [redacted].
Lovelace, Timothy P., [redacted].
Loveless, Paul A., [redacted].
Lower, Raymond F., [redacted].
Lowery, Reginald B., [redacted].
Lowrey, Dennis A., [redacted].
Luckenbill, Kurt P., [redacted].
Luftman, Lance J., [redacted].
Lukjanowicz, John, [redacted].
Lundy, Dud M., Jr., [redacted].
Lynch, Kenneth W., [redacted].
Macdonald, Douglas J., [redacted].
Maconi, Vincent J., [redacted].
Magnon, George J., [redacted].
Malconian, Mark K., [redacted].
Malott, David E., [redacted].
Mangold, Robert, [redacted].
Manner, Randy E., [redacted].
Mansell, William R., II, [redacted].
Marbury, Darryl W., [redacted].
Marchand, William M., [redacted].
Marett, James D., Jr., [redacted].
Marksteiner, Paul G., [redacted].
Marple, Richard L., [redacted].
Martin, James K., [redacted].
Martin, Winston K., II, [redacted].
Martins, Paul B., [redacted].
Mason, Andrew J., [redacted].
Massey, Dean M., [redacted].
Matthews, John E., [redacted].
Mazuk, Michael D., [redacted].
Mazzone, Thomas W., II, [redacted].
McCann, James E., [redacted].
McCarthy, Matthew J., [redacted].
McCarthy, Michael A., [redacted].
McCormick, Walter D., Jr., [redacted].
McCoy, Timothy J., [redacted].
McCullough, Moran D., [redacted].
McElfresh, Douglas C., [redacted].
McFarley, George, Jr., [redacted].
McGaha, James F., [redacted].
McGarth, Gary E., [redacted].
McGaughy, Cleve, Jr., [redacted].
McGee, James E., [redacted].
McGovern, William P., [redacted].
McGregor, Stephen J., [redacted].
McIntosh, Richard F., [redacted].
McLeod, James R., Jr., [redacted].
McLoughlin, William J., III, [redacted].
McMahon, Thomas W., [redacted].
McMillan, Roger L., [redacted].
McNair, Philip A., [redacted].
Meier, Robert J., [redacted].
Mein, Steven A., [redacted].
Melemai, Alison L., [redacted].
Melnyk, Raymond, [redacted].
Mendoza, Gilbert A., [redacted].
Mercado, Gregorio A., [redacted].
Mercer, Mark E., [redacted].
Meyer, Gerald L., [redacted].
Mielke, Gary L., [redacted].
Miks, Robert J., [redacted].
Miller, Frank J., [redacted].
Miller, Steven C., [redacted].
Misavage, Walter J., III, [redacted].
Missler, Stephen R., [redacted].
Mitman, Floyd B., III, [redacted].
Moloff, Alan L., [redacted].
Moloney, William C., [redacted].
Montero, Oscar, J., [redacted].
Moore, Harold C., [redacted].
Moorhead, Richard B., [redacted].
Morash, Robert C., Jr., [redacted].
Morgenthaler, Jill E., [redacted].
Morrison, Charles Q., [redacted].
Moss, Larry W., [redacted].
Mouras, Theodore P., [redacted].
Moyer, Craig S., [redacted].
Mullins, Peter H., [redacted].
Munson, Alan K., [redacted].
Muntz, Thomas L., [redacted].
Murdock, Thomas M., [redacted].
Murphy, Samuel E., [redacted].
Mussetter, Robert A., [redacted].
Myers, Gregory M., [redacted].
Napoliello, Joseph I., [redacted].
Nett, Stephen G., [redacted].
Nelson, Karl H., [redacted].
Nelson, Stephen N., [redacted].
Nelson, Victor L., [redacted].
Nett, Robert M., Jr., [redacted].
Newett, Harry J., [redacted].
Newey, Jeffrey H., [redacted].

New, Charles S., [redacted].
Nichols, William I., [redacted].
Nielsen, Harold K., [redacted].
Nonemaker, Philip B., [redacted].
Norton, Samuel C., [redacted].
Nosack, Thomas J., [redacted].
Null, Carroll R., [redacted].
Nunn, James H., [redacted].
Nutting, John T., [redacted].
O'Brien, Carol A., [redacted].
O'Connor, Martin J., [redacted].
Odle, Charles J., [redacted].
Odom, Thomas P., [redacted].
O'Hair, Kevin C., [redacted].
Opel, Carlton G., [redacted].
Ormsby, John F., [redacted].
Orr, David G., [redacted].
Ostermann, Richard F., [redacted].
Ottomeyer, Donald J., II, [redacted].
Owens, Howard L., [redacted].
Owens, Keith B., [redacted].
Pacheco, Harold D., [redacted].
Padgett, Zane M., [redacted].
Padget, Eldon R., [redacted].
Pagano, David J., [redacted].
Page, Michael D., [redacted].
Palmer, Herman T., Jr., [redacted].
Palmer, Lisa C., [redacted].
Parker, Gary W., [redacted].
Parker, James G., [redacted].
Parker, James E., [redacted].
Parker, Terry L., [redacted].
Pate, John L., [redacted].
Payne, James K., [redacted].
Payne, Phillip D., IV, [redacted].
Pels, David J., [redacted].
Pemberton, Michael L., [redacted].
Pendley, Joseph M., [redacted].
Perkins, Steven J., [redacted].
Perkins, William R., [redacted].
Perkins, William G., [redacted].
Pfau, Michael E., [redacted].
Phillips, Michael T., [redacted].
Pierce, Daniel L., [redacted].
Pierce, James R., [redacted].
Pierce, John M., [redacted].
Pierce, Robert E., [redacted].
Pigg, Thomas W., [redacted].
Piluso, Raimondo G., [redacted].
Pino, Jeffrey P., [redacted].
Pollman, Donald S., [redacted].
Pool, Thomas N., [redacted].
Popper, David H., [redacted].
Porter, Clifford A., [redacted].
Powell, Alexander L., [redacted].
Praper, Roger L., [redacted].
Prettyman, William P., [redacted].
Prevost, Richard J. O., [redacted].
Price, Steven J., [redacted].
Pudleiner, James D., [redacted].
Pupa, Lawrence E., Jr., [redacted].
Purser, Joseph S., [redacted].
Qualls, Robert D., [redacted].
Quist, Kirt D., [redacted].
Raeford, Maurice, [redacted].
Ragain, James C., Jr., [redacted].
Ragsdale, Donald L., [redacted].
Rapp, Jeffrey N., [redacted].
Renault, Robert R., [redacted].
Reniker, Gregory G., [redacted].
Rennie, Christopher A., [redacted].
Restituto, Vincent C., [redacted].
Revell, David L., [redacted].
Reynolds, Daniel A., [redacted].
Reynolds, Robert O., [redacted].
Rhea, Michael B., [redacted].
Rhoades, Joel D., [redacted].
Rhodes, Lowrey L., Jr., [redacted].
Rice, Bradford W., [redacted].
Richardson, Paul W., [redacted].
Richardson, Douglas G., [redacted].
Richardson, Gilley G., [redacted].
Richbourgh, Robert F., [redacted].
Richmond, Gary L., [redacted].
Riddick, Robert L., [redacted].
Riggs, Gary A., Jr., [redacted].
Risney, John R., [redacted].
Rizzo, Richard, [redacted].
Roark, William, E., [redacted].
Robershotte, Paul J., [redacted].
Roberson, Melvin A., [redacted]
Rodriguez, Clemente G., Jr., [redacted].
Rodriguez, Guillermo A., [redacted].
Rodiguez, Jesus M., [redacted].
Rodriguez, Robert G., [redacted].
Rodriguez, Rodolfo, [redacted].
Rogers, Billy W., [redacted].
Rogers, Jody R., [redacted].
Rogers, Steven G., [redacted].
Rogerson, Keith C., [redacted].
Roman, Charlette I., [redacted].
Rosa, James K., [redacted].
Rosenbrock, James A., [redacted].
Rosenbreg, Lee R., [redacted].
Rose, Sara A., [redacted].
Rothlein, Arnold, [redacted].
Royal, Mike A., [redacted].
Russell, James G., [redacted].
Russell, John D., [redacted].
Ryan, Kevin J., [redacted].
Rychnowski, Andrews S., [redacted].
Sabo, Shawn A., [redacted].
Salazar, Terry L., [redacted].
Salmons, Michael W., [redacted].
Salyers, Scott W., [redacted].
Samber, Monte J., [redacted].
Samborowski, Leonard J., [redacted].
Sanchez, Angelo, [redacted].
Sanchez, Julian R., [redacted].
Sandercock, Lori M., [redacted].
Sandul, Michael L., [redacted].
Sardo, Charles F., [redacted].
Sarigianis, Steven M., [redacted].
Saulibio, Myles V., [redacted].
Savage, Donald R., [redacted].
Saxby, Edward S., [redacted].
Saxon, Donald K., Jr., [redacted].
Schaffer, Jeffry F., [redacted].
Schifferle, Peter J., [redacted].
Schmidtke, John W., Jr., [redacted].
Schmidt, Frederick L., [redacted].
Schramm, Erwin P., [redacted].
Schultz, James D., Jr., [redacted].
Scott, James F., [redacted].
Scott, Steven E., [redacted].
Screeden, James E., [redacted].
Seaman, Richard D., [redacted].
Seaton, Jeffrey D., [redacted].
Seaton, Roy J., [redacted].
Semple, Andrew W., [redacted].
Seward, Kevin G., [redacted].
Shandor, John J., [redacted].
Sharp, Craig, [redacted].
Sharp, Richard M., [redacted].
Shealy, Thomas E., [redacted].
Shebs, Stephen N., [redacted].
Sheehan. Jed. [redacted].
Shelton, Claudie M., Jr., [redacted].
Sherman, Michael W., [redacted].
Shields, Richard D., Jr., [redacted].
Short, Jerry D., [redacted].
Shults, Dean T., [redacted].
Simonini, John P., [redacted].
Simons, James W., [redacted].
Simpson, John C., [redacted].
Sink, Ammon A., III, [redacted].
Sipes, Mark J., [redacted].
Skardon, John N., [redacted].
Skold, Robert E., Jr., [redacted].
Slyfield, Stephen S., [redacted].
Smith, Evan B., [redacted].
Smith, Jackie G., [redacted].
Smith, Joseph A., [redacted].
Smith, Wiley A., [redacted].
Snyder, Allen N., III, [redacted].
Snyder, Susan A., [redacted].
Solon, Scott S., [redacted].
Solt, Gary R., [redacted].
Soto, Baltazar, [redacted].
Spainhour, Martin T., [redacted].
Spataro, Stephen M., [redacted].
Spears, James W., [redacted].
Sperl, Louis J., III, [redacted].
Spivey, Wayne R., [redacted].
Sprague, Brian P., [redacted].
Stancu, John W., Jr., [redacted].
Stanosz, Glen R., [redacted].
Staples, Clinert R., Jr., [redacted].
Staufer, Richard A., [redacted].
Staufley, Jeffery O., [redacted].
Stead, Charles R., [redacted].
Steger, Wayne M., [redacted].
Stelzer, Keith A., [redacted].
Stephens, James D., [redacted].
Stevens, Richard L. Jr., [redacted].
Stever, Gary J., [redacted].
Stewart, Randall J., [redacted].
Storms, Kevin P., [redacted].
Strobel, Stephen P., [redacted].
Sturm, John B., Jr., [redacted].
Styron, Stephen L., [redacted].
St. Amour, Douglas E., [redacted].
St. John, James C., [redacted].
Suhler, Paul A., [redacted].
Sullivan, Edward W., [redacted].
Sullivan, Walter A., Jr., [redacted].
Sutcliffe, Mark S., [redacted].
Sutterfield, David L., [redacted].
Swackhamer, Thomas E., [redacted].
Swank, Mark G., [redacted].
Sweat, John T., [redacted].
Swenty, Brian J., [redacted].
Szmyd, Lucian, Jr., [redacted].
Tabayoyon, Alfred T., Jr., [redacted].
Talbot, Erik S., [redacted].
Tamashiro, Lester Y., [redacted].
Tarbox, Eric J., [redacted].
Taylor, Alan S., [redacted].
Taylor, Allen B., Jr., [redacted].
Taylor, Lucius, A. IV., [redacted].
Theising, Frank J., [redacted].
Thiem, Brian E., [redacted].
Thomas, Larry L., [redacted].
Thomas, Marvin L., [redacted].
Thomas, Robert E., [redacted].
Thomas, Stephen G., [redacted].
Thompson, Kendall O., [redacted].
Thompson, Kenneth A., [redacted].
Thompson, Eugene L., [redacted].
Thorsted, Edward C., [redacted].
Thrasher, Donny D., [redacted].
Thummel, William M., [redacted].
Thurman, Richard H., [redacted].
Timm, Patrick A., [redacted].
Tocci, Denis P., [redacted].
Toler, Paul W., [redacted].
Topper, Michael J., [redacted].
Trice, Joseph E., III, [redacted].
Trocola, Gary F., [redacted].
Trompler, Dale A., [redacted].
Tucker, Kenneth H., [redacted].
Tullia, Thomas A., [redacted].
Turner, Abraham J., [redacted].
Tuttle, Paul V., III, [redacted].
Tutt, Thomas H., II, [redacted].
Twitchell, Robert H., [redacted].
Tytla, John A., [redacted].
Underhill, James C., Jr., [redacted].
Utterback, Gary W., [redacted].
Vanderheyden, Paul D., [redacted].
Varney, Gary W., [redacted].
Vavra, Glenn S., [redacted].
Villarreal, Daniel S., [redacted].
Vincent, Michael P., [redacted].
Vockel, John E., [redacted].
Vonderheid, Gail W., [redacted].
Vonholle, James R., [redacted].
Vonhorn, Mikel, [redacted].
Wade, Phillip L., [redacted].
Waff, William D., [redacted].
Wagner, Barry G., [redacted].
Waldron, Mark A., [redacted].
Waldrop, Max L., Jr., [redacted].
Walk, James B., [redacted].
Walling, Craig A., [redacted].
Wallin, Kendall S., [redacted].
Wall, Tommy T., [redacted].
Walsh, Thomas, [redacted].
Waples, Lee S., [redacted].
Ward, James J., [redacted].
Ward, Steven S., [redacted].
Ward, Steven P., [redacted].
Waugh, James A., [redacted].
Way Walter P., III, [redacted].
Weaver, Kurt A., [redacted].
Weber, Charles R., [redacted].
Webster, Cecil R., [redacted].
Weems, Steven G., [redacted].
Weiser, Harry C., [redacted].
Welch, Douglas A., [redacted].
Welch, Steven R., [redacted].
Westfall, Ethan A., [redacted].

West, Lawrence A., Jr., [redacted].
West, Scott G., [redacted].
White, Elmer G., [redacted].
Whitesel, Richard A., [redacted].
White, Jeffrey F., [redacted].
Whitley, Joseph W., [redacted].
Wicinski, John, [redacted].
Wiglesworth, Sammy G., [redacted].
Willie, Michael L., [redacted].
William, Richard A., [redacted].
Williams, Robert C., [redacted].
Williams, Aubrey R., [redacted].
Williams, Michael G., [redacted].
Willis, Jerry D., [redacted].
Willis, Samuel M., Jr., [redacted].
Wilson, Joel W., [redacted].
Wilson, William T., [redacted].
Wisthoff, Bernard S., [redacted].
Wittenburg, Duane L., [redacted].
Wojtek, George D., [redacted].
Wolf, Don H., [redacted].
Woodruff, Steven D., [redacted].
Wright, Bruce P., [redacted].
Wright, Donald M., [redacted].
Wright, Douglas R., [redacted].
Wright, Douglas R., [redacted].
Wright, Neal T., [redacted].
Wright, Steven C., [redacted].
Yates, Roland J., [redacted].
York, Thomas E., [redacted].
Youngren, Mark A., [redacted].
Young, Anthony W., [redacted].
Zahner, Richard P. R., [redacted].
Zak, William R., [redacted].
Zapata, Julian S., [redacted].
Zielinski, Edmund J., [redacted].
Zipp, Bernard F., [redacted].
Zoltek, Stanley J., [redacted].

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant under the provisions of title 10, United States Code, sections 2106, 3283, 3284, 3286, 3287, 3288, and 3290:

Long, Harold B., III, [redacted].
Skelly, Dennis M., [redacted].

IN THE ARMY

The following-named officer for appointment as permanent professor of mechanics, U.S. Military Academy, under the provisions of title 10, United States Code, sections 4331 and 4333:

Carroll, William F., [redacted].

The following-named persons for reappointment in the active list of the Regular Army of the United States, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be colonel, Regular Army, and colonel, Army of the United States:

Pope, Cornell, [redacted].
Schell, Rieder W., [redacted].

To be lieutenant colonel, Regular Army, and colonel, Army of the United States:

Hughes, Rosamond, [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be major

Beebe, Donald J., [redacted].
Falkner, Joe S., Jr., [redacted].
Gilreath, Charles E., Jr., [redacted].
Hendrickson, Charles W., [redacted].
Kimerling, Roy D., [redacted].
Lewis, Andrew C., [redacted].
Peoples, John L., Jr., [redacted].
Poole, James R., [redacted].
Shaneyfelt, Stanley E., [redacted].
Stevens, Harlow H., [redacted].

To be captain

Arron, Larry D., [redacted].
Adam, Walter H., [redacted].
Alley, John E., [redacted].
Andrews, Archie D., Jr., [redacted].
Andrews, Teddy G., [redacted].
Armstrong, David J., [redacted].
Back, John E., Jr., [redacted].
Barber, Russel J., [redacted].
Beale, Thomas L., [redacted].
Bell, Stephen P., [redacted].
Bell, William A., Jr., [redacted].
Biamon, Neils P., [redacted].
Bolton, James H., [redacted].
Bornmann, Rex N., [redacted].
Boyer, Gregory A., [redacted].
Brotherton, Lawrence C., II, [redacted].
Browning, Frederic W. H., [redacted].
Buckles, Donald H., [redacted].
Burton, Harvey W., [redacted].
Cadorette, Richard E., [redacted].
Cannon, Walter W., [redacted].
Carroll, Patrick N., [redacted].
Carwile, William L., III, [redacted].
Cavey, Thomas J., Jr., [redacted].
Chesser, Cecil D., [redacted].
Chilton, Forrest S., [redacted].
Coats, Julius E., Jr., [redacted].
Coberly, Theodore R., [redacted].
Coburn, George C., [redacted].
Coffman, Raymond J., [redacted].
Conard, Richard J., [redacted].
Cooke, Robert U., [redacted].
Crawford, Howard W., [redacted].
Crawford, Ronald J., [redacted].
Crine, Richard H., [redacted].
Curry, Patrick J., [redacted].
Curtis, William W., Jr., [redacted].
Davis, Cecil F., [redacted].
Davis, Nathan, [redacted].
Davis, Wilbur J., [redacted].
Delk, Lucious E., [redacted].
DeLoach, Samuel L., [redacted].
Derby, Anson W., [redacted].
Derr, Stanley E., [redacted].
Deutsch, Kenneth A., [redacted].
DiBona, Robert M., [redacted].
Dinoto Joseph M., [redacted].
Dorminey, Timothy D., [redacted].
Doty, Donald W., [redacted].
Duffy, Robert E., [redacted].
Duhan, Daniel P., [redacted].
Durazzo, Franklyn P., [redacted].
Durbin, William M., [redacted].
Edwards, Warren C., [redacted].
Ellenson, Robert W., [redacted].
Ellis, John J., [redacted].
Endicott, Ronald L., [redacted].
Featherston, George D., Jr., [redacted].
Fellers, Carl E., [redacted].
Fernandez, Conte Ramon, [redacted].
Fisher, Paul R., [redacted].
Fisher, Spencer A., [redacted].
Flannigan, Jerry W., [redacted].
Flenniken, Douglas M., [redacted].
Floyd, Benzell, [redacted].
Foley, Paul G., [redacted].
Forrester, Robert L., [redacted].
Foster, Donald A., [redacted].
Foster, James H., [redacted].
Froberg, David B., [redacted].
Galliers, Don L., [redacted].
Gershel, Christopher P., [redacted].
Glass, Charles W., [redacted].
Godboldte, Cordell S., [redacted].
Goins, Greggory L., [redacted].
Gooding, Jerold L., [redacted].
Goosen, Edwin P., [redacted].
Green, Wesley III, [redacted].
Gregg, Steven C., [redacted].
Griffin, John M., [redacted].
Grimsbo, Robert G., [redacted].
Guilliams, Charles D., [redacted].
Hall, Ronald A., [redacted].
Hamaker, Bryant B., [redacted].
Hargraves, Walter A., Jr., [redacted].
Harrigan, David L., [redacted].
Hay, John F., [redacted].
Heapy, Dennis G., [redacted].
Henderson, James E., [redacted].
Hendsbee, Michael R., [redacted].
Hensley, Jerry L., [redacted].
Herion, George C., [redacted].
Hines, William A., Jr., [redacted].
Hoerle, Arno J., [redacted].
Holladay, John E., [redacted].
Holt, James R., [redacted].
Horne, John W., [redacted].
Howard, Robert H., [redacted].
Idell, William D., [redacted].
Ivie, Clarence S., Jr., [redacted].
Jackson, John W., [redacted].
Jansen, Robert A., [redacted].
Johnson, Bruce H., [redacted].
Johnson, Francis F., [redacted].
Kafura, Herman G., [redacted].
Kehoe, Michael P., [redacted].
Kentfield, Thomas C., [redacted].
Klein, Christopher T., [redacted].
Klein, Harry F., Jr., [redacted].
Laguens, Delwin P., Jr., [redacted].
Lambert Barry W., [redacted].
Lancaster, Ralph E., Jr., [redacted].
Landon, Kenneth L., [redacted].
Langston, Carlos C., Jr., [redacted].
Lay, Robert S., Jr., [redacted].
Leipold, William D., [redacted].
Lesniak, Allen P., [redacted].
Long, Wayne E., [redacted].
Loper, Harry B., [redacted].
Lord, William Z., [redacted].
Lundgren, Gary W., [redacted].
Lusk, Douglas E., [redacted].
Lynch, John B., [redacted].
Lytle, Robert L., [redacted].
Malone, Tommie H., [redacted].
Marable, Renard H., [redacted].
Marrin, Dennis W., [redacted].
Marshall, John N., Jr., [redacted].
Martindell, George J., [redacted].
Mauldin, Jerry V., [redacted].
McCollam, Albert E., Jr., [redacted].
McFarland, Paul J., [redacted].
McGill, William D., II, [redacted].
McGinty, Kenneth R., [redacted].
McRae, John A., [redacted].
Mills, Howard M., Jr., [redacted].
Moore, Robert H., [redacted].
Mullendore, Lauren G., [redacted].
Mulligan, Brian J., [redacted].
Murphy, Horace Jr., [redacted].
Mustain, Robert W., [redacted].
Nakano, Walter T., [redacted].
Narburg, Charles W., [redacted].
Neill, Henry W., Jr., [redacted].
Nicholson, Roy L., [redacted].
Norman, Robert L., [redacted].
Norris, Richard D., [redacted].
Norton Stephen R., [redacted].
Page, Gene, [redacted].
Paris, Francis, J., [redacted].
Parker, Craiger C., [redacted].
Pelkey, Christopher K., [redacted].
Pirnie, Bruce R., [redacted].
Pitts, James C., [redacted].
Record, James E., [redacted].
Reilly, Peter E., [redacted].
Reise, Thomas M., [redacted].
Riccinto, Patrick J., Jr. [redacted].
Richards, Harold B., [redacted].
Riggs, Johnny M., [redacted].
Rousek, Charles S., [redacted].
Rubin, Howard H., [redacted].
Rutledge, Edward W., [redacted].
Schornick, John N., [redacted].
Schwander, Jeffery L., [redacted].
Schweider, Theodore L., [redacted].
Seiler, Curtis M., [redacted].
Shugrue, William J., [redacted].
Silcox, Craig V., [redacted].
Sink, Dana T., III, [redacted].
Smith, Calvin E., [redacted].
Smith, Lowell J., [redacted].
Spalding, Donald J., [redacted].
Squire, Willard S., Jr., [redacted].
Stamper, Clarence D., Jr., [redacted].
Steele, Kent D., Jr., [redacted].
Suess, Robert K., [redacted].
Tabor, Woody R., [redacted].
Tate, Leo F., [redacted].
Taylor, Donald R., [redacted].
Taylor, Luther M., [redacted].
Terasa, Frederick N., [redacted].
Terrell, Thompson A., III, [redacted].
Thompson, Henry L., [redacted].
Thornton, Michael G., [redacted].
Thrash, Gerald W., [redacted].

Torres, Cartagena Jorge L., [redacted].
Tuttle, Leroy W., [redacted].
Ulin, Robert R., [redacted].
Upson, Stuart G., [redacted].
Villagomez, Erwin T., [redacted].
Wadlington, Wallace M., [redacted].
Wages, Eugene W., [redacted].
Walker, Eddie G., [redacted].
Walters, Jimmy L., [redacted].
Walters, Richard E., [redacted].
Walters, Robert P., [redacted].
Ward, Richard M., [redacted].
Ware, John R. II, [redacted].
Washington, Lemarse, [redacted].
Weinfield, Roselle, [redacted].
Wessman, Paul H., [redacted].
White, Abel, [redacted].
Wigglesworth, James H., [redacted].
Williams, Thomas G., [redacted].
Wilson, Daniel M., [redacted].
Winchester, Larry G., [redacted].
Witter, James A., [redacted].
Wolf, Jack G., [redacted].
Womble, William C., [redacted].
Wood, John I., III, [redacted].
Wruble, Eric G., [redacted].
Wyatt, James E., [redacted].
Zedar, Frank R., [redacted].
Zoglman, Robert R., [redacted].

To be first lieutenant

Aiello, Thomas, [redacted].
Allen, Robert C., [redacted].
Allred, Joseph L., [redacted].
Alvarado, Michael J., [redacted].
Anderson, Israel P., [redacted].
Bailey, Peter M. I., [redacted].
Bakian, Gregory J., [redacted].
Bako, Victor B., Jr., [redacted].
Ballard, Brian L., [redacted].
Bartusch, Robert J., Jr., [redacted].
Bauch, William L., [redacted].
Baxter, Leo J., [redacted].
Beck, Gary S., [redacted].
Bennett, Patrick J. [redacted].
Berry, Corlis, III, [redacted].
Biersack, Carl W., [redacted].
Black, Randall E., [redacted].
Blagg, Ronnie, [redacted].
Blanding, Willie L., Jr., [redacted].
Blaschke, Dennis L., [redacted].
Blount, Buford C., III, [redacted].
Boessen, Joseph F., [redacted].
Bolton, Jeffrey M., [redacted].
Boman, Truman R., Jr., [redacted].
Bondiskey, William R., [redacted].
Bouchard, Robert R., [redacted].
Bowman, Rodger M., [redacted].
Boykin, William G., [redacted].
Bramlett, Nell N., [redacted].
Brantley, Andrew M., [redacted].
Bratcher, Jack D., [redacted].
Brennan, James M., [redacted].
Brinkley, Charles L., [redacted].
Brown, Chris E., [redacted].
Brown, David A., [redacted].
Brown, Larry E., [redacted].
Bruce, Samuel B., [redacted].
Bruns, Larry D., [redacted].
Bryson, Ralph J., [redacted].
Brzozowski, Mark A., [redacted].
Burgett, Frederick J., [redacted].
Burke, Michael D., [redacted].
Cahill, Douglas, [redacted].
Camera, Nicholas J., [redacted].
Campen, Timothy A., [redacted].
Carley, John G., [redacted].
Carter, Samuel D., [redacted].
Casey, George W., Jr., [redacted].
Casper, Lawrence E., [redacted].
Cerutti, Stephen R., [redacted].
Chambers, Joseph W. [redacted].
Chapman, Raymond M., [redacted].
Cheney, Susan P., [redacted].
Cipriano, John J., Jr., [redacted].
Collignon, Larry J., [redacted].
Conklin, Zelda K., [redacted].
Connors, Robert W., [redacted].
Cook, Breck D., [redacted].
Craig, Jerry D., [redacted].
Crosby, Richard D., III, [redacted].
Crossfield, Ermal J., [redacted].
Cutler, Peter C., [redacted].
Czech, Norbert E., [redacted].
Daniel, Virgildee F., [redacted].
Daugherity, Richard D., [redacted].
Davenport, Brian W., [redacted].
Deggins, Samuel T., Jr., [redacted].
Delony, Edwina P., [redacted].
Dietrich, James D., [redacted].
Dolan, Peter P., [redacted].
Doyle, George L., [redacted].
Dunbar, Glen B., III, [redacted].
Dy, Benjamin, [redacted].
Early, Raymond W., [redacted].
Egan, Richard J., [redacted].
Eszes, Joseph W., [redacted].
Fake, Daniel R., [redacted].
Farrell, Patrick T., [redacted].
Faure, Charles W., [redacted].
Federle, Philip F., [redacted].
Fennelly, Richard J., [redacted].
Ferguson, Michael M., [redacted].
Firestone, William P., [redacted].
Fisher, Carla K., [redacted].
Flores, John P., [redacted].
Foster, Steven C., [redacted].
Fowler, David J., [redacted].
Franks, Robert F., [redacted].
Fraze, Douglas A., [redacted].
Freiberg, Alan J., [redacted].
Froude, Robert R., [redacted].
Fuentes, Robert M., [redacted].
Fulcher, Cecil N., [redacted].
Gardner, Jerry W., [redacted].
German, Thomas E., [redacted].
Gibson, Douglas F., [redacted].
Gilbert, Steven G., [redacted].
Gillman, John W., [redacted].
Givens, William R., [redacted].
Goodrich, John H., [redacted].
Grayson, Richard W., [redacted].
Greene, Larry F., [redacted].
Gregory, Frank B., [redacted].
Gribble Garland D., Jr., [redacted].
Griffin, Benjamin S., [redacted].
Gutwald, Rick, [redacted].
Hack, Richard A., [redacted].
Hahn, Jay W., [redacted].
Haning, Joe M., [redacted].
Hannah, John H., III, [redacted].
Hanson, Stephen K., [redacted].
Harback, Herbert F., [redacted].
Hardin, Michael D., [redacted].
Harris, James R., [redacted].
Harris, Wayne C., [redacted].
Hartline, Peter C., [redacted].
Hawthorne, Everett E., Jr., [redacted].
Hayes, Kenneth H., [redacted].
Heim, John C., [redacted].
Heinze, Dykstra J., [redacted].
Henley, Charles W., [redacted].
Hibbs, Ballard F., [redacted].
Hill, Thomas C., III, [redacted].
Hinton, Daniel E., Sr., [redacted].
Holdeman, Eric E., [redacted].
Holder, Danny G., [redacted].
Holladay, Joseph W., [redacted].
Huffman, Daniel R., Jr., [redacted].
Hughes, Michael A., [redacted].
Hunt, Joseph M., Jr., [redacted].
Hunt, Kenneth I., Jr., [redacted].
Hutchison, John M., [redacted].
Iacono, David M., [redacted].
Ihara, Sheldon K., [redacted].
Jarvis, Robert L., [redacted].
Johnson, Alan D., [redacted].
Johnson, Charles L., [redacted].
Johnson, James G., [redacted].
Johnson, Richard L., Jr., [redacted].
Jones, George T., II, [redacted].
Jones, Michael J., [redacted].
Jordan, Paul E., [redacted].
Joseph, Clarence H., [redacted].
Judd, Leslie C., [redacted].
Keenan, John C., [redacted].
Kelley, Owen C., [redacted].
Kennedy, James C., [redacted].
Kenney, John M., [redacted].
Kern, Jeffrey A., [redacted].
Klon, Peter F., [redacted].
Knight, Odious O., [redacted].
Kous, William F., II, [redacted].
Krimkowitz, Harry A., [redacted].
Krumel, Richard G., [redacted].
Landers, Michael O., [redacted].
Langbein, George L., [redacted].
Larch, Paul K., [redacted].
Latham, Paul O., Jr., [redacted].
Legrow, Ralph W., [redacted].
Lester, John W., Jr., [redacted].
Lipinski, Edward P., Jr., [redacted].
Lovett, Michael L., [redacted].
Lugenbill, Chris H., [redacted].
Lupo, Anthony T., [redacted].
Lyle, Robert N., Jr., [redacted].
Maher, Edward R., [redacted].
Malson, Bruce A., [redacted].
Maroulakos, Harry J., [redacted].
Marr, James E., III, [redacted].
Marshall, John L., Jr., [redacted].
Martin, Michael D., [redacted].
Martini, Carol A., [redacted].
McCleskey, Robert A., [redacted].
McCloskey, Leo F., [redacted].
McCloud, James V., [redacted].
McClure, Jeffrey W., [redacted].
McDonie, Robert E., [redacted].
McGrady, Joel L., [redacted].
McHenry, Roger W., [redacted].
McKenzie, Carol E., [redacted].
Melvin, Charles R., Jr., [redacted].
Merriam, David T., [redacted].
Miller, Christopher C., [redacted].
Miller, Larry L., [redacted].
Moeller, Delane F., [redacted].
Moeller, Stephen P., [redacted].
Molnar, Paula M., [redacted].
Montano, James J., [redacted].
Moon, Timothy D., [redacted].
Moore, James R., Jr., [redacted].
Morgan, Emerson H., [redacted].
Morgan, William D., [redacted].
Moulin, David G., [redacted].
Moye, Danny R., [redacted].
Myers, Michael K., [redacted].
Nepote, Peter A., Jr., [redacted].
New, Edward L., Jr., [redacted].
Nichols, Charles D., [redacted].
Oddy, Robert W., Jr., [redacted].
Odom, Christine E., [redacted].
Orourke, Michael J., [redacted].
Ovnic, Louis J., [redacted].
Owen, Ewell M., [redacted].
Page, Richard L., [redacted].
Pagni, David A., [redacted].
Patrick, Timothy R., [redacted].
Pavlovsky, John D., [redacted].
Pedersen, Thomas D., [redacted].
Perrenot, Brian E., [redacted].
Peters, John E., [redacted].
Pientka, Joe, Jr., [redacted].
Pinnell, Thomas M., [redacted].
Price, Richard P., [redacted].
Prickett, Thomas R., [redacted].
Quimby, David R., [redacted].
Raphael, Victor G., Jr., [redacted].
Ratliff, Leslie L., [redacted].
Reagan, Lynn A., [redacted].
Rees, Chester L. Jr., [redacted].
Reger, Joseph M., [redacted].
Reininger, Terrance L., [redacted].
Reynolds, Forrest P., Jr., [redacted].
Rhoden, Howard E., [redacted].
Richmann, James N. [redacted].
Rios, Leon H., [redacted].
Robbs, Charles T., [redacted].
Roberts, Douglas, [redacted].
Roberts, Karen, [redacted].
Robinson, Russell N., [redacted].
Robson, John H., IV, [redacted].
Roche, Richard B., Jr., [redacted].
Rodgers, Robert D., [redacted].
Rogers, Curtis R., [redacted].
Ross, Robert J., [redacted].
Rowan, John W., [redacted].
Rozman, Joseph T., Jr., [redacted].
Runte, August, [redacted].
Ryan, Owen D., [redacted].
Ryder, Donald J., [redacted].
Sawdey, Steven R., [redacted].
Schmader, John R., [redacted].
Schmidt, Gary P., [redacted].
Schmitz, Francis D., [redacted].

Schofield, John T., [redacted].
Schreiner, George W., III, [redacted].
Schwartzmann, Charles J., [redacted].
Selin, George T., [redacted].
Serfass, Peter K., [redacted].
Shakleford, Michael M., [redacted].
Shanabruch, Kenneth R., [redacted].
Shaw, Earle A., Jr., [redacted].
Sheely, Raymond A., Jr., [redacted].
Sheldon, John J., [redacted].
Shelton, Curtis L., [redacted].
Shinn, Ronald W., [redacted].
Silverman, Michael A., [redacted].
Simpson, Royce L., [redacted].
Sinclair, William R., [redacted].
Smith, David D., [redacted].
Smith, Samuel P., [redacted].
Smith, Stephen R., [redacted].
Spitzenberger, Melvin F., [redacted].
Stanley, Samuel R., [redacted].
Steele, Jackie, [redacted].
Stewart, Phillip R., [redacted].
Stickney, Brian R., [redacted].
Stith, James H., [redacted].
Stoffers, Don M., [redacted].
Strauss, Thomas J., [redacted].
Strock, Carl A., [redacted].
Sweeny, Timothy A., [redacted].
Tanksley, David M., [redacted].
Tatum, James P., [redacted].
Taylor, Ronald E., [redacted].
Taylor, William L., [redacted].
Taylor, William W., [redacted].
Terrell, Brenda L., [redacted].
Thom, Brian L., [redacted].
Thomas, Jerry, [redacted].
Thomas, Robert H., [redacted].
Tomlinson, Timothy E., [redacted].
Trees, Paul M., [redacted].
Trupiano, Bridget, [redacted].
Tucker, Lawrence D., [redacted].
Urick, Cheryl A., [redacted].
Van Voorhis, Victor V., [redacted].
Vargas, Edwin, [redacted].
Victorson, Mark E., [redacted].
Voss, Robert D., [redacted].
Wallace, David R., [redacted].
Walsh, Edward O., [redacted].
Waring, Donald S., Jr., [redacted].
Warren, John D., [redacted].
Washburn, Thomas C., [redacted].
Waterman, Lloyd T., [redacted].
Watson, Jesse L., III, [redacted].
Waugh, Goree, III, [redacted].
Weilbrenner, James M., [redacted].
Werner, Thomas E., [redacted].
Westrip, Charles W., [redacted].
Wetzel, William J., [redacted].
White, Paul A., [redacted].
Whitworth, Stephen G., [redacted].
Wilkins, James R., [redacted].
Williams, Gary L., [redacted].
Wilson, James R., [redacted].
Wilson, Lawrence B., [redacted].
Wilson, Robert, [redacted].
Wilson, Theodore C., [redacted].
Wimberly, Russell J., [redacted].
Wink, Freddie V., [redacted].
Witham, Stephen R., [redacted].
Witte, Wallie S., Jr., [redacted].
Wolf, Donald J., [redacted].
Wolf, William E., [redacted].
Wood, Timothy L., [redacted].
Woodbridge, Alfred J., [redacted].
Yandell, Edgar L., Jr., [redacted].
Youngman, Gregory B., [redacted].
Zelko, Thomas J., [redacted].
Zimmers, Walter H., [redacted].
Zittel, Randy C., [redacted].
Zodrow, John G., [redacted].

To be second lieutenant

Carlson, Kathryn G., [redacted].
Genser, Steven R., [redacted].
Haroldson, Harry P., [redacted].
Meredith, Russell D., [redacted].
Saint Clair, Joseph C., II, [redacted].
Southcott, Francis R., Jr., [redacted].

IN THE NAVY

The following-named midshipmen (Naval Academy) to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Philip M. Abbott
Thomas M. Abbott
Ted G. Achorn
David S. Ackerson
Michael P. Agor
Chris L. Alberg
Christopher C. Ames
Richard L. Anders
Charles W. Anderson
Randal B. Anderson
Thomas R. Anderson
Stephen G. Andrusisian
Mark H. Anthony
Howard B. Aschwald, Jr.
Douglas L. Austin
Martin E. Bacon
Richard A. Badsgard
Rick A. Baggot
Thomas Q. Bakke
Roy J. Balaconis
John E. Ball
James S. Bane III
David R. Barclay
Frederick V. Bauer
John F. Bauman
David E. Bealer
Daniel A. Beary
Scott A. Beaton
Garth R. Beckett
Stephen A. Bedard
Kenneth D. Beeks
William H. Beeson, Jr.
Lawrence D. Bell, Jr.
Robert D. Belling
Mark M. Benson
Rex A. Bent
Bruce B. Bevard
William J. Bevil, Jr.
William J. Bigham
Albert R. Blacky, Jr.
Harry J. Blair III
Anthony L. Blanco
John E. Blasko II
Elliott L. Bloxom
David C. Boch
Thomas J. Bonner
Alan P. Bonser
Thomas E. Bosse
Michael L. Bosworth
Joseph F. Bouchard
John S. Boulden III
Herbert H. Bowden, Jr.
James E. Boyle
Dudley M. Bozeman
Patrick A. Brady
John B. Bridgeman
Donald G. Bringle
John A. Brink
Martin W. Brittingham
Robert J. Brotherton
Carlton A. Brown
Charles G. Brown
Gordon R. Brown
John M. Brown
Paul M. Brown
John M. Brownell
Malvin W. Brubaker
Rodric F. Brunngraber
Ronald B. Brunson
Henry M. Bryson
Jerome A. Buck
Melvin R. Bufiod
Jeffrey D. Burke
William S. Burns
Charles A. Bush
Andrij S. Bushak
Hoyt C. Butler
James G. Butler
Robert A. Butt
Fred Byus
Thomas A. Cahill
Jose G. Calahorrano
Charles I. Campbell III
Joseph E. Cantu
David L. Carlson
Ricky L. Carper
Richard C. Carstens
Brant M. Carter
John M. Carter
John J. Carwile
William E. Casey
Fidel L. Castellanos
Robert F. Caulk II
Joseph Celano
Stephen M. Champlin
Robert S. Chapman
Kevin M. Cheatham
Alanson T. Chenault IV
Emory L. Chenoweth
David B. Chiquelin
John M. Christman
Robert S. Chronister
Alfred W. Clark
Matthew S. Clarke
Mark H. Clements
Charles R. Cleveland
Ronald B. Clipp
Alex Y. Cobble
David E. Coggan
Charles D. Cole
Elmo E. Collins
Robert J. Connelly
Phillip L. Cook
Thomas P. Cook
Peter A. Cornell
Mark T. Costello
John M. Coverick
Frederick G. Craft
William S. Craighill
Kenneth A. Crain
Michael J. Cregge
Timothy J. Criner
David E. Crisalli
John M. Crochet
Dale G. Crossman
Kevin N. Curley
Derwood C. Curtis
Michael F. Dailey
Woodrow H. DaSilva
Steven F. Daughety
Lyal B. Davidson
Glen B. Davis
John A. Davis III
Larry A. Davis
Norman Davis, Jr.
Thomas W. Davis
William S. Davison
William R. Daze
Wiley R. Deal, Jr.
Craig M. Decker
Douglas C. Deem
David F. DeFord
Dennis C. DeGeus
Charles G. Deitchman
Paul R. Deppe
David M. DeSilva
Brian B. Devane
Francis A. Devereux
Dirk P. Deverill
Robert H. Dixon
Dean R. Dobbert
James C. Doherty
Bryan J. Dolan
Kenneth G. Dombart
Michael D. Donnelly
Lawrence K. C. Doong
Paul R. Dorin
Thomas A. Dowell
Frank M. Drennan
John W. Drerup, Jr.
William T. Driscoll
Michael J. Duffy
Douglas B. Duke
Kevin D. Eagle
Christopher R. Earl
Kenneth A. Ebersole
Raymond L. Eckenrode
Charles B. Edington
Michael V. Edwards
Peter M. Ellis
Robert S. Emmel
James D. Engels
James B. Epps
Lee E. Erdman
Haddon B. Estabrooks, Jr.
Gary W. Evans
Mark L. Evans
Steven J. Evans
Stephen A. Ewell
Timothy J. Farrell
Richard A. Feckler
Calvin J. Felte
David L. Fischer
David A. Fisher
Nicholas L. Flacco
David R. Fleischman, Jr.
Michael R. Flentje
Eugene Ford, Jr.
Jonathan J. Fox
Joseph A. Foy
James L. Francis
Dennis W. Franklin
Theodore D. Fredrick
Gary M. Freeman
Michael D. Freeman
Desmond W. Fretz
Stuart D. Funk
Milton J. Fusselman, Jr.
Daniel Galik
Richard K. Gallagher
Paul H. Gallati
Jay V. Gardiner
Dennis P. Gardner
Eric S. Gardner
Thomas A. Gardner, Jr.
John E. Gault
Wade J. Gerrard
Alfred J. Gertsch, Jr.
Patrick J. Giancatarino
Edward J. Gilmore
Steven K. Giorgis
William G. Gienney IV
Randall E. Goff
Michael P. Golden
Mark S. Gontkovic
Scott W. Goodson
Charels C. Gorum, Jr.
Peter M. Grant III
Steven A. Gray
James E. Grayson
Christopher P. Grazel
Johnny B. Green
John E. Greene
Gary G. Greenfield
Henry G. Greinke
Elmer K. Grey, Jr.
David W. Griffith, Jr.
Michael C. Grischy
Allen W. Groves
Robert B. Guild
James L. Gustafson
Douglas B. Guthe, Jr.
Gene Gygax
Robert A. Haertling
Timothy M. Hagen
Joseph P. Haggerty III
David M. Haines
Garry E. Hall
Ernest S. Halton
Robert Hammond
Chris M. Handley
James D. Hann
Michael P. Hansell
Craig I. Hanson
Gary D. Harrell
Peter W. Harris
David C. Harrison
Zal B. Harrison
Douglas W. Hart
Daniel N. Hartwell
Craig T. Harvey
Robert G. Hast
Frank W. Hauck
Samuel A. Hauge
William O. Hawn
Albert S. N. Hee
Herman M. Heise
Gary T. Hentz
Richard D. Hepburn
Michael C. Herb
Gary J. Hessenauer
George R. Hicks
Kent R. Higginbotham
Dennis W. Hillegas
Bruce E. Hinkley
Stuart C. Hinrichs
Michael G. Hlywiak
Sidney T. Hodge, Jr.
Mark B. Hoekstra
Charles K. Hoffman II
Steven Holibonich
Robert D. Holland
Richard T. Holloway
Everett I. Holmes
Kenneth R. Holmes
Fred B. Horne
Bruce A. Hougesen
Reginald L. Howard
Ronald Howard
Jeffrey C. Hoy
Mark T. Hubbard
Charles W. Hudson
Frederick P. Hughes
John D. Humphrey
Bruce W. Ingham
Frank A. Inzirillo
Henry C. Irwin, Jr.
Byron Q. Iverson
Bruce M. Jackson
Robert C. Jackson
Patrick A. Jacobs
Wayne M. Jakubowski
Christopher A. Janiec
James J. Janosek
Reed K. Jarvi
Gregory Jenkins
Scott M. Jenkins
Neil O. Jensen
Carlton B. Jewett
Christopher M. Joachim
Frederick G. Johnson
George R. Johnson
Paul G. Johnson
Stuart M. Johnson
John R. Jolicoeur
Lawrence M. Jones
David W. Jourdan
Daniel K. Kalili
Jeffery W. Kalkstein
Michael R. Kapsch
Nicholas E. Karangelen
Steven A. Katcher
Robert L. Kates
Donald W. Keene
John D. Kelley
Steven M. Kelly
Thomas S. Kennedy
Robert L. Kenny
Christopher A. Kidd
Edward P. Kilbourn
Eric Y. Kimura
Mark S. Kiser
Gordan P. Kish
Doyle R. Kitchin
Joseph G. Kleefisch
Petter F. Klein, Jr.
William H. Kneller
James R. Knight
Kent H. Kochsmeier
John T. Kohler
John B. Kolbeck
Craig E. Krauss
Steven M. Kundrat
David J. Kuriluk
Patrick C. Laine
Jeffrey S. Lambert
Calvin P. Langford
Cyrus R. Large
Keith S. Laser
David P. Laskoski
Andrew W. LeBoeuf

Michael A. LeFever
Ernest G. Leidiger
Bruce P. Leonard
Kenneth E. Leonard
Russell G. Lett
Jeffrey N. Lewis
Brent A. Leytem
Horatio A. Lincoln
Marcus C. Linn
Bomer L. Lisle, Jr.
Brandley J. Little
Charles H. Litz
John T. Locks
Mark R. Loebig
William P. Loeffler
Michael F. Logar
Kenneth G. Lombart
John L. Lovasz
Donald S. Love
Robert S. Lowe
David P. Luhta
Joseph W. MacAllister, Jr.
Robert B. MacDougall
John M. Maciejczyk
Peter A. Mahoney
James E. Manley
David J. Manners
Alfred A. Manzi
Joseph F. Mark, Jr.
David G. Markham
Donald S. Marston
Joseph J. Martinka
Bradley J. Mason
William W. Matzelevich
Jeffrey Maydosz
Luther M. Mays
Lucien D. Memminger
Theodore L. Mencke
Dennis P. Messenger
Mark L. Metcalf
Dale G. Meyer
Charles A. Mihalko
Peter G. Miller
Robert L. Miller
Danny H. Mills
Daniel F. Mitchell
Rodney I. Mitchell
Roger A. Mitiska
Jerry M. Mobley
Gary L. Moe
Robert J. Moll
Robert A. Monroe
Bruce S. Montgomery
Georgie Moore
John S. Moore
Mark R. Moore
Michael A. Moore
David B. Moran
John J. Moro
James E. Morrison
Lee O. Moss
Lawrence M. Muczynski
Paul E. Mueller
William H. Mueller, Jr.
Mark A. Mula
Jeffrey L. Mulliner
Gary L. Munn
Frank M. Murphy
Mark C. Murton
Allie R. Mysliwy
Joseph P. McAliley
John R. McCarthy
John K. McClain
David E. McDaniel
Craig O. McDonald
John A. McEwan
Joseph C. McGowan
Richard A. McHugh
James H. McKee III
Michael E. McKenney
John F. McKernan
Patrick R. McKim
Mark B. McKinley
Gary R. McKinney
William E. McMinn
Rand A. McNally
Kevin P. McNamara
Stephen D. McWilliams
Spencer T. Nakaguma
Casimir Napora
Richard F. Nathanson
Timothy J. Naville
Walter Neboshynsky
Eric C. Neidlinger
Hugh M. Neighbour III
Roger A. Nesbitt
Mark C. Nesselrode
Michael J. Neumeyer
Victor M. Neves
Patrick O. Nevitt
Kip W. Nicely
Samuel H. Nichols III
Stephen C. Nimitz
Bruce W. Northridge
Finley E. Nunn
Nick H. Nunn III
Daniel E. OBrien
James M. O'Connell
Stanley R. O'Connor
Richard T. Oftedal
Richard J. O'Hanlon
Mark S. O'Hare
Peter Olivieri
Michael C. O'Loughlin
Robert H. Olsen
Fredrick P. Ortloff
William C. Ostendorff
Isaiah H. Owens, Jr.
Donald N. Pacetti
John R. Pagan
Richard A. Palmer
Thomas J. Panik
Joseph L. Paquette
Donald S. Parker
Jerry L. Parker
William M. Parker
George R. Parks, Jr.
John B. Parrett
Paul B. Paskey
Torkel L. Patterson
Luster Payton, Jr.
Morgan B. Pearsall
Robert J. Peranich
Terry F. Perlich
Robert C. Peterman
James A. Petersen
Peter E. Peterson
Robert P. Petroka
Jeffrey E. Pettit
Rammsden T. Phillips
Randall L. Pinetti
Phillip L. Poirier, Jr.
James L. Poole, Jr.
Russell J. Pope
Bradley K. Porlier
David W. Porter
James R. Pottle, Jr.
Richard M. Pratt
Dean A. Price
Thomas H. Price
George D. Puddington
Kenneth S. Pugh
Thomas F. Pumphrey
Thomas E. Purdy
Raymond P. Putt, Jr.
Gregory A. Queen
Charles L. Rader
Steven J. Raher
Albert L. Raithel
Frederick V. Raley
Gary L. Rau
John F. Ravold
Mason C. Reddix, Jr.
Thomas J. Reilly
David G. Renaud
Charles E. Renner
Frank F. Rennie IV
Richard T. Rhyne
Jewett E. Richardson III
Philip W. Richardson, Jr.
Edward P. Riehl
Douglas L. Robbins
Lyn T. Robertson
Francis J. Rodrick, Jr.
Ernest J. Roeske
Wayne L. Rogers
Steven W. Rohrssen
Peter E. Rollins
Anthony V. Ross
David J. Rossetti
Henry J. Rowland, Jr.
James F. Rubino
Stephen K. Rudiger
Curtis R. Rumfelt
Mark S. Rupprecht
Gary R. Rush
Joseph A. Ruttar
Louis J. Saccoccio
Richard J. Salazar
John D. Sample
Jeffrey R. Sander
James A. Sanford
John F. Sarao
Douglas R. Schaus
Ralph O. Scherini
Albert W. Schmidt
Randall K. Schmitt
Ronald C. Schuller
John A. Schumacher
John D. Schumacher
Mark R. Schweer
Christopher J. Scoppa
Benjamin H. Scott II
Craig C. Scott
Jeffrey J. Scott
John B. Scout
Floyd C. Searl, Jr.
Richard F. Sears
Leland H. Sebring, Jr.
Roger W. Seedorf
Michael L. Seifert
Ronald D. Seizert
Roderick O. Shaffer
William J. Sheppard
David K. Shimp
Kenneth E. Sichau
Peter B. Siwek
James A. Sloan, Jr.
Martin J. Sloane
Brian M. Smith
Bruce A. Smith
David E. Smith
Lee Smith III
Michael L. Smith
Richard P. Smith
Theoren P. Smith III
Thomas M. Smith
John R. Snodgrass
Richard L. Snow
Carlton E. Soderholm, Jr.
David P. Solliday
Robert M. Somers, Jr.
Stephen M. Soules
Walter R. Sparks
Leroy M. Sparr
Bradford A. Speer
Richard D. Spencer
Gerald K. Spraitzar
Timothy J. Sprowls
John W. Stahura
John M. Stamos
George R. Standridge
Gary L. Stark
James G. Stavridis
Jeffrey A. Steiner
Ralph E. Steinhauer
Douglas C. Steudler
Mark K. Stevens
Richard A. Stich
Dennis J. Stockwell
Kenneth J. Stockwell
Kevin F. Stone
Stephen M. C. Stroebel
James C. Stuller
Joseph J. Sturm III
Bruce E. S. Stutsman
John S. Sundquist
Grant Sutherland, Jr.
Joel C. Swanson
Joseph W. Swaykos
David E. Sweede
David J. Sweeney
Felix S. Swierski III
David A. Swingle
Mark E. Swirmicky
Jon S. Tandy
James H. Taplett
Stephen D. Taylor
Tod M. Thedy
John W. Therriault
Timothy L. Theurer
David H. Thieman
Donald T. Thieme
Craig H. Thomas
James H. Thompson
Lewis D. Thompson
Mark S. Thorpe
Michael L. Thurwanger
David K. Tibbetts
Terrance A. Tielking
John G. Titsworth
Stephen J. Topscher
Timothy S. Traaen
Patrick A. Tracy
Robert G. Treitz
Mark M. Trenor
David R. Tribout
Charles R. Trude
Malu Tupuola, Jr.
Gary R. Turner
Charles R. Turpen
Hansford D. Tyler III
Brian R. Tyndall
Mark A. Uhron
Arthur J. Vanderschaaf
Bernard E. Vanosdall
Charles J. Vargo
Peter S. Varsanyi
Gregory M. Vaughn
David J. Venlet
Anthony F. Violante
John D. Virden
Steven C. Von Dollen
Jonathan R. Wade
Randall W. Waldrip
Michael D. Waldrop
Adelbert L. Walker
Wayne A. Walters
Charles F. Walton
Daniel T. Ward
Jon J. Watkins
Jeffrey C. Watson
Walter F. Watson
Keith T. Weaver II
John S. Webb
Craig T. Weber
Bryan D. Webster
Roy E. Weisert
Charles J. Weiss
Robert F. Weiss, Jr.
Frederick P. Weldon
Roger W. Wendt
Mark L. West
Michael B. West
Ronald W. Wetmore
Harold R. Whalen III
William T. Wheeler, Jr.
Gerald A. White
Daniel R. Whitney
James C. C. Whitsett, Jr.
Paul H. Wietlisbach
John H. Wilckens
Stephen N. Wiley
Phillip J. Wilhelm
John P. Wilkinson
Gerard J. Willett
Craig M. Williams
Michael D. Williams
Hugh A. Willis
John R. Willis
James M. Willy
David D. Winters
Louis V. Wise
Michael A. Witt
John R. Woelfel
Garry A. Wolfrum
George L. Wood III
Thomas P. Wood, Jr.
Edmund T. Wooldridge III
Ellis D. Woumnm
Paul R. Wrigley
Gary F. Wrotnowski
Guy N. Wynn, III
Stephen A. Wynne
Frederick D. Yarger
Liston C. Young
Eric D. Youngborg
Joseph Zacharzuk, Jr.
Thomas E. Zelibor
Harold J. Zimmerman
William C. Zobel

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Charles S. Janik
Kenneth G. Kaulbach
Stephen T. Kellett

The following-named naval enlisted scientific educational program candidates to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Richard W. Ashmore
Ronald Bart
John D. Blankenship
John L. Bowles
Luther S. Brewer
Michael J. Bryant
William W. Clark
Thomas W. Clarke
Michael Clements
Richard E. Coleman
Larry D. Craig
John K. Dembrowski
Robert H. Elminger
Alberto D. Golfo
Frank L. Grubbs
Robert H. Johnson
John P. Jones
William G. Kaufman
Dean F. King
Richard W. Lukens
Johnny L. McWilliams
John E. Musumeci
Thomas M. Newell
Jeffrey L. Nieder
Mylen J. Numdt
Larry M. O'Brien
Johnny M. Price
Michael F. Sasser
Richard S. Schmidt
Dale E. Wheelis
Joseph R. Wood
James G. Wright

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Depue H. Duffey, Jr.
Robert H. Radnich
Stephen J. Rodgers
Tommy Turner

LTJG Gary W. Smith, USN, to be appointed a permanent lieutenant in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

Clifford L. Laning (U.S. Navy officer) to be appointed a permanent commander in the line in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be appointed permanent lieutenants in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Robert M. Anderson
John M. Davis
Marshall J. Gerrie, Jr.
Cameron A. Gillespie
James R. Kopp
Ira A. Weiss

The following-named (Naval Reserve officers) to be appointed permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the U.S. Navy, subject to the qualifications thereof as provided by law:

Kermit R. Booher, Jr.
Bruce E. Carlson
Noel K. Dysart, Jr.
Dennis L. Fielder
David A. Ingrum
Frederic L. Jackson
Hong Sohn
Eric N. Thompson

Gonzalo V. Gonzalez-Liboy (Naval Reserve officer) to be appointed a permanent commander in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

Graham Gilmer, III (Naval Reserve officer) to be appointed a permanent lieutenant commander in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be appointed permanent lieutenant commanders and temporary commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Charles W. Bollinger
Gerald L. Shaw

Larry O. Goldbeck (Ex-Air Force officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

*Patrick W. Flynn (Ex-USN officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

William J. McDaniel (U.S. Navy officer) to be appointed a permanent lieutenant commander in the Medical Corps of the U.S. Navy, to correct grade, subject to the qualifications therefor as provided by law.

Cdr Alfred G. Cavanaugh (USN (Ret.)) to be reappointed from the temporary disability retired list as a permanent commander in the Supply Corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

The following-named temporary Chief Warrant Officers to be permanent Chief Warrant Officers W-2, subject to the qualifications therefor as provided by law.

BOATSWAIN

James L. Beeman
Charles M. Dombrow, Jr.
Lucian P. Highlander, Jr.
Harold D. Houfek
Duan R. Johnson
Joseph Manges
Robert E. Realing

OPERATIONS TECHNICIAN

Jan A. Berreitter
Joseph W. Bolden
James E. Collins
Billy G. Hatcher
Peter J. Rezas
William R. Walden

ENGINEERING TECHNICIAN

William J. Barrett
Harry M. Cieri
Stanley E. Howard

ELECTRONICS TECHNICIAN (SURFACE)

William R. Cozart, Jr.
John W. Foster
William J. Flinner
James R. Madewell, Jr.

ENGINEERING TECHNICIAN

Edwin M. James III

NUCLEAR POWER TECHNICIAN

Klaus Baernthaler
Darrell A. Worrell

UNDERWATER ORDNANCE TECHNICIAN

Thomas E. Lemke

ELECTRONICS TECHNICIAN (SUBMARINE)

Billie N. Hickerson

AVIATION OPERATIONS TECHNICIAN

Jackie R. Hall
Richard B. White

AVIATION MAINTENANCE TECHNICIAN

Jonathan M. Bigelow
Clarence W. Shaffer
Glenn S. Shirer, Jr.
Ronald F. Webber
Terrell W. Williams

AVIATION ORDNANCE TECHNICIAN

AVIATION ELECTRONICS TECHNICIAN

Charles H. Bolin
Wayne L. Carpenter
Jerry V. Stokes.

SHIP'S CLERK

John A. Etzel
Joseph Grant
John J. Manley, Jr.

CRYPTOLOGIC TECHNICIAN

Robert E. Harrion

PHOTOGRAPHER

Edward G. Jolly
David G. Zentz

EXPLOSIVE ORDNANCE DISPOSAL TECHNICIAN

Robert P. Demers

SUPPLY CORPS

Donald R. Bessette
Alfred R. Clarke
Gary C. Johnson
William Millwood

FOOD SERVICE WARRANT

Alfio J. Vasta

The following-named temporary Chief Warrant Officers to be permanent Chief Warrant Officer W-3, subject to the qualifications therefor as provided by law:

ENGINEERING TECHNICIAN

Thomas E. McClimont

ELECTRONIC TECHNICIAN (SURFACE)

Norman R. Simmons
William J. Yarmy, Jr.

REPAIR TECHNICIAN

Richard H. Balstad

SHIP'S S CLERK

Thomas J. C. Harder

UNDERWATER ORDNANCE TECHNICIAN

James F. McDonough

SUPPLY CORPS WARRANT

Robert E. Roberts

The following-named Navy enlisted candidates to be appointed Chief Warrant Officers, W-2, in the U.S. Navy, for temporary service, subject to the qualifications therefor as provided by law:

ENGINEERING TECHNICIAN (SURFACE)

Larry H. Barton
Romie G. Cullins
Remy M. Demadura
Michael P. Grief

ORDNANCE TECHNICIAN (SURFACE)

Glenn P. Costa

NUCLEAR POWER TECHNICIAN (SURFACE)

Robert M. Kirk

NUCLEAR POWER TECHNICIAN (SUBMARINE)

Ronald L. Johnson

OPERATIONS TECHNICIAN (SURFACE)

Jessie Lee, Jr.
Ronnie G. Phifer

The following-named Chief Warrant Officers to be temporary Chief Warrant Officer, W-3, subject to the qualifications therefor as provided by law:

BOATSWAIN

James L. Beeman
Lucian P. Highlander, Jr.
Joseph Manges

OPERATIONS TECHNICIAN

Joseph W. Bolden
James E. Collins

ENGINEERING TECHNICIAN

William J. Barrett
Harry M. Cieri

ELECTRONIC TECHNICIAN (SURFACE)

William R. Cozart, Jr.

NUCLEAR POWER TECHNICIAN

Klaus Baernthaler

AVIATION MAINTENANCE TECHNICIAN

Jonathan M. Bigelow
Clarence W. Shaffer

SHIP'S CLERK

John A. Etzel
John J. Manley, Jr.

SUPPLY CORPS WARRANT

Alfred R. Clarke
William Millwood

FOOD SERVICE WARRANT

Alfio J. Vasta

The following-named Chief Warrant Officers to be temporary Chief Warrant Officers, W-4, subject to the qualifications therefor as provided by law:

CIVIL ENGINEERING WARRANT

George M. Shelton

SUPPLY CORPS WARRANT

Robert E. Roberts

The following-named Navy enlisted candidates to be appointed ensigns in the U.S. Navy, for limited duty, for temporary service, in the classification indicated, subject to the qualifications therefor as provided by law:

ENGINEERING/REPAIR (SURFACE)

Robert E. Clink
Candido R. Elgo, Jr.
Larry L. Oiler
Charles R. Vaughn
Brad L. Wroolie

NUCLEAR POWER (SUBMARINE)

David K. Wilson

CWO2 William C. Abbruzzese, USN, to be appointed a lieutenant (junior grade) in the U.S. Navy, for limited duty, in the classification (Engineering/Repair-Surface), for temporary service, subject to the qualifications therefore as provided by law.

The following-named temporary chief warrant officers to be appointed lieutenants (junior grade) in the U.S. Navy, for limited duty, for temporary service, in the classification indicated, subject to the qualifications therefor as provided by law:

PHOTOGRAPHY

Edward G. Jolly

AVIATION MAINTENANCE

Terrell W. Williams

DEPARTMENT OF JUSTICE

James R. Cooper, of Georgia, to be a member of the Board of Parole for the remainder of the term expiring September 30, 1978, vice Thomas R. Holsclaw, deceased.

EXTENSIONS OF REMARKS

IS FEDERALIZING WELFARE FEASIBLE?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. MICHEL. Mr. Speaker, a considerable debate has arisen recently which suggests that the Federal Government ought to "Federalize" our welfare programs in the country. That is to say, we ought to take over the financing and management of local and State programs as well as Federal ones, even to the extent of abolishing all State and local contributions to such programs as AFDC and medicaid.

Much of the hue and cry has arisen from New York City, and is advanced as a solution to the fiscal problems of that unfortunate community.

But welfare federalization as a solution is fraught with difficulty, and indeed perhaps completely unworkable. Some of the reasons for this fact were brought out in a recent editorial in the Wall Street Journal, with particular emphasis on the New York aspect of the problem.

I commend this editorial to those of my colleagues who may be flirting with the federalization proposals:

FEDERALIZING WELFARE

Federalizing welfare has been revived as a national issue, this time as a by-product of New York City's fiscal crisis. When pressed for the way the crisis will ultimately be resolved, New York's natives and leaders nearly always fall back on the idea of having Washington pick up the whole tab for welfare.

City officials blame their budget deficit on the fact that a uniquely high share of local tax revenues must go for programs like Aid to Families with Dependent Children (AFDC). They have something of a point, since some cities have been relieved of their share of the burden by their respective states. But instead of pressuring Albany, the city wants to pressure Washington, and in the recent New York primary candidates obliged by offering schemes for the federal government to take over this expense. A look at the problem may restore realism.

If welfare is to be federalized, the first question that must be answered is, at what benefit level? Benefit levels are set by the states. New York pays $327 a month for the average AFDC family, not counting food stamps or medical care. Mississippi pays $50. The national urban average is $216 a month, meaning New York payments are 50% above the average.

So if welfare is federalized, should New York benefits be cut to the national average? Or should the national average be raised to New York levels? Both Morris Udall and Henry Jackson would try to solve this problem by adjusting benefits for regional cost-of-living differences. But this is another appealing idea that runs aground on the rocks of reality.

A congressional study reports that at the poverty level, the widest gap in living costs between two cities would be no more than 8%. Regional cost-of-living differences are much smaller for lower incomes than for average incomes, and the real differences between family budgets don't occur between regions, but between city and farm, or city and suburb. Under a true adjustment, benefits in downtown Atlanta would be closer to those of New York City than to those of surrounding Fulton County, Ga.

With this background, you can start to tot up the costs of bailing out New York by federalizing welfare in all 50 states. Washington presently pays out some $4.6 billion for AFDC (excluding administration). Picking up present state and local payments at present benefit levels would cost another $4 billion. If you take New York's benefits as a national yardstick and adjust others accordingly, as suggested by Mr. Udall, this would add another $3.5 billion. So far Washington would spend about $12 billion.

Other proposed reforms, such as extending AFDC to all eligible intact families and allowing a benefit for earned income, would push costs up further. Some experts put the total tab at $17 to $20 billion.

This is for present beneficiaries. It ignores the predictable increase in welfare caseloads if New York benefits and eligibility standards are spread nationwide. And none of this will have cured the widely acknowledged havoc that the present welfare system wreaks on its recipients; in fact, it would intensify the problem by discouraging people from working.

But suppose Washington does run its welfare spending up to $20 billion, plus some unknown but in our opinion immense escalator factor. What will this do for New York City? The city's present AFDC expense is only $600 million (including $350 million in administration). This is only a bit over half of its presently estimated deficit. The natives and leaders in New York have an answer to that problem; Washington has to pick up not only AFDC but Medicaid.

This means to get the total national cost, you have to run the above exercise not only with welfare benefits but also with Medicaid. In New York City, Medicaid benefits go to some 727,000 people, or 9.5% of the population. The average benefit is some $2,000 per year per recipient. Nationally, spending $2,000 a year on 9.5% of the population would cost $37 billion. Add this to the $20 billion-plus for AFDC, deduct present federal expenses on both programs, and you get the tab for bailing out New York by federalizing welfare—$43 billion plus.

Now, we don't intend to ridicule or dismiss the idea of a federalized welfare; a reasonable case for that step can be made in principle. But in the past all attempts to translate that principle into practice have been frustrated by intractable problems, not the least of which is opposition to any cuts in benefits from places like New York.

The same intractable problems will remain even if the most warm-hearted Democrat is elected President this fall, and working them out will take a lot more time than allowed by New York City's three-year financial plan. The natives and leaders had better start looking for another solution.

"WE THE PEOPLE"

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. COCHRAN. Mr. Speaker, a friend of mine recently brought to my attention an article by William Childs Robinson entitled "We the People" that appeared in the March 17, 1976, issue of the Presbyterian Journal. In order that my colleagues can have the benefit of this very fine article which emphasizes the need for maintaining prayer in the public schools, I include the article at this point in the RECORD:

"WE THE PEOPLE"

(By William Childs Robinson) *

The Bicentennial is an invitation to reread the fundamental documents upon which our country was established. In reviewing the Declaration of Independence and the Constitution of the United States, I am impressed by the importance attributed to "we the people" and our rights and powers. Thus I question whether recent judicial interpretations equal this original recognition.

Only by such examinations can we take care that government of the people, by the people and for the people shall not perish. The fruit of such studies can be applied in many fields; one which is primary to our well-being is the right of the people to have prayer in their community schools where the majority want it.

The Declaration affirms that all people, having been endowed by their Creator with unalienable rights, need to dissolve political bonds connecting them with another people when those bonds deny "the right of the people." Indeed, the Declaration resulted from popular protests—nonimportation agreements; committees of correspondence; councils of safety; minute men and militia; and declarations by assemblies in colonies, provinces, counties and communities.

The independence declared was won by the people in Washington's army who suffered, fought and died in his defeats as well as in his victories. Thereafter, "We the people of the United States" did ordain and establish the Constitution, and its Bill of Rights expressly reserves the rights and powers of the people.

The Ninth Amendments reads, "The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people;" and the Tenth declares, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people."

Thus the party of the first part, which produced both the several states and the United States, was *the people*. One fears that this has been overlooked in much of our subsequent history; we have concerned ourselves with court decisions, compromises, and even war to determine the respective rights and powers of the federal and state authorities. In particular, I plead for a reconsideration of the rights and powers of the people in an important part of life—prayer in public schools.

A popular news magazine, reporting on the move to change the judicial interpretation of the Constitution bearing on this issue, commented, "Opponents balk at another change in the First Amendment, which provides for the separation of Church and state, and guarantees freedom of religion." This is substantially the language of certain judicial decisions, but it is *not* the language of the First Amendment which reads, "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

This is *not* a general statement of the separation of Church and state; it is a specific limitation upon the powers of the U.S. Congress. It imposed no such limitations upon the state legislatures. Indeed, several of the New England states did have "establishment of religion"—Congregational churches—then and for a generation thereafter.

The First Amendment alone did not and could not deny to the states the right to prescribe prayer in their schools. It was only when the First Amendment was interpreted in the light of the Fourteenth Amendment—which came three quarters of a century later than the First—that federal courts, beginning in 1940, so limited the powers of the states.

The Fourteenth Amendment was adopted in 1868 to protect the civil rights of the freedmen. Identifying all persons born or naturalized in the U.S. as citizens thereof and of the states wherein they reside, it declares, "No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States."

The First Amendment in itself puts no limitation in religious matters upon the several states. The Fourteenth nowhere mentions religion. But by a "mismating" of these two, federal courts issued decisions which forbade states—for example, Maryland and Pennsylvania in 1963—from prescribing Bible reading and the Lord's prayer in their public schools.

Moreover, this decision somehow firmly planted in the popular mind the *erroneous* impression that the venerable (1791) First Amendment had erected a wall of separation between Church and state and required the states to observe it.

The First Amendment limits the U.S. Congress; the Fourteenth limits the states. But nothing in the Constitution limits the rights or powers of the people in this matter. Indeed, the negative part of the First Amendment seems to protect the people's rights when it forbids Congress to pass any law "prohibiting the free exercise" of religion, and the Ninth and Tenth Amendments doubly safeguard this right.

When prayers are forbidden, lest they embarrass a single atheist, that action contradicts a principle which the federal courts have also enunciated—that each person has a single vote or the "one man one vote" idea—because the action prohibits the great majority of the people in many communities from the free exercise of religion.

It would be much more in keeping with the spirit of the Constitution to excuse the one or more atheists from the devotional exercises. This would be consistent with the practice of excusing the Jehovah's Witnesses from saluting the flag and the conscientious objectors from military service.

This practice would accord with the language and original intent of the First Amendment, as well as the Ninth and Tenth Amendments, and it would remove restraints on the free exercise of religion in schools where the majority of "we the people" want prayers.

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*The author, professor emeritus of Church history at Columbia Seminary, Decatur, Ga., now lives in retirement in Claremount, Calif.

S. 1 COMPROMISE PROPOSAL IS UNACCEPTABLE

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Ms. ABZUG. Mr. Speaker, on April 6, 1976, amendments to S. 1, the Criminal Justice Reform Act proposed by Senators KENNEDY, HART and ABOUREZK and the counterproposals by Senators McCLELLAN and HRUSKA were made public for the purposes of public discussion.

I have been speaking out against the repressive nature of S. 1 in the Congress and throughout New York State since it was first introduced. I believe it represents one of the most serious threats to the civil liberties of all Americans in recent times.

At the same time I am aware of the desirability of codification of our Federal criminal code and the need for legislative action in this area. My colleagues in the Senate have tried to reach some agreement on this controversial subject. While some improvements have been made in these proposals, especially in the most publicized areas, many provisions contained in the original S. 1 which I opposed would be retained. I am pleased that some progress has been made in deleting several of the most objectionable provisions, but I do not believe the Congress or the American people should accept any dimunition of our precious civil liberties. Especially in this Bicentennial Year we must reaffirm our democratic heritage and the basic principles embodied in our Bill of Rights. It is upon this foundation that any codification and reform of the criminal code should rest.

I have outlined my objections to the proposals in letters to Senator KENNEDY, Senator HART, and Senator ABOUREZK. I would like to take this opportunity to insert the text of the letters into the RECORD:

HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR SENATOR KENNEDY, SENATOR HART, SENATOR ABOUREZK: I have reviewed carefully your list of proposed deletions and amendments to S. 1, the Criminal Justice Reform Act, and the counter-proposal of Senators McClellan and Hruska. I recognize that significant efforts have been made by all parties to arrive at a codification of the federal criminal law which is consistent with our civil liberties. Despite the changes contained in these proposals, it is still not an acceptable revision of the criminal code.

Although I share your view that the federal criminal law should be codified, I believe that omnibus legislation involves the serious danger that issues of great importance will be buried and subsumed in the over-all legislation and will not receive the individual attention that each separate issue merits. The danger is a very real one here because we are working off of a 753 page bill which was drafted by the discredited Nixon Administration and embodies its concept of law an order, which is anethema to individual liberties.

I am troubled not only by the rejection of several of your proposed deletions and amendments by Senators McClellan and Hruska but also by the many repressive and dangerous features which were not even included on your list and therefore, would remain in a new S. 1.

The proposed revisions of the sections on sabotage, espionage, wiretapping and sentencing are still unsatisfactory, and federal obscenity laws should be deleted as you proposed. Mr. Daniel Crystal, an attorney in New Jersey, has assisted me in preparing a list of some of the objectionable provisions which were not included in the proposed compromise. This list, which is set forth below, persuades me that despite removal of the most controversial sections of S. 1, what remains is still an affront to our Bill of Rights.

1. ESPIONAGE

Deletion of the Espionage and Related Offenses, and the Official Secrets Act provisions of S. 1 (Sec. 1121-1128) is a significant step, however, a hidden Official Secrets Act provision remains. This "sleeper" is found in the theft provision (Sec. 1731 (b)(2)(B)(iii)) which applies theft and the crimes of Trafficking in Stolen Property and Receiving Stolen Property (Sec. 1732 and 1733) to "a record or other document owned by, or under the care, custody or control of the United States." This perpetuates the "Ellsberg" type charge of—theft of government property—in a somewhat modified form. The charge of theft would now apply to the "record or other document" in which the information appears and not the information itself. This is a grim reminder of the enormously difficult problem of amending such a clearly drafted and complex bill as S. 1.

2. SENTENCING

Although some modification of the S. 1 sentencing scheme is proposed, it is difficult to evaluate these very general proposals. However, the sections concerning probation and parole appear intact. The mandatory guidelines for probation amount to virtually a presumption against the grant of probation. Furthermore, S. 1 excludes probation for certain offenses. While recognizing the need to curb crime, this constitutes, nevertheless, an unwarranted interference with the exercise of discretion by the judge and ignores the individual differences among defendants.

3. ANTI-LABOR PROVISIONS

a. *Extortion.*—This provision could result in heavy criminal penalties for any violence in a labor dispute. The Hobbs Act (18 U.S. Code, Sec. 1951) since 1937 has prohibited "extortion" which is defined to mean "the obtaining of property from another, with his consent, induced by *wrongful* use of actual or threatened force, violence, or fear." Its intent was solely to reach racketeering in labor disputes. In 1971, the Nixon Administration attempted to misuse this provision to make federal criminal sanctions (rather than state and local ones) apply to violence in labor disputes. In *United States* v. *Enmons*, 410 U.S. 396 (1973), the Supreme Court decided that as long as the objectives of the union are legitimate (i.e., for higher wages or better working conditions) any question of prosecution for violence on a picketline would have to be resolved by State rather than Federal law. The entire ruling turned on the significance attributed to the word "wrongful". Section 1722 of S. 1 adroitly deletes the word "wrongful" and therefore subjects all unions and all labor disputes to the threat of harsh federal criminal sanctions.

b. *Blackmail.*—The blackmail provision (Sec. 1723) makes a union representative or a striker vulnerable to a charge of blackmail on the claim that he threatened to or actually placed another person in fear of "economic loss or injury to his business or profession."

c. *Additional Provisions.*—There will remain under this compromise a large number of additional anti-strike and anti-demonstration provisions which will constitute the legal basis for prosecuting dissenters and union workers. These include the following: Sec. 1301, Obstructing a Government Function by Fraud; Sec. 1302, Obstructing a Government Function by Physical Interference; Sec. 1311, Hindering Law Enforcement; Sec. 1328, Demonstrating to Influence a Judicial Proceeding; Sec. 1331, Criminal Contempt; Sec. 1334, Obstructing a Proceeding by Disorderly Conduct; Section 1503, Interfering with a Federal Benefit; Sec. 1861, Disorderly Conduct; Section 1862, Failing to Obey a Public Safety Order; and Sec. 1863, Violating State or Local Law in an Enclave.

4. EXTENSION OF FEDERAL JURISDICTION

Also unchanged is a drastic extension of jurisdiction of the Federal government (Chapter 2) to areas where it has no proper place. FBI and other federal control is asserted by S. 1 in many places where it does not belong, including disputed foreign territories and Indian reservations. Virtually every Indian tribe has protested against the extension of federal and state jurisdiction over their tribal affairs which S. 1 makes possible.

5. NATIONAL DEFENSE EMERGENCY

No change is proposed for the definition of "national defense emergency." Such an emergency can be declared, for "actual or threatened" disturbance of the international relations of the United States. This presents the ominous danger of such an emergency being declared because of another Vietnam or future Angola.

6. CONSPIRACY

The conspiracy section (Sec. 1002) will remain unchanged. It contains a very broad definition of conspiracy making it applicable to a vaguely defined "objective of the agreement" which is couched in almost limitless terms. It is linked with the parallel section of S. 1 covering complicity (Sec. 401 (b)). Professor Louis B. Schwartz has termed revision of the conspiracy provision of S. 1 an "indispensable" amendment urgently needed, noting that the conspiracy section "aggravates the problem by easing the 'overt act' requirement, by inflating the penalty, and by cumulating the penalties for conspiracy and other offenses defined in terms of multiparty action."

7. DEMONSTRATIONS

The objectionable interferences with freedom of assembly and demonstrations remains in S. 1. S. 1 grants power to the Secretary of the Treasury to declare designated buildings or grounds temporary residences of the President and to bar demonstrations from these areas. (Sec. 209)

8. SEX OFFENSES

The various provisions dealing with sexual offenses perpetuate discrimination against women. (Sec. 1641, Rape; Sec. 1642, Sexual Assault; Sec. 1643, Sexual Abuse of a Minor; and Sec. 1644, Sexual Abuse of a Ward.) Each of these provides that, as a matter of law, a spouse cannot be guilty of the offense. While such cases might present a difficult problem of proof, there is no reason why a separated wife unwilling to submit to sexual contact with her spouse should be subjected to physical abuse without legal recourse.

9. CRIMINAL ATTEMPT

S. 1 uses a broad definition of "criminal attempt" and punishes such crimes with the same sentence as the completed crime.

This tabluation of repressive provisions which would remain in the bill under the proposed compromise illustrates that by no means all of the objectionable features of S. 1 would be removed. Moreover, S. 1 may contain as yet undiscovered defects.

While I believe that codification is desirable, I do not believe it is necessary to produce a bill this year. We have waited ten years for an acceptable codification; a further delay of another year is a small price to pay for obtaining codification and reform which is compatible with our Bill of Rights. Codification is an enormously complex task involving myriad provisions of the law that vitally affect the American people. I think it is essential that we in the Congress start with a bill that has been drafted by persons committed to preserving individual liberties. Then we can proceed to debate and amend those parts of the legislation where policy changes are desirable. Any such bill must rest on the tradition of American democracy and individual freedom. Since S. 1 is not grounded in this tradition, its defects cannot be removed by patchwork amendments.

Few issues have generated such heated opposition as has S. 1 from civil liberties groups, labor unions and concerned citizens. There should be ample opportunity for public comment and participation of these groups in the process of redrafting a codification of the federal criminal code. I would urge that we postpone codification until next year when we can begin with a new bill, hold a complete set of hearings and allow for thorough consideration of the measure by the public and the Congress. At this late date, we are frantically rushing to complete work on the bill to allow for its consideration prior to the election campaigns.

While the proposed compromise moves in the right direction, it does not go far enough. I am pleased that it does accept some fundamental premises that I, and other opponents of S. 1, have been urging from the start. However, there is not sufficient time to build upon this beginning and proceed to remove all the objectionable features of S. 1. I would urge that this matter be deferred to the next Congress. In a more favorable political climate we could consider not only the long overdue codification of our criminal law, but also reform of its many archaic provisions so that the criminal code would conform to the letter and spirit of the Bill of Rights.

Sincerely,

BELLA S. ABZUG,
Member of Congress.

WHAT IS AN AMERICAN?

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. MOTTL. Mr. Speaker, in this our Bicentennial Year, it is only fitting to reassess our values of our American heritage. The spirit of our Nation throughout the past 200 years has served to create the established morals of America today.

Three young Americans, Renee Kleppe, Brian Kuhn, and Dawn Gunther from Chapman Elementary School, Strongsville, Ohio, have captured very fundamental and deep characteristics evident in all Americans, as portrayed in their winning essays analyzing "What Is An American?" Their outstanding sensitivity to the responsibilities, privileges, and pride in being an American deserve to be justly commended.

It is gratifying to see young fifth and sixth grade students such as these acquire a thorough understanding of the American spirit in our Bicentennial Year. Their winning essays are as follows:

Americans are people. They may have joy, fun, sorrows, happiness, or grief. They try to be fair and honest. They try to make their life worth living. Sometimes they may be cruel, but don't judge all of them by the actions of a few. Whether bad or good, Americans are people.—Renee Kleppe.

* * * * *

An American should be grateful for the liberties given to him by his forefathers and always be ready to maintain and protect these rights for future generations.—Brian Kuhn.

* * * * *

An American should be a help to UNICEF (United Nations children's agency) and give more of himself to animals. He should give money for the poor people.

He should treat his brothers and sisters like brothers and sisters. He should be honest, truthful and considerate.

I like America!—Dawn Gunther.

PERHAPS NOW, GUN CONTROL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. RANGEL. Mr. Speaker, as we in the Congress who are concerned about controlling handguns work for a satisfactory solution, we are continually reminded of the critical need for such a solution by the tragic events that occur on a daily basis, due in large part to the fact that we in the Congress have for so long delayed passing this much needed legislation.

Mr. Walter S. Orlinsky, president of the Baltimore City Council, has written a moving letter to all the Members of Congress stressing the need for gun control legislation. Unfortunately, the catalyst for this letter was the brutal slaying of City Councilman Dom Leone in Baltimore recently. Events such as this point out the need for strong gun control measures.

I would like to include Mr. Orlinsky's letter in the RECORD at this time to underscore once again the tragic and senseless waste of human life that the House is fostering by failing to act on legislation in this area. I join Mr. Orlinsky in urging the passage of effective remedial legislation. The text of Mr. Orlinsky's letter follows:

APRIL 13, 1976.

DEAR MEMBER OF CONGRESS: Dom Leone died today. He was a City Councilman in Baltimore, Maryland. There is no real reason that you who are elected to represent vast populations should take more notice of this than any other stupid act of senseless violence which hour by hour takes place in this vast land of ours. His death is not as prominent as the death of Abraham Lincoln, John Kennedy, Martin Luther King or Robert Kennedy—it is just a passing event like all too many others, except to those who loved and respected the departed. It is the price we pay for living in the world's greatest democracy.

Let me just tell you that Dom Leone would have gladly borne any burden or paid any price, including his very life, for his country. What is not clear to me, however, is that the concept of devotion to our country includes being gunned down because the National Rifle Association and their allies think we should allow our citizens the untrammeled right to carry around and use at will their "Saturday night specials." No one can convince me that Thomas Jefferson, on whose birthday Dom Leone died, conceived of the "Saturday night special" as one of man's inalienable rights.

I hope you will consider this as you vote on the weak, but better-than-nothing, House Gun Bill. How many more must die in this senseless, stupid and wasteful way before we choose to protect our inalienable right to life from the "Saturday night special" whose only purpose is to take life? God only knows.

Sincerely,

WALTER S. ORLINSKY.

TRIBUTE TO EARL W. SCHAULAND

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. KETCHUM. Mr. Speaker, today I ask that my colleagues join with me in recognizing an outstanding figure in the world of education. Earl W. Schauland, who has served as principal of the Fremont School in Delano, Calif., for 24 years, is about to retire. This Friday, Earl's colleagues will be holding a retirement dinner, paying tribute to his many fine years of dedication and contribution not only to his chosen profession, but also to the community.

In 1942, Earl began his educational career, as superintendent-principal and teacher in Burr, Nebr. He remained in Nebraska until 1945, when California was fortunate to inherit Earl's talents and abilities. Beginning as an eighth grade teacher, Earl Schauland was appointed principal of the Fremont School in 1953. He is a past president of the Delano Union Elementary Schools Teachers' Association, and has been presented with honorary life membership in the Fremont PTA. He is also a life member of the National Education Association, and has served for more than 20 years as a member of the California Teacher's Association.

Despite his busy professional schedule, Earl has always found time to give of himself to his community. A charter member of the Delano Kiwanis, he has a record of 21 years of perfect attendance. Throughout his years of Kiwanis membership, Earl has always gone above and beyond the call of regular duty, serving not only as secretary for many years, but also as president.

The Delano Unit Salvation Army has also benefited from Earl Schauland's voluntary efforts. For 22 years, he has acted as a field representative for that organization.

Perhaps most importantly, Earl Schauland has earned the respect of his fellow community residents as an outstanding citizen. Married for almost 37 years, Earl and his wife, Vivian, have two fine sons, and are long-time members of the Delano Lutheran Church.

The gifts to his community which Earl has made are the greatest gifts one can give. Freely and unselfishly, he has offered his time, his interest, and his capability. I know that all citizens of Delano will have very mixed feelings about his retirement: they will miss him greatly, but they will also be happy for the many years of leisure ahead which Earl has so aptly earned. The students Earl Schauland has taught and administered; their parents; in fact, all of Delano has every reason for great pride in Earl Schauland. Speaking for myself, I am especially pleased to count him among my constituents, and it is with great pleasure that I honor Earl, and his family, today. I know that all present in the House of Representatives join with me in wishing Earl Schauland the very best for the years ahead.

THE PRESIDENT'S SOUND DECISION ON SHOES

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. FRENZEL. Mr. Speaker, on April 22, the Washington Post printed the following editorial praising President Ford's decision in the shoe tariff case.

In the words of the Post—

> The President faced an extremely uncomfortable choice. He answered it in exactly the right way.

I concur in this assessment of the shoe decision, and congratulate the President on his sound judgment.

I believe that there is a real danger that the U.S. International Trade Commission, which forwarded the shoe case to the President, has become protectionist in its outlook. I also believe that the ITC, and the President, erred in the steel case.

This country needs trade. It prospers on trade. Unwise and unnecessary restrictions of our U.S. market to outsiders invariably cause our trading partners to make counterrestrictions. The ill effects of those restrictions usually outweigh whatever short-term gains result from our own protectionism.

The editorial follows:

The Right Decision on Trade

President Ford faced an extremely uncomfortable choice in the shoe tariff case. He answered it exactly the right way. Otherwise all of us would very shortly have found ourselves paying more for shoes. Mr. Ford and his special trade representative, Frederick B. Dent, are entitled to great credit for a decision that constitutes both good economic policy at home and good foreign policy in the world. The decision has been greeted with the ritual shrieking and fist-shaking by those senators and congressmen whose constituents work in shoe factories. But the tariffs they sought would have given the small shoe companies very little real protection—and that little bit would have been purchased at inordinate cost to American consumers.

Over the years the volume of shoes imported into this country has risen substantially. One reason is the repeated failure of a good many American manufacturers to meet new fashions as rapidly as their foreign competitors do. The American manufacturers and the unions demanded government protection, and took their case to the International Trade Commission. The six-member commission split three ways in its recommendations to the President. That left Mr. Ford, in the midst of an election campaign, with a large question to answer.

Trade policy illustrates one of the perennial perplexities of democracy. The narrow interest is always the most vehement and the most energetic. The broad national interest may be far more substantial, as it was in this instance, but it is thinly spread over 215 million people of whom very few are even aware that it exists. Companies in trouble also tend to exaggerate grossly the share of their misfortune that is owed to imports. It is always easier to blame the foreigners for lost sales, rather than other causes lying closer to home. The government then finds itself dealing with a hotly emotional campaign to "save jobs" from foreign invasion, when it knows perfectly well that—again, as in the shoe case—no tariff is going to rescue the small and declining American manufacturers. The narrow interest lies in the preservation of markets, businesses and employment, which lends itself to flag-waving. The national interest is expressed only in the abstractions of foreign policy and the inflation statistics.

In the shoe case, the ferocious tariffs that three of the trade commissioners proposed, and that the industry wanted, would have cost American consumers several billion dollars a year. The impact on the inflation rate would have been severe. The tariffs would also have cut down sharply on the range of styles available to the buyer. Here Mr. Ford's decision was made a little less difficult, in political terms, by the emergence of an effective and well-heeled counter-lobby of shoe retailers, who accurately argued that the tariffs might endanger as many jobs in the stores as they tried to preserve in the factories. At the same time the tariffs would have had a drastic effect abroad. The largest exporter of shoes to the United States is Italy, whose economy is already in a profound recession that may shortly bring the Communist Party into office there.

Even if this country had been prepared to bear all these different kinds of costs, it is extremely questionable that the tariffs would actually have helped many working people. Even the International Trade Commission doubted that protection could have done much for the small companies. As for the big ones, they have evidently been competing quite successfully with the imports.

Mr. Ford has decided two major international trade cases in the past several weeks. Of the two, the specialty steel issue involved much less money directly. But perhaps it cast the longer shadow, since the outcome there may turn into a precedent for the steel industry as a whole. The International Trade Commission had recommended quota protection for the specialty steel makers. Mr. Ford instead is going to try to negotiate import limits with the countries that ship steel here. It is an anti-competitive market-sharing strategy, and a bad choice. Regarding shoes, in contrast, Mr. Ford has gone the other way and welcomed the expansion of trade. To those who may be pushed out of business, he offers exactly the right remedy: adjustment assistance.

For individual workers, this assistance means better unemployment compensation, job retraining and perhaps even help in relocating. For firms, it can mean technical and financial aid to modernize or to switch into other products. Rather than trying to keep sinking enterprises afloat indefinitely at the expense of the consumer, it is vastly better to use public money to help both employees and employers escape from obsolete and declining business into more promising ventures.

On trade Mr. Ford is batting .500 so far this season. For an election year, that's not so bad.

GUNARS RODE ON HUNGER STRIKE IN VLADIMIR PRISON

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. BELL. Mr. Speaker, I wish to bring to the attention of my colleagues information I have received from the Committee for the Defense of Gunars Rode, a Latvian political prisoner currently confined near Moscow. The following reports of Gunars Rode's condition certainly merit our expressions of concern:

Gunars Rode on Hunger Strike in Vladimir Prison

Amnesty International in West Germany has reported that Gunars Rode, a political prisoner from Latvia on hunger strike in Vladimir prison near Moscow, is in critical condition. Rode, born in 1934, was sentenced to fifteen years in prison for "nationalism and anti-Soviet agitation" in April of 1962.

G. Rode has already come to the attention of the West on previous occasions. The latest incident involving him occurred a few months ago, most probably in November 1975 in Vladimir prison. Russian samizdat sources report that Rode became critically ill with twisted bowels. The condition is dangerous and extremely painful. Rode screamed continuously for two days. The prison authorities nevertheless refused to grant him urgently needed medical treatment until the well-known Russian dissident and poet Vladimir Bukovsky declared a hunger strike and, fearing for his friend's life, nearly broke down a cell door with the aid of four fellow prisoners. This action succeeded in forcing the treatment of Rode in the prison dispensary. Bukovsky, who suffers from a heart ailment and chronic rheumatism, was punished with two weeks of solitary confinement for his actions on behalf of Rode. (On February 6, 1976, Bukovsky's mother reported that he was gravely ill.)

G. Rode and Gavriel Superfin, Solzhenitsyn's former research assistant, began their present hunger strike in Vladimir prison in early January. The strike is thought to be part of a continuing campaign by several dozen Soviet political prisoners to protest deplorable living conditions and inhuman work loads in Soviet concentration camps and prisons. Rode and his companions are demanding such traditional rights of political prisoners as the right to refuse forced labor, the right to remain in their native republics, separation from prisoners serving time for criminal offenses, freedom to practice religion, visitation rights by friends and relatives, and adequate medical care. The protest has been gaining momentum. The New York Times and newspapers in London reported on March 1st that eighty-two Soviet political prisoners have joined in a hunger strike for the duration of the 25th Congress of the CPSU. Thirty-two of the strikers, most likely including Rode and Superfin, are said to be from Vladimir prison. They are being supported by other demonstrators at the gates of the Kremlin.

Vladimir is the most feared of the Soviet prisons. It was noted at the Sacharov Hearing in Copenhagen last October that prisoners at Vladimir routinely endured such conditions as overcrowding, no medical services, unheated cells, severely restricted mail privileges, etc. It is furthermore reported that normal daily rations amount to only 1900 calories and are reduced to 800–1200 calories per day in punishment cells despite the declaration of the Nuremburg war crimes tribunal, in which the USSR took part, that anything less than 2000 calories per day constituted a crime against humanity.

Amnesty International in London has stated that Gunars Rode, who has spent the last fourteen years alternatively in Mordovian concentration camps and in Vladimir prison, is the most severe case among political prisoners in the USSR known to them, and that he has, paradoxically, received the least publicity and help from the West.

COMMITTEE FOR THE DEFENSE OF GUNARS RODE

The Committee for the Defense of Gunars Rode asks that all persons who care about the fate of Rode and Soviet political prisoners in general:

1. Send telegrams and letters to Soviet authorities demanding the release of G. Rode and asking for information about his state of health;

2. Ask other people, Congressmen, and government officials, to show their concern for G. Rode and his present critical condition;

3. Write letters to newspapers, or otherwise call attention to the fate of G. Rode and his fellow prisoners;

4. Inform the Committee of any new news items about Rode coming to your attention.

EQUAL EDUCATION OPPORTUNITIES

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. McCOLLISTER. Mr. Speaker, I rise today to urge my colleagues to support the discharge petition that would bring to the House floor a constitutional amendment to prohibit compelling attendance in schools other than the one nearest the student's home, and to insure equal education opportunities for all students.

Under most conditions I do not favor the use of a discharge petition. However, the circumstances surrounding attempts to consider any busing legislation force us to turn to this legislative tool.

Poll after poll has been taken showing the displeasure of the American people toward school desegregation programs that require extensive busing. We have been shown that these busing programs do not benefit the children in terms of quality education, that they result in massive white flight to the suburbs, and that, more often than not, "desegregated" schools end up with less money and a higher concentration of minority students.

And yet, these results have been ignored by the leaders of this Congress, and attempts to consider legislative remedies for our busing problems have been blocked. The House Judiciary Committee has refused to hold hearings on this subject. The Democratic Caucus refused to call for consideration of this bill or any similar legislation in a vote taken last November.

A discharge petition is the last tool available to us to bring this proposal to the House floor. Consideration of this issue has been put off too many times to allow us to continue to sit back and wait for the leadership to take action. The time has come to act on this bill, and I call upon my colleagues on both sides of the aisle to join me in signing this petition. We simply cannot ignore the demands of the American people any longer.

CONGRESSMAN STUDDS' FINANCIAL STATEMENT

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. STUDDS. Mr. Speaker, I wish to insert in the RECORD a copy of my 1975 financial statement:

CONGRESSMAN GERRY E. STUDDS' 1975 FINANCIAL STATEMENT

PART I—INCOME 1975

Salary	$42,850.00
Radio fee—WBZ	64.80
Lecture fee—Commonwealth of Mass., State College, Fitchburg	75.00
Dividends—See Part II for detailed explanation	753.33
Interest—See Part III for detailed explanation	502.72
Total income	44,245.85

EXPENSES 1975

Actual official expenses: (travel, stationery, district offices, telephones, printing, etc.)	$20,671.50
Congressional allowances for official expenses: (travel, stationery, district offices, telephones, etc.)	14,036.32
Difference: i.e., official expenses paid from my pocket	6,635.18

PT. II—DIVIDEND INCOME 1975

Security	Number of shares	Income derived, 1975
Burlington Industries	40	$48.00
Exxon	87	433.33
Gulf Oil	80	136.00
Crown Zellerbach	40	36.00
Lincoln National Corp	75	60.00
Union Carbide	67	40.00
Total		753.33

PT. III—INTEREST INCOME 1975

Security	Bonds	Income derived, 1975
Loew's Theater 6⅞ debenture	$3,100	$213.13
A.T. & T. 7¾, 1982	3,333	129.17
U.S. Treasury 5⅞, August 1976	3,333	97.92
U.S. Treasury 7½, 1977	1,666	62.50
Total		502.72

PARTS IV—ASSETS

1. Beatrice Studds Irrevocable Trust: My brother, Colin A. Studds, my sister, Mrs. Howard Babcock, and I have placed the following securities—owned jointly by the three of us—in an irrevocable trust for our mother, Beatrice Studds, with my brother as trustee. All income from these securities goes to our mother for as long as she shall live. My brother, my sister, and I each own one-third of the securities—and they will revert to us upon the dissolution of the trust at our mother's death. The following represents my one-third interest in the trust.

COLIN A. STUDDS, III, TRUSTEE, BEATRICE STUDDS IRREVOCABLE TRUST, UNDER AGREEMENT DATED AUG. 1, 1973

Number of shares	Security	Market value as of Apr. 12, 1976
Bonds		
$3,666	Seaboard World Airlines cvt 5's due Apr. 1, 1986	$2,126
3,333	B. F. Goodrich 9¾ notes, due 1982	3,500
1,666	Federal Land Bank 7.45, due Jan. 20, 1977	1,666
3,333	U.S. Treasury 7¾ percent note, due Jan. 30, 1979	3,333

Security	Number of shares	Market value as of Apr. 12, 1976
Common stocks:		
West Point Pepperell	67	$2,600
Chessie System	67	2,333
Liggett & Myers	92	3,036
Marine Midland	80	880

2. I own the following securities:

Number of shares	Security	Market value as of Apr. 12, 1976
Bonds		
$3,100	Loew's Theater, 6⅞ debenture	$2,170
3,333	AT&T 7¾, 1982	3,383
3,333	U.S. Treasury 5⅞, August 1976	3,333
1,666	U.S. Treasury 7½, 1977	1,666
Common Stocks		
40	Burlington Industries	1,120
87	Exxon	7,800
80	Gulf Oil	1,960

3. Our family home in Cohasset, Mass., with an estimated market value of approximately $70,000, is owned jointly by my brother, my sister and me. My interest in the house, therefore, is roughly	$23,333.00
4. 1 bedroom cooperative apartment, Washington, D.C., estimated market value	72,000.00
5. Two-room condominium apartment, Provincetown, Mass.	42,000.00
6. 1975 Chrysler Newport sedan.	
7. 1966 Chevelle sedan.	

PART V—LIABILITIES 1975

1. Secured loan, Rockland Trust Co., Rockland, Mass., approximately	38,000.00
2. Mortgage, cooperative apartment, Washington, D.C., approximately	21,000.00
3. Mortgage, condominium apartment, Provincetown, Mass., Cape Cod Five Cents Savings Bank	21,000.00
4. Secured loan, T.O.N.N., Inc., Orleans, Mass.	21,000.00
5. Automobile loan, Sergeant at Arms Bank, House of Representatives, approximately	2,700.00

PART VI—1975 TAXES PAID

1. Federal income tax (income averaging method)	6,973.37
2. Massachusetts income tax	1,828.20
3. Local Property Taxes	1,349.40
4. Automobile excise taxes	375.24
Total taxes	10,526.21

LACK OF MINORITIES IN THE BROADCAST INDUSTRY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. FAUNTROY. Mr. Speaker, during our Bicentennial Year, many of the glorious events in our Nation's history will be replayed on television and radio for all Americans to hear and witness. While we are watching the drama of the birth of this great Nation and listening to the great speeches extolling the virtues of democracy and social equality, you will notice that black Americans in 1776 were not permitted to share in the fruits of American's new found freedom.

The broadcast industry is only reporting the tragic facts of the failures of our Founding Fathers to live up to our lofty pronouncement that "all men are created equal." This is a history that we all have worked to erase from American society.

What is not history, but is as much a tragic reality today as black inequality was 200 years ago, is the fact that in the broadcast industry itself, blacks are neither on the screen nor behind the scenes in the numbers that they should be. The eloquent statements that remind us of our commitment to equal opportunity are only heard on TV and radio programs and not in the boardrooms of TV and radio owners.

I want to bring to the attention of my colleagues a letter to a local reporter, Mr. Larry Bryant, of WTTG-TV, from Mr. Clarence V. McKee, deputy chief of the Equal Employment Opportunity Office of the Federal Communications Commission.

In his letter, Mr. McKee clearly indicts the broadcast industry for its failure to hire minority Americans and women in the top job categories in the industry.

His letter makes it clear that the broadcast industry will celebrate 1976, our Bicentennial Year, still counting the rights of black Americans as three-fourths of the rights of white Americans in the area of equal employment opportunities.

The text of the letter follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., April 1, 9176.

Mr. LARRY BRYANT,
Metro-Media, WTTG-Channel 5,
Washington, D.C.

DEAR LARRY: I regret this great delay in expressing my appreciation to you for inviting me to participate on your "Black News" program on WTTG, February 6, 1976. I thoroughly enjoyed the evening and having the opportunity to inform your viewers about the Federal Communications Commission's activities.

Furthermore, I have not forgotten your request for information and my views as to how Blacks are doing in the broadcast industry at the national level generally, and how the future looks in terms of greater participation of Blacks and minorities in the industry.

I would like to take this opportunity to set forth my views and concerns regarding the position of Blacks in broadcasting as well as to provide you with statistical data from our Equal Employment Opportunity Trend Report which was prepared for the Industry EEO Unit by the Broadcast Bureau's Research Division. The Report sets forth statistical data on women and minorities from 1971-1975 in the nine job categories listed on the FCC's Annual Employment Report, FCC Form 395.

You must realize that my perspective here at the Commission, is by necessity, a national one taking into consideration the entire nation and the entire industry as opposed to looking at a situation in any one market, *to wit,* Washington, D.C., which could present a rather distorted picture as to the national situation.

As you know, the FCC has equal employment opportunity rules prohibiting licensees from discriminating against persons in the terms and conditions of employment based upon race, color, religion, national origin, or sex. These rules also encompass an affirmative action program requirement whereby licensees must submit, as a part of their renewal applications, a written equal employment program setting forth the steps that have been taken to eliminate discriminatory hiring practices. From the statistical data submitted on the Form 395, and the information submitted in the EEO program, it is possible to view the industry's progress in employment of women and minorities. Therefore, my views as set forth in this letter are based upon that information, as well as upon conversations and discussions with women and minorities in the industry around the nation.

My first observation is that there has been progress in the employment of women and minorities in the industry due in no small measure to this Commission's EEO rules and the enforcement thereof through the efforts of Commissioner Benjamin L. Hooks, and Chairman Richard Wiley, as well as the entire Commission' commitment in this area to making certain that licensees live up to their responsibilities under our rules.

However, we must look at the progress in relationship to other factors. We must ask ourselves: "When is progress really progress—and compared to what?" When viewed in a vacuum, Blacks—men and women—seem to be making progress. However, when viewed in comparison to females generally, Blacks, especially Black females, and minority females generally, are not doing that well at all. In fact, they are barely keeping their heads above water. I do not just refer to on-camera positions of high visibility, I also refer to the four top job categories of officials and managers, professionals, technicians, and salesworkers at the various stations as well as at the networks and broadcast headquarters.

To better support my views, I submit the following statistics on the relative position of women and Blacks in broadcasting as taken from our EEO Trend Report as of December 1975:

"*Officials and Managers Categories:* The total number of females employed in the officials and managers categories in the industry in 1971 was 9%. In 1975, that figure had increased to 16.2%, or a 7.2% increase over the five year period. However, for Black females, the same figures were .4% and 1%, for an increase of .6% over the same period. Black males went from 1.8% to 2.3% for a total increase of .5%.

"*Professional Categories:* In 1971, the total percentages of females in professional positions was 10.2% and in 1975 was 16.8% for an overall increase of 6.6%. For Black females, the corresponding figures were .9% and 1.9% for an increase of 1%. The increase of Black males in this category was only .7% going from 4.5% in 1971 to 5.2% in 1975.

"*Technicians:* Total female percentages in 1971 were 1.5% and in 1975, 3.8% for an increase of 2.3%. Black female percentages only increased .5% going from .1% in 1971 to .6% in 1975. Black males went from 4% to 6.1% for an increase of 2.1%.

"*Sales Workers:* In the sales worker categories, total female increases have been the greatest in the top categories going from 8.5% in 1971 to 16% in 1975 for a net increase of 7.5%. However, Black females only increased .5% from .2% to .7% and Black males had an even smaller increase going from 2.5% to 2.9% for a .4% increase."

Turning away from the national industry totals, and to the broadcast *headquarters* totals, the statistics also indicate that females, overall, have far outpaced Black females and Black males. The best examples in the *Professional Categories* where female percentages went from 18.6% in 1971 to 25.3% in 1975 for an increase of 6.7% Black female percentages only increased 1% and Black males actually *decreased* .2%. In the *Sales Workers* categories Black male percentages *decreased* .9%, and Black female percentages showed *no gain* being at .6% in 1971 and .6% in 1975.

It is clearly evident to me that any hue and cry that "Blacks or minorities are getting all of the jobs" is just not accurate and to believe so is to be ignorant of the statistical facts of life. I must admit, however, that at least FCC licensees are taking steps and making inquiries to seek out and find qualified Blacks and other minorities. From my discussions with licensee management in various parts of the nation, I do see a desire to find minorities for important positions such as producers, directors, editorial directors, and managers, etc. However, and as I have often stated, I do not see this same kind of effort or commitment coming from the major networks, group broadcasters, the Corporation for Public Broadcasting, the Public Broadcasting System, or National Public Radio, which the FCC does not regulate.

An example of this lack of effort is that nearly four years after the very untimely and sad departure of Michelle Clark who did such an excellent job with CBS News, we rarely see a Black or minority female in a position of high visibility and influence at the network level. Anyone who has been around our nation and watched various local newscasts, especially in the major markets, knows full well that there are many Michelle Clarks' in the industry. However, and notwithstanding the efforts of organizations such as the National Organization of Women and American Women in Radio and Television, which advocate and work for greater job opportunities for women in the industry, minority females, especially Black females, have apparently "slipped through the cracks of progress" and are not receiving their share of positions, especially in the management and sales areas. As the above statistics indicate, although non-minority females generally are moving ahead and becoming quite visible, both at broadcast headquarters and in the industry at large, minority females are not making such significant advances.

I fear that the predicted so-called "collision course" whereby the "women's movement" would collide with the "minorities' movement" over the same jobs, has occurred in broadcasting. It is truly unfortunate that this has happened. Bear in mind that the Federal Communications Commission, and government in general, cannot become an arbiter or referee between various racial ethnic groups or between the sexes over a few jobs. Groups themselves must come together and work together for the mutual benefit of their causes and memberships' obtaining better job opportunities.

It is for this reason that I have often recommended that Blacks in the industry must do what other groups have done—organize along common needs and interests so that their concerns and views can be effectively relayed to management and to the industry itself. This is nothing new for we see such organizations in groups such as the Screen Actors Guild, the Screen Writers Guild, the Producer's Guild, and American Women in Radio and Television. A good example of the need for such an organization was in the FCC's recent and pending EEO Guideline proceeding, Docket No. 20550, which set forth the Commission's proposals for new and improved EEO guidelines on affirmative action for women and minorities. Blacks stand to gain much from the new guidelines. However, we did not receive comments and recommendations in this proceeding from a group that represented Blacks in broadcasting. On the other hand, there was comment from American Women in Radio and Television as well as from groups representing broadcasters. Given the above statistics Blacks in industry, can ill afford to fail to participate in such proceedings.

In conclusion, I hope that this letter adequately responds to your inquiry as to my views on how Blacks are doing in the industry. As you can see, I do not think that they are doing as well as some may have believed when compared to the progress of others. This can be remedied, however, with a new awareness by persons such as yourself as to the need for effective communication among Blacks in the industry and to broadcast management. The pathways must be cleared for the success of those young Black men and women coming into the industry with degrees in communications and journalism who want to succeed based upon merit. They have a great future. You and your colleagues can help them by being aware of the above stated statistics and facts so that you and they will fully comprehend the challenge ahead.

Again, I thank you and Metromedia for the opportunity to appear on "Black News".

With my very best wishes and kindest personal regards, I am,

Sincerely,

CLARENCE V. MCKEE, Esq.,
Deputy Chief, Industry EEO Unit,
Office of the General Counsel.

GREEK PRESS ON TRIAL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. ROSENTHAL. Mr. Speaker, American relations with Greece have suffered in the past 9 years from the military dictatorship which ruled for 7 years and the Cyprus crisis which caused the downfall of the Athens military rulers 2 years ago. One common theme in Greece in assessing these years has been the U.S. involvement in supporting the junta which itself provoked the Cyprus invasion by Turkey.

Lately, the American press and the administration have tended to attribute the present anti-American feeling in Greece to the Greek press itself, suggesting that a press campaign is being waged against close United States-Greek relations. This assessment would not be too serious except that it suggests that a free and vigorous press is fine as long as it does not criticize the United States.

The following letter, printed recently in the New York Times, discusses this question as does the article from Vima, one of Greece's leading newspapers. I include both for the information of my colleagues who want to understand better the issues involved:

[From the New York Times, Feb. 11, 1976]

WHAT GREEKS THINK OF US

To the Editor: Blaming the messenger who brings the bad news is an old game. Blaming the press for reporting the bad news is not quite as old but just as foolish a game as shown by your Jan. 23 Op-Ed article "Anti-Americanism in Greece."

The Greek press did not invent the critical judgments about American actions which prevail today in my country. These judgments are widespread, deeply held and certainly not transitory. Painful as they are, these judgments should surprise neither Greeks nor Americans.

On July 12, 1971, I testified before the House Subcommittee on Europe urging that "strong efforts should be made to dispel the belief of U.S. involvement and support of the Greek Junta in Greece and the rest of Europe, including the use of the Voice of America. Such efforts are essential to forestall violent anti-American backlash in Greece, which otherwise is a virtual certainty." There was, of course, no free press in Greece in 1971, the fourth year of the dictatorship. The root of those feelings was the popular Greek judgment that the United States aided that dictatorship by continuing arms aid, by maintaining and ultimately expanding a large U.S. military presence in Greece and by publicly displaying "warm" support for the junta government in the words and actions of former Vice President Agnew and former Commerce Secretary Stans visiting Athens officially. Both said they brought that message from President Nixon.

By a thousand gestures and by ten thousand U.S. servicemen stationed in my country during the seven-year dictatorship, Greeks saw their country's fate tied to the priority given by the U.S. to its military bases in Greece.

In Greece, there is anti-Americanism only because there exists this enormous disappointment of a friend who did wrong and who up to this day refuses to rectify. See U.S. policy toward Cyprus. We do not hold America responsible for our own mistakes, which were many, nor do we forget the many things you did right.

This is a sad story indeed, but not one invented by the Greek press, a press cruelly oppressed by the U.S.-supported junta, which paid a high toll in personal sacrifices and is being slandered today.

ELIAS P. DEMETRACOPOULOS,
Washington, Jan. 28, 1976.

(The writer, a Greek journalist, is a member of the Union of Athens Dailies.)

[From Vima, Jan. 11, 1976]

WHO IS RESPONSIBLE FOR "ANTI-AMERICANISM" IN GREECE?

(By Marios Ploritis)

"And why beholdest thou the mote that is in thy brother's eye but considerest not the beam that is in thine own eye?" Matthew, 7.3

We Greeks do not forget the many favors we owe to the honest, liberal Americans—politicians or journalists, renowned intellectuals or anonymous private individuals—who stood by our side during the dark period of dictatorship, by condemning the infamous regime as well as their own government that had fostered and supported it. And we have always made the clearest distinction between the American people and the policy of their government.

But the Americans should not forget either. If nothing else, at least what they have said and written themselves. So, only hilarity and astonishment can be caused by the recent (8 January 1976) violent attack of the *Washington Post* against the Greek press. The latter is said to stir Greek "anti-Americanism" and make "deliberate use of innuendo and outright falsification" regarding American policy, because . . . "the non-communist Greek press is generously financed by communist sources"!

We do not know what lotus or what other herb of oblivia (and paranoia) the American pens have suddenly been dipped in. Otherwise, they would remember that American policies during the past thirty years are the *unique* source of "anti-Americanism" in Greece and for that matter all over the world. And what they call "outright falsification "today, has not been invented and fashioned by the "venal" Greek press, but has been avowed by American officials and has been proclaimed by impartial American newspapers—the first and foremost among them being the very accuser of today!

Twelve years ago (22 December 1963), the *Washington Post* carried the most authoritative condemnation of the "covert activities" of the American secret service. It was made by the very creator of the CIA, President Truman who lamented: "When I established the CIA, I never thought that this peaceful information service would develop into a cloak and dagger affair . . ."

Since then, there have been countless and most serious charges by American politicians, intellectuals and newspapers against the White House, the Pentagon, the "military-industrial complex", the secret service, etc. for their nefarious activities. It is needless to invoke these "activities" that embrace the whole world. We shall confine ourselves to our own land and sea, and to the charges *by Americans against Americans*. This small anthropology may revive the memory and conscience of our transatlantic colleagues and accusers.

Soon after the military coup of April 21, 1967, the *New York Times* wrote: "In the Byzantine world of Greek politics, American diplomats and CIA agents often play as important a role as the Greek politicians themselves" (J. W. Finney, 10 July 1976)

And only a year and a half ago (2 August 1974): "The CIA is said to have been deeply involved in Greek politics for 25 years . . . American operatives remained quite close to the men in power in Greece . . . State Department officials who have served in Greece commented in background interviews on what they described as a negative role played in the past by the CIA in Greek affairs."

In another serious publication, the *Atlantic Monthly*, Elizabeth Drew stated (July 1968): "We approved prime ministers, interfered in elections, and passed upon military promotions."

But even the *Washington Post* admitted in a recent article (Dusko Dodder, 4 January 1976): "One former US intelligence operative said . . . 'Athens, I believe, was at one time the second biggest operation after Berlin.' Many of the CIA operatives here were Greek Americans originally recruited into the 'Greek Batallion' during World War II . . . Some businesses owned by Greek Americans were also reported to have been used as a 'cutout' point for transmission of information".

But let us pass from the "general" to the "particular": "From the days of the Greek civil war, when the agency's presence was first established there, the CIA has played an influential role in the country. Queen Frederika was a close friend of the late CIA Director Allen Dulles . . . 'The diplomats are, by and large, bunglers and fairies', the outspoken queen used to complain. She felt more confident with the CIA under the direction of her admiring friend in Washington" (Laurence Stern, 'Bitter Lessons: How we failed in Cyprus', in *Foreign Policy*, No. 19, Summer 1975, p. 51–52).

We shall see further below how right was that most delicate queen. Meanwhile, the *Washington Post*, again, agrees with Mr. Stern: "CIA Director Allen Dulles was a personal friend of Queen Frederika, and the

Court was often used by the Agency for political maneuverings" (4 January 1976).

Let us add that, at that time, the Greek American Thomas Karamessinis was active here and later became the first CIA "station chief" in Greece, 1951–1953, (see D. Dodder, *Washington Post*, 4 January 1976). He is the man to whom—according to his superiors—"belongs the honor of helping to restore order in chaotic post-war Greece". It is not difficult, of course, to imagine how he "helped" . . . Besides, it was the period that was stamped by the coup of the secret military organization IDEA (31 May 1951), by the monstrous affair of the tortured Air Force officers (July 1951), by the entrance into politics of General Papagos and by the establishment of our own CIA, the "KYP" (1953), whose organizer and trainer was none other than Karamessinis himself.

During this period, however, another person was moving in the dark. A person destined to emerge—and how!—later: "Papadopoulos was the Greek Intelligence's liaison officer with the CIA station" (*Washington Post*, 4 January 1976).

Much more spicy information is supplied by the *New York Times:* "Two US officials said . . . Papadopoulos was among many Greek political and military figures who received personal subsidies over many years from the intelligence agency . . . Another source said Papadopoulos had received money since 1952" (2 August 1974).

But the most somber stroke in the portrait of this CIA favorite was given by the *Washington Post* itself, seven years ago: "Papadopoulos was a recruiter of Gestapo informants" (8 November 1968).

The same accusation was also reported in the *Baltimore Sun* (18 November 1968).

Money is the order of the day in comments and news of the American press as far as the activities of their secret services are concerned. The *Washington Post* writes (4 January 1976): "As one source said, 'For the first time we did not use the black bag' in the 1974 general elections . . . which by implication acknowledges that 'black' CIA funds had been used in previous elections".

But not in elections only: For example, the refusal of George Papandreou to give in to President Johnson's plan for Cyprus (1964) constituted "high treason" for the American policy makers who considered Greece: "a parcel of the American real estate, and anyone who might cast the slightest doubt upon their claim of control was not to be tolerated." (*The Nation*, 1 January 1968).

Accordingly, "before the 1967 military coup, the CIA is reliably reported to have opposed liberal politician George Papandreou and to have been preparing to channel funds to his opponents" (*Washington Post*, 4 January 1976).

But only preparing to? "John M. Maury, the agency's station chief in Athens from 1962 to 1968 . . . worked on behalf of the palace in 1965. He helped King Constantine buy Center Union party deputies so that the George Papandreou government was toppled" (*New York Times*, 2 August 1974).

On the other hand, the *Washington Post* clarified (4 January 1976): "The CIA is known to have played a role in Greece's political life prior to the 1967 military coup and to have worked against some politicians either through secret maneuvers with the Greek Court or through financial assistance".

Laurence Stern was still more clear in his article cited above: "Unimpeachable U.S. government officials told me that in 1967, at the strong urging of the CIA station chief (John M. Maury) and some members of the embassy staff, Ambassador Phillips Talbot recommended that the White House authorize the expenditure of $100,000 in "black" funds to finance opposition to Papandreou in the 1967 elections" (p. 52).

(This "buying of consciences with ministerial portfolios or other *unnamed* means" had been ascertained and denounced by Papandreou's political rival, Panayiotis Kanellopoulos, in a letter to Constantine in January 1968. See P. Kanellopoulos' *Historic Essays*, Athens, 1975, p. 82.).

It is probable that the *Washington Post* has in mind *this* disinterested give and take *these* "unnamed" American pay offs, when it accused the Greek press of being financed by communist sources . . . According to what logic (and by what token) do they judge others by the standards of their own services?

As regards the 1967 military coup, the "close bonds" of Papadopoulos with the CIA, admitted by the American newspapers, render every other testimony superfluous. President Kennedy's collaborators wrote implicitly: "The CIA was present and efficient in the Greek military coup, triggered since 1965, through the 'Aspida' conspiracy and carried out by Col. Papadopoulos, a much appreciated CIA 'correspondent' " (James Hepburn, *L' Amerique brule*, Paris, 1968, p. 333, note 17).

Even Greek politicians above any suspicion of "anti-Americanism" stigmatize this American presence. Panayiotis Kanellopoulos (the Prime Minister who was toppled by the 1967 coup) writes: ". . . directly or indirectly, the Allies had caused my fall twice, because I was not prepared to say yes to what they said."

And he stresses: ". . . the most heavy responsibility of the American government for the dictatorship of April 21 (and for other dictatorships in the world) as well as for the tragedy in Cyprus". (*Historic Essays*, pp. 163, 166).

Another former Prime Minister, Stephanos Stephanopoulos, is still more categoric: "I believe that the conspirators of the coup had the support of Pentagon circles and in fact circles of the American Mission here . . . who encouraged their plans and gave them the green light to realize the dictatorship . . . I remember the remark of an American publicist: 'We Americans import democracies and export dictatorships' " (*Epikaira* magazine, 19 June 1975).

The immediate US reaction to the coup corroborates the statement. In the words of Bernard Nossiter in the *Washington Post* (20 May 1967): ". . . [from the very first moment, the State Department] almost by reflex moved toward an embrace of the new military dictators. The mortality of this sort of thing has long ceased to disturb the so-called pragmatists of the government".

One of them—we refer both to his "pragmatism" and to his "morality"—Richard Nixon, happening to pass through Athens, stated on June 22, 1968: "The old political situation in Greece ended up in government instability, and the need for a new Constitution was felt. It is certain that there existed strong reasons for some type of action".

And when that worthy pupil of McCarthy and teacher of Watergate became President, he wrote to Papadopoulos: "I hope we shall maintain our contact, seeing that we are working for the same aim" (13 February 1969).

The same aim indeed, since burglaries were their fad. . . .

Let us add again, that the CIA deputy director for "covert activities" at the time was our old acquaintence, Thomas Karamessinis. He had every reason to feel "national anxieties" for Greek "government instability" on the eve of the six-day war in the Middle-East.

And when the desirable "stability" was ensured by force, it was sealed by the cordiality of "ecclectic kinships": "The US Pentagon was the most enthusiastic booster of the Papadopoulos regime ['The greatest government since Pericles, one American general had exulted publicly]" (Laurence Stern, pp. 41–42).

The same enthusiasm was also shared by the secret services: "James M. Potts, the agency's station chief in Athens from 1968 to 1972, was described as having been on close terms throughout his stay with Papadopoulos" (*New York Times*, 2 August 1974).

The official explanation was given by the US Defense Secretary Clark Clifford to the Senate Foreign Relations Committee: "The obligations imposed upon us by the NATO alliance are far more important than the kind of government they have in Greece or what we think of it" (*International Herald Tribune*, 29 October 1968).

Of course the traditional "give and take" was not forgotten: "As a quid pro quo for resumption of military aid, which has doubled to almost $9 million a month during the past year, the US insisted that the monarchy be retained at least as a legal fiction—presumably to provide an alternative to a revolution from the left, should the colonels falter" (*Newsweek*, 1 September 1968).

And . . . "honni soi qui mal y pense" . . . (Evil be to him who evil thinks.)

The most important, and the most treacherous, action of the "stable regime", at its first stage, was the recall of the Greek division from Cyprus in November 1967. The Americans themselves termed this action as "shame" (*Newsweek*, 18 December 1967). Ironically, however, it was taken at the instigation of an outstanding NATO promoter: "The recall was made at the instigation of [the junta's Foreign Secretary] Panayictis Pipinellis, as he told me himself. The decision was criminal and since then, the fate of Cyprus was decided" (St. Stephanopoulos, *Epikaira*).

The fate of Cyprus had certainly been decided, but it had to be "aided" by removing "obstacles". The main obstacle was Makarios—"Castro of the Mediterranean", according to the Americans at the State Department. And, again according to the Americans—more particularly, according to Eric Neff, the CIA's number one man in Nicosia from 1969 to 1971—the Archbishop had to be removed.

"A former European ambassador to Nicosia vividly remembered Neff's behavior in Cyprus. 'He would say openly in the diplomatic community that it was necessary to get rid of Makarios' " (Laurence Stern, p. 47).

And—by coincidence!—in compliance with this "desire", repeated attempts against Makarios' life were made during this period.

But neither the attempts nor the complete failure of "correspondent" Number One—George Papadopoulos—was ascertained, the relay race was resumed by the "most appreciated" Number Two: "A US specialist on Greece said that . . . the agency had close contact not only with George Papadopoulos, but also with his successor Brig. Gen. Dimitrios Ioannides" (*New York Times*, 2 August 1974).

"Ioannides' main channel of contact with the United States was through the CIA" (Laurence Stern, p. 51).

Finally, the "presence" of the United States in the tragedy of Cyprus is so well known that we shall confine ourselves only to three testimonies:

". . . former CIA station chief in Nicosia (Eric Neff) had met with Sampson and other EOKA B' people in Athens during the second week of February (1974)" (Laurence Stern, p. 47).

"The operative closest to Ioannides was said to have been Peter Koromilas, a Greek American who went also by the name of Korom. An American official said that Koromilas had been sent to Athens to confer with Ioannides shortly before the July 15 (1974) coup in Cyprus, which was headed by Greek officers" (*New York Times*, August 2, 1974. See also, Laurence Stern, p. 50).

"Unquestionably there has been action of foreign secret services in the tragedy of Cyprus. I cannot forget that during a reception at a foreign embassy on July 15, 1974, the attending Americans were rejoicing at the coup and the death of Makarios. This spectacle angered me and I withdrew" (St. Stephanopoulos, *Epikaira*).

Nothing else . . .

The American newspapers know very well—at least that is what they have repeatedly written—how disastrous the dictatorship has been for Greece. They further know—at least that is what they have repeatedly written—the disastrous role American policy has played in the establishment and the survival of the tyranny.

How, therefore, dare they today call "outright falsifications" what they first had proclaimed countless times? How dare they wonder about the "anti-Americanism" of the Greeks—victims of the American-supported calamity—which they had fomented themselves? And how dare they formulate dirty calumnies of bribery of the Greek press? Don't they see their own services' beams and imagine motes in the eyes of the others? Or do they forget that one should not speak of rope in the house of the hanged—be it a White House or a den at Langley?

There is, however, a "picturesque detail" in the *Washington Post* report: "Responsible Greek officials acknowledge the influx of Communist funds into the non-Communist Greek press, a fact that may suggest economic motives for the press attacks on America".

Who are these—of course unnamed—Greek officials? There can be two explanations: they are either figments of the good newspaper; or they are existing persons. In the latter case, they would belong to the surviving remnants of the dictatorship that, thanks to government magnanimity, are free to abuse. "Oblivion of one's own ill-doings breeds affrontery" said Democritos. . . .

Mr. Ploritis is a columnist for the Athens daily, *To Vima*.

SAXON CLUB OF YOUNGSTOWN, OHIO, CELEBRATES 75TH ANNIVERSARY

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. CARNEY. Mr. Speaker, I am pleased to announce that the Saxon Club of Youngstown, Ohio, an organization of American citizens proud of their Germanic heritage, is preparing to celebrate its 75th anniversary on May 22 and 23 of this year. In keeping with the spirit of our Bicentennial Year, it is fitting to remember the significant contributions which groups from other lands have made to the building of our country. Saxon Club of Youngstown is an excellent example of the rich and diverse ethnic quality of American society, our ties to an immigrant past, and our belief in a common future.

Members of the Saxon Club trace their family origins to Transylvania, in the Karpathian Mountains, from where the body of oft-oppressed and opportunity-seeking Saxons made their way to the United States around 1880.

The Saxon Club itself was born in October of 1901, at the home of Gustav Kaar and John Ziegler. Twenty-three men were present at the next meeting in November of the same year, at which time they named their fraternal lodge, the Erster Siebenbuerger Sachsen Karanken Uniterstuetzungs Verein, Youngstown, Ohio—the First Transylvanian Saxon Sick Aid Club. A constitution was approved at the November meeting under the direction of their first president, John Ziegler.

On January 23, 1905, the Youngstown group became associated with the National Organization, Branch 30, of Central Verhand—now known as the Alliance of Transylvania Saxons—with headquarters in Cleveland, Ohio. As the membership increased, it became necessary to move to larger quarters. Consequently, a lot at the corner of Flint Hill and Franklin Avenue was purchased, and, in April of 1908, work was begun on the new building. The first meeting was held in the New Saxon Home on June 21, 1908, with an attending membership of approximately 200.

Today the Saxon Club enjoys a total membership of nearly 1,000. Since 1967, the club has been housed at 710 South Meridian Road, Youngstown, Ohio, in a beautiful new lodge that serves a variety of social functions.

The Saxon Club has many auxiliaries including branch No. 22 with 600 members, a juvenile branch with 275 members, and a social auxiliary with 580 members. In addition, the Saxon Club has a Concordia Chorus, bowlers, golfers, and culture groups.

On its 75th anniversary, as on its 1st anniversary, the Saxon Club of Youngstown proclaims unwavering loyalty to the United States of America and pride in its Saxon heritage. I would like to take this opportunity to commend the officers and members of the Saxon Club for the many contributions they have made to our community, State, and Nation. I would also like to extend my sincere congratulations to all of the Transylvania Saxons of Youngstown, Ohio, on this festive occasion, and to wish them continued success in their future endeavors.

INTRUSION INTO LEGISLATIVE AUTHORITY

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. ENGLISH. Mr. Speaker, citizens and our colleagues who are concerned about executive intrusion into legislative authority will share my interest in remarks this morning by our distinguished colleague from Oklahoma (Mr. RISENHOOVER) before an Internal Revenue Service-Treasury Department panel which included Commissioner Donald C. Alexander. I ask unanimous consent that his remarks be placed in the RECORD:

STATEMENT BY THE HONORABLE TED RISENHOOVER

Mr. Secretary, Mr. Commissioner and gentlemen of the panel: On behalf of the several concerned Oklahoma leaders who are present today regarding the proposed rules published February 2, 1976, let me extend our gratitude for your time. However, we are not grateful for your proposed regulations.

During this hearing, several Oklahomans will speak on some 15 points of objections to these regulations. You should view each of these witnesses' testimony and suggestions as a consensus view of all the Oklahomans.

Without exception, we are opposed to your proposed rules.

You have overstepped your authority. The Constitution provides for separation of powers. As I view these proposed regulations, you are attempting to change the intent of section 103 of the Code—which is legislating through executive decision.

These regulations also would infringe on the sovereign rights of the several states—increasing Federal authority unwisely. We should be strengthening local government instead of usurping power.

Undoubtedly, if the regulations are adopted, many legislatures will be forced to rewrite their State laws dealing with public trusts. That is intrusion.

Instead of this procedure, you should bring any findings or reasons for changes to the Congress. You should present your case and let the elected representatives of the people enact any changes. When alterations of the law are passed by Congress, the executive then has the right to veto or sign the bill. That is the constitutional process.

To be frank . . . in the eyes of the people, the Internal Revenue Service—which has a difficult but necessary job—is the most insensitive, most feared, and therefore the most despised agency of our Government—a Government which is rapidly becoming a bureaucratic dictatorship. The power to tax is clearly the power to destroy—and the people feel you are being destructive.

That is a terrible accusation. But, it is a situation that has outraged the public, fueled distrust and has caused the voters to defeat many elected public servants because the bureaucracy has gotten beyond their reach and control.

Other witnesses today will touch on specific parts of these regulations. One by one, you should consider their arguments. In summation, I hope you will discard your entire package and bring your examples of abuse and your reasons for change to the Congress.

The Ways and Means Committee, as you know, is now looking at alternatives to tax-exempt State and local bonds. That is the proper procedure, the constitutional procedure. However, in the event the administration promulgates these regulations, I plan to introduce legislation to restore the law in a manner now interpreted. I assure you your action will be challenged in Congress if you proceed.

I believe there is a responsible legislative approach. I urge you to recognize that responsibility and authority of the Congress.

As we consider change, we must recognize the success and prosperity which the present system has brought. We should consider change with prudence. But, more, we must act with restraint in exercising our authority; respecting separation of powers, and make certain that the Nation's economy and the people's confidence are strengthened by all of our actions.

Any congressman who will sit quietly while the Internal Revenue Service perverts its authority as other agencies have been allowed to do should be voted out of office.

FORTY YEARS OF DEDICATION AND GOOD HEALTH CARE

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. TRAXLER. Mr. Speaker, America's rural physicians have dedicated their lives to providing much-needed medical treatment for residents of our outlying areas.

These "circuit riding" doctors drove thousands of miles a year to care for rural residents who would otherwise have received no medical treatment. In recent years, our rural doctors have started local clinics and organized area hospitals—all designed to provide the best possible health care for rural residents.

One such physician is Dr. C. A. Scheurer of Pigeon, Mich., who has practiced medicine in Michigan's Thumb area for the past 40 years. During that time, Dr. Scheurer drove his auto thousands of miles a year to care for area residents, delivered about 2,500 babies and performed thousands of surgical procedures. Starting from a small office above a store, Dr. Scheurer started a clinic which now has 5 doctors and was the driving force behind Pigeon's Scheurer Hospital, which bears his name.

Besides devoting his life to bringing good health care to Michigan's Thumb area, Dr. Scheurer also worked to improve the area's educational system by serving as a member and president of the local board of education and helped form the Laker High School District, made up of Pigeon, Elkton, and Bay Port areas.

On Sunday, May 2, the grateful citizens of Pigeon will hold a recognition day program for Dr. Scheurer at Lake High School to honor the doctor for his efforts to provide good health care for their community.

I wish to share with my colleagues the following article from the Sebewaing, Mich., Blade-Crescent which tells of Dr. Scheurer's many accomplishments:

PIGEON'S DR. SCHEURER SEES HOST OF CHANGES DURING PAST 4 DECADES

(By Walt Rummel)

PIGEON.—The science of medicine has undergone dramatic improvements in the past 40 years, and Dr. C. A. Scheurer—in whose honor Scheurer Hospital was given its name—has seen most of them, right here, first hand. Having handled about 2,500 baby deliveries in his years, and many thousands of cases of surgery, Doctor Scheurer is the community's "most important citizen". Recently he was presented with the esteemed "Community Service" award from Rotary, International, in recognition of what he has done for the area.

Still active and practicing on a part-year basis, Doctor Scheurer calls himself a "relic" of the days he drove a 100-mile-plus "route" to make 20 or more house calls, when expectant mothers saw their doctor 5 times—twice before, once during and twice after the delivery—and when office calls cost $1 to $1.50. For many years, "Doc" Scheurer handled about 100 "baby cases" in patients' homes each year, and he recalls fighting off a house cat during one delivery, and says he's often accepted blueberries, chickens and "even mushrooms" from patients who wanted to pay but had no money. One such barter deal phased out that era, the doctor explains with a laugh. "One woman insisted on bringing in chickens because she didn't have any money. Those chickens must have been 30 years old, so I cancelled her bill. I'd rather not have anything than chickens like those."

Clare A. Scheurer, M.D., native of Sebewaing and graduate of Northwestern University, served his internship at Cook County Hospital, Chicago, and arrived on the scene in Pigeon in 1935 "just as the village was losing all 3 of its doctors." With the help of one nurse—Ruth Clabuesch, a native of Pigeon—Doctor Scheurer rented 2 apartments "above a drugstore". He and his new bride, Clara Peters of Ubly lived in one apartment and he had his office and medical rooms in the other. He moved his offices and turned them into a clinic 5 years later, and in 1945 he added another section and it became Scheurer Hospital. From the beginning, it was incorporated as a non-profit corporation, a status the hospital still holds. Originally, there were 3 incorporators—Doctor and Mrs. Scheurer and the nurse, Miss Clabuesch. To this day, Doctor Scheurer is proud of the fact that no part of the hospital has ever received state or federal funds. At first the hospital contained surgery, delivery, nursery and 19 beds. In 1960, 12 more beds and an isolated obstetrical section were added. "Compared with today's requirements, that hospital wasn't highly sophisticated, but if it hadn't been for that beginning, the present 47-bed Scheurer Hospital would never have been approved by the state," the doctor points out. At the end of World War II, Dr. R. C. Dixon joined the original doctor, to form the beginning of the present 5-doctor clinic.

Looking back now, on how he and a nurse first performed surgery alone, how he and doctors in neighboring towns exchanged services for serious cases, Doctor Scheurer says he can't believe how fast the years flew by. He recalls a case, just as sulfa drugs were being developed, when a neighboring doctor, treating a seriously-ill boy, caught a full cough in his face from the boy. That night the boy died, and Doctor Scheurer and the neighboring medical man agreed the illness was unquestionably highly contagious. "I had received one ampule of the new sulfa drug. It was made in England, was called Prontosil, and was the first sulfa ever seen in this area. We talked it over, and the doctor said he wanted the shot. I gave it to him, and he never contracted the illness," he explained. Lobar pneumonia was a serious illness in those years. Rabbit serum was quite effective, but once special sulfas and penicillin were developed, pneumonia became an easily-curable illness. "Of course," he points out, "we use far greater dosages today because many diseases have become resistant. The first case of gonorrhea I ever treated with penicillin was cured with 20,000 units. Today you'd need about 2,400,000 units," he declared.

Tonsil cases were handled in doctors' offices in those days. "I never took out an appendix on the patients' kitchen table, as so many older doctors tell about," he chuckles. Surgery patients, as well as newly-delivered mothers, were kept in bed for 10 days—that was the rule for years.

"We didn't know about early ambulation to prevent blood clots and to keep up the patients' condition."

In those early days, Doctor Scheurer laid out his daily route for house calls—to Caseville, Elkton, Wakefield Corners, Hubbard Hospital, Linkville and Owendale—and often farther. "I averaged more than 100 miles of driving, treated about 20 patients in their homes, and rarely had time to eat lunch. Usually I was in the office with patients past supper, into the evening," he says shaking his head. He traded cars each year, driving about 35,000 miles, and paying between $300 and $350 for the trade.

Some of his worst problems have been with snarling, vicious dogs. One time, he recalls with a chuckle, he had been warned that a biting dog was lurking around the farm, but that the farmer was very ill and needed medical care. The wife couldn't drive the dog away, but phoned a warning to the doctor. So, Dr. Scheurer carried a big revolver in one hand as he walked the dark distance from car to farmhouse. He came into the patient's room, still carrying the gun, and the ill farmer cried in terror, "What're you gonna do? Shoot me?"

Doctor Scheurer stuck to the $1 to $1.50 office call for many years, explaining, "If you'd charge $3, you'd charge the guy more than he made all day." Even then, many patients built up big medical bills. With one such man, Doctor Scheurer took blueberries and mushrooms in payment. Others offered to work off their bills. "Collections never worried me too much, because I always figured that if I took care of enough patients, and did enough work, I'd come out all right. Instead of worrying about a delinquent account, I'd rather take care of another patient," he explains soberly. A bookkeeper who worked for the doctor for years, said, "No one will ever know how many, many times Doctor Scheurer would look at the bill of a patient, and then mark it 'No charge'. I know, though, because I saw it happen countless times. Few ever realized it."

Doctor Scheurer recalls some humorous incidents in connection with collections. Once, when a patient demanded prompt service, Doctor Scheurer cut him off with, "You never pay anyway." Replied the patient, "No, but I bring you all my business." Another patient whose life was saved by a rare serum Doctor brought on a special trip to Saginaw, asked, "What're you gonna charge me for this, Doc?" Doctor Scheurer told him, "The serum cost me $10; if your life is worth that much, you can pay me that." Says Doctor Scheurer today, "He never paid it."

On a home delivery, Doctor Scheurer was confronted by the father who had sired a large brood and rarely paid. "What's this one gonna cost me?" The doctor asked, "How much have you got in your pockets right now?" The man counted it and said, "Only $5". "Give it to me", doctor stated, "and we'll call it square

He's justifiably pleased with what he's accomplished toward the good health of residents of the area. He's thankful for his part in 3 of the area's greatest advances: 1. Development and construction of the new Scheurer Hospital; 2. His service as member and president of the board of education which resulted in formation of the Laker School District, made up of Pigeon, Elkton and Bay Port areas; 3. Development of Sand Point into one of the great resort developments of Lower Michigan. Through his personal planning and promotion, hundreds of lake and channel lots have been developed on property now valued around $250 per lakefront foot. To properly continue development, the entire project has been sold to the contractor.

Doctor Scheurer will turn 70 this year, and he and his wife find their greatest joy in their family of 3 daughters and a son. The latter will soon be taking his medical residency training. The Scheurers have 6 grandchildren, and soon now they'll head for a few months in Florida. Come spring, the doctor expects to be back again at Pigeon Clinic, taking his turn in the rotation with the other doctors.

TRIBUTE TO JOE SCHRIPPE NORTHLAKE'S MAN OF THE YEAR

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. HYDE. Mr. Speaker, it is my privilege today to pay tribute to one of my Sixth District constituents, Mr. Joe Schrippe. Mr. Schrippe was recently named Northlake Man of the Year by that community's Chamber of Commerce and it is a well-deserved honor for a most civic minded gentleman who has taken a very active interest in his community for many years.

Mr. Schrippe deserves special credit for his work with young people. I am sure that his interest and counseling has helped steer many of Northlake's youngsters onto a worthwhile and productive path into adulthood. He has not only earned the admiration and affection of his community's young people, but he has also won the gratitude and respect of their parents.

I know my colleagues in the House and Mr. Schrippe's many friends in Northlake and the Sixth District join me in congratulating him on being chosen Northlake's Man of the Year.

Mr. Speaker, I would like that article on Mr. Schrippe which appeared in the Proviso Star-Sentinel on March 17 be reprinted at this point in the RECORD:

JOE SCHRIPPE IS NORTHLAKE MAN OF THE YEAR

Joe Schrippe has been chosen by clubs and organizations in Northlake to receive the Northlake Chamber of Commerce's Man of the Year Award for 1975. The award will be presented at the Chamber's Spring Dinner Dance April 3 at the Villa Olivia Country Club.

A Northlake resident since 1947, Joe has been involved in many civic affairs and community projects. He has been especially involved with the youth of the community.

Joe joined Boys Baseball in 1950, cleared the land and erected backstops so the boys could have a diamond to play on in the area called Farmers Feld. He still carries a Boys Baseball membership card. In 1953 he became evening custodian at Grant Park, Veterans Park District, and still serves in that capacity.

His contribution to the community and his fatherly influence on youth have been great. He has spent the past 22 years being "Guardian Angel" at Grant Park to hundreds of youths, taking care of their cuts and bruises as toddlers, counseling them as teenagers, and advising them as young adults. He continues to go about his duties at Grant Park without fanfare. His contribution to the youth of Northlake is immeasurable.

Joe has also been helpful to adult organizations which hold their meetings at Grant Park. He makes them welcome and helps to make their events successful.

Schrippe has been employed at International Harvester since 1947. He also served 8 years with the U.S. Navy during World War II, and is one of two people in Northlake who survived the Japanese attack on Pearl Harbor in 1941.

"BILL HUNGATE—WHO WON'T MARCH TO CONGRESS DRUM"

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. DRINAN. Mr. Speaker, I bring to the attention of the Members of the House an outstanding article about our beloved colleague, Congressman BILL HUNGATE, of Missouri.

This article, from the Christian Science Monitor on March 31, 1976, reflects the ability, resourcefulness, and beautiful humor of this wonderful man from Missouri, whose decision not to run for reelection to the House is deeply lamented by his countless friends in this body.

The article follows:

BILL HUNGATE—WHO WON'T MARCH TO CONGRESS DRUM

(By Louise Sweeney)

Mark Twain is one of his folk heroes—you can see his picture glaring down like some white-maned lion from the walls in Bill Hungate's office. It was fellow Missourian Twain who cracked, "It could probably be shown by facts and figures that there is no distinctly native American criminal class except Congress."

But it is that kind of cynicism about Congress which may be driving the Hungates from Capitol Hill in the season since Watergate. That, says the Democratic congressman, and the enormous work load, which rises like bread dough no matter how often it is punched down, the inordinate amount of time it takes to reach a position of effectiveness in Congress, and the strictures of new campaign financing laws.

"I'd like to go back to expressing myself," he says. "With me, I can get way up high and I can get down low in the job, and I want off the roller coaster."

Representative Hungate, who is serving his twelfth year in the House, said on announcing his resignation, "In the last decade, politics has gone from the age of 'Camelot,' when all things are possible, to the age of Watergate, when all things are suspect."

Rep. Peter W. Rodino Jr. (D) of New Jersey, chairman of the House Judiciary Committee on which Representative Hungate serves as fifth in line of seniority, says Mr. Hungate's retirement from the House "is significant in that he's one of the individuals who has a really deep and conscientious feeling about his service to the people. The fact that he says that [about Camelot] is discouraging."

The face is familiar from TV shots of the House Judiciary Committee's Nixon impeachment hearings: a bluff, jovial man with a thick head of ivory hair, snapping brown eyes, and a gift for piercing the political fog with satire.

"My retirement indicates my personal frustration" he has said, and explains it is not one single thing: In addition to Watergate, it is the fact, he says, that each congressman "now represents a half million people, and I can't deal with all of 'em," it's the "diffusion of responsibility," in the House, the 10 years it takes "to begin to have an impact" the pressures from conflicting allegiances and from lobbyists, and the urge to be his own man.

So he is going back to lawyering in Bowling Green, Missouri, because "the lawyer is the minister of the marketplace, you deal with the hopes and aspirations and troubles of the people and have a chance to be helpful in an individual way. In Congress you have great opportunities, but the sense of individual responsibility is never here to me."

In the law he says, a client can come in with a wrongheaded idea and you can tell him "You're crazy." He says, "Now that's different from politics. You can be as crazy as you want if your father's the chairman of the county committee in the major county, and I'm gonna be very careful about tellin' you you're off your rocker, I'm gonna be very patient and say, 'My that's interesting, I never thought of it that way, let me make a note of that, would you write me a letter, I'd like to tell the chairman about that, two and two is 22, I never looked at it that way.'" This man who has a reputation as a devastating mimic and songwriter has just done a perfect parody of the Capitol Hill minuet.

He's a former prosecuting attorney who worked his way through the University of Missouri and Harvard Law School by tootling on his saxophone and keeps an electric piano in a corner of his Capitol Hill office, a man who likes jazz, big enchiladas and tacos, swimming, the St. Louis Cardinals, and relaxes by reading books of quotations, who includes among his heroes Harry Truman, Adlai Stevenson, and Bradley Kincaid. That is the Bradley Kincaid who sang hillbilly music in the 1930s. He and his wife, Dorothy, have a grown daughter, and a son who plays bass on the "Tony Orlando and Dawn" show. That makes Representative Hungate beam.

He leans back behind his vast "doubleheader" of a two-part walnut desk and talks about some of the things that make a congressman cynical about the job: the "friends" who supported him with no strings when he first ran, then put the pressure on years later to vote against his conscience for their man to fill an important committee seat (he voted his conscience); the insurance group that chose one of his most valued campaign volunteers to be chairman of their group, lobbying on the nofault insurance he had to vote about. And he rails at the campaign finance laws, noting that while the law may nearsightedly be looking "at a $50 to $100 expense item, there's really a chance to give the country away, if you [Members of Congress] aren't basically honest."

He says of himself: "I hope that I'm humorous and inquisitive and hard-working . . . and a conciliator, a Missouri compromiser." He is proudest of his work as chairman of the House Judiciary subcommittee on criminal justtice which wrote the first codified rules of evidence for federal courts. Lawyer and former Rep. David Dennis, an Indiana Republican who served with him on that subcommittee, says "he's an honest, honorable man and a complete professional."

Representative Hungate sees one solution to the current cynicism about government: "I think one of the answers is restoration of more parliamentary democracy, more power in the legislation branch. If one legislator goes crazy or starts stealing, that can be dealt with; if one executive does, the country may be down the tube before you can act on it. . . . I hope to see a restoration of more confidence in the body that should be closest to the people, the House of Representatives. Nobody comes in that's not elected and everybody can be removed in two years. I hope for a restoration in the House." But he will not be in it.

THE SERIOUS SIDE OF ETHNIC JOKES

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. NOWAK. Mr. Speaker, on February 23, Dr. Paul Wrobel, an anthropologist at the Merrill-Palmer Institute in Detroit, presented a paper titled "Polish-American Men: As Workers, as Husbands and as Fathers" to a meeting in Boston of the American Association for the Advancement of Science.

Dr. Wrobel's research was based on observation of 20 Detroit families and hundreds of interviews principally with second-generation Roman Catholic Polish-Americans employed in factories in Detroit.

In keeping with the Polish joke mentality, most newspaper accounts focused on Dr. Wrobel's remarks on the low attitude such workers held of their own intelligence and capabilities. Insufficient attention, in my opinion, was given in these accounts of Dr. Wrobel's haunting conclusion:

> While there is nothing wrong with hard work, there is something very wrong with a society that says who you are is based on what you do for a living; there is something very wrong with a society which uses the color of a man's collar as a measure of his intelligence. In America a man is considered unintelligent if he operates a drill press in a factory. And he is considered stolid and dull if he is a Polish-American. The men in the community I studied are fully aware of what society says about them. It is tragic that so many believe it.

Television in its alleged comedy presentations and many of us in our daily conversations help perpetuate ethnic stereotypes. But what damage psychologically could this be doing to vulnerable members of disparaged ethnic groups and to our Nation's traditions of multiethnicity? Such stereotypes are divisive, not unifying.

The April 12, 1976, issue of Newsweek magazine contained the following article by philosopher author Michael Novak, which was aptly entitled "The Sting of Polish Jokes:"

> #### THE STING OF POLISH JOKES
>
> An acquaintance of mine from Alabama served in Poland for seven years with the U.S. State Department. His children now 10 and 12 went to Polish schools, having learned the language with the ease of the very young. Now back in Virginia, the two children, despite their pure Anglo-Saxon Baptist features, are the constant object of playground abuse. Children shout "goulash!" at them. They are called "Hunky." They are the constant butt of "dumb Polack" jokes. On one occasion when the oldest lad could bear the humiliation no longer, he had an inspiration. He turned on those who were taunting him with a challenge: "Can you speak Polish?" The others fell silent and then he hit them with: "How does it feel to be dumber than a Polack?"
>
> Too many Americans make a joke out of Polish jokes. They expect people of Slavic descent (all of whom suffer under these jokes; no one can tell us apart) to take these jokes as funny, to show our own sense of humor, gracefully to laugh at ourselves. If mere graciousness were at stake, we could easily oblige.
>
> The intent of Polish jokes, however, is not humor alone. Should blacks laugh at nigger jokes? There are mean anti-Semitic jokes no Jew or Arab ought to tolerate. Not all humor is humor; different genera require different responses.
>
> #### THE SHARED BARBS
>
> Ethnic humor is one of the great resources of this nation. There are forms of laughing at one self and at others, usually based on the daily absurdities of mutual noncomprehension or double meaning. These are truly amusing, probably the most amusing jokes in the American repertoire. In this humor, all ethnic groups are equal; the barbs are shared by everybody at the same time.
>
> But there is a second genus of ethnic joke. It does not gain its force from that double understanding of the same word or doubly misapprehended event that characterizes multi-cultural perception. It is based on demeaning the character of one ethnic group, in line with a stereotype, and its function is to make the majority feel superior to the minority. Told in the presence of the minority, these jokes further require those who are their butt to acquiesce in their own humiliation, to laugh obediently, to accept their ascribed inferiority. (Nudging elbow: "No offense, friend. Only a joke.") The tactic is structurally the same as those techniques that force inmates to embrace their own degradation. Rage is not permitted. One must stand there helplessly and acquiesce.
>
> Southern and Eastern Europeans in the United States are subject to the last respectable bigotry. (Let me modify that: anti-German jokes, the heritage of two world wars, are still so legitimate that even Lufthansa Airlines and other German firms are forced to play upon them in their advertising.) Such bigotry flourishes for "unofficial" minorities, while "official" minorities are protected.
>
> #### THE DOUBLE BIND
>
> Recently, in Pennsylvania, I saw a huge, newly painted garbage truck. On its front bumper in large letter was printed: POLISH CAMPER. Suppose the words had been: NIGGER CAMPER OR JEWISH CAMPER? Liberal organizations would certainly have protested.
>
> So deep is the Anglo-American tradition of disdain for Eastern Europeans, however, so explicit have been the texts of the past, and so deep is ignorance even among highly educated people of cultures they never studied in school, that many Americans do not realize the systematic structure of the stereotype Eastern Europeans confront.
>
> Nor do they suspect the double bind—outraged justice and deeply internalized self-contempt—that the constant pressure of ugly jokes and stereotypes imposes. Most of those of us who are children of Eastern European Christian immigrants know we are the children of peasants. We do not have in our family experience many models of learning, status and public grace. We have a sufficient sense of our modest origins. The string of Polish jokes is that they make our deepest self-doubts public. They keep us in our place. They canonize a caste from which many see no escape. Land of opportunity?
>
> Figures as diverse as George Blanda, Sen. Edmund Muskie and Bobby Vinton have voiced their anger at Polish jokes that even they are asked to tolerate. Blanda tried to explain why he sympathizes so much with young black kids: "I've heard 'dumb Polack' as often as they've heard the word 'nigger' . . ."
>
> Paul Wrobel, a brilliant young anthropologist who is now working in Detroit, has shown from many hundreds of hours of inquiry in one Polish-American neighborhood how deeply the public stereotype has been internalized by many Polish-Americans. When a news dispatch carried his findings back to Detroit from the scholarly meeting in Boston where he presented them, the Detroit papers received a most touching deluge of letters from sad and hurt Polish-Americans. Their own self-image was exactly as he described: poignantly aware of being stigmatized as dull, dumb, and stolid, and painfully aware of how unfair that image is, they coul hardly bear to have the subject discussed. One cannot read these letters without piercing recognition and dismay.
>
> #### THE LAST LAUGH
>
> One woman wrote that the news stories based on Wrobel's study "added to the already anti-Polish climate." A man declared that "the damage inflicted upon Polish-American boys was devastating." A mother wrote: "We were blessed with a good sense of humor but we feel [these stories] will stir up a hornet's nest."
>
> Cannot some major center of learning conduct a study of how much damage is done to the psyches of people constantly stereotyped in public? Can't the American Civil Liberties Union and a wide range of anti-defamation societies join in protests to the magazines, television channels and gatherings of (otherwise) sophisticated people who tell ethnic jokes of the inherently demeaning kind? We don't need Supreme Court decisions, perhaps, but we do need a basic sense of public fairness. Eastern Europeans cannot halt Polish jokes alone. The help of all is required.
>
> This is supposed to be a nation of civility toward all, bigotry toward none. It is not. But when the laughter rings, it rings for thee.

Mr. Speaker, we have a responsibility to respect each other and each other's rights. Ethnic jokes are examples of irresponsibility. Such jokes are so very similar to what years ago used to be categorized as "moron jokes." They are, simply, moronic.

TRIBUTE TO JUSTICE WILLIAM O. DOUGLAS

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. RIEGLE. Mr. Speaker, Bill Douglas has been a fighter for human rights during his entire lifetime. His service on the Supreme Court stands as one of the most distinguished performances in the long history of the judiciary.

As a person, Bill Douglas exemplifies the finest human qualities—kindness, openness, fairness, honor, concern for others, a love of all living things, and a concern for their integrity.

Few people have given as much to public service, or for so long. We all are enriched by his example and his work. As one citizen, I am deeply grateful for his contribution of personal effort.

My wife Meredith and I extend our warmest thoughts and wishes to Justice and Mrs. Douglas.

IOWA'S FIRST DISTRICT SMALL BUSINESS CONFERENCE

HON. EDWARD MEZVINSKY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. MEZVINSKY. Mr. Speaker, on March 19, we held a small business conference in Davenport, Iowa. Besides being very well attended—over 250 First District small businesses were represented—the conference provided a very constructive, two-way dialogue about the problems and needs of small businesses in Iowa. Over 25 representatives of Federal agencies attended—such as SBA, Farmers Home Administration, the Postal Service, OSHA, EPA, and the FTC—and area small businesses took full advantage of this opportunity to let the agencies know what was on their mind. Agency spokesmen got an earful about the problems created by redtape, the sea of Federal paperwork, and overrestrictive counterproductive regulation. It was an important education for everyone concerned.

I had the opportunity to address some of these issues at the beginning of our session and will take this occasion to share these thoughts with my colleagues in the Congress:

> The major problem we address today is the role of the federal government in the small business sector. During the last several decades, a bewildering series of regulatory agencies were created in Washington. Undoubtedly, they were all founded with good, sound legislative intentions: to protect the small businesses, to insure cleanliness and purity of products, to provide uniform standards, to protect the consumer. Frequently, however, they produce miles of redtape, volumes of redundant regulations, and unintelligible doubletalk. In some instances, the agencies restrain free competition rather than stimulate it. Many have become the tools of those they were set up to regulate. Conversely, others pursue restraints more vigorously than desired, producing unnecessary controls.
>
> The small business sector is vital to the nation's well-being and that fact is too frequently ignored by both the public and the government. According to statistics provided by the Small Business Administration, more than 96 percent of all business in the country can be classified as "small." Those small businesses account for 43 percent of the Gross National Product and provide 55 percent of the total U.S. business employment. It is a healthy sign that the number of small businesses has increased annually for the last thirty years. It is an unhealthy fact, however, that the small business is disproportionately hurt by economic fluctuations, by recession, by inflation.
>
> Beyond the economic importance, however, is the contribution of small business to the quality of our lives. A healthy free enterprise system is absolutely crucial for a democratic society. We must fashion a society which not only provides the opportunity but encourages individuals to enter business and gives them a reasonable chance to compete successfully. Moreover, we must insure that small business can be passed down to family members without unreasonable estate taxes that force sales.
>
> The problems facing small business are legion: Fierce competition, high overhead costs, supply problems, and other strains. I remember those problems well from the days I spent working in my father's grocery store in Ames. Overburdened by excessive government bureaucracy, the small businessman is hard pressed to survive.
>
> It is my belief that many of these problems stem from some simple, if highly unfortunate, causes. All of them deal with the need for accountability.
>
> In the first instance, many agencies were created and their mandates written with a single abuse in mind. They lacked the flexibility and the necessary responsiveness to adjust to the healthy complexity of our highly volatile economy.
>
> Secondly, and directly related to that, I fear that Congress has not exercised its proper right and responsibility to periodically and carefully review those agencies and programs in order to determine if they are fulfilling the legislative intent and satisfying the goals ascribed to them.
>
> A third cause, or problem, was the almost wholesale surrender of decisions and authority to the bureaucracy. It is frighteningly easy to legislate away the tough decisions and to conveniently blame the bureaucrat if a constituent is hurt. But that is wrong. The flaw is that Congress hasn't forced accountability in the agencies.
>
> We need reform of the regulatory agencies in a manner which both protects the public interest and encourages vigorous free enterprise. I am encouraged by some congressional moves in that direction.
>
> The House will soon vote on the Administrative Rule Making Reform Act of 1976. This bill would establish procedures for the congressional review of agency rulings and expand public participation in rulemaking. As it stands now, many agencies can issue regulations with the force of law but without congressional approval. They can even impose criminal penalties. If the rule-making revision bill becomes law, the Congress will review those rules and reject any rule it considers inappropriate or wrong.
>
> Another congressional proposal which has my support is a plan to require all regulatory agencies to come before the Congress every five years to present evidence justifying their existence. If they are not doing useful work, they go. If they need revision, they are revised.
>
> Within the last few weeks, a number of Congressmen have called for a GAO study of the impact of the Employment Retirement Income Security Act (ERISA) upon the small businessman. That move resulted from evidence that many small businesses have neither the funds nor the staff to handle the requirements of this complex law. We have to take a close look at the program to protect the interests of employees while relieving businesses of needless paperwork and burdensome procedures.
>
> Those are only a few examples, but I think they give some sense of the direction in which I believe we should be moving. I am convinced that we must encourage a vigorous small business sector in our society that is totally consistent with public and consumer needs. With your help and advice, I hope that we can profit from taking a new look at government restrictions and restraints which burden the small business.

WILLIAM J. CAVEN

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. JOHNSON of California. Mr. Speaker, an old friend of mine is hanging up his hat. William J. Caven for 17 years has been active in the office of the Butte County Superintendent of Schools.

Prior to that he served many years in the classroom as a teacher. His total service as a teacher and administrator in our public schools spans more than a quarter century.

During these years he has displayed creative and innovative leadership. He has dedicated his life to meeting the important responsibility each of us has to educate our young people so they can meet the highly complex challenges which face this and future generations.

As this school year comes to a close, Bill Caven will retire. I want to take this opportunity to commend him for an outstanding job, for his way of life and his professionalism have been an inspiration to all of us.

WENDELL WALKER—CULINARY ARTIST

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. DE LUGO. Mr. Speaker, I would like to bring to the attention of my colleagues the success story of a man who worked his way up from a gardener's assistant to his present position as executive chef at one of the Caribbean's most posh luxury beach resorts.

The 32-year-old Wendell Walker's culinary achievements at the St. Thomas Frenchman's Reef are well known in the Virgin Islands and a delight to many tourists who have feasted on his delicacies. From the kitchens of hotel restaurants far less luxurious than Frenchman's Reef, Mr. Walker has perseveringly learned the secrets of his trade and today enjoys the respect of all gourmet diners.

Mr. Walker was recently elected president of the Virgin Islands Chefs' Association and has demonstrated the kind of accomplishment that can be achieved when ability and determination are combined. For Chef Walker the result is as satisfying as the culinary art he produces in his kitchen. I request that an article on Mr. Walker appearing in the March 11, 1976 Daily News be reprinted as a tribute to his perseverance:

PERSEVERANCE IS KEY TO EXECUTIVE CHEF'S SUCCESS

> Every good chef takes his work seriously—and Wendell Walker, executive chef at Frenchman's Reef, St. Thomas, is perhaps a bit more serious than most. On his days off, you will most likely find him dining in other hotels or at restaurants regarded with some respect for their culinary features.
>
> It's not that Wendell is spying, but, rather, he is constantly trying to evaluate his performance vis-a-vis that of other chefs. It is just this dedication which has enabled him to work his way up from gardner's assistant to a position as executive chef at one of the Caribbean's most posh luxury beach resorts.
>
> Striving for perfection is one of Wendell's characteristics. Only 32 years old, he began his employment just 14 years ago. He is a native of Barbuda, B.W.I., and, after working

briefly as a gardener's assistant, Wendell asked for any job connected with the kitchen of the Barbuda hotel where he was employed.

For a while, he tried to be a waiter but found himself getting terribly depressed by the grumpy replies of breakfast guests to whom he tried to bid a cheery "good morning." Wendell retreated to the kitchen and began his career as a cook's helper.

Not long thereafter, he had the good fortune to meet Clement Piccone, the internationally-known chef of the Anchorage Hotel in Antigua, where Wendell found a job.

Piccone's legs had been wounded in the war and pained him severely. Bathing in the Caribbean helped and Wendell would massage his legs to give him further relief. They were an unusual pair—the sophisticated, internationally - acclaimed, prizewinning French chef and the terribly ambitious young kitchen helper who had never traveled and who wanted nothing in life as much as becoming a great chef like Piccone.

In exchange for the massages which brought him the relief he sought from pain, Piccone taught Wendell some of the secrets of the culinary art. It marked a decisive state in Wendell's career.

Later Wendell worked at Bluebeard's Castle in St. Thomas and operated his own restaurant in that town. When the offer to become executive chef for Frenchman's Reef came, he could not refuse.

Driven by his determination to become outstanding, Wendell frequently works until the small hours of the morning, penciling new ideas for dishes to intrigue guests at Frenchman's Reef.

Most recently, he was elected president of the Virgin Islands Chefs' Association.

BIG GOVERNMENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. MICHEL. Mr. Speaker, the subject of big government is one that has already proven to be one of the main issues of this political season. I do not know of a single Member of Congress of either party who is willing to admit to a belief that the Federal Government is too small. Everyone decries Government's bigness; only a few are capable of providing a rational explanation of how it was that Government got so big in the first place, why it continues to grow, and what can be done to reduce its size.

James T. Lynn, our very capable Director of the Office of Management and Budget, has written an important analysis of big government in the April 17, 1976, issue of National Journal. Mr. Lynn makes a critical point when he observes that most governmental growth results not from conscious decisions made by Congress, but from decisions and responsibilities which Congress has abdicated. I commend Mr. Lynn's article to all Members who share my sincere belief that the Federal Government must become less enormous in order to become more responsive:

BIG GOVERNMENT: THE CHOICES WE DO NOT MAKE

Every election year, many politicians become skilled practitioners of the art known as ". . . watch what I say, not what I do." While this art form has been with us for years, nowhere have I seen it more adeptly applied than on the subject of Big Government.

Many publications, including National Journal, have chronicled the rise of Big Government into one of the hottest issues of 1976. The increasing resentment toward the public sector's seemingly insatiable appetite for more and more spending, regulation and red tape seems so widespread that it may be inappropriate to even call it an issue since nearly everyone in the body politic seems to be lined up on the same side of the fence. There isn't complete unanimity on the subject, of course, but those few detractors are on pretty shaky ground in my book: Isn't it a little far-fetched to tell the average American family, whose total income from January 1 to (appropriately enough) about April 15 of each year is the amount needed to pay its taxes, or the small businessman who is inundated with reams of federally mandated forms, rules and regulations, that they are somehow being anti-social if they object to these burdens?

In spite of all the public pressure to do something about Big Government, it appears to be a subject on which there is a strong consensus in the aggregate, but a very weak one when it involves the individual pieces that go toward making government so big, so expensive and so burdensome.

I'm able to demonstrate this attitude whenever I speak before a large group. Hoisting up a copy of the Catalog of Federal Domestic Assistance Programs—all 1,030 of them at last count—I ask how many people believe we could safely eliminate a large number of these programs. Next I ask if anyone thinks at least *one* of the 1,030 deserves more, not less, support from the federal government (I'm careful not to say from the *taxpayers*"). As you might expect, practically every hand goes up in response to the first question, and, accompanied by some embarrassed tittering, a lot go up on the second question as well.

I see two reasons for the strong response to my second question. First, it shows most people care deeply about, and have "gotten into," one or more of the myriad facets of the quality of life in this country both for themselves and for those less fortunate. But second, I think it reveals that at least as to activity at the federal level, most people do not connect larger federal benefits paid out with the need for larger federal revenues paid in. There is an assumption, nurtured by years of routine deficit spending, that the cost of government is far cheaper than it really is. For too long, the citizens have been promised the proverbial "free lunch"—greater and greater benefits without a concomitant increase in tax revenues. (The declining fortunes of the Social Security Trust Funds are a case in point.) Yale's Kingman Brewster has put his finger on a key part of the problem:

"Any politician whose life is dominated by the process of standing for re-election has an inevitable bias in favor of spending and against imposts . . . the beneficiary of a particular expenditure knows who his benefactor is—he can trace his bounty quite directly to its political source. On the other hand, no one can prove that the higher price of groceries is attributable to any particular public expenditure, to any particular legislative act."

It is a sad commentary that precisely those legislators who profess to care most about the plight of the poor and the elderly, the same politicians who constantly preach that these groups suffer most from inflation are the ones most likely to behave in the manner just described.

I don't mean to suggest that the Congress is completely irresponsible, for I certainly sympathize with the dilemma they often encounter: When faced with a bill that is loaded with fat and programs of dubious value but with a title reflecting noble objectives—health, education, nutrition, the environment and so on—you're labeled as having no heart if you vote "nay," but as a big spender and supporter of bad approaches if your vote is "yea." While being called a big spender doesn't seem to bother some, it concerned enough members of both parties that the new Congressional budget system was created in 1974 in an effort to exert more rational control over spending bills as they work their way through the Congress.

I have been one of the biggest boosters of this new system, and OMB has cooperated with the Budget Committees and the Congressional Budget Office as fully as possible. But while these committees have had some success in reforming the Congressional spending system, I also see real down-side risks. One is that approved budget ceilings will routinely be raised whenever a popular spending bill can't be squeezed under the current cap. The other risk, and one which seems quite possible, is that Congress will adopt budget ceilings so generous that little real discipline will be needed. Presumably this will allow for substantial increases in federal spending, while allowing the Congress to boast that it is living within its ceiling.

By contrast, I believe President Ford stands alone in terms of detailing exactly what he believes we must do to restrain the growth in government and return to the people more control over their own lives and their own earnings. The President's 1977 Budget reflects hundreds of proposals directed at accomplishing these objectives. Some of his more significant proposals include:

Itemized budgetary actions to reduce the growth in federal spending *and* to achieve a balanced budget by 1979;

An additional tax reduction of $10 billion benefiting the average working family the most but also providing added stimulus for the creation of new and better jobs in the private sector through incentives for more capital investment;

Replacing a bewildering array of narrow, categorical grant programs with broad block grants to the states in the areas of health services, education, child nutrition and social services; and

Comprehensive reform of the federal regulatory agencies.

Although the President's initiatives have not yet been acted on by Congress in any final way, the reception many aspects of his program have been given thus far has not been encouraging.

For example, during the past year, the President has submitted $3.3 billion worth of rescissions to the Congress in an effort to keep the already massive federal deficit as small as possible. Each rescission was thoroughly explained on programmatic grounds as being an unnecessary expenditure. Yet with this tailor-made opportunity to actually *do something* about excessive federal spending, Congress has agreed to only $138 million of these rescissions, or a mere 4 cents on each dollar of the total savings proposed. In short, the Congress seems to be saying, "Lord, give me fiscal responsibility, but not just yet!"

While it is too late to realize $3.2 billion of the rescissions proposed, Congress has before it another opportunity to translate all its talk about Big Government into action.

It is ironic, however, that one of the most successful examples of positive federal legislation—General Revenue Sharing—stands a very good chance of being gutted when present authority expires. Not because it was a failure, but *because it worked the way it was supposed to work!* The unifying theme among the program's detractors is that many state and local governments spent too much of their shared revenues on problems not considered important enough by one interest group or another and their friends in Washington. Yet one of the principal justifications for General Revenue Sharing, and one which has received wide bipartisan support, is that local people and their elected officials are in a far better position to know their own problems and how to deal with them than is some federal agency in Washington.

While critics may claim this is an oversimplification, it is an assumption fundamental to our federal system. Certainly there are problems best dealt with principally at the national level, but I daresay there are many other sorts of problems—public safety, for example—that are of equal concern to the average citizen. General Revenue Sharing does not abdicate truly national responsibilities, but rather it is an effort to utilize the efficient and broadly based taxing powers of the federal government in a manner which assists state and local governments in meeting their own pressing problems with "home-grown" solutions which reflect the will of the people in each state or locality.

The basic premise of the President's overall domestic program is that not only can most problems be identified and dealt with more responsibility at the state and local level, but that the lower one goes down the ladder of governmental levels, the more accountable the elected officials become to the people. In large measure this is due to the fact that the closer public expenditures are to the people, the more likely they are to equate those expenditures with their own, individual payment of taxes. If you doubt this, ask any mayor or selectman who has just had to defend a property tax increase before a local town meeting.

I am convinced that the American people don't want more and more promises backed up by larger and larger programs run out of Washington, and that they are willing to listen to candidates for public office who not only talk of what we should do, but of what we can do. I too wish that we could make more progress, faster progress, on meeting the long agenda of unmet needs in this country, but it is past time we began to scale our solutions involving government down to our resources. To do so requires that many hard, difficult decisions be made among competing demands on the public purse. When defending the President's Budget, I often recall an observation made by my colleague, Elliot Richardson, when he was Secretary of HEW:

"Choice is the basic reality, and for us it is doubly difficult and saddening because whatever we have to give up is not something bad or trivial, but something that is only somewhat less important, if that, than what we have selected to do."

Big Government, I would submit, is not the result of choices we have made over the years, but instead the cumulative and inevitable result of all the choices we did not make. It was easier to expand rather than contract, to borrow rather than to tax. For its part, the Administration has presented Congress with results of, and reasons for, many difficult choices which we believe essential for the future of this country. We are now watching what they do, not what they say.

ROSLYN SAVINGS BANK CELEBRATES 100TH ANNIVERSARY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. WOLFF. Mr. Speaker, I would like to take this time to congratulate the officers and trustees of the Roslyn Savings Bank on their celebration of the bank's 100th anniversary. The Roslyn Savings Bank has long acted as a backbone of the Roslyn financial community. Since its inception in 1876, the bank has provided essential services to residents of Roslyn and its surrounding towns. In order to pay tribute to the contributions the bank has made to the community's growth, some 208 prominent residents attended the March 25, 1976, 100th anniversary dinner dance held at the North Hempstead Country Club in Port Washington, N.Y. In addition to Mrs. Wolff and myself, Hon. and Mrs. John D. Caemmerer, Hon. and Mrs. John Davanzo, Hon. and Mrs. Allen C. Miller, Hon. and Mrs. Angelo F. Orazio, Hon. and Mrs. Steven B. Derovian, and Mr. and Mrs. Floyd N. York were in attendance.

MR. DODD TESTIFIES IN SUPPORT OF THE REFORM OF ELECTRIC RATE REGULATION

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. DODD. Mr. Speaker, the House Interstate and Foreign Commerce Subcommittee on Energy and Power recently completed hearings on legislation dealing with the reform of electric rate regulation by the Federal Power Commission and by State electric utility regulatory bodies, and it is expected that they will be marking up a bill in the near future.

On April 5, 1976, I testified before the subcommittee in support of much-needed reforms of the electric rate regulatory process, and in support of legislation I have introduced on this subject, the Electric Rate Regulatory Reform Act of 1976 (H.R. 12872).

I became aware of the many problems which result from current regulatory procedures due to my intervention in an ongoing case before the Federal Power Commission involving a Connecticut public utility. These are not problems unique to this case, and because the issue affects the constituents of a majority of my colleagues, I would like to insert my testimony in the RECORD for their consideration.

STATEMENT OF REPRESENTATIVE CHRISTOPHER J. DODD

Mr. Chairman, I would first like to thank you, and the distinguished members of the Subcommittee on Energy and Power for allowing me to testify today in support of the reform of electric rate regulation.

This is a very important area for concern—one that affects nearly all Americans, and certainly one that is long overdue for reform of the regulatory process. I would like to commend this subcommittee for taking the initiative in holding hearings on this subject, and I feel confident that your efforts have the full support of the public.

I would like to adddress myself to several problems which I have found to exist—and which seem to be fostered—under current electric rate regulatory procedures before the Federal Power Commission. I have introduced legislation (H.R. 12872) designed to resolve these inequities, and I urge that the provisions of this bill be adopted by this subcommittee and included in the reported legislation.

At present, federal statutes pertaining to wholesale electric rate regulation clearly favor the petitioning utility company, at the expense of the wholesale purchaser, and subsequently, in many instances, at the expense of the ultimate consumer.

When the Federal Power Act was enacted in 1935, it was designed to protect customers from excessive and unreasonable rates; during the 41 years since its enactment, it has remained essentially unchanged, while enormous changes in energy supplies and demand, and in corporate practices and consumer needs, have resulted in a present situation whereby the provisions of the Act not only allow, but foster actions by public utility companies which are clearly contrary to the public interest.

This inequitable process of electric rate regulation under the Federal Power Act came to my attention several months ago when I began to look into the circumstances surrounding an electric rate-hike proposal filed with the Federal Power Commission by Connecticut Light and Power Company on December 2, 1975. Because I have serious questions about this rate proposal, I have become an intervenor in this case and will be testifying before the Commission on behalf of customers affected by the rate hike.

This was the third wholesale increase by Connecticut Light and Power in as many years, and none of these has received a final ruling by the Commission.

The first of these pending rate hike requests was filed on June 16, 1972, and went into effect after a 30-day notice period and a five month suspension, on January 16, 1973. Thus, we have a rate which has been in effect for well over three years, but on which the Commission has yet to render a final decision as to its lawfulness.

This is not a unique situation, to be sure, Mr. Chairman.

At present there are more than 150 electric rate increase cases pending before the Federal Power Commission. This represents over a half a billion dollars in electric rates which are in effect—on which customers are already paying—but for which a final decision on lawfulness has not been rendered. An average rate case takes over a year from the date of filing to the completion of hearings before the Commission and the final decision by the presiding Administrative Law Judge may come months or years after that. Yet under the provisions of the Federal Power Act a proposed rate may be suspended for no longer than five months.

While rebates may be ordered at the time of a final decision, if the Commission finds the rate increase to be excessive, this does not resolve the fact that the burden is on the customer in the meantime—often for years. The budgets of many small wholesale customers and of their retail customers simply cannot handle this procedure, in many instances.

Furthermore, the process acts as an incentive for the petitioning utility to intentionally delay Commission proceedings in order to keep a high rate in effect.

It also allows a public utility to attempt to "squeeze out" its wholesale purchasers by creating a situation where its wholesale rates are higher than its retail rates. Under current regulations this may be accomplished quite easily by simply filing one or more inflated rate increase proposals with the Federal Power Commission, and delaying the final decision as long as possible.

Indeed, this situation has occurred with the latest filing by Connecticut Light and Power Company.

This new rate went into effect on March first of this year, following a two-month suspension. The Commission will begin hearings on this case on Wednesday of this week, and judging from past experience, it may be years before we know whether the rate imposed on CL&P's customers is lawful. In the meantime, wholesale customers are paying the increased rate, and they in turn must file with the

State Public utility regulatory body—in Connecticut, the Public Utility Control Authority—to adjust their rates to retail customers.

In this instance, the Bozrah Light and Power Company, of Bozrah, Connecticut, was not allowed by the Public Utility Control Authority to increase its retail rates, and because wholesale purchasing costs have escalated, as of March first, this company's financial solvency is questionable, at best.

Equally alarming is the fact that by "pancaking" their last three wholesale rate increase filings, Connecticut Light and Power Company has been able to raise their wholesale rate to levels above their own retail rates.

The simplest solution to these problems would appear to be, to require that a final decision must be rendered, upholding the lawfulness of the proposed rate, before it is allowed to be charged.

This would eliminate the problem of questionable rates being levied against wholesale customers; it would eliminate incentive for a petitioning utility company to delay Commission proceedings; and, it would substantially reduce the possibility of a wholesale purchaser's costs being in excess of what it is allowed to charge.

But, this measure alone would not establish equity. Indeed, it might establish a situation where there is incentive for intervenors to a rate case to delay Commission proceedings in order to prevent an increase—no matter how lawful—from being charged. Clearly, there must be safeguards against this possibility, as well, in the interest of allowing the Commission to act on rate filings in the most fair and expeditious manner possible.

The legislation I have introduced provides what I believe to be an effective and equitable solution to the problems I have discussed.

The bill would eliminate incentive for public utility companies to file inflated rate increase proposals, and to delay Commission proceedings in order to keep them in effect, by requiring that no change in the rate schedule be allowed until a final decision is rendered, upholding the lawfulness of the proposed change.

The bill also prohibits a public utility company from filing for a wholesale rate change while another filing, proposed by the same company, is still pending before the Commission. I feel that this "anti-pancaking" provision is essential: In addition to providing incentive for the petitioning utility company to do their best to expedite Commission proceedings, it would, in all probability, reduce the number and the complexity of cases pending before the Commission, thereby enabling them to dispose of new filings more promptly.

Finally, the provisions of this bill would authorize the Commission to order an interim rate schedule, after a preliminary hearing and the lapse of a period of five months from the date of filing, if it is determined that all or part of the new schedule is likely to be held lawful. This interim rate schedule could be in the form of a rate increase or decrease, as decided by the Commission, and any rate increase would be subject to a refund, if a final decision holds that the interim increase was excessive.

In addition to authorizing the Commission to grant a schedule change which may be necessary, in the event of a lengthy proceeding, to enable the petitioning utility company to meet its financial commitments, this measure is designed to eliminate incentive for intervenors to delay Commission proceedings, since increases may be ordered if the proceeding is not concluded within five months of filing.

Mr. Chairman, I feel it is essential that we allow the Federal Power Commission to conduct action on rate filings in the most fair and expeditious manner possible, and that we minimize the possibility of an excessive rate from being charged to customers. For this reason, I urge that this three-point approach to resolving the problem be adopted.

As an intervenor in the Connecticut Light and Power Company case which I mentioned earlier, I have encountered several other problems in current regulatory procedures which I hope will be evaluated carefully in the course of the Subcommittee's hearings on this issue.

Under the provisions of the Federal Power Act, a thirty-day notice period may be ordered on a new rate filing, to allow time for the affected customers to be informed of the filing, and to give them time to respond. The proposed rate may not be charged at least until this thirty days has expired. I have found that thirty days is inadequate in many instances: When the Commission receives a number of filings on the same day, for example, it is difficult for them to issue notice promptly for all of these, and to provide the customers adequate time to respond.

I have included a measure in the legislation I introduced which would increase the notice period from thirty to sixty days and I urge that this provision be adopted, as well.

Finally, Mr. Chairman, I am sure that at this point in these hearings the Subcommittee is well aware of the general lack of coordination between the Federal Power Commission and the various State utility regulatory bodies. This is, in fact, one of the reasons why utility companies are able to establish wholesale rates which are higher than their retail rates, thereby creating the "price squeeze" situation which I spoke of earlier. I know, Mr. Chairman, that your bill, the "Electric Utility Rate Reform and Regulatory Improvement Act" contains several provisions which address the problem of this lack of coordination, and I would like to commend you for this.

In addition to these measures, however, I feel it is essential that the bill reported by this Subcommittee contain a statement requiring that the Federal Power Commission take into account, in determining the lawfulness of a proposed schedule, the financial impact of the change on each wholesale purchaser.

I included this provision in my bill, and I urge that this measure be given every consideration by the Subcommittee.

In conclusion, Mr. Chairman, I want to again express my thanks for allowing me to testify in support of these much-needed regulatory reform measures. Besides including these provisions in the "Electric Utility Regulatory Reform Act of 1976" (H.R. 12872) which I introduced on March 30th, I have drafted them in the form of amendments to your bill, Mr. Chairman, and I would like to submit them for your consideration.

I want to thank you once again, and assure you that you have my full support for your efforts to establish electric rate regulations which are truly in the public interest.

POST EDITORIAL WRITER CALLS FOR COMPETITION IN THE CARRIAGE OF LETTERS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. CRANE. Mr. Speaker, the Washington Post of April 11, 1976, carried, as its lead editorial, an excellent analysis of the shortcomings of the U.S. Postal Service. Ronald Kessler, a staff reporter for the Washington Post, traces the history of the Postal Service, discusses the numerous examples of mismanagement and concludes with a recommendation for competition in the carriage of first-class mail.

As I have been in the forefront of the effort to secure passage of legislation to permit competition in the delivery of letters, I was particularly pleased to see Mr. Kessler's study conclude with an endorsement of private carriage. My legislation, which now has 28 cosponsors in the House of Representatives, has been introduced on two separate occasions in the Senate. Competition in the carriage of first-class mail has been endorsed by the Wall Street Journal, the Chicago Tribune, the Chicago Daily News and the President's Council on Wage-Price Stability.

It is extremely important that this alternative, permitting the private carriage of first-class mail, be addressed and seriously considered in future discussions of postal reform. The cost of a first-class letter continues to skyrocket; and there is serious talk of a 17¢ stamp before Christmas this year. The quality of service continues to deteriorate, as the Postal Service reduces the number of deliveries and closes small post offices around the Nation. Mr. Kessler points out in his article that the present standards of delivery and service enforced by the Postal Service "represent a deterioration over those used by the old Post Office Department." The consumer of postal services deserves a choice. Now, he has no alternative to the Postal Service when he needs to send a letter. He must suffer with the poor service and the high prices. Indeed, he must pay for his stamp twice: once, when he purchases the stamp, and twice, when he pays his taxes.

Mr. Kessler summarizes the problems of the Postal Service as mismanagement and the lack of a profit motive. I completely concur with his summary. Mr. Kessler observes,

> [Postmaster General] Bailar will receive his $63,000-a-year salary regardless of how long it takes for the mail to get through.

Introducing competition will introduce an incentive to improve the quality of mail service. How can we deny this to the postal consumer?

Mr. Speaker, I would like to share Mr. Kessler's analysis with my colleagues, pointing particularly to his concluding sentence:

> If capitalism has given America good telephone service, there is no reason why it cannot also produce good mail service.

The article follows:

OUR MESSED-UP MAIL: A CASE OF MISMANAGEMENT

(By Ronald Kessler)

By all accounts, John J. Wise is a pleasant and reasonable fellow. But what Wise knows about research and development is an open question.

Wise last year was appointed assistant postmaster general in charge of research and development at a salary of $42,500 a year. His previous experience was as manager of postal operations in North Carolina and postmaster of Rock Hill, S.C.

Appointing Wise to head the research effort of the $10-billion-a-year U.S. Postal Service was not unlike appointing a telephone operator to head Bell Laboratories. The appointment was not made by the old, politics-ridden U.S. Post Office Department but by the new U.S. Postal Service. This is the agency that was supposed to speed the mails and cut costs by introducing businesclike methods to postal operations.

"The will of the Congress, and the will of the people is clear," President Nixon said in 1969 when proposing the new postal agency. "They want fast, dependable and low-cost mail service. They want an end to the continuing cycle of higher deficits and increasing costs."

Seven years later, the policies of the new Postal Service have slowed the mail rather than speeding it. Deliveries have become more erratic rather than more dependable. And subsidies and costs have increased dramatically rather than decreasing.

Rather than becoming self-sustaining, as the new agency was charged with doing, the U.S. Postal Service has had to borrow to meet its payroll.

A VICIOUS CYCLE

To a public accustomed to receiving mail two weeks late, this all has the ring of inevitability. Prophecies of postal improvements in years past have had as much credibility as presidential campaign promises. Anyone who expected good mail service might as well believe in tooth fairies.

But while the cries of outrage over deteriorating mail service have been muted, the public has been expressing its dissatisfaction in a more ominous manner. It has been withdrawing its business from the mails and switching to other means of communication—telephones, messengers and private delivery services—as evidenced by a per capita drop in pieces of mail handled since 1971. In the most recent fiscal year, the Postal Service handled 89.3 billion pieces of mail, down nearly 1 per cent from 90.1 billion the previous year.

As volume drops, the Postal Service raises its rates to cover the lost revenue. The higher rates produce a greater loss of business.

The cost of this vicious cycle has been staggering. Prices charged for mail service have risen 63 per cent since 1971, while prices of other services measured by the Labor Department's consumer price index have increased by 35 per cent. Despite only a negligible increase in total mail handled since 1971, when volume was 87 billion pieces, the public now pays $3 billion more for mail service than it did in 1971.

Moreover, this additional cost may be insignificant when compared with the extra money spent on long distance telephone calls and messenger service.

From the viewpoint of the Postal Service, such increases are only the beginning. Benjamin F. Bailar, the postmaster general who was hand-picked by his predecessor, Elmer T. Klassen, has been telling Congress the Postal Service faces bankruptcy if it does not receive substantial additional subsidies.

Bailar, who worked with Klassen at American Can Co., has placed the blame for this situation squarely on factors beyond his control—the recent recession, inflation, and lags in obtaining approval of postal rate increases.

In doing so, Bailar is continuing a tradition, established by his predecessors, of pointing fingers at any target outside the Postal Service to explain what is wrong at the agency.

Congress has not found anything strange in this performance in part because the soft-spoken Bailar does represent an improvement over Klassen, who made outlandish claims about nonexistent improvements in mail service, and in part because it has become diverted into an intriguing but largely irrelevant debate.

The debate is over whether mail is best moved by a government agency, like the old Post Office Department, or by a government corporation, like the new Postal Service. That this question should be at the forefront of Congress' concern over poor mail service is understandable. It was Congress that created the new agency, and it was the new agency that created the present postal mess.

The idea behind lodging postal operations in a government corporation was that such an entity would be immune to political pressures and could operate more as a business than a bureaucracy.

The old agency, which reported to the President, was run from congressional cloakrooms and the offices of White House political advisers. Its value to the party in power lay in its ability to offer well-paid sinecures to those who had given loyal service in political campaigns.

In creating the new agency, Congress prohibited political appointments and had the postmaster general report to a board of governors rather than the President. These governors—who include M. A. Wright, chairman of Exxon Co., U.S.A.; Robert E. Holding, general manager of Little America Refining Co., and Charles H. Codding Jr., a co-owner of Codding Cattle Research Co.—would bring their expertise in business to bear on the problems of processing mail, Congress hoped.

The concept made sense, and the Postal Service has not been without its improvements. It has appointed postmasters on the basis of merit rather than political considerations, it has cut the workforce to 702,257 employees from 728,911 workers in fiscal 1971, although the more highly paid regular employees have increased in number while lower-paid substitute workers have decreased. And it has produced a slight increase in worker productivity because of introduction of machinery, boosting the number of pieces of mail handled by the average worker each year from 120,212 to 128,764.

But balanced against a 60 percent increase in postal wage levels since 1970 and the agency's other massive problems, these improvements have amounted to an attempt to empty an overflowing bathtub with a thimble.

STILL PIGEONHOLED

This does not mean that taking politics out of the Postal Service was wrong or that businesslike techniques do not work. Neither a government agency nor a private company can function well if it is mismanaged. And it is mismanagement that is at the core of the Postal Service's problems.

What the Postal Service needs is management that can drag it into the 20th Century. While other industries have automated, the Postal Service continues to rely on human labor to sort the mail. Indeed, a significant portion of the mail is sorted as it was by Benjamin Franklin in 1775: by placing letters, one by one, in pigeonholes. It is this sorting process, rather than deliveries to homes and businesses, that accounts for the largest chunk of the postal budget.

While the Postal Service has been flirting with the Industrial Revolution, the telephone company has automated to the point where all local calls and about 85 percent of long distance calls are made without the assistance of operators, who once placed all local and long distance calls.

In contrast, a letter is handled by as many as seven different postal workers before it reaches its destination.

Automating an industry is difficult but not impossible. "If you can collect, clean and inspect eggs by machine, there is no excuse for not being able to sort mail entirely by machine," says Jacob Rabinow, chief of invention and innovation at the National Bureau of Standards.

In the past, the management of the Postal Service has not had the capability to develop and implement automation. If the appointment of a former postmaster to head the agency's $30-million-year research and development program is any indication, the present management is no better. Wise was appointed to the post by Bailar when Bailar was Klassen's deputy.

Wise said he believes Bailar chose him because he can manage well and understands the Postal Service's needs. "I have no problem with anything mechanical," he said. "Electrical is something else."

In this decision, as in others, postal management has shown remarkable consistency. When faced with major decisions, it invariably chooses the wrong course.

The new agency became worried that its parcel volume was declining because United Parcel Service, a private company which offered better service, was grabbing all the business. Winton M. Blount, a former construction executive who was the first postmaster general under the new Postal Service, ordered a massive construction program to build some 21 facilities that would sort parcels for the entire country.

Blount presented the $1 billion investment as a means of gaining back business by offering improved service. But if Blount had glanced at designs for the new facilities or proposed delivery schedules, he would have seen that the investment was buying more damage-prone and slower service than what UPS offered.

UPS sorting facilities are designed so that parcels will not be dropped. The new Postal Service facilities were designed with drops as high as 5 feet. Other machines were designed to propel parcels down chutes as if shot from guns.

"It's madness," a Postal Service analyst calls the design of the new facilities.

The Postal Service recently affected surprise when the House Post Office Committee found that thousands of parcels had been ripped to shreds by the new machines. However, the Postal Service was aware of the proclivities of its new machinery as early as 1974. It has continued to install the devices regardless.

TYPING IN ERRORS

The Postal Service claimed another development called the preferential mail network would save $1 billion a year because it would sort letters more efficiently. The agency spent $49 million on a prototype of the system, but government audits found the new method sorts mail at a slower rate than the manual method using pigeon-holes. To his credit, Klassen scrapped the system before it was installed nationally.

Postal management has made widespread use of letter sorting machines, but these Rube Goldberg devices do not represent automation and have been the single greatest cause of deteriorating mail service. The machines, noisy contraptions as high as a room and as long as a bus, sort mail to various slots according to zip codes that are typed into them. The codes are typed by clerks, who read them from addresses as letters are flashed in front of them.

As in any typing, errors are easily made, audits have found missent letters—caused by typing a wrong digit—to be as high as 17 per cent. Each time a letter is missent—say to San Francisco instead of New York—it is delayed as long as two weeks. The number of workers replaced by the machines, when compared with the total postal workforce, is negligible.

The Kappel Commission, whose recommendations led to creation of the new Postal Service, found that it was this uncertainty about when a letter would be delivered that was the public's primary concern about mail service. It is this uncertainty that drives mail users to other forms of communication to get their message across.

Postal management has refused to recognize this fact. Bailar and his predecessors continue to cite statistics that show that certain percentages of mail are delivered within certain time frames: that, for example, 87 per cent of cross-country mail was delivered in three days during fiscal 1975.

These standards represent a deterioration over those used by the old Post Office Department, but what is more relevant is that a letter mailed today has better than a 1 in 10 chance of not reaching its destination in three days. If it does not, it may languish in the mails for weeks. To the businessman or housewife who needs a message delivered within a reasonable time period, these odds are simply not good enough.

STANDARDIZED ENVELOPES?

Many of the Postal Services problems would be solved if it offered standard-size envelopes with pre-printed boxes where mail users would write zip codes, according to Dr. James C. Armstrong, a former postal official who left to become corporate planning manager of American Telephone & Telegraph Co.

Armstrong said the Postal Service could encourage the public to use these envelopes by charging lower postage if they are used. The standard-size envelopes and uniform zip codes could easily be read by relatively inexpensive machines, Armstrong said.

Merrill A. Hayden, a former Sperry Rand Corp. executive vice president who was deputy postmaster general in 1971, said he believes the public would accept the use of such envelopes as readily as it accepted direct long distance dialing using area codes. "The present mechanization (in the Postal Service) is so costly because of the lack of standardization," Hayden said.

Wise, the new research director, said he does not believe the public would accept such a system. But the Postal Service has never asked the public, which is apparently believed to be more willing to accept poor service and spiraling costs that far exceed the inflation rate.

For reasons he has not spelled out, Bailar believes postal mechanization has gone about as far as it can go. "Returns from mechanization are getting harder and more expensive to realize and will probably be less significant in the future than in recent years." he has said.

Bailar's solution is far from clear. He has been trying to reduce costs by cutting service and questioning whether Saturday deliveries of home deliveries are necessary. But Bailar's cuts have not made a dent in the postal budget, and it is doubtful that the way to win back customers lost because of poor service is to cut service still further.

"Bailar is using the financial crisis as a coverup for his own inability to manage the enterprise," says a member of postal management. "The real problem is the place is being run terribly. You can't put your finger on what Bailar is doing."

A PROFIT MOTIVE

Many postal critics believe the agency should be returned to the status of a government agency so that it will be accountable to the public through its elected leaders. The present system, with the postmaster general accountable to a faceless board of governors, does have drawbacks.

But a return to the old patronage system is not the solution. "The fact that the Postal Service hasn't worked out doesn't mean the concept was a mistake. It means you have to have people who can execute it. Obviously that has not been done," said Murray Comarow, a former postal official who wrote the Kappel Commission report.

A private company that is mismanaged will lose customers and go out of business. It is this threat—and the promise of profits if the company does well—that keeps managers of private enterprises on their toes. Despite the talk of businesslike operations. the Postal Service has no such incentive. Bailar will receive his $63,000-a-year salary regardless of how long it takes for the mail to get through.

If the development of efficient telephone service is any guide, introducing the profit motive to postal operations may be the only way to obtain good service at reasonable cost. Toward this end; the President's Council on Wage and Price Stability, which monitors the impact of government policies on inflation, has proposed allowing private companies to deliver the mail.

This would not mean the Postal Service would be abolished. The agency would continue to service those areas the private companies did not want to service—presumably rural areas where distances between delivery points make mail service unprofitable. Those areas served by the companies—which might continue to rely on the Postal Service for transportation of mail between cities—presumably would receive better mail service. In addition, the companies might develop innovations to speed the mails.

The Postal Service argues that allowing competition would only increase costs. It says the proposal would create duplication and give the most profitable business to private companies while the Postal Service would be left with the rural areas. This argument seems to be considerably weakened by the example of the effects of competition in delivery of parcels, where the Postal Service does not have a monopoly.

The Postal Service's private competitor, UPS, has been able to offer quicker, more reliable and more damage-free service at lower cost than the Postal Service. It has done this while paying taxes to the government and profits to its shareholders. The Postal Service pays no taxes and receives subsidies from the government.

The Postal Service says UPS cannot be used for comparison purposes because it skims the cream off the parcel business by only serving businesses. It is true that most UPS packages come from companies rather than private individuals. But it is also true that UPS delivers to every corner of the nation (except in those states where regulatory authorities have not permitted it to operate).

Throwing the mails open to private enterprise raises a string of questions. What would be the relationship between the Postal Service and the private companies? Who would regulate the companies? How would postal customers be assured of deliveries regardless of which entity may be serving them?

The answers are no better defined than the shape of the Bell System could be visualized when Alexander Graham Bell invented the telephone. But if capitalism has given America good telephone service, there is no reason why it cannot also produce good mail service.

WE QUESTION ATOMIC JUDGMENT

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. HARSHA. Mr. Speaker, the Energy Research and Development Administration says it is essential to have additional enriched uranium capacity by 1983, or we lose a major part of our foreign market while restricting domestic consumption as well. The Joint Committee on Atomic Energy has been supplied with facts which prove expansion of the existing Goodyear plant at Portsmouth, Ohio, would be much less expensive than construction of a completely new facility, contemplated by the administration for Dothan, Ala. The independent General Accounting Office also recommended an Ohio facility expansion over the Alabama plan due to the cost factors involved.

Given the obvious advantages of expansion of Government-owned gaseous diffusion facilities, the Portsmouth Times recently questioned the administration's judgment in supporting construction of a new privately owned and operated plant for this purpose. I would like at this time to share with my colleagues the editorial on this most pressing and important issue:

WE QUESTION ATOMIC JUDGMENT

At this time it is quite obvious to everyone that our nation is well on the way to recovery from the recent recession that created hardship for the working person and business alike.

It also appears that the inflationary spiral which many think caused the recession may now be confined to reasonable limits.

President Gerald Ford's administration may or may not be responsible for the recovery; it is difficult to say at this time.

President Ford has made some excellent, difficult, decisions. However, we can also say that there is ample reason to question the judgment of the administration when we examine some of the positions taken by the President.

For instance, we must question the position of the administration on nuclear fuel production; since time and money are such critical factors.

President Ford has asked Congress to authorize construction of a new gaseous diffusion production facility in Dothan, Ala., by private enterprise. The President's plan calls for the United States government to guarantee the investment by private enterprise and further to guarantee a profit return on that investment.

If this is President Ford's interpretation of private enterprise, there is a very real reason for questioning his judgment.

More and more experts, including the United States General Accounting Office, as well as nuclear fuel users, state that the Dothan plant should not be authorized. They contend that the required added production should be provided by building an add-on facility to the already existing nuclear fuel plant in Pike County, near Portsmouth.

The experts contend that the add-on facility can be in production more quickly, will cost less money to construct; and will produce nuclear fuel at lower cost to the consumer. In addition, control of critical atomic fuel will be retained by the government. And, of course, the government will continue to receive the profits from the operation of the plant.

We in Southern Ohio do not doubt the opinion of the experts. Everything considered, we do question the judgment of President Ford on this matter, and we suggest that he take another look at nuclear fuel production and all the ramifications involved.

If the present position of the Ford administration in nuclear fuel production is indicative of the judgment the administration uses in solving other national problems, we are indeed unfortunate that Ronald Reagan has been ruled off the Ohio primary.

If you haven't expressed your opinion on the add-on plant versus the Dothan facility, it isn't too late to write to President Ford.

CONGRESSIONAL BLACK CAUCUS LEGISLATIVE AGENDA, 94TH CONGRESS, 2D SESSION—PART IV

HON. RALPH H. METCALFE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. METCALFE. Mr. Speaker, I am inserting into the RECORD the sixth and final part of the Congressional Black

Caucus legislative agenda for the 2d session of the 94th Congress. This contains the second half of the caucus agenda position on foreign affairs:

Foreign Affairs—Part 2

DÉTENTE

"Détente" entails the search for a more constructive relationship with the Soviet Union. If pursued in an environment of mutual restraint, détente can provide the motivation to regulate differences, establish new modes of conduct and, quite possibly, transform the pattern of relations from one of confrontation and competition to one of compromise and cooperation. Recent global changes in attitude have made a policy of openness, reasonableness and responsibility necessary while making open and declared hostility unthinkable.

Each country has the nuclear capacity to destroy civilization as we know it so that failure to co-exist peacefully risks mankind's survival. U.S. military and intelligence spending far exceeds that necessary to maintain a credible deterrent and adequate defense against aggression.

The Caucus supports the Strategic Arms Limitation Talks (SALT) as a most sane alternative to massive and successive buildups of strategic arms. As suggested by the SALT I agreement and the Vladivostok principles, the overall bilateral relationship between the U.S. and the U.S.S.R. will be less stable if strategic balance is sought through unrestrained competitive programs. The Caucus therefore supports efforts for progress on a SALT II accord on the assumption that "détente" must be pursued as an ongoing process and not as a permanent condition.

Partisan semantic games which discount the term "détente" should not be allowed to interfere with the basic goal of transforming the patterns of relations from one of confrontation and competition to one of compromise and cooperation.

Several major international issues encourage the continuation and promotion of détente. Emerging international problems of resources, the environment, energy, seabeds, population and food are some of these vital concerns.

UNITED NATIONS AND GLOBAL COOPERATION

The United Nations is the institutional pillar of international cooperation and conciliation. We should not abandon the U.N. because its democratization has ended American and western hegemony. Ways must be found to play a constructive, nonconfrontational role in the United Nations and its affiliated institutions.

We strongly oppose the Administration's decision not to participate in the U.N. Decade Against Racism in retaliation for the General Assembly vote linking Zionism with racism. As the principal victims of racism throughout the world, blacks can never condone this Administration decision and will work for its reversal.

The Caucus further believes that the Congress and the Administration should fully meet their financial obligations to UNESCO, the first and only specialized U.N. agency to appoint an African as its director general. The UNESCO Executive Board has taken concrete action to correct one of the key decisions at the 1974 General Conference—the blocking of Israel's request to join the European regional group—that led to the cutoff of American contributions.

Additionally, we urge the Administration not to withdraw from the International Labor Organization (ILO). Such punitive actions and notifications of intentions to withdraw contravene the stated U.S. support for universality in international organizations.

NEW INTERNATIONAL ECONOMIC ORDER

A central focus of American foreign policy must be the drive to achieve a new world economic order. An important first step in this direction would be the United States adoption of the final resolution of the United Nations Seventh Special session. This resolution provides for a reordering of global economic relations to assure just and stable prices for primary commodities. We must also implement the Charter of Economic Rights and Duties of States.

The current system of international trade based on a free market system must be substantially revised because it has not served the interests of the developing countries. The Group of 77 is advocating an integrated commodity scheme for 10 primary products that will include multiple buffer stock and a common fund. It is hoped that this mechanism, which can coexist with a series of commodity agreements such as those for coffee, tin and cocoa will go far to assure stable and fair prices for their exports.

While the reduction of tariffs and nontariff barriers to trade through the ongoing multilateral trade negotiations under the auspices of the General Agreement on Tariff and Trade (GATT) are useful, they will not go far enough to meet the needs of the developing countries, most of which obtain 85–90 percent of their foreign exchange reserves from export earning from raw materials.

It is crucial also that the power of multinational corporations to disrupt foreign economic systems and distort the domestic market, thereby causing both unemployment and inflation, be curbed. Congress should support the United Nations in its current intensive investigation of the impact of multinational corporations and should seriously consider supporting proposals designed to provide for information sharing, joint bargaining, common tax and whatever other means are needed to protect their resources from invasion of the multinationals.

FOREIGN ASSISTANCE

We firmly believe that the world's richest nation must increase the percentage of its gross national product reserved for economic assistance. At present, the United States allocates approximately 0.23 percent of its GNP for official development assistance, far below the minimum target of 0.7 percent. This can be accomplished in large measure by reordering priorities between economic and military assistance. It is inexcusable that in fiscal 1976 the Administration requested over three times as much for military assistance to the Middle East ($1.863 billion) as it did for food and nutrition aid throughout the world ($623.0 million).

The Caucus opposes the three-fold increase in foreign military sales in recent years, and register our dismay about the United States' status as the principal arms merchant of the world, a development which can only be viewed as completely inconsistent with the Administration's stated goal of peaceful dispute settlement.

We strongly oppose any effort by the Administration to punish nations who do not vote with the U.S. in international forums by delaying, reducing or eliminating foreign assistance to such countries.

Most importantly, economic assistance programs should not be politicized. The Congress passed legislation in 1975 to depoliticize food aid which specifically stated that 80 percent of all food assistance must go to the poorest nations.

Funds that help to meet the demand for food must be established. Priorities must be set that provide funds to encourage self-help. Our current, misdirected economic priorities see billions of dollars spent on defense while pitifully little is expended in stimulating the production of world food. We must acknowledge and accept the responsibility placed upon us through the *Universal Declaration on the Eradication of Hunger and Malnutrition* authorized by the World Food Conference.

Accepting this declaration means several things. We must stimulate international cooperation toward the most rational use of the world's land resources. We must stimulate fertilizer and pesticide aid programs. We must increase U.S. grain assistance to lesser developed countries over the 6 million tons projected for FY 1977. This nation can more easily afford such aid. A global information and early warning system on food and agriculture must also be established. The current food crisis can be traced, to a large degree, to the lack of advance information on agricultural and market conditions. America must respond favorably to the demands placed upon her by the World Food Conference and the so-called "Right-to-Food" resolution, H. Con. Res. 393. We must facilitate the efforts of all countries to work for food relief, funding of agricultural development, and the establishment of food reserves.

INTELLIGENCE OPERATIONS

We support the recommendations of the House Select Committee on Intelligence and urge the establishment of a permanent, independent oversight committee, a committee which should have prior knowledge of all major covert actions. Since active involvement in clandestine operations can force analysis to be silenced for policy needs, certain present functions of the CIA should be divided and a separate espionage (human intelligence)/clandestine operations agency be formed.

We call for the establishment of a central research and analysis facility to provide objective assessments of national security data to Congress and the National Security Council. This ought to be a separate organization, not linked to any policy maker other than the President and as free from other institutional bias as possible. Although CIA covert and subversive activities should rightfully be condemned and terminated, its research and analysis functions are far superior to those of any other branch of the intelligence community.

Possible violations of the law by intelligence agency employees or agents should be fully investigated and, if necessary, prosecuted by the Department of Justice. No agency should have the right or capability to bar investigation or prosecution. In addition to criminal penalties, there must be provision for civil liability for abuses of authority.

If America has been involved in covert actions which generated democracy, freedom and justice around the world, we might arrive at different conclusions. But America clearly cannot justify continued covert action on grounds that we foster and develop democracy around the world.

OPEN POLICY

While our interest in foreign policy encompasses global concerns, our principal interest is in U.S. relations with Africa, the Caribbean and other states in the Black world.

Our general purpose is to give broader visibility to and hopefully greater understanding of the perspective of these countries on foreign policy questions, as well as to highlight those occasions when the U.S. interests converge with those of the Black nations. Most importantly, we hope to be a persistent voice for morality and justice without loss of strength and honor in our foreign relations.

It is for this reason that we believe the policy of rapprochement must not be limited solely to Russia. The policy with respect to other socialist countries must be continued and expanded. It is most particularly vital to intensify ties with the People's Republic of China, Cuba, North Korea, Albania, Warsaw Pact nations, and the nations of Indochina (especially North and South Vietnam).

The pillars of the Caucus foreign policy position will be:

to press for recognition of the need to forge new relations with the developing countries in the contemporary setting of global interdependence which differs most markedly from the post-war world.

to stress the need for a more open foreign policy decision-making process that involves consultation with Congress at the earliest stages and restraint upon the intelligence community.

CONGRESSIONAL BLACK CAUCUS LEGISLATIVE AGENDA, 94TH CONGRESS, 2D SESSION—PART V

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mrs. BURKE of California. Mr. Speaker, I am inserting into the RECORD the 5th part of the Congressional Black Caucus legislative agenda for the 2d session of the 94th Congress. Included herein is the agenda first half of the section on foreign affairs:

FOREIGN AFFAIRS

The Congressional Black Caucus, as the nation's highest ranking body of African-descended elected officials and the only body of black persons having access to data at every level of government and the one with the greatest capacity to influence foreign policy, has an obligation to exercise leadership and initiative in the conduct of international affairs. We must provide direction for America's international relations through exercising political leverage at the legislative and executive levels, thereby providing accountability for black people in America.

More generally, the Caucus should also provide this political leverage and accountability for people of African descent worldwide within the governmental structure of one of the world's superpowers. This internationalist view is central to maximizing black influence in and benefits from international policy decisions. We must promote the exchange of ideas, education, culture and technology between blacks and people with whom we do not yet have substantial or satisfactory relations.

Encompassed within our concern are the issues of policy toward Africa, the Middle East, Latin America, the Caribbean and Asia as well as detente, the United Nations and global cooperation, a new international economic order, U.S. intelligence activities and congressional oversight of foreign policy.

AFRICA

A more positive policy toward Africa is a priority. Contrary to popular notion, our policy has not been one of neglect, but rather one of selective intervention into the internal affairs of African nations coupled with a policy of covert and overt support for the oppressive colonial white minority regimes in southern Africa. The infamous National Security Council Memorandum 39 described the policy "tilt" toward the racist white governments which is a policy reality despite denials by U.S. officials.

Past and present American actions support the reality of this "tilt" toward the regimes in South Africa, Rhodesia, and until recently in the so-called Portuguese "overseas territories," including Mozambique, Angola and Guinea Bissau. According to U.N. documents, U.S. supplies and materiels including napalm were utilized by the Portuguese during their wars against African liberation in Mozambique, Angola and Guinea Bissau. These supplies often were funneled through the NATO connection. The fact is further evidenced by billions of dollars worth of U.S. private investments in the Republic of South Africa alone. Consistent U.S. support for South Africa in the United Nations, particularly within the Security Council, is a matter of record.

A 1966 U.N. resolution terminated South Africa's mandate over the territory of Namibia. South Africa's ability to flaunt international law and maintain domination over Namibia is scandalous, a situation that could not persist but for the acquiescence of the United States and other major western trading partners.

More recently, more than 30 million dollars were funneled by the CIA into Angola to support rival groups in opposition to the MPLA, subsequent victor and governing party in the People's Republic of Angola. After the American failure in Angola, President Ford and Secretary of State Kissinger began issuing ominous threats about U.S. contingencies in the event of further "Cuban intervention" in Africa. These threats have the effect of aligning the U.S. squarely in the defense of the illegal Smith regime in Zimbabwe, whose recalcitrance and opposition to majority rule has pushed African nationalist aspirations to armed struggle.

Kissinger's stated "new policy toward Africa," announced last September in New York, has the danger of being used as a smoke-screen for maintenance of the status quo. This is true particularly with respect to southern Africa as opposing needs of African nationalism and perceived U.S. political and economic interests, which center around support of South Africa, continue on a collision course. The Caucus believes that a policy which truly supports majority rule and self-determination and a continent free of great power rivalry is of the highest priority.

To that end, the Caucus calls for an end to belligerent and dangerous threats by U.S. officials against Cuba. No authority comparable to the Rio Treaty in the Western Hemisphere exists to legitimize U.S. unilateral "policemen activity" on the African continent. A more positive approach to relations is advocated with black African nations with which there is a growing economic dependency particularly for strategic minerals. This includes increased levels of concessional foreign assistance, higher aid levels to international organizations which provide educational, health, social welfare, and technical services to the continent, and support for the United Nations Conference on Trade and Development (UNCTAD) proposals geared to help ameliorate adverse terms of trade and to ensure basic economic security against shortfalls in export earnings, food shortages, and natural disasters. In this light, the Caucus supports forthcoming efforts at UNCTAD IV in Nairobi to develop workable commodity agreement guidelines and other measures.

There are several very specific legislative proposals which we endorse. We support the African Development Fund and urge that the size of that fund be increased to match the pressing need for development capital in that continent's developing nations. We also strongly believe that disaster aid should be immediately forthcoming for Angola, a country which has been devastated by civil war.

The Caucus endorses the World Bank's multibillion dollar corporate redevelopment program for the Sahel. We also consider it vital that Congress pass legislation prohibiting tax credits for holdings by American companies in Namibia.

The Byrd Amendment, which permits importation of Rhodesian chrome in violation of United Nations sanctions against that country's illegal regime must be repealed.

Finally, out of concern over the expanding club of nuclear powers, we oppose the provision of technology and the sale or exchange of nuclear materials to any country that has not signed the nuclear non-proliferation treaty. This includes South Africa.

OTHER AREA CONCERNS

Middle East: We support a new initiative to achieve peace in the Middle East. This initiative must be aimed at reaching a political settlement that is based on mutual recognition of Israeli and Palestinian rights. Israel's right to exist must be undeniable and this nation has a continuing obligation to help Israel survive as a Jewish state in peace and dignity. Any U.S. aid must be unconditional and must not be used as a vehicle to manipulate or control Israel's foreign policy.

At the same time, the Caucus believes that Israel must recognize that the Palestinian question is essentially a political one. The avoidance of the question of providing for homeland for displaced Palestinians can only lead to another war where casualties will no doubt be far more devastating than in any previous conflict. We believe that on the Palestinian side, the notion of replacing Israel with a secular state must be completely abandoned. The road to peace in the Middle East must run both ways.

Latin America: Since the days of the Monroe Doctrine, the United States has considered Latin America to be an area of the world in which it has an abiding "special interest." Persons of Latin American descent make up this nation's second-largest minority and a substantial percentage of Latin Americans share a black heritage. In spite of the U.S. "special interest" in the area, dictatorships and repressive governments are becoming the order of the day, frequently thanks to U.S. support. Moreover, governments in Latin America that attempt to rapidly improve the economic conditions of their people often suffer *de facto* economic boycotts by the U.S. itself and by those institutions dominated by this country, such as the World Bank, International Monetary Fund and the Inter-American Development Bank.

Likewise, though paying lip service to the concept of transfer of technology to the developing nations of the hemisphere, the U.S. has not adopted meaningful policies and programs to implement this concept. In a similar vein, while talking loudly about its commitment to opening our own markets to products of the developing nations south of us, particularly, Mexico, we have enacted trade laws and followed implementation policies which essentially bring about the opposite effect. The Caucus supports, consistent with the United Nations' Charter of Economic Rights and Duties of States, meaningful legislation on trade, technology transfer, and general economic assistance designed to promote—in a context of increasing democracy—the rapid development standard of living improvement of Latin America.

The Caucus also supports the enactment of appropriate legislation and/or executive agreements with countries like Mexico, Colombia, Peru and Bolivia for the purpose of countering increasing levels of illicit traffic in narcotics to the U.S., especially cocaine and heroin, originating in those countries.

Caribbean: Some of our closest neighbors, those in the Caribbean are nonetheless among the most victimized and neglected in terms of U.S. foreign policy. Notably Cuba and Panama are not neglected. Several have even been past victims of U.S. military intervention as part of an outdated "Big Stick" policy. Today the island countries suffer a number of problems typical to those of developing countries elsewhere. Illiteracy, low income levels, health and malnutrition problems, unstable export earnings, trade deficits, inadequate capital, and tourism which in some respects is a mixed blessing.

The Caucus supports increased concessional aid levels, commodity agreements with these primary producers, and generalized tariff preferences. Moreover, we support nondiscriminatory treatment for refugees from Haiti as well as for those from Cuba. We also support the speedy negotiation of an equitable Panama Canal Treaty which adequately considers the territorial sovereignty of the Panamanian nation.

TAX JUSTICE FOR TENANTS GATHERS SUPPORT

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. HARRIS. Mr. Speaker, I am pleased today to reintroduce my bill, H.R. 10219, which allows individuals who rent their principal residence to deduct from Federal income taxes, their share of local property taxes included in their rent. Interest in this concept is growing; the bill now has 43 cosponsors. Also, a recent article in Apartment Life magazine explains the bill in clear and simple terms. At this point, I would like to place the article in the RECORD:

DO YOU KNOW YOU ARE PAYING PROPERTY TAXES WITH YOUR RENT?—MOST RENTERS DO NOT KNOW; AND THE FEDS DO NOT ALLOW YOU TAX DEDUCTIONS

But there's a new bill in Congress that would give you an even break.

In that big fat rent check you pay each month is an expense you might not even know about—property taxes. In fact, as much as 25 to 30 percent of your rent might go for taxes. Yet, because you rent—not own—your apartment, you don't get the same income tax breaks as property owners.

As the tax system now works, homeowners can deduct the amount of property taxes they pay each year from their federal income tax. But the system is different for renters: Your landlord gets a bill from the local government, then divides it up and passes it along to you in your rent. He get the tax break—not you. But, of course, you're the one paying the money. *You* should get the tax break.

In addition to not getting the deduction you should have, you're not even recognized as a taxpayer. Traditionally, apartment renters have been looked down on in some neighborhoods as not carrying their fair share of the tax load. In fact, some city officials—who should know better—don't think of you as taxpayers. Recently, in discussing the busing of apartment children to a school a few miles away, one mayor commented, "Why should the city pay for busing *them* when *taxpayers* even farther away don't get bused?"

THERE OUGHT TO BE A LAW

A new law being proposed in Congress would change this inequitable practice. Essentially, this House bill would change the IRS code to recognize you as the real taxpayers and give you the same tax break as homeowners.

The national property tax law for renters, as proposed by Representative Herbert E. Harris of Virginia, would work like this: When you get your lease, you'll not only be notified of the total rent, but you'll be told what part of that amount goes for property taxes. Then at the end of the year, you'll deduct the amount you paid in property taxes from your federal income tax. (When the law passes, the IRS will decide how you'll back up your deduction.)

For example, your lease will state that you are to pay $2,400 per year in amounts of $200 per month and that 20 percent of that amount is for property taxes. By the end of the year, your property taxes will add up to $480—that's your deduction. If, say, you're in a 25 percent tax bracket, you'll actually save $120 in federal income taxes a year.

THE NEW LAW WOULD BE GOOD FOR LANDLORDS, TOO

Under the new system, the landlord doesn't lose a thing. He doesn't get the property tax deduction, but he doesn't have to include those taxes as income. In fact, it could be good for landlords: Tenants would become more aware of the local politics of property taxes. As the system works now, city councils have to answer to only a handful of landlords when it comes time to set property taxes. Tax hungry councilmen find it relatively easy to lean on a small group of apartment owners. But if tenants know how much they paid in taxes and knew that rent hikes resulted from higher taxes, city councils would have an army of people—both tenants and landlords—to contend with.

NOW'S THE TIME TO WRITE YOUR CONGRESSMAN

Strong pressure from renters is the only way this tax bill will ever become law—and the only way tax discrimination against renters will stop. There are no professional lobbyists, no organized pressure groups to push this bill through—only individual renters. The bill is in the works *right now*, so this is the time to write your congressman.

Let your representative know you support this bill (House Bill #10219). A letter from a *voter* is still one of the strongest ways to influence the lawmakers. You can reach any representative by writing to him or her in care of the U.S. House of Representatives, Washington, D.C. 20515. (While you're at it, send a carbon copy to Al Ullman, the chairman of the House Ways and Means Committee at the same address. He's the guy who can make or break this bill while it's still at committee stage.) Or, simply write "I agree" on the margin of this page, tear it out and send it.

IT IS A SIMPLE TWO-STEP PROCESS

Your landlord will notify you, in your lease, of the amount of property taxes you pay.

At the end of the year, deduct this amount from your federal income tax.

"PSALM 1976"

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. ROGERS. Mr. Speaker, Mr. John H. Herthum of Palm Springs, Fla., has written a poem, "Psalm 1976," which I believe to be particularly appropriate in view of the upcoming Bicentennial and I would like to make this poem available to my colleagues at this point in the RECORD:

PSALM 1976

America! America! How great will be thy name
America! America! You have the fruited plain
But now oh country! hear this call
My power shall come to pass to one and all.

Your Pilgrams came from far and near
Your Pilgrams came, no hate or fear
They planted crops and built a home
Hoping never more to roam
And then a noble thing they did
All boasting, pride and ego hid
They bowed and prayed and gave thanks to me,
For the wondrous way I had set them free.

The people came from far and wide
To see of truth did really abide
They came and worked and traveled West
They found a land they loved the best.
Now I put it in the hearts of men
To write a Constitution then
Proclaim our rights and liberties
Were some of the important keys
And let all men their God to see
Forget your idols—just worship Me.

And then came war, as it always will
and men, their blood they had to spill
But people, or My people, hear this now
George Washington was not ashamed to bow
And ask My help to show him how
The Delaware he did not cross alone
His mighty God was on His throne
The men at Valley Forge stood fast
In ice and snow, with hungry pride
I tell you now, I was at their side.

But then, Alas! Your country came
to see great sorrow and great shame
A man called Lincoln did proclaim
that all men be treated just the same
Oh country! You did fight and rage
But God wrote history on that page
Now Lincoln, he was great, that's very true
But, I'll say this, I was with him too.

Then along you fly, oh country mine
You've started to forget that I'm Divine
You build Me factories and airplanes fine
Your corruption, pollution, your liquor and wine
Have come to be a concern of mine
America! America! Don't forget your God Divine

Shattered were My ears one day
to learn your children could not pray
Oh! Evil one! tread softly there
Because My glory, I will not share
I've told you My children each and every day
You should set aside a time to pray.

Oh! Listen My children, make sure you hear
Your revival is coming this very year
When America, as one great body will shout
"Forgive Us Lord" our sins are found out
We want again Thy favor to see
Lord! give us strength to walk with Thee
We know the final judgement is Thine
and, always, Thy will be done—not mine.

America! America! You've but to look up to see
Your God is coming to redeem his free
Make sure that all Glory is given to Me
America! America! God shed His grace on thee!

Amen.

—*John H. Herthum.*

THE B-1 BOMBER

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Ms. ABZUG. Mr. Speaker, the B-1 bomber program was authorized by the House last week. Many questions were raised concerning its military usefulness, cost-effectiveness and its impact on the environment and economy. An amendment has been offered in the Senate to delete all production funds for the B-1 from the military procurement authorization bill and there is a strong likelihood that the B-1 will again be challenged in the House during debate on military appropriations.

In the April 14, 1976 New York Times, Mr. Gordon Adams has summarized succinctly the major criticisms of the B-1 bomber program. I commend his article to my colleagues in the hope that Members will consider its reasonable arguments as a basis for voting against the B–1 at the next available opportunity.

Mr. Gordon contends that the B–1's economic impact "will be minimal, perhaps negative" and that "most States pay out more tax money toward the B–1 than they receive in contract funds."

This is the case for New York. During the 1970–85 life of the B–1 program, New York taxpayers will send $2,576,500,000 from the State in taxes for the B–1; $2,040,000,000 worth of B–1 contracts and sub-contracts will be spent in the State. This means that the B–1 is costing New York a dollar drain of $536,500,000 dollars.

Another measure for determining the negative economic and social impact of the B–1 on New York State is to compute how much it costs to create the jobs which result from the B–1 contracts. The average annual B–1 contracts for New York will be $171,000,000. These contracts will yield an average of 3,000 jobs each year. This means that each of the B–1 jobs costs $57,300 per year to sustain. Consider how many nurses or teachers or daycare personnel could be sustained on that amount. These figures on the economic impact of the B–1 were researched by the American Friends Service Committee using data provided by Rockwell International, the prime contractor for the B–1.

I am inserting "The B–1: A Dissent," by Mr. Gordan Adams of the Council on Economic Priorities, in the RECORD.

THE B–1: A DISSENT

(By Gordon Adams)

Congress is considering the largest peacetime military budget in American history, $113 billion, for the coming fiscal year. Under the pressure of election-year rhetoric and warnings about estimates of the level of Soviet defense spending, it may well be approved.

The B–1 strategic bomber is the single most significant item in the budget. This year's request of $1.5 billion would permit the Air Force to move from research and development to production this fall. At an officially projected cost of $21.4 billion for 244 of the bombers, the B–1 is the costliest weapons system ever; it may also be one of the least necessary.

The B–1 is the successor to the B–52 as a manned strategic bomber, complementing the Minuteman (land-based) and the Poseidon (sea-based) missiles as means for delivering nuclear weapons on the Soviet Union and deterring an attack.

Does the United States need all three systems? In a nuclear war, a subsonic bomber like the B–1 would arrive in enemy territory after as many as six exchanges of nuclear missiles. The Soviet Union has not had a strategic bomber for years and relies on ballistic missiles for its deterrent.

The B–1's superiority over the B–52 is unclear. Its weight has increased over the five years of research and development to the point where it is little faster than a rocket-assisted B–52 would be at taking off and getting out from under an enemy attack. The B–1 is designed to fly into enemy territory close to the ground (roughly 100 to 300 feet above the terrain), escaping enemy detection. The B–52 already has some low-flying capability, and the Air Force has proposed adapting it to the point where it can almost match the B–1. Improved Soviet air defenses, however, could seriously limit the effectiveness of any bomber.

The Brookings Institution has challenged the Air Force assertion that the B–1 adds to United States deterrence or war-fighting capabilities. The program will have a high price tag for such minimal advantages. The Air Force cost projection is a low estimate, considering past contract performance. Overruns of more than 60 percent have already occurred in the research and development program. Although the Pentagon and Rockwell International, the B–1's prime contractor, attribute most of this to inflation, they have never given Congress or the public the detailed cost information that would allow an intelligent evaluation of their assertion.

Moreover, the projected cost is not the cost of the full system. It does not include the B–1's weapons or the cost of operating and maintaining the fleet. The Air Force is also asking for a new tanker whose primary task would be to refuel the B–1. Estimates for all these items, added to the projection for the B–1, could bring the total bill to over $100 billion during the plane's lifetime.

Rockwell is the major beneficiary, and it labored long and hard to win the contract (now worth $1.9 billion), which it got in 1970, and to maintain it.

Since 1970, Rockwell has lobbied hard to increase support for the B–1, in the face of Congressional criticism of the cost control. For example, the firm created an internal planning group, "Operation Common Sense," which spent the early 1970's arranging local programs to support the B–1 and targeting key members of Congress for political pressure. Subcontracting has also been a major focus of Rockwell's effort. Subcontractors and suppliers, in 48 states, exceed 5,000.

Despite the subcontracting effort, the economic impact of the B–1 will be minimal, perhaps negative. A Chase Econometric Associates study of the economic impact of the B–1, commissioned by Rockwell, shows that other areas of public expenditure have as beneficial an impact on the gross national product as the bomber program. Moreover, contracts and subcontracts follow the concentration of the aerospace industry: Los Angeles; Seattle; Evendale, Ohio, and Long Island. As a result, most states pay out more tax money toward the B–1 than they receive in contract funds.

The B–1 does not create new jobs; it only shows their disappearance in the declining aerospace labor market. Almost any equivalent expenditure—housing, public works, mass transit—would create more jobs, since these industries are more labor intensive. The Chase study confirms the weak job impact of the program. Since only 13,000 workers are currently employed on the B–1, retraining and relocation aid would be an inexpensive alternative.

The House of Representatives has already authorized limited B–1 production funds, but other key votes in both houses are necessary. As Congress votes in the coming weeks, it will be making a choice among priorities; real economic benefits for the public versus the most expensive weapons system in the history of man simply to replace an aging, but upgradable strategic bomber fleet.

CATERPILLER TRACTOR CO.: CORPORATE SUCCESS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1976

Mr. MICHEL. Mr. Speaker, those of us who are from Peoria and the surrounding area in Illinois do not need to be reminded of the tremendous success of the Caterpillar Tractor Co.

Its success is the key to the prosperity of our area, providing as it does thousands and thousands of good jobs for people of many different trades and professions. During the recent recession, the sound business practices at Cat meant that for them there was no recession, and so when national unemployment rates soared, the Peoria area was blessed with virtually full employment.

We are proud too, that as a number of other multinational corporations have sadly allowed themselves to become involved with some pretty questionable business practices abroad, Caterpillar's reputation has remained what it has always been—a company of unimpeachable integrity.

As I say, these things will come as no surprise to those of us from Peoria. But perhaps, like the fact that Cat is the No. 1 exporting manufacturer in the country, they are not as well known elsewhere as they ought to be, and so I was delighted to read a fine article on Caterpillar in the April 19 issue of the Wall Street Journal. With a strong second for the laudatory comments in the article, and with the edification of my colleagues in mind, I insert that article to be printed here in the RECORD:

WHAT RECESSION? A LEAPING CATERPILLAR IS A WONDEROUS THING, EVEN ITS RIVALS AGREE

(By Harlan S. Byrne)

PEORIA, ILL.—Caterpillar Tractor Co. is known for those bright yellow machines that have been scraping and scooping up earth for many years. Lately, Caterpillar's corporate performance has been almost as earthshaking as the big machines.

The company has expanded and spent heavily at a time when most firms cut back. And at a time when corporate profits in general declined sharply, Caterpillar's profits soared.

In late 1974, in the midst of the worst U.S. recession in 40 years, Caterpillar announced a $1.6 billion expansion program for 1975–77. The program doubled the outlays made in the previous three years. Under it, Caterpillar is increasing its capacity for making the larger and more profitable earth-moving machines that are in strong demand world-wide. In a bold move to capture a major share of the truck-engine market the company is also doubling its capacity for making diesel engines.

There was no recession at Caterpillar. Profits in 1977 rose by 74%, to nearly $400 million from $229 million the year before. Sales jumped more than $900 million, to nearly $5 billion. In both 1974 and 1975, the company struggled to meet demand. While most big manufacturers laid off workers by the tens of thousands. Caterpillar let go only 200 employes out of 80,000 around the world.

MORE GAINS AHEAD?

If Caterpillar has gauged the future correctly with its expansion program, further sharp increases in sales and earnings are ahead. The 1975 profit leap isn't likely to be repeated soon—in fact, recent easing of demand for many types of construction machines has led some analysis to figure that Caterpillar's earnings (despite a first quarter increase) will decline this year to around $6.50 a share from $6.97—but most analysts think the company will surge ahead after 1976 and could easily double sales and earnings in the next five years.

A doubling of earnings would probably make Caterpillar one of the dozen most profitable U.S. manufacturing companies. In 1974, it ranked 36th, and the final returns for 1975 will probably put it in 15th or 16th place. Among U.S. multinationals, Caterpillar is No. 1 in some ways: For a number of years, it has been the leading industrial exporter ($1.9 billion last year); similarly, in most recent years it has been the chief contributor ($1.7 billion net last year) to the plus side of the U.S. balance of payments.

So far, the company has come through unscathed in the furor over foreign bribes paid by U.S. companies, though it has asked its outside auditing firm to look for any questionable payments. As far back as October 1974, it quietly beat other multinationals to the draw by preparing a "code of worldwide business conduct" for its management. The code doesn't say anything specific about payments to foreign sales agents, but it does declare, "We intend to hold to a single standard of integrity everywhere." Though the code hasn't been touted by Caterpillar, it has nonetheless become a model for other companies scrambling to write their own. The concern had to print 5,000 copies of the eight-page document to meet outside demand.

"Caterpillar is beginning to look like a rose among thistles," the president of another large multinational company observes with a touch of envy.

PRODUCTS AND SERVICE

If Caterpillar seems to be doing most things right these days, that doesn't necessarily mean it has found new secrets of success. Largely because of a long-standing reputation for quality products and service, it has been growing impressively and dominating the construction-machinery industry for years.

Though industry statistics aren't complete, Caterpillar is believed to have close to 50% of the U.S. market for earthmoving machines, the main category of construction machinery. Cat, as the company is commonly known, is the only full-line producer of earthmoving equipment, turning out a dozen major product lines with more than 80 models. In some of the larger lines of machines, where the price tag may top $250,000, its market share is estimated at 60% to 80%, even though many of its machines are higher-priced.

"We seem to pay twice as much for Cat's machines, but they're four times better than any others," says the president of a large company in Indianapolis. "Twice as much" is an exaggeration, but some observers say that Caterpillar does get as much as 10% more for some machines. Manufacturers say price comparisons are difficult, however, because of varying features on machines.

ACCURATE FORECASTS

Sherwood T. Small, a vice president of Donaldson, Lufkin & Jenrette Securities Corp. of New York, attributes much of Caterpillar's success to management's ability to anticipate demand. In the mid-1960s, Caterpillar officials foresaw a proliferation of large construction projects—such as hydroelectric and irrigation dams, pipelines, and roads to new oil and gas regions and to newly developed farm areas—to help meet growing demand for food and energy. Such a proliferation, the company saw, would mean explosive demand for larger earthmoving machines. So, well before the current huge expansion program, expansion became the watchword.

At one point in the 1970–71 recession, some observers thought Caterpillar had overdone the expansion. But the energy crisis triggered by the Arab oil embargo of 1973–74 swept away doubts. Caterpillar was in good position to cash in on the ensuing demand: There was a boom in pipeline projects, stepped-up drilling for a gas and oil, and a rush by oil-exporting countries of the Middle East and North Africa, flush with petrodollars, to industrialize their economies.

"The energy crisis touched off a wild scramble for large machines," recalls Lee L. Morgan, 56, Caterpillar's president. Mr. Morgan says demand from oil-producing countries has eased somewhat this year—he feels that some countries are temporarily near the limit of their capacity for using construction machines—but the energy markets are still among the strongest.

Recently, for instance, Caterpillar has been selling many machines for use at the giant Itaipu hydroelectric project, a $5 billion joint undertaking by Brazil and Paraguay that is one of the bigger earthmoving projects of all times. Construction of oil and gas pipelines also remains a big market. Probably no single project has occupied more Caterpillar machines than the trans-Alaska pipeline, where the company has more than 1,000 pipelayers and other machines in service.

But foresighted as Caterpillar may have been about the earthmoving boom, the company isn't error proof. Several years ago, for instance, it brought out a loading machine that proved defective; it had to spend several million dollars correcting the flaws.

Some critics of the company assert that in recent years Caterpillar has been more of a copier than an innovator. They say Caterpillar lets eager competitors come out with new models and spend a great deal of money before the bugs are worked out; then, they say, if Caterpillar is satisfied that the market justifies the effort, it introduces its own models, profiting on the competitors' mistakes and wielding its marketing muscle to quickly carve out a big share of the market. Caterpillar replies that it throughly checks out new models to assure quality whereas some competitors rush new models into production.

NO RUSH ON DIESELS

Caterpillar certainly hasn't rushed into the diesel-engine field. The company pioneered the use of diesel engines for construction machinery 35 years ago; since then, it has supplied its own needs and has sold engines to other machinery makers and for marine and industrial uses. But it was only 10 years ago that it began selling engines to truck makers, scoring a breakthrough in 1969 when Ford Motor Co. gave Caterpillar a big part of its business. Caterpillar now has about 10% of the U.S. truck-engine market.

As engine sales climbed, Caterpillar made two major moves. Anticipating a critical shortage of castings for engines and machines, the company built one of the world's largest and most modern foundries at Mapleton, Ill., near Peoria. And at Mossville, also near Peoria, it built a giant diesel-engine plant that went into service a year ago. Now the company is building another diesel-engine plant at Mossville and another foundry at Mapleton almost as big as the existing one, at a total cost estimated by industry sources at more than $400 million.

Mr. Small of Donaldson Lufkin, citing a general shortage of foundry capacity, says the new foundry will put Caterpillar in a superior position to supply engines at favorable profit margins. "We think Cat's share of the U.S. truck-engine market could more than double by 1980 to something in excess of 20%," he says. That would be an unwelcome development for Caterpillar's three biggest engine competitors: Cummins Engine Co., the Detroit Diesel division of General Motors Corp. and Mack Trucks Inc., a unit of Signal Cos.

The new truck-engine plant has led to speculation that Caterpillar, which makes large off-highway trucks for use mainly in mining, plans eventually to enter the market for heavy-duty over-the-road trucks. W. L. Naumann, Caterpillar's 64-year-old chairman and chief executive, says Caterpillar has thought about making such a move but has no present plans to do so.

LOCAL TALENT

Mr. Naumann exemplifies a surprising characteristic of Caterpillar: Despite the firm's success as a large multinational company, its management is largely homegrown. Of the company's 19 administrative officers, all but one have spent most of their careers with Caterpillar. Most were originally from Illinois or Missouri, including the top five officers: Mr. Naumann, Mr. Morgan, the president, and the three executive vice presidents, Virgil V. Grant, Robert E. Gilmore and Edward J. Schlegal. The last two are natives of Peoria.

Caterpillar executives, though, can hardly be considered insular in their outlook. About half of them have had tours of duty abroad. Mr. Morgan, who came up through the sales ranks, spent as much as a third of his career abroad before he became president. "In 10 years' time I was in 65 countries," he says.

Five of Caterpillar's officers started as factory apprentices, and three of the five, including Mr. Naumann, didn't finish college. Roger T. Kelley, personnel vice president, notes that Caterpillar has always stressed on-the-job training.

Visitors are impressed by the way Caterpillar executives seem to work hard and enjoy it. Also, the company doesn't go in for many frills; executives have the use of company airplanes, but none of them have chauffeur-driven cars.

Mr. Naumann thinks there is some connection between highly productive employes and the fact that the company's main operations are in the Farm Belt.

"Many of the people who work for us come from farms," he says, "and I can't help but think that a lot of them never forgot how to work."

Much of the credit for the reputation of Caterpillar's products must go to its ambitious research-and-development program. The company consistently spends 3% to 4% of its sales dollar for new and improved products, compared with 1% to 2% for most competitors. More than 4,000 engineers and scientists toil in a large research complex here and at proving grounds in Illinois and Arizona.

Caterpillar spent $169 million for research and development last year, and about $1 billion in the past 10 years. The results have been steady, with at least three or four models or products coming out annually.

IMPORTANCE OF DEALERS

Probably of equal importance to Caterpillar is its dealer organization; indeed, some observers say the dealers have made the company. Competitors privately concede that their own dealer networks can't approach Caterpillar's in size or service. The company has 122 dealers in the U.S. and 148 abroad, operating out of 900 places of business. The average dealership's net worth is around $8 million, and some dealers have sales of more than $100 million a year.

One such dealership is the John Fabick Tractor Co. of Fenton, Mo., near St. Louis. Fabick has more than 400 employes operating out of Fenton and four branches in Missouri and Illinois. Besides large facilities for repairing machines, the dealer also maintains a fleet of 100 trucks, on 24-hour call, to minister to ailing equipment. Each truck, specially equipped, costs about $50,000. Chairman John Fabick explains:

"Service is the key to this business; to sell, you have to service. Downtime is the worst enemy of a contractor. When something goes wrong with his equipment, you can't provide service fast enough for him."

Fabick also has an airplane based at a nearby airport to speed deliveries of parts.

Because most Caterpillar dealers are larger and better capitalized than competitors, they're able to offer customers a better supply of parts and a wider selection of equipment. Caterpillar dealers also are responsible for all equipment operating in their territory whether or not it was purchased from them, an arrangement that few competitors have with their dealers.

John C. Deagon, equipment vice president for Morrison-Knudsen Co., the big construction concern based in Boise, Idaho, praises the performance of Caterpillar dealers. "Only with Cat do we seem to get consistently good service around the world," he says.

MANY COMPETITORS

Caterpillar has many competitors, with some smaller companies selling only one or two lines of equipment. The major competitors are well-known and strong in some lines. The big ones include International Harvester Co., Deere & Co., Clark Equipment Co., Terex division of General Motors, J.I. Case division of Tenneco Inc., Fiat-Allis (a joint venture of Allis-Chalmers Corp. and Fiat S.p.A. of Italy) and Komatsu Ltd. of Tokyo.

One indication of what the competitors are up against: Caterpillar annually turns out nearly $1 billion worth of machines abroad, which is more than the total construction-machinery sales of any of its competitors. Caterpillar officials have convincingly demonstrated to unions and other critics of multinational concerns that overseas plants can stimulate exports and create 'new jobs in the U.S.: By manufacturing some products in a foreign country, Caterpillar figures, it increases demand for other products shipped from U.S. plants.

An example is Brazil, where Caterpillar began making equipment in 1954. That year the company exported $10 million of machines and parts to Brazil. Today, even as expansion of capacity is continuing there, Caterpillar's exports to Brazil are about $100 million a year.

SENATE—*Tuesday, April 27, 1976*

The Senate met at 12 o'clock noon and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Reverend John H. Mighell, rector, St. Columbia's Episcopal Church, Seattle, Wash., offered the following prayer:

O God of infinite power and unchangeable love: You have placed us in a world that reflects Your glory and Your patience. You have not promised to keep us from pain and hardship, but to make us free in service to others. You have shown us the way of love through Your concern and truth.

Lord, give us the grace to treat others as You treat us—with the strength of forbearance and the will of self-denial, with the risk of hope, and with the adventure of love:

That we might be raised both as individuals and as a nation to the heroism of your self-sacrifice, O Lord God, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 27, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, April 26, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committees on Armed Services and Commerce, and the Select Committee To Study Governmental Operations With Respect to Intelligence Activities be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. I also ask unanimous consent that all other committees be authorized to meet until 1 p.m. or the end of morning business, whichever comes later.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR MEETING OF SUBCOMMITTEE ON MULTINATIONAL CORPORATIONS AT 2 P.M. ON TUESDAY, MAY 4, 1976

Mr. MANSFIELD. Mr. President, I have a request from the distinguished Senator from Idaho (Mr. CHURCH), chairman of the Subcommittee on Multinational Corporations, that indicates that in March an agreement was reached with the former U.S. Ambassador to Saudi Arabia, Mr. James Akins, to appear in open session on the afternoon of Tuesday, May 4, before that committee. In view of this commitment and in view of the fact that it was my understanding that there are those who had previous commitments, prior to the inauguration of the new rules, I ask unanimous consent that on Tuesday, May 4, the Subcommittee on Multinational Corporations of the Committee on Foreign Relations be allowed to meet for the purpose of taking testimony from Mr. James Akins, the former U.S. Ambassador to Saudi Arabia.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 717, 719, and 720.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PEACE CORPS ACT AMENDMENTS

The bill (H.R. 12226) to amend further the Peace Corps Act was considered, ordered to a third reading, read the third time, and passed.

ADDITIONAL FUNDS FOR LAND ACQUISITION IN THE BOUNDARY WATERS CANOE AREA, SUPERIOR NATIONAL FOREST, MINN.

The Senate proceeded to consider the bill (S. 1526) to make additional funds available for purposes of certain public lands in northern Minnesota, and for other purposes, which had been reported with amendments from the Committee on Agriculture and Forestry and the Committee on Interior and Insular Affairs, so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of June 22, 1948 (62 Stat. 568, as amended; 16 U.S.C. 577h), is amended to read as follows:

"SEC. 6. (a) There are authorized to be appropriated annually such sums as are necessary to implement this Act: *Provided,* That the total appropriations under the authority of this Act shall not exceed $9,000,000 for the purchase and condemnation of lands, water, or interests therein, and that funds made available through the provisions of the Land and Water Conservation Fund Act (78 Stat. 897), as amended, may also be used for such acquisitions: *Provided further,* That such appropriations may be used for the payment of court judgments in condemnation actions brought under authority of this Act without regard to the date such actions were initially instituted.

"(b) Not later than March 1 of each year 1977 through 1980, the Secretary of Agriculture shall submit to the Congress a report concerning the acquisition of lands or interests in lands under this Act. The final report of the Secretary shall specify whether additional authorizations or appropriations are necessary to carry out the purposes of this Act.".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELIMINATION OF A RESTRICTION ON THE USE OF CERTAIN LANDS PATENTED TO THE CITY OF HOBART, OKLA.

The Senate proceeded to consider the bill (S. 2004) to eliminate a restriction on use of certain lands patented to the city of Hobart, Iowa County, Okla., which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That, notwithstanding the provisions of the first proviso of section 22 of the Act of May 2, 1890 (26 Stat. 91; 43 U.S.C. 1094), requiring that lands patented thereunder be maintained for certain purposes for which they were granted, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to convey to the city of Hobart, Oklahoma, all right, title, and interest remaining in the United States in block 10 of the original townsite of the city of Hobart and to issue a new patent, without restriction, upon relinquishment of patent numbered 1022741 by the city, to carry out the purposes of this Act: *Provided*, That the requirements of sections 2 and 3 of this Act have been met.

SEC. 2. No conveyance may be made and no new patent issued pursuant to this Act unless the city of Hobart has shown to the satisfaction of the Secretary that—

(1) the lands described in section 1 of this Act shall not be sold for less than fair market value;

(2) other lands of at least comparable value to block 10 and more appropriate for school purposes than block 10 will be transferred to the board of education to be used for school purposes in perpetuity; and

(3) any amount by which proceeds of any sale of block 10 exceed the fair market value of other property transferred to the board of education in accordance with clause (2) of this section will be paid to the United States.

SEC. 3. The Secretary, upon his determination that the requirements of section 2 of this Act are satisfied is authorized and directed to enter into an agreement or agreements with the city of Hobart, Oklahoma, whereby, in consideration of a conveyance of the remaining right, title, and interest of the United States in block 10 and issuance of a new patent, the city of Hobart agrees that—

(1) title to any property acquired or dedicated for school purposes pursuant to clause 2 of section 2 of this Act will vest in the United States if such property ever ceases to be used for school purposes; and

(2) the city of Hobart will include provisions to this effect in any document of transfer or conveyance to the board of education, execute a deed to this effect, and deliver said deed to the Secretary.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

QUORUM CALL

Mr. MANSFIELD. Mr. President, pending the arrival of the distinguished Senator from North Carolina, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE PROFESSIONAL SPORTS ANTI-BLACKOUT LAW

Mr. PASTORE. Mr. President, I regret to state to my colleagues in the Senate that the House and Senate conferees have reached an impasse, after meeting in conference, with reference to the sports antiblackout bill.

As the father of this legislation, it was my clear intent to remove the blackout of a home game of a professional sports club only in instances where there was a sellout and fans were unable—as much as they might be willing to do so—to secure a ticket in order to see the game.

The House version goes far beyond this objective in that it would allow in at least 12 instances the removal of the blackout even though the home game is not a sellout. This is being vehemently resisted by professional sports clubs, inasmuch as it would interfere with the attendance at a home game even without a sellout.

Because of the stalemate, I have discussed this matter with Mr. Pete Rozelle, commissioner of the National Football League, who has agreed—I am happy to say—to abide for the next two seasons with the removal of the blackout in conformity with Public Law 93-107 even though it expired on December 31, 1975.

So, insofar as the fan is concerned, in the case of a sellout, he is going to be protected, law or no law, by the commitment of the commissioner of the National Football League.

I ask unanimous consent that Mr. Rozelle's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FOOTBALL LEAGUE,
New York, N.Y., April 13, 1976.

Hon. JOHN O. PASTORE,
Chairman, Subcommittee on Communications, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR SENATOR PASTORE: We are aware that there is substantial disagreement between the Senate and House conferees on the sports blackout legislation. The issues causing the disagreement are important and deserve the fullest study.

In order to remove pressure to enact a continuation of the blackout law without full consideration of its effects, the National Football League agrees to observe the spirit of Public Law 93-107, as if it were in effect, for the 1976 and 1977 seasons. It is our belief that the additional information to be gathered from those two future seasons, together with that obtained from our limited experience thus far under this law, will provide the Congress with a sound basis for assessing the effects of requiring the local telecasting of sold-out games as well as the proposed telecasting of certain non-sold-out home games in the member club home territories.

We are most appreciative of the fairness you have shown in dealing with our problems. You will be greatly missed in the Senate.

Respectfully,

PETE ROZELLE,
Commissioner.

Mr. PASTORE. I thank the Chair. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina (Mr. HELMS) is recognized for not to exceed 15 minutes.

THE CUBAN PRESENCE IN PERU

Mr. HELMS. Mr. President, the Cuban presence in Angola is significant because for the first time Fidel Castro was able to mount a military operation thousands of miles from his home base in Cuba. It is even more significant that he was able to do this because it was done solely through the direction, logistical support, and armaments supplied by the Soviet Union. It is painfully clear that the Cubans were no more than the front men for the Soviet operation. Cuba has become a military base for Soviet aggressive designs, and a base that is operating right inside our perimeter.

Although the Secretary of State has not acknowledged that the Cubans are functioning as mere surrogates for the Soviet Union in this matter, let us hope that such considerations are the unspoken premise of the repeated "warnings" which Dr. Kissinger has issued about Cuban military operations. For if Cuba can invade Africa with impunity, why could not Cuba also begin operations in Central America or South America? Why should we expect that the Soviets will limit their surrogates to actions in Africa, when the Soviets have many other areas of the world for their designs?

We know, for example, that the Soviets are heavily engaged in supplying arms and training to Peru. For several years now, the Soviet Union has made a strong investment in supporting the military system of the left-leaning government in Peru. The tremendous buildup of the Peruvian military machine has ominous implications for all of southern South America. Ironically, the United States itself has been also supplying arms to Peru without seeming regard for the leftist nature of the Peruvian government, and creating apprehension among our anti-Communist allies in South America. Indeed, the Secretary's recent visit to Peru, while excluding countries more inclined to anticommunism, seemed to confer a sort of benediction upon Peru's leftist policies.

For this reason, I have been deeply concerned about recurring reports indicating a sizable buildup of Cubans in Peru. If the Soviets, using the Cubans as their surrogates, choose to extend their adventures into the continents of the Western Hemisphere, then Peru would be the place to start. Peru itself could be converted into a Soviet satellite, Cuban style, and then used as a base to spread subversion throughout South America.

One year ago it was generally accepted that there were between 100 and 200 Cubans in Peru. But after the success of the Angolan operation, reports came from various sources indicating a growing Cuban presence in Peru. Rumors of this kind, of course, are frequent. But finally I received a report from a source I consider absolutely reliable that there are as many as 2,000 to 3,000 Cubans in Peru. In my judgment, based upon my confidence in the source, the report was no rumor, but a report to be taken seriously.

On March 24, I met with the President of the United States and personally put a letter in his hands expressing the concern I had over such reports. On April 12, Gen. Brent Scowcroft, the Assistant to the President for National Security Affairs, responded to me on behalf of the President. He wrote as follows:

> I have requested a thorough check of these reports and find that although there are rumors of larger numbers, we can confirm the presence of fewer than 100 Cubans in Peru. Most of these are associated with their Embassy in either a diplomatic, consular, or military capacity.

Mr. President, to be frank, I was astonished at this response. General Scowcroft actually seemed to imply that the Cuban presence had diminished in the past year. Yet a reliable source told me that there are more than 200 Cubans working on the large Olmos irrigation project in northern Peru alone, under the supervision of Soviet technicians.

Moreover, after checking further, sources in Peru have reported that there are not 2,000 to 3,000 Cubans, as I was told in March, but that there are actually 4,000 to 5,000 Cubans in Peru at this moment. Moreover, although they are disguised as technicians, I am told that they are prepared to switch to guerrilla warfare whenever they choose.

Mr. President, I realize that the President of the United States cannot keep up on all the details of all events in the world, but I feel confident that if General Scowcroft will check the reports of his intelligence agencies—and I would suggest that the Defense Intelligence Agency would be more likely to have the facts than the civilian intelligence agencies—he will find that the report I have is correct. Indeed, Peruvian sources are quite concerned that, with the present instability of the present government of Morales Bermudez, the Soviets will activate the large Cuban presence to seize control of Peru and frustrate the growing discontent in Peru toward pro-Soviet and pro-Cuban policies.

I do not believe, nor do I imply, that the President of the United States wants to be engaged in a coverup on facts which may indicate a growing Soviet-Cuban intrusion into the affairs of this hemisphere. Both Chile and Bolivia have publicly expressed concern about the threat of Marxist invasion from Peru. Yet at the very moment when there are signs that concerned elements in Peru are trying to turn their country away from the Marxist sphere, we do not seem to be getting the correct information from the administration about the Marxist threat remaining. The people of the United States have a right to know whether détente has brought us to the point where we are afraid to expose Soviet and Cuban penetration. It is one thing to warn against Soviet-Cuban expansionism, but it is another to face up to it if it takes place.

I suggest that General Scowcroft look into his intelligence cables once more—this time more carefully—and see if he does not come up with the same information I have received from sources outside this country. I believe that if he looks carefully, he will find the confirmation he seeks.

Mr. President, I ask unanimous consent that my letter to President Ford, and the reply from General Scowcroft be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 24, 1976.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Sources which I consider to be reliable have expressed to me their concern over reports that there may be as many as 2,000 to 3,000 Cuban troops presently in Peru. In light of the generally aggressive action of Cuba in recent months and the present delicate situation in the southern cone of Latin America, the presence of such a destabilizing force is an ominous sign.

Since I have no independent way of verifying these reports, I respectfully request that you utilize the resources at your disposal to ascertain whether the situation is as has been described to me. Because of the swiftness with which Cuban troops have been deployed in recent events, I would appreciate a reply as soon as the information can be confirmed.

Sincerely,

JESSE HELMS.

THE WHITE HOUSE,
Washington, D.C., April 12, 1976.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: The President has asked me to respond to your letter of March 24 concerning reports you have received of the presence of Cuban troops in Peru.

I have requested a thorough check of these reports and find that although there are rumors of larger numbers, we can confirm the presence of fewer than 100 Cubans in Peru. Most of these are associated with their Embassy in either a diplomatic, consular, or military capacity.

We appreciate your passing on to us the information you received.

Sincerely,

BRENT SCOWCROFT.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. GLENN) laid before the Senate a message from the President of the United States submitting the nomination of Ronald C. Coleman, of Virginia, to be an Assistant Secretary of the Interior, which was referred to the Committee on Interior and Insular Affairs.

REPORT OF THE NUCLEAR REGULATORY COMMISSION—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate the following message from the President of the United States, which was referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

Pursuant to the provisions of Section 307(c) of the Energy Reorganization Act of 1974, Public Law 93–438, I transmit herewith the first Annual Report of the United States Nuclear Regulatory Commission.

GERALD R. FORD.

THE WHITE HOUSE, *April 27, 1976.*

REPORT OF THE NATIONAL CREDIT UNION ADMINISTRATION—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

Pursuant to the provisions of Title I, section 102, of the Federal Credit Union Act, as amended, (12 U.S.C. 1752a.(e), I hereby transmit to the Congress the Annual Report of the Administrator, National Credit Union Administration, for the calendar year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *April 27, 1976.*

THE CONTROL OF DRUG ABUSE—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States:

To the Congress of the United States:

I address this message to the Congress on a matter which strikes at the very heart of our national well-being—drug abuse.

The cost of drug abuse to this Nation is staggering. More than 5,000 Americans die each year from the improper use of drugs. Law enforcement officials estimate that as much as one-half of all "street crime"—robberies, muggings, burglaries—are committed by drug addicts to support their expensive and debilitating habits. In simple dollar terms, drug abuse costs up to $17 billion a year.

But these statistics—ominous as they are—reflect only a part of the tragic toll which drug abuse exacts. For every young person who dies of a drug overdose, there are thousands who do not die but who are merely going through the motions of living. They sit in classrooms without learning. They grow increasingly isolated from family and friends. At a time when they should be preparing for the future, they are "copping out" on the present.

The problem, moreover, is not limited to youth or to the disadvantaged. It extends to citizens of all ages and all walks of life—from the housewife to the college professor. The cumulative effect is to diminish the quality and vitality of our community life; to weaken the fabric of our Nation.

When this problem exploded into the national consciousness in the late 1960's, the response of the Federal Government was swift and vigorous. Federal spending on a comprehensive program to control drug abuse grew from less than $100 million in 1969 to over three-quarters of a billion in 1974; specialized agencies like the Drug Enforcement Administration and the National Institute on Drug Abuse were created; and international diplomatic efforts to mobilize the assistance of foreign governments in a worldwide attack on drug trafficking were intensified.

With the help of State and local governments, community groups and our international allies in the battle against narcotics, we were able to make impressive progress in combating the drug menace. So much so that by mid-1973 many were convinced that we had "turned the corner" on the drug abuse problem.

Unfortunately, while we had won an important victory, we had not won the war on drugs. By 1975, it was clear that drug use was increasing, that the gains of prior years were being lost, that in human terms, narcotics had become a national tragedy. Today, drug abuse constitutes a clear and present threat to the health and future of our Nation.

The time has come to launch a new and more aggressive campaign to reverse the trend of increasing drug abuse in America. And this time we must be prepared to stick with the task for as long as necessary.

Because of my deep concern about this problem and my personal commitment to do something about it, last year I directed the Domestic Council to undertake a thorough review and assessment of the adequacy of the Federal drug program. That review, which culminated in the publication of the *White Paper on Drug Abuse*, has helped tremendously to refocus and revitalize the Federal effort. We have made substantial progress in implementing the many sound recommendations contained in the White Paper, but more needs to be done.

And more will be done. The first need for stronger action is against the criminal drug trafficker. These merchants of death, who profit from the misery and suffering of others, deserve the full measure of national revulsion. They should be the principal focus of our law enforcement activities—at the Federal, State and local level. In this regard, I am pleased to note that arrests by Federal law enforcement officers of major drug traffickers are up substantially over previous years. However, the progress we have made in improving our ability to *apprehend* these traffickers will be lost unless major changes are made in the way our criminal justice system deals with drug traffickers *after arrest.*

Justice Department statistics show that one out of every four persons convicted of trafficking in heroin received no prison sentence at all. One out of every three received a sentence of less than three years. And since convicted traffickers are eligible for parole upon the completion of one-third of their sentence, even those who received longer sentences rarely served more than a few years.

I believe this is wrong. It is wrong for the criminals who profit by selling drugs, it is wrong for the victims of drugs, and it is wrong for our system of justice. Laws which permit traffickers to go free to prey again on society should be changed. These criminals must know with certainty that, if convicted, they will go to jail for a substantial period of time. Only then will the risk of apprehension be a deterrent rather than just another cost of doing business.

Accordingly, I will submit to the Congress this week legislation which will require mandatory minimum prison sentences for persons convicted of trafficking in heroin and similar narcotic drugs. Sentences under this legislation would be at least three years for a first offense and at least six years for subsequent offenses or for selling to a minor.

I want to emphasize that the purpose of this proposal is not to impose vindictive punishment but to protect society from those who prey upon it and to deter others who might be tempted to sell drugs. Considering the terrible human toll that drug addiction takes and the extent to which it contributes to more and more crime, it is a matter of high priority that Congress make our laws more effective in curbing drug traffic.

Another serious problem with current Federal law is that even the most notorious drug traffickers are usually released on bail soon after arrest. The bail is often small and the profits from drug trafficking are large, so raising and then forfeiting the bail is just another cost of doing business. A 1974 Justice Department study shows that 48 percent—nearly one out of two—of a sample of individuals arrested for trafficking in narcotics were implicated in post-arrest drug trafficking while out on bail. Other studies show that approximately one-fourth of all bail-jumpers in drug cases are aliens who were caught smuggling drugs into the country. These offenders simply flee to their homelands upon posting bail. There, they serve as walking advertisements for international traffickers attempting to recruit other couriers.

This, too, is wrong. Therefore, in addition to asking Congress to establish mandatory minimum sentences, I shall submit to Congress legislation that would enable judges to deny bail if a defendant arrested for trafficking heroin or dangerous drugs is found (1) to have previously been convicted of a drug felony; (2) to be presently free on parole; (3) to be a non-resident alien; (4) to have been arrested in possession of a false passport; or (5) to be a fugitive or previously convicted of having been a fugitive.

Next, the Federal government must act to take the easy profits out of drug selling.

We know that tremendous amounts of money are illegally taken out of the country each day, either to purchase drugs or to transfer profits made by selling drugs to safe and secret bank accounts abroad. To prevent this money from being smuggled out of the country, I will ask Congress to grant to the U.S. Customs Service the authority to search persons suspected of smuggling money out of the country as Customs now has the authority to search for contraband entering the country.

I shall ask Congress to pass legislation requiring the forfeiture of cash or other personal property found in the possession of a narcotics violator—where it is determined that it was used or was intended for use in connection with an illegal drug transaction.

I shall ask Congress to change provisions of the law which allow the seizure of vehicles, boats and aircraft used to smuggle drugs. At present, these may be seized by administrative action only if the value of the property is less than $2,500; otherwise action by a Federal judge is necessary.

This $2,500 limitation is out of date and must be changed. Therefore, I shall ask Congress to raise to $10,000 the ceiling for administrative forfeitures. This will not only make law enforcement against traffickers more swift and more effective but it will also help to relieve court congestion.

I shall ask Congress to tighten the provisions of the law relating to small privately owned boats reporting to Customs after their arrival. At present, the masters of these vessels have 24 hours to report their arrival to Customs—and that is ample time to unload contraband. I shall ask Congress to pass legislation requiring such vessels to report to Customs immediately upon their arrival.

I call on Congress also to ratify an existing treaty for the international control of synthetic drugs.

Over the past fifty years the major nations of the world have worked out treaty arrangements for the international control of drugs with a natural base, such as opiates and cocaine. But no similar arrangements exist for the control of synthetic drugs—such as barbiturates, amphetamines and tranquilizers; and the abuse of these synthetic drugs is a growing problem which is now almost as serious as the abuse of heroin in the United States.

Five years ago the United States played a major role in the preparation of the 1971 Convention on Psychotropic Substances, a treaty to deal with international traffic in synthetic drugs. But the Senate has not yet ratified this treaty, and Congress has not yet passed the enabling legislation.

The delay in U.S. ratification of the Convention has been an embarrassment to us. Moreover, it has made it extremely difficult for us to urge other countries to tighten controls on natural-based narcotic substances, when we appear unwilling to extend international controls to amphetamines, barbiturates and other psychotropic drugs which are produced here in the United States.

So far, I have emphasized the need for additional legislation and Congressional action.

But there are Executive actions which I can take and I am today doing so.

The Federal program to control drug abuse is as diverse as any in government, involving some seven Cabinet departments and seventeen agencies. It is vitally important that the efforts of these departments and agencies be integrated into an effective overall program but that responsibility for specific program management rest with the appropriate departments and agencies.

Accordingly, I am today establishing two new Cabinet committees—one for drug law enforcement and the other for drug abuse prevention, treatment and rehabilitation.

The Cabinet Committee for Drug Law Enforcement will consist of the Attorney General as chairman and the Secretaries of the Treasury and Transportation. The Cabinet Committee on Drug Abuse Prevention, Treatment and Rehabilitation will consist of the Secretary of Health, Education, and Welfare as chairman, the Secretary of Defense, the Secretary of Labor and the Administrator of the Veterans Administration. I charge the Attorney General and the Secretary of HEW, as chairmen of these committees, with responsibility for oversight and coordination at all Federal activities within their respective areas.

In carrying out his responsibilities as chairman of the new Cabinet Committee on Drug Abuse Prevention, Treatment and Rehabilitation, the Secretary of HEW should give particular attention to developing expanded vocational rehabilitation opportunities for drug addicts. Experience has shown that treatment alone is not enough. Unless something is done to alter the fundamental conditions which led the individual to seek escape through drug use, a relapse is likely. A job, with the dignity and self-esteem it brings, is essential to help the individual reenter the mainstream of American life. Further, the Secretary of HEW and the Attorney General will work together to develop plans for improving the coordination between the drug abuse treatment system and the criminal justice system.

I am directing the Secretary of the Treasury to work with the Commissioner of the Internal Revenue, in consultation with the Attorney General and the Administrator of the Drug Abuse Enforcement Administration, to develop a tax enforcement program aimed at high-level drug trafficking. We know that many of the biggest drug dealers do not pay income taxes on the enormous profits they make on this criminal activity. I am confident that a responsible program can be designed which will promote effective enforcement of the tax laws against these individual who are currently violating these laws with impunity.

No matter how hard we fight the problem of drug abuse at home, we cannot make really significant progress without the continued cooperation of foreign governments. This is because most dangerous narcotics are produced in foreign countries. Thus, our capability to deal with supplies of drugs available in the United States depends largely on the interest and capability of foreign governments in controlling the production and shipment of illicit drugs.

Many countries still see drug abuse as primarily an American problem and are unaware of the extent to which the problem is truly global in scope. Poorer nations find it difficult to justify the allocation of scarce resources to deal with drug abuse in the face of many other pressing needs. Also, some opium producing countries lack effective control over, or access to, growing areas within their boundaries and, thus, their efforts in drug control programs are made more difficult.

Still, we have been reasonably successful in enlisting the cooperation of foreign governments. We must now intensify diplomatic efforts at all levels in order to encourage the greatest possible commitment from other governments to this international problem. We must continue to provide technical and equipment assistance through cooperative enforcement efforts with U.S. agents stationed overseas, all aimed at strengthening drug control organizations within foreign countries. And we must continue to participate in building institutions and a system of international treaties which can provide a legal framework for an international response to this international problem.

I have spoken personally to Presidents Echeverria of Mexico and Lopez-Michelsen of Colombia and with Prime Minister Demirel of Turkey in an effort to strengthen cooperation among all nations involved in the fight against illicit drug traffic. I intend to continue to urge foreign leaders to increase their efforts in this area. Attorney General Levi has recently discussed drug control problems with the Attorney General of Mexico and Secretary of State Kissinger has discussed narcotic control efforts with senior officials in Latin America on his recent trip there. I have asked both of them, as well as our Ambassador to the United Nations, William Scranton, to continue to expand these important discussions.

The reactions of the governments which we have approached have been positive—there is a genuine and healthy air of mutual concern and cooperation between our countries and I am confident that our joint efforts will bring about a real reduction in drug trafficking into the United States.

One recent example of the new awareness and commitment of foreign governments to this struggle deserves special mention. President Echeverria has written to inform me of his intention to set up a cabinet level commission to coordinate all law enforcement and drug treatment programs within Mexico and to suggest that his commission might periodically exchange information and ideas with a counterpart here. This proposal, which was the result of discussions between President Echeverria and concerned members of the United States Congress, stands as a clear signal that the Mexican government recognizes the need to build a coordinated response to the problem of drug abuse. I believe the periodic exchange of views on this matter between our two nations would be helpful. Accordingly, I am assigning responsibility for liaison with the Mexican Commission to the Cabinet Committee on International Narcotic Control and I am directing the Secretary of State, as Chairman of the CCINC to immediately form an executive committee to meet with its Mexican counterpart to discuss ways in which our government can collaborate more effectively. We shall of course consult with concerned members of Congress as these efforts are carried on.

Drug abuse is a national problem. Our national well-being is at stake. The Federal Government—the Congress, the Executive Branch and the Judicial Branch—State and local governments, and the private sector must work together in a new and far more aggresive attack against drugs.

I pledge that the Federal Government will maintain the high priority which it has given this problem. We will strengthen our law enforcement efforts and improve our treatment and rehabilitation programs. With Congress' help, we will close loopholes in our laws which permit traffickers to prey on our young; and we shall expect the courts to do their part.

All of this will be of little use, however, unless the American people rally and fight the scourge of drug abuse within their own communities and their own families. We cannot provide all the answers to young people in search of themselves, but we can provide a loving and a caring home; we can provide good counsel; and we can provide good communities in which to live. We can show through our own example that life in the United States is still very meaningful and very satisfying and very worthwhile.

Americans have always stood united and strong against all enemies. Drug abuse is an enemy we can control but there must be a personal and a national dedication and commitment to the goal.

If we try, we can be successful in the long run. In am convinced we can—and that we will.

GERALD R. FORD.

THE WHITE HOUSE, *April 27, 1976.*

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the message from the President of the United States relative to drug abuse be referred jointly to the Committee on the Judiciary, the Committee on Finance, the Committee on Foreign Relations, and the Committee on Labor and Public Welfare.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

Enrolled Bill Signed

At 12:16 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the enrolled bill (H.R. 8235) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. Glenn).

The message also announced that the House has passed the bill (H.R. 12838) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Glenn) laid before the Senate the following letters, which were referred as indicated:

Supplemental Appropriations for the Executive Office of the President—S. Doc. 94–177)

A communication from the President of the United States transmitting a request for supplemental appropriations for the Executive Office of the President in the amount of $1.4 million for fiscal year 1976 and $500,000 for the transition quarter (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

Supplemental Appropriations for the Department of Health, Education, and Welfare—(S. Doc. 94–176)

A communication from the President of the United States transmitting a request for supplemental appropriations for the Department of Health, Education, and Welfare in the amount of $12,937,000 (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Report of the Foundation of the Federal Bar Association

A letter from the Secretary of the Foundation of the Federal Bar Association transmitting, pursuant to law, the audit report of the association for the fiscal year ending September 30, 1975 (with an accompanying report); to the Committee on the Judiciary.

Report of the Comptroller General

A letter from the Comptroller General of the United States reporting, pursuant to law, a rescission of Department of Housing and Urban Development budget authority; to the Committees on Appropriations, the Budget, and Banking, Housing and Urban Affairs, jointly, pursuant to the order of January 30, 1975.

Proposed Legislation of the Department of the Navy

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to amend chapter 3 of title 37, United States Code (with accompanying papers); to the Committee on Armed Services.

Report of the Department of Agriculture

A letter from the Assistant Secretary of Agriculture transmitting, pursuant to law, a report entitled "Toward Efficiency and Effectiveness in the WIC Delivery System" (with an accompanying report); to the Committee on Agriculture and Forestry.

Proposed Legislation of the Department of Agriculture

A letter from the Under Secretary of Agriculture transmitting a draft of proposed legislation to amend section 16 of the Food Stamp Act of 1964, as amended (with accompanying papers); to the Committee on Agriculture and Forestry.

Report of the Secretary of Defense

A letter from the Secretary of Defense transmitting, pursuant to law, two reports of violations of the Antideficiency Act (with accompanying reports); to the Committee on Appropriations.

Report of the Defense Manpower Commission

A letter from the Chairman of the Defense Manpower Commission transmitting, pursuant to law, a report entitled "Defense Manpower: The Keystone of National Security" (with an accompanying report); to the Committee on Appropriations.

Report of the Department of the Interior

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a report on a soil survey and land classification made in the North Loup Division, Pick-Sloan Missouri River Basin program (with an accompanying report); to the Committee on Appropriations.

Report of the Assistant Secretary of Defense

A letter from the Acting Assistant Secretary of Defense transmitting, pursuant to law, a report relating to the disposal of surplus military supplies for the second quarter of the fiscal year 1976 (with an accompanying report); to the Committee on Appropriations.

Proposed Legislation by the Secretary of Commerce

A letter from the Secretary of Commerce transmitting a draft of proposed legislation to amend the Export Administration Act of 1969, as amended (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation by the Council on International Economic Policy

A letter from the Executive Director of the Council on International Economic Policy transmitting a draft of proposed legislation to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Reports of the Comptroller General

Two letters from the Comptroller General of the United States each transmitting a report entitled as follows: (1) "Marketing Order Program—An Assessment of Its Effects on Selected Commodities"; and (2) "Impact of Foreign Direct Investments: Case Studies in North and South Carolina" (with accompanying reports); to the Committee on Government Operations.

Report of the Federal Railroad Administration

A letter from the Administrator of the Federal Railroad Administration transmitting, pursuant to law, a report on a proposed new system of records (with an accompanying report); to the Committee on Government Operations.

Report of the Civil Aeronautics Board

A letter from the Chairman of the Civil Aeronautics Board transmitting, pursuant to law, a report on proposed programs for additional savings in energy consumption (with an accompanying report); to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Administrative Office of the United States Courts

A letter from the Deputy Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation to amend section 1332(a)(1) of title 28, United States Code (with accompanying papers); to the Committee on the Judiciary.

Published Regulation of the Department of Health, Education and Welfare

A letter from the Director, Office of Regulatory Review, of the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a published regulation relating to the final Teacher Corps funding criteria for fiscal 1976 (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. Glenn) laid before the Senate the following petitions, which were referred as indicated:

A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions

"Memorializing the Congress of the United States to enact legislation expanding medicare

"Whereas, The United States is now enveloped in the throes of serious inflation; and

"Whereas, The elderly citizens with fixed and limited incomes are faced with an impending financial crisis; and

"Whereas, The needs of these elderly citizens in the field of assistance are so essential to our way of life; now therefore be it

"Resolved, That the general court of Massachusetts respectfully urges the Congress of the United States to enact legislation which under the Medicare Program would include the cost of eyeglasses, dentures, hearing aids and prescription drugs; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Clerk of the House of Representatives to the presiding officer of each branch of the Congress and to each member thereof from the commonwealth."

Two resolutions adopted by the Legislative Council of the State of Arkansas; to the Committee on Finance:

"Interim Resolution 75–39

"Urging the U.S. Congress to enact legislation to increase substantially the exemption now provided under the Federal estate tax law, and urging the Arkansas congressional delegation to vigorously support such legislation

"Whereas, under the present Federal Estate Tax Law, estates of sixty thousand dollars or less are exempt from the tax; and

"Whereas, although the sixty thousand dollar exemption was at one time adequate to relieve smaller estates from the burdensome estate tax, inflation and other economic factors of recent origin render the sixty thousand dollar exemption totally inadequate; and

"Whereas, the exemption of the first two hundred thousand dollars of an estate from the Federal Estate Tax would encourage and promote the retention of family type businesses in the family and would be beneficial to and would have a stabilizing effect on the economy in this country; and

"Whereas, the President of the United States has recommended, and there is currently pending before the United States Congress, legislation to increase the Federal Estate Tax exemption, now, therefore,

"Be it resolved by the Legislative Council of the State of Arkansas:

"That the Legislative Council hereby respectfully urges the United States Congress to enact appropriate legislation to increase the Federal Estate Tax exemption to a more appropriate figure in the neighborhood of two hundred thousand dollars.

"Be it further resolved that the members of the Arkansas Congressional Delegation are hereby respectfully urged to promote and support appropriate legislation to increase the Federal Estate Tax exemption.

"Be it further resolved that upon adoption of this Resolution, a copy hereof shall be transmitted to each member of the Arkansas Congressional Delegation and to the presiding officer of the United States Senate and the presiding officer of the United States House of Representatives."

"INTERIM RESOLUTION 75–40

"Urging the United States Congress to enact appropriate legislation to continue the Federal revenue sharing program and urging the Arkansas congressional delegation to vigorously support such legislation

"Whereas, the Federal Revenue Sharing Program, initiated several years ago, has been most beneficial to the various states and counties and cities in the states; and

"Whereas, there has recently been some discussion of limiting or reducing the Federal Revenue Sharing Program or at least the possibility of not expanding the program as was earlier contemplated; and

"Whereas, since January 1, 1972, when the program was initiated, the State of Arkansas and the various counties and cities in the State have received a combined total in excess of two hundred seventy-seven million dollars, with the State receiving in excess of ninety-seven million dollars and the counties and cities in the State receiving in excess of one hundred eighty million dollars; and

"Whereas, it is in the best interests of the several states and the various political subdivisions of the various states that Federal Revenue Sharing be continued at the present level or at a higher level in order that the states and political subdivisions can continue to maintain the various local programs which have been made possible by Federal Revenue Sharing funds, now therefore,

"Be it resolved by the Legislative Council of the State of Arkansas:

"That the Legislative Council hereby respectfully urges the United States Congress to enact appropriate legislation to assure the continuation of the Federal Revenue Sharing Program at its present level or an expanded level.

"Be it further resolved that the Legislative Council hereby respectfully urges the members of the Arkansas Congressional Delegation to vigorously support the necessary action by the United States Congress to continue the Federal Revenue Sharing Program at its present level or at an expanded level.

"Be it further resolved that upon adoption of this Resolution, a copy hereof shall be transmitted to each member of the Arkansas Congressional Delegation in Washington, D.C., and to the presiding officers of the United States Senate and the United States House of Representatives."

A resolution adopted by the Housing Authority of the City of Biloxi, Miss., relating to rental of public housing; to the Committee on Banking, Housing and Urban Affairs.

A resolution adopted by the Veterans of Foreign Wars, Post No. 2511, Porter, Ind., relating to military superiority of the United States; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GRAVEL, from the Committee on Public Works, without amendment:

S. 1497. A bill to provide for the protection and preservation of the Gruber Wagon Works in Berks County, Pa. (Rept. No. 94–766). 766).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following executive reports of committees were submitted:

Francis E. Meloy, Jr., of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lebanon.

STATEMENT OF POLITICAL CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Francis Edward Meloy, Jr.

Post: Lebanon; Nominated: April 21, 1976.

Contributions, amount, date, and donee

1. Self: None.
2. Spouse: None.
3. Children and Spouses: None.
4. Parents: None.
5. Grandparents: None.
6. Brothers and Spouses: None.
7. Sisters and Spouses: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

FRANCIS E. MELOY, Jr.

Thomas R. Byrne, of Pennsylvania, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Czechoslovak Socialist Republic.

STATEMENT OF POLITICAL CONTRIBUTIONS

Political contributions for the period beginning on the first day of the fourth calendar year preceding the calendar year of nomination and ending on date of nomination.

1. Thomas R. Byrne: None.
2. Margaret M. Byrne: None.
3. Margaret (Mr. and Mrs. Douglas Ell): None; Marie Therese: None; Patricia Ruth: None; Mary Elizabeth: None; Kathleen Mary: None; Rosemary Ann: None.
4. Parents: Deceased.
5. Grandparents: Deceased.
6. Brothers and spouses: Rev. John E. Byrne: None; Mr. and Mrs. Daniel Byrne: None; Mr. and Mrs. David Byrne: None. Dr. and Mrs. William D. Byrne: $25 in 1974 to former Congressman Joel T. Broyhill.
7. Sisters and spouses: Mr. and Mrs. Edward Schroeder: None; Miss Ruth Byrne: None; Miss Ann Byrne: None; Miss Marie Byrne: None; Mr. and Mrs. Joseph Mallia: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge the information contained in this report is complete and accurate.

Sworn to before United States Consul Richard F. Crehan on February 5, 1976.

Updated form JF–1 being pouched February 6. No change since statement filed January 31, 1975.

BYRNE.

Frank E. Maestrone, of Connecticut, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Kuwait.

REPORT OF POLITICAL CONTRIBUTIONS

(Covering period beginning first day of fourth calendar year preceding calendar year of nomination and ending on date of nomination.)

Post: American Embassy, Cairo, Egypt.

Amount, date, and donee

Frank E. Maestrone: None.

Spouse—Jo C. Maestrone: None.

Children and Spouses—Mark C. Maestrone: None; Anne M. Maestrone: None.

Parents—Father—John B. Maestrone, (deceased 1967): None; Mother—Margaret C. Maestrone: None.

Grandparents: All deceased in Italy.

Brothers and Spouses: None.

Sisters and Spouses: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge the information contained in this report is complete and accurate.

FRANK E. MAESTRONE.

(The foregoing nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. SPARKMAN. Mr. President, as in executive session, I report favorably from the Committee on Foreign Relations sundry nominations in the Diplomatic and Foreign Service which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of March 29, 1976, at the end of the Senate proceedings.)

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 12838. An act to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes; to the Committee on Labor and Public Welfare.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. WILLIAMS:

S. 3330. A bill to authorize certain filling and construction in the Hudson River, Hudson County, N.J. Referred to the Committee on Public Works.

By Mr. SPARKMAN (by request):

S. 3331. A bill to amend the Foreign Assistance Act of 1961 and the Foreign Military

Sales Act, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. MUSKIE:

S.J. Res. 190. A joint resolution to request the President to issue a proclamation designating the first week of May of each year as Clean Air Week. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILLIAMS:

S. 3330. A bill to authorize certain filling and construction in the Hudson River, Hudson County, N.J. Referred to the Committee on Public Works.

Mr. WILLIAMS. Mr. President, I am introducing legislation today which would declare a portion of the Hudson River in New Jersey to be nonnavigable. The purpose of this bill is to clear a technical impediment to title for a portion of the land involved in the construction of the North Hudson Hospital.

The North Hudson Hospital Association is a major nonprofit hospital serving the large area of northern Hudson County and southeastern Bergen County, a primary service area containing over 250,000 residents. The present hospital facilities are outmoded and overcrowded, and improvement and expansion of the present facilities is impracticable.

After years of effort and considerable investment, the hospital in 1974 acquired a waterfront construction site in North Bergen, N.J., on the Hudson River. This site is the only site within the hospital's service area on which construction would be feasible. The hospital board has reviewed 20 alternative sites during a 6-year period.

The site on the shore of the Hudson River is located in an area which is currently undergoing land use transformation. It is expected that the new hospital will contribute to and benefit from the upgrading currently taking place along the west shore of the Hudson River. More importantly, the hospital will provide an essentially needed community service and improve the quality of health care available in the nothern Hudson County and southeastern Bergen County region.

I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) if the Secretary of the Army, acting through the Chief of Engineers finds that the proposed project to be erected at the location to be declared nonnavigable under this Act is in the public interest, then that portion of the Hudson River in Hudson County, State of New Jersey, bounded and described as follows is hereby declared to be nonnavigable water of the United States within the meaning of the laws of the United States, and the consent of Congress is hereby given to the filling in of all or any part thereof and the erection of permanent pile-supported structures thereon:

Such portion is in the Township of North Bergen in the County of Hudson and State of New Jersey, and is more particularly described as follows: At a point in the easterly right of way of New Jersey Shore Line Railroad (formerly New Jersey Junction Railroad) said point being located northerly, measured along said easterly right of way, 81.93 feet from Station 53+42.4 as shown on construction drawing dated May 23, 1931 of River Road, filed in the Office of the Hudson County Engineer, Jersey City, New Jersey; thence (1) Northerly and along said easterly right of way on a bearing of North 12 degrees 11 minutes 14 seconds East a distance, of 280 feet to a point; thence (2) South 75 degrees 28 minutes 24 seconds East, a distance of 310 feet to a point; thence (3) South 17 degrees 15 minutes 41 seconds East, a distance of 101.70 feet to a point; thence (4) South 62 degrees 18 minutes 12 seconds East a distance of 355.64 feet to a point in the exterior solid fill line of April 7, 1903 and the bulkhead line of April 28, 1904 on the Hudson River; thence (5) along said exterior solid fill and bulkhead lines South 28 degrees 55 minutes 51 seconds West, a distance of 523 feet to a point in the northerly line of lands now or formerly of New York State Realty and Terminal Co., thence (6) North 61 degrees 34 minutes 29 seconds West, and along said northerly line of the New York State Realty and Terminal Co., a distance of 590.08 feet to a point in the aforementioned easterly right of way of the New Jersey Shore Line Railroad; thence (7) Northerly and along said easterly right of way of the New Jersey Shore Line Railroad on a curve to the left a radius of 995.09 feet, an arc length of 170.96 feet to a point therein; thence (8) Northerly, still along the same, on a bearing of N 12° 11′ 14″ E, a distance of 81.93 feet to the point and place of beginning.

(b) The declaration in this Act shall apply only to portions of the above-described area which are either bulkheaded and filled or occupied by permanent pile-supported structures. Plans for bulkheading and filling and permanent pile-supported structures shall be approved by the Secretary of the Army, acting through the Chief of Engineers. Local interests shall reimburse the Federal Government for engineering and all other costs incurred under this Act.

By Mr. SPARKMAN (by request):

S. 3331. A bill to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill and a section-by-section analysis be printed in the Record at this point, together with the letter from the Secretary of the State to the President of the Senate dated April 13, 1976.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 3331

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Security Assistance Act, Fiscal Year 1977".

INTERNATIONAL NARCOTICS CONTROL

Sec. 2. Section 482 of the Foreign Assistance Act of 1961 is amended to read as follows:

"Sec. 482. Authorization—To carry out the purposes of section 481, there are authorized to be appropriated to the President not to exceed $34,000,000 for the fiscal year 1977 which amount is authorized to remain available until expended.".

MILITARY ASSISTANCE

Sec. 3. Section 504(a) of the Foreign Assistance Act of 1961, relating to authorization, is amended to read as follows:

"(a) (1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $209,000,000 for the fiscal year 1977. Of the amounts available to carry out the purposes of this chapter, not more than the following amounts may be obligated for assistance to each of the following countries for such fiscal year:

Republic of Korea	$8, 300, 000
Thailand	20, 000, 000
Jordan	70, 000, 000
Philippines	19, 600, 000
Indonesia	19, 400, 000
Ethiopia	11, 700, 000
Greece	33, 000, 000
Turkey	50, 000, 000

The amount specified in this paragraph for military assistance to any such country for the fiscal year 1977 may be increased by not more than 10 per centum of such amount if the President deems such increase necessary for the purposes of this chapter.

"(2) Except as otherwise specifically authorized by law, not to exceed $3,700,000 of the amounts available to carry out the purposes of this chapter for the fiscal year 1977 may be obligated for assistance to international organizations and, subject to the limitations contained in paragraph (3), to countries which are not designated in paragraph (1).

"(3) Except with respect to costs incurred under the authority of Section 516(b) or as otherwise specifically authorized by law, funds available for assistance under this chapter may be used to furnish assistance to not more than twelve countries during the fiscal year 1977.".

"(4) The authority of section 610(a) and of section 614(a) may not be used to increase any amount specified in paragraph (1) or (2). The limitations contained in paragraphs (1), (2), and (3) shall not apply to emergency assistance furnished under section 506(a).

"(5) There are authorized to be appropriated to the President for administrative and other related expenses incurred in carrying out the purposes of this chapter not to exceed $70,000,000 for the fiscal year 1977.

"(6) None of the funds appropriated under this subsection shall be used to furnish sophisticated weapons systems, such as missile systems or jet aircraft for military purposes, to any less developed country not specified in paragraph (1), unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress.

"(7) Amounts appropriated under this subsection are authorized to remain available until expended.".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 4. Section 514 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 514. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—(a) No defense article in the inventory of the Department of Defense which is set aside, reserved, or in any way earmarked or intended for future us by any foreign country may be made available to or for use by any foreign country unless such transfer is authorized under this Act or the Foreign Military Sales Act, or any subsequent corresponding legislation, and such transfer is charged against funds authorized under such legislation or against the limitations, specified in such legislation, as appropriate, for the fiscal year in which such defense article is transferred. The value of defense articles to be set aside, earmarked, reserved, or intended for use as war reserve stocks for allied or other foreign countries (other than for purposes of the North Atlantic Treaty Organization) in stockpiles located in foreign countries may not exceed in any fiscal year an amount greater than is specified in security assistance authorizing legislation for that fiscal year.

"(b) For the fiscal year 1977, the value of such additions to stockpiles in foreign countries shall not exceed $125,000,000. The President shall promptly report to the Congresss each new stockpile, or addition to an existing stockpile, described in this section of defense articles valued in excess of $10,000,000 in any fiscal year.

"(c) Except for stockpiles in existence on the date of enactment of this subsection and for stockpiles located in countries which are members of the North Atlantic Treaty Organization, no stockpile may be located outside the boundaries of a United States military base or a military base used primarily by the United States.".

SECURITY SUPPORTING ASSISTANCE

SEC. 5. Section 532 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 532. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1977 not to exceed $1,801,500,000. Amounts appropriated under this section are authorized to remain available until expended.".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 6. Part II of the Foreign Assistance Act of 1961 is amended by inserting a new section 542 to read as follows:

"SEC. 542. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $30,200,000 for the fiscal year 1977.".

MIDDLE EAST PEACE

SEC. 7. Part VI of the Foreign Assistance Act of 1961 is amended as follows:

(1) In section 903(a), relating to the Middle East Special Requirements Fund, strike out the first sentence and insert in lieu thereof, "There are authorized to be appropriated to the President for the fiscal year 1977 not to exceed $35,000,000 to furnish assistance under part I of this Act to meet special requirements arising from time to time in carrying out the purpose of this part, in addition to funds otherwise available for such purposes."

(2) At the end of section 903, add the following new subsection:

"(d) Funds made available under this section may be obligated without regard to the provisions of subsection (b) of this section for programs contained in the presentation materials submitted to Congress for the fiscal year 1977.".

(3) After section 903, add the following new section:

"SEC. 904. LEBANON HOUSING RECONSTRUCTION.—In carrying out the purposes of this part, the President is authorized to issue guaranties for housing projects in Lebanon without regard to the provisions of section 223(j) of this Act.".

FOREIGN MILITARY SALES

SEC. 8. Section 31 of the Foreign Military Sales Act, relating to authorization and aggregate ceiling, is amended to read as follows:

"SEC. 31. AUTHORIZATION AND AGGREGATE CEILING ON FOREIGN MILITARY SALES CREDITS.—(a) There are authorized to be appropriated to the President to carry out this Act not to exceed $840,000,000 for the fiscal year 1977. Unobligated balances of funds made available pursuant to this section are authorized to be continued available by appropriations legislation to carry out this Act.

"(b) The aggregate total of credits, or participations in credits, extended pursuant ti this Act and of the principal amount of loans gauranteed pursuant to the section 24(a) shall not exceed $2,059,600,000 for the fiscal year 1977.

"(c) Funds made available for the fiscal year 1977 under subsection (a) of this section shall be available for obligation to finance the procurement of defense articles and defense services by Israel on a long-term repayment basis either by the extension of credits without regard to the limitations contained in section 23 or by the issuance of guaranties under section 24. The President is authorized to release Israel from up to one-half of its contractual liability to repay the United States Government with respect to defense articles and defense services financed by such credits.

"(d) The aggregate acquisition cost to the United States of excess defense articles ordered by the President in any fiscal year after fiscal year 1976 for delivery to foreign countries or international organizations under the authority of chapter 2 of part II of the Foreign Assistance Act of 1961 or pursuant to sales under this Act may not exceed $100,000,000 (exclusive of ships and their on-board stores and supplies transferred in accordance with law).".

AUTHORIZATION OF APPROPRIATIONS FOR THE FISCAL YEAR 1978

SEC. 9. There are authorized to be appropriated for the fiscal year 1978 such sums as may be necessary to carry out programs and activities for which appropriations for the fiscal year 1977 are authorized by this Act.

MISCELLANEOUS PROVISIONS

SEC. 10. The Foreign Assistance Act of 1961 is further amended as follows:

(1) In section 451, relating to the contingency fund, strike subsection (a) and insert in lieu thereof the following:

"(a) There are authorized to be appropriated to the President for the fiscal year 1977 not to exceed $10,000,000 to provide assistance authorized by this part for any emergency purpose in accordance with the provisions applicable to the furnishing of such assistance. Amounts appropriated under this section are authorized to remain available until expended.".

(2) In section 620(k), relating to projects of more than $100,000,000—

(A) delete the period at the end of the first sentence and the word "Except" and insert in lieu thereof a comma and the words "and except"; and

(B) insert immediately after "unless such program" the phrase "(or project in the case of a productive enterprise)".

(3) In section 620(m), relating to the furnishing of grant assistance, delete the period at the end thereof and add a comma and the following:

"or (3) to carry out programs of assistance under part II of this Act which are contained in the annual presentation materials justifying such programs to the Congress.".

(4) Section 620(x), relating to assistance to Turkey, is repealed.

SEC. 11. Authorizations of appropriations and limitations of authority applicable to the fiscal year 1976 and the period beginning July 1, 1976 and ending September 30, 1976, as contained in provisions of law amended by this Act shall not be affected by the enactment of this Act.

THE SECRETARY OF STATE,
Washington, D.C., April 13, 1976.
Hon. NELSON A. ROCKEFELLER,
President of the Senate.

DEAR MR. PRESIDENT: I am pleased to forward herewith the Administration's bill to authorize international security assistance programs for fiscal year 1977. This bill provides for essential program continuity while diminishing wherever possible direct United States assistance in favor of greater self-sufficiency on the part of our allies and other friendly nations. We have reduced our request for grant military assistance to foreign countries and are requesting in appropriate cases offsetting increases in foreign military sales credits and guaranties.

Our security assistance programs are weighted heavily toward the Middle East. It is essential that we continue to provide Israel with the assistance necessary for its security, and to furnish friendly Arab governments with the economic means to build the internal stability that is an essential prerequisite to a meaningful peace agreement.

This bill does not contain a request for Spain, since the President previously transmitted to the Senate, for its advice and consent to ratification, the new Treaty of Friendship and Cooperation. The Administration hopes that both Houses of Congress will associate themselves with approval of this significant plan for cooperation with and support of the new regime in Spain. When the recently-signed Defense Cooperation Agreement with Turkey is transmitted to Congress for approval, we will propose changes in the fiscal year 1977 authorization and appropriations requests to correspond with this Agreement.

The Administration's requests for each of the security assistance programs are the minimum amounts required to support the foreign policy of the United States and to meet our continuing obligation to assist allies and friendly countries in maintaining an adequate defense. I believe that there are no practical alternatives to this cooperative search for international stability.

The Office of Management and Budget advises that there is no objection to the presentation of this legislation to the Congress in that its enactment would be in accord with the President's program.

Respectfully,

HENRY A. KISSINGER.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED INTERNATIONAL SECURITY ASSISTANCE ACT, FISCAL YEAR 1977

I. INTRODUCTION

The proposed International Security Assistance Act, Fiscal Year 1977 (hereinafter referred to as "the Bill") amends the Foreign Assistance Act of 1961 (hereinafter referred to as "the FAA") and the Foreign Military Sales Act (hereinafter referred to as "the FMSA") in order to authorize appropriations to carry out international security assistance programs for fiscal year 1977. The Bill also contains authorizations for certain economic assistance programs, and, in accordance with the Congressional Budget Act of 1974, requests authorizations for fiscal year 1978. The Bill does not include funds for Spain, for which separate authorization is being requested in connection with the Treaty of Friendship and Cooperation transmitted to the Senate for its advice and consent to ratification on February 19, 1976. Assistance for Turkey is included in the Bill at the level recommended in the President's budget. When the recently signed Defense Cooperation Agreement is transmitted to Congress for approval, the Executive Branch will propose changes in the fiscal year 1977 authorization and appropriation requests with respect to that agreement. Because authorizing legislation for fiscal year 1976 security assistance programs has not yet been enacted, the provisions of this Bill amend existing law and, generally, do not attempt to anticipate the changes that might be made by the pending fiscal year 1976 authorization bill.

II. PROVISIONS OF THE BILL

Section 1. Short Title—

This section provides that the Bill may be cited as the "International Security Assistance Act, Fiscal Year 1977".

Section 2. International Narcotics Control—

This section amends section 482 of the FAA to authorize appropriations of not to exceed $34,000,000 for the fiscal year 1977 for the international narcotics control program.

Section 3. Military Assistance—

This section amends section 504(a) of the FAA which authorizes the appropriation of funds for military assistance purposes. This new section 504(a) consists of seven paragraphs:

(1) This paragraph authorizes appropriations of not to exceed $209,000,000 for the fiscal year 1977 for military assistance purposes. Specific program allocations are provided for with respect to eight designated countries, which allocations may be increased by not more than 10% if deemed necessary for the purposes of the chapter. Since the total military assistance program is made up of new obligational authority plus reimbursements, refunds and recoupments made available for military assistance purposes under section 605 of the FAA, the sum of the specific country program allocations, together with the general program allocation in paragraph (2), described below, exceeds the amount authorized to be appropriated by this paragraph. The fiscal year 1977 military assistance program value will be approximately $235,700,000.

(2) This paragraph establishes a military assistance program ceiling of $3,700,000 in the fiscal 1977 for countries and international organizations not designated in paragraph (1), unless otherwise specifically authorized by law.

(3) This paragraph provides that available funds may not be used to furnish military assistance to more than twelve countries in the fiscal year 1977, a reduction from the fiscal year 1975 figure of thirty-one countries. This limitation does not apply where such assistance is otherwise specifically authorized by law (as requested for Spain), or where such funds are used to meet costs incurred in winding up military assistance programs or in connection with defense articles on loan to countries no longer eligible for military assistance.

(4) This paragraph provides that the special authorities contained in sections 610(a) and 614(a) of the FAA cannot be used to increase any amount specified in paragraphs (1) or (2), and that the limitations of paragraphs (1), (2), and (3) will not be applicable to emergency assistance under the President's drawdown authority under section 506(a) of the FAA. Section 610(a) authorize the transfer of funds between certain FAA accounts; section 614(a) authorizes the waiver of restrictions on the use of FAA funds. The President's drawdown authority under section 506(a) of the FAA permits the use of Department of Defense stocks, subject to subsequent reimbursement, to meet emergency military assistance requirements.

(5) This paragraph authorizes appropriations of not to exceed $70,000,000 for the fiscal year 1977 for administrative and related expenses. This authorization is in addition to that contained in paragraph (1). The amount requested represents an increase from previous fiscal years because it includes funds to reimburse the Department of Defense for the cost of military assistance advisory groups, as required by section 515 of the FAA.

(6) This paragraph continues the existing prohibition on the use of military assistance funds to furnish sophisticated weapons systems to any less developed country except upon a Presidential finding of importance to national security. The eight designated countries of paragraph (1) are, however, specifically exempted from this prohibition.

(7) This paragraph continues the provision in existing law for the availability until expended of funds appropriated under section 504(a).

Section 4. Stockpiling of Defense Articles for Foreign Countries—

This section replaces the existing section 514 of the FAA with a new section 514 composed of three subsections:

Subsection (a) prohibits stockpiling of defense articles for future transfer to and use by any foreign country unless such transfer is authorized by the FAA or the FMSA and charged against appropriations or limitations specified in those statutes. The value of such stockpiles located abroad, except those maintained for NATO purposes, may not exceed in any fiscal year the amount specified in the applicable security assistance authorizing legislation.

Subsection (b) limits the value of additions to stockpiles located abroad to no more than $125,000,000 in the fiscal year 1977, and provides that any new stockpile or addition to an existing stockpile, valued in excess of $10,000,000 in any fiscal year must be promptly reported to the Congress.

Subsection (c) prohibits any new stockpiles, except in NATO countries, located outside a U.S. military base or a base used primarily by the U.S.

Section 5. Security Supporting Assistance—

This section amends section 532 of the FAA to authorize appropriations of not to exceed $1,801,500,000 for the fiscal year 1977 for assistance to friendly countries and international organizations to support or promote economic or political stability.

Section 6. International Military Education and Training—

This section adds a new section 542 to Part II of the FAA to authorize appropriations of not to exceed $30,200,000 for the fiscal year 1977 for an international military education and training program carried on as a separate and distinct program from the military assistance—principally materiel—authorized by section 3 of the Bill.

Section 7. Middle East Peace—

This section contains three paragraphs, two of which amend section 903 of part VI of the FAA, relating to the Middle East Special Requirements Fund, as follows:

(1) This paragraph amends the first sentence of section 903(a) to authorize appropriations of not to exceed $35,000,000 for the fiscal year 1977 for the purpose of meeting Middle East special requirements by furnishing economic and related assistance under Part I of the FAA.

(2) This paragraph adds a new subsection (d) to section 903 to provide that the requirements of section 903(b), relating to reports to Congress and Congressional review of proposed obligations and expenditures under section 903, will not apply with respect to programs already reported to the Congress in the presentation materials submitted for the fiscal year 1977.

Paragraph (3) of this section adds a new section 904 to part VI of the FAA. The new section authorizes housing guaranties to be issued for projects in Lebanon without regard to section 223(j) of the FAA. Section 223(j), with certain other exceptions, limits housing guaranties to development assistance recipients. The issuance of such guaranties would be effected only in the context of rehabilitation and reconstruction efforts in circumstances where a cessation of hostilities would permit such efforts.

Section 8. Foreign Military Sales—

This section amends section 31 of the FMSA, relating to authorization of appropriations for, and the aggregate ceiling on, the foreign military sales credit and guaranty program for fiscal year 1977. As amended, section 31 would consist of four subsections as follows:

(a) This subsection authorizes appropriations of not to exceed $840,000,000 for the fiscal year 1977 for the purpose of carrying out programs under the FMSA.

(b) This subsection establishes a ceiling of $2,059,600,000 for the fiscal year 1977 on the aggregate total of credits extended, and the principal amount of loans guaranteed, pursuant to the FMSA.

(c) This subsection provides that funds made available pursuant to subsection (a) shall be used to finance Israeli procurement on a long-term repayment basis, either through the extension of FMS credit with a repayment period greater than that specified in section 23 of the FMSA, or the guaranty of third-party financing under section 24. The President is also empowered to release Israel from up to one-half of its repayment obligations with respect to FMS credit. The Bill does not authorize Israeli default on guaranteed loans, which would require payment by the United States to the lender from reserve funds or additional appropriations.

(d) This subsection imposes a ceiling of $100,000,000 on the aggregate acquisition cost of excess defense articles ordered for delivery to foreign countries or international organizations in any fiscal year under the FMSA or the military assistance chapter of the FAA. This ceiling is exclusive of ships and their on-board stores and supplies transferred in accordance with law. Most ship transfers are made as sales under the FMSA after prior notice to Congress in accordance with 10 U.S.C. 7307. The exception of such transfers affects ships sold under the procedure which are more than twenty years old and displace less than 2,000 tons. Newer or larger ships can be transferred, according to 10 U.S.C. 7307(b), only with specific authorization by Congress. The old ships transferred under the FMSA often had high acquisition costs, but little present value. These ships have not been included in Department of Defense estimates of excess defense article transfers.

Section 9. Authorization of Appropriations for Fiscal Year 1978—

This section authorizes appropriations for fiscal year 1978 of the sums necessary to carry out programs and activities for which fiscal year 1977 appropriations are authorized by the Bill. This section reflects the requirements of section 607 of the Congressional Budget Act of 1974 (31 U.S.C. 11c).

Section 10. Miscellaneous Provisions—

This section, consisting of four paragraphs, amends various provisions of the FAA as follows:

(1) This paragraph inserts a new subsection (a) in section 451 of the FAA to authorize appropriations of not to exceed $10,000,000 for fiscal year 1977 for emergency assistance under Part I of the FAA.

(2) This paragraph amends subsection 620

(k) of the FAA, which requires the express approval of Congress for economic assistance projects in excess of $100 million for the construction of any productive enterprise and prohibits military assistance in excess of $100 million unless the program has been included in the presentation materials to the Congress. The amendment made by this paragraph would include productive enterprise projects in the last exception so that the requisite approval for such projects could be obtained through the normal authorization and appropriation process and without need for further, subsequent congressional action should relatively minor cost overruns result in the application of subsection 620(k) to projects presently estimated at or near the $100 million limitation.

(3) This paragraph adds a new clause (3) to section 620(m) of the FAA in order to permit the furnishing of assistance under Part II of the FAA to economically developed countries when such programs of assistance are contained in the annual congressional presentation materials.

(4) This paragraph repeals section 620(x) of the FAA, relating to assistance to Turkey. Section 620(x) is inconsistent with the security assistance for Turkey proposed in the Bill.

Section 11. Saving Provision—

This section provides that the amendments made by the Bill shall not affect authorities and limitations applicable to the fiscal year 1976 and the transition quarter under provisions of law amended by the Bill. This section is intended to take into account the possibility of the enactment of the bill prior to September 30, 1976.

By Mr. MUSKIE:

S.J. Res. 190. A joint resolution to request the President to issue a proclamation designating the first week of May of each year as Clean Air Week. Referred to the Committee on the Judiciary.

Mr. MUSKIE. Mr. President, Clean Air Week is a well established event, having been initiated in 1949. This year it will be observed for the first time in May, rather than on the customary October date.

Today, I am introducing a joint resolution requesting the President to issue a proclamation designating the first week of May of each year as Clean Air Week. Clean Air Week is sponsored by the American Lung Association and its affiliated lung associations throughout the United States. It was first initiated in October 1949 by the Air Pollution Control Association to observe the Nation's first documented air pollution tragedy at Donora, Pa., in which 6,000 became ill and 20 died. The American Lung Association has designated the first week in May of each year as Clean Air Week so that the event may have the uplift of springtime.

Air pollution continues to be a major problem affecting the health and welfare of Americans. The sum of $5 billion in medical bills is paid by the American people as part of a total annual cost of $12 billion attributed to air pollution. The more we study this problem the more extensive we find the implications of air pollution for the health and welfare of this Nation's citizens. Pollution has been found to travel much greater distances than previously believed. New chemicals are emitted each year as a result of the development of new products and new processes.

Over 200 million tons of harmful air pollutants are emitted in to America's air each year. This means that for every man, woman, and child in the United States, there is one ton of air pollutants contaminating the air in the United States.

Air pollution contributes to the early death of many people, to increased respiratory illnesses, to the aggravation of chronic diseases such as asthma and bronchitis, to lung cancer, and heart disease, and detracts from the quality of life experienced by the public.

The Senate will be considering the 1976 Amendments to the Clean Air Act on the Senate floor during the week of May 2–8. It is fitting and appropriate that we address this issue at that time, and I urge my colleagues to support this resolution and those amendments.

I ask unanimous consent that the resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 190

Whereas air pollution continues to cause increased illness, contributes to chronic diseases, contributes to premature death, and reduces the quality of life; and

Whereas Americans presently spend five billion dollars in medical bills alone as a part of the annual costs of air pollution; and

Whereas continued public attention is needed to maintain and renew efforts to reduce air pollution; and

Whereas total emissions of pollutants continue to increase, causing harm and requiring continued attention to preventing such pollution; and

Whereas the American Lung Association has designated the first week of May of each year as Clean Air Week: now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the first week of May of each year as "Clean Air Week."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2541

At the request of Mr. Tunney, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of S. 2541, to provide for the establishment of model programs to foster equal opportunities for displaced homemakers.

S. 3036

At the request of Mr. Stone, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 3036, to amend title XVIII of the Social Security Act.

S. 3174

At the request of Mr. Williams, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 3174, to increase the amount authorized for the elderly housing program.

S. 3227

At the request of Mr. Humphrey, the Senator from Connecticut (Mr. Ribicoff) was added as a cosponsor of S. 3227, a bill to accelerate solar energy research and development within the Energy Research and Development Administration, and for other purposes.

S. 3270

At the request of Mr. Packwood, the Senator from California (Mr. Tunney) and the Senator from Massachusetts (Mr. Brooke) were added as cosponsors of S. 3270, a bill to amend the Tariff Schedules of the United States.

S. 3284

At the request of Mr. Cannon, the Senator from Wyoming (Mr. Hansen) was added as a cosponsor of S. 3284, to require an economic impact statement on future grazing fee increases.

S. 3292

At the request of Mr. Pearson, the Senator from South Dakota (Mr. McGovern) and the Senator from Kentucky (Mr. Ford) were added as cosponsors of S. 3292, a bill to amend the Social Security Act.

SENATE RESOLUTION 413

At the request of Mr. Ribicoff, the Senator from Louisiana (Mr. Johnston) was added as a cosponsor to Senate Resolution 413, to assure freedom of the press at the Olympic Games.

SENATE CONCURRENT RESOLUTION 105

At the request of Mr. Brooke, the Senator from Iowa (Mr. Clark), the Senator from Alaska (Mr. Gravel), the Senator from Rhode Island (Mr. Pell), and the Senator fom Alabama (Mr. Sparkman) were added as cosponsors of Senate Concurrent Resolution 105, expressing the sense of the Congress regarding democracy in Italy and participation by Italy in the North Atlantic Treaty Organization.

SENATE CONCURRENT RESOLUTION 102

At the request of Mr. Abourezk, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of Senate Concurrent Resolution 102, raising the price support level of certain agricultural products to 90 percent of parity.

AMENDMENTS SUBMITTED FOR PRINTING

TAX REFORM ACT OF 1975—H.R. 10612

AMENDMENT NO. 1611

(Ordered to be printed and referred to the Committee on Finance.)

Mr. RIBICOFF. Mr. President, I send to the desk an amendment intended to be proposed to H.R. 10612, entitled "The Tax Reform Act of 1975" which has passed the House and is pending before the Finance Committee. The amendment would allow U.S. citizens employed by charitable organizations abroad to exclude the first $25,000 in earned income from their taxes.

Presently U.S. taxpayers living overseas are allowed a $20,000 tax exclusion if they have lived abroad either for 1 full tax year or for 17 out of 18 consecutive months. If an American taxpayer has lived abroad for 3 years, a $25,000 tax exclusion on earned income is allowed.

H.R. 10612 eliminates the section 911 exclusion for most overseas employees but retains the $20,000 tax exclusion for Ameircan taxpayers employed by charitable organizations overseas.

The limited tax exclusion for certain

Americans has been a great help to our voluntary agencies and charitable organizations abroad. By helping to keep operating costs to a minimum, the exclusion has enabled them to concentrate their resources on programs not payroll.

Most overseas employees of charities earn modest salaries well below the $20,000 figure. On the average, salaries plus living allowances total $12,000. Nonetheless, unavoidable items like moving expense reimbursements and tuition expense reimbursements often substantially increase taxable income. Also, as the cost of living has been driven up by rapid inflation in many developing nations, living allowances have been increased to compensate. The combination of these and other factors frequently have raised taxable income above the $20,000 level allowed as an exclusion in the House passed bill.

My amendment will not increase the exclusion. It will merely maintain the status quo by changing the $20,000 exclusion allowed in H.R. 10612 to $25,000.

The potential tax revenues involved are only $3 million. In the scope of things, this is a small amount of revenue. But for charitable organizations abroad, it is tremendous when compared with the limited resources they have available to carry out their work. Increasing salaries so their employees can pay the new taxes will only mean further cutbacks in the operations, programs and ultimately the effectiveness of our charitable organizations abroad.

AMENDMENT NO. 1612

(Ordered to be printed and referred to the Committee on Finance.)

Mr. RIBICOFF. Mr. President, I send to the desk an amendment intended to be proposed to H.R. 10612, entitled "The Tax Reform Act of 1975" which has passed the House and is pending before the Finance Committee.

The purpose of this amendment is to restore a limited tax incentive for gifts of inventory to charities. Because of certain abuses, the Tax Reform Act of 1969 limited the deduction for gifts of "ordinary income" property to the cost or other basis of the donated property, rather than its fair market value. The 1969 act provision not only stopped abuses, it also severely cut gifts of inventory to charities. This is so because manufacturers find it financially and administratively simpler to throw away surplus inventory than to donate it to charity.

The impact on charities which have relied upon gifts of food, medicine, clothing, agricultural supplies, and other commodities has been dramatic. For instance, prior to 1970 CARE received contributions of inventory with a wholesale value averaging $3.5 million per year. The value of inventory donations received by CARE in 1974 was $1 million. Similarly, a survey by the American Council of Voluntary Agencies for Foreign Service, Inc.—ACVA—disclosed that prior to passage of the 1969 act member agencies had received an average of $30 million in donated inventory per year. In 1970 and again in 1972 ACVA's survey found that gifts of inventory had fallen to about $10 million per year.

The amendment I am proposing will accomplish two goals. First, it would restore a limited tax incentive for donation of inventory. Second, it would prevent the kind of abuses which prompted the 1969 act provision.

My amendment would allow a deduction equal to the cost or other basis of the inventory plus one-half the difference between its basis and its fair market value. In no event, however, could the deduction exceed twice the cost or other basis of the donated "ordinary income" property. Thus, a manufacturer could not make an after-tax profit by donating inventory.

In addition, the amendment would require the charity to certify in writing that it will use the inventory in its charitable work. This provision will prevent the donation—and acceptance—of material for which there is no present or future use.

Mr. President, charitable organizations such as those which make up the membership of the ACVA, provide vital humanitarian services. They need all the help they can get. This amendment is important to their continued good works.

AMENDMENT NO. 1613

(Ordered to be printed and referred to the Committee on Finance.)

Mr. RIBICOFF. Mr. President, I send to the desk an amendment to be proposed to H.R. 10612, entitled "The Tax Reform Act of 1975" which has passed the House and is pending before the Finance Committee.

The amendment would suspend the application of Revenue Ruling 73–395 so as to permit authors and publishers to currently deduct "prepublication expenditures." Section 1306 of H.R. 10612 extends this relief only to publishers. My amendment recognizes that authors are just as much entitled to treat research and other prepublication expenses as a deduction against current income as are publishers. It therefore relieves both authors and publishers from the effects of Revenue Ruling 73–395, a ruling which treats prepublication expenditures as capital expenditures to be depreciated over the life of the asset created.

What makes Revenue Ruling 73–395 all the more unfair is the fact that while it requires expenditures to be depreciated, section 1221 (3) of the Code prohibits authors from treating their output as "capital assets."

In other words, without the amendment I am proposing, authors will be taxed at the higher "ordinary income" rates while they will only be able to depreciate expenses. This is patently unfair.

Lest there be some concern that with passage of my amendment so-called vanity press authors will reap unwarranted tax benefits, the language of the amendment takes care of this situation. The deduction for prepublication expenditures would only be available to a taxpayer "in connection with his trade or business of writing." In other words, it would be limited to professional writers.

CLEAN AIR ACT AMENDMENTS OF 1976—S. 3219

AMENDMENT NO. 1614

(Ordered to be printed and to lie on the table.)

Mr. PHILIP A. HART. Mr. President, on behalf of the Senator from Texas (Mr. Bentsen) and myself, together with Senators Hruska, Symington, Montoya, Johnston, Moss, Garn, Griffin, Helms, Morgan, Hollings, Curtis, Laxalt, and Stone, I submit an amendment to S. 3219, the Clean Air Act Amendments of 1976.

I ask unanimous consent that a statement prepared by Senator Bentsen, together with the text of the amendment, be printed in the Record.

There being no objection, the statement and amendment were ordered to be printed in the Record, as follows:

Statement by Senator Bentsen

On April 13th, I submitted amendment No. 1596 to S. 3219, the Clean Air Act Amendments of 1976, on behalf of myself and 14 co-sponsors. Our amendment, dealing with the automobile performance warranty, inadvertently included language striking the production line test of Section 26 and the sulfate study of Section 31.

The intent of our amendment was never to include language striking those two provisions of this year's act, and the amendment which I shall ask the Senate to consider will not address them.

Amendment No. 1614

On Page 70, beginning with line 13, strike out through line 5 of page 73, and insert the following:

Sec. 27(a) Section 207(b)(2) of the Clean Air Act (42 U.S.C. 1857f–5a(b)) is amended by adding the following at the end thereof: "No such warranty shall be invalid on the basis of any part used in the maintenance or repair of a vehicle or engine if such part was certified as provided under subsection (a)(2).".

(b) Section 207(a) of such Act is amended by inserting "(1)" after "(a)" and by adding the following new paragraph at the end thereof:

"(2) In the case of a motor vehicle part or motor vehicle engine part, the manufacturer of such part may certify that use of such part not result in a failure of the vehicle or engine to comply with emission standards promulgated under section 202. Such certification shall be made only under such regulations as may be promulgated by the Administrator to carry out the purposes of subsection (b). The Administrator shall promulgate such regulations no later than 2 years following the date of the enactment of this paragraph."

(c) (1) Section 207(b) of such Act is amended by striking out "its useful life (as determined under section 202(d))" in each place it appears and inserting in lieu thereof "a period of eighteen months or eighteen thousand miles (or the equivalent), whichever first occurs."

(2) Section 207 of such Act is amended by adding the following new subsection at the end thereof:

"(g) In lieu of the eighteen month or eighteen thousand mile period of use referred to in subsection (b) there shall be substituted 'the useful life of the vehicle or engine (as determined under section 202(d))' if the Federal Trade Commission finds under section 27(d) of the Clean Air Act Amendments of 1976 that no significant anticompetitive effects result from the application of such warranty for such useful life."

(d) The Federal Trade Commission shall undertake a study to determine whether or not any anticompetitive effects would result from any warranty required to be provided pursuant to section 207(b) of the Clean Air Act if such warranty applied for the useful life (as determined under section 202(d) of such Act) of vehicles and engines to which such warranty applies in lieu of the 18 month or 18,000 mile period specified in such section 207(b). Such study shall include public hearings. Such study shall include an analysis of any measures implemented by the Administrator to prevent or diminish such anticompetitive effects and shall include a finding with respect to whether or not a significant anticompetitive effect would nevertheless result from such warranty if the warranty applied for such useful life. Such study shall be undertaken primarily by the Bureau of Competition in consultation with the Bureau of Consumer Affairs.

(e)(1) Section 207(c)(3) of such Act is amended by inserting after the first sentence thereof the following: "In no event and under no circumstances shall a manufacturer (in written instructions or otherwise), specify, require or designate the use of any proprietary or brand name automotive part, material, or substance for purposes of this paragraph. For such purposes, the manufacturer may only specify performance standards or engineering specifications or the use of parts which have been certified as provided in subsection (a)(2) or parts meeting such standards or specifications. No manufacturer may directly or indirectly specify for such purposes that maintenance, replacement or repair may only be performed by franchised dealers or approved automotive service establishments. The manufacturer shall provide in boldface type on the first page of the written maintenance instructions notice that maintenance of the emission control devices and systems may be performed by any automotive repair establishment or any individual using any automotive part which meets the performance and engineering specifications of the manufacturer or which has been certified as provided in subsection (a)(2)."

(f) Section 207(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) In the case of any nonconformity of any vehicle or engine required to be remedied at the expense of the manufacturer under this subsection, the owner of such vehicle or engine shall be, under regulations promulgated by the Administrator, compensated by the manufacturer for any amount expended by him with respect to such nonconformity before the date on which such nonconformity is required to be remedied under this subsection."

On page 73, line 6, strike out "Sec. 30" and insert "Sec. 28".

Renumber sections 31 through 38 as sections 29 through 36, respectively.

On page 88, beginning with line 15, strike out all through line 9 on page 89.

On page 89, line 10, strike out "Sec. 40" and insert "Sec. 37".

Renumber section 41 as section 38.

NOTICE OF HEARINGS ON S. 3076—THE PAPERWORK REVIEW AND LIMITATION ACT OF 1976

Mr. NUNN. Mr. President, the junior Senator from Montana (Mr. METCALF) and I wish to announce that joint hearings on S. 3076, the Paperwork Review and Limitation Act of 1976 will be held by the Subcommittee on Oversight Procedures and the Subcommittee on Reports, Accounting, and Management.

The hearings will be held on May 3 and 7 in room 3302, Dirksen Senate Office Building, commencing at 10 a.m.

Persons who wish to testify or submit a statement for inclusion in the RECORD should call 224–4551, Subcommittee on Oversight Procedures or 224–1474, Subcommittee on Reports, Accounting, and Management.

NOTICE OF ORGANIZATIONAL MEETING

Mr. STEVENSON. Mr. President, Senator BROCK and I advise our colleagues on the temporary Select Committee to Study the Senate Committee System that an organizational meeting will be held on Thursday, April 29 at 8 a.m. in room 457 in the Russell Senate Office Building. The meeting will be open.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

William D. Keller, of California, to be U.S. attorney for the central district of California for the term of 4 years (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, May 4, 1976, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

MY PLEA FOR PATRIOTISM

Mr. GOLDWATER. Mr. President, patriotism is out of style in some circles in America today and love of our country is cynically viewed as old fashioned. However, fortunately this is not the case with all Americans. Miss Lori Cox of Scottsdale, Ariz., is one such lady who is not embarrassed to be called a patriot. She is not afraid to say that she loves her country. She has carried on a one-woman battle to have our Pledge of Allegiance given in her school's classrooms once again. She met a great many obstacles and she learned some fundamental principles of freedom in America.

I would like to share Miss Cox's experiences with my colleagues and I ask unanimous consent that her "Plea for Patriotism" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MY PLEA FOR PATRIOTISM

(By Lori Cox)

I would like to tell all Americans what it was like during my compaign to restore a time in my school to have the opportunity for the Pledge of Allegiance. When I first requested a classroom time for the Pledge of Allegiance my school administrators were reluctant to initiate a time for such an observance. My principal explained we no longer have the Pledge of Allegiance in the classroom because some of the students do not respect the ceremony and the teachers complained about their conduct. I waited for weeks for a response from the administrators. . . . My request was ignored! I then went to the school board. In opposition to my request the Superintendent of Secondary Education testified by saying, "The Pledge of Allegiance on a daily basis may prove to be a traumatic experience for some students." The school board members said they would consider my request and seek legal advisement before making a decision. The following week I began working with several friends in front of supermarkets gathering over 3,000 signatures on a petition that requested the school board to allow a time in the classroom for the Pledge of Allegiance. The school board then granted the daily opportunity. . . . During the following five months a minority group of students and some teachers began to display signs of protest. Numerous news articles were printed in school and local newspapers that did not encourage respect for the Scottsdale School Board's ruling. During this period our Nation's flag was stolen from my school's premises.

Once during the National Anthem a student paraded down the hallway proudly displaying a communist flag. The flagpole lines were cut so that our Nation's flag did not fly over my school for eleven days. One school was vandalized . . . . . an American flag was cut in pieces and parts of it burned. My efforts for a Memorial Assembly were denied because it involved . . . I quote "Too much patriotism." Students testified before the school board that our flag is nothing more than a piece of cloth and said the pledge was meaningless. They complained they were too tired to stand in the morning and that the repetition made the Pledge of Allegiance meaningless! . . . Others stated that peer pressure made them stand. . . . In answer to those complaints I said . . . We high school students had better learn to take the pressures now if we are to become responsible adults.

As for the repetition . . . I ask those students . . . if one minute a week is going to bother them . . . what were their plans when they enter the adult world and have to work 40 hours a week at a job which may be very repetitious? . . . There are many things we all do each day . . . but that does not mean we all find them repetitious . . . or meaningless . . . I pray each day and find it very meaningful! At the end of five months the school board gave in to the students protest . . . by voting to eliminate the daily Pledge of Allegiance entirely and substituting it with a once a week patriotic observance. I pleaded with the board to continue with their previous ruling by saying "We need the support of all teachers and administrators to help solve the rebellion problem instead of running from it. Why do those of us who love America have to suffer for the disrespect of a few? Give us the opportunity to find the solution and hopefully build some patriotism among the students. . . . The school board denied my plea, . . . so I went to the Arizona State Legislature. I made my plea before the Senate Education Committee urging passage of a bill that would afford the daily opportunity for the Pledge of Allegiance in all public schools in Arizona.

I made many trips to the state Capitol and witnessed several of my state legislators openly arguing against the bill. It was upsetting to hear some of their views. . . As some students called the Pledge of Allegiance meaningless . . . so did several of the state legislators. . . . This experience has taught me the important responsibility we all have as voters. It is important that we vote so that those elected to office will represent and protect the American ideals. . . . After a lot of hard work and the support of many organizations and concerned citizens the bill for the Pledge of Allegiance was passed and signed into law by Arizonas' Governor Raul Castro. The bill forces no one . . . but allows the opportunity for those who wish to participate in pledging allegiance. . . . Because of the attitudes and actions of some students I initiated an idea for a National Patriotism Week.

It is my hope and feeling that if young Americans better understood the meaning of our Nation's symbols they would not ignore or disrespect them. We need to learn about the basics of our heritage because when some high school and grammar school students were asked to write the Pledge of Allegiance or the National Anthem many of them could not do it. I compiled my ideas and then wrote to one hundred national leaders and to the President of the United States explaining my suggestions for a National Patriotism Week and why such a program was so important. National Patriotism Week would encourage primary and secondary schools to adopt an appropriate curriculum for a designated week in February including such elements as the study of the Pledge of Allegiance, the National Anthem, National symbols, seals, mottos, monuments, heros, and accomplishments.

I requested the President to proclaim a National Patriotism Week. Here I am, sixteen years old, not even old enough to vote, and yet our leaders in Washington listened. . . . I began receiving many letters of encouragement from leaders throughout the United States. . . . Then one day the mailman delivered a most unusual letter. . . . It was quite different from any stationery I had ever seen. . . . Realizing then it was a letter from the President of the United States, I was overwhelmed! . . . My eyes filled with tears . . . so my mom had to read the letter to me. His letter was very friendly, encouraging, and very inspiring. . . . About five days later another letter arrived from the White House. . . . This letter was written by the Acting General Counsel by order of the President. He suggested I ask a representative in Congress or one of my Senators to introduce legislation (a joint resolution) calling upon the President to proclaim a National Patriotism Week. He said such an observance would be more meaningful if it had the endorsement of the Congress as well as the President. . . . It seems unbelievable when I think . . . my lesson in national legislation did not come from a textbook . . . but from the President of the United States. . . . Since then I have written to every Congressman in Washington, D.C.

In reply, I have found that many of our government leaders have been like teachers, by advising, assisting, and showing me the way to succeed with my efforts for legislation. Congressman John Rhodes has written me over a dozen letters and has sent countless letters to his colleagues in Washington to request their support for a National Patriotism Week. My program was adopted into bill form and presented to Congress by Congressman John Rhodes along with 37 co-sponsors. Senator Paul Fannin introduced the legislation in the Senate. Senator Fannin too, has corresponded frequently and has been very helpful in working for a National Patriotism Week. I am now waiting to hear as to when I will be allowed to speak before a Congressional committee on behalf of the importance of National Patriotism Week.

At the present time the bill has been delayed in the House Sub-Committee on Census and Population because . . . this type of bill now needs a majority of House members as co-sponsors in order to push it through committee. Please write to your respective Congressman and request he join as co-sponsor with Congressman John Rhodes on this very important resolution. I hope you all will share my story with your friends and families. It is my hope that through my experience Americans young and old will realize the importance of becoming involved in our schools and in our government. It is important that our American ideals are protected and patriotism is restored. . . . Nowadays people are quick to criticize our government. They seem to blame and label all politicians as bad . . . possibly because of the Watergate incident. We must realize that the Watergate affair involved only a handful of people . . . and certainly those individuals do not represent all. We must not blame all of our leaders for the mistakes of a few. I have received over 200 letters from government leaders and found many who care, who are honest, hardworking and dedicated Congressmen . . . working for the goodness of America.

Often we hear of the wrongs of our Nation. We surely must recognize our faults and work to correct them but please keep in mind the scarring impressions being formed by children younger than myself. Stripping a child of his pride may cause him to lose all incentive to go forward. It is time we all join together and restore the pride that is due our Nation and show her we are loyal. . . We will be a better people because of pride and by transmitting those attributes unto one another we will find our Nation's stars and stripes reflect truth. You know our permissive society has not taught us responsibility . . . instead it has made us lazy. Give us discipline and rules . . . We will become better citizens by being made to follow and respect the rules set forth. Someday we will be your leaders and where are the adults of today going to be if we, your future leaders, have never learned to abide rules or respect others? Patriotism and respect go together. I want my children to be morally righteous, unselfish, patriotic, and thankful for being an American. If they have these values they will secure my future as we should secure theirs. They will be the ones to hold our great Nation on the pedestal where she so righteously belongs. . .

In one of the letters I received from Senator Strom Thurmond of South Carolina he said, and I quote, "Patriotic Americans must continue to set the example for those who do not have sufficient love for our Country, its people, institutions and symbols. By their loyal example perhaps they can inspire these persons to show more respect for America. We must never forget that the willingness to support one's country through interest, participation, and if necessary, through sacrifice provides the framework of a great Nation." Unquote . . . People often ask me why I have become involved with my efforts for patriotism . . . I have been taught by my parents that it is everyone's duty to be a concerned and working citizen. It is important to preserve and protect the traditions and symbols that represent our free Nation . . . You know . . . Joseph Stalin once said . . . and I quote . . . "If we can effectively kill the national pride and patriotism of just one generation, we will have won that country. Therefore, there must be continued propaganda abroad to undermine the loyalty of the citizens in general and teenagers in particular. By making readily available drugs of various kinds, by giving a teenager alcohol, by praising his wildness, by strangling him with sex literature and adverting to him or to her the psycho-political preparation can create the necessary attitude of chaos, idleness, and worthlessness" . . . Unquote . . .

It is the responsibility of the American people not to let this happen! . . . People have asked me to where I get the courage and strength to continue with my efforts . . . I would like to say a word or two about my parents . . . whom I love very much . . . They have taught me the values I practice each day . . . basically those values are to love. honor, respect, share, and give of yourself as God would want all of us to do. My strength I am sure comes from our Creator in heaven . . . God's love and guidance supports me and I am very thankful to him . . . I will conclude my address to you by telling you about what it has been like now that school is back in session . . . The jeers and mockery continue, however, the ridicule from fellow students and some teachers will not discourage me. My experience has made me a stronger person and determined to continue my plea for patriotism. I regret the first day of school some teachers snickered and reminded the students they did not have to participate in the Pledge of Allegiance. I was hopeful they would have encouraged respect. To the students who have openly ridiculed me I answer them by saying . . .

Our flag represents each and everyone of you. It is all of us together, united as Americans, and representing freedom for all . . . it represents choice . . .When I first asked for the Pledge of Allegiance in our classrooms a choice was there and still is! . . . Either you participate or you do not participate. That is freedom! My opposition wanted to take that choice from me. It does not make sense to neglect the symbols that represent the freedoms that we all enjoy each day.

Think of our forefathers and the toil it took to build such a great Nation . . . Then be grateful! . . . Think of those men who sacrificed their lives during war . . . some of those men may have been your fathers, your brothers, or possibly a close friend. You have the choice to pledge or not to pledge . . . so if I stand alone in my classroom to recite the Pledge of Allegiance . . . then I will stand alone . . . but before you ridicule my patriotism . . . learn a little about it before you criticise. Go to a Disabled American Veterans meeting . . . Listen to them . . . take a good look at those veterans . . . I have!

Some veterans are young . . . some are old . . . some are crippled and confined to wheelchairs . . . some are without limbs . . . but when it comes time for the Pledge of Allegiance they stand proud. Those men in wheel chairs unable to stand . . . seemed to be ten feet tall. I thought about some of those students who had complained before the school board that they had to stand every day for fifteen seconds to pledge our flag . . . yet those veterans without limbs live every minute of their lives with remembrance of preserving this Nation . . . These brave men in spite of their handicaps continue to work for America without complaint! . . . They paid the price for our freedoms yet continue to serve our country with interest and allegiance to America. Ask yourself for whom did they risk their lives . . . and for whom did they become disabled? The answer is for you and for me! . . . Can you afford fifteen seconds a day to pledge allegiance to a flag that represents them? I can . . . and I hope all Americans will.

SECRETARY KISSINGER'S AFRICAN POLICY STATEMENT

Mr. HUMPHREY. Mr. President, this morning in Lusaka, Zambia, the Secretary of State delivered an important and eloquent statement of high principles which finally ends the drift in America's Africa policy. Looking forward to a creative role for the United States in Africa, Secretary Kissinger has given a clear signal to the world that the United States supports the speedy evoluation toward majority rule in the white dominated regimes of Rhodesia and Namibia.

Secretary Kissinger has outlined a clear plan of diplomatic action and economic initiative for the southern African region. His speech has charted a more moral foreign policy for our Nation. And it has clearly taken the initiative away from those Communist nations anxious to exploit tensions in the region. The administration seems to have recognized the impending crisis in southern Africa over the Rhodesian issue and is now prepared to send a clear signal to all involved as to precisely how we would like to see the political future in southern Africa evolve.

In bringing the full diplomatic weight of the United States against the Ian Smith regime, Secretary Kissinger has enunciated a policy which could leave no doubt in Salisbury that we will not directly or indirectly aid in the perpetuation of minority rule.

I sincerely hope that the statement of American policy in Zambia will avert the type of racial confrontation in southern Africa that has been impending. I have been convinced that the real "winners" of a black-white war in southern Africa would be the Communists. The United States now seems ready to work to prevent further violence in the region.

As chairman of the Foreign Assistance Subcommittee and former chairman of the African Affairs Subcommittee, I stand ready to cooperate with the Secretary in the implementation of his plans to provide assistance to the peoples of southern Africa as outlined in his address. Such aid is badly needed, not only because of the economc dislocations in the region as a result of the Rhodesian crisis but also in order to better the lives of those who live in a potentially rich part of the world.

Mr. President, the concrete and practical steps which the Secretary has indicated the United States will take to avoid war and bring majority rule to southern Africa mark an important turning point in America's policy toward Africa and the developing world. We have now begun to base our policy on the principle of majority rule. As a result, we are alining ourselves with the dominant force of the future and at the same time we are doing what is right and just.

I have always believed that there is no reason why we cannot have a foreign policy which is both pragmatic and moral. Such a policy can yield practical dividends not only in southern Africa but throughout the world. The United States still has many potential friends and allies among the emerging nations. To redeem their trust and confidence, we have only to act affirmatively on the basis of the principles upon which our own Nation was founded 200 years ago.

Mr. President, I ask unanimous consent that Secretary Kissinger's Lusaka address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INTRODUCTION

President Ford has sent me here with a message of commitment and cooperation.

I have come to Africa because in so many ways, the challenges of Africa are the challenges of the modern era. Morally and politically, the drama of national independence in Africa over the last generation has transformed international affairs. More than any other region of the world, Africa symbolizes that the previous era of world affairs—the colonial era—is a thing of the past. The great tasks you face—in nation-building, in keeping the peace and integrity of this continent, in economic development, in gaining an equitable role in world councils, in achieving racial justice—these reflect the challenges of building a human and progressive world order.

I have come to Africa with an open mind and an open heart to demonstrate my country's desire to work with you on these great tasks. My journey is intended to give fresh impetus to our cooperation and to usher in a new era in American policy.

The United States was one of the prime movers of the process of decolonization. The American people welcomed the new nations into the world community and for two decades have given aid and encouragement to economic and social progress in Africa. And America's responsibilities as a global power give us a strong interest today in the independence, peace and well-being of this vast continent comprising a fifth of the world's land surface. For without peace, racial justice and growing prosperity in Africa, we cannot speak of a just international order.

There is nothing to be gained in a debate about whether in the past America has neglected Africa or been insufficiently committed to African goals. The United States has many responsibilities in the world. Given the burden it has carried in the postwar period, it could not do everything simultaneously. African nations too have their own priorities and concerns, which have not always accorded with our own. No good can come of mutual recrimination. Our differing perspectives converge in a common purpose to build a secure and just future for Africa. In active collaboration there is much we can do; in contention or apart we will miss great opportunities. President Ford, the American Government and people are prepared to work with you with energy and goodwill if met in the same spirit.

So it is time to put aside slogans and to seek practical solutions. It is time to find our common ground and act boldly for common ends.

Africa is a continent of hope—a modern frontier. The United States from the beginning has been a country of the frontier, built by men and women of hope. The American people know from their history the meaning of the struggle for independence, for racial equality, for economic progress, for human dignity.

I am not here to give American prescriptions for Africa's problems. Your program must be African. The basic decisions and goals must be African. But we are prepared to help.

Nor am I here to set African against African, either among your governments or among factions of liberation movements. African problems cannot be solved and your destiny cannot be fulfilled except by a united Africa. America supports African unity. We urge all other countries to do the same.

Here in Africa the range of mankind's challenges and potential can be seen in all its complexity and enormous promise. The massive power and grandeur of nature is before us in all its aspects—as the harsh master and as a bountiful servant of mankind. Here we can feel the rich and living cultures which have changed and invigorated art, music and thought around the world. And here, on this continent, we are tested, all of us, to see whether our future will be determined for us or by us, whether humanity will be the victim or the architect of its destiny.

THE PROBLEM OF SOUTHERN AFRICA

Of all the challenges before us, of all the purposes we have in common, racial justice is one of the most basic. This is a dominant issue of our age, within nations and among nations. We know from our own experience that the goal of racial justice is both compelling and achievable. Our support for this principle in southern Africa is not simply a matter of foreign policy, but an imperative of our own moral heritage.

The people of Zambia do not need to be reminded of the importance of realizing this goal. By geography and economic necessity, Zambia is affected directly and grievously by strife in southern Africa. Political stability in this region means more to Zambia than to many others. Yet Zambia has chosen to stand by her principles by closing her border with Rhodesia and enduring the economic consequences. This is a testimony to the determination of the people of this country and to the statesmanship of its great leader, President Kaunda.

And it was in this city seven years ago that leaders of east and central African states proclaimed their manifesto on southern Africa.

One is struck by the similarity of philosophy in the American Declaration of Independence and in the Lusaka Manifesto. Two hundred years ago, Thomas Jefferson wrote: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

And seven years ago, the leaders of east and central Africa declared here in Lusaka that:

"By this Manifesto we wish to make clear, beyond all shadow of doubt, our acceptance of the belief that all men are equal, and have equal rights to human dignity and respect, regardless of color, race, religion, or sex. We believe that all men have the right and duty to participate, as equal members of society, in their own government."

There can be no doubt that the United States remains committed to the principles of its own Declaration of Independence. It follows that we also adhere to the convictions of the Lusaka Manifesto.

Therefore, here in Lusaka, I reaffirm the unequivocal commitment of the United States to human rights, as expressed in the principles of the United Nations Charter and the Universal Declaration of Human Rights. We support self-determination, majority rule, equal rights and human dignity for all the peoples of southern Africa—in the name of moral principle, international law and world peace.

On this occasion I would like to set forth fully American policy on some of the immediate issues we face—in Rhodesia, Namibia and South Africa—and then to sketch our vision of southern Africa's hopeful future.

THE UNITED STATES POSITION ON RHODESIA

The United States position on Rhodesia is clear and unmistakable. As President Ford has said, "The United States is totally dedicated to seeing to it that the majority becomes the ruling power in Rhodesia." We do not recognize the Rhodesian minority regime. The United States voted for, and is committed to, the UN Security Council resolutions of 1966 and 1968 that imposed mandatory economic sanctions against the illegal Rhodesian regime. Earlier this year we cosponsored a Security Council resolution, which was passed unanimously, expanding mandatory sanctions. And in March of this year, we joined with others to commend Mozambique for its decision to enforce these sanctions even at great economic cost to itself.

It is the responsibility of all who seek a negotiated solution to make clear to the Rhodesian minority that the world community is united in its insistence on rapid change. It is the responsibility of those in Rhodesia who believe in peace to take the steps necessary to avert a great tragedy.

United States policy for a just and durable Rhodesian solution will therefore rest on ten elements:

First, the United States declares its support in the strongest terms for the proposals made by British Minister Callaghan on March 22 of this year: that independence must be preceded by majority rule which, in turn, must be achieved no later than two years following the expeditious conclusion of negotiations. We consider these proposals a basis for a settlement fair to all the people of Rhodesia. We urge that they be accepted.

Second, the Salisbury regime must understand that it cannot expect United States support either in diplomacy or in material help at any stage in its conflict with African states or African liberation movements. On the contrary, it will face our unrelenting opposition until a negotiated settlement is achieved.

Third, the United States will take steps to fulfill completely its obligation under international law to mandatory economic sanctions against Rhodesia. We will urge the Congress this year to repeal the Byrd Amendment, which authorizes Rhodesian chrome imports to the United States, an act inconsistent with United Nations sanctions. In parallel with this effort, we will approach other industrial nations to ensure the strictest and broadest international compliance with sanctions.

Fourth, to ensure that there are no misperceptions on the part of the leaders of the minority in Rhodesia, the United States, on the conclusion of my consultations in black Africa, will communicate clearly and directly to the Salisbury regime our view of the urgency of a rapid negotiated settlement leading to majority rule.

Fifth, the United States Government will carry out its responsibility to inform American citizens that we have no official representation in Rhodesia nor any means of providing them with assistance or protection. American travellers will be advised against entering Rhodesia; Americans resident there will be urged to leave.

Sixth, as in the case of Zambia a few years ago, steps should be taken—in accordance with the recent UN Security Council resolution—to assist Mozambique, whose closing of its borders with Rhodesia to enforce sanctions has imposed upon it a great additional economic hardship. In accordance with this UN resolution, the United States is willing to provide $12.5 million of assistance.

Seventh, the United States—together with other members of the United Nations—is ready to help alleviate economic hardship for any countries neighboring Rhodesia which decide to enforce sanctions by closing their frontiers.

Eighth, humanitarian provision must be made for the thousands of refugees who have fled in distress from Rhodesia into neighboring countries. The United States will consider sympathetically requests for assistance for these refugees by the UN High Commissioner for Refugees or other appropriate international organizations.

Ninth, the world community should give its support to the people of Rhodesia as they make the peaceful transition to majority rule and independence, and should aid a newly indepedent Zimbabwe. To this end, we are ready to join with other interested nations in a program of economic, technical, and educational assistance, to enable an independent Zimbabwe to achieve the progress and the place in the community of nations to which its resources and the talents of all its people entitle it.

Finally, we state our conviction that whites as well as blacks should have a secure future and civil rights in a Zimbabwe that has achieved racial justice. A constitutional structure should protect minority rights together with establishing majority rule. We are prepared to devote some of our assistance programs to this objective.

In carrying out this program we shall consult closely with the Presidents of Botswana, Mozambique, Tanzania and Zambia.

We believe these are important measures. We are open-minded with respect to additional actions that can help speed a resolution. The United States will consult closely with African leaders, especially the four Presidents, and with other friends on the Rhodesian problem. For the central fact that I have come here to stress is this: the United States is wholly committed to help bring about a rapid, just and African solution to the issue of Rhodesia.

NAMIBIA

Rhodesia is the most urgent but by no means the only critical problem in southern Africa. The status of Namibia has been a source of contention between the world community and South Africa for over three decades.

The territory of South-West Africa turned into a source of serious international discord following World War II. When the United Nations refused to accede to South Africa's proposal for annexation of the territory, South Africa declined to enter into a trusteeship agreement, and since then has refused to recognize the United Nations as the legal sovereign. In 1966, the General Assembly terminated South Africa's mandate over the territory. In 1971, the International Court of Justice concluded that South Africa's occupation of Namibia was illegal and that it should withdraw.

The United States voted for the 1966 General Assembly resolution. We were the only major power to argue before the International Court that South African occupation was illegal. And in January 1976 the United States voted in favor of the UN resolution condemning the occupation of Namibia and calling for South Africa to take specific steps toward Namibia's self-determination and independence.

We are encouraged by the South African Government's evident decision to move Namibia toward independence. We are convinced that a solution can be found which will embody equal rights for the entire population and at the same time protect the interests of all who live and work there. But we are concerned that South Africa has failed to announce a definite timetable for the achievement of self-determination, that all the people and all political groupings of Namibia have not been allowed to take part in determining the form of government they shall one day have, and that South Africa continues to deny the United Nations its proper role in establishing a free and independent Namibia.

Therefore the United States position is as follows:

We reiterate our call upon the South African Government to permit all the people and groups of Namibia to express their views freely, under UN supervision, on the political future and constitutional structure of their country.

We urge the South African Government to announce a definite timetable acceptable to the world community for the achievement of self-determination.

The United States is prepared to work with the international community and especially with African leaders, to determine what further steps would improve prospects for a rapid and acceptable transition to Namibian independence. We are convinced that the need for progress is urgent.

Once concrete movement toward self-determination is underway, the United States will ease its restrictions on trade and investment in Namibia. We stand ready to provide economic and technical assistance to help Namibia take its rightful place among the independent nations of the world.

SOUTH AFRICA

Apartheid in South Africa remains an issue of great concern to those committed to racial justice and human dignity.

No country, no people can claim perfection in the realm of human rights. We in America are aware of our own imperfections. But because we are a free society, our problems and our shortcomings are fully aired and made known to the world. And we have reason to take pride in our progress in the quest for justice for all in our country.

The world community's concern with South Africa is not merely that racial discrimination exists there. What is unique is the extent to which racial discrimination has been institutionalized, enshrined in law and made all-pervasive.

No one—including the leaders of black Africa—challenges the right of white South Africans to live in their country. They are not colonialists; historically, they are an African people. But white South Africans must recognize as well that the world will continue to insist that the institutionalized separation of the races must end. The United States appeals to South Africa to heed the warning signals of the past two years. There is still time to bring about a reconciliation of South Africa's peoples for the benefit of all. But there is a limit to that time—a limit of far shorter duration than was generally perceived even a few years ago.

A peaceful end to institutionalized inequality is in the interest of all South Africans. The United States will continue to encourage and work for peaceful change. Our policy toward South Africa is based upon the premise that within a reasonable time we shall see a clear evolution toward equality of opportunity and basic human rights for all South Africans. The United States will exercise all its efforts in that direction. We urge the Government of South Africa to make that premise a reality.

In the immediate future, the Republic of South Africa can show its dedication to Africa—and its potential contribution to Africa—by using its influence in Salisbury to promote a rapid negotiated settlement for majority rule in Rhodesia. This, we are sure, would be viewed positively by the community of nations as well as by the rest of Africa.

A VISION OF THE FUTURE

Southern Africa has all the prerequisites for an exciting future. Richly endowed with minerals, agricultural and hydroelectric potential, a favorable climate, and, most important, great human resources, it needs only to overcome the human failure of racial strife to achieve bright prospects for all its peoples.

Let us all strive to speed the day when this vision becomes a reality.

The United States stands ready to work with the nations of southern Africa to help them achieve the economic progress which will give meaning to their political independence and dignity to their struggle for equality.

As you know, Deputy Secretary Robinson, an expert in economic development, is accompanying me on this visit. This is the first time that an American Secretary of State and Deputy Secretary together have come on such a mission, reflecting the importance we attach to the economic development of southern Africa. Mr. Robinson and I are discussing development needs with African officials in the various capitals and we shall continue these consultations at the UNCTAD meeting in Nairobi next week. After my return to Washington, based on what we have learned, we will urgently study a new aid program for this continent.

Africa and its friends face a dual challenge—immediate and long-term growth. In the short term, economic emergencies can arise from natural disasters or sharp swings in global economic conditions over which developing nations have little control. These economic shocks must be dealt with if the nations of the region are to maintain their hard-won progress toward development. For example, the sharp drop in world copper prices has had a devastating impact on the economies of Zambia and Zaire. The United States will deal with this problem in its bilateral assistance programs for these countries, and in our programs for multilateral action—to be proposed at UNCTAD next week—for resource development, buffer stocks, and earnings stabilization.

But our basic concern must go beyond responding to emergencies. We need to develop urgently programs to lay the foundations for sustained growth to enable the developing nations of southern Africa to deal effectively with global economic shocks and trends.

Let me mention four that are especially relevant to southern Africa: trained local manpower, rural development, advanced technology, and modern transportation.

For Namibia and Zimbabwe, training programs should be intensified now so that needed manpower will be ready when majority rule is attained. Existing programs to train Namibian and Zimbabwean refugees as administrators and technicians should be expanded as rapidly as possible. We have requested additional funds from Congress for this purpose. We urge other donors and international organizations to do more.

Development for all of southern Africa involves a process of transforming rural life. We are prepared to assist in agricultural development, in health programs, in manpower training, in improving rural transportation—through both bilateral and multilateral programs.

A revolution in development planning could be achieved by the use of satellites to collect vital information on crops, weather, water resolurces, land use, and mineral exploration. The United States has already shared with developing nations information from our earliest earth resources survey satellites. We are now prepared to undertake much larger programs to apply this technology to Africa—including training programs and the development of training facilities and satellite receiving stations in Africa itself.

Perhaps the most critical long-term economic need of southern Africa is a modern system of regional transportation. The magnitude of the effort extends beyond the capacity of any one nation or group of nations. For this reason the United States proposes that the World Bank undertake as a priority matter the organization of a multilateral consultative group of donors to develop a modern regional transportation system for southern Africa. For our part we promise our full cooperation in working out a long-term program and in financing appropriate portions of it.

And finally, I can announce today that we expect to triple our support for development programs in southern and central Africa over the next three years.

In addition, the United States has offered leadership in many international forums to promote development through multilateral cooperation. The industrial nations, the newly wealthy oil producers and the developing countries themselves must collaborate for the goal of development. Africa is a principal beneficiary of the many United States initiatives in multilateral institutions and programs—to enhance economic security through supporting export earnings in the face of sharp economic swings; to promote growth through better access to capital markets and technology transfers; to accelerate agricultural production; to improve the conditions of trade and investment in key commodities; and to address the special needs of the poorest nations.

Many of the proposals we have made are already being implemented. Next week in Nairobi I will put forward new proposals to further advance progress in relations between developed and developing nations.

CONCLUSION

Ladies and Gentlemen: Today I have outlined the principles of American policy on the compelling challenges of southern Africa.

Our proposals are not a program made in America to be passively accepted by Africans. They are an expression of common aspirations and an agenda of cooperation. Underlying it is our fundamental conviction that Africa's destiny must remain in African hands.

No one who wishes this continent well can want to see Africans divided either between nations or between liberation movements. Africans cannot want outsiders seeking to impose solutions, or choosing among countries or movements. The United States, for its part, does not seek any pro-American African bloc confronting a bloc supporting any other power. Nor do we wish to support one faction of a liberation movement against another. But neither should any other country pursue hegemonial aspirations or bloc policies. An attempt by one will inevitably be countered by the other. The United States therefore supports African unity and integrity categorically as basic principles of our policy.

There is no better guarantee against outside pressure from any quarter than the determination of African nations in defense of their own independence and unity. You did not build African institutions to see outside forces fragment them into competing blocs. The United States supports Africa's genuine nonalignment and unity. We are ready for collaboration on the basis of mutual respect. We do so guided by our convictions and our values. Your cause is too compatible with our principles for you to need to pursue it by tactics of confrontation with the United States; our self-respect is too strong to let ourselves be pressured either directly or by outside powers.

What Africa needs now from the United States is not exuberant promises or emotional expressions of good will. What it needs is a concrete program which I have sought to offer today. So let us get down to business. Let us direct our eyes towards our great goals—national independence, economic development, racial justice—goals that can be achieved by common action.

Africa in this decade is a testing ground of the world's conscience and vision. That blacks and whites live together in harmony and equality is a moral imperative of our time. Let us prove that these goals can be realized by human choice, that justice can command by the force of its rightness instead of by force of arms.

These are ideals that bind all the races of mankind. They are the mandate of decency and progress and peace.

This drama will be played out in our own lifetime. Our children will inherit either our success or our failure. The world watches with hope, and we approach it with confidence.

So let it be said that black people and white people working together achieved on this continent—which has suffered so much and seen so much injustice—a new era of peace, well-being and human dignity.

ARMENIA—1915

Mr. FANNIN. Mr. President, April 24 commemorates the sad spring season of 1915 when Armenia was marked for destruction. The massacres of 1915 have been well documented and serve as a reminder that human life is the most precious resource entrusted to all nations.

The quality of life and protection of human rights vary from nation to nation. Cultural differences based on religion, population groupings, and tradition shape the uniqueness of nations and they should be preserved. International uniform standards for human rights are not necessarily the best way to protect human life.

What the United States and the entire international community must be observant of are wholesale attempts to obliterate human life. Mass murder occurred in Armenia in 1915, in Russia during Stalin's era, and in Germany under Hitler. These tragic massacres must never be repeated. Their memory will serve as a warning to free people throughout the world to cherish and protect their liberty.

In his book, "Armenian Atrocities—The Murder of a Nation," Arnold J. Toynbee attempted to prove a Turkish policy of deliberate extermination of the Armenian people. The following paragraph from his book states briefly how the massacre was carried out:

> In brief, the course of the campaign has been as follows. In the early winter, almost immediately after they had intervened in the war, the Turks took the offensive on a large scale across the Russian frontier, and sent another army eastward to invade the Persian province of Azerbaijan; both movements broke down, and before the spring of 1915 their forces had been driven out of Trans-Caucasia again and compelled to evacuate Azerbaijan, after a transitory occupation of its capital Tabriz. When the Russians began to cross the frontier in their turn, the Ottoman authorities in the border-province of Van let loose the Turkish troops and Kurdish irregulars on the Armenian population. In the countryside the Armenians were overwhelmed, but in the town of Van itself, when they had seen some of their leading men murdered, and massacre overshadowing the rest, they took up arms, expelled the murderers, and stood a siege of 27 days—1,500 defenders against 5,000 assailants equipped with artillery—till they were triumphantly relieved by the advancing Russians on May 17th. Thereby, the eastern shore of Lake Van was cleared of the enemy—the basin of Lake Van is the very heart of Armenia—and in the early summer months the Russian forces pushed slowly round the lake towards the west. But about the end of July, the Turks received heavy reinforcements, and resuming the offensive, succeeded in reoccupying Van. Again after three weeks they were ejected from their positions, and now the line runs approximately where it ran in June—right across the basin of Van, with the lake itself dividing the combatants. Once more the Russians seem to be slowly forging ahead, clearing the country of Turk and Kurd. But the geographical conditions are difficult, and the enemy is superior in numbers. The Russians may complete the liberation of Armenia in time; but meanwhile the worst catastrophes have occurred, and the peasantry that was anxiously awaiting their arrival has either been annihilated by massacre or scattered abroad in exile and destitution.

That the Armenians were not completely obliterated in 1915 is a tribute to their courage and determination. We must see that their struggle is never forgotten and we must be alert to any present day attempts of governments to mark particular groups for destruction.

PHASING OUT PRICES ON HEAVY FUEL OIL

Mr. McINTYRE. Mr. President, a resolution is before the Senate to stop the Federal Energy Administration from ending its price controls on residual oil; the heavy fuel oil that is used primarily to make electricity, run factories, and to heat large apartment and office buildings. As a strong advocate of a real free enterprise system—one that is free of control by a few companies as well as free of Government controls—I believe it is time for the Government to step aside, and gradually ease out of controls on petroleum products after it leaves the refinery. So I do not support Senate Resolution 432 to continue controls on this product.

In addition, looking back at the recent history of the residual oil market, it can be seen that consumers have substantially cut their use of electricity, and their use of heat and power in commercial buildings, and thus have helped decrease the Nation's need for residual fuel oil. This balance between supply and demand should help keep residual oil prices from rising very much, despite the fact that substantial imports of this product are still necessary.

But I wish to caution the oil industry—the independent suppliers as well as the major oil companies—that if I see any manipulation of supplies or substantial price increases, I will be prepared to introduce legislation to resume Federal price controls—perhaps permanently.

THE FUTURE REVISED: WAR CHANGES FASTER THAN EXPERTS PREDICTED

Mr. GOLDWATER. Mr. President, shortly the debate will begin on military authorization and as I have done for years, I will attempt to keep my colleagues posted on any developments in tactical and strategic approaches to military problems. Not too much has been written or said about the electronic advances made during the years of the Korean and Vietnam wars and only in the last several years have the Armed Services Committees begun to hear about this field from the military. The Wall Street Journal, as they have done before, is now publishing a series of articles which will touch on the changes in conventional warfare. I ask unanimous consent that the first article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FUTURE REVISED: CONVENTIONAL WARFARE CHANGING FASTER THAN THE EXPERTS PREDICTED

(By Richard J. Levine)

WASHINGTON.—Not long after the latest Mideast war, Malcolm Currie, the Pentagon's research and development chief, sketched for Congress his vision of war in the future.

Tactical advances, he said, foreshadowed "a true revolution in conventional warfare." Some of the new technology, in its Model-T stages, has already been proven in combat: unerring, precision-guided bombs and missiles, unmanned aircraft, remote electronic sensors. "Advances such as these, further developed and widely applied," he said, "can change a broad spectrum of conventional warfare in the next decade in the way tanks once revolutionized ground combat and radar revolutionized air defense."

As The Wall Street Journal again explores the nature of war in the year 2000, it's useful to note that military experts 10 years age failed to foresee the rapid emergence of the "automated battlefield" that already is becoming a reality. Though the technology of automated warfare was understood, the war in Vietnam greatly accelerated actual development.

Nor was that all the experts missed. They failed to anticipate most diplomatic, political and economic developments that have had a profound influence on military thinking and planning. They had no notion of a U.S.-Soviet argeement to limit offensive nuclear weapons, or of detente generally. They had no hint that American involvement in Vietnam would create a strong antimilitary mood, ending for at least half a decade near automatic congressional approval of defense budgets. Nor was there any sign that the U.S. would abandon the draft in favor of costly volunteer forces and that manpower expenses would consume 55% of the defense budget.

Finally, the experts were unable to foresee the explosion in the cost of modern weaponry fostered by inflation, the increasing complexity of weaponry and production problems. In 1967, weapons planners usually assumed that if something new and exotic could be built, it would be built. Today, cost constraints threaten to keep many futuristic plans on the drawing boards. Thus Pentagon experts are more cautious in their long-range predictions than their predecessors in the mid-1960s.

The U.S. is unlikely to become a garrison state. By 2000, one Pentagon forecast has it, military budgets probably will take up less of the gross national product than they do today—less than 5% compared with the current 6%. Inflation will eat up much of the increase in dollars, so that many analysts believe U.S. forces will number fewer than today's 2.1 million uniformed men and women.

A simple projection of current cost trends is unthinkable. If they do continue for a few more decades, says Army under secretary Norman Augustine, "we will quite literally be able to afford only one (type of) aircraft or, for that matter, one tank and one ship."

TOP PRIORITY TO NUCLEAR ARMS

"Cost is a huge consideration," says an Army general who oversees research and development. "We just have to consider the affordability of these modern technologies."

Still, much of the military hardware that will be in use at the turn of the century is already visible in research and development centers, because it can take 15 years to move a complex new creation from the research stage to active duty.

Twenty-five years hence, defense experts expect that strategic nuclear weapons, designed to deter atomic war, will still enjoy top priority. The arsenal is likely to consist, as it does today, of a mixture of land-based missiles, submarine-launched missiles and long-range bombers. But there will be important new departures.

Today's Minuteman III intercontinental ballistic missile will be supplemented by the larger M-X, a missile that may be more mobile and so less vulnerable. The giant Trident submarine, just going into production, will be the backbone of the undersea strategic force. The B–1 bomber, scheduled to move into production late this year, will still be on duty; it could be beefed up with highly accurate cruise missiles—jet powered computer-guided missiles that fly low and slow to escape radar detection.

UNMANNED FIGHTERS

For conventional ground warfare, the Army will be equipped with a new tank and a new mechanized combat vehicle that, in effect, allows an infantry squad to fight while riding. It will have electronically guided artillery shells that can easily hit moving tanks, a heat-sensitive infrared sensor system that allows soldiers to "see" through darkness and smoke, and "instant minefields" that can be fired by artillery or aircraft on advancing enemy troops.

The Air Force will still man fighter planes. But unmanned aircraft called remotely piloted vehicles (RPVs) will fly many reconnaissance and bombing missions, and some might be ready for air-to-air combat. Weapons delivered by the planes and RPVs will be much smarter than today's "smart" bombs, able to find and destroy their targets at night and in bad weather. Earth-orbiting satellites probably will help guide them.

Naval warfare seems less likely to change. At any rate many U.S. admirals insist that large nuclear-powered aircraft carriers should continue to be built at a cost of nearly $2 billion each. Still, defense experts in and out of government think the day of the giant carrier is nearing an end, and the search for a replacement is on. A Navy study suggests a relatively austere "air-capable" ship of about 10,000 tons that would be armed with antiship and antiaircraft missiles and verticle-takeoff fighter planes.

Even as they plan these and other weapons, however, defense officials have nagging doubts that they are preparing for the right kind of war. Ever since the withdrawal from Vietnam, the military establishment has turned its attention toward a possible land war in Central Europe, where 30 years after World War II, 600,000 European soldiers and 200,000 GIs still face 925,000 Soviet-led troops.

"For the foreseeable future we will continue to shape our forces against the only guys who pose a substantial threat," an assistant defense secretary says. "But the sophisticated weapons we're developing to take on the Soviets aren't the ones I would want for trouble with India or Panama."

Indeed, a growing number of defense analysts believe that the greatest danger to the U.S. in the closing years of the century will come from poorer, less industrial nations, and most likely in the form of terrorism rather than conventional warfare. "Between now and the year 2000, I think there is a major opportunity for a shift from East-West confrontation to North-South confrontation," an Air Force strategist says. "We've already seen the first evidence of this—in plane hijackings, kidnappings and small bombs."

In his study on "Transactional Terror," J. Bowyer Bell, a researcher at Columbia University's Institute of War and Peace Studies, found the U.S. a likely target of foreign terrorism. "Revolutionaries from abroad, attracted by soft targets, may strike at what they see as the center of the imperialist-capitalist-racist conspiracy," he said.

NUCLEAR TERRORISM

Large, complex industrial societies are increasingly vulnerable to the new generation of small, easy-to-operate, highly accurate missiles. Brian Jenkins, an analyst at the Rand Corp. "think tank", says such weapons "will undoubtedly find their way into the hands of terrorists." He asks: "What will happen when the 'Saturday night special' is not a revolver but perhaps a hand-held, laser-guided missile?"

A special horror is the prospect of terrorists armed with nuclear weapons, raising the spectre of what Mr. Jenkins calls "political extortion and mass-hostage situations on a scale that we have not yet seen." Other researchers worry about outright nuclear warfare touched off by the proliferation of nuclear weapons. Five members of a Harvard University-Massachusetts Institute of Technology study group concluded last year that nuclear war is likely to erupt before 1999, most probably between smaller nations in the Mideast, perhaps, or Africa.

"There are going to be an awful lot of people with nuclear weapons, and it's going to be awfully important to be able to intercept one or two of those weapons," a top Army official says. By a 1972 treaty, the U.S. and the Soviet Union each limited itself to a single antiballistic missile (ABM) site, and the U.S. is now abandoning its site in North Dakota. Now some analysts believe that the U.S. eventually will have to build new ABM defenses against threats from terrorists and smaller powers.

An Air Force general thinks an answer to such threats may lie in high-energy laser weapons, based in space, capable of destroying missiles with thin, powerful light beams. The Pentagon is spending some $200 million a year to develop more-powerful lasers. In this and in other research and development, however, defense officials are encountering serious technical and cost problems.

ARMS RACE TO CONTINUE

Such problems befell certain weapons projects described in this newspaper's 1967 look at war in the future. At the time, for example, the MBT–70 "dream" tank was to go into service in the early 1970s. After nine years of development, Congress killed the MBT-70 program in December 1971. The House appropriations committee saw it as "unnecessarily complex, excessively sophisticated and too expensive." It would have cost $1 million a vehicle and, the committee said, "no tank is worth that much money."

Most experts assume that the U.S. and the Soviet Union won't fight a nuclear war. But the strategic arms race, they think, will continue, only slightly slowed by arms control agreements. The U.S. is making modern its entire arsenal of long-range weapons.

Mr. GOLDWATER. Mr. President, we will be discussing laser-guided weapons, TV-guided weapons, and heat-seeking guidance systems. We will also be discussing multiplacid radar systems but probably the one weapon system which will personify the changes mentioned in the Wall Street Journal more than any other one will be the AWACS, which is the airborne warning and control system. This will be the command post for the battles of tomorrow, whether they may occur, and this aircraft can stand off a hundred or more miles and see the battlefield as clearly as if it were flying directly over it and because of this be able to direct other aircraft missiles, artillery tanks, and so forth, in a proper and quick way.

DEVELOPING LEGISLATION TO MANAGE OUR NATIONAL FORESTS

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of this body a brief paper prepared by an outstanding group of conservation and wildlife groups regarding the development of new legislation to manage our national forests.

There has been a great deal of confusion as to the approach which should be followed in developing new legislation. At our hearings on forestry management legislation, most of the major deans of forestry schools were recommending the approach utilized in S. 3091, the Humphrey bill.

This same approach is supported by the group of nine conservation organizations. They urge that the national forests be managed on a multiple use and sustained yield basis with ample opportunity for the public to participate in the process. The position of this group is that the new legislation should be based on the Forest and Rangeland Renewable Resources Planning Act of 1974 and the Multiple Use and Sustained Yield Act of 1960.

The group also recommended:

> New legislation should set forth policies and principles only. Congress should not attempt to specify practices the Forest Service must use in managing National Forests. Conditions on the ground are too varied and too complex for a prescriptive approach.

Mr. President, I view this as a very helpful document and a statement of principles which should be carefully considered in the development of our legislation. I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

April 16, 1976.

Hon. Herman E. Talmadge,
Chairman, Committee on Agriculture and Forestry,
Senate Office Building, Washington, D.C.
Hon. Henry M. Jackson,
Chairman, Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D.C.

Re: S. 2926 and S. 3091, bills relating to management of the National Forest System.

Dear Mr. Chairman: The accompanying statement, prepared by representatives of the undersigned national organizations, most of whom had been invited to appear before the joint committee hearings, presents the principles we believe should be incorporated in any new national forest legislation.

Sufficient copies of this letter and the statement are enclosed for distribution to Committee members should you desire.

Sincerely,

William E. Towell,
American Forestry Association.
John S. Gottschalk,
International Association of Game, Fish and Conservation Commissioners.
Mac E. Rich,
National Rifle Association of America.
Louis S. Clapper,
National Wildlife Federation.
Boyd L. Rasmussen,
National Association of State Foresters.
H. R. Nash, Jr.,
Society of American Foresters.
G. C. Radonski,
Sport Fishing Institute.
Fred G. Evenden,
The Wildlife Society.
Daniel A. Pasle,
Wildlife Management Institute.

National Forest Management Issue

This statement has been prepared by the undersigned national organizations to provide specific recommendations regarding national forest legislation now before the House and Senate committees.

We agree that legislation is urgently required to:

1. Resolve the situations created by the Monongahela and Tongass decisions.

2. Assure that the national forests are administered and managed on a multiple use-sustained yield basis.

3. Assure that the public is provided opportunities at periodic intervals and convenient places to offer comments and suggestions about national forest policies, programs and management directions.

4. Safeguard against recurrence of certain management practices, such as misapplications or excessive use of even-aged management and clearcutting which have been injurious, in places, to maintenance and protection of national forest resources and values.

It should be recognized that the U.S. Forest Service is not solely at fault for past management practices that provoked public criticism. Past administrations and Congresses share the responsibility. Manpower and funding denials have prevented the Service from mounting a balanced management program. Timber sale quotas have been linked to the agency's appropriations. Appropriations for resources management, while totally too small, have been disproportionally allocated among the resources.

Our recommendations are derived both from the Humphrey-Johnson bill (S. 3091 and H.R. 12503) and the Randolph-Brown bill (S. 2926 and H.R. 11894). We suggest the following major points, rather than language, and would be pleased to help develop or review language to accomplish these principles:

1. New legislation should be sought through the framework of the Forest and Rangeland Renewable Resources Planning Act of 1974. Full implementation of this new Act will assure that the Forest Service, Congress, and the Administration will be working from the same blueprint.

2. Any new legislation should reinforce the objectives of the Multiple Use-Sustained Yield Act of 1960.

3. New legislation should set forth policies and principles only. Congress should not attempt to specify practices the Forest Service must use in managing national forests. Conditions on the ground are too varied and too complex for a prescriptive approach.

4. New legislation should require the Secretary to develop and promulgate guidelines and standards for managing all national forest resources. For this reason, we endorse the provision in S. 3091 (Sec. 3) for amendment and expansion of Sec. 5 of the Forest and Rangeland Renewable Resources Planning Act, since, unlike S. 2926, it applies to all National Forest areas.

Both S. 3091 (H.R. 12503) and S. 2926 (H.R. 11894) call for promulgation of standards within two and three years respectively. S. 3091 calls for the adoption of interim procedures to guide land management planning within 90 days. This is important so that the public (1) may be provided early opportunity to learn how the Forest Service intends to plan and (2) adequate time is provided to evaluate the procedure before it ultimately is approved. The wording should be checked carefully to make sure that all national forest resources and values are included within the planning scope.

5. As a matter of policy, we favor working toward the goal of balancing the production of all renewable National Forest resources at those levels that can be maintained on a sustained yield basis for each land management unit. This policy should reinforce the multiple use-sustained yield philosophy.

6. We favor the preparation and publica-

tion of multiple use-sustained yield management plans (ref. Sec. 15 of S. 2926 and H.R. 11894). The land management plans called for under Sec. 5 of the Forest and Rangeland Renewable Resources Planning Act should be completed by interdisciplinary teams on a realistic legislated time schedule for all management units of the National Forest System. Public involvement must be encouraged. Sec. 5 of the Forest and Rangeland Renewable Resources Planning Act should be amended to accomplish these objectives.

7. We favor paragraph (g), Sec. 15, S. 2926 (H.R. 11894) prohibiting the Secretary of Agriculture or any other officer of the United States from setting, or causing to be set, "the amount of timber to be harvested from any National Forest except as arrived at through the process of a multiple use-sustained yield plan." Changes in land use allocation or management goals for timber or other resources should not be made unless called for in land management plans.

8. We favor language to limit, in general, the length of long-term timber sale contracts. Long-term contracts restrict management flexibility, hinder the implementation of new knowledge, and may create environmental problems.

9. We urge that the Secretary of Agriculture be directed to give attention to the Church Subcommittee guidelines in developing the silvicultural guidelines in Sec. 3 of S. 3091 (H.R. 12503). It should be recognized that the silvicultural system of clearcutting has been misapplied in places on the National Forests in recent years. Congress should leave no doubt about the public's desire for greater discretion in the use of this practice. We believe that the rotation ages for various species of timber on the National Forests should be those which are suited to the purposes of management under the policies of the Multiple Use-Sustained Yield Act.

10. We favor further amendment of Sec. 3 of the Forest and Rangeland Renewable Resources Planning Act (ref. in Sec. 2 of S. 3091 and H.R. 12503) to require that the Renewable Resource Program contain recommendations for new legislation or amendments to existing statutes to provide for an internally consistent, comprehensive policy for the administration, use, and protection of the National Forest System.

TAFT DEFENSE WHITE PAPER

Mr. FANNIN. Mr. President, Senator Robert Taft of Ohio has recently provided to the Members of the Senate a white paper on defense, entitled, "A Modern Military Strategy for the United States." The main theme of this paper is that the United States is by nature a sea power; yet today, American sea power is being effectively challenged by the Soviet Union.

I fully share Senator Taft's concern for the United States-Soviet naval balance. As the Senator's paper notes, the facts give us little comfort as to where that balance now stands. The United States now has 361 warships; the Soviet Union has 1,512. The United States leads in aircraft carriers: We have 13 to the Soviets total of 1 undergoing trials and 2 building. In other classes of ships, however, the Soviets are equal or ahead. We have 27 cruisers, they have 31; we have 69 destroyers, they have 95; they outnumber us heavily in all categories of smaller warships; and perhaps most critically, the Soviets have a huge fleet of 335 submarines. In contrast, the United States has only 73 subs.

The Taft paper does a good job of explaining what these numbers mean in terms of real capability and relation to national needs. The mission of the U.S. Navy, sea control, is much more difficult than the sea denial mission of the Soviet Union; it is easier to cut sealanes than it is to defend them, as the German Navy showed in World War II. Also, the Soviet Navy is designed to be able to effectively threaten the few aircraft carriers around which our fleet is structured. The Soviets can today launch over 100 antiship missiles for each U.S. carrier, without reloading a single missile launcher.

The Soviet submarine threat appears to be very serious, perhaps the most serious danger we face from the Soviet Navy. In World War II, a very small number of German submarines was almost able to defeat England, despite large numbers of destroyers and antisubmarine aircraft on the allied side. Today, we have fewer antisubmarine systems; the Soviets have six submarines for each the Germans had in 1939; and the relationship between the submarine and the antisubmarine forces has altered in favor of the submarines.

I agree with Senator Taft that the United States must view this development of Soviet naval strength with the utmost concern. Not only does our economy depend on imports and exports and on imported raw materials, but our land forces are of little or no use unless we can use the sea lanes to move and supply them; our opponents lie overseas, not overland. In this sense, naval power is the first and primary requirement for us, simply as a factor of our geography.

I hope that my colleagues will read Senator Taft's paper with attention. The plan the Senator from Ohio offers is innovative and thoughtful. It deserves to be considered objectively by the Members of the Senate and by the Defense Department. I am certain that it will provide a most useful basis for future public discussion of these vital issues.

MATT DeMORE

Mr. WILLIAMS. Mr. President, the recent passing of Matthew DeMore saddened those who knew Matt over the years as a trade unionist and later as one of the statesmen of the senior citizens movement in this Nation.

Matt worked over the decades to strengthen the International Association of Machinists, AFL–CIO and was serving as IAM general secretary-treasurer when he retired in 1969.

Despite retirement, Matt maintained his interest in public issues. He became first vice president of the National Council of Senior Citizens and then chairman of Concerned Seniors for Better Government.

Matt saw a great deal of change in his two careers, and he was able to keep up with it and even to transcend it. His major concern always was the well-being of his fellow Americans, whom he saw not in the mass but as individual persons with needs and hopes and dreams.

Mr. President, the April 1976 issue of the IAM publication, the Machinist, carries an article describing Mr. DeMore's lifetime and achievements. I ask unanimous consent to have it printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

IAM Mourns Loss of Matt DeMore, Retired GST, Best of Trade Unionist

Matthew DeMore, retired IAM General Secretary-Treasury, one of the leaders who rebuilt the union after the great depression of the 1930's, is dead at 72. He died Mar. 17 at George Washington University Hospital, Washington, D.C., after a long-losing battle with leukemia. IAM President Floyd Smith led the union's tribute:

"Matt's career typified everything that is good about the trade union movement. From maintenance machinist in Cleveland, through his years as international union officer, and right on through his retirement, Matt DeMore worked for others. He was kind, thoughtful and forceful.

"His loss will be felt by his friends, by this union he served so well and by the senior citizens, for whom he worked so hard after he retired."

IAM General Secretary-Treasurer Eugene Glover, who succeeded DeMore in 1969, credits him with developing the computerized record-keeping system at headquarters.

"He knew first-hand all facets of our organization. He learned the hard way by coming up through the ranks," Glover said.

DeMore left high school at 16, became a blacksmith's helper on the Michigan Central Railroad at Detroit. Soon he was back in his native Cleveland working as a maintenance machinist at what became GE's vacuum cleaner division. When industrial union organizing began in 1935, DeMore helped organize his plant, fought off Communist efforts to put it into the UE, and supported affiliation with the IAM. He joined IAM Local 439, serving as shop steward and, the next year, as local president. In 1938 he was elected President of IAM District 54. For 22 years thereafter, he was re-elected to that office annually.

Under DeMore, it became one of the union's largest and most influential Districts. In the 1940's DeMore ran for Congress unsuccessfully and had his skull cracked by mounted police while walking a Pipe Machinery picket line. He became Legislative Director of the Ohio State Machinists Council, Vice President of the Cleveland Fed and a Vice President of the Ohio AFL–CIO.

In 1941 he was elected to the IAM Law Committee, a position he held until 1961 when he was elected IAM Vice President. He was assigned to the Northeast Territory with offices in New York City—which he loved. Later he moved to Washington as Resident Vice President. In 1965, the year Roy Siemiller became International President, DeMore moved up to General Secretary-Treasurer. He retired in 1969.

It was then that Matt began a new career serving the nation's senior citizens. He was elected first vice president of the National Council of Senior Citizens and chairman of its political arm, the Concerned Seniors for Better Government.

DeMore is survived by his wife, Mary; one son, Matthew DeMore, Jr.; four daughters, Mrs. Dorothy Malaney; Mrs. Marie Sheehan; Mrs. Dolores Streng, and Mrs. Alice Adams; 19 grandchildren and three great-grandchildren.

DeMore was returned to Cleveland for burial.

THE NATIONAL ANTIENERGY POLICY

Mr. CURTIS. Mr. President, I commend Senator McClure for his contribution to the development of a viable national energy policy. Recently, he addressed the Rocky Mountain Oil and Gas Association in Boise, Idaho, concerning the "National Antienergy Policy." I believe the speech is a positive contribution to our continuing discourse on energy policy. I ask unanimous consent that the address by Senator McClure be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

The National Anti-Energy Policy

There are many of us in government who know that the basic energy needs of the American people could be better met with less government interference. Or, more simply stated—the less government, the more energy. But our government—especially the Congress—is steadfastly hindering domestic energy production by heaping on more and more regulations and controls. At every turn the federal government is employing stalling tactics, court actions, and political tactics that block energy independence. Unless we are determined to become an OPEC puppet, what we must do is clear—get the government out of the energy control business and increase our domestic supply of energy.

I remember hearing this basic theme repeated often by an enlightened minority in the early 1970s—that time period when our dangerous decline in domestic capability became unquestionably obvious. Several people came before the House Republican Task Force on Energy and Resources during 1971 and told us quite accurately "the domestic energy industry could keep the U.S. as independent as is desired." At that time, I was Chairman of the Task Force, and I do not believe that the significance of the phrase "as is desired" was truly understood. How could anyone not desire to be independent? Unfortunately, the past years have proven that there are those who will place personal political or philosophical concerns ahead of the need for energy independence for the United States.

In early 1972, the then-Chairman Wayne Aspinall held hearings of the House Interior Committee, in an effort to alert the American people to the impending energy crisis. But, as we all know, the Administration, the press, and a vast majority of the Congress refused to accept his ominous—and since vindicated—call for emergency actions.

Before I continue let me define what I mean by the overused—and misused—term "energy crisis." To me, a crisis is defined as "the turning point for better or worse." In that sense, we have passed through our energy crisis. During 1973 and 1974, we reached our "turning point." And, as we all know, we turned for the worse.

But what are the consequences of our not paying heed to those who warned of our dwindling domestic capabilities? Today, we have to import over one-third of our basic oil needs. And what is the Congress doing to get us out of this situation? Why, we are hampering domestic energy production further by imposing more regulations and controls.

During the House-Senate Conference leading to the Energy Policy and Conservation Act, a small minority warned that the regulatory authority proposed for FEA would actually prevent the United States from achieving independence from foreign oil suppliers. Even though one of the goals of the EPCA is supposedly to decrease oil imports, the so-called "composite price" regulatory approach would actually increase the need for OPEC oil.

As we all know, the small minority lost and FEA's support for the "composite price" prevailed. On March 4, 1976, however, FEA published its statement concerning implementation of this irrational approach to energy regulation. It is now evident even to FEA that the "composite price" regulations will produce serious disincentives for the production and exploration of oil in the United States. In other words, under these regulations the supply of domestic oil will continue to decrease, with increasing imports left as the alternative. And under the so-called "entitlements" program, FEA has already provided financial incentives for increasing imports.

The combination of the "composite price" and "entitlements" regulatory approach ensures the continued growth of OPEC oil sales. It was for this reason that I labeled EPCA as "The Oil Importers Relief Act of 1975."

It is hard to believe that the Federal regulatory agency responsible for increasing the security of our energy supplies should be enforcing regulations which penalize domestic production and reward foreign imports. But, look at the facts. The latest FEA reports on oil imports show that the major source for foreign crude in January, 1976, was Saudi Arabia, which provided 23% of the total. In addition, Libya supplied another 9%. So, these two Arab countries together provided us with over 30% of the 5 million barrels per day of crude oil imports during that month. And, what does FEA now see for the future?

The latest FEA projections are for oil imports to reach 8 million barrels a day by early 1977. Looking at a comparison between 1975 and 1974, we can see where the increases will come from. For example, our imports from Algeria increased 48% between those two years. Imports from the United Arab Emirates increased 96% and from Kuwait, 270%. During the same time, imports from Canada, Venezuela, and Iran dropped. There can be little doubt that future increased demand for foreign oil will have to be met by the Arab nations, including several who presently consider themselves to technically be at war with Israel.

We should also closely examine the potential price increases to be expected, as a result of the present national anti-energy policy.

On March 31, the Henley Center for Forecasting projected world oil prices as doubling over the next 15 years. The Center—located in Britain—projects that the present price of $12.50 per barrel charged by OPEC will rise to $16.00 by 1981 and to between $22.00 and $28.00 by 1991.

Now, some of you may remember that the Center had previously projected a stabilization of oil prices after 1970. Why the drastic change? The Center's director provides us with the answer. He concluded that this reversal was caused by "the impact of U.S. energy policies." In other words, the current course of U.S. energy policy will certainly result in increased U.S. oil imports, according to the Center's evaluation. This increase removes the stabilizing influence that would have resulted from a decrease in U.S. dependence.

It is indeed ironic that the Energy Policy and Conservation Act, passed last year by Congress supposedly to help the consumer, will actually result in much larger consumer fuel bills in the years ahead. And, when this realization finally becomes too obvious for even the Democrat-controlled Congress and the national news media to ignore, we will also find that our capability to decrease oil imports has been greatly weakened. All of this in the name of protecting the consumer from higher prices and increased oil imports.

I do not see any signs of the Congress improving, either. Since S. 622, the Congress has been considering forcing divestiture upon our oil industry.

Not surprisingly, this issue has received considerable publicity. Many view divestiture as some sort of panacea to our energy problems and hail the proponents of divestiture as heroes. But these same people who favor divestiture choose to ignore the tyrannical approach towards penalties—supported by those same politicians who constantly demand leniency and forgiveness for convicted murderers, rapists, and self-styled revolutionaries. A close examination of some past proposals reveals dramatic insight into the thought processes and attitudes of many of our politicians—and their staffs—when the subject under consideration is energy.

One proposed penalty for corporations violating the "divestiture" requirement alone would have been harsh enough.

It included a fine not to exceed $5 million or suspension of the right to do business in interstate commerce for a period not to exceed ten years, or both. But, now look at the punishment for individuals. His—or her—fine would be $500,000 combined with a threat of ten years in prison. And, this penalty would apply not only to violations by commission, but also to violations by omission. In other words, if an individual did not "authorize, order, or do any acts" which would prevent or correct violations of the law, they would be considered guilty and subject to fine and imprisonment. I believe that this Spanish-inquisition approach to justice is extremely revealing of what the Congress's attitude is toward domestic energy industries.

I could easily talk for the rest of the day about the history of the energy crisis and how we arrived at our present situation. But instead I would prefer to talk about the future. Basically, where do we go from here in meeting future energy needs? And, by future, I am now talking about the next ten years.

It has become obvious—I hope—that new sources of energy just will not help that much. Even if present proposals for shale oil development and gas from coal were allowed to proceed unhampered, the production levels that would be available by 1985 would be negligible, in relation to overall demand.

Insofar as nuclear energy is concerned, it takes over ten years to build a nuclear plant, if you're lucky.

And a handful of dedicated lawyers can stall construction in the courts even longer. Coal reserves are, of course, abundant, but I am not optimistic about a change in the government's attitude toward its development or use. And, taking into consideration the present attitude of the Democrat-controlled Congress towards the domestic oil and gas industry, just slowing down the production decline is going to take a major effort. Maintaining a constant rate of production for the lower-48 oil will, in my opinion require a radical change in direction by the Congress, which will mean a major change in attitude by the American people. In conclusion, then, the force of existing government policies on energy is aimed directly at continuing and increasing our excessive levels of oil imports.

Now, as I have discussed, this dangerous situation is one that many of us here today foresaw and accurately predicted. But, the fact we were ignored in 1971 does not mean that an attitude of "I told you so" will solve anything. As we have seen, the response to government-induced fuel shortages has been to increase government controls. This, no doubt, will lead ultimately to total government control. Not government ownership—which can be defined as socialism. But government control—which has been defined as fascism. And the results of government control over energy production is always the same—energy shortages, rationing, and economic depression. I am getting very impatient with the Congress's inability to learn its lessons.

So, while we are fighting the battles necessary to increase domestic energy supplies, what will our choices be for providing the basic crude oil and refined petroleum products necessary for maintaining our economic and social system? Unfortunately, we will have no other choice but to import more and more oil—just the thing some of us warned would happen and fought against. But, we lost, and physical realities dictate that it will take several years—at best—to regain the domestic capability necessary to reduce imports to a relatively safe level, which is probably somewhere between 10 and 15% of total oil supply. At this level, we can live with embargoes or involuntary interruptions in supply. We can also exercise a greater role in determination of prices.

And when we talk imports, just where exactly are we looking? I hope not the Soviet Union. It is not often that I agree with Professor Adelman at M.I.T. concerning energy. But I have to say that his analysis of what the consequences would be if the U.S. bought oil from the Soviet Union is very accurate.

The amounts that would be involved in such a transaction would, of course, be relatively small—200,000 barrels per day, at most, But, as Dr. Adelman says, nevertheless "OPEC will be holding their sides in laughing." The oil would most likely be OPEC oil which the Russians would have bought to resell to us. I have yet to understand how buying Iraqi oil from the Russians will improve our oil situation. I would think it would be simpler—and just plain cheaper—to buy oil directly from Iraq.

Another serious deficiency in this proposal that is always overlooked by its proponents is the oil industry's reluctance to receive crude from a questionable origin. Anyone can understand the risks that would be involved. After all, how could the Russians send us oil—claiming that it is theirs—if they supply us with specifications bearing a remarkable resemblance to 36° gravity Kirkuk crude. And, as one oil supply manager predicted, "We will probably just end up with another set of government regulations telling us who will buy how much Soviet crude and when." This proposal is an empty meaningless gesture. Instead of negotiating with the Russians for the oil, let us start talking seriously with the Iraqis and the Indonesians about getting enough oil to bring us through the next five years—or, until we can finally get our country back on the track.

My discussions with leaders in some of the OPEC countries—such as Saudi Arabia and Kuwait—have revealed a common desire that exists between us. That is—we are reluctant to import large quantities of their oil and they are reluctant to export large quantities. On the surface, this seems like a very good arrangement. But, we did not hold up our side of the equation. Due to short-sighted, political decisions, we began demanding more oil. When asked by a top government official in Saudi Arabia why we were not moving more quickly on alternative energy sources, I had no ready answer and had a most difficult time explaining the Congress's lemming-like approach to energy security.

In summary, I believe that our energy decisions from this date forward have to recognize two facts.

One—domestic capability has to be dramatically increased, and two—even under the most optimistic and favorable response, a lead time of at least five years is necessary during which OPEC imports will be vital. To offset such imports—as unwelcome as they are—will require a major increase in exports, particularly to the producing countries of the Middle East and North Africa.

What will happen if we fail to either increase domestic energy supplies—especially oil—or successfully manage the massive import/export balance associate with OPEC sales? The results will be immediately evident and all-encompassing. When we talk about energy, we are really talking about the economy—jobs, taxes, goods and services, and the basic strength of our society.

The future economic well-being of our nation depends on how we handle our energy problems now. I believe that Wally Hickel, past Secretary of the Interior, expressed very well the significance of energy during a speech in Geneva, Switzerland, by saying: "Show me any area in the world where there is a shortage of energy, and I'll show you basic poverty."

And that is what it is all about—do we want to maintain and improve the standard of living for all Americans? Do we want to have available the energy and resources necessary to carry out our national goals and policies? And do we want to provide the basis on which future generations may enjoy the benefits and opportunities which we have had? I believe the answer of most Americans is "yes."

OUR NATION'S WORD MUST BE HER BOND

Mr. GOLDWATER. Mr. President, I have given several speeches recently about defense and about the benefits earned by members of our armed services. I have been receiving hundreds of letters in the past 2 months from people who are concerned about these subjects and who feel that their views are not accurately represented by the majority in Congress. One such letter came from a retired Air Force lieutenant colonel, Daniel F. Derrick, now an attorney in Marble Falls, Tex. He says that Congress can recognize the challenges to our Nation's freedom and has an even better opportunity to do so than does the average citizen—yet Colonel Derrick is concerned that all he hears with regard to the defense establishment is "rhetoric, political mish-mash and broken promises." Mr. President, I ask unanimous consent that Colonel Derrick's entire message, in the form of an open letter to the Congress of the United States, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OUR NATION'S WORD MUST BE HER BOND

When I, and thousands like me, became members of the Armed Forces of this great country in 1939–1940, war clouds, black and ominous, were boiling up on the horizon. We were the volunteers. A couple of years later, in 1941, this country called and millions more responded, eager to do the fighting to sustain yours and our freedom, health, welfare and happiness against our Nazi and Facist enemies in Europe and the Pacific. After nearly five years of hellish war, we became acclaimed and vaunted heroes of a grateful nation. Most of those veteran heroes left the uniform for civilian pursuits only to be asked again four or five years later to reshoulder the battle ax against our Communist enemies in Asia. Again, four years later, many left the uniform and again for civilian pursuits. Many of us by this time had accumulated, in two long wars, over ten years of military service and had civilian pursuits disrupted twice. Dark clouds of strife were still in the air because of a continuing cold war and we were asked to stay in uniform and give our country our experience in building a defense posture second to none. We stayed on in the '50's and '60's to build the greatest of defense establishments based upon promises our grateful nation made through you, our legislators—promises of retirement with disability coverage, medical benefits, commissaries, PX and other fringes. We took our country at her word through you, our legislators, who spoke for her by enacting legislation *confirming* those promises. Then, again a tremendous explosion in Asia set off a conflagration in Viet Nam, requiring this nation to make good on *your* promises to the little nations to keep them free. You shoveled out this nation's wealth foolishly and with abandon as though there was no bottom to the well. You adopted, for us, the role of international policemen, and again called upon us to again reshoulder the battle ax, not for the nation's defense this time, but to keep *your promise* to our neighbors. We responded again and you, our legislators, made many more promises.

Today, our nation faces the greatest peril of its 200-year life—being smothered and suffocated to death by a force fast becoming, if not already arrived at, surpassing our ability to counter a challenge like 1941, 1950 and 1962. You, our legislators, can see this threat to our nation's life as well as or better than we because of your vantage point, and yet, what we get from you with regard to our defense establishment is rhetoric, political mish-mash and broken promises.

The one thing this nation has that is stable, that has always been there time and again for muster when called upon, is its people. You are turning them off. If an American citizen were to advocate to another American citizen that he should not respond to our nation's call when needed because our nation breaks its promises to its people, you would call it (have called it) treasonous and traitorous. What do you call your action in causing an individual to refuse to respond to his nation's call because of your broken promises to him?

The veterans and retirees from military service were your defenders of the past. Broken promises to those past defenders will engender a "no defense" for the future. This we, the nation, cannot afford at any price.

Think on it! If you legislators haven't the guts to bite the bullet and see to it that this nation's integrity is absolute and her promises are her bond, then move over and out and provide room for those who can and will.

DANIEL F. DERRICK,
Lieutenant Colonel USAF (Ret.).

HOW MODERN LIFE CAN DAMAGE YOUR HEARING

Mr. McINTYRE. Mr. President, I was pleased to read in the May 3 issue of the U.S. News & World Report an article that illuminates several problems looked into by the Senate Select Committee on Small Business last year. The article, "How Modern Life Can Damage Your Hearing," covers an interview with Dr. Wesley H. Bradley on the dangers of noise pollution, the causes of hearing loss, and the methods by which hearing loss can be corrected. Dr. Bradley's comments reinforce the testimony gathered at our hearings last July on the physiological, economic, and social problems associated with industrial noise.

During those hearings expert witnesses told us that, in addition to damaging the hearing mechanism, evidence exists to suggest that noise contributes to gastrointestinal, cardiovascular, and neurological ailments. Other possible psychological effects mentioned by witnesses were irritability, fatigue, and social conflict. Several witnesses declared that noise is one of the major public health problems facing the public today.

Dr. Bradley's reference to loud rock music brings to mind a demonstration of noise sources made during earlier hearings on the hearing aid industry, when officials of the Environmental Protection Agency reproduced several different loud noises. One noise source demonstrated was a rock band which generated noise at the same decibel level as a jackhammer.

EPA also demonstrated what it is like to lose one's hearing. Using a recording of a man talking, higher frequency sounds were screened out gradually until all we could hear were muffled mumblings of a speech that had been heard clearly a few minutes earlier. This demonstration was frightening, and I think anyone experiencing it would certainly be moved agressively to protect his or her hearing.

Mr. President, I hope that the American public will become more aware of how loud noise can damage their hearing. I am delighted that the U.S. News & World Report carried this worthwhile article and respectfully ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

How Modern Life Can Damage Your Hearing

Interview With Dr. Wesley H. Bradley, A Leading Medical Authority

Just how dangerous is "noise pollution"? What else causes hearing loss—and what can be done to cope? For answers to questions affecting millions, the magazine invited Dr. Bradley to its conference room.

Q. Dr. Bradley, is it indisputably true that today's "noise pollution" is causing many people to lose hearing?

A. Yes, we do feel there is a definite increased incidence in hearing loss due to the amount of noise that's in our environment. Factory machines, diesel trucks, jet airplanes—all are examples of noise that can cause hearing loss, especially if a person is exposed to it repeatedly and over prolonged periods.

If you get enough rest away from the noise, the effect on your hearing is usually reversible. But if you go beyond a certain intensity level and the exposure to the noise is long enough, then permanent damage to hearing can result.

Q. What other kind of noises can cause loss of hearing?

A. Surprisingly, many possible sources of noise-induced hearing loss may be in your own home. I'm talking about noise from power lawn mowers, chain saws—even some garbage disposals, dishwashers and vacuum cleaners. Most people don't realize how loud these devices can get.

Q. Parents are continually warning their children that they'll hurt their hearing by listening to loud rock music. Are they right?

A. Yes. Rock music can very definitely be a cause of hearing loss, and the practice of young people in amplifying it excessively is particularly bad. It can really damage your ears. As a matter of fact, the Institute [National Institute of Neurological and Communicative Disorders and Stroke] recently supported an interesting study in this area. Researchers took some chinchillas—small animals often used in experiments on noise exposure—and put them in a discotheque where they were exposed to the same amount of music that people listen to for a number of nights.

When the inner ears of the chinchillas were examined, one could see definite changes indicating permanent damage that would be consistent with noise-induced loss of hearing.

We have found, incidentally, that the most frequent victims of this type of hearing loss are the musicians themselves as they are exposed to the noise over long periods and often in confined areas.

Q. How many people in this country suffer from hearing problems?

A. Between 14 and 15 million people have a significant hearing handicap—one that interferes with everyday communication.

Of this number, nearly half a million are the profoundly deaf. They cannot hear even with the most powerful hearing aid, and have to resort entirely to speech reading or other aids to communication.

Q. Can hearing problems be inherited?

A. Yes. There are many different types of hearing loss with a heredity factor involved. One example is a condition called "otosclerosis." This affects the bone structure of the ear and tends to be passed down through families, sometimes entirely skipping a generation. It is more common in females, though we don't know why.

Q. Do you find that more women than men suffer from hearing trouble?

A. It's the other way around, in fact. Slightly more men than women have hearing loss, but the difference is not significantly great.

Q. Is age a factor in hearing loss?

A. Yes, indeed. The age factor is most important. What most people don't realize is that the effect of aging on our hearing often starts earlier than we think.

We used to believe that hearing loss due to age didn't begin until we got into our 60's. That's not true. It starts much sooner than that. Most of us are showing some hearing loss that can be clinically measured by the time we are in our 40s—certainly by our early 50s.

Q. What sounds do we miss first?

A. Usually the high-frequency sounds are the first ones lost as we grow older. For this reason, people aged 45 or older who are so concerned about getting a high-fidelity record player to reproduce the very highest frequencies might as well forget it. They probably aren't going to be able to hear those sounds anyway.

For the same reason, wives of men in this age bracket should have patience if their husbands occasionally fail to hear them talking. The wife's higher-pitched voice is simply more difficult for the husband to hear.

Q. Besides noise, what are some of the other common causes of hearing loss?

A. Accidents and injuries frequently damage the hearing system. Any type of blow on the head, for instance, can result in a loss of hearing. It can be permanent, too.

Children who are slapped on the ear can suffer a ruptured eardrum. Fortunately, such an injury will often mend itself or can be surgically repaired.

Q. What about diseases?

A. Certain diseases do result in hearing loss. If a pregnant women contracts rubella—German measles—in her first three months of pregnancy, the hearing of the unborn child may be affected.

Mumps also can cause hearing loss, and almost any of the viral diseases can affect the inner ear.

Q. We've heard about a disease called "Ménière's syndrome." What is its connection with impaired hearing?

A. Ménière's disease is an imbalance of fluids in the inner ear that can affect both hearing and the sense of balance. It's a disorder that usually occurs in early adult to middle life. Often it will be accompanied by a ringing in the ears—what we call "tinnitus."

As a result of overaccumulation of inner-ear fluid, the patient will experience a loss of hearing that comes and goes. Most often the disease is progressive and involves imbalance or dizziness that can be almost disabling.

We don't know exactly what causes Ménière's disease, although it's generally felt that, in many instances, the overall metabolic system of the body is involved. In some cases, however, it can start from problems within the ear itself.

The usual treatment is a medical program aimed at preventing a build-up of inner-ear fluid. In those cases where such medical treatment is not effective, surgical procedures can be used.

Q. What are the early symptoms of hearing loss?

A. Very often the first indication is that a person notices that he's missing parts of conversations. It is most evident when there is some sort of distracting background noise—talking, music or whatever.

Q. Is ringing in the ears a sign of hearing problems?

A. Usually, yes. In fact, many people will be aware of a ringing in their ears before they are aware of the fact that they are losing some sense of hearing. With individuals who develop a loss in the nerve part of the ear, there almost always is a ringing sensation.

Q. Does the ringing go on constantly?

A. It often is a constant thing, but it will fluctuate as the individual fluctuates. When the patient is working hard and under tension, he'll notice it more. If he relaxes and plays golf or something he especially enjoys, it may be less apparent to him. But if he stops and listens, the ringing is still there.

We don't usually realize it, but there is a certain noise level or sound in our ears all the time. If we get into a quiet enough place, we can hear it.

I often use this analogy with my patients: If you're driving along in your car and the engine is well tuned, you hear the engine and yet you don't hear it. But if something goes wrong and you suddenly develop a knock in that engine, then all you hear is the knock. The same thing happens when the functioning of the inner ear changes.

Q. Does this ringing sensation bother people much?

A. Oh, yes.

In most cases, no matter how loud the sound is in a person's ear, only they can hear it. I've had patients tell me: "Put your ear up against my ear. You've got to be able to hear that ringing." Well, ordinarily you can't hear it, and in some ways that bothers the person even more.

The ringing sensation is very disconcerting to people who don't realize what is happening. It can be quite frightening. Some people worry that it may mean an impending stroke or a brain tumor.

In fact, it usually means none of these things. But, most important, it serves to bring people to a doctor, who can give them a careful examination to determine the cause of the ringing and advise them accordingly.

Q. Discovering that your hearing is going bad can be a pretty severe psychological shock—

A. It can. And it can affect not only the person concerned but his entire family. Take the child who has been born deaf. This inflicts a total change on the life of that child's family. Say that they've had two other normal children, and suddenly they have a child who is totally deaf. Often the parents either direct all their attention to the deaf child, or they shun him completely.

It can be just as tragic at the other end of the calendar. Some of the hardest things we see are what happens phychologically to older people as they begin to lose their hearing. Take a person who has been very vigorous and active. All of a sudden he finds that he's not hearing as well. He's afraid that he's going to make mistakes, so he begins to pull away from people. Pretty soon he's not certain of himself, and as time goes on he may withdraw completely from contact with others.

Or we'll see the opposite. An older person with hearing loss may overcompensate. He'll hide behind bravado and conceal the fact that he's not hearing. He can make a fool of himself in many situations.

All of these people need counseling, support and understanding.

Q. Can deafness be faked, or perhaps originate from mental instead of physical causes?

A. Yes. Most ear doctors will see some of these patients, although not a large number.

In today's society, the potential of financial gain can be the basis for pretending to have hearing loss. We always have to be aware of that possibility. Usually, though, we soon become suspicious, and proper testing can uncover a faker.

At the other extreme are the so-called functional losses of hearing that are not done intentionally. I have seen many of these. Very often it will be a child whose teachers think he has a hearing problem. At first, tests seem to indicate that there is a hearing loss. But everything isn't quite right, and as you get into it, you can pretty well demonstrate that something else is going on.

It may be a child who feels that he's been neglected—that another member of the family is getting all the attention. This is his way of getting people to notice him.

Once recognized, these types of cases are reversible, although it isn't always easy to handle the psychological problems.

Q. While we're on children: Is hearing loss among them much of a problem?

A. It's a very major problem if it is not recognized early in the child's educational process. Poor hearing immediately puts a child at a disadvantage. Fortunately, most schools today have screening procedures that are quite effective in picking out the youngsters with problems.

WHY SOME BABIES MAY BE BORN DEAF

Q. Can newborn infants be tested for hearing trouble?

A. We're beginning to learn techniques which can screen babies in hospital nurseries. It's not a matter of routine yet, but I think eventually it will be in most hospitals.

Already, though, the high-risk infants are being checked in many hospitals for possible hearing loss. These are the babies whose mothers have had problems during pregnancy, whose parents may have incompatible Rh blood factors, or a child who experienced a difficult delivery. Any premature infant—one born a month or six weeks early—is definitely a high-risk child so far as hearing is concerned.

If the hearing problem is mechanical—that is, in the outer ear—there is a very good probability that something can be done for him at the proper time. It may have to wait a few years while the child grows, but it usually can be helped. But if the trouble is in the nerve part of the ear of a newborn infant, unfortunately at the present time we can't do much to correct the hearing loss. A program of special education should be started as early as practical for such a child.

Q. Are there different kinds of hearing loss, Doctor?

A. Yes, there are two main types of hearing loss. They are very different, and the medical approach to treating them also is different. It's important to understand this, so I'll take a minute to explain:

Think of the ear as a two-part system. The outer part is primarily a mechanical system which picks up and conducts sound waves through the ear canal to the eardrum, causing the eardrum to vibrate. The drum is attached to three little bones—the hammer, anvil and stirrup—which transmit the sound to the interface of the inner ear. So we have the transmission of sound energy from outside the body to the inner ear with an increase in intensity but without distortion.

Then we have the inner part, or the nerve system. At the junction of the two systems there is the transfer of sound energy from an air medium in the outer ear to a fluid medium in the inner ear. Inside the inner ear, the sound creates a wave in the fluid that stimulates thousands of sensory cells called hair cells. These are very specialized cells which convert the mechanical energy into electrical energy—nerve impulses—by means of a biochemical process. Precisely how this process works is still not completely known, and it may hold the answer to many of our as-yet-unanswered questions about the ear.

The resulting nerve impulses are transmitted along the hearing nerve into the brain for interpretation, processing, storage, recall, and so on. This remarkable process takes place every time we "hear" something.

Q. And there are different types of hearing loss that affect the outer and inner ear—

A. Exactly. Some types of hearing loss occur entirely in the mechanical part of the ear, some only in the nerve part of the ear, or we can have a combination of both.

Q. What sort of loss happens in the outer ear?

A. One of the simplest kinds is a blockage of the ear canal, say by a plug of wax. Or it could be a hole in the eardrum caused by poking something into your ear. It might be an infection that ruptures that eardrum, which then fails to heal. The condition I mentioned before—otosclerosis—produces a growth of bone around the stirrup, and blocks its movement.

Almost all of these mechanical problems can be treated medically or surgically with an excellent chance of improving or restoring hearing.

Q. What about hearing loss in the inner ear?

A. That's where the serious problems come in. Most types of hearing loss that occur in the inner ear cannot be restored. These include noise-induced loss and the hearing loss that occurs with advancing age.

These hearing losses due to problems in the inner ear, unfortunately, are the more common kinds of hearing problems.

Q. Can hearing loss in the inner ear due to age be improved?

A. Not by medical or surgical means. However, the hearing ability can very often be improved with use of a properly fitted hearing aid. Usually hearing loss caused by age comes on very slowly, and we tend to adapt to it quite well. But, no, it can't be reversed.

A CAUTION ON USE OF MEDICINES

Q. What else besides noise and age can lead to hearing problems?

A. Many people aren't aware of it, but certain medications can cause hearing loss. These medications can destroy the hair cells we talked about in the inner ear. Some of the antibiotics can have this effect. Streptomycins, for instance, are known hazards in this area. Diuretic agents—the water pills—have the potential to damage hearing. Quinine, which fortunately isn't used much any more, has long been known to cause hearing loss.

Now, remember that doctors know about the side effects of the drugs that we're talking about. Often these drugs are essential, even life-saving. That's why it's so important for people not to take drugs without consulting with their physician, and then to follow the directions carefully as to dosage, etc. Any change in hearing or ringing in the ears while a patient is on a medication should be reported to the physician.

Q. What are the common treatments for loss of hearing?

A. For losses in the mechanical part of the ear, where surgery is possible, most people prefer surgery to using a hearing aid. But some people will say that they don't want an operation, that they'd rather wear a hearing aid. Fine. This should be the patient's choice once the situation is explained and clearly understood.

By and large, however, most people prefer to have surgery. Some of the most grateful patients I have been involved with are individuals who have worn a hearing aid for a long time and found that they could have an operation and get rid of it. The hearing quality is different when you hear naturally through your ear than the artificial sound coming through a hearing aid.

As far as people with a loss in the nerve part of the ear, they don't have much choice. If they're going to do anything, they have to use the hearing aid. We just don't have medical or surgical means to improve their hearing at the present time.

Q. Are surgery and hearing aids the only two choices? What about drugs?

A. There are not many cases where drugs are particularly helpful in restoring lost hearing. A few exceptions do exist.

One example is the person with a hypothyroid condition. One of the symptoms of that is impaired hearing, and it can be reversed in some cases by medication. Again, this is why it's so important for anyone with a hearing problem to get a thorough physical examination. Sometimes the ear may be only an indicator of a problem elsewhere in the body.

Q. What about antibiotics for earaches?

A. These are very effective, when properly prescribed by a physician, in controlling ear infections. They certainly prevent a lot of hearing loss that occurred in days gone by.

You may remember that mastoid operations were very common years ago. This was simply a surgical drainage of an infected ear to prevent further spread of infection. Sometimes the patient was in a hospital for six weeks and ended up with a large depressed area behind his ear. Antibiotics help avoid this, and we rarely see that type of a mastoidectomy today.

Other types of mastoid surgery are still required today, however.

Q. You have mentioned hearings aids. Are they always helpful if surgery or other remedies are impossible?

A. Not always—but in many cases, yes. There may be a few instances where a person should not wear a hearing aid. If a person needs help with his hearing and it can't be done by medical or surgical treatment, then a hearing aid certainly should be considered and proper evaluation done in an attempt to determine its usefulness.

PITFALLS IN GETTING A HEARING AID

Q. Can you just walk into a store and buy a hearing aid?

A. You can, but I don't think this is the wisest policy for most people to follow. That doesn't mean that some people don't just shop around and find a hearing aid with which they are happy. But generally a person with a loss of hearing should initially be examined by an ear doctor.

In certain cases the doctor may recommend additional hearing evaluation by an audiologist. The hearing problem may originate from trouble other than in the ear, and just wearing a hearing aid could divert attention from the real trouble.

Q. What's the biggest drawback with hearing aids?

A. The biggest problem is that people don't understand what a hearing aid is and what it isn't. They don't understand what it can do and what it can't do.

A hearing aid, no matter what anyone tells you, is one thing—and one thing only: It's a mechanical amplifier. It's going to bring sound into your ear. A hearing aid of better quality will not distort that sound, and it may amplify some parts more than others. But essentially it is still primarily an amplifier.

Our natural hearing is more than that. It has a factor of intensity—bringing the sound in and getting it into the ear at a loud-enough level so we can appreciate it. In addition, there is the factor of discrimination—the ability to separate sounds and make possible the understanding of words.

There are some types of hearing problems where the individual has lost so much ability to discriminate that he's going to have a lot of trouble in understanding, no matter how carefully you amplify it. But too many people don't know this. An individual will pay a good price for a hearing aid and afterward report: "I can hear everything twice as loud, but I can't understand the words any better."

You have to demonstrate to such person how he can use the hearing aid to maximum effect and what its limitations are. But most important, he must know two things: (1) that no hearing aid available will allow him to hear like he used to, and (2) if he works with the aid and accepts it for what it can do, time will help in its usefulness to him.

Q. Dr. Bradley, are there any promising developments in prevention and treatment of hearing loss?

A. Yes, in several areas. Modern vaccines for rubella, mumps and other viral infections now help reduce incidence of diseases which lead to hearing loss. Research in genetics could eliminate a great many hearing problems that now are inherited.

A great deal depends on what we discover about the workings of the inner ear—the still-unsolved parts of the basic process of transmitting mechanical energy into nerve impulses through biochemical changes. Once we get a better understanding of this, we will have a base to work from that, hopefully, will lead to therapy on the inner ear.

OUTLOOK FOR EAR IMPLANTS

Q. What are you looking for?

A. One thing we're trying to learn is how the ear "encodes" messages to the brain. It's like getting a photograph from a satellite circling Mars. The satellite doesn't send a picture—just a lot of shades of gray dots that you put together into a picture. We feel that the ear sends something like that in the nerve impulse.

Much attention has been called to work under way involving the possibility of implanting a device within the ear to electrically stimulate the nerve endings of the ear. Such a system, if found feasible, would be *only* for those individuals with a profound or total loss of hearing who retain sufficient functioning nerve endings within the ear.

So far, trials with such a system have demonstrated no ability to transmit words or speech meaning as we know it. Electrical stimulation does produce a sensation—not true hearing—which, after a long period of practice and relearning, some individuals have been able to use as an alerting mechanism to help communication.

Further research in this area is ongoing, but at this time it is not yet a solution for restoring hearing to the many millions afflicted with a serious hearing loss.

Q. Is much research going on related to hearing, and how is it supported?

A. The major source of support for research on the ear and hearing in this country is through the communicative-disorders program of the National Institute of Neurological and Communicative Disorders and Stroke. Such work is ongoing both in the laboratories at NIH and institutions distributed throughout the country. We're still learning about the ear, and there is a lot of work yet to be done.

OPPOSITION TO S. 3055—GRAIN INSPECTION

Mr. PACKWOOD. Mr. President, I rise in opposition to S. 3055, a bill to provide for U.S. standards and a national inspection system for grain and for other purposes. I am joined by millions of Americans who would appreciate a more innovative approach to problem solving than simply throwing the Federal Government into everything we think is going wrong in this country.

There is no question that the grain inspection system in the United States needs to be improved in some respects. However, I see no reason to bring a complete Federal inspection program to the Northwest simply because we have found the inspection system in other parts of the country to be deficient. We certainly do not need to create an entire new Federal agency in our attempt to address these deficiencies. I hope that my colleagues in the Senate will support legislation of the type proposed in the House which chooses to improve rather than dismantle the current Federal-State-private structure for grain inspection.

THE NATIONAL CONSUMER COOPERATIVE BANK BILL

Mr. WILLIAMS. Mr. President, S. 2631, the national consumer cooperative bank bill, of which I am sponsor, has been the subject of recent hearings before the Senate Committee on Banking, Housing and Urban Affairs.

At our committee's hearings we have heard from a wide variety of witnesses most of whom supported this consumer-oriented proposal. S. 2631 would, at very little cost to our taxpayers, allow people from all walks of life to obtain financial services at modest costs.

Two of the most compelling statements in support of this legislation were made by Mr. William R. Hutton, executive director of the National Council of Senior Citizens and Mr. Ralph Nader. Both of these individuals and their organizations have over the years been leaders in urging the Congress to enact legislative proposals which would provide a better way of life for all of our Nation's citizens.

Mr. President, so that all Members of this body may have the benefit of Mr. Hutton's and Mr. Nader's views on S. 2631, the national consumer cooperative bank bill, I ask unanimous consent that their statements be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF
SENIOR CITIZENS, INC.,
Washington, D.C., February 12, 1976.

Hon. FERNAND J. ST GERMAIN,
Chairman, Subcommittee on Financial Institutions Supervision, Regulation and Insurance, Committee on Banking, Currency and Housing, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN ST GERMAIN: At a recent meeting of the Executive Board of the National Council of Senior Citizens, our Board adopted the enclosed resolution dealing with the creation of a National Consumer Cooperative Bank.

We support specifically the proposal for such a National Consumer Cooperative Bank, contained in S. 2631, H.R. 10783 and H.R. 10881, introduced in Congress by Senator McIntyre, Congressman George Miller and yourself. These bills propose a relatively small government investment that would be repaid gradually, rather than a handout, and would make an important contribution, permitting older people to obtain the kind of financial services, at more reasonable costs, that they need to deal with fiscal emergencies that arise for persons living on fixed incomes, because of continually rising prices caused by periods of rapid inflation.

We see legislation of this sort as enabling us to more adequately manage our fiscal affairs in such fields as housing, health, eye care, auto repair, food and credit.

We urge early action on this legislation and are committed to rallying support toward securing such action.

Sincerely,

WILLIAM R. HUTTON,
Executive Director.

RESOLUTION OF THE EXECUTIVE BOARD OF THE NATIONAL COUNCIL OF SENIOR CITIZENS

Senior citizens living on fixed incomes are hit hard by inflation. The untold devastating effects which inflation has on such citizens are often not publicly visible. Decent housing, nutritious food, adequate health care, basic services and an opportunity to enjoy life and to contribute even more to society are the desires and the right to citizens who have contributed so much already to our country.

Self-help cooperatives in a variety of fields have proved that they do provide decent housing, quality health care, and other goods and services to members at reasonable cost. Cooperatives provide opportunities for democratic participation in the affairs of the enterprise. The organization and sound development of cooperatives to serve our citizens has been hampered by the lack of technical assistance and the existence of lenders sympathetic to the formation of such self-help cooperatives.

Having reviewed the proposed legislation for the creation of a national consumer cooperative bank, we find it consonant with our purpose, practical in its conception, and sound in its fiscal requirements. Realizing the benefits which would accrue to our members and the public welfare of our nation through the enactment of such legislation we unanimously endorse the creation of a national consumer cooperative bank.

STATEMENT OF RALPH NADER ON THE CONSUMER COOPERATIVE BANK BILL BEFORE THE SUBCOMMITTEE ON FINANCIAL INSTITUTIONS, SENATE BANKING COMMITTEE

Mr. Chairman, thank you for your invitation to comment today on S. 2631, the Cooperative Bank Bill. Congress is often criticized for renewing programs that have failed. But Congress ignores experience in a quite different way as well—by failing to apply the principles which underlie its past successful programs to current problems.

One of the most successful of all Congressional programs has been the Farm Credit System. As part of this system, Congress created the banks for farm cooperatives in 1933.

S. 2631 creates a bank for consumer cooperatives. This proposal is modeled on the bank for cooperatives of the farm credit system, which last year made loans amounting to $8.9 billion. The cooperatives incrementally took over ownership of the bank when they completed repayment of the government's "seed money" in 1968. Eventually, the consumer cooperatives will own the bank created in this proposal.

In 1933, Congress recognized the farmers' desperate need for credit and technical assistance the cooperative method provided for farmers to help themselves. Congress recognized that by lending cooperatives the money to create a bank which they would eventually own, farmers would be given a new faith in the private sector to replace that which was destroyed by drought and depression.

This bill finally provides consumer cooperatives with a source of credit. It charters a National Consumer Cooperative Bank that will encourage the development of cooperatives. The federal government will supply the seed capital through preferred stock sold to the U.S. Treasury, which would gradually be replaced by private capital from the borrowers of the Bank. Initially, the President will appoint the 13 member board of directors who will be replaced by cooperative representatives as the cooperatives' holdings in the Bank increase.

The bill also creates a Cooperative Self-Help Development Fund to support undercapitalized cooperatives by providing them with low-interest loans, loan guarantees, or supplementary interest credits or payments. This Fund would be administered by the Cooperative Bank and Assistance Administration. The Administration would also provide technical assistance to cooperatives whose members need training and advice to better organize and operate a cooperative. At present, no organization has the capability of fulfilling the technical needs of consumer cooperatives. Many co-ops, unable to obtain the advice routinely given to profit-making businesses by banks and the government, have folded, and many, many more have never even gotten off the ground.

The financial and technical demands of some types of cooperatives have been quite successfully met through special financing associations and technical assistance agencies. Farm Cooperatives have flourished since the creation of the Banks for Cooperatives in the Farm Credit System and the Farmer Cooperative Service and Extension Service in the Department of Agriculture. Electric cooperatives have been aided by the National Rural Utilities Cooperative Finance Corporation and the Rural Electrification Administration. And credit unions are assisted by the National Credit Union Administration. Although these financing and technical assistance agencies were created at times of considerable apprehension about the credibility of farmer, electric, and credit cooperatives, they have enabled cooperatives to play a significant role in the U.S. economy today.

Since the purpose of this proposal is to further economic democracy, the provisions of the bill have been carefully written to assure democratic participation in the activities of the bank. To assure that all types of eligible cooperatives are given fair representation on the board, the membership on the board is divided among cooperatives for housing, consumer goods, consumer services, financing, low-income members, and finally, all other cooperatives. The chairman of the supervising agency will continue as the only government board member after the cooperatives own 51% of the stock in the central bank. After seven years, regional and local lending institutions may be established by the Board. The regional bank boards of seven members will initially be appointed by the chairman of the supervising agency from among the same groups of cooperatives and one at-large member. After two years, the groups would elect their representatives on the board.

Now it is the consumers of this country whose faith in the private sector has been rocked by entrenched monopoly, overcharges, inflation, and dangerous products. It is the consumer movement that is suffering a drought—a drought of credit. Where is a fledgling co-op in Detroit or New Hampshire going to get the capital to get underway? Banks are not very kind to consumer cooperatives. A bank may not want to lend money to a firm which will compete with the large established stores in the community. Banks are reluctant to consider stock outstanding to be capital because it is held by the users of goods. Banks prefer dealing with big companies and well-established, propertied people. When petitions for credit are submitted by proponents of a new technology, banks often give their other customers, who have similar technologies, the opportunity to advise on the application. Banks do not like to deal with non-profit cooperatives either. Despite the difficulty of obtaining financial assistance, public interest in consumer cooperatives is rising, as indicated by the recent publication of new books on organizing consumer cooperatives, the groundswell of cooperative formation in the past few years, the interest of cooperatives and their members all over the country in this bill, and their eagerness to participate in these hearings.

The story is the same for all co-ops: At the start there are tough times when credit is very difficult to get and the operation is usually located in a garage or basement. Then a few lucky cooperatives from among the many that wish to expand will obtain funds, perhaps from a sympathetic banker or its wealthy membership. These co-ops show what all co-ops could do with credit and managerial competence. The Berkeley Cooperative grossed $68 million last year, and now has 76,000 members. The Greenbelt Cooperative took in about $50 million from its 30,000 members and the public at large.

What makes consumer cooperatives so attractive? At a time when the distribution system of America is highly concentrated and impersonal, and becoming even more so, consumers find that they are vulnerable to marketing manipulation, poor quality of services and products, and an inability to control the economic development of their own communities. In many urban areas there has been widespread abandonment of stores by the chains or urban renewal disruption of small business shops.

Consumer cooperatives can be an effective countervailing force to commercial monopoly by the chains because they give consumers sufficient economic power to effectively bargain with producers, and the mechanism to decide how to use their cash flow and what to sell to themselves. Bargaining power requires organization. Cooperatives provide the organization which reduces the cost of information to consumer, determines the considered desires of consumers, and develops the cash flow needed to compel producers to develop further cooperative services.

An example of the possibilities of the cooperative structure are indicated by the current situation in the food industry. Food prices grew faster in 1973 and 1974 than in any period since the end of World War II. Meanwhile, grocery stores, which account for one-fifth of all retail sales, are falling into fewer and fewer hands. National concentration ratios severely understate the problem since most of the chains do not operate in every part of the country. In Washington, where food prices are higher than most other American cities, just two food retailers account for more than half the grocery sales.

As grocery chains take over more of the market, the number of grocery stores is declining. Although the 31,000 supermarkets represent only 16 percent of the 198,000 grocery stores, they account for 72 percent of all grocery sales.

Concentration stifles innovation. When a giant retailer decides to carry a new product, it not only means a new market for one fortunate manufacturer, it means a market loss for others. As concentration increases, marketing decisions made by the largest retailers have more and more impact. In 23 of the top 25 metropolitan areas, a manufacturer unable to market a new product through any of the five largest grocery distributors would already have lost more than half its potential grocery market. A manufacturer unable to reach the public through large retail companies may choose to discontinue his operations.

The ability of large producers to dominate advertising also leads to a reduction in consumer choice. Those retailers who are unwilling to take risks will give highly advertised products their shelf space. Other products, regardless of their price or quality will be excluded simply because they are marketed by smaller manufacturers with smaller advertising budgets. Concentration begets concentration. The consumer cooperative can give consumers information left out of the glossy, vacuous advertising favored by producers, benefitting small producers as well as consumers.

Consumers learned long ago that greater concentration in an industry means higher prices. Consumers also have fewer alternatives to today's supermarket, where the floor plan is designed as a psychological and real estate (shelf space) proposition. Junk food or so-called gourmet foods are placed across the ends of the aisle and close to the checkout counters to trap impulse buyers. High-profit items are placed where the shoppers will reach them soon after entering the store because research has shown that shoppers start loading their carts when they come to the first display of food. High profit items are located at adult arm and eye levels and at the ends of aisles. The lower profit ones are found in smaller displays in the middle of the aisles and on shelves above and below normal arm and eye levels. And, of course, candy and other children's favorites are placed within easy reach of children, in the hope they will coerce their parents into a purchase. This kind of consumer exploitation is referred to as "merchandising."

But storeowners are not satisfied with manipulation. They also cheat: with misweighings, overcharges, and specials that are special only because the price of the product has been temporarily increased.

And, of course, fraud is not limited to grocers. Today's technology is so complex that consumers do not know when a product has been adequately repaired, or even whether the repair was necessary in the first place.

Congressional hearings have documented gross overcharging, price-fixing, and fraud in the auto repair business. But one need not look to Congressional hearings to document the need for auto repair cooperatives—the need is reflected in the number of them that have sprung up around the country in the last two years. Co-op Auto of Ann Arbor, Michigan is one of the most successful of these, grossing about $40,000 a month. Preventive maintenance and self-help are emphasized as they are not in the ordinary repair shop. Despite their difficulty in obtaining credit, this co-op and other auto repair co-ops are growing. Auto repair co-ops can now be found in Berkeley and Palo Alto, California, Madison, Wisconsin, Austin, Texas, and East Lansing, Michigan.

Co-op Optical Services in Detroit is a model of the progressive business which finds its self interest is on the side of the consumer. This co-op battles legislation creating monopolistic market entry barriers, provides information to Congress on marketing of inferior quality lenses and frames all over the country and has established its own optical aid fund for the poor. And because employees are salaried, they are not tempted to boost commissions by selling customers unnecessarily expensive lenses and frames or to cut costs through the use of inferior materials. A refraction examination by an optometrist costs $9, compared to $15 for examinations offered by a mass volume competitor. Similar economies prevail for eyeglasses.

The sporadic development of the optical cooperative concept indicates the importance of establishing a technical assistance capability for cooperatives. Already, optical co-ops have sprung up in Grand Rapids, Jackson, Lansing and Muskegon, Michigan, close to Co-op Optical Services in Detroit. In other areas the optical co-op is operated in conjunction with health co-ops, as in Seattle and in Washington, DC, or with supermarket co-ops, as in New York. Clearly, the growth of the cooperative movement is obstructed by the absence of an agency which could give fledgling cooperatives the aid and encouragement they presently receive only from other cooperatives.

But these are just a few of the many types of cooperatives that flower when the advantages of the cooperative concept has the opportunity to sprout. Many varieties of co-ops span the gamut of commerce: from cable TV to bicycle repair, from daycare centers to transportation, from adult education to summer camp, from furniture to mortuaries.

This is the potential, but each day the need for financing and assistance is displayed anew.

Despite the success of student cooperatives since the thirties, a student cooperative in Austin, Texas was refused a bank loan for needed student housing because the bank was concerned about the student turnover in its leadership.

The Ann Arbor, Michigan student cooperative, a model of stability and achievement, was denied credit because it is a non-profit organization.

A co-op in Northern Minnesota was refused a bank loan because it had requested funds in excess of the bank's $25,000 loan limit.

A Navajo Nation co-op was refused a bank loan because of its limited capitalization.

But none of these cooperatives has the government fostering its interests, as many other businesses do, so they must wait until their own members can provide the capital. The managers of these cooperatives consider these postponements to be permanent obstacles to growth.

The development of a Navajo Indian Co-op indicates the tremendous potential of this proposal to help low-income groups. The Indians share the same problems as the poor trapped within the city. Co-op enterprises, with proper financial and managerial assistance, can survive and even thrive in the inner city because they encourage neighborhood pride and because owners of shares in cooperatives generally demand smaller returns on their investments—often in the form of end of the year rebates—than do owners of shares of profitmaking corporations such as A & P. And, unlike a chain store, which sends its profits back to the city where the company headquarters is located, a co-op would keep its capital in the local community where the circulation of the money, known as the multiplier effect, would lead to the economic development of the local area.

The resurgence of the cooperative movement is indicated both by the number of new cooperatives started each year, and by the formation of new associations and federations of cooperatives such as the North American Student Cooperative Association, organized in 1968 by representatives of a number of American and Canadian student co-ops.

Yet, we must still look outside the United States to Europe, which has had a substantial cooperative movement, to see if theory can become reality. In large part, the answer is yes. The Migros cooperative was started prior to World War II by a wealthy businessman who was tired of the monopolistic structure of industry in Switzerland. When he tried to buy soap for the first food co-op, the monopolist wouldn't sell it to him. So he went to New York and imported soap to Switzerland. Now this same food co-op accounts for 25% of the food sales in Switzerland and 10% of all retail sales, making it the largest economic enterprise in the country.

The Migros cooperative has been a leader in product innovation. It was the first to distribute low lead gasoline in Europe. It has testing laboratories for quality control of the products purchased for their members. These testing procedures uncover fraud, filth, lack of nutrition, pesticides, and lately, harmful ecological effects. The Migros organization even has a bureau for prevention of bureaucratic abuses, that handles citizens' complaints such as social security, and extensive adult education classes.

Under S. 2631, the private sector is strengthened in a way that aids the consumer directly. No regulations are imposed upon business. The federal support requested for cooperatives has been given for years to producer groups with the backing of conservative members of Congress and the Administration.

Opposition by the Administration to S. 2631 would be contradictory of its position with respect to numerous special pleaders for whom subsidies have been provided over and over again when the interests of producers are served. The Lockheed loan, which had the avid support of then Congressman Gerald Ford, is the most infamous of these, but it is hardly the sole example, President Ford has approved loan programs for small businesses, shipbuilders, landlords, banks, farmers and exporters, among others, not counting the huge expenditures by various federal agencies which foster and promote business interests. But consumers wanting to borrow money to form a cooperative enterprise, often in areas where existing businesses will not venture, are not even accorded the blessing of Administration silence, much less its support.

The development of consumer organizations such as cooperatives will countervail monopoly, allow the consumer to determine the quality of goods and services, and will expand the means of self-help and consumer self-determination in economic matters. This is the goal of the Cooperative Bank Bill.

As your committee proceeds in the hearings and deliberation on this bill, you may ponder the overwhelming governmental bias for producer subsidy, guarantees, promotion and protection from competition, in contrast to the yawning vacuum of programs to assist in the establishment of consumer-owned business that can provide a fairer balance to the economy. Consumer cooperatives are a much needed form of private enterprise for greater economic efficiency, health and justice. It was Adam Smith who said that the purpose of production is for consumption. S. 2631 strives to make that consumption more informed, self-reliant and organized. It will also help to rebuild retail areas of cities which have been economically devastated.

Thank you.

NATIONAL FEDERATION OF CITIZEN'S BAND OPERATORS

Mr. **GOLDWATER.** Mr. President, I recently had my attention called to a new organization, the National Federation of Citizens' Band Radio Operators, headed by Mr. Stanley Armstrong, which is mobilizing to represent the millions of citizens' band radio operators throughout the country. One of the unique attributes of our American system is the role played by the independent sector—those organizations and associations, in most instances nonprofit, which are formed to voice the views of a particular segment of our society—and the NFCBRO is a fitting example of the independent sector at work.

As recent news reports indicate, the CB phenomenon is setting some new records as it continues its amazing growth. Today, there already are 3½ million licensed CB radio operators. The FCC reports it is receiving new applications for licenses at the rate of 500,000 a month. At this rate, there may be close to 10 million licensed CB operators by the end of the year.

With these facts, it is not surprising that a new organization has been formed to represent CB operators before Congress, the FCC and the media. One problem which I am pleased to know the NFCBRO has addressed is the interference by some CB radios with other electronic equipment, such as television, radio, and stereo sets. This group takes the position, which I have set forth in S. 3033, that manufacturers of home electronic equipment should be encouraged as part of the manufacturing process to install proper shielding or filtering. In this way it can be done effectively and at nominal cost and effort. I am encouraged that as one of its first actions, the NFCBRO has endorsed this proposal, and I hope Congress will agree to move on it.

Mr. President, in order to share with my colleagues an interesting article which explains the very personal appeal which CB radio holds for the American people and its growing impact of American life, I ask unanimous consent that the article entitled "America With Its Ears On", by Michael Harwood, which appeared in the New York Times Magazine of April 25, 1976, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA WITH ITS EARS ON

(By Michael Harwood)

"You know, a lotta times you get kinda detained there at work, and you're s'posed to be home and they don't know where in the heck you're at. So you make a phone call and tell 'em you're goin' to be a little bit late. And then the next thing you know, you're goin' to be a little bit later. So, you got one of those raddidios in your car, why, you get about 10, 15 miles from the old home-20, you can tell 'em to get that old coffee on the stove and get them old 'taters and that old meat a-fryin', and it works out a whole lot better that way, 10-4?"

"A big 10-4 on that."

A not-so-new electronic gadget—the Citizens Band radio—is suddenly sweeping the country. And when I say "sweeping," I'm not being hyperbolic. The Federal Communications Commission office in Gettysburg, Pa., where Citizens Band license applications and renewals are processed, received fewer than 73,000 of them in January 1975; in January 1976, more than half a million arrived—about a ton of mail a week. In that one year, the number of licensed Citizens Band stations tripled, shooting up from just over a million to more than three million. Another million-plus operators are operating without licenses—partly because the F.C.C. was not prepared for the boom (no one was) and has fallen far behind in processing this flood of applications.

What with all the operators who own more than one set, an estimated 13 million to 15 million C.B. radios are in use today, and the demand for new sets is so great that dealers can't keep up with it; the theft of C.B. radios from automobiles now constitutes a major crime problem in many urban areas.

Half the trucks in the United States are now equipped with C.B. sets; so are 1 of every 7 recreational vehicles and 1 of 20 automobiles. Many thousands of homes have Citizens Band radios, for chatting with the neighbors and with the passing traffic. Following the example of those businesses that use C.B. to keep their mobile units in touch with the home office, many families have installed "base stations" at home and "mobiles" in the family cars, so that—as the fella told his C.B. buddy, above—papa can let mama know where he is and when he's coming home, without his having to find a pay phone.

A Citizens Band language, mostly middle-South in dialect but utterly national in its imaginative vocabulary and idiom, has developed, and a dictionary has even been published to guide the newcomer into the mysteries of C.B. talk. Large national organizations now represent the interests of C.B. radio-operators—hereinafter referred to as C.B.-ers. Local C.B. clubs are popping up all over the map, and so are C.B. newspapers, magazines and trade publications. The Federal Department of Transportation is trying to develop a nationwide highway-safety-and-motorist-assistance network, with Citizens Band radio as its backbone.

In fact, if the people who use it and the people who regulate its use can prevent it from becoming a monster, it might well have a cultural and social impact on American life almost as profound as the last electronic communications gadget to sweep the country—the television set.

C.B. radio is as easy to install and use as a television set. Most such radios are no bigger than a box of typing paper, and many are half that size. On the face of a standard set is a channel knob marked off into 23 channels, a volume control, a "squelch" for eliminating background noise, and a gauge that shows how strong a signal is being sent or received. The more complicated sets may also offer fine-tuning or even tuning between the channels to "side-bands," which makes it possible to broadcast on more than the 23 channels.

Most C.B. radios cost between $130 and $400 (C.B. walkie-talkies go for $50 to $150); aerials range between $6 and $40. Equipping a home and a family car with radios can cost a good deal less than $500—not counting the price of the antenna mast for the base station, which will vary according to the terrain and the height of the mast. The F.C.C. license is $4.

Once the set is plugged into a power source—the car or home electrical system—operating it is as simple as turning it on. You flip the tuner to the channel you want—most C.B.-ers start with channel 19, which is the truckers' and motorists' channel and thus is usually pretty active—and you get in on the conversation by picking up your microphone, pressing the send-button and asking for a "break," as: "Breaker 19, breaker 19." Usually someone will respond, "Go ahead, breaker," and you're on the air. Simple as that.

The Citizens Band was born in 1958, when the Federal Communications Commission created the so-called "Class D" license and set aside the 23 channels on a small segment of the AM band at 27 megahertz. Such channel-assigning is a complicated business, involving not only competing interests in the American community but also international agreements about the allocation of air space. There is only so much room to work with, and there are technical limitations: Using one channel may interfere with the use of others, even if they are quite far apart on the spectrum.

C.B. was intended as a general-use band—not for the hobbyist, who already had ham radio frequencies, nor specifically for business purposes. It was limited to short-range transmissions—no more than 150 miles (in practice, few C.B. sets today reach anywhere near that distance; a base station with a good antenna might have a range of 20 miles, and most mobile stations under normal conditions can "get out" even less effectively).

That was Citizens Band radio, and it didn't exactly catch fire right away. "It took 16 years, 1958 to 1974, for us to get to the first million licensees in Class D," says Richard Everett, assistant chief of the Federal Communications Commission's Amateur and Citizens Division. "Then it took eight months to get the second million, and three months to get the third."

Transistors and printed circuits and Japanese manufacturers dropped the costs and the size of equipment. And then the nation suffered its first gasoline shortage, fuel costs soared and, to save the fuel, the Federal Government lowered speed limits on the nation's highways to 55 miles per hour. The truck drivers, who make their living meeting and beating schedules, and who were also upset by what the boost in diesel fuel prices might do to their business, objected in a much-televised series of protest actions. They coordinated these actions by using the Citizens Band radios that a good many of them had already installed in their rigs. Over television, the American public at large was introduced to the world of C.B.

A lot of those who subsequently rushed to buy C.B. sets were attracted by what had already attracted many truckers—the glorious prospect of outwitting the Smokey Bears, the state troopers with their forest-ranger Sam Browne hats. That motive is still a strong one, and it is probably the prime reason behind most first-time purchases of Citizens Band equipment. It also has played a large part in setting the present tone of C.B. use. In a way, C.B.-ers have created a nationwide secret society. For one thing, most of them go by "handles"—identify themselves on the air not by the seven-digit letter-and-number call signs assigned by the Federal Communications Commission but by nicknames: Silver Bullet, Colorado Chili-eater, Bogey Five, Haberdasher, Board of E, Fresno Cowboy, Rubber Ducky, Cherry Lips, Grave Digger, Wrench Bender, Mother Hubard, Digger O'Dell, Wild Cat, Peach Cake, Gold Eagle, and the like. Each of these is chosen for its private meaning to the individual C.B.-er (and what a delight: How often does one have the privilege of choosing one's own nickname?). Even operators who use their call signs also invent a handle. I, for instance, have an abiding interest in birds of prey, so my handle is Hawkman.

This practice of nicknames evidently started with the truckers, before the boom began. A lot of them were transmitting without having acquired licenses, so they *had* no call signs. And even those who were licensed hesitated to give their call signs, because they could then be traced to real-life names and addresses—and in those days the truckers thought, with some reason, that they might get in trouble for using C.B. radio to help them break speed laws and avoid weigh stations.

A sort of code lingo evolved, too—in the spirit of the thing. It was like kids in a clubhouse, the good guys against the bad guys. C.B. language begins with the "10 code," long used by (of all people) the police: 10–4 for O.K., 10–20 for present location, 10–33 for emergency message, and so on. This code was elaborated on, nuances added: 10–4 becomes 10-Roger and 4–10; one speaks of the home-20 and the work-20. Other invented words and phrases proliferate: A radio is a raddidio, a sheriff is a county mounty, a patrol car is a Tijuana taxi. If you are driving at 55, you are doing the double-nickel; a four-lane highway is a super-slab; a speeding ticket or a toll road, depending on the context, is a green stamp; a tunnel is a hole in the wall; a police helicopter is a spy in the sky, or a bear in the air.

With such secret-fraternity language to give humor and spice to the game, the new breed of C.B.-er has made a project of avoiding arrest for speeding. Picking up on the truckers' example again, a lot of operators also ignore Federal Communications Commission rules. So a great deal of Citizens Band use has an outlaw character. Other classes of radio in the United States—aviation and marine and ham, for instance—follow strict procedures for operating, so that the radio space can be shared in an orderly and polite fashion. But C.B.-ers are, as a rule, less disciplined; the Citizens Band is frequently cluttered with overlapping and interfering transmissions.

The messages are often inconsequential—breaks for radio checks and requests for the time of day, and, whatever their message, many C.B.-ers seem to feel no compunction about breaking in on someone else's conversation. As a result, the Citizens Band can be a mass of garbage, practically useless, especially around urban areas.

All the blather and illegality are infuriating to serious C.B.-ers, particularly to those old-timers who can remember when they had to do a lot of changing of channels to find anyone else transmitting. Alabaman George Martin, 14 years a C.B.-er and now the president of the United States Citizens Radio Council, calls the situation "disgusting" and warns that it might lead to wiping out C.B. entirely. Which would be a shame, because there's a great deal more to Citizens Band radio than blather and illegality.

My wife and I have been driving around North America, east of the Rockies, for the past 11 months, doing research for a book. Our travels take us through unfamiliar territory much of the time, and we often have difficulty finding campsites and cheap motels and the like. In the Black Hills of South Dakota some months ago, we were introduced to C.B. radio in operation. Within a few days, we laid out $200 for radio, antenna and installation in the car, because we saw immediately what it offered us.

We're not much for high speed on the highway. But suppose we come into a new town at lunchtime and want to find a snack bar with a laundromat next door—so we can eat while the clothes wash. Away from the cities, the Citizens Band is still pretty quiet most of the time, so I flip the dial until I find an active channel and break in to ask for "some local information." Ninety-nine times out of a hundred, if I've been heard, my stranger's voice will be answered right away. Probably there are quite a few people "hanging out" on the channel, at home or on the road, most of them just listening, as if it were a party line.

Now I've got myself an entire advisory board. One member of this board will ask me where I am, I'll reply, and then one of three things will happen. I'll probably get the standard up-two-blocks-left-at-the-light directions. Or, if it's complicated, I'll be directed through the process step by step: "Go two blocks to the light, turn left, then give me a shout, and I'll take you to the next turn." In some cases, we have even been told to pull over and wait, and within a minute or two we have had an escort to *lead* us where we want to go, chatting all the way.

With the help of C.B.-ers, we have found our way to libraries and museums and historical societies and post offices and movie theaters, campsites and motels and service stations with good mechanics. And we have met a raft of friendly, interesting people.

There was Big Mac, a truck-driver who covers a regular route between Omaha and

Chicago. Our path crossed his on a weekend in an Iowa campground, and we ended up in his Winnebago, swapping stories, until 1 A.M. C.B., said Big Mac, was nothing short of a godsend. "I just go back and forth over the same road and, before C.B., the cab of that semi was an island, an isolation booth. I was being bored to death. I used to do anything to occupy my mind and stay alert, add numbers on license plates, *anything*. I knew hundreds of guys on the road, of course, because you meet them in truck stops and so on; but that was all. Now I can *talk* to them as I drive—to anyone within six or seven miles of me. It's a whole new world."

There was the Catalina Kid, who heard me say I needed some detailed maps of an area we wanted to explore, and showed up to give me his. There was the Mississippi Snail, a victim of multiple sclerosis, confined to his trailer for many months. C.B. had saved his sanity, he believed, by giving him constant conversation and many friends. He's now the president of a C.B. club he organized and the club has grown from 19 to more than 300 members in less than a year. He invited us to drop in for a visit and, when we arrived, we found we were guests at his 3-year-old son's birthday party.

The clubbiness of the secret society, in short, extends far beyond the law-breaking one hears about in C.B. song and story these days. It illuminates some pleasing national characteristics. It's not an exclusive club; all you need is a C.B. radio, and you're addressed as "good buddy" or "good lady" just like everyone else. North Dakota wheat farmers may use the radio to talk about the progress of the harvest; Louisiana shrimpers or Long Island fishermen josh each other about girl-friends and discuss the state of the tide.

Very little is said about politics, and a whole lot is said about the relative power and modulation of the paraphernalia that creates this nationwide club—the radio equipment. That may reveal something healthy about the country's mood at the grass roots during an unsettled period. C.B. is a national party line; it is America talking to itself—largely good-humored, highly inventive, wanting to communicate, downright neighborly at times offering good wishes and help.

Certainly one can get directions without a C.B. radio; and one can meet people and get to know America without it, too. But the impact of the club is greater than that. Citizens Band radio has also had a marked beneficial influence on highway safety and on assistance to motorists in trouble. In a few months on the road, we have seen and heard more proofs of this than we can count.

A minor three-car accident on an interstate in a snowstorm blocks all three lanes—at the bottom of a hill below a curve. Traffic immediately stacks up behind this roadblock, creating an extremely dangerous situation. Within a few seconds, C.B. operators in vehicles going the other way are broadcasting warnings to cars and trucks that might otherwise come over the brow of that hill a shade too fast and not be able to stop before they turned the scene in front of them into a shambles.

A trained nurse, driving a car her husband has just equipped with a C.B. set, is flagged down by a woman whose husband is having a heart attack. The nurse recognizes that the man is in serious trouble, hurries to her car, and calls out over the radio: "I don't know how to use this thing, but I have a very sick man here." She gives location and other details and goes back to help the patient; in a few minutes, an emergency squad arrives to rush the man to a hospital.

A driver tanks up on beer, pulls out onto a state highway, and cannot keep his car in his own lane. Again, within seconds, C.B.-ers spot this and word goes out. Oncoming traffic can take defensive action; and shortly two state police patrol cars appear and pull the offending driver off the road.

Which brings us back to the Smokey Bears:

"Hey, there, eastbounders. You've got a Smokey in the grass at the 93-mile marker. You'd better shine your shoes, put on a tie, comb your hair, and smile real purty, because he's takin' pictures."

"Aaay, we definitely thank you for that info, good buddy. We'll back 'em down a hair. You a westbound?"

"Aaay, 10–4 on that. You got the Jack of Diamonds on this end, and we definitely westbound. How's it look over your shoulder, good buddy?"

"You've got a clear shot all the way back to that Memphis town. We ain't seen a thing in over an hour."

"Aaay, we thank you for that info, good buddy. You truck 'em safe, now, and you have a good day today and a better day tomorrow. You got the one Roadrunner here. We westbound and doin' it to it. We gone. Bye-bye."

"Hey, there, you westbounders. That Smokey with the picture-taker has done a flip-flop, and he's now westbound at mile-marker 95."

When the C.B. boom started in 1973, many law-enforcement officials were concerned about that use of citizens' radios. (One highway patrolman said ruefully that the constant passing on of information about where he was, which usually turned into a play-by-play, made him feel "like a man taking a shower in public.") Their complaints reached Washington, where the Interstate Commerce Commission decided to clamp down by commanding the major trucking firms to order their truckers to take the C.B. sets out of their rigs or lose their jobs.

That impulse died, however, in the face of other testimony from law-enforcement authorities who had tested possible useful tie-ins between the C.B.-ers and the law. Some operators, on their own, were monitoring one channel or another and telephoning the police when trouble was reported. There were several C.B. groups—going by such handles as REACT, ALERT, and HELP—that were proselytizing and educating local C.B. teams and individuals to assist motorists and to cooperate with safety officials. That seemed to work rather well.

Some state police organizations were allowing their officers to install personal C.B. radios in patrol cars, and most of the officers who tried that found it valuable. Not just as self-defense, so they could pick up the play-by-play, but also because they heard the instant reports of accidents and drunk drivers and broken-down cars that the C.B.-ers passed on to each other. And as soon as the C.B.-ers became aware that the highway patrol might be listening in, they'd call the police directly—"Hey, is there a Smokey out there with his ears on?"—to give information.

C.B.-ers, it turned out, were also helping in unforseen ways, reporting stolen cars, escaped convicts, fires and even (in extreme cases) speeders. And sometimes the troopers' link to the traffic could be used in the other direction. Our friend Big Mac told us about the night a state trooper radioed to the C.B.ers in an interstate and warned them there was a sniper along the highway. The drivers were urged to get through the state as fast as they could. "And if you have a breakdown, give us a shout on this channel and we'll have an officer with you inside of five minutes."

To be sure, C.B. has its law-enforcement drawbacks. The Smokey reports do encourage speeding when a road is not being patrolled; some prostitutes ("Highway Princesses") solicit trade over C.B.; police and civilians alike are leery about the radio being used to help commit crimes—leading the victim into a trap or the officer away from the scene; we've heard a few women say they'd be afraid to call for help on the radio if their cars broke down in out-of-the-way places. And the Citizens Band has been used to organize civil disorders—during the truckers' protests, for example, and more recently by anti-busing activists in Boston.

But peace-disturbing can be assisted by the telephone, too. And since the great majority of Americans are on the whole law-abiding—particularly if you don't count speed laws and Federal Communications Commission rules—C.B. appears to offer law-enforcement agencies a great deal more help than harm.

One state highway patrol, in Missouri, last year installed C.B. radios in all the state's patrol cars and troop headquarters and in weigh stations, and is already highly pleased with the results. Other states are seriously considering following suit, and the Department of Transportation will shortly initiate a grant program that it hopes will encourage the states to experiment with organized cooperation between C.B.ers and public safety agencies. The department would like to develop a radio network for highways as efficient and reliable as that used by ships and aircraft, and C.B. provides a potential—and mostly privately financed—basis for the network.

There are a lot of problems with this national network, and some of them will surely get worse for a while. Consider the short-range forecasts: The Electronics Industries Association expects there will be more than 20 million Citizens Band radios in use in the United States by the end of the year. The Federal Communications Commission predicts that it may have to process as many as 6 million applications for Class D licenses in 1976—more than two-and-a-half times the number for 1975. That will bring the number of licensed stations up over 9 million, with perhaps another 3 million operating without licenses.

Consider, also, the longrange possibilities—a C.B. set in every vehicle and one in every home, a vision that has occurred to the radio manufacturers and the automakers. That would put an impossible burden on the currently available Citizens Band airspace.

With that in mind, the F.C.C. is discussing expanding the Citizens Band; but there are technical problems to be overcome, and other classes of radio that would be affected. There is also serious talk about creating at least one new class designation for C.B.-ers, opening up some shorter-range frequencies higher on the spectrum, and thus taking some of the strain off the present Citizens Band.

Meanwhile, better government regulation of C.B.-ers could improve the situation somewhat. The F.C.C. has only the most threadbare enforcement operation; there are four teams, 32 men in all, working full time, plus whatever manpower the commission's regional offices can spare. The penalties are stiff enough—up to $10,000 in fines and a year in jail; but, though the F.C.C. believes the record is rapidly improving, relatively few rule-breakers are being arrested.

The F.C.C. is caught in a squeeze, of course, with the C.B. boom on one side and the budgetary strictures of the Ford Administration on the other. And, as Richard Everett concedes, "The F.C.C. is never going to have the manpower to tap you on the shoulder whenever you are operating illegally."

So far, the F.C.C.'s response to the accumulating pressure on the Citizens Band has been—understandably—to loosen the restrictions so that there isn't so much to enforce. That has not markedly changed the character of C.B. use. Until recently, the commission tried to reserve certain C.B. channels for specified purposes, in part because of the legitimate needs of certain businesses; but this was largely ignored by the new C.B.-ers. Now only one of the 23 channels—channel 9—is set aside, for reporting emergencies. Most C.B.-ers honor that limitation, but not all.

The rule once was that the Citizens Band was for brief, serious talk only—no chitchat, no use of C.B. for hobby radio; that was largely ignored, too, and last fall the commission struck the rule. Now it only asks that there be no obscenity or swearing and that single conversations last no longer than five minutes, with a minute's break after each, so that other people can get on the channel. There is little bad language on the Citizens Band; most C.B.-ers dislike it ("Clean it up, garbage-mouth"). But the time limits are regularly ignored.

Not much can be done about that sort of rule-breaking, because millions of people are engaged in it. So the commission is now concentrating its efforts in other areas. For example, some C.B.-ers have become fascinated by "skip." Atmospheric conditions occasionally bounce a low-powered message many hundreds of miles and, though it's chancy, it is intriguing when it happens. One can add equipment to a C.B. set to stretch the range well beyond the F.C.C.'s legal limit and really "get out there into Skipland." That plays havoc with normal C.B. communications. And the commission also remains actively concerned about the unlicensed operators and the operators who don't use call signs.

There is the heart of the problem. Once a C.B.er uses the assigned call sign as a matter of course, then all else follows. Because you are identifying yourself in a manner the F.C.C. can recognize, you are more or less committed to staying within the rest of the rules. Unfortunately, the system has operated in such a way that the new C.B.-er couldn't get a license or a call sign until months after the set was purchased, and no one wants to wait as much as *five minutes* to get in on the party line. Much of the outlawry begins there.

During 1975, the F.C.C. added enough temporary help to double its Gettysburg staff, but, by early this year, it took 12 weeks, at best, for all but such high-placed C.B.-ers as the President's wife to apply for and receive a license. Some people claimed to have waited five months, and only a saint would abstain that long. So, with C.B.-ers loudly clamoring for some improvement, the F.C.C. last week began issuing temporary permits and call signs at the point of sale. These permits are good for 60 days.

Now the only question is how many of the new owners will actually use their temporary call signs and apply for permanent licenses. For it is clear that whether C.B. will turn out to have been just an expensive version of the hula hoop craze now depends mainly on the C.B.-ers themselves. Already there are good portents in their contributions to public safety; and even the truckers, who started it all, are beginning to use their call signs.

Whatever happens, the Harwoods for the time being are going down the road with their ears on. You've got the Hawkman here, KYG 4257. We're clear.

WINT SMITH

Mr. DOLE. Mr. President, it is with sorrow and a deep sense of loss that I inform my colleagues of the passing today of Wint Smith. Wint was a close friend of mine and preceded me in representing the people of western Kansas in the House of Representatives. An outspoken advocate of the conservative viewpoint, Wint never missed an opportunity to speak his mind on the key moral and legislative issues facing this Nation.

The son of Midwest middle-class parents, Wint was a lifelong advocate of middle-class values. In his death, we observed the departure of a rugged individualist—the passing of a member of its ranks of tough-minded Americans who are largely responsible for making this Nation what it is today.

Wint Smith was born in Mankato, Kans., October 7, 1892. He attended public schools in Mankato and later received a bachelors degree from the University of Kansas and a law degree from Yale University Law School. He entered the practice of law in Kansas City, Kans., in 1923, later serving as assistant attorney general for the State of Kansas, attorney for the Kansas Highway Commission before being elected to seven successive terms in the U.S. House of Representatives commencing January 3, 1947.

Wint's education was interrupted during the First World War when he served overseas in the U.S. Army as a combat infantry officer from May 11, 1917, to September 4, 1919. He interrupted his legal career during World War II returning to the service as a lieutenant colonel and commanded the 635th tank destroyer battalion from May 1941, to December 1945, accumulating 22 months of overseas duty. He retired as a brigadier general.

But Wint's record does not relate the attributes which those of us who knew him as a friend admired so much. The best description of Wint's unique qualities is revealed in the article which I ask be included in the Record following my remarks. In this article, Leroy Towns of the Topeka Daily Capitol describes Wint as "an unflappable bundle of conservative independence," and the article relates the inner Wint Smith which we all loved and admired.

Although some did not always agree with Wint, they always knew where he stood. Wint did not qualify his opposition to Federal programs, foreign aid, and Federal spending. In a statement which seems to still be echoing through the halls of Congress today, Wint once said,

> I don't trust the Government—I don't trust what it'll do with your money.

But Wint made this statement when it was not the popular thing to say and followed it with the comment,

> I guess I'm the worlds worst politician.

Wint's dedication to virtue as he perceived it is best illustrated by his closing comments to Leroy Towns in the article I ask unanimous consent to have printed in the Record as part of this statement. When asked whether he would do anything differently if he had the 14 years in Congress to serve over again, Wint responded,

> Yes, I think there is something I would do differently. I would be more outspoken.

Wint Smith made a career out of saying exactly what he believed. He was an intensely loyal and patriotic man dedicated to what he felt was best for this Nation. In his honor, I would ask that my colleagues pause to reflect on his strong qualities and their meaning to us today.

There being no objection, the comments were ordered to be printed in the Record, as follows:

Wint Smith

Mankato.—The gray ribbon that is US-36 runs straight west through this quiet community, then on into the vastness of the First Congressional District of Western Kansas.

Once, not so long ago, you could tell exactly where the big, sprawling district began by the multicolored campaign posters tacked haphazardly to every other utility poll. "Wint Smith," the posters read, and you were greeted for mile after mile by the image of a heavy-faced man, his dark brows half-hidden under the wide brim of a white Stetson. "Wint Smith for Congress," the posters screamed, and you knew exactly where you were.

They are gone now and have been for nine years—almost forgotten, unknown to a whole generation of Kansas young people who never knew the unflappable, the crusty bundle of independence that was—and is—Wint Smith.

Not that today's generation would want very much to know Wint Smith: they would have considerable trouble understanding each other.

Leaning forward in an overstuffed chair at his Mankato home one day recently, Wint Smith curled his face into a pout. "The person who is most contemptible in our society today is the guy who gets up on the stand and says college kids today are the best we've ever had in America.

"I say kids today are economically, historically and morally illiterate." And the big man doesn't smile when he says it.

Then Wint Smith's eyes twinkle, just slightly, and he adds: "I had an evil reputation when I was in Congress. There wasn't a day that I didn't have a copy of the Constitution in my pocket. They wouldn't understand that, kids today. If you don't have the Constitution, you don't have anything.

Wint Smith. Fifteen years ago the name belonged to a six-foot, four-inch tall hulk of a man, and it was hated by men like James Hoffa, labor leader.

Wint Smith. Today, the name belongs to Kansas' 75-year-old conservative in residence, a man who seems as ageless as the pioneer country which spawned him, a man now living in quiet retirement at Mankato, a place he always has loved.

It will be nine years ago this fall that Wint Smith—after serving 14 years as a representative from Kansas—told his constituents he would step down. His words were blunt. He told a reporter, "I've found that I'm getting a little out of step. I think it's time that someone with a little more elasticity took my place."

There were people who thought that was an understatement; Wint Smith made a career out of saying exactly what he believed.

It was a career that spanned much of Kansas' history.

Smith was born on a farm his grandfather homesteaded near Mankato in north-central Kansas. But much of his early childhood was spent on horseback in the hills of Oklahoma. There were plenty of men to teach young Wint the rough-and-ready life of the plains—and only one to encourage the instinct for books and education.

Grandfather Ethan A. Chilcott, a brother of Sen. Miles Chilcott, was the student of the family. Wint still remembers him, a powerful man, seated under a tree reading his Bible and brushing away flies.

Wint Smith finished rural school at Mankato, then high school. He told friends that some day he would be graduated from Harvard—quite an ambition for a Kansas farm boy with no money. His father was the courthouse janitor.

Smith finished high school in 1915 and entered the University of Kansas. Cooking in local restaurants paid for the education. He lettered three years on the KU football team, playing tackle and guard.

Wint Smith's future was beginning to take shape. He joined the National Guard as a private and in 1916 was assigned to the Mexican border.

That was when Wint Smith started complaining about things. He hated the Army food, didn't hesitate to tell an officer—and quickly was assigned to do the cooking himself.

The day after war was declared against Germany in 1917, Wint Smith left school and applied for officer's school. He was commissioned and left for France three months later.

Wounded twice—once during fighting in the Argonne—Smith returned to KU and was graduated in 1920.

Some of Smith's dislike for the new deals and the fair deals he encountered later in politics may stem from the fact many of the political brain trusters were Harvard men. He had finished the war with an intense dislike for Harvard men.

In 1922, Smith was graduated from Yale University with a law degree—he cooked to earn the money. One of his teachers was William Taft.

After graduation, he returned to Kansas and established a law practice in Kansas City.

Politics began calling in 1931. Wint Smith went to Topeka as attorney for the State Highway Commission.

Early in 1934, Kansas Gov. Alf M. Landon asked Smith to do something about the bank robbers who were terrorizing the state. Smith's answer was to form the Kansas Highway Patrol. He armed troopers, gave them fast cars, then began waging a small war across the Kansas hills. Criticized by the Legislature for using the Highway Patrol as a police force, Smith didn't bother to argue the point: robbers were tactlessly shot on sight.

The memory was still vivid as Wint Smith sat in his Mankato home one day recently and reminisced.

"We had the robbers pretty well cleaned out of Kansas," he said. "But some were holed up in the Cookson hills of Oklahoma."

Smith recalled that the situation angered him. Discarding the notion his authority stopped with the state line, Smith stomped into the Oklahoma governor's office one afternoon and demanded written permission to chase bandits in the Oklahoma hills. He received permission: the Kansas Highway Patrol began making guerrilla raids across the border.

Then came World War II mobilization in 1940. Smith, a lieutenant colonel in the Reserve, returned to the service in the fall of 1940. He organized and commanded a tank destroyer battalion. In 1943, the unit was sent to Europe. It landed on D-Day, fought through the Battle of the Bulge and ended near Vienna.

"I like to collect things," Wint Smith conceded as he showed a visitor two rooms full of relics of two wars. One basement wall is covered by a collection of firearms "liberated" from Nazi Germany. The home also is full of other treasures collected during Smith's lifetime.

"You take a jar of buttons someone has collected," the smiling Smith said, "and chances are you'll find one button that is different or valuable."

Included among the varied collections is a shelf of Kansas history books, several pictures of Abraham Lincoln and a signed picture of Gen. Douglas MacArthur.

Smith rose to the rank of General in the Army. And in 1946 his mind turned to thoughts of politics.

"I listened to the BBC during the war," Smith recalled. "I got damned tired of the labor leaders—Reuther and the rest of them—telling what labor was doing to win the war.

"Well, I decided to find out if labor leaders were really running the country. I went to Congress and by God, I found out they really were."

Smith's 14 years in Congress were turbulent. Immediately after his first election he volunteered for a post on the House Labor Committee. Then in the 1950s came controversial hearings on unfair labor practices. Smith chaired a subcommittee charged with investigation of unfair labor practice. Eighteen union officials were indicted. He took on James Hoffa. Political enemies soon outnumbered political friends. Vocally and with relish, Smith took on the United Nations, labor unions, foreign aid. Although a Republican himself, the congressman from Kansas fought President Eisenhower and several of his programs. He lambasted presidential appointments and tangled with Agriculture Secretary Ezra T. Benson. He won his last election by only 51 votes and his popularity, even in the conservative Western Kansas district, was sliding downhill steadily.

"I will not demagogue," he declared at the time. "I've always spoken what I believe and I've always been death on smart-alecks. I don't think I've been a very good congressman. I didn't have enough finesse.

"They gave me a lot of trouble once because I made a statement that I don't trust the government—I don't trust what it'll do with your money. I guess I'm the world's worst politician."

Then in 1960 came the announcement from Wint Smith that he was retiring from Congress.

"I had a rough time out here toward the end. I wouldn't go along with Eisenhower, the federal aid to education or with foreign spending.

"My trouble was with young people just getting established. Those liberal programs appealed to them because the government was promising to take care of Mom and Dad."

Wint Smith stretched his big frame one day recently, glowered at the ceiling and explained Wint Smith's view of the world in the nine years since retirement. It hasn't mellowed.

In short, Wint Smith claims he is watching—and has watched for some time—the decline of America.

"The seeds of decay are everywhere—in urban renewal, in giving money to people who won't work for it, in foreign spending. I'm pessimistic as hell about the future of America . . .

"There's the war. The biggest mistake we ever made was getting involved in Asia. Take the agitation from left-wing college professors. When I sit here and think about what's going on at Yale and what they did to the statue of Nathan Hale . . . Why, what must he be thinking? They are abolishing ROTC there!"

Wint Smith's eyes squinted under the wide brim of an ancient straw hat. He hunched forward in the seat of the dirty green pickup, his big, rough hands caressed the steering wheel as though holding the reins of an excited cow pony. And his boots played on the foot pedals as though they were stirrups.

"Buffalo are strange creatures. Unpredictable," said Wint Smith from the corner of his mouth. The pickup bounced over a hill, suddenly in the center of Smith's private herd of 14 shaggy buffalo.

"I like to preserve things," he explained. "When my grandparents homesteaded near here, they killed a buffalo. I thought it would be appropriate to have these here."

Then he pointed. "See those longhorns? You don't see too many of those anymore. They're registered, too. See that one over there? That's Dick. And there's Hubert. And Ike. Oh, yes, see that critter over there? That has to be the ugliest steer I have ever seen. He was so ugly I couldn't resist buying him. That's Spiro . . ."

Wint Smith hopped gracefully out the door of a pickup and approached the herd's huge bull, which stood silently, head lowered. "Look at the size of him," Wint Smith said slowly. Then he stood there nearly silhouetted on a hill in a pasture near Mankato. He looked for a long time at the shaggy bull, which stood like something out of a Remington painting, and looked steadily back at Wint Smith.

When Wint Smith was president of his senior class in 1920 at KU, there was a simple way of dealing with impertinent students.

Smith still remembers the freshman "who felt he was too good" to wear the prescribed cap.

"Somebody called me over," Smith recalled, "because they had him backed up against the wall and wondered what to do with him. Well, I just stood there and said he didn't have to wear a cap if he didn't feel like it." The corner of Wint Smith's mouth twisted into a smile. "Somebody said, 'Throw him in the lake.' That's exactly what we did with him—threw him in Potter's lake."

The incident probably expresses best how Wint Smith feels about agitation on college campuses today.

"Hell, there's no generation gap. Nobody really cares if kids want to wear sideburns and different clothes. It's just that kids are economically illiterate; they have no concept of history. And they can't distinguish between anarchy and capitalism.

"They are led by some liberal professors who are bitter because some high school dropouts are driving a truck and making more money than they are. These professors can't distinguish between academic freedom and liberty."

If Wint Smith sees any hope at all in bringing order to a chaotic world, it is in middle class America. "I don't care about the indigent—or the rich," he once said. And during his 14 years of representing Western Kansas in Washington, it was the middle class that Smith always felt himself closest to.

"There's a movement on in America that most people don't realize," he said. "You give a man a home, a garden and two cars in the garage and he's going to think twice before he goes out to raise hell. The labor unions are finding that out.

"That middle class—which believes in going to church on Sunday and in saluting the flag when it goes by—is getting damn sick and tired of supporting somebody who won't work; they're getting damn sick and tired of trouble on the colleges.

"I'll tell you, it's the middle class who'll end up getting some sense into the political structure."

Smith said he believes George Wallace of Alabama pulled much of his support from the middle class. "It's the middle class who will someday throw the rascals out," Smith said.

Ask Wint Smith for his thoughts on something and they're not long in coming. Views on almost everything. They aren't especially new; he's presented them before:

"The greatest word in the English language is My. To be able to say My home, My family, My wife, and My church.

"The most disgraceful picture I've ever seen was the one in Life Magazine that showed those hippies at the music festival. That's the kind of civilization those people want."

"I don't blame kids today for not wanting to go to war. There's no patriotic feeling today in America. Nobody cares."

"I used to be against the draft. I'm not now. If you had an all-volunteer army, it would be mostly colored and that wouldn't be good."

"The tax situation has elected a Democrat twice in this state. What are they going to do about it?"

But the talking is mostly in Wint Smith's past. Living quitely in Mankato with his wife Blanch, "I don't talk much; I just listen a lot."

He does intend to stay active, working for conservative candidates. He intends to remain a Republican.

Smith pulled his wide-brimmed straw hat lower against a noon sun and strode purposefully down the center of Mankato's main street.

"You know, there was a time when a man could put on a Stetson hat and walk into about any bank in the country and cash a check. That's when it was a badge of honor," he said.

Much of Wint Smith—or at least the material side of him—is housed in a weather-beaten downtown building. It is full of antiques—antiques of every kind: oak dressers, ancient china, chairs, butter churns, a kitchen he re-created from the memory of a kitchen he saw in London in World War II, a re-creation of his mother's kitchen. It is a private museum overflowing with early Kansas. Most of the objects have been restored.

Wint Smith passes it off simply: "I like to collect things. This is just something for an old man to do with his money."

But Wint Smith is at home and relaxed as he wanders slowly through the building that reflects a major portion of his life.

"If you had it to do over again—those 14 years in Congress—would you do anything differently?"

He contemplates the question.

"I tried to tell people what was happening to America. Yes, I think there is something I would do differently. I would be more outspoken."

WYOMING RURAL ELECTRIC LEADERS RETIRE

Mr. McGEE. Mr. President, two longtime leaders in Wyoming's rural electric program have retired recently. I would like to thank them for the selfless service they have given to the State in this very important area.

Elno Draney retired April 1 as manager of Lower Valley Power & Light of Afton, Wyo. He had been manager of that cooperative for 33 years.

Among his credits are service on the board of directors of the National Rural Electric Cooperative Association from 1967 to 1971; service in the Snake River Power Association and the Northwest Public Power Association; various statewide committees connected with rural electrification, and many other organizations.

Elno Draney has performed yeoman service in bringing electricity to the Lower Valley of Wyoming. His career was recently highlighted in Rural Electrification, the NRECA magazine. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ELNO DRANEY

Elno Draney doesn't have time to look back. After 33 years as manager of Lower Valley Power & Light, he spends most of his time looking far into the future in search of new power supply sources to meet the power needs of his co-op which have been doubling every six years.

"When I became manager in 1943 we were planning ahead five years or so for power supply. Today we are looking ahead 20 years and still looks like it will be a tight squeeze to find power for our future growth," Draney says as he lifts a massive report from his desk that projects the system's power supply needs to the year 1995.

"According to these projections, we will need 74 megawatts of power in 20 years. By 1984 we will need 37 megawatts and I'm afraid that with our growth patterns this is a very conservative estimate.

"Today the co-op is able to meet current needs with power from Bonneville Power Administration. That source will be adequate until 1984. After that we will have to look to other sources of power."

The search already is under way. Lower Valley is affiliated with the Washington Public Power Supply System (WPPSS) made up of private and public utilities searching for future power supply, the Northwest Public Power Association composed of 104 publicly owned utilities, and is a working partner with Raft River REC at Malta, Idaho, in the development of a geothermal power plant.

With hydro development curtailed, the system and its Northwest partners are looking to geothermal power and to nuclear energy development.

Draney thinks the development of geothermal will help in the short run but strongly feels that the system will have to rely on nuclear power in the future.

"We see nothing but accelerated growth in our system. To meet future growth adequately we will have to turn to nuclear energy; it's the only way for the future," Draney feels.

Lower Valley's system growth began skyrocketing in the mid-fifties with the purchase of two private utilities serving Jackson and Afton and the expansion of lines into rural Teton County.

Then, according to Draney, "our growth charts just began climbing and now are straight through the ceiling."

The Jackson Hole area has boomed with recreational growth. Construction of ski villages, shopping centers, new hotels and vacation homes multiplied during the sixties and even in today's recession there is no letup in the building boom.

Draney, a native of Star Valley, has seen the changes with mixed feelings. He remembers the old days when the area was quiet, growth slow but steady and everyone knew his neighbors. Then the national parks were uncrowded and a co-op manager could take some time to enjoy the beauty of the Grand Tetons.

Today, however, with the future bearing down and with so many challenges, Draney finds little time to enjoy the view from his office window of the snowcapped Rockies. He explains the situation at Lower Valley:

"Rural electric systems facing growth patterns like ours have three basic problems. First is the immediate concern—the day-to-day operation of a utility stretching to meet current expansion. This involves management decisions, engineering considerations and staff expansion in addition to the normal problems of bringing power to isolated and rugged rural areas. Second, it means dealing with a new membership, people with little awareness of cooperatives and the rural electrification program. Problems of reaching, educating and involving this new membership are serious and complex. The third and certainly the biggest challenge is planning ahead to secure adequate future power supply. Rural electrics are the fastest growing segment of the utility industry as they double power requirements every six to seven years."

Draney found his years as Wyoming's representative on NRECA's national board from 1967 to 1971 invaluable in giving him a "nationwide, indepth view of the program and its challenges.

"I worked with some of the ablest, most dedicated men I've ever met. I saw the national board's planning and preparation for the future and now I'm applying it to our local challenge."

Elno Draney plans on retiring next April. Until then he will continue to look to the 1990s and beyond for power supply. After our interview he said: "Come back next April and I'll have some time to talk about the old days then."

Mr. McGEE. Mr. President, another veteran Wyoming rural electric spokesman has just retired. Harold Cash of Kaycee, Wyo., is the current Wyoming director of the NRECA national board. He has retired as president of Sheridan-Johnson Rural Electric Association, based in Sheridan, Wyo. He held that post for 25 years.

Such a long career will be hard to match, but Eldon Buell, his successor, is giving it a try. I wish him luck, since that record will be very hard to beat.

Mr. President, Elno Draney and Harold Cash have given their adult lives to bringing electric power to Wyoming's rural residents. That has been a major undertaking and one that is still being worked on. Their service is deeply appreciated by all Wyoming residents, and I wish them well in their retirement. And, on behalf of Wyoming's people, I thank them for their service.

THE ROBERT E. LEE MEMORIAL FOUNDATION OPEN HOUSE

Mr. HARRY F. BYRD, JR. Mr. President, on Sunday last, April 25, I had the great pleasure to attend the "47th Spring Conference of Committees" Open House of the Robert E. Lee Memorial Association, Inc., at the Stratford Hall Plantation in Westmoreland County, Va.

This gracious 18th century estate, birthplace of Robert Edward Lee, is owned and managed by the Robert E. Lee Memorial Association, Inc., as an educational, nonprofit landmark and is open for the benefit of the public.

Stratford Hall is located on the Potomac River, within 4 miles of Wakefield, birthplace of another great American, George Washington. A mere 4 miles from Wakefield is Oak Grove, birthplace of yet another famous American, President James Monroe.

As if the surroundings of Westmoreland County are not inspirational enough, Stratford Hall stands as a beautifully restored and maintained memorial to one of the greatest of all American families—the Lees of Virginia. In its informational booklet on Stratford Hall, the association has quoted as a preface the memorable statement of John Adams to Samuel Cooper:

> The complaint against the family of Lees is a very extraordinary thing indeed. I am no idolater of that family or any other; but I believe their greatest fault is having more men of merit in it than any other family; and if that family fails the American Cause, or grows unpopular among their fellow-citizens, I know not what family or what person will stand the test.

It was here that Robert E. Lee was born in 1807. His father, Henry "Light-Horse Harry" Lee, was a brilliant cavalry officer during the Revolution, Governor of Virginia, and Member of Congress.

"Light-Horse Harry" Lee's father, also Henry Lee, was the nephew of Thomas Lee, builder of Stratford Hall. Thomas Lee commenced construction of the Great House at Stratford Hall in 1725, and it became the home for his distinguished family, including his sons Richard Henry Lee and Francis Lightfoot Lee, both of whom were signers of the Declaration of Independence.

Today Stratford Hall is supported entirely by private donations and the nominal admission fees collected.

The Robert E. Lee Memorial Association, Inc., is guided by its board of directors, from whom are selected its officers: Mrs. Joe Hume Gardner, president; Mrs. William Cabell Grayson, vice president; Mrs. Leslie Cheek, Jr., secretary; Mrs. Stephen Eberly Thompson, assistant secretary; Mrs. Austin Porter Leland, treasurer; and Mrs. W. Warren Shelden, assistant treasurer.

The board of directors includes representatives from 35 States, the District of Columbia, and from Great Britain. Virginia is accorded two directors, one of whom must be a Lee descendent. The present director so honored, Mrs. William Hunter deButts, of Upperville, is a direct descendent of Robert E. Lee.

The executive director of the Robert E. Lee Memorial Association, Inc., is Rear Adm. Thomas E. Bass III, U.S. Navy, retired.

While the association annually has an open house at its spring conference, this year was especially festive as Stratford Hall Plantation marked the start of its Bicentennial season.

The gathering was attended by over 1,000 visitors. They were addressed by the Honorable Mills E. Godwin, Jr., Governor of Virginia.

Governor Godwin's remarks were concise and eloquent. They pay fitting tribute to the tremendous heritage which has been bestowed upon Virginia and to the signal efforts of the dedicated members of the Robert E. Lee Memorial Association, Inc., in preserving that heritage as educational and inspirational force for us today and for the generations to come.

I ask unanimous consent that the text of the address of Governor Godwin on the occasion of the opening of Bicentennial observances at Stratford Hall Plantation be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY MILLS E. GODWIN, JR.

This gathering illustrates in every respect what I feel is the real essence of our Bicentennial in this year 1976.

We gather at Stratford Hall, the home of the great Lee family, which has contributed so much to this state and this nation for two centuries.

And yet there are here present the members of the Board of Directors of the Robert E. Lee Memorial Association, whose homes span a continent and reach far out to the Pacific.

On this Board are represented the oldest and yet the youngest states, from Virginia and Delaware to Hawaii; from New Hampshire to Florida; from Ohio to Louisiana; from Minnesota to Arizona, and finally from our Mother Land of Great Britain itself.

Those of us who come from the states which represent the thirteen original colonies tend to think of the Bicentennial as our own special province. And certainly our forebears were there when the nation was conceived and born.

We sometimes forget our former citizens, who carried their fierce independence in Conestoga wagons from Pennsylvania across the prairies to the Rockies and on up into Oregon and Washington.

We overlook the adventurers who sailed around Cape Horn when the news of the California Gold Rush spread to the east, and who built the golden cities of the Golden State.

It is well today to remember that this is America's Bicentennial we celebrate, an observance that embraces all Americans, because the principles that formed its foundation are shared by each of them in every state.

Sometimes we are reminded in strange ways. Not long ago I had occasion to pay tribute to an executive of one of the new corporate citizens that have come to Virginia in such increasing numbers in the last two decades. He told me that his Virginia plant would be manufacturing a garment known as Levis.

He went on to tell me that the gold miners in California had discovered that their woolen trousers couldn't stand the wear and tear of that rigorous existence and that a man named Levi had begun to manufacture replacements from a blue-colored cloth.

The result is that today we have Virginians manufacturing a California product known as blue jeans.

This certainly seems to be one universal American value that is thoroughly respected by the youth of America today.

We also gather to honor another American tradition that is not so universally respected. I speak of the tradition of family that is so vividly evidenced by the Lees of Virginia.

They are perhaps the best known of the many families in this state and in every state that have produced outstanding men and women, generation after generation. It is sad indeed to me that this tradition, too, is endangered by the eroding of family values.

Here in America our great families have never inherited positions of state and national leadership as have the crowned heads of Europe or the Emperors of old. Whatever wealth or social positions was theirs by birth required the leavening of their own talents and abilities in order to raise them to the heights that so many of them achieved.

I am so aware that many such families are represented here today.

And you have already expressed so vividly the spirit of the Bicentennial by your support of the Robert E. Lee Memorial Association and your stewardship of Stratford Hall Plantation itself.

The great Virginia plantations offered so much more than examples of period architecture or the agricultural life of the eighteenth century.

They were virtual oases in the wilderness, with their own armed forces to repel the river pirates and the marauding bands of brigands of that day.

By force of necessity, they were self sufficient, providing the necessities of life for every soul that lived thereon.

From this awesome responsibility their owners evolved the philosophy of government, and at the same time the spirit of independence, that found their way into our foundation documents

This great hall, like its counterparts, was the center of culture for much of this area, playing host to traveling artisans and artists of every kind, and putting down the roots of still another tradition that has flowered into our present-day support of Barter Theatre and the Virginia Museum of Fine Arts, as well as symphony orchestras and other performers.

It is small wonder that the planters of early Virginia were strong supporters of their own rights as transplanted British citizens and finally of independence itself.

And it is small wonder that the delegates to the Continental Congress recorded their impressions of statesmanship and learning represented by Virginia's delegation.

All of these impressions you have helped to preserve by your support of the Foundation and your concern for this great plantation home and all that it represents.

To me, Stratford Hall is towering evidence that a state and nation so begun cannot help but continue to flourish during its third century.

And this faith must be our own enduring legacy from America's Bicentennial.

STOPPING THE B-1 BOMBER

Mr. PROXMIRE. Mr. President, debate over the future of the B-1 Bomber is now entering the crucial stages as the Department of Defense budget is soon coming before us. Ron Freund, spokesman for the Campaign to Stop the B-1 Bomber, addressed the Democratic Party Platform Committee on April 24, 1976, and gave an excellent analysis of the B-1's international, economic, and environmental impact on our Nation.

Mr. Freund concluded that the B-1 is not needed to maintain national security, that it will have devastating economic effects on the Nation, and that the B-1 is a potential environmental hazard. The analysis is a sobering refutation to those who have touted the virtues of the B-1.

I ask unanimous consent that Ron Freund's speech to the Democratic Platform Committee be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

TESTIMONY BY THE NATIONAL CAMPAIGN TO STOP THE B-1 BOMBER

(Spokesman, Ron Freund)

The National Campaign to Stop the B-1 Bomber recommends that the 1976 Democratic Party Platform affirm the Party's opposition to production of the B-1 Bomber.

WHO WE ARE

The Campaign to Stop the B-1 Bomber is a public interest coalition of labor, church, environmental, professional, scientific and senior citizen groups working to prohibit production of the B-1 Bomber weapon system.

Groups represented in the Campaign include: the American Friends Service Committee, Americans for Democratic Action, Business Executives Movement for New National Priorities, Catholic Peace Fellowship, Clergy and Laity Concerned, Coalition on National Priorities and Military Policy, Common Cause, Council for a Liveable World, Environmental Action, Episcopal Peace Fellowship, Federation of American Scientists, Fellowship of Reconciliation, Friends Committee on National Legislation, Friends of the Earth, Indochina Mobile Education Project, International Longshoremen's and Warehousemen's Union, Jesuit Conference, Movement for Economic Justice, National Association of Social Workers, National Taxpayers

Union, NETWORK, Oil Chemical & Atomic Workers International Union, SANE, Textile Workers Union of America, United Church of Christ, War Resistors League, Women's International League for Peace and Freedom, Women Strike for Peace.

The Campaign works at both the Washington and local levels. It coordinates the grassroots legislative activity of Campaign organizations in over 200 cities.

We oppose the B–1 for three reasons:

(1) It is not needed to maintain national security.

(2) It's price is astounding both in terms of direct costs (over $21 billion to buy "stripped" planes) and indirect costs in jobs lost, increase in inflation and money lost to other programs we more urgently need.

(3) the costly and unnecessary system is being "pushed" by the Air Force and the prime contractor, Rockwell International, which have prestige and profits at stake, respectively.

We discern an urgent need for national leaders to aggressively protect the public interest by scrutinizing the dubious merits of the B–1 and its exorbitant cost. We note with gratitude that almost all the Democratic presidential candidates and Congressional leaders are on record opposing the B–1. Thus we think it is fitting for the Democratic Party to formally affirm its opposition to the B–1 before the American people, and to raise the B–1 issue this election year as an example of where we can restore proper balance to our national priorities.

The general consensus of opinion among most independent military defense analysts is that the B–1 is a technological anachronism even before it is produced. Experts holding this view include Herbert Scoville, former deputy director for research at the CIA and former assistant director of the Arms Control and Disarmament Agency; Alton Quanbeck and Archie Wood, former Dept. of Defense analysts and co-authors of the Brookings Institution report entitled Modernizing the Strategic Bomber Force, Why and How; Richard L. Garwin, IBM, member of Presidential science and defense committees, 1962–1972; Rear Admiral Gene LaRocque, retired, director of the Center for Defense Information; Jeremy Stone, director of the Federation of American Scientists; and Gordon Adams, director of military research at the Council on Economic Priorities.

THERE IS NO STRATEGIC NECESSITY FOR THE B–1 BOMBER

1. The strategic bomber is not essential at any level of nuclear conflict, since Intercontinental Ballistic Missiles and Submarine-launched Ballistic Missiles alone can successfully attack all targeted Soviet positions in 30 minutes or about $\frac{1}{12}$ the time required for bomber attack. Thus, bombers are only useful as a hedge against the exceedingly remote prospect of sudden Soviet Technological breakthroughs in anti-submarine and anti-ICBM warfare.

2. As the recent report of the prestigious Brookings Institution demonstrated, the present strategic bomber force of B–52s, which has been and will continue to be upgraded with the latest technological advancements, is adequate to meet any forseeable Soviet threat well into the 1990's.

3. Advances in technology, both in U.S. offensive capabilities and in Soviet defensive capacities, indicate that a manned, penetrating bomber like the B–1, if not already obsolete, will become so in the very near future. Costs of alternative forces are projected to be considerably lower than the B–1 bomber.

4. Projected U.S. strategic deployment, without the B–1, will bring our strategic forces very near the maximum limits prescribed by the Vladivostok Agreements. Furthermore, the SALT II Agreement, not yet reached, may well result in even lower ceilings than those announced at Vladivostok.

DIRECT COSTS OF THE B–1

The costs of this unnecessary goldplated bomber are staggering. Assuming that the entire fleet of 244 B–1s is produced, the cost of the B–1 bomber by Air Force estimation will be $88 million per copy, with total production costs at least $21.4 billion over the next eight years. In addition to production costs, the total price to fully arm, operate and maintain the B–1 fleet may come to $70.9 billion over the next thirty years, according to the Center for Defense Information. It should also be noted that production cost estimates have risen from $9.85 billion in 1970 to $21.4 billion today (while performance capabilities have time and again been downgraded.) Thus one can only speculate what the final cost of the program will be.

ECONOMIC IMPACT OF THE B–1

The Air Force and B–1 contractors are attempting to use these gigantic expenditures to their political advantage by touting them as a windfall to the economies of the states in terms of military contracts and jobs. In reality the B–1 program is a disaster economically.

B–1 spending actually results in a net loss of jobs compared to spending in any other economic sector. Economist Roger Bezdek of the Energy Research and Development Administration has determined that spending an equal amount on education or national health care, for example, would provide twice as many jobs as B–1 spending; fifty per cent more jobs would be produced by spending the money on highway construction. Why? Because most of the B–1 cost is for costly materials, fuels and technology, while only 21¢ out of every dollar will go for labor.

Analysis of information acquired from Rockwell International, the prime B–1 contractor, reveals that for 41 states the B–1 would cause a significant economic drain. Millions of tax dollars will flow out of these states to pay for the program, but little or no money or jobs will return to the state economies. These 41 states will pay $17.5 billion in taxes for B–1 production, and only $6.09 billion will return to the states in B–1 contracts and subcontracts. Thus 41 states will suffer a net drain of 11.5 billion dollars from their economies.

Like most military spending, B–1 spending is an economic "dead end". It entails a capital investment which provides no continuing productive capabilities. As Prof. Seymour Mellman of Columbia University points out, "A cannon, once made, cannot be used to produce anything, as contrasted with a building or a piece of machinery, or a tool, or a pen." Similarly, growth in civilian technology is stifled because 80% of federal research and development funds go to the military.

Finally, B–1 spending creates demand-pull inflation, since the income derived brom B–1 expenditures creates a demand for consumer goods without providing an offsetting supply.

ENVIRONMENTAL COSTS

According to the Environmental Action Foundation, supersonic flight of the B–1 poses a dangerous threat to the delicate ozone layer in the stratosphere. B–1 production will consume astonishing levels of energy and tons of scarce metals. Since the plane gets about 440 yards to the gallon, routine operation of the fleet will take enough fuel to keep all the urban transit systems in the country going—with some to spare. The B–1 will generate a more powerful sonic boom than the SST, and will severely pollute the lower atmosphere.

POLITICAL CONSIDERATIONS

That such a costly boondoggle is proposed—while 7½ per cent of the labor force is unemployed, while cities continue to decay, and while crime rises and social needs go unmet—truly reflects of the Ford Administration. Ford's politically-motivated Russian scare tactics provide free rein to every Defense Department whim, even though most of these expensive programs, including the B–1, are not at all responsive to the alleged "Soviet threat" postulated by the Administration or Ronald Reagan.

Meanwhile, Ford continues to veto desperately needed jobs legislation and human needs programs, and he uses government economic policy mainly to maximize profits of the biggest corporations. All of this, of course, is part and parcel of the Republican "trickle down" theory, a concept that is especially ludicrous in the military sector where so little trickles down in wages or socially useful goods and services. Needless military programs flourish in just such an atmosphere of unbridled corporate power and political expediency regarding defense needs.

Given this unfortunate political climate, it is up to the credit of most Democratic politicians that they stand up to Administration, DoD and Rockwell International pressure and oppose the B–1 Bomber. Almost all the Democratic leaders in the House and Senate have opposed B–1 production. On April 8, 1976, House Democrats voted 150–111 (165 to 121 including "pairs") to delay the B–1 production decision until after an elected President enters office next year. Every candidate for the Democratic presidential nomination has gone on record in opposition to the B–1, with the exceptions of George Wallace and Henry Jackson, and even Jackson has indicated strong reservations about proceeding with the program.

Despite efforts by these Democratic leaders, the climate generated by the Ford Administration has made it politically expedient for many Congresspeople to vote for all defense requests (whether they personally view them as worthwhile or not) in order that they may appear to be taking a strong stand against the so-called "Russian threat". What is needed is leadership in making the public aware that our national security is not increased by throwing away billions of dollars on needless glamour-weapons which benefit only the profits of the weapons contractors and the prestige of individual branches of the Armed Services. We urge the Democratic Party to assume such leadership in reinstituting a rational discussion of our defense needs and priorities.

RECOMMENDATIONS

We urge that the party platform reflect that the greater the threat to America's military defenses, the greater the need to spend our defense dollars in ways that will directly meet such threats. Every dollar spent on unnecessary weapons detracts from our ability to purchase the kind of defense we really need.

We urge that the party platform reflect the need to limit our defense spending to what is truly needed for our defense—not on what the Russians are spending for their own unique defensive requirements.

We urge that the party platform reflect an understanding that meeting the urgent social needs of the American people is as vital to our national security as are military weapons systems. Even though the United States is still number one in military power, we Americans feel less secure than we did a decade ago. Unemployment, deterioration of the cities, economic crises, hunger, and racial tensions all demonstrate our insecurity. How secure we are as a people depends more on the quality of our lives and of our neighbors' lives than on the size or number of weapons available to protect us.

We urge that the party platform reflect the need to reorder our spending priorities, to take away the unquestioned authority of the

Pentagon and defense contractors to define our "national security" needs, because their judgment is prejudiced by their own self interests.

Finally, we urge that the party platform endorse a program of economic conversion, so that factories can gradually and without disruption be converted from production of superfluous military hardware to production of drastically needed civilian goods. There is no major technological difficulty in conversion. After World War II, U.S. industry reconverted from military to civilian products on a massive scale. More recently, a plant in Philadelphia which built helicopters during the Vietnam War converted to making mass transit vehicles. If economic conversion were to take place on a widespread basis, more of our needs would be met, more jobs would be created, and the unrestrained influence of the military would be decreased.

FINANCIAL HOLDINGS AND INCOME TAX RETURN OF SENATOR WILLIAM PROXMIRE

Mr. PROXMIRE. Mr. President, in 1963, 1965, 1967, 1970, 1972, 1973, 1974, and 1975, I submitted for the Record a history of my financial holdings from the time I was first elected to the Senate in August of 1957 until July 1975. In order to bring the full record up to date, I submit herewith the history of my financial holdings since July of 1975.

The bulk of the securities I hold are now in State and municipal bonds, totaling $45,000.

My other assets include ownership of my home and furnishing in Washington, D.C., on which I owe a mortgage to the Perpetual Building Association of Washington, D.C.; ownership of my home and furnishings in Madison, Wis., from which home I receive $350 per month in rent; ownership of one 1970 automobile and 1972 automobile; ownership of one checking account in a Washington bank, one checking account in a Madison, Wis., bank and one savings account in a Madison bank. The combined balance as of this date, in these three accounts is $8,742.81.

I also hold a note on my former residence in Washington at 3220 Ordway in the amount of $9,692.

Trust custody of stock in my children's names has been turned over to them directly as they are over 21.

I estimate my net worth to be about $299,000. This is a decline of $13,000 since I last filed in July of 1975.

To the best of my knowledge, this is an accurate record of my financial holdings and obligations.

In addition, I herewith submit a balance sheet showing my net worth and how it was arrived at, a copy of my 1975 Federal tax return and a list of all honorariums received during 1975 in the amount of $300 or more—$13,000. Additional income was received from book royalties, a TV appearance, and two speeches for the Brookings Institution here in Washington for which I received $150 per speech and one speech for the Washington Journalism Center here in Washington for which I also received $150.

I paid $21,779 to the Federal Government in taxes on 1975 income and have applied for a refund of $11,566. In addition, $14,584 was paid in Wisconsin taxes, and I have applied for a refund of $9,255.

I ask unanimous consent that the balance sheet, copy of 1975 Federal tax return, and list of all honorariums received in 1975 in the amount of $300 or more be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Net worth of Senator William Proxmire as of April 1976

Municipals and State bonds	$45,000.00
1972 Vega (Blue Book trade-in value)	850.00
1970 Mustang (Blue Book trade-in value)	1,025.00
Two checking and one savings account:	
Washington account-checking	551.13
Madison account-savings	5,700.16
Madison account-checking	2,491.52
4613 Buckeye Road, Madison: (Assessed value $30,100) market value	48,600.00
3097 Ordway St. NW., Washington, D.C.: Assessed value $168,620; market value, $190,000; mortgage value, $64,392.87)	125,607.13
Furnishings	15,000.00
Note on 3220 Ordway St. NW., Washington, D.C	9,692.16
Cash deposit in Civil Service retirement	44,263.51
Total	298,780.61

1975 honorariums received for speeches

Jan. 6, 1975: Sangamon State University, Springfield, Ill	$1,000
Jan. 9, 1975: University of Dayton, Dayton, Ohio	1,000
Jan. 17, 1975: St. Mark's Prep School, Southboro, Mass	1,000
Feb. 7, 1975: Ohio Wesleyan University, Delaware, Ohio	1,000
Feb. 6, 1975: Shippensburg State College, Shippensburg, Pa	1,000
Mar. 25, 1975: Paperboard Pkg. Council, Chicago, Ill	1,000
Apr. 1, 1975: Mercyhurst College, Erie, Pa	1,000
Apr. 13, 1975: Hobart and William Smith College, Geneva, N.Y	1,000
Apr. 21, 1975: Friends School, Wilmington, Del	1,000
May 30, 1975: Council on Foreign Relations, Chicago, Ill	1,000
June 15, 1975: Ramapo College, Mahwah, N.J	1,000
Oct. 31, 1975: Wesleyan University, Middletown, Conn	1,000
Dec. 1, 1975: Association of Government Accountants, Arlington, Va	1,000

U.S. Individual Income Tax Return, 1975

William and Ellen H. Proxmire, 4613 E. Buckeye Rd., Madison, Wisconsin 53716.

Occupation: U.S. Senator and Corp. Exec.

Exemptions: regular and spouse, 2.

First names of your dependent children who lived with you: Douglas, 1.

Total, 3.

Wages, salaries, tips, and other employee compensation, $51,836.

Interest income, $537.23.

Income other than wages, dividends, and interest, $17,756.72.

Total, $70,129.95.

Adjustments to income, ($2,369.96).

Subtract line 14 from line 13 (Adjusted Gross Income), $67,759.99.

Tax, check if from: Tax Rate Schedule X, Y, or Z, $10,979.56.

Credit for personal exemptions, $90.

Balance, $10,889.56.

Credits $2,000.

Balance, $8,889.56.

Other taxes, $1,323.25.

Total (add lines 18 and 19), $10,212.81.

Total Federal income tax withheld, $12,979.09.

1975 estimated tax payments, $8,800.

Total, $21,779.09.

If line 22 is larger than line 20, enter amount overpaid, $11,566.28.

Amount of line 24 to be refunded to you, $11,566.28.

William Proxmire.
Ellen H. Proxmire.

Dated: March 24, 1976.

INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

Business income or (loss), $16,750.00.

Net gain or (loss) from sale or exchange of capital assets, $2,572.98.

Fully taxable pensions and annuities $1,626.26.

State income tax refunds, $60.00.

Total, $17,756.72.

ADJUSTMENTS TO INCOME

Employees business expense, $2,369.96.

Total, $2,369.96.

TAX COMPUTATION

Adjusted gross income, $67,759.99.

If you itemize deductions, check here and enter total from Schedule A, $28,088.73.

Subtract line 44 from line 43, $39,671.26.

Multiply total number of exemptions claimed, by $750, $2,250.00.

Taxable income, $37,421.26.

CREDITS

Purchase of new principal residence credit, $2,000.00.

Total, $2,000.00.

OTHER TAXES

Self-employment tax, $1,323.25.

Total, $1,323.25.

Wage and Tax Statement, 1975

U.S. SENATE DISBURSING OFFICE

Hon. William Proxmire, U.S. Senate.

Federal income tax withheld, $11,755.89.

Wages, tips, and other compensation, $43,025.00.

State or local tax withheld $3,554.04.

State or local wages, $43,025.00.

WASHINGTON WHIRL-AROUND OF D.C. INC.

Ellen H. Proxmire, Washington, D.C. 20008.

Federal income tax withheld, $1,200.20.

State or local tax withheld, $458.52.

FICA employee tax withheld, $485.55.

State or local wages, $8,261.00.

Total FICA wages, $8,261.00.

WONDERFUL WEDDINGS OF THE METROPOLITAN AREA, INC.

Ellen H. Proxmire, Washington, D.C. 20008.

Federal income tax withheld, $23.00.

State or local tax withheld, $17.60.

FICA employee tax withheld, $32.12.

State or local wages, $550.00.

Total FICA wages, $550.00.

Itemized Deductions and Dividend and Interest Income, 1975

William and Ellen Proxmire.

MEDICAL AND DENTAL EXPENSES

One half (but not more than $150) of insurance premiums for medical care, $126.96.

Total, $126.96.

TAXES

State and local income, $17,503.16.

Real estate, $1,641.79.

State and local gasoline, $12.00.

General sales, $977.50.

Total, $20,134.45.

INTEREST EXPENSE

Home mortgage, $3,483.20.

Other (itemize): Union Trust, $160.19; Charge Acct., $429.16.

Total, $4,072.55.

CONTRIBUTIONS

Cash contributions for which you have receipts, cancelled checks or other written evidence, $829.85.

Total contributions. $829.85.

MISCELLANEOUS DEDUCTIONS

Other (itemize): Political contr., $200.00.

Tax preparation, $1,500.00.

Safe deposit box, $20.00.

(H) business expense, $136.35.

(W) business expense, $1,068.57.

Total, $2,924.92.

SUMMARY OF ITEMIZED DEDUCTIONS

Total medical and dental, $126.96.

Total taxes, $20,134.45.

Total interest, $4,072.55.

Total contributions, $829.85.

Total miscellaneous, $2,924.92.

Total deductions, $28,088.73.

INTEREST INCOME

Dr. Lowy (interest payment), $396.83.

United Bank, $140.40.

Total interest income, $537.23.

Profit or (Loss) From Business or Profession

Business name, William Proxmire.

Principal business activity—speaking.

Business address, U.S. Senate, Washington, D.C. 20510.

Method of accounting, cash.

Gross receipts or sales, $13,600.

Business name, Ellen Proxmire.

Principal business activity, writing and speaking.

Business address, 3097 Ordway Street, NW., Washington, D.C. 20008.

Indicate method of accounting, cash.

Gross receipts or sales, $3,150.

Computation of Social Security Self-Employment Tax

Name of self-employed person, William Proxmire.

Computation of net earnings from nonfarm self-employment, $13,600.

Nonfarm optional method, maximum amount reportable, under both optional methods combined, $1,600.

Computation of social security self-employment tax, from nonfarm, $13,600.

The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1975 is $14,100.

Self-employment income, $13,600.

Self-employment tax, $1,074.40.

Name of self-employed person, Ellen Proxmire.

Computation of net earnings from nonfarm self-employment, $3,150.

Nonfarm optional method—maximum amount reportable, under both optional methods combined, $1,600.

Computation of social security self-employment tax, from nonfarm, $3,150.

The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1975 is $14,100.

Total "FICA" wages and "RRTA" compensation, $8,811.

Balance, $5,289.

Self-employment income, $3,150.

Self-employment tax, $248.85.

Capital Gains and Losses

Long-term Capital gains and losses—Assets held more than 6 months—

Kind of property and description, gross sales price, cost or other basis, as adjusted, gain or (loss):

N.H. state bonds, $7,150.22, $9,325, ($2,174.78).

Mass. St. Health bonds, $7,100, $10,149, ($3,049).

Upper Pot. River Comm., $7,950, $8,698, ($748).

Milw. Wis. Wtr. R.U., $3,543.75, $3,647, ($103.25).

House, 3220 Ordway, $92,500, $70,385, $22,115.

Net gain, $16,039.97.

Long-term capital loss carryover attributable to years beginning after 1969, ($10,894).

Net long-term gain, $5,145.97.

Summary of parts I and II—

Combine the amounts shown on lines 5 and 13, and enter the net gain or (loss) here, $5,145.97.

Enter 50%, $2,572.99.

Subtract line from above $2,572.98.

Capital Gains—Municipal Bonds, State and Local

Name, selling price, interest received, cost basis:

New Hampshire State, $7,150.22, $135.78, $9,325.

Mass. St. health bonds, $7,100, $456.81, $10,149.

Upper Pot. River Comm. bonds, $7,950, $56.53, $8,698.

Mil. Wis. Wtr. RU bonds, $3,543.75, $57.50, $3,647.

Totals, $25, 743.97, $706.62, $31,819.

* Interest on municipal state bonds are exempt from federal income taxation.

Capital Loss Carryover

Long-term capital loss carryover—($10,894).

Supplemental Income Schedule and Retirement Income Credit Computation

Rent and royalty income—

(H) Royalty—book, see 4831, total amount of rents, $3,652.50; total amount of royalties, $248.96; depreciation or depletion, $1,533.50; other expenses, $3,994.22.

Net income or (loss), ($1,626.26).

Rental Income

Rent Income: Madison Wisconsin House, Sea Pines (50 percent ownership), $3,652.50.

Expenses—

Cleaning, $225.

Interest, $903.62.

Management fees, $233.82.

Legal and accounting, $75.

Repairs: miscellaneous repairs, $83.41; maintenance, $322, $3.75; painting, $700.

Taxes and licenses, $1,197.47, $125.27.

Utilities, $58.88.

Other: grass cutting, $50; miscellaneous, $16.

Total expenses, $3,994.22.

Schedule for Depreciation Claimed

House, $557.

Improvements, none.

Furniture, none.

Improvements, $280.50.

Sea Pines Bldg., $1,012.

Appliances, $115.

Carpeting, $120.

Heat and air conditioning, $145.

Total, $1,392; 50 percent ownership, $696.

Miscellaneous Expenses, 1975

Ellen Proxmire, business expenses, non reimbursed—

Entertainment, $311.59; travel, $756.98; total, $1,068.57.

William Proxmire, business expenses, non reimbursed—

Professional journals, $32.40; taping recording studio, $41.70; photo fund, $37.25; promotion, $25.00; total $136.35.

Schedule of Congressional Reimbursement—Senator William Proxmire

Reimbursements—

Travel expenses, $6,176.63; office expenses, $5,167.85; total, $11,344.48.

Expenses—

Travel expenses, $5,845.43; office expenses, $4,869.03; cost of living,[1] $3,000; total, $13,714.46.

Excess expenses, $2,369.98.

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[1] See attached affidavit.

AFFIDAVIT

I hereby certify that I was in a travel status in the Washington area, away from home, in the performance of my official duties as a Member of Congress, for 249 days during the taxable year, and my deductible living expenses while in such travel status amounted to $3,000.

William Proxmire.

Sales or Exchange of Personal Residence

Date former residence sold, May 1, 1975.

Date new residence bought, May 1, 1975.

Date you occupied new residence, May 1, 1975.

Selling price of residence, $120,000.

Less: Commissions and other expenses of sale, $7,347.

Amount realized, $112,653.

Less: Basis of residence sold, $59,370.55.

Gain on sale, $53,282.45.

Adjusted sales price, $112,653.

Cost of new residence, $190,000.

Gain on which tax is to be deferred, $53,282.45.

Adjusted basis of new residence, $136,717.55.

Schedule I—Commissions and other exexpenses of sale, commission, $7,200, settlement costs, $147.

Schedule II—Basis of old residence—

Purchase price, $37,500.

Improvements, $21,120.55.

Appraisals, $750.

Total, $59,370.55.

Credit for Purchase or Construction of New Principal Residence

Cost of new principal residence, $190,000.

Less: Any gain from the sale of an old principal residence which is not recognized, $53,282.45.

Adjusted basis of new principal residence, $136,717.55.

Allowable credit, $2,000.

Samuel P. Pardoe, Inc., Builders
and Developers,

February 10, 1976.

Senator and Mrs. William Proxmire,
Washington, D.C.

Dear Senator and Mrs. Proxmire: This letter serves as certification that the price of One hundred Ninety Thousand Dollars ($190,000.00) you paid for the purchase of 3097 Ordway St., N.W., which you purchased on May 1, 1975, is the lowest price at which the house was offered for sale after February 28, 1975, and that construction began before March 26, 1975.

Sincerely,

Samuel P. Pardoe, Inc.

SPAIN BELONGS IN NATO

Mr. HARRY F. BYRD., JR. Mr. President, the death of Gen. Francisco Franco last year ended his nearly 40-year reign over Spain.

Franco's successor, Juan Carlos de Borbon, was inaugurated as King of Spain, only 2 days after Franco's death, on November 22 of last year.

The transition in Spain's political leadership has to date not produced any major outbursts of violence, and the fear that Spain would follow the tumultuous and uncertain path of Portugal has not yet been realized.

In the 5 months that King Juan Carlos has been in power he has shown strong leadership and sensitivity in meeting the problems confronting his country.

He defused the political impasse between Spain and Morocco over the Spanish Sahara through personal diplomacy, and he has also undertaken steps to meet with the Catalans and Basques, who are seeking greater autonomy from the central government for their respective regions.

Early this year the new Spanish Government also announced its intent to develop a program of domestic reform, which will include, among other things, the creation of a two-house parliament and a modification of the antiterrorist decree.

Both of these proposals are seen as a major shift in policy, and the creation of a two-house parliament, in particular, should provide the Spanish people with more direct, and responsive representation in their Government.

This is not to say, however, that it will provide a democracy such as we have in the United States.

But I have had the opportunity to discuss the current political situation in Spain with the distinguished Senator from Rhode Island (Mr. PELL), who is a member of the Foreign Relations Committee, and who recently had the opportunity to visit Spain.

Senator PELL was most impressed by the steps taken by King Juan Carlos, to ease the internal political restrictions. These steps have included, among others, the release of political prisoners, open political activity, and freedom of the press.

Senator PELL feels, as I do, that the United States, and the free world, now have the opportunity to encourage this progress in Spain.

The Senator from Missouri (Mr. EAGLETON) also made an excellent speech in the Senate on February 5 concerning the situation in Spain.

In this context, it deserves to be emphasized that Spain's clandestine, but well-organized, Communist Party has not been able to exploit the political situation, as its Portuguese counterpart did in neighboring Portugal. Nevertheless, Spain's new young King faces numerous domestic and international problems, and Spain's extremist elements appear ready to challenge his authority should a political vacuum develop, or should a political or economic crises arise.

Undoubtedly many of these elements will promote dissidence in the hope of undermining the new Government. But with support and encouragement from the United States, and our European allies, the new Government of Spain will be able to respond to the challenges it will encounter, and it will be able to undertake the reform of its own institutions, in a responsible and enlightened way, without fear of intrusion from outside powers.

The United States and Spain have, in fact, just concluded a new defense agreement. This agreement is the latest in a series of defense agreements between the two countries which date back to 1953. At that time the United States recognized the strategic importance of Spain in the defense of Europe and the Mediterranean.

Indeed, Spain should have been permitted to join the NATO alliance when it was formed. But opposition from some of our European allies prevented Spain from being admitted to NATO.

At the outset much of the opposition to Spain's entry into NATO could be traced to the role of Spain in the early years of World War II. Later the opposition continued more out of opposition to the nature of the Franco regime.

In 1971, I urged that Spain be admitted to NATO, but strong opposition to Spain entering the alliance continued from some of our other European allies.

The strategic importance of Spain for Europe and the Mediterranean, particularly its importance to the southern flank of the NATO alliance, has, however, not diminished over the years. On the contrary, given the present political and strategic situation in the Mediterranean region, Spain is of more importance to the security of the free world than ever before.

The southern flank of the NATO alliance is in precarious balance.

Two traditional U.S. allies and friends, Greece and Turkey, find themselves embattled over Cyprus, with both threatening to decrease or eliminate their NATO roles unless a mutually satisfactory solution to the Cyprus problem can be found.

The political revolution in Portugal in 1974 also brought domestic disorder and government instability to that NATO ally. Vast Soviet expenditures supported the activities of the Portuguese Communist Party, as it sought to circumvent constitutional procedures, overrule the outcome of popular elections through its organized cadres, and sympathetic elements in the military forces, and assume government control, contrary to the popular will.

While the pendulum now seems to have swung back in favor of the moderate forces in Portugal, the outcome is far from certain, and its role in NATO remains in question.

The political and economic chaos in Italy, which threatens to bring formal Communist participation to the national government, is illustrative of the internal weakness and potential difficulties facing NATO in all of the countries which constitute the alliance's southern flank.

But while the publicity surrounding detente may have dimmed the popular awareness of existing military and political threats to the free world, which in turn has contributed to an erosion in the western alliance system, Communist Russia has no such problems.

The Warsaw Pact's land forces represent one of the most awesome military machines ever created, and Russia is simultaneously seeking dominance over Europe's waters.

The day has long gone since the U.S. 6th Fleet sailed the Mediterranean Sea unchallenged. The Soviets now maintain a sizeable fleet in the Mediterranean, and they seek to become the dominant power in that region.

So Spain, which has always played an important role in the formulation of European defense plans, assumes ever-increasing importance for West European security.

Through bilateral agreements, the United States has had base rights in Spain, the most important of which is Rota. Located near the strategic Atlantic approaches to the Mediterranean, Rota serves as a base for the U.S. naval fleet, a communications center, and as a monitoring center for Russian naval activities.

The United States has now signed a new 5-year agreement with Spain for continuing these base rights, but the two governments have also agreed to a "Treaty of Friendship and Cooperation," which must be approved by two-thirds of the U.S. Senate.

The new treaty between Spain and the United States illustrates the importance the United States attaches to the stability and orderly development of that country, and it represents an American commitment of support.

But I think the time has come to go even further.

Spain belongs in NATO, and it is my view that now is the time for the United States to spearhead a drive for Spain to become a member of that defense organization, in cooperation with our European allies.

At a time when the resolve of the free world is being questioned, admitting Spain into the North Atlantic Treaty Organization would help restore some of the declining credibility confronting the alliance today.

With Spain in the NATO alliance the strategic security of Europe would be strengthened, and that country's military forces would also add meaningfully to the defense capability and readiness of NATO's conventional forces.

Spain has a navy of approximately 90 ships, including 10 submarines, 1 helicopter carrier, 1 cruiser, 13 destroyers, as well as a number of mine sweepers, torpedo boats, patrol craft, landing ships, and frigates.

The air force consists of 200 combat aircraft, and the peacetime army of Spain consists of 5 divisions, and 16 brigades.

The mobilization potential of this army is considered to be 40 divisions.

Spain has more than 300,000 men under arms, of which 213,400 are conscripts, and in 1974 that country spent $1.43 billion on defense out of a GNP of approximately $65 billion.

In overall military power, only two of our continental NATO partners—West Germany and Turkey—clearly are stronger than Spain.

Spain, then, could make a solid contribution to the NATO alliance, and would represent a desirable strengthening of the alliance.

As a member of the West Europe family of nations, Spain belongs in the ranks of the alliance which is the principal instrument of West European security. And no time could be more propitious than now.

As Spain enters a new stage in her history she should do so with the full support of the countries that constitute the North Atlantic Treaty Organization.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD an article by Gen. T. R. Milton, U.S. Air Force, retired, entitled "NATO's Troubled Southern Flank." This article discusses in greater detail the strategic importance of NATO's southern flank.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATO's TROUBLED SOUTHERN FLANK

(By Gen. T. R. Milton, U.S. Air Force, Retired)

(NOTE.—The author: General T. R. Milton, USAF (Ret.) graduated from the United States Military Academy in 1940. His service included many important command and staff assignments. Just prior to his retirement in 1974, he served as United States Representative, NATO Military Committee, Brussels. Since that time he has been a consultant and a free-lance writer. General Milton's article, "NATO and the Aging Process," was published in the Winter 1974 issue of Strategic Review.)

IN BRIEF

(In the last two years the Southern Flank of NATO seems to have suffered a severe weakening. However, the decline is more apparent than real, the flank has always been weak because of irreconcilable national positions. Whereas ten years ago the U.S. Sixth Fleet was clearly the dominant factor in the Mediterranean, it is now openly challenged, in visibility at least, by the Russians. No NATO politician has any trouble working up alarm over the growing Soviet Mediterranean fleet, but NATO's need for land bases around the Mediterranean basin does not seem so clear to NATO. Scarcely anything would be of more importance than the Spanish bases to any conflict in the Mediterranean. Of the NATO countries involved, France is ambivalent, Italy is weak, Portugal is in a state of convulsion, the United Kingdom's relations with Spain are frosty, Greece has withdrawn from the NATO integrated command structure, and U.S.-Turkish relations require the best possible salvage job. U.S. leadership is required; the Sixth Fleet remains a most essential display of American power and intentions; land-based air is essential to a viable strategy for the area.)

In the late spring of 1973 NATO held maneuvers in northern Greece, in the beautiful and historic country around Thessaloniki. Nearby are the ruins of Philippi and the later relics of the Roman Empire. Here and there is a reminder of the Crusades. And while there is certainly nothing visible to prove it, Thessaloniki was the birthplace of Kemal Ataturk, the founder of modern Turkey. It was then, in 1881, part of the decaying Ottoman Empire. And it was later, in the savage Greek-Turkish conflict of 1921–22, the scene of massacres as the Greeks established their hold on that part of Thrace.

Now, fifty-odd years later, we were there to see a NATO maneuver. We observers, British, American, Greek, the Turkish Chief of the Armed Forces, were quartered in a cottage resort on the Aegean Sea, in sight of the beautiful island of Thasos. While the security apparatus was a little too much in evidence—the gun boat which drifted by our cottages during the night, the police of Brigadier Ionnadis trying to fit the landscape wherever one looked—there was not much to suggest the turmoil then taking place in Greece.

There were, of course, signs. Perhaps the most unsettling, because it seemed to be a definite act of bridge burning, was the appearance, literally overnight, of the new symbol of the regime. It was a Phoenix, rising as is the custom of the phoenix, from some ashes. The symbol was suddenly everywhere: on signboards, framed and on the wall, and in enamelled insignia on military uniforms. It gave some of us an uneasy feeling of deja vu, the Phoenix and the omnipresent photograph of Colonel Papadopoulous.

Nonetheless, the maneuvers were a great success, not only in the usual way, but as seeming reassurance of the vitality of NATO's Southern Flank. The larger question of NATO's solidarity was best left unasked. The Greek regime was anathema to the Northern European members of NATO, especially the Scandinavians and the Dutch.

However, to the military, there in Greece for that NATO exercise, all seemed pretty satisfactory. The planning and execution of the various phases of the exercise were excellent. The Greeks had done a competent job of laying on support for the visiting forces, and the performance of the Greek military units was especially impressive and gave every evidence of discipline and reliability, including a spectacular demonstration of the close-air support of advancing Greek Army units by the Greek Air Force, complete with live ammunition and bombs. The Greek Air Force was using a bombline just 100 yards in front of the troops.

So, if they wanted to have a Phoenix, and some reminiscent trappings of power Italy, that was their business. We thought they looked pretty good from the NATO military standpoint. At least we British and American observers thought so. The Turkish delegation attended their Chief and kept their own counsel.

In the two years since that time, the Southern Flank seems to have suffered a severe weakening. However, the decline is more apparent than real. It has always been weak, when viewed as an entity. In the first place, the hostility between Greece and Turkey has always been there. Some years it has merely simmered; occasionally, as in Cyprus, it has boiled over. But it has always been present.

The curious facade of NATO headquarters in the Eastern Mediterranean is really a recognition of this fact. And until this last and most severe of the Greek-Turkish fallings out, the facade served the purpose, as good facades do, of hiding the basic truth that the Greeks and the Turks were most uneasy allies. These headquarters, all under the American admiral serving as CINCSOUTH in Naples, who is in turn under the American general serving as SACEUR, were created with the United States dominant and taking account of some irreconcilable, if illogical, Turkish and Greek national positions. The naval boundary question, for example, is all tied up with the sovereignty of the almost countless islands in the Aegean and the approaches to the Dardanelles. It is most unlikely that it can ever be settled. If, and when, Greece comes back into the NATO military structure—it is a good bet that she will in time—and Greece and Turkey agree to reconstruct the Allied military facade in that area, the naval boundary dispute will surely remain. If NATO lasts another twenty-six years, or a hundred more years, the boundaries will remain unresolved, and any sensible NATO naval command and control apparatus in the Eastern Mediterranean will have to remain a contingency plan.

Not that this, in itself, is a major obstacle to NATO strategy in the Mediterranean: it is, however, illustrative of the vexing problem of Allied disunity, and of the difficulty in getting the good of the Alliance placed ahead of national, and parochial, positions.

The real problem that the Cyprus affair has caused to NATO is the possible disaffection of Turkey. For Turkey is the key to NATO's posture in the Eastern Mediterranean. What is more, Turkey has something to say about that essential, to Russia, body of water known as the Black Sea. Only Turkey keeps the Black Sea from being a Russian lake. Only Turkey can provide the bases for air and naval surveillance of the Black Sea. And, of course, there is the Bosporus, the Turkish controlled gateway from the Black Sea to the Mediterranean. Any tourist can take his ease at the Istanbul Hilton and see, almost any day, Russian warships passing through these narrow waters.

THE GROWING SOVIET NAVAL THREAT

For some years now the Russian naval squadron in the Mediterranean has been growing at an ominous rate. The steadily increasing flow of Russian warships through the Bosporus has been a central theme in NATO's annual military appreciation. Whereas ten years ago the U.S. Sixth Fleet was clearly the dominant factor in the Mediterranean, it is now openly challenged, in visibility at least, by the Russians: all very alarming if one believes naval surface strength to be a decisive factor in the control of that landlocked sea. Recent history suggests it is not.

As World War II loomed on the horizon, and then became a fact with Hitler's invasion of Poland, the Mediterranean, as a theater of war, began to come into focus. Mussolini with his tendency for Latin hyperbole, had for some time proclaimed the Mediterranean as *Mare Nostrum*. The basis for his claim, aside from bombast, was his fleet of submarines, and his Air Force. The British and the French, viewed the Mediterranean as their lifeline through Suez to the Middle East and East.

As things developed, the Mediterranean proved to be neither Italy's *Mare Nostrum* nor anyone's lifeline. It became, instead, generally an untenable place for large surface ships of any kind. The war in the Mediterranean developed around the battle for land holdings along its shore. More than thirty years ago land-based air, along with submarine bases, had to be dealt with as a prerequisite to movement in the Mediterranean.

The same situation holds today, and probably even more clearly. Submarines are more deadly, more difficult to detect in the frustrating antisubmarine warfare conditions of the Mediterranean, and modern airplanes make a joke of Mediterranean distances. The Soviets evidently understand the need for land-based air in their move toward becoming a Mediterranean power, as demonstrated by Mr. Kosygin's visit to Libya last May. If we are to believe the reports, he was there to barter Soviet Arms for bases. Unfortunately, the need for land air bases around the Mediterranean basin does not seem so clear either to NATO or to some of our own politicians.

No NATO politician, even one from Scandinavia where the problems of the Mediterranean are generally listened to with a glazed eye, has any trouble working up some alarm over the growing Soviet Mediterranean fleet, for the specter of Russia as a Mediterranean power is a disquieting one to any Western European. The recent European Security Conference, in certifying Russia's present zone of influence, served also as a reminder of how that zone came about. The rising political unrest in Italy, the uncertainty about Yugoslavia after Tito, the Greek-Turkish impasse, all make the growing Soviet naval presence increasingly unsettling to NATO Europe, and thus makes the visible presence of the U.S. in the Mediterranean an essential reassurance to the Allies of American commitment. Any draw-down in the size of the U.S. Sixth Fleet, however small, is a matter for NATO concern at the highest level.

THE NEED FOR LAND-BASED AIR

There is no similar concern in NATO circles over the need for land-based United States Air Forces in the Mediterranean. Unhappily, land-based air power has little diplomatic visibility, a highly prized commodity in political circles.

If, for example, the United States should lose its Spanish air bases, there would, in all probability, be no NATO reaction. And yet scarcely anything could be of more importance than these Spanish bases to any conflict in the Mediterranean. With tankers to provide air-refueling, aircraft based in Spain could operate anywhere in the Mediterranean, although, admittedly, the stretch from Spain to the Midle East is a little long.

THE SOUTHERN FLANK NATIONS

Spain, then, is of great importance to NATO. But NATO, while aware of this, prefers—insists—that the Spanish link to NATO be simply a bilateral tie with the United States. For some years we have been making soundings in Brussels on the possibility of developing some formal Spanish ties to NATO. These could take various forms and could have low visibility: air and naval exercises for example, passing of air defense information, the sharing of doctrine. Thus far these overtures have gotten nowhere, and they are unlikely to have any success so long as the present European political climate persists. It is too bad, because Spain is on the verge of a political change, and some sort of Spanish-NATO relationship before that change might be immensely useful and stabilizing. However, as matters now stand, Spain makes its considerable contribution to European security simply through its arrangements with the United States. This state of affairs is a poor commentary on NATO's real interest in a viable Mediterranean strategy. And while it sometimes gets lost in the shuffle, this strategy has, as its ultimate objective, the denial of the Mediterranean as a Soviet zone of influence.

It is a curious thing, this Southern Flank of NATO. The countries involved formally in it, aside from the United States, are Greece, Turkey, Italy and Portugal. France, a most important element in the allied determination to deny the Soviets a free hand in the Mediterranean, is, of course, its usual ambivalent self, making no commitments but showing great interest in all allied endeavors. France shares actively in the Mediterranean surveillance program, and less publicly, but nonetheless actively, in various allied exercises. Italy, the host nation for the principal NATO headquarters in the Mediterranean, has been militarily, as in so many other ways, adrift in recent years. There is no question of Italy's loyalty to the Alliance, nor any question as to the individual capability of its first line units, but there has been a slow and insidious decay in the military structure accompanying that in the political system. Long years of powerless governments, and an ever more entrenched and powerful civil bureaucracy have left the military with no option save that of becoming an entrenched bureaucracy itself.

Across the Adriatic from Italy, sharing a common border with Greece, lies Yugoslavia. With each passing year, and Tito birthday, the future of that country becomes a more lively topic of speculation. Its future is closely tied with that of Italy in the political military sense. If Italy were stronger and more clearly politically oriented, it might well influence Yugoslavia's future course. In the present state of things, this is unlikely. Italy, and NATO, will simply have to hope that the U.S. presence in the Mediterranean is sufficient to offset that of Russia, and that Yugoslavia will be able to continue its lonesome and, to NATO, very useful independent way.

There is little to be said about Portugal, in its present state of convulsion, in relation to NATO's Southern strategy. Portugal has always had preoccupations that left little time, or effort, for NATO: the African colonial war, and then the political upheaval of the past few years. The very fact of NATO membership has had, nonetheless, some moderating influence thus far in Portugal's lurch toward the left. And the Lages Air Base, in the Azores, remains important to U.S., and hence NATO, aims in the Mediterranean.

The United Kingdom is still a Mediterranean power of sorts with a base at Gibraltar, whose very existence is the cause of the frosty relations between Britain and Spain and a contributor to the impasse between the U.S. and its allies on Spain's role in NATO. Yet, in pure military terms, Gibraltar cannot run even a close second in importance to our Spanish base at Rota.

The matter of Greece is a vexing one, at the moment, to the Alliance. The Cyprus debacle brought with it the end of the military regime. However, that was not sufficient balm to the fierce Greek pride in the aftermath of the Turkish walk-over in Cyprus: hence the Greek withdrawal from the NATO integrated command structure, although not from NATO itself. So long as Greece patterns itself after France in NATO matters there cannot be even a semblance of NATO coordination in that part of the Mediterranean. It is encouraging to know that Greece has left all the bits and pieces in place for a return to full membership, but they have not yet made any overt move in that direction.

The real worry in the Eastern Mediterranean is Turkey, now once again clearly in the open as Greece's enemy. Ataturk founded modern Turkey on, among other things, a strong mistrust of foreigners and a hatred of the Greeks. They are a singular people, the Turks: Moslem but not Arab, Europeans to a degree, Asians for the most part. And the mistrust of foreigners has always been in the back of Turkish minds.

The Congressional cut-off of Turkish military aid has set in motion some irreversible currents. Whatever eventually comes of the matter of Turkish aid, things will never be the same again for NATO, and especially NATO's agent in Turkey, the United States. We can simply hope for the best possible salvage from this Congressional wrecking job.

That then, is NATO's Southern Flank. It is, at best, a pretty shaky consortium, held together—to the extent that it is together—by the United States commitment to the Mediterranean.

NATO'S MEDITERRANEAN STRUCTURE

NATO Command and Control structure in the Mediterranean is, at first glance, complicated and ponderous beyond any reason. It would, in fact, be a sorry apparatus to fight a war with. That, however, is not its purpose, for the Southern Command of NATO is primarily concerned with the task of presenting an unlikely group of allies in a common front against the Soviets and their allies—and debtors—in the Mediterranean basin. The only way any semblance of unified command can be obtained is under the aegis of the United States, and that is why the U.S. holds the key positions. Or, rather, that is one reason. There are others, and they are important, if parochial.

However, NATO really exists in normal times only in the form of headquarters and bureaucratic superstructure. The forces remain under national control until a crisis sets in motion the elaborate NATO Alert System, and it is not until matters are very grave indeed that national forces are in fact turned over to the international command of NATO. In all the years of NATO, and through a number of crises, it has never happened.

NATO necessarily views the area in terms of its clients, or members. Where the interests of these clients differ, or clash, NATO has had to sidestep smartly and proceed, in the best diplomatic tradition, with the art of the possible. This need to proceed on the basis of unanimous consent makes the job of putting up a good allied front in the Mediterranean a very difficult proposition. It is, for example, nearly impossible to organize a NATO naval squadron for a few days of exercising and get agreement on what ports it can visit.

And so it is necessary, to some extent, for the U.S. to go its own way in the Mediterranean. It was necessary in the last Mideast war when the Soviets appeared on the verge of entering the war directly, to declare a U.S. increased alert. The mere declaration of this alert caused some panic in NATO circles, but there was no other way to counter the Soviet move. The Arab-Israeli War was a U.S. concern. NATO, living in terror of another oil embargo, was clearly not going to act.

Still, in a curious way, this inefficient and awkward Southern Command of NATO is of immense importance to the stability of the area and to the continuing confrontation with Soviet ambitions. Were it not for this NATO Southern Command, the game in the Mediterranean would devolve simply into one between the two Great Powers. In the long run the U.S. would become the outsider.

So NATO must continue its efforts to maintain a Southern Flank, however much in disarray it may be at the moment. And quite apart from the fact that the Mediterranean is not the place for American naval power in wartime, the Sixth Fleet remains a most essential display of American power and intentions in the never-ending peacetime power struggle with Russia. As Vice Admiral LeBourgeois has suggested, some flexibility in this naval commitment to the Mediterranean would be desirable for a number of reasons, but it is a difficult idea to sell to our allies. NATO seems wedded to the idea that what you see is what you get.

And just in case port visits and other naval projections of U.S. power are not wholly convincing to our Russian rivals, we need some land-based air along the Mediterranean. It is essential to a viable strategy in that area, and since it has a clear message to the Russians, it serves that fashionable cause, detente, very neatly as well.

U.S. POLICY TOWARD SOUTHERN AFRICA

Mr. McGEE. Mr. President, today Secretary of State Henry Kissinger delivered an important statement on U.S. policy toward southern Africa. The occasion for his remarks was a luncheon hosted in Lusaka by Zambian President Kenneth Kaunda.

The Secretary spelled out a policy which offers the chance for a peaceful solution to the serious and potentially explosive political problems of southern Africa. It is a policy which demands the bipartisan support of both the U.S. Congress and the American people. The only alternative is to continue the path toward a violent and bloody race war in southern Africa.

The Secretary of State essentially addressed four major problem areas in southern Africa: First, Rhodesia; second, Namibia; third, apartheid in the Republic of South Africa; and fourth, economic development in that region of the continent.

The Secretary spelled out in unequivocal terms that—

> Our proposals are not a program made in America to be passively accepted by Africans. They are an expression of common aspirations and an agenda of cooperation. Underlying it is our fundamental conviction that Africa's destiny must remain in African hands. . . .

Secretary Kissinger's policy statement was far reaching as it had to be in addressing what are essentially interrelated elements in the southern Africa issue. Events in Rhodesia provide the best example of how misguided policy can be detrimental to our interests in the long term.

In an effort to pressure the illegal white government of Rhodesia to negotiate with a black majority who comprise nearly 97 percent of the population of that country, in 1968 United Nations economic sanctions were imposed, with the support of the U.S. Government.

In 1972, the U.S. Congress, under pressure from multinational corporations, voted to unilaterally violate U.N. sanctions against Rhodesia. For the past 4 years the United States has been the only nation in the world to first agree to implementation of sanctions against Rhodesia and then turn around and unilaterally violate sanctions. This one act on the part of the U.S. Congress, to satisfy narrow- and short-term economic interests of a handful of U.S. corporations, has been a contributing factor in the Ian Smith regime's refusal to negotiate a meaningful transition to majority rule in Rhodesia. Had the United States been firm in its support of the U.N. sanctions, a negotiated settlement most probably could have been accomplished by now. Yet, we face the prospects for a violent resolution of the problem. More importantly, having given moral support to the Smith regime through its action, the burden of possible Soviet or Cuban involvement in a violent resolution of the Rhodesian question must rest squarely on the U.S. Congress.

As the Secretary noted in his remarks, whatever possibility remains for a peaceful settlement in Rhodesia is contingent upon the Congress reversing its original action which led to violation of the sanctions. This should be a simple task if the Congress is truly concerned with a peaceful transition to majority rule in Rhodesia or if the Congress is truly concerned with minimizing Soviet or Cuban influence in Southern Africa. If the U.S. Congress is not committed to these goals, then it must bear the responsibility for the consequences.

The Rhodesian situation is an example of an "ostrich in the sand" approach to Southern Africa. The problems will not go away. The potential for conflict will only be enhanced by the passage of time. This is the reason it is so imperative that this administration's initiative be given the strongest bipartisan support within the Congress.

I ask unanimous consent that the text of Secretary Kissinger's remarks be printed in the Record.

There being no objection, the text was ordered to be printed in the Record, as follows:

Secretary Kissinger's Remarks

INTRODUCTION

President Ford has sent me here with a message of commitment and cooperation.

I have come to Africa because in so many ways, the challenges of Africa are the challenges of the modern era. Morally and politically, the drama of national independence in Africa over the last generation has transformed international affairs. More than any other region of the world, Africa symbolizes that the previous era of world affairs—the colonial era—is a thing of the past. The great tasks you face—in nation-building, in keeping the peace and integrity of this continent, in economic development, in gaining an equitable role in world councils, in achieving racial justice—these reflect the challenges of building a humane and progressive world order.

I have come to Africa with an open mind and an open heart to demonstrate my country's desire to work with you on these great tasks. My journey is intended to give fresh impetus to our cooperation and to usher in a new era in American policy.

The United States was one of the prime movers of the process of decolonization. The American people welcomed the new nations into the world community and for two decades have given aid and encouragement to economic and social progress in Africa. And America's responsibilities as a global power give us a strong interest today in the independence, peace and well-being of this vast continent comprising a fifth of the world's land surface. For without peace, racial justice and growing prosperity in Africa, we cannot speak of a just international order.

There is nothing to be gained in a debate about whether in the past America has neglected Africa or been insufficiently committed to African goals. The United States has many responsibilities in the world. Given the burden it has carried in the postwar period, it could not do everything simultaneously. African nations too have their own priorities and concerns, which have not always accorded with our own. No good can come of mutual recrimination. Our differing perspectives converge in a common purpose to build a secure and just future for Africa. In active collaboration there is much we can do; in contention or apart we will miss great opportunities. President Ford, the American Government and people are prepared to work with you with energy and goodwill if met in the same spirit.

So it is time to put aside slogans and to seek practical solutions. It is time to find our common ground and act boldly for common ends.

Africa is a continent of hope—a modern frontier. The United States from the beginning has been a country of the frontier, built by men and women of hope. The American people know from their history the meaning of the struggle for independence, for racial equality, for economic progress, for human dignity.

I am not here to give American prescriptions for Africa's problems. Your program must be African. The basic decisions and goals must be African. But we are prepared to help.

Nor am I here to set African against African, either among your governments or among factions of liberation movements. African problems cannot be solved and your destiny cannot be fulfilled except by a united Africa. America supports African unity. We urge all other countries to do the same.

Here in Africa the range of mankind's challenges and potential can be seen in all its complexity and enormous promise. The massive power and grandeur of nature is before us in all its aspects—as the harsh master and as a bountiful servant of mankind. Here we can feel the rich and living cultures which have changed and invigorated art, music and thought around the world. And here, on this continent, we are tested, all of us, to see whether our future will be determined for us or by us, whether humanity will be the victim of the architect of its destiny.

THE PROBLEM OF SOUTHERN AFRICA

Of all the challenges before us, of all the purposes we have in common, racial justice is one of the most basic. This is a dominent issue of our age, within nations and among nations. We know from our own experience that the goal of racial justice is both compelling and achievable. Our support for this principle in southern Africa is not simply a matter of foreign policy, but an imperative of our own moral heritage.

The people of Zambia do not need to be reminded of the importance of realizing this goal. By geography and economic necessity, Zambia is affected directly and grievously by strife in southern Africa. Political stability in this region means more to Zambia than to many others. Yet Zambia has chosen to stand by her principles by closing her border with Rhodesia and enduring the economic consequences. This is a testimony to the determination of the people of this country and to the statesmanship of its great leader, President Kaunda.

And it was in this city seven years ago that leaders of east and central African states proclaimed their manifesto on southern Africa.

One is struck by the similarity of philosophy in the American Declaration of Independence and in the Lusaka Manifesto. Two hundred years ago, Thomas Jefferson wrote: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

And seven years ago, the leaders of east and central Africa declared here in Lusaka that:

"By this Manifesto we wish to make clear, beyond all shadow of doubt, our acceptance of the belief that all men are equal, and have equal rights to human dignity and respect, regardless of color, race, religion, or sex. We believe that all men have the right and duty to participate, as equal members of society, in their own government."

There can be no doubt that the United States remains committed to the principles of its own Declaration of Independence. It follows that we also adhere to the convictions of the Lusaka Manifesto.

Therefore, here in Lusaka, I reaffirm the unequivocal commitment of the United States to human rights, as expressed in the principles of the United Nations Charter and the Universal Declaration of Human Rights. We support self-determination, majority rule, equal rights and human dignity for all peoples in southern Africa—in the name of moral principle, international law and world peace.

On this occasion I would like to set forth more fully American policy on some of the immediate issues we face—in Rhodesia, Namibia and South Africa—and then to sketch our vision of southern Africa's hopeful future.

THE UNITED STATES POSITION ON RHODESIA

The United States position on Rhodesia is clear and unmistakable. As President Ford has said, "The United States is totally dedicated to seeing to it that the majority becomes the ruling power in Rhodesia." We do not recognize the Rhodesian minority regime. The United States voted for, and is committed to, the UN Security Council resolutions of 1966 and 1968 that imposed mandatory economic sanctions against the illegal Rhodesian regime. Earlier this year we co-sponsored a Security Council resolution, which was passed unanimously, expanding mandatory sanctions. And in March of this year, we joined with others to commend Mozambique for its decision to enforce these sanctions even at great economic cost to itself.

It is the responsibility of all who seek a negotiated solution to make clear to the Rhodesian minority that the world community is united in its insistence on rapid change. It is the responsibility of those in Rhodesia who believe in peace to take the steps necessary to avert a great tragedy.

United States policy for a just and durable Rhodesian solution will therefore rest on ten elements:

First, the United States declares its support in the strongest terms for the proposals made by British Prime Minister Callaghan on March 22 of this year: that independence must be preceded by majority rule which, in turn, must be achieved no later than two years following the expeditious conclusion of negotiations. We consider these proposals a basis for a settlement fair to all the people of Rhodesia. We urge that they be accepted.

Second, the Salisbury regime must understand that it cannot expect United States support either in diplomacy or in material help at any stage in its conflict with African states or African liberation movements. On the contrary, it will face our unrelenting opposition until a negotiated settlement is achieved.

Third, the United States will take steps to fulfill completely its obligation under international law to mandatory economic sanctions against Rhodesia. We will urge the Congress this year to repeal the Byrd Amendment, which authorizes Rhodesian chrome imports to the United States, an act inconsistent with United Nations sanctions. In parallel with this effort, we will approach other industrial nations to ensure the strictest and broadest international compliance with sanctions.

Fourth, to ensure that there are no misperceptions on the part of the leaders of the minority in Rhodesia, the United States, on the conclusion of my consultations in black Africa, will communicate clearly and directly to the Salisbury regime our view of the urgency of a rapid negotiated settlement leading to majority rule.

Fifth, the United States Government will carry out its responsibility to inform American citizens that we have no official representation in Rhodesia nor any means of providing them with assistance or protection. American travellers will be advised against entering Rhodesia; American residents there will be urged to leave.

Sixth, as in the case of Zambia a few years ago, steps should be taken—in accordance with the recent UN Security Council resolution—to assist Mozambique, whose closing of its borders with Rhodesia to enforce sanctions has imposed upon it a great additional economic hardship. In accordance with this UN resolution, the United States is willing to provide $12.5 million of assistance.

Seventh, the United States—together with other members of the United Nations—is ready to help alleviate economic hardship for any countries neighboring Rhodesia which decide to enforce sanctions by closing their frontiers.

Eighth, humanitarian provision must be made for the thousands of refugees who have fled in distress from Rhodesia into neighboring countries. The United States will consider sympathetically requests for assistance for these refugees by the UN High Commissioner for Refugees or other appropriate international organizations.

Ninth, the world community should give its support to the people of Rhodesia as they make the peaceful transition to majority rule and independence, and should aid a newly independent Zimbabwe. To this end, we are ready to join with other interested nations in a program of economic, technical, and educational assistance, to enable an independent Zimbabwe to achieve the progress and the place in the community of nations to which its resources and the talents of all its people entitle it.

Finally, we state our conviction that whites as well as blacks should have a secure future and civil rights in a Zimbabwe that has achieved racial justice. A constitutional structure should protect minority rights together with establishing majority rule. We are prepared to devote some of our assistance programs to this objective.

In carrying out this program we shall consult closely with the Presidents of Botswana, Mozambique, Tanzania and Zambia.

We believe these are important measures. We are open-minded with respect to additional actions that can help speed a resolution. The United States will consult closely with African leaders, especially the four Presidents, and with other friends on the Rhodesian problem. For the central fact that I have come here to stress is this: the United States is wholly committed to help bring about a rapid, just and African solution to the issue of Rhodesia.

NAMIBIA

Rhodesia is the most urgent but by no means the only critical problem in southern Africa. The status of Namibia has been a source of contention between the world community and South Africa for over three decades.

The territory of South-West Africa turned into a source of serious international discord following World War II. When the United Nations refused to accede to South Africa's proposal for annexation of the territory, South Africa declined to enter into a trusteeship agreement, and since then has refused to recognize the United Nations as the legal sovereign. In 1966, the General Assembly terminated South Africa's mandate over the territory. In 1971, the International Court of Justice concluded that South Africa's occupation of Namibia was illegal and that it should withdraw.

The United States voted for the 1966 General Assembly resolution. We were the only major power to argue before the International Court that South African occupation was illegal. And in January 1976 the United States voted in favor of the UN resolution condemning the occupation of Namibia and calling for South Africa to take specific steps toward Namibia's self-determination and independence.

We are encouraged by the South African Government's evident decision to move Namibia toward independence. We are convinced that a solution can be found which will embody equal rights for the entire population and at the same time protect the interests of all who live and work there. But we are concerned that South Africa has failed to announce a definite timetable for the achievement of self-determination, that all the people and all political groupings of Namibia have not been allowed to take part in determining the form of government they shall one day have, and that South Africa continues to deny the United Nations its proper role in establishing a free and independent Namibia.

Therefore the United States position is as follows:

We reiterate our call upon the South African Government to permit all the people and groups of Namibia to express their views freely, under UN supervision, on the political future and constitutional structure of their country.

We urge the South African Government to announce a definite timetable acceptable to the world community for the achievement of self-determination.

The United States is prepared to work with the international community, and especially with African leaders, to determine what further steps would improve prospects for a rapid and acceptable transition to Namibian independence. We are convinced that the need for progress is urgent.

Once concrete movement toward self-determination is underway, the United States will ease its restrictions on trade and investment in Namibia. We stand ready to provide economic and technical assistance to help Namibia take its rightful place among the independent nations of the world.

SOUTH AFRICA

Apartheid in South Africa remains an issue of great concern to those committed to racial justice and human dignity.

No country, no people can claim perfection in the realm of human rights. We in America are aware of our own imperfections. But because we are a free society, our problems and our shortcomings are fully aired and made known to the world. And we have reason to take pride in our progress in the quest for justice for all in our country.

The world community's concern with South Africa is not merely that racial discrimination exists there. What is unique is the extent to which racial discrimination has been institutionalized, enhsrined in law and made all-pervasive.

No one—including the leaders of black Africa—challenges the right of white South Africans to live in their country. They are not colonialists; historically, they are an African people. But white South Africans must recognize as well that the world will continue to insist that the institutionalized separation of the races must end. The United States appeals to South Africa to heed the warning signals of the past two years. There is still time to bring about a reconciliation of South Africa's peoples for the benefit of all. But there is a limit to that time—a limit of far shorter duration than was generally perceived even a few years ago.

A peaceful end to institutionalized inequality is in the interest of all South Africans. The United States will continue to encourage and work for peaceful change. Our policy toward South Africa is based upon the premise that within a reasonable time we shall see a clear evolution toward equality of opportunity and basic human rights for all South Africans. The United States will exercise all its efforts in that direction. We urge the Government of South Africa to make that premise a reality.

In the immediate future, the Republic of South Africa can show its dedication to Africa—and its potential contribution to Africa—by using its influence in Salisbury to promote a rapid negotiated settlement for majority rule in Rhodesia. This, we are sure, would be viewed positively by the community of nations as well as by the rest of Africa.

A VISION OF THE FUTURE

Southern Africa has all the prerequisites for an exciting future. Richly endowed with minerals, agricultural and hydroelectric potential, a favorable climate, and, most important, great human resources, it needs only to overcome the human failure of racial strife to achieve bright prospects for all its peoples.

Let us all strive to speed the day when this vision becomes a reality.

The United States stands ready to work with the nations of southern Africa to help them achieve the economic progress which will give meaning to their political independence and dignity to their struggle for equality.

As you know, Deputy Secretary Charles Robinson, an expert in economic development, is accompanying me on this visit. This is the first time that an American Secretary of State and Deputy Secretary together have come on such a mission, reflecting the importance we attach to the economic development of southern Africa. Mr. Robinson and I are discussing development needs with African officials in the various capitals and we shall continue these consultations at the UNCTAD meeting in Nairobi next week. After my return to Washington, based on what we have learned, we will urgently study a new aid program for this continent.

Africa and its friends face a dual challenge—immediate and long-term growth. In the short term, economic emergencies can arise from natural disasters or sharp swings in global economic conditions over which developing nations have little control. These economic shocks must be dealt with if the nations of the region are to maintain their hard-won progress toward development. For example, the sharp drop in world copper prices has had a devastating impact on the economies of Zambia and Zaire. The United States will deal with this problem in its bilateral assistance programs for these countries, and in our programs for multilateral action—to be proposed at UNCTAD next week—for resource development, buffer stocks, and earnings stabilization.

But our basic concern must go beyond responding to emergencies. We need to develop urgent programs to lay the foundations for sustained growth to enable the developing nations of southern Africa to deal effectively with global economic shocks and trends.

Let me mention four that are especially relevant to southern Africa: trained local manpower, rural development, advanced technology, and modern transportation.

For Namibia and Zimbabwe, training programs should be intensified now so that needed manpower will be ready when majority rule is attained. Existing programs to train Namibian and Zimbabwean refugees as administrators and technicians should be expanded as rapidly as possible. We have requested additional funds from Congress for this purpose. We urge other donors and international organizations to do more.

Development for all of southern Africa involves a process of transforming rural life. We are prepared to assist in agricultural development, in health programs, in manpower training, in improving rural transportation—through both bilateral and multilateral programs.

A revolution in development planning could be achieved by the use of satellites to collect vital information on crops, weather, water resources, land use, and mineral exploration. The United States has already shared with developing nations information from our earliest earth resources survey satellites. We are now prepared to undertake much larger programs to apply this technology to Africa—including training programs and the development of training facilities and satellite receiving stations in Africa itself.

Perhaps the most critical long-term economic need of southern Africa is a modern system of regional transportation. The magnitude of the effort extends beyond the capacity of any one nation or group of nations. For this reason the United States proposes that the World Bank undertake as a priority matter the organization of a multilateral consultative group of donors to develop a modern regional transportation system for southern Africa. For our part we promise our full cooperation in working out a long-term program and in financing appropriate portions of it.

And finally, I can announce today that we expect to triple our support for development programs in southern and central Africa over the next three years.

In addition, the United States has offered leadership in many international forums to promote development through multilateral cooperation. The industrial nations, the newly wealthy oil producers and the developing countries themselves must collaborate for the goal of development. (Africa is a principal beneficiary of the many United States initiatives in multilateral institutions and programs—to enhance economic security through supporting export earnings in the face of sharp economic swings; to promote growth through better access to capital markets and technology transfers; to accelerate agricultural production; to improve the conditions of trade and investment in key commodities; and to address the special needs of the poorest nations.)

Many of the proposals we have made are already being implemented. Next week in Nairobi I will put forward new proposals to further advance progress in relations between developed and developing nations.

CONCLUSION

Ladies and Gentlemen:

Today I have outlined the principles of American policy on the compelling challenges of southern Africa.

Our proposals are not a program made in America to be passively accepted by Africans. They are an expression of common aspirations and an agenda of cooperation. Underlying it is our fundamental conviction that Africa's destiny must remain in African hands.

No one who wishes this continent well can want to see Africans divided either between nations or between liberation movements. Africans cannot want outsiders seeking to impose solutions, or choosing among countries or movements. The United States, for its part, does not seek any pro-American African bloc confronting a bloc supporting any other owner. Nor do we wish to support one faction of a liberation movement against another. But neither should any other country pursue hegemonial aspirations or bloc policies. An attempt by one will inevitably be countered by the other. The United States therefore supports African unity and integrity categorically as basic principles of our policy.

There is no better guarantee against outside pressure from any quarter than the determination of African nations in defense of their own independence and unity. You did not build African institutions to see outsider forces fragment them into competing blocs. The United States supports Africa's genuine nonalignment and unity. We are ready for collaboration on the basis of mutual respect. We do so guided by our convictions and our values. Your cause is too compatible with our principles for you to need to pursue it by tactics of confrontation with the United States; our self-respect is too strong to let ourselves be pressured either directly or by outside powers.

What Africa needs now from the United States is not exuberant promises or emotional expressions of good will. What it needs is a concrete program which I have sought to offer today. So let us get down to business. Let us direct our eyes towards our great goals—national independence, economic development, racial justice— goals that can be achieved by common action.

Africa in this decade is a testing ground of the world's conscience and vision. That blacks and whites live together in harmony and equality is a moral imperative of our time. Let us prove that these goals can be realized by human choice, that justice can command by the force of its rightness instead of by force of arms.

These are ideals that bind all the races of mankind. They are the mandate of decency and progress and peace.

This drama will be played out in our own lifetime. Our children will inherit either our success or our failure. The world watches with hope, and we approach it with confidence.

So let it be said that black people and white people working together achieved on this continent—which has suffered so much and seen so much injustice—a new era of peace, well-being and human dignity.

WHO ARE OUR NEIGHBORS?

Mr. KENNEDY. Mr. President, one of the concerns in America today must be our sense of too many people turning inward and looking away from their responsibilities to their fellow citizens and their fellow man. Budgets are cut for health, education, aging, and youth programs as part of a perceived need to insure some magical deficit figure, based more on politics than on economics. Yet the debate never seems to reach the human beings in need of those services. And the injustices and poverty that continue to be the condition of millions around the world is rejected as not deserving our full concern.

In an eloquent address in New York recently, Justine Wise Polier, retired judge of the New York State Family Court and director of the Juvenile Justice Project for the Children's Defense Fund spoke not only to her fellow Jews but to all of us of the need for compassion and for actions based on that compassion.

Her statement, a document that continues the heritage of her father, Rabbi Stephen Wise, a founder of the Jewish Institute of Religion and the American Jewish Congress, reminds us of our humanity.

I ask unanimous consent that the article, "Who Are Our Neighbors?" from the Congress Monthly, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO ARE OUR NEIGHBORS?

(By Justine Wise Polier)

(Note.—Justine Wise Polier, vice-president of American Jewish Congress and retired judge of the New York State Family Court, is now director of the Juvenile Justice Project for the Children's Defense Fund. She delivered the address below to the Joint Adult Institute, Jewish Center of Kew Gardens, Queens, N.Y. It is most appropriate that we publish this striking address in a month that calls for memorializing the victims of the Holocaust and the celebration of Passover. Judge Polier's observations should stimulate reflection on the age-old and eternal concepts of freedom, justice, charity and love of neighbor and stranger.)

It is deeply moving to stand in a sanctuary dedicated by my beloved father many years ago and speak on a subject on which as ever his life and his words were one. In contrast, I recall an incident that occurred recently. While walking up Lexington Avenue, a young man approached me and thrust a card into my hand. In response to a polite "thank you" for what I assumed was an advertisement, he urged, "Read it, read it." I asked what it said, since I did not have my glasses, to which he responded: "Come to Jesus and be saved." I countered by asking what he was doing about it, to which he replied, "I'm preaching the word." "But," I said, "Jesus did more than that. He tried to help people. What are you doing to help others?" His answer came: "Ma'am, I was in that bag two years ago. Now I just preach the word."

In seeking to answer the question "Who Are Our Neighbors?" I am reminded of two poems written by Robert Frost many years ago. One was based on the theme that strong walls make good neighbors since they prevent controversy or quarrels. The second poem was based on an opposite and sounder theme. It portrayed men who sought security by building walls about them as concentrating on what they walled in without being aware of what they walled out. It is surely true that when men become fearful, fearful of losing their possessions, fearful of strangers, fearful of change in their lives, fearful of those who are different, that a traditional response has been to build protective walls. It is urgent that in these times of change we examine what such walls means both to those who are excluded and to those who seek protection behind them. Like the French Maginot lines, walls often become useless period pieces on which people count for illusory protection in a changing world.

During the past two years I have traveled through this country seeking to understand the burdens and deprivations imposed on children while we speak of our society as being child-centered. No barrier to protecting or asserting the rights of children has seemed more pervasive or impenetrable than the ignorance, indifference, or lack of understanding of the consequences of injustice to children whom "decent people" do not see or know. In one Southern state, black children were thrown into jails with black adults charged with crimes and white children were thrown into jails with white adults charged with crimes, rather than place black and white children together. Both black and white children had been raped, burned with cigarettes and tortured by adult inmates. When the Childrens Defense Fund brought an action to end this practice and turned to an eminent Southern psychiatrist for aid, he agreed to provide expert testimony on the injury to the children. But he also queried how we had discovered the conditions since he, who lived in that area, did not know about them.

One need not go South to discover the injuries to children which result from discrimination or indifference, too often rationalized on the ground that neighbors did not know about them. Throughout many years on the bench, I witnessed charitable and religious groups concerned primarily for the care of their own children which excluded children of different faiths or races. White children were removed from congregate shelters or detention far more quickly than non-white children for foster care. This continued even after segregated institutions were closed. Treatment services continued to be more available to white children. Disproportionate numbers of nonwhite children were sent to institutions that provided inferior treatment services. They disappeared for awhile, and little concern was shown for what happened to them until they returned to the community, unhelped, and again struck out, stole or hurt someone in the community.

Again, the story of James Madison High School gives proof that being a good neighbor demands far more than a self-satisfying gesture or passive acceptance of the stranger. In the 1960s it was assumed that this school, with its good academic record, largely populated by the children of Jews who saw themselves as liberals, would provide an ideal testing ground for the new theme of Northern school desegregation. It took the riots between white and black students in the 1970s to cause an examination of the underlying causes. Neither school people nor the white community in which the school was located seem to have been aware of the daily hurts or the raw nerves of youth brought in from the ghettoes who remained strangers within the school community. Burdened by proverty, lack of stimulation, previous poor schooling, few could compete with Jewish youths whose parents had provided them with many opportunities and high expectations for achievements. Segregation in classes based on educational achievement was compounded by separation in clubs, in social life, in all meaningful contacts, even in sports, and with finality, at the doorway of the school.

The youths or the community never learned the meaning of becoming neighbors to their fellow-students. The school might have done more, but it was in no position to overcome what was not learned at home or practiced in the community. Behind the failure to achieve a feeling of neighborliness at the school lay the dismal failure of the larger community to change the ghettoes in which black children must begin their lives and the reasons why we have been blind or indifferent to the need for change.

It is not only that we do not see or hear of the needs of others. Out of concern for self and property, there are repeated efforts to escape community responsibility for the poor, for the disabled, for the post-hospital patients—and even for children and the aged. Zoning regulations and community fear of caring for those not family-related have been exploited to prevent the development of needed community services. We indulge in pious approval of new services as long as they are not placed near us. Articulate or noisy minorities have been permitted to prevent the development of decent housing, new hospitals, half-way houses for poor neighbors and even foster homes for homeless children.

Long ago my father spoke to me of ministers who would condemn evil but would never address themselves to or identify the evil-doers. Though only a lay person, I shall try to follow in his footsteps by speaking not only of the lack of neighborliness in Alabama or South Carolina but of problems we face together as Jews in New York.

Less than a year ago I received a call for help from a fine young Jewish couple in Queens. They had agreed to sell their house to one of the leading child care agencies in this city so that seven homeless children could live in a homelike setting with foster parents. After the Community Board had been informed, a hue and cry was set up to coerce the couple not to sell their house. The director of the agency was called to a meeting of "neighbors" who demanded that no black or Puerto Rican children or professionals should be included in the program—a clear violation of law. When he refused, the owners were picketed and they received anonymous threats to kill their baby. The political leaders of Queens became invisible and few spiritual leaders stood up to be counted. And so the plan was abandoned. This is a tragic commentary on the role of community boards intended to improve the quality of city life, now too often become only advocates for vested interests. It is an even more tragic commentary on what can happen to a Jewish community that can be aroused to act as a lynch mob to prevent seven homeless children from being accepted as neighbors.

Failure to treat the stranger as a neighbor has even corrupted our compassion and sense of responsibility toward the aged in our own families. This becomes evident in a chapter by a young Jew, Paul Cowan, in a book on the Jewish poor prepared by the American Jewish Congress.* Brought up in an intellectual, assimilated family, he had reached out to help fellow human beings, first through the Civil Rights movement and then through the Peace Corps. Later he was challenged by the struggle of the Jewish people to reestablish its homeland in Israel and visited Israel with a Congress group. When he returned he began to visit old, poor Jews in this city and to search out what could be done for them. He found many living in single rooms or tenement apartments, alone, fearful and lonely. They clung to the world they had known and were unable to share the lives of their children. They treasured the dutiful, but too infrequent visits from married children who had moved to the suburbs. But, these aged parents felt they did not belong and hesitated to visit the homes of affluent children even when invited.

Can we avoid the relationship of this picture to the nursing home tragedies at the end of the line? The resulting dehumanization imposed on the victims cannot be escaped by those who perpetrate or tolerate the conditions, by professionals who remain silent, or by children who refuse to recognize the injury to their parents. The nursing home tragedies in a very real sense are also symbolic of what is wrong in our society values, the denigration of the worth of human beings whom we treat and cast aside as strangers.

Tragically, in recent years concentration on the acquisition of personal wealth and the power that accompanies such wealth has become the goal not only of the few, but of middle class and professional nuclear families throughout the land. Concern has been centered on one's own children, how they can best compete and achieve most in college and the professions with little regard for those excluded from the race for success.

After the short-lived rebellion of students in Vietnam days, when the danger of forced service ended, they too have largely turned away from public service and back to concentrating on how they can best succeed in our competitive society. For the most part, parents seem relieved, feeling that their children will be better off. Even as the terrible toll of the unemployed mounted, little leadership was evident in our national government to challenge concern and responsibility for neighbors or their plight. Last year in commenting on President Ford's proposed budget, with its cuts in health services, services to the poor and to the children, the Director of the Office of Business Management, after speaking of how compassionate this country had been to the poor, was quoted as posing *the* question in terms of: "How much do we want to help them?"

Such leadership cannot help Americans to become good neighbors and it must be challenged. When I say this, I am reminded of the tragic words of Disraeli. He said despairingly that there was not a lady in England who would not be more anguished by having her little finger caught in her carriage door than by learning that a million children had died of hunger in China. In striking contrast to these pampered ladies, Booth, after describing the conditions of the poor in London at the turn of the century, wrote: "Only the poor know how to give. They give when it is needed and do so without asking questions." This is the necessity of our times in a world in which how we meet the tragedies of neighbors or strangers here or abroad will determine the future of our world. Let us not forget the words in the Book of Daniel that warn that they who have sown the wind shall reap the whirlwind.

The question, "Who Are Our Neighbors?" should have special meaning for Jews. Thousands of years before the founding fathers of this country envisioned the American dream, the ideal of human relationships and responsibilities was engraved in the 34th verse of the 19th Chapter of Leviticus. The essence of all that I would say is there:

> "But the stranger that dwelleth with you shall be unto you as one born among you, and thou shalt love him as thyself; for ye were strangers in the land of Egypt. I am the Lord your God."

This mandate of our faith does not permit the substitution of formalized and publicized charity for acts of friendship and love to neighbors or strangers. It does not allow us to avoid the needs of fellow human beings. The history of the Jews throughout the ages, likewise, demands more of us.

As Jews who lived during the Holocaust, we have witnessed the indifference, cowardice and evil that permitted those aware of persecution, torture and the murder of Jews to turn away, to refuse to see, hear, speak or act to stay the cruelty of Hitlerism. Surely, this experience in our own lifetime should serve as a goad to the acceptance of the human obligation to be neither silent nor deaf to injustice and to respond to the needs of others.

The teaching of our Bible, the lessons of history are reinforced for us as Jews by reason of the world in which we live, and impose new and difficult responsibilities. In a world which cares all too little about whether Jews live or perish individually or as a people, there is danger of withdrawal from responsibility for neighbors and strangers who are not Jews. One hears justifications for indifference to black neighbors based on their lack of understanding and even opposition to the survival of Israel and its people. One also senses a turning away by some Jews from the struggle for equal justice for all inhabitants of this land. Some Jews have even sought to exclude from their concern Jews, as well as non-Jews, who do not fit into or conform to their concepts of the chosen design for survival. Insistence on the rightness of one's own political or religious sect or dogma to the exclusion of all who differ thus rejects love of one's neighbor and the stranger and undermines both the ideals and the strength of Jewish peoplehood.

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* Poor Jews: An American Awakening, edited by Naomi Levine and Martin Hochbaum (Transaction Press).

Recently, within organized Jewish philanthropy, there has been a growing demand that more and more funds be limited to help Jews only. Questions have been asked of member agencies as to how many Jews and how many non-Jews they serve. It is ironic that this drive should move forward at the same time that Jewish organizations are asking that colleges and graduate schools should cease to ask applicants questions about race or religion as part of their affirmative action plans. It all becomes even more contradictory as sectarian agencies like educational institutions have become stewards for services largely supported by public funds.

Is it not time for us to ask how we define Jewish services? Should they not be defined as services rendered by Jews to those in need rather than as services limited to benefit only Jews? No other definition is consistent with the prophetic teachings of our people.

I cannot forget, on this anniversary of my father's birth, that he joined a small group in sending out the initial call for the creation of the National Association for the Advancement of Colored People in 1909, about 70 years ago. He was attacked, but he stood firm. Almost 48 years later, it was Walter White, the leader of that group, who responded to my father's request to secure the last votes needed for recognition of Israel at the United Nations. Such an outcome for years of services to the Negro people had never been anticipated—but one is reminded of the words of the poet, "Our acts our angels are, for good or ill, the fatal shadows that walk with us still."

The moral law transmitted by the founders of Judaism, the teachings of history and the future of Israel command the most generous answer to the question of "Who Are Our Neighbors?" Let us not forget that the return of Jews to their ancient homeland was the response of Jews weary of always being treated as strangers in an alien and cruel world. Awakening Jews in America to responsibility for their fellow Jews who drained the swamps and rebuilt the land with endless courage was no easy task. The sense of kinship and responsibility grew tardily under the lash of Hitler. Even the hearts of non-Jews, who felt some guilt for their indifference to the fate of Jews under Nazism, were touched, at least for a while. But now, again, the fate of Israel and the Jewish people hangs in the balance as the United States and the Soviet Union spar for power in the Middle East, while the power of oil reaches into every nook and cranny of American finance.

You may wonder why I speak of these new threats to Israel in this talk on "Who Are Our Neighbors?" There is every reason to do so. One already begins to hear questions and suggestions that it may be wiser for American Jews not to speak up or act openly in support of Israel lest we be charged with dual loyalty. The days ahead will present a new challenge to Jews committed to extending support and love to their fellow Jews.

We cannot speak of devotion to the Jewish people, our kinship with fellow Jews, the love of neighbors or strangers without accepting responsibility for translating words into life. The test will lie for us in the readiness of individual Jews, religious groups and the American Jewish community to speak and act in all ways within their power on behalf of the people of Israel. Only by doing so will we play a worthy part as free men in the life of the Jewish people. Jews, true to their faith, must face still another test. As free men they have the duty and the privilege of extending justice and love to all human beings whether they be neighbors or strangers within this land.

Thomas Wolfe once asked: "Which of us is not forever a stranger and alone?" The answer lies in the truth that while each man may be an island unto himself, when the bell tolls it tolls for thee and me. May we have the vision and the capacity to extend our love to neighbors and to strangers as brothers.

BREAKTHROUGH IN SOLAR CELL PRODUCTION

Mr. GRAVEL. Mr. President, in a news release earlier this year, the Solarex Co. of Rockville, Md., announced that it has developed reasonably efficient solar cells from impure and inexpensive semicrystalline silicon.

This breakthrough has economic importance since the cost of semicrystalline silicon is much lower than that of the single crystal silicon presently used in the production of solar cells.

The president of Solarex is Dr. Joseph Lindmayer, who has done more than anyone to make solar photovoltaic electricity a reality in the United States.

I ask unanimous consent that Solarex's press release be printed in the Record.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Semicrystalline Silicon Solar Cell Breakthrough

The Solarex Corporation of Rockville, Maryland has developed reasonably efficient solar cells from impure, potentially inexpensive semi-crystalline silicon. The cast silicon used in these laboratory experiments contains ordered crystal grains a few millimeters in size, rather than the single crystal structure found in solar cells manufactured today.

Solar cells developed from semi-crystalline silicon have indicated terrestrial conversion efficiencies of 10%. Contrary to the generally held belief that such silicon would be unstable, these cells display a high degree of stability. Their characteristics have remained unaltered in temperatures up to 400° Centigrade. The special processing technology used to produce these cells was developed in Solarex laboratories. Further experimental efforts are now underway and methods of producing semi-crystalline silicon in commercial quantities are being studied.

Solarex believes that these findings are of great scientific importance in that they indicate that (1) reasonable efficiencies can be obtained with semi-crystalline silicon; (2) less than pure silicon will produce satisfactory solar cells; (3) grain boundary diffusion can be halted to avoid internal shorting; (4) stable characteristics can be obtained.

Economically, this development is quite significant for the future of solar cells as a primary source of electric power, because the high price of single crystal silicon is a major cost factor in the manufacture of solar cells. Solarex is currently evaluating the cost impact of semi-crystalline silicon.

AMENDMENTS TO THE CLEAN AIR ACT

Mr. MOSS. Mr. President, on April 13, I introduced amendments to the Clean Air Act Amendments of 1976 which were reported in late March as S. 3219 by the Public Works Committee.

My amendments are designed to postpone the effect of the nondeterioration section—section 6—of the bill for the purpose of making a complete study of the effects which implementation of this nondeterioration policy would have on important competing national goals. Specifically, I am concerned about the jobs which will be lost, the tax revenues which will not be generated, and, most importantly, the energy resources that will not be developed if it is implemented.

Perhaps no other item in recent history has caused as much criticism of Congress as our failure to formulate and implement a clearcut, effective, national energy policy. The proposed nondeterioration policy presents an immense unknown quantity in this regard, for there has been a noticeable dearth of information and public hearings about the effect of that policy on this and and other important national goals. To be sure, my concern is somewhat based on the fact that my State of Utah has immense energy resource potential along with many national parks and monuments and the proposed nondeterioration policy will "probably" curtail the development of much of my State. I use the word probably because present information does not allow any greater certainty of prediction. This uncertainty is perhaps the most objectionable aspect of the entire problem. We are being asked to vote "yea or nay" on a policy, the ramifications and implications of which are not now known. For the Congress to take action in such an informational vacuum, would be irresponsible and unforgiveable.

Though Utah and some of the other energy-producing States are the biggest potential losers from such a policy, no area of the country will go unaffected. My colleagues are starting to realize this, I am sure, and many of you have expressed your support for my amendments. Original cosponsors include Mr. Garn, Mr. Metcalf, Mr. Eastland, Mr. Johnston, Mr. Stone, Mr. Fannin, and Mr. Tower.

Since April 13, my office has received numerous letters and phone calls expressing support for these amendments. Much of this correspondence comes from other congressional offices. Apparently, we have struck a responsive chord and others have begun to accept the rationale of our proposal to postpone the decision on nondeterioration for 1 year, while the necessary study is made of the effects of nondeterioration on the economy. Only after that study has been made will Congress have the information it needs to assess this policy in light of competing and important national goals.

I am happy to add the following cosponsors in support of my amendments. Obviously, this is an issue which has gone way beyond party lines or regional concern. The cosponsors to be added include: Mr. McClellan, Mr. Hruska, Mr. Helms, Mr. Bartlett, Mr. McGee, Mr. Cannon, Mr. Hollings, Mr. Bellmon, Mr. Symington, and Mr. Goldwater.

Some misunderstanding has arisen about the effects which my amendments will have on existing EPA regulations pertaining to nondeterioration. These regulations were promulgated pursuant to 101(b) of the existing Clean Air Act.

My amendments affect only new provisions or additions to the act, therefore, the EPA regulations are not affected. It is very possible that the existing regulations will be declared invalid by the D.C. circuit court or the Supreme Court when they consider the matter, but that is a matter internal to the court process and not within Congress jurisdiction. In order for Congress to invalidate these existing regulations, it would be necessary to specifically amend section 101 (b) of the act to restrict EPA regulatory activities regarding air quality to the attainment of national primary and secondary standards only. I understand that Senator William L. Scott may submit such an amendment, but my amendments are not addressed to this matter.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I must again express my sentiments about an urgent issue which merits the immediate attention of everyone: the ratification of the Genocide Convention by the U.S. Senate.

A principal objection to ratification of this convention is aimed at article I which defines genocide as a crime under international law. Critics of the convention have stated that this matter—defining a crime and prescribing its punishment—is of domestic and not international concern. If this truly comes under domestic jurisdiction, then the U.S. power under the Constitution to make treaties does not apply here.

However, that objection is unwarranted. Genocide is a crime which is deeply immersed in the issue of human rights. Because commission of genocide involves mass action, it is a moral issue involving not only individuals but nations, too. Seventy-six nations have proved this by supporting this convention. It is time now for the United States to join with those nations and affirm our belief that genocide is an international crime.

A second reason for genocide being a crime under international law can be found in a treaty to which the United States has agreed. Seals are protected by a treaty that defines their slaying as an international crime. Therefore the U.S. Government is certainly capable of establishing a treaty on the killing of human beings.

Mr. President, for these reasons I feel that no objection to the U.S. ratification of the Genocide Convention is justified. The United States must take the step that so many other nations have subscribed to—genocide is a crime punishable under international agreements. Let us now ratify the Genocide Convention.

NATIONAL COUNCIL OF CHURCHES ASKS FOR PLUTONIUM MORATORIUM

Mr. GRAVEL. Mr. President, last December a group of specialists and technicians produced a report for the National Council of Churches entitled "The Plutonium Economy: A Statement of Concern."

Led by Margaret Mead and Rene Dubos, the group said that an economy relying on plutonium for its energy would be morally indefensible and technically objectionable.

They objected to the cancer-causing properties of plutonium; to its potential for genetic damage; and to the fact that plutonium can be used to build atomic bombs, either by terrorists or by an increasing number of governments.

They also objected to the fact that other energy alternatives—notably solar energy—have received inadequate research funding from our Government, while nuclear fission research has received billions of dollars.

The committee's report was submitted to the national council, and I inserted the report in the Record. The full text is available from my office.

A month ago, the national council met in Atlanta and acted on the recommendations of the committee. They voted to accept the committee report and to urge the United States to refrain from developing a plutonium economy.

It is significant that the nuclear industry, especially the Atomic Industrial Forum, made an all-out effort to kill the committee report. Delegates to the National Council meeting were contacted, and they received the full pronuclear story.

That is why I think it is so significant that they voted as they did. I believe that most Americans, like the delegates of the National Council of Churches, would choose a moratorium on the use of plutonium fuel if they could learn all the facts.

Mr. President, I ask unanimous consent that the Atlanta Constitution's report of the National Council's vote be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

[From the Atlanta Constitution, Mar. 6, 1976]

CHURCH COUNCIL URGES HALT IN PLUTONIUM DEVELOPMENT

(By Alice Murray)

The issues of stewardship of the earth and preserving a safe environment for future generations prompted the governing board of the National Council of Churches this week to call for a moratorium on the development of an economy based on plutonium as a fuel.

Tackling what some critics said was an issue apart from traditional church moral concerns, the governing board approved a resolution calling for a halt in the development of systems that would use the lethal element plutonium as a fuel for nuclear reactors.

The governing board members and outside supporters of the resolution, however, said that slowing down the use of some forms of nuclear power is a part of the Biblical call for the stewardship of the earth.

"We have joined with the people across the country who are concerned about nuclear power production, and we are providing a kind of ministry in relationship to this broad public concern," Dr. Lucius Walker Jr., Associate General Secretary for the council's Division of Church and Society, said after the vote Thursday.

Dr. Walker said that in taking action on the nuclear issue, the council was "in a real sense responding, rather than taking the initiative."

Other advocates of the council resolution that called for a moratorium on the development of a plutonium-fueled breeder reactor, including anthropologist Margaret Mead, listed the stewardship of the earth as the reason for a moral stance against plutonium use.

"The religious position is one of the stewardship of the earth. We are responsible to see that nothing happens to this world for the sake of our children and our children's children," Dr. Mead said.

National Council General Secretary Claire Randall added that the resolution was based on the Christian concept of the fallibility of human beings.

"We're saying that we do not believe it has been proven that plutonium will not be destructive for all time to come.

"We will not change the world necessarily, but out of conscience we feel we must raise this up for serious debate," Dr. Randall said.

Working for passage of the resolution throughout the three-day meeting at Atlanta's Central Presbyterian Church was nuclear scientist Gregory Minor, who takes the moral and ethical stance that nuclear reactors and nuclear weapons present a serious danger to the future of life on the planet.

Minor, who resigned last month from the nuclear division of General Electric, said that he could no longer be a part of an industry "that promotes a policy that would lead our generation to consume 30 years of nuclear power for our own selfish purposes and leave behind radioactive wastes that will be a health hazard for thousands of generations to come."

An Episcopalian, Minor said that direct religious beliefs had less to do with his decision to quit GE than the ethical concerns for the future of the earth.

"There are a lot of moral issues involved. We are now at a crossroads in which we are making major energy decisions with long-range implications for the planet," he said.

"The church has every right to have a say in these moral decisions despite the fact they are not steeped in the technical knowledge," he said.

"They are asking for the implications of nuclear power on a social and theological basis, and it's very appropriate for them to take a stand," Minor said.

Minor maintains that it is impossible to separate nuclear technology from weapons, and that a country that has reactor technology will eventually have technology to make weapons from the byproducts.

"This was brought home to me a couple of years back when India exploded a bomb. That bomb was made from the by-products of Canadian nuclear reactors," Minor said.

Minor and the two other nuclear engineers who resigned from General Electric last month are members of a California-based educational foundation called the Creative Initiative Foundation.

Advocates of nuclear power, particularly the Atomic Industrial Forum which met in Atlanta this week, have called the foundation a "quasi-religious cult" and charged that the engineers' resignations stemmed more from personal views than from technical arguments.

Minor said, however, that the group is educational, not religious, and that it had little to do with his final decision.

He said that after 16 years of work with nuclear energy systems, he became convinced that neither the reactors, the nuclear fuel cycle, nor the waste storage system is safe.

"I fear that continued nuclear proliferation will quickly consume the limited * * *.

He said that he has taken his retirement money from General Electric to live on for the next three months, while he works full time for the passage of a California initiative that would require the nuclear industry to prove the safety of plants and guarantee compensation for accidents, or phase out its operations in California.

HENDERSON, KY.—A GREAT PLACE TO LIVE

Mr. HUDDLESTON. Mr. President, in celebrating our Nation's Bicentennial, it is appropriate that we pay tribute to communities that have helped our country achieve its great success story.

All across this Nation, people are working hard to keep our Nation's heartbeat strong and true. Nowhere is this grassroots activity more obvious than in Henderson County, Ky.

I ask unanimous consent to have printed in the Record an article from the Henderson Audubon Area Chamber of Commerce as they express their pride for their hometown.

There being no objection, the article was ordered to be printed in the Record, as follows:

Henderson, Ky.—A Great Place To Live

This land of gentle hills and leafy trees, of lakes and rivers, of birds and bees and flowers, where fertile farms produced and still produce fine crops, is one of the garden spots of our country today, as it was in John James Audubon's day. The same peace and quiet is here today, amid the well-planned industries that are Henderson's pride.

On the high, southern bank of the Ohio River—that river down which the commerce of the lower Midwest has flowed for over a century and a half—Henderson was originally a farming community that its settlers named Red Banks for its high and safe position above the river called "Beautiful Ohio" in song and story.

As a predominantly agriculturally oriented town, it grew more slowly and consequently more carefully than other cities along the Ohio that turned to industry and mushroomed out of control into areas of overpopulation, smothered by their own pollutants. As a result, the smog that chokes other centers is blissfully absent from Henderson. Enjoying clean air and pure water with ample space for controlled, thoughtful growth, Henderson offers the newcomer manifold advantages.

Homes that are low in cost without being low in quality, excellent school facilities, pleasant and reasonable shopping areas are all pluses for the industrialist or commercial entrepreneur moving in and bringing his basic personnel. An ample supply of people who are either already trained or completely trainable is readily available. Local educational institutions, such as the Henderson Area Vocational School, provide training and familiarization courses in machine-tool operation, drafting-room techniques, and artificer skills. Officials of its forward-looking, modern form of city government, the city-manager form, are eager to welcome new businesses that meet the sensible requirements keeping Henderson the lovely city it is today.

Many years ago the Pioneers came west through the Cumberland Gap as the direct result of Indian tales about the plenty and beauty of the area. The newcomers were deeply impressed by this new land. The great hunter and trailblazer Daniel Boone was among them. It is quite probable he would have made western Kentucky his permanent home, had he not been lured away by promises of land beyond the Mississippi.

Word of the remarkable variety of wildlife in that part of Kentucky came to the ears of the budding wildlife painter John James Audubon. He and his family moved into the Henderson area, where they spent nearly nine years. He was an unsuccessful businessman and failed repeatedly, but he succeeded in painting many exquisite and detailed pictures of wild creatures. For this reason, Henderson today is proud to call its area "Audubon Country" and to share its still-fabulous beauty with the thousands of fortunate tourists who have found the way to this unspoiled bit of nature.

Each year finds Henderson growing—industrially, residentially, educationally, and culturally. It is a glowing example of what a place can do when it uses thoughtful and careful planning to combine the best of yesterday with the best for tomorrow.

Henderson's people work hard to make the community an ideal place in which to live. Come here and find out for yourself. Join the lucky thousands who call Henderson "home."

In a city where the original plans made the first streets a hundred feet wide, older houses sit well back from broad avenues. Since these houses were built, land values have risen. Nevertheless, homes to fit nearly any income bracket are available in a wide range of single-family and apartment-type dwelling units.

Attractive and well-laid-out subdivisions offer both lots for buildings and completed residences. New condominium homes, bordering a fine 18-hole golf course and country club, are under development, and apartment houses in this area are anticipated in a short time. Rental opportunities will be increased in the very near future because of these modern, well-designed, and pleasant additions to the local housing market. Prices throughout the Henderson area are competitive and generally represent sound long-term investments.

Religious expression is strong in Henderson. Throughout the city, in old and new sections, churches rise in both traditional and modern styles. One of the most striking, however, is St. Paul's Episcopal Church, built in 1859 and a replica of Stoke Podges Church in England, which was made world famous as the site of Thomas Gray's *Elegy in a Country Churchyard*.

Henderson's churches are examples of modern use of religious properties. When they are not being used for worship, many are open to the neighborhood as places for meetings and for youth activities. The many churches are representative of most major denominations, and many smaller religious groups have churches and meeting places as well. Nearby communities provide those of other faiths.

Juvenile crime is relatively low in Henderson, and many attribute it to the strong religious climate of the city.

Housed in an imposing white stone building on South Main Street is the Henderson Public Library, a Carnegie-grant facility with a fine circulating and reference collection of more than 95,000 volumes, a comprehensive circulating record group, and one of the world's most valuable collection of original Havell folio plates of Audubon's *The Birds of America* in any library except the Library of Congress.

The Henderson Music Club provides residents with first-rate guest artists and theatrical performances by the Valley Players, the Henderson Community College theater group. The growing college will continue to advance the cause of culture through future programs in drama, music, and graphic arts. An art club, the Audubon Bird Watchers, women's clubs, and organizations to meet most social and cultural needs are here at hand in Henderson.

Across the Ohio River in Evansville, Indiana, a scant two miles beyond the Kentucky state line and less than 10 miles from downtown Henderson, there is much more cultural and entertainment activity. Here are a well-known symphony orchestra, a museum with an outstanding permanent art collection, and the Koch Planetarium. Broadway shows come to Evansville and theaters offer the latest in art films and family entertainment, while the University of Evansville produces its own plays and musical programs.

As a result of so much activity, the cultural atmosphere of Henderson area is rich and growing richer each year.

The patient and his doctor are both fortunate in that Henderson provides top-flight medical care by highly ranked medical men. The excellent care facilities of Henderson are no accident. They are the result of much forethought and dedication on the part of everyone concerned.

Community Methodist Hospital stands proudly on a hill, and this position is symbolic of all this hospital represents. It has been designed so that when more patient space is needed, the building can be both tastefully and practically enlarged to accommodate the increased needs.

From a small, struggling community medical facility, Community Methodist has grown to a fine, 207-bed facility with every modern convenience and technique. A splendid staff is augmented by a large and comprehensive consulting group able to come to grips with nearly any medical problem that can be presented.

A 24-hour emergency department and an intensive-care unit, a coronary-care unit, a large surgery department, an outstanding mental-health unit, a large pediatrics department are only some of the excellent services available at a moment's notice for patient use.

In anticipation of future needs, Community Methodist is engaged in a well-rounded teaching program, not only for nursing but for X-ray technology, through affiliation with Henderson Community College. More than 200 dedicated volunteers round out its supportive services. This hospital's concern for providing and restoring health in the community makes it a happy and fulfilling place.

Besides the hospital, excellent multispecialty group-practice clinics have extended a very successful record in Henderson. A fine After Hours Clinic is operated in conjunction with the hospital with new facilities staffed by the local medical community. The clinic is fully able to cope with medical problems through its specialists in many fields, including neurology, obstetrics and gynecology, psychiatry, pathology, dermatology, and others.

A new mental-health facility, providing full services, is located adjacent to the hospital.

There are three nursing homes in Henderson well adapted to care for posthospital cases and for those needing only general assistance.

The Henderson County Health Department offers maternal- and child-health-care programs, pre- and postnatal clinics, communicable- and chronic-disease-control programs, and other necessary, practical health programs.

While no one wants to be ill, Henderson offers the patient all the best medical care possible, plus not-too-distant medical centers to handle the one-in-a-thousand case of an unusual or unique ailment.

Nearly any kind of recreation a person would want is near at hand in Henderson.

Camping, hiking, horseback riding, fishing, golfing, cave exploring, exhibition sports like horse racing and games . . . all are here.

In the same woods where Audubon once sought the beautiful birds and animals he transferred to paper for all the world to enjoy, vacationing bird-watchers or people who merely seek the quiet and repose of nature at its best find their desires.

Water sports are everywhere, from the dash of water skiing to the placid pleasure of rowing a boat. The fishing is great and swimming is ever popular.

For the thrill seeker, harness and flat racing are in Henderson some 85 days each year. All through the soft summer night the thud of trotting horses' hooves may be heard at Audubon Raceway, while thoroughbreds race from late July through Labor Day at the James C. Ellis Park on the northern edge of town.

Golf courses are found on every side. A sporty, nine-hole executive course is located in the center of town at Atkinson Park. More extensive courses in and around the city challenge the most exacting golfer, and the course at Audubon State Park takes advantage of every hill and slope in its layout. A new country club's 18-hole golf course at Henderson Country Club offers fun and challenge. The Henderson Family YMCA has an indoor swimming pool and a health club. A complete recreational program includes all types of games and family activities.

Bowling, tennis, and group games and sports are available in Henderson for all ages. For the young, the Community Youth and Recreation Center offers entertaining programs.

Residents and visitors alike find ample opportunity for exciting or quiet recreation, fitted to every purse or pulse, right here in Henderson.

In Henderson, education is an ongoing experience. The public-school systems of both the City of Henderson and Henderson County offer a wide variety of regular curricula in the secondary institutions. Beginning with primary schools, the systems move smoothly toward the goal of furthering knowledge and understanding.

A city student enrollment of over 2,800 enjoys a completely modern approach to education, with an academic program offering modern languages, career-guidance programs, remedial-skills teachers and other specialists. A fine, new vocational school has shops and machine-tool classes for both male and female students as well as courses in mechanical arts, cosmetology, graphics, and office skills. The new thrust in vocational education toward paramedical training is represented by courses in health careers.

In the city there are five elementary schools, two of which are brand-new, replacing older, phased-out buildings for grades one through six; two junior-high schools; a modern high school; and the new vocational unit called the Henderson Area Vocational School, which handles students from both city and county on a reciprocity basis.

The county school system, some of whose buildings are within the corporate limits of the city because of annexation of districts, is a little different. Lower school grades, one through six, are actually ungraded so that students may advance as their individual capacities indicate. Modular scheduling is employed in the middle school to allow flexibility of programs to individual requirements. In the high school a staff of highly trained educators turn out well-adapted students ready for further training.

The Green River Comprehensive Care Center offers schools the services of a psychiatrist, a speech therapist, and a psychologist to work with exceptional children.

More than 60 percent of Henderson's high-school graduates in city and county go on to continued higher education. All high-school programs are geared to emphasize the academic side of education, although sports and music do not take a back seat. Henderson High School has a splendid a capella choir, typical of special-interest programs for city and county students.

For Catholic children Holy Name elementary school gives a firm curriculum to grades one through eight with special emphasis on exposing students to science-oriented programs through early work in its modern science laboratories. Upon completion of the eighth grade, students who have received an academic training with Holy Name's low pupil-teacher ratio go on to Henderson High School or to parochial high schools in other cities.

Henderson Community College, now some 10 years old, was begun as an extension center of the University of Kentucky. Today, however, it is firmly ensconced as a part of the statewide community-college system of Kentucky along with its 13 other sister community colleges.

Forward-looking plans for this college call for 10 buildings on the large, rolling campus about two miles west of Henderson. At present, the school has three permanent structures that include, among other facilities, a modern communications laboratory.

Four-year colleges in Kentucky that attract students from Henderson are Western Kentucky University, Murray State University, Kentucky Wesleyan College, Brescia College, and of course, the University of Kentucky.

Other schools in the immediate area are the Indiana State University Evansville Branch and the University of Evansville.

The old days of great factories belching smoky wastes into the sky are gone so far as Henderson is concerned. The splendid new industrial growth of the city comes through low-profile plants that hum with electric power generated by nearby power plants. Existing power facilities with projected expansions will assure more than ample power capacity for continued industrial growth. These plans will amplify advantages already existent in Henderson.

The high and dry location of Henderson is another big factor in its favor. "On the Ohio, but never in it" has been a local slogan for years—and it is true! The city is on a high bluff more than 70 feet above the river's low-water mark. This great waterway and its connections with the Mississippi, and through that river to other waterways, gives Henderson an outlet to the cheapest mass-transport method in existence, and a water-borne commerce to the world.

Once predominantly agricultural in character, Henderson still has a strong stake in farm production. Henderson County is one of Kentucky's greatest producers of soybeans and corn. More than 80 percent of the income for farmers is in these crops and hogs and cattle. Tobacco and forest products are also important.

Henderson County is also a larger producer of oil and coal. The wells, which formerly were shallow, are now being driven deep under the overburden. The same is true with coal. What was formerly mostly shallow surface mining is now becoming gallery mining.

Henderson's industrial potential is enhanced by the well-planned and located industrial parks in the city's environs. The new plants and rehabilitated older ones, some of which were originally woodworking factories that have been redesignated and upgraded to meet the requirements of modern industry, are an important part of the Henderson industrial economy.

The airport at Henderson is fully capable of handling executive and private aircraft, including light commercial craft. Lighted and with a 3800-foot paved runway, Henderson Airport has a fixed-base operation with ample hangar space and a UNICOH communications system. Dress Memorial Airport, less than 10 miles from downtown Henderson, has commercial air service to other cities via Eastern, Delta, and Allegheny airlines. Highways and railroads add to the many advantages Henderson offers to new industry and commerce.

RESIDUAL FUEL OIL DECONTROL

Mr. METCALF. Mr. President, on April 12, 1976, I wrote to the Administrator of the Federal Energy Administration, Frank Zarb, concerning the Administration's proposals—announced on March 29—relative to the removal of price and allocation controls from the sale of residual fuel oil and the alternation of the value of crude oil entitlements for refiners residual fuel. At that time I also introduced Senate Resolution 432 stating the Senate's disapproval of the FEA residual fuel oil decontrol proposal. I did so to preserve for the Senate an opportunity to vote on such a resolution and to act thereby to halt residual fuel oil decontrol pursuant to procedures specified in section 551 of the Energy Policy and Conservation Act, if the facts appeared to warrant such action.

My letter to Mr. Zarb and the text of Senate Resolution 432 appear in the April 12 CONGRESSIONAL RECORD on pages 10436–10437.

Mr. Zarb's response to the questions attached to my April 12 letter were received in my office April 26. In the interest of providing the Members of the Senate with full information relevant to this issue, I ask unanimous consent that the text of Mr. Zarb's response be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METCALF. Mr. President, certain of the tables accompanying this response have been designated proprietary by the FEA. In accordance with Mr. Zarb's request that this material not be made available to the public the material submitted for the RECORD does not contain information comprising tables IV and V of the FEA response.

EXHIBIT 1

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., April 26, 1976.

Hon. LEE METCALF,
Acting Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of April 12, in which you pose various issues relating to FEA's proposal to exempt residual fuel oil from price and allocation controls (Energy Action No. 1) and the recent amendments to the domestic crude oil entitlements program for the East Coast residual fuel oil market. I am pleased to respond to the merits of the questions you raised but do not mean to intimate any view as to the legal status of this proposal in view of its having been received in the Office of the President of the Senate and referred to your Committee on different days. It may be most useful to preface our responses to your questions with a brief summary of the recent changes to the entitlements program. The following information has been prepared by my staff in response to your questions.

CHANGES IN THE ENTITLEMENTS PROGRAM

Two basic changes to the entitlements program, as it affects the East Coast residual fuel oil market, were promulgated March 29, 1976: an effective increase in the cost of crude oil (through a reduction in entitlements issued) used by domestic refiners to produce residual fuel oil for sale in the East Coast, and a reduction in the cost base of residual fuel oil imported into the East Coast through the grant of entitlements for these imports.

FEA projects that the combined effect of these changes will be to maintain residual fuel oil prices at current levels on the East Coast, while ensuring the competitive viability of those importers who have historically provided a large share of the East Coast residual fuel oil requirements (currently 60–70 percent).

Until the $2 per barrel import fee was removed in December 1975, the entitlements program did not create any significant competitive distortions in the East Coast residual fuel oil market. With the removal of that import fee, however, the competitive advantage of domestic refiners was increased from approximately $1 to $3 per barrel. The recent amendments were intended to restore the historic competitive position of importers and domestic refiners, while maintaining residual fuel oil prices to East Coast consumers at current levels. Furthermore, FEA projects that these amendments will not result in any significant adverse impact on other regions of the country under the program.

Specifically, domestic refiners would lose one-half of their entitlement benefits for residual fuel oil production sold on the East Coast, which would reduce their entitlement benefits from approximately $3 to $1.50 per barrel. At the same time, importers will receive three-tenths of the crude oil entitlement benefit for each barrel of imported residual fuel, which would amount to about $.90 per barrel. This estimated advantage for domestic refiners of $.60 per barrel is approximately equal to the historic oil import fee for residual fuel oil of $.63 per barrel. Thus, these amendments maintain this historic advantage for domestic refiners.

GENERAL ISSUES RAISED IN YOUR LETTER

First, I would like to respond to your more general questions concerning the impact of residual fuel oil exemption and the recent modifications to the entitlements program.

The East Coast residual fuel oil market is not simply at the mercy of the OPEC cartel prices. While the entire country is subject to the effects of OPEC price fluctuations, as is the East Coast to imported residual fuel oil fluctuations, both are maintained at price levels below world prices through the operation of the entitlements program. FEA does not expect the prices of residual fuel oil on the East Coast or in the rest of the United States to rise to levels established by the OPEC cartel. The continuation of adequate supply, the utilization of increased domestic refining capacity for residual fuel oil, the competitive pressures resulting from general cost equalization under the entitlements program, and the entitlement value for imports of residual fuel oil will assure continuing pricing at levels below world prices. Thus, FEA estimates that the marketplace competition will prevent refiners or importers from receiving any windfall profits from lower production costs of domestic residual fuel oil or from the import entitlements.

Under FEA pricing regulations, residual fuel oil has been the fuel to which banked costs could most readily be allocated. Unlike middle distillate, there were no volumetric limits on the proportion of increased costs which could be allocated to residual fuel oil. Thus, the existence of banked costs demonstrates the competitiveness of the market for residual fuels.

SPECIFIC QUESTIONS RAISED IN YOUR LETTER

The following comments address the specific questions you itemized in your letter.

1. Why are East Coast residual oil prices maintained under the new entitlements program at a level of approximately $1.50 a barrel or 3.5 cents per gallon higher than residual oil prices in other parts of the country?

In making comparisons of residual fuel oil prices by region, it is important to remember that there are several quality factors which significantly affect residual fuel price levels. These factors vary by regions.

Price variations of several dollars per barrel may be attributed to differences in fuel qualities such as viscosity, ash content, and sulfur content. Of these factors, the sulfur content has the greatest impact on the price level of residual fuel oil. Table I shows how prices vary by sulfur content on a national average basis for all sales to end-users. Since different states impose different sulfur restrictions on fuels burned within their boundaries, prices vary by state due to differences in levels of sulfur content of residual fuel oil used. Generally speaking, the more populous industrial states on the East Coast impose more stringent requirements than do less populated rural states.

For utility residual fuel consumption, which accounts for one-half of all residual fuel consumed in the U.S., two sulfur categories are most widely used. These two sulfur levels, 0.3–0.5 percent sulfur and 0.5–1.0 percent sulfur, account for nearly 90 percent of all residual fuel delivered in the New England region and over 60 percent of the total U.S. quantity of residual fuel delivered to utilities.

The data presented in Table II shows that residual fuel oil prices in New England are comparable to those in other regions. Volumes of sales and prices to utilities are shown for December 1975. Different levels of sulfur content are used in order to separate out the effect of sulfur on price. For 0.3–0.5 percent sulfur, five of the nine regions had prices which were higher than that for New England. For 0.5–1.0 percent sulfur content, six regions had higher prices than New England.

However, since the pattern of residual fuel prices among the regions varies over time, more than a month's data should be examined. Utility data in Table III shows prices over time for the two most widely used sulfur levels. For both categories, New England's average price was lower than the national average for the period July 1975 through December 1975. On the other hand, in July 1974 New England's average price was the highest of all the regions.

To sum up, the data indicates that prices of residual fuel oil in New England are not currently greater than those in the other regions, nor have they been consistently higher in recent years. In fact, prices in New England have declined more than those in most of the other regions, so that by December 1975, the New England average was significantly lower than the national average. Finally, as discussed above, we project that the entitlement program amendments will not increase East Coast residual fuel oil prices over current levels.

2. After decontrol what will prevent sellers of residual fuel oil from increasing their profits by charging the world price rather than passing the benefit of the entitlements program subsidy on to consumers in the form of reduced prices?

The entitlements program reduces crude cost disparities that would otherwise result from domestic crude oil price controls. FEA believes that healthy competition exists in the petroleum industry and that the benefits of price controls on domestic crude oil will be passed on to the consumer. Since domestic refiners will still have an advantage of about $.60 per barrel over foreign refiners and importers, this competitive advantage will insure the passthrough of entitlements benefits by importers.

3. Does the Administration's new entitlements program in effect deny East Coast consumers the benefits of reduced prices caused by the removal of the oil import tariff and instead grant this benefit to Caribbean refiners by maintaining or increasing East Coast residual fuel oil prices?

Reference should be made to my response to Question 2 above, which shows that FEA does not anticipate this transfer of benefits to foreign refiners.

4. Does the Administration's program reduce or remove competitive pressures and other incentives which had caused Venezuela, an OPEC cartel member, to reduce residual oil prices in recent months?

Price reductions in residual fuel oil by Venezuela and other OPEC members over the past few months have been brought about by the soft market for residual fuel oil. Declines in U.S. demand for the Venezuelan heavy, high sulfur oil are probably permanent. Furthermore, Venezuelan oil is currently over-priced and Venezuelan exporters are experiencing difficulty in selling as much as they would like to sell.

The new entitlements programs continues the incentive for Venezuela to offer discounts from cartel prices to U.S. firms. We have reports of $1 per barrel discounts on Venezuelan crude, and have recently noted lower postings of approximately 50 cents per barrel. FEA believes that the Venezuelan Government will continue to find the U.S. market attractive for both crude and residual fuel oil at a discounted price in the coming months.

We see no signs of a firming in the residual fuel oil market that would stimulate price increases. Neither do we expect that competitive pressures on Venezuelan exports will be relieved, because the 5,000 b/d exemption for domestic refiners provides a marginal source of very low-cost residual fuel oil. Further, since residual fuel oil can be moved from PAD II to the East Coast, this will constrain propensities to pay higher prices for imports.

5. Does the decontrol program invite users of residual oil to switch to home heating oil and other distillates which remain under price controls and thereby create a possibility of regional distillate shortages?

Given current surpluses and ready availability of both foreign and domestic residual fuel oil, FEA believes there is no incentive to shift production from distillates to residual fuel oil. Buyers would switch to distillate fuel oil only if the value of the distillate would stay constant and the residual fuel oil price would go up. It is readily evident from Table I that the prices of the other grades of residual fuel oil would have to increase substantially, assuming the distillate price stayed the same, before users of these grades would switch. We do not expect residual fuel oil prices increases.

Since a significant switch to middle distillates does not appear probable, regional shortages will not develop as a result of residual fuel oil exemption.

6. Does the Administration program create new incentives to export refining capacity which should be located in the United States?

The proposed exemption of residual fuel from controls does not provide any new incentives for the exporting of refining capacity. The entitlements program, as amended, contains a 60-cent per barrel competitive advantage for domestic refiners over importers.

7. Does the Administration's program make it likely that any increase in demand for residual fuel oil will be filled from foreign, rather than domestic, sources and will it therefore tend to increase oil imports?

In 1975, domestic production of residual fuel oil met a higher percentage of demand than in prior years. Anticipated developments in new U.S. refining capacity and the addition of desulfurization facilities will support this trend. Neither the entitlements program nor the exemption of residual fuel oil will adversely affect this trend.

8. Why hasn't the reduction in crude oil and refined product costs associated with removal of the oil import tariff on December 22, 1975, been passed through to consumers? What role have the "banked costs" of refineries played in this delay?

FEA has observed product price decreases resulting from the removal of the $2 supplemental import fee and the February 1 rollback in prices of certain domestic crudes, although it must be recognized that there is a built-in lag under the price regulations as to the reflecting of lowered crude costs in product prices. Since 60-70 percent of the total supply of residual fuel oil for the East Coast market comes from imports of product refined in foreign refineries, only a third or less of the product would reflect the reduced crude oil costs.

As required by FEA regulations, a reduction in the costs of crude oil, such as the removal of the $2 per barrel tariff, must be pased through to the consumer unless the importer either has offsetting cost increases or has an amount of previously incurred increased costs which have not yet been passed through but "banked" for future recovery. To the extent that such banked costs existed, they could be used, within limits, to maintain product prices at the previous month's levels.

RESPONSES TO QUESTIONS APPENDED TO YOUR LETTER

Enclosed in this letter are FEA's responses to the enumerated questions appended to your letter, in the order in which you presented them.

Finally, I would like to note that certain of the tables enclosed herewith (and marked accordingly) contain proprietary data which is restricted by law from disclosure. Accordingly,

I would request that the Committee treat this particular information in a manner that will avoid the competitive injury that would occur were it publicly disclosed.

If I can be of further assistance on this matter, please let me know.

Sincerely,

FRANK G. ZARB,
Administrator.

APPENDED QUESTIONS

1. The net impact of the Federal Energy Administration's proposals for residual fuel oil will be to deny New England and East Coast consumers of residual fuel oil any benefit of the recently enacted rollback in oil prices. It appears that the aim of the FEA plan to alter the entitlements program and to decontrol residual fuel oil sales is to use the revenue generated by the rollback to guarantee the profitability of a number of refineries on foreign soil in the Caribbean. It was this refinery capacity whose "continued viability" was the object of FEA's concern in the February 17 notice of proposed rulemaking. Some of this capacity has recently been nationalized by Venezuela—a leading member of OPEC. However, the same major oil companies continue to operate the facilities.

a. Please explain in detail why a Federal subsidy—paid for by U.S. consumers in New England and on the East Coast—to refineries on foreign soil affiliated with major international oil companies (and in two cases, nationalized by a leading member of OPEC) is justified and in the national interest.

b. The agreement between the Congress and the President on the Energy Policy and Conservation Act provided for a removal of the oil import tariff and a rollback in domestic oil prices. But, if the FEA's proposals to remove price controls from residual fuel oil and alter the entitlements program are put into effect, this rollback will have no impact on the East Coast price of residual fuel oil. Instead, the price of this fuel to consumers will at best remain where it is and most likely will increase. The reduction in tariff revenue and the rollback, instead of being passed to consumers, will be transferred to and divided up among Caribbean oil refiners.

Please explain why New England and East Coast consumers of residual fuel oil—and the electricity produced from this fuel oil—cannot receive the benefits of the national policy which enacted the rollback in oil prices.

c. It appears certain that the FEA's program will leave residual fuel oil prices in New England and on the East Coast approximately $1.50 per barrel above prices in most other areas of the country. Since the Arab embargo, the East Coast has paid disproportionately high fuel oil prices. The FEA proposals insure that this situation will be institutionalized in FEA regulations. What is the justification for this in light of the express mandate in the Allocation Act to the President to insure "equitable prices among all regions and areas of the United States"?

d. In view of the changes in the entitlements program and assuming Congress permits the Administration's decontrol proposal for residual oil to take effect, what regulatory authority will remain to prevent sellers of residual fuel oil in other parts of the United States from gaining excessive profits by raising their prices by $1.50 per barrel or whatever amount is necessary to equal the higher East Coast price levels?

The need for the changes in the entitlements program has been thoroughly described in the Notices of Proposed and Final Rulemaking. They are not designed to subsidize foreign refineries and do not have that effect. They are designed to correct competitive abnormalities on the East Coast which resulted from the unique dependence of that area on imported residual fuel oil and from the combined effect of the entitlements program and the removal of the $2 fee on imported crude oil.

What the Administration expects to accomplish is alleviation of the competitive disadvantage to U.S. marketers of imported residual fuel oil which, after removal of the import fee, approximated $3 per barrel.

The combination of an advantage of about $.60 per barrel for domestically produced residual fuel oil and the first 5,000 barrel per day exemption for domestic refiners will provide incentives for domestic refiners to continue to supply the East Coast and ensure that the area is not a captive of the pricing whims of Caribbean exporters.

I have previously discussed your assumptions as to the relative prices of residual fuel on the East Coast and in the rest of the country. Prices on the East Coast have varied substantially as compared with other regions but are generally at or below those in other regions.

With the entitlements changes, East Coast importers will be in a competitive position to attemp to regain their lost market shares. The price of residual fuel oil should remain approximately stable as a result of these changes. A slight price preference for domestic refiners, approximately $.60 per barrel, will exist. This would exert a downward pressure on prices which should also result from the abundance of residual fuel oil in the world market.

The new entitlements program does not deny the East Coast consumer the benefit of reduced prices caused by removal of the $2 supplemental import fee since it is not anticipated that the program will maintain or increase East Coast residual prices, but rather, as outlined above, will exert downward pressures on the price of residual fuel.

2. To prevent residual fuel oil produced elsewhere in the U.S. at lower cost from coming to the East and competing with the majors' high-priced imports, the FEA program takes entitlement benefits away from domestic refiners who produce residual fuel oil for the East Coast. This explicitly discourages our own domestic refiners from developing the capacity to serve our domestic needs. Is the long-standing Federal aim to stop the export of domestic refining capacity now no longer operative?

During the existence of price and allocation controls, residual fuel oil continued to evolve from its historical pre-embargo role as a byproduct which did not contribute significantly to refiner profits to a desirable and profitable product. Since the embargo, domestic refiners have been able to capitalize on the enormous rise in imported residual fuel oil prices to pass through increased production costs on domestic product and increase domestic production. Domestic residual refining production, which was historically low, is currently at an all-time high. The attractiveness of the residual fuel oil market since the embargo is further evidenced by the phenomena of both new and expanded refining capacity geared to produce primarily heavy fuel oil.

In spite of the increased domestic residual fuel oil production, imports remain the primary source of East Coast supply. This situation will continue in the near term, as domestic refining capacity is inadequate to supply East Coast market needs. Given the clear need for imported residual fuel oil, the only other way to reduce its cost on the East Coast would be to require a subsidy from the rest of the country.

Additional domestic residual fuel oil capacity is being developed primarily in the mid-continent area, especially on the Gulf Coast.

The increased profitability of residual fuel oil production, the fixed advantages to domestic production of residual fuel oil and the current low utilization of domestic refining capacity, all serve to ensure that refining capacity will not be exported.

3. In the past two years imports of residual fuel oil have declined steeply—from over 1.8 million b/d in 1973 to approximately 1.2 million b/d in 1975. At the same time domestic production of residual fuel oil has steadily increased. In 1973 only about one-third of our residual fuel oil was produced domestically. Now we produce half of our own needs.

a. It is apparent that the FEA proposal by explicitly subsidizing residual fuel imports will reverse this trend and lead to rising dependence on foreign supplies. Shouldn't our energy policy be designed to assure that any increase in domestic demand for residual fuel oil is supplied from domestic refineries rather than from high-priced foreign sources?

b. In recent months there have been price reductions in residual fuel oil by Venezuela and possibly other OPEC producers of crude oil. Will decontrol and the modified entitlements program remove the incentives and competitive pressures that have forced members of the OPEC cartel to reduce prices?

The modifications to the Entitlements Program merely improve the competitive position of East Coast marketers who were at a seriously competitive disadvantage. The program still accords the domestic refiner an estimated $.60 per barrel advantage over foreign refiners. This advantage will continue to serve as an incentive to the development and use of domestic refining capacity. My responses to your Questions 4 and 6 in the text of the letter have already discussed these matters in some detail.

It should be obvious, however, that Venezuela and other OPEC members, in their pricing policies, respond to world market conditions rather than to U.S. demand. The extremely soft world market for residual fuel oil, paralleled in the United States, has encouraged some price reductions.

4. The best the FEA can claim is that despite the rollback in domestic oil prices, residual fuel oil prices on the East Coast—already the highest in the nation—will not rise. These prices have been somewhat restrained until now by competitive pressure on residual fuel oil suppliers from the Amerada Hess refinery. Because the Hess refinery is located in U.S. territory in the Virgin Islands, Hess has in the past received entitlements benefits. These benefits have served to keep Hess' prices and those of his competitors below world levels.

Isn't it the case that under the new FEA entitlements proposal, the benefits to *all* refineries in the Caribbean, including the reduced benefits to the Hess refinery, have to be passed to consumers just to hold residual oil prices where they are? If even some of these benefits are kept by the refiners, won't prices go up? There is a strong incentive for the majors—who say they've been losing money on their Caribbean refineries—to "recoup" their losses through higher prices. There is a strong incentive for Hess—who has expanded his share of the East Coast residual oil market—to begin to collect higher profits on his enlarged share. Doesn't the removal of price controls on residual fuel oil invite this behavior?

Please see my response to your Question 1 in the text of the letter for a discussion of your assumption that East Coast prices are the highest in the nation.

FEA does not expect the prices of residual fuel oil to rise to levels established by the OPEC cartel, because the projected continuation of adequate supply, the utilization of increased domestic refining capacity for residual fuel oil, and the competitive pressures resulting from general cost equalization under the entitlements program will assure continuing pricing at levels below world prices.

The $.60 per barrel advantage for domestic residual fuel oil will constrain increases for residual fuel oil prices or any attempt at profiteering by importers. We do expect that entitlements benefits will be passed along to consumers through a strengthening of competition on the East Coast associated with the removal of controls and the corresponding freedom of purchasers and suppliers to seek new, lower-cost business relationships.

5. The purpose of the crude oil entitlement program was to roughly equalize refiner crude oil costs and therefore the price of refined products to consumers in all regions of the country. If Congress permits residual fuel oil prices to be decontrolled, what assurance is there in general that consumers—rather than sellers of residual fuel oil—will receive the intended benefit of the entitlements program? What remaining regulatory authority will assure that refiners and other sellers of residual fuel oil pass on the benefits of the crude oil price rollback, the removal of the tariff and the entitlements program to consumers in view of FEA's previous action in removing the refiner profit margin test and the proposal to decontrol residual oil?

If FEA's predictions that prices of residual oil will not rise turn out to be incorrect and entitlement benefits are not passed through, what would be done then? At what point would price controls be reimposed? What standards and methodology would FEA employ to make such a decision?

Previous responses have already discussed in detail the reasons why FEA believes that entitlements benefits will be passed along to consumers after the removal of controls. I should note again that the competition in the market place which has held prices below lawful limits, should force the pass-through of entitlements benefits.

If our predictions prove inaccurate—which is unlikely—the FEA action would depend upon the particular circumstances. If the FEA found that the objectives of the EPAA were not being met after the decontrol of residual oil, the FEA would reimpose the price regulations for residual fuel oil if it appeared that doing so would meet those objectives.

6. Could the Committee review the Inflation Impact Statements prepared in accordance with Executive Order 11821 for both the proposed decontrol program and the modifications in the Entitlements Program?

FEA completed an assessment of our obligation under Executive Order 11821 to prepare on IIS for each program and stated in the Notice of Proposed Rulemaking for each that a separate IIS was not deemed to be required. No price increases were anticipated to result from these actions.

7. Won't the proposal to decontrol the price of residual fuel oil encourage some refiners to shift production from distillates to residual fuel or some buyers to substitute distillate for residual oil? Won't the resulting reduced supply of distillate heating oil force up heating oil prices and/or increase the pressure on FEA to decontrol heating oil? Doesn't a sort of domino effect operate which will ultimately force the decontrol of all refined petroleum products with resulting increases in consumer price and higher inflation?

The lack of incentives to shift production from distillates to residual fuel oil has been previously discussed in response to your Question 5 in the text of the letter.

FEA has determined that residual fuel oil prices will not rise as a result of the proposed exemption. At current prices, there is no incentive for switching from residual fuel to distillates. Given competition in both the residual and distillate markets, FEA believes there will be no incentives for any significant switching in the future. As to the possibility of regional distillate shortages, this is highly unlikely, in light of the adequate crude oil supply and current under-utilization of domestic refining capacity. Additionally, the yield flexibility of U.S. refineries and available Caribbean distillate imports should offset any regional shortages.

8. Would the FEA proposal to grant entitlements to marketers of imported residual fuel oil apply to all East Coast importers? What about marketers of imported refined products in other areas of the country, particularly in the Midwest along the Mississippi where many independents are dependent on foreign sources of refined product supply? Will these importers also be granted entitlements to bring their costs down to the level of the costs to domestic refiners? If this isn't done, what will happen to the "competitive viability" of these independents when the products they sell are decontrolled?

Table IV is a list of East Coast importers eligible for entitlements. The entitlements modifications were implemented because of an abnormality in the East Coast market resulting from a high dependency (60–70%) on imports of residual fuel oil. This situation is not reflected in other regions of the country. In the midwest, residual fuel oil is coked because of a lack of demand for it, and some Gulf Coast production moves by barge to the East Coast.

9. Why has it taken so long for the effects of the removal of the $2.00 per barrel tariff to be passed through to consumers dependent on imported oil? What is the price of residual oil on the East Coast? In Chicago? On the Gulf Coast? In California? What are Hess' residual fuel oil prices? What are those of his competitors? Why should these prices be based on changes in crude costs from removal of the tariff and the rollback in domestic prices? How should these prices change if the proposed entitlements revisions are made effective?

How have electricity prices in New England and on the East Coast changed over the past year? How do you expect them to change, if at all, after the FEA residual fuel proposals become effective?

Please see my response to your Question 8 in the text of this letter for a discussion of the effects of the removal of the $2 fee on product prices.

Refiners and marketers report only composite national prices to the FEA. They are allowed to price differently in various regions if they did so on May 15, 1973, and they do follow these practices. Our data would therefore not reflect competition in individual markets. Table VI and VII show prices for representative cities, including Chicago, for No. 5 and No. 6 fuel oil, 1.0 percent sulfur. California prices are rarely reported.

As for electricity prices, data was obtained from the Consumer Price Index, Bureau of Labor Statistics. Price indices are mostly based on 100, 250, and 500 Kilowatt hours.

The national increase for 1975 was 6.4 percent. Increases in Eastern cities were as follows:

Boston, 2.4.
New York, 3.8.
Washington, –4.1.
Atlanta, 6.0.

The FEA does not anticipate price increases as a result of the exemption and thus any change would stem from non-fuel cost factors.

10. Have oil companies serving the East Coast market been able to delay a pass-through of cost reductions to consumers by drawing down banked costs? Please provide a company-by-company breakdown of changes in banked costs from January 1975 to date.

Please see Table V for a review of changes in banked costs for those East Coast marketers for which we have data. As we have explained previously, no bank for residual fuel oil was established under FEA regulations. Furthermore, it is impossible to disaggregate the "General Refinery Products Bank." Firms competing with Amerada Hess obviously would not have deferred price reductions on residual fuel oil by the recovery of banks because of their competitive position. Since residual fuel oil is a relatively small part of the sales of all petroleum products, opportunities to recover banks on the sale of residual fuel oil are small.

These data are proprietary and should not be disclosed. They should also be approached with care because they include data for national marketers as well as for local marketers and it is difficult to draw therefore firm conclusions about marketing positions on the East Coast. Part A of Table V presents data on General Refinery Products Banks and Part B, data for All Banks.

11. Please provide the Committee with an analysis of the cost impact on FEA's recently implemented changes in the value and distribution of entitlements for domestic producers and importers of residual fuel oil. Consider in detail the effects of these changes on the Hess refinery in the Virgin Islands, the principal foreign-based Caribbean refineries which export to the U.S. market and other domestic refineries producing residual fuel oil for the East Coast and Midwest markets. Identify the States which are served by each of these groups of refineries and the impact of changes in feedstock costs on residual oil prices in these states. Include in this discussion an explicit analysis of the impact on customers served by electric utilities and other importers of residual fuel oil on the East Coast.

The change in the entitlements program results in a change from .3877 to .3865 in the entitlement ratio for domestic refiners. This .0012 change with an $8.00 entitlement price is equivalent to a small increase of .96 cents ($0.0096) per barrel or .02 cents ($0.0002) per gallon in crude oil costs for the rest of the country.

Domestic refiners supplying the East Coast will experience an increase in costs, which can be passed on to the consumer, of

$623,000 per day. U.S. marketers importing residual crude oil will have a decrease in costs of $742,000 per day. The net reduction, therefore, is $119.000 or 9.9 cents ($0.099) per barrel of residual oil. The effect on Amerada Hess is to increase their cost, which can be passed on to the consumer, by $292,000 per day or, roughly, $1.54 per barrel.

Because of the mix of purchased products, imported product and domestically refined residual oil, it is impossible at this time to identify the states which are served by domestically refined residual oil and residual oil produced in foreign refineries and imported by U.S. marketers except to say that, in all likelihood, each state on the East Coast received a mixture of imported and domestic residual oil.

The impact on East Coast customers served by electric utilities will also vary depending on the source, or proportionate source of residual fuel oil but the net effect will be 9.9 cents ($0.099) per barrel reduction stated above.

TABLE I.—NATIONAL WEIGHTED AVERAGE PRICES FOR RESIDUAL FUEL BY SULFUR CONTENT[1]

Sulfur content	Dollars per barrel	Cents per gallon
0.3 percent or less	$12.59	29.9
0.31 percent to 1 percent	11.82	28.1
1 percent or more	$10.02	23.9

[1] Reported by refiners and large resellers on mandatory reports to FEA for December 1975.

RELATIVE VALUE OF DISTILLATE FUEL OIL SUBSTITUTED FOR RESIDUAL FUEL OIL

Product	Percent sulfur	Index	Equivalent residual price, dollars per barrel	Cargo[1] price, dollars per barrel
Distillate	0.3	1.000		13.5
Residual	.3	1.039	13.66	13.14
Do	.3-.5	1.046	13.75	12.42
Do	.5-1.0	1.059	13.92	11.70
Do	1.0-2.0	1.070	14.06	
Do	2.0-3.0	1.078	14.17	10.04
Do	[1] 3.0	1.082	14.22	

[1] Midpoint of high and low range.

Source: Platts Oilgram Price Service, Apr. 19, 1976, p. 6-A.

TABLE II.—REGIONAL RESIDUAL FUEL OIL DELIVERIES BY SULFUR CONTENT, DECEMBER 1975

[Quantity in thousands of barrels; price in dollars per barrel]

	Sulfur													
	0.2 or less		0.31 to 0.5		0.51 to 1.0		1.01 to 2.0		2.01 to 3.0		3.01 or more		Total	
Region	Quantity	Price	Quantity	Price	Quantity	Price	Quantity	Price	Quantity	Price	Quantity	Price	Quantity	Price
1. New England			3,003	11.61	3,021	10.74	500	10.79	299	10.44			6,823	11.11
2. Mid-Atlantic	5,420	12.39	1,319	12.32	589	11.97	833	9.70	1,804	10.30			9,965	11.75
3. East north-central	40	14.06	807	13.85	847	12.21	47	11.86					1,741	13.00
4. West north-central			173	10.81	274	9.86	345	9.92	84	10.84	18	10.56	894	10.17
5. South Atlantic			550	10.56	4,361	11.69	1,657	10.83	3,536	9.78			10.014	10.82
6. East south-central							14	10.81	254	10.62			268	10.63
7. West south-central	62	11.74	65	11.95	1,508	11.89	6	9.49	79	9.67			1,720	11.78
8. Mountain	69	14.93	161	16.17	468	12.45	115	11.63					813	13.28
9. Pacific	260	14.90	7,225	15.89	345	17.42	35	12.49	28	16.21			7,893	15.91
Total	5,852	12.54	13,304	14.14	11.411	11.68	3,552	10.53	6,083	10.05	18	10.56	40.221	12.27

Source: FPC Form No. 423.

TABLE III.—AVERAGE DELIVERED PRICES OF RESIDUAL FUEL OIL AT STEAM ELECTRIC PLANTS[1]

[Dollars per barrel]

	0.31 percent to 0.5 percent sulfur								0.51 percent to 1.0 percent sulfur							
	July	Dec.	July	Aug.	Sept.	Oct.	Nov.	Dec.	July	Dec.	July	Aug.	Sept.	Oct.	Nov.	Dec.
New England	12.85	12.79	12.21	12.23	11.79	11.72	11.78	11.61	11.62	12.56	11.80	11.28	11.34	10.90	10.98	10.74
Middle Atlantic	11.44	13.45	12.89	12.66	12.54	12.35	12.56	12.32	14.56	13.36	12.30	12.99	13.21	12.88	11.95	11.97
East North Central	12.44	12.50	13.27	11.95	12.76	12.80	13.85	13.85	10.80	8.72	8.71	11.82	12.76	11.97	13.44	12.21
West North Central	3.74	12.17	11.22	11.04	12.13		10.45	10.81	10.30	11.71	10.33	10.50	9.05	9.35	9.92	9.86
South Atlantic	8.30	12.75	13.53	13.41	12.69	12.64	11.70	10.56	12.29	12.62	12.49	12.38	11.99	11.96	11.80	11.69
East South Central									11.70							
West South Central	10.96	10.39	11.07	11.29	11.22	10.13	11.56	11.95	11.45	10.75	11.62	11.47	10.93	10.59	12.03	11.89
Mountain	10.73	11.91	14.45	15.05	13.45	14.55	14.99	16.17	12.01	11.65	11.61	12.30	13.09	11.98	11.92	12.45
Pacific	12.25	14.21	15.55	16.27	15.91	15.66	16.06	15.89		15.63			17.70	15.24	17.32	17.42
U.S. total	12.25	13.61	13.86	14.21	14.23	13.85	14.36	14.14	11.94	12.20	11.87	11.91	11.87	11.61	11.71	11.68

[1] Include less than 1 percent of No. 5 and 6 fuel oil.

Source: FPC Form No. 423.

TABLE VI.—NO. 5 FUEL OIL

	Chicago, Ill., maximum 1 percent S[1]	Baltimore, Md., maximum 1 percent S[1]	Boston, Mass., maximum 1 percent S[1]	Minneapolis, Minn.[2]	New York, N.Y., maximum 1 percent S[3]	Providence, R.I. maximum 1 percent S[3]
1973:						
January	5.09	4.70	4.89	4.62	4.17	4.19
February	5.25	4.70	4.89	4.62	4.17	4.19
March	5.32	4.80	4.98	4.69	4.26	4.28
April	5.72	4.99	5.18	5.29	4.46	4.48
May	5.78	4.94	5.15	5.30	4.39	4.41
June	6.12	4.94	5.15	5.51	4.39	4.41
July	6.09	5.17	5.22	5.62	4.54	4.55
August	6.09	5.21	5.25	5.62	4.61	4.63
September	6.17	5.31	5.39	6.00	4.94	4.96
October	6.72	5.58	5.56	6.25	5.18	5.20
November	7.43	7.44	6.63	6.46	6.98	6.99
December	9.39	7.92	7.91	7.60	7.39	7.39
1974:						
January	11.55	9.68	10.07	10.03	9.67	9.68
February	11.55	12.45	12.48	10.03	11.87	11.87
March	13.25	12.57	12.61	10.34	12.04	12.04
April	15.24	12.57	12.61	13.06	12.04	12.04
May	15.39	12.55	12.60	13.69	12.05	12.05
June	15.39	12.62	12.67	13.18	12.14	12.14
July	15.39	12.70	12.83	13.18	12.30	12.30
August	14.50	12.74	12.91	13.18	12.38	12.38
September	14.39	12.74	12.91	13.18	12.38	12.38
October	14.39	12.89	13.21	13.16	12.68	12.68
November	14.29	12.94	13.31	13.01	12.78	12.78
December	14.37	12.94	13.31	13.21	12.78	12.78
1975:						
January	14.37	12.96	13.36	13.21	12.85	12.85
February	14.37	13.09	13.61	13.21	13.08	13.08
March	14.37	13.09	13.61	13.21	13.08	13.08
April	14.37	13.09	13.61	13.21	13.08	13.08
May	13.76	13.10	13.61	13.21	12.95	12.97
June	13.34	13.58	13.75	13.21	13.28	11.33
July	13.35	13.64	13.76	13.21	13.28	11.33
August	12.82	13.35	13.67	13.10	12.64	12.69
September	11.97	13.21	13.03	12.37	12.43	12.48
October	12.22	13.21	13.03	12.37	12.43	12.48
November	12.29	13.14	12.95	12.37	12.27	12.32
December	12.64	12.53	12.61	12.39	12.03	12.08

[1] Atlantic and Gulf Coast terminals.
[2] No sulfur comments.
[3] North-of-Hatteras, cargoes.

TABLE VII.—NO. 6 FUEL OIL

	Chicago, Ill., maximum 1 percent, S[1]	Baltimore, Md., maximum 1 percent, S[1]	Boston, Mass., maximum 1 percent, S[1]	Detroit, Mich.[1 2]	Minneapolis, Minn.[1 2]	St. Louis, Mo.[1 2]	New York, N.Y., maximum 1 percent, S[3]	Providence, R.I maximum 1 percent, S[3]
1973:								
January	4.67	4.33	4.45	4.68	4.35	----------	4.00	4.02
February	4.83	4.33	4.45	4.85	4.41	----------	4.00	4.02
March	4.90	4.43	4.55	4.85	4.48	----------	4.09	4.11
April	4.30	4.62	4.74	5.02	4.98	----------	4.29	4.31
May	5.36	4.67	4.70	5.03	4.99	----------	4.22	4.24
June	5.70	4.75	4.74	5.31	5.20	----------	5.32	4.34
July	5.67	4.87	4.89	5.37	5.30	----------	4.44	4.46
August	5.67	4.93	4.95	5.37	5.30	----------	4.51	4.53
September	5.75	5.04	5.09	5.61	5.78	----------	4.84	4.86
October	6.30	5.24	5.39	5.76	6.04	----------	5.08	5.10
November	6.83	6.17	6.53	6.64	6.25	----------	6.94	5.96
December	8.63	6.41	7.98	7.04	7.29	----------	7.54	7.56
1974:								
January	10.71	8.45	11.15	9.17	9.71	10.12	10.56	10.65
February	10.71	11.00	13.37	9.43	9.71	10.12	12.07	11.83
March	12.61	12.37	13.58	10.24	10.02	10.99	11.98	12.00
April	14.62	12.92	13.61	13.43	12.79	12.89	11.98	12.00
May	14.78	12.67	13.27	14.24	13.59	12.06	11.98	11.99
June	14.78	12.25	12.64	13.54	12.97	13.06	11.98	11.99
July	14.21	12.48	12.72	13.54	12.97	13.06	12.09	12.06
August	13.82	12.50	12.92	13.35	12.97	13.06	12.11	12.12
September	13.55	12.50	12.96	13.48	12.97	13.06	12.08	12.10
October	13.55	12.55	12.91	13.41	12.97	13.06	12.31	12.35
November	13.59	12.61	13.07	12.46	12.67	13.06	12.48	12.50
December	13.65	12.58	13.19	12.52	12.68	13.06	12.48	12.50
1975:								
January	13.65	12.59	12.99	12.52	12.68	13.06	12.51	12.52
February	13.65	12.72	12.52	12.52	12.68	13.06	12.78	12.80
March	13.65	12.73	13.26	12.52	12.68	13.06	12.78	10.93
April	13.65	13.05	13.28	12.52	12.68	13.06	12.78	12.78
May	13.23	12.89	13.20	12.52	12.68	13.06	12.62	12.65
June	12.81	13.04	13.03	12.52	12.68	11.31	12.53	12.58
July	12.81	13.19	12.82	12.35	12.68	11.13	12.83	12.88
August	12.18	12.89	12.71	12.20	12.64	10.92	12.22	12.29
September	11.34	12.69	12.35	11.56	12.29	10.29	11.78	11.33
October	11.42	12.69	12.28	11.56	12.29	10.29	11.56	11.58
November	11.45	12.59	12.25	11.56	12.29	10.29	11.45	11.47
December	11.96	11.81	12.02	11.56	12.29	10.56	11.28	11.30

[1] Atlantic & Gulf Coast Terminals.

[2] No sulfur comments.

[3] North-of-Hatteras, Cargoes.

Source: Platt's Oil Price Handbook and Oilmanac.

RECESS UNTIL 1 P.M.

Mr. GRIFFIN. Mr. President, with the authority of the distinguished majority leader, I move that the Senate stand in recess until the hour of 1 o'clock.

The motion was agreed to, and at 12:27 p.m., the Senate recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FORD).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. If there be no further morning business, morning business is closed.

HOUSING AMENDMENTS OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 3295, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (S. 3295) to extend the authorization for annual contributions under the United States Housing Act of 1937, to extend certain low-income housing programs under the National Housing Act, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing and Urban Affairs.

RECESS UNTIL 1:30 P.M.

Mr. GRIFFIN. Mr. President, noting that the Senators of both parties are having caucus meetings at the present time, and with the authority of the majority leader, I ask unanimous consent that the Senate stand in recess until 1:30 p.m.

There being no objection, the Senate, at 1:01 p.m., recessed until 1:30 p.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. FORD).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Kentucky, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, as I understand it, the pending business is S. 3295; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Mr. President, this bill was reported by the Committee on Banking, Housing and Urban Affairs on April 12.

The primary purpose of this bill is to provide extensions and funding authorizations, generally through fiscal year 1977, for the major housing programs of the Department of Housing and Urban Development. The bill also provides for a number of program amendments. Generally speaking, it does not contain any major new program initiatives.

The legislation does, however, provide for some significant changes from recent patterns of program implementation at HUD, by structuring the funding authorizations to produce certain specific results.

Most important, the authorization levels in S. 3295 are designed to generate housing starts and, thus, to produce jobs. If the spending authority which the bill makes possible is fully appropriated and fully used by HUD, it would produce more than 644,000 new and substantially rehabilitated assisted housing units.

These, in turn, would translate into more than a million jobs. In fact, on the basis of two jobs for every housing start, there would be something like 1,250,000 jobs or more in the construction sector and related industries.

I might say these would be jobs without significant inflation because there is very heavy unemployment in construction. The materials are available. The cement, the lumber, and all the other building materials are available in abundance.

This is critically important, since construction is one of the most severely depressed segments of the entire economy. Calendar year 1975 saw one of the worst housing production records since World

War II, with new starts totaling just 1.2 million units. Even when mobile homes are added to this figure, 1975 production ran at more than 1 million units less than the 2.6 million level which Congress determined to be necessary when it enacted the landmark Housing and Urban Development Act of 1968.

Furthermore, the 10-year, 26 million-unit target set in that act specifically included a goal of 6 million units for low- and moderate-income families. Eight years later, it is clear that these lower income production needs will not be met, largely because of the Nixon administration's 1973 moratorium on housing subsidies. Now that the moratorium programs have been replaced with new ones proposed and structured by the administration, assisted housing production should be set at levels higher than the 10-year average, in order to offset the accumulated deficit. HUD's record, however, is precisely the opposite. The section 8 program, which was enacted more than 1½ years ago as the Nation's major tool for assisting lower income housing construction, had produced, as of February 27, 1976, a total of just 2,600 units.

Mr. President, this is a disgrace. We need 600,000 assisted units a year. As I say, the section 8 housing program has produced 2,600 new housing starts, less than one-half of 1 percent.

HUD's total record on assisted housing production in 1975 was only 38,000 units—half as much as was produced by the Farmers' Home Administration in the Department of Agriculture. These were units for which authority was carried over from programs in existence prior to the President's 1973 housing moratorium.

In short, Mr. President, the assisted housing construction sector is clearly an area where support is needed and where a recovery will aid a depressed pocket of the economy without causing inflation.

In the process of structuring S. 3295's funding authorizations to emphasize new housing production, the committee has taken several other actions which are significant.

First, the bill's central goal of encouraging new housing production has been effected primarily through a tightening of HUD's discretionary authority over the use of housing assistance funds. This tightened framework has become necessary because of the administration's avowed preference for maximizing use of existing housing.

In recent years HUD has used—and in some cases overstepped—all available discretionary power to channel housing activity into the section 8 assistance program, and has then used section 8 as much as possible for existing housing. This has been done at the expense of new construction, and also of other programs—most notably conventional public housing which, despite a few highly publicized exceptions, has been a very successful program. HUD criticizes public housing and argues that it would take longer to bring public housing projects into operation than it will to use section 8. The committee, however, received testimony to the contrary during its hearings. Several witnesses told us that HUD had applications pending for over 200,000 public housing units when it imposed its 1973 housing moratorium. Many of these projects were in advanced stages of preparation and could be reactivated and brought into operation on short leadtimes. Furthermore, public housing is far less costly than section 8.

I think this is an important point to make because the administration, of course, has argued and will argue, and the Secretary of HUD is lobbying right now Senators against this bill, I understand—they argue that this proposal that we make is more expensive. The fact is that by making public housing effective we provide a less expensive, more economical program. One witness cited figures for new public housing at $2,833 per unit, compared to $4,290 for section 8 new or substantially rehabilitated units.

Since the bill was reported, the committee has received additional cost figures on housing assistance programs from the Library of Congress. The Congressional Research Service studied the costs of conventional public housing, section 236 rental assistance, section 8 with FHA insurance, and section 8 with State housing agency financing.

What did that study by the Library of Congress find? We asked for an objective study. What did it find with respect to the cost of public housing, on one hand, which we try to advance in this bill and the section 8 housing which the administration says they want to use as the almost exclusive agent of providing housing for people who need assistance.

The study found that conventional public housing was by far the lowest of the four in direct costs, with annual subsidies amounting to $2,064 per unit, compared with the high of $3,343 per unit for FHA-financed section 8. Even when the comparison was expanded to cover indirect costs such as foregone Federal taxes on income and bonds used for housing finance, public housing was still the least expensive approach, at a per unit total of $3,524 compared to a high of $4,015 for section 8 with State agency financing.

In an effort, therefore, to emphasize new construction and to encourage the use of public housing as opposed to section 8, the bill establishes broad but very clear, nondiscretionary categories of funding which include specific earmarking of assistance funds for new section 8 construction, and for construction, modernization, and operating funds for public housing. The committee's framework will provide for at least 142,000 units of new or substantially rehabilitated units under section 8 and public housing, whereas the administration was projecting only 125,000—all through section 8.

Second, in setting up this framework the committee rejected a HUD proposal that section 8 funds be used to "bail out" existing FHA multifamily housing projects which have gotten into financial trouble. The bill creates a new section of the National Housing Act to handle these problems, making it completely clear that the laudable goal of saving existing FHA projects should in no way subtract from the continuing goal of producing new units and providing new assistance under section 8.

Third, the bill authorizes $2.5 billion, without time limit, for the section 202 lending program for elderly and handicapped housing, and amends its interest rate formula to reduce the rate.

Mr. President, I think Senators who have had any experience with housing at all know how popular that section 202 elderly housing program is. In every State, I am sure it is true of Kansas as it is of Massachusetts, as it is of Wisconsin, we have many more applications that now HUD finds it possible to fill. It is a fine program. It costs the Federal Government nothing except, of course, the effort of administering the program, and that is repaid because of the financing of this program.

This is a tremendously popular program, and, in fact, the $2.5 billion figure reflects the approximate level of applications which HUD received for section 202 units last year. It is also a very important program, since the elderly segment of the population is growing more rapidly than the average, and these people need adequate places to live.

Fourth, the bill authorizes $200 million for an extension of the section 235 program of homeownership assistance. These funds can be used to provide low-rate loans to moderate-income families, up to about 200,000 units. The program was revised by HUD last year to increase downpayment requirements and interest rates in order to reduce the cost of the program and insure that the buyers will have sufficient interest in the properties to keep up payments and maintenance. The committee feels that homeownership programs provide innumerable benefits over rental programs, both to the assisted families and to their communities.

Those benefits are very clear. Homeownership does provide an interest in the community, an interest in the home, a willingness to make the sacrifice of effort and time to keep the property up because it is a matter of pride to the person who owns the home. It provides social stability which one cannot have when people do not own their property. It goes right to the very heart of an economic system that is based on private property. If we have more people own their home they understand the private property concept and they are far more likely to be responsible citizens.

In view of the fact that the current major housing programs—section 8 and public housing—are now completely oriented toward rental housing—the administration program is pushing toward rental housing—the committee considers it more important than ever to provide a healthy funding level for section 235.

A fifth significant aspect of the bill is funding of $150 million in loans under the section 312 rehabilitation program. This program, too, has benefits to homeowners, making loans available to property owners in designated city areas. The administration asked for no funding for section 312, despite HUD's concern for preserving the existing housing stock. What they argued is that the community development block grant program provides funds to meet the rehabilitation need. The committee felt, however, that the high competition for block grant funds can prevent adequate priority for rehabilitation and so continued use of section 312.

Again, this is a very popular program. When I say "popular" I mean it is a program that has proven itself. It is economical. It is sensible. There are no standards involved in it. It does the job in the building areas that need rebuilding. It provides for people who have very low incomes the best kind of an opportunity to improve their housing without having to buy a new house. It is a very logical kind of program. We think it is important that this section, which the administration objects to, be passed.

At the same time, we amended the program to prevent continued eligibility of higher-income borrowers to use the program at the current 3-percent interest rate. The bill will establish, instead, a two-tiered rate structure, with 3 percent for lower income borrowers and a higher rate, up to the Treasury borrowing rate, for others.

Mr. President, the committee believes that these and other provisions of S. 3295 will go a long way toward stimulating housing production and employment and toward meeting the Nation's housing needs in fiscal year 1977.

Mr. President, how can we put a giant to work which up to now has produced a pitiful, pigmy housing program? This bill would put that giant to work.

Mr. President, I yield the floor.

Mr. BROOKE. Mr. President, the distinguished Senator from Wisconsin, has already made his statement outlining all of the provisions of the bill. I will not repeat the points which he has made. However, I would like to highlight some of the important objectives of this bill.

New public housing contract authority in the amount of $696 million is provided on October 1, 1976. Of this amount the committee has made available at least $60 million for modernization of existing public housing projects. I believe that this provision, which I introduced, constitutes a sound investment to help preserve our existing public housing stock. A moderate expenditure for modernization can help restore many of our older public housing units to sound condition, and thus extend the useful life of such units by many years.

Of the $696 million in contract authority, at least $465 million has been allocated for newly constructed or substantially rehabilitated housing, and at least $200 million of that $465 million has been earmarked for new construction of conventional public housing units. The purpose of these specific authorizations is to ensure that HUD directs a major effort into newly constructed and rehabilitated projects and into construction of public housing, which, despite its flaws, has proven to be the only effective means of providing decent housing for low-income persons. The administration has continued its moratorium on the construction of new public housing, contrary to the intent of Congress. In order to correct this situation, this bill requires that at least $200 million in new public housing contract authority be used by HUD for the purpose which Congress intends—the development of needed new public housing units.

Operating subsidies are clearly needed to provide sufficient funds to maintain our public housing units. Many public housing tenants are on fixed incomes and have been hurt even worse by inflation than other segments of the population. These tenants, many of whom are elderly, are unable to pay increased rents. But inflation and the high cost of fuel continue to take their toll on many of our local housing authorities' operating budgets. To meet these increased operating expenses, S. 3295 provides for an increase in the level of public housing subsidies to $576 million, which corresponds to HUD's own estimate of the need for subsidies.

Mr. President, I believe it should be more. I believe it should be at least $600 million, if we are to do this job adequately. But even HUD estimates that $576 million would be necessary in order to provide operating subsidies to help these very seriously ailing housing authorities.

The bill also provides for an increased authorization of $2.5 billion for the section 202 program for the elderly and handicapped. Along with Senators Williams and Cranston, I cosponsored this provision because the level of response to the 202 program has been extremely high, and there is a clear need for housing for our older and handicapped Americans. The $2.5 billion in additional authority would approximately finance the applications for loans which have been received for processing by HUD.

The bill also extends the section 312 rehabilitation loan program for 1 year, and increases the authorization by $150 million. This increase in funding authority reflects my view that rehabilitation loans at below-market interest rates are an important part of our cities' neighborhood preservation programs. The section 312 program has been very popular and successful and, at least for the present, it serves as a necessary supplement to community development activities.

A $100 million authorization for section 701 comprehensive planning grants has been provided in the bill. These funds are needed by States and localities in order to develop plans and to improve their administrative capacity in order to use Federal programs and assistance more effectively.

The bill amends the FHA loan coinsurance provisions which are in current law in order to provide for coinsurance of mortgages originated by State housing finance agencies. We must develop a viable coinsurance program if we are to have financially solvent and active State housing agencies. Over the last few months, I have worked closely with the Massachusetts Housing Finance Agency to develop a viable coinsurance program, and I believe that the authority conferred on HUD by this bill will make such a program possible.

Mr. President, I have outlined some of the more important provisions of S. 3295. I believe that the bill is a good one, and I urge my colleagues to support it.

We have held extensive hearings on this important legislation, which is truly vital to our Nation and to its economy. Although I am sure that the distinguished chairman, Mr. Proxmire, and I and other members of our committee would agree that we want to see the section 8 leasing program work, the fact is that so far we do not know whether section 8 will work to provide decent housing for low-income people in this country. Though we are still waiting and still have great hope that section 8 will be a successful program, nevertheless we have come to the conclusion that we need conventional public housing in the interim. Therefore, we have included a provision in this measure which we think is vitally needed to protect low-income persons in this country who are not receiving decent housing.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. PROXMIRE. Mr. President, Congress should be aware that we have waited a long, long time for section 8 to work. We have had a moratorium on publicly assisted housing in effect for more than 3 years, since January of 1973. We have accumulated a colossal backlog of needs in housing for people with low income.

The fact is that section 8, which may, as the Senator from Massachusetts pointed out, turn out to be a good program, so far has not proven itself. To date, there are less than 3,000 housing starts in this major program. So, for us to rely on section 8, I think, would be irresponsible. I do not think we would be meeting our obligations to the Senate if we were to rely on a program that has not proven itself.

All we are asking is that we have an opportunity for this proven program, which has been tried in the past and has worked in the past. As I pointed out in detail and documented carefully, it is a lower cost program than section 8.

I am delighted to concur with the Senator from Massachusetts.

Mr. President, will the President yield for a unanimous-consent request?

Mr. BROOKE. I yield.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Banking, Housing and Urban Affairs have the privilege of the floor during the debate on this measure: Ken McLean, Carl Coan, Bob Malakoff, Tommy Brooks, Jerry Buckley, Carolyn Jordan, Bill Weber, JoAnn Barefoot, Rick Walstrom, Daniel Wall, Gil Bray, and James Schuyler.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. I yield the floor, Mr. President.

Mr. GARN. Mr. President, first, I ask unanimous consent that a statement from Senator Tower of Texas be printed in the Record at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Senator Tower does oppose this bill and was not able to be here today. That is the reason for the inclusion of his statement in the RECORD.

STATEMENT BY SENATOR TOWER

I have serious reservations about this bill. Not only am I troubled about the particular elements in the bill, but I am concerned about the general approach it takes in attempting to solve our housing problems.

First of all, I think the bill does not address the housing problems that face us today. The proponents state that over 400,000 single-family units would be provided some kind of a Federal subsidy. The other 200,000 or so units would be for lower income families. I do not quarrel with providing rental housing assistance to those who can not afford decent housing, although I would provide assistance in ways other than those mandated by this bill.

I would submit, however, that this is not the time to provide Federal subsidies for 400,000 single-family units. Single-family starts for the past two months have been at historical levels. They are equal to and exceed the historically high levels attained in the years from 1971-73. In addition to single-family starts being at record levels, thrift institutions are receiving deposits at record levels. Never in our history have our thrifts had the record inflow of funds that they have had in the past quarter. This has already resulted in a reduction in long-term interest rates, with further reductions expected. Therefore, with an ample supply of mortgage credit and unprecedented single-family activity in the private sector, it seems to me that this legislation completely misses the boat.

The problem in the construction industry today is how to increase unsubsidized multi-family dwelling production. If we want to provide jobs to the construction industry, let us examine this problem and offer constructive solutions. This bill does not even begin to address this problem. We should ask why multi-family housing production is so low. Is it because building costs make such ventures unprofitable? Should tax laws be changed to provide more incentive? Are management problems in such buildings so great that builders would rather seek other ventures? Are utility charges so high as to make it unprofitable to operate an apartment? These are but a few of the questions that should have been considered. It is unfortunate that this bill completely misses the point and does not address the major problem in the construction industry today—how can multi-family construction be increased?

Another major concern I have is contained in Section 10 of this bill. This would change the Section 518(b) program to make it a permanent program. In my opinion, this drastically alters the basic role of the FHA. When it was formed, the FHA was to provide insurance to private lenders so that if the purchaser/borrower ever defaulted, the FHA would make sure the lender suffered no loss. This has been the role of the FHA since it was founded and many thousands of people purchased homes who would not have been able to do so otherwise.

In recent years, this basic foundation has been eroded. Under certain programs, in addition to insuring the mortgage, the Congress has told the FHA that they must inspect the house to make sure there are no structural defects. Under programs to help lower income families, whose financial resources are limited, this approach has some justification. This bill, however, completely alters this role. From this time forward, the FHA will have to inspect every house of every purchaser to make sure it contains no structural defect which affects the use and liveability of the house. Of course, we fail to define what is meant by the term "use and liveability."

This, I submit, will serve to reduce the use of the FHA by potential purchasers. This provision will cause interminable delays in processing, thereby increasing already lengthy FHA reviews. Furthermore, I think that a middle-income or higher-income purchaser should have the home inspected himself, if that person is concerned about its structural soundness or habitability. The Federal government has never assumed such a role for this class of purchaser, and I do not think it should start doing so now.

It is unfortunate that the Committee acted on this issue in the manner it did. If we are to alter the basic role and function of the FHA, we should do so in the environment of study, questioning, and examination. Such conditions did not exist when this proposal was considered.

In addition to these concerns, this bill is fraught with duplications and excesses. There is no reason to create the new Section 247 program. If this new program is to use the existing Section 8 public housing program to assist FHA insured projects that are in trouble, then why not utilize the Section 8 program for this purpose. By creating the Section 247 program, we are doing nothing but duplicating an existing HUD program.

Another concern I have is that this bill mandates that HUD spend several billion dollars over the next 40 years for traditional public housing programs. Should HUD be forced to implement this mandate, I think this could result in significant delays in producing public housing units for lower-income families. HUD has just undergone a massive retraining effort in order to implement the Section 8 program. To implement this mandate, major training efforts would have to occur before the first application could be processed.

When these conventional units were originally approved, it was thought that the annual rental income and the annual HUD contribution would be sufficient to finance their construction and maintenance. Such has not been the case. Over the years, hundreds of millions of dollars in operating subsidies have been poured into these projects. This bill authorizes $575 million for operating subsidies in Fiscal Year 1977 alone. I can only expect that in the future, billions of dollars in operating subsidies will be needed for conventionally built projects. I should think that before Congress mandates that HUD build more of these units, we would want to consider the total potential costs involved. Such has not been the case.

In summary, I think this bill completely misses the point. When we should be thinking about how to increase multi-family housing production, we completely ignore this problem and pump up Federal subsidies to single-family housing production. This is when single-family production is at record levels and when an ample supply of mortgage credit is available. When we should be concerned about the problems of the FHA, when we should be concerned about why it is used less each day, what do we do? We propose a change which would result in more delays in FHA processing. Further, we mandate that we spend billions of dollars in the future for traditional public housing programs. Yet these are the same programs that have required hundreds of millions of dollars in operating subsidies in the past, and billions of dollars will be required in the future.

The bill is a shotgun approach to resolving existing housing problems. What is unfortunate is that the gun is pointed 180 degrees from the target. It is not a well-conceived approach. I cannot support this legislation.

Mr. GARN. Mr. President, there are some positive aspects of this bill. I certainly favor section 312, which is the rehabilitation loan program. As a former mayor of Salt Lake City, who has spent a great deal of time over a period of 7 years administering housing programs, I do have some experience with the ones that work and those that do not work on the bottom end of the funnel, not back here in the ivory towers of the Senate and the House, where many people have no experience whatsoever in practicalities of building houses and seeing how programs that they enact actually work.

Section 312 has been a good one. In many cases, not only in my city but in others around the country, it is much less expensive to save existing housing stock than it is to attempt to build new ones, with the associated land costs and the costs of new construction. Section 312 extends the program to September of 1977, provides $150 million of new authority, has changes in it, a high interest rate for the more affluent, and retains the 3 percent rate for low-income people. HUD opposes this extension, preferring a community development approach, but I think this is such a good area for providing houses in cities and preserving central city areas that I do favor this section of the bill.

Another section that I think is good is section 701, the Comprehensive Planning Grants, new authority in this area of $100 million. HUD opposes it and prefers using community development funds. However, I believe both the community development and section 701 of this bill are necessary. Community development funds are only available for planning in community development neighborhoods, where 701 can be used in an entire metropolitan area.

Section 701 can also be used in small towns through a State passthrough mechanism, which gives them access to funds which they otherwise would not have because of their lack of community development programs.

The section 235 program provides $200 million in new authority. It has worked in scattered sites in nonurban areas, provided counseling, made it available to these nonurban areas, and has solved some problems of construction in urban tracks and rehabilitation in urban areas. The program was changed by HUD to assist lower- and middle-income families.

Also, the positive aspect of the bill is the continuation of the Brooke-Cranston existing authority of $7 billion still available for this; $2 billion is to be appropriated. I think these are positive aspects of the bill.

The negative aspects, in my opinion, are primarily, No. 1, the shifting of the mix of these various Federal housing programs back to conventional public housing. I have just heard my distinguished colleagues talk about conventional public housing and across the country, in my opinion, it has been one of the great failures. Vacancy rates all over the country——

Mr. BROOKE. Will the Senator yield?

Mr. GARN. Yes, I yield.

Mr. BROOKE. It may have had some flaws, but it certainly is the only program we have had which has provided housing for low-income people. I think the Senator from Utah will admit that. If we did not have conventional public housing, I hate to think where the low-income people would be living in this country. They might literally be living in the streets.

What are we going to do to provide housing for low-income people in this country?

Mr. GARN. If we want to have a good debate, I can give the Senator a good debate on conventional low-income housing, public housing. It has failed over and over again, in my city, to be produced, because of the delays, the bureaucracy and the red tape, and people are in the streets, not in adequate housing, in my city, because of the ridiculous bureaucratic delays that went on and on in HUD with conventional public housing, because we simply could not build them. By the time we got around to them, the land costs were too high, the construction costs were too high, where, with 312, we could have rehabilitated them. With section 8, where we could have subsidized their paying for existing housing, we would have put people in houses much more rapidly. That is what I am talking about.

Mr. BROOKE. Will the Senator yield?

Mr. GARN. Yes.

Mr. BROOKE. I get so tired of hearing this attack on conventional public housing, while there is no other program which has proven effective to solve the housing problems of low-income people. I will admit that I have seen some poor public housing projects. I have also seen some good public housing projects, many good public housing projects.

The point is that section 8 has been on the books now for 2 years, I believe?

Mr. GARN. A year and a half.

Mr. BROOKE. No, no, 2 years, since 1974. This is 1976.

Mr. GARN. Since August of 1974.

Mr. BROOKE. And we still have no housing being built under section 8 for low-income people at this time. Talk about bureaucracy. What has happened to the section 8 program? I voted for the section 8 program, I believe in it, I hope it succeeds. The fact remains that we do not have it now and until we do have it, we certainly ought not to discard a program that has worked.

The Senator cannot deny the fact that millions of low-income people are living in conventional public housing and if it were not there in Utah, in Wisconsin, in Tennessee, in Massachusetts—anywhere else across the country—we would be in sad straits, because these people might literally be living in the streets.

Mr. GARN. The point I made in the committee is that in my opinion, this new startup on conventional public housing will take much longer than going with section 8.

Mr. BROOKE. How do we know how long it is going to take?

Mr. GARN. Look at the history of public housing. I can tell the Senator for a fact it will take 2½ or 3 years. In my community, I was there 3 years, and some of the projects we were working on 9 years ago, when I became city commissioner, have not been built.

Mr. BROOKE. Look at section 8. What has happened to that program? Nothing is coming out of that pipeline, either.

Mr. GARN. I would not say nothing. If we were not just starting section 8, the Senator's argument would be more valid. I think Secretary Hills has brought out that section 8 will start now to work more rapidly than it has in the past.

Mr. BROOKE. We have heard that every year from the Secretary of HUD. "It is just beginning, it is coming along"—every year we hear it. But it never comes along. What has happened to it? I think the argument for continuing public housing is more valid now because section 8 has been on the books for 2 years and we still have no housing. All we are saying is we need the housing and we need it now. We have needed it for years. We have promised every American decent housing. We have not begun to live up to that promise. Now the Senator wants to take away one program that is at least working, admittedly not 100 percent successfully, but it is working and it is housing people.

Mr. GARN. The distinguished Senator from Massachusetts is apparently not willing to give section 8 a chance to work and continues to ignore some of us who have worked with these programs. I am speaking from practicalities and personal experience about the programs. The Senator knows how I fought for section 312 against the administration, because rehabilitation does provide housing much more rapidly than either one we are talking about and it preserves existing housing stocks.

Mr. BROOKE. The Senator from Utah showed great wisdom in his work on the section 312 program. I hope he shows that same wisdom on conventional public housing that we so sorely need in the country at this time. We are not saying, "Do not work with section 8." I think the Senator from Wisconsin strongly supports section 8. I strongly support section 8. We are working for it. We hope it will succeed. The fact remains that it has not succeeded yet. What do we do in the interim period, do away with conventional public housing? I do not believe the Senator wants to do that.

Mr. GARN. We are not talking about doing away with it. We are talking about increasing it $2 billion. We are talking about $8 billion over 4 years.

What do we do when we finish building this public housing, 2½ years down the road? Where are we going to get the millions of dollars for operating subsidies? That has been a great problem in conventional public housing; that is, inadequate funding. Where are the operating subsidies? It is not there. How are we going to run it?

Mr. PROXMIRE. Mr. President, if the Senator will yield, the fact is the administration has not asked for any funds for public housing.

The fact is further that as long ago as 1973 when the moratorium was put into effect, there were 200,000 units ready to go—ready to go—on the drawing boards, and we have had testimony only last month from experts before our Banking Committee who testified that they are ready to go right now; that they have hundreds of thousands, 200,000, units ready to go now that they could put into effect promptly because they have gone through this process. It is not something they have to start all over again. We have a track record on public housing, on the one hand, of having built units and, on the other hand, of section 8 of not having built units except for, I think, a total of about 3,000 units started as of now.

Mr. GARN. Mr. President, again I am dealing with the practicalities and not the rhetoric. How many times, as a mayor, have I heard, "We are ready to go." I heard it over and over so many times. I am talking about an elderly project in Salt Lake City talked about 9 years ago, and they were ready to go as soon as approved. I guess "ready to go" is tomorrow. I heard it.

Mr. BROOKE. That is exactly what we are talking about, section 8. They tell us they are ready to go, but they are not.

Mr. PROXMIRE. The fact is we have created 1,200,000 public housing units in this country. How many section 8? None. We have starts of 2,600. Compare 2,600 starts with 1,200,000 completed, finished public housing units.

Mr. GARN. Public housing started in 1937, and we have given section 8 only a year and a half to work. I would expect they would have done more.

Mr. PROXMIRE. That is precisely the point; let me repeat, precisely the point. Public housing is an established, proven program we have had in effect for 35 or 40 years. Section 8 is a program that has not gotten off the ground.

What we are saying is when section 8 is off the ground we are willing to fund it, we are willing to support it. When it gets off the ground, fine. If that can do the job then we will rely on that. But it has not done the job.

Mr. GARN. Why do we need the big operating subsidies?

Mr. BROOKE. I will tell the Senator why we need the big operating subsidies; because 42 percent of the people who live in public housing are elderly, and they do not have incomes high enough to pay the rent, so the Federal Government does have to subsidize public housing.

The Senator talked about his own elderly problem in the State of Utah.

Mr. GARN. We have section 202, Senator. Do we need section 202 then, if it is doing such a good job?

Mr. BROOKE. Of course, we do. We have a lot of elderly people. People are living longer than before, and the people who have to live on social security and small pensions just cannot afford to live on their incomes. Utilities and interest rates are going up and, of course, this increases housing costs. Where else can they get it from? They are too old to work. What would the Senator do with them, put them out on the street and not have housing? The incomes of most elderly public housing tenants are so low that there has to be a Federal subsidy in order to supplement their rents and to operate, as you say, the public housing units. That is what we are caught with.

The cost of oil, the cost of electricity, the cost of gas, everything has increased, but not the fixed incomes and low pensions the elderly have been required to live on in order to pay those high rents. So who has to pay it? A heavy percentage of the people living in public housing almost are the elderly or the handicapped, and that is why those operating subsidies are so high.

Mr. GARN. There is no one more aware, may I say to the Senator, than I as to who needs these housing units. Sometimes I feel as if I would like to pass a motion sentencing every Senator to be a mayor for 4 years before he gets to be a Senator so that he can look at the problems at close hand. It is a lot easier to be a Senator than a mayor where you are out on the firing line and in the trenches.

The thing I am complaining about is when I sat as a mayor we did not produce housing. We did not take care of our housing problems because of the bureaucracy and the redtape and the rhetoric. They talked about putting people in these housing units. I agree with the need, but it is not working, it is not producing homes for the elderly or the low-income people. It happened over and over and over again, and the promises—we would come back here and lobby on these housing programs. Then they simply do not work, so we are going back to the same old programs that have not worked.

Mr. PROXMIRE. Mr. President, will the Senator yield? The Senator says that we ought to be out in the trenches, and the mayors have an answer. What is the mayors' position on this? They are overwhelmingly in favor of this kind of a proposal. They favor public housing. They have told us over and over again in testimony before our committee. Every organization of mayors has said that, as the Senator from Utah knows. He is alone. He is a maverick among mayors. He is a wonderful man. I like him, I admire him. He is very diligent. There is no more diligent member of the committee than he. He is there regularly and he is effective. But, I must say, he does not represent the voice of the mayors in this country and he would not pretend to.

Mr. GARN. Let us talk about that. The National League of Mayors has 15,000 members. It is dominated by the big cities with a 30-member board which I know something about as a member of that board and first vice president and president-elect of the association.

Mr. PROXMIRE. The Senator is saying that his organization is wrong.

Mr. GARN. I am saying that it is dominated by particular aspects like most of the lobbying groups are. If you wanted to take a poll of all 15,000 mayors, I would say that the vast, vast majority would represent my position.

Mr. PROXMIRE. At their meetings, conventions over and over again they contradict the Senator's position. They support the position taken by the committee.

Mr. BROOKE. What is wrong with being a big city mayor?

Mr. GARN. That is right, the mayor of Milwaukee and the big city mayors, there is no doubt about it.

Mr. BROOKE. But the big city mayors represent the most people in this country. We are talking about people. We are not talking about numbers of mayors and numbers of cities. We are talking about numbers of people.

The big city mayors represent millions of people as compared to the small city mayors who may represent what, 10,000, 20,000 people in a city in Utah? I do not know. How many?

Mr. GARN. Salt Lake City is a metropolitan area of a half million people.

Mr. BROOKE. That is the only one in Utah, is it not?

Mr. GARN. That is the only one of that size.

Mr. BROOKE. All right.

Then most of them are smaller, most of these mayors the Senator is talking about are from smaller cities.

Mr. GARN. I suppose we could talk about the mayor of New York, a lot of things, and look at the wonderful record of the city of New York.

Mr. BROOKE. What are we going to do with the States of Tennessee, Wisconsin, and Massachusetts? That is where the people are. What are we going to do with them?

Mr. GARN. I suppose what we are going to do is continue to waste money in programs that do not put people into houses.

Mr. BROOKE. Does the Senator say then that conventional public housing has not succeeded in this country?

Mr. GARN. It has succeeded to a moderate extent in putting people into houses with a great deal of taxpayers' money and not nearly the result that it should have, and that is why Congress went to programs like sections 8, 235.

Mr. BROOKE. Which has not put low income families in housing as yet.

Mr. GARN. Which has not been given a chance to work.

Mr. BROOKE. Why?

Mr. GARN. A year and a half.

Mr. BROOKE. Why has it not worked for a year and a half?

Mr. GARN. The reservations are up greatly, and the mayors also overwhelmingly support section 8, as the Senator may well know.

Mr. BROOKE. I agree, and I support section 8. But we do it on faith and hope and nothing more.

Mr. GARN. All right. If you want public housing so badly, why are we doing it at the expense of section 8?

Mr. BROOKE. We are not doing it at the expense of section 8. We are doing it in addition to section 8.

Mr. GARN. We are cutting section 8.

Mr. BROOKE. I am asking the Senator from Utah, does he want us to give up conventional housing until section 8 has had an opportunity to work?

Mr. GARN. I think we are greatly overtending the public housing area at the expense of section 8, and not giving section 8 a chance or recognizing the fact that the startup times and the delays have obviously—I agree with the Senator—not produced the result I wanted in section 8.

Mr. BROOKE. I agree.

Mr. GARN. But the momentum, I think, is there. The inertia has been overcome, and you will start to see a great deal more result from section 8 than you have in the past. We are putting a big amount into section 202, a request of $2.5 billion when the administration asked for less than $400 million.

Mr. BROOKE. Let me assure my friend from Utah that it is not our intent to build conventional public housing at the expense of section 8. That is not our intent at all. What we do intend is to continue in a very moderate way the construction of conventional public housing until we are assured that section 8 will work successfully. That is all we are doing in this legislation.

Mr. GARN. What are we doing in this about multifamily housing? It is primarily directed at single family, and starts of single family are at record levels. This bill does not address itself at all to the biggest problem of all, multifamily housing. What are we doing about that?

Mr. BROOKE. If I can just interrupt, we provide $265 million for new construction under section 8, new contract authority, as compared to $200 million for new construction of conventional public housing. That does not appear to me to indicate that the committee then has gone to conventional public hearing at the expense of section 8 new construction.

Mr. BROCK. Mr. President, will the Senator yield? I just want to say I am very much in sympathy with both sides of the argument. I understand the problems of urban communities and that is why I have cosponsored the countercyclical bill and have very actively supported it.

But I do think the Senator may have a point that has not been mentioned, and that is that the urban communities today pay a great deal more than their fair share of taxes in this country, not just in the form of local taxes but because of the income level, and it is at a higher plane, and it is taxed at a higher rate, and so the New York cities of the United States send more to Washington than they get back.

The problem I see is not so much whether or not we have public housing. We are going to have some public hearing in this country. The question is how do we do it in the most cost-effective way to give people an opportunity to see that their tax dollars are utilized efficiently and that people who cannot have it any other way can afford shelter in this society of ours.

If we are going to go the route of this bill with a $27 billion authorization or whatever it happens to be, I think it is a little bit dangerous to say we are going to help the big cities by taxing them, taking a dollar out and giving them 50 cents back.

Mr. GARN. Mr. President, will the Senator yield for just a moment on that point to give me the opportunity as a western Senator now, not as a mayor?

Mr. BROCK. Yes.

Mr. GARN. It is rather interesting, we constantly hear this argument from the East, that they pay more taxes than they get back, and the west coast pays less. So we are the recipient of their largess.

I wonder what the State of Pennsylvania, or New York State, would do if two-thirds of their total land area were removed from the local tax rolls, owned by the Federal Government, dictated as a colony of the Federal Government. I would love to have two-thirds of the State of Utah put back on local tax rolls, have local control by county commissioners, mayors, and the State legislature, and tell the Feds to give us less than they take away from us, because we would come out far better.

Two-thirds of the State of Pennsylvania put on the Federal rolls would destroy them economically.

Mr. BROCK. I pick up the Senator's point, but let us not be two ships passing in the night. I agree with that point. I hope the Senator would agree, whoever is paying the disproportionate share of the tax burden.

New York State, for example, pays a higher percentage of taxes to the Treasury than they get back.

Mr. GARN. I do not dispute that.

Mr. BROCK. If they do, then it is a bad bargain for them to be getting money that not only has to come up here and be sent back, but then has to wend its way through the bureaucracy, down at HUD, which has to be equaled back here in terms of incompetence, because what we have done is create a situation where we try to have it done, but it is impossible, and in the process it has to wend its way in order to benefit a few people.

We are spending enough money in this country to benefit virtually everybody, but it does not ever seem to get to people. That is what troubles me about this.

Mr. GARN. Now we agree completely. That was my concern as a mayor. How do we put people into housing? That is the point I have been trying to make to my distinguished colleagues who are managing this bill.

My frustration is not getting people in houses and trying to come up with the most cost-effective way of doing that.

Mr. BROCK. I might suggest that an alternative would be to consider, first of all, how do we get private money into housing.

I have a bill before the Senator's committee. I would like very much to discuss that later on and, hopefully, have hearings.

Second, to the extent we will spend Federal dollars, it would seem to be far wiser to provide them in a revenue-sharing fashion to the community so the community can apply them in a priority fashion and cost-effective fashion in the context of the community, rather than at the direction of HUD.

Mr. WILLIAM L. SCOTT. Will the Senator yield briefly?

Mr. GARN. Yes.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator yielding. I am sure he, the managers of the bill, and the members of the committee are much more familiar with this matter than I am.

I am aware of public housing over the past generation or so and I look at the first sentence under Introduction of the Report of the Committee, and it says that the primary purpose of this bill is to provide for the continuation of a number of current housing programs, either by extending the date on which they expire, or by increasing their funding authorization, usually through September 30, 1977.

Then I look over on page 21 at the cost of the legislation and I noted it says that the cost is $27.2 billion.

Is that a typographical error, that it is $27.2 billion?

I wonder what has happened to the American free enterprise system if we have public housing at $27.2 billion.

Mr. GARN. I wish it were a typographical error.

Mr. WILLIAM L. SCOTT. It is not a typo. Actually, this bill would authorize the appropriation of $27.2 billion.

Mr. GARN. Over a period of years, yes.

Mr. WILLIAM L. SCOTT. Well, I would say——

Mr. BROOKE. Why not tell them 40 years, not just a period of years?

Mr. GARN. I do not care if it is 50.

Mr. BROOKE. Carry it through to 80 years.

Mr. WILLIAM L. SCOTT. Mr. President, the Senator yielded to me. May I complete my statement?

Mr. BROOKE. Certainly.

Mr. WILLIAM L. SCOTT. Mr. President, I would say I have no hesitancy at all in voting "No" on final passage of this bill.

I understand a motion will be made to recommit the measure and I will support the motion made to recommit it. But when we are talking about an expenditure of $27.2 billion in public housing it looks to me as if we are going too far toward socialism and abandoning the free enterprise system upon which this Nation——

Mr. BROOKE. Will the Senator yield?

Mr. GARN. The Senator from Utah has the floor.

Mr. BROOKE. I would like to respond to the distinguished Senator from Virginia who I know wants to be fair when he cites that figure of $27 billion.

Now, it sounds as though he is talking about a year. We are talking about 40 years for $27 billion.

Mr. PROXMIRE. Will the Senator yield further for one further point?

Mr. BROOKE. Yes.

Mr. PROXMIRE. If we do not pass this bill, if instead of this bill we come back with exactly what the administration asked for and fund it on through section 8, then what is the cost of the bill?

About 40 percent more, because section 8 costs more per unit than public housing costs. It would cost probably between $35 and $40 billion.

So the argument that this costs $27 billion is one achieved by multiplying what we have in the bill by 40 years.

Mr. GARN. I shall yield in a moment, but do not misconstrue because I want to recommit this to work on it and come back with what I think is more workable that I totally support the administration. I mentioned two or three things I disagree with them on and oppose them on.

The $27 billion may take 40 years, but $27 billion would not only house the whole State of Utah, it would buy it. It is a lot of money.

Mr. BROOKE. It is more than that.

Mr. WILLIAM L. SCOTT. I appreciate this, and the Senators have undoubtedly heard the statement made as to how much a billion dollars is. A thousand times a thousand times a thousand dollars, and if someone started spending a thousand dollars a day at the time of the birth of Christ and spent a thousand dollars every day up until the present time, there would still be 765 years to go before they would spend $1 billion.

I obtained the statement of $27.2 billion from the report that the committee put out. It is not my invention. It is page 21 of the report of the committee.

In accordance with the section 252 of the Legislative Reorganization Act, the committee reports that the bill would authorize $27.2 billion in new budget authority with anticipated outlay and then it makes some breakdowns for various years.

It is not something I conjured up in my mind. We are talking about an eventual expenditure of $27.2 billion.

I asked whether it was a typographical error and was assured it was not.

Mr. BROOKE. Right.

Mr. WILLIAM L. SCOTT. So I am going to vote "no" and I am sure the distinguished Senator from Massachusetts would expect me to vote "no" on a matter like this because I do believe in balancing the budget and we have to vote "no" on such matters as this if we are ever going to attain a balanced budget.

I appreciate very greatly the distinguished Senator's yielding to me.

Mr. SPARKMAN. Will the Senator yield to me briefly?

Mr. GARN. Yes, I am happy to.

Mr. SPARKMAN. I want to say this. Of course, the Senator indicates that this bill was worked out with difficulty in the committee. It took some time. Sometimes it was rather painful proceeding on it.

The PRESIDING OFFICER. Will the Senator please use his microphone, the Chair is unable to hear the Senator.

Mr. SPARKMAN. Yes.

I received a letter from the Secretary of HUD, Mrs. Hills. I have a very high regard for the Secretary of HUD. I think she does an excellent job.

I think she makes some good points in her letter. But I believe there is a great deal that probably is not justified, some of the frightening statements she makes are a little exaggerated.

I plan to offer two or three amendments to the bill which I believe will be helpful.

Knowing the time and effort we have spent on this bill, I should hate very much to see it remanded to the committee. It seems to me it would be much better for it to run its course here in the Senate Chamber. There will be amendments offered. I do not know how many, but there will probably be a good many amendments offered to the bill. Let the Senate work its will. Even then we will certainly be compelled to go to conference with the House. We cannot expect, in a bill as complicated as this, to get an agreement out of the House on the same bill. There will be a conference and there will be ample opportunity to work out a good solution at that time.

I know the Senator from Utah is absolutely sincere. We do not have a harder working member of our committee. I have great regard for him and great respect for his opinions and views. I find myself often voting with him.

Mr. GARN. I appreciate the remarks of the Senator.

Mr. SPARKMAN. I would hate very much to see this bill sent back to the committee and have to take that painful course again.

Mr. BROOKE. Will the Senator yield?

Mr. GARN. If I might ask my distinguished colleague to let me finish my opening statement, I have enjoyed the debate but it has been some time since I started my opening statement.

Mr. BROOKE. Does the Senator intend to make a motion to recommit? I did not know that.

Mr. GARN. Yes, I do. I would like to emphasize the point that I do not disagree with the entire bill. That is why I started out in my opening statement to talk about the positive aspects of those sections that I favored. I have no desire to just kill the bill. That is why I am not encouraging people to vote against it. However, I will, if it comes up in its present form, because of the negative aspects I have been talking about.

I do think the best place to work out some of these differences and come up with a better mix, to come up with what I feel will put more people into not necessarily public housing but subsidized housing more rapidly, is in the committee. Most Senators are not familiar with all the details. We have worked with it in the committee day after day and month after month. I think that is the best place. So my motion will be to recommit, not to try and kill it, so we can work on it and bring it back to the Senate in a better form.

Mr. BROOKE. I would hope that the Senator would consider the counsel and advice of the distinguished chairman (Mr. SPARKMAN). As the distinguished Senator from Utah has said, we have spent a lot of time in committee working on this important piece of legislation. The committee has wrestled with it. The committee has reported a piece of legislation which it thinks is in the best interests of those who need housing. I think a vote for recommittal would be a vote against the elderly; a vote against the poor; a vote against the people who so seriously need housing at this time; and a vote against the construction industry. All of this is incorporated in this legislation.

Mr. GARN. The homebuilders are opposed to this bill in its present form.

Mr. BROOKE. It is my understanding that the National League of Cities is in favor of this legislation.

If the Senator feels, as he has said, that there are parts of this legislation which he supports, and he did support in committee, and other parts he does not, the Senator could introduce amendments on the floor and let the Senate vote up or down on those portions of this legislation that he is opposed to, thus giving the Senate an opportunity to pass this important legislation. There are too many people who are waiting for this legislation. They are not only the low-income people who need the housing, but the construction industry, which needs the building, as well. There are many aspects of this legislation which I ask the Senator to consider before he makes his motion and possibly consider introducing amendments to correct anything that he feels is not adequate in this legislation.

Mr. GARN. When the Senator says all these groups are for it, obviously they are for some housing legislation. That does not mean to indicate they feel any differently about some of these sections than I do. Obviously, I could go the route the Senator suggests and offer amendments.

Mr. PROXMIRE. The Senator has been very patient. Let me make one statement which is very important. The Senator said the homebuilders are against the bill. It is my best information that the homebuilders are not against this bill. They support the bill. There is one provision in the bill which they oppose, but they do not oppose this bill overall. The indication we have is if they had to vote up or down, they would vote for the bill and certainly against recommittal.

Mr. GARN. My information is that they were not opposed to it but on balance they would prefer to have it go back and have us work on it.

I would like the distinguished Senator from Wisconsin to know that I have been very patient for 15 months with some of the very great frustrations I have had in working with the committee. As much as I admire the Senator, we do have differences of opinion.

Mr. PERCY. Will the Senator yield for a question?

Mr. GARN. I yield.

Mr. PERCY. As a former member of the Banking, Housing and Urban Affairs Committee, and having had the pleasure of working with the distinguished ranking minority member and the distinguished chairman, I want to see a bill passed. It is necessary. It is needed. But I am very deeply concerned about the fact that it is the opinion of the Senator from Illinois, and I think it has been reaffirmed and put into the record by the Senator from Utah, that if this bill passes in its present form it would be vetoed. The recommendation for veto would be made by the Secretary of HUD. OMB has already concurred in that recommendation. The likelihood of a veto is very evident. Does the Senator from Utah feel that the bill would be vetoed?

Mr. GARN. Yes, I do. When the Senator from Massachusetts talks about time and people waiting for this, the process of passing this bill, having it vetoed, coming back and if it were sustained having no bill at all——

Mr. PERCY. If we passed this bill, we would have to go to conference anyway and then come back. Then, if it is in the Senate form, it would be vetoed. Is this bill subject to the requirements worked out by the distinguished acting majority leader (Mr. ROBERT C. BYRD), in which I fully concurred, that authorizing legislation must be on the floor by May 15? Is it possible, then, that if too much time intervenes, we may not get a bill, which would frustrate all of our efforts?

Mr. BROOKE. If we recommit, we will not be able to report a bill by May 15.

Mr. PERCY. That was the essence of my question. Does the Senator from Utah feel that if we vote to recommit it can then be made a matter of very high priority and urgency in the Banking, Housing and Urban Affairs Committee? Then it would have a better chance to be on the floor by May 15 in a form that could be accepted by the President and we would really have a bill. If we vote a bill that we know will be vetoed, we may risk the whole thing.

Mr. GARN. In my opinion, going the route we are going almost certainly guarantees us no bill. As the 38th Republican in the United States Senate, the last one, the fifth ranking Republican in the Banking, Housing and Urban Affairs Committee, I have very little to do with setting the schedules, when we hold hearings, or have markups. I would certainly be willing to agree to a time certain on recommittal if the distinguished chairman is able to hold a markup between now and May 15. But I cannot answer the question. A hearing has never been scheduled at a time that I have picked and I do not expect it to be, as the last Republican.

Mr. PERCY. Having served on the bottom of the pile of the minority and then gradually moved up, all I know is this: The scheduling, under Chairman SPARKMAN and certainly under Chairman PROXMIRE now, and with the cooperation of Senator TOWER—and also the leader in housing has been the distinguished Senator from Massachusetts (Mr. BROOKE)—I would tend to think that if we do recommit it would be a matter of high priority. I would hope the leadership would see fit to schedule it very soon. The Senator from Illinois is deeply disturbed that we may do a disservice to the elderly, to the low-income people, if we do approve a bill which we know will be vetoed. We have been put on notice that it will be vetoed. Maybe the better thing is to try and work out and resolve these problems in committee rather than at this stage. As I understand it, there are no amendments which are prepared which are ready to be voted on right now. The Senator from Illinois could not obtain any amendments.

Apparently the feeling has been that the bill is really not in shape today to be amended in the Chamber. Therefore, I think the work had best be done in the committee, which has been an extraordinarily good committee. I would hope they could accomplish that and bring us a bill that would then have a chance of being signed, rather than vetoed.

When we look at the record of overriding vetoes, we have not really a very good record, and this is too important a matter not to take every chance at the committee level to try to work out.

I thank the Senator.

Several Senators addressed the Chair.

Mr. PROXMIRE. Mr. President, if the Senator will yield, in view of the hour and time, this being April 27—we must receive authorization bills here within

3 weeks—it seems to me that the best course we can follow is to pass this bill today, send it over to the House of Representatives, go to conference and work with the House of Representatives on a bill that would be acceptable to the President or that at least would not be likely to be vetoed.

It seems to me if we go back to committee, members of this committee, like other committee members, have all kinds of other work to do, and I doubt very much if we could have action on this bill, the kind of action the Senator from Illinois I am sure would expect us to have with deliberation and discussion, and so forth, in less than 10 days or probably 2 weeks, and then we do not have any idea whether that bill might possibly be risking a veto. I think the best course is to pass the legislation and send it to the House and subsequently work out our differences in conference.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. GARN. I yield to the Senator from Massachusetts.

Mr. BROOKE. I earnestly believe that a vote to recommit this bill, in effect, would kill this bill for this year. I do not think that we can possibly get this bill back here in time to qualify under the May 15 rule.

Now, as the Senator from Utah knows——

Mr. GARN. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. GARN. I am sure the Senator will agree that that is not the intent of the Senator from Utah.

Mr. BROOKE. No; I understand that. But the Senator from Illinois asked the question—if I might have his attention.

Mr. PROXMIRE. The Senator from Illinois?

Mr. BROOKE. I am waiting for the attention of the Senator from Illinois.

The Senator from Utah has said it is not his intent to have this bill come back by May 15.

Mr. GARN. No; I said it was not my intention to use this device to kill it.

Mr. BROOKE. I am sorry. I am glad the Senator clarified that because my position is that if we do not pass this bill today, the effect could be to kill this bill in this session of Congress.

I say to the Senator again that it is just too important to many people to kill this bill.

The Senator from Utah knows the procedures. He knows that after we pass this bill, it has to go to the House of Representatives, and we have to have a conference.

Mr. GARN. The House of Representatives has not reported a bill out of subcommittee yet, and the Senator responds to the possibility of a veto.

Mr. BROOKE. It has gone out of the subcommittee but not the full committee.

Mr. GARN. Does not that have a much greater possibility of killing it permanently this year?

Mr. BROOKE. The bill the Senate will pass may not be the bill the President will be called upon to sign. That is my point. It might be a bill which the President can sign after it has been amended on the floor and after we have had a conference with the House of Representatives. This is not the final legislation. This is the Senate version. There is a House version. There is still a conference to go to.

If we send this back to the Senate committee, it is not going to get back here by May 15. So, in effect, what the Senator is doing, though he may not intend to do it—and I believe he does not intend to do it—is to kill this bill for this session of Congress.

Mr. GARN. The Senator from Utah is willing to meet any day in the week on recommitment and talk about it. I am sure the chairman knows I am there 95 percent of the time.

Mr. BROOKE. That is correct. But the Senator knows there is much more to it than that. We can recommit the bill with instructions. There has to be a lot of give and take. It is not going to happen overnight, and it is not going to happen in a week or 2 weeks.

We only have 3 weeks in order to qualify under the rule.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. PERCY. Will the Senator from Utah couple with his recommitment amendment a time certain by which the committee would report it out? Second, possibly we could ask the chairman of the committee and the acting ranking minority member what business is of such priority that would be ahead of this business in committee. Third, the question would be does the Senator from Utah feel that we can recommit it, vote it out of committee again, and have it in the Chamber in plenty of time so we will match the legislation adopted by the House of Representatives and be able to go to conference immediately on it?

Mr. BROOKE. The committee is not going to be bound by that. It cannot be bound by that, and the Senator knows that.

Mr. PERCY. I am just looking at what the probability is and what the course of action might be.

Mr. GARN. As far as I am concerned as to my amendment or motion for recommitment, I would be willing to accept a date certain.

Mr. PERCY. The Senator from Illinois feels that will help a great deal, and I accept it as an absolute binding commitment. The Senator from Utah, I know, is not trying to kill the bill. The Senator from Utah, I am sure, wants a housing bill. After all, the Secretary of HUD wants a housing bill.

But the Secretary of HUD reconfirmed to me this morning that the statements made to the ranking minority Member, Senator Tower, still stand today.

The Secretary said:

> Accordingly, I would recommend that the President veto S. 3295 if enacted in its present form. The Office of Management and Budget has advised that it would confirm this recommendation.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield?

Mr. PERCY. The Secretary said in her judgment the President would.

I yield.

Mr. PROXMIRE. The fact is the committee listened very patiently and carefully to the Secretary of HUD, to their objections. We understood them fully when we acted.

The chances are overwhelming, in my view, that if we sent this bill back to committee we would not change it very much. I cannot imagine how we would change it.

Furthermore, the committee is so loaded with hearings. We have hearings almost every day scheduled between now and the end of May. These hearings include the energy independence authority, corporate bribery, and a number of bills that will require important witnesses to come in from elsewhere in the country. It is going to be extremely difficult for the committee to find time in the next week or two to bring this up.

As the Senator from Massachusetts pointed out so well, it will take time to consider this in detail. We would have to have the Secretary come up again and go into further detail with her.

As I say, I do not see any point where we are likely to change our position.

If the Senator or anyone else wants to offer amendments to this bill, we can consider them in the Chamber and vote up or down and see if he could accept the views of HUD. We are happy to do it. But it would seem if we recommit this bill it is simply going to kill it, and the Senator from Massachusetts is right.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. GARN. I yield.

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

ORDER FOR RECOGNITION OF THE VICE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 3 p.m. today the Vice President of the United States may be authorized to address the Senate for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSING ADMENDMENTS OF 1976

The Senate continued with the consideration of the bill (S. 3295) to extend the authorization for annual contributions under the United States Housing Act of 1937, to extend certain low-income housing programs under the National Housing Act, and for other purposes.

Mr. GARN. I appreciate the discussion on this matter.

The Vice President is going to speak at 3 p.m., and I would like an opportunity to finish my opening statement for the Record.

Apparently on the matter of recommitment we have after this extended debate agreed to disagree.

Again on conventional public housing, it mandates a spending of $2 million which is the highest level ever. This would be $1 billion over 40 years.

Again it does not include millions of dollars for operating expenses and subsidies, the same kind of public housing that currently requires $600 million per year in operating subsidies. This is over and above the original cost estimate by a long way.

Again I shall mention the unsubsidized multifamily. This bill does not address at all where the biggest problem in my opinion is. Single family starts are at record levels and ample mortgage credit for single-family homes is available but not in the multifamily area.

Section 518(b) completely changes the role of FHA. They must now warrant habitability instead of merely insuring the mortgage.

It will increase the paperwork and processing, further driving people away from FHA-insured mortgages. It will be counterproductive, in my opinion, to providing housing. It also requires compensation for structural defects that affect "use and liveability."

What does the term "use and livability" mean? I am not ready to give that up to HUD to decide the definition and produce new rules and regulations on those definitions.

In my opinion this section 518(b) is almost impossible to implement.

Under the section 202 elderly housing, which I support, but not at the level that we ask to be authorized of $2.5 billion, the administration's request was $375 million.

Interest rates are reduced. If the program is so successful based on recent applications, why do we need to reduce the interest rates?

As was mentioned earlier, the elderly are still provided housing through the public housing program. As the distinguished Senator from Massachusetts pointed out, more than 40 percent of public housing occupants are elderly.

As to the section 247 bailout, a new program is created to assist ailing FHA-insured multifamily projects. It requires the use of section 8 methods, however. HUD originally wanted to use section 8 for this purpose, but we said no. We said that we would create a new program, section 247, which would be identical to how HUD intended to use section 8. I think this is a great deal of duplication, and it does not make a great deal of sense to have that duplication in this area.

As to the general scope of the bill, it extends and enlarges programs with no evaluation of them. Some have proved to be questionable—236, public housing section 518(b); 236 did not work well at all in Salt Lake City. It does not go to the heart of the housing problem, unsubsidized multifamily housing. It creates a duplicative section 247 bailout program and discourages the use of FHA. It does not address the solution to problems of FHA.

So at this time, Mr. President, I move to recommit S. 3295, the Housing Amendments of 1976, to the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Will the Senator send the motion to the desk?

Mr. GARN. Yes.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. GARN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The yeas and nays were not ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ADDITIONAL STATEMENTS SUBMITTED ON S. 3295

Mr. McINTYRE. Mr. President, I have some sympathy with this motion to recommit. Given the historic problems with public housing, I frankly am uncertain as to the wisdom of this significant change in the structure of our housing policies. I am concerned that we have made this change in course without adequate consideration and thought.

At the same time, I am well aware of the failures of section 8, and the continuing frustration the committee has felt in trying to get action out of HUD. Much has been promised us from section 8, but with a few exceptions, precious little has been forthcoming.

THE REAL ISSUE OF LOW-INCOME HOUSING: ADMINISTRATION'S FAILURE TO PURSUE GOALS FOR NEW CONSTRUCTION

Mr. HUMPHREY. Mr. President, I strongly urge the Senate to pass S. 3295, Housing Amendments of 1976, to extend authorizations for certain Federal programs to provide critically needed housing for low and moderate-income families. I oppose the motion to recommit to the committee this urgently needed legislation.

Recent public debates over the location of this housing have missed completely the central problem, which is the administration's failure to pursue national goals for new construction, as mandated by Congress.

S. 3295 addresses this central problem by emphasizing the need for new housing construction under current programs of the Department of Housing and Urban Development. If these authorizations are fully utilized, we can produce over 640,000 new or substantially rehabilitated units of housing by the end of fiscal year 1977. Equally important, this can generate over one million jobs for construction workers, who have experienced depression-level unemployment over recent years.

A major portion of assistance authorized under this bill is for the section 202 direct loan program for elderly and handicapped housing, expressing the determination of Congress that the administration should meet this urgent need without further delay. The bill also earmarks funds for the construction of public housing and for new construction under the section 8 housing assistance program. It is the clear intent of Congress that HUD should substantially redirect program activities which have resulted in an extremely low level of new housing starts.

At the same time, the bill wisely provides essential authorization for operating subsidies for public housing. And, authorized levels of funding for the section 235 homeownership program and Section 312 rehabilitation loans will help sustain a comprehensive approach in meeting the housing needs of lower- and moderate-income families.

Finally, while I regret that it has been found necessary to reduce the authorization for the section 701 comprehensive planning grant program, I believe the committee report on this bill makes a strong case for this program which helps communities deal with the complex problems of growth and which is a highly important mechanism for assuring the effective use of Federal assistance.

Mr. President, a brief review of the ebb and flow of administration policies over the past several years will make clear why the enactment of S. 3295 is of great importance.

Title VIII of the Civil Rights Act of 1968, as amended, prohibits discrimination in housing on the basis of race, national origin, religion, and sex. The statute basically calls for affirmative efforts to achieve voluntary compliance, through such methods as conference, conciliation and persuasion. Popularly termed the "Fair Housing Act," this law built upon a 1962 Presidential Executive Order which had begun a long and difficult process of reversing past Federal policies and practices connected with housing assistance since World War II, which had worked all too often to foster housing segregation.

There was a brief period in 1970 when the Department of Housing and Urban Development advised the Commission on Civil Rights that its policy in administering the 1968 law was "the creation of open communities which will provide an opportunity for individuals to live within a reasonable distance of their job and daily activities by increasing housing options for low-income and minority families."

But this policy was abandoned in the midst of false rhetoric from the White House that the administration would not "force" the integration of neighborhoods. This was a total distoration of the principle that any American should have equal access to decent housing, that there should be no artificial restraints to exercising this right—that, in short, any citizen, regardless of race, creed, color, nationality, or ethnic background, is entitled to live where he or she wants to live, so long as they can afford this housing and abide by the ordinances.

In 1972, HUD issued project selection criteria to be used in rating applications from communities for participation in subsidized housing. The main objective of four of these criteria was that subsidized and public housing projects would be constructed outside of areas of existing minority and poverty concentrations. The proposed project must: Frist, serve urgent unmet needs for low-income housing; second, widen the range of housing locations available to minority families; third, not contribute to the concentration of subsidized housing in any one section of a metropolitan area; and fourth, have potential for creating minority employment and business opportunities.

These criteria should also apply under the so-called section 8 program authorized in housing and community development legislation enacted by Congress in 1974, where HUD is given the option to negotiate directly with private developers to provide housing for low-income persons. Regretfully, HUD has failed to get this innovative leasing program underway at anywhere near the level that the administration itself originally promised.

But these are sound criteria which, if applied reasonably and with full consideration given to the views of a local community, can make a substantial contribution to the overall improvement of that community—overcoming pockets of blight and poverty with associated social tensions, and promoting economic development and job opportunities. In achieving this goal it is, of course, also essential that subsidized housing programs be closely monitored to prevent such abuses as were widely reported in 1973, and that they be effectively operated, with the provision of necessary family supportive services, to maintain a constructive social environment and to keep facilities in good repair.

In my judgment, retired Supreme Court Justice Tom C. Clark gave us wise counsel in 1974, in issuing an Appeals Court ruling which has had a direct bearing on this issue, when he commented:

> We must not sentence our poor, our underprivileged, our minorities to the jobless slums of the ghettoes and thereby forever trap them in the vicious cycle of poverty which can only lead to lives of crime and violence.

This is the real issue. The fact is that administration policies, that can only be described as policies of neglect, have resulted, throughout the past several years, in a total failure to achieve the goal mandated by Congress in the 1968 housing law of providing 600,000 new housing units a year through 1978 for low- and moderate-income families. Government assisted housing starts under HUD programs in 1974 were about 60,000 units, one-tenth of our national goal. In 1975, they were still below 100,000 units.

Therefore, in the midst of any argument over the appropriate location of such housing, there must be a sharp reminder that urgently needed housing is not being provided in the first place.

This is a national tragedy and disgrace. Low-income families are living in housing that would be considered substandard in any industrialized country in the world—yet, this situation is tolerated in the world's richest nation. But it is a situation which is almost daily being permitted to get worse in the absence of any clear-cut concern on the part of the Federal Government.

We have learned from mistakes of the past on low-income housing. We know that preplanning in site selection to make maximum use of existing public facilities, transportation and services and to pinpoint available nearby job opportunities are important considerations. We know that massive-scale projects can have a serious adverse impact, not only upon the neighborhood, but especially upon project residents themselves. We know that it is important to provide reasonable economic incentives to encourage the involvement of private developers in the provision of good housing. And we know that well-planned and operated subsidized housing can significantly aid the rehabilitation of declining residential areas, and can be a constructive part of well-designed housing in new developments.

I believe most of our people support positive, affirmative governmental policies and actions that encourage the integration of good housing for lower- and moderate-income families in new areas, and that provide incentives to communities to plan rationally and in a comprehensive manner for multiple forms of decent housing for all income levels. All of our people benefit, all of our communities can be made better, where every family has the opportunity to work and plan for decent housing in a good neighborhood.

Mr. DOLE. Mr. President, I want to add my support to this motion to recommit S. 3295 to the Senate Banking, Housing and Urban Affairs Committee for further consideration. In its present form, the bill contains too many objectionable features: It is costly, it is administratively burdensome, and it is—in my opinion—misdirected. The Department of Housing and Urban Development, which would be responsible for administering the legislation if passed by Congress, has already expressed its opposition, and it is my understanding that the National Association of Home Builders has just today issued a public statement of opposition to the provisions of this bill.

BUDGET CONSIDERATIONS

This housing legislation asks for a long-run Federal commitment of nearly $10 billion more than was contemplated in the budget resolution approved just a few weeks ago here in the Senate. While it is true that that resolution has not yet been finalized and that it provides general targets for Federal expenditures, we should nevertheless be hesitant to alter our plans so quickly and to increase our future budgetary commitments so dramatically.

S. 3295 provides for a different "mix" of low-income housing assistance than that which exists in the current law, and that which is recommended by the administration. While the bill would provide assistance for the same number of housing units, it would at the same time emphasize new public housing authority units and substantial modernization of existing units. It would move away from new units sponsored by State agencies and by private developers. This involves a longer term commitment and hence a much larger commitment of budget and future outlays. I do not know of evidence to support the superiority of the public housing authority approach, and hence the desirability of a larger and larger financial commitment by the Federal Government. In fact, all evidence which has come to our attention in recent months would indicate serious doubts about the suitability and justification for further large public housing projects of this type.

I have more sympathy for increased emphasis on substantial modernization of existing housing, but again know of no evidence that this will provide better results than under the section 8 improvements to existing units. Indeed, the section 8 program—initiated less than 2 years ago—has thus far proven itself to be an extremely useful and successful program for updating available housing already on the market.

The Budget Committee recommended acceptance of the administration's plan for increased assistance to FHA properties threatened by foreclosure. This is contained in S. 3295. While this will allow budget savings due to reduced foreclosures. I remain skeptical of this approach.

Furthermore, S. 3295 provides for continuation of section 312 rehabilitation loans for rehabilitation of properties in specifically designated areas in the amount of $150 million in budget authority.

The administration has recommended termination of this program in favor of block grants. The bill also provides for $100 million for section 701 planning grants for urban and rural areas. This is in excess of the $25 million recommended by the administration, and the roughly $50 million recommended by the Budget Committees.

DETRIMENT TO LOCAL DECISIONMAKING

Two years ago, when it enacted the Housing and Community Development Act of 1974, Congress made significant steps toward providing for local planning and decisionmaking with regard to the Federal housing programs. The measure before us today serves to partially destroy that local flexiblity to adapt Federal housing assistance to the particular conditions and needs of individual communities. The section 8 program of the 1974 act for example, requires communities to assess their own housing needs at the time they submit their housing assistance plans. To the contrary, the narrow mandates for new construction contained within S. 3295 eliminate this local discretion. In a major departure from the "block grant" approach established under the Housing and Community Development Act, S. 3295 would revert to the categorical approach for funding, which is less flexible, more staff intensive at the Federal level, and which traditionally has been more difficult for local government to understand and to work with.

The reestablishment of the section 312 rehabilitation loan program, and the expansion of the section 701 comprehensive planning program, would serve to once again assert Federal over local priorities, and to separate the funding and administration of planning from the community development activity which ought to be the ultimate outcome of the planning process.

HOUSING FOR THE HANDICAPPED AND ELDERLY

As a final point, the junior Senator from Kansas wishes to make clear that in voting for recommital of S. 3295 to committee, he is not voting against the concepts of many of its programs. More specifically, I refer to section 11, which deals with housing for the handicapped and elderly.

For many years I have been concerned with the poor quality of housing which the handicapped and the elderly have had to accept. In 1973, I introduced the Housing Opportunities For the Handicapped Act, to improve and normalize living conditions of these persons. Consequently, I followed the development of the Housing and Community Development Act of 1974, and helped to insure that it made specific provision for the handicapped and elderly. Therefore, I sincerely appreciate the efforts of the Banking Committee in addressing the problems of disabled citizens, and am pleased that the handicapped and elderly are properly considered in this bill. Despite my strong and continuing interest in encouraging acceptable housing for the disabled, I have some basic reservations about section 11 of S. 3295.

I want to see assistance given to those individuals who need it financially. Although most of the elderly and handicapped citizens are less well off than the average citizen—one-third of the elderly live in unsatisfactory housing arrangements—not all are below, at, or even near the poverty line. This bill does not restrict financial assistance to just those who really need it, but rather sets income limits at 80 percent of the area median income. In certain instances, this might allow for nonneedy persons to take advantage of the loan program. This, I feel, is a significant weakness in the bill before us, as well as a questionable provision of any Federal assistance plan.

Another item of the bill which concerns me is that there is no expiration date on the authorized funding for the handicapped and elderly programs. No matter what the program, I believe that all programs should some under periodic review before funding is extended. This, again, is a general guideline which I believe should be applied to all authorized programs.

CONCLUSION

I have made these statements to clarify my position, so that my voting will not be misunderstood. Efforts by this Congress to strengthen Federal Housing programs are commendable and should be encouraged. I do continued to support the concept of Federal assistance for local housing development, as well as loan assistance programs for the handicapped and elderly, but regret that this particular proposal is not more acceptable in its structural organization and budgetary projections. I fervently hope that this bill will be recommitted to the committee, and that it can be strengthened to be even more effective in making quality housing available to the low income, and to the handicapped and elderly.

Mr. TUNNEY. Mr. President, I wish to commend my colleagues on the Committee on Banking, Currency and Urban Affairs for accepting the provisions of S. 3174 as part of the Public Housing Extension Act. I was proud to have cosponsored this measure which will insure authorizations adequate to meet the tremendous need for low-cost, low-rent housing facilities for the elderly and handicapped.

Section 202 has been one of the most-successful housing programs ever enacted for older Americans. It provides long-term financing to nonprofit sponsors to built apartments tailor-made for the needs of the elderly and handicapped

Chairman PROXMIRE and the committee have approved a loan authority for the section 202 program at a level of $2.5 billion—the sums necessary to accommodate the number of applications which HUD received for this program last year. Moreover, the legislation before us today includes an alteration to the program's interest rate formula, tying it to the average rate on all outstanding Treasury obligations. Under current conditions, this means a reduction in interest payments by the sponsor from today's 9 percent to approximately 7.5 percent. Of course, this will be of added benefit to the nonprofit sponsor.

Perhaps the greatest news is that the authorized funds could provide as many as 83,330 units of housing to meet the special needs of the elderly and handicapped throughout the Nation. While this does not come as close as we might want to the recommendation of the White House Conference on Aging to provide 120,000 units annually, it does provide a commendable start for a program which had languished until recently.

Under the Nixon administration, attempts were made repeatedly to phase out the 202 program. One reason given for its demise was the apparently heavy impact of a direct loan program on the annual Federal budget despite the fact that these loans were to be paid back. Finally, in the 93d Congress, we changed some of the features of the program that had brought it into administrative disfavor, and incorporated them into the 1974 Housing and Community Development Act—now law. However, it was not until several days ago that the first round of funds for nonprofit sponsors was awarded by the Department of Housing and Urban Development. The $375 million in borrowing authority can construct 12,600 units—below the 120,000 unit goal of the White House conference, and far short of the proposed 231,623 units sought by the 1,500 applications submitted to HUD by the nonprofit sponsors for the recently announced loan approvals.

The need for this massive $2.5 billion loan authority is amply demonstrated by the above-mentioned figure—1,500 nonprofit organizations responding to a program for which HUD had estimated only 300 applicants. Moreover, these funds will be poured into thousands of jobs in construction—approximately 73,000 in building and related industries, thereby giving our economy a sorely needed shot in the arm.

I am proud to note that of the 80 or so programs approved by HUD, 13 were in my home State of California. I would like to take this moment to commend them as well as my colleagues here in Congress who should insure the continued vitality of this crucial housing program.

CALIFORNIA'S 202 HOUSING PROGRAMS RECENTLY ACCEPTED BY HUD

Sunnyview Lutheran Home (Cupertino), 100 units for the elderly.

St. Paul's Episcopal Church (San Diego), 48 units for the elderly.

Grace Lutheran Developments (San Diego), 100 units for the elderly.

Stovall Foundation (Los Angeles), 100 units for the elderly.

Palo Alto Community Housing, Inc., 100 units for the elderly.

Roman Catholic Bishop of Sacramento, 100 units for the elderly.

Northern California Presbyterian Homes, Inc. (San Francisco), 100 units for the elderly.

Roman Catholic Archbishop of San Francisco, 100 units for the elderly.

Caballeros DeDinasalang, Inc. (San Francisco), 100 units for the elderly.

Goodwill Industries of Santa Cruz, Monterey and San Obispo, 100 units for the handicapped.

Oddfellows Home of California (Saratoga), 100 units for the elderly.

First Presbyterian Church (Santa Monica), 100 units for the elderly.

Southern California Presbyterian Homes (Glendale), 100 units for the elderly.

Mr. WILLIAMS. Mr. President, I am proud to have this opportunity to express my full support for S. 3295, the Housing Amendments of 1976. This legislation provides for the reauthorization of a wide range of housing programs essential to the fulfillment of this Nation's commitment to decent housing opportunities for all of its citizens. In addition, the construction activity encouraged by the measure would create significant numbers of jobs, thereby contributing in a major way to the recovery of our economy.

As we discuss this legislation today, I would like to focus on two sections of the bill which incorporate proposals I introduced earlier in this session of Congress. One section deals with the 202 direct loan housing for the elderly program. The other section deals with the section 241 program to insure supplemental loans for FHA-insured hospitals.

SECTION 202

The Senate will today consider whether the borrowing authority under the section 202 program shall be raised by $2.5 billion to an aggregate of $3.3 billion.

I take a certain amount of pride in the 202 program because I have been associated with it ever since it was enacted in 1959.

Through the 1960's, the 202 program attracted nonprofit sponsors—churches, labor unions, fraternal organizations—to plan and build housing designed specially for older Americans. The low interest rate, 3 percent, helped encourage such sponsorship considerably, but there was far more to it than that.

There was also pride about what was being accomplished; there was also the conviction on the part of the Federal agency involved and on the part of the sponsors—and later on the part of tenants—that 202 was building more than mere units. It was also providing settings in which older tenants could enjoy a new quality of life and enjoy each other, as well,

The 202 program was never adequately funded, in spite of its great success during the 1950's. No small part of that success story was the fact that it experienced only one default in its history.

Successful as it was, 202 was nevertheless challenged by the Nixon administration and superseded by the 236 interest subsidy program, which never really caught and which certainly presented new hardships to the nonprofit sponsor.

As chairman of the Senate Special Committee on Aging and now as chairman of that committee's Subcommittee on Housing for the Elderly, I was determined not to let 202 die. I knew that many people who had been inspired by 202 felt as I do, and so in the 1970's a coalition was formed to bring 202 back into active service.

That coalition and I were successful in advancing a compromise 202 program which became part of the 1974 Housing and Community Development Act.

To explain the need for today's action on the raising of borrowing authority under section 202 by $2.5 billion to an aggregate of $3.3 billion, I would now like to give a step-by-step account of the funding situation at the time of enactment in 1974 up until the present:

Under the Housing and Community Development Act of 1974, $800 million in direct loans was authorized for the section 202 program. Amounts paid into the program's revolving fund were also to be made available for 202 loans. For fiscal year 1975, the administration committed no funds. For fiscal year 1976, Congress set a ceiling of $375 million on the amount of loan money that could be made available to 202 project sponsors. This left $544 million in the program's authorization, including $119 million left over from the "old" 202 revolving fund.

However, by December 1975, the deadline for HUD to receive applications from interested sponsors, the Department had received an overwhelming 1,527 applications, involving more than 231,000 units. HUD has estimated that at least 50 percent of the applications are top notch, deserving of funding. However, HUD is able to fund only 136 of the proposed projects under the borrowing authority for the year, or only about 12,663 units.

Faced by such overwhelming demand, the House and Senate Appropriations Committee are now taking action which will bring the 202 program to the limits of its original $800 million borrowing authority.

To deal with that problem, I introduced S. 3174 last month in order to increase the borrowing authority for the 202 program from $800 million to $3.3 million, an increase of $2.5 billion. It is that legislation which has been incorporated in the amendments now before the Senate.

These sums, in the light of the enthusiastic response to the resumption of 202 operations, are not unrealistic. In fact, they are essential if we are ever to put 202 on a realistic, pay-as-you-go basis which can become a cornerstone of a national effort to provide decent housing for older Americans.

This bill will make possible a more adequate annual authorization—somewhere in the realm of $800 to $900 million. With that level of authority, we could produce closer to 35,000 units per annum, instead of the 12,600 that HUD estimates possible currently.

The merits of the 202 program are without question. It provides low-cost housing for a needy population, and it produces jobs for construction and related industries at no cost to the Federal Government. The adoption of this level of funding, for instance, would build over 100,000 units of housing and would provide more than 73,000 jobs.

I commend the Committee on Banking, Housing, and Urban Affairs, too, for including in the amendments before us today provisions for changing the mechanism by which interest rates are determined for the section 202 program.

Under the current method, interest rates are based on the market yields of marketable securities of comparable maturities, and as a result are hovering at 9 percent. Under the pending legislation, S. 3295, the interest rate would be based on the average interest rate on all outstanding Treasury obligations. This should lower the interest rate by approximately 2 percentage points, thus lowering rental prices for elderly and handicapped residents.

The other section I would like to emphasize is designed to better enable this country's hospitals to provide quality medical care by facilitating the financing of necessary modernization and expansion projects. Section 5 of S. 3295 would permit the Federal Housing Administration—FHA—to insure supplemental loans for FHA-insured hospitals under section 241 of the National Housing Act, from which hospitals are now omitted.

Serious challenges are now confronting this Nation's hospitals. They are finding it increasingly difficult to maintain a high standard of medical care, while coping with the pressures of a troubled economy, and a fast changing, expanding society. Many communities are growing at a phenomenal rate, and their demands for medical care are increasing proportionately. Rapid advances in technology and medicine require the replacement of equipment and the improvement and expansion of existing facilities. In addition, compliance with health and safety standards mandated by the Federal Government and the States, may involve the redesign and substantial renovation of many older hospitals.

These pressures weigh heavily on many of our hospitals, and the additions and improvements needed to relieve them require funds beyond those expended for the original construction.

For hospitals whose mortgages are FHA insured under the section 242 mortgage insurance program, these supplemental loans are difficult and costly to secure, especially since hospitals are not permitted to participate in the section 241 supplemental loan insurance program for which nursing homes, group practice facilities, and multifamily projects are already eligible. Under section 241, FHA may insure supplemental loans in order to keep a project competitive, to extend a project's economic life, and to finance the replacement of obsolete equipment. Only if a hospital is conventionally mortgaged is it eligible to receive supplemental loan insurance from the FHA, and even then the loan must be limited to providing protection against fire and other hazards. This part of section 241 has yet to be implemented.

About 90 hospitals throughout the country have mortgages insured by FHA. These hospitals have over 20,000 beds and their mortgages total almost $1 billion. In my home State of New Jersey, 10 hospitals with almost 2,000 beds are covered by the section 242 program. It can be anticipated that each of these projects will probably require supplemental financing during the 25-year term of their mortgages for either expansion, modernization, or replacement of equipment.

Without the access to the section 241 supplemental loan insurance program provided in S. 3295, hospitals with FHA insured mortgages may be required to refinance totally, either conventionally, or under the section 242 program in order to obtain the funds needed for additions and improvements. Refinancing may be necessary to offer a new lender a first mortgage position, and because hospitals find it extremely difficult, if not impossible, to arrange conventional secondary mortgage financing at reasonable interest rates. Refinancing or a conventional secondary loan can mean higher debt service costs to hospitals and higher rates for their patients. Thus the inclusion of hospitals in section 241 program would be of vital assistance in easing financial burdens for those facilities which must undertake modernization or expansion projects.

Because the section 241 program is already being implemented, extension of program eligibility to hospitals would entail little if any additional Federal expense. Moreover, the inclusion of hospitals in this program would protect HUD's interest in their economic viability.

If our hospitals are to continue to provide the kind of medical treatment that our citizens deserve, a mechanism to encourage the supply of supplemental loans at reasonable interest rates must be made available to them. I believe that S. 3295 makes an important contribution in this regard.

Mr. PROXMIRE. Mr. President, in view of the fact that the Senate will hear the Vice President at 3 o'clock for a 10-minute speech, I ask unanimous consent that when the Vice President completes his speech, the rollcall vote on the pending motion proceed forthwith.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

NATIONAL SCIENCE AND TECHNOLOGY POLICY AND PRIORITIES ACT OF 1976—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on H.R. 10230 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10230) to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of April 26, 1976, beginning at page 11104.)

Mr. KENNEDY. Mr. President, I urge the Senate to approve the Conference Report on the National Science and Technology Policy and Priorities Act of 1976 (Report No. 94–765), which I filed yesterday on behalf of the Senate conferees. All of the conferees for both the House and Senate agreed to the report.

In arriving at this agreement, we had to make compromises, which are detailed in the Conference Report and Statement of Managers. But the end result is legislation which will permit a strong science office to function in the Executive Office of the President.

Ultimate success, of course, depends on the commitment of the President and the capability of the science adviser to establish effective working relations with the President and throughout the executive branch.

But the law creates a framework to foster such relationships. Thus, it requires that the science adviser serve as a member of the domestic council and as a statutory adviser to the National Security Council—NSC.

This places the science adviser in the same relationship to NSC as the CIA Director. And the law makes clear that military R. & D. is within the purview of the science office.

The law also gives the science adviser a significant role in the development of the administration budget. He is responsible for annually providing each Federal agency with action options for using science and technology to solve national problems and meet national goals.

The agencies are responsible for taking account of these options in developing their budgets. At the same time, the science adviser provides the total package to OMB, and works closely with OMB in evaluating and revising the proposals submitted by the agencies.

The law establishes the Director of the Science Office at the same level as the OMB Director—$44,600—and his four Associate Directors at the same level as the OTA Director—$42,000. The Director and four Associate Directors are all appointed by the President, with a requirement for a Senate confirmation.

This will assure that top level people are brought into these positions and, through the confirmation process, will foster a continuing dialog with the Congress.

The law also requires that the office prepare an annual science and technology report which the President will submit to the Congress, and which will be publicly disseminated.

The Director and Associate Directors would be expected to testify before congressional committees on this report as well as on Federal R. & D. programs in general.

The law also gives the Director authority to conduct hearings throughout the Nation and requires him to consult with various public groups in the assessment of policy options.

Finally, the law establishes a Federal policy that science and technology constitute a national resource—made up of people facilities, and knowledge—in which there must be a continuing Federal investment adequate to national needs.

And the law requires that the science adviser and others throughout the Government must engage in planning and technology assessment to assure optimum utilization of those resources.

This signifies a new beginning for science—and a new challenge for science policy. It is important that we recognize the new beginning and that we prepare to meet the challenge.

To do so, we must first recall the recent history of science policy. From 1950 to the mid-sixties, U.S. support for science was on a continuous upsurge—accelerated after Sputnik in 1957. But for the past 8 years, support for science has stagnated and the country has been worse off as a result.

Thus the fraction of the GNP going to R. & D. declined from 3 percent in 1964 to 2.3 percent in 1974. This represents about $10 billion less for R. & D. today than would have been the case if the percentage had held steady.

If we had continued R. & D. funding at the same rate as in the early sixties, I believe we would not have the intolerable unemployment levels we are experiencing today. For it has been estimated that each scientist or engineer engaged in R. & D. generates between 6 to 10 other jobs throughout the economy.

But instead we have shortchanged U.S. science at the same time that the Soviet Union, Japan, and West Germany were increasing their numbers of scientists and engineers and their funding for R. & D. Thus in 1973, the Soviet Union was putting 3.1 percent of its GNP into R. & D. versus 2.4 percent for the United States.

As a result of these shortsighted policies, the U.S. patent balance declined 30 percent from 1966 to 1973. And the percentage of innovations originating in the United States declined from a high of 80 percent in the late fifties to under 60 percent after the mid-sixties.

But today we have a real chance to reverse those trends. For the new White House Science Office and the Congressional Office of Technology Assessment—OTA—for the first time—will give both branches of Government the capability to deal with complex science policy issues.

This capability comes not a moment too soon. For science today is under siege on all fronts.

Critics on the right attack its free spirit of inquiry and condemn funding for projects they cannot fathom. Critics on the left blame science for the excess of urban, industrial life—for pollution, congestion, and even cancer.

These critics on the left forget that science is the pursuit of truth; that its impact on human values depends on the way it is applied by decisionmakers; and that we have the power to bring the public into those decisions—to assure that they meet human needs.

Similarly, the critics on the right forget that—in the words of Vannevar Bush: "Science is an endless frontier." And while we can never be certain where the frontier advance will lead, we know that basic research today is the only sure road to the solution of future problems.

Indeed, science is the mainstay of national strength. This is true for national security. It's true for economic development. And it is true for social and human needs.

But one lesson stands out from my 8 years of dealing with these issues—as chairman of subcommittees on science, health, and energy, and as first chairman of the OTA Governing Board. This is the unmistakable fact that the potential of science has not been matched by its performance.

The fault does not lie with the scientists, but rather with the policymakers. We in Government have failed to provide adequate resources to support the magnificent talent of our scientists and engineers. And at the same time, we have failed to set the goals and guidelines to assure the application of that talent to the priority needs of the Nation.

But with the White House Science Office, along with the Congressional Office of Technology Assessment, we will be in a position to make a new beginning. We will have a chance to close the gap between potential and performance in science.

Mr. President, the Nation urgently needs a White House Science Office. The compromise agreed to by the conferees provides a sound basis for establishing a strong White House Science Office. I urge the Senate to approve the conference report.

Mr President, the Senator from Washington (Mr. MAGNUSON), who has shown great leadership in the development of this legislation, could not be in the Chamber for final Senate approval of the bill. I ask unanimous consent to insert his prepared statement in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR MAGNUSON

The conference report on H.R. 10230 (S. 32), The National Science and Technology Policy, Organization and Priorities Act of 1976, that has been filed for the Senate's consideration, is the result of several year's effort by many people both within and outside of Congress. The final product is a tribute to the dedication of many members of the scientific and technological communities, and various members and staff of the House Science and Technology committee, and the Labor and Public Welfare, Aeronautical and Space Sciences, and Commerce Committees of the United States Senate. Particular tribute should be paid to those members of Congress who have exercised leadership in this effort to re-establish the Office of White House Science Advisor. They are Representatives Olin Teague and Charles Mosher, and Senators Edward Kennedy, Frank Moss, and John Tunney.

Re-establishment of the Office of White House Science Advisor, and enunciation of a clear statement of national policy with regard to science and technology, are essential steps for our Nation to take. Science and technology impact on almost every major issue that Congress must address, both today and in the future. To ignore questions related to the proper utilization and support of science and technology is to invite crises in the future, whether related to health, energy supply, national security or many other critical aspects of national welfare. The day is long past when scientific and technological factors can be given inadequate attention at the highest policy-making levels of the Federal Government. H.R. 10230 helps to ensure that science and technology will contribute fully to the achievement of national goals, and will be responsive to human needs.

I strongly encourage my colleagues in the Senate and the House to approve this conference report, which was arrived at after considerable discussion among members and Congressional and Administration staff. In light of the fact that more than 3 years have now elapsed since President Nixon removed the Science Advisor from the White House, it is incumbent upon the Congress to forward this legislation to the President for his signature as soon as possible. It is only by re-establishing this vital presence in the White House that we can be assured that the increasing number of scientific and technological forces shaping our society will be given adequate consideration at the highest levels of the Federal Government.

Mr. TUNNEY. Mr. President, shortly after his reelection, President Nixon issued Reorganization Plan No. 1, which abolished the Office of Science and Technology, and relegated the duties of the President's Science Adviser to a part-time responsibility of the Director of the National Science Foundation. His action was strongly opposed by many Members of the Congress and others who recognize that careful consideration of scientific and technological matters at the highest levels of Government must be an integral part of the national decisionmaking process. The risks of not doing so are too great in a society increasingly affected and shaped by scientific and technological forces.

Throughout the 4-year period during which the Science Adviser's duties have rested with the Director of the National Science Foundation, there has been broad support for the reestablishment of a White House Office of Science Adviser. This support has come from within the scientific and technological communities and from within the Federal Government.

Today, we are being asked to consider a conference report to reestablish this very important White House office. This legislation also provides, for the first time, for a comprehensive statement of national policy in regard to science and technology. The conference report is the product of extensive work by the four congressional committees involved in the conference and the administration, which requested such legislation during the first session of the 94th Congress.

This legislation will return the Science Adviser to the Executive Office of the President, and hopefully allow the Science Adviser to play a meaningful role in the President's consideration of issues with strong scientific and technological components. It also provides a basis for long-term planning with respect to science and technology, establishes a comprehensive survey of the overall Federal effort in science and technology, and provides a touch-stone for public discussion of science and technology issues. It also provides a mechanism for strong Federal/State/local partnership for the setting of national priorities for civilian research and development activities.

I would like to draw the attention of my colleagues to the section of the conference report that discusses the need for the development of a strong State science advisory apparatus. It states:

> At the same time, conferees agreed to express the unanimous conviction (1) of the soundness of the concept that State and local governments would profit from their own science advisory systems; (2) that such systems could be made more effective through appropriate liaison with the Federal Government; and (3) that greater cooperation and improved financial arrangements between the State, localities and the National Science Foundation are in order, including adequate additional financial support of programs designed to increase the State's capacity for wise application of science and technology to State and local needs.

The conferees recommended that such State science advisory program be undertaken and funded through the National Science Foundation authorization bill. I will shortly offer an amendment to fulfill that goal.

Mr. President, I strongly urge my colleagues to support this conference report, and to forward it to the President for enactment into law. Our Nation has gone long enough without an appropriate science and technology presence in the White House. Let us now act so that these critical matters can be given the careful consideration they require at the highest levels of our Federal Government.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. PASTORE. May we have order now, Mr. President?

The VICE PRESIDENT. The Senators will please take their seats.

STATEMENT BY THE VICE PRESIDENT

The VICE PRESIDENT. I have read with great care the statements of the distinguished majority leader, the Senator from Montana, and the distinguished majority whip, the Senator from West Virginia, which appeared in yesterday's CONGRESSIONAL RECORD. I understand the point of view which they so eloquently set forth.

In the context of their remarks, I would like to apologize to the Senate of the United States and to its Members, and particularly to Senator JACKSON, for my remarks in an off-the-record meeting. There is no question that it was a mistake.

Obviously it was a mistake to have engaged in unsubstantiated speculation about two members of Senator JACKSON's staff, even though I made no charges against anybody, and even though it was a private discussion. Therefore, I also apologize to them.

Without addressing the merits in detail, frankly, what has been worrying me is that foreign governments are increasingly learning how to use our political system, and the openness of our society, for their own benefit, and too often to our detriment as a people and as a nation. This is a subject that concerns me very deeply.

In closing my remarks, I wish to emphasize that at no time did I ever intend to impugn the integrity of the U.S. Senate, an institution for which I have the highest esteem and respect.

I thank you.

Mr. MANSFIELD. Mr. President, on behalf of the Senate, I extend to our Presiding Officer, the President of this body, my sincere thanks, and I know I speak on behalf of the Senate as well.

I yield to the Senator from Washington (Mr. JACKSON).

Mr. JACKSON. Mr. President, the Vice President made a mistake. He says he made a mistake. He has apologized to the Senate. I accept his apology.

The VICE PRESIDENT. I thank you.

Mr. JACKSON. As far as I am concerned, on behalf of my staff as well as myself, this is the end of this matter.

The VICE PRESIDENT. Thank you very much.

Mr. HUGH SCOTT. Mr. President, the distinguished Vice President has acted with courage and in full stature which honors him as a man and shows that we are all very proud of him for having made an open and a public statement. I sincerely hope and believe that this will be the end of that controversy.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the Vice President of the United States for the apology which I said that I hoped would be forthcoming and which came.

I also wish to congratulate the distinguished Senator from Washington (Mr. JACKSON) on his response to that apology.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GRIFFIN. I want all Senators to

know that there will be a vote very soon and, also, there will be a request for a time agreement on a very important matter that will be coming up.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes before the vote occurs on the motion to recommit.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The VICE PRESIDENT. May we have order in the Chamber, please?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—SENATE JOINT RESOLUTION 178

Mr. ROBERT C. BYRD. Mr. President, I hope to have the attention of all Senators, this request having been cleared with Mr. Helms and with Mr. Bayh and with others on both sides of the aisle.

I ask unanimous consent that tomorrow, at 1 p.m., the Senator from North Carolina (Mr. Helms) be recognized to speak on Senate Joint Resolution 178, a joint resolution proposing an amendment to the Constitution of the United States, Calendar Order No. 666, and that there be a time limitation as follows: 1 hour for Mr. Helms, 1 hour for Mr. Bayh; 2 hours for Mr. Packwood; at the expiration of which time, the distinguished Senator from North Carolina (Mr. Helms) will be recognized to make a motion to call up Senate Joint Resolution 178; that upon the making of that motion, the distinguished Senator from Indiana (Mr. Bayh) will be recognized immediately for the purpose of moving to table the motion; that if the tabling motion fails, a vote on the motion to take up occur immediately; that if the vote on the motion to take up carries, there be a 2-hour time limitation for debate on Senate Joint Resolution 178, to be equally divided between Mr. Helms and Mr. Bayh; that upon the expiration of that time, the Senate dispose of the resolution without further debate, either by tabling motion, by a committal motion, or by an up and down vote on the resolution itself.

Several Senators addressed the Chair.

Mr. HATFIELD. I object.

The PRESIDING OFFICER (Mr. Stafford). Objection is heard.

Mr. MANSFIELD. Mr. President, may I say that the leadership thought it had cleared the way with the parties most interested in this particular legislation, especially the distinguished Senator from North Carolina (Mr. Helms) who has been most cooperative. Whether or not the resolution will be called up tomorrow I cannot say at the moment. But if it is called up I would point out there is a very strong possibility that once that is done there will be no time for debate but there will be a tabling motion and that will be the end of that.

May I say, as long as the distinguished Senator from North Carolina is on his feet, that we have had the greatest cooperation from the distinguished Senator from Indiana (Mr. Bayh) covering this same matter for consideration tomorrow.

HOUSING AMENDMENTS OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to vote on the motion to recommit S. 3295. The question is on agreeing to the motion of the Senator from Utah. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MANSFIELD (when his name was called.) Mr. President, on this vote I have a pair with the Senator from Maine (Mr. Muskie). If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea." I therefore withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Delaware (Mr. Biden), the Senator from Idaho (Mr. Church), the Senator from California (Mr. Cranston), the Senator from Indiana (Mr. Hartke), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Washington (Mr. Magnuson), the Senator from Minnesota (Mr. Mondale), the Senator from Maine (Mr. Muskie), the Senator from Rhode Island (Mr. Pell), and the Senator from Louisiana (Mr. Long) are necessarily absent.

I further announce that the Senator from Colorado (Mr. Haskell) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. Magnuson), and the Senator from Delaware (Mr. Biden) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from New Mexico (Mr. Domenici), the Senator from Hawaii (Mr. Fong), the Senator from Maryland (Mr. Mathias), the Senator from Texas (Mr. Tower), and the Senator from North Dakota (Mr. Young), are necessarily absent.

I further announce that, if present and voting, the Senator from Texas (Mr. Towers) would vote "yes."

The result was announced—yeas 23, nays 57, as follows:

[Rollcall Vote No. 154 Leg.]

YEAS—23

Baker
Bartlett
Bellmon
Brock
Byrd,
 Harry F., Jr.
Curtis
Dole
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Packwood
Pearson
Percy
Roth
Scott,
 William L.
Thurmond

NAYS—57

Abourezk
Allen
Bayh
Beall
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Culver
Durkin
Eagleton
Eastland
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Leahy
McGee
McGovern
McIntyre
Metcalf
Montoya
Morgan
Moss
Nelson
Nunn
Pastore
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tunney
Weicker
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, for.

NOT VOTING—19

Bentsen
Biden
Buckley
Church
Cranston
Domenici
Fong
Hartke
Haskell
Inouye
Johnston
Long
Magnuson
Mathias
Mondale
Muskie
Pell
Tower
Young

So Mr. Garn's motion to recommit was rejected.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Marc Golden and Elaine Miller, of Senator Stone's staff, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that Steve Entin of my staff be granted the privilege of the floor during the consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. TUNNEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. Tunney) proposes an amendment: At the appropriate place in the bill insert the following new section.

Mr. TUNNEY. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

Sec. —. Section 810(g) of the Housing and Community Development Act of 1974 is amended by striking out "and not to exceed $5,000,000 for the fiscal year 1976" and inserting in lieu thereof "not to exceed $6,250,000 for the fiscal year 1976, and for the transition quarter, not to exceed $5,000,000 for fiscal year 1977, and not to exceed $5,000,000 for the fiscal year 1978".

Mr. TUNNEY. Mr. President, today, I am offering an amendment to extend the section 810 urban homesteading program through fiscal year 1978. Four weeks ago I had an opportunity to visit one of the demonstration homesteading projects in Oakland, Calif., and came away with the feeling that this type of program is one of the many tools needed to recycle and rehabilitate the inner city area. For this reason, I propose that we reauthorize section 810 for 2 additional years at the level of $5 million for each fiscal year 1977 and 1978 and $1,250,000 for the transition quarter.

The urban homesteading program is established in such a way that the Secretary of HUD is authorized to transfer federally owned properties which are suitable for a homestead program to a local government or a public agency. The homes are then conveyed at a nominal cost to individuals and families requiring them to make improvements with a view toward obtaining the title. HUD, in turn, uses the authorization to reimburse the housing loan funds for properties that are transferred. Although the demonstration program did not get under way until this year HUD expects to use the entire $5 million authorized for fiscal year 1976, if it is appropriated.

This program guarantees winners all the way around. For instance, low- and middle-income persons who might otherwise be precluded from the housing market are given a chance to become homeowners, the abandoned and boarded-up homes in the inner city areas are recycled and revitalized, and lastly, the houses become an additional source of revenue for local governmental units since they now become taxable property.

The city of Oakland was 1 of 23 fortunate cities selected among 61 applicants for the homesteading program. There are many more cities that want and could benefit from the continuation and expansion of this important program. Within the city of Oakland alone it is estimated that 70 percent of the substandard inventory was suitable for rehabilitation. Abandonment of residential units is one of the major obstacles urban areas are facing in their efforts to preserve neighborhoods. Not only does the problem affect my State, but others as well. In fact, older cities of the Northeast face the severest abandonment problem of all. Housing studies recently showed that New York City had 180,000 abandoned units, Philadelphia has 35,000 abandoned structures and Cleveland has 5,000 units.

The effects of abandonment go beyond the fiscal considerations of lost municipal tax revenue. The most significant effect is on the neighborhood. Abandoned buildings, as well as rundown properties, turn a viable community into a highly undesirable area.

The urban homesteading program in conjunction with other rehabilitation programs is one step toward preserving our urban neighborhoods.

At this time, I would like to request that the chairman accept this amendment in order to insure the continuation of this worthwhile program.

I know there have been conversations with the staff of the committee and it was my understanding that the chairman would be prepared to accept the amendment.

Mr. PROXMIRE. Mr. President, I congratulate the Senator from California on an excellent amendment. Homesteading is a program that is in the best traditions of our country. We know it goes back more than 100 years. It is a program that, as the Senator has said, will at very little cost effect rehabilitation and reconstruction of homes that otherwise would be dilapidated and a curse in the neighborhood. Instead of that, people who otherwise would have no opportunity to own a home will own a home, with all the stabilizing impact, and the constructive effect it has, on the neighborhood. I congratulate the Senator on his amendment. This is a $5 million program. It is really a relatively modest amount, but it can go a long way because the cost of homesteading is very, very low. That $5 million, as I understand, although it is not in the budget figure, could be embraced in the congressional budget and would not increase the budget amount that would be provided. Is that correct?

Mr. TUNNEY. That is correct. I would like to say to my distinguished friend and the chairman of the committee that recently I had an opportunity in Oakland to visit one of the homestead properties, owned by Mary Cooper. She is a homeowner who has four children. She was about to move into this abandoned place that was now going to be rehabilitated by her. Not only did I get a tremendous sense of gratification from her about the oportunity to move out of a very small apartment and into a home that was going to be adequate for her and her family but, she also told me with great pride how she was going to paint the walls of the rooms herself with her children's help, that they were buying rollers to put the paint on, and that they were going to paint the outside of the home. Furthermore, they were going to get neighbors and friends to help with the rehabilitation. One neighbor had some experience with carpentry. In essence, they were going to be able to make what was a delapidated home a fine structure for not only the family but also for the entire neighborhood.

I thought upon seeing this home of Mrs. Cooper, which was, of course, a homesteaded property, that if this could be replicated around the country it would represent one of the very best ways of giving people an opportunity to live in decent housing as well as use and apply their own initiative to make that housing of the high standard quality that is needed for so many people in this country who today are living in squalid conditions.

Mr. PROXMIRE. I congratulate the Senator. I have talked with the ranking minority member (Mr. BROOKE). We are happy to accept the amendment and take it to conference. We will fight for it.

Mr. TUNNEY. I thank my friend.

Could I ask for the consideration of the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. McINTYRE. Mr. President, I call up my amendment now at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. McINTYRE. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning with page 8, line 23, strike out all through page 9, line 24.

On page 10, line 1, strike out "Sec. 10" and insert in lieu thereof "Sec. 9".

On page 11, line 24, strike out "Sec. 11" and insert in lieu thereof "Sec. 10".

On page 12, line 22, strike out "Sec. 12" and insert in lieu thereof "Sec. 11".

On page 14, line 3, strike out "Sec. 13" and insert in lieu thereof "Sec. 12".

On page 14, line 9, strike out "Sec. 14" and insert in lieu thereof "Sec. 13".

On page 14, line 19, strike out "Sec. 15" and insert in lieu thereof "Sec. 14".

On page 14, line 23, strike out "Sec. 16" and insert in lieu thereof "Sec. 15".

On page 15, line 6, strike out "Sec. 17" and insert in lieu thereof "Sec. 16".

Mr. McINTYRE. Mr. President, when the committee considered this bill, I offered an amendment to section 518(a) extending the time period for application for assistance. I was very gravely concerned that the Department of Housing and Urban Development was not meeting its responsibilities in administering this program. I have since received the strongest official and personal assurances from HUD officials that in fact claims are being processed, and the deadline problems can be dealt with administratively. My office has contacted affected homeowners and this has been confirmed.

I do wish to say, Mr. President, that my experience in this matter has raised very serious reservations in my mind about the effectiveness of FHA inspection, and the Department's responsiveness in administering section 518(a). It should not take months of sustained congressional pressure to bring the Department to act.

Nor am I convinced that my experience in New Hampshire is an isolated instance. I therefore stress that my interest in this program is going to continue, and I intend to watch closely to assure that the administrative aproach followed by the Department is adequate.

Mr. President, in line with my considerations at the time of the adoption of the amendment in full committee with the chairman, the distinguished Senator from Wisconsin, this amendment withdraws that delay of time on 518(a).

Mr. PROXMIRE. I say to the Senator from New Hampshire that he describes the situation correctly. The Senator from New Hampshire offered an amendment which was taken into the bill in committee and which did accomplish precisely what the Senator from New Hampshire has described. It was a very constructive and helpful amendment in order to get HUD to act as they have now acted.

I believe we should accept the amendment. I am happy to do so.

I understand the Senator from Massachusetts will accept the amendment also.

Mr. McINTYRE. I thank the chairman, and move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Jersey (Mr. WILLIAMS) proposes an amendment. At the appropriate place in the bill add the following new section.

The amendment is as follows:

SEC. . Section 1336(a) of the National Flood Insurance Act of 1968 is amended by striking out "December 31, 1976" and inserting in lieu thereof "September 30, 1977".

Mr. WILLIAMS. Mr. President, this has been discussed with the chairman of the committee. This extension of time is needed for the department in order to continue its surveys of areas not fully surveyed yet for inclusion under the flood insurance program.

If this extension is not added, and if we should not extend by December of this year, there would be significant areas that should have flood insurance available that would not have flood insurance available.

This has been discussed with Members who had a vital concern with the flood insurance program, and they agree with me that this extension of time which is needed is very important.

Mr. PROXMIRE. Mr. President, this amendment is essential if we are going to have a flood insurance program.

The flood insurance program is off, I think, to a good start. It is a highly controversial program, but it is a program that is going to save the country a great deal of money, as well as save many houses and perhaps save the lives of many people because it encourages prudent action on the part of people in locating their housing.

I am happy to accept the amendment.

Mr. WILLIAMS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum. I understand that Senator JAVITS has an amendment he wanted to offer.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROCK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, I call up my amendment which is at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BROCK) proposes an amendment.

At the end of the bill add the following new section:

Mr. BROCK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

(a) This Act may be cited as the "Housing Incentive Investment Act."

(b) Title III of the National Housing Act is amended by adding at the end thereof the following new section:

"HOUSING INCENTIVE INVESTMENT INTEREST PAYMENTS

"SEC. 314. (a) The Association is authorized to make, and to contract to make, housing incentive investment interest differential payments to lenders with respect to mortgages meeting the requirements of, and approved for the purpose of, this section.

"(b) The Association may not approve a mortgage for assistance under this section unless—

"(1) the mortgage was executed to finance the purchase of a one- to four-family dwelling which is the principal residence of the purchaser;

"(2) the original principal amount of the mortgage loan was not in excess of $35,000;

"(3) the home purchaser's interest rate on the mortgage secured by the dwelling is fixed at 2 percentage points less than the market rate on the date of execution of the mortgage, and such rate will be maintained and reflected in the purchaser's monthly payments until the home is sold or otherwise disposed of or is no longer used by the purchaser as his principal residence, but in no case shall the home purchaser's interest rate be less than 6 per centum per annum;

"(4) the lender's interest rate under the mortgage is established and will be adjusted pursuant to subsection (d); and

"(5) the mortgage is accompanied by appropriate instruments whereby the purchaser pledges the repayment of the aggregate amount of payments under this section together with interest thereon at a rate not less than the rate on obligations issued under subsection (f).

"(c) (1) Upon any sale or other disposition of the dwelling or upon termination of use of the dwelling by the purchaser as his principal residence prior to retirement of the first mortgage, the purchaser will be required to repay the amounts advanced under this section out of the proceeds of the sale, which obligation shall constitute a second lien on the dwelling.

"(2) If at the end of the term of the mortgage the home purchaser is still in possession of the dwelling, he shall be required to make such repayment upon such reasonable terms and conditions as the Association may prescribe.

"(3) If the proceeds of any sale or other disposition are not sufficient to make such repayment, after discharge of any prior liens, the purchaser will be required to make such payments.

"(d) There shall be established for any mortgage approved under this section a lender's interest rate which may not exceed the average yield on mortgages secured by one- to four-family dwellings and insured under title II of this Act or guaranteed under chapter 37 of title 38, United States Code, during the six calendar months preceding the date of execution of the mortgage presented for approval under this section. Upon the expiration of six months after the date of execution of the mortgage, and upon the expiration of each six months thereafter, the lender's interest rate shall be adjusted upward or downward by the Association so that such rate will be equal to the average yield of the mortgages referred to in the preceding sentence during the six-month period immediately preceding the date of such adjustment, except that (1) no single upward or downward adjustment may exceed one-fourth of 1 per centum, and (2) the aggregate upward adjustments may not exceed 2½ percentage points above the initial lender's rate. If at any time, the lender's interest rate, as adjusted, is less than the borrower's interest rate, the difference shall be credited against the amount of prior payments on behalf of the purchaser or refunded to the purchaser.

"(e) The amount of a housing incentive investment interest differential payment shall be equal to the difference between the purchaser's interest rate established under subsection (h) (3) and the lender's interest rate established under subsection (d). Such payments shall be made monthly by the Association out of the fund established under subsection (f).

"(f) (1) There is established in the Treasury a Housing Incentive Investment Interest Fund (hereafter referred to as the 'fund') which shall be available without fiscal year limitation for the purpose of this section. The fund shall be credited with—

"(A) such amounts as may be received as payments under subsection (b) (5);

"(B) interest or other receipts on investments of the fund;

"(C) the proceeds of obligations issued under paragraph (2); and

"(D) receipts from any other source.

"(2) To carry out the purposes of this section, the Association is authorized to issue to the Secretary of the Treasury notes or other obligations in such an aggregate amount as may be approved in appropriations Acts, but not to exceed $1,000,000,000, in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.".

SEC. 3. The authority granted by this Act shall expire five years after the date of enactment.

Mr. BROCK. Mr. President, my amendment adds a new section to S. 3295 which amends title III of the National Housing Act to provide a new imaginative approach to stimulate the flow of money into the mortgage market at a reduced cost to the home buyer.

This approach is contained in the Housing Incentive Investment Act which was coauthored by Congressman ASHLEY and was introduced by myself in the Senate as S. 3193 on March 23, 1976.

It provides for home mortgages not in excess of $35,000 with a fixed interest rate to be paid by the home buyer at 2 percent below the market rate and a lender's variable interest rate which will be adjusted upward or downward every

6 months by the Government National Mortgage Association to reflect the yield on VA-FHA mortgages. The difference between the lender's interest rate and the borrower's rate will be made up through advances paid by the Government National Mortgage Association—GNMA. When the borrower sells the dwelling or otherwise terminates the mortgage, the borrower will repay the advances to the Government.

The plan would be particularly beneficial for the middle-income workingman starting a new family. He would be able to obtain a mortgage at a low-interest rate and realize homeownership when his income is low. The homeowner would pay off the advances out of the profits from the sale of the house. For example, a house costing $43,750 appreciating at a rate of 4 percent a year would, in 10 years, yield a profit of $21,000. It would be anticipated that the advances over the 10-year period would run in the vicinty of $5,000. Thus, the homeowner would have $16,000 left over after paying the advance.

During the term of the mortgage within certain limits the lender would receive the market rate of interest. This would enable the lender to compete more competitively for deposits during periods of sharp rises in short term interest rates.

The plan has four significant advantages over the GNMA–Tandem plan:

It involves significantly less Federal borowing;

There is no subsidy while new home purchases are stimulated;

It operates through private lenders holding mortgage loans in contrast to other plans usage of Government agencies; and

It involves no permanent subsidy, but rather a loan which will be repaid.

On a cumulative basis financing 2 million housing units over the next decade would involve a Federal subsidy of nearly $2½ billion under the Tandem/FHLBB lending plan. In contrast, the housing incentive investment plan would involve zero Federal subsidies since the loans would be paid back. On a cumulative basis the tandem plan would involve approximately $31 billion difference in the total number of Federal dollars borrowed to finance it over the incentive plan between the years of 1976 and 1985.

Since there is no subsidy involved in the incentive plan, there would be considerable savings over the GNMA conventional mortgage assistance program enacted recently. Although it is difficult to determine the cost of the GNMA conventional mortgage program since the actual cost is the difference between the amount that GNMA buys the mortgage for and the amount that GNMA sells the mortgage for, it is estimated that the cost of the program will exceed income in 1976 by at least $200 million. The incentive plan would thus offer considerable savings over the GNMA conventional mortgage program.

Past Government programs which merely pump money into housing have failed to solve the basic problems. The Housing Incentive Investment Act meets the realities of today's economy and I urge its prompt enactment.

Mr. President, the amendment deals with title II of the National Housing Act. Its offering today is not with the purpose of leading to a vote, I would advise my colleagues, but rather to have a very brief discussion on its essential nature and concept and then hopefully encourage further study on the part of the Senate.

One of the most fundamental problems we have in housing today is the absence of an adequate, sustained, and assured source of funding of capital.

The Senator from Wisconsin has been concerned about this. We have discussed it when I served with him on the committee.

The Senator from Massachusetts has expressed a good deal of concern about this.

What I would like to try to do with this approach of mine, or some comparable approach, is to create a mechanism by which the Government, instead of offering direct subsidies to housing, which are so inordinately expensive and burdensome to the American taxpayers, will offer an inducement for those individuals who can place money in the capital markets for housing to do so, to do so without a subsidy but to do so in a fashion that will be repaid to the Federal treasury.

In essence, the bill that I have offered—and I am joined in this by Representative LUD ASHLEY, of Ohio, in the House of Representatives—would establish a process by which the Federal Government would guarantee a fixed rate to the borrower and a variable rate to the lender. Over the life of the contract, the GNMA, the Government National Mortgage Association, would pay the differential, if there were one, in the form of a loan to the homeowner. If inflation continues at its present rate, then the homeowner would have an adequate fund on the sale of the house with which to repay that loan.

But the essence of the desire is to give a guarantee to the home purchaser, the homeowner so he will not be ravaged by inflation and yet at the same time to provide a motivation for the savings and loan or mortgage lenders to place their money in the market with an assurance that they would receive a market return on the investment that they make, using the Government, then, as an intermediary to finance for the time of the mortgage, or until the house is sold, the differential payment in an effort to draw the hundreds of millions or billions of dollars of capital in this country that simply will not come into this market today because what we have done, in essence, over the evolution of our private housing approach is to try to finance long-term investments of 30-year mortgages with short-term money, in effect, a personal savings account in a savings and loan association.

I feel there is a desperate need for us to find some way to provide long-term assurance of capital availability to this market so that we can begin once and for all to address the fundamental housing needs of the American people.

We are not adequately doing so today. We are trying very hard with a number of different Federal programs, but I would hope this bill of mine would provide an alternative and perhaps a supplemental way of drawing new sources into this particular need.

Mr. PROXMIRE. Mr. President, I congratulate the Senator from Tennessee, and I think that any bill that is sponsored by Senator BILL BROCK and Congressman LUD ASHLEY, two of the brightest Members of Congress, obviously has merit.

This is a particularly useful bill because I think that any consideration of our housing dilemma settles on the fact that we have a very high mortgage interest rate which is as troubling as it can be. At the present time we have had a drop in the Treasury bill rate, we have had a drop in all short-term rates, but the mortgage rate is in fact higher now than it was a year ago.

Why is that? The Senator put his finger on it. Because of inflation. The rate may remain high for some time, and we are going to have very great difficulty in housing as long as it does.

The Senator would solve that by providing for a hedge against inflation, as I see it, with a variable rate that would not impose what I would consider an unacceptable risk on the borrower. It would give him a fixed rate, but then have the Federal Government provide protection for the lender against an increase in inflation and, of course, then a following increase in interest rates.

So I think this proposal has a lot of merit.

As the Senator said, we have not had a chance, unfortunately, to have hearings on it. I think this is a kind of measure that deserves hearings in depth, and I will be very happy to promise him hearings as soon as I can accommodate him.

Mr. BROCK. Mr. President, the Senator is gracious and, as he has quite often, been able to state the case for my bill better than I could myself. I appreciate that.

Mr. BROOKE. Mr. President, I associate myself with what the distinguished chairman has said, and I commend the distinguished Senator from Tennessee for having introduced his bill. I hope we can have early hearings on it, and I have been working on similar legislation which I expect will be considered at those hearings. I think the Senator's measure addresses itself to the problem in a very meaningful way. We will have hearings.

Mr. BROCK. I am deeply grateful to my colleagues. Both the Senator from Wisconsin and the Senator from Massachusetts have been unstinting in their efforts to resolve the housing problem that besets 200 million people. I think that together we can work on that, and I would like to join them in this effort. I appreciate their considering the matter I have proposed.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to further amendment.

Mr. JAVITS. Mr. President, if I may have the attention of the managers of the bill, first, I commend the committee for the addition of a new section providing rental assistance payments for projects in foreclosure or threatened with foreclosure. However, this assistance would be available only to those projects which are insured under the National Housing Act, and I call the attention of the committee to another problem which exists in New York and other areas of the country.

Both New York State and New York City have undertaken to provide low- and moderate-income housing through State and locally assisted programs. Rising operating costs have placed these projects and their tenants in jeopardy, with tenants paying substantially more than 25 percent of their income for rent.

I believe that the Secretary of Housing and Urban Development should be encouraged to respond to localities which wish to use section 8 subsidies in State and local housing projects where the subsidy is needed to help that project. This should not involve a large expenditure of section 8 funds, and I believe it would be very helpful in many cases. It is my understanding that funds would be available for this purpose and that HUD could do this even though existing regulations are silent on the subject.

I say to the Senator from Wisconsin that I started by pointing out that I like what the committee is doing about rental assistance payments for projects in foreclosure or threatened with foreclosure. The questions I asked, where the regulations are silent, relate to using section 8 subsidy funds in order to help in State or city projects. I believe it is consistent with the same principle which the committee has wrapped into the bill with respect to federally insured projects in foreclosure or threatened with foreclosure.

Mr. PROXMIRE. I say to the Senator from New York that I am glad he has raised this point, because I have no objection; and from what I understand, other members of the committee probably would have no objection. Senator BROOKE can speak for himself on this. I think it is a good idea to reinforce this discretion on the part of the Secretary of Housing and Urban Development, and I think that is the purpose of the Senator from New York.

Mr. JAVITS. That is all.

Mr. BROOKE. I have talked with the Senator about it, and I have no objection.

Mr. JAVITS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following new section:

SEC. (a)(1) Section 207(c)(3) of the National Housing Act is amended by striking out "$13,000" and "$18,000" in the matter preceding the first semicolon and inserting in lieu thereof "$19,500" and "$21,500", respectively.

(2) Section 207(c)(3) of such Act is amended by striking out "$15,000" and "$21,000" in the matter following the first semicolon and inserting in lieu thereof "$22,500" and "$25,200", respectively.

(b)(1) Section 213(b)(2) of such Act is amended by striking out "$13,000" and "$18,000" in the matter preceding the first proviso and inserting in lieu thereof "$19,500" and "$21,500", respectively.

(2) Section 213(b)(2) of such Act is amended by striking out "$15,000" and "$21,000" in the first proviso and inserting in lieu thereof "$22,500" and "$25,200", respectively.

(c)(1) Section 220(d)(3)(B)(iii) of such Act is amended by striking out "$13,000" and "$18,000" in the matter preceding "except" where it first appears and inserting in lieu thereof "$19,500" and "$21,500", respectively.

(2) Section 220(d)(3)(B)(iii) of such Act is amended by striking out "$15,000" and "$21,000" in the matter following "except" where it first appears and inserting in lieu thereof "$22,500" and "$25,200", respectively.

(d) Section 221(d)(3)(ii) of such Act is amended—

(1) by striking out "$11,240" and "$15,540" and inserting in lieu thereof "$16,860" and "$18,630", respectively; and

(2) by striking out "$13,120" and "$16,200" and inserting in lieu thereof "$19,680" and "$19,440", respectively.

(e)(1) Section 221(d)(4)(ii) of such Act is amended by striking out "$12,300" and "$17,188" in the matter preceding the first semicolon and inserting in lieu thereof "$18,450" and "$20,525", respectively.

(2) Section 221(d)(4)(ii) of such Act is further amended by striking out "$13,975" and "$20,025" in the matter following the first semicolon and inserting in lieu thereof "$20,962" and "$24,030", respectively.

(f)(1) Section 231(c)(2) of such Act is amended by striking out "$12,300" and "$17,188" in the matter preceding the first semicolon and inserting in lieu thereof "$18,450" and "$20,525", respectively.

(2) Section 231(c)(2) of such Act is further amended by striking out "$13,975" and "$20,025" in the matter following the first semicolon and inserting in lieu thereof "$20,962" and "$24,030", respectively.

(g)(1) Section 234(e)(3) of such Act is amended by striking out "$13,000" and "$18,000" in the matter preceding "except" the first place it appears and inserting in lieu thereof "$19,500" and "$21,500", respectively.

(2) Section 234(e)(3) of such Act is amended by striking out "$15,000" and "$21,000" following "except" the first place it appears and inserting in lieu thereof "$22,500" and "$25,200", respectively.

Mr. JAVITS. Mr. President, this amendment would increase the mortgage limits in FHA multifamily housing programs for apartments which have no bedroom at all—that is, what we call zero bedroom apartments—and one-bedroom apartments. In each case, the increase in the limits for the zero bedroom is 50 percent, and the increase in the limits for the one bedroom is 20 percent.

The difficulty here, Mr. President—and this is a rather longstanding problem—is that these particular units have remained at artificially low levels in terms of mortgage limits, because there have been greater increases in mortgage limits for larger apartments; and the fact is that efficiency and one-bedroom apartments are more expensive to build than multibedroom apartments, because a greater proportion of the space is devoted to costly bathrooms and kitchens. We have in New York—and I think it is true in many other places—a very materially growing factor of single occupancy, which not only relates to older people but also to younger people. So the concept we have dictates the requirement for some increase in cost.

I point out the following to my colleagues, in connection with considering this amendment, which I hope they will consider taking to conference: I am not fixed in concrete on the amount by which the cost limits should be increased. We have suggested, as I say, 50 percent for the zero, the efficiency, and 20 percent for the one-bedroom. I believe that is a factual question which the conferees will have to settle with the Department and then arrive at some fair solution. But in order to have it considered at all, it would have to be in the conference, and that is my reason for proposing it.

Mr. BROOKE. What is the Senator's basis for the figures he has in his amendment?

Mr. JAVITS. The basis is our own investigation and inquiry as to the cost elements which are involved in the construction.

Mr. BROOKE. So there is some data which would support it?

Mr. JAVITS. Yes. We will submit that data to the conference. It is just a matter of getting this into the conference, so that some fair resolution may be made of it.

Mr. PROXMIRE. Mr. President, I have great difficulty with this amendment, because these costs are high. We already have, as I understand it, a 75-percent allowance for high-cost areas. The increase, in this case, would be from $13,900 to $20,900, which is an increase of about 50 percent. When you already have a 75-percent allowance for an apartment—and these, as I understand it, are one-room efficiency apartments——

Mr. JAVITS. One-bedroom and one-room efficiency, in multifamily housing.

Mr. PROXMIRE. So that if you go to the $20,900 and add on 75 percent, you come to about a $34,000 or $35,000 apartment. That is very expensive, even in New York City, is it not?

Mr. JAVITS. Not in New York City, that is our problem.

As I said to the Senator, all I want to do is get the subject before the conferees and let the conferees decide what is fair, in view of the relevant material which is before them and the advice of the Department. I am saying that myself. The conferees would have no problem with me.

Mr. PROXMIRE. What the Senator is talking about is a Government insurance program. He is not talking about construction or about subsidy or any kind of a usual Government-assisted-type program. This is really a program that stands on its own feet. The people who use the apartments will pay for it.

Mr. JAVITS. Exactly.

Mr. PROXMIRE. The only thing this would provide would be Federal insurance, FHA.

Mr. JAVITS. It is confined to the mortgage limits for FHA multifamily insurance programs. It simply means facilitating the construction of this type of apartment which, considering the large numbers of people involved in big cities, is a key proposition.

Mr. BROOKE. As I understand it, we are not wedded to these figures at all. The Senator is merely asking us to take it to conference.

Mr. JAVITS. That is right. Just so it is before the conferees and so that, in the light of the merits, and in consultation with the Department, if they consider it justified, they may do something about it.

Mr. PROXMIRE. As I say, I am very, very concerned about this cost, but under the circumstances, in view of the fact that Senator BROOKE supports the Senator from New York so strongly, I am willing to accept it.

Mr. JAVITS. I thank my colleague.

The PRESIDING OFFICER (Mr. BROCK). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add a new section as follows:

"SEC. —. The third sentence of section 3(2) of the United States Housing Act of 1937 is amended by striking out the word 'and' before '(C)' and inserting before the semicolon the following 'and (D) other single persons in circumstances described in regulations of the Secretary'."

Mr. JAVITS. Mr. President, again, if I may have the attention of the managers, this matter which I am raising relates to the eligibility for the housing programs and defining of the term "family." Today, the public housing programs and section 8 includes single persons only if they are aged, disabled, or displaced. By displaced is meant a statutorially defined series of reasons why they are displaced from a given apartment. Single persons under the age of 62 who are not disabled and not displaced by Government action are thus excluded from eligibility for public housing and section 8 housing.

The problem submitted to me by the Housing and Development Administration of New York—I think it is characteristic of other big cities—is that our population statistics indicate that the number of single-person households is now about one-fourth of the population and that a majority of these are not elderly, and that a great part of that population is of the working poor who are not part of family units. These include clerks, stenographers, saleswomen, kitchen help, and the retail and service industries, all of whom earn less than $7,150 a year, the income limit for a single person under section 8. Because of their ineligibility for low-rent housing, the single poor have been forced to continue in substandard housing or rundown hotels or deteriorated apartments. Those who are forced to relocate, either because of private redevelopment or because of deteriorating conditions in the housing they occupy, are excluded from federally subsidized housing programs because they are not displaced by Government action. So this legal restriction, Mr. President, is extremely serious from the standpoint of the city's inability to meet a significant housing need.

The city housing administration has attempted to meet the growing demand for small units in housing properties financed by State or local mortgage loans by including efficiency apartments. But, because of escalating costs, these are no longer marketable without section 8 help and often, they are inappropriate for either elderly or handicapped singles because of features of design or location. Although they are eminently suitable for the single working poor, the working poor who could occupy them are ineligible for section 8 subsidies. So, says the New York administrator, an excellent stock of new housing remains virtually unmarketable while the demands of a substantial housing market remain unmet.

Under these circumstances, the department was asked by Senator PROXMIRE what ought to be done about this. I should like to read, as I have it, the reply to him which leads to this amendment which I have proposed.

First, to read the amendment which the clerk could not do:

The third sentence of section 3(2) of the United States Housing Act of 1937 is amended by striking out the word "and" before "(c)" and inserting before the semicolon the following, "and (d) other single persons in circumstances described in regulations of the Secretary."

This is what the Department, as I understand it, thinks about it:

At present, only certain classes of single individuals are eligible for admission to housing assisted under the U.S. Housing Act of 1937. These include over 62 years of age, those who are disabled or handicapped, and displacees. Also, single persons are eligible to remain in assisted housing when they are the remaining members of tenant families.

This Department has no objection in principle to an expansion of eligibility to cover single persons generally. It should be recognized, however, that such an expansion would intensify problems in allocation of a relatively limited supply of appropriate units and could operate to reduce housing opportunities for other groups, particularly the elderly. Accordingly, should legislation along the lines of S. 3143 which you have submitted be enacted, we would recommend that it be modified so as to provide that eligibility of single persons other than those currently eligible be made expressly subject to regulations of the Secretary.

This is exactly the amendment which I propose.

Mr. PROXMIRE. I say to the Senator from New York, I do appreciate deeply the passion and consideration behind this amendment, recognizing the fact that there are people who are now excluded from public housing who desperately need housing. There are several difficulties with this amendment. One is that single people, as I understand it, are now eligible for public housing if they fall into the categories listed by the Senator from New York—if they are elderly, handicapped, or displaced. As the Senator knows, there are long, long waiting lists of people waiting to get into public housing now. What we would be doing if we accepted this amendment would be extending that waiting list and creating a situation in which some of the elderly or displaced or handicapped would be replaced by those who do not fall into that category.

Mr. JAVITS. No.

Mr. PROXMIRE. Let me make one other point. This amendment I am told, was offered by Senator MATHIAS, considered by the committee, and was unanimously rejected; at least, there was no support for it voiced in committee. I think that, under those circumstances, it makes it very difficult for me as chairman of the committee to accept the amendment.

Mr. JAVITS. May I make a statement?

Mr. PROXMIRE. Yes.

Mr. JAVITS. I am glad the Senator brought it to my attention, because Senator MATHIAS also asked me to propose this. So I am proposing it for him and for me. His name is on the amendment.

I think it is important to accept what the Department itself has suggested, that is, conform it to the regulations of the Secretary.

I, like the Senator from Wisconsin, do not wish any single to replace any eligible applicant under the present law. But we are advised, and that is why I read this with such care, from the biggest housing market there is, that what is happening now is that apartments which are available, because there are not—for whatever may be the circumstances—eligible applicants, simply are not utilized. Therefore, if there should be an opportunity for singles of this character to utilize apartments which, because of the eligibility standards, are not utilized, that is the reason that I propose the amendment.

Mr. PROXMIRE. I have great faith in the Senator from New York. He is a completely honest man. But I must say, we just have no record of that and it is very, very difficult to believe it. I believe it if the Senator tells me it is so, but in view of the difficulty people have in getting into public housing—as I say, the long waiting list that we have everywhere in our big cities—it is shocking and surprising that there should be vacant public housing available.

Is that assertion, that there is public housing available, supported by HUD?

Mr. JAVITS. I cannot say that. What it comes from, to me, is the representation of the housing administration in New York City itself. I would like to read that again, if I may. After stating that those who are eligible now, "Although they are eminently suitable for single working poor, that population is ineligible for section 8 subsidies" the letter goes on:

"This legal restriction"—the one to which we referred—"is extremely serious from the standpoint of the city's inability to meet a significant housing need. HDA has attempted to meet the growing demand for small units in housing projects financed by Mitchell-Lama mortgages or municipal loans by including efficiency apartments. However, because of escalating costs, these are no longer marketable without section 8 and frequently"—this is the key word—"frequently inappropriate for elderly or handicapped singles because of features of design or location. Although they are eminently suitable for single working poor, that population is ineligible for section 8 subsidies."

Mr. PROXMIRE. So the Senator agrees that there is a waiting list for suitable housing, but that suitable—this is housing only suitable for single people, number one, and for single people who are not handicapped, number two. These are also people who would not fit into the displaced category.

Mr. JAVITS. Exactly; they are working poor.

Mr. PROXMIRE. Or the elderly category.

Mr. JAVITS. That is exactly right, and there are such apartments available.

Mr. BROOKE. I understood the legislation provided for only 20 percent. As I understand the amendment now, there is no limitation.

Mr. JAVITS. Except the overall limitation of the Secretary herself because we found when we checked into the thing that is what they themselves suggested if this were done. So far as I am concerned, the 20 percent provision is fine.

Mr. BROOKE. I thought the 20 percent was too high when I first read it. The 20 percent was high, but it would seem to me that with the limitation removed entirely, it is now at the discretion of the Secretary.

Mr. JAVITS. That is right. They could make it 5 or 8 or 10 percent, I understand that perfectly. But we thought from that point of view rather than fixing the percentage ourselves that we would simply open the door to it in situations where equity dictates it and where there are really unused apartments.

Mr. BROOKE. I am in great sympathy with single people as well. I can understand that they have problems with housing, particularly the single poor. But, as the chairman said, I would certainly be opposed to displacing any family.

Mr. JAVITS. Well, Mr. President, I would be perfectly willing to accept—I will redraft the amendment accordingly, to state "provided, however, that in no case does it displace any eligible person or family."

Mr. PROXMIRE. Supposing you add this further restriction, a restriction making it 10 percent, as well as the discretion of the Secretary.

Mr. JAVITS. All right, that is fine with me.

Mr. PROXMIRE. And then also not displacing people.

Mr. JAVITS. That is fine with me.

Mr. PROXMIRE. All right, we will accept that.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

Mr. BROOKE. Mr. President, will the Senator withhold that, please? In the interest of saving time, could the Senator from Oklahoma be recognized?

Mr. BELLMON. Mr. President, will the Senator yield me 5 minutes?

Mr. BROOKE. This would come after the bill. It does not pertain to the bill.

Mr. BELLMON. It does pertain to the bill but not to the amendment.

Mr. BROOKE. All right.

Mr. BELLMON. Mr. President, the Housing Amendments of 1976 is an authorization bill and at some time later this year we will have the opportunity to review an appropriation bill which will set funding levels for the various programs included in the legislation before us today. Yet, as ranking minority member of the Budget Committee, I believe that it would be poor practice for me to wait until the appropriation bill arrives before pointing out to the Members of the Senate the rather substantial budgetary problems which passage of this bill and subsequent full funding would create. Just 2 weeks ago the Senate, after substantial debate, demonstrated its fiscal discipline with the passage of the Senate version of the budget for fiscal year 1977. An overwhelming majority of Senators, by a vote of 62 to 22, voted for a set of priorities evidenced by that budget. Now, 15 days later, we have this housing bill which contains budget authority almost 30 percent higher than the levels we voted on 2 weeks ago.

Last year the distinguished chairman of the Senate Budget Committee, Mr. MUSKIE, made a dramatic and eloquent speech on the floor regarding fiscal discipline. His speech was entitled "We Never Promised You a Rose Garden." I would remind my colleagues that establishing and living with a budget is not easy. Since we live in an economic world of limited resources, not all favorite programs can be funded. Some projects are bound to be cut or delayed or even eliminated. With my opposition to these amendments, I am not expressing opposition to the housing industry, nor am I opposed to homeownership assistance or rehabilitation loans. While I have serious questions that the amendments before us if fully funded would create inflationary pressure in the housing industry and thereby accentuate our problems, not solve them, I am primarily opposed to these amendments for budget reasons. The Senate gave this industry a high priority in the budget for fiscal year 1977 by including $25.5 billion for housing. I do not believe it was our intent to change that priority with a 30-percent increase 2 weeks later.

I might add that I am somewhat mystified by the level of funding suggested in these amendments. The Budget Committee received guidance from the authorizing committee as we arrived at functional totals in our committee's markup. As all of you know, we received from each standing committee on March 15 the recommendation of that committee regarding needed funding levels for matters under the jurisdiction of that committee. The Banking Committee sent us their recommendations. That committee later modified that with a subsequent letter received.

The Budget Committee used both letters in reaching its decision regarding function 400 and function 600, the two categories which involve the housing amendments. We felt we were accommodating the housing request of the Banking Committee, except for some GNMA budget authority, but we now find that the Banking Committee desires a different mix of programs and higher level of spending than that identified in the two previous letters. It is most difficult for any budget to accommodate a constantly moving target.

I believe that we must not only exercise fiscal restraint with regard to the authorization bill before us but that we will also exercise similar judgment when we examine the subsequent appropriation bill involving housing.

The amendments authorize new budget authority of $27.2 billion in fiscal year 1977. Also, there is reauthorization of $5.5 billion in budget authority for that same fiscal year. Total budget authority is therefore $32.7 billion.

In addition, section 11 of the Housing Amendments of 1976 authorizes $2.7 billion in budget authority for housing for elderly and handicapped—which has been off-budget since 1974.

In terms of the first concurrent resolution which the Senate approved on April 12, the budget authority for all housing programs—and, Mr. President, I call your attention that this includes all housing programs—is $25.5 billion, and the budget authority for housing programs covered by the present housing amendments is $23.2 billion. Thus, the budget authority in the housing amendments is $9.5 billion greater than allowed for the specific housing programs covered by the present amendments and $7.2 billion greater than allowed for all housing programs in the Senate's first concurrent budget resolution for fiscal year 1977.

I call this information to the attention of my colleagues for the purpose of reminding them and at the same time stressing that to abide by the budget resolution which we adopted just over 2 weeks ago, the appropriation necessary to fund these amendments will necessarily be at least $9.5 billion less than indicated in the housing amendments before us.

I want to call that to the Senate's attention as clearly as I can. The appropriation necessary to fund these amendments will, of necessity, be $9.5 billion less than the amount required by these housing amendments.

I ask unanimous consent that a budget summary table showing the various sections of S. 3295 with their associated budget functions and fiscal year 1977 budget authority and outlay data be printed in the RECORD.

There being no objection, the budget summary was ordered to be printed in the RECORD, as follows:

BUDGET SUMMARY OF S. 3295

S. 3295	Program	Function	Fiscal year	
			1977 new budget authority	1977 outlay
Sec. 2:				
Pt. A, B, and D	Low income assisted housing (sec. 8)	600	$18,079M	$43.9M
Pt. C	Operating subsidies	600	576	172.5
Sec. 3	Sec. 235 homeownership assistance	600	6,000	24
Sec. 8	Aid to FHA Fund	600	2,310	50.1
Sec. 9	FHA warranty extension	400	1.5	1.5
Sec. 10	FHA structural defects provision	400	5.2	5.2
Sec. 12	Sec. 312: Rehabilitation loans	450	150	96
Sec. 13	Sec. 701: Comprehensive planning grants	450	100	27.5
Total			27,220.7	420.7
Reauthorization:				
Sec. 15	Emergency home purchase assistance	400	5,000	**
Sec. 14	Emergency homeownership relief	400	500	**
Off budget: Sec. 11	Housing for elderly and handicapped	400	2,500	75

**Less than $50 million.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

Mr. BROOKE. Mr. President, will the Senator withhold that?

Mr. JAVITS. I withhold that suggestion.

Mr. BROOKE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the pending amendment be laid aside?

Mr. JAVITS. Yes.

Mr. BROOKE. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk proceeded to read the amendment.

Mr. BROOKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 19, after "Sec. 15." insert "(a)".

On page 14, between lines 22 and 23, insert the following:

(b) The second sentence of section 313 (b) of the National Housing Act is amended—

(1) by redesignating clause (C) as clause (D); and

(2) by inserting after clause (B) the following new clause:

"(C) the purchase price does not exceed the median purchase price for the local housing market area in which the property is located, as determined by the Secretary; and".

Mr. BROOKE. Mr. President, I offer this amendment for Senator MATHIAS, Senator CRANSTON, Senator HUMPHREY, and myself.

This amendment would place a ceiling on sales prices for each dwelling unit financed under the Government National Mortgage Association's tandem program at not to exceed the median sales price for the housing market area in which the dwelling is located. The median sales price for each local housing market area would be determined by the Secretary of HUD. The effect of such a ceiling by market area is to relate the program to local housing costs on a geographic basis. High cost areas, therefore, would not be penalized because the sales price ceiling would be relatively higher for that area.

Mr. President, I have discussed this amendment with the distinguished chairman of the committee, and it is my understanding that he has discussed it with Senator MATHIAS, a proponent of this amendment, and that he would be willing to accept it. I am a cosponsor and would be willing to accept it.

Mr. President, I ask unanimous consent that a statement by Senator MATHIAS be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR MATHIAS

On behalf of Senators Brooke, Cranston, and Humphrey I am introducing today an amendment to the 1977 HUD Authorization Bill.

This amendment would place a ceiling on sales prices for each dwelling unit financed under the Government National Mortgage Association's Tandem Program at not to exceed the median sales price for the housing market area in which the dwelling is located. The median sales price for each local housing market area would be determined by the Secretary of HUD. The effect of such a ceiling by market area is to relate the program to local housing costs on a geographic basis. High cost areas, therefore, would not be penalized because the sales price ceiling would be relatively higher for that area.

The Emergency Home Purchase Assistance Act, signed by the President on July 2, 1975, was designed to stimulate the construction of housing that would be within the reach of middle income Americans. The bill authorized $10 billion for GNMA to purchase mortgages with a 7½ percent interest rate in the secondary mortgage market.

To date, $7 billion has been appropriated by the Congress under the authorization and $2.2 billion in mortgage commitments have been made by GNMA.

My proposed ceiling on sales prices of homes financed under this program is intended to correct an oversight in the law which resulted in 41 percent of the loans going to families with incomes greater than $21,600.

Mr. President, although we now see some signs that the Housing Sector may be rallying from its 1975 slump, we cannot ignore the effects of that slump.

In 1975 there were fewer housing starts in America than at any time since 1946. The median sales price of a new single family home today is well beyond the reach of more than 75 percent of the American people. The median sales price for a new home in 1975 was $39,200. Only families with a minimum income of $19,600 can afford to buy a house at that price. Thus, more and more potential home owners—young married couples, or families with several children whose annual income is less than $19,600—are obliged to continue in the rental market which, of course, greatly increases the already existing pressures there.

Meanwhile, builders are turning to the custom house market in growing numbers because it is safe. The small elite group that can afford custom housing today is not deterred by the 9 or 9½ percent interest rate, nor by the required 20 percent downpayment, nor even by the huge monthly payments required. For the middle income family, custom housing is out of sight.

By providing 7½ percent mortgages, the GNMA program seeks to restrain the inflationary trends in housing prices and rents while encouraging production. Such financing is designed to promote the building of housing priced within the reach of families earning $15,000 to $20,000.

Unfortunately, the original program which had a $42,000 mortgage ceiling did not stipulate a home sales price ceiling. Thus, those who were able to provide a substantial downpayment bought homes in the $50,000 to $60,000 range and ended up with a $42,000 mortgage. I do not believe this is what the Congress intended.

A recent study by George M. von Furstenberg, former Senior Staff Economist with the President's Council of Economic Advisors, revealed some of the misdirected effects of the GNMA Tandem Program. For example, Mr. von Furstenberg found that while the median income of American families is $12,834, the average income of families assisted by the Tandem Program was $21,516. The average downpayment made under the Tandem Program was $8,347. More than half of the homes financed under this program sold for over $40,000.

The program clearly is not reaching the middle income group who have been shut out of the home buying market.

Although HUD has restricted use of the most recently released monies to FHA-financed multi-family rental housing, I think this proposed ceiling on single family sales housing is needed now to avoid future misdirection of the program.

This program is but one small facet of what must be a multi-faceted approach to providing housing for all Americans. It, like all other good ideas we, in Congress have codified into law, must be assured of adequate and timely funding as well as prudent administration. It should be integrated into a comprehensive program which would establish long range housing goals and then set about achieving them. Only in that way can we hope to realize the American dream of a decent home for every American in a healthy living environment.

I ask my colleagues' prompt approval of this measure.

Mr. PROXMIRE. Mr. President, as I understand it, what this amendment does is to put on a ceiling. It limits what could be abuse under present law, and perhaps has been abused to some extent, of people with very expensive housing able to get this Federal assistance by coming in with a lower mortgage—they could have a $100,000 house.

Senator MATHIAS tried to meet that problem by this amendment. For that reason, I think it is a constructive amendment, and I am happy to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts and the Senator from Maryland.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, is the pending business my amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. Mr. President, I modify my amendment as follows, and I shall read the amendment as modified and then send it to the desk.

The third sentence of section 3(2) of the United States Housing Act of 1937 is amended by striking out the word "and" before "(C)" and inserting before the semicolon the following and (D) other single person's circumstances described in regulations of the Secretary provided that in no event shall more than ten percent of the units under the jurisdiction of any public housing agency be occupied by single persons under this clause (D) provided further that in determining priority for admission to housing under this act the Secretary shall give preference to those single persons who are elderly, handicapped, or displaced before those eligible under this clause (D).

Mr. PROXMIRE. As I understand it, the amendment as read by the Senator from New York provides several protections. One is the 10 percent limitation on the number of people who are not either elderly or handicapped or displaced who can occupy these units, is that correct?

Mr. JAVITS. That is correct.

Mr. PROXMIRE. And in addition to that 10 percent, there is the discretion of the Secretary of HUD also, and in addition there is the provision that they not displace as a matter of priority those who fall into this category.

Mr. JAVITS. Exactly right. All three conditions were written into the amendment.

Mr. PROXMIRE. Mr. President, I have no objection to the amendment. I am happy to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York, as modified.

The amendment, as modified, was agreed to.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. SPARKMAN) proposes an amendment:

At the appropriate place in the bill, insert the following:

Sec. —. The first sentence of section 102 (h) of the Housing Amendments of 1955 is amended—

(1) by inserting after "section 221(d)(3)" a comma and the following: "section 235, section 236, section 241, section 243, section 246, and section 203(n)";

(2) by inserting after "Housing and Urban Development Act of 1965" the following: "or section 8 of the United States Housing Act of 1937"; and

(3) by inserting before the period the following: "and Assistant Secretary for Housing Management".

Mr. SPARKMAN. Mr. President, I am offering this amendment to update the housing laws with respect to the responsibilities of the Special Assistant for Cooperative Housing within HUD.

Congress enacted a provision for a Special Assistant for Cooperative Housing many years ago in order to facilitate within HUD the expertise to administer efficiently the housing laws pertaining to housing cooperatives. Congress is concerned because we have been told that in recent years the Secretary has not followed the law and has not appointed a Special Assistant for this purpose alone, let along provide for adequate staff. By this amendment, Congress is making clear that the law requires an appointment of a Special Assistant with adequate staff with the sole responsibility of expediting operations under sections of the Housing Act dealing with cooperatives and to eliminate obstacles to the full utilization of such cooperative housing provisions.

The committee feels that there is a need for a Special Assistant and an adequate staff as demonstrated by the fact that HUD has been unable to promulgate regulations to activate sections 246 and 203(n) of the National Housing Act, even though these sections became law almost 2 years ago. The committee understands that HUD has addressed itself to these provisions but that inadequate staff expertise and the need to coordinate between multifamily and single family housing production and housing management has caused this long delay.

Therefore, this amendment would also make clear that the Special Assistant should report not only to the FHA Commissioner who is responsible for cooperative production, but also to the Assistant Secretary for Housing Management, who is responsible for management for cooperative housing. In this way the Special Assistant can work with both the Assistant Secretary for HPMC and the Assistant Secretary for Housing Management in expediting operations under housing laws dealing with cooperatives and eliminating obstacles to the full utilization of such provisions. This need is caused by HUD reorganizations which divided responsibility for cooperative housing between these two Assistant Secretaries.

Mr. PROXMIRE. Mr. President, I have considered this amendment. I discussed it with the Senator from Alabama. I have also discussed it with the Senator from Massachusetts. I am happy to accept the amendment. It is a desirable and necessary amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. SPARKMAN) proposes an amendment:

At the appropriate place in the bill insert the following:

Sec. . Section 720(a) of the Housing and Urban Development Act of 1970 is amended by striking out "June 30, 1975" and inserting in lieu thereof "October 1, 1977".

Mr. SPARKMAN. Mr. President, I am offering this amendment to extend the termination date for section 720 of the Housing Act of 1970, the special planning assistance program for new communities, until September 30, 1977. This would make the termination date for this program consistent with the dates of other programs extended by this bill.

Under this provision, the Secretary of HUD is authorized to make grants to private new community developers to provide financial assistance in amounts not exceeding two-thirds of the cost for new community planning. Ordinarily, section 701 planning assistance is used to help finance planning by public entities, but private developers are not eligible for such assistance, and this program was established by Congress to meet the need.

In the last year or two, we have been hearing about the financial problems that new communities are having in getting established, having claimed that the reasons for these difficulties was not only the general recession in the economy, but because the administration failed from the beginning to provide adequate support for these programs.

It was obvious to the Congress when the new communities program was established in 1970 that an undertaking of this sort could not be accomplished without substantial financial and technical assistance from the Federal Government. Unfortunately, the administration has not given the kind of grant support needed, although it has approved Federal guaranties for 13 new communities, One of the grant authorities in the law which was not implemented by HUD is that for planning assistance. Many of the experts in this field have claimed that better planning would have prevented many of the problems that the new communities have run into. Section 720 of the law provides grant funds on a two-thirds cost basis to fund the planning that should have been done. My amendment will extend the authority and I hope that the administration will use the authority as proposed by law.

Mr. PROXMIRE. Mr. President, this is a good program. I know of no objection to the program. I am happy to accept the amendment which would extend the program.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I have another amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page , line , insert the following:

Sec. —. (a) Section 103(a)(2) of the Housing and Community Development Act of 1974 is amended by striking "fiscal years 1975 and 1976", and inserting in lieu thereof, "fiscal years 1975 and 1976, and $200,000,000 for fiscal year 1977, of which amount not more than 50 per centum may be used under section 106(d)(1)(A),".

(b) Section 106 of the Housing and Community Development Act of 1974 is amended by redesignating subsection "(d)" as subsection "(d)(1)"; paragraphs "(1)" and "(2)" as subparagraphs "(A)" and "(B)", respectively; and subparagraphs "(A)", "(B)", and "(C)" as clauses "(i)", "(ii)", and "(iii)", respectively.

(c) Section 106(d) of the Housing and Community Development Act of 1974, as amended by subsection (b) of this section, is further amended by adding the following paragraph at the end thereof:

"(2) In the event the total amount available in fiscal year 1977 for allocation under section 106(d)(1) is insufficient to meet in full the hold-harmless needs of metropolitan cities, urban counties, and other units of general local government in metropolitan areas as computed under subsections (g) and (h), the Secretary shall make up any such deficiency from amounts available for use under section 107 and, if such amounts are exhausted, by a ratable reduction in basic grant amounts determined under subsection (b).".

Sec. —. (a) Section 202(b) of the Flood Disaster Protection Act of 1973 is amended by striking out all that follows the words "shall not apply to" and inserting in lieu thereof the following: "(1) any loan made to extend, renew, or increase the financing or refinancing of a previously occupied residential dwelling completed and occupied as a residence prior to January 1, 1976, (2) any loan to finance the acquisition of a building or structure completed and occupied as a residence or by a small business concern prior to January 1, 1976, (3) any loan or loans, which in the aggregate do not exceed $10,000, to finance improvements to or rehabilitation of a building or structure occupied as a residence prior to January 1, 1976, or (4) any loan or loans, which in the aggregate do not exceed an amount prescribed by the Secretary, to finance nonresidential additions or improvements for agricultural purposes to a farm.".

(b) Section 3(a)(4) of the Flood Disaster Protection Act of 1973 is amended by striking out the semicolon at the end thereof and adding the following: "and assistance provided under any such Act for natural disasters other than floods;".

Sec. —. Section 235 of the National Housing Act is amended—

(1) by striking out in subsection (b)(2) "$21,600", "$25,200", "$25,200", and "$28,800" and inserting in lieu thereof "$25,000", "$29,200", "$29,200", and "$33,400", respectively;

(2) by striking out in subsection (i)(3)(B) "$21,600", "$25,200", "$25,200", and "$28,800" and inserting in lieu thereof "$25,000", "$29,200", "$29,200", and "$33,400", respectively; and

Sec. —. (a) Section 221 of the National Housing Act is amended by—

(1) striking out "General Insurance Fund" where it appears in the second proviso of subsection (d)(4)(iv) and inserting in lieu thereof "Special Risk Insurance Fund";

(2) striking out in the fourth sentence of subsection (f) all that follows the words "as the Secretary may determine" and inserting in lieu thereof a period; and

(3) striking out "General Insurance Fund" where it appears in paragraphs (1) and (3) of subsection (g) and inserting in lieu thereof "Special Risk Insurance Fund".

(b) Section 238 of such Act is amended by—

(1) inserting "221," in subsection (b) immediately after the word "sections" each time such word immediately precedes an enumeration of sections of the National Housing Act; and

(2) adding at the end thereof the following new subsections:

"(d) Notwithstanding any other provision of law, there are hereby transferred to the fund created under this section all receipts, funds, and other assets, all actual or contingent liabilities, all commitments for insurance, and all insurance on mortgages, of or chargeable to the General Insurance Fund created by section 519 of this Act which have arisen from or in connection with the insurance of mortgages under section 221 of this Act. All such assets, liabilities, commitments for insurance, and insurance of mortgages shall be and are hereby made assets, liabilities, commitments, and insurance of the fund established under this section as if they had originally been subject or chargeable to such fund.

"(e) Notwithstanding the limitations contained elsewhere in this Act, debentures of the General Insurance Fund may be used to pay mortgage insurance premiums for mortgage insured under section 221 of this Act.".

(c) Section 519 (e) of such Act is amended by inserting immediately before "223(e)" the following: "221,".

(d) Notwithstanding any other provision of law, all references to the General Insurance Fund in section 207 or any other section of the National Housing Act shall, to the extent such references pertain to section 221 of that Act, be construed to refer instead to the Special Risk Insurance Fund.

(c) The provisions of subsections (a) through (d) shall become effective on such date, not to exceed ninety days after the date of enactment of this Act, as the Secretary deems appropriate.

Sec. —. Section 235 (a) of the National Housing Act is amended—

(1) by inserting "(1)" immediately after "(a)"; and

(2) by adding at the end thereof the following:

"(2)(A) Notwithstanding any other provision of this section, the Secretary is authorized to make periodic assistance payments under this section on behalf of families whose incomes do not exceed the maximum income limits prescribed pursuant to subsection (h)(2) of this section for the purpose of assisting such families in acquiring ownership of a mobile home consisting of two or more modules and a lot on which such mobile home is or will be situated. Assistance payments under this section pursuant to this paragraph shall be accomplished through payments on behalf of an owner of lower-income of a mobile home as described in the preceding sentence to a financial institution which makes the loan, advance of credit, or purchase of an obligation representing the loan or advance of credit to finance the purchase of the mobile home and the lot on which such mobile home is or will be situated, but only if insurance under section 2 of this Act covering such loan, advance of credit, or obligation has been granted to such institution.

"(B) Notwithstanding the provisions of subsection (c) of this section, assistance payments provided pursuant to this paragraph shall be in an amount not exceeding the lesser of—

"(i) the balance of the monthly payment for principal, interest, real and personal property taxes, insurance, and insurance premium chargeable under section 2 of this Act due under the loan or advance of credit remaining unpaid after applying 20 per centum of the mobile home owner's income; or

"(ii) the difference between the amount of the monthly payment for principal, interest, and insurance premium chargeable under section 2 of this Act which the mobile home owner is obligated to pay under the loan or advance of credit and the monthly payment for principal and interest which the owner would be obligated to pay if the loan or advance of credit were to bear interest at a rate derived by subtracting from the interest rate applicable to such loan or advance of credit the interest rate plus mortgage insurance premium applicable to mortgages insured under subsection (i) of this section at the time such loan or advance of credit is made and the interest rate which such mortgages are presumed, under regulations prescribed by the Secretary, to bear for purposes of subsection (c)(2) of this section.

"(C) For purposes of this paragraph, where used in this section, the terms 'mortgage', 'mortgagor', and 'mortgagee' include a loan or advance of credit, borrower, and financial institution, respectively, as defined under section 2 of this Act.".

Sec. —. The United States Housing Act of 1937 is amended by adding at the end thereof the following:

"Section 32. An assistance payment made with respect to a dwelling unit under this Act may not be considered as income or a resource for the purposes of determining the eligibility or the extent of eligibility of any person living in such unit for assistance under the Social Security Act or any other Federal law.".

Sec. —. Section 520(3)(B) of the Housing Act of 1949 is amended by adding the words "for lower- and moderate-income families" after the word "credit".

Sec. —. Section 7 of the Department of Housing and Urban Development Act, is amended by adding at the end thereof a new subsection (n) reading as follows:

"(n) Notwithstanding any other provision of law, the Secretary is authorized by contract or otherwise to establish, equip and operate a day care center facility for the purpose of serving children who are members of households of employees of the department. The Secretary is authorized to establish or provide for the establishment of appropriate fees and charges to be chargeable against the Department of Housing and Urban Development employees or others who are beneficiaries of services provided by such a day care center.".

Sec. —. The twelfth undesignated paragraph of section 5(c) of the Home Owner's Loan Act of 1933 (12 U.S.C. 1464(c)), as amended, is amended by adding in the first sentence, immediately after the words "made pursuant to either of such sections" and before the period the following language:

"and in the share capital and capital reserve of the "Inter-American Savings and Loan Bank".

SEC. —. Section 8(e)(1) of the United States Housing Act of 1937 is amended by inserting after "State or local agency" the following "or the Farmers Home Administration,".

Mr. SPARKMAN. Mr. President, this amendment would add to the bill that is before us, S. 3295, the provisions of H.R. 9852 passed by the Senate on January 23, 1976.

This bill was sent to the House, but we never could get the House to go to conference.

I would add the provisions of H.R. 9852 to S. 3295 so that we can go to conference and work out both bills as one.

I move the adoption of the amendment.

Mr. PROXMIRE. Mr. President, may I say that this is the bill, the mobile home standards bill, which also contained the provisions with respect to flood control or flood insurance.

It is a bill that did pass the Senate.

Since it has passed the Senate, I know of no objection to having it put on this particular bill so that we can get action in the House. As the Senator from Alabama has pointed out, the House has never acted on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SPARKMAN. I thank the chairman.

Mr. TAFT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The legislative clerk read as follows:

The Senator from Ohio (Mr. TAFT) proposes an amendment as follows:

On page 2, line 13, insert the following after the word rehabilitation ": or for the purposes of section 247 of the National Housing Act in the event that the moneys authorized in that section for the fiscal year ending September 30, 1977, have been exhausted".

Mr. TAFT. Mr. President, I supported this bill. I opposed the motion to recommit. I expect to vote for the bill, although I have some problems with some sections of it. I do feel generally, however, that the bill is really too tightly drafted. There is too much of a categorization or pinning down of the particular programs, removing from the Secretary discretion to shift funds if that seems to be desirable.

As we all know, in meeting the housing needs of this country, very often we are unable to foresee in the Congress at the time we draft and act upon these bills, exactly how the particular programs are going to work or what the needs of the housing market may really turn out to be in order to accomplish our goals in public housing.

This amendment is a step to attempt to alleviate that to a degree, at least, with regard to the funds that are provided under section 247 of the bill at page 7 relating to assistance payments with respect to projects in default.

What the amendment would do would be to allow the Secretary to utilize some of the funds set aside in the committee bill for construction and rehabilitation under section 2(b) of the bill on page 2, line 13, for public housing projects and for assistance of projects in default, or would add funds or make it possible to use funds for construction and rehabilitation of public housing projects for the assistance of projects in default under the proposed section 247 of the National Housing Act should the $154 million authorized by that section prove to be inadequate for that purpose.

Unfortunately, I do not think any of us know exactly how many of these projects are going to get into trouble during the year. We certainly were not able to predict that as to this year in connection with various foreclosures which have been necessary, or threatened foreclosures which have appeared on the scene. It does seem to me that giving the Secretary some additional leeway in making a decision as to how to use funds between projects for new building and assistance to projects that are already in existence or in default would be desirable.

I have been advised that the Secretary does believe that this would be of assistance insofar as administration of the bill is concerned and gives her some leeway in this connection. I would urge acceptance of the amendment.

Mr. PROXMIRE. Mr. President, I am very hesitant to accept this amendment. I am hesitant because the committee has acted, as the Senator from Ohio has recognized, in precisely the opposite way.

What we are concerned about is the tendency for the Secretary to take the money that we provide for section 8 housing assistance and use it simply for bailout. That does not build any houses. It does not provide any new housing. It does not meet the objectives we seek. As the Senator has indicated, we have tried to set aside the amount that HUD said they would use for bailout and make that available to HUD, leaving the section 8 funds intact, and reduced by the amount of the bailout.

Having done that, I am very reluctant to turn right around and reverse what the committee has done and say that the Secretary can use whatever additional money she wants to use out of section 8 funds for this purpose. Perhaps the Senator from Ohio can correct me if I am wrong, but that would be the effect of his amendment if the Senate should adopt it. Is that correct?

Mr. TAFT. I think that would be substantially correct. It would also make possible the use of funds from new construction and substantial rehabilitation.

Mr. PROXMIRE. Of course, all of these are programs that the Senator from Ohio, the Senator from Massachusetts and all of us support.

Mr. TAFT. I think it would also be public housing funds, the way it is drafted.

I feel these are essential, too, but at the same time if other projects that are half built are going to go down the drain, it may be better economics to go ahead and complete the building on those projects that are already half built.

Mr. PROXMIRE. That may be, but we are giving the Secretary all the funds she thinks she can use. She may have miscalculated, but unless she has miscalculated she has everything she needs provided for in the bill.

Mr. TAFT. I do not think it is possible for the Secretary or anyone else to calculate that figure at this point. It would make more economic sense to use funds authorized elsewhere for the bailout purpose if that really accomplishes the purposes of the act. I think the Secretary should be free to do that.

Mr. BROOKE. It would be well to point out to the Senator from Ohio what the Secretary has available to her for this purpose.

Mr. PROXMIRE. As I understand, the Secretary has $154 million available, which is exactly what the Secretary said she would need for this purpose.

The Senator is right. She may have underestimated that by $5, $10 or $15 million. But it was her estimate and on the basis of the experience she has had I think we can assume it would be reasonably accurate.

What we have been concerned about is that we just have not gotten appropriate action out of HUD. Instead of building houses, instead of providing assistance, instead of putting people into homes with this very large amount of money we have provided they have not been able to achieve it, partly because they have diverted it to purposes of this kind.

Mr. TAFT. I share the Senator's frustration about the lack of progress in creating new homes which has occurred in many of the programs. But I still think it may be self-defeating to put a specific lid on section 247 at his point. They are being asked by the committee for an estimate, and I am sure that the Secretary has come up with an estimate.

Mr. PROXMIRE. May I say the Secretary can also use an almost unlimited amount of funds until October 1. That amount is something like $1 billion that is now available, which she could use for this purpose if she wished. There would be a limitation simply for the fiscal year beginning October 1, 1977.

Mr. BROOKE. But no limitation on current funds.

Mr. PROXMIRE. No limitation whatsoever.

Mr. TAFT. There would be no limitation whatsoever?

Mr. PROXMIRE. That is right.

Mr. BROOKE. There would be no limitation on funds already appropriated.

Mr. PROXMIRE. There would be no limitation on the current funds that have been appropriated. It totals about $1 billion, I am informed.

Mr. TAFT. Of course, again we are looking into the future, after October 1. This would be a limitation.

Mr. PROXMIRE. The Secretary can make additional requests. There is no question about it, if the Secretary asked for additional funds for this purpose, I believe we would provide the funds.

Mr. TAFT. With that assurance, I withdraw the amendment.

Mr. PROXMIRE. I thank the Senator from Ohio.

Mr. President, I would like to respond to the Senator from Oklahoma. I wish he could be here, but I understand he is necessarily absent from the Chamber. The Senator from Oklahoma made the very responsible and proper point that it appears that this bill may, on the basis of his calculations—and he is the ranking minority member of the Budget Committee—exceed the amount provided in the working figures that provided the basis for the first congressional budget resolution. The difficulty is this: with respect to public housing contract authority, although the contract authority in the committee bill is identical, and I stress "identical," to that proposed by the President, the long-run budget authority is greater because of the computation methods recommended by OMB.

It is not because there is more money authorized per year. It is because the number of years is extended. For every $1 authorized for low rent public housing, $40 is counted as budget authority. For every $1 authorized for section 8, only $15 is counted as long-run budget authority.

This is a difference in accounting. This is a difference in assumptions. One could just as easily make the assumption of 40 years for section 8, as for public housing. With this difference in accounting, and that is all it is, it simply reflects the fact that public housing contracts may last as long as 40 years while section 8 initial contracts may last only up to 15 years.

Mr. President, this accounting difference may not, in fact, be a real difference since persons assisted under section 8 may require assistance beyond the initial contract. This matter of accounting long-run budget authority is complicated and should not, however, adversely affect consideration of this bill since we are communicating with the Committee on the Budget concerning the computational problem.

I point out also that while the bill implies a long-run budget authority greater than the President's budget request, the bill actually implies a lower outlay for fiscal year 1977 than the President requested.

So I think it is a matter of assumptions and arithmetic, and OMB and HUD have chosen an assumption which puts the position the Senate committee has taken at a disadvantage, although actually, as I say, the outlay this year would be less than proposed originally and the amount of contract authority recommended would be identical to that proposed by the President.

BROADER PROGRAM NEEDED TO COMPENSATE OWNERS OF DEFECTIVE HOMES

Mr. SYMINGTON. Mr. President, I support section 10 of this bill which would make much-needed revisions in section 518(b), authorizing compensation for defects in homes with Government-insured mortgages.

Under present law, restrictions on the scope of this program have prevented many owners of defective FHA homes from receiving assistance.

In the largest metropolitan area of my State, St. Louis, hundreds of homeowners have submitted claims for compensation on the grounds that FHA inspectors failed to spot defects in their homes. Of about 1,300 who have applied, over 900 have been rejected.

Certainly it is unlikely that all 1,300 St. Louisans bought defective homes. It is clear, however, that the bulk of the applications have been rejected on the basis of the programs restrictions. Most unfair, it would seem, is the requirement that homes be located in neighborhoods designated as "older, urban declining areas." Under HUD's regulations implementing this requirement, almost the whole of St. Louis County has been excluded, even though many neighborhoods in the county date back as far as the city of St. Louis and have the characteristics of inner-city sections.

A number of other applications were rejected because the homes are insured under section 237 rather than sections 203, 221, or 235 as required under present law.

Certainly, the location of a home or the program under which its mortgage is insured has nothing to do with its structural condition or the homeowner's problems in coping with defects.

Homeowners with federally insured mortgages rightfully expect that the FHA appraisal process—which includes inspection to make sure the property meets minimum standards—will disclose any structural defects. The failure to identify such defects implies a need to reform the FHA inspections systems; and I call on the Housing Subcommittee to explore ways to improve inspections.

In the meantime, however, it would seem that the Government has an obligation to compensate homeowners who have become victims of inadequate Federal inspections. Section 10 will go a long way toward fulfilling that obligation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the senior Senator from Maine (Mr. MUSKIE). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." There, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Washington (Mr. MAGNUSON), the Senator from Maine (Mr. MUSKIE), the Senator from California (Mr. CRANSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Idaho (Mr. CHURCH), and the Senator from Washington (Mr. JACKSON) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN), the Senator from Washington (Mr. MAGNUSON), the Senator from Washington (Mr. JACKSON), and the Senator from West Virginia (Mr. RANDOLPH) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from New Mexico (Mr. DOMENICI), the Senator from Hawaii (Mr. FONG), the Senator from Maryland (Mr. MATHIAS), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. WEICKER) would vote "yea."

On this vote, the Senator from Maryland (Mr. MATHIAS) is paired with the Senator from Texas (Mr. TOWER).

If present and voting, the Senator from Maryland would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 55, nays 24, as follows:

[Rollcall Vote No. 155 Leg.]

YEAS—55

Abourezk
Bayh
Beall
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Culver
Durkin
Eagleton
Eastland
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Javits
Kennedy
Leahy
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Nelson
Nunn
Pastore
Pell
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tunney
Williams

NAYS—24

Allen
Baker
Bartlett
Bellmon
Brock
Byrd, Harry F., Jr.
Curtis
Dole
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Packwood
Pearson
Percy
Roth
Scott, William L.
Thurmond

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, against.

NOT VOTING—20

Bentsen
Biden
Buckley
Church
Cranston
Domenici
Fong
Hartke
Haskell
Inouye
Jackson
Johnston
Long
Magnuson
Mathias
Muskie
Randolph
Tower
Weicker
Young

So the bill (S. 3295) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Amendments of 1976".

SEC. 2. (a) The first sentence of section 5(c) of the United States Housing Act of 1937 is amended by striking out "and by

$965,000,000 on July 1, 1974" and inserting in lieu thereof "by $965,000,000 on July 1, 1974, by $212,300,000 on July 1, 1975, and by $696,000,000 on October 1, 1976, except that any additional contract authority authorized on or after July 1, 1975, shall be available only to the extent or in the amounts provided for in appropriations Acts".

(b) (1) Section 5(c) of such Act is amended by adding at the end there of the following: "On or after October 1, 1976, the Secretary shall enter into contracts for annual contributions with respect to the modernization of existing low-income housing projects in amounts aggregating not less than $60,000,000 per annum. Of the $696,000,000 made available by the first sentence of this subsection on October 1, 1976, at least $465,000,000 shall be available only for new construction or substantial rehabilitation, and of that $465,000,000 at least $200,000,000 shall be for ownership by public housing agencies other than under section 8 of this Act. Of the balance of authority to enter into annual contributions contracts which is available on and after October 1, 1976 (other than the $696,000,000 referred to in the preceding sentence), the Secretary shall make available for new construction or substantial rehabilitation and for ownership by public housing agencies other than under section 8 of this Act, respectively, amounts which bear the same ratios to the total amount of such authority as the amounts required to be made available for new construction or substantial rehabilitation and for ownership by public housing agencies other than under section 8 of this Act respectively under the preceding sentence bear to $696,000,000.

(2) Effective on October 1, 1976, section 5(c) of such Act is amended—

(A) by striking out the second and third sentences, and

(B) by striking out in the fourth sentence "to the amount of contracts for annual contributions required to be entered into by the Secretary under the second sentence of this subsection".

(c) Section 9(c) of such Act is amended to read as follows:

"(c) There are authorized to be appropriated, for the purpose of providing annual contributions pursuant to this section not to exceed $535,000,000 on or after July 1, 1975, not to exceed $80,000,000 on or after July 1, 1976, and not to exceed $576,000,000 on or after October 1, 1976.".

(d) Section 5(c) of the United States Housing Act of 1937 is amended by inserting before "to assist in financing the development or acquisition cost of low-income housing for families who are members of any Indian tribe" the following: "and by not less than $17,500,000 per annum on July 1, 1976.".

SEC. 3. Section 235 of the National Housing Act is amended—

(1) by striking out "and by such sums as may be approved in appropriation Acts after June 30, 1974, and prior to July 1, 1976" in the second sentence of subsection (h) (1) and inserting in lieu thereof "and by $200,000,000 on July 1, 1976";

(2) by striking out "June 30, 1976" in subsection (m) and inserting in lieu thereof "September 30, 1977"; and

(3) by adding at the end thereof the following new subsection:

"(n) Notwithstanding any other provision of this title, the amount or rate of a mortgage insurance premium required to be paid in connection with a mortgage insured under this section may not exceed the amount or rate of a mortgage insurance premium required to be paid in connection with a mortgage insured under section 203 (b) of this title.".

SEC. 4 Section 236 of the National Housing Act is amended by striking out "June 30, 1976" in subsection (n) and inserting in lieu thereof "September 30, 1977".

SEC. 5. Section 241(a) of the National Housing Act is amended—

(1) by inserting, after the words "multifamily project" in the first sentence, a comma and the following: "or hospital"; and

(2) by inserting, immediately before the words "group practice facility" in the proviso in the second sentence, the following: "hospital or".

SEC. 6. (a) Section 244 of the National Housing Act is amended—

(1) by inserting immediately after "mortgagor," in the first parenthetical clause in the first sentence of subsection (a) the following: "except where a public housing agency is the mortgagee,";

(2) by inserting "(A)" immediately after "assume," in subsection (a) (1);

(3) by inserting immediately after "10 per centum," in subsection (a) (1) the following: "or (B) under conditions prescribed by the Secretary (i) the full amount of any loss on the insured mortgage up to an amount equal to a fixed percentage of the outstanding principal balance of the mortgage at the time of claim for insurance benefit, or (ii) the full amount of any losses on insured mortgages in a portfolio of mortgages approved by the Secretary up to an amount equal to a fixed percentage of the outstanding principal balance of all mortgages in such portfolio at the time of claim for insurance benefit on a mortgage in the portfolio, plus a share of any loss in excess of the amount under clause (i) or (ii), whichever is applicable, except that the amount of loss assumed by the mortgagee on a mortgage shall not be less than 10 per centum of the total amount of loss: *Provided*, That the liability of a mortgagee under a coinsurance contract entered into pursuant to clause (A) or (B) may be";

(4) by inserting immediately after "reserves," in the second sentence in subsection (a) the following: "the terms and conditions under which the Secretary may make loans, from the applicable insurance fund, to mortgagees on defaulted mortgages or may insure, or commit to insure, a mortgage on a project assisted pursuant to the second proviso in the first sentence of section 236(b) of this Act,";

(5) by inserting after "loans" each place it appears in the second sentence of subsection (d) the following: "made by lenders other than public housing agencies";

(6) by adding at the end thereof the following new subsection:

"(g) As used in this section, the term 'public housing agency' has the same meaning as in section 3(6) of the United States Housing Act of 1937."; and

(7) by adding at the end of subsection (a) the following new sentence: "Notwithstanding any other provision of this Act, when a public housing agency is a mortgagee, the Secretary may insure and make a commitment to insure any mortgage, advance, or loan eligible for insurance in accordance with regulations issued by the Secretary under this section, pursuant to a coinsurance contract, on a unit or project on which construction has commenced prior to issuance of the Secretary's commitment to insure.".

SEC. 7. Section 245 of the National Housing Act is amended by striking out "June 30, 1976" and inserting in lieu thereof "September 30, 1977".

SEC. 8. (a) Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"ASSISTANCE PAYMENTS WITH RESPECT TO PROJECTS IN DEFAULT

"SEC. 247. (a) The Secretary is authorized to enter into contracts to make annual contributions with respect to dwelling units occupied by lower income families in a project which is (1) financed by a mortgage insured under this Act and threatened with foreclosure, (2) subject to a mortgage held by the Secretary, or (3) owned by the Secretary.

"(b) A family is eligible to receive the benefits of assistance under this section only if that family meets the requirements for assistance under section 8 of the United States Housing Act of 1937. Any contract for annual contributions under this section shall be subject to the terms and conditions which are applicable to contracts under such section, and shall provide for the payment of the same annual contribution as would be paid under such section 8.

"(c) No project shall be eligible to receive assistance under this section unless the Secretary shall have—

"(1) made findings of fact as to the causes of the unsatisfactory financial performance or status of the project; and

"(2) determined that such causes can be substantially overcome by assistance under this section, and that there is a reasonable probability that with such assistance the project can be restored to economic feasibility and can thereafter contribute constructively to the housing supply in the community in which it is located.

"(d) To carry out the purpose of this section, there are authorized to be appropriated not to exceed $154,000,000 for the fiscal year ending September 30, 1977.".

(b) Section 5(c) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentence: "After September 30, 1976, the Secretary may not use contracts authorized under this Act for the purpose of assisting projects which are described in the first sentence of section 247 of the National Housing Act.".

SEC. 9. (a) (1) Section 519(b) of the National Housing Act is amended by striking out "not more than nineteen months after the date of enactment of the Housing and Community Development Act of 1974" and inserting in lieu thereof "not more than four months after the date of enactment of the Housing Amendments of 1976".

(2) The last sentence of such section 518 (b) is amended to read as follows: "Expenditures pursuant to this subsection shall be made from the insurance fund chargeable for insurance benefits on the mortgage covering the structure to which the expenditures relate. There are hereby authorized to be appropriated such sums as may be necessary to cover the costs of such expenditures not otherwise provided for.".

(b) Section 518 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(d) The Secretary is authorized to make expenditures to correct or to reimburse the owner for the correction of structural or other major defects which seriously affect use and liveability of any one-, two-, three-, or four-family dwelling which is more than one year old on the date of issuance of the insurance commitment and—

"(1) is covered by a mortgage insured under section 203 or 221 on or after January 1, 1973, but prior to the date of enactment of this subsection if (A) the owner requests assistance from the Secretary not more than one year after the date of enactment of this subsection, and (B) the defect is one that existed on the date of the issuance of the insurance commitment and is one that a proper inspection could reasonably have been expected to have disclosed; or

"(2) is covered by a mortgage insured under the National Housing Act after the date of enactment of this subsection if (A) the owner requests assistance from the Secretary not more than one year after issuance of the insurance commitment, and (B) the defect is one that existed on the date of the issuance of the insurance commitment and is one that a proper inspection could reasonably have been expected to have disclosed.

The Secretary may require from the seller of any such dwelling an agreement to reimburse him for any payments made pursuant to this subsection with respect to such dwelling. Expenditures pursuant to this subsection shall be made from the insurance fund chargeable for insurance benefits on the mortgage covering the structure to which the expenditures relate. There are hereby authorized to be appropriated such sums as may be necessary to cover the costs of such expenditures not otherwise provided for.".

Sec. 10. (a) Section 202(a)(3) of the Housing Act of 1959 is amended by striking out "current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such loans," and by inserting in lieu thereof the following: "the average interest rate on all interest bearing obligations of the United States then forming a part of the public debt, computed at the end of the fiscal year next preceding the date on which the loan is made".

(b) Section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended—

(1) by inserting after $800,000,000" the following: "which amount shall be increased by $2,500,000,000, on July 1, 1976"; and

(2) by striking out "the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations", and inserting in lieu thereof the following: "the average interest rate on all interest bearing obligations of the United States then forming a part of the public debt, compute at the end of the fiscal year next preceding the date on which the loan is made".

Sec. 11. (a) Section 312 of the Housing Act of 1964 is amended—

(1) by striking out "and not to exceed $100,000,000 for the fiscal year beginning on July 1, 1975" in the first sentence of subsection (d) and inserting in lieu thereof "not to exceed $100,000,000 for the fiscal year beginning on July 1, 1975, and not to exceed $150,000,000 for the period beginning on July 1, 1976, and ending on September 3, 1977"; and

(2) by striking out subsection (h) and inserting in lieu thereof the following:

"(h) No loan shall be made under this section after September 30, 1977, except pursuant to a contract, commitment, or other obligation entered into pursuant to this section prior to October 1, 1977.".

(b) Section 312(c)(3) of the Housing Act of 1964 is amended by inserting "(A)" after "not to exceed", and by inserting after "at any time" a comma and the following: "or (B) such greater rate as the Secretary may establish for loans with respect to residential property which primarily will benefit persons whose annual incomes exceed the limitations established for priority by subsection (a), but in no case shall such rate exceed a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the terms of loans made pursuant to this section, adjusted to the nearest one-eighth of 1 per centum, plus an allowance adequate in the judgment of the Secretary to cover administrative costs and possible losses under the program".

Sec. 12. The first sentence of section 701(e) of the Housing Act of 1954 is amended by striking out "and not to exceed $150,000,000 for the fiscal year 1976" and inserting in lieu thereof "not to exceed $150,000,000 for the fiscal year 1976, and not to exceed $100,000,000 prior to October 1, 1977".

Sec. 13. (a) Section 109(b) of the Emergency Homeowners' Relief Act is amended by striking out "June 30, 1976" and inserting in lieu thereof "September 30, 1977".

(b) Section 110(a) of such Act is amended by striking out "Until one year from the date of enactment of this title" and inserting in lieu thereof "Prior to October 1, 1977".

(c) Section 111 of such Act is amended by striking out "July 1, 1976" and inserting in lieu thereof "October 1, 1977".

Sec. 14. (a) Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out "July 1, 1976" and inserting in lieu thereof "October 1, 1977".

(b) The second sentence of section 313(b) of the National Housing Act is amended—

(1) by redesignating clause (C) as clause (D); and

(2) by inserting after clause (B) the following new clause:

"(C) the purchase price does not exceed the median purchase price for the local housing market area in which the property is located, as determined by the Secretary; and".

Sec. 15. (a) Section 1105(a) of the Housing and Urban Development Act of 1968 is amended by adding at the end thereof the following new sentence: "The Federal Insurance Administrator shall be appointed by the President, by and with the advice and consent of the Senate.".

(b) The amedment made by subsection (a) becomes effective on January 1, 1977.

Sec. 16. (a) The National Housing Act is amended by striking out the third sentence of section 308(a) and inserting in lieu thereof the following: "There is hereby established in the Department of Housing and Urban Development the position of President, Government National Mortgage Association, who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary shall select and effect the appointment of qualified persons to fill the offices of vice president, and such other offices as may be provided for in the bylaws. Persons appointed under this subsection shall perform such executive functions, powers, and duties as may be prescribed by the bylaws or by the Secretary, and such persons shall be executive officers of the Association and shall discharge all such executive functions, powers, and duties.".

(b) Section 309(d) of the such Act is amended by striking out the word "The" immediately preceding "Secretary" in the first sentence and inserting in lieu thereof "Subject to the provisions of section 308(a), the".

(c) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(105) President, Government National Mortgage Association, Department of Housing and Urban Development.".

(d) Section 7(c) of the Department of Housing and Urban Development Act is amended by striking out "seven" in the proviso and substituting in lieu thereof "six".

(e) Notwithstanding the amendment made by subsection (a), the rights, powers, and duties of the position of President, Government National Mortgage Association, as in effect on the day preceding the date of enactment of this Act shall remain in effect until the position established hereunder has been filled in accordance with the terms of this Act.

Sec. 17. (a)(1) Section 207(c)(3) of the National Housing Act is amended by striking out "$13,000" and "$18,000" in the matter preceding the first semicolon and inserting in lieu thereof "$19,500" and "$21,500", respectively.

(2) Section 207(c)(3) of such Act is amended by striking out "$15,000" and "$21,000" in the matter following the first semicolon and inserting in lieu thereof "$22,500" and "$25,200", respectively.

(b)(1) Section 213(b)(2) of such Act is amended by striking out "$13,000" and "$18,000" in the matter preceding the first proviso and inserting in lieu thereof "$19,500" and "$21,500", respectively.

(2) Section 213(b)(2) of such Act is amended by striking out "$15,000" and "$21,000" in the first proviso and inserting in lieu thereof "$22,500" and "$25,200", respectively.

(c)(1) Section 220(d)(3)(B)(iii) of such Act is amended by striking out "$13,000" and "$18,000" in the matter preceding "except" where it first appears and inserting in lieu thereof "$19,500" and "$21,500", respectively.

(2) Section 220(d)(3)(B)(iii) of such Act is amended by striking out "$15,000" and "$21,000" in the matter following "except" where it first appears and inserting in lieu thereof "$22,500" and "$25,200", respectively.

(d) Section 221(d)(3)(ii) of such Act is amended—

(1) by striking out "$11,240" and "$15,540" and inserting in lieu thereof "$16,860" and "$18,630", respectively; and

(2) by striking out "$13,120" and "$16,200" and inserting in lieu thereof "$19,680" and "$19,440", respectively.

(e)(1) Section 221(d)(4)(ii) of such Act is amended by striking out "$12,300" and "$17,188" in the matter preceding the first semicolon and inserting in lieu thereof "$18,450" and "$20,525", respectively.

(2) Section 221(d)(4)(ii) of such Act is further amended by striking out "$13,975" and "$20,025" in the matter following the first semicolon and inserting in lieu thereof "$20,962" and "$24,030", respectively.

(f)(1) Section 231(c)(2) of such Act is amended by striking out "$12,300" and "$17,188" in the matter preceding the first semicolon and inserting in lieu thereof "$18,450" and "$20,525", respectively.

(2) Section 231(c)(2) of such Act is further amended by striking out "$13,975" and "$20,025" in the matter following the first semicolon and inserting in lieu thereof "$20,962" and "$24,030", respectively.

(g)(1) Section 234(e)(3) of such Act is amended by striking out "$13,000" and "$18,000" in the matter preceding "except" the first place it appears and inserting in lieu thereof "$19,500" and "$21,500", respectively.

(2) Section 234(e)(3) of such Act is amended by striking out "$15,000" and "$21,000" following "except" the first place it appears and inserting in lieu thereof "$22,500" and "$25,200", respectively.

Sec. 18. The third sentence of section 3(2) of the United States Housing Act of 1937 is amended by striking out the word "and" before "(C)" and inserting before the semicolon the following: "and (D) other single persons in circumstances described in regulations of the Secretary: *Provided*, That in no event shall more than 10 percent of the units under the jurisdiction of any public housing agency be occupied by single persons under this clause (D): *Provided further*, That in determining priority for admission to housing under this Act the Secretary shall give preference to those single persons who are elderly, handicapped, or displaced before those eligible under this clause (D)".

Sec. 19. The first sentence of section 102(h) of the Housing Amendments of 1955 is amended—

(1) by inserting after "section 221(d)(3)" a comma and the following: "section 235, section 236, section 241, section 243, section 246, and section 203 (n)";

(2) by inserting after "Housing and Urban Development Act of 1965" the following: "or section 8 of the United States Housing Act of 1937"; and

(3) by inserting before the period the following: "and Assistant Secretary for Housing Management".

Sec. 20. Section 1336(a) of the National Flood Insurance Act of 1968 is amended by striking out "December 31, 1976" and inserting in lieu thereof "September 30, 1977".

Sec. 21. Section 720(a) of the Housing and Urban Development Act of 1970 is amended by striking out "June 30, 1975" and inserting in lieu thereof "October 1, 1977".

Sec. 22. Section 810(g) of the Housing and

Community Development Act of 1974 is amended by striking out "and not to exceed $5,000,000 for the fiscal year 1976" and inserting in lieu thereof "not to exceed $6,250,000 for the fiscal year 1976, and for the transition quarter, not to exceed $5,000,000 for fiscal year 1977, and not to exceed $5,000,000 for the fiscal year 1978".

Sec. 23. (a) Section 103(a)(2) of the Housing and Community Development Act of 1974 is amended by striking "fiscal years 1975 and 1976", and inserting in lieu thereof: "fiscal years 1975 and 1976, and $200,000,000 for fiscal year 1977, of which amount not more than 50 per centum may be used under scetion 106(d)(1)(A),".

(b) Section 106 of the Housing and Community Development Act of 1974 is amended by redesignating subsection "(d)" as subsection "(d) (1)"; paragraphs "(1)" and "(2)" as subparagraphs "(A)" and "(B)", respectively; and subparagraphs "(A)", "(B)", and "C)" as clauses "(i)", "(ii)" and "(iii)", respectively.

(c) Section 106(d) of the Housing and Community Development Act of 1974, as amended by subsection (b) of this section, is further amended by adding the following paragraph at the end thereof:

"(2) In the event the total amount available in fiscal year 1977 for allocation under section 106(d)(1) is insufficient to meet in full the hold-harmless needs of metropolitan cities, urban counties, and other units of general local government in metropolitan areas as computed under subsections (g) and (h), the Secretary shall make up any such deficiency from amounts available for use under section 107 and, if such amounts are exhausted, by a ratable reduction in basic grant amounts determined under subsection (b).".

Sec. 24. (a) Section 202(b) of the Flood Disaster Protection Act of 1973 is amended by striking out all that follows the words "shall not apply to" and inserting in lieu thereof the following: "(1) any loan made to extend, renew, or increase the financing or refinancing of a previously occupied residential dwelling completed and occupied as a residence prior to January 1, 1976, (2) any loan to finance the acquisition of a building or structure completed and occupied as a residence or by a small business concern prior to January 1, 1976, (3) any loan or loans, which in the aggregate to do not exceed $10,000, to finance improvments to or rehabilitation of a building or structure occupied as a residence prior to January 1, 1976, or (4) any loan or loans, which in the aggregate do not exceed an amount prescribed by the Secretary, to finance nonresidential additions or improvements for agricultural purposes to a farm.".

(b) Section 3(a)(4) of the Flood Disaster Protection Act of 1973 is amended by striking out the semicolon at the end thereof and adding the following: "and assistance provided under any such Act for natural disasters other than floods;".

Sec. 25. Section 235 of the National Housing Act is amended—

(1) by striking out in subsection (b)(2) "$21,600", "$25,200", "$25,200", and "$28,800" and inserting in lieu thereof "$25,000", "$29,200", "$29,200", and "$33,400", respectively;

(2) by striking out in subsection (i)(3)(B) "$21,600", "$25,200", "$25,200", and "$28,800" and inserting in lieu thereof "$25,000", "$29,200", "$29,200", and "$33,400", respectively.

Sec. 26. (a) Section 221 of the National Housing Act is amended by—

(1) striking out "General Insurance Fund" where it appears in the second proviso of subsection (d)(4)(iv) and inserting in lieu thereof "Special Risk Insurance Fund";

(2) striking out in the fourth sentence of subsection (f) all that follows the words "as the Secretary may determine" and inserting in lieu thereof a period; and

(3) striking out "General Insurance Fund" where it appears in paragraphs (1) and (3) of subsection (g) and inserting in lieu thereof "Special Risk Insurance Fund".

(b) Section 238 of such Act is amended by—

(1) inserting "221," in subsection (b) immediately after the word "sections" each time such word immediately precedes an enumeration of sections of the National Housing Act; and

(2) adding at the end thereof the following new subsections:

"(d) Notwithstanding any other provision of law, there are hereby transferred to the fund created under this section all receipts, funds, and other assets, all actual or contingent liabilities, all commitments for insurance, and all insurance on mortgages, of or chargeable to the General Insurance Fund created by section 519 of this Act which have arisen from or in connection with the insurance of mortgages under section 221 of this Act. All such assets, liabilities, commitments for insurance, and insurance of mortgages shall be and are hereby made assets, liabilities, commitments, and insurance of the fund established under this section as if they had originally been subject or chargeable to such fund.

"(e) Notwithstanding the limitations contained elsewhere in this Act, debentures of the General Insurance Fund may be used to pay mortgage insurance premiums for mortgages insured under section 221 of this Act.".

(c) Section 519(e) of such Act is amended by inserting immediately before "223(e)" the following: "221,".

(d) Notwithstanding any other provision of law, all references to the General Insurance Fund in section 207 or any other section of the National Housing Act shall, to the extent such references pertain to section 221 of that Act, be construed to refer instead to the Special Risk Insurance Fund.

(e) The provisions of subsections (a) through (d) shall become effective on such date, not to exceed ninety days after the date of enactment of this Act, as the Secretary deems appropriate.

Sec. 27. Section 235(a) of the National Housing Act is amended—

(1) by inserting "(1)" immediately after "(a)"; and

(2) by adding at the end thereof the following:

"(2)(A) Notwithstanding any other provision of this section, the Secretary is authorized to make periodic assistance payments under this section on behalf of families whose incomes do not exceed the maximum income limits prescribed pursuant to subsection (h)(2) of this section for the purpose of assisting such families in acquiring ownership of a mobile home consisting of two or more modules and a lot on which such mobile home is or will be situated. Assistance payments under this section pursuant to this paragraph shall be accomplished through payments on behalf of an owner of lower-income of a mobile home as described in the preceding sentence to a financial institution which makes the loan, advance of credit, or purchase of an obligation representing the loan or advance of credit to finance the purchase of the mobile home and the lot on which such mobile home is or will be situated, but only if insurance under section 2 of this Act covering such loan, advance of credit, or obligation has been granted to such institution.

"(B) Notwithstanding the provisions of subsection (c) of this section, assistance payments provided pursuant to this paragraph shall be in an amount not exceeding the lesser of—

"(i) the balance of the monthly payment for principal, interest, real and personal property taxes, insurance, and insurance premium chargeable under section 2 of this Act due under the loan or advance of credit remaining unpaid after applying 20 per centum of the mobile home owner's income; or

"(ii) the difference between the amount of the monthly payment for principal, interest, and insurance premium chargeable under section 2 of this Act which the mobile home owner is obligated to pay under the loan or advance of credit and the monthly payment for principal and interest which the owner would be obligated to pay if the loan or advance of credit were to bear interest at a rate derived by subtracting from the interest rate applicable to such loan or advance of credit the interest rate plus mortgage insurance premium applicable to mortgages insured under subsection (i) of this section at the time such loan or advance of credit is made and the interest rate which such mortgages are presumed, under regulations prescribed by the Secretary, to bear for purposes of subsection (c)(2) of this section.

"(C) For purposes of this paragraph, where used in this section, the terms 'mortgage', 'mortgagor', and 'mortgagee' include a loan or advance of credit, borrower, and financial institution, respectively, as defined under section 2 of this Act."

Sec. 28. The United States Housing Act of 1937 is amended by adding at the end thereof the following:

"Section 32. An assistance payment made with respect to a dwelling unit under this Act may not be considered as income or a resource for the purposes of determining the eligibility or the extent of eligibility of any person living in such unit for assistance under the Social Security Act or any other Federal law.".

Sec. 29. Section 520(3)(B) of the Housing Act of 1949 is amended by adding the words "for lower- and moderate-income families" after the word "credit."

Sec. 30. Section 7 of the Department of Housing and Urban Development Act, is amended by adding at the end thereof a new subsection (n) reading as follows:

"(n) Notwithstanding any other provision of law, the Secretary is authorized by contract or otherwise to establish, equip and operate a day care center facility for the purpose of serving children who are members of households of employees of the department. The Secretary is authorized to establish or provide for the establishment of appropriate fees and charges to be chargeable against the Department of Housing and Urban Development employees or others who are beneficiaries of services provided by such a day care center.".

Sec. 31. The twelfth undersignated paragraph of section 5(c) of the Home Owner's Loan Act of 1933 (12 U.S.C. 1464(c)), as amended, is amended by adding in the first sentence, immediately after the words "made pursuant to either of such sections" and before the period the following language: "and in the share capital and capital reserve of the "Inter-American Savings and Loan Bank' ".

Sec. 32 Section 3(e)(1) of the United States Housing Act of 1937 is amended by inserting after "State or local agency" the following: "or the Farmers Home Administration,".

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 3295.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAIR HOUSING MONTH

Mr. BROOKE. Mr. President, I send to the desk a concurrent resolution and ask that it be stated.

The PRESIDING OFFICER (Mr. GARY HART). The resolution will be stated.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 112) relating to fair housing month.

Mr. BROOKE. Mr. President, title VIII of the Civil Rights Act of 1968 states that "it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States." This month marks the eighth anniversary of the signing of the fair housing law, and as one who was active in the initial passage of the fair housing law, I continue to be concerned about the full and fair enforcement of its provisions.

Primary responsibility for enforcement of the law lies with the Department of Housing and Urban Development through its Office of Fair Housing and Equal Opportunity. That office administers title VIII and carries out a program designed to assure that no person will be discriminated against in the sale, rental, or financing of housing on the grounds of race, color, religion, sex, or national origin. HUD investigates complaints from persons who claim that they have been injured by a discriminatory practice and attempts to resolve these complaints through informal methods of conference, conciliation, and persuasion. If the complaint cannot be resolved informally, the individual may commence legal action or HUD may refer the complaint to the Justice Department for court proceedings.

Last year, over 3,000 complaints were received by HUD. It is estimated that complaints will reach close to 4,000 this year and 5,000 in 1977. This projected increase demonstrates the greater public awareness of this program and the impact of HUD's advertising and educational campaign.

The four bank regulatory agencies—Federal Home Loan Bank Board, Federal Reserve Board, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation—are responsible for enforcing the provisions of title VIII against discrimination in mortgage lending with respect to banks and savings institutions under their jurisdiction. Last month, the Committee on Banking, Housing and Urban Affairs, on which I serve, held oversight hearings on equal opportunity in lending and the enforcement of the provisions of the fair housing law by the bank regulatory agencies.

I commend our distinguished chairman (Mr. PROXMIRE) for holding these hearings, for his leadership, and for the time and attention that he gave to these hearings.

These hearings revealed a disappointing performance by the financial regulatory agencies in the supervision of mortgage lenders and enforcement of fair lending provisions. Clearly, these agencies must do more to comply with the mandate of the fair housing law. They should issue regulations and begin to pursue an affirmative program in the fair lending area.

Earlier this month, HUD Assistant Secretary James Blair indicated that in the area of discrimination by mortgage lenders, HUD, as part of a Federal task force, was exploring ways of getting into the area of institutional discrimination rather than dealing with discrimination in a case-by-case basis. Just last week, the Justice Department filed a major civil rights action charging that virtually all of the Nation's real estate appraisers and savings and loan associations were using "racially discriminatory standards" in appraisal and lending practices, in violation of the fair housing law. Also last week, the Department filed an action in which it charged two mortgage lenders with discriminating against women in making loans in violation of a 1974 amendment to the Fair Housing Law. This recent activity in the fair housing area demonstrates that the goal of equality of access to housing has not yet been achieved for many Americans. However, it is encouraging to see that the Federal Government is now acting to combat discrimination in the important area of real estate appraisal and mortgage lending.

This month, its seems particular appropriate for Congress to commemorate the enactment of the fair housing law, as we have done each year since 1968 during the month of April. The Supreme Court decision in the case of Hills against Gautreaux, which was decided last week, reaffirmed the principle of equal access to housing for all Americans. Mr. President, the resolution I introduce today recognizes the month of April 1976, as fair housing month. It calls upon the Nation to rededicate itself to the goals expressed in the Civil Rights Act of 1968 and calls upon our Government to administer and enforce the law so that fair housing becomes a right guaranteed to all of our citizens.

Mr. PROXMIRE. Mr. President, I commend the Senator from Massachusetts on the resolution. Nobody has worked harder or more effectively for housing than the Senator from Massachusetts has. In fact, I think he is the only Member of the Senate since I have been here, maybe the only Member in history, who has been so effective in getting his amendments adopted. He has them numbered: Brooke 1, Brooke 2, Brooke 3. Incidentally, all of those amendments enable the poor people to get assistance if their income is so low that they cannot afford to pay rent for adequate housing. At any rate, Senator BROOKE has certainly been in the forefront on Brooke-Cranston, on so many measures, perhaps more than any other Senator, Democratic or Republican. He deserves great credit for it. I am so happy to support this resolution.

This resolution, however, is not just a mother-apple pie-American flag ressolution. The fact is that we do not have fair housing in this country. It is an outrage. Eight years after we enacted the 1968 act that guaranteed the opportunity for people, regardless of sex or race, to get fair housing, we have yet to have the first action by the banking regulatory agencies to enforce that law. The Federal Reserve Board, the Comptroller of the Currency, and the FDIC have taken no action to issue regulations They have not issued the first regulation. Banks in this country do not even keep a record of their turndowns by race, so there is no basis for determining discrimination. We have had studies. Every study has shown consistent and cruel discrimination against blacks. On the basis of that record, Mr. President, I think it is about time that we got some action.

I am happy to say that even in the last 48 hours, I think, the civil rights organizations have sued the bank regulatory agencies to require them to obey the law. After 8 years, I think it is about time.

The Senator from Massachusetts has spoken out with great force on this, and great eloquence. I am happy to support his resolution. I hope it can be accepted by the Senate unanimously.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

Whereas it is the policy of the United States to provide, within for fair housing throughout the United States; constitutional limitations,

Whereas this policy and the individual rights and responsibilities attendant on it are set forth in title VIII of the Civil Rights Act of 1968; and

Whereas since 1968, the month of April has been set aside each year for commemoration of the Fair Housing Law, title VIII of the Civil Rights Act of 1968: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress recognizes the month of April 1976 as Fair Housing Month and hereby rededicates itself to the promulgation and practice of the letter and spirit of the Fair Housing Law throughout the month of April 1976 and thereafter.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF ORDER FOR RECOGNITION OF SENATOR HELMS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, are there any orders for recognition of Senators tomorrow?

The PRESIDING OFFICER. There is one order for recognition of Mr. HELMS for 15 minutes.

Mr. HELMS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. Mr. President, I ask unanimous consent that that order be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow, there be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—SENATE JOINT RESOLUTION 178

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 1 o'clock tomorrow, the joint resolution by Mr. Helms, Senate Joint Resolution 178, proposing an amendment to the Constitution of the United States, be made the pending business, without debate; that an amendment in the nature of a substitute by Mr. BUCKLEY and Mr. HATFIELD be adopted without debate; after which, there be debate on the resolution, as amended, limited as follows: 1 hour under the control of Mr. HELMS; 1 hour under the control of Mr. BAYH; and 2 hours under the control of Mr. PACKWOOD, but not necessarily in that order; following which, upon the expiration of which time, Mr. BAYH be recognized for a motion to table the resolution, as amended.

Mr. GRIFFIN addressed the Chair.

The PRESIDING OFFICER. Is there objection? The Senator from Michigan.

Mr. GRIFFIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, has the quorum call been rescinded?

The PRESIDING OFFICER. It has been rescinded.

Mr. GRIFFIN. Mr. President, this Senator, the junior Senator from Michigan, does not object to the unanimous-consent request. However, in my leadership capacity, I am compelled to honor a request by the senior Senator from New York (Mr. JAVITS) who asked to be contacted in the event such a request concerning this legislation were presented.

During the period of the quorum call, I talked by telephone to Senator JAVITS, who is in his office. He asked me to report on his behalf that he does object to the request, and that he wishes to come over to the floor to register his objection unless the request is withdrawn.

Mr. ROBERT C. BYRD. Mr. President, I withdraw the request.

Mr. HELMS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. I thank the Senator.

Mr. President, on yesterday, I sent a letter to each of my colleagues with reference to this matter and I stated therein it was my intention to attempt to call up the proposed constitutional amendment.

I still intend to do that notwithstanding the developments here in connection with the unanimous-consent request which was objected to by the Senator from Michigan on behalf of the distinguished senior Senator from New York (Mr. JAVITS).

So I merely serve notice that it is my intent tomorrow at approximately 1 o'clock or as close thereto as possible to attempt to call up my proposed constitutional amendment.

I thank the Senator.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 noon tomorrow. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 o'clock, p.m., with statements limited therein to 5 minutes each.

I am not in a position to state at this time precisely what measure will be first order of business tomorrow. However, I will list the following as candidates for action, and the list is not confined to these.

Of course, the distinguished Senator from North Carolina has alluded to taking up the joint resolution, Senate Joint Resolution 178, proposing an amendment to the Constitution. Then S. 3312, a bill to authorize the National Credit Union Administration, is a measure which may be taken up; S. 2004, a bill to eliminate a restriction on use of certain lands; S. 1737, a bill to amend the Public Health Service Act to encourage the establishment of uniform standards for licensing and regulation of chemical laboratories.

Those are the likely measures, Mr. President, for consideration tomorrow. Other measures may be taken up. Conference reports, being privileged, of course, may also be taken up.

I would anticipate rollcall votes tomorrow.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. Is it the intention of the leadership to bring up Order No. 707, S. 1624, this week?

Mr. ROBERT C. BYRD. It is not my understanding that that measure will be taken up this week, may I say to the distinguished Senator from Alabama.

I cannot make an ironclad commitment at this point, it is my understanding it is not likely to come up this week.

Mr. ALLEN. I thank the distinguished acting majority leader.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 5:25 p.m., the Senate adjourned until tomorrow, Wednesday, April 28, 1976, at 12 noon.

NOMINATION

Executive nomination received by the Senate April 27, 1976:

DEPARTMENT OF THE INTERIOR

Ronald G. Coleman, of Virginia, to be an Assistant Secretary of the Interior, vice Royston C. Hughes.

HOUSE OF REPRESENTATIVES—*Tuesday, April 27, 1976*

The House met at 12 o'clock noon.

The Chaplain, Reverend Edward G. Latch, D.D., offered the following prayer:

Let us not be weary in well doing; for in due season we shall reap, if we faint not.—Galatians 6: 9.

Almighty God, who hast given us this good land in which to live, make us ready for the duties of this new day. May we have the faith that Thou art with us all the way giving us strength adequate for every need.

Bless our President, our Speaker, Members of Congress, and all who labor with them that they may have the wisdom and the will to work worthily for the well-being of our beloved country. By Thy grace may they promote the welfare of all, providing for the needy, healing our wounds, removing the wrongs in our social order, and creating a spirit whereby we can live together in peace and with good will.

Grant that in this Bicentennial Year we may be united in a common effort to make our Nation a better nation and our world a better world; for Thy name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Roddy, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12572. An act to amend the U.S. Grain Standards Act to improve the grain inspection and weighing system, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12572) entitled "An act to amend the U.S. Grain Standards Act to improve the grain inspection and weighing system, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. MCGOVERN, Mr. HUMPHREY, Mr. HUDDLESTON, Mr. CLARK, Mr. DOLE, Mr. YOUNG, and Mr. BELLMON to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12453) entitled "An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MOSS, Mr. STENNIS, Mr. FORD, Mr. GOLDWATER, and Mr. DOMENICI to be the conferees on the part of the Senate.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS PRESIDENT PROMISES HIS USUAL BACKWARD-LOOKING PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, yesterday President Ford appeared before big business and repeated his uncompromising opposition to anything that would benefit the economy or the people.

He promised his usual backward-looking program of vetoes and full unemployment. He said he was going to fight it out if it takes all summer.

Well, General Grant, who originally used that line, was no great shakes as a President either. It shows you the Republican Party has not changed much between the centennial and the bicentennial.

President Ford is the man who called for a tax increase during the deepest recession. His veto of a tax cut extension would have sabotaged the very economic recovery he crows about today, if Congress had let it stand.

President Ford's entire record consists of rejection or obstruction of congressional initiatives to get the economy well; to put people back to work and to maintain domestic programs. He has been one of the most negative Presidents in our history.

Congress faces the same job today—trying to advance the economic recovery in the face of the President's dogged opposition. Congress is going to keep the economy moving. The budget resolution we consider today is the way we are going to do it. I urge all Members' support.

PERSONAL EXPLANATION

(Mr. DU PONT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DU PONT. Mr. Speaker, on the evening of April 13, 1976, I was absent on business in Delaware, and missed a recorded vote. Had I been present, I would have voted "no" on rollcall No. 196.

RESPONSE TO MAJORITY LEADER'S REMARKS TODAY

(Mr. CEDERBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CEDERBERG. Mr. Speaker, I listened with interest to our majority leader today when he delivered his 1-minute speech, and somehow it seemed to me as he read that statement that he almost did not believe it himself. He was very quiet and very subdued.

I suppose maybe I would have to say this: That the script writer who handed him the speech as he came onto the floor certainly did quite a good job. But somehow, from the way the majority leader read the speech, it was obvious that in his heart he knew he was wrong.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

APRIL 26, 1976.

Hon. CARL ALBERT,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 6:25 p.m. on Monday, April 26, 1976, and said to contain H.R. 8235, "An Act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes."

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.

RETURN OF H.R. 8235, FEDERAL-AID HIGHWAY ACT OF 1975—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read:

To the House of Representatives:

Pursuant to House Concurrent Resolution 618, I am hereby returning the enrolled bill H.R. 8235, "An Act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes," to the House of Representatives for the purpose of making necessary technical corrections.

GERALD R. FORD.
THE WHITE HOUSE, *April 26, 1976.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 26, 1976.

Hon. CARL ALBERT,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 3:34 p.m. on Monday, April 26, 1976, and said to contain a message from the President wherein he transmits the fourteenth special message under the Impoundment Control Act of 1974 for fiscal year 1976.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.

REVISIONS TO TWO PREVIOUSLY TRANSMITTED DEFERRALS UNDER THE IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-468)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report revisions to two deferrals previously transmitted.

A deferral for the Department of Health, Education, and Welfare's overseas program of scientific activities has been increased by $10.7 million. In compliance with a court order, another revenue sharing payment—this one for $18.7 million—to the city of Chicago has been deferred by the Department of the Treasury.

The details of each revised deferral are contained in the attached reports.

GERALD R. FORD.
THE WHITE HOUSE, *April 26, 1976.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 26, 1976.

Hon. CARL ALBERT,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 3:34 p.m. on Monday, April 26, 1976, and said to contain a message from the President wherein he transmits the Twentieth Annual Report on the Trade Agreements Program.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.

TWENTIETH ANNUAL REPORT ON TRADE AGREEMENTS PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-469)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

In accordance with the provisions of section 163(a) of the Trade Act of 1974, I am pleased to submit herewith a report on the trade agreements program and on import relief and adjustment assistance for workers, firms, and communities under the Act in calendar year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *April 26, 1976.*

ANNUAL REPORT OF ADMINISTRATOR, NATIONAL CREDIT UNION ADMINISTRATION, FOR CALENDAR YEAR 1975—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing:

To the Congress of the United States:

Pursuant to the provisions of Title I, section 102, of the Federal Credit Union Act, as amended, (12 U.S.C. 1752a.(e), I hereby transmit to the Congress the Annual Report of the Administrator, National Credit Union Administration, for the calendar year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *April 27, 1976.*

FIRST ANNUAL REPORT OF THE U.S. NUCLEAR REGULATORY COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

Pursuant to the provisions of Section 307(c) of the Energy Reorganization Act of 1974 Public Law 93-438, I transmit herewith the first Annual Report of the United States Nuclear Regulatory Commission.

GERALD R. FORD.

THE WHITE HOUSE, *April 27, 1976.*

DRUG ABUSE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-470)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

To the Congress of the United States:

I address this message to the Congress on a matter which strikes at the very heart of our national well-being—drug abuse.

The cost of drug abuse to this Nation is staggering. More than 5,000 Americans die each year from the improper use of drugs. Law enforcement officials estimate that as much as one half of all "street crime"—robberies, muggings, burglaries—are committed by drug addicts to support their expensive and debilitating habits. In simple dollar terms, drug abuse costs us up to $17 billion a year.

But these statistics—ominous as they are—reflect only a part of the tragic toll which drug abuse exacts. For every young person who dies of a drug overdose, there are thousands who do not die but who are merely going through the motions of living. They sit in classrooms without learning. They grow increasingly isolated from family and friends. At a time when they should be preparing for the future, they are "copping out" on the present.

The problem, moreover, is not limited to youth or to the disadvantaged. It extends to citizens of all ages and all walks of life—from the housewife to the college professor. The cumulative effect is to diminish the quality and vitality of our community life; to weaken the fabric of our Nation.

When this problem exploded into the national consciousness in the late 1960's, the response of the Federal Government was swift and vigorous. Federal spending on a comprehensive program to control drug abuse grew from less than $100 million in 1969 to over three-quarters of a billion in 1974; specialized agencies like the Drug Enforcement Administration and the National Institute on Drug Abuse were created; and international diplomatic efforts to mobilize the assistance of foreign governments in a world-wide attack on drug trafficking were intensified.

With the help of State and local governments, community groups and our international allies in the battle against narcotics, we were able to make impressive progress in combatting the drug menace. So much so that by mid-1973 many were convinced that we had "turned the corner" on the drug abuse problem.

Unfortunately, while we had won an important victory, we had not won the war on drugs. By 1975, it was clear that drug use was increasing, that the gains of prior years were being lost, that in human terms, narcotics had become a national tragedy. Today, drug abuse constitutes a clear and present threat to the health and future of our Nation.

The time has come to launch a new and more aggressive campaign to reverse the trend of increasing drug abuse in America. And this time we must be prepared to stick with the task for as long as necessary.

Because of my deep concern about this problem and my personal commitment to do something about it, last year I directed the Domestic Council to undertake a thorough review and assessment of the adequacy of the Federal drug program. That review, which culminated in the publication of the *White Paper on Drug Abuse,* has helped tremendously to refocus and revitalize the Federal effort. We have made substantial progress in implementing the many sound recommendations contained in the White Paper, but more needs to be done.

And more will be done. The first need for stronger action is against the criminal drug trafficker. These merchants of death, who profit from the misery and suffering of others, deserve the full measure of national revulsion. They should be the principal focus of our law enforcement activities—at the Federal, State and local level. In this regard, I am pleased to note that arrests by Federal law enforcement officers of major drug traffickers are up substantially over previous years. However, the progress we have made in improving our ability to *apprehend* these traffickers will be lost unless major changes are made in the way our criminal justice system deals with drug traffickers *after arrest.*

Justice Department statistics show that one out of every four persons convicted of trafficking in heroin received no prison sentence at all. One out of every three received a sentence of less than three years. And since convicted traffickers are eligible for parole upon the completion of one-third of their sentence, even those who received longer sentences rarely served more than a few years.

I believe this is wrong. It is wrong for the criminals who profit by selling drugs, it is wrong for the victims of drugs, and it is wrong for our system of justice. Laws which permit traffickers to go free to prey again on society should be changed. These criminals must know with certainty that, if convicted, they will go to jail for a substantial period of time. Only then will the risk of apprehension be a deterrent rather than just another cost of doing business.

Accordingly, I will submit to the Congress this week legislation which will require mandatory minimum prison sentences for persons convicted of trafficking in heroin and similar narcotic drugs. Sentences under this legislation would be at least three years for a first offense and at least six years for subsequent offenses or for selling to a minor.

I want to emphasize that the purpose of this proposal is not to impose vindictive punishment but to protect society from those who prey upon it and to deter others who might be tempted to sell drugs. Considering the terrible human toll that drug addiction takes and the extent to which it contributes to more and more crime, it is a matter of high priority that Congress make our laws more effective in curbing drug traffic.

Another serious problem with current Federal law is that even the most notorious drug traffickers are usually released on bail soon after arrest. The bail is often small and the profits from drug trafficking are large, so raising and then forfeiting the bail is just another cost of doing business. A 1974 Justice Department study shows that 48 percent—nearly one out of two—of a sample of individuals arrested for trafficking in narcotics were implicated in post-arrest drug trafficking while out on bail. Other studies show that approximately one-fourth of all bail jumpers in drug cases are aliens who were caught smuggling drugs into the country. These offenders simply flee to their homelands upon posting bail. There, they serve as walking advertisements for international traffickers attempting to recruit other couriers.

This, too, is wrong. Therefore, in addition to asking Congress to establish mandatory minimum sentences, I shall submit to Congress legislation that would enable judges to deny bail if a defendant arrested for trafficking heroin or dangerous drugs is found (1) to have previously been convicted of a drug felony; (2) to be presently free on parole; (3) to be a non-resident alien; (4) to have been arrested in possession of a false passport; or (5) to be a fugitive or previously convicted of having been a fugitive.

Next, the Federal government must act to take the easy profits out of drug selling.

We know that tremendous amounts of money are illegally taken out of the country each day, either to purchase drugs or to transfer profits made by selling drugs to safe and secret bank accounts abroad. To prevent this money from being smuggled out of the country, I will ask Congress to grant to the U.S. Customs Service the authority to search persons suspected of smuggling money out of the country as Customs now has the authority to search for contraband entering the country.

I shall ask Congress to pass legislation requiring the forfeiture of cash or other personal property found in the possession of a narcotics violator—where it is determined that it was used or was intended for use in connection with an illegal drug transaction.

I shall ask Congress to change provisions of the law which allow the seizure of vehicles, boats and aircraft used to smuggle drugs. At present, these may be seized by administrative action only if the value of the property is less than $2,500; otherwise action by a Federal judge is necessary.

This $2,500 limitation is out of date and must be changed. Therefore, I shall ask Congress to raise to $10,000 the ceiling for administrative forfeitures. This will not only make law enforcement against traffickers more swift and more effective but it will also help to relieve court congestion.

I shall ask Congress to tighten the provisions of the law relating to small privately owned boats reporting to Customs after their arrival. At present, the masters of these vessels have 24 hours to report their arrival to Customs—and that is ample time to unload contraband. I shall ask Congress to pass legislation requiring such vessels to report to Customs immediately upon their arrival.

I call on Congress also to ratify an existing treaty for the international control of synthetic drugs.

Over the past fifty years the major nations of the world have worked out treaty arrangements for the international control of drugs with a natural base, such as opiates and cocaine. But no similar arrangements exist for the control of synthetic drugs—such as barbiturates, amphetamines and tranquilizers; and the abuse of these synthetic drugs is a growing problem which is now almost as serious as the abuse of heroin in the United States.

Five years ago the United States played a major role in the preparation of the 1971 Convention on Psychotropic Substances, a treaty to deal with international traffic in synthetic drugs. But the Senate has not yet ratified this treaty, and Congress has not yet passed the enabling legislation.

The delay in U.S. ratification of the Convention has been an embarrassment to us. Moreover, it has made it extremely difficult for us to urge other countries to tighten controls on natural-based narcotic substances, when we appear unwilling to extend international controls to amphetamines, barbiturates and other psychotropic drugs which are produced here in the United States.

So far, I have emphasized the need for additional legislation and Congressional action.

But there are Executive actions which I can take and I am today doing so.

The Federal program to control drug abuse is as diverse as any in government, involving some seven Cabinet departments and seventeen agencies. It is vitally important that the efforts of these departments and agencies be integrated into an effective overall program but that responsibility for specific program management rest with the appropriate departments and agencies.

Accordingly, I am today establishing two new Cabinet committees—one for drug law enforcement and the other for drug abuse prevention, treatment and rehabilitation.

The Cabinet Committee for Drug Law Enforcement will consist of the Attorney General as chairman and the Secretaries of the Treasury and Transportation. The Cabinet Committee on Drug Abuse Prevention, Treatment and Rehabilitation will consist of the Secretary of Health, Education, and Welfare as chairman, the Secretary of Defense, the Secretary of Labor and the Administrator of the Veterans Administration. I charge the Attorney General and the Secretary of HEW, as chairmen of these committees, with responsibility for oversight and coordination at all Federal activities within their respective areas.

In carrying out his responsibilities as Chairman of the new Cabinet Committee on Drug Abuse Prevention, Treatment and Rehabilitation, the Secretary of HEW should give particular attention to developing expanded vocational rehabilitation opportunities for drug addicts. Experience has shown that treatment alone is not enough. Unless something is done to alter the fundamental conditions which led the individual to seek escape through drug use, a relapse is likely. A job, with the dignity and self-esteem it brings, is essential to help the individual re-enter the mainstream of American life. Further, the Secretary of HEW and the Attorney General will work together to develop plans for improving the coordination between the drug abuse treatment system and the criminal justice system.

I am directing the Secretary of the Treasury to work with the Commissioner of the Internal Revenue, in consultation with the Attorney General and the Administrator of the Drug Abuse Enforcement Administration, to develop a tax enforcement program aimed at high-level drug traffickers. We know that many of the biggest drug dealers do not pay income taxes on the enormous profits they make on this criminal activity. I am confident that a responsible program can be designed which will promote effective enforcement of the tax laws against these individuals who are currently violating these laws with impunity.

No matter how hard we fight the problem of drug abuse at home, we cannot make really significant progress without the continued cooperation of foreign governments. This is because most dangerous narcotics are produced in foreign countries. Thus, our capability to deal with supplies of drugs available in the United States depends largely on the interest and capability of foreign governments in controlling the production and shipment of illicit drugs.

Many countries still see drug abuse as primarily an American problem and are unaware of the extent to which the problem is truly global in scope. Poorer nations find it difficult to justify the allocation of scarce resources to deal with drug abuse in the face of many other pressing needs. Also, some opium producing countries lack effective control over, or access to, growing areas within their boundaries and, thus, their efforts in drug control programs are made more difficult.

Still, we have been reasonably successful in enlisting the cooperation of foreign governments. We must now intensify diplomatic efforts at all levels in order to encourage the greatest possible commitment from other governments to this international problem. We must continue to provide technical and equipment assistance through cooperative enforcement efforts with U.S. agents stationed overseas, all aimed at strengthening drug control organizations within foreign countries. And we must continue to participate in building institutions and a system of international treaties which can provide a legal framework for an international response to this international problem.

I have spoken personally to Presidents Echeverria of Mexico and Lopez-Michelsen of Colombia and with Prime Minister Demirel of Turkey in an effort to strengthen cooperation among all nations involved in the fight against illicit drug traffic. I intend to continue to urge foreign leaders to increase their efforts in this area. Attorney General Levi has recently discussed drug control problems with the Attorney General of Mexico and Secretary of State Kissinger has discussed narcotic control efforts with senior officials in Latin America on his recent trip there. I have asked both of them, as well as our Ambassador to the United Nations, William Scranton, to continue to expand these important discussions.

The reactions of the governments which we have approached have been positive—there is a genuine and healthy air of mutual concern and cooperation between our countries and I am confident that our joint efforts will bring about a real reduction in drug trafficking into the United States.

One recent example of the new awareness and commitment of foreign governments to this struggle deserves special mention. President Echeverria has written to inform me of his intention to set up a cabinet level commission to coordinate all law enforcement and drug treatment programs within Mexico and to suggest that his commission might periodically exchange information and ideas with a counterpart here. This proposal, which was the result of discussions between President Echeverria and concerned members of the United States Congress, stands as a clear signal that the Mexican government recognizes the need to build a coordinated response to the problem of drug abuse. I believe the periodic exchange of views on this matter between our two nations would be helpful. Accordingly, I am assigning responsibility for liaison with the Mexican Commission to the Cabinet Committee on International Narcotic Control and I am directing the Secretary of State, as Chairman of the CCINC to immediately form an executive committee to meet with its Mexican counterpart to discuss ways in which our government can collaborate more effectively. We shall of course consult with concerned members of Congress as these efforts are carried on.

Drug abuse is a national problem. Our national well-being is at stake. The Federal Government—the Congress, the Executive Branch and the Judicial Branch—State and local governments, and the private sector must work together in a new and far more aggressive attack against drugs.

I pledge that the Federal Government will maintain the high priority which it has given this problem. We will strengthen our law enforcement efforts and improve our treatment and rehabilitation programs. With Congress' help, we will close loopholes in our laws which permit traffickers to prey on our young; and we shall expect the courts to do their part.

All of this will be of little use, however, unless the American people rally and fight the scourge of drug abuse within their own communities and their own families. We cannot provide all the answers to young people in search of themselves, but we can provide a loving and a caring home; we can provide good counsel; and we can provide good communities in which to live. We can show through our own example that life in the United States is still very meaningful and very satisfying and very worthwhile.

Americans have always stood united and strong against all enemies. Drug abuse is an enemy we can control but there must be a personal and a national dedication and commitment to the goal.

If we try, we can be successful in the long run. I am convinced we can—and that we will.

Gerald R. Ford.

The White House, *April 27, 1976.*

CALL OF THE HOUSE

Mr. MILLER of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 200]

Abzug
Anderson, Calif.
Andrews, N.C.
Archer
Ashley
Aspin
Badillo
Bell
Bergland
Bevill
Bingham
Bolling
Breaux
Broyhill
Burton, Phillip
Clancy
Conlan
Conyers
Coughlin
D'Amours
de la Garza
Dellums
Dent
Derwinski
Diggs
Dingell
Drinan
Eilberg
Esch
Eshleman
Evans, Colo.
Gaydos
Gibbons
Green
Gude
Harrington
Harsha
Hayes, Ind.
Hébert
Hefner
Heinz
Hinshaw
Howard
Hungate
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Karth
Kemp
McCloskey
McCormack
McKay
Macdonald
Madden
Martin
Mitchell, Md.
Morgan
Mottl
Murphy, N.Y.
Nix
Nolan
Pepper
Peyser
Rees
Rhodes
Riegle
Risenhoover
Roberts
Rooney
Rose
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schulze
Shuster
Sisk
Skubitz
Solarz
Stanton, James V.
Stark
Steelman
Steiger, Ariz.
Stuckey
Sullivan
Teague
Thompson
Udall
Vander Jagt
Vigorito
Waggonner
Walsh
White
Wilson, Tex.
Yatron
Young, Alaska

The SPEAKER. On this rollcall 334 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REQUEST FOR CONSIDERATION OF SENATE AMENDMENTS TO H.R. 9721, INTER-AMERICAN DEVELOPMENT BANK

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill—H.R. 9721—to provide for increased participation by the United States in the Inter-American Development Bank, to provide for the entry of nonregional members and the Bahamas and Guyana in the Inter-American Development Bank, to provide for the participation of the United States in the African Development Fund, and for other purposes, with the Senate amendments thereto, disagree to the Senate amendments Nos. 1, 2, 4, 6, and 7, concur in the Senate amendments Nos. 3 and 8, and concur in the Senate amendment No. 5 with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 3, strike out lines 19 to 23, inclusive.

Page 3, line 24, strike out "103." and insert: "102."

Page 5, line 4, strike out "Governor" and insert: "Executive Director".

Page 7, line 6, strike out "104." and insert: "103."

Page 14, after line 3, insert:

"Sec. 212. The United States Governor of the Fund is authorized and directed to instruct the Executive Director representing the United States to vote against any loan, any extension of financial assistance, or technical assistance to any government which provides refuge to individuals committing acts of international terrorism, such as the hijacking of an aircraft. Such votes shall be cast until the end of the period of one year beginning on the date when the first such vote is cast by the Executive Director representing the United States, except that if during its period of ineligibility for assistance such country aids or abets any other individual who has committed an act of international terrorism, such country's period of ineligibility shall be extended for an additional year for each such case."

Page 14, after line 3, insert:

"Sec. 213. None of the funds authorized to be appropriated under this Act shall be granted to, loaned to, or otherwise used for the benefit of the nation of Uganda. The United States Governor is directed promptly to notify the Senate Committee on Foreign Relations and the House Committee on International Relations as to any application made by Uganda for loans or other financial assistance from the Fund."

Page 14, after line 3, insert:

"TITLE III—AUTHORIZATION FOR INTERNATIONAL ATOMIC ENERGY AGENCY

"Sec. 301. Section 302 of the Foreign Assistance Act of 1961 is amended by adding a new subsection (i) to read as follows:

"'(i) In addition to amounts otherwise available under this section, there are authorized to be appropriated for fiscal year 1976 and to remain available until expended $1,000,000 to be available only for the International Atomic Energy Agency to be used for the purpose of strengthening safeguards and inspections relating to nuclear fissile facilities and materials.'."

Page 14, after line 3, insert:

"TITLE IV—SWINE INFLUENZA

"Sec. 401. (a) The Congress finds and declares that—

"(1) the problems posed by swine influenza transcend national and political boundaries;

"(2) no one country, or even one portion of the world, can singularly undertake the search for a worldwide solution to the problems posed by swine influenza;

"(3) the global nature of swine influenza demands international cooperation and coordination in the investigation and planning for effective control of swine influenza;

"(4) the Public Health Service of the United States has invited the World Health Organization of the United Nations and its International Influenza Reference Centers to participate in the investigation and planning for the control of swine influenza;

"(5) special collaboration has already been established among the United States, the United Kingdom, and Canada for mutual participation in the investigation and planning for the control of swine influenza;

(6) the United States Department of State and the Public Health Service of the United States have joint programs to provide information to foreign countries on the nature and extent of swine influenza and the methods necessary to control it; and

"(7) the technology of the United States for the surveillance of virus disease and vaccine production should be made available to foreign countries.

"(b) It is the sense of the Congress that the President should furnish assistance to foreign countries and international organizations for the investigation and planning for the control of swine influenza."

The SPEAKER. The Clerk will report the House amendment to Senate amendment No. 5.

The Clerk read the House amendment to the Senate amendment No. 5 as follows:

Omit the matter proposed to be inserted by the Senate amendment and on page 13, line 3 of the bill (H.R. 9721) immediately after "person," insert the following: "and including providing refuge to individuals committing acts of international terrorism such as the hijacking of an aircraft,".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GRASSLEY. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

INTER-AMERICAN DEVELOPMENT BANK

Mr. GRASSLEY. Mr. Speaker, I object to bringing H.R. 9721 under unanimous consent procedures because included within the measure is a deletion of an earmark which mandates that $50 million of our contributions to the IDB's Fund for Special Operations be used to assist "responsible" coperatives, credit unions, and savings and loans in Latin America. A full explanation of the need for this earmark is included within House Report 94-541. I will simply say here that it is through these institutions that money will be able to reach communities and individuals at the grassroots level and thus assure that the need for local capital is being met. This is a crucial policy goal if the needs of agriculture are to be met and if the average Latin American citizen is to choose free enterprise rather than communism as a way of life.

Keep in mind that the funds in question would be used to "increase the productive capacity of rural and urban citizens at the most economically disadvantaged level." Unfortunately, there is not now a large middle-class in Latin America, and it is only through this sort of earmarking that we will be able to underwrite the growth of such a class and, ultimately, the stability that follows that growth. In fact, the Senate report on this bill indicates that the earmarking has caused some changes in lending patterns at the IDB, changes in line with the goals of the earmark. The earmark, then, seems to have made some impression, and should be allowed to continue to do so.

In any case, my objection to bringing up H.R. 9721 under unanimous consent will at least force the House to review the proposed deletion with the seriousness that it deserves.

PERMISSION TO FILE CONFERENCE REPORT ON S. 3065, THE FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight, April 27, 1976, to file a conference report on S. 3065, Federal Election Campaign Act Amendments of 1976.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION TO CALL UP CONFERENCE REPORT ON S. 3065 ON THURSDAY, APRIL 29, 1976

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent that it shall be in order to call up the conference report on the Senate bill (S. 3065) on Thursday, April 29, 1976, or any day thereafter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman from Ohio explain what the necessity would be for not allowing the House to have the usual 3 days to consider the conference report before calling it up.

Mr. HAYS of Ohio. Well, there is a lot of pressure, at least in the press, on getting this Federal election law passed and the Commission reconstituted. I am doing what I can to get it before the House this week.

We are meeting at 3 o'clock. The bill has already been agreed upon. We are meeting at 3 o'clock to agree upon the report. I hope and I believe that it will be agreed upon. My information is that both the majority and minority staffs of both the House and Senate have agreed on the language. If that is true, we will file a report this afternoon. It will be available all day tomorrow for the Members to study.

I would hope to bring it up on Thursday.

Mr. BAUMAN. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1977

Mr. ADAMS. Mr. Speaker, pursuant to section 305(a), title 3, of Public Law 93-344, the Congressional Budget Act of 1974, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 611) setting forth the congressional budget for the U.S. Government for the fiscal year 1977, and revising the congressional budget for the transition quarter beginning July 1, 1976.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. ADAMS).

The motion was agreed to.

The SPEAKER. The Chair designates the gentleman from Missouri (Mr. BOLLING) as Chairman of the Committee of the Whole and requests the gentleman from Hawaii (Mr. MATSUNAGA) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, House Concurrent Resolution 611, with Mr. MATSUNAGA (Chairman pro tempore) in the chair.

The Clerk read the title of the concurrent resolution.

By unanimous consent, the first reading of the concurrent resolution was dispensed with.

The CHAIRMAN pro tempore. Pursuant to section 305(a), title 3, of Public Law 93-344, the Congressional Budget Act of 1974, the gentleman from Washington (Mr. ADAMS) will be recognized for 5 hours, and the gentleman from Ohio (Mr. LATTA) will be recognized for 5 hours.

The Chair recognizes the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of House Concurrent Resolution 611, the first concurrent resolution on the budget for fiscal year 1977 which is designed to sustain the economic recovery now underway and thwart any attempt by the administration to induce another election year boom-bust cycle such as that we have become all too familiar with during the past 8 years.

Adoption of this first budget resolution will set the guidelines for further congressional action on spending and revenues for the coming fiscal year which begins on October 1, additionally, the resolution will set ceilings for the major budget aggregates for the transition quarter, July 1 through September 30.

Before discussing the major features of this resolution, I want to commend the members of the Budget Committee and the entire House for our success to date in the implementation of the Congressional Budget Act. For fiscal year 1976, before implementation of the act was even required under the law, the Congress was able to set targets and then ceilings for the major budget aggregates. Despite dire warnings to the contrary, Congress has been able to live within its spending ceilings.

We substantially revised the President's budget priorities and established congressional goals designed to produce economic recovery. The congressionally induced recovery, although still somewhat fragile, now appears to be successful. It is ironic that the President now wants to take credit for a recovery that his budget proposals did little, or nothing, to produce.

It has apparently become the destiny of the congressional budget process that we save the President in spite of himself by putting into place each year a budget that arrests the recession and puts the Nation on the road to economic recovery. And we do it despite the best efforts of the Nixon-Ford administration to the contrary.

If that is the way it must be, then so be it. Because we must refuse to play the kind of politics with the budget process that will injure the Nation's economy. If we had wanted to play that kind of politics, we would have given the President the budget he asked for and watched the Nation slide even deeper into recession with hopes for a recovery strangled at birth.

Instead, the Congress, acting through the medium of its own budget process, has arrested the slide and placed America on the road to recovery—no thanks to Mr. Ford, who fought us every step of the way—as we raised the tax cut by over $9 billion, primarily directed toward individuals, rather than large corporations and businesses.

Now we are about to fight the same battle again. The President is happy with our tentative recovery—since its timing coincides with the Presidential election.

And yet, here he is again trying to

get Congress to pass a tax cut to the wealthy and a restrictive budget that will surely lead to the strangling of the recovery and a return to the recession after the election.

The President said in Philadelphia this week that the economy is improving thanks to the 1975 cut in personal income taxes which, I might add, had to be passed by Congress over his bitter opposition and extended into this year over his veto.

Let us look at the facts.

Last year's Ford budget proposal sought a personal tax cut to $11.3 billion for calendar year 1975 and a threat to veto any extension of that tax cut into 1976—that is a fact.

Congress passed a tax cut of $20 billion for calendar year 1975 in March of last year—that is a fact.

The President vetoed the congressional passed extension of the tax cut in December of last year—that is a fact.

Congress passed the tax cut extension a second time in December of last year despite the President's unfulfilled threat to veto it yet again—that is a fact.

Now, considering these facts, who do we have to thank for the tax cut that the President admits has helped fuel the recovery from this, the most severe, of a recent series of Nixon-Ford induced recessions? I think the people can figure it out for themselves. The President is taking credit for a recovery he tried to thwart, from a stagflation he induced. This is incredible.

In 1973–74 the Nixon-Ford administration gave us inflation by letting oil and food prices go up and by tightening the money supply. Not content with this dismal economic record they fought Congress tooth and nail as we finally managed to control oil prices by legislative fiat.

Then, as we started the budget process, the budget resolution contained, in addition to the tax cut, a job-creating package of $35.4 billion in budget authority which we said was necessary if we were ever to arrest the recession and move toward recovery.

The administration's response was to veto three key elements amounting to $17 billion in budget authority in that package—the emergency jobs and housing programs and the accelerated public works-countercyclical aid program. In the teeth of those vetoes, we passed again the first two of these programs in modified form, restoring $8 billion in budget authority of the vetoed legislation.

Congress can take pride in the fact that the fiscal policy adopted in the two budget resolutions for fiscal year 1976 has played a major role in reversing the recession and spurring the strong economic recovery now underway.

Major economic indicators tell us that while the recovery is not as fast as we would like, the economy is on track in terms of the congressional goals for fiscal year 1976. As such, the economy is in far better shape than it would be had we followed the President's economic game plan.

When Congress began the budget process last year, the President sent us a restrictive budget proposal of $350 billion that projected an average unemployment rate of 7.9 percent for calendar year 1976 and an inflation rate of 7.8 percent for the same time frame.

This was in marked contrast with the Congress budget which increased the tax cut and provided for jobs while projecting an unemployment rate of under 7 percent and an inflation rate of only 6 percent by the end of calendar year 1976.

In the end it was the Congress tax and stimulus budget that prevailed over the President's proposal and now we see that our economic forecasts—not his—are being fulfilled with an unemployment rate of 7 percent or less and an inflation rate of 6 percent or below by December of this year.

While this unemployment rate is still far too high, it is a level substantially below the President's forecasts. And this can be achieved while also reducing the budget deficit 34 percent below the fiscal year 1976 resolution.

If you look at the facts, the record is clear.

The President tried to inflict upon us the kind of economic policy that would have left us wallowing in the worst recession since 1929. He failed because we would not let him and insisted instead upon the kind of economic policy that has led us out of the recession and onto the path of recovery.

Faced with this reality he is now trying to take the credit for what is past and prevent us from doing what is right for the future. He is wrong and he knows it and I, for one, will not let him get away with it.

The Budget Committee's recommendations for fiscal year 1977 reflect a balanced approach to national priorities. The recommended budget totals are designed to sustain the economic recovery, maintain vital domestic programs, and provide for a strong national defense. The totals for the major budget aggregates are as follows:

Revenues	$363,000,000,000
Budget authority	452,261,000,000
Budget outlays	413,625,000,000
Deficit	50,625,000,000
Public debt	711,900,000,000

The Budget Committee's proposed outlay level of $413.6 billion exceeds the President's revised request of $395.8 billion. This difference is accounted for largely by our priority choices. The committee resolution provides for targeted economic stimulus and continued funding for essential domestic programs while the President had proposed drastic program cuts in order to offset further tax reductions. Thus, the committee resolution, while projecting a deficit roughly comparable to the President's, is able to create 1,100,000 more jobs than anticipated in the President's budget. It rejects the administration's proposals for social security payroll tax increases as well as proposals for new individual and corporate tax cuts primarily aiding the wealthy.

The committee recommendation is nonetheless a frugal one. It falls below the Congressional Budget Office projection of funds required to continue all programs at current policy levels and assumes program reforms in a number of areas. Additionally, the resolution recommends spending levels substantially below the amounts contained in the views and estimates submitted by some house committees.

In its targeting, the committee rejected the funding levels associated with the President's block grant proposals in the areas of health, social services, education and child nutrition. House Concurrent Resolution 611 projects substantial increases over the administration budget for human resources programs. In fact, outlays for the education, training, employment, and social services functions would exceed the President's request by over 30 percent.

The committee resolution accepts the administration's proposals for real growth over fiscal year 1976 levels in spending for national defense and energy. At the same time, the committee rejects the President's proposals to finance energy programs through off-budget programs, thereby understating real costs to the Federal Government. We believe Congress and the American people should be aware of the true budget amounts needed for these programs and budgetary gimmicks are uncalled for.

The committee is concerned that the proposed reductions in the President's budget would fall heavily on State and local governments, which would have to assume the higher costs resulting from reduced Federal aid. The committee's recommendations provide $11.3 billion more for State and local grant-in-aid programs than is provided by the President's budget. At a time when State and local revenues are adversely affected by unemployment, it is highly inappropriate to cut back on the level of Federal assistance.

While the committee targeted substantial sums for job creation, it also carefully reviewed existing programs to determine what savings can be effected this year. House Concurrent Resolution 611 assumes a number of important reforms. For example, the committee recommends adoption of the President's proposals for pay reform—a savings estimated at $1.2 billion in fiscal year 1977 and totaling $1.4 billion through fiscal year 1981.

The committee recommends reform of the food stamp program, with savings of $400 million, but rejects the unrealistic $1.4 billion reduction proposed by the President.

The committee recommends adoption of cost control legislation in health to curb escalating medicare and medicaid costs, with fiscal year 1977 savings of $700 million. At the same time, it provides $50 million in startup funds if some form of health insurance program is initiated by new legislation.

The committee also recommends changes in the prepayment provisions of veterans readjustment programs or other legislative or administrative actions with respect to veterans programs to achieve savings of over $200 million in fiscal year 1977.

The committee has devoted considerable attention to realistic budgeting. We recognize the difficulty of making accurate estimates in many spending programs which are affected by economic conditions, natural disasters, international events, and unforeseen circumstances. At the same time, the committee is aware that the common practice in Presidential estimating is excessively optimistic. During fiscal year 1976, the President increased his outlay estimates by approximately $24 billion over the budget request he submitted to Congress. Of that amount, $18 billion was due to understated outlays in certain major programs.

The committee attempted last year and again in this resolution to make realistic estimates even where the results may be unpleasant. For fiscal year 1976, the Congress budget estimates were far closer to the mark than the administration's proposals. That is one of the reasons why we are on target for fiscal year 1976 right now.

For fiscal year 1977, the committee added approximately $4 billion to the President's budget levels to reflect more realistic assumptions concerning legislative matters and program activities. In the area of receipts from the sale of offshore oil leases, the committee reduced the President's optimistic $6 billion estimate to a more appropriate $4 billion. For human resources programs, the committee's estimates of participation rates in health, income security, and veterans programs raise the President's outlay totals by approximately $1.4 billion.

The committee is concerned that the President's budget does not include funds for fiscal year 1977 cost-of-living increases for veterans. Without $1.2 billion in additional budget authority and outlays, veterans' pension benefits would revert to fiscal year 1975 levels. The Budget Committee did not include this $1.2 billion for veterans' cost-of-living adjustments in the budget resolution as reported from committee. To encourage honest budgeting, the committee asked the President to submit a budget amendment including this amount which we all know will have to be provided this year. We are dismayed by the President's refusal to revise his budget by this amount.

It is my understanding that an amendment to include the $1.2 billion for veterans' benefits will be offered. Members should be aware that the omission of these amounts from the committee resolution is in no way intended to reflect committee opposition to this cost-of-living increase. Rather, the committee wishes to call attention to the President's omission in his budget request. When the congressional budget authority, outlay, and deficit totals go up by this amount, the same increase ought properly be charged against the President's budget as well.

For the benefit of the Members, I would also like to review the procedures for consideration of the budget resolution in order to encourage a full priorities debate and give the House a full and fair opportunity to work its will. As the Chair noted during consideration of the first budget resolution last year, the procedures governing consideration of budget resolutions are set forth in section 305(a) of the Congressional Budget and Impoundment Control Act of 1974. They are as follows:

First, 10 hours are permitted for general debate, which is to be equally divided between the majority and minority parties. A motion to limit debate is not debatable.

Second, amendments are to be considered under the 5-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives.

Third, after the Committee of the Whole rises and reports the resolution back to the House, the previous question is considered to be ordered on the resolution and any amendments to the resolution to final passage without intervening motion; except that at any time prior to final passage it is in order to adopt an amendment or series of amendments changing any figure or figures in the resolution to the extent necessary to achieve mathematical consistency.

And fourth, a motion to recommit the resolution or reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

I would further point out that amendments will be in order in accord with the usual rules of the House. Amendments must strike out one figure or figures and insert another or others in their place. The explanation of an amendment should make clear the purpose for which the aggregates and/or functional categories are to be changed, in order to preserve an accurate legislative history of the intent of the House.

I would point out to the Members that the report on the first budget resolution indicates the specific changes the Budget Committee recommends from the President's budget in every major area, so the House can be aware with some precision of the underlying assumptions on which our priority members are premised.

Further, I would remind the Members that this congressional budget is not intended as a line item budget. Shifts within the functions are well within the purview of the appropriate committees. As required by the statute, the concurrent resolution contains the five budget aggregates and the budget authority and outlays for each functional category. Thus, I want to state my intention to raise a point of order against any amendments that attempt to earmark or limit funds for a particular program or a functional category, or to exclude from the aggregate totals in the resolution funds for a particular program or functional category or any other amendments which deviate from the fundamental purpose of the resolution. In my opinion, such amendments would not be germane.

The legislative history is clear that these resolutions should be confined to the overall budget picture. The act itself, in section 301(a)(1), provides that the resolution must contain such totals. Amendments which seek to exclude from the total funds for a particular program or category in effect increase the level of total budget outlays. Such amendments would violate the provisions of the act and would not be within the fundamental purpose of the resolution.

Mr. Chairman, for the further benefit of the Members, a brief summary of the revenues and functional categories of the budget follows:

BRIEF SUMMARY OF REVENUES AND FUNCTIONAL CATEGORIES

REVENUES

The Committee resolution recommends a revenue level of approximately $363.0 billion in fiscal year 1977, substantially higher than the $351.3 billion recommended in the President's budget. This recommendation is based on the Committee's economic projections and on the following major assumptions:

First, that the Congress will extend through September 30, 1977 the $17.3 billion in tax reductions provided in the Revenue Adjustment Act of 1975 which expires June 30, 1976;

Second, that the Congress will reject the additional $11.0 billion of individual and corporate tax reductions proposed by the President;

Third, that the Congress will reject the increase in social security payroll tax rates proposed by the President;

Fourth, that the unemployment tax rate will be increased from 0.5 to 0.7 percent in January 1, 1977, but that there will be no increase in the wage ceiling effective on that date; and

Fifth, that the Congress will modify existing tax expenditures to realize a net increase of $2.0 billion in revenues during fiscal year 1977.

The resolution recommended by the Committee provides for an overall tax reduction in fiscal year 1977 of $14.8 billion ($17.3 billion in tax reductions, offset by increased revenues from changes in tax expenditures of $2 billion and by an additional $500 million in revenues).

The House last year passed H.R. 10612, which would realize $1.2 billion in additional revenues through eliminating and modifying a series of existing tax expenditures. The Committee urges the adoption of legislation to raise an additional $800 million in revenues in fiscal year 1977 through further reductions in tax expenditures.

FUNCTIONAL CATEGORIES

National Defense: Outlays are reduced one-half percent below the President's request; recommended outlay level of $100.6 billion would exceed the level of the FY 1976 second budget resolution by 9 percent. The Committee did not consider individual line items in arriving at overall recommendation, but rather examined the rates of growth in purchases, inflation rates, and the large and growing unexpended balances available to the Department which may become available for transfer under existing procedures and used in lieu of new budget authority for funding programs proposed in the budget. The Committee tentatively accepts the Administration proposals for pay reform to restore pay comparability for Federal employees and retired personnel, pending receipt of a definitive Presidential proposal.

International Relations: The Committee recommends funding levels for this function of $9.2 billion in budget authority and $6.5 billion in outlays. The recommended level assumes a reduction from the President's request for foreign economic and financial assistance of $354 million in budget authority and $297 million in outlays, and a reduction of $895 million in budget authority and $615 million in outlays below the views and estimates of the House committees.

General Science, Space, and Technology: The Committee recommends $4,600 million in budget authority and $4,500 million in outlays for this function, amounts consistent with both the President's budget and House committee views and estimates. The Committee assumes that the ERDA research program increases recommended in the House committee views and estimates can be accommodated through an anticipated shifting of priorities within the function.

Natural Resources, Environment, and Energy: Spending would increase significantly over FY 1976, primarily reflecting the continuing emphasis on increasing energy security and enhancing enviromental quality. Outlays would increase to approximately $15.7 billion from $13.8 billion in the President's FY 1977 budget. Included in the committee's recommendations are: $650 million in budget authority and $250 million in outlays for implementation of the Energy Policy and Conservation Act; $503 million in budget authority and $3 million in outlays for a synthetic fuels program smaller in scale and scope than the off-budget program recommended by the President; $237 million in budget authority and $100 million in outlays for construction of a uranium enrichment plant which was treated as an off-budget item in the President's request; $400 million in additional budget authority and $300 million in outlays for water resources public works programs; $1.9 billion in additional budget authority and $300 million in outlays for EPA water pollution construction grant programs, part of which is for the reimbursable program; $300 million in additional budget authority and $200 million in outlays for various energy R&D programs; and $300 million in additional budget authority and $120 million in outlays for various initiatives related to the Coastal Zone and the outer continental shelf. No funding is assumed for the proposed Energy Independence Authority, or for the proposed electric utility tax relief program.

Agriculture: The Committee recommends $2,262 million in budget authority and $2,029 million in outlays, an equivalent amount in budget authority and $116 million in outlays over the President's request and a reduction of $78 million in budget authority and $792 million in outlays below the House committee views and estimates. The recommended outlays will accommodate additional drought-induced disaster payments and anticipated increases for other Commodity Credit Corporation programs. Some new program initiatives can begin with this funding level.

Commerce and Transportation: The Committee recommendation includes $2.1 billion in budget authority and $1.4 billion in outlays above the President's recommendation, but rejects an additional $9.3 billion in budget authority and $5.6 billion in outlays suggested in committee views and estimates. Advance funding during the transition quarter is assumed for many fiscal year 1977 highway programs, and this is the major reason that the Committee recommendation includes a decrease of $2.6 billion in budget authority from the President's fiscal year 1977 recommendation for highway and related program. $55 million in budget authority and $305 million in outlays are added for mass transportation programs, reflecting rejection of the requested formula grant limitation and continued funding for commuter rail transition subsidies. An additional $450 million in budget authority and outlays is provided for railroad programs. Budget authority for CONRAIL is reduced by $1.3 billion to reflect recent Congressional action on the timing of security purchases. An additional $307 million in budget authority and outlays is provided to continue the extended phasing of rate increases for certain mailers. A $5 billion increase in funds for mortgage purchases is provided as a part of the Committee's economic stimulus program, targeted primarily at the lagging multi-family housing construction sector.

Community and Regional Development: The Committee recommends $6,500 million in budget authority and $6,200 million in outlays for this function, an increase of $581 million in budget authority and $533 million in outlays over the President's budget. The Committee recommends full funding of the Community Development Block Grant Program. In addition, the Committee estimates a $400 million higher outlay level than the President's budget for this program to reflect the accelerated spending rate currently expected during fiscal year 1977.

Education, Training, Employment, and Social Services: $5.4 billion in outlays is added to the President's budget. Full restoration of education funding to the currently forecasted fiscal year 1976 appropriations level is assumed. An increase of nearly $500 million above 1976 education appropriations is provided, including about $100 million in increases proposed by the President. Support is provided for 550,000 public service jobs, one million Summer Youth jobs, and over 600,000 work years of other employment and training opportunities.

Health: The Committee adds $2.7 billion in outlays to the President's budget request. The bulk of the increase in outlays ($1.5 billion) is attributable to the Committee's recommendations for legislative action to moderate hospital and physician cost increases and benefit improvements in the Medicare program while rejecting the President's proposal for expanded patient cost sharing. The Committee recommendation reflects rejection of the funding level in the President's health block grant proposal, but acceptance of the concept of consolidation of comparable grant programs with appropriate funding levels.

Income Security: Outlay increases of 9 percent over the FY 1976 current estimate to $139 billion will include an increase of $10.7 billion for social security, $1.7 billion for Federal employee retirement programs, a decrease of $3.0 billion for unemployment compensation, in part due to the improved economic situation, and program reform savings of $0.5 billion.

Veterans: Approximately $1 billion in outlays is added to the President's budget, primarily to cover proposed rejection of various Presidential legislative proposals to reduce veterans' benefits. Although the Committee supports cost-of-living increases in veterans' entitlement programs and urges the President to submit the necessary budget amendments for such increases, the Committee has not added the increases pending receipt of appropriate budget amendments.

Law Enforcement and Justice: The Committee recommends an increase of $82 million in budget authority and $74 million in outlays above the President's request and recommends that the increase be allocated in a balanced fashion among the various funding initiatives suggested by House committees.

General Government: The Committee recommendation is generally consistent with the President's recommended funding levels but assumes that careful review by Congress of programs in this function can result in sufficient savings to permit funding selected initiatives recommended by the various House committees, including $37 million of budget authority and outlays recommended by the Interior Committee for payment of claims required by existing law and for other Office of Territorial Affairs items.

Revenue Sharing and General Purpose Fiscal Assistance: The Committee outlay recommendation is $7,351 million, the amount of the President's request.

Interest: The Committee recommendation includes an increase of $104 million in budget authority and $103 million in outlays above the President's request.

Allowances: The Committee recommends $3,350 million in budget authority and $1,500 million in outlays above the President's recommendation. The Committee recommends acceptance of the Administration proposal on pay reform for General Schedule, military, and wage-board employees, pending receipt of a definitive Presidential proposal. $4.2 billion in budget authority and $2.2 billion in outlays are provided to be distributed later to appropriate functions to cover pending jobs stimulus programs.

Undistributed Offsetting Receipts: Committee estimates assume $2 billion less in receipts from rents and royalties on the outer continental shelf than assumed by the President.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

The gentleman has made a very important point in saying that the amendment that will be offered by the gentleman from Texas (Mr. Wright) of $1.2 billion does not include those actions that were taken by the Congress and actually mandate additional funds for the veterans in upgrading hospitals in some of the veterans' educational benefits. These are not included in the $1.2 billion amendment that will be offered, and I intend to offer an amendment to add $700 million to this, which is a perfecting amendment and does not add anything to what has not already been mandated by the Congress itself.

Mr. ADAMS. I thank the gentleman for his comment, because it indicates a point where there will be controversy, and the Members should be prepared to examine the proposal that the gentleman will offer. I hope the gentleman will take some time in general debate to explain his amendment so that the Members can look at it and know what the alternative veterans amendment will be.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding.

I hesitate to interrupt the gentleman, but since he is on this topic, I would like to presume on his time for a moment. Does the gentleman in the well intend to as a general matter oppose the amendments which will be offered here—and I understand there are several—to increase beyond the budget as his committee has reported it? Is that the gentleman's general opinion?

Mr. ADAMS. That is the gentleman's general opinion, aside from the veterans amendment to which I referred and explained. We understand that the administration, the Veterans' Committee, and the other body are all agreed upon the merits of that amendment. At least, the $1.2 billion figure is the one that I will support. It is referred to in our report and explained in detail. But those other amendments that will raise the amount of the budget figure, this gentleman intends to oppose.

Mr. MAZZOLI. Mr. Chairman, let me commend the gentleman. I think that the gentleman, as well as the full committee—and, of course, the gentleman occupies a sensitive position—have done a masterful job in the short time that this committee has been in existence. I think he has served not only the best interests of the House but, of course, the Congress, and more importantly, the country. I think the gentleman is certainly entitled to a bit of applause, if only silent applause for the time being, for having attended so well to his job.

Mr. ADAMS. I thank the gentleman. I hope the resolution is going to pass. That is the main thing.

I would like in closing to outline briefly the procedures so that the Members will have available the information tomorrow as to how the resolution will proceed. I do not want anyone, in that this is an unusual resolution, not to be able to have his amendment offered and fully debated.

First we will have 10 hours of general debate. It is the hope of the gentleman from Ohio and myself that we can complete that today. It is not the intention on our side to take the full 5 hours. The gentleman from Ohio will indicate what the intention is of the minority, but we hope to complete general debate today. If we cannot, we will carry it over until tomorrow. But if we do complete the general debate today we would start tomorrow with the amending process.

The rule for this bill is set forth in the statute, and the statute provides for a completely open rule. Members can amend this bill, in the regular fashion, as we go along. It is not my intention to try to limit debate, unless the Members so desire. There will be an open rule and opportunity for amendments.

Because the legislation has three sections, I am hopeful we will be able to obtain unanimous consent, to have the concurrent resolution considered as read and open to amendment at any point. This will allow Members more freedom in being able to offer amendments to functional categories while also reaching the macroeconomic totals. We hope we can get through the general debate today so Members can prepare their amendments and have them available and place them in the RECORD if they wish to.

As to the points of order, I want to state this again so that it is understood. What the statute provides is this: As required by the statute the concurrent resolution contains five aggregate figures: Revenues, budget authority, outlays, deficit, and public debt. As Members offer amendments, their amendments should be in numerical form, changing the numbers as they wish to change them. In their debate they should explain what their intention is with respect to the amendment, but the amendment itself should not contain any line item earmarking or limiting of funds for any particular program or functional category. Nor should it exclude from the aggregate totals in the resolution funds for a particular program or functional category.

In my opinion such amendments would not be germane and I would raise a point of order against them that the Budget Committee does not legislate line items of particular bills. That is the function of the individual committees of the House.

Mr. SCHNEEBELI. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Pennsylvania.

Mr. SCHNEEBELI. On that point would not the amendment which will be offered by the gentleman from Texas (Mr. WRIGHT) address itself to what the gentleman from Washington is talking about because it is specific for $1.2 billion?

Mr. ADAMS. The amendment which will be offered by the gentleman from Texas (Mr. WRIGHT) will only add money to the specific category and to the total.

Mr. SCHNEEBELI. But will it not specify why he requests this money?

Mr. ADAMS. Not specifically. His remarks will indicate what he intends the amendment to do so the Members can know what they are voting on. But the amendment itself will not indicate a line budget item.

Mr. SCHNEEBELI. But his amendment will be for the cost-of-living increase for veterans, specifically.

Mr. ADAMS. It will be an amendment to that category.

Mr. SCHNEEBELI. But you say that the Veterans' Affairs Committee can use that $1.2 billion in any respect whatsoever.

Mr. ADAMS. That brings into account section 302 of the law which will be implemented this year. After the resolution has been adopted in both Houses and the conference report adopted, then it is the job of the Budget Committee to allocate to each committee the amounts of money that are available to that committee, so that the Committee on Veterans' Affairs may take the budget authority and outlays which are allocated and allocate it to any mix of programs within their authority. We would then go on the floor and they have to report their bill out and indicate how their functional category is filling up or not filling up, and we would indicate at that time whether it is on target.

Mr. SCHNEEBELI. But at this time we will be requested to vote on a specific amendment, which while it does not specify altogether what particular area it does involve, we will be told during the course of the debate where specifically we are expected to support or reject it?

Mr. ADAMS. That is correct.

Mr. SCHNEEBELI. But when it goes to the committee, they have no limitation as to the allocation of this addition?

Mr. ADAMS. They do not, but as they come on the floor, then the individual Members fight that part of the bill on its merits.

Mr. SCHNEEBELI. Mr. Chairman, I thank the gentleman.

Mr. ADAMS. Mr. Chairman, just concluding, I think the colloquy I just had with the gentleman from Pennsylvania makes my final point as to how the amendments are put together.

We have broken down the various outlays. We have broken down the manner in which the revenues are arrived at.

I hope the Members will read the committee resolution and the committee report which details exactly what was intended. At this point, I just ask the Members to give it their careful attention. I hope they will vote in favor of it. I think it is extremely important that we maintain and have a ceiling this year and that we know where we are going with our budget.

Mr. Chairman, I reserve the balance of my time.

Mr. LATTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is of great importance that the House take a good hard look at House Concurrent Resolution 611 and that the membership realizes fully that we are charting a course that will vitally affect our Nation's future for years to come.

We could chart a course that is dedicated to maintaining personal freedom in America and a vigorous and healthy free enterprise economy that will provide the jobs and produce the goods and services that the people demand and desire; or we can help chart a course that could lead to Government-induced inflation, to more and more incentive-robbing Government assistance programs, to expanding statism that places an increasing tax burden on the people and further reduces the share of their earnings which they can spend as they choose. This is the choice the House will be making.

However, I do not mean to infer that House Concurrent Resolution 611 is totally unacceptable to the minority. It clearly has some meritorious provisions. The resolution comes within $545 million of the full budget request for the defense program. In so doing it signals that we have the will and determination to provide the kind of defense program mandated by the massive Soviet defense buildup taking place in the world today. The committee also accepted the President's pay restraint package to moderate salaries of Federal employees and military personel and to eliminate the gratuity in retirement benefits known as the 1 percent kicker. Most Federal salaries have increased so drastically in recent years that today they compare most favorably with the private sector and especially so when job security is considered. If my colleagues are wondering why it is so essential that this package be accepted, let me point out that the savings represented by just this one item will amount to $1.2 billion in fiscal year 1977. If the plan is rejected, over the next 5-year period it will cost the taxpayers an additional $10.3 billion. Can there be any doubt it is past time to face what is happening in the area of Federal salaries and to take needed steps to call a halt to the excesses which have become a part of the system.

Unfortunately, I must say to you that even though there are several necessary and acceptable restrictions in this budget resolution for fiscal year 1977, many of its proposed spending figures are excessive and misdirected. Continuing huge Federal deficits of the kind envisioned and endorsed by this legislation would provide fertile ground for inflationary pressures to flare up again and if that happens the recession and unemployment will be right back at our doorstep. Of course, nobody wants recession or excessive unemployment, but the question is: How do you combat these problems in a free enterprise system? Well, you do not do it by draining the lifeblood from the system and attempting to transfer its function to Government.

What the American people need is a durable recovery, not a temporary, debt-financed welfare-type existence, to be followed by a smashing recession whenever Government money is withdrawn. We can make the recovery durable by not repeating the mistakes of the past, the kind of mistakes that so drastically affected the economy that we suffered high unemployment and high inflation simultaneously.

How did this come about? During the 1960's and the 1970's there was a sharp upsurge in the demand for goods and services and this was accompanied by restraint on the supply side. If there is any doubt at all that the Government played a major role in increasing the demand for goods and services just recall that Federal transfer aid programs to individuals ballooned during these years. Federal outlays for transfer payments shot up by 680 percent over the 15-year period from fiscal year 1961 to 1976. In dollars, the amount rose from $26.4 billion in 1961 to $179.5 billion in 1976.

At the same time that the Government was boosting the federally financed demands for goods and services almost seven-fold, we were cutting down the capacity of the private sector to supply this demand. Since fiscal year 1961 we have posted a string of deficits that are simply unprecedented in peacetime. In the last decade alone the Federal Government has been forced to borrow over a third of a trillion dollars in the private money markets. This money might otherwise have been used to build new plants and to create new jobs in the private sector. You simply cannot keep piling on new demands and cutting back supply without something giving. And something has given—it has been our economy.

The result has been inflation. Interest rates go up and home building and business expansion decrease. Consumer and business confidence are undermined. Consumers purchase less. Business fears getting stuck with too much inventory and began to lay off workers. And if anyone does not know, this is how inflation causes unemployment and recession.

One of the major reasons that the Federal spending totals contained in this resolution are excessive is because of the drag its increased deficit will have on job-creating investments. By that I mean solid, permanent jobs in the private sector, not temporary, dreamed-up-in-Washington jobs that are financed by taking taxes and purchasing power away from taxpayers. There have been attempts to downplay the significance of Federal borrowing on private investment, stating that crowding out was not serious in 1975 and therefore is no problem. Just to set the record straight, according to reliable sources crowding out did occur in 1975, primarily in such areas as the residential construction industry, small business, businesses with lower credit ratings, et cetera.

But the real danger in this regard lies in the time frame ahead of us. As the recovery continues this year and beyond private loan demand will pick up strongly, and that is when the crunch will come. Crowding out will be inevitable if the Government continues to claim huge portions of the Nation's resources. That could severely hurt significant areas of the economy and have a depressing effect on the recovery. The time to take remedial action is now, and the action needed is to restrain Federal spending and to reduce the Federal deficit.

House Concurrent Resolution 611 not only proposes the wrong kind of spending in fiscal 1977 but attempts to sow the seeds for massive new Federal programs in the fields of employment and health.

One of the objectionable features of the resolution is the excessive funding it proposes for so-called job stimulus programs. In one functional category, for education, training, employment and social services, it proposes budget authority of $4.5 billion over and above the budget for public service jobs. As if that were not enough, another $4.2 billion in budget authority is provided in the allowances functional category to be used for stimulus programs such as still more public service jobs, or for counter-cyclical aid, public works jobs or other Government-financed programs.

Authorizing the creation of additional public service jobs at this stage of the economy's recovery is obviously politically motivated. That kind of Federal spending—which in some areas is known as patronage at the local level—would detract from private sector employment and aggravate inflationary pressures. What is more, such public service programs do not create many new jobs as experience has shown that States and localities substitute Federal funds for spending they might otherwise have done after a short period. Another job-type stimulus program added to the resolution is for public works projects. This type of project is generally unsuited as a job stimulator because it tends to impact on the economy long after the reason for its existence has ceased to exist. Counter-cyclical aid apparently would be a program to channel aid to areas experiencing fiscal difficulties. That, it appears, could turn out to be nothing more than a program to help bail out local areas that are unwilling themselves to set their financial houses in order.

In fiscal year 1977, budget authority for such programs as proposed in the resolution would amount to $8.7 billion and Federal outlays would increase by $5.2 billion over the budget. I believe that the people themselves can do a lot better job deciding where those dollars should go.

But such programs are only a part of the objectionable aspect of the resolution involving direct Federal involvement in the employment picture. It has a far worse picture. It has a far worse feature—if you can believe that—because incredibly it includes startup costs for a proposed socialistic-type piece of legislation called the Full Employment and Balanced Growth Act. The purpose of this legislation is to incorporate into our free enterprise system the socialist theory that Government—or the taxpayers—should guarantee a job to all adults unable to find employment in the private sector. Besides spelling the end to the free enterprise system in America as we have known it, it would require massive Federal spending and Federal controls which would effect the lives of every American. Under such a plan, wage and price controls—which nobody wants—would be inevitable and would be followed by job assignments by Government in an attempt to make it work.

The resolution also proposes to provide startup costs of $50 million for a national health program. National health care legislation has not been passed by the Congress. There is no budget request for such funds. Such a program would cost well over $100 billion a year, possibly up to $150 billion or more, and yet the committee held no hearings on this matter and made no cost determinations. No mention was made of the economic impact of such a program or of the horrendous impact such a health program has had on all of Great Britain. No mention was made of the impact national health insurance might have on the quality and availability of hospital care and physicians' services. The fact is that the Federal Government is already too heavily involved in this area and is causing costs to skyrocket. In fiscal year 1975, the Federal share of all health costs amounted to 29 percent and the Federal share of the Nation's hospital bill was 39 percent. The Budget Committee should not be attempting to push the Congress in the direction of socialized health care by providing money for startup costs for a program not in being and over which it has no jurisdiction or expertise.

The current recovery is taking place despite, not because of, the excessive, deficit spending of the Congress. The consumer, not the Congress, has been leading us out of the recession and into a period of recovery. A renewal of consumer confidence has led to greater consumer spending, more jobs, and less unemployment.

A Democrat majority on the Budget Committee would have us believe that the economy will stagnate in 1977 unless higher spending levels are enacted. On the contrary, I believe that such spending would adversely affect our economic growth and reignite the flames of inflation.

And, apparently following the misguided liberal philosophy that the Federal bureaucracy can spend the people's money more wisely than the people can spend it themselves, the majority also rejected the President's recommended tax cuts. If they really want to give lasting stimulus to the economy and to create a demand for permanent jobs, they would leave more of the people's money with them to spend as they see fit.

What has to be done is to pare Government spending. I will propose an amendment to House Concurrent Resolution 611 to help achieve just that. It would call for both a tax cut along the lines proposed by the President and a substantial cut in spending from that proposed in the resolution.

In the area of tax reduction, I will propose a $10.9 billion tax cut to be achieved mainly by lowering individual income taxes, raising the personal exemption from $750 to $1,000, decreasing the tax rate, especially for the hard-pressed middle income taxpayer, and increasing the standard deduction. Everyone benefits from the labors of the middle income worker and everyone is hurt when this worker's drive is blunted by unnecessarily high taxes being levied against him. The individual income tax cuts proposed would provide relief to this middle income taxpayer while at the same time preserving the recently acquired tax reduction of the lower income taxpayer. It would provide a family of four earning $15,000 a year a tax reduction of $227 compared to the tax burden that they will have to bear with a simple extension of the 1975 tax cut.

In addition, the tax measures proposed to coincide with the adoption of my amendment would stimulate job creation in the private sector by making the 10 percent investment tax credit permanent; slightly reducing corporate tax rates; tax credit for interest income from mortgages; and a tax incentive to encourage the construction of new or the expansion of old facilities in areas experiencing unemployment rates in excess of 7 percent by allowing accelerated depreciation for tax purposes.

The tax cuts proposed with my amendment would reduce taxes a total of $10.9 billion below the levels that would be achieved if the Revenue Adjustment Act of 1975 were simply extended. Each of the items mentioned above contribute the following amounts to this total reduction:

INDIVIDUAL TAX CUT	
Raise personal exemption from $750 to $1,000 (as a substitute for the tax credit per exemption and the optional taxable income credit)	—$1.0
Reduce tax rates	—7.8
Increase standard deduction	—0.3
Elimination of the earned income credit	+0.7
Subtotal	—8.4
CORPORATE TAX CUT	
Reducing corporate tax rates from 48 to 46 percent	—2.0
Tax credit for interest income from mortgages and accelerated depreciation	—0.5
Subtotal	—2.5
Total, tax cut package	—10.9

My amendment would cut the spending proposed in the resolution by $13.7 billion in outlays and $23.5 billion in budget authority. The combination tax cut-expenditure reduction package is a double-barreled stimulus to the private sector to help build new plants and to create new jobs which contrasts sharply with the so-called stimulus provided in the budget resolution, which would drive up prices, drive up interest rates, and hold down jobs. My amendment would help unleash the energies of the private sector and the creation of new, permanent productive jobs.

The budget resolution targets spending levels for several social program areas at levels high enough to continue the old ways of doing business, despite the fact that eliminating wasteful features of a lot of these programs would help more of the really needy and the really poor. This is one of the most serious shortcomings of the budget resolution. It recommends no meaningful reforms to correct abuses or excesses in existing social programs.

Fully $4.3 billion in outlays and $3.4 billion in budget authority can be saved by adopting the President's child nutrition and health block grants, medicare cost sharing and cost controls, and by channeling more of the education funds into programs designed to assist the needy students themselves.

Seven hundred thousand children from poor families presently receiving no benefits whatsoever under the present maze of 15 child nutrition programs could be helped if the committee had accepted the President's child nutrition block grant program. At the same time, this approach would save $1.237 billion in budget authority and $636 million in outlays. Likewise, adoption of the President's health block grant would correct the inequitable allocation of a great amount of Federal health spending and at the same time save $600 million in outlays and $150 million in budget authority. Presently, States which can afford to meet matching requirements for Federal health funds receive the most assistance. This means that the States with higher per capita incomes receive more Federal health funds. The President's block grant corrects this, yet the budget resolution makes no effort to correct this situation.

The budget resolution fails to target a level of funding that reflects the savings in the President's proposed medicare cost sharing and cost controls program which at the same time would deal with the haunting fear of the aged and the disabled—catastrophic medical costs. It rejects this opportunity to focus medicare funds where they are most needed—assisting the aged and disabled with the huge medical bills they would otherwise have to pay out of their own pockets.

Likewise, the budget resolution targets enough money to continue business as usual for higher education funding despite the alternative presented by the President's budget of focusing aid on the needy students.

Although the budget resolution accepts the idea of basic education opportunity grants, which guarantees greater freedom of choice to the neediest college students, it also calls for continued funding of the now outmoded programs of institutional assistance. In the same vein the budget resolution rejects the President's education block grant under which three-fourths of Federal education funds received would have to be devoted to the education of disadvantaged and handicapped children. Instead, the resolution opts for the old way of Federal spending on elementary and secondary education, even though this helps fewer truly needy children.

Another $1.1 billion in outlays and $1 billion in budget authority could be saved by tightening the food stamp program to focus on households with net monthly incomes at or below the poverty level.

Besides rejecting these opportunities to do more good with less money, the budget resolution insists on continuing several other programs which are either not justified or are downright counterproductive. By "biting the bullet" on the B part of the impact aid program, child day care, older Americans program, mass transit, and reducing the base for HEW controllable programs $1.1 billion in outlays and $1.4 billion in budget authority could be saved. The B part of the impact aid program provides aid to school districts for children of Federal employees whose parents either live or work on private not public property on which school taxes are already being paid. This category of impact aid is unjustified, unfair, and should be ended. This would save $0.285 billion in budget authority and in outlays.

If the President's social services block grant is adopted, the Federal interagency day care requirements would be eliminated and a new study of day care standards will be undertaken. This would save $0.24 billion in budget authority and $0.2 billion in outlays which would otherwise be spent on enforcing State compliance with such Federal interagency day care requirements as a ratio of one staff member per child under 6 weeks of age, and a minimum of one staff member per four children aged 6 weeks to 3 years. The advocates of such Federal requirements seem to think they know better what the child needs than do the child's parents, relatives, or neighbors.

Similarly, there is no reason to target $0.107 billion in budget authority and $0.057 billion in outlays over the President's budget for older Americans programs to duplicate services already available under alternative programs, such as title XX of the Social Security Act.

The budget resolution's outlays for mass transit enables metropolitan areas to sink 100 percent of formula allocated mass transit funds into operating expenses without making any capital improvements. Cutting these outlays by $0.245 billion reflects the lower funding levels that would obtain if metropolitan areas spent 50 percent of these funds on capital improvements. Unless such a limit is imposed, high cost transit operations and archaic fare structures will simply be perpetuated.

Among the HEW controllable health programs that the budget resolution targets an additional $0.265 billion in outlays and $0.696 billion in budget authority for are biomedical research and medical manpower and training. Although spending for biomedical research has practically doubled in the last 5 years the results have not. More dollars for manpower and training in these areas will simply add to the kinds of specialists who are presently in oversupply.

The biggest area where savings can be realized is in the budget resolution's ill-advised economic stimulus programs. I have already discussed the excess funding the resolution contains for public service employment, public works projects, and countercyclical aid. There are several other spending increases contained in the resolution for their stimulative effects. In all $7.2 billion in outlays and $17.35 in budget authority are targeted.

The additional water resources and power program funds included in the budget resolution would finance lower priority work than already funded and new starts that would have little impact on employment before 1978. The EPA construction funds targeted over the President's figures would not go for existing awards or sewerage construction already underway in any State. Therefore, the impact of these funds would be too far into the future to have any so-called stimulative effect on the economy.

The $5 billion mortgage stimulus is $5 billion more than what is presently available under the Emergency Housing Act of 1975. These moneys are primarily for the purchase of multifamily housing mortgages. So far HUD has utilized only $2.3 billion out of the first $5 billion of mortgage purchase authority. Since there is likely to be greater demand for multifamily housing as opposed to single-family, and since single-family housing starts are up, it seems a little premature to pile on yet another $5 billion.

Improved economic conditions dictate reaching for the savings that go with direct placement rather than provision of training services under the work incentive program—WIN. With the economy rebounding steadily, the additional funding in the budget resolution isn't required for the job opportunities program—JOP. And the same goes for the summer youth program where fewer jobs will be required in the summer of 1977.

My amendment eliminates the $0.237 billion in budget authority and $0.1 billion in outlays that the budget resolution targets for uranium enrichment expansion. The reason is simple: the standby contingent liability for the Government when these plants are built should be carried off budget, not on budget. Much of the $0.4 billion in budget authority and $0.25 billion in outlays that the budget resolution adds for new and ongoing natural resources programs is bound to go for minimally effective activity and should be cut. My amendment would provide $1.2 billion for the cost-of-living increases for disabled veterans, their widows, and orphans. With such reforms as eliminating the opportunity to claim double benefits from the Government for funeral expenses and by requiring private insurance carriers to reimburse the VA for health care furnished to veterans with non-service-connected disabilities, $0.9 billion in budget authority and in outlays could be saved in this function. This makes a net addition of $0.3 billion to the veterans function.

I shall conclude by quoting the President:

> Over the years, these excesses have played a major role in driving up prices, driving up interest rates, and holding down jobs. We do not have to look far for our underlying problems.

Well, Mr. President, I think most Americans are beginning to look at the labels on these problems. They are finding that most of them read, "Made in Washington." Let me say that the spending excesses of a majority of this Congress have been detrimental to this country's economic well-being and must be ended. Congress for too long has been contributing substantially to our country's economic woes. It is now time for Congress to move toward a solution to these economic woes it helped create. The adoption of my substitute will be a necessary first step toward the solution.

Mr. ADAMS. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, I rise in support of House Concurrent Resolution 611, the first budget resolution for fiscal year 1977. This resolution is a fiscally sound and economically appropriate response to the Nation's needs in continuing to recover from the recession. Clearly, it provides a more responsible and effective fiscal policy for fiscal year 1977 than the President's more cautious budget proposals.

The President's budget proposal couples massive spending cuts with a relatively small net reduction in taxes. With the economy beginning to move in the right direction, the President has launched a frontal assault on Federal spending. His recommended spending levels of $394 billion in outlays represents a sharp reduction from the levels which the Congressional Budget Office projects as necessary to fund existing programs at a "current policy" level.

On the tax side, the President has proposed extension of the $18 billion tax cut of last December, as well as an additional tax cut of some $10 billion. However, the effect of the additional tax cut is almost entirely offset by a proposed $8 billion increase in social security and unemployment compensation payroll taxes.

Taken together, the President's tax and spending proposals would result in a substantial drag on the economy during the next fiscal year. At a time when continued stimulus is needed to sustain the economy's recovery through 1977, the President has proposed an economic policy that is, at best, a risky one. Commenting on the President's economic proposals in hearings before the Budget Committee, former Chairman of the Council of Economic Advisers Arthur Okun said:

> I consider this strategy an imprudent gamble with the vitality of the recovery. . . . The proposed budgetary strategy bears an uncomfortable resemblance to two previous episodes in 1959–60 and 1973–74, which were followed by recessions. If, in fact, that strategy is adopted, I would regard an occurrence of recession as a significant possibility and a shortfall of growth below the Administration's modest targets for calendar year 1977 and 1978 as a probability.

Econometric projections of the President's fiscal policy proposals confirm Mr. Okun's appraisal. Furthermore, as Chairman of the Budget Committee's Task Force on Economic Projections, I am concerned about the accuracy of the administration's forecast of the economic impact of the President's budget proposals. Before we in Congress can make hard decisions about national priorities and economic policy, we must have confidence in the accuracy and validity of the economic data supplied by the Executive. The administration's overly optimistic assessment of the economic impact of its budget proposals is not calculated to inspire confidence in its accuracy and impartiality.

For example, while the President projects a real growth rate of 5.7 percent in fiscal 1977, a number of respected independent economic forecasters project much more modest growth rates for the President's budget. Data Resources, Inc., Chase Econometrics Associates, and Wharton Econometric Forecasting Associates all project growth for the President's budget ranging from 3.8 to 4.9 percent. Similarly, independent econometric analyses project higher rates of unemployment for the President's budget than does the administration forecast. The administration predicts an average unemployment rate of 6.9 percent for fiscal year 1977, while the independent forecasters indicate that rates of unemployment as high as 7.4 percent are more realistic. And finally, while the administration projects a fiscal year 1977 inflation rate of 6 percent, Chase Econometric Associates estimates an inflation rate for the President's budget of 7.4 percent and Wharton Econometric Associates predicts a 6.3 percent rate. Only Data Resources comes in with an inflation figure under the administration figure.

Thus, it appears clear that the President's budget proposals would result in continued high levels of unemployment and sluggish growth rates. And they offer little or no advantage over a more stimulative budget in reducing the rate of inflation.

Mr. Chairman, we must do better than that. Prudent fiscal policy demands, and the first budget resolution provides, sufficient economic stimulus to sustain the economic recovery without rekindling inflation. The Budget Committee recommendations would provide a more appropriate fiscal policy for the second year of recovery from recession than the President's proposal. The committee's fiscal policy is designed to achieve the following objectives: a real GNP growth rate of 5.6 percent in fiscal 1977; an unemployment rate at the end of 1977 of approximately 6 percent; and an inflation rate averaging 5.5 percent in 1977.

It should be noted that real growth in the economy can exceed the 5.6 percent rate if the Federal Reserve Board pursues a more expansive monetary policy than it has in the past. During a period of high unemployment and low levels of plant utilization, it would be an unfortunate mistake, in my opinion, for the Board to further restrain the growth of the money supply.

The Budget Committee's fiscal policy recommendations assume enactment of a number of tax and spending measures. The resolution assumes that the Congress will extend through September 30, 1977, the $17.3 billion in tax reductions provided in the Tax Adjustment Act of 1975. However, the committee recommendation provides for rejection of the President's proposal for an additional $11 billion in individual and corporate taxes and increases in the social security payroll tax rates. It assumes that there will be an increase of 0.2 percent in the unemployment tax rate and that Congress will modify existing tax expenditures to realize an additional $2 billion in revenues in fiscal year 1977.

On the expenditure side, the resolution provides for carefully targeted economic stimulus that will result in the creation of 1.1 million new jobs in fiscal 1977 over and above the jobs which would be generated by the President's budget proposals. New jobs will be created both directly and indirectly. Increased funding for public services, summer youth jobs, Older American programs, comprehensive employment and training programs, and job opportunities programs will generate jobs directly. Support of EPA construction, water resources programs, and highway construction, and extension of the Emergency Housing Act will also result in the creation of new jobs indirectly. The committee estimates that the average cost per job will be approximately $10,000.

The added economic stimulus provided by these job programs will result in increased tax revenues, reduced unemployment and welfare benefits, and higher rates of productivity. Consequently, the fiscal goals assumed in the budget resolution can be accomplished without a deficit substantially higher than the President's—with not even an issue at present as to Treasury borrowing "crowding out" private borrowers.

Enactment of measures assumed in the resolution would result in an estimated deficit of $50.6 billion, a decrease of approximately $23.5 billion from this year's deficit. This reduction can be accomplished through extensive reform in current programs, prudent reduction in expenditures, and increased tax revenues as a result of a reduction in tax expenditures. It should be emphasized that the deficit in the first budget resolution takes into account the financial activities of a number of off-budget agencies, which are excluded by law from the budget but which are expected to borrow around $11 billion in fiscal year 1977.

Mr. Chairman, this budget resolution is the result of weeks of hearings and reports by the Joint Economic Committee, the Congressional Budget Office, and every House committee with authority over spending and taxation. The economic and policy issues were debated extensively in committee, as they should be here on the floor. The result is, in my opinion, a sound, responsible, economic plan, which will enable this country to continue and accelerate its economic recovery from the most devastating recession in 40 years. It reduces the deficit by one-third, while providing over a million new jobs. I strongly urge the adoption of this measure as reported.

Mr. ADAMS. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Chairman, I want to commend the chairman of the Budget Committee, the ranking minority member, and other members of the committee and staff of the Budget Committee, for completing a most difficult task and for working so tirelessly to complete the resolution which is before us today.

In 1974, I voted for the Budget Control and Impoundment Act because I felt that the Congress should exercise greater control over the budget and develop the capability of making independent judgments on national priorities. I realized at that time, as I do now, that this would be a most difficult and complicated task.

The Budget Committee has now, during this first year of implementation, presented to us a target resolution that contains spending guidelines for fiscal year 1977. I have examined the report accompanying this resolution very carefully and am impressed by its contents and by the fact that it presents a more acceptable alternative to the Nation than the restrictive and reactionary budget of the President. The targets for national defense, in particular, and for human services in general, seem appropriate and reasonable to me. Therefore, I can support this resolution.

However, I would be remiss in my responsibilities if I did not point out several reservations I have about this process as it has worked in the past. Both last year and this year, the chairmen of the House and Senate Budget Committees, and I am sure they did not do this for any ulterior motive, extended their role beyond the authority and that I believe they have. I am particularly concerned when the Budget Committee takes a position through its chairman, on authorizing legislation, even prior to the enactment of the target resolution. After all, it is the Congress that determines the targets, not the Budget Committee or its chairman. Furthermore, it is the Congress that decides whether it should stay within those guidelines, and not the Budget Committee or its chairman.

Beyond that, when the Budget Committee begins to take positions with respect to authorizing legislation, it really is involving itself in line item budgeting. This was neither intended by the act, nor is it acceptable to the Members of the authorizing committees. I intend later to introduce an amendment to the Budget Act that will prohibit the Budget Committee from infringing upon the jurisdiction of the regular standing committees.

Nevertheless, with these reservations, I again commend the Budget Committee for forcefully and courageously attempting to provide the Congress with a higher degree of fiscal responsibility and integrity. And I would caution my colleagues who are dissatisfied with the resolution because of their disagreement with priorities, that rejection of this resolution will not guarantee changes more favorable to their beliefs—but might possibly force a new resolution from the committee that will be even more disagreeable to them than what we are considering today. This is a good resolution and should have our support.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. SCHNEEBELI).

Mr. SCHNEEBELI. Mr. Chairman, at the outset I congratulate the chairman and the members of the House Budget Committee for a notable achievement, arrived at in a spirit of bipartisan understanding. However, many of us on the committee feel that the final figure recommended in the budget resolution for fiscal year 1977 of $413.6 billion is too high.

The budget process set up by the Congressional Budget Control Act of 1974 must be strongly supported. This budget process must work—we cannot allow it to fail. To fail is to admit to our constituents that we cannot control our wild Federal spending which has been especially rampant over the past several years.

The budget process is working already even though many of us disapprove of the spending and deficit levels recommended by our Budget Committee by a vote of 14 to 10. Almost any final outlay figures would be much higher if we had no budget process. To illustrate this, I would note that if you totaled up all the House committees' recommendations for spending that were submitted to the Budget Committee on March 15, they would total $442 billion; the Budget Committee in exercising some restraint reduced this to close to $414 billion, a savings of $28 billion. Also several requests for waivers from the budget resolution for fiscal year 1976 were disapproved by the House and Senate Budget Committees, indicating further fiscal discipline.

Though we are determined to make the congressional budget process work, this does not mean that we must accept the spending levels as now recommended to us for adoption in the first concurrent resolution by the Budget Committee. Together with other colleagues on the Budget Committee, I am very much opposed to the excessive outlays, totaling $413.6 billion and resulting in a deficit of $50.6 billion, which the committee proposes. The President's recommended outlay, $395.8 billion, and deficit, $44.6 billion, levels are also too high, but are certainly much more reasonable since they reflect a greater emphasis on reduced spending and are $10 billion more in tax cuts for the American people than are the tax cuts in the committee resolution.

There are several glaring areas of extravagance which we cannot condone in the Budget Committee's recommended spending levels. To name but a few, I would mention the $5.8 billion allotted for food stamps, which is $1.1 billion above the amount recommended by President Ford; the 4.2 billion for employment and training programs, which is 1.3 billion over the President's budget; and the $6.7 billion for public service jobs programs, which is a whopping $5.2 billion above the President's request.

I find this last item particularly troublesome. The expansive public service jobs programs recommended by the Budget Committee cannot be justified, given the current economic outlook. It is clear that the economy is on a steady recovery course with output rising and unemployment falling. The latest figures released indicate that the real GNP growth rate—discounted for inflation—for the first quarter of 1976 is 7.5 percent, contrasted to a decline in real GNP for 1975 of 2 percent; in less than a year the unemployment rate has dropped nearly 1.5 percent—from 8.9 percent in May 1975 to 7.5 percent last month—and the number of persons employed reached a record high of 86.7 million people in March. While the recovery continues, there is a need for expanded output and more new jobs. These jobs should be permanent, meaningful jobs, not makeshift, temporary ones such as those created by public service jobs programs. Too often public service jobs programs are used only for patronage and partisan political purposes by State and local governments.

The recent addition by the committee majority by a 13-to-12 vote of $2.2 billion would reduce the unemployment figure from 7.5 to only 7.3 percent—over $1 billion for each one-tenth of 1 percent of our unemployment. An expensive cost for questionable job productivity. Also we are advised that between 25 percent and 75 percent of all the jobs created would be the rehiring of local and State government employees who were eliminated in the interest of efficiency and limited budgets.

Public service jobs not only do not increase employment in a real sense, but they actually result in less job creation in the private sector. Additionally, these programs add to inflation, as the value of the public job worker's product, if it can be called that, is so much less than the cost of putting him to work. With many of my colleagues on the Budget Committee, I believe that deepened tax cuts accompanied by an equal amount of reductions in Government outlays, rather than more and more Government spending, is the appropriate way to create lasting jobs and to assure that the economic recovery continues in an orderly manner.

In a related area, the Budget Committee also recommends $50 million for startup costs for the "full employment" program contained in the Humphrey-Hawkins bill. The bill is designed to achieve full employment, which is defined as an unemployment rate not in excess of 3 percent for adults. To achieve this unrealistically low rate more massive Federal spending would be required.

I might state at this point that the 3-percent unemployment figure has not been reached in any year since 1929, except during the war years. If we apply this figure of $1 billion cost for every one-tenth of 1-percent improvement in the unemployment rate to reduce it from 7.5 percent down to 3 percent or 4½ points in reduction would result in a cost of about $35 billion to $40 billion for each year in our deficit.

Our economists advise us that a minimum of $35 billion in additional Federal spending would be required. This new commitment to spending would lead to greater Federal deficits which would have to be financed by borrowing; this means more Government invasion of the financing markets with the result that private business firms wishing to expand their plant, production, and hence their job force could not do so at reasonable values. In place of private sector expansion, the Humphrey-Hawkins bill would substitute new public employment programs, creating jobs that cannot be lasting because they are not needed.

When we decide how much the Federal Government is going to spend we are also deciding how much the Federal Government will be intruding into the national economy and into our private lives; excessive spending will mean excessive intrusion. It is for this reason that I cannot support the extravagant amounts of spending recommended in the Budget Committee's resolution.

I hope that this original spending resolution of $413.6 billion is defeated and returned to the Budget Committee where it should be reduced to an amount more closely alined with the President's recommendation of less than $400 billion. It will then be referred to us with a total outlays figure that a majority of this House can approve.

I would like to say, in summary, that as a result of being home the past 10 days during the Easter recess, I think most of us got the message from the public that our spending is much too great; our deficits are much too great, such as $43 billion in fiscal 1975 and $76 billion this fiscal year. The least of any of the programs recommended to us today, at least $45 billion additionally, for fiscal year 1977. The public does not want such large deficits and the public will not stand for it. They are telling us this truth in no uncertain terms.

I recommend that we vote down the budget resolution as presented to us.

Mr. ADAMS. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I support the budget resolution pending before us today. This has been a difficult year. We have had pressures from all sides. There are those who wish to keep the deficit down, and I count myself among them. There are those who think we should go all out to solve the nagging problem of 7½ percent unemployment. I, too, support a policy that will get us back to full employment. However, we cannot accomplish everything in any one target resolution.

I believe that this resolution is in balance. It contains sufficient stimulus to promote additional employment and to keep the momentum behind the current recovery. I also believe that we have exercised the necessary fiscal restraint to keep from rekindling the flames of inflation. What we have tried to do is to maintain the highest possible level of human services within the economic means available to us.

Of particular importance in this resolution, I believe, is the emphasis placed upon our long-term budgetary decisions. Our report quite properly draws attention to the need for legislative reforms in the areas of welfare, retirement pay, and health services. Unless we come to grips with these problems now, we are going to face a very uncertain budgetary future in which built-in expenditures may well be far beyond our means, thereby destroying any capacity for funding new initiatives or meeting national emergencies.

Because of the inherent dangers in uncontrollable expenditures, I intend to introduce an amendment to this resolution which would reduce the targets set for defense funding. My amendment calls for a $2 billion reduction in budget authority and a $300 million reduction in expenditures in factional category 050. I will offer this amendment because I feel that now is the time to set a prudent rate of growth for the defense budget, and to signal the Defense Department to weed out marginal and overfunded programs that could escalate costs in future years.

I urge my colleagues to support this resolution and my amendment to it, and show that Congress can make the hard decisions necessary to target in on revenues and expenditures in conformity with economic circumstances.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, preliminarily I want to commend again the distinguished chairman of the Budget Committee for pioneering a new, innovative effort in the Congress. I think, by and large, we are better than we know in that we are developing in the Congress of the United States some kind of a broad perspective of how much money we have got and how much money we are spending and what deficits mean and what service on that debt means.

It is too bad that we do not have a crowded House here. This perhaps indicates that even yet we have not come of age, because I think that really this is where it is at. Perhaps a lot of Members are misled by the fact that we have talked about 10 hours of general debate—which obviously is not going to take place—and they are scared off by talking either in generalities or specifics.

The new budget process, successfully launched last year, has produced results that have moved us along the road to recovery. To maintain that recovery in fiscal year 1977, I support the House Budget Committee's resolution. To go back to a $400 billion level, as has been indicated by my colleague on the minority side, I think would be disastrous to the recovery, although that perspective will probably never be proven.

The deliberations of this committee in the past few months indicate to me a genuine concern for making this budget process work in favor of the American people—not against them.

Having participated in the budget process, I know, first hand, how difficult it is to deal with the central economic problems of this Nation. Our task has been to lay the groundwork for sound budgetary policies and to offer spending targets in direct relation to the international and domestic needs of this country. This resolution provides the stimulus necessary to sustain the economic recovery—stimulus which is lacking in the President's budget.

Specific proposals contained in this resolution, I feel, deserve strong support. The committee directs attention to the need for legislative reforms in pay and retirement, food stamps, health programs, and the welfare system. The committee recognizes the need for such programs and, indeed, has provided further funding for them. It is evident, however, that they do create a severe drain on our economy, a drain which can be minimized through more cost effective programs.

In addition, the resolution has addressed the long-term implications of current budget decisions so that Congress can determine exactly its future fiscal commitments and thus be better equipped to make Federal spending controllable in the coming years.

Furthermore, the recovery in consumer spending we have enjoyed during the past year was largely triggered by tax cuts enacted by Congress. The resolution provides for the continuation of these tax reductions.

But obviously we are not going to solve the problems of the economy either in the Congress or in the White House. We both have to work together and hopefully later this year and next year we can develop a more synergistic relationship between the executive and the legislative branches.

The committee is acutely aware of the economic strangulation by the combined forces of inflation and unemployment. We must not succumb to the pressures of these who claim that economically stimulative Government spending during a period of high unemployment will necessarily trigger high inflation: Last year's recovery is evidence that properly channelled stimulus does not adversely affect the rate of inflation.

I was in California over the weekend. While we talk about recovery and while we talk about 7½ percent unemployed, I can assure the Members that we have record unemployment in California of 982,000 people, and that ignores about 250,000 people that are not covered in the recorded numbers.

In fact, the President's vetoes and impoundments clearly inhibited the effectiveness of the proposed economic stimulus in fiscal year 1976. If the administration had carried through the stimulative programs passed by Congress, the goal of full employment could be seen on the horizon.

At the root of inflationary pressures are economic forces possessing extensive monopoly power. We need not establish Czars to preside over total systems of price or wage controls. However, I believe, as I have said in the past, that wage and price controls should be used as mechanisms for controlling the excesses and pressures of business monopoly power.

Prominent witnesses who appeared before this committee concurred with these views on wage and price controls. I urge my colleagues to be aware of these monopolistic tendencies and to support future efforts to constrain them.

There seems to be great concern over deficit spending policies, with very little regard given to why the deficit is so high. The cause is recession-induced expenditures for programs such as unemployment compensation. It is evident that high unemployment causes the decay of an economic foundation, yet the President provides a negligible amount of job stimulus and proposes drastic cutbacks in human resources programs. Crowded unemployment offices and able bodies lining our city streets are sorry sights for a nation which has the resources to put every willing American to work. It seems obvious that if we do not provide the stimulus recommended in this resolution, we will fail the American people. This year, the committee has provided for an additional 1 million jobs over the President's budget.

Finally, I wish to make several specific comments concerning this year's defense budget. Throughout the committee's deliberations, two implicit standards were used in determining the dollar level of function targets: First, the amount of real dollar growth, if any, in programs above the fiscal year 1976 level; and second, price escalation in programs during this period in the form of compensation increases and inflation. Clearly the ground rules for establishing a budget target were somewhat dependent upon the function under consideration. Specifically, the first budget resolution target for defense provides for a growth rate in procuring and modernizing existing programs far in excess of growth rates in other essential Federal programs.

In the areas of international affairs, general science, space and technology, agriculture, law enforcement and justice, general government, and revenue sharing, little, if any real growth from fiscal year 1976 level is provided. When the costs of personal services and benefits are excluded, the rate of growth in education, training, employment, social services, health, and income security is only slightly higher than the fiscal year 1976 level. The President's budget request actually reduced the level of support from the fiscal year 1976 in many of these programs. The Defense Department, however, as a result of our first resolution target, enjoys an increase of 21 percent for purchases. When adjusted for inflation this defense target provides for a real program growth of 14 percent. This substantial real growth in Defense programs occurs, unfortunately, in a year of considerable economic uncertainty, with the unemployment rate at 7.5 percent. Certainly, a more moderate spending increase for the Defense Establishment would not have degraded our national security.

I am aware that a recent poll indicates considerable concern on the part of many Americans on the question of détente and whether, in fact, we are keeping up with the Russians. The Pentagon has been particularly effective this year in laying out the increased capability of the U.S.S.R. Unfortunately, many times as we paint the Soviets as 10 feet tall, we ignore our own capabilities; moreover, too much negative talk about U.S. power could essentially be destabilizing. The Soviets and the world may be mislead into the belief that the balance of power has been eroded and thus disturb the psychological portion of this balance.

This debate of "how tall the Russians are" or whether there is a "dollar gap" could not only prove destabilizing but is futile in substance. How can equivalences be measured in economic and political systems as distinct as ours and the Soviets? The quantum differences in key technological areas and manufacturing processes preclude any but the most macrocomparisons of industrial capacities. The issue is, in practice, unresolvable.

Military trends and statistics are important and must be considered in assessing capability and potential intentions. However, we must consider in our calculations that the recent Soviet strategic spending essentially results from the lengthy development efforts over the past 10 years to produce a new generation of intercontinental ballistic missiles similar, but not equal, in capability to our existing ICBM force. Moreover, general purpose land, air, and naval expenditures are driven, in large part, by the Soviets geopolitical relation with the Eastern Europe and the People's Republic of China and the Soviet's intense desire to build a strong defense and to "show the flag" in locations other than the Baltic and Caspian Sea.

This latter measure of naval expenditures and capabilities, in both the United States and the Soviet's fleet, particularly concerns me. We may need 600 ships, but I seriously question whether we can ever obtain that number by building huge ships that cost $1 to $2 billion each.

The Soviet Navy operates slightly more than the United States in the Indian Ocean. On the other hand, the United States deploys a force in the Pacific Ocean, whereas the Soviet Union does not. When comparisons are made between the Soviet and United States Navies, why is not the United States deployment in the Pacific cited. The Soviets have offered a mutual withdrawal from the Indian Ocean, and we have not responded. We have fewer ships than the Soviet Navy, but we have twice the tonnage. Why do we not emphasize the tonnage of ships the same as we emphasize large ICBM megatonnage and throwweight?

In conclusion, the Budget Committee has presented a reasonable and stimulative budget alternative. Although we have even further to go in overcoming the obstacles of promoting economic recovery, I believe we have before us, in this resolution, an opportunity to continue along the path of strong economic recovery. I urge my colleagues to support this resolution for its stimulative strength and for its sound economic base from which budgetary decisions can be reached.

The CHAIRMAN pro tempore. Each side has consumed 40 minutes.

Mr. LATTA. Mr. Chairman, I yield 6 minutes to the gentleman from Kansas (Mr. SHRIVER).

Mr. SHRIVER. Mr. Chairman, I want to take a moment to commend our very able chairman and ranking member of the committee, along with the other members, for their many hours of conscientious work during the long hearings and meetings held in connection with this resolution. If this new budget procedure is successful, much of the credit will be due to their leadership.

While I did not support the majority report on the resolution because of the excessive Federal deficit recommended in that report, I am convinced that the new budget process has already resulted in some healthy rethinking in regard to Federal spending. It makes a difference when you have the responsibility of not only deciding how to spend Federal funds, but also how to raise the needed revenues.

I notice that over in the other body, their resolution, while also too large on the spending side in my view, calls for spending at a $9 billion lower rate than would be the case if the programs involved were allowed to expand at their historic rates. That in itself is progress toward fiscal responsibility.

But we have a long way to go. In addition to the excessive deficit of nearly

$51 billion called for in this resolution, I object to the continued reliance by the majority on Federal spending as a prop for our economy.

The President has proposed an $11 billion cut in individual and corporate taxes, to be accompanied by comparable reductions in Federal spending. The majority of the committee has rejected this approach to economic stimulation, and has instead called for boosting Federal spending $17 billion above the President's budget.

In other words, the majority has proclaimed that the Federal Government, and the majority in Congress in particular, knows better how to spend our way out of the recession than American consumers. I reject that notion.

The fact is, we are already on our way out of the recession, and the American consumers are leading the way. By all economic indices, consumer spending is up significantly, while business investment is still sluggish. The business investment will follow if the consumers continue spending, and the President's tax cut would be helpful to that end.

While I have signed the minority views on the budget resolution, I have taken exception to those views as they address function 500: education, training, employment, and social services. My additional views in regard to the education function can be found on page 153 of the committee report.

As a member of both the House Budget Committee and the House Appropriations Committee, I feel it is very important that this budget resolution accurately reflect a realistic funding level for education for fiscal 1977. Anyone who has watched education funding legislation in recent years should realize that the President's proposed reductions in the areas of impact aid, elementary and secondary and higher education programs will be rejected by Congress.

I support the goals of the Congressional Budget Reform Act and intend to continue to work to attain better control of the Federal budget. However, that act did not terminate the authority and responsibilities of other standing committees of Congress. Major policy decisions on the directions of specific Federal programs still fall under the jurisdiction of the regular authorizing and appropriating committees.

For example, the President has proposed to the Congress a block grant approach for the funding of three-fourths of Federal education functions—an important shift away from categorical programs. This is a major change in policy, and the appropriate specialized committees should and will consider all the ramifications of such a change.

The majority views on the budget resolution reject this proposal, while the minority views appear to adopt it. The administration itself, realizing the importance of its block grant proposal, has requested 1977 funding for education based on the existing categorical breakdown pending final resolution of this question.

I agree with the minority views that this resolution does not reflect the ongoing and accelerating economic recovery this Nation is now experiencing. At long last, retail sales are up strongly; industrial production is up strongly; unemployment is down substantially; and consumer price increases are finally slowing down.

But in spite of all this, the resolution supports a continuation of the recession-oriented, stop-gap public jobs program. Later, I intend to offer an amendment to provide for an orderly phaseout of temporary public service employment assistance, at a savings of $3 billion in fiscal 1977 outlays. It is time to move on to postrecession, skill-development job programs and to stimulate the development of private industry jobs.

By reducing the deficit outlined in this resolution by $3 billion, as provided in my amendment, we can take a constructive step toward curbing inflation. At the same time, we can send a much-needed message to the American consumer and businessperson that Congress intends to attack inflation as well as unemployment.

I agree with the gentleman from Ohio, the ranking member, that there are many good features in this resolution, but that the totals for obligation, for spending and deficit are far too great.

Mr. ADAMS. Mr. Chairman, I yield 9 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I congratulate the committee and its chairman for having made great progress in the budget, progress beyond that which the President submitted to Congress, particularly in the area of jobs. There are three areas that I would like to address, but the most important by far is this area of jobs.

Five weeks ago my colleague, the gentleman from Michigan (Mr. CONYERS), and I testified before the Committee on the Budget on the resolution that was then being considered. At that time we cited the adverse economic conditions of the past 2 years and the current very high level of unemployment, particularly among minority youths, and we called for a specific program providing many more jobs than the President has recommended in his budget. I will set out those details in the full statement accompanying my remarks.

I was very pleased that a great deal of what we then proposed was in fact included in the budget as it is now presented before us, including the O'Neill amendment which gives us an additional $2½ billion to be used for job programs.

Nevertheless, the budget as it comes before us still contemplates that during this year we are going to have, as I recall it, an average 6.5 percent unemployment rate. That official rate includes only the people who are still seeking employment. The approximately 3 million people who have given up looking for work in the job market are not included. I think undoubtedly that would add another 2 to 3 percent on top of the official 6½ percent figure.

Mr. Chairman, I think that is the most shameful kind of waste, and the most dangerous social and political condition that we could possibly contemplate, one which we simply cannot accept in a society that has as much wealth as we do. This is especially so where we are spending very large sums on matters which I think are not of high priority or are even counterproductive such as the wasteful expenditure of defense funds, which do not get the same kind of examination as the rest of the budget—indeed we have provided some $2 billion more than this administration asked for this year. There is huge waste in the area of defense, nuclear power promotion, tax subsidies and in many other areas.

Mr. Chairman, the fact of the matter is creating jobs makes good economics and addresses the most important national security problem that faces this country.

In my own district, in the community of Mount Vernon, it is estimated that 70 percent of minority youths are unemployed. That translates itself into thousands of youngsters who are on the streets, not able to participate in society, not learning job skills, with no way to survive except to get into trouble. Unfortunately, they are getting into trouble in record numbers. The society pays the cost for that.

Mr. Chairman, the real choice facing this country is creating jobs or paying for more police, more jails, more courts, and more court personnel to lock up an ever-increasing proportion of our society. We also face more drug programs and more alcohol programs to deal with the tragic results that stem from the failure of our society to use its human resources constructively, to provide jobs for these people so as to enable them to participate constructively in our society and enable them to pay taxes.

Mr. Chairman, the choice seems to be so tremendously clear from the point of view of the health of our country. From that point of view, the thing that we ought to do is to provide the jobs that are needed. I think we should do everything possible to stimulate employment in the private sector. To the extent that we cannot do that, we ought to be providing jobs in the public sector to guarantee full employment.

The argument is made against this proposal that it is going to be inflationary; the President says the cost of full employment would create a huge deficit.

Mr. Chairman, unemployment is the cause of the huge deficit we have now, and also of the $50 billion deficit that we contemplate in the present budget. The President says if we just cut back Federal spending, we would help resolve the problem. Yet, in the President's own budget it is stated that for every 1-percent increase in unemployment, we add $16 billion to that deficit, $14 billion in taxes that are not paid, and $2 billion in unemployment benefits and in welfare for those who do not qualify for unemployment.

Mr. Chairman, that means that if, in fact, we had full employment at the present time, we would have a very substantial Federal budget surplus. Unemployment is at the root of our financial as well as our social problems.

The way to get out of the economic dilemma that we are in is to see to it that we have full employment rather than cutting back, retrenching, and throwing more people out of work and having to pay them to be idle and paying for the consequences of not having them as part of our society.

Therefore, Mr. Chairman, the gentleman from Michigan (Mr. CONYERS) and I are going to join the gentlelady from New York (Ms. HOLTZMAN) in offering an amendment at the appropriate time to try to add yet 1 million additional jobs to those already provided by the Committee on the Budget, in order to accelerate the day on which our society can have a full employment situation. I think that ought to be the No. 1 priority in our country. The danger of not doing it is overwhelming.

Mr. Chairman, I would like at this point to include my full statement on our unemployment ideas and proposals as follows:

Mr. Chairman, just 5 weeks ago my colleague from Michigan (Mr. CONYERS), and I testified before the House Budget Committee on the resolution then being considered.

At that time we cited the adverse economic conditions of the past 2 years, the current high level of unemployment, particularly among minorities and youth, called for considerably more job stimulus than the President had recommended in his budget. We said:

> Though unemployment eased during the last two months, the official rate of joblessness is still 7.6 per cent. And this figure does not include an additional one million workers who have given up looking for work, and therefore who are not counted, nor does it include an estimated 8.7 million more workers who want and need to work full-time but who are forced to work part-time. The true level of unemployment at the present time would be in the neighborhood of 11.5 per cent—or approximately one out of every nine workers.
>
> The euphoria generated by recent signs of economic recovery should not make us complacent about what essentially remains an unemployment crisis. Five recessions mark the post-World War Two period, and each subsequent recession has left us with higher level unemployment than the last and a revision downward of officially designated "full employment", which only serves to conceal further the human and social toll. . . .
>
> Since 1954 the jobless rate among Black Americans has been at least twice the rate among White Americans. Only in two years during this period did the unemployment rate among Blacks nationwide drop below 7 per cent. It has averaged 9 per cent during the past decade. Teenage unemployment has not fallen below ten per cent since 1953, and it has averaged more than 20 per cent in the last year. Unemployment among Black teenagers since 1954 has averaged 25.5 per cent. We have allowed to exist a human wasteland.

Specifically, we urged the committee to develop a program which would create over 1 million additional jobs in both 1977 and 1978. For fiscal year 1977 we proposed $900 million in additional railroad track rebuilding assistance, including an additional $200 million for the Northeast corridor rail program, $500 million more for mass transit, $250 million more for the job opportunities program—title X of the Public Works and Economic Development Act—an additional $5 billion for housing programs, an added $1 billion each for accelerated public works and countercyclical assistance, and $5 billion more in CETA title VI funds.

It has been our view that additional job stimulus programs like these are necessary to reduce unemployment toward the goal of full employment. The nearly 7-percent level of official unemployment tolerated in the President's budget is clearly too high. It ignores the tremendous cost of joblessness both in human terms and in economic terms.

With respect to the latter, I would point out once again the folly of spending billions to support people who are not working with unemployment benefits and welfare while only a fraction of that amount is spent to make more jobs. Increasing the number of jobs available will pay permanent dividends in the form of lower welfare and unemployment benefit payouts, greater tax revenues, and the psychological advantages that accrue to a society which is able to keep its citizens productively and gainfully employed. The President's own budget assumes that each 1 percent of unemployment costs the Government some $16 billion—$14 billion in lost tax revenues and $2 billion in outlays for support programs.

Having made our jobs proposal, I was pleased to see that the Budget Committee has included so many of the Conyers-Ottinger suggestions in its final resolution. In particular, the resolution as adopted by the committee included half the rail funds we proposed, somewhat more than half the mass transit funds, $5 billion in housing funds, most of our CETA proposal, and $2.2 billion in allowances for job stimulus, which is said to include the $1 billion for countercyclical assistance and $1 billion for accelerated public works that we proposed.

Despite the inclusion of so much of what we proposed, however, it is clear the resolution still makes insufficient provision for added jobs. The committee admits that the targeted unemployment rate for the end of calendar 1977 will be 6.6 percent, still an unacceptably high level.

The committee's willingness to tolerate that level represents a compromise with the administration which I think goes too far. The committee has bound us again to the concept of the Phillips curve—the tradeoff between unemployment and inflation—even though the experience of the last 4 years has raised serious doubts about the continued usefulness of that concept. In short, we have discovered that we can have inflation and unemployment at the same time; yet we have been reluctant to accept the converse—that we can successfully attack both at the same time.

I suspect that the reason for this attitude is our reluctance to recognize that the real world is drifting farther and farther from the Keynesian model, and particularly that many prices do not change through the interaction of supply and demand, but rather through the administered pricing tactics of large companies. Thus we are faced with the decision of some large manufacturers to raise prices when confronted with a slump in demand on the dubious theory that fewer units of sale justify a larger per unit profit. This kind of thinking has fueled inflation, and it makes clear that induced reductions in demand through the tolerance of high levels of unemployment is not going to deal successfully with inflation.

It is important, therefore, that this budget set as its major goal the reduction of unemployment. The budget resolution as reported moves farther in that direction than the President's budget, which proposed real cuts in most domestic programs, but it is clear additional jobs are needed. I believe they can be provided without increasing the threat of inflation.

2. MEDICAID-MEDICARE CUTS

The second concern that I wish to touch on very briefly is that the Budget Committee cut medicaid and medicare some $700 million and at the same time added additional services to be paid from out of these very programs. I agree with the objectives of trying to economize on these programs. I think in some ways they have been very wasteful. I think that some of the hospitals and some of the doctors have been way overcompensated under these programs.

My fear is that the cuts made by the committee will affect the recipients rather than medical costs—that we will have what we are now actually seeing in New York, that the cuts are not coming out of the medical people or the hospitals but are coming out of the poor people.

I have had people come to me in absolute desperation. They show me the bills they have been required to pay and the medicare and medicaid forms indicating reimbursement of only a fraction of the cost. They say to me, "How will we eat?" There is no program to help them eat and they are suffering terrible deprivation. So until we have a program in place that will assure that this kind of cut will come out of the programs and not out of the poor people, I cannot support the cuts.

Maybe the chairman of this committee, the gentleman from Washington (Mr. ADAMS) can show me that that in fact is going to be accomplished. But, as I understand it, these cuts are made with the hope that that is going to happen; that is not enough for me.

3. SYNFUELS

The third area of my concern involves the $503 million that is included in this budget for an unsound, uneconomic, and environmentally dangerous synthetic fuels program. A $6 billion version of this proposal has already been defeated in the Congress. At the present time the Science and Technology Committee, on which I serve, is considering legislation which is not as yet fully formulated, but which as being considered incorporates exactly the same program in small bites. The administration testified that it is the same program, but it only requested $2 billion to be provided this year. The $2 billion in loan guarantees, but it was made clear that additional millions of dollars in price supports and construction grants will be required.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York.

Mr. OTTINGER. In this program, already rejected, we are going to be asked to subsidize the largest energy companies in the world and thus will be putting them on welfare to an extent that welfare for the poor has never seen before. The result of this program is going to have a really important impact on the budget. The synthetic fuels to be financed are so completely uneconomic at the present time that price supports are needed to sell them. The chances are that the Government is going to end up by paying for the full bag, the full $2 billion.

I would like to ask the chairman, the gentleman from Washington (Mr. ADAMS) a question because I am very much concerned about this back door kind of spending; the question is whether we should not require the committee to put all of these loan guarantees in as an item of the budget, because this is going to be a budget buster if it goes through. I am hopeful that it will not go through. But if we go through with the $2 billion program of loan guarantees, I am very concerned as to the effect this will have on the budget. I would like to hear from the chairman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. Mr. Chairman, I yield 1 additional minute to the gentleman from New York.

Mr. Chairman, if the gentleman will yield, it was the general thrust of the Budget Committee's deliberations in this area to reject the large loan guarantee program, called the Energy Independence Authority and, instead, to go along with on budget items. It is the belief of the majority of the members of the Committee on the Budget that if we are going to have energy expenditures then they should be part of the budget.

Where we have had loan guarantees, and this has been in limited areas, it has been a requirement that whatever amounts might not be accounted for or are lost, the administration would have to put on the budget.

But, generally, the gentleman is correct, if we have a loan guarantee program, a strict loan guarantee program, and it does not appear in the budget, then I think this should be discouraged because then we build up a dangerous contingent liability for the Government.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. ADAMS. I yield 2 additional minutes to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

I would just like to say I am not going to offer an amendment to strike the $503 million from the budget because the legislation has not yet been passed in the Science and Technology Committee, and thus it is impossible at this point to know what we will produce for certain.

I just want to put on the record that the program proposed by the administration and included in the bill presented to the committee is costly and dangerous—it promises to commit the Government to the expenditure of untold billions of dollars in future years and break the present budget if the $2 billion figure presently included remains.

Furthermore, the present bill is the clear forerunner of the $100 billion Energy Independence Authority proposed by the President. The committee received a letter from Vice President ROCKEFELLER today saying that he endorses the $2 billion synthetic fuels program now before the committee as the first step toward establishing this Energy Independence Authority which is contemplated to be a $100 billion loan guarantee program to finance the major energy companies and give unwarranted priority in our capital markets to synthetic fuels.

The synthetic fuels program is environmentally hazardous. It promises to sap up all the water from the West. It's byproducts are known to be carcinogenic and cause cancer among the workers in existing plants. I do not think this is a program we ought to assign the Government's top energy priority. It ought not to be included in the budget; if it is carried forward as presently contemplated by the administration and the Science Committee, I am confident the House will defeat that program when it comes to the floor.

Mr. ADAMS. If the gentleman will yield, I might say in response that the program as outlined in the budget resolution does not favor creating a $100 billion authority. It is not within the budget resolution. It is neither there directly nor indirectly. We tried to put in on pages 38 and 39 of the report, the specific items we would be spending for energy, whether it is in the accumulation of strategic oil reserves or in the synthetic fuel program that the gentleman has mentioned.

Mr. OTTINGER. If provision is not specifically made in the budget for this synthetic fuel program, I am very glad to hear that.

I would like at this point to include a more detailed statement on the hazards of this program.

Mr. Chairman, section 2 of House Concurrent Resolution 611, includes a category entitled "Natural Resources, Environment, and Energy (300)" which includes $503 million in "new budget authority" and $3 million in "outlays for a synthetic fuels program."

This apparently is the program recommended by the Energy Research and Development Administration—ERDA—to provide up to 90 percent loan guarantees to private industry to finance the construction of commercial size demonstration plants primarily to convert coal and oil shale into synthetic fuels. The bill (H.R. 12112) to authorize this program is currently pending before the House Science and Technology Committee. H.R. 12112 would authorize $2 billion in loan guarantees. But do not be deceived by this figure. The bill adds "or the amount approved in subsequent authorization acts."

The ERDA fact book of March 1976 entitled "Proposed Synthetic Fuels Commercial Demonstration Program" states—

> That ERDA is requesting an *initial* $2 billion in loan guaranty authorization for FY 1976 to *initiate* the program in ERDA." (Emphasis supplied).

The book adds:

> ERDA would need an additional authorization of $4 billion in loan guarantees in FY 1977.

That adds up to $6 billion—I repeat, $6 billion.

Where did we hear that figure before? Why, of course, only a few months ago. In fact, it was December 11, 1975, when the House of Representatives voted 263 to 140 to reject this very same synthetic fuels loan guarantee program.

Now ERDA wants to resurrect this synthetic fuels commercialization program which is the "foot-in-the-door" for Vice President ROCKEFELLER's $100 billion Energy Independence Authority—EIA. Indeed, the ERDA fact book clearly states that—

> After the EIA has been formed the Synthetic Fuels Program will be transferred to EIA . . .

This is confirmed by the Vice President himself who wrote on April 13, 1976, to the Administrator of ERDA, Dr. Robert C. Seamans, as follows:

> "I have been advised that some members of Congress have raised questions concerning the Administration's support for H.R. 12112, a bill which among other things would provide for loan guarantees to advance commercialization of synthetic fuels.
>
> Although I am spending a good deal of my time on the Administration's *Energy Independence Authority* proposal, I just wanted to assure you that the Administration fully supports H.R. 12112 as an important first step in getting this country moving on a synthetic fuels program which can contribute significantly to our energy supplies in the future. *This authority, initially granted to ERDA, would hopefully be folded into the EIA should that broader program become law.*" (Emphasis supplied).

ERDA is willing to start at $2 billion with the hope of convincing Congress, and particularly this body, that it is really a small program. But again, do not be deceived.

The $6 billion is also just the beginning. ERDA also plans to seek $4.5 billion in price supports and $600 million in construction grants for this commercialization program, for a total of $11.1 billion. The $503 million included in the House Concurrent Resolution 611 will not suffice. The ERDA fact book states that it will need $2.5 billion in "borrowing authority" for the loan guarantee and price support parts of this commercialization program and $600 million in appropriations for the grants. In addition, ERDA wants $15 million annually from fiscal year 1977 to fiscal year 1981 to administer this program, plus an additional $4.4 million in 1976. This is stated by ERDA to require building up of a staff of 210 personnel, including 165 professional personnel. It is interesting to note as of January 1976 the headquarters of ERDA in Washington, D.C., for conservation had only 146 people and was authorized 170 positions.

But will we get energy from this program? Not really. ERDA predicts this $11.1 billion will produce the equivalent of only about 350,000 barrels of oil per day by 1985. Is this worth $11.1 billion, particularly in light of the potential impact of this program in the capital market and the free enterprise system?

The director of the Center for the Study of American Business at Washington University in St. Louis, Mo., and former Assistant Secretary of the Treasury for Economic Policy during 1969–71, Dr. Murray L. Weidenbaum, is not enthusiastic about this program or the EIA for that matter. He blocked the program in a statement earlier this month, concluding:

> ### Summary
>
> **The proposed program of credit subsidies to promote domestic energy development is undesirable for many reasons:**
>
> **1. It avoids dealing with the fundamental need to provide basic market incentives to increase domestic energy production. Although it is intended to aid a new private industry, it would weaken further the basic risk-bearing and entrepreneurial character of the American business system.**
>
> **2. There is no indication that the federal credit program will result in any specific increase in domestic energy production.**
>
> **3. It would be an extremely cumbersome program to operate, involving many federal, state, and local agencies.**
>
> **4. It ignores the sad lessons of history, notably the RFC experience.**
>
> 5. It would be a major extension of federal responsibility for local affairs. Under the proposal for loan guarantees for synthetic fuel projects, the federal government could guarantee up to 100 percent of a locality's bonds for "essential" public activities or it could guarantee the amounts of anticipated tax revenue from the energy demonstration facility.
>
> 6. The federal government could wind up operating commercial plants and selling the products or energy that are produced. It would be authorized to do so in case of default.
>
> In the formation of public policy on fostering a greater degree of domestic energy independence decision-makers need to consider the various alternative ways of promoting the nation's objectives in the energy area—including greater reliance on normal market incentives, reducing the severe regulatory barriers to the use of existing energy sources and to the development of new ones, and stockpiling petroleum to reduce the threat of embargo.
>
> Despite the high hopes of its supporters, there is no assurance that the many billions of dollars contemplated to be used by the synthetic fuels program and subsequently by the Energy Independence Authority actually will result in the attainment of the objective of energy independence. Perhaps the fundamental shortcoming is the failure to demonstrate the superiority of this approach—subsidies to the private sector—to other alternatives.

But Dr. Weidenbaum is by no means alone in his criticism of this program. Others also criticize it. One criticism comes from Exxon which states:

> It is difficult to see how government guaranteed loans at commercial interest rates can change a non-commercial undertaking to a successful commercial venture. If the loan is structured such that the operator can elect to default at any time, then such loans do provide a limit on potential loss to the operator—*but this approach also may leave government with an incomplete or inoperable project.* Price floors would also be difficult to phase out as they would tend to be *viewed as an operating subsidy and thus would eliminate the economic driving force for effective cost control.*" (Emphasis supplied.)

This is a very telling argument and one that ERDA does not really respond to, except to say that this program "relieves the investor of a substantial portion of this risk and transfers it to the taxpayer." The poor, overburdened taxpayers are being asked to bear the risk of the investment bankers and financial houses of Wall Street, and that is what ERDA wants. The full text of the ERDA reply is as follows:

> ERDA believes that the projects which would be the recipients of loan guarantees and/or price "supports" are, because of the many administrative, legal, financial, and other uncertainties which attend them, perceived by their sponsors to have such potential risk as to justify and require high rates of return which, in turn, would lead to such high product prices as to render the projects totally uneconomic. Thus, at 12% discounted cash flow (dcf) shale oil (from a plant of stated cost and operating parameters) could be sold at $11.41 per barrel, but at a 20% dcf the oil would require a selling price of $20.52 (see Exhibit E to Tab J of the *Proposed Synthetic Fuels Commercial Demonstration Program Fact Book*, copy attached). The loan guarantee relieves the investor of a substantial portion of this risk, and transfers it to the taxpayers. Further, the loan guarantees transfer consideration of ultimate debt liability from the project sponsors books and thus permit deviation from the usual practice of analyzing capital decisions as if they were to be 100% financed with equity. In such 100% equity financing, the dcf calculation is applied to the total capital cost and must account for Federal income tax. The transfer of ultimate liability regarding the guaranteed debt portion permits dcf to be calculated only on the remaining balance of capital cost with reductions in the amount of return and attributable tax and hence product price.
>
> Thus, if these projects are, absent loan guarantees, in fact "noncommercial", they are so by virtue of the need for high prices inducted by the risks associated with the aforementioned overhanging uncertainties.
>
> Synthetic fuels which compete in the petroleum market face a special uncertainty with regard to world oil prices which are set by fiat. Price "support" (a price guarantee) will perform the risk transfer for this uncertainty.
>
> ERDA believes that a sufficiently favorable resolution of these uncertainties would demonstrate the project to be commercially viable, and that resolution below this level would prove them to be "noncommercial". The primary objective of the commercial demonstration program is to resolve these uncertainties and to determine whether in fact commercial production of synthetic fuels is economic.

Mr. Chairman, let me also stress, that ERDA is not yet ready for this program. There are many unanswered questions for which it has initiated as yet uncompleted studies as follows:

SYNTHETIC FUELS CONTRACT ASSISTANCE

Contractor	Amount	Award Date/Status	Description
TRW	$60,000	Awarded, Mar. 17, 1976	Preparation of program regulation.
TRW	95,000	do	Selection criteria for award of financial incentives for the synthetic fuels commercialization program.
TRW	40,000	do	Risk and incentive analysis.
Bechtel Corp	9,500	Award anticipated, Apr. 2, 1976	Industrial gas: Influence of plant size.
DuPont Corp	9,850	do	Fuel grade methanol: Economic feasibility of manufacture and use as a utility peaking fuel.
Dravo Corp	9,000	do	Industrial fuel gas: Distribution costs.
Cameron Engineering	9,650	Award anticipated, Apr. 8, 1976	Critical survey of technologies being considered by oil shale operators, for surface retorting of oil shale.
Eyring Research Institute	9,850	Award anticipated, April 1976	Comparative analysis of water requirements for technologies being considered for oil shale retorting.
Mitre Corp	80,000	Award anticipated, May 15, 1976	Final programmatic environmental impact statement.
TRW	70,000	Awarded, Mar. 17, 1976	Program planning support.
Stanford Research Institute	35,000	Award anticipated, Apr. 9, 1976	Information as a function of plant size.
Do	72,000	do	Strategy and criteria appropriate for optimum plant mix.
Institute for Defense Analysis	40,000	Awarded Feb. 24, 1976	International involvement and cooperation potential of the synthetic fuels commercialization program.

ERDA has not received the results of these studies. Yet ERDA wants Congress to enact H.R. 12112 and commit the Government to start with $2 billion—a multibillion subsidy program. I say we should wait for the results of these studies so we can consider them as we consider any legislation on this subject.

Finally, the General Accounting Office has strongly criticized the program in a March 19, 1976, report. I think it important that the following colloquy with Mr. Phillip S. Hughes, Assistant Comptroller General of the United States, and myself, concerning the effect of loan guarantees on the budget, be considered:

> Mr. Ottinger. If, in fact, we are producing a net energy loss and propose to pay the kind of money we are talking about to achieve that result, it would hardly seem worth it.
>
> Mr. Hughes. I agree with you, if that be the case.
>
> Mr. Ottinger. I would like in the time I have left to have you discuss some of your concern about the budget. I take it that none of these price supports or guarantees are at present, in the budget.
>
> Mr. Hughes. The picture is somewhat split. We would have to deal with each of the bills, one at a time and I would have to refresh my recollection. But generally speaking, the authorizations in the bills that are for grants or subsidies would be on the budget, in the budget. It is the ones for loan guarantees that would be excluded. And of course, those are by far probably the larger amounts.
>
> The question here is not a simple or easy one. But my personal feeling and I think GAO's institutional feeling is, that these kinds of loan guarantees probably should be on the budget.
>
> Mr. Ottinger. Can you assess—as you say, this is a basically uneconomic enterprise at the present by something like double the

price per barrel equivalency of producing these synthetic fuels—it runs from $12, which is almost double which is almost triple the present price.

Can you assess for us in terms of a percentage the likelihood that we are going to have to use price supports and loan guarantees?

Mr. HUGHES. Let me say again, Mr. Ottinger, that the price supports would be on the budget. The loan guarantees are the area of concern that I have. The loan guarantees traditionally have not been on the budget. But traditional loan guarantees have been a different kind of loan guarantee. They have been the Veteran's loan guarantee or insurance on housing where the guarantee it seems to me is a somewhat more normal and traditional type.

These arrangements we are talking about here and the arrangements contemplated in the Lockheed situation and in the Administration's uranium enrichment proposal, for example, those are in effect, takeouts. There is no broad base to spread the guarantee over. This is a device for assuring financing on a particular project. The assumption is that the financing would only be available at unreasonable and impossible and impractical interest rates were it not for the guarantee.

Mr. HECHLER. Mr. Ottinger, you have 30 seconds left.

Mr. OTTINGER. What I basically want to find out is in terms of sound accounting practice, would it be sensible for us to apply some kind of predictive percentage to the loan guarantee and have it included in the budget?

Mr. HUGHES. I think my feeling—we would like to consider it further—my feeling would be that the total loan guarantee should be in the budget because of the fact that is, in effect, a contract authority to take out the particular financial institution if the project goes sour."

Mr. Hughes testified that the GAO will provide an additional report concerning these and other aspects of the program in July. Clearly, H.R. 12112 should not be considered until after that report is received.

Mr. Chairman, because the $503 million in House Concurrent Resolution 611 does not authorize this program, I have not moved to strike it. But I think it should be done.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, the 10 hours of debate provided by statute is obviously a sufficiently appalling prospect to drive Members from the floor. I trust there will be considerable interest in this measure tomorrow when we begin the amendment process.

I am not one to want to extend this debate unnecessarily, but I do want to make a few remarks and ask a few questions before we begin the amendment process. I have a great deal of respect for this institution, and I think we have taken a good step in adopting the Budget Reform Act. It has been apparent for years, Mr. Chairman, that Congress is inclined to ignore Presidential budgets however skillfully put together, and we have not only the right but a duty to establish our own priorities and to develop policies that will square our own fiscal plans with what we think will be best for the Nation. Realizing that Presidential priorities cannot be modified by no priorities at all we have moved toward trying to achieve a congressional budget in a responsible way. I would like to echo the remarks made by some of my forerunners here in the well about the contributions made by the leaders of our committee in putting together not only a possible solution to our fiscal problems but also in quickly putting together a very expert staff to advise us on the various economic issues that have to be dealt with in the aggregate and in respect to line items. That we have disagreed about the substance of this process does not mean that it is not a worthwhile process, and even if our budget is a less accurate yardstick than that put together by the experts in OMB, if we are willing to use it our fiscal posture has obviously been improved.

The substantive disagreements we have relate to the aggregate figures involved and to the line items. I think it is important that we understand that there are those two different areas of disagreement.

As far as the aggregate is concerned, this budget requires the Members to spend $17 billion more than the President has recommended. To adopt it the Members will have to agree that they want to collect $10 billion more in taxes than the President has recommended. Putting these two together, obviously this budget will result in a deficit of somewhere over $7 billion more than that recommended by the experts at OMB. I think thus the lines are drawn on the argument about what is good in the aggregate as a budget for the country.

The line items are another area of controversy. We are never going to get complete agreement on these but I think it important for us to concern ourselves about is what we are projecting into future years by what we do in this budget. We have had a Federal budget that has been out of control in the view of most of the people in this country and the average American wants to see a budget that he thinks will permit control for the future. Thus it is important that we not start some of those snowballs rolling down the slope that can eventually turn into the kinds of avalanches that can result in fiscal disasters for our economy. When we see items of $50 million start-up costs for the Hawkins-Humphrey bill or the $50 million for the national health insurance, we see nothing but repetition of some of the old errors that have resulted in out-of-control Government in the past.

I am sure tomorrow there will be adequate discussion of items of this sort and their impact on the future budget of the country.

The CHAIRMAN pro tempore. The time of the gentleman from New York has expired.

Mr. LATTA. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CONABLE. Mr. Chairman, I had a couple of comments I wanted to make: first, about the economic forecast for the country. A majority report cited a number of forecasters who believed the President's budget was not stimulative enough for 1977. That is on page 12. The first quarter GNP data show the recovery as much more vigorous than earlier believed. It has already been referred to as a real growth of 7½ percent for the first quarter at an annual rate, and now many forecasters are adjusting their forecasts upwards. Is it still legitimate to believe the President's budget is not stimulative enough? I would like to ask the chairman to respond to that.

Mr. ADAMS. Mr. Chairman, if the gentleman will yield, maybe it is not. We have been programing this recovery based upon what we did in the fiscal year 1976 budget with the tax cut and the other items. We are almost precisely on the target that came out of the Budget Committee estimates of what the recovery would be at this point given the type of resolution that we enacted last year.

I would state to the gentleman that this is not due to any magic from the Budget Committee, but it was based upon the projection of the economists who testified before us last year.

What we are concerned about with the President's budget figure is that if we were to adopt it rather than the more progressive, but still moderate, program we have in the resolution, then between now and next spring we would have economic difficulty.

Mr. CONABLE. Is the chairman using the word "progressive" as a substitute for the word "stimulative"?

Mr. ADAMS. Either one the gentleman wants to use, stimulative or progressive. The point is the degree to which the Federal fiscal policy should be aiding the recovery. What I am stating to the gentleman is that we are almost precisely on target from where we said we would be a year ago. What we are trying to do is to continue that same kind of progress for next year.

The economists, I believe the gentleman will agree, who appeared before us—except for Mr. Greenspan and Mr. Simon—said that some type of stimulus in the range recommended in the budget resolution would be necessary to continue this recovery in calendar year 1977.

Mr. CONABLE. I think the President's forecast was much more accurate than that of many of the members of the forecasting fraternity, however. It is clear that the upsurge is considerably stronger than anticipated when we were putting this budget together.

Mr. ADAMS. Mr. Chairman, if the gentleman will yield further, the upsurge is greater than what the President forecasted, because we changed the President's budget by adding in more tax stimulus and adding more job stimulus.

Mr. CONABLE. I am talking about what happened in the first quarter. Clearly what we have done in the budget has not affected the first quarter, but will impact on the future.

Mr. ADAMS. That is what I am talking about. What happened was due to the fact that in fiscal year 1976, last year, we went with the additional tax cut and the additional stimulus which took us above the President's projections, but not above the projections of the committee or the economists.

Mr. CONABLE. Well, Mr. Chairman, I

submit if the recommended deficit was appropriate when the economy was gloomier, a lower deficit is appropriate today.

Mr. ADAMS. I agree with the gentleman. That is precisely why we have recommended a deficit almost a third less than we had last year, I think in a range of $50 billion, as opposed to $75 billion, approximately, this year. That is why this gentleman did not go with the $75 billion deficit again.

Mr. CONABLE. I think had the gentleman come in with a recommendation of a $75-billion deficit, we would have a much more interesting debate now than we are having.

Let me ask, Mr. Chairman, another question.

The CHAIRMAN pro tempore (Mr. Long of Louisiana). The time of the gentleman from New York (Mr. Conable) has expired.

Mr. LATTA. Mr. Chairman, I yield the gentleman from New York an additional 5 minutes.

Mr. CONABLE. Mr. Chairman, the report of the Committee on the Budget makes it difficult to compare this budget to the President's budget with respect to economic assumptions. You will recall that I asked, Mr. Chairman, in the course of the markup that we get some specific word about economic assumptions. On page 13, where most of these assumptions are provided, there is not complete information on the unemployment rate. It states only that the unemployment rate at the end of 1977 will be approximately 6 percent.

On page 10 it projects an unemployment rate of approximately 7 percent at the end of 1976, which is consistent with the committee forecast. It does not provide an average unemployment rate for calendar years 1976 and 1977. It tells us that the inflation rate will be 5.5 percent during 1977, but does not tell us whether this is the CPI or GNP deflator and, of course, CPI is not provided for 1976.

What are the ranges of CPI assumed for 1976 and 1977? It may be that information is immediately available and can be put in the Record; but it seems to me we ought to know that in order to gage performance.

Mr. ADAMS. I will respond to the gentleman that the average rate based upon calendar year 1976 for the CPI would be 6.1 percent; for 1977 it is 5.6 percent. The unemployment rate for 1976—this is the average for the year—would be 7.4 percent and for 1977, 6.5 percent.

The reason, as the gentleman knows, for the difficulty in stating an unemployment rate is whether we want to use an average for the first quarter of the year, the second quarter of the year, or the point at which we arrived at the last month. The reason for the 6.5-percent average annual rate is that we are projecting a climb out of this recession. As we are climbing out of the recession and the unemployment goes down, obviously, if the rate starts at 7 percent and ends at 6 percent, we end up with a 6.5-percent, the average comparisons, and the figure is.

Mr. CONABLE. Well, I appreciate the response of the chairman. It was my intention to ask him this question to try to get information in the Record that would give us an absolute comparison to what the President's budget projections are so that we would know we are talking about the same types of economic assumptions.

Mr. ADAMS. At the end of the day today, I will place in the record the comparison giving the gross national product, the average comparisons and the alternative projections from the econometric models.

The material follows:

BUDGET COMMITTEE FORECAST—ANNUAL AVERAGE COMPARISONS

Calendar years	1975	1976	1977
Gross National Product (billions)	$1, 499	$1, 685	$1, 878
Change (percent)	6. 5	12. 4	11. 5
Real Gross National Product (billions)	$1, 186	$1, 260	$1, 330
Change (percent)	−2. 0	6. 2	5. 6
Consumer Price Index (1967=100)	161. 2	171. 0	180. 5
Change (percent)	9. 1	6. 1	5. 6
Unemployment rate (percent)	8. 5	7. 4	6. 5
Change (percent)	+51. 8	−13. 0	−12. 2

Mr. CONABLE. Let me thank the chairman for his response. I trust the results of this debate will be adequate to frame the issues, both with respect to the aggregates and line items. That is the purpose of the process. I have great confidence that what the House will adopt ultimately will be in the Nation's best interests. I appreciate again very much the initiation of this important reform step in the fiscal life of the Congress and the country.

Mr. ADAMS. Mr. Chairman, I want to thank the gentleman for his comments. I particularly want to thank the gentleman—and I am going to comment later on some of the other members of the Budget Committee—for his constructive contribution as we have gone through these various items. This is a very difficult process, trying to compromise each of these items and agree upon committee recommendations. We are trying to make the budget process work, and I appreciate the contribution the gentleman has made.

Mr. CONABLE. I thank the gentleman.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, it is my intention to introduce a substitute for House Concurrent Resolution 611 which would provide for the American people a balanced budget for the first time in several years. I urge your support of this substitute when it comes to the floor today.

My substitute resolution which I submit for the Record would balance budget outlays with anticipated revenues for the coming fiscal year. While it would be my strong desire to avoid any increase in the public debt, this minimum add-on increase is necessary primarily to account for the expenditures of the off-budget agencies, such as the Export-Import Bank, the U.S. Railway Association, and the Federal Financing Bank.

This is the third time I have introduced such a substitute amendment to resolutions on the budget, and support for the balanced budget concept has grown with each consideration. When the amendment was introduced last spring, it received 94 votes; last fall when the measure was debated, 127 "aye" votes were cast. Support for a balanced budget promises to be stronger than ever when the resolution comes up today.

In the past, we were told that economic conditions were adverse to the adoption of a balanced budget; that to try to run the country with no deficit would be hazardous and ill-advised, and would result in serious dislocations in the economy. This is not the case. The progress of the economic recovery and the prospects of its continuation demonstrate that adoption of a balanced budget is not only feasible but also highly desirable.

The taxpayers of America—our constituents—are doing all they can to fight inflation and make ends meet, and it is my belief that they should expect nothing less from their Congressmen. They find it hard to understand—as many Members do—why the U.S. Congress cannot live within a $363 billion cash flow. The purpose of my resolution is to set realistic goals and fiscal objectives for the coming year so that the American people will know that we intend to adhere to the same basic economic facts of life by which the rest of society is required to live.

This concept is neither premature nor unrealistic for today's economy. This is a fact of life that sooner, rather than later, we must come to grips with if this Nation hopes to avoid the same plight as New York City and Great Britain—both of which persistently refused to live within their means. We can avoid such consequences, and we can achieve fiscal solvency, but only if we act now to wisely arrange our budget priorities.

Mr. Chairman, I hereby submit my concurrent resolution for House consideration:

H. Con. Res. —

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the recommended level of Federal revenues is $363,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $14,800,000,000; and

(2) the appropriate level of total new budget authority is $394,200,000,000;

(3) the appropriate level of total budget outlays is $363,000,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0;

(5) the appropriate level of the public debt is $661,275,000,000, and the amount by which

the temporary statutory limit on such debt should accordingly be increased is $15,100,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1976, the appropriate level of new budget authority and the estimated budegt outlays for each major functional category are as follows:

(1) National defense (050):

(A) New budget authority, $112,000,000,000.

(B) Outlays, $100,600,000,000.

(2) International Affairs (150):

(A) New budget authority, $3,400,000,000.

(B) Outlays, $3,000,000,000.

(3) General science, space, and technology (250):

(A) New budget authority, $4,400,000,000.

(B) Outlays, $4,300,000,000.

(4) Natural resources, environment, and energy (300):

(A) New budget authority, $19,200,000,000.

(B) Outlays, $11,800,000,000.

(5) Agriculture (350):

(A) New budget authority, $2,300,000,000.

(B) Outlays, $2,000,000,000.

(6) Commerce and transportation (400):

(A) New budget authority, $17,900,000,000.

(B) Outlays, $16,400,000,000.

(7) Community and regional development (450):

(A) New budget authority, $5,900,000,000.

(B) Outlays, $5,900,000,000.

(8) Education, training, employment, and social services (500):

(A) New budget authority, $15,900,000,000.

(B) Outlays, $17,600,000,000.

(9) Health (550):

(A) New budget authority, $32,300,000,000.

(B) Outlays, $32,100,000,000.

(10) Income Security (600):

(A) New budget authority, $133,800,000,000.

(B) Outlays, $123,000,000,000.

(11) Veterans benefits and services (700):

(A) New budget authority, $18,600,000,000.

(B) Outlays, $18,100,000,000.

(12) Law enforcement and justice (750):

(A) New budget authority, $3,300,000,000.

(B) Outlays, $3,400,000,000.

(13) General government (800):

(A) New budget authority, $3,500,000,000.

(B) Outlays, $3,400,000,000.

(14) Revenue sharing and general purpose fiscal assistance (850):

(A) New budget authority, $5,000,000,000.

(B) Outlays, $5,000,000,000.

(15) Interest (900):

(A) New budget authority, $34,500,000,000.

(B) Outlays, $34,500,000,000.

(16) Allowances:

(A) New budget authority, $800,000,000.

(B) Outlays, $800,000,000.

(17) Undistributed offsetting receipts (950):

(A) New budget authority, —$18,900,000,000.

(B) Outlays, —$18,900,000,000.

SEC. 3. The Congress hereby determines and declares, in the manner provided in section 310(a) of the Congressional Budget Act of 1974, that for the transition quarter beginning on July 1, 1976—

(1) the recommended level of Federal revenues is $86,000,000,000;

(2) the appropriate level of total new budget authority is $96,300,000,000;

(3) the appropriate level of total budget outlays is $101,200,000,000;

(4) the amount of deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $15,200,000,000; and

(5) the appropriate level of the public debt is $646,200,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $19,200,000,000.

Mr. ADAMS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, to my colleagues on the floor at this time, I want to say that I have no great declamation but come here for discussion. I recall that the last time we were all here, the chairman of this committee explained the lack of attention to the real domestic needs of this country in the following way: He told me—and it is in the RECORD—that because of the shortness of time between the creation of the Budget Committee and the time that the budget resolution had arrived on the floor, that there had not been an opportunity to deal adequately with the kinds of evaluations necessary to arrive at a budget that was more nearly suited to the real needs of the working people in this country. I could not accept that.

And so, we come again to a budget resolution, the preceding ones of which only very narrowly succeeded in not being returned to the committee, which is also seriously flawed. And I find myself, very frankly, in exactly the same dilemma, but for some different reasons. But before we begin our discussion, Mr. Chairman, I want to recognize first of all the onerous responsibility that the chairman and the members of this committee have. He has an excellent staff. They have worked very closely with a number of us who have disagreements about the product of the committee work, and I want to express fully to the Congress the friendliness with which we have all been able to work within the framework of this great problem of judging national priorities that we have undertaken.

The gentleman sought this responsibility. His intuitions about how to restore the economy to full employment and production are on target. We feel very comfortable with his chairmanship. I support very much the work that he has been doing, but I must say to him that to be opposed to the ingredients in the budget resolution does not mean that one is opposed to the process.

Mr. Chairman, I have heard so many times over the last year or so that if the Members really like this budget process, if they really feel that it is time, after a couple hundred of years, that the Congress begin to get itself organized in terms of the hundreds of billions of dollars worth of taxpayers' money that it is to spend as intelligently as 535 men and women can, then for God's sake do not kill the budget resolution, because we would be killing the process.

I hope that everybody in the House of Representatives will recognize that is not accurate: one can honestly have reservation about, and difference with, anything and everything in the budget, vote against it, and yet not be voting against the process that Congress has determined ought to be the way that we operate.

I hope that no one misapprehends or misunderstands that, because if anyone does, we are not going to have any basis for an intelligent discussion today and tomorrow.

The fact of the matter is that almost everybody here has said today that we are almost out of the recession, we are on the way out.

Is there any other Member in Congress besides this one in the well who will dispute that statement?

We are leveling off. We are not on the way out. We could not be on the way out because we are projecting 7 percent unemployment for as far down the road as we can see, into, if you will, the next administration, whatever it may be. So we are not coming out of the recession. For all we know, we might be going into a depression.

Now a friendly word about those forecasters, that little band of economists, most of them very well-intentioned people, no less honorable than those of us in our particular profession. But as forecasters, economists have been so notoriously wrong, that for anybody to continue to sanctimoniously tell me about what some economist forecasts is as ridiculous as trying to tell me about what some politician forecasts. There are, it is true, some who are better forecasters than others. The fact of the matter is that the band of economists that regularly advise incoming and outgoing Republican and Democratic administrations in the Nation's Capital have been awfully, awfully wrong. And some of them have the real audacity to come before a committee to talk about what their predictions are, in the light of all of their erroneous forecasts in the past and the miserable economic performance which their policies engendered.

I would like to refer to one of the most important comments that was being made by my colleague on the other side of the aisle, the gentleman from New York (Mr. CONABLE), because my heart skipped a beat and my eyes lit up when he said that we have to be concerned about some of the items we are putting into this budget that are going to have some serious implications down the road. And I said to myself, "Right on." And then he explained what he meant. Was he talking about the military, the only real giant increase that occurred in this process? No. He was talking about $50 million to start up the Humphrey-Hawkins Full Employment bill. Fifty million dollars. Not $5 billion. Fifty million dollars.

Was he talking about the Trident, and all of the B-1's that we will be manufacturing during the next decade by hooking ourselves today into the massive increase in weapons purchases, that in the next 5 years alone will cost taxpayers $90 billion or more for a single B-1 weapon program? No. He was talking about the national health insurance program. Fifty million dollars more. How terrible!

I want to tell the Members, those who have been home and talking to their constitutents and who are now telling us what the word is around the country. I want to tell those Members what the word is in my own district in Detroit.

President because the Committee on Agriculture and others indicated that it was unrealistic. We assumed that $400 million could be saved in that area, and I have discussed the matter both formally and informally with the chairman of that committee.

The next area is in the veterans' programs which we have heard about in earlier colloquy on the floor. We are willing to go to the cost-of-living increases, which is what most of the veterans have indicated they believe they were entitled to to match social security. But we have not accepted the total package, referred to by the gentleman from New York (Mr. Wolff), which would run $800 million more.

The same thing applies in energy where we have not accepted all of the proposals to place items off budget even though they involve enormous Federal expenditures.

The CHAIRMAN pro tempore (Mr. Matsunaga). The time of the gentleman from Illinois has expired.

Mr. LATTA. I yield the gentleman 2 additional minutes.

Mr. FINDLEY. It is my understanding that the effect of the 1-percent kicker since it became effective in 1969 has been to give retirees, and that applies to military retirees and civil service retirees, a 15 percent additional undeserved increase in benefits beyond the effect of inflation over that period of time. That is why I raise the question. I am glad to yield to the gentleman for a reply.

Mr. ADAMS. Mr. Chairman, in the opinion of this gentleman that is an area which definitely needs to be reformed. Our studies, running out to the year 2000, indicate that if we continue this program, the effect would be that a person would end up retiring at a higher wage level than he or she would have earned while working. We are very concerned about this. I would hope that the House will deal with this problem. It was, as the gentleman indicated, a rather inocuous provision. It was simply meant to compensate for the lag between the time when inflation occurs and when the pay raise takes effect. The multiplier effect is something I do not think was contemplated in the original legislation and we are hopeful the concerned committees will reform that this year.

Mr. FINDLEY. I will add the hope we will not only eliminate the kicker but suspend any further cost-of-living increases to such retirees until there has been a catch-up period. Those who have been getting retired pay since 1959 are enjoying what amounts to a 15-percent undeserved bonus.

Mr. Chairman, I thank the gentleman for his consideration in yielding me time.

Mr. ADAMS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. Wright).

Mr. WRIGHT. Mr. Chairman this budget exercise is one of the most fascinating as well as one of the most frustrating undertakings that we in the Congress confront.

It is interesting, I believe, that the budget recommended by the committee has been criticized here on the floor today by some of our Republican colleagues for being too high and providing too much job stimulus to the economy. On the other hand it has been criticized by our colleague the gentleman from Michigan (Mr. Conyers) for being too low and providing too little in the way of job stimulus to the economy.

Let me take just a few minutes first of all to illustrate some of the difficulties we have had in attempting to arrive at a truly honest and factual presentation of the figures.

The President's budget was originally represented and widely advertised as a budget which would yield only a $44 billion deficit. According to our best information that budget estimate contained a number of factual errors which we needed to identify and make corrections for.

From our committee's investigations it appears that the projected deficit necessary to carry out the President's recommendations may have been understated in the Executive document by some $6 billion. I do not suggest that it was intentionally understated but let me document it very briefly.

Several items of expenditure which are required by law were inadvertently left out of the President's original budget submittal. Others were carried at figures considerably below what it actually seemed they would cost. And just as it did last year, the President's budget submittal overstated offsetting receipts by several billion dollars.

We discovered last year, for example, that the Presidentially submitted budget contained certain palpable errors which we in this committee had to identify and correct in order to give a true picture to the Congress of our Nation's actual fiscal situation.

Mistakes occurred again this year in two of the very same areas where mistaken Presidential assumptions distorted the picture last year. These are postal expenditures and anticipated receipts from oil leases on the Outer Continental Shelf. Last year the President estimated that the Nation would receive $8 billion from the sale of leases in fiscal year 1976. That figure semed unrealistic, so in our first budget resolution we reduced the figure to $4 billion. The Office of Management and Budget now tells us that it has reduced anticipated receipts for fiscal year 1976 to $3 billion, $5 billion below what the President originally estimated and even $1 billion below what Congress originally estimated.

Yet the President's budget submittal for fiscal year 1977 indulged the expectation of our receiving $6 billion from that source in the coming year. The best information available to us indicates a figure in the realistic range of some $4 billion. So the effect of that one miscalculation is to add some $2 billion to the outlay and deficit totals reflected in the President's formal budget document.

Again, as last year, the President neglected to include in his budget appropriate figures to reflect the cost of postal subsidies. We believe the amount he neglected to include this year comes to $3.7 million.

Another area where the President's budget seems negligent in reflecting actual costs is the broad area of energy. The President has spoken rather grandly of a bold $100 billion initiative to stimulate the development of synthetic fuel—$100 billion. Well, it now develops that he intends for none of that to be reflected in the budget, even while proposing that the United States purchase some $25 billion in an off-budget corporation from which loans would be made.

In addition to that, the Energy Policy and Conservation Act which Congress passed last year requires the purchase and the storage by the Government of a strategic oil reserve. Under the law a certain portion of this is to be acquired in fiscal year 1977; yet there is no provision in the President's budget for any expenditure for that purpose.

Our chairman, the gentleman from Washington (Mr. Adams), suggested that we realistically should include the sum of some $700 million for uranium enrichment, synthetic fuels, and oil storage as mandated by law.

We find, in addition, no estimate was included in the Forest Service budget for fighting forest fires, although year in and year out the Nation has found it necessary to expend some $100 million annually for that purpose.

For the Commodity Credit Corporation, the President's request embodied a reduction in outlays of some $700 million below last year, a 45-percent cut, which could be achieved only on the most roseate assumption of uniformly ideal weather and strong international demand for our agricultural products, conditions over which we have no real control.

Moreover, the President's budget submittal in the area of veterans' benefits seems unrealistic in the extreme. We note this in our committee report. It reflects a saving of some $1.2 billion. But this upon close examination is predicated upon what seems an entirely unrealistic assumption, that the cost-of-living increases voted for fiscal year 1976 would not continue in fiscal year 1977.

We believe that projected saving to be wholly cosmetic in character, not rooted in realism, and therefore, that it overstates the actual fiscal situation by some $1.2 billion. We believe, in short, that the Congress is going to vote for legislation which will extend that cost-of-living accommodation to cover veterans pensions and other veterans benefits. Only when the budget is seen in its true perspective can important policy decisions be intelligently made.

In the field of medicare, the President seems to acknowledge now that his proposals, if fully adopted, will yield a reduction in actual costs of only $1.341 billion, not the $2.231 billion assumed in his budget request. Therefore, the expenditure total in that area appears to be understated by some $890 million.

Adding up just these identified understatements of expenditures and overstatements of anticipated receipts that I have heretofore mentioned, we believe the following apparent distortions which were present in the budget originally submitted by the President are:

Postal Service deficit, $307 million;
Outer Continental leases, $2 billion;

Energy cost items, $700 million;

Forest fires, $100 million;

Commodity Credit Corporation, $700 million;

Veterans benefits, $1 billion 200 million;

Medicare, $890 million.

This comes to a total understatement of the deficit by some $5 billion 897 million.

Now, the one overriding responsibility which this committee clearly owes to the Congress and to the Nation is to present the facts with truth and objective honesty, and with the greatest degree of accuracy possible.

The CHAIRMAN pro tempore (Mr. MATSUNAGA). The time of the gentleman from Texas has expired.

Mr. ADAMS. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas.

Mr. WRIGHT. I thank the chairman. I think that if this committee accomplished nothing else last year, it did achieve total credibility for honest and factual reporting of the facts. We may not have told the Congress what it wanted to hear in every instance, but we did tell the truth as best we understood it, be it pleasant or unpleasant, and the accuracy of our general projections has been borne out with remarkable fidelity. The deficit we forecast is almost identical to the deficit that is coming to pass.

Let us see why this Government of ours costs as much as it does. On this chart, I have projected the movement of the two biggest items in the budget over the past 8 years, from 1969 to 1977.

In 1969, the biggest item in the budget was defense. That year it consumed some 80.2 billions of dollars in expenditures. Today the biggest item in the budget is income security. In 1969, income security was consuming less than half the cost of defense. During these years, the defense budget has increased from $80.2 billion to $101.1 billion, or an increase of approximately 25 percent.

During the same period, income security has skyrocketed, from $37.3 billion to $137.1 billion, an increase of approximately 250 percent.

What is included in income security, and why has the cost gone up? Basically, the item includes social security, welfare, and unemployment compensation.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield at this point?

Mr. WRIGHT. I am happy to yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, is it not a fact, though, that in that 1969 to 1977 period, that we have chosen to tax ourselves on the order of an increased $100 billion for this income security? I had occasion to compare the income security accounts and medical care accounts that were combined in the trust funds for that period of time. What I found out was that in the 1969 to 1977 time frame, expenditures did go up by some $123 billion, but that income from the trust funds went up by $113 billion.

So the net effect on the Federal income tax or administrative budget was really only $10 billion.

Mr. WRIGHT. The gentleman may be entirely correct. I would be inclined to accept the gentleman's figures.

I would suggest, however, that one cannot diminish the fact that this is where the money is going. Part of the increase has been accounted for by increased tax rates in these items.

For example, social security has increased because we have been more generous with our social security recipients; but also because there have been more people retiring and, in addition to that, because more people unable to find jobs have opted for early retirement.

But none of that can account for the enormous increase that we have seen in two items, unemployment compensation and related welfare costs.

In 1969, those two items combined, unemployment compensation and welfare, came to less than $6 billion. The dotted line and the shaded area on this chart depict the phenomenal growth in those two areas, until this year, what was a $6 billion expenditure, has become approximately a $45 billion expenditure for unemployment compensation and welfare.

Why? Is not the answer quite obvious? Because we have suffered a high rate of unemployment. We can see how, beginning in 1974, those lines shot up dramatically. And, in fact, I believe it is true that we have expended more in unemployment compensation in the past 4 years than we did in all of the entirety of the program prior to that time.

Let us look at what effect this has on our budget. I would hold that the Nation just simply cannot afford—that the taxpayers simply cannot afford—to continue the present high level of unemployment. I am pleased that the figure is lower than it was 6 months ago. But I certainly cannot take much comfort from the fact that it is still 7½ percent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. Mr. Chairman, I yield 4 additional minutes to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, we still have more than 7 million Americans who cannot find work.

There is a fairly well accepted rule of thumb, which we have discussed on the floor before, to the effect that each percentage point of unemployment generates an adverse impact on the budget equal to $16 million. That is because people who are not working are not paying taxes and because people who are not working are drawing unemployment compensation and welfare.

Let us reflect upon this $50 billion deficit which, as the chairman has pointed out, is one-third lower than last year's, being in part due to the recovering economy. Let us see what it would be if we could reduce the unemployment level to 6 percent.

At the same level of authorized expenditures that we are anticipating in this budget, if unemployment were 6 percent instead of 7½ percent, the deficit would come out to $28 billion instead of $50.6 billion.

If it were 5 percent of the labor force unemployed instead of 7½ percent, the deficit at the present level of expenditures would be only about $12 billion.

And if, by a series of wise and prudent actions, we were able to reduce unemployment to 4 percent of the labor force, present authorizations at their present level would yield no deficit at all but a surplus of approximately $4 billion.

So what I am suggesting to the Members is that it is fatuous to talk in terms of balancing the budget unless we come to grips first with the proposition of how we can get Americans off the unemployment rolls and onto payrolls so that they then will be on the tax rolls as producing members of society.

Quite a bit of conversation has been indulged in and some concern expressed—and rightly so, I think—about the future of the social security trust fund. This next chart is hypothecated upon an assumption that social security tax rates and applicability would remain unchanged. Upon that assumption we draw three analogies.

If unemployment were to remain at 7.4 percent, if we did nothing else to reduce it and did not raise social security taxes, by 1981 the social security trust fund would be in a deficit by some $14.8 billion. If, on the other hand, we were able to reduce unemployment to 5.2 percent of the labor force, without changing the rates of taxation, it would yield a $7.3 billion surplus; and if we were able to reduce unemployment to approximately 4½ percent of the labor force, which is where it hovered around the middle part of the 1960's, that fund would yield a $21.8 billion surplus in 1981 instead of a $14.8 billion deficit.

Those are the reasons why the committee thought it wise to try to put into this budget resolution some intelligent stimulus that would help create more jobs, not only Government jobs but jobs in the private sector.

I have here a chart which, when the time comes, I hope we will be able to have printed in the RECORD by unanimous consent. The chart represents those various items by which the committee has seen fit to increase job-stimulating activity above the level included in the President's budget.

Mr. Chairman, the chart follows:

CONGRESSIONALLY ADDED ECONOMIC STIMULUS IN COMMITTEE RECOMMENDATION

Function and item	Fiscal year 1977 (millions) Budget authority	Fiscal year 1977 (millions) Outlays	Number of jobs (thousands)
Direct jobs programs:			
500 Public service jobs	$4,500	$3,045	371
500 Summer youth	235	235	64
500 Older Americans employment	50	50	6
500 Job opportunities program		200	26
500 Comprehensive employment and training jobs (CETA I)	41	41	4
Indirect jobs programs:			
300 Increase for EPA construction grant program	1,500	100	8
300 Increase for water resources public works program	400	300	23
400 Acceleration of highway program above administration proposal	(1)	85	28
400 Extension of emergency Housing Act	5,000		400
Additional pending jobs programs	4,200	2,200	220
Total	15,926	6,265	1,149

[1] $500 million of prior-year budget authority in addition to President's budget.

et was not satisfied that we had enough information in that area to make an intelligent statement as to the amount of money that should be included. In addition, Congress had not passed the fiscal year 1976 bill by the time we were starting our deliberations for fiscal year 1977.

The gentleman from Ohio will also remember that we had to add into the fiscal 1976 resolution an item for the so-called Sinai agreement to cover what might come out of that committee.

So that when we reached this year, for the fiscal year 1977 resolution we were required to, in effect, take a partial presentation by the committee for what we should do in fiscal year 1977 and, as has been mentioned previously on the floor, the administration and members of that committee are presently in a dispute as to what amount of money should be appropriated in the Middle East not only for fiscal 1976 but for the transitional period. What we did is that we accepted what the committees of the House—both the Committee on Appropriations and the authorizing committee—had proposed for fiscal 1976 and for the transition quarter. That formed the basis for those two items.

In fiscal year 1977 we took what we expected to be the amount that was recommended by the administration. We did not go into the dispute that was going on between the administration and the International Relations Committee over the Middle East. We did not go for the increases that had been indicated might come because there was no committee bill as yet. That is why we came up with the figure that is under the figure in the committee recommendation. We are aware of the fact that several of the programs are being disputed within the committee and we, frankly, undertook within our staff, after consulting with the staff of the committee on which the gentleman from Ohio serves, to come up with what we thought was a realistic figure for what would be spent in this fiscal year. That was our process. On page 33 of the report accompanying the budget resolution there are outlined the amounts that we thought were appropriate having used that process.

Mr. WHALEN. What the gentleman from Washington is suggesting then is that in the future the Committee on International Relations get with it; is that correct?

Mr. ADAMS. If the committee could be a little farther out in front, in terms of giving us its recommendations, and so on, as some of the other committees have been, I think the Committee on the Budget would certainly be grateful for that.

Mr. WHALEN. Hopefully in keeping with this new process we will do exactly that.

I wonder if we might examine the macroeconomic effects of the resolution before us. As I talked to different constituent groups throughout my district last week, I made the statement that the effect of this budget is that we are going to have, in real terms, less Federal Government. Is that an accurate statement?

Mr. ADAMS. Yes. We have taken the position of not going to a current service budget, which is to say taking every Federal program and letting it grow according to its present program size, giving it money for inflation and giving it money to handle the demographics that are involved within the individual programs.

A current services budget would be up in the $425 billion range. We rejected that and stayed at about $413 billion. The March 15 committee recommendations were up above $442 billion, so that we can see that if we did not have the budget process, we would be operating on requests coming on the floor in the range of $442 million.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. ADAMS. I yield 5 additional minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. I thank the gentleman for yielding.

In the light of the gentleman's comments, how would he describe, then, this resolution? Is it stimulative, neutral, or suppressive in terms of its impact on the economy?

Mr. ADAMS. The budget is stimulative in that it provides for targeted job stimulus in a series of particular areas. In some of the nonstimulative areas of the budget we have deliberately not recommended real growth. We have also attempted, as we are coming out of the recession, to have the total budget deficit decline over a series of years.

Mr. WHALEN. Perhaps we might approach this from a different direction. Suppose that the House of Representatives were to cut the concurrent resolution, let us say, from $413 billion to $400 billion. How would that impact upon the economy in terms of its effect on gross national product and unemployment? Does the gentleman have any figures or any analysis?

Mr. ADAMS. If we were to cut approximately $15 billion from expenditures; that is, to about the $400 billion level, it would raise the unemployment rate about seven-tenths of 1 percent. About 665,000 jobs would be lost in the process. We would lose about $30 billion in gross national product in doing that. In other words, what we do is cause our real output to be stifled at that point by that degree.

Mr. WHALEN. Does the gentleman have any figure, then, as to how that would affect the budget deficit? Obviously the expenditure level would go down $13 billion to $15 billion. How about revenues? What about the bottom line?

Mr. ADAMS. The best estimate we have on that is we would lose about $10 billion in revenues.

Mr. WHALEN. So it might reduce the deficit, then, overall perhaps $3 billion?

Mr. ADAMS. If we were lucky, it would. What happens is when we start slowing down the economy, the unemployment rate rises and our deficit, of course, rises, as was shown by the chart the gentleman from Texas (Mr. WRIGHT) just used.

Mr. WHALEN. I think the gentleman has alluded to one other very important element of this budgetary process, and that is the requirement for the 5-year projection. What does the gentleman's projection figures show for ensuing fiscal years in terms of anticipated deficits and/or surpluses?

Mr. ADAMS. We have in appendix D to the report, which is set forth on pages 92 to 96, a series of benchmarks, which show the alternatives before Congress. If we continue everything at the same program level that we have now, with inflation being added on, we would end up with a $50 billion deficit for the next 2 years. Then it drops a little, and by 1981 we could arrive at a balanced budget.

If we exercise some restraint, as the gentleman will notice on page 95 of the report, we can arrive at a balanced budget by 1979 and go into a surplus of $35 billion by 1980. What the committee recommends is that we follow the course set forth on page 95; that is, not to strangle the economy at this point but to work down the budget so that we have new moneys available for new initiatives by the fiscal year 1980, which would be within calendar year 1979.

Mr. WHALEN. The gentleman is recommending, then, that the Congress follow the procedures outlined in table 5?

Mr. ADAMS. That is correct. We are recommending that we do that. We want to stress what the Budget Committee does in this 5-year projection is to show what happens if we do certain things.

Mr. WHALEN. What is the impact of the budget in the opinion of the gentleman on the money market?

Mr. ADAMS. This year it had no impact. There was a lot of talk about crowding out, but as we predicted what happened was the private demand was so low this year because of the recession that demands for bank loans were actually below where they had been the year before. They were down and, therefore, the budget fit in with the market very comfortably. And again there was no magic to it. This was predicted by an overwhelming majority of the bankers and the economists that we surveyed before we went with last year's budget resolution.

Mr. WHALEN. How about this coming year?

Mr. ADAMS. The same is true for this coming year. We have reduced the size of the budget and the demand for private credit has not been put under pressure. At the present time short-term interest rates are down from where they were earlier in the year and considerably down from the year before.

Mr. WHALEN. The gentleman would agree with the assessment of Dr. Tilford Gaines, senior vice president and economist, Manufacturers Hanover Trust Co., that even a sizable deficit for fiscal year 1977 would pose no strain on the money market?

Mr. ADAMS. That is correct. I agree with Dr. Gaines. There were other economists and bankers who so testified before the committee to that effect.

Mr. WHALEN. I thank the gentleman for his response to my questions. In closing, I would like to read an excerpt from an editorial which appears in this week's issue, the May 3 edition of Business Week. I might say this publication is not noted for being "big government" or "anti-business." The quotation is:

> What $413 billion represents is a realistic compromise between the legislative committees that wanted to spend $442 billion and the President who wanted to hold fast at $395 billion.
>
> The budget committees have succeeded in producing that compromise. And in doing so, they have made a reasonable allocation of spending among 16 major categories. They have resisted the temptation to pretend that more money could be obtained for social programs by making unrealistic cuts in national defense. And they have made no provision for vote-catching tax cuts in an election year.
>
> To keep the machinery working, the House must now approve the recommended limit on spending, and both House and Senate must tailor their appropriations for fiscal 1977 to fit. President Ford, for his part, should accept the $413 billion target as a decision to which the Nation is committed.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, I think we all owe a debt of gratitude to the Budget Committee and the distinguished chairman for having come up with a very responsible and a really well thought out budget resolution.

If we had followed the President's advice last year and raised taxes and cut expenditures we would be facing a colossal unemployment situation today, far more than we are now, as the chairman of the Budget Committee has aptly pointed out, and if we follow the President's budget recommendations for the next fiscal year we will end up with at least a half million more unemployed and possibly closer to 1 million. So I think the committee has taken a realistic and responsible approach to this problem.

One of the great things about this budget process is that it forces us to make some decisions on priorities, and I think it is a very healthy thing that we are debating priorities today and will be tomorrow when we get to proposed amendments. But when it came to priorities as far as defense is concerned, the process simply did not function.

Perhaps I am more fortunate than a lot of Members in that I happen to have a very enlightened principal newspaper in my district, the Akron Beacon Journal, one of the Knight newspapers chain. John S. Knight is a conservative Republican, but he is also a Republican who does his own thinking and he has thought very deeply about such things as war and peace and defense spending. He has some outstanding people on his newspapers.

On April 4, Mark Ethridge, Jr., who is the editor of the Akron Beacon Journal, wrote a cogent editorial entitled "More Weapons—But For What?"

He says:

> For the past 30 years, in a rite of spring comparable to the buzzards coming back to Hinckley, the generals and the admirals have left their Pentagon aeries to march up Capital Hill with the annual message: "The Russians are coming, the Russians are coming."
>
> This year, to no one's great surprise, Congress paid attention and gave them almost every dollar they asked for. The reason: It's a presidential election year and, as James Reston pointed out on this page a few days ago, in such years what is "good politics" takes precedence every time over what might be "good policy."

Mr. Ethridge went on to say that what this does is to help us postpone a decision to avoid the necessity of thinking about what the defense policies ought to be and how to go about achieving them.

He points out that the Library of Congress. in a recent study that was made at the request of Senator Culver, said that the real question is: "What commitments contribute least to U.S. security?" And can therefore be eliminated. We certainly have not answered that question.

He points out another equally tough question:

> Does the greater threat to our security come from the Russian superpower or the Third World and its revolutions of rising expectations? And if the latter, how do we lick them with gunboat diplomacy.
>
> Mr. Ford hasn't asked, and the Congressional Budget Committees haven't either.

Mr. Chairman, I am going to support the amendments to be offered by the gentleman from Connecticut (Mr. Giaimo) and the gentlewoman from New York (Ms. Holtzman) to reduce the defense spending target, both in budget authority and in outlays. In the case of outlays, each amendment reduces it $2.5 billion and redistributes the money for job-producing programs.

Mr. Chairman, I have on other occasions put material in the Congressional Record that shows that defense spending produces far less jobs than almost any other thing the Federal Government spends money on. There are very serious unemployment problems in large parts of this country. Two weeks ago 50,000 people in the State of Ohio had their unemployment compensation cut off because of the triggering-out formula. Last week my county commissioners voted to cut general relief, no more general relief for people in Akron, Ohio; yet there are thousands of people out of work there. The State of Ohio has no money to continue medicaid for emergency health care for people have no other means of support.

It is time we start facing up to these human tragedies when we talk about defense priorities. I think these two amendments do face up to that.

The CHAIRMAN pro tempore. (Mr. Long of Louisiana.) The time of the gentleman from Ohio has again expired.

Mr. ADAMS. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I have earlier obtained unanimous consent to offer the editorial from which I have quoted and some other material in connection with my remarks.

I am going to offer another editorial from the same newspaper, the Akron Beacon Journal, which points out the absurdity of authorizing $1 billion for the production of B–1 bombers, when we do not even know that it will do what the Air Force asks, since the tests have not even been completed.

Quoting the gentleman from Ohio (Mr. Mosher) from the Republican side of the aisle, the editorial states:

> Representative Mosher made it clear he was not against a strong military policy to protect the United States. But he drew the real issue, which is whether "National security, like personal security, can be endangered by excessive preoccupation with external threats."

Additionally, there is an article from the Beacon Journal of Friday, April 23, which says:

> In this year's campaign, Republican candidates Gerald Ford and Ronald Reagan would engage our attention with the question of whether the Russians are outspending the United States in military procurement. President Ford has called questions about American's military superiority "complete and utter nonsense." He may have spoken more truth than he intended.

Mr. Chairman, it is indeed worse than nonsense, it is tragic when the President of the United States and his opponent, Mr. Reagan, go around the country each trying to outdo the other in pledging greater and greater spending for the military without any rational discussion of the actual military necessity for such expenditures or their relation to the other needs of the country. Such an approach not only wastes the taxpayers hard-earned dollars, but denies millions of people in this country the very necessities of life. Certainly the Congress should not echo this type of nonsense or allow itself to be "snowed" by the Pentagon in its annual quest for funds to continue projects whose primary aim is to produce jobs for generals, admirals, and defense plant executives.

Mr. Chairman, the articles I have referred to are as follows:

[From the Beacon Journal, Apr. 4, 1976]

More Weapons—But For What?

(By Mark Ethridge, Jr.)

For the past 30 years, in a rite of spring comparable to the buzzards coming back to Hinckley, the generals and the admirals have left their Pentagon aeries to march up Capitol Hill with the annual message: "The Russians are coming, the Russians are coming."

This year, to no one's great surprise, Congress paid attention and gave them almost every dollar they asked for. The reason: It's a presidential election year and, as James Reston pointed out on this page a few days ago, in such years what is "good politics" takes precedence every time over what might be good policy."

This is not to say that $113 billion, which is roughly what the budget committees of both houses authorized, is necessarily too much to spend on national defense, or that the $85.3 billion spent in fiscal 1975 was too little. I happen to think both are too high, but I do not pretend to be a military expert. I'm fairly certain, though, after watching the Vietnam quagmire for a decade, that "more, more, more" is not the answer.

What disturbs me so much is that neither the President, in asking for $113.3 billion, nor the congressional committees, in giving it to him, asked the right questions.

problem, because there are no caps on increased costs, there are no caps on supplies, there are no caps on utility rates. They are all going up. There are no caps on increased costs in malpractice insurance.

For example, the vendors who sell supplies to the hospitals, as soon as the price controls were taken off they jacked their prices up. The same thing is occurring with utility rates. They are being jacked up. The hospital has to absorb those increased costs somewhere.

For example, malpractice insurance alone has gone up over 300 percent and the coverage has decreased. There is no way the small hospitals can meet this cap on medicare payments and absorb it in any way.

In the first place, they either have to do it in a reduction in the services, and if that occurs, then they are left wide open to malpractice suits, or the only other alternative is to pass it on to paying patients, the cash patients; and the fees are so high now that even the cash patient has trouble making the payment.

I understand that the budget resolution from the other body put a cap of 7 percent on medicare reimbursements. And if that is so, that costs the hospital, this particular small hospital, $7.33 a patient. And when we are talking about some 20,000 patient days a year, that is $140,000 that that hospital has to absorb. And there is no way it can do it.

The only alternative is to close the hospital. There are a number of small hospitals in the congressional district which I have the privilege of representing that are operating presently on a shoestring. They have the greatest difficulty. Hard as they try to hold down costs to patients they are confronted with ever-increasing costs of their own.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Mr. Chairman, they have the greatest difficulty in the world trying to meet costs now. There is just no way they can absorb this additional cap and limit on what they are entitled to be reimbursed in medicare.

In addition to that, the Federal Government has imposed a burden upon them that they must take a certain percentage of charity cases in the hospital. Certainly no one opposes trying to help people on charity. People who are in dire need and unable to pay. But the hospital has to absorb that cost. There is no way to do this under the circumstances unless we also put a cap on utility rates and unless we also put a cap on the cost of supplies they have to buy and unless we also put a cap on salary and wage agreements and retirement benefits.

We cannot say to a hospital that it is going to have to cut down its charges for services when they are based on their operating costs and overhead and there is no limitation to these expenses. These institutions are nonprofit organizations and they are paring their expenses to the bone already. It is unrealistic to ask them to hold down increases to 7 percent when they have to pay 60 to 300 percent for their supplies, utilities, insurance, salaries, et cetera.

Does the gentleman understand the problem that I am trying to reach?

Mr. ADAMS. I understand the gentleman's problem.

Mr. Chairman, I might state that on page 56 of the committee report, we indicate that we think the President's estimate of medicaid costs, for example, are too low by $200 million. That figure was increased to $500 million. We added that back in, and we also provided for HMO and peer review systems as well as health planning changes to allow the committees, if the committees so desire to use a different system. So we did not say, as the other body did, that the only way to do this was to provide a cap.

What we are saying here is that these costs have to be brought under control. If they are not, then an additional $700 million will have to be accounted for at the end of this year.

The CHAIRMAN pro tempore (Mr. LONG of Louisiana). The time of the gentleman from Ohio (Mr. HARSHA) has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Mr. Chairman, the particular hospital I have in mind is a 63-bed hospital. It is the only hospital in that county which as a population of almost 100,000. If caps go on medicare reimbursements, that hospital undoubtedly will have to close up. This is unconscionable. We cannot let this happen. These people need these medical services.

I think it is shortsighted on the administration's part and on the part of the other body relative to its recommendation to put a cap of 7 percent on this when their costs are going to increase by at least double that over the next year.

Mr. Chairman, will the gentleman from Washington (Mr. ADAMS) assure me that when this matter goes to conference, he will keep this problem in consideration when he tries to resolve the differences between the two resolutions and, if at all possible, eliminate any cap, particularly in the case of the small hospitals?

Mr. ADAMS. Mr. Chairman, if the gentleman will yield further, I understand the gentleman's problem, and we will try to meet that problem when we go to conference.

Mr. HARSHA. Mr. Chairman, I thank the gentleman. I sincerely hope the committee will see the plight of these small hospitals and endeavor to remedy what I consider to be a very unrealistic approach to lower hospital and medicare costs and provide sufficient funds so that these hospitals may be reimbursed adequately.

Mr. ADAMS. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Chairman, I want to comment on the recommendations and estimates pertaining to unemployment compensation and public assistance programs in the budget resolution that is before us.

On page 64 of the report on the first concurrent resolution on the fiscal year 1977 budget, it says that—

> The resolution includes the legislative assumptions proposed by the Committee on Way and Means for unemployment compensation.

This statement needs some clarification. First, I think the resolution does not contain sufficient funds for the extension of the Federal supplemental benefits program that is anticipated. And second, the Members should be aware that the resolution is short about $4 billion in unemployment compensation revenues because of the delay in the enactment of H.R. 10210, the Unemployment Compensation Amendments of 1975.

Under current law, the Federal supplemental benefits, FSB, program provides additional UC benefits in States with insured unemployment rates above specified levels to unemployed workers covered under the permanent UI law. In States with insured unemployment rates of 6 percent or more, FSB provides a maximum of 26 additional benefit weeks—up to a combined maximum of 65 weeks of regular, extended and Federal supplemental benefits. In States with insured unemployment rates between 5 and 5.9 percent, FSB provides a maximum of 13 additional weeks—up to a combined maximum of 52 weeks. The program was enacted in December 1974 and expired March 31, 1977.

Until January of this year, the 26 weeks of FSB were provided in all States under a national trigger mechanism. The national trigger provisions were replaced with a "State only" trigger mechanism in January. These State only triggers were developed in the Senate and accepted in conference over my objections. Their impact in many cases has proven to be inequitable and ineffective in directing additional unemployment compensation benefits to those unemployed workers most in need of assistance. The Subcommittee on Unemployment Compensation is holding hearings on April 28, 29, and 30 on proposed legislation that would extend the FSB program at least through fiscal year 1977 and modify the existing State only triggers.

Ways and Means recommended that, based on assumptions used with the President's budget, $800 million be included in the fiscal year 1977 budget in anticipation that FSB would be extended with possible modifications in the present triggers. Information that I have indicates that the budget resolution before us includes only $136 million for an extension of FSB. I realize that the Budget Committee used somewhat different assumptions in developing their cost estimates. In my opinion, however, the resolution underestimates the additional cost of FSB legislation that the Ways and Means Committee could be bringing to the floor later in the session.

At the end of last year, Ways and Means reported to the House H.R.

10210, the Unemployment Compensation Amendments of 1975. The two major objectives of this legislation are: To provide coverage under the permanent Federal-State unemployment compensation law for substantially all of the Nation's wage and salary earners and thereby eliminate the need for the temporary special unemployment assistance program; and restore solvency in the unemployment compensation program at the State and Federal levels by increasing revenues in a manner that distributes fairly the impact of additional employer-paid taxes.

The Unemployment Compensation Subcommittee completed work on H.R. 10210 in October 1975. It was approved without change by Ways and Means in December. Delays created by new tax legislation and other emergency bills prevented the Rules Committee from scheduling House action before the end of the last session. We hoped that the House and Senate were going to be able to act on the bill early this year so the coverage and revenue provisions could take effect in 1977. However, under the new budget procedures, legislation like H.R. 10210 is subject to a point of order on the House floor until after the House has approved the first concurrent resolution on the budget for fiscal year 1977, unless a waiver of the relevant budget act provisions is granted by the Rules Committee.

In December 1975, when it became apparent that the House would not be able to consider the bill before the session ended, we requested that the Budget Committee recommend the granting of this waiver so the House could take up the bill in January of this year. The Budget Committee voted against such a waiver in January and, as a result, H.R. 10210 is still pending before the House and the enactment dates for the coverage and tax provisions will have to be delayed for 1 year.

House Members should be aware of the consequences of this delay. First, it creates tremendous pressure to continue for another year, at a cost of $400 to $500 million, the SUA program. The delay also means a loss of $4 billion in badly needed State and Federal UC revenues that would have been raised during fiscal year 1977 under the tax changes in H.R. 10210. These additional revenues are needed because, as of April 15, 1976, 22 States had depleted their UC funds and borrowed over $3 billion from the Federal Government in order to continue paying UC benefits. The Federal UC trust fund is broke. It has borrowed about $6 billion from general revenues already and will need to borrow an additional $3 to $4 billion by the end of fiscal year 1977.

I would also like to make some comments on the provisions in the resolution dealing with programs under the jurisdiction of the Subcommittee on Public Assistance. The Committee on Ways and Means recommended that there be a $250 million increase beginning in fiscal year 1977 in the current $2.5 billion ceiling on the social services program authorized under title XX of the Social Security Act.

The House Budget Committee would provide $240 million in additional budget authority and $200 million in additional outlays for an increase in social services funds available on an entitlement basis to States. It has been the practice in the past in most entitlement programs to avoid having a substantially different figure for budget authority from outlays. It is contemplated that the Subcommittee on Public Assistance will still consider legislation in anticipation of a budget authority and outlays of $2.75 billion for social services.

In regard to the supplementary security income program, which provides aid to the aged, blind, and disabled, the Subcommittee on Public Assistance held extensive hearings on the SSI program last summer, and has reported SSI legislation in H.R. 8911 and H.R. 8912 to the full Committee on Ways and Means.

The Committee on Ways and Means chose to include in its March 15 recommendation to the House Budget Committee the full additional $455 million which would be required to fund the SSI amendments contained in H.R. 8911. However, the House Budget Committee has included only $100 million in the resolution, with the report indicating that this is the cost necessary to change the benefit reduction for SSI recipients living in another household and receive support and maintenance in-kind from a one-third of 1 percent to 20 percent reduction.

The House Budget Committee has also assumed that the $52 million cost for changes in the SSI program supported by the administration on H.R. 8911 can be financed by improved administration of the SSI program. The Committee on Ways and Means does not have information to justify this assumption. One of the SSI amendments in H.R. 8911 which the House Budget Committee did not include funds for would extend the SSI program to the people of Puerto Rico, Guam, and the Virgin Islands, but with reductions in the standard to reflect the lower per capita income in Puerto Rico. At the present time, the payment level for an aged person living in Puerto Rico is about $19 a month. Under SSI, with the adjustment related to per capita income, the payment standard for an aged individual would be about $90; $19 a month cannot be seen as adequate. Legislation which would extend SSI to these jurisdictions is certainly needed.

The House Budget Committee also did not include funding for an SSI amendment contained in H.R. 8911 and recommended by the Ways and Means Committee which would, in effect, fund in the "hold harmless" States the 6.4 percent SSI cost-of-living increase now scheduled to go into effect on July 1. Without this amendment, the Federal Government is, in effect, claiming an SSI cost-of-living increase is being provided, but the only way that recipients in those States can receive such an increase is for its entire cost to be borne by those States. Equity demands such an amendment be enacted.

This outlines some of the major differences between the recommendations of the Ways and Means Committee and the House Budget Committee as reflected in the first concurrent resolution on the budget for fiscal year 1977.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Chairman, I wish to join with my colleagues with respect to their praise of the budgetary process and especially the constructive effort and dedication of the members of the committee. I especially note the leadership that the chairman of the committee has taken with respect to a process that I think is very essential to Congress and to our Nation.

May I further note that my distinguished colleague from Texas, Mr. WHITE, the chairman of the Subcommittee on Retirement and Employee Benefits of the Post Office and Civil Service Committee associates himself with the remarks I am about to make.

Mr. Chairman, I am greatly disturbed that the budget resolution, House Concurrent Resolution 611, tentatively endorses the administration's proposal for a pay cap on the salaries of the Nation's 1.4 million Federal employees and 2.1 million military personnel. The committee has in effect given its go-ahead to the administration's finagling of the manner in which comparability is computed. This will reduce the comparability adjustment from 11.5 percent to 6.3 percent. The resolution then accepts President Ford's average pay ceiling of 4.7 percent.

This is the fifth time since the Pay Comparability Act was enacted in 1970 that the President has deviated from the recommendations of his advisers and has proposed an adjustment below that which the Bureau of Labor Statistics survey indicates would be appropriate. The principle of comparability is a sound one: Federal and military salaries must be maintained at a level comparable to those in private industry in order to attract and retain the best possible personnel to conduct the affairs of Government and defend the country. The "executive pay freeze," the continued undercutting of the comparability process, the injection of politics into the salary-setting process—all these factors have seriously eroded the Federal service. The salaries of Federal employees have become a political punching bag and this is wrong. I believe it is wrong to make our dedicated Federal and military workers the scapegoats for the administration's mismanagement of the economy. I believe it is wrong for this Congress to be a partner in this process of steadily short-circuiting the comparability process. Government is the loser and the citizen-taxpayer suffers.

A pay cap on one segment of the Federal work force and one segment of the

compensate for cuts in Federal funding. The committee rejected this assumption.

The priorities in this resolution are much more in line with national needs than the President's budget. We have provided $11.4 billion more in Federal aid to State and local governments. We have provided for 1.1 million more jobs. And we have raised outlays for human resource programs by a total of $11.2 billion.

I urge my colleagues to support the resolution.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, it is with some regret that I find myself dissenting from both the eminent chairman of the Budget Committee, who has exercised very fine leadership throughout the budget process, and the other distinguished members of the Budget Committee, but I am deeply disturbed that the budget we are presented with this time fails to carry out the essential promise of the Budget Act—to set congressional priorities and to address the serious problems facing this country.

Perhaps part of the problem was that the Budget Committee's starting point was wrong. The process was distorted because we were confronted with and started from the President's budget, which called for enormous military increases and tax reductions for corporations and wealthy individuals to be financed essentially by massive cuts in domestic spending and increases in social security taxes.

The committee, I think, did an obvious and important service for the Congress in rejecting most of the President's proposals, but that only left us no worse off than we were before.

The committee did commendably add an important measure to stimulate the economy and create new jobs but under the committee's resolution, we are still left at the end of the fiscal year 1977 with 6-percent unemployment. We have no other significant new initiatives or program growth in the budget for next year, however, besides the jobs program.

Yet think of the problems that confront us as a Nation. Our cities are becoming wastelands plagued by crime, increasingly unlivable, and this as we celebrate the 200th anniversary of this country's birth. We are being outstripped by Western European countries in the rate of literacy, in the rate of infant survival, and in the rate of life expectancy. Yet there is nothing in this budget in essence that will seriously address the serious problems we have at home.

I would suggest that we really change the priorities reflected in this budget, and that we deal, in the first instance, with the enormous increase that this congressional budget calls for in military spending. I am concerned not only because this is the largest increase in peacetime military spending in this country's history—an increase, by the way, that was not adequately justified before the Budget Committee—but also because that increase costs us the ability to deal with the domestic needs of this country. Furthermore, this increase locks us into high defense spending over the next 5 years. In fact, the high increase in military spending this year, if it continues as expected at the same rate over the next 5 years, is going to mean that the only way we can balance our budget in 1981 is by funding such programs as medicare, medicaid, and veterans' benefits at the same level they were funded at in 1977 and by allowing for no new programs or program growth.

How can we lock ourselves in this way, by unjustified military spending, in view of the pressing domestic needs of this country?

I would suggest to the Members of the Committee that if they wish to verify the future effect of this budget, they may look at the chart on page 130 of the Budget Committee report. The chart shows the implications, over the next 5 years, of such extravagant growth in the military budget.

Mr. Chairman, I am going to offer an amendment when the amending process begins, together with my colleagues, the gentleman from Michigan (Mr. CONYERS) and the gentleman from New York (Mr. OTTINGER), to restrain a little the enormous growth of the military budget and to use that money to deal with some of the serious problems we have at home.

The CHAIRMAN pro tempore (Mr. MATSUNAGA). The time of the gentlewoman from New York has expired.

Mr. ADAMS. Mr. Chairman, I yield 2 additional minutes to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, the present committee resolution calls for an increase in the military budget of $11 billion in budget authority over last year and $8.7 billion in budgetary outlays. An amendment that my colleagues and I will offer will call for more modest growth, but growth, nonetheless.

The defense increase in the Committee resolution includes an inflation rate for a 15-month period, even though this budget extends for only a 12-month period. The amendment that my colleagues and I will propose will call for an inflation rate of 5.5 percent, which is the actual inflation rate for the 12-month period, and will call for a 2 percent real growth rate. This will mean actually an increase for defense of $6.2 billion in outlays over last year and $3.5 billion in budget authority. But our amendment will permit less of an increase than the Committee suggested, less by $7.5 billion in budget authority and $2.5 billion in outlays.

The point is our amendment would save $2.5 billion in outlays now and almost $5 billion over the coming years. The money we save can be used to finance domestic programs, to cut taxes, or to lower the deficit.

The CHAIRMAN pro tempore (Mr. MATSUNAGA). The time of the gentlewoman from New York has again expired.

Mr. ADAMS. Mr. Chairman, I yield 2 additional minutes to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, the amendment would transfer the $2.5 billion in budget outlays as follows: $1.5 billion would go to permitting the Federal Government to pick up 75 percent of AFDC costs, starting in the spring of 1977. There is no question but that among the hardest hit sectors of this economy are State and local governments. They have been caught between reduced tax revenues and increase welfare costs as a result of the recession, and steadily increasing costs of Government caused by inflation.

Mr. Chairman, everybody has been talking about the need for welfare reform and the responsibility of the Fed- welfare burden, yet there is not a penny in this budget resolution to begin to do this.

eral Government to pick up some of the

I would suggest, Mr. Chairman, that we begin to deal with this problem now rather than waiting, that we begin to give some equity and relief to States and counties and cities around this country. We can begin to do it realistically in the spring of next year and my amendment would permit that effort to be financed.

Our amendment would also bring discretionary health programs, including biomedical research and the training of health personnel, up to their current service level.

We would bring Law Enforcement Assistance Administration funding to current levels.

We would finance certain higher education programs, such as the work-study and TRIO programs, so that they can realistically accommodate the same number of students as were served this year.

We also increase jobs creation at relatively low cost, through this amendment by financing increased mass transit con struction around the country and by increasing the amount of direct loans available through the Small Business Administration. These programs have the added benefit of stimulating employment in the private sector.

The CHAIRMAN pro tempore. The time of the gentlewoman has again expired.

Mr. ADAMS. Mr. Chairman, I yield 1 additional minute to the gentlewoman from New York.

Ms. HOLTZMAN. Finally, in this amendment we finance about 29,000 jobs for senior citizens under the Older Americans Act and 31,000 jobs in high unemployment areas under the Economic Development Act job opportunity program.

Mr. Chairman, I would suggest that this is an opportunity for us to begin to redirect national priorities and to say, not only for this year but for years to come, that we will not starve our domestic programs by financing wasteful and extravagant military spending, that we will seriously address the needs this country has, and that we are going to start doing it now.

Mr. ADAMS. Mr. Chairman, I have no further requests for time.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, I would just like to comment about the efforts that were made and are being made by the chairman of this committee. I want to congratulate him on the work that he has done. We sometimes can differ about the figures that are plugged in, but I think it is essential that the process be established, because I think it is one of the few things that this Congress can point to with a great deal of pride.

I think a lot of the credit goes to the chairman of the committee, the gentleman from the State of Washington (Mr. ADAMS), who has done an excellent job. I want to congratulate him and say that what he has done is an important function in this Congress. While I may differ on some of the figures which are plugged in, and may not arrive at the same conclusion, the process is terribly important. I just want to congratulate him and say that I am very, very proud of the work he has done for this Congress and the Nation.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I would like to associate myself with the remarks of the gentleman who preceded me. I, too, would like to join in congratulations to our Budget Committee chairman, Mr. ADAMS. I think he has done a splendid job. Perhaps I, too, would not agree in all respects, but it is a formidable accomplishment and one of the things for which this Congress can be proud. I again want to congratulate him.

Mr. ADAMS. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Chairman, I want to say first that I congratulate the gentleman from Washington for an exceptionally fine job under the most difficult circumstances, plowing new ground in an area where he tells people, "You must spend this much money," and where he has to tell these people, "No." It is very difficult work, and I think he and his committee are to be commended for a very significant effort that will help Congress to turn a significant page in history through the adoption and implementation of its new budget process.

Mr. Chairman, we have become, in a sense, a new Congress more capable than even before of presenting to the Nation coherent national policies. Before us today is the target resolution for fiscal year 1977, which contains our own independent diagnosis of the ills of the Nation's economy and our own alternatives to cure those ills.

During this first year of full implementation of the Budget Control and Impoundment Act, I wish to note an important contribution made by the Budget Committee. We now have before us accurate estimates of expeditures for next year. No longer are we dependent upon the executive branch to provide us with whatever figures it thinks are appropriate. As a result of the work of this committee last year, and this year, we have been able to pinpoint inaccuracies in executive estimates and expose the phoniness behind many of those who play the game of deficit politics.

More specifically, however, I support this resolution because it is a reasonable, carefully worked-out alternative to the unrealistic and restrictive budget presented by the President. This resolution demonstrates the Congress concern for the welfare of people by making certain that human services are maintained at appropriate levels and that sufficient stimulus is provided to move us further toward the goal of full employment.

Obviously not everything can be accomplished in one target resolution; nor do I believe every member will be satisfied with each and every proposal contained in the Budget Committee's report. But on the whole, I believe that this resolution sets reasonable and acceptable guidelines from which the Congress can work its will. I urge you to support this resolution.

Mr. CEDERBERG. Mr. Chairman, I oppose House Concurrent Resolution 611, the first concurrent resolution on the budget for fiscal year 1977. While the new budget process has accomplished absolutely nothing in the way of budget control, it has at least sharply defined political and philosophical positions on the issue of Federal spending and budget priorities.

In this resolution, the committee majority has sharply defined, and recommends, a series of positions which are contrary to the recommendations of the President, and not in the best interests of the American people. Specifically:

The committee recommends a deficit of $51 billion, an increase of $6 billion in the deficit proposed by the President. At a time when economic recovery is proceeding as the President forecast it would, an increase in the deficit can be justified only in terms of election-year politics, and unnecessarily risks strangulation of the economic recovery through renewed inflation and resulting unemployment.

The President recommended that Federal outlays as a percent of GNP be significantly reduced, reversing a trend of the past several years. The committee's recommendations would cut this reduction in half.

The President's budget would limit nondefense spending to an increase of 5.7 percent, compared to increases which have averaged about 13 percent during the past 12 years. The committee would completely remove this restraint, and allow growth of 12 percent in nondefense outlays.

While I support the committee's recommendations for national defense, I cannot support policies and priorities in the resolution as a whole.

Second, I suggest to my colleagues that some reflection is in order on the concept of budget control, as it is being practiced under our new system. In our report to the Budget Committee, the Committee on Appropriations correctly identified three "cardinal principles" of the Budget Control Act.

First, it provided a mechanism for the Congress to relate consciously the two sides of the budget—revenues provided by taxes and spending provided by various appropriations.

Second, in recognition of the fragmentation of the budget process, the new legislation undertook to close what has become known as the backdoor of the Treasury.

Third, it provided for more timely congressional budget decisions by changing the fiscal year and providing for early or advanced authorization in order to complete actions on appropriations.

As elements of budget control, these principals have so far been functionally inoperative.

Relating consciously the two sides of the budget: A deficit of $52 billion was originally estimated in the budget for fiscal 1976. The first congressional budget resolution approved a deficit of $68.8 billion, and the second congressional resolution upped the ante to $74 billion. In other words, the first year of operation under the "mechanism for the Congress to relate consciously the two sides of the budget" has cost the taxpayers a cool $22 billion on top of the deficit originally proposed in the budget.

The recommendations of the Committee on the Budget in House Concurrent Resolution 611 suggest a similar performance in fiscal year 1977. I believe that it is clear that in this first year, at least, the new procedures and the new terminology have not changed a thing. The "targets" for total spending have not been used as instruments of discipline and restraint, but rather as instruments of public relations, to somehow provide a cloak of respectability for continued fiscal irresponsibility.

Instead of discipline, we are offered political gimmicks like 5-year projections which show a surplus tomorrow, and cuts in committee recommendations which are pie in the sky to begin with.

There is no real short-term discipline, nor is there a control mechanism to solve the longrun dilemma of substantial deficits in good times as well as bad.

Closing the backdoor: The Budget Control Act placed considerable reliance on the appropriations process as a source of fiscal discipline. To bring backdoor spending within the appropriations process would make an important contribution to the objective of budget control. This assumption is totally unsupported by the recent record of the appropriations process, which is spelled out in the following table:

though I did not agree with the specific language of the amendment.

If the Alexander amendment were enacted into law, it would require the addition of more than $15 billion to budget outlays and more than $12 billion to projected revenue figures. These figures are not reflected in the budget resolution, even though a majority of the members of the Budget Committee supported the Alexander amendment. Thus my perplexity that the Budget Committee adopted neither the position taken by the House in October nor the position of the Post Office and Civil Service Committee as reflected both by its action on H.R. 8603 last year, and its recommendation to the Budget Committee this year.

Last week, the Senate Post Office and Civil Service Committee completed hearings on S. 2844. This bill is similar in approach to H.R. 8603, and it is anticipated that its language will be substituted for the House-passed language in H.R. 8603 so that we can hammer out our differences in conference. S. 2844 now provides an additional $1.5 billion in public service funding for fiscal year 1977. In addition, the Senate Budget Committee has approved an additional $1 billion for public service funding for fiscal year 1977. The Senate Post Office and Civil Service Committee hopes to complete markup next week.

Thus, if H.R. 8603, as amended, passes the Senate, we will be faced with this issue again in the near future. This time, it will be of absolutely critical importance since we have lost about as much time as we can afford to lose.

I do not intend to complicate an already complex situation by offering an amendment today. However, in view of the imminence of action in the Senate, I would strongly urge my colleagues on the Budget Committee to accept the Senate budget figures relating to the Postal Service when the budget resolutions go to conference.

Mr. BAUMAN. Mr. Chairman, our friend and distinguished colleague, the gentleman from California (Mr. ROUSSELOT) tomorrow will introduce a substitute resolution aimed at really doing something about this dead hand of the past called our Federal deficit. His is a reasonable approach, one which reflects the tremendous amount of research and mental energies expended on the project, and I rise in support of it.

Over the years, the purse strings this Congress was constitutionally directed to control have instead become rubber bands. They have been the longest and most loosely held purse strings in our Nation's history illustrated by our transformation as a nation with a Federal budget surplus in 1960 to what is anticipated to be, in the current resolution of the Budget Committee (H. Con. Res. 611), a $43 billion deficit. The social reality reflected in this incredible congressionally approved indebtedness is found in our inflation rate, in the unemployment due to businesses being taxed into that no growth-no investment bracket, and the many other economically unsound conditions fostered by the hidden causes of inflation. These hidden causes ought not to be a mystery, for they are with us today—in this room. The hidden causes of inflation are those Members who have become conditioned to the notion that each year we must approve some form of statutory increase in our Federal spending and consequently in our national indebtedness. In their actions, this assumption is too clearly implied; an assumption that supposes a seeming eternity of Federal programs and that the complexity of a technological age requires that the Federal Government subscribe to the economics of constant wretchedness. It requires, so these Members seem to think, that we must institutionalize the policy of spending as though there is no tomorrow.

But as my distinguished colleague from California (Mr. ROUSSELOT) has noted the success to date of the Nation's current economic recovery and the prospects of its continuation resulting from less promiscuous forms of public fiscal policy demonstrate that a balanced Federal budget is possible and desirable.

It is also necessary. The total Federal debt, including all the potential liabilities the Federal Government has incurred, amounts to more than $6 trillion. This is not simply an academic figure, but a commitment of obligations, promises this Government already has made to those in the social security program, to Government workers, and to others. The only way the Government can avoid delivering on these promises is by reneging on promises already made. This is precisely what this and future Congresses will be forced to do if we continue to pile up debt after debt, commitment after commitment without taking the initial step in the long, slow, but steady diet on which our budget process must be placed. The economy appears to be looking up, though by the unemployment and inflation which still exist it is obvious that we are not yet on the receiving end of permanent prosperity. Individual taxpayers know too well what it means to be battling economic ruin by restraining economic desires and living prudently. If this Government by way of this Congress wishes to resume its former high standing with the American people, if this Congress really wants to see its popularity rating soar, we can do so in only one way. Not by press releases, not by Members' regular newsletters and the other instruments of public relations we have granted ourselves, but by acting to make the Federal budgetary process at least as responsible as those countless individual budgetary processes of the citizens we are obligated to serve.

The Rousselot substitute is an effective responsible means of accomplishing this, and it deserves the support of this body and well commends the gentleman who introduced it.

Mr. VANIK. Mr. Chairman, at the appropriate time in the amendment process, I will consider offering a proposal to increase the General Government category (code 800) budget authority and outlay figure by $15 million. I would also ask that a conforming amendment be approved which would increase Government revenues in section 1 by some $300 million.

The increase of $15 million which I propose is for the Internal Revenue Service, specifically, for the Collection Division, the Audit Division, and the Intelligence Division. All of these units have been severely cut by the administration's proposed budget. Yet cuts in these IRS functions result in enormous losses in revenue to the Treasury.

For example, in a Ways and Means Oversight Subcommittee hearing held this morning, we received testimony from ranking officials of the IRS that the Collection Division was being cut to save $13,260,000. Yet we were also told that as a result of this action, more delinquent accounts would accumulate, the statute of limitations would run on some accounts, et cetera. As a result, there would be a loss of over $300 million to the Federal Treasury.

The administration has also proposed a $13 million cut in the Audit Division—even though this will result in $100 million less in revenue collections.

The IRS Intelligence Division is being cutback by 10 percent. This action will also result in the loss of hundreds of millions of dollars in revenue—and even worse, it will allow tax avoiders and organized crime elements ever greater opportunities to escape taxation.

My amendment provides an additional $15 million for the IRS. The exact way that those funds are spent is up to the Appropriations Committee. The intent of my amendment is that enough funds be provided to insure an additional gross receipt of $315 million to the Federal Treasury or a net gain of $300 million.

I believe that this amendment is one of the very few that can be afforded which will actually result in additional revenues.

I am proposing that the deficit figure be reduced by $300 million. If, for reasons of fiscal policy the committee objects to this change, I will withdraw that portion of my amendment, thus leaving an additional $300 million to be divided among other program expenditures.

I hope that this amendment will be approved, since it pays for itself 20 times over and helps insure an efficient and well-functioning revenue agency:

AMENDMENTS TO HOUSE CONCURRENT RESOLUTION 611 OFFERED BY MR. VANIK

Page 4, line 9, strike out "$3,497,000,000" and insert in lieu thereof "$3,512,000,000".

Page 4, line 10, strike out "$3,470,000,000" and insert in lieu thereof "$3,485,000,000".

Page 1, line 7, strike out "$363,000,000,000" and insert in lieu thereof "$363,300,000,000".

Page 1, line 9, strike out "$14,800,000,000" and insert in lieu thereof "$14,500,000,000".

Page 2, line 5, strike out "$50,625,000,000" and insert in lieu thereof "$50,325,000,000".

Mr. WOLFF. Mr. Chairman, I appreciate the support expressed by the chairman of the House Budget Committee for the $1.2 billion amendment that will restore funds for cost-of-living increases for veterans in the budget resolution. However, I am dismayed that he has voiced opposition to any amendments that would seek to further expand the budget authority in the veterans category.

The current budget figure, with the $1.2 billion restored for cost-of-living increases, is not just a "bare bones" ceiling; it is potentially devastating in its impact on veterans' programs and potentially injurious to the health and wellbeing of our veterans' population.

Both the House and Senate Veterans' Affairs Committees recommended budgets greater than the $19.4 billion proposed by the Budget Committee with cost-of-living funds restored, and their recommendations were, without question, realistic and modest.

The budget level recommended by the Budget Committee, with funds restored for cost-of-living increases, precludes Congress from considering vital and potentially long-range cost-effective reforms in veterans programs. For example, we will be unable to consider legislation that has already passed either the House or Senate, including the Veterans' and Survivors Pension Reform Act, which has passed the Senate, and legislation to extend GI education entitlement to 45 months for undergraduate and graduate students, which has passed the House. The House Budget Committee figure precludes our addressing ourselves to areas that have been cited by the VA for priority funding—such as maintenance of existing caseloads at VA medical facilities, extension of salary adjustments for VA medical personnel and new starts for modernization and replacement of VA medical facilities. We will be precluded from instituting reforms to facilitate GI education overpayments, a reform that would save us millions of dollars in the future. Pending legislation, such as extension of the education delimiting date, in which considerable interest has been expressed will also be excluded.

Mr. Chairman, I am dismayed that the House Budget Committee's target for veterans programs is so inadequate. At a time when we are proposing unprecedented expenditures in the area of defense, are we to forget those who have served as the guardians of our defense?

On Wednesday I will offer an amendment to the first concurrent budget resolution to expand the Budget Committee's target with restored funds for cost-of-living increases by an additional $700 million, bringing total outlays under the veterans category to $20.1 billion. My amendment recognizes that we need a responsible budget figure that will allow us to fairly and rationally balance veterans spending priorities. Without it, we will be forced in the unfair situation of having to pit the needs of one segment of the veterans population against that of another, and indeed, we will be unable to respond adequately to any of the legitimate needs that exist in the veterans' area.

Mr. Chairman, I support the budget process and regret having to offer a floor amendment, but I find there is no alternative if we are to honor our commitments to those who served.

Mr. O'HARA. Mr. Chairman, I rise in strong support of this budget resolution. It provides jobs; it provides increases for social programs; it sets reasonable national priorities. It stands in stark contrast to the President's budget in recognizing domestic needs.

The President slashes health, education, and training programs on the grounds that States and localities can pick up the burden; the committee provides some increases above the anticipated final appropriations levels for fiscal years 1976.

The President would ask the poor, the aged, and modest-income workers, to help reduce the deficit. He would end school lunch and food stamp benefits for all but the poor, would require public housing tenants to pay much larger amounts for rent, and would make large cuts in other entitlement programs such as social security, medicaid, and AFDC; the committee assumes some reform savings in AFDC, food stamps, civil service retirement, and social security, but rejects wholesale purges of recipients from the rolls.

The President would phase-out the public service job program by September 30, 1977; the committee is not satisfied with a 7.5-percent unemployment rate, and our resolution provides for 550,000 public service jobs.

In total, the resolution provides over 1.1 million jobs beyond those included in the President's budget. In addition to raising the number of public service jobs to 550,000, the resolution funds one million summer youth jobs, adds 26,000 full-time jobs under the Job Opportunities program, adds 459,000 public works and construction jobs, and adds funds for 220,000 jobs as determined by subsequent congressional action.

The committee added nearly $1.3 billion in budget authority to restore employment and training programs other than public service employment to their 1976 program levels. The President's budget deleted $55 million in WIN funds for work and training services to welfare recipients, funds no community service jobs for Older Americans, and provides for 52,000 fewer years of work and training experience under CETA.

With respect to education programs, the committee added $2.3 billion to the President's request. This higher level restores all programs to their anticipated final appropriations level for fiscal year 1976; provides full funding for basic education opportunity grants; moves occupational, vocational and adult education programs to a forward-funded basis; and provides real program increases for other programs such as title I.

As a member of the Budget Committee, I have learned more than I cared to about executive budget gimmickry. For years Presidents of all stripes have engaged in budget games to lower their budget totals. Sometimes Congress has been a silent partner in these games. President Ford has carried on this tradition in all its glory. But the new congressional budget process does not permit us to indulge in such games.

Last year and this, the committee has been forced to add billions to the President's outlays simply because of budget gimmickry. One of the most glaring examples this and last year is the budget for veterans programs.

This year and last, the President's budget did not include one nickel for veterans cost-of-living increases. The Congress added $500 million to its fiscal year 1976 budget for predictable cost-of-living increases in veterans pension and compensation. Congress subsequently passed two bills raising these benefits. The President signed these bills into law, but repeatedly charged Congress with budget busting.

This year as last, the President's budget excludes benefit increases for veterans. In fact, the President saves $200 million by assuming that the 1976 veterans pension increase will be allowed to expire on October 1, 1976. Thus, under his budget, veterans pensions would be cut by 8 percent and would revert to 1975 levels.

The House Veterans' Affairs Committee requested the inclusion of $1.2 billion for cost-of-living increases in pension, compensation, and education benefits. The Budget Committee supports such increases, but declined to add the funds to the congressional budget—and the congressional budget deficit—until the President submits a formal budget amendment to cover such increases. Thus far, no amendment has been forthcoming. Should we and the veterans assume that the administration opposes these increases and that the President would veto them?

I will support an amendment to add $1.2 billion in budget authority and outlays for these increases. But I do so with regret that we are required to cope with such deceptive budget practices.

It is my hope that this will be the last year in which unrealistic assumptions are used by the President in constructing his veterans budget as well as the many other areas in which for 2 consecutive years he has systematically underestimated outlays and overestimated revenues. The time and resources involved in such squabbles detract attention from what should be a debate over national priorities and economic policy.

I urge my colleagues to support this resolution. The deficit may be higher than the President's, but it costs more because it accomplishes more. And it is an honest budget.

Mr. ADAMS. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. LATTA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the recommended level of Federal revenues is $363,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $14,800,000,000;

(2) the appropriate level of total new budget authority is $452,261,000,000;

(3) the appropriate level of total budget outlays is $413,625,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $50,625,000,000; and

(5) the appropriate level of the public debt is $711,900,000,000, and the amount by

Perfecting amendment offered by Mr. WRIGHT: Page 4, line 3, strike out "$18,649,000,000" and insert in lieu thereof "$19,849,000,000".

Page 4, line 4, strike out "$18,165,000,000" and insert in lieu thereof "$19,365,000,000".

Page 1, line 11, strike out "$452,261,000,000" and insert in lieu thereof "$453,461,000,000".

Page 2, line 2, strike out "$413,625,000,000" and insert in lieu thereof "$414,825,000,000".

Page 2, line 5, strike out "$50,625,000,000" and insert in lieu thereof "$51,825,000,000".

Page 2, line 7, strike out "$711,900,000,000" and insert in lieu thereof "$713,100,000,000".

Page 2, line 10, strike out "$65,700,000,000" and insert in lieu thereof "$66,900,000,000".

Mr. ADAMS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MATSUNAGA, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 611) setting forth the congressional budget for the U.S. Government for the fiscal year 1977, and revising the congressional budget for the transition quarter beginning July 1, 1976, had come to no resolution thereon.

GENERAL LEAVE

Mr. ADAMS. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks, and include extraneous matter, on House Concurrent Resolution 611, the concurrent resolution we have had under consideration today.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct may be permitted to sit tomorrow during proceedings under the 5-minute rule.

The SPEAKER pro tempore (Mr. KREBS). Is there objection to the request of the gentleman from Georgia?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman's committee be marking up any legislation?

Mr. FLYNT. Mr. Speaker, I withdraw the unanimous-consent request.

SUNSET FOR BUREAUCRACIES

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, for those of my colleagues who may not have seen this morning's editorial in the Washington Post, "Sunset for Bureaucracies," I wish to have it inserted in the RECORD. I would call your attention to the final paragraph and its excellent suggestion. We would do well to let the Sun set on many of the existing subcommittees in this body.

The editorial follows:

SUNSET FOR BUREAUCRACIES

Out in Colorado, an intriguing experiment in regulating bureaucratic growth is getting under way. Gov. Richard D. Lamm has just signed a novel "sunset law" which would terminate every one of the state's regulatory agencies—let the sun set on them—within seven years unless the legislature votes to continue them. This unique self-destruct measure, initiated by Colorado Common Cause, was passed with broad bipartisan support, extending from consumer-oriented legislators to Republican conservatives. However much these factions may disagree about the proper role of regulation in the state, they shared a desire to make the regulatory agencies leaner and more accountable.

The great advantage of the "sunset" approach is that it establishes a framework for systematic, periodic scrutiny of the bureaucracies involved, and makes the advocates of each agency openly justify continuing public investment in it. This can focus legislative and public attention on some corners of government that have grown very cluttered and musty over the years. The Colorado law, for instance, is aimed at the more than 40 boards and commissions in the states that regulate or license various occupations, from barbers to morticians. Such agencies, which are usually fairly small and obscure, can easily become captives of the professions they are supposed to regulate—or can do nothing at all except provide sinecures for a few employees.

Since cutting back government regulation has become a popular cause, the Colorado "sunset law" may become a model for other states that are also burdened with inefficient or antiquated agencies. At the federal level, a number of similar bills have been introduced in Congress during the past several months. One of the most ambitious, sponsored by Senate Budget Committee Chairman Edmund S. Muskie (D-Maine) and others, would require a "zero-based" review, or total reassessment, of every single federal program every four years. Other bills would impose periodic termination dates on all or some regulatory agencies. Along this line, the House wrote a 7-year expiration clause into its version of the consumer advocacy agency legislation last fall.

One reason for all the congressional interest in the "sunset" concept is that most other methods of congressional oversight of the executive branch do not work very well. The appropriations process is an inadequate tool for comprehensive evaluation of agencies' performance. Unless deadlines are imposed or great public pressure is brought to bear, authorizing committees seldom bestir themselves to consider structural changes in programs and agencies. Oversight panels tend to function in a scattershot way, directing their attention primarily at programs that become generally controversial or particularly irksome to powerful congressmen. There is widespread interest right now in reining in agencies through legislative review of administrative rules and regulations, but this raises substantial issues of separation of powers.

All in all, some kind of federal "sunset" plan could have considerable benefits both for the taxpayers and for the government. In exploring such possibilities, however, it is vital to recognize that serious attempts to discipline the federal bureaucracy require considerable effort and self-discipline by Congress too. In fact, the broader proposals now pending would involve a staggering amount of legislative coordination and concentration. A few years ago, we might have said that Congress could never manage it. Since the new budget process has begun to take hold, the prospect for more orderly and effective congressional operations have improved substantially. Even so, the Senate and House committee structures are so sprawling, and committees' performance so uneven, that Congress might profitably start by devising a "sunset" program for itself.

4–H CLUBS MOVE FORWARD

(Mr. WHITTEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WHITTEN. Mr. Speaker, it was my privilege today to speak to as fine a group of young people as can be found any place in the world.

The meeting was the Annual 4–H Congressional Breakfast, which filled the Caucus Room to overflowing.

Mr. Speaker, this is one of the great youth movements of all time, now with more than 5½ million members, with another 1,800,000 associated through the urban nutrition aid program.

For several years, our Appropriations Subcommittee, recognizing the need of our youth, particularly in our cities, to have opportunities to learn and to earn praise from their parents and friends, provided $7.5 million for 4–H-type work in our cities.

Members would be surprised, I am sure, to learn that today less than 25 percent of 4–H members live on farms, and the remainder in towns and cities including 10.4 percent in the inner cities of our great metropolitan areas and that the largest club in the world is in downtown Indianapolis, Ind.

Mr. Speaker, February 27, 1976, was a historic day for 4–H. On that day the two organizations which for many years have provided strong support from the private sector to this valuable and extensive youth program were unified into the National 4–H Council.

The National 4–H Service Committee, established in 1921, and the National 4–H Foundation, established in 1948, will become one organization to strengthen efforts to complement and support the youth work of the Cooperative Extension Service through acquisition and administration of financial and human resources from the private sector.

A distinguished group of leaders from across the country, representing business, education, and government, forms the board of the new council which held its charter meeting on February 27 in Chicago. Members of the new board have long been involved in support of 4–H. All are dedicated to building responsible initiative in youth.

Omer G. Voss, executive vice president of International Harvester Co., heads the new board as chairman and president. Serving with him as vice chairmen are Dr. J. C. Evans, chancellor and vice provost of the University of Wisconsin, and Robert J. Hampson, executive vice president, corporate staffs, Ford Motor Co.

The council comprises a strong partnership of the public and private sectors—building on the sound educational base of the land-grant university system and at the same time taking advantage of the tremendous interest and resources of private business and individuals to enhance and enrich the educational experience of the more than 5 million young people now involved in 4-H.

I hardly need tell the Members of this august body about the positive effect of the 4-H program for more than a half century. Our distinguished Speaker and many others are 4-H alumni.

One of the great strengths of the 4-H program has been its flexibility and versatility in meeting the needs of youth—and indeed the ever-changing needs of our complex society. Firmly based in rural America which it still serves to a greater degree than ever before, 4-H has expanded in the last decade to help the development of youth wherever they live—in the country, in the city, or in between.

These young people use their heads, hearts, hands, and health not only to learn valuable skills, ranging from how to raise a steer to how to build a rocket, even more important is they learn by doing educational approach which helps youth learn how to make sound decisions as consumers and citizens, how to live and work with people of all races and creeds and how to convert their skills into practical and creative programs that contribute to the development of their community, give aid and comfort to the elderly and the ill, make effective use of leisure time and build interest and talents into productive careers.

It is already evident that the private sector is increasingly aware of the tremendous potential of this program in helping young people better understand our economic and political system and in inspiring them to take an active part in strengthening the traditions of our great Nation. With the sound professional guidance of the land-grant university system, 4-H carries out its work largely through more than 500,000 volunteers—dedicated men and women and teenagers who give their time and talent.

Through the National 4-H Council these staff members, volunteer leaders and members themselves receive many extras that enrich the program: awards and recognition for outstanding 4-H members, educational materials, international training and exchange programs, intensive training for development of staff, citizenship and leadership training for members and volunteer leaders, innovative program development in vital areas of national concern such as health, energy conservation and economics, and operation and expansion of the National 4-H Center—right here in our Nation's Capital.

During this spring and summer, nearly every one of us will be visited by 4-H members. More than 8,000 teenage leaders, and several thousand adults as well, will come from across the country to participate in Citizenship '76. Learning more about their Federal Government and the role and responsibility of the individual citizen is the keynote of this training.

This experience, like many others, is made possible because of the generous and ongoing support of the many businesess, foundations and individuals who support 4-H through the National 4-H Council.

I call upon each of us to welcome our 4-H members and leaders and to express our deep appreciation to the many people in both the public and private sectors who have had the wisdom and foresight to unify the efforts of the National 4-H Service Committee and the National 4-H Foundation to indeed reflect the 4-H motto, "To Make the Best Better." In this Bicentennial year the National 4-H Council represents the spirit of tomorrow and I look forward to our continued partnership to give an increasing number of young people the opportunity to participate in this remarkable and effective young program—4-H.

SOVIET UNION HAS FAILED TO HONOR COMMITMENTS UNDER HELSINKI AGREEMENTS

(Mr. **LEVITAS** asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **LEVITAS.** Mr. Speaker, I rise to discuss something of long and deep concern to me and to most of my colleagues in the Congress—the emigration policies of the Soviet Union which have torn apart and forcibly separated families, in violation of conscience, humanity, and international accords.

Specifically, the Soviet Union has repeatedly failed to honor its commitments under the Helsinki Agreements, commitments which provide for the freer movement of people, ideas, and information between East and West. In signing the Helsinki Final Act, the Soviet Union pledged to do everything possible to reunite families separated by political boundaries.

That they have not done so is evidenced by thousands of cases, some of which will be discussed by my colleagues. I wish to call your attention to the plight of a young Russian Jew, Boris Levitas, who lives in Kiev and who has tried repeatedly to emigrate to Israel to join his family there. Boris' family emigrated to Israel in 1973, while Boris was a college student. When he applied for emigration the following year to join his family, Soviet authorities seized his credentials. I do not have to point out that anyone in the Soviet Union without the proper credentials is in a very precarious position. Boris' distraught family have contacted me for assistance. Boris himself, in a desperate search for assistance, even called me from Kiev. Although I and other Members have repeatedly contacted Soviet authorities, it has been to no avail. They have heard us but they have not listened and they have not acted on our requests.

Since his telephone call to my office, Boris was arrested by Soviet authorities. Although I understand he was subsequently released, I have not been made aware of his present status, except to know that he has not been permitted to leave the country.

Mr. Speaker, because Boris and I have the same last name, it really drove the point home to me that there but for the grace of God—and the freedoms of America—go I. If my ancestors had not emigrated to and been received by this Nation, the story of Boris could be the story of me, or the story of any member of my family. If I did not have the good fortune to be born in this country, I could be facing heartbreaking separation from my family, with reunion only a distant and unrealistic hope.

Although the story of Boris Levitas is just a single case, it is one of all too many which demonstrates that Soviet leaders have little intention of honoring their commitment under the Helsinki Agreement. If the Helsinki Agreement means anything, it means that citizens like Boris Levitas should have the basic right to emigrate and live with their families. Any agreement, to be valid, requires the performance by both parties. The same is true of the Helsinki Pact. If the Soviet Union does not intend to abide by it, then surely we are not bound by it either. Perhaps the time has come to consider a formal renunciation. It may give the enslaved peoples behind the Iron Curtain some hope that they are not forgotten and have not been abandoned.

This is a problem which deserves our continued and concentrated attention.

COURT ACTION AGAINST POST OFFICE CLOSURES HOLDS OUT PROMISE

(Mr. **BUCHANAN** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **BUCHANAN.** Mr. Speaker, I have occassionally reported to my colleagues on my 2-year battle with the Postal Service. This battle began when the Postal Service, in violation of section 3661 of the Postal Reorganization Act, sought to initiate in my congressional district a program which would have closed down 23 branches.

This was but the first step in a nationwide program. As the result of a court suit which I filed in April of 1974, the Postal Service finally agreed to submit these proposed changes in the nature of postal services to the Postal Rate Commission for an advisory opinion.

It had been the Postal Service's contention that such changes were not within the perview of section 3661 and that the public, therefore, did not have the right to advance knowledge about such changes.

The Postal Rate Commission has issued its final opinion in this matter and I am hopeful that my friends at the Postal Service will read it closely.

The Commission found that, indeed, the Postal Service should take such nationwide changes before the Postal Rate Commission.

Most importantly, however, the Commission said that in implementing the program, and I quote, "The Service should ask postal customers where they

INTRODUCES BILL TO CUT CONGRESSIONAL, FEDERAL, AND MILITARY PENSIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Findley) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, no one can doubt the wisdom and justice of providing pensions to retired Federal employees. Likewise, a strong case can be made for the annual adjustment of those pensions to reflect increases in the cost of living. Under present law, however, Federal pensions are irresponsibly generous, serving only to fuel the spiral of Federal spending. And as we too well know, Federal spending, and more importantly, the level of the annual Federal debt, are tightly interwoven with the inflation that all citizens daily confront.

In 1962, Congress first mandated that Federal pensions should keep pace with the cost of living and provided for an automatic adjustment of benefits. The original formula was revised in 1969 when Congress enacted legislation which added an extra 1 percent to each cost-of-living adjustment that was triggered by an increase in the Consumer Price Index. This additional 1 percent was rationalized as a way to compensate for the time lag that occurs between the actual cost-of-living increase and the effective date of the adjustment. It has proven to be an unjustified and excessive provision. It has been added to the cost-of-living increases 10 times since its enactment. In just 6 years that extra 1 percent has already had a price tag of $11.2 billion in unfunded liability of the pension fund. If left unchecked this feature will add untold billions in future payments.

Moreover, according to the Civil Service Commission, since the 1-percent add-on was first instituted in 1969, Federal pensions have increased by 71 percent while the cost of living has risen 56 percent. There has been a 15 percent overcompensation.

Today I am introducing a bill to repeal the 1-percent add-on from the pension escalator and to suspend the escalator itself on each pension until future cost-of-living increases offset fully expenditures in excess of those which would have been required by the cost-of-living adjustment alone.

Under my bill a Federal or military retiree who retired in 1969 would not be eligible for a further pension increase until the CPI rose another 15 percentage points—that is to 71 percent. The Civil Service Commission estimates that over the next 5 years this bill would save $4.4 billion from Civil Service pensions alone. When military pensions are added in, the savings are nearly doubled. Let me point out that congressional pensions will be cut back equally by my bill.

I am encouraged by other initiatives to correct the pension drain on the budget. Our colleague, Chairman Henderson, of the Post Office and Civil Service Committee, has introduced a bill that would eliminate the 1-percent add-on. Our distinguished colleague, the ranking Republican on the committee, Ed Derwinski, cosponsored this important legislation. The House Armed Services Committee recently recommended that the add-on be eliminated for military retirees. And the House Budget Committee has recommended unanimously that the add-on be eliminated. These initiatives have been supported by the action of President Ford in his message to the Congress of March 24 calling for "elimination of the provision in Federal civilian and military retirement systems which over-compensates retirees for cost-of-living adjustments."

But simply to eliminate the add-on is not enough. We must act to adjust for overpayments that were made in the past. That is the purpose of my bill. For, difficult as it is to believe, it is actually possible for a retiree to be receiving a Federal pension larger than his salary was when he was working just a few years ago.

PROPOSED AMENDMENT RELATIVE TO "INDOOR FACILITIES" PROVISION OF H.R. 12234, LAND AND WATER CONSERVATION FUND AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. Sebelius) is recognized for 5 minutes.

Mr. SEBELIUS. Mr. Speaker, later this week the House will consider H.R. 12234, a bill to amend the Land and Water Conservation Fund Act and to establish a historic preservation fund. This bill constitutes the major Federal funding source for Federal, State, and local park and historic preservation and development efforts across the Nation. It is a most important bill with many good features, and deserves the support of the Members of the House.

I plan to offer an amendment, however, as an alternative to paragraph (10). The bill's current provision permits up to 25 percent of each State's grant allocation to be used for sheltering of swimming pools and ice skating rinks under certain conditions. The principal purpose of this provision is to extend the normal season of use of the facility—a laudable goal. While I agree with this objective, however, I object to this particular approach, as I believe it is a dangerous and unwarranted precedent to begin to apply the use of this fund, which has historically been dedicated to outdoor recreation, for that which constitutes indoor recreation purposes. The fund is already stretched too far for outdoor recreation needs, and cannot afford to begin funding indoor recreation projects, to which there would clearly be no limit of demand. Moreover, such federally financed indoor recreation facilities could become competitive with the efforts of private enterprise to supply indoor recreation facilities.

So strict is the resistance to allowing any current fund money to become a part of any permanent indoor facility development that, under current practice, the Bureau of Outdoor Recreation, which administers the fund, does not now permit State and local governments to even use their own funds to permanently shelter any outdoor facilities constructed with money from the fund.

I feel that my amendment represents somewhat of a compromise, in that it would prohibit the direct use of any Federal funds for sheltering outdoor facilities, but would permit State and local governments to use their own funds to shelter a multitude of facilities—not limited to just swimming pools and ice skating rinks—which base facilities have heretofore or hereafter been constructed with fund money. My amendment will retain however, the same stipulations now in the bill—that the tests of severity of climatic conditions and the increased public use resulting therefrom must be met. However, the shelter could not be a permanently enclosed building so as to constitute a permanent indoor facility.

My amendment is substantially the same as language adopted earlier by the National Parks and Recreation Subcommittee. The current bill language—allowing a direct 25 percent of Federal grant funds to be used—was adopted by a marginal full committee vote of 8 to 6.

I feel that the amendment I propose to offer on the House floor offers more latitude and should have more appeal to more interests then what is now in the bill. Moreover, it does not open up the fund to an unquenchable raid by indoor recreation interests.

I would appreciate support in adoption of this amendment. The text of the proposed amendment follows:

> Page 4, line 13, delete all of paragraph (10) and insert in lieu the following:
>
> "(10) In section 6(e)(2) change the period to a colon and insert the following:
>
> "'*Provided*, That no assistance shall be available under this Act to enclose or shelter facilities normally used for outdoor recreation activities, but the Secretary may permit local funding to be used for sheltering of such facilities heretofore or hereafter constructed and associated with activities normally pursued outdoors in that area, if he determines that the severity of climatic conditions and the increased public use resulting therefrom justify such sheltering.'."

CONGRESSMAN FRANK ANNUNZIO OF ILLINOIS AND CONGRESSMAN JAMES A. BURKE OF MASSACHUSETTS COSPONSOR HANDTOOLS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, today I am introducing a bill, which is cosponsored by my distinguished colleague from Massachusetts, the Honorable James A. Burke, on behalf of the handtool industry, to increase tariffs on imports of handtool items for a 5-year period beginning July 1, 1976, phased down to present levels after the third year.

Under the provisions of this bill, the International Trade Commission would keep developments in the domestic handtools industry under review and, upon request, would advise the Committee on Ways and Means and the Senate Finance Committee of the probable economic effect on the industry of the termination of the increased tariffs after 5 years.

This bill is being introduced by us in response to the demonstrated inability of the handtools industry to obtain relief from import competition under existing law.

Twice in the past 2 years the industry has sought relief under the Antidumping Act from imports of various types of handtools from Japan. The Treasury Department determined on the basis of its investigation in both cases that such handtools were being dumped in the U.S. market by margins as large as 45 to 50 percent.

The International Trade Commission, however, found no injury or threat of injury to the domestic industry as a result of these imports, despite the increasing share of the market taken over by imports and a decline in industry profits. Consequently, no duties were imposed to compensate for the large margins of underselling through dumping.

Under the circumstances, the industry believes it would be fruitless to seek import relief under the normal procedures of the Trade Act of 1974. Since the International Trade Commission found no injury under the criteria of the Antidumping Act, it presumably would not find injury under the stiffer criteria of the Trade Act. Yet, there is a very substantial and steadily rising penetration of the U.S. market by foreign hand tools, particularly of those types which are most labor-intensive.

Domestic manufacturers who formerly produced their entire product line here have turned to importation of unfinished tools, which are then finished by minor processing operations in the United States and sold under American brand names. A Bureau of Customs ruling has exempted such tools from the requirements for marking to show the country of origin.

The bill which Congressman Burke and I are introducing would provide some temporary relief for this industry and its workers to enable them to overcome foreign dumping and to adjust to import competition. What we need is more production for American workers and not less, and therefore, we urge enactment of this bill as quickly as possible.

THE SUPREME COURT DECISION ON PRIVATE BANK RECORDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Kastenmeier) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, last week the Supreme Court ruled that customers of the Nation's banks do not have an "expectation of privacy" with regard to records of their personal transactions which are held by their banks. This unfortunate ruling, which overturns a Court of Appeals decision, means that Government agencies will continue to have access to records of individual personal banking matters without notice being given to the citizen, and without opportunity to halt such access.

In this case, United States against Miller, the Court held that the subpenaed information was part of the bank's business records and not the customer's private papers. The Court further held that since checks are "negotiable instruments" and not subject to the protection of confidential communications, the Government is not required to meet a higher standard for their seizure from the bank than the simple subpena duces tecum.

I greatly regret the Court's limited view of the scope of the fourth amendment and the value of a public policy protecting third-party-held records from unannounced search and seizure by Government authorities.

The House Judiciary Subcommittee on Civil Liberties, which I chair, has been very concerned with such invasions of privacy. After many months of hearings and arduous markup, we have reported a bill which, when enacted, will go a long way toward protecting the privacy of financial records held by third parties.

The bill, H.R. 214, the Right to Privacy Act, will permit Government access to bank, telephone, and credit card records only if the authorities have obtained the consent of the customer, obtained a search warrant, or served a subpena or summons on the bank or company with a copy to the customer. The customer would have standing to move to quash a subpena.

Mr. Speaker, the right to Privacy Act simply recognizes that private records held by third parties such as bank and credit card companies are a special class of records that we all are compelled to maintain in order to function in our society. These records provide a uniquely personal view of our lives including information about our associations, travel, political, and religious beliefs, as well as more mundane, but equally private affairs, such as where we shop, what we purchase and to whom we are indebted.

I believe that the Court has erred in holding that we have no expectation of privacy in these intimate records held by our banks. I urge my colleagues to study the legislation which I hope will soon be reported to the full House so that we may develop a public policy which more soundly reflects the right of the people to be secure in their persons, houses, papers, and effects.

I also commend to my colleagues' attention yesterday's editorial from the Washington Post on the Court's decision and the Right to Privacy Act:

The Nonprivacy of Bank Accounts

The Supreme Court is continuing to interpret the right of privacy so narrowly as to give citizens little or no protection against governmental intrusion into many aspects of their everyday personal affairs. A notable example was the Court's 7-2 ruling on Wednesday that no constitutionally protected zone of privacy has been invaded when the government subpoenas records of a person's banking transactions from the bank.

The decision upheld the traditional view that the records of banks, like those of telephone companies, credit-card firms and other businesses, belong to the company, not the customer. Even though sensitive personal information is often involved, this approach gives the customer no right to intervene—or even to be notified—before the business opens up the records to a law-enforcement officer. In the case decided the other day, the citizen involved—who happened to be accused of operating an illegal still—claimed that his banks' compliance with federal subpoenas violated his expectation of privacy in dealing with the banks. A lower federal court had agreed, but the High Court did not.

The most disturbing aspect of this decision is the Court's refusal to recognize that banking involves any reasonable claims of confidentiality at all. Justice Lewis F. Powell Jr., for one, seems to have modified his views along the way to this result. In an earlier case upholding government record-keeping rules, Justice Powell wrote, "Financial transactions can reveal much about a person's activities, associations and beliefs. At some point, governmental intrusion upon these areas would implicate legitimate expectations of privacy." The other day, however, Justice Powell wrote for the Court that checks and deposit slips "are not confidential communications but negotiable instruments" and "contain only information voluntarily conveyed to the banks and exposed to their employees in the ordinary course of business." Thus he concluded that no legitimate expectation of privacy is involved; on the contrary, any depositor "takes the risk" that a bank will share this information with the government.

That concept of the banking relationship is not, obviously, the one held by most bankers or most of their customers. The average citizen assumes that his transactions will be kept confidential, and that bank employees will use information about his accounts only for banking purposes. Even this limited disclosure is not entirely voluntary; as the California Supreme Court said recently, "it is impossible to participate in the economic life of contemporary society without maintaining a bank account." And it is precisely the "ordinary" kinds of personal business that should enjoy the most protection against improper or excessive scrutiny by government. By refusing to acknowledge any legitimate confidentiality in this field, the Court has left the privacy of a wealth of detailed information about virtually all Americans entirely in the hands of the banks and other firms with which they deal. Many companies do regard this as a solemn trust; a growing number, for example, notify a customer when information about his account is demanded by the government. Others do not. Some do not even wait for proper subpoenas, but turn over information in response to the most casual request by law-enforcement officers. Thus individuals enjoy uneven protection at best, while the companies bear the burdens of trying to judge the propriety of official demands in cases they know little about.

Since the Court has refused to find any constitutional defect in this state of affairs, the remedy will have to come from Congress. After years of intermittent discussion, a House Judiciary subcommittee has recommended legislation that would insure citizens notice and a chance to challenge official demands for records of their dealings with financial institutions, telephone companies, credit-card issuers and the like. The notice requirement could be waived only if a judge found that advising the individual would seriously jeopardize the investigation of specified crimes. The bill (H.R. 214) ought to be passed. It would give force to the concept of confidentiality in everyday financial dealings which most people have been banking on, but which the high court has unaccountably failed to grasp.

HOLOCAUST REMEMBRANCE WEEK BEGINS IN WEST HARTFORD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. Cotter) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, the people of West Hartford, Conn., have begun a week-long observance of the Holocaust,

determined for us or by us, whether humanity will be the victim or the architect of its destiny.

THE PROBLEM OF SOUTHERN AFRICA

Of all the challenges before us, of all the purposes we have in common, racial justice is one of the most basic. This is a dominant issue of our age, within nations and among nations. We know from our own experience that the goal of racial justice is both compelling and achievable. Our support for this principle in southern Africa is not simply a matter of foreign policy, but an imperative of our own moral heritage.

The people of Zambia do not need to be reminded of the importance of realizing this goal. By geography and economic necessity, Zambia is affected directly and grievously by strife in southern Africa. Political stability in this region means more to Zambia than to many others. Yet Zambia has chosen to stand by her principles by closing her border with Rhodesia and enduring the economic consequences. This is a testimony to the determination of the people of this country and to the statesmanship of its great leader, President Kaunda.

And it was in this city seven years ago that leaders of east and central African states proclaimed their manifesto on southern Africa.

One is struck by the similarity of philosophy in the American Declaration of Independence and in the Lusaka Manifesto. Two hundred years ago, Thomas Jefferson wrote: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, depriving their just powers from the consent of the governed."

And seven years ago, the leaders of east and central Africa declared here in Lusaka that:

"By this Manifesto we wish to make clear, beyond all shadow of doubt, our acceptance of the belief that all men are equal, and have equal rights to human dignity and repect, regardless of color, race, religion, or sex. We believe that all men have the right and duty to participate, as equal members of society, in their own government."

There can be no doubt that the United States remains committed to the principles of its own Declaration of Independence. It follows that we also adhere to the convictions of the Lusaka Manifesto.

Therefore, here in Lusaka, I reaffirm the unequivocal commitment of the United States to human rights, as expressed in the principles of the United Nations Charter and the Universal Declaration of Human Rights. We support self-determination, majority rule, equal rights and human dignity for all the peoples of southern Africa—in the name of moral principle, international law and world peace.

On this occasion I would like to set forth more fully American policy on some of the immediate issues we face—in Rhodesia, Namibia and South Africa—and then to sketch our vision of southern Africa's hopeful future.

THE UNITED STATES POSITION ON RHODESIA

The United States position on Rhodesia is clear and unmistakable. As President Ford has said, "The United States is totally dedicated to seeing to it that the majority becomes the ruling power in Rhodesia." We do not recognize the Rhodesian minority regime. The United States voted for, and is committed to, the UN Security Council resolutions of 1966 and 1968 that imposed mandatory economic sanctions against the illegal Rhodesian regime. Earlier this year we co-sponsored a Security Council resolution, which was passed unanimously, expanding mandatory sanctions. And in March of this year, we joined with others to commend Mozambique for its decision to enforce these sanctions even at great economic cost to itself.

It is the responsibility of all who seek a negotiated solution to make clear to the Rhodesian minority that the world community is united in its insistence on rapid change. It is the responsibility of those in Rhodesia who believe in peace to take the steps necessary to avert a great tragedy.

United States policy for a just and durable Rhodesian solution will therefore rest on ten elements:

First, the United States declares its support in the strongest terms for the proposals made by British Prime Minister Callaghan on March 22 of this year: that independence must be preceded by majority rule which, in turn must be achieved no later than two years following the expeditious conclusion of negotiations. We consider these proposals a a basis for a settlement fair to all the people of Rhodesia. We urge that they be accepted.

Second, the Salisbury regime must understand that it cannot expect United States support either in diplomacy or in material help at any stage in its conflict with African states or African liberation movements. On the contrary, it will face our unrelenting opposition until a negotiated settlement is achieved.

Third, the United States will take steps to fulfill completely its obligation under international law to mandatory economic sanctions against Rhodesia. We will urge the Congress this year to repeal the Byrd Amendment, which authorizes Rhodesian chrome imports to the United States, an act inconsistent with United Nations sanctions. In parallel with this effort, we will approach other industrial nations to ensure the strictest and broadest international compliance with sanctions.

Fourth, to ensure that there are no misperceptions on the part of the leaders of the minority in Rhodesia, the United States, on the conclusion of my consultations in black Africa, will communicate clearly and directly to the Salisbury regime our view of the urgency of a rapid negotiated settlement leading to majority rule.

Fifth, the United States Government will carry out its responsibility to inform American citizens that we have no official representation in Rhodesia nor any means of providing them with assistance or protection. American travellers will be advised against entering Rhodesia; Americans resident there will be urged to leave.

Sixth, as in the case of Zambia a few years ago, steps should be taken—in accordance with the recent UN Secretary Council resolution—to assist Mozambique, whose closing of its borders with Rhodesia to enforce sanctions has imposed upon it a great additional economic hardship. In accordance with this UN resolution, the United States is willing to provide $12.5 million of assistance.

Seventh, the United States—together with other members of the United Nations—is ready to help alleviate economic hardship for any countries neighboring Rhodesia which decide to enforce sanctions by closing their frontiers.

Eighth, humanitarian provision must be made for the thousands of refugees who have fled in distress from Rhodesia into neighboring countries. The United States will consider sympathetically requests for assistance for these refugees by the UN High Commissioner for Refugees or other appropriate international organizations.

Ninth, the world community should give its support to the people of Rhodesia as they make the peaceful transition to majority rule and independence, and should aid a newly independent Zimbabwe. To this end, we are ready to join with other interested nations in a program of economic, technical, and educational assistance, to enable an independent Zimbabwe to achieve the progress and the place in the community of nations to which its resources and the talents of all its people entitle it.

Finally, we state our conviction that whites as well as blacks should have a secure future and civil rights in a Zimbabwe that has achieved racial justice. A constitutional structure should protect minority rights together with establishing majority rule. We are prepared to devote some of our assistance programs to this objective.

In carrying out this program we shall consult closely with the Presidents of Botswana, Mozambique, Tanzania and Zambia.

We believe these are important measures. We are open-minded with respect to additional actions that can help speed a resolution. The United States will consult closely with African leaders, especially the four Presidents, and with other friends on the Rhodesian problem. For the central fact that I have come here to stress is this: the United States is wholly committed to help bring about a rapid, just and African solution to the issue of Rhodesia.

NAMIBIA

Rhodesia is the most urgent but by no means the only critical problem in southern Africa. The status of Namibia has been a source of contention between the world community and South Africa for over three decades.

The territory of South-West Africa turned into a source of serious international discord following World War II. When the United Nations refused to accede to South Africa's proposal for annexation of the territory, South Africa declined to enter into a trusteeship agreement, and since then has refused to recognize the United Nations as the legal sovereign. In 1966, the General Assembly terminated South Africa's mandate over the territory. In 1971, the International Court of Justice concluded that South Africa's occupation of Namibia was illegal and that it should withdraw.

The United States voted for the 1966 General Assembly resolution. We were the only major power to argue before the International Court that South African occupation was illegal. And in January 1976 the United States voted in favor of the UN resolution condemning the occupation of Namibia and calling for South Africa to take specific steps toward Namibia's self-determination and independence.

We are encouraged by the South African Government's evident decision to move Namibia toward independence. We are convinced that a solution can be found which will embody equal rights for the entire population and at the same time protect the interests of all who live and work there. But we are concerned that South Africa has failed to announce a definite timetable for the achievement of self-determination, that all the people and all political groupings of Namibia have not been allowed to take part in determining the form of government they shall one day have, and that South Africa continues to deny the United Nations its proper role in establishing a free and independent Namibia.

Therefore the United States position is as follows:

We reiterate our call upon the South African Government to permit all the people and groups of Namibia to express their views freely, under UN supervision, on the political future and constitutional structure of their country.

We urge the South African Government to announce a definite timetable acceptable to the world community for the achievement of self-determination.

The United States is prepared to work with the international community, and especially with African leaders, to determine what further steps would improve prospects for a rapid and acceptable transition to Namibian independence. We are convinced that the need for progress is urgent.

Once concrete movement toward self-determination is underway, the United States will ease its restrictions on trade and investment in Namibia. We stand ready to provide economic and technical assistance to help Namibia take its rightful place among the independent nations of the world.

SOUTH AFRICA

Apartheid in South Africa remains an issue of great concern to those committed to racial justice and human dignity.

No country, no people can claim perfection in the realm of human rights. We in America are aware of our own imperfections. But because we are a free society, our problems and our shortcomings are fully aired and made known to the world. And we have reason to take pride in our progress in the quest for justice for all in our country.

The world community's concern with South Africa is not merely that racial discrimination exists there. What is unique is the extent to which racial discrimination has been institutionalized, enshrined in law and made all-pervasive.

No one—including the leaders of black Africa—challenges the right of white South Africans to live in their country. They are not colonialists; historically, they are an African people. But white South Africans must recognize as well that the world will continue to insist that the institutionalized separation of the races must end. The United States appeals to South Africa to heed the warning signals of the past two years. There is still time to bring about a reconciliation of South Africa's peoples for the benefit of all. But there is a limit to that time—a limit of far shorter duration than was generally perceived even a few years ago.

A peaceful end to institutionalized inequality is in the interest of all South Africans. The United States will continue to encourage and work for peaceful change. Our policy toward South Africa is based upon the premise that within a reasonable time we shall see a clear evolution toward equality of opportunity and basic human rights for all South Africans. The United States will exercise all its efforts in that direction. We urge the Government of South Africa to make that premise a reality.

In the immediate future, the Republic of South Africa can show its dedication to Africa—and its potential contribution to Africa—by using its influence in Salisbury to promote a rapid negotiated settlement for majority rule in Rhodesia. This, we are sure, would be viewed positively by the community of nations as well as by the rest of Africa.

A VISION OF THE FUTURE

Southern Africa has all the prerequisites for an exciting future. Richly endowed with minerals, agricultural and hydroelectric potential, a favorable climate, and, most important, great human resources, it needs only to overcome the human failure of racial strife to achieve bright prospects for all its peoples.

Let us all strive to speed the day when this vision becomes a reality.

The United States stands ready to work with the nations of southern Africa to help them achieve the economic progress which will give meaning to their political independence and dignity to their struggle for equality.

As you know, Deputy Secretary Robinson, an expert in economic development, is accompanying me on this visit. This is the first time that an American Secretary of State and Deputy Secretary together have come on such a mission, reflecting the importance we attach to the economic development of southern Africa. Mr. Robinson and I are discussing development needs with African officials in the various capitals and we shall continue these consultations at the UNCTAD meeting in Nairobi next week. After my return to Washington, based on what we have learned, we will urgently study a new aid program for this continent.

Africa and its friends face a dual challenge—immediate and long-term growth. In the short term, economic emergencies can arise from natural disasters or sharp swings in global economic conditions over which developing nations have little control. These economic shocks must be dealt with if the nations of the region are to maintain their hard-won progress toward development. For example, the sharp drop in world copper prices has had a devastating impact on the economies of Zambia and Zaire. The United States will deal with this problem in its bilateral assistance programs for these countries, and in our programs for multilateral action—to be proposed at UNCTAD next week—for resource development, buffer stocks, and earnings stabilization.

But our basic concern must go beyond responding to emergencies. We need to develop urgently programs to lay the foundations for sustained growth to enable the developing nations of southern Africa to deal effectively with global economic shocks and trends.

Let me mention four that are especially relevant to southern Africa: trained local manpower, rural development, advanced technology, and modern transportation.

For Namibia and Zimbabwe, training programs should be intensified now so that needed manpower will be ready when majority rule is attained. Existing programs to train Namibian and Zimbabwean refugees as administrators and technicians should be expanded as rapidly as possible. We have requested additional funds from Congress for this purpose. We urge other donors and international organizations to do more.

Development for all of southern Africa involves a process of transforming rural life. We are prepared to assist in agricultural development, in health programs, in manpower training, in improving rural transportation—through both bilateral and multilateral programs.

A revolution in development planning could be achieved by the use of satellites to collect vital information on crops, weather, water resources, land use, and mineral exploration. The United States has already shared with developing nations information from our earliest earth resources survey satellites. We are now prepared to undertake much larger programs to apply this technology to Africa—including training programs and the development of training facilities and satellite receiving stations in Africa itself.

Perhaps the most critical long-term economic need of southern Africa is a modern system of regional transportation. The magnitude of the effort extends beyond the capacity of any one nation or group of nations. For this reason the United States proposes that the World Bank undertake as a priority matter the organization of a multilateral consultative group of donors to develop a modern regional transportation system for southern Africa. For our part we promise our full cooperation in working out a long-term program and in financing appropriate portions of it.

And finally, I can announce today that we expect to triple our support for development programs in southern and central Africa over the next three years.

In addition, the United States has offered leadership in many international forums to promote development through multilateral cooperation. The industrial nations, the newly wealthy oil producers and the developing countries themselves must collaborate for the goal of development. Africa is a principal beneficiary of the many United States initiatives in multilateral institutions and programs—to enhance economic security through supporting export earnings in the face of sharp economic swings; to promote growth through better access to capital markets and technology transfers; to accelerate agricultural production; to improve the conditions of trade and investment in key commodities; and to address the special needs of the poorest nations.

Many of the proposals we have made are already being implemented. Next week in Nairobi I will put forward new proposals to further advance progress in relations between developed and developing nations.

CONCLUSION

Ladies and Gentlemen: Today I have outlined the principles of American policy on the compelling challenges of southern Africa.

Our proposals are not a program made in America to be passively accepted by Africans. They are an expression of common aspirations and an agenda of cooperation. Underlying it is our fundamental conviction that Africa's destiny must remain in African hands.

No one who wishes this continent well can want to see Africans divided either between nations or between liberation movements. Africans cannot want outsiders seeking to impose solutions, or choosing among countries or movements. The United States, for its part, does not seek any pro-American African bloc confronting a bloc supporting any other power. Nor do we wish to support one faction of a liberation movement against another. But neither should any other country pursue hegemonial aspirations or bloc policies. An attempt by one will inevitably be countered by the other. The United States therefore supports African unity and integrity categorically as basic principles of our policy.

There is no better guarantee against outside pressure from any quarter than the determination of African nations in defense of their own independence and unity. You did not build African institutions to see outside forces fragment them into competing blocs. The United States supports Africa's genuine nonalignment and unity. We are ready for collaboration on the basis of mutual respect. We do so guided by your convictions and our values. Your cause is too compatible with our principles for you to need to pursue it by tactics of confrontation with the United States; our self-respect is too strong to let ourselves be pressured either directly or by outside powers.

What Africa needs now from the United States is not exuberant promises or emotional expressions of good will. What it needs is a concrete program which I have sought to offer today. So let us get down to business. Let us direct our eyes towards our great goals—national independence, economic development, racial justice—goals that can be achieved by common action.

Africa in this decade is a testing ground of the world's conscience and vision. That blacks and whites live together in harmony and equality is a moral imperative of our time. Let us prove that these goals can be realized by human choice, that justice can command by the force of its rightness instead of by force of arms.

These are ideals that bind all the races of mankind. They are the mandate of decency and progress and peace.

This drama will be played out in our own lifetime. Our children will inherit either our success or our failure. The world watches with hope, and we approach it with confidence.

So let it be said that black people and white people working together achieved on this continent—which has suffered so much and seen so much injustice—a new era of peace, well-being and human dignity.

LEGISLATION PROTECTING WORKERS AFFECTED BY ENVIRONMENTAL REGULATIONS

The SPEAKER pro tempore. Under a woman from New York (Ms. ABZUG) is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, today I am introducing the Federal Environmental Employment Job Security Act. This bill insures that when a manufacturing plant, utility, or other related facility is forced to close due to an inability to meet Federal environmental regulations, its employees will not suffer an undue hardship. The measure provides unemployment compensation for up to 78 weeks, continuation of pensions, mortgage assistance, job counseling and training, and relocation expenses.

This bill is designed not only to protect workers at those plants affected by general environmental regulations, but also at those which are forced to reduce or terminate their operations as a result of future decisions on licensing and regulating of nuclear power facilities. The legislation will guarantee that those trained and employed in affected industries not suffer, if the health and welfare of all our citizens mandate that certain facilities be closed. It will provide income support for a transitional period and assistance in retraining and relocation.

The closing of a plant represents a personal tragedy for employees and an economic hardship for an entire community. The problem should not be minimized; some employers, reluctant to make the effort to insure that their plants are safe, have presented the problem to their employees as a choice between the long-term health and safety and their jobs.

In reality, the real choice is not between environment and jobs. The Environmental Protection Agency report of December 31, 1975, on economic dislocation found that from January 1971 to September 1975, a period of nearly 5 years, closings or curtailments of production at 75 plants due to antipollution measures resulted in a total loss of 15,700 jobs. "And in many cases," says EPA Administrator Russell E. Train, "pollution controls were one of a number of factors involved in the managements' decisions to discontinue operations. Other factors appear to be outdated facilities, marketing problems, and occupational safety and health administration problems." The arguments of those opposing environmental controls because of resulting job losses are considerably undercut by the reality of the actual impact of these regulations. And with the passage of this bill, the consequences will be further reduced.

Moreover, few people have appreciated the direct economic benefits of these regulations. A 1975 study prepared for the Council on Environmental Quality has estimated that environmental legislation has created an industry employing 1.1 million workers. This confirms Bureau of Labor Statistics that the $5.7 billion in public funds and the $11 billion in private money spent for pollution controls in 1975 generated over 1 million new jobs.

In estimating the overall cost-benefit of environmental expenditures we must also consider the short- and long-term penalties of failing to clean up the environment. Air pollution alone costs the public an estimated $12 billion per year in lost work, extra health care, and premature deaths. And we must take into account the benefits to industry and society as a whole of the resources recovered from materials formerly discarded as waste but now recycled.

There is no doubt that the benefits of pollution control far outweigh the costs, and that this society can support the relatively small expense of insuring that no individual must suffer unduly in the few cases that require complete reorganization of industries with consequent job losses. This legislation will provide that assurance.

Its provisions follow:

H.R. 13330

A bill to provide certain benefits for persons who are unemployed as a result of certain Federal actions for the improvement of environmental quality or because of the administration of Federal laws relating to the regulation or control of nuclear energy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Environmental Employment Job Security Act".

SEC. 2. The Administrator of the Environmental Protection Agency shall, on the Administrator's own motion or not later than thirty days from the date the Administrator receives a written request from an employee of an affected plant or industry or his or her representative, initiate an investigation of any employment loss which results or may result from the issuance of a standard or order under the Federal Water Pollution Control Act, the Clean Air Act, or any other Federal law having for its primary purpose the improvement of environmental quality. Such investigation shall be completed and a report of employment loss submitted to the Secretary of Labor not later than the sixtieth day after the date of initiation of such investigation. The Secretary of Labor, upon receipt of such report, shall certify as unemployed as a result of such standard or order all employees who are unemployed as a result of such standard or order with respect to which the Administrator has conducted an investigation under this section. An individual to be eligible for certification for assistance under this Act pursuant to this section shall have had in the seventy-eight weeks immediately preceding his or her unemployment at least twenty-six weeks of employment in the plant or industry affected.

SEC. 3. The Nuclear Regulatory Commission shall, on its own motion or not later than thirty days from the date it receives a written request from an employee of an affected plant or industry or his or her representative initiate an investigation of any employment loss which results or may result from the administration of the Atomic Energy Act of 1954, the Energy Reorganization Act of 1974, or any other Federal law having as its primary purpose the regulation or control of nuclear energy, including, but not limited to, the denial or issuance, suspension, or revocation of any license or permit under such Acts or laws. Such investigation shall be completed and a report of employment loss submitted to the Secretary of Labor not later than the sixtieth day after the date of initiation of such investigation. The Secretary of Labor, upon receipt of such report, shall certify as unemployed as a result of the administration of such Act or laws all employees who are unemployed as a result of such Act or laws with respect to which the Commission has conducted an investigation under this section. An individual to be eligible for certification for assistance under this Act pursuant to this section shall have had in the seventy-eight weeks immediately preceding his or her unemployment at least twenty-six weeks of employment in the plant or industry affected.

SEC. 4. (a) The Secretary of Labor (hereinafter in this section referred to as the "Secretary") is authorized to provide unemployment compensation to any individual certified as unemployed under this Act. Such unemployment compensation shall equal the individual's former net weekly wage and shall be paid so long as the individual is unemployed, or until he or she retires from the labor force, whichever period is the lesser, except that no unemployment compensation shall be paid to any individual under this subsection for a period of more than seventy-eight weeks.

(b) The Secretary shall make an actuarial determination of the value of any pension accrued by any individual certified under this Act as unemployed. Such value shall be determined as of the date of the termination of his or her employment. The Secretary shall pay to the pension, trust, or other fund holding such pension such amounts as may be necessary to insure that such pension fund contains the value of the pension accrued by such individual. Such fund shall thereafter pay to such individual the amount of the pension which he or she is entitled to receive based upon the value of the pension contained in such pension fund. Such pension shall otherwise be paid in accordance with the terms and conditions of the pension with respect to which such individual has participated.

(c) The Secretary is authorized to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of an individual certified under this Act as unemployed who, as a result of financial hardship caused by such unemployment, has received written notice of dispossession or eviction from his or her principal place of residence by reason of foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to such unemployment. Such assistance shall be provided for a period not to exceed one year or for the duration of the period of financial hardship, whichever is the lesser.

(d) The Secretary is authorized to provide for the continuation of health benefits coverage under applicable laws or programs for individuals who are certified under this Act as unemployed.

(e) The Secretary is authorized to provide reemployment assistance services under other laws to individuals who are certified under this Act as unemployed.

(f) The Secretary is authorized to pay the actual reasonable moving expenses of any individual (including his or her family and his or her household effects) certified under this Act as unemployed who is unable to find employment a reasonable distance from his or her principal place of residence at the time of such unemployment and who finds employment beyond such distance.

SEC. 5. There is authorized to be appropriated not to exceed $100,000,000 for carrying out this Act.

LEGISLATION TO PUT SHIPPING PUBLIC IN MORE EQUAL BARGAINING POSITION WITH CARRIERS IN SETTLEMENT NEGOTIATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, the purpose

of the bill I am introducing today is to put the shipping public, especially small shippers throughout the country, in a more equal bargaining position with carriers in settlement negotiations for goods which are lost or damaged in transit. The bill I am proposing would accomplish this purpose by giving discretion to judges to award plaintiffs reasonable attorney's fees on claims which are successfully prosecuted in court after carriers have been provided with 90 days within which to pay but have refused to do so.

Legislation identical to that which I am introducing was favorably reported by the Senate Commerce Committee in the 91st Congress. Similar legislation was also favorably reported by the Senate Commerce Committee during the 90th Congress, and I understand that there is now pending in the Senate a bill, S. 1967, which addresses this problem. In none of these instances, however, have we in the House acted on these bills, and because the problem continues to be of serious concern to shippers throughout the country, I believe that the legislation I am introducing should be favorably acted upon with dispatch.

The problem faced today by a small shipper or, indeed, any shipper or receiver with a small claim, is that if he is forced to sue to collect a claim against a carrier which is responsible for loss or damage to a particular shipment, that shipper may well be precluded from recovering his just claim. This is because the shipper's attorneys' fees can often be disproportionately high in relation to any claim, and especially small claims. Moreover, unlike personal injury claims, where intangible damages such as "pain and suffering" are often sufficient from which to compensate the plaintiff's attorney, claims involving loss or damage to shipments of goods can only be filed in the exact amount of the tangible loss or damage.

Thus, even if the shipper fully prevails and receives a verdict in full for all his damages, out of this amount a substantial portion must be paid to the shipper's attorney who successfully prosecuted the suit. But what this means is that on claims involving actual damage of say, $5,000 or $10,000, even if verdicts are rendered in those precise amounts, the shipper will never be fully reimbursed because he will in every case be required to pay out of the verdict a substantial amount in attorney's fees. On smaller claims of less than $2,000, it is often simply impossible from an economic point of view even to consider the possibility of litigation, no matter how justified the claim acutally is. The long and short of this, therefore, is that there is presently an economic imbalance favoring the carrier and prejudicing the consumer or the shipper with a small claim.

It is my understanding that it is not uncommon for carriers to take advantage of this imbalance by never, or very seldom, offering full settlement on any loss or damaged claim—even when they know both that they were fully responsible for the damage and that the amount of the claim is accurate. They do this, so I am told, because they know that if the shipper is forced to retain an attorney to file suit, that shipper, even if totally successful, can seldom net more than 80 percent of his claim once paying his attorney's fees. And knowing this, many carriers routinely offer—even where their liability is clear and undisputed—no more than 70 percent or 75 percent by way of settlement. To the shipper or the consumer, this is virtually always better—especially coming immediately—than a suit that might take 2 years and then net that shipper or consumer not much more, or even less, depending on the amount of the attorney's fees. But it should be clear from this that the present legal status is improperly balanced toward carriers and against the shipping and consuming public.

The bill I am introducing would remedy this imbalance by giving judges discretion to award legal fees in cases where they deem such an award to be appropriate and where the claim had previously been filed with the carrier and not promptly paid. As the amount of such an award, as well as the particular case in which such an award should be made, lies in the sound discretion of the judge hearing the case, I do not believe you will have abuses of any type. On all scores, therefore, I commend this bill to you and urge its prompt enactment.

FOR A NATIONWIDE COMMUNITY BELLRINGING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS), is recognized for 5 minutes.

Mrs. BOGGS. Mr. Speaker, it was a warm July day. Independence Square, as it is now called, and the streets of Philadelphia were packed with men and women who had waited for hours wondering if their representatives would vote to declare independence.

A messenger hurried up the stairs to the belfry. Before the first sentence of that historic document was read, the tones of the bell burst upon the silent and waiting city. For 2 hours the sound of the bell was heard, proclaiming freedom to the Colonies.

Throughout the ages, bells have been the voices of history. They have pealed in victory or tolled to signal the beginning of battles. They have sounded fire alarms, announced curfews, mourned for the dead and celebrated births. Bells have summoned laborers to their work, given notice when the lord of the manor's oven was ready to bake bread, signaled shopowners to open the marketplace, and announced dinner.

In this, the year of America's Bicentennial, it therefore becomes fitting that all of us join together through the ringing of bells in a nationwide community expression of our freedoms as the country enters its third century.

The American Revolution Bicentennial Administration, of which I am proud to be a member, is urging, along with thousands of private citizens and organizations, a simultaneous nationwide ringing of bells on July 4th at 2 p.m. e.d.s.t. The date and time was originally established by the Congress under Senate Concurrent Resolution 25 in 1963.

Communities, churches, schools, fire departments, universities, and individuals are being asked to toll bells and carillons in conjunction with the ringing of the Liberty Bell in Philadelphia at 2 p.m. e.d.s.t. on Independence Day.

During my involvement with the ARBA I have noted a growing interest across the land in a symbolic national effort to commemorate our 200th anniversary and many communities have already begun planning bellringing ceremonies as part of their Bicentennial activities.

Now, we are asking all Americans, here and abroad, to join together on this historic occasion, and let the sound of every bell in the country ring out at the same time to declare our freedoms and signify our unity.

It is also hoped that all radio and television stations will broadcast at least 2 minutes of bellringing or conduct a fitting program at 2 p.m. e.d.s.t.

The Liberty Bell will be rung in a symbolic national ceremony conducted by the Sons of the American Revolution at Independence National Park, Philadelphia, at precisely 2 p.m. e.d.s.t. on Sunday, July 4.

With most of the country on daylight saving time, corresponding times are 1 p.m. c.d.s.t., noon m.d.s.t. and 11 a.m. P.d.s.t. In Hawaii it will be 8 a.m. standard time and in American Samoa 7 a.m. Bering time. Alaska stretches four time zones from Pacific to American Samoa. In Guam it will be 5 a.m. on July 5, while in Puerto Rico and the Virgin Islands it will be 2 Atlantic time the afternoon of the Fourth.

I urge all of my colleagues to join with me in carrying the word of this nationwide activity to all of our constituents.

To assist you in getting the word out to all Americans, the ARBA has established a Bicentennial Weekend Media Information Center, located at 736 Jackson Place, NW., Washington, D.C. 20276.

S. CON. RES. 25

[Feb. 28, 1963]

Whereas the tolling of the Liberty Bell at Independence Hall, Philadelphia, Pennsylvania, at 2 o'clock in the afternoon of the 4th day of July, 1776, proclaimed the signing of the Declaration of Independence; and

Whereas the adoption of this historic document marked the birth of our country as a free and independent nation; and

Whereas it is fitting that the anniversary of this great event should be appropriately observed in each year at the same moment throughout the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby (1) declares that the anniversary of the signing of the Declaration of Independence should be observed each year by the ringing of bells throughout the United States at the hour of 2 o'clock, eastern daylight time, in the afternoon of the 4th day of July, and (2) calls upon civic and other community leaders to take appropriate steps to encourage public participation in such observance.

A FAIR SHAKE FOR THE VETERAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. MEYNER) is recognized for 5 minutes.

Mrs. MEYNER. Mr. Speaker, during the Korean war, I served with the Red Cross on the battlefront and came to know the exacting hardships that many men in the Armed Forces have endured during wartime.

For these contributions to insure our national security, veterans deserve the very best care that this country can provide. That is why I have cosponsored a bill, H.R. 11748, which would remove the present 10-year limitation within which programs of education for veterans must be completed. Many veterans are either unwilling or unable to resume their educations immediately after discharge from the Armed Forces. They should be allowed to receive those benefits free of time restrictions.

Now the 10-year limitation imposed in 1966 threatens to halt the educational progress of the individual who needed time to raise a family or to support dependents or to establish career objectives. H.R. 11748 would give the fullest possible educational opportunity to veterans. We owe them no less.

My record on veterans benefits is clear. On June 6, 1975, I voted for the Veterans and Survivors Pension Act which would liberalize many benefit provisions of the current law; I opposed a bill to abolish G.I. educational benefits; and I supported and cosponsored H.R. 7717, a bill to insure that social security increases are "passed through" and do not result in commensurate reductions in veterans benefits.

The economic condition of the Government and the Nation necessitates careful fiscal restraint. And, there are many areas in which Federal funding can be cut. Benefits for veterans is not one of them.

HUMAN RIGHTS VIOLATIONS AND ECONOMIC CORRUPTION IN NICARAGUA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the more I look into the situation in Nicaragua, the more I am convinced we should reexamine our whole aid program there. The military assistance we provide General Somoza helps maintain him in power. The National Guard of Nicaragua, which was created by the United States in the 1920's, is, according to the State Department—

> The personal instrument of General Anastasio Somoza . . . it has remained to this day the principle power base for the ruling Somoza family.

This fact in itself may not be sufficient reason for a reevaluation of our Nicaraguan aid policy, but General Somoza's abuse of political and economic power through his National Guard make us accomplices in his activities. I am appending correspondence with the State Department concerning human rights violations and the martial law situation in Nicaragua for the interest of my colleagues.

The Somoza's family dominates the economy of Nicaragua. That fact is well known. What is less well known is that foreign economic assistance is often funneled into the Somoza business empire. In hearings before the Foreign Operations Subcommittee of the Appropriations Committee, I questioned officials of the Inter-American Development Bank about aid to Nicaragua. My findings in this instance confirm the allegation of the Somoza connection. The transcript of that hearing also follows.

If there is a good reason for our providing military and economic assistance to Nicaragua, I have not yet discovered it.

The correspondence and the hearing transcript follow:

HOUSE OF REPRESENTATIVES,
March 25, 1976.

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. MCCLOSKEY: Recently, William D. Rogers, Assistant Secretary of State for Inter-American Affairs, addressed the Pan-American Society of Boston on "Human Rights and Foreign Policy in Latin America", in which he stressed the importance of human rights in the conduct of U.S. foreign policy. I agree with his assessment, and I am particularly concerned about the situation in Nicaragua.

As I understand the facts, General Somoza imposed martial law in December of 1974. Can you provide me with the rationale used by General Somoza in continuing this state of martial law? What is the position of the United States in this matter? Have we communicated our concern to General Somoza in this regard?

I have also been advised of specific human rights violations, a listing of which I am enclosing. I would appreciate any information you have on any or all of these incidents.

Thank you for consideration of these matters,

Sincerely,

EDWARD I. KOCH.

LISTING

1. Alejandro Solorzano Obregon, 38, Secretary for Grievances of the SCAAS in Managua. He was detained within the area of the Centro Civico on August 19. Nothing is known of his present situation. Lawyers Diego Manuel Robles and Victor Manuel Ordoñex have appealed to judicial and military authorities and no one knows of his whereabouts.

2. Jose Antonio Davila Meza, 39, member of SCAAS in Managua. He was detained together with Alejandro Solorzano.

3. Salvador Suarez Miranda, 37, union adviser to the Masaya Labor Center (Central de Trabajadores de Masaya). He was arrested in Masatepe, in July. Abusing his authority—for he is not entitled to take such action—the Judge of the Masaya police sentenced him to six months in prison without trial. He is being held in the Tipitapa Jail.

4. Juan Sequeira, activist of tne Masaya Labor Center. He was detained together with Suarez and also sentenced to six months imprisonment for the same reason as Suarez Lopez.

5. Domingo Sanchez Salgado, 60, President of the Nicaragua Confederation of Laborers and Peasants. He was arrested in the Las Mercedes International Airport as he returned from Mexico. Nothing is known of his whereabouts. All appeals to the Supreme Court have been futile. He has been imprisoned since July without trial.

6. Juan Triana Chavez, 28, President of the Printers' Syndicate. He was arrested in June in the neighborhood of the Managua Cooperative Market. It is known that he is being held incommunicado at the Managua Central Police Station, but lawyers have not been able to do anything for him, or even see him.

7. Gonzalo Navarro Miranda, 32, the Secretary for Grievances of SCAAS in Jinotepe. This is the third time he has been imprisoned this year. He was detained in August in the office of the State Labor Inspector while he was performing his union duties. He is being held in Jinotepe and only his family has been allowed to see him. He is accused of being a member of the Nicaraguan Socialist Party.

8. Pablo Herrera Hernandez, 40, Director of SCAAS in Jinotega. He was arrested in September for the second time this year together with Enrique Siles, three worker-leaders and 28 peasants. The workers were freed, but Herrera Hernandez and the peasants were not. They are all imprisoned in Jinotega.

9. Uriel Galeano C., 23, was arrested on the Nicaragua-Costa Rica border, as he entered Nicaragua by land. He has been held incommunicado for four months. He is in very poor physical condition at the 12th Police Section, located in Bello Horizonte. As in the other cases, no charges have been made against him and the authorities have issued no reports about him.

10. Jairo Gutierrez, 27, has been in prison since the beginning of October. He was arrested inside the Las Mercedes International Airport as he returned from Mexico. Nothing is known of his whereabouts or his state of health.

11. Manuel Cajina Molina, 30, was arrested inside Las Mercedes Airport. His whereabouts are unknown. He was detained at the beginning of October.

12. Guillermo Vallencillo, 20, was arrested on the Nicaraguan-Costa Rica border. Nothing is known about him.

13. Gonzalo Navarro, from Masaya, was detained on October 6. Nothing is known about him.

14. Liana Rosa Benavides Grutter, Costa Rica citizen. She was captured under duress by the National Guard at 7 p.m. on October 8, in the city of Chinandega and taken to the Managua Security Offices.

Examples of citizens who have abandoned their personal belongings or have disappeared:

1. Lucio Lopez Mercado, from Cuasaca Valley. Due to continual persecution, he abandoned his 500-acre property, 65 vehicles and 250-acre improvements, pastureland, cane and coffee plantations.

2. Santiago Espino, from Cuscaguás Valley He was forced to abandon 430 acres of land, with two zinc houses, 8,000 coffee bushes and other improvements.

3. Leoncio Garcia Lopez, from Yaosca Valley. When he emigrated he had to abandon his 375-acre property of pastureland. When he was captured, in his own home, C$7,500. was stolen from his wife.

4. Amparo Picado, from El Corozo Valley, abandoned two properties, one of 150 acres and another of 165 acres. On these were 40 vehicles, 14 pigs and chickens. There was also a small plantation of coffee, sugar cane and cocoa.

5. Esteban Reyes Arambibia, from the Cuscaguás Valley, left 87½ acres of land and another 200-acre property. Both of them had pastureland for cattle and coffee plantations.

Other persons missing about whose property there is no information: Celestino Campos Orozco; Santiago Picado; Roberto Picado; Rogelio Picado; Candido Obando; Pedro Perez; Segundo Cruz; Maximo Martinez (who was president of the Cuscaguás Catholic Action); Marcos Murillo; Gregorio Blandino; Cesar Gutierrez and Ramon Reyes.

Persons detained in Waslala: Gregorio Soza and Arcadio Diaz Ochoa. Ochoa was captured on December 16, 1974, and has not been found in any prison.

Things like these happen even without Martial Law, due to the inhuman methods of police investigations which are contrary to all respect for human rights. Such is the case of Moises Ruiz, a simple worker related to one of the suspects of a holdup, followed by murder. He was savagely tortured in his home in an outlying section of Managua, by agents looking for the victim's money.

Later he was taken to the Central Police Station, where he didn't "return" from questioning, and as was to be expected, the official diagnosis was "heart attack." The victim was 28 years old.

Cases of persons taken to military quarters for various reasons who died some time later of heart attacks, occur once in a while. To mention only one of these, we refer to the case of Ingeniero Victor Chan, a Nicaraguan of Chinese background, who was kidnapped by extremists at the end of 1974, took possession of his station wagon to commit a bank robbery. Chan was detained and "questioned" for a long time and was finally released to die of a "heart attack" in his own home. Chan was 24 years old.

There are endless examples of beatings and persecutions, especially among the working groups intended to impede unionization. Donald Castillo has been detained twice this year.

Matias Talavera, arrested while supervising a tobacco-workers meeting, was freed on bail of C$1,500. (1,500 córdobas). Such fines are not in accordance with the law. They are, nonetheless, frequently exacted in raids in which people are arrested without reason, and are then obliged to pay for their freedom in a kind of servitude or slavery contrary to all respect for human rights.

Other prisoners are Carlos Huembes Trejos and Juan Bosco Jarquin, whose whereabouts are unknown.

All the last-mentioned persons belong to the Christian inspired Nicaraguan Workers Confederation.

III. MILITARY TRIALS

During the course of this year 37 people have been submitted to the Military Court of Investigation. These military trials have had the following characteristics which are obviously in violation of human rights.

1. These people tried had confessed under violence and torture of all kinds.

2. From the prisons where they were confined these people held incommunicado were taken directly to the site of a Military Investigation Court where they were interrogated by the Investigation Officer. During this part of the process no defense of any type or any legal counsel was permitted.

3. For the military trials the first statements, that is to say, the confessions obtained through violence, together with new statements to the Officer were used.

4. Since the Officer did not formally charge the prisoners, they were not allowed defense lawyer.

5. The Military Court was convened to investigate acts occurring on December 27, 1974 when a group of guerrillas of the FSLN kidnapped and held a group of government employees, but the unusual part is that not one of the "accused" took part in the act under investigation, since according to official statements all participants of the action of December 27 were sent to Cuba in an airplane provided by the Government of Nicaragua.

6. The judges of the Court are military appointed "ad-hoc" and had never held legal positions before in the country.

7. The military processes in Nicaragua have the peculiarity in that the Officer is also the prosecutor, in other words, the accuser. He is part of the Court, and a lower ranking official than those who pronounce sentence, in other words, he is subject to them in the hierarchy.

8. The Military Court remained in session longer than any other in the country and dictated its verdict two months after final comments, recommending a Council of War for those declared guilty by the Court.

The Council of War has not yet been convened. And those accused have not yet been tried after ten months in capitivity.

IV. HOUSEBREAKING

The best and most dramatic example of housebreaking is the case of the Archbishop of Managua, Monsignor Miguel Obando y Bravo, who made a formal complain about breaking into his private home, involving burglary, raiding his file cabinets and drawers in his office, etc., and the theft of personal and Ecclesiastic Tribunal documents. The burglars left many valuable items they could have easily stolen, including money.

We must explain that the Episcopal Chapter, presided over by the Archbishop, has denounced the methods and procedures of Somoza's regime, through countless Pastoral Letters and other documents.

The release of information about this "plumbing" operation on radio networks was censored by military authorities and the Archibishop responded in a letter, reproduced below, not only about the lack of freedom to report this act of vandalism, but also that in Nicaragua "human rights are trampled upon," testimony that corroborates everything stated in the present document:

"Managua, DN, October 14, 1975.

"I want to transmit to you my cordial greetings and thank you for your good will in wishing to inform the populace about the burglary carried out in my private residence.

"I deplore that we don't have freedom of expression in this country and that human rights are trampled upon.

"May God bless you and give you enough strength to continue performing your duty.

"Your friend,

Mons. Miguel Obando y Bravo."

V. SUPPRESSION OF FREEDOM OF INFORMATION AND CULTURAL CENSORSHIP

Freedom of information ceased to exist in Nicaragua as of December 27, 1974.

All kind of news is suppressed from the newspapers.

One is not permitted to discuss the poor condition of the roads, inadequate public services, citizen petitions for community improvements, the drought, the existence of unions, occurrences abroad which may bear a remote similarly to Nicaragua, earthquakes, etc., etc. . . .

Since the list of suppressed matters is inexhaustible attached are 20 documents containing solid proof from the months that have passed since the imposition of censorship.

And not only that, but, on two occasions as well, the newspapers and radios were compelled to publish speeches by the Executive and even one communiqué from the State Department of the U.S.A. to the Nicaraguan Ambassador in Washington.

Also attached are 75 protests relating to unpublished news items, resulting from extreme abuse of power on the part of the censors. Most of them are addressed to the Ministro de la Gobernación, others to the Secretaria de Informacion y Prensa of the President and others addressed to the censors themselves.

V. CULTURAL CENSORSHIP

The huge number of books for which entry has been prohibited into Nicaragua naturally begins with those on Marxism even though the approach is one of criticism.

All Christian literature on social justice, liberation, etc., is banned.

Songs and poems also get banned such as some by the well-known composer Carlos Mejia Godoy.

Historical texts get mutilated in newspapers and magazines including even a text on the history of Nicaragua by Don José Dolores Gámez written in the beginning of the century which mentions a bandit named Bernabé Somoza, who was hanged in the Plaza de Ribas for his crimes.

The new text presents him as a "controversial guerrilla of his time."

The comedy by Aristofanes "Lysistrata" had 12 pages of its text censored before it could be presented in the Teatro Experimental Ruben Dario, during September.

Teachers, professors and lecturers who are welcome into all other countries of Central America are denied permission to come to Nicaragua.

Literary supplements have philosophical, historical, literary reviews and poems censored.

In other words, it is the political police of the Somoza regime who establish what is to be read and known by the people of Nicaragua.

Department of State,
Washington, D.C., April 5, 1976.

Hon. Edward I. Koch,
House of Representatives.

Dear Mr. Koch: Thank you for your letter of March 25, which requested the views of the Department of State concerning the present human rights situation in Nicaragua. You also attached a document listing specific allegations of human rights abuses in that country and requested information concerning those charges.

You are correct in your understanding that martial law has been in effect in Nicaragua since December 27, 1974. It was imposed by the Nicaraguan Government in response to a terrorist attack carried out by members of the so-called Sandinista National Liberation Front (FSLN). The Sandinistas shot their way into a private home in Managua; killed four people; and took as hostages a number of prominent officials, diplomatic representatives, businessmen, and their wives. Since that time, the Government of Nicaragua has maintained that martial law is necessary to facilitate continuing efforts to uncover and disrupt the activities of the FSLN, a leftist guerrilla organization which espouses the violent overthrow of that Government.

The United States Government has taken no explicit position with respect to the decision of the Nicaraguan Government to invoke the martial law provisions of the Nicaraguan Constitution. In general, we hold that sovereign states have a right, consistent with their obligations under international law, to undertake reasonable measures to protect their civil institutions against illegitimate assault. These obligations include, of course, respect for university-recognized standards of human rights.

Over the past 15 months, U.S. Government officials have discussed human rights issues with officials of the Government of Nicaragua on a number of occasions. It would not be appropriate for me to discuss the details of these conversations. I would like to assure you, however, that we have made the Nicaraguan Government fully aware of our commitment to the observance of fundamental human rights. We have done so in a manner fully consistent with Mr. Rogers' speech and with the expresesed intent of the Congress in this field.

A comprehensive response to the numerous allegations included in your attachment will not be possible now, given the scope of the document and the relative lack of detail in most of the cases. Similar charges have been received by the Department over the past year, and these have frequently proven to have little basis in fact. Nonetheless, copies of the document have been forwarded to our Embassy in Managua, with instructions to determine its accuracy as far as may be possible. The results of this inquiry will be forwarded to you.

Some specific comments on the document are possible at this time. Domingo Sanchez Salgado is the most prominent leader of the Confederacion General de Trabajo-Independiente, a labor confederation supported by the Nicaraguan Socialist Party and one of the more aggressive unions in Nicaragua. It is highly improbable that he could have been detained last year from July to October (the evident date of the document) without this fact being noted and reported by our Embassy. Liana Rost Benavides Grutter is one of 38 individuals questioned by the Military Court of Inquiry and ordered tried by a Council of War for having engaged in terrorist or support activities as a member of the FSLN. According to Nicaraguan press accounts, she and the other 37 "indicted" individuals have given statements in public sessions of the Military Court and were permitted in February to name civilian defense attorneys to represent them in subsequent proceedings. It is not yet known when the Council of War will be convened or what penalities the Government will advocate during the trials.

I hope you will find this response helpful.

Sincerely yours,

Robert J. McCloskey,
Assistant Secretary for Congressional Relations.

[From the Subcommittee on Foreign Operations, House Appropriations Committee]

Koch Excerpt

Now I would like to go to my own questions if I may. I am interested in Nicaragua. I understand the Bank is making a loan?

Mr. Bushnell. I think that is the Inter-American Development Bank that would be doing that.

Mr. Koch. Would you tell us a little bit about that?

Mr. Porges. It is in a preliminary stage and the board has not seen it. We understand that they have received a preliminary loan application for a circumferential road around the capital city of Nicaragua. Normally the process is that the staff has to analyze it.

Mr. Koch. Has the analysis been made?

Mr. Porges. As far as I know it has not been made. A rapid analysis has been made. The rapid analysis has been made and it has not gone to any of the loan committees or the project committee of the bank. These are the stages before it gets to the board.

However, I understand there are problems with it. There is a question where Nicaragua, according to the bank's regulations, and this is in every loan, has to pass a betterment tax or an improvement in the value of the land which is confiscated for this road. This has not been done.

Mr. Koch. It is condemned, but there must be a tax on the increased value of the land.

Mr. Bushnell. Maybe I can clarify this. The betterment tax is not on the loan that the road goes over but on the adjacent property.

Mr. Koch. I am familiar with that.

Mr. Porges. They have communicated this in a preliminary way to the Nicaraguan Government. That is where the matter stands.

Mr. Koch. Would it be fair to say that Nicaragua is one of the poorest countries economically in all of Latin America?

Mr. Porges. Yes.

Mr. Koch. Would it be fair to say that it has one of the lowest literacy rates in Latin America?

Mr. Porges. It has a low literacy rate.

Mr. Koch. Would it be fair to say it has one of the lowest life expectancy rates?

Mr. Porges. I am not familiar with that.

Mr. Koch. Do you know what the per capita income is?

Mr. Cooper. Perhaps I can help. In the World Bank Atlas in 1973 the per capita income is $540.

Mr. Koch. Am I correct if I state that while the per capita income is approximately that figure, half the population has a per capita income of $120 annually reflecting an extreme maldistribution of the wealth? The figure you give is an average figure not taking into consideration the differentials at both ends of the pole, is that right?

Mr. Cooper. That is correct.

Mr. Koch. Do you dispute my figure of $120?

Mr. Porges. I don't know the exact figures but I assume in underdeveloped countries such as Nicaragua, there is this type of maldistribution.

Mr. Koch. The Financial Times of London on October 1 of 1975 reported the following: Much of the disaster relief and development aid money to Nicaragua "has been channeled into the multi-million dollar Somoza business empire which already dominates most sectors of private as well as public life. Certainly the only visible government expenditure has been on road building, using cement blocks made by the family's Mayco firm with cement bought from the Cementera Nacional Company."

What I am driving at is this: You are now contemplating making a loan of about $28 million, isn't that the figure?

Mr. Porges. The figure I heard was $24 million.

Mr. Koch. To build a road that will avoid the capital, right?

Mr. Porges. Right.

Mr. Koch. There is so much going on in Nicaragua that you have to avoid the capital?

Mr. Porges. The center of the city has been totally destroyed by an earthquake in the last 4 or 5 years, because of fear of rebuilding in that center, a series of satellite villages have grown up in the periphery around the old devastated center. I understand that this road has something to do with linking these satellite cities.

Mr. Koch. Just one other comment.

I am really appreciative that you have not yet made a decision on this loan. What bothers me is that the bank would consider providing $24 million to Nicaragua, one of the poorest countries in Latin America, to build a Beltway around Managua. As I understand it, General Somoza not only dominates the country but owns the land or did near which the Beltway would be built, the land which would most accrue in value, and owns the companies which would be contracted to build the highway.

Isn't there something incredible about the Bank being used to enrich the already enriched—you would not dispute it if I used the word—dictator of Nicaragua, would you?

Mr. Porges. I am not disputing it. He is the ruler of Nicaragua.

Mr. Koch. Is there something wrong in the Bank putting that kind of chunk of money into the coffers of the dictator of Nicaragua? Don't you think there is something wrong with that?

Mr. Porges. I think there are two elements here, Mr. Koch. One is the goals of the government itself. In other words, where does it want to develop The earthquake devastated it.

Mr. Koch. The government wants the country developed where General Somoza has his property.

Mr. Porges. I cannot speak with great authority about this loan because I understand it is preliminary. I understand this road would link the satellite cities which are the commercial industrial centers for the country.

Now, of course, I know in previous cases the bank looks very, very carefully at who is going to benefit from a loan. This is all part of the presentation of the Bank and the board looks at it very, very carefully. When the time comes we will look at this very carefully.

REMARKS BY GOV. HUGH L. CAREY AT THE DEDICATION CEREMONIES OF THE NEW AMERICAN EXPRESS BUILDING, AMERICAN EXPRESS PLAZA, NEW YORK, N.Y., FRIDAY, MARCH 26, 1976, 12:30 P.M.

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, things are looking up in New York City. And when a company like American Express opens its New World Headquarters building in the city of New York that is a matter that should be taken note of by this Congress. I attended that opening ceremony and I would like to place in the Record the remarks of Gov. Hugh L. Carey who spoke at the dedication ceremony on March 26, 1976. The text of his statement follows:

Remarks by Gov. Hugh L. Carey at the Dedication Ceremonies of the New American Express Building

It gives me more pleasure than I can say to be here with you today to share this moment.

Today's dedication of the New World Headquarters Building of the American Express Company is also a rededication—a rededication of belief in the greatest city in the world by one of the greatest travel and financial services companies in the world.

I have no doubt that the business and financial communities of the city, the state, the nation—and indeed the world—will take note of the decision this ceremony marks.

For American Express is not only a huge enterprise, it is a dynamic and increasingly profitable one as well.

Of the top one hundred companies, it stands ninety-fifth in revenues—and ninth in percentage of gain over 1974.

It stands forty-fifth in net income—and sixteenth in net income as a percentage of sales. Such companies do no make important business decisions on the basis of sentimentality or nostalgia. And American Express has decided to stay in New York.

American Express and New York—both the city and the state—have grown up together. The American Republic was still younger than many of its citizens on that day in 1841 when a young man named Henry Wells left Albany on his way to Buffalo with a satchel full of gold, silver, and securities—the first venture of what would become American Express.

In 1850—when the company was formally founded not more than a few minutes' walk from this spot—New York was a city of barely more than half a million souls. It was rude, bustling, and brash.

American Express found a home here; and as the City's role in national and international commerce grew, American Express grew right along with it. The lifeblood of American Express is the spirit of adventure—after all, people who sit at home and do nothing have little need for travelers cheques.

I think that spirit has something to do with this company's choice of New York as its home.

I'd like to quote for you something that our host this afternoon, Howard Clark, said recently in an address to the Columbia Business School Club: "In the U.S. today, there is no substitute for New York," he said; "it remains the place where ideas come together and percolato; where paintings and books are created; music and plays are written and performed; information is gathered, sifted and disseminated; and careers in every field are made or broken."

I do not know of a more succinct statement of the human values that make this city, with all its problems, such a marvelous place to live and work.

Four thousand people will work in this building, administering an enterprise that spans the globe. I am gratified that those jobs are staying where they belong. But American Express—beyond its role as one of our town's largest employers—is also a model corporate citizen.

A number of present and former executives of this company—William H. Morton, William Mc Chesney Martin, Jr. and Eugene R. Black prominently among them—have given generously of their time and energy in helping our state and city through its present fiscal trials.

Mr. Clark mentioned the role American Express has played in refurbishing the statue of liberty, in developing the heritage trail in lower Manhattan, and in supporting the city's cultural institutions.

I'll just add that he himself, as Chairman of the Downtown-Lower Manhattan Association, is leading the effort to transform the southern tip of this island into a thriving, diversified, round-the-clock community.

I hope that business leaders who are looking for a place in which to relocate will take a hard look at the example of American Express.

For too long in this state and city, government took business for granted—and, as a result, the well-being of all our people was put at risk.

The days of that kind of neglect are over. Our state now has a balanced budget; achieved because we held the line against new taxes and put the lid on spending. The crisis that threatened to keep the state from the credit markets is behind us, and now my top priority as Governor is the revitalization of the economy of New York.

I can assure you that this ceremony will be a spur to that effort and not an occasion for any kind of complacency.

THE FEDERAL ENERGY ADMINISTRATION LACKS ENERGY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I was intrigued by a press report of March 29 which described an alleged new energy source. A machine was demonstrated by its developers who contend that the machine can extract cheap energy as a result of separating tap water in a continuous, self-sustaining reaction with virtually no outside energy, into its two component parts—oxygen and hydrogen, a fuel that can be used to heat homes or power automobiles without pollution.

The news reports stated that knowledgeable scientists, asked about such a machine, asserted that it is theoretically impossible. The SEC has entered the picture as a result of wild trading in the stock of the company associated with the device. I have no expertise in chemistry, or in the production of energy, except the human kind. However, I am convinced that occasionally as a result of human inventiveness the impossible becomes possible.

Knowing how difficult it is to gain interest, let alone acceptance in various fields by those who allegedly effect breakthroughs, I decided that I would make an inquiry of various agencies having expertise in this matter to ascertain whether or not the alleged invention had any merit. It would seem to me that the only way one could make such a decision would be to request the inventor to produce the machine for analysis. I am amazed that the responses I have received show such a lack of interest in this area. Rather than seek out the inventor and request that he submit the machine for rigorous analysis, the respondents simply rehashed the accepted wisdom. One such letter in response to my letter said:

> My technical staff has read the New York Times article of March 29 which described Mr. Leach's process. They conclude that there is no technical basis for believing that the process as described will work. At best, it would take as much energy to separate water into its components as could be obtained by burning these conponents.

And, Mr. Speaker, do you know who said that? The Administrator of our Federal Energy Administration, Mr. Frank G. Zarb. Do you not think, Mr. Speaker, that when we are investing billions of dollars in looking for new energy sources the very least Mr. Zarb might have done would be to ask his technical staff not only to read the New York Times but to examine the machine.

My criticism is directed primarily toward the Federal energy agencies. In fact, the most attentive response I received was from Alfred Kahn, chairman of the public service commission of the State of New York, who has directed his staff to pursue this line of inquiry.

I hasten to add that in no way am I commenting on the validity of this alleged new energy process. I do not have the competence to do so, but apparently neither does Mr. Zarb. Mr. Speaker, it is clear that the Federal Energy Administration lacks energy. The correspondence follows:

House of Representatives,
Washington, D.C., March 29, 1976.

Gentlemen: I read an intriguing article in the New York Times concerning the effort to draw hydrogen power from water. I would appreciate any information you have gathered on Mr. Leach's process and an evaluation of its viability as a major energy source. The article is enclosed.

All the best.

Sincerely,

Edward I. Koch.

Original letters sent to—

Mr. Frank Zarb, Administrator, Federal Energy Administration.

Dr. Robert Seamans, Administrator, E.R.D.A.

The same letter sent to the following on April 12—

Mr. Alfred Kahn, Commissioner, New York State Public Service Commission.

Dr. C. E. Bamberger, Oak Ridge National Laboratory.

Dr. Felix Schreiner, Argonne National Laboratory.

Dr. Melvin Bowman, Los Alamos National Laboratory.

Dr. L. E. Brecher, Westinghouse Research and Development Center.

Energy Research and
Development Administration,
Washington, D.C., April 20, 1976.

Hon. Edward I. Koch,
House of Representatives.

Dear Mr. Koch: Your letter of March 29, 1976 to Dr. Robert C. Seamans, Jr. is acknowledged with thanks.

With regard to the New York Times article of March 29 concerning the production of energy using only water as a source, the Energy Research and Development Administration (ERDA), through its San Francisco Operations Office, has been following, for some time, the claims made by Mr. Leach. On the basis of available information, including the Times article, we are somewhat apprehensive at this time. No detailed information has been disclosed to ERDA and until it is, we remain open-minded and interested in all developments of this type.

It is our understanding that Mr. Leach will hold a press conference on May 1 in Los Angeles at which time an ERDA representative is scheduled to be in attendance. Perhaps at that time sufficient new data will be presented which will enable us to make a more definitive judgment.

If anything further is needed, please do not hesitate to contact me.

Sincerely,

John A. Belding,
Acting Director, Division of Conservation, Research and Technology, Office of Conservation.

State of New York,
Public Service Commission,
Albany, April 21, 1976.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Congressman Koch: I was of course as intrigued as you by the New York Times story on "cheap energy from water," a copy of which you were good enough to send me with your letter of March 29.

I forwarded the article to my staff; while understandably skeptical of the inventor's claims, they are attempting to obtain more details. I will be happy to keep you posted if they turn up anything interesting. Scarcely a week passes without news of some miraculous solution to our very real and serious energy problems, as for cancer and the common cold. But we can't afford to ignore these reports: one of them just might work!

Sincerely,

Alfred E. Kahn.

ARGONNE NATIONAL LABORATORY,
April 21, 1976.
Hon. E. I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: I am glad to respond to your inquiry with regard to the water decomposition apparatus described in the clipping from the March 19 issue of the New York Times included in your letter. The article states that the inventor of the device, Mr. Sam Leach, claims to be able to decompose water into hydrogen and oxygen "in a continuous, self-sustaining reaction with virtually no outside energy".

I was made aware of the fact that Mr. Leach's machine had been presented to the press in Los Angeles several weeks ago when the correspondent of the New York Times requested my colleague Dr. Bernard M. Abraham to comment on the merits of the proposed scheme. Dr. Abraham's response is quoted in the newspaper article as follows: "As described to me, the system violates the principles of thermodynamics. You can't get something for nothing; there's no way they can do it."

I concur with this assessment. A machine such as presented by Mr. Leach cannot go on decomposing water for an extended period of time without requiring the input of additional energy, for instance an electrical current, or without requiring the replacement of certain components or reactants that have been used up while it was running. Unless the claims of continuous operation of the water splitting apparatus with virtually no energy input are modified drastically, there is no question in my mind that they are wrong or fraudulent.

As you undoubtedly aware, the response of all scientists quoted in the newspaper article unanimously reflects the conviction that the claims made for the water decomposition device of Mr. Leach are unrealistic and exaggerated. This conclusion is based on the knowledge of the law of conservation of energy, which is one of the most tested universal laws of physics to which no exceptions are known. With regard to the production of hydrogen from water it requires the energy furnished during the decomposition of water to be equal in magnitude to the energy which released during the combustion of the hydrogen. Tests during which the water decomposition apparatus is operated and produces hydrogen for several hours as mentioned in the New York Times article do not furnish proof to the contrary. It is quite possible to incorporate a sufficient quantity of reducing material in a device of the size referred to as "somewhat larger than a big trunk" to allow the decomposition of steam and liberation of hydrogen for many hours.

From the foregoing it is clear that the efforts directed at the production of hydrogen from water do not involve a new method of producing energy. Rather they involve the conversion of primary energy, be it heat or electricity, into the chemical energy of the hydrogen. Hydrogen in this case acts as an energy carrier, a fuel. The energy contained in it can be stored with minimal losses, and is available at the user's convenience, in the simplest case by burning the hydrogen.

There is today in the United States and in Europe a substantial effort under way to search for new methods of generating hydrogen from water in an energy-conservative and economical way. This effort, in which I myself am involved, is motivated by the realization that the time at which the conventional fuels, gas, oil, and coal, will be effectively exhausted lies no longer in the far and distant future. Our primary energy sources will become nuclear reactors and solar energy. There will be a need for a fuel to take the place of the fossil fuels on which we rely heavily in our everyday lives. Along with many others I believe that hydrogen made from water will best fill this need. It will be capable of doing this only if adequate large scale production methods based on nonfossil primary energy are developed.

I hope that this letter will be of use to you and I will be very happy to furnish any further information you might need.

Yours sincerely,
FELIX SCHREINER,
Chemistry Division.

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., April 23, 1976.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in response to your letter of March 29, 1976, regarding a process developed by Mr. Leach to extract power from water.

My technical staff has read the *New York Times* article of March 29 which described Mr. Leach's process. They conclude that there is no technical basis for believing that the process as described will work. At best, it would take as much energy to separate water into its components as could be obtained by burning these components.

If I may be of further assistance, please do not hesitate to contact me.

Sincerely,
FRANK G. ZARB,
Administrator.

OAK RIDGE NATIONAL LABORATORY,
Oak Ridge, Tenn., April 23, 1976.
Hon. EDWARD I. KOCH,
Longworth Office Building,
Washington, D.C.

DEAR HONORABLE KOCH: In answer to your letter of April 12 I must say that I had heard some comments about Mr. Leach's invention but I had not found any source of information on it. The clipping that you kindly sent me and a story in this week's Newsweek are the first written reports available; so far I have not seen anything about this invention in the scientific literature.

In general I agree with my colleagues, quoted in the New York Times' article that this invention does not appear practicable as described and although I have no doubts that it is capable of producing hydrogen I think that the process would not be economically feasible. The production of hydrogen, the first part of the invention, can be accomplished by means of basic chemistry, there are many metals and amalgams which when contacted with water or steam will evolve hydrogen and generate heat. Some classical examples are the reaction of sodium, potassium and of aluminum amalgam (with mercury) with water.

The problem involved here is one of heat balance, the heat generated by the above reactions is not sufficient to decompose the product of the combination of the so-called reactant with oxygen and thus a large amount of heat from another source (fossil, nuclear, solar) is required to regenerate the original reactant. The following numerical example illustrates this, if 46 g of sodium are reacted with steam at about 100° C 25 liters of hydrogen are produced and heat equivalent to 0.05 kWhr is generated. Assuming that we have made sodium oxide, 0.118 kWhr or heat will be required to decompose it into oxygen and sodium. This difference of 0.06 kWhr is considerable and thus costly.

We are aware of British patent stemming from 1924 using mercury which claims similar accomplishments, although requiring additional heat from an independent source, which was proven totally inoperative.

I estimate that there are presently close to one hundred scientists in the free world, in independent groups, working on the production of hydrogen by thermochemical processes, which is what the invention is about, and we all agree that a process such as the one of Mr. Leach's invention is not feasible. Anybody working in this area would indeed be very happy if we were to develop a process which could convert 50% of the total heat input into hydrogen, rather than more than 100% as appears to be the inventor's claim.

I will keep a very open mind and try to learn more details about this invention if and when they become available, in the meantime if I can be of any further help I will be happy to assist you.

Sincerely,
C. E. BAMBERGER,
Chemistry Division.

INTRODUCTION OF RESOLUTION TO ALLOW A MEMBER OF THE COMMITTEE TO DISQUALIFY HIMSELF FROM A PARTICULAR ETHICS COMMITTEE INVESTIGATION

(Mr. CARR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CARR. Mr. Speaker, Congress, in pursuit of its oversight functions, is required to investigate the alleged excesses of the executive branch. But frequently we fail to investigate the excesses of our own membership. To correct this situation, the Committee on the Standards of Official Conduct was established 9 years ago.

However, the hypocrisy of checking others but not ourselves has continued because the structure of the committee has a basic flaw. That flaw is that members of the committee currently do not have a means of disqualifying themselves from an inquiry of a colleague they feel they cannot objectively evaluate. The only formal means to such disqualification is through outright resignation from the committee or if the committee member is the subject of the complaint and inquiry.

Because the so-called "Ethics" Committee is the only formal committee of Congress comprised equally of Republicans and Democrats, members of the committee are rightfully reluctant to disqualify themselves at the risk of upsetting the partisan balance. The only way one member is likely to disqualify himself is if he can get "paired disqualification"—something which cannot be assured. Even if a "paired" disqualification occurs, the workload on the existing members increases and the final work product of the committee may be affected in the public eye.

To correct this defect, I am today introducing a resolution to change the rules to allow a member of the committee to disqualify himself from a particular Ethics Committee investigation.

The Speaker would appoint a replacement from the same politcial party, for the inquiry in question only. A committee member would not be obligated to state a reason for disqualifying himself.

Potential conflicts are real and perhaps painful. They may range from close personal friendships to the need for a colleague's vote on legislation vitally affecting a member's district. For example, in the case of the investigation of Representative SIKES, 7 of the 12 committee members have military installations or activities in their districts which could be affected by legislation dealt with by Representative SIKES' Military Construction Subcommittee of the Appropriations Committee.

This rule change would allow members a needed escape hatch, and would lead to an improvement in the work of the committee.

In my discussion with members of the committee and others, I have found much encouragement regarding the necessity for this type of rule change. It has been proposed before and does not originate with me.

The only objection I have found is that this is a poor time to make the change. The reference is to the pending matter concerning the allegations lodged by news sources and Common Cause against our colleague Mr. SIKES.

I agree with those objections and would prefer to have offered this resolution at a time when a member was not the subject of review. However, I have decided to introduce the resolution nevertheless, for two reasons.

First, practically there is no good time to offer this resolution. When there is no pending inquiry there is little energy for rule change. Rule changes occur when experiences and events dictate. Now there is a pending inquiry about to start, and I believe the time to act is when events have energized the situation, and when the focus of the need is clear.

Second, I have considered the situation in the present case before the committee. I feel that some of our colleagues on the committee may need this rule in time for the pending case.

I have read that the newspapers are already raising questions about the appearance of conflicts of interest between themselves, their constituents, and an impartial inquiry for Mr. SIKES.

In the case of the inquiry presently before the committee, Representative SIKES has been charged with a number of conflicts of interest. It has been reported that Mr. SIKES acted several times as a House member in ways which tended to enrich himself. The charges include contentions that Mr. SIKES is a major stockholder in the first full-service bank ever on a naval base in Pensacola, Fla., that he pushed for legislation allowing the development of an island in which he had interest, and that he voted on a $138 million Air Force contract for Fairchild Industries at the same time he owned stock in the industry.

Representative SIKES has a long record of service in the Congress, and it would be unfair to him if he did not receive a fair airing of these charges by an impartial group. But with the committee members themselves having no way to disqualify themselves from this case, any decision will be immediately suspect. It is only fair to Representative SIKES and other members that this rule be added.

A BILL TO AMEND THE IMPOUNDMENT CONTROL ACT OF 1974

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the Congressional Budget and Impoundment Control Act was enacted into law in part to deal with Presidential impoundments.

For example, the Federal Water Pollution Control Act Amendments of 1972, which were overwhelmingly approved by Congress in spite of a Presidential veto, were rendered useless after the President instructed EPA to withhold half of the appropriated funds. President Nixon impounded a total of $18 billion in 1973, or over 7 percent of the budget. In one instance, regarding a debt limit bill enacted in October 1972, he was instructed to "promptly" transmit an impoundment report to Congress; however, he had failed to comply with the order by January 6, 1973.

These are the kinds of problems title X of the Budget and Impoundment Control Act has attempted to rectify. In some respects it has been successful: it established the first procedure for congressional control of this kind of arbitrary action. It ended the drawn-out law suits which were previously necessary for the release of impounded funds. It implemented the ultimate power of the Congress: in 1975, Congress approved only some 15 percent of the funds the President proposed to rescind. President Ford deferred $25.3 billion in 1975; Congress, through the provisions of the 1974 Impoundment Act, forced him to release $11.3 billion of that money.

Although the Congressional Budget Act has streamlined and greatly improved the manner in which the House and Senate are able to act upon the Federal budget, there is one aspect which has been grossly misused by the present administration and which represents a deficiency which must be corrected—the manner in which the President has requested the rescission of budget authority. There have been many instances in which President Ford and his advisers have attempted to thwart the intent of Congress through the rescission process.

As the distinguished chairman of the House Appropriations Committee observed on the floor over a year ago:

> When we enact legislation, we intend that the legislation would be carried out by the executive branch in accordance with the law.

All too often, however, the rescission procedure has been used by the White House to substantially alter the manner in which programs are implemented by limiting the amount of funds made available for them. Consider, for example, the administration's ill-conceived attempts to debilitate the section 235 housing program; the substantial reduction in funds to erect and modernize health centers and construct urgently needed outpatient facilities under the Hill-Burton programs; and unauthorized cutbacks in the budget of the Economic Development Administration.

Aside from the rescissions themselves, their timing also leads to permanent program damage in certain instances. The 45-day waiting period provided for in the act, plus the fact that this period does not include the sine die adjournment of Congress or any recess over 3 days, creates too great a delay between the time the rescission proposal is sent to Congress and the enactment of a rescission bill by Congress. Also, we must consider the fact that the President and OMB have up to 30 days in which to apportion program money to the appropriate agencies for each quarter.

The results of these delays are significant and harmful. The withholding of funds due to R75–8 through R75–46 began on November 26, 1974, and continued until April 8, 1975—a total of 133 days. In two other cases, both beginning in July 1975, funds mandated by Congress were withheld for 104 and 146 days. "In every case," reported the Congressional Quarterly, "the interval has been substantially longer than 45 days." This may be attributed to a careful sense of timing on the part of the administration. The 39 of 114 proposed rescissions, over one-third, were sent to Congress between September 20, 1974, and December 31, 1975, with fewer than 45 days remaining before sine die adjournment.

Unquestionably this procedure creates a great deal of uncertainty on the part of program administrators and beneficiaries and creates needless delays and disruptions. In several instances "rescissions proposed in November 1974, were not finally decided until April 1975, leaving the affected agencies with less than 90 days to obligate the funds," according to the Congressional Research Service.

Finally, the President has been able to submit rescission proposals to Congress so that it was difficult to reject them before the budget authority of the program expired. This was the unfortunate case with a youth recreation and sports program, the funds for which were officially impounded on May 8, 1975. Congress only could take action on July 2 of that year, though the budget authority for the program expired on June 30.

Another deficiency in the 1974 Impoundment Act has increased the President's power to usurp congressional authority, thus further delaying and damaging valuable programs. The President has been able to issue "chain-deferrals," continually preventing the release of funds appropriated by Congress, so long as the deferral does not reserve the last fiscal year of funds for a program.

Along these lines, the Justice Department, through the Assistant Attorney General, determined that the President may make a deferral and follow that with a rescission, and the 45-day waiting period is still applicable to the rescission. It was in this manner, through combinations of deferrals and rescissions, that President Ford was able to delay a program funding from July 1975, to March 1976, about 8 months.

Another deficiency in the act was revealed when, in one instance, the President withheld the funds from a program, but failed to notify Congress within the required time. The Comptroller General then notified Congress of a de facto deferral, as was his obligation. The President later issued a rescission proposal for the same funds, but he refused to begin the 45-day waiting period at the time the Comptroller General submitted the notification. In this or any similar instance, Congress and the Comptroller General are helpless, because the act prohibits legal action by the Comptroller General for a 25-day waiting period.

I am, therefore, today introducing legislation providing that either House of Congress may, by simple resolution, disapprove any rescission request within the 45-day rescission period now prescribed by the Impoundment Control Act.

The bill would also prohibit "chain" rescissions or deferrals—repeated proposals for rescission or deferral of the same funds; provide that in the case of rescissions reported by the Comptroller General the 45-day period would run from the date of the rescission rather than the date of the report; and permit either House or Senate to: First, instruct the Comptroller General to file suit in the case of administration failure to expend funds for which Congress has disapproved a rescission or deferral—currently suit is filed at the option of the Comptroller General, and second, waive the 25-day waiting period before filing such a suit.

I believe that such a revised procedure will not only expedite the consideration of rescission requests, but it will also go a long way toward preventing irreparable harm to programs by releasing funds on a more timely basis. This proposal will strengthen the budget process and protect the role of Congress in that process.

I insert herewith, for inclusion in the RECORD, the text of my bill and urge that it be given prompt favorable consideration so we can avoid the unhappy budget experiences of the past years.

A bill to amend the Impoundment Control Act of 1974 to provide that either House of Congress may by resolution disapprove any rescission or reservation of funds proposed by the President, without waiting for the expiration of the forty-five-day period prescribed (for disapproval by congressional inaction) by present law, and to make other changes to clarify and increase the effectiveness of the impoundment control program under such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1012(b) of the Impoundment Control Act of 1974 is amended by inserting "(1)" before "Any amount", and by adding at the end thereof the following new paragraph:

"(2) Notwithstanding paragraph (1), any amount of budget authority proposed to be rescinded or that is to be reserved as set forth in the special message shall be made immediately available for obligation if either House (before the expiration of the prescribed forty-five-day period) passes a rescission resolution disapproving such rescission or reservation.".

(b) Section 1011 of such Act is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) 'rescission resolution' means a resolution of the House of Representatives or the Senate which only expresses its disapproval of a proposed rescission or reservation of budget authority set forth in a special message transmitted by the President under section 1012;".

SEC. 2. (a) Section 1012(b) of the Impoundment Control Act of 1974, as amended by subsection (a) of the first section of this Act, is further amended by adding at the end thereof the following new paragraph:

"(3) When any amount of budget authority (set forth in a special message transmitted under subsection (a)) has been required under paragraph (1) or (2) of this subsection to be made available for obligation, such budget authority (A) shall be obligated without delay, in accordance with the law under which it is provided, and (B) shall not again be proposed for rescission or reserved under this section or proposed for deferral under section 1013.".

(b) Section 1013(b) of such Act is amended by inserting "(1)" before "Any amount", and by adding at the end thereof the following new paragraph:

"(2) When any amount of budget authority (set forth in a special message transmitted under subsection (a)) has been required under paragraph (1) of this subsection to be made available for obligation, such budget authority (A) shall be obligated without delay, in accordance with the law under which it is provided, and (B) shall not again be proposed for deferral under this section.".

SEC. 3. Section 1015(a) of the Impoundment Control Act of 1974 is amended—

(1) by striking out "is to establish a reserve or" in paragraph (1) and inserting in lieu thereof "proposes to rescind budget authority, is to establish a reserve, or";

(2) by striking out "the establishment of such a reserve or" in paragraph (2) and inserting in lieu thereof "a rescission of budget authority, the establishment of such a reserve, or";

(3) by striking out "reserve or deferral" each place it appears in the matter following paragraph (2) and inserting in lieu thereof "rescission, reserve, or deferral"; and

(4) by inserting before the period at the end thereof the following: "; except that, in the case of a rescission or reservation, the forty-five-day period referred to in paragraphs (3) and (5) of section 1011 and in paragraphs (1) and (2) of section 1012(b) shall begin on the date (as specified in such report) on which the rescission or reservation occurred".

SEC. 4. (a) The first sentence of section 1016 of the Impoundment Control Act of 1974 is amended—

(1) by striking out "is hereby expressly empowered, through attorneys of his own selection, to bring a civil action" and inserting in lieu thereof ", through attorneys of his own selection, is expressly empowered to bring a civil action"; and

(2) by striking out "and such court" and inserting in lieu thereof the following: "and shall bring such an action in any case in which he is directed to do so by majority vote (a quorum being present) of the House of Representatives or the Senate. Such court".

(b) The last sentence of section 1016 of such Act is amended by inserting before the period at the end thereof the following: "; except that the requirement of this sentence may be waived in any case by majority vote (a quorum being present) of the House of Representatives or the Senate".

SEC. 5. (a) Section 1017(a) of the Impoundment Control Act of 1974 is amended by inserting "or rescission resolution" after "rescission bill".

(b) Section 1017(b)(1) of such Act is amended—

(1) by inserting ", rescission resolution," after "a rescission bill"; and

(2) by inserting "or rescission resolution" after "any other rescission bill".

(c) Section 1017(c) of such Act is amended—

(1) by inserting ", rescission resolution", after "rescission bill" each place is appears; and

(2) by striking out "an impoundment resolution" in paragraph (2) and inserting in lieu thereof "a rescission resolution or impoundment resolution".

(d) Section 1017(d) of such Act is amended—

(1) by inserting ", rescission resolution," after "rescission bill" where it first appears in paragraph (1), and in the last sentence of paragraph (2); and

(2) by striking out "an impoundment resolution" in the second sentence of paragraph (2), and in the last sentence of paragraph (3), and inserting in lieu thereof "a rescission resolution or impoundment resolution".

SEC. 6. The amendments made by this Act shall apply with respect to special messages transmitted by the President under section 1012 of the Impoundment Control Act of 1974 (and reports made under section 1015 of such Act) on or after the date of the enactment of this Act.

ANALYSIS OF SOME EFFECTS OF SEVERAL SPECIFIED ALTERNATIVE AUTOMOBILE EMISSION CONTROL SCHEDULES

(Mr. DINGELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DINGELL. Mr. Speaker, I insert in the CONGRESSIONAL RECORD a comprehensive study prepared by three agencies of the Federal Government, the Department of Transportation, the Environmental Protection Agency, and the Federal Energy Administration entitled "Analysis of Some Effects of Several Specified Alterntaives Automobile Emission Control Schedules":

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., April 8, 1976.

Hon. JOHN DINGELL,
Chairman, Subcommittee on Energy and Power, House of Representatives, Washington, D.C.

DEAR JOHN: On March 19, 1976 you asked for a detailed report representing the coordinated views of the Department of Transportation, Environmental Protection Agency and the Federal Energy Administration on the effects of several specific alternative schedules of emission standards for automobiles. In particular, you asked that the effects of each emission control schedule be compared to the effects of a schedule incorporated in the amendment you offered during the Interstate and Foreign Commerce Committee mark-up of the Clean Air Act Amendments of 1976, which includes the same schedule as that suggested by EPA Administrator Russell Train on March 5, 1975. The effects you desired to have compared are: 1) vehicle fuel consumption (percentage of fuel economy penalty by model year), 2) health benefits, 3) consumer purchase cost penalty, 4) added consumer maintenance and replacement costs, 5) total consumer operating costs differential, by model year.

Upon receipt of your request, the technical staff of DOT, EPA and FEA undertook preparation of an analysis and report that is responsive to your request. That analysis and report is attached.

Sincerely,

FRANK G. ZARB.

ANALYSIS OF SOME EFFECTS OF SEVERAL SPECIFIED ALTERNATIVE AUTOMOBILE EMISSION CONTROL SCHEDULES

This analysis is the product of a coordinated effort among the U.S. Department of Transportation, the Environmental Protection Agency, and the Federal Energy Administration to compare certain specific effects of several schedules for implementing more stringent automobile emission control standards. This analysis was prepared in response to a request to the Economic Policy Board, Executive Office of the President, by letter of March 19, 1976, from Congressman John D. Dingell.

The specific emission control schedules are set forth in detail in Appendix A. For convenient reference, the schedules are identified in this analysis as follows:

Schedule and brief description of schedule

DT: Amendment offered by Rep. John D. Dingell, and earlier suggested by EPA Administrator Train.

A-C: A combination of two similar schedules considered by House Interstate and Foreign Commerce Committee.

B: Schedule contained in the current Senate Public Works Committee Bill, S.32.9

D: Schedule adopted by House Interstate and Foreign Commerce Committee (Brodhead Amendment) H.R. 10498.

E: Extension of present Federal standards indefinitely for analytical purposes.

ANALYTICAL ASSUMPTIONS

Any analysis of this type must make a number of assumptions. Two assumptions were necessary to permit the comparison of the effects on fuel economy of the various emission control schedules. These assumptions deal with anticipated changes in average vehicle weight and with the mix of vehicle size-classes sold, each of which factors has a significant effect on fuel economy.*

1. It has been assumed that major vehicle weight reduction programs will occur regardless of which emission control schedule is imposed. The projection of vehicle weight trends through model year 1985 used in this analysis is set forth in Appendix B. It is based on the announced plans of manufacturers to introduce lighter weight cars through the end of the 1970's and an assessment of engineering design practicality for the later years. It is not a judgment or prediction that manufacturers will in fact produce cars in accordance with the projection of average weight.

2. Average fuel economy of the new fleet depends not only on the weight of individual cars offered for sale, but also on the mix in which such models are sold. For the purpose of this analysis it has been assumed that the model mix listed below (which approximates the anticipated 1976 model year sales), will continue through 1985, i.e.: 40 percent full-size cars (6 passenger capacity); 30 percent medium-size cars (5 passenger capacity); 30 percent small-size cars (4 passenger capacity).

Cars in each size class in 1985 would be lighter in weight than cars in the same class in 1976 and would accommodate its designated number of passengers in reasonable comfort. The actual sales mix in future years will be determined by consumer desires, manufacturer's decisions, and actions by the Federal government. Nevertheless, this assumption about the sales mix of cars is reasonable for the purposes of this analysis.

In addition, one must recognize that there is considerable uncertainty in making predictions of the impact of technology that is not currently in use. Thus, with the exception of Schedule E, estimates for all emission control schedules are given in terms of a lower and an upper range, by reference to the fuel economy effects.

For schedule E, which would extend indefinitely the currently applicable emission standards, the assumptions used are spelled out in Appendix C. The low range estimates assume use of technology that is already in production, is being certified for use in 1977 cars, or has otherwise been extensively tested and demonstrated to be feasible by the auto industry. It tends to undervalue the technological improvements that may be made and used in the later years. The high range estimates assume that each manufacturer will be able to make full use of all promising technology that is potentially available even though such technology requires further development, comprehensive testing, and reduction to commercial production practice before it can be fully judged to be available, and thus it presents benefits that may not actually be achieved in the years under consideration. Appendix D gives a detailed discussion of emission control technologies assumed to be used for each range of estimates.

Finally, in each case in which a schedule provides for administrative discretion in establishing the NO_x standard that must be met, this analysis has assumed that the least stringent permissible NO_x standard would be established.

SECTION 1. FUEL ECONOMY IMPACTS OF THE SEVERAL SCHEDULES FOR EMISSION CONTROL

Estimated fuel economy impacts are presented in terms of miles per gallon for the new car fleet for each model year (Table 1a) and of percentage differences of fuel economy for each schedule relative to Schedule DT (Table 1b), rounded to the nearest full percent. New car fleet average fuel economy was 14 mpg in 1974 and 15.8 mpg in 1975.

Table 1c presents the lifetime fuel consumption of the new car fleet by model year for the DT schedule. It also presents the differences in lifetime fuel consumption in each model year for each schedule with the DT schedule as reference. Plus numbers represent consumption greater than Schedule DT and minus numbers represent savings in fuel. The analysis has assumed that the average car is driven 100,000 miles and that the annual new car fleet is 10 million cars. By comparison, the nation's automobile fleet today consumes approximately 75 billion gallons of gasoline annually, or about 5 million barrels of oil per day. As a perspective on the magnitude of these amounts, note that about 2 million barrels per day are expected to flow through the Alaskan pipeline when in full operation.

These tables reflect only the use of gasoline engine powered vehicles. The use of diesel engines in place of a small fraction (10 percent to 20 percent by 1985) of gasoline engines would result in a small but significant improvement in fuel economy and a resulting reduction in fuel consumption of 4 percent to 7 percent by 1985 over the improvements predicted for gasoline engines alone. The corresponding reduction in lifetime new car fleet fuel consumption for the 1985 model year cars ranges between 1.5 and 2.4 billion gallons. Table D-3 of Appendix D shows the impact of diesel vehicle on new car fleet average fuel economy.

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* "Fuel economy" throughout this analysis refers to fuel economy based on the EPA composite city-highway driving schedule.

TABLE 1a.—ESTIMATED FUEL ECONOMY OF NEW CAR FLEET IN MILES PER GALLON BY MODEL YEAR, FOR EACH SCHEDULE OF EMISSION CONTROL

Model year	Emission control schedule								
	Low range				High range				Reference E
	DT	A–C	B	D	DT	A–C	B	D	
1976	17.6	————▶			17.6	————▶			17.6
1977	18.4	————▶			19.0	————▶			19.0
1978	20.7	19.7	20.7	20.7	21.1	20.9	21.1	21.1	21.1
1979	21.8	20.8	19.8	21.8	22.2	22.2	21.8	21.2	22.2
1980	21.7	20.6	20.2	20.6	23.1	22.9	22.4	22.9	23.1
1981	23.0	22.0	21.6	22.0	24.5	24.5	24.0	24.5	24.5
1982	23.3	23.3	23.0	23.3	25.9	25.9	25.6	25.9	25.9
1983	24.6	24.6	24.2	24.6	27.2	27.2	27.2	27.2	27.2
1984	26.2	26.2	25.6	26.2	28.8	28.8	28.8	28.8	28.8
1985	27.0	25.7	26.6	25.7	29.7	26.7	29.7	26.7	29.7

TABLE 1b.—PERCENTAGE FUEL ECONOMY DIFFERENCE OF NEW CAR FLEET, BY MODEL YEAR, COMPARING EACH SCHEDULE TO SCHEDULE DT

Model year	Low range				High range			
	A–C	B	D	E	A–C	B	D	E
1976								
1977				+3				
1978	−5			+2	−1			
1979	−5	−9		+2		−2		
1980	−5	−7	−5	+6	−1	−3	−1	
1981	−4	−6	−4	+7		−2		
1982		−1		+11		−1		
1983		−2		+11				
1984		−2		+10				
1985	−5	−1	−5	+10	−10		−10	

TABLE 1c.—LIFETIME NEW CAR FLEET FUEL CONSUMPTION—TOTAL FOR SCHEDULE DT AND DIFFERENCES FOR OTHER SCHEDULES RELATIVE TO SCHEDULE DT, FOR LOW RANGE AND HIGH RANGE, BY MODEL YEAR

[In billions of gallons]

Model year	Low range projections					High range projections				
	Fuel consumption DT	Consumption differences				Fuel consumption DT	Consumption differences			
		A–C	B	D	E		A–C	B	D	E
1976	56.82	0	0	0	0	56.82	0	0	0	0
1977	54.35	0	0	0	−1.72	52.63	0	0	0	0
1978	48.31	2.45	0	0	−.92	47.39	.46	0	0	0
1979	45.87	2.21	4.64	0	−.82	45.05	0	.82	0	0
1980	46.08	2.46	3.42	2.46	−2.79	43.29	.38	1.35	.38	0
1981	43.48	1.97	2.82	1.97	−2.66	40.82	0	.85	0	0
1982	42.92	0	.56	0	−4.31	38.61	0	.45	0	0
1983	40.65	0	.67	0	−3.89	36.76	0	0	0	0
1984	38.17	0	.89	0	−3.45	34.72	0	0	0	0
1985	37.04	1.87	.55	1.87	−3.37	33.67	3.78	0	3.78	0

SECTION 2. HEALTH BENEFITS

Tables 2a and 2b present the air quality effects of the emission control schedules while Tables 2c, 2d, and 2e present selected health effect indicators associated with HC, CO, and NOx, respectively, for the schedules. This analysis draws upon the recent comprehensive report on air quality and health consequences of changing automobile emission standards prepared by EPA for the Air Quality, Noise, and Health Panel of the Task Force on Motor Vehicle Goals Beyond 1980.

A high degree of stringency of stationary source control for automotive related pollutants was assumed in the analysis as was the imposition of programs such as inspection and maintenance to ensure minium deterioration of emission control over the lifetime of the car. Less optimistic assumptions would have produced less air quality improvement and a higher level of health effects. However, since the same set of assumptions has been applied to all schedules, the relative ranking of the emission control schedules in terms of air quality and health effects would probably not be affected.

There are two points that should be kept clearly in mind in considering the results presented here. First, it should be noted that the health effects indicators represent only a partial listing of the effects from high air pollution levels and are not intended to represent a statement of gross benefits from pollution control. Their primary significance is in the context of relative differences between emission control schedules.

Second, there is a high degree of uncertainty in making both air quality and health impact projections. The data base is limited and in some cases still subject to scientific debate, and the methodologies are subject to additional development. As a result the estimates below may well be too high or too low, and they may vary relative to each other.

Table 2a presents projections of the percentage reduction in ambient concentration of mobile source related air pollutants in 1990 in comparison with base years in the early 1970's for the DT emission control schedule. It also presents the percentage point differences for the other schedules relative to the DT schedule. Plus numbers indicate improvements in air quality while negative numbers indicate relatively poorer air quality. For all schedules, there is improvement in the oxidant and carbon monoxide air quality relative to the base years.

Table 2b summarizes the number of air quality control regions that are projected to exceed the national primary ambient air quality standard for each pollutant in 1990 for each emission control schedule.

Table 2c gives the projected numbers of aggravation of heart and lung disease in elderly patients, incidents of eye irritation, and excess headaches in 1980, in 1990, and for the total period from 1980 through 1990 due to oxidants which is controlled through reductions in hydrocarbon emissions. The effects in 1980 are predominantly due to the cars in use in 1980 which, for the most part, reflect less stringent hydrocarbon emission standards than the standards in the schedules considered in this analysis. The 1990 numbers are associated with the cars that are produced to meet the specific emission control schedule. There are other health effects of oxidants than those listed.

Table 2d presents some health effects indicators of ambient carbon monoxide: specifically, excess cardiac deaths and excess person hours of disability. As with oxidants, the health effects in 1980 are due to the older cars still on the road in that year. The 1990 health indicators reflect the cars that meet the standards in the emission control schedules.

TABLE 2a.—PERCENTAGE REDUCTION IN POLLUTANT CONCENTRATIONS IN 1990 FROM BASE YEAR FOR SCHEDULE E AND PERCENTAGE POINT DIFFERENCES FOR OTHER SCHEDULES RELATIVE TO SCHEDULE DT

Pollutant	Percentage reduction schedule DT	Differences relative to schedule DT: schedules (percent) — A–C	B	D	E
HC (Oxidant)	41	0	1	1	−5
CO	81	0	2	0	−5
NO_x	−17	13	9	11	−12

TABLE 2b.—NUMBER OF AIR QUALITY CONTROL REGIONS EXCEEDING AMBIENT AIR QUALITY STANDARD IN 1990 FOR EACH EMISSION CONTROL SCHEDULE

Pollutant	Emission control schedule DT	A–C		D	E
HC (Oxidant)	31	31	30	31	32
CO	0	0	0	0	3
NO_x	8	8	8	8	9

TABLE 2c.—SELECTED HEALTH EFFECT INDICATORS FOR HYDROCARBON EMISSION (OXIDANT EFFECTS) IN 1980, IN 1990, AND CUMULATIVE FROM 1980 THROUGH 1990 FOR EACH EMISSION CONTROL SCHEDULE

Time period and emission control schedule	Projected health consequences: Aggravation of heart and lung disease in elderly patients (thousands)	Eye irritation (thousands)	Headache (thousands)
Base year	43	2,160	3,200
1980:			
DT	35	1,750	2,650
AC	34	1,725	2,630
B	33	1,700	2,600
D	36	1,775	2,680
E	36	1,800	2,700
1990:			
DT	9	525	1,000
AC	9	510	1,000
B	9	500	1,000
D	9	510	1,000
E	13	690	1,200
Cumulative 1980–90:			
DT	177	9,700	15,000
AC	176	9,700	15,100
B	175	9,400	14,800
D	177	9,700	15,000
E	210	10,900	17,100

TABLE 2d.—SELECTED HEALTH EFFECT INDICATORS FOR CARBON MONOXIDE EMISSIONS IN 1980, 1990, AND CUMULATIVE FROM 1980 THROUGH 1990 FOR EACH EMISSION CONTROL SCHEDULE

Time period and emission control schedule	Projected health consequences: Excess cardiac deaths (units)	Excess person hours of disability
Base year	20.0	330,000
1980:		
DT	1.4	32,000
A–C	1.4	31,000
B	1.4	20,000
D	1.4	32,000
E	2.0	33,000
1990:		
DT, A–C, B, D, E	0	0
Cumulative impact between 1980 and 1990:		
DT	5	83,000
A–C	5	80,000
B	5	67,000
D	5	83,000
E	5	110,000

Table 2e gives health effect indicators of oxides of nitrogen emissions in 1980, 1990, and cumulated for the period from 1980 through 1990. The health effect indicators are lower respiratory disease (chest colds, bronchitis, croup, pneumonia) in children and days of restricted activity due to lower respiratory disease in children. Even though the oxides of nitrogen emissions from automobiles decline relative to the peak year, oxides of nitrogen from other sources are projected to increase even more rapidly so that the health effect indicators are projected to increase from 1980 to 1990 for all emission control schedules considered in this analysis.

TABLE 2e.—SELECTED HEALTH EFFECT INDICATORS FOR OXIDE OF NITROGEN EMISSIONS IN 1980, IN 1990, AND CUMULATIVE FROM 1980 THROUGH 1990 FOR EACH EMISSION CONTROL SCHEDULE

Time period and schedule	Projected health consequences: Excess attacks of lower respiratory disease in children (thousands)	Excess days of restricted activity from lower respiratory disease in children (thousands)
Base year	700	1,900
1980:		
DT	740	2,000
A–C	740	2,000
B	740	2,000
D	740	2,000
E	760	2,100
1990:		
DT	880	2,300
A–C	730	2,000
B	770	2,100
D	750	2,000
E	1,450	3,900
Total impact between 1980 and 1990:		
DT	8,100	21,000
A–C	7,350	19,800
B	7,550	20,400
D	7,450	20,100
E	11,100	30,000

SECTION 3. CONSUMER COST IMPACTS

The estimate for impact in terms of consumer costs is presented in terms of differences (in 1975 dollars) between each emission control schedule and schedule DT, for the low range and high range estimates. The cost differences are presented as undiscounted lifetime cost per vehicle, which consists for the sum of additional new car cost (sticker price), lifetime maintenance cost, and lifetime fuel costs at 60 cents per gallon for gasoline, assuming the average car is driven 100,000 miles during its life. Table 3a presents these estimates for the low range; Table 3b presents these estimates for the high range. Negative numbers represent cost savings. Appendix E is a discussion of the assumptions and methodology used in obtaining these results. For perspective, these costs should be compared to the lifetime cost of an average 1976 passenger car of approximately $16,700.

Table 3c presents the undiscounted lifetime costs for the entire new car fleet in each model year, parallel to Tables 3a and 3b, assuming 10 million cars in each model year. Note that the numbers in Table 3c are exactly 10,000,000 times greater than the numbers in Tables 3a and 3b. It is useful to note that the aggregate lifetime cost of the 1976 model year fleet, at 10 million cars, would be about 167 billion dollars. Undiscounted costs tend to over value costs incurred in later years relative to first costs. Discounting at a 10 percent rate and using the typical schedule of miles driven as a function of age of car would change the numbers in all three tables to some extent but probably would not change the relative rankings between emission control schedules.

COMPARISON OF INCREMENTAL LIFETIME COST PER VEHICLE[1] FOR EACH EMISSION CONTROL SCHEDULE RELATIVE TO SCHEDULE DT

EMISSION CONTROL SCHEDULE

Model year	Table 3a (low range)				Table 3b (high range)			
	A–C	B	D	E	A–C	B	D	E
1976..	(1)	(1)	(1)	(1)	0	0	0	0
1977..	(1)	(2)	(2)	−$103	0	0	0	−$20
1978..	$197	0	0	−55	$83	0	0	−20
1979..	183	$328	0	−49	55	$124	0	−20
1980..	147	540	$147	−217	63	266	$63	−55
1981..	$118	$504	$118	−$210	$40	$236	$40	−$55
1982..	0	369	0	−209	0	217	0	−100
1983..	335	375	335	−283	70	190	70	−100
1984..	335	388	335	−257	70	190	70	−100
1985..	462	368	447	−252	357	190	277	−100

[1] Base.

[2] Same as 1976.

TABLE 3c.—COMPARISON OF INCREMENTAL LIFETIME COST OF NEW CAR FLEET[1] FOR EACH EMISSION CONTROL SCHEDULE RELATIVE TO SCHEDULE DT

EMISSION CONTROL SCHEDULE

[In billions of dollars]

Model year	Low range				High range			
	A–C	B	D	E	A–C	B	D	E
1976..	(2)	(2)	0	----------	0	0	0	0
1977..	(3)	(3)	0	−1.03	0	0	0	−.20
1978..	1.97	0	0	−.55	.83	0	0	−.20
1979..	1.83	3.28	0	−.49	.55	1.24	0	.20
1980..	1.47	−5.40	.147	−2.17	.63	2.66	.63	−.55
1981..	1.18	5.04	1.18	−2.10	.40	2.36	.40	−.55
1982..	0	3.69	0	−2.09	0	2.17	0	−1.00
1983..	3.35	3.75	3.35	−2.83	.70	1.90	.70	−1.00
1984..	3.35	3.88	3.35	−2.57	.70	1.90	.70	−1.00
1985..	4.62	3.68	4.47	−2.52	3.57	1.90	2.77	−1.00

[1] All costs expressed in 1975 dollars, undiscounted.

[2] Base.

[3] Same as 1976.

APPENDIX A

EMISSION CONTROL SCHEDULES

The table below presents the emission standards assumed to be applicable to new cars in each model year for the analysis provided in this report.

Schedule and brief description of schedule[1]

DT: Amendment offered by Rep. John D. Dingell, and earlier suggested by EPA Administrator train

A–C: A combination of two similar schedules considered by House Interstate and Foreign Commerce Committee

B: Schedule contained in current Senate Public Works Committee Bill, S. 3219.

D: Schedule adopted by House Interstate and Foreign Commerce Committee (Brodhead Amendment) H.R. 10498

E: Extension of present Federal standards indefinitely for analytical purposes.

Model year	Emission control schedule—HC/CO/NO_x, grams per mile				
	D(T)	A–C	B	D	E
1976	1.5/15/3.1	1.5/15/3.1	1.5/15/3.1	1.5/15/3.1	1.5/15/3.1
1977	1.5/15/2	1.5/15/2	1.5/15/2	1.5/15/2	1.5/15/3.1
1978	1.5/15/2	.9/9/2	1.5/15/2	1.5/15/2	1.5/15/3.1
1979	1.5/15/2	.9/9/2	.4/3.4/2	1.5/15/2	1.5/15/3.1
1980	.9/9/2	.4/3.4/2	.4/3.4/1	.4/3.4/2	1.5/15/3.1
1981	.9/9/2	.4/3.4/2	.4/3.4/1	.4/3.4/2	1.5/15/3.1
1982	.4/3.4/2	.4/3.4/2	.4/3.4/1	.4/3.4/2	1.5/15/3.1
1983	.4/3.4/2	.4/3.4/1.5	.4/3.4/1	.4/3.4/1.5	1.5/15/3.1
1984	.4/3.4/2	.4/3.4/1.5	.4/3.4/1	.4/3.4/1.5	1.5/15/3.1
1985	.4/3.4/2	.4/3.4/.4	.4/3.4/1	.4/3.4/4	1.5/15/3.1

[1] As applicable, for purposes this analysis, it has been assumed that in all cases the least stringent NO_x standard would be granted by waiver.

APPENDIX B

ASSUMPTIONS FOR AVERAGE WEIGHT OF CARS, BY MODEL YEAR

In this report estimates for fuel economy impacts of different emission standards have been normalized to reflect consistent treatment of the vehicle weight in each emission control schedule. It has been assumed that vehicle weight would successfully be reduced by the auto companies as a part of their ongoing weight reduction programs, and that the model mix of cars sold would remain steady at 40 percent large-size (6 passenger), 30 percent mid-size (5 passenger), and 30 percent small-size (4 passenger).

The average new car test weight in each model year which results from these assumptions is:

N.B.—Test weight is curb weight plus 300 pounds.

Average test weight

Model year:	
1976	3,820
1977	3,700
1978	3,600
1979	3,500
1980	3,410
1981	3,310
1982	3,220
1983	3,130
1984	3,040
1985	2,950

APPENDIX C

BASIS FOR ESTIMATE OF NEW CAR FUEL ECONOMY FOR EMISSION CONTROL SCHEDULE E

Emission control Schedule E, which assumes an indefinite extention of the present Federal standards of 1.5 g/mi HC, 15 g/mi CO, and e.1 g/mi NO_x, provides the most reliable basis for projecting fuel economy improvements because of the large amount of available test data. Even with Schedule E, there is still a range of estimates for fuel economy in the future because of the uncertainty about the actual choices manufacturers will make as to the technology to be used in their production cars.

The technical staff developed upper range and lower range fuel economy projections for Schedule E. The average, or mid-range, projection was then used as a reference case to estimate the effects of the other emission control schedules. Table C gives the three fuel economy projections. Each projection includes the assumptions about weight changes and model mix described above. The lower range estimate assumes that engines will be improved by 1985 to the point where all are as good as the best engines produced in model year 1975 and that upgraded transmissions featuring a lock-up clutch on the torque converter will be introduced in the early 1980s and used throughout the new car fleet by 1985. It also assumes some reduction in engine size to increase average efficiency with a corresponding increase in the time required to accelerate from 0 to 60 mph; (that is, 15 seconds as a representative figure for the whole new car fleet) and the phased-in use of oxidation catalysts with 70 percent conversion efficiency at 50,000 miles.

The upper range estimate assumes that the engines are improved to the "best 1975" level by 1978, that there is an increase in the average efficiency of engines, a greater increase in the 0 to 60 mph acceleration time by 1985 than that used in the low range projections, and the use of electronic engine controls.

TABLE C.—PROJECTIONS OF NEW CAR FLEET FUEL ECONOMY BY MODEL YEAR FOR SCHEDULE E WITH DIFFERENT TECHNOLOGY ASSUMPTIONS

[Miles per gallon]

Projection	Model year—									
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Lower range	17.6	18.5	19.4	20.3	21.0	22.1	23.1	24.4	25.7	27.0
Upper range	17.6	19.4	22.8	24.1	25.2	26.9	29.7	30	32	32.5
Mid-range (used in analysis)	17.6	19.0	21.1	22.2	23.1	24.5	25.9	27.2	28.8	29.7

APPENDIX D

ASSUMPTIONS ON UTILIZATION OF TECHNOLOGY TO MEET MORE STRINGENT EMISSION STANDARDS FOR LOW-RANGE AND HIGH-RANGE PROJECTIONS

It was noted in the body of the report that different assumptions had been made for the *low range* and the *high range* fuel economy projections for each of the increasingly more stringent emission schedules, in each model year, and that these assumptions differed in terms of the degree to which advanced technology that currently may require further development would be utilized and the impacts of that technology on fuel economy.

Substantial additional successful development will be needed before all the technology discussed for the high range will be suitable and available for production. Therefore, the degree of uncertainty associated with the fuel economy projections for the high range is large. There is also a degree of uncertainty associated with the low range since it assumes the use of reasonably well developed and demonstrated technology and makes no allowance for improvements in fuel economy due to emission control technology which is now only in the early stages of development.

This appendix discusses the assumptions about the emission control technology and displays in Figures D-1 and D-2 the differences in application of these technologies for each of the two ranges. Finally, there is a discussion of the impact of diesel powered vehicles.

TECHNOLOGY FOR THE LOW RANGE PROJECTIONS

The low range fuel economy projections for the various emission control schedules use the concept of Emisison Control Impact (ECI), which is defined here as the percentage difference between the fuel economy at one emission standard and the fuel emisison standard and the fuel economy at 1.5 HC, 15 CO, 3.1NO_x (emission control schedule E).* Negative values for ECI indicate a relative loss in fuel economy. Table D-1 displays the ECI values for each emission standard under consideration as a function of model year for cars in the 4000 lb. inertia weight class. (An x in Table D-1 for an emission standard and a model year indicates that no such ECI value was needed for any of the emission control schedules in this analysis.) The procedure used to develop the entries for Table D-1 is discussed.

The next step in the generation of the low range projections is to generalize the ECI values in Table D-1 for the 4000 inertia weight car to the total new car fleet. This generalization is done by multiplying the ECI value for any model year by the ratio of average test weight for that model year (from Appendix B) to 4000 lb. This process reflects the effect of weight upon ECI. The table of ECI values that results is then matched against the emission control schedules (Appendix A) to produce Table D-2, which presents the Emission Control Impact value for the entire new car fleet in any model year for each emission control schedule other than schedule E, which is the reference schedule. Table D-2 is used with the mid-range fuel economy projection for emission control schedule E from Appendix C to calculate for each model year the low range fuel economy projections presented in Section 1, Table 1a.

The starting point for the Emission Control Impact estimates of Table D-1 was the estimates of the effect of emission standards upon fuel economy reported by GM[1] for their 3500-4500 pound cars. These values were considered to be representative of present practice.

Next, these Emission Control Impacts are adjusted to account for the impact of the recent change in specifications of the durability test fuel. The fuel specification change results in improved oxidation catalyst durability, representing an improvement from 55 percent to about 70 percent oxidation catalyst efficiency at 50,000 miles. A two percent improvement in average fuel economy is assumed to result from the retuning of all engines in the new car fleet at the current emission levels, and a four percent improvement for the lower emission standards. It is assumed that a two-year phase-in period is sufficient for such engine retuning. Additional effects upon fuel economy of further developments in emission control technology beyond those indicated in Figure D-1 are not included in these low range projections. Also, the initial drop in fuel economy and improvement in later years that commonly occurs when emission standard levels are changed has not been included.

The emission control technology assumed representative in this low-range case for each emission standard is shown in figure D-1 (not reproduced). For the .4/3.4/2 case, an option exists to add the switched-out start catalyst to the emission control system. If this is done, it would improve the estimated ECI by two percentage points and increase the incremental automobile retail price by $50. No additional maintenance within 50,000 miles is assumed.

TABLE D1.—LOW RANGE EMISSION CONTROL IMPACTS FOR 4,000 LB CAR[1]

Standard	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
1.5/15/3.1	0	0 →								→
1.5/15/2	X[2]	−3	−2 →							→
0.9/9/2	X	X	−7 →							→
0.4/3.4/2	X	X	X	−12 →						→

Standard	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
0.4/3.4/1.5	X	X	X	X	−12 →					→
0.4/3.4/1	X	X	X	X	−14 →					→
0.4/3.4/0.4	X	X	X	X	X	X	X	X	X	−18

[1] Estimated percentage point differences in fuel economy at various emission standards by reference to fuel economy at 1.5/15/3.1 standard in each model year.

[2] X—standard not applicable.

TABLE D2.—LOW RANGE EMISSION CONTROL IMPACTS FOR NEW CAR FLEET

[Estimated percentage point difference in fuel economy for each emission control schedule referenced to the fuel economy for schedule E for the new car fleet in each model year]

	Emission control schedule			
Model year	D(T)	A	B	D
1976	0	0	0	0
1977	−2.9	−2.9	−2.9	−2.9
1978	−1.9	−6.5	−1.9	−1.9
1979	−1.8	−6.3	−10.8	−1.8
1980	−6.2	−10.6	−12.4	−10.6
1981	−5.9	−10.1	−11.8	−10.1
1982	−9.6	−9.6	−11.2	−9.6
1983	−9.4	−9.4	−11.2	−9.4
1984	−9.2	−9.2	−10.8	−9.2
1985	−9.0	−13.5	−10.5	−13.5

TECHNOLOGY FOR THE HIGH RANGE PROJECTIONS

The underlying assumption for the high range projection of fuel economy for the different emission control schedules is that by 1978 all engine types would be improved in efficiency to the level of the best engine types produced in 1975 and that these engines will be designed and engineered to give their best fuel economy at emission standards of 1.5/15/3.1 and above while using 91 RON unleaded gasoline and the basic emission control system.

The basic emission control system utilized to meet emission standards in the range between 1.5 HC, 15 CO, 3.1 NO_x and 0.41 HC, 3.4 CO, and 1.0 NO_x consists of monolith oxidation catalyst, air injection, high energy ignition and proportional exhaust gas circulation (EGR). This basic emission control system offers a degree of emission control that is significantly greater than the minimum required to meet the standards at 1.5 HC, 15.0 CO, and 3.1 NO_x, and thereby permits the adjustment of engine parameters for improved fuel economy at the less stringent emission levels within the stated range of standards.

At 1.5 HC, 15 CO, 3.1 NO_x optimal fuel economy may be achieved through the use of the basic technology identified if a good EGR system that is truly proportional to engine load is used, such as back pressure modulated EGR which controls the EGR rate in proportion to the exhaust system pressure. In 1975 and 1976 few vehicles utilized this system (manifold vacuum modulated units were used) and optimum fuel economy was not achieved. The use of the better EGR systems in 1977 and subsequent years is expected to provide for continued fuel economy improvements of up to 10 percent relative to 1976. Additional improvements are possible at this emission control level, and at more stringent levels, with use of electronic engine controls.

To maintain optimal fuel economy calibration in the lower part of the range of standards, additional emission control hardware must be added to the basic system. GM and other investigators have shown that good fuel economy and stringent NO_x control down to 1.0 gm/mile NO_x can be maintained through a delicate balance of EGR rate, air/fuel ratio (A/F) and spark ignition timing, in some specific engines, although HC emissions increase as NO_x decreases. The key to maintaining good fuel economy and NO_x control involves the use of HC control measures that are complementary to the basic catalyst technology. The emission control components useful at various emission standards levels are discussed below. Figure D-2, which displays the emission control technologies used at the different emission standards, may be helpful in understanding the schedules and relationships.

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*Note that in the body of the report all comparisons are made with respect to schedule DT.

[1] Reference GM comments on JPL Report "Should We Have A New Engine?" dated November 1975.

At 1.5 HC, 15 CO, 2.0 NO_x the basic emission control is used, except EGR modulation is accomplished electronically to obtain the optimum fuel economy level. In some cases modulation of the air injection rate electronically may also be required. The development of these techniques is required before they can be used, but it is assumed that development and application is completed within the next few years.

At 0.9 HC, 9.0 CO, 2.0 NO_x the basic emission control system is also used. The recalibrated A/F, EGR rate, and timing needed for NO_x control and optimum fuel economy result in HC emissions that are greater than can be handled by the primary oxidation catalyst, so exhaust port liners and a start catalyst need to be added to the basic technology at this emission control level to treat the excess HC and maintain optimum fuel economy. The port liners conserve heat in the exhaust gas and thus permit continued combustion of HC (and CO) in the exhaust system. The start catalyst is is a small exidation catalyst located very close to the exhaust mainfold. The size and location of this catalyst permits rapid warmup during cold-start of the engine (much faster than the larger main catalyst located much farther from the engine) which results in more complete oxidation of HC during cold start. (The cold start contributes a significant fraction of the HC emissions.)

At 0.41 HC, 3.4 CO, 2.0 NO_x, more stringent HC control is required. Either improved catalysts with higher conversion efficiencies, or improved fuel metering such as electronically modulated carburetors would provide the more stringent HC control. These carburetors would reduce HC by cutting off fuel during decelerations and more precise fuel metering during accelerations. Since the conventional carburetor goes extremely rich under both these conditions. Such carburetors require development.

At 0.41 HC, 3.4 CO, 1.5 NO_x and 0.41 HC, 3.4 CO, and 1.0 NO_x the same systems as used for 0.41 HC, 3.4 CO, and 2.0 NO_x is employed except that reoptimization of EGR rate, A/F ratio, and ignition timing to keep good fuel economy results in even more excess HC. To simultaneously achieve good fuel economy and emissions control requires the use of improved catalysts (conversion efficiency of 75 percent at 50,000 miles) and improved fuel metering. A catalyst change at 25,000 miles may be required to achieve good fuel economy for some engines that have difficult emission control problems.

At the 0.41 HC, 3.4 CO, 0.4 NO_x level a three-way catalyst system or a dual catalyst would be required. While good fuel economy has been demonstrated for both systems in some prototype test cars, 50,000 mile durability of the catalyst remains to be demonstrated.

Fuel economy penalties of up to 10 percent may be expected in the first year of application and catalyst change could be required. However, with maturity (3–5 years) these systems are expected to achieve optimum fuel economy.

Thus, the successful development of the above technologies could significantly minimize, if not eliminate, the emission control impact, at least down to the emission control level of .41/3.4/1.0. The emission control impact of further NO_x reductions to 0.4 gm/mi is more uncertain, but successful development at the 3-way and/or dual catalyst systems could also minimize the fuel economy impact.

IMPACT OF DIESEL POWERED VEHICLES

The technologies described above for both the high and low range and the resultant fleet average fuel economy and fuel consumption do not include consideration of using diesel engine vehicles. Diesel powered vehicles are now being marketed in the U.S. in small numbers. In view of the impetus for greater average fuel economy due to the new fuel economy standards, it is reasonable to assume that diesel vehicles will be used in greater numbers in the future unless their development nad use is impeded by low NO_x standards or non-competitive costs.

Assuming 10 percent market penetration by diesel engine powered cars by 1985 and applying this estimate to the low range fuel economy estimates given in Table 1a, average fuel economy would be about ⅓ MPG higher in model year 1980 and about 1 MPG higher in model year 1985. Assuming a 20 percent value for diesel engine market penetration by 1985, and applying it to the high range fuel economy projections given in Table 1a, the average fuel economy in model year 1980 would be ½ MPG higher and in model year 1985 about 1.5 to 2 MPG higher. Table D-3 gives the projected new car fleet average fuel economy for each emission control schedule based on these assumptions about diesel engine market penetration.

The lifetime new car fleet fuel consumption figures corresponding to Table 1c would be lower, i.e., about 2% lower in 1980 and 4% to 7% lower in 1985. Fuel savings in the 1985 new car fleet due to the use of diesel engines would range from 1.5 to 2.4 billion gallons. This analysis assumes that diesel vehicle fuel economy will be 25% greater than the improved gasoline engine vehicle fuel economy in 1985 based on the fact that most diesel engine vehicles are presently about 25% better than the best 1976 gas engines. There are other potential problems (such as odor, particulate levels, and noise) which diesel engines may need to overcome before full market penetration can be achieved. In addition, it must be noted that NO_x standards of 1.0 g/mi and below may affect the fuel economy of the heavier cars with diesel engines and may well preclude the development and application of the diesel engine for the heavier cars.

TABLE D-3.—NEW CAR FLEET FUEL ECONOMY PROJECTIONS WITH DIESEL ENGINE CARS INCLUDED, FOR EMISSION CONTROL SCHEDULES AND MODEL YEARS 1976 THROUGH 1985

[In miles per gallon]

Model year	Low range projection (10 percent diesel in 1985)					High range projection (20 percent diesel in 1985)				
	D(T)	A	B	D	E	D(T)	A	B	D	E
1976	17.6	→	→	→	17.6	↔	↔	↔	↔	17.6
1977	18.4	→	→	→	91.0	↔	↔	↔	↔	19.1
1978	20.8	19.8	20.8	20.8	21.2	21.2	21.0	21.2	21.2	21.2
1979	22.0	21.0	20.6	22.0	22.4	22.6	22.6	22.1	22.6	22.6
1980	22.0	20.9	20.5	20.9	23.3	23.5	23.3	22.8	23.3	23.5
1981	23.4	22.4	22.1	22.4	24.8	25.1	25.1	24.6	25.1	25.1
1982	23.9	23.9	23.3	23.9	26.3	26.7	26.7	26.5	26.7	26.7
1983	25.4	25.4	25.0	25.4	27.7	28.3	↔	↔	↔	28.3
1984	27.1	27.1	26.6	27.1	29.5	30.2	↔	↔	↔	30.2
1985	28.0	26.8	27.6	26.8	30.4	31.2	28.8	31.2	28.8	31.2

APPENDIX E

ASSUMPTIONS OF THE INCREMENTAL CONSUMER COST IMPACTS OF ALTERNATIVE EMISSIONS REDUCTION SCHEDULES

Section 3 of this report summarized the impact of total lifetime consumer costs per car and for the total new car fleet for the alternative emissions reduction schedules relative to Schedule DT. As with any estimate of future costs, the estimates are subject to uncertainty, especially concerning periods further in the future.

Table E-1 summarizes the technology assumptions (from Section 3) and estimated equipment and maintenance costs at the different emission levels for the low and high ranges. The major source for the cost estimates was the 1975 Emissions Control Status Report, submitted on April 5, 1976.[1]

Equipment costs were estimated under the assumption that all technologies (and therefore costs) for the 1.5/15/3.1 base case are included in *all* schedules and thus are not incremental. For the high range case, this means that some advanced technologies (such as electronic spark control) are included in the base case and appear in each of the alternative schedules, including the DT schedule.

TABLE E-1.—TECHNOLOGIES AND COSTS ASSUMED FOR ANALYSIS

Emission levels (HC/CO/NO$_x$)	Low range: Technologies assumed	Low range: Incremental cost estimates[1]: Sticker price	Low range: Incremental cost estimates[1]: Maintenance[2]	High range: Technologies assumed	High range: Incremental cost estimates[1]: Sticker price	High range: Incremental cost estimates[1]: Maintenance[2]
1.5/15/3.1	Oxidation catalyst, high-energy ignition, proportional EGR.	Base		Monolith catalyst, high-energy ignition, proportional EGR, electronic spark control.	Base	
1.5/15/2.0	Same as Base	0	0	Base plus electronic EGR, electronic air	$20	0
0.9/9/2.0	Base plus air injection	$25	$25	Base plus:		
				Port liners	(5)	0
				Start catalyst	(50)	0
					55	0
0.41/3.4/2.0	Same as above	25	25	Above plus improved fuel metering or improved catalysts.	(15)	(25)
					70	25
0.41/3.4/1.5	Above plus:			Above plus electronic EGR, electronic air	(20)	(50)
	Start catalyst	(50)			90	75
	3-way catalyst (replaces oxidation catalyst)	(30)	[3] (150)			
	Improved fuel metering	(15)	(40) [4] (30)			
		(95)	(220)			
	Increment	120	245			
0.41/3.4/1.0	Same as above	120	245	Above plus 3-way catalyst (replaces oxidation catalysts).	(30)	[5] (50)
					120	125
0.41/3.4/0.4	Same as above	120	260	Same as above	120	125

[1] All costs are incremental to the base case and are expressed in undiscounted 197 dollars.

[2] Lifetime maintenance costs (100,000 mi.)

[3] One 3-way catalyst change.

[4] 3 oxygen sensor changes.

[5] 3-way catalyst change on ½ of the cars.

( ) Indicates unit cost estimates.

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[1] *Automobile Emission Control—The Current Status and Development Trends As of March 1976*, A Report to the Administrator, EPA, April 1976.

GEORGE CHAPLIN OF THE HONOLULU ADVERTISER TO ASSUME PRESIDENCY OF THE AMERICAN SOCIETY OF NEWSPAPER EDITORS

(Mr. MATSUNAGA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MATSUNAGA. Mr. Speaker, it was with a deep sense of pride that I noted the election of George Chaplin, a personal friend and crusading editor in chief of the Honolulu Advertiser to the presidency of the American Society of Newspaper Editors—ASNE—on the final day of the organization's 1976 annual meeting held in Washington, D.C.

The thinking people of Hawaii nearly all agree with William Ewing, former editor of the competing Honolulu Star-Bulletin, who once remarked:

> Statehood, Henry J. Kaiser, jet airplanes and George Chaplin hit Hawaii at the same time. I'm not quite sure where to list them in order of importance.

Mr. Chaplin, a practical idealist, is a graduate of Clemson University and a former Nieman Fellow at Harvard. He was stationed in Hawaii during World War II and returned, years later, to become editor of Honolulu's morning daily. Under his able leadership, the Advertiser fights crime and corruption at the local level and, occasionally, takes to task the U.S. Congress and Hawaii's congressional delegation. More often, however, George can be found promoting Hawaii and projects designed to make the Aloha State a better place in which to live and work. In 1960, while I was serving as a member of the Pacific War Memorial Commission, George learned of our efforts to raise money for the construction of the USS *Arizona* Memorial. He launched an editorial campaign which was soon picked up by other papers throughout the country. One of his editorial pleas was read by Colonel Tom Parker, manager of entertainer Elvis Presley. As a result, the superstar participated in a highly successful benefit performance which netted nearly $50,000 for the memorial and stimulated additional contributions and appropriations, both private and public.

In 1970, George was appointed by Hawaii Gov. John A. Burns to chair the Governor's Conference on the year 2000. Subsequently, a permanent State commission on the year 2000 was established to explore alternative futures for Hawaii. One outgrowth of the commission has been a study of economic alternatives funded by the Hawaii State Chamber of Commerce and several business firms. One of the first in the Nation, the Hawaii commission has served as a model for similar organizations, not only in the United States, but in foreign countries such as Malaysia as well.

Deeply concerned about the declining number of daily newspapers in the United States, George was active in ASNE's successful effort to obtain enactment of the Newspaper Preservation Act, a bill which I introduced in the House of Representatives in 1969. The measure, signed into law the following year, saved 22 metropolitan newspapers, assuring continued editorial competition in those cities.

The future of the daily newspaper will, of course, be George's principal concern during the next year. Because I know that my colleagues will find his views on this subject of interest, I am submitting for inclusion in the CONGRESSIONAL RECORD informative articles about him which appeared recently in the ASNE Bulletin:

WHAT WILL GEORGE CHAPLIN MEAN TO ASNE?

The principles of democracy are exercised by the American Society of Newspaper Editors each year when the members vote their choices for the board of directors, who thereupon maintain an orderly escalator of Society leaders.

On the final day of this month's 1976 convention, the board will conduct its annual ceremony of advancing that escalator, presumably as efficiently and as effectively as in the past, sparing the Society the likes of the New Hampshire and Florida primaries.

In so doing, the board will propel into the presidency of ASNE the editor-in-chief of The Honolulu Advertiser, George Chaplin, who has said the prospect has him feeling "greatly challenged, appreciative of the opportunity, slightly wet-palmed—and happily aware of the abundance of talent and wise counsel available in the Society."

Beyond that, The Bulletin offers a three-way look at the incoming president, beginning with these first-person replies:

Q.: What does the Chaplin presidency plan for the Society?

A.: At the heart of the Society is the performance of its committees; even at this stage I can assure that there will be strong chairmen and committees for 1976–77.

Q.: What do you see as principal problems of the profession?

A.: Ironically, in the Bicentennial year, freedom of the press is under heavier official assault than at probably any time since the period of the Alien and Sedition acts. The press is widely mistrusted by the citizenry. And it seems increasingly evident that, if we are to stem losses in readership and regenerate public confidence, newspapers must be made more relevant to a society tossed and tumbled by accelerated change.

Q.: Will the remoteness of Hawaii pose any problems for you?

A.: Just that it takes longer to fly and costs more to talk (but Hawaiian Telephone Company is cooperating by cutting LD rates between the Islands and the Mainland by some 20 percent starting just a few days before the convention).

Q.: How has the role of the Society changed in the 20 years you've been a member?

A.: Perhaps less than one might have expected. At that convention 20 years ago the program featured "How goes freedom of information?"; "Is congressional investigation of the press a threat to freedom?"; "The press looks at problems of integration." There have been changes in degree and emphasis, but we are still concerned with those problems, among others—including the need to better educate the public that freedom of the press belongs to it. and editors are surrogates.

A Chaplin Colleague: "What Took So Long?"

(By Howard H. (Tim) Hays Jr.)

If there is any element of surprise in George Chaplin's assuming the presidency of ASNE, it's that it took him 20 years to make it. For whatever the ingredients which carry one to leadership in this Society, George surely has them in remarkable measure.

A few years ago when Ed Murray became president of the Society, he looked for a membership chairman who would take full advantage of changes in the bylaws which increased certain membership quotas. He turned to George. And George proceeded to bring in far more new members than had ever been added to the rolls before.

I was ASNE secretary at the time, so I got copies of all his letters. They filled me with wonder: wonder at their number and the thought and effcrt that went into them—had he added another secretary? how could he possibly find the time?—and wonder that so many of the letters were of a personal nature. Could he have so many friends?

It may well be that George knows more of the 800 ASNE members than anyone else. And this is a measure of his remarkable capacity for friendship. For he is neither a back slapper nor a vote counter. He doesn't step forward with his hand out. On the contrary, he is a bit reticent. He builds new friendships with warm response and nurtures them with empathy.

This is probably one of the reasons he has gotten where he is in the Society, but only one among many. No one knows him very long without coming to realize that behind the soft voice and reflective manner there's a dynamo—and a well directed one. So, along with friendship, he's won respect—and deserved votes in Society elections.

George was elected to the board of directors the first time he ran, no easy accomplishment. The next time, his vote total was second only to that of a particularly popular vice president about to step into the presidency. And in last year's election, he was number one by a substantial margin.

Three years ago his fellow board members gave their judgment of him when they elected him treasurer and set him on his way up the ladder to the presidency. And the current board did him signal honor when it voted to hold next year's convention in his city, Honolulu, though it won't be the normal year for meeting away from Washington. (Why else would the directors be willing for us all to go to Hawaii on expense accounts?)

None of this is surprising, for George has been an impressive board member. He doesn't talk much at board meetings, but when he does it is often to ask a revealing question or to make a suggestion which gets the discussion back on the track or helps it find a track.

He manages to be both idealistic and practical. And he's always ready for another assignment.

The most interesting item in the Society's current budget is there at George's instance. It's $2,000 for committee expense, ten times the figure of prior years. George has ambitious plans for the committees, and he has made concrete preparation.

As a board member, George qualified for the first ASNE trip to China, and he took off for the other side of the world with characteristic enthusiasm and better preparation than most. For foreign affairs is one of George's major interests, and East Asia in particular.

A few years ago when the board voted to protest President Marcos' suppression of the Philippine press, it was George who made the motion.

He's the only American to have participated in every one of the five Japanese-American conferences sponsored by the International Press Institute.

George is a writing editor, and a prolific one. And this is widely enough known among his friends that one of the running jokes of the China trip was the contention that he can't express himself on any subject in less than a newspaper page.

The "how-does-he-find-time?" question so frequently asked where George is concerned will probably be heard more than ever in the year ahead. And Esta, his wife of 39 years, can shed some light on it. She says:

"Part of the answer is that he doesn't do anything around the house except straighten up scattered books every few months when I yiell at him. Once, many years ago, I asked him to open a can of peanuts and 30 minutes later he was in a hospital emergency room getting five stitches in his finger."

But there is undoubtedly another part of the answer in another of Esta's observations: "George retains the idealism of his early years. The 'stardust' of journalism, the challenge and the excitement, is still in his eyes."

George will have plenty to light up his eyes in the coming year. And that famous "Aloha" of his, which had to be explained to Chou En-lai, will undoubtedly be heard at journalism conclaves and in newspaper offices all over the mainland as George goes about preaching the ASNE gospel and making friends of the few among our 800 he has somehow missed.

A Chaplin Friend: "A Mover and Shaker"

(By Howard Chernoff)

If I were a sports writer, I would describe George Chaplin as a man who can do it all.

Although his title is editor-in-chief of The Honolulu Advertiser, he is at once an excellent reporter, an award-winning writer and editor, an influential civic leader and a good businessman. The incoming president of the American Society of Newspaper Editors is also a devoted husband and father as well as a doting grandfather. And he has time for all.

George was no stranger to Hawaii when he joined The Advertiser in 1958. During World War II, as a captain in the U.S. Army, he was sent to the Islands to establish and edit the Pacific edition of Stars and Stripes. The paper was printed at the Honolulu Advertiser, and George came to know Lorrin Thurston, the then publisher. Thirteen years later, when Thurston sought to replace his retiring editor, Ray Coll, he remembered the young captain who had been so strongly pro-statehood and invited him to take over the editorial department. George and the publisher's nephew, Thurston Twigg-Smith, hit it off. Later, when Twigg took over as publisher and began to move the editorial budget to its present $2.5 million a year, he and George combined to form a capable operating team. George began to acquire stock in the Advertiser almost as soon as he had arrived in Honolulu and, today, the Chaplin family owns a little more than 10 percent.

The complexion of the Advertiser changed from ultra-conservative to moderately liberal. It livened its typography. It expanded its staff and news hole. It began to engage in investigative reporting the way George had in New Orleans and San Diego. George became active in community affairs. The prestige which accrued to him as a result, also accrued to the Advertiser. When the paper began to go after hard-hitting environmental stories (many of which didn't sit too well with some members of the Establishment), Twigg-Smith offered encouragement and ideas. It was, and is, a fine relationship.

George was born in Columbia, S.C., in 1914. He went to Clemson College to study textile chemistry. Had he not been made editor of the Clemson Tiger, ASNE would be inducting someone else as president this year.

After he led successful campaigns in the Tiger to get better boxing match judges, to abolish compulsory church attendance and to permit student evaluation of faculty, textile chemistry offered little excitement to him. So, he got a job as a reporter on the Greenville (S.C.) Piedmont. He soon conned Esta, a charming Charleston girl, into marrying him, became city editor and in 1940, at age 26, won a Nieman Fellowship at Harvard. George was on his way. (Clemson gave him a Distinguished Alumni Award in 1974.)

Following World War II, he became managing editor of the Camden Courier-Post, then managing editor of the San Diego Journal and, finally, editor of the New Orleans Item for nine years before going back to Honolulu.

But wherever he was, George was involved in the community and the paper was pursuing causes for good. It was exciting to work on a Chaplin-edited paper, because he had imagination, ideas.

In San Diego, where George exposed quack psychologists and got the city council to pass a pioneering ordinance requiring exams for all seeking psychologist's licenses, he sent a reporter dressed as a Russian colonel 40 miles north to Camp Pendleton to cover the annual amphibious maneuvers of the Marine Corps. The MP's arrested the reporter, but the story wound up on a happy note when George ran a page one editorial congratulating the marines on their excellent security. Time, Life, Newsweek telephoned for pictures. It just happened George had sent a photographer to tail the reporter.

In New Orleans, the Item successfully proposed reforms at the state penitentiary, exposed vote fraud in the city, campaigned vigorously against leading lottery figures, fought police graft, exposed a divorce racket on the neighboring Mississippi Gulf coast, uncovered poor conditions in New Orleans nursing homes and fought many other battles as well.

Down deep, George Chaplin is and was a reporter. Esta tells about the time in New Orleans when the house next door caught fire one night. The Chaplin family was evacuating its home because of the proximity of the blaze. Esta had the children and the housekeeper rounded up but suddenly, George had disappeared. She found him out on the sun deck in his pajamas taking pictures of the fire for the next day's paper.

George is not only an activist but a good listener. Although his advice is often sought for many Honolulu endeavors, he probably does more listening than a lot of psychiatrists. After a Honolulu executive told George in 1960 about the need for an additional $250,000 to complete the Arizona memorial at Pearl Harbor, George wrote letters to 1,700 daily newspaper editors in the U.S. and contributions came in from all over the country.

Colonel Tom Parker, Elvis Presley's manager, read an editorial based on George's letter, picked up the telephone and pledged Elvis to a charity performance at Pearl Harbor with all proceeds going to the Arizona memorial. In one night, more than $67,000 was raised. It stimulated the Legislature and the Congress to provide the rest. George was given the U.S. Navy League's Meritorious Citation for finally getting the memorial built. In accepting the award he had warm words for Buck Buchwach, then managing editor and now executive editor, who worked with him on this and many other projects.

George is determined, not only in his work, but in his personal life as well. A few years ago he decided to stop smoking pipes and cigars after 40 years. So he stopped. Period! When he decided he needed more exercise several years ago, he began to ride a stationary bicycle—five miles a day. These days he jogs instead and plays tennis almost every Saturday and Sunday. When he decided his clothes were too conservative, he went all out again. Out went the Brooks Brothers suits. In came some pretty far-out shirts, jackets and slacks.

In 1967 George made a speech in which he called for a comprehensive study of Hawaii's assets in population, ethnic mix, industrial and agricultural capacity or, as he put it, "examining Hawaii's future economic, political, cultural and social systems" for the purpose of "identifying the objectives we desire and the action necessary to reach those objectives."

No sooner had he put forth the idea then the late Governor Jack Burns appointed George to head up the project. Within 18 months, the Hawaii Legislature had enacted bills authorizing and financing the Governor's Conference on the Year 2000. The Conference, involving large numbers of laymen (some 700 in all), including task forces and other delegates, was held in August 1970, and The Hawaii Commission on the Year 2000 is an outgrowth.

Since its creation, the Commission has become nationally and internationally recognized as the first publicly established in the world specifically to explore the alternative futures of a particular society. A major private sector project stimulated by the Commission is entitled Alternative Futures for Hawaii. George is its co-chairman.

Again—never one to go into anything halfway—George steeped himself in futurism, began to attend meetings of the World Future Society, got to know the Alvin Tofflers, the Robert Theobalds, the John McHales, the Herman Kahns, the Robert Jungks and others intimately. He is now recognized as an authority himself and is in demand as a speaker and writer on the subject.

George and Dr. Glenn Paige, a University of Hawaii political scientist, collaborated in assembling and editing the papers presented at the Conference. The result is a handsome and fascinating book entitled "Hawaii 2000: Continuing Experiment in Anticipatory Democracy."

After a prominent Malaysian Senator read the book, he was inspired to sponsor a Conference on the Year 2000 in Kuala Lumpur and, you guessed it, George Chaplin was one of the main speakers there last August. The Hawaii project also contributed to similar endeavors in the states of Washington, Iowa, Minnesota as well as in Puerto Rico.

The Advertiser has taken on organized crime, hammering at conflict of interests at City Hall with in-depth reporting which brought the resignation of the city's managing director. The Advertiser went after state purchasing procedures after it learned and disclosed that some of Hawaii's elected representatives were furnishing their homes with rugs and other effects owned by the state. Under George's leadership the Advertiser always comes out smokin', to borrow Joe Frazier's expression. If it isn't attacking substandard conditions in nursing homes and leading a fight for a tougher city and state ethics code, then it's fighting for a new and needed hospital. Or persuading the city to build a separate concert hall instead of erecting a combination concert hall and sports arena.

It's difficult to do a profile on George. It would be easier to do a book. One chapter would have to be devoted to awards. They include: two citations from the Overseas Press Club for series on Southeast Asia, Japan, The People's Republic of China; two John Hancock Awards for economic reportage; national Headliner's Award and a flock of others.

His lovely and supportive wife, Esta, is as proud of him as are his son and daughter, Steve and Jerri, and their spouses. Steve is a career Foreign Service Officer stationed in Bucharest, married to a former attorney with the Securities and Exchange Commission; they have two children. Jerri is a freelance writer and public relations counselor in Honolulu; her husband is in the hotel business there.

William Ewing, the retired editor of George's evening competitor, the Honolulu Star-Bulletin, once sized up the situation this way:

"Statehood, Henry J. Kaiser, jet airplanes and George Chaplin hit Hawaii at about the same time. I'm not quite sure where to list them in order of importance."

The phrase "mover and shaker" might have been coined for George Chaplin.

BEEF RESEARCH INFORMATION ACT

(Conference report and statement omitted from Congressional Record of April 26, 1976:)

Conference Report (H. Rept. No. 94–1044)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H.R. 7656 to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 11, 12, 13, 18, and 19.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3. 4, 6, 7, 8, 9, 15, 16, and 17, and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

On page 2, line 14, of the Senate engrossed amendments, strike out "never" and insert "not"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: Restore the matter stricken out by such amendment and amend such matter to read as follows:

"Eligible voter lists and ballots cast in the referendum shall be retained by the Secretary for a period of not less than twelve months after they are cast for audit and recount in the event the results of the referendum are challenged and either the Secretary or the Courts determine a recount and retabulation of results is appropriate. Prior to the holding of the referendum, sureties shall have posted a bond or other security, acceptable to the Secretary, in an amount which the Secretary shall determine to be sufficient to pay any expenses incurred for the conduct of the referendum. For the purpose of this section, the term "expenses incurred for the conduct of the referendum" shall include all costs incurred by the Government in connection therewith, except for salaries of Government employees."

And the Senate agree to the same.

W. R. Poage,
John Melcher,
Bob Bergland,
Jerry Litton,
Tom Harkin,
Jack Hightower,
William C. Wampler,
Keith G. Sebelius,
Charles Thone,
Managers on the Part of the House.

Herman E. Talmadge,
George McGovern,
James B. Allen,
Dick Clark,
Patrick J. Leahy,
Robert Dole,
Milton R. Young,
Henry Bellmon,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7656) to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer, and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below. (Amendments numbered 5 and 19 are not dealt with below because they deal with clarifying, clerical, and necessary conforming changes.)

AMENDMENT NO. 1—FALSE OR MISLEADING CLAIMS OR STATEMENTS

The Senate amendment provided that no advertising, consumer education, or sales promotion programs established under the Act shall make use of (a) false or misleading claims in behalf of cattle, beef, or beef products, or (b) false or misleading statements with respect to quality, value, or use of any competing product.

The House bill did not contain a comparable provision.

The House receded.

AMENDMENTS NO. 2 AND 3.—EXECUTIVE COMMITTEE OF THE BEEF BOARD

The House bill authorized the Beef Board to appoint an executive committee for the purposes of employing a staff and conducting routine business within the policies determined by the Beef Board.

The Senate amendments required the appointment of such an executive committee and provided that the members of the committee must be broadly representative of the industry.

The House receded.

AMENDMENT NO. 4.—NOMINATIONS TO THE BEEF BOARD BY GENERAL FARM ORGANIZATIONS

The Senate amendment authorized the Secretary to make appointments to the Beef Board from nominations submitted by general farm organizations.

The House did not contain a comparable provision. However, the House bill provided specific guidelines for the Secretary to follow in certifying organizations that may nominate members for the Beef Board. The report of the House Committee on Agriculture states that "the Committee intends that general farm organizations be considered for certification as well as cattlemen's organizations".

The House receded.

AMENDMENTS NO. 6, 7, AND 8.—SUBMISSION OF ANNUAL BUDGETS OF THE BEEF BOARD TO THE HOUSE AND SENATE AGRICULTURE COMMITTEES

The Senate amendment deleted the requirement in the House bill that the annual budgets of the Beef Board be approved by the House and Senate Agriculture Committees. However, under the Senate amendments, copies of the budgets are to be submitted to such Committees as provided in the House bill.

The House receded.

AMENDMENT NO. 9.—EXEMPTION OF CATTLE SLAUGHTERED FOR A PRODUCER'S HOME CONSUMPTION

The Senate amendment provided that cattle slaughtered for his own home consumption by a producer who has been the sole owner of such cattle shall not be subject to assessment.

The House bill did not contain a comparable provision.

The House receded.

AMENDMENT NO. 10.—LIMITATION ON RATE OF ASSESSMENT

The Senate amendment provided that the aggregate rate of assessment shall "never" exceed one-half of 1 percent.

The House bill did not contain a comparable provision.

The committee of conference agreed to the Senate amendment but changed the word "never" to "not".

AMENDMENTS NO. 11, 12, 13, AND 14.—CONDUCT OF REFERENDUM

The House bill provided for approval of the order by a referendum among "registered" cattle producers. Under the House bill, the Secretary is to register the producers not less than 10 days prior to the date of the referendum. The order to be effective must be approved by at least two-thirds of the producers voting in the referendum, and at least 50 percent of the registered producers must vote in such referendum.

The Senate amendments deleted the registration requirement of the House bill and otherwise modified the referendum provision. Under the Senate amendments, the order would not be effective unless it is approved by not less than two-thirds of the producers voting in the referendum, or by a majority of producers voting in the referendum if such majority owned not less than two-thirds of the cattle owned by producers voting in the referendum. Also, the Senate amendments deleted—

(a) the provision in the House bill requiring that eligible voter lists and ballots cast in the referendum be retained for a period of not less than 12 months after they are cast for audit and recount in the event the results of the referendum are challenged; and

(b) the provision in the House bill requiring that sureties post a bond or security prior to the holding of the referendum sufficient to pay the costs—such as printing ballots and preparation and mailing procedures of the referendum—should the order fail to gain the approval of the producers.

The Senate receded to the House provisions relating to the registration and voting procedures and retention of eligible voter lists and ballots cast in the referendum.

The committee of conference agreed to a modification of the House provision for reimbursing the Government for the costs of conducting the referendum. Under the language agreed to, the Secretary is to take such precautions as he deems necessary to assure that the Government is reimbursed for its out-of-pocket expenses incident to the conduct of the referendum whether or not the order is approved. Such out-of-pocket expenses would include all costs incurred by the Government (except the salaries of Federal employees). The items of costs could include the following:

Cost of hearings

1. Travel for Federal employees
2. Per diem for Federal employees
3. Transcript
4. Printing of record
5. Facilities

Cost of referendum

6. Preparation of ballots
7. Printing of ballots

AMENDMENTS NO. 15, 16, AND 17.—PENALTY FOR VIOLATING ANY PROVISION OF THE ORDER OR FAILING TO COLLECT OR REMIT ANY ASSESSMENT

The House bill provided that any person violating any provision of an order or failing or refusing to collect or remit any assessment is liable for payment of a civil penalty of not less than $1,000 or more than $10,000 recoverable in a civil suit brought by the United States.

The Senate amendments retained the civil penalty provision but modified it to provide that—

(a) no penalty is applicable unless the violation of the order or the failure or refusal to collect or remit any assessment is "willful"; and

(b) the maximum penalty which may be collected shall not exceed $1,000.

The House receded. The penalty would, of course, be in addition to any assessment payable by the producer or slaughterer.

AMENDMENT NO. 18.—CONSUMER REPRESENTATION ON RESEARCH AND PROMOTION BOARDS

The Senate bill added a new section to the House bill requiring that at least 25 percent of the members of the Beef Board, the Egg Board, the Cotton Board, the Potato Board, and the Wool Councils be persons appointed by the Secretary from nominations submitted by the membership of bona fide consumer organizations. The organizations must be knowledgeable and experienced in issues relating to food and nutrition policy, specially qualified to represent the interests of consumers, and have no interest directly or indirectly (a) in any food industry corporation or other organization or (b) in any person or entity engaged in the commercial production of the product or commodity promoted by the particular board or in sale, promotion, or distribution of such product or commodity.

The House bill did not contain a comparable provision.

The committee of conference agreed to delete the Senate amendment. However, the conferees intend that the Beef Board solicit consumer input—ideas, suggestions, and recommendations—on problems that need attention and projects that deserve priority. Accordingly, the conferees recommend that the Secretary appoint five consumer advisors to the Beef Board. Such advisors shall be persons determined by the Secretary to be knowledgeable in nutrition and food. It is expected that the Beef Board shall reimburse the consumer advisors for the reasonable expenses they incur in performing their duties as advisors.

W. R. Poage,
John Melcher,
Bob Bergland,
Jerry Litton,
Tom Harkin,
Jack Hightower,
W. C. Wampler,
Keith G. Sebelius,
Charles Thone,
Managers on the Part of the House.

Herman E. Talmadge,
George McGovern,
James B. Allen,
Dick Clark,
Patrick J. Leahy,
Robert Dole,
Milton R. Young,
Henry Bellmon,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted to:)

Mr. Broyhill (at the request of Mr. Michel), for today, on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Pettis) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 60 minutes, April 28, 1976.

Mr. Gilman, for 60 minutes, today.

Mr. Findley, for 5 minutes, today.

Mr. Sebelius, for 5 minutes, today.

(The following Members (at the request of Mr. Miller of California) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Annunzio, for 5 minutes today.

Mr. Kastenmeier, for 5 minutes, today.

Mr. Cotter, for 5 minutes, today.

Mr. Matsunaga, for 5 minutes, today.

Mr. Diggs, for 10 minutes, today.

Ms. Abzug, for 5 minutes, today.

Mr. Wirth, for 5 minutes, today.

Mr. Vanik, for 10 minutes, today.

Mrs. Boggs, for 5 minutes, today.

Mrs. Meyner, for 5 minutes, today.

Mr. Patterson of California, for 60 minutes, May 4, 1976.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Cederberg, and to include extraneous matter on House Concurrent Resolution 611 during general debate in the Committee of the Whole today.

Mr. Seiberling to extend his remarks and include extraneous material in the debate portion of the Record in connection with the debate on the budget resolution.

Mr. Dingell, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,430.

Mr. Grassley, during request for the consideration of Senate amendments to H.R. 9721 in the House today.

Mr. Matsunaga, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $644.

(The following Members (at the request of Mrs. Pettis) and to include extraneous matter:)

Mr. Findley.
Mr. Harsha.
Mr. Schneebeli.
Mrs. Heckler of Massachusetts.
Mr. Sebelius.
Mr. Young of Florida.
Mr. Wiggins.
Mr. Broomfield.
Mr. McCollister.
Mr. Talcott in two instances.
Mr. Gilman in two instances.
Mr. Rousselot in two instances.
Mr. Broyhill.
Mr. Symms.
Mr. Derwinski in five instances.
Mr. Carter.
Mr. Dickinson.

(The following Members (at the request of Mr. Miller of California) and to include extraneous material:)

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. FRASER in 10 instances.

Mr. CARNEY.

Mr. RYAN.

Mr. BAUCUS.

Mr. LEHMAN in two instances.

Mrs. MINK in three instances.

Mr. O'HARA in two instances.

Mr. ALEXANDER.

Mr. AMBRO in two instances.

Ms. HOLTZMAN in 10 instances.

Mr. BINGHAM in 10 instances.

Mr. BYRON in 10 instances.

Mr. DUNCAN of Oregon in two instances.

Mr. ZEFERETTI.

Mr. REES.

Ms. ABZUG in two instances.

Mr. MAZZOLI.

Mr. DOWNING of Virginia.

Mr. VANIK in three instances.

Mr. ROYBAL.

Mr. MIKVA.

Mr. MONTGOMERY in two instances.

Mr. DRINAN.

Mr. CLAY in two instances.

Mr. ROE in two instances.

Mr. KARTH in two instances.

Mr. JONES of Oklahoma.

Mr. WIRTH.

Mr. TEAGUE in 10 instances.

Mr. STOKES.

Mr. SOLARZ in two instances.

Mr. LEGGETT.

Mr. KOCH in three instances.

Mr. FAUNTROY.

Mr. SYMINGTON.

Mr. ICHORD.

Mr. MCDONALD of Georgia in four instances.

Mr. CORMAN.

Mr. STEPHENS.

Mr. PATTEN.

Mr. HAWKINS in two instances.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8235. An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

ADJOURNMENT

Mr. MILLER of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 52 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 28, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3115. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1976 and the transition quarter, amendments to 1976 supplements, and budget amendments for fiscal year 1977 for the Department of Transportation, the Interstate Commerce Commission, and the United States Railway Association (H. Doc. No. 94-471); to the Committee on Appropriations and ordered to be printed.

3116. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1976 and budget amendments for fiscal year 1977 for the Department of Defense-Military (H. Doc. No. 94-472); to the Committee on Appropriations and ordered to be printed.

3117. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1976 and the transition quarter, and budget amendments for fiscal year 1977 for the legislative branch (H. Doc. No. 94-473); to the Committee on Appropriations and ordered to be printed.

3118. A letter from the President of the United States, transmitting a budget amendment for fiscal year 1977 for the Department of Health, Education, and Welfare (H. Doc. No. 94-474); to the Committee on Appropriations and ordered to be printed.

3119. A letter from President of the United States, transmitting budget amendments for fiscal year 1977 for the Department of State (H. Doc. No. 94-475); to the Committee on Appropriations and ordered to be printed.

3120. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1976 and the transition quarter, and budget amendments for fiscal year 1977 for funds appropriated to the President, the Department of Defense-Military, and the Federal Energy Administration (H. Doc. No. 94-476); to the Committee on Appropriations and ordered to be printed.

3121. A letter from the Director, Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting proposed funding criteria for the Teacher Corps for fiscal year 1976, pursuant to section 431 (d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3122. A letter from the Assistant Secretary of the Interior (Management), transmitting notice of a proposed new system of records for Indian loans, pursuant to 5 U.S.C. 552 (a)(o); to the Committee on Government Operations.

3123. A letter from the Administrator, Federal Railroad Administration, Department of Transportation, transmitting two proposed new systems of records for the Administration, pursuant to 5 U.S.C. 552(a)(o); to the Committee on Government Operations.

3124. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 357-A, *Pueblo of Taos*, plaintiff v. *The United States of America*, defendant, pursuant to 60 Stat. 1055; to the Committee on Interior and Insular Affairs.

3125. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to provide authorization for a U.S. contribution to the International Atomic Energy Agency in support of its safeguards activities and for other purposes; to the Committee on International Relations.

3126. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Francis Edward Meloy, Jr., Ambassador-designate to Lebanon, and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

3127. A letter from the Secretary of Commerce, transmitting the annual report for calendar year 1975 on the Special Economic Development and Adjustment Assistance Program administered by the Economic Development Administration, pursuant to section 904(b) of the Public Works and Economic Development Act of 1965, as amended (88 Stat. 1165); to the Committee on Public Works and Transportation.

3128. A letter from the Chairman, Civil Aeronautics Board, transmitting a report on proposed programs for additional savings in energy consumption by the airlines regulated by the Board, pursuant to section 382(a)(2) of the Energy Policy and Conservation Act of 1975; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 11505. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1977; with amendment (Rept. No. 94-1047). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 13035. A bill to amend the National Sea Grant College and Program Act of 1966 (Rept. No. 94-1048). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 11920. A bill to terminate the use of exchange funds as a means of escaping income taxes on realized capital gains; with amendment (Rept. No. 94-1049). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12168. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to authorize appropriations for fiscal year 1977; with amendment (Report No. 94-1050). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG (for herself, Mr. BADILLO, Mr. CONYERS, Mr. DOWNEY of New York, Mr. EILBERG, Mr. EDWARDS of California, Mr. HARRINGTON, Ms. CHISHOLM, Mr. MITCHELL of Maryland, Mr. ROYBAL, Mr. SIMON, Mr. STARK, Mr. SYMINGTON, Mr. OTTINGER, Mr. ADDABBO, and Mr. WAXMAN):

H.R. 13295. A bill to provide a comprehensive program of employment services and opportunities for middle-aged and older Americans; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. ANDERSON of Illinois (for himself, Ms. JORDAN, Mr. BAUCUS, Mr. CARR, and Mr. CHAPPELL):

H.R. 13296. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, and anticompetitive regulation; jointly, to the Committees on Government Operations, and Rules.

By Mr. CLAY:

H.R. 13297. A bill to amend title 5, United States Code, to provide for the application of city withholding taxes to Federal employees who are residents of such city; to the Committee on Post Office and Civil Service.

By Mrs. COLLINS of Illinois:

H.R. 13298. A bill to amend the Elementary and Secondary Education Act of 1965 to preserve the eligibility of certain children for assistance through grade 3, notwithstanding improvements in their reading aptitude; to the Committee on Education and Labor.

By Mr. CONTE:

H.R. 13299. A bill to amend the Public Health Service Act to provide assistance for the planning and development of schools of veterinary medicine; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. Abdnor, Mr. Burke of Florida, Mr. Fraser, Mr. Hansen, Mr. Ketchum, Mr. Mineta, Mr. Patterson of California, and Mrs. Spellman):

H.R. 13300. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. DRINAN (for himself and Mr. Mazzoli):

H.R. 13301. A bill to establish the Frederick Law Olmsted Home and Office in Brookline, Mass., as a national historic site; to the Committee on Interior and Insular Affairs.

By Mr. DRINAN (for himself, Mr. Baucus, Mr. Moorhead of Pennsylvania, and Mr. Patterson of California):

H.R. 13302. A bill to amend title 38 of the United States Code to provide that the survivors of a veteran who was rated totally and permanently service-connected disabled for a period of at least 1 year would be automatically entitled to dependency and indemnity compensation; to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 13303. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Obed River and its tributaries, in Tennessee, as a component of the National Wild and Scenic Rivers System and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 13304. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOWERS:

H.R. 13305. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes; to the Committee on Rules.

By Mr. HARRIS (for himself, Mr. Young of Georgia, and Mr. Zeferetti).

H.R. 13306. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

By Mr. HYDE (for himself, Mr. Kelly, Mr. Ketchum, Mr. Lagomarsino, Mr. Michel, Mr. Montgomery, Mr. Sebelius, Mr. Simon, Mr. Symms, and Mr. Winn):

H.R. 13307. A bill to amend the Internal Revenue Code of 1954 to allow individuals to designate $1 of their income tax liability to be used for purposes of reducing the public debt of the United States; to the Committee on Ways and Means.

By Mr. JONES of Alabama:

H.R. 13308. A bill to amend the Federal Aviation Act of 1958 to extend the authority of the Secretary of Transportation with respect to war risk insurance; to the Committee on Public Works and Transportation.

By Mr. LEHMAN:

H.R. 13309. A bill to amend the Tariff Schedules of the United States; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 13310. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McDADE:

H.R. 13311. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for commuting expenses; to the Committee on Ways and Means.

H.R. 13312. A bill to amend title II of the Social Security Act to provide for the payment of reduced old-age insurance benefits to women at age 55, and to provide for the payment of full wife's or widow's benefits at such age; to the Committee on Ways and Means.

H.R. 13313. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for investments in certain economically lagging regions; to the Committee on Ways and Means.

By Mr. McEWEN:

H.R. 13314. A bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35); to the Committee on Agriculture.

By Mr. MATHIS:

H.R. 13315. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOAKLEY (for himself, Mr. Helstoski, Mr. Hyde, Mr. Kasten, Mr. Koch, Mr. Krebs, Mr. Lagomarsino, Mr. Lehman, Mr. Lent, Mr. Long of Maryland, Mr. McCloskey, Mr. McCormack, Mr. McKinney, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Mosher, Mr. Moss, and Mr. Murphy of New York):

H.R. 13316. A bill to revise chapter 99 of title 18 of the United States Code to provide for the punishment of sexual assaults in the special jurisdiction of the United States; to the Committee on the Judiciary.

By Mr. MOAKLEY (for himself, Mr. Oberstar, Mr. Ottinger, Mr. Patten, Mr. Patterson of California, Mr. Pepper, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rosenthal, Mr. Sarasin, Ms. Spellman, Mr. Stark, Mr. Tsongas, Mr. Walsh, and Mr. Charles H. Wilson of California):

H.R. 13317. A bill to revise chapter 99 of title 18 of the United States Code to provide for the punishment of sexual assaults in the special jurisdiction of the United States; to the Committee on the Judiciary.

By Mr. MOAKLEY (for himself, Mr. Lagomarsino, Mr. Lehman, Mr. Hughes, Mr. Wolff, Mr. Ottinger, Mr. Hyde, Mr. Murphy of New York, Mr. Zeferetti, Mr. Waxman, Mr. Richmond, and Mr. Roybal):

H.R. 13318. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701–3795) to emphasize crime prevention as a major purpose of that title and to require that each comprehensive State plan include a program for the prevention of crime against the elderly; to the Committee on the Judiciary.

By Mr. MOAKLEY (for himself and Mr. Patterson of California):

H.R. 13319. A bill to establish a Bureau of Agricultural Statistics for the purpose of monitoring the changes in prices which occur in the price of agricultural commodities from the time they are sold by the farmer until the time when the consumer purchases such commodities or products thereof, and for the purpose of making recommendations to the Congress with respect to correcting situations in which the retail price of an agricultural commodity, or product thereof, rises while the prices received by the farmer for the same commodity decreases; to the Committee on Agriculture.

By Mr. MEEDS (for himself and Mr. Corman):

H.R. 13320. A bill to create the Young Adult Conservation Corps to complement the Youth Conservation Corps; to the Committee on Education and Labor.

By Mr. MURTHA:

H.R. 13321. A bill to amend title IV of the Social Security Act to provide needed reforms in the program of aid to families with dependent children with emphasis upon improving the administration of such program; to the Committee on Ways and Means.

By Mr. NOWAK:

H.R. 13322. A bill to amend title IV of the Elementary and Secondary Education Act of 1965 in order to make the maintenance of effort provisions of that title more equitable, and for other purposes; to the Committee on Education and Labor.

By Mr. OTTINGER (for himself, Mr. Mitchell of Maryland, Mr. Nowak, Mr. Hannaford, Mr. Downey of New York, Mr. Neal, Mrs. Spellman, Mr. Richmond, Mr. Moorhead of Pennsylvania, Mr. Fraser, Mr. Rosenthal, Mr. Duncan of Oregon, and Mr. Harrington):

H.R. 13323. A bill to amend the Impoundment Control Act of 1974 to provide that either House of Congress may by resolution disapprove any rescission or reservation of funds proposed by the President, without waiting for the expiration of the 45-day period prescribed (for disapproval by congressional inaction) by present law, and to make other changes to clarify and increase the effectiveness of the impoundment control program under such act; to the Committee on Rules.

By Mr. QUILLEN:

H.R. 13324. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself, Mr. Rooney, Mr. Devine, and Mr. Skubitz):

H.R. 13325. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the United

States Railway Association; to the Committee on Interstate and Foreign Commerce.

By Mrs. SULLIVAN:

H.R. 13326. A bill to extend until November 1, 1983, the existing exemption of the steamboat *Delta Queen* from certain vessel laws; to the Committee on Merchant Marine and Fisheries.

By Mr. VANDER JAGT:

H.R. 13327. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG of Florida:

H.R. 13328. A bill to authorize the Secretary of the Treasury to reimburse State and local law enforcement agencies for assistance provided at the request of the U.S. Secret Service; to the Committee on the Judiciary.

By Mr. YOUNG of Florida (for himself and Mr. Kelly):

H.R. 13329. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Ms. ABZUG:

H.R. 13330. A bill to provide certain benefits for persons who are unemployed as a result of certain Federal actions for the improvement of environmental quality or because of the administration of Federal laws relating to the regulation or control of nuclear energy; to the Committee on Ways and Means.

By Mr. ANNUNZIO (for himself and Mr. Burke of Massachusetts):

H.R. 13331. A bill to increase for a 5-year period the duty on certain handtools, and for other purposes; to the Committee on Ways and Means.

By Mr. DICKINSON:

H.R. 13332. A bill to amend section 520 of the Housing Act of 1949 for the purpose of mandating that the Secretary of Housing and Urban Development consider only the availability of credit to lower and moderate-income families in determining whether an area with between 10,000 and 20,000 people is a rural area as defined in such section; to the Committee on Banking, Currency and Housing.

By Mr. DUNCAN of Tennessee:

H.R. 13333. A bill to amend the Internal Revenue Code of 1954 to allow a limited exclusion in the case of income received by an individual from hobbies and other activities not engaged in for profit; to the Committee on Ways and Means.

By Mrs. FENWICK (for herself, Mr. Dodd, Mr. Hayes of Indiana, Mr. Waxman, Mr. Symms and Mr. Goldwater):

H.R. 13334. A bill to establish a Commission on Security and Cooperation in Europe; to the Committee on International Relations.

By Mr. FINDLEY:

H.R. 13335. A bill to amend title 5, United States Code, to revise the method of determining cost-of-living increases payable to Congressional, Federal, and military annuitants, and for other purposes; jointly, to the Committees on Post Office and Civil Service, Armed Services, International Relations, and the District of Columbia.

By Mr. FISH (for himself, Mr. Dominick V. Daniels, Mr. Long of Maryland, and Mr. Richmond):

H.R. 13336. A bill to terminate the granting of construction licenses of nuclear fission powerplants in the United States pending action by the Congress following a comprehensive 5-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technology Assessment, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. FISH (for himself and Mr. Drinan):

H.R. 13337. A bill to provide an additional 26 weeks of benefits under the emergency unemployment compensation program; to the Committee on Ways and Means.

By Mr. GOLDWATER:

H.R. 13338. A bill to amend the Internal Revenue Code of 1954 in order to encourage small corporate employers to establish retirement pension plans for their employees and to provide worthwhile benefits for them under such plans; to the Committee on Ways and Means.

By Mr. JONES of Alabama (by request):

H.R. 13339. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

By Mr. KREBS (for himself, Mr. Lehman, Mr. Won Pat, Mr. Downey of New York, Mr. Simon, and Mrs. Heckler of Massachusetts):

H.R. 13340. A bill to amend the Internal Revenue Code of 1954 to permit the early filing of tax returns without requiring payment of tax to be made with such returns; to the Committee on Ways and Means.

By Mr. MINETA:

H.R. 13341. A bill to amend title 39, United States Code, to provide for the withholding of State disability fund contributions from the pay of postal employees; to the Committee on Post Office and Civil Service.

By Mr. MOAKLEY (for himself, Mr. Badillo, Mr. Baucus, Mr. Bell, Mr. Boland, Mr. Cederberg, Mrs. Chisholm, Mr. Davis, Mr. Downey of New York, Mr. Edwards of California, Mr. Florio, Mr. Fraser, Mr. Grassley, Mr. Gude, Mr. Hannaford, Mr. Harrington, and Mr. Hechler of West Virginia):

H.R. 13342. A bill to revise chapter 99 of title 18 of the United States Code to provide for the punishment of sexual assaults in the special jurisdiction of the United States; to the Committee on the Judiciary.

By Mr. MURPHY of New York (for himself, Mr. Gilman, Mr. Kemp, Mr. Rangel, Mr. Richmond, and Mr. Zeferetti):

H.R. 13343. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize States to acquire certain rail properties from the Consolidated Rail Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. O'HARA:

H.R. 13344. A bill to provide certain benefits to State meat and poultry inspectors who are transferred to the Federal service; to the Committee on Post Office and Civil Service.

By Mr. RUPPE:

H.R. 13345. A bill to abolish certain Federal regulatory agencies and to cause the self-destruct of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly to the Committees on Government Operations and Rules.

By Mr. RUPPE (for himself, Mr. Hayes of Indiana, Mr. Hughes, Mr. Jenrette, Mr. Lujan, Mr. McEwen, Mr. Mitchell of New York, Mr. Pressler, and Mr. Won Pat):

H.R. 13346. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for investments in certain economical lagging regions; to the Committee on Ways and Means.

By Mr. SCHEUER:

H.R. 13347. A bill to amend title XIX of the Social Security Act to provide for effective detection and prevention of fraud and abuse in connection with the medical assistance program under that title; to the Committee on Interstate and Foreign Commerce.

By Mr. STEPHENS:

H.R. 13348. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR of North Carolina:

H.R. 13349. A bill to require the Secretary of Agriculture to inspect and grade apples to be distributed in commerce and to prohibit the distribution in commerce of ungraded apples, and for other purposes; to the Committee on Agriculture.

By Mr. TEAGUE (for himself and Mr. Price):

H.R. 13350. A bill to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes; referred jointly to the Committee on Science and Technology and to the Joint Committee on Atomic Energy for consideration of such provisions of the bill as fall within the jurisdictions of those committees under rule X, clause 1(r) and under section 2252 of title 42, United States Code, respectively.

By Mr. TRAXLER (for himself, Mr. Conte, Ms. Abzug, Mr. Won Pat, Mr. Richmond, Mr. Beard of Rhode Island, Mr. Flood, and Mr. Long of Maryland):

H.R. 13351. A bill to authorize the Secretary of Agriculture to make financial assistance available to agricultural producers who suffer losses as the result of having their agricultural commodities or livestock quarantined or condemned because such commodities or livestock have been found to contain toxic chemicals dangerous to the public health; to the Committee on Agriculture.

By Mr. VANIK:

H.R. 13352. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain domestic corporation dividends as foreign oil-related income; to the Committee on Ways and Means.

By Mr. WIRTH:

H.R. 13353. A bill to amend the Interstate Commerce Act, with respect to recovery of a reasonable attorney's fee in case of successful maintenance of an action for recovery of damages sustained in transportation of property; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. ALEXANDER:

H.J. Res. 924. Joint resolution authorizing the President to proclaim the week beginning on November 7, 1976, as National Respiratory Therapy Week; to the Committee on Post Office and Civil Service.

By Mr. McEWEN:

H.J. Res. 925. Joint resolution restoring the Congressional Medal of Honor to Dr. Mary Edwards Walker; to the Committee on Armed Services.

By Mr. SCHEUER (for himself, Mr. Bafalis, Mr. Boland, Mr. du Pont, Mr. Edgar, Mr. McCollister, Mr. Mann, Mr. Mazzoli, Mr. Neal, and Mr. Nedzi):

H.J. Res. 926. Joint resolution calling for a

White House Conference to evaluate the busing experience of the United States over the past 2 decades; to the Committee on Education and Labor.

By Mr. ROUSSELOT:

H. Con. Res. 619. Concurrent resolution setting for the congressional budget for the U.S. Government for the fiscal year 1977, and revising the congressional budget for the transition beginning July 1, 1976; to the Committee on the Budget.

By Mr. ROUSSELOT:

H. Con. Res. 620. Concurrent resolution setting for the congressional budget for the U.S. Government for the fiscal year 1977, and revising the congressional budget for the transition beginning July 1, 1976; to the Committee on the Budget.

By Mr. CARR:

H. Res. 1162. Resolution to amend the Rules of the House of Representatives to provide that any member of the Committee on Standards of Official Conduct may disqualify himself from participating in investigations undertaken by the committee, and for other purposes; to the Committee on Rules.

By Mr. MATHIS:

H. Res. 1163. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FISHER:

H.R. 13354. A bill for the relief of Antanas Zigmas Butkus, Danute Ione Butkus, Loreta Butkus, Raimonda Butkus, and Rimvydas Butkus; to the Committee on the Judiciary.

H.R. 13355. A bill for the relief of Vera Jovancevic, Mihailo Jovancevic, and Steven Barackovic; to the Committee on the Judiciary.

By Mr. McDONALD of Georgia:

H.R. 13356. A bill for the relief of Francisco Ronquillo and Ruben Leonardo Ronquillo; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 611

By Mr. EDGAR:

On page 1, line 11, strike out "$452,261,000,000" and insert in lieu thereof "$452,871,000,000".

On page 2, line 2, strike out "$413,625,000,000" and insert in lieu thereof "$414,235,000,000".

On page 4, line 3, strike out "$18,649,000,000" and insert in lieu thereof "$19,259,000,000".

On page 4, line 4, strike out "$18,165,000,000" and insert in lieu thereof "$18,775,000,000".

By Mr. GIAIMO:

Page 1, line 11, strike out "$452,261,000,000" and insert in lieu thereof "$450,261,000,000".

Page 2, line 2, strike out "$413,625,000,000" and insert in lieu thereof "$413,325,000,000".

Page 2, line 5, strike out "$50,625,000,000" and insert in lieu thereof "$50,325,000,000".

Page 2, line 7, strike out "$711,900,000,000" and insert in lieu thereof "$711,600,000,000".

Page 2, line 10, strike out "$65,700,000,000" and insert in lieu thereof "$65,400,000,000".

Page 2, line 21, strike out "$112,000,000,000" and insert in lieu thereof "$110,000,000,000".

Page 2, line 22, strike out "$100,600,000,000" and insert in lieu thereof "$100,300,000,000".

By Mr. ROUSSELOT:

(Substitute.)

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the recommended level of Federal revenues is $363,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $14,800,000,000; and

(2) the appropriate level of total new budget authority is $394,200,000,000;

(3) the appropriate level of total budget outlays is $363,000,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0;

(5) the appropriate level of the public debt is $661,275,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $15,100,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1976, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National defense (050):

(A) New budget authority, $112,000,000,000.

(B) Outlays, $100,600,000,000.

(2) International Affairs (150):

(A) New budget authority, $3,400,000,000.

(B) Outlays, $3,000,000,000.

(3) General science, space, and technology (250):

(A) New budget authority, $4,400,000,000.

(B) Outlays, $4,300,000,000.

(4) Natural resources, environment, and energy (300):

(A) New budget authority, $19,200,000,000.

(B) Outlays, $11,800,000,000.

(5) Agriculture (350):

(A) New budget authority, $2,300,000,000.

(B) Outlays, $2,000,000,000.

(6) Commerce and transportation (400):

(A) New budget authority, $17,900,000,000.

(B) Outlays, $16,400,000,000.

(7) Community and regional development (450):

(A) New budget authority, $5,900,000,000.

(B) Outlays, $5,900,000,000.

(8) Education, training, employment, and social services (500):

(A) New budget authority, $15,900,000,000.

(B) Outlays, $17,600,000,000.

(9) Health (550):

(A) New budget authority, $32,300,000,000.

(B) Outlays, $32,100,000,000.

(10) Income Security (600):

(A) New budget authority, $133,800,000,000.

(B) Outlays, $123,000,000,000.

(11) Veterans benefits and services (700):

(A) New budget authority, $18,600,000,000.

(B) Outlays, $18,100,000,000.

(12) Law enforcement and justice (750):

(A) New budget authority, $3,300,000,000.

(B) Outlays, $3,400,000,000.

(13) General government (800):

(A) New budget authority, $3,500,000,000.

(B) Outlays, $3,400,000,000.

(14) Revenue sharing and general purpose fiscal assistance (850):

(A) New budget authority $5,000,000,000.

(B) Outlays, $5,000,000,000.

(15) Interest (900):

(A) New budget authority, $34,500,000,000.

(B) Outlays, $34,500,000,000.

(16) Allowances:

(A) New budget authority, $800,000,000.

(B) Outlays, $300,000,000.

(17) Undistributed offsetting receipts (950):

(A) New budget authority, —$18,900,000,000.

(B) Outlays, —$18,900,000,000.

SEC. 3. The Congress hereby determines and declares, in the manner provided in section 310(a) of the Congressional Budget Act of 1974, that for the transition quarter beginning on July 1, 1976—

(1) the recommended level of Federal revenues is $86,000,000,000;

(2) the appropriate level of total new budget authority is $96,300,000,000;

(3) the appropriate level of total budget outlays is $101,200,000,000;

(4) the amount of deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $15,200,000,000; and

(5) the appropriate level of the public debt is $646,200,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $19,200,000,000.

H.R. 12234

By Mr. CLEVELAND:

Page 5, delete lines 18 through 21 and insert in lieu thereof: "differences in admission and other fees may be maintained on the basis of residence."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of April 26, 1976, page 11120:

HOUSE BILLS

H.R. 12835. March 29, 1976. Education and Labor. Amends the Vocational Education Act of 1963 and the Higher Education Act of 1965. Establishes within the Office of Education a Bureau of Occupational and Adult Education to administer programs relating to vocational, occupational, adult and continuing education programs. Revises the membership of the National Advisory Council on Vocational Education. Establishes a National Occupational Information Coordinating Committee to coordinate vocational education programs. Revises the authorized uses of funds for vocational education programs. Establishes a Coordinating Committee on Research in Vocational Education to develop a plan for the use of funds for vocational education.

H.R. 12836. March 29, 1976. Ways and Means. Stipulates that payments of tuition, fees, or other training costs to or for a mentally retarded adult individual shall be excluded from the income of such individual in determining eligibility for benefits under the Supplemental Security Income program of the Social Security Act.

H.R. 12837. March 29, 1976. Ways and Means. Amends the Social Security Act to include homemakers within the coverage of the Old-Age, Survivors, and Disability Insurance program.

H.R. 12838. March 29, 1976. Education and Labor. Amends the National Foundation on the Arts and the Humanities Act to authorize the establishment of grants-in-aid programs in each State to develop and promote the humanities.

Authorizes the appropriation of funds to the National Endowment for the Arts and to the National Endowment for the Humanities.

Establishes the Institute of Museum Services to make grants to museums to increase and improve museum services.

Authorizes a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations to assist cultural organizations and institutions and promote citizen involvement with such bodies.

H.R. 12839. March 29, 1976. Education and Labor. Amends the National Foundation on the Arts and the Humanities Act to authorize the establishment of grants-in-aid programs in each State to develop and promote the humanities.

Authorizes the appropriation of funds to the National Endowment for the Arts and to the National Endowment for the Humanities.

Establishes the Institute of Museum Services to make grants to museums to increase and improve museum services.

Authorizes establishment of a program of contracts with or grants-in-aid to, public agencies and private nonprofit organizations to assist cultural organizations and institutions and promote citizen involvement with such bodies.

H.R. 12840. March 29, 1976. Interstate and Foreign Commerce. Requires that automobile manufacturers or importers make repair parts for their automobiles readily available for not less than seven years after such automobiles are manufactured or imported.

H.R. 12841. March 29, 1976. Appropriations. Makes appropriations to the Secretary of the Army for fiscal year 1977 for the removal of silt and aquatic growth from the Broadway Lake in South Carolina.

H.R. 12842. March 29, 1976. Appropriations. Makes appropriations to the Secretary of the Army for fiscal year 1977 for the flood control project at Scotts Creek in South Carolina.

H.R. 12843. March 29, 1976. Post Office and Civil Service. Amends Federal Prevailing Rate Systems pay by requiring the Civil Service Commission to establish an annual schedule of wage surveys. Requires that a full-scale wage survey be conducted in each wage area at least every third year.

Expands wage surveys to encompass wages by all non-Federal employers.

Revises the means of determining wage increases within grades of the wage schedule for prevailing rate employees.

Repeals provisions specifying the rate of night differential pay.

H.R. 12844. March 29, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 12845. March 29, 1976. Veterans' Affairs. Stipulates that recipients of veterans' pensions and compensation shall not have the amount of such pension or compensation reduced because of specified increases in monthly social security benefits.

H.R. 12846. March 29, 1976. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish a National Diabetes Advisory Board to insure the implementation of a long range plan to combat diabetes. Authorizes the Secretary to make grants to scientists who have shown productivity in diabetes research for the purpose of continuing such research. Authorizes, under the Public Health Service Act, the appropriation of specified sums for the purpose of making grants to centers for research and training in diabetic related disorders.

H.R. 12847. March 29, 1976. Interior and Insular Affairs. Repeals provisions granting to the city of Los Angeles, Calif., lands in Mono County, Calif., for designated uses. Preserves to such city all rights to operate, maintain, and repair existing rights-of-way and facilities established pursuant to such grant.

Directs the Secretary of Agriculture to convey all interest of the United States in specified lands to the city of Los Angeles upon conveyance by such city of all its interest, excepting water and water rights, in other specified lands to the United States.

H.R. 12848. March 29, 1976. Interstate and Foreign Commerce. Amends the Federal Power Act to direct the Federal Power Commission to require utilities to file curtailment plans to meet anticipated power shortages.

Requires public hearings on proposals for utility rate increases. Authorizes the Commission to take additional measures to eliminate discriminatory and anticompetitive practices by utilities.

H.R. 12849. March 29, 1976. Ways and Means. Amends the Social Security Act to require that old-age, survivors, and disability insurance benefits be paid for the month during which a beneficiary dies.

H.R. 12850. March 29, 1976. Interior and Insular Affairs. Designates a specified segment of the New River in North Carolina as a component of the National Wild and Scenic Rivers System.

H.R. 12851. March 29, 1976. Education and Labor. Amends the Higher Education Act of 1965 to extend the authorization for appropriations for various programs under such Act. Makes grants available under such Act for programs to increase the proficiency of institutional and State financial aid administrators and for the renovation and modernization of academic facilities. Amends the National Defense Education Act to authorize programs to increase the understanding of American students of the cultures of other nations. Amends the General Education Act to extend the authorization for appropriations to carry out the provisions of such Act.

H.R. 12852. March 29, 1976. Post Office and Civil Service. Repeals the authority of the Commission on Executive, Legislative, and Judicial Salaries to review the rates of pay of Members of Congress.

H.R. 12853. March 29, 1976. Education and Labor. Authorizes Federal grants to States for the education of educationally deprived children, handicapped children, and Indian children, and for adult and vocational education programs.

H.R. 12854. March 29, 1976. Ways and Means. Amends the Internal Revenue Code to tax married and unmarried individuals at the same rates.

H.R. 12855. March 29, 1976. Small Business. Amends the Small Business Emergency Relief Act to provide for emergency relief for small business concerns in connection with fixed-price Government contracts for the lease of real property.

H.R. 12856. March 29, 1976. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish a National Diabetes Advisory Board to insure the implementation of a long-range plan to combat diabetes. Authorizes the Secretary to make grants to scientists who have shown productivity in diabetes research for the purpose of continuing such research. Authorizes, under the Public Health Service Act, the appropriation of specified sums for the purposes of making grants to centers for research and training in diabetic-related disorders.

H.R. 12857. March 29, 1976. Banking, Currency and Housing. Amends the Housing Act of 1949 to expand the definition of "rural" and "rural areas" to include places not part of or associated with an urban area which have a population of between 10,000 and 20,000 people and which have a serious lack of mortgage credit for lower- and moderate-income families.

H.R. 12858. March 29, 1976. Ways and Means. Requires the taxpayer to disclose, when filing a tax return under the Internal Revenue Code, any amount of interest received or accrued during the taxable year which is exempt from taxation, as well as the principal amount of tax-exempt bonds or notes held by the taxpayer.

H.R. 12859. March 29, 1976. Science and Technology. Amends the Federal Nonnuclear Energy Research and Development Act of 1974 to authorize the Administrator of the Energy Research and Development Administration to guarantee loans for the development of synthetic fuels from domestic coal resources.

H.R. 12860. March 29, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 12861. March 29, 1976. Judiciary. Relieves a certain individual or liability to the United States for a specified sum representing the amount of funds missing on a certain date from a safe for which such individual was responsible.

H.R. 12862. March 29, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12863. March 29, 1976. Judiciary. Specifies the tax treatment of certain individuals under the Internal Revenue Code.

H.R. 12864. March 30, 1976. Post Office and Civil Service. Prohibits the United States Postal Service from changing the nature of postal services provided by any post office unless such change is approved in an election by persons regularly using such facility.

H.R. 12865. March 30, 1976. Banking, Currency and Housing. Amends the Federal Reserve Act to require the payment of interest on reserve deposits and to require availability of the same amount of reserves for low-cost and medium-priced construction and mortgage loans.

H.R. 12866. March 30, 1976. Judiciary. Requires specified minimum prison sentences for any individual who uses or carries a firearm during the commission of a felony that may be prosecuted in a Federal court and for whoever is convicted by a State court of using or carrying a firearm transported in, or affecting, interstate commerce during the commission of a felony.

H.R. 12867. March 30, 1976. Interstate and Foreign Commerce. Amends the Public Health Service Act to direct the Secretary of Health, Education, and Welfare to initiate and support a study to assess the effect of treatment of juvenile-onset diabetes on the development of microvascular and macrovascular complications.

H.R. 12868. March 30, 1976. Ways and Means. Allows an estate tax credit under the Internal Revenue Code.

Authorizes the executor of an estate to elect an additional credit if 65 percent or more of the adjusted gross estate is attributable to a qualifying small business.

Provides a reduction of such credit by a percentage of the amount by which the value of the taxable estate exceeds $300,000.

H.R. 12869. March 30, 1976. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlord.

H.R. 12870. March 30, 1976. Ways and Means. Revises the eligibility requirements for disability insurance benefits for blind persons under the Old-Age, Survivors, and Disability Insurance program of the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 12871. March 30, 1976. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to authorize payment under the Medicare program for occupational therapy services.

H.R. 12872. March 30, 1976. Interstate and Foreign Commerce. Amends the Federal Power Act to authorize the Federal Power Commission to take additional steps to meet anticipated power shortages.

Requires public hearings on certain proposals for utility rate increases. Authorizes the Commission to take additional measures to eliminate discriminatory and anticompetitive practices by utilities.

H.R. 12873. March 30, 1976. Judiciary. Revises the Patent Laws of the United States.

H.R. 12874. March 30, 1976. Judiciary. Imposes a one year statute of limitations for civil rights actions charging deprivation of a constitutional right, privilege, or immunity by any person acting under color of State or territorial authority.

H.R. 12875. March 30, 1976. Education and Labor. Directs the Secretary of Labor, through the Bureau of Labor Statistics, to publish a monthly price index reflecting the retail prices of items purchased generally by individuals 62 years of age and older, such index to be known as the Consumer Price Index for the Elderly.

H.R. 12876. March 30, 1976. Ways and Means. Authorizes semiannual computation of cost-of-living increases in Old Age, Survivors and Disability Insurance benefits under the Social Security Act.

H.R. 12877. March 30, 1976. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on (1) articles assembled abroad with components produced in the United States, and (2) certain metal articles manufactured in the United States and exported for further processing.

H.R. 12878. March 30, 1976. Government Operations. Amends the State and Local Fiscal Assistance Act to allow comprehensive planning and full and timely citizen participation in the allocating of funds as priority expenditures.

Extends appropriations for the State and Local Government Fiscal Assistance Trust Fund through 1978.

Revises the method for allocation of such appropriations among the States.

Authorizes additional entitlements for modernizing and revitalizing State and local government.

H.R. 12879. March 30, 1976. Judiciary. Amends the Bankruptcy Act to include among debts which have priority specified debts to consumers of deposits of money made in connection with the purchase of goods or services for personal or household use not delivered on the date of bankruptcy.

H.R. 12880. March 30, 1976. Ways and Means. Amends the Social Security Act by including the services of optometrists under the medicare supplementary medical insurance program.

H.R. 12881. March 30, 1976. Ways and Means. Amends the Internal Revenue Code to allow deductions with respect to the amortization of rehabilitation expenditures for historic structures, with respect to the depreciation of expenditures in substantially rehabilitating other property, and with respect to charitable contributions of partial interests in property for conservation purposes.

H.R. 12882. March 30, 1976. Post Office and Civil Service. Suspends payment of civil service retirement annuities to any former Federal employee during any period which such former employee is employed as a judge or justice of the United States.

Permits any former Federal employee or former Member of Congress who becomes employed as a justice or judge of the United States to be paid the amount by which such individual's lump sum credit exceeds the total annuity paid.

Extends provisions allowing an irrevocable election of a reduced annuity by individuals who marry after retirement to specified annuitants who married after retirement but before January 8, 1971.

H.R. 12883. March 30, 1976. Ways and Means. Amends the Tariff Schedules of the United States to suspend the customs duty on zinc slabs for two years.

H.R. 12884. March 30, 1976. Agriculture. Amends the Forest and Rangeland Renewable Resources Planning Act of 1974 to direct the Secretary of Agriculture to include in the Renewable Resource Program, national program recommendations which take into account specified policy objectives.

Requires the Secretary to provide for public participation in the formulation and review of proposed land management plans and to promulgate regulations for their development and revision.

Revises provisions relating to the sale of timber found on National Forest Service lands.

H.R. 12885. March 30, 1976. Government Operations. Requires that States and units of local government to qualify for revenue sharing funds must establish to the satisfaction of the Secretary of the Treasury that they will provide the Secretary with the results of an independent audit of their financial records of the immediately preceding fiscal year and the budgets of the current and succeeding fiscal years, if available.

H.R. 12886. March 30, 1976. Interstate and Foreign Commerce. Stipulates that the possession of not more than 1 ounce of marijuana for private use, or the transfer of not more than 1 ounce of marijuana without profit for private use, shall not constitute a crime against the United States.

H.R. 12887. March 30, 1976. Ways and Means. Amends the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving old-age, survivors, and disability insurance benefits.

H.R. 12888. March 30, 1976. Ways and Means. Amends the Social Security Act by including the services of optometrists under the medicare supplementary medical insurance program.

H.R. 12889. March 30, 1976. Banking, Currency and Housing. Authorizes emergency rent payments on behalf of persons who are temporarily unemployed or underemployed.

H.R. 12890. March 30, 1976. Agriculture. Amends the Agricultural Adjustment Act of 1938 to direct the Secretary of Agriculture to establish national acreage allotments for the 1976 through the 1980 crops of peanuts. Establishes the minimum peanut allotments for such years. Amends the Agricultural Act of 1949 to establish a price support for peanuts at 15 cents per pound for the 1976 and 1977 crops. Allows for adjustment of such prices for the 1977 through 1980 crops.

H.R. 12891. March 30, 1976. Armed Services. Amends the Central Intelligence Agency Retirement Act of 1964 to eliminate the extra 1 percent added to each cost-of-living annuity adjustment.

H.R. 12892. March 30, 1976. Armed Services. Eliminates the 1 percent add-on presently used in computing the retirement and retainer pay increases which members and former members of the Armed Forces receive based on increases in the Consumer Price Index.

H.R. 12893. March 30, 1976. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish a National Diabetes Advisory Board to insure the implementation of a long range plan to combat diabetes. Authorizes the Secretary to make grants to scientists who have shown productivity in diabetes research for the purpose of continuing such research. Authorizes, under the Public Health Service Act, the appropriation of specified sums for the purposes of making grants to centers for research and training in diabetic related disorders.

H.R. 12894. March 30, 1976. Ways and Means. Authorizes any taxpayer to elect to have any portion of any overpayment of tax or any contribution in money which the taxpayer forwards with the return for such taxable year, under the Internal Revenue Code, be available, as the taxpayer may designate on such return, for the National Endowment for the Arts or the National Endowment for the Humanities.

H.R. 12895. March 30, 1976. Agriculture. Amends the Forest and Rangeland Renewable Resources Planning Act of 1974 to direct the Secretary of Agriculture to include in the Renewable Resource Program, national program recommendations which take into account specified policy objectives.

Requires the Secretary to provide for public participation in the formulation and review of proposed land management plans and to promulgate regulations for their development and revision.

Revises provisions relating to the sale of timber found on National Forest Service lands.

H.R. 12896. March 30, 1976. Veterans' Affairs. Names the Veterans' Administration Hospital located at 13000 North Thirtieth Street, Tampa, Florida, the "James A. Haley Veterans' Administration Hospital."

H.R. 12897. March 30, 1976. Ways and Means. Amends the Internal Revenue Code to allow deductions with respect to the amortization of rehabilitation expenditures for historic structures, with respect to the depreciation of expenditures in substantially rehabilitating other property, and with respect to charitable contributions of partial interests in property for conservation purposes.

H.R. 12898. March 30, 1976. Veterans' Affairs. Authorizes specially adapted housing assistance and automobile and adaptive equipment assistance for veterans disabled by treatment or vocational rehabilitation.

H.R. 12899. March 30, 1976. Armed Services. Amends the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief.

H.R. 12900. March 30, 1976. Public Works and Transportation; Merchant Marine and Fisheries. Modifies the flood control project for the Merrimack River Basin to stipulate that the State of New Hampshire shall have sole authority with respect to the operation of recreational vessels on specified waters in New Hampshire.

H.R. 12901. March 30, 1976. Ways and Means. Amends the Social Security Act by including the services of optometrists under the Medicare supplementary medical insurance program.

H.R. 12902. March 30, 1976. Ways and Means. Allows an estate tax credit under the Internal Revenue Code.

Authorizes the executor of an estate to elect an additional credit if 65 percent or more of the adjusted gross estate is attributable to a qualifying small business.

Provides a reduction of such credit by a percentage of the amount by which the value of the taxable estate exceeds $300,000.

H.R. 12903. March 30, 1976. Education and Labor. Amends the Higher Education Act of 1965 to require the Commissioner of Education to make Federal interest subsidy and administrative cost allowance payments to holders of loans under such act on behalf of the borrower within 30 days of receipt by the Commissioner of an itemized voucher in such form as the Commissioner shall by regulation prescribe.

H.R. 12904. March 30, 1976. Interstate and Foreign Commerce; Science and Technology. Amends the Solid Waste Disposal Act to expand research and development programs and to authorize the Administrator of the Environmental Protection Agency to make grants and guarantee loans for energy and resource recovery pilot plant and demonstration programs.

Includes provisions for grants and assistance to State, local, and interstate solid waste management and resource recovery programs.

H.R. 12905. March 30, 1976. Judiciary. Directs the Secretary of the Treasury to reimburse local governments for the cost of protective and security services to the President or Vice President while the President or Vice President are within the jurisdiction of such local government in an official capacity or attending a national convention of a political party.

H.R. 12906. March 30, 1976. Interstate and Foreign Commerce; Public Works and Transportation; Agriculture; Banking, Currency and Housing; Merchant Marine and Fisheries; Atomic Energy. Establishes the Federal Regulatory Agency Nominating Board, as an independent agency of the Federal Government, which shall submit to the President names of individuals found to be commissioner of a regulatory agency.

Requires Nominating Board members to file a financial disclosure report with the Comptroller General.

Prohibits the reappointment of the commissioner of a regulatory agency. Restricts such former commissioner, for a period of two years, from representing any person before such agency or from accepting employment with any industry directly affected by such agency.

H.R. 12907. March 30, 1976. Judiciary. Divests any court in the United States of jurisdiction to make any decision or issue any order which would require any pupil to attend a public school other than the one nearest his or her residence.

Prohibits the withholding, or threat of withholding, of any Federal financial assistance to schools in order to induce the implementation or continuation of any plan or program which would require any pupil to be assigned to a public school other than the one nearest his or her residence.

H.R. 12908. March 30, 1976. Veterans' Affairs. Strikes certain time limitations relating to veterans' education assistance programs administered by the Administrator of Veterans' Affairs.

H.R. 12909. March 30, 1976. Appropriations. Appropriates, through fiscal year 1979, payments to specified metropolitan areas for cooperative agricultural extension work under the Smith-Lever Act for developing programs for urban gardening, food production, and food preservation.

H.R. 12910. March 30, 1976. Public Works and Transportation. Authorizes the Secretary of Commerce to make grants for local public works projects, provided that such projects are designed to alleviate unemployment and do not involve the damming or other diversion of water.

Amends the Public Works and Economic Development Act of 1965 to revise criteria for Federal funding of job opportunities programs.

H.R. 12911. March 30, 1976. Post Office and Civil Service. Directs the U.S. Postal Service to transmit a statement to each House of Congress explaining the reasons for any proposed closing of a post office which serves a rural area or small community. Requires approval by either House of Congress before any such closing may become effective.

H.R. 12912. March 30, 1976. Interstate and Foreign Commerce. Prescribes minimum national standards for utility rate structures in order to alleviate burdens imposed on low-income consumers. Establishes requirements for full evidentiary hearings on proposed rate increases, with adequate representation of consumer interests.

Establishes an electric Utility Ratemaking Assistance Office within the Federal Energy Administration to provide assistance with respect to ratemaking procedures.

Amends the Federal Power Act to require utilities to comply with standards designed to assure a reliable supply of electric energy. Authorizes appropriations for grants to State regulatory authorities. Establishes procedures for planning and coordination in the siting of bulk power facilities.

H.R. 12913. March 30, 1976. Judiciary. Declares a certain individual eligible for assistance pertaining to specially adapted housing and automobiles for disabled veterans.

H.R. 12914. March 30, 1976. Judiciary. Declares that a certain individual shall not be deemed to lose or to have lost his U.S. citizenship due to obtaining naturalization in Australia or to certain voluntary conduct in Australia indicating loss of nationality under the Immigration and Nationality Act.

H.R. 12915. March 31, 1976. Interstate and Foreign Commerce. Amends the medicaid program of the Social Security Act to repeal the requirement that State plans for medical assistance include consent by the State to the exercise of Federal judicial power with respect to suits brought against the State by or on behalf of any provider of services regarding the payment of the reasonable cost of inpatient hospital services.

H.R. 12916. March 31, 1976. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits use of unacceptable traps in interstate or foreign commerce. Prescribes regulations to prohibit the interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 12917. March 31, 1976. Agriculture. Provides that small farm extension and research and development programs under the Rural Development Act of 1972 consist of a comprehensive study to identify small farmers and determine their ability and willingness to upgrade their farming operations through improved technology and marketing practices and the development and implementation of a program for improving the operations of such farmers.

H.R. 12918. March 31, 1976. Ways and Means. Amends the Internal Revenue Code to stipulate that for specified bond issues, the proceeds of which are used for providing facilities with hydroelectric energy, the provisions concerning taxation of interest on industrial revenue bonds shall be inapplicable and any interest received from such governmental obligations shall be excluded from gross income.

H.R. 12919. March 31, 1976. Armed Services. Provides for a new Assistant Secretary of Defense for Reserve Affairs whose principal duty shall be the overall supervision of the reserve component affairs of the Department of Defense. Changes the existing position of Assistant Secretary of Defense for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower.

H.R. 12920. March 31, 1976. Ways and Means. Authorizes the balance to the credit of an employee who is a beneficiary of an exempt trust or annuity, under the Internal Revenue Code, to be paid out within one taxable year of the employee, on account of a termination of the employee benefit plan, without inclusion in the gross income of such employee, if such benefit payment is transferred to an individual retirement annuity, account, or bond within 60 days.

H.R. 12921. March 31, 1976. Post Office and Civil Service. Eliminates the one percent increase which is added to cost of living adjustments of Federal civil service annuities.

H.R. 12922. March 31, 1976. Ways and Means. Amends the Tariff Schedules of the United States to permit the duty-free importation of certain doxorubicin hydrochloride antibiotics until after June 30, 1977.

H.R. 12923. March 31, 1976. Judiciary. Redefines, for purposes of Federal criminal law, the term "firearm" to exclude any device which is intended only to fire a defensive gas, or a pyrotechnic signal, or both and which does not have a separated chambered barrel capable of firing a fixed round of ammunition.

H.R. 12924. March 31, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorized mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with commission actions authorizing specialized carriers.

H.R. 12925. March 31, 1976. Veterans' Affairs. Allows an eligible veteran who is pursuing a program of education at the close of the ten-year delimiting period to continue to receive educational assistance in specified circumstances.

H.R. 12926. March 31, 1976. Ways and Means. Authorizes a limited, refundable tax credit, under the Internal Revenue Code, to any eligible taxpayer for the amount of real property taxes paid or accrued, or for the amount of rent paid or incurred, by the taxpayer on such taxpayer's principal residence.

Limits such credit to taxpayers the sum of whose real property taxes and rent exceeds a percentage of the taxpayer's adjusted gross income for the taxable year.

H.R. 12927. March 31, 1976. Public Works and Transportation. Designates the Federal building and United States Post Office in Jasper, Georgia, as the Phil M. Landrum Federal Building and Post Office.

H.R. 12928. March 31, 1976. Interior and Insular Affairs. Establishes the Potomac National River in Maryland, Virginia, West Virginia, and the District of Columbia.

H.R. 12929. March 31, 1976. Interior and Insular Affairs. Establishes the Potomac National River in Maryland, Virginia, West Virginia, and the District of Columbia.

H.R. 12930. March 31, 1976. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlord.

H.R. 12931. March 31, 1976. Ways and Means. Amends the Tariff Schedules of the United States and the Tariff Act of 1930 to increase from $250 to $500 the value of merchandise which may be imported for personal use or as gifts, and which are subject to customs duty of 10 percent of the retail value rather than other rates.

H.R. 12932. March 31, 1976. Banking, Currency and Housing. Increases the amount authorized to be appropriated under the Housing Act of 1959 for the loans for housing for the elderly and handicapped program.

H.R. 12933, March 31, 1976. Public Works and Transportation. Amends the Public Works and Economic Development Act of 1965 to extend financial assistance programs under the act through fiscal year 1979. Allows assistance to competitors of regulated public utilities. Requires a decrease in allotments to States and localities which have exhausted their effective taxing and borrowing capacity.

Revises criteria for financial assistance under the act. Authorizes additional assistance and programs designed to alleviate problems of long-term urban and regional economic deterioration.

H.R. 12934. March 31, 1976. Banking, Currency and Housing. Amends the Federal Reserve Act to revise (1) the appointment process and the tenure of the chairman and vice chairman of the Board of Governors of the Federal Reserve System; and (2) the composition and meeting requirements of the Federal Open Market Committee.

Requires the Chairman of the Board of

Governors of the Federal Reserve System to report to Congress on a quarterly basis.

H.R. 12935. March 31, 1976. Ways and Means. Amends the Social Security Act to include, as a home health service in the medicare program, nutritional counseling provided by or under the supervision of a registered dietitian.

H.R. 12936.—March 31, 1976. Ways and Means. Amends the Social Security Act to include, as a home health service in the medicare program, nutritional counseling provided by or under the supervision of a registered dietitian.

H.R. 12937.—March 31, 1976. Interstate and Foreign Commerce; Ways and Means. Entitles women and children to have payment made for specified maternal and child health care services. Establishes within the Department of Health, Education, and Welfare a Maternal and Child Health Care Board. Establishes an Advisory National Maternal and Child Health Care Council.

Creates in the U.S. Treasury a Maternal and Child Health Care Trust Fund. Amends the Internal Revenue Code of 1954 to impose maternal and child health care taxes on employers, employees, and self-employed individuals. Appropriates the revenue from such taxes to such fund.

H.R. 12938.—March 31, 1976. Interstate and Foreign Commerce; Science and Technology. Amends the Solid Waste Disposal Act to expand research and development programs and to authorize the Administrator of the Environmental Protection Agency to make grants, loans, and loan guarantees for energy and resource recovery pilot plant and demonstration programs.

Includes provisions for grants and assistance to State, local, and interstate solid waste management and resource recovery programs.

H.R. 12939.—March 31, 1976. Merchant Marine and Fisheries. Makes amendments in laws relating to the Coast Guard. Revises the time period in which members may be considered for promotion.

H.R. 12940.—March 31, 1976. Merchant Marine and Fisheries. Adjusts the procedures for the promotion of members of the Coast Guard Reserve.

H.R. 12941.—March 31, 1976. Interstate and Foreign Commerce. Extends the life of the Committee on Mental Health and Illness of the Elderly for 1 year.

H.R. 12942.—March 31, 1976. Judiciary. Establishes penalties for killing, attempting to kill, kidnaping, assaulting, or threatening a foreign officer, official guest, or internationally protected person. Establishes penalties for willfully interfering with a foreign official in the performance of official duties.

H.R. 12943. March 31, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States arising from certain series H U.S. savings bonds.

H.R. 12944. April 1, 1976. Agriculture. Extends the Federal Insecticide, Fungicide, and Rodenticide Act for 6 months.

H.R. 12945. April 1, 1976. Banking, Currency and Housing. Increases the authorization of funds for housing assistance; comprehensive planning; and research and flood insurance. Extends assistance under various homeownership assistance programs.

Amends the United States Housing Act of 1937 to increase construction and rehabilitation of units in connection with the Housing Assistance Payments Program.

Increases the funds available for direct loans for construction of housing for the elderly and the handicapped.

Insures supplemental loans for hospitals.

Amends the Housing and Community Development Act of 1974 to provide supplementary community development block grant assistance to communities with high employment.

H.R. 12946. April 1, 1976. District of Columbia. Establishes the Commission on the Adequacy of the Annual Federal Payment to the District of Columbia to study and analyze the costs and benefits to the District of Columbia which result from its status as the Nation's capital, with particular consideration given to determining what factors should be included in the computation of the annual Federal payment and how much significance should be given to each such factor.

H.R. 12947. April 1, 1976. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings into community centers, senior citizen centers and specified educational, medical or social service centers.

Directs the Secretary to serve as a national clearinghouse to local agencies by providing information on possible alternative uses for closed school buildings.

H.R. 12948. April 1, 1976. Ways and Means. Entitles taxpayers, under the Internal Revenue Code, to elect to take a deduction with respect to the amortization of any qualified school or hospital property, which was purchased from a tax-exempt organization, based on a period of 180 months.

H.R. 12949. April 1, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland, and scenic open space.

H.R. 12950. April 1, 1976. Interstate and Foreign Commerce. Prohibits franchisers from prematurely canceling or failing to renew motor fuel franchises unless written notification is provided and the franchisee has failed to comply with reasonable terms of the agreement.

Specifies that refiners may not increase the percentage of gasoline distributed through refiner operated retail outlets for a 2-year period. Directs the Federal Trade Commission (FTC) to report to Congress on methods to promote competition in the marketing of gasoline.

Requires the FTC to prescribe rules for determining octane ratings of gasoline and display requirements for such ratings.

H.R. 12951. April 1, 1976. Interstate and Foreign Commerce. Amends the medicaid program of the Social Security Act to require States having approved plans under such program to provide community mental health center services.

H.R. 12952. April 1, 1976. Ways and Means. Amends the Tariff Schedules of the United States to impose customs duty upon palm oil imported for purposes other than the manufacture of iron or steel products, tinplate, or terneplate.

H.R. 12953. April 1, 1976. Education and Labor. Directs the Commissioner of Education to make grants available to central library systems to pay the operating expenses of public libraries.

H.R. 12954. April 1, 1976. Interstate and Foreign Commerce. Amends the Clean Air Act to direct the Administrator of the Environmental Protection Agency to prescribe standards for carbon monoxide in the passenger area of buses in order to protect public health. Requires that State implementation plans include measures to attain and enforce such standards.

H.R. 12955. April 1, 1976. Interstate and Foreign Commerce. Revises the nature and manner of providing Federal financial assistance to the States for health care purposes. Requires States to formulate State health care plans focusing on health care planning, the needs of individuals living in rural or medically underserved areas, the supply and distribution of health facilities, manpower, and services, and the health needs of children, the elderly, migrants, the mentally ill, the handicapped, alcoholics, drug abusers, and those suffering from developmental disabilities.

H.R. 12956. April 1, 1976. Interstate and Foreign Commerce. Amends the Federal Power Act to direct the Federal Power Commission to require utilities to file curtailment plans to meet anticipated power shortages.

Requires public hearings on proposals for utility rate increases. Authorizes the Commission to take additional measures to eliminate discriminatory and anticompetitive practices by utilities.

H.R. 12957. April 1, 1976. Science and Technology; Small Business; Rules. Amends the Energy Reorganization Act of 1974 and the Energy Research and Development Act of 1974 to offer increased opportunities in Federal energy development programs to small business concerns and individual investors. Places special emphasis on programs to develop solar energy technology.

Directs the Small Business Administration to cooperate with the Energy Research and Development Administration in the development of such opportunities. Establishes limits on the awarding of contracts to situations where non-Federal finances are inadequate and where the awarding of such contracts will not have an adverse impact on competition.

H.R. 12958. April 1, 1976. Interior and Insular Affairs. Designates a specified segment of the New River in North Carolina as a component of the national wild and scenic rivers system.

H.R. 12959. April 1, 1976. Education and Labor. Includes handicapped persons employed in sheltered workshops within the provisions of the National Labor Relations Act.

H.R. 12960. April 1, 1976. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90 days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this Act by a franchisor.

H.R. 12961. April 1, 1976. Interstate and Foreign Commerce. Amends the Medicaid program of the Social Security Act to repeal the requirement that State plans for medical assistance include consent by the State to the exercise of Federal judicial power with respect to suits brought against the State by or on behalf of any provider of services regarding the payment of the reasonable cost of inpatient hospital services.

H.R. 12962. April 1, 1976. Veterans' Affairs. Directs the Secretary of Defense to provide for the burial at the Arlington Memorial Amphitheater, Arlington National Cemetery, of the remains of an unknown American soldier who lost his life in the American Revolutionary War.

H.R. 12963. April 1, 1976. Judiciary. Increases the salaries of justices, judges, and other judicial officers of the United States.

H.R. 12964. April 1, 1976. Agriculture. Amends the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 to establish a farm acreage allotment marketing quota, and price support level for the 1977 crop of peanuts. Directs the Commodity Credit Corporation to make warehouse storage loans available to marketing associations and requires such associations to establish pools of such commodity for purposes of sale.

H.R. 12965. April 1, 1976. Veterans' Affairs. Stipulates that chiropractic care shall be included among the areas of medical care furnished to eligible veterans by the Administrator of Veterans' Affairs.

H.R. 12966. April 1, 1976. Ways and Means. Amends the Medicare program of the Social

Security Act to include community mental health centers among the facilities which may be qualified providers of services.

H.R. 12967. April 1, 1976. Judiciary. Creates a charitable body corporate to be known as the National Opportunities Camps for the purpose of establishing and operating camps for disadvantaged children. Grants to such corporation the exclusive right to the name "National Opportunities Camps."

H.R. 12968. April 1, 1976. Judiciary. Amends the Federal Rules of Evidence to prohibit, in cases of alleged rape or assault with intent to commit rape, the introduction of evidence of the victim's prior sexual conduct or reputation. Makes such prohibition inapplicable to evidence of the victim's prior sexual conduct with the alleged assailant.

H.R. 12969. April 1, 1976. Public Works and Transportation. Prohibits the use of funds under the Airport and Airway Development Act of 1970 for the planning or development of a public airport at Floyd Bennett Field within the Gateway National Recreation Area, New York.

H.R. 12970. April 1, 1976. Public Works and Transportation. Amends the Public Works and Economic Development Act of 1965 to extend financial assistance programs under the Act through fiscal year 1979. Allows assistance to competitors of regulated public utilities. Requires a decrease in allotments to States and localities which have exhausted their effective taxing and borrowing capacity.

Revises criteria for financial assistance under the Act. Authorizes additional assistance and programs designed to alleviate problems of long-term urban and regional economic deterioration.

H.R. 12971. April 1, 1976. Public Works and Transportation. Amends the Public Works and Economic Development Act of 1965 to extend financial assistance programs under the Act through fiscal year 1979. Allows assistance to competitors of regulated public utilities. Requires a decrease in allotments to States and localities which have exhausted their effective taxing and borrowing capacity.

Revises criteria for financial assistance under the Act. Authorizes additional assistance and programs designed to alleviate problems of long-term urban and regional economic deterioration.

H.R. 12972. April 1, 1976. Public Works and Trasnportation. Authorizes the Secretary of Commerce to make grants for local public works projects, provided that such projects are designed to alleviate unemployment and do not involve the damming or other diversion of water.

H.R. 12973. April 1, 1976. Public Works and Transportation. Authorizes the Secretary of Commerce to make grants for local public works projects, provided that such projects are designed to alleviate unemployment and do not involve the damming or other diversion of water.

H.R. 12974. April 1, 1976. Interstate and Foreign Commerce. Prescribes criteria for Federal, State, and local agencies regulating electric utilities which would require that rate schedules accurately reflect long-run incremental costs of service and that price differentials for different customer classes reflect actual documented differentials in costs of service.

Prohibits any allowance for recoupment of any advertising costs except if such advertising is designed to discourage energy consumption during peak load periods or to encourage conservation of electricity in general.

Establishes standards for the treatment of fuel adjustment clauses and for the determination of effective dates for proposed changes in rates and schedules.

H.R. 12975. April 1, 1976. Government Operations. Permits a Federal agency to refer a request received under the Freedom of Information Act to another agency. Sets time limits within which agencies dealing in criminal investigations must make a determination with respect to requests and appeals under the Act.

H.R. 12976. April 1, 1976. Judiciary. Authorizes courts with naturalization jurisdiction conferred to them under the Immigration and Nationality Act to retain up to $20,000 of the fees collected in naturalization proceedings held in such courts in any fiscal year.

H.R. 12977. April 1, 1976. Ways and Means. Amends the Internal Revenue Code to exclude from gross income the interest on series E and H United States savings bonds.

H.R. 12978. April 1, 1976. Banking, Currency and Housing. Increases the amount authorized to be appropriated under the Housing Act of 1959 for the loans for housing for the elderly and handicapped program.

H.R. 12979. April 1, 1976. Banking, Currency and Housing. Increases the amount authorized to be appropriated under the Housing Act of 1959 for the loans for housing for the elderly and handicapped program.

H.R. 12980. April 1, 1976. Veterans' Affairs. Eliminates certain restrictions on the sale of merchandise and services by the Veterans' Canteen Service.

Makes certain changes in the method of financing the Service.

H.R. 12981. April 1, 1976. Interstate and Foreign Commerce. Amends the Investment Advisers Act of 1940 to authorize the Securities and Exchange Commission to prescribe standards of qualification and financial responsibility for investment advisers.

H.R. 12982. April 1, 1976. Interstate and Foreign Commerce. Prohibits distributors and refiners of petroleum products from cancelling franchises without cause and without prior notice.

H.R. 12983. April 1, 1976. Interstate and Foreign Commerce; Interior and Insular Affairs; Public Works and Transportation. Establishes procedures for administrative review and Presidential decisionmaking concerning the selection and construction of a natural gas transportation system to deliver Alaskan natural gas to the contiguous 48 States. Details procedures for congressional review of such Presidential decision.

Suspends various procedural requirements imposed by the Mineral Leasing Act of 1920 and the National Environmental Policy Act of 1969. Imposes limitations on judicial review of administrative actions taken pursuant to this Act.

H.R. 12984. April 1, 1976. Armed Services. Directs the Secretary of the Navy (1) to maintain and develop the Guam shipyard repair facility; and (2) to study the necessity of maintaining shipyard repair facilities in the western Pacific independent of foreign treaties or foreign workers.

H.R. 12985. April 1, 1976. Judiciary. Declares a certain individual eligible for naturalization under the Immigration and Nationality Act.

H.R. 12986. April 1, 1976. Judiciary. Directs the Secretary of the Treasury to pay a certain sum to the trustee of the beneficiaries of a specified business trust.

H.R. 12987. April 2, 1976. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to authorize appropriations for the emergency jobs program. Requires that not less than 85 percent of the funds for public services employment programs be used only for wages and employment benefits.

H.R. 12988. April 2, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland, and scenic open space.

H.R. 12989. April 2, 1976. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish a National Diabetes Advisory Board to insure the implementation of a long range plan to combat diabetes. Authorizes the Secretary to make grants to scientists who have shown productivity in diabetes research for the purpose of continuing such research. Authorizes, under the Public Health Service Act, the appropriation of specified sums for the purpose of making grants to centers for research and training in diabetic related disorders.

H.R. 12990. April 2, 1976. Ways and Means. Amends the Internal Revenue Code to allow individuals who have attained the age of 65 a limited tax exclusion for amounts received as interest on savings.

H.R. 12991. April 2, 1976. Ways and Means. Amends the Social Security Act to authorize payment under the Medicare program for specified services performed by chiropractors, including x-rays, and physical examination, and related routine laboratory tests.

H.R. 12992. April 2, 1976. Ways and Means. Excludes dividends received from domestic corporations from the terms "foreign oil and gas extraction income" and "foreign oil related income" for purposes of taxation under the Internal Revenue Code.

H.R. 12993. April 2, 1976. Judiciary; Education and Labor. Amends the Civil Rights Act of 1964 to prohibit discrimination on the basis of marital status with respect to public facilities, public education, and federally assisted opportunities. Sets forth procedures for the enforcement of prohibitions under such Act.

Amends the Education Amendments of 1972 to prohibit such discrimination in education programs receiving Federal financial assistance.

Prohibits such discrimination in housing sale, rental, financing, and brokerage services. Sets forth penalties for intimidation or discrimination in housing.

H.R. 12994. April 2, 1976. Post Office and Civil Service. Requires the United States Postal Service to consider specified factors in determining the need for an existing third- or fourth-class post office.

H.R. 12995. April 2, 1976. Government Operations. Directs the Administrator of General Services to convey without cost to the city of Albany, Georgia, specified real property.

H.R. 12996. April 2, 1976. Government Operations. Directs the Administrator of General Services to convey without cost to the city of Albany, Georgia, specified real property.

H.R. 12997. April 2, 1976. Judiciary. Requires the Attorney General to take such measures as he deems necessary to extend for a period of six months from the date of the enactment of this Act, the visa of any alien of Lebanon whose visa would expire, if not for the provisions of this Act, during such period.

H.R. 12998. April 2, 1976. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to prohibit the issuance of solid waste management regulations with respect to the sale or distribution of beverage containers at Federal facilities.

H.R. 12999. April 2, 1976. Interstate and Foreign Commerce. Amends the Federal Power Act to direct the Federal Power Commission to require utilities to file curtailment plans to meet anticipated power shortages.

Requires public hearings on proposals for utility rate increases. Authorizes the Commission to take additional measures to eliminate discriminatory and anticompetitive practices by utilities.

H.R. 13000. April 2, 1976. Interstate and Foreign Commerce. Prohibits franchisors from prematurely cancelling or failing to renew motor fuel franchises unless written notification is provided and the franchisee has failed to comply with reasonable terms of the agreement.

Specifies that refiners may not increase the percentage of gasoline distributed through refiner operated retail outlets for a two year period. Directs the Federal Trade Commission (FTC) to report to Congress on methods to promote competition in the marketing of gasoline.

Requires the FTC to prescribe rules for determining octane ratings of gasoline and display requirements for such ratings.

H.R. 13001. April 2, 1976. Small Business. Amends the Small Business Act to establish a direct, low-interest loan program to assist small business concerns in the development of solar heating and cooling equipment for residential structures.

H.R. 13002. April 2, 1976. Interstate and Foreign Commerce. Amends the Federal Power Act to direct the Federal Power Commission to require utilities to file curtailment plans to meet anticipated power shortages.

Requires public hearing on proposals for utility rate increases. Authorizes the Commission to take additional measures to eliminate discriminatory and anticompetitive practices by utilities.

H.R. 13003. April 2, 1976. Ways and Means. Permits States, under the Emergency Unemployment Compensation Act of 1974, to elect to provide for the payment of emergency unemployment compensation benefits on the basis of area "emergency on" or "emergency off" indicators. States that such election may be made in the time and manner which the Secretary of Labor prescribes, and shall be irrevocable.

H.R. 13004. April 2, 1976. Public Works and Transportation; Ways and Means. Establishes an independent Federal aviation corporation to be known as the Air Traffic Services Corporation. Transfers the powers, functions and duties of the Secretary of Transportation under specified laws and provisions of law relating to civil aviation to such Corporation. Transfers the personnel, assets, liabilities, contracts, unexpended appropriations, and funds in the Department of Transportation relating to civil aviation to such independent Corporation.

H.R. 13005. April 2, 1976. Banking, Currency and Housing. Requires the developers of all condominium projects to disclose specific information on proposed new construction or conversion of existing structures to any federally regulated financial institution and any prospective purchaser as a prerequisite for the granting of a construction or purchase loan.

Establishes the Office of Assistant Secretary for Condominiums in the Department of Housing and Urban Development.

Sets forth regulations to protect the rights of the tenants of multifamily rental housing which is to be converted to condominiums.

Authorizes the Secretary of Housing and Urban Development to make grants to State and local governments to establish similar programs.

H.R. 13006. April 2, 1976. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on articles assembled abroad with components produced in the United States.

H.R. 13007. April 2, 1976. Veterans' Affairs. Provides that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of cost-of-living increases in monthly social security benefits, railroad retirement annuities, public or private retirement, annuities, endowments, or similar plans or programs.

H.R. 13008. April 2, 1976. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to establish in the Department of Labor an Office of Youth Employment. Authorizes the Director of such office to provide financial assistance through grants and contracts for comprehensive work and training programs designed to provide high school students and unemployed youths with part-time employment, summer jobs, counseling, and job training opportunities.

H.R. 13009. April 2, 1976. Interior and Insular Affairs. Directs the Secretary of the Interior to convey to the Fairbanks North Star Borough all interests of the United States in a designated parcel of land located in the Fairbanks Recording District, Alaska.

H.R. 13010. April 2, 1976. Government Operations. Amends the Budget and Accounting Act of 1921, to emphasize that the President's annual budget is a proposal only.

Requires that any documents issued by any Federal instrumentality which refer to the President's proposed budget make it clear that such proposed budget is only a recommendation and is subject to such action as Congress may take in approving, modifying, or rejecting it.

H.R. 13011. April 2, 1976. Ways and Means. Amends the Internal Revenue Code to allow an individual whose amount derived from activities not engaged in for profit exceeds the deductions attributable to such activities, and the amount of such excess is $500 or less, to elect to exclude such amount from gross income.

Prohibits such election if for two or more of the taxable years in the period of five consecutive years preceding the election year the amounts derived from activities not engaged in for profit exceeds the deductions allowable for such activities by more than $500.

H.R. 13012. April 2, 1976. Interstate and Foreign Commerce. Amends the Public Health Service Act to direct the Secretary of Health, Education, and Welfare to establish, conduct, and support needed activities to carry out a national influenza immunization program.

H.R. 13013. April 2, 1976. Ways and Means. Authorizes a tax deduction, under the Internal Revenue Code, for any contribution, request, or gift to the United Nations.

H.R. 13014. April 2, 1976. Public Works and Transportation. Terminates the authorization for the Helm Reservoir project in Illinois.

H.R. 13015. April 2, 1976. Post Office and Civil Service; Agriculture. Terminates the duty of the Secretary of Commerce to take agricultural, drainage, and irrigation censuses. Directs the Secretary to continue the statistical classification of farms which was in effect on January 1, 1975, until June 30, 1976.

Directs the Secretary of Agriculture to collect comparable information on agriculture, drainage and irrigation on a sample basis.

H.R. 13016. April 5, 1976. Judiciary. Requires specified minimum prison sentences for any individual who uses or carries a firearm during the commission of a felony that may be prosecuted in a Federal court and for whoever is convicted by a State court of using or carrying a firearm transported in, or affecting, interstate commerce during the commission of a felony.

H.R. 13017. April 5, 1976. Veterans' Affairs. Establishes a program of educational assistance for individuals entering an active military duty after June 30, 1976.

H.R. 13018. April 5, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland, and scenic open space.

H.R. 13019. April 5, 1976. Judiciary. Amends the Civil Rights Act of 1964 to prohibit discrimination based on affectional or sexual preference in: (1) public accommodations, (2) public facilities, (3) public education, (4) federally assisted opportunities, (5) equal employment opportunities, (6) housing, and (7) educational programs receiving Federal assistance.

H.R. 13020. April 5, 1976. Interstate and Foreign Commerce; Post Office and Civil Service. Amends the Public Health Service Act to exempt professional, scientific, and executive positions within the National Institutes of Health from the compensation limitations of level V of the Executive Schedule.

H.R. 13021. April 5, 1976. Education and Labor. Directs the Secretary of Labor to enter into arrangements with States to provide Federal financial assistance for establishing part-time school year and full-time summer employment opportunity programs for youths.

Requires the Secretary of the Interior and the Secretary of Agriculture to jointly extend the Youth Conservation Corps so as to make possible the year-round employment of young adults.

Establishes a permanent year-round recreation support program within the Department of Labor.

H.R. 13022. April 5, 1976. Veterans' Affairs. Revises eligibility requirements for veterans' dependency and indemnity compensation.

H.R. 13023. April 5, 1976. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlord.

H.R. 13024. April 5, 1976. Education and Labor. Directs the Secretary of the Interior and the Secretary of Agriculture to extend the Youth Conservation Corps program to provide year-round employment for young adults between the ages of 19 and 24.

H.R. 13025. April 5, 1976. Ways and Means. Amends the Tariff Schedules of the United States to require proof of automobile property and personal liability insurance on automobiles imported for the personal use of nonresidents and foreign government personnel, in an amount equal to the minimum insurance requirements in those States in which the vehicle will be operated.

Directs the Secretary of the Treasury to forward certain identifying information on such vehicles to the Secretary of Transportation who shall forward such information to the appropriate State agency responsible for motor vehicle registration.

H.R. 13026. April 5, 1976. Ways and Means. Amends the Old-Age, Survivors, and Disability Insurance program of the Social Security Act to prohibit the payment of child's insurance benefits to an insured individual's stepchild, after such child's natural parent and the insured individual are divorced, for any period during which such child is receiving support from any source other than such parent and insured individual.

H.R. 13027. April 5, 1976. Post Office and Civil Service. Allows any Federal employee or Member of Congress who is a Japanese American World War II internee to credit, for civil service retirement purposes, the period during which such individual was detained or interned in a camp or similar facility.

H.R. 13028. April 5, 1976. Ways and Means Amends the Old-Age, Survivors, and Disability Insurance program of the Social Security Act to entitle widows and widowers who are under a disability to receive unreduced widow's and widower's benefits without regard to age.

H.R. 13029. April 5, 1976. Agriculture. Establishes within the Department of Agriculture a Bureau of Agricultural Statistics to obtain information regarding the prices of food paid to producers and processors and the prices of food at the wholesale and retail level. Directs such Bureau to make recommendations for legislation to provide for lower retail prices of food when the price paid to the producer for the agricultural commodity from which the food is made is decreasing or remaining constant, and the retail price is increasing.

H.R. 13030. April 5, 1976. Banking, Currency and Housing. Prohibits State and local laws which permit the construction of buildings or other obstructions which interfere with the effective operation of solar heating and cooling equipment.

EXTENSIONS OF REMARKS

DOWN THE HATCH TO TROUBLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. DERWINSKI. Mr. Speaker, across the country editorials and articles by distinguished columnists have been appearing praising the President's veto of the Hatch Act and calling on the Congress to uphold the veto. I would like to call the attention of the Members to a column by Jerald terHorst which appeared in the Chicago Tribune on Friday, April 16, on this issue which will be before the House on Thursday.

The article follows:

DOWN THE HATCH TO TROUBLE

(By Jerald terHorst)

WASHINGTON.—Shortly before World War II, when the expanding list of New Deal agencies began to read like a recipe for alphabet soup, a Democratic senator from New Mexico named Carl Hatch began fretting about the political potential of the thousands of workers who were rapidly swelling the federal payroll.

Hatch reasoned, quite logically as it turns out, that federal employes could constitute an army of campaign workers for any national candidate making the right promises.

So Hatch, a man with a pioneer streak of puritanism, decided to do something about the problems he foresaw. He persuaded the Senate and the House to pass a law in 1939 prohibiting active participation in national politics by federal employes.

The law has been amended from time to time but not the basic ban on partisan politicking by civil servants. That's what a government worker refers to when he or she says "I'm Hatched." And now, thanks to President Ford's veto the other day, federal employes are going to stay Hatched a while longer.

Lord knows why anybody would want to scrap a law that makes such clean common sense. But a majority of the House and Senate, mainly Democrats, felt otherwise.

The enormity of that proposed transgression of ethical politics boggles the mind. But then, Congress rarely seems bothered by such niceties when on the scent of a pay raise, a boost in their own subsidies or, as in this case, a chance to coerce civil servants into supporting their campaigns for reelection.

The issue, of course, wasn't argued that baldly. Heaven forbid. Instead, the drive to politicize the civil service was advanced with all the fervor of ringing the Liberty Bell. The government's workers, a proponent said, were being denied the rights of the Constitution. Without sanction to engage in partisan politics, they said, federal employes were "second class citizens."

Post office committee chairman Gale W. McGee, a Wyoming Democrat who rarely loses his perspective, accused pro-Hatch lawmakers of slandering the labor unions which have brought "honorable collective bargaining procedures" into governmental practice. "Let us not forget that these are responsible people," McGee declared of federal workers, "certainly as capable as any other group of Americans to be trusted to use sound judgment and discretion in ordering their own affairs."

Well, that's for sure. Had McGee and some of the other proponents, including presidential hopefuls like Scoop Jackson, Hubert Humphrey, and Birch Bayh, paid attention to what the civil servants are really saying, they might not have voted to un-Hatch them. Public opinion surveys taken by members of Congress from Virginia, with the nation's heaviest concentration of federal employes, found early on that a majority opposed Hatch Act changes.

Then why all the heavy oratory to change to the 37-year-old Hatch Act? The reason was the heavy pressure from the AFL–CIO and particularly from the hierarchy of the public employes' union. Lifting the restraint of political activity by civil servants, said Sen. Hiram L. Fong [Rep., Hawaii], would give these unions the manpower and the political donations "that could be targeted more effectively on Senate and House candidates willing to do their bidding."

That kind of thing is what we had sought to eliminate more than half a century ago when we abolished the spoils system and instituted civil service. The idea was to get politics out of the bureaucracy so that taxpayers could get their money's worth out of the bureaucrats.

Federal workers are very well paid. They enjoy pension benefits and job security rights that are virtually unmatched. They attained this high status, under the Hatch Act and Ford was right to veto the move to un-Hatch them.

What the civil service does need, however, is a full-scale reform. The merit system has been badly warped. Exceptional workers go unrewarded, and mediocre employes are protected. It's almost impossible to get rid of the deadwood.

If Congress wants to help the morale of the federal service and—dare we suggest it?—the morale of the taxpayers, it should cease trying to manipulate the civil service and start a reform movement. I predict Ford would not veto that.

AFFIRMATIVE ACTION AND THE IVORY TOWER

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. HAWKINS. Mr. Speaker, Mr. Vernon Jordan, executive director of the National Urban League, recently commented in his nationally syndicated column on the entrenched posture of resistance posed by several of the Nation's colleges and universities to the enforcement of affirmative action programs.

The intent of the affirmative action mandate was to provide equal employment opportunities within private industry and institutions receiving Federal funds. Affirmative action is viewed as one of many programs designed to eliminate discrimination based upon sex or ethnic origin. However, the reluctance on the part of the noncomplying centers of higher education are indicative of some ominous undertones about our willingess to achieve the overall goal of the elimination of discrimination.

AFFIRMATIVE ACTION AND THE IVORY TOWER

(By Vernon E. Jordan, Jr.)

Long under attack for their supposed liberalism, many colleges and universities are loudly protesting the need to initiate affirmative action programs to employ more women and more blacks and other minorities.

Large corporations have instituted affirmative action programs and some of the most rigid unions are showing some flexibility, but while some universities have given in, others are still screaming about the terrible things that will happen to them if they have to hire more blacks and more women.

From the way some of them carry on, one would think that Washington has placed an FBI man in every college administrator's office to force him to hire minorities. Actually though, the proportion of blacks and women faculty has barely changed over the last five years—it's still less than three percent for blacks and 20 percent for women.

A major segment of the college community recently spent a lot of time and effort to try to get the government to ease affirmative action standards as they relate to higher education. They failed, but their statements of good intentions would be more believable if that same time and energy were spent trying to recruit minorities for academic and administrative jobs on campus.

Colleges and universities are not exempt from legal requirements for fair hiring applicable to other major government contractors. They get billions in federal grants and contracts and there's just no excuse for the failure to show progress in minority employment after all these years.

Universities often argue that there aren't enough "qualified" blacks and that affirmative action programs mean weakening the so-called merit system.

One would expect stronger arguments from intellectuals. As Stephen Horn, President of California State University has recently stated, "Universities cannot simply plead that the supply of qualified minorities and women is not available when they have a major responsibility to provide that supply." And he points out that while one out of every eight doctorates is held by a woman only one of every fifty full professorships is held by a woman.

The so-called merit system is a scarecrow designed to frighten off serious attempts to correct discriminatory practices. Hiring is still done through the old-boy network of recommendations by high ranking professors, and while many schools say the minority pool is limited because of fewer PhDs, some forty percent of all faculty members don't have a PhD.

When fair employment laws first were passed we heard the same story, the merit system would be weakened. Civil servants wouldn't be as capable, and factory workers wouldn't be as efficient. After at least ten years' experience with fair employment laws we've found those excuses to be a myth, but some college administrators still cling to them.

The ugly ghost of "quotas" is also raised, implying that every American will be categorized by his ethnic background when applying for a job. That too is false. Affirmative action encompasses numerical goals as a benchmark with which to measure an employer's good faith effort to correct past discriminatory hiring practices.

One major affirmative action agreement with a big university gives the school thirty years in which to reach very modest minority employment goals. So much for coercive quotas!

It would be instructive for many colleges to further heed the words of President Horn. "Educational institutions and unions *have* discriminated against minorities and women," he says. And he goes on to state that changes must be made "if our institutions are to reflect the diversity and talents of the society of which we are a part."

It's time for the academic community to come out of its self-imposed ivory tower and into the real world, where the society that feeds it has claims for equal opportunities in higher education no less strong than its claims on business and unions.

STATEMENT ON THE HOLOCAUST

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Ms. ABZUG. Mr. Speaker, today, April 27, which marks the last day of the Warsaw ghetto uprising, is Holocaust Day—a date to commemorate the death of 6 million European Jews who were systematically destroyed by a society overtaken by militarism and hatred.

There obliteration could not have been accomplished without the complicity of an entire nation and the moral indifference of a generation of international political leaders, including our own.

To deal with evil on such a massive scale is staggering to consider, and continues to trouble scholars, theologians, and writers of all faiths.

Eli Wiesel, the gifted Jewish author who lived through the death camps has explored the meaning of the holocaust in several books. Terrence des Pres, who is also a survivor, suggests in his article in today's New York Times that each of us must consider the meaning of the holocaust personally so that we can direct our energies into the pursuit of justice and the enhancement of life.

As political leaders—with the responsibility for protecting the social welfare—I believe that we have a special mandate to examine the holocaust in terms of the potential of our own institutions for committing violence or perpetuating evil with our tacit approval.

I ask my colleagues to remember—not only the holocaust but the injustices that continue—which we can do something about.

And I commend to my colleagues the fine articles from today's Washington Post and the New York Times by Henry Owen of the Brookings Institution and Terrence des Pres, author of "An Anatomy of Life in the Death Camps."

The articles follow:

[From the Washington Post, April 27, 1976]

APRIL 27: REMEMBERING THE DAY OF THE HOLOCAUST

(By Henry Owen)

In October 1966, standing in front of the monument to the dead of the Warsaw 1942 ghetto uprising, an American diplomat said that John Gronouski, then our ambassador to Poland, had written in the guest book at Auschwitz "no one of us is innocent," and a Polish newspaperman who was with us added that no one who had lived in those terrible times could challenge that statement.

April 27, which was the last day of the Warsaw uprising, is set aside, in varying degree in different countries, to commemorate six million men, women, and children who died in the Holocaust. Survivors tell us that these victims' wish was, above all, to be remembered. We should remember them—not only in love and pity, but also in thinking on the moral meaning of these events.

The Holocaust was a lapse into evil of proportions unmatched in modern human history. Any one seriously concerned with our time and our values has to ask himself: How did it happen? The easy answer is that it was all the fault of Hitler, the Nazi, and the Germans, in that order. But this is too simple, of course. It was the work of the madman who ordered it, the criminals who ran the death camps, and the German people who allowed these men to gain power. But the Holocaust would not have been possible without the active or passive cooperation of government officials and police in the occupied countries. Surely they were unwilling accomplices, but perhaps so were some of the German police who did the same thing in Germany. Hitler's orders to carry out the Holocaust, were, with noble exceptions, obeyed throughout the continent. Denmark was one of those exceptions. It shows what could happen when an entire nation set out to defy these orders: An entire people was saved. The fact that this *was* an exception casts a somber light on what happened elsewhere. Nor are Americans in a good position to strike a superior stance; our unwillingness to accept large numbers of refugees in the 1930's and our failure to take much note of what was happening during the Holocaust is nothing to be proud of.

The Holocaust was mainly the Nazis' fault, but we miss the central point if we think of it as being solely their responsibility. The Holocaust has more to tell us than that. It tells us that Jacob Burckhardt, the Swiss historian, and Lord Acton were right when they wrote, amid the general optimism of the 19th century, that the combination of continued human imperfection and growing human power was an increasingly dangerous one. It was the work not only of the instigators but of an entire generation which, when faced with evil, for the most part did nothing. It was the work of a generation, of Germans and others, who had been too busy or ambitious or clever to pay much attention to anything except being good architects, good businessmen, good engineers, or what have you.

One of these men was the German Minister of Armaments, Albert Speer, who, by his own account, when he received a hint of what was going on at Auschwitz, "did not investigate—for I did not want to know what was happening there." The London Observer of April 9, 1944 had this to say of Speer: "Much less than any of the other German leaders does he stand for anything particularly German or particularly Nazi. He rather symbolizes a type which is becoming increasingly important in all belligerent countries: the pure technician, the classless bright young man without background, with no other original aim than to make his way in the world and no other means than his technical and managerial ability. It is the lack of psychological and spiritual ballast, and the ease with which he handles the terrifying technical and organizational machinery of our age, which makes this slight type go extremely far nowadays. . . . This is their age; the Hitlers and Himmlers we may get rid of, but the Speers, whatever happens to this particular special man, will long be with us.

The answer to the question of how it happened may never be wholly clear. But a good start is to face the truth that not one of us is wholly innocent. For it was our culture, our governments, our attitudes which shape the environment in which these terrible events took place. Burckhardt and Acton had predicted that a culture rooted in pragmatism would be vulnerable to great pressures and temptations. If we can draw the lesson, the victims of the Holocaust will have been remembered in the way they might have wished. In part, that lesson involves a choice between pragmatism and other values in our personal lives. But the same issue arises in government. When the executive branch asks the Congress for funds to help poor countries, it feels compelled to conjure up a series of misleading pragmatic arguments—if we do not help these countries, they will go Communist, or cut off our supplies of raw materials, or vote against us in the United Nations. These arguments, in turn, distort the assignment and destination of our aid. Why not say, as John Kennedy once did, that we should do it because it's right, and program the aid accordingly? The same issue arises in other areas of foreign and domestic policy—open housing and welfare reform, for example.

In an election year, we are exposed to debate about many specific issues. It is important to analyze these issues, but even more important are the criteria that we use in our analysis. For there is a moral choice involved in many of these issues, and April 27 is a good day in which to realize at what peril we ignore this choice.

[From the New York Times, Apr. 27, 1976]

LESSONS OF THE HOLOCAUST

(By Terrence Des Pres)

HAMILTON, N.Y.—Without doubt there is an upsurge of interest in the holocaust. We see it in novels, in films, in news articles and even on popular television programs. Most significantly, we see it in the increasing number of college courses, dozens of them in schools throughout the land, that focus on this subject.

There is a demand for such knowledge, a demand on the part of the students themselves, as if Erik Erikson's remark—that children live out the *secret* wishes of the parents—were indeed the truth of what is happening.

For the generation that lived through the war, for the men and women who suffered loss of family and friends on the battlefields or in the death camps, there was only naked hurt and a traumatic reaction that made any effort to confront the evil of the concentration camps a task beyond human resource.

Yet if we are to meet our present problems in humanly creative ways, we need most urgently to come to livable terms with our terrible past. And judging from the proliferation of holocaust courses, and also from my own experience in the classroom, a generation of young adults has arrived, Jewish and non-Jewish alike, who are now prepared to face the worst.

The question Why? will naturally persist. Why teach such stuff? Why enroll in such a course? Why, amid the quiet splendor of these upstate hills, allow such darkness to invade one's soul when, ostensibly, no good can come of it? And certainly, if by good we mean answers and rational explanation, if we mean atonement and redemption, then there is nothing to be gained by knowing the facts of the death camps.

Yet as if by miracle, this spring there are 141 students in "Literature of the Holocaust" at Colgate. The room is filled with an intensity of concern I am tempted to describe as religious. And for all their shock and depression and, yes, also their tears, what emerges finally are things so finely human, things so clearly good and life-enhancing, that the danger we run and the damage we share in meditation on the holocaust seem not too high a price to pay.

For Jewish students there comes a renewal of heritage and pride, and the gap between themselves and their relatives closes as their sense of family deepens: "During vacation I did a lot of checking on who came from where."

A new appreciation of the problems of Israel comes to everyone; and again, for Jews and non-Jews, a sharpening of moral discernment, a release of ethical energies, a keener sense of prejudice and injustice.

A disregard for small irritations develops, the outcome of a constant involuntary comparison between one's own suffering and the massive pain of the camps, with a resulting decline in self-indulgence: "Sometimes I catch myself complaining and then I think, well, why don't you shut up and drink your watery cabbage soup."

Also a broader, more sensitive care for others, accompanied by the feeling that personal relationships are supremely valuable—"little things like meeting someone on the street and having a nice time talking, or seeing a person extend himself for another person."

There comes, too, a new lucidity about "the basics," and the real risk of all this is openly accepted: "What confuses me is whether knowledge of these events should make me rejoice that I am alive and aware of my good fortune, or whether the immense cruelty and destruction of the camps will ultimately undermine my faith in mankind."

For most, their own good luck, the simple facts of time and place, come to be "almost a miracle." Their lives, once taken for granted, now seem priceless gifts. And as odd as this must sound, for many of these young people there comes at last a small fierce joy.

"I am happy," says one student, "more appreciative of the great fortune I've had to be given this specific life to live."

Or as another said: "I was out in the snow running and singing and I yelled out at the top of my lungs, I'm alive—and I love it."

Or finally, in full knowledge of how terrible life can become: "Something is making living feel a whole lot better."

ABRAHAM LINCOLN: UNFORGETTABLE AMERICAN

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. CARTER. Mr. Speaker, one of the most important byproducts of our Bicentennial celebration is a renewed interest in understanding the history of this country and the individuals who have helped make this the greatest Nation on Earth.

Abraham Lincoln was one of the greatest Americans, and it is particularly fitting that what may be the greatest book yet written about Lincoln should be published during this, our Bicentennial Year.

I am proud that this new book is written by a Kentuckian—Miss Mabel Kunkel, a resident of Richmond, Ky., in the district I represent.

Miss Kunkel has spent 16 years of exhaustive research, tireless planning, writing and editing to produce "Abraham Lincoln: Unforgettable American." This comprehensive 472-page book chronicles the life of our Kentucky-born President and the thousands of ways he is remembered throughout the world. Miss Kunkel has written both a comprehensive biography and family history of Lincoln and a definitive guide to the many monuments, parks, shrines, markers, statues and other memorials to our Civil War President and his ancestors. It is an extremely well documented book and contains many photographs and illustrations.

"Abraham Lincoln: Unforgettable American" was released by the Delmar Co. of Lexington, Ky., on April 1, and it should be of special interest to all Americans during our Bicentennial but especially those who honor the memory of our 16th President.

Special tribute, however, must go to Miss Kunkel for her tremendous work in writing this book. She is a distinguished alumna of what is now Eastern Kentucky University and of the University of Kentucky. Miss Kunkel taught for 47 years in the classrooms of Madison County, Ky., and her teaching experience contributes to the lucid, informative style of her writing.

Publication of this volume is the realization of Miss Kunkel's life-long dream to provide this definitive biography and historical perspective of Lincoln, and I commend her fine book to my colleagues.

Sometimes we lose sight of the fact that it has been individuals who have shaped our progress and destiny throughout the history of our Nation. Miss Kunkel is such an individual whose contribution will increase in value as time passes, and I salute her on the publication of "Abraham Lincoln: Unforgettable American."

W. RAY SHOCKLEY ELECTED EXECUTIVE VICE PRESIDENT OF AMERICAN TEXTILE MANUFACTURERS INSTITUTE

HON. ROBERT G. STEPHENS, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. STEPHENS. Mr. Speaker, at the Annual Textile Manufacturers Institute in San Francisco during late March, several important events took place.

The President of the United States addressed the convention, as did the Secretary of Commerce. Both made excellent statements recognizing the need for continuing our present international textile trade policy and extending it to cover such countries as the People's Republic of China.

Also, the first executive vice president of ATMI retired after 27 years of service. Many of you know Bob Jackson. He is a great leader of the textile industry and for years represented it effectively in Washington. More importantly, Bob is a great American and will be remembered fondly by many of us.

Just as importantly, elected to replace Bob as the executive vice president of ATMI was W. Ray Shockley. I take particular pride in this because Ray is a native Georgian, born in Apalachee—Morgan County—which is in the district I represent.

Ray served in the merchant marine and Navy during World War II and received a bachelor of arts degree in journalism from the University of Georgia.

His business activities include positions in the news departments of the Athens Banner-Herald, the Augusta Chronicle, and the Atlanta Journal. Ray was Sunday editor of the Atlanta Journal when he resigned in 1956 to accept a position in the public relations division of the American Textile Manufacturer Institute. He was named assistant to the secretary-treasurer of ATMI in 1958. In 1960, he was elected assistant secretary-treasurer.

He served as executive vice president of the South Carolina Textile Manufacturers Association from 1970 to 1974, and was named deputy executive vice president of ATMI in September 1974.

He is married to the former Virginia Davis of Winterville, Ga. They have three children, Mrs. A. D. Cooper III, David, and Jenifer of Alexandria, Va.

I, and all of you who know him, are extremely proud of Ray. We wish him the best, and I congratulate the textile industry on the good judgment of its selection. He will do an excellent job.

FORGOTTEN ANNIVERSARY OF OUR ENERGY CRISIS

HON. BURT L. TALCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. TALCOTT. Mr. Speaker, we Americans respond only to crises. Sometimes we wait for the devastating crisis.

Mobil Oil Co. was forced to purchase advertising space in the Washington Star on April 11, 1976, to remind us of a critical national problem and a crisis to which we as a people, and we as a Government, continue to neglect.

The crisis and the imminent danger to our whole way of life is no longer news. The public is apathetic.

I am grateful to Mobil Oil for remembering the "forgotten anniversary" of the lifting of the Arab oil embargo of 1973–74 and reminding us of the unlearned lessons.

I urge my colleagues to pay some heed and develop a sensible energy policy that will serve us and the generations which follow.

I include the advertisement of Mobil Oil at this place in the RECORD:

FORGOTTEN ANNIVERSARY

America passed a milestone anniversary last month. But hardly anybody noticed.

On March 18, 1974, the Arabs lifted their oil embargo against the United States, and loosened their six-month stranglehold on America's lifestyle. Not since Colonial days had this country been so much at the mercy of foreign powers.

When the embargo ended, Americans thought they had learned a lesson. Great resolutions were heard in the land, and clarion calls like Project Independence were nurtured by mighty hyperbole.

Now, more than a year has gone by. Frankly, very little has been accomplished to reduce America's dependence on costly, insecure foreign oil.

In terms of good news and bad, the box score would look like this:

First, the good news—

Congress and the Administration are at least talking—although wrangling might be a better word—about America's long-term energy needs. So are an assortment of foundations and study groups. Eventually, a consensus might emerge.

The weather cooperated. The winter was mild. Even though the natural gas shortage got worse, America muddled through without any massive industrial shutdowns due to lack of gas.

Most people now recognize the importance of drilling offshore, in the Outer Continental Shelf, for a secure supply of domestic oil. The Supreme Court has clarified that the federal government, not the states, owns the Shelf.

Now, the bad news—

America is still importing about six million barrels of oil a day, or almost 40 percent of our requirements.

Congressional emphasis so far, in its energy discussions, has been almost exclusively on cutting demand. Measures to boost domestic supply largely have been neglected.

There still isn't a single oil or gas well in the U.S. Atlantic, and the Interior Department's timetable for an Atlantic lease sale was delayed pending the Supreme Court ruling. Furthermore, Congress seems intent on mandating further delays, by extending the powers of the governors. And through schemes calling for exploration by the federal government before bids are requested from industry. There are even proposals to create a federal oil and gas company to work the choice offshore areas (when it gets around to them).

In the face of the worsening natural gas shortage, Congress persists in retaining price controls on this fuel. It is considering tighter controls, even though present regulations have all but destroyed economic incentive to invest in gas exploration.

Speaking of disincentive, Congress hacked away at the oil industry's ability to attract the massive amounts of capital it needs by increasing its tax burden. Just when profits were declining.

If you think the bad news outweighs the good, you're right. Isn't it time to remember the lesson of the boycott? And take a few sensible actions for a change.

RECOVERY LOOKING GOOD

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. DERWINSKI. Mr. Speaker, unfortunately since we are in a political year, the tendency in some segments of the media is to relate every statistical report to politics when, in fact, this should not be the case.

Therefore, I was pleased to note the objective editorial in the Chicago Daily News on Wednesday, April 21, on the continued recovery of our national economy:

RECOVERY LOOKING GOOD

The most encouraging aspect about the headly surge in gross national product in the first three months of 1976 is that it has come about without economic gimmickry.

Excluding the effects of inflation, the nation's output of goods and services grew at an annual rate of 7.5 per cent in the first quarter, significantly faster than the pace in the final three months last year. Inflation, meanwhile, slowed to an annual rate of 3.7 per cent, less than half the rate of a year ago. While few expect inflation to remain so docile for any extended period, the trend is unmistakable that inflationary pressures are waning.

The growth in output and the increasingly ruddy glow in the economy were achieved without the dubious benefit of a massive injection of money by the Federal Reserve Board or wage-price controls or wild-eyed government spending programs or any of the other ham-handed techniques used in the past to "fine tune" the economy. Those techniques more often than not just gummed up the works.

The government's efforts at stimulating the economy generally have been confined to programs solidly grounded in basic economic theory, like cutting taxes and enduring budget deficits in a slack economy.

If the first-quarter GNP figures have a message for the economic activists—and we think they do—it is that attention ought to be turned to the long-term problem of inflation and away from the short-term problem of recovery. More jobs, higher wages and other benefits of robust economic health will surface as the economy continues to improve.

President Ford is often criticized for "doing nothing" to improve the economy. But doing nothing to interfere with the resumption of moderate economic growth has so far proved to be the wisest policy.

THE MERIT OF PERSONALIZED SCIENCE ADVICE

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. AMBRO. Mr. Speaker, one of the greatest challenges faced by legislators is decisionmaking based on policy issues presented by members of the scientific community. Serving on both the Science and Technology Committee and Public Works and Transportation, I have been placed in this position on numerous occasions during the last 2 years. Recognized scientific experts have disagreed in such areas as ozone depletion, the Concorde SST controversy, and the real or imagined dangers of ocean dumping in the New York Bight. In many ways, it is a frustrating situation. Science, the rational process yielding "the truth" is not expected to present these problems.

It has been my pleasure to partially resolve this difficulty through the use of several science and engineering advisory panels made up of constituents working in the relevant disciplines. In the last year, when the question of ozone depletion was prominent in many minds, the panel of American Chemical Society members coordinated by Dr. Charles Baulknight was a great help. With representatives from industry, universities, and a national laboratory, the arguments presented on this subject were well balanced and helped me formulate a position that went beyond information available through less personalized contacts located around the Capitol.

The implications of personal interaction when receiving policy-oriented scientific advice are important. Value judgments are inevitably drawn into otherwise objective science arguments when policy is involved, and personal contact can help evaluate where objectivity stops and values start. The ACS counseling body provided this kind of personalized assistance that is invaluable to legislators, and I would like to extend my personal thanks to the members of that committee for the time they spent in this endeavor. Dr. Charles W. Baulknight, Dr. Olin Braids, Dr. Henry W. Moeller, Dr. Herbert Kivlighn, Jr., Dr. J. J. Pescatore, Dr. Frances Sterrett, Dr. Joan E. Shields, Dr. Roger L. Tanner, Dr. Frank Spingola, and Dr. Peter E. Haustein have been an important asset as I pursued the committee work of the last years.

THE FIRST PUBLIC SEMINAR: "THE MODERN WOMAN AND HER FAMILY'S HEALTH"

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. PATTEN. Mr. Speaker, recently—on April 12, 1976—an important and historic health seminar was held in New Jersey, one that I know will benefit many persons.

Over 400 women from all parts of New Jersey attended the seminar on "The Modern Woman and Her Family's Health," which was held in the Kessler Teaching Laboratories Auditorium at the College of Medicine and Dentistry—the Rutgers Medical School.

As Mrs. Leon Smith, vice-president of the Kessler Foundation pointed out at the seminar, it was the first time that a foundation held a 1 day, one place, health seminar for women in New Jersey. "It's aim is to separate medical truths from medical myths," said Mrs. Smith, who like her husband, has great compassion for people.

And Mrs. Brendan T. Byrne, wife of the Governor of New Jersey, commended the program and said, "More must be done in the way of education and preventive medicine. I hope to see these seminars continued," Mrs. Byrne said. So would I, Mr. Speaker, because they would help improve what Jefferson called "the first wealth:" health.

I hereby insert in the CONGESSIONAL RECORD the April 13th article published in the Home News, of New Brunswick, N.J., entitled, "Health Experts Launch First Seminar for Women." It is by Marion Doyle, staff writer on that outstanding newspaper:

HEALTH EXPERTS LAUNCH FIRST SEMINAR FOR WOMEN

(By Marion Doyle)

Home News staff writer

PISCATAWAY.—Everyone came early, eager to get a good seat.

And Dr. Larry Silver shed his jacket, despite the coolness of the day, and addressed the audience in his shirtsleeves.

It was that kind of a down-to-earth session that launched the first public seminar on "The Modern Woman and Her Family's Health" in the Kessler Teaching Laboratories auditorium at the College of Medicine and Dentistry—Rutgers Medical School here yesterday.

More than 400 women from all over the state filled the handsome amphitheater in an obvious show of appreciation for the diligent effort on the part of members of the

Daniel and Budd Kessler Foundation to keep the public informed on matters of health and health care.

They listened intently as Dr. John L. Lewis, chief of women's surgery at Sloan-Kettering Memorial Hospital, New York City, spoke on "Cancer in Women: Detection and Cure," and Dr. Silver, who is professor of psychiatry and chief of youth services, CMDNJ, talked about the problems and need for preventive measures for those raising children in a single parent family.

They asked questions, both pointed and personal, about the risks of oral contraceptives, estrogens, the do-it-yourself Pap smear tests that are said to be part of the future, and what to do when one found it impossible to live with a hyperactive child.

And they received answers patiently given by the medical experts.

Then they stopped for a box lunch and went on to afternoon sessions that included talks by Dr. Howard J. Jacobson, professor of community medicine CMDNJ, on "Nutrition and Diet; Truth and Faddism"; and Dr. Ernest W. Page, professor and chairman of the obstetrics and gynecology department CMDNJ on "Menopause and Estrogens". Dr. Reuven K. Snyderman, associate professor of surgery, discussed "Cosmetic Surgery."

Dr. Harry M. Woske, associate dean CMDNJ and chief of medical service at Raritan Valley Hospital, talked on "Husbands and Heart Disease" and Dr. Daniel Colburn, chief of obgyn, Middlesex General Hospital, on "Current Concepts in Fertility Control."

As Dr. Parvin Saidi, professor of medicine and chief of hematology CMDNJ, put it, "the seminar represented a long overdue approach," pointing out that "The medical profession and the public have a lot of catching up to do."

Mrs. Leon Smith, vice president of the Kessler Foundation, noted that this was the first time a foundation has conducted a one day, one place, health seminar for women in this state. "Its aim," she said, "is to separate medical truths from medical myths."

Her efforts and those of her committee were lauded by Dr. Stanley S. Bergen and Harold G. Logan, president and acting dean, respectively, of CMDUJ.

The governor's wife, Mrs. Brendan Byrne, seated in the front row, said she heartily commended the group's program and purpose, especially in the light of the increased incidence of cancer in the state these days and the jump in the number of divorces and re-marriages and consequent traumas suffered by children.

"More must be done in the way of education and preventive medicine," she said, "I hope to see these seminars continued."

Mindful of the fact that New Jersey had lagged far behind other states in the teaching and training of practicing physicians, the Daniel I. Kesseler Memorial Foundation was founded in March, 1969, and since then has worked within the private sector pledging financial support to the medical school and its laboratories. (The name was changed to the Daniel and Budd Kessler Foundation following the untimely passing of Budd three years ago.)

Since then, they've seen the first large class of 79 students complete training in the basic sciences in the teaching laboratories, one of many milestones in the realization of quality medical education and development of good health care throughout the state.

"A long way," as Dr. Lewis told the audience, "from the concept of community medicine 20 years ago when it was little more than making sure that everyone got vaccinated."

Seminars such as this one, Mrs. Smith noted, offer "an unusual opportunity for New Jersey women to hear, first hand, distinguished medical school faculty and other prominent physicians discuss the topics of vital importance to them and their families."

CONGRESSIONAL SALUTE TO THE HONORABLE ANTHONY J. GROSSI OF NEW JERSEY, ESTEEMED DEMOCRATIC LEADER, STATESMAN AND OUTSTANDING AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. ROE. Mr. Speaker, on Wednesday evening, May 5, the residents of my congressional district and State of New Jersey will assemble at the Westmount Country Club, West Paterson, to honor the Paterson Chapter of UNICO National's "Man of the Year," the Honorable and most distinguished Anthony J. Grossi, one of our State and Nation's outstanding leaders who has devoted his lifetime in exemplary service to all of our people at municipal, county, State, and national government levels. In his many high offices of public trust, most notably, as acting Governor, State senator, member of the Governor's cabinet and Passaic County Democratic Party Chairman, he has achieved the highest standards of excellence in political, civic and governmental affairs which have truly enriched our community, State, and Nation.

As the former president of the New Jersey State Board of Public Utility Commissioners, he served the people of our State most admirably for almost a decade during one of the most highly volatile and controversial periods in our Nation's history with an unprecedented energy crisis that shook the very roots of our economic vitality and played havoc with our public utilities systems. He was appointed by the Governor and confirmed by the Senate as a member of the public utilities board in 1967 and retired from the presidency in February 1976. It is significant to note that the success of his diligent and vigorous efforts brought enormous prestige, confidence and respect to this high office of public trust.

Mr. Speaker, the quality of leadership and sincerity of purpose that Tony Grossi has imparted to our people are mirrored in his many accomplishments and the warmth of his friendship that have won him the confidence and support of all of us who have had the good fortune to know him.

He was always a major bulwark of strength in the Democratic Party from his early days in its organizational structure and throughout his chairmanship as a ward leader, municipal chairman. and county chairman.

In 1961 he was the first Democrat ever elected to the New Jersey State Senate from Passaic County. He was named "Legislator of the Year" by the New Jersey State Association of the Boards of Chosen Freeholders and was overwhelmingly elected to a second and unprecedented third term in the State Senate for his exemplary performance in this high office of public trust.

The general chairman of UNICO's testimonial dinner, Sam Sibilio, has eloquently expressed the deep respect and esteemed regard that we all feel for Tony and his unselfish dedication and willing devotion to helping his fellow man, and with your permission I would like to insert at this point in our historical journal of Congress the following observations that Sam Sibilio made to me in reflecting on Tony's lifetime of outstanding public service:

> Too often in protecting the sacredness of our Italian heritage from attack we are remiss in expounding upon the virtues of men of Italian culture who have carried high the banner of accomplishment in their lifetime.
>
> One such man is former New Jersey State Public Utility Commission President Anthony J. Grossi.
>
> Before becoming president of the prestigious commission, Mr. Grossi worked his way up the political rungs of the Democratic Party in Passaic by virtue of his intellectual attributes, and his dedication to high morality principle.
>
> It is notable that as he achieved high public office he did so without climbing over the backs of others, but rather with their helping hand. In return, he was never reticent about giving of his help whenever possible.
>
> By honoring Anthony Grossi, we of UNICO feel we are saying 'thanks' to a man who has always had the welfare of others foremost in his mind, and a man who remained loyal to his thousands of friends.
>
> It is men such as Anthony Grossi to whom the Italian community can justifiably point with pride, and an example of what those of Italian heritage have, and can, contribute to our American Way of Life.

Mr. Speaker, these sentiments are shared by all of us and are especially endorsed by the officers and members of Paterson Chapter, UNICO National. May I commend to you a list of the chapter's officers who are leading citizens of our community and have provided the forum to express our deep appreciation to Tony Grossi on May 5, as follow:

> The Honorable: Carmine Pisacreta, President; Frank Mentone, First Vice President; Donald Gallo, Second Vice President; Sam Sibilio, Third Vice President; James Percarpio, Treasurer; Leonard Agrusti, Financial Secretary; Frank D'Angelo, Corresponding Secretary; and Thomas Alois, Sergeant-at-Arms.
>
> DINNER COMMITTEE
>
> Carmine Pisacreta, Honorary Chairman; Sam Sibilio, General Chairman; Guido Rocco, Co-Chairman; Charles Aquino, Co-Chairman; James Battaglino; Alderiggio Leone; Joseph D. Trueman; Nicholas Trenga; James Percarpio; Anthony Bagucci; and Donald Alois.

Mr. Speaker, during our Bicentennial Year as we celebrate the 200th year of our Nation's birth and reflect upon the contributions of our people to America's history and the quality of our way of life which have achieved preeminence of our representative democracy, second to none, among all nations throughout the world, I am pleased and honored to seek this national recognition of the Honorable Anthony J. Grossi and all of his good works. It is indeed a privilege to be numbered amongst his many, many friends and share the pride of his beautiful and most gracious wife Ruth and daughter Patricia in the success of his achievements which have contributed so much to the American dream. We do indeed salute the Honorable Anthony J. Grossi, esteemed democratic leader, statesman, and outstanding American.

FINANCIAL DISCLOSURE

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. O'HARA. Mr. Speaker, once again I am making a public disclosure of my personal finances. I do this each year following the filing of my income tax returns, not because of any requirement of law, but because I believe it is in the public interest to do so.

The principal source of our income is my salary as a Member of Congress, which, last year, was $42,850. In addition, I netted approximately $8,500 from 20 speaking appearances. All other income—including interest on savings accounts, income from my wife, Sue's part-time work as a garden consultant, and income from investment property which I own jointly with my brother and a family friend—totaled $2,566. My gross income in 1975 was $53,955.95. After making adjustments for unreimbursed congressional travel, office, and stationery expenses of $2,211.97, my adjusted gross income for 1975 was $51,743.98.

My taxable income for the year—the amount remaining after claiming the standard $750 exemption for my wife, our seven children, and myself, and after subtracting itemized deductions of $9,450.97—was $35,543.01. On this amount, I paid a Federal income tax of $9,878.06.

In addition, I paid $674.63 in social security taxes on income earned from speaking appearances; property taxes totaling $2,852.23; Michigan income tax of $1,663.86; and gasoline and sales taxes totaling $1,065.33. The amount of Federal, State, and local taxes which Mrs. O'Hara and I paid in 1975 totaled $16,134.11.

Mrs. O'Hara and I, and our seven children have a home in Utica, Mich. We purchased that home in 1958 for $17,000, and paid off the mortgage in 1974. We also have a Washington residence which we purchased in 1967 at a cost of $50,000, and on which we owe $32,624.

We own a 1970 Dodge Dart; a 1972 Dodge van; and a 1975 Plymouth Valiant. In addition to our family sailboat, purchased in 1973 for $1,500, last year we bought a DN ice boat, which cost $1,000, which we sail on Lake St. Clair.

I am a one-third owner of two pieces of investment property which I purchased jointly with my brother and a family friend. They are a house which cost $6,500, which we have renovated; and another house for which we paid $15,400 and on which we have a mortgage balance of $6,600.

Looking toward the future, during the 18 years I have served in the House, I have been contributing 8 percent of my salary to the Federal employees' retirement plan. I now have an equity in the retirement plan of approximately $43,000. Mrs. O'Hara and I also have approximately $6,000 in checking and savings accounts.

Mr. Speaker, today, I also filed my financial statement with the House Committee on Standards of Official Conduct. As that report and this statement indicate, I am not involved with any corporation, or law firm; I am not an officer of, nor do I serve on the board of any professional organization. The only outside income earned by me are the honoraria received from speaking appearances, which I have already mentioned.

Mr. Speaker, as I have said before, by releasing information on our finances, Mrs. O'Hara and I are giving up some of our right to privacy. But if it helps in some way to restore public confidence in those who serve in public office, our doing so will have served a useful purpose.

SOUTHERN CALIFORNIA EMPLOYEES IN OPPOSITION TO PRESIDENT FORD'S PROPOSED BUDGET

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. HAWKINS. Mr. Speaker, the administration's proposed fiscal year 1977 budget has become the subject of much debate. Private and public groups are taking time out to analyze what its implications might be. Some of these groups feel that the proposed $394 billion budget represents a long awaited return to governmental fiscal responsibility. Still others argue that should the present budget be approved it would effectively eliminate many vital health care, nutrition, and public jobs programs. Some economists, including former Nixon administration officials, Herbert Stein and Paul McCracken, warn that restrictive fiscal policies as proposed in the administration's budget could slow or possibly turn around the present economic recovery. The country cannot afford this prospect in view of present economic conditions.

I would like to call the attention of the Members to a resolution passed by the Service Employees Joint Council No. 8 of Southern California. This group of citizens has some serious reservations concerning the ability of the proposed budget to meet pressing national needs. The statement should be of great interest to the Members because it reflect the feelings of people in home districts. These are people who have an interest in how responsive the policymaking process in Washington, D.C., is to the needs of the people. The opinion of this group on the subject of the unemployment problem should also be of interest.

The resolution follows:

RESOLUTION

Whereas, The budget prepared by President Ford for Fiscal Year 1977 poses a serious economic threat to public employees; and

Whereas, If the Ford Budget is adopted it would continue the policy of wasted economic opportunities; and

Whereas, The President's proposed budget presents no solution to the current problems of unemployment, inflation and the financial crisis facing state and local governments; and

Whereas, The President's proposed budget would make substantial cuts in federal support for vital state and local programs in social services, health, education and transit programs; and

Whereas, The President's proposed budget would eliminate hundreds of thousands of federally funded temporary jobs; and

Whereas, The President's proposed budget would reduce pay increases for federal employees and federal retirees, and reduce the number of permanent federal civilian workers. Therefore, be it

Resolved, That the Service Employee's Joint Council No. 8 calls upon the Congress of the United States to reject the President's proposed budget and to adopt a full employment program as proposed by the AFL-CIO Executive Council. Be it further

Resolved, That the Service Employee's Joint Council No. 8 calls upon all affiliates to take appropriate action to support this resolution and to oppose the President's budget.

POLITICAL ACTIVITIES AND SENSITIVE POSITIONS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. CLAY. Mr. Speaker, I want to take this opportunity to clarify the provision of H.R. 8617, modifying the Hatch Act, which retains some Federal employees under the provisions of existing law.

Recently some of my distinguished colleagues have expressed concern that permitting some employees in sensitive positions within the Department of Justice, the Internal Revenue Service, and the Central Intelligence Agency to participate in political activities might erode the integrity of the Federal career service. I want to assure these colleagues that H.R. 8617 provides for ample controls in this area—controls which are far stronger than those contained in the original version of H.R. 8617.

As passed by the House originally, H.R. 8617 permitted all Federal employees to participate in political activities which will not interfere with the merit system. The Senate version of H.R. 8617 retained under the existing Hatch Act all employees of the Department of Justice, the IRS, and the CIA.

In the House-Senate conference, there was agreement that the Senate language was too sweeping in its coverage. It was felt that the public interest could best be served by permitting employees in nonsensitive positions to participate in political activities. Further, the conferees permitted the agency head to determine which employees in sensitive positions could participate in political activities without undermining public confidence in good government. Reversal of this determination could be reversed only by congressional action within 30 days.

H.R. 8617, as sent to the President, prevents even the appearance of improper political activities by Federal employees; it retains certain employees under the existing prohibitions against political participation. It is a stronger, improved version of H.R. 8617. Any Members who supported the bill originally should feel quite comfortable in actively supporting the enactment of this bill into law.

DISCLOSURE OF TAX RETURNS AND ASSETS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. LEHMAN. Mr. Speaker, it has been my practice since my first campaign for Congress in 1972 to make a full disclosure of my tax returns and assets.

In keeping with this practice, I am including in the Congressional Record my Federal income tax returns for the year 1975 and a full financial disclosure statement for 1976:

U.S. Individual Income Tax Return

Name, William and Joan Lehman.

Present home address, 2269 NE. 163rd Street, North Miami Beach, Fla. 33162.

Occupation: yours, Congressman; spouse's, self-employed.

Filing status, married filing joint return.

Exemptions, 2.

Wages, salaries, tips, and other employee compensation, $42,850.

Dividends, $4,116.

Interest income, $28,101.

Total, $68,988.

Adjustments to income, $807.

Adjusted gross income, $68,181.

Tax, $14,860.

Credit for personal exemptions, $60.

Balance, $14,800.

Credits, $74.

Balance, $14,726.

Total, $14,726.

Total Federal income tax withheld, $10,918.

Balance due IRS, $3,808.

Business income or (loss), ($10,196).

Net gain or (loss) from sale or exchange of capital assets, $2,684.

Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc., $408.

Other—Honoraria, $1,025.

Total, ($6,079).

Adjustments to income—Employee business expenses, see schedule, $807.

TAX COMPUTATION

Adjusted gross income, $68,181.

Deductions, $21,082.

Exemptions, $1,500.

Taxable income, $45,599.

Investment credit, $74.

PERSONAL FINANCIAL STATEMENT

Assets

Cash, $24,856.

U.S. Government Securities, $10,000.

Notes receivable, discounted with banks, finance companies, etc., $215,000.

Stock and securities other than guaranteed U.S. Gov't and Gov't agencies, $328,491.

Real estate, registered in own name, $80,900.

Other asets—Israel bonds, $1,000.

Total assets, $660,247.

Liabilities and net worth

Notes payable to banks, unsecured, $26,000.

Notes payable to others, unsecured, $227,874.

Mortgage payable on real estate, $51,271.

Total liabilities, $305,145.

Net worth, $355,102.

Total liabilities and net worth, $660,247.

Source of income

Salary, U.S. Congressman, $44,625.

Dividends, Wm Lehman Buick Pf Stocks, $4,200.

Supplementary schedules

SE 1st National Bank, $26,000.

First State Bank of Miami, cash, $1,500.

Pan American Bank, cash, $8,356.

Washington Fed. S & L, cash, $15,000.

ACCOUNTS, LOANS AND NOTES RECEIVABLE

Name and address of debtor, amount owing, description of nature of debt:

William Lehman Leasing, $50,000, Work Capital Loan.

William Lehman Jr., $165,000, Purch WLB Stock.

LIFE INSURANCE

Name of person insured: William Lehman; name of insurance co., Mass Mut & MONY; face amount of policy, $205,000.

STOCKS AND SECURITIES

1,050 Pf Wm Lehman Buick, cost $105,000, present market value $105,000, income received last year, $4,200.

100 C Wm Lehman Buick, present market value $188,075.

44.5 C Wm Lehman Used Cars, value $35,416.

REAL ESTATE

172 Condo Skylake, mortgages or liens, $43,700, present market value, $55,900.

Studio Mem Highway, mortgage or liens, $7,571, present value, $25,000.

LOS ANGELES BASIN EQUAL OPPORTUNITY LEAGUE

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. CORMAN. Mr. Speaker, it is a privilege and a pleasure for me to bring to the attention of my House colleagues the outstanding work of the nonprofit Los Angeles Basin Equal Opportunity League.

For far too long, discrimination has been a way of life for an entire segment of our population. Laws prohibit it, and yet subtle and overt discrimination exists in this country today. Prejudice is slow to remove not because laws do not exist to deal with it, but because it is difficult to change attitudes. Almost everyone will acknowledge that minorities have been burdened by discriminating hiring practices and yet there are not many community minded organizations which are aggressively pursuing affirmative action programs.

Los Angeles, with its large Mexican and black population, has a particular responsibility to provide minority groups with special counseling and employment assistance. For the last 3 years, we have been very fortunate to benefit from the successful efforts of the Los Angeles Basin Equal Opportunity League. LABEOL has made a fine contribution in promoting minority employment within the business community. Through the efforts of business recruiters, equal opportunity officers and industrial relations managers representing almost 60 large firms. LABEOL has helped to coordinate business employment needs with qualified minority candidates through its highly functional job bank. The results have been impressive and have secured an enviable reputation for the program.

I am very pleased to participate in LABEOL's May 6 seminar and workshop which will offer invaluable information covering new trends in affirmative action audits, discrimination complaints, and a discussion of the EEO professional. I highly commend the enthusiasm and accomplishments of the program and strongly endorse its continued work.

MORE BLACKS NEEDED IN COMMUNICATIONS LAW

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. RANGEL. Mr. Speaker, one of the many areas in our society in which more black professionals are sorely needed is in the practice of communications law. Black people are still underrepresented throughout the legal profession, and in communications law—even in positions with Government agencies—the number of black attorneys has been alarmingly low.

Considering the pervasive influence of mass communications in contemporary society, it is essential that black people be fully represented in all facets of the decisionmaking process. And because of the vast impact of the Federal Communications Commission in regulating the use of this Nation's public airwaves, it is the Federal Government's duty to fully utilize the talents of black attorneys in this area.

Mr. Speaker, this need for more black professionals in communications law was the topic of a recent address by Mr. Derrick A. Humphries, a black attorney with the Common Carrier Bureau of the FCC. Mr. Humphries, speaking to black law students at a seminar on "Blacks in the Communications Media: Positive Self-Images," lucidly depicted the work to be done by black communications lawyers and the need for an increase in their ranks. I would like to bring Mr. Humphries' remarks to the attention of my colleagues at this time:

The Image of Black American Lawyers in the Communications Services

(By Derrick A. Humphries)

What is the current image of the Black American Lawyer in media? The image is positive, but the models are scarce. My remarks will be brief, and will follow the written prepared statement which has been circulated. We could discuss at great length the status of the Afro-American in general, and the image of the Afro-American lawyer in particular, throughout the various communications industries. I believe you would agree that our discussion will be more fruitful if we briefly survey how to improve the quantitative image of the Black American lawyer in the communications services and discuss specific circumstances after the seminar presentations.

As I stated, the image of the Black American lawyer who works in media is strong, yet the numbers are few. The Federal Communications Commission (FCC) is the foremost developer of a large proportion of the lawyers who participate in nationwide administrative law proceedings concerning Who says What to Whom over Which Channel and with What Effect. Since 1934, the effective year of the Communications Act and the FCC's creation, however, no more than 30 of the hundreds of lawyers who have worked at the FCC have been Black Americans. In 42 years, the United States Government has not employed Black lawyers at the rate of even one a year at the FCC. Until the 1972 Presidential appointment of Benjamin L. Hooks as the first Black American to serve as part of the seven member Commission, no more than five Black staff lawyers had worked at the FCC in its then 38 year history.

Incremental changes have occurred since

1972 and now two Black American lawyers are positioned in the number three position in both the Office of the General Counsel and the Cable Television Bureau. Currently, 19 of the over 350 FCC lawyers are Black or approximately 5 per cent. Some of the former FCC Black American lawyers have relocated throughout the United States as private practitioners and counsel to private industry, in Tulsa, Oklahoma, San Francisco, Los Angeles, Boston, and Washington, D.C. All remain involved in some aspect of administrative law and the quality of the Black American lawyers image grows stronger.

What is intended when we encourage Black Americans to learn more about "communications law?" In one respect, it means that another area of employment has been identified; thereby, increasing the job opportunities for Black lawyers. Earning a living and providing the food, clothing, shelter necessary to living, is more than likely the primary concern of most Americans, not only Black Americans, and a brief conversation with the person sitting next to you in this seminar, in class, on the bus, subway or at home—probably will demonstrate that employment is a commonly discussed topic.

Parenthetically, procedures such as the bar exam, alledgedly are structured, in one respect, to gauge the law graduate's level of retained legal knowledge and as a result whether the law graduate qualifies for employment as a lawyer. Some writers allege that the bar exam is an exclusionary device which prevents disproportionate numbers of Black American law graduates from earning a living as a lawyer. Others have argued that everyone takes the same exam, implying the impartiality of the printed form. Whatever the argument, one writer has written, tension can be endured, indeed can be felt, only so long.

The federal government is not the only area where a lawyer can gain employment and work with communications-related matters. In my position as an FCC lawyer specializing in communications common carrier matters, and more particularly, common carrier radio concerns, I am constantly in contact with lawyers who work for state public utility or public service commissions. My primary responsibilities include researching and providing legal recommendations for matters involving the provision and development of one-way paging and two-way mobile communications services in the United States and its possessions. In normal jargon, one-way paging communications services involve the increasingly popular beeper unit found on the belt of a doctor or lawyer, among others, who seem to be always on the go. Two-way mobile communications in the common carrier service include radio-telephones that are installed in automobiles or other mobile units, e.g. trucks, campers, etc. These services are common carrier regulated because they must be provided at equal rates to all who request them on a first-come, first-served basis. Many states regulate these businesses and often the public utility commission implements the state laws and regulations.

Residential and commercial telephone service dominates existing communications common carrier service, however, and significant employment opportunities in communications law, *qua* public utility application, should be identified at local telephone companies.

A new legal position in many local governments is that of "Peoples Counsel", a lawyer employed by the local governmental authority to represent the taxpayer's interest in public utilities' ratemaking hearings. My experience as a cable television lawyer also demonstrated to me that some employment opportunities exist in many of our hometowns to serve as legal advisor to local businesses or civil groups concerned with the impact of cable television on their wallets or purses.

Try not to overlook other basic community services such as police, fire, and other emergency vehicles. All utilize communications services and require legal advisors. Moreover, dispatch communications services provided for taxicabs, buses, specialized trade firms such as plumbers, construction firms, etc. and truckers require some legal assistance to understand issues regarding corporate and communications services. Licensees in the citizens band, or "CBers", have increasing need for legal assistance as regulatory activities and trade associations are also increased.

Do not be so enamoured by the promotional glamour of radio and television that the nuts'n bolts of municipal communications services are overlooked. Through the efforts of the mayors of both Detroit and Washington, D.C., Black American lawyers have been provided opportunities to handle the bond work for those cities. Opportunities to serve as legal advisors in regard to municipal communications services also must be sought by Black American law graduates and lawyers.

Should broadcast law attract you, keep in mind that real estate and zoning transactions which permit placement of transmitter towers in various locales are generally local legal matters. Financial arrangements to provide facilities for communication service businesses are also normally matters of local legal concern.

The message should be clear. Washington, D.C. and the federal government do not possess a monopoly on the employment opportunities for lawyers who wish to earn a living as communications law practitioners in some way. Opportunities exist at the state and local level, in government, private industry, or as a private practitioner. Many lawyers who represent proprietors of local communications services simply associate with a Washington lawyer to do the FCC work. These professional bonds are structured in many ways; indeed, these relationships may be necessary in order to nourish one's continued professional and personal growth. Keep in mind that bar associations can be critical. Some lawyers associate with the Federal Communications Bar Association, the Federal Bar Association, or the National Bar Association. Still another association is the National Conference of Black Lawyers Communications Task Force. In one respect association is necessary for continuing legal education opportunities and the effectual exchange of information and data. In the event that you seek employment with the Federal Communications Commission, you would do well to consult with the Office of the General Counsel, of which J. Clay Smith, Jr. is Associate General Counsel.

The purpose of these brief remarks has been to demonstrate the continued opportunities and need for more Black American lawyers in communications related areas. Not enough Black American lawyers are employed in the governmental agencies which regulate communications services. Too many "firsts" still exist as far as Black American lawyers in communications are concerned. The image is strong. More models are needed.

DISCLAIMER OF COSPONSORSHIP ON H.R. 13137

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. ROYBAL. Mr. Speaker, I would like to inform the Members of the House that I did not cosponsor H.R. 13137 introduced by Mr. McCLORY of Illinois. I hope that any future printings of H.R. 13137 would delete my name. I reiterate my support for my amendments which were incorporated into titles II and III of the Voting Rights Act.

ASSESSMENT OF OUR ENERGY RESOURCES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. TEAGUE. Mr. Speaker, for the first time in modern history the United States has embarked on a systematic assessment of its energy resources coupled with aggressive research programs in an effort to develop reasonable long-range energy supply and conservation policies. To this end the House Committee on Science and Technology, the Subcommittee on Energy Research, Development, and Demonstration, and the Subcommittee on Energy Research Development, and Demonstration (Fossil Fuels) have engaged in continued study and conducted lengthy hearings on nonnuclear energy. Between them they have heard testimony and reviewed statements for the record which generated more than 5,000 pages of expert opinions. The Congress can proudly point to its very substantial beginning of a nonnuclear energy policy with the enactment of the Federal Nonnuclear Energy Research and Development Act of 1974, the Solar Heating and Cooling Demonstration Act of 1974, the Solar Energy Research Development and Demonstration Act of 1974, and the Geothermal Energy Research Development Act of 1974.

To further extend this landmark legislation, the Committee on Science and Technology has recently held hearings on H.R. 12112 which would add Federal loan guarantees to the other enumerated forms of Federal assistance in the Federal Nonnuclear Energy Research and Development Act of 1974, by including section 17, "Loan Guarantees For Commercial Demonstration Facilities." The purpose of this section would be—

> (1) to assure adequate Federal support to foster a commercial demonstration program to produce synthetic fuels and other desirable forms of energy on a large scale, and to assure the availability of energy-efficient industrial equipment and facilities; (2) to authorize loan guarantees for the construction and startup and related costs of large-sized demonstration facilities (A) for the conversion of domestic coal, oil shale, biomass, and other domestic resources into synthetic fuels; (B) for the commercial demonstration of synthetic fuels and other desirable forms of energy from renewable and geothermal sources; and (C) for the commercial demonstration of energy-efficient industrial equipment and facilities; and (3) to gather information about the technological, economic, environmental, and social costs, benefits, and impacts of such commercial demonstration facilities.

Testimony presented to the committee encompassed a broad cross section of

American society including labor, State government, Congress, the financial community, academia, industry, and agriculture, to cite several major segments.

Over the next several days I wish to present a sampling of the varied and distinguished opinions offered to the committee.

DIRTY POOL

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. DICKINSON. Mr. Speaker, the editorial appearing in yesterday's Wall Street Journal is of particular interest at this time and I enclose a copy for the benefit of all Members:

DIRTY POOL

What a perfect set-up for the boys down at the AFL-CIO and their pals in Congress.

Except for President Ford, who has a healthy campaign treasury, all the presidential candidates are gasping for funds. In a tortuous decision on the new federal election law, the Supreme Court upheld provisions limiting fund-raising, in particular the ban on direct contributions of more than $1,000. But it held that the makeup of the Federal Election Commission was unconstitutional. Until Congress cures this defect, the commission cannot distribute the public funds intended to compensate for the now-illegal private contributions. Since this ruling, the candidates have submitted tabs totalling $2,370,000. As things stand, they are entitled to this money. All Congress has to do is write up a new law.

But suppose you could slip into the new law a lot of clever language that gives organized labor additional political muscle that it has been after for a long time. The presidential candidates, especially Ronald Reagan, have become so desperate in their finances that if President Ford vetoed the bill he could be accused of using his presidency to dynamite the opposition.

This is the play, and unless the House-Senate conference committee today reverses itself on the compromise legislation it has tentatively agreed upon, President Ford would have to consider a veto that would be thoroughly justified, even though it might cause him to be figuratively tarred and feathered by Messrs. Reagan, Udall, Jackson, Carter, et al. Richard D. Godown, general counsel of the National Association of Manufacturers, is absolutely right in his assertion that the legislation rewrites the labor law.

The pertinent provisions, written into the House version, at least constitute major changes in industrial relations. One gives unions the payroll deduction or "check-off" for the purpose of facilitating contributions to its political-action committee. Unions are now limited to having only dues collected for them by management through payroll withholding.

The second provision, the objective of which was made clear enough by Rep. Wayne Hays of Ohio, the conference chairman, could require corporations to give unions the list of its employes—names and addresses—for the purpose of soliciting voluntary contributions. A union that now has a toe-hold in a company, but wants to try to organize a subsidiary or division, must get the support of 30% of the target unit before the company must turn over names and addresses of all those in the unit. Under the guise of political solicitation, unions would be able to demand lists that would be used for organizational purposes.

Labor was also successful in trimming back the independence of the Federal Election Commission, being still furious at the FEC for having opined that company funds could be used to solicit employes and stockholders for political contributions. Not only would advisory opinions have to be submitted to Congress in regulatory form, with either house given a veto, but a line-item veto would be allowed for the first time. The net effect would be to give labor another crack at undoing the FEC decision on company funds, and naturally give congressional incumbents greater say in knocking out FEC opinions that don't favor incumbents.

Do we criticize the AFL–CIO for muddying things up, giving the presidential candidates fits and President Ford a dilemma? Not at all. The AFL–CIO is, as usual, on its toes. The root of the problem is the Supreme Court's refusal to grasp the nettle and pitch out the entire campaign-finance act, instead of picking its way through what looks constitutional and what doesn't. It left Congress the problem of writing major electoral reform right in the middle of a presidential campaign, and the AFL–CIO is going to take what it can get.

At least if President Ford vetoes the bill, as he should, it need not be misrepresented by the financially pressed candidates that he did so in order to do them in. Their anguish should instead be directed at Capitol Hill, which has fooled around for a month making things difficult when all that was required of it was a simple little bill.

PRESIDENT DID WELL IN VETOING "BOOBY TRAP"

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. DERWINSKI. Mr. Speaker, on Thursday the Members will be faced with the vote to override the President's veto of H.R. 8617. Editorials across the country have been almost unanimous in their support of the President's veto and their call to the Congress to sustain it.

Typical of the truly grassroots commentary was the editorial in the Star-Herald publications serving South Cook and Will Counties, Ill., on Thursday, April 15, 1976:

PRESIDENT DID WELL IN VETOING "BOOBY TRAP"

Webster gives several definitions for "booby trap," but one in particular aptly describes a recent action of the U.S. Congress. The definition is "A critical or potentially dangerous aspect of a problem or situation." The Congressional action was its vote to water down the Hatch act, which prohibits political activity by federal employees.

President Ford was opposed to the bill and did the right thing Monday when he vetoed it.

The bill would have "liberalized" certain prohibitions of the 37-year-old measure. Under the new terms, federal civilian and Postal Service workers would be eligible to run for federal office, raise money for political campaigns and join political action groups to aid other federal candidates.

Backers of the bill primarily labor unions, charge that the original legislation deprives federal employees of their civil rights. What they carefully avoid is any reference to the fact that actually the law was passed to protect these employees.

Before the Hatch act came into being, federal jobholders were often pressured into becoming politically active in behalf of office-seekers, solicit funds for their campaigns and even make personal donations, usually in the form of salary "assessments," which in reality were simply kickbacks.

Labor officials ignore the suspicion on the part of many that their primary interest in diluting the law stems from the attractive prospect of organizing federal employees, who would then be ripe for the picking—or is it plucking?

Weakening of the Hatch act, as democratic as it was being made to appear, would have represented a booby trap of the worst kind, leading eventually to outright repeal of the entire measure.

Passage of the act in 1939 was a positive step forward for the American people in their steady progress toward political maturity. To weaken it in any way would have been regressive. It would have endangered the American political process by concentrating too much political power in the hands of a relative few. And, equally tragic, it would have returned federal employees to political bondage.

President Ford has saved Congress from the consequences of its own folly by vetoing this sinister measure.

REGULATIONS IMPLEMENTING THE EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS OF 1976 SHOULD COVER ASPECTS OF THE ARAB BOYCOTT

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Ms. ABZUG. Mr. Speaker, Congress recently passed Public Law 94–239, amending the Equal Credit Opportunity Act to prohibit credit discrimination on the basis of race, color, religion, national origin, or age. The original act, enacted in 1974, prohibited credit discrimination on the basis of sex or marital status.

As a sponsor of the original act and as chairwoman of the Government Information and Individual Rights Subcommittee, I have a particular interest in this legislation, whose substance will take effect next March 23. The Federal Reserve Board, which has the responsibility for promulgating implementing regulations for the new amendments, held a hearing this morning on the subject at which I was pleased to testify.

My principal point was that the amendments prohibit not only credit discrimination against the applicant because of his or her own race, color, religion, and so forth, but also against an applicant because of the race, color, religion, and so forth, of third persons with whom the applicant deals. Thus, in addition to prohibiting discrimination because an applicant is Jewish, the legislation also prohibits discrimination against a non-Jewish applicant because he does business with Jews. The latter type of "secondary discrimination" has been common as part of the Arab boycott. I urged the Board to make clear in its regulations that the act extends to secondary discrimination such as this.

The text of my prepared remarks before the Board follows:

STATEMENT OF REPRESENTATIVE BELLA S. ABZUG BEFORE THE FEDERAL RESERVE BOARD REGARDING IMPLEMENTATION OF THE EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS OF 1976 (PUBLIC LAW 94-239)

I am pleased to have the opportunity to appear here today to offer my views on the implementation of the Equal Credit Opportunity Act Amendments of 1976, which were approved March 23, 1976 and the substance of which will take effect on March 23, 1977.

I have a particular interest in this Act. I was an original sponsor of legislation to outlaw credit discrimination on the basis of sex or marital status when I first came to Congress and I chair the Government Information and Individual Rights Subcommittee, whose work has included a study of certain types of discrimination on the basis of race, color, religion, and national origin.

I wish to make two principal points in my testimony. First, your regulations should make clear the fact that the prohibited discrimination relates not only to the race, color, national origin, religion, sex or marital status, or age of the applicant, but also of those persons with whom the applicant deals. Second, all classes of credit transactions should be subject to the Act.

SECONDARY DISCRIMINATION

The Act clearly forbids discrimination not only for reasons of the race, religion, and so forth, of the applicant, but also of those with whom the *applicant* deals. Thus, for example, a creditor may not refuse to extend credit to a Jew simply because he is a Jew. He also may not refuse to extend credit to a non-Jew because that non-Jew does business with Jews (a typical occurrence under the Arab boycott of Jews and of non-Jews who do business with or support Israel). Similarly, a creditor may not refuse to extend credit to a black person just because he is black, and also may not refuse to extend credit to a white person because that person does business with blacks. And, credit may not be refused to an American citizen because he does business with a third person whose nation of origin is, say, Israel.

Both the Act and its legislative history amply document this intent.

The substantive prohibition of the Act, section 701(a) of the Consumer Credit Protection Act, provides:

"§ 701. Prohibited discrimination; reasons for adverse action:

"(a) It shall be unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction—

"(1) on the basis of race, color, religion, national origin, sex or marital status, or age (provided the applicant has the capacity to contract);

"(2) because all or part of *the applicant's* income derives from any public assistance program; or

"(3) because *the applicant* has in good faith exercised any right under the Consumer Credit Protection Act." (Emphasis supplied.)

Note that while paragraphs (2) and (3) bar discrimination because the *applicant* receives public assistance or the *applicant* has exercised his rights under the Consumer Credit Protection Act, paragraph (1) simply outlaws discrimination "on the basis of" race, color, religion, national origin, and so forth. Had the Congress intended to limit the prohibited considerations under paragraph (1) to characteristics of the applicant, it could have so provided, as it did in paragraphs (2) and (3).

The Senate report (S. Rep. 94-589) makes specific reference to the Arab boycott (p. 3) and states that: the Committee believes it must be established as clear national policy that no credit applicant shall be denied the credit he or she wants on the basis of characteristics that have nothing to do with his or her creditworthiness. *Id.*

The House report (H. Rep. 94-210) also indicates an intent to legislate broadly to prohibit credit discrimination "for reasons other than a person's creditworthiness." (P. 3).

The testimony of the Department of Justice, presented to the Senate committee by Assistant Attorney General Stanley Pottinger, recommended that the Act be amended to prohibit discrimination on the basis of race, color, religion, and national origin and observed that while the legislation was not designed specifically to deal with Arab boycott, it may well have the beneficial effect of assisting in dealing with some of the problems created by the boycott. (Senate hearings, p. 319.)

Under paragraph (1) race, color, religion, national origin, and so forth *may not be considered in any way* in reaching a decision whether to extend credit—not with regard to the applicant or those with whom the applicant deals. Your regulations should leave no doubt about this critical aspect of the Act.

EXEMPTION OF CLASSES OF TRANSACTIONS

My second major point is that the regulations that you will promulgate to carry out the 1976 amendments should not exempt any credit transactions, and in particular, any business transactions, from the coverage of the Act.

Section 703 of the Act, as amended by the 1976 amendments, provides, in pertinent part:

The Board shall prescribe regulations to carry out the purposes of this title. These regulations may contain but are not limited to such classifications, differentiation, or other provision, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumvention or evasion thereof, or to facilitate or substantiate compliance therewith. In particular, such regulations may exempt from one or more of the provisions of this title any class of transactions not primarily for personal, family, or household purposes, if the Board makes an express finding that the application of such provision or provisions would not contribute substantially to carrying out the purposes of this title.

The Senate report, while acknowledging that there are differences between consumer and business credit, indicated strongly that on the basis of the evidence presented to them, business credit should not be exempted from the coverage of the Act (p. 11). The report also quoted a portion of a letter from Assistant Attorney General Pottinger on this point:

In our view, the Act should not be narrowed to apply only to consumer transactions. So limited, the Act would probably not apply to the Arab boycott . . . or to discrimination in business credit transactions against minority-owned businesses. Id.

The legislative history makes it clear that the discretion granted the Board by section 703 is quite narrow. In order to grant an exemption, you must find that there is no incidence of discrimination in such transactions, and that there is no likelihood of discrimination in such transactions, *and* that the *potential* for discrimination in a class of transactions would not be increased by its exemption from the coverage of the Act. (S. Rep. 94-589. p. 11). The exemption authority, furthermore, is designed only to ease administrative burdens which do not contribute to effectuating the purpose of the Act (*id.*), so it should in no instance be used to exempt any class of transactions from the substantive prohibitions of section 701.

I certainly cannot think of any class of transactions that could qualify for exemption under this strict test, but, should the Board believe otherwise, I trust that it will give consumer groups and groups working to promote nondiscrimination a full opportunity to present evidence in opposition to any exemption.

AGE DISCRIMINATION

I also want to point out that one of the major purposes of this legislation is to prohibit discrimination against senior citizens in the granting of credit. It is essential in drafting regulations that this protection for our elderly citizens not be diluted. Too often our senior citizens have been denied credit simply because they are over 65. The law is explicit in its prohibition against such age discrimination, and it also prohibits the assignment of a negative value to the age of an elderly applicant in a credit scoring system. The only weight which a creditor could assign to an elderly person is a plus value. These credit scoring systems must be carefully monitored to ensure that they do not contravene the Equal Credit Act.

REASONS FOR REJECTION

I am also concerned that the provision of the Act requiring creditors to disclose to rejected applicants the written reasons for such rejection, or written notification informing them of their right to obtain in writing the specific reasons for rejection of their credit application, be strictly implemented. I hope that creditors will be encouraged to provide such reasons as a matter of course. In the original Equal Credit Opportunity Act, I advocated that such a provision be included. In these Amendments the Congress has recognized that such a requirement is necessary to protect women, minorities, the elderly and all consumers from being arbitrarily denied credit.

CONCLUSION

In conclusion, I urge you to set forth clearly in your regulations the fact that secondary discrimination—discrimination against a credit applicant because of the race, color, religion, national origin, et cetera, of *third persons* with whom the applicant deals—is prohibited by the Act. I urge that no business transactions be exempted from the full coverage of the Act and implementing regulations. I also urge that the regulations specify that age may only be considered a positive factor for senior citizens in a credit scoring system, and that creditors be encouraged to routinely provide written reasons to rejected applicants.

A DEDICATED MISSIONARY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. YOUNG of Florida. Mr. Speaker, earlier this year a great American missionary—Paul C. Hartford—retired to my congressional district after having spent the last 25 years of his life working with young people in every State in the Union and in 50 foreign countries.

During his career, Mr. Hartford distinguished himself as an author, lecturer, pilot, and minister. There are many varied accomplishments of this man who is a recognized authority on leadership development and motivation. Mr. Hartford, as an avid aviator, used his skills to put to effective use flying missions to remote jungles and mountaintops all over North and South America. For being the first man to fly a small single-engine aircraft over the Andes Mountains in Ecuador, Mr. Hartford was awarded membership as a Fellow of the Royal Geographic Society of England.

Moreover, Mr. Hartford also helped organize and sponsor World Youth Congresses in Europe, Asia, and the Americas.

It was my pleasure to meet Mr. Hartford at Dr. Charles Leaming's Faith Temple in St. Petersburg, Fla., during a recent Bicentennial rally, and I was most impressed with the dedication of Mr. Hartford who has unselfishly given of himself to help his fellow man—and in this Bicentennial Year, I believe it proper for us to recognize the careers of men and women whose work exemplifies the pioneering spirit of '76.

THE DAY OF THE HOLOCAUST

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. SYMINGTON. Mr. Speaker, this morning's Washington Post carried a column by Henry Owen, director of foreign policy studies at the Brookings Institution. His reflections on the 1942 uprising of the Warsaw ghetto are timely, not only because they come on the 34th anniversary of the uprising, but also because they serve to remind us that evil can triumph only when responsible human beings close their eyes to it. Mr. Owen points out that in 1976 "we are exposed to debate about many specific issues. It is important to analyze these issues, but even more important are the criteria we use in our analysis. For there is a moral choice involved in many of these issues and April 27 is a good day in which to realize at what peril we ignore this choice." I commend these observations to my colleagues for their consideration, and include Mr. Owen's remarks to be printed in their entirety in today's CONGRESSIONAL RECORD:

APRIL 27: REMEMBERING THE DAY OF THE HOLOCAUST

(By Henry Owen)

In October 1966, standing in front of the monument to the dead of the Warsaw 1942 ghetto uprising, an American diplomat said that John Gronouski, then our ambassador to Poland, had written in the guest book at Auschwitz "no one of us is innocent," and a Polish newspaperman who was with us added that no one who had lived in those terrible times could challenge that statement.

April 27, which was the last day of the Warsaw uprising, is set aside, in varying degree in different countries, to commemorate six million men, women, and children who died in the Holocaust. Survivors tell us that these victims' wish was, above all, to be remembered. We should remember them—not only in love and pity, but also in thinking on the moral meaning of these events.

The Holocaust was a lapse into evil of proportions unmatched in modern human history. Any one seriously concerned with our time and our values has to ask himself: How did it happen? The easy answer is that it was all the fault of Hitler, the Nazis, and the Germans, in that order. But this is too simple, of course. It was the work of the madman who ordered it, the criminals who ran the death camps, and the German people who allowed these men to gain power. But the Holocaust would not have been possible without the active or passive cooperation of government officials and police in the occupied countries. Surely they were unwilling accomplices, but perhaps so were some of the German police who did the same thing in Germany. Hitler's orders to carry out the Holocaust, were, with noble exceptions, obeyed throughout the continent. Denmark was one of those exceptions. It shows what could happen when an entire nation set out to defy these orders: An entire people was saved. The fact that this was an exception casts a somber light on what happened elsewhere. Nor are Americans in a good position to strike a superior stance; our unwillingness to accept large numbers of refugees in the 1930's and our failure to take much note of what was happening during the Holocaust is nothing to be proud of.

The Holocaust was mainly the Nazis' fault, but we miss the central point of we think of it as being solely their responsibility. The Holocaust has more to tell us than that. It tells us that Jacob Burckhardt, the Swiss historian, and Lord Acton were right when they wrote, amid the general optimism of the 19th century, that the combination of continued human imperfection and growing human power was an increasingly dangerous one. It was the work not only of the instigators but of an entire generation which, when faced with evil, for the most part did nothing. It was the work of a generation, of Germans and others, who had been too busy or ambitious or clever to pay much attention to anything except being good architects, good businessmen, good engineers, or what have you.

One of these men was the German Minister of Armaments, Albert Speer, who, by his own account, when he received a hint of what was going on at Auschwitz, "did not investigate—for I did not want to know what was happening there." The London Observer of April 9, 1944 had this to say of Speer: "Much less than any of the other German leaders does he stand for anything particularly German or particularly Nazi. He rather symbolizes a type which is becoming increasingly important in all belligerent countries: the pure technician, the classless bright young man without background, with no other original aim than to make his way in the ease with which he handles the terrifying and managerial ability. It is the lack of psychological and spiritual ballast, and the case with which he handles the terrifying technical and organizational machinery of our age, which makes this sight type go extremely far nowadays. . . . This is their age; the Hitlers and Himmlers we may get rid of, but the Speers, whatever happens to this particular special man, will long be with us."

The answer to the question of how it happened may never be wholly clear. But a good start is to face the truth that not one of us is wholly innocent. For it was our culture, our governments, our attitudes which shape the environment in which these terrible events took place. Burckhardt and Acton had predicted that a culture rooted in pragmatism would be vulnerable to great pressures and temptations. If we can draw the lesson, the victims of the Holocaust will have been remembered in the way they might have wished. In part, that lesson involves a choice between pragmatism and other values in our personal lives. But the same issue arises in government. When the executive branch asks the Congress for funds to help poor countries, it feels compelled to conjure up a series of misleading pragmatic arguments—if we do not help these countries, they will go Communist, or cut off our supplies of raw materials, or vote against us in the United Nations. These arguments, in turn, distort the assignment and destination of our aid. Why not say, as John Kennedy once did, that we should do it because it's right, and program the aid accordingly? The same issue arises in other areas of foreign and domestic policy—open housing and welfare reform, for example.

In an election year, we are exposed to debate about many specific issues. It is important to analyze these issues, but even more important are the criteria that we use in our analysis. For there is a moral choice involved in many of these issues, and April 27 is a good day in which to realize at what peril we ignore this choice.

SUPPRESSION OF INNOVATION PART IV

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. SYMMS. Mr. Speaker, as many of my colleagues are aware, I have introduced legislation that would reverse the current trend of research and innovation in the drug field, or should I say the lack of research and innovation.

Walter S. Ross has written a very incisive article that explains how the FDA has put the United States into a drug-lag behind the other developed countries of the world.

The following is a reprint of that article that appeared in the October 1973 issue of Reader's Digest. I highly recommend the article that follows to my colleagues:

THE MEDICINES WE NEED—BUT CAN'T HAVE

(By Walter S. Ross)

A 33-year-old American woman who had suffered crippling allergic asthma attacks for 15 years found nearly total relief recently through a British prescription medicine called cromolyn sodium. Although available in Britain (where it is the third most widely prescribed remedy) since 1969, and under study in the United States since 1966, the medicine could not be legally prescribed for this patient by her doctor. Since only this medicine helped the woman, her doctor (like many other U.S. doctors) broke the law by asking friends who traveled abroad to smuggle back a supply. This benevolent, but illegal, traffic stopped only in late June 1973, when the U.S. Food and Drug Administration finally approved cromolyn sodium. We were the 55th country in the world to do so.

At least seven new medications for asthma have been introduced in Europe since 1962. Some are effective in some patients, others in other patients. By mid-1973, only two—now including cromolyn sodium—could be prescribed in this country.

For people suffering from high blood pressure and the painful heart ailment called angina, a new kind of drug has come into use in recent years. Known as a "beta-blocker," it blocks the damaging effects on the heart of adrenaline and a related substance, lowering blood pressure and relieving angina. An elderly Rochester, N.Y., woman was recently treated successfully in Great Britain with a beta-blocker called practolol. She could not get it here. The only beta-blocker available in America—propanolol—made her ill.

This is only one example of the lack of new heart drugs in this country. From 1967 through 1971, ten medications to treat irregular heartbeat (arrhythmia) came on the market in Europe; by mid-1973, only one had made it safely to our shores. In all, we have only about six of the 47 new heart and circulatory remedies that were introduced abroad between 1967 and 1971.

A powerful drug (guanoxan) which reduces blood pressure—but also causes liver dysfunction in a great many patients—has been in use in England since 1964. Many British doctors feel the medication is worth the risk of liver problems in patients who do not respond to other treatment, because these side effects can be reversed, whereas the effects of high blood pressure (hypertension) are not reversible and can be catastrophic. In the United States, tests of this drug had to be suspended when the FDA warned the manufacturer that it was too dangerous.

Although hypertension affects an estimated 23 million Americans, we have not had a single new general-purpose anti-hypertension medicine in this country since 1963. From 1967 through 1971, five such drugs came into European medical practice.

Sounding the Alarm. A great many American doctors are unaware of the drug lag. However, in 1972, 22 leading medical experts—headed by anesthesiologist Dr. Robert D. Dripps and including such renowned specialists as heart surgeon Michael DeBakey, cardiologist Irvine H. Page and pharmacologist Louis Lasagna—compared notes and became alarmed at the extent of the crisis. In a petition to Congressman Paul G. Rogers (D., Fla.), they complained: "The procedures by which new drugs are evaluated and approved for use in this country are causing us to fall behind in this important area of medical science. The system perpetuates a continuing decline in the number of new drugs entering the market and may be depriving the practicing physician of agents beneficial to patient care."

Examples of the drug lag that so provoked the doctors abound. Consider just a few:

A study conducted by Dr. William M. Wardell, a professor at the University of Rochester, of the 82 new medicines adopted in both Britain and the United States between 1962 and 1971 found that more than half were introduced first in Britain—an average of 2.8 years before the FDA permitted them to be sold here. Dr. Wardell also turned up nearly 80 medications approved for prescription in Great Britain during that time, not one of which had made it into the United States, including several drugs that British physicians rate better than anything currently available here.

In 1968, doctors in Italy began using a powerful new antibiotic, called rifampin, to treat patients with tuberculosis. It was not until 1971—after 50 other countries had adopted the drug—that rifampin became available in the United States. It is impossible to estimate what the delay meant for the 119,000 American TB victims under treatment during this time, or for the 17,000 who died of TB. But, according to many papers presented before the American Lung Association, the drug has been proved effective in patients whose TB is resistant to other antibiotics.

An especially promising, very-long-acting injectable form of tranquilizer (fluphenazine decanoate) was developed by an American company several years ago to treat schizophrenia, a mental illness which fills half the beds in U.S. mental hospitals. Introduced in England in 1969, it "revolutionized the community care of schizophrenia," according to Dr. W. Linford Rees, professor of psychiatry at the University of London. A study showed that only five percent of patients treated with this drug relapsed as opposed to 45 percent treated by other methods. It was not made available to U.S. schizophrenics until 1973.

Collective Chill. Modern drugs—90 percent of them discovered between 1935 and 1965—have revolutionized the practice of medicine, and added at least ten years to the average life expectancy in developed countries, according to Sir Derrick Dunlop, former chairman of the British Ministry of Health's Committee on the Safety of Drugs. But even as science began unleashing these therapeutic wonders, the potential for harm mounted. In 1937, a U.S. pharmaceutical company decided to put sulfanilamide, a new and useful weapon against strep and other infectious organisms, into syrup form. To manufacture what became known as "Elixir of Sulfanilamide," a solvent, ethylene glycol, was used without prior tests for toxicity. Ethylene glycol was a poison, and the Elixir killed nearly 100 people.

As a result of this outrage, Congress passed a law in 1938 demanding proof of safety—a giant step forward in drug regulation—before manufacturers could market new medicines.

The next major change in U.S. drug laws did not come until 1962, after the infamous thalidomide incident. During the late 1950s, this new sedative was considered so free of side effects that it was sold in Germany without prescription. But when an American company submitted a New Drug Application (NDA) for thalidomide, a medical officer at the FDA, Dr. Frances Kelsey, noted German reports of nerve inflammation in people who had taken thalidomide for a long time. Dr. Kelsey says she wondered what might happen to the fetus of a pregnant mother taking thalidomide. Since there were no answers available, she held up the application.

Birth defects began showing up among the children of European women who had taken thalidomide (the drug was also available by prescription in England), but it was several years before the defects were connected with the medication. Eventually, over 5,000 deformed babies were traced to thalidomide in Germany; nearly 400 in England. In this country, although the drug was widely distributed for testing, only 18 such cases have been found by the FDA.

Dr. Kelsey was hailed as a heroine who had singlehandedly prevented a drug disaster in the United States. Nevertheless, the closeness of tragedy sent a collective chill down American spines. With rare unanimity, Congress passed a tough new law requiring—for the first time anywhere—that a new drug be proved both safe *and* effective before it is licensed.

BUREAUCRATIC TREE

Sounds wonderful. But the fact is that no medicine can be proved safe for people by testing it in animals. And there is no way of knowing whether or not a medicine will cure a human disease without giving it to a human being. So, in order to enforce an absolute demand with relative means, the FDA took the seedling of the '62 law and cultivated it into a mighty bureaucratic tree that sprouts regulations and paperwork in all seasons. In 1948, for example, Parke, Davis & Co. was able to get a license for its Benylin Expectorant with a mere 73 pages of facts. In 1968, the same company's application for the anesthetic Ketalar required a truck to haul its 72,200 pages, bound into 167 volumes, to the FDA.

To achieve the mountain of fact on Ketalar, the company had to test it for almost seven years; first in animals; then in healthy people; finally in sick patients—and then wait another two years after the application was filed, before having it approved. Today, an NDA takes an average of 27.5 months to pass through the FDA. Before 1962, it took about six months. (To clear Ketalar in Britain required only 857 pages and some four months.)

There are three main differences between our system of drug clearance and those of the other countries which demand proof of safety and efficacy. We are later in starting clinical testing of new drugs, for regulatory and industrial reasons. We demand longer periods of investigation—often years longer—and in thousands more patients. These time differences, together with our 27.5-month clearance time, account for the lag between the introduction of new drugs overseas and in the United States. They add several million dollars to the cost of each new drug—a cost passed on to consumers.

Experts conclude that under today's regulations a number of our most important current medications would never have made it even to the human testing stage, much less to the marketplace. It seems hardly likely that aspirin could pass muster under present rules, since under certain circumstances it causes birth defects in rats and other animals. And if penicillin were being tested today it would not pass its animal trials—with consecutive injections during a few days every guinea pig and hamster in which it is injected dies—and thus penicillin probably could not be tested in people. Says Dr. Wardell: "If even one drug of penicillin's stature has been unjustifiably banished to a company's back shelf, that event will have harmed more people than all the toxicity that has occurred in the history of modern drug development."

Another result of the drug lag is the sharp decline in the discovery and testing of new and needed drugs. In the ten years before the 1962 regulations, the U.S. pharmaceutical industry produced and marketed an average of 43 new medicines a year. Between 1962 and 1970, this figure dropped to 17. In the last five years, the average has fallen to 13. And even while they produce fewer marketable drugs, American drug manufacturers have been spending more and more money on research and development—up from $212 million in 1960 to $728 million last year. Before 1962, a drug could be tested and marketed in about two years, at a cost of $1 to $2 million. Today the process takes an average of seven years, and may cost as much as $11 million.

THE CHOICE TO BE MADE

These are the dimensions of our expanding drug-clearance problem. What is the solution?

For a crisis as many-faceted as this, there is no clear, simple answer. Several large medicine manufacturers refuse to speak on the record, for fear of FDA reprisals. But one industry leader, Dr. Gerald D. Laubach, president of Pfizer, Inc., has said, "To increase the flow of new medications, we should shift some of the FDA's emphasis to surveillance of new drugs in the first years *after* approval. This would better protect the public, and would give people the benefits of research progress as it occurs."

Says Dr. Lasagna, "You need only a small amount of good clinical work to establish that a drug is effective and reasonably safe. It takes a lot of work, however, to pinpoint safety and efficacy with precision. It seems wasteful to spend years getting more data just so that people can have a spurious sense of confidence."

The FDA told me that "there are no examples of truly important new drugs being delayed in this country solely because of over-regulation or bureaucratic red tape." But individual FDA people apparently disagree. Dr. Henry Simmons, former head of the agency's Bureau of Drugs, said not long ago, "We can keep adding more and more requirements, which are justified scientifically, but we may reach the time when the goose just has no more golden eggs."

C. Joseph Stetler, president of the Pharmaceutical Manufacturers Association, is certain that "the American regulatory maze tends to hinder needed new medications from reaching patients: defenders of the system tend to understate lost patient benefits and overstate the 'safety' achieved through delay." His solutions are administrative: abbreviated NDAs, effective use of advisory panels, upgrading of Bureau of Drugs personnel, hopefully to bring new drug approvals "within the approximate time required in other medically sophisticated countries."

Opinions also vary widely on Capitol Hill. Sen. Gaylord Nelson (D., Wis.) thinks that present laws are inadequate "to protect the American people against poorly tested, unsafe, ineffective, improperly used, monopolistically priced drugs"; he has introduced an 83-page bill to strengthen government regulation. On the other hand, Rep. Paul G. Rogers (D., Fla.), who heads a subcommittee charged with overseeing the DA, says "During the past year we have received numerous complaints about new drugs failing to reach the marketplace. We believe that hearings probably will have to be held to examine ways of safeguarding the public while permitting delivery of more effective and safe drugs to fight disease."

Sir Derrick Dunlop told me, "It is doubtful whether rigid laws can suitably be applied to the licensing of medicines, since each one represents an individual problem to be treated by common sense." Americans have long been noted for common sense. Isn't it time we applied this trait in the area of medicines—and admitted that in seeking to be "totally safe" from drugs we have in fact weakened our defenses against disease?

LEAVE TO SEEK ELECTIVE OFFICE BY FEDERAL EMPLOYEES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. CLAY. Mr. Speaker, there has been some misunderstanding about the provision of H.R. 8617, the Federal Employees' Political Activities Act of 1975, relating to leave of absence by Federal employees to seek elective office.

H.R. 8617, as originally approved by the House, provided that Federal employees who seek full-time elective office must be granted leave without pay at least 90 days prior to primary or general elections. The agency has no discretion in this matter. In effect, the employees' positions would be held open for them. If unsuccessful in their candidacy, employees would be able to return to their former positions. Federal employees who seek part-time elective office would not be required to take leave without pay from their employment.

The Senate version struck this provision. As a result, employees who seek elective office, whether full-time or part-time, must resign from their positions if they cannot conduct their campaign on their own time. Sponsors of this amendment pointed out that the House bill afforded Federal employees an advantage that is not available to employees in the private sector—that candidacy for elective office involves risks that should be equally borne by all candidates. Employees may, upon application, be granted leave without pay at the discretion of the agency head for this or any other reason.

By accepting the Senate amendment, the House managers adopted a more firm position in insuring that candidacy for elective office does not impact upon the merit system. The employee must resign if he cannot campaign on his own time. The employee does not have an unfair advantage over other candidates for elective office. The employee remains subject to the bill's prohibition against conducting political activities while on official duty.

I hope this clarifies and resolves any reservations that some of my colleagues have expressed about H.R. 8617 as it was approved by the House managers and both Houses of Congress.

VENCEREMOS BRIGADE, 1976

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. McDONALD of Georgia. Mr. Speaker, some 200 U.S. citizens have traveled in small groups by cities during mid-April via Jamaica to Communist Cuba as the 9th Contingent of the Venceremos Brigade—VB. While the ostensible purpose of the VB contingents has been to participate in various work projects in Cuba, the real purpose has been to provide the Cubans with potential intelligence contacts and to increase Castro's influence among American radicals.

The Venceremos Brigade was organized during 1969 by a group of militant U.S. revolutionaries active in Students for a Democratic Society—SDS. Many of those SDS activists were members and close supporters of the Weathermen faction which was to move into terrorism within the next few months.

SDS had long maintained contacts with the Cuban Communists. Many SDS leaders, including persons who were to become Weathermen faction members, traveled to Cuba to observe certain select aspects of the Cuban regime. SDS had already set up the North American Congress on Latin America—NACLA—characterized by SDS leader Carl Davidson as the New Left's "intelligence-gathering arm." The extensive contacts of the NACLA staffers with the representatives of the Cuban DGI intelligence service are a report in and of themselves.

Evidence that SDS was considered a prime source for a broad range of useful information by the Cubans and their agents is available from a variety of now public sources. For example, a German SDS member wrote from West Berlin to the American SDS National Office in January 1968:

> At the international camp in Cuba they have discussed possibilities for scientific assistance by radicals for Cuba. Cuban teachers, technologists, and students need advice and current information on scientific literature in fields such as agriculture, * * * computer applications, counter-insurgency technologies. Could you please send us the names and addresses of a number of SDS people who might be able and interested in participating in such an international revolutionary technical assistance program.

The letter is clearly an invitation to espionage.

Venceremos Brigade organizers reported that the impetus for creation of the VB came from Fidel Castro himself. A group of SDS activists had been invited to Havana in early January 1969, for the celebrations of the 10th anniversary of the Communist revolution. Castro's speech of January 2, 1969 called for an all out effort to produce a large sugarcane harvest to help bail out Cuba's foundering economy demaged by the U.S. blockade. These SDS representatives met with Castro privately shortly after and received approval for their plan to bring U.S. revolutionaries to Cuba to assist in the fall/winter sugarcane harvest.

The next stage in the initial organizing of the Venceremos Brigade took place in Cuba between members of the Cuban Communist Party in the DGI spy apparatus and Julie Nichamin of SDS. Nichamin remained in Havana during January, February, and March 1969, drafting the structure of the VB. During this period, Nichamin sent a draft VB plan to her close friend Bernardine Dohrn, then the SDS interorganizational secretary, which set out the criteria for selecting VB recruits. Nichamin concluded her letter with instructions to Dohrn to contact one Jesus Jiminez at the Cuban United Nations Mission in New York "if any help or information is needed."

It is of more than passing interest that Jesus Jiminez, who was secretary of the Cuban U.N. mission, was refused entry into the United States on February 19, 1969, because his spying activities were considered inappropriate to his role as a U.N. delegate.

The Nichamin draft proposal for a Venceremos Brigade was taken up at the SDS national council meeting in Austin, Tex., March 28–30, 1969. Those principally involved with the organizing included Dohrn, Jerry Long, Karen Ashley, and Arlene Eisen Bergman, all later Weatherman faction stalwarts. Arlene Eisen Bergman and her husband, Lincoln Bergman, a former news director for Pacifica station KPFA in Berkeley, Calif., have remained close to the Weather Underground organization. When the Weathermen first went underground, the Bergmans, too, disappeared for a time, but resurfaced possibly because there were no outstanding criminal charges against them. The Bergmans are now leaders of the Prairie Fire Organizing Committee—PFOC—the overt arm of the Weather Underground.

Arlene Eisen Bergman produced notes entitled "Working Committee Working Proposal for Brigades" after the SDS national council meeting which clearly established that no Venceremos Brigade activity would be conducted without the prior approval of the Cuban Communists. First, an executive committee for the VB was established to "approve of a project proposal * * *; select brigade members; deal with the Cubans." Bergman's timing outline noted "Reach concrete agreement with Cubans in May; SDS approval June—at the SDS National Convention— * * * Set up staff office, fundraising, and begin selection May, June, or September, depending on when get agreement with Cubans—the sooner the better, of course."

In light of the long term relationship between the Cuban Marxist-Leninists and the Puerto Rican Socialist Party—then called the Movimiento Pro Independencia—MPI—and in light of the present Prairie Fire recruitment of racial minority groups, it is interesting to consider Arlene Eisen Bergman's comment in her letter of transmittal to Dohrn which accompanied the proposal. Bergman wrote:

> * * * we also have to figure out what other brown groups [should participate]—YLO [Young Lords Organization—Maoist group now called the Puerto Rican Revolutionary Workers Organization] is Puerto Rican and supposedly the Cubans don't want any PR's.

Although Long, Ashley, and Nichamin submitted their Venceremos Brigade resolution, "Position on the Cuban Revolution," which called for "support of a North American Brigade to cut cane in the 1970 sugar harvest" with the VB members to be "recruited from activists in the revolutionary movement in this country: blacks, Latinos, white working class youth, students, and dropout GI's," at the June 1969 SDS national convention, the VB project could not maintain SDS unity. At that meeting SDS as a national organization disintegrated into three warring factions.

Nevertheless, the brigade project proceeded with the initial organizing in the hands of the SDS Weatherman faction. Some 900 persons went to Cuba with the VB's first and second contingents. During this period, the SDS Weatherman faction had become enamored of the alleged revolutionary potential of the "alternative culture." The Cubans found that the Venceremos Brigadistas included not only revolutionaries but large numbers of acid heads and drug abusers of various types and a large number of sexual deviants, some of whom attempted to seduce Cuban youths.

For the past 4 years, Venceremos Brigade recruiting has been largely in the hands of the Communist Party U.S.A., and members of the CPUSA and its youth branch, the Young Workers Liberation League—YWLL—have the responsibility of weeding out "unfit" VB applicants.

The function of the VB has been to provide the Cubans with large numbers of American contacts, on whom they have considerable personal data and whom they have been able to evaluate personally, who may in the future prove useful as propagandists, as leaders of the U.S. revolutionary movement, as espionage agents, or terrorists.

At the Cuban end, the Venceremos Brigade is controlled by the Cuban Institute for Friendship among the Peoples—ICAP—which is an operation of the DGI. ICAP staffers have interviewed members of the various VB contingents on topics ranging from revolutionary movement activities in their localities through location of powerplants and transmission lines, dams and reservoirs, military bases and missile sites to the personalities involved in local business and politics.

In December 1975, the VB announced it would seek "some 200 black, Chicano, Puerto Rican, Native American and white activists" for the Ninth Contingent. Gail Reed of the VB national committee announced that the Ninth Contingent would stay in Cuba for only 5 weeks, rather than the customary 8 or 9 so that "more working people, those with family or organizational responsibilities, and more Third World people, who face the most difficult economic hardships, can join the brigade."

Applications were available from the VB at several locations including GPO Box 3169, New York, N.Y. 10001; P.O. Box 24324, Oakland, Calif. 94623; P.O. Box 22222, Seattle, Wash. 98122; and P.O. Box 6888, Albuquerque, N. Mex. 87107.

The brigada Venceremos—the group affects as much Spanish as it can and generally refers to itself as the "BV"—specified its recruitment targets:

> The Brigade looks for people who are involved in movements like: the fight against unemployment and inflation; against repressive legislation; for rights of national minorities; for decent health care, education and housing; for the rights of women; for better conditions on the job; against U.S. domination around the world—and many other sectors of the progressive movement * * *.

With regard to that statement, CPUSA domination of recruitment is demonstrated by the emphasis of selecting VB candidates from CPUSA front organizations and causes such as the National Coalition to Fight Inflation and Unemployment—NCFIU—the drive to prevent passage of Senate bill 1 led by CPUSA's National Committee Against Repressive Legislation—NCARL—the anticriminal justice, anti-police drive led by the National Alliance Against Racist and Political Repression—NAARPR—the new womens front called Women for Racial and Economic Equality—WREE—rank-and-file trade union groups associated with Trade Unionists for Action and Democracy—TUAD—and the support group for African Marxist terrorists, the National Anti-Imperialist Movement in Solidarity with African Liberation—NAIMSAL.

A nine-page position paper distributed by the VB national office in New York discussed VB strategy for the upcoming year. Emphasizing "the role of the Venceremos Brigade as an anti-imperialist political education project," the document reads in part:

> Our first responsibility is to educate ever greater numbers of the U.S. people about Cuba's example and ideas in the construction of socialism and in anti-imperialist solidarity. One means to achieve this objective is for the Brigade to broaden and deepen its relations with the popular movements for social change—those people fighting for better housing, against unemployment and poor education, the continued struggles against racism and for the rights of women, and for decent health care and better working conditions. * * *
>
> We will strive in the coming year to make the Venceremos Brigade more accessible to these forces, especially through our efforts in recruitment and outreach. * * *

In a new development, the VB leadership wrote:

> In addition, we will expand our contacts with broader movement sectors through organizing special interest trips to Cuba. These trips, of shorter duration than the Brigade and planned for smaller groups, will give organizers in various fields a chance to see the accomplishments of the Cuban Revolution first-hand.

During 1975 several U.S. revolutionary organizations with close Cuban ties, including the Weather Underground Organization terrorists and their overt arm, the Prairie Fire Organizing Committee—PFOC—as well as the Puerto Rican Socialist Party—PSP—which appears to be having severe internal problems in maintaining political arm dominance over its military arm, the terrorist Fuerzas Armadas de Liberacion Nacional—FALN—developed a close working alliance. The VB document indicates that the Brigade may become involved in such an alliance:

> Also an important task * * * will be to expand and strengthen our relations with those left forces that promote anti-imperialist and socialist ideas. These are the groups which have been, and still are, the basis of the Brigade. * * * Increasing our contact with these groups can contribute both to the greater anti-imperialist unity of the left, and to a more effective plan of work * * *. The basic principle operative here is to explore how we can work together to build support for the Cuban Revolution and solidarity with the national liberation movements of Asia, Africa, and Latin America. * * *
>
> It is a fundamental responsibility of the Venceremos Brigade to express solidarity with the anti-imperialist movements and struggles in Asia, Africa, and Latin America. This year we will place special emphasis on Puerto Rico and Chile. In addition, we will continue our activities of solidarity with Vietnam, Palestine and the struggles of Southern Africa, particularly Angola.

To the U.S. revolutionaries, the phrase "expressing solidarity" has been used to refer to actions ranging from picket lines and petition compaigns to street confrontations and terror bombings. Cuban "solidarity" with the Palestinian terrorists has included handling the relations of the expert Soviet-trained terrorist "Carlos" with the PLO. Cuban "solidarity" with Chile includes logistical support to hundreds of "MIRista" terrorists and their allies in the JCR—revolutionary coordinating committee—in Latin America. Certainly those we have entrusted with protecting our right to life, liberty, and the pursuit of happiness should make sure that the Venceremos Brigade and its members are under close scrutiny.

VB applicants have been subjected to a political indoctrination and physical training course since the December 31 final application date. This has included reading the speeches of Fidel Castro, learning a minimal amount of Spanish, and raising the $300 needed for individual transportation. It is noted that for especially desirable applicants, subsidies have been supplied by the movement's financial "angels." The purpose of the 3-month indoctrination program was to weed out the "unsuitable." As the VB stated:

> The goals of the preparation period are:
>
> 1. To provide a basic introduction to the objectives, history, and developments of the Cuban Revolution.
>
> 2. To develop an understanding of the role and objectives of the Venceremos Brigade as an anti-imperialist educational project.
>
> 3. To provide a reasonable basis for making final selections.
>
> 4. To develop among the recruits and regional members a collective approach to work and problem-solving.

The explanation continued:

> In terms of the point on final selections, it is important for recruits to be aware that it is very difficult to see consistent behavior that impedes unity simply from an interview. Therefore, within the preparation period, consistant behavior which impedes this unity * * * will be a basis for exclusion from the Brigade.

The VB has generally tried to exclude members of the Trotskyist Communist groups, members of militantly anti-Soviet Maoist sects, although some Workers World Party—WWP—Trotskyists who play down the Trotsky issue and work diligently in support of Havana have been allowed to join the VB. The VB document makes the following political statement:

> It has to be clearly stated that to agree to participate in the VB process implies agreement with some of the Brigade's basic goals and objectives. * * * The educational sessions are not appropriate forums for ideological struggle based upon the various political ideas that are represented by both regional members and recruits. The coming together of politically diverse groups and people in solidarity with the Cuban Revolution is a positive point. We respect everyones right of expression but realize all the problems and issues of the movement for change in this country cannot be solved within the preparation program. This does not mean differences aren't allowed. It means we have a more important objective than emphasizing our differences.

The Ninth Contingent has traveled to Cuba as usual in a semiclandestine manner, some via Mexico. With regard to obtaining a U.S. passport, a VB document "try to look your best when applying * * *. Do not say you are going to Cuba. On the passport application, you can tell them you are going to Europe."

An insight on Cuban conditions is provided by the list of "things you should bring" on the VB Ninth Contingent which "should be taken seriously, because many of these items are not obtainable in Cuba."

Among the items listed were: "One month's supply of deodorant—non-aerosol—two toothbrushes; hairpins and rubber bands for long hair; band-aids, salt tablets, mosquito repellent, dramamine, eye drops, exlax, kaopectate, sun lotion or cream, aspirin, ben-gay for sore muscles, first-aid medication and other similar things; birth control pills or whatever."

On the "optional" list were "tape recorder, casette tapes, batteries * * * camera, film, et cetera"—bring everything you need because you cannot get stuff in Cuba like film, batteries, et cetera—and "medication for pimples if you need it."

A final instruction to the "brigadistas" was to bring "an inconspicuous book to read on trip to Cuba and to read in the airport" clearly making Che Guevara's diary contrabrand on this expedition.

This year more than half of the Ninth Contingent originated on the west coast—about 50 from the bay area, 25 from Los Angeles, and about 20 from Seattle.

The VB lists its Bay Area Regional Core as headed by Felicia Gustin—415/536-4938. Other regional core members heading committees are Jean Damu, propaganda; Leonard McNeil, preparations; Tuty Rodriguez, correspondence; and Regina Wurst, finance. Members of the bay area regional committees include: propaganda: Merle Goldstone, Anita Infante, Sandy Jones, Sammy Madison, Melodie Radler, Toya Robinson, Alejandro Stuart, Teresa Walsh, Phil Wilder; preparations: Tony Colon, Kevin Duncan, Michael Lima, Patty Miller, Otilia Parra, Bill Proctor; recruitment: Isabel Alegria, Lenor DeCruz, Kevin Duncan, Michael Lima, Patty Miller, Bill Proctor, Pancho Rodriguez, George Singh; finance: Cynthia George, Taris Williams.

TWENTY-FIFTH ANNUAL CONVENTION OF GREATER CHICAGO REGION UNITED SYNAGOGUE YOUTH

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. MIKVA. Mr. Speaker, this weekend from April 30 to May 2 is the 25th annual convention of the United Synagogue Youth of the Greater Chicago Region. The convention is particularly significant this year, because it coincides with the 25th anniversary of USY's existence. During the 25-year life of the Chicago chapter and the national organization, the United States has witnessed profound changes.

Among those changes has been the suspicion that traditional family and religious beliefs are no longer important in today's urban, mobile society.

USY has resisted this trend. USY has recognized that now, more than ever, people need and want to believe in certain fundamental concepts. No group of people has been more affected by the rapid changes in society in the last quarter century than young people. The events of the 1960's imposed tremendous pressures on young people which remain present today. That is why it is very appropriate that the 1976 regional USY convention has chosen as its theme "Crossroads in Time: An Examination of Alternatives for the American Jewish Teenager at the Intersection of the Bicentennial and the 25th Anniversary of USY."

USY has been devoted, since its inception, to providing a forum for Jewish teenagers to discuss matters of importance to Jews and non-Jews, and to the young and old. USY functions out of the tradition of Jewish family life where love and respect for children has always been of paramount importance. The sacrifices that parents willingly have made for their children may sound old fashioned to some people, but they also have served as inspirational ideals to all Americans. USY has a long-standing commitment to the role of the teenager within the family, the synagogue, and the larger society. These are not "old" issues to be lightly discarded because they are no longer fashionable. Teenagers are, of course, tomorrow's adults and leaders, and the institutions of family, synagogue, and society form the basis for the maturation responsible adults.

This year's USY regional convention focuses on three major study areas: The assimilation of Jews into secular society; the possibilities for a Jewish teenager to lead a religious life in America; and the role of the American Jew in relation to the State of Israel. The U.S. Bicentennial and the USY's 25th anniversary provide an auspicious time for Jewish teenagers to reflect on these serious topics.

It has been my pleasure to meet with and talk to many USY members. These contacts have not only persuaded me of the value of USY, but also of the future of our country and the Jewish community. The outstanding young adults composing the membership of USY exemplify the best hope of our country. I offer them my congratulations on their 25th year and my best wishes for a successful convention.

U.S. TRADE DELEGATION DESERVES PRAISE

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. MONTGOMERY. Mr. Speaker, during my recent visit to Geneva, I had the opportunity of viewing first hand the fine work being performed by the U.S. delegation to the Multilateral Trade Negotiations, or Tokyo Round. The delegation is ably headed by Ambassador William N. Walker, who has honed a group of experts from a number of Washington agencies into an efficient, hard working team which is carrying out its responsibilities under the Trade Act of 1974 in an admirable way.

The Multilateral Trade Negotiations is the most ambitious and complex effort to date to reduce, and where feasible to remove, barriers to international trade. A successful outcome to these negotiations will mean more and better quality products at lower prices for American consumers and greater employment opportunities for American workers. It is an effort which merits our firm and continuing support.

International trade is more important to the United States today than ever before. Whereas we have traditionally exported about 4 percent of our gross national product, exports now account for 7.2 percent. It is commendable and somewhat ironic that the most important attempt at reducing trade barriers in our Nation's history has been taking place for the most part during the most intractable economic downturn since the Great Depression. It is a tribute to U.S. leadership and negotiating skill that negotiations are still on target despite the buildup of recession-induced pressures throughout the world to isolate domestic industries from competititon.

The Multilateral Trade Negotiations provide the United States with an unparalleled opportunity to lead the way in the establishment of the trading rules which will govern international commercial relations in the decades ahead. As the world's most powerful economy, we need not fear competition. Indeed, we must seek greater opportunities for our export sector to sell abroad. It is in our national interest that competition not stop at international borders, and it is for this reason that the Multilateral Trade Negotiations are of such vital concern. We can and should compete successfully with other countries in order to provide new markets for American agricultural and industrial products, and thereby provide increased employment opportunities in our Nation.

I highly commend Ambassador Walker and his excellent staff of negotiators for the fine work they are doing in our behalf.

BALANCED BUDGET HEARINGS RESUMED

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. ICHORD. Mr. Speaker, on March 17, 1976, I announced to this body that the Committee To Investigate a Balanced Federal Budget of the Democratic Research Organization—DRO—was about to begin its first set of hearings seeking to determine the economic impact of Federal deficits and an appropriate congressional response to those deficits. For 4 days in late March, the committee took testimony, mostly from nongovernmental witnesses who showed general agreement on several points: the witnesses were dubious of governmental estimates that the budget would be in surplus by 1979 or 1980. Most foresaw continuing and substantial deficits running into the next decade. New spending initiatives—like the Humphrey-Hawkins bill or various health care proposals—were viewed with skepticism by Dr. James Duesenberry of Harvard, as well as more conservative witnesses. All agreed that deficits had an inflationary potential which could reactivate a boom-bust cycle similar to the one the Nation has just experienced. In addition, several of the witnesses presented arguments and data to show the damage to various sectors of the economy that had been wrought by these cycles. Thus, intelligent and capable people of varied persuasions expressed concern about the course our Government is following.

Our committee has not come to firm conclusions about an appropriate fiscal policy during the recovery, but the March hearings encouraged us to learn more. We had mostly nongovernmental witnesses then; our current hearings are dominated by administration and congressional members. The committee is anxious to determine the areas of agreement and disagreement among the various witnesses. Hence, as in March, our inquiry focuses on the relationship of deficit to jobs, inflation, housing, interest rates, and stock market prices, as well as the propriety of current budget policy.

To help answer our questions, the committee has invited Carla Hills of HUD to testify at 9 a.m., April 29, in 2322 Rayburn House Office Building. Her prepared statement covers the impact of fiscal policy on housing. Like all other witnesses, she will be questioned by committee members. She will be followed by Darryl Francis, the recently retired president of the Federal Reserve Bank of St. Louis, who will speak on the origin and impact of inflation. The day's final witness is Roderick Hills of the SEC. His remarks focus on the allegation that the financial condition of American business is deteriorating. On Friday, April 30, the committee meets in 334 Cannon House Office Building at 9 a.m. Witnesses for the day's session are William Simon, Secretary of the Treasury, and Elliot Richardson, Secretary of Commerce. The former speaks on recent changes in deficit financing, and the latter discusses inflation's impact on business operations.

On Monday, May 3, the hearings move to 2118 Rayburn House Office Building at 9 a.m. Allan Meltzer of Carnegie-Mellon University begins with informal remarks on inflation's impact. The day's other witness is Alan Greenspan, Chairman of the Council of Economic Advisers. His remarks deal with the ability of large Federal deficits to abort the current economic upturn. Tuesday's session convenes again at 9 a.m. in 2118 Rayburn. HENRY REUSS, chairman of the House Banking Committee, presents his view of the preferred solution to the problem of perpetual Federal deficits. Mitchell Kobelinski, the new Director of the Small Business Administration, also appears, testifying to the impact of recent Federal deficits on the ability of small businesses to finance themselves. The committee returns at 9 a.m. on Wednesday, May 5, to 2118 Rayburn House Office Building to hear James Smith, Comptroller of the Currency, discuss the impact of inflation and high interest rates on the lending capabilities of banks and other financial institutions. Following Mr. Smith, Henry Kaufman, and James Pierce engage in a debate on the importance of "crowding-out."

During the last 2 days of hearings, attention shifts to the budget process. Beginning at 9 a.m. on Thursday, May 6, in 2118 Rayburn House Office Building, Charles Bowsher, Arthur Andersen & Co., testifies to the impact of accrual accounting on government financial statements. Elmer Staats, Comptroller General, relates the course of the 20-year effort to implement accrual accounting. The day's final witness, Alice Rivlin, Director of the Congressional Budget Office, discusses the role of her office in the budgetary process.

On Friday, May 7, the final day of hearings is held in 334 Cannon House Office Building at 9 a.m. Proceedings begin with BROCK ADAMS, chairman of the House Budget Committee, who testifies to the place of balancing the Federal budget among the priorities of the House Budget Committee. James Lynn, Director of the Office of Management and Budget, presents several options by which Congress can more effectively control Federal loan guarantee programs. Finally, a panel comprised of three distinguished authorities—James Buchanan of VPI; Paul McCracken, University of Michigan; and William Niskanen, Ford Motor Co.—discusses six proposals put forth by the DRO staff as possibly being useful in exercising more effective control over Federal Government programs and deficits.

With the conclusion of these hearings on May 7, the committee's staff will prepare a report and make recommendations to the DRO membership. I expect at least some of these recommendations to be approved and translated into legislative language for House consideration. We will keep the Members informed of our progress.

WILDLIFE BILL VINDICATED, WILL BENEFIT THE NATION

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. KARTH. Mr. Speaker, Members of Congress must, above all else, have factual and fully accurate information to legislate properly. It is difficult enough, sometimes, for us to discern the best course of action even with all the facts available. Our task is made doubly difficult when a deliberate effort is made to distort the truth.

I refer to an advertisement published in the March 17, 1976, Washington Post. The ad was a solicitation for membership by a group called the Committee for Humane Legislation. The ad was a falsified attack on H.R. 9067, a bill which I sponsored to provide more funding for wildlife restoration, hunter education, and construction of supportive shooting ranges.

To set the record straight. I have prepared the following analysis for the information and guidance of my colleagues.

Fiction: The ad claimed:

> For the second time in the past month, the House of Representatives is about to bow to the threatening tactics of the National Rifle Association by diverting funds from the acquisition of lands for protection of wildlife to the building of gun ranges to train more hunters.

Fact: The NRA did not even appear at hearings on H.R. 9067 held by the Subcommittee on Fisheries and Wildlife Conservation and the Environment. Furthermore the bill would not reduce funds available for wildlife management. In reality Federal aid program funding for all wildlife restoration would be increased by a minimum of $600,000, bringing the total up to more than $59,000,000 annually, and hunter education programs by $5,400,000 up to $8.9 million annually. Funds available for wildlife restoration would increase in succeeding years.

Fiction: The ad contended that title II of H.R. 9067 is "an annual subsidy of $9,000,000 to the NRA, shockingly diverted from the Wildlife Restoration Act and to be used solely for gun training."

Fact: The funds are not subsidies to NRA or anyone else. They are funds derived from taxes paid by those wildlife enthusiasts and sportsmen who benefit from the program.

The money does not go to the NRA. The money is administered through the U.S. Fish and Wildlife Service to State wildlife agencies under the procedures of the parent Federal Aid in Wildlife Restoration Act. The NRA assists some States by providing qualified instructors to train the agency people and volunteers who conduct the programs. So do the Izaak Walton League of America, State wildlife federations, and many other conservation organizations. All of these instructors donate their talents. None receive pay for their efforts. Some States also purchase some educational materials from the NRA, Daisy-Heddon, Inc., Empire Publishing Co., and other sources. Calling H.R. 9067 a "subsidy" to NRA or any group is obviously a complete falsehood and at the best irresponsible.

No money would be diverted from the wildlife restoration program. As stated above, money for that purpose would be increased by approximately $600,000 the first year. That portion used by the State agencies for educational purposes would not be "solely" for gun training. Firearms safety is only a part of the program. Other training includes wildlife law and regulation, wildlife management, species recognition, respect for private and public property, sportsmanship, ethics, and so forth. The record shows the accusation that the program is solely gun training is completely false. To qualify for funding assistance, State programs must cover a minimum of 6 hours of class instruction.

Fiction: The ad claims—

> **In 1950, one of the members of Congress and a member of the Board of Directors of the NRA, John Dingell, successfully maneuvered an amendment to the Wildlife Restoration Act to allow the use of excise taxes collected from the sale of guns to establish gun training and construction and maintenance of target ranges.**

Fact: The amendment apparently referred to was enacted in 1970, not 1950. I cosponsored a similar bill on archery equipment which was enacted in 1972. The bills did not support "gun training." They provided funds for education programs, which include firearms safety training already being conducted by State wildlife agencies.

Fiction: The ad argues—

> **Because the funds are distributed on a population basis, the most heavily populated areas (with the heaviest crime rates) are allowed more funds—while the states with less population, but more Federal land and more wildlife may receive less monies.**

Fact: Of course the more populous States should get the greatest share of the funds. That is not bad as the ad implies. Densely populated States have more wildlife problems, less wildlife habitat, and more need for education programs. That is what this program is all about, to put wildlife where there isn't any. Apparently the Committee for Humane Legislation is against that. It would be foolish to buy as much land for wildlife habitat in areas where there already is plenty as for areas that have little or none. It also is foolish to think sparsely populated States need as large a hunter education program as do the populous ones. That is just plain commonsense. And what hunter education programs have to do with crime rates is beyond me.

Fiction: The ad continues with this fiction—

> **If enacted, H.R. 9067 would change this voluntary basis (to use funds for wildlife or education and range programs) and provide that the new excise taxes on guns and component parts must be used solely for target ranges and gun training and will be returned to the federal treasury if not so used.**

Fact: H.R. 9067 would not require any State to use any money for "target ranges and gun training." In the first place, States would not have to use $1 of the funds for hunter education if they do not wish to. But all obviously support and endorse such training because programs now are being conducted in all 50 States. They are mandatory in 23. They could use all or any part of the 50 percent for hunter education, which may include firearms safety instruction, not "gun training." That portion not used by a State, if any, would not be lost to the program or to wildlife conservation. Under my bill, unused funds revert to a discretionary fund for reallocation to States whose need exceeds their regular apportionment. Any money then remaining would be credited to the migratory bird conservation account and be used to purchase refuge lands. This latter procedure has been followed for years. The money would not be returned to the Federal Treasury as claimed.

Fiction: The ad contends—

> The Department of the Interior has disapproved the move. They do not have funds enough to enforce the wildlife programs already on the books: the Marine Mammal Protection Act, the Endangered Species Act, and many other nonhunting related programs. Hunting laws also are not properly enforced.

Fact: Of course the Interior Department disapproves the move. It is Office of Management and Budget policy to disapprove any authorization for funding that is earmarked for a specific purpose. OMB has tried for years to break the congressional directive that excise taxes collected for the Federal aid in wildlife restoration program can be used only for that purpose. For any natural resource program to be effective, however, there must be a continuous commitment of funding to conduct long-range programs. Conservationists recognized that fact in 1937. So did Congress and that is why the funds were earmarked in the first place. Conversely, the lack of a sure funding source is why the Marine Mammals Act, the Endangered Species Act, and other Interior wildlife programs are lagging.

The ad insinuates that the Federal aid in wildlife restoration program assists only hunted species. That is not true. The program funds projects for all wildlife, as Fish and Wildlife Service records clearly show.

The enforcement of wildlife laws has no relationship to the Federal aid in wildlife restoration program. The act expressly prohibits the funds being used for law enforcement and public relations purposes.

Mr. Speaker, it is time to expose the unprincipled tricksters who are waging this expensive and deceitful campaign against H.R. 9067. It is obvious that these people seek to use this bill to generate members and money for their organization. These people clearly have little concern for wildlife. They have never, to my knowledge, publicly supported any positive programs or appropriations for that purpose. They certainly know very little about the Federal aid in wildlife restoration program or the sound purpose of H.R. 9067.

Mr. Speaker, let me explain as concisely as I can the Federal aid in wildlife restoration program and the effect H.R. 9067 would have on it.

The program was initiated in 1937 at the request of sportsmen, conservationists, State wildlife agencies, and the sporting firearms industry. It has been funded since that time by an 11-percent manufacturers' excise tax on sporting firearms and factory-made ammunition. The tax is collected at the factory, but it is paid by sportsmen. The program is not supported at all by general tax revenues. The U.S. Fish and Wildlife Service even retains enough of the receipts to pay Federal administrative cost. The act provides for that. The remainder is divided among State wildlife agencies to pay 75 percent of the costs for wildlife projects approved by the Service. The State fish and wildlife agencies provide 25 percent of the funding. All the money from the sporting arms and factory-made ammunition tax is invested in wildlife restoration. As of December 31, 1975, that source had provided $670,000,000 solely for wildlife conservation purposes.

The accomplishments of this program are without parallel worldwide. The States have purchased more than 3,250,000, acres for wildlife. In addition, 51,000,000 more acres have been placed under State wildlife department management through long-term leasing agreements. Totally, more than 54,000,000 acres, an area larger than the six New England States, Maryland, and Hawaii combined, have been reserved primarily for wildlife. Additionally, a wealth of valuable research important to the conservation of wildlife has been and still is being funded by the program.

In 1970 Congress bolstered the program by redirecting the long-standing—since 1932—10 percent manufacturers' excise tax on handguns from general receipts to the Federal aid in wildlife restoration program. Unlike the excise tax established in 1937 on sporting firearms and factory-made ammunition, which must be used only for wildlife purposes, the States have the option of using up to one-half of their apportionments from the handgun tax for hunter education and shooting range purposes. The other half is for wildlife purposes. That was done in response to the need for hunter education programs conducted by the State agencies. Fifty States have hunter education programs. In 23 of the States, hunter education programs are mandatory for all first-time hunters. These programs have proven very successful in teaching safe gun handling and many lives have been saved. Sportsmen are becoming more familiar with complex wildlife laws and regulations and the need for such rules. Recreationist-landowner relations are improving through the programs' teaching respect for private and public property. The entire science of wildlife management and the sport of hunting is benefiting.

Ranges built under the program are used to support the entire education effort and to provide safe public facilities for millions of skeet and trap shooters. But even here I want to emphasize that the expenditure of this money the division between education and ranges is controlled by the State wildlife agency.

In 1972, Congress enacted a bill which I cosponsored and imposed an 11-percent manufacturers' excise tax on certain items of archery equipment. The receipts are used just like those from handguns. For those interested, a more detailed description of the program and its accomplishments can be found in a U.S. Fish and Wildlife Service publication entitled "35 Years of Shared Wildlife Management," released last year.

H.R. 9067 would establish an 11-percent excise tax on component parts of hand-loaded ammunition. It would direct that one-half of the receipts from this source and one-half of those received from the taxes on handguns and archery equipment be used for hunter education and shooting range purposes. The remaining 50 percent would be used for wildlife purposes.

Besides adding an additional $6 million to the program, the only significant change H.R. 9067 would make in present law is to mandate that a full 50 percent of the tax receipts from handguns, archery equipment, and component parts—not sporting arms and factory-made ammunition—be used by the States for hunter education and ranges. This was done to accommodate purchasers of handguns, archery and equipment, and component parts who are largely target shooters and not hunters, and to encourage State agencies to improve their hunter education programs. There is widespread agreement that hunter education is a socially desirable objective. In time, I have every expectation that its good results will equal those of automobile driver education now in so many high school programs.

According to the Fish and Wildlife Service, $11.8 million in handgun and archery taxes will be distributed to the States in fiscal year 1976. The States are using $8.3 million of that for wildlife and $3.5 million—60 percent of the $5.9 million available—for expanding hunter education and shooting ranges. The percentage used for education and ranges has risen steadily since 1970. If the provisions of H.R. 9067 had been in effect during fiscal year 1976, the total receipts from the three sources would have been about $17.8 million. The States would have received $8.9 million for wildlife—$600,000 more than at present—and $8.9 for education and ranges—$5.4 million more than at present. Thus wildlife programs would not lose money under H.R. 9067, as has been claimed. They actually would gain about $600,000 plus the education and range program would be increased by more than $5,000,000.

Mr. Speaker, facts show that if expanded wildlife programs, the protection of human life and property, and a public more knowledgable and concerned about wildlife are important, then H.R. 9067 is vital and desirable.

CUBAN TROOPS IN SOMALIA?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. BINGHAM. Mr. Speaker a recent report in the New York Times alleged that Cuban troops have recently been flown into Somalia. I have had a long-standing interest in Africa, and was disturbed by this apparent escalation of the Cuban presence in Africa.

I have received personal assurances from Dr. Abdullahi A. Addou the Ambassador of the Somali Democratic Republic, that these reports are false. I have great respect for Ambassador Addou's integrity, and I am, therefore, inserting for the RECORD a letter which he wrote to the New York Times concerning these allegations.

EMBASSY OF THE
SOMALI DEMOCRATIC REPUBLIC,
Washington, D.C., April 9, 1976.

The EDITOR,
The New York Times,
New York, N.Y.

DEAR SIR: I refer to the grossly misleading and baseless, whatsoever, article that appeared on your issue of April 5, 1976 entitled "Cubans Reported in Red Sea Area."

The story that there are in Somalia, Cuban military forces is maliciously a pure fabrication which I categorically reject in its entirety. There is not one single Cuban military personnel in Somalia and there is no need for having Cuban military presence there.

Somalia is a peace loving country and would like to live in peace with its neighbors and determined to solve differences by peaceful means, as stated in many occasions by President Mohamed Siyad Barre and demonstrated by the Somali Government's peace seeking policy of the past several years.

The people and Government of Somali are deeply involved in the enormous task of economic and social development. Maximum efforts are made to direct available human and material resources to that noble goal. Somalia, therefore, is not looking out for military adventures and certainly does not need foreign troops to defend its territory.

The source of your above quoted article is not only based on false information, but also aims to spread nefarious propaganda against Somalia in order to mislead on purpose the public opinion. The objective of this letter is to tell the truth on the matter in the interest of your readers and to put to rest once for all this disturbing campaign.

On the equal opportunity right of reply and traditional ethics of the press, I greatly appreciate if you kindly publish this letter on your esteemed Paper, while the story of "Cuban troops in Somalia" is still fresh in the minds of your readers.

Sincerely,

DR. ABDULLAHI A. ADDOU,
Ambassador.

REMEMBERING THE WARSAW REBELLION

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. MIKVA. Mr. Speaker, today marks the anniversary of the end of the uprising of the Warsaw ghetto. It is a day that should be remembered. The same friction between races, religious and ethnic groups that made the Warsaw rebellion necessary is present today in this country and throughout the world. By not forgetting the heroic battle waged by a small group of Jews who refused to submit to the captivity of the Nazi invaders, we not only memoralize their struggle but it also reminds us that the battle for freedom and human dignity, while at times difficult, cannot be ignored. It is either won or it is lost.

Mr. Henry Owen, director of foreign policy study at the Brookings Institute, reminds us of this fact in an article appearing in today's Washington Post. As Mr. Owen points out, those who sat and did nothing while the Nazis marched through Europe murdering millions of Jews, Catholics, and other "unacceptables" are just as responsible for the atrocities as Hitler and his henchmen.

Mr. Speaker, I commend Mr. Owen's excellent article to my colleagues' attention and at this point insert it in the RECORD:

APRIL 27; REMEMBERING THE DAY OF THE HOLOCAUST

(By Henry Owen)

In October 1966, standing in front of the monument to the dead of the Warsaw 1942 gheto uprising, an American diplomat said that John Gronouski, then our ambassador to Poland, had written in the guest book at Auschwitz "no one of us is innocent," and a Polish newspaperman who was with us added that no one who had lived in those terrible times could challenge that statement.

April 27, which was the last day of the Warsaw uprising, is set aside, in varying degree in different countries, to commemorate six million men, women and children who died in the Holocaust. Survivors tell us that these victims' wish was, above all, to be remembered. We should remember them—not only in love and pity, but also in thinking on the moral meaning of these events.

The Holocaust was a lapse into evil of proportions unmatched in modern human history. Any one seriously concerned with our time and our values has to ask himself: How did it happen? The easy answer is that it was all the fault of Hitler, the Nazis, and the Germans, in that order. But this is too simple, of course. It was the work of the madman who ordered it, the criminals who ran the death camps, and the German people who allowed these men to gain power. But the Holocaust would not have been possible without the active or passive cooperation of government officials and police in the occupied countries. Surely they were unwilling accomplices, but perhaps so were some of the German police who did the same thing in Germany. Hitler's orders to carry out the Holocaust, were, with noble exceptions, obeyed throughout the continent. Denmark was one of those exceptions. It shows what could happen when an entire nation set out to defy these orders: An entire people was saved. The fact that this *was* an exception casts a somber light on what happened elsewhere. Nor are Americans in a good position to strike a superior stance; our unwillingness to accept large numbers of refuges in the 1930's and our failure to take much note of what was happening during the Holocaust is nothing to be proud of.

The Holocaust was mainly the Nazis' fault, but we miss the central point if we think of it as being solely their responsibility. The Holocaust has more to tell us than that. It tells us that Jacob Burckhardt, the Swiss historian, and Lord Acton were right when they wrote, amid the general optimism of the 19th century, that the combination of continued human imperfection and growing human power was an increasingly dangerous one. It was the work not only of the instigators but of an entire generation which, when faced with evil, for the most part did nothing. It was the work of a generation, of Germans and others, who had been too busy or ambitious or clever to pay much attention to anything except being good architects, good businessmen, good engineers, or what have you.

One of these men was the German Minister of Armaments, Albert Speer, who, by his own account, when he received a hint of what was going on at Auschwitz, "did not investigate—for I did not want to know what was happening there." The London Observer of April 9, 1944 had this to say of Speer: "Much less than any of the other German leaders does he stand for anything particularly German or particularly Nazi. He rather symbolizes a type which is becoming increasingly important in all belligerent countries: the pure technician, the classless bright young man without background, with no other original aim than to make his way in the world and no other means than his technical and managerial ability. It is the lack of psychological and spiritual ballast, and the ease with which he handles the terrifying technical and organizational machinery of our age, which makes this slight type go extremely far nowadays. . . . This is their age, the Hitlers and Himmlers we may get rid of, but the Speers, whatever happens to this particular special man, will long be with us."

The answer to the question of how it happened may never be wholly clear. But a good start is to face the truth that not one of us is wholly innocent. For it was our culture, our governments, our attitudes which shape the environment in which these terrible events took place. Burckhardt and Acton had predicted that a culture rooted in pragmatism would be vulnerable to great pressures and temptations. If we can draw the lesson, the victims of the Holocaust will have been remembered in the way they might have wished. In part, that lesson involves a choice between pragmatism and other values in our personal lives. But the same issue arises in government. When the executive branch asks the Congress for funds to help poor countries, it feels compelled to conjure up a series of misleading pragmatic arguments—if we do not help these countries, they will go Communist, or cut off our supplies of raw materials, or vote against us in the United Nations. These arguments, in turn, distort the assignment and destination of our aid. Why not say, as John Kennedy once did, that we should do it because it's right, and program the aid accordingly? The same issue arises in other areas of foreign and domestic policy—open housing and welfare reform, for example.

In an election year, we are exposed to debate about many specific issues. It is important to analyze these issues, but even more important are the criteria that we use in our analysis. For there is a moral choice involved in many of these issues, and April 27 is a good day in which to realize at what peril we ignore this choice.

AMENDMENT PROHIBITING ABORTION

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Ms. ABZUG. Mr. Speaker, the Senate will be voting tomorrow on the Helms proposed constitutional amendment prohibiting abortion. I am certain that our colleagues in the Senate recognize the importance to all women of the right to abortion, however I would like to take this opportunity to insert for the Record my testimony before the House Judiciary Committee, Subcommittee on Civil and Constitutional Rights.

I took a strong stand against enactment of any amendments to prohibit abortion now pending before that committee, some of which are similar to Senator Helm's proposed amendment. I feel that the 1973 Supreme Court decision that placed the abortion decision into the hands of the individual pregnant woman and her doctor was a sound one and should not be circumscribed in any way by Congress.

Testimony by Congresswoman Bella S. Abzug

Mr. Chairman and members of the committee: Once again the Congress is considering proposals to restrict women's right to choose abortion, and I feel compelled to protest. The Supreme Court's decisive ruling in *Roe* v. *Wade* placed the decision to terminate an unwanted pregnancy where it rightly belongs: into the hands of the woman and her doctor. Together their decision may reflect the physical and emotional needs, and the religious and moral values of the individual concerned. More than 3 years have passed since this historic ruling, during which time, access to early abortion has been largely unrestricted. However, abortion remains a volatile public issue.

There is a highly emotional and well organized campaign underway to undermine that decision. A variety of amendments to the constitution have been introduced in Congress that would legislate either a vague and indeterminable definition of "life," prohibit a denial of due process or equal protection to a fetus, or throw the decision on freedom of choice into the laps of the 50 states.

Such amendments, by changing the constitution, would circumvent the Supreme Court's decision. They would violate the spirit and the language of the constitution, and its very basic principles of tolerance and individual freedom.

The Supreme Court based its 1973 decision upon women's fundamental right to privacy which has evolved through 200 years of judicial history. Recognizing improvements in medical procedures which make it safer to undergo early abortion than childbirth, the court ruled that the state—in the interest of preserving the health of its citizens—must not restrict women's freedom to choose abortion.

I believe this decision was proper. The enactment of any legislation pending before this committee would be a serious encroachment upon the fundamental civil rights of every American woman of child bearing age.

THE NEW YORK EXPERIENCE

We in New York State have seen the dramatic health benefits of legalized abortion. Since 1970, when first trimester abortion became legal in New York, infant and maternal mortality rates have declined sharply and there have been significant decreases in the number of women hospitalized due to mishandled abortions.

The rate of medical complications from abortion increases considerably after the first trimester—from an average rate of 6%, to 20–25% during the second trimester. But first trimester abortions are readily available only when abortion is legal. Preliminary figures from 1973 prove that due to legalized abortion across the country, the incidence of second trimester abortion has decreased. In 1973, approximately 83% of abortions were performed in the first 12 weeks of pregnancy whereas in 1970 that number had been 73.8%. Thus legalization of abortion has made it safer for women to undergo abortion. Moreover, there is less risk to women's health when follow-up medical supervision is available. When abortion must be covertly procured in disregard of restrictive laws, such follow-up medical supervision is rarely possible.

There is a great deal of statistical evidence which proves that the decreased mortality rates for pregnant women which we have seen in the past few years are a result of legalizing abortion. New York statistics provide a good example of this. In 1969 in N.Y.C. there were 24 abortion-associated deaths per 10,000 live births. In 1972 that figure was halved to 12 deaths per 10,000 live births. In 1974 abortion-related deaths in New York were reduced to the astonishingly low number of one per 10,000 live births. Figures also show that in the first year in which early abortion was legal the number of deaths from abortion declined all across the country. There is no doubt that legalization of abortion played a large part in these striking improvements.

In the year prior to the legalization of abortion in New York, municipal hospitals admitted 6,524 women for incomplete abortions (both spontaneous and illegally induced) whereas in 1973 that number had dropped to 3,253. These statistics and those compiled by the 50 states since 1973 show that dramatic improvements in maternal health cannot be overstated. Concern for the lives and health of millions of women throughout the nation who may be faced with an unwanted pregnancy is the most compelling testimony for legalized abortion.

BENEFITS OF LEGALIZED ABORTION FOR THE POOR

The medial benefits of a liberal abortion law are felt most profoundly among the poor. It is poor women of all races and ages who become the principle victims of unsafe abortions when abortion is not legal.

Prior to 1973, it was estimated that more than 1 million out-of-hospital abortions were performed each year, not more than one-third by physicians. The majority were performed by non-professional abortionists, often in dirty and hazardous surroundings. Poor women, who had limited access to contraceptive services, were the principle victims of such unsafe abortions. In contrast, wealthy women were often able to obtain "therapeutic" abortions regardless of the restrictiveness of their state law, or could travel to a state which had legalized abortion.

Legal proscriptions against abortion do not significantly reduce the number of abortions performed. Rather, where abortion is outlawed, only the poor are denied access to the limited amount of safe abortion facilities that exist. In New York City changes in the racial and ethnic composition of those who obtain abortions illustrate this inequity.

Figures on the incidence of abortions in New York City prior to legalization reveal that considerably less abortions were performed on minority women than on white women. In comparison, when abortion became legal, the number of such abortions per 1,000 live births among minorities increased dramatically.

A recent report by the center for disease control in Atlanta, Ga. shows that subsequent to legalization a similar change occurred. The following is a breakdown of abortion rates by race, among New York City residents.

July 1970 to December 1970 (the first six months in which abortion was legal).

Whites: 48% of legal abortions.
Non-whites: 40.9% of legal abortions.
Puerto Ricans: 9.3% of legal abortions.

1974:

Whites: 37.4% of legal abortions.
Non-whites: 48.6% of legal abortions.
Puerto Ricans: 9.3% of legal abortions.

National figures also show that as a result of nationwide legalization, minority women had proportionally greater access to abortion. Blacks and other minority women had obtained only 19% of the total legal abortions in 1971. Then in 1973 minority women were able to obtain 29% of the legal abortions performed whereas white women comprised 67% of the total women obtaining abortions. Thus it seems that of the small number of legal therapeutic abortions which were performed prior to legalization, access for minority women was severely limited.

Since *Roe* v. *Wade* a number of measures have been adopted by Congress or in specific states that limit access to abortion. These efforts, often attached as riders to seemingly non-related bills, narrow the reach of the Supreme Court's ruling. Such legislation enacted includes:

(1) A "conscience clause" in the Health Programs Extension Act of 1973;

(2) A fetal research ban in the National Science Foundation Authorization Act of 1973;

(3) A limited fetal research ban in the National Research Awards and Protection of Human Subjects Act; and

(4) A provision in the Legal Services Corporation Act prohibiting legal service attorneys from handling abortion-related cases.

Such restrictive legislation, particularly so-called "conscience clauses" and the legal services ban, harm most severely those who have little recourse to other means of obtaining an abortion. The conscience clause allows individual hospitals to refuse to perform abortions because of religious or moral beliefs without losing federal funds. While religious freedoms must not be denied to anyone, in localities that have limited medical facilities (e.g., rural areas with only one public hospital) the right to abortion can thus be effectively denied to the poor, since wealthy women under comparable circumstances can afford to go elsewhere to obtain an abortion.

How can a right to abortion be operative if those licensed to perform abortions are permitted to arbitrarily withhold their services from those who need them most? Such statutes contravene the Supreme Court's ruling as well as the subsequent rulings of several federal and state courts which have declared unconstitutional the refusal of public hospitals to permit the performance of abortion.

State legislatures have also enacted a number of other anti-abortion measures, including parental or spousal consent requirements (now being litigated in the U.S. Supreme Court), prohibitive regulation of abortion clinics, and denial of medicaid payments for abortion. These measures cut away at the essence of the Supreme Court's ruling by arbitrarily denying to some women the right to choose abortion.

AMENDMENTS THAT DEFINE "LIFE"

Most of the constitutional amendments that are being considered by this committee attempt to define when life begins. These amendments would interpret the 5th and 14th amendments of the constitution to protect the fetus at "conception" or "fertilization" from a denial of life, liberty or property without due process. There is no consensus of opinion on this issue. Neither the medical community nor the general public agree that there is a point prior to birth when a fetus can be considered a human being. The Supreme Court in *Roe v. Wade* wisely concluded that "the Judiciary, at this point in the development of man's knowledge is not in a position to speculate as to an answer." The Court determined that the countervailing rights of the woman and the unborn fetus are to be balanced against one another. This balancing process is the backbone of American jurisprudence.

The right to choose abortion is an important component of every women's right to privacy and liberty. As the Supreme Court wrote in *Eisenstadt* v. *Baird*, 405 U.S. 438.

"If the right of privacy means anything, it is the right of the individual married or single to be free from unwarranted governmental intrusion into a matter so fundamentally affecting a person as the decision whether to bear or beget a child."

If an unconditional right to life were granted to the fetus, this would take precedence over a woman's right to privacy in decisions concerning her own baby, her own life, and her own physical and mental health. The constitution does not guarantee a "right to life" for anyone—even legally recognized persons; rather it protects against a *denial* of life without "due process" of law. Thus, the rights of life, liberty and property ennumerated in the 5th and 14th Amendments are not and never have been considered absolute rights.

Although the "right of Privacy" is not explicitly mentioned in the onstitution, it rests upon historical principles which are older than the Bill of Rights.

As early as 1890, Samuel Warren and Louis D. Brandeis wrote "The right to life has come to mean the right to enjoy life, the right to be let alone . . ." ("The Right to Privacy" Harvard law review, vol. 4, No. 5 (1890). The Court in *Roe* v. *Wade* was well within the bounds of judicial tradition in construing the right of privacy broadly enough so as to include the right to choose abortion.

In addition, far-reaching consequences would ensue from such a re-interpretation of the Constitution. If pre-natal organisms were given legal status equal to live persons the significance of birth might be eliminated. All Americans could claim to have instantly aged by 7 to 9 months; this would affect birth certificates, social security, voting, and every other aspect of our complex society in which age is a factor.

These amendments generally allow abortions only "to save the life of the mother" or in limited cases of rape. There is a multitude of individual circumstances that might induce a woman to seek abortion and these might include medical factors such as diabetes, heart disease or a family history of genetic disease.

Abortion in such instances might not be necessary to prevent actual death from parturition; however it is obvious that they present serious considerations.

There are many other circumstances under which abortion could be considered the most acceptable solution to an unwanted pregnancy. Examples could include failure of contraception, a mother not financially able to care for another child (adoption is not more conscionable than abortion for some women), age of the women—either young girls or middle-aged women, cases of rape, incest and other circumstances.

"Right To Life" amendments would substitute uniformity for diversity and compulsion for the right of the individual to choose.

One can respect the rights of those who oppose abortion for themselves, without writing it into the basic secular laws of our land. The Constitution is not the proper vehicle by which a minority viewpoint can or should legislate a particular moral standard. The Framers believed that complete religious freedom is fundamental to our democratic government and pluralistic society. As Justice Holmes said in his dissent in *Lochner* v. *New York*, 198, U.S. 45, "The Constitution is made for people of fundamentally differing views."

Religious freedom means that no woman will be forced to have an abortion even though her conscience forbids it; and it also means that no woman will be prevented from terminating an unwanted pregnancy because the religious views of others might be offended by it.

STATES RIGHTS AMENDMENTS

Another amendment being sought by anti-abortion forces is the "States Rights" amendment which would give the 50 States the power to regulate or forbid the performance of abortion, while this approach would generally restrict women's access to safe, legal abortion, its primary impact would be felt by poor women.

Statistics compiled prior to *Roe* v. *Wade* indicate that such an amendment would not significantly reduce the number of abortions performed but would merely revert to the situation in which only some States provide safe, legal facilities for abortion and other States would again force women to become the victims of non-professional practitioners.

A "States Rights" amendment would constitute a blatant violation of the 5th and 14th amendments by denying to the poor equal protection of the laws. Many of us have worked hard in recent years to expand the rights of minorities under the 14th amendment. We have struggled against such measures which constitute discrimination under a guise of "States Rights." Abdicating responsibility in this area by Congress would set a bad precedent for overturning other civil rights decisions. A "States Rights" amendment would reinstate confusion, inequality, and resentment between States—for undoubtedly some States would bear a disproportionate share of the burden by providing abortion services for the residents of the States with stricter abortion laws. If Congress were to adopt a "States Rights" amendment we would be merely passing along a difficult decision to other jurisdictions.

A majority of the public regardless of religious affiliation favors legalized abortion for those who choose this course. In the Devries poll (December 1974) commissioned by the National Committee for a Human Life Amendment, 64% of the Catholics questioned disagreed with the statement, "Abortion should not be allowed under any circumstances." Among Protestants the percentage was 72.7% and Jews, 91.4%. Last year the Harris poll found that over the past 3 years, the percentage of the general public that favors legal abortion increased from 42% in 1972 to 54% in 1975. Evidently 2 years of unrestricted access to abortion demonstrated its benefits to the public. The February 1, 1976, New York Times poll indicated that 67% of the respondents believed that the abortion decision should be left up to the woman and her doctor.

A majority of Americans would prefer to make their own decisions concerning abortion. I urge the committee to reject all the constitutional amendments restricting abortion and reaffirm the freedom and basic right of the individual to make this choice herself.

SILVER ANNIVERSARY CELEBRATED BY TEMPLE JUDEA

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. AMBRO. Mr. Speaker, on the weekend beginning Friday, April 23, Temple Judea in Massapequa, N.Y., began a 3-day celebration of its 25th anniversary. On Friday, April 23, a special service of rededication was held. I have been privileged to receive an invitation to address the congregation at this service. On Saturday, April 24, a silver anniversary ball was held, and a service of thanksgiving was planned for Sunday, April 25, to which the entire community is invited to join in on these festivities.

In the 25 years since the formation of Temple Judea, the Massapequa area it has served has grown from a small semirural "bedroom community" to a thriving populace suburb with a vital cultural, religious, and educational life of its own. During this quarter century, Temple Judea has made an important contribution to that cultural, religious, educational growth. Under the leadership of Rabbi Sanford Jarashow, Temple Judea is a thriving center of religious activity to which the community of Massapequa can point with pride.

Mr. Speaker, it is particularly fitting in this the Bicentennial Year of the United States of America that we celebrate the silver anniversary of Temple Judea because it is a symbol of the heterogeneous nature of our Nation—our multiethnic nature which has served to season and enrich our spirit and make us the great Nation that we are. Indeed, Temple Judea's own history includes high holy day services held in the Community Methodist Church and in a nearby firehouse, and early religious school classes held in the rectory of Grace Episcopal Church and various public school buildings. All of this is a prime example of the many threads of different strengths and textures that have been woven together to make up the fabric of this Nation and to enhance its durability and greatness.

To Rabbi Jarashow, Cantor Applestone, President Addie Berger, and all of the members and friends of Temple Judea, may I extend a hearty mazel tov and my very best wishes, success, good health, and spiritual peace.

COMMUNIST PARTY, U.S.A. ACTIVITIES: WOMEN, BLACKS, AND ELECTIONS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. McDONALD of Georgia. Mr. Speaker, since the totalitarian ideology of Marxism-Leninism is rejected by the overwhelming mass of Americans whenever it is presented to them directly by the Community Party, U.S.A.—CPUSA—the Communists develop issue-oriented front groups through which they attempt to manipulate people by subterfuge. Whatever the problem or issue that arises—extension or cuts in municipal services, labor contract questions, foreign policy—their answer is the same: That our whole economic and political system is irredeemably corrupt and should be replaced with "socialism" as in Russia, Czechoslovakia, Cuba, or Vietnam.

Women for Racial and Economic Equality—WREE—operating temporarily from 1 Sheridan Square, New York, N.Y. 10014, held a national organizing conference in Chicago, March 13–14, 1976. The WREE leadership stated that the group was formed "to fulfill a twin legacy of struggle—to reaffirm the role of U.S. women in the international arena of struggle against imperialism and to reunite the natural allies in the fight for women's equality and the black liberation movement."

Sondra Patrinos was selected as the new national coordinator of WREE which had previously been active in the New York City and Connecticut areas. Patrinos was in 1975 the district organizer of the Communist Party of eastern Pennsylvania.

Other WREE leaders include Alva Buxembaum, a member of the CPUSA Political Commission; Liz Velez, a contributor to the CPUSA's Daily World; and Nilsa Pietri, who chaired the U.S. delegation to the World Congress of Women held in East Berlin, October 20–24, 1975. The conference was organized by two of the Soviet Union's most active international fronts, the Women's International Democratic Federation—WIDF—and the World Peace Council—WPC. Pietri is now WREE's co-coordinator and is a sponsor of CPUSA's annual May Day committee.

WREE is supporting the Soviet and CPUSA campaign to slash the U.S. defense budget through the CPUSA's National Center to Slash Military Spending. WREE affiliated with another CPUSA front, the National Coalition to Fight Inflation and Unemployment—NCFIU—and participated in NCFIU's April 3 march and rally on the Capitol steps. It is noted in passing that the NCFIU rally was a disaster: While the mass media estimated about 1,500 participated, and the Daily World claims 5,000 were present, a careful head count found a mere 900 persons present.

WREE's role in the "world Communist movement," as the Soviets term it, has been indicated by its formal affiliation with WIDF, and the Daily World's report that WREE's mission is to "link up to the fight for disarmament and the—World Peace Council's—Stockholm Peace Appeal internationally."

BLACK LIBERATION JOURNAL

A new, self-identified "national magazine of the Communist Party, U.S.A.," Black Liberation Journal, is now available fromt he CPUSA national office and through the party's chain of bookstores such as the Progressive Bookshop in Los Angeles. Operating from 23 West 26th Street, New York, N.Y. 10010, 212–685–577, the CPUSA national headquarters, the journal is to be published quarterly at $2.75 for a year's subscription.

An official publication of the National Black Liberation Commission of the CPUSA, the journal lists among its staff Roscoe Proctor, James Johnson, and Curtis Jackson, editors; Carolyn Black, design and layout; and staffers Carole Marks, Ron Tyson, and Ronald Stevenson.

Articles in the first edition are by Henry Winston, national chairman of the CPUSA; William L. Patterson, cochairman of CPUSA's National Black Liberation Commission and member of its central committee; James E. Jackson, CPUSA national education director and member of its political and central committees; Anthony "Tony" Monteiro, a CPUSA member who serves as executive secretary of CPUSA's front, the National Anti-Imperialist Movement in Solidarity with African Liberation—NAIMSAL—Pat Roberts; Gerald Horne; chairman of NAIMSAL's New York chapter; and Ronelle Mustin.

The new Communist journal contains an editorial memoriam to Paul Robeson, a CPUSA hero, of whom it states:

> He saw the socialist world led by its peerless Marxist-Leninist political party as the birthplace of a new social order and he said so.

Henry Winston provides a statement on the purposes of the publication, writing:

> At a time when the interest in Marxism-Leninism has never been higher among Black people, * * * the Black Liberation Journal will emphasize in its pages the total role of the Communist Party.

The journal is to "lay heavy stress on increasing the circulation of the Daily World and the Peoples World, and building the party itself." The CPUSA will use the publication to support its attack on the two-party system and formulate "a realistic program directed against racism and anticommunism, against reaction, militarism and fascism, as the basis for thought and action by the working class and all progressive forces."

Issued in March, the first issue put heavy emphasis on the CPUSA and Soviet campaigns to slash the U.S. defense budget which "backs the neocolonial policies of U.S. imperialism" and on preventing any "support to the Fascist regime in South Africa."

Black Liberation Journal also contains polemics against Mao Tse-tung's interpretation of Communist theory and villifies the People's Republic of China in an attempt to counter Maoism's appeal to U.S. black revolutionaries in such groups as the Congress of Afrikan People and the Workers Congress. The anti-Maoist material notes:

> If U.S. imperialism is to be rebuffed in Angola, it is incumbent upon progressives to work overtime in pointing out that Maoism is no more than the "Trojan horse" of imperialism.

CPUSA ELECTION CAMPAIGN

Although both this body and the Supreme Court have found that the Communist Party U.S.A. is not "just another dissenting political party," but an organization directed by the Soviet Union for its own interests, the CPUSA is again entering the U.S. Presidential campaign to try to persuade Americans that the Communist system is the only viable way to solve America's problems.

The CPUSA currently has a meager dues-paying membership of some 4,000 people, although its circle of influence—former CPUSA members who have "dropped out" but remain friendly, "fellow travelers on the road to socialism" who have never actually joined for reasons of expediency or minor doctrinal differences, and persons who work in the CPUSA fronts and controlled organizations—is much larger.

Again, despite its lack of success in previous years, as a tactical maneuver to gain publicity especially among young new voters, college students, and racial and ethnic minority groups, the CPUSA is running candidates in national and local elections.

At a March 27–28, 1976, meeting of the CPUSA National Council, leaders from each Communist Party district presented reports on their local signature drives on petitions for ballot status and on their activity in support of the national CPUSA slate of Gus Hall for President and Jarvis Tyner for Vice President.

Petitions have already been filed for CPUSA candidates in Michigan, Ohio, Kentucky, and Utah. One of the most intensive signature drives in the South is being waged to get on the ballot in Alabama. Birmingham is the Communist Party's priority city for southern organizing, and the petition drive is being managed by Scott Douglas and Mike Welch, executive director of the Alabama Communist Party. The Communist Party's goal is to be on the ballot in 30 States.

It was announced that plans are now being made "throughout the country for interviews with TV, radio, newspapers, campus papers and other media, through which the CP campaign will reach millions, as well as mass literature distributions, rallies, public speaking engagements, meetings with shop workers, house parties and other events."

According to CPUSA General Secretary Gus Hall, the key issues of the Communist Party's electoral work will be "the struggle to strengthen détente, peace, the struggle for a shorter work week with no cut in pay, and the fight against racism." Additional issues include opposing Senate bill 1, the Criminal Code Reform Act, which in its original form had strong provisions against subversion, riot, espionage, and the unauthorized leaking and dissemination of government secrets. The Communist Party will continue to promote Marxist concepts such as the "right" to a government-provided job or subsidy for all U.S. citizens, will attempt to exploit "women's issues" and develop a "people's alliance against big business domination of the country."

Hall told the CPUSA National Council that its campaign will relate directly to this year's major wage contract negotiations; to a Labor Day march and rally in North Carolina to be organized by CPUSA's National Alliance Against Racist and Political Repression—NAARPR—headed by Angela Davis and Charlene Mitchell, both CPUSA Central Committee members; to the June 3–5 Chicago convention of the National Council of Senior Citizens which all aged CPUSA members are being urged to pack; and to "people's bicentennial" festivities in Washington on July 4.

It is interesting to note that while the Communist Party will be involved in counter-Bicentennial activities in Washington, D.C., on the Fourth of July, the CP has also endorsed the parallel mass rally in Philadelphia on that date called by the Cuban-dominated, violence-prone Puerto Rican Socialist Party, the Prairie Fire Organizing Committee which is the overt organizing arm of the Weather Underground Organization terrorists; and the American Indian Movement.

On March 30, 1976, Gus Hall took his "Presidential campaign" to Vassar College's Blodgett Hall in Poughkeepsie, N.Y. Hall spoke on the theme "capitalism in crisis and the role of racism" at a meeting sponsored by the Vassar Chaplain's Office and the Blanche Kahn Memorial Committee which was attended by some 500 students, faculty and local residents.

Sharing the platform with Hall were CPUSA members Joe Kahn, husband of the late Blanche Kahn whose death in 1973 resulted in formation of the memorial committee, and CPUSA Legislative Director Arnold Johnson. Also on the platform was Vassar Chaplain Rev. George Williamson, not an identified CPUSA member.

In introducing the Communist Party Presidential candidate, Vassar's chaplain drew attention to Hall's work in building the United Steelworkers Union in the 1930's and to the fact that Hall had spent 7 years in Leavenworth penitentiary "as a political prisoner during the McCarthy era."

Chaplain Williamson did not mention Hall's public record as a terrorist when he was a leader of the steel workers organizing committee in a strike at Republic Steel in 1937. In sworn testimony before the House Special Committee on Un-American Activities in 1938, Edward J. Herzog, a former undercover informant within the CPUSA, testified that Gus Hall had directed attacks against the steel corporation, specifically that Hall:

> Told the boys to go to Oil City and bring back some nitroglycerin. * * * there were rifles, shotguns, clubs, ballbats, pieces of pipe, pieces of old sickle onto clubs, and a couple of tommy guns. There were about 3 gallons of nitroglycerin in the headquarters at that time, and Gus told Art Scott to get the crew together and go down and blow out the bridge across the plant * * * and to take another lot out and blow up the benzol plant. They had approximately a quarter of a million gallons of volatile benzol. Gus gave them orders to go out and blow up the benzol plant.

In the same hearing, the confessions of three of Hall's confederates are summarized:

> The orders of Gus Hall, according to these confessions, were to blow up and destroy the property of the Republic Steel Corp., homes of non-striking workers, railroad property, including tracks and bridges. * * * They were to blow up the municipal electric light plant in Warren. * * * The Meander Dam * * * was to have been blown up. And there were plans to fly over the steel plant shops in an aeroplane and drop bombs * * *.

In the context of revolutionary labor violence it is of significance that Hall was driven to the Vassar meeting by Felix Kuzman, 67, a CPUSA member identified as a courier between Comintern agent Gerhard Eisler and CPUSA national headquarters, veteran of the Abraham Lincoln Brigade and in the past a member of Communist Party goon squads. Supplementing Kuzman as Hall's director of security was an eight-man security squad led by William "Bill" Scott, a black CPUSA member active in United Auto Workers Local 664 at the Tarrytown, N.Y., General Motors plant. Scott was recently in Cuba for meetings to plan U.S. support for the Cuban-controlled Puerto Rican Socialist Party.

There is no excuse for ignorance of Lenin's teaching that for a Communist there can be no question of "bourgeois" or ethical morality when considering tactics: the only criterion is what will best advance the Communist Party. Lenin wrote:

> Armed struggle pursues two different aims, which must be *strictly* distinguishesd: in the first place, this struggle aims at assassinating individuals, chiefs and subordinates in the army and police; in the second place, it aims at the confiscation of monetary funds both from the government and from private persons. The confiscated funds go partly into the treasury of the party, partly for the special purpose of arming and preparing for an uprising, and partly for the maintenance of persons engaged in the struggle we are describing. The big expropriations go mostly, and sometimes entirely, to the maintenance of the "expropriators."
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> * * * * *
>
> The argument that guerrilla warfare disorganizes the movement must be regarded critically. *Every* new form of struggle, accompanied as it is by new dangers and new sacrifices, inevitably "disorganizes" organizations which are unprepared for this new

form of struggle. * * * this does not mean that one must not fight. It means that one must *learn* to fight. That is all.

When I see Social-Democrats proudly and smugly declaring, "we are not anarchists, thieves, robbers, we are superior to all this, we reject guerrilla warfare"—I ask myself: Do these people realize what they are saying? * * * when I see a Social-Democrat theoretician or publicist not displaying regret over this unpreparedness, but rather a proud smugness and a self-exalted tendency to repeat phrases learned by rote in early youth about anarchism, Blanquism and terrorism, I am hurt by this degradation of the most revolutionary doctrine in the world.

The American Communist Party over the decades has demonstrated its willingness to use violence, deceit, and deception. Its leaders, still aping Moscow, hail as champions of "peace and progress" every terrorist thug who receives the Soviet stamp of approval like the Palestine Liberation Organization—PLO. Hyman Lumer, a CPUSA Central Committee member who heads the Party's Jewish Affairs Commission, has written that although the PLO has been branded terrorist, "this is entirely groundless." No doubt if they were able, the victims of Maalot, of the Rome, Munich, Lod and LaGuardia airport attacks, Kuala Lumpur and Khartoum would disagree with Comrade Lumer.

HAPPY BIRTHDAY, AMERICA!

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. JONES of Oklahoma. Mr. Speaker, during our Bicentennial Year, many Americans are reflecting upon the history and meaning of our Nation. Recently, I received a copy of a poem written by my constituent, Dennis R. Scott, who put his reflections into a lyric about America which he has shared with both the Speaker and myself.

I would like to take this opportunity to place Mr. Scott's poem, "Happy Birthday, America!", into the Record for others to read and enjoy as well.

HAPPY BIRTHDAY, AMERICA!

Happy Birthday, America!
The land of the free,
From sea to shining sea
The Home of the brave and the torch of Liberty
My country tis of thee and I recall the days of yore
When the child America was being born.
A country forged in Freedom,
Fostering children and grandchild
In God We Trust.
California, here I come or bust.
Happy Birthday, America!
From thirteen colonies to fifty states the story of 200 years of,
Not just survival,
But 200 years of Democracy.
Never close to perfect,
Our Republic is, at least, farther away from the wrongs of the world, and closer to the best and most sacred human rights than any other country ever in the history of this world.
Happy Birthday, America!
Oh, I could speak of patriots and soldiers, of garlanded pipers trumpeting peaceful times.
I could relate the trials and the heartaches and the pains, that were and still are part of America.
I can see my country as I see myself, through the eyes of America's people and in the sounds of her healthy children.
In the future as in the past there are many tears,
But Happy Birthday, America!
You are the hopes and the dreams of all our years,
Happy Birthday, America!

WASHINGTON, D.C., SALUTES MR. VAN McCOY—APRIL 27, 1976

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. FAUNTROY. Mr. Speaker, on the 27th of April 1976, the citizens of our Nation's Capital will salute Grammy Award winning musician and a native Washingtonian, Mr. Van McCoy, by observing "Van McCoy Day" in Washington, D.C.

Van McCoy's million dollar selling record, "The Hustle," has ignited a musical spark that has set the music world ablaze. As Van McCoy fans, we are proud of the artistic genius of Van McCoy, and the tremendous contributions that he has made to music and to Washington, D.C.

In recognition of Van McCoy's many achievements, I am honored to share with my colleagues this biography of one of America's finest musicians and one of Washington, D.C.'s outstanding citizens, Mr. Van McCoy:

VAN McCOY BIOGRAPHY

People are touching again on the dance floor. "The Hustle", described in Record World as "the biggest dance record of the seventies, and the biggest disc of that genre in some nine years", has brought people together in discotheques throughout the world for the first time since the Twist shook them apart more than a decade ago.

The man who's brought all those people together is Van McCoy. His #1, million-selling smash, "The Hustle" on Avco Records, gave life to an idea whose time had come. The "hands off" dances of the sixties are being crowded off the floor by a need to make contact that is more in the idiom of the seventies.

Van McCoy, who saw the need and effected the change, is a multi-talented musician who's been working behind the scenes for years as an important songwriter, arranger, conductor and record producer. He studied psychology in college and his personal preference is classical music, which makes him unique among contemporary pop stars.

Van is currently maintaining a busy career as record producer for the Stylistics, David Ruffin, the Choice Four and other artists, in addition to recording his own albums with his Soul City Symphony and playing a select number of personal appearances. But Van is used to being in demand. His talents have been utilized by such artists as Gladys Knight & The Pips, Aretha Franklin, Roberta Flack, Tom Jones and many others over the years.

Van McCoy was born in Washington, D.C. on January 6, 1944. His mother made sure that her sons had early musical influences—older brother Norman was given violin lessons from the moment he could hold the instrument, and Van started at the piano at the age of 4. About a year after his lessons had begun, Van and Norman were "out on the road", billed as the "McCoy Brothers" and making public appearances at every ladies' tea around Washington.

Van survived this early taste of fame, but he gave up his performing career as soon as he could talk his mother out of it. His musical tastes continued to develop through the sounds he heard on the radio, and at 12, Van wrote his first song. Serious ambitions took priority as he grew up, and Van attended Howard University, where he majored in psychology.

While pursuing this course of study, however, that nagging interest in music kept interfering. He found time to sing with a local group, known as the Starlighters, who cut a few records which were released locally.

During his second year of college, Van couldn't resist an offer to go to Philadelphia and start a record label with his uncle. One of their early releases, a record Van did called "Mr. D.J.", became a hit.

Scepter Records bought the master and released the disc nationally. Van continued his association with Scepter, working as writer and producer, and his earliest accomplishments were projects with the Shirelles.

He subsequently became involved with the relatively new phenomenon of production companies, where he was involved with such artists as Gladys Knight ("Giving Up"), Barbara Lewis ("Baby I'm Yours"), Ruby & The Romantics ("When You're Young and In Love"), Chad & Jeremy ("Before and After", "I Don't Wanna Lose You Baby") and a long string of hits for Peaches and Herb. He spent those years gaining a considerable reputation as a songwriter as well as for his in-studio talents.

Somewhere during this era, Van paused to do a stint as a singer, cutting an LP with Mitch Miller for Columbia, "Nighttime Is Lonely Time", and did the TV show circuit, chalking up 12 appearances on the Tonight Show.

"At the time, I really didn't want to be a singer," Van says. "I fought it every inch of the way! The only thing I was interested in was writing and producing for other artists."

In 1967, Van teamed up with Joe Cobb to form an independent record production and music publishing company which achieved some very impressive credits. Aretha Franklin, Vikki Carr, Roberta Flack, Tom Jones, Nancy Wilson, Brenda & The Tabulations and Nina Simone are just some of the names who have recorded Van McCoy songs.

Recently, Avco Records gave Van an opportunity to utilize his many talents as a conductor, arranger, pianist and vocalist. Van created the Soul City Symphony to interpret contemporary material—his original songs as well as current hits—in a unique style. His "Disco Baby" album, produced by Hugo & Luigi, included the runaway single smash "The Hustle", which catapulted McCoy to the pop music stardom for which he seemed to be fated despite all his protestations.

Even now his serious side emerges—"My real love is classical music," Van claims. "My favorites are the romantic composers—Beethoven, Rachmaninoff". One of these days, he hopes to become known as a 'serious' composer. Till then, Van McCoy might just as well enjoy his destiny at the top of pop.

CAPUCHINO HIGH SCHOOL

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. RYAN. Mr. Speaker, on the evening of May 1 the students of Capuchino High School in San Bruno, Calif., will be paying special tribute to Mr.

Ralph Bredenberg, director of the Capuchino High Marching Band, on the occasion of his retirement from that school.

Mr. Brendenberg has served the San Mateo Unified High School District since 1951 and is a native of Turlock, Calif. He had many years of musical experience before coming to Capuchino High School including serving as director of the 525th U.S. Air Force Band at Sheppard Field, Tex., and director of the Community Band in Chowchilla, Calif. In an effort to broaden his knowledge and thereby enrich the learning of his students, Mr. Brendenberg in 1970–71 traveled in the United States and abroad in order to familiarize himself with the musical programs of various schools.

Under his directorship the Capuchino High Marching Band has been the recipient of many awards and special honors throughout the years including participation in the Kennedy inauguration in 1961 and the Tournament of Roses parade in 1966. On several occasions the band has appeared in Disney parades and received awards and special recognition for their outstanding abilities. In addition, they have received a multitude of awards for their participation in numerous State and local competitions and special events.

Certainly, Mr. Ralph Brendenberg has played an important role in the lives of many of the students at Capuchino High School and I would like to take this opportunity to thank him for a job well done and wish him all the best in his retirement. I am sure he will be missed by everyone at Capuchino High.

COMMEMORATION OF THE FIRST GENOCIDE AGAINST THE ARMENIAN PEOPLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. DERWINSKI. Mr. Speaker, in commemorating the suffering of millions of Armenians 61 years ago, we note what is properly regarded as the first tragedy of deliberate genocide in the 20th century—the ruthless massacre of the Armenian people by the Ottoman government. Since that time, of course, the world has witnessed other incidents of man's irresponsible cruelty to his fellow human beings. However, this historic event not only threatened the Armenian people with extinction as attempted by the tyrants of the Ottoman Empire, but also set an unfortunate precedent for the world as the first modern genocide.

The anniversary of this tragic event must not be allowed to pass without a tribute to the 1,500,000 Armenian men, women, and children who perished during the 1915–18 period. Last year at this time, the House overwhelmingly passed a resolution designating April 24, 1975, as "National Day of Remembrance of Man's Inhumanity to Man." I believe that again this year, we should remember those martyrs who sacrificed their lives and rededicate ourselves to a renewed reverence for human life.

The history of the Armenian people has been marked by long periods of subjugation to foreign rule. As early as the 16th century nearly the whole country was overrun and held by the Ottoman Turks. Today, the historic Armenian area, what is now Turkey, is totally devoid of Armenian populas, while the Soviet Union holds the Armenian people captive in an area presently referred to as Soviet Armenia.

Despite the years of subjugation by alien rulers, the Armenian people have managed to hold together and retain their national consciousness through their church and language. The Armenians were the first nation in the world to accept Christianity as their state religion, and were perhaps the oldest of the civilized races in western Asia.

Their sense of unity and national aspirations became so intense by the mid-19th century that the Armenians developed a burning desire for attainment of their goal of self-government. However, at that time, the Turks set out to exterminate the whole Armenian Christian population within its borders and called for the elimination of some 2 million Armenians in the Ottoman Empire through deportation, contrived famine and large-scale massacres. While many hundreds of thousands were able to flee abroad to neighboring lands, others, mostly women and children. were forced to adopt the Moslem faith and submit to servitude in Turkish homes.

The Armenians paid with their lives for having entertained the elemental idea of human dignity and freedom. No provocation on the part of individual Armenians could justify such a crime against the whole race.

However, I believe that we should be confident that this historical injustice will one day be corrected and a free and independent Armenia will once again exist. The Armenian people have demonstrated throughout history their fortitude, stamina and tenacity in maintaining their church culture, and language. The existence today of this Armenian spirit is the foundation that will lead to the ultimate restoration of a modern Armenian nation.

Therefore, we should be strengthened by the belief that their suffering was not in vain and that a free Armenia will arise despite the shocking indifference of the world at the time of the massacre unleashed by the Ottomans and the various political setbacks that have occurred in the last 61 years.

WAYS AND MEANS OVERSIGHT SUBCOMMITTEE ANNOUNCES HEARING ON AFDC ERROR RATES

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. VANIK. Mr. Speaker, there will be a hearing on Thursday, April 29, at 3 p.m., in H208, to hear from two witnesses on problems involved in HEW's efforts to reduce the level of errors in AFDC.

This hearing will provide useful background data for a major hearing being scheduled for Monday, May 3, with Social Security Commissioner Cardwell, Social and Rehabilitation Service Acting Administrator Wortman, and HEW Assistant Secretary for Planning and Evaluation, William Morrill.

Thursday's witnesses will be:

Mr. Harry F. Cruver, president, Managerial Controls, Inc., Falls Church, Va.; and

Mr. Morris Hansen, vice president, WESTAT, Inc., Rockville, Md.

ADDRESS TO THE OVERSEAS PRESS CLUB OF NEW YORK CITY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Ms. ABZUG. Mr. Speaker, last week I had the opportunity to address the Overseas Press Club in New York City on some of the major foreign policy issues facing our country as the first anniversary of the end of the Vietnam war approaches. I would like to insert my speech into the CONGRESSIONAL RECORD today for the consideration of my colleagues:

SPEECH BY REPRESENTATIVE BELLA S. ABZUG TO OVERSEAS PRESS CLUB, HOTEL BILTMORE, N.Y., APRIL 20, 1976

On April 30, we will be observing the first anniversary of the end of the war in Vietnam.

I say "observing," but I know of no memorial services, parades or other ceremonies that are being planned in the United States to mark the conclusion of a war that cost the American people so much in lives lost, in wounded, in men still missing, in billions of dollars squandered, in domestic needs neglected, and in political conflict and upheaval.

The Vietnamese, whose suffering in the war was beyond expression, are using the occasion of this first anniversary to establish the final reunification of the North and South, and that act will underscore the ultimate bankruptcy of the policies of the Eisenhower, Kennedy, Johnson, Nixon and Ford administrations in 20 years of involvement in Southeast Asia.

As a Member of Congress, I was in Thailand on August 15, 1973 when the last American plane returned from its last bombing mission over Cambodia, a cut-off forced on President Nixon by the combined effort of the American people and the Congress.

Last March I was again in Vietnam and Cambodia with other members of a congressional delegation. Signs of collapse and defeat were all around us, but we returned to Washington to find the Ford administration still arguing for military aid to General Thieu. The President was unsuccessful, and reality prevailed.

Now we are told by the political analysts that the American people want to forget about the war and that political candidates should avoid talking about it.

The legacy of the war is still with us, and with the people of Vietnam and Cambodia. I speak here not of the political consequences which are evident, but of the human suffering. The World Health Organization reported recently that after 30 years of war, South Vietnam is a land infested with malaria, bubonic plague, leprosy and tuberculosis.

When the war ended, four of every five soldiers had a venereal disease, and there were 300,000 prostitutes.

The incidence of tuberculosis was one of the highest in the world, malaria was on the increase, and about a half million people were drug addicts.

Private organizations in the United States are now organizing the shipment of clothing and medical supplies to Vietnam, but their efforts cannot begin to fill the need for humanitarian aid. This is a role that should be filled by the United States in compensation to the people of Vietnam for the horrors we inflicted on them.

Under the Bingham amendment to the International Security Assistance Act, which was recently approved with some modification in conference, Congress is now on record for ending the trade embargo with Vietnam, with the proviso that the President can reimpose the embargo if information on the MIA's is not forthcoming within 180 days.

This should be accepted as an essential step on the road to normalization of relations with Vietnam. Vietnam was never a threat to the security of the American people. Now as then, trade and humanitarian and economic assistance offer the best hope for peaceful relations between our Nations.

But unfortunately the policy-makers in Washington have not absorbed the lessons of our ill-fated military intervention.

There is an unfinished agenda left over from the war in Southeast Asia. We should be using this first anniversary as an opportunity for a thorough reappraisal of American foreign policy objectives around the globe, including the recognition that being the biggest military power on earth does not require us to utilize that power everywhere, in situations that do not directly affect the national security of the American people, or that we cannot control.

As part of a reappraisal of American foreign policy, I believe we need a redefinition of the phrase, "The National Interest."

We are told that debate is supposed to stop at the waterline and domestic antagonists are supposed to present a united front in the conduct of foreign policy. That has always been more of a wish than a reality in either war or peace, and with the possible exception of World War II, most American foreign wars encountered severe domestic criticism, reaching a peak, of course, during the Vietnam War when a majority of Americans came to oppose it.

It is an unfortunate aftermath of that war that the enormous peace movement which it generated has dwindled away into a collection of small, albeit still dedicated groups, that continued to function among the grass roots and as lobbies in Washington. * * *

One consequence is that in the current Presidential debate, with the exception of Mo Udall, who favors cuts that will produce what he calls a "lean but tough" military budget, the tone has been set by Reagan and Wallace on the right and by Henry Jackson who stubbornly maintains that we can have both guns and butter.

Although Jimmy Carter talks about ending the proliferation of nuclear weapons around the globe and eliminating the world's nuclear arsenal, he is also a supporter of the Trident submarine, the special project of his mentor, Admiral Rickover.

Pentagon plans call for a fleet of ten Tridents, each at a cost of $1.8 billion and each equipped with 24 missile tubes each containing at least eight hydrogen bombs. Thus while Mr. Carter talks about eliminating the nuclear arsenal, he also appears to be committed to a program that would add at least 1,920 hydrogen bombs to our present nuclear submarine fleet which is already equipped with a total of more than 4,000 nuclear warheads, each one of which can destroy a large city and its population.

Mr. Carter has been forced to do a lot of explaining recently, and this is another area in which I believe his views require explanation and clarification.

Pressures of electoral politics have also trapped President Ford into various seemingly inconsistent positions. He has decided, as we know, to dispense with the word "detente," if not with the concept. We have also seen in recent months the provocative, but abortive stance in Angola, a slowdown in the SALT talks, Secretary of State Kissinger's threats toward Cuba, and his reiteration that the U.S. is prepared to use nuclear weapons in socalled "limited wars."

But while pushing for the biggest military budget in American history in war or peace, and threatening to veto it if Congress should dare to lay a hand on the military procurement bill, President Ford has also been forced to reveal some truths about American military power in response to the demagogic attacks by Mr. Reagan.

In a recent campaign appearance in Wisconsin, the President flatly stated that the U.S. "is unsurpassed by any other Nation as far as military capability is concerned." He noted that we have a 2-to-1 ratio over the Soviet Union in warheads, a 3-to-1 lead in strategic aircraft, a 3-to-1 margin of superiority in naval tonnage and he also boasted that our ballistic missiles are much more accurate and survivable than those of the Soviet Union.

President Ford admits that the U.S. retains military superiority over the Soviet Union. The truthfulness of this is borne out in the detailed study issued recently by Rep. Les Aspin—a document that is a very precise rebuttal of the Reagan argument that we are somehow becoming a second-rate military power. In view of this, how can Mr. Ford justify his provocative and dangerous insistence on the development of new and extremely costly weapons systems, including the development of a counterforce capability that will impel the Soviet Union to seek to develop its own "first strike" capability?

I believe we have to redefine "national interest" to dispense with the illusion that one foreign policy can accommodate the interests of all Americans, from the poorest family in the south Bronx to the richest military contractor in the southwest.

We are the richest and most powerful country in the world. But even we must make choices, and we must make them in terms of what will best serve the domestic as well as foreign commitments of our Nation.

A displaced garment worker in New York, a shoeworker in New England or an electronics worker in the Midwest does not have the same kind of interest in what happens in the Far East or Latin America as does an American Multinational Corporation that pays children aboard to work on assembly lines 14 hours a day for 30 cents an hour, or a firm like Lockheed which hired hundreds of workers in Hong Kong to assemble the safeguard antimissile system for $2 a day.

For the jobless American working people, guaranteed full employment and a recent income offer greater security than, for example, an unnecessary and ridiculously costly B-1 program, which will eventually cost us $90 billion.

Millions of people living in our decaying cities, and certainly those living in New York, do not have the same vested interest in a $114 billion military budget as do defense contractors whose cost overruns alone, according to a GAO study in 1974, averaged out to $94 million per day during one six-month period ending June 30, 1974.

We have to assess how our national economy and our national interest will fare under the burden of such a huge military budget, keeping in mind the current forecasts that it will reach $200 billion by 1985.

As sure as I am of death and taxes, I am sure that when 1985 arrives, unless we succeed in removing a good chunk of this military burden from our necks, representatives of the Pentagon and the military industrial complex will be found swarming over Capitol Hill, arguing for some new and even more costly superweapons system, overwhelming Congress with figures, charts, threats and subliminal hints of impending impotence unless we escalate the arms race.

We spend a great deal of time in Congress listening to the military experts. But very little time listening to people with the will and the imagination to think about what kind of world the military experts are forcing us to live in.

One of the most alarming developments in Washington in the past few years has been the shift from a mutual armed deterrence policy to a new emphasis on the development of a "first strike" capability. I have been devoting my efforts in Congress to offering amendments and organizing opposition to the development of weapons that would set us more firmly on that path.

I wonder if the Pentagon's heavy thinkers have ever devoted any time to picturing what would happen the morning after or even the year after a "first strike?"

Suppose the U.S. decided an imminent Soviet threat required a preemptive first strike?

Suppose we destroyed all of the Soviet Union's 200 major cities, and, as you know, we have the present capacity to wipe out all those cities more than 35 times over. Suppose we were able to destroy the Soviet Union's ability to strike back, though with the shift to nuclear submarine fleets equipped with nuclear missiles it is doubtful that even the most optimistic Pentagon general could guarantee that there would be no retaliation against our own land and our own people.

But even if we could destroy the major industrial centers of the Soviet Union and kill a majority of its people, which is a horrifying thought, what then?

What would be happening in China, Japan, India, the Middle East and Western Europe as the radioactive clouds rolled over them and eventually rolled over us?

Would the governments there be grateful and send us thank you notes? Would we dispatch an army of occupation to Russia and would we fare any better than Napoleon? How would we cope with the millions of burned bodies, the rubble and destruction, the contaminated food, air and water, the disease and suffering of the survivors? Would we decide to rebuild Moscow and Omsk rather than New York and Cleveland?

Or would we just leave it all alone, and then start worrying about whether other nations, closer than us, would send their armies in to occupy what was left of the Soviet Union and start the cycle all over again?

If the Soviet Union should decide that it must develop and use a "first strike" capability to counter ours, just as it felt compelled to compete with our development of MIRVs (and now MARVs), it would encounter the same insuperable obstacles and suffer the same unbearable consequences as would the United States.

It has been said before, but it bears repeating. There can be no winners either in a one-sided nuclear war or in a nuclear exchange that would destroy both participants.

Certainly, our Government knows it has nothing to gain from a holocaust, and almost every visitor to the Soviet Union, whether they come as a friend or critic, testifies to the deep abhorrence of war there among a people who suffered 20 million casualties in World War II.

We know this. Yet we do not act upon our knowledge. Instead, our Government seeks to intensify the military competition with the Soviet Union.

We are told our entire nuclear posture is based on the concept that we need more weapons in *order* not to use them. The argument follows the same course in the U.S.S.R.

Yet at the same time our worldwide credibility is said to be based on a nuclear arsenal which others must believe we are ready to use, but which, in fact, we cannot use without destroying ourselves as well as other nations. And not only are we supposed to be ready to use nuclear weapons against the Soviet Union, but against other nations in socalled "limited" wars, which are limited only in the sense that they would fall short of destroying every human being on earth.

It is time to end this mad competition. It is time to recognize that the real strength of America lies in the combination of adequate military power and domestic prosperity, and that a more realistic foreign policy can bring with it a reduction in military spending. We lost the socalled Vietnam "peace dividend" but there is still time to enact cuts in the military budget and transfer some of those funds to restore our economy, provide jobs and increase assistance to needy nations.

I regret that Congress is succumbing to Pentagon propaganda and the pressures of presidential politics rhetoric and is passing up opportunities to reduce the military budget. The House has voted to go along with the military procurement bill and has even authorized more money for some programs than was requested. The Senate last week rejected an effort to reduce the budget ceiling for the Pentagon by $2.6 billion and to transfer this money to another part of the budget for domestic needs.

But the Senate has not yet voted on military procurement authorization, and both Houses will not vote on actual appropriations until later this spring. There is still time for the advocates of restraint in military spending and a basic change in the direction of our foreign policy to go to the American people and to warn them of the harm that is being done to them in the name of national security.

What is needed now is competition in peace initiatives, not a competition in military escalation. The Kremlin generals may be impressed with the range and accuracy of our missiles, but the citizens of the Soviet Union and of other nations all over the world are more impressed with our clothes, food, consumer goods and our constitutional liberties. Whether we proceed under the rubric of detente or some other catch phrase, I believe the U.S. and our people have more to gain by policies of trade, arms reduction and arms agreements, internation cooperation, moral suasion and economic assistance to underdeveloped nations than by a return to cold war confrontation.

I have already indicated that among the peace initiatives we can take are to cut the military budget significantly and to recognize our obligation to send economic assistance to Vietnam and resume trade as a prelude to establishment of diplomatic relations between Vietnam and the United States.

We must recognize the limitations of our power, and no longer adopt an interventionist posture around the world in areas where we cannot determine the outcome of events.

As evidence of our support for the emergence of democratic governments, we should hold off on ratifying the treaty with Spain until the Juan Carlos government casts off the repressive form of government of the Franco regime and allows the people of Spain to decide their own destiny.

There are, of course, other initiatives that can be taken, but I would like to conclude by discussing one that I feel must be taken if we are to cool off the always potentially explosive Middle East.

Both the U.S. and Israel are showing commendable restraint in the Lebanese war and we can only hope that a peaceful, longterm settlement will be achieved there without the permanent intervention of Syria or other nations. I believe the events in Lebanon should give pause to those who have criticized Israel for its reluctance to agree to a separate Palestinian state and its total and understandable rejection of PLO arguments for a binational state. Obviously, that way lies destruction for the people of Israel, and that is unacceptable.

Within the perspective of 28 years of constant and relentless Arab hostility against Isreal, it should be evident that Israel cannot be expected to make any changes in her borders without guarantees of mutual recognition and acceptance of Israel's right to exist as a secure nation.

In an area of so many rivalries, national conflicts and such political complexity, the United States could make a genuine contribution toward peace if it were to stop acting as the major arms seller to the Persian Gulf nations and would drop its long-range plans to sell arms to Egypt.

World military spending has risen to almost $300 billion a year, and the United States and Soviet Union alone account for 60% of world spending on arms.

Saudi Arabia and Iran are the two biggest overseas purchasers of American weapons and military construction services. During 1973–76, U.S. military sales to the Persian Gulf region exceeded $12 billion. Saudi Arabia and Iran each accounted for approximately $6 billion each in weapons procurement and military construction. This included the most sophisticated weaponry, and creation of whole military services, such as a naval shore patrol force for Saudi Arabia. There were approximately $.5 billion in weapons sales to Kuwait, $100 million for Oman and smaller amounts to the other states and states and kingdoms in the area. During the same period, Israel's purchases in the west have amounted to $5 billion.

Congress has gone along with the U.S. sales of six C–130 military transport planes to Egypt after winning a commitment from Secretary Kissinger that the U.S. will not supply Egypt with any more military equipment this year. But I think it is becoming increasingly clear that if President Ford were to be reelected, he would be back next year with requests for military aid to Egypt. It is also evident that the socalled U.S. evenhanded policy in the Middle East is tipping toward the Arab nations.

According to observers at the UN, Egypt's abrogation of its treaty of friendship and cooperation with the Soviet Union is supposed to signal the development of a new alliance along the southern tier of the Arab World. The Alliance would include the U.S., Egypt, Jordan and the Arab oil states along the Persian Gulf, with Saudi Arabia at their head. The oil states would be the primary financiers of this bloc, and the U.S. would be the primary military supplier. Israel would be accepted as part of this alliance, but it is a prospect that can offer no long-range hope of peace or stability for Israel.

The Ford Administration has argued that Egypt needs a "symbolic" gesture of tangible military support from the United States in order to assure its continued cooperation.

The only problem with this is that symbols have a way of turning into tanks and missiles, and Israel can feel no assurance that these weapons will not be pointed at her.

If Israel is expected to follow up the Sinai pact with further concessions, it has a right to expect that the U.S. will stop selling arms to its present and potential enemies. There is still little tangible evidence coming out of any of the Arab Nations, including Egypt, of a readiness to live in peace and friendship with Israel.

As the major nuclear powers and as the major arms sellers to the world, the United States and the Soviet Union bear a special responsibility to slow down the arms race.

That is the issue which should be concerning the American people as they go about the process of choosing a new president and a new congress. I would hope that all the candidates for office would forego cold war rhetoric and begin to talk about leadership for peace. We need this for the sake of domestic peace and security. We need this for world peace and security. And I think that this is what the people of the world look to us to provide.

ONE MAN'S VIEW OF THE SOVIET UNION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. BIAGGI. Mr. Speaker, recently WOR–TV in New York City aired a most interesting editorial written by their vice president and general manager, Robert Williamson, who recently completed a visit to the Soviet Union.

Mr. Williamson paints a very bleak picture of life in the Soviet Union, as he says in the editorial:

> I might trade our subways for Moscow's, but after that, Soviet life loses on most every count.

The simple fact is the Soviet economy is not nearly as advanced as they would lead us to believe. While this Nation can increase its defense spending yet still provide a decent standard of living for its citizenry—the Soviet Union's expenditures on defense have come at the expense of the common people who must struggle just to eke out an existence.

Mr. Williamson also focuses on the repressive nature of Soviet life. Freedom of speech, religion and assembly, which are the cornerstones of this Nation's democracy are but myths in the Soviet Union. Many in this Nation know of the problems which Soviet Jews encounter both living in and trying to emigrate from the Soviet Union.

I am pleased to provide my colleagues with the opportunity to read Mr. Williamson's assessment of life in the Soviet Union. It should make us all thankful to be Americans.

GOOD TO BE BACK

(By Robert Williamson)

You never really appreciate something—like freedom—until it is gone. That truism haunted me during a recent visit to the Soviet Union.

I might trade our subways for Moscow's, but after that, Soviet life loses on most every count.

With all our gripes about the cost of living, consider that the average American works 12 minutes for a dozen eggs, while our comrade labors 93 minutes. A Russian puts in 157 hours for a man's suit, an American only 26 hours. And while it takes six months salary for us to buy a car, it takes nearly 4 years in Russia.

Worse than the prices in the Soviet Union is the shoddy quality of goods. Very little works right. Despite a housing boom that Communists brag about, buildings are expected to be a bit lopsided! A six-inch difference in ceiling height is common in a ten foot space.

Of course, all the talk about Soviet Socialism building a "classless" society is fraudulent. Party officials and other elitists can purchase goods that are in short supply, and at low cost.

Worst of all the Soviet indignities on its citizens is the denial of liberty. The media is a state propaganda tool providing virtually exclusive—and often distorted—access to the real world. And in Moscow, a city nearly as big as New York, there's only one Synagogue, one Catholic and three Russian Orthodox churches.

The workers' paradise that the Bolsheviks promised has evolved into a spiritual wasteland and an economic basket case. The Soviet Union is the place you would never want to live in, but might want to visit—just once.

THE PEOPLE IN RURAL NEVADA

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. SANTINI. Mr. Speaker, recently a meeting was held in Elko, Nev., wherein Mr. Curt Berklund, Director of the BLM met with approximately 700 Nevadans to discuss the problems of the livestock use of the public lands. At this meeting, Mr. Dale Porter, a member of the city of Elko board of supervisors presented a statement not on behalf of the livestock industry but on behalf of the people in rural Nevada. A very important message was communicated. The problems of our public land grazers are not isolated fiscal concerns of a few. A depressed grazing industry creates negative reverberations that are felt by all those residing in our small counties and communities. This is a people problem and I would like to share Mr. Porter's thoughts on the dimensions of this people problem with my House colleagues.

STATEMENT BY MR. DALE PORTER

Congressman Santini, Director Berklund, distinguished panel, ladies and gentlemen: My appearance here today is not as a representative of the livestock industry, nor am I here as a representative of the mining industry. Rather, I am here to make a brief statement on the impact of Federal land management policies on the people of rural Nevada.

I am a small business man in a small town in Nevada, namely Elko; and I am also a member of the Elko City Council, and have been so for the last seven years.

In the interest of time and in consideration for the length of today's agenda, my statement will be brief. But I want you to understand if time permitted the statement could be expanded, illustrated, enlightened, and all supporting data supplied and verified.

As a resident of rural Nevada and a member of a local government body, I have become quite concerned about the impact of drastic and sudden changes of land policies by the BLM. To place this impact in its proper perspective, we need to understand that rural Nevada is that great and vast land located North of Las Vegas and East of Sparks, the great bulk of Nevada; and that the livestock industry is far and away the leading economic activity in rural Nevada.

For the past several months local government units in rural Nevada have been putting together their budgets for the coming fiscal year, and as they have progressed this impact from recent BLM policy changes has become more and more apparent. In spite of a general raising of taxes, the rural government units do not have enough money to meet the real demands for services they were easily able to provide a year ago, and in years past.

Inspection of all the economic indicators available to us, and conversations with ranchers and businessmen, bring us to only one conclusion. And that is, that in spite of improving cattle prices and a good water and hay year just past, the livestock industry has retrenched seriously in its spending habits. If you talk with our ranchers you learn they are not spending in a normal and usual manner because of a lack of confidence in the future of their business due to the proposed changes in BLM policy.

A primary effect of this lack of confidence and reduction of spending has multiplied (and here we are dealing with multipliers) in the economy of rural Nevada to the point that in spite of an expanding tourist trade, business activity is quite generally depressed. Sales are down, collections are very slow, inventories are reduced, businesses have failed and others are failing, capital growth is virtually non-existent, and as a result employment is down (and unfortunately, again we are dealing with multipliers) all further deepening the depressed conditions of this area.

This general reduction in economic activities is quite a serious thing, for it deals directly with a person's opportunity to earn a living. I'm sure you understand this impact relates directly to a person's or a family's ability to fulfill its needs. It relates directly to their ability to realize their choice of life style.

A secondary, but important effect of these depressed conditions, is that local governments do not receive through fees, licenses and taxes—sales taxes etc., the monies required to fulfill the needs of the people. To give you some typical examples: Elko City has reduced services and has not budgeted one dime for capital improvement in the coming year; Elko County has cut goods and services across the board; the school district, with mostly fixed expenses, has reduced its expenses to fit its funds by the elimination of a number of educational programs—we are narrowing the educational opportunities of our young people.

Unfortunately, we can severely compound these adverse conditions by prolonging this lack of confidence or worse yet, if the fears of the livestock industry are realized, all the people of rural Nevada are in for severe economic and social troubles. Not just the livestock industry is involved with these changes, even if we don't personally use the land, with our economic base we are all directly related to the land.

Most of today's agenda will be spent in consideration of floral and fauna, cattle and sheep, horses and wildlife, rocks and minerals. But gentlemen, in your final consideration of how to direct and how to use your considerable influence, please also consider the people of rural Nevada. The people, the very reason for the existence of government. The people, the very reason for the existence of regulatory agencies.

Consider very seriously these proposed changes. Consider very seriously any drastic or sudden policy changes in times to come. In deference to my personal viewpoint, consider very seriously these changes for they directly affect my need for a profit, an income; they affect the man I had to lay off due to lack of work, and they affect his family; and they even affect the educational opportunities of my children.

So think wisely and know that your decisions are going to directly affect the life style of all the great and good people of rural Nevada, not just our friends the rancher and miner, but all the people.

In a news conference yesterday, Director Berklund stated that there are more people interested in public lands than just the rancher. He is right on this. In rural Nevada, there are more than 70,000 people directly related to the land. Gentlemen, please in your deliberation, also consider these people. Thank you.

CONGRESS AND FOREIGN AFFAIRS

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. BROOMFIELD. Mr. Speaker, during the past year, I have spoken out on several occasions to express my strong reservations about the extent to which Congress is usurping control of the foreign policy process.

It may seem out of character for the ranking minority member on the Committee on International Relations to resist, but I sincerely question whether we are serving the national interest in our rush to redress the balance and regain what some see as our rightful share of the foreign policy action.

I think the American people, alarmed at the drift toward confrontation between Congress and the Executive on critical foreign policy matters, are coming to share my doubts about the wisdom and effectiveness of congressional diplomacy.

The following editorial from the Detroit News of April 24 points out that, virtually alone among the major nations of the world, the United States allows itself the luxury of divided authority in foreign policy. Unlike our allies and enemies, the United States is willing to sacrifice the ability to speak to the world with a single voice. While democracy in the foreign policy arena has obvious long-term advantages, it can also create chaos and weakness in our diplomacy if Congress and the President are constantly bickering over major foreign policy issues.

The following editorial is an excellent summation of some of the dangers inherent in the diffusion of foreign policy decisionmaking in this country. I commend it to the attention of my colleagues:

IN ELECTION YEAR: FOREIGN POLICY CONTROL BY CONGRESS HURTS UNITED STATES

Congress is giving strong indications in this presidential election year that it has no intention of abating its interference in the conduct of foreign policy and, as a result, tensions between Congress and the White House are likely to intensify. If this is so, the nation will suffer.

Those who argue the issue usually do so in a parochial way and seldom touch upon the theory that American government, because it functions with divided authority, is at a disadvantage with almost every other country in the world in the way it conducts its foreign relations.

In parliamentary government, as in Britain and Canada, there is no uncertainty about foreign policy because it is promulgated by the prime minister and his cabinet and, through strong party discipline, they carry it through the legislative process with little difficulty.

There is certainly no ambivalence on foreign policy matters among authoritarian nations, be they Communist or right-wing military dictatorships. Either the strong man or the central committee fashions the policy and the dictates are immutable.

As a result, foreign countries dealing with parliamentary or authoritarian nations have no difficulty discerning their policies, which are clearly put and decisively made. There is a reliability about their policies, which means they seldom have difficulty with credibility.

In recent times, Congress has consistently muscled the White House on many foreign policy issues. This is the legacy of Vietnam and Watergate. Congressmen—many of them—see this as an attempt to restore powers they believe Congress once had, rather than a revision of the power balance.

Because of the tug-of-war between White House and Congress, the country is unable to achieve a national consensus in foreign policy. And that is only one of the disadvantages.

The constant threat that Congress will either revise or reject outright the agreements negotiated by the White House makes the achievement of agreements that much more difficult.

For example, we do not know whether Congress will approve the deals either to keep or reopen the American bases in Greece or Turkey, surely an important and highly sensitive issue in those countries. Greece and Turkey have a signature but they still don't know whether they have an agreement.

Congressmen are poorly equipped to take responsibility for the final determination of these matters because they have no intimacy with the negotiations and with the negotiators.

Congressmen also are swayed in their judgments, not by the national interest (which should prevail), but by the pressures of politics in their own voting districts. Congressmen judge foreign policy from the parochial perspective, whereas foreign issues should be judged solely in terms of the national interest.

The President is elected by a national constituency, rather than the local electorate. The President must answer for what he does to the nation. He thinks in national terms. His judgments are national in nature. He is therefore conditioned by his office to deal with foreign policy from the viewpoint of the country's best interests.

In the jet age, a president travels vast distances for meetings of the principals, face to face. There is tremendous value in summitry—but not if the president is reduced to being a mere rapporteur for Congress.

In order to improve credibility, get rid of ambiguity and present the world with a clear picture of what we stand for and what we want, foreign policy should be concentrated in the office with the national constituency and that means the presidency.

There remains room in this process for advice from Congress and the congressional mechanism should be organized to do no more and no less than offer that advice.

A nation cannot retain for very long a leadership role in the world unless it is both clear and decisive. Today, the conduct of American foreign policy is neither and the foreign ministers who deal with us must feel as if they are walking on a marble floor covered with ball bearings.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago, on April 15, 1776, the Continental Congress adopted a resolution admonishing, for the second time, "the settlers at Wyoming and the Susquehannah River, as well as those under Pennsylvania as those under Connecticut, to cultivate harmony, to consider themselves as jointly interested in the event of the American cause, and not, by mutual acts of violence or oppression, to injure that union which so happily subsists between all the colonies, and on which their welfare so much depends." The colonies of Connecticut and Pennsylvania both claimed the Wyoming Valley, a 25-mile stretch of the Susquehanna River, in what is now Pennsylvania. Efforts by inhabitants of both colonies to settle that valley had resulted in several bloody clashes.

On April 16, 1776, the Continental Congress adopted a resolution requesting the council of safety of Maryland to arrest the Governor of the colony, Robert Eden, because he was considered "highly dangerous to the liberties of America." Congress acted after intercepting a letter from Governor Eden to Lord Germain, British Secretary of State for American Colonies. However, the council considered the charges groundless and refused to act on the congressional request.

The following month, Governor Eden was asked to leave Maryland when it was learned that the Crown had ordered him to support the British forces in the colonies. He left for Great Britain in July.

On April 17, 1776, anxious to strengthen and increase the size of the recently created navy, the Continental Congress adopted a resolution instructing the Marine Committee to recommend the names of persons to be commissioned officers, and to appoint warrant officers for the frigates being built.

The resolution also provided for payment of an $8 bounty, "to the owner of every American vessel for every able seaman that he shall import into the United Colonies, over and above the number said vessel carried out; and that foreigners importing able seamen over and above the ship's company, and discharging them in the American ports, shall be entitled to that same bounty."

Two hundred years ago, on April 19, 1776, concerned about the growing unrest among the Indians in the Middle Department, the Continental Congress instructed Indian agent George Morgan to stress its interest in their well-being, and to "cultivate harmony and friendship between them" and the colonists. Congress also urged Morgan to treat the Indians kindly and, "inspire them with the sentiments of Justice and humanity, * * * dispose them to introduce the arts of civil and social life, and * * * encourage the residence of husbandmen and handicrafts men among them."

On April 23, 1776, the Continental Congress approved several resolutions intended to end the misconduct of American troops in Canada and assure the Canadians of the colonists' concern for their welfare. Congress instructed the commission which it had earlier sent to Canada to ask the Canadians to state their grievances, and to assure them that those grievances would be redressed and the American offenders punished. To prevent any more wrongdoing among his troops, the commanding officer was ordered, "to be very attentive to military discipline, and inflict exemplary punishment on all who shall violate the military regulations established by Congress."

On April 26, 1776, the Continental Congress directed its Secret Committee to replace the powder Connecticut had loaned to Washington for the use of the continental troops. The committee was further instructed to consider the desirability of exchanging powder which Connecticut had stored in Philadelphia, for powder which Congress had stored in some eastern ports.

Still short of hard currency, Congress decided to send $50,000 to the committee of safety of Virginia in the hope that the committee could exchange the notes for hard currency, which would then be deposited with continental treasurers.

WORK SPACE FOR CONGRESS

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. BAUCUS. Mr. Speaker, I would like to say a few words about the utilization of congressional facilities and the physical problems we have encountered in trying to provide better constituent service. These are matters of great personal concern to me. But first, I would like to offer my explanation as to why better service is needed.

People are increasingly cynical about government. They tend to view government—in particular, the Federal Govment—as one unmoving, relatively unresponsive bureaucracy. In light of this increasing cynicism, it is increasingly important that congressional representatives be available to serve as ombudsmen to their constituents.

As all of my colleagues know, the principal job of the employes in a Member's office is to represent the best interests of individual constituents who have contacted their Representative to express concern about some aspect of the Federal Government and its impact on their lives.

I am deeply concerned that we are not providing the best kind of service to those constituents in seeing to it that their interests are protected. The problem is not one of effort on our part. Indeed, I cannot think of any place in the country where I have seen more dedicated hardworking staff than you can find in room 226 of the Cannon Building.

No, the problem is not one of personal energy, capacity, or organization. Rather, to my mind, the problem is that Congress has failed to provide its staff with adequate working facilities in which to carry out their congressional mission.

I would like to share with you this morning my views as to exactly what is wrong with the physical environment in the working areas of the House of Representatives and to identify, with my limited background and experience, the solutions I think that Congress should be pursuing to deal with those problems.

Let me say at this point that I continue to be optimistic about what we can do in Congress. It is a great and vital institution, but its greatness should not stand in the way of change, for many fundamental improvements can be made to the way we operate here.

THE PROBLEMS CAUSED BY THE PHYSICAL ENVIRONMENT IN CONGRESS

The two major factors that I would like to focus on today are: First, poor utilization of space in congressional offices in general and my office in particular; and second, the ineffective use of space in the interior courtyard of the Cannon Building.

I would like first to identify certain problems within each of the two areas and then to suggest some solutions that might be followed to deal with those problems. Probably the most acute problem in the organization of congressional office space is that people are too crowded together. For example, I have a three-room suite, as all Members of the House of Representatives are entitled to. My suite is divided in the following manner. I have one room to myself, which I believe I need for thinking, writing, and meeting constituents in private. The other two rooms are used by my staff. The first room has five full-time staff, while the second has seven. In addition, at any given time, there are from 3 to 10 additional volunteer staff who float around the two rooms looking for an open desk and chair to light upon.

The rooms are not big, as I am sure all of you are painfully aware of. For the staff, there is roughly 800 square feet, which is allocated roughly on a gross basis of 50 square feet per person—roughly one-half of the minimum safety requirements recommended by industrial standards.

In addition to a surplus of people in too small a space, there is the additional problem that there is no physical relief provided to separate people. On a typical day in my office, the following situation can be found. Six or eight of my staff will sit in a room without any partitions to provide the visual and auditory relief they need to provide privacy and to increase their productivity. Some of the staff will dictate out loud, while others will talk on the phone and still others will meet with constituents. The remaining staff, who will be trying to think as they read or write, will find it almost impossible to work—except perhaps with the use of blindfolds and earplugs.

The flow of traffic in our offices is also most inefficient and frustrating. Literally scores of person-hours are lost each month during the time when people are either waiting for file drawers and desk drawers to be closed or other impediments to be moved so that they can travel from one side of the room to another.

As I hinted above, there is very little room for guests—not to mention space for storing materials or hanging coats.

Finally, staff overcrowding constitutes a real health hazard during the flu season. Two months ago the flu bug ran through the second floor of the Cannon building like a raging fire, infecting one office after another. Never have I seen staff so insistent that their infected colleagues go home, lest the flu bug be extended.

What I am getting to is this. Our office space is too small to accommodate the needs of a congressional office. We are using dedicated, intelligent people in what I judge to be the most inefficient way possible. It is inconceivable to me that any industry in the United States would ever allow itself to operate so foolishly.

On the personal, human-interest side, I must say that I am surprised that Congress has not seen the formation of an employee union. We do not provide the staffs with recreation facilities—indeed, I understand you cannot even get permission from Buildings and Grounds to throw a softball on the Capitol Hill lawn. Moreover, we expect our employees to work far beyond the normal 40-hour week and under conditions that are reminiscent of turn-of-the-century sweatshops. In short, I think we have been lucky to avoid a full-scale strike.

But I do not wish to devote myself exclusively to an elaboration of congressional problems, both physical and personal. Rather, I would like to outline a few of my thoughts on what we can do to improve the situation.

First, I think it is essential to identify certain criteria or standards that must be met if we are to have satisfactory utilization of the physical space available to us. Among the criteria I think we should concentrate on are the following:

Adequate provision of electrical systems to accommodate in the same room computer, duplicating, and other electrical communication equipment that is used with increasing frequency in today's modern, technological world;

Adequate physical protection—both auditory and visual—for word processing equipment, which is increasingly loud, messy, and generally very distracting;

Space to hold conferences among staff and constituents, where papers can be laid on tables and discussions can be held in groups of three or more on policy issues that may require lengthy consideration;

Space to store and to have readily available the large batches of printed materials that are the lifeblood of congressional offices;

Space for interns and volunteers to work and to store their materials in a way that can be readily identified as their own;

Space to prepare for dissemination of large batches of material—for example, folding, collating, sorting, sealing, and so forth; and

Finally, and most important, space that is private from visual and auditory disturbance for congressional staff to think, write, and otherwise carry out their duties of office.

Another minor problem in the use of physical space of congressional facilities is the inner courtyard in the Cannon and Longworth Buildings. It puzzles me how Congress can pass laws promoting a better use of the environment and then keep its own physical facilities in such a stark manner. When I return from a vote on the floor, I find it unpleasant to closet myself in an office overlooking the gray, grim space that is the inner courtyard in Cannon. To say that our courtyards resemble Attica or Sing-Sing may not be much of an exaggeration. Actually, it might be an improvement to see people breaking rocks in the Cannon courtyard as, indeed, any sign of life would be better than the lifeless view we now have.

At the very least, some grass and trees should be planted in the courtyards so that birds and, hopefully, people can return to it.

SOLUTIONS

I have several thoughts as to what can be done to improve the situation that exists now with our physical space in the Cannon and Longworth Buildings.

First, some months ago I obtained from the Architect of the Capitol the plans for my office space and the inner courtyard. I sent these plans to Montana State University's Architectural School with a request that its students use them in a design project to identify alternative uses.

Second, I have written the chairman of the Committee on House Administration urging that platforms be built in the Cannon House office rooms as a means of increasing the floor space available.

Third, I have conversed at length with my staff and my colleagues about the criteria that should be followed for improving House office space. These conversations were prompted by the House's aborted plan to take the Madison Building from the Library of Congress. Certain information developed during the debate over whether or not to take the Madison Building convinced me that such a move would be a foolish expedient, for that building was designed to be a library storage space and it should not nor cannot be converted into decent office space.

The debate over the Madison Building takeover convinced me that we need to have far better planning for physical facilities in Congress. We must take into account the distance and time it takes Members to travel from their office to the floor of the House for a vote. We must take into account the substantial costs—both in time and money—involved in constructing new office space. We must consider the most sensible uses of the space now available to us, including improvements in energy efficiency, as well as optimizing the vast, unused space that now exists in the three existing House office buildings.

In light of the above, I was most encouraged to learn about a recent proposal by the House Task Force on Facilities and Utilization of Space to expand the space in the Cannon and Longworth Buildings by building in the interior courtyards. It strikes me as eminently sensible to use the inner courtyards of these buildings as platforms for additional office space, provided that space is designed well, both in terms of the efficiency and in terms of visual effect. I understand that the architect of the Ford Building in New York City has commented favorably upon the task force's plans, and I am most encouraged by that, as I consider that building to be one of the finest in America.

Hopefully, the plans now being discussed within the task force will receive wide discussion among my House colleagues and will receive serious consideration by the various committees that have jurisdiction over these issues. I, for one, am willing to make the sacrifice to permit construction to ensue, even while we try to carry out our congressional responsibilities in adjoining office space.

If the information I have had at my disposal is correct, improvements can be made to Cannon and Longworth that would double the office space now available for half of the cost and in half of the time that it would otherwise take to provide comparable space with a new building. Moreover, the proposed new space in Cannon and Longworth would be located close to the floor and would otherwise meet the various criteria I outlined above.

I do hope that Congress will move quickly and deliberately in acting on the problems I have been discussing today.

In closing, I would like to insert a recent editorial from the Washington Post commenting on the physical space problems in Congress:

[From the Washington Post, April 16, 1976]

WORK SPACE FOR CONGRESS

Behind the marble facades of the Congressional office buildings, some 10,000 people work under chaotic conditions which, in the words of Rep. Thomas S. Foley (D-Wash.) "border on the inhuman." The crowding is bad enough in the Senate offices. But with completion of the third Senate office building (billed as an annex to the Dirksen building), there is at least some light at the end of those depressing corridors. On the House side, the situation seems worse. Two of the three House office buildings—Cannon and Longworth—are so overloaded with office machinery, poorly planned store rooms and ever more wiring that they constitute fire hazards. Designed for one and two staff aides for each representative, they are now packed with ten or twelve. This gives every office worker an average of 36 square feet of space. Industrial building codes recommend 120 to 150 square feet per person. The Rayburn building, completed in 1965, is, of course, more modern, but so badly designed that working conditions are only slightly better.

A few days ago, Rep. Elizabeth Holtzman (D-N.Y.) came forward with a brilliant idea. The Holtzman proposal, worked out by Davis Buckley, an architect, urbanist and member of the House office space task force which Rep. Holtzman heads, would place the needed additional offices in the courtyards of the Cannon and Longworth buildings. This would yield 400,000 square feet in the former and 167,000 square feet in the latter building, twice as much useable work space as these buildings now hold. The new structures would not fill the entire courtyards which, although they were once landscaped, now offer nothing more pleasant to look at than the ugly roofs of a parking garage and cafeteria respectively.

The idea is to enclose the courts with glass roofs and build free-standing, lithe and open office structures under them. In the hands of a capable architect, these insertions, adorned with plants and flooded with daylight, might well become efficient and cheerful working environments. The new space would, of course, not be visible from the street and in no way alter the traditional facades of the old buildings. The new offices would be as close to the House chamber and committee rooms as the present one. No new building, however, can replace the need for a thorough overhaul of office and management procedures.

As to the buildings, a number of prominent architects, engineers and construction managers (some of them currently working on a similar expansion of the California State House in Sacramento) testified that the proposal is entirely feasible and could be built in a much shorter time and for less money than either of two new buildings the Architect of the Capitol is considering. One of these would cost $124 million and would be located south of the Madison Library. It would require bulldozing numerous buildings, including the new Republican National Committee headquarters. The other would cost $91 million and replace the Congressional Hotel.

Both proposals are meeting stiff opposition from Capitol Hill residents who don't want their neighborhood disrupted. There is no question that building into the courtyards of the old ones also causes disruptions. But construction managers who build new additions to old hospitals, have learned to reduce noise, dust and vibration. We hope the task force and its parent organization, the House Commission on Information and Facilities, will promptly endorse the proposal and that the House will soon vote the funds to study it in detail.

The most important advantage of adding to the old buildings rather than building new ones, in our view, was stated by Kevin Roche, one of the country's leading architects and a member of Washington's Fine Arts Commission:

"In a time when the country is finally coming to realize the worth and value of its existing historical structures, it would place the House in the forefront of those institutions which are expanding not by tearing down the existing fabric of our cities, but by working within it and restoring and enriching what we already have."

BAY STATE SUGGESTS IMPROVEMENTS IN UNEMPLOYMENT COMPENSATION PROGRAM

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. PICKLE. Mr. Speaker, the great State of Massachusetts has long been known for its forward-looking approach on our most difficult social problems.

And certainly few problems today bother this Nation as much as that of unemployment. One reason we have been able to weather this economic storm of the last 18 months has been the unemployment insurance program. But few would deny that serious problems have developed within this once sound insurance system. Fortunately, Massachusetts, who numbers among its leaders the son of our esteemed majority leader as its Lieutenant Governor—the Honorable Thomas O'Neill—has confronted this troublesome situation head on.

Later this year, this body will examine legislation which will extend the difficulties inherent in the unemployment compensation field. The recommendations made by a study commission in Massachusetts are steps in the right direction.

I enclose a couple of articles from the Boston Globe of April 5, 1976, which detail the good work done by that State's study group.

CHANGING UNEMPLOYMENT BENEFITS LAW IS NO EASY JOB

(By Ray Richard)

Gov. Michael S. Dukakis's proposals to change the state's unemployment insurance law are under attack from business as well as labor.

Organized labor calls them "a total disaster" and vows to fight them "with every ounce of energy we've got."

The Associated Industries of Massachustees (AIM), representing business and industries throughout the state, "strongly opposes" one of the governor's 20 recommendations, a proposed increase in unemployment compensation tax payments, and dislikes at least four others.

"Everybody's mad at some part of the package" says a source close to the Legislature's leadership.

The most optimistic prediction which Allan S. Johnson, legislative director for Dukakis, would make was that "part of them have a shot at getting passed this year" and others might have to wait another year.

John D. Crosier, director of the state Division of Employment Security (DES), which administers the unemployment insurance program, said it was too difficult to speculate on what would happen to the proposals. The proposals, which he helped develop, will undergo formal legislative scrutiny at a public hearing expected in about a week.

In announcing the changes, Dukakis said they were necessary to restore the program's fiscal ability, provide more efficient administration of it, and reduce the number of abuses.

His proposals call for the first major changes in the unemployment insurance law since it was passed in 1935.

James P. Loughlin, secretary-treasurer of the Massachusetts State Labor Council, AFL-CIO, said last Friday: "We want no part of it. How can we as a labor organization? It hurts every working person, not just organized labor."

He said labor most strenuously object to provisions of the plan affecting unemployed people.

Dukakis recommended that persons collecting unemployment insurance who turn down what the DES deems a "suitable job" be disqualified from unemployment benefits indefinitely, or until they are employed again for at least four weeks and then lose their jobs for "non-disqualifying reasons." Persons collecting benefits for extended periods might be required to take jobs paying less than what they formerly had earned, under Dukakis's plans.

"What constitutes a 'suitable job'?" Loughlin asked. "Who's going to decide?" The job could well put a person deeper in his financial hole than would be the case if he waited until he found a better job, Loughlin added.

Labor is equally irate, he said, over Dukakis's failure to request repeal of a law which went into effect last January disqualifying indefinitely persons who "voluntarily quit" their jobs.

The law says such persons are disqualified if they were separated from their work "without good cause attributable" to the employer. Loughlin says this is unfair. "If an employer wants to get rid of you, he can. He can make your job a grind, and a guy can take only so much. Then, if he has any red blood in him, he's going to tell management to shove it. But when he does, where can he go?"

Industry, according to spokesmen for the AIM, strongly objects to Dukakis's plan to raise the salary amount for every employee upon which a firm's payment to the unemployment insurance fund is based.

"It's a question of timing," says Walter Muther, general counsel for the association.

"It's a little premature. It could croak all kinds of marginal businesses."

Dukakis, noting that the state already has borrowed $265 million from the Federal government to help pay unemployment benefits, wants to slow the growth of that debt and eventually pay it off.

The taxable base is now the first $4200 each worker earns. Dukakis proposes that the base be raised by $600 during each of the next three years, increasing it to $6000 in 1979. AIM, anticipating a Federal law requiring at least that minimum in another year, wants to wait until such a law is passed to keep Massachusetts from losing ground competitively with industry in states which don't have to pay such heavy unemployment insurance contributions.

The increase the first year would cost $49 million to Massachusetts businesses. This increase on top of other tax increases, higher energy costs and other financial burdens being heaped on the state's industry, says James Sleed, public relations director for the AIM, could drive business out of the state.

The AIM says it also objects to these other recommendations by Dukakis:

Employers report quarterly the wage earnings of every worker. Now they report earnings only of workers seeking unemployment benefits.

Workers' benefits would be based on earnings in the first four of the last five completed quarters. A person who lost his job in the uncompleted sixth quarter, AIM argues, might be deprived of benefits based on higher earnings during that period.

Employers be assessed directly charges for benefits paid to their former workers unemployed after the basic 30 weeks. Now it comes out of a pool.

Reform Jobless Benefits

It is an unfortunate but incontrovertible fact that the state's unemployment compensation system had a surplus reserve of $377 million in 1970 and that it was in debt by $138 million at the end of 1975. If the current trend continues, a special task force has estimated, the system will be in debt to the tune of $1 billion by 1980.

Given those facts, some kind of reform is obviously necessary.

There is some reason to hope that the past five years have not been typical. The nation and the state have gone through—and to some extent are still going through—the worst recession in 40 years. The unemployment rate here is in excess of 10 percent and four-fifths of that group, about 230,000 individuals, are currently drawing benefits. Economic recovery would obviously be a big help.

But the basic system, especially its base for collecting revenues, is in need of overhaul. The task force, with Division of Employment Security Chairman John Crozier as chairman, has made a sensible series of suggestions calling for increasing payments into the system by increasing the base pay subject to levy to $6000 from the current $4200 in three one-year stages.

The far more complex question attacked by the task force and presumably due for review by the Legislature is the matter of jobless benefits. Last year the Legislature ended benefits for persons who voluntarily quit their jobs. That seemed to combine a natural desire to save money with the legislative expression of broadened public hostility to money assistance programs.

The task force has attempted to deal with several related problems. It has proposed tightening the requirements for qualification for unemployment benefits, partly by shifting to a stipulation that applicants have worked for at least 15 weeks a year in addition to the existing standard of minimum earnings of $1200. This is directed at those persons who seek out seasonal jobs that automatically lead to being laid off—and then qualify them for extended payments.

The additional problem of tacit agreements between employers and employees that lead to a pattern of work-for-awhile, get-benefits-for-awhile is attacked through increases in the levies against those employers with high claim ratios among former employees. In fact, as matters now stand, low-turnover employers subsidize the benefits paid workers in high-turnover fields, and may be said to subsidize those employers. The higher levies cannot end that practice but should place at least some of the burden on those responsible for it.

Since there is noticeable hostility to widespread benefits being paid when there are many jobs—including low-salary jobs—that cannot be filled, the task force has recommended refusal of benefits when unemployed persons refuse suitable work. This provision, not surprisingly, was part of the basis for a minority report by the task force opposing many elements of the majority position.

But both sides did agree on a new review board approach for handling individual complaints about suitability and other issues of qualification for benefits. This would seem to be a minimum step, given the general trend toward ousting individuals from the system.

While one might argue about any specific detail of the task force's recommendations, it is an honest attempt to deal with the marginal situations in which individuals and employers exploit the system at the expense of others. It is clear that reform is needed and the Legislature should give careful thought to the implications of the report. There will be ample opportunity to correct problems that may grow out of its implementation, but the time has come to try new ideas.

YOUNG HEROES

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. SEBELIUS. Mr. Speaker, these days when we hear about young people, we seldom hear about the good they are doing. At this time, I would like to pay special tribute to two young women from Dodge City, Kans., Miss Marcia Dryden and Miss Cindy Lou Thoman for their lifesaving efforts. Last summer, each of them was credited with saving the life of a swimmer.

Saturday, I had the privilege of presenting each of them with the American Red Cross Certificate of Merit. The certificate is the highest award given by the American Red Cross to a person who saves a life by using skills learned in a volunteer safety program in first aid and water safety.

On July 28, 1975, Miss Thoman, a Red Cross lifesaver, was on duty as a lifeguard at Wright Park pool, when a man began pointing excitedly toward the pool's bottom where his brother was lying motionless. Immediately, she dived into the pool to recover the victim. After recovering the swimmer, she placed him on the pool deck and opened an airway so mouth-to-mouth resuscitation could be used.

Miss Thomas is 19 years old and is the daughter of Mr. and Mrs. Lloyd Thoman. Her mother, incidentally, is the water safety program chairman for the Kansas High Plains Red Cross Chapter in Dodge City.

Scarcely 2 weeks later, on August 10, Marcia Dryden, also a Red Cross lifesaver, was working as a lifeguard at the American Legion Pool in Dodge City. Suddenly, a young boy alerted her to a diver who had injured himself and was unable to surface. Diving into the pool, Marcia pulled the man to poolside, placed him on his side to expel water and began mouth-to-mouth resuscitation.

Marcia, a junior at Dodge City High, is the daughter of Dr. and Mrs. Richard Dryden. She is only 16 years old.

These young women have been an inspiration to me as well as the people of Dodge City and the American Red Cross who bestowed upon them its highest award. I was very proud to be a part of the ceremony which honored them.

THE ABORTION CONTROVERSY

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. McCOLLISTER. Mr. Speaker, since February 4, 1976, the House Subcommittee on Civil and Constitutional Rights of the Judiciary Committee has held hearings on the abortion controversy. I welcome these hearings as an important first step in addressing the many important questions involved in the abortion debate. I have strong feelings on the issue and submitted to the subcommittee a statement outlining my views. I am presenting my position here today so that it may be part of the public record.

Statement of John Y. McCollister

I am pleased that the House Subcommittee of Civil and Constitutional Rights is holding hearings on the abortion issue. We need the benefit of these hearings in which the views of the best Constitutional lawyers, medical scientists and theologians can be recorded and evaluated.

It is my opinion that life begins at the moment of conception and that abortion is the killing of an innocent human being. I do believe, however, that an abortion should be permitted in order to save the mother's life. For these reasons, I have co-sponsored the Human Life Amendment, H.J. Res. 132 by Congressman Oberstar which is now before your Subcommittee.

Since the landmark decisions, *Roe* v. *Wade* and *Doe* v. *Bolton*, by the Supreme Court in January of 1973, the abortion issue has increasingly developed into a national debate with strong emotional overtones. It is an issue that you as Members of this Subcommittee and the entire House membership must address openly and decisively. I'm sure many Members would prefer that the issue would go away. But unlike aborting a child, we cannot "abort" the abortion issue.

I believe that the medical evidence is overwhelmingly clear that life does begin at conception. In the first month of life, growth and development are rapid and dynamic. The central nervous system sees its most important growth spurt, and the rhythmic contractions of the heart begin. The primitive skeletal system has completely developed by the end of the sixth week, and the electroencephalogram has detected brain waves as early as 43 days. During the sixth and seventh weeks, the nerves and muscles begin working together for the first time, and the lips become sensitive to touch. By the seventh week of life, the child's shape and form is unmistakably human. He now has all the internal organs of the adult. Growth will continue until he reaches the age 25–27 years. If this is not life, then what is it?

The crux of the whole controversy centers around what moral value this life possesses and to what extent the law of our country should extend protection to that life. Until three years ago, American law gave the benefit of every doubt to the existence and continuation of the unborn child's life. The Supreme Court decision turned the law upside down. The rights of these unborn children are now being ignored. The Court was unequivocal on the issue of whether or not the fetus is a "person" within the language and meaning of the Fourteenth Amendment. The Court concluded, ". . . the word 'person', as used in the Fourteenth Amendment, does not include the unborn." However, there appeared no doubt, in the majority's opinion, as to what the legal effect of fetal personhood would have on the case: "if this suggestion of personhood is established, the appellant's case, of course, collapses, for the fetus' right to life is then guaranteed specifically by the Fourteenth Amendment."

Such a moral pronouncement by the Court, I believe, seems to disregard the medical evidence regarding the existence of life, and the legal aspects, especially the law of torts, which is prejudiced in favor of the unborn child. In several cases, women of the Jehovah's Witnesses faith who refused to have blood transfusions to save the lives of their unborn children were forced by the courts to do so. Historically, common law has acknowledged the rights of the unborn children by granting a stay of execution to pregnant women so that the child could live. The unborn child can also be the beneficiary of a trust or inheritance.

The abortion issue is so very important, so controversial and yet so fundamental to the basic structure of our civilized and humane society. Yet, since the Court decision, we have seen a weakening in the basic values of life. The weakening of these values, of course, can not be solely attributed to the abortion decision. In fact, there is a much greater, underlying problem. Amid our material affluence, we are experiencing a deterioration of those personal values held by our people that made us great. Broken homes, deserted families, empty churches and lines at X-rated movies are signs of the times. Consequently, we've seen over the past ten years, mushrooming illegitimate births and abortions. Should the unborn child be the scapegoat of our declining morality? The Center for Disease Control reports that legal abortions have increased dramatically over the several years: from 193,491 in 1970 to 763,476 in 1974. These are the most current governmental figures. The Planned Parenthood Federation estimates that the figure reached 1 million in 1975.

There are many people who disagree with my views. I respect their feelings and would hope that they, in turn, respect mine. But I strongly believe that what has happened since the Court decision is wrong and counter to the basic principles that are adhered to by a humane and civilized society. I'm grateful that the distinguished Chairman of the Subcommittee, Mr. Edwards, is holding these hearings to begin evaluating the approximately 50 bills pending for consideration. What is done by this Subcommittee today, and hopefully by the Congress, will determine in large part the gains our society will make in the future with respect to preserving and protecting the sanctity of life which all of us have in common.

AMERICANS OPTIMISTIC ABOUT THE NATION'S ECONOMY

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. BROYHILL. Mr. Speaker, recent samplings of public opinion show that in the last 6 months the American people have become significantly more optimistic about the future of our Nation's economy. This rising optimism is obviously a result of a continuing positive performance by our leading economic indicators. Unemployment is declining at a rate exceeding even the most optimistic predictions. The gross national product continues to show substantial quarterly growth. Inflation during the month of March has been reduced to an amazing 2.9 annual percentage rate. While even the most optimistic forecaster would not argue that our present inflation rate can be maintained, it is undeniable that we have slowed the rate of inflation to the lowest level of any industrialized nation in the world.

Millions of American families suffered bitterly during our recent recession. That harsh experience has resulted in a considerable reappraisal by the American people of the role of Government in our Nation's economy. Indeed, samplings of public opinion indicate that, while the American people are more optimistic, they are also more conservative.

As we begin our debate on this first budget resolution, I would urge my colleagues to heed this new economic conservatism. The American people have begun to comprehend as never before the impact of the Federal Government on our Nation's economy. They have begun to more fully comprehend that Government regulation has added billions of dollars to consumer product cost. They have begun to comprehend more fully that excessive Government borrowing in competition with private borrowers was a major reason for the high interest rates we were experiencing 15 months ago. Most importantly of all, they have faced up to the undeniable truth that expansion of the Nation's money supply to help the Government pay its bills severely cheapened our currency and fueled inflation.

Our Nation's housewives, our Nation's laboring men and women, realize that as inflation raced to 12 percent, their purchasing power plummeted. The full effects of a massive recession have been felt by our people and they do not want a repeat of that disastrous economic cycle. Those of us who will debate and consider this budget resolution will determine to a great degree whether or not our recovery will continue, or whether we will unleash again the twin evils of inflation and recession.

My mail reflects the new economic conservatism which is growing in our land, and frankly I am delighted. For years there has been a dedicated minority in the Congress that not only preached fiscal responsibility, but voted the same way. Now, at last we are winning converts to the philosophy that the Government, like any business or household, must live within its means.

The President, through the exercise of his veto authority and with the backing of a courageous minority, has proven that economic stability is a result of fiscal responsibility.

It was just over a year ago that leading economic advisers for the majority, with the support of George Meany, were demanding a Federal deficit of $100 billion or more. Indeed, they openly predicted that without economic stimulus of this degree our economy would collapse and unemployment would rise to 10 percent or more. The traditional majority argument of "spend your way to prosperity" was advocated at every public forum. Fortunately, as a result of a determined President and a coalition of fiscal conservatives in the Congress, ill-conceived multibillion dollar programs offered in the name of economic stimulus were defeated.

We can point with pride at the progress we have made by following a policy of restraint, and yet only last week Mr. Meany publicly denounced the President for having wrecked our economy. To the millions of Americans who have returned to work, to the millions who have seen their purchasing power stabilized, to the millions who have seen their investments grow with the stock market, Mr. Meany's blustering sounds like sour grapes from a tired old man whose economic philosophy has been discredited by the undeniable statistics of a remarkable economic recovery.

I would appeal to you, as we begin deliberation of this budget resolution, to exercise the discipline and restraint that the American worker has been forced to exercise during the past 24 months, as millions of Americans were forced to live within evermore confining budgetary restraints.

The Federal Government has, to a great degree, escaped the ravages of the recession, because even though the Government's purchasing power was declining, it's income was increasing as a result of an increased tax burden on the American people. These increased taxes were not imposed by a vote of Congress, but as a result of most Americans being pushed into higher income tax brackets due to the inflationary spiral. Indeed, during 1974–75 taxes went up faster than any other major item in the average American's budget. Recognizing that Government is taking a larger share of their earnings, an increasing number of Americans are demanding that the Government start to live within its increased revenues.

The President has proposed a program for balancing the Federal budget in the next 3 years. He is keenly aware that if we are unwilling to slow down the growth of Government, we will be condemned to relive the economic horrors of a year ago. For 15 of the last 16 years, Congress has refused to live within its means. Defying even Keynesian economic doctrine, we have had Federal deficits when the economy was strong, as well as when it was weak.

We have followed a path of fiscal profligacy that has been emulated by our major cities such as New York and Detroit, and the result is that these great metropolises are hovering on the brink of bankruptcy. The Federal Government has been able to avoid the near bankruptcy of New York only because the Government has a printing press and can produce more money to spend. The result, of course, has been several years of runaway inflation only now being brought under control as a result of the restraint imposed on the Congress by a determined minority and a strong-willed President.

The harsh facts of the Congress past irresponsibility are better known to the public today than ever before. These facts include a Federal deficit grown to $600 billion and daily interest payments on the debt exceeding $100 million per day. I believe the American people who had to make hard decisions on spending priorities as a result of declining purchase power and perhaps unemployment expect Congress to start making some hard decisions.

The major decision they expect of us is to immediately get control of the growth of Government. They expect us secondly to move toward a balanced budget. Government in recent years has taken an ever larger share of our gross national product. Some predictions include the projection that if present trends continue, government at all levels will consume better than 50 percent of our gross national product by the year 2000.

Sylvia Porter in a recent column describes how the average American worker-taxpayer will spend the first 4 months of this year working for the Government, rather than for himself or herself. This is based on research compiled by the New York-based Tax Foundation.

In recent years, Government has more and more taken over the responsibility for determining how Americans spend their money. Government every day decides for American consumers what their spending priorities are. I believe the American people want to begin to make more of these spending determinations. I believe we must wake up to the fact that Government spending is not the only spending that provides stimulus for the economy. Consumer spending will stimulate the economy just as well, if not better.

That is the reason I have supported increased tax cuts and lower spending levels—in order to put the money back in the pockets of the working people who earned it and allow them to decide their own buying and spending priorities. The arrogance that exists in Washington, that Government knows better how to budget a family's income than does the wage earner, smacks of an elitist authoritarian government philosophy from which the American people freed themselves 200 years ago. Today our people's economic freedom is not so much threatened by foreign governments, as by those who write our own Nation's laws.

We can remove that threat and reverse the trend of Government domination of individual economic decisions by determining during this debate to slow down the seemingly inexorable growth of the Federal Government. We can begin today to make the harsh but essential decisions of living within our means. We can resist the siren song of costly and ineffective Government-administered job programs and turn instead to a policy of returning money to this Nation's working men and women to spend according to their individual and personal priorities. The result will be a far more effective stimulation of jobs creation, because the jobs will be created where the consuming public needs them. The jobs thus created will be long-term and productive, not costly Government make-work projects.

We can in this debate begin the process of restoring economic independence to the American people, and stability to our economy overall. I urge my colleagues to elect this course and to pursue it vigorously and boldly.

RESTAURATEUR OF THE YEAR

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mrs. HECKLER of Massachusetts. Mr. Speaker, when the National Restaurant Association holds its annual meeting next month in Chicago they will name Anthony Athanas, the head of Anthony's Pier Four Restaurant in Boston as "Restaurateur of the Year." Tony Athanas is truly deserving of the honor.

His restaurant is known throughout New England for its fine food and excellent service in a warm and friendly atmosphere which is the perfect setting for a good meal.

Tony Athanas' restaurant is full of old world charm which is a reflection of its owner's attitude toward his guests, and his deep desire to provide them with outstanding service. His style is worthy of emulation.

Tony is truly qualified for the honor which will be paid him by the National Restaurant Association. His selection is as much a tribute to their outstanding judgment as it is recognition of his work. I have known Tony for many years and I am proud to join with the National Restaurant Association in honoring him.

The people of Massachusetts, and particularly Boston, take great pride in the distinction Tony Athanas has brought to them through his businesses, and share with him, his family and friends the joy and satisfaction of this latest honor.

The National Restaurant Association's Board of Directors has adopted a resolution naming Tony Athanas as "Restaurateur of the Year," and I include it here in my remarks and commend it to the attention of my colleagues:

RESOLUTION HONORING ANTHONY ATHANAS

It is fitting that we, the members of the Nation's largest service industry, should honor Anthony Athanas, a man who epitomizes in his personal and his business lives, our industry's dedication to service.

Anthony Athanas is living testimony of the strength and vitality of our Nation. His record of achievement is proof that America is indeed the land of opportunity.

Anthony Athanas, a newly arrived Albanian immigrant, had his first job in the foodservice business at the age of 13 in New Bedford, Massachusetts. At 16, he went to New York City to start fires for the chefs there. Soon after his father died, Anthony, then 18, returned to his family in New Bedford where he had the responsibility of raising three sisters and a brother.

In his early 20's he moved to Boston and worked in various restaurants and hotels in both the front and back of the house. Summers during this period were spent at the Mayflower Hotel in Hyannis where he was in charge of the dining room and kitchen.

In 1937, Athanas bought a restaurant in Lynn, Massachusetts, with a down payment of $1,000 he had saved toward the total cost of $5,000. The first year, he grossed $20,000 and within five years, he was grossing $250,000.

Today, there are five widely known Athanas restaurants.

He is active in many civic, charitable and industry associations. Anthony Athanas is an honorary director of the National Restaurant Association and has served as treasurer and a member of the board of directors of the association. Mr. Athanas is a trustee of the *U.S.S. Constitution* Museum Foundation, a director of the American Cancer Society, and a trustee of the National Institute for the Foodservice Industry. He serves as a member of the committee to visit Harvard University food services for the Harvard College Board of Overseers.

Mr. Athanas is a past president of the Massachusetts Restaurant Association and the Lynn Chamber of Commerce. Mr. Athanas received the Golder Door Award of the International Institute of Boston in 1972, the Silver Plate Award of the International Foodservice Manufacturers Association in 1970, and the Massachusetts Restaurateur of the Year Award in 1957. He has received the Holiday Magazine Award for several years.

He received an honorary degree of doctor of humanities from Portia Law School, Calvin Coolidge College, in Boston, in 1967.

In recognition of his untiring and dedicated efforts on behalf of the foodservice industry, be it resolved that Mr. Anthony Athanas, president of Anthony's Pier Four Restaurant in Boston, Massachusetts, be named "Restaurateur of the Year", to receive this award from the National Restaurant Association on May 23, 1976, during the course of their annual convention in Chicago, Illinois.

KEYHOLE-PEEPING JOURNALISM

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. FINDLEY. Mr. Speaker, the appraisal of the smalltown press may echo that of the big cities. At least, the view set forth in the Pike Press, Pittsfield, Ill., of the work of the Woodward-Bernstein journalistic team parallels that of several national commentators I have heard. It also matches my own opinion.

Here is the text as published April 14, which is the handiwork of Allan A. Seiler, editor of the Pike Press:

WATERGATE'S MOVIE

This space is seldom used for movie reviews, but this week is an exception.

Sunday night we went to see "All the President's Men," the motion picture made from the book by two Washington Post reporters, Bob Woodward and Carl Bernstein, about the Watergate break-in and all the attendant cover-up and skullduggery.

It's the only movie we've ever seen about the newspaper trade that didn't have characters yelling "stop the presses" or talking about "scoops" or wearing their hats in a dilapidated news room.

We've never been inside the Washington Post, but we'd guess that the workaday world there looks about the same as it does in the movie—a kind of "disorganized system" that typifies all newspaper offices, large or small.

Robert Redford and Dustin Hoffman, as the young reporters, perform their parts with believable honesty. Methodical, persistent, unsure at times. They portray the activity of news gathering, and especially investigative reporting, for what it is—plain hard work.

It was interesting to note that at the Washington Post they apparently hold staff meetings to discuss the upcoming issue, the same as we do each Thursday morning at the Pike Press. One notable difference is that we keep our language on a higher level of decency and have women present, the two perhaps being related.

But all in all, a fine movie.

With regard to Woodward and Bernstein, we're sorry they couldn't "quit" while they were ahead—with a Pulitzer prize, money in their pockets, and world-wide recognition.

Their latest writing product, "Nixon's Final Days" lowers their prestige to the level of keyhole-peeping journalism, a sadistic venture with no useful purpose (unlike their initial achievement) except to bring further embarrassment and hurt to a family who, it would seem, have undergone enough misery—even for the satisfaction of their most ardent enemies.—A.S.

HOLD DOWN NUCLEAR RISK

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. HARSHA. Mr. Speaker, the present production of the three Government-owned uranium enrichment facilities is already contracted for, including the additional capacity that will be provided at the conclusion of the so-called upgrading program. In addition to this, several foreign countries have indicated a desire to go the route of nuclear power plants and have indicated an interest in constructing their own enrichment facilities. Therefore, it seems rather obvious that if the United States is to maintain its leadership in the uranium enrichment industry and provide adequate capacity for domestic use as well, we must get on with the program of providing that capacity expansion.

A Government-owned add-on plant can be constructed at the present time at the Goodyear plant at Portsmouth, Ohio, for considerably less than the sums estimated for the construction of a stand-alone facility, contemplated by the administration at Dothan, Ala. In addition, there is considerable reservation as to the advisability of turning over this classified process to private industry because of the attendant safeguards that are required.

In a recent editorial by the Cleveland Plain Dealer, and reprinted in the Portsmouth Times, it is pointed out that this plan runs contrary to U.S. efforts to hold down nuclear proliferation. At this time, I would like to share with my colleagues this editorial questioning the advisability of sharing this type of technology and information with the private sector of the American economy:

Hold Down Nuclear Risk

(From the Cleveland Plain Dealer)

It would be a mistake to allow private industry to build and run new uranium enrichment factories. That would relinquish the federal government's hold on secret technology and on dangerous nuclear materials.

President Ford wants private industry let in on the job. He contends that would leave federal funds for other energy projects, but his plan has drawbacks that are glaring and dangerous.

True, the total output of the three federal enrichment plants will be used by the 300 present and planned nuclear reactors. Nuclear energy must expand. It cannot expand unless new enrichment capacity is built by the mid-1980s.

One flaw in the Ford plan is that the federal government would have to give some $8 billion in guarantees to private firms getting in on the business. That negates much of the financial argument put forward by the Ford administration.

Second, all the technology to be used would have to be supplied by federal government experts for private use. It would be used largely at government expense.

Third, the guarantees now being demanded by private investor companies would shift most of the risk to the federal government—even to buying back the plant if it did not work, or covering investors' losses in that case.

Lastly, it would be a channel through which foreign as well as private owners could get control of nuclear material and know-how that should be kept classified. The plan presently before the joint Atomic Energy Committee of Congress would let Iran and Japan in as investors.

This plan runs contrary to U.S. efforts to hold down nuclear proliferation. Sen. John H. Glenn has pointed out that the number of nuclear power plants will reach 800 in a decade, and will be producing some 30,000 pounds of plutonium, enough to make 3,000 small atomic bombs.

The three federal enrichment plants including the one at Portsmouth, Ohio, could be expanded. Eventually sale of the enriched fuel will pay for the cost of those expansions. That is the better way to enlarge nuclear power and keep dangerous things under proper, tight control.

(Editor's Note.—If you haven't expressed your opinion on the planned enlargement of the nuclear enrichment program, there still is time. You can write to your representative, William H. Harsha or Carl Perkins, House Office Bldg., Washington, D.C. or to Sen. John Pastore, chairman of the Joint Atomic Energy Commission, Senate Office Bldg.; Washington, or directly to President Gerald Ford at the White House.)

WORK HAZARDS AND THE RISE IN BIRTH DEFECTS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. FRASER. Mr. Speaker, I would like to bring to the attention of my colleagues an article which appeared in the New York Times on March 14, 1976:

Rise in Birth Defects Laid to Job Hazards

(By David Burnham)

Washington, March 13.—A growing awareness that hazards in work may damage the reproductive process of women and, apparently to a lesser degree, men, has confronted government, business and labor with an array of new and difficult ethical, legal and constitutional questions.

The questions have been raised by studies indicating that chemicals and other hazards faced by women working in such places as hospitals, beauty parlors and factories may account for an increasing number of the tens of thousands of miscarriages and birth defects that occur each year in the United States.

Beyond the damage done to the fetus when the pregnant woman goes to work, studies have indicated that the conditions found in some workplaces may cause genetic damage to men, which may also lead to spontaneous abortions, still births, deformed children and abnormalities in future generations.

"The potential damage to the fetus and the possible genetic damage that may occur when pregnant women and men go to work appears to be an important medical problem that none of us had focused on," said Dr. David Wegman, an occupational health expert at the Harvard School of Public Health.

It is conceded that an enormous amount of research will be required before scientists can identify the causes of miscarriages and birth defects, but there is a growing awareness among scientists, university researchers, labor leaders and industry executives of the potential impact of the workplace on the reproductive process.

Among the questions that Federal regulators, scientists and representatives of industry and labor must answer are the following:

If a substance is more dangerous to women than men, would a Federal regulation that prohibited a woman of child bearing age from coming in contact with the substance violate the equal employment opportunities law?

Why have Government scientists and private researchers devoted virtually all of their studies on occupational health to the problems of males when 40 percent of the nation's workers are women?

When a substance or condition is found to be a special hazard to women, must the Government take specific steps to reduce the dangers or has the Government met its legal obligation by merely issuing a warning to women?

'WE DON'T HAVE ANSWERS'

"At that point we really don't have the answers from the regulatory viewpoint, the ethical viewpoint or the legal viewpoint," said Dr. John F. Finklea, the physician director of the National Institute of Occupational Safety and Health.

Because the responsibility for various aspects of the problem are divided among a maze of Federal and state agencies, health officials are not able to chart the precise boundaries of the problem they believe lies before them like an island in the fog.

The officials know that the total number of women working outside the home has been slowly increasing. In 1960, women represented 33 percent of the workers; in 1975 the Labor Department estimated the figure at 40 percent.

The officials also know that the number of women holding what they suspect are more hazardous jobs are increasing far more rapidly than the total number of employed women. In 1960, the Labor Department said, there were 2.6 million women holding such jobs as nurses, factory workers, hair dressers, and garment workers. By 1975, the department estimate that the women holding such jobs had almost doubled, to 4.8 million.

NO EXACT INFORMATION

But the Government has no exact information on the number of fetuses that each day go to the workplace with their mothers, let alone how many are exposed to suspected hazards. After an examination of all available evidence, however, a recent Federal study estimated that a minimum of one million of the 3.7 million babies born in 1970 had been "exposed to a variety of work conditions—both safe and unsafe."

Another great uncertainty is just how many spontaneous abortions, still births and birth defects occur each year. Though the Government has initiated a program to try to collect more precise information, varying definitions of medical terms, the lack of followup examinations to discover late developing birth defects such as mental retardation, and widely scattered reporting jurisdictions mean the exact size of the problem is not known.

Dr. William H. Flynt, chief of the birth defects branch of the Public Health Service's Center for Disease Control, however, estimates that 6 to 7 percent of the babies who are born each year in the United States—250,000—probably have some birth defect. Dr. Flynt said in an interview that a number of studies had found that an additional 10 to 15 percent of all conceptions resulted in spontaneous abortions or still births.

"We do know that perhaps half the spontaneous abortions are associated with chromosomal abnormalities," Dr. Flynt said. "But whether these abnormalities were the result of harmful substances that the mother or father encountered or were inherited or came from some other cause is not known."

The growing concern about the potential impact of the workplace on the reproductive process comes at a time when the Government's effort to lessen such hazards is under strong attack.

Individual businessmen and business organizations have made the Occupational Safety and Health Administration a central target of their attack on what they contend is unnecessary Federal regulation, and President Ford has repeatedly cited the agency in campaign speeches calling for less government.

But among knowledgeable officials the question of birth defects may represent a powerful counterargument to those attacking the Government. "It would be false to say there now is a mass consciousness about this problem," said Anthony Mazzocchi, Washington representative of the 200,000-member Oil, Chemical and Atomic Workers Union.

The deep concern among health researchers about the impact of the workplace on human reproduction springs from a number of sources. On Jan. 28, a study by five Government scientists was made public that showed that the wives of a sampling of workers who came in contact with vinyl chloride had twice as many miscarriages and still births as the wives of workers who did not handle the material. The study was done in the Pottstown, Pa., plant of the Firestone Tire and Rubber Company.

Researchers note that the chemical structure of vinyl chloride resembles ethylene dibromide and trichloroethylene, two substances used for such purposes as reducing engine knock in leaded gas, industrial degreasing and fumigants.

A second reason for concern are the findings of an experimental test developed by Dr. Bruce Ames of the University of California that suggests that virtually all known substances that cause cancer also appear to be mutagens—substances that affect the genetic system.

REPORT PUBLISHED BY H.E.W.

Another apparent source of concern is the logical linking in the minds of Government and industry officials of two laws that at first were viewed alone. These were the 1964 Equal Employment Opportunities Act, which guaranteed all Americans an equal chance to hold a job regardless of race, creed, place of origin or sex, and the 1970 Employment Safety and Health Act, which established a mandate that the health of no American would be damaged by the conditions met at work.

Another source, according to many researchers, has been Dr. Vilma Hunt, the Australian-born author of "Occupational Health Problems of Pregnant Women," a 121-page report published 11 months ago, by the Department of Health, Education, and Welfare.

"I'm not much for quoting the Bible, but Vilma's report for me was a bit like when St. Paul was on the road to Damascus and the scales fell from his eyes," said Dr. Finklea.

Dr. Hunt, a small intense woman who is an associate professor of environment health of Pennsylvania State University in University Park, Pa., credits Clara Schiffer, a program analysis in H.E.W., for perserving in her attempt to identify the special problems of the working woman.

"We are all responsible for the health of future generations and we can no longer ignore a fact of life—reproduction and work are women's lot," Dr. Hunt concludes in the preface of her report.

ECONOMIC PRESSURES

But in an interivew, she expressed great concern that the potential impact of the problem is so great that women workers "will see again the over-reaction, prevarication and misinterpretation of Government and industry officials that we always see when women claim they also are participants in the workplace."

Dr. Andrea M. Hricko, health coordinator at the Center for Labor Research and Education at the University of California in Berkeley, described some of the economic pressures during a speech late last year in Chicago.

"Recently we recevied a letter from a worker at a plant in New England who had just been recalled after a lay-off. Upon her return to her job in a plastic factory, she was informed that she could no longer work in the vinyl chloride operation because it might be hazardous if she became pregnant. The company informed her she could only return to her job if she had a note from her doctor that she was no longer able to bear children."

Dr. Hricko also recalled 37 women in Idaho who recently were ordered not to work at a lead smelter because of the potential effects on their future children. "They were transferred to jobs that the company said were safer," she said. "But some of the new jobs may pay less."

The response of the Government so far has been spotty and inconsistent. "There simply is no Government policy on how to confront this problem," said Dr. Sidney M. Wolfe, a physician with the Health Research Group, a Washington-based group established by Ralph Nader.

DIFFERENT PROPOSALS

Concerning the three substances or conditions where the Government has taken action since the potential reproductive problems have arisen, each proposal has been considerably different.

Some research, for example, suggests that lead may pose special health problems for the fetus and for blacks who might have sickle cell disease.

But instead of recommending special protective measures or exclusion of these groups, the occupational safety and health administration proposed an exposure level that theortically would be safe for all, men and women, black and white.

Arguing that such a low standard would involve "enormous expenses," the lead industries association argued in a brief filed on Jan. 16 that it would be preferable to limit lead exposure of special workers on a case by case basis through special monitoring or special respirators or in "extreme situations exclusion of the employees from exposed areas altogether."

For a second substance, vinyl chloride, the Government noted in a footnote to a proposed standard that there was some evidence of special reproductive hazard but decided no special level of protection was required to meet this need.

RADIOLOGICAL EXPOSURE

Concerning a third problem, radiological exposure, the Atomic Energy Commission and its successor agency, the Nuclear Regulatory Commission, have proposed issuing special warnings to women of childbearing age rather than adjusting exposure levels to meet their special requirements.

One of the particular drawbacks of the regulatory agency's plan to warn pregnant women to avoid radiation is that women frequently are not sure they are pregnant until the third month after conception, a period during which the fetus might be damaged.

Government and industry officials note another legal complexity concerning the apparent connection between some workplace conditions and miscarriages and birth defects.

"It is my understanding that workers compensation does not cover birth defects or mutagenic defects," said Dr. Finklea, noting that the compensation program acts as a no-fault insurance program for workers, compensating them for some injuries but strictly limiting their right to bring suits.

Because the fetus is not covered, Dr. Finklea continued, anyone who was deformed because of exposure to dangerous substances by his mother or father would be able to bring a suit up until he or she was 21.

"The only redress of the damaged child would be civil action, almost equivalent to medical malpractice—I guess we could call it industrial malpractice. The mother cannot sign a release for the fetus and the liability will accumulate as research is being done," he said.

This, it seems to me, will be a very powerful lever for everyone to get to work on this problem."

A labor lawyer for a major chemical company agreed. "Every company in the country would be terrified about the prospect of having a deformed child bring a suit against it," he said, requesting that neither he nor his company be identified.

One of the first official efforts to begin focusing on the problem of women in the work-place occurred last November when Dr. Finklea and the National Institute for Safety and Health held a day-long conference with representatives from the Dow Chemical Company, B. F. Goodrich Company, Stauffer Chemical, Union Carbide, the industrial union department of the American Federation of Labor and Congress of Industrial Organizations, the Oil, Chemical and Atomic Workers and a number of Federal agencies, including the Equal Employment Opportunities Commission.

A four-day conference on the same subject is scheduled for June 17–19 and is sponsored by the Society for Occupational Health and the National Institute.

"The first thing is to get all of us male chauvinist pigs thinking about this problem," Dr. Finklea said. "But it looks to me that this is a significant health question and a very powerful problem that is hard to discount."

PUBLIC CREDITING PRESIDENT FOR LIFT IN ECONOMY

HON. HERMAN T. SCHNEEBELI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. SCHNEEBELI. Mr. Speaker, Mr. Godfrey Sperling, Jr., in an April 12 article in the Christian Science Monitor, has given us his usual keen insight into the affairs of the Federal Government. His logic in stating that President Ford is benefitting the most politically from better times is ably substantiated by the following "Washington Letter":

PUBLIC CREDITING PRESIDENT FOR LIFT IN ECONOMY

(By Godfrey Sperling, Jr.)

WASHINGTON.—The question, "Who will get the credit for the improvement in the economy?" is supposed to be one that is debatable. The Democrats in Congress are claiming the credit. And, of course, so is the President. But to anyone who is moving around the United States these days, talking to the average run of voters, the answer is a simple one: the people were blaming Gerald Ford when the economy was sinking. And now, since the first of the year, the people are giving Mr. Ford much of the credit for the economy's upward surge.

"Credit" may be too strong a word. But one does find that those millions of Americans who now are basking in better economic times are taking a much kinder view of the President. The major polls show Ford now pleasing some 50 percent of the public in the way he is handling his job—a rise of some 10 percentage points and more over just a few months ago.

The problem the Democrats in Congress are having in establishing their own role in the economic shift upward is twofold:

For one, many Democrats still are saying the economy isn't all that good. They point to the high unemployment rate and to the even higher jobless situation in the black ghettos. And some warn there might be a plunge in the economy again at almost any moment.

And second, the thesis of Democrats for judging the Ford administration, starting almost from the beginning, is that the President has been weighing and considering and hemming and hawing and generally doing nothing to make the economy improve. Thus, when the economy does start to get better, the Democrats are left with a line that is hard to prove: that the economy would, indeed, be moving along faster if the President had allowed the Democratic tack to prevail—one that would have put less emphasis on stimulating business and more on government spending, particularly in creating jobs.

But, while the Democrats call for all these government supported jobs to "solve" unemployment, the public sees joblessness decreasing, much more than the Democrats have been saying would happen under the Ford "do-nothing" approach. Some economists, in fact, predict the jobless rate might dip below 7 percent before the November election.

Everyone, including the President, concedes that this rate still is "too high." But the Democrats are finding it most difficult to convince the public that the Ford approach is ineffective.

In this reporter's conversations with the rank and file, both Democrats and Republicans, he has found this "consensus view" of the economy—except among the blacks and minorities who are still feeling the recession:

By and large, people now perceive the economy as getting better. They see prices going up still—but at a little slower rate. They see out-of-work sons and neighbors going back to work. And they watch the rise of the stock market with elation: this seems to give people hope even if they don't own stocks.

Generally, people are "crediting" the President for the economic upsurge. Most people don't understand economics anyway. But they do know that the President was being faulted—by the Democratic politicians and by many economists—for the way the economy was lagging. So they basically see it as logical—and only fair—to say the President must be doing something right now or things wouldn't be getting better. Or as some say, maybe it was just better that he didn't come in with a lot of government programs that might, indeed, have heated up inflation.

And, finally, a reporter can make this observation from his samplings of public opinion—not only recent interviews but also from those reaching back for some little time:

The American public has been more exercised over rising prices than over any other aspect of the flagging economy. Everyone was angry over what inflation was doing to him. Now everyone is happier—or at least less angry—as inflation appears to be slowing down. On the other hand, joblessness—while a terrible thing to those who were and are out of work—only touched a portion of the population. The anger of those out of work persists.

But the President was right—politically—when he sought first to get business and the economy moving again and to cut inflation, while putting less emphasis on helping the unemployed except insofar as his efforts to promote business health would enable businesses to bring more people back to work.

So it is that among most Americans today the President, not the Democrats in Congress is benefiting the most politically from better times.

LABOR CHAMPION MYRA WOLFGANG DIES

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. O'HARA. Mr. Speaker, Mrs. Myra Wolfgang, one of the most vigorous and colorful labor leaders in Michigan and the Nation for more than 40 years has died after a lingering illness. An early leader in the fight for women's rights, she was the first woman vice president of the International Union of Hotel and Restaurant Workers and Bartenders, AFL–CIO and had served as the top officer of local 24 of that union for the past 16 years.

Mrs. Wolfgang's many achievements within the labor movement and in a variety of civic and community endeavors over four decades are the subject of an excellent article in the Detroit Free Press by its labor writer, Mr. Ralph Orr. Under leave to insert my remarks in the RECORD, I include the article as a tribute to Mrs. Wolfgang's life of service:

LABOR CHAMPION MYRA WOLFGANG DIES

(By Ralph Orr)

Myra Wolfgang, one of the nation's first women union organizers who for more than 40 years was the colorful champion of Michigan's restaurant workers, died Monday. She was 61.

Mrs. Wolfgang, who has been ill since January, had been in Henry Ford Hospital since March 25 with an intestinal obstruction that proved malignant.

A fiery speaker and a clever negotiator, Mrs. Wolfgang was the first woman vice-president of the 480,000-member Hotel and Restaurant Employes and Bartenders International Union, AFL–CIO. She also had served as chief executive officer of the 20,000-member Local 24 since 1960.

Her life, an acquaintance once said, had been "one big crusade."

Employers tremulous about facing her at the bargaining table, fellow unionists who crossed her and legislators who feared her wrath knew what her acquaintance meant.

Myra Wolfgang inevitably won. "Not just because she is usually right," her long-time associate, the late Mort Furay, once said, "but because she believes her cause is just."

She became a disciple of the union cause in 1933, when the Depression cut short her studies at Carnegie Tech and her plans for a career as an interior decorator.

Mrs. Wolfgang went to Louis Koenig, head of the old Detroit Waiters Local 705, seeking a job as a waitress, work she had done in college.

She stayed to answer the harried Koenig's telephone. The foot she thus got in the door turned out to be a marching foot.

It was a turbulent era. Industrial unionism was on the march. Bosses had become fair game. Michigan became the cradle of organized labor.

Myra Wolfgang was at the vortex, leading sitdown strikes, organizing lunch-counter sit-ins, giving impassioned speeches from truck beds and the City Hall steps. A teenager hurling thunderbolts at management, she was a raiser of general hell.

"She was our La Passionaria," David Chaney, the leader of the Amalgamated Clothing Workers, once recalled.

"That Myra, she was everywhere," Koenig said.

Koenig began grooming her as his successor. She became recording secretary of Local 705, now Local 24.

A key figure in the "Battle of the Beach" in the 1950s, when her international launched a successful all-out attack on Miami's non-union hotels, she was rewarded with an international vice-presidency.

Her Detroit responsibilities were broadened under Koenig's tutelage. She became his chief negotiator, the thrower of his spitballs.

Intuition and an incisive mind often put her two moves ahead of her male adversaries in negotiations.

"Sometimes you didn't know you'd been had," one of them once said. "You wanted to count your fingers after you shook hands with her."

Mrs. Wolfgang was a master of the withering scowl, a tablepounder who often shouted herself hoarse at the bargaining table. For effect, she could blow her top and swear like a longshoreman.

But she also read Emily Dickinson and Simone de Beauvoir, was an opera buff and a patroness of the symphony.

Her detractors said that for all her publicity, her members were still among the working poor. Some called her a headline hunter.

She did know the value of public relations. The tart-tongued Mrs. Wolfgang was a master of the one-liner.

On the eve of negotiations with Detroit's private clubs she announced: "We're going to say 'Whoa' to the horsey set."

In a Labor Day speech at the State Fairgrounds, asked to discuss "Women in the Labor Movement," she sniffed: "Women were in labor before any of you were born."

After a Playboy Club Bunny had won a back-pay award: "Jo is a Bunny who bit back."

Nobody was immune from her scorn when she believed she was right—Republican, Democrat, president, governor, legislator, employer, union rebel, even Alex Karras, the Detroit Lions All-Pro tackle.

She publicly labeled Karras a "boor" when he used an unfortunate adjective in referring to her waitresses at a banquet where Karras was toastmaster.

Several years ago, a group of men—some of them resentful that a woman was running the show—formed a cabal to unseat her. The formidable Mrs. Wolfgang did not take kindly to it and now all but one are ex-staff members.

She sometimes would swoop into the best restaurants to check her members' paychecks to make certain the boss wasn't cheating on contract terms.

After Attorney General Frank Kelley issued a ruling which she said weakened laws designed to protect women workers, she dispatched six waitresses to Kelley's office with a box bearing a king snake.

"Symbolic of treachery," she explained.

Once she was bounced from her post on the Wayne County AFL–CIO Council for refusing to rubber-stamp efforts "to tie the labor movement to the coattails of the Democrats.

Unperturbed, she warned: "They won't silence me. Not by a jugful."

She was active in the fight for women's rights, calling for child care centers and job training programs for mothers more than a decade ago. In 1972 with cameras flashing she boldly walked through the front door—generally reserved for male use only—of the Detroit Club. A defender of women's dignity, she once loudly harangued a man in a posh restaurant after he openly pinched one of her waitresses.

On other women's issues, such as the Equal Rights Amendment, however, she opposed women's libbers. In 1970 she lectured the U.S. Senate Judiciary Committee for 2½ hours in 1970 on the evils she thought inherent in the ERA.

Invoking quotations from the Bible, Molly Pitcher and Patrick Henry, she defended state laws limiting the hours women could work and the weights they could lift.

"We don't want equality of mistreatment," she said.

Mrs. Wolfgang served on numerous state and federal commissions.

She fought for Sunday liquor sales to open up more jobs in the catering industry.

She was the driving force behind enactment of Michigan's minimum wage law in 1964, taking her entourage to legislative hearings in 16 cities.

To make her point she paraded before legislators carhops making 25 cents an hour (plus tips) and a woman forced to work 72 hours a week and lift boxes weighing 75 pounds.

Two years later, she staged a "sleep-in" at the Legislature when lawmakers dragged their feet in amending the law. It was a first for the musty old state house.

On the home front, she negotiated her local's first pension and health-care plans and installed its first strike fund.

She established a waiter-waitress training school, and critiqued the performances of its graduates when they served her.

Mrs. Wolfgang was the scourge of nonunion houses, but was not always successful in getting them in the union fold. One of her major disappointments was the failure to organize the Big Boy drive-ins.

But the Playboy Club fight ended in triumph. The months of picketing produced a settlement that led to a national Playboy agreement.

During the long campaign, Mrs. Wolfgang provided vocal accompaniment, jabbing away at the idea that bunnies (then) got no wages, but were expected to survive on tips.

"Don't be a Bunny, work for money," she implored.

As for Hugh Hefner, head of the Playboy empire, she labeled his views "a gross perpetuation of the lewd idea that women should be obscene and not heard."

A memorial service will be held next Monday at 6:30 p.m. at the Detroit Institute of Arts.

Mrs. Wolfgang is survived by two daughters, Martha and Mrs. Laura Christianson, both of Chicago, and a granddaughter. Her husband, Moe, an attorney, died in 1963.

The family requests memorial contributions be made to the Detroit Institute of Arts and the Michigan Cancer Society.

H. S. KAWAKAMI

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mrs. MINK. Mr. Speaker, I call the attention of my colleagues today to the career of a distinguished resident of the Island of Kauai, in the State of Hawaii, whose life has recently been chronicled in an autobiography entitled "From Japan to Hawaii, My Journey."

The person of whom I speak is H. S. Kawakami, many times called "the merchant prince of Kauai," and probably one of the best known people on the island. Mr. Kawakami's enterprises include two-score establishments doing business in half a dozen communities on Kauai and control of two shopping centers.

Of more than passing interest, too, is the fact that the entire Kawakami family has been involved in the business and professional activities of the communities wherever they have lived. That now includes four of the major islands of the State.

Mr. Kawakami's accomplishments, which began in Japan and grew to such successful dimensions in Hawaii, illustrate the best traditions of the work ethic, and I commend the following news story about this remarkable businessman to your attention. It appeared in the Honolulu Star Bulletin of April 19, 1976, and I include it to be published in the RECORD at this point:

MERCHANT PRINCE RECALLS THE PAST

(By Paul Stoffel)

LIHUE, KAUAI.—H. S. Kawakami, the 75-year-old founder of a big complex of stores and supermarkets, has written the story of his rags-to-riches career in an autobiography titled "From Japan to Hawaii, My Journey."

The man who sometimes is called "the merchant prince of Kauai" came to Kauai from Japan in 1912 as a penniless boy to join his father and brother, who worked in the cane fields.

Today, the Kawakami enterprises include 20 stores doing a multimillion dollar business in a half dozen towns and control of two shopping centers.

The 70-page story of Kawakami's "Journey" was unveiled at a luncheon. Tom Coffman, Honolulu newspaperman, was introduced as the man who helped write the autobiography.

Coffman, who wrote "To Catch a Wave," a book about the late Gov. John A. Burns, said the Kawakami story was easy to put together from tapes and that most of the phraseology is Kawakami's.

The book deals candidly with the problems of discrimination faced by Japanese people in plantation employment and in their harsh ordeals after Pearl Harbor.

The story tells how Kawakami got his education at Mid-Pacific Institute, where he worked for his tuition, and how he later received practical business training as a bookkeeper for a plantation.

The ambitious Harvey Saburo Kawakami decided that working for someone else was not for him. In 1926 he took the plunge into business.

With the help of his wife, Tomo, he set up a little "pa and ma" store in Waimea, with shoestring capital of only $3,000. They worked long hours and lived frugally.

Much of the business for the store came from peddling merchandise in a $150 model-T Ford to sugar workers who lived in plantation camps in the Waimea and Kekaha area.

However, Kawakami roused the enmity of a sugar plantation, which barred him from selling in its camps because he competed with the company store. This forced the hustling storekeeper to find new customers and to broaden his markets.

He was later to see the plantation's action as a blessing in disguise and to philosophize that "sweet are the uses of adversity."

His business prospered and in 1929 he borrowed $4,000 from a bank to expand his store. He said this first bank loan was a scary experience, although much later he would borrow $225,000 from the bank for a shopping center project, without a quiver.

Now, on the golden anniversary of the Waimea venture, the Kawakami businesses have grown to include six Bigsave supermarkets, four general stores, four snack shops, six resort gift shops and major interests in shopping centers at Kapaa and Lihue.

While he was building a merchandising empire, Kawakami and his wife raised a family of seven in the small cottage home they built behind the store at Waimea.

Tomo was the widow of his brother Sakuichi, who had wed her as picture bride while he was working in the cane fields. Sakuichi died in the flu epidemic of 1918 and Harvey Sabura later married his widow at the urging of the family.

George, the oldest son, was born in 1923 and now runs the furniture and dry goods store in Lihue. Richard is a State legislator. Edward is a dentist in Honolulu. Charles is assistant manager of a J. C. Penney Store in Hilo.

A daughter, Gertrude (Mrs. Akira Toma) runs the resort gift shops, and another daughter, Edith, is a teacher on Maui.

In his book, Kawakami tells how another daughter, Ellen, brought tragedy to the family when she took her own life in frustration over a bookkeeping problem in one of the stores.

Tomo Kawakmi died in 1955 and her husband later wed Michiko, of Kyoto, Japan, who took the name Elsie when she became his wife.

Kawakami, who was an alien, was confronted with animosity and suspicion in the war hysteria following Pearl Harbor. Although he continued to operate his stores, he devoted much of his time to backing efforts of his countrymen to win acceptance as patriotic Americans.

He enlisted in the Army as an interpreter and with son George won recognition as the only Kauai father-son team in the Army. It was during his war service at Fort McClelland in 1945 that Kawakami became a naturalized citizen. He was then 45.

Earlier he worked tirelessly to win permission from the military to accept enlistments of citizens of Japanese ancestry in what would become the famous 442nd Combat Team and the 100th Infantry Battalion.

The story also tells how a second Kawakami store business was established by his older brother Fukutara, who set up a store in Hanapepe. That enterprise was the core of a separate company—N. F. Kawakami—which also flourished.

Its initials "N. F." stood for Norito, the

son, and Fukutara, the father. Norito has since become a circuit court judge.

The two family enterprises were merged after the death of Fukutara to avoid inter-family competition in store operations.

BUDGET CUTS AND THE AVERAGE AMERICAN

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. ZEFERETTI. Mr. Speaker, all across the country budget cuts in municipalities have hit hard at working people by depriving them of gainful employment. The other side of this particular coin is now being brought to public attention, showing how the average citizen is hit by slashes in municipal services. What is revealed is a steady deterioration in the quality of urban life, making it ever more difficult for people to survive in the city environment. There is no breathtaking and immediately noticeable decline in daily life. Rather, it takes place almost imperceptibly, but the final result is the same: Further deterioration and less faith on the part of the working citizen in the future of his or her city. Quite recently, the Wall Street Journal printed a sensitive and perceptive piece on this phenomenon, selecting part of my congressional district for their indepth view. Because its message has meaning for every city in the Nation, I include it here in the Record for the attention and enlightenment of all my colleagues.

This perceptive article shows how vital it is for the Congress to understand how important it is for Government to prevent further reductions in these services, and to comprehend the impact of these cuts. The slope is a viable, bustling neighborhood, whose people are a microcosm of New York and the Nation. If areas like the slope are hamstrung by service cuts and cease being viable, the last urban bulwark against blight will disappear, and all our cities will confront economic and social erosion of the worst kind. Congress must understand this equation, and I believe the Wall Street Journal article is an excellent and instructive lesson:

New York Now: How Budget Cuts Affect People in One Neighborhood

(By Barry Newman)

New York.—More than a year has gone since the first fissures appeared in the finances of New York City and New York State. Nine months have passed since the first great wave of layoffs last July. Other layoffs and cuts of all kinds followed. There are more to come.

Socially, if not always silently, the people who live here have accepted the news and gone about their business. By now, the shock has dissipated, and the abstractions of budget cutting have the air of permanent realities.

What has it meant to ordinary New Yorkers? A tour of one neighborhood in Brooklyn, Park Slope, suggests some consequences—slight, psychological and substantial.

Park Slope is one of New York's more motley neighborhoods. With a population of 70,000 on the incline from Prospect Park toward the Gowanus Canal, the Slope's 100 blocks would make a diverse city almost anywhere else. In New York, it's the closest thing to a microcosm.

The narrow strip along the park has gained a cachet among the spirited renovators of elegant brownstones as a fashionable compromise between suburbia and Manhattan's Upper East Side. In all of Park Slope, though, there are at least as many Irish and Italian families living in modest brick row houses as there are professionals in the high-stooped mansions. And all of them are outnumbered by the poor.

Ask the upwardly mobile, the ethnic middle class and the impoverished what immediate impact the budget cuts have had, and they will almost always answer, "Not much." On the surface, at least they're right. Life goes on.

"How has it affected my neighborhood?" says a Manhattan-bound commuter. "Damned if I know. Subways are a little slower, maybe." Rita Noonan, who sells real estate in the Slope, says, "I feel everything must be affected. But I can't think of anything specific." Crime rates haven't soared, trash doesn't cover the streets, Park Slope isn't burning down.

One fine morning on the shopping street of Seventh Avenue there is even a holdover from a lost era: Patrolman Louis Gosparik, two rows of gold buttons shining on his coat, tipping his hat to shopkeepers, walking his beat.

There has been some temptation in blame fiscal catastrophes for old failings. "The Parks Department hasn't been doing much in Prospect Park since the cuts," says Rob Burton, president of the Park Slope Civic Council. On second thought, he adds, "I gotta tell you, they weren't doing much before the cuts either."

Nick Sovierno, chief Housing Department inspector, says his thinned forces are responding to calls from Park Slope with as much alacrity as ever. "All complainants," he says, "are never handled immediately."

But the semblance of bumbling-as-usual is deceptive. The crisis is casting its pall over Park Slope, sometimes in gloomier ways than you might suspect. If the overall cuts, which have already run to the hundreds of millions of dollars, are merely marginal by New York scales, then perhaps the people and the institutions likely to be touched by them are somehow considered marginal and expendable as well.

Peggy Birnberg, her husband, Barry, and their two daughters moved to the Slope six years ago, bought a brownstone and began renovating. He opened a plant store: she became a teacher in P.S. 282. They both became active in the community school board.

The board became one of the city's best, and with much hard work it installed an "open-classroom" system in P.S. 282, just the kind of individually geared education the Birnbergs wanted for their children. The board appointed 25 open-classroom teachers, and the Birnbergs came to devote an enormous share of their time to the school. Then last October, most of the new teachers were fired, including Peggy Birnberg; the open classrooms fell apart. It hurt the Birnbergs to the quick—so much so that they have decided to abandon New York altogether. They are moving to Toronto.

"I'll never commit myself to something like that school again," Peggy Birnberg says bitterly. "It was really everything I thought about and everything I did. Now it's gone. It was all for nothing, and that's too much time and energy and heart to put into anything. We think there's got to be a better way to live."

The Birnbergs' brownstone is about to be sold. As soon as the contract is signed, they'll be gone.

A few years ago, some thought was given to demolishing the old Pacific Street Library at the Slope's northern tip. But it was a handsome building, and the community persuaded the city to renovate it instead. The job took three years and cost $534,000.

The beautifully redone library was opened at last on Nov. 19. But it isn't a very important library, and because of the strapped budget, it was given a staff of only three. It stays open five hours a day (eight hours on Wednesdays only); it is closed on weekends. Its circular main room has a sparse assortment of books. The balcony above it is empty; the music room is empty; upstairs, the children's room, with its domed ceiling and huge dark-stained wooden mantel, is empty. Expensive equipment is hidden away.

If there were books displayed on the shelves, they might be stolen. The staff is too small to stand guard. "We couldn't keep watch," says Catherine DiMella, who works in the newly reopened library. "We're alone."

Methodist Hospital, the largest employer in Park Slope, is a private institution. But the travails of the city and the state are its travails, too. After eight years of haggling, the hospital has to forget its plans to build a 350-bed, $70 million annex. The money was to be raised through state "moral-obligation" bonds; needless to say, the state's moral obligations won't raise much money anymore.

More to the immediate point, Methodist Hospital is short on cash. The city, it seems, has been taking its time processing Medicaid bills, and the state is making reimbursements according to 1975 prices, even though 1976 prices are higher. Last fall, the hospital knocked 51 people off its payroll, including nine of 110 resident doctors. But costs went up anyway, and now the hospital is having trouble paying its bills.

"We sat on the phone bill for one month," executive director Don Rece says, "and they came in and tried to shut off the patients' phones." The hospital is sending out its checks about two months behind schedule, and a number of food suppliers have cut off deliveries. So far, the patients don't know a thing about this, but Mr. Rece thinks the situation has a good chance of getting a lot worse.

Diamond's Cafe has a long bar with a very big American flag hanging behind it. Late one morning, several men are drinking at the bar, and one of them is wearing the frayed and faded uniform of a New York City sanitation man.

"Don't turn me in" is his response when a reporter says hello. Drinking at lunch is against the rules, but this man explains he is only "calming his nerves." The job has gotten tougher lately.

Garbage collections in parts of the Slope are down from six a week to three; in other parts they're down from three to two. The solution to this, for most people, is to mash their garbage into the cans with added vigor. This makes the cans heavier, which makes a sanitation man's lot not very happy. The layoffs that caused the service cuts hit younger men first, so the harder work is left to an older crew. The upshot of all this is a few beers at Diamond's Cafe.

"A lot of fellas are getting disgusted," the man at the bars says. "They don't have their hearts in their jobs like they used to. The people complain, the garbage is more heavy and meantime they're playing games with us—they got what we call a rat squad, watching us in unmarked cars. They're trying to get blood out of a stone." He looks at his watch, and orders another.

In a particular squalid section of the Slope there is a ragged terrain bigger than a square block and covered with crushed boxes, tires, bedsprings, weeds and the moldering rubble of collapsed houses. All that stands are two trees, some gutted stores, and P.S. 133, an operating school.

A decade ago, it looked as if P.S. 133 were about to outgrow its turn-of-the-century quarters. A plan was hatched to put up an elementary and an intermediate school to replace it. The land was cleared. But a crayon factory and other light industry moved out, taking their jobs with them. And, with their homes torn down, 100 children left the block and the school. Suddenly, P.S. 133 didn't seem to be so crowded, and with the population flattening, two new schools didn't seem so vital anymore.

When the fiscal crisis struck, one of the projects was canceled, the other shelved. The land, off the tax rolls, sits vacant, spilling refuse into bordering streets.

Rose Giordano, a small woman with curly gray hair, lives with her husband, who is sickly, in an old tenement that has an "antique boiler" (pronounced "burler") that catches fire every winter. When the boiler burned before, Mrs. Giordano and her neighbors could trot down the street to a firehouse six doors away. This winter, she can't do that; the firehouse has been closed. If the boiler burns, her call will sound at Engine Co. 239, more than 10 blocks from her street.

On a gray afternoon, the "blueshirts" of 239 are lounging in their kitchen, just to the rear of their truck, talking about a fire that killed a child in January. It broke out two blocks from Mrs. Giordano's building. A month earlier, it would have been in the territory of the disbanded company, but in January, 239 took over first-response duties for that alarm box.

"We got there as fast as we could," says fireman Dick Stranke, sipping some coffee. "It took maybe three, four minutes, opposed to one or two for the old company. If we got there sooner, maybe we could have saved the kid, a kid left alone. . . . Who knows?"

Since the other house was closed, the alarm has been sounding at 239 at a rate that should bring their total responses this year to 4,000 from 2,500 in 1974. The firemen say they are driving faster to get to fires farther away. And they say they are straining hard to get by with four men on the truck instead of the five-man crew of pre-layoff days. There was one night in mid-February when the company had three "working" fires in succession. Fireman Al Risoto worked for eight straight hours and had to be treated for exhaustion. "We're lucky we didn't lose anybody," he says.

Fireman Risoto is beginning another sentence when the alarm sounds. In an instant the men leap onto the truck and roar off, leaving the kitchen in a cloud of exhaust fumes. Ten minutes later, they're back, washing up, making coffee, talking budgets. "People think there haven't been any effects," says fireman Al Amerando. "Wait. It affects everybody." As he speaks, the alarm goes off again, and Engine Co. 239 vanishes.

HAROLD OHLENDORF NAMED HEAD OF ARKANSAS GOOD ROADS-TRANSPORTATION COUNCIL

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. ALEXANDER. Mr. Speaker, I am proud to announce that Harold Ohlendorf of Osceola, Ark., in the First Congressional District, has been named chairman of the Arkansas Good Roads-Transportation Council. This private group has been formed to encourage maintenance of adequate transportation systems in Arkansas.

I have had the privilege of knowing fellow-Osceolan Harold Ohlendorf for many years and believe the council could have made no better selection than he as its chairman. He is a forward-looking individual and will certainly be an asset to this effort to upgrade transportation in our State. I applaud his selection.

I would like to insert into the Record a news article from the Arkansas Gazette, April 11, 1976, about Ohlendorf's selection:

COUNCIL NAMES OHLENDORF AS CHAIRMAN

Harold Ohlendorf of Osceola, a banker and farmer and former President of the Arkansas Farm Bureau Federation, has been named chairman of the new Arkansas Good Roads-Transportation Council, a private group formed to encourage maintenance of adequate transportation systems in the state.

He replaces John Ward of Conway, the vice chairman who has been acting chairman pending selection of a permanent head of the organization. Silas D. Snow of Little Rock, former president of the University of Central Arkansas at Conway, is Council President and Maurice Smith of Birdeye, a former state highway commissioner, is secretary-treasurer.

The Council, at a meeting Thursday elected R. N. Dills of Fort Smith and Rufus W. Morgan, Jr. of Morrilton directors, completing a Board that includes two representatives for each of the state's highway districts.

Ohlendorf said the country's road system was the world's best but that it was "rapidly deteriorating." He said the state's network of roads was becoming inadequate to meet growing traffic volume and that there is concern about safety conditions on improperly maintained roads.

The Council will attempt to involve private individuals in efforts to insure adequate funding for highway roads, he said.

Ohlendorf is Board Chairman and a director of the First National Bank of West Memphis. He owns Ohlendorf Farms at Osceola, is president of several family-owned businesses in Northeast Arkansas and a director of several other firms. He is a trustee of Northwestern Mutual Life Insurance Company of Milwaukee.

He was Farm Bureau president from 1964 to 1971, and has served on the Board of Governors of the Arkansas Department of Mental Retardation and on the Executive Committee of the Arkansas State Chamber of Commerce. He has been active in other governmental and private health and industry groups.

NO ALTERNATIVE TO DÉTENTE

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. LEGGETT. Mr. Speaker, the problems of United States–U.S.S.R. relations and the nature and character of Soviet-American détente—indeed, the meaning and utility of the word itself—have received increasing attention as we have moved further into this political year. For several months, a debate has been brewing—how "great" it has been is another matter—about the directions we should be taking in dealing with the Soviets.

The dire warnings of the great Soviet novelist, Aleksandr Solzhenitsyn, have been echoed in the campaigns of former Governor Reagan, President Ford, Senator Jackson, and others. We have heard that the Soviets are cheating and taking advantage of us in SALT; that we should concentrate on building arms rather than seeking to control them. We also hear that the "fall" of one country, Angola, to a Soviet-sponsored faction is but the beginning of a Communist move across the face of southern Africa. Distilled to its essence, what we have been hearing is a vertiable Spenglerian prophecy that the West as we know it faces its demise at the hands of the Red menace in the foreseeable future, unless we radically alter our military and foreign policies.

Central to this prophecy is Solzhenitsyn's notion that détente is itself dangerous, no more than a process in which the Soviets implacably pursue and attain their objectives without the need to resort to force, while the West dreams on in its materialistic slumber. The picture is one of Communist advance, with the West too weak to resist, in both power and will. And the underlying premise is that the military balance between the U.S.S.R. and its allies on one hand, and the Western states on the other, has eroded to the point where the West lacks, or soon will lack, sufficient means to offer a credible challenge to the Communist onslaught.

I believe we must carefully examine these warnings—the recrudescence of cold war thinking and the view of the balance of power which it implies. But just as we cannot blindly dismiss them, neither should we accept this view without careful analysis. In fact, I think a dispassionatee examination of the military and political situation will show that a broader perspective is needed than a simple either-or-choice between cold war and détente.

My view is that the choice we face is not between cold war and détente, but how, and in what form, to pursue détente. And this choice springs, not from some errant policymaker's whim, but from the basic structure of the international situation.

The hesitant movement of recent years toward détent grows necessarily out of the advent of the nuclear stalemate—the awareness that both sides possess such an enormity of nuclear force that either can destroy the other as a functioning society no matter what the other may do, even with its own preemptive attack. There is ample evidence that this awareness of the devastating consequences of escalation beyond the nuclear threshold is the major factor governing decisions by both superpowers about the resort to force when one faces the risks of confrontation with the other.

As we contemplate these risks, it is necessary to focus on the military dimension of our relationship with the Soviets. Despite the alarums raised during the campaign, I believe the U.S. strategic deterrent is now, and will remain, invulnerable, and the programs proposed by the military and authorized in the defense bill recently voted by the House are more than adequate to maintain a sufficiency of nuclear force for the foreseeable future. In fact, I think the bill goes beyond the bounds of what is necessary with programs like the B–1 bomber, which is simply not needed for deterrence, and the terminally guided maneuvering reentry vehicle, which could be positively destabilizing of the nuclear balance. In any event, though, there is every prospect that the nuclear stalemate between the United States and the Soviets, which is the foundation of détente, will continue on for as far as we can see into the future.

What is the situation in other areas of the military equation? Since time does not permit an exhaustive treatment of this complex subject, permit me to dwell briefly on one aspect which has received great attention—the naval balance. We have been subjected to a barrage of simplistic and pessimistic comparisons of Soviet and American naval strength. And we hear it said that the Soviet Navy is rapidly expanding while ours is declining at an equally rapid rate, to the point that the Soviets may be superior to us at sea in the near future. Yet if we look at the data, we find that one of the things the Soviets are doing is much the same as what our Navy is doing—namely, phasing out obsolescent, World War II vintage ships in favor of smaller numbers of new and more capable ships. For example, over the past 10 years, the number of Soviet attack submarines has declined from 336 to 253, and destroyers from 150 to 85, with the total for oceangoing escorts remaining relatively constant.

Do these trends indicate that the Soviet Navy is on the wane? Clearly that is not the case. Yet similar trends are cited to reach such a conclusion for the U.S. Navy.

As a related example, if we look closely at the attack submarine figures, we find that while the Soviets do in fact have many more than the United States, a large proportion of theirs is older, diesel-powered submarines. Our respective totals of modern nuclear-powered submarines are almost comparable. And ours are far superior in what is probably the single most important index of submarine effectiveness—quietness of operation.

Furthermore, the Soviet construction rate for these types of ships over the past 5 years is about the same as the rate at which we in the Congress have been authorizing new submarines. I wish I could say that our building rate was approaching theirs. But, regrettably, we have been funding them a lot more rapidly than we can build them.

The two shipyards building our latest class of nuclear attack submarines have encountered delays of as long as 2 years from originally scheduled delivery dates. We have already funded 28 of them, and the first one has yet to be delivered to the fleet. The four submarines which the House recently authorized will not need to be put on contract for up to 2 years, and under the most optimistic scheduling, their construction cannot begin until around 1980.

It was on this basis that I proposed an amendment to the defense bill to delete funding for two of these submarines. My point was a very straightforward one. Irrespective of whether or not we need these submarines, there is simply no purpose to be served by buying them now. In this time of large deficits and fiscal stringency, we cannot afford to allocate public resources to projects which cannot be performed in a timely manner. Let us fund public jobs, child care, or health insurance, rather than chalking up ever larger sums of unused funds for the military to sit on.

The larger point is that the debates which have characterized the current campaign are producing the wrong atmosphere, and the wrong result, in national defense. Piling billions on untold billions may help allay our fears of the Soviet menace, and make us feel better, but it would not solve our problems in national defense. To do that we must design and execute the right programs for the right purposes. Regrettably, we do not seem to be getting any better at doing that, and scare campaigns detract from, rather than assist, our efforts to do so.

Not only have the alarums and diversions of the campaign undermined the quality of debate on defense issues, they have also not helped our position internationally. As Secretary Kissinger said recently, exaggerated portrayals of Soviet strength and American weakness do no service to the Nation. What ultimately matters in the modern era of deterrence is not the implements of force themselves, but perceptions of power. It is as clear to me, as it is to Mr. Kissinger, that any overall assessment of military, economic, and technological strength will show the Soviet Union to be far behind us and our allies. We serve our own purposes by focusing on our strengths, rather than looking exclusively at real or imagined weaknesses. And we should be quite clear that the balance of nuclear force will not leave us at a disadvantage in the foreseeable future.

Let me reiterate why, in my judgment, such an assessment brings us inescapably to some sort of détente process. It starts, purely and simply, with our mutual interest in avoiding nuclear annihilation.

Are there other shared interests? That becomes the fundamental question. Détente need not involve, as Solzhenitsyn seems to imply, the bestowal of love and honor on one's putative opponent. And it certainly does not represent the cessation of hostility and conflict of interest. We and the Soviets will obviously continue to pursue conflicting objectives in many areas of the world.

Détente starts from the search for controls on conflicts, and from shared interests. I do not think we have any real alternative to this search. The question then becomes not whether détente, but how. As one who feels we were ripped off in such matters as East-West trade and the 1972 grain deal, I think we must be just as tough and uncompromising as the Soviets. Thus, we should take Solzhenitsyn's warning as an indication of just how tough and hardnosed we must be in attempting détente with the Soviets. That is the task which lies before us in the foreseeable future. Solzhenitsyn's message will have had great value if it helps us to undertake that task with a full realization of the nature and character of the other party to détente.

THE PONY EXPRESS RIDES AGAIN

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. ROUSSELOT. Mr. Speaker, the Congress will soon be asked by the U.S. Postal Service to provide a $1.5 billion subsidy as an add-on to a $12 billion revenue program for fiscal year 1976.

Forbes magazine in the April 15, 1976 edition comments on this add-on-deficit. I asked my colleagues to review this article:

THE PONY EXPRESS RIDES AGAIN

With the U.S. Postal Service's problems have come good times for the private postmen.

There's a silver lining in every cloud, and the U.S. Postal Service's red ink is no exception. Facing a fiscal 1976 deficit of $1.5 billion, the USPS is trying urgently to get more subsidies and fees and cut services.

And now the good news: The private courier companies are making more money than ever.

Look, for example, at New Jersey-based Purolator (1975 sales: $298 million), the biggest in the courier business. Revenues from Purolator's old-line filters and gasoline caps businesses were down 9% last year. But sales from its courier division were up some 24%, to $124 million. Including armored car service, Purolator Service provided nearly 60% of Purolator's revenues and 73% of profits.

In Chicago, the American Stock Exchange-traded International Couriers Corp.'s revenues climbed some 30%, to $37 million. And in Seattle, Loomis Corp. reports its courier sales increased 35%. (Both companies enjoyed a windfall from Canada's two-month postal strike.) Such businesses as Greyhound Corp. and Baker Industries are up around 12.5%.

The courier companies play down the extent to which they compete directly with the USPS. No one but the Government can charge to deliver first-class mail; the private express statutes see to that. Moreover, couriers' services can no more be compared with government mail delivery than a Bugatti could be compared with a Model T. Couriers offer a personal, handmade and very expensive product. Suppose you want a 2½ pound legal brief delivered across town in New York. A courier employee will pick it up at your office, hop on a bus or subway and take it to the ultimate receiver. That will cost you $5.85 as against $2.05 cents in stamps. If the document goes cross-country, the courier in New York puts it on a plane; his counterpart in essence meets the plane in Los Angeles and takes the document to whomever is to receive it. Cost: approximately $32.

For the extra cost you get extra value. The government mailmen require you to put the communication in a mail drop, from which it is eventually picked up and taken to a central sorting terminal. If the delivery is across town, the document is sent to a local postal branch, then goes into the postal route, and finally is delivered. In New York, that can take two or three days, or even longer.

Their high fees notwithstanding, the couriers are being used more and more. Part of the reason is economic: Time is money.

Another apparent reason is psychological, a kind of rising expectation as to the speed with which things should move. Says Purolator Vice President Jack Milne: "A major reason behind the 20% to 30% annual growth in this business is that *everything* is moving faster today. You can leave New York this afternoon and have dinner in

Los Angeles. You expect the same for your communications."

ELECTRONIC COMPETITORS

For this very reason, couriers themselves face stiff competition from rapidly advancing electronic delivery systems. The Federal Reserve System-backed electronic funds transfer is beginning to limit the importance to the couriers of their old-line canceled check delivery business. Dollar volume on that business is still growing. But while some 90% of Purolator's courier revenues were accounted for by canceled check deliveries in 1969, 42% were last year. Purolator's Jack Milne sees the figure dropping to 25% or less within five years.

And there are the electronic message transmittal systems of Xerox, International Business Machines, Minnesota Mining & Manufacturing and even Exxon—part of the office equipment revolution (FORBES, *Dec. 15, 1975*). These systems can deliver the written (or computered) word in minutes, not hours. Until last year, a Xerox telecopier required at least 120 minutes to send a 30-page document. Now the document can be sent in 60 minutes on Xerox' new Telecopier 200. "We're finding that people are considering these machines for their mailrooms to send many documents," says Xerox product marketing manager James Clark.

The U.S. Postal Service is trying to compete via its new "express mail" service. The government postmen are even trying to join the electronic revolution. They are already there with Western Union's Mailgrams. And the USPS recently signed a $2.3-million contract with Pitney-Bowes to work on an electronic system.

However, as the electronic transmission of messages grows, there remain many items that can't be reduced to an electronic impulse: eyeglasses, dental plates, computer replacement parts, signed documents and many more.

Meanwhile, given the nature of bureaucracy, postal rates will continue to go up and service down. The USPS has recently announced it will cut business mail deliveries from thrice to twice daily in New York City, and from twice to once in nine other Eastern cities. Cuts from twice to once in the South and Southwest are under consideration.

The trouble is that the Post Office is still more featherbed and pork barrel than it is business. "Our customers," Postmaster General Benjamin F. Bailar recently warned Congress, "are turning to alternate, less expensive means of communication. As rates go higher, public resistance grows firmer and volume drops even more." And, he might have added, creates new opportunities for alert businessmen.

MR. WILLIAM M. PETERSON OF LEAVITTSBURG, OHIO, INTRODUCES THE WORLDWIDE CYCLING ASSOCIATION

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. CARNEY. Mr. Speaker, a constituent of mine, Mr. William M. Peterson, recently sent me a letter informing me of the activities of the World Wide Cycling Association, of which he is a local director in Leavittsburg, Ohio.

The World Wide Cycling Association, with international headquarters in Cincinnati, Ohio, has established a central registration system for bicycles from all over the world. Through their unique, simplified method of police approved permanently engraved registration numbers, the central registration system helps deter the theft of bicycles and aids in the identification of all bicycles recovered by law enforcement agencies.

The World Wide Cycling Association is also interested in the safety of the bicycle rider. During its present registration drive, the World Wide Cycling Association is giving each new member a large bike safety triangular reflector. This large supplemental warning system is five times larger in area than conventional bike reflectors. When a light strikes its surface, almost 1,000 tiny prisms send back a bright red warning beacon that is visible up to 500 feet away. This reflector is the international symbol for slow moving vehicles and warns motorists that a bicycle is ahead of them.

I commend Mr. Peterson and the World Wide Cycling Association for their work in detering bicycle thefts and in promoting bicycle safety. For the consideration of my colleagues in the Congress, I am inserting in the CONGRESSIONAL RECORD further information about the association. I am sure many police departments would be interested in promoting bicycle registration under the World Wide Cycling Association. The association's address is 4939 Glenway Avenue, Cincinnati, Ohio 45238. The information follows:

[NEWS RELEASE]

There is a brand new organization that is finally doing something that has been sorely needed for a long, long time—and that is Permanently "Registering" Bicycles.

World Wide Cycling Association, with International Headquarters in Cincinnati, Ohio has provided a Central Registration System for bicycles from all over the World.

Their Registration System helps deter the theft of Bicycles and aids in the identification of all Bicycles recovered by Law Enforcement Agencies.

Through their Unique, simplified method of Police approved Permanently engraved Registration numbers . . . applied to at least four (4) places on the Bicycle . . . the Country and the World Now has a ""Central" Identification Registration System.

This individually assigned Registration number (each number begins with the letters WW) also assists in the re-sale of the bicycle and once again deters the re-sale of a stolen bicycle.

Any Registered Bicycle Can Now Be Easily Traced to It's Rightful Owner . . . No Matter what the City or State of Origin.

No computers are needed . . . and a simple 'glance' can tell you that the WW number is indeed reigstered and Protected by World Wide Cycling Association.

And Protected they are . . . because WWCA offers a $200.00 Cash Reward for any information leading to arrest and conviction of any individual or group of individuals found guilty of stealing a WWCA member's bicycle.

And . . . up to an additional $200.00 Cash Bonus just for assisting in the return of a stolen bicycle that belongs to a WWCA member.

Anybody is eligible for this reward . . . young or old, private citizen; or individual law enforcement, police officers and/or departments and organizations.

WWCA is doing it's part to stamp out bicycle stealing and Mr. 'Bike Thief' is certainly taking a big chance if he 'tampers' with a WWCA member's bike. Even if he succeeded in stealing it . . . where in the World could he Sell it or the identifiable parts??? The person he tries to sell it to, could call the police and claim the reward.

Just as Autos are individually registered through the State Registration System . . . and pure bred Dogs are individually registered through the A.K.C. System . . . Now . . . Finally . . . Bicycles are individually Registered through W.W.C.A.

The Aim of WWCA is to Have Every Bicycle Properly Registered by it's Assigned Number.

It is accomplishing this goal through the cooperation of Law Enforcement Agencies, Organizations, Bicycling Enthusiasts, Merchants, Individuals and WWCA Directors All over the Nation.

Each locality has it's own WWCA Director who assists in the Registration and Engraving of Bicycles, and informing the public of the many services of being a WWCA Member, and Registering their bicycles.

This Registration is accomplished by mailing in a small Registration Card. These cards are made available by all types of Businesses, Individuals and Civic and Public Service Organizations who are interested in promoting this World Wide Registration. WWCA Directors place these cards in All types of establishments ranging from Bike Shops to Dry Cleaners—Grocery Stores—Service Stations—Just any place . . . "Ask for a WWCA Registration Card".

Police Agencies from all over the Nation are requested to contact the WWCA International Headquarters at Drawer 38201, Cincinnati, Ohio 45238 if they presently have any "Registered" Bicycles in their custody . . . Or if they ever recover any . . . Or if they want any additional information regarding the registering and engraving. Any Registered Bicycle can now be easily traced to it's rightful owner . . . no matter what the City, State or even County of it's orgin.

Soon, nobody will buy a used Bicycle without first checking the Registration with WWCA . . . nor will they buy a new Bicycle without Registering it and obtaining their permanent Registration number.

WWCA is interested in the Safety of the Bicycle Rider . . . and in it's present "Registration Drive"—WWCA is Giving each new member a large "Bike Safety, Triangular Reflector". This large Supplemental Warning System is Five times larger in area than conventional Bike Reflectors . . . and when a light strikes its surface almost 1,000 tiny prisms send back a bright Red Warning Beacon that is visible up to 500 feet away.

This reflector is the International symbol for Slow Moving Vehicles and is attached to the back of a Bicycle seat and warns motorists what is ahead . . . Unmistakenly . . . a Bike.

Besides promoting Bicycle Safety, the Multi-Purpose of WWCA is it's dedication to the principle of promoting the welfare of the Bicycle Owner. Each Owner has quite an investment in his Bicycle, and WWCA helps protect that investment . . . and helps promote Bicycling all over the World.

A member receives this permanently assigned "WW" Registration Number . . . information on obtaining different kinds of Insurance for his Bicycle and himself while riding his Bicycle . . . cooperation with Police Agencies in Re-Sale, Identification, Reward Protection, Recovery, etc., if Bicycle is ever stolen . . . Publications . . . Promotions . . . Rallys . . . Lobbying and Representation for BETTER BICYCLING and BETTER PATHS etc. etc. Their motto is "Our Aim Is to Serve You and Stop Bike Thefts."

Complete information can be obtained by writing directly to: World Wide Cycling Association, 4939 Glenway Avenue, Cincinnati, Ohio 45238, U.S.A.

MAY WE PRESENT OUR CREDENTIALS?

WORLDWIDE CYCLING ASSOCIATION,
4939 GLENWAY AVE.,
Cincinnati, Ohio.

Worldwide Cycling Association was founded after years of research on the needs of bicycling, owners, and registration. WWCA was 'officially' founded on the 16th of April, 1974, and did not start actively registering bicycles and enrolling members until the late summer of 1974.

WWCA was founded by it's current president ... Mr. Jud Cagney.

It's designated purpose and general nature of business conducted is the registering of bicycles and enrollment of club members.

Mr. Cagney is a well-known, ethical, respected Cincinnati businessman, and a lifelong native of Cincinnati.

He was the founder and former president of the internationally known "Imperial Detective Academy". Associates from his private detective enterprise 'span the world'. His experience in theft rings, engraved markings, identification, recovery etc. prompted his research into the bicycle field.

Mr. Cagney is an entrepreneur, free lance writer and business consultant. He is a promoter of many successful business enterprises. Currently, he is also the president of "Associates Assistance Advertising Company", with membership in the chamber of commerce, and the American Advertising Federation, 1225 Connecticut Ave. N.W., Washington, D.C. 20036.

In all his business dealings Mr. Cagney adheres to his life long motto ... "plain talk & common sense, with no fancy double talk".

References are many ... including ... Greater Cincinnati Chamber of Commerce, 120 W. 5th St. Cinti. O. 45202 ... Southern Ohio Bank, Western Hills Branch, 5100 Glenway Ave., Cinti. O. 45238 ... Edwin A. Wesselman, Attorney at Law, 3526 Glenmore Ave., Cinti. O. 45211 ... Earl's Printing Co. 3520 Harrison Ave., Cinti. O. 45211 ... Fraternity Printing Co., 1718 Blue Rock St., Cinti. O. 45223 ... Clifford Oliver Accounting Co. 3139 Harrison Ave., Cinti. O. 45211 ... Steinhauser Inc., 926 Wareham Dr., Cinti, O. 45202 ... A-R-N Carton & Pkg Co. Inc., 435 Reading Rd., Cinti. O. 45202 ... The Printery, 6500 Glenway Ave., Cinti. O. 45238 ... B.E.M. Mfg. Inc., 2350 Lafayette Ave., Bronx, N.Y. 10473 ... Cincinnati Container Co. Inc., 2833 Spring Grove Ave., Cincinnati, O. 45225.

THANK YOU FOR TAKING TIME TO READ THIS IMPORTANT NOTIFICATION

WORLDWIDE CYCLING ASSOCIATION,
4939 GLENWAY AVE.,
Cincinnati, Ohio.

CASH—$200.00 REWARD

For any information or assistance leading to the arrest, conviction in open court on public record, sentencing and incarceration of any individual or group of individuals found guilty of stealing an active WWCA member's properly registered and permanently marked bicycle.

(Member is to file, written, signed theft report with his or her local police department ... and then send a notarized duplicate copy to WWCA Int. Hq., Reward Division.)

And ... up to an additional total of $200.00 in Cash Reward Bonuses for notification (letter or phone call to Int. Hq.) and/or assistance in the return of a stolen bicycle belonging to an active WWCA member, that has been properly reported to Police and WWCA (as per above instructions) and is registered and is permanently marked with assigned "WW" numbers according to WWCA specifications.

Anybody is eligible for this reward ... young or old; private citizen or individual law enforcement, police officers and/or departments and organizations.

WE CAN STOP BIKE THEFTS

What are policemen made of?

A policeman is a composition of what all men are, a mingling of saint and sinner, dust and deity.

Less than one-half of 1% of policemen misfit that uniform.

He of all men is at once the most needed and most unwanted.

A policeman must be such a diplomat that he can settle differences between individuals so that each will think he won.

But ...

If a policeman is pleasant, he's a flirt; if he's not, he's a grouch.

He must be able to start breathing, stop bleeding, tie splints and above all be sure the victim goes home without a limp ... or expect to be sued.

An officer must know every gun, draw on the run, and hit where it doesn't hurt.

He must be able to whip two men twice his size and half his age without being 'brutal'.

If you hit him, he's a coward; if he hits you, he's a bully.

He must know where all the sin is ... and not partake.

The policeman must chase bum leads to a dead end, stake out 10 nights to find one witness who saw it happen ... but refuses to remember.

The policeman must be a minister, a social worker, a diplomat, a tough guy and a gentleman.

And, of course, he'll have to be a genius. ...

For he'll have to feed a family on a policeman's salary.

To ... All Law Enforcement Agencies:

Please read over the "News Release".

WWCA has been founded to provide a much needed service in your community—and communities all over the world—a Central Registration System for Bicycles. This is an additional supplement to any City, State, or Local Registrations that a community may already have.

Through our system of Police Approved engraving of permanent Registration Numbers ... applied to at least four (4) places on the bicycle ... we Now have a Central identification Registration System.

All WWCA Registration Numbers Begin With the Letters "WW".

Any WWCA Registered Bike can now easily be traced to its rightful owner ... no matter what the City or State of origin. A simple glance or inspection of any 'recovered' Bike will 'tell' you that you can simply call or write WWCA for complete ownership documentation.

So ... if you presently have any Bicycles in your custody that are engraved with a set of numbers beginning with the letters "WW", please write or call us and we will furnish you with the name and address of the rightful owner. The same goes for any individual parts or pieces of a dis-assembled bike with the code letters on them. (Now and Future.)

Through this Notification program, a WWCA registered Bike can NEVER be sold at an auction because the lawful owner is not known.

And ... WWCA Provides a Cash Reward and Bonus (as listed above). This money can be used for whatever purpose an individual or department sees fit ... personal, charity, or retirement fund.

Our aim is to have every bicycle in the Nation properly registered and engraved with our WW numbers (and then other Nations).

We are accomplishing this goal through the cooperation of Civic minded individuals, Businesses and Lawmen as listed on the enclosed New Release, and through our WWCA Directors located in areas throughout the Country. Your cooperation in this Registration Program for our Central Files is most urgently needed.

Please Feel Free to Write Us for Any Information That You May Wish ... or Contact Our Local WWCA Director Who Is Listed Below.

Your Local WWCA Director Is: William M. Peterson, 3806 Turner Rd., Leavittsburg, Oh. 44430.

CURRENT STATUS OF U.S.-FLAG TANKERS

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. DOWNING of Virginia. Mr. Speaker, as all my distinguished colleagues are well aware, the Nation still faces grave problems concerning energy resources and continues to grapple with the question of how to deal with dwindling domestic fuel supplies. Relative to that question are the current status and the future of U.S.-flag tankers.

In that connection, Mr. Speaker, I would like to take this opportunity to share with my colleagues some very timely, pertinent, and thoughtful observations on the subject of U.S.-flag tankers. I commend to my colleagues the remarks of Mr. Michael R. Naess, executive vice president and director of the Zapata Corp., made February 3, 1976, before the Norwegian-American Chamber of Commerce in Houston, Tex.:

U.S.-FLAG TANKERS: DEAD, OR JUST DORMANT?

(By Michael R. Naess)

By way of preliminary remarks, let me make it quite clear that I am not an expert on U.S. flag shipping, or in fact on anything else. There are only two kinds of experts these days: University professors, and Congressional committee chairmen. For the moment at least, I am neither of these. In fact the only characteristic that qualifies me in any way to stand before you today is the fifty percent or so of Norweigian blood that I seem to have inherited.

Now, some definitions. Because this is a Norwegian-American Chamber of Commerce, and because many of you for that reason are oriented towards Norwegian commerce, and because shipping has traditionally played so dominant a role in Norwegian business, I have chosen to talk briefly about U.S. flag shipping. Here, when I talk about shipping, I am talking about bulk shipping. I know nothing and have never had anything to do with the general cargo business. Furthermore, I am even more specifically concerning myself with U.S. flag bulk shipping in international commerce. As most of you know, the U.S. coastwise trades are protected from foreign competition by the Jones Act. As far as tankers are concerned, the future of the U.S. coastwise trade can today be summarized in a single question: will the decline in domestic oil production and the resultant decline in the movement of crude from the Gulf to East Coast refineries be adequately offset, in terms of tonnage requirements, by the coming on-stream of Alaskan crude and its movement down coast to refineries and pipeline outlets, mainly in California? I think the answer to that question is a cautious yes; but the Alaskan trade will be no windfall for private independent owners. It will, rather, be carefully controlled by relatively few major oil companies, in particular those which are producing and selling the North Slope crude.

Having dealt perhaps in over-simplified fashion with the coastwise trade, I will now confine my remarks to the prospects for U.S. flag tankers in the foreign comerce of the U.S. Is the industry dead, or just dormant? Now let us pause to review some background. Without any question, the milestone event in the history of the U.S. bulk shipping industry was the Merchant Marine Act of 1970, which is more properly defined as an amendment passed in 1970 to the original 1936 Merchant Marine Act. The effect of this amendment was to grant numerous governmental aids to U.S. flag bulk ships. These aids, for the most part, had previously been available only to general cargo vessels. For those of you who may not be aware of this program, let me briefly list the major forms of assistance made available in 1970:

1. *Construction Differential Subsidy,* affectionately known as CDS, under which the government pays to the shipyard the difference between the U.S. selling price (including a fair profit to the yard) and the prevailing price at the time for a comparable foreign-built ship. The object of the exercise is to put the U.S. owner at parity with his foreign competition, at least on a replacement cost basis. The replacement cost aspect of the CDS mechanism is of critical importance today, and I will return to discuss it more fully shortly.

2. *Operating Differential Subsidy (ODS):* Same principle as CDS, where MARAD will pay the owner on an annual basis, and in cash, the amount by which the owner's operating costs under the U.S. flag exceed a reasonable assessment of foreign flag operating costs for comparable vessels in similar trades.

3. *Title XI. Financing Guarantees:* The Federal Government will guarantee First Mortgage debt secured by the vessel in an amount varying from between 75 percent and a maximum of 87½ percent of the delivered cost of the vessel for periods of up to 25 years. Back in our foreign-flag shipping days, we were happily accustomed to expect, as the best possible financing, the old Japanese formula which held steady for almost 20 years from 1950 to just short of 1970, and this was 80 percent of the yard selling price for the vessel repayable over eight years at 5½ percent. Certainly the Title XI program, which effectively provides 20-year financing at the government's long term borrowing rate plus a small fee, is infinitely better than anything we have worked with under foreign flag.

4. *Capital Construction Fund:* This is a device basically offered to a U.S. flag ship owner by MARAD, with the consent of the Treasury, whereby an owner can deposit all of his taxable income (if indeed he has any, a rare phenomenon these days) into a Fund, and perhaps indefinitely defer his tax liability. Any interest earned on such deposits to the Fund is also tax free. Any funds withdrawn from the Capital Construction Fund for purposes of reinvestment in a new vessel are withdrawn without tax implications except that the depreciable basis in the new vessel is reduced by the amount withdrawn from the Fund. Under our good old foreign flag days, we sailed under the flags of Liberia, Panama, and Bermuda, and we paid no taxes. The only respect in which the Capital Construction Fund is inferior to a tax haven registry is that it involves substantial red tape, is cumbersome to administer, and as already stated, subjects the owner to some restrictions on the use of his funds.

Let me sumarize these four key aids: With the benefit of CDS and ODS the U.S. flag owner, at least theoretically, sails on a basis where his costs have been equated to those of his foreign competition. With the benefit of Title XI, his debt service on an annual basis, again theoretically, is lower than that of his foreign competition. And with the Capital Construction Fund, he is almost as tax-free as his foreign competition. As a package, it is extremely impressive.

The passage of the 1970 amendment, after a slight delay during which everyone looked for hidden hookers and found virtually none, produced a scramble of orders for those few U.S. shipyards who cranked up and went after private work. In the period through June of 1974 an impressive number of tankers, OBO's, products vessels, and LNG carriers were ordered from shipyards such as Avondale in New Orleans, Newport News in Virginia, Bethlehem at Sparrows Point, Sun at Chester, Pennsylvania, Quincy, MA, Todd at LA and NASSCO in San Diego. Seatrain even set out to revitalize the old Brooklyn Navy Yard to produce a series of 225,000 ton VLCCs. Some of these vessels admittedly were ordered without CDS for the Alaskan crude trade, or by major oil companies without Title XI. Notwithstanding these mitigating considerations, the program initiated by the 1970 Act, the goal of which was to create a significant expansion in the U.S.-flag share of our bulk movements, both imports and exports, jumped off to an impressive start. We at Zapata took careful note. Although at the time we were operating a 40-ship fleet under foreign-flag, and were committed to the construction of over $100 million worth of new foreign vessels, we were attracted by the U.S. aid package and we commenced late in 1970 to study opportunities under U.S. registry. As most of you know, at that point in time the tanker market was booming. Worldwide economic growth, and in particular world oil consumption, had been registering historically high levels of growth since 1968 and were projected by most rosy-eyed analysts to continue at the same rate of growth indefinitely.

In the summer of 1973 we at Zapata concluded that if the world tanker industry were not at its high, then it was not far from it. In addition, we were extremely concerned that the pronouncements by OPEC countries to the effect that they intended to integrate downstream, including the shipping phase of the industry, were sincere and as a result we sold our entire foreign-flag operation for a value in excess of $200 million, and committed ourselves publicly to investing in U.S.-flag tankers.

As of today, we have in operation or under construction, five U.S.-flag tankers worth at cost in excess of $150 million. As you know, we are also a major offshore drilling contractor. These two of our businesses—offshore drilling and the tanker industry—are supposed to be reciprocally related, and what's bad news for one is supposed to be good news for the other. When there is a great deal of offshore exploration activity, that's good for our drilling and service boat operations; but when exploration results in discoveries followed by increased oil production in any area of the world that is geographically close to a center of consumption, that is bad for the tanker business. As of today, in a somewhat unusual, and we hope temporary set of circumstances, we are confronted with a hopelessly depressed tanker market combined with a sadly deteriorated offshore drilling market.

Last year the Congress passed the Tax Reduction Act of 1975, the primary purpose of which was stated to be the stimulation of our economy. But as you know, at the last minute the Act was expanded to include provisions which almost completely eliminated the depletion allowance, adversely affected the tax deductibility in the U.S. of taxes paid on foreign operations, and limited the deductibility of intangible drilling costs. The aggregate effect of these provisions was to increase the Federal income taxes currenty payable by the oil industry by an amount estimated at $1.6 billion per annum. With price controls on old crude production, as well as continuing regulation of interstate gas sales, the increases in the industry's tax bill produced an almost equivalent decrease in the industry's net cash flow, the direct consequence of which was a reduction, again by an almost equivalent amount, in exploration and development. The vast majority of this country's undiscovered oil and gas reserves lie offshore; but this is also the highest-cost area for exploration, development, and later production. As a general rule, our customers in the offshore drilling business reduced their offshore exploration budgets in 1975 by amounts ranging from 20–40 percent. More recently. President Ford signed into law the compromise, omnibus Energy Bill and as a result of the consequent prolongation of unrealistic crude price controls, the industry may be forced into more budget cuts. That is what I call bad news for our drilling business. Incidentally, it may also be bad news for each of us as future energy consumers.

But it should be good news for tanker owners, since reduction of exploration today must inevitably mean less domestic oil production in the future. And that means more oil imports than would otherwise be the case. However, the international tanker industry is presently in what may well be the worst depression in its history. Freight rates currently stand at levels which mean losses for even the most competitive foreign-flag tankers built at the cheap prices prevailing a decade ago. Lay-up statistics are heading for new highs. During the last twelve months, something over 50 million deadweight tons of tanker orders have been cancelled officially and unofficially around the world Some industry experts are predicting that even if cancellation totals reach 60 million tons, there will nevertheless be a surplus of tanker tonnage throughout the remainder of the 70's. This situation, as bad as it is for everyone in the business, is particularly distressing for the U.S. tanker industry, since we had only just begun to build our momentum. One of the most fundamental points which seems most often ignored in the long standing controversy over the cost effectiveness of U.S. flag tankers is that by definition, U.S. flag tankers, even with the full benefit package extended to them by the Merchant Marine Act of 1970, cannot compete with older foreign-built tonnage *in the short run*. The reason is that we started so late, and that Murphy's law of inflation always penalizes the most recent ship to be built, at least for awhile For example, U.S.-built VLCC's, ranging in size from 225,000 to 390,000 deadweight tons and scheduled for delivery over the next few years, will cost their owners over $200 per ton even after subsidy, compared to a current average cost of $120 per ton for the foreign-built fleet which includes 200,000 tonners delivered in the late 1960's at $70 per ton. But in the longer run, the older and cheaper foreign-flag vessels must necessarily depreciate, deteriorate, grow more costly to operate, and eventually phase out. With the benefits of CDS, ODS, and Title XI, the U.S. flag fleet would soon have become competitive internationally. The initial cost disadvantage would have been, in effect, the cost of a late start, and would gradually have disappeared. In this context the bill known as HR 8193, entitled the Energy Transportation Security Act, and commonly referred to as the Cargo Preference Act, could have been viewed as the gentle nudge required to urge a growing infant to its feet and start it walking on its own. The Congress passed the bill in 1974 with healthy margins in both houses. But where the Congress, through taxes and price controls ensures a higher level of oil imports in the future than would otherwise be the case, the President, through his veto of HR 8193 in January of 1975 told us not to worry about more ships—at least U.S flag, U.S. built ones. As a result, the growth of U.S. flag tankers intended for international trading has staggered to a complete stop. No such tankers have been ordered since June 29, 1974. The industry is, in fact, regressing through cancellation of old orders. The President must believe that there will always be plenty of low cost foreign-flag vessels to handle whatever level of oil imports this country may require.

What he and others may be ignoring is the fact that in the current depression, the only people, who are expanding their tanker fleets through acquisitions and new orders—and they're doing it at an accelerating pace—are the oil exporting countries. They do so as part of an understandable, highly predictable, in fact almost inevitable effort to integrate their oil production industries downstream towards their markets. During the debate in Congress over HR 8193, the testimony of the Departments of State and Defense vigorously denied any strategic value whatsoever in substituting U.S. registry for foreign registry of tankers engaged in the movement of U.S. oil imports. I think they overlooked something. As the oil exporting nations' ownership and control of the world tanker fleet grows, displacing the control of the importing nations, an interesting but alarming prospect emerges. In the case of the oil embargo of late 1973, the point at which our oil supplies were cut off was at the various load ports in the Middle East. The tankers which were then loaded and underway kept coming. That meant, in effect, a floating pipeline of continuing supplies about 35 days long. That was 35 days worth of time to react to the embargo—time to prepare plans, to seek alternative solutions, to tighten our belts. But to whatever extent the oil exporting nations control the tanker fleets of tomorrow, then to that extent the cutoff point for our supplies in the next embargo, when and if it occurs, will be at our very coastline. And to that same extent, we will have lost our reaction time. Given the pace at which Washington seems normally to operate, the loss could be a very real one.

Let me conclude:

Without some form of cargo preference to provide incubator time, the U.S. flag tanker industry will remain dormant for a long time; and if you're dormant for long enough, you might as well be dead. The replacement-cost basis for CDS is of no value when, during the next few years, tankers will change hands at foreclosure values, and their new owners' cost bases will be one-third or less of current replacement cost levels. The old Cargo Preference Bill was cumbersomely drafted and did perhaps seek to do all things for all men to an impractical extreme; but its primary objective was valid. The statistics on U.S. oil imports for 1975 show us back where we were before the 1973 embargo, at about 6 million barrels per day. In 1976, we will import more than 7 million barrels per day. Even with the help of our Alaskan production, our 1980 imports must surely exceed 10 million barrels per day. Free trade, and in particular, freedom of maritime trade, is a principle upon which the great fleets of Norway, Greece, Hong Kong, Liberia, and many others, have been founded, and I continue to support it. But *not* for oil in a world where oil, as of October 1973, is a strategic commodity and an instrument of certain nations' foreign policy. The U.S. cannot safely continue to confine itself to moving, under its own registry, less than five percent of its own oil imports. Hence, I believe, cargo preference must and will come, and as a result, the U.S. flag tanker industry will wake up.

THE ANTI-CHILE CAMPAIGN; THE NICH ORGANIZATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1976

Mr. McDONALD of Georgia. Mr. Speaker, since the fall of the Marxist Popular Unity government in Chile in September 1973, a few short weeks before Salvador Allende's Soviet and Cuban backed supporters intended to stage an armed uprising to make, as the Leninists like to say, the course of the Chilean revolution "irreversible," an international support apparatus has been established to aid the cause of the Marxist-Leninists in Chile. In the United States, support for the deposed Chilean revolutionaries and terrorists has been developed by three main U.S. revolutionary groupings: the Trotskyist Communist Socialist Workers Party—SWP—through its front, the U.S. Committee for Justice to Latin American Political Prisoners—USLA—the Communist Party, U.S.A.—CPUSA—through its National Coordinating Center in Solidarity with Chile—NCCSC—and local Chile Solidarity Committees; and the New Left and Castroites through Non-Intervention in Chile—NICH—as well as the NCCSC.

As in the case of the Venceremos Brigade, many of the American New Left revolutionaries who first flocked to support of the Che Guevara and Fidel Castro in the 1960's were found by Cuban standards of behavior to be undisciplined and unreliable because of their drug use and sexual deviancy, and so the Communist Party, U.S.A. is used to oversee Cuban-sponsored projects in the United States. The heavy-handed approach of the CPUSA alienates many potential New Left recruits, and one frequently sees parallel groups being formed to work on the same issue, with subsequent attempts at co-optation.

NICH committees were first noticed in 1973 before the overthrow of the Allende regime, protesting U.S. anti-Allende economic and other policies. Since 1973, NICH committees have been active in Berkeley, Calif.; Washington, D.C.; Cambridge, Mass.; and other areas. While the National Coordinating Committee in Solidarity with Chile had been set up as a national organization early in 1974, with NICH participation, it was not until November 1975, that the NICH groups met to form an official national organization.

National NICH operates from P.O. Box 800, Berkeley, Calif. 94701 (415/548-3221). Local NICH chapters include:

Latin American Solidarity Group-NICH, P.O. Box 7611, Station C, Atlanta, Ga. 30309.

Berkeley NICH, P.O. Box 800, Berkeley, Calif. 94701.

San Francisco NICH, P.O. Box 6669, San Francisco, Calif. 94101.

Seattle NICH, P.O. Box 12074, Seattle, Wash. 98112.

LAPAG-NICH, 2434 Guadalupe, Austin, Tex. 78705.

Chile Action Group-NICH, 1151 Massachusetts Avenue, Cambridge, Mass. 02138.

Buffalo NICH, P.O. Box 40, Norton Union, SUNY, Buffalo, N.Y. 14214.

Washington, D.C. NICH, P.O. Box 32115, Washington, D.C. 20007.

While the NCCSC and the Chile Solidarity Committees principally publicize the statements and personalities of the Chilean Communist Party and its militant Marxist-Leninist partner, the Chilean Socialist Party, who are mostly living abroad, the NICH extensively publicizes the actions of Chile's MIR terrorists.

The MIR—Movimiento de Izquierda Revolucionaria—Movement of the Revolutionary Left—was formed from Chilean Trotskyist, New Left, and Castroite elements who called for immediate armed struggle and terrorism to provoke a revolution in Chile. MIR was extensively armed by the Cubans during Allende's regime. MIR criticized some of Allende's plans as too moderate, but in fact MIR acted as Allende's shock troops and goon squad. Andres Pascal Allende, son of Salvador Allende's sister, Laura, was for years a top MIR leader. After a shootout with Chilean security forces last winter he took refuge in the Costa Rican Embassy. After several months asylum he was granted a safe conduct to Costa Rica.

The MIR is a member of the JCR—Junta Coordinadora Revolucionaria—the Revolutionary Coordinating Committee—the "terrorist international" formed by the MIR of Chile, the ERP of Argentina, the ELN of Bolivia, and the MLN—Tupamaros—of Uruguay. Hundreds of "Miristas" and other extremist Chilean leftists are reportedly receiving guerrilla training from Cuban instructors in camps in isolated areas of Argentina.

The MIR is a member of the Chilean "Anti-Fascist Resistance," composed of the Chilean Communist, Socialist, and other smaller radical parties who had composed Allende's Unidad Popular coalition. The "Resistencia" is backed by the Soviet Union and all of its supporters, principally Cuba; and it is clear that they find the MIRV's Guevarist terrorism useful at the present stage of affairs.

The NICH support of MIR terrorism and revolutionary "anti-imperialism" is clear from its statement of principles: "Non-Intervention in Chile supports the Chilean resistance in its struggle against the military dictatorship, opposes U.S. intervention in its support of that dictatorship, and expresses solidarity with the united Chilean Left and the international solidarity movement."

The NICH statement continues with an explication of "proletarian internationalism" and a demonstration of its Leninist ideology: "NICH sees Chile solidarity work as part of the growing struggle against U.S. imperialism. The organization believes that the firmest basis of solidarity with the Chilean resistance is the recognition that we and the Chilean resistance fighters are 'companeros de lucha'—comrades in struggle, against a common enemy. This enemy is the system of imperialism which, as the monopoly stage of capitalism, exploits workers both here and in Chile. Hence, NICH's strategy of anti-imperialist solidarity work is based on the needs and development of the resistance in Chile and of the U.S. working class movement."

The NICH statement clearly indicates

that the group accepts a Marxist-Leninist ideology. NICH's proclaiming itself at the service of the "resistance" in Chile is a cause for concern. "Solidarity" work by U.S. revolutionaries has ranged from showing revolutionary movies to picket lines to bombings such as those already carried out by the Weather Underground Organization and other New Left terrorist groups.

The close connection between the NICH and the Cubans is documented by a letter received in January, 1976, by "companero"—comrade—Bob High of NICH from the Havana-based Committee of Solidarity with the Chilean Antifascist Resistance. Signed by solidarity committee president Francisco Fernandez, the letter commended the transformation of NICH into a national organization. Fernandez wrote, "We are aware of the importance of remaining in the closest contact," and offered "every kind of information that may help your solidarity work," and said that he expected to receive information in return from NICH.

NICH publishes a Chile Newsletter, now in a tabloid format, for $5 a year from its Berkeley address. The NICH political position statement, "Political Perspectives," is also available. NICH has listed approved "resource" groups and Chile support committees which include:

National Coordinating Center in Solidarity with Chile—NCCSC—156 Fifth Avenue, Room 516, New York, N.Y. 10010 (212/989-0085).

New York Chile Solidarity Committee, 156 Fifth Avenue, Room 322, New York, N.Y. 10010.

North American Congress on Latin America (NACLA), P.O. Box 226, Berkeley, Calif. 94701; and P.O. Box 57, Cathedral Station, New York, N.Y. 10025.

CALA, 731 State Street, Madison, Wis. 53703.

Chicago Citizens Committee To Save Lives in Chile, 1600 S. 14th Avenue, Maywood, Ill. 60153.

Philadelphia Chile Emergency Committee, 610 S. 6th Street, Philadelphia, Pa.

LAGLAS, c/o ECM, 2208 Tuller Road, Los Angeles, Calif. 90032.

Information Services on Latin America—ISLA—P.O. Box 4267, Berkeley, Calif. 94704—provides monthly press clippings of all articles on Chile for $6/month.

Among the publications recommended by NICH are the Resistance Courier, the "bulletin of the MIR outside Chile," which is available for a $10 subscription from Resistance Publications, P.O. Box 116, Oakland, Calif. 94604.

NICH's role as a support apparatus for foreign Communist terrorists and its connection with a hostile foreign power make it an appropriate subject for close monitoring by both local and Federal agencies.